

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

The Application of Whitley County) Case No. 2010-00 200
District No. 1 for Approval of)
Financing and Issuance of a)
Certificate of Convenience and Necessity)

RECEIVED

MAY 14 2010

PUBLIC SERVICE
COMMISSION

APPLICATION

Whitley County Water District No. 1 (Whitley County), by counsel, pursuant to KRS 278.020 and 278.300, petitions the Commission for an order approving the construction of certain water facilities and the financing of the improvements through a loan from the Kentucky Infrastructure Authority.

1. Whitley County is a regulated utility district formed under KRS Chapter 74. It has no articles of incorporation. It provides water and sewer service at retail and wholesale to customers in Whitley County. Its address is 19 South Highway 25W, Williamsburg, KY 40769.

2. It currently serves approximately 3300 customers throughout Whitley County.

3. A description of its water system and its property stated at original cost by accounts is contained in its Annual Report, which is attached as Exhibit E.

4. It proposes to construct a new booster pump station and replace aging, leaking water mains as described in Exhibit A (Copies of the Maps, Plans, Specifications and Bid Documents are provided as a separate bound document). The District is financing the

project with a \$848,000 loan from the Kentucky Infrastructure Authority (KIA). See Exhibit B.

5. The construction is in the public interest and is required to allow Whitley County to continue to provide adequate service to additional residents of the county. The Whitley County Water District was organized in 1961 and now serves approximately 3,300 customers. It has no water treatment facilities of its own and must purchase all water from neighboring utilities for resale. It currently purchases water from Corbin City Utilities at \$2.20 per 1,000 gallons, City of Williamsburg Water and Sewer at \$2.20 per 1,000 gallons, Jellico (TN) Electric and Water at \$3.80 per 1,000 gallons for the first 2,700,000 gallons and \$4.50 per 1,000 gallons above 2,700,000 gallons and McCreary Co. Water District at \$3.48 per 1,000 gallons. Jellico has notified the District of its intent to increase its rate each year until it reaches \$5.06 per 1,000 gallons for the first 2,700,000 gallons and \$6.00 per 1,000 gallons above 2,700,000 gallons in 2013.

Whitley County currently purchases approximately 3,890,000 gallons of water each month from Jellico at a cost of \$15,615.00. The proposed rate increase will cost the District approximately \$5,187.00 per month at the current monthly consumption rate. The booster pump station and associated water line proposed in the project will allow the District to purchase additional water from Corbin and/or Williamsburg so Jellico can be eliminated as a source. The savings will amount to approximately \$7,057.00 per month at the current Corbin/Williamsburg versus Jellico rates and \$12,244.00 per month at the current Corbin/Williamsburg rate versus the proposed 2013 Jellico rate.

The project will also allow the District to replace existing water distribution lines that are undersized, contain asbestos and/or have been prone to excessive leaking. Much of

the line to be replaced was initially installed by private home owners 20 plus years ago to serve only the residences that existed at the time and was never intended to serve growth or be extended. This work should also significantly lower the District's high water loss.

No new customers will be served by the project, however, 181 existing underserved customers will directly benefit from improved service and the District's entire customer base will benefit financially from lower costs. The project, its cost, need and other details are contained in Exhibit A.

6. The total project cost is approximately \$848,000, see Exhibits B and D.
7. Easements and rights of way have been acquired, see Exhibit A.
8. This service will not compete with any other utility in the area.
9. The proposed project, identified in Exhibit A, is scheduled to begin construction upon PSC approval. Construction period is approximately 120 days. Bid information is included with Exhibit B. Bids expire on July 1, 2010.
10. No new franchises are required. The DOW and encroachment permits are attached as Exhibit C.
11. Construction descriptions are in Exhibit A and Bid Documents, Exhibit D. Facts relied on to justify the public need are included in the project descriptions in Exhibit A.
12. Maps of the area showing location of the proposed facilities are in Exhibit A.
13. The construction costs will be funded as previously described.
14. Estimated operating costs for operation and maintenance, depreciation and debt service after construction to the extent that there are any are shown in Exhibit A.
15. A description of the facilities and operation of the system are in Exhibit A.

16. A full description of the route, location of the project, description of construction and related information is in Exhibit A.

17. The start date for construction; proposed in-service date; and total estimated cost of construction at completion are included in Exhibits A and B.

18. CWIP at end of test year is listed in Exhibit E.

19. Plant retirements are listed in Exhibit E. No salvage values are included as booked.

20. The use of the funds and need for the facilities is justified based on a the engineering report included as Exhibit A

21. No rate adjustment is being proposed.

22. The following information is provided in response to 807 KAR 5:001 (8):

a. Articles of Incorporation – None. Whitley County is a statutorily created water district under KRS Chapter 74;

23. The following information is supplied pursuant to 807 KAR 5:001(9):

a. Facts relied upon to show that the application is in the public interest: See Exhibit A.

24. The following information is provided as required by 807 KAR 5:001 (11):

a. A general description of the property is contained in the Annual Report, Exhibit E. The 2008 Report and audited financial information is the latest available from the District.

b. No stock is to be issued; No bonds are to be issued in this case;

c. There is no refunding or refinancing;

d. The proceeds of the financing are to construct the property described in Exhibit A

e. The par value, expenses, use of proceeds, interest rates and other information is not applicable because no bonds are being issued at this time.

25. The following exhibits are provided pursuant to 807 KAR 5:001 (11)(2):

a. There are no trust deeds. All notes, indebtedness and mortgages are included in Exhibits E and F.

b. Property to be constructed is described in Exhibit A.

26. The following information is provided pursuant to 807 KAR 5:001(6):

a. No stock is authorized.

b. No stock is issued.

c. There are no stock preferences.

d. Mortgages are listed in Exhibit E.

e. Bonds are listed in Exhibit F.

f. Notes are listed in Exhibit F.

g. Other indebtedness is listed in Exhibit F.

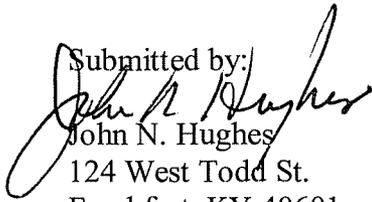
h. No dividends have been paid.

i. Current balance sheet; income statement and debt schedule are attached as Exhibit F.

27. Plant additions will be classified according to USoA "Water Utility Plant Accounts": 311.3 and 331.

28. A deviation pursuant to 807 KAR 5:001(14) is requested for use of financial information greater than 90 days old and for any other filing requirement not essential for the review and approval of the application.

For these reasons, Whitley County requests an order approving the financing and the certificate and other authorizations that may be required.

Submitted by:

John N. Hughes
124 West Todd St.
Frankfort, KY 40601
(502) 227 7270
Attorney for Whitley County
Utility District

Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application
Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.	yes
Section 8(3)	If applicant is a corporation, a certified copy of the Articles of Incorporation and all amendments thereto <u>or</u> if the articles were filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding.	n/a
Section 9(2)	(a) The facts relied upon to show that the proposed new construction is or will be required by public convenience or necessity.	Exhibit A
	(b) Copies of franchises or permits, if any, from the proper public authority for the proposed new construction or extension, if not previously filed with the commission.	Exhibit C
	(c) A full description of the proposed location, route, or routes of the new construction or extension, including a description of the manner in which same will be constructed, and also the names of all public utilities, corporations, or persons with whom the proposed new construction or extension is likely to compete.	Exhibit A
	(d) Three (3) maps to suitable scale (preferably not more than two (2) miles per inch) showing the location or route of the proposed new construction or extension, as well as the location to scale of any like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of such other facilities.	Exhibit A
	(e) The manner, in detail, in which it is proposed to finance the new construction or extension.	Exhibits A, B
	(f) An estimated cost of operation after the proposed facilities are completed.	Exhibit A

THE FOLLOWING ITEM IS NOT REQUIRED TO BE FILED WITH AN APPLICATION FOR A CERTIFICATE TO CONSTRUCT AND TO BE FILED WITH THE APPLICATION TO EXPEDITE ITS PROCESSING:

KRS 322.340	Engineering plans, specifications, plats and report for the proposed construction. The engineering documents prepared by a registered engineer, requires that they be signed, sealed, and dated by an engineer registered in Kentucky.	Exhibit A
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Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application
Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.	yes
Section 8(3)	If applicant is a corporation, a certified copy of the Articles of Incorporation and all amendments thereto <u>or</u> if the articles were filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding.	n/a
KRS 278.300(2)	Every financing application shall be made under oath, and shall be signed and filed on behalf of the utility by its president, or by a vice president, auditor, comptroller or other executive officer having knowledge of the matters set forth and duly designated by the utility.	Application
807 KAR 5:001: Section 11(1)(a)	Description of applicant's property. Statement of original cost of applicant's property and the cost to the applicant, if different.	Exhibit E
Section 11(1)(b)	If stock is to be issued: and kinds to be issued. --Description of amount and kinds to be issued. --If preferred stock, a description of the preferences. If Bonds or Notes or Other Indebtedness is proposed: --Description of the amount(s) --Full description of all terms --Interest rates(s) --Whether the debt is to be secured and if so a description of how it's secured.	none none Exhibits E, F
Section 11(1)(c)	Statement of how proceeds are to be used. Should show amounts for each type of use (i.e., property, debt refunding, etc.)	Exhibit A

807 KAR 5:001: Section 11(1)(d)	If proceeds are for property acquisition, give a full description thereof. Supply any contracts.	
		n/a
Section 11(1)(e)	If proceeds are to refund outstanding obligations, give: --Par value --Amount for which actually sold --Expenses and application of proceeds --Date of obligations --Total amount --Time held --Interest rate --Payee	n/a
Section 11(2)(a)	Financial Exhibit (see below)	
Section 11(2)(b)	Copies of all trust deeds or mortgages. If previously filed, state case number.	Exhibit E
Section 11(2)(c)	If Property to be acquired: --Maps and plans of property.	Exhibit A
Section 11(2)(c)	--Detailed estimates by USOA account number.	Application

ALL INFORMATION BELOW IN SECTIONS 6(1) THROUGH 6(9) SHOULD COVER THE PERIOD ENDING NOT MORE THAN 90 DAYS PRIOR TO DATE ON WHICH APPLICATION WAS FILED:

807 KAR 5:001 Section 6(1)	Amount and types of stock authorized.	
		none
Section 6(2)	Amount and types of stock issued and outstanding.	none
Section 6(3)	Detail of preference terms of preferred stock.	none
Section 6(4)	<u>Mortgages:</u> --Date of Execution --Name of Mortgagor	Exhibit E,F

	--Name of Mortgagee or Trustee	
	--Amount of Indebtedness Secured	
	--Sinking Fund Provisions	
Section 6(5)	<u>Bonds</u>	Exhibit E,F
	--Amount Authorized	
	--Amount Issued	
	--Name of Utility Who Issued	
	--Description of Each Class Issued	
	--Date of Issue	
	--Date of Maturity	
	--How Secured	
	--Interest Paid in Last Fiscal Year	
Section 6(6)	<u>Notes Outstanding:</u>	
	--Date of Issue	Exhibit E,F
	--Amount	
	--Maturity Date	
	--Rate of Interest	
	--In Whose Favor	
	--Interest Paid in Last Fiscal Year	
Section 6(7)	<u>Other Indebtedness:</u>	
	--Description of Each Class	
	--How Secured	
	--Description of Any Assumption of Indebtedness by Outside	

Party
(i.e., any transfer)

--Interest Paid in Last Fiscal Yr.

Section 6(8) Rate and amount of dividends paid during the five (5) previous fiscal years and the amount of capital stock on which dividends were paid each year.

Section 6(9) Detailed income statement and balance sheet.

none
none
Exhibit F

AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF FRANKLIN

Affiant, Walter Estes, after being first sworn, deposes and says he is authorized on behalf of Whitley County Water District No. 1 to file this Petition, that the statements are true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

Walter B. Estes
Walter Estes, Chairman

This instrument was produced, signed and declared by Walter Estes to be his act and deed the 6th day of May 2010.

Angela West
Notary Public

My Commission expires: Nov. 19, 2012

EXHIBIT A

**COPIES OF PLANS, SPECIFICATIONS AND MAPS
PROVIDED AS SEPARATE ATTACHMENTS**

**Project Narrative
Whitley County Water District
Water System Rehabilitation Project**

The facilities will consist of approximately 4,860 LF of 6-inch waterlines; approximately 10,480 LF of 4-inch waterline; approximately 21,700 LF of 3-inch waterline; a 200 GPM booster pump station and associated appurtenances such as gate valves, leak detection meters, etc. The distribution mains will be primarily of ductile iron or PVC. Some short segments will be polyethylene pipe at directionally bored stream crossings. The water mains will primarily be constructed along the highway right-of-ways.

There are no other existing public water systems in the area.

The project is now scheduled to begin construction by July 1, 2010 and be completed by January 1, 2011.

Whitley County Water District

XXXII. PROPOSED OPERATING BUDGET (WATER SYSTEM)

(1st Full Year of Operation)

Year Ending Dec.31, 2011

A. Operating Income:

Water Sales	\$1,750,000
Disconnect/Reconnect/Late Charge Fees	38,000
Other (Describe)	0
Less Allowances and Deductions	()
Total Operating Income	\$1,788,000

B. Operation and Maintenance Expenses:

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

Source of Supply Expense	\$684,000
Pumping Expense	16,000
Water Treatment Expense	0
Transmission and Distribution Expense	350,000
Customer Accounts Expense	280,000
Administrative and General Expense	70,000
Total Operating Expenses	\$1,400,000
Net Operating Income	\$422,000

C. Non-Operating Income:

Interest on Deposits	\$ 3,000
Other (Identify)	
Total Non-Operating Income	\$ 3,000

D. Net Income

\$ 391,000

E. Debt Repayment:

RUS Interest	\$155,000
RUS Principal	60,000
Non-RUS Interest and Principal	47,000
Total Debt Repayment	\$262,000

F. Balance Available for Coverage

\$129,000

EXHIBIT B



KENTUCKY INFRASTRUCTURE AUTHORITY

Steven L. Beshear
Governor

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

Tim Thomas
Executive Director

March 14, 2008

Mr. Walter Estes, Chairman
Whitley County Water District
19 South Highway 25W
Williamsburg, Kentucky 40769

KENTUCKY INFRASTRUCTURE AUTHORITY INFRASTRUCTURE REVOLVING LOAN FUND CONDITIONAL LOAN COMMITMENT B08-03

Dear Mr. Estes:

The Kentucky Infrastructure Authority (the "Authority") commends your efforts to improve public service facilities in your community. On March 6, 2008 the Authority approved your loan for drinking water system improvements subject to the conditions stated below. The total cost of the project shall not exceed \$2,708,000 of which the Authority loan shall provide up to \$848,000. Other anticipated funding for the project is reflected in Attachment A. The final loan amount will be equal to the Authority's portion of estimated project amount applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An assistance agreement will be executed between the Authority and the Whitley County Water District upon satisfactory performance of the conditions set forth in this letter. A period of twelve months from the date of this letter March 14, 2008 will be allowed for you to meet the conditions set forth in this letter and enter into an assistance agreement. A one-time extension up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the assistance agreement.

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

1. The Authority project loan shall not exceed \$848,000.
2. The loan shall bear interest at the rate of 0.6% per annum commencing with the first draw of funds.

Mr. Walter Estes
March 14, 2008
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3. The loan shall be repaid over a period of twenty (20) years from the date of project completion.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on June 1 or December 1 immediately succeeding the date of the last draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the last draw of funds, then the first principal payment date shall be the June 1 or December 1 which is at least six months from the date of the last draw of funds. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of two-tenths of one percent of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
7. Loan funds will be disbursed after execution of the assistance agreement as project costs are incurred.
8. The final assistance agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.

The following is a list of the standard conditions to be satisfied prior to execution of the assistance agreement or incorporated in the assistance agreement. Any required documentation shall be provided directly to the Authority.

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

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

Mr. Walter Estes
March 14, 2008
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service are based upon the cost of providing such service.

12. Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North, South or Single) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). If there is a significant deviation from the Final Design Plan during construction, As-built plans shall also be provided to the Authority in the same format.

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

Sincerely,



John E. Covington, III
Financial Analyst

Attachment

- c: Ms. Kathy Moyers, Whitley County Water District/
Mr. Ken Taylor, Kenvirons
Mr. Timothy M. Schwendeman, Cumberland Valley ADD
Mr. Dirk Bedarff, Peck Shaffer & Williams, LLP
Mr. Lonnie Campbell, State Local Debt Officer, GOLD

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms.

Walter B. Estes
Accepted

3-25-08
Date

**AUTHORIZATION FOR ELECTRONIC DEPOSIT
OF BORROWER PAYMENT
KENTUCKY INFRASTRUCTURE AUTHORITY
(FUND B08-03)**

Borrower Information:

WRTLEY COUNTY WATER DISTRICT

Name: _____

Address: 19 S. Hwy 25W

City: Williamsburg State: KY Zip: 40769

Telephone: 606-549-3600 Contact: Kathy Majers

Federal I.D. # 61-0898691

Financial Institution Information:

Bank Name: Community Trust Bank

Branch: Williamsburg, KY Phone No: 606-549-5000

City: Williamsburg State: KY Zip: 40769

Transit / ABA No.: _____

Account Name: _____

Account Number: _____

I, the undersigned, authorize payments directly to the account indicated above and to correct any errors which may occur from the transactions. I also authorize the Financial Institution to post these transactions to that account.

Signature: Walter B. Estes Date: 3-25-08

Name Printed: WALTER B. ESTES Job Title: CHAR. W.C.W.D.

Please return completed form to:

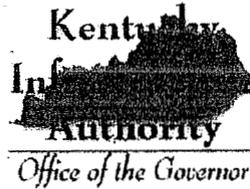
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601
phone: 502-573-0260
fax: 502-573-0157

ATTACHMENT A

EXECUTIVE SUMMARY		Reviewer:	John Covington
KENTUCKY INFRASTRUCTURE AUTHORITY		Date:	3/6/08
FUND B, INFRASTRUCTURE REVOLVING FUND		KIA Loan Number:	B08-03
BORROWER:	Whitley County Water District		
	Whitley County		
BRIEF DESCRIPTION:	WX21235432		
	Extension of approximately 115,100 lf of 3, 4, 6 and 8 inch water lines to serve a potential of 204 customers along 16 roads in Whitley Count		
	WX21235434		
	This project proposes to upgrade 83,200 lf of water lines to underserved areas throughout the county.		
PROJECT FINANCING:		PROJECT BUDGET	
Fund B WX21235432	\$ 548,000	Administrative Expenses	\$ 60,000
Fund B WX21235434	\$ 300,000	Legal Expenses	\$ 33,500
ARC	\$ 600,000	Land, Easements	\$ 35,000
HB 380 Grant	\$ 1,160,000	Planning	\$ 20,000
Local	\$ 100,000	Eng. Fees - Design	\$ 139,800
		Engineering Construction	\$ 34,950
		Eng. Fees - Insp. and Other	\$ 112,400
		Construction	\$ 2,070,000
		Contingency	\$ 202,350
TOTAL	\$ 2,708,000	TOTAL	2,708,000
REPAYMENT		Est. Annual	
	Rate	0.60%	Payment \$46,754
	Term	20 years	1st Payment 6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Kenvirons	
	Bond Counsel	Peck, Shafer, & Williams	
PROJECT SCHEDULE			
	Bid Opening	7/2/2008	
	Construction Start:	9/1/2008	
	Construction Stop:	4/1/2008	
OTHER DEBT	See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached		
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	2,990	\$38.10 (for 4,000 gallons)
	Proposed	204	Same (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
CASHFLOW	Cash Available for	Income after Debt	
	Debt Service	Debt Service	Service Coverage Ratio
Audited 2003	91,180	91,065	115 1.00
Audited 2004	158,802	181,494	(22,692) 0.87
Audited 2005	210,314	199,009	11,305 1.06
Audited 2006	210,040	200,508	9,532 1.05
Unaudited 2007	491,058	197,471	293,587 2.49
Projected 2008	529,730	197,845	331,885 2.68
Projected 2009	601,179	243,883	357,296 2.47
Projected 2010	681,088	243,588	437,499 2.80

**Whitley County Water District
Balance Sheets**

ASSETS	<u>2004</u>	<u>2005</u>	<u>2006</u>
Current Assets			
Cash and Cash Equivalents	61,696	33,258	96,445
Accounts Receivable - Customers	152,637	166,367	220,475
Other Accounts Receivable	24,250	24,250	-
Provision for Uncollectable Accounts	(10,648)	(10,648)	(10,648)
Prepaid Insurance	5,588	5,588	2,034
Total Current Assets	233,523	218,815	308,306
Restricted Assets			
Restricted Cash and Cash Equivalents	335,606	374,706	848,139
Total Restricted Assets	335,606	374,706	848,139
Capital Assets			
Land	5,663	6,463	8,463
Equipment, Structures, Vehicles	322,806	339,842	348,458
Distribution System	4,887,407	4,887,407	10,253,020
Accumulated Depreciation	(1,427,005)	(1,551,709)	(1,676,414)
Construction in Progress	3,632,749	5,311,352	1,791,543
Total Capital Assets	7,421,620	8,993,355	10,725,070
Other Assets			
Deposits	2,000	2,000	2,000
Prepaid Debt Service	41,500	44,500	46,000
Miscellaneous Other Assets	-	-	70
Bond Related Cost	4,868	4,868	8,027
Accumulated Amortization Bond Costs	(888)	(1,162)	(1,436)
Total Other Assets	47,480	50,206	54,661
Total Assets	8,038,229	9,637,082	11,936,176
LIABILITIES			
Current Liabilities			
Accounts Payable/Accrued Liabilities	106,858	106,978	108,385
Accrued Taxes	5,967	7,651	10,088
Accrued Interest Payable	15,387	15,305	2,793
Current Notes Payable - Kentucky Rural Water	-	-	126,244
Current Bonds Payable	41,500	44,500	46,000
Total Current Liabilities	169,712	174,434	293,510
Non-Current Liabilities			
Customer Deposits	129,342	145,853	168,581
Escrow Charges	2,533	2,533	2,533
Bonds Payable	3,433,500	3,389,000	3,343,000
Total Non-Current Liabilities	3,565,375	3,537,386	3,514,114
Total Liabilities	3,735,087	3,711,820	3,807,624
Net Assets			
Invested in Capital Assets, Net of Related Debt Restricted	3,988,120	5,604,355	7,255,826
Deposits	113,813	122,559	140,202
Capital Projects	135,708	162,217	481,059
Debt Service	86,085	89,929	226,878
Unrestricted (Deficit)	(20,584)	(53,798)	24,587
Total Net Assets	4,303,142	5,925,262	8,128,552
Total Liabilities and Net Assets	8,038,229	9,637,082	11,936,176
Balance Sheet Analysis			
Current Ratio	1.38	1.25	1.05
Debt to Equity	0.87	0.63	0.47



Board Meeting Booklet

for

March 6, 2008

Kentucky Infrastructure Authority

1024 Capital Center Drive, Suite 340

Frankfort, Kentucky 40601-3646

502-573-0260

502-573-0157 fax

<http://kia.ky.gov>



A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN OF \$848,000 TO THE WHITLEY COUNTY WATER DISTRICT, WHITLEY COUNTY, KENTUCKY

WHEREAS, the Kentucky Infrastructure Authority (the "Authority") has been duly created as a body corporate and politic constituting a public corporation and a governmental agency of the Commonwealth of Kentucky pursuant to Chapter 224A of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, pursuant to the Act, the Authority is duly and legally authorized to make loans to Governmental Agencies for the purpose of providing funds for the construction and acquisition of sanitary sewer facilities, water facilities or other types of infrastructure; and in that regard, to enter into Assistance Agreements with such Governmental Agencies governing the provisions in respect of which such loans are to be made, the amounts thereof and the repayment provisions in respect thereto; and

WHEREAS, the Authority anticipates entering into an Assistance Agreement for a loan from the Authority's Infrastructure Revolving Loan Program with the Whitley County Water District, subject to final determination of amount when the factors involving such financing have been determined; and

WHEREAS, the Authority intends to utilize money in the Infrastructure Revolving Fund to make the loan to the governmental agency for the aforementioned purposes; and

WHEREAS, the Authority wishes to establish terms and conditions on said Infrastructure Revolving Fund loans.

NOW, THEREFORE, THE KENTUCKY INFRASTRUCTURE AUTHORITY, ACTING BY AND THROUGH ITS BOARD OF DIRECTORS AS ITS DULY AUTHORIZED AND EMPOWERED GOVERNING BODY, DOES HEREBY RESOLVE AND ORDER, AS FOLLOWS:

Section 1. All statements of fact set forth in the preambles to this Resolution and Order are incorporated herein by reference, the same as if set forth verbatim. All such statements of fact are hereby declared to be true and accurate in all material respects.

Section 2. The Authority hereby authorizes the issuance of a conditional Infrastructure Revolving Fund loan commitment for \$848,000 of project expense, to the Whitley County Water District for a drinking water project. Such amounts are subject to adjustment by further action of the Authority or may be adjusted by action of the Authority staff based on adjustment in project costs of not more than (10%) ten percent of the project cost authorized by this resolution. Upon satisfaction of all conditions of the commitment, execution of an assistance agreement for this loan is authorized.

Section 3. The loan shall be repayable in 20 years at an annual interest rate of 0.6% subject to determination of the tax status of the project. These terms are subject to adjustment upon execution of the loan agreement, upon changes in the project conditions

or determination that the project will require authority financing to be done on a taxable basis.

Section 4. This Resolution and Order shall be in full force and effect from and after its adoption at a properly held meeting of the Kentucky Infrastructure Authority this 6th day of March 2008.

**JAMES L. CAULEY, CHAIR
KENTUCKY INFRASTRUCTURE AUTHORITY**

ATTEST:

**M. DENISE PITTS, CPA, SECRETARY
KENTUCKY INFRASTRUCTURE AUTHORITY**

REVIEWED BY:

**LEGAL COUNSEL TO THE KENTUCKY
INFRASTRUCTURE AUTHORITY**

EXECUTIVE SUMMARY		Reviewer:	John Covington
KENTUCKY INFRASTRUCTURE AUTHORITY		Date:	3/6/08
FUND B, INFRASTRUCTURE REVOLVING FUND		KIA Loan Number:	B08-03
BORROWER:	Whitley County Water District Whitley County		
BRIEF DESCRIPTION:	WX21235432 Extension of approximately 115,100 lf of 3, 4, 6 and 8 inch water lines to serve a potential of 204 customers along 16 roads in Whitley Count		
	WX21235434 This project proposes to upgrade 83,200 lf of water lines to underserved areas throughout the county.		
PROJECT FINANCING:		PROJECT BUDGET	
Fund B WX21235432	\$ 548,000	Administrative Expenses	\$ 60,000
Fund B WX21235434	\$ 300,000	Legal Expenses	\$ 33,500
ARC	\$ 600,000	Land, Easements	\$ 35,000
HB 380 Grant	\$ 1,160,000	Planning	\$ 20,000
Local	\$ 100,000	Eng. Fees - Design	\$ 139,800
		Engineering Construction	\$ 34,950
		Eng. Fees - Insp. and Other	\$ 112,400
		Construction	\$ 2,070,000
		Contingency	\$ 202,350
TOTAL	\$ 2,708,000	TOTAL	2,708,000
REPAYMENT		Est. Annual	
	Rate	0.60%	Payment \$46,754
	Term	20 years	1st Payment 6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Kenvirons	
	Bond Counsel	Peck, Shafer, & Williams	
PROJECT SCHEDULE			
	Bid Opening	7/2/2008	
	Construction Start:	9/1/2008	
	Construction Stop:	4/1/2008	
OTHER DEBT	See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached		
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	2,990	\$38.10 (for 4,000 gallons)
	Proposed	204	Same (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
CASHFLOW	Cash Available for	Income after Debt	
	Debt Service	Debt Service	Service Coverage Ratio
Audited 2003	91,180	91,065	115 1.00
Audited 2004	158,802	181,494	(22,692) 0.87
Audited 2005	210,314	199,009	11,305 1.06
Audited 2006	210,040	200,508	9,532 1.05
Unaudited 2007	491,058	197,471	293,587 2.49
Projected 2008	529,730	197,845	331,885 2.68
Projected 2009	601,179	243,883	357,296 2.47
Projected 2010	681,088	243,588	437,499 2.80

**KENTUCKY INFRASTRUCTURE AUTHORITY
 INFRASTRUCTURE REVOLVING FUND (FUND "B")
 WHITLEY COUNTY WATER DISTRICT, WHITLEY COUNTY
 PROJECT REVIEW**

I. PROJECT DESCRIPTION

WX21235432

Extension of approximately 115,100 lf of 3, 4, 6 and 8 inch water lines to serve a potential of 204 customers along 16 roads in Whitley County. These roads were not eligible for a previously funded and completed AML grant. The area water supplies show various forms of contamination.

WX21235434

This project proposes to upgrade 83,200 lf of water lines to underserved areas throughout the county.

II. PROJECT BUDGET

Administrative Expenses	60,000	2.22%
Legal Expenses	33,500	1.24%
Land, Easements	35,000	1.29%
Planning	20,000	0.74%
Eng. Fees - Design	139,800	5.16%
Engineering Construction	34,950	1.29%
Eng. Fees - Insp. and Other	112,400	4.15%
Construction	2,070,000	76.44%
Contingency	202,350	7.47%
Total	2,708,000	100.00%

III. PROJECT FUNDING

Fund B WX21235432	548,000	20.24%
Fund B WX21235434	300,000	11.08%
ARC	600,000	22.16%
HB 380 Grant	1,160,000	42.84%
Local	100,000	3.69%
Total	2,708,000	100.00%

KIA Debt Service

Construction Loan	848,000
Interest Rate	0.6%

Loan Term	20
Estimated Annual Debt Service	45,058
Administrative Fee (0.2%)	1,696
Total Estimated Annual Debt Service	46,754

IV. PROJECT SCHEDULE

Bid Opening:	July 2, 2008
Construction Start:	September 1, 2008
Construction Stop:	April 1, 2009

V. DEMOGRAPHICS/RATE STRUCTURE

CUSTOMERS

	2004	2005	2006	Current	Proposed	Total
Residential	2,616	2,659	2,788	2,990	204	3,194
Business	117	125	126	130	-	130
Industrial	6	7	6	6	-	6
Total	2,739	2,791	2,920	3,126	204	3,330

RATE STRUCTURE

First 1,000 Gallons	\$18.93 Minimum Bill
Next 4,000 Gallons	\$6.39 per 1,000 Gallons
Next 95,000 Gallons	\$5.42 per 1,000 Gallons
All Over 100,000 Gallons	\$5.97 per 1,000 Gallons

Bill for 4,000 Gallons	\$38.10
Date of Last Rate Increase	9/14/2006

CURRENT SYSTEM

Whitley County Water District purchases all water from Corbin, Williamsburg, Jellico Tennessee or McCreary County Water District.

DEMOGRAPHICS

Whitley County had a population of 35,865 and 13,870 households according to the 2000 Census. Projected county population and households are shown below:

	Projections				
	2005	2010	2015	2020	2025
Population	37,053	38,804	40,449	41,860	43,068
Households	14,931	15,852	16,639	17,219	17,716
Pop per Household	2.48	2.45	2.43	2.43	2.43

In 2000, the county's Median Household Income (MHI) level was \$22,075. The

median household income for the Commonwealth is \$33,672. Based on median household income, the project will qualify for the 1% interest rate.

VI. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information for the utility was obtained from the audited financial statements of the Whitley County Water District for the years ended December 31, 2004, 2005 and 2006 and unaudited statements for 2007.

The balance sheets between 2004 and 2006 show annual increases in net assets without a corresponding increase in liabilities resulting in decreasing debt to equity ratios. As of December 31, 2006 the system has debt of \$3,807,624. This loan increases debt 22%.

Between 2003 and 2007 revenues grew each year but barely keep ahead of expenses with debt coverage ratios hovering around 1:1. In September of 2006 the system implemented a rate increase the significantly improved operations increasing the debt coverage ratio from 1.05 in 2006 to 2.49 in 2007. Revenues were projected each year through 2010 using the 11% average change in revenues for years 2004, 2005, and 2006. 2007 was not used to eliminate the one time impact of the rate increase. Expenses were projected to increase 8% annually using the same assumptions as were used projecting revenues. With full debt service payments in 2009 and 2010 debt coverage ratios are projected to be 2.47 and 2.80 respectively.

VII. DEBT OBLIGATIONS

Bond Issue	Maturity	Balance
Series 1994	1/1/2033	\$639,000
Series 1998	1/1/2038	\$549,000
Series 2000	1/1/2040	\$355,000
Series 2003	1/1/2042	\$1,800,000

VIII. OTHER STATE OF FEDERAL FUNDING IN PAST FIVE YEARS

Year	Project	Source	Amount
2002	E92 Water Line Ext	AML, RD, CDBG, ARC	\$5,000,000
2005/06	Water Line Ext	State Grant	\$500,000
2005/06	Meadow Creek/ Tacket Creek WL Ext	AML	\$1,800,000
2006	Northend Line Rehab	State Grant	\$700,000
2007	West 92 Water Line Ext	ARC, RD, State Grant	\$1,835,000

IX. CONTACTS

Applicant

Name: Whitley County Water District
Address: 19 South Highway 25W
Williamsburg, Kentucky 40769

County: Whitley
Contact: Walter Estes, Chairman
Kathy Moyers
Phone: (606) 549-3600

Applicant Contact

Name: Cumberland Valley Area Development District
Address: Post Office Box 1740
London, Kentucky 40743-1740

Contact: Timothy M. Schwendeman
Phone: (606) 864-7391

Engineer

Name: Kenvirons
Address: 452 Versailles Road
Frankfort, Kentucky 40601

Contact: Ken Taylor
Phone: (502) 695-4357

X. RECOMMENDATIONS

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

**Whitley County Water District
Balance Sheets**

ASSETS	2004	2005	2006
Current Assets			
Cash and Cash Equivalents	61,896	33,258	96,445
Accounts Receivable - Customers	152,837	166,367	220,475
Other Accounts Receivable	24,250	24,250	-
Provision for Uncollectable Accounts	(10,848)	(10,648)	(10,648)
Prepaid Insurance	5,588	5,588	2,034
Total Current Assets	233,523	218,815	308,306
Restricted Assets			
Restricted Cash and Cash Equivalents	335,606	374,706	848,139
Total Restricted Assets	335,606	374,706	848,139
Capital Assets			
Land	5,863	6,463	8,463
Equipment, Structures, Vehicles	322,808	339,842	348,458
Distribution System	4,887,407	4,887,407	10,253,020
Accumulated Depreciation	(1,427,005)	(1,551,709)	(1,676,414)
Construction in Progress	3,632,749	5,311,352	1,791,543
Total Capital Assets	7,421,820	8,993,355	10,725,070
Other Assets			
Deposits	2,000	2,000	2,000
Prepaid Debt Service	41,500	44,500	46,000
Miscellaneous Other Assets	-	-	70
Bond Related Cost	4,868	4,868	8,027
Accumulated Amortization Bond Costs	(888)	(1,162)	(1,436)
Total Other Assets	47,480	50,206	54,661
Total Assets	8,038,229	9,637,082	11,936,176
LIABILITIES			
Current Liabilities			
Accounts Payable/Accrued Liabilities	106,858	106,978	108,385
Accrued Taxes	5,967	7,651	10,088
Accrued Interest Payable	15,387	15,305	2,793
Current Notes Payable - Kentucky Rural Water	-	-	126,244
Current Bonds Payable	41,500	44,500	46,000
Total Current Liabilities	169,712	174,434	293,510
Non-Current Liabilities			
Customer Deposits	129,342	145,853	168,581
Escrow Charges	2,533	2,533	2,533
Bonds Payable	3,433,500	3,389,000	3,343,000
Total Non-Current Liabilities	3,565,375	3,537,386	3,514,114
Total Liabilities	3,735,087	3,711,820	3,807,624
Net Assets			
Invested in Capital Assets, Net of Related Debt	3,988,120	5,604,355	7,255,826
Restricted			
Deposits	113,813	122,559	140,202
Capital Projects	135,708	162,217	481,059
Debt Service	86,085	89,929	226,878
Unrestricted (Deficit)	(20,584)	(53,798)	24,587
Total Net Assets	4,303,142	5,925,262	8,128,552
Total Liabilities and Net Assets	8,038,229	9,637,082	11,936,176
Balance Sheet Analysis			
Current Ratio	1.38	1.25	1.05
Debt to Equity	0.87	0.63	0.47

EXHIBIT 1
Whitley County Water District
WATER FUND
CASHFLOW ANALYSIS

	Audited 2003	Audited 2004	Audited 2005	Audited 2006	Unaudited 2007	Projected 2008	Projected 2009	Projected 2010
Revenues								
Water Sales	835,019	967,374	1,000,973	1,107,068	1,383,463	1,521,809	1,673,990	1,841,389
Other Operating Revenues		28,246	30,111	34,681	38,011	32,762	32,762	32,762
Miscellaneous								
Total Revenues	835,019	995,620	1,031,084	1,141,749	1,421,474	1,554,571	1,706,752	1,874,151
Expenses								
Administrative & Operating Expense	772,482	840,116	834,227	956,770	963,256	1,040,316	1,123,542	1,213,425
Depreciation	133,788	142,999	124,978	124,704	124,704	130,000	130,000	130,000
Replacement Reserve								
Total Expenses	906,270	983,115	959,205	1,081,474	1,087,960	1,170,316	1,253,542	1,343,425
Net Income Cash	(71,251)	12,505	71,879	60,275	333,514	384,255	453,211	530,726
Non-Operating Revenues and Expenses								
Investment Income	1,710	1,563	9,120	18,475	29,106	11,995	14,052	16,550
Other	26,933	1,735	4,337	4,115	3,734	3,480	3,917	3,812
Total Non-Operating Rev & Exp	28,643	3,298	13,457	22,590	32,840	15,475	17,968	20,361
Add Non-Cash Expenses								
Depreciation	133,788	142,999	124,978	124,704	124,704	130,000	130,000	130,000
Cash Available for Debt Service	91,180	158,802	210,314	210,040	491,058	529,730	601,179	681,088
Debt Service								
Existing Debt	91,065	181,494	199,009	200,508	197,471	197,845	197,129	196,834
New KIA Fund C Loan							46,754	46,754
Total Debt Service	91,065	181,494	199,009	200,508	197,471	197,845	243,883	243,588
Income After Debt Service	115	(22,692)	11,305	9,532	293,587	331,885	357,296	437,499
Debt Coverage Ratio	1.00	0.87	1.06	1.05	2.49	2.68	2.47	2.80

EXHIBIT C



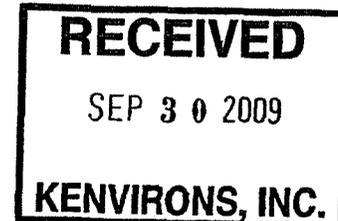
STEVEN L. BESHEAR
GOVERNOR

LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
200 FAIR OAKS LANE, 4TH FLOOR
FRANKFORT, KENTUCKY 40601
www.kentucky.gov

September 25, 2009

Mr. Albert Mahan, Superintendent
Whitley Co Water District No 1
19 S US 25 W
Williamsburg, KY 40769



RE: Whitley Co Water District No 1
AI # 34133, APE20090004
PWSID # 1180468-09-004
Water System Rehabilitation
Whitley County, KY

Dear Mr. Mahan:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 2,795 feet of 8-in PVC, 2,870 feet of 6-in PVC, 300 feet of 4-in DI, 5,630 feet of 4-in PVC, and 64,609 feet of 3-in PVC water line extensions, and one 280 gpm @ 285 TDH 30 hp booster pump station.. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

If you have any questions concerning this project, please contact me at 502-564-8158 extension 4835.

Sincerely,

James M. (Mike) Riley, PE
Environmental Engineer II,
Engineering Section
Water Infrastructure Branch
Division of Water

JMR

Enclosures

C: Ken Taylor, PE, Kenvirons Inc
Whitley County Health Department
Public Service Commission

Distribution-Major Construction

Whitley Co Water District No 1
Subject Item Inventory

Activity ID No.: APE20090004

Subject Item Inventory:

ID	Designation	Description
AIOO34133		
PORT18	Water Lines	2,795 feet of 8-in PVC, 2,870 feet of 6-in PVC, 300 feet of 4-in DI, 5,630 feet of 4-in PVC, and 64,609 feet of 3-in PVC water line extensions, and one 280 gpm @ 285 TDH 30 hp booster pump station.
PORT19	Booster Pump Station	280 gpm @ 285 TDH 30 hp booster pump station

Subject Item Groups:

ID	Description	Components
GACT15	2,795 feet of 8-in PVC, 2,870 feet of 6-in PVC, 300 feet of 4-in DI, 5,630 feet of 4-in PVC, and 64,609 feet of 3-in PVC water line extensions, and one 280 gpm @ 285 TDH 30 hp booster pump station.	<p>PORT19 280 gpm @ 285 TDH 30 hp booster pump station</p> <p>PORT18 2,795 feet of 8-in PVC, 2,870 feet of 6-in PVC, 300 feet of 4-in DI, 5,630 feet of 4-in PVC, and 64,609 feet of 3-in PVC water line extensions, and one 280 gpm @ 285 TDH 30 hp booster pump station.</p>

KEY

ACTV = Activity

AREA = Area

EQPT = Equipment

PERS = Personnel

STOR = Storage

AIOO = Agency Interest

COMB = Combustion

MNPT = Monitoring Point

PORT = Transport

STRC = Structure

Distribution-Major Construction

Whitley Co Water District No 1

Subject Item Inventory

Activity ID No.: APE20090004

KEY

TRMT = Treatment

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20090004

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GACT0000000015 (Water System Rehabilitation) 2,795 feet of 8-in PVC, 2,870 feet of 6-in PVC, 300 feet of 4-in DI, 5,630 feet of 4-in PVC, and 64,609 feet of 3-in PVC water line extensions, and one 280 gpm @ 285 TDH 30 hp booster pump station.:

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new or relocated water line(s). Take samples at connection points to existing lines, at 1 mile intervals, and at dead ends without omitting any branch of the new or relocated water line. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7), 401 KAR 8:150 Section 4, Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.
M-2	Coliform	The presence or absence of total Coliform monitored by sampling and analysis as needed shall be determined for the new pump(s). If the pump(s) are independent of (not directly connected to) the new or relocated lines, take at least 1 sample at the discharge side pitcock. Otherwise, no additional sampling beyond the sampling required for new or relocated lines shall be required. Sample bottles shall be clearly identified as "special" construction tests. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.

Submittal/Action Requirements:

Coliform:

Condition No.	Condition
S-1	Coliform For new construction projects, the distribution system, using the most expedient method, shall submit Coliform test results to the Cabinet: Due immediately following disinfection and flushing. [401 KAR 8:150 Section 4(2)]

Condition No.	Condition
S-2	For proposed changes to the approved plan, submit information: Due prior to any modification to the Cabinet for approval. Changes to the approved plan shall not be implemented without the prior written approval of the Cabinet. [401 KAR 8:100 Section 1(8)]

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20090004

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Submittal/Action Requirements:

Condition No.	Condition
S-3	The person who presented the plans shall submit the professional engineer's certification: Due when construction is complete to the Division of Water. The certification shall be signed by a registered professional engineer and state that the water project has been constructed and tested in accordance with the approved plans, specifications, and requirements. [401 KAR 8:100 Section 1(8)]

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	Additional Limitations: Chlorinated water resulting from disinfection of project components shall be disposed in a manner which will not violate 401 KAR 5:031. [401 KAR 8:020 Section 2(20)]
T-2	This project has been permitted under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the applicant from the responsibility of obtaining any other approvals, permits or licenses required by this Cabinet and other state, federal and local agencies. Further, this permit does not address the authority of the permittee to provide service to the area to be served. [401 KAR 8:100 Section 1(7)]
T-3	Unless construction of this project is begun within 1 year from the issuance date of this permit, the permit shall expire. If requested prior to the permit expiration, an official extension from the Division of Water may be granted. If this permit expires, the original plans and specifications may be resubmitted for a new comprehensive review. If you have any questions concerning this project, please contact the Drinking Water Branch at 502/564-3410. [401 KAR 8:100 Section 1(9)]
T-4	Final approval of facility. Upon completion of construction, the person who presented the plans shall certify in writing that the project has been completed in accordance with the "approved" plans and specifications. The public water supply shall operate the facility consistent with the approved plans and specifications. Any proposed change to the approved plan shall be submitted to the cabinet for approval. The public water supply shall not implement any change to the approved plan without the prior written approval of the cabinet. [401 KAR 8:100 Section 401 KAR 8:100(1)(8)]

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20090004

Narrative Requirements:

Condition	No.	Condition
T-5		During construction, a set of approved plans and specification shall be available at the job site at all times. All work shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 1(7)(a)]

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20090004

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PORT000000018 (Water Lines) 2,795 feet of 8-in PVC, 2,870 feet of 6-in PVC, 300 feet of 4-in DI, 5,630 feet of 4-in PVC, and 64,609 feet of 3-in PVC water line extensions, and one 280 gpm @ 285 TDH 30 hp booster pump station.:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Depth	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a Depth ≥ 6 in below the bottom of the pipe. [Recommended Standards for Water Works 8.5.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-2	Depth	All water lines shall be covered to a Depth ≥ 30 in to prevent freezing. [Recommended Standards for Water Works 8.5.3, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Diameter	All water lines shall have Diameter ≥ 3 in. [Recommended Standards for Water Works 8.1.4] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Diameter	Water lines with Diameter < 6 in shall not have fire hydrants. [Recommended Standards for Water Works 8.1.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-5	Diameter	All new and existing water lines serving fire hydrants or where fire protection is provided shall have Diameter ≥ 6 in. [Recommended Standards for Water Works 8.1.2] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-6	Distance	Water lines shall have a sufficient quantity of valves so that inconvenience and sanitary hazards will be minimized during repairs. A valve spacing Distance ≤ 800 feet should be utilized in non-commercial districts. Alternatively, non-commercial districts should utilize a valve spacing Distance ≤ 1 block. Commercial districts should utilize a valve spacing Distance $< \text{or} = 500$ ft. [Recommended Standards for Water Works 8.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.
L-7	Distance	Hydrant drains shall not be connected to sanitary sewers or storm drains and shall be located a Distance > 10 ft from sanitary sewers and storm drains. [Recommended Standards for Water Works 8.3.4] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20090004

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Limitation Requirements:

Condition No.	Parameter	Condition
L-8	Distance	<p>Except when not practical, water lines shall be laid a horizontal Distance ≥ 10 ft from any existing or proposed sewer. The distance shall be measured edge to edge.</p> <p>In cases where it is not practical to maintain a 10 foot separation, water lines may be installed closer to a sewer provided that the water lines shall be laid in a separate trench or on an undisturbed shelf located on one side of the sewer at such an elevation that the bottom of the water line is at least 18 inches above the top of the sewer. [Recommended Standards for Water Works 8.6.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>
L-9	Distance	<p>When water lines and sewers cross,</p> <ol style="list-style-type: none">1) water lines shall be laid such that either<ol style="list-style-type: none">a) the the top of the water line is a vertical Distance ≥ 18 in below the bottom of the sewer line orb) the bottom of the water line is a vertical Distance ≥ 18 in above the top of the sewer line,2) 1 full length of the water pipe shall be located so that both joints of the water pipe will be as far from the sewer as possible, and3) special structural support for the water and sewer pipes may be required. [Recommended Standards for Water Works 8.6.3] <p>This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>
L-10	Distance	<p>The open end of an air relief pipe from automatic valves shall be extended a Distance ≥ 1.0 ft above grade and provided with a screened, downward-facing elbow. The pipe from a manually operated valve shall be extended to the top of the pit. Use of manual air relief valves is recommended wherever possible. [Recommended Standards for Water Works 8.4.2] This requirement is applicable during the following months: All Year. Statistical basis: Not applicable.</p>
L-11	Pressure	<p>Pipes shall not be installed unless all points of the distribution system remain designed for ground level Pressure ≥ 20 psi under all conditions of flow. [Recommended Standards for Water Works 8.1.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>
L-12	Pressure	<p>Pressure ≥ 30 psi must be available on the discharge side of all meters. [401 KAR 8:100 Section 4(2)] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.</p>

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

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Limitation Requirements:

Condition No.	Parameter	Condition
L-13	Residual Disinfection	<p>New or relocated water lines shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect the new or relocated lines use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection ≥ 25 ppm at the end of 24 hours. Follow the line disinfection with thorough flushing and place the lines into service if, and only if, Coliform monitoring applicable to the line does not show the presence of Coliform.</p> <p>If Coliform is detected, repeat flushing of the line and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the line has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:150 Section 4(1), Recommended Standards for Water Works 8.5.6] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>
L-14	Velocity	<p>Each blow-off, fire hydrant, or flush hydrant shall be sized so that Velocity ≥ 2.5 ft/sec can be achieved in the water main served by the blow-off or hydrant during flushing. [Recommended Standards for Water Works 8.1.6.b, 401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.</p>

Monitoring Requirements:

Condition No.	Parameter	Condition
M-1	leaks	<p>The presence or absence of leaks monitored by physical testing as needed shall be determined in all types of installed pipe. Pressure testing and leakage testing shall be in accordance with the latest edition of AWWA Standard C600. [Recommended Standards for Water Works 8.5.5] This requirement is applicable during the following months: All Year. Statistical basis: Instantaneous determination.</p>

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20090004

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PORT000000018 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	<p>Additional Limitations: Water line installation shall be in accordance with AWWA standards or manufacturer recommendations. [Recommended Standards for Water Works 8.5.1]</p>
T-2	<p>Additional Limitations: Pipes, fittings, valves and fire hydrants shall conform to the latest standards issued by the AWWA or NSF (if such standards exist). PVC and PE piping used must be certified to ANSI/NSF Standard 61. [Recommended Standards for Water Works 8.0.1]</p>
T-3	<p>Additional Limitations: At high points in water lines, where air can accumulate, provisions shall be made to remove the air by means of hydrants or air relief valves. Automatic air relief valves shall not be used in situations where manhole or chamber flooding may occur. [Recommended Standards for Water Works 8.4.1]</p>
T-4	<p>Additional Limitations: All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.5.4]</p>
T-5	<p>Additional Limitations: For lines that dead end, a fire hydrant or blow-off shall be required at the end of each 6 inch or larger diameter line and a flush hydrant or blow-off shall be required at the end of each line that is less than 6 inches in diameter. [Recommended Standards for Water Works 8.1.6]</p>
T-6	<p>Additional Limitations: For each fire or flush hydrant, auxiliary valves shall be installed in the hydrant lead pipe. [Recommended Standards for Water Works 8.3.3]</p>
T-7	<p>Additional Limitations: No flushing device, blow-off, or air relief valve shall be directly connected to any sewer. Chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances shall not be directly connected to any storm drain or sanitary sewer. Such chambers, pits or manholes shall be drained to absorptions pits underground or to the surface of the ground where they are not subject to flooding by surface water. [Recommended Standards for Water Works 8.1.6, Recommended Standards for Water Works 8.4.3]</p>
T-8	<p>Additional Limitations: If water lines are installed or replaced in areas of organic contamination or in areas within 200 ft of underground or petroleum storage tanks, ductile iron or other nonpermeable materials shall be used in all portions of the water line installation or replacement. [401 KAR 8:100 Section 1(5)(d)6, Recommended Standards for Water Works 8.0.2]</p>

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20090004

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Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-9	Additional Limitations: No water pipe shall pass through or come in contact with any part of a sewer manhole. [Recommended Standards for Water Works 8.6.6]
T-10	Additional Limitations: If a fire sprinkler system is to be installed, a double check detector assembly approved for backflow prevention shall be utilized. The double check detector assembly of the system shall be accessible for testing. [401 KAR 8:100 Section 1(7)]
T-11	Additional Limitations: If water lines cross a stream or wetland, the provisions in the attached Water Quality Certification shall apply. If you have any questions please contact the Water Quality Certification Supervisor of the Water Quality Branch at (502) 564-2225. [401 KAR 8:100 Section 1(7)]

Subfluvial Pipe Crossings:

Condition No.	Condition
T-12	Subfluvial Pipe Crossings: For subfluvial pipe crossings, a floodplain construction permit will not be required pursuant to KRS 151.250 if the following requirements of 401 KAR 4:050 Section 2 are met. <ol style="list-style-type: none">1) No material may be placed in the stream or in the flood plain of the stream to form construction pads, coffer dams, access roads, etc. during construction of pipe crossings.2) Crossing trenches shall be backfilled as closely as possible to the original contour.3) All excess material resulting from construction displacement in a crossing trench shall be disposed of outside the flood plain.4) For erodible channels, there shall be at least 30 inches of backfill on top of all pipe or conduit points in the crossing.5) For nonerodible channels, pipes or conduits in the crossing shall be encased on all sides by at least 6 inches of concrete with all pipe or conduit points in the crossing at least 6 inches below the original contour of the channel. [401 KAR 8:100 Section 1(7)]

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Narrative Requirements:

Subfluvial Pipe Crossings:

Condition No.	Condition
T-13	<p>Subfluvial Pipe Crossings: For subfluvial pipe crossings greater than 15 feet in width,</p> <ol style="list-style-type: none">1) the pipe shall be of special construction, having flexible, restrained, or welded watertight joints, and2) valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair. <p>Valves shall</p> <ol style="list-style-type: none">a) be easily accessible,b) not be subject to flooding, andc) if closest to the supply source, be in a manhole with permanent taps made on each side of the valve to allow insertion of a small meter to determine leakage and for sampling purposes. [Recommended Standards for Water Works 8.7.2]

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20090004

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PORT000000019 (Booster Pump Station) 280 gpm @ 285 TDH 30 hp booster pump station:

Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Pressure	Pump stations shall be located or controlled so that intake Pressure ≥ 20 psi is maintained during normal pump operation. [Recommended Standards for Water Works 6.4.b] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-2	Pressure	Pump stations shall be located or controlled so that an automatic cutoff or a low pressure controller maintains a Pressure ≥ 10 psi in the suction line under all operating conditions. [Recommended Standards for Water Works 6.4.c] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-3	Residual Disinfection	New pumps shall be thoroughly disinfected (in accordance with AWWA Standard C651) upon completion of construction and before being placed into service. To disinfect new pumps use chlorine or chlorine compounds in such amounts as to produce an initial disinfectant concentration of at least 50 ppm and a Residual Disinfection ≥ 25 ppm at the end of 24 hours. Follow the disinfection with thorough flushing and place each pump into service if, and only if, Coliform monitoring applicable to the pump does not show the presence of Coliform. If Coliform is detected, repeat flushing of the pump and Coliform monitoring. If Coliform is still detected, repeat disinfection and flushing as if the pump has never been disinfected. Continue the described process until monitoring does not show the presence of Coliform. [401 KAR 8:100 Section 1(7)] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-4	Slope	Pumping facilities shall be located and designed to maintain the sanitary quality of pumped water. As part of this, all pump station floors shall have Slope ≥ 3 in per 10 ft to a suitable drain. [Recommended Standards for Water Works 6.2.e, Recommended Standards for Water Works 6.0, Recommended Standards for Water Works 6.1] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-5	Air Change Rate	Ventilation shall conform to existing local and/or state codes. At a minimum forced ventilation shall produce an Air Change Rate ≥ 6 air change(s)/hr. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.5] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.

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PORT000000019 (continued):

Limitation Requirements:

Condition No.	Parameter	Condition
L-6	Height	Pumping stations shall not be subject to flooding. To this end, 1) grading around stations shall lead surface drainage away and 2) stations shall be elevated or protected to a Height \geq 3 ft above the highest of the following: a) the 100-year flood elevation, or b) the highest recorded flood elevation. [Recommended Standards for Water Works 6.1.1, Recommended Standards for Water Works 6.0] This requirement is applicable during the following months: All Year. Statistical basis: Minimum.
L-7	Height	When a pump station has pits or compartments which must be entered, stairways or ladders shall be provided between all floors. Stairs shall have risers with a Height \leq 9 in, handrails on both sides, and treads with non-slip material wide enough for safety. [Recommended Standards for Water Works 6.2.3] This requirement is applicable during the following months: All Year. Statistical basis: Maximum.

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-1	Additional Limitations: Pumping stations shall be so located that the proposed site will meet the requirements for hydraulics of the system. [Recommended Standards for Water Works 6.1]
T-2	Additional Limitations: Pumping stations shall be readily accessible at all times for servicing and repairs. [Recommended Standards for Water Works 6.1.1.b, Recommended Standards for Water Works 6.4.3]
T-3	Additional Limitations: Pumping stations shall be designed to prevent vandalism and protect against entrance of animals or unauthorized persons. [Recommended Standards for Water Works 6.1.1.d]
T-4	Additional Limitations: Pumping stations shall be of durable construction with outward-opening doors. [Recommended Standards for Water Works 6.2.b]

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PORT0000000019 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-5	Additional Limitations: Pumping stations shall be fire and weather resistant. [Recommended Standards for Water Works 6.2.b]
T-6	Additional Limitations: Pumping stations shall have suitable pump gland discharges so that drainage from the glands is not onto the floor. [Recommended Standards for Water Works 6.2.f]
T-7	Additional Limitations: If underground structures are present at pumping stations, they shall be waterproofed. [Recommended Standards for Water Works 6.2.d]
T-8	Additional Limitations: Pumping stations shall have adequate space for the installation of additional pumps. [Recommended Standards for Water Works 6.2.a]
T-9	Additional Limitations: Pumping stations shall have adequate space for the safe servicing of all equipment. [Recommended Standards for Water Works 6.2.a]
T-10	Additional Limitations: Pump stations shall have crane-ways, hoist beams, eyebolts, or other adequate facilities for servicing or removal of pumps, motors or other heavy equipment. [Recommended Standards for Water Works 6.2.2.a]
T-11	Additional Limitations: Pump stations shall have openings as needed for removal of heavy or bulky equipment. [Recommended Standards for Water Works 6.2.2.b]
T-12	Additional Limitations: Pump stations shall have a convenient tool board, or other facilities as needed, for proper maintenance of equipment. [Recommended Standards for Water Works 6.2.2.c]
T-13	Additional Limitations: In areas where excess moisture could cause safety hazards or damage to equipment, dehumidification shall be provided. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.2.6]
T-14	Additional Limitations: Electrical controls shall be located above grade. [Recommended Standards for Water Works 6.6.5]

Distribution-Major Construction

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Activity ID No.: APE20090004

PORT0000000019 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-15	<p>Additional Limitations: All electrical equipment and work shall conform with the applicable state and local electrical codes and the National Electrical Code. [Recommended Standards for Water Works 6.5, Recommended Standards for Water Works 6.2.7]</p>
T-16	<p>Additional Limitations: Pump stations shall be adequately lighted throughout. [Recommended Standards for Water Works 6.2.7]</p>
T-17	<p>Additional Limitations: All automatic pump stations shall be provided with automatic signaling apparatus which will report when the station is out of service. All remote controlled stations shall be electrically operated and controlled and shall have signaling apparatus of proven performance. [Recommended Standards for Water Works 6.5]</p>
T-18	<p>Additional Limitations: Automatic or remote control pump stations shall be located or shall have control devices setup so that the range between start and cutoff pressure prevents excessive pump cycling. [Recommended Standards for Water Works 6.4.d]</p>
T-19	<p>Additional Limitations: Equipment shall be provided or other arrangements made to prevent surge pressures from activating controls which switch on pumps or activate other equipment outside the normal design cycle of operation. [Recommended Standards for Water Works 6.6.5]</p>
T-20	<p>Additional Limitations: Provisions shall be made to prevent energizing the motor in the event of a backspin cycle. [Recommended Standards for Water Works 6.6.5]</p>
T-21	<p>Additional Limitations: Pump stations shall be provided with enough heat to prevent freezing of equipment or treatment processes. [Recommended Standards for Water Works 6.2.4]</p>
T-22	<p>Additional Limitations: Pump stations shall have at least 2 pumps. Pumps shall be sized so that if any single pump is out service, the remaining pump or pumps shall be capable of providing the peak demand on the station. [Recommended Standards for Water Works 6.3, Recommended Standards for Water Works 6.4.1]</p>
T-23	<p>Additional Limitations: Provisions shall be made for pump alternation. [Recommended Standards for Water Works 6.6.5]</p>

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Whitley Co Water District No 1
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PORT0000000019 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-24	<p>Additional Limitations: Pumps shall</p> <ul style="list-style-type: none">a) have ample capacity to supply the peak demand against the required distribution system pressure without dangerous overloading,b) be driven by prime movers able to meet the maximum horsepower condition of the pumps,c) be provided readily available spare parts and tools, andd) be served by control equipment that is properly protected against temperatures to be encountered. [Recommended Standards for Water Works 6.3]
T-25	<p>Additional Limitations: Pumps, their prime movers and accessories shall be controlled in such a manner that they will operate at rated capacity without dangerous overload. [Recommended Standards for Water Works 6.6.5]</p>
T-26	<p>Additional Limitations: Pump stations shall be located or controlled so that a bypass is available. [Recommended Standards for Water Works 6.4.e]</p>
T-27	<p>Additional Limitations: Pump stations shall contain indicating and totalizing metering of the total water pumped. Each pump shall have</p> <ul style="list-style-type: none">a) a standard pressure gauge on its discharge line andb) a compound gauge on its suction line. <p>Each pump should have a means for measuring the instantaneous volume per time discharge. [401 KAR 8:100 Section 1(7), Recommended Standards for Water Works 6.4.2, Recommended Standards for Water Works 6.6.3]</p>
T-28	<p>Additional Limitations: Pumps shall be adequately valved to permit satisfactory operation, maintenance and repair of the equipment. Each pump shall have a positive-acting check valve on the discharge side between the pump and the shut-off valve. [Recommended Standards for Water Works 6.6.1]</p>

Distribution-Major Construction

Whitley Co Water District No 1
Facility Requirements

Activity ID No.: APE20090004

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PORT0000000019 (continued):

Narrative Requirements:

Additional Limitations:

Condition No.	Condition
T-29	<p>Additional Limitations: Piping for pumps shall, in general,</p> <ol style="list-style-type: none">1) be designed so that the friction losses will be minimized,2) not be subject to contamination,3) have watertight joints,4) be protected against surge or water hammer,5) be provided with restraints where necessary, and6) a) be such that each pump has an individual suction line or b) be manifolded such that the lines insure similar hydraulic and operating conditions. [Recommended Standards for Water Works 6.6.2]
T-30	<p>Additional Limitations: To ensure continuous service when the primary power is interrupted, power supplied to pump stations shall be</p> <ol style="list-style-type: none">a) from at least 2 independent sources orb) from a primary source with a standby or auxiliary source provided. <p>If standby power is provided by onsite generators or engines, the fuel storage and fuel line must be designed to protect the water supply from contamination. [Recommended Standards for Water Works 6.6.6]</p>



RECEIVED
9-23-09

KENTUCKY TRANSPORTATION CABINET
Department of Highways
Permits Branch

MAILED
4-6-10

TC 99-1E
Rev. 10/01

Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. 11-0198-09

APPLICANT IDENTIFICATION:
 NAME: Whitley County Water District
 CONTACT PERSON: Albert Mahan
 ADDRESS: 19 S US 25W
 CITY: Williamsburg
 STATE: Kentucky ZIP CODE: 40760
 PHONE: area code (606) 549-3800

PROJECT IDENTIFICATION:
 ACCESS CONTROL: By Permit Partial Full
 COUNTY: Whitley PRIORITY ROUTE NO: I-76
 MILEPOINT: 8.2 Left Right X-ing
 PROJECT STATUS: Maint. Const. Design
 PROJECT # STATE: _____
 PROJECT # FEDERAL: _____
 ROAD/STREET NAME: _____

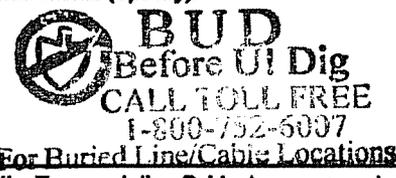
TYPE OF ENCROACHMENT:
 COMMERCIAL ENTRANCE - BUSINESS _____
 PRIVATE ENTRANCE: Single Family Farm
 UTILITY: Overhead Underground
 GRADE: Fill Landscape on R/W
 AIRSPACE: Agreement Lease
 OTHER: (Specify) _____

ATTACHMENTS:
 Standard Drawings (List on TC 99-21 under Misc.)
 Applicant's Plans
 Highway Plan and Profile Sheets
 TC 99-3 (Ponding Encroachment Specs. and Conditions)
 TC 99-4 (Rest Area Usage Specs. and Conditions)
 TC 99-5 (Tree Cutting/Trimming Specs. and Conditions)
 TC 99-6 (Chemical Use of Space. and Conditions)
 TC 99-10 (Typical Highway Boring Crossing Detail)
 TC 99-12 (Overhead Utility Encroachment Diagram)
 TC 99-13 (Surface Restoration Methods)
 TC 99-21 (Encroachment Permit General Notes and Specs.)
 TC 99-22 (Agreement for Services to be Performed)
 TC 99-23 (Mass Transit Shelter Specs. and Conditions)
 Other Attachments (Specify): _____

APPROVED

TYPE OF INDEMNITY: Bond Cash
 SELF-INSURED AMOUNT ENCUMBERED \$ _____
 OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE:



INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of performance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assigns to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.
 Approximately 390 lf of 6" PVC water main in a 12" steel encasement pipe (fence to fence). Approximately 285 lf of the 12" encasement to be bored and jacked (from back of ditch to fence) with the remaining 105 lf to be open cut. Access is requested thru the west right-of-way fence, a small section of which will be taken down and then restored to its original condition.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

A copy of this permit and all documents shall be given to your contractor and shall be readily available at the work site for the encroachment permit inspector to review at all times. Failure to meet this requirement may result in cancellation of this permit.

IN THE EVENT THIS APPLICATION IS APPROVED, THIS DOCUMENT SHALL CONSTITUTE A PERMIT FOR THE APPLICANT TO USE THE RIGHT-OF-WAY, BUT ONLY IN THE MANNER AUTHORIZED BY THIS DOCUMENT AND REGULATIONS OF THE DEPARTMENT AND THE DRAWINGS, PLANS, ATTACHMENTS, AND OTHER PERTINENT DATA ATTACHED HERETO AND MADE A PART HEREOF.

Permit No. _____

ANY ATTEMPT TO ALTER THIS FORM CONSTITUTES A VOID PERMIT.

The permittee agrees to the following terms and conditions:

1. The permittee shall comply with and is bound by the requirements of the Department's Permit Manual as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
2. Permittee agrees that if the Department determines that vehicular capacity deficiencies or over capacity conditions develop as a result of the installation and use of this facility, the permittee shall adjust, relocate, or reconstruct the facilities and/or provide and bear the expenses for signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department and as set forth in the Department's Permit Manual within a reasonable length of time after receipt of written notice regarding such adjustments, relocation, additions, modifications, and/or corrective measures, such time to be specified in the notice. In cases where traffic signals are permitted or required, as determined by the Department, the costs for signal equipment and installation(s) shall be borne by the permittee and/or the Department in accordance with Department policy (then in force as set forth in the Traffic Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, at no expense to the Department. (This applies only to Entrance Permits.)
3. The said encroachment will not infringe on the frontage rights of an abutting owner without written consent of the said owner as hereto: "(we) consent to the granting of attached permit."
Date _____ (This does not apply to utilities which serve the general public.)
4. Any permit granted hereunder shall be with the full understanding that it shall not interfere with any similar rights or permits heretofore granted to any other party except as otherwise provided by law.
5. A plan prepared by _____ and dated _____ is attached hereto and made a part hereof, which describes the facilities to be constructed by the permittee for which facilities this permit is granted. The permittee agrees as a condition to the issuance of the permit to construct and maintain such facilities in accordance with said plan, and the permittee shall not use the facilities authorized herein in any manner contrary to that prescribed by this permit and plan. Normal usage and routine maintenance only are authorized under this permit.
6. Permittee shall comply with the Manual on Uniform Traffic Control Devices as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
7. Permittee shall at all times from date when work is first commenced and until such time as all facilities are removed from the right-of-way premises, defend, protect, and save harmless the Department from all liability, claims, and demands arising out of work undertaken by the permittee pursuant to this permit, due to any negligent act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party or operate to enlarge any liability of the Department beyond that existing at common law if this right to indemnity did not exist.
8. Upon a violation of any of the provisions of this permit, the Department may revoke the permit by giving notice to the permittee in writing to remove from the right-of-way any facilities placed thereon within a reasonable time as set forth in the notice, and in the event said facilities are not so removed, and the right-of-way restored the Department may cause same to be removed, and the costs thereof shall be charged to the permittee.
9. The permittee, his successors and assigns shall use the encroachment premises in compliance with all Federal requirements imposed pursuant to the provisions of the Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000-1) and regulations of the U.S. Department of Transportation as set forth in Title 49 C.F.R., Part 21, and as said regulations may be amended.
10. Permittee agrees that in the event it should become necessary, as may be reasonably determined by the Department, for the facilities covered by this permit to be removed or relocated in connection with the reconstruction, relocation, or improvement of the abutting highway, the Department may revoke this permit and require removal or relocation by the permittee at his own expense according and pursuant to the procedures provided in Paragraph 8 above except in those cases where the Department is required by law to pay any or all the same.
11. The permittee understands and agrees that this permit is personal to the permittee and shall not inure to his successors and assigns without the written approval of the Department that he is bound by the provisions of this permit as long as the encroachment exists unless a written release has been obtained from the Department. (Does not apply to utilities serving the general public.)
12. If the work authorized by this permit is on a project in the construction phase, it shall be the responsibility of the permittee to make personal contact with _____ Resident Engineer on the project to coordinate the permitted work with the State's prime contractor on the project.
13. This permit does not alleviate any requirements of any other government agency.
14. Permittee agrees to keep the priority route in which this permit was issued clear of dirt, mud, and debris during construction and for the life of this permit.

ANY ATTEMPT TO ALTER THIS FORM CONSTITUTES A VOID PERMIT.

THE UNDERSIGNED APPLICANT (being duly authorized representative/owner) DOES AGREE TO ALL TERMS AND CONDITIONS SET FORTH HEREIN.

January 1st, 20 _____ July 1st, 20 11 10-7-09 Albert Malan III

Completion Date Date Signature

RECOMMENDED FOR APPROVAL

Permits Engr [Signature] Cass T. Hagen 7-6-10

Title Signature Chief District Engineer Date

PRIVATE ENTRANCE: TO BE COMPLETED BY PERSONNEL INSTALLING FACILITY.

Installed By: _____

Title Signature Date

ANY ATTEMPT TO ALTER THIS FORM CONSTITUTES A VOID PERMIT.

10-1-09
RECEIVED

KENTUCKY TRANSPORTATION CABINET
Department of Highways
Permits Branch



MAILED

3-18-10

TC 99-1E
Rev.
04/2008

Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. _____

11-0204-09

APPLICANT IDENTIFICATION: NAME: <u>Whitley County Water District</u> CONTACT PERSON: <u>Albert Mahan</u> ADDRESS: <u>19 S US 25W</u> CITY: <u>Williamsburg</u> STATE: <u>Kentucky</u> ZIP CODE: <u>40769</u> PHONE: area code (<u>606</u>) <u>549-3600</u>	PROJECT IDENTIFICATION: ACCESS CONTROL: <input checked="" type="checkbox"/> By Permit <input type="checkbox"/> Partial <input type="checkbox"/> Full COUNTY: <u>Whitley</u> PRIORITY ROUTE NO: <u>US 25W</u> MILEPOINT: <u>9.9-11.0</u> <input checked="" type="checkbox"/> Left <input checked="" type="checkbox"/> Right <input checked="" type="checkbox"/> X-ing PROJECT STATUS: <input type="checkbox"/> Maint. <input checked="" type="checkbox"/> Const. <input type="checkbox"/> Design PROJECT # STATE: <u>11-UP-118-0025 009-002</u> PROJECT # FEDERAL: _____ ROAD/STREET NAME: <u>US 25W</u>
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TYPE OF ENCROACHMENT:

COMMERCIAL ENTRANCE - BUSINESS* _____

PRIVATE ENTRANCE: Single Family Farm

UTILITY: Overhead Underground

GRADE: Fill Landscape on R/W

AIRSPACE: Agreement Lease

OTHER: (Specify) _____

ATTACHMENTS:

Standard Drawings (List on TC 99-21 under Misc.)

Applicant's Plans

Highway Plan and Profile Sheets

TC 99-3 (Ponding Encroachment Specs. and Conditions)

TC 99-4 (Rest Area Usage Specs. and Conditions)

TC 99-5 (Tree Cutting/Trimming Specs. and Conditions)

TC 99-6 (Chemical Use of Specs. and Conditions)

TC 99-10 (Typical Highway Boring Crossing Detail)

TC 99-12 (Overhead Utility Encroachment Diagram)

TC 99-13 (Surface Restoration Methods)

TC 99-21 (Encroachment Permit General Notes and Specs.)

TC 99-22 (Agreement for Services to be Performed)

TC 99-23 (Mass Transit Shelter Specs. and Conditions)

Other Attachments (Specify): _____

APPROVED



TYPE OF INDEMNITY: Bond Cash

SELF-INSURED AMOUNT ENCUMBERED \$ 14280.00

OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE:

INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.

5,640 L. F. 4" PVC SDR-21 Pipe from MP 9.9 to 11.0 (east side)
400 L. F. 3" PVC SDR-21 Pipe from MP 10.9 to 11.0 (west side)
30 L. F. Bore and Case for 4" Pipe (across US 25W MP 11.0)
2 ea. 4" Gate Valve, 5 ea. 3" Gate Valve, 1 ea. 3" Blowoff Assembly

Applicant certifies project area does does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

A copy of this permit and all documents shall be given to your contractor and shall be readily available at the work site for the encroachment permit inspector to review at all times. Failure to meet this requirement may result in cancellation of this permit.

IN THE EVENT THIS APPLICATION IS APPROVED, THIS DOCUMENT SHALL CONSTITUTE A PERMIT FOR THE APPLICANT TO USE THE RIGHT-OF-WAY, BUT ONLY IN THE MANNER AUTHORIZED BY THIS DOCUMENT AND REGULATIONS OF THE DEPARTMENT AND THE DRAWINGS, PLANS, ATTACHMENTS, AND OTHER PERTINENT DATA ATTACHED HERETO AND MADE A PART HEREOF.

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Permit No. _____

The permittee agrees to the following terms and conditions:

1. The permittee shall comply with and is bound by the requirements of the Department's Permits Manual as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
2. Permittee agrees that if the Department determines that vehicular capacity deficiencies or over capacity conditions develop as a result of the installation and use of this facility, the permittee shall adjust, relocate, or reconstruct the facilities and/or provide and bear the expenses for signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department and as set forth in the Department's Permit Manual within a reasonable length of time after receipt of written notice regarding such adjustments, relocation, additions, modifications, and/or corrective measures, such time to be specified in the notice. In cases where traffic signals are permitted or required, as determined by the Department, the costs for signal equipment and installation(s) shall be borne by the permittee and/or the Department in accordance with Department policy then in force as set forth in the Traffic Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, at no expense to the Department. (This applies only to Entrance Permits.)
3. The said encroachment will not infringe on the frontage rights of an abutting owner without written consent of the said owner as hereto: "(we) consent to the granting of attached permit." _____
Date _____ (This does not apply to utilities which serve the general public.)
4. Any permit granted hereunder shall be with the full understanding that it shall not interfere with any similar rights or permits heretofore granted to any other party except as otherwise provided by law.
5. A plan prepared by _____ and dated _____ is attached hereto and made a part hereof, which describes the facilities to be constructed by the permittee for which facilities this permit is granted. The permittee agrees as a condition to the issuance of the permit to construct and maintain such facilities in accordance with said plan, and the permittee shall not use the facilities authorized herein in any manner contrary to that prescribed by this permit and plan. Normal usage and routine maintenance only are authorized under this permit.
6. Permittee shall comply with the Manual on Uniform Traffic Control Devices as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
7. Permittee shall at all times from date when work is first commenced and until such time as all facilities are removed from the right-of-way premise, defend, protect, and save harmless the Department from all liability, claims, and demands arising out of work undertaken by the permittee pursuant to this permit, due to any negligent act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party or operate to enlarge any liability of the Department beyond that existing at common law if this right to indemnity did not exist.
8. Upon a violation of any of the provisions of this permit, the Department may revoke the permit by giving notice to the permittee in writing to remove from the right-of-way any facilities placed thereon within a reasonable time as set forth in the notice, and in the event said facilities are not so removed, and the right-of-way restored the Department may cause same to be removed, and the costs thereof shall be charged to the permittee.
9. The permittee, his successors and assigns shall use the encroachment premises in compliance with all Federal requirements imposed pursuant to the provisions of the Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000-1) and regulations of the U.S. Department of Transportation as set forth in Title 49 C.F.R., Part 21, and as said regulations may be amended.
10. Permittee agrees that in the event it should become necessary, as may be reasonably determined by the Department, for the facilities covered by this permit to be removed or relocated in connection with the reconstruction, relocation, or improvement of the abutting highway, the Department may revoke this permit and require removal or relocation by the permittee at his own expense according and pursuant to the procedures provided in Paragraph 8 above except in those cases where the Department is required by law to pay any or all the same.
11. The permittee understands and agrees that this permit is personal to the permittee and shall not inure to his successors and assigns without the written approval of the Department that he is bound by the provisions of this permit as long as the encroachment exists unless a written release has been obtained from the Department. (Does not apply to utilities serving the general public.)
12. If the work authorized by this permit is on a project in the construction phase, it shall be the responsibility of the permittee to make personal contact with _____ Resident Engineer on the project to coordinate the permitted work with the State's prime contractor on the project.
13. This permit does not alleviate any requirements of any other government agency.
14. Permittee agrees to keep the priority route in which this permit was issued clear of dirt, mud, and debris during construction and for the life of this permit.

ANY ATTEMPT TO ALTER THIS FORM CONSITUTES A VOID PERMIT.

THE UNDERSIGNED APPLICANT (being duly authorized representative/owner) DOES AGREE TO ALL TERMS AND CONDITIONS SET FORTH HEREIN.			
<input type="checkbox"/> January 1st, 20	<input checked="" type="checkbox"/> July 1st, 2010	9-15-09	Albert Malan
Completion Date	Date	Signature	
RECOMMENDED FOR APPROVAL			
Tr. Engr. Tech III	Sharon Smith	Paul H. H. H.	3-18-10
Title	Signature	TEBA - Chief District Engineer	Date
PRIVATE ENTRANCE: TO BE COMPLETED BY PERSONNEL INSTALLING FACILITY.			
Installed By _____	_____	_____	_____
Title	Signature	Date	
ANY ATTEMPT TO ALTER THIS FORM CONSITUTES A VOID PERMIT.			

10-1-09
RECEIVED

KENTUCKY TRANSPORTATION CABINET
Department of Highways
Permits Branch



MAILED

3-18-10

TC 99-1E
Rev.
04/2008

Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. 11-0204-09

APPLICANT IDENTIFICATION:
 NAME: Whitley County Water District
 CONTACT PERSON: Albert Mahan
 ADDRESS: 19 S US 25W
 CITY: Williamsburg
 STATE: Kentucky ZIP CODE: 40769
 PHONE: area code (606) 549-3600

PROJECT IDENTIFICATION:
 ACCESS CONTROL: By Permit Partial Full
 COUNTY: Whitley PRIORITY ROUTE NO: US 25W
 MILEPOINT: 9.9-11.0 Left Right X-ing
 PROJECT STATUS: Maint. Const. Design
 PROJECT # STATE: 11-UP-118-0025 009-002
 PROJECT # FEDERAL: _____
 ROAD/STREET NAME: US 25W

TYPE OF ENCROACHMENT:
 COMMERCIAL ENTRANCE - BUSINESS*
 PRIVATE ENTRANCE: Single Family Farm
 UTILITY: Overhead Underground
 GRADE: Fill Landscape on R/W
 AIRSPACE: Agreement Lease
 OTHER: (Specify) _____

ATTACHMENTS:
 Standard Drawings (List on TC 99-21 under Misc.)
 Applicant's Plans
 Highway Plan and Profile Sheets
 TC 99-3 (Ponding Encroachment Specs. and Conditions)
 TC 99-4 (Rest Area Usage Specs. and Conditions)
 TC 99-5 (Tree Cutting/Trimming Specs. and Conditions)
 TC 99-6 (Chemical Use of Specs. and Conditions)
 TC 99-10 (Typical Highway Boring Crossing Detail)
 TC 99-12 (Overhead Utility Encroachment Diagram)
 TC 99-13 (Surface Restoration Methods)
 TC 99-21 (Encroachment Permit General Notes and Specs.)
 TC 99-22 (Agreement for Services to be Performed)
 TC 99-23 (Mass Transit Shelter Specs. and Conditions)
 Other Attachments (Specify): _____

APPROVED

*Electronic PDF file required of final plans and specifications
 TYPE OF INDEMNITY: Bond Cash
 SELF-INSURED AMOUNT ENCUMBERED \$ 14280.00
 OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE: _____



INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.
 5,640 L. F. 4" PVC SDR-21 Pipe from MP 9.9 to 11.0 (east side)
 400 L. F. 3" PVC SDR-21 Pipe from MP 10.9 to 11.0 (west side)
 30 L. F. Bore and Case for 4" Pipe (across US 25W MP 11.0)
 2 ea. 4" Gate Valve, 5 ea. 3" Gate Valve, 1 ea. 3" Blowoff Assembly

Applicant certifies project area does does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

A copy of this permit and all documents shall be given to your contractor and shall be readily available at the work site for the encroachment permit inspector to review at all times. Failure to meet this requirement may result in cancellation of this permit.

IN THE EVENT THIS APPLICATION IS APPROVED, THIS DOCUMENT SHALL CONSTITUTE A PERMIT FOR THE APPLICANT TO USE THE RIGHT-OF-WAY, BUT ONLY IN THE MANNER AUTHORIZED BY THIS DOCUMENT AND REGULATIONS OF THE DEPARTMENT AND THE DRAWINGS, PLANS, ATTACHMENTS, AND OTHER PERTINENT DATA ATTACHED HERETO AND MADE A PART HEREOF.



RECEIVED
10-09

KENTUCKY TRANSPORTATION CABINET
Department of Highways
Permits Branch



MAILED
3-18-10

TC 99-1E
Rev.
04/2008

Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. _____

11-0205-09

APPLICANT IDENTIFICATION:
 NAME: Whitley County Water District
 CONTACT PERSON: Albert Mahan
 ADDRESS: 19 S US 25W
 CITY: Williamsburg
 STATE: Kentucky ZIP CODE: 40769
 PHONE: area code (606) 549-3600

PROJECT IDENTIFICATION:
 ACCESS CONTROL: By Permit Partial Full
 COUNTY: Whitley PRIORITY ROUTE NO: KY 3423
 MILEPOINT: 0.0-0.1 Left Right X-ing
 PROJECT STATUS: Maint. Const. Design
 PROJECT # STATE: 11-25-118-3423 000-001
 PROJECT # FEDERAL: _____
 ROAD/STREET NAME: KY 3423

TYPE OF ENCROACHMENT:
 COMMERCIAL ENTRANCE - BUSINESS*
 PRIVATE ENTRANCE: Single Family Farm
 UTILITY: Overhead Underground
 GRADE: Fill Landscape on R/W
 AIRSPACE: Agreement Lease
 OTHER: (Specify) _____

ATTACHMENTS:
 Standard Drawings (List on TC 99-21 under Misc.)
 Applicant's Plans
 Highway Plan and Profile Sheets
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 TC 99-5 (Tree Cutting/Trimming Specs. and Conditions)
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 TC 99-12 (Overhead Utility Encroachment Diagram)
 TC 99-13 (Surface Restoration Methods)
 TC 99-21 (Encroachment Permit General Notes and Specs.)
 TC 99-22 (Agreement for Services to be Performed)
 TC 99-23 (Mass Transit Shelter Specs. and Conditions)
 Other Attachments (Specify): _____

APPROVED

*Electronic PDF file required of final plans and specifications

TYPE OF INDEMNITY: Bond Cash
 SELF-INSURED AMOUNT ENCUMBERED \$ 1230.00
 OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE:

 **BUD**
 Before U Dig
 CALL TOLL FREE
 1-800-752-6007
 For Buried Line/Cable Locations

INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.
615 L. F. 3" PVC SDR-21 Pipe

Applicant certifies project area does does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

A copy of this permit and all documents shall be given to your contractor and shall be readily available at the work site for the encroachment permit inspector to review at all times. Failure to meet this requirement may result in cancellation of this permit.

IN THE EVENT THIS APPLICATION IS APPROVED, THIS DOCUMENT SHALL CONSTITUTE A PERMIT FOR THE APPLICANT TO USE THE RIGHT-OF-WAY, BUT ONLY IN THE MANNER AUTHORIZED BY THIS DOCUMENT AND REGULATIONS OF THE DEPARTMENT AND THE DRAWINGS, PLANS, ATTACHMENTS, AND OTHER PERTINENT DATA ATTACHED HERETO AND MADE A PART HEREOF.



RECEIVED
10-29

KENTUCKY TRANSPORTATION CABINET
Department of Highways
Permits Branch



MAILED
3-18-0

TC 99-1E
Rev.
04/2008

Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. 211-0205-09

APPLICANT IDENTIFICATION:
 NAME: Whitley County Water District
 CONTACT PERSON: Albert Mahan
 ADDRESS: 19 S US 25W
 CITY: Williamsburg
 STATE: Kentucky ZIP CODE: 40769
 PHONE: area code (606) 549-3600

PROJECT IDENTIFICATION:
 ACCESS CONTROL: By Permit Partial Full
 COUNTY: Whitley PRIORITY ROUTE NO: KY 3423
 MILEPOINT: 0.0-0.1 Left Right X-ing
 PROJECT STATUS: Maint. Const. Design
 PROJECT # STATE: 11-RS-118-3423 000-001
 PROJECT # FEDERAL: _____
 ROAD/STREET NAME: KY 3423

TYPE OF ENCROACHMENT:
 COMMERCIAL ENTRANCE - BUSINESS*
 PRIVATE ENTRANCE: Single Family Farm
 UTILITY: Overhead Underground
 GRADE: Fill Landscape on R/W
 AIRSPACE: Agreement Lease
 OTHER: (Specify) _____

APPROVED

*Electronic PDF file required of final plans and specifications

ATTACHMENTS:
 Standard Drawings (List on TC 99-21 under Misc.)
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 TC 99-10 (Typical Highway Boring Crossing Detail)
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 TC 99-13 (Surface Restoration Methods)
 TC 99-21 (Encroachment Permit General Notes and Specs.)
 TC 99-22 (Agreement for Services to be Performed)
 TC 99-23 (Mass Transit Shelter Specs. and Conditions)
 Other Attachments (Specify): _____

TYPE OF INDEMNITY: Bond Cash
 SELF-INSURED AMOUNT ENCUMBERED \$ 1830.00
 OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE:



INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.
615 L. F. 3" PVC SDR-21 Pipe

Applicant certifies project area does does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

A copy of this permit and all documents shall be given to your contractor and shall be readily available at the work site for the encroachment permit inspector to review at all times. Failure to meet this requirement may result in cancellation of this permit.

IN THE EVENT THIS APPLICATION IS APPROVED, THIS DOCUMENT SHALL CONSTITUTE A PERMIT FOR THE APPLICANT TO USE THE RIGHT-OF-WAY, BUT ONLY IN THE MANNER AUTHORIZED BY THIS DOCUMENT AND REGULATIONS OF THE DEPARTMENT AND THE DRAWINGS, PLANS, ATTACHMENTS, AND OTHER PERTINENT DATA ATTACHED HERETO AND MADE A PART HEREOF.



Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. 11-0206-09

APPLICANT IDENTIFICATION: NAME: <u>Whitley County Water District</u> CONTACT PERSON: <u>Albert Mahan</u> ADDRESS: <u>19 S US 25W</u> CITY: <u>Williamsburg</u> STATE: <u>Kentucky</u> ZIP CODE: <u>40769</u> PHONE: area code (<u>606</u>) <u>549-3600</u>	PROJECT IDENTIFICATION: ACCESS CONTROL: <input checked="" type="checkbox"/> By Permit <input type="checkbox"/> Partial <input type="checkbox"/> Full COUNTY: <u>Whitley</u> PRIORITY ROUTE NO: <u>KY 92</u> MILEPOINT: <u>11.2-11.4</u> <input checked="" type="checkbox"/> Left <input checked="" type="checkbox"/> Right <input type="checkbox"/> X-ing PROJECT STATUS: <input type="checkbox"/> Maint. <input checked="" type="checkbox"/> Const. <input type="checkbox"/> Design PROJECT # STATE: <u>11-MP-118-0092-011-012</u> PROJECT # FEDERAL: _____ ROAD/STREET NAME: <u>KY 92</u>
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TYPE OF ENCROACHMENT:

COMMERCIAL ENTRANCE - BUSINESS*
 PRIVATE ENTRANCE: Single Family Farm
 UTILITY: Overhead Underground
 GRADE: Fill Landscape on R/W
 AIRSPACE: Agreement Lease
 OTHER: (Specify) _____

APPROVED

*Electronic PDF file required of final plans and specifications

ATTACHMENTS:

Standard Drawings (List on TC 99-21 under Misc.)
 Applicant's Plans
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 TC 99-13 (Surface Restoration Methods)
 TC 99-21 (Encroachment Permit General Notes and Specs.)
 TC 99-22 (Agreement for Services to be Performed)
 TC 99-23 (Mass Transit Shelter Specs. and Conditions)
 Other Attachments (Specify): _____

TYPE OF INDEMNITY: Bond Cash
 SELF-INSURED AMOUNT ENCUMBERED \$ 1700 ⁰⁰
 OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE:



INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.

north side:
 100 L. F. 4" Ductile Iron Cl. 350 Pipe, 700 L. F. 3" PVC SDR-17 Pipe
 south side:
 200 L. F. 4" Ductile Iron Cl. 350 Pipe, 200 L. F. 3" PVC SDR-17 Pipe, 1 ea. 3" Blowoff Assembly

Applicant certifies project area does does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

A copy of this permit and all documents shall be given to your contractor and shall be readily available at the work site for the encroachment permit inspector to review at all times. Failure to meet this requirement may result in cancellation of this permit.

IN THE EVENT THIS APPLICATION IS APPROVED, THIS DOCUMENT SHALL CONSTITUTE A PERMIT FOR THE APPLICANT TO USE THE RIGHT-OF-WAY, BUT ONLY IN THE MANNER AUTHORIZED BY THIS DOCUMENT AND REGULATIONS OF THE DEPARTMENT AND THE DRAWINGS, PLANS, ATTACHMENTS, AND OTHER PERTINENT DATA ATTACHED HERETO AND MADE A PART HEREOF.



Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. 11-0206-09

APPLICANT IDENTIFICATION: NAME: <u>Whitley County Water District</u> CONTACT PERSON: <u>Albert Mahan</u> ADDRESS: <u>19 S US 25W</u> CITY: <u>Williamsburg</u> STATE: <u>Kentucky</u> ZIP CODE: <u>40769</u> PHONE: area code (<u>606</u>) <u>549-3600</u>	PROJECT IDENTIFICATION: ACCESS CONTROL: <input checked="" type="checkbox"/> By Permit <input type="checkbox"/> Partial <input type="checkbox"/> Full COUNTY: <u>Whitley</u> PRIORITY ROUTE NO: <u>KY 92</u> MILEPOINT: <u>11.2-11.4</u> <input checked="" type="checkbox"/> Left <input checked="" type="checkbox"/> Right <input type="checkbox"/> X-ing PROJECT STATUS: <input type="checkbox"/> Maint. <input checked="" type="checkbox"/> Const. <input type="checkbox"/> Design PROJECT # STATE: <u>11-UP-118-0092-0/1-0/2</u> PROJECT # FEDERAL: _____ ROAD/STREET NAME: <u>KY 92</u>
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TYPE OF ENCROACHMENT:

COMMERCIAL ENTRANCE - BUSINESS* _____

PRIVATE ENTRANCE: Single Family Farm

UTILITY: Overhead Underground

GRADE: Fill Landscape on R/W

AIRSPACE: Agreement Lease

OTHER: (Specify) _____

APPROVED

*Electronic PDF file required of final plans and specifications

ATTACHMENTS:

Standard Drawings (List on TC 99-21 under Misc.)

Applicant's Plans

Highway Plan and Profile Sheets

TC 99-3 (Ponding Encroachment Specs. and Conditions)

TC 99-4 (Rest Area Usage Specs. and Conditions)

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TC 99-12 (Overhead Utility Encroachment Diagram)

TC 99-13 (Surface Restoration Methods)

TC 99-21 (Encroachment Permit General Notes and Specs.)

TC 99-22 (Agreement for Services to be Performed)

TC 99-23 (Mass Transit Shelter Specs. and Conditions)

Other Attachments (Specify): _____

TYPE OF INDEMNITY: Bond Cash

SELF-INSURED AMOUNT ENCUMBERED \$ 17000

OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE:



INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.

north side:
 100 L. F. 4" Ductile Iron Cl. 350 Pipe, 700 L. F. 3" PVC SDR-17 Pipe

south side:
 200 L. F. 4" Ductile Iron Cl. 350 Pipe, 200 L. F. 3" PVC SDR-17 Pipe, 1 ea. 3" Blowoff Assembly

Applicant certifies project area does does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

A copy of this permit and all documents shall be given to your contractor and shall be readily available at the work site for the encroachment permit inspector to review at all times. Failure to meet this requirement may result in cancellation of this permit.

IN THE EVENT THIS APPLICATION IS APPROVED, THIS DOCUMENT SHALL CONSTITUTE A PERMIT FOR THE APPLICANT TO USE THE RIGHT-OF-WAY, BUT ONLY IN THE MANNER AUTHORIZED BY THIS DOCUMENT AND REGULATIONS OF THE DEPARTMENT AND THE DRAWINGS, PLANS, ATTACHMENTS, AND OTHER PERTINENT DATA ATTACHED HERETO AND MADE A PART HEREOF.



10-1-2

KENTUCKY TRANSPORTATION CABINET
Department of Highways
Permits Branch



MAILED

3-18-10

TC 99-1E
Rev.
04/2008

Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. _____

11-0207-09

APPLICANT IDENTIFICATION:
 NAME: Whitley County Water District
 CONTACT PERSON: Albert Mahan
 ADDRESS: 19 S US 25W
 CITY: Williamsburg
 STATE: Kentucky ZIP CODE: 40769
 PHONE: area code (606) 549-3600

PROJECT IDENTIFICATION:
 ACCESS CONTROL: By Permit Partial Full
 COUNTY: Whitley PRIORITY ROUTE NO: KY 1064
 MILEPOINT: 16.2, 17.0 Left Right X-ing
 PROJECT STATUS: Maint. Const. Design
 PROJECT # STATE: 11-R5-118-1064 016-017
 PROJECT # FEDERAL: _____
 ROAD/STREET NAME: KY 1064

TYPE OF ENCROACHMENT:
 COMMERCIAL ENTRANCE - BUSINESS*
 PRIVATE ENTRANCE: Single Family Farm
 UTILITY: Overhead Underground
 GRADE: Fill Landscape on R/W
 AIRSPACE: Agreement Lease
 OTHER: (Specify) _____

APPROVED

*Electronic PDF file required of final plans and specifications

ATTACHMENTS:
 Standard Drawings (List on TC 99-21 under Misc.)
 Applicant's Plans
 Highway Plan and Profile Sheets
 TC 99-3 (Ponding Encroachment Specs. and Conditions)
 TC 99-4 (Rest Area Usage Specs. and Conditions)
 TC 99-5 (Tree Cutting/Trimming Specs. and Conditions)
 TC 99-6 (Chemical Use of Specs. and Conditions)
 TC 99-10 (Typical Highway Boring Crossing Detail)
 TC 99-12 (Overhead Utility Encroachment Diagram)
 TC 99-13 (Surface Restoration Methods)
 TC 99-21 (Encroachment Permit General Notes and Specs.)
 TC 99-22 (Agreement for Services to be Performed)
 TC 99-23 (Mass Transit Shelter Specs. and Conditions)
 Other Attachments (Specify): _____

BUD
Before U! Dig
CALL TOLL FREE
1-800-752-6007
For Buried Line/Cable Locations

TYPE OF INDEMNITY: Bond Cash
 SELF-INSURED AMOUNT ENCUMBERED \$ 2000
 OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE: _____

INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.
 MP 16.2:
 60 L. F. Bore and Case for 3" Pipe (across KY 1064)
 1 ea. 8" x 3" Tie-In (east side)
 MP 17.0:
 Connect to 3" Gate Valve (west side)

Applicant certifies project area does does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

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Permit No. _____

The permittee agrees to the following terms and cond

1. The permittee shall comply with and is bound by the requirements of the Department's Permits Manual as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
2. Permittee agrees that if the Department determines that vehicular capacity deficiencies or over capacity conditions develop as a result of the installation and use of this facility, the permittee shall adjust, relocate, or reconstruct the facilities and/or provide and bear the expenses for signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department and as set forth in the Department's Permit Manual within a reasonable length of time after receipt of written notice regarding such adjustments, relocation, additions, modifications, and/or corrective measures, such time to be specified in the notice. In cases where traffic signals are permitted or required, as determined by the Department, the costs for signal equipment and installation(s) shall be borne by the permittee and/or the Department in accordance with Department policy then in force as set forth in the Traffic Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, at no expense to the Department. (This applies only to Entrance Permits.)
3. The said encroachment will not infringe on the frontage rights of an abutting owner without written consent of the said owner as hereto: "(we) consent to the granting of attached permit." _____
Date _____ (This does not apply to utilities which serve the general public.)
4. Any permit granted hereunder shall be with the full understanding that it shall not interfere with any similar rights or permits heretofore granted to any other party except as otherwise provided by law.
5. A plan prepared by _____ and dated _____ is attached hereto and made a part hereof, which describes the facilities to be constructed by the permittee for which facilities this permit is granted. The permittee agrees as a condition to the issuance of the permit to construct and maintain such facilities in accordance with said plan, and the permittee shall not use the facilities authorized herein in any manner contrary to that prescribed by this permit and plan. Normal usage and routine maintenance only are authorized under this permit.
6. Permittee shall comply with the Manual on Uniform Traffic Control Devices as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
7. Permittee shall at all times from date when work is first commenced and until such time as all facilities are removed from the right-of-way premise, defend, protect, and save harmless the Department from all liability, claims, and demands arising out of work undertaken by the permittee pursuant to this permit, due to any negligent act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party or operate to enlarge any liability of the Department beyond that existing at common law if this right to indemnity did not exist.
8. Upon a violation of any of the provisions of this permit, the Department may revoke the permit by giving notice to the permittee in writing to remove from the right-of-way any facilities placed thereon within a reasonable time as set forth in the notice, and in the event said facilities are not so removed, and the right-of-way restored the Department may cause same to be removed, and the costs thereof shall be charged to the permittee.
9. The permittee, his successors and assigns shall use the encroachment premises in compliance with all Federal requirements imposed pursuant to the provisions of the Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000-1) and regulations of the U.S. Department of Transportation as set forth in Title 49 C.F.R., Part 21, and as said regulations may be amended.
10. Permittee agrees that in the event it should become necessary, as may be reasonably determined by the Department, for the facilities covered by this permit to be removed or relocated in connection with the reconstruction, relocation, or improvement of the abutting highway, the Department may revoke this permit and require removal or relocation by the permittee at his own expense according and pursuant to the procedures provided in Paragraph 8 above except in those cases where the Department is required by law to pay any or all the same.
11. The permittee understands and agrees that this permit is personal to the permittee and shall not inure to his successors and assigns without the written approval of the Department that he is bound by the provisions of this permit as long as the encroachment exists unless a written release has been obtained from the Department. (Does not apply to utilities serving the general public.)
12. If the work authorized by this permit is on a project in the construction phase, it shall be the responsibility of the permittee to make personal contact with _____ Resident Engineer on the project to coordinate the permitted work with the State's prime contractor on the project.
13. This permit does not alleviate any requirements of any other government agency.
14. Permittee agrees to keep the priority route in which this permit was issued clear of dirt, mud, and debris during construction and for the life of this permit.

ANY ATTEMPT TO ALTER THIS FORM CONSITUTES A VOID PERMIT.

THE UNDERSIGNED APPLICANT (being duly authorized representative/owner) DOES AGREE TO ALL TERMS AND CONDITIONS SET FORTH HEREIN.

January 1st, 20 July 1st, 2010 9-15-09 Albert Malin
Completion Date Date Signature

RECOMMENDED FOR APPROVAL
Tr. Engr. Tech III Shannon Smith TEEM - Chief District Engineer 3-18-10
Title Signature Date

PRIVATE ENTRANCE: TO BE COMPLETED BY PERSONNEL INSTALLING FACILITY.

Installed By _____
Title Signature Date

ANY ATTEMPT TO ALTER THIS FORM CONSITUTES A VOID PERMIT.



10-1-0

KENTUCKY TRANSPORTATION CABINET
Department of Highways
Permits Branch



MAILED

3-18-10

TC 99-1E
Rev.
04/2008

Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. 11-0207-09

APPLICANT IDENTIFICATION: NAME: <u>Whitley County Water District</u> CONTACT PERSON: <u>Albert Mahan</u> ADDRESS: <u>19 S US 25W</u> CITY: <u>Williamsburg</u> STATE: <u>Kentucky</u> ZIP CODE: <u>40769</u> PHONE: area code (<u>606</u>) <u>549-3600</u>	PROJECT IDENTIFICATION: ACCESS CONTROL: <input checked="" type="checkbox"/> By Permit <input type="checkbox"/> Partial <input type="checkbox"/> Full COUNTY: <u>Whitley</u> PRIORITY ROUTE NO: <u>KY 1064</u> MILEPOINT: <u>16.2, 17.0</u> <input checked="" type="checkbox"/> Left <input checked="" type="checkbox"/> Right <input checked="" type="checkbox"/> X-ing PROJECT STATUS: <input type="checkbox"/> Maint. <input checked="" type="checkbox"/> Const. <input type="checkbox"/> Design PROJECT # STATE: <u>11-R5-118-1064 016-017</u> PROJECT # FEDERAL: _____ ROAD/STREET NAME: <u>KY 1064</u>
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TYPE OF ENCROACHMENT:

COMMERCIAL ENTRANCE - BUSINESS* _____

PRIVATE ENTRANCE: Single Family Farm

UTILITY: Overhead Underground

GRADE: Fill Landscape on R/W

AIRSPACE: Agreement Lease

OTHER: (Specify) _____

APPROVED

*Electronic PDF file required of final plans and specifications

ATTACHMENTS:

Standard Drawings (List on TC 99-21 under Misc.)

Applicant's Plans

Highway Plan and Profile Sheets

TC 99-3 (Ponding Encroachment Specs. and Conditions)

TC 99-4 (Rest Area Usage Specs. and Conditions)

TC 99-5 (Tree Cutting/Trimming Specs. and Conditions)

TC 99-6 (Chemical Use of Specs. and Conditions)

TC 99-10 (Typical Highway Boring Crossing Detail)

TC 99-12 (Overhead Utility Encroachment Diagram)

TC 99-13 (Surface Restoration Methods)

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TC 99-22 (Agreement for Services to be Performed)

TC 99-23 (Mass Transit Shelter Specs. and Conditions)

Other Attachments (Specify): _____

BUD
Before U Dig
CALL TOLL FREE
1-800-752-6007
For Buried Line/Cable Locations

TYPE OF INDEMNITY: Bond Cash

SELF-INSURED AMOUNT ENCUMBERED \$ 2000

OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE:

INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.

MP 16.2:
60 L. F. Bore and Case for 3" Pipe (across KY 1064)
1 ea. 8" x 3" Tie-In (east side)

MP 17.0:
Connect to 3" Gate Valve (west side)

Applicant certifies project area does does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

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RECEIVED
10-1-10

KENTUCKY TRANSPORTATION CABINET
Department of Highways
Permits Branch



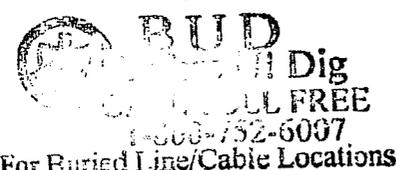
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TC 99-1E
Rev.
04/2008

Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. 11-0208-09

<p>APPLICANT IDENTIFICATION: NAME: <u>Whitley County Water District</u> CONTACT PERSON: <u>Albert Mahan</u> ADDRESS: <u>19 S US 25W</u> CITY: <u>Williamsburg</u> STATE: <u>Kentucky</u> ZIP CODE: <u>40769</u> PHONE: area code (<u>606</u>) <u>549-3600</u></p>	<p>PROJECT IDENTIFICATION: ACCESS CONTROL: <input checked="" type="checkbox"/> By Permit <input type="checkbox"/> Partial <input type="checkbox"/> Full COUNTY: <u>Whitley</u> PRIORITY ROUTE NO: <u>KY 26</u> MILEPOINT: <u>9.1-9.9, +</u> <input checked="" type="checkbox"/> Left <input checked="" type="checkbox"/> Right <input checked="" type="checkbox"/> X-ing PROJECT STATUS: <input type="checkbox"/> Maint. <input checked="" type="checkbox"/> Const. <input type="checkbox"/> Design PROJECT # STATE: <u>11-4P-118-0026 009-010</u> PROJECT # FEDERAL: _____ ROAD/STREET NAME: <u>KY 26</u></p>
<p>TYPE OF ENCROACHMENT: <input type="checkbox"/> COMMERCIAL ENTRANCE - BUSINESS* <input type="checkbox"/> PRIVATE ENTRANCE: <input type="checkbox"/> Single Family <input type="checkbox"/> Farm <input checked="" type="checkbox"/> UTILITY: <input type="checkbox"/> Overhead <input checked="" type="checkbox"/> Underground <input type="checkbox"/> GRADE: <input type="checkbox"/> Fill <input type="checkbox"/> Landscape on R/W <input type="checkbox"/> AIRSPACE: <input type="checkbox"/> Agreement <input type="checkbox"/> Lease <input type="checkbox"/> OTHER: (Specify) _____</p> <p style="text-align: center; font-size: 2em; font-weight: bold; opacity: 0.5;">APPROVED</p> <p><small>*Electronic PDF file required of final plans and specifications</small></p>	<p>ATTACHMENTS:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Standard Drawings (List on TC 99-21 under Misc.) <input checked="" type="checkbox"/> Applicant's Plans <input type="checkbox"/> Highway Plan and Profile Sheets <input type="checkbox"/> TC 99-3 (Ponding Encroachment Specs. and Conditions) <input type="checkbox"/> TC 99-4 (Rest Area Usage Specs. and Conditions) <input type="checkbox"/> TC 99-5 (Tree Cutting/Trimming Specs. and Conditions) <input type="checkbox"/> TC 99-6 (Chemical Use of Specs. and Conditions) <input type="checkbox"/> TC 99-10 (Typical Highway Boring Crossing Detail) <input type="checkbox"/> TC 99-12 (Overhead Utility Encroachment Diagram) <input type="checkbox"/> TC 99-13 (Surface Restoration Methods) <input type="checkbox"/> TC 99-21 (Encroachment Permit General Notes and Specs.) <input type="checkbox"/> TC 99-22 (Agreement for Services to be Performed) <input type="checkbox"/> TC 99-23 (Mass Transit Shelter Specs. and Conditions) <input type="checkbox"/> Other Attachments (Specify): _____ <div style="text-align: center; border: 1px solid black; padding: 5px; margin-top: 10px;">  </div>
<p>TYPE OF INDEMNITY: <input checked="" type="checkbox"/> Bond <input type="checkbox"/> Cash <input type="checkbox"/> SELF-INSURED AMOUNT ENCUMBERED \$ <u>10,000.00</u> <input type="checkbox"/> OTHER _____</p>	<p>NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE: _____ _____</p>
<p>INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.</p>	
<p>BRIEF DESCRIPTION OF WORK TO BE DONE.</p> <p>MP 0.8: 40 L. F. Bore and Case for 3" Pipe (across KY 26), 2 ea. 8" x 3" Tie-in (one each side) MP 9.1 to 9.9: 4,340 L. F. 3" PVC SDR-21 Pipe, 3 ea. 3" Gate Valve, 1 ea. 3" Blowoff Assembly (all west side) MP 1.5 (east side), MP 12.6 (west side), and MP 12.8 (west side): 8" x 3" Tie-in at each point</p> <p>Applicant certifies project area <input type="checkbox"/> does <input type="checkbox"/> does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.</p>	
<p>IMPORTANT (PLEASE READ): Applicant <input type="checkbox"/> does <input checked="" type="checkbox"/> does not intend to apply for excess R/W.</p>	

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

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The permittee agrees to the following terms and conditions:

Permit No. _____

1. The permittee shall comply with and is bound by the requirements of the Department's Permits Manual as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
2. Permittee agrees that if the Department determines that vehicular capacity deficiencies or over capacity conditions develop as a result of the installation and use of this facility, the permittee shall adjust, relocate, or reconstruct the facilities and/or provide and bear the expenses for signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department and as set forth in the Department's Permit Manual within a reasonable length of time after receipt of written notice regarding such adjustments, relocation, additions, modifications, and/or corrective measures, such time to be specified in the notice. In cases where traffic signals are permitted or required, as determined by the Department, the costs for signal equipment and installation(s) shall be borne by the permittee and/or the Department in accordance with Department policy then in force as set forth in the Traffic Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, at no expense to the Department. (This applies only to Entrance Permits.)
3. The said encroachment will not infringe on the frontage rights of an abutting owner without written consent of the said owner as hereto: "I(we) consent to the granting of attached permit." _____
Date _____ (This does not apply to utilities which serve the general public.)
4. Any permit granted hereunder shall be with the full understanding that it shall not interfere with any similar rights or permits heretofore granted to any other party except as otherwise provided by law.
5. A plan prepared by _____ and dated _____ is attached hereto and made a part hereof, which describes the facilities to be constructed by the permittee for which facilities this permit is granted. The permittee agrees as a condition to the issuance of the permit to construct and maintain such facilities in accordance with said plan, and the permittee shall not use the facilities authorized herein in any manner contrary to that prescribed by this permit and plan. Normal usage and routine maintenance only are authorized under this permit.
6. Permittee shall comply with the Manual on Uniform Traffic Control Devices as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
7. Permittee shall at all times from date when work is first commenced and until such time as all facilities are removed from the right-of-way premise, defend, protect, and save harmless the Department from all liability, claims, and demands arising out of work undertaken by the permittee pursuant to this permit, due to any negligent act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party or operate to enlarge any liability of the Department beyond that existing at common law if this right to indemnity did not exist.
8. Upon a violation of any of the provisions of this permit, the Department may revoke the permit by giving notice to the permittee in writing to remove from the right-of-way any facilities placed thereon within a reasonable time as set forth in the notice, and in the event said facilities are not so removed, and the right-of-way restored the Department may cause same to be removed, and the costs thereof shall be charged to the permittee.
9. The permittee, his successors and assigns shall use the encroachment premises in compliance with all Federal requirements imposed pursuant to the provisions of the Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000-1) and regulations of the U.S. Department of Transportation as set forth in Title 49 C.F.R., Part 21, and as said regulations may be amended.
10. Permittee agrees that in the event it should become necessary, as may be reasonably determined by the Department, for the facilities covered by this permit to be removed or relocated in connection with the reconstruction, relocation, or improvement of the abutting highway, the Department may revoke this permit and require removal or relocation by the permittee at his own expense according and pursuant to the procedures provided in Paragraph 8 above except in those cases where the Department is required by law to pay any or all the same.
11. The permittee understands and agrees that this permit is personal to the permittee and shall not inure to his successors and assigns without the written approval of the Department that he is bound by the provisions of this permit as long as the encroachment exists unless a written release has been obtained from the Department. (Does not apply to utilities serving the general public.)
12. If the work authorized by this permit is on a project in the construction phase, it shall be the responsibility of the permittee to make personal contact with _____ Resident Engineer on the project to coordinate the permitted work with the State's prime contractor on the project.
13. This permit does not alleviate any requirements of any other government agency.
14. Permittee agrees to keep the priority route in which this permit was issued clear of dirt, mud, and debris during construction and for the life of this permit.

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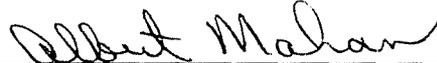
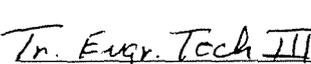
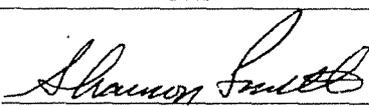
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ANY ATTEMPT TO ALTER THIS FORM CONSTITUTES A VOID PERMIT.

THE UNDERSIGNED APPLICANT (being duly authorized representative/owner) DOES AGREE TO ALL TERMS AND CONDITIONS SET FORTH HEREIN.			
<input type="checkbox"/> January 1st, 20	<input checked="" type="checkbox"/> July 1st, 2010	9-15-09	
Completion Date		Date	Signature
RECOMMENDED FOR APPROVAL			
			3-18-10
Title	Signature	TEBU - Chief District Engineer	Date
PRIVATE ENTRANCE: TO BE COMPLETED BY PERSONNEL INSTALLING FACILITY.			
Installed By _____			
Title	Signature	Date	
ANY ATTEMPT TO ALTER THIS FORM CONSTITUTES A VOID PERMIT.			



RECEIVED
10-1-0

KENTUCKY TRANSPORTATION CABINET
Department of Highways
Permits Branch



MAILED
03-18-10

TC 99-1E
Rev.
04/2008

Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. 11-0208-09

APPLICANT IDENTIFICATION: NAME: <u>Whitley County Water District</u> CONTACT PERSON: <u>Albert Mahan</u> ADDRESS: <u>19 S US 25W</u> CITY: <u>Williamsburg</u> STATE: <u>Kentucky</u> ZIP CODE: <u>40769</u> PHONE: area code (<u>606</u>) <u>549-3600</u>	PROJECT IDENTIFICATION: ACCESS CONTROL: <input checked="" type="checkbox"/> By Permit <input type="checkbox"/> Partial <input type="checkbox"/> Full COUNTY: <u>Whitley</u> PRIORITY ROUTE NO: <u>KY 26</u> MILEPOINT: <u>9.1-9.9, +</u> <input checked="" type="checkbox"/> Left <input checked="" type="checkbox"/> Right <input checked="" type="checkbox"/> X-ing PROJECT STATUS: <input type="checkbox"/> Maint. <input checked="" type="checkbox"/> Const. <input type="checkbox"/> Design PROJECT # STATE: <u>11-4P-118-0026 009-010</u> PROJECT # FEDERAL: _____ ROAD/STREET NAME: <u>KY 26</u>
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TYPE OF ENCROACHMENT:
 COMMERCIAL ENTRANCE - BUSINESS*
 PRIVATE ENTRANCE: Single Family Farm
 UTILITY: Overhead Underground
 GRADE: Fill Landscape on R/W
 AIRSPACE: Agreement Lease
 OTHER: (Specify) _____

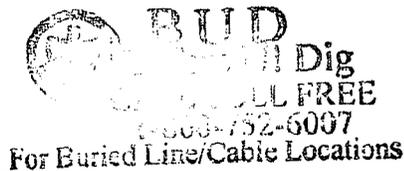
APPROVED

*Electronic PDF file required of final plans and specifications

ATTACHMENTS:
 Standard Drawings (List on TC 99-21 under Misc.)
 Applicant's Plans
 Highway Plan and Profile Sheets
 TC 99-3 (Ponding Encroachment Specs. and Conditions)
 TC 99-4 (Rest Area Usage Specs. and Conditions)
 TC 99-5 (Tree Cutting/Trimming Specs. and Conditions)
 TC 99-6 (Chemical Use of Specs. and Conditions)
 TC 99-10 (Typical Highway Boring Crossing Detail)
 TC 99-12 (Overhead Utility Encroachment Diagram)
 TC 99-13 (Surface Restoration Methods)
 TC 99-21 (Encroachment Permit General Notes and Specs.)
 TC 99-22 (Agreement for Services to be Performed)
 TC 99-23 (Mass Transit Shelter Specs. and Conditions)
 Other Attachments (Specify): _____

TYPE OF INDEMNITY: Bond Cash
 SELF-INSURED AMOUNT ENCUMBERED \$ 10,000.00
 OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE:



INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.
MP 0.8: 40 L. F Bore and Case for 3" Pipe (across KY 26), 2 ea. 8" x 3" Tie-in (one each side)
MP 9.1 to 9.9: 4,340 L. F. 3" PVC SDR-21 Pipe, 3 ea. 3" Gate Valve, 1 ea. 3" Blowoff Assembly (all west side)
MP 1.5 (east side), MP 12.6 (west side), and MP 12.8 (west side): 8" x 3" Tie-in at each point

Applicant certifies project area does does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

A copy of this permit and all documents shall be given to your contractor and shall be readily available at the work site for the encroachment permit inspector to review at all times. Failure to meet this requirement may result in cancellation of this permit.

IN THE EVENT THIS APPLICATION IS APPROVED, THIS DOCUMENT SHALL CONSTITUTE A PERMIT FOR THE APPLICANT TO USE THE RIGHT-OF-WAY, BUT ONLY IN THE MANNER AUTHORIZED BY THIS DOCUMENT AND REGULATIONS OF THE DEPARTMENT AND THE DRAWINGS, PLANS, ATTACHMENTS, AND OTHER PERTINENT DATA ATTACHED HERETO AND MADE A PART HEREOF.



Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. 11-0209-09

<p>APPLICANT IDENTIFICATION: NAME: <u>Whitley County Water District</u> CONTACT PERSON: <u>Albert Mahan</u> ADDRESS: <u>19 S US 25W</u> CITY: <u>Williamsburg</u> STATE: <u>Kentucky</u> ZIP CODE: <u>40769</u> PHONE: area code (<u>606</u>) <u>549-3600</u></p>	<p>PROJECT IDENTIFICATION: ACCESS CONTROL: <input checked="" type="checkbox"/> By Permit <input type="checkbox"/> Partial <input type="checkbox"/> Full COUNTY: <u>Whitley</u> PRIORITY ROUTE NO: <u>KY 6</u> MILEPOINT: <u>0.0-0.2</u> <input type="checkbox"/> Left <input checked="" type="checkbox"/> Right <input checked="" type="checkbox"/> X-ing PROJECT STATUS: <input type="checkbox"/> Maint. <input checked="" type="checkbox"/> Const. <input type="checkbox"/> Design PROJECT # STATE: <u>11-MP-118-0006 000-001</u> PROJECT # FEDERAL: _____ ROAD/STREET NAME: <u>KY 6</u></p>
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TYPE OF ENCROACHMENT:

COMMERCIAL ENTRANCE - BUSINESS* _____

PRIVATE ENTRANCE: Single Family Farm

UTILITY: Overhead Underground

GRADE: Fill Landscape on R/W

AIRSPACE: Agreement Lease

OTHER: (Specify) _____

APPROVED

*Electronic PDF file required of final plans and specifications

TYPE OF INDEMNITY: Bond Cash

SELF-INSURED AMOUNT ENCUMBERED \$ 10,000.00

OTHER _____

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE:

ATTACHMENTS:

Standard Drawings (List on TC 99-21 under Misc.)

Applicant's Plans

Highway Plan and Profile Sheets

TC 99-3 (Ponding Encroachment Specs. and Conditions)

TC 99-4 (Rest Area Usage Specs. and Conditions)

TC 99-5 (Tree Cutting/Trimming Specs. and Conditions)

TC 99-6 (Chemical Use of Specs. and Conditions)

TC 99-10 (Typical Highway Boring Crossing Detail)

TC 99-12 (Overhead Utility Encroachment Diagram)

TC 99-13 (Surface Restoration Methods)

TC 99-21 (Encroachment Permit General Notes and Specs.)

TC 99-22 (Agreement for Services to be Performed)

TC 99-23 (Mass Transit Shelter Specs. and Conditions)

Other Attachments (Specify): _____



INDEMNITY: The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ _____ as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

BRIEF DESCRIPTION OF WORK TO BE DONE.

60 L. F. 8" PVC SDR-17 Pipe (across KY 6), 925 L. F. 3" PVC SDR-17 Pipe (south side)
60 L. F. Bore and Case for 8" Pipe (across KY 6), 30 L. F. Open Cut and Case for 3" Pipe (across Perkins Lane)
1 ea. 8" Gate Valve, 3 ea. 3" Gate Valve
1 ea. 3" Blowoff Assembly

Applicant certifies project area does does not exceed one acre. Projects disturbing more than one acre require a KPDES KYR 10 permit.

IMPORTANT (PLEASE READ): Applicant does does not intend to apply for excess R/W.

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

A copy of this permit and all documents shall be given to your contractor and shall be readily available at the work site for the encroachment permit inspector to review at all times. Failure to meet this requirement may result in cancellation of this permit.

IN THE EVENT THIS APPLICATION IS APPROVED, THIS DOCUMENT SHALL CONSTITUTE A PERMIT FOR THE APPLICANT TO USE THE RIGHT-OF-WAY, BUT ONLY IN THE MANNER AUTHORIZED BY THIS DOCUMENT AND REGULATIONS OF THE DEPARTMENT AND THE DRAWINGS, PLANS, ATTACHMENTS, AND OTHER PERTINENT DATA ATTACHED HERETO AND MADE A PART HEREOF.

Permit No. _____

The permittee agrees to the following terms and conditions:

- The permittee shall comply with and is bound by the requirements of the Department's Permits Manual as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
- Permittee agrees that if the Department determines that vehicular capacity deficiencies or over capacity conditions develop as a result of the installation and use of this facility, the permittee shall adjust, relocate, or reconstruct the facilities and/or provide and bear the expenses for signs, auxiliary lanes, or other corrective measures reasonably deemed necessary by the Department and as set forth in the Department's Permit Manual within a reasonable length of time after receipt of written notice regarding such adjustments, relocation, additions, modifications, and/or corrective measures, such time to be specified in the notice. In cases where traffic signals are permitted or required, as determined by the Department, the costs for signal equipment and installation(s) shall be borne by the permittee and/or the Department in accordance with Department policy then in force as set forth in the Traffic Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, at no expense to the Department. (This applies only to Entrance Permits.)
- The said encroachment will not infringe on the frontage rights of an abutting owner without written consent of the said owner as hereto: "I(we) consent to the granting of attached permit." _____
Date _____ (This does not apply to utilities which serve the general public.)
- Any permit granted hereunder shall be with the full understanding that it shall not interfere with any similar rights or permits heretofore granted to any other party except as otherwise provided by law.
- A plan prepared by _____ and dated _____ is attached hereto and made a part hereof, which describes the facilities to be constructed by the permittee for which facilities this permit is granted. The permittee agrees as a condition to the issuance of the permit to construct and maintain such facilities in accordance with said plan, and the permittee shall not use the facilities authorized herein in any manner contrary to that prescribed by this permit and plan. Normal usage and routine maintenance only are authorized under this permit.
- Permittee shall comply with the Manual on Uniform Traffic Control Devices as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
- Permittee shall at all times from date when work is first commenced and until such time as all facilities are removed from the right-of-way premise, defend, protect, and save harmless the Department from all liability, claims, and demands arising out of work undertaken by the permittee pursuant to this permit, due to any negligent act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party or operate to enlarge any liability of the Department beyond that existing at common law if this right to indemnity did not exist.
- Upon a violation of any of the provisions of this permit, the Department may revoke the permit by giving notice to the permittee in writing to remove from the right-of-way any facilities placed thereon within a reasonable time as set forth in the notice, and in the event said facilities are not so removed, and the right-of-way restored the Department may cause same to be removed, and the costs thereof shall be charged to the permittee.
- The permittee, his successors and assigns shall use the encroachment premises in compliance with all Federal requirements imposed pursuant to the provisions of the Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000-1) and regulations of the U.S. Department of Transportation as set forth in Title 49 C.F.R., Part 21, and as said regulations may be amended.
- Permittee agrees that in the event it should become necessary, as may be reasonably determined by the Department, for the facilities covered by this permit to be removed or relocated in connection with the reconstruction, relocation, or improvement of the abutting highway, the Department may revoke this permit and require removal or relocation by the permittee at his own expense according and pursuant to the procedures provided in Paragraph 8 above except in those cases where the Department is required by law to pay any or all the same.
- The permittee understands and agrees that this permit is personal to the permittee and shall not inure to his successors and assigns without the written approval of the Department that he is bound by the provisions of this permit as long as the encroachment exists unless a written release has been obtained from the Department. (Does not apply to utilities serving the general public.)
- If the work authorized by this permit is on a project in the construction phase, it shall be the responsibility of the permittee to make personal contact with _____ Resident Engineer on the project to coordinate the permitted work with the State's prime contractor on the project.
- This permit does not alleviate any requirements of any other government agency.
- Permittee agrees to keep the priority route in which this permit was issued clear of dirt, mud, and debris during construction and for the life of this permit.

ANY ATTEMPT TO ALTER THIS FORM CONSTITUTES A VOID PERMIT.

ANY ATTEMPT TO ALTER THIS FORM CONSTITUTES A VOID PERMIT.

THE UNDERSIGNED APPLICANT (being duly authorized representative/owner) DOES AGREE TO ALL TERMS AND CONDITIONS SET FORTH HEREIN.

January 1st, 20 July 1st, 20/0 9-15-09 Albert Malow
Completion Date Date Signature

RECOMMENDED FOR APPROVAL

In. Engr. Tech III Sharon 7264 3-18-10
Title Signature Chief District Engineer Date

PRIVATE ENTRANCE: TO BE COMPLETED BY PERSONNEL INSTALLING FACILITY.

Installed By _____ Title _____ Signature _____ Date _____

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Released Date _____

ENCROACHMENT PERMIT

PERMIT NO. 11-0209-09

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TYPE OF ENCROACHMENT:

COMMERCIAL ENTRANCE - BUSINESS*
 PRIVATE ENTRANCE: Single Family Farm
 UTILITY: Overhead Underground
 GRADE: Fill Landscape on R/W
 AIRSPACE: Agreement Lease
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APPROVED

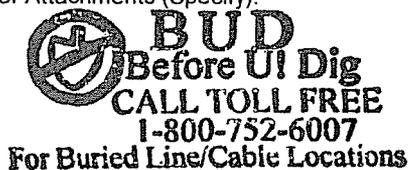
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EXHIBIT D



Kenvirons, Inc.

452 Versailles Road • Frankfort, KY 40601 • Phone: (502) 695-4357 • Fax: (502) 695-4363
Civil & Environmental Engineering and Laboratory Services

January 20, 2010

Mr. Tim Akins, President
Akins Excavating Company, Inc.
182 Busy Lane
Corbin, Kentucky 40701

RE: Whitley County Water District No. 1
Water System Rehabilitation Project

Dear Mr. Akins:

Due to some unforeseen delays, the District has not been able to award the above referenced contract within the 90 day acceptance period specified in Article 18.01 of the Instructions to Bidders. Therefore, we are requesting that you agree to extend the acceptance period to July 1, 2010.

Should you have any questions, please contact me.

Sincerely,

Kenneth D. Taylor, P.E.
Associate

Akins Excavating Company, Inc. hereby agrees to extend the Bid Acceptance period on the above referenced project until July 1, 2010.

Tim Akins, President

1-20-2010
Date



Kenvirons, Inc.

452 Versailles Road • Frankfort, KY 40601 • Phone: (502) 695-4357 • Fax: (502) 695-4363
Civil & Environmental Engineering and Laboratory Services

November 12, 2009

Mr. Walter Estes, Chairman
Whitley County Water District
19 South Highway 25W
Williamsburg, Kentucky 40769

RE: Whitley County Water District
Water System Rehabilitation Project

Dear Mr. Estes:

Bids were received for the referenced project on October 29, 2009. Three (3) bids were received with the low bidder being Akins Excavating Co., Inc. Attached for your reference is a tabulation of the received bids. Please refer to the table for a summary of project costs.

It is hereby recommended to award the contract to Akins Excavating Co., Inc. in the amount of \$680,618.00. We are very familiar as is the District with Akins' work and are sure they have the personnel, equipment and experience to complete the project in a timely professional manner.

Sincerely,

Kenneth D. Taylor, PE
Associate

Cc: Tim Schwendeman, CVADD

Attachment

KENVIRONS, INC.
 452 VERSAILLES ROAD
 FRANKFORT, KENTUCKY 40601
 TEL (502) 695-4357
 FAX (502) 695-4363

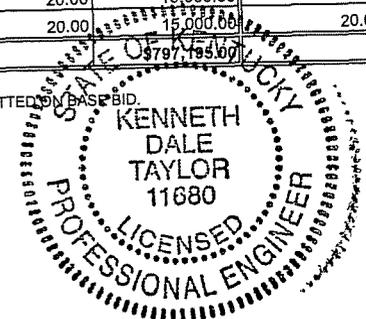
BID TABULATIONS
 PROJECT: Water System Rehabilitation Project
 LOCATION: Whitley County Water District
 BID DATE: October 29, 2009 at 2:00 P.M. Local Time

Base Bid				Akins Excavating Co., Inc. 182 Busy Lane Corbin, KY 40701		Clay Pipeline, Inc. 70 Fox Hollow Road Manchester, KY 40962		Laurel Construction Co., Inc. 5209 Somerset Road London, KY 40741	
ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
1	6" PVC SDR 17 Pipe	LF	4,000	\$12.00	\$48,000.00	\$11.15	\$44,600.00	\$14.50	\$58,000.00
2	6" PVC SDR 21 Pipe	LF	860	11.30	9,718.00	10.60	9,116.00	13.70	11,782.00
3	4" D.I. CL 350 Pipe	LF	980	18.75	18,375.00	19.75	19,355.00	20.00	19,600.00
4	4" PVC SDR 17 Pipe	LF	1,300	9.90	12,870.00	13.55	17,615.00	13.00	16,900.00
5	4" PVC SDR 21 Pipe	LF	8,200	9.55	78,310.00	13.30	109,060.00	12.70	104,140.00
6	3" PVC SDR 17 Pipe	LF	5,700	9.20	52,440.00	13.00	74,100.00	12.30	70,110.00
7	3" PVC SDR 21 Pipe	LF	14,000	9.00	126,000.00	12.80	179,200.00	11.00	154,000.00
8	Bored Encasement for 6" Pipe	LF	325	90.00	29,250.00	76.00	24,700.00	230.00	74,750.00
9	Open Cut Encasement for 6" Pipe	LF	160	45.00	7,200.00	41.00	6,560.00	40.00	6,400.00
10	Bored Encasement for 4" & 3" Pipe	LF	90	64.00	5,760.00	65.00	5,850.00	100.00	9,000.00
11	Open Cut Encasement for 4" & 3" Pipe	LF	345	40.00	13,800.00	37.00	12,765.00	30.00	10,350.00
12	4" & 3" Creek Crossing	LF	40	15.00	600.00	83.00	3,320.00	40.00	1,600.00
13	4" & 3" Directional Bore Creek Crossing	EA	2	1,500.00	3,000.00	1,155.00	2,310.00	3,000.00	6,000.00
14	8" x 6" Tapping Sleeve and Valve	EA	1	2,150.00	2,150.00	1,537.00	1,537.00	2,500.00	2,500.00
15	8" x 4" Tapping Sleeve and Valve	EA	1	1,850.00	1,850.00	1,333.00	1,333.00	2,500.00	2,500.00
16	8" x 3" Tapping Sleeve and Valve	EA	1	1,885.00	1,885.00	1,205.00	1,205.00	2,000.00	2,000.00
17	6" x 6" Tapping Sleeve and Valve	EA	2	1,970.00	3,940.00	1,524.00	3,048.00	2,000.00	4,000.00
18	4" x 3" Tapping Sleeve and Valve	EA	1	1,650.00	1,650.00	990.00	990.00	2,000.00	2,000.00
19	3" x 3" Tapping Sleeve and Valve	EA	1	1,650.00	1,650.00	980.00	980.00	2,000.00	2,000.00
20	6" Gate Valve	EA	3	765.00	2,295.00	825.00	2,475.00	550.00	1,650.00
21	4" Gate Valve	EA	6	635.00	3,810.00	580.00	3,480.00	480.00	2,880.00
22	3" Gate Valve	EA	32	575.00	18,400.00	530.00	16,960.00	430.00	13,760.00
23	4" Tie-In	EA	2	1,200.00	2,400.00	388.00	776.00	1,500.00	3,000.00
24	3" Tie-In	EA	1	1,200.00	1,200.00	355.00	355.00	1,000.00	1,000.00
25	Leak Detection Meter	EA	5	600.00	3,000.00	555.00	2,775.00	800.00	4,000.00
26	3" Blow-Off Assembly (Type 1)	EA	4	1,025.00	4,100.00	920.00	3,680.00	1,000.00	4,000.00
27	3" Blow-Off Assembly (Type 2)	EA	15	475.00	7,125.00	860.00	12,900.00	900.00	13,500.00
28	Reconnect Meter Service	EA	172	345.00	59,340.00	250.00	43,000.00	600.00	103,200.00
29	Relocate Meter Service	EA	9	500.00	4,500.00	350.00	3,150.00	700.00	6,300.00
30	Service Tubing	LF	6,000	6.25	37,500.00	5.50	33,000.00	6.00	36,000.00
31	Booster Pump Station	LS	1	81,000.00	81,000.00	132,000.00	132,000.00	90,000.00	90,000.00
32	Free Bore (All Sizes)	LF	500	30.00	15,000.00	20.00	10,000.00	30.00	15,000.00
33	Pavement Replacement	LF	750	30.00	22,500.00	20.00	15,000.00	20.00	15,000.00
TOTAL BASE BID					\$680,618.00		\$679,755.00		\$866,922.00

* DENOTES AN ARITHMETIC ERROR WAS MADE ON BASE BID, AMOUNT HAS BEEN CORRECTED TO REFLECT UNIT PRICE SUBMITTED ON BASE BID.
 THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED UNTIL 2:00 P.M. Local Time on October 29, 2009.

BY: Kenneth D. Taylor
 Kenneth D. Taylor, P.E.

11-2-09
 DATE



PROJECT BUDGET

Whitley Co. Water District - Underserved Areas

WX/SX Number:

WX21235434

Grant ID #

Line Item	Project Cost	<u>Total</u>
1	Administrative	14,000.00
2	Legal	7,500.00
3	Land, Appraisals, Easements, Rights of Way	7,500.00
4	Relocation Expense	
5	Planning	5,000.00
6	Engineering Fees - Design	51,680.00
7	Engineering Fees - Construction	12,920.00
8	Engineering Fees - Inspection	44,100.00
9	Construction	680,618.00
10	Equipment	
11	Contingency	24,682.00
12	Other	
	Total Project Cost	<u>848,000.00</u>

Funding Sources		
1	KIA Fund B Loan	\$848,000.00
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
	Total Funding Cost	<u>848,000.00</u>

Enter Dates:

Preliminary	
As Bid	10/29/2009
Revised	

EXHIBIT E

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Water Districts/Associations						
Annual Report of						
Respondent	WHITLEY COUNTY WATER DISTRICT	19 S HIGHWAY 25W	WILLIAMSBURG, KY 40769			

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Principal Payment and Interest Information

	Amount	Yes/No	PSC Case No.
Amount of Principal Payment During Calendar Year	\$53,300.00		
Is Principal Current?		Y	
Is Interest Current?		Y	
Has all long-term debt been approved by the Public Service Commission?			

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Services Performed by Independent CPA

	Yes/No	A/C/R
Are your financial statements examined by a Certified Public Accountant?		
Enter Y for Yes or N for No	Y	
If yes, which service is performed?		
Enter an X on each appropriate line		
Audit		A
Compilation		
Review		

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Additional Requested Information

	Name	Electronic Info
Name of Utility and Web Address	WHITLEY COUNTY WATER DISTRICT	
Contact Name and Email Address	JEREMIAH JOHNSTON	
	P O BOX 413	
	MIDDLESBORO, KY 40965	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Additional Information Required

Case Num	Date	Explain
----------	------	---------

Major Water Projects

Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service commission.

For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utilityplant by at least 20 percent.

Brief Project Description: (improvement, replacement,building construction, expansion. If expansion, provide the estimated number of new customers):

Projected Costs and Funding Sources/Amounts:

Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

Location: (community, area or nearby roads)

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

WHITLEY COUNTY WATER DISTRICT #1

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

History-Location (Ref Page: 4)

	name	Address	city	state	zip	Phone
Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.						
principal office in KY	WHITLEY COUNTY WATER DISTRICT	19 S HIGHWAY 25W	WILLIAMSBURG	KY	40769	6065493600
Give name, title, address and TELEPHONE NUMBER of the officer to whom correspondence concerning this report should be addressed.						
	JEREMIAH JOHNSTON	P. O. BOX 413	MIDDLESBORO	KY	40965	6062691944
Location where books are located	WHITLEY COUNTY WATER DISTRICT	19 S HIGHWAY 25W	WILLIAMSBURG	KY		6065493600

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

History-Date Organized (Ref Page: 4)

	Date
Date of Organization	1961

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

History-Laws of Organization (Ref Page: 4)

List

If a consolidated or merger company, name all contingent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same

Date and Authority for each consolidation and each merger.

History-Departments (Ref Page: 4)

List

State whether respondent is a water district or association

Name all operating departments other than water

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

History - Counties (Ref Page: 5)

Knox, Whitley

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

History - Number of Employees (Ref Page: 5)

	Count
Number of Full-time employees	6
Number of Part-time employees	4

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Contacts (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires
Person to send correspondence:	ACCOUNTANT	JOHNSTON	JEREMIAH	2014 CUMBERLAND AVENUE, MIDDLESBORO, KY 40965		
Person who prepared this report	ACCOUNTANT	JOHNSTON	JEREMIAH	2014 CUMBERLAND AVENUE, MIDDLESBORO, KY 40965		
Officers and Managers						
	CHAIRPERSON	ESTES	WALTER B.	37 EAST CHURCH ST, WILLIAMSBURG, KY 40769	\$3,600.00	12/31/2012
	TREASURER	MEADORS	ANDREW D.	3609 RYANS CK RD, WILLIAMSBUR, KY 40769	\$3,799.00	12/31/2012
	SECRETARY	BIRD	PEGGY	P. O. BOX 2104, WILLIAMSBURG, KY 40769	\$3,600.00	12/31/2012
	GENERAL MANAGER	WEST	ANGELA R.	P. O. BOX 786, WILLIAMSBURG, KY 40769	\$19,141.00	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	\$13,571,428.00	\$14,935,113.00
Less: Accumulated Depreciation and Amortization (108-110)	\$1,801,118.00	\$1,925,822.00
Net Plant	\$11,770,310.00	\$13,009,291.00
Utility Plant Acquisition Adjustments (Net) (114-115)		
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	\$11,770,310.00	\$13,009,291.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)	\$9,665.00	\$9,665.00
Less: Accumulated Depreciation and Amortization (122)	\$1,710.00	\$1,984.00
Net Nonutility Property	\$7,955.00	\$7,681.00
Investment in Associated Companies (123)	\$0.00	
Utility and Other Investments (124-125)	\$397,758.00	\$1,199,778.00
Sinking Funds (126)	\$0.00	
Other Special Funds (127)	\$0.00	
Total Other Property and Investments	\$405,713.00	\$1,207,459.00
CURRENT AND ACCRUED ASSETS		
Cash (131)	\$116,120.00	\$217,602.00
Special Deposits (132)	\$514,485.00	\$159,083.00
Other Special Deposits (133)	\$0.00	
Working Funds (134)	\$0.00	
Temporary Cash Investments (135)	\$0.00	
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$242,784.00	\$253,018.00
Accounts Receivable from Associated Companies (145)	\$0.00	
Notes Receivable from Associated Companies (146)	\$0.00	
Materials and Supplies (151-153)	\$0.00	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
Stores Expense (161)	\$0.00	
Prepayments (162)	\$140,643.00	(\$3,538.00)
Accrued Interest and Dividends Receivable (171)	\$0.00	
Rents Receivable (172)	\$0.00	
Accrued Utility Revenues (173)	\$0.00	
Misc. Current and Accrued Assets (174)	\$0.00	
Total Current and Accrued Assets	\$1,014,032.00	\$626,165.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)	\$0.00	
Extraordinary Property Losses (182)	\$0.00	
Preliminary Survey and Investigation Charges (183)	\$0.00	
Clearing Accounts (184)	\$0.00	
Temporary Facilities (185)	\$0.00	
Misc. Deferred Debits (186)	\$0.00	
Research and Development Expenditure (187)	\$0.00	
Total Deffered Debits	\$0.00	
TOTAL ASSETS AND OTHER DEBITS	\$13,190,055.00	\$14,842,915.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)	\$0.00	
Retained Earnings From Income before contributions (215.1)	\$1,086,719.00	\$1,189,222.00
Donated Capital (215.2)	\$8,128,552.00	\$9,215,271.00
Total Equity Capital	\$9,215,271.00	\$10,404,493.00
LONG-TERM DEBT		
Bonds (221)	\$3,638,000.00	\$3,586,300.00
Reaquired Bonds (222)	\$0.00	
Advances from Associated Companies (223)	\$0.00	
Other Long-Term Debt (224)	\$0.00	
Total Long Term Debt	\$3,638,000.00	\$3,586,300.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	\$109,316.00	\$606,658.00
Notes Payable (232)	\$0.00	
Accounts Payable to Associated Co. (233)	\$0.00	\$0.00
Notes Payable to Associated Co (234)	\$0.00	
Customer Deposits (235)	\$195,080.00	\$211,684.00
Accrued Taxes (236)	\$14,922.00	\$12,768.00
Accrued Interest (237)	\$14,933.00	\$21,012.00
Matured Long-Term Debt (239)	\$0.00	
Matured Interest (240)	\$0.00	
Tax Collections Payable (241)	\$0.00	
Misc. Current and Accrued Liabilities (242)	\$2,533.00	
Total Current and Accrued Liabilities	\$336,784.00	\$852,122.00
DEFFERRED CREDITS		
Unamortized Premium on Debt (251)	\$0.00	
Advances for Construction (252)	\$0.00	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
Other Deferred Credits (253)	\$0.00	
Total Deferred Credits	\$0.00	
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)	\$0.00	
Injuries and Damages (262)	\$0.00	
Pensions and Benefits (263)	\$0.00	
Miscellaneous Operating Reserves (265)	\$0.00	
Total Operating Reserves	\$0.00	
Total Equity Capital and Liabilities	\$13,190,055.00	\$14,842,915.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	\$1,383,464.00	\$1,487,199.00
Operating Expenses (401)	\$933,699.00	\$1,048,661.00
Depreciation Expenses (403)	\$124,704.00	\$124,704.00
Amortization of Utility Plant Acquisition Adjustment (406)	\$0.00	
Amortization Expense (407)	\$0.00	
Taxes Other Than Income (408.10-408.13)	\$16,057.00	\$17,021.00
Utility Operating Expenses	\$1,074,460.00	\$1,190,386.00
Utility Operating Income	\$309,004.00	\$296,813.00
Income From Utility Plant Leased to Others (413)	\$0.00	
Gains (Losses) from Disposition of Utility Property (414)	\$0.00	
Total Utility Operating Income	\$309,004.00	\$296,813.00
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and contract work (415)	\$0.00	
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)	\$0.00	
Interest and Dividend Income (419)	\$29,106.00	\$8,518.00
Allowance for funds Used During Constructions (420)	\$0.00	
Nonutility Income (421)	\$908,370.00	\$1,045,338.00
Miscellaneous Nonutility Expenses (426)	\$0.00	
Total Other Income and Deductions	\$937,476.00	\$1,053,856.00
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)	\$0.00	
Total Taxes Applic. to Other Income	\$0.00	
INTEREST EXPENSE		
Interest Expense (427)	\$159,761.00	\$161,447.00
Amortization of Debt Discount and Exp. (428)	\$0.00	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
Amortization of Premium on Debt (429)	\$0.00	
Total Interest Expense	\$159,761.00	\$161,447.00
EXTRAORDINARY ITEMS		
Extraordinary Income (433)	\$0.00	
Extraordinary Deductions (434)	\$0.00	
Total Extraordinary Items	\$0.00	
NET INCOME BEFORE CONTRIBUTIONS	\$1,086,719.00	\$1,189,222.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Statement of Retained Earnings 2002 (Ref Page: 12)

Description	Total
Appropriated Retained earnings (214) (state balance and purpose of each appropriated amount at year end:)	
Total Appropriated Retained Earnings	
Retained Earnings From Income Before Contributions (215.1)	
Balance beginning of year	
Balance transferred from Net Income Before Contributions (435)	\$1,189,222.00
Changes to account:	
Appropriations of Retained Earnings (436)	
Adjustments to Retained Earnings (439)	
(requires Commission approval prior to use):	
Credits	
Debits	
Balance End of Year	\$1,189,222.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Description	Tapping Fees	Grants	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	\$0.00	\$0.00	\$0.00	\$9,215,271.00
Credits				
Proceeds from capital contributions (432)				
Other Credits (explain)				
Debits (explain - requires Commission Approval)				
Balance End of Year	\$0.00	\$0.00	\$0.00	\$9,215,271.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Net Utility Plant (Accts. 101-106) (Ref Page: 13)

	Total
Utility Plant in Service (101)	\$14,935,113.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased or Sold (104)	
Construction Work in Progress (105)	
Completed Construction Not Classified (106)	
Total Utility Plant	\$14,935,113.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Accumulated Depreciation (Acct. 108) (Ref Page: 13)

Description	Total
Balance First of Year	\$1,801,118.00
Credit during year	
Accruals Charged to Account 108.1	\$124,704.00
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Accounts (specify) (specify)	
Salvage Value Recovered on Plant Retired	
Other Credits (specify)	
Total Credits	\$124,704.00
Debits during year:	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits (specify)	
Total Debits	
Balance at End of Year	\$1,925,822.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Organization (301)	\$0.00								
Franchises (302)	\$0.00								
Land and Land Rights (303)	\$14,013.00	\$0.00	\$0.00	\$14,013.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Structures and Improvements (304)	\$46,320.00	\$0.00	\$0.00	\$46,320.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Collecting and Impounding Reservoirs (305)	\$7,216.00	\$0.00	\$0.00	\$7,216.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lakes, Rivers and Other Intakes (306)	\$0.00								
Wells and Springs (307)	\$81,298.00	\$0.00	\$0.00	\$81,298.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Infiltration Galleries and Tunnels (308)	\$1,448,559.00	\$0.00	\$0.00	\$1,448,559.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Supply Mains (309)	\$0.00								
Power Generation Equipment (310)	\$0.00								
Pumping Equipment (311)	\$64,212.00	\$0.00	\$0.00	\$64,212.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Water Treatment Equipment (320)	\$3,548.00	\$0.00	\$0.00	\$3,548.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution Reservoirs and Standpipes (330)	\$176,323.00	\$0.00	\$0.00	\$176,323.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transmission and Distribution Mains (331)	\$10,628,082.00	\$1,363,685.00	\$0.00	\$11,991,767.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Services (333)	\$695,558.00	\$0.00	\$0.00	\$695,558.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Meters and Meter Installations (334)	\$138,807.00	\$0.00	\$0.00	\$138,807.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Hydrants (335)	\$0.00								
Backflow Prevention Devices (336)	\$0.00								
Other Plant and Misc. Equipment (339)	\$0.00								
Office Furniture and Equip. (340)	\$72,944.00	\$0.00	\$0.00	\$72,944.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transportation Equipment (341)	\$121,734.00	\$0.00	\$0.00	\$121,734.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Stores Equipment (342)	\$0.00								
Tools, Shop and Garage Equip (343)	\$14,034.00	\$0.00	\$0.00	\$14,034.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Laboratory Equipment (344)	\$567.00	\$0.00	\$0.00	\$567.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Power Operated Equipment (345)	\$54,784.00	\$0.00	\$0.00	\$54,784.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Communication Equipment (346)	\$2,869.00	\$0.00	\$0.00	\$2,869.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Equipment (347)	\$560.00	\$0.00	\$0.00	\$560.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Tangible Plant (348)	\$0.00								
Total Water Plant	\$13,571,428.00	\$1,363,685.00	\$0.00	\$14,935,113.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg	Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Organization (301)		\$0.00					
Franchises (302)		\$0.00					
Land and Land Rights (303)		\$0.00					
Structures and Improvements (304)	\$16,360.00		\$2,267.00	\$0.00	\$0.00	\$0.00	\$18,627.00
Collecting and Impounding Reservoirs (305)	\$28,813.00		\$0.00	\$0.00	\$0.00	\$0.00	\$28,813.00
Lake, River and Other Intakes (306)		\$0.00					
Wells and Springs (307)	\$85,208.00		\$4,646.00	\$0.00	\$0.00	\$0.00	\$89,854.00
Infiltration Galleries and Tunnels (308)		\$0.00					
Supply Mains (309)	\$590,987.00		\$24,169.00	\$0.00	\$0.00	\$0.00	\$615,156.00
Power Generating Equipment (310)		\$0.00					
Pumping Equipment (311)	\$23,069.00		\$2,600.00	\$0.00	\$0.00	\$0.00	\$25,669.00
Water Treatment Equipment (320)	\$1,277.00		\$0.00	\$0.00	\$0.00	\$0.00	\$1,277.00
Distributions Reservoirs and Standpipes (330)	\$25,157.00		\$5,526.00	\$0.00	\$0.00	\$0.00	\$30,683.00
Transmission and Distribution Mains (331)	\$328,640.00		\$41,909.00	\$0.00	\$0.00	\$0.00	\$370,549.00
Services (333)	\$394,412.00		\$30,245.00	\$0.00	\$0.00	\$0.00	\$424,657.00
Meters and Meter Installations (334)	\$136,928.00		\$2,478.00	\$0.00	\$0.00	\$0.00	\$139,406.00
Hydrants (335)		\$0.00					
Backflow Prevention Devices (336)		\$0.00					

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Other Plant and Miscellaneous Equipment (339)	\$0.00					
Office Furniture and Equip. (340)	\$44,010.00	\$4,365.00	\$0.00	\$0.00	\$0.00	\$48,375.00
Transportation Equipment (341)	\$59,150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$59,150.00
Stores Equipment (342)	\$0.00					
Tools, Shop and Garage Equip (343)	\$8,359.00	\$1,202.00	\$0.00	\$0.00	\$0.00	\$9,561.00
Laboratory Equipment (344)	\$378.00	\$75.00	\$0.00	\$0.00	\$0.00	\$453.00
Power Operated Equipment (345)	\$56,024.00	\$4,872.00	\$0.00	\$0.00	\$0.00	\$60,896.00
Communication Equipment (346)	\$1,656.00	\$350.00	\$0.00	\$0.00	\$0.00	\$2,006.00
Miscellaneous Equipment (347)	\$0.00					
Other Tangible Plant (348)	\$690.00	\$0.00	\$0.00	\$0.00	\$0.00	\$690.00
Totals	\$1,801,118.00	\$124,704.00	\$0.00	\$0.00	\$0.00	\$1,925,822.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Accumulated Amortization (Acct. 110) (Ref Page: 16)

Description	Total
Balance First of Year	
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(specify)	
Total Credits	
Debits during year:	
Book Cost of Plant Retired	
Other Debits	
(specify)	
Total Debits	
Balance end of Year	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Utility Plant Acquisition Adjustments (Accts. 114-115) (Ref Page: 16)

Description	Total
Acquisition Adjustments (114)	
(specify)	
Total Plant Acquisition Adjustments	
Accumulated Amortization (115)	
(specify)	
Total Accumulated Amortization	
Net Acquisition Adjustments	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Investments and Special Funds (Ref Page: 17)

Description (a)	Face or Par Value (b)	Year End Book Cost
Investment in Associated Companies (123)		
Total Investment in Associated Companies		
Utility Investments (124)		
CASH - DEPRECIATION	\$0.00	\$139,589.00
CASH - 1994 BOND FUND	\$0.00	\$244,461.00
CASH-CAPITAL	\$0.00	\$287,019.00
CASH-MULTI COUNTY COAL SWP	\$0.00	\$528,709.00
	\$0.00	\$0.00
Total Utility Investments		\$1,199,778.00
Other Investments (125)		
Total Other Investments		
Sinking Funds (126)		
Total Sinking Funds		
Other Special Funds (127)		
Total Other Special Funds		

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008
Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	Total
Accounts and Notes Receivable	
Customer Accounts Receivable (141)	\$263,666.00
Other Accounts Receivable (142)	
Total Other Accounts Receivable	
Notes Receivable (144)	
Total Notes Receivable	\$263,666.00
Total Accounts and Notes Receivable	\$263,666.00
Accumulated Provision for Uncollectible Accounts (143)	
Balance First of Year	
Add:	
Provision for uncollectibles for current year	\$10,648.00
Collections of accountst previously written off	
Other	
(specify)	
Total Additions	\$10,648.00
Deduct accounts written off during year:	
Other	
(specify)	
Total Deductions	
Balance end of Year	\$10,648.00
Total Accounts and Notes Receivable - Net	\$253,018.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Materials and Supplies (151-153) (Ref Page: 19)

	Total
Plant Materials and Supplies (151)	
Merchandise (152)	
Other Materials and Supplies (153)	
Total Materials and Supplies	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Prepayments (Acct. 162) (Ref Page: 19)

Description		Total
Prepaid Insurance		(\$5,588.00)
Prepaid Rents		
Prepaid Interest		
Prepaid Taxes		
Other Prepayments		
(Specify)	JELICO UTILITY	\$2,000.00
(Specify)	MISCL OTHER ASSETS	\$50.00
Total Prepayments		(\$3,538.00)

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Miscellaneous Deferred Debits (Acct. 186) (Ref Page: 20)

Total	
Miscellaneous Deferred Debits (186)	
Deferred Rate Case Expense (186.1)	
Other Deferred Debits (186.2)	
Regulatory Assets (186.3)	
Total Miscellaneous Deferred Debits	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 and 251) (Ref Page: 20)

Description	Amt Written Off during year	Year End Balance
Unamortized Debt Discount and Expense (181)		
Total Unamortized Debt Discount and Expense		
Unamortized Premium on Debt (251)		
Total Unamortized Premium on Debt		

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Extraordinary Property Losses (Acct. 182) (Ref Page: 21)

Description	Total
Extraordinary Property Losses (182)	
(Specify)	
Total Extraordinary Property Losses	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Advances for Construction (Acct. 252) (Ref Page: 21)

	Total
Balance First of Year	
Add credits during year	
Deduct charges during year	
Balance end of year	

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Long Term Debt (Ref Page: 22)

Description of Obligation (a)	Issue Date (b)	Mature Date (c)	Interest Expense for Year Rate (d)	Interest Expense for Year Amount(e)	Principal per Balance Sheet Date (f)
			0.0000	\$161,447.00	\$0.00
			0.0000	\$0.00	\$0.00
Total			0.0000	\$161,447.00	\$0.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Bonds - Account 221 (Ref Page: 23)

	Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Val of Amt. Held by or for Respondent (3)	Actually Outstanding at Close of Year (4)	Interest During Year Accrued (5)	Interest During Year Actually Paid (6)
	\$0.00	\$0.00	\$0.00	\$639,000.00	\$0.00	\$12,500.00
	\$0.00	\$0.00	\$0.00	\$549,000.00	\$0.00	\$9,000.00
	\$0.00	\$0.00	\$0.00	\$355,000.00	\$0.00	\$5,000.00
	\$0.00	\$0.00	\$0.00	\$1,800,000.00	\$0.00	\$22,000.00
	\$0.00	\$0.00	\$0.00	\$243,300.00	\$0.00	\$112,947.00
Total	\$0.00	\$0.00	\$0.00	\$3,586,300.00	\$0.00	\$161,447.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Schedule of Bond Maturities (Ref Page: 23)

Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amt (10)	Amounts Paid (11)	Remaining Bonds Outstanding (12)
R1 SERIES	2033	4.5000	\$639,000.00	\$12,500.00	\$639,000.00
R2 SERIES	2038	4.5000	\$549,000.00	\$9,000.00	\$549,000.00
R3 SERIES	2007	4.5000	\$355,000.00	\$5,000.00	\$355,000.00
R4 SERIES	2043	4.5000	\$1,800,000.00	\$22,000.00	\$1,800,000.00
KY HWY 92	2044	4.5000	\$243,300.00	\$112,947.00	\$243,300.00
Total			\$3,586,300.00	\$161,447.00	\$3,586,300.00

(The total of Column 12 must agree with the total of col 4)

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Notes Payable (Accts 232 and 234) (Ref Page: 24)

Description	Nominal Date of Issue	Date of Maturity	Int. Rate	Int. Payment	Principal Amt Per Bal Sheet
Account 232 - Notes Payable					
Total Account 232					
Account 234 - Notes Payable to Associated Companies					
Total Account 234					

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Accounts Payable to Associated Companies (Acct. 233) (Ref Page: 24)

Description	Total
-------------	-------

Show Payable to Each Associated Company Separately

(Specify)

Total

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Taxes Accrued (Acct. 236) (Ref Page: 25)

	Total
Balance First of Year	\$14,922.00
Accruals Charged:	
Utility regulatory assessment fees (408.10)	
Property taxes (408.11)	\$17,021.00
Payroll taxes (employer's portion) (408.12)	
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	\$17,021.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	\$19,175.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	\$19,175.00
Balance end of year	\$12,768.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Accrued Interest (Account 237) 2002 (Ref Page: 25)

Description of Debt (a)	Balance Beg of Year (b)	Interest Accrued(c)	Interest Paid (d)	Balance End of Year (e)
Long Term Debt:				
	14933.0000	\$161,447.00	\$161,447.00	\$21,012.00
Notes Payable:				
	0.0000	\$0.00	\$0.00	\$0.00
Customer Deposits:				
Other				
	0.0000	\$0.00	\$0.00	\$0.00
Total Acct. No 237	14933.0000	\$161,447.00	\$161,447.00	\$21,012.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Miscellaneous Current and Accrued Liabilities (Acct. 242) (Ref Page: 26)

	Description	Balance End Year
		\$0.00
Total Miscellaneous Current and Accrued Liabilities		\$0.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Regulatory Commission Expense(Acct 666 and 667) (Ref Page: 26)

Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Amt Transferred to Acct 186.1 (c)	Expensed During Year Acct (d)	Expensed During Year Amount (e)
---	-----------------------------------	--------------------------------------	----------------------------------	------------------------------------

Total

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers	Year End Customers	Amount
Operating Revenues			
Unmetered Water Revenue (460)			
Metered Water Revenue (461)			
Sales to Residential Customers (461.1)	3,133	3,036	\$1,360,021.00
Sales to Commercial Customers (461.2)	146	134	\$72,815.00
Sales to Industrial Customers (461.3)			
Sales to Public Authorities (461.4)	10	6	\$16,828.00
Sales to Multiple Family Dwellings (461.5)			
Sales through Bulk Loading Stations (461.6)			
Total Metered Sales	3,289	3,176	\$1,449,664.00
Fire Protection Revenue (462)			
Public Fire Protection (462.1)			
Private Fire Protection (462.2)			
Total Fire Protection Revenue			
Other Sales to Public Authorities (464)			
Sales to Irrigation Customers (465)			
Sales for Resale (466)			
Interdepartmental Sales (467)			
Total Sales of Water	3,289	3,176	\$1,449,664.00
Other Water Revenues			
Guaranteed Revenues (469)			
Forfeited Discounts (470)			
Miscellaneous Service Revenues (471)			
Rents from Water Property (472)			
Interdepartments Rents (473)			
Other Water Revenues (474)			
Total Other Water Revenues			\$37,535.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers	Year End Customers	Amount
Total Water Operating Revenues			\$1,487,199.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt. Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Salaries and Wages-Employees (601)	\$193,235.00	\$193,235.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Salaries and Wages-Officers, Directors and Majority Stockholders (603)	\$10,999.00	\$10,999.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Employee Pensions and Benefits (604)	\$71,036.00	\$71,036.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Purchased Water (610)	\$588,966.00	\$588,966.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Purchased Power (615)									
Fuel for Power Production (616)	\$22,519.00	\$22,519.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Chemicals (618)	\$621.00	\$621.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Materials and Supplies (620)	\$50,006.00	\$50,006.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contractual Services - Eng. (631)	\$73,081.00	\$73,081.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contractual Services - Acct. (632)									
Contractual Services - Legal (633)									
Contractual Services - Management Fees (634)									

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt. Exp-Maint. (g)	Trans and Dist. Exp-Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Contractual Serves - Water Testing (635)									
Contractual Services - Other (636)									
Rental of Bld./Real Property (641)									
Rental of Equipment (642)	\$2,564.00	\$2,564.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transportation Expenses (650)	\$14,982.00	\$14,982.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Insurance - Vehicle (656)									
Insurance - General Liability (657)	\$19,879.00	\$19,879.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Insurance - Worker's Compensation (658)									
Insurance - Other (659)									
Advertising Expenses (660)									
Regulatory Commission Exp.									
- Amortization of Rate Case (666)									
-Other (667)									

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Water Resource Conservation Expense (668)									
Bad Debt (670)									
Miscellaneous Expenses (675)	\$773.00	\$773.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$1,048,661.00	\$1,048,661.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Pumping and Water Statistics - part one (Ref Page: 29)

	Water Purchased For Resale (Omit 000's) (b)	Water Pumped from Wells (Omit 000's) (c)	Total Water Pumped and Purchased (Omit 000's) (d)	Water Sold To Customers (Omit 000's) (e)
January	22,414	0	22,414	12,129
February	18,248	0	18,248	12,069
March	18,180	0	18,180	10,916
April	18,345	0	18,345	11,630
May	20,201	0	20,201	11,506
June	19,933	0	19,933	14,217
July	17,445	0	17,445	12,223
August	20,462	0	20,462	12,802
September	24,616	0	24,616	13,404
October	21,585	0	21,585	11,772
November	16,597	0	16,597	12,240
December	21,464	0	21,464	10,372
Total for the year	239,490	0	239,490	145,280

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Pumping and Water Statistics - part two (Ref Page: 29)

	Gallons	Date
Maximum Gallons pumped by all methods in any one day (Omit 000's)	926	10/26/2008
Minimum Gallons pumped by all methods in any one day (Omit 000's)	399	03/22/2008

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Pumping and Water Statistics - part three (Ref Page: 29)

List

If water is purchased indicate the following:

Vendor	CITY OF WILLIAMSBURG, CITY OF CORBIN, JELICO ELECTRIC & WATER, MCCREARY COUNTY WATER DISTRICT
--------	---

Point of Delivery	VARIOUS
-------------------	---------

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Pumping and Water Statistics - part four (Ref Page: 29)

Entity Receiving Water	Maximum Daily	Maximum Monthly
------------------------	---------------	-----------------

If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract

to provide daily and monthly. If unlimited then list "unlimited" otherwise list in thousands of gallons.

NONE

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Sales For Resale (466) (Ref Page: 30)

	Company	Gallons (Omit 000's)	Avg. Rate Per 1000 Gallons (Cents)	Amount
Total				

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Water Statistics (Ref Page: 30)

	Gallons (Omit 000's)	Percent
1. Water Produced, Purchased and Distributed		
2. Water Produced		
3. Water Purchased	239,490	
4. Total Produced and Purchased	239,490	
6. Water Sales:		
7. Residential	132,205	
8. Commercial	10,791	
9. Industrial		
10. Bulk Loading Stations		
11. Resale		
12. Other Sales	2,284	
13. Total Water Sales	145,280	
15. Other Water Used		
16. Utility/water treatment plant		
17. Wastewater plant		
18. System flushing	59,291	
19. Fire department		
20. Other		
21. Total Other Water Used	59,291	
23. Water Loss:		
24. Tank Overflows		
25. Line Breaks		
26. Line Leaks	8,999	
27. Other		
28. Total Line Loss	8,999	
Note: Line 13 + Line 21 + Line 28 must equal Line 4		
32. Water Loss Percentage		

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Water Statistics (Ref Page: 30)

	Gallons (Omit 000's)	Percent
--	----------------------	---------

33. Line 28 divided by Line 4

3.7576

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Plant Statistics (Ref Page: 31)

Give the following information

Number of fire hydrants, by size	7 SIX FOOT
Number of private fire hydrants, by size	7 SIX FOOT
If produced whether water supply is river, impounded streams, well, springs, artificial lake, or collector well	PURCHASED
If produced whether supply is by gravity, pumping or a combination	COMBINATION
Type, capacity, and elevation of reservoirs at overflow and ground level	3 STAND PIPES; 18800 GROUND LEVEL, 1165 FT OVERFLOW, 144000 GROUND LEVEL, 1286 FT OVERFLOW, 105000 GROUND LEVEL, 1367 FT OVERFLOW, 1 ELEVATED 200000, 1290 FR OVERFLOW
Miles of main by size and kind	ESTIMATED 265 MILES OF 1", 2", 3", 4", 6" AND 8" LINES
Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.	NONE
Type of disinfectant, number of units and capacity in pounds per 24 hours	NONE
Station Equipment. List each pump, giving type and capacity, HP of driving unit and character of driving unit (steam/electric/int. combustion) also whether pump is high/ low duty	CORN CREEK 7 1/2 HP 2 PUMPS HIGH DUTY WOODBINE 10HP 2 PUMPS.
Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals., and electric in KWH	ELECTRIC 45213 KWH
Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report	NONE
Capacity of clear well	NONE
Peak month, in gallons of water sold	JUNE 2008, 14,217,000 GALLONS
Peak day, in gallons of water sold	JUNE 2008, 612,879

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Plant Statistics - Part B (Ref Page: 31)

Type

Choose one to indicate the type of Water Supply

Purchase

32900 Whitley County Water District #1 01/01/2008 - 12/31/2008

Plant Statistics - Part C (Ref Page: 31)

Type

Choose one to indicate the type of Water Supply Method

Combination

EXHIBIT F

**WHITLEY COUNTY WATER DISTRICT
SCHEDULE-BONDS PAYABLE
HOLDER OF BONDS-USDA RURAL DEVELOPMENT
As of 12-31-2009**

BOND NO	ISSUE DATE	YR OF MAT.	PAR VALUE	CASH REC.	INT. RATE	PRIN PAID 2009	PRIN PAID TO DATE	O/S AT YR END	INT ACC. 2009	INT. PAID 2009	PRIN 2010
R1	1994	2033	750,000.00	750,000.00	4.5	12,500.00	123,500.00	626,500.00	28,755.00	28,755.00	14,000.00
R2	1998	2038	600,000.00	600,000.00	4.5	9,000.00	69,000.00	531,000.00	24,300.00	24,300.00	9,000.00
R3	2000	2040	377,000.00	377,000.00	4.5	5,000.00	32,000.00	345,000.00	15,750.00	15,750.00	5,000.00
R4	2003	2042	1,860,000.00	1,860,000.00	4.5	22,000.00	66,003.00	1,755,997.00	80,010.00	80,010.00	24,000.00
KY 92	2006	2045	295,000.00	295,000.00	4.125	3,200.00	6,400.00	288,600.00	12,037.00	12,037.00	3,400.00
TOTALS			3,882,000.00	3,882,000.00		51,700.00	296,903.00	3,547,097.00	160,852.00	160,852.00	55,400.00

NOTES

1. Yr. of maturity is year when bonds are to be paid out
2. Description of bonds are water revenue bonds
3. No class is stated on bonds
4. Secured by Revenue from Water Sales of District

**WHITLEY COUNTY WATER DISTRICT
FINANCIAL STATEMENTS
FISCAL YEAR ENDED
DECEMBER 31, 2008**

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Whitley County Water District
Williamsburg, Kentucky

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate fund information of Whitley County Water District, as of and for the year ended December 31, 2008, which collectively comprise Whitley County Water District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Whitley County Water District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Whitley County Water District, as of December 31, 2008, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2009, on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 - 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Barnett & Williams CPAs, PLLC

Harrogate, Tennessee
March 25, 2009

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WHITLEY COUNTY WATER DISTRICT

**19 S Hwy. 25W
Williamsburg, KY 40769
606-549-3600**

MANAGEMENT'S DISCUSSION AND ANALYSIS ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

The financial management team of the Whitley County Water District: Walter B. Estes, Chairperson, Andrew D. Meadors, Treasurer presents this narrative to help those who review these financial statements to better understand them, their schedules, and notes. It is our intent that this discussion provide all parties interested in the District's financial condition, especially the citizens of Whitley County, Kentucky, a better understanding of the District's operations and financial status.

The District reports its annual financial statements in a required model format issued by the Governmental Accounting Standards Board.

Should any of reader of these statements have any questions or desire additional information, please contact Andrew D. Meadors, Treasurer.

Financial Highlights

- As of December 31, 2008, the District's assets (\$14,842,915) exceeded liabilities (\$3,744,684) by \$10,404,493. This excess includes the value of capital assets plus resources restricted to specific projects by law, regulation, or contractual agreement (\$10,283,789) and unrestricted resources available to continue District operations in the next fiscal year (\$120,704).
- Unrestricted cash balances as of December 31, 2008 was \$217,602, receivables of \$258,078, and provision for uncollectible accounts of \$(10,648) for a total current assets of \$456,032 and current liabilities payable from those funds were \$693,738. The difference is payable from restricted cash and cash equivalents, the balance after using restricted cash for the construction payable would finance operations for more than one month. This is a reasonable operating cushion that the District attempts to maintain.
- Net assets, increased in the proprietary fund by \$1,189,222, to a December 31 balance of \$910,404,493. \$120,704 of this amount is unrestricted and available to continue operations into the next fiscal year. The District anticipated this increase in the net assets of the proprietary fund, primarily due to construction grant receipts.
- The District's total bonded debt decreased by \$51,703 due to normal debt service payments.

Overview of the Financial Statements

The District provides one major category of services one major activity: business-type activity, which is funded with user fees and charges. The business-type activity is water services.

The statements report separately on the detail of business activity. The financial statements include two major sections: 1) fund financial statements, and 2) notes to the financial statements.

The first two statements, the Statement of Net Assets and Statement of Revenues, Expenses, and Changes in Net Assets present an overview of the District's business-type service. The former reports the financial condition of the District as of December 31. It reports all of the District's short-term and long-term assets and liabilities. The latter reports how the District's net assets changed during the 2008 fiscal year, it summarizes the revenues and expenditures of the past year and shows there was a reasonable increase in net assets. User fees and charges are evaluated yearly to insure coverage of expenses.

Proprietary Fund Statements

The three primary statements reporting on the proprietary of business-type activities are:

Statement of Net Assets-Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Assets-Proprietary Funds

Statement of Cash Flows-Proprietary Funds

The three Proprietary Fund Statements demonstrate that the utility operations continue to grow and to be financially sound. Net assets increased by 11% this year, primarily due construction grant activity.

Proprietary Fund current assets exceed current liabilities by more than \$269,000. This amount is unrestricted and available to fund future operations.

Each of the reserve funds (Depreciation, Debt Service, Operations and Maintenance) required under contractual agreements with the District's debt holders is being funded to levels required.

The Proprietary Fund operation is currently producing sufficient revenue to fund payments for past capital improvements, maintenance and operating expenses, and minor on-going additions to the infrastructure.

STATEMENT OF NET ASSETS - PROPRIETARY FUND
 WHITLEY COUNTY WATER DISTRICT
 DECEMBER 31, 2008 and 2007

ASSETS	2008	2007
Current assets:		
Cash and cash equivalents	\$ 217,602	\$ 116,120
Accounts receivable - customers	258,078	253,432
Provision for uncollectible accounts	(10,648)	(10,648)
Prepaid insurance		5,588
Total current assets	465,032	364,492
Non-current assets:		
Restricted assets -		
Cash and cash equivalents	1,358,861	514,485
Total restricted assets	1,358,861	514,485
Capital assets:		
Land	14,013	14,013
Equipment, structures, vehicles	434,075	397,758
Distribution system	10,253,020	10,253,020
Accumulated depreciation	(1,925,822)	(1,801,118)
Construction in-progress	4,234,005	3,304,395
Capital assets, net of	13,009,291	12,168,068
Other assets:		
Deposits - utility	2,000	2,000
Prepaid debt service		133,005
Miscellaneous other assets	50	50
Bond related costs	9,665	9,665
Accumulated amortization bond costs	(1,984)	(1,710)
Total other assets	9,731	143,010
Total non-current assets	14,377,883	12,825,563
Total assets	\$ 14,842,915	\$ 13,190,055
LIABILITIES		
Current liabilities:		
Accounts payable/accrued liabilities	\$ 108,595	\$ 109,316
Accrued taxes	12,768	14,922
Accrued interest payable	21,012	14,933
Construction payable	498,063	
Current bonds payable	53,300	48,500
Total current liabilities	693,738	187,671
Non-current liabilities:		
Customer deposits	209,151	195,080
Escrow charges	2,533	2,533
Bonds payable	3,533,000	3,589,500
Total non-current liabilities	3,744,684	3,787,113
Total liabilities	4,438,422	3,974,784
NET ASSETS		
Net assets:		
Invested in capital assets, net of	8,924,928	8,578,568
Restricted for:		
Deposits	159,083	153,478
Capital projects	528,709	37,030
Debt service	671,069	304,426
Unreserved	120,704	141,769
Total net assets	10,404,493	9,215,271
Total liabilities and net assets	\$ 14,842,915	\$ 13,190,055

See accompanying notes to the basic financial statements.

STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN FUND NET ASSETS
 - PROPRIETARY FUND
 WHITLEY COUNTY WATER DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating revenues:		
Water sales	\$ 1,449,664	\$ 1,383,464
Other operating revenue	37,535	38,011
	<u>1,487,199</u>	<u>1,421,475</u>
Operating expense:		
Salaries and wages	204,234	165,341
Employee benefits	71,036	53,034
Purchased water	588,966	540,305
Fuel	22,519	17,242
Chemicals and lab	621	284
Repairs, maintenance, and supplies	50,006	51,360
Contracted services	73,081	78,573
Rental	2,564	8
Transportation	14,982	7,054
Insurance	19,879	20,087
Miscellaneous	773	411
Taxes	17,021	16,057
Depreciation and amortization	124,704	124,704
	<u>1,190,386</u>	<u>1,074,460</u>
Income from operations	<u>296,813</u>	<u>347,015</u>
Non-operating revenues (expenses):		
Interest income	8,518	29,106
Grant revenue	1,031,049	866,178
Other non-operating revenue	14,289	4,181
Interest expense	(161,447)	(159,761)
Total non-operating revenues (expenses)	<u>892,409</u>	<u>739,704</u>
Change in net assets	<u>1,189,222</u>	<u>1,086,719</u>
Net assets, beginning of year	<u>9,215,271</u>	<u>8,128,552</u>
Net assets, end of year	<u>\$ 10,404,493</u>	<u>\$ 9,215,271</u>

See accompanying notes to the basic financial statements.

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
 WHITLEY COUNTY WATER DISTRICT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and others	\$ 1,476,965	\$ 1,388,528
Cash payments to suppliers for goods and services	(832,997)	(828,080)
Cash payments to employees for services	(204,234)	(165,341)
	<u>439,734</u>	<u>395,107</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(334,582)	(1,442,998)
Principal paid on capital debt	(51,703)	(48,500)
Interest paid on capital debt	(161,447)	(244,266)
Proceeds from short-term note - interim financing		147,961
Repayment short-term note - interim financing		(271,200)
Bond proceeds		295,000
Grants received	1,031,049	830,290
Other receipts	14,289	4,181
	<u>497,606</u>	<u>(729,532)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned	8,518	20,446
	<u>8,518</u>	<u>20,446</u>
	<u>945,858</u>	<u>(313,979)</u>
	<u>630,605</u>	<u>944,584</u>
Cash and cash equivalents, end of year	<u>\$ 1,576,463</u>	<u>\$ 630,605</u>
Reconciliation of (loss) from operations to net cash provided by operating activities		
Income from operations	\$ 296,813	\$ 347,015
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	124,704	124,704
(Increase) decrease in receivables	(4,646)	(32,957)
(Increase) decrease in prepaid assets	5,588	(88,059)
Increase in other liabilities	14,071	26,499
Increase (decrease) in accounts payable and accrued expenses	3,204	17,905
	<u>\$ 439,734</u>	<u>\$ 395,107</u>

See accompanying notes to the basic financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
WHITLEY COUNTY WATER DISTRICT
DECEMBER 31, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A – REPORTING ENTITY

Whitley County Water District was created pursuant to Kentucky Revised Statute 74 through the Whitley County Fiscal Court, September 13, 1960. The District is operated under the direction of three commissioners. The District provides water service to customers within its service area.

The criteria used to determine which accounting entities, agencies, commissions, boards, and authorities are part of the District's operations include how the budget is adopted, whether debt is secured by general obligation of the District, the District's duty to cover and deficits that may occur and supervision over the accounting functions.

The District does not have any blended or discreetly present component units.

B – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all the activities of the primary government and its component units. There are not governmental activities, only a business-type activity is reported. Business-type activities rely mostly on fees and charges that are designed to recover the costs of operations, including the cost of capital.

The statement of activities outlines the direct expenses of the District's major function and the program revenues generated by that program. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The fund statements include separate statements for the proprietary fund and the enterprise fund is reported as separate columns in the financial statements.

C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Commercial accounting standards of accounting and financial reporting issued on or before December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

NOTES TO THE FINANCIAL STATEMENTS
WHITLEY COUNTY WATER DISTRICT (CONTINUED)
DECEMBER 31, 2008

Governments also have the option of following subsequent commercial accounting guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

D – ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and investments

Unrestricted Cash and Investments - Unrestricted operating cash funds are classified as cash and cash equivalents in the Financial Statements.

Restricted Cash and Investments - Restricted cash is set apart to satisfy debt service and reserve requirements defined in bonding ordinances and long term notes.

Receivables

Accounts receivable recorded in the Enterprise fund are net of an allowance for uncollectible accounts receivable of \$10,648.

Inventories

The District does not stock an inventory, items are ordered as needed.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable business-type activities columns in the government-wide financial statements.

The District has established a capitalization policy to recognize capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical costs or estimated historical costs if purchased or constructed. The costs or normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Fixed assets are recorded in the respective funds and depreciated using the straight-line method. Major additions are recorded in the respective property accounts; replacements, maintenance, and repairs, which do not materially improve or extend the life of the respective assets, are charged to earnings. Distribution system assets and buildings are depreciated on the straight-line basis with an estimated useful life of 40 - 50 years. Other equipment is depreciated on a straight-line basis with an estimated useful life of 5 – 7 years.

Compensated Absences

It is the District's policy to grant paid leave to employees. The District allows a limited carryover each year which is not material. At December 31, 2008 no provision has been made for compensating balances for accumulated absences.

NOTES TO THE FINANCIAL STATEMENTS
 WHITLEY COUNTY WATER DISTRICT (CONTINUED)
 DECEMBER 31, 2008

Long-Term Obligation

In the government-wide financial statements, and proprietary fund types, long-term debt is reported as liabilities in the applicable business-type activities and proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable unamortized issuance costs.

E - ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
 BUDGETARY INFORMATION

The budget is only for planning purposes and is not an ordinance.

NOTE 3 - DEPOSITS AND INVESTMENTS

The District reporting entity considers highly liquid investments (including restricted assets) to be cash and cash equivalents. *Deposits* – At year-end, the carrying amount of the District's deposits were \$630,605. The bank balances were covered by \$200,000 federal deposit insurance and are secured by pledged securities. The District's deposits are Category 1 credit risk.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008, is as follows:

Business-type Activities	Balance 1/1/08	Additons/ Completions	Retirements/ Adjustments	Balance 12/31/08
Capital assets at historical cost				
Land	\$ 14,013	\$	\$	\$ 14,013
Equipment/vehicles	397,758	36,317		434,075
Distribution system	10,253,020			10,253,020
Total capital assets at historical cost	10,664,791	36,317		10,701,108
Less accumulated depreciation for:				
Equipment/vehicles	124,001			124,001
Distribution system	1,677,117	124,704		1,801,821
Total accumulated depreciation	1,801,118	124,704		1,925,822
Construction in progress	3,304,395	929,610		4,234,005
Business-type activities				
Capital assets, net	\$ 12,168,068	\$ 841,223	\$	\$ 13,009,291

NOTES TO THE FINANCIAL STATEMENTS
WHITLEY COUNTY WATER DISTRICT (CONTINUED)
DECEMBER 31, 2008

NOTE 5 - LONG-TERM LIABILITIES

Revenue Bonds - Revenue bonds outstanding consist of debt issued by the District for water infrastructure acquisitions. Bond indentures contain significant requirements for annual debt service and flow of funds through various restricted accounts. The District is in compliance with all significant requirements of the bond covenants.

The following is a summary of scheduled changes in long-term debt for December 31, 2008:

Bonds	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008	Due Within One Year
Series 1994	\$ 639,000	\$	\$ (12,500)	\$ 626,500	\$ 12,500
Series 1998	549,000		(9,000)	540,000	9,000
Series 2000	355,000		(5,000)	350,000	5,000
Series 2003	1,800,000		(22,003)	1,777,997	22,000
Series 2006	295,000		(3,200)	291,800	3,200
Total	\$ 3,638,000	\$	\$ (51,703)	\$ 3,586,297	\$ 48,500

Rural Development Agency has acquired all of the Revenue Bonds. At December 31, 2008 the District had \$133,005 paid ahead with Rural Development for debt service requirements.

The following is a summary of scheduled debt service requirements to retire the District's long-term bonds:

Year	Interest	Principal	Total
2009	\$ 157,740	\$ 53,300	\$ 211,040
2010	155,163	55,400	210,563
2011	152,467	59,100	211,567
2012	149,664	60,700	197,845
2013	149,664	63,900	213,564
Subtotal	764,698	292,400	1,044,579
Thereafter	2,409,966	3,293,897	5,703,863
Total	\$ 3,174,664	\$ 3,586,297	\$ 6,748,442

Other information on the District's long-term indebtedness is summarized below:

Obligation	Rate	Maturity	Original Amount	Security
Series 1994 Bonds	4.50%	01/01/33	750,000	Water revenues
Series 1998 Bonds	4.50%	01/01/38	600,000	Water revenues
Series 2000 Bonds	4.50%	01/01/40	377,000	Water revenues
Series 2003 Bonds	4.50%	01/01/42	1,860,000	Water revenues
Series 2006 Bonds	4.125%	01/01/45	295,000	Water revenues

**NOTES TO THE FINANCIAL STATEMENTS
WHITLEY COUNTY WATER DISTRICT (CONTINUED)
DECEMBER 31, 2008**

NOTE 6 - MAJOR SUPPLIER/CONTRACT

The District has entered into contracts to purchase water for resale from the City of Williamsburg, City of Corbin City Utilities Commission, and the City of Jellico Municipal Board of Public Utilities. For the period ended December 31, 2008, the District paid \$588,966 for these services.

NOTE 7 - SUBSEQUENT EVENTS

There have been no subsequent events that are likely to have a material adverse impact on the affected funds of the District.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Commissioners
Whitley County Water District
Williamsburg, Kentucky

We have audited the financial statements of Whitley County Water District as of and for the year ended December 31, 2008, and have issued our report thereon dated March 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Whitley County Water District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Whitley County Water District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Whitley County Water District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Whitley County Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Whitley County Water District in a separate letter dated March 25, 2009.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harrogate, Tennessee
March 25, 2009

Barnett & Williams CPAs, PLLC

**WHITLEY COUNTY WATER DISTRICT
SCHEDULE OF FINDINGS
DECEMBER 31, 2008**

SUMMARY OF AUDIT RESULTS

- 1. The auditor's report expresses an unqualified opinion on the financial statements of Whitley County Water District.**
- 2. No significant deficiencies or material weaknesses were disclosed during the audit of the general purpose financial statements and reported in the Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.**
- 3. No instances of noncompliance material to the basic financial statements of Whitley County Water District were disclosed during the audit.**
- 4. Whitley County Water District was determined to be a low-risk auditee.**

CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS

None.

NON COMPLIANCES

None.

MATERIAL WEAKNESS

None.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Inadequate segregation of duties.

WHITLEY COUNTY WATER DISTRICT
FINANCIAL STATEMENTS
FISCAL YEAR ENDED
DECEMBER 31, 2007

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Whitley County Water District
Williamsburg, Kentucky

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate fund information of Whitley County Water District, as of and for the year ended December 31, 2007, which collectively comprise Whitley County Water District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Whitley County Water District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Whitley County Water District, as of December 31, 2007, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2008, on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 - 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Whitley County Water District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Whitley County Water District's basic financial statements. The schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Barnett & Williams, CPAs, PLLC

Harrogate, Tennessee
April 22, 2008

Kimberly Barnett, CPA

Gary Williams, CPA

WHITLEY COUNTY WATER DISTRICT

**19 S Hwy. 25W
Williamsburg, KY 40769
606-549-3600**

MANAGEMENT'S DISCUSSION AND ANALYSIS ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

The financial management team of the Whitley County Water District: Walter B. Estes, Chairperson, Andrew D. Meadors, Treasurer, and Kathy Moyers, general office manager presents this narrative to help those who review these financial statements to better understand them, their schedules, and notes. It is our intent that this discussion provide all parties interested in the District's financial condition, especially the citizens of Whitley County, Kentucky, a better understanding of the District's operations and financial status.

The District reports its annual financial statements in a required model format issued by the Governmental Accounting Standards Board.

Should any of reader of these statements have any questions or desire additional information, please contact Andrew D. Meadors, Treasurer.

Financial Highlights

- As of December 31, 2007, the District's assets (\$13,190,055) exceeded liabilities (\$3,974,784) by \$9,215,271. This excess includes the value of capital assets plus resources restricted to specific projects by law, regulation, or contractual agreement (\$9,073,502) and unrestricted resources available to continue District operations in the next fiscal year (\$141,769)
- Unrestricted cash balances as of December 31, 2007 was \$116,120, receivables of \$242,748, and prepaid assets of \$5,588 for a total current assets of \$364,492 and current liabilities payable from those funds were \$187,671. The balance, or surplus, would finance District operations for about less than one month. This is a reasonable operating cushion that the District attempts to maintain.
- Net assets, increased in the proprietary fund by \$1,086,719, to a December 31 balance of \$9,215,271. \$24,587 of this amount is unrestricted and available to continue operations into the next fiscal year. The District anticipated this increase in the net assets of the proprietary fund, primarily due to construction grant receipts.
- The District's total bonded debt increased by \$249,000 due to issuance of a \$295,000 bond and normal debt service payments.

Overview of the Financial Statements

The District provides one major category of services one major activity: business-type activity, which is funded with user fees and charges. The business-type activity is water services.

The statements report separately on the detail of business activity. The financial statements include two major sections: 1) fund financial statements, and 2) notes to the financial statements.

The first two statements, the Statement of Net Assets and Statement of Revenues, Expenses, and Changes in Net Assets present an overview of the District's business-type service. The former reports the financial condition of the District as of December 31. It reports all of the District's short-term and long-term assets and liabilities. The latter reports how the District's net assets changed during the 2007 fiscal year, it summarizes the revenues and expenditures of the past year and shows there was a reasonable increase in net assets. User fees and charges are evaluated yearly to insure coverage of expenses.

Proprietary Fund Statements

The three primary statements reporting on the proprietary of business-type activities are:
Statement of Net Assets-Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Assets-Proprietary Funds
Statement of Cash Flows-Proprietary Funds

The three Proprietary Fund Statements demonstrate that the utility operations continue to grow and to be financially sound. Net assets increased by 12% this year, primarily due construction grant activity.

Proprietary Fund current assets exceed current liabilities by more than \$176,821. This amount is unrestricted and available to fund future operations.

Each of the reserve funds (Depreciation, Debt Service, Operations and Maintenance) required under contractual agreements with the District's debt holders is being funded to levels required.

The Proprietary Fund operation is currently producing sufficient revenue to fund payments for past capital improvements, maintenance and operating expenses, and minor on-going additions to the infrastructure.

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**STATEMENT OF CASH FLOWS - PROPRIETARY FUND
WHITLEY COUNTY WATER DISTRICT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007 and 2006**

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and others	\$ 1,388,528	\$ 1,087,641
Cash payments to suppliers for goods and services	(828,080)	(751,790)
Cash payments to employees for services	(165,341)	(163,016)
Net cash provided by operating activities	<u>395,107</u>	<u>172,835</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(1,442,998)	(1,859,474)
Principal paid on capital debt	(48,500)	(46,000)
Interest paid on capital debt	(244,266)	(154,508)
Proceeds from short-term note - interim financing	147,961	126,244
Repayment short-term not - interim financing	(271,200)	
Bond proceeds	295,000	
Grants received	830,290	2,274,933
Other receipts	4,181	4,115
Net cash provided from capital and related financing activities	<u>(729,532)</u>	<u>345,310</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned	20,446	18,475
Net cash provided by investing activities	<u>20,446</u>	<u>18,475</u>
Net decrease in cash and cash equivalents	(313,979)	536,620
Cash and cash equivalents, beginning of year	<u>944,584</u>	<u>407,964</u>
Cash and cash equivalents, end of year	<u>\$ 630,605</u>	<u>\$ 944,584</u>
Reconciliation of (loss) from operations to net cash provided by operating activities		
Income from operations	\$ 347,015	\$ 60,275
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	124,704	124,704
(Increase) decrease in receivables	(32,957)	(26,304)
(Increase) decrease in prepaid assets	(88,059)	
Increase in other liabilities	26,499	22,728
Increase (decrease) in accounts payable and accrued expenses	17,905	(8,568)
Net cash provided by operating activities	<u>\$ 395,107</u>	<u>\$ 172,835</u>

See accompanying notes to the basic financial statements.

STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN FUND NET ASSETS
 - PROPRIETARY FUND
 WHITLEY COUNTY WATER DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2007 and 2006

	2007	2006
Operating revenues:		
Water sales	\$ 1,383,464	\$ 1,107,068
Other operating revenue	38,011	34,681
Total operating revenues	<u>1,421,475</u>	<u>1,141,749</u>
Operating expense:		
Salaries and wages	165,341	163,016
Employee benefits	53,034	59,786
Purchased water	540,305	501,495
Fuel	17,242	18,436
Chemicals and lab	284	608
Repairs, maintenance, and supplies	51,360	87,426
Contracted services	78,573	54,159
Rental	8	3,457
Transportation	7,054	6,923
Insurance	20,087	43,952
Miscellaneous	411	1,800
Taxes	16,057	15,712
Depreciation and amortization	124,704	124,704
Total operating expense	<u>1,074,460</u>	<u>1,081,474</u>
Income from operations	<u>347,015</u>	<u>60,275</u>
Non-operating revenues (expenses):		
Interest income	29,106	18,475
Grant revenue	866,178	2,274,933
Other non-operating revenue	4,181	4,115
Interest expense	(159,761)	(154,508)
Total non-operating revenues (expenses)	<u>739,704</u>	<u>2,143,015</u>
Change in net assets	<u>1,086,719</u>	<u>2,203,290</u>
Net assets, beginning of year	<u>8,128,552</u>	<u>5,925,262</u>
Net assets, end of year	<u>\$ 9,215,271</u>	<u>\$ 8,128,552</u>

See accompanying notes to the basic financial statements.

See a

STATEMENT OF NET ASSETS - PROPRIETARY FUND
 WHITLEY COUNTY WATER DISTRICT
 DECEMBER 31, 2007 and 2006

ASSETS	2007	2006
Current assets:		
Cash and cash equivalents	\$ 116,120	\$ 96,445 ✓
Accounts receivable - customers	253,432	220,475 ✓
Provision for uncollectible accounts	(10,648)	(10,648) ✓
Prepaid insurance	5,588	2,034 ✓
Total current assets	<u>364,492</u>	<u>308,306</u>
Non-current assets:		
Restricted assets -		
Cash and cash equivalents	514,485	848,139 ✓
Total restricted assets	<u>514,485</u>	<u>848,139</u>
Capital assets:		
Land	14,013	8,463 ✓
Equipment, structures, vehicles	397,758	348,458
Distribution system	10,253,020	10,253,020
Accumulated depreciation	(1,801,118)	(1,676,414) ✓
Construction in-progress	3,304,395	1,791,543
Capital assets, net of	<u>12,168,068</u>	<u>10,725,070</u> ✓
Other assets:		
Deposits - utility	2,000	2,000
Prepaid debt service	133,005	46,000
Miscellaneous other assets	50	70
Bond related costs	9,665	8,027 ✓
Accumulated amortization bond costs	(1,710)	(1,436) ✓
Total other assets	<u>143,010</u>	<u>54,661</u>
Total non-current assets	<u>12,825,563</u>	<u>11,627,870</u>
Total assets	<u>\$ 13,190,055</u>	<u>\$ 11,936,176</u>
LIABILITIES		
Current liabilities:		
Accounts payable/accrued liabilities	\$ 109,316	\$ 108,385 ✓
Accrued taxes	14,922	10,088
Accrued interest payable	14,933	2,793
Current notes payable - Kentucky Rural Water	48,500	126,244
Current bonds payable	-	46,000
Total current liabilities	<u>187,671</u>	<u>293,510</u> ✓
Non-current liabilities:		
Customer deposits	195,080	168,581 ✓
Escrow charges	2,533	2,533
Bonds payable	3,589,500	3,343,000 ✓
Total non-current liabilities	<u>3,787,113</u>	<u>3,514,114</u>
Total liabilities	<u>3,974,784</u>	<u>3,807,624</u>
NET ASSETS		
Net assets:		
Invested in capital assets, net of	8,578,568	7,255,826
Restricted for:		
Deposits	153,478	140,202
Capital projects	37,030	481,059
Debt service	304,426	226,878
Unreserved	141,769	24,587
Total net assets	<u>9,215,271</u>	<u>8,128,552</u>
Total liabilities and net assets	<u>\$ 13,190,055</u>	<u>\$ 11,936,176</u> ✓

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS
WHITLEY COUNTY WATER DISTRICT
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A – REPORTING ENTITY

Whitley County Water District was created pursuant to Kentucky Revised Statute 74 through the Whitley County Fiscal Court, September 13, 1960. The District is operated under the direction of three commissioners. The District provides water service to customers within its service area.

The criteria used to determine which accounting entities, agencies, commissions, boards, and authorities are part of the District's operations include how the budget is adopted, whether debt is secured by general obligation of the District, the District's duty to cover and deficits that may occur and supervision over the accounting functions.

The District does not have any blended or discretely present component units.

B – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all the activities of the primary government and its component units. There are not governmental activities, only a business-type activity is reported. Business-type activities rely mostly on fees and charges that are designed to recover the costs of operations, including the cost of capital.

The statement of activities outlines the direct expenses of the District's major function and the program revenues generated by that program. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The fund statements include separate statements for the proprietary fund and the enterprise fund is reported as separate columns in the financial statements.

C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Commercial accounting standards of accounting and financial reporting issued on or before December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

**NOTES TO THE FINANCIAL STATEMENTS
WHITLEY COUNTY WATER DISTRICT (CONTINUED)
DECEMBER 31, 2007**

Governments also have the option of following subsequent commercial accounting guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

D – ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and investments

Unrestricted Cash and Investments - Unrestricted operating cash funds are classified as cash and cash equivalents in the Financial Statements.

Restricted Cash and Investments - Restricted cash is set apart to satisfy debt service and reserve requirements defined in bonding ordinances and long term notes.

Receivables

Accounts receivable recorded in the Enterprise fund are net of an allowance for uncollectible accounts receivable of \$10,648.

Inventories

The District does not stock an inventory, items are ordered as needed.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable business-type activities columns in the government-wide financial statements.

The District has established a capitalization policy to recognize capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical costs or estimated historical costs if purchased or constructed. The costs or normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Fixed assets are recorded in the respective funds and depreciated using the straight-line method. Major additions are recorded in the respective property accounts; replacements, maintenance, and repairs, which do not materially improve or extend the life of the respective assets, are charged to earnings. Distribution system assets and buildings are depreciated on the straight-line basis with an estimated useful life of 40 - 50 years. Other equipment is depreciated on a straight-line basis with an estimated useful life of 5 - 7 years.

Compensated Absences

It is the District's policy to grant paid leave to employees. The District allows a limited carryover each year which is not material. At December 31, 2007 no provision has been made for compensating balances for accumulated absences.

NOTES TO THE FINANCIAL STATEMENTS
WHITLEY COUNTY WATER DISTRICT (CONTINUED)
DECEMBER 31, 2007

Long-Term Obligation

In the government-wide financial statements, and proprietary fund types, long-term debt is reported as liabilities in the applicable business-type activities and proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable unamortized issuance costs.

E - ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
BUDGETARY INFORMATION

The budget is only for planning purposes and in not an ordinance.

NOTE 3 - DEPOSITS AND INVESTMENTS

The District reporting entity considers highly liquid investments (including restricted assets) to be cash and cash equivalents. *Deposits* – At year-end, the carrying amount of the District's deposits were \$630,605. The bank balances were covered by \$200,000 federal deposit insurance and are secured by pledged securities. The District's deposits are Category 1 credit risk.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, is as follows:

<u>Business-type Activities</u>	<u>Balance 1/1/06</u>	<u>Additons/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance 12/31/07</u>
Capital assets at historical cost				
Land	\$ 8,463	\$ 5,550	\$	\$ 14,013
Equipment/vehicles	348,458	49,300		397,758
Distribution system	10,253,020			10,253,020
Total capital assets at historical cost	<u>10,609,941</u>	<u>54,850</u>		<u>10,664,791</u>
Less accumulated depreciation for:				
Equipment/vehicles	118,884	5,117		124,001
Distribution system	1,557,530	119,587		1,677,117
Total accumulated depreciation	<u>1,676,414</u>	<u>124,704</u>		<u>1,801,118</u>
Construction in progress	<u>1,791,543</u>	<u>1,512,852</u>		<u>3,304,395</u>
Business-type activities				
Capital assets, net	<u>\$ 10,725,070</u>	<u>\$ 1,442,998</u>	<u>\$</u>	<u>\$ 12,168,068</u>

NOTES TO THE FINANCIAL STATEMENTS
WHITLEY COUNTY WATER DISTRICT (CONTINUED)
DECEMBER 31, 2007

NOTE 5 - LONG-TERM LIABILITIES

Revenue Bonds - Revenue bonds outstanding consist of debt issued by the District for water infrastructure acquisitions. Bond indentures contain significant requirements for annual debt service and flow of funds through various restricted accounts. The District is in compliance with all significant requirements of the bond covenants.

The following is a summary of scheduled changes in long-term debt for December 31, 2007:

<u>Bonds</u>	<u>Balance</u> <u>January 1,</u> <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2007</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Series 1994	\$ 651,000	\$	\$ (12,000)	\$ 639,000	\$ 12,500
Series 1998	557,000		(8,000)	549,000	9,000
Series 2000	360,000		(5,000)	355,000	5,000
Series 2003	1,821,000		(21,000)	1,800,000	22,000
KY Hwy 92 West		295,000		295,000	3,200
Total	\$ 3,389,000	\$ 295,000	\$ (46,000)	\$ 3,638,000	\$ 48,500

Rural Development Agency has acquired all of the Revenue Bonds. At December 31, 2007 the District had \$133,005 paid ahead with Rural Development for debt service requirements.

The following is a summary of scheduled debt service requirements to retire the District's long-term bonds:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2008	\$ 162,448	\$ 51,700	\$ 214,148
2009	160,186	53,300	213,486
2010	157,740	55,400	213,140
2011	155,163	59,100	197,845
2012	152,467	60,700	213,167
Subtotal	788,004	280,200	1,051,786
Thereafter	2,539,517	3,357,800	5,897,317
Total	\$ 3,327,521	\$ 3,638,000	\$ 6,949,103

Other information on the District's long-term indebtedness is summarized below:

<u>Obligation</u>	<u>Rate</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Security</u>
Series 1994 Bonds	4.50%	01/01/33	750,000	Water revenues
Series 1998 Bonds	4.50%	01/01/38	600,000	Water revenues
Series 2000 Bonds	4.50%	01/01/40	377,000	Water revenues
Series 2003 Bonds	4.50%	01/01/42	1,860,000	Water revenues
KY Hwy 92 West Bonds	4.125%	01/01/45	295,000	Water revenues

**NOTES TO THE FINANCIAL STATEMENTS
WHITLEY COUNTY WATER DISTRICT (CONTINUED)
DECEMBER 31, 2007**

NOTE 6 - MAJOR SUPPLIER/CONTRACT

The District has entered into contracts to purchase water for resale from the City of Williamsburg, City of Corbin City Utilities Commission, and the City of Jellico Municipal Board of Public Utilities. For the period ended December 31, 2007, the District paid \$540,305 for these services.

NOTE 7 - SUBSEQUENT EVENTS

There have been no subsequent events that are likely to have a material adverse impact on the affected funds of the District.

**WHITLEY COUNTY WATER DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
MARCH 31, 2007**

NOTE A - Basis of Presentation

Whitley County Water District complies with OMB Circular A-133 minimum requirements for the schedule of expenditures of federal awards. Federal programs are listed individually by federal organization. Federal awards expended are identified by catalog of domestic assistance numbers or other identifying numbers.

The schedule of expenditures of federal awards is prepared on the same fiscal year as Whitley County Water District.

Expenditures for direct costs are recognized as incurred using cost accounting principles contained in OMB Circular A-87, Cost Principles For State, Local, and Indian Tribal Governments.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Commissioners
Whitley County Water District
Williamsburg, Kentucky

We have audited the financial statements of Whitley County Water District as of and for the year ended December 31, 2007, and have issued our report thereon dated April 22, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Whitley County Water District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Whitley County Water District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Whitley County Water District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Whitley County Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Whitley County Water District in a separate letter dated April 22, 2008.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harrogate, Tennessee
April 22, 2008

Barnett & Williams, CPAs, PLLC

Emberly Barnett, CPA

Gary Williams, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Whitley County Water District
Whitley County, Kentucky

We were engaged to audit the compliance of Whitley County Water District with the types of compliance requirements identified in the OMB Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2007. Whitley County Water District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Whitley County Water District's management. Our responsibility is to express an opinion on Whitley County Water District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. Our audit includes examining, on a test basis, evidence about Whitley County Water District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Whitley County Water District's compliance with those requirements.

In our opinion, Whitley County Water District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of Whitley County Water District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Whitley County Water District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Whitley County Water District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Report On Compliance With Requirements Applicable
To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bant & Wilkin CPA, PLLC

April 22, 2008
Harrogate, Tennessee

**WHITLEY COUNTY WATER DISTRICT
SCHEDULE OF FINDINGS
DECEMBER 31, 2007**

SUMMARY OF AUDIT RESULTS

- 1. The auditor's report expresses an unqualified opinion on the financial statements of Whitley County Water District.
- 2. No significant deficiencies or material weaknesses were disclosed during the audit of the general purpose financial statements and reported in the Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards.
- 3. No instances of noncompliance material to the basic financial statements of Whitley County Water District were disclosed during the audit.
- 4. No significant deficiencies or material weakness were disclosed during the audit of internal control over major federal awards programs
- 5. The auditor's report on compliance for the audit of the major federal award program for Whitley County Water District expresses an unqualified opinion on all major federal programs.
- 6. There are no audit findings relative to the major federal award programs for Whitley County Water District reported in this schedule.
- 7. The programs tested as a major programs included: Water and Waste Disposal Systems for Rural Communities (CFDA #10.760).
- 8. The threshold for distinguishing Type A and Type B programs was \$300,000.
- 9. Whitley County Water District was determined to be a low-risk auditee.

CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS

None.

NON COMPLIANCES

None.

MATERIAL WEAKNESS

None.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Inadequate segregation of duties.

FINANCIAL STATEMENT

WHITLEY COUNTY WATER DISTRICT #1

PREPARED BY: J & J ACCOUNTING & TAX SERVICE INC

WHITLEY COUNTY WATER DISTRICT NO. 1
WILLIAMSBURG, UCKY

Period: 12/01/2009 to 12/31/2009

	2009 CURRENT PERIOD ACTUALS		2009 CURRENT PERIOD BUDGETS		2009 YEAR-TO-DATE ACTUALS		2009 YEAR-TO-DATE BUDGETS	
	All Sub Accounts		All Sub Accounts		All Sub Accounts		All Sub Accounts	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
INCOME AND EXPENSE STATEMENT								
INCOME								
Metered Sales to Residential	\$ 105,064.12	94.86	\$ 143,588.00	93.18	\$ 1,563,642.54	93.97	\$ 1,736,864.00	92.13
Metered Sales to Commercial	4,424.90	3.99	8,366.00	5.43	84,438.18	5.07	125,466.00	6.66
Metered Sales to Public Auth	1,272.92	1.15	2,147.00	1.39	15,896.40	.96	22,884.00	1.21
NET INCOME	\$ 110,761.94	100.00	\$ 154,101.00	100.00	\$ 1,663,977.12	100.00	\$ 1,885,214.00	100.00
OPERATING EXPENSES								
			0.00	.00	0.00	.00	0.00	.00
Payroll Taxes	\$ 1,081.48	.98	\$ 650.00	.42	\$ 24,007.60	1.44	\$ 7,800.00	.41
Taxes Other Than Income	0.00	.00	0.00	.00	326.78	.02	0.00	.00
Depreciation Expense	10,392.03	9.38	10,392.00	6.74	124,704.36	7.49	124,704.00	6.61
Other Taxes and Licenses	0.00	.00	182.00	.12	2,570.71	.15	2,184.00	.12
Interest Expense	13,348.83	12.05	13,348.00	8.66	160,225.88	9.63	160,176.00	8.50
Purchased Water	61,333.31	55.37	65,000.00	42.18	714,186.83	42.92	780,000.00	41.37
Salaries and Wages-Employees	25,759.87	23.26	15,000.00	9.73	191,281.29	11.50	180,000.00	9.55
Salaries and Wages-Officers	916.62	.83	916.00	.59	10,999.44	.66	10,992.00	.58
Employee Pensions and Benefits	3,586.16	3.24	1,250.00	.81	30,603.30	1.84	15,000.00	.80
Employee Benefits - Health Ins	5,362.50	4.84	3,500.00	2.27	55,289.44	3.32	42,000.00	2.23
Employee Benefits - Dental	352.90	.32	528.00	.34	3,719.75	.22	6,336.00	.34
Fuel for Power Production	0.00	.00	1,250.00	.81	4,680.58	.28	15,000.00	.80
Chemicals	0.00	.00	0.00	.00	705.90	.04	0.00	.00
Materials and Supplies	7,750.41	7.00	3,413.00	2.21	122,573.05	7.37	40,956.00	2.17
Contractual Services-Engineer	0.00	.00	275.00	.18	13,644.42	.82	3,300.00	.18
Contractual Services-Account	800.00	.72	800.00	.52	16,200.00	.97	9,600.00	.51
Contractual Services-Legal	0.00	.00	146.00	.09	0.00	.00	1,752.00	.09
Contractual Services-Other	319.60	.29	698.00	.45	24,870.55	1.49	8,376.00	.44
Rental of Equipment	5,909.76	5.34	275.00	.18	18,233.85	1.10	3,300.00	.18
Transportation Expenses	3,459.14	3.12	350.00	.23	31,688.99	1.90	4,200.00	.22
Insurance-General Liability	40.57	.04	3,549.00	2.30	18,587.34	1.12	42,588.00	2.26
Insurance-Workers Comp	0.00	.00	825.00	.54	2,798.82	.17	9,900.00	.53
Insurance-Other	0.00	.00	8.00	.01	3,954.50	.24	96.00	.01
Advertising Expense	0.00	.00	67.00	.04	318.52	.02	804.00	.04
Bad Debt Expense	* 1,933.60	1.75	26.00	.02	* 114,906.26	6.91	312.00	.02
Miscellaneous Expense	3,004.50	2.71	0.00	.00	3,627.54	.22	0.00	.00
Tools, Non-Depreciable	0.00	.00	130.00	.08	1,052.91	.06	1,560.00	.08

* 2009 \$1,933.60
\$112,972.66 prior years.

WHITLEY COUNTY WATER DISTRICT NO.1
WILLIAMSBURY

Period: 12/01/2009 to 12/31/2009

	2009 CURRENT PERIOD ACTUALS		2009 CURRENT PERIOD BUDGETS		2009 YEAR-TO-DATE ACTUALS		2009 YEAR-TO-DATE BUDGETS	
	All Sub Accounts		All Sub Accounts		All Sub Accounts		All Sub Accounts	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
INCOME AND EXPENSE STATEMENT								
OPERATING EXPENSE								
Reimbursed Expenses	0.00	.00	0.00	.00	112.30	.01	0.00	.00
Supplies - Office	3,092.13	2.79	909.00	.59	31,218.57	1.88	10,908.00	.58
Supplies - Pump Maintenance	62.63	.06	250.00	.16	4,259.18	.26	3,000.00	.16
Supplies - Meter Maintenance	0.00	.00	694.00	.45	10,807.17	.65	8,328.00	.44
Telephone	580.23	.52	950.00	.62	7,182.05	.43	11,400.00	.60
Uniform Rental	858.72	.78	310.00	.20	5,111.74	.31	3,720.00	.20
Utilities	895.65	.81	1,365.00	.89	15,388.01	.92	16,380.00	.87
Postage / Shipping	1,241.32	1.12	1,786.00	1.16	15,143.79	.91	21,432.00	1.14
Equipment Repairs	24.95	.02	154.00	.10	4,452.50	.27	1,848.00	.10
Travel	0.00	.00	98.00	.06	0.00	.00	1,176.00	.06
Monitoring Services	30.00	.03	29.00	.02	360.00	.02	348.00	.02
Employee Training & Education	0.00	.00	71.00	.05	585.00	.04	852.00	.05
Supplies - General Maintenance	0.00	.00	926.00	.60	2,436.31	.15	11,112.00	.59
Membership Dues	0.00	.00	115.00	.07	1,325.00	.08	1,380.00	.07
TOTAL OPERATING EXPENSES	\$ 152,136.91	137.35	\$ 130,235.00	84.51	\$ 1,794,140.23	107.82	\$ 1,562,820.00	82.90
OPERATING INCREASE OF (DECREA)	\$ (41,374.97)	37.35-	\$ 23,866.00	15.49	\$ (130,163.11)	7.82-	\$ 322,394.00	17.10
OTHER INCOME								
Interest and Dividend Income	\$ 880.70	.80	\$ 750.00	.49	\$ 2,572.53	.15	\$ 9,000.00	.48
Misc Service Revenues	0.00	.00	350.00	.23	5,810.00	.35	4,200.00	.22
Penalties Charged	0.00	.00	3,250.00	2.11	6,252.24	.38	39,000.00	2.07
Other Water Revenue	0.00	.00	7.00	.00	0.00	.00	84.00	.00
New Project Revenue	35,451.78	32.01	0.00	.00	1,088,068.34	65.39	0.00	.00
Income - Payment from Jana T	0.00	.00	10.00	.01	200.00	.01	120.00	.01
TOTAL OTHER INCOME	\$ 36,332.48	32.80	\$ 4,367.00	2.83	\$ 1,102,903.11	66.28	\$ 52,404.00	2.78
NET INCREA OR (DEC) NET ASSETS	\$ (5,042.49)	4.55-	\$ 28,233.00	18.32	\$ 972,740.00	58.46	\$ 374,798.00	19.88

WHITLEY COUNTY WATER DISTRICT NO. 1
WILLIAMSBURG, MARYLAND
BALANCE SHEET

As of 12/31/2009

2009
ACTUALS
All Sub Accounts

ASSETS

CURRENT ASSETS

WCWD Forcht Bank Sinking Funds \$	74,575.05	
Cash - Drawer	104.92	
Cash in Bank	60,137.29	
Petty Cash	145.84	
WCWD - Customer Deposit Fund	171,513.46	
WCWD - Capital Improve Fund	287,724.24	
WCWD - Depreciation Fund	153,480.65	
WCWD - 1994 Bond Fund	260,295.84	
WCWD- Multi County Coal S.W.P.	62,585.78	
WCWD - Forcht Bank Depr Fund	6,866.69	

TOTAL CASH	\$	1,077,429.76 ✓
Customer Accounts Receivable \$	72,080.55 ✓	
Other Accounts Receivable	24,249.89	
Acc Prov for Uncollectable Acc	(10,648.21)	
Utility Deposist - Jellico	2,000.00	
Prepayments - Insurance	5,587.79	

TOTAL CURRENT ASSETS	\$	93,270.02

FIXED ASSETS

Construction Work in Progeress \$	11,588,648.08	
Nonutility Property	21,211.45	
Land and Land Rights	8,952.00	
Structures and Improvements	46,319.66	
Collection and Impounding Res	7,216.23	
Wells and Springs	81,298.29	
Supply Mains	1,882,473.41	
Pumping Equipment	83,713.16	
Office Furniture and Equipment	127,339.26	
Transportation Equipment	141,564.03	
Tools Shop and Garage Equip	18,707.64	
Lab Equipment	567.13	
Power Operated Equipment	54,783.54	
Communication Equipment	2,869.33	
Misc Equipment	560.00	
Dist Reservoirs and Standpipes	176,322.98	
Transmission and Dist Mains	2,335,538.21	
Services	695,207.58	
Meters and Meter Installations	158,890.90	
Water Treatment Equipment	3,547.89	
Accumulated Depreciation	2,050,526.61	

TOTAL FIXED ASSETS	\$	15,385,204.16

WHITLEY COUNTY WATER DISTRICT NO. 1
WILLIAMSBUCKLEY

BALANCE SHEET

As of 12/31/2009

2009
ACTUALS
All Sub Accounts

OTHER ASSETS	
Bonds - Related Costs	\$ 4,796.89
Accumulated Amortization(Bond	888.03
Unamortized Debt Dis and Exp	4,867.70

TOTAL OTHER ASSETS	\$ 8,776.56
TOTAL ASSETS	\$ 16,564,680.50
	=====

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	\$ 104,421.47
Customer Deposits	143,285.00
Accrued Taxes	7,907.91
Accrued Taxes - Sales Tax	165.92

TOTAL CURRENT LIABILITIES	\$ 255,780.30

LONG TERM LIABILITIES

FMHA - 1998 Notes Payable	\$ 580,000.00
FMHA - Notes Payable	683,500.00
RD Loan	9,053,871.53

TOTAL BONDS PAYABLE	\$ 10,317,371.53

WHITLEY COUNTY WATER DISTRICT #1

WILLIAMSBURG, KY

BALANCE SHEET

As of 12/31/2009

2009
ACTUALS
All Sub Accounts

NET ASSETS

Contributions in aid of Const	\$	616,560.87
Fed Grants in Aid to Contr		3,828,529.00
Tap on Fees		994,056.36
Unappropriated Retained Earn		(420,357.56)
NET PROFIT (OR) LOSS	\$	972,740.00

NET ASSETS	\$	5,991,528.67

TOTAL LIABILITIES & NET ASSETS	\$	16,564,680.50
		=====

FINANCIAL STATEMENT
WHITLEY COUNTY WATER DISTRICT #1

PREPARED BY: J & J ACCOUNTING & TAX SERVICE INC

WHITLEY COUNTY WATER DISTRICT NO. 1
WILLIAMSBURG, KENTUCKY

Period: 03/01/2010 to 03/31/2010

	2010 CURRENT PERIOD ACTUALS		2010 CURRENT PERIOD BUDGETS		2010 YEAR-TO-DATE ACTUALS		2010 YEAR-TO-DATE BUDGETS	
	All Sub Accounts		All Sub Accounts		All Sub Accounts		All Sub Accounts	
	Amount	Ratio	Amount		Amount	Ratio	Amount	
INCOME AND EXPENSE STATEMENT								
INCOME								
Metered Sales to Residential	\$ 114,558.98	94.36	\$ 130,303.00		\$ 370,056.17	94.40	\$ 130,303.00	
Metered Sales to Commercial	5,776.28	4.76	7,036.00		18,997.48	4.85	7,036.00	
Metered Sales to Public Auth	1,067.66	.88	1,324.00		2,936.36	.75	1,324.00	
NET INCOME	\$ 121,402.92	100.00	\$ 138,663.00		\$ 391,990.01	100.00	\$ 138,663.00	
OPERATING EXPENSES								
			0.00		0.00	.00	0.00	
Payroll Taxes	\$ 2,181.96	1.80	\$ 2,001.00		\$ 4,012.53	1.02	\$ 2,001.00	
Taxes Other Than Income	485.08	.40	30.00		8,814.08	2.25	30.00	
Depreciation Expense	10,392.03	8.56	10,392.00		31,176.09	7.95	10,392.00	
Other Taxes and Licenses	3,828.49	3.15	0.00		3,828.49	.98	0.00	
Interest Expense	12,952.00	10.67	12,952.00		38,856.00	9.91	12,952.00	
Purchased Water	55,281.87	45.54	59,516.00		182,454.59	46.55	59,516.00	
Salaries and Wages-Employees	12,366.81	10.19	15,940.00		38,243.79	9.76	15,940.00	
Salaries and Wages-Officers	916.62	.76	916.00		2,749.86	.70	916.00	
Employee Pensions and Benefits	1,843.55	1.52	2,550.00		6,751.23	1.72	2,550.00	
Employee Benefits - Health Ins	4,913.96	4.05	4,607.00		19,998.46	5.10	4,607.00	
Employee Benefits - Dental	0.00	.00	310.00		1,101.00	.28	310.00	
Chemicals	0.00	.00	58.00		0.00	.00	58.00	
Materials and Supplies	241.35	.20	10,214.00		3,333.35	.85	10,214.00	
Contractual Services-Engineer	0.00	.00	1,137.00		0.00	.00	1,137.00	
Contractual Services-Account	800.00	.66	1,350.00		2,900.00	.74	1,350.00	
Contractual Services-Other	0.00	.00	2,100.00		1,827.00	.47	2,100.00	
Rental of Equipment	104.74	.09	1,519.00		6,633.27	1.69	1,519.00	
Transportation Expenses	5,111.16	4.21	2,640.00		8,343.62	2.13	2,640.00	
Insurance-General Liability	0.00	.00	1,549.00		0.00	.00	1,549.00	
Insurance-Workers Comp	0.00	.00	233.00		932.94	.24	233.00	
Insurance-Other	0.00	.00	329.00		0.00	.00	329.00	
Advertising Expense	111.00	.09	26.00		111.00	.03	26.00	
Miscellaneous Expense	0.00	.00	302.00		0.00	.00	302.00	
Tools, Non-Depreciable	0.00	.00	87.00		0.00	.00	87.00	

WHITLEY COUNTY WATER DISTRICT NO.1
WILLIAMSBURG

Period: 03/01/2010 to 03/31/2010

	2010 CURRENT PERIOD ACTUALS		2010 CURRENT PERIOD BUDGETS		2010 YEAR-TO-DATE ACTUALS		2010 YEAR-TO-DATE BUDGETS	
	All Sub Accounts		Budget:1 All Sub Accounts		All Sub Accounts		Budget:1 All Sub Accounts	
	Amount	Ratio	Amount		Amount	Ratio	Amount	
INCOME AND EXPENSE STATEMENT								
OPERATING EXEPNSE								
Reimbursed Expenses	182.00	.15	0.00		435.82	.11	0.00	
Supplies - Office	473.70	.39	2,602.00		5,627.72	1.44	2,602.00	
Supplies - Pump Maintenance	0.00	.00	354.00		0.00	.00	354.00	
Supplies - Meter Maintenance	0.00	.00	950.00		0.00	.00	950.00	
Telephone	501.80	.41	599.00		1,789.07	.46	599.00	
Advertising	0.00	.00	26.00		0.00	.00	26.00	
Uniform Rental	423.85	.35	426.00		1,120.19	.29	426.00	
Utilities	601.34	.50	1,282.00		4,293.64	1.10	1,282.00	
Postage / Shipping	1,212.68	1.00	1,262.00		3,774.61	.96	1,262.00	
Equipment Repairs	233.97	.19	371.00		1,566.17	.40	371.00	
Monitoring Services	30.00	.02	30.00		90.00	.02	30.00	
Employee Training & Education	0.00	.00	49.00		0.00	.00	49.00	
Supplies - General Maintenance	0.00	.00	203.00		0.00	.00	203.00	
Membership Dues	0.00	.00	110.00		0.00	.00	110.00	
TOTAL OPERATING EXPENSES	\$ 115,189.96	94.88	\$ 139,022.00		\$ 380,764.52	97.14	\$ 139,022.00	
OPERATING INCREASE OF (DECREA)	\$ 6,212.96	5.12	\$ (359.00)		\$ 11,225.49	2.86	\$ (359.00)	
OTHER INCOME								
Interest and Dividend Income	\$ 807.12	.66	\$ 214.00		\$ 2,334.86	.60	\$ 214.00	
Penalties Charged	0.00	.00	521.00		0.00	.00	521.00	
New Project Revenue	0.00	.00	90,672.00		0.00	.00	90,672.00	
Income - Payment from Jana T	600.00	.49	0.00		600.00	.15	0.00	
TOTAL OTHER INCOME	\$ 1,407.12	1.16	\$ 91,407.00		\$ 2,934.86	.75	\$ 91,407.00	
NET INCREA OR (DEC) NET ASSETS	\$ 7,620.08	6.28	\$ 91,048.00		\$ 14,160.35	3.61	\$ 91,048.00	

WHITLEY COUNTY WATER DISTRICT NO. 1
 WILLIAMSBURG, K. KY
 BALANCE SHEET

As of 03/31/2010

2010
 ACTUALS
 All Sub Accounts

ASSETS

CURRENT ASSETS

CWD Forcht Bank Sinking Funds \$	112,048.09	
Cash - Drawer	104.92	
Cash in Bank	68,638.20	
petty Cash	77.31	
CWD - Customer Deposit Fund	173,523.82	
CWD - Capital Improve Fund	271,424.04	
CWD - Depreciation Fund	153,859.41	
CWD - 1994 Bond Fund	126,266.14	
CWD- Multi County Coal S.W.P.	49,191.45	
CWD - Forcht Bank Depr Fund	10,262.77	

TOTAL CASH \$ 965,396.15

Customer Accounts Receivable \$	121,310.91	
Other Accounts Receivable	24,249.89	
Acc Prov for Uncollectable Acc	(10,648.21)	
Utility Deposits - Jellico	2,000.00	
Prepayments - Insurance	5,587.79	

TOTAL CURRENT ASSETS \$ 142,500.38

FIXED ASSETS

Construction Work in Progeress \$	11,588,648.08	
Nonutility Property	21,211.45	
Land and Land Rights	8,952.00	
Structures and Improvements	46,319.66	
Collection and Impounding Res	7,216.23	
Wells and Springs	81,298.29	
Supply Mains	1,882,473.41	
Pumping Equipment	83,713.16	
Office Furniture and Equipment	166,281.26	
Transportation Equipment	141,564.03	
Tools Shop and Garage Equip	20,820.61	
Lab Equipment	567.13	
Power Operated Equipment	54,783.54	
Communication Equipment	2,869.33	
Misc Equipment	560.00	
Dist Reservoirs and Standpipes	176,322.98	
Transmission and Dist Mains	2,335,538.21	
Services	708,601.91	
Meters and Meter Installations	225,386.90	
Water Treatment Equipment	3,547.89	
Accumulated Depreciation	2,081,702.70	

TOTAL FIXED ASSETS \$ 15,474,973.37

WHITLEY COUNTY WATER DISTRICT NO. 1
WILLIAMSBURG

BALANCE SHEET

As of 03/31/2010

2010
ACTUALS
All Sub Accounts

OTHER ASSETS	
Bonds - Related Costs	\$ 4,796.89
Accumulated Amortization(Bond	888.03
Inamortized Debt Dis and Exp	4,867.70
Employee Savings	(105.00)

TOTAL OTHER ASSETS	\$ 8,671.56
TOTAL ASSETS	\$ 16,591,541.46
	=====

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	\$ 69,707.86
Customer Deposits	143,345.00
Accrued Taxes	8,144.71
Accrued Taxes - Sales Tax	165.92

TOTAL CURRENT LIABILITIES	\$ 221,363.49

LONG TERM LIABILITIES

FMHA - 1998 Notes Payable	\$ 580,000.00
FMHA - Notes Payable	683,500.00
RD Loan	8,958,375.97

TOTAL BONDS PAYABLE	\$ 10,221,875.97

WHITLEY COUNTY WATER DISTRICT #1

WILLIAMSBURG, .

BALANCE SHEET

As of 03/31/2010

2010
ACTUALS
All Sub Accounts

NET ASSETS

Contributions in aid of Const	\$	616,560.87	
aid Grants in Aid to Contr		3,828,529.00	
ap on Fees		1,070,173.34	
appropriated Retained Earn		(263,309.61)	
NET PROFIT (OR) LOSS	\$	896,348.40	

NET ASSETS		\$	6,148,302.00

TOTAL LIABILITIES & NET ASSETS		\$	16,591,541.46
			=====