

BULLOCK PEN WATER DISTRICT'S RESPONSE
TO COMMISSION STAFF'S
THIRD INFORMATION REQUEST

RECEIVED

AUG 05 2009

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BULLOCK PEN WATER)	
DISTRICT FOR AN ADJUSTMENT OF RATES)	CASE NO.
USING A HISTORICAL TEST PERIOD ENDING)	2008-00170
DECEMBER 31, 2007		

BULLOCK PEN WATER DISTRICT'S RESPONSE TO
COMMISSION STAFF'S THIRD INFORMATION REQUEST

Comes now the Applicant, Bullock Pen Water District ("Bullock Pen"), by and through its Chairman, Bobby Burgess, and pursuant to the Commission request of July 17, 2009 submits the attached Response. Chairman Burgess states that he has reviewed the attached Response and that the statements and documents contained therein are true and correct to the best of his knowledge and belief.

BULLOCK PEN WATER DISTRICT

BY: *Bobby Burgess*
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY

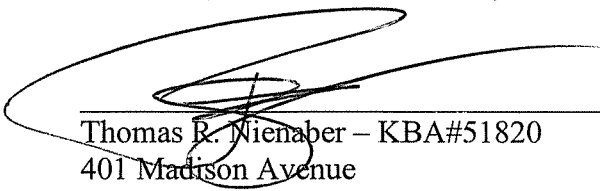
COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said BOBBY BURGESS, CHAIRMAN, BULLOCK PEN WATER DISTRICT this 3rd day of August, 2009.

[Signature]
 Notary Public
 My Commission Expires: 3/24/12

Respectfully submitted,

BERGER, COX & NIENABER, P.S.C.



Thomas R. Nienaber – KBA#51820
401 Madison Avenue
Covington, KY 41011
(859) 491-9088

CERTIFICATE OF SERVICE.

I, Thomas R. Nienaber, do hereby certify that a copy of the foregoing was mailed by regular U.S. Mail, postage prepaid, this 3rd day of August, 2009 to:

Public Service Commission
Attn: Mr. Jeff Derouen, Executive Director
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Public Service Commission
Attn: Mr. Ryan Gatewood
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Kentucky Attorney General
700 Capitol Avenue, Suite 118
Frankfort, KY 40601



Thomas R. Nienaber

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BULLOCK PEN WATER)
DISTRICT FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO CONSTRUCT) Case No. 2008-00170
PROPOSED WATERWORKS IMPROVEMENT)
PROJECT AND FOR APPROVAL OF PROPOSED)
PLAN OF FINANCING, INCREASE IN RATES,)
NONRECURRING CHARGES, AND TARIFF)
REVISIONS)

AFFIDAVIT OF BOBBY BURGESS

Comes now the Affiant, Bobby Burgess, and after having first been duly cautioned and sworn, states and deposes as follows:

- 1. Affiant is the acting Chairman of the Bullock Pen Water District.
2. Affiant has been the acting Chairman of the Bullock Pen Water District for approximately the last 25 years.
3. In response to the information request contained in the Third Information Request of the PSC, Affiant has provided information in response to Items No. 2a and 9.
4. Affiant states that the information contained in the foregoing Responses and Exhibits are true and correct to the best of Affiant's knowledge and belief.

Further, Affiant sayeth naught.

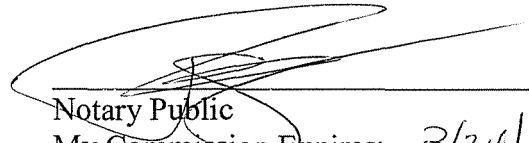
BULLOCK PEN WATER DISTRICT

BY: Bobby Burgess
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said Bobby Burgess, Chairman, Bullock Pen Water District, this 3rd day of August, 2009.



Notary Public
My Commission Expires: 3/24/12

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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PROJECT AND FOR APPROVAL OF PROPOSED)
PLAN OF FINANCING, INCREASE IN RATES,)
NONRECURRING CHARGES, AND TARIFF)
REVISIONS)**

AFFIDAVIT OF GAIL BOWLING

Comes now the Affiant, Gail Bowling, and after having first been duly cautioned and sworn, states and deposes as follows:

1. The Affiant, Gail Bowling, is the acting office manager of Bullock Pen Water District.
2. The Affiant assumed the responsibilities as Office Manager on January 1, 2009 following the retirement of the previous office manager, Paula Massie.
3. Affiant has been an employee of Bullock Pen for approximately 18 years.
4. Affiant has reviewed with representatives of Morris & Bressler and Counsel Thomas R. Nienaber the Commission Staff's Third Information Request ("Third Information Request").
5. In response to the information requested in the Third Information Request, Affiant has provided information in response to Items No. 6 and 9.
6. Affiant states that the information contained in the foregoing responses and exhibits is true and correct to the best of Affiant's knowledge and belief.

Further, Affiant sayeth naught.

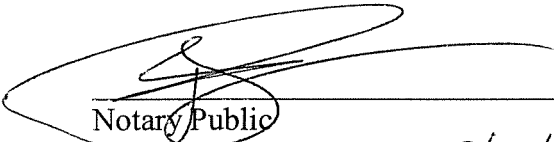
BULLOCK PEN WATER DISTRICT

BY: Gail Bowling
GAIL BOWLING, OFFICE MANAGER

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said Gail Bowling, Office Manager, Bullock Pen Water District this 3rd day of August, 2009.



Notary Public
My Commission Expires: 3/24/12

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**THE APPLICATION OF BULLOCK PEN WATER)
DISTRICT FOR A CERTIFICATE OF PUBLIC)
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PLAN OF FINANCING, INCREASE IN RATES,)
NONRECURRING CHARGES, AND TARIFF)
REVISIONS)**

AFFIDAVIT OF PEGGY GAMBLE

Comes now the Affiant, Peggy Gamble, and after having first been duly cautioned and sworn, states and deposes as follows:

1. The Affiant, Peggy Gamble, is a certified public accountant employed by Morris & Bressler, Florence, Kentucky.
2. The Affiant has been engaged by the Bullock Pen Water District for the purpose of providing accounting services for approximately the last 20 years.
3. The Affiant has reviewed with Bullock Pen's staff and Bullock Pen's legal counsel, the Commission Staff's Third Information Request dated July 17, 2009 ("Third Information Request").
4. In response to the Commission's Second Information Request, the Affiant has provided various information. Specifically, Affiant has provided information in the responses to Items 2a, 2b, 3, 4, 5a, 5b, 10 and 11 of the Third Information Request.
5. Affiant states that the information contained in the foregoing response and Exhibits is true and correct to the best of Affiant's knowledge and belief.

Further, Affiant sayeth naught.

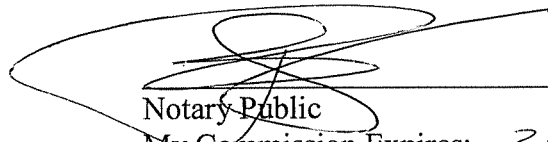
MORRIS & BRESSLER

BY: Peggy Gamble, CPA
PEGGY GAMBLE, CPA

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said Peggy Gamble, CPA, Morris & Bressler this 3rd day of August, 2009.



Notary Public
My Commission Expires: 3/24/12

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

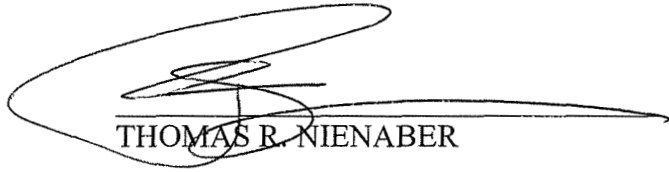
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CONVENIENCE AND NECESSITY TO CONSTRUCT) Case No. 2008-00170
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PROJECT AND FOR APPROVAL OF PROPOSED)
PLAN OF FINANCING, INCREASE IN RATES,)
NONRECURRING CHARGES, AND TARIFF)
REVISIONS)**

AFFIDAVIT OF THOMAS R. NIENABER

Comes now the Affiant, Thomas R. Nienaber, and after having first been duly cautioned and sworn, states and deposes as follows:

1. Affiant is counsel for Bullock Pen Water District and has been for approximately the last 30 years.
2. Affiant has been engaged by Bullock Pen Water District for the purpose of providing legal services relative to the filing of Bullock Pen Water District's Rate Increase Application with the PSC.
3. In response to the Commission Staff's Third Information Request, Affiant has provided information in response to Items 2a and 8 regarding billing for services rendered regarding the Rate Increase Application. Affiant states that information contained therein is true and correct to the best of his knowledge and belief.
4. Additional legal expenses to be incurred by Bullock Pen Water District relating to the Rate Increase Application should be minimal provided no public hearing or other requests for information are filed by the Commission.

Further, Affiant sayeth naught.



THOMAS R. NIENABER

COMMONWEALTH OF KENTUCKY

COUNTY OF KENTON

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said Thomas R. Nienaber this 3rd day of August, 2009.

Carolyn S. Brummer
Notary Public
My Commission Expires: 4-9-12

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

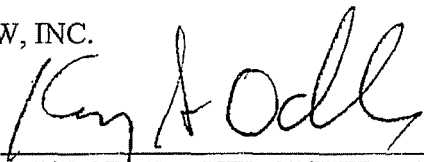
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PROJECT AND FOR APPROVAL OF PROPOSED)
PLAN OF FINANCING, INCREASE IN RATES,)
NONRECURRING CHARGES, AND TARIFF)
REVISIONS)

AFFIDAVIT OF KERRY ODLE

Comes now the Affiant, Kerry Odle, and after having first been duly cautioned and sworn, states and deposes as follows:

1. Affiant is an engineer employed by CMW, Inc. CMW, Inc. is the engineering firm hired by the Bullock Pen Water District.
2. Affiant has been engaged by Bullock Pen Water District for the purpose of providing engineering services relative to the filing of Bullock Pen Water District's Rate Increase Application and Phase VI Project as filed with the PSC.
3. In response to the Commission Staff's Third Information Request, Affiant has provided information regarding Items 1a, 1b, 1c and 7. Affiant states that the information contained therein is true and correct to the best of his knowledge and belief.

Further, Affiant sayeth naught.

CMW, INC.
BY: 
KERRY ODLE, AUTHORIZED AGENT

COMMONWEALTH OF KENTUCKY

COUNTY OF Fayette

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said Kerry Odle, Authorized Representative and Agent of CMW, Inc., this 3rd day of August, 2009.

Burlan Turner

Notary Public

My Commission Expires: 2-22-10

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BULLOCK PEN WATER)
 DISTRICT FOR A CERTIFICATE OF PUBLIC)
 CONVENIENCE AND NECESSITY TO CONSTRUCT) Case No. 2008-00170
 PROPOSED WATERWORKS IMPROVEMENT)
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 PLAN OF FINANCING, INCREASE IN RATES,)
 NONRECURRING CHARGES, AND TARIFF)
 REVISIONS)

BULLOCK PEN WATER DISTRICT'S RESPONSE TO THE
COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

1. Refer to Bullock Pen's application at 4 and the Final Engineering Report for Phase VI, Surcharge Estimate.

a. In its application, Bullock Pen stated that the Phase VI construction project would allow it to serve 183 new customers in Kenton County, but the surcharge calculation is based on 80 new customers. Provide a detailed explanation for the discrepancy in the number of new customers Bullock Pen is proposing to add in Kenton County.

RESPONSE

During the preliminary stages of implementing the Phase VI Construction Project, a "drive-by" of the roads proposed to be included in the Phase VI Project was conducted by Kerry Odle and representatives of the District. This original assessment was made in 2006. At that time, a "drive-by" count indicated that there was a total of 183 residential homes that could be serviced by the proposed Phase VI Project. After two public meetings with residents in the proposed Phase VI Project area, a total of 80 residents signed up for water service in the Phase VI Project. Currently, there are 86 residents signed up for water service in the Phase VI Project area. Exhibit 44 identifies the roads and individuals that have signed up for water service in the Phase VI Project area as of August 1, 2009. Historically, the District has learned that after construction begins in a project area, a significant number of additional sign-ups will occur. It is anticipated that this

trend will continue with Phase VI. Additionally, due to the lack of support for the Phase VI Project on some included roads, three roads in the Phase VI Project area were deleted from Phase VI. Those roads are:

1. Paxton Road
2. Fishback Cemetery Road
3. Approximately one-half of Carlisle Road

It is not anticipated that the elimination of these roads will adversely affect the project as they represented a very small portion of the overall project.

b. In its application, Bullock Pen stated that it would receive \$180,000 in tap-on fees from Project VI, but the surcharge calculation contained in the final engineering report shows that only \$80,000 in tap-on fees will be received. Provide a detailed explanation for the discrepancy and identify the correct amount in tap-on fees that Bullock Pen will collect from the Kenton County customers resulting from the Phase VI construction project.

RESPONSE

During the preliminary development of plans for the Phase VI Project area, it was anticipated that the District would receive 180 sign-ups of residents in the Phase VI area. Unfortunately, those numbers were not realized. The original \$180,000 budgeted as revenue from “tap-on fees” was used as a projected estimate. The Final Engineering Report indicates that only \$80,000 (\$1,000.00 for each signed up resident) was included in that calculation. As indicated in 1(a) above, it is anticipated that the District will receive a significant number of additional sign-ups once the project has begun. Currently, the District’s approved Tariff provides for a \$1,000.00 tap-on fee charge. \$1,000.00 will be charged and collected from each new customer signing up for water in the Phase VI area.

c. Provide a revised calculation of the Phase VI surcharge using the proposed 183 customers. Include copies of all workpapers, assumptions, and calculations used to calculate the Phase VI surcharge.

RESPONSE

Calculations for the Phase VI Surcharge as requested are contained in the attached Exhibit "45".

2. Refer to Bullock Pen's response to the Commission Staff's Second Information Request, Exhibit 40.

a. According to Bullock Pen's responses, the long-term debts listed in Table 1 below have term periods that exceed two years. For each long-term debt listed in Table 1 below, explain why Bullock Pen did not request prior Commission authorization as required by KRS 278.300.

Table 1

	<u>Identification</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding Balance</u>
(1)	Old National Bank – Loan No. 1	09/01/03	02/15/14	\$229,307.46
(2)	Old National Bank – Loan No. 2	03/05/04	03/05/11	\$ 33,894.84
(3)	Daimler Chrysler – Cap. Lease	10/17/05	10/17/10	\$ 11,859.75

RESPONSE

Old National Bank Loan No. 1 ("No. 1") and Old National Bank Loan No. 2 ("No. 2") were originally incurred for the purchase of radio read meters and related meter reading systems and equipment. A total of approximately 5,000 meters were to be purchased through this financing. At the time these two loans were incurred, it was the position of the District that PSC approval was not necessary for that expenditure. In an October 24, 2005 audit letter drafted by the PSC (attached Exhibit 46), this issue was raised. The District submitted its response on November 22, 2005 (Exhibit 47). At that time, the District indicated that loan obligations such as that in Loan No. 1 and Loan No. 2 would be submitted to the PSC for approval if such obligations were to be incurred in the future. It was the understanding of the District that this explanation contained in Exhibit 47 and dated November 22, 2005 was satisfactory to the PSC.

With respect to the Daimler Chrysler Services debt, this was incurred for the purpose of purchasing a truck for the District. This expenditure was in the form of a capitalized lease. The District received very favorable financing for the purchase of this truck. It was and is the position of the District that PSC approval for the purchase of a truck such as that evidenced by the Daimler Chrysler financing was

not necessary. A copy of the financing documentation for the Daimler Chrysler capitalized Lease is contained in Exhibit 48.

b. Bullock Pen provided a schedule listing all of its outstanding long-term debt. For each long-term debt issuance listed on the schedule, provide the debt service requirement the lenders expect bullock Pen to maintain and written documentation to support this response.

RESPONSE

See Exhibit 49.

3. Refer to Bullock Pen's Response to Commission Staff's Second Information Request, Item 3(a), Exhibit 24. Bullock Pen proposes to include debt service coverage ("DSC") of 0.20x on its Phase VI debt from the Kentucky Infrastructure Authority ("KIA"). In prior decisions, the Commission has issued a DSC of 0.10x for any KIA debt, noting that the KIA does not have a coverage requirement. Explain in detail why Bullock Pen is proposing to use a 0.20x DSC for its KIA debt and provide documentation to support this request.

RESPONSE

The District was under the impression that the .20 Debt Service Coverage ("DSC") required by the Revenue Bonds apply to all long term debt. The Pro Forma Income Statement has been revised to use a DSC of 0.01x for the Phase VI Debt as well as all prior KIA Debt and debt related to Capitalized Leases. The revised Pro Forma Income Statement is attached as Exhibit 50.

4. Refer to Bullock Pen's Response to Commission Staff's Second Information Request, Item 3(b), Exhibit 25. Provide the cost-of-service study and billing analysis in electronic, Microsoft Excel format.

RESPONSE

See attached CD. Only one CD is being made available with this filing.

5. Refer to Bullock Pen's Response to Commission Staff's Second Information Request, Item 3(c), Exhibit 26.

a. Explain why Bullock Pen included interest on customer deposits, the Chrysler lease payments, and the amortization of debt expense in its calculation of the 2007 debt service of \$754,827.

RESPONSE

The Daimler Chrysler Lease is a Capitalized Lease and the payment should be included just as we have included the two Leases from the Kentucky Association of Counties Leasing Trust and the two Leases to Old National Bank.

The interest on customer deposits and the amortization of debt expense should not have been included. The Pro Forma Income Statement has been revised to include a separate expense category for interest on customer deposits and the amortization of debt discount has been added to the amount already listed as Amortization. See the revised Pro Forma Income Statement contained in the CD provided with this filing. Also, see attached Exhibit 51.

b. Provide a detailed breakdown of the items included in the amortization of debt expense of \$8,654.

RESPONSE

See Exhibit 51.

6. Refer to Bullock Pen's Response to Commission Staff's Second Information Request, Item 12, Exhibit 31. The employee pay rates that are currently in effect were granted in either 2007 or 2008. Explain if Bullock Pen will give its employees a wage increase in calendar year 2009. If the response is yes, provide a copy of the minutes of the

Commissioners’ meeting approving the wage increases, the date the wage increase will become effective, and the amount of the wage increase for each employee.

RESPONSE

Each year, the District evaluates employees and decides upon pay increases to be effective as of September 1 and continuing through the following year as of August 31. On October 29, 2008, the District met and established pay raises for only seven employees who were either more recent entry employees or employees making lower salaries. Exhibit 51 outlines those employees who received a pay raise, their old wage and new wage reflecting their pay increase (retroactive to September 1, 2008). Exhibit 52 also include the Minutes of the District’s meeting approving those pay increases.

7. Refer to Bullock Pen’s Response to Commission Staff’s Second Information Request, Item 9. For each item listed in Table 2 below, provide a complete and detailed description of the engineering service provided and a copy of all supporting invoices. State whether the service will be required to be performed in the future and the anticipated date the service will be required to be performed.

Table 2

	<u>Invoice Date</u>	<u>Vendor</u>	<u>Amount</u>
a.	01/25/2008	CMW, Inc.	\$ 453.84
b.	03/04/2008	CMW, Inc.	\$ 688.08
c.	03/27/2008	CMW, Inc.	\$1,447.15
d.	04/18/2008	CMW, Inc.	\$1,016.13
e.	05/28/2008	CMW, Inc.	\$ 976.91
f.	06/25/2008	CMW, Inc.	\$ 614.28
g.	07/22/2008	CMW, Inc.	\$ 911.05
h.	08/08/2008	CMW, Inc.	\$1,822.29
i.	09/19/2008	CMW, Inc.	\$ 409.92
j.	10/14/2008	CMW, Inc.	\$ 570.96
k.	11/10/2008	CMW, Inc.	\$ 908.29
l.	11/28/2008	CMW, Inc.	\$ 785.86
m.	12/31/2008	CMW, Inc.	\$2,901.17

RESPONSE

CMW, Inc., in addition to major project engineering services, provides monthly engineering services which include but is not limited to attending meetings; periodic engineering consultation; and smaller periodic projects. The charges in this Item No. 7 represent charges by CMW, Inc. for those monthly engineering services. Exhibit 53 contains a detailed itemization for those services rendered.

8. Refer to Bullock Pen's Response to Commission Staff's Second Information Request, Item 9. For each item listed in Table 3 below, provide a complete and detailed description of the legal service provided and all supporting invoices. State whether the service will be required to be performed in the future and the anticipated date the service will be required to be performed.

Table 3

	<u>Invoice Date</u>	<u>Vendor</u>	<u>Amount</u>
a.	01/31/2008	Thomas R. Nienaber	\$1,375.00
b.	03/31/2008	Thomas R. Nienaber	\$1,781.25
c.	05/12/2008	Thomas R. Nienaber	\$2,343.75
d.	05/15/2008	Thomas R. Nienaber	\$ 250.00
e.	09/15/2008	Thomas R. Nienaber	\$3,763.75
f.	10/31/2008	Thomas R. Nienaber	\$2,459.76
g.	12/31/2008	Thomas R. Nienaber	\$5,375.00

RESPONSE

The attached Exhibit 54 identifies every charge for monthly general legal services rendered by Thomas R. Nienaber on behalf of the District. These charges represent fees (among other things) for attending monthly meetings; preparation of legal documents; negotiation of special contracts; dealing with customer related issues; special meetings with the District relating to water purchase and the like.

9. Bullock Pen reported paying \$2,679 to Raymond Baker for contractual management services. Provide a detailed explanation of the services Mr. Baker provides to

Bullock Pen, a copy of the contract between Bullock Pen and Mr. Baker, and an explanation of how the monthly payments to Mr. Baker are calculated. .

RESPONSE

Shortly after the District was created, it was determined that the District should provide water loading stations throughout the system to enable water haulers to service more remote and less accessible areas of Grant County where water line service would not be practicable. In line with that District policy, on January 26, 1968 a Contract (“Contract”) was entered into between the District and Mr. Raymond H. Baker (“Baker”). Therein, the District made arrangements to construct a water on property leased by Baker. That Contract provided that Baker would provide general maintenance and monitoring of the Verona Loading Station. Since 1968, Baker has continuously operated the Verona Loading Station. As in the past, the Verona Loading Station is a coin operated facility. Periodically, this loading station needs maintenance, trouble shooting and general service calls. In addition, the loading station coin changer must be emptied on a weekly/ monthly basis. Baker has provided those services for the District continuously since 1968. The Contract with Mr. Baker provides that he would receive as compensation for services rendered, 20% of the gross coinage received from that loading station. Exhibit 55 identifies the gross revenues received and Baker’s charges assessed for operation of the Verona loading Station for the period January, 2008 through June, 2009. Due to the remote location of the loading station, the services rendered by Baker for the District represent a substantial and significant time and money saving service to the District. As one can see from the attached Vendor Report (Exhibit 55), the Verona Loading Station does not represent a significant money making operation but is rather operated by the District as a convenience to those customers in the more remote and unserved areas of Grant County.

10. Bullock Pen paid \$1,850 to Regions Bank for contractual services. Provide a detailed explanation of the services Regions Bank provides to Bullock Pen, a copy of the contract between Bullock Pen and Regions Bank, and an explanation of how the monthly payments to Regions Bank are calculated.

RESPONSE

Attached please find Exhibit 56 which contains a narrative response to this request as well as supporting documentation submitted by Accountant Peggy Gamble.

11. Refer to Bullock Pen's Response to Commission Staff's Second Information Request, Item 9. For each item listed in Table 4 below, provide a complete and detailed description of the accounting service provided and all supporting invoices. State whether the service will be required to be performed in the future and the anticipated date the service will be required to be performed.

Table 4

	<u>Invoice Date</u>	<u>Vendor</u>	<u>Amount</u>
a.	01/31/2008	Morris & Bressler	\$4,726.52
b.	02/29/2008	Morris & Bressler	\$5,497.16
c.	03/31/2008	Morris & Bressler	\$ 104.25
d.	04/30/2008	Morris & Bressler	\$ 204.00
e.	05/31/2008	Morris & Bressler	\$3,508.16
f.	06/23/2008	VanGorder, Walker & Co, Inc.	\$9,650.00
g.	06/30/2008	Morris & Bressler	\$1,519.66
h.	08/31/2008	Morris & Bressler	\$2,629.44
i.	09/30/2008	Morris & Bressler	\$ 237.00
j.	10/31/2008	Morris & Bressler	\$2,198.22
k.	12/05/2008	Morris & Bressler	\$ 860.00
l.	12/31/2008	Morris & Bressler	\$7,727.66

RESPONSE

Prior to 2006, Morris & Bressler, PSC provided all periodic accounting services for the District. Additionally, Morris & Bressler, PSC also conducted the District's Annual Audit as required by statute. In an effort to maintain the integrity of the accounting and auditing process, the periodic accounting services and annual audit requirement were separated. VanGorder Walker & Co, Inc. was engaged to perform the District's Annual Audit. The invoice identified in 11(f) represents VanGorder Walker & Co, Inc.'s charges for the District's year end December 31, 2007 Annual Audit. All other accounting services charged by Morris & Bressler identified in Request No. 11 are explained in detail in the attached Exhibit 57.

INDEX OF EHBITS

<u>Exhibit No.</u>	<u>Description</u>	<u>P.S.C. Request No.</u>
44	Phase VI Customer Sign Ups as of August 1, 2009	1(a), 1(b), 1(c)
45	Phase VI Surcharge Calculations	1(c)
46	PSC Audit Report of October 24, 2005	2(a)
47	District's Response of November 22, 2005 to PSC's Audit Report of October 24, 2005	2(b)
48	Daimler Chrysler Capitalized Lease Information	2(a), 2(b)
49	District Test Year Income and Expense Worksheet and Revised Service Coverage Calculation	2(b)
50	Amortization of Original Issue Discount 12/31/08	3
51	Request No. 5(a) and 5(b) Response	5(a), 5(b)
52	District Pay Increase Schedule and October 29, 2008 Minutes	6
53	CMW, Inc. Billing Analysis	7
54	Thomas R. Nienaber Billing Summary	8
55	Baker Contract and Verona Loading Station Summary	9
56	Request No. 10 Response	10
57	Morris & Bressler Billing Analysis	11

EXHIBIT “44”

ROAD	NAME	ADDRESS	AMT. PAID	# METERS	PHONE
PARKERS GROVE ROAD					
7/31/08	Dean & Tonya Burns-Gerakos	15102 Parkers Grove Rd, MorningView, KY 41063	\$1,000.00	1	240-4142
6/26/08	Timothy & Estella Barth	15132 Parkers Grove Rd, MorningView, KY 41063	\$1,000.00	1	356-7968
5/6/08	Michael & Robin Smith	15171 Parkers Grove Rd, Morning View, KY 41063	\$1,000.00	1	356-1650
5/6/08	Lonnie E. Paxton, Jr.	15202 Parkers Grove Rd, Morning View, KY 41063	\$1,000.00	1	356-7483
5/6/08	Alma Rogers	15228 Parkers Grove Rd, Morning View, KY 41063	\$1,000.00	1	356-5592
5/6/08	Patrick Wells	15245 Parkers Grove Rd, Morning View, KY 41063	\$1,000.00	1	282-7255
7/31/08	Nellie Hill	15254 Parkers Grove Rd, MorningView, KY 41063	\$1,000.00	1	356-4875
	---rental property-----	-----billing address: 15250 Parkers Grove 41063-----	\$1,000.00	1	356-4875
7/31/08	Donald & Susan Browning	15302 Parkers Grove Rd, MorningView, KY 41063	\$1,000.00	1	363-1086
5/6/08	Stanley & Marie Freimuth	15376 Parkers Grove Rd, Morning View, Ky 41063	\$1,000.00	1	356-5564
10/27/08	Donnie & Donna Boyers	15379 Parkers Grove Rd, Morning View, KY 41063	\$1,000.00	1	356-3551
5/6/08	Stanley & Marie Freimuth	15398 Parkers Grove Rd, Morning View, KY 41063	\$1,000.00	1	356-5564
8/5/08	Lorne & Teresa Wolfe	15490 Parkers Grove Rd, MorningView, KY 41063	\$1,000.00	1	356-5726
5/27/08	William Scobba	15876 Parkers Grove Rd, Crittenden, KY 41030	\$1,000.00	1	802-1196
BAGBY ROAD					
5/6/08	Kevin & Amy Halderman	263 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	356-3912
5/15/08	Anthony & Phyllis Wright	422 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	363-7001
5/21/08	Michael Lee & Theresa Martin	460 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	356-1178
5/6/08	Paula Dewey	479 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	356-0433
5/2/08	Roger L. & Pauline Evans	531 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	356-0855
5/22/08	Leo & Donna Berry	561 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	356-6483
5/6/08	Steve W. Holthaus	568 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	356-5831
8/29/08	Robert & Cynthia Mobley	578 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	356-0761
5/16/08	Randall & Rebecca Rose	594 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	363-0549
5/21/08	Peter & Angela Thaler	595 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	363-8040
5/15/08	Steven/Tammy Wilt	610 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	363-3205
5/2/08	John & Juanita Fey	625 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	356-6606
5/6/08	Eric E. Fey	665 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	356-2227
				ROAD	14
				TOTALS	

5/6/08	Roscoe & Rhonda Morrow	473 Courtney Rd, Crittenden, KY 41030	\$1,000.00	1	356-2849
5/27/08	Ray/Bessie Barton	481 Courtney Rd, Crittenden, KY 41030	\$1,000.00	1	356-3538
5/27/08	Michelle Neace	486 Courtney Rd, Crittenden, KY 41030	\$1,000.00	1	363-1528
5/16/08	Rodney & Nancy J. Vest	501 Courtney Rd, Crittenden, KY 41030	\$1,000.00	1	356-4141
	----rental property-----	---billing: 14863 Salem Creek Rd, Crittenden 41030	\$1,000.00	1	485-4987
5/6/08	Arnold & Diana Burch	493 Courtney Rd, Crittenden, KY 41030	\$1,000.00	1	391-0018
7/31/08	Jimmy Trusty	489 Courtney Rd, Crittenden, KY 41030	\$1,000.00	1	356-6083
6/5/09	James Steinfeld	513 Courtney Rd, Crittenden, KY 41030	\$1,000.00	1	363-0699
8/5/08	David & Ella Beck	523 Courtney Rd., Crittenden, KY 41030	\$1,000.00	1	
				ROAD	13
				TOTALS	
LUNSFORD ROAD					
9/8/08	Larry Gray	14570 Lunsford Rd, Morning View, KY 41063	\$500.00	1	356-3883
9/30/08	Morning View Capital, LLC	14570 Lunsford Rd, Morning View, KY 41063	\$500.00	1	356-8202
9/19/08	Carl R & Linda L Bowling	14630 Lunsford Rd, Morning View, KY 41063	\$1,000.00	1	356-3945
9/18/08	Marlene Delores Patrick	14638 Lunsford Rd, Morning View, KY 41063	\$500.00	1	
9/19/08	Carl R & Linda L Bowling	14638 Lunsford Rd, Morning View, KY 41063	\$500.00	1	356-0115
8/18/08	James & Beverly Crabtree	14666 Lunsford Rd, MorningView, KY 41063	\$1,000.00	1	359-4410
5/6/08	Morning View Capital, LLC	14750 Lunsford Rd, Morning View, KY 41063	\$1,000.00	1	
	-----Bruce & Teralyn Turner-----				356-2095
5/30/08	Jeffrey Hampton/Virginia Johnson	14769 Lunsford Rd, Morning View, KY 41063	\$1,000.00	1	356-5407
9/18/08	Anthony Wayne Glenn	14974 Lunsford Rd, Morning View, KY 41063	\$1,000.00	1	
		-----mailing address: 14988 Lunsford Rd, Morning View 41063-----			
				ROAD	7
				TOTALS	
STEPHENSON ROAD					
5/12/08	Rudolph Glenn	14444 Stephenson Rd., Morning View, KY 41063	\$1,000.00	1	356-2040
5/6/08	Kenneth & Jennifer Tritschler	14451 Stephenson Rd., Morning View, KY 41063	\$1,000.00	1	363-3772
5/6/08	Donald & Angela Glenn	14471 Stephenson Rd, Morning View, KY 41063	\$1,000.00	1	356-2711
4/29/09	James A. & Lisa R. Lowe	14461 Stephenson Rd, Morning View, KY 41063	\$1,000.00	1	991-5914
5/6/08	Robert T. & Tracy A. Collins	14676 Stephenson Rd, Morning View, KY 41063	\$1,000.00	1	912-2964
5/23/08	Tracie & Chris McKinley	14685 Stephenson Rd, Morning View, Ky 41063	\$1,000.00	1	866-4447
5/6/08	Tyra & Joy Simpson	14703 Stephenson Rd, Piner, KY 41063	\$1,000.00	1	620-8183

5/6/08	David W. & Kim M. Bridges	14721 Stephenson Rd, Morning View, KY 41063	\$1,000.00	1	356-2716
8/15/08	Jason Schmidt	14789 Stephenson Rd, MorningView, KY 41063	\$1,000.00	1	356-4365
8/18/08	Kevin Luster/Cathy Caudill	14789 Stephenson Rd, MorningView, KY 41063	\$1,000.00	1	653-2079
---no house on prop yet; address subject to chg					
PAXTON ROAD					
8/5/08	David or Mildred Wolfe	1514 Paxton Rd, MorningView, KY 41063	\$1,000.00	1	356-9755
ROAD TOTALS					
10					
PEOPLES CEMETERY ROAD					
8/13/08	Daniel/Martha Cox	279 Bagby Rd, Crittenden, KY 41030	\$1,000.00	1	363-8031
6/30/08	Jennifer L. Myka/Thomas Brackman	283 Bagby Rd, Crittenden, KY 41030 -----mailing address: P.O. Box 526 Independence 41051----- -----billing address: 3992 Conley Rd., Morning View, KY 41063---	\$2,000.00	2	462-2344
ROAD TOTALS					
3					
CARLI COURT					
7/31/08	Dale McPherson	15217 Carli Court, Crittenden, KY 41030	\$1,000.00	1	363-1906
5/6/08	Steven & Lee Ann Nelson	15235 Carli Court, Crittenden, KY 41030	\$1,000.00	1	356-5539
5/6/08	Chris & Melissa Meyer	15249 Carli Court, Crittenden, KY 41030	\$1,000.00	1	363-9939
5/28/08	Patrick & Cynthia Moran	15253 Carli Court, Crittenden, KY 41030	\$1,000.00	1	363-9223
8/20/08	Jeff & Cherie Foss	15257 Carli Court, Crittenden, KY 41030	\$1,000.00	1	356-6329
4/13/09	Steve Brook/Andrea Sayre	15265 Carli Court, Crittenden, KY 41030	\$1,000.00	1	384-1441
5/6/08	George & Bernandita M. Falk	15270 Carli Court, Crittenden, KY 41030	\$1,000.00	1	356-4614
5/6/08	Dennis J & Jennifer Stultz Halpin	15273 Carli Court, Crittenden, KY 41030	\$1,000.00	1	359-4257
5/6/08	Mark & Heather Hicks	15279 Carli Court (lot 14), Crittenden, KY 41030	\$1,000.00	1	485-1795
ROAD TOTALS					
0					

		TOTALS	
GRAND TOTAL OF ALL ROADS		86	
LAST UPDATED 11/20/08			
REFUNDED			
7/31/08	Pat & Leroy Frogge -----	\$1,000.00	1
6/26/08	Benny & Deborah McIntosh	\$1,000.00	1
5/20/08	Donald & Susan Whalen	\$1,000.00	1
5/7/08	Arthur T. Darnell, Jr & Becky -----	\$1,000.00	1
	15586 Carlisle Rd, Crittenden, KY 41030		485-2995
	---billing: 13 Plum St., Walton, KY 41094-----		356-1202
	15291 Parkers Grove Rd, MorningView, KY 41063		363-7048
	15299 Parkers Grove Rd, Morning View, KY 41063		356-2253
	1774 Paxton Rd, Morning View, KY 41063		
	---billing: 15100 Madison Pk, Morning View 41063---		

EXHIBIT “45”

**Phase 6 -- Surcharge Estimate – 183 Customers
Bullock Pen Water District
(Due to water lines being eliminated from project because of lack of sign-ups, there is not 183
customers in project)**

Total Project Cost	\$2,272,700
Total Project Cost (Minus Expenses Not Related to Service of Customers)	\$2,214,300
Total Construction Cost	\$1,798,139

I. Water Lines to Serve Kenton County Customers Only.

Carlisle Road	\$102,747
People Cemetery	\$31,735
Courtney Road / Carli Court	\$210,118
Stephenson Road	\$91,627
Lunsford Road	<u>\$81,365</u>
Total Construction Cost =	\$517,592

II. Water Line and Items to Serve Grant County

Highway 25	\$395,028
Pump Station	\$120,000
Control Valves	<u>\$31,000</u>
Total Construction Cost =	\$546,028

III. Water Line and Items to Serve both Kenton County Customers and Grant County

Bagby Road	\$386,391
Parkers Grove	\$317,874
Master Meter	<u>\$30,254</u>
Total Construction Cost =	\$734,519

For Surcharge consider I and 1/4 of III

Construction Cost = 517,592 + 183,630	\$701,222
Project Cost = (701,222 / 1,798,139) X 2,214,300	\$863,513

183 Customers from preliminary estimates on all water lines, 86 tap-on fees paid

$$\begin{aligned} \text{Total Loan Needed} &= \$863,513 - \$86,000 \text{ (tap-on fee)} \\ &= \$777,513 \end{aligned}$$

$$\begin{aligned} \text{Annual Loan Payment} &= \$777,513 @ 3\% \text{ for 20 year} \\ &= \$777,513 \times 0.06722 \\ &= \$52,264 \end{aligned}$$

From 2007 Audit – Change in Net Assets with Water Revenue Increased by \$297,509 due to Proposed Rate Increase

Estimated Operating Income= \$317,132

Customers = 6,559 Existing in 2007 + 183 New Kenton Customers = 6,742

Operating Income Per Customer = $\$317,132/6,742 = \47.04

Operating Income per New Kenton County Customers = $47.04 \times 183 = \$8,608$

Debt Service to be Collected thru Surcharge = $\$52,264 - \$8,608 = \$43,656$

Annual Surcharge Per Customer = $\$43,656/183 = \238.56

Monthly Surcharge = \$19.88

**Phase 6 – Surcharge Estimate – 86 Customers
Bullock Pen Water District**

Total Project Cost	\$2,272,700
Total Project Cost (Minus Expenses Not Related to Service of Customers)	\$2,214,300
Total Construction Cost	\$1,798,139

I. Water Lines to Serve Kenton County Customers Only.

Carlisle Road	\$102,747
People Cemetery	\$31,735
Courtney Road / Carli Court	\$210,118
Stephenson Road	\$91,627
Lunsford Road	<u>\$81,365</u>
 Total Construction Cost =	 \$517,592

II. Water Line and Items to Serve Grant County

Highway 25	\$395,028
Pump Station	\$120,000
Control Valves	<u>\$31,000</u>
 Total Construction Cost =	 \$546,028

III. Water Line and Items to Serve both Kenton County Customers and Grant County

Bagby Road	\$386,391
Parkers Grove	\$317,874
Master Meter	<u>\$30,254</u>
 Total Construction Cost =	 \$734,519

For Surcharge consider I and 1/4 of III

Construction Cost = 517,592 + 183,630	\$701,222
Project Cost = (701,222 / 1,798,139) X 2,214,300	\$863,513

86 Customers Signed-up (7/31/09)

Total Loan Needed = \$863,513 - \$86,000 (tap-on fee)
= \$777,513

Annual Loan Payment = \$777,513 @ 3% for 20 year
= \$777,513 x 0.06722
= \$52,264

From 2007 Audit – Change in Net Assets with Water Revenue Increased by \$297,509 due to Proposed Rate Increase

Estimated Operating Income= \$317,132

Customers = 6,559 Existing in 2007 + 86 New Kenton Customers = 6,645

Operating Income Per Customer = $\$317,132 / 6,645 = \47.72

Operating Income per New Kenton County Customers = $47.72 \times 86 = \$4,104$

Debt Service to be Collected thru Surcharge = $\$52,264 - \$4,104 = \$48,160$

Annual Surcharge Per Customer = $\$48,160 / 86 = \560.00

Monthly Surcharge = \$46.67

Use Maximum Surcharge = \$25

**Phase 6 – Surcharge Estimate – 158 Potential Customers
Bullock Pen Water District
(Existing houses on the project as awarded)**

Total Project Cost	\$2,272,700
Total Project Cost (Minus Expenses Not Related to Service of Customers)	\$2,214,300
Total Construction Cost	\$1,798,139

I. Water Lines to Serve Kenton County Customers Only.

Carlisle Road	\$102,747
People Cemetery	\$31,735
Courtney Road / Carli Court	\$210,118
Stephenson Road	\$91,627
Lunsford Road	<u>\$81,365</u>
 Total Construction Cost =	 \$517,592

II. Water Line and Items to Serve Grant County

Highway 25	\$395,028
Pump Station	\$120,000
Control Valves	<u>\$31,000</u>
 Total Construction Cost =	 \$546,028

III. Water Line and Items to Serve both Kenton County Customers and Grant County

Bagby Road	\$386,391
Parkers Grove	\$317,874
Master Meter	<u>\$30,254</u>
 Total Construction Cost =	 \$734,519

For Surcharge consider I and 1/4 of III

Construction Cost = 517,592 + 183,630	\$701,222
Project Cost = (701,222 / 1,798,139) X 2,214,300	\$863,513

158 Customers on roads to be served, 86 tap-on fees paid, 7/31/09

Total Loan Needed = \$863,513 - \$86,000 (tap-on fee)
= \$777,513

Annual Loan Payment = \$777,513 @ 3% for 20 year
= \$777,513 x 0.06722
= \$52,264

From 2007 Audit – Change in Net Assets with Water Revenue Increased by \$297,509 due to Proposed Rate Increase

Estimated Operating Income= \$317,132

Customers = 6,559 Existing in 2007 + 158 New Kenton Customers = 6,717

Operating Income Per Customer = $\$317,132/6,717 = \47.21

Operating Income per New Kenton County Customers = $47.21 \times 158 = \$7,459$

Debt Service to be Collected thru Surcharge = $\$52,264 - \$7,459 = \$44,805$

Annual Surcharge Per Customer = $\$44,805/158 = \283.58

Monthly Surcharge = \$23.63

BULLOCK PEN WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2007 and 2006

	<u>Increase</u>	<u>New Total</u>	2007	2006
OPERATING REVENUES				
Water revenue	+ 297,509	3,174,306	\$ 2,876,797	\$ 2,674,037
Management fees			110,004	108,180
TOTAL OPERATING REVENUES		3,284,310	<u>2,986,801</u>	<u>2,782,217</u>
OPERATING EXPENSES				
Water purchased			766,310	602,874
Operation and maintenance expense			1,685,926	1,486,897
Depreciation and amortization	+ 52,292	514,942	462,650	408,810
TOTAL OPERATING EXPENSES		2,967,178	<u>2,914,886</u>	<u>2,498,581</u>
OPERATING INCOME		317,132	<u>71,915</u>	<u>283,636</u>
NON-OPERATING INCOME (EXPENSE)				
Investment income			44,786	42,465
Gain/(loss) on sale of assets			6,149	(669)
Interest on long-term obligations			(302,423)	(311,106)
Amortization of bond discounts and expenses			(8,654)	(8,654)
NET NON-OPERATING INCOME (EXPENSE)			<u>(260,142)</u>	<u>(277,964)</u>
NET INCOME			(188,227)	5,672
CAPITAL CONTRIBUTIONS			1,195,661	1,136,824
CHANGE IN NET ASSETS			1,007,434	1,142,496
NET ASSETS, JANUARY 1			<u>12,115,814</u>	<u>10,973,318</u>
NET ASSETS, DECEMBER 31			<u>\$ 13,123,248</u>	<u>\$ 12,115,814</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT “46”



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

October 24, 2005

Bobby J. Burgess, Chairperson
Bullock Pen Water District
One Farrell Drive
Post Office Box 188
Crittenden, Kentucky 41030

Dear Mr. Burgess:

Enclosed is Commission Staff's Accounting Inspection Report for Bullock Pen Water District. Please review the report carefully.

The utility has 30 days from the date of this letter to respond to the deficiencies noted in the report. If you have any questions, you may contact me at (502) 564-3940, extension 276.

Sincerely,

Daniel Hinton, CPA
Audit Reviewer
Financial Analysis Division

Enclosure

**BULLOCK PEN WATER DISTRICT
REPORT OF ACCOUNTING INSPECTION
OCTOBER 2005**

Introduction

Bullock Pen Water District ("Bullock Pen") is a water district formed in 1957. Bullock Pen provides water service to approximately 5,900 customers in Grant, Kenton, Pendleton, Boone, and Gallatin Counties. Its operations are directed by a five member board of commissioners.

Scope

On July 19 and 28, 2005, Daniel Hinton of the Commission's Financial Audit Branch performed field work for an accounting inspection of the district's records. The purpose of the inspection was to review the district's accounting, recordkeeping, and internal control procedures. The inspection also consisted of testing compliance with the district's tariff on file with the Commission, and certain Commission statutes and regulations.

Tariff

The district has a tariff on file with the Commission. The following deficiencies and deviations were noted.

1. Availability of Water. The district requires that customers who sign water service agreements to pay the minimum bill, and when applicable, a surcharge, once water becomes available at their location, even if they have not been connected to the system. This requirement is not in the district's tariff. The district should update its tariff to reflect this policy.
2. Service Run Charge. The district's tariff provides for a \$35 reconnection fee, a \$5 returned check fee and a \$15 service run fee. As stated in its tariff, the district charges the reconnection fee to reconnect customers whose service has been disconnected because of non-payment of delinquent bills. It is the policy of the district to charge a service run fee, instead of a reconnection fee, in addition to the returned check fee, to reconnect customers whose water is disconnected because of a returned

check. The service run fee is also charged when district employees have to make a trip to repair the radio read pads on meters due to damage caused by the customer. The district's tariff does not state the circumstances in which the district charges a service run fee. The district should update its tariff to include the circumstances in which it will charge a service run fee.

3. Tap-On Fee Policy. At a special meeting held on February 18, 2004, the district's commissioners voted to amend its tap-on fee policy. As part of the amendment, the commissioners voted to terminate the policy of giving rebates to developers of subdivisions. Under this policy, developers were required to provide and install a portion of the meter set. The developer paid the tap-on fee but was refunded a portion of the fee after providing and installing the meter setter, meter crock, and meter lid. Under the new policy, the developer is still required to install the meter set; however, the district is now supplying all materials. The developer no longer receives a rebate on the tap-on fee. The district has not filed any tariff sheets terminating its old policy and outlining its new policy. The district is advised to update its tariff to reflect its new tap-on fee policy. In addition, the district should explain why it is appropriate for developers to pay the entire tap-on fee under the new policy even though they provide a portion of the labor.

4. Multiple Customers on One Meter. The district's tariff contains provisions for billing mobile home and apartment units where one meter services two or more units. The district's policy is to divide the usage by the number of units on each meter and calculate the bill as if they were separate bills. For example, if 3 units on one meter used 15,000 gallons, the district would calculate the bill for 5,000 gallons usage and multiply the result by 3. However, it is not clear whether this practice is in compliance with its tariff. The district's tariff is vague in regards to how water used in excess of the minimum gallon usage will be billed to such customers. The district's tariff states only that "...all water used in excess of the minimum gallon usage shall be billed per the Rate Schedule of the district then in effect." The district is advised to update its tariff to state more clearly how such usage will be billed. In addition, the district appears to have at least one business and one residential customer where one meter services two or more buildings/residences; however, there is not a provision in its tariff for how such

customers will be billed. The district should update its tariff to include a provision for how such customers will be billed.

Statutes and Regulations

The district's accounting records and procedures are subject to the Kentucky Revised Statutes and the Kentucky Administrative Regulations. The following deviations were noted.

5. Disbursement of Funds. KRS 74.050 states "[t]he treasurer of the commission shall pay out the funds of the commission only upon presentation of warrants signed by the chairman and countersigned by the secretary of the commission." The majority of the district's checks are signed by the district's office manager and superintendent. The district's Secretary/Treasurer and Assistant Secretary/Treasurer sign checks occasionally. At their monthly meetings, the commissioners review a list of checks paid during the previous month and approve the disbursements at that point. This does not meet the criteria of KRS 74.050. The district's chairman, secretary, and treasurer are advised to review and approve all disbursements of funds prior to their disbursement.

6. Unauthorized Debt. KRS 278.300 requires Commission approval to issue debt instruments whose term exceeds two years. Commission approval is not required for debt which is payable in less than two years so long as it is not renewed for a period that exceeds, in the aggregate, six years from the issuance date of the original note. The following deviations from KRS 278.300 were noted.

- On March 5, 2004, the district entered into a capitalized lease agreement with a term of 7 years with Public-Finance.com in the amount of \$170,450 for the purchase of radio read units for meters without Commission approval.
- The district borrowed \$437,655 and \$582,599 from the Kentucky Infrastructure Authority ("KIA") on August 29, 1991 and April 7, 1993, respectively. Commission Staff could not determine if this debt was approved. The Commission approved several debt issuances to KIA around that time, but the amounts approved do not match the amounts borrowed. The district refinanced this debt in 2002 and 2004 without Commission approval. The 2004 refinancing was addressed in Case No. 2005-00058. In

its Final Order in that case, the Commission stated "[t]he Commission places KIA and all of the utilities in question on notice that in the future they will be expected to fully comply with KRS 278.300 and to obtain Commission approval prior to the issuance of any securities or evidences of indebtedness."

- In 1992, the district received a 15 year unsecured note payable from Integra Bank without Commission approval.

In the future, the district is advised to request Commission approval for debt as required by KRS 278.300 or structure the loan so Commission approval is not required.

7. Secretary/Treasurer. One of the district's commissioners holds the position of secretary and treasurer while another commissioner holds the position of assistant secretary/treasurer. KRS 74.020(5) requires a water district board of commissioners to elect a chairman, secretary, and treasurer and specifies separate and distinct duties for the treasurer and secretary. The district is advised to elect a secretary and treasurer as required by statute.

8. Commissioner Salaries. In multicounty districts, KRS 74.020(6) requires that water district commissioner salaries be fixed by agreement between the county judges/executive with the approval of their fiscal courts. While the Grant County Judge/Executive and Fiscal Court approved the salary of \$100 per month for the commissioners, there was no documentation that the Boone County Judge/Executive and Fiscal Court approved the same. In addition, the district's chairman and secretary/treasurer receive an additional \$100 and \$50 per month, respectively. There was no documentation that the chairman's additional salary was approved by the appropriate county judges/executive and fiscal courts. Regarding the treasurer's compensation, KRS 74.050 states "[a]s compensation for his services the treasurer shall receive an amount fixed by the commission, not to exceed two hundred dollars (\$200) per year." The additional compensation paid to the treasurer exceeds \$200 per year. The district is advised to ensure that the appropriate county judges/executive and fiscal courts approve the salaries of its commissioners and to pay its treasurer in accordance with KRS 74.050.

9. Sales Tax. During a test of the district's billing, it was noted that the district was computing sales tax incorrectly. The district was computing it on the amount charged for water service only. Sales tax is supposed to be computed on gross receipts, as defined by KRS 139.050, of sales to non-residential customers. School tax is considered to be a part of gross receipts, and thus, should be included in the computation of sales tax. The district is advised to begin computing sales tax on the gross receipts of sales to non-residential customers.

10. School Tax. KRS 160.593 gives school districts the power to levy a tax on water service in its territory. All of the counties served by the district have a school tax. The district is neither charging nor remitting school tax on surcharge billings. While the utility may elect not to collect school taxes from its customers, it must still pay the taxes. Whether or not the district elects to charge school tax on surcharge revenue, it is advised to begin paying school taxes on these revenues.

11. Abandoned Deposits. During the May 3, 2005 commissioners' meeting, the district's auditor brought up the fact that the district had some checks outstanding that were over a year old. District personnel indicated that most of those checks were deposit and interest refunds that were returned to the district because customers had moved and had not provided a forwarding address. The district's attorney suggested that such checks should be rolled over to the general account of the district after 1 year. According to Bullock Pen's CPA, the district records undeliverable deposit refunds in income, instead of reinstating the liability. KRS 393.080 states "[t]he following funds held or owing are presumed abandoned: (1) Any deposit of money, stocks, bonds, or other credits made to secure payment for services rendered or to be rendered, or to guarantee the performance of services or duties, or to protect against damage or harm, and the increments thereof, unless claimed by the person entitled thereto within three (3) years after the occurrence of the event that would obligate the holder or depository to return it or its equivalent." Deposit refunds that are returned to the district because they are undeliverable should be accounted for as liabilities. Once deposits are considered abandoned, they should be reported to the Unclaimed Property Division of the Kentucky Department of Treasury in accordance with KRS 393.110 and 20 KAR

1:080. The district may download the report forms by visiting the Kentucky Department of Treasury website at www.kytreasury.com.

Accounting and Internal Controls

The district's accounting records and procedures are subject to the requirements established by the Uniform System of Accounts for Water Districts and Associations ("USoA"), as well as those prescribed by the Kentucky Public Service Commission. Deviations from the USoA and the Commission's prescribed practices and procedures are noted as follows:

12. Grant County Sanitary Sewer District. On April 23, 2004, Bullock Pen took over the management of the Grant County Sanitary Sewer District ("GCSSD"). A contract was signed by both parties on July 22, 2004. The amount billed to GCSSD each month for these management services is based on the hours worked by district personnel at specified rates plus additional charges for the use of the district's office and equipment. The district records the revenue received from GCSSD in account 471, Miscellaneous Service Revenues. All revenue associated with the contract should be recorded in account 415, Revenues from Merchandising, Jobbing, and Contract Work. When recording expenses incurred in providing the management services, account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work, should be debited and the related operating expenses should be credited.

13. Commissioner Review. At their monthly meetings, the district's commissioners review bank balances, a receipts and disbursements report, and the list of checks paid in the previous month. In an effort to strengthen internal controls, the district's commissioners should also review customer billings, adjustments to customer accounts, an aged accounts receivable listing, and bank reconciliations for each bank account on a monthly basis.

14. Bank Reconciliations. The same district employee who makes deposits also receives and reconciles the bank statements. Ideally, the employee receiving the bank statements and reconciling the accounts should not also handle cash. Since all of the district's office personnel handle cash in some manner, in order to strengthen internal

controls, the chairman or secretary should receive unopened bank statements and review them prior to submitting to the utility for reconciliation.

Conclusion

Commission Staff's review noted several deficiencies and areas needing improvement. The utility is advised to correct all deficiencies and implement all recommendations included in this report. Financial Audit Branch staff is available to discuss or assist in correcting any of the deficiencies noted. A written response to each item is due within 30 days. The utility's response should include whether the recommendations have been implemented or the utility's plan to implement the recommendations.

EXHIBIT “47”

THE HORWITZ LAW FIRM, P.S.C.

ATTORNEYS AND COUNSELORS AT LAW

MARTIN J. HORWITZ * †
THOMAS R. NIENABER ◊
CHAD S. LEVIN *
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November 22, 2005

Public Service Commission
Financial Analysis Division
Attn: Mr. Daniel Hinton
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: Bullock Pen Water District

Dear Mr. Hinton:

By way of introduction, my name is Thomas R. Nienaber, counsel for the Bullock Pen Water District (the "District"). We are in receipt of your October 24, 2005 Accounting Inspection Report (the "Report"). Pursuant to your request, the District has instructed me to respond to the contents of that Report.

First, I would like to comment that the District was not able to review your Report until its November 3, 2005 meeting. At that time, the Board of Commissioners for the District reviewed each item contained therein. In addition, a copy of the Report was forwarded to Morris & Bressler, P.S.C., the financial auditors for the District for their review and response. Based upon a review of the Report with the Commissioners and with limited input from our financial auditors (a full response from the auditors has not yet been received), the District would respond as follows. For clarity, my numerical paragraphs correspond with those set forth in the Report.

1. Availability of Water.

The provisions referred to in this item were implemented on a limited basis for those projects where a surcharge was assessed. This requirement does not apply to new customers signing up for water service on existing water lines where no surcharge exists. However, the District has agreed to amend its Tariff to reflect this change.

2. Service Run Charge.

Based upon this comment in the Report, the District has initiated the process to revise its Tariff with respect to reconnection fees, return check fees and the like. To that end, the Board of Commissioners has acted to amend its Tariff to provide as follows:

- A. A return check fee of \$20.00 will be implemented;
- B. A \$35.00 service run fee will be implemented;
- C. A \$55.00 reconnection fee will be implemented.

Reconnection fees will be required in those instances where a customer's utilities are cut off due to non-payment or in those instances where a customer has requested a disconnection of service and then requested that it be reconnected. A service run fee will be charged where a customer requests that the District send an employee to their residence for service and it is determined that the service is required due to the action or responsibility of the customer. A reconnection fee and a service run fee are separate and distinct and will not be double charged to a customer under any circumstance. In the event that customers are disconnected from service due to a bad check, a return check fee will be charged in addition to a reconnection fee where applicable. The District has initiated the process of amending its Tariff to reflect these changes.

3. Tap-On Fee Policy.

The District has initiated the process of amending its Tariff to reflect its recent changes in policy with regard to this issue. The Tariff will reflect that a tap-on fee of \$1,000.00 will be charged to all customers, including developers.

4. Multiple Customers on One Meter.

In response to this item, the District took action at its November 3, 2005 meeting as attached. Please note that the Minutes to the November 3, 2005 meeting have not been formally adopted or approved by the District. Therefore, official amendment of the Tariff will not be undertaken until after that meeting. However, it is anticipated that the Tariff will be revised as provided for in the Minutes.

5. Distribution of Funds.

Currently, the District pays invoices when received in order that the District may receive discounts for early payment or avoid penalties for late payment. In many instances, due to the fact that the Commissioners only meet once a month, official approval of the payment of many

November 22, 2005

Page 3

invoices cannot be obtained until after they are actually issued and paid. The District will implement the procedures that you state in this item as is practical.

6. Unauthorized Debt.

We have reviewed your comments in this regard. The District's files reflect that the \$437,655.00 loan from KIA on August 29, 1991 was approved by the Public Service Commission, Case No. 89-128 (see attached). The \$582,599.00 loan to KIA dated April 7, 1993 was approved by the Public Service Commission in Case No. 92-477. If your files do not reflect this, please advise.

In 1992, the District did take out a 15 year unsecured Note payable from Integra without Public Service Commission approval. The purpose of this loan was to pay off an existing loan to the Farmer's Home Administration which had been previously approved by the Public Service Commission. The District believing that this was simply a transfer of pre-approved debt from Farmer's Home Administration to Integra Bank, additional approvals would not be necessary. However, in the future, if any similar circumstances arise, the District will request an Opinion from the Public Service Commission as to whether approval will be required. If so, pre-approval for refinancing will be obtained.

On March 5, 2004, the District entered into a Lease for the purchase of radio read units for water meters in the District's territory. Public Service Commission approval was not obtained as the District did not believe that it was necessary. In the future, the District will have such financing approved by the Public Service Commission.

7. Secretary/Treasurer.

In order to rectify this problem, the District had an interim election of officers at the November 3, 2005 meeting. The District has an annual election of officers at its annual meeting in January of each year. This January's elections will reflect comments made in this item.

8. Commissioner Salaries.

The District will submit a request to all County Judge Executives and Fiscal Courts in the areas serviced by the District for approval of Commissioner fees and salaries. This will be done at the January, 2006 meeting when officers are elected. At that time, the District will also re-evaluate salaries and amend the salaries scheduled to reflect the comments of the Public Service Commission in this item.

9. Sales Tax.

The District consulted its accountants and financial auditors over the years as to the proper method of assessing, computing, and collecting sales tax. The District was advised that its current method of handling sales tax was appropriate and in conformity with all statutory provisions. Upon receipt of this Report, the District once again asked its accountant to determine if, in fact, the comments by the Public Service Commission in this Report are accurate. If so, the method of computing, assessing, and collecting sales taxes will be revised to reflect the Commission's comments.

10. School Tax.

The District consulted its accountants and financial auditors over the years as to the proper method of assessing, computing, and collecting sales tax. The District was advised that its current method of handling the school tax was appropriate and in conformity with all statutory provisions. Upon receipt of this Report, the District once again asked its accountant to determine if, in fact, the comments by the Public Service Commission in this Report are accurate. If so, the method of computing, assessing, and collecting school taxes will be revised to reflect the Commission's comments.

11. Abandoned Deposits.

The District will revise its policy dealing with abandoned deposits in conformity with KRS 393.110 and 20 KAR 1:080.

12. Grant County Sanitary Sewer District.

The District's accounting procedures will be amended to reflect this recommendation.

13. Commissioner Review.

The District will review its policies with respect to this item and make changes where appropriate.

14. Bank Reconciliations.

Implementation of this recommended policy would create an unreasonable burden on the Chairman and/or Secretary. Notwithstanding, the District will consult with its accountants and financial analyst in an effort to devise a system to strengthen its internal controls as recommended in this item.

November 22, 2005

Page 5

Due to the fact that some of the requested changes will require formal action on the part of the District and its Commissioners, immediate implementation of the recommended changes in the Report cannot be achieved. However, the District will move as quickly as possible with respect to implementing all changes as identified above. Additionally, some of the recommended changes and policy modifications will require consultation with the District's financial analysts and accountants. With the upcoming holidays, arranging such meetings and the taking of formal action on the part of the District and its Commissioners may take 60 days or so. With the foregoing said, the District will undertake and probably implement each of the recommended changes within 60 days from date of this correspondence.

Should the Commission have any additional comments or thoughts in this regard, please do not hesitate to call.

Very truly yours,

THE HORWITZ LAW FIRM, P.S.C.



Thomas R. Nienaber

TRN/csb

cc: Bullock Pen Water District
Attn: Chairman Bobby Burgess
CMW, Inc., Attn: Mr. Kerry Odle
Morris & Bressler, P.S.C.
Attn: Ms. Peggy Lamb

EXHIBIT “48”

Bullock Pen Water District
Case Number 2008-00170
History of Old National Leases

The District signed a lease/purchase agreement on September 1, 2003 in the amount of \$477,050. They intended to use the money to purchase the following:

2500 Neptune R900 Interface unit, pit mount @ \$106.00 each	265,000.00
1500 Neptune R900 Interface unit, pit mount, dual port @ \$112.50 each	168,750.00
500 5/8 x 3/4 Neptune T10 Proread meter without pad, pre-potted for R900 @ 77.50 each	38,750.00
1 Neptune Meter Reading System, including:	
1 EZDrive drive by reading system (laptop)	
2 PC9800 hand held data collectors with all necessary adaptors and cradles	
1 EZRoute Meter Reading Software	
1 System implementation and training	
The total cost of this Meter Reading System was quoted at \$4,550.00 each	<u>4,550.00</u>
Total Cost and Amount of the Lease Agreement	<u><u>477,050.00</u></u>

With the money from the lease the District purchased everything except the 1,500 Neptune R900 Interface unit, pit mount, dual port @ \$112.50 each. Instead of purchasing these meters they purchased 2,000 Neptune R900 Interface unit, pit mount @ \$106.00 each at a total cost of \$212,000. In order to pay this invoice and purchase the additional 1,200 meters to change the entire system to radio read meters, the District negotiated a second loan under this agreement for \$170,450. In conclusion, the District borrowed a total of \$647,500 (\$477,050 under the initial agreement and \$170,450 additional). The funds were used to purchase the following:

5700 Neptune R900 Interface unit, pit mount @ \$106.00 each	604,200.00
500 5/8 x 3/4 Neptune T10 Proread meter without pad, pre-potted for R900 @ 77.50 each	38,750.00
1 Neptune Meter Reading System, including:	
1 EZDrive drive by reading system (laptop)	
2 PC9800 hand held data collectors with all necessary adaptors and cradles	
1 EZRoute Meter Reading Software	
1 System implementation and training	
The total cost of this Meter Reading System was quoted at \$4,550.00 each	<u>4,550.00</u>
Total Purchased and Borrowed	<u><u>647,500.00</u></u>



MASTER INSTALLMENT PURCHASE AGREEMENT

This Master Installment Purchase Agreement dated as of October 17, 2005 and entered into between DaimlerChrysler Services North America LLC, a Michigan limited liability company ("Lender"), and Bullock Pen Water District, a body corporate and politic existing under the laws of the State of Sample State ("Borrower").

1. **Agreement.** Borrower agrees to finance from Lender certain "Equipment" as described in each Equipment Schedule (Exhibit A), which together with an Installment Payment Schedule (Exhibit A-1) constitute a "Schedule", subject to the terms and conditions of and for the purposes set forth in each Contract. Items of equipment may be added to the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein. Each Schedule and the terms and provisions of this Agreement (which includes all exhibits hereto, together with any amendments and modifications pursuant thereto) which are incorporated by reference into such Schedule shall constitute a separate and independent contract and installment purchase of the Equipment therein described and are referred to herein as a "Contract".

2. **Term.** The "Commencement Date" for each Contract is the date when interest commences to accrue under such Contract which date shall be the earlier of (i) the date on which the Equipment listed in such Contract is accepted by Borrower in the manner described in Section 11, or (ii) the date on which sufficient monies to purchase the Equipment listed in such Contract are deposited for that purpose with an escrow agent, or (iii) the date sufficient monies are set aside for acquisition of Equipment as evidenced in Exhibit D, if applicable. The "Contract Term" for each Contract means the Original Term and all Renewal Terms therein provided and for this Agreement means the period from the date hereof until this Agreement is terminated. The "Original Term" means the period from the Commencement Date for each Contract until the end of Borrower's fiscal year or biennium (as the case may be) (the "Fiscal Period") in effect at such Commencement Date. The "Renewal Term" for each Contract is each term having a duration that is coextensive with the Fiscal Period.

3. **Representations and Covenants of Borrower.** Borrower represents, covenants and warrants for the benefit of Lender on the date hereof and as of the Commencement Date of each Contract as follows: (a) Borrower is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority under the constitution and laws of the state where the Borrower is located ("State") to enter into this Agreement and each Contract and the transactions contemplated hereby and to perform all of its obligations hereunder and under each Contract; (b) Borrower has duly authorized the execution and delivery of this Agreement and each Contract by proper action of its governing body at a meeting duly called and held in accordance with State law, or by other appropriate official approval, and all requirements have been met and procedures have occurred to ensure the validity and enforceability of this Agreement and each Contract; (c) Borrower will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic; (d) Borrower has complied with such public bidding requirements as may be applicable to this Agreement and each Contract and the acquisition by Borrower of the Equipment as provided in each Contract; (e) during the Contract Term, the Equipment will be used by Borrower solely and exclusively for the purpose of performing essential governmental or proprietary functions of Borrower consistent with the permissible scope of Borrower's authority; (f) Borrower will annually provide Lender with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Period, and such other financial information relating to the ability of Borrower to continue each Contract as may be requested by Lender; and (g) Borrower has an immediate need for the Equipment listed on each Schedule and expects to make immediate use of the Equipment listed on each Schedule.

4. **Tax and Arbitrage Representations.** Borrower hereby represents as follows: (a) the estimated total costs of the Equipment listed in each Schedule will not be less than the total principal portion of the Installment Payment listed in such Installment Payment Schedule; (b) the Equipment listed in each Schedule has been ordered or is expected to be ordered within 6 months of the Commencement Date, and all amounts deposited in escrow to pay for the Equipment, and interest earnings, will be expended on costs of the Equipment and the financing within 3 years of Commencement Date; (c) no proceeds of any Contract will be used to reimburse Borrower for expenditures made more than 60 days prior to the Commencement Date or, if earlier, more than 60 days prior to any official action taken to evidence an intent to finance; (d) Borrower has not created or established, and does not expect to create or establish, any sinking fund or similar fund (i) that is reasonably expected to be used to pay the Installment Payment, or (ii) that may be used solely to prevent a default in the payment of the Installment Payment; (e) the Equipment listed in each Schedule has not been and is not expected to be sold or otherwise disposed of by Borrower, either in whole or in part, prior to the last maturity of Installment Payment; (f) Borrower will comply with all applicable

provisions of the Internal Revenue Code of 1986, as amended ("Code"), including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Installment Payments from gross income for purposes of federal income taxation; and (g) Borrower intends that each Contract not constitute a "true" lease for federal income tax purposes.

5. **Finance of Equipment.** Upon the execution of each Contract, Lender demises, finances, transfers, and lets to Borrower, and Borrower acquires, rents, finances and hires from Lender, the Equipment in accordance with the terms thereof. The Contract Term for each Contract may be continued, solely at the option of Borrower, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Contract Term set forth in such Contract. At the end of the Original Term and at the end of each Renewal Term the Contract Term shall be automatically extended upon the successive appropriation by Borrower's governing body of amounts sufficient to pay Installment Payments and other amounts payable under the related Contract during the next succeeding Fiscal Period until all Installment Payments payable under such Contract have been paid in full, unless Borrower shall have terminated such Contract pursuant to Section 7 or Section 22. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Installment Payments shall be as provided in the applicable Contract.

6. **Continuation of Contract Term.** Borrower currently intends, subject to Section 7, to continue the Contract Term of each Contract through the Original Term and all Renewal Terms and to pay the Installment Payments thereunder. Borrower reasonably believes that legally available funds in an amount sufficient to make all Installment Payments during the maximum Contract Term of each Contract can be obtained. Borrower currently intends to do all things lawfully within its power to obtain and maintain funds from which the Installment Payments may be made, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds or to extend the applicable Schedule for any Renewal Term is within the discretion of the governing body of Borrower.

7. **Nonappropriation.** Borrower is obligated only to pay such Installment Payments under each Contract as may lawfully be made from funds budgeted and appropriated for that purpose. Should Borrower fail to budget, appropriate or otherwise make available funds to pay Installment Payments under any Contract following the then current Original Term or Renewal Term, such Contract or Contracts shall be deemed terminated at the end of the then current Original Term or Renewal Term. Borrower agrees to deliver notice to Lender of such termination at least 30 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If any Contract is terminated in accordance with this Section, Borrower agrees to peaceably deliver the Equipment to Lender at the location(s) to be specified by Lender.

8. **Conditions to Lender's Performance.** This Agreement is not a commitment by Lender to enter into any Contract not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lender to enter into any proposed Contract, it being understood that whether Lender enters into any proposed Contract shall be a decision solely within Lender's discretion. Borrower will cooperate with Lender in Lender's review of any proposed Contract. Borrower understands that Lender requires certain documentation and information necessary to enter into any Contract and Borrower agrees to provide Lender with any documentation or information Lender may request in connection with Lender's review of any proposed Contract. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Borrower and other matters related to Borrower.

9. **Installment Payments.** Borrower shall promptly pay "Installment Payments" as described in Exhibit A-1 to each Contract, exclusively from legally available funds, to Lender on the dates and in such amounts as provided in each Contract. Borrower shall pay Lender a charge on any Installment Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum rate permitted by law, whichever is less, from such date until paid. Installment Payments consist of principal and interest portions. *Lender and Borrower understand and intend that the obligation of Borrower to pay Installment Payments under each Contract shall constitute a current expense of Borrower and shall not in any way*

be construed to be a debt of Borrower in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Borrower, nor shall anything contained herein or in a Contract constitute a pledge of the general tax revenues, funds or monies of Borrower.

10. **INSTALLMENT PAYMENTS TO BE UNCONDITIONAL.** EXCEPT AS PROVIDED IN SECTION 7, THE OBLIGATIONS OF BORROWER TO MAKE INSTALLMENT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

11. **Delivery; Installation; Acceptance.** Borrower shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in each Contract and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Contract has been delivered and acceptance tested, Borrower shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lender an Acceptance Certificate (Exhibit B). Lender shall provide Borrower with quiet use and enjoyment of the Equipment during the Contract Term.

12. **Location; Inspection.** Once installed, no item of the Equipment will be moved from the location specified for it in the Contract on which such item is listed without Lender's consent, which consent shall not be unreasonably withheld. Lender shall have the right at all reasonable times during regular business hours to enter into and upon the property of Borrower for the purpose of inspecting the Equipment.

13. **Use; Maintenance.** Borrower will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Contract. Borrower shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Borrower agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body. Borrower agrees that it will, at Borrower's own cost and expense, maintain, preserve and keep the Equipment in good repair and working order. Borrower will enter into a maintenance contract for the Equipment that is acceptable to Lender.

14. **Title.** Upon acceptance of the Equipment under a Contract by Borrower, title to the Equipment shall vest in Borrower subject to Lender's rights under the Contract; provided that title shall thereafter immediately and without any action by Borrower vest in Lender, and Borrower shall immediately surrender possession of the Equipment to Lender, upon (a) any termination of the applicable Contract other than termination pursuant to Section 22 or (b) the occurrence of an Event of Default. Transfer of title to Lender pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Borrower shall, nevertheless, execute and deliver any such instruments as Lender may request to evidence such transfer.

15. **Security Interest.** To secure the payment of all of Borrower's obligations under each Contract, upon the execution of such Contract, Borrower grants to Lender a security interest constituting a first and exclusive lien on the Equipment applicable to such Contract and on all proceeds therefrom. Borrower agrees to execute such additional documents, in form satisfactory to Lender, which Lender deems necessary or appropriate to establish and maintain its security interest in the Equipment. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated.

16. **Liens, Taxes, Other Governmental Charges and Utility Charges.** Borrower shall keep the Equipment free of all levies, liens and encumbrances except those created by each Contract. The parties to this Agreement contemplate that the Equipment will be used for governmental or proprietary purposes of Borrower and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Borrower shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Borrower shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Borrower shall pay such taxes or charges as the same may become due.

17. **Insurance.** At its own expense, Borrower shall during each Contract Term maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lender, in an amount at least equal to the then applicable "Purchase Price" of the Equipment as described in Exhibit A-1 of each Contract; (b) liability insurance that protects Borrower from liability in all events in form and amount satisfactory to Lender; and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lender's prior written consent, Borrower may self-insure against the risks described in clauses (a) and (b). Borrower shall furnish to Lender

evidence of such insurance or self-insurance coverage throughout each Contract Term. Borrower shall not materially modify or cancel such insurance or self-insurance coverage without first giving written notice thereof to Lender at least 10 days in advance of such cancellation or modification. All such insurance described in clauses (a) and (b) above shall contain a provision naming Lender as a loss payee and additional insured.

18. **Advances.** In the event Borrower shall fail to keep the Equipment in good repair and working order, Lender may, but shall be under no obligation to, maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lender shall constitute additional rent for the then current Original Term or Renewal Term and Borrower agrees to pay such amounts so advanced by Lender with interest thereon from the advance date until paid at the rate of 12% per annum or the maximum rate permitted by law, whichever is less.

19. **Damage, Destruction and Condemnation.** If (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Borrower and Lender will cause the Net Proceeds to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment to substantially the same condition as existed prior to the event causing such damage, destruction, or condemnation, unless Borrower shall have exercised its option to purchase the Equipment pursuant to Section 22. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Borrower.

For purposes of this Section, the term "Net Proceeds" shall mean (y) the amount of insurance proceeds received by Borrower for replacing, repairing, restoring, modifying, or improving damaged or destroyed Equipment, or (z) the amount remaining from the gross proceeds of any condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to herein, Borrower shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pursuant to Section 22 purchase Lender's interest in the Equipment and in any other Equipment listed in the same Contract. The amount of the Net Proceeds, if any, remaining after completing such replacement, repair, restoration, modification or improvement or after purchasing Lender's interest in the Equipment and such other Equipment shall be retained by Borrower. If Borrower shall make any payments pursuant to this Section, Borrower shall not be entitled to any reimbursement therefor from Lender nor shall Borrower be entitled to any diminution of the amounts payable under Section 9.

20. **DISCLAIMER OF WARRANTIES.** LENDER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO WHETHER EXPRESS OR IMPLIED, AND BORROWER ACCEPTS SUCH EQUIPMENT AS IS AND WITH ALL FAULTS. IN NO EVENT SHALL LENDER BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF ANY LEASE OR THE EXISTENCE, FURNISHING, FUNCTIONING OR BORROWER'S USE OF ANY ITEM, PRODUCT OR SERVICE PROVIDED FOR IN ANY LEASE.

21. **Vendor's Warranties.** Lender hereby irrevocably appoints Borrower as its agent and attorney-in-fact during each Contract Term, so long as Borrower shall not be in default under the related Contract, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lender may have against Vendor. The term "Vendor" means any supplier or manufacturer of the Equipment as well as the agents or dealers of the manufacturer or supplier from whom Lender purchased or is purchasing such Equipment. Borrower's sole remedy for the breach of such warranty, indemnification or representation shall be against Vendor of the Equipment, and not against Lender. Any such matter shall not have any effect whatsoever on the rights or obligations of Lender with respect to any Contract, including the right to receive full and timely payments under a Contract. Borrower expressly acknowledges that Lender makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by Vendor of the Equipment.

22. **Purchase Option.** Borrower shall have the option to purchase Lender's interest in all of the Equipment listed in any Contract, upon giving written notice to Lender at least 60 days before the date of purchase, at the following times and upon the following terms: (a) on the Installment Payment dates specified in each Contract, upon payment in full of the Installment Payments then due under such Contract plus the then applicable Purchase Price as referenced in Exhibit A-1; or (b) in the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in a Contract, on the day specified in Borrower's notice to Lender of its exercise of the purchase option upon payment in full to Lender of the Installment Payments then due under such Contract plus the then applicable

Purchase Price plus accrued interest from the immediately preceding Installment Payment date to such purchase date.

23. **Assignment.** Lender's right, title and interest in and to each Contract, including Installment Payments and any other amounts payable by Borrower thereunder and all proceeds therefrom, may be assigned and reassigned to one or more assignees or subassignees by Lender without the necessity of obtaining the consent of Borrower. During the term of this Agreement, Borrower shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. For this purpose, Borrower appoints Lender to act as its registration agent, which appointment Lender hereby accepts. Lender agrees on Borrower's behalf to maintain such record of all assignments. Borrower agrees to execute all documents that may be reasonably requested by Lender or any assignee to protect its interests and property pursuant to this Section. Borrower shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Borrower may have against Lender or Vendor. Assignments may include without limitation assignment of all of Lender's security interest in and to the Equipment listed in a particular Contract and all rights in, to and under the Contract related to such Equipment. Borrower hereby agrees that Lender may, without notice to Borrower, sell, dispose of, or assign this Agreement or any particular Contract or Contracts through a pool, trust, limited partnership, or other similar entity, whereby one or more interests are created in this Agreement or in a Contract or Contracts, or in the Equipment listed in or the Installment Payments under a particular Contract or Contracts.

None of Borrower's right, title and interest in, to and under any Contract or any portion of the Equipment listed in each Contract may be assigned, subleased, or encumbered by Borrower for any reason without obtaining prior written consent of Lender.

24. **Events of Default.** Any of the following events shall constitute an "Event of Default" under a Contract: (a) failure by Borrower to pay any Installment Payment or other payment required to be paid under a Contract at the time specified therein; (b) failure by Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Borrower by Lender; (c) any statement, representation or warranty made by Borrower in or pursuant to any Contract shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made; or (d) Borrower institutes any proceedings under any bankruptcy, insolvency, reorganization or similar law or a receiver or similar official is appointed for Borrower or any of its property.

25. **Remedies on Default.** Whenever any Event of Default exists, Lender shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) by written notice to Borrower, Lender may declare all Installment Payments payable by Borrower pursuant to such Contract and other amounts payable by Borrower under such Contract to the end of the then current Original Term or Renewal Term to be immediately due and payable; (b) with or without terminating the Contract Term under such Contract, Lender may enter the premises where the Equipment listed in such Contract is located and retake possession of such Equipment or require Borrower at Borrower's expense to promptly return any or all of such Equipment to the possession of Lender at such place within the United States as Lender shall specify, and sell or finance such Equipment or, for the account of Borrower, sublease such Equipment, continuing to hold Borrower liable for the difference between (i) the Installment Payments payable by Borrower pursuant to such Contract and other amounts related to such Contract of the Equipment listed therein that are payable by Borrower to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lender in exercising its remedies under such Contract, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of

Section 7 hereof. The exercise of any such remedies in respect of any such Event of Default shall not relieve Borrower of any other liabilities under any other Contract or the Equipment listed therein; and (c) Lender may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under such Contract or as a secured party in any or all of the Equipment. Any net proceeds from the exercise of any remedy under a Contract (after deducting all costs and expenses referenced in the Section) shall be applied as follows: (i) if such remedy is exercised solely with respect to a single Contract, Equipment listed in such Contract or rights thereunder, then to amounts due pursuant to such Contract and other amounts related to such Contract or such Equipment; or (ii) if such remedy is exercised with respect to more than one Contract, Equipment listed in more than one Contract or rights under more than one Contract, then to amounts due pursuant to such Contracts pro-rata.

26. **No Remedy Exclusive.** No remedy herein conferred upon or reserved to Lender is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under a Contract now or hereafter existing at law or in equity.

27. **Notices.** All notices or other communications under any Contract shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties hereto at the addresses listed below (or at such other address as either party hereto shall designate in writing to the other for notices to such party), or to any assignee at its address as it appears on the registration books maintained by Borrower.

28. **Release and Indemnification.** To the extent permitted by State law, and subject to Section 7, Borrower shall indemnify, release, protect, hold harmless, save and keep harmless Lender from and against any and all liability, obligation, loss, claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, attorney's fees and expenses, penalties connected therewith imposed on interest received) arising out of or as result of (a) entering into any Contract, (b) the ownership of any item of Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant or any material representation contained in a Contract. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under all Contracts or the termination of the Contract Term under all Contracts for any reason.

29. **Miscellaneous Provisions.** Each Contract shall inure to the benefit of and shall be binding upon Lender and Borrower and their respective successors and assigns. References herein to "Lender" shall be deemed to include each of its assignees and subsequent assignees from and after the effective date of each assignment as permitted by Section 23. In the event any provision of any Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof. Each Contract may be amended by mutual written consent of Lender and Borrower. Each Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The captions or headings in this Agreement and in each Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement or any Contract. This Agreement and each Contract shall be governed by and construed in accordance with the laws of the State.

30. **Waiver of Jury Trial.** Borrower expressly waives any and all right to a jury trial in any dispute regarding or arising out of this Agreement.

IN WITNESS WHEREOF, Lender and Borrower have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

(LENDER)
DaimlerChrysler Services North America LLC
17767 North Perimeter Drive - Suite 101
Scottsdale, AZ 85255

(BORROWER)
Bullock Pen Water District
P.O. Box 188
Crittenden, KY 41030

By _____

By William R. Catlett

Name _____

Name William R. Catlett

Title _____

Title Superintendent

EXHIBIT A

SCHEDULE OF PROPERTY NO. 1

RE: MASTER INSTALLMENT PURCHASE AGREEMENT entered into as of October 17, 2005, ("Agreement"), between DaimlerChrysler Services North America LLC ("Lender") and Bullock Pen Water District ("Borrower"). All terms used and not otherwise defined herein have the meanings ascribed to them in the Agreement.

The following items of Equipment are hereby included under this Schedule to the Agreement.

Ninety five percent of the financing costs are being used to acquire assets that will be capitalized.

<u>DESCRIPTION OF EQUIPMENT</u>			
<u>Quantity</u>	<u>Description</u>	<u>Model No.</u>	<u>Serial No.</u>
1	2006 Freightliner Truck	M2106	1FVACXDJ16HW25500

Borrower hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the Commencement Date of Installment Payments under this Schedule. **The terms and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.**

Borrower hereby designates the Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by Borrower and all subordinate entities thereof during the calendar year in which the Schedule is executed is not reasonably expected to exceed \$10,000,000. Borrower and all subordinate entities thereof will not issue in excess of \$10,000,000 of tax-exempt obligations (including the Schedule but excluding private activity bonds other than qualified 501(c)(3) bonds) during the calendar year in which this Schedule is executed without first obtaining an opinion of nationally recognized counsel acceptable to Lender that the designation of the Schedule as a "qualified tax-exempt obligation" will not be adversely affected. The aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued or to be issued by Borrower and all subordinate entities thereof during the calendar year in which this Schedule is executed is not reasonably expected to exceed \$5,000,000. Borrower and all subordinate entities thereof will not issue in excess of \$5,000,000 of tax-exempt obligations (including the Schedule but excluding private activity bonds) during the calendar year in which this Schedule is executed without first obtaining an opinion of nationally recognized counsel acceptable to Lender that the excludability of the interest under the Schedule from gross income for federal income tax purposes will not be adversely affected.

Dated: October 17, 2005

Borrower: Bullock Pen Water District

By: William R. Catlett

Name: William R. Catlett

Title: Superintendent

Date: 10-12-05

Lender: DaimlerChrysler Services North America LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A-1

INSTALLMENT PAYMENT SCHEDULE

Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
	10/17/2005					\$64,371.00
1	11/17/2005	\$1,212.99	\$264.99	\$948.00	\$64,691.46	\$63,423.00
2	12/17/2005	\$1,212.99	\$261.09	\$951.90	\$63,720.52	\$62,471.10
3	1/17/2006	\$1,212.99	\$257.17	\$955.82	\$62,745.59	\$61,515.28
4	2/17/2006	\$1,212.99	\$253.24	\$959.75	\$61,766.64	\$60,555.53
5	3/17/2006	\$1,212.99	\$249.29	\$963.70	\$60,783.66	\$59,591.83
6	4/17/2006	\$1,212.99	\$245.32	\$967.67	\$59,796.64	\$58,624.15
7	5/17/2006	\$1,212.99	\$241.34	\$971.66	\$58,805.55	\$57,652.50
8	6/17/2006	\$1,212.99	\$237.34	\$975.66	\$57,810.38	\$56,676.84
9	7/17/2006	\$1,212.99	\$233.32	\$979.67	\$56,811.11	\$55,697.17
10	8/17/2006	\$1,212.99	\$229.29	\$983.70	\$55,807.74	\$54,713.47
11	9/17/2006	\$1,212.99	\$225.24	\$987.75	\$54,800.23	\$53,725.71
12	10/17/2006	\$1,212.99	\$221.17	\$991.82	\$53,788.57	\$52,733.89
13	11/17/2006	\$1,212.99	\$217.09	\$995.90	\$52,772.75	\$51,737.99
14	12/17/2006	\$1,212.99	\$212.99	\$1,000.00	\$51,752.74	\$50,737.98
15	1/17/2007	\$1,212.99	\$208.87	\$1,004.12	\$50,728.54	\$49,733.86
16	2/17/2007	\$1,212.99	\$204.74	\$1,008.25	\$49,700.12	\$48,725.61
17	3/17/2007	\$1,212.99	\$200.59	\$1,012.40	\$48,667.47	\$47,713.21
18	4/17/2007	\$1,212.99	\$196.42	\$1,016.57	\$47,630.57	\$46,696.63
19	5/17/2007	\$1,212.99	\$192.23	\$1,020.76	\$46,589.39	\$45,675.88
20	6/17/2007	\$1,212.99	\$188.03	\$1,024.96	\$45,543.94	\$44,650.92
21	7/17/2007	\$1,212.99	\$183.81	\$1,029.18	\$44,494.17	\$43,621.74
22	8/17/2007	\$1,212.99	\$179.58	\$1,033.42	\$43,440.09	\$42,588.32
23	9/17/2007	\$1,212.99	\$175.32	\$1,037.67	\$42,381.67	\$41,550.65
24	10/17/2007	\$1,212.99	\$171.05	\$1,041.94	\$41,318.89	\$40,508.71
25	11/17/2007	\$1,212.99	\$166.76	\$1,046.23	\$40,251.73	\$39,462.48
26	12/17/2007	\$1,212.99	\$162.45	\$1,050.54	\$39,180.18	\$38,411.94
27	1/17/2008	\$1,212.99	\$158.13	\$1,054.86	\$38,104.22	\$37,357.08
28	2/17/2008	\$1,212.99	\$153.79	\$1,059.20	\$37,023.83	\$36,297.88
29	3/17/2008	\$1,212.99	\$149.43	\$1,063.57	\$35,939.00	\$35,234.31
30	4/17/2008	\$1,212.99	\$145.05	\$1,067.94	\$34,849.70	\$34,166.37
31	5/17/2008	\$1,212.99	\$140.65	\$1,072.34	\$33,755.91	\$33,094.03
32	6/17/2008	\$1,212.99	\$136.24	\$1,076.75	\$32,657.62	\$32,017.27
33	7/17/2008	\$1,212.99	\$131.80	\$1,081.19	\$31,554.81	\$30,936.09
34	8/17/2008	\$1,212.99	\$127.35	\$1,085.64	\$30,447.46	\$29,850.45
35	9/17/2008	\$1,212.99	\$122.88	\$1,090.11	\$29,335.55	\$28,760.34
36	10/17/2008	\$1,212.99	\$118.40	\$1,094.59	\$28,219.06	\$27,665.75
37	11/17/2008	\$1,212.99	\$113.89	\$1,099.10	\$27,097.98	\$26,566.65
38	12/17/2008	\$1,212.99	\$109.37	\$1,103.63	\$25,972.28	\$25,463.02
39	1/17/2009	\$1,212.99	\$104.82	\$1,108.17	\$24,841.95	\$24,354.85
40	2/17/2009	\$1,212.99	\$100.26	\$1,112.73	\$23,706.96	\$23,242.12
41	3/17/2009	\$1,212.99	\$95.68	\$1,117.31	\$22,567.31	\$22,124.81
42	4/17/2009	\$1,212.99	\$91.08	\$1,121.91	\$21,422.96	\$21,002.90
43	5/17/2009	\$1,212.99	\$86.46	\$1,126.53	\$20,273.90	\$19,876.37
44	6/17/2009	\$1,212.99	\$81.82	\$1,131.17	\$19,120.11	\$18,745.20
45	7/17/2009	\$1,212.99	\$77.17	\$1,135.82	\$17,961.57	\$17,609.38
46	8/17/2009	\$1,212.99	\$72.49	\$1,140.50	\$16,798.26	\$16,468.88
47	9/17/2009	\$1,212.99	\$67.80	\$1,145.19	\$15,630.16	\$15,323.68
48	10/17/2009	\$1,212.99	\$63.08	\$1,149.91	\$14,457.25	\$14,173.78

Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
49	11/17/2009	\$1,212.99	\$58.35	\$1,154.64	\$13,279.51	\$13,019.13
50	12/17/2009	\$1,212.99	\$53.60	\$1,159.40	\$12,096.93	\$11,859.74
51	1/17/2010	\$1,212.99	\$48.82	\$1,164.17	\$10,909.48	\$10,695.57
52	2/17/2010	\$1,212.99	\$44.03	\$1,168.96	\$9,717.14	\$9,526.61
53	3/17/2010	\$1,212.99	\$39.22	\$1,173.77	\$8,519.89	\$8,352.83
54	4/17/2010	\$1,212.99	\$34.39	\$1,178.61	\$7,317.71	\$7,174.23
55	5/17/2010	\$1,212.99	\$29.53	\$1,183.46	\$6,110.58	\$5,990.77
56	6/17/2010	\$1,212.99	\$24.66	\$1,188.33	\$4,898.49	\$4,802.44
57	7/17/2010	\$1,212.99	\$19.77	\$1,193.22	\$3,681.40	\$3,609.22
58	8/17/2010	\$1,212.99	\$14.86	\$1,198.13	\$2,459.31	\$2,411.08
59	9/17/2010	\$1,212.99	\$9.93	\$1,203.07	\$1,232.18	\$1,208.02
60	10/17/2010	\$1,212.99	\$4.97	\$1,208.02	\$0.00	\$0.00
Totals:		\$72,779.49	\$8,408.49	\$64,371.00	Rate 4.940%	

COMMENCEMENT DATE: October 17, 2005

Bullock Pen Water District

By: William R. Collett

Title: Superintendent

Date: 10-12-05

EXHIBIT B

FINAL ACCEPTANCE CERTIFICATE

Re: Schedule of Property No. 1, Dated October 17, 2005, to Master Installment Purchase Agreement, Dated as of October 17, 2005, between DaimlerChrysler Services North America LLC, as Lender, and Bullock Pen Water District, as Borrower.

In accordance with the Master Installment Purchase Agreement (the "Agreement"), the undersigned Borrower hereby certifies and represents to, and agrees with Lender as follows:

- (1) All of the Equipment (as such term is defined in the Agreement) listed in the above-referenced Schedule of Property (the "Schedule") has been delivered, installed and accepted on the Date hereof.
- (2) Borrower has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
- (3) Borrower is currently maintaining the insurance coverage required by Section 17 of the Agreement.
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the Date hereof.

BORROWER
Bullock Pen Water District

By: William R. Patten

Title: Superintendent

Acceptance Date: 10-12-05

EXHIBIT D

ACCEPTANCE OF INSTALLMENT PAYMENT OBLIGATION

Re: Schedule of Property No. 1, Dated October 17, 2005 to Master Installment Purchase Agreement, Dated as of October 17, 2005 between DaimlerChrysler Services North America LLC, as Lender, and Bullock Pen Water District, as Borrower.

In accordance with the Master Installment Purchase Agreement (the "Agreement"), the undersigned hereby acknowledges and represents that:

All or a portion of the Equipment (as such term is defined in the Agreement) listed in the above-referenced Schedule of Property (the "Schedule") has not been delivered, installed, or available for use and has not been placed in service as of the Date hereof;

Borrower acknowledges that Lender has agreed to set aside funds in an amount sufficient to provide financing (to the extent requested by Borrower and agreed to by Lender) for the Equipment listed in the Schedule (the "Financed Amount");

The Financed Amount is set forth as the "Principal Component" of Installment Payments in the Installment Payment Schedule attached to the Schedule as Exhibit A-1 ("Exhibit A-1"); and

Borrower agrees to execute a Payment Request Form, attached to the Agreement as Exhibit B, authorizing payment of the Financed Amount, or a portion thereof, for each disbursement of funds.

NOTWITHSTANDING that all or a portion of the Equipment has not been delivered to, or accepted by, Borrower on the Date hereof, Borrower warrants that:

(a) Borrower's obligation to commence Installment Payments as set forth in Exhibit A-1 is absolute and unconditional as of the Commencement Date of the Schedule and on each Date set forth in Exhibit A-1 thereafter, subject to the terms and conditions of the Agreement;

(b) Immediately upon delivery and acceptance of all the Equipment, Borrower will notify Lender of Borrower's final acceptance of the Equipment by delivering to Lender a "Final Acceptance Certificate" in the form set forth as Exhibit B to the Agreement;

(c) In the event that any surplus amount remains from the funds set aside or an event of nonappropriation under the Agreement occurs, any amount then remaining shall be applied or distributed in accordance with Lender's standard servicing procedures, which includes, but is not limited to, application of the remaining amount to the next Installment Payment and other amounts due; and

(d) Regardless of whether Borrower delivers a Final Acceptance Certificate, Borrower shall be obligated to pay all Installment Payments (including principal and interest) as they become due as set forth in Exhibit A-1.

AGREED TO on October 17, 2005.

Bullock Pen Water District

By: William R. Catlett

Title: Superintendent

EXHIBIT “49”

Bullock Pen Water District
PSC Case No. 2008-00170
Request #2 b

<u>Debt Description</u>	<u>Debt Service Requirements</u>	<u>Documentation Can be Found</u>
Series 1978 Bonds	Annual net revenues must be equal to 120% of the average annual debt service requirements for principal & interest on ALL of the then outstanding bonds payable from the revenues of the system.	Exhibit 43 of last response - Bond resolution of 1978 for \$1,330,000 - Page 43
2 Series 1982 Bonds	Annual net revenues must be equal to 120% of the average annual debt service requirements for principal & interest on ALL of the then outstanding bonds payable from the revenues of the system.	Exhibit 43 of last response - Bond resolution of 1982 for \$125,000 - Page 44
3 Series 2001C Bonds	Annual net revenues must be equal to 120% of the average annual debt service requirements for principal & interest on ALL of the then outstanding bonds payable from the revenues of the system.	Exhibit 43 of last response - Assistance Agreement with Kentucky Rural Water marked Phase V - Page 14 - 16
4 Series 2002B Bonds	Annual net revenues must be equal to 120% of the average annual debt service requirements for principal & interest on ALL of the then outstanding bonds payable from the revenues of the system.	Exhibit 43 of last response - Assistance Agreement with Kentucky Rural Water for \$574,000 marked Refinance FHA - Page 15 - 18
5 Series 2001G Bonds	Annual net revenues must be equal to 120% of the average annual debt service requirements for principal & interest on ALL of the then outstanding bonds payable from the revenues of the system.	Exhibit 43 of last response - Assistance Agreement with Kentucky Rural Water marked KRW-Dry Ridge Tank - Page 15 - 18
6 Series 2004D Bonds	Annual net revenues must be equal to 120% of the average annual debt service requirements for principal & interest on ALL of the then outstanding bonds payable from the revenues of the system.	Exhibit 43 of last response - Assistance Agreement with Kentucky Rural Water marked KRW - Phase 7 - Page 15 - 18
7 Series 2005B Bonds	Annual net revenues must be equal to 120% of the average annual debt service requirements for principal & interest on ALL of the then outstanding bonds payable from the revenues of the system.	Exhibit 43 of last response - Assistance Agreement with Kentucky Rural Water marked KRW - Phase 7 - Page 15 - 18
Series 2005B Bonds	Annual net revenues must be equal to 120% of the average annual debt service requirements for principal & interest on ALL of the then outstanding bonds payable from the revenues of the system.	Exhibit 43 of last response - Assistance Agreement with Kentucky Rural Water marked KRW - Phase 10 - Page 15-18 AND KRW - Phase 8 - Page 15 - 18

Bullock Pen Water District
PSC Case No. 2008-00170
Request #2 b

<u>Debt Description</u>	<u>Debt Service Requirements</u>	<u>Documentation Can be Found</u>
1991 KIA No. 1 Loan	The Schedule of Payments provides 10% or more of the Debt Service Reserve Requirements on an issue of the Authority	See Attached 2nd Supplemental Assistance Agreement Dated August 7, 1989 - Page 2
10 1993 KIA No. 2 Loan	The Schedule of Payments provides 10% or more of the Debt Service Reserve Requirements on an issue of the Authority	See Attached 2nd Supplemental Assistance Agreement Dated May 1, 1992 - Page 2
11 2002 KIA Loan (DWSRF No. 1)	The Service Charges of the District must be sufficient to pay the minimum sums set forth in the Schedule of Payments, to make required deposits to the Maintenance & Replacement Reserve \$14,000/Yr, and to provide for the operation of the System	Exhibit 43 of last response - Assistance Agreement Fund F Kentucky Infrastructure Authority Dated 2/1/02 - Pages 16 - 17 AND the attached Exhibit A - Project Specifics F01-06 - Replacement Reserve Account Requirements
12 2003 KIA Loan (DWSRF No. 2)	The Service Charges of the District must be sufficient to pay the minimum sums set forth in the Schedule of Payments, to make required deposits to the Maintenance & Replacement Reserve \$14,000/Yr, and to provide for the operation of the System	Exhibit 43 of last response - Assistance Agreement Fund F Kentucky Infrastructure Authority Dated 11/1/03 - Pages 16 - 17 AND the attached Exhibit A - Project Specifics F02-11 - Replacement Reserve Account Requirements
13 Kacolt No. 1 Loan	This is a capitalized Lease. The Lessor has a Security Interest in the Assets being leased under the Uniform Commercial Code. The only debt service requirements would be to have revenue sufficient to to pay the minimum sums set forth in the Schedule of Payments.	Exhibit 43 of last response Lease Agreement Dated 9/7/95 Security Agreement is noted on the front of the Lease Agreement
14 Kacolt No. 2 Loan	This is a capitalized Lease. The Lessor has a Security Interest in the Assets being leased under the Uniform Commercial Code. The only debt service requirements would be to have revenue sufficient to to pay the minimum sums set forth in the Schedule of Payments.	See attached Lease Agreement Cover marked KACOLT #2 Dated 10/17/1996 - Security Agreement is noted on the front of the Lease Agreement
15 Old National Loan No. 1	This is a capitalized Lease. The Lessor has a Security Interest in the Assets being leased under the Uniform Commercial Code. The only debt service requirements would be to have revenue sufficient to to pay the minimum sums set forth in the Schedule of Payments.	See attached pages from the Lease Agreement Dated September 1, 2003, Schedule of Payments, and Notice of Assignment

Bullock Pen Water District
PSC Case No. 2008-00170
Request #2 b

<u>Debt Description</u>	<u>Debt Service Requirements</u>	<u>Documentation Can be Found</u>
Old National Loan No. 2	This is a capitalized Lease. The Lessor has a Security Interest in the Assets being leased under the Uniform Commercial Code. The only debt service requirements would be to have revenue sufficient to pay the minimum sums set forth in the Schedule of Payments.	See attached pages from the Master Lease/Purchase Agreement Dated September 1, 2003. This lease was added as an attachment to the above Master Lease. See Schedule of Payments and Notice of Assignment for this lease.
17 Chrysler Corporation	This is a capitalized lease. The Lessor has a Security Interest in the Assets being leased under the Uniform Commercial Code. The only debt service requirements would be to have revenue sufficient to to pay the minimum sums set forth in the Schedule of Payments.	See the Master Installment Purchase Agreement with Daimler Chrysler Dated October 17, 2005, Schedule of Property, Installment Payment Schedule and Acceptance Certificates.

KENTUCKY INFRASTRUCTURE AUTHORITY
SECOND SUPPLEMENTAL ASSISTANCE AGREEMENT
FUND C

PROJECT NUMBER: C89-05
BORROWER: BULLOCK-PEN WATER DISTRICT
BORROWER'S ADDRESS: P. O. Box 185
Crittenden, KY 41030
DATE OF ASSISTANCE AGREEMENT: August 7, 1989
DATE OF SECOND SUPPLEMENTAL
ASSISTANCE AGREEMENT: July 1, 2004

SECOND SUPPLEMENTAL ASSISTANCE AGREEMENT

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

WITNESSETH:

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

WHEREAS, the Authority and the Governmental Agency desire to amend certain provisions of the Original Assistance Agreement;

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

ARTICLE I

RELATION TO ORIGINAL ASSISTANCE AGREEMENT

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

ARTICLE II

AMENDMENTS TO ORIGINAL ASSISTANCE AGREEMENT

Section 2.1. The following definitions set forth in Article I of the Original Assistance Agreement are hereby amended and restated in their entirety to read as follows:

"Indenture" shall mean the General Trust Indenture dated as of June 1, 2004 between the Authority and the Trustee.

Section 2.2. Article I of the Original Assistance Agreement is hereby further amended to add the following definitions:

"Debt Service Reserve Draw" shall mean a draw by the Trustee on the Debt Service Reserve for the account of the Governmental Agency due to a failure by the Governmental Agency to make Loan Payments at the times set forth in the Schedule of Payments.

Section 2.3. Section 3.4 of the Original Assistance Agreement is hereby amended by adding the following paragraph at the end of such Section 3.4:

"The Governmental Agency agrees and acknowledges that (a) the Trustee is authorized under the Indenture to make a Debt Service Reserve Draw if the Governmental Agency fails to make any part of a Loan Payment when due and (b) Exhibit F will be deemed automatically amended if the Trustee draws on such account to cure deficiencies in the payment of Loan Payments, to increase the principal component of Loan Payments due on the next six payment dates by one-sixth of the amount so drawn and to increase the interest component of Loan Payments due on such dates on the unpaid amount so drawn at the rate per annum equal to the Final Loan Rate. Promptly following any such automatic amendment, the Authority will mail to the Governmental Agency a revised Exhibit F (identified by date or other means), by certified mail, postage prepaid; provided that any failure to mail such revised Exhibit F will not affect the obligation of the Governmental Agency to make the revised Loan Payments. Amounts representing a Debt Service Reserve Draw applied to payment of all or any portion of Loan Payments will satisfy such Loan Payment to the extent so applied."

Section 2.4. Article VI of the Original Assistance Agreement is hereby amended by adding the following Section 6.12 at the end of such Article VI:

"Section 6.12. Continuing Disclosure Obligation. The Governmental Agency covenants and agrees that notwithstanding any other provision of this Assistance Agreement to the contrary, upon written notice from the Authority that the Schedule of Payments provides ten percent (10%) or more of the debt service requirements on an issue of the Authority's Bonds or that compliance by the Governmental Agency with the requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "SEC Rule") is required in connection with the Authority's Bonds, the Governmental Agency shall provide to the Authority such information as may be required by the Rule, within the time periods set out in such notice by the Authority, to enable the Authority to establish to the satisfaction of prospective purchasers of the Authority's Bonds that the requirements of the SEC Rule will be satisfied in connection with the issuance of the Authority's Bonds. The Governmental Agency further understands and agrees that the Authority shall act as the Governmental Agency's disclosure agent for purposes of compliance with the SEC Rule and that upon a failure by the Governmental Agency to provide the information required to be provided under

the SEC Rule within the time frame specified in such notice, the Authority and/or the beneficial owners and holders of the Authority's Bonds shall be specifically granted the right of enforcing the provisions of this Section 6.12 by an action in mandamus, for specific performance, or similar remedy to compel performance. "

Section 2.5. Exhibit F attached to the Original Assistance Agreement is hereby amended and restated by replacing said Exhibit F in its entirety with the Exhibit F attached hereto.

ARTICLE III

EFFECT OF SECOND SUPPLEMENTAL AGREEMENT

Section 3.1. From and after the time of taking effect of this Second Supplemental Agreement, the Original Assistance Agreement shall be, and be deemed to be, modified and amended in accordance herewith, and the respective rights, duties and obligations under the Original Assistance Agreement of the Authority and the Governmental Agency thereunder shall be determined, exercised and enforced thereunder subject in all respects to the provisions of this Second Supplemental Agreement, and all provisions hereof shall be deemed to be part of the terms and conditions of the Original Assistance Agreement for any and all purposes.

ARTICLE IV

EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

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

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

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

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

KENTUCKY INFRASTRUCTURE AUTHORITY

By: _____

Title: _____

Attest:

Title: Secretary

BULLOCK-PEN WATER DISTRICT

By: *Bob Burgess*

Title: *Chairman*

Attest:

Janelle King
Title: _____

Approved:

Secretary/Finance and Administration
Cabinet of the Commonwealth of
Kentucky

EXAMINED:

Legal Counsel to the
Kentucky Infrastructure Authority

KENTUCKY INFRASTRUCTURE AUTHORITY
SECOND SUPPLEMENTAL ASSISTANCE AGREEMENT

FUND C

PROJECT NUMBER:	C91-13
BORROWER:	BULLOCK-PEN WATER DISTRICT
BORROWER'S ADDRESS:	P.O. Box 185 Crittenden, KY 41030
DATE OF ASSISTANCE AGREEMENT:	May 1, 1992
DATE OF SECOND SUPPLEMENTAL ASSISTANCE AGREEMENT:	July 1, 2004

SECOND SUPPLEMENTAL ASSISTANCE AGREEMENT

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

WITNESSETH:

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

WHEREAS, the Authority and the Governmental Agency desire to amend certain provisions of the Original Assistance Agreement;

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

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"The Governmental Agency agrees and acknowledges that (a) the Trustee is authorized under the Indenture to make a Debt Service Reserve Draw if the Governmental Agency fails to make any part of a Loan Payment when due and (b) Exhibit F will be deemed automatically amended if the Trustee draws on such account to cure deficiencies in the payment of Loan Payments, to increase the principal component of Loan Payments due on the next six payment dates by one-sixth of the amount so drawn and to increase the interest component of Loan Payments due on such dates on the unpaid amount so drawn at the rate per annum equal to the Final Loan Rate. Promptly following any such automatic amendment, the Authority will mail to the Governmental Agency a revised Exhibit F (identified by date or other means), by certified mail, postage prepaid; provided that any failure to mail such revised Exhibit F will not affect the obligation of the Governmental Agency to make the revised Loan Payments. Amounts representing a Debt Service Reserve Draw applied to payment of all or any portion of Loan Payments will satisfy such Loan Payment to the extent so applied."

Section 2.4. Article VI of the Original Assistance Agreement is hereby amended by adding the following Section 6.12 at the end of such Article VI:

"Section 6.12. Continuing Disclosure Obligation. The Governmental Agency covenants and agrees that notwithstanding any other provision of this Assistance Agreement to the contrary, upon written notice from the Authority that the Schedule of Payments provides ten percent (10%) or more of the debt service requirements on an issue of the Authority's Bonds or that compliance by the Governmental Agency with the requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "SEC Rule") is required in connection with the Authority's Bonds, the Governmental Agency shall provide to the Authority such information as may be required by the Rule, within the time periods set out in such notice by the Authority, to enable the Authority to establish to the satisfaction of prospective purchasers of the Authority's Bonds that the requirements of the SEC Rule will be satisfied in connection with the issuance of the Authority's Bonds. The Governmental Agency further understands and agrees that the Authority shall act as the Governmental Agency's disclosure agent for purposes of compliance with the SEC Rule and that upon a failure by the Governmental Agency to provide the information required to be provided under

the SEC Rule within the time frame specified in such notice, the Authority and/or the beneficial owners and holders of the Authority's Bonds shall be specifically granted the right of enforcing the provisions of this Section 6.12 by an action in mandamus, for specific performance, or similar remedy to compel performance. "

Section 2.5. Exhibit F attached to the Original Assistance Agreement is hereby amended and restated by replacing said Exhibit F in its entirety with the Exhibit F attached hereto.

ARTICLE III

EFFECT OF SECOND SUPPLEMENTAL AGREEMENT

Section 3.1. From and after the time of taking effect of this Second Supplemental Agreement, the Original Assistance Agreement shall be, and be deemed to be, modified and amended in accordance herewith, and the respective rights, duties and obligations under the Original Assistance Agreement of the Authority and the Governmental Agency thereunder shall be determined, exercised and enforced thereunder subject in all respects to the provisions of this Second Supplemental Agreement, and all provisions hereof shall be deemed to be part of the terms and conditions of the Original Assistance Agreement for any and all purposes.

ARTICLE IV

EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

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

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

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

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

KENTUCKY INFRASTRUCTURE AUTHORITY

By: _____

Title: _____

Attest:

Title: Secretary

BULLOCK-PEN WATER DISTRICT

By: Bobby Burgess

Title: Chairman

Attest:

Jennifer King
Title: _____

Approved:

Secretary/Finance and Administration
Cabinet of the Commonwealth of
Kentucky

EXAMINED:

Legal Counsel to the
Kentucky Infrastructure Authority

EXHIBIT A
BULLOCK PEN WATER DISTRICT
PROJECT SPECIFICS
F01-06

GOVERNMENTAL AGENCY:

Name: Bullock Pen Water District
 Address: P.O. Box 188
 Crittenden, KY 41030

Contact: Bobby Burgess, Chairman
 859-428-2112

ENGINEERS:

CMW, Inc.
 136 Big Hill Avenue
 P.O. Box 831
 Richmond, KY 40475

Kerry S. Odle, P.E.
 859-623-2966

SYSTEM: Drinking water

PROJECT: Water line replacement and installation of a 12-inch feeder line

PROJECT COST BREAKDOWN:

Actual Total Project Cost:

Administrative & Legal	\$4,500
Engineering	\$52,428
Construction	\$334,438
Contingencies	\$16,722
Total	\$408,088

FUNDING SOURCES:

Local Funds	\$52,428
KIA Fund F Loan	\$355,660
Total	\$408,088

KIA LOAN AMOUNT: \$355,660
LOAN RATE: 3.8%
ESTIMATED ANNUAL DEBT SERVICE PAYMENT: \$26,438
REPAYMENT TERM: 20 yrs

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1
 Interest payments will commence within six months from first draw of funds (est 06/01/2002).
 Full principal and interest payments will commence within one year of initiation of operation (est 12/01/2002).

REPLACEMENT RESERVE ACCOUNT: \$14,000 to be deposited into borrower held account on or before December 1 of each year commencing with first full principal and interest payment. The annual deposits are to be made until balance reaches \$140,000 and maintained for the life of the loan.

ADMINISTRATIVE FEE: .25%

DEFAULT RATE: 8.0%

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	\$2,000,000.00
Death or Personal Injury (per occurrence)	\$2,000,000.00
Property Damage on System	\$2,000,000.00

EXHIBIT A
BULLOCK PEN WATER DISTRICT
PROJECT SPECIFICS
F02-11

GOVERNMENTAL AGENCY:

Name: Bullock Pen Water District
 Address: P.O. Box 188
 Crittenden, KY 41030

ENGINEERS:

CMW, Inc.
 138 North Keeneland Drive, Suite E
 Richmond, KY 40475

Contact

Person: Bobby Burgess, Chairman
 Phone: 859/428-2112
 Fax: 859/428-1293

Kerry Odle, P.E.
 859/623-2966
 859/623-0886

SYSTEM: Drinking water

PROJECT: The Bullock Pen Water District ("BPWD") is proposing to (1) construct a 300,000 gallon elevated water storage tank to provide adequate 24 hour storage; (2) replace a 6 inch A.C. water line with a 12 inch water line on Violet Road to increase the flow from the water plant to the Crittenden tank; (3) replace a 4 inch A.C. water line with a 6 inch water line on Sherman-Newton Road to improve flow and pressure during peak usage; (4) replace a 4 inch A.C. and PVC water line on Stephenson Mill Road and Highway 16 to improve flow to the water line extension north of I-71.

PROJECT COST BREAKDOWN:

Actual Total Project Cost:

<u>PROJECT BUDGET</u>	<u>Fund F</u>	<u>Total Project</u>
Administrative & Legal	\$8,250	\$8,250
Land Acquisition	23,737	23,737
Engineering	153,570	153,570
Construction	944,926	944,926
Telemetry Equipment	12,207	12,207
Interim Interest	20,000	20,000
Contingencies	66,310	66,310
Total	\$1,229,000	\$1,229,000

FUNDING SOURCES:

KIA Fund F Loan	\$1,229,000
Total	\$1,229,000

KIA Fund F LOAN AMOUNT:	\$1,229,000
LOAN RATE:	3.0%
ESTIMATED ANNUAL DEBT SERVICE PAYMENT:	\$85,237
REPAYMENT TERM:	20 yrs

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds.
(est 6/01/2004).

Full principal and interest payments will commence within one year of initiation of operation. (est 6/01/2004).

REPLACEMENT RESERVE ACCOUNT: \$36,000 to be deposited into borrower held account on or before December 1 of each year commencing with first full principal and interest payment. The annual deposits are to be made until balance reaches \$360,000 and maintained for the life of the loan.

ADMINISTRATIVE FEE: .25%

DEFAULT RATE: 8.0%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

Issue	Amount Outstanding
1978 Water System Revenue Bonds	\$856,000
1982 Water System Revenue Bonds	\$94,000
1986 Water System Revenue Bonds	\$172,000
1988 Water System Revenue Bonds	\$221,007
1988 Water System Revenue Bonds	\$147,000
Integra Bank Loan	\$22,713
KIA Fund C Loan	\$289,331
KIA Fund C Loan	\$411,880
KIA Fund C Loan	\$7,573
KIA Fund F Loan	\$335,660
KY Rural Water Loan	\$375,381
KY Rural Water Loan	341,773
KaCo Capital Lease	\$1,265,000
KaCo Capital Lease	\$280,000
GM Capital Lease	\$66,274
TOTAL	<u>\$4,885,592</u>

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	<u>1,000,000</u>
Death or Personal Injury (per occurrence)	<u>1,000,000</u>
Property Damage on System	<u>2,000,000</u>

KACOLT #2

LEASE AGREEMENT

KENTUCKY ASSOCIATION OF COUNTIES
LEASING TRUST PROGRAM

Phase IV

LESSEE: Grant County Fiscal Court
LESSEE'S ADDRESS: Grant County Courthouse
Main Street
Williamstown KY 41097
DATE OF LEASE: October 17, 1996
TERMINATION DATE: February 1, 2016

This Lease Agreement constitutes a Security Agreement under the Kentucky Uniform Commercial Code and all right, title and interest of the Lessor herein has been assigned to Liberty National Bank and Trust Company of Louisville, as trustee under a Trust Indenture dated as of March 1, 1989 between it, Pendleton County, Kentucky and the Lessor.

MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT

THIS MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT (the "Agreement"), dated as of this September 1, 2003 by and between **Public-Finance.com, Inc.**, a Delaware corporation, as the lessor ("Lessor"), and Bullock Pen Water District, Kentucky, as the lessee ("Lessee").

WITNESSETH:

WHEREAS, Lessee is authorized by law to acquire such items of personal property as are needed to carry out its governmental and/or proprietary functions;

WHEREAS, Lessor desires to lease the Equipment, as hereinafter defined, to Lessee and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Agreement;

WHEREAS, Lessee is authorized under the Constitution and laws of the State to enter into this Agreement for the purposes and subject to the conditions set forth herein; and,

WHEREAS, This Agreement shall be implemented through one or more series of equipment schedules ("Equipment Schedules") with each Equipment Schedule comprising one or more Equipment Lists, Acceptance Certificates, Schedules of Payments and related documents, all of the foregoing constituting a single transaction, and the terms and conditions contained herein shall apply to each series of the foregoing as if a separate lease was executed for each Equipment Schedule:

NOW THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

**ARTICLE 1
DEFINITIONS, IMPLEMENTATION AND ATTACHMENTS**

Section 1.1 Definitions: Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement and Exhibits attached hereto, have the meanings herein specified.

Acceptance Certificate: The document which shall be executed and delivered to Lessor as evidence of the acceptance of the Equipment by Lessee on the date thereof.

Agreement Date: The date of this Agreement.

Code: The Internal Revenue Code of 1986, as now or hereafter amended, and the regulations and revenue rulings and procedures issued pursuant thereto from time to time.

Equipment: Individually or collectively, the personal property consisting of equipment described in one or more Equipment Schedules, including Equipment List(s), Essential Use Letter(s) and Acceptance Certificates executed by Lessee and delivered to Lessor, or to be executed and delivered, pursuant hereto, together with any and all additions, modifications, attachments, accessions, substitutions, replacements and parts thereof.

Fiscal Year: The twelve-month fiscal period of Lessee, as defined in the Schedule of Payments.

Escrow Agreement: An escrow agreement delivered pursuant to Section 1.2(a) hereof, if applicable.

(m) Lessee will promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

ARTICLE III LEASE OF EQUIPMENT

Section 3.1 Agreement to Lease Equipment: Lessee hereby agrees to acquire, purchase and lease all the Equipment from Lessor, and Lessor hereby agrees to sell, transfer and lease all the Equipment to Lessee, all on the terms and conditions set forth in this Agreement.

Section 3.2 Equipment Delivery; Documentation: Lessor shall furnish to Lessee completed copies of Equipment List(s) and Schedule(s) of Payments relating to the Equipment for each Equipment Schedule. Upon delivery of the Equipment, Lessee shall inspect such Equipment, and if such Equipment meets Lessee's Specifications contained in the order and bid relating thereto, Lessee shall within three (3) business days from the date of delivery of the Equipment provide to Lessor a completed and executed copy of an Acceptance Certificate relating thereto (and other items as required by this Agreement). If Lessee has furnished to Lessor such Acceptance Certificate (and other required items) within such three-day period, Lessee shall be deemed to have accepted the Equipment. Simultaneously with the delivery, Lessor and Lessee shall take all actions necessary to vest legal Title to the Equipment in the party specified in Section 6.1 hereof, and to perfect a security interest therein in favor of Lessor or a person, firm or corporation designated by it. In addition, Lessee covenants that at least 15% of the principal amount of the Agreement will be spent within 180 days of the date of the Agreement, and further that 100% of the principal amount will be spent within 18 months of the date of this Agreement.

Section 3.3 Possession and Enjoyment: So long as Lessee is not in default hereunder, as to claims of Lessor or persons claiming under Lessor, Lessor hereby covenants that Lessee shall peaceably and quietly have, hold, possess, use and enjoy the Equipment without suit, trouble or hindrance from Lessor, subject to the terms and provisions hereof.

Section 3.4 Lessor Access to Equipment: The Lessee agrees that Lessor shall have the right at all reasonable times to examine and inspect the Equipment. Lessee further agrees that Lessor shall have such rights of access to the Equipment as may be reasonably necessary to cause the proper maintenance of the Equipment in the event of failure by Lessee to perform its obligations hereunder.

Section 3.5 Location of Equipment. Lessee shall notify Lessor of the location at or within which the Equipment is being or is to be regularly located or stored promptly upon acceptance and shall thereafter inform Lessor of any change of that location.

Section 3.6 Modifications. Without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, Lessee shall not make any alterations, modifications, or attachments to the Equipment which cannot be removed without materially damaging the functional capabilities or economic value of the Equipment. Upon return of the Equipment, at Lessor's request, Lessee, at its sole cost and expense, will remove all alterations, additions and attachments and repair the Equipment as necessary to return the Equipment to the condition in which it was furnished, ordinary wear and tear excepted.

ARTICLE IV TERM OF AGREEMENT

Section 4.1 Agreement Term: This Agreement shall be effective as of the date of execution hereof and shall remain in effect until Lessee has paid all Rental Payments and other amounts due hereunder, subject to Section 4.2 below.

Section 4.2 Termination of Agreement Term: The Term of this Agreement as to each Equipment Schedule will terminate upon the occurrence of the first of the following events:

- (a) the termination thereof by Lessee in accordance with Section 4.4;
- (b) the exercise by Lessee of its right to purchase Lessor's interest in the Equipment pursuant to Article X;
- (c) a default by Lessee and Lessor's election to terminate this Agreement with respect to the Equipment pursuant to Article XII; or
- (d) the payment by Lessee of all Rental Payments and all other amounts authorized or required to be paid by Lessee hereunder with respect to the Equipment.

Section 4.3 Intent to Continue Agreement Term; Appropriations: Lessee intends, subject to the provisions of Section 4.4, to pay all Rental Payments hereunder and reasonably believes that legally available funds in an amount sufficient to pay all Rental Payments during the Term will be available. Lessee further intends, and hereby covenants, to do all things lawfully within its power to obtain and maintain funds from which all Rental Payments and payments for all necessary insurance and maintenance on the Equipment may be made, including making provision in each budget submitted and adopted in accordance with law, to use its bona fide best effort to have such portion of the budget approved, and to exhaust all available reviews and appeals in the event such portion of the budget is not approved.

Section 4.4 Non-appropriation by Lessee: In the event that during any Fiscal Year of Lessee sufficient funds are not appropriated for the payment of all Rental Payments required to be paid during Lessee's next succeeding Fiscal Year, Lessee shall have the right to terminate this Agreement as of the end of its then current fiscal year, in the manner and subject to the terms specified in this Section and Section 4.5. Lessee may effect such termination by giving Lessor a written notice of termination with respect to the Equipment and by paying to Lessor any Rental Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal year. Lessee shall give notice of termination not less than sixty (60) days prior to the end of such Fiscal Year, and shall notify Lessor of any anticipated termination. In the event of termination of this Agreement with respect to the Equipment as provided in this Section, Lessee shall deliver possession of the Equipment to Lessor in accordance with Section 12.3, and shall convey to Lessor, or release its interest in, the Equipment within ten (10) days after the termination of this Agreement.

Section 4.5 Effect of Termination: Upon termination of this Agreement, as provided in Section 4.4, Lessee shall not be responsible for the payment of any additional Rental Payments relating thereto coming due with respect to succeeding Fiscal Years, but if Lessee has not delivered possession of the Equipment to Lessor in accordance with Section 12.3 and conveyed to Lessor or released its interest in the Equipment within ten (10) days after the termination of this Agreement, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages, but only insofar as and to the extent permitted by laws of the State with respect to a governmental entity of the same type, in an amount equal to the amount of the Rental Payments thereafter coming due under the Schedule of Payments which are attributed to the number of days after such ten (10) day period during which Lessee fails to take such actions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required.

ARTICLE V RENTAL PAYMENTS

Section 5.1 Rental Payments Not to Constitute a Full Faith and Credit Obligation of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder constitutes a current expense of Lessee and not a debt in contravention of constitutional or statutory limitation nor a pledge of the full faith and credit or the general tax revenues, funds or monies of Lessee.

Section 5.2 Rental Payments: Lessee agrees to pay Rental Payments during the Term of the Agreement, in the amounts and on the dates specified in the Schedule of Payments. All Rental Payments shall be paid to Lessor at its

offices at the address specified on the signature page hereof, or to such other person(s) or entity(ies) to which Lessor has assigned such Rental Payments at such place as assignee may from time to time designate by written notice to Lessee. Lessee shall pay the Rental Payments exclusively from monies legally available therefor, in lawful money of the United States of America, to Lessor or, in the event of assignment of the right to receive Rental Payments by Lessor, to its assignee(s).

Section 5.3 Interest and Principal Components: As set forth on the Schedule of Payments, a portion of each Rental Payment is paid as, and represents payment of, interest, and the balance is paid as, and represents payment of, principal.

Section 5.4 Rental Payments to be Unconditional: Except as provided in Section 4.4, the obligation of Lessee to make Rental Payments or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute between Lessee and Lessor or any other person, Lessee shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such Rental Payments or other payments required under this Agreement. Lessee's obligation to make Rental Payments or other payments during the Agreement Term shall not be abated through accident or unforeseen circumstances.

ARTICLE VI TITLE

Section 6.1 Title: During the Term of this Agreement, and so long as Lessee is not in default as provided in Article XII, legal title to the Equipment and any and all repairs, replacements, substitutions, and modifications to it shall be in Lessee. Upon termination of this Agreement pursuant to Section 4.4 or Article XII hereof, title to the Equipment shall revert to Lessor, free and clear of any right, title or interest of Lessee, without the necessity of any further action by the parties. In the event that title reverts to Lessor as described above, Lessee will reasonably surrender possession of the Equipment to Lessor in the manner and condition set forth in Section 12.3.

Section 6.2 Security Interest: To secure all obligations of Lessee hereunder, Lessee hereby grants to Lessor a security interest in and to all of Lessee's right, title and interest in and to the Equipment including substitutions and replacements thereof or thereto, and all proceeds (cash and non-cash), including the proceeds of insurance. Lessee agrees to provide such identification markings on the Equipment, in form satisfactory to Lessor, or Lessor deems necessary or appropriate to give notice of Lessor's security interest in the Equipment and, upon assignment, the interest of any assignee of Lessor in the Equipment. In the case of escrow funded transactions, as further security Lessee hereby grants to Lessor, a first priority security interest in the cash and negotiable instruments from time to time comprising the Escrow Fund (as such term is defined in that certain Escrow Agreement by and among Lessor, Lessee and the financial institution acting as escrow agent dated as of the date hereof) and all proceeds (cash and non-cash) thereof. Lessee further agrees that with respect to the Equipment and if applicable, the Escrow Fund, Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the State. Lessee will join with Lessor in executing such financing statements or other documents and will perform such acts as Lessor may request to establish and maintain a valid security interest in the Equipment.

Section 6.3 Liens: Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, security interest, encumbrance or claim on or with respect to the Equipment or any interest therein.

Section 6.4 Personal Property: The equipment is and shall at all times be and remain personal property notwithstanding that the equipment, or any part thereof, may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanent by means or cement, plaster, nails, bolts, screws or otherwise.

free and clear of all liens and encumbrances created by or arising through Lessor, with special warranty and warranty of further assurances, but without other warranties.

ARTICLE XI ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1 Assignment by Lessor: This Agreement, Lessor's interest in the Equipment and right of Lessor to receive payments hereunder, may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Lessor at any time without the necessity of obtaining the consent of Lessee. However, no assignment or reassignment of any of the Lessor's right, title or interest in this Agreement or the Equipment shall be effective unless and until Lessee shall have received a notice of assignment. Upon receipt of the notice described above, Lessee agrees to make all payment to the assignee designated in the assignment, and shall, if so requested, acknowledge the assignment in writing, but such acknowledgment shall in no way be deemed necessary to make the assignment effective. Lessee agrees to establish and maintain a book-entry record of ownership of this Agreement. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements which may be reasonably requested by Lessor or its assignee to protect their interest in the Equipment and in this Agreement.

Section 11.2 Assignment, Sale or Other Disposition by Lessee: Lessee agrees not to (a) sell, assign, transfer, lease, sublease, pledge or otherwise encumber or suffer a lien or encumbrance upon or against any interest in this Agreement or the Equipment, (b) remove the Equipment from its Equipment Location identified on the Equipment List or (c) enter into any contract or agreement with respect to the use and operation of any of the Equipment by any person other than Lessee, without Lessor's prior written consent in each instance. Lessee shall at all times remain liable for the performance of the covenants and conditions on its part to be performed, notwithstanding any assigning, transferring or other conveyance that may be made with such consent. Lessee shall take no action that may adversely affect the excludibility from gross income for federal income tax purposes of any portion of the interest component of the Rental Payments.

ARTICLE XII EVENTS OF DEFAULT AND REMEDIES

Section 12.1 Events of Default Defined: The following shall be "events of default" under this Agreement, and the terms "events of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time and manner specified herein; or
- (b) Failure by Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed hereunder for a period of thirty (30) days after written notice to Lessee by Lessor specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of such time prior to its expiration; or
- (c) Any certificate, statement, representation, warranty or audit contained herein or heretofore furnished with respect hereto by or on behalf of Lessee proving to have been false in any material respect at the time as of which facts therein set forth were stated or certified, or having omitted any substantial contingent or unliquidated liability or claim against Lessee; or
- (d) Commencement by Lessee of a case or proceeding under the Federal bankruptcy laws or filing by Lessee of any petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation, moratorium or similar relief under any existing or future bankruptcy, insolvency or other similar laws, the filing by Lessee of an answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding, or the failure to file an answer to such petition

within forty-five (45) days from the filing thereof.

Section 12.2 Remedies on Default: Whenever any event of default referred to in Section 12.1 hereof shall have happened and be continuing, Lessor shall have the right, at its sole option and without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) By written notice to Lessee, declare an amount equal to the then applicable Purchase Price as set forth in the Schedule of Payments immediately due and payable;
- (b) Lessor, with or without terminating this Agreement, may repossess the Equipment by giving Lessee written notice to deliver such Equipment to Lessor, whereupon Lessee shall do so in the manner provided in Section 12.3; or in the event Lessee fails to do so within five (5) days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and retake possession of the Equipment. Upon gaining possession of the Equipment, Lessor shall have the right to sell, lease or sublease it, or any item thereof, for the account of Lessee, holding Lessee liable for (i) all payments due up to the effective date of such selling, leasing or subleasing; and (ii) the difference, if any, between the purchase price, rental and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and all amounts due payable by Lessee hereunder, including, but not limited to, Rental Payments and the applicable Purchase Price ; and,
- (c) Take whatever other action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of Lessee under this Agreement.

In addition, Lessee will remain liable for all legal fees and other costs and expenses, including court costs and costs incurred in repossessing the Equipment, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

Section 12.3 Return of Equipment: Upon the expiration or termination of this Agreement prior to the payment of all Rental Payments in accordance with the Schedule of Payments, Lessee shall pack and return the Equipment to Lessor in the condition, repair, appearance and working order required in Section 8.2, with a written audit as to what is being returned, in the following manner as may be specified by Lessor: (i) by delivering the Equipment, at Lessee's cost and expense, to such location as Lessor shall specify; or (ii) by loading such portions of the Equipment as are considered movable, at Lessee's cost and expense, on board such carrier as Lessor shall specify and shipping the same, freight prepaid, to the place specified by Lessor. The Equipment shall be properly packed by Lessee's maintenance office or organization. If Lessee refuses to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession or pursue any remedy described in Section 12.2. If the Equipment, or any portion of it, has been destroyed or damaged beyond repair, Lessee shall pay the applicable Purchase Price of the Equipment, as set forth in the Schedule of Payments (less credit for Net Proceeds) to Lessor.

Section 12.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 12.5 Late Charge: Whenever any event of default referred to in Section 12.1(a) hereof shall have happened and be continuing with respect to the Equipment, Lessor shall have the right, at its option and without any further demand or notice, to require a late payment charge for each thirty (30) day period, or part thereof, during which such event of default occurs, equal to one and one-half percent 1 1/2% of the outstanding amount of Principal and Interest accrued hereunder, and Lessee shall be obligated to pay the same immediately upon receipt of Lessor's written

Borrowed

477,050

9/1/03

**ATTACHMENTS TO THE
MASTER LEASE / PURCHASE AGREEMENT
BETWEEN
Public-Finance.Com, Inc.
AND
BULLOCK PEN WATER DISTRICT, KENTUCKY, KENTUCKY**

DATED SEPTEMBER 1,2003

<i>Equipment List</i>	Attachment 1
<i>Schedule of Payments</i>	Attachment 2
<i>Acceptance Certificate</i>	Attachment 3
<i>Form of Lessee's Counsel Opinion</i>	Attachment 4
<i>Resolutions of Governing Body</i>	Attachment 5
<i>Incumbency Certificate</i>	Attachment 6
<i>Essential Use Letter</i>	Attachment 7
<i>Insurance Coverage Agreement</i>	Attachment 8
<i>Small Issuer Certificate</i>	Attachment 9
<i>Escrow Agreement</i>	Attachment 11
<i>Tax Compliance and No Arbitrage Agreement</i>	Attachment 12
<i>Notice of Assignment</i>	Attachment 13
<i>IRS Form 8038, Form 8038-G or Form 8038-GC (As Applicable)</i>	Attachment 14

SCHEDULE OF PAYMENTS
(Acceptance Certificate No. 1)

Pertaining to that certain Acceptance Certificate No. 1 entered pursuant to that certain Master Equipment Lease/Purchase Agreement dated September 1,2003, (the "Agreement") between **Public-Finance.Com, Inc.** ("Lessor") and Bullock Pen Water District, Kentucky ("Lessee").

All terms not defined herein have their meanings described in the Agreement.

A. RENTAL PAYMENTS, TERM, TRANSPORTATION AND DELIVERY COSTS.

The Rental Payments required under the Agreement for the Equipment described in the attached Description of Equipment will be:

\$5,038.10 Month made in Arrears for a term of 120 payments, with the first payment due on March 5, 2004, and each subsequent payment due Month thereafter.

A portion of each Rental Payment is paid as and represents payment of interest as set forth on Amortization Schedule attached hereto. Lessee agrees to and shall pay all transportation and/or delivery costs if any.

B. LATE PAYMENTS.

THERE WILL BE A CHARGE OF 2% PER MONTH OR THE HIGHEST LEGAL RATE ALLOWED BASED ON THE AMOUNT OF ANY RENTAL PAYMENT WHICH REMAINS UNPAID FOR TEN (10) DAYS AFTER THE DUE DATE.

C. BUDGETARY PERIOD.

Lessee's budgetary period is from Jan 1 to Dec. 31.

THE TERMS GOVERNING THIS SCHEDULE OF PAYMENTS ARE CONTAINED IN THE AGREEMENT REFERENCED ABOVE AND APPLY WITH THE SAME FORCE AND EFFECT AS IF SET FORTH FULLY HEREIN.

LESSOR:
Public-Finance.Com, Inc.

LESSEE:
Bullock Pen Water District, Kentucky
One Farrell Drive
Crittenden KY 41030

By _____
Name:
Title:

By: Bobby Burgess
Name: Bobby Burgess
Title: Chairman

SCHEDULE OF PAYMENTS

AMOUNT OF LEASE \$477,050.00
 NUMBER OF PAYMENTS 120
 PAYMENT FREQUENCY Monthly
 PAYMENT MADE IN Arrears

PAYMENT NUMBER	PAYMENT DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	PAYMENT AMOUNT	OPTION PURCHASE PRICE
1	03/05/2004	5,857.65	10,895.75	5,038.10	-
2	04/05/2004	3,227.19	1,810.91	5,038.10	490,843.98
3	05/05/2004	3,239.30	1,798.80	5,038.10	487,442.03
4	06/05/2004	3,251.44	1,786.66	5,038.10	484,028.74
5	07/05/2004	3,263.64	1,774.46	5,038.10	480,604.07
6	08/05/2004	3,275.88	1,762.22	5,038.10	477,167.98
7	09/05/2004	3,288.16	1,749.94	5,038.10	473,720.44
8	10/05/2004	3,300.49	1,737.61	5,038.10	470,261.41
9	11/05/2004	3,312.87	1,725.23	5,038.10	466,790.85
10	12/05/2004	3,325.29	1,712.81	5,038.10	463,308.72
11	01/05/2005	3,337.76	1,700.34	5,038.10	459,814.98
12	02/05/2005	3,350.28	1,687.82	5,038.10	456,309.60
13	03/05/2005	3,362.84	1,675.26	5,038.10	452,792.53
14	04/05/2005	3,375.45	1,662.65	5,038.10	449,263.74
15	05/05/2005	3,388.11	1,649.99	5,038.10	445,723.19
16	06/05/2005	3,400.82	1,637.28	5,038.10	442,170.83
17	07/05/2005	3,413.57	1,624.53	5,038.10	438,606.63
18	08/05/2005	3,426.37	1,611.73	5,038.10	435,030.55
19	09/05/2005	3,439.22	1,598.88	5,038.10	431,442.55
20	10/05/2005	3,452.12	1,585.98	5,038.10	427,842.59
21	11/05/2005	3,465.06	1,573.04	5,038.10	424,230.63
22	12/05/2005	3,478.05	1,560.05	5,038.10	420,606.63
23	01/05/2006	3,491.10	1,547.00	5,038.10	416,970.55
24	02/05/2006	3,504.19	1,533.91	5,038.10	413,322.35
25	03/05/2006	3,517.33	1,520.77	5,038.10	409,661.99
26	04/05/2006	3,530.52	1,507.58	5,038.10	405,989.43
27	05/05/2006	3,543.76	1,494.34	5,038.10	402,304.63
28	06/05/2006	3,557.05	1,481.05	5,038.10	398,607.55
29	07/05/2006	3,570.39	1,467.71	5,038.10	394,898.14
30	08/05/2006	3,583.78	1,454.32	5,038.10	391,176.37
31	09/05/2006	3,597.22	1,440.88	5,038.10	387,442.19
32	10/05/2006	3,610.70	1,427.40	5,038.10	383,695.56
33	11/05/2006	3,624.25	1,413.85	5,038.10	379,936.45
34	12/05/2006	3,637.84	1,400.26	5,038.10	376,164.80
35	01/05/2007	3,651.48	1,386.62	5,038.10	372,380.58
36	02/05/2007	3,665.17	1,372.93	5,038.10	368,583.75
37	03/05/2007	3,678.92	1,359.18	5,038.10	364,774.26
38	04/05/2007	3,692.71	1,345.39	5,038.10	360,952.07
39	05/05/2007	3,706.56	1,331.54	5,038.10	357,117.14
40	06/05/2007	3,720.46	1,317.64	5,038.10	353,269.43
41	07/05/2007	3,734.41	1,303.69	5,038.10	349,408.89
42	08/05/2007	3,748.41	1,289.69	5,038.10	345,535.49
43	09/05/2007	3,762.47	1,275.63	5,038.10	341,649.17
44	10/05/2007	3,776.58	1,261.52	5,038.10	337,749.90
45	11/05/2007	3,790.74	1,247.36	5,038.10	333,837.63
46	12/05/2007	3,804.96	1,233.14	5,038.10	329,912.32
47	01/05/2008	3,819.23	1,218.87	5,038.10	325,973.93
48	02/05/2008	3,833.55	1,204.55	5,038.10	322,022.41
49	03/05/2008	3,847.92	1,190.18	5,038.10	318,057.72
50	04/05/2008	3,862.35	1,175.75	5,038.10	314,079.81
51	05/05/2008	3,876.84	1,161.26	5,038.10	310,088.64
52	06/05/2008	3,891.38	1,146.72	5,038.10	306,084.17
53	07/05/2008	3,905.97	1,132.13	5,038.10	302,066.35
54	08/05/2008	3,920.62	1,117.48	5,038.10	298,035.14
55	09/05/2008	3,935.32	1,102.78	5,038.10	293,990.49
56	10/05/2008	3,950.08	1,088.02	5,038.10	289,932.36
57	11/05/2008	3,964.89	1,073.21	5,038.10	285,860.70
58	12/05/2008	3,979.76	1,058.34	5,038.10	281,775.47
59	01/05/2009	3,994.68	1,043.42	5,038.10	277,676.62
60	02/05/2009	4,009.66	1,028.44	5,038.10	273,564.11
61	03/05/2009	4,024.70	1,013.40	5,038.10	269,437.89
62	04/05/2009	4,039.79	998.31	5,038.10	265,297.92
63	05/05/2009	4,054.94	983.16	5,038.10	261,144.15
64	06/05/2009	4,070.15	967.95	5,038.10	256,976.53
65	07/05/2009	4,085.41	952.69	5,038.10	252,795.02
66	08/05/2009	4,100.73	937.37	5,038.10	248,599.57
67	09/05/2009	4,116.11	921.99	5,038.10	244,390.14
68	10/05/2009	4,131.54	906.56	5,038.10	240,166.67

SCHEDULE OF PAYMENTS

AMOUNT OF LEASE \$477,050.00
 NUMBER OF PAYMENTS 120
 PAYMENT FREQUENCY Monthly
 PAYMENT MADE IN Arrears

PAYMENT NUMBER	PAYMENT DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	PAYMENT AMOUNT	OPTION PURCHASE PRICE
69	11/05/2009	4,147.04	891.06	5,038.10	235,929.13
70	12/05/2009	4,162.59	875.51	5,038.10	231,677.46
71	01/05/2010	4,178.20	859.90	5,038.10	227,411.62
72	02/05/2010	4,193.86	844.24	5,038.10	223,131.56
73	03/05/2010	4,209.59	828.51	5,038.10	218,837.23
74	04/05/2010	4,225.38	812.72	5,038.10	214,528.59
75	05/05/2010	4,241.22	796.88	5,038.10	210,205.59
76	06/05/2010	4,257.13	780.97	5,038.10	205,868.18
77	07/05/2010	4,273.09	765.01	5,038.10	201,516.31
78	08/05/2010	4,289.12	748.98	5,038.10	197,149.93
79	09/05/2010	4,305.20	732.90	5,038.10	192,769.00
80	10/05/2010	4,321.34	716.76	5,038.10	188,373.46
81	11/05/2010	4,337.55	700.55	5,038.10	183,963.27
82	12/05/2010	4,353.82	684.28	5,038.10	179,538.38
83	01/05/2011	4,370.14	667.96	5,038.10	175,098.74
84	02/05/2011	4,386.53	651.57	5,038.10	170,644.30
85	03/05/2011	4,402.98	635.12	5,038.10	166,175.01
86	04/05/2011	4,419.49	618.61	5,038.10	161,690.83
87	05/05/2011	4,436.06	602.04	5,038.10	157,191.70
88	06/05/2011	4,452.70	585.40	5,038.10	152,677.57
89	07/05/2011	4,469.40	568.70	5,038.10	148,148.40
90	08/05/2011	4,486.16	551.94	5,038.10	143,604.13
91	09/05/2011	4,502.98	535.12	5,038.10	139,044.71
92	10/05/2011	4,519.87	518.23	5,038.10	134,470.09
93	11/05/2011	4,536.82	501.28	5,038.10	129,880.22
94	12/05/2011	4,553.83	484.27	5,038.10	125,275.05
95	01/05/2012	4,570.91	467.19	5,038.10	120,654.53
96	02/05/2012	4,588.05	450.05	5,038.10	116,018.61
97	03/05/2012	4,605.25	432.85	5,038.10	111,367.24
98	04/05/2012	4,622.52	415.58	5,038.10	106,700.36
99	05/05/2012	4,639.86	398.24	5,038.10	102,017.93
100	06/05/2012	4,657.26	380.84	5,038.10	97,319.89
101	07/05/2012	4,674.72	363.38	5,038.10	92,606.19
102	08/05/2012	4,692.25	345.85	5,038.10	87,876.78
103	09/05/2012	4,709.85	328.25	5,038.10	83,131.60
104	10/05/2012	4,727.51	310.59	5,038.10	78,370.61
105	11/05/2012	4,745.24	292.86	5,038.10	73,593.75
106	12/05/2012	4,763.03	275.07	5,038.10	68,800.96
107	01/05/2013	4,780.89	257.21	5,038.10	63,992.20
108	02/05/2013	4,798.82	239.28	5,038.10	59,167.41
109	03/05/2013	4,816.82	221.28	5,038.10	54,326.53
110	04/05/2013	4,834.88	203.22	5,038.10	49,469.52
111	05/05/2013	4,853.01	185.09	5,038.10	44,596.32
112	06/05/2013	4,871.21	166.89	5,038.10	39,706.87
113	07/05/2013	4,889.48	148.62	5,038.10	34,801.13
114	08/05/2013	4,907.81	130.29	5,038.10	29,879.03
115	09/05/2013	4,926.22	111.88	5,038.10	24,940.53
116	10/05/2013	4,944.69	93.41	5,038.10	19,985.57
117	11/05/2013	4,963.23	74.87	5,038.10	15,014.09
118	12/05/2013	4,981.84	56.26	5,038.10	10,026.04
119	01/05/2014	5,000.53	37.57	5,038.10	5,021.36
120	02/05/2014	5,019.15	18.95	5,038.10	0.00

BY: _____

TITLE: _____

DATE: _____

* NO PREPAYMENT DURING THESE PERIODS

**NOTICE OF ASSIGNMENT
AND
LETTER OF DIRECTION**

Public-Finance.Com, Inc. ("Lessor") hereby gives notice to Bullock Pen Water District, Kentucky ("Lessee") that it has assigned all of its rights to receive payments under the Master Lease Agreement dated September 1, 2003, Schedule No. 1, as set out in Section 11.1, and in any of the Equipment now or hereafter leased thereunder, including without limitation all amounts of rent, insurance, and condemnation proceeds, indemnity or other payment proceeds due to become due as a result of the sale, lease or other disposition of the Equipment, all rights to receive notices and give consents and to exercise the rights of the Lessor under the Lease, and all rights, claims and causes of action which Assignor may have against the manufacturer or seller of the Equipment in respect of any defects therein.

This Master Lease Agreement requires 120 payments in the amount of \$5,038.10. As of the date of assignment, 120 payments remain on the contract and should be forwarded to the assignee at the following address:

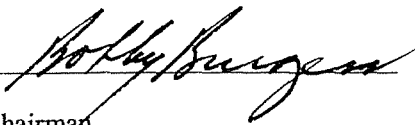
Old National Bank
PO Box 658
Evansville, IN 47704-0658

Any assigned payments received by Lessor are received in trust for Assignee and will be immediately delivered to Assignee.

Public-Finance.com, Inc.
(Lessor/Assignor)

Bullock Pen Water District, Kentucky
(Lessee)

BY: _____

BY: 

TITLE: _____

TITLE: Chairman

DATE: _____

DATE: 9-9-03

Borrowed Add'l
\$170,450
3/2/04

**ATTACHMENTS TO THE
MASTER LEASE / PURCHASE AGREEMENT
BETWEEN
Public-Finance.Com, Inc.
AND
BULLOCK PEN WATER DISTRICT, KENTUCKY**

DATED SEPTEMBER 1, 2003

<i>Equipment List</i>	Attachment 1
<i>Schedule of Payments</i>	Attachment 2
<i>Acceptance Certificate</i>	Attachment 3
<i>Essential Use Letter</i>	Attachment 7
<i>Insurance Coverage Agreement</i>	Attachment 8
<i>Small Issuer Certificate</i>	Attachment 9
<i>Escrow Agreement</i>	Attachment 11
<i>Tax Compliance and No Arbitrage Agreement</i>	Attachment 12
<i>Notice of Assignment</i>	Attachment 13
<i>IRS Form 8038, Form 8038-G or Form 8038-GC (As Applicable)</i>	Attachment 14
<i>Billing Information</i>	Attachment 15

SCHEDULE OF PAYMENTS
(Acceptance Certificate No. 2)

Pertaining to that certain Acceptance Certificate No. 2 entered pursuant to that certain Master Equipment Lease/Purchase Agreement dated September 1, 2003, (the "Agreement") between **Public-Finance.Com, Inc.** ("Lessor") and Bullock Pen Water District, Kentucky ("Lessee").

All terms not defined herein have their meanings described in the Agreement.

A. RENTAL PAYMENTS, TERM, TRANSPORTATION AND DELIVERY COSTS.

The Rental Payments required under the Agreement for the Equipment described in the attached Description of Equipment will be:

\$2,318.10 monthly made in arrears for a term of 84 payments, with the first payment due on April 5, 2004, and each subsequent payment due monthly thereafter.

A portion of each Rental Payment is paid as and represents payment of interest as set forth on Amortization Schedule attached hereto. Lessee agrees to and shall pay all transportation and/or delivery costs if any.

B. LATE PAYMENTS.

THERE WILL BE A CHARGE OF 2% PER MONTH OR THE HIGHEST LEGAL RATE ALLOWED BASED ON THE AMOUNT OF ANY RENTAL PAYMENT WHICH REMAINS UNPAID FOR TEN (10) DAYS AFTER THE DUE DATE.

C. BUDGETARY PERIOD.

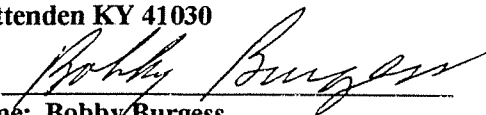
Lessee's budgetary period is from January 1 to December 31.

THE TERMS GOVERNING THIS SCHEDULE OF PAYMENTS ARE CONTAINED IN THE AGREEMENT REFERENCED ABOVE AND APPLY WITH THE SAME FORCE AND EFFECT AS IF SET FORTH FULLY HEREIN.

LESSOR:
Public-Finance.Com, Inc.

LESSEE:
Bullock Pen Water District, Kentucky
One Farrell Drive
Crittenden KY 41030

By _____
Name:
Title:

By: 
Name: **Bobby Burgess**
Title: **Chairman**

SCHEDULE OF PAYMENTS

LESSEE BULLOCK PEN WATER DISTRICT (KENTUCKY)
 AMOUNT OF LEASE \$170,450.00
 NUMBER OF PAYMENTS 84
 PAYMENT FREQUENCY Monthly
 PAYMENT MADE IN Arrears

PAYMENT NUMBER	PAYMENT DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	PAYMENT AMOUNT	OPTION PURCHASE PRICE
1	04/05/2004	1,771.23	548.87	2,318.10	168,678.77 ✓ 415
2	05/05/2004	1,776.92	541.18	2,318.10	166,901.85 515
3	06/05/2004	1,782.82	535.48	2,318.10	165,119.23 615
4	07/05/2004	1,788.34	529.78	2,318.10	163,330.89 715
5	08/05/2004	1,794.08	524.02	2,318.10	161,536.81 815
6	09/05/2004	1,799.83	518.27	2,318.10	159,736.98 915
7	10/05/2004	1,805.61	512.49	2,318.10	157,931.37 1015
8	11/05/2004	1,811.40	506.70	2,318.10	156,119.97 1115
9	12/05/2004	1,817.21	500.89	2,318.10	154,307.74 1215
10	01/05/2005	1,823.04	495.06	2,318.10	
11	02/05/2005	1,828.89	489.21	2,318.10	
12	03/05/2005	1,834.78	483.34	2,318.10	
13	04/05/2005	1,840.64	477.48	2,318.10	149,544.69
14	05/05/2005	1,846.55	471.55	2,318.10	147,631.61
15	06/05/2005	1,852.47	465.63	2,318.10	145,713.35
16	07/05/2005	1,858.42	459.68	2,318.10	143,789.89
17	08/05/2005	1,864.38	453.72	2,318.10	141,861.22
18	09/05/2005	1,870.36	447.74	2,318.10	139,927.33
19	10/05/2005	1,876.36	441.74	2,318.10	137,988.20
20	11/05/2005	1,882.38	435.72	2,318.10	136,043.82
21	12/05/2005	1,888.42	429.68	2,318.10	134,094.17
22	01/05/2006	1,894.48	423.62	2,318.10	132,139.24
23	02/05/2006	1,900.56	417.54	2,318.10	130,179.02
24	03/05/2006	1,906.66	411.44	2,318.10	128,213.49
25	04/05/2006	1,912.77	405.33	2,318.10	126,242.63
26	05/05/2006	1,918.91	399.19	2,318.10	124,266.44
27	06/05/2006	1,925.07	393.03	2,318.10	122,284.89
28	07/05/2006	1,931.24	386.86	2,318.10	120,297.98
29	08/05/2006	1,937.44	380.68	2,318.10	118,305.69
30	09/05/2006	1,943.66	374.44	2,318.10	116,308.00
31	10/05/2006	1,949.89	368.21	2,318.10	114,304.90
32	11/05/2006	1,956.15	361.95	2,318.10	112,296.38
33	12/05/2006	1,962.42	355.68	2,318.10	110,282.42
34	01/05/2007	1,968.72	349.38	2,318.10	108,263.00
35	02/05/2007	1,975.04	343.06	2,318.10	106,238.11
36	03/05/2007	1,981.37	336.73	2,318.10	104,207.74
37	04/05/2007	1,987.73	330.37	2,318.10	102,171.87
38	05/05/2007	1,994.11	323.99	2,318.10	100,130.49
39	06/05/2007	2,000.50	317.60	2,318.10	98,083.58
40	07/05/2007	2,006.92	311.18	2,318.10	96,031.12
41	08/05/2007	2,013.36	304.74	2,318.10	93,973.10
42	09/05/2007	2,019.82	298.28	2,318.10	91,909.51
43	10/05/2007	2,026.30	291.80	2,318.10	89,840.33
44	11/05/2007	2,032.80	285.30	2,318.10	87,765.55
45	12/05/2007	2,039.32	278.78	2,318.10	85,685.15
46	01/05/2008	2,045.87	272.23	2,318.10	83,599.11
47	02/05/2008	2,052.43	265.67	2,318.10	81,507.42
48	03/05/2008	2,059.02	259.08	2,318.10	79,410.07
49	04/05/2008	2,065.62	252.48	2,318.10	77,307.04
50	05/05/2008	2,072.25	245.85	2,318.10	75,198.31
51	06/05/2008	2,078.90	239.20	2,318.10	73,083.87
52	07/05/2008	2,085.57	232.53	2,318.10	70,963.71
53	08/05/2008	2,092.28	225.84	2,318.10	68,837.80
54	09/05/2008	2,098.97	219.13	2,318.10	66,706.14
55	10/05/2008	2,105.71	212.39	2,318.10	64,568.70
56	11/05/2008	2,112.48	205.64	2,318.10	62,425.47
57	12/05/2008	2,119.24	198.86	2,318.10	60,276.44
58	01/05/2009	2,126.04	192.06	2,318.10	58,121.59
59	02/05/2009	2,132.88	185.24	2,318.10	55,960.90
60	03/05/2009	2,139.70	178.40	2,318.10	53,794.38
61	04/05/2009	2,146.57	171.53	2,318.10	51,621.95
62	05/05/2009	2,153.46	164.64	2,318.10	49,443.68
63	06/05/2009	2,160.36	157.74	2,318.10	47,259.47
64	07/05/2009	2,167.30	150.80	2,318.10	45,069.38
65	08/05/2009	2,174.25	143.85	2,318.10	42,873.32
66	09/05/2009	2,181.22	136.88	2,318.10	40,671.34
67	10/05/2009	2,188.22	129.88	2,318.10	38,463.39
68	11/05/2009	2,195.24	122.86	2,318.10	36,249.46

SCHEDULE OF PAYMENTS

LESSEE BULLOCK PEN WATER DISTRICT (KENTUCKY)
 AMOUNT OF LEASE \$170,450.00
 NUMBER OF PAYMENTS 84
 PAYMENT FREQUENCY Monthly
 PAYMENT MADE IN Arrears

PAYMENT NUMBER	PAYMENT DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	PAYMENT AMOUNT	OPTION PURCHASE PRICE
69	12/05/2009	2,202.29	115.81	2,318.10	34,029.54
70	01/05/2010	2,209.35	108.75	2,318.10	31,803.60
71	02/05/2010	2,216.44	101.68	2,318.10	29,571.63
72	03/05/2010	2,223.55	94.55	2,318.10	27,333.62
73	04/05/2010	2,230.69	87.41	2,318.10	25,089.55
74	05/05/2010	2,237.84	80.28	2,318.10	22,839.40
75	06/05/2010	2,245.02	73.08	2,318.10	20,583.16
76	07/05/2010	2,252.23	65.87	2,318.10	18,320.81
77	08/05/2010	2,259.45	58.65	2,318.10	16,052.33
78	09/05/2010	2,266.70	51.40	2,318.10	13,777.71
79	10/05/2010	2,273.97	44.13	2,318.10	11,496.92
80	11/05/2010	2,281.27	36.83	2,318.10	9,209.98
81	12/05/2010	2,288.59	29.51	2,318.10	6,916.80
82	01/05/2011	2,295.93	22.17	2,318.10	4,617.43
83	02/05/2011	2,303.30	14.80	2,318.10	2,311.84
84	03/05/2011	2,310.71	7.39	2,318.10	0.00

Handwritten notes:
 2,475.10 (bracketed around interest components from row 74 to 84)
 8,321.00 (bracketed around interest components from row 74 to 84)
 1,909.94 (bracketed around interest components from row 82 to 84)
 44.34 (bracketed around interest component for row 84)
 170,450.00 (underlined total)
 24,270.40 (underlined total)

BY: _____
 TITLE: _____

DATE: _____
 * NO PREPAYMENT DURING THESE PERIODS

**NOTICE OF ASSIGNMENT
AND
LETTER OF DIRECTION**

Public-Finance.Com, Inc. ("Lessor") hereby gives notice to Bullock Pen Water District, Kentucky ("Lessee") that it has assigned all of its rights to receive payments under the Master Lease Agreement dated September 1, 2003, Schedule No. 2, as set out in Section 11.1, and in any of the Equipment now or hereafter leased thereunder, including without limitation all amounts of rent, insurance, and condemnation proceeds, indemnity or other payment proceeds due to become due as a result of the sale, lease of other disposition of the Equipment, all rights to receive notices and give consents and to exercise the rights of the Lessor under the Lease, and all rights, claims and causes of action which Assignor may have against the manufacturer or seller of the Equipment in respect of any defects therein.

This Master Lease Agreement requires 84 payments in the amount of \$2,318.10. As of the date of assignment, 84 payments remain on the contract and should be forwarded to the assignee at the following address:


Old National Bank
PO Box 658
Evansville, IN 47704-0658

Any assigned payments received by Lessor are received in trust for Assignee and will be immediately delivered to Assignee.

Public-Finance.com, Inc.
(Lessor/Assignor)

Bullock Pen Water District, Kentucky
(Lessee)

BY: _____

BY: 

TITLE: _____

TITLE: Chairman

DATE: _____

DATE: _____

MASTER INSTALLMENT PURCHASE AGREEMENT

This Master Installment Purchase Agreement dated as of October 17, 2005 and entered into between DaimlerChrysler Services North America LLC, a Michigan limited liability company ("Lender"), and Bullock Pen Water District, a body corporate and politic existing under the laws of the State of Sample State ("Borrower")

1. Agreement. Borrower agrees to finance from Lender certain "Equipment" as described in each Equipment Schedule (Exhibit A), which together with an Installment Payment Schedule (Exhibit A-1) constitute a "Schedule", subject to the terms and conditions of and for the purposes set forth in each Contract. Items of equipment may be added to the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein. Each Schedule and the terms and provisions of this Agreement (which includes all exhibits hereto, together with any amendments and modifications pursuant thereto) which are incorporated by reference into such Schedule shall constitute a separate and independent contract and installment purchase of the Equipment therein described and are referred to herein as a "Contract".

2. Term. The "Commencement Date" for each Contract is the date when interest commences to accrue under such Contract which date shall be the earlier of (i) the date on which the Equipment listed in such Contract is accepted by Borrower in the manner described in Section 11, or (ii) the date on which sufficient monies to purchase the Equipment listed in such Contract are deposited for that purpose with an escrow agent, or (iii) the date sufficient monies are set aside for acquisition of Equipment as evidenced in Exhibit D, if applicable. The "Contract Term" for each Contract means the Original Term and all Renewal Terms therein provided and for this Agreement means the period from the date hereof until this Agreement is terminated. The "Original Term" means the period from the Commencement Date for each Contract until the end of Borrower's fiscal year or biennium (as the case may be) (the "Fiscal Period") in effect at such Commencement Date. The "Renewal Term" for each Contract is each term having a duration that is coextensive with the Fiscal Period.

3. Representations and Covenants of Borrower. Borrower represents, covenants and warrants for the benefit of Lender on the date hereof and as of the Commencement Date of each Contract as follows: (a) Borrower is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority under the constitution and laws of the state where the Borrower is located ("State") to enter into this Agreement and each Contract and the transactions contemplated hereby and to perform all of its obligations hereunder and under each Contract; (b) Borrower has duly authorized the execution and delivery of this Agreement and each Contract by proper action of its governing body at a meeting duly called and held in accordance with State law, or by other appropriate official approval, and all requirements have been met and procedures have occurred to ensure the validity and enforceability of this Agreement and each Contract; (c) Borrower will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic; (d) Borrower has complied with such public bidding requirements as may be applicable to this Agreement and each Contract and the acquisition by Borrower of the Equipment as provided in each Contract; (e) during the Contract Term, the Equipment will be used by Borrower solely and exclusively for the purpose of performing essential governmental or proprietary functions of Borrower consistent with the permissible scope of Borrower's authority; (f) Borrower will annually provide Lender with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Period, and such other financial information relating to the ability of Borrower to continue each Contract as may be requested by Lender; and (g) Borrower has an immediate need for the Equipment listed on each Schedule and expects to make immediate use of the Equipment listed on each Schedule.

4. Tax and Arbitrage Representations. Borrower hereby represents as follows: (a) the estimated total costs of the Equipment listed in each Schedule will not be less than the total principal portion of the Installment Payment listed in such Installment Payment Schedule; (b) the Equipment listed in each Schedule has been ordered or is expected to be ordered within 6 months of the Commencement Date, and all amounts deposited in escrow to pay for the Equipment, and interest earnings, will be expended on costs of the Equipment and the financing within 3 years of Commencement Date; (c) no proceeds of any Contract will be used to reimburse Borrower for expenditures made more than 60 days prior to the Commencement Date or, if earlier, more than 60 days prior to any official action taken to evidence an intent to finance; (d) Borrower has not created or established, and does not expect to create or establish, any sinking fund or similar fund (i) that is reasonably expected to be used to pay the Installment Payment, or (ii) that may be used solely to prevent a default in the payment of the Installment Payment, (e) the Equipment listed in each Schedule has not been and is not expected to be sold or otherwise disposed of by Borrower, either in whole or in part, prior to the last maturity of Installment Payment; (f) Borrower will comply with all applicable

provisions of the Internal Revenue Code of 1986, as amended ("Code"), including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Installment Payments from gross income for purposes of federal income taxation; and (g) Borrower intends that each Contract not constitute a "true" lease for federal income tax purposes.

5. Finance of Equipment. Upon the execution of each Contract, Lender demises, finances, transfers, and lets to Borrower, and Borrower acquires, rents, finances and hires from Lender, the Equipment in accordance with the terms thereof. The Contract Term for each Contract may be continued, solely at the option of Borrower, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Contract Term set forth in such Contract. At the end of the Original Term and at the end of each Renewal Term the Contract Term shall be automatically extended upon the successive appropriation by Borrower's governing body of amounts sufficient to pay Installment Payments and other amounts payable under the related Contract during the next succeeding Fiscal Period until all Installment Payments payable under such Contract have been paid in full, unless Borrower shall have terminated such Contract pursuant to Section 7 or Section 22. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Installment Payments shall be as provided in the applicable Contract.

6. Continuation of Contract Term. Borrower currently intends, subject to Section 7, to continue the Contract Term of each Contract through the Original Term and all Renewal Terms and to pay the Installment Payments thereunder. Borrower reasonably believes that legally available funds in an amount sufficient to make all Installment Payments during the maximum Contract Term of each Contract can be obtained. Borrower currently intends to do all things lawfully within its power to obtain and maintain funds from which the Installment Payments may be made, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds or to extend the applicable Schedule for any Renewal Term is within the discretion of the governing body of Borrower.

7. Nonappropriation. Borrower is obligated only to pay such Installment Payments under each Contract as may lawfully be made from funds budgeted and appropriated for that purpose. Should Borrower fail to budget, appropriate or otherwise make available funds to pay Installment Payments under any Contract following the then current Original Term or Renewal Term, such Contract or Contracts shall be deemed terminated at the end of the then current Original Term or Renewal Term. Borrower agrees to deliver notice to Lender of such termination at least 30 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If any Contract is terminated in accordance with this Section, Borrower agrees to peaceably deliver the Equipment to Lender at the location(s) to be specified by Lender.

8. Conditions to Lender's Performance. This Agreement is not a commitment by Lender to enter into any Contract not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lender to enter into any proposed Contract, it being understood that whether Lender enters into any proposed Contract shall be a decision solely within Lender's discretion. Borrower will cooperate with Lender in Lender's review of any proposed Contract. Borrower understands that Lender requires certain documentation and information necessary to enter into any Contract and Borrower agrees to provide Lender with any documentation or information Lender may request in connection with Lender's review of any proposed Contract. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Borrower and other matters related to Borrower.

9. Installment Payments. Borrower shall promptly pay "Installment Payments" as described in Exhibit A-1 to each Contract, exclusively from legally available funds, to Lender on the dates and in such amounts as provided in each Contract. Borrower shall pay Lender a charge on any Installment Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum rate permitted by law, whichever is less, from such date until paid. Installment Payments consist of principal and interest portions. *Lender and Borrower understand and intend that the obligation of Borrower to pay Installment Payments under each Contract shall constitute a current expense of Borrower and shall not in any way*

be construed to be a debt of Borrower in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Borrower, nor shall anything contained herein or in a Contract constitute a pledge of the general tax revenues, funds or monies of Borrower.

10. INSTALLMENT PAYMENTS TO BE UNCONDITIONAL. EXCEPT AS PROVIDED IN SECTION 7, THE OBLIGATIONS OF BORROWER TO MAKE INSTALLMENT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

11. Delivery; Installation; Acceptance. Borrower shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in each Contract and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Contract has been delivered and acceptance tested, Borrower shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lender an Acceptance Certificate (Exhibit B). Lender shall provide Borrower with quiet use and enjoyment of the Equipment during the Contract Term.

12. Location; Inspection. Once installed, no item of the Equipment will be moved from the location specified for it in the Contract on which such item is listed without Lender's consent, which consent shall not be unreasonably withheld. Lender shall have the right at all reasonable times during regular business hours to enter into and upon the property of Borrower for the purpose of inspecting the Equipment.

13. Use; Maintenance. Borrower will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Contract. Borrower shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Borrower agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body. Borrower agrees that it will, at Borrower's own cost and expense, maintain, preserve and keep the Equipment in good repair and working order. Borrower will enter into a maintenance contract for the Equipment that is acceptable to Lender.

14. Title. Upon acceptance of the Equipment under a Contract by Borrower, title to the Equipment shall vest in Borrower subject to Lender's rights under the Contract; provided that title shall thereafter immediately and without any action by Borrower vest in Lender, and Borrower shall immediately surrender possession of the Equipment to Lender, upon (a) any termination of the applicable Contract other than termination pursuant to Section 22 or (b) the occurrence of an Event of Default. Transfer of title to Lender pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Borrower shall, nevertheless, execute and deliver any such instruments as Lender may request to evidence such transfer.

15. Security Interest. To secure the payment of all of Borrower's obligations under each Contract, upon the execution of such Contract, Borrower grants to Lender a security interest constituting a first and exclusive lien on the Equipment applicable to such Contract and on all proceeds therefrom. Borrower agrees to execute such additional documents, in form satisfactory to Lender, which Lender deems necessary or appropriate to establish and maintain its security interest in the Equipment. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated.

16. Liens, Taxes, Other Governmental Charges and Utility Charges. Borrower shall keep the Equipment free of all levies, liens and encumbrances except those created by each Contract. The parties to this Agreement contemplate that the Equipment will be used for governmental or proprietary purposes of Borrower and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Borrower shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Borrower shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Borrower shall pay such taxes or charges as the same may become due.

17. Insurance. At its own expense, Borrower shall during each Contract Term maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lender, in an amount at least equal to the then applicable "Purchase Price" of the Equipment as described in Exhibit A-1 of each Contract; (b) liability insurance that protects Borrower from liability in all events in form and amount satisfactory to Lender; and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lender's prior written consent, Borrower may self-insure against the risks described in clauses (a) and (b). Borrower shall furnish to Lender

evidence of such insurance or self-insurance coverage throughout each Contract Term. Borrower shall not materially modify or cancel such insurance or self-insurance coverage without first giving written notice thereof to Lender at least 10 days in advance of such cancellation or modification. All such insurance described in clauses (a) and (b) above shall contain a provision naming Lender as a loss payee and additional insured.

18. Advances. In the event Borrower shall fail to keep the Equipment in good repair and working order, Lender may, but shall be under no obligation to, maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lender shall constitute additional rent for the then current Original Term or Renewal Term and Borrower agrees to pay such amounts so advanced by Lender with interest thereon from the advance date until paid at the rate of 12% per annum or the maximum rate permitted by law, whichever is less.

19. Damage, Destruction and Condemnation. If (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Borrower and Lender will cause the Net Proceeds to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment to substantially the same condition as existed prior to the event causing such damage, destruction, or condemnation, unless Borrower shall have exercised its option to purchase the Equipment pursuant to Section 22. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Borrower.

For purposes of this Section, the term "Net Proceeds" shall mean (y) the amount of insurance proceeds received by Borrower for replacing, repairing, restoring, modifying, or improving damaged or destroyed Equipment, or (z) the amount remaining from the gross proceeds of any condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to herein, Borrower shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pursuant to Section 22 purchase Lender's interest in the Equipment and in any other Equipment listed in the same Contract. The amount of the Net Proceeds, if any, remaining after completing such replacement, repair, restoration, modification or improvement or after purchasing Lender's interest in the Equipment and such other Equipment shall be retained by Borrower. If Borrower shall make any payments pursuant to this Section, Borrower shall not be entitled to any reimbursement therefor from Lender nor shall Borrower be entitled to any diminution of the amounts payable under Section 9.

20. DISCLAIMER OF WARRANTIES. LENDER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO WHETHER EXPRESS OR IMPLIED, AND BORROWER ACCEPTS SUCH EQUIPMENT AS IS AND WITH ALL FAULTS. IN NO EVENT SHALL LENDER BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF ANY LEASE OR THE EXISTENCE, FURNISHING, FUNCTIONING OR BORROWER'S USE OF ANY ITEM, PRODUCT OR SERVICE PROVIDED FOR IN ANY LEASE.

21. Vendor's Warranties. Lender hereby irrevocably appoints Borrower as its agent and attorney-in-fact during each Contract Term, so long as Borrower shall not be in default under the related Contract, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lender may have against Vendor. The term "Vendor" means any supplier or manufacturer of the Equipment as well as the agents or dealers of the manufacturer or supplier from whom Lender purchased or is purchasing such Equipment. Borrower's sole remedy for the breach of such warranty, indemnification or representation shall be against Vendor of the Equipment, and not against Lender. Any such matter shall not have any effect whatsoever on the rights or obligations of Lender with respect to any Contract, including the right to receive full and timely payments under a Contract. Borrower expressly acknowledges that Lender makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by Vendor of the Equipment.

22. Purchase Option. Borrower shall have the option to purchase Lender's interest in all of the Equipment listed in any Contract, upon giving written notice to Lender at least 60 days before the date of purchase, at the following times and upon the following terms: (a) on the Installment Payment dates specified in each Contract, upon payment in full of the Installment Payments then due under such Contract plus the then applicable Purchase Price as referenced in Exhibit A-1; or (b) in the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in a Contract, on the day specified in Borrower's notice to Lender of its exercise of the purchase option upon payment in full to Lender of the Installment Payments then due under such Contract plus the then applicable

Purchase Price plus accrued interest from the immediately preceding Installment Payment date to such purchase date

23. **Assignment.** Lender's right, title and interest in and to each Contract, including Installment Payments and any other amounts payable by Borrower thereunder and all proceeds therefrom, may be assigned and reassigned to one or more assignees or subassignees by Lender without the necessity of obtaining the consent of Borrower. During the term of this Agreement, Borrower shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. For this purpose, Borrower appoints Lender to act as its registration agent, which appointment Lender hereby accepts. Lender agrees on Borrower's behalf to maintain such record of all assignments. Borrower agrees to execute all documents that may be reasonably requested by Lender or any assignee to protect its interests and property assigned pursuant to this Section. Borrower shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Borrower may have against Lender or Vendor. Assignments may include without limitation assignment of all of Lender's security interest in and to the Equipment listed in a particular Contract and all rights in, to and under the Contract related to such Equipment. Borrower hereby agrees that Lender may, without notice to Borrower, sell, dispose of, or assign this Agreement or any particular Contract or Contracts through a pool, trust, limited partnership, or other similar entity, whereby one or more interests are created in this Agreement or in a Contract or Contracts, or in the Equipment listed in or the Installment Payments under a particular Contract or Contracts.

None of Borrower's right, title and interest in, to and under any Contract or any portion of the Equipment listed in each Contract may be assigned, subleased, or encumbered by Borrower for any reason without obtaining prior written consent of Lender.

24. **Events of Default.** Any of the following events shall constitute an "Event of Default" under a Contract: (a) failure by Borrower to pay any Installment Payment or other payment required to be paid under a Contract at the time specified therein; (b) failure by Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Borrower by Lender; (c) any statement, representation or warranty made by Borrower in or pursuant to any Contract shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made; or (d) Borrower institutes any proceedings under any bankruptcy, insolvency, reorganization or similar law or a receiver or similar official is appointed for Borrower or any of its property.

25. **Remedies on Default.** Whenever any Event of Default exists, Lender shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) by written notice to Borrower, Lender may declare all Installment Payments payable by Borrower pursuant to such Contract and other amounts payable by Borrower under such Contract to the end of the then current Original Term or Renewal Term to be immediately due and payable; (b) with or without terminating the Contract Term under such Contract, Lender may enter the premises where the Equipment listed in such Contract is located and retake possession of such Equipment or require Borrower at Borrower's expense to promptly return any or all of such Equipment to the possession of Lender at such place within the United States as Lender shall specify, and sell or finance such Equipment or, for the account of Borrower, sublease such Equipment, continuing to hold Borrower liable for the difference between (i) the Installment Payments payable by Borrower pursuant to such Contract and other amounts related to such Contract of the Equipment listed therein that are payable by Borrower to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lender in exercising its remedies under such Contract, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of

Section 7 hereof. The exercise of any such remedies in respect of any such Event of Default shall not relieve Borrower of any other liabilities under any other Contract or the Equipment listed therein, and (c) Lender may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under such Contract or as a secured party in any or all of the Equipment. Any net proceeds from the exercise of any remedy under a Contract (after deducting all costs and expenses referenced in the Section) shall be applied as follows: (i) if such remedy is exercised solely with respect to a single Contract, Equipment listed in such Contract or rights thereunder, then to amounts due pursuant to such Contract and other amounts related to such Contract or such Equipment; or (ii) if such remedy is exercised with respect to more than one Contract, Equipment listed in more than one Contract or rights under more than one Contract, then to amounts due pursuant to such Contracts pro-rata

26. **No Remedy Exclusive.** No remedy herein conferred upon or reserved to Lender is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under a Contract now or hereafter existing at law or in equity.

27. **Notices.** All notices or other communications under any Contract shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties hereto at the addresses listed below (or at such other address as either party hereto shall designate in writing to the other for notices to such party), or to any assignee at its address as it appears on the registration books maintained by Borrower.

28. **Release and Indemnification.** To the extent permitted by State law, and subject to Section 7, Borrower shall indemnify, release, protect, hold harmless, save and keep harmless Lender from and against any and all liability, obligation, loss, claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, attorney's fees and expenses, penalties connected therewith imposed on interest received) arising out of or as result of (a) entering into any Contract, (b) the ownership of any item of Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant or any material representation contained in a Contract. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under all Contracts or the termination of the Contract Term under all Contracts for any reason.

29. **Miscellaneous Provisions.** Each Contract shall inure to the benefit of and shall be binding upon Lender and Borrower and their respective successors and assigns. References herein to "Lender" shall be deemed to include each of its assignees and subsequent assignees from and after the effective date of each assignment as permitted by Section 23. In the event any provision of any Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof. Each Contract may be amended by mutual written consent of Lender and Borrower. Each Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The captions or headings in this Agreement and in each Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement or any Contract. This Agreement and each Contract shall be governed by and construed in accordance with the laws of the State.

30. **Waiver of Jury Trial.** Borrower expressly waives any and all right to a jury trial in any dispute regarding or arising out of this Agreement.

IN WITNESS WHEREOF, Lender and Borrower have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

(LENDER)
DaimlerChrysler Services North America LLC
17767 North Perimeter Drive - Suite 101
Scottsdale, AZ 85255

(BORROWER)
Bullock Pen Water District
P.O. Box 188
Crittenden, KY 41030

By _____
Name _____
Title _____

By William R. Catlett
Name William R. Catlett
Title Superintendent

EXHIBIT A

SCHEDULE OF PROPERTY NO. 1

RE: MASTER INSTALLMENT PURCHASE AGREEMENT entered into as of October 17, 2005, ("Agreement"), between DaimlerChrysler Services North America LLC ("Lender") and Bullock Pen Water District ("Borrower"). All terms used and not otherwise defined herein have the meanings ascribed to them in the Agreement.

The following items of Equipment are hereby included under this Schedule to the Agreement.

Ninety five percent of the financing costs are being used to acquire assets that will be capitalized.

<u>DESCRIPTION OF EQUIPMENT</u>			
<u>Quantity</u>	<u>Description</u>	<u>Model No.</u>	<u>Serial No.</u>
1	2006 Freightliner Truck	M2106	1FVACXDJ16HW25500

Borrower hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the Commencement Date of Installment Payments under this Schedule. **The terms and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.**

Borrower hereby designates the Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by Borrower and all subordinate entities thereof during the calendar year in which the Schedule is executed is not reasonably expected to exceed \$10,000,000. Borrower and all subordinate entities thereof will not issue in excess of \$10,000,000 of tax-exempt obligations (including the Schedule but excluding private activity bonds other than qualified 501(c)(3) bonds) during the calendar year in which this Schedule is executed without first obtaining an opinion of nationally recognized counsel acceptable to Lender that the designation of the Schedule as a "qualified tax-exempt obligation" will not be adversely affected. The aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued or to be issued by Borrower and all subordinate entities thereof during the calendar year in which this Schedule is executed is not reasonably expected to exceed \$5,000,000. Borrower and all subordinate entities thereof will not issue in excess of \$5,000,000 of tax-exempt obligations (including the Schedule but excluding private activity bonds) during the calendar year in which this Schedule is executed without first obtaining an opinion of nationally recognized counsel acceptable to Lender that the excludability of the interest under the Schedule from gross income for federal income tax purposes will not be adversely affected.

Dated: October 17, 2005

Borrower: Bullock Pen Water District

Lender: DaimlerChrysler Services North America LLC

By: William R. Catlett

By: _____

Name: William R. Catlett

Name: _____

Title: Superintendent

Title: _____

Date: 10-12-05

Date: _____

EXHIBIT A-1

INSTALLMENT PAYMENT SCHEDULE

Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
	10/17/2005					\$64,371.00
1	11/17/2005	\$1,212.99	\$264.99	\$948.00	\$64,691.46	\$63,423.00
2	12/17/2005	\$1,212.99	\$261.09	\$951.90	\$63,720.52	\$62,471.10
3	1/17/2006	\$1,212.99	\$257.17	\$955.82	\$62,745.59	\$61,515.28
4	2/17/2006	\$1,212.99	\$253.24	\$959.75	\$61,766.64	\$60,555.53
5	3/17/2006	\$1,212.99	\$249.29	\$963.70	\$60,783.66	\$59,591.83
6	4/17/2006	\$1,212.99	\$245.32	\$967.67	\$59,796.64	\$58,624.15
7	5/17/2006	\$1,212.99	\$241.34	\$971.66	\$58,805.55	\$57,652.50
8	6/17/2006	\$1,212.99	\$237.34	\$975.66	\$57,810.38	\$56,676.84
9	7/17/2006	\$1,212.99	\$233.32	\$979.67	\$56,811.11	\$55,697.17
10	8/17/2006	\$1,212.99	\$229.29	\$983.70	\$55,807.74	\$54,713.47
11	9/17/2006	\$1,212.99	\$225.24	\$987.75	\$54,800.23	\$53,725.71
12	10/17/2006	\$1,212.99	\$221.17	\$991.82	\$53,788.57	\$52,733.89
13	11/17/2006	\$1,212.99	\$217.09	\$995.90	\$52,772.75	\$51,737.99
14	12/17/2006	\$1,212.99	\$212.99	\$1,000.00	\$51,752.74	\$50,737.98
15	1/17/2007	\$1,212.99	\$208.87	\$1,004.12	\$50,728.54	\$49,733.86
16	2/17/2007	\$1,212.99	\$204.74	\$1,008.25	\$49,700.12	\$48,725.61
17	3/17/2007	\$1,212.99	\$200.59	\$1,012.40	\$48,667.47	\$47,713.21
18	4/17/2007	\$1,212.99	\$196.42	\$1,016.57	\$47,630.57	\$46,696.63
19	5/17/2007	\$1,212.99	\$192.23	\$1,020.76	\$46,589.39	\$45,675.88
20	6/17/2007	\$1,212.99	\$188.03	\$1,024.96	\$45,543.94	\$44,650.92
21	7/17/2007	\$1,212.99	\$183.81	\$1,029.18	\$44,494.17	\$43,621.74
22	8/17/2007	\$1,212.99	\$179.58	\$1,033.42	\$43,440.09	\$42,588.32
23	9/17/2007	\$1,212.99	\$175.32	\$1,037.67	\$42,381.67	\$41,550.65
24	10/17/2007	\$1,212.99	\$171.05	\$1,041.94	\$41,318.89	\$40,508.71
25	11/17/2007	\$1,212.99	\$166.76	\$1,046.23	\$40,251.73	\$39,462.48
26	12/17/2007	\$1,212.99	\$162.45	\$1,050.54	\$39,180.18	\$38,411.94
27	1/17/2008	\$1,212.99	\$158.13	\$1,054.86	\$38,104.22	\$37,357.08
28	2/17/2008	\$1,212.99	\$153.79	\$1,059.20	\$37,023.83	\$36,297.88
29	3/17/2008	\$1,212.99	\$149.43	\$1,063.57	\$35,939.00	\$35,234.31
30	4/17/2008	\$1,212.99	\$145.05	\$1,067.94	\$34,849.70	\$34,166.37
31	5/17/2008	\$1,212.99	\$140.65	\$1,072.34	\$33,755.91	\$33,094.03
32	6/17/2008	\$1,212.99	\$136.24	\$1,076.75	\$32,657.62	\$32,017.27
33	7/17/2008	\$1,212.99	\$131.80	\$1,081.19	\$31,554.81	\$30,936.09
34	8/17/2008	\$1,212.99	\$127.35	\$1,085.64	\$30,447.46	\$29,850.45
35	9/17/2008	\$1,212.99	\$122.88	\$1,090.11	\$29,335.55	\$28,760.34
36	10/17/2008	\$1,212.99	\$118.40	\$1,094.59	\$28,219.06	\$27,665.75
37	11/17/2008	\$1,212.99	\$113.89	\$1,099.10	\$27,097.98	\$26,566.65
38	12/17/2008	\$1,212.99	\$109.37	\$1,103.63	\$25,972.28	\$25,463.02
39	1/17/2009	\$1,212.99	\$104.82	\$1,108.17	\$24,841.95	\$24,354.85
40	2/17/2009	\$1,212.99	\$100.26	\$1,112.73	\$23,706.96	\$23,242.12
41	3/17/2009	\$1,212.99	\$95.68	\$1,117.31	\$22,567.31	\$22,124.81
42	4/17/2009	\$1,212.99	\$91.08	\$1,121.91	\$21,422.96	\$21,002.90
43	5/17/2009	\$1,212.99	\$86.46	\$1,126.53	\$20,273.90	\$19,876.37
44	6/17/2009	\$1,212.99	\$81.82	\$1,131.17	\$19,120.11	\$18,745.20
45	7/17/2009	\$1,212.99	\$77.17	\$1,135.82	\$17,961.57	\$17,609.38
46	8/17/2009	\$1,212.99	\$72.49	\$1,140.50	\$16,798.26	\$16,468.88
47	9/17/2009	\$1,212.99	\$67.80	\$1,145.19	\$15,630.16	\$15,323.68
48	10/17/2009	\$1,212.99	\$63.08	\$1,149.91	\$14,457.25	\$14,173.78

Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
49	11/17/2009	\$1,212.99	\$58.35	\$1,154.64	\$13,279.51	\$13,019.13
50	12/17/2009	\$1,212.99	\$53.60	\$1,159.40	\$12,096.93	\$11,859.74
51	1/17/2010	\$1,212.99	\$48.82	\$1,164.17	\$10,909.48	\$10,695.57
52	2/17/2010	\$1,212.99	\$44.03	\$1,168.96	\$9,717.14	\$9,526.61
53	3/17/2010	\$1,212.99	\$39.22	\$1,173.77	\$8,519.89	\$8,352.83
54	4/17/2010	\$1,212.99	\$34.39	\$1,178.61	\$7,317.71	\$7,174.23
55	5/17/2010	\$1,212.99	\$29.53	\$1,183.46	\$6,110.58	\$5,990.77
56	6/17/2010	\$1,212.99	\$24.66	\$1,188.33	\$4,898.49	\$4,802.44
57	7/17/2010	\$1,212.99	\$19.77	\$1,193.22	\$3,681.40	\$3,609.22
58	8/17/2010	\$1,212.99	\$14.86	\$1,198.13	\$2,459.31	\$2,411.08
59	9/17/2010	\$1,212.99	\$9.93	\$1,203.07	\$1,232.18	\$1,208.02
60	10/17/2010	\$1,212.99	\$4.97	\$1,208.02	\$0.00	\$0.00
Totals:		\$72,779.49	\$8,408.49	\$64,371.00	Rate 4.940%	

COMMENCEMENT DATE: October 17, 2005

Bullock Pen Water District

By: William R. Pallett

Title: Superintendent

Date: 10-12-05

EXHIBIT B

FINAL ACCEPTANCE CERTIFICATE

Re: Schedule of Property No. 1, Dated October 17, 2005, to Master Installment Purchase Agreement, Dated as of October 17, 2005, between DaimlerChrysler Services North America LLC, as Lender, and Bullock Pen Water District, as Borrower.

In accordance with the Master Installment Purchase Agreement (the "Agreement"), the undersigned Borrower hereby certifies and represents to, and agrees with Lender as follows:

- (1) All of the Equipment (as such term is defined in the Agreement) listed in the above-referenced Schedule of Property (the "Schedule") has been delivered, installed and accepted on the Date hereof.
- (2) Borrower has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
- (3) Borrower is currently maintaining the insurance coverage required by Section 17 of the Agreement.
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the Date hereof.

BORROWER
Bullock Pen Water District

By: William R. Balliet

Title: Superintendent

Acceptance Date: 10-12-05

EXHIBIT D

ACCEPTANCE OF INSTALLMENT PAYMENT OBLIGATION

Re: Schedule of Property No. 1, Dated October 17, 2005 to Master Installment Purchase Agreement, Dated as of October 17, 2005 between DaimlerChrysler Services North America LLC, as Lender, and Bullock Pen Water District, as Borrower.

In accordance with the Master Installment Purchase Agreement (the "Agreement"), the undersigned hereby acknowledges and represents that:

All or a portion of the Equipment (as such term is defined in the Agreement) listed in the above-referenced Schedule of Property (the "Schedule") has not been delivered, installed, or available for use and has not been placed in service as of the Date hereof;

Borrower acknowledges that Lender has agreed to set aside funds in an amount sufficient to provide financing (to the extent requested by Borrower and agreed to by Lender) for the Equipment listed in the Schedule (the "Financed Amount");

The Financed Amount is set forth as the "Principal Component" of Installment Payments in the Installment Payment Schedule attached to the Schedule as Exhibit A-1 ("Exhibit A-1"); and

Borrower agrees to execute a Payment Request Form, attached to the Agreement as Exhibit B, authorizing payment of the Financed Amount, or a portion thereof, for each disbursement of funds.

NOTWITHSTANDING that all or a portion of the Equipment has not been delivered to, or accepted by, Borrower on the Date hereof, Borrower warrants that:

(a) Borrower's obligation to commence Installment Payments as set forth in Exhibit A-1 is absolute and unconditional as of the Commencement Date of the Schedule and on each Date set forth in Exhibit A-1 thereafter, subject to the terms and conditions of the Agreement;

(b) Immediately upon delivery and acceptance of all the Equipment, Borrower will notify Lender of Borrower's final acceptance of the Equipment by delivering to Lender a "Final Acceptance Certificate" in the form set forth as Exhibit B to the Agreement;

(c) In the event that any surplus amount remains from the funds set aside or an event of nonappropriation under the Agreement occurs, any amount then remaining shall be applied or distributed in accordance with Lender's standard servicing procedures, which includes, but is not limited to, application of the remaining amount to the next Installment Payment and other amounts due; and

(d) Regardless of whether Borrower delivers a Final Acceptance Certificate, Borrower shall be obligated to pay all Installment Payments (including principal and interest) as they become due as set forth in Exhibit A-1.

AGREED TO on October 17, 2005.

Bullock Pen Water District

By: William R. Catlett

Title: Superintendent

EXHIBIT “50”

Bullock Pen Water District
Case No. 2008-00170
Commission Staff's Third Information Request
Number 3

Bullock Pen was under the impression that the .20 Debt Service Coverage ("DSC") required by the revenue bonds applied to all long term debt. The Pro Forma Income Statement has been revised to use a DSC of 0.10x for the Phase VI Debt as well as all prior KIA debt and debt related to Capitalized Leases. The revised Pro Forma Income Statement is attached.

BULLOCK PEN WATER DISTRICT			
TEST YEAR INCOME AND EXPENSES			
Operating Income			
Water Sales	\$2,664,320		\$2,664,320
Unmetered Revenue	4,067		4,067
Bulk Sales	29,774		29,774
Penalties	60,196		60,196
Miscellaneous	26,139		26,139
Phase 6 Customers		71,935	71,935
Interest and Dividend	20,582		20,582
Total	\$2,805,078	\$71,935	\$2,877,013
Operating Expenses			
Salaries & Wages	\$741,478		\$741,478
Commissioners	14,000		14,000
Pensions and Benefits	425,739	-76,322	349,417
Purchased Water	870,317		870,317
Chemicals	67,587		67,587
Purchased Power	70,094		70,094
Materials & Supplies	101,680		101,680
Engineering	13,506		13,506
Accounting	38,862		38,862
Legal	17,349		17,349
Management Fees	2,679		2,679
Testing	20,555		20,555
Contractual - Other	53,923		53,923
Rental	4,075		4,075
Equipment Rental	7,538		7,538
Transportation	46,973		46,973
Insurance - Vehicles	10,073	-5,614	4,459
General Liability	16,321	-1,695	14,626
Workers Comp.	20,876	-5,644	15,232
Other Insurance	6,739	-142	6,597
Advertising	167		167
Bad Debt	9,076		9,076
Interest on Customer Dep.	585		585
Miscellaneous	411		411
Amortization	15,455		15,455
Taxes Other Than Income	58,778		58,778
Depreciation	492,160		492,160
Debt Service - Bonds	288,796		288,796
.20 Coverage	57,759		57,759
Debt Service - KIA	173,200		173,200
.10 Coverage	17,320		17,320
Debt Service -Cap. Leases	263,376		263,376
.10 Coverage	26,338		26,338
Phase 6 Debt		154,447	154,447
.10 Coverage		15,445	15,445
Total Expenses	\$3,953,785	\$80,475	\$4,034,260

BULLOCK PEN WATER DISTRICT
Revised Debt Service Coverage Calculation
 January through December 2008

	Bonds	KIA	Capital Leases
427.3 · INTEREST ON LONG TERM DEBT			
427.301 · INTEREST ON FHA #1	30,500.00		
427.302 · INTEREST ON FHA #2	3,750.00		
427.321 · INTEREST ON KIA #1		3,868.40	
427.322 · INTEREST ON KIA #2		8,222.49	
427.331 · INTEREST ON DWSRF #1		10,677.18	
427.332 · INTEREST ON DWSRF #2		30,989.05	
427.341 · INTEREST ON KRW BPWD CONTRIB	15,808.40		
427.342 · INTEREST ON KRW SURCHARGE	17,407.40		
427.343 · INTEREST ON KRW REFINANCE FHA	19,262.93		
427.345 · INTEREST ON KRW TANK LOAN	14,258.58		
427.346 · INTEREST ON KRW-PHASE 7	2,857.70		
427.347 · INTEREST ON KRW PHASE 8	21,065.15		
427.348 · INTEREST ON KRW PHASE 10	11,886.03		
427.361 · INTEREST ON KACOLT #1			61,232.05
427.362 · INTEREST ON KACOLT #2			11,633.16
427.363 · INTEREST ON FORCHT BANK LOC			3,589.66
427.370 · INTEREST ON OLD NAT'L BANK #1			13,696.97
427.371 · INTEREST ON OLD NAT'L BANK #2			2,794.10
427.372 · INT ON CHRYSLER LEASE			1,583.86
Total 427.3 · INTEREST ON LONG TERM DEBT	136,796.19	53,757.12	94,529.80
PRINCIPAL PAYMENTS ON LONG-TERM DEBT			
PRINCIPAL ON FHA #1	49,000.00		
PRINCIPAL ON FHA #2	4,000.00		
PRINCIPAL ON KIA #1		25,000.00	
PRINCIPAL ON KIA #2		30,000.00	
PRINCIPAL ON DWSRF #1		14,445.83	
PRINCIPAL ON DWSRF #2		49,997.52	
PRINCIPAL ON KRW BPWD CONTRIB	10,000.00		
PRINCIPAL ON KRW SURCHARGE	10,000.00		
PRINCIPAL ON KRW REFINANCE FHA	26,000.00		
PRINCIPAL ON KRW TANK LOAN	27,000.00		
PRINCIPAL ON KRW-PHASE 7	6,000.00		
PRINCIPAL ON KRW PHASE 8	13,000.00		
PRINCIPAL ON KRW PHASE 10	7,000.00		
PRINCIPAL ON KACOLT #1			61,000.00
PRINCIPAL ON KACOLT #2			17,000.00
PRINCIPAL ON FORCHT BANK LOC			0.00
PRINCIPAL ON OLD NAT'L BANK #1			50,782.59
PRINCIPAL ON OLD NAT'L BANK #2			27,114.34
PRINCIPAL ON CHRYSLER LEASE			12,948.92
TOTAL PRINCIPAL ON LONG TERM DEBT	152,000.00	119,443.35	168,845.85
TOTAL DEBT SERVICE	288,796.19	173,200.47	263,375.65
DEBT SERVICE COVERAGE	0.20	0.10	0.10
DEBT SERVICE COVERAGE	57,759.24	17,320.05	26,337.57

EXHIBIT “51”

**Bullock Pen Water District
Amortization of Original Issue Discount
12/31/08**

	1991 Bonds KIA #1	1993 Bonds KIA #2	2002 Bonds Phase V	2002 Bonds Refinance FHA	2002 Reissue Bonds KIA #1	2002 Reissue Bonds KIA #2	2003 Bonds Dry Ridge Tank	2004 Bonds Phase 7	2005 Bonds Phase 10	2005 Bonds Phase 8	Totals
Date of Issuance	8/29/1991	4/7/1993	5/15/2002	7/31/2002	12/1/2002	12/1/2002	7/29/2003	10/19/2004	10/19/2005	10/19/2005	
Date of Maturity	6/1/2011	6/1/2013	1/1/2027	1/1/2021	6/1/2011	6/1/2013	1/1/2018	2/1/2019	2/1/2031	2/1/2031	
Cost of Issuance	7,374.45	13,356.27	25,961.58	27,738.44	8,485.47	17,288.89	5,600.00	4,444.64	6,358.23	11,271.19	
Bond Rounding	0.00	0.00	0.00	0.00	-363.75	-741.14	42.84	4.69	0.00	0.00	
Bond Premium	0.00	0.00	-2,154.00	0.00	0.00	0.00	-768.57	-768.57	-128.11	-216.86	
Bond Discount	0.00	0.00	0.00	1,465.00	0.00	10,157.16	10,157.16	704.24	4,111.72	7,287.68	
Amt to Amortize	<u>7,374.45</u>	<u>13,356.27</u>	<u>23,807.58</u>	<u>29,203.44</u>	<u>8,121.72</u>	<u>16,547.75</u>	<u>15,800.00</u>	<u>4,385.00</u>	<u>10,341.84</u>	<u>18,342.01</u>	
Life of Bond Issue	20 Yrs + 3 Mo	20 Yrs + 2 Mo	24 Yrs + 7.5 Mo	18 Yrs + 5 Mo	8 Yrs + 6 Mo	10 Yr + 6 Mo	14 Yr + 5 Mo	14 Yr + 4 Mo	25 Yr + 4 Mo	25 Yr + 4 Mo	
Total Months O/S	237	242	295.5	221	102	126	173	172	304	304	
Annual Amortization	<u>373.39</u>	<u>662.29</u>	<u>966.81</u>	<u>1,585.71</u>	<u>955.50</u>	<u>1,575.98</u>	<u>1,095.95</u>	<u>305.93</u>	<u>408.24</u>	<u>724.08</u>	<u>8,653.87</u>
2008 Amortization	<u>373.39</u>	<u>662.29</u>	<u>966.81</u>	<u>1,585.71</u>	<u>955.50</u>	<u>1,575.98</u>	<u>1,095.95</u>	<u>305.93</u>	<u>408.24</u>	<u>724.08</u>	<u>8,653.87</u>
Balance 1/1/08	1,275.76	3,587.45	18,369.28	20,614.18	3,264.60	8,536.52	10,959.55	3,390.75	9,423.30	16,712.83	96,134.22
Plus 2008 Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less 2008 Amort	<u>373.39</u>	<u>662.29</u>	<u>966.81</u>	<u>1,585.71</u>	<u>955.50</u>	<u>1,575.98</u>	<u>1,095.95</u>	<u>305.93</u>	<u>408.24</u>	<u>724.08</u>	<u>8,653.87</u>
Balance 12/31/08	<u>902.37</u>	<u>2,925.16</u>	<u>17,402.47</u>	<u>19,028.47</u>	<u>2,309.10</u>	<u>6,960.54</u>	<u>9,863.60</u>	<u>3,084.82</u>	<u>9,015.06</u>	<u>15,988.75</u>	<u>87,480.35</u>
Current Portion	373.39	662.29	966.81	1,585.71	955.50	1,575.98	1,095.95	305.93	408.24	724.08	8,653.87
Long Term Portion	528.98	2,262.86	16,435.67	17,442.77	1,353.61	5,384.57	8,767.64	2,778.89	8,606.82	15,264.67	78,826.47

Bullock Pen Water District
Case No. 2008-00170
Commission Staff's Third Information Request
Number 5a

The Chrysler Lease is a Capitalized Lease and the payments should be included just as we have included the 2 leases from the Kentucky Association of Counties Leasing Trust and the 2 leases through Old National Bank.

The interest on customer deposits and the amortization of debt expense should not have been included. The Proforma Income Statement has been revised to include a separate expense category for Interest on Customer Deposits and the amortization of debt discount has been added to the amount already listed as Amortization. The revised Pro Forma Income Statement is attached.

BULLOCK PEN WATER DISTRICT			
TEST YEAR INCOME AND EXPENSES			
Operating Income			
Water Sales	\$2,664,320		\$2,664,320
Unmetered Revenue	4,067		4,067
Bulk Sales	29,774		29,774
Penalties	60,196		60,196
Miscellaneous	26,139		26,139
Phase 6 Customers		71,935	71,935
Interest and Dividend	20,582		20,582
Total	\$2,805,078	\$71,935	\$2,877,013
Operating Expenses			
Salaries & Wages	\$741,478		\$741,478
Commissioners	14,000		14,000
Pensions and Benefits	425,739	-76,322	349,417
Purchased Water	870,317		870,317
Chemicals	67,587		67,587
Purchased Power	70,094		70,094
Materials & Supplies	101,680		101,680
Engineering	13,506		13,506
Accounting	38,862		38,862
Legal	17,349		17,349
Management Fees	2,679		2,679
Testing	20,555		20,555
Contractual - Other	53,923		53,923
Rental	4,075		4,075
Equipment Rental	7,538		7,538
Transportation	46,973		46,973
Insurance - Vehicles	10,073	-5,614	4,459
General Liability	16,321	-1,695	14,626
Workers Comp.	20,876	-5,644	15,232
Other Insurance	6,739	-142	6,597
Advertising	167		167
Bad Debt	9,076		9,076
Interest on Customer Dep.	585		585
Miscellaneous	411		411
Amortization	15,455		15,455
Taxes Other Than Income	58,778		58,778
Depreciation	492,160		492,160
Debt Service - Bonds	288,796		288,796
.20 Coverage	57,759		57,759
Debt Service - KIA	173,200		173,200
.10 Coverage	17,320		17,320
Debt Service -Cap. Leases	263,376		263,376
.10 Coverage	26,338		26,338
Phase 6 Debt		154,447	154,447
.10 Coverage		15,445	15,445
Total Expenses	\$3,953,785	\$80,475	\$4,034,260

EXHIBIT “52”

**MINUTES OF THE
BULLOCK PEN WATER DISTRICT
OCTOBER 29, 2008 MEETING**

The October 29, 2008 meeting of the Bullock Pen Water District was called to order at the hour of 5:00 p.m. Present at the meeting were Chairman Bobby Burgess, Superintendent William R. Catlett, Assistant Superintendent William L. Catlett, Secretary Jimmie King, Commissioners Billy Frank Simpson, Charles Givin and Andrea Walton, Engineer Kerry Odle, interim Office Manager Gail Bowling and Attorney Thomas R. Nienaber.

The first order of business was an update by Bobby Burgess on the status of Paula Massie's condition. Chairman Burgess stated that he had spoken with Paula Massie. They had discussed disability status and eligibility to receive disability benefits. Paula Massie had requested Chairman Burgess that the District give her a date for the last day of work. Commissioner Givin indicated that a last date of work for disability purposes could be set at October 31, 2008. All of the Commissioners wanted to reassure Ms. Massie that when she recovers and if she desires to come back to the District, the District would surely consider bringing her back at that time. All of the Commissioners and employees of the District wanted to reassure Ms. Massie that they are behind her 100% and that everyone appreciates the outstanding job that she has performed for the District over the last 22 years. Chairman Burgess indicated that Paula Massie should also investigate the issue of retirement for purposes of securing better benefits as well as continued health insurance. Superintendent Catlett indicated that he had been investigating the issue of retirement over the past few months and he explained some of the various options that are available under the CERS Retirement Plan offered to employees under the State of Kentucky retirement program. Chairman Burgess being a Kentucky Employee Retiree explained some of the various options as well. A considerable discussion was held regarding the status of Paula Massie. After discussion, upon motion of Chuck Givin and second by Andrea Walton, it was unanimously,

"RESOLVED: that Paula Massie's last date of work at the District for disability purposes would be October 31, 2008. At that time, Paula Massie would be removed from the payroll status."

The next order of business was a discussion of availability of health care insurance for Paula Massie. Commissioner Givin indicated that perhaps Paula Massie, if she needs continued health care insurance from the same carrier, could be offered same through a COBRA Plan. Superintendent Catlett believed that Paula Massie would probably be able to receive Medicare and other insurance through her disability plan. Chairman Burgess suggested that the District offer to Paula Massie, if she so desires, a COBRA Plan to the extent that it would be available under her disability and/or retirement election. After discussion, upon motion of Charles Givin and second by Andrea Walton, it was unanimously,

"RESOLVED: that the District offer to Paula Massie a COBRA health insurance plan option through the District to the extent that it is permissible and available to her under her disability and/or retirement election. IT WAS FURTHER RESOLVED: that the

MINUTES
OCTOBER 29, 2008 MEETING
(PAGE 2)

cost of the COBRA Plan, if Paula Massie should elect to participate, would be paid by the District if permissible and to the extent that it is available consistent with her disability and/or retirement election."

The next order of business was a handout by Gail Bowling regarding the Kenton-Campbell 2020 Water Management Plan Council Meeting scheduled for November 3, 2008. Chairman Burgess indicated that any Commissioner who wanted to attend may elect to do so.

The next order of business was a discussion of Superintendent Catlett's planned retirement. Superintendent Catlett reported that it is his intention to retire in the future but he would stay as long as the District needs him in the absence of Paula Massie. Chairman Burgess and Commissioner Givin both reflected on Superintendent Catlett's planned retirement and who would fill that position. Everyone at the District acknowledged that Assistant Superintendent Catlett is more than qualified to fill that position when Superintendent Catlett does decide to retire. Superintendent Catlett reported that he was planning to take a day and schedule an appointment with the Kentucky Retirement Office in Frankfort to discuss his various retirement options. Superintendent Catlett indicated that he would schedule such a meeting prior to the next scheduled District meeting of November 20, 2008. A full report will be given at that time.

Gail Bowling reported the District is short on operating funds at this time and would need to transfer some funds from the existing Grant County Deposit Bank Money Market Account to the general operating account. Gail Bowling reported that there is currently \$104,000.00 (+/-) in that Money Market Account. She would request that up to \$60,000.00 be transferred over to the operating account. After discussion, upon motion of Chuck Givin and second by Jimmie King, it was unanimously,

"RESOLVED: that Gail Bowling be and she is hereby authorized to transfer up to \$60,000.00 in funds from the Grant County Deposit Bank Money Market Account to the general operating account."

The next order of business was a discussion of signature authority for the District in light of Paula Massie's disability status and Superintendent Catlett's upcoming retirement. Charles Givin indicated that the District should, at a minimum, change signature cards on the daily operating account as soon as possible. Gail Bowling reported that the District currently has approximately 15 different bank accounts. The multiple separate accounts are required, in part, since the District has several outstanding surcharge and sinking fund accounts for the various project phases. Gail Bowling suggested that the signature authority on those separate accounts be coordinated with District

MINUTES
OCTOBER 29, 2008 MEETING
(PAGE 3)

personnel. Charles Givin recommended to the full Board that the authorized signatures on the accounts should be limited to Assistant Superintendent William L Catlett, Gail Bowling, Jimmie King and Charles Givin. After discussion, upon motion of Andrea Walton and second by Billy Frank Simpson, it was unanimously,

"RESOLVED: that Gail Bowling begin the process of obtaining the various paperwork to establish signature authority on all bank accounts held by the District, including bank accounts at the Bank of Kentucky; Forcht Bank; Grant County Deposit Bank; and Integra Bank. IT IS FURTHER RESOLVED: that the authorized signatures on the aforementioned bank accounts shall be limited to Assistant Superintendent William L. Catlett; Gail Bowling, Jimmie King and Charles Givin. BE IT FURTHER RESOLVED: that Gail Bowling is hereby authorized to secure from the appropriate banks any and all additional documentation necessary to confirm the authorized signatures on those accounts and present same at the next meeting for finalization."

The next order of business was a discussion of a replacement for Paula Massie's position. The Commissioners discussed a possible restructuring of the various office management responsibilities at the District. Commissioner Givin and Chairman Burgess recommended that the various management authorities within the District be redistributed and that job responsibilities be allocated between Assistant Superintendent Catlett (who will be assuming some of Superintendent Catlett's responsibilities upon retirement) and other District personnel, including Paula Massie's replacement. Commissioner Givin and Commissioner Walton recommended that the restructuring of management responsibilities within the District be structured so that if a key employee were to retire or leave the duties and responsibilities of that individual could be covered, at least in part, by remaining management personnel. Commissioner Givin envisions an office manager performing the day-to-day operations with a second person in the District's office handling accounting, personnel and human resource issues such as payroll, personnel, insurance, finances, working with accountants and auditors, PSC reporting and treatment plant paperwork. Gail Bowling reported that in Paula's recent absence she turned over various responsibilities to District employees within the office. Gail reported that everyone is doing a great job in filling the void while Paula has been sick. Relative to the replacement of Paula Massie, there was a difference of opinion between the Commissioners as to whether or not a job description should be prepared and then an employee search initiated. Commissioner Walton suggested that the District immediately begin advertising for a replacement for Paula Massie. Commissioner Walton envisions this replacement employee to have a significant background in accounting with a minimum five year experience. It was also recommended that this employee have some experience in human resource activities as well as personnel management. Commissioner Walton and Givin had discussed prior to the meeting a

MINUTES
OCTOBER 29, 2008 MEETING
(PAGE 4)

job title. It was their recommendation that the new employee be classified as a "Director of Personnel and Financial Operations". Counsel Nienaber recommended that a search committee be formed to begin the process of obtaining Resumes, formulating a job description and the like. After discussion, it was agreed that a search committee for the job replacement consist of Andrea Walton and Gail Bowling. Andrea Walton indicated that she would prepare a format outlining the basic responsibilities and qualifications for this new position and present it at the next meeting. Commissioner Walton also indicated that she would begin preparing an advertisement which could be placed in newspapers and sent to various entities seeking a candidate for this position. Commissioner Walton indicated this would be presented at the November 20, 2008 meeting. The Commissioners then discussed the possible salary for this employee. While everyone acknowledged that it would be difficult at this time to specifically identify a salary for this new position, it was generally agreed that the salary range should be in the \$35,000.00 to \$55,000.00 range. More specifics on that issue would be discussed by the Commissioners at the next meeting after the search committee is able to better identify the job qualifications and responsibilities.

The next order of business was a report by Gail Bowling indicating that she needed a part-time employee to assist in Paula Massie's absence. Gail Bowling indicated that she had asked Katsia Baird, already a part-time employee, to work every week, preferably three days a week. Ms. Baird indicated this would be possible but sometime in the near future there were health issues she would need to address that may require surgery. There was a concern by Ms. Bowling that she would be without this help for several weeks and at this time it would be a real strain on all the office employees. Chairman Burgess indicated that if Gail Bowling needs a replacement for Katsia Baird or someone to supplement her hours, Gail Bowling had full authority to do so on an interim basis.

The next order of business was the discussion of going into Executive Session to discuss salary and personnel issues. Chairman Burgess reported that the District needed to review various personnel matters and discuss salary increases for the upcoming year. After discussion, upon motion of Chuck Givin and second by Billy Frank Simpson, it was unanimously

"RESOLVED: that the regular session of the Bullock Pen Water District end and that the District go into Executive Session for the limited purpose of discussing salary and personnel issues."

An Executive Session was held for approximately 2 hours to discuss salary and personnel issues. Thereupon, upon motion of Andrea Walton and second by Billy Frank Simpson, it was unanimously,

MINUTES
OCTOBER 29, 2008 MEETING
(PAGE 5)

"RESOLVED: that the District conclude its Executive Session and reconvene the regular meeting. The record should reflect there was no action taken during Executive Session."

Upon reconvening the regular meeting of the Bullock Pen Water District, upon motion of Chuck Givin and second by Billy Frank Simpson, it was unanimously,

"RESOLVED: that salaries for employees of the Bullock Pen Water District remain the same for the year 2009, except for employees, Becky Miller, Joshua Workman, Paul E. Harp, Suzanne Epperson, Dianne Cook, Amy Johnson and Katsia Baird whose salaries shall be raised as per the attached list."

The next order of business was a report by the Health Insurance Committee. Commissioners Givin and Walton stated that they had met two health care insurance representatives earlier in the day to discuss various options with health care coverage. Everyone at the District realizes that the cost of health care insurance is "out of hand" and that changes need to be made with respect to the manner in which health care insurance is provided by the District for its employees. Commissioners Walton and Givin indicated that they met with two representatives, one from the existing health care insurance providers and a second from the Chas H. Bilz Agency. Different options were explored regarding health care coverage, including the establishment of healthcare reimbursement accounts. Commissioner Givin briefly explained these accounts as they can provide a substantial reduction in monthly premiums for the District. Commissioners Givin and Walton reported that they did not have any specific premium quotes at this time. The Committee was informed by the two presenters at the meeting earlier in the day that additional information and price quotes would be available for presentation to the full Board at the next meeting. Commissioners Walton and Givin did indicate that the current health care provider reported that the projected increase in health care cost for the upcoming year will be approximately 15%.

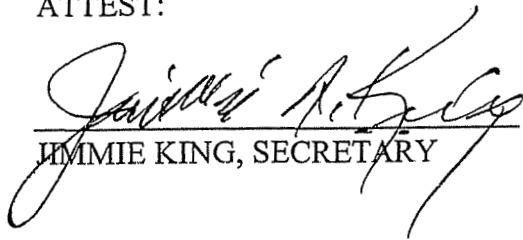
There being no further business to conduct before the meeting, upon motion and second, the meeting was adjourned.

BULLOCK PEN WATER DISTRICT

BY: 
BOBBY BURGESS, CHAIRMAN

MINUTES
OCTOBER 29, 2008 MEETING
(PAGE 6)

ATTEST:


JIMMIE KING, SECRETARY

BULLOCK PEN WATER DISTRICT
SALARY INCREASE FOR 2009

	2008	Increase		2009
1. Becky Miller-	\$12.99	.50		\$13.49
2. Joshua Workman-	\$13.75	.50		\$13.75
3. Paul E. Harp-	\$ 9.00	1.00		\$10.00
4. Suzanne Epperson	\$ 15.91	.16	1%	\$ 16.07
5. Dianne Cook	\$18.34	.18	1%	\$ 18.52
6. Amy Johnson	\$ 12.22	1.00		\$ 13.22
7. Katsia Beard	\$ 9.89	.11		\$10.00
8. Gail Bowling	\$ 56,530.57			\$63,866.43 yearly (Office Manager)

EXHIBIT “53”

COMMISSION STAFF'S THIRD INFORMATION REQUEST

ITEM # 7 - Response

ITEM #	INV #	INV DATE	SERVICES PERIOD	INVOICE AMOUNT	SERVICE DATE	HOURS INVOICED	EXPLANATION
1	80204	2/7/2008	1/1-1/25/08	453.84	1/17	2.7	Odle - Preparation and attending monthly meeting
					1/18	0.3	Odle - Provide information for rate study
					1/21	0.1	Odle - Provide information for rate study
2	80321	3/4/2008	1/26-2/22/08	688.08	1/28	0.8	Odle-Provide information to District on location of Cleek Lane Fire hydrant related to property line
					1/30	0.1	Odle-Provide information for rate study
					1/30	0.3	Odle-Info to accountant of replacement cost for Zion Station Rd
					2/18	0.1	Odle-Prepare for monthly meeting
					2/19	0.1	Odle-Prepare for monthly meeting
					2/20	0.1	Odle-Call on Sherman School master meter
3	80390	3/27/2008	2/23-3/21/08	1447.15	2/29	0.6	Odle-Attend monthly meeting
					2/29	0.6	Odle-Prepare submittal for future projects for federal funding
					2/29	0.3	Parker-Typed proposed project list for federal funding
					3/18	0.4	Odle-Copied and sent to District copy of as-built plans for Crittenden Pump Station
					3/19		Reproduction \$11.09- copy of as-built plans for Crittenden Pump Station
					3/19	0.3	Odle- Prepare future project info for legislators
					3/19	4.7	Odle-Attend NKADD Water Management Council
					3/19	0.7	Garner-Print plans for Crittenden Pump Station
					3/19		Travel - \$20.56 from Crittenden to NKADD office
					3/20	3.3	Odle-Prepare and attend monthly meeting
4	80614	4/30/2008	3/22-4/18/08	1016.13	4/10	0.1	Odle-Map for PSC
					4/10	0.5	Odle-Info submitted to Senator Thayer
					4/11	0.2	Odle-Review Boone Co. water purchase agreement
					4/15	0.5	Odle-Reviewed Capital Improvement Plan
					4/15	1.9	Odle-Reviewed and wrote letter on Boone Co. water purchase agreement
					4/15	0.1	Odle- Review Hwy 36 as-built to answer location question
					4/16	0.4	Parker-typed and mail letter to attorney on Boone Co water purchase agreement
					4/16		Postage \$.90 - mail letter to attorney and copy to District
					4/17	3.5	Odle-Preparation and attend monthly meeting
					5	80689	5/28/2009
4/29	2.0	Cox-Research & prepare response to FCC letter					
4/30	0.3	Cox-Meeting w/Odle & called Micro-Com on FCC letter					
5/1	0.2	Odle-Sherman School master meter					
5/1	0.1	Odle-FCC letter discussion w/Cox					
5/1	0.5	Cox-Call FCC on letter					
5/7	0.1	Odle-BP Lake information					
5/7	0.1	Odle-FCC letter info from Cox					
5/7	0.2	Cox-Information from Bill Catlett on Lake level drop & impact on raw water intake					
5/14	0.1	Odle-Prepare for monthly meeting					
6	80937	6/25/2008	5/17-6/13/08	819.04	5/15	4.3	Odle-monthly meeting
							Long distance telephone calls - \$4.91
					5/20	0.6	Odle-Sherman School master meter
					5/21	0.3	Odle-Sherman School master meter
					5/21	0.5	Cox-update District map to include Phase II
					5/21	1.0	Garner- Update District map
5/22	0.5	Garner- Update District map					
6/4	0.1	Odle- PSC rate increase info					
6/6	0.3	Odle-Crittenden/Mt. Zion Rd. fire hydrant info to District					

					6/12	1.8	Odle-Sherman School master meter
					6/12	1.5	Garner-Draw detail for Sherman School master meter
					6/13	0.5	Odle-Sherman School master meter
					6/13	1.5	Garner-Draw detail for Sherman School master meter
7	81040	7/22/2008	6/14-7/11/08	1214.73	6/16	0.9	Odle-Sherman School master meter
					6/17	0.1	Odle-Sherman School master meter
					6/19	3.7	Odle-Preparation and attend monthly meeting
					6/26	3.2	Odle-Attend NKADD Water Management Council
					6/26		Travel \$28.99 to NKADD
					7/2	0.1	Odle-PSC application
					7/6	0.1	Odle-PSC application
8	81107	8/18/2008	7/12-8/8/08	1962.74	7/17	0.3	Odle-Review Boone Co Water District water purchase agreement
					7/17	3.7	Odle-Preparation and attend monthly meeting
					7/23	0.1	Odle-Info on Rogers Rd & Carter Chapel connection
					7/25	0.2	Odle-Talked with NKWD about possible Carter Chapel connection
					7/28	0.3	Odle-PSC rate application
					7/28	0.1	Odle-Send copies of standard specs to BPWD
					7/28	0.1	Parker-Copy BPWD standard specs
					7/28	0.5	Odle-Preparation for Boone Co. meeting
					7/29	5.7	Odle-Meeting on Boone Co. agreement and master meter
					7/29		Travel \$24.45 to Boone Co. meeting
					7/29	0.3	Garner-Plotting district map
					7/30	0.1	Odle- PSC application
					7/30	0.9	Boone Co. Water District master meter
					8/4	0.6	Odle-PSC application
					8/6	0.4	Odle-District map and other information to NKWD
					8/6	0.5	Garner-Prepared and plotted district map for NKWD
9	81312	9/19/2008	8/9-9/5/08	409.92	8/14	0.2	Odle-Information on Bullock Pen Lake
					8/14	0.1	Odle-PSC information to accountant
					8/21	2.5	Odle-Preparation and attend monthly meeting
10	81452	10/14/2008	9/6-10/3/08	570.96	9/11	0.6	Odle-Look at water line extension to Rogers Rd.
					9/17	0.1	Odle-Preparation for monthly meeting
					9/18	3.1	Odle-monthly meeting
					9/24	0.1	Odle-Call regarding Boone Co. water management connect
11	81598	11/10/2008	10/4-10/31/08	908.29	10/14	3.3	Odle-Preparation and attend monthly meeting
					10/15	0.1	Odle-Follow-up on monthly meeting
					10/23	1.3	Odle-Grant Co. project rankings
					10/27	1.3	Odle-Prepare summary list for project for Kenton Co. Water Mgmt. Council
					10/28	0.1	Odle-Phone calls to check status of Boone-Florence memo of agreement
12	81654	12/3/2008	11/1-11/28/08	785.86	11/13	1.5	Odle-NKADD Wtr. Mgmt Council
					11/13		Travel \$11.58 to NKADD Wtr Mgmt Council
					11/20	3.7	Odle-Preparation and attend monthly meeting
13	81814	1/9/2009	11/29-12/31/08	2901.17	12/3	1.2	Cox-Work on ISO report
					12/4	0.2	Odle-Provide info to accountant for yearly budget
					12/8	3.0	Cox-ISO Report
					12/9	7.3	Cox-ISO Report and hydraulics
					12/10	3.9	Cox-ISO Report
					12/11	1.0	Cox-Maps for ISO Report
					12/15	0.5	Cox-ISO Report
					12/16	0.2	Odle-Talk to contractor on completed project about non-payment
					12/16	4.3	Cox-ISO Report & maps
					12/17	0.2	Odle-Get archived info for I-75 weigh station
					12/17	3.0	Cox-ISO Report & maps
					12/18	4.1	Odle-Preparation and attend monthly meeting
					12/18	2.2	Cox-Hydraulic Analysis for ISO Report
					12/19	0.5	Odle-I-75 weigh station info sent to contractor
					12/22	0.1	Odle-Review info from monthly meeting

EXHIBIT “54”

BPWL
01/01/08 - 12/31/08

Client	Trans Date	Tmkr	H P	Tcd	Stmt # Rate	Hours to Bill	Amount	Ref #
Client ID 458.00 BULLOCK PEN WATER DISTRICT								
458.00	01/05/2008		A	90			1556.25	Payment. Thank You;
458.00	01/16/2008	8 A	73		125.00	0.25	31.25	Receipt and process of memo from NKWD;
458.00	01/17/2008	8 A	8		125.00	2.50	312.50	Attend monthly meeting;
458.00	01/17/2008	8 A	3		125.00	0.25	31.25	Phone conference with Paula re agenda;
458.00	01/18/2008	8 A	8		125.00	1.25	156.25	Prepare minutes;
458.00	01/18/2008	8 A	8		125.00	0.50	62.50	Letter to Duke Energy re easement issue; Phone conference with Bill Jr.;
458.00	01/18/2008	8 A	3		125.00	0.25	31.25	Phone conference with Bill Jr. re Duke Energy;
458.00	01/21/2008	8 A	8		125.00	0.75	93.75	Review and revise minutes; Review and revise letter to Duke Energy;
458.00	01/21/2008	8 A	3		125.00	0.25	31.25	Phone conference with Bob Hall re status of gas easement situation;
458.00	01/21/2008	8 A	3		125.00	0.25	31.25	Phone conference with Bill Jr. re gas line status;
458.00	01/21/2008	8 A	3		125.00	0.50	62.50	Phone conference with Bill Jr. and letter to Bill Jr.
458.00	01/22/2008	8 A	8		125.00	0.25	31.25	Letter to Duke Energy and Bill Jr. re gas line issue;
458.00	01/24/2008	8 A	3		125.00	0.25	31.25	Phone conference with Dave Koenig re sale status with Boone County;
458.00	01/25/2008	8 A	3		125.00	0.25	31.25	Phone conference with Robert Hall re Duke Energy; Phone conference with Bill Jr.
458.00	01/29/2008	8 A	8		125.00	0.50	62.50	Letter to Kerry Odle re Phase 6 easements;
458.00	01/29/2008	8 A	3		125.00	0.25	31.25	Phone conference with Paula and Suzanne re meeting with Duke Energy;
458.00	01/29/2008	8 A	73		125.00	0.50	62.50	Receipt and process of RFQ for Phase 6 project; Review request;
458.00	01/30/2008	8 A	3		125.00	0.25	31.25	Phone conference with Bob Hall, Duke Energy and Bill Jr.
458.00	01/31/2008		A	90			1781.25	Payment. Thank You;
458.00	02/04/2008	8 A	3		125.00	0.25	31.25	Phone conference with Bill Jr. re Duke Energy;
458.00	02/04/2008	8 A	3		125.00	0.25	31.25	Phone conference with Bill re gas line and water line measurements;
458.00	02/04/2008	8 A	1		125.00	1.50	187.50	Office conference with Duke Energy and Bill Jr. re gas and water easement issues;
458.00	02/18/2008	8 A	3		125.00	0.25	31.25	Phone conference with Paula re meeting agenda items;
458.00	02/18/2008	8 A	8		125.00	1.25	156.25	Letter to Paula and Bobby re agenda items;
458.00	02/19/2008	8 A	8		125.00	0.75	93.75	Review and revise letter; Phone conference with Kerry Odle; Phone conference with Paul; Phone conference with Peggy Lamb;
458.00	02/19/2008	8 A	3		125.00	0.25	31.25	Phone conference with David Koenig re status of Agreement;
458.00	02/25/2008	8 A	3		125.00	0.25	31.25	Phone conference with Dave Koenig and Bill Jr. re water tower issues;
458.00	02/25/2008	8 A	3		125.00	0.25	31.25	Phone conference with Kerry Odle;
458.00	02/25/2008	8 A	8		125.00	1.00	125.00	Prepare minutes;
458.00	02/25/2008	8 A	8		125.00	0.50	62.50	Prepare annual audit letters;
458.00	02/25/2008	8 A	3		125.00	0.25	31.25	Phone conference with Gayle;
458.00	02/27/2008	8 A	8		125.00	0.50	62.50	Review and revise minutes; Memo to Paula;
458.00	03/19/2008	8 A	3		125.00	0.25	31.25	Phone conference with John Taster re water shut off;
458.00	03/19/2008	8 A	3		125.00	0.25	31.25	Phone conference with Paula re Jack Taster and meeting agenda;
458.00	03/20/2008	8 A	3		125.00	0.25	31.25	Phone conference with Dave Koenig re status of water purchase agreement;
458.00	03/20/2008	8 A	8		125.00	0.25	31.25	Prepare memo to file re water purchase agreement;
458.00	03/20/2008	8 A	3		125.00	0.25	31.25	Phone conference with Richard Harrison re Phase VI;
458.00	03/20/2008	8 A	8		125.00	3.50	437.50	Attend meeting;
458.00	03/21/2008	8 A	8		125.00	1.50	187.50	Prepare meeting minutes;
458.00	03/21/2008	8 A	8		125.00	0.75	93.75	Prepare Committee Minutes for Engineering Applications;
458.00	03/21/2008	8 A	3		125.00	0.25	31.25	Phone conference with Rick Harrison re scheduling of meeting;
458.00	03/24/2008	8 A	8		125.00	0.50	62.50	Review and revise minutes;
458.00	03/24/2008	8 A	6		125.00	0.50	62.50	Receipt and review of Engineering; Review Committee minutes;
458.00	03/25/2008	8 A	3		125.00	0.25	31.25	Phone conference with Richard Harrison to schedule meeting re Phase VI project;
458.00	03/27/2008		A	90			1375.00	Payment. Thank You;
458.00	03/28/2008	8 A	3		125.00	0.25	31.25	Phone conference with Kerry Odle re easements;
458.00	03/28/2008	1 A	3		125.00	0.25	31.25	Phone conference with Paula re public meeting;
458.00	04/01/2008	8 A	73		125.00	0.25	31.25	Receipt and process of fax; Phone conference with Paula; phone conference with Jeff Shipp's office;
458.00	04/02/2008	8 A	3		125.00	0.50	62.50	Phone conference with Bobby Kerry Odle office and Richard Harrison to schedule meeting; Phone conference with Paula; Letter to clients;
458.00	04/02/2008	8 A	3		125.00	1.25	156.25	Phone conference with P.S.C. Mr. Brent Kirtler re water supply agreement approval; Letter to NKWD and clients re status; Phone conference with Richard Harrison re P.S.C. comments;
458.00	04/02/2008	8 A	3		125.00	0.25	31.25	Phone conference with Jeff Shipp re City of Williamstown bill;
458.00	04/02/2008	8 A	3		125.00	0.25	31.25	Phone conference with Richard Harrison;
458.00	04/03/2008	8 A	3		125.00	0.25	31.25	Phone conference with Charles Bush at Kentucky Fish and Wildlife re easement signing and project status;
458.00	04/03/2008	8 A	3		125.00	0.25	31.25	Phone conference with Gayle and Bobby Burgess;
458.00	04/07/2008	8 A	3		125.00	0.25	31.25	Phone conference with Jeff Shipp re City of Williamstown and water bill;
458.00	04/09/2008	8 A	73		125.00	1.00	125.00	Receipt and process of memo from Dave Koenig re water purchase; Review amendment; Phone conference with Dave Koenig; Letter to Bobby Burgess and Kerry Odle; Office conference with Kerry Odle;
458.00	04/10/2008	8 A	3		125.00	0.25	31.25	Phone conference with Kerry Odle re P.S.C. request for map of district outside Grant County;
458.00	04/10/2008	8 A	3		125.00	0.25	31.25	Phone conference with Dave Koenig re water purchase

Client	Trans Date	Tmkr	H P	Tcd	Stmt # Rate	Hours to Bill	Amount	Ref #
Client ID 458.00 BULLOCK PEN WATER DISTRICT								
458.00	04/11/2008	8	A	3	125.00	0.25	31.25 agreement; Phone conference with Kerry Odle re storage capacity and Boone County Water Purchase Agreement;	ARCH
458.00	04/11/2008	8	A	8	125.00	2.75	343.75 Meeting with NKWD and representatives of BPWD at NKWD;	ARCH
458.00	04/14/2008	8	A	8	125.00	1.00	125.00 Prepare minutes of NKWD meeting;	ARCH
458.00	04/14/2008	8	A	73	125.00	0.75	93.75 Receipt and process of water supply agreement from P.S.C. letter to Bobby; Letter to Ron Lovan;	ARCH
458.00	04/15/2008	8	A	3	125.00	0.25	31.25 Phone conference with Kerry Odle re storage capacity in Boone County re water purchasde agreement;	ARCH
458.00	04/16/2008	8	A	8	125.00	0.25	31.25 Review final drafts of all correspondence; Mail out and e-mail;	ARCH
458.00	04/17/2008	8	A	8	125.00	0.50	62.50 Prepare files for meeting; Phone conference with P.S.C. ;	ARCH
458.00	04/17/2008	8	A	73	125.00	0.25	31.25 Receipt and process of memo from Kerry Odle re water storage capacity in Boone County;	ARCH
458.00	04/17/2008	8	A	8	125.00	2.50	312.50 Attend meeting;	ARCH
458.00	04/18/2008	8	A	3	125.00	0.25	31.25 Phone conference with Gayle re dates for public meeting;	ARCH
458.00	04/18/2008	8	A	8	125.00	1.25	156.25 Prepare minutes; Letter to Charles Bush;	ARCH
458.00	04/18/2008	8	A	3	125.00	0.50	62.50 Phone conference with Charles Bush;	ARCH
458.00	04/18/2008	8	A	8	125.00	0.25	31.25 Review and revise P.S.C. letter;	ARCH
458.00	04/18/2008	A		90			1781.25 Payment. Thank You;	ARCH
458.00	05/01/2008	8	A	3	125.00	0.50	62.50 Phone conference with Mr. Zalla; Letter to Bobby and Kerry re water pump station easement;	ARCH
458.00	05/02/2008	8	A	8	125.00	0.25	31.25 Review and revise Zalla letter;	ARCH
458.00	05/02/2008	8	A	3	125.00	0.25	31.25 Phone conference with Kerry re easement repair of driveway issue;	ARCH
458.00	05/05/2008	8	A	73	125.00	0.75	93.75 Receipt and process of revised Tariff; letter to Bobby Burgess; Review revised Tariff;	ARCH
458.00	05/09/2008	8	A	73	125.00	0.50	62.50 Receipt and process of modification agreement; Review; Phone conference with Paula;	ARCH
458.00	05/09/2008	8	A	8	125.00	0.50	62.50 Letter to Bobby re web site; Phone conference with Billy re web site;	ARCH
458.00	05/12/2008	8	A	72	125.00	0.25	31.25 Conference with Dave Koenig re status;	ARCH
458.00	05/12/2008	8	A	8	125.00	0.25	31.25 Review and revise correspondence, mail letter;	ARCH
458.00	05/13/2008	8	A	3	125.00	0.50	62.50 Phone conference with Kerry Odle re electric meter and pole; Discuss easement; Phone conference with Paula re web site; Phone conference with Paula;	ARCH
458.00	05/14/2008	8	A	8	125.00	0.50	62.50 Prepare files for monthly meeting;	ARCH
458.00	05/14/2008	8	A	3	125.00	0.25	31.25 Phone conference with Gayle re meeting agenda; Phone conference with Kerry re Zalla;	ARCH
458.00	05/15/2008	8	A	8	125.00	3.00	375.00 Attend meeting;	ARCH
458.00	05/16/2008	8	A	8	125.00	1.75	218.75 Prepare minutes; Phone conference with Bobby; Phone conference with office; Letter to Mr. Districts denial of bill abatement;	ARCH
458.00	05/16/2008	8	A	8	125.00	0.50	62.50 Review and revise minutes;	ARCH
458.00	05/23/2008	8	A	3	125.00	0.25	31.25 Phone conference with Greg Winholt re water bill;	ARCH
458.00	06/17/2008	3	A	3	50.00	0.75	37.50 Phone conference with Paula re agenda; Prepare files for meeting;	ARCH
458.00	06/19/2008	8	A	8	125.00	3.00	375.00 Attend monthly meeting;	ARCH
458.00	06/23/2008	8	A	8	125.00	1.25	156.25 Prepare minutes;	ARCH
458.00	06/23/2008	8	A	3	125.00	0.25	31.25 Phone conference with Kerry Odle;	ARCH
458.00	06/23/2008	8	A	3	125.00	0.25	31.25 Phone conference with Paula re insurance bids;	ARCH
458.00	06/23/2008	8	A	3	125.00	0.25	31.25 Phone conference with Jeff Shipp re City of Williamstown re refund of \$1,500.00;	ARCH
458.00	06/25/2008	8	A	3	125.00	0.25	31.25 Phone conference with Jeff Shipp re City of Williamstown;	ARCH
458.00	06/26/2008	8	A	3	125.00	0.50	62.50 Phone conference with Jeff Shipp; Letter to client re water quality issues;	ARCH
458.00	06/26/2008	A		90			2343.75 Payment. Thank You;	ARCH
458.00	06/30/2008	8	A	8	125.00	0.50	62.50 Review and revise minutes;	ARCH
458.00	07/01/2008	8	A	3	125.00	0.25	31.25 Phone conference with Kerry Odle and Dave Koenig re Boone County Water Department;	ARCH
458.00	07/03/2008	8	A	3	125.00	0.25	31.25 Phone conference with Dave Koenig;	ARCH
458.00	07/14/2008	8	A	3	125.00	0.75	93.75 Phone conference with Paula; Prepare insurance advertisement; Memo to Paula;	ARCH
458.00	07/14/2008	8	A	8	125.00	0.50	62.50 Revise bid advertisement; Phone conference with Paula;	ARCH
458.00	07/15/2008	8	A	3	125.00	0.25	31.25 Phone conference with Peggy Lanb re financial documents;	ARCH
458.00	07/15/2008	8	A	8	125.00	0.25	31.25 Revise insurance bid advertisement;	ARCH
458.00	07/16/2008	8	A	3	125.00	0.25	31.25 Phone conference with Dave Koenig re status;	ARCH
458.00	07/16/2008	8	A	3	125.00	0.25	31.25 Phone conference with Gayle re meeting Agenda review;	ARCH
458.00	07/17/2008	8	A	73	125.00	0.25	31.25 Receipt and process of e-mail from Kerry Odle re status of Boone County Agreement; Phone conference with Kerry Odle;	ARCH
458.00	07/17/2008	8	A	3	125.00	0.25	31.25 Phone conference with Kerry;	ARCH
458.00	07/17/2008	8	A	3	125.00	0.25	31.25 Phone conference with Paula re agenda;	ARCH
458.00	07/17/2008	8	A	8	125.00	2.50	312.50 Attend meeting;	ARCH
458.00	07/24/2008	A		90			881.25 Payment. Thank You;	ARCH
458.00	07/28/2008	8	A	8	125.00	2.50	312.50 Prepare minutes;	ARCH
458.00	07/28/2008	8	A	8	125.00	0.25	31.25 Letter to Jeff Shipp re Williamstown bill;	ARCH
458.00	07/28/2008	8	A	3	125.00	0.25	31.25 Phone conference with Kerry Odle re McClavahan easement;	ARCH
458.00	07/28/2008	8	A	3	125.00	0.25	31.25 Phone conference with Paula re insurance bid package advertising;	ARCH
458.00	07/29/2008	8	A	8	125.00	0.25	31.25 Review insurance notice; Phone conference with Paula; E-mail note to Paula;	ARCH
458.00	07/29/2008	8	A	8	125.00	1.25	156.25 Prepare McClanahan easement; Phone conference with Deana Chandler; Two phone conferences with Kerry Odle; Letter to Dennis Hall re easement;	ARCH
458.00	07/30/2008	8	A	3	125.00	0.25	31.25 Phone conference with Kerry Odle re Boone County Water Purchase Agreement;	ARCH
458.00	07/30/2008	8	A	8	125.00	0.50	62.50 Two phone conferences with Bobby Marty Zalla and Kerry to	ARCH

Client	Trans Date	Tmkr	H P	Tcd	Stmt # Rate	Hours to Bill	Amount	Ref #
Client ID 458.00 BULLOCK PEN WATER DISTRICT								
458.00	07/30/2008	8 A	73		125.00	0.25	31.25 schedule meeting; Receipt and process of minutes of Boone County Water District meeting; Review minutes; Phone conference with Kerry Odle;	ARCH
458.00	07/30/2008	8 A	3		125.00	0.25	31.25 Phone conference with Kerry re McClanahan easement on Phase II project;	ARCH
458.00	07/30/2008	8 A	8		125.00	0.50	62.50 Review and revise minutes; E-mail to Paula;	ARCH
458.00	07/31/2008	8 A	8		125.00	0.25	31.25 Review and revise McClanahan easement; E-mail to David Hall; Phone conference with Kerry Odle;	ARCH
458.00	08/01/2008	8 A	3		125.00	0.25	31.25 Phone conference with Kerry Odle re McClanahan easement;	ARCH
458.00	08/04/2008	8 A	3		125.00	0.50	62.50 Phone conference with Kerry Odle re revised pump easement; Receipt and process of revised easement; Review revised easement;	ARCH
458.00	08/05/2008	8 A	73		125.00	0.25	31.25 Receipt and process of revised Zalla easement with attachments;	ARCH
458.00	08/11/2008	8 A	3		125.00	0.25	31.25 Phone conference with Kerry re Zalla easement;	ARCH
458.00	08/13/2008	8 A	73		125.00	0.51	63.75 Receipt and process of signed easements from Kerry; Review easements; Letter to Paula;	ARCH
458.00	08/13/2008	8 A	73		125.00	0.75	93.75 Receipt and process of Zalla easement; Phone conference with Kerry Odle; Letter to Paula;	ARCH
458.00	08/13/2008	8 A	73		125.00	0.75	93.75 Receipt and process of Zalla easement; Phone conference with Kerry; Letter to Paula;	ARCH
458.00	08/13/2008	8 A	3		125.00	0.25	31.25 Phone conference with Paula re insurance bids and advertising;	ARCH
458.00	08/18/2008	8 A	8		125.00	0.25	31.25 Receipt and process of easement plat for Zalla;	ARCH
458.00	08/19/2008	8 A	3		125.00	0.25	31.25 Phone conference with Gayle re insurance;	ARCH
458.00	08/20/2008	8 A	3		125.00	0.25	31.25 Phone conference with Dave Koenig re status of water purchase agreement with Boone County;	ARCH
458.00	08/20/2008	8 A	3		125.00	0.25	31.25 Phone conference with Paula re agenda and meeting discuss insurance bid advertising;	ARCH
458.00	08/21/2008	8 A	8		125.00	2.50	312.50 Attend meeting;	ARCH
458.00	08/21/2008	3 A	3		50.00	0.25	12.50 Phone conference with Enquirer to have them issue on Affidavit of advertisement;	ARCH
458.00	08/22/2008	8 A	8		125.00	2.25	281.25 Prepare minutes; Letter to Jeff Shipp; Letter to Holly Thompson, Division of Fish and Wildlife; Letter to NKWD re Phase VI status;	ARCH
458.00	08/22/2008	8 A	3		125.00	0.25	31.25 Phone conference with Charles Bush re meeting; Phone conference with Paula;	ARCH
458.00	08/25/2008	8 A	8		125.00	0.25	31.25 Review and revise correspondence to NKWD and tap in fee refund letter;	ARCH
458.00	08/25/2008	8 A	8		125.00	1.25	156.25 Review and revise minutes and correspondence, mail out; Phone conference with Paula re P.S.C. training; Letter to all re P.S.C. training;	ARCH
458.00	08/26/2008	8 A	3		125.00	0.25	31.25 Phone conference with Bell Jr. re revised emergency on call policy;	ARCH
458.00	09/16/2008	8 A	3		125.00	0.25	31.25 Phone conference with Paula and Andrea re insurance bid;	ARCH
458.00	09/16/2008	8 A	53				53.51 Postage Federal Express;	ARCH
458.00	09/17/2008	8 A	3		125.00	0.25	31.25 Phone conference with Gayle to review agenda items;	ARCH
458.00	09/18/2008	8 A	8		125.00	0.50	62.50 Dictate insurance committee minutes;	ARCH
458.00	09/18/2008	8 A	8		125.00	1.50	187.50 Attend insurance committee bid opening;	ARCH
458.00	09/18/2008	8 A	8		125.00	2.00	250.00 Attend meeting;	ARCH
458.00	09/18/2008	8 A	8		125.00	1.25	156.25 Dictate minutes;	ARCH
458.00	09/19/2008	8 A	8		125.00	0.75	93.75 Letter to all insurance bidders; Letter to Blay Insurance; Phone conference with Tom Youtsey re insurance coverage;	ARCH
458.00	09/22/2008	8 A	8		125.00	0.75	93.75 Review and revise minutes; Letter to Dave Koenig re Boone Co. Water Purchase Agreement; Revise letter to Judge Link and Moore re Commissioner fees;	ARCH
458.00	09/22/2008	8 A	8		125.00	0.25	31.25 Review and revise correspondence to Judge Link and Moore, mail out;	ARCH
458.00	09/23/2008	8 A	3		125.00	0.25	31.25 Phone conference with Mrs. Hayes re water line extension; Phone conference with Kerry Odle;	ARCH
458.00	09/24/2008	8 A	8		125.00	0.50	62.50 Two phone conferences with Chuck Given; Phone conference with Bobby Burgess re office;	ARCH
458.00	09/25/2008	8 A	73		125.00	0.25	31.25 Receipt and process of fax from Suzanne re Hoarmann easement; Phone conference with Suzanne; Phone conference with Hoarmann;	ARCH
458.00	09/29/2008	8 A	3		125.00	0.25	31.25 Phone conference with Dave Koenig re status of contract;	ARCH
458.00	10/02/2008	8 A	3		125.00	0.25	31.25 Phone conference with Cahill surveyors;	ARCH
458.00	10/03/2008	8 A	8		125.00	0.25	31.25 Review and revise correspondence and mail out;	ARCH
458.00	10/06/2008	8 A	3		125.00	0.25	31.25 Phone conference with Suzanne re Hoarmann Easement;	ARCH
458.00	10/08/2008	8 A	8		125.00	0.50	62.50 Review and revise identity theft policies, mail to Paula;	ARCH
458.00	10/08/2008	8 A	3		125.00	0.25	31.25 Phone conference with Chuck Berger at Bilz re employees of BPWD and GCSSD;	ARCH
458.00	10/08/2008	8 A	3		125.00	1.50	187.50 Phone conference with Gayle re identity theft plan; Prepare identity theft policy; Letter to client;	ARCH
458.00	10/08/2008	8 A	1		125.00	0.50	62.50 Office conference with Tom Youtsey, Charles Bilz Agency re insurance coverage;	ARCH
458.00	10/10/2008	8 A	3		125.00	0.25	31.25 Phone conference with Paula;	ARCH
458.00	10/13/2008	8 A	3		125.00	0.75	93.75 Phone conference with Jeff Earlywine; Phone conference with Judge Links office re Commissioner salaries; Prepare files for meeting; Phone conference with Kerry Odle re DOW permit; Phone call to Dave Koenig re water contract;	ARCH
458.00	10/13/2008	8 A	3		125.00	0.25	31.25 Phone conference with Judge Link re Commissioner fees;	ARCH
458.00	10/13/2008	8 A	3		125.00	0.25	31.25 Phone conference with Dave Koenig re status of agreement; Phone conference with Carl Castle;	ARCH
458.00	10/14/2008	8 A	8		125.00	0.50	62.50 Prepare for meeting; Phone conference with Jerry Miniard re easement; Phone conference with Kerry Odle; Phone	ARCH

Client	Trans Date	Tmkr	H P	Tcd	Stmnt # Rate	Hours to Bill	Amount	Ref #
Client ID 458.00	BULLOCK PEN WATER DISTRICT							
458.00	10/14/2008	8	A	8	125.00	3.25	406.25	conference with Gary Hall re easements; Attend meeting;
458.00	10/14/2008	8	A	8	125.00	1.25	156.25	Prepare minutes;
458.00	10/15/2008	8	A	3	125.00	0.50	62.50	Phone conference with Chuck Given re special district meeting;
458.00	10/15/2008		A	90			3763.75	Payment. Thank You;
458.00	10/17/2008	8	A	3	125.00	0.25	31.25	Phone conference with Bill Jr. re easement problems;
458.00	10/20/2008	8	A	3	125.00	0.25	31.25	Phone conference with Kerry Odle;
458.00	10/20/2008	8	A	8	125.00	1.25	156.25	Review and revise minutes; Letter to Bobby re ITPP; revise ITPP; Office conference with Gail about ITPP procedures;
458.00	10/21/2008	8	A	3	125.00	0.25	31.25	Phone conference with Bill Jr. re easement issue;
458.00	10/21/2008	8	A	3	125.00	0.25	31.25	Phone conference with Chuck re special meeting;
458.00	10/21/2008	8	A	73	125.00	0.50	62.50	Receipt and process of e-mail from Obe Cox; Phone conference with Obe Cox; Fax contract to Obe Cox; Letter to Obe Cox;
458.00	10/22/2008	8	A	3	125.00	0.25	31.25	Phone conference with Kerry Odle and Chuck re special meeting; Office conference with Gayle re special meeting;
458.00	10/27/2008	8	A	3	125.00	0.25	31.25	Phone conference with Suzanne re Phase 8 surcharge assessment;
458.00	10/28/2008	8	A	3	125.00	0.25	31.25	Phone conference with Kerry Odle re Boone County Water Agreement status; Phone conference with Dave Koenig;
458.00	10/28/2008	8	A	3	125.00	0.50	62.50	Phone conference with Kerry re 3 phase easements for U.S. 25 pump station; Phone conference with Duke Energy representative re easement signatures;
458.00	10/29/2008	8	A	73	125.00	0.25	31.25	Receipt and process of electric easements; Phone conference with Joe Fricke; Phone conference with Kerry;
458.00	10/29/2008	8	A	3	125.00	0.25	31.25	Phone conference with Chuck and Bobby re 10/29/08 meeting agenda;
458.00	10/29/2008	8	A	8	125.00	4.00	500.00	Attend special meeting;
458.00	10/30/2008	8	A	8	125.00	1.50	187.50	Prepare minutes; Letter to Bobby Burgess; Phone conference with Chuck;
458.00	10/31/2008	8	A	8	125.00	1.00	125.00	Review and revise minutes; Two phone conferences with Gayle; Review disability letter; Revise easement letter;
458.00	11/03/2008	8	A	3	125.00	0.25	31.25	Phone conference with Dave Koenig re status of Water Purchase Agreement; Phone conference with Kerry re memo of understanding;
458.00	11/03/2008	8	A	8	125.00	2.25	281.25	Visit Kenton County Clerks office to research deed for electric line easements for pump;
458.00	11/04/2008	8	A	3	125.00	0.25	31.25	Phone conference with Kerry re plats;
458.00	11/04/2008	8	A	3	125.00	0.25	31.25	Phone conference with Gayle re status of identity theft plan;
458.00	11/05/2008	8	A	3	125.00	0.50	62.50	Phone conference with Gayle; Receipt and process of Barros easement; Review easement;
458.00	11/07/2008	8	A	73	125.00	0.25	31.25	Receipt and process of plat from Kerry re electric line easements for US 25 pump station;
458.00	11/12/2008	8	A	3	125.00	0.25	31.25	Phone conference with Gail re changes to minutes;
458.00	11/12/2008	8	A	3	125.00	0.25	31.25	Revise minutes;
458.00	11/14/2008	8	A	3	125.00	0.25	31.25	Phone conference with Dave Koenig to discuss contract revisions;
458.00	11/17/2008	8	A	73	125.00	0.50	62.50	Receipt and process of BCWD 2007 P.S.C. Report; Review reporting calculations for BPWD water rates;
458.00	11/18/2008	8	A	8	125.00	1.25	156.25	Review BCWD Water Purchase Agreement; Revisions; Review P.S.C. supplemental changes formula;
458.00	11/18/2008	8	A	8	125.00	0.25	31.25	Memo to Gail re agenda items;
458.00	11/18/2008	8	A	8	125.00	0.25	31.25	Memo to Bobby re BCWD Water Purchase Agreement; Phone conference with Chuck Givin; Phone conference with Dave Koenig re formula;
458.00	11/18/2008	8	A	3	125.00	0.25	31.25	Phone conference with Gail;
458.00	11/18/2008	8	A	73	125.00	0.50	62.50	Receipt and process of water shut off agreement; Review agreement;
458.00	11/19/2008	8	A	3	125.00	0.25	31.25	Phone conference with Dave Koenig re contract changes;
458.00	11/19/2008	8	A	8	125.00	1.50	187.50	Prepare revised water supply agreement; Letter to Koenig; Prepare resolution;
458.00	11/20/2008	8	A	8	125.00	1.00	125.00	Review final draft of agreement; Review and revise resolution; Prepare agreements with exhibits for meeting;
458.00	11/20/2008	8	A	8	125.00	0.25	31.25	Prepare files for meeting; phone conference with Gayle re Agenda;
458.00	11/20/2008	8	A	8	125.00	3.50	437.50	Attend meeting;
458.00	11/21/2008	8	A	8	125.00	1.50	187.50	Prepare minutes;
458.00	11/24/2008	8	A	8	125.00	0.50	62.50	Review and revise minutes;
458.00	11/24/2008	8	A	3	125.00	0.25	31.25	Phone conference with Bobby and Dave Koenig re agreement status and signing procedure;
458.00	11/25/2008	8	A	8	125.00	1.00	125.00	Prepare water shut off agreement for Dry Ridge; Letter to City;
458.00	11/25/2008	8	A	8	125.00	0.50	62.50	Review and revise water shut off agreement; Mail to City;
458.00	11/26/2008	8	A	73	125.00	1.00	125.00	Receipt and process of Tariff; Review; Letter to Carryn Lee; Letter to Bobby Burgess;
458.00	12/01/2008	8	A	3	125.00	0.25	31.25	Phone conference with Dave Koenig; Mail copy of agreement and resolution to Dave Koenig;
458.00	12/01/2008	8	A	3	125.00	0.25	31.25	Phone conference with Dave Koenig;
458.00	12/02/2008	8	A	3	125.00	0.25	31.25	Phone conference with Chuck Givin; E-mail documents to Chuck Givin;
458.00	12/03/2008	8	A	8	125.00	0.25	31.25	Prepare agenda;
458.00	12/03/2008	8	A	8	125.00	0.25	31.25	Review and revise correspondence to Carryn Lee, mail out documents;
458.00	12/03/2008	8	A	3	125.00	0.25	31.25	Phone conference with Bobby re Duke Energy easements and rate increase;
458.00	12/04/2008		A	90			2459.76	Payment. Thank You;

Detail Transaction File List
 BERGER, COX, & NIENABER, P.S.C.

Client	Trans Date	Tmkr	H P Tcd	Stmt # Rate	Hours to Bill	Amount	Ref #	
Client ID 458.00 BULLOCK PEN WATER DISTRICT								
458.00	12/08/2008	8	A	8	125.00	0.75	93.75 Two phone conferences with Dave Koenig; Phone conference with Kerry Odle; Letter to Bobby Burgess re agreement changes;	ARCH
458.00	12/08/2008	8	A	8	125.00	0.25	31.25 Review and revise letter to Bobby re changes to Boone County Water Agreement;	ARCH
458.00	12/10/2008	8	A	8	125.00	0.75	93.75 Research title on DaWalt construction easement; Revise easement; Letter to Kerry Odle;	ARCH
458.00	12/11/2008	8	A	3	125.00	0.25	31.25 Phone conference with Gail; Revise minutes;	ARCH
458.00	12/15/2008	8	A	8	125.00	0.25	31.25 Review DeWalt easement, mail to Kerry;	ARCH
458.00	12/16/2008	8	A	8	125.00	0.25	31.25 Revise Agenda;	ARCH
458.00	12/17/2008	8	A	8	125.00	0.50	62.50 Prepare files for meeting; Revise Agenda; Phone conference with Gail;	ARCH
458.00	12/18/2008	8	A	8	125.00	0.25	31.25 Prepare files for meeting;	ARCH
458.00	12/18/2008	8	A	8	125.00	3.25	406.25 Attend monthly meeting;	ARCH
458.00	12/19/2008	8	A	3	125.00	0.25	31.25 Phone conference with Kerry Odle re Fireball Bond issues;	ARCH
458.00	12/19/2008	8	A	8	125.00	2.00	250.00 Prepare minutes; Letter to Mayor Cull; Letter to Dave Koenig;	ARCH
458.00	12/19/2008	8	A	8	125.00	1.25	156.25 Research Board Composition Makeup in light of Kenton County Phase VI project; Prepare opinion letter;	ARCH
458.00	12/22/2008	8	A	8	125.00	0.75	93.75 Review and revise minutes and correspondence to Atty of Dry Ridge; Mail agreement to Mary of Dry Ridge;	ARCH
458.00	12/22/2008	8	A	3	125.00	0.25	31.25 Phone conference with Kerry; E-mail minutes, fax rate schedules to Kerry Odle;	ARCH
458.00	12/23/2008	8	A	8	125.00	0.25	31.25 Phone conference with Gail re easements;	ARCH
458.00	12/26/2008	8	A	8	125.00	0.25	31.25 Review correspondence and mail;	ARCH

Total for Client ID 458.00	Billable	144.01	17979.76	BULLOCK PEN WATER DISTRICT
	Payments		15942.26	

GRAND TOTALS			
	Billable	144.01	17979.76
	Payments		15942.26

EXHIBIT “55”

C O N T R A C T

This Contract, made and entered into on this, the 26 day of JANUARY, 1968, by and between the BULLOCK PEN WATER DISTRICT, office at Crittenden, Kentucky, through its duly authorized Chairman, H. C. HEDGER, hereinafter known simply as the DISTRICT, and RAYMOND H. BAKER, Verona, Kentucky, hereinafter known simply as BAKER,

WITNESSETH:

That, whereas, the said BAKER has leased from the L & N RAILROAD a certain parcel of land located on L & N RAILROAD property near and fronting on the Verona-Crittenden Road in Verona, Kentucky, the description of which land and copy of which lease are attached hereto and made by reference a part hereof; and whereas, the said DISTRICT desires to use said location for the erection and maintenance of a coin operated water loading dock, hereinafter known simply as said dock; and whereas, the parties have entered into an agreement concerning said dock, its erection, maintenance and operation; and whereas, the parties deem it expedient that said agreement be reduced to writing; now therefore, the same is hereby so reduced and is as follows:

1. That the said DISTRICT will construct said dock on said site in such manner as it deems proper for the use for which said dock is intended. Further, said DISTRICT shall bear the cost of such construction and, thereafter, the costs of maintenance and repair thereof and the cost of electric service thereto.

2. That said BAKER does hereby assign to said DISTRICT all beneficial interest in said lease and the land which is the subject of said lease. Further, BAKER agrees to hereafter pay to said Railroad such consideration as is necessary to keep said lease in

full force and effect. The said DISTRICT shall have the option of itself paying said consideration to said Railroad and may in such event deduct from the payment due from it to BAKER, under provisions hereinafter set out, the sum or sums thusly expended by the said DISTRICT. BAKER guarantees the continued existence of the DISTRICT'S right to keep, maintain and use said dock on said property and, in the event the DISTRICT is hereafter asked by the Railroad to remove same, will be personally responsible to the DISTRICT for the cost of the DISTRICT'S construction thereof.

3. That BAKER shall remove from the said dock all coins that are placed in same by DISTRICT customers, shall keep complete and accurate records which shall be available to the DISTRICT at any time the DISTRICT or any member of the BOARD thereof or any employee thereof may request same, and shall monthly remit to the DISTRICT the entire revenue from said dock.

4. That BAKER fully understands and agrees that a commission of 20% of said revenue shall be the full and complete compensation and consideration payable to him hereunder. Said commission shall be paid to him monthly by the DISTRICT, subject to the circumstance referred-to in paragraph # 2 hereof.

5. That, in the event BAKER defaults on any facet of his obligation hereunder or if he becomes unable or unwilling to perform each, every and/or all of his obligations hereunder, the DISTRICT may immediately declare his services to be terminated and shall be thereafter under no obligation whatever to him. However, it is fully understood by the parties hereto that BAKER'S assignment of said lease and the rights thereunder to the DISTRICT is irrevocable and BAKER'S guarantee of the peaceful continuance of the DISTRICT'S possession of said property is a continuing, unchanging and irrevocable obligation. It is further understood, however, that upon the termination of BAKER'S services, as aforesaid, the said lease payments due

the said RAILROAD shall be the responsibility of the said DISTRICT.

6. This contract is executed in duplicate. Execution by the Chairman of the DISTRICT is in his official capacity only. Said Chairman assumes no personal obligation hereunder.

IN WITNESS WHEREOF, hands are set hereto.

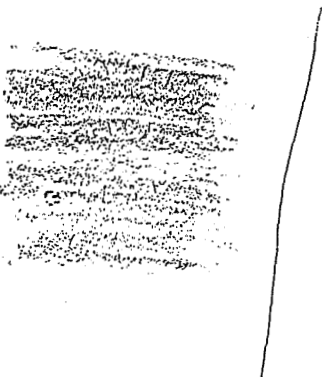
BULLOCK PEN WATER DISTRICT

BY

CHAIRMAN

RAYMOND H. BAKER

Seal.



RAYMOND BAKER

Vendor Name: RAYMOND BAKER

Contact: RAYMOND BAKER

Vendor Type:

Phone: 859-643-5134

Vendor Name:

Alt Phone:

Address: RAYMOND BAKER
40 BAKER LANE
VERONA KY 41092

Fax:

Email:

Acct Number: VERONA LOADING ST

Terms:

Billing Rate Level:

Notes:

8:27 AM

07/30/09

BULLOCK PEN WATER DISTRICT

Vendor QuickReport

January 2008 through June 2009

Type	Date	Num	Memo	Account	Clr	Split	Amount
RAYMOND BAKER							
Bill Pmt -Check	1/2/2008	12046	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-147.30
Bill	1/28/2008	VER...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-198.67
Bill Pmt -Check	1/29/2008	12191	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-198.67
Bill	2/29/2008	02-08 ...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-149.17
Bill Pmt -Check	3/5/2008	12398	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-149.17
Bill	3/31/2008	03-08 ...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-102.37
Bill Pmt -Check	4/8/2008	12551	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-102.37
Bill	4/26/2008	1/5VE...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-119.34
Bill Pmt -Check	4/26/2008	12650	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-119.34
Bill	5/30/2008	05-08 ...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-167.89
Bill Pmt -Check	6/6/2008	12843	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-167.89
Bill	6/30/2008	06-08 ...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-247.40
Bill Pmt -Check	7/1/2008	13003	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-247.40
Bill	7/28/2008	1/5VE...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-263.83
Bill Pmt -Check	7/29/2008	13135	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-263.83
Bill	8/29/2008	08-08 ...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-296.01
Bill Pmt -Check	8/29/2008	13318	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-296.01
Bill	9/26/2008	9/08V...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-304.43
Bill Pmt -Check	9/30/2008	13458	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-304.43
Bill	10/29/2008	10/08...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-306.07
Bill Pmt -Check	10/31/2008	13630	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-306.07
Bill	11/30/2008	1/5VE...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-306.66
Bill Pmt -Check	12/3/2008	13798	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-306.66
Bill	12/30/2008	1/5VE...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-216.80
Bill Pmt -Check	12/30/2008	13952	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-216.80
Bill	1/31/2009	1/5 V...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-213.52
Bill Pmt -Check	2/12/2009	14183	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-213.52
Bill	2/25/2009	1/5VE...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-176.73
Bill Pmt -Check	3/5/2009	14298	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-176.73
Bill	3/31/2009	1/5VE...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-228.50
Bill Pmt -Check	3/31/2009	14435	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-228.50
Bill	4/28/2009	1/5VE...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-192.00
Bill Pmt -Check	4/30/2009	14580	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-192.00
Bill	5/31/2009	1/5VE...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-252.02
Bill Pmt -Check	6/1/2009	14750	VOID: VERO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	0.00
Bill Pmt -Check	6/3/2009	14755	VERONA LO...	131.01 · CIB - MAIN...	X	231 · ACCOU...	-252.02
Bill	6/29/2009	1/5VE...	1/5 VERONA ...	231 · ACCOUNTS P...		634 · CONTR...	-248.74

BULLOCK PEN WATER DISTRICT
Verona Loading Station Sales and Commissions
 January through December 2008

BULK SALES AT VERONA LOADING STATION

<u>Type</u>	<u>Date</u>	<u>Memo</u>	<u>Verona Sales</u>	<u>Commission Calculation</u>
Deposit	01/28/2008	VERONA LOADING STATION	993.33	198.67
Deposit	02/29/2008	VERONA LOADING STN	745.87	149.17
Deposit	03/31/2008	VERONA LOADING STATION	511.87	102.37
Deposit	04/28/2008	VERONA LOADING STATION	596.70	119.34
Deposit	05/30/2008	VERONA LOADING STATION	839.47	167.89
Deposit	06/30/2008	VERONA LOADING STATION	1,287.00	257.40
Deposit	07/29/2008	VERONA LOADING STATION	1,309.17	261.83
Deposit	08/28/2008	VERONA LOADING STATION	1,480.05	296.01
Deposit	09/29/2008	VERONA LOADING STATION	1,522.17	304.43
Deposit	10/29/2008	VERONA LOADING STATION	1,530.36	306.07
Deposit	12/01/2008	VERONA LOADING STATION	1,533.28	306.66
Deposit	12/30/2008	VERONA LOADING STATION	<u>1,084.00</u>	<u>216.80</u>
TOTALS			13,433.27	<u>2,686.65</u>
			X .20	
TOTAL COMMISSIONS			<u>2,686.65</u>	

BULLOCK PEN WATER DISTRICT
Payments to Raymond Baker
 January through December 2008

<u>Type</u>	<u>Date</u>	<u>Check Number</u>	<u>Memo</u>	<u>Amount</u>
Bill Pmt -Check	01/02/2008	12046	VERONA LOADING ST	<u>147.30</u>
			Payment for December 2007	<u>147.30</u>
Bill Pmt -Check	01/29/2008	12191	VERONA LOADING ST	198.67
Bill Pmt -Check	03/05/2008	12398	VERONA LOADING ST	149.17
Bill Pmt -Check	04/08/2008	12551	VERONA LOADING ST	102.37
Bill Pmt -Check	04/26/2008	12650	VERONA LOADING ST	119.34
Bill Pmt -Check	06/06/2008	12843	VERONA LOADING ST	167.89
Bill Pmt -Check	07/01/2008	13003	VERONA LOADING ST	247.40 Error s/be 257.40
Bill Pmt -Check	07/29/2008	13135	VERONA LOADING ST	263.83 Error s/be 261.83
Bill Pmt -Check	08/29/2008	13318	VERONA LOADING ST	296.01
Bill Pmt -Check	09/30/2008	13458	VERONA LOADING ST	304.43
Bill Pmt -Check	10/31/2008	13630	VERONA LOADING ST	306.07
Bill Pmt -Check	12/03/2008	13798	VERONA LOADING ST	306.66
Bill Pmt -Check	12/30/2008	13952	VERONA LOADING ST	<u>216.80</u>
TOTAL PAYMENTS FOR 2008				<u><u>2,678.64</u></u>

EXHIBIT “56”

Bullock Pen Water District
Case No. 2008-00170
Commission Staff's Third Information Request
Number 10

Bullock Pen Water District has 6 different assistance agreements with Kentucky Rural Water. Each of these agreements require the District to deposit one-sixth of the interest and one-twelfth of the interest coming due on the next payment date with a trustee pursuant to the ACH Debit Direct Payment Method. The trustee then makes the principal and interest payments as they come due. Regions Bank is the trustee appointed by Kentucky Rural Water and they charge an annual trustee fee for their services. There are seven fees because the bonds for the Pase V Project (\$715,000) were divided into two sets of bond issues each with its own payment schedule and sinking fund account with Regions Bank. This was done because \$341,000 of the bond issue represented amounts that the District was obligated to repay through the District revenues and \$374,000 of the bond issue was to be repaid through the implementation of surcharges collected from the customers who received water from the project. Please refer to Exhibit 40 of the Commission Staff's Second Information Request for the requirement in each bond issue that establishes the trustee sinking fund as follows:

Series 2001C Dated 5/15/02 for \$715,000	Phase V Bonds	Section 3	Pages 7-8
Series 2002B Dated 7/31/02 for \$574,000	Refinance FHA	Section 3	Pages 8-9
Series 2001G Dated 7/30/03 for \$460,000	Dry Ridge Tank	Section 3	Pages 9-10
Series 2004B Dated 10/19/04 for \$98,000	Phase VII	Section 3	Pages 8-9
Series 2005B Dated 10/19/05 for \$290,000	Phase IX	Section 3	Pages 9-10
Series 2005B Dated 10/19/05 for \$514,000	Phase VIII	Section 3	Pages 9-10

The monthly payments to Regions Bank are based on the payment schedule issued by Kentucky Rural Water at the time that the bonds were issued. The seven payment schedules are attached. The last column of each schedule shows the amount of the monthly payment for each bond issue and if you look across the monthly principal and interest columns, you will see the dates that apply to each deposit amount. The fourth column of each schedule also documents the amount of the annual trustee fee that must be paid to the trustee as required by each bond issue.

KENTUCKY RURAL WATER FINANCE CORPORAT

EXHIBIT TERM FINANCE PROGRAM, SERIES 2001 C

22107

Borrower: Bulluck Pca Water District - Surcharges Account
 Dated Date: 05/15/02

Revised Payment Schedule

Payment Date	Principal	Interest	Tax/Service Fees	Total	Fiscal Total
05/15/02					
07/01/02	0.00	4,198.58	250.00	4,448.58	4,448.58
07/01/03	5,000.00	9,944.00	369,000	14,944.00	
07/01/04	8,000.00	9,815.25	250.00	10,065.25	25,000.25
07/01/05	8,000.00	9,815.25	341,000	17,815.25	
07/01/06	8,000.00	9,609.25	250.00	9,859.25	27,674.50
07/01/07	8,000.00	9,609.25	353,000	17,609.25	
07/01/08	8,000.00	9,403.25	250.00	9,653.25	27,262.50
07/01/09	8,000.00	9,403.25	345,000	17,403.25	
07/01/10	10,000.00	9,197.25	250.00	9,447.25	26,850.50
07/01/11	10,000.00	9,197.25	335,000	19,197.25	
07/01/12	10,000.00	8,939.75	250.00	9,189.75	28,387.00
07/01/13	10,000.00	8,939.75	325,000	18,939.75	
07/01/14	10,000.00	8,682.25	250.00	8,932.25	27,872.00
07/01/15	10,000.00	8,682.25	315,000	18,682.25	
07/01/16	10,000.00	8,424.75	250.00	8,674.75	27,357.00
07/01/17	10,000.00	8,424.75	305,000	18,424.75	
07/01/18	10,000.00	8,167.25	250.00	8,417.25	26,842.00
07/01/19	10,000.00	8,167.25	295,000	18,167.25	
07/01/20	14,000.00	7,909.75	250.00	8,159.75	26,327.00
07/01/21	14,000.00	7,909.75	281,000	21,909.75	
07/01/22	14,000.00	7,549.25	250.00	7,799.25	29,709.00
07/01/23	14,000.00	7,549.25	267,000	21,549.25	
07/01/24	13,000.00	7,188.75	250.00	7,438.75	28,988.00
07/01/25	13,000.00	7,188.75	254,000	20,188.75	
07/01/26	13,000.00	6,854.00	250.00	7,104.00	27,292.75
07/01/27	13,000.00	6,854.00	241,000	19,854.00	
07/01/28	16,000.00	6,519.25	250.00	6,769.25	26,625.25
07/01/29	16,000.00	6,519.25	225,000	22,519.25	
07/01/30	16,000.00	6,107.25	250.00	6,357.25	28,876.50
07/01/31	16,000.00	6,107.25	209,000	22,107.25	
07/01/32	16,000.00	5,695.25	250.00	5,945.25	28,052.50
07/01/33	16,000.00	5,695.25	193,000	21,695.25	
07/01/34	18,000.00	5,259.25	250.00	5,509.25	27,204.50
07/01/35	18,000.00	5,259.25	175,000	23,259.25	
07/01/36	18,000.00	4,768.75	250.00	5,018.75	28,278.00
07/01/37	18,000.00	4,768.75	157,000	22,768.75	
07/01/38	18,000.00	4,278.25	250.00	4,528.25	27,297.00
07/01/39	18,000.00	4,278.25	139,000	22,778.25	
07/01/40	21,000.00	3,787.75	250.00	4,037.75	26,316.00
07/01/41	21,000.00	3,787.75	118,000	24,787.75	
07/01/42	21,000.00	3,215.50	250.00	3,465.50	28,253.25
07/01/43	21,000.00	3,215.50	97,000	24,215.50	
07/01/44	24,000.00	2,643.25	250.00	2,893.25	27,108.75
07/01/45	24,000.00	2,643.25	73,000	26,643.25	
07/01/46	24,000.00	1,989.25	250.00	2,239.25	28,882.50
07/01/47	24,000.00	1,989.25	50,000	24,989.25	
07/01/48	24,000.00	1,362.50	250.00	1,612.50	26,601.75
07/01/49	24,000.00	1,362.50	26,000	25,362.50	
07/01/50	26,000.00	708.50	250.00	958.50	26,321.00
07/01/51	26,000.00	708.50	0	26,708.50	
07/01/52	0.00	0.00	0.00	0.00	26,708.50
Totals	374,000.00	310,293.53	6,250.00	690,543.53	

Payment Date	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
7/02	0.00	4,198.58	4,198.58
8/21/3	833.33	1,637.33	2,470.67
2/3/7/3	666.67	1,635.88	2,302.54
8/31/4	666.67	1,635.88	2,302.54
2/4/7/4	666.67	1,601.54	2,268.21
8/4/5	666.67	1,601.54	2,268.21
2/5/7/5	666.67	1,567.21	2,233.88
8/5/1/6	666.67	1,567.21	2,233.88
2/6/7/6	833.33	1,532.88	2,366.21
8/6/1/7	833.33	1,532.88	2,366.21
2/7/7/7	833.33	1,489.96	2,323.29
8/7/1/8	833.33	1,489.96	2,323.29
2/8/7/8	833.33	1,447.04	2,290.38
8/8/1/9	833.33	1,447.04	2,290.38
2/9/7/9	833.33	1,404.13	2,237.46
8/9/1/10	833.33	1,404.13	2,237.46
2/10/7/10	833.33	1,361.21	2,194.54
8/10/1/11	833.33	1,361.21	2,194.54
2/11/7/11	1,166.67	1,318.29	2,484.96
8/11/1/12	1,166.67	1,318.29	2,484.96
2/12/7/12	1,166.67	1,258.21	2,424.88
8/12/1/13	1,166.67	1,258.21	2,424.88
2/13/7/13	1,083.33	1,198.13	2,281.46
8/13/1/14	1,083.33	1,198.13	2,281.46
2/14/7/14	1,083.33	1,142.33	2,225.67
8/14/1/15	1,083.33	1,142.33	2,225.67
2/15/7/15	1,333.33	1,086.54	2,419.88
8/15/1/16	1,333.33	1,086.54	2,419.88
2/16/7/16	1,333.33	1,017.88	2,351.21
8/16/1/17	1,333.33	1,017.88	2,351.21
2/17/7/17	1,333.33	949.21	2,282.54
8/17/1/18	1,333.33	949.21	2,282.54
2/18/7/18	1,500.00	876.54	2,376.54
8/18/1/19	1,500.00	876.54	2,376.54
2/19/7/19	1,500.00	794.79	2,294.79
8/19/1/20	1,500.00	794.79	2,294.79
2/20/7/20	1,500.00	713.04	2,213.04
8/20/1/21	1,500.00	713.04	2,213.04
2/21/7/21	1,750.00	631.29	2,381.29
8/21/1/22	1,750.00	631.29	2,381.29
2/22/7/22	1,750.00	535.92	2,285.92
8/22/1/23	1,750.00	535.92	2,285.92
2/23/7/23	2,000.00	440.54	2,440.54
8/23/1/24	2,000.00	440.54	2,440.54
2/24/7/24	1,916.67	331.54	2,248.21
8/24/1/25	1,916.67	331.54	2,248.21
2/25/7/25	2,000.00	227.08	2,227.08
8/25/1/26	2,000.00	227.08	2,227.08
2/26/7/26	2,166.67	114.83	2,281.50
8/26/1/27	2,166.67	114.83	2,281.50
Totals	374,000.00	310,293.53	684,293.53

KRW - Phase V - Surcharges Portion =

2008
2009
2010

21.03

KENTUCKY RURAL WATER FINANCE CORPORATION

FIXED TERM FINANCE PROGRAM, SERIES 2001 C

Borrower: Belluck Pea Water District - Contributions Account
Dated Date: 05/15/02
Prnts Due 211 + 8/1

KRW-Phase V - District Portion

Payment Date	Principal	Interest	Tax/ Fees	Total	Fiscal Total
05/15/02					
07/01/02	0.00	3,828.39	250.00	4,078.39	4,078.39
07/01/03	5,000.00	9,067.25	330,000.00	14,067.25	14,067.25
07/01/04	7,000.00	9,986.50	250.00	15,986.50	23,255.75
07/01/05	7,000.00	8,758.25	250.00	9,008.25	24,946.75
07/01/06	7,000.00	8,578.00	250.00	8,828.00	24,586.25
07/01/07	10,000.00	8,397.75	250.00	8,647.75	24,225.75
07/01/08	10,000.00	8,140.25	250.00	8,390.25	26,788.00
07/01/09	10,000.00	7,882.75	250.00	8,132.75	26,273.00
07/01/10	10,000.00	7,625.25	250.00	7,875.25	25,758.00
07/01/11	10,000.00	7,367.75	250.00	7,617.75	25,243.00
07/01/12	11,000.00	7,110.25	250.00	7,360.25	24,728.00
07/01/13	11,000.00	6,852.75	250.00	7,077.00	25,187.25
07/01/14	12,000.00	6,595.25	250.00	6,793.75	24,620.75
07/01/15	12,000.00	6,337.75	250.00	6,484.75	25,028.50
07/01/16	14,000.00	5,925.75	250.00	6,175.75	24,410.50
07/01/17	14,000.00	5,565.25	250.00	5,815.25	25,741.00
07/01/18	14,000.00	5,204.75	250.00	5,454.75	25,020.00
07/01/19	17,000.00	4,823.25	250.00	5,073.25	24,278.00
07/01/20	17,000.00	4,360.00	250.00	4,610.00	26,433.25
07/01/21	17,000.00	3,896.75	250.00	4,146.75	25,506.75
07/01/22	19,000.00	3,433.50	250.00	3,683.50	24,580.25
07/01/23	19,000.00	2,915.75	250.00	3,165.75	25,599.25
07/01/24	21,000.00	2,398.00	250.00	2,648.00	24,563.75
07/01/25	22,000.00	1,825.75	250.00	2,075.75	25,473.75
07/01/26	21,000.00	1,226.25	250.00	1,476.25	25,302.00
07/01/27	24,000.00	654.00	250.00	904.00	23,130.25
Totals	341,000.00	282,162.14	6,250.00	629,412.14	24,654.00

Payment Date	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
7/02	0.00	3,828.39	3,828.39
8/21/3	833.33	1,511.21	2,344.54
2/3/73	583.33	1,489.75	2,073.08
8/31/4	583.33	1,489.75	2,073.08
2/4/74	583.33	1,459.71	2,043.04
8/4/75	583.33	1,429.67	2,013.00
2/5/76	583.33	1,399.63	2,013.00
8/5/76	583.33	1,356.71	2,232.96
2/6/77	833.33	1,356.71	2,190.04
8/6/77	833.33	1,313.79	2,190.04
2/7/77	833.33	1,270.88	2,147.13
8/7/78	833.33	1,270.88	2,147.13
2/8/78	833.33	1,227.96	2,104.21
8/8/79	833.33	1,227.96	2,061.29
2/9/79	833.33	1,185.04	2,061.29
8/9/79	833.33	1,142.12	2,101.71
2/10/79	833.33	1,142.12	2,058.50
8/10/79	833.33	1,137.83	2,058.50
2/11/79	916.67	1,090.63	2,090.63
8/11/79	916.67	1,090.63	2,090.63
2/12/79	1,000.00	1,039.13	2,039.13
8/12/79	1,000.00	1,039.13	2,039.13
2/13/79	1,000.00	987.63	2,099.63
8/13/79	1,000.00	987.63	2,154.29
2/14/79	1,000.00	927.54	2,094.21
8/14/79	1,000.00	927.54	2,094.21
2/15/79	1,000.00	867.46	2,034.13
8/15/79	1,000.00	867.46	2,034.13
2/16/79	1,000.00	803.88	2,220.54
8/16/79	1,000.00	803.88	2,220.54
2/17/79	1,000.00	726.67	2,143.33
8/17/79	1,000.00	726.67	2,143.33
2/18/79	1,000.00	649.46	2,066.13
8/18/79	1,000.00	649.46	2,066.13
2/19/79	1,000.00	572.25	2,155.58
8/19/79	1,000.00	572.25	2,155.58
2/20/79	1,000.00	485.96	2,069.29
8/20/79	1,000.00	485.96	2,069.29
2/21/79	1,000.00	399.67	2,149.67
8/21/79	1,000.00	399.67	2,149.67
2/22/79	1,000.00	304.29	2,137.63
8/22/79	1,000.00	304.29	2,137.63
2/23/79	1,000.00	204.36	2,154.38
8/23/79	1,000.00	204.36	2,154.38
2/24/79	1,000.00	109.00	2,109.00
8/24/79	1,000.00	109.00	2,109.00
2/25/79	2,000.00	109.00	2,109.00
8/25/79	2,000.00	109.00	2,109.00
2/26/79	2,000.00	109.00	2,109.00
8/26/79	2,000.00	109.00	2,109.00
Totals	341,000.00	282,162.09	623,162.14

2608
2609
2610

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM, SERIES 2002

Borrower: Bullock Pen Water District Refunding of Series 1985 A & 1987 A & B
 Dated Date: 07/31/02

KRW - Refunding FHA

Pmts Due 2/1 + 8/1

Borrower Payment Schedule

Payment Date	Principal	Interest	Trustee Fees	Total	Fiscal Total
07/31/02					
01/01/03	21,000.00	11,882.02	0.00	32,882.02	
07/01/03	0.00	11,485.63	350.00	11,835.63	44,717.65
01/01/04	23,000.00	11,485.63	0.00	34,485.63	
07/01/04	0.00	11,123.38	350.00	11,473.38	45,995.01
01/01/05	23,000.00	11,123.38	0.00	34,123.38	
07/01/05	0.00	10,761.13	350.00	11,111.13	45,234.51
01/01/06	23,000.00	10,761.13	0.00	33,761.13	
07/01/06	0.00	10,398.88	350.00	10,748.88	44,510.01
01/01/07	23,000.00	10,398.88	0.00	33,398.88	
07/01/07	0.00	10,036.63	350.00	10,386.63	43,785.51
01/01/08	26,000.00	10,036.63	0.00	36,036.63	
07/01/08	0.00	9,674.63	350.00	9,994.63	45,981.26
01/01/09	27,000.00	9,674.63	0.00	36,594.63	
07/01/09	0.00	9,101.88	350.00	9,451.88	46,046.51
01/01/10	26,000.00	9,101.88	0.00	35,101.88	
07/01/10	0.00	8,739.38	350.00	8,923.38	46,025.26
01/01/11	29,000.00	8,739.38	0.00	37,573.38	
07/01/11	0.00	8,007.88	350.00	8,357.88	45,931.26
01/01/12	29,000.00	8,007.88	0.00	37,007.88	
07/01/12	0.00	7,424.25	350.00	7,774.25	44,782.13
01/01/13	30,000.00	7,424.25	0.00	37,424.25	
07/01/13	0.00	6,801.75	350.00	7,151.75	44,576.00
01/01/14	31,000.00	6,801.75	0.00	37,801.75	
07/01/14	0.00	6,158.50	350.00	6,508.50	44,310.25
01/01/15	33,000.00	6,158.50	0.00	39,158.50	
07/01/15	0.00	5,432.50	350.00	5,782.50	44,941.00
01/01/16	33,000.00	5,432.50	0.00	38,432.50	
07/01/16	0.00	4,690.00	350.00	5,040.00	43,472.50
01/01/17	35,000.00	4,690.00	0.00	39,690.00	
07/01/17	0.00	3,885.00	350.00	4,235.00	43,925.00
01/01/18	37,000.00	3,885.00	0.00	40,885.00	
07/01/18	0.00	3,015.50	350.00	3,365.50	44,250.50
01/01/19	39,000.00	3,015.50	0.00	42,015.50	
07/01/19	0.00	2,079.50	350.00	2,429.50	44,445.00
01/01/20	41,000.00	2,079.50	0.00	43,079.50	
07/01/20	0.00	1,075.00	350.00	1,425.00	44,504.50
01/01/21	43,000.00	1,075.00	0.00	44,075.00	
07/01/21	0.00	0.00	350.00	350.00	44,425.00
Totals	574,000.00	271,172.86	6,650.00	851,822.86	

Principal Balance

2008
 2009
 2010

Payment Date	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
9/21/3	4,200.00	2,376.40	6,576.40
2/3-7/3	1,916.67	1,914.27	3,830.94
8/3-1/4	1,916.67	1,914.27	3,830.94
2/4-7/4	1,916.67	1,853.90	3,770.56
8/4-1/5	1,916.67	1,853.90	3,770.56
2/5-7/5	1,916.67	1,793.52	3,710.19
8/5-1/6	1,916.67	1,793.52	3,710.19
2/6-7/6	1,916.67	1,733.15	3,649.81
8/6-1/7	1,916.67	1,733.15	3,649.81
2/7-7/7	2,166.67	1,672.77	3,839.44
8/7-1/8	2,166.67	1,672.77	3,839.44
2/8-7/8	2,250.00	1,599.11	3,849.11
8/8-1/9	2,250.00	1,599.11	3,849.11
2/9-7/9	2,333.33	1,516.98	3,850.31
8/9-1/10	2,333.33	1,516.98	3,850.31
2/10-7/10	2,416.67	1,428.90	3,845.56
8/10-1/11	2,416.67	1,428.90	3,845.56
2/11-7/11	2,416.67	1,334.65	3,751.31
8/11-1/12	2,416.67	1,334.65	3,751.31
2/12-7/12	2,500.00	1,237.38	3,737.38
8/12-1/13	2,500.00	1,237.38	3,737.38
2/13-7/13	2,583.33	1,133.63	3,716.96
8/13-1/14	2,583.33	1,133.63	3,716.96
2/14-7/14	2,750.00	1,026.42	3,776.42
8/14-1/15	2,750.00	1,026.42	3,776.42
2/15-7/15	2,750.00	905.42	3,655.42
8/15-1/16	2,750.00	905.42	3,655.42
2/16-7/16	2,916.67	781.67	3,698.33
8/16-1/17	2,916.67	781.67	3,698.33
2/17-7/17	3,083.33	647.50	3,730.83
8/17-1/18	3,083.33	647.50	3,730.83
2/18-7/18	3,250.00	502.58	3,752.58
8/18-1/19	3,250.00	502.58	3,752.58
2/19-7/19	3,416.67	346.58	3,763.25
8/19-1-20	3,416.67	346.58	3,763.25
2/20-7/20	3,583.33	179.17	3,762.50
8/20-1/21	3,583.33	179.17	3,762.50
Totals	574,000.00	271,172.86	845,172.86

KRWFC - Phase 7

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

Borrower: Bullock Pen Water District
 Dated Date: 10/19/04

Repayment Schedule

Payment Date	Principal	Interest Rate	Interest	Tenant Fees	Total	Fiscal Total
10/19/04	6,000.00	3.12%	1,98.80	250.00	1,988.80	9,163.40
01/01/05	0.00	3.12%	1,704.60	250.00	1,954.60	9,163.40
07/01/05	6,000.00	3.12%	1,704.60	250.00	1,954.60	9,163.40
01/01/06	0.00	3.12%	1,611.00	250.00	1,861.00	9,163.40
07/01/06	6,000.00	3.12%	1,611.00	250.00	1,861.00	9,163.40
01/01/07	0.00	3.22%	1,517.40	250.00	1,767.40	9,163.40
07/01/07	6,000.00	3.22%	1,517.40	250.00	1,767.40	9,163.40
01/01/08	0.00	3.37%	1,423.80	250.00	1,673.80	9,163.40
07/01/08	6,000.00	3.37%	1,423.80	250.00	1,673.80	9,163.40
01/01/09	0.00	3.37%	1,330.20	250.00	1,580.20	8,990.50
07/01/09	6,000.00	3.37%	1,330.20	250.00	1,580.20	8,990.50
01/01/10	0.00	3.37%	1,236.60	250.00	1,486.60	8,788.30
07/01/10	6,000.00	3.37%	1,236.60	250.00	1,486.60	8,788.30
01/01/11	0.00	3.50%	1,143.00	250.00	1,393.00	8,586.10
07/01/11	6,000.00	3.50%	1,143.00	250.00	1,393.00	8,586.10
01/01/12	0.00	3.62%	1,049.40	250.00	1,299.40	8,383.90
07/01/12	6,000.00	3.62%	1,049.40	250.00	1,299.40	8,383.90
01/01/13	0.00	4.12%	955.80	250.00	1,205.80	8,181.70
07/01/13	7,000.00	4.12%	955.80	250.00	1,205.80	8,181.70
01/01/14	0.00	4.12%	862.20	250.00	1,112.20	7,979.50
07/01/14	7,000.00	4.12%	862.20	250.00	1,112.20	7,979.50
01/01/15	0.00	4.12%	768.60	250.00	1,018.60	7,777.30
07/01/15	7,000.00	4.12%	768.60	250.00	1,018.60	7,777.30
01/01/16	0.00	4.12%	675.00	250.00	925.00	7,575.10
07/01/16	7,000.00	4.12%	675.00	250.00	925.00	7,575.10
01/01/17	0.00	4.12%	581.40	250.00	831.40	7,372.90
07/01/17	7,000.00	4.12%	581.40	250.00	831.40	7,372.90
01/01/18	0.00	4.12%	487.80	250.00	737.80	7,170.70
07/01/18	7,000.00	4.12%	487.80	250.00	737.80	7,170.70
01/01/19	0.00	4.12%	394.20	250.00	644.20	6,968.50
07/01/19	8,000.00	4.12%	394.20	250.00	644.20	6,968.50
Totals	98,000.00		29,346.60	3,750.00	131,096.60	8,414.80

Payment Date	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
12/4/15	3,000.00	599.40	3,599.40
2/5-7/15	500.00	284.10	784.10
8/5-1/16	500.00	284.10	784.10
2/6-7/16	500.00	268.50	768.50
8/6-1/17	500.00	268.50	768.50
2/7-7/17	500.00	252.90	752.90
8/7-1/18	500.00	252.90	752.90
2/8-7/18	500.00	236.80	736.80
8/8-1/19	500.00	236.80	736.80
2/9-7/19	500.00	219.95	719.95
8/9-1/20	500.00	219.95	719.95
2/10-7/20	500.00	203.10	703.10
8/10-1/21	500.00	203.10	703.10
2/11-7/21	500.00	186.25	686.25
8/11-1/22	500.00	186.25	686.25
2/12-7/22	500.00	169.40	669.40
8/12-1/23	500.00	169.40	669.40
2/13-7/23	500.00	152.55	652.55
8/13-1/24	500.00	152.55	652.55
2/14-7/24	500.00	135.70	635.70
8/14-1/25	500.00	135.70	635.70
2/15-7/25	500.00	118.85	618.85
8/15-1/26	500.00	118.85	618.85
2/16-7/26	500.00	102.00	602.00
8/16-1/27	500.00	102.00	602.00
2/17-7/27	500.00	85.15	585.15
8/17-1/28	500.00	85.15	585.15
2/18-7/28	500.00	68.30	568.30
8/18-1/29	500.00	68.30	568.30
2/19-7/29	500.00	51.45	551.45
8/19-1/30	500.00	51.45	551.45
Totals	98,000.00	29,346.60	127,346.60

2008
2009
2010

22.11

21.12

KRW - Phase 10 - Bonds

221.12

Phase 10

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2005 B

Borrower:	Bullock Pen WD
Dated Date:	10/19/05

Borrower Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
10/19/05						
07/01/06	7,000.00	4.090%	10,362.29	250.00	10,612.29	10,612.29
01/01/07	0.00	4.090%	6,217.38	250.00	13,217.38	19,541.61
07/01/07	7,000.00	4.090%	6,074.23	250.00	6,324.23	19,541.61
01/01/08	0.00	4.090%	6,074.23	250.00	13,074.23	19,255.31
07/01/08	8,000.00	4.090%	5,931.08	250.00	6,181.08	19,255.31
01/01/09	0.00	4.090%	5,767.48	250.00	6,017.48	19,948.56
07/01/09	8,000.00	4.090%	5,767.48	250.00	6,017.48	19,948.56
01/01/10	0.00	4.090%	5,603.88	250.00	5,853.88	19,621.36
07/01/10	8,000.00	4.090%	5,603.88	250.00	5,853.88	19,621.36
01/01/11	0.00	4.090%	5,440.28	250.00	5,690.28	19,294.16
07/01/11	8,000.00	4.090%	5,440.28	250.00	5,690.28	19,294.16
01/01/12	0.00	4.090%	5,276.68	250.00	5,526.68	18,966.96
07/01/12	9,000.00	4.090%	5,276.68	250.00	5,526.68	18,966.96
01/01/13	0.00	4.090%	5,092.63	250.00	5,342.63	19,619.31
07/01/13	9,000.00	4.090%	5,092.63	250.00	5,342.63	19,619.31
01/01/14	0.00	4.090%	4,908.58	250.00	5,158.58	19,251.21
07/01/14	9,000.00	4.090%	4,908.58	250.00	5,158.58	19,251.21
01/01/15	0.00	4.090%	4,724.53	250.00	4,974.53	18,883.11
07/01/15	9,000.00	4.090%	4,724.53	250.00	4,974.53	18,883.11
01/01/16	0.00	4.090%	4,520.03	250.00	4,770.03	19,494.56
07/01/16	10,000.00	4.090%	4,520.03	250.00	4,770.03	19,494.56
01/01/17	0.00	4.090%	4,320.13	250.00	4,570.13	20,065.11
07/01/17	11,000.00	4.090%	4,320.13	250.00	4,570.13	20,065.11
01/01/18	0.00	4.090%	4,115.18	250.00	4,365.18	19,615.21
07/01/18	11,000.00	4.090%	4,115.18	250.00	4,365.18	19,615.21
01/01/19	0.00	4.190%	3,845.18	250.00	4,095.18	19,165.31
07/01/19	11,000.00	4.190%	3,845.18	250.00	4,095.18	19,165.31
01/01/20	0.00	4.215%	3,614.73	250.00	3,864.73	18,709.91
07/01/20	12,000.00	4.215%	3,614.73	250.00	3,864.73	18,709.91
01/01/21	0.00	4.290%	3,361.83	250.00	3,611.83	19,226.56
07/01/21	12,000.00	4.290%	3,361.83	250.00	3,611.83	19,226.56
01/01/22	0.00	4.340%	3,104.43	250.00	3,354.43	18,716.26
07/01/22	12,000.00	4.340%	3,104.43	250.00	3,354.43	18,716.26
01/01/23	0.00	4.40%	2,844.03	250.00	3,094.03	18,198.46
07/01/23	14,000.00	4.40%	2,844.03	250.00	3,094.03	18,198.46
01/01/24	0.00	4.390%	2,540.23	250.00	2,790.23	19,634.26
07/01/24	14,000.00	4.390%	2,540.23	250.00	2,790.23	19,634.26
01/01/25	0.00	4.440%	2,232.93	250.00	2,482.93	19,023.16
07/01/25	15,000.00	4.440%	2,232.93	250.00	2,482.93	19,023.16
01/01/26	0.00	4.465%	1,899.93	250.00	2,149.93	19,382.86
07/01/26	15,000.00	4.465%	1,899.93	250.00	2,149.93	19,382.86
01/01/27	0.00	4.465%	1,565.05	250.00	1,815.05	18,714.98
07/01/27	16,000.00	4.465%	1,565.05	250.00	1,815.05	18,714.98
01/01/28	0.00	4.490%	1,207.85	250.00	1,457.85	19,022.90
07/01/28	16,000.00	4.490%	1,207.85	250.00	1,457.85	19,022.90
01/01/29	0.00	4.590%	826.20	250.00	1,076.20	19,284.05
07/01/29	17,000.00	4.590%	826.20	250.00	1,076.20	19,284.05
01/01/30	0.00	4.590%	413.10	250.00	663.10	19,489.30
07/01/30	18,000.00	4.590%	413.10	250.00	663.10	19,489.30
01/01/31	0.00	4.590%	413.10	250.00	663.10	18,663.10
07/01/31	18,000.00	4.590%	413.10	250.00	663.10	18,663.10
Totals	250,000.00		194,899.87	6,500.00	491,399.87	491,399.87

Payment Date	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
12/5-1/6			
2/6-7/6	583.33	1,295.29	1,295.29
8/6-1/7	583.33	1,295.29	1,295.29
2/7-7/7	583.33	1,036.23	1,036.23
8/7-1/8	583.33	1,012.37	1,012.37
2/8-7/8	666.67	1,595.71	1,595.71
8/8-1/9	666.67	1,595.71	1,595.71
2/9-7/9	666.67	1,655.18	1,655.18
8/9-1/10	666.67	1,627.91	1,627.91
2/10-7/10	666.67	1,627.91	1,627.91
8/10-1/11	666.67	1,600.65	1,600.65
2/11-7/11	666.67	1,600.65	1,600.65
8/11-1/12	666.67	1,573.38	1,573.38
2/12-7/12	750.00	906.71	906.71
8/12-1/13	750.00	879.45	879.45
2/13-7/13	750.00	879.45	879.45
8/13-1/14	750.00	848.77	848.77
2/14-7/14	750.00	818.10	818.10
8/14-1/15	750.00	818.10	818.10
2/15-7/15	833.33	1,568.10	1,568.10
8/15-1/16	833.33	1,620.76	1,620.76
2/16-7/16	916.67	787.42	787.42
8/16-1/17	916.67	787.42	787.42
2/17-7/17	916.67	753.34	753.34
8/17-1/18	916.67	715.85	715.85
2/18-7/18	916.67	715.85	715.85
8/18-1/19	916.67	678.36	678.36
2/19-7/19	916.67	678.36	678.36
8/19-1/20	1,000.00	640.86	640.86
2/20-7/20	1,000.00	602.46	602.46
8/20-1/21	1,000.00	602.46	602.46
2/21-7/21	1,000.00	602.46	602.46
8/21-1/22	1,000.00	560.31	560.31
2/22-7/22	1,000.00	560.31	560.31
8/22-1/23	1,000.00	517.41	517.41
2/23-7/23	1,166.67	517.41	517.41
8/23-1/24	1,166.67	474.01	474.01
2/24-7/24	1,166.67	474.01	474.01
8/24-1/25	1,166.67	423.37	423.37
2/25-7/25	1,250.00	423.37	423.37
8/25-1/26	1,250.00	372.16	372.16
2/26-7/26	1,250.00	372.16	372.16
8/26-1/27	1,250.00	316.66	316.66
2/27-7/27	1,333.33	316.66	316.66
8/27-1/28	1,333.33	260.84	260.84
2/28-7/28	1,416.67	260.84	260.84
8/28-1/29	1,416.67	201.31	201.31
2/29-7/29	1,500.00	201.31	201.31
8/29-1/30	1,500.00	137.70	137.70
2/30-7/30	1,500.00	137.70	137.70
8/30-1/31	1,500.00	68.85	68.85
2/31-7/31	0.00	68.85	68.85
Totals	290,000.00	194,899.87	484,899.87

2008
2009
2010

221.13

Phase 8

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2005 B

Borrower: Bullock Per WD
Dated: 07/17/05

Borrower Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
10/19/05			18,369.46	250.00	18,619.46	18,619.46
07/01/06	12,000.00	5.07%	11,021.68	250.00	23,021.68	23,021.68
01/01/07	0.00	5.07%	11,026.28	250.00	23,776.28	34,047.96
07/01/07	13,000.00	4.89%	10,776.28	250.00	24,510.43	34,536.71
01/01/08	0.00	4.89%	10,510.43	250.00	24,510.43	34,984.56
07/01/08	14,000.00	4.75%	10,224.13	250.00	24,224.13	34,411.96
01/01/09	0.00	4.75%	10,224.13	250.00	23,937.83	33,839.36
07/01/09	14,000.00	4.61%	9,937.83	250.00	23,937.83	34,246.31
01/01/10	0.00	4.61%	9,651.53	250.00	24,651.53	33,622.81
07/01/10	14,000.00	4.47%	9,344.78	250.00	24,344.78	33,998.86
01/01/11	15,000.00	4.32%	9,038.03	250.00	25,038.03	34,324.01
07/01/11	0.00	4.32%	8,770.83	250.00	25,770.83	33,628.71
01/01/12	15,000.00	4.17%	8,463.18	250.00	25,463.18	34,892.51
07/01/12	0.00	4.17%	8,201.53	250.00	26,201.53	34,115.41
01/01/13	16,000.00	4.02%	7,876.98	250.00	26,926.98	34,317.86
07/01/13	0.00	4.02%	7,626.98	250.00	27,626.98	33,489.86
01/01/14	17,000.00	3.87%	7,238.43	250.00	28,238.43	33,628.28
07/01/14	0.00	3.87%	7,009.43	250.00	28,909.43	32,735.25
01/01/15	18,000.00	3.72%	6,829.43	250.00	29,529.43	32,807.40
07/01/15	0.00	3.72%	6,660.43	250.00	30,160.43	32,830.90
01/01/16	19,000.00	3.57%	6,410.43	250.00	30,790.43	33,783.05
07/01/16	0.00	3.57%	6,237.85	250.00	31,427.85	33,657.10
01/01/17	19,000.00	3.42%	5,967.85	250.00	32,057.85	34,454.80
07/01/17	0.00	3.42%	5,717.40	250.00	32,687.40	33,204.40
01/01/18	20,000.00	3.27%	5,440.00	250.00	33,300.00	33,204.40
07/01/18	0.00	3.27%	5,040.00	250.00	33,840.00	34,883.55
01/01/19	20,000.00	3.12%	4,540.90	250.00	34,370.90	33,476.15
07/01/19	0.00	3.12%	4,290.00	250.00	34,920.00	34,007.35
01/01/20	21,000.00	2.97%	3,992.15	250.00	35,442.15	866,304.78
07/01/20	0.00	2.97%	3,741.95	250.00	35,994.10	6,500.00
01/01/21	21,000.00	2.82%	3,414.95	250.00	36,549.05	346,054.78
07/01/21	0.00	2.82%	3,164.95	250.00	37,114.00	866,304.78
01/01/22	22,000.00	2.67%	2,789.85	250.00	37,683.85	6,500.00
07/01/22	0.00	2.67%	2,539.85	250.00	38,243.70	346,054.78
01/01/23	22,000.00	2.52%	2,289.85	250.00	38,793.55	6,500.00
07/01/23	0.00	2.52%	2,039.85	250.00	39,343.40	866,304.78
01/01/24	23,000.00	2.37%	1,789.85	250.00	39,893.25	6,500.00
07/01/24	0.00	2.37%	1,539.85	250.00	40,443.10	346,054.78
01/01/25	23,000.00	2.22%	1,289.85	250.00	40,992.95	6,500.00
07/01/25	0.00	2.22%	1,039.85	250.00	41,542.80	866,304.78
01/01/26	24,000.00	2.07%	789.85	250.00	42,092.65	6,500.00
07/01/26	0.00	2.07%	539.85	250.00	42,642.50	866,304.78
01/01/27	24,000.00	1.92%	289.85	250.00	43,192.35	6,500.00
07/01/27	0.00	1.92%	39.85	250.00	43,742.20	866,304.78
01/01/28	28,000.00	1.77%	9.85	250.00	44,292.05	6,500.00
07/01/28	0.00	1.77%	0.00	250.00	44,841.90	866,304.78
01/01/29	31,000.00	1.62%	0.00	250.00	45,391.75	6,500.00
07/01/29	0.00	1.62%	0.00	250.00	45,941.60	866,304.78
01/01/30	31,000.00	1.47%	0.00	250.00	46,491.45	6,500.00
07/01/30	0.00	1.47%	0.00	250.00	47,041.30	866,304.78
01/01/31	33,000.00	1.32%	0.00	250.00	47,591.15	6,500.00
07/01/31	0.00	1.32%	0.00	250.00	48,141.00	866,304.78
Totals	514,000.00		346,054.78	6,500.00	866,304.78	866,304.78

Loan Balance

2008
2009
2010

Payment Date	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
12/5-1/6	1,000.00	2,296.18	2,296.18
2/6-7/6	1,000.00	2,296.18	2,296.18
8/6-1/7	1,000.00	1,836.95	2,836.95
2/7-7/7	1,083.33	1,796.05	2,879.38
8/7-1/8	1,083.33	1,796.05	2,879.38
2/8-7/8	1,166.67	1,751.74	2,918.41
8/8-1/9	1,166.67	1,751.74	2,918.41
2/9-7/9	1,166.67	1,704.02	2,870.69
8/9-1/10	1,166.67	1,704.02	2,870.69
2/10-7/10	1,166.67	1,656.31	2,822.97
8/10-1/11	1,250.00	1,656.31	2,822.97
2/11-7/11	1,250.00	1,608.59	2,858.59
8/11-1/12	1,250.00	1,608.59	2,858.59
2/12-7/12	1,250.00	1,557.46	2,807.46
8/12-1/13	1,250.00	1,557.46	2,807.46
2/13-7/13	1,333.33	1,506.34	2,839.67
8/13-1/14	1,333.33	1,506.34	2,839.67
2/14-7/14	1,416.67	1,451.81	2,868.47
8/14-1/15	1,416.67	1,451.81	2,868.47
2/15-7/15	1,416.67	1,393.86	2,810.53
8/15-1/16	1,416.67	1,393.86	2,810.53
2/16-7/16	1,583.33	1,335.92	2,919.26
8/16-1/17	1,583.33	1,335.92	2,919.26
2/17-7/17	1,583.33	1,271.16	2,854.50
8/17-1/18	1,583.33	1,271.16	2,854.50
2/18-7/18	1,666.67	1,206.41	2,873.07
8/18-1/19	1,666.67	1,206.41	2,873.07
2/19-7/19	1,666.67	1,138.24	2,804.91
8/19-1/20	1,666.67	1,138.24	2,804.91
2/20-7/20	1,750.00	1,068.41	2,818.41
8/20-1/21	1,750.00	1,068.41	2,818.41
2/21-7/21	1,750.00	994.64	2,744.64
8/21-1/22	1,750.00	994.64	2,744.64
2/22-7/22	1,833.33	919.57	2,752.90
8/22-1/23	1,833.33	919.57	2,752.90
2/23-7/23	1,916.67	840.00	2,756.67
8/23-1/24	1,916.67	840.00	2,756.67
2/24-7/24	2,083.33	756.82	2,840.15
8/24-1/25	2,083.33	756.82	2,840.15
2/25-7/25	2,166.67	665.36	2,832.03
8/25-1/26	2,166.67	665.36	2,832.03
2/26-7/26	2,333.33	569.16	2,902.49
8/26-1/27	2,333.33	569.16	2,902.49
2/27-7/27	2,333.33	464.98	2,798.31
8/27-1/28	2,333.33	464.98	2,798.31
2/28-7/28	2,583.33	360.79	2,944.13
8/28-1/29	2,583.33	360.79	2,944.13
2/29-7/29	2,583.33	244.80	2,828.13
8/29-1/30	2,583.33	244.80	2,828.13
2/30-7/30	2,750.00	126.23	2,876.23
8/30-2/31	2,750.00	126.23	2,876.23
Totals	514,000.00	346,054.78	860,054.78

221.13

Phase 8

EXHIBIT “57”

Bullock Pen Water District
Case No. - 2008-00170
Explain #11

Morris & Bressler Invoices

Invoice Date	Invoice Amount	Set Up As Rate Increase	Invoice Expensed	Monthly Accounting	Prepare PSC Rpt	Budget Work	Unclaimed Property Report	Annual Audit	Review Audit Rpt Prep MD&A	Prepare Legal Notice	Total
1/31/2008	4,888.52	162.00	4,726.52	4,726.52							4,726.52
2/29/2008	5,497.16		5,497.16	4,478.66	1,018.50						5,497.16
3/31/2008	104.25		104.25	104.25							104.25
4/30/2008	204.00		204.00	204.00							204.00
5/31/2008	3,556.16	48.00	3,508.16	2,530.16					978.00		3,508.16
6/30/2008	1,609.66	90.00	1,519.66	1,018.16					174.00	327.50	1,519.66
7/31/2008	3,799.44	1,170.00	2,629.44	2,593.44			36.00				2,629.44
8/31/2008	237.00		237.00	114.00		123.00					237.00
9/30/2008	2,240.22	42.00	2,198.22	2,040.72			157.50				2,198.22
10/31/2008	860.00		860.00	123.75		736.25					860.00
11/30/2008	7,727.66		7,727.66	1,874.16		5,853.50					7,727.66
12/31/2008											
M & B Totals	30,724.07	1,512.00	29,212.07	19,807.82	1,018.50	6,712.75	193.50	0.00	1,152.00	327.50	29,212.07
Van Gorder Walker	9,650.00		9,650.00					9,650.00			9,650.00
Totals	40,374.07	1,512.00	38,862.07	19,807.82	1,018.50	6,712.75	193.50	9,650.00	1,152.00	327.50	38,862.07

Bullock Pen Water District
Case No. - 2008-00170
Explain #11
Explanation of Column Headings

Set Up as Rate Increase: This was work related to the submission of the rate increase to PSC. It was set up as Deferred Rate Case Expense and will be amortized over 5 years when the rate increase is approved. These services will not be required in the future & so were not expensed

Monthly Accounting: This is work related to the preparation of the monthly financial statements for the monthly commissioner meeting, preparation of monthly and quarterly payroll tax returns and annual W-2s, preparation of the monthly sales tax returns, work related to preparing the annual financial statements and supporting schedules for audit. These charges will all be required to be performed in the future on approximately the same dates that they were performed during 2008.

Prepare PSC Report: This is work related to putting the year end financial information on to the annual report to the Public Service Commission. This service will be required to be performed in the future during February.

Budget Work: This is work related to helping the District to prepare their annual budget. This service will be required to be performed in the future at approximately the same time as they were performed during 2008.

Unclaimed Property Report: This is work related to the preparation and filing of the District's unclaimed property report. This work will be required to be performed in the future at approximately the same time as they were performed during 2008

Annual Audit: This is the charge to have the annual audit prepared for the District. It will be required to be performed in the future at approximately the same time as it was in 2008.

Review Audit Report & Work Up Management Discussion & Analysis: This is work related to the annual audit report. Each year Morris & Bressler reviews the audit report prepared by Van Gorder, Walker & Co., Inc. and submits possible corrections to the auditor. They also help the District in the preparation of the Management Discussion and Analysis that is included in the annual audit report. This service will continue to be required in the future at approximately the same time as in 2008.

Prepare Legal Notice: This is work in the preparation of the annual legal notice that must be published by the District. This service will continue to be required in the future at approximately the same time as in 2008.

MORRIS & BRESSLER

BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

PAID
#12345
2/27/08
\$ 4888.52

Invoice No. 12101
Date 1/31/2008
Client No. 2948

Accounting services for the month of January

Current Services \$ 4,888.52

186.1 Rate ~~Service~~ 167.00
632 Accounting 4720.52

REC'D FEB 13 2008

MORRIS & BRESSLER, PSC
Certified Public Accountants
7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306

Billing Worksheet By Selected Clients

For the Period: 1/1/1990 - 1/31/2008

Phone

2948 BULLOCK PEN WATER DISTRICT (0)

859-428-2112

FYE Dec

WIP

Progress

Net WIP

A/R Balance

Work In Progress - BULLOCK PEN WATER DISTRICT (0) -

ASC COMP CP2 DATA ENTRY

GAMBLE

Memo

1/23/2008 1099s

6866.68 0.00 0.00 6866.68 0.00

COMP Totals:

ASC QB QB2 QBOOKS REVIEW
ASC QB QB2 QBOOKS REVIEW
ASC QB QB2 QBOOKS REVIEW
ASC QB QB2 QBOOKS REVIEW
ASC QB QB2 QBOOKS REVIEW

GAMBLE
GAMBLE
GAMBLE
GAMBLE
GAMBLE

1/15/2008 DECEMBER
1/23/2008 YR END
1/24/2008 YR END
1/25/2008 YR END
1/29/2008 YR END
1/30/2008 YR END

0.00 0.00 0.00 0.00 0.00
0.00 0.00 0.00 0.00 0.00
0.10 5.40 3.45 7.75 1.90 4.75 9.00
12.00 648.00 414.00 930.00 228.00 570.00 1080.00
32.25 3870.00

QB Totals:

ASC Totals:

AUDIT WP WP1 WORD PROCESSING WALTON

1/14/2008 W2'S

0.00 0.00 0.00 0.00 0.00
32.35 3882.00
0.25 13.75

WP Totals:

AUDIT Totals:

EXP PASS MILES MILEAGE
EXP PASS MILES MILEAGE

GAMBLE
GAMBLE

1/15/2008
1/24/2008

0.00 0.00 0.00 0.00 0.00
0.25 13.75
0.25 13.75
0.00 16.16
0.00 16.61
32.77

PASS Totals:

EXP Totals:

MAS MAS MAS10 SPECIAL PROJECTS
MAS MAS MAS10 SPECIAL PROJECTS
MAS MAS MAS10 SPECIAL PROJECTS

GAMBLE
GAMBLE
GAMBLE

1/1/2008 RATE INCREASE-LOCATE
1/4/2008 OLD FILE
FIX OFFICER INFO ON
BUDGET
1/25/2008 READ LEE CONTRACT -
RATE INCREASE

0.00 0.00 0.00 0.00 0.00
0.00 32.77
0.00 32.77
1.25 150.00
0.10 12.00
0.10 12.00
1.45 174.00

MAS Totals:

MAS Totals:

TAX P/R P/R2 PREPARE RETURNS

GAMBLE

1/9/2008

0.00 0.00 0.00 0.00 0.00
1.45 174.00
1.45 174.00
0.85 102.00

PAID

Billing Worksheet By Selected Clients

For the Period: 1/1/1990 - 1/31/2008

TAX	P/R	PR2 PREPARE RETURNS	GAMBLE	1/12/2008	PAYROLL RTNS & W-2s	1.65	198.00
TAX	P/R	PR2 PREPARE RETURNS	GAMBLE	1/14/2008		0.55	66.00
TAX	P/R	PR2 PREPARE RETURNS	GAMBLE	1/18/2008	1099s	2.00	240.00
TAX	P/R	PR2 PREPARE RETURNS	GAMBLE	1/22/2008	1099s	0.90	108.00
P/R Totals:						5.95	714.00
TAX	SALES	ST2 PREPARE	GAMBLE	1/15/2008		0.25	30.00
TAX	SALES	ST2 PREPARE	GAMBLE	1/18/2008		0.35	42.00
SALES Totals:						0.60	72.00
TAX Totals:						6.55	766.00
Totals:						40.60	4888.52
2948 Totals:						40.60	4888.52

PAID

MORRIS & BRESSLER

BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

Invoice No. 12139
Date 2/29/2008
Client No. 2948

Accounting services for the month of February

Current Services \$ 5,497.16

 **PAID**
CA 12500
3/26/08

 **ENTERED** 5497.16

REC'D MAR 10 2008

MORRIS & BRESSLER, PSC
Certified Public Accountants

7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306

Billing Worksheet By Selected Clients


For the Period: 1/1/1990 - 2/29/2008

Code	Description	Client	Report	Rate	Amount	Balance
MAS	MAS10 SPECIAL PROJECTS	GAMBLE	PSC REPORT	1.25	150.00	
MAS	MAS10 SPECIAL PROJECTS	GAMBLE	PSC REPORT	0.70	84.00	
MAS Totals:				9.80	1078.50	
TAX	PR2 PREPARE RETURNS	GAMBLE	KY W/H	0.10	12.00	
MAS Totals:				9.80	1078.50	
P/R Totals:				0.10	12.00	
TAX	SALES ST2 PREPARE	GAMBLE		0.25	30.00	
TAX	SALES ST2 PREPARE	GAMBLE		0.25	30.00	
TAX	SALES ST2 PREPARE	GAMBLE		0.20	24.00	
SALES Totals:				0.70	84.00	
TAX Totals:				0.80	96.00	
Totals:				46.55	5497.16	
2948 Totals:				46.55	5497.16	

PAID

MORRIS & BRESSLER

BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

 PAID
12646
4-28-08
\$ 104.25

Invoice No. 12457
Date 3/31/2008
Client No. 2948

Accounting services for the month of March

Current Services \$ 104.25

 ENTERED

APR 11 2008

MORRIS & BRESSLER, PSC
Certified Public Accountants

7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306

MORRIS & BRESSLER



PAID
#12803
5.28.08
\$204.00

BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

Invoice No. 12975
Date 4/30/2008
Client No. 2948

Accounting services for the month of April

Current Services \$ 204.00

ENTERED 

REC'D MAY 13 2008

MORRIS & BRESSLER, PSC
Certified Public Accountants
7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306

Billing Worksheet By Selected Clients

For the Period: 1/1/1990 - 4/30/2008

Phone	FYE	WIP	Progress	Net WIP	A/R Balance
859-428-2112	Dec	204.00	0.00	204.00	0.00
2948 BULLOCK PEN WATER DISTRICT (0)					
Work In Progress - BULLOCK PEN WATER DISTRICT (0) - Metro					
TAX P/R	4/9/2008		0.00	0.25	30.00
TAX P/R	4/18/2008		0.00	1.20	144.00
P/R Totals:			0.00	1.45	174.00
TAX SALES	4/9/2008		0.00	0.25	30.00
SALES Totals:			0.00	0.25	30.00
TAX Totals:			0.00	1.70	204.00
Totals:			0.00	1.70	204.00
2948 Totals:			0.00	1.70	204.00

PAID

W

✓

MORRIS & BRESSLER

PAID
#12968
6-25-08
b 3556¹⁶

BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

 ENTERED

Invoice No. 13062
Date 5/31/2008
Client No. 2948

Accounting services for the month of May

Current Services \$ 3,556.16

186.1 Roll Increase 48.00
432 Accounting 3508.14

REC'D JUN 09 2008

MORRIS & BRESSLER, PSC
Certified Public Accountants
7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306



MORRIS & BRADLEY, PSC

Billing Worksheet By Selected Clients

For the Period: 1/1/1990 - 5/31/2008

3:31:09 PM

Jun 30, 2009

Phone

859-428-2112

FYE

Dec

WIP

Net WIP

3556.16

Progress

0.00

A/R Balance

204.00

2948 BULLOCK PEN WATER DISTRICT (0)

Work In Progress - BULLOCK PEN WATER DISTRICT (0) -

ASC COMP CP1 BOOKKEEPING

Memo

REGIONS BANK STATEMENTS

Cost

0.00

Hours

1.00

Amount

120.00

COMP Totals:

5/1/2008 FIX A/PAY UNIVAR & MILLER

GAMBLE

QB2 QBOOKS REVIEW

ASC QB

0.00

1.00

120.00

5/7/2008 PAINT

GAMBLE

QB2 QBOOKS REVIEW

ASC QB

0.00

0.50

60.00

5/8/2008 FILE AWAY 2007

GAMBLE

QB2 QBOOKS REVIEW

ASC QB

0.00

4.75

570.00

5/8/2008 FEB, MAR, APR 2009

GAMBLE

QB2 QBOOKS REVIEW

ASC QB

0.00

3.00

360.00

5/8/2008 JAN - APRIL

GAMBLE

QB2 QBOOKS REVIEW

ASC QB

0.00

3.50

420.00

5/13/2008 JAN - APRIL

GAMBLE

QB2 QBOOKS REVIEW

ASC QB

0.00

6.75

810.00

5/14/2008 JAN - APRIL

GAMBLE

QB2 QBOOKS REVIEW

ASC QB

0.00

1.00

120.00

0.00

19.50

2340.00

QB Totals:

ASC Totals:

5/22/2008 WRITE 2007 MD&A

GAMBLE

AUDIT MGTLT ML1 MANAGEMENT LETTER

AUDIT MGTLT

0.00

1.25

150.00

5/23/2008 CK TYPING

GAMBLE

AUDIT MGTLT ML1 MANAGEMENT LETTER

AUDIT MGTLT

0.00

0.55

66.00

5/29/2008 MD&A

GAMBLE

AUDIT MGTLT ML1 MANAGEMENT LETTER

AUDIT MGTLT

0.00

0.05

6.00

MGTLT Totals:

5/21/2008 2007 AUDIT REPORT

GAMBLE

AUDIT REV REV1 PARTNER REVIEW

AUDIT REV

0.00

0.55

66.00

5/22/2008 REVIEW 12/31/07 AUDIT

GAMBLE

AUDIT REV REV1 PARTNER REVIEW

AUDIT REV

0.00

5.75

690.00

REV Totals:

AUDIT Totals:

5/13/2008

GAMBLE

EXP PASS MILES MILEAGE

EXP

0.00

6.30

756.00

PASS Totals:

EXP Totals:

5/13/2008 RATE INCREASE-PRINT OFF

GAMBLE

MAS MAS MAS10 SPECIAL PROJECTS

MAS

0.00

0.00

16.16

INFO & ORGANIZE

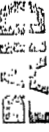
0.00

0.40

48.00

Billing Worksheet By Selected Clients

For the Period: 1/1/1990 - 5/31/2008



TAX	P/R	PR2 PREPARE RETURNS	GAMBLE	5/13/2008	KY W/H	0.00	0.40	48.00
TAX	SALES	ST2 PREPARE	GAMBLE	5/13/2008		0.00	0.40	48.00
				P/R Totals:		0.00	0.20	24.00
				SALES Totals:		0.00	0.25	30.00
				TAX Totals:		0.00	0.45	54.00
				Totals:		0.00	29.50	3556.16
				2948 Totals:		0.00	29.50	3556.16

[Handwritten signature]

MORRIS & BRESSLER

BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

Invoice No. 13116
Date 6/30/2008
Client No. 2946

PAID
#13126
7-29-08
\$1609.66

ENTERED

Accounting services for the month of June

Current Services \$ 1,609.66

186.1 Rate Increase 90.00
632. Accounting 1519.66

REC'D JUL 7 0 2008

MORRIS & BRESSLER, PSC
Certified Public Accountants

7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306

Billing Worksheet By Selected Clients

For the Period: 1/1/1990 - 6/30/2008

	Phone	FYE	WIP	Progress	Hours	Net WIP	A/R Balance
2948			1609.66	0.00		1609.66	0.00
BULLOCK PEN WATER DISTRICT (0)	859-428-2112	Dec					
Work in Progress - BULLOCK PEN WATER DISTRICT (0)		Memo			Amount		
ASC PR	PPR2 ACHIEF/TAX DEPOSITS	GAMBLE			90.00		
		6/12/2008					
		ADJ/FIX 941 REFUND					
		PR Totals:			90.00		
ASC QB	QB2 QBBOOKS REVIEW	GAMBLE			864.00		
		6/17/2008					
		MAY					
		QB Totals:			864.00		
		ASC Totals:			954.00		
AUDIT REV	REV1 PARTNER REVIEW	GAMBLE			138.00		
		6/5/2008					
		ADD'L CORRECTIONS TO					
		AUDIT REPORT					
AUDIT REV	REV1 PARTNER REVIEW	GAMBLE			36.00		
		6/11/2008					
		FINALIZE REVIEW OF AUDIT					
		REPORT					
		REV Totals:			174.00		
AUDIT WP	WP1 WORD PROCESSING	LONG			27.50		
		6/6/2008					
		Legal Notice					
		WP Totals:			27.50		
		AUDIT Totals:			201.50		
EXP PASS	MILES MILEAGE	GAMBLE			16.16		
		6/17/2008					
		PASS Totals:			16.16		
		EXP Totals:			16.16		
MAS MAS	MAS10 SPECIAL PROJECTS	GAMBLE			216.00		
		6/3/2008					
		LEGAL NOTICE					
MAS MAS	MAS10 SPECIAL PROJECTS	GAMBLE			84.00		
		6/6/2008					
		CK TYPING ON LEGAL					
		NOTICE- MAKE COPIES &					
		MAIL					
MAS MAS	MAS10 SPECIAL PROJECTS	GAMBLE			90.00		
		6/11/2008					
		EMAIL @ REPORTS FOR					
		RATE INCREASE					
		MAS Totals:			390.00		
		MAS Totals:			390.00		

REV JUL 10 2008

MORRIS & BR. ER, PSC
Billing Worksheet By Selected Clients

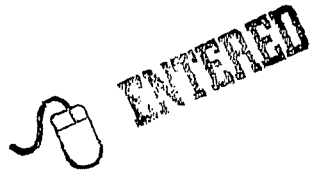
For the Period: 1/1/1990 - 6/30/2008

TAX	P/R	PR2 PREPARE RETURNS	GAMBLE	6/12/2008	KY W/H	0.00	0.15	18.00
TAX	SALES	ST2 PREPARE	GAMBLE	6/12/2008		0.00	0.25	30.00
P/R Totals:						0.00	0.15	18.00
SALES Totals:						0.00	0.25	30.00
TAX Totals:						0.00	0.40	48.00
Totals:						0.00	13.55	1609.66
2948 Totals:						0.00	13.55	1609.66

PAID

W

MORRIS & BRESSLER



BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

Invoice No. 13261
Date 08/31/2008
Client No. 2948

Accounting services for the month of August

Current Services \$ 3,799.44

186.1 Rate Increase 1170.00
632 Accounting 2629.44



PAID
Chk # 13456
9/30/08

3799.44

MORRIS & BRESSLER, PSC
Certified Public Accountants

7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306

MORRIS & BRESSLER

BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

Invoice No. 13305
Date 09/30/2008
Client No. 2948

Accounting services for the month of September

Current Services \$ 237.00

 ENTERED

REC'D OCT 1 3 2008

MORRIS & BRESSLER, PSC
Certified Public Accountants

7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306

PAID
CL 13584
10/28/08
237.00

Billing Worksheet

Bill Manager - Client Sort Name

For the Period: 01/01/1990 - 09/30/2008

Bill Manager: BRESSLER, DIANNE (2)

2948.0 - BULLOCK PEN WATER DISTRICT

MEMO	Eng Fee	FYE	WIP	Progress	Net WIP	AR Balance
WIP - BULLOCK PEN WATER DISTRICT (0) -	0.00	Dec	237.00	0.00	237.00	3799.44
MAS MAS MAS10 SPECIAL PROJECTS						
MAS MAS MAS10 SPECIAL PROJECTS						
TAX P/R PR2 PREPARE RETURNS						
TAX SALES ST2 PREPARE						
BUDGET INFO FOR PLS						
EXCEL - 2009 BUDGET						
MAS Totals			120.00			18.00
MAS Totals			105.00			105.00
KY W/H						1.15
P/R Totals			120.00			123.00
SALES TAX						30.00
SALES Totals			120.00			30.00
TAX Totals						84.00
BULLOCK PEN WATER DISTRICT (0)						114.00
						237.00 ✓

PAID

ENTERED



MORRIS & BRESSLER

BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

Invoice No. 13407
Date 10/31/2008
Client No. 2948

Accounting services to date

Current Services \$ 2,240.22



PAID
Q#13783

11/26/08

186.1 Rate In...

42.00

432 Accounting

2198.22



ENTERED

REC'D NOV 13 2008

MORRIS & BRESSLER, PSC
Certified Public Accountants

7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306

Billing Worksheet

Bill Manager - Client: Sort Name

For the Period: 01/01/1990 - 11/10/2008

Bill Manager: BRESSLER, DYANNE (2)

2948.0 - BULLOCK PEN WATER DISTRICT

ASC	COMP	CP1 BOOKKEEPING	Eng Fee	FYE	WIP	Progress	Net WIP	AR Balance
EXP	PASS	MILES MILEAGE	0.00	Dec	2240.22	0.00	2240.22	0.00
MAS	MAS	MAS10 SPECIAL PROJECTS	Memo	Rate	Hours	Amount		
ASC	COMP	CP1 BOOKKEEPING	AUG & SEPT A/REC ADJ ENTRY	120.00	0.75	90.00		
ASC	COMP	CP3 REPORT PREPARATION	UNCLAIMED FUNDS REPORT	90.00	0.50	45.00		
ASC	COMP	CP2 DATA ENTRY	UNCLAIMED FUNDS	90.00	1.25	112.50		
			COMP Totals		2.50	247.50		
ASC	QB	QB2 QBOOKS REVIEW	AUG & SEPT	120.00	8.35	1002.00		
ASC	QB	QB2 QBOOKS REVIEW	CALCULATE TRANSFERS FROM PHASE 5, 7 & 8 SURCHARGE ACCTS TO THE LOAN PMT ACCT - REVIEW AUG & SEPT P & L FOR CORRECTIONS NEEDED	120.00	2.00	240.00		
			QB Totals		10.35	1242.00		
			ASC Totals		12.85	1489.50		
EXP	PASS	MILES MILEAGE	PASS Totals			18.72		
			EXP Totals			18.72		
MAS	MAS	MAS10 SPECIAL PROJECTS	TELL GAIL HOW TO CHANGE HER PAYROLL RECORD FROM HOURLY TO SALARY	120.00	0.25	30.00		
MAS	MAS	MAS10 SPECIAL PROJECTS	PUT 2007 GENERAL LEDGER IN EXCEL & EMAIL TO PSC PER REQUEST @ RATE INCREASE	120.00	0.35	42.00		
MAS	MAS	MAS10 SPECIAL PROJECTS	PHASE 10 SURCHG TFR LOAN PMTS ACCT CASH FLOW ANALYSIS LTR TO GAIL @ SURCHG TFR	120.00	3.25	390.00		
			MAS Totals		0.15	18.00		
			MAS Totals		4.00	480.00		
TAX	P/R	PR2 PREPARE RETURNS	CALL FOR PAYROLL INFO FOR KY W/H	120.00	0.15	18.00		
TAX	P/R	PR2 PREPARE RETURNS	KY W/H & GO THRU INFO DROPPED OFF	120.00	0.30	36.00		
TAX	P/R	PR2 PREPARE RETURNS		120.00	0.65	78.00		
TAX	P/R	PR2 PREPARE RETURNS		120.00	0.75	90.00		
			P/R Totals		1.85	222.00		
TAX	SALES	ST2 PREPARE	SALES Totals		0.25	30.00		
			TAX Totals		0.25	30.00		
			BULLOCK PEN WATER DISTRICT (0)		2.10	252.00		
					18.95	2240.22		

PAID

MORRIS & BRESSLER

BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

Invoice No. 13470
Date 11/30/2008
Client No. 2948

PAID
Ch # 13950
12/30/08

Accounting services for the month of November

860⁰⁰

Current Services \$ 860.00

 ENTERED

MORRIS & BRESSLER, PSC
Certified Public Accountants

7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306

Billing Worksheet

Bill Manager - Client Sort Name

For the Period: 01/01/1990 - 12/05/2008

Bill Manager: BRESSLER, DIANNE (2)

2948.0 - BULLOCK PEN WATER DISTRICT

WIP - BULLOCK PEN WATER DISTRICT (0) -

ASC	COMP	CP1	BOOKKEEPING	SCHAEFER,P	11/11/2008	MEMO	Erg Fee	FYE	WIP	Rate	Progress	Hours	Amount	AR Balance
ASC	COMP	CP1	BOOKKEEPING	SCHAEFER,P	11/11/2008	INFO FOR PEGGY	0.00	Dec	860.00	105.00	0.00	0.25	26.25	0.00
						COMP Totals						0.25	26.25	
						ASC Totals						0.25	26.25	
MAS	MAS	MAS10	SPECIAL PROJECTS	BURCHAM,DE	11/10/2008	budget report				155.00		0.25	38.75	
MAS	MAS	MAS10	SPECIAL PROJECTS	BURCHAM,DE	11/20/2008	BUDGET				155.00		4.00	620.00	
MAS	MAS	MAS10	SPECIAL PROJECTS	BURCHAM,DE	11/21/2008	MAS Totals				155.00		0.50	77.50	
						MAS Totals						4.75	736.25	
						MAS Totals						4.75	736.25	
TAX	P/R	PR1	PREPARE INFORMATION	REHKAMP,MA	11/10/2008	P/R Totals				90.00		0.50	45.00	
						P/R Totals						0.50	45.00	
TAX	SALES	ST2	PREPARE	SCHAEFER,P	11/12/2008	SALES Totals				105.00		0.50	52.50	
						TAX Totals						0.50	52.50	
						BULLOCK PEN WATER DISTRICT (0)						1.00	97.50	
						BULLOCK PEN WATER DISTRICT (0)						6.00	860.00	

MORRIS & BRESSLER

BULLOCK PEN WATER DISTRICT
P. O. BOX 188
CRITTENDEN, KY 41030-0188

Invoice No. 13524
Date 12/31/2008
Client No. 2948

Accounting services for the month of December

Current Services \$ 7,727.66

PAID
CR 1489.7
1/30/09
7727.66

 ENTERED

MORRIS & BRESSLER, PSC
Certified Public Accountants

7309 Dixie Highway • P.O. Box 545 • Florence, KY 41022-0545 • (859) 525-6306

Billing Worksheet

Bill Manager - Client Sort Name

For the Period: 12/31/1989 - 12/31/2008

Bill Manager: BRESSLER, DIANNE (2)

WIP - BULLOCK PEN WATER DISTRICT (0) -	Memo	Rate	Hours	Amount
TAX SALES ST2 PREPARE	GAMBLE,PEG 12/15/2008	120.00	0.25	30.00
	SALES Totals		0.25	30.00
	TAX Totals		0.25	30.00
	BULLOCK PEN WATER DISTRICT (0)		66.20	7727.66



Van Gorder, Walker & Co., Inc.
Certified Public Accountants

June 23, 2008

William R. Catlett, General Manager
Bullock Pen Water District
One Farrell Drive
Crittenden, Kentucky 41030

PAID
#13117
7-28-08
\$9650⁰⁰

Invoice for the following professional services:

Preparation of audited financial statements for the
Bullock Pen Water District for the year ended
December 31, 2007

Total due this invoice

\$ 9,650
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