

PHONE
606/573-3744

CAWOOD WATER DISTRICT

P.O. BOX 429
CAWOOD, KENTUCKY 40815



July 21, 2017

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

RECEIVED

JUL 21 2017

PUBLIC SERVICE
COMMISSION

RE: Cawood Water District
Harlan Co., KY
Alternative Rate Adjustment Application Case No. 2017-00309

Dear Mr. Lyons:

Attached for the Commission's consideration are the original and five copies of an Alternative Rate Adjustment Application. The District is also hereby requesting increases in certain of its non-recurring meter related charges as outlined in the attached information.

The Commission's prompt consideration of this application would be greatly appreciated by the District as it is in dire need of additional revenue to continue to properly operate the system.

Sincerely,

Donnie Britton
Chairman

C: Office of Rate Intervention
Ken Taylor, PE Kenvirons, Inc.

Enclosures

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
CAWOOD WATER DISTRICT TO APPLY TO THE
KENTUCKY PUBLIC SERVICE COMMISSION FOR AUTHORITY
TO ADJUST RATES FOR WATER SERVICE**

WHEREAS, KRS 278.030 provides that "[e]very utility may demand, collect and receive fair, just and reasonable rates for the services rendered or to be rendered to it by any person;"

WHEREAS, KRS 74.080 provides that the board of commissioners of a water district "may establish water rates and make reasonable regulations for the disposition and consumption of water;"

WHEREAS, Cawood Water District has reviewed its costs to provide adequate and reasonable water service and the revenues produced from the current rates for such service;

WHEREAS, the current charges that Cawood Water District assess for non-recurring services, such as meter connections and service investigations, fail to reflect the actual cost of providing those services and should be adjusted to reflect the actual cost of service;

WHEREAS, using the ratemaking methodology that the Kentucky Public Service Commission has historically employed for water districts to establish the appropriate level of revenue from rates and considering proposed adjustments in the fees assessed for non-recurring services, Cawood Water District has determined that its present rates for water service are producing approximately \$712,136, or approximately \$245,253 less than the level of revenue required for Cawood Water District to meet its operating expenses, service its debt obligations and provide for adequate working capital;

WHEREAS, an increase of 34.44 percent in Cawood Water District's current rates is necessary for Cawood Water District's rates to produce the appropriate level of revenue to ensure adequate and reliable service to persons within its territory;

WHEREAS, Cawood Water District proposes to adjust its rates for water service to produce the appropriate level of revenue to ensure adequate and reliable service to persons within its territory and to reflect the actual cost of providing recurring and non-recurring services;

WHEREAS, the schedule of rates attached to this Resolution as Exhibit A are rates that, based upon Cawood Water District's adjusted operations for the year ending December 31, 2015, will produce revenues from water sales of approximately \$957,313; and,


WHEREAS, KRS 278.180 and 807 KAR 5:076 require Cawood Water District to serve notice of its proposed rate adjustment on and to make application for rate adjustment to the Kentucky Public Service Commission;

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

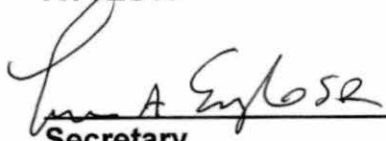
Section 1. The facts, recitals and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The Chairman is authorized and directed to take any and all actions reasonably necessary to prepare and submit an application to the Kentucky Public Service Commission, pursuant to 807 KAR 5:076, for authority to adjust Cawood Water District's rates to the rates set forth in Exhibit A to this Resolution.

ADOPTED BY THE BOARD OF COMMISSIONERS OF CAWOOD WATER DISTRICT at a meeting held on July 17, 2017, signed by the Chairman and attested by the Secretary.


Chairman

ATTEST:


Secretary

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

RECEIVED

**APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

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

JUL 21 2017

**PUBLIC SERVICE
COMMISSION**

Cawood Water District

(Name of Utility)

P.O. Box 429

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

Cawood, KY 40815

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

606-537-3744

(Telephone Number)

BASIC INFORMATION

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

Lana Pace

(Name)

P.O. Box 429

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

Cawood, KY 40815

(Address - City, State, Zip)

606-573-5388

(Telephone Number)

lanap@harlanonline.net

(Email Address)

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

YES NO N/A

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

YES NO N/A

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

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)** ☒ ☐
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2015. ☒ ☐
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)** ☒ ☐
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 249,081 and total revenues from service rates of \$ 961,217. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)** ☒ ☐
12. As of the **date of the filing of this application**, Applicant had 1655 customers. ☒ ☐
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)** ☒ ☐
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)** ☒ ☐
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds. ☒ ☐
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution). ☒ ☐ ☐
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness. ☒ ☐ ☐

YES NO N/A

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

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

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

Signed Donnie R. Britton
Officer of the Company/Authorized Representative

Title Chair

Date July 17, 2017

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

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

Shanda C. Middleton
Notary Public
My commission expires: 12/13/2020 Notary ID # 569959

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- 1 ☒ Customer Notice of Proposed Rate Adjustment
- 2 ☒ "Reasons for Application" Attachment"
- 3 ☒ Current and Proposed Rates" Attachment
- 4 ☒ "Statement of Adjusted Operations" Attachment
- 5 ☒ "Revenue Requirements Calculation" Attachment
- 6 ☒ Attachment Billing Analysis" Attachment
- 7 ☒ Depreciation Schedules
- 8 ☒ Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
☐ State Tax Return
☐ Federal Tax Return
- 9 ☒ Statement of Disclosure of Related Party Transactions - ARF Form 3
- 10 Average Meter Connection Expense
- 11 Non-Recurring Charge Cost Justification
Meter Turn-On; Meter Re-Read; and Meter Resetting
- 12 Non-Recurring Charge Cost Justification
Meter Test Charge
- 13 Special Non-Recurring Charges - Meter Related
Tariff Sheet

NOTICE

Because of increased operating expenses and the requirements of its existing bond ordinances, Cawood Water District will file on or about July 21, 2017 an application with the Kentucky Public Service Commission for the purpose of adjusting its water rates. The application will be filed pursuant to the procedures set forth in 807 KAR 5:076. Under those procedures, the proposed rates may not be placed into effect until the Public Service Commission has issued an order approving the proposed rates or six (6) months from the date of the filing of the application, whichever occurs first. Cawood Water District last requested a general rate adjustment in January of 2010.

Cawood Water District proposes the following rates:

All Meters	Present Rate	Proposed Rate	Change (\$)	Change (%)
<u>Cawood WTP Service Area</u>				
First 2,000 Gallons	\$20.56 (min.)	\$23.75 (min.)	\$3.19	15.5
Next 8,000 Gallons	6.92/1,000	10.40/1,000	3.48	50.3
Over 10,000 Gallons	4.93/1,000	10.40/1,000	5.47	111.0
<u>Pathfork Service Area</u>				
First 2,000 Gallons	\$23.45 (min.)	\$23.75 (min.)	\$0.30	1.3
Next 8,000 Gallons	9.08/1,000	10.40/1,000	1.32	14.5
Over 10,000 Gallons	7.08/1,000	10.40/1,000	3.32	46.9

The proposed rates will have the following effect on a customer's monthly bill:

Meter	Average Monthly Usage	Current Monthly Bill	Proposed Rates Monthly Bill	Increase (\$)	Change (%)
<u>Cawood Service Area</u>					
5/8 x 3/4	4,000	\$34.40	\$44.55	\$10.15	29.5
<u>Pathfork Service Area</u>					
5/8 x 3/4	4,000	\$41.61	\$44.55	\$2.94	7.1

Cawood Water District has also reviewed the charges and fees assessed for non-recurring services. These charges and fees were last revised in September 2004. It proposes to adjust the following fees and charges to reflect the current cost of providing service:

	Present Rate	Proposed Rate	Change (\$)	Change (%)
Tap-On Fees				
5/8" x 3/4" Meter	\$550.00	\$750.00	\$200.00	36.4
Connection/Turn-On Charge	25.00	35.00	10.00	40.0
Meter Re-Read Charge	25.00	35.00	10.00	40.0
Meter Re-Setting Charge	25.00	35.00	10.00	40.0
Meter Test Charge	0.00	50.00	50.00	New

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

Any person may examine the application submitted to the Public Service Commission at Cawood Water District's office at 54 Water Plant Road, Cawood, KY 40815 or at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, KY 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>.

Comments regarding the application may be submitted to the Public Service Commission through the Commission's website at <http://psc.ky.gov> or by mail to the Public Service Commission, P.O. Box 615, Frankfort, KY 40602.

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

Cawood Water District
First Publication Date: July 21, 2017

REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

Cawood Water District's last general rate increase was approved by the Public Service Commission in January of 2010. Since that time the District has only adjusted the rates one time in 2011 to cover an increase in the cost of the water purchased from the City of Pineville which services the Pathfork area. Since that time the District's general expenses such as wages, electric power, chemicals, fuel, maintenance items etc. have all increased. Additional revenue is required to cover these increased costs and maintain debt repayment and coverage. As will be seen in the additional information included with this request the District is currently experiencing an unacceptable level of non-revenue water particularly in the Cawood Water Plant service area. The District has included 100% of the cost of the non-revenue water in this rate request with the intention of using this revenue to identify, attack and eliminate the causes of this. These efforts will include extensive leak detection work, valve repair and insertion, leak detection meter installation, meter testing/replacement and replacement of any portions of the distribution system found to be in unacceptable condition.

Cawood Water District also proposes to adjust its non-recurring charges to reflect the current cost of these items. The last time any of these charges was adjusted was in 2004. The significant increases in the cost of providing these services since that time have resulted in general water service rates subsidizing these non-recurring services. The revised rates proposed herein will eliminate this subsidization.

CURRENT AND PROPOSED RATES
(List Applicant's Current and Proposed Rates)

Current Rates

Cawood Water Plant Service Area

First 2,000 gallons \$20.56 minimum bill

Next 8,000 gallons 6.92 per 1,000 gallons

Over 10,000 gallons 4.93 per 1,000 gallons

Pathfork Area Customers

First 2,000 gallons \$23.45 minimum bill

Next 8,000 gallons 9.08 per 1,000 gallons

Over 10,000 gallons 7.08 per 1,000 gallons

Tap Fee \$550.00

Reconnection Fee \$25.00

Proposed Rates: All Customers

First 2,000 gallons \$23.75 minimum bill

Over 2,000 gallons \$10.40 per 1,000 gallons

Tap Fee \$750.00

Reconnection/Reread/Meter Turn-on Fee \$35.00

SCHEDULE OF ADJUSTED OPERATIONS - WATER UTILITY

TYE 12/31/20 15

	Test Year	Adjustment	Ref.	Pro Forma
<u>Operating Revenues</u>				
Sales of Water				
Unmetered Water Sales				0.00
Metered Water Sales	712,136.00			712,136.00
Bulk Loading Stations				0.00
Fire Protection Revenue				0.00
Sales for Resale				0.00
Total Sales of Water	712,136.00	0.00		712,136.00
Other Water Revenues				
Forfeited Discounts				0.00
Miscellaneous Service Revenues	82,615.00	5,000.00		87,615.00
Rents from Water Property				0.00
Other Water Revenues				0.00
Total Other Water Revenues	82,615.00	5,000.00		87,615.00
Total Operating Revenues	794,751.00	5,000.00		799,751.00
<u>Operating Expenses</u>				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	229,952.00			229,952.00
Salaries and Wages - Officers	8,300.00			8,300.00
Employee Pensions and Benefits	71,018.00			71,018.00
Purchased Water	35,306.00			35,306.00
Purchased Power	63,397.00			63,397.00
Fuel for Power Production				0.00
Chemicals	30,638.00			30,638.00
Materials and Supplies	44,008.00			44,008.00
Contractual Services	28,750.00			28,750.00
Water Testing				0.00
Rents				0.00
Transportation Expenses				0.00
Insurance	29,900.00			29,900.00
Regulatory Commission Expenses	778.00			778.00
Bad Debt Expense	16,356.00			16,356.00

Miscellaneous Expenses	122,937.00			122,937.00
Total Operation and Maintenance Expenses	681,340.00	0.00		681,340.00
Depreciation Expense	227,970.00			227,970.00
Amortization Expense				0.00
Taxes Other Than Income	19,064.00			19,064.00
Income Tax Expense				0.00
Total Operating Expenses	928,374.00	0.00		928,374.00
Utility Operating Income	-133,623.00	5,000.00		-128,623.00

References

The miscellaneous service revenues are anticipated to increase by approximately \$5,000.00 per year with the proposed increases in the tap-on fee and other service charges.

REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD

(This method is used commonly by non-profits that have long-term debts outstanding.)

Pro forma Operating Expenses	\$928,374.00
Plus: Average Annual Debt Principal and Interest Payments*	106,030.00
Debt Coverage Requirement**	10,600.00
Total Revenue Requirement	1,045,004.00
Less: Other Operating Revenue	-87,615.00
Non-operating Revenue	
Interest Income	
Revenue Required from Rates	957,389.00
Less: Revenue from Sales at Present Rates	-712,136.00
Required Revenue Increase	\$245,253.00

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	34.44%
------------------------------------------------------------------------------	--------

* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

** This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.

Revenue from Present/Proposed Rates
Test Period from 01-01-15 to 12-31-15

USAGE TABLE
Usage by Rate Increment

Class: Path Fork

(1)	(2) Bills	(3) Gallons/Mcf	(4) 0-2k	(5) 2k-10k	(6) Over 10k	(7)	(8)	(9) Total
0-2k (min.)	696	729,115	729,115					729,115
2k - 10k	1,118	4,567,611	2,236,000	2,331,611				4,567,611
over 10k	56	1,097,500	112,000	448,000	537,500			1,097,500
Totals	1,870	6,394,226	3,077,115	2,779,611	537,500			6,394,226

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
0-2k (min.)	1,870	3,077,115	\$23.45	43,851.50
2k-10k		2,779,611	9.08	25,238.77
Over 10k		537,500	7.08	3,805.50
Totals	1,870	6,394,226		72,895.77

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.
Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present/Proposed Rates
Test Period from 01-01-15 to 12-31-15

USAGE TABLE
Usage by Rate Increment

Class: Cawood

(1)	(2) Bills	(3) Gallons/Mcf	(4) 0-2k	(5) 2k-10k	(6) Over 10k	(7)	(8)	(9) Total
0-2k (min.)	5,909	5,747,885	5,747,885					5,747,885
2k - 10k	11,558	48,980,135	23,116,000	25,864,135				48,980,135
over 10k	726	19,377,012	1,452,000	5,808,000	12,117,012			19,337,012
Totals	18,193	74,105,032	30,315,885	31,672,135	12,117,012			74,105,032

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
0-2k (min.)	18,193	30,315,885	\$20.56	374,048.08
2k-10k		31,672,135	6.92	219,171.17
Over 10k		12,117,012	4.93	59,736.87
Totals	18,193	74,105,032		652,956.11

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.
Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present/Proposed Rates
Test Period from 01-01-15 to 12-31-15

USAGE TABLE

Usage by Rate Increment

Class: Proposed Rates

(1)	(2) Bills	(3) Gallons/Mcf	(4) <2,000	(5) Over 2,000	(6)	(7)	(8)	(9) Total
<2,000	6,605	6,477,000	6,477,000					6,477,000
Over 2,000	13,254	73,206,258	26,508,000	46,698,258				73,206,258
Totals	19,859	79,683,258	32,985,000	46,698,258				79,683,258

REVENUE TABLE

Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
<2,000	19,859	32,985,000	23.75 (min.)	471,651.25
Over 2,000		46,698,258	10.40/1,000	485,661.88
Totals		79,683,258		957,313.13

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.
Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Tax Asset Detail 1/01/15 - 12/31/15

FYE: 12/31/2015

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Land and Land Rights												
1		LAND	1/01/92	600.00	0.00	0.00	0.00	0.00	0.00	600.00	Land	0.00
2		LAND	1/01/92	28,150.00	0.00	0.00	0.00	0.00	0.00	28,150.00	Land	0.00
		Land and Land Rights		28,750.00	0.00c	0.00	0.00	0.00	0.00	28,750.00		
Group: Meters & Hydrants												
31		METERS	6/30/92	140,229.00	0.00	0.00	140,229.00	0.00	140,229.00	0.00	S/L	25.00
32		METERS	6/30/96	207,000.00	0.00	0.00	175,120.91	8,280.00	183,400.91	23,599.09	S/L	25.00
33		METERS	6/30/98	3,153.72	0.00	0.00	2,081.48	126.15	2,207.63	946.09	S/L	25.00
34		METERS	6/30/99	28,600.00	0.00	0.00	17,732.00	1,144.00	18,876.00	9,724.00	S/L	25.00
35		METERS	6/30/00	15,400.00	0.00	0.00	8,932.00	616.00	9,548.00	5,852.00	S/L	25.00
36		METERS	10/31/00	21,900.00	0.00	0.00	12,410.29	876.00	13,286.29	8,613.71	S/L	25.00
37		METERS	6/30/01	20,350.00	0.00	0.00	10,989.00	814.00	11,803.00	8,547.00	S/L	25.00
38		METERS	6/30/02	20,350.00	0.00	0.00	10,175.00	814.00	10,989.00	9,361.00	S/L	25.00
39		METERS	6/30/03	13,200.00	0.00	0.00	6,072.00	528.00	6,600.00	6,600.00	S/L	25.00
40		METERS	10/31/03	2,105.04	0.00	0.00	940.18	84.20	1,024.38	1,080.66	S/L	25.00
41		METERS	10/31/03	4,181.28	0.00	0.00	1,867.68	167.25	2,034.93	2,146.35	S/L	25.00
42		METERS	6/30/04	17,050.00	0.00	0.00	7,161.00	682.00	7,843.00	9,207.00	S/L	25.00
43		METERS	6/30/05	15,400.00	0.00	0.00	5,852.00	616.00	6,468.00	8,932.00	S/L	25.00
44		METERS	6/30/06	20,900.00	0.00	0.00	7,106.00	836.00	7,942.00	12,958.00	S/L	25.00
45		METERS	6/30/07	36,244.00	0.00	0.00	10,873.20	1,449.76	12,322.96	23,921.04	S/L	25.00
46		METERS	6/30/08	20,900.00	0.00	0.00	5,434.00	836.00	6,270.00	14,630.00	S/L	25.00
47		METERS	6/30/09	28,060.24	0.00	0.00	6,173.26	1,122.41	7,295.67	20,764.57	S/L	25.00
48		METERS	6/30/10	15,121.60	0.00	0.00	2,721.87	604.86	3,326.73	11,794.87	S/L	25.00
49		METERS	6/30/11	12,650.00	0.00	0.00	1,771.00	506.00	2,277.00	10,373.00	S/L	25.00
50		METERS	6/30/12	11,550.00	0.00	0.00	1,155.00	462.00	1,617.00	9,933.00	S/L	25.00
51		NEW TAPS SET (17)	6/30/13	5,780.00	0.00	0.00	346.80	231.20	578.00	5,202.00	S/L	25.00
52		METERS	2/05/14	3,240.00	0.00	0.00	118.80	129.60	248.40	2,991.60	S/L	25.00
53		NEW TAPS SET (15)	6/30/14	5,100.00	0.00	0.00	102.00	204.00	306.00	4,794.00	S/L	25.00
93		BRZ METERS	1/16/15	3,100.00	0.00c	0.00	0.00	113.67	113.67	2,986.33	S/L	25.00
94		BRZ METERS	12/21/15	3,833.56	0.00c	0.00	0.00	0.00	0.00	3,833.56	S/L	25.00
95		NEW TAPS (16)	6/30/15	5,440.00	0.00c	0.00	0.00	108.80	108.80	5,331.20	S/L	25.00
		Meters & Hydrants		680,838.44	0.00c	0.00	435,364.47	21,351.90	456,716.37	224,122.07		
Group: Office Equipment												
54		OFFICE EQUIPMENT	6/30/92	1,100.00	0.00	0.00	1,100.00	0.00	1,100.00	0.00	S/L	5.00
55		OFFICE EQUIP	6/30/93	1,899.00	0.00	0.00	1,899.00	0.00	1,899.00	0.00	S/L	5.00
56		OFFICE EQUIP	6/30/95	500.00	0.00	0.00	500.00	0.00	500.00	0.00	S/L	5.00
57		OFFICE EQUIPMENT	6/30/97	6,477.48	0.00	0.00	6,477.48	0.00	6,477.48	0.00	S/L	5.00
58		OFFICE EQUIP	6/30/98	5,281.73	0.00	0.00	5,281.73	0.00	5,281.73	0.00	S/L	5.00
59		OFFICE EQ	6/30/99	899.00	0.00	0.00	899.00	0.00	899.00	0.00	S/L	5.00
60		OFFICE VINYL FLOORING	6/30/07	3,327.61	0.00	0.00	3,327.61	0.00	3,327.61	0.00	S/L	7.00
61		OFFICE EQUIPMENT	6/30/07	1,005.99	0.00	0.00	1,005.99	0.00	1,005.99	0.00	S/L	5.00
62		LASER PRINTER	12/06/07	460.25	0.00	0.00	460.25	0.00	460.25	0.00	S/L	5.00
63		DELL NOTEBOOK	12/06/07	2,949.59	0.00	0.00	2,949.59	0.00	2,949.59	0.00	S/L	5.00
64		LASER PRINTER	12/06/07	478.00	0.00	0.00	478.00	0.00	478.00	0.00	S/L	5.00

Tax Asset Detail 1/01/15 - 12/31/15

FYE: 12/31/2015

Asset d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Office Equipment (continued)											
65	DELL DESKTOP	12/06/07	2,444.54	0.00	0.00	2,444.54	0.00	2,444.54	0.00	S/L	5.00
66	RADIOS	5/01/07	2,759.75	0.00	0.00	2,759.75	0.00	2,759.75	0.00	S/L	5.00
67	BILLING SOFTWARE	11/21/12	14,995.00	0.00	0.00	7,026.10	2,999.00	10,025.10	4,969.90	S/L	5.00
	Office Equipment		44,577.94	0.00c	0.00	36,609.04	2,999.00	39,608.04	4,969.90		
Group: Operating Equipment											
68	EQUIPMENT	6/30/98	64,836.32	0.00	0.00	64,836.32	0.00	64,836.32	0.00	S/L	10.00
69	EQUIPMENT	5/30/03	7,563.35	0.00	0.00	7,563.35	0.00	7,563.35	0.00	S/L	10.00
70	EQUIPMENT	11/03/03	2,570.00	0.00	0.00	2,570.00	0.00	2,570.00	0.00	S/L	10.00
71	EQUIP	2/10/04	1,552.50	0.00	0.00	1,552.50	0.00	1,552.50	0.00	S/L	10.00
72	EQUIP	4/07/04	2,775.00	0.00	0.00	2,775.00	0.00	2,775.00	0.00	S/L	10.00
73	EQUIPMENT	7/13/04	4,632.31	0.00	0.00	4,632.31	0.00	4,632.31	0.00	S/L	10.00
74	EQUIP	12/30/04	3,007.48	0.00	0.00	3,007.48	0.00	3,007.48	0.00	S/L	10.00
79	LEAK DETECTOR	3/22/05	3,018.42	0.00	0.00	3,018.42	0.00	3,018.42	0.00	S/L	10.00
80	CONTROLLERS ON TANKS 1 &	3/29/06	5,135.88	0.00	0.00	5,135.88	0.00	5,135.88	0.00	S/L	10.00
81	ALIEN-HICKS PUMP	12/30/05	3,995.00	0.00	0.00	3,995.00	0.00	3,995.00	0.00	S/L	10.00
82	PUMP - KY MINE SUPPLY	12/30/05	1,664.70	0.00	0.00	1,664.70	0.00	1,664.70	0.00	S/L	10.00
83	STORAGE CONTAINER	8/01/07	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	0.00	S/L	10.00
84	TRANSIT TIME FLOW METER	8/01/07	4,395.00	0.00	0.00	4,395.00	0.00	4,395.00	0.00	S/L	10.00
85	PEERLESS PUMP	1/04/08	2,650.00	0.00	0.00	2,650.00	0.00	2,650.00	0.00	S/L	10.00
86	PUMP & MOTOT	6/26/08	1,600.00	0.00	0.00	1,600.00	0.00	1,600.00	0.00	S/L	10.00
87	PUMP & MOTOR	7/03/08	1,600.00	0.00	0.00	1,600.00	0.00	1,600.00	0.00	S/L	10.00
88	2-TURBIDMETERS	10/07/09	4,466.90	0.00	0.00	4,466.90	0.00	4,466.90	0.00	S/L	10.00
89	MOWER	4/28/09	1,975.99	0.00	0.00	1,187.95	197.60	1,385.55	590.44	S/L	10.00
90	GENERATOR	4/26/10	2,706.00	0.00	0.00	1,172.78	270.60	1,443.38	1,262.62	S/L	10.00
91	RADIO TELEMETRY SYSTEM	9/27/12	16,671.92	0.00	0.00	3,751.18	1,667.19	5,418.37	11,253.55	S/L	10.00
92	RADIO TELEMETRY SYSTEM	5/16/13	150,416.46	0.00	0.00	14,267.01	15,041.65	29,308.66	121,107.80	S/L	10.00
	Operating Equipment		289,733.23	0.00c	0.00	138,341.78	17,177.04	155,518.82	134,214.41		
Group: Trans & Distribution Eq.											
10	DISTRIBUTION LINES	6/30/92	638,593.04	0.00	0.00	250,453.02	10,643.22	261,096.24	377,496.80	S/L	60.00
11	DISTRIBUTION LINES	6/30/93	30,793.30	0.00	0.00	11,034.23	513.22	11,547.45	19,245.85	S/L	60.00
12	DISTRIBUTION LINES	6/30/96	419,762.00	0.00	0.00	129,426.56	6,996.03	136,422.59	283,339.41	S/L	60.00
13	DISTRIBUTION LINES	6/30/97	2,448,791.35	0.00	0.00	714,230.83	40,813.19	755,044.02	1,693,747.33	S/L	60.00
14	DISTRIBUTION LINES	6/30/98	168,854.87	0.00	0.00	46,435.13	2,814.25	49,249.38	119,605.49	S/L	60.00
15	DISTRIBUTION LINES	6/30/99	6,914.45	0.00	0.00	1,768.22	115.24	1,883.46	5,030.99	S/L	60.00
16	DISTRIBUTION LINES	6/30/00	5,094.00	0.00	0.00	1,231.05	84.90	1,315.95	3,778.05	S/L	60.00
17	DISTRIBUTION LINES	10/31/00	911,766.21	0.00	0.00	215,252.76	15,196.10	230,448.86	681,317.35	S/L	60.00
18	DISTRIBUTION LINES	6/30/01	2,892.50	0.00	0.00	650.84	48.21	699.05	2,193.45	S/L	60.00
19	LINES	12/31/01	6,930.68	0.00	0.00	1,501.63	115.51	1,617.14	5,313.54	S/L	60.00
20	LINES	2/28/03	3,681.00	0.00	0.00	726.08	61.35	787.43	2,893.57	S/L	60.00
21	PATHFORK LINES	6/10/05	1,920,482.65	0.00	0.00	305,676.78	32,008.04	337,684.82	1,582,797.83	S/L	60.00
22	PATHFORK LINES	6/30/06	40,471.16	0.00	0.00	5,733.42	674.52	6,407.94	34,063.22	S/L	60.00
23	LINES	2/13/07	2,630.00	0.00	0.00	341.87	43.83	385.70	2,244.30	S/L	60.00
24	CABALL WATER LINES	6/30/08	2,104.00	0.00	0.00	227.96	35.07	263.03	1,840.97	S/L	60.00
25	WATER LINES	2/28/11	3,750.00	0.00	0.00	240.63	62.50	303.13	3,446.87	S/L	60.00

Tax Asset Detail 1/01/15 - 12/31/15

FYE: 12/31/2015

Asset d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Trans & Distribution Eq. (continued)											
26	SMITH EXTENSION	12/15/11	2,340,282.92	0.00	0.00	118,574.35	39,004.72	157,579.07	2,182,703.85	S/L	60.00
27	SMITH EXTENSION	2/27/12	152,136.10	0.00	0.00	7,188.43	2,535.60	9,724.03	142,412.07	S/L	60.00
28	GRAYS KNOB	9/27/12	100,623.79	0.00	0.00	3,773.39	1,677.06	5,450.45	95,173.34	S/L	60.00
29	WATER LOSS MGMT SYSTEM	9/15/13	19,500.00	0.00	0.00	2,515.50	1,950.00	4,465.50	15,034.50	S/L	10.00
30	SMITH EXTENSION	6/30/14	403,463.63	0.00	0.00	3,362.20	6,724.39	10,086.59	393,377.04	S/L	60.00
	Trans & Distribution Eq.		9,629,517.65	0.00c	0.00	1,820,344.88	162,116.95	1,982,461.83	7,647,055.82		
Group: Vehicles											
75	VEHICLES	6/30/98	35,033.00	0.00	0.00	35,033.00	0.00	35,033.00	0.00	S/L	5.00
76	BACKHOE TRAILER	8/09/05	6,295.00	0.00	0.00	6,295.00	0.00	6,295.00	0.00	S/L	7.00
77	2006 DUMPTRUCK	11/08/05	48,551.64	0.00	0.00	48,551.64	0.00	48,551.64	0.00	S/L	7.00
78	FORD PICK-UPS (2)	6/03/08	31,940.00	0.00	0.00	31,362.01	577.99	31,940.00	0.00	S/L	5.00
	Vehicles		121,819.64	0.00c	0.00	121,241.65	577.99	121,819.64	0.00		
Group: Water Plant & Treatment											
3	WATER PLANT EQUIP	6/30/92	736,156.07	0.00	0.00	331,387.24	14,723.12	346,110.36	390,045.71	S/L	50.00
4	WATER PLANT EQUIPMENT	6/30/97	5,031.16	0.00	0.00	1,760.85	100.62	1,861.47	3,169.69	S/L	50.00
5	PLANT EQUIPMENT	6/30/98	424,089.05	0.00	0.00	139,949.37	8,481.78	148,431.15	275,657.90	S/L	50.00
6	CONTAINMENT TANKS	4/07/08	5,134.80	0.00	0.00	693.23	102.70	795.93	4,338.87	S/L	50.00
7	METER	9/02/09	1,947.16	0.00	0.00	207.55	38.94	246.49	1,700.67	S/L	50.00
8	PUMP GOULD	11/17/09	3,900.00	0.00	0.00	397.80	78.00	475.80	3,424.20	S/L	50.00
9	PUMPS	11/27/12	8,459.00	0.00	0.00	351.89	169.18	521.07	7,937.93	S/L	50.00
96	AIR COMPRESSOR	11/16/15	2,269.98	0.00c	0.00	0.00	18.92	18.92	2,251.06	S/L	10.00
97	CHLORINE ANALYZER	12/15/15	4,085.00	0.00c	0.00	0.00	34.04	34.04	4,050.96	S/L	10.00
	Water Plant & Treatment		1,191,072.22	0.00c	0.00	474,747.93	23,747.30	498,495.23	692,576.99		
	Grand Total		11,986,309.12	0.00c	0.00	3,026,649.75	227,970.18	3,254,619.93	8,731,689.19		

NUMBER
AR-1

The holder of this bond has consented to the issuance of \$1,876,000 of bonds ranking on a parity as to security and source of payment with this Bond.



UNITED STATES OF AMERICA - COMMONWEALTH OF KENTUCKY - COUNTY OF HARIAN

CAWOOD WATER DISTRICT

WATERWORKS REVENUE BOND, SERIES 1989A

INTEREST RATE: 5.00%

DOLLARS
\$383,000

The holder of this Bond has consented to the issuance of \$357,000 ranking on a parity as to security and source of payment with this Bond.

KNOW ALL MEN BY THESE PRESENTS: That the Cawood Water District (the "District"), acting by and through its Board of Commissioners, a public body corporate, organized and existing pursuant to Chapter 14 of the Kentucky Revised Statutes, in Harlan County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, FARMERS HOME ADMINISTRATION, 333 Water Avenue, Lexington, Kentucky 40504, the registered owner hereof, or to its registered assigns, solely from the fund here identified, the sum of

THREE HUNDRED EIGHTY-THREE THOUSAND DOLLARS (\$383,000),

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

Year	Principal	Year	Principal	Year	Principal
1992	\$1,300	2005	\$ 4,000	2018	\$13,000
1993	2,000	2006	5,000	2019	15,000
1994	2,000	2007	5,000	2020	16,000
1995	2,000	2008	6,000	2021	18,000
1996	2,000	2009	6,000	2022	18,000
1997	2,000	2010	7,000	2023	21,000
1998	2,000	2011	7,000	2024	23,000
1999	3,000	2012	8,000	2025	25,000
2000	3,000	2013	9,000	2026	27,000
2001	3,000	2014	9,000	2027	30,000
2002	3,000	2015	11,000	2028	32,000
2003	4,000	2016	11,000	2029	10,000
2004	4,000	2017	13,000		

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

This Bond is one of a series of Cawood Water District Waterworks Revenue Bonds, Series 1989A, in the aggregate principal amount of \$383,000 (the "Series 1989A Bonds"), issued simultaneously with the Cawood Water District Waterworks Revenue Bonds, Series 1989B, in the aggregate principal amount of \$191,000 (the "Series 1989B Bonds").

Attest:

Harrell M. Middleton
Secretary

CAWOOD WATER DISTRICT
Harlan County, Kentucky

By *Watterswick*
Chairman



The holder of this Bond has consented to the issuance of \$686,000 of bonds ranking on a parity as to security and source of payment with this Bond.



UNITED STATES OF AMERICA — COMMONWEALTH OF KENTUCKY — COUNTY OF HANCOCK

CAWOOD WATER DISTRICT
WATERWORKS REVENUE BOND, SERIES 1989B
 INTEREST RATE: 5.00%



The holder of this Bond has consented to the issuance of \$357,000 of bonds ranking on a parity as to security and source of payment with this bond.

KNOW ALL MEN BY THESE PRESENTS: That the Cawood Water District (the "District"), acting by and through its Board of Commissioners, a public body corporate, organized and existing pursuant to Chapter 74 of the Kentucky Revised Statutes, in Harlan County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, FARMERS HOME ADMINISTRATION, 333 Water Avenue, Lexington, Kentucky 40504, the registered owner hereof, or to its registered assigns, solely from the fund here identified, the sum of

ONE HUNDRED NINETY-ONE THOUSAND DOLLARS (\$191,000),

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

Year	Principal	Year	Principal	Year	Principal
1992	\$2,000	2005	4,000	2017	5,000
1993	2,000	2006	4,000	2018	7,000
1994	2,000	2007	4,000	2019	7,000
1995	2,000	2008	4,000	2020	7,000
1996	2,000	2009	4,000	2021	8,000
1997	2,000	2010	5,000	2022	8,000
1998	3,000	2011	5,000	2023	9,000
1999	3,000	2012	5,000	2024	9,000
2000	3,000	2013	5,000	2025	9,000
2001	3,000	2014	6,000	2026	10,000
2002	3,000	2015	6,000	2027	10,000
2003	3,000	2016	6,000	2028	10,000
2004	3,000				

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

This Bond is one of a series of Cawood Water District Waterworks Revenue Bonds, Series 1989B, in the aggregate principal amount of \$191,000 (the "Series 1989B Bonds"), issued simultaneously with the Cawood Water District Waterworks Revenue Bonds, Series 1989A, in the aggregate principal amount of \$363,000 (the "Series 1989A Bonds").

(hereinafter the Series 1989A Bonds and the Series 1989B Bonds shall be collectively referred to as the "Bonds") District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 74 and 1 Sections 58.010 and 58.140, inclusive, of the Kentucky Revised Statutes (the "Act"), and pursuant to a duly adopted Resolution of the District (the "Bond Resolution"), to which Bond Resolution reference is hereby made description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the construction and installation of the District's waterworks system (the "System").

This Bond, with the interest hereon, is payable from and secured by a first pledge of the gross revenues derived from the operation of the System, a sufficient portion of which gross revenues has been ordered set aside and pledged for that purpose and identified as the "Cawood Water District Waterworks Revenue Bonds Fund".

A first statutory mortgage lien upon the System is created and granted by the District in the Bond Resolution pursuant to the Act, and more specifically by Section 105.080 of the Kentucky Revised Statutes, to and in favor of the registered owner of this Bond; and the System, all appurtenances thereof and all extensions, additions, improvements thereof, shall remain subject to said statutory mortgage lien (in addition to the aforesaid revenue pledge) until payment in full of the principal of and interest on this Bond.

FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF.

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

IN WITNESS WHEREOF, said Cawood Water District, in the Commonwealth of Kentucky, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed attested by its Secretary, on the date of this Bond, which is August 30, 1990.

Attest:

Harrell M. Middleton
 Secretary

CAWOOD WATER DISTRICT
 Harlan County, Kentucky

By

Walter Hirsch

Chairman

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY

REGISTERED

NUMBER
AR-1

COUNTY OF HARLAN

CAWOOD WATER DISTRICT WATERWORKS REVENUE BONDS, SERIES 1995A

INTEREST RATE: 4.50%

REGISTERED

PRINCIPAL AMOUNT
\$343,000

KNOW ALL MEN BY THESE PRESENTS: That the Cawood Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Harlan County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477, the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

THREE HUNDRED FORTY-THREE THOUSAND DOLLARS (\$343,000)

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

Year	Principal	Year	Principal	Year	Principal
1999	\$3,800	2011	\$6,300	2024	\$11,200
1999	3,700	2012	6,200	2025	11,700
2000	3,600	2013	6,100	2026	12,200
2001	4,100	2014	7,200	2027	12,800
2002	4,200	2015	7,500	2028	13,300
2003	4,500	2016	7,900	2029	14,000
2004	4,600	2017	8,200	2030	14,600
2005	4,900	2018	8,600	2031	15,200
2006	5,100	2019	9,000	2032	15,800
2007	5,300	2020	9,400	2033	16,700
2008	5,500	2021	9,800	2034	17,400
2009	5,800	2022	10,500	2035	18,400
2010	6,000	2023	10,700		

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

This Series 1995 A Bond is issued by the District in conjunction with \$343,000 of the Cawood Water District Waterworks Revenue Bonds, Series 1995 B (the "Series 1995 B Bonds") under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond

Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Series 1995 A Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to its existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Series 1995 A Bond ranks on a parity as to security and source of payment with the Series 1995 B Bond and with certain outstanding Cawood Water District Waterworks Revenue Bonds, Series 1989A and Series 1989B, dated August 30, 1989 (the "Prior Bonds"), authorized by a Resolution adopted by the Commission of the District on October 26, 1989 (the "Prior Bond Resolution"). Accordingly, this Series 1995 A Bond, together with any bonds ranking on a parity herewith, is payable from or secured by a pledge of the gross revenues to be derived from the operation of the System.

This Series 1995 A Bond has been issued in full compliance with the Current Bond Resolution and the Prior Bond Resolution; and this Series 1995 A Bond, and any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Resolution and the Prior Bond Resolution, are and will continue to be payable from revenues which shall be set aside in a fund for that purpose and identified as the "Cawood Water District Waterworks Revenue Bonds Sinking Fund", created in the Prior Bond Resolution.

FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF

It is hereby certified, recited and declared that all acts, covenants and things required to exist, happen and be performed precedent to and in the issuance of this Series 1995 A Bond, do exist, have happened and have been performed in due time and manner as required by law, and that the face amount of this Series 1995 A Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, said Cawood Water District, by its Board of Commissioners, has caused this Series 1995 A Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Series 1995 A Bond, which is January 10, 1998.

CAWOOD WATER DISTRICT
Harlan County, Kentucky

By: Walter L. Lucha

Chairman

Attest:

David M. Miller

Secretary

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY

REGISTERED



COUNTY OF HARLAN

CAWOOD WATER DISTRICT WATERWORKS REVENUE BONDS, SERIES 1995B
INTEREST RATE: 4.50%

REGISTERED



KNOW ALL MEN BY THESE PRESENTS: That the Cawood Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Harlan County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 77 Corporate Drive, Suite 200, Lexington, Kentucky 40502-5477, the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

THREE HUNDRED FORTY-THREE THOUSAND DOLLARS (\$343,000)

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

Year	Principal	Year	Principal	Year	Principal
1998	\$3,600	2011	\$6,300	2024	\$11,200
1999	3,700	2012	6,600	2025	11,700
2000	3,800	2013	6,900	2026	12,200
2001	4,100	2014	7,200	2027	12,800
2002	4,200	2015	7,500	2028	13,300
2003	4,500	2016	7,800	2029	14,000
2004	4,600	2017	8,200	2030	14,600
2005	4,800	2018	8,600	2031	15,200
2006	5,100	2019	9,000	2032	15,900
2007	5,200	2020	9,400	2033	16,700
2008	5,500	2021	9,800	2034	17,400
2009	5,800	2022	10,300	2035	18,400
2010	6,000	2023	10,700		

and in like manner, solely from said fund, to pay interest on the balance of said principal then first to time remaining unpaid at the interest rate specified above, semiannually on the first days of January and July in each year, beginning with the first January or July after the date of this Series 1995 B Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, to the address of the registered owner shown on the registration book of this District.

This Series 1995 B Bond is issued by the District in conjunction with \$343,000 of the Cawood Water District Waterworks Revenue Bonds, Series 1995 A (the "Series 1995 A Bonds") under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 56 and 74 of the Kentucky Revised Statutes, collectively the "Act", and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond

Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Series 1995 B Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to its existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Series 1995 B Bond ranks on a parity as to security and source of payment with the Series 1995 A Bond and with certain outstanding Cawood Water District Waterworks Revenue Bonds, Series 1995A and Series 1989B, dated August 30, 1999 (the "Prior Bonds"), authorized by a Resolution adopted by the Commission of the District on October 26, 1989 (the "Prior Bond Resolution"). Accordingly, this Series 1995 B Bond, together with any bonds ranking on a parity herewith, is payable from an secured by a pledge of the gross revenues to be derived from the operation of the System.

This Series 1995 B Bond has been issued in full compliance with the Current Bond Resolution and the Prior Bond Resolution; and this Series 1995 B Bond, and any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Resolution and the Prior Bond Resolution, are and will continue to be payable from revenues which shall be set aside in a fund for that purpose and identified as the "Cawood Water District Waterworks Revenue Bonds Sinking Fund", created in the Prior Bond Resolution.

[FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF]

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 1995 B Bond, do exist, have happened and have been performed in due form and manner as required by law and that the face amount of this Series 1995 B Bond, together with all other obligations of this District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, said Cawood Water District, by its Board of Commissioners, has caused this Series 1995 B Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Series 1995 B Bond, which is January 10, 1996.

The holder of this Bond has consented to the issuance of \$343,000 of bonds ranking on a parity as to security and source of payment with said bonds.

CAWOOD WATER DISTRICT
Harlan County, Kentucky

By: Walter S. Lukko
Chairman

Attest:

Daniel M. Miskin
Secretary

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTY OF HARLAN

REGISTERED



CAWOOD WATER DISTRICT
WATERWORKS REVENUE BONDS, SERIES 2004
INTEREST RATE: 4.50%

REGISTERED



KNOW ALL PERSONS BY THESE PRESENTS: That the Cawood Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Harlan County, Kentucky for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477, the Registered Owner hereof, or its registered assigns, safely from this date hereinafter identified, the sum of

THREE HUNDRED FIFTY THOUSAND DOLLARS (\$350,000)

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

Year	Principal	Year	Principal	Year	Principal
2006	\$ 4,000	2019	\$ 6,000	2032	\$11,000
2007	4,000	2020	7,000	2033	12,000
2008	4,000	2021	7,000	2034	12,000
2009	4,000	2022	7,000	2035	13,000
2010	4,000	2023	8,000	2036	14,000
2011	5,000	2024	8,000	2037	14,000
2012	5,000	2025	8,000	2038	15,000
2013	5,000	2026	9,000	2039	15,000
2014	5,000	2027	9,000	2040	16,000
2015	5,000	2028	10,000	2041	17,000
2016	6,000	2029	10,000	2042	18,000
2017	6,000	2030	10,000	2043	19,000
2018	6,000	2031	20,000		

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

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act").

and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), in which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Bond is issued on a parity as to security and source of payment with the outstanding: (i) Cawood Water District Waterworks Revenue Bonds, Series 1999 A and B, dated August 30, 1999 (the "1999 Bonds"), authorized by a Resolution adopted by the Commission of the District on October 26, 1999 (the "1999 Bond Resolution"); and (ii) Cawood Water District Waterworks Revenue Bonds, Series 1995 A and B, dated January 10, 1995 (the "1995 Bonds"), authorized by a Resolution adopted by the Commission of the District on August 22, 1995 (the "1995 Bond Resolution"). Hereinafter the 1999 Bonds and the 1995 Bonds shall be collectively referred to as the "Prior Bonds", and the 1999 Bond Resolution and the 1995 Bond Resolution shall be collectively referred to as the "Prior Bond Resolutions". Accordingly, this Bond, is payable from and secured by a pledge of the gross revenues to be derived from the operation of the System, on a parity with the Prior Bonds.

FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF

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

IN WITNESS WHEREOF, said Cawood Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is **November 5, 2004.**

The holder of this Bond has consented to the raising on a parity as to security and source of payment of \$357,000 of bonds registered with this bond.

CAWOOD WATER DISTRICT
Harlan County, Kentucky

By: Walter Smith

Chairman

Attest: George W. Hensley

Secretary



UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
CAWOOD WATER DISTRICT
TAXABLE WATERWORKS REVENUE BONDS, SERIES 2010
(BUILD AMERICA BONDS - DIRECT PAYMENT)

No. R-1

Interest Rate: 2.25 %

\$357,000

KNOW ALL PERSONS BY THESE PRESENTS:

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

UNITED STATES OF AMERICA
acting by and through the
U.S. DEPARTMENT OF AGRICULTURE
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477

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

THREE HUNDRED FIFTY-SEVEN THOUSAND DOLLARS (\$357,000),

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

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2012	\$5,500	2025	\$7,500	2038	\$11,000
2013	5,500	2026	8,000	2039	11,500
2014	5,500	2027	8,000	2040	11,500
2015	6,000	2028	8,500	2041	12,000
2016	6,000	2029	8,500	2042	12,000
2017	6,000	2030	9,000	2043	12,500
2018	6,500	2031	9,000	2044	13,000
2019	6,500	2032	9,500	2045	13,500
2020	6,500	2033	9,500	2046	13,500
2021	7,000	2034	10,000	2047	14,000
2022	7,000	2035	10,000	2048	14,500
2023	7,500	2036	10,500	2049	16,500
2024	7,500	2037	10,500		

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the Interest Rate specified above, semiannually on the first days

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Cawood Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- ☒ Check this box if the Utility has no related party transactions.
- ☐ Check box if additional transactions are listed on the supplemental page.
- ☐ Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Donnie Britton

(Print Name)



(Signed)

Chairperson

(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Donnie Britton
(Name)

this 17th day of April, 2017.

Datada L. Thompson
NOTARY PUBLIC
State-at-Large #545421
Exp. Nov 9, 2019

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

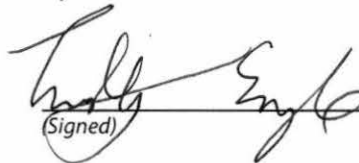
I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Cawood Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- ☒ Check this box if the Utility has no related party transactions.
- ☐ Check box if additional transactions are listed on the supplemental page.
- ☐ Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Timothy Engle

(Print Name)



(Signed)

Secretary

(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Timothy A. Engle Sr.
(Name)

this 17th day of April, 20 17.

Danacha L. Thompson
NOTARY PUBLIC
State-at-Large # 545421
Exp Nov 9, 2019

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Cawood Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- ☐ Check this box if the Utility has no related party transactions.
- ☒ Check box if additional transactions are listed on the supplemental page.
- ☒ Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Harold Sellers
(Print Name)


(Signed)

Treasurer
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Herold K. Sellers
(Name)

this 17th day of April, 20 17.

Datada J. Thompson
NOTARY PUBLIC
State-at-Large #545421
Exp Nov. 9, 2019

Name: Harold K. Sellers

Position: Treasurer

Page 3 of 3

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Cawood Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation



Check this box if the Utility has no related party transactions.



Check box if additional transactions are listed on the supplemental page.



Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Howard Farmer, Jr.

(Print Name)


(Signed)

Commissioner

(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Howard Farmer Jr.
(Name)

this 17th day of April, 2017.

Deborah L. Thompson
NOTARY PUBLIC
State-at-Large #545421

Exp. Nov. 9, 2019

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Cawood Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- ☒ Check this box if the Utility has no related party transactions.
- ☐ Check box if additional transactions are listed on the supplemental page.
- ☐ Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Sheila Middleton

(Print Name)

Sheila Middleton

(Signed)

Commissioner

(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Shelia Middleton
(Name)

this 17th day of April, 2017.

Natasha L. Champden
NOTARY PUBLIC
State-at-Large # 545421
Exp. Nov. 9, 2019

STATEMENT OF DISCLOSURE OF RELATED PARTY TRANSACTIONS

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Cawood Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation



Check this box if the Utility has no related party transactions.



Check box if additional transactions are listed on the supplemental page.



Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Lana Pace

(Print Name)


(Signed)

Finance Officer

(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Lana Pace
(Name)

this 17th day of April, 20 17.

Natasha L. Thompson
NOTARY PUBLIC
State-at-Large #545421
Exp Nov 9, 2019

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Cawood Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- ☒ Check this box if the Utility has no related party transactions.
- ☐ Check box if additional transactions are listed on the supplemental page.
- ☐ Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Christopher McClain

(Print Name)

Christopher McClain

(Signed)

Superintendent

(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Christopher McClain
(Name)

this 17th day of July, 20 20.

Shanda C. Middleton
NOTARY PUBLIC
State-at-Large
12/13/2020
Notary ID #
569959

**AVERAGE METER CONNECTION EXPENSE
COST JUSTIFICATION**

Name of Utility Cawood Water District

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch ☐ 3/4-Inch ☒ 1-Inch ☐ 1 1/2 -Inch ☐ 2-Inch ☐

Other (specify) _____

B. Materials Expense

	<u>Unit Quantity</u>	<u>Cost</u>	<u>Total Cost</u>
1. Water Meter	<u>1</u>	<u>\$62.00</u>	<u>\$62.00</u>
2. Meter Yoke	<u>1</u>	<u>188.79</u>	<u>188.79</u>
3. Corporation Stop	<u>1</u>	<u>31.04</u>	<u>31.04</u>
4. Meter Box and Top	<u>1</u>	<u>65.41</u>	<u>65.41</u>
5. Miscellaneous Fittings	<u>1</u>	<u>32.38</u>	<u>32.38</u>
6. Other (Itemize)			
<u>Ind. Pressure Regulator</u>	<u>0.5</u>	<u>61.13</u>	<u>30.56</u>

TOTAL MATERIALS EXPENSE \$410.18
(add total cost)

C. Service Pipe Expense

Type of Service Pipe HDPE Size of Service Pipe 3/4 inch

		<u>Unit Quantity</u>	<u>Cost</u>	<u>Total Cost</u>
1.	Short Side Service	<u>10'</u>	<u>\$0.30</u>	<u>\$ 3.00</u>
2.	Long Side Service	<u>40'</u>	<u>0.30</u>	<u>12.00</u>
AVERAGE SERVICE PIPE EXPENSE (add total cost and divide by 2)				<u>\$ 7.50</u>

D. Installation Labor Expense

		<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1.	Short Side Service	<u>4</u>	<u>\$20.00</u>	<u>\$80.00</u>
2.	Long Side Service	<u>8</u>	<u>20.00</u>	<u>160.00</u>
AVERAGE INSTALLATION LABOR EXPENSE (add total cost and divide by 2)				<u>\$120.00</u>

E. Installation Equipment Expense

		<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1.	Short Side Service	<u>1 hrs.</u>	<u>\$50.00</u>	<u>\$50.00</u>
2.	Long Side Service	<u>3 hrs.</u>	<u>75.00</u>	<u>225.00</u>
AVERAGE INSTALLATION EQUIPMENT EXPENSE (add total cost and divide by 2)				<u>\$ 137.50</u>

F. Installation Miscellaneous Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Inspection	_____	\$ _____	
2. Site Clean-Up	<u>2 hrs.</u>	<u>20.00</u>	<u>40.00</u>
3. Other			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

AVERAGE INSTALLATION MISCELLANEOUS EXPENSE \$40.00
(add total cost)

G. Overhead Expense

1. Installation expense (\$_____) times
overhead rate (____%) \$ 0.00

H. Administrative Expense

1. Office expense for establishing a new account
and billing record. \$35.00

I. Total Expenses

Materials Expense	<u>\$410.18</u>
Service Pipe Expense	<u>7.50</u>
Installation Labor Expense	<u>120.00</u>
Installation Equipment Expense	<u>137.50</u>
Installation Miscellaneous Expense	<u>40.00</u>
Overhead Expense	<u>0.00</u>
Administrative Expense	<u>35.00</u>

TOTAL CONNECTION EXPENSE \$ 750.18 - \$750.00

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Meter Turn-on; Meter Re-read; and Meter Re-setting

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>1.5 hrs @ \$20.00 / hr</u>	<u>\$30.00</u>
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Total Field Expense	\$ <u>\$30.00</u>
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2. Clerical and Office Expense

A. Supplies	\$ _____
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B. Labor	_____
----------	-------

Total Clerical and Office Expense	\$ _____
------------------------------------------	-----------------

3. Miscellaneous Expense

A. Transportation	\$ <u>5.00</u>
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B. Other (Itemize)	
_____	_____
_____	_____
_____	_____

Total Miscellaneous Expense	\$ <u>5.00</u>
------------------------------------	-----------------------

Total Nonrecurring Charge Expense	\$ <u>35.00</u>
------------------------------------------	------------------------

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Meter Test Charge

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>1.5 hours @ 20.00/ hr</u>	<u>30.00</u>
------------------------------	--------------

Total Field Expense	\$ <u>30.00</u>
----------------------------	------------------------

2. Clerical and Office Expense

A. Supplies	\$ _____
-------------	----------

B. Labor	_____
----------	-------

Total Clerical and Office Expense	\$ _____
------------------------------------------	-----------------

3. Miscellaneous Expense

A. Transportation	\$ <u>5.00</u>
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B. Other (Itemize)

<u>shipping/testing</u>	<u>15.00</u>
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_____	_____
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_____	_____
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Total Miscellaneous Expense	\$ <u>20.00</u>
------------------------------------	------------------------

Total Nonrecurring Charge Expense	\$ <u>50.00</u>
------------------------------------------	------------------------

For: Rural Harlan County

PSC KY Number: _____

4th Revision Sheet No. 3

Cancelling PSC KY Number: 99-332

Sheet No. 3

Cawood Water District

(Name of Utility)

Special Nonrecurring Charges – Meter Related.

1. Meter Connection /Tap-On Charge: \$ 750.00

Will be assessed to hook up a new meter connection/tap-on. An additional charge consisting of the actual costs involved shall apply when rock is encountered.

2. Meter Turn-On Charge: \$ 35.00

Will be assessed for new service turn-ons, seasonal turn-ons, temporary service, or transfer of service. The charge will not be made for initial installation of service where a meter connection/tap-on charge is applicable.

3. Meter Relocation Charge: \$ Actual Cost

Will be assessed when a customer or other authorized person requests that a meter be relocated, changed, or modified. Those requesting a change must reimburse the utility for the actual costs incurred, including but not limited to appropriate legal, administrative, engineering, overhead, or other related costs.

4. Meter Re-read Charge: \$ 35.00

Will be assessed when a customer requests the utility to re-read the customer's meter and the re-read proves that the original meter reading was correct.

5. Meter Re-setting Charge: \$ 35.00

Will be assessed to reset a meter if the meter has been removed at the customer's request.

6. Meter Test Charge: \$ 50.00

Will be assessed when a customer requests the utility perform a test on the customer's meter to check for accuracy and the test shows the customer's meter is not more than two percent (2%) fast. The utility will perform such test on any meter upon written request of any customer if the request is not made more than once every twelve (12) months.

DATE OF ISSUE July 21, 2017
Month / Day / Year

DATE EFFECTIVE _____
Month / Day / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____