

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

October 12, 2012

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

RECEIVED
OCT 18 2012
PUBLIC SERVICE
COMMISSION

Re: Jessamine-South Elkhorn Water District - Kentucky Public Service Commission
Application for a CPCN and approval of financing for a Water System Improvements
Project

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the Jessamine-South Elkhorn Water District for a Certificate of Public Convenience and Necessity to construct and finance a water system improvements project pursuant to KRS Chapter 278.

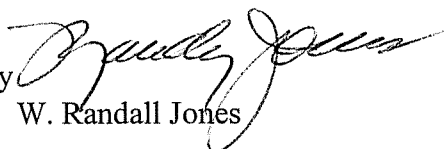
Also enclosed are eleven (11) copies of the exhibits required, with the exception of the Plans and Specifications, prepared by Horne Engineering, Inc. on the Project, two of which are being forwarded by said Engineers.

Please let us know if you have any questions or need any additional information.

Sincerely,

Rubin & Hays

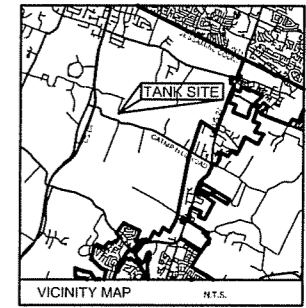
By


W. Randall Jones

WRJ:jlm
Enclosures

cc: Mr. Nick Strong, JSEWD
John Horne, P.E., Horne Engineering, Inc.
Ms. Kristen Millard, Morgan Keegan

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RECEIVED
 OCT 13 2012
 PUBLIC SERVICE
 COMMISSION

NO.	REVISIONS	BY	DATE	DES	JQH	DATE	SCALE	CATNIP HILL PIKE 1.0MG ELEVATED STORAGE TANK JESSAMINE SOUTH ELKHORN WATER DISTRICT 802 SOUTH MAIN STREET, NICHOLASVILLE, KY. 40356	HORNE ENGINEERING, INC. ENGINEERS - PLANNERS - LAND SURVEYORS 216 SOUTH MAIN STREET - NICHOLASVILLE, KY. 40356 (859) 885-9441 FAX (859) 885-5160	AERIAL LOCATION MAP	SHEET
				DRH	CBS	SEPTEMBER 2012	N.T.S.				
				CHK	JQH						
				APPD							

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
OCT 16 2012
PUBLIC SERVICE
COMMISSION

In the matter of:

APPLICATION OF THE JESSAMINE-SOUTH ELKHORN)
WATER DISTRICT FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO)
CONSTRUCT AND FINANCE A WATERWORKS) Case No. 2012- _____
IMPROVEMENTS PROJECT PURSUANT TO)
KRS 278.020 AND 278.300)

APPLICATION

The Jessamine-South Elkhorn Water District (the "District"), by counsel, pursuant to KRS 278.020, petitions the Commission for a certificate of public convenience and necessity to construct a waterworks improvement project and finance said project. The following information is filed in accordance with the Commission's regulations:

1. The District's office address is P.O. Box 721, Nicholasville, Kentucky 40356. Its principal officers are listed in its 2011 Annual Report, which is on file with the Commission;
2. The District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws;
3. A description of the District's water system and its property stated at original cost by accounts is contained in its 2011 Annual Report, which is incorporated by reference pursuant to 807 KAR 5:001 Section (5)(5). All required normal financial schedules and other data are in the Annual Report;
4. The Catnip Hill Pike Tank Project (the "Project") consists of the construction of improvements to the waterworks system as described in **Exhibit "A"** attached hereto;

5. The Project is in the public interest and will improve the District's system - see **Exhibit "A"** attached hereto;

6. The total project cost is approximately \$2,192,000, as forth in the Final Project Budget attached hereto as **Exhibit "B"**;

7. The District has obtained all of the easements for the Project;

8. This service will not compete with any other utility in the area;

9. Based on these facts, the District believes that it is in the public interest that this certificate be granted and that the plan of financing be authorized;

10. Copies of the certified bid tabulations are attached hereto as **Exhibit "C"**;

11. The following information is provided in response to 807 KAR 5:001 Section (8)(3);

a. Articles of Incorporation - None, the District is a statutorily created water district under KRS Chapter 74;

12. The following information is supplied to 807 KAR 5:001 Section (9)(2);

a. Facts relied upon to show that the Project is in the public interest: see **Exhibit "A"** attached hereto;

b. No new franchises are required. Copies of the permits are attached hereto as **Exhibit "D"**;

c. Diagrams of the proposed construction and construction specifications are contained in the Plans and Specifications on file with the Commission;

d. Three (3) maps of suitable scale showing location of the proposed facilities are attached hereto;

e. The construction costs will be funded from the proceeds of (i) a Kentucky State Grant (HB 608) in the amount of \$1,000,000; and (ii) a loan from the Kentucky Rural Water Finance Corporation (“KRWFC”) in the principal amount of \$1,240,000; (see attached Sources and Uses of Funds and Debt Service Schedule attached hereto as **Exhibit “E”**);

f. The estimated cost of operation of the system after Project completion is attached hereto as **Exhibit “F”**;

13. The following information is provided as required by 807 KAR 5:001 Section (11)(1);

a. A general description of the property is contained in the 2011 Annual Report;

b. Financial information relating to the KRWFC Loan is contained in **Exhibit “E”** attached hereto;

c. All funds are to be used in accordance with the Final Project Budget, see **Exhibit “B”**;

d. No real property are being acquired in connection with this Project;

e. No proceeds of the KRWFC Loan will be used to refund outstanding obligations.

f. The KRWFC Loan will be secured by and paid out of the revenues of the District’s system.

14. The detailed Statement of Revenues, Expenses and Changes in Net Assets, Statement of Net Assets and Statement of Cash Flows for the twelve month period ending on December 31, 2011 are attached hereto as **Exhibit “G”**;

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

a. The District hereby requests and moves for a deviation, pursuant to 807 KAR 5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, which requires that the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The District states that there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2011. The financial data filed herewith as **Exhibit "G"** is for the twelve (12) month period ending December 31, 2011. This is the most recent published financial data available. Because the Project has been bid and the District is under a bid-hold period by the Contractors, the District cannot run the risk of delaying the commencement of the Project and losing the favorable bids while more current financial data is compiled;

b. There are no trust deeds or mortgages applicable;

c. Maps and detailed plans are on file with the Commission. Detailed estimate of property acquired by USOA number is \$1,624,700 (Distribution Reservoirs and Standpipes - account # 330);

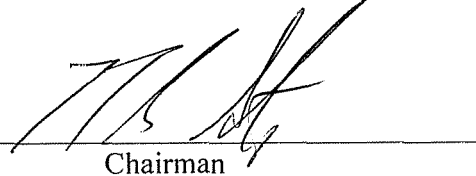
16. District requests that it be granted a deviation under 807 KAR 5:001(14), if necessary to accommodate any situation where inflexible compliance with a regulation would be impracticable, onerous or which would hinder District's daily operations.

WHEREFORE, the Applicant, Jessamine-South Elkhorn Water District requests that the Public Service Commission of Kentucky grant to the Applicant the following:

- A. A certificate of public convenience and necessity permitting the Applicant to construct a water system improvement project;
- B. An order approving the financing arrangements, including the loan from the Kentucky Rural Water Finance Corporation in the principal amount of \$1,240,000.
- C. Applicant's motion for a deviation from the 90 day requirement for financial information as required by 807 KAR 5:001 Section (11)(2)(a).

Jessamine-South Elkhorn Water District


By



Chairman

Rubin & Hays

By

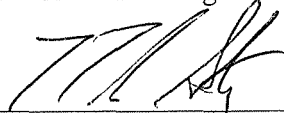


W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF JESSAMINE)

The undersigned, Nick Strong, being duly sworn, deposes and states that he is the Chairman of the Jessamine-South Elkhorn Water District, Applicant, in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.


IN TESTIMONY WHEREOF, witness the signature of the undersigned on this October 9, 2012.



Nick Strong, Chairman
Jessamine-South Elkhorn Water District

Subscribed and sworn to before me by Nick Strong, Chairman of the Jessamine-South Elkhorn Water District on this October 9, 2012.

My Commission expires 4-28-16.



Notary Public
In and for said County and State

**CATNIP HILL PIKE 1.0 MG
ELEVATED STORAGE TANK, PROJECT # 3569
Jessamine County, Kentucky**

**Jessamine-South Elkhorn Water District
802 S. Main Street
Nicholasville, KY 40356**

PROJECT DESCRIPTION

The project consists of construction of a one-million gallon (1.0MG) elevated water storage tank. The structure is to be placed on a 1.0 acre tract which was purchased by Jessamine-South Elkhorn Water District in 2003. The tract is located northerly of Catnip Hill Pike in the northeasterly corner of the Sue Switzer farm. There is an exiting 12" distribution main located adjacent to and contiguous to this tract which feeds directly to three (3) major branches of the District's distribution system.

The operating elevations of the proposed tank have been established on the existing points of the operating hydraulic gradient of the District's system. Presently, there are two (2) other elevated tanks operating on this same hydraulic gradient. This gradient is served by an existing duplex pump system located at the District's supply source on a 30" transmission main of the Kentucky American Water Company, located at the Fayette/Jessamine County line. These pumps were installed in 2006 and were sized for future expansion which includes this proposed 1.0 MG elevated storage tank. Therefore, no additional booster pumps are required.

PUBLIC NECESSITY

The northwest service area of Jessamine-South Elkhorn Water District is located in the fastest growing section of a county that has been in the top five (5), if not number one, fastest growing counties in the Commonwealth of Kentucky for the last ten (10) years. Since its beginning, the customer base has grown some 1200% from approximately 200 original customers to 2,400, presently, with the vast majority of this growth having occurred since the eighties.

During the recent building bubble, there have been several hundred homes added to the District's customer base. Almost without exception, these homes have been on the high end of value (3/4 to 2 million-dollar range) with resultant high water demands. Following is a table of the past twelve (12) months daily usage, which demonstrates this valley/peak syndrome.

Water Usage Northwest Area
Jessamine-South Elkhorn Water District
August 2011 to July 2012

Month	Monthly Use Total (gallons)	Avg. Monthly Daily Use (gallons)	No. Days Use Exceeds 550,000 gallons	Maximum Day Use (gallons)	Minimum Day Use (gallons)
Aug -11	28,070,250	905,490	31	1,256,250	600,750
Sept - 11	21,536,550	717,885	26	1,229,625	487,500
Oct - 11	18,727,125	604,100	22	858,750	450,000
Nov - 11	15,238,800	507,960	7	1,261,125	338,625
Dec - 11	16,473,750	531,410	11	690,000	426,750
Jan - 12	17,254,050	556,580	20	606,000	476,625
Feb - 12	15,577,425	537,150	11	700,875	402,125
Mar - 12	15,700,725	506,475	5	618,000	450,000
Apr -12	17,035,575	567,850	15	883,500	305,250
May - 12	26,100,750	841,960	30	1,661,250	351,000
Jun - 12	33,467,700	1,115,590	29	1,693,125	540,700
Jul - 12	34,382,550	1,109,110	31	1,929,375	679,250
	⁽¹⁾ 259,565,250		238 ⁽²⁾		

⁽¹⁾ Average Annual Daily Use = 709,200 gallons (259,565,250 ÷ 366)

⁽²⁾ Annual Percentage, Days Exceed 550,000 gallons = 65%

The current constructed storage in the District is 550,000 gallons. The average annual daily use is 709,200 gallons and the max/min average monthly daily use ranges from 1,115,590 gallons (Jun-12) to 506,475 gallons (Mar - 12). Ten of the past twelve months have monthly average daily use that exceeds the available 550,000 gallon storage. In July 2012, there were fourteen (14) days that demand exceeded 1.0 MGD and every day exceeded the available storage. However, to date the District has been able to maintain flows and pressure through judicious pumping and system management. But in order to meet 807 KAR 5:066, Section 4(4) will require the District to construct additional storage in order to safeguard the health and welfare of its present and future customers.

FUNDING/CONSTRUCTION BUDGET

CATNIP HILL PIKE 1.0 MG ELEVATED STORAGE TANK, PROJECT # 3569 Jessamine County, Kentucky

Jessamine-South Elkhorn Water District
802 S. Main Street
Nicholasville, KY 40356

CONSTRUCTION

<u>Project Cost Classification</u>	<u>Amount</u>
Administrative	\$10,000
Legal	\$5,000
⁽¹⁾ Land, Appraisals, Easements	\$0
Relocation Expense	\$0
Planning	\$30,000
Design Fee	\$131,600
Construction Engineering	\$25,000
Inspection Fee	\$80,910
Engineering Fees - Other	\$70,000
Construction	\$1,624,700
Equipment	\$0
Miscellaneous - Other	\$50,000
Contingencies	\$164,790
TOTAL PROJECT COST	\$2,192,000

⁽¹⁾ The tank site consisting of one (1) acre and access easement was purchased in 2004.


FUNDING

HB 608 Non Coal Grant (Grant ID# 229N-2008)	\$1,000,000
KRW - Bond Issue	\$1,192,000
TOTAL FUNDING	\$2,192,000

BID TABULATION SUMMARY
1.0 MG ELEVATED WATER STORAGE TANK, PROJECT #3569
 Jessamine County, Kentucky
 July 10, 2012

Item #	Description of Work	Unit	Quantity	CALDWELL TANKS, INC.		PHOENIX FABRICATORS AND ERECTORS, INC.	
				Unit Bid	Total Cost	Unit Bid	Total Cost
1	1.0 MG Elevated Water Storage Tank To include: 1.0 MG Elevated Torus Bottom Multi-Column Tank, Tank Foundation, Tank Painting, Testing, and Chlorinating Tank	LS	1	\$ 1,472,940.00	\$ 1,472,940.00	\$ 1,523,290.00	\$ 1,523,290.00
2	8' Perimeter Fence	LF	780	\$ 30.00	\$ 23,400.00	\$ 20.00	\$ 15,600.00
3	16' Wide Double Gate	EA	1	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00
4	Telemetry	LS	1	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
5	Storm Sewer Manhole w/ Beehive Grate	EA	2	\$ 3,000.00	\$ 6,000.00	\$ 2,500.00	\$ 5,000.00
6	18" ADS Storm Pipe	LF	240	\$ 45.00	\$ 10,800.00	\$ 35.00	\$ 8,400.00
7	12" D.I. Watermain	LF	100	\$ 100.00	\$ 10,000.00	\$ 60.00	\$ 6,000.00
8	Fire Hydrant Assembly	EA	1	\$ 6,000.00	\$ 6,000.00	\$ 3,000.00	\$ 3,000.00
9	Watermain Tie-in 3-12" Valves and Tee	EA	1	\$ 13,000.00	\$ 13,000.00	\$ 6,500.00	\$ 6,500.00
10	Transducer Pit	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 2,400.00	\$ 2,400.00
11	2" Electric Conduit	LF	280	\$ 12.00	\$ 3,360.00	\$ 32.00	\$ 8,960.00
12	Paved Access Road and Parking Lot	LS	1	\$ 18,000.00	\$ 18,000.00	\$ 26,650.00	\$ 26,650.00
13	Eastern White Pine	EA	9	\$ 300.00	\$ 2,700.00	\$ 300.00	\$ 2,700.00
14	Colonaster	EA	16	\$ 125.00	\$ 2,000.00	\$ 200.00	\$ 3,200.00
15	Regrade/Seed	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 2,500.00	\$ 2,500.00
TOTAL PROJECT BID				\$	\$ 1,624,700.00	TOTAL PROJECT BID	\$ 1,650,200.00

I hereby certify that the amounts shown hereon are a true and correct copy of the bids received 2:00 pm EST on TUESDAY, July 10, 2012 for the referenced project.

Signed:  Dated: 7-10-12

John G. Horne, PE, PLS

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

March 8, 2011

Mr. Glenn T. Smith
Jessamine S Elkhorn Water District
P.O. Box 731
Nicholasville, KY 40340

RE: Jessamine S Elkhorn Water District
AI # 33936, APE20100001
PWSID # 0570249-10-001
Catnip Hill Pike 1.0 MG Elevated Storage
Tank
Jessamine County, KY

Dear Mr. Smith:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of a 1.0 MG Drinking Water Elevated Storage Tank and approximately 100 ft of 12 inch DI water line. 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 Mr. Harold Sparks at 502-564-8158 extension 4823.

Sincerely,

A handwritten signature in cursive script that reads "Harold Sparks".

Harold L. Sparks, PE
Engineering Section
Water Infrastructure Branch
Division of Water

HLS

Enclosures

C: Home Engineering
Jessamine County Health Department
Public Service Commission
Division of Plumbing



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

FILE COPY

June 21, 2012

Mr. Glenn T. Smith
Jessamine South Elkhorn Water District
P. O. Box 731
Nicholasville, KY 40356

RE: Jessamine S Elkhorn Water District
AI # 33936, APE20100001
PWSID # 0570249-10-001
Time Extension
Catnip Hill Pike 1.0 MG Elevated Storage
Tank
Jessamine County, KY

Dear Mr. Smith:

We have received your request for an extension of time to begin construction of Catnip Hill Pike 1,000,000 Gallon Elevated Storage Tank. We are granting your request with new expiration date of March 8, 2013 and with following stipulations:

1. The plans and specifications originally submitted for this project shall remain unchanged. If changes to original approval have been made, four new sets of plans and specifications shall be submitted for review and approval
2. All stipulations and requirements contained in the original permit and approval letter shall remain effective.
3. Please note that time extensions are normally not issued on projects approved after January 1, 2011. (Time extensions are not issued on projects approved before January 1, 2011.) Projects approved after January 1, 2011 are issued with two years to begin construction. Since this project was approved with only one year to begin construction, the second year is approved to be consistent with other permits issued after January 1, 2011. If construction of the above project is not initiated before March 8, 2013, then it will be necessary to resubmit the

Kentucky

Jessamine S Elkhorn Water District
AI # 33936, APE20100001
PWSID # 0570249-10-001
Time Extension
Catnip Hill Pike 1.0 MG Elevated Storage Tank
Jessamine County, KY
Page 2 of 2
June 21, 2012

engineering plans and specifications together with a new application and a review fee if applicable.

If you have any questions concerning this project, please contact Mr. Mark Rasche at (502) 564-8158 extension 4804.

Sincerely,



Mark Rasche, P.E.
Supervisor, Engineering Section
Water Infrastructure Branch
Division of Water

MR

Enclosures

C: John G. Horne, P.E., Horne Engineering, Inc.
Jessamine County Health Department
Public Service Commission
Division of Plumbing

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

FILE COPY

June 21, 2012

Mr. Glenn T. Smith
Jessamine South Elkhorn Water District
P. O. Box 731
Nicholasville, KY 40356

RE: Jessamine S Elkhorn Water District
AI # 33936, APE20100001
PWSID # 0570249-10-001
Time Extension
Catnip Hill Pike 1.0 MG Elevated Storage
Tank
Jessamine County, KY

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Kentucky

Jessamine S Elkhorn Water District
AI # 33936, APE20100001
PWSID # 0570249-10-001
Time Extension
Catnip Hill Pike 1.0 MG Elevated Storage Tank
Jessamine County, KY
Page 2 of 2
June 21, 2012

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If you have any questions concerning this project, please contact Mr. Mark Rasche at (502) 564-8158 extension 4804.

Sincerely,



Mark Rasche, P.E.
Supervisor, Engineering Section
Water Infrastructure Branch
Division of Water

MR

Enclosures

C: John G. Horne, P.E., Horne Engineering, Inc.
Jessamine County Health Department
Public Service Commission
Division of Plumbing



STEVEN L. BESHEAR
GOVERNOR

DEPARTMENT FOR LOCAL DEVELOPMENT
OFFICE OF THE GOVERNOR
1024 CAPITAL CENTER DRIVE, SUITE 340
FRANKFORT, KENTUCKY 40601-8204
PHONE (502) 573-2382 FAX (502) 573-2939
TOLL FREE (800) 346-5606
www.dlg.ky.gov

TONY WILDER
COMMISSIONER

April 10, 2012

Mr. John Horne
Horne Engineering, Inc.
216 South Main Street
Nicholasville, KY 40356

RE: **CATNIP HILL PIKE 1.0 MG ELEVATED STORAGE TANK**
WX21113016
SAI# KY20110427-0603
CFDA# 10.760

Dear Mr. Horne:

Pursuant to your request, the State Clearinghouse will update its evaluation of SAI# **KY20110427-0603**. The State Clearinghouse has contacted appropriate state agencies and determined its previous comments regarding this proposal are still valid.

Please consider this correspondence as official notification that the State Clearinghouse is reaffirming its previous correspondence. This endorsement remains valid for a period of one (1) year from the date of this letter.

If you have any questions regarding this matter, please feel free to contact the State Clearinghouse at 502-573-2382.

Sincerely,

Lee Nalley
Kentucky State Clearinghouse



STEVEN L. BESHEAR
GOVERNOR

DEPARTMENT FOR LOCAL GOVERNMENT
OFFICE OF THE GOVERNOR
1024 CAPITAL CENTER DRIVE, SUITE 340
FRANKFORT, KENTUCKY 40601-8204
PHONE (502) 573-2382 FAX (502) 573-2939
TOLL FREE (800) 346-5606
WWW.DLG.KY.GOV

TONY WILDER
COMMISSIONER

June 17, 2011

Mr. John Horne
Horne Engineering, Inc.
216 South Main Street
Nicholasville, KY 40356

RE: CATNIP HILL PIKE 1.0 MG ELEVATED STORAGE TANK
WX21113016
SAI# KY20110427-0603
CFDA# 10.760

Dear Mr. Horne:

The Kentucky State Clearinghouse, which has been officially designated as the Commonwealth's Single Point of Contact (SPOC) pursuant to Presidential Executive Order 12372, has completed its evaluation of your proposal. The clearinghouse review of this proposal indicates there are no identifiable conflicts with any state or local plan, goal, or objective. Therefore, the State Clearinghouse recommends this project be approved for assistance by the cognizant federal agency.

Although the primary function of the State Single Point of Contact is to coordinate the state and local evaluation of your proposal, the Kentucky State Clearinghouse also utilizes this process to apprise the applicant of statutory and regulatory requirements or other types of information which could prove to be useful in the event the project is approved for assistance. Information of this nature, if any, concerning this particular proposal will be attached to this correspondence.

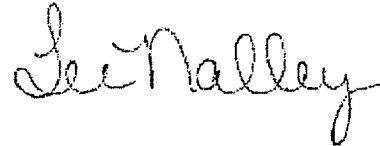
You should now continue with the application process prescribed by the appropriate funding agency. This process may include a detailed review by state agencies that have authority over specific types of projects.

This letter signifies only that the project has been processed through the State Single Point of Contact. It is neither a commitment of funds from this agency or any other state or federal agency.

The results of this review are valid for one year from the date of this letter.
Continuation or renewal applications must be submitted to the State Clearinghouse annually. An application not submitted to the funding agency, or not approved within one year after completion of this review, must be re-submitted to receive a valid intergovernmental review.

If you have any questions regarding this letter, please feel free to contact my office at 502-573-2382.

Sincerely,

A handwritten signature in cursive script that reads "Lee Nalley". The signature is written in black ink and is positioned below the word "Sincerely,".

Lee Nalley
Kentucky State Clearinghouse

Attachments

The Office of State Budget Director has made the following advisory comment pertaining to State Application Identifier Number KY201104270603

Pinkerton, Geoff: No comments

The Natural Resources has made the following advisory comment pertaining to State Application Identifier Number KY201104270603

This review was based upon the information that was provided by the applicant through the Clearinghouse for this project. An endorsement of this project does not satisfy, or imply, the acceptance or issuance of any permits, certifications or approvals that may be required from this agency under Kentucky Revised Statutes or Kentucky Administrative Regulations. Such endorsement means this agency has found no major concerns from the review of the proposed project as presented other than those stated as conditions or comments.

Division for Air Quality (John Gowins, 502-564-3999)

Kentucky Division for Air Quality Regulation 401 KAR 63:010 Fugitive Emissions states that no person shall cause, suffer, or allow any material to be handled, processed, transported, or stored without taking reasonable precaution to prevent particulate matter from becoming airborne. Additional requirements include the covering of open bodied trucks, operating outside the work area transporting materials likely to become airborne, and that no one shall allow earth or other material being transported by truck or earth moving equipment to be deposited onto a paved street or roadway. Please note the Fugitive Emissions Fact Sheet located at <http://air.ky.gov/Pages/OpenBurning.aspx>

Kentucky Division for Air Quality Regulation 401 KAR 63:005 states that open burning is prohibited. Open Burning is defined as the burning of any matter in such a manner that the products of combustion resulting from the burning are emitted directly into the outdoor atmosphere without passing through a stack or chimney. However, open burning may be utilized for the expressed purposes listed on the Open Burning Brochure located at <http://air.ky.gov/Pages/OpenBurning.aspx>

The Division also suggests an investigation into compliance with applicable local government regulations.

The proposed project is subject to Division of Water (DOW) jurisdiction because the following are or appear to be involved: CONSTRUCT A 1.0 MG ELEVATED STORAGE TANK. Prior approval must be obtained from the DOW before construction can begin.

When submitting plans and specifications, the applicant must cite the State Application Identifier: KY201104270603

This project is consistent with the JESSAMINE County Water Management Plan. It is approved for water management planning. It is approved for water withdrawal by the Water Quantity Management Section of DOW.

JESSAMINE SOUTH ELKHORN WATER DISTRICT PROPOSES TO CONSTRUCT A 1.0 MG ELEVATED STORAGE TANK ON PROPERTY WHICH THEY OWN ON CATNIP HILL PIKE. THE PROPOSED SITE IS IN CLOSE PROXIMITY TO THE DISTRICT'S EXISTING ELEVATED STORAGE FOR THE NORTHWEST SERVICE AREA AND WILL BE CONSTRUCTED AT THE EXISTING HYDRAULIC GRADIENT. THEREFORE, ADDITIONAL BOOSTER PUMPING WILL NOT BE REQUIRED. Completion of this project will result in improved services to 2200 households, 60 commercial entities and 3 other entities.

The Engineering Section of the Water Infrastructure Branch has no objections to the proposed project. Plans and specifications along with hydraulic analysis of the proposed project must be submitted to the Division of Water's Water Infrastructure Branch by a registered professional engineer in Kentucky. A written approval must be received from the Division of Water prior to beginning construction.

Best management practices shall be used to reduce runoff from the project into adjacent streams. John Brumley, Environmental Scientist II, 564-3410

If the construction area disturbed is equal to or greater than 1 acre, the applicant will need to apply for a Kentucky Pollutant Discharge Elimination System (KPDES) storm water discharge permit.

Utility line projects that cross a stream will require a Section 404 permit from the US Army Corps of Engineers and a 401 Water Quality Certification from DOW.

The Kentucky Division of Water supports the goals of EPA's Sustainable Infrastructure Initiative. This Initiative seeks to promote sustainable practices that will help to reduce the potential gap between funding needs and spending at the local and national level. The Sustainable Infrastructure Initiative will guide our efforts in changing how Kentucky views, values, manages, and invests in its water infrastructure. This website, www.epa.gov/waterinfrastructure/, contains information that will help you ensure your facility and operations are consistent with and can benefit from the aims of the Sustainable Infrastructure Initiative.

The Heritage Council has made the following advisory comment pertaining to State Application Identifier Number KY201104270603

The applicant must ensure compliance with the Advisory Council on Historic Preservation's Rules and Regulations for the Protection of Historic and Cultural Properties (36CRF, Part 800) pursuant to the National Historic Preservation Act of 1966, the National Environmental Policy Act of 1969, and Executive Order 11593.

If the project design or boundaries change, this office should be consulted to determine the nature and extent of additional documentation that may be needed. In the event of the unanticipated discovery of an archaeological site or object of antiquity, the discovery should be reported to the Kentucky Heritage Council and to the Kentucky Office of State Archaeology in the Anthropology Department at the University of Kentucky in accordance with KRS 164.730. In the event that human remains are encountered during project activities all work should be immediately stopped in the area and the area cordoned off, and in accordance with KRS 72.020 the county coroner and local law enforcement must be contacted immediately. After complying with KRS 72.020, the unanticipated discovery of human remains must be reported to the Kentucky Heritage Council and the Kentucky Office of State Archaeology in the Anthropology Department at the University of Kentucky in accordance with KRS 164.730.

The Fish & Wildlife has made the following advisory comment pertaining to State Application Identifier Number KY201104270603

To minimize impacts to the aquatic environment the Kentucky Dept. of Fish & Wildlife Resources recommends that erosion control measures be developed and implemented prior to construction to reduce siltation into waterways located within the project area. Such erosion control measures may include, but are not limited to silt fences, staked straw bales, brush barriers, sediment basins, and diversion ditches. Erosion control measures will need to be installed prior to construction and should be inspected and repaired regularly as needed. Please contact Dan Stoelb, Wildlife Biologist, @ 502-564-7109 ex. 4453 or Daniel.stoelb@ky.gov if you have further questions or require additional information.

The Housing, Building, Construction has made the following advisory comment pertaining to State Application Identifier Number KY201104270603
no comment

The Labor Cabinet has made the following advisory comment pertaining to State Application Identifier Number KY201104270603

PW RATES MAY APPLY IF CONSTRUCTION IS OVER \$250K THRESHOLD. CONTACT KY LABOR CABINET AT 502 564 3534

The Transportation has made the following advisory comment pertaining to State Application Identifier Number KY201104270603

Blair (7), Bret: In the event construction activities encroach upon state maintained right of way, it may become necessary to obtain a standard encroachment permit. Permit requests and questions may be directed to Daniel Kucela, District Seven Highway Dept. Permits Engr. @ 763 W. New Circle Road, Lexington, KY 40512. Phone (859) 246-2355 or email at daniel.kucela@ky.gov.
[Reviewer: Bret Blair, Transportation Engineer II / 859.246.2355 / bret.blair@ky.gov]

The Health and Family Services has made the following advisory comment pertaining to State Application Identifier Number KY201104270603

The Cabinet for Health and Family Services supports this grant application and would encourage the project coordinators and managers, to the extent possible or necessary, to coordinate thier local-regional project activities with the public health resources in the region.

The Kentucky Housing Corporation has made the following advisory comment pertaining to State Application Identifier Number KY201104270603
No comments.



Mail Processing Center
Federal Aviation Administration
Southwest Regional Office
Obstruction Evaluation Group
2601 Meacham Boulevard
Fort Worth, TX 76137

Aeronautical Study No.
2010-ASO-2874-OE

Issued Date: 12/30/2011

Diana Clark
Jessamine South Elkhorn Water District
802 S. Main Street
PO Box 731
Nicholasville, KY 40356

**** Extension ****

A Determination was issued by the Federal Aviation Administration (FAA) concerning:

Structure: Water Tank Catnip Hill 1.0MG Water Tank
Location: Nicholasville, KY
Latitude: 37-56-47.03N NAD 83
Longitude: 84-35-13.44W
Heights: 1023 feet site elevation (SE)
147 feet above ground level (AGL)
1170 feet above mean sea level (AMSL)

In response to your request for an extension of the effective period of the determination, the FAA has reviewed the aeronautical study in light of current aeronautical operations in the area of the structure and finds that no significant aeronautical changes have occurred which would alter the determination issued for this structure.

Accordingly, pursuant to the authority delegated to me, the effective period of the determination issued under the above cited aeronautical study number is hereby extended and will expire on 06/30/2013 unless otherwise extended, revised, or terminated by this office.

This extension issued in accordance with 49 U.S.C., Section 44718 and, if applicable, Title 14 of the Code of Federal Regulations, part 77, concerns the effect of the structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

If we can be of further assistance, please contact our office at (847) 294-8084. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2010-ASO-2874-OE.

Signature Control No: 711660-155968836

Carole Bernacchi
Technician

(EXT)

Attachment(s)

Additional Information

Additional information for ASN 2010-ASO-2874-OE

THE EXTENSION IS GRANTED PROVIDED ALL CONDITIONS OF THE ORIGINAL DETERMINATION ISSUED 07/08/2010, ARE MET.



Federal Aviation Administration
Air Traffic Airspace Branch, ASW-520
2601 Meacham Blvd.
Fort Worth, TX 76137-0520

Aeronautical Study No.
2010-ASO-2874-OE

Issued Date: 07/08/2010

Diana Clark
Jessamine South Elkhorn Water District
802 S. Main Street
PO Box 731
Nicholasville, KY 40356

**** DETERMINATION OF NO HAZARD TO AIR NAVIGATION ****

The Federal Aviation Administration has conducted an aeronautical study under the provisions of 49 U.S.C., Section 44718 and if applicable Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure: Water Tank Catnip Hill 1.0MG Water Tank
Location: Nicholasville, KY
Latitude: 37-56-47.03N NAD 83
Longitude: 84-35-13.44W
Heights: 147 feet above ground level (AGL)
1170 feet above mean sea level (AMSL)

This aeronautical study revealed that the structure does not exceed obstruction standards and would not be a hazard to air navigation provided the following condition(s), if any, is(are) met:

It is required that FAA Form 7460-2, Notice of Actual Construction or Alteration, be completed and returned to this office any time the project is abandoned or:

- At least 10 days prior to start of construction (7460-2, Part I)
 Within 5 days after the construction reaches its greatest height (7460-2, Part II)

See attachment for additional condition(s) or information.

Based on this evaluation, marking and lighting are not necessary for aviation safety. However, if marking and/or lighting are accomplished on a voluntary basis, we recommend it be installed and maintained in accordance with FAA Advisory circular 70/7460-1 K Change 2.

This determination expires on 01/08/2012 unless:

- (a) extended, revised or terminated by the issuing office.
- (b) the construction is subject to the licensing authority of the Federal Communications Commission (FCC) and an application for a construction permit has been filed, as required by the FCC, within 6 months of the date of this determination. In such case, the determination expires on the date prescribed by the FCC for completion of construction, or the date the FCC denies the application.

NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION MUST BE E-FILED AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE. AFTER RE-EVALUATION

OF CURRENT OPERATIONS IN THE AREA OF THE STRUCTURE TO DETERMINE THAT NO SIGNIFICANT AERONAUTICAL CHANGES HAVE OCCURRED, YOUR DETERMINATION MAY BE ELIGIBLE FOR ONE EXTENSION OF THE EFFECTIVE PERIOD.

This determination is based, in part, on the foregoing description which includes specific coordinates , heights, frequency(ies) and power . Any changes in coordinates , heights, and frequencies or use of greater power will void this determination. Any future construction or alteration , including increase to heights, power, or the addition of other transmitters, requires separate notice to the FAA.

This determination does include temporary construction equipment such as cranes, derricks, etc., which may be used during actual construction of the structure. However, this equipment shall not exceed the overall heights as indicated above. Equipment which has a height greater than the studied structure requires separate notice to the FAA.

This determination concerns the effect of this structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

If we can be of further assistance, please contact our office at (847) 294 8084. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2010-ASO-2874-OE.

Signature Control No: 711660-128087077

(DNE)

Carole Bernacchi

Technician

Attachment(s)

Additional Information

Additional information for ASN 2010-ASO-2874-OE

No transmitter frequencies listed. No objection providing that proponent re-submits a 7460-1 if a transmitter frequency is added to this structure.

Preliminary

\$1,240,000

Jessamine South Elkhorn Water District

Potential Loan through the Kentucky Rural Water Finance Corporation

Sources & Uses

Dated 12/15/2012 | Delivered 12/15/2012

Sources Of Funds

Par Amount of Bonds	\$1,240,000.00
Reoffering Premium	1,729.75
Total Sources	\$1,241,729.75

Uses Of Funds

Total Underwriter's Discount (1.750%)	21,700.00
Costs of Issuance	23,600.00
Deposit to Project Construction Fund	1,192,000.00
Rounding Amount	4,429.75
Total Uses	\$1,241,729.75

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Preliminary
\$1,240,000

Jessamine South Elkhorn Water District
 Potential Loan through the Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/15/2012	-	-	-	-	-
08/01/2013	-	-	29,912.04	29,912.04	-
12/31/2013	-	-	-	-	29,912.04
02/01/2014	25,000.00	3.500%	23,823.75	48,823.75	-
08/01/2014	-	-	23,386.25	23,386.25	-
12/31/2014	-	-	-	-	72,210.00
02/01/2015	35,000.00	3.500%	23,386.25	58,386.25	-
08/01/2015	-	-	22,773.75	22,773.75	-
12/31/2015	-	-	-	-	81,160.00
02/01/2016	35,000.00	3.800%	22,773.75	57,773.75	-
08/01/2016	-	-	22,108.75	22,108.75	-
12/31/2016	-	-	-	-	79,882.50
02/01/2017	35,000.00	3.300%	22,108.75	57,108.75	-
08/01/2017	-	-	21,531.25	21,531.25	-
12/31/2017	-	-	-	-	78,640.00
02/01/2018	35,000.00	3.250%	21,531.25	56,531.25	-
08/01/2018	-	-	20,962.50	20,962.50	-
12/31/2018	-	-	-	-	77,493.75
02/01/2019	40,000.00	3.350%	20,962.50	60,962.50	-
08/01/2019	-	-	20,292.50	20,292.50	-
12/31/2019	-	-	-	-	81,255.00
02/01/2020	40,000.00	3.350%	20,292.50	60,292.50	-
08/01/2020	-	-	19,622.50	19,622.50	-
12/31/2020	-	-	-	-	79,915.00
02/01/2021	40,000.00	3.350%	19,622.50	59,622.50	-
08/01/2021	-	-	18,952.50	18,952.50	-
12/31/2021	-	-	-	-	78,575.00
02/01/2022	40,000.00	3.350%	18,952.50	58,952.50	-
08/01/2022	-	-	18,282.50	18,282.50	-
12/31/2022	-	-	-	-	77,235.00
02/01/2023	45,000.00	3.400%	18,282.50	63,282.50	-
08/01/2023	-	-	17,517.50	17,517.50	-
12/31/2023	-	-	-	-	80,800.00
02/01/2024	45,000.00	3.500%	17,517.50	62,517.50	-
08/01/2024	-	-	16,730.00	16,730.00	-
12/31/2024	-	-	-	-	79,247.50
02/01/2025	45,000.00	3.600%	16,730.00	61,730.00	-
08/01/2025	-	-	15,920.00	15,920.00	-
12/31/2025	-	-	-	-	77,650.00
02/01/2026	45,000.00	3.800%	15,920.00	60,920.00	-
08/01/2026	-	-	15,065.00	15,065.00	-
12/31/2026	-	-	-	-	75,985.00
02/01/2027	50,000.00	3.800%	15,065.00	65,065.00	-
08/01/2027	-	-	14,115.00	14,115.00	-
12/31/2027	-	-	-	-	79,180.00
02/01/2028	50,000.00	3.900%	14,115.00	64,115.00	-
08/01/2028	-	-	13,140.00	13,140.00	-
12/31/2028	-	-	-	-	77,255.00
02/01/2029	55,000.00	3.900%	13,140.00	68,140.00	-
08/01/2029	-	-	12,067.50	12,067.50	-
12/31/2029	-	-	-	-	80,207.50
02/01/2030	55,000.00	3.900%	12,067.50	67,067.50	-
08/01/2030	-	-	10,995.00	10,995.00	-
12/31/2030	-	-	-	-	78,062.50
02/01/2031	55,000.00	4.000%	10,995.00	65,995.00	-
08/01/2031	-	-	9,895.00	9,895.00	-
12/31/2031	-	-	-	-	75,890.00
02/01/2032	60,000.00	4.000%	9,895.00	69,895.00	-
08/01/2032	-	-	8,695.00	8,695.00	-
12/31/2032	-	-	-	-	78,590.00
02/01/2033	60,000.00	4.150%	8,695.00	68,695.00	-
08/01/2033	-	-	7,450.00	7,450.00	-
12/31/2033	-	-	-	-	76,145.00
02/01/2034	65,000.00	4.150%	7,450.00	72,450.00	-
08/01/2034	-	-	6,101.25	6,101.25	-
12/31/2034	-	-	-	-	78,551.25
02/01/2035	65,000.00	4.150%	6,101.25	71,101.25	-
08/01/2035	-	-	4,752.50	4,752.50	-
12/31/2035	-	-	-	-	75,853.75
02/01/2036	70,000.00	4.150%	4,752.50	74,752.50	-
08/01/2036	-	-	3,300.00	3,300.00	-
12/31/2036	-	-	-	-	78,052.50
02/01/2037	75,000.00	4.400%	3,300.00	78,300.00	-
08/01/2037	-	-	1,650.00	1,650.00	-
12/31/2037	-	-	-	-	79,950.00
02/01/2038	75,000.00	4.400%	1,650.00	76,650.00	-
12/31/2038	-	-	-	-	76,650.00
Total	\$1,240,000.00	-	\$744,348.29	\$1,984,348.29	-

Yield Statistics

Bond Year Dollars	\$18,618.44
Average Life	15.015 Years
Average Coupon	3.9979081%
Net Interest Cost (NIC)	4.1051686%
True Interest Cost (TIC)	4.1175771%
Bond Yield for Arbitrage Purposes	3.9530000%
All Inclusive Cost (AIC)	4.3015124%

IRS Form 8038	
Net Interest Cost	4.0215695%
Weighted Average Maturity	14.871 Years

9/27/2012 | 5:20 PM

Raymond James | Morgan Keegan

Public Finance

F

COST OF OPERATION

**CATNIP HILL PIKE 1.0 MG
ELEVATED STORAGE TANK, PROJECT # 3569
Jessamine County, Kentucky**

**Jessamine-South Elkhorn Water District
802 S. Main Street
Nicholasville, KY 40356**

<u>DESCRIPTION</u>	<u>COST</u>
Mowing & Grounds Maintenance	\$300.00
Electrical	\$400.00
Total Annual Cost	<hr/> \$700.00

Note:

- a. Tank will be filled via existing booster pumps, which were sized to accommodate this proposed storage tank.
- b. Mowing and electrical costs are based on actual cost for similar tank currently in operation.
- c. Pumping cost will not increase since demand stays unchanged.
- d. All other operation costs remain unchanged.

G

JESSAMINE SOUTH ELKHORN WATER DISTRICT
WATER AND SEWER DIVISIONS
Statement of Net Assets
December 31, 2011

	Water Division	Sewer Division	Total Business Activities
<u>Assets</u>			
<u>Cash and current assets</u>			
Cash and cash equivalents, unrestricted	\$ 290,157	\$ 241,599	\$ 531,756
Accounts receivable	106,705	15,139	121,844
Prepaid expenses	12,409		12,409
Due to (from) other funds	191,182	(191,182)	-
Cash and cash equivalents, restricted	712,011	276,870	988,881
Total cash and current assets	1,312,464	342,426	1,654,890
<u>Capital Assets</u>			
Land, improvements and construction in process	122,173	379,304	501,477
Other capital assets, net of depreciation	12,239,642	7,705,791	19,945,433
Total capital assets	12,361,815	8,085,095	20,446,910
<u>Other non-current assets</u>			
Unamortized bond costs	15,269	37,777	53,046
Total Assets	\$ 13,689,548	\$ 8,465,298	\$ 22,154,846
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable	\$ 10,595	\$ 31,936	\$ 42,531
Payroll taxes payable	4,429		4,429
Customer deposits	7,860	15,725	23,585
Other current liabilities		119,172	119,172
Interest payable	14,568		14,568
Total current liabilities	37,452	166,833	204,285
<u>Current Portion of Debt</u>			
Current notes payable	135,066		135,066
Current bonds payable	35,000		35,000
Total current portion of long-term debt	170,066	0	170,066
<u>Long-term Debt</u>			
Notes payable	2,508,535		2,508,535
Bonds payable	1,974,500	1,512,000	3,486,500
Total long-term debt	4,483,035	1,512,000	5,995,035
Total Liabilities	4,690,553	1,678,833	6,369,386
<u>Net Assets</u>			
Invested in capital assets, net of related debt	7,708,714	6,573,095	14,281,809
<u>Restricted for:</u>			
Debt service		54,126	54,126
Capital projects	156,917	222,744	379,661
Depreciation reserve	14,363		14,363
Operation and maintenance reserve	275,187		275,187
<u>Unreserved, undesignated reported in:</u>			
Unrestricted net assets	819,988	(306,555)	513,433
Board designated net assets	23,826	243,055	266,881
Total Net Assets	\$ 8,998,995	\$ 6,786,465	\$ 15,785,460

See accompanying notes to financial statements.

**JESSAMINE SOUTH ELKHORN WATER DISTRICT
WATER AND SEWER DIVISIONS**
Combined Statement of Revenues, Expenditures and Changes in Net Assets
For The Year Ended December 31, 2011

Functions/Programs	Expenses	Charges for Services	Operating Grants & Contributions Revenues	Capital Grants & Contributions Revenues	Net (Expense) Revenue
Business-type Activities:					
Water Division					
Operating expense	\$ 1,584,416	\$ 2,140,208	\$	\$ 351,277	\$ 907,069
Interest expense	190,998				(190,998)
Depreciation expense	414,013				(414,013)
Sewer Division					
Operating expenses	469,553	455,301		451,384	437,132
Interest expense	57,568				(57,568)
Depreciation expense	207,005				(207,005)
Total Business Activities	\$ 2,923,553	\$ 2,595,509	\$ 0	\$ 802,661	474,617
Revenues					
Investment income - water					5,397
Investment income - sewer					503
Other revenues					31,325
Total General Revenues					37,225
Excess of Revenues Over (Under)					
Change in Net Assets					511,842
Net assets beginning of year - 1/1/11					15,273,618
Net assets end of year - 12/31/11					\$ 15,785,460

See accompanying notes to financial statements.

JESSAMINE SOUTH ELKHORN WATER DISTRICT
WATER AND SEWER DIVISIONS
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 For The Year Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 2,605,698
Other operating receipts	30,725
Cash payments for personnel expenses	(655,766)
Cash payments for goods and services	<u>(1,605,447)</u>
Net cash provided by (used in) operating activities	<u>375,210</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Net customer deposits	134,748
Grants received	667,913
Borrowings under long-term obligations	360,180
Purchases of capital assets	(963,745)
Principal paid on long-term obligations	(161,180)
Interest paid on long-term obligations	<u>(239,739)</u>
Net cash provided by (used in) capital and related financing activities	<u>(201,823)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Income from investments	<u>5,900</u>
Net cash provided by (used in) investing activities	<u>5,900</u>
Net change in cash and cash equivalents	179,287
Cash and equivalents, beginning of year	<u>1,341,350</u>
Cash and equivalents, end of year	<u>\$ 1,520,637</u>

See accompanying notes to financial statements.

JESSAMINE SOUTH ELKHORN WATER DISTRICT
WATER AND SEWER DIVISIONS
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
 For the Year Ended December 31, 2011

	Total
Reconciliation of cash and cash equivalents to the proprietary funds statement of net assets:	
Cash and cash equivalents-unrestricted	\$ 531,756
Cash and cash equivalents-restricted	988,881
Total cash and cash equivalents per the proprietary funds statement of net assets	1,520,637
Reconciliation of income (loss) from operations to net cash flows from operating activities:	
Income (loss) from operations	\$ (48,153)
Depreciation expense	621,018
(Increase) decrease in operating assets:	
Accounts receivable	10,169
Other current assets	(580)
Increase (decrease) in operating liabilities:	
Accounts payable and other accrued expenses	(290,265)
Meter deposits and other liabilities	83,021
Net cash provided by (used in) operating activities	\$ 375,210
Non-cash investing, capital, and financing activities	
Capitalized interest included in expense paid	\$ 11,075

See accompanying notes to financial statements.