

Commissioners:
Robert Tucker, Chairman
Deborah Duncan
Roy McGregor

South Hopkins Water District

Phone 270-797-5760
Fax 270-797-3800
129 S. Main St. P. O. Box 487
Dawson Springs, KY 42408

RECEIVED

NOV 21 2018

PUBLIC SERVICE
COMMISSION

November 21, 2018

Ms. Gwen R. Pinson
Executive Director
Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RE: ARF Application - Water Rates
South Hopkins Water District

Dear Ms. Pinson:

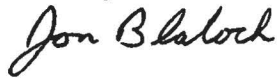
Enclosed for filing are the original and five (5) copies of the South Hopkins Water District's ARF Application for an adjustment to its retail water rates. The ARF Application is being filed pursuant to 807 KAR 5:076.

The ARF Application uses calendar year 2017 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 southhopkinswate@bellsouth.net.

Yours truly,



Jon Blalock
Superintendent

Enclosures
cc: Office of the Attorney General, Rate Intervention

ARF FORM-1 July 2014

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|--|
| SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY |
|--|

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

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

RECEIVED

NOV 21 2018

PUBLIC SERVICE
COMMISSION

South Hopkins Water District

(Name of Utility)

129 South Main Street

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

Dawson Springs, KY 42408

(Business Mailing Address - City State and Zip)

270-797-5760

*(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:

Roy McGregor, Chairman

(Name)

129 South Main Street

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

Dawson Springs, KY 42408

(Address - City State Zip)

270-797-5760

(Telephone Number)

southhopkinswate@bellsouth.net

(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 type="checkbox"/> | <input checked="" 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.)**

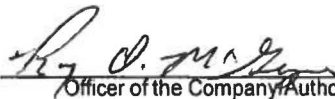
YES NO N/A

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, 2017.
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 \$ 88,581 and total revenues from service rates of \$ 1,176,350. 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 3,002 +/- customers.
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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant is required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| c. Applicant's most recent state and federal tax returns are attached to this Application. (Attach a copy of returns.) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. Approximately <u>- 0 -</u> (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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

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 11/19/18

COMMONWEALTH OF KENTUCKY
 COUNTY OF Hopkins

Before me appeared Roy McGregor, 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.

Manjanna Purdy 543729
 Notary Public
 My commission expires: 01/22/2022

LIST OF ATTACHMENTS
South Hopkins Water District

1. Customer Notice of Proposed Rate Adjustment
2. Reasons for Application
3. Current and Proposed Rates
4. Statement of Adjusted Operations and Revenue Requirements Calculation with the following attachments:
 - a. References
 - b. Table A - Depreciation Expense Adjustments
 - c. Table B - Debt Service Schedule
5. Current Billing Analysis
6. Proposed Billing Analysis
7. Depreciation Schedule
8. Outstanding Debt Instruments
 - a. USDA Bonds Series 1994A and 1994B
 - b. KIA Loan
9. Amortization Schedules
 - a. USDA Bonds Series 1994A
 - b. USDA Bonds Series 1994B
 - c. KIA Loan
10. Statements of Disclosure of Related Party Transactions
11. Board Resolution

Attachment 1

CUSTOMER NOTICE

Notice is hereby given that the South Hopkins Water District expects to file an application on or about November 28, 2018 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

| <u>Minimum Bills Based on Meter Size</u> | | | | | |
|--|-------------------------------------|----------------------|-----------------|----------------------------|-----------------------------|
| <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 | 1,000 | \$ 11.74 | \$ 12.62 | \$ 0.88 | 7.5% |
| 1 inch | 10,000 | 68.06 | 73.19 | 5.13 | 7.5% |
| 2 inch | 20,000 | 126.30 | 135.79 | 9.49 | 7.5% |
| 3 inch | 50,000 | 287.64 | 309.19 | 21.55 | 7.5% |

| <u>Rates for Water Usage in Addition to Minimum</u> | | | | | |
|---|-------------------------------|-----------------|----------------------------|-----------------------------|--|
| <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 1,000 Gallons (lump sum) | \$ 11.74 | \$ 12.62 | \$ 0.88 | 7.5% | |
| Next 9,000 Gallons | 6.26 | 6.73 | 0.47 | 7.5% | |
| Next 10,000 Gallons | 5.82 | 6.26 | 0.44 | 7.6% | |
| Next 30,000 Gallons | 5.38 | 5.78 | 0.40 | 7.4% | |
| Over 50,000 Gallons | 4.55 | 4.89 | 0.34 | 7.5% | |

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 \$24.26 to \$26.08. This is an increase of \$1.82 or 7.5%.

The rates contained in this notice are the rates proposed by South Hopkins 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.

South Hopkins 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 South Hopkins Water District's office located at 129 South Main Street, Dawson Springs, KY 42408. You may contact the office at 270-797-5760.

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.

Attachment 2

Reasons for Application

South Hopkins Water District (the “District”) is requesting an 7.5 percent rate increase for its retail water customers. The water rate increase will generate an approximate total of \$88.581 in additional annual revenue.

The District needs this rate increase for the following reasons:

1. To enable the District to pay its annual principal payments on its existing long term debt from water revenue rather than from depreciation reserves;
2. To enable the District to meet the requirements set forth in its existing debt instruments;
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.

Attachment 3

CURRENT AND PROPOSED RATES
South Hopkins Water District

Current Rates

Minimum Bills Based on Meter Size

| <u>Meter Size</u> | <u>Gals. incl'd. in Minimum</u> | <u>Minimum Monthly Bill</u> |
|-------------------|-------------------------------------|---------------------------------|
| 5/8 x 3/4 inch | 1,000 | \$ 11.74 |
| 1 inch | 10,000 | 68.06 |
| 2 inch | 20,000 | 126.30 |
| 3 inch | 50,000 | 287.64 |

Rates for Water Usage in Addition to Minimum

| <u>No. of Gallons per Month</u> | <u>Charge per 1,000 gals.</u> |
|---------------------------------|-----------------------------------|
| First 1,000 Gallons (lump sum) | \$ 11.74 |
| Next 9,000 Gallons | 6.26 |
| Next 10,000 Gallons | 5.82 |
| Next 30,000 Gallons | 5.38 |
| Over 50,000 Gallons | 4.55 |

WHOLESALE CUSTOMERS

| | |
|---------------|---------|
| All Customers | \$ 2.69 |
|---------------|---------|

Proposed Rates

Minimum Bills Based on Meter Size

| <u>Meter Size</u> | <u>Gals. incl'd. in Minimum</u> | <u>Minimum Monthly Bill</u> |
|-------------------|-------------------------------------|---------------------------------|
| 5/8 x 3/4 inch | 1,000 | \$ 12.62 |
| 1 inch | 10,000 | 73.19 |
| 2 inch | 20,000 | 135.79 |
| 3 inch | 50,000 | 309.19 |

Rates for Water Usage in Addition to Minimum

| <u>No. of Gallons per Month</u> | <u>Charge per 1,000 gals.</u> |
|---------------------------------|-----------------------------------|
| First 1,000 Gallons (lump sum) | \$ 12.62 |
| Next 9,000 Gallons | 6.73 |
| Next 10,000 Gallons | 6.26 |
| Next 30,000 Gallons | 5.78 |
| Over 50,000 Gallons | 4.89 |

WHOLESALE CUSTOMERS

| | |
|---------------|---------|
| All Customers | \$ 2.69 |
|---------------|---------|

Attachment 4

SCHEDULE OF ADJUSTED OPERATIONS
South Hopkins Water District

| | <u>Test Year</u> | <u>Adjustments</u> | <u>Ref.</u> | <u>Pro Forma</u> |
|---------------------------------------|---------------------|--------------------|-------------|---------------------|
| <u>Operating Revenues</u> | | | | |
| Total Metered Retail Water Sales | \$ 1,051,658 | \$ 124,692 | a. | \$ 1,176,350 |
| Sales for Resale | 318,895 | | | 318,895 |
| Other Water Revenues: | | | | |
| Forfeited Discounts | 24,950 | | | 24,950 |
| Misc. Service Revenues | 35,344 | | | 35,344 |
| Other Water Revenues | 4,544 | | | 4,544 |
| Total Operating Revenues | \$ 1,435,391 | | | \$ 1,560,083 |
| <u>Operating Expenses</u> | | | | |
| Operation and Maintenance | | | | |
| Salaries and Wages - Employees | 298,515 | | | 298,515 |
| Salaries and Wages - Officers | 18,000 | | | 18,000 |
| Employee Pensions and Benefits | 219,980 | (78,067) | b. | 141,913 |
| Purchased Water | 703,342 | (18,884) | c. | 684,458 |
| Purchased Power | 65,320 | (1,754) | c. | 63,566 |
| Materials and Supplies | 51,597 | | | 51,597 |
| Contractual Services | 25,044 | | | 25,044 |
| Transportation Expenses | 22,256 | | | 22,256 |
| Insurance - General Liability & Other | 29,361 | | | 29,361 |
| Insurance - Workers Comp | 13,037 | | | 13,037 |
| Bad Debt Expense | 9,862 | | | 9,862 |
| Miscellaneous Expenses | 9,973 | | | 9,973 |
| Total Operation and Mnt. Expenses | 1,466,287 | | | 1,367,581 |
| Depreciation Expense | 91,163 | 56,085 | d. | 147,248 |
| Taxes Other Than Income | 28,214 | | | 28,214 |
| Total Operating Expenses | \$ 1,585,664 | | | \$ 1,543,044 |
| Net Utility Operating Income | \$ (150,273) | | | \$ 17,040 |
| Interest Income | 1,968 | | | 1,968 |
| Total Utility Operating Income | \$ (148,305) | | | \$ 19,008 |

REVENUE REQUIREMENTS

| | |
|---|---------------------|
| Pro Forma Operating Expenses | \$ 1,543,044 |
| Plus: Avg. Annual Principal and Interest Payments | e. 89,657 |
| Additional Working Capital | f. 17,931 |
| Overall Revenue Requirement | 1,650,632 |
| Less: Other Water Revenues | 64,838 |
| Interest Income | 1,968 |
| Existing Wholesale Sales Revenue | 318,895 |
| Revenue Required From Retail Rates | 1,264,931 |
| Less: Revenue from Retail Sales at Present Rates | 1,176,350 |
| Required Retail Revenue Increase | \$ 88,581 |
| Percent Increase | 7.5% |

Attachment 4a

REFERENCES

- a. The Current Billing Analysis results in a total retail sales amount of \$1,176,350. This indicates an adjustment to retail sales of \$124,692 is required. This adjustment reflects a full year of billings at the new rate schedule implemented in April 2018.
- b. Due to GASB 68 reporting requirements, the expense reported for the District's retirement plan is \$83,884 more than the actual amount paid to CERS. This amount is deducted. However, the charges for the CERS program have increased by \$5,817 since 2017. The net deduction to retirement plan expense is \$78,067.
- c. District's test year water loss was 17.685 percent. The PSC's maximum allowable loss for rate-making purposes is 15.0 percent. Therefore, the expenses for Purchased Water and Power related to water purchased and pumped above the 15 percent limit must be deducted.
- d. It is the PSC's practice to require an adjustment to a water utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Utilities". Therefore, an adjustment is included to bring asset lives within or near the midpoint of the recommended ranges. In a few cases adjustments may deviate from this to recognize the specific work performed instead of a broad category. Depreciation expenses associated with the current KIA project are also included in this adjustment. See Table A.
- e. The annual debt service payments for the District's bonds and loans are shown in Table B. The 3 year average of these payments is included in the revenue requirement calculation.
- f. The amount shown in Table B for coverage on long term debt is required by the bond resolutions. This is included in the Revenue Requirement as Additional Working Capital.

Attachment 4b

Table A
DEPRECIATION EXPENSE ADJUSTMENTS

| <u>Asset</u> | <u>Date in Service</u> | <u>Original Cost</u> | <u>Reported Life</u> | <u>Depr. Exp.</u> | <u>Proforma Life</u> | <u>Depr. Exp.</u> | <u>Depreciation Expense Adjustment</u> |
|--|------------------------|----------------------|----------------------|-------------------|----------------------|-------------------|--|
| <u>Group #1 Struct & Imprv.</u> | | | | | | | |
| Entire Group | various | \$ 145,033 | various | \$ 1,124 | various | \$ 1,124 | \$ - |
| <u>Group #2 Pumping Equipment</u> | | | | | | | |
| Entire Group prior to 2017 | various | 198,017 | various | 4,708 | various | 4,708 | - |
| 2017 Additions | various | 3,663 | 20 | 148 | 20.0 | 183 | 35 |
| Hwy 62 Pump (KIA Project) | 2018 | 100,000 | | | 20.0 | 5,000 | 5,000 |
| <u>Group #3 Distribution Reservoirs</u> | | | | | | | |
| Entire Group prior to 2006 | various | 274,322 | various | 1,242 | various | 1,242 | - |
| Tank Renovations | 2006-2016 | 332,000 | 30 | 11,066 | 20.0 | 16,600 | 5,534 |
| Tank Renovations (KIA Project) | 2018 | 737,292 | | | 20.0 | 36,865 | 36,865 |
| <u>Group #4 Trans & Dist Mains</u> | | | | | | | |
| Entire Group prior to 2017 | various | 3,736,815 | 65 | 38,630 | 62.5 | 40,175 | 1,545 |
| 2017 Additions | 07/01/17 | 10,489 | 65 | 81 | 62.5 | 168 | 87 |
| <u>Group #5 Meters & Installations</u> | | | | | | | |
| Entire Group prior to 2017 | various | 333,446 | 40 | 6,555 | 40.0 | 6,555 | - |
| 2017 Additions | 07/01/17 | 30,672 | 40 | 383 | 40.0 | 767 | 383 |
| <u>Group #6 Hydrants</u> | | | | | | | |
| Hydrants | various | 56,103 | 40 | 1,049 | 50.0 | 839 | (210) |
| <u>Group #7 Other Plant and Misc.</u> | | | | | | | |
| Entire Group | various | 54,764 | various | 5,855 | various | 5,855 | - |
| <u>Group #8 Office Furn & Equip.</u> | | | | | | | |
| Entire Group | various | 52,561 | various | 1,591 | various | 1,591 | - |
| <u>Group #9 Transportation Equip.</u> | | | | | | | |
| Entire Group | various | 143,049 | 7 | 10,475 | 7 | 10,475 | - |
| <u>Group #10 Tools, Shop, etc.</u> | | | | | | | |
| Entire Group | various | 25,009 | various | 894 | various | 894 | - |
| <u>Group #11 Lab Equipment</u> | | | | | | | |
| Entire Group | various | 3,634 | various | 86 | various | 86 | - |
| <u>Group #12 Power Operated Equip.</u> | | | | | | | |
| Entire Group prior to 2017 | various | 48,284 | various | 270 | various | 270 | - |
| 2017 Additions | various | 2,983 | 10 | 72 | 12.5 | 239 | 167 |
| <u>Group #13 Communication Equip.</u> | | | | | | | |
| Entire Group except below | various | 15,152 | various | 57 | various | 57 | - |
| Telemetry System | 06/30/14 | 111,310 | 25 | 4,452 | 10.0 | 11,131 | 6,679 |
| <u>Group #14 Land & Land Rights</u> | | | | | | | |
| Entire Group | various | 31,915 | | - | | | - |
| <u>Group #15 Other Tangible Plant</u> | | | | | | | |
| Entire Group | various | 60,623 | 25 | 2,425 | 25 | 2,425 | - |
| TOTALS | | \$6,507,135 | | \$ 91,163 | | \$ 147,248 | \$ 56,085 |

Attachment 4c

Table B
DEBT SERVICE SCHEDULE
South Hopkins Water District
CY 2019 - 2021

| | <u>USDA Bonds - 1994A</u> | | | <u>USDA Bonds - 1994B</u> | | | <u>KIA Loan</u> | | | |
|--|---------------------------|-----------------|------------------|---------------------------|-----------------|-----------------|------------------|-----------------|-------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> | <u>Principal</u> | <u>Interest</u> | <u>Fees</u> | <u>Totals</u> |
| 2019 | 18,000 | 19,711 | 37,711 | 2,600 | 2,871 | 5,471 | 32,252 | 13,247 | 1,514 | 47,013 |
| 2020 | 18,000 | 18,901 | 36,901 | 2,700 | 2,752 | 5,452 | 32,819 | 12,680 | 1,449 | 46,948 |
| 2021 | 19,000 | 18,068 | 37,068 | 2,900 | 2,626 | 5,526 | 33,396 | 12,103 | 1,383 | 46,882 |
| Averages | | | \$ 37,227 | | | \$ 5,483 | | | | \$ 46,948 |
| Sum of Averages for Existing Debt | | | | | | | | | | \$ 89,657 |
| Coverage on Long Term Debt | | | | | | | | | | \$ 17,931 |

Attachment 5

**BILLING ANALYSIS WITH 2017 USAGE & EXISTING RATES
South Hopkins Water District**

SUMMARY

| Meter Size | Gallons Sold | Revenue |
|----------------------------|------------------|---------------|
| 5/8 inch | 133,230,822 | \$ 1,040,733 |
| 1 inch | 16,842,816 | 90,796 |
| 2 inch | 11,031,558 | 60,409 |
| 3 inch | <u>3,095,500</u> | <u>14,806</u> |
| Totals | 164,200,696 | \$ 1,206,744 |
| Less Billing Adjustments | | <u>30,394</u> |
| Total Retail Sales Revenue | | \$ 1,176,350 |

5/8 x 3/4 INCH METERS

| | USAGE | BILLS | GALLONS | FIRST 1,000 | NEXT 9,000 | NEXT 10,000 | NEXT 30,000 | ALL OVER 50,000 | TOTAL |
|----------|--------|--------|-------------|----------------|---------------|----------------|----------------|--------------------|-------------|
| FIRST | 1,000 | 6,600 | 2,276,338 | 2,276,338 | - | - | - | - | 2,276,338 |
| NEXT | 9,000 | 27,326 | 98,844,539 | 27,326,000 | 71,518,539 | - | - | - | 98,844,539 |
| NEXT | 10,000 | 1,117 | 14,543,452 | 1,117,000 | 10,053,000 | 3,373,452 | - | - | 14,543,452 |
| NEXT | 30,000 | 265 | 7,378,065 | 265,000 | 2,385,000 | 2,650,000 | 2,078,065 | - | 7,378,065 |
| ALL OVER | 50,000 | 96 | 10,188,428 | 96,000 | 864,000 | 960,000 | 2,880,000 | 5,388,428 | 10,188,428 |
| | | 35,404 | 133,230,822 | 31,080,338 | 84,820,539 | 6,983,452 | 4,958,065 | 5,388,428 | 133,230,822 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|----------|--------|--------|-------------|----------|--------------|
| FIRST | 1,000 | 35,598 | 31,080,338 | \$ 11.74 | \$ 417,921 |
| NEXT | 9,000 | | 84,820,539 | 6.26 | 530,977 |
| NEXT | 10,000 | | 6,983,452 | 5.82 | 40,644 |
| NEXT | 30,000 | | 4,958,065 | 5.38 | 26,674 |
| ALL OVER | 50,000 | | 5,388,428 | 4.55 | 24,517 |
| TOTAL | | 35,598 | 133,230,822 | | \$ 1,040,733 |

1 INCH METERS

| | USAGE | BILLS | GALLONS | FIRST 10,000 | NEXT 10,000 | NEXT 30,000 | OVER 50,000 | TOTAL |
|----------|--------|-------|------------|-----------------|----------------|----------------|----------------|------------|
| FIRST | 10,000 | 94 | 321,526 | 321,526 | | | | 321,526 |
| NEXT | 10,000 | 24 | 326,290 | 240,000 | 86,290 | | | 326,290 |
| NEXT | 30,000 | 36 | 1,114,790 | 360,000 | 360,000 | 394,790 | | 1,114,790 |
| ALL OVER | 50,000 | 116 | 15,080,210 | 1,160,000 | 1,160,000 | 3,480,000 | 9,280,210 | 15,080,210 |
| | | 270 | 16,842,816 | 2,081,526 | 1,606,290 | 3,874,790 | 9,280,210 | 16,842,816 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|----------|--------|-------|------------|----------|-----------|
| FIRST | 10,000 | 270 | 2,081,526 | \$ 68.06 | \$ 18,376 |
| NEXT | 10,000 | | 1,606,290 | 5.82 | 9,349 |
| NEXT | 30,000 | | 3,874,790 | 5.38 | 20,846 |
| ALL OVER | 50,000 | | 9,280,210 | 4.55 | 42,225 |
| TOTAL | | 270 | 16,842,816 | | \$ 90,796 |

2 INCH METERS

| | USAGE | BILLS | GALLONS | FIRST 20,000 | NEXT 30,000 | OVER 50,000 | TOTAL |
|----------|--------|-------|------------|-----------------|----------------|----------------|------------|
| FIRST | 20,000 | 43 | 165,503 | 165,503 | | | 165,503 |
| NEXT | 30,000 | 26 | 936,677 | 520,000 | 416,677 | | 936,677 |
| ALL OVER | 50,000 | 71 | 9,929,378 | 1,420,000 | 2,130,000 | 6,379,378 | 9,929,378 |
| | | 140 | 11,031,558 | 2,105,503 | 2,546,677 | 6,379,378 | 11,031,558 |

REVENUE BY RATE INCREMENT

| | | <u>BILLS</u> | <u>GALLONS</u> | <u>RATE</u> | <u>REVENUE</u> |
|----------|--------|--------------|----------------|-------------|----------------|
| FIRST | 20,000 | 140 | 2,105,503 | \$ 126.30 | \$ 17,682 |
| NEXT | 30,000 | | 2,546,677 | 5.38 | 13,701 |
| ALL OVER | 50,000 | | 6,379,378 | 4.55 | 29,026 |
| TOTAL | | 140 | 11,031,558 | | \$ 60,409 |

3 INCH METERS

| | <u>USAGE</u> | <u>BILLS</u> | <u>GALLONS</u> | <u>FIRST</u> | <u>OVER</u> | <u>TOTAL</u> |
|----------|--------------|--------------|----------------|--------------|-------------|--------------|
| | | | | 50,000 | 50,000 | |
| FIRST | 50,000 | - | - | - | - | - |
| ALL OVER | 50,000 | 12 | 3,095,500 | 600,000 | 2,495,500 | 3,095,500 |
| | | 12 | 3,095,500 | 600,000 | 2,495,500 | 3,095,500 |

REVENUE BY RATE INCREMENT

| | | <u>BILLS</u> | <u>GALLONS</u> | <u>RATE</u> | <u>REVENUE</u> |
|----------|--------|--------------|----------------|-------------|----------------|
| FIRST | 50,000 | 12 | 600,000 | \$ 287.64 | \$ 3,452 |
| ALL OVER | 50,000 | | 2,495,500 | 4.55 | 11,355 |
| TOTAL | | 12 | 3,095,500 | | \$ 14,806 |

Attachment 6

**BILLING ANALYSIS WITH 2017 USAGE & PROPOSED RATES
South Hopkins Water District**

SUMMARY

| Meter Size | Gallons Sold | Revenue |
|----------------------------|------------------|---------------|
| 5/8 inch | 133,230,822 | \$ 1,118,812 |
| 1 inch | 16,842,816 | 97,593 |
| 2 inch | 11,031,558 | 64,926 |
| 3 inch | <u>3,095,500</u> | <u>15,913</u> |
| Totals | 164,200,696 | \$ 1,297,244 |
| Less Billing Adjustments | | <u>32,673</u> |
| Total Retail Sales Revenue | | \$ 1,264,571 |

5/8 x 3/4 INCH METERS

| | USAGE | BILLS | GALLONS | FIRST 1,000 | NEXT 9,000 | NEXT 10,000 | NEXT 30,000 | ALL OVER 50,000 | TOTAL |
|----------|--------|--------|-------------|----------------|---------------|----------------|----------------|--------------------|-------------|
| FIRST | 1,000 | 6,600 | 2,276,338 | 2,276,338 | - | - | - | - | 2,276,338 |
| NEXT | 9,000 | 27,326 | 98,844,539 | 27,326,000 | 71,518,539 | - | - | - | 98,844,539 |
| NEXT | 10,000 | 1,117 | 14,543,452 | 1,117,000 | 10,053,000 | 3,373,452 | - | - | 14,543,452 |
| NEXT | 30,000 | 265 | 7,378,065 | 265,000 | 2,385,000 | 2,650,000 | 2,078,065 | - | 7,378,065 |
| ALL OVER | 50,000 | 96 | 10,188,428 | 96,000 | 864,000 | 960,000 | 2,880,000 | 5,388,428 | 10,188,428 |
| | | 35,404 | 133,230,822 | 31,080,338 | 84,820,539 | 6,983,452 | 4,958,065 | 5,388,428 | 133,230,822 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|----------|--------|--------|-------------|----------|--------------|
| FIRST | 1,000 | 35,598 | 31,080,338 | \$ 12.62 | \$ 449,247 |
| NEXT | 9,000 | | 84,820,539 | 6.73 | 570,842 |
| NEXT | 10,000 | | 6,983,452 | 6.26 | 43,716 |
| NEXT | 30,000 | | 4,958,065 | 5.78 | 28,658 |
| ALL OVER | 50,000 | | 5,388,428 | 4.89 | 26,349 |
| TOTAL | | 35,598 | 133,230,822 | | \$ 1,118,812 |

1 INCH METERS

| | USAGE | BILLS | GALLONS | FIRST 10,000 | NEXT 10,000 | NEXT 30,000 | OVER 50,000 | TOTAL |
|----------|--------|-------|------------|-----------------|----------------|----------------|----------------|------------|
| FIRST | 10,000 | 94 | 321,526 | 321,526 | | | | 321,526 |
| NEXT | 10,000 | 24 | 326,290 | 240,000 | 86,290 | | | 326,290 |
| NEXT | 30,000 | 36 | 1,114,790 | 360,000 | 360,000 | 394,790 | | 1,114,790 |
| ALL OVER | 50,000 | 116 | 15,080,210 | 1,160,000 | 1,160,000 | 3,480,000 | 9,280,210 | 15,080,210 |
| | | 270 | 16,842,816 | 2,081,526 | 1,606,290 | 3,874,790 | 9,280,210 | 16,842,816 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|----------|--------|-------|------------|----------|-----------|
| FIRST | 10,000 | 270 | 2,081,526 | \$ 73.19 | \$ 19,761 |
| NEXT | 10,000 | | 1,606,290 | 6.26 | 10,055 |
| NEXT | 30,000 | | 3,874,790 | 5.78 | 22,396 |
| ALL OVER | 50,000 | | 9,280,210 | 4.89 | 45,380 |
| TOTAL | | 270 | 16,842,816 | | \$ 97,593 |

2 INCH METERS

| | USAGE | BILLS | GALLONS | FIRST 20,000 | NEXT 30,000 | OVER 50,000 | TOTAL |
|----------|--------|-------|------------|-----------------|----------------|----------------|------------|
| FIRST | 20,000 | 43 | 165,503 | 165,503 | | | 165,503 |
| NEXT | 30,000 | 26 | 936,677 | 520,000 | 416,677 | | 936,677 |
| ALL OVER | 50,000 | 71 | 9,929,378 | 1,420,000 | 2,130,000 | 6,379,378 | 9,929,378 |
| | | 140 | 11,031,558 | 2,105,503 | 2,546,677 | 6,379,378 | 11,031,558 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|----------|--------|-------|------------|-----------|-----------|
| FIRST | 20,000 | 140 | 2,105,503 | \$ 135.79 | \$ 19,011 |
| NEXT | 30,000 | | 2,546,677 | 5.78 | 14,720 |
| ALL OVER | 50,000 | | 6,379,378 | 4.89 | 31,195 |
| TOTAL | | 140 | 11,031,558 | | \$ 64,926 |

3 INCH METERS

| | USAGE | BILLS | GALLONS | FIRST 50,000 | OVER 50,000 | TOTAL |
|----------|--------|-------|-----------|-----------------|----------------|-----------|
| FIRST | 50,000 | - | - | - | - | - |
| ALL OVER | 50,000 | 12 | 3,095,500 | 600,000 | 2,495,500 | 3,095,500 |
| | | 12 | 3,095,500 | 600,000 | 2,495,500 | 3,095,500 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|----------|--------|-------|-----------|-----------|-----------|
| FIRST | 50,000 | 12 | 600,000 | \$ 309.19 | \$ 3,710 |
| ALL OVER | 50,000 | | 2,495,500 | 4.89 | 12,203 |
| TOTAL | | 12 | 3,095,500 | | \$ 15,913 |

Attachment 7

WSF/F-2-1

TK 3-3-18

3/3/2018
11:16

South Hopkins Water District
Federal ID #: 61-0701197
Asset Summary - Book Basis
Period Ended 12/31/17

Company: S08
Page: 1

| Num | Loc | Property Description | Acquired | T | Method | Life | Cost/Basis | 179 Exp/AFD | Add SDA | Prior Depr. | Current Depr. | Ending Depr. |
|-------------------------------------|-----|-----------------------------------|----------|---|--------|------|------------|-------------|---------|-------------|---------------|--------------|
| Group # 1 STRUCTURES & IMPROVEMENTS | | | | | | | | | | | | |
| 1 | 1 | 1/2 OFFICE BUILDING | 01/01/82 | N | SL | 20 | 11,250.00 | 0.00 | 0.00 | 11,250.00 | 0.00 | 11,250.00 |
| 2 | 1 | STORAGE BUILDING HWY 62 | 01/01/82 | N | SL | 20 | 26,500.00 | 0.00 | 0.00 | 26,500.00 | 0.00 | 26,500.00 |
| 3 | 1 | NEW ROOF- OFFICE BUILDING | 01/01/83 | N | SL | 20 | 2,342.00 | 0.00 | 0.00 | 2,342.00 | 0.00 | 2,342.00 |
| 4 | 1 | BARN RENOVATION | 07/01/83 | N | SL | 20 | 870.55 | 0.00 | 0.00 | 870.55 | 0.00 | 870.55 |
| 5 | 1 | BARN IMPROVEMENT | 07/01/85 | N | SL | 20 | 5,105.82 | 0.00 | 0.00 | 5,105.82 | 0.00 | 5,105.82 |
| 6 | 1 | FENCING & PARKING | 07/01/88 | N | SL | 15 | 2,851.00 | 0.00 | 0.00 | 2,851.00 | 0.00 | 2,851.00 |
| 7 | 1 | LADDER GUARD | 07/01/90 | N | SL | 20 | 400.00 | 0.00 | 0.00 | 400.00 | 0.00 | 400.00 |
| 8 | 1 | BATHROOM | 07/01/90 | N | SL | 20 | 690.40 | 0.00 | 0.00 | 690.40 | 0.00 | 690.40 |
| 9 | 1 | NEW PUMPHOUSE | 07/01/90 | N | SL | 20 | 34,972.36 | 0.00 | 0.00 | 34,972.36 | 0.00 | 34,972.36 |
| 10 | 1 | FURNACE | 07/01/95 | N | SL | 20 | 1,825.00 | 0.00 | 0.00 | 1,825.00 | 0.00 | 1,825.00 |
| 11 | 1 | PUMPSTATION | 07/01/95 | N | SL | 37.5 | 26,374.90 | 0.00 | 0.00 | 24,709.15 | 104.11 F | 24,813.26 |
| 12 | 1 | DOORS | 07/01/96 | N | SL | 20 | 442.00 | 0.00 | 0.00 | 441.95 | 0.00 | 441.95 |
| 13 | 1 | PUMPING STATION IMPROVEMENTS | 07/01/96 | N | SL | 20 | 680.88 | 0.00 | 0.00 | 680.82 | 0.00 | 680.82 |
| 14 | 1 | ADDITION TO PUMPS | 07/01/96 | N | SL | 20 | 275.72 | 0.00 | 0.00 | 275.72 | 0.00 | 275.72 |
| 15 | 1 | ROOFING | 07/01/97 | N | SL | 10 | 2,413.00 | 0.00 | 0.00 | 2,413.00 | 0.00 | 2,413.00 |
| 16 | 1 | FENCING/GATE | 07/01/98 | N | SL | 15 | 3,075.00 | 0.00 | 0.00 | 3,075.00 | 0.00 | 3,075.00 |
| 17 | 1 | SEPTIC TANK (BARN) | 07/01/00 | N | SL | 10 | 462.00 | 0.00 | 0.00 | 461.90 | 0.00 | 461.90 |
| 18 | 1 | DOORS & INSTALLATI | 07/01/02 | N | SL | 20 | 995.06 | 0.00 | 0.00 | 721.39 | 49.75 | 771.14 |
| 19 | 1 | 18 X 26 CARPORT | 07/01/02 | N | SL | 20 | 1,332.00 | 0.00 | 0.00 | 965.70 | 66.60 | 1,032.30 |
| 20 | 1 | SHELVING AT THE BA | 07/01/03 | N | SL | 20 | 397.14 | 0.00 | 0.00 | 268.10 | 19.86 | 287.96 |
| 21 | 1 | 4' X 8' BARN SIGN | 03/15/04 | N | SL | 10 | 272.00 | 0.00 | 0.00 | 272.00 | 0.00 | 272.00 |
| 22 | 1 | BARN SUPPLY RACKS | 04/15/04 | N | SL | 20 | 391.23 | 0.00 | 0.00 | 249.39 | 19.56 | 268.95 |
| 23 | 1 | BARN PAINT/LABOR | 09/15/04 | N | SL | 20 | 1,084.20 | 0.00 | 0.00 | 668.59 | 54.21 | 722.80 |
| 24 | 1 | BARN SUPPLY RACKS | 06/15/05 | N | SL | 20 | 562.17 | 0.00 | 0.00 | 325.61 | 28.11 | 353.72 |
| 25 | 1 | BARN DOOR | 06/15/05 | N | SL | 20 | 100.00 | 0.00 | 0.00 | 57.92 | 5.00 | 62.92 |
| 26 | 1 | ROOF-OFFICE BUILDING | 06/15/05 | N | SL | 10 | 5,450.00 | 0.00 | 0.00 | 5,449.90 | 0.00 | 5,449.90 |
| 27 | 1 | SIGN - FRONT OF OFFICE | 11/15/06 | N | SL | 10 | 836.36 | 0.00 | 0.00 | 836.36 | 0.00 | 836.36 |
| 28 | 1 | FLOORING IN PUMP STATION | 02/15/07 | N | SL | 20 | 2,765.12 | 0.00 | 0.00 | 1,371.07 | 138.26 | 1,509.33 |
| 29 | 1 | STEEL DOOR - PUMP STATION | 03/15/07 | N | SL | 20 | 652.80 | 0.00 | 0.00 | 320.96 | 32.64 | 353.60 |
| 30 | 1 | ROOFING-BARN | 11/15/08 | N | SL | 10 | 486.75 | 0.00 | 0.00 | 397.55 | 48.68 | 446.23 |
| 31 | 1 | SIDING, OVERHANG R OFFICE BLDG | 08/13/10 | N | SL | 20 | 3,146.00 | 0.00 | 0.00 | 1,009.34 | 157.30 | 1,166.64 |
| 32 | 1 | 1/2 OFFICE TILE | 03/22/11 | N | SL | 10 | 1,975.00 | 0.00 | 0.00 | 1,135.63 | 197.50 | 1,333.13 |
| 33 | 1 | 2 DOORS | 11/02/11 | N | SL | 20 | 1,241.20 | 0.00 | 0.00 | 320.64 | 62.06 | 382.70 |
| 34 | 1 | ADDITION TO STEEL | 05/30/12 | N | SL | 20 | 175.00 | 0.00 | 0.00 | 40.10 | 8.75 | 48.85 |
| 35 | 1 | METAL ROOF | 02/11/13 | N | SL | 15 | 1,540.00 | 0.00 | 0.00 | 402.12 | 102.67 | 504.79 |
| 36 | 1 | 5 WINDOWS/REPLAC | 06/30/14 | N | SL | 37.5 | 1,100.00 | 0.00 | 0.00 | 73.33 | 29.33 | 102.66 |
| Group # 1 Total | | | | | | | 145,032.66 | 0.00 | 0.00 | 133,750.37 | 1,124.39 | 134,874.76 |
| Group # 2 ELECTRIC PUMPING EQUIPMT | | | | | | | | | | | | |
| 1 | 1 | ELECTRIC PUMPING EQUIPMENT | 01/01/74 | N | SL | 40 | 36,137.00 | 0.00 | 0.00 | 36,136.64 | 0.00 | 36,136.64 |
| 2 | 1 | ELECTRIC PUMPING EQUIPMENT | 07/01/77 | N | SL | 29 | 2,179.00 | 0.00 | 0.00 | 2,179.00 | 0.00 | 2,179.00 |
| 3 | 1 | ELECTRIC PUMPING EQUIPMENT | 07/01/82 | N | SL | 20 | 5,020.00 | 0.00 | 0.00 | 5,020.00 | 0.00 | 5,020.00 |

WSF/F-2

TK 3-3-18

3/3/2018
11:16

South Hopkins Water District
Federal ID #: 61-0701197
Asset Summary - Book Basis
Period Ended 12/31/17

Company: S08
Page: 2

| Num | Loc | Property Description | Acquired | T | Method | Life | Cost/Basis | 179 Exp/AFD | Add SDA | Prior Depr. | Current Depr. | Ending Depr. |
|--|-----|----------------------------|----------|---|--------|------|------------|-------------|---------|-------------|---------------|--------------|
| Group # 2 ELECTRIC PUMPING EQUIPMT (Continued) | | | | | | | | | | | | |
| 4 | 1 | ELECTRIC PUMPING EQUIPMENT | 07/01/83 | N | SL | 20 | 3,931.00 | 0.00 | 0.00 | 3,931.00 | 0.00 | 3,931.00 |
| 5 | 1 | ELECTRIC PUMPING EQUIPMENT | 11/15/84 | N | SL | 20 | 129.19 | 0.00 | 0.00 | 129.19 | 0.00 | 129.19 |
| 6 | 1 | PUMP | 12/01/85 | N | SL | 5 | 90.75 | 0.00 | 0.00 | 90.75 | 0.00 | 90.75 |
| 7 | 1 | REBUILT PUMPS | 07/01/87 | N | SL | 5 | 5,693.75 | 0.00 | 0.00 | 5,693.75 | 0.00 | 5,693.75 |
| 8 | 1 | ELECTRIC PUMPING EQUIPMENT | 07/01/88 | N | SL | 20 | 28,715.59 | 0.00 | 0.00 | 28,715.59 | 0.00 | 28,715.59 |
| 9 | 1 | PUMP | 07/01/90 | N | SL | 5 | 90.75 | 0.00 | 0.00 | 90.75 | 0.00 | 90.75 |
| 10 | 1 | PUMPING EQUIPMEN | 12/01/93 | N | SL | 20 | 2,281.00 | 0.00 | 0.00 | 2,281.00 | 0.00 | 2,281.00 |
| 11 | 1 | 15 HP PUMP | 04/01/94 | N | SL | 20 | 1,457.00 | 0.00 | 0.00 | 1,456.79 | 0.00 | 1,456.79 |
| 12 | 1 | PUMP IMPROVEMEN | 07/01/96 | N | SL | 20 | 13,500.00 | 0.00 | 0.00 | 13,500.00 | 0.00 | 13,500.00 |
| 13 | 1 | PUMP MOTOR | 07/01/96 | N | SL | 20 | 1,370.00 | 0.00 | 0.00 | 1,369.75 | 0.00 | 1,369.75 |
| 15 | 1 | PUMP | 07/01/99 | N | SL | 20 | 220.00 | 0.00 | 0.00 | 192.50 | 11.00 | 203.50 |
| 16 | 1 | CHLORINATOR | 07/01/00 | N | SL | 10 | 225.68 | 0.00 | 0.00 | 225.40 | 0.00 | 225.40 |
| 17 | 1 | TWO HYDRO-PNEUM TANK WX251 | 07/01/01 | N | SL | 10 | 1,020.35 | 0.00 | 0.00 | 1,020.35 | 0.00 | 1,020.35 |
| 18 | 1 | CENTREFUGAL PUMP MOTOR | 07/01/01 | N | SL | 10 | 256.85 | 0.00 | 0.00 | 256.85 | 0.00 | 256.85 |
| 19 | 1 | 8XKL 2 STAGE PUMP/MOTOR | 07/01/02 | N | SL | 20 | 4,716.00 | 0.00 | 0.00 | 3,419.10 | 235.80 | 3,654.90 |
| 20 | 1 | X015 PUMP | 07/01/02 | N | SL | 20 | 358.48 | 0.00 | 0.00 | 259.85 | 17.92 | 277.77 |
| 24 | 1 | CHLORMETER | 07/01/03 | N | SL | 10 | 235.00 | 0.00 | 0.00 | 235.00 | 0.00 | 235.00 |
| 25 | 1 | PUMP | 07/01/03 | N | SL | 20 | 337.48 | 0.00 | 0.00 | 227.76 | 16.87 | 244.63 |
| 27 | 1 | REBUILT PUMPS - #1 AND #2 | 02/15/07 | N | SL | 20 | 19,313.27 | 0.00 | 0.00 | 9,576.13 | 965.66 | 10,541.79 |
| 28 | 1 | PUMPING EQUIPMEN | 03/15/07 | N | SL | 20 | 379.11 | 0.00 | 0.00 | 186.44 | 18.96 | 205.40 |
| 29 | 1 | PUMP CONTROLS | 04/15/07 | N | SL | 20 | 9,840.00 | 0.00 | 0.00 | 4,797.00 | 492.00 | 5,289.00 |
| 30 | 1 | CHOR PUMP | 07/15/07 | N | SL | 20 | 226.00 | 0.00 | 0.00 | 107.35 | 11.30 | 118.65 |
| 31 | 1 | TRANSDUCER | 04/15/07 | N | SL | 20 | 422.89 | 0.00 | 0.00 | 206.12 | 21.14 | 227.26 |
| 32 | 1 | REBUILT-2 STAGE PU | 11/15/08 | N | SL | 20 | 5,865.00 | 0.00 | 0.00 | 2,394.88 | 293.25 | 2,688.13 |
| 33 | 1 | PUMP, MOTOR, INSTA | 03/09/10 | N | SL | 20 | 13,938.00 | 0.00 | 0.00 | 5,487.39 | 641.82 F | 6,129.21 |
| 34 | 1 | PUMP | 11/05/10 | N | SL | 20 | 6,458.00 | 0.00 | 0.00 | 2,271.30 | 302.65 F | 2,573.95 |
| 35 | 1 | GV PRESSURE PUMP | 09/30/12 | N | SL | 20 | 572.67 | 0.00 | 0.00 | 131.72 | 28.00 F | 159.72 |
| 36 | 1 | REBUILT PUMP | 10/31/12 | N | SL | 20 | 8,870.00 | 0.00 | 0.00 | 1,847.92 | 443.50 | 2,291.42 |
| 37 | 1 | NEW PUMP MOTOR | 10/31/12 | N | SL | 20 | 371.00 | 0.00 | 0.00 | 83.36 | 18.17 F | 101.53 |
| 38 | 1 | CHRLORINE PUMP | 05/13/13 | N | SL | 20 | 247.00 | 0.00 | 0.00 | 47.61 | 12.21 F | 59.82 |
| 39 | 1 | SUMP PUMPS (2) | 06/26/13 | N | SL | 20 | 229.98 | 0.00 | 0.00 | 41.87 | 11.40 F | 53.27 |
| 40 | 1 | PUMP | 06/30/14 | N | SL | 20 | 855.46 | 0.00 | 0.00 | 106.93 | 42.77 | 149.70 |
| 41 | 1 | P140 MOTOR | 11/30/15 | N | SL | 20 | 510.27 | 0.00 | 0.00 | 27.64 | 25.51 | 53.15 |
| 42 | 1 | PUMP RENOVATIONS | 04/04/16 | N | SL | 20 | 21,953.00 | 0.00 | 0.00 | 823.24 | 1,097.65 | 1,920.89 |
| 43 | 1 | PUMPING EQUIPMEN | 02/15/17 | N | SL | 20 | 1,270.00 | 0.00 | 0.00 | 0.00 | 58.21 | 58.21 |
| 44 | 1 | BOOSTER PUMP IMPROV | 04/15/17 | N | SL | 20 | 2,393.00 | 0.00 | 0.00 | 0.00 | 89.74 | 89.74 |

Group # 2 Total 201,679.52 0.00 0.00 134,567.92 4,855.53 139,423.45

Group # 3 DISTRIBUTION RESERVOIRS

WSF/F-1

| | | | | | | | | | | | | |
|---|---|--------------------|----------|---|----|----|------------|------|------|------------|----------|------------|
| 1 | 1 | DISTRIBUTION RESER | 07/01/72 | N | SL | 40 | 112,250.00 | 0.00 | 0.00 | 112,250.00 | 0.00 | 112,250.00 |
| 2 | 1 | PAINT 3 TANKS | 12/01/85 | N | SL | 5 | 16,200.00 | 0.00 | 0.00 | 16,200.00 | 0.00 | 16,200.00 |
| 3 | 1 | LETTERING | 04/01/89 | N | SL | 10 | 2,057.00 | 0.00 | 0.00 | 2,057.00 | 0.00 | 2,057.00 |
| 4 | 1 | TANK PAINTED | 07/01/91 | N | SL | 5 | 7,000.00 | 0.00 | 0.00 | 7,000.00 | 0.00 | 7,000.00 |
| 5 | 1 | TANK LIGHTS | 07/01/92 | N | SL | 10 | 1,106.00 | 0.00 | 0.00 | 1,106.00 | 0.00 | 1,106.00 |
| 6 | 1 | TANK PAINTING | 07/01/92 | N | SL | 10 | 9,300.00 | 0.00 | 0.00 | 9,300.00 | 0.00 | 9,300.00 |
| 7 | 1 | TANKS-RENOVATION | 07/01/95 | N | SL | 10 | 26,905.00 | 0.00 | 0.00 | 26,905.00 | 0.00 | 26,905.00 |
| 8 | 1 | NEW TANK | 07/01/95 | N | SL | 40 | 49,203.16 | 0.00 | 0.00 | 26,446.71 | 1,230.08 | 27,676.79 |

WSF/F-2-3

TK 3-3-18

3/3/2018
11:16

South Hopkins Water District
Federal ID #: 61-0701197
Asset Summary - Book Basis
Period Ended 12/31/17

Company: S08
Page: 3

| Num | Loc | Property Description | Acquired | T | Method | Life | Cost/Basis | 179 Exp/AFD | Add SDA | Prior Depr. | Current Depr. | Ending Depr. |
|---|-----|-----------------------------------|----------|---|--------|------|--------------|-------------|---------|--------------|---------------|--------------|
| Group # 3 DISTRIBUTION RESERVOIRS (Continued) | | | | | | | | | | | | |
| 9 | 1 | ADDITIONAL COST/ NEW TANK | 07/01/96 | N | SL | 40 | 459.52 | 0.00 | 0.00 | 235.53 | 11.49 | 247.02 |
| 10 | 1 | TANK PAINTED | 07/01/98 | N | SL | 10 | 4,000.00 | 0.00 | 0.00 | 4,000.00 | 0.00 | 4,000.00 |
| 11 | 1 | TANK PAINTED- ST. CHARLES TANK | 07/01/99 | N | SL | 10 | 9,500.00 | 0.00 | 0.00 | 9,500.00 | 0.00 | 9,500.00 |
| 12 | 1 | FENCE & GATE- ST. CHARLES TANK | 07/01/99 | N | SL | 10 | 4,182.00 | 0.00 | 0.00 | 4,181.90 | 0.00 | 4,181.90 |
| 13 | 1 | TANK PAINTED- SOUTHARD TANK | 07/01/99 | N | SL | 10 | 5,500.00 | 0.00 | 0.00 | 5,500.00 | 0.00 | 5,500.00 |
| 14 | 1 | TANK PAINTED- CHARLESTON TANK | 07/01/00 | N | SL | 10 | 8,000.00 | 0.00 | 0.00 | 8,000.00 | 0.00 | 8,000.00 |
| 15 | 1 | RENOVATION- CHARLESTON TANK | 07/01/01 | N | SL | 10 | 18,659.04 | 0.00 | 0.00 | 18,659.04 | 0.00 | 18,659.04 |
| 16 | 1 | TANK RENOVATION | 12/15/06 | N | SL | 30 | 160,320.00 | 0.00 | 0.00 | 53,885.33 | 5,344.00 | 59,229.33 |
| 17 | 1 | TANK RENOVATION | 10/15/07 | N | SL | 30 | 50,372.70 | 0.00 | 0.00 | 15,531.58 | 1,679.09 | 17,210.67 |
| 18 | 1 | TANK RENOVATIONS | 07/31/16 | N | SL | 30 | 121,307.78 | 0.00 | 0.00 | 1,684.83 | 4,043.59 | 5,728.42 |
| Group # 3 Total | | | | | | | 606,322.20 | 0.00 | 0.00 | 322,442.92 | 12,308.25 | 334,751.17 |
| Group # 4 TRANSMISSION & DIST MAINS | | | | | | | WSF/F-1 | | | | | |
| 1 | 1 | TRANS & DIST MAINS | 07/01/74 | N | SL | 65 | 509,773.50 | 0.00 | 0.00 | 486,150.09 | 1,073.79 F | 487,223.88 |
| 2 | 1 | TRANS & DIST MAINS | 07/01/83 | N | SL | 65 | 1,726,051.38 | 0.00 | 0.00 | 1,204,025.85 | 16,839.53 F | 1,220,865.38 |
| 3 | 1 | TRANS & DIST MAINS | 07/01/84 | N | SL | 65 | 22,880.88 | 0.00 | 0.00 | 15,253.89 | 238.34 F | 15,492.23 |
| 4 | 1 | TRANS & DIST MAINS | 07/01/85 | N | SL | 65 | 22,283.90 | 0.00 | 0.00 | 14,374.40 | 239.68 F | 14,614.08 |
| 5 | 1 | TRANS & DIST MAINS | 07/01/86 | N | SL | 65 | 1,031.87 | 0.00 | 0.00 | 643.14 | 11.43 F | 654.57 |
| 6 | 1 | TRANS & DIST MAINS | 07/01/87 | N | SL | 65 | 12,838.70 | 0.00 | 0.00 | 7,721.07 | 146.22 F | 7,867.29 |
| 7 | 1 | TRANS & DIST MAINS | 07/01/88 | N | SL | 65 | 13,522.46 | 0.00 | 0.00 | 7,834.23 | 158.01 F | 7,992.24 |
| 8 | 1 | TRANS & DIST MAINS | 07/01/89 | N | SL | 65 | 610.75 | 0.00 | 0.00 | 340.31 | 7.31 F | 347.62 |
| 9 | 1 | TRANS & DIST MAINS | 07/01/90 | N | SL | 65 | 36,085.18 | 0.00 | 0.00 | 19,301.83 | 441.67 F | 19,743.50 |
| 10 | 1 | TRANS & DIST MAINS | 07/01/91 | N | SL | 65 | 4,500.00 | 0.00 | 0.00 | 2,306.25 | 56.25 F | 2,362.50 |
| 11 | 1 | NEW MAINS | 07/01/92 | N | SL | 65 | 50,355.95 | 0.00 | 0.00 | 24,674.44 | 642.04 F | 25,316.48 |
| 12 | 1 | TRANS & DIST MAINS | 07/01/93 | N | SL | 65 | 6,087.40 | 0.00 | 0.00 | 2,845.30 | 79.08 F | 2,924.38 |
| 13 | 1 | TRANS & DIST MAINS | 10/15/94 | N | SL | 65 | 3,403.27 | 0.00 | 0.00 | 1,496.25 | 45.40 F | 1,541.65 |
| 14 | 1 | TRANS & DIST MAINS | 07/01/95 | N | SL | 65 | 5,463.68 | 0.00 | 0.00 | 2,305.31 | 73.45 F | 2,378.76 |
| 15 | 1 | NEW MAINS | 07/01/95 | N | SL | 65 | 773,337.71 | 0.00 | 0.00 | 326,297.49 | 10,396.29 F | 336,693.78 |
| 16 | 1 | ADDITIONAL COST/ NEW MAINS | 07/01/96 | N | SL | 65 | 26,567.71 | 0.00 | 0.00 | 10,602.52 | 362.85 F | 10,965.37 |
| 17 | 1 | NEW LINES | 07/01/96 | N | SL | 65 | 3,264.94 | 0.00 | 0.00 | 1,302.94 | 44.59 F | 1,347.53 |
| 18 | 1 | NEW LINES AND INSTALLATION | 07/01/97 | N | SL | 65 | 45,016.92 | 0.00 | 0.00 | 16,932.52 | 624.10 F | 17,556.62 |
| 19 | 1 | NEW LINES- SMALL EXTENSIONS | 07/01/98 | N | SL | 65 | 14,889.21 | 0.00 | 0.00 | 5,257.76 | 209.38 F | 5,467.14 |
| 20 | 1 | NEW LINES- SMALL EXTENSIONS | 07/01/99 | N | SL | 65 | 11,317.53 | 0.00 | 0.00 | 3,735.24 | 161.32 F | 3,896.56 |
| 21 | 1 | NEW LINES- SMALL EXTENSIONS | 07/01/00 | N | SL | 65 | 51,673.78 | 0.00 | 0.00 | 15,858.48 | 746.15 F | 16,604.63 |
| 22 | 1 | NEW LINES- SMALL EXTENSIONS | 07/01/01 | N | SL | 65 | 28,313.55 | 0.00 | 0.00 | 8,032.21 | 413.91 F | 8,446.12 |
| 23 | 1 | NEW LINES- SMALL EXTENSIONS | 07/01/02 | N | SL | 65 | 12,792.82 | 0.00 | 0.00 | 3,331.49 | 189.23 F | 3,520.72 |
| 24 | 1 | NEW LINES- SMALL EXTENSIONS | 07/01/03 | N | SL | 65 | 32,313.80 | 0.00 | 0.00 | 7,661.26 | 483.38 F | 8,144.64 |
| 25 | 1 | CURTIS MINE ROAD EXTENSION | 01/15/04 | N | SL | 65 | 16,082.00 | 0.00 | 0.00 | 3,605.45 | 239.93 F | 3,845.38 |
| 26 | 1 | NEW LINES- SMALL EXTENSIONS | 07/01/04 | N | SL | 65 | 7,018.60 | 0.00 | 0.00 | 1,499.97 | 106.13 F | 1,606.10 |

WSF/F-2-4

TU 3-3-18

3/3/2018
12:51

South Hopkins Water District
Federal ID #: 61-0701197
Asset Summary - Book Basis
Period Ended 12/31/17

Company: S08
Page: 4

| Num | Loc | Property Description | Acquired | T | Method | Life | Cost/Basis | 179 Exp/AFD | Add SDA | Prior Depr. | Current Depr. | Ending Depr. |
|---|-----|---|----------|---|--------|------|--------------|-------------|---------|--------------|---------------|--------------|
| Group # 4 TRANSMISSION & DIST MAINS (Continued) | | | | | | | | | | | | |
| 27 | 1 | NEW LINES- SMALL EXTENSIONS | 07/01/05 | N | SL | 65 | 6,312.40 | 0.00 | 0.00 | 1,201.12 | 96.44 F | 1,297.56 |
| 28 | 1 | BUTTERMILK/CAL H ROAD LINE EXTENSION | 07/01/05 | N | SL | 65 | 44,412.49 | 0.00 | 0.00 | 8,450.67 | 678.52 F | 9,129.19 |
| 29 | 1 | VARIOUS NEW LINES | 07/01/06 | N | SL | 65 | 2,643.89 | 0.00 | 0.00 | 440.95 | 40.79 F | 481.74 |
| 30 | 1 | LINES-CLEO YOUNG ROAD & BONE ROAD | 07/30/06 | N | SL | 65 | 1,686.00 | 0.00 | 0.00 | 278.26 | 26.07 F | 304.33 |
| 31 | 1 | LINES-BUTTERMILK | 01/15/06 | N | SL | 65 | 817.90 | 0.00 | 0.00 | 145.05 | 12.46 F | 157.51 |
| 32 | 1 | LINES-FORK SPRINGS RD & LEGATE LANE | 03/31/06 | N | SL | 65 | 28,720.61 | 0.00 | 0.00 | 4,942.01 | 440.35 F | 5,382.36 |
| 33 | 1 | LINES-MCGREGOR RD | 08/31/06 | N | SL | 65 | 16,330.21 | 0.00 | 0.00 | 2,666.39 | 253.03 F | 2,919.42 |
| 34 | 1 | LINES-JIMMY LOVEL | 06/30/06 | N | SL | 65 | 7,553.97 | 0.00 | 0.00 | 1,260.02 | 116.56 F | 1,376.58 |
| 35 | 1 | TRANS & DIST MAINS | 06/15/07 | N | SL | 65 | 4,683.12 | 0.00 | 0.00 | 690.48 | 72.05 | 762.53 |
| 36 | 1 | LINES-ISAAC LANE | 07/17/07 | N | SL | 65 | 10,964.87 | 0.00 | 0.00 | 1,588.50 | 168.69 | 1,757.19 |
| 37 | 1 | LINES-JACK SISK ROA | 12/01/07 | N | SL | 65 | 6,463.53 | 0.00 | 0.00 | 903.25 | 99.44 | 1,002.69 |
| 38 | 1 | LINES-STEARMAN LA | 09/02/08 | N | SL | 65 | 15,328.99 | 0.00 | 0.00 | 1,965.25 | 235.83 | 2,201.08 |
| 39 | 1 | LINES-HUBERT REID/ CONNECTOR RD | 06/01/08 | N | SL | 65 | 5,451.10 | 0.00 | 0.00 | 719.80 | 83.86 | 803.66 |
| 40 | 1 | LINES-HIGHWAY 109 | 06/27/08 | N | SL | 65 | 14,835.87 | 0.00 | 0.00 | 1,940.04 | 228.24 | 2,168.28 |
| 41 | 1 | LINES-BUTTERMILK | 06/20/08 | N | SL | 65 | 13,418.47 | 0.00 | 0.00 | 1,754.74 | 206.44 | 1,961.18 |
| 42 | 1 | LINES-CUNNINGHAM/ PAPPY LANE | 11/13/08 | N | SL | 65 | 2,683.79 | 0.00 | 0.00 | 337.20 | 41.29 | 378.49 |
| 43 | 1 | LINES-JENN MAR/J LO | 05/30/08 | N | SL | 65 | 6,479.54 | 0.00 | 0.00 | 855.67 | 99.69 | 955.36 |
| 44 | 1 | LINES-CUTIS DAVES | 01/15/09 | N | SL | 65 | 3,122.52 | 0.00 | 0.00 | 384.32 | 48.04 | 432.36 |
| 45 | 1 | LINES-LAUREL/UTLE | 03/15/09 | N | SL | 65 | 17,380.55 | 0.00 | 0.00 | 2,094.56 | 267.39 | 2,361.95 |
| 46 | 1 | LINES-BONE ROAD | 07/01/09 | N | SL | 65 | 6,303.82 | 0.00 | 0.00 | 727.35 | 96.98 | 824.33 |
| 47 | 1 | LINES-SAW MILL ROA | 09/01/09 | N | SL | 65 | 10,534.23 | 0.00 | 0.00 | 1,188.51 | 162.07 | 1,350.58 |
| 48 | 1 | LINES-YOUNG | 11/27/12 | N | SL | 65 | 2,132.55 | 0.00 | 0.00 | 133.97 | 32.81 | 166.78 |
| 49 | 1 | I 69/109 LINE RELOCA | 02/04/13 | N | SL | 65 | 51,432.00 | 0.00 | 0.00 | 3,099.10 | 791.26 | 3,890.36 |
| 50 | 1 | I 69/OAK HILL LINE RELOCATION | 04/28/14 | N | SL | 65 | 6,310.00 | 0.00 | 0.00 | 258.88 | 97.08 | 355.96 |
| 51 | 1 | RIALTO MINE RD EX | 07/17/15 | N | SL | 65 | 11,928.33 | 0.00 | 0.00 | 259.97 | 183.51 | 443.48 |
| 52 | 1 | UNION TEMPLE LINE | 09/15/16 | N | SL | 65 | 1,406.76 | 0.00 | 0.00 | 7.21 | 21.64 | 28.85 |
| 53 | 1 | DAYLIGHT LINE EXT | 07/01/17 | N | SL | 65 | 7,576.54 | 0.00 | 0.00 | 0.00 | 58.28 | 58.28 |
| 54 | 1 | KIRKWOOD SPRINGS/ DOCKERY RD LINE EXTENSION | 07/01/17 | N | SL | 65 | 2,912.00 | 0.00 | 0.00 | 0.00 | 22.40 | 22.40 |
| Group # 4 Total | | | | | | | 3,747,303.54 | 0.00 | 0.00 | 2,231,682.96 | 38,710.67 | 2,270,393.63 |

Group # 5 METERS & INSTALLATION

WSF/F-1

| | | | | | | | | | | | | |
|----|---|--------------------|----------|---|----|----|-----------|------|------|-----------|----------|-----------|
| 15 | 1 | METERS | 07/01/92 | N | SL | 40 | 2,372.30 | 0.00 | 0.00 | 1,981.76 | 26.03 F | 2,007.79 |
| 36 | 1 | METERS | 07/01/96 | N | SL | 40 | 477.51 | 0.00 | 0.00 | 477.51 | 0.00 | 477.51 |
| 37 | 1 | METER INSTALLATIO | 07/01/96 | N | SL | 40 | 4,730.00 | 0.00 | 0.00 | 4,730.00 | 0.00 | 4,730.00 |
| 38 | 1 | METERS | 07/01/97 | N | SL | 40 | 10,158.80 | 0.00 | 0.00 | 9,820.36 | 16.92 F | 9,837.28 |
| 39 | 1 | METER INSTALLATIO | 07/01/97 | N | SL | 40 | 5,830.00 | 0.00 | 0.00 | 5,636.00 | 9.70 F | 5,645.70 |
| 40 | 1 | METERS | 07/01/98 | N | SL | 40 | 10,448.24 | 0.00 | 0.00 | 9,386.36 | 50.56 F | 9,436.92 |
| 41 | 1 | METER INSTALLATIO | 07/01/98 | N | SL | 40 | 6,270.00 | 0.00 | 0.00 | 5,633.20 | 30.32 F | 5,663.52 |
| 42 | 1 | METERS | 07/01/99 | N | SL | 40 | 13,975.83 | 0.00 | 0.00 | 11,573.88 | 109.18 F | 11,683.06 |
| 43 | 1 | METER INSTALLATIO | 07/01/99 | N | SL | 40 | 5,500.00 | 0.00 | 0.00 | 4,554.70 | 42.97 F | 4,597.67 |
| 44 | 1 | METERS | 07/01/00 | N | SL | 40 | 6,390.91 | 0.00 | 0.00 | 4,831.89 | 67.78 F | 4,899.67 |
| 45 | 1 | METER INSTALLATIO | 07/01/00 | N | SL | 40 | 4,840.00 | 0.00 | 0.00 | 3,659.30 | 51.33 F | 3,710.63 |
| 46 | 1 | METERS | 07/01/01 | N | SL | 40 | 6,136.80 | 0.00 | 0.00 | 4,187.44 | 81.22 F | 4,268.66 |
| 47 | 1 | METER INSTALLATIO | 07/01/01 | N | SL | 40 | 5,170.00 | 0.00 | 0.00 | 3,527.80 | 68.43 F | 3,596.23 |
| 48 | 1 | 3" T3000 TURBO MET | 07/01/02 | N | SL | 40 | 525.00 | 0.00 | 0.00 | 318.75 | 8.25 F | 327.00 |
| 49 | 1 | METERS | 07/01/02 | N | SL | 40 | 4,547.88 | 0.00 | 0.00 | 2,761.25 | 71.47 F | 2,832.72 |

WSF/F-2-5

Tk 3-3-18

3/3/2018
12:00

South Hopkins Water District
Federal ID #: 61-0701197
Asset Summary - Book Basis
Period Ended 12/31/17

Company: S08
Page: 5

| Num | Loc | Property Description | Acquired | T | Method | Life | Cost/Basis | 179 Exp/AFD | Add SDA | Prior Depr. | Current Depr. | Ending Depr. |
|---|-----|----------------------|----------|---|--------|------|------------|-------------|---------|-------------|---------------|--------------|
| Group # 5 METERS & INSTALLATION (Continued) | | | | | | | | | | | | |
| 51 | 1 | METERS | 07/01/03 | N | SL | 40 | 8,955.63 | 0.00 | 0.00 | 4,751.47 | 161.70 F | 4,913.17 |
| 52 | 1 | METER INSTALLATIO | 07/01/03 | N | SL | 40 | 6,270.00 | 0.00 | 0.00 | 3,326.60 | 113.21 F | 3,439.81 |
| 53 | 1 | METERS | 07/01/04 | N | SL | 40 | 3,807.75 | 0.00 | 0.00 | 1,723.74 | 77.18 F | 1,800.92 |
| 54 | 1 | METER INSTALLATIO | 07/01/04 | N | SL | 40 | 4,840.00 | 0.00 | 0.00 | 2,191.10 | 98.11 F | 2,289.21 |
| 55 | 1 | METERS | 07/01/05 | N | SL | 40 | 4,101.93 | 0.00 | 0.00 | 1,532.79 | 91.75 F | 1,624.54 |
| 56 | 1 | METER INSTALLATIO | 07/01/05 | N | SL | 40 | 5,940.00 | 0.00 | 0.00 | 2,219.70 | 132.87 F | 2,352.57 |
| 57 | 1 | 3" TURBO METER | 10/15/06 | N | SL | 40 | 359.30 | 0.00 | 0.00 | 98.78 | 8.98 F | 107.76 |
| 58 | 1 | WATER METERS | 06/15/06 | N | SL | 40 | 5,400.00 | 0.00 | 0.00 | 1,618.80 | 130.38 F | 1,749.18 |
| 59 | 1 | METER | 12/15/06 | N | SL | 40 | 125.00 | 0.00 | 0.00 | 32.84 | 3.18 F | 36.02 |
| 60 | 1 | METER INSTALLATIO | 07/01/06 | N | SL | 40 | 6,750.00 | 0.00 | 0.00 | 1,981.70 | 164.42 F | 2,146.12 |
| 61 | 1 | 2" METER | 03/15/07 | N | SL | 40 | 385.00 | 0.00 | 0.00 | 94.69 | 9.63 | 104.32 |
| 62 | 1 | 2" METER | 04/15/07 | N | SL | 40 | 410.35 | 0.00 | 0.00 | 100.03 | 10.26 | 110.29 |
| 63 | 1 | METERS | 04/15/07 | N | SL | 40 | 3,111.00 | 0.00 | 0.00 | 758.35 | 77.78 | 836.13 |
| 64 | 1 | METERS | 05/15/07 | N | SL | 40 | 6,039.00 | 0.00 | 0.00 | 1,459.47 | 150.98 | 1,610.45 |
| 65 | 1 | 4" METER | 07/15/07 | N | SL | 40 | 650.00 | 0.00 | 0.00 | 154.38 | 16.25 | 170.63 |
| 66 | 1 | 3" COMPOUND METE | 08/15/07 | N | SL | 40 | 1,600.00 | 0.00 | 0.00 | 376.67 | 40.00 | 416.67 |
| 67 | 1 | 2" METER | 09/15/07 | N | SL | 40 | 410.35 | 0.00 | 0.00 | 95.76 | 10.26 | 106.02 |
| 68 | 1 | METER INSTALLATIO | 07/01/07 | N | SL | 40 | 8,250.00 | 0.00 | 0.00 | 1,959.38 | 206.25 | 2,165.63 |
| 73 | 1 | METERS | 07/01/08 | N | SL | 40 | 9,030.50 | 0.00 | 0.00 | 1,918.96 | 225.76 | 2,144.72 |
| 74 | 1 | METER INSTALLATIO | 07/01/08 | N | SL | 40 | 4,350.00 | 0.00 | 0.00 | 924.38 | 108.75 | 1,033.13 |
| 75 | 1 | 3" METER | 09/08/09 | N | SL | 40 | 1,341.00 | 0.00 | 0.00 | 245.89 | 33.53 | 279.42 |
| 76 | 1 | METERS | 07/01/09 | N | SL | 40 | 12,584.00 | 0.00 | 0.00 | 2,359.50 | 314.60 | 2,674.10 |
| 77 | 1 | METER INSTALLATIO | 07/01/09 | N | SL | 40 | 3,000.00 | 0.00 | 0.00 | 562.50 | 75.00 | 637.50 |
| 79 | 1 | 2 METERS | 07/31/10 | N | SL | 40 | 265.30 | 0.00 | 0.00 | 42.54 | 6.63 | 49.17 |
| 80 | 1 | METERS | 07/31/10 | N | SL | 40 | 3,500.00 | 0.00 | 0.00 | 561.46 | 87.50 | 648.96 |
| 81 | 1 | METER INSTALLATIO | 07/31/10 | N | SL | 40 | 3,450.00 | 0.00 | 0.00 | 553.44 | 86.25 | 639.69 |
| 83 | 1 | METER INSTALLATIO | 07/01/81 | N | SL | 40 | 450.00 | 0.00 | 0.00 | 450.00 | 0.00 | 450.00 |
| 84 | 1 | METERS | 07/01/11 | N | SL | 40 | 8,512.00 | 0.00 | 0.00 | 1,170.40 | 212.80 | 1,383.20 |
| 85 | 1 | METERS | 07/01/11 | N | SL | 40 | 6,100.00 | 0.00 | 0.00 | 838.75 | 152.50 | 991.25 |
| 86 | 1 | METER INSTALLATIO | 07/01/11 | N | SL | 40 | 1,800.00 | 0.00 | 0.00 | 247.50 | 45.00 | 292.50 |
| 89 | 1 | METERS | 07/01/12 | N | SL | 40 | 7,104.00 | 0.00 | 0.00 | 799.20 | 177.60 | 976.80 |
| 90 | 1 | METERS | 07/01/12 | N | SL | 40 | 5,458.00 | 0.00 | 0.00 | 614.03 | 136.45 | 750.48 |
| 91 | 1 | 6" ELECTROMAGNETI | 11/12/12 | N | SL | 40 | 3,999.00 | 0.00 | 0.00 | 416.58 | 99.98 | 516.56 |
| 92 | 1 | METER INSTALLATIO | 07/01/12 | N | SL | 40 | 3,108.00 | 0.00 | 0.00 | 349.65 | 77.70 | 427.35 |
| 93 | 1 | 300 METERS & INSTA | 03/12/13 | N | SL | 40 | 12,605.00 | 0.00 | 0.00 | 1,207.99 | 315.13 | 1,523.12 |
| 94 | 1 | AMCO WATER METE | 02/11/13 | N | SL | 40 | 448.00 | 0.00 | 0.00 | 43.87 | 11.20 | 55.07 |
| 95 | 1 | AMCO WATER METE | 04/09/13 | N | SL | 40 | 448.00 | 0.00 | 0.00 | 42.00 | 11.20 | 53.20 |
| 97 | 1 | METERS & INSTALLA | 07/01/14 | N | SL | 40 | 6,143.10 | 0.00 | 0.00 | 383.95 | 153.58 | 537.53 |
| 98 | 1 | METERS & INSTALLA | 07/01/14 | N | SL | 40 | 15,235.89 | 0.00 | 0.00 | 952.25 | 380.90 | 1,333.15 |
| 100 | 1 | METERS | 06/30/15 | N | SL | 40 | 32,312.00 | 0.00 | 0.00 | 1,211.70 | 807.80 | 2,019.50 |
| 101 | 1 | METER INSTALLATIO | 07/01/94 | N | *SOLD* | 40 | 12,212.00 | 0.00 | 0.00 | 12,212.00 | 0.00 | 12,212.00 |
| 102 | 1 | METERS & INSTALLA | 07/01/16 | N | SL | 40 | 33,354.00 | 0.00 | 0.00 | 416.93 | 833.85 | 1,250.78 |
| 103 | 1 | METERS/INSTALLATI | 07/01/17 | N | SL | 40 | 30,671.50 | 0.00 | 0.00 | 0.00 | 383.39 | 383.39 |
| Sub-Total | | | | | | | 376,329.87 | 0.00 | 0.00 | 128,553.02 | 6,938.41 | 135,491.43 |
| Less: Assets Sold | | | | | | | 12,212.00 | 0.00 | 0.00 | 12,212.00 | 0.00 | 12,212.00 |
| Group # 5 Total | | | | | | | 364,117.87 | 0.00 | 0.00 | 116,341.02 | 6,938.41 | 123,279.43 |

Group # 6 HYDRANTS

WSF/t-1

| | | | | | | | | | | | | |
|---|---|----------|----------|---|----|----|-----------|------|------|-----------|-------|-----------|
| 1 | 1 | HYDRANTS | 01/01/70 | N | SL | 40 | 14,432.00 | 0.00 | 0.00 | 14,431.98 | 0.00 | 14,431.98 |
| 2 | 1 | HYDRANTS | 07/01/84 | N | SL | 40 | 387.33 | 0.00 | 0.00 | 314.67 | 9.68 | 324.35 |
| 3 | 1 | HYDRANT | 07/01/88 | N | SL | 40 | 599.99 | 0.00 | 0.00 | 427.50 | 15.00 | 442.50 |
| 4 | 1 | HYDRANTS | 10/15/89 | N | SL | 40 | 3,781.97 | 0.00 | 0.00 | 2,576.47 | 94.55 | 2,671.02 |
| 5 | 1 | HYDRANTS | 07/01/90 | N | SL | 40 | 620.60 | 0.00 | 0.00 | 418.96 | 15.52 | 434.48 |
| 6 | 1 | HYDRANTS | 07/01/91 | N | SL | 40 | 325.00 | 0.00 | 0.00 | 207.24 | 8.13 | 215.37 |
| 7 | 1 | HYDRANTS | 07/01/93 | N | SL | 40 | 1,163.00 | 0.00 | 0.00 | 683.32 | 29.08 | 712.40 |

WSF/F-26

Tk 3-3-18

3/3/2018
11:16

South Hopkins Water District
Federal ID #: 61-0701197
Asset Summary - Book Basis
Period Ended 12/31/17

Company: S08
Page: 6

| Num | Loc | Property Description | Acquired | T | Method | Life | Cost/Basis | 179 Exp/AFD | Add SDA | Prior Depr. | Current Depr. | Ending Depr. |
|------------------------------------|-----|------------------------------|----------|---|--------|------|------------|-------------|---------|-------------|---------------|--------------|
| Group # 6 HYDRANTS (Continued) | | | | | | | | | | | | |
| 8 | 1 | HYDRANTS | 07/01/95 | N | SL | 40 | 2,332.79 | 0.00 | 0.00 | 1,253.88 | 58.32 | 1,312.20 |
| 9 | 1 | HYDRANTS | 07/01/96 | N | SL | 40 | 330.00 | 0.00 | 0.00 | 169.13 | 8.25 | 177.38 |
| 10 | 1 | HYDRANTS | 07/01/97 | N | SL | 40 | 679.00 | 0.00 | 0.00 | 331.07 | 16.98 | 348.05 |
| 11 | 1 | HYDRANTS | 07/01/98 | N | SL | 40 | 670.00 | 0.00 | 0.00 | 309.88 | 16.75 | 326.63 |
| 12 | 1 | HYDRANTS | 07/01/99 | N | SL | 40 | 1,005.00 | 0.00 | 0.00 | 439.74 | 25.13 | 464.87 |
| 13 | 1 | HYDRANTS | 07/01/00 | N | SL | 40 | 345.00 | 0.00 | 0.00 | 142.37 | 8.63 | 151.00 |
| 14 | 1 | FOUR 1WAY, 3FT BURY HYDRANTS | 07/01/01 | N | SL | 40 | 1,380.00 | 0.00 | 0.00 | 534.75 | 34.50 | 569.25 |
| 15 | 1 | 4 1WAY, 3FT BURY HYDRANTS | 07/01/02 | N | SL | 40 | 1,380.00 | 0.00 | 0.00 | 500.25 | 34.50 | 534.75 |
| 16 | 1 | 6 1WAY, 3FT BURY HYDRANTS | 07/01/03 | N | SL | 40 | 2,390.52 | 0.00 | 0.00 | 806.77 | 59.76 | 866.53 |
| 17 | 1 | 3 1WAY, 3FT BURY HYDRANTS | 07/01/04 | N | SL | 40 | 1,035.00 | 0.00 | 0.00 | 323.49 | 25.88 | 349.37 |
| 18 | 1 | 5 1WAY, 3FT BURY HYDRANTS | 07/01/05 | N | SL | 40 | 1,925.00 | 0.00 | 0.00 | 553.49 | 48.13 | 601.62 |
| 19 | 1 | 1WAY, 3FT BURY HYDRANT | 05/15/07 | N | SL | 40 | 425.00 | 0.00 | 0.00 | 102.75 | 10.63 | 113.38 |
| 20 | 1 | 1WAY, 3FT BURY HYDRANT | 06/15/07 | N | SL | 10 | 425.00 | 0.00 | 0.00 | 407.29 | 17.71 | 425.00 |
| 21 | 1 | HYDRANTS | 08/15/07 | N | SL | 40 | 2,030.00 | 0.00 | 0.00 | 477.90 | 50.75 | 528.65 |
| 22 | 1 | 1WAY, 3FT BURY HYDRANT | 10/15/07 | N | SL | 40 | 425.00 | 0.00 | 0.00 | 98.33 | 10.63 | 108.96 |
| 23 | 1 | 1WAY, 3FT BURY HYDRANT | 12/15/07 | N | SL | 40 | 445.00 | 0.00 | 0.00 | 101.10 | 11.13 | 112.23 |
| 24 | 1 | HYDRANTS | 12/15/07 | N | SL | 40 | 1,145.00 | 0.00 | 0.00 | 260.06 | 28.63 | 288.69 |
| 25 | 1 | HYDRANTS | 07/01/08 | N | SL | 40 | 3,406.00 | 0.00 | 0.00 | 723.78 | 85.15 | 808.93 |
| 26 | 1 | 1WAY, 3FT BURY HYD | 10/11/10 | N | SL | 40 | 525.00 | 0.00 | 0.00 | 82.06 | 13.13 | 95.19 |
| 27 | 1 | 3WAY, 3FT BURY HYD | 10/11/10 | N | SL | 40 | 1,375.00 | 0.00 | 0.00 | 214.87 | 34.38 | 249.25 |
| 28 | 1 | HYDRANT | 04/15/11 | N | SL | 40 | 525.00 | 0.00 | 0.00 | 75.49 | 13.13 | 88.62 |
| 29 | 1 | 1WAY, 3FT BURY HYD | 08/14/12 | N | SL | 40 | 545.00 | 0.00 | 0.00 | 60.20 | 13.63 | 73.83 |
| 30 | 1 | 3 WAY 3FT BURY HYD | 08/13/13 | N | SL | 40 | 1,259.00 | 0.00 | 0.00 | 107.55 | 31.48 | 139.03 |
| 31 | 1 | 2 WAY 3FT BURY HYD | 09/10/13 | N | SL | 40 | 4,756.00 | 0.00 | 0.00 | 396.33 | 118.90 | 515.23 |
| 32 | 1 | HYDRANT | 07/31/14 | N | SL | 40 | 1,057.00 | 0.00 | 0.00 | 63.87 | 26.43 | 90.30 |
| 33 | 1 | HYDRANT | 07/31/14 | N | SL | 40 | 1,951.00 | 0.00 | 0.00 | 117.88 | 48.78 | 166.66 |
| 34 | 1 | HYDRANT | 07/31/14 | N | SL | 40 | 1,027.00 | 0.00 | 0.00 | 62.06 | 25.68 | 87.74 |
| Group # 6 Total | | | | | | | 56,103.20 | 0.00 | 0.00 | 27,776.48 | 1,048.96 | 28,825.44 |
| Group # 7 OTHER PLANT & MISC EQUIP | | | | | | | | | | | | |
| | | | | | | | WSF/F-1 | | | | | |
| 1 | 1 | PTC860 HANDHELD UNITS | 07/01/01 | N | SL | 5 | 3,311.06 | 0.00 | 0.00 | 3,310.95 | 0.00 | 3,310.95 |
| 2 | 1 | TELXON 860 BATTERY CHARGERS | 07/01/01 | N | SL | 5 | 212.77 | 0.00 | 0.00 | 212.49 | 0.00 | 212.49 |
| 3 | 1 | PRESSURE RECORDER | 01/15/08 | N | SL | 5 | 564.00 | 0.00 | 0.00 | 564.00 | 0.00 | 564.00 |
| 4 | 1 | POCKET CHLOROME | 01/15/08 | N | SL | 5 | 1,452.85 | 0.00 | 0.00 | 1,452.85 | 0.00 | 1,452.85 |
| 5 | 1 | WATER SAMPLING STATION | 02/15/08 | N | SL | 10 | 864.65 | 0.00 | 0.00 | 771.02 | 86.47 | 857.49 |
| 6 | 1 | 8 HANDHELD METER READERS | 04/15/08 | N | SL | 5 | 18,150.00 | 0.00 | 0.00 | 18,150.00 | 0.00 | 18,150.00 |
| 7 | 1 | ITON HAND HELDS | 03/30/16 | N | SL | 5 | 26,115.00 | 0.00 | 0.00 | 3,917.25 | 5,223.00 | 9,140.25 |
| 8 | 1 | PRESSURE RECORDER | 05/15/17 | N | SL | 5 | 629.00 | 0.00 | 0.00 | 0.00 | 83.87 | 83.87 |
| 9 | 1 | METER READERS | 05/15/17 | N | SL | 5 | 3,464.40 | 0.00 | 0.00 | 0.00 | 461.92 | 461.92 |
| Group # 7 Total | | | | | | | 54,763.73 | 0.00 | 0.00 | 28,378.56 | 5,855.26 | 34,233.82 |
| | | | | | | | WSF/F-1 | | | | | |

WSF/F-2.7

TK 3-3-18

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South Hopkins Water District
Federal ID #: 61-0701197
Asset Summary - Book Basis
Period Ended 12/31/17

Company: S08
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| Num | Loc | Property Description | Acquired | T | Method | Life | Cost/Basis | 179 Exp/AFD | Add SDA | Prior Depr. | Current Depr. | Ending Depr. |
|------------------------------------|-----|---------------------------------|----------|---|--------|------|------------|-------------|---------|-------------|---------------|--------------|
| Group # 8 OFFICE FURNITURE & EQUIP | | | | | | | | | | | | |
| 1 | 1 | OFFICE FURNITURE & EQUIPMENT | 01/01/74 | N | SL | 10 | 2,664.00 | 0.00 | 0.00 | 2,664.00 | 0.00 | 2,664.00 |
| 3 | 1 | SHELVING | 07/01/83 | N | SL | 5 | 214.00 | 0.00 | 0.00 | 214.00 | 0.00 | 214.00 |
| 4 | 1 | MAP CABINET | 02/01/84 | N | SL | 10 | 300.00 | 0.00 | 0.00 | 300.00 | 0.00 | 300.00 |
| 5 | 1 | FILING CABINET | 08/15/85 | N | SL | 5 | 132.81 | 0.00 | 0.00 | 132.81 | 0.00 | 132.81 |
| 7 | 1 | OFFICE REMODELING | 04/15/89 | N | SL | 20 | 2,477.67 | 0.00 | 0.00 | 2,477.67 | 0.00 | 2,477.67 |
| 8 | 1 | 3 FILE CABINETS | 02/01/89 | N | SL | 10 | 222.00 | 0.00 | 0.00 | 222.00 | 0.00 | 222.00 |
| 9 | 1 | WALNUT DESK | 03/15/89 | N | SL | 10 | 627.30 | 0.00 | 0.00 | 627.30 | 0.00 | 627.30 |
| 10 | 1 | METER SOFTWARE | 07/01/92 | N | SL | 5 | 2,515.00 | 0.00 | 0.00 | 2,515.00 | 0.00 | 2,515.00 |
| 11 | 1 | METER READING DEV | 07/01/92 | N | SL | 5 | 4,800.00 | 0.00 | 0.00 | 4,800.00 | 0.00 | 4,800.00 |
| 14 | 1 | TWO CHAIRS | 07/01/96 | N | SL | 10 | 253.88 | 0.00 | 0.00 | 253.88 | 0.00 | 253.88 |
| 15 | 1 | VACUUM CLEANER | 07/01/98 | N | SL | 5 | 82.83 | 0.00 | 0.00 | 82.83 | 0.00 | 82.83 |
| 17 | 1 | HP 720C DESKJET PRINTER | 07/01/98 | N | SL | 5 | 330.00 | 0.00 | 0.00 | 330.00 | 0.00 | 330.00 |
| 18 | 1 | TYPEWRITER | 07/01/98 | N | SL | 5 | 89.96 | 0.00 | 0.00 | 89.96 | 0.00 | 89.96 |
| 19 | 1 | ELECTRONIC METER READERS | 07/01/98 | N | SL | 5 | 7,980.00 | 0.00 | 0.00 | 7,980.00 | 0.00 | 7,980.00 |
| 21 | 1 | WATER HEATER | 07/01/99 | N | SL | 10 | 350.00 | 0.00 | 0.00 | 350.00 | 0.00 | 350.00 |
| 22 | 1 | 3 STARPLUS PHONES/ INSTALLATION | 07/01/01 | N | SL | 5 | 1,163.00 | 0.00 | 0.00 | 1,162.70 | 0.00 | 1,162.70 |
| 24 | 1 | SHARP CALCULATOR | 07/01/02 | N | SL | 5 | 119.90 | 0.00 | 0.00 | 119.90 | 0.00 | 119.90 |
| 28 | 1 | 3 COMPAC COMPUTE I LASERPRINTER | 07/01/03 | N | SL | 5 | 10,301.38 | 0.00 | 0.00 | 10,301.25 | 0.00 | 10,301.25 |
| 29 | 1 | CALCULATOR | 07/01/03 | N | SL | 5 | 89.99 | 0.00 | 0.00 | 89.99 | 0.00 | 89.99 |
| 30 | 1 | SOFTWARE | 08/15/04 | N | SL | 5 | 81.64 | 0.00 | 0.00 | 81.64 | 0.00 | 81.64 |
| 31 | 1 | BLINDS/INSTALLATIO FRONT OFFICE | 12/15/04 | N | SL | 10 | 347.19 | 0.00 | 0.00 | 347.19 | 0.00 | 347.19 |
| 32 | 1 | FELLOWS PAPER SHREDDER | 04/15/05 | N | SL | 10 | 99.99 | 0.00 | 0.00 | 99.50 | 0.00 | 99.50 |
| 33 | 1 | RECORD CABINET/SA | 06/15/05 | N | SL | 20 | 3,065.19 | 0.00 | 0.00 | 1,775.27 | 153.26 | 1,928.53 |
| 34 | 1 | FAX, PRINTER | 03/15/06 | N | SL | 10 | 199.99 | 0.00 | 0.00 | 199.99 | 0.00 | 199.99 |
| 35 | 1 | 2 TON GIBSON A/C UN | 08/15/06 | N | SL | 20 | 1,330.00 | 0.00 | 0.00 | 692.71 | 66.50 | 759.21 |
| 36 | 1 | BURGUNDY OFFICE CHAIR | 03/15/07 | N | SL | 10 | 99.50 | 0.00 | 0.00 | 97.84 | 1.66 | 99.50 |
| 37 | 1 | APC COMPUTER POWER BACKUPS | 07/15/07 | N | SL | 5 | 51.21 | 0.00 | 0.00 | 51.21 | 0.00 | 51.21 |
| 38 | 1 | FLOOR MATS | 10/15/08 | N | SL | 5 | 176.99 | 0.00 | 0.00 | 176.99 | 0.00 | 176.99 |
| 39 | 1 | SERVER BACKUP | 11/15/08 | N | SL | 5 | 759.86 | 0.00 | 0.00 | 759.86 | 0.00 | 759.86 |
| 40 | 1 | HP LCD MONITOR | 04/14/09 | N | SL | 5 | 158.95 | 0.00 | 0.00 | 158.95 | 0.00 | 158.95 |
| 41 | 1 | SHARP COPIER | 06/29/09 | N | SL | 10 | 995.95 | 0.00 | 0.00 | 747.00 | 99.60 | 846.60 |
| 42 | 1 | STARPLUS TELEPHO | 06/14/09 | N | SL | 10 | 179.00 | 0.00 | 0.00 | 135.74 | 17.90 | 153.64 |
| 43 | 1 | SHREL CALCULATOR | 07/28/09 | N | SL | 3 | 75.99 | 0.00 | 0.00 | 75.99 | 0.00 | 75.99 |
| 44 | 1 | CALCULATOR | 12/15/09 | N | SL | 3 | 59.99 | 0.00 | 0.00 | 59.99 | 0.00 | 59.99 |
| 46 | 1 | CHECKWRITER | 08/10/10 | N | SL | 5 | 180.65 | 0.00 | 0.00 | 180.65 | 0.00 | 180.65 |
| 47 | 1 | OFFICE CHAIR | 10/11/10 | N | SL | 5 | 104.50 | 0.00 | 0.00 | 104.50 | 0.00 | 104.50 |
| 48 | 1 | APC POWER BACKUP | 12/29/10 | N | SL | 5 | 122.49 | 0.00 | 0.00 | 122.49 | 0.00 | 122.49 |
| 49 | 1 | 1/2 CARPET/TILE | 07/01/02 | N | SL | 10 | 767.97 | 0.00 | 0.00 | 767.97 | 0.00 | 767.97 |
| 51 | 1 | 30x60 CHERRY DESK | 03/22/11 | N | SL | 5 | 399.00 | 0.00 | 0.00 | 399.00 | 0.00 | 399.00 |
| 52 | 1 | KEYBOARD DRAWER | 03/22/11 | N | SL | 5 | 70.00 | 0.00 | 0.00 | 70.00 | 0.00 | 70.00 |
| 53 | 1 | SPEAKERPHONE | 07/20/11 | N | SL | 5 | 30.00 | 0.00 | 0.00 | 30.00 | 0.00 | 30.00 |
| 54 | 1 | HP MICRO TOWER | 02/28/12 | N | SL | 5 | 2,580.00 | 0.00 | 0.00 | 2,494.00 | 86.00 | 2,580.00 |
| 55 | 1 | DIRT DEVIL VACUUM | 09/20/12 | N | SL | 5 | 49.96 | 0.00 | 0.00 | 42.46 | 7.50 | 49.96 |
| 56 | 1 | HP COMPAQ 6300 PR WORKSTATION | 07/29/13 | N | SL | 5 | 1,565.00 | 0.00 | 0.00 | 1,069.42 | 313.00 | 1,382.42 |
| 57 | 1 | SOFTWARE | 04/30/14 | N | SL | 5 | 1,377.50 | 0.00 | 0.00 | 734.67 | 275.50 | 1,010.17 |

WSF/F-2-8

TK 3-3-18

3/3/2018
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South Hopkins Water District
Federal ID #: 61-0701197
Asset Summary - Book Basis
Period Ended 12/31/17

Company: S08
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| Num | Loc | Property Description | Acquired | T | Method | Life | Cost/Basis | 179 Exp/AFD | Add SDA | Prior Depr. | Current Depr. | Ending Depr. |
|--|-----|----------------------|----------|---|--------|------|------------|-------------|---------|-------------|---------------|--------------|
| Group # 8 OFFICE FURNITURE & EQUIP (Continued) | | | | | | | | | | | | |
| 58 | 1 | OKIDATA LASER PRIN | 07/30/14 | N | SL | 5 | 1,350.83 | 0.00 | 0.00 | 652.91 | 270.17 | 923.08 |
| 59 | 1 | OFFICE CHAIR | 02/09/15 | N | SL | 5 | 299.00 | 0.00 | 0.00 | 114.62 | 59.80 | 174.42 |
| 60 | 1 | IOSAFE BACKUP DRIV | 04/28/15 | N | SL | 5 | 647.82 | 0.00 | 0.00 | 215.94 | 129.56 | 345.50 |
| 61 | 1 | FILING CABINET | 03/29/16 | N | SL | 5 | 400.00 | 0.00 | 0.00 | 60.00 | 80.00 | 140.00 |
| 62 | 1 | MOBILE SCANNER | 04/15/17 | N | SL | 5 | 131.23 | 0.00 | 0.00 | 0.00 | 19.68 | 19.68 |
| 63 | 1 | CALCULATOR | 06/15/17 | N | SL | 5 | 90.13 | 0.00 | 0.00 | 0.00 | 10.52 | 10.52 |
| Group # 8 Total | | | | | | | 52,561.24 | 0.00 | 0.00 | 47,231.79 | 1,590.65 | 48,822.44 |
| Group # 9 TRANSPORTATION EQUIPMENT | | | | | | | | | | | | |
| | | | | | | | WSF/F-1 | | | | | |
| 1 | 1 | TRUCK TOOL BOXES | 07/01/90 | N | SL | 5 | 935.92 | 0.00 | 0.00 | 935.92 | 0.00 | 935.92 |
| 2 | 1 | TOOL TRAILER | 07/01/91 | N | SL | 5 | 250.00 | 0.00 | 0.00 | 250.00 | 0.00 | 250.00 |
| 5 | 1 | 2000 WHITE FORD F650 | 07/01/00 | N | SL | 5 | 28,700.00 | 0.00 | 0.00 | 28,700.00 | 0.00 | 28,700.00 |
| 6 | 1 | GOOSENECK TRUCKB | 07/01/01 | N | SL | 5 | 2,050.00 | 0.00 | 0.00 | 2,050.00 | 0.00 | 2,050.00 |
| 8 | 1 | TOOLBOXES | 07/01/01 | N | SL | 5 | 425.00 | 0.00 | 0.00 | 425.00 | 0.00 | 425.00 |
| 11 | 1 | TRUCK TOOLBOX | 07/01/03 | N | SL | 5 | 394.00 | 0.00 | 0.00 | 393.60 | 0.00 | 393.60 |
| 12 | 1 | TRUCK LIGHTS | 07/01/03 | N | SL | 5 | 512.52 | 0.00 | 0.00 | 512.26 | 0.00 | 512.26 |
| 13 | 1 | SIX TOOL BOXES | 04/15/05 | N | SL | 5 | 978.00 | 0.00 | 0.00 | 978.00 | 0.00 | 978.00 |
| 14 | 1 | 30' TRAILER | 01/15/06 | N | SL | 10 | 9,875.00 | 0.00 | 0.00 | 9,875.00 | 0.00 | 9,875.00 |
| 16 | 1 | LETTERING FOR TRUCK | 04/01/06 | N | SL | 5 | 100.00 | 0.00 | 0.00 | 100.00 | 0.00 | 100.00 |
| 19 | 1 | BED/TAILGATE MATS | 07/17/09 | N | SL | 5 | 191.72 | 0.00 | 0.00 | 191.72 | 0.00 | 191.72 |
| 20 | 1 | 2009 FORD F250 XL W | 07/16/09 | N | SL | 7 | 23,833.50 | 0.00 | 0.00 | 23,833.39 | 0.00 F | 23,833.39 |
| 21 | 1 | RUNNING BOARDS | 08/26/09 | N | SL | 5 | 362.50 | 0.00 | 0.00 | 362.50 | 0.00 | 362.50 |
| 22 | 1 | 2013 FORD F150 | 05/01/13 | N | SL | 7 | 16,728.00 | 0.00 | 0.00 | 8,921.60 | 2,230.40 F | 11,152.00 |
| 23 | 1 | 2014 FORD F150 | 09/30/14 | N | SL | 7 | 17,014.00 | 0.00 | 0.00 | 5,468.78 | 2,430.57 | 7,899.35 |
| 24 | 1 | MINI BAR | 10/31/14 | N | SL | 7 | 249.00 | 0.00 | 0.00 | 77.07 | 35.57 | 112.64 |
| 25 | 1 | 2014 FORD F150 | 12/30/14 | N | SL | 7 | 17,112.00 | 0.00 | 0.00 | 4,889.14 | 2,444.57 | 7,333.71 |
| 26 | 1 | 2016 FORD F150 | 12/23/15 | N | SL | 7 | 19,323.00 | 0.00 | 0.00 | 2,760.43 | 2,760.43 | 5,520.86 |
| 27 | 1 | 1991 CHEV DUMP TR | 01/15/17 | N | SL | 7 | 4,015.00 | 0.00 | 0.00 | 0.00 | 573.57 | 573.57 |
| Group # 9 Total | | | | | | | 143,049.16 | 0.00 | 0.00 | 90,724.41 | 10,475.11 | 101,199.52 |
| Group # 10 TOOLS, SHOP, & GARAGE EQP | | | | | | | | | | | | |
| | | | | | | | WSF/F-1 | | | | | |
| 1 | 1 | LINE TRACER | 07/01/01 | N | SL | 10 | 2,455.00 | 0.00 | 0.00 | 2,455.00 | 0.00 | 2,455.00 |
| 2 | 1 | T BILT BRONCO TILL | 07/01/01 | N | SL | 10 | 599.00 | 0.00 | 0.00 | 599.00 | 0.00 | 599.00 |
| 3 | 1 | ANGLE GRINDER | 07/01/01 | N | SL | 10 | 133.00 | 0.00 | 0.00 | 133.00 | 0.00 | 133.00 |
| 4 | 1 | PRESSURE RECORDER | 07/01/02 | N | SL | 10 | 524.00 | 0.00 | 0.00 | 523.80 | 0.00 | 523.80 |
| 5 | 1 | METAL LOCATOR | 09/15/08 | N | SL | 17.5 | 795.00 | 0.00 | 0.00 | 515.17 | 30.39 F | 545.56 |
| 6 | 1 | (3) 8000W GENERATO | 02/02/09 | N | SL | 17.5 | 3,774.47 | 0.00 | 0.00 | 1,756.18 | 173.00 F | 1,929.18 |
| 7 | 1 | 20" CHAINSAW | 02/04/09 | N | SL | 17.5 | 409.90 | 0.00 | 0.00 | 404.69 | 0.54 F | 405.23 |
| 8 | 1 | (2) ECHO WEDEATE | 04/14/09 | N | SL | 3 | 695.96 | 0.00 | 0.00 | 695.96 | 0.00 | 695.96 |
| 9 | 1 | RECIP SAW | 04/14/09 | N | SL | 3 | 189.00 | 0.00 | 0.00 | 189.00 | 0.00 | 189.00 |
| 10 | 1 | CHAINSAW | 05/27/09 | N | SL | 17.5 | 369.90 | 0.00 | 0.00 | 346.19 | 2.37 F | 348.56 |
| 11 | 1 | MOWER | 06/29/09 | N | SL | 3 | 174.00 | 0.00 | 0.00 | 174.00 | 0.00 | 174.00 |
| 12 | 1 | TOOLS | 11/10/09 | N | SL | 17.5 | 146.58 | 0.00 | 0.00 | 127.66 | 1.83 F | 129.49 |
| 13 | 1 | 2" TRASH PUMP | 11/08/10 | N | SL | 17.5 | 765.00 | 0.00 | 0.00 | 543.21 | 19.57 F | 562.78 |
| 14 | 1 | PUMP | 12/13/10 | N | SL | 17.5 | 119.65 | 0.00 | 0.00 | 44.37 | 6.59 F | 50.96 |
| 15 | 1 | SHOP VAC | 04/20/11 | N | SL | 17.5 | 68.79 | 0.00 | 0.00 | 43.23 | 2.18 F | 45.41 |
| 16 | 1 | 2 PRESSURE TRANSMI | 09/13/11 | N | SL | 17.5 | 1,092.00 | 0.00 | 0.00 | 419.95 | 55.05 F | 475.00 |
| 17 | 1 | 18V RECIP SAW | 07/19/12 | N | SL | 17.5 | 199.00 | 0.00 | 0.00 | 113.77 | 6.60 F | 120.37 |
| 18 | 1 | 18V DRILL | 09/05/12 | N | SL | 17.5 | 141.55 | 0.00 | 0.00 | 57.01 | 6.42 F | 63.43 |
| 19 | 1 | DEHUMIDIFIER | 10/31/12 | N | SL | 17.5 | 169.99 | 0.00 | 0.00 | 63.61 | 7.98 F | 71.59 |
| 20 | 1 | PRESSURE RECORDER | 11/30/12 | N | SL | 17.5 | 658.00 | 0.00 | 0.00 | 178.50 | 35.74 F | 214.24 |
| 21 | 1 | SUMP PUMP | 02/01/13 | N | SL | 17.5 | 129.99 | 0.00 | 0.00 | 43.03 | 6.40 F | 49.43 |

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South Hopkins Water District
Federal ID #: 61-0701197
Asset Summary - Book Basis
Period Ended 12/31/17

Company: S08
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| Num | Loc | Property Description | Acquired | T | Method | Life | Cost/Basis | 179 Exp/AFD | Add SDA | Prior Depr. | Current Depr. | Ending Depr. |
|--|-----|--------------------------|----------|---|--------|------|------------|-------------|---------|-------------|---------------|--------------|
| Group # 10 TOOLS, SHOP, & GARAGE EQP (Continued) | | | | | | | | | | | | |
| 22 | 1 | 2 TON GARAGE JACK | 06/30/13 | N | SL | 17.5 | 94.99 | 0.00 | 0.00 | 36.32 | 4.19 F | 40.51 |
| 23 | 1 | TOOLS | 12/15/13 | N | SL | 17.5 | 251.02 | 0.00 | 0.00 | 51.80 | 13.78 F | 65.58 |
| 24 | 1 | TEST BENCH | 04/15/85 | N | SL | 5 | 4,242.05 | 0.00 | 0.00 | 4,242.05 | 0.00 | 4,242.05 |
| 25 | 1 | HEATER | 03/31/14 | N | SL | 17.5 | 525.00 | 0.00 | 0.00 | 82.50 | 30.00 | 112.50 |
| 26 | 1 | B&s 3000 PSI 5.0 GPM | 10/31/14 | N | SL | 17.5 | 379.05 | 0.00 | 0.00 | 46.93 | 21.66 | 68.59 |
| 27 | 1 | 1"TSURUMI CENTRIF | 10/13/15 | N | SL | 17.5 | 429.00 | 0.00 | 0.00 | 30.64 | 24.51 | 55.15 |
| 28 | 1 | SITHL CHAINSAW | 11/10/15 | N | SL | 5 | 423.02 | 0.00 | 0.00 | 98.70 | 84.60 | 183.30 |
| 29 | 1 | 15 HP MOTOR | 01/01/15 | N | SL | 17.5 | 3,750.00 | 0.00 | 0.00 | 428.58 | 214.29 | 642.87 |
| 30 | 1 | HEATER | 01/11/16 | N | SL | 5 | 99.99 | 0.00 | 0.00 | 20.00 | 20.00 | 40.00 |
| 31 | 1 | HEATER | 01/07/16 | N | SL | 5 | 99.99 | 0.00 | 0.00 | 20.00 | 20.00 | 40.00 |
| 32 | 1 | PUMP | 01/19/16 | N | SL | 20 | 192.00 | 0.00 | 0.00 | 8.80 | 9.60 | 18.40 |
| 33 | 1 | PUMP | 01/29/16 | N | SL | 20 | 192.00 | 0.00 | 0.00 | 8.80 | 9.60 | 18.40 |
| 34 | 1 | WATER HEATER | 01/28/16 | N | SL | 10 | 571.00 | 0.00 | 0.00 | 52.34 | 57.10 | 109.44 |
| 35 | 1 | CHARGER | 03/03/16 | N | SL | 5 | 149.99 | 0.00 | 0.00 | 25.00 | 30.00 | 55.00 |
| Group # 10 Total | | | | | | | 25,008.88 | 0.00 | 0.00 | 14,578.79 | 893.99 | 15,472.78 |
| Group # 11 LAB EQUIPMENT | | | | | | | WSF/F-1 | | | | | |
| 1 | 1 | METER TESTING EQUIPMENT | 07/01/91 | N | SL | 10 | 2,773.13 | 0.00 | 0.00 | 2,773.13 | 0.00 | 2,773.13 |
| 2 | 1 | POCKET CHLORINE S | 07/26/11 | N | SL | 10 | 418.95 | 0.00 | 0.00 | 226.96 | 41.90 | 268.86 |
| 3 | 1 | POCKET CLMTR CHL | 01/27/15 | N | SL | 10 | 441.89 | 0.00 | 0.00 | 84.70 | 44.19 | 128.89 |
| Group # 11 Total | | | | | | | 3,633.97 | 0.00 | 0.00 | 3,084.79 | 86.09 | 3,170.88 |
| Group # 12 POWER OPERATED EQUIPMENT | | | | | | | WSF/F-1 | | | | | |
| 2 | 1 | PORTABLE GENERAT | 07/01/78 | N | SL | 3 | 165.00 | 0.00 | 0.00 | 165.00 | 0.00 | 165.00 |
| 3 | 1 | MOWER & WEDEATER | 07/01/82 | N | SL | 4 | 430.00 | 0.00 | 0.00 | 430.00 | 0.00 | 430.00 |
| 4 | 1 | WEDEATER | 05/15/83 | N | SL | 5 | 81.00 | 0.00 | 0.00 | 81.00 | 0.00 | 81.00 |
| 5 | 1 | POWER SAW | 06/30/83 | N | SL | 5 | 395.00 | 0.00 | 0.00 | 395.00 | 0.00 | 395.00 |
| 6 | 1 | AQUA SCOPE | 09/30/89 | N | SL | 10 | 1,310.69 | 0.00 | 0.00 | 1,310.69 | 0.00 | 1,310.69 |
| 7 | 1 | LAWN MOWER | 08/15/84 | N | SL | 4 | 123.24 | 0.00 | 0.00 | 123.24 | 0.00 | 123.24 |
| 8 | 1 | ROTARY WITCH | 10/15/84 | N | SL | 5 | 1,600.00 | 0.00 | 0.00 | 1,600.00 | 0.00 | 1,600.00 |
| 10 | 1 | PRESSURE TEST EQUIPMENT | 05/15/85 | N | SL | 5 | 378.27 | 0.00 | 0.00 | 378.27 | 0.00 | 378.27 |
| 11 | 1 | HOMELITE SAW | 02/15/86 | N | SL | 5 | 488.04 | 0.00 | 0.00 | 488.04 | 0.00 | 488.04 |
| 12 | 1 | ROAD BORER | 07/01/92 | N | SL | 5 | 6,449.41 | 0.00 | 0.00 | 6,449.41 | 0.00 | 6,449.41 |
| 13 | 1 | 6 HP AIR COMPRESSO | 10/15/94 | N | SL | 10 | 495.09 | 0.00 | 0.00 | 495.09 | 0.00 | 495.09 |
| 14 | 1 | 5550 BACKHOE/TRAC | 10/15/94 | N | SL | 10 | 31,556.87 | 0.00 | 0.00 | 31,556.87 | 0.00 | 31,556.87 |
| 15 | 1 | BUSHHOG | 07/01/03 | N | SL | 10 | 1,400.00 | 0.00 | 0.00 | 1,400.00 | 0.00 | 1,400.00 |
| 16 | 1 | TRACTOR BRUSH GU | 06/01/13 | N | SL | 12.5 | 3,411.00 | 0.00 | 0.00 | 1,007.75 | 269.59 F | 1,277.34 |
| 17 | 1 | BACKHOE BUCKET | 10/15/17 | N | SL | 10 | 2,637.76 | 0.00 | 0.00 | 0.00 | 65.94 | 65.94 |
| 18 | 1 | TRACTOR KIT | 11/15/17 | N | SL | 10 | 345.59 | 0.00 | 0.00 | 0.00 | 5.76 | 5.76 |
| Group # 12 Total | | | | | | | 51,266.96 | 0.00 | 0.00 | 45,880.36 | 341.29 | 46,221.65 |
| Group # 13 COMMUNICATION EQUIPMENT | | | | | | | WSF/F-1 | | | | | |
| 1 | 1 | RADIO EQUIPMENT | 07/01/90 | N | SL | 5 | 624.80 | 0.00 | 0.00 | 624.80 | 0.00 | 624.80 |
| 2 | 1 | 7 TWO-WAY RADIOS | 07/01/91 | N | SL | 5 | 10,442.66 | 0.00 | 0.00 | 10,442.66 | 0.00 | 10,442.66 |
| 3 | 1 | TWO-WAY RADIO | 07/01/92 | N | SL | 5 | 790.00 | 0.00 | 0.00 | 790.00 | 0.00 | 790.00 |
| 4 | 1 | 4 CHANNEL RADIO/ ANTENNA | 07/01/03 | N | SL | 5 | 430.05 | 0.00 | 0.00 | 430.05 | 0.00 | 430.05 |
| 5 | 1 | TRUCK RADIO | 04/15/06 | N | SL | 5 | 43.70 | 0.00 | 0.00 | 43.70 | 0.00 | 43.70 |
| 6 | 1 | REPEATER | 06/15/07 | N | SL | 5 | 2,245.85 | 0.00 | 0.00 | 2,245.85 | 0.00 | 2,245.85 |
| 7 | 1 | ANTENNA | 07/31/09 | N | SL | 10 | 51.15 | 0.00 | 0.00 | 37.97 | 5.12 | 43.09 |

WSF/F-2-10

TK 33-18

3/3/2018
12:51

South Hopkins Water District
Federal ID #: 61-0701197
Asset Summary - Book Basis
Period Ended 12/31/17

Company: S08
Page: 10

| <u>Num</u> | <u>Loc</u> | <u>Property Description</u> | <u>Acquired</u> | <u>T</u> | <u>Method</u> | <u>Life</u> | <u>Cost/Basis</u> | <u>179 Exp/AFD</u> | <u>Add SDA</u> | <u>Prior Depr.</u> | <u>Current Depr.</u> | <u>Ending Depr.</u> |
|--|------------|---------------------------------|-----------------|----------|---------------|-------------|---------------------|--------------------|----------------|---------------------|----------------------|---------------------|
| Group # 13 COMMUNICATION EQUIPMENT (Continued) | | | | | | | | | | | | |
| 8 | 1 | WEATHER ALERT RA | 05/30/12 | N | SL | 10 | 43.44 | 0.00 | 0.00 | 24.35 | 3.53 F | 27.88 |
| 9 | 1 | TELEMETRY SYSTEM | 06/30/14 | N | SL | 25 | 111,309.95 | 0.00 | 0.00 | 11,131.00 | 4,452.40 | 15,583.40 |
| 10 | 1 | SOFTWARE | 12/15/14 | N | SL | 10 | 240.00 | 0.00 | 0.00 | 50.00 | 24.00 | 74.00 |
| 11 | 1 | SOFTWARE | 01/20/15 | N | SL | 10 | 240.00 | 0.00 | 0.00 | 46.00 | 24.00 | 70.00 |
| Group # 13 Total | | | | | | | <u>126,461.60</u> | <u>0.00</u> | <u>0.00</u> | <u>25,866.38</u> | <u>4,509.05</u> | <u>30,375.43</u> |
| Group # 14 LAND & LAND RIGHTS | | | | | | | | | | | | |
| | | | | | | | WSF/F-1 | | | | | |
| 1 | 1 | LAND & LAND RIGHTS | 07/01/74 | N | | | 2,322.80 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 | 1 | LAND & LAND RIGHTS | 07/01/88 | N | | | 6,631.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | 1 | THOMAS TRACT | 06/01/90 | N | | | 3,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | 1 | LAND & LAND RIGHTS | 07/01/91 | N | | | 391.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 | 1 | TODD TRACT | 03/01/94 | N | | | 1,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6 | 1 | CHAMBERS TRACT | 03/01/94 | N | | | 1,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | 1 | AMCA TRACT | 04/01/94 | N | | | 250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8 | 1 | LAND & LAND RIGHTS | 07/01/95 | N | | | 3,011.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | 1 | CSX RIGHT OF WAYS | 07/01/02 | N | | | 3,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 | 1 | RIGHT OF WAY- CURTIS MINE RD | 07/01/04 | N | | | 3,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11 | 1 | LAND RIGHTS | 07/01/05 | N | | | 468.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | 1 | LAND & LAND RIGHTS | 06/15/06 | N | | | 3,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | 1 | LAND & LAND RIGHT | 02/04/13 | N | | | 2,040.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Group # 14 Total | | | | | | | <u>31,914.80</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Group # 15 OTHER TANGIBLE PLANT | | | | | | | | | | | | |
| | | | | | | | WSF/F-1 | | | | | |
| 1 | 1 | Septic/Sewer Tanks (2) | 10/01/13 | N | SL | 25 | 17,008.49 | 0.00 | 0.00 | 2,211.10 | 680.34 | 2,891.44 |
| 2 | 1 | SEPTIC/SEWER TANK | 06/30/14 | N | SL | 25 | 10,636.48 | 0.00 | 0.00 | 1,063.65 | 425.46 | 1,489.11 |
| 3 | 1 | SEPTIC/SEWER TANK | 08/31/14 | N | SL | 25 | 6,566.33 | 0.00 | 0.00 | 612.85 | 262.65 | 875.50 |
| 4 | 1 | SEPTIC/SEWER TANK | 09/15/14 | N | SL | 25 | 5,711.00 | 0.00 | 0.00 | 533.03 | 228.44 | 761.47 |
| 5 | 1 | SEPTIC/SEWER TANK | 09/15/14 | N | SL | 25 | 5,558.50 | 0.00 | 0.00 | 518.79 | 222.34 | 741.13 |
| 6 | 1 | SEPTIC/SEWER TANK | 09/30/14 | N | SL | 25 | 6,257.00 | 0.00 | 0.00 | 563.13 | 250.28 | 813.41 |
| 7 | 1 | SEPTIC/SEWER TANK | 12/22/15 | N | SL | 25 | 8,885.50 | 0.00 | 0.00 | 355.42 | 355.42 | 710.84 |
| Group # 15 Total | | | | | | | <u>60,623.30</u> | <u>0.00</u> | <u>0.00</u> | <u>5,857.97</u> | <u>2,424.93</u> | <u>8,282.90</u> |
| Grand Total | | | | | | | <u>5,682,054.63</u> | <u>0.00</u> | <u>0.00</u> | <u>3,240,376.72</u> | <u>91,162.58</u> | <u>3,331,539.30</u> |
| Less: Assets Sold | | | | | | | <u>12,212.00</u> | <u>0.00</u> | <u>0.00</u> | <u>12,212.00</u> | <u>0.00</u> | <u>12,212.00</u> |
| Net Grand Total | | | | | | | <u>5,669,842.63</u> | <u>0.00</u> | <u>0.00</u> | <u>3,228,164.72</u> | <u>91,162.58</u> | <u>3,319,327.30</u> |

WTB
diff of 0.05
is immaterial

Attachment 8a

BOND RESOLUTION

SOUTH HOPKINS WATER DISTRICT

AUTHORIZING

**SOUTH HOPKINS WATER DISTRICT
WATERWORKS REVENUE BONDS, SERIES 1994**

IN THE AMOUNT OF

\$770,000

**CONSISTING OF \$670,000 OF SERIES A BONDS
AND \$100,000 OF SERIES B BONDS**

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BOND RESOLUTION

RESOLUTION OF THE SOUTH HOPKINS WATER DISTRICT OF HOPKINS AND CALDWELL COUNTIES, KENTUCKY, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF \$770,000 PRINCIPAL AMOUNT OF SOUTH HOPKINS WATER DISTRICT WATERWORKS REVENUE BONDS, SERIES 1994 FOR THE PURPOSE OF FINANCING THE COST (NOT OTHERWISE PROVIDED) OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF SAID DISTRICT; SETTING FORTH TERMS AND CONDITIONS UPON WHICH SAID BONDS MAY BE ISSUED AND OUTSTANDING; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SAID WATERWORKS SYSTEM; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF SAID BONDS.

WHEREAS, the waterworks system (the "System") of the South Hopkins Water District (the "District") is owned and operated by said District pursuant to Chapters 58 and 74 of the Kentucky Revised Statutes (the "Act"), and

WHEREAS, the District presently has an outstanding obligation to the Kentucky Infrastructure Authority (as hereinafter defined), which is payable from and secured by a pledge of the revenues derived from the operation of the System, and

WHEREAS, it is the desire and intent of the District at this time to authorize and provide for the issuance of revenue bonds in the principal amount of \$770,000 (the "Current Bonds"), for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the System of the District, in accordance with plans and specifications prepared by Campbell Wallace Consulting Engineers and to prescribe the covenants of the District, the rights of Bondowners and the details of the issuance and sale of the proposed Current Bonds, and

WHEREAS, the District desires and intends that the Current Bonds be issued as second lien bonds, subject to the vested rights and priorities in favor of the owners of the outstanding KIA Loan, and

WHEREAS, the Public Service Commission of Kentucky has granted to the District a Certificate of Public Convenience and Necessity, authorizing the construction of said extensions, additions and improvements, and

WHEREAS, the proceeds of the Current Bonds will be supplemented by Grant Proceeds (as hereinafter defined) in the amount of approximately \$128,000, and by connection charges in the amount of at least \$68,000, to provide the total cost of such construction,

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SOUTH HOPKINS WATER DISTRICT OF HOPKINS AND CALDWELL COUNTIES, KENTUCKY, AS FOLLOWS:

**ARTICLE 1. DEFINITIONS; PURPOSE; AUTHORIZATION OF BONDS;
SECURITY.**

Section 101. Definitions. As used in this Resolution, unless the context requires otherwise:

"Act" refers to Chapters 58 and 74 of the Kentucky Revised Statutes.

"ACC Grant" refers to the Andalex Coal Company grant described in Section 805 of this Resolution.

"Beginning Month" refers to the month following the month in which the Current Bonds authorized herein are issued, sold and delivered to the Purchaser thereof.

"Bond Counsel" refers to an attorney or firm of attorneys recognized nationally as experts in the field of municipal bond law and shall be deemed to refer to Rubin Hays & Foley, Louisville, Kentucky, or their successors.

"Bondowner" or "Owner" refer to registered Owners of the Current Bonds at the time issued and outstanding hereunder.

"Bonds" collectively refers to the outstanding Current Bonds and the Parity Bonds.

"Chairman" refers to the elected or appointed Chairman or Chairperson of the Commission.

"Code" refers to the Internal Revenue Code of 1986, as amended, and the Treasury Regulations relating thereto.

"Commission" refers to the Board of Commissioners of the District, or such other body as shall be the governing body of said District under the laws of Kentucky at any given time.

"Construction Account" refers to the South Hopkins Water District Construction Account, created in Section 301(B) of this Current Bond Resolution.

"Contractors" refers to the general contractors who have been employed by the District to construct the Project.

"County Grant" refers to the County of Hopkins, Kentucky Grant described in Section 804 of this Resolution.

"Current Bond Resolution" or "Resolution" refer to this Resolution authorizing the Current Bonds.

"Current Bonds" refers to the \$770,000 of South Hopkins Water District Waterworks Revenue Bonds, Series 1994, consisting of \$670,000 of Series A Bonds and \$100,000 of Series B Bonds, authorized by this Resolution, to be dated as of the date of issuance thereof.

"Current Sinking Fund" refers to the South Hopkins Water District Sinking Fund, created in Section 401 of this Resolution.

"Depository Bank" refers to the bank, which shall be a member of the FDIC, which bank is Trans Financial Bank, N.A., Dawson Springs, Kentucky, or its successor.

"Depreciation Fund" refers to the South Hopkins Water District Depreciation Fund, described in Section 402 of this Resolution.

"District" refers to the South Hopkins Water District of Hopkins and Caldwell Counties, Kentucky.

"Engineers" refers to the Engineers or any one of them, who prepared the plans and specifications for the construction of the Project and who will supervise the construction thereof and/or will furnish full time resident inspection of the construction of the Project, and shall be deemed to refer to Campbell Wallace Consulting Engineers, or a member of said firm, or their successors.

"Event of Default" refers to one or more of the Events of Default set forth in Section 701 of this Resolution.

"FDIC" refers to the Federal Deposit Insurance Corporation, or its successors.

"Fiscal Year" refers to the annual accounting period of the District, beginning on January 1 and ending on December 31 of each year.

"FmHA" refers to the Farmers Home Administration of the Department of Agriculture of the United States of America.

"Funds" refers to the Construction Account, the Revenue Fund, the Sinking Fund, the Depreciation Fund and the Operation and Maintenance Fund.

"Government" refers to the United States of America, or any agency thereof, including the FmHA.

"Grant Proceeds" refers to the proceeds of the ACC Grant and the County Grant.

"Independent Consulting Engineer" refers to a consulting engineer or a firm of consulting engineers of recognized excellent reputation in the field of waterworks system engineering, and such definition includes the Engineers named above.

"Interim Lender" refers to any financial institution or governmental agency approved by the District.

"KIA" refers to the Kentucky Infrastructure Authority, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky.

"KIA Loan" refers to the obligation of the District to the KIA, as evidenced by an Assistance Agreement between the KIA and the District, dated as of April 1, 1993, the proceeds of which obligation were used to advance refund a prior obligation from the District to the KIA.

"Local Counsel" refers to Eldred & Wells, Princeton, Kentucky, or any other attorney or firm of attorneys designated by the District.

"Multiple Advances" refers to the advance of loan funds from the FmHA as described in Section 302 of this Resolution.

"Note" refers to a single note or any number of notes, in such form as may be prescribed by the Interim Lender, including any revenue bond anticipation notes issued pursuant to Chapter 58 of the Kentucky Revised Statutes, including any renewal or extensions of the Note, issued by the District evidencing the interim financing for the Project as prescribed in Section 302 of this Resolution.

"Operation and Maintenance Fund" refers to the South Hopkins Water District Operation and Maintenance Fund described in Section 401 of this Resolution.

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

"Parity Bonds" refers to bonds which may be issued in the future which, pursuant to this Resolution, rank on a basis of parity with the outstanding Bonds, as to priority, security and source of payment, and does not refer to bonds which might be issued so as to rank inferior to the security and source of payment of the outstanding Bonds.

"Project" refers specifically to the construction of the currently proposed extensions, additions and improvements to the System of the District, which Project is being financed by the Current Bonds and by other funds.

"Purchaser" refers to the agency, person, firm or firms, or their successors, to whom the Current Bonds herein authorized are awarded at the public sale of the Current Bonds.

"Required Signatures" refers to the signatures necessary to be obtained with reference to the approval of the expenditures to be made from the Construction Account, which required

signatures shall consist of the signatures of (1) the Chairman; (2) the Engineers; and (3) the Purchaser; provided, however, any expenditures for issuance and administrative costs and the costs of any equipment which is not permanently affixed to the real estate shall not require the signature or the approval of the Engineers.

"*Revenue Fund*" refers to the South Hopkins Water District Revenue Fund, described in Section 401 of this Resolution.

"*Secretary*" refers to the elected or appointed Secretary of the Commission.

"*Sinking Fund*" refers to the Waterworks Bond and Interest Sinking Fund, described in Section 401 of this Resolution.

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

"*Treasurer*" refers to the elected or appointed Treasurer of the Commission.

"*U.S. Obligations*" refers to bonds or notes which are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa. Unless otherwise indicated, references to Articles or Sections refers to those in this Resolution.

Section 102. Purpose. The Current Bonds shall be issued for the purpose of financing the cost (not otherwise provided) of the Project, as set out in the plans and specifications prepared by the Engineers. The Commission hereby declares the System of the District, including the extensions, additions and improvements to be constructed, to constitute a revenue producing public project, and said System shall continue to be owned, controlled, operated and maintained by the District as a revenue producing public project pursuant to the Act, so long as any Bonds remain outstanding.

Section 103. Construction Award Approved; Work Authorized. The Commission hereby authorizes, approves, ratifies and confirms its previous action in advertising for and taking steps toward awarding the contracts for the construction of the Project to the lowest and best bidders, and further approves the action of the District officials in entering into formal contracts with said bidders, subject to the necessary approvals being obtained. Authority is hereby given for undertaking the construction of the Project according to the plans and specifications heretofore prepared by the Engineers for the District, after all necessary approvals have been obtained.

Section 104. Declaration of Period of Usefulness. The Commission hereby declares that the period of usefulness of the System is more than forty (40) years from the date of completion of the Project.

Section 105. Authorization of Bonds. The District has heretofore determined that the total cost of the Project, including preliminary expenses, land and rights-of-way, engineering expense, capitalized interest during construction, legal and administrative costs, publication costs, initial deposits required and all incidental expenses, will not exceed \$966,000. Therefore, it is hereby determined to be necessary in order for the District to finance the cost (not otherwise provided) of the Project that the District issue a total of \$770,000 of Current Bonds, based on the following calculation:

| | | |
|---|---------------|------------------|
| Total cost of Project | | \$966,000 |
| Less: | | |
| County Grant | \$100,000 | |
| ACC Grant | 28,000 | |
| Connection Charges | <u>68,000</u> | |
| Total Non-Bond Funds: | | <u>(196,000)</u> |
| Balance to be financed by Current Bonds | | \$770,000 |

Accordingly, for the purpose of financing the cost (not otherwise provided) of the Project, under the provisions of the Act, there is hereby authorized to be issued and sold \$770,000 principal amount of South Hopkins Water District Waterworks Revenue Bonds, Series 1994, consisting of \$670,000 of Series A Bonds and \$100,000 of Series B Bonds.

The Current Bonds shall be dated as of the date of delivery to the Purchaser thereof; shall bear interest from such date at such interest rate as may be fixed by supplemental resolution as a result of the advertised sale and competitive bidding for such Current Bonds, as hereinafter provided; and shall be issued and delivered as prescribed in Section 202 hereof.

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

Section 106. Recognition of KIA Loan. The District hereby expressly recognizes and acknowledges that the District has previously created for the benefit and protection of the owners of the KIA Loan, a certain lien and pledge and certain security rights relating to the System, all as set forth in the documentation evidencing the KIA Loan.

Section 107. Current Bonds Shall be Payable on Second Lien Basis Out of Gross Revenues. The Current Bonds, and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be secured by and payable on a parity solely on a second lien basis out of the gross revenues of the System, after providing for all of the principal and interest requirements of the outstanding KIA Loan.

Section 108. Lien on Contracts. In addition to the revenue pledge securing the Bonds, a lien is hereby created and granted in favor of the Bondowners on all contracts, and on all other rights of the District pertaining to the System, enforceable by assignment to any receiver or other operator proceeding by authority of any court.

ARTICLE 2. THE BONDS; BOND FORM; PREPAYMENT.

Section 201. Principal Payments. Principal payments due on the Current Bonds shall be as set forth in the schedule of maturities set out in **Exhibit A** attached to this Resolution and incorporated herein.

Section 202. Issuance of Current Bonds; Bond Form. The Purchaser of the Current Bonds at the public sale shall take delivery of the Current Bonds in the form of one or more fully registered bonds, as set forth in **Exhibit B** attached hereto and incorporated herein, amounting in the aggregate to the principal amount of the Current Bonds authorized herein, maturing as to principal as set out in Section 201. The Current Bonds shall be numbered R-1 and consecutively upward thereafter. Such Current Bonds shall, upon appropriate execution on behalf of the District as prescribed, constitute the entire bond issue herein authorized, shall be negotiable (subject to registration requirements as to transferability), registered as to principal and interest and payable as directed by the registered Owner.

Section 203. Place of Payment and Manner of Execution. Both principal of and interest on the Current Bonds shall be payable at the place and in the manner set out in the form of such Current Bond. The Current Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Chairman of the District, with the Corporate Seal of the District affixed thereto and attested by the manual or facsimile signature of the Secretary of said District.

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

Section 204. Provisions as to Prepayment. Except when all of the Current Bonds are held by the Government, principal maturities falling due prior to January 1, 2005, shall not be subject to prepayment. Principal maturities falling due on and after January 1, 2005, shall be subject to prepayment by the District on any interest payment date falling on and after January 1, 2004, at par plus accrued interest, without any prepayment penalty.

So long as all of the Current Bonds are owned by the Government, all or any of the Current Bonds, or in a multiple of \$100, may be prepaid at any time in inverse chronological order of the principal maturities due, at par plus accrued interest without any prepayment penalty.

Notice of such prepayment shall be given by certified mail to the Bondowner or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the Bondowner.

**ARTICLE 3. CONSTRUCTION ACCOUNT; INTERIM FINANCING;
APPLICATION OF PROCEEDS; ARBITRAGE LIMITATIONS.**

Section 301. Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits. The Treasurer, or such other District official as shall be designated by the Commission, shall be the custodian of all funds belonging to and associated with the System. All moneys in excess of the amount insured by the FDIC in the Construction Account shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The officials of the District entrusted with the receipt and disbursement of revenues of the System and the custody of valuable property shall be covered by a fidelity bond in the amount of not less than \$40,000 (the "Fidelity Bond"), or such larger amount as the FmHA may require, which Fidelity Bond shall be effective and secured by a surety company approved by the FmHA so long as it is owner of any of the Current Bonds. The FmHA and the District shall be named co-obligees in such Fidelity Bond and the amount thereof shall not be reduced without the written consent of the FmHA. Whenever sums in the Funds shall exceed \$40,000, the Fidelity Bond shall be increased accordingly as requested by and with the approval of the FmHA.

A. Covenants Applicable if FmHA Purchases Current Bonds. It is acknowledged that all covenants herein with reference to the necessity for approval of the FmHA, the necessity of observing FmHA regulations and procedures and the necessity of using FmHA forms (the "FmHA Forms"), shall apply only if the FmHA is the Purchaser of the Current Bonds and only so long as the FmHA holds the Current Bonds thereafter. In the event that the FmHA shall not be the Purchaser of the Current Bonds, or, after purchasing same, shall sell or transfer the Current Bonds to an Owner who shall not be the Government, all covenants herein with reference to the necessity for approval of the FmHA, the necessity of observing FmHA regulations and procedures, and the necessity of using FmHA Forms, shall not be applicable.

B. Application of Proceeds of Current Bonds. The proceeds of the Current Bonds shall be applied as follows:

(1) Payment of Interim Financing, Costs of Project and Costs of Issuance. Simultaneously with the delivery of the Current Bonds, there shall immediately be paid to the Interim Lender (or the FmHA if Multiple Advances are made) an amount sufficient to pay principal of and interest on any temporary loans borrowed by the District in anticipation of the sale and delivery of the Current Bonds and/or of the receipt of Grant Proceeds. Also, at the time of delivery of the Current Bonds, there shall be paid all amounts then due and payable in connection with the costs of the Project and in connection with the issuance of the Current Bonds.

(2) Construction Account. If and to the extent that the proceeds of the Current Bonds shall be in excess of the amount necessary to pay the interest, principal and costs referred to in subparagraph B(1) of this Section, such excess amount shall immediately be deposited in the "South Hopkins Water District Construction Account" hereby created, which shall be established at the Depository Bank. There shall also be deposited in said Construction Account the Grant Proceeds, as and when received, or said Grant Proceeds may be applied, to the extent necessary, to liquidate or reduce any interim financing owed by the District at the time of receipt of Grant Proceeds. Simultaneously

with or prior to the delivery of the Current Bonds, there shall also be deposited in the Construction Account the proceeds of the District contribution in the minimum amount of \$68,000 (less any amounts theretofore used for authorized purposes), to supplement the proceeds of the Current Bonds and Grant Proceeds in order to assure completion of the Project.

(3) Withdrawal of Funds From Construction Account. Prior to the expenditure by the District of any moneys from the Construction Account, the District must obtain written approval from the FmHA as to such expenditures, if the FmHA is the Owner of any Outstanding Bonds. The proceeds of said Construction Account shall be withdrawn only on checks signed by the Chairman, the Treasurer (or by such other official of the District as may be authorized by the Commission), provided such official shall be covered by the Fidelity Bond required by Section 301 of this Resolution, in payment for services and/or materials supplied in connection with the Project, as evidenced by (1) a Requisition Certificate; and (2) invoices and/or partial payment estimates bearing the written approval of the Engineers and the Chairman (or by such other official of the District as may be authorized by the Commission), and which invoices and/or partial payment estimates must have been reviewed and approved for payment by the designated FmHA official.

Written approval or certification of the Engineers shall not be required for matters not under the jurisdiction of the Engineers, such as legal fees, land acquisition and related items.

During construction, the District shall disburse Construction Account funds in a manner consistent with FmHA Instruction 1942-A.

The District shall prepare and submit any and all FmHA Forms required by the FmHA. Periodic audits of the District's Construction Account records shall be made by FmHA as determined by it to be necessary.

(4) Transfer of Capitalized Interest to Sinking Fund. There shall be transferred from the Construction Account an amount sufficient to provide for capitalized interest (initially estimated at \$35,500) during the construction of the Project, as approved by the Engineers and by the FmHA. If and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project, such amount so transferred from the Construction Account shall be deposited in the Sinking Fund.

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

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

(6) **Statements of Contractors, Engineers and Attorneys as to Payment.** Prior to the delivery of the Current Bonds, if the FmHA is the Purchaser of the Current Bonds, the District will be required to provide the FmHA with statements from the Contractors, Engineers and attorneys for the District that they have been paid to date in accordance with their contract or other agreements and, in the case of any Contractor, that he has paid his suppliers and subcontractors. Any exceptions must be authorized under FmHA Instruction 1942-A.

(7) **Disposition of Balance in Construction Account After Completion of Project.** When the Project has been completed and all construction costs have been paid in full, as certified by the Engineers for the District and/or by the FmHA, any balance then remaining in the Construction Account may, with the consent of the FmHA, be applied to the cost of constructing additional extensions, additions and improvements to the System (the "Additional Construction"). If such Additional Construction is to be undertaken by the Contractors previously engaged in the Project, such Additional Construction may be authorized by a change order.

If there is a balance remaining in the Construction Account after such Additional Construction, such balance (subject to legal requirements as to possible refund of any allocated portion of the balance derived from Grant Proceeds) shall be transferred to the Sinking Fund, whereupon said Construction Account shall be closed. Such remaining balance in the Construction Account so transferred to the Sinking Fund shall be used by the District immediately to prepay principal installments due on the Current Bonds in the inverse order of maturities without prepayment penalty, provided further that any balance insufficient to prepay at least \$100 of the principal payment falling due in any year on the Bonds will be transferred to the Depreciation Fund.

Section 302. Interim Financing Authorization.

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

The borrowing of up to the aggregate sum of \$770,000 from the Interim Lender is hereby authorized; and the Chairman is hereby authorized to execute the Note in the name and on behalf of the District. Each advance under the Note shall evidence a loan by the Interim

Lender to the District for services rendered and/or materials supplied in connection with the Project, as evidenced by a Requisition Certificate.

Interim financing shall be disbursed as follows:

(1) At the direction of the District, the Interim Lender shall disburse the proceeds of the Note by cashier's checks directly to the parties entitled thereto as set forth in the Requisition Certificate; or

(2) At the direction of the District, the Interim Lender shall deposit the proceeds of the Note in the Construction Account, in which event amounts of the District on deposit therein shall, until expended to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U.S. Obligations.

The aggregate of the principal amount of all Notes shall not exceed \$770,000. Each Note which is renewed or superseded shall be simultaneously cancelled by the Interim Lender and transmitted to the Treasurer. The rate of interest applicable to each Note shall not exceed a reasonable rate, which rate is subject to the approval of the FmHA.

The total authorized interim financing of \$770,000 shall be the maximum indebtedness which the District may owe at any one time to the Interim Lender for the purpose of providing temporary construction financing for the Project; provided, however, that the District may reduce the amount owed by the District to the Interim Lender from time to time as and when funds are available to the District, whether derived from the proceeds of the Grant Proceeds, the proceeds of the sale of the Current Bonds or otherwise, and may reborrow from the Interim Lender additional amounts in anticipation of the further receipt by the District of additional proceeds from the Current Bonds and/or Grant Proceeds.

The District hereby covenants and agrees with the Interim Lender that upon the issuance and delivery of the Current Bonds and/or the receipt of said Grant Proceeds, the District will apply the proceeds thereof, to whatever extent may be necessary, in payment of the principal amount of the Note, together with accrued interest thereon to the date of such payment; and the proceeds of the Current Bonds and Grant Proceeds are hereby pledged therefor, and such pledge shall constitute a first and prior charge against said proceeds.

Although the proceeds of the Current Bonds and Grant Proceeds are pledged to the repayment of said interim financing, it is recognized that the Grant Proceeds may be applied to the extent required at the time of receipt of the Grant Proceeds, to the payment of costs of the Project due and owing by the District at the time of receipt of such Grant Proceeds, rather than to the repayment of portions of the interim financing at that time. If and to the extent that the Grant Proceeds are in excess of any costs of the Project due and owing at the time of receipt thereof, such Grant Proceeds may be applied, in the same manner as set out hereinabove, to the reduction of the amount of the interim financing, after which, such interim financing may again be increased as theretofore. The District further pledges the revenues of the System to the repayment of said interim financing, subject to the vested rights and priorities of the pledges securing the KIA Loan.

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

B. Multiple Advances by FmHA. In the event the Current Bonds are purchased by the FmHA, and in the event the District is unable to obtain a commitment for interim financing for the Project from any Interim Lender at reasonable rates and terms, the Chairman is authorized to request Multiple Advances of loan funds from the FmHA.

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

Each request for an advance from the FmHA shall be accompanied by a Requisition Certificate. The District will also furnish to the FmHA, prior to the receipt of each Multiple Advance, whatever additional documentation shall be requested by the FmHA, including an updated supplemental title opinion of Local Counsel and an updated supplemental preliminary legal opinion of Bond Counsel.

The proceeds of any Multiple Advances shall be either (i) disbursed directly to the parties entitled thereto for services and/or materials supplied in connection with the Project; or (ii) deposited into the Construction Account and disbursed in accordance with the provisions of Section 301 hereof, in which event amounts on deposit in such Construction Account shall, until expended, to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U.S. Obligations.

The proceeds of the Current Bonds are hereby pledged to the repayment of such Multiple Advances, and such pledge shall constitute a first and prior pledge against such proceeds. The District further pledges the revenues of the System to the repayment of said Multiple Advances, subject to the vested rights and priorities of the pledges securing the KIA Loan.

Section 303. Arbitrage Limitations on Investment of Proceeds. The District covenants and certifies, in compliance with the Code, on the basis of known facts and reasonable expectations on the date of adoption of this Resolution, that it is not expected that the proceeds of the Current Bonds will be used in a manner which would cause the Current Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The District covenants to the Owners of the Current Bonds that (1) the District will make no use of the proceeds of said Current Bonds which, if such use had been reasonably expected on the date of issue of such Current Bonds, would have caused such Current Bonds to be "arbitrage bonds"; and (2) the District will comply with all of the requirements of the Code to whatever extent is necessary to assure that the Current Bonds shall not be treated as or constitute "arbitrage bonds" and that the interest on the Bonds shall be excludable from gross income for federal income tax purposes.

Prior to or at the time of delivery of the Current Bonds, the Chairman and/or the Treasurer (who are jointly and severally charged with the responsibility for the issuance of the Current Bonds) are authorized to execute such certifications as shall be required by Bond Counsel, setting out all known and contemplated facts concerning the anticipated construction, expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by Section 148 of the Code in order to assure that interest on the Current Bonds shall be excludable from gross income for federal income tax purposes and that the Current Bonds will not be treated as "arbitrage bonds".

ARTICLE 4. FLOW OF FUNDS.

Section 401. Funds. The is hereby created and established in this Resolution the following funds and accounts:

- (a) South Hopkins Water District Revenue Fund
- (b) South Hopkins Water District Sinking Fund
- (c) South Hopkins Water District Depreciation Reserve Fund
- (d) South Hopkins Water District Operation and Maintenance Fund

All of the Funds shall be maintained with the Depository Bank so long as any Bonds remain outstanding.

Section 402. Flow of Funds. After the issuance of the Current Bonds, the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows, subject to the priority of the documentation evidencing the KIA Loan:

A. Revenue Fund. The District covenants and agrees that it will continue to deposit in the Revenue Fund, promptly as received from time to time, all revenues of the System, as same may be extended and improved from time to time. The moneys in the Revenue Fund shall continue to be used, disbursed and applied by the District only for the purpose and in the manner and order of priorities specified this Resolution, all as permitted by the Act, and in accordance with previous contractual commitments.

B. Sinking Fund. It is hereby recognized that the District is obligated upon the issuance of the Current Bonds to provide for additional debt service requirements of the Current Bonds.

At or after the delivery of the Current Bonds, there shall be transferred from the Construction Account to the Sinking Fund an amount sufficient to provide for capitalized interest (initially estimated at \$35,500) on the Current Bonds during the construction of the Project, if and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project.

There shall be transferred from the Revenue Fund and deposited into the Sinking Fund on or before the 20th day of each month, for payment of interest on and principal of the Outstanding Bonds, a sum equal to the total of the following:

- (1) An amount equal to one-sixth (1/6) of the next succeeding six-month interest payment to become due on the Bonds, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Bonds maturing on the next succeeding January 1.

If the District for any reason shall fail to make any monthly deposit as required, then an amount equal to the deficiency shall be set apart and deposited into the Sinking Fund out of the first available revenues in the ensuing months, which amount shall be in addition to the monthly

deposit otherwise required during such succeeding months. Whenever there shall accumulate in the Sinking Fund amounts in excess of the requirements during the next twelve months for paying the principal of and interest due on the Outstanding Bonds, as same fall due, such excess may be used for redemption or prepayment of any Outstanding Bonds, subject to the terms and conditions set forth therein, prior to maturity.

C. Depreciation Fund. There shall next be transferred from the Revenue Fund the sum of at least \$380 each month which shall be deposited into the Depreciation Fund until there is accumulated in such Depreciation Fund the sum of at least \$45,600, which amount shall be maintained, and when necessary, restored to said sum of \$45,600, so long as any of the Bonds are outstanding and unpaid.

As further security for the Bondowners and for the benefit of the District, it has been and is hereby provided that in addition to the monthly transfers required to be made from the Revenue Fund into the Depreciation Fund, there shall be deposited into said Depreciation Fund all proceeds of connection fees collected from potential customers (except the amounts necessary to pay the actual costs and service connections applicable to said potential customers) to aid in the financing of the cost of future extensions, additions and improvements to the System, plus the proceeds of any property damage insurance (not otherwise used to replace damaged or destroyed property); and any such amounts or proceeds so deposited shall be used solely and only for the purposes intended.

Moneys in the Depreciation Fund may be withdrawn and used by the District, upon appropriate certification of the Commission, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals and replacements not included in the annual budget of current expenses and/or of paying the costs of constructing future extensions, additions and improvements to the System which will either enhance its revenue-producing capacity or will provide a higher degree of service, and when necessary, for the purpose of making payments of principal and interest on the Bonds if the amount on deposit in the Sinking Fund is not sufficient to make such payments.

D. Operation and Maintenance Fund. There shall next be transferred monthly from the Revenue Fund and deposited into said Operation and Maintenance Fund, sums sufficient to meet the current expenses of operating and maintaining the System. The balance maintained in said Operation and Maintenance Fund shall not be in excess of the amount required to cover anticipated System expenditures for a two-month period pursuant to the District's annual budget.

E. Monthly Principal and Interest Payments if Requested by the FmHA. So long as any of the Bonds are held or insured by the FmHA, the District shall, if requested by the FmHA, make the payments required by this Section 402, in monthly installments to the FmHA or to the insured Owners of the Bonds.

F. Surplus Funds. Subject to the provisions for the disposition of the income and revenues of the System as set forth hereinabove, which provisions are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred, within sixty days after the end of each fiscal year, the balance of excess funds in

the Revenue Fund on such date, to the Depreciation Fund for application in accordance with the terms of this Resolution or to the Sinking Fund to be applied to the maximum extent feasible, to the prompt purchase or redemption of Outstanding Bonds.

G. Investment and Miscellaneous Provisions. All monies in the Sinking Fund and the Depreciation Fund shall be deposited in the Depository Bank, or such portion thereof as is designated by the Commission. All monies in the Sinking Fund and the Depreciation Fund shall be invested for the benefit of such respective Funds in Certificates of Time Deposit or savings accounts of the Depository Bank or in U.S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for the purposes for which such funds may be expended, provided that to the extent that any amount of the District on deposit in the Depository Bank shall cause the total deposits of the District in said Depository Bank to exceed the amount insured by the FDIC, such excess amount shall be continuously secured by a valid pledge of U.S. Obligations, having an equivalent market value, in conformity with Section 66.480 of the Kentucky Revised Statutes.

If the FmHA has purchased any of the Outstanding Bonds, investments in Certificates of Deposit may be made only if a separate FmHA Form 402-4 Agreement is executed. Any such investments will be a part of the respective Funds from which the proceeds invested are derived, and income from such investments will be credited to such respective Funds. All investments of funds derived from proceeds of the Outstanding Bonds shall be subject to the applicable limitations set out in Section 303 hereof.

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

All monies held in any of the Funds shall be kept apart from all other District funds and shall be deposited in the Depository Bank, and all such deposits which cause the aggregate of all deposits of the District therein to be in excess of the amount secured by FDIC, shall (unless invested as herein authorized) be secured by a surety bond or bonds or by a pledge of U.S. Obligations, having a market value equivalent to such deposit.

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

Section 403. Current Bonds are Subordinate to the KIA Loan. It is hereby certified and declared that the Current Bonds shall be subordinate to the lien and pledge of the KIA Loan on the gross revenues of the System.

ARTICLE 5. COVENANTS OF DISTRICT

Section 501. Rates and Charges. The District shall charge such rates and charges for all services and facilities rendered by the System, which rates and charges shall be reasonable, taking into account and consideration the cost and value of the System, the cost of maintaining, repairing and operating same and the amounts necessary for the payment of principal of and interest on Outstanding Bonds against the System. The District shall charge such rates and charges as shall be adequate to meet the requirements of Articles 4 and 5 hereof.

The District covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the Secretary a certification of an Independent Consulting Engineer that the annual net revenues (defined as gross revenues less operating expenses) of the then existing System for the fiscal year preceding the year in which such reduction is proposed, as such annual net revenues are adjusted, after taking into account the projected reduction in annual net revenues anticipated to result from any such proposed rate decrease, are equal to not less than 120% of the average annual debt service requirements for principal and interest on all of the then Outstanding Bonds payable from the revenues of the System, calculated in the manner specified in Section 603 hereof.

Section 502. Books and Accounts; Audit. The District shall maintain proper records and accounts relating to the operation of the System and the District's financial affairs; and the Bondowners, or their authorized representatives, shall have the right at all reasonable times to inspect the facilities of the System and all records, accounts and data relating thereto. An annual audit shall be made of the books and accounts pertinent to the System by a Certified Public Accountant licensed in Kentucky. No later than ninety (90) days after the close of each Fiscal Year, copies of such audit reports certified by such Certified Public Accountant shall be promptly mailed to the FmHA without request, so long as the Government is the Owner of any of the Bonds, and to any Bondowner that may have made a written request for same.

Monthly operating reports shall be furnished to the FmHA and to any Bondowner requesting same, during the first two (2) years of operation after completion of the Project, and whenever and so long as the District is delinquent in any of the covenants set out in this Current Bond Resolution. Thereafter, quarterly operating reports shall be furnished at all other times to the FmHA and to any Bondowner requesting the same.

Section 503. System to Continue to be Operated on Fiscal Year Basis; Annual Budget. While any of the Bonds are outstanding and unpaid, and to the extent permitted by law, the System shall continue to be operated and maintained on a Fiscal Year basis.

Not later than sixty (60) days before the end of each Fiscal Year, the District agrees to cause to be prepared a proposed annual budget of operating expenses (the "Proposed Budget") of the System for the then ensuing Fiscal Year, itemized on the basis of monthly requirements. A copy of said Proposed Budget shall be mailed to any Bondowner who may request in writing a copy of such Proposed Budget and to the FmHA without request, if the Government is the Owner of any of the Bonds.

For the purpose of the Proposed Budget, operating expenses shall include all reasonable and necessary expenses of operating, repairing, maintaining and insuring the System, but shall exclude depreciation and debt service payments. The District covenants that the operating expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that the District will not expend any amount or incur any obligation for operation or maintenance and repair in excess of the amounts provided for operating expenses in the annual budget, except upon resolution by the District that such expenses are necessary to operate and maintain the System.

Not later than sixty (60) days before the end of each Fiscal Year, the District shall prepare an estimate of gross revenues to be derived from the operation of the System for said Fiscal Year, and, to the extent that said gross revenues are insufficient (a) to pay debt service requirements on all Outstanding Bonds during the ensuing Fiscal Year, (b) to accumulate and maintain all required reserves enumerated herein and (c) to pay operating expenses, the District shall revise the rates and charges sufficiently to provide the funds so required.

If the Owners of at least 50% of the principal amount of the Outstanding Bonds, or the Government so long as it is the Owner of any of said Outstanding Bonds, so request, the Commission shall hold an open hearing not later than thirty (30) days before the beginning of the ensuing Fiscal Year, at which time any Bondowner may appear by agent or attorney and may file written objections to such proposed budget. Notice of the time and place of such hearing shall be mailed at least fifteen (15) days prior to the hearing to each registered Bondowner and to the Government.

The District covenants that annually before the first day of the Fiscal Year, the annual budget for the upcoming Fiscal Year will be adopted substantially in accordance with the Proposed Budget, and that no expenditures for operation and maintenance expenses of the System in excess of the budgeted amount shall be made during such Fiscal Year unless directed by said District by a specific resolution duly adopted.

Section 504. General Covenants. The District, through its Commission, hereby covenants and agrees with the Owners of the Bonds that:

- (1) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky;
- (2) It will make and collect reasonable and sufficient rates and charges for services and facilities rendered by the System;
- (3) It will segregate the revenues and income from the System and make application thereof consistent with and as provided by this Resolution;
- (4) Unless the written consent of the Owners of a majority of the principal amount of the Outstanding Bonds has been obtained, the District agrees not to sell, lease, mortgage or in any manner dispose of any integral part of the System, including any and all appurtenances thereto and extensions,

additions and improvements that may be made thereto, until all of the Outstanding Bonds shall have been paid or provided for in full, as provided herein; subject to the provisions of Section 607 hereof;

- (5) It will maintain in good condition and continuously operate the System and appurtenances thereto and will charge such rates and charges for the services rendered thereby so that the gross income and revenues will be sufficient at all times (i) to pay the interest on and principal of the Outstanding Bonds as same become due; (ii) to pay the cost of operating and maintaining the System; and (iii) to provide for an adequate depreciation account;
- (6) It will carry and maintain insurance on properties of the System subject to loss or damage in amounts and against hazards substantially in accordance with the practices of other districts, cities or corporations which own and maintain waterworks systems under similar conditions; and so long as the Government is the Owner of any of the Outstanding Bonds, the Government will be listed as co-beneficiary on any such policy; and the District shall further comply with the insurance requirements of Section 506 hereof (involving insurance on motors, tanks and structures); and
- (7) It will, pursuant to Section 96.394 of the Kentucky Revised Statutes and other applicable legal provisions, cause rates and charges for sewer services provided by the System to be billed simultaneously with rates and charges for water service furnished to sewer customers by the System, and will provide that water service will be discontinued to any premises where there is a failure to pay any part of the aggregate charges so billed, including such penalties and fees for disconnection and/or reconnection as be prescribed from time to time.

Section 505. Other Covenants Applicable So Long as FmHA Owns Any Bonds. So long as the FmHA shall own any of the Bonds, the District shall comply with such FmHA regulations, requirements and requests as shall be made by the FmHA, including the furnishing of operating and other financial statements, in such form and substance and for such periods as may be requested by the FmHA, the carrying of insurance of such types and in such amounts as the FmHA may specify, with insurance carriers acceptable to the FmHA and compliance with all of the terms and conditions of the Loan Resolution (FmHA Form 1942-47) adopted and executed by the District, which is hereby authorized, approved, ratified and confirmed.

Section 506. Insurance on Motors, Tanks and Structures. The District shall (a) immediately after the adoption of this Resolution and (b) at the time of final acceptance of the Project, insure all electric motors, elevated water storage tanks, pumping stations and major structures of the System in an amount recommended by the Engineers and approved by the FmHA, so long as the FmHA is the Owner of any of the Bonds, for the hazards usually covered in such area, and shall similarly insure same in an amount recommended by the Engineers, without the necessity of approval by the FmHA if and whenever the District has Outstanding Bonds against the System and none of such Outstanding Bonds are owned by the FmHA.

ARTICLE 6. INFERIOR BONDS AND PARITY BONDS

Section 601. Inferior Bonds. Except as hereinafter provided below in this Article, the District shall not, so long as any Bonds are outstanding, issue any additional bonds payable from the revenues of the System unless the security and/or pledge of the revenues and statutory mortgage lien to secure such additional bonds are made inferior and subordinate in all respects to the security of the Bonds.

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

Section 602. Parity Bonds to Complete the Project. The District hereby certifies, covenants and agrees that in the event that the cost of completion of the construction of the Project shall exceed the moneys available to the District from any and all sources, the District shall have the right, if necessary, to provide for such excess, and only such excess, through the issuance of Parity Bonds, provided the District has obtained a certification from the Engineers to the effect that it is necessary to issue the desired amount of Parity Bonds in order to enable the District to pay the cost (not otherwise provided) of the completion of the Project, and provided the District has complied with the provisions of Section 603 below or has obtained the consent of (1) the FmHA if the Government is the purchaser of the Current Bonds; or (2) the Owners of at least 75% of the principal amount of the Current Bonds outstanding, if the Current Bonds have been issued, sold and delivered and are held by Owners other than the Government.

Section 603. Parity Bonds to Finance Future Improvements. The District reserved the right and privilege, and does hereby reserve the right and privilege, of issuing additional Parity Bonds, but only under the conditions specified in the Current Bond Resolution, which conditions are as follows:

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

(a) The facilities to be constructed from the proceeds of the additional Parity Bonds are made a part of the System and their revenues are pledged as additional security for the additional Parity Bonds and for the Outstanding Bonds.

(b) The District is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds.

(c) The annual net revenues (defined as gross revenues less operating expenses), of the then existing System for the Fiscal Year preceding the year in which such Parity Bonds are to be issued, adjusted as hereinafter provided, shall be certified by an independent Certified Public Accountant to be equal at least one hundred twenty percent (120%) of the average annual debt service requirements for principal and interest on all Outstanding Bonds payable from the revenues of the System, plus the anticipated debt service requirements of any Parity Bonds then proposed to be issued. The calculation of average annual debt service requirements of principal and interest on the additional Parity Bonds to be issued shall, regardless of whether such additional Parity Bonds are to be serial or term bonds, be determined on the basis of the principal of and interest on such Parity Bonds being payable in approximately equal annual installments.

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

(1) any revisions in the System's schedule of rates or charges being imposed on or before the time of the issuance of any such additional Parity Bonds, and

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

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

(e) Compliance with Section 603(a) through (d) shall not be necessary for the issuance of Parity Bonds if the District has obtained the written consent of the FmHA for the issuance of such Parity Bonds, if the Government is the Owner of any Bonds at the time of issuance of such Parity Bonds and no other prerequisite need be complied with by the District in order to issue Parity Bonds.

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

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

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

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

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

Section 605. Prepayment Provisions Applicable to Parity Bonds. If, in connection with any subsequently issued series of Parity Bonds, it is provided that excess revenues in the Revenue Fund shall be used to prepay Outstanding Bonds in advance of scheduled maturity, or if the District at its option undertakes to prepay Outstanding Bonds in advance of scheduled maturity, it is agreed and understood, for so long as the Government owns any of the Outstanding Bonds, that no such prepayment will be effected without the approval of the FmHA.

Section 606. Consent of the FmHA Regarding Future Bonds. Notwithstanding any other provisions of this Resolution, the District agrees that so long as the Government owns any Outstanding Bonds against and/or payable from the revenues of the System, the District will not issue any future bonds, notes or other obligations against, secured by or payable from the revenues of the System without the written consent of the FmHA.

Section 607. Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities. The District covenants and agrees that so long as any of the Bonds are outstanding, the District will not sell or otherwise dispose of any of the facilities of the System, or any part thereof, and, except as provided above, the District will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of the Outstanding Bonds. Notwithstanding the foregoing, the District may at any time permanently abandon the use of, or sell at fair market value, any part of the facilities of the System, provided that:

- (a) The District is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds, and the required reserves for such Outstanding Bonds will have been accumulated;
- (b) The District will, in the event of any such sale, apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing prepayment of bonds in advance of maturity; or (2) replacement of the facility so disposed of by another facility, the revenues of which shall be incorporated into the System, as hereinbefore provided;
- (c) The District certifies, in good faith, prior to any abandonment of use, that the facilities to be abandoned are no longer economically feasible of producing net revenues; and
- (d) The District certifies, in good faith, that the estimated net revenues of the remaining facilities of the System for the then next succeeding Fiscal Year, plus the estimated net revenues of the facilities, if any, to be added to the System, comply with the earnings requirements hereinbefore provided in the provisions and conditions governing the issuance of Parity Bonds.

Notwithstanding any other provisions hereof, so long as any Bonds are held by the Government, the District shall not dispose of its title to the System or to any part thereof, without first obtaining the written consent of the FmHA.

ARTICLE 7. DEFAULT AND CONSEQUENCES

Section 701. Events of Default. The following items shall constitute an Event of Default on the part of the District:

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

Section 702. Consequences of Event of Default. Any Owner of the Current Bonds may enforce and compel the performance of all duties and obligations of the District set forth herein. Upon the occurrence of an Event of Default, then upon the filing of a suit by any Owner of said the Current Bonds, any court having jurisdiction of the action may appoint a receiver to administer said System on behalf of the District with power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal of and interest on the Outstanding Bonds and to provide and apply the income and revenues in conformity with this Resolution and with the laws of the Commonwealth of Kentucky.

The District hereby agrees to transfer to any bona fide receiver or other subsequent operator of the System, pursuant to any valid court order in a proceeding brought to enforce collection or payment of the District's obligations, all contracts and other rights of the District pertaining to the System, conditionally, for such time only as such receiver or operator shall operate by authority of the court. Upon the occurrence of an Event of Default, the Owner of any of the Outstanding Bonds may require the governing body of the District by appropriate order to raise the rates a reasonable amount consistent with the requirements of this Resolution.

**ARTICLE 8. CONTRACTUAL PROVISIONS; GRANT APPROVAL;
MISCELLANEOUS PROVISIONS.**

Section 801. Resolution Contractual with Bondowners. The provisions of this Resolution constitute a contract between the District and its Commission and the Owners of the Current Bonds as may be outstanding from time to time; and after the issuance of any of said Current Bonds, no change, alteration or variation of any kind of the provisions of this Resolution shall be made in any manner which will affect an Owner's rights except as herein provided or except with the written consent of all Bondowners until such time as all of the Current Bonds and the interest thereon have been paid in full or fully provided for; provided that the Commission may adopt any resolution for any purpose not inconsistent with the terms of this Resolution and which shall not impair the security of the Owners of the Current Bonds and/or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any resolution or other proceedings pertaining hereto.

It is further agreed that the Owners of 75% in principal amount of the Current Bonds at any time outstanding shall have the right to consent to and approve the adoption of resolutions or other proceedings, modifying or amending any of the terms or provisions contained in this Resolution, subject to the conditions that (a) this Resolution shall not be so modified in any manner that may adversely affect the rights of any certain Owners of the Outstanding Bonds without similarly affecting the rights of all Owners of such Outstanding Bonds, or to reduce the percentage of the number of Owners whose consent is required to effect a further modification and (b) no such change may be effected without the consent of the FmHA so long as the FmHA owns any of the Outstanding Bonds.

Section 802. All Current Bonds are Equal. The Current Bonds authorized herein shall not be entitled to priority one over the other in the application of the income and revenues of the System, or with respect to the security for their payment, regardless of the time or times of their issuance, it being the intention that there shall be no priority among any of the Current Bonds regardless of the fact that they may be actually issued and delivered at different times.

Section 803. District Obligated to Refund Current Bonds Owned by Government Whenever Feasible; Defeasement Prohibited. So long as the Government is the Owner of any of the Current Bonds, if it appears to the Government that the District is able to refund such Current Bonds in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, or to sell bonds of the District in the open market, at reasonable rates and terms, for loans or bond issues for similar purposes and periods of time, the District will, upon request of the Government, obtain such loan and/or issue such bonds in sufficient amount to repay the Government and will take all such action as may be required in connection therewith.

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

Section 804. Approval and Acceptance of County Grant. The County of Hopkins Kentucky (the "County") has agreed to make a grant to the District in the amount of \$100,000 (the "County Grant") to supplement the proceeds of the Current Bonds in order to provide the total cost of the Project. The Chairman and Secretary are authorized on behalf of the District to accept any and all County Grants offered to the District in connection with the Project and to execute any and all Grant agreements and any other documents in connection with County Grants which have been and/or which may hereafter be approved for such Project.

Section 805. Approval and Acceptance of ACC Grant. The Andalex Coal Company (the "ACC") has agreed to make a grant to the District in the amount of \$28,000 (the "ACC Grant") to supplement the proceeds of the Current Bonds in order to provide the total cost of the Project. The Chairman and Secretary are authorized on behalf of the District to accept any and all other ACC Grants offered to the District in connection with the Project and to execute any and all Grant agreements and any other documents in connection with ACC Grants which have been and/or which may hereafter be approved for such Project.

Section 806. Authorization, Ratification and Confirmation of Approval and Execution of Various Documents. The Commission hereby authorizes, approves, ratifies and confirms the previous action of the officers of the District in approving and executing various documents related to the financing of the Project, including the following:

- (a) Legal Services Agreement with Bond Counsel.
- (b) Legal Services Agreement with Local Counsel.
- (c) Letter of Intent to Meet Conditions of FmHA Letter of Conditions (FmHA Form 1942-46).
- (d) Loan Resolution (FmHA Form 1942-47).
- (e) Agreement for Engineering Services with the Engineers.

Section 807. Authorization of Condemnation to Acquire Easements and/or Sites. In the event that (a) any necessary deeds of easement to allow construction of the Project over the property of any property owner or (b) any necessary deed to the necessary site of any waterworks facility of the Project shall not be obtained through negotiation within ten (10) days after the date of adoption of this Resolution and in the event that (1) such waterworks lines cannot be located within the right-of-way of the State and/or County road involved; and/or (2) such waterworks facilities cannot be located on a site already owned by the District, Local Counsel is hereby authorized and directed to file condemnation actions to obtain such necessary rights-of-way and/or sites forthwith, without further authorization or direction from the District or the Commission. Local Counsel is further directed to follow the same condemnation procedure in the event that it becomes necessary, through change orders, line extensions and/or errors in the location of property lines and/or property owners, to obtain additional easements, rights-of-way and/or sites for completion of the Project and whenever the necessary deed is not obtained by negotiation at least ten (10) days prior to the date on which construction is contemplated in the respective easement, right-of-way and/or site.

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

ARTICLE 9. SALE OF CURRENT BONDS

Section 901. Sale of Current Bonds. The Current Bonds shall be offered publicly for sale upon the basis of sealed, competitive bids at such time as the Commission shall designate.

A suggested form of "Notice of Bond Sale", a suggested form of "Official Notice of Sale of Bonds" and a suggested form of "Bid Form", having been prepared in advance by Bond Counsel, and all of such documents having been found to be in satisfactory form, a copy of each is hereby ordered to be filed in the records of the Secretary with the Minutes of the meeting at which this Resolution is adopted. The Notice of Bond Sale shall be signed by the Secretary and may be used for the purpose of publishing notice of the sale of the Current Bonds. Copies of such documents shall be furnished to any interested parties who may request same.

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

Section 902. Adjustment in Maturities, Prepayment Provisions and Other Dates, with Consent of Purchaser if Delivery is Delayed. In the event that delivery of the Current Bonds authorized herein is delayed for any reason and the District, with the consent of the Purchaser of the Current Bonds, determines it is in the District's best interest to change the maturities, the applicable prepayment date or any other dates, the District may adjust the same by a Resolution of the Commission approving the adjustments.

ARTICLE 10. CONCLUDING PROVISIONS

Section 1001. Covenant of District to Take All Necessary Action To Assure Compliance with the Code. In order to assure the Owners of the Current Bonds that such Current Bonds shall continue to be legal and that interest thereon will continue to be excludable from gross income for federal income tax purposes and exempt from all Kentucky income taxation, the District covenants to and with the Owners of the Current Bonds to take the following action:

(a) The District will (1) take all actions necessary to comply with the provisions of the Code necessary to assure that interest on the Current Bonds will be excludable from gross income for federal income tax purposes; (2) will take no actions which will violate any of the provisions of the Code; and (3) not use the proceeds of the Current Bonds for any purpose which will cause interest on the Current Bonds or on interim financing obligations, including, but not limited to the Note, issued pursuant to Section 302 hereof to become includable in gross income for federal income tax purposes.

(b) The District hereby certifies that it does not reasonably anticipate that the total principal amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code which the District, or any subordinate entity of the District, will issue during the calendar year during which the Current Bonds are issued, will exceed \$10,000,000; and therefore the District hereby designates the Current Bonds and all interim financing obligations, including, but not limited to the Note, issued pursuant to Section 302 hereof as "qualified tax-exempt obligations".

(c) The District further certifies that the Current Bonds and any and all interim financing obligations of the District are not "private activity bonds" within the meaning of the Code.

(d) The District covenants and agrees to comply with the rebate requirements on certain excess earnings imposed by Section 148 of the Code, and in the event it is determined by the District, upon the advice of Bond Counsel, that the Construction Account, or any other Fund established hereunder, is subject to said rebate requirements and does in fact generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Current Bonds, plus any income attributable to such excess, there shall be established a separate and special fund with the Depository Bank, which fund shall be designated the "Excess Earnings and Rebate Fund", which shall be utilized for the collection and payment of any excess generated from investments and the remittance thereof to the United States of America on or before the anniversary of the fifth (5th) year from the date of the Current Bonds, and once every five (5) years thereafter until the final retirement of the Current Bonds; the last installment, to the extent required, to be made no later than sixty (60) days following the date on which funds sufficient for the complete retirement of the Current Bonds are deposited with any escrow agent. The District further covenants to file any and all reports, if any, as may be required to be filed with the Government with regard to the liability or non-liability of the District as to any such rebate

requirements and to maintain records in regard thereto for the period of time required by applicable Treasury regulations.


Section 1002. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, which shall continue in full force and effect.

Section 1003. All Provisions in Conflict Repealed. All motions, resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are to the extent of such conflict hereby repealed. It is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds of the District payable or secured in any manner by all or any part of the income and revenues of said System or any part thereof, and which have not been heretofore issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered. The District covenants to correct by appropriate proceedings any required procedure previously taken invalidly.

Section 1004. Effective Immediately Upon Adoption. This Resolution shall take effect and be effective immediately upon its adoption.

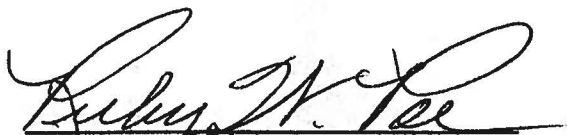
Adopted this November 29, 1994.

SOUTH HOPKINS WATER DISTRICT


Chairman

(Seal of District)

Attest:

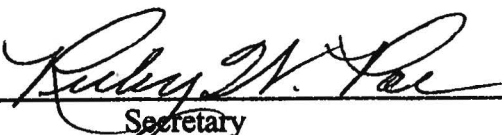

Secretary

CERTIFICATION

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the South Hopkins Water District of Hopkins and Caldwell Counties, Kentucky, and that the foregoing Resolution is a true copy of a Resolution duly adopted by the Board of Commissioners of said District, signed by the Chairman of said District and attested under Seal by me as Secretary, at a properly convened meeting of said Board of Commissioners held on November 29, 1994, as shown by the official records of said District in my custody and under my control.

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

IN TESTIMONY WHEREOF, witness my signature as Secretary and the official Seal of the District this November 29, 1994.


Secretary

(Seal of District)

EXHIBIT A-1 - SERIES A

Schedule of Principal Payments

| <u>Payment Due January 1,</u> | <u>Principal Payment</u> | <u>Payment Due January 1,</u> | <u>Principal Payment</u> |
|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
| 1998 | 6,000 | 2019 | 18,000 |
| 1999 | 7,000 | 2020 | 18,000 |
| 2000 | 7,000 | 2021 | 19,000 |
| 2001 | 7,000 | 2022 | 20,000 |
| 2002 | 8,000 | 2023 | 21,000 |
| 2003 | 8,000 | 2024 | 22,000 |
| 2004 | 8,000 | 2025 | 23,000 |
| 2005 | 9,000 | 2026 | 25,000 |
| 2006 | 9,000 | 2027 | 25,000 |
| 2007 | 10,000 | 2028 | 27,000 |
| 2008 | 10,000 | 2029 | 28,000 |
| 2009 | 11,000 | 2030 | 30,000 |
| 2010 | 11,000 | 2031 | 31,000 |
| 2011 | 12,000 | 2032 | 33,000 |
| 2012 | 12,000 | 2033 | 34,000 |
| 2013 | 13,000 | 2034 | 36,000 |
| 2014 | 14,000 | 2035 | 37,000 |
| 2015 | 14,000 | | |
| 2016 | 15,000 | | |
| 2017 | 16,000 | | |
| 2018 | 16,000 | | |

EXHIBIT A-2 - SERIES B

Schedule of Principal Payments

| <u>Payment Due</u> <u>January 1,</u> | <u>Principal</u> <u>Payment</u> | <u>Payment Due</u> <u>January 1,</u> | <u>Principal</u> <u>Payment</u> |
|---|------------------------------------|---|------------------------------------|
| 1998 | 1,000 | 2018 | 2,500 |
| 1999 | 1,100 | 2019 | 2,600 |
| 2000 | 1,100 | 2020 | 2,700 |
| 2001 | 1,200 | 2021 | 2,900 |
| 2002 | 1,200 | 2022 | 3,000 |
| 2003 | 1,300 | 2023 | 3,100 |
| 2004 | 1,300 | 2024 | 3,300 |
| 2005 | 1,400 | 2025 | 3,400 |
| 2006 | 1,500 | 2026 | 3,600 |
| 2007 | 1,500 | 2027 | 3,700 |
| 2008 | 1,600 | 2028 | 3,900 |
| 2009 | 1,700 | 2029 | 4,100 |
| 2010 | 1,700 | 2030 | 4,200 |
| 2011 | 1,900 | 2031 | 4,500 |
| 2012 | 1,900 | 2032 | 4,600 |
| 2013 | 2,000 | 2033 | 4,900 |
| 2014 | 2,100 | 2034 | 5,000 |
| 2015 | 2,200 | 2035 | 5,600 |
| 2016 | 2,300 | | |
| 2017 | 2,400 | | |

EXHIBIT B

(FORM OF FULLY REGISTERED BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTIES OF HOPKINS AND CALDWELL
SOUTH HOPKINS WATER DISTRICT
WATERWORKS REVENUE BONDS, SERIES 1994_____

No. R-_____ Interest Rate: _____ % \$_____

KNOW ALL MEN BY THESE PRESENTS:

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

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

_____ DOLLARS (\$_____),

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

Year Principal Year Principal Year Principal

[Here the printer of the Current Bond will print the maturities of the Current Bonds purchased by the registered Owner]

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

This Series _____ Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of

registered mail to the registered owner of this Bond or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

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

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

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

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

SOUTH HOPKINS WATER
DISTRICT
Hopkins and Caldwell Counties,
Kentucky

By _____
Chairman

Attest:

Secretary

(Seal of District)

PROVISION FOR REGISTRATION

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

ASSIGNMENT

| Date of Registration | Name of Registered Owner | Signature of Bond Registrar |
|-------------------------|-----------------------------|--------------------------------|
| | | |
| | | |
| | | |

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

By: _____

EXHIBIT C

REQUISITION CERTIFICATE

Re: South Hopkins Water District Waterworks Revenue Bonds, Series 1994, in the amount of \$770,000

The undersigned hereby certify as follows:

1. That they are the signatories required for construction and/or administrative draws pursuant to the Bond Resolution adopted by the South Hopkins Water District (the "District") of Hopkins and Caldwell Counties, Kentucky.

2. That the named firms and/or persons set forth on Exhibit A attached hereto are now entitled to the aggregate sum of \$_____, itemized as set forth in said Exhibit A and as per approved invoices attached hereto:

3. That upon said amount being lent to said District and/or obtained by said District from the proceeds of the Current Bonds and/or other sources, the undersigned approve such expenditure and the payment of said amounts to said firms and/or persons, either directly or from amounts deposit in the "South Hopkins Water District Construction Account", at the Trans Financial Bank, N.A., Dawson Springs, Kentucky.

4. That we hereby certify that we have carefully inspected the work and, as a result of our inspection and to the best of our knowledge and belief, the amounts shown in this Requisition Certificate are correct and the work has been performed in accordance with the agreements between the District and the parties requesting payment.

IN TESTIMONY WHEREOF, witness the signature of the undersigned, this ____ day of _____, 19____.

SOUTH HOPKINS WATER DISTRICT

CAMPBELL WALLACE CONSULTING ENGINEERS

By _____
Chairman

By _____
Registered Professional Engineer
State of Kentucky No. _____

Approved on _____

Approved on _____

FARMERS HOME ADMINISTRATION

Amount expended heretofore \$ _____

By _____
Authorized FmHA Official

Amount approved herein _____

Approved on _____

Total _____

EXHIBIT A TO REQUISITION CERTIFICATE

Name of Entity/Person

Amount

4/100 beg 1/1/97

SOUTH HOPKINS WATER DISTRICT

| PMT YEAR | UNPD BLNC | DUE 01-01 | | | DUE 07-01 | | TOTAL DEBT SRVC |
|-------------|--------------|------------|-------------|------------|------------|----------|-----------------------|
| | | INT DUE | PRIN DUE | TOT PMT | INT DUE | | |
| 1997 | 670,000 | 15,075 | 0 | 15,075 | 15,075 | 30,150 | |
| 1998 | 670,000 | 15,075 | 6,000 | 21,075 | 14,940 | 36,015 | |
| 1999 | 664,000 | 14,940 | 7,000 | 21,940 | 14,783 | 36,723 | |
| 2000 | 657,000 | 14,783 | 7,000 | 21,783 | 14,625 | 36,408 | |
| 2001 | 650,000 | 14,625 | 7,000 | 21,625 | 14,468 | 36,093 ✓ | |
| 2002 | 643,000 | 14,468 | 8,000 | 22,468 | 14,288 | 36,755 ✓ | |
| 2003 | 635,000 | 14,288 | 8,000 | 22,288 | 14,108 | 36,395 ✓ | |
| 2004 | 627,000 | 14,108 | 8,000 | 22,108 | 13,928 | 36,035 ✓ | |
| 2005 | 619,000 | 13,928 | 9,000 | 22,928 | 13,725 | 36,653 ✓ | |
| 2006 | 610,000 | 13,725 | 9,000 | 22,725 | 13,523 | 36,248 ✓ | |
| 2007 | 601,000 | 13,523 | 10,000 | 23,523 | 13,298 | 36,820 ✓ | |
| 2008 | 591,000 | 13,298 | 10,000 | 23,298 | 13,073 | 36,370 ✓ | |
| 2009 | 581,000 | 13,073 | 11,000 | 24,073 | 12,825 | 36,898 ✓ | |
| 2010 | 570,000 | 12,825 | 11,000 | 23,825 | 12,578 | 36,403 ✓ | |
| 2011 | 559,000 | 12,578 | 12,000 | 24,578 | 12,308 | 36,885 ✓ | |
| 2012 | 547,000 | 12,308 | 12,000 | 24,308 | 12,038 | 36,345 ✓ | |
| 2013 | 535,000 | 12,038 | 13,000 | 25,038 | 11,745 | 36,783 ✓ | |
| 2014 | 522,000 | 11,745 | 14,000 | 25,745 | 11,430 | 37,175 ✓ | |
| 2015 | 508,000 | 11,430 | 14,000 | 25,430 | 11,115 | 36,545 ✓ | |
| 2016 | 494,000 | 11,115 | 15,000 | 26,115 | 10,778 | 36,893 ✓ | |
| 2017 | 479,000 | 10,778 | 16,000 | 26,778 | 10,418 | 37,195 ✓ | |
| 2018 | 463,000 | 10,418 | 16,000 | 26,418 | 10,058 | 36,475 ✓ | |
| 2019 | 447,000 | 10,058 | 18,000 | 28,058 | 9,653 | 37,710 ✓ | |
| 2020 | 429,000 | 9,653 | 18,000 | 27,653 | 9,248 | 36,900 ✓ | |
| 2021 | 411,000 | 9,248 | 19,000 | 28,248 | 8,820 | 37,068 ✓ | |
| 2022 | 392,000 | 8,820 | 20,000 | 28,820 | 8,370 | 37,190 ✓ | |
| 2023 | 372,000 | 8,370 | 21,000 | 29,370 | 7,898 | 37,268 ✓ | |
| 2024 | 351,000 | 7,898 | 22,000 | 29,898 | 7,403 | 37,300 ✓ | |
| 2025 | 329,000 | 7,403 | 23,000 | 30,403 | 6,885 | 37,288 ✓ | |
| 2026 | 306,000 | 6,885 | 25,000 | 31,885 | 6,323 | 38,208 ✓ | |
| 2027 | 281,000 | 6,323 | 25,000 | 31,323 | 5,760 | 37,083 ✓ | |
| 2028 | 256,000 | 5,760 | 27,000 | 32,760 | 5,153 | 37,913 ✓ | |
| 2029 | 229,000 | 5,153 | 28,000 | 33,153 | 4,523 | 37,675 ✓ | |
| 2030 | 201,000 | 4,523 | 30,000 | 34,523 | 3,848 | 38,370 ✓ | |
| 2031 | 171,000 | 3,848 | 31,000 | 34,848 | 3,150 | 37,998 ✓ | |
| 2032 | 140,000 | 3,150 | 33,000 | 36,150 | 2,408 | 38,558 ✓ | |
| 2033 | 107,000 | 2,408 | 34,000 | 36,408 | 1,643 | 38,050 ✓ | |
| 2034 | 73,000 | 1,643 | 36,000 | 37,643 | 833 | 38,475 ✓ | |
| 2035 | 37,000 | 833 | 37,000 | 37,833 | 0 | 37,833 | |

TOTAL PRINCIPAL PMTS. ARE 670,000

TOTAL INTEREST PMTS. ARE 769,140 (769,162)

SOUTH HOPKINS WATER DISTRICT

Total Annual payments due ON both LOANS OF \$1,770,000

| PMT YEAR | UNPD BLNC | DUE 01-01 | | | DUE 07-01 | | TOTAL DEBT SRVC |
|----------|-----------|-----------|----------|---------|-----------|-------|-----------------|
| | | INT DUE | PRIN DUE | TOT PMT | INT DUE | | |
| 1997 | 100,000 | 2,250 | 0 | 2,250 | 2,250 | 4,500 | = 34,650 |
| 1998 | 100,000 | 2,250 | 1,000 | 3,250 | 2,228 | 5,478 | = 41,493 |
| 1999 | 99,000 | 2,228 | 1,100 | 3,328 | 2,203 | 5,530 | = 42,253 |
| 2000 | 97,900 | 2,203 | 1,100 | 3,303 | 2,178 | 5,481 | = 41,889 |
| 2001 | 96,800 | 2,178 | 1,200 | 3,378 | 2,151 | 5,529 | = 41,622 |
| 2002 | 95,600 | 2,151 | 1,200 | 3,351 | 2,124 | 5,475 | = 42,230 |
| 2003 | 94,400 | 2,124 | 1,300 | 3,424 | 2,095 | 5,519 | 41,914 |
| 2004 | 93,100 | 2,095 | 1,300 | 3,395 | 2,066 | 5,460 | 41,495 |
| 2005 | 91,800 | 2,066 | 1,400 | 3,466 | 2,034 | 5,500 | 42,153 |
| 2006 | 90,400 | 2,034 | 1,500 | 3,534 | 2,000 | 5,534 | 41,782 |
| 2007 | 88,900 | 2,000 | 1,500 | 3,500 | 1,967 | 5,467 | 42,287 |
| 2008 | 87,400 | 1,967 | 1,600 | 3,567 | 1,931 | 5,497 | 41,867 |
| 2009 | 85,800 | 1,931 | 1,700 | 3,631 | 1,892 | 5,523 | 42,421 |
| 2010 | 84,100 | 1,892 | 1,700 | 3,592 | 1,854 | 5,446 | 41,849 |
| 2011 | 82,400 | 1,854 | 1,900 | 3,754 | 1,811 | 5,565 | 42,450 |
| 2012 | 80,500 | 1,811 | 1,900 | 3,711 | 1,769 | 5,480 | 41,825 |
| 2013 | 78,600 | 1,769 | 2,000 | 3,769 | 1,724 | 5,492 | 42,275 |
| 2014 | 76,600 | 1,724 | 2,100 | 3,824 | 1,676 | 5,500 | 42,675 |
| 2015 | 74,500 | 1,676 | 2,200 | 3,876 | 1,627 | 5,503 | 42,048 |
| 2016 | 72,300 | 1,627 | 2,300 | 3,927 | 1,575 | 5,502 | 42,395 |
| 2017 | 70,000 | 1,575 | 2,400 | 3,975 | 1,521 | 5,496 | 42,691 |
| 2018 | 67,600 | 1,521 | 2,500 | 4,021 | 1,465 | 5,486 | 41,961 |
| 2019 | 65,100 | 1,465 | 2,600 | 4,065 | 1,406 | 5,471 | 43,181 |
| 2020 | 62,500 | 1,406 | 2,700 | 4,106 | 1,346 | 5,452 | 42,352 |
| 2021 | 59,800 | 1,346 | 2,900 | 4,246 | 1,280 | 5,526 | 42,594 |
| 2022 | 56,900 | 1,280 | 3,000 | 4,280 | 1,213 | 5,493 | 42,683 |
| 2023 | 53,900 | 1,213 | 3,100 | 4,313 | 1,143 | 5,456 | 42,724 |
| 2024 | 50,800 | 1,143 | 3,300 | 4,443 | 1,069 | 5,512 | 42,812 |
| 2025 | 47,500 | 1,069 | 3,400 | 4,469 | 992 | 5,461 | 42,749 |
| 2026 | 44,100 | 992 | 3,600 | 4,592 | 911 | 5,504 | 43,712 |
| 2027 | 40,500 | 911 | 3,700 | 4,611 | 828 | 5,439 | 42,522 |
| 2028 | 36,800 | 828 | 3,900 | 4,728 | 740 | 5,468 | 43,381 |
| 2029 | 32,900 | 740 | 4,100 | 4,840 | 648 | 5,488 | 43,163 |
| 2030 | 28,800 | 648 | 4,200 | 4,848 | 554 | 5,402 | 43,772 |
| 2031 | 24,600 | 554 | 4,500 | 5,054 | 452 | 5,506 | 43,504 |
| 2032 | 20,100 | 452 | 4,600 | 5,052 | 349 | 5,401 | 43,959 |
| 2033 | 15,500 | 349 | 4,900 | 5,249 | 239 | 5,487 | 43,537 |
| 2034 | 10,600 | 239 | 5,000 | 5,239 | 126 | 5,365 | 43,840 |
| 2035 | 5,600 | 126 | 5,600 | 5,726 | 0 | 5,726 | 43,559 |

TOTAL PRINCIPAL PMTS. ARE 100,000

TOTAL INTEREST PMTS. ARE 113,117 (113,124)

1,652,269

Attachment 8b

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND B

PROJECT NUMBER

B17-011

BORROWER:

South Hopkins Water District

BORROWER'S ADDRESS

**PO Box 487
Dawson Springs, Kentucky 42408**

DATE OF ASSISTANCE AGREEMENT: December 1, 2017

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". The Governmental Agency shall deposit into the Maintenance and

Replacement Reserve an amount equal to the amount set forth in the Project Specifics at the times set forth in the Project Specifics. Amounts in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the Project or for the unbudgeted costs of replacing worn or obsolete portions of the Project.

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 injury, 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**

Title: _____

By: _____
Title: _____

ATTEST:

**GOVERNMENTAL AGENCY:
SOUTH HOPKINS WATER DISTRICT**

By: Deborah Duncan
Title: Secretary

By: *[Signature]*
Title: Vice-Chairman

APPROVED:

EXAMINED:

SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

APPROVED AS TO FORM AND LEGALITY

APPROVED
FINANCE AND ADMINISTRATION CABINET

EXHIBIT A
SOUTH HOPKINS WATER DISTRICT
PROJECT SPECIFICS
B17-011

GOVERNMENTAL AGENCY:

Name: South Hopkins Water District
PO Box 487
Dawson Springs, KY 42408

Contact: Bob Tucker
Chairman

SYSTEM: Infrastructure

PROJECT:

This project will rehabilitate two existing water tanks. The first is an elevated water tank and is in need of immediate attention. Work to this tank will include replacing the existing riser, raising the fill pipe, and repairing sheet metal in addition to being cleaned and painted. The second tank is a ground tank rehabilitation which will include the installation of a mixing system in order to reduce disinfection byproducts, sand blasting, cleaning, and painting of the tank.

PROJECT BUDGET:

| | <u>Total</u> |
|-----------------------------------|-------------------|
| Administrative Expenses | \$ 27,500 |
| Legal Expenses | 10,000 |
| Planning | 10,000 |
| Engineering Fees - Design / Const | 40,000 |
| Engineering Fees - Inspection | 40,000 |
| Construction | 610,000 |
| Contingency | 27,500 |
| Total | \$ 765,000 |

FUNDING SOURCES:

| | <u>Amount</u> | <u>%</u> |
|--------------|-------------------|-------------|
| Fund B Loan | \$ 765,000 | 100% |
| Total | \$ 765,000 | 100% |

KIA DEBT SERVICE:

| | | |
|--|-----------|---------------|
| Amortized Loan Amount | \$ | 765,000 |
| Interest Rate | | 1.75% |
| Loan Term (Years) | | 20 |
| Estimated Annual Debt Service | \$ | 45,499 |
| Administrative Fee (0.20%) | | 1,530 |
| Total Estimated Annual Debt Service | \$ | 47,029 |

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 06/01/18).

Full Principal and interest payments shall commence on June 1 or December 1 immediately succeeding the date of the last draw of funds (estimated 06/01/19).

| | | | |
|-------------------------------------|----|--------|---------------|
| REPLACEMENT RESERVE ACCOUNT: | \$ | 1,900 | ANNUAL AMOUNT |
| | \$ | 38,000 | TOTAL AMOUNT |

The annual replacement cost is \$1,900. This amount should be added to the replacement account each December 1 until the balance reaches \$38,000 and maintained for the life of the loan.

ADMINISTRATIVE FEE: 0.20%

DEFAULT RATE: 8.00%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

| | <u>Outstanding</u> | <u>Maturity</u> |
|------------------|--------------------|-----------------|
| RD Bond Series A | \$ 479,000 | 2035 |
| RD Bond Series B | 70,000 | 2035 |
| Total | \$ 549,000 | |

LIABILITY INSURANCE COVERAGE:

| | |
|---|-------|
| Death or Personal Injury (per person) | _____ |
| Death or Personal Injury (per occurrence) | _____ |
| Property Damage on System | _____ |

**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 B
REQUEST FOR PAYMENT AND PROJECT STATUS REPORT

Borrower: _____

WX/SX Number: _____
 Draw Number _____

KIA Loan # _____
 Date: _____

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.

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

Funds Requested: _____

Project Budget and Expenses

| Line Item | Cost | Expenses This Request | Expenses to Date | Project Budget | Balance |
|-----------|---------------------------------|-----------------------|------------------|----------------|---------|
| 1 | Administrative | | | | |
| 2 | Legal | | | | |
| 3 | Land, Appraisals, Easements | | | | |
| 4 | Relocation Expense | | | | |
| 5 | Planning | | | | |
| 6 | Engineering Fees – Design | | | | |
| 7 | Engineering Fees - Construction | | | | |
| 8 | Engineering Fees – Inspection | | | | |
| 9 | Construction | | | | |
| 10 | Equipment | | | | |
| 11 | Contingency | | | | |
| 12 | Other | | | | |
| | TOTAL | | | | |

If expenses to date exceed project budget a revised budget must be submitted to and approved by the Authority before funds will be released.

Project Funding

| Funding Agency | Expenses This Request | Expenses to Date | Project Budget | Balance |
|----------------|-----------------------|------------------|----------------|---------|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| | TOTAL | | | |

We certify that the expenses in this draw request were incurred pursuant to local procurement polices which conform to KRS 45A.

Borrower Signature: _____

Project Administrator: _____

Draw # _____

STATUS REPORT:

PROJECT IS: On schedule _____
Ahead of schedule _____
Behind schedule _____
If ahead or behind, please explain _____

PROJECT EXPENSES THIS DRAW REQUEST
(Include Invoices for Expenses Listed Below)

| Line Item | Draw # | Vender | Amount |
|------------------|---------------|---------------|---------------|
|------------------|---------------|---------------|---------------|

EXHIBIT C

SCHEDULE OF SERVICE CHARGES

See Attached Rate Schedule

EXHIBIT D

RESOLUTION

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

WHEREAS, the Board of Commissioners, ("governing authority") of the South Hopkins 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 South Hopkins 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 December 12, 2017.



Vice-Chairman

Attest:



Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the South Hopkins Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said Agency at a meeting duly held on December 12, 2017; 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 12th day of December, 2017.

Deborah Duncan
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 South Hopkins Water District, dated as of December 1, 2017

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 South Hopkins 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 SOUTH HOPKINS 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: _____

SOUTH HOPKINS WATER DISTRICT,
GOVERNMENTAL AGENCY

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

NONE

11880483v1

Attachment 9a

4/100 beg 7/97

| SOUTH HOPKINS WATER DISTRICT | | | | | | |
|------------------------------|--------------|-------------------|-------------|------------|------------|--------------|
| PMT YEAR | UNPD BLNC | DUE 01-01 | | | DUE 07-01 | TOTAL |
| | | INT DUE | PRIN DUE | TOT PMT | INT DUE | DEBT SRVC |
| 1997 | 670,000 | 15,075 | 0 | 15,075 | 15,075 | 30,150 |
| 1998 | 670,000 | 15,075 | 6,000 | 21,075 | 14,940 | 36,015 |
| 1999 | 664,000 | 14,940 | 7,000 | 21,940 | 14,783 | 36,723 |
| 2000 | 657,000 | 14,783 | 7,000 | 21,783 | 14,625 | 36,408 |
| 2001 | 650,000 | 14,625 | 7,000 | 21,625 | 14,468 | 36,093 ✓ |
| 2002 | 643,000 | 14,468 | 8,000 | 22,468 | 14,288 | 36,755 ✓ |
| 2003 | 635,000 | 14,288 | 8,000 | 22,288 | 14,108 | 36,395 ✓ |
| 2004 | 627,000 | 14,108 | 8,000 | 22,108 | 13,928 | 36,035 ✓ |
| 2005 | 619,000 | 13,928 | 9,000 | 22,928 | 13,725 | 36,653 ✓ |
| 2006 | 610,000 | 13,725 | 9,000 | 22,725 | 13,523 | 36,248 ✓ |
| 2007 | 601,000 | 13,523 | 10,000 | 23,523 | 13,298 | 36,820 ✓ |
| 2008 | 591,000 | 13,298 | 10,000 | 23,298 | 13,073 | 36,370 ✓ |
| 2009 | 581,000 | 13,073 | 11,000 | 24,073 | 12,825 | 36,898 ✓ |
| 2010 | 570,000 | 12,825 | 11,000 | 23,825 | 12,578 | 36,403 ✓ |
| 2011 | 559,000 | 12,578 | 12,000 | 24,578 | 12,308 | 36,885 ✓ |
| 2012 | 547,000 | 12,308 | 12,000 | 24,308 | 12,038 | 36,345 ✓ |
| 2013 | 535,000 | 12,038 | 13,000 | 25,038 | 11,745 | 36,783 ✓ |
| 2014 | 522,000 | 11,745 | 14,000 | 25,745 | 11,430 | 37,175 ✓ |
| 2015 | 508,000 | 11,430 | 14,000 | 25,430 | 11,115 | 36,545 ✓ |
| 2016 | 494,000 | 11,115 | 15,000 | 26,115 | 10,778 | 36,893 ✓ |
| 2017 | 479,000 | 10,778 | 16,000 | 26,778 | 10,418 | 37,195 ✓ |
| 2018 | 463,000 | 10,418 | 16,000 | 26,418 | 10,058 | 36,475 ✓ |
| 2019 | 447,000 | 10,058 | 18,000 | 28,058 | 9,653 | 37,710 ✓ |
| 2020 | 429,000 | 9,653 | 18,000 | 27,653 | 9,248 | 36,900 ✓ |
| 2021 | 411,000 | 9,248 | 19,000 | 28,248 | 8,820 | 37,068 ✓ |
| 2022 | 392,000 | 8,820 | 20,000 | 28,820 | 8,370 | 37,190 ✓ |
| 2023 | 372,000 | 8,370 | 21,000 | 29,370 | 7,898 | 37,268 ✓ |
| 2024 | 351,000 | 7,898 | 22,000 | 29,898 | 7,403 | 37,300 ✓ |
| 2025 | 329,000 | 7,403 | 23,000 | 30,403 | 6,885 | 37,288 ✓ |
| 2026 | 306,000 | 6,885 | 25,000 | 31,885 | 6,323 | 38,208 ✓ |
| 2027 | 281,000 | 6,323 | 25,000 | 31,323 | 5,760 | 37,083 ✓ |
| 2028 | 256,000 | 5,760 | 27,000 | 32,760 | 5,153 | 37,913 ✓ |
| 2029 | 229,000 | 5,153 | 28,000 | 33,153 | 4,523 | 37,675 ✓ |
| 2030 | 201,000 | 4,523 | 30,000 | 34,523 | 3,848 | 38,370 ✓ |
| 2031 | 171,000 | 3,848 | 31,000 | 34,848 | 3,150 | 37,998 ✓ |
| 2032 | 140,000 | 3,150 | 33,000 | 36,150 | 2,408 | 38,558 ✓ |
| 2033 | 107,000 | 2,408 | 34,000 | 36,408 | 1,643 | 38,050 ✓ |
| 2034 | 73,000 | 1,643 | 36,000 | 37,643 | 833 | 38,475 ✓ |
| 2035 | 37,000 | 833 | 37,000 | 37,833 | 0 | 37,833 |
| TOTAL PRINCIPAL PMTS. ARE | | 670,000 | | | | |
| TOTAL INTEREST PMTS. ARE | | 769,140 (769,162) | | | | |

Attachment 9b

USDA

loan

| SOUTH HOPKINS WATER DISTRICT | | | | | | |
|------------------------------|-----------|-------------------|----------|---------|-----------|-----------------|
| PMT YEAR | UNPD BLNC | DUE 01-01 | | | DUE 07-01 | TOTAL DEBT SRVC |
| | | INT DUE | PRIN DUE | TOT PMT | INT DUE | |
| 1997 | 100,000 | 2,250 | 0 | 2,250 | 2,250 | 4,500 |
| 1998 | 100,000 | 2,250 | 1,000 | 3,250 | 2,228 | 5,478 |
| 1999 | 99,000 | 2,228 | 1,100 | 3,328 | 2,203 | 5,530 |
| 2000 | 97,900 | 2,203 | 1,100 | 3,303 | 2,178 | 5,481 |
| 2001 | 96,800 | 2,178 | 1,200 | 3,378 | 2,151 | 5,529 |
| 2002 | 95,600 | 2,151 | 1,200 | 3,351 | 2,124 | 5,475 |
| 2003 | 94,400 | 2,124 | 1,300 | 3,424 | 2,095 | 5,519 |
| 2004 | 93,100 | 2,095 | 1,300 | 3,395 | 2,066 | 5,460 |
| 2005 | 91,800 | 2,066 | 1,400 | 3,466 | 2,034 | 5,500 |
| 2006 | 90,400 | 2,034 | 1,500 | 3,534 | 2,000 | 5,534 |
| 2007 | 88,900 | 2,000 | 1,500 | 3,500 | 1,967 | 5,467 |
| 2008 | 87,400 | 1,967 | 1,600 | 3,567 | 1,931 | 5,497 |
| 2009 | 85,800 | 1,931 | 1,700 | 3,631 | 1,892 | 5,523 |
| 2010 | 84,100 | 1,892 | 1,700 | 3,592 | 1,854 | 5,446 |
| 2011 | 82,400 | 1,854 | 1,900 | 3,754 | 1,811 | 5,565 |
| 2012 | 80,500 | 1,811 | 1,900 | 3,711 | 1,769 | 5,480 |
| 2013 | 78,600 | 1,769 | 2,000 | 3,769 | 1,724 | 5,492 |
| 2014 | 76,600 | 1,724 | 2,100 | 3,824 | 1,676 | 5,500 |
| 2015 | 74,500 | 1,676 | 2,200 | 3,876 | 1,627 | 5,503 |
| 2016 | 72,300 | 1,627 | 2,300 | 3,927 | 1,575 | 5,502 |
| 2017 | 70,000 | 1,575 | 2,400 | 3,975 | 1,521 | 5,496 |
| 2018 | 67,600 | 1,521 | 2,500 | 4,021 | 1,465 | 5,486 |
| 2019 | 65,100 | 1,465 | 2,600 | 4,065 | 1,406 | 5,471 |
| 2020 | 62,500 | 1,406 | 2,700 | 4,106 | 1,346 | 5,452 |
| 2021 | 59,800 | 1,346 | 2,900 | 4,246 | 1,280 | 5,526 |
| 2022 | 56,900 | 1,280 | 3,000 | 4,280 | 1,213 | 5,493 |
| 2023 | 53,900 | 1,213 | 3,100 | 4,313 | 1,143 | 5,456 |
| 2024 | 50,800 | 1,143 | 3,300 | 4,443 | 1,069 | 5,512 |
| 2025 | 47,500 | 1,069 | 3,400 | 4,469 | 992 | 5,461 |
| 2026 | 44,100 | 992 | 3,600 | 4,592 | 911 | 5,504 |
| 2027 | 40,500 | 911 | 3,700 | 4,611 | 828 | 5,439 |
| 2028 | 36,800 | 828 | 3,900 | 4,728 | 740 | 5,468 |
| 2029 | 32,900 | 740 | 4,100 | 4,840 | 648 | 5,488 |
| 2030 | 28,800 | 648 | 4,200 | 4,848 | 554 | 5,402 |
| 2031 | 24,600 | 554 | 4,500 | 5,054 | 452 | 5,506 |
| 2032 | 20,100 | 452 | 4,600 | 5,052 | 349 | 5,401 |
| 2033 | 15,500 | 349 | 4,900 | 5,249 | 239 | 5,487 |
| 2034 | 10,600 | 239 | 5,000 | 5,239 | 126 | 5,365 |
| 2035 | 5,600 | 126 | 5,600 | 5,726 | 0 | 5,726 |
| TOTAL PRINCIPAL PMTS. ARE | | 100,000 | | | | |
| TOTAL INTEREST PMTS. ARE | | 113,117 (113,124) | | | | |

Total Annual payments due ON both LOANS OF \$1,470,000.

= 34,650
 = 41,493
 = 42,253
 = 41,889
 = 41,622
 = 42,230
 = 41,914
 = 41,495
 = 42,153
 = 41,782
 = 42,287
 = 41,867
 = 42,421
 = 41,849
 = 42,450
 = 41,825
 = 42,275
 = 42,675
 = 42,048
 = 42,395
 = 42,691
 = 41,961
 = 43,181
 = 42,352
 = 42,594
 = 42,683
 = 42,724
 = 42,812
 = 42,749
 = 43,712
 = 42,522
 = 43,381
 = 43,163
 = 43,772
 = 43,504
 = 43,959
 = 43,537
 = 43,840
 = 43,559
 1,652,269

Attachment 9c

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #B17-011
 SOUTH HOPKINS WATER DISTRICT

UNOFFICIAL

1.75% Rate
 \$22,749.42 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 |
|---------------|---------------------|---------------------|---------------|----------------------|--------------------|---------------|---------------------|-------------------|--------------------|---------------|
| | | | | | | | | \$765,000.00 | | |
| 06/01/19 | \$16,055.67 | \$6,693.75 | 1.75% | \$22,749.42 | \$765.00 | \$0.00 | \$23,514.42 | \$748,944.33 | \$0.00 | \$0.00 |
| 12/01/19 | \$16,196.16 | \$6,553.26 | 1.75% | \$22,749.42 | \$748.94 | \$0.00 | \$23,498.36 | \$732,748.17 | \$1,900.00 | \$1,900.00 |
| 06/01/20 | \$16,337.87 | \$6,411.55 | 1.75% | \$22,749.42 | \$732.75 | \$0.00 | \$23,482.17 | \$716,410.30 | \$0.00 | \$1,900.00 |
| 12/01/20 | \$16,480.83 | \$6,268.59 | 1.75% | \$22,749.42 | \$716.41 | \$0.00 | \$23,465.83 | \$699,929.47 | \$1,900.00 | \$3,800.00 |
| 06/01/21 | \$16,625.04 | \$6,124.38 | 1.75% | \$22,749.42 | \$699.93 | \$0.00 | \$23,449.35 | \$683,304.43 | \$0.00 | \$3,800.00 |
| 12/01/21 | \$16,770.51 | \$5,978.91 | 1.75% | \$22,749.42 | \$683.30 | \$0.00 | \$23,432.72 | \$666,533.92 | \$1,900.00 | \$5,700.00 |
| 06/01/22 | \$16,917.25 | \$5,832.17 | 1.75% | \$22,749.42 | \$666.53 | \$0.00 | \$23,415.95 | \$649,616.67 | \$0.00 | \$5,700.00 |
| 12/01/22 | \$17,065.27 | \$5,684.15 | 1.75% | \$22,749.42 | \$649.62 | \$0.00 | \$23,399.04 | \$632,551.40 | \$1,900.00 | \$7,600.00 |
| 06/01/23 | \$17,214.60 | \$5,534.82 | 1.75% | \$22,749.42 | \$632.55 | \$0.00 | \$23,381.97 | \$615,336.80 | \$0.00 | \$7,600.00 |
| 12/01/23 | \$17,365.22 | \$5,384.20 | 1.75% | \$22,749.42 | \$615.34 | \$0.00 | \$23,364.76 | \$597,971.58 | \$1,900.00 | \$9,500.00 |
| 06/01/24 | \$17,517.17 | \$5,232.25 | 1.75% | \$22,749.42 | \$597.97 | \$0.00 | \$23,347.39 | \$580,454.41 | \$0.00 | \$9,500.00 |
| 12/01/24 | \$17,670.44 | \$5,078.98 | 1.75% | \$22,749.42 | \$580.45 | \$0.00 | \$23,329.87 | \$562,783.97 | \$1,900.00 | \$11,400.00 |
| 06/01/25 | \$17,825.06 | \$4,924.36 | 1.75% | \$22,749.42 | \$562.78 | \$0.00 | \$23,312.20 | \$544,958.91 | \$0.00 | \$11,400.00 |
| 12/01/25 | \$17,981.03 | \$4,768.39 | 1.75% | \$22,749.42 | \$544.96 | \$0.00 | \$23,294.38 | \$526,977.88 | \$1,900.00 | \$13,300.00 |
| 06/01/26 | \$18,138.36 | \$4,611.06 | 1.75% | \$22,749.42 | \$526.98 | \$0.00 | \$23,276.40 | \$508,839.52 | \$0.00 | \$13,300.00 |
| 12/01/26 | \$18,297.07 | \$4,452.35 | 1.75% | \$22,749.42 | \$508.84 | \$0.00 | \$23,258.26 | \$490,542.45 | \$1,900.00 | \$15,200.00 |
| 06/01/27 | \$18,457.17 | \$4,292.25 | 1.75% | \$22,749.42 | \$490.54 | \$0.00 | \$23,239.96 | \$472,085.28 | \$0.00 | \$15,200.00 |
| 12/01/27 | \$18,618.67 | \$4,130.75 | 1.75% | \$22,749.42 | \$472.09 | \$0.00 | \$23,221.51 | \$453,466.61 | \$1,900.00 | \$17,100.00 |
| 06/01/28 | \$18,781.59 | \$3,967.83 | 1.75% | \$22,749.42 | \$453.47 | \$0.00 | \$23,202.89 | \$434,685.02 | \$0.00 | \$17,100.00 |
| 12/01/28 | \$18,945.93 | \$3,803.49 | 1.75% | \$22,749.42 | \$434.69 | \$0.00 | \$23,184.11 | \$415,739.09 | \$1,900.00 | \$19,000.00 |
| 06/01/29 | \$19,111.70 | \$3,637.72 | 1.75% | \$22,749.42 | \$415.74 | \$0.00 | \$23,165.16 | \$396,627.39 | \$0.00 | \$19,000.00 |
| 12/01/29 | \$19,278.93 | \$3,470.49 | 1.75% | \$22,749.42 | \$396.63 | \$0.00 | \$23,146.05 | \$377,348.46 | \$1,900.00 | \$20,900.00 |
| 06/01/30 | \$19,447.62 | \$3,301.80 | 1.75% | \$22,749.42 | \$377.35 | \$0.00 | \$23,126.77 | \$357,900.84 | \$0.00 | \$20,900.00 |
| 12/01/30 | \$19,617.79 | \$3,131.63 | 1.75% | \$22,749.42 | \$357.90 | \$0.00 | \$23,107.32 | \$338,283.05 | \$1,900.00 | \$22,800.00 |
| 06/01/31 | \$19,789.44 | \$2,959.98 | 1.75% | \$22,749.42 | \$338.28 | \$0.00 | \$23,087.70 | \$318,493.61 | \$0.00 | \$22,800.00 |
| 12/01/31 | \$19,962.60 | \$2,786.82 | 1.75% | \$22,749.42 | \$318.49 | \$0.00 | \$23,067.91 | \$298,531.01 | \$1,900.00 | \$24,700.00 |
| 06/01/32 | \$20,137.27 | \$2,612.15 | 1.75% | \$22,749.42 | \$298.53 | \$0.00 | \$23,047.95 | \$278,393.74 | \$0.00 | \$24,700.00 |
| 12/01/32 | \$20,313.47 | \$2,435.95 | 1.75% | \$22,749.42 | \$278.39 | \$0.00 | \$23,027.81 | \$258,080.27 | \$1,900.00 | \$26,600.00 |
| 06/01/33 | \$20,491.22 | \$2,258.20 | 1.75% | \$22,749.42 | \$258.08 | \$0.00 | \$23,007.50 | \$237,589.05 | \$0.00 | \$26,600.00 |
| 12/01/33 | \$20,670.52 | \$2,078.90 | 1.75% | \$22,749.42 | \$237.59 | \$0.00 | \$22,987.01 | \$216,918.53 | \$1,900.00 | \$28,500.00 |
| 06/01/34 | \$20,851.38 | \$1,898.04 | 1.75% | \$22,749.42 | \$216.92 | \$0.00 | \$22,966.34 | \$196,067.15 | \$0.00 | \$28,500.00 |
| 12/01/34 | \$21,033.83 | \$1,715.59 | 1.75% | \$22,749.42 | \$196.07 | \$0.00 | \$22,945.49 | \$175,033.32 | \$1,900.00 | \$30,400.00 |
| 06/01/35 | \$21,217.88 | \$1,531.54 | 1.75% | \$22,749.42 | \$175.03 | \$0.00 | \$22,924.45 | \$153,815.44 | \$0.00 | \$30,400.00 |
| 12/01/35 | \$21,403.53 | \$1,345.89 | 1.75% | \$22,749.42 | \$153.82 | \$0.00 | \$22,903.24 | \$132,411.91 | \$1,900.00 | \$32,300.00 |
| 06/01/36 | \$21,590.82 | \$1,158.60 | 1.75% | \$22,749.42 | \$132.41 | \$0.00 | \$22,881.83 | \$110,821.09 | \$0.00 | \$32,300.00 |
| 12/01/36 | \$21,779.74 | \$969.68 | 1.75% | \$22,749.42 | \$110.82 | \$0.00 | \$22,860.24 | \$89,041.35 | \$1,900.00 | \$34,200.00 |
| 06/01/37 | \$21,970.31 | \$779.11 | 1.75% | \$22,749.42 | \$89.04 | \$0.00 | \$22,838.46 | \$67,071.04 | \$0.00 | \$34,200.00 |
| 12/01/37 | \$22,162.55 | \$586.87 | 1.75% | \$22,749.42 | \$67.07 | \$0.00 | \$22,816.49 | \$44,908.49 | \$1,900.00 | \$36,100.00 |
| 06/01/38 | \$22,356.47 | \$392.95 | 1.75% | \$22,749.42 | \$44.91 | \$0.00 | \$22,794.33 | \$22,552.02 | \$0.00 | \$36,100.00 |
| 12/01/38 | \$22,552.02 | \$197.40 | 1.75% | \$22,749.42 | \$22.55 | \$0.00 | \$22,771.97 | \$0.00 | \$1,900.00 | \$38,000.00 |
| Totals | \$765,000.00 | \$144,976.80 | | \$909,976.80 | \$16,568.76 | \$0.00 | \$926,545.56 | | \$38,000.00 | |

Attachment 10

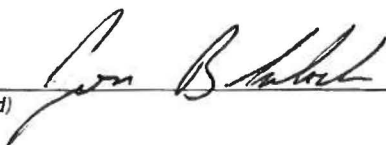
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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 _____ South Hopkins 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."

Jon Blalock
(Print Name)


(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 Hopkins

Subscribed and sworn to before me by Maryann Purdy
(Name)

this 19 day of November, 2018.

Maryann Purdy 593729
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 _____ South Hopkins 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."

Deborah Duncan
(Print Name)

Deborah Duncan
(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 Hopkins

Subscribed and sworn to before me by Kayla Goodaker
(Name)

this 16 day of November, 2018.

K Goodaker 593731
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 South Hopkins 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."

Ray D. McGregor
(Print Name)

Ray D. McGregor
(Signed)

Vice 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 Hopkins

Subscribed and sworn to before me by Maryann Purdy
(Name)

this 19 day of November, 20 18.

Maryann Purdy 593729
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 South Hopkins 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."

Kayla Goodaker
(Print Name)

K Goodaker
(Signed)

Office Manager
(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 Hopkins

Subscribed and sworn to before me by Maryann Purdy
(Name)

this 16th day of November, 2018.

Maryann Purdy 593729
NOTARY PUBLIC
State-at-Large

Attachment 11

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE SOUTH HOPKINS WATER DISTRICT PROPOSING ADJUSTMENTS TO ITS WATER RATES AND CHARGES AND AUTHORIZING ITS CHAIRMAN TO FILE AN APPLICATION WITH THE PSC SEEKING APPROVAL OF THE PROPOSED RATE ADJUSTMENT

WHEREAS, the South Hopkins 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 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 rates and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF SOUTH HOPKINS 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.

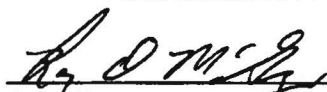
Section 2. The District proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments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

Section 3. The Chairman 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 SOUTH HOPKINS WATER DISTRICT at a meeting held on November 13, 2018, signed by the Chairman, and attested by the Secretary.



CHAIRMAN

ATTEST:




SECRETARY

CERTIFICATION

I, Secretary of the South Hopkins 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 November 13, 2018, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 13th day of November, 2018.



SECRETARY

APPENDIX A

**CURRENT AND PROPOSED RATES
South Hopkins Water District**

Current Rates

Minimum Bills Based on Meter Size

| <u>Meter Size</u> | <u>Gals. incl'd. in Minimum</u> | <u>Minimum Monthly Bill</u> |
|-------------------|-------------------------------------|---------------------------------|
| 5/8 x 3/4 inch | 1,000 | \$ 11.74 |
| 1 inch | 10,000 | 68.06 |
| 2 inch | 20,000 | 126.30 |
| 3 inch | 50,000 | 287.64 |

Rates for Water Usage in Addition to Minimum

| <u>No. of Gallons per Month</u> | <u>Charge per 1,000 gals.</u> |
|---------------------------------|-----------------------------------|
| First 1,000 Gallons (lump sum) | \$ 11.74 |
| Next 9,000 Gallons | 6.26 |
| Next 10,000 Gallons | 5.82 |
| Next 30,000 Gallons | 5.38 |
| Over 50,000 Gallons | 4.55 |

WHOLESALE CUSTOMERS

| | |
|---------------|---------|
| All Customers | \$ 2.69 |
|---------------|---------|

Proposed Rates

Minimum Bills Based on Meter Size

| <u>Meter Size</u> | <u>Gals. incl'd. in Minimum</u> | <u>Minimum Monthly Bill</u> |
|-------------------|-------------------------------------|---------------------------------|
| 5/8 x 3/4 inch | 1,000 | \$ 12.62 |
| 1 inch | 10,000 | 73.19 |
| 2 inch | 20,000 | 135.79 |
| 3 inch | 50,000 | 309.19 |

Rates for Water Usage in Addition to Minimum

| <u>No. of Gallons per Month</u> | <u>Charge per 1,000 gals.</u> |
|---------------------------------|-----------------------------------|
| First 1,000 Gallons (lump sum) | \$ 12.62 |
| Next 9,000 Gallons | 6.73 |
| Next 10,000 Gallons | 6.26 |
| Next 30,000 Gallons | 5.78 |
| Over 50,000 Gallons | 4.89 |

WHOLESALE CUSTOMERS

| | |
|---------------|---------|
| All Customers | \$ 2.69 |
|---------------|---------|