

# FOUNTAIN RUN WATER DISTRICT

226 Main Street, P.O. Box 118  
 Fountain Run, Kentucky 42133  
 Phone: 270-434-4080  
 Fax: 270-434-4081

Public Service Commission  
 P.O. Box 615  
 211 Sower Blvd  
 Frankfort, Kentucky 40601

June 15, 2018

RECEIVED

JUN 19 2018

PUBLIC SERVICE  
 COMMISSION

RE: Fountain Run Water District #1  
 Alternative Rate Filing Application

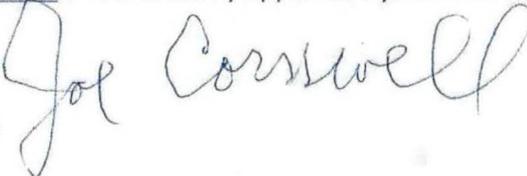
Please find enclosed the forms and supporting documents of the Fountain Run Water District #1 Alternative Rate Filing Application. The ARF is being filed pursuant to 807 KAR 5:076. An original and five (5) copies of the entire application are enclosed.

Although the utility may recover 32.47% per the *REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD*, Fountain Run Water District #1 is requesting from the Commission an increase of 20% to existing water rates to cover operating, debt, and depreciation expenses that would allow the District to continue to provide safe drinking water to its customers. The District understands that no new rates shall become effective without the approval of PSC and that FRWD's request may be altered with recommendations from the Commission different than the rates proposed by FRWD.

We are herein further requesting assistance from PSC during the Staff Report phase of the ARF process that PSC assist FRWD staff in performing cost of service allocations that would allow the District to reduce the number of step classifications in our rate structure and a different minimum bill for all customers having larger than the residential 5/8" x 3/4" meters. Our staff lacks the expertise and the current operating revenues to procure professional services for these additional tasks.

A full copy of this application and related documents and filings have been sent to the Attorney General's Office of Rate Intervention, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204. Please contact our office if you have any questions or further documentation is needed to consider this application. Our email of record is [frwd1@scrtc.com](mailto:frwd1@scrtc.com). We sincerely appreciate your consideration of our requests.

Respectfully,



Joe Cornwell  
 Chairman

cc: Attorney General's Office of Rate Intervention

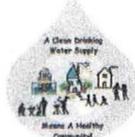
Enclosures: 0 + 5 Copies of ARF Application w/ Attachments

## EQUAL OPPORTUNITY EMPLOYER & SERVICE PROVIDER

For Hearing Impaired, call Local TDD person for KY Relay Services – (270) 789 - 4398



Fountain Run, Kentucky  
 'Crossroads of Three Counties'



Fountain Run Water District  
 Serving Allen, Barren, and Monroe Counties

**SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY**

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

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

Fountain Run Water District No. 1

(Name of Utility)

P.O. Box 118, 226 Main Street

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

Fountain Run, Kentucky 42133

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

(270) 434 - 4080

(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:

Fountain Run Water District No. 1

(Name)

P.O. Box 118, 226 Main Street

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

Fountain Run, Kentucky 42133

(Address - City, State, Zip)

(270) 434 - 4080

(Telephone Number)

frwd@scrtc.com

(Email Address)

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

YES NO N/A

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

YES NO N/A

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

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2017.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 74,735.72 and total revenues from service rates of \$ 304,895.00. 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 536 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.

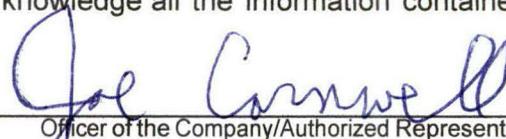
YES NO N/A

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 \_\_\_\_\_ (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

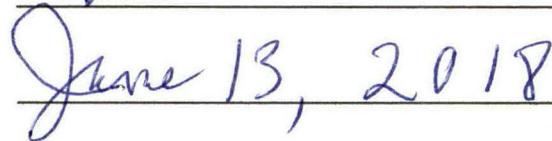


Officer of the Company/Authorized Representative

Title

Chairman

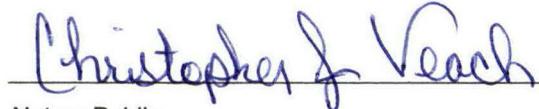
Date



COMMONWEALTH OF KENTUCKY

COUNTY OF MONROE

Before me appeared Joe Cornwell, 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.



Notary Public

My commission expires:



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

- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- Attachment Billing Analysis" Attachment
- Depreciation Schedules
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

**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.)**

Following the construction of the water storage tank in 2009 and into operation within 2010, the District's larger metered customers (primarily chicken farmers) have sought and secured alternative sources of water including laying their own service lines and connecting directly to the Glasgow distribution system. Water usage is down by the larger users although the District has added some residential customers in recent years.

With increased operating expenses and as a USDA-RURAL DEVELOPMENT borrower, the need to maintain a debt coverage of 1.2 are the reasons for the request for an adjusted rate increase.

To be Published in the  
**Tompkinsville News**  
Thursday, June 21, 2018  
Thursday, June 28, 2018  
Thursday, July 5, 2018

PUBLIC NOTICE  
Fountain Run Water District #1

Fountain Run Water District No. 1 has applied to the Public Service Commission for an adjustment of rates in the total amount of \$276,231.84 on an annual basis, which is an increase of \$46,072.56 or approximately 20 percent over normalized revenues from water sales of \$230,159.28.

The comparison of the present and proposed rates of the Fountain Run Water District No. 1 is as follows:

	Existing Rates	Proposed Rates	Difference Dollar	Difference Percentage
First 2000 gallons	\$16.72 minimum	\$20.06 minimum	\$3.34	20%
Next 3000 gallons	\$ 5.84 per thousand	\$ 7.01 per thousand	\$1.17	20%
Next 5000 gallons	\$ 5.43 per thousand	\$ 6.52 per thousand	\$1.09	20%
Next 10,000 gallons	\$ 4.66 per thousand	\$ 5.59 per thousand	\$0.93	20%
All Over 20,000 gallons	\$ 3.98 per thousand	\$ 4.78 per thousand	\$0.80	20%

If the Public Service Commission approves the proposed rates, then the monthly bill for residential customer using an average of 4,000 gallons per month will increase from \$28.40 to \$34.08. This is an increase of \$5.68 or 20%.

The rates contained in this Notice are the rates proposed by Fountain Run Water District No. 1 however, the Public Service Commission may order rates to be charged different from the proposed rates contained in this Notice.

Any corporation, association, or person with a substantial interest in the matter may submit a timely written request to intervene to the Public Service Commission at the address shown below establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Commission may take final action on the application. Copies of the application may be obtained at no charge by contacting Fountain Run Water District No. 1. Any person may examine the rate application and any other filings at the offices of Fountain Run Water District No. 1 or the Public Service Commission.

Fountain Run Water District No. 1  
226 Main Street  
P.O. Box 118  
Fountain Run, KY 42133

Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40601

Persons may also view and download a copy of the rate application through the Public Service Commission's website at <http://psc.ky.gov>.

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

**Fountain Run Water District #1 Current Rates:**

First	2000 gallons	\$ 16.72	minimum
Next	3000 gallons	\$ 5.84	per thousand
Next	5000 gallons	\$ 5.43	per thousand
Next	10,000 gallons	\$ 4.66	per thousand
All Over	20,000 gallons	\$ 3.98	per thousand

**Fountain Run Water District #1 Proposed Rates:**

First	2000 gallons	\$ 20.06	minimum
Next	3000 gallons	\$ 7.01	per thousand
Next	5000 gallons	\$ 6.52	per thousand
Next	10,000 gallons	\$ 5.59	per thousand
All Over	20,000 gallons	\$ 4.78	per thousand

**Title: Statement of Adjusted Operations**  
**Utility: Fountain Run Water District No. 1**

**Test Year Ending**  
**12/31/2017**

	2017	Adjusted 2018	Ref	Proforma
<b>Operating Revenues:</b>				
Sales Revenue	\$ 232,846.00	\$ -		\$ 232,846.00
Miscellaneous Service Revenues	\$ 8,784.00	\$ -		\$ 8,784.00
<b>Total Operating Revenues</b>	<b>\$ 241,630.00</b>	<b>\$ -</b>		<b>\$ 241,630.00</b>
<b>Operating Expenses:</b>				
<b>Operation &amp; Maintenance</b>				
Salaries and Wages - Employees	\$ 96,197.00	\$ -		\$ 96,197.00
Salaries and Wages - Commissioners' fees	\$ 6,000.00	\$ -		\$ 6,000.00
Payroll Taxes	\$ 8,113.00	\$ -		\$ 8,113.00
Employee Pension & Benefits				
Purchased Water	\$ 79,235.00	\$ -		\$ 79,235.00
Purchased Electric	\$ 4,179.00	\$ -		\$ 4,179.00
Fuel / Transportation Expenses	\$ 1,299.00	\$ -		\$ 1,299.00
Office Utilities	\$ 2,737.00	\$ -		\$ 2,737.00
Water				
Sewer				
Telephone				
Repairs and Maintenance	\$ 6,093.00	\$ -		\$ 6,093.00
Water Sampling/Testing	\$ 2,532.00	\$ -		\$ 2,532.00
Office Expense	\$ 1,453.00	\$ -		\$ 1,453.00
Insurance*	\$ 11,932.00	\$ -		\$ 11,932.00
Vehicle/General Liability				
Workers Compensation				
Name Surety Bond - Staff + Treasurer				
Commissioners - Name Schedule Bond				
Bad Debt Expense				
Professional Fees	\$ 7,804.00	\$ -		\$ 7,804.00
Miscellaneous	\$ 1,234.00	\$ -		\$ 1,234.00
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$ 228,808.00</b>	<b>\$ -</b>		<b>\$ 228,808.00</b>
Depreciation and Amortization	\$ 44,631.00			\$ 44,631.00
	<u>\$ 273,439.00</u>			<u>\$ 273,439.00</u>
Long-Term Debt			<b>A</b>	\$ 47,995.00
(Principal/Interest Pmts + 1.2 Debt Coverage)				

## REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD

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

Pro forma Operating Expenses	\$ 273,439.00
Plus: Average Annual Debt Principal and Interest Payments*	\$ 39,995.83
Debt Coverage Requirement**	\$ 7,999.17
Total Revenue Requirement	<u>\$ 321,434.00</u>
Less: Other Operating Revenue	
Non-Operating Revenue (Rental Income)	\$ 15,680.00
Interest Income	\$ 859.00
Revenue Required from Rates	\$ 304,895.00
Less: Revenue from Sales at Present Rates	\$ 230,159.28
Required Revenue Increase	\$ 74,735.72
Required Revenue Increase stated as a Percentage of Revenue at Present Rates	32.47%

\* 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.

## **Fountain Run Water District #1**

**Based Upon Test Year 2017 Supported by Audit Report Ending December 31, 2017**

<b>Ref</b>	<b>Explanation of Adjustment</b>
<b>A</b>	USDA-RD requires a debt coverage ration of 1.2. The enclosed Debt Summary Table details principal and interest payments plus the 20% coverage. A three-year (2018, 2019, & 2020) average was used equaling \$47,995.

**Fountain Run Water District #1 - Billing Analysis**  
**Based Upon Test Year 2017 Supported by Audit Report Ending December 31, 2017**

Rate Classes	2017 Total # of Residential Bills	2017 Total Residential Usage (Gallons)	2017 Total # of Commercial Bills	2017 Total Commercial Usage (Gallons)	2017 Total # of Bills	2017 Total Usage (Gallons)
0 - 2000 gallons	2482	1,998,948	150	99,200	2632	2,098,148
2001 - 5000 gallons	2251	7,466,200	34	107,700	2285	7,573,900
5001 - 10,000 gallons	843	5,688,800	17	133,000	860	5,821,800
10,001 - 20,000 gallons	293	4,030,900	26	378,800	319	4,409,700
20,001+ gallons	215	12,806,000	27	2,409,300	242	15,215,300
<b>Totals:</b>	<b>6084</b>	<b>31,990,848</b>	<b>254</b>	<b>3,128,000</b>	<b>6338</b>	<b>35,118,848</b>
					<b>6338</b>	<b>35,118,848</b>

**REVENUE TABLE - TEST YEAR - EXISTING RATES**

Rate Classes	2017 Total # of Bills	2017 Total Usage (Gallons)	Existing Rates	Revenue Generated from Rates	<sup>1</sup> Base Rate Gallons	<sup>2</sup> 2001 - 5000 Gallons x \$5.84/ 1000G	<sup>3</sup> 5001 - 10,000 Gallons x \$5.43/ 1000G	<sup>4</sup> 10,001 - 20,000 Gallons x \$4.66/ 1000G	<sup>5</sup> 20,001+ Gallons x \$3.98/ 1000G
<sup>1</sup> 0 - 2000 gallons	2632	2,098,148	\$ 16.72 mimimum	\$ 44,007.04					
<sup>2</sup> 2001 - 5000 gallons	2285	7,573,900	\$ 5.84 per thousand	\$ 55,747.98	4,570,000	3,003,900			
<sup>3</sup> 5001 - 10,000 gallons	860	5,821,800	\$ 5.43 per thousand	\$ 37,709.77	1,720,000	2,580,000	1,521,800		
<sup>4</sup> 10,001 - 20,000 gallons	319	4,409,700	\$ 4.66 per thousand	\$ 25,267.21	638,000	957,000	1,595,000	1,219,700	
<sup>5</sup> 20,001+ gallons	242	15,215,300	\$ 3.98 per thousand	\$ 67,427.27	484,000	726,000	1,210,000	2,420,000	10,375,300
	<b>6338</b>	<b>35,118,848</b>		<b>\$230,159.28</b>					

\*The Auditor stated the numbers used within the Annual Audit and Annual Report are not precise due to rounding, late fees, billing errors, leak adjustments as well as Accounts Receivable estimations.

**REVENUE TABLE - TEST YEAR - PROPOSED RATES w/ 20% INCREASE REQUEST**

Rate Classes	2017 Total # of Bills	2017 Total Usage (Gallons)	Proposed Rates		Revenue Generated from Rates	<sup>1</sup> Base Rate Gallons	<sup>2</sup> 2001 - 5000 Gallons x \$8.05/ 1000G	<sup>3</sup> 5001 - 10,000 Gallons x \$7.30/ 1000G	<sup>4</sup> 10,001 - 20,000 Gallons x \$6.55/ 1000G	<sup>5</sup> 20,001+ Gallons x \$6.44/ 1000G
0 - 2000 gallons	2632	2,098,148	\$ 20.06	mimimum	\$ 52,797.92					
2001 - 5000 gallons	2285	7,573,900	\$ 7.01	per thousand	\$ 66,894.44	4,570,000	3,003,900			
5001 - 10,000 gallons	860	5,821,800	\$ 6.52	per thousand	\$ 45,259.54	1,720,000	2,580,000	1,521,800		
10,001 - 20,000 gallons	319	4,409,700	\$ 5.59	per thousand	\$ 30,325.23	638,000	957,000	1,595,000	1,219,700	
20,001+ gallons	242	15,215,300	\$ 4.78	per thousand	\$ 80,954.71	484,000	726,000	1,210,000	2,420,000	10,375,300
	6338	35,118,848			\$276,231.84					

**Fountain Run Water District No. 1**  
**2017 Usage By Rate Classes**

**JANUARY 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	212	169,800	14	8,400	226	99,200
2001 - 5000 gallons	180	613,400	1	3,800	181	617,200
5001 - 10,000 gallons	68	425,900	2	14,700	70	440,600
10,001 - 20,000 gallons	24	315,600	2	24,400	26	340,000
20,001+ gallons	12	644,600	2	171,800	14	816,400
<b>Totals:</b>	<b>496</b>	<b>2,169,300</b>	<b>21</b>	<b>223,100</b>	<b>517</b>	<b>2,313,400</b>
					<b>517</b>	<b>2,392,400</b>

**Fountain Run Water District No. 1  
2017 Usage By Rate Classes**

**FEBRUARY 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	217	155,900	12	7,500	229	163,400
2001 - 5000 gallons	190	600,300	3	8,400	193	608,700
5001 - 10,000 gallons	66	436,100	3	22,800	69	458,900
10,001 - 20,000 gallons	13	190,700	1	13,600	14	204,300
20,001+ gallons	12	549,700	2	142,000	14	691,700
<b>Totals:</b>	<b>498</b>	<b>1,932,700</b>	<b>21</b>	<b>194,300</b>	<b>519</b>	<b>2,127,000</b>
					<b>519</b>	<b>2,127,000</b>

**Fountain Run Water District No. 1**  
**2017 Usage By Rate Classes**

**MARCH 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	197	157,300	12	8,600	209	165,900
2001 - 5000 gallons	186	589,300	4	12,800	190	602,100
5001 - 10,000 gallons	85	564,400	1	9,100	86	573,500
10,001 - 20,000 gallons	18	242,100	2	28,500	20	270,600
20,001+ gallons	13	816,900	2	137,800	15	954,700
<b>Totals:</b>	<b>499</b>	<b>2,370,000</b>	<b>21</b>	<b>196,800</b>	<b>520</b>	<b>2,566,800</b>
					<b>520</b>	<b>2,566,800</b>

**Fountain Run Water District No. 1**  
**2017 Usage By Rate Classes**

**APRIL 2017 USAGE**

Rate Classes	2017 Total # of Residential Bills	2017 Total Residential Usage (Gallons)	2017 Total # of Commerical Bills	2017 Total Commerical Usage (Gallons)	2017 Total # of Bills	2017 Total Usage (Gallons)
0 - 2000 gallons	227	187,300	12	9,000	239	196,300
2001 - 5000 gallons	179	586,200	3	11,500	182	597,700
5001 - 10,000 gallons	59	399,900	3	18,200	62	418,100
10,001 - 20,000 gallons	26	333,400	1	15,200	27	348,600
20,001+ gallons	15	779,100	2	281,100	17	1,060,200
<b>Totals:</b>	506	2,285,900	21	335,000	527	2,620,900
					527	2,620,900

**Fountain Run Water District No. 1**  
**2017 Usage By Rate Classes**

**MAY 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	191	148,848	11	8,300	202	157,148
2001 - 5000 gallons	206	695,000	5	15,900	211	710,900
5001 - 10,000 gallons	73	492,300	1	9,600	74	501,900
10,001 - 20,000 gallons	20	298,900	2	29,900	22	328,800
20,001+ gallons	21	1,251,800	2	65,900	23	1,317,700
<b>Totals:</b>	<b>511</b>	<b>2,886,848</b>	<b>21</b>	<b>129,600</b>	<b>532</b>	<b>3,016,448</b>
					<b>532</b>	<b>3,016,448</b>

**Fountain Run Water District No. 1**  
**2017 Usage By Rate Classes**

**JUNE 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	201	157,300	13	9,400	214	166,700
2001 - 5000 gallons	193	639,200	2	5,500	195	644,700
5001 - 10,000 gallons	70	480,000	1	5,900	71	485,900
10,001 - 20,000 gallons	23	331,000	2	25,400	25	356,400
20,001+ gallons	22	1,517,800	3	278,700	25	1,796,500
<b>Totals:</b>	<b>509</b>	<b>3,125,300</b>	<b>21</b>	<b>324,900</b>	<b>530</b>	<b>3,450,200</b>
					<b>530</b>	<b>3,450,200</b>

**Fountain Run Water District No. 1**  
**2017 Usage By Rate Classes**

**JULY 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	202	163,300	13	8,400	215	171,700
2001 - 5000 gallons	182	618,200	2	5,200	184	623,400
5001 - 10,000 gallons	80	561,200	1	7,800	81	569,000
10,001 - 20,000 gallons	30	450,400	2	29,900	32	480,300
20,001+ gallons	17	1,058,300	3	414,200	20	1,472,500
<b>Totals:</b>	<b>511</b>	<b>2,851,400</b>	<b>21</b>	<b>465,500</b>	<b>532</b>	<b>3,316,900</b>
					<b>532</b>	<b>3,316,900</b>

**Fountain Run Water District No. 1  
2017 Usage By Rate Classes**

**AUGUST 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	190	158,300	12	8,600	202	166,900
2001 - 5000 gallons	180	634,100	3	11,300	183	645,400
5001 - 10,000 gallons	80	543,200	1	9,800	81	553,000
10,001 - 20,000 gallons	32	406,100	1	16,400	33	422,500
20,001+ gallons	27	2,042,700	4	221,400	31	2,264,100
<b>Totals:</b>	<b>509</b>	<b>3,784,400</b>	<b>21</b>	<b>267,500</b>	<b>530</b>	<b>4,051,900</b>

**Fountain Run Water District No. 1  
2017 Usage By Rate Classes**

**SEPTEMBER 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	208	167,700	13	7,800	221	175,500
2001 - 5000 gallons	198	651,700	2	5,700	200	657,400
5001 - 10,000 gallons	65	453,100	1	8,900	66	462,000
10,001 - 20,000 gallons	22	306,500	3	48,400	25	354,900
20,001+ gallons	18	1,234,800	2	329,400	20	1,564,200
<b>Totals:</b>	<b>511</b>	<b>2,813,800</b>	<b>21</b>	<b>400,200</b>	<b>532</b>	<b>3,214,000</b>
					<b>532</b>	<b>3,214,000</b>

**Fountain Run Water District No. 1  
2017 Usage By Rate Classes**

**OCTOBER 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	214	176,700	12	6,500	226	183,200
2001 - 5000 gallons	185	597,100	3	9,000	188	606,100
5001 - 10,000 gallons	60	400,300	1	8,900	61	409,200
10,001 - 20,000 gallons	30	405,600	3	46,500	33	452,100
20,001+ gallons	22	1,174,600	2	57,200	24	1,231,800
<b>Totals:</b>	<b>511</b>	<b>2,754,300</b>	<b>21</b>	<b>128,100</b>	<b>532</b>	<b>2,882,400</b>
					<b>532</b>	<b>2,882,400</b>

**Fountain Run Water District No. 1  
2017 Usage By Rate Classes**

**NOVEMBER 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	199	156,700	13	7,900	212	164,600
2001 - 5000 gallons	188	628,800	3	9,200	191	638,000
5001 - 10,000 gallons	72	482,600	1	9,400	73	492,000
10,001 - 20,000 gallons	34	453,500	3	40,200	37	493,700
20,001+ gallons	19	958,300	2	181,900	21	1,140,200
<b>Totals:</b>	<b>512</b>	<b>2,679,900</b>	<b>22</b>	<b>248,600</b>	<b>534</b>	<b>2,928,500</b>
					<b>534</b>	<b>2,928,500</b>

**Fountain Run Water District No. 1  
2017 Usage By Rate Classes**

**DECEMBER 2017 USAGE**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	224	199,800	13	8,800	237	208,600
2001 - 5000 gallons	184	612,900	3	9,400	187	622,300
5001 - 10,000 gallons	65	449,800	1	7,900	66	457,700
10,001 - 20,000 gallons	21	297,100	4	60,400	25	357,500
20,001+ gallons	17	777,400	1	127,900	18	905,300
<b>Totals:</b>	<b>511</b>	<b>2,337,000</b>	<b>22</b>	<b>214,400</b>	<b>533</b>	<b>2,551,400</b>
					<b>533</b>	<b>2,551,400</b>

**Fountain Run Water District No. 1  
2017 Usage By Rate Classes**

**JAN - DEC 2017 USAGE DATA TOTALS PER RATE CLASS**

<b>Rate Classes</b>	<b>2017 Total # of Residential Bills</b>	<b>2017 Total Residential Usage (Gallons)</b>	<b>2017 Total # of Commerical Bills</b>	<b>2017 Total Commerical Usage (Gallons)</b>	<b>2017 Total # of Bills</b>	<b>2017 Total Usage (Gallons)</b>
0 - 2000 gallons	2482	1,998,948	150	99,200	2632	2,098,148
2001 - 5000 gallons	2251	7,466,200	34	107,700	2285	7,573,900
5001 - 10,000 gallons	843	5,688,800	17	133,000	860	5,821,800
10,001 - 20,000 gallons	293	4,030,900	26	378,800	319	4,409,700
20,001+ gallons	215	12,806,000	27	2,409,300	242	15,215,300
<b>Totals:</b>	<b>6084</b>	<b>31,990,848</b>	<b>254</b>	<b>3,128,000</b>	<b>6338</b>	<b>35,118,848</b>
					<b>6338</b>	<b>35,118,848</b>

**FOUNTAIN RUN WATER DISTRICT #1**  
**Statement of Revenues, Expenses and Change in Net Position**  
**For the Year Ended December 31, 2017**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Operating revenues:</b>			
Sales revenue	\$ 232,846	\$ 32,908	\$ 265,754
Miscellaneous service revenue	8,784	1,261	10,045
Total operating revenues	<u>241,630</u>	<u>34,169</u>	<u>275,799</u>
<b>Operating expenses:</b>			
Water purchases	79,235	-	79,235
Purchased power	4,179	3,254	7,433
Repairs and maintenance	6,093	3,297	9,390
Transportation	1,299	236	1,535
Office expense	1,453	362	1,815
Insurance	11,932	102	12,034
Commissioners' salaries	6,000	-	6,000
Employees' salaries and wages	96,197	12,112	108,309
Payroll taxes	8,113	927	9,040
Depreciation and amortization	44,631	52,304	96,935
Professional fees	7,804	4,258	12,062
Analysis fees	2,532	-	2,532
Office utilities	2,737	-	2,737
Miscellaneous	1,234	808	2,042
Total operating expenses	<u>273,439</u>	<u>77,660</u>	<u>351,099</u>
Operating income	<u>(31,809)</u>	<u>(43,491)</u>	<u>(75,300)</u>
<b>Non-operating revenue (expenses):</b>			
Interest income	859	11	870
Rental income	15,680	-	15,680
Gain on disposal of equipment	-	4,000	4,000
Interest expense on bonds	(20,370)	(2,119)	(22,489)
Total non-operating revenue (expenses)	<u>(3,831)</u>	<u>1,892</u>	<u>(1,939)</u>
Income/(loss) before capital contributions	<u>(35,640)</u>	<u>(41,599)</u>	<u>(77,239)</u>
<b>Capital contributions</b>			
Grant revenue	-	84,308	84,308
Tap fees	2,930	-	2,930
Total capital contributions	<u>2,930</u>	<u>84,308</u>	<u>87,238</u>
Change in net position	(32,710)	42,709	9,999
<b>Net position:</b>			
Beginning of year	958,107	950,064	1,908,171
End of year	<u>\$ 925,397</u>	<u>\$ 992,773</u>	<u>\$ 1,918,170</u>

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

Fountain Run Water District  
**Depreciation Expense**

Sorted: General - tax link

Water

01/01/2017 - 12/31/2017

System No.	S	Description	Date in Service	Method / Conv.	Life	Cost / Other Basis	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation	Net Book Value
<b>990, Pg 10 #1 - Water</b>										
<b>Communication Equipment</b>										
100		3 Radios	4/1/1999	SL / N/A	5.0000	1,267.50	1,267.50	0.00	1,267.50	0.00
101		40 Watt Mobile Radio	12/1/2003	SL / N/A	5.0000	470.25	470.25	0.00	470.25	0.00
102		Telemetry System	7/1/2010	SL / N/A	25.0000	88,096.57	22,905.10	3,523.86	26,428.96	61,667.61
103		Telemetry System	4/1/2011	SL / N/A	25.0000	2,201.25	484.28	88.05	572.33	1,628.92
<b>Subtotal: Communication Equipment</b>						<b>92,035.57</b>	<b>25,127.13</b>	<b>3,611.91</b>	<b>28,739.04</b>	<b>63,296.53</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Communication Equipment</b>						<b>92,035.57</b>	<b>25,127.13</b>	<b>3,611.91</b>	<b>28,739.04</b>	<b>63,296.53</b>
<b>Distribution Reservoirs</b>										
10		Distribution Reservoirs	1/1/1972	SL / N/A	62.5000	138,506.21	90,969.38	2,216.10	93,185.48	45,320.73
11		Distribution Reservoir	1/1/1983	SL / N/A	62.5000	1,500.00	1,005.00	24.00	1,029.00	471.00
12		New Tank	1/1/2010	SL / N/A	62.5000	680,644.90	88,483.85	10,890.32	99,374.17	581,270.73
<b>Subtotal: Distribution Reservoirs</b>						<b>820,651.11</b>	<b>180,458.23</b>	<b>13,130.42</b>	<b>193,588.65</b>	<b>627,062.46</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Distribution Reservoirs</b>						<b>820,651.11</b>	<b>180,458.23</b>	<b>13,130.42</b>	<b>193,588.65</b>	<b>627,062.46</b>
<b>Hydrants</b>										
81		Hydrants	1/1/1972	SL / N/A	50.0000	8,609.72	7,034.75	172.19	7,206.94	1,402.78
82		5 Hydrants	1/1/1997	SL / N/A	50.0000	1,849.50	721.31	36.99	758.30	1,091.20
83		2 Hydrants	1/1/2006	SL / N/A	50.0000	830.00	166.20	16.60	182.80	647.20
<b>Subtotal: Hydrants</b>						<b>11,289.22</b>	<b>7,922.26</b>	<b>225.78</b>	<b>8,148.04</b>	<b>3,141.18</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Hydrants</b>						<b>11,289.22</b>	<b>7,922.26</b>	<b>225.78</b>	<b>8,148.04</b>	<b>3,141.18</b>
<b>Intangibles</b>										
6		Miscellaneous Intangibles	1/1/1979	SL / N/A	50.0000	50,000.00	48,500.00	1,000.00	49,500.00	500.00
<b>Subtotal: Intangibles</b>						<b>50,000.00</b>	<b>48,500.00</b>	<b>1,000.00</b>	<b>49,500.00</b>	<b>500.00</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Intangibles</b>						<b>50,000.00</b>	<b>48,500.00</b>	<b>1,000.00</b>	<b>49,500.00</b>	<b>500.00</b>
<b>Land</b>										
1		Land	1/1/1979	No Calc / N	0.0000	1,177.68	0.00	0.00	0.00	1,177.68
2		Recording Easements	1/1/1989	No Calc / N	0.0000	832.07	0.00	0.00	0.00	832.07
3		Survey-Tank Site	1/1/2008	No Calc / N	0.0000	500.00	0.00	0.00	0.00	500.00
4		Tank Site	3/1/2009	No Calc / N	0.0000	5,500.00	0.00	0.00	0.00	5,500.00
5		Preparing Easements	6/1/2009	No Calc / N	0.0000	318.44	0.00	0.00	0.00	318.44
139		Land behind office	6/16/2015	No Calc / N	0.0000	20,620.00	0.00	0.00	0.00	20,620.00
<b>Subtotal: Land</b>						<b>28,948.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>28,948.19</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Land</b>						<b>28,948.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>28,948.19</b>
<b>Meters</b>										
53		Meters	1/1/1972	SL / N/A	50.0000	89,530.16	56,145.47	1,790.60	57,936.07	31,594.09
54		Meters	1/1/1994	SL / N/A	50.0000	2,770.69	1,246.73	55.41	1,302.14	1,468.55

Fountain Run Water District  
**Depreciation Expense**

Sorted: General - tax link

Financial  
01/01/2017 - 12/31/2017

System No.	S	Description	Date in Service	Method / Conv.	Life	Cost / Other Basis	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation	Net Book Value
990, Pg 10 #1 - Water										
Meters										
55		Meters	1/1/1995	SL / N/A	50.0000	1,370.12	589.29	27.40	616.69	753.43
56		Meters	1/1/1996	SL / N/A	50.0000	2,852.38	1,169.52	57.05	1,226.57	1,625.81
57		Meters	1/1/1997	SL / N/A	50.0000	4,677.50	1,818.23	93.55	1,911.78	2,765.72
58		Meters	1/1/1998	SL / N/A	50.0000	1,106.59	409.56	22.13	431.69	674.90
59		Meters	1/1/1999	SL / N/A	50.0000	2,668.36	933.98	53.37	987.35	1,681.01
60		Meters	1/1/2000	SL / N/A	50.0000	2,832.79	934.89	56.66	991.55	1,841.24
61		Meters	1/1/2001	SL / N/A	50.0000	3,980.45	1,233.95	79.61	1,313.56	2,666.89
62		Meters	1/1/2002	SL / N/A	50.0000	739.14	214.31	14.78	229.09	510.05
63		108 Meters M25	1/1/2003	SL / N/A	50.0000	3,570.41	964.03	71.41	1,035.44	2,534.97
64		3 Meters M70	1/1/2003	SL / N/A	50.0000	332.25	89.77	6.65	96.42	235.83
135		Meter Installation	1/1/2003	SL / N/A	50.0000	2,941.25	794.20	58.83	853.03	2,088.22
65		Meters	1/1/2004	SL / N/A	50.0000	1,105.58	276.48	22.11	298.59	806.99
136		Meter Installation	1/1/2004	SL / N/A	50.0000	3,174.94	793.75	63.50	857.25	2,317.69
66		Meters M25	1/1/2005	SL / N/A	25.0000	2,150.46	989.23	86.02	1,075.25	1,075.21
67		Meters M70	1/1/2005	SL / N/A	25.0000	368.44	169.51	14.74	184.25	184.19
84		Meter Installation	1/1/2005	SL / N/A	50.0000	3,749.69	862.39	74.99	937.38	2,812.31
68		30 M25 Meters	1/1/2006	SL / N/A	25.0000	1,088.60	457.17	43.54	500.71	587.89
69		2 M70 Meters	1/1/2006	SL / N/A	25.0000	184.22	77.30	7.37	84.67	99.55
70		60 T10 Meters	1/1/2006	SL / N/A	25.0000	1,920.00	806.40	76.80	883.20	1,036.80
71		6 T10 Meters 1"	1/1/2006	SL / N/A	25.0000	976.80	410.32	39.07	449.39	527.41
72		2 T10 Meters 2"	1/1/2006	SL / N/A	25.0000	662.50	278.25	26.50	304.75	357.75
85		Meter Installation	1/1/2006	SL / N/A	50.0000	2,451.19	514.71	49.02	563.73	1,887.46
73		70 T10 Meters	1/1/2007	SL / N/A	25.0000	2,702.00	1,026.76	108.08	1,134.84	1,567.16
74		6 T10 Meters 1"	1/1/2007	SL / N/A	25.0000	735.00	279.30	29.40	308.70	426.30
86		Meter Installation	1/1/2007	SL / N/A	50.0000	3,752.15	712.88	75.04	787.92	2,964.23
75		50 T10 Meters	1/1/2008	SL / N/A	25.0000	1,930.00	656.20	77.20	733.40	1,196.60
137		Meter Installation	1/1/2008	SL / N/A	50.0000	2,053.93	349.18	41.08	390.26	1,663.67
76		4 Meters 2"	1/1/2009	SL / N/A	25.0000	1,970.00	591.00	78.80	669.80	1,300.20
87		Meter Installation	1/1/2009	SL / N/A	50.0000	3,497.78	524.70	69.96	594.66	2,903.12
88		Meter Installation	1/1/2009	SL / N/A	50.0000	14,570.27	2,185.57	291.41	2,476.98	12,093.29
77		Master Meter 2"	11/1/2009	SL / N/A	25.0000	1,457.14	437.17	58.29	495.46	961.68
78		Master Meter 3"	11/1/2009	SL / N/A	25.0000	1,748.57	524.60	69.94	594.54	1,154.03
89		Meter Installation	1/1/2010	SL / N/A	50.0000	2,734.73	355.49	54.69	410.18	2,324.55
79		50 Meters	8/1/2010	SL / N/A	25.0000	1,930.00	501.80	77.20	579.00	1,351.00
90		Meter Installation	1/1/2011	SL / N/A	50.0000	1,831.44	201.46	36.63	238.09	1,593.35
91		Meter Installation	1/1/2013	SL / N/A	50.0000	238.00	16.66	4.76	21.42	216.58
92		Meter Installation	1/1/2014	SL / N/A	50.0000	1,365.17	68.25	27.30	95.55	1,269.62
80		30 Meters	8/1/2014	SL / N/A	25.0000	1,395.00	139.50	55.80	195.30	1,199.70
141		2 Meters Installs	7/1/2015	SL / N/A	50.0000	950.00	28.50	19.00	47.50	902.50
142		6 meter installs	6/1/2016	SL / N/A	50.0000	2,850.00	33.25	57.00	90.25	2,759.75
<b>Subtotal: Meters</b>						<b>184,915.69</b>	<b>80,811.71</b>	<b>4,122.69</b>	<b>84,934.40</b>	<b>99,981.29</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Meters</b>						<b>184,915.69</b>	<b>80,811.71</b>	<b>4,122.69</b>	<b>84,934.40</b>	<b>99,981.29</b>
Misc Equip										
128		Misc Equipment	1/1/1985	SL / N/A	5.0000	657.00	657.00	0.00	657.00	0.00

## Fountain Run Water District Depreciation Expense

Sorted: General - tax link

Financial

01/01/2017 - 12/31/2017

System No.	S	Description	Date in Service	Method / Conv.	Life	Cost / Other Basis	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation	Net Book Value
<b>990, Pg 10 #1 - Water</b>										
<b>Misc Equip</b>										
129		Water Line Pressure Tester	2/1/1994	SL / N/A	5.0000	433.00	433.00	0.00	433.00	0.00
130		Water Line Pressure Tester &	1/1/2003	SL / N/A	5.0000	471.66	471.66	0.00	471.66	0.00
138		Pressure Tester	1/1/2004	SL / N/A	5.0000	500.00	500.00	0.00	500.00	0.00
131		Pressure Tester	1/1/2005	SL / N/A	5.0000	419.00	419.00	0.00	419.00	0.00
132		Pressure Recorder	5/1/2008	SL / N/A	5.0000	552.00	552.00	0.00	552.00	0.00
133		Dickson Pressure Logger	10/1/2009	SL / N/A	5.0000	509.75	509.75	0.00	509.75	0.00
134		Aquascscope	9/1/2012	SL / N/A	5.0000	450.00	405.00	45.00	450.00	0.00
<b>Subtotal: Misc Equip</b>						<b>3,992.41</b>	<b>3,947.41</b>	<b>45.00</b>	<b>3,992.41</b>	<b>0.00</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Misc Equip</b>						<b>3,992.41</b>	<b>3,947.41</b>	<b>45.00</b>	<b>3,992.41</b>	<b>0.00</b>
<b>Office Equipment</b>										
104		Office Equipment	1/1/1972	SL / N/A	5.0000	289.09	289.09	0.00	289.09	0.00
105		Air Conditioner	1/1/1988	SL / N/A	5.0000	489.98	489.98	0.00	489.98	0.00
106		Sharp Copier	1/1/1995	SL / N/A	5.0000	1,795.00	1,795.00	0.00	1,795.00	0.00
107		Kenmore Vacuum	1/1/2001	SL / N/A	5.0000	113.99	113.99	0.00	113.99	0.00
108		Cannon Copier	1/1/2006	SL / N/A	5.0000	463.60	463.60	0.00	463.60	0.00
109		Refrigerator	7/1/2010	SL / N/A	5.0000	310.00	310.00	0.00	310.00	0.00
110		2 Chairs& Filing Cabinet	4/1/2012	SL / N/A	5.0000	200.00	180.00	10.00	190.00	10.00
111		Desk	9/1/2012	SL / N/A	5.0000	142.93	128.65	14.28	142.93	0.00
112		HP Copier	1/1/2013	SL / N/A	5.0000	269.99	188.99	53.99	242.98	27.01
113		2 Dell OptiPlex 3010	3/1/2014	SL / N/A	5.0000	4,190.80	2,095.40	838.16	2,933.56	1,257.24
<b>Subtotal: Office Equipment</b>						<b>8,265.38</b>	<b>6,054.70</b>	<b>916.43</b>	<b>6,971.13</b>	<b>1,294.25</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Office Equipment</b>						<b>8,265.38</b>	<b>6,054.70</b>	<b>916.43</b>	<b>6,971.13</b>	<b>1,294.25</b>
<b>Pumping Equipment</b>										
9		Pumping Equipment	9/1/2010	SL / N/A	7.0000	99,326.27	95,724.17	3,602.10	99,326.27	0.00
<b>Subtotal: Pumping Equipment</b>						<b>99,326.27</b>	<b>95,724.17</b>	<b>3,602.10</b>	<b>99,326.27</b>	<b>0.00</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Pumping Equipment</b>						<b>99,326.27</b>	<b>95,724.17</b>	<b>3,602.10</b>	<b>99,326.27</b>	<b>0.00</b>
<b>Services</b>										
13		Services	1/1/1972	SL / N/A	50.0000	23,410.90	16,603.52	468.22	17,071.74	6,339.16
14		Road Bore, pipe, etc	1/1/1994	SL / N/A	50.0000	2,203.60	991.58	44.07	1,035.65	1,167.95
15		Road Bores	1/1/1995	SL / N/A	50.0000	897.65	385.93	17.95	403.88	493.77
16		Road Bores & Services	1/1/1996	SL / N/A	50.0000	414.64	169.95	8.29	178.24	236.40
17		Services	1/1/1997	SL / N/A	50.0000	1,418.81	553.41	28.38	581.79	837.02
18		Services	1/1/2001	SL / N/A	50.0000	1,490.99	462.21	29.82	492.03	998.96
19		Services	1/1/2002	SL / N/A	50.0000	234.12	67.86	4.68	72.54	161.58
20		Services	1/1/2003	SL / N/A	50.0000	827.78	223.56	16.56	240.12	587.66
21		Services	1/1/2004	SL / N/A	50.0000	1,039.70	260.06	20.79	280.85	758.85
22		Services	1/1/2006	SL / N/A	50.0000	1,858.06	390.18	37.16	427.34	1,430.72
23		Services	1/1/2007	SL / N/A	50.0000	683.43	129.86	13.67	143.53	539.90

Fountain Run Water District  
**Depreciation Expense**

Sorted: General - tax link

Financial

01/01/2017 - 12/31/2017

System No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation	Net Book Value
<b>990, Pg 10 #1 - Water</b>										
<b>Services</b>										
24		Services	1/1/2010	SL / N/A	50.0000	2,571.30	334.30	51.43	385.73	2,185.57
25		Services	1/1/2011	SL / N/A	50.0000	684.67	75.33	13.69	89.02	595.65
26		Services	1/1/2013	SL / N/A	50.0000	255.71	17.88	5.11	22.99	232.72
27		Services	1/1/2014	SL / N/A	50.0000	646.60	32.33	12.93	45.26	601.34
<b>Subtotal: Services</b>						<b>38,637.96</b>	<b>20,697.96</b>	<b>772.75</b>	<b>21,470.71</b>	<b>17,167.25</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Services</b>						<b>38,637.96</b>	<b>20,697.96</b>	<b>772.75</b>	<b>21,470.71</b>	<b>17,167.25</b>
<b>Structures &amp; Improvements</b>										
7		Structures & Improvements	1/1/1979	SL / N/A	50.0000	52,740.88	46,482.14	1,054.82	47,536.96	5,203.92
93		Building	1/1/1985	SL / N/A	50.0000	7,000.00	4,410.00	140.00	4,550.00	2,450.00
94		Improvements	1/1/1986	SL / N/A	50.0000	1,492.60	903.23	29.85	933.08	559.52
96		Metal Building	6/8/1994	SL / N/A	50.0000	4,986.00	2,243.70	99.72	2,343.42	2,642.58
95		Improvements	1/1/1997	SL / N/A	50.0000	5,914.97	3,489.85	118.30	3,608.15	2,306.82
97		Roof Office Building	1/1/1997	SL / N/A	50.0000	3,388.00	1,863.40	67.76	1,931.16	1,456.84
98		Pavement	5/1/2003	SL / N/A	20.0000	1,960.00	1,323.00	98.00	1,421.00	539.00
8		Pump Station 98	9/1/2010	SL / N/A	50.0000	36,235.10	4,710.60	724.70	5,435.30	30,799.80
<b>Subtotal: Structures &amp; Improvements</b>						<b>113,717.55</b>	<b>65,425.92</b>	<b>2,333.15</b>	<b>67,759.07</b>	<b>45,958.48</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Structures &amp; Improvements</b>						<b>113,717.55</b>	<b>65,425.92</b>	<b>2,333.15</b>	<b>67,759.07</b>	<b>45,958.48</b>
<b>Tools &amp; Equipment</b>										
114		Tools	1/1/1997	SL / N/A	5.0000	929.13	929.13	0.00	929.13	0.00
115		Boring Machine	6/1/1997	SL / N/A	5.0000	2,481.00	2,481.00	0.00	2,481.00	0.00
116		Tools & Equipment	1/1/2001	SL / N/A	5.0000	782.47	782.47	0.00	782.47	0.00
117		4 Push Rods	7/1/2001	SL / N/A	5.0000	405.72	405.72	0.00	405.72	0.00
118		FS Trimmer	3/1/2004	SL / N/A	5.0000	199.95	199.95	0.00	199.95	0.00
119		Tsurum 5.5 HP Trash Pump	3/1/2004	SL / N/A	5.0000	991.11	991.11	0.00	991.11	0.00
120		Plastic Pipe Shut off Tool	3/1/2004	SL / N/A	5.0000	201.00	201.00	0.00	201.00	0.00
121		Bilidge Pump	3/1/2004	SL / N/A	5.0000	59.00	59.00	0.00	59.00	0.00
122		Pressure Washer	2/1/2008	SL / N/A	5.0000	275.95	275.95	0.00	275.95	0.00
125		Husquavarna Tiller	3/1/2009	SL / N/A	5.0000	699.00	699.00	0.00	699.00	0.00
123		Ratchet Wrench	10/1/2009	SL / N/A	5.0000	133.24	133.24	0.00	133.24	0.00
124		Tile Probe	10/1/2009	SL / N/A	5.0000	25.53	25.53	0.00	25.53	0.00
126		Rock Rake	10/1/2010	SL / N/A	5.0000	400.00	400.00	0.00	400.00	0.00
127		Truck Tool Boxes	11/1/2011	SL / N/A	5.0000	800.23	800.23	0.00	800.23	0.00
<b>Subtotal: Tools &amp; Equipment</b>						<b>8,383.33</b>	<b>8,383.33</b>	<b>0.00</b>	<b>8,383.33</b>	<b>0.00</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Tools &amp; Equipment</b>						<b>8,383.33</b>	<b>8,383.33</b>	<b>0.00</b>	<b>8,383.33</b>	<b>0.00</b>
<b>Transmission Mains</b>										
28		Mains	1/1/1972	SL / N/A	62.5000	395,351.37	217,390.71	6,325.62	223,716.33	171,635.04
29		Main-1.2 MI Capital Hill Rd	1/1/1994	SL / N/A	62.5000	8,036.85	3,616.65	128.59	3,745.24	4,291.61
30		Main-Wheeler Rd	1/1/1995	SL / N/A	62.5000	4,430.90	1,905.33	70.89	1,976.22	2,454.68
31		Main-Capital Hill Rd	1/1/1995	SL / N/A	62.5000	3,430.81	1,475.33	54.89	1,530.22	1,900.59

Fountain Run Water District  
**Depreciation Expense**

Sorted: General - tax link

Financial

01/01/2017 - 12/31/2017

System No.	S	Description	Date in Service	Method / Conv.	Life	Cost / Other Basis	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation	Net Book Value
<b>990, Pg 10 #1 - Water</b>										
<b>Transmission Mains</b>										
32		Main-Wheeler Rd Ext	1/1/1996	SL / N/A	62.5000	2,289.73	938.70	36.64	975.34	1,314.39
33		Main-Hwy 100 ext	1/1/1997	SL / N/A	62.5000	2,898.00	1,130.22	46.37	1,176.59	1,721.41
34		Main-Al Murphy Rd	1/1/1999	SL / N/A	62.5000	5,094.78	1,783.25	81.52	1,864.77	3,230.01
35		Main-Mt Zion Rd	1/1/2000	SL / N/A	62.5000	7,027.48	2,319.07	112.44	2,431.51	4,595.97
36		Main-Dunns Ford Rd Survey	1/1/2001	SL / N/A	62.5000	5,200.00	1,612.00	83.20	1,695.20	3,504.80
37		Main-Dunns Ford Rd Survey	1/1/2001	SL / N/A	62.5000	8,887.57	2,755.13	142.20	2,897.33	5,990.24
38		Main-Spring Creek Rd	1/1/2004	SL / N/A	62.5000	9,757.97	2,439.50	156.13	2,595.63	7,162.34
39		Engineering Fees Hughes &	1/1/2005	SL / N/A	62.5000	2,800.00	588.00	44.80	632.80	2,167.20
40		Main-Downing Rd	1/1/2006	SL / N/A	62.5000	7,539.03	1,583.19	120.62	1,703.81	5,835.22
41		Main-Bare Foot	1/1/2006	SL / N/A	62.5000	4,431.80	930.72	70.91	1,001.63	3,430.17
42		Main-Cherokee	1/1/2006	SL / N/A	62.5000	1,867.40	392.09	29.88	421.97	1,445.43
43		Main-Hughes Rd	1/1/2006	SL / N/A	62.5000	14,329.33	3,009.09	229.27	3,238.36	11,090.97
44		Main- White Oak Ridge	1/1/2007	SL / N/A	62.5000	9,641.10	1,831.79	154.26	1,986.05	7,655.05
45		Main-Lebanon Church Rd	4/1/2008	SL / N/A	62.5000	14,351.91	2,439.84	229.63	2,669.47	11,682.44
46		Main-Wheeler Rd	3/1/2009	SL / N/A	62.5000	6,736.94	1,010.55	107.79	1,118.34	5,618.60
47		Main-Barefoot Park	6/1/2009	SL / N/A	62.5000	4,437.29	665.62	71.00	736.62	3,700.67
48		Main-Argel Veach Rd	10/1/2009	SL / N/A	62.5000	6,102.14	915.35	97.63	1,012.98	5,089.16
49		Main-Jone Scott Rd	2/1/2010	SL / N/A	62.5000	20,537.75	2,669.94	328.60	2,998.54	17,539.21
51		Main-Alley Murphy Rd	9/1/2010	SL / N/A	62.5000	284,926.63	37,040.49	4,558.83	41,599.32	243,327.31
52		Main-Jenkins Rd	1/1/2011	SL / N/A	62.5000	7,922.85	871.53	126.77	998.30	6,924.55
50		Main-Capital Hill Rd	9/1/2013	SL / N/A	62.5000	19,964.36	2,595.39	319.43	2,914.82	17,049.54
<b>Subtotal: Transmission Mains</b>						<b>857,993.99</b>	<b>293,909.48</b>	<b>13,727.91</b>	<b>307,637.39</b>	<b>550,356.60</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Transmission Mains</b>						<b>857,993.99</b>	<b>293,909.48</b>	<b>13,727.91</b>	<b>307,637.39</b>	<b>550,356.60</b>
<b>Vehicles</b>										
99		2011 Ford F150	10/1/2011	SL / N/A	5.0000	18,513.00	18,513.00	0.00	18,513.00	0.00
140		2012 Chevy Colorado	9/1/2015	SL / N/A	7.0000	8,000.00	2,133.33	1,142.86	3,276.19	4,723.81
<b>Subtotal: Vehicles</b>						<b>26,513.00</b>	<b>20,646.33</b>	<b>1,142.86</b>	<b>21,789.19</b>	<b>4,723.81</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: Vehicles</b>						<b>26,513.00</b>	<b>20,646.33</b>	<b>1,142.86</b>	<b>21,789.19</b>	<b>4,723.81</b>
<b>Subtotal: 990, Pg 10 #1 - Water</b>						<b>2,344,669.67</b>	<b>857,608.63</b>	<b>44,631.00</b>	<b>902,239.63</b>	<b>1,442,430.04</b>
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
<b>Net for: 990, Pg 10 #1 - Water</b>						<b>2,344,669.67</b>	<b>857,608.63</b>	<b>44,631.00</b>	<b>902,239.63</b>	<b>1,442,430.04</b>

## Table - Debt Service Summary

<b>RD Bond - Series 2009</b>	<b>(Test Year)</b>				
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>3-Yr Average</b>
Principal	\$ 12,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00
Interest	\$ 15,375.00	\$ 15,062.50	\$ 14,737.50	\$ 14,412.50	\$ 14,737.50
<b>Total P&amp;I</b>	\$ 27,375.00	\$ 28,062.50	\$ 27,737.50	\$ 27,412.50	\$ 27,737.50
20% Coverage	\$ 5,475.00	\$ 5,612.50	\$ 5,547.50	\$ 5,482.50	\$ 5,547.50
<b>Total</b>	\$ 32,850.00	\$ 33,675.00	\$ 33,285.00	\$ 32,895.00	\$ 33,285.00
<b>RD Bond - Series 1988</b>					
Principal	\$ 7,000.00	\$ 7,000.00	\$ 8,000.00	\$ 8,000.00	\$ 7,666.67
Interest	\$ 5,325.00	\$ 4,975.00	\$ 4,600.00	\$ 4,200.00	\$ 4,591.67
<b>Total P&amp;I</b>	\$ 12,325.00	\$ 11,975.00	\$ 12,600.00	\$ 12,200.00	\$ 12,258.33
20% Coverage	\$ 2,465.00	\$ 2,395.00	\$ 2,520.00	\$ 2,440.00	\$ 2,451.67
<b>Total</b>	\$ 14,790.00	\$ 14,370.00	\$ 15,120.00	\$ 14,640.00	\$ 14,710.00
<b>TOTALS</b>					
Principal	\$ 19,000.00	\$ 20,000.00	\$ 21,000.00	\$ 21,000.00	\$ 20,666.67
Interest	\$ 20,700.00	\$ 20,037.50	\$ 19,337.50	\$ 18,612.50	\$ 19,329.17
<b>Total P&amp;I</b>	\$ 39,700.00	\$ 40,037.50	\$ 40,337.50	\$ 39,612.50	\$ 39,995.83
20% Coverage	\$ 7,940.00	\$ 8,007.50	\$ 8,067.50	\$ 7,922.50	\$ 7,999.17
<b>Total</b>	\$ 47,640.00	\$ 48,045.00	\$ 48,405.00	\$ 47,535.00	\$ 47,995.00

2009 Revenue Bond

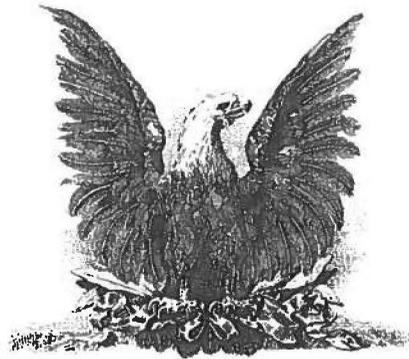
2.50%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
1/1/2010	-	8,612.50	689,000.00
7/1/2010		8,612.50	689,000.00
1/1/2011	11,000.00	8,612.50	678,000.00
7/1/2011		8,475.00	678,000.00
1/1/2012	11,000.00	8,475.00	667,000.00
7/1/2012		8,337.50	667,000.00
1/1/2013	11,000.00	8,337.50	656,000.00
7/1/2013		8,200.00	656,000.00
1/1/2014	11,000.00	8,200.00	645,000.00
7/1/2014		8,062.50	645,000.00
1/1/2015	12,000.00	8,062.50	633,000.00
7/1/2015		7,912.50	633,000.00
1/1/2016	12,000.00	7,912.50	621,000.00
7/1/2016		7,762.50	621,000.00
1/1/2017	12,000.00	7,762.50	609,000.00
7/1/2017		7,612.50	609,000.00
1/1/2018	13,000.00	7,612.50	596,000.00
7/1/2018		7,450.00	596,000.00
1/1/2019	13,000.00	7,450.00	583,000.00
7/1/2019		7,287.50	583,000.00
1/1/2020	13,000.00	7,287.50	570,000.00
7/1/2020		7,125.00	570,000.00
1/1/2021	14,000.00	7,125.00	556,000.00
7/1/2021		6,950.00	556,000.00
1/1/2022	14,000.00	6,950.00	542,000.00
7/1/2022		6,775.00	542,000.00
1/1/2023	15,000.00	6,775.00	527,000.00
7/1/2023		6,587.50	527,000.00
1/1/2024	15,000.00	6,587.50	512,000.00
7/1/2024		6,400.00	512,000.00
1/1/2025	15,000.00	6,400.00	497,000.00
7/1/2025		6,212.50	497,000.00
1/1/2026	16,000.00	6,212.50	481,000.00
7/1/2026		6,012.50	481,000.00
1/1/2027	16,000.00	6,012.50	465,000.00
7/1/2027		5,812.50	465,000.00
1/1/2028	17,000.00	5,812.50	448,000.00
7/1/2028		5,600.00	448,000.00
1/1/2029	17,000.00	5,600.00	431,000.00
7/1/2029		5,387.50	431,000.00
1/1/2030	18,000.00	5,387.50	413,000.00
7/1/2030		5,162.50	413,000.00
1/1/2031	18,000.00	5,162.50	395,000.00
7/1/2031		4,937.50	395,000.00
1/1/2032	19,000.00	4,937.50	376,000.00
7/1/2032		4,700.00	376,000.00
1/1/2033	19,000.00	4,700.00	357,000.00
7/1/2033		4,462.50	357,000.00
1/1/2034	20,000.00	4,462.50	337,000.00
7/1/2034		4,212.50	337,000.00
1/1/2035	20,000.00	4,212.50	317,000.00
7/1/2035		3,962.50	317,000.00
1/1/2036	21,000.00	3,962.50	296,000.00
7/1/2036		3,700.00	296,000.00
1/1/2037	21,000.00	3,700.00	275,000.00
7/1/2037		3,437.50	275,000.00
1/1/2038	22,000.00	3,437.50	253,000.00
7/1/2038		3,162.50	253,000.00
1/1/2039	22,000.00	3,162.50	231,000.00
7/1/2039		2,887.50	231,000.00
1/1/2040	23,000.00	2,887.50	208,000.00
7/1/2040		2,600.00	208,000.00
1/1/2041	24,000.00	2,600.00	184,000.00
7/1/2041		2,300.00	184,000.00
1/1/2042	24,000.00	2,300.00	160,000.00
7/1/2042		2,000.00	160,000.00
1/1/2043	25,000.00	2,000.00	135,000.00
7/1/2043		1,687.50	135,000.00
1/1/2044	26,000.00	1,687.50	109,000.00
7/1/2044		1,362.50	109,000.00
1/1/2045	26,000.00	1,362.50	83,000.00
7/1/2045		1,037.50	83,000.00
1/1/2046	27,000.00	1,037.50	56,000.00
7/1/2046		700.00	56,000.00
1/1/2047	28,000.00	700.00	28,000.00
7/1/2047		350.00	28,000.00
1/1/2048	<u>28,000.00</u>	<u>350.00</u>	-
	689,000.00	399,087.50	

**1988 Revenue Bond**

		5.0%	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
			208,000.00
1/1/1991	2,000.00	5,200.00	206,000.00
7/1/1991		5,150.00	206,000.00
1/1/1992	2,000.00	5,150.00	204,000.00
7/1/1992		5,100.00	204,000.00
1/1/1993	2,000.00	5,100.00	202,000.00
7/1/1993		5,050.00	202,000.00
1/1/1994	2,000.00	5,050.00	200,000.00
7/1/1994		5,000.00	200,000.00
1/1/1995	2,000.00	5,000.00	198,000.00
7/1/1995		4,950.00	198,000.00
1/1/1996	2,000.00	4,950.00	196,000.00
7/1/1996		4,900.00	196,000.00
1/1/1997	3,000.00	4,900.00	193,000.00
7/1/1997		4,825.00	193,000.00
1/1/1998	3,000.00	4,825.00	190,000.00
7/1/1998		4,750.00	190,000.00
1/1/1999	3,000.00	4,750.00	187,000.00
7/1/1999		4,675.00	187,000.00
1/1/2000	3,000.00	4,675.00	184,000.00
7/1/2000		4,600.00	184,000.00
1/1/2001	3,000.00	4,600.00	181,000.00
7/1/2001		4,525.00	181,000.00
1/1/2002	3,000.00	4,525.00	178,000.00
7/1/2002		4,450.00	178,000.00
1/1/2003	3,000.00	4,450.00	175,000.00
7/1/2003		4,375.00	175,000.00
1/1/2004	4,000.00	4,375.00	171,000.00
7/1/2004		4,275.00	171,000.00
1/1/2005	4,000.00	4,275.00	167,000.00
7/1/2005		4,175.00	167,000.00
1/1/2006	4,000.00	4,175.00	163,000.00
7/1/2006		4,075.00	163,000.00
1/1/2007	4,000.00	4,075.00	159,000.00
7/1/2007		3,975.00	159,000.00
1/1/2008	4,000.00	3,975.00	155,000.00
7/1/2008		3,875.00	155,000.00
1/1/2009	5,000.00	3,875.00	150,000.00
7/1/2009		3,750.00	150,000.00
1/1/2010	5,000.00	3,750.00	145,000.00
7/1/2010		3,625.00	145,000.00
1/1/2011	5,000.00	3,625.00	140,000.00
7/1/2011		3,500.00	140,000.00
1/1/2012	5,000.00	3,500.00	135,000.00
7/1/2012		3,375.00	135,000.00
1/1/2013	6,000.00	3,375.00	129,000.00
7/1/2013		3,225.00	129,000.00
1/1/2014	6,000.00	3,225.00	123,000.00
7/1/2014		3,075.00	123,000.00
1/1/2015	6,000.00	3,075.00	117,000.00
7/1/2015		2,925.00	117,000.00
1/1/2016	7,000.00	2,925.00	110,000.00
7/1/2016		2,750.00	110,000.00
1/1/2017	7,000.00	2,750.00	103,000.00
7/1/2017		2,575.00	103,000.00
1/1/2018	7,000.00	2,575.00	96,000.00
7/1/2018		2,400.00	96,000.00
1/1/2019	8,000.00	2,400.00	88,000.00
7/1/2019		2,200.00	88,000.00
1/1/2020	8,000.00	2,200.00	80,000.00
7/1/2020		2,000.00	80,000.00
1/1/2021	8,000.00	2,000.00	72,000.00
7/1/2021		1,800.00	72,000.00
1/1/2022	9,000.00	1,800.00	63,000.00
7/1/2022		1,575.00	63,000.00
1/1/2023	9,000.00	1,575.00	54,000.00
7/1/2023		1,350.00	54,000.00
1/1/2024	10,000.00	1,350.00	44,000.00
7/1/2024		1,100.00	44,000.00
1/1/2025	10,000.00	1,100.00	34,000.00
7/1/2025		850.00	34,000.00
1/1/2026	11,000.00	850.00	23,000.00
7/1/2026		575.00	23,000.00
1/1/2027	11,000.00	575.00	12,000.00
7/1/2027		300.00	12,000.00
1/1/2028	<u>12,000.00</u>	<u>300.00</u>	-
	208,000.00	256,550.00	

NUMBER  
**R-1**



DOLLARS  
**\$208,000**

UNITED STATES OF AMERICA — COMMONWEALTH OF KENTUCKY — COUNTIES OF MONROE, ALLEN AND BARREN

# FOUNTAIN RUN WATER DISTRICT #1

## WATERWORKS AND SEWER REVENUE BOND OF 1988

ANNUAL INTEREST RATE: 5%

KNOW ALL MEN BY THESE PRESENTS: That Fountain Run Water District #1 (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Monroe, Allen, and Barren Counties, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, FARMERS HOME ADMINISTRATION, the registered owner hereof, or to its registered assigns, solely from the special fund hereinafter identified, the sum of

**TWO HUNDRED EIGHT THOUSAND DOLLARS (\$208,000),**

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

Year	Principal	Year	Principal	Year	Principal
1991	\$2,000	2004	\$4,000	2017	\$ 7,000
1992	2,000	2005	4,000	2018	7,000
1993	2,000	2006	4,000	2019	8,000
1994	2,000	2007	4,000	2020	8,000
1995	2,000	2008	4,000	2021	8,000
1996	2,000	2009	5,000	2022	9,000
1997	3,000	2010	5,000	2023	9,000
1998	3,000	2011	5,000	2024	10,000
1999	3,000	2012	5,000	2025	10,000
2000	3,000	2013	6,000	2026	11,000
2001	3,000	2014	6,000	2027	11,000
2002	3,000	2015	6,000	2028	12,000
2003	3,000	2016	7,000		

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 issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 74 and 106 and Sections 58.010 and 58.140, inclusive, 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 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 combined and consolidated waterworks and sewer system of the District (said existing combined and consolidated waterworks and sewer system, together with said extensions, additions, and improvements, being hereinafter referred to as the "System").

This Bond is issued subject to the vested rights and priorities in favor of the owners of the outstanding Fountain Run Water District #1 Waterworks Revenue Bonds of 1970, dated October 8, 1970 (the "Bonds of 1970"), authorized by a Resolution adopted by the Commission of the District on July 15, 1970 (the "1970 Bond Resolution"); and the outstanding Fountain Run Water District #1 Waterworks and Sewer Revenue Bonds of 1985, dated April 18, 1985 (the "Bonds of 1985"), authorized by a Resolution adopted by the Commission of the District on April 9, 1985 (the "1985 Bond Resolution") hereinafter collectively referred to as the "Prior Bonds", and the 1970 Bond Resolution and the 1985 Bond Resolution shall be collectively referred to as the "Prior Bond Resolution". Accordingly, this Bond, together with any bonds ranking on a parity herewith, is payable from and secured on a second lien basis by a pledge of the gross revenues to be derived from the operation of the System, after providing for the requirements of the Prior Bonds.

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 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 Fountain Run Water District #1, 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

Attest:

FOUNTAIN RUN WATER DISTRICT #1  
Monroe, Allen, and Barren Counties, Kentucky

Secretary

By \_\_\_\_\_  
Chairman

This Bond has been issued in full compliance with the Current Bond Resolution; and this Bond, together with any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Resolution, is and will continue to be payable from and secured by a pledge of the gross revenues to be derived from the operation of said System (subject to the rights and priorities of the Prior Bonds), which revenues shall be sufficient to pay the principal of and interest on this Bond and any additional bonds ranking on a parity therewith, as may be issued and outstanding under the conditions and restrictions set out in said Current Bond Resolution, as and when the same become due and payable, and a sufficient portion of which revenues shall be set aside in a fund for that purpose and identified as the "Fountain Run Water District #1 Waterworks and Sewer Bond and Interest Sinking Fund," created in said Current Bond Resolution.

This Bond does not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations and is payable solely out of the revenues of the System. As provided in the Current Bond Resolution, the District covenants that so long as any of the Prior Bonds and/or this Bond, are outstanding, the System will be continuously owned and operated by the District as a revenue producing public undertaking within the meaning of the aforesaid Act for the security and source of payment of the Prior Bonds and of this Bond, and that the District will fix, and if necessary adjust, from time to time, such rates for the services and facilities of the System and will collect and account for the revenues therefrom sufficient to pay promptly the principal of and interest on the Prior Bonds, this Bond and all other bonds ranking on a parity therewith as may be outstanding from time to time, to pay the cost of operation and maintenance of the System and to provide for the depreciation thereof.

A statutory mortgage lien has been created and granted by the District in the Current Bond Resolution pursuant to the Act, and more specifically by Section 106.080 of the Kentucky Revised Statutes, to and in favor of the registered owner of this Bond, subject to the rights and priorities of the Prior Bonds; and the System and all appurtenances thereof and extensions thereto shall remain subject to such statutory mortgage lien until payment in full of the principal of and interest on this Bond.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond, to finance future extensions, additions, and improvements to the System, provided the necessary calculations as to the earnings coverage required by the Current Bond Resolution are in existence and properly certified.

This Bond shall be registered as to principal and interest in the name of the owner hereof, after which it shall be transferable only upon presentation to the Secretary of the District as the Bond Registrar, with a written transfer duly acknowledged by the registered owner or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the book of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2001, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Thousand Dollars (\$1,000), as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered owner of this Bond or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

So long as the registered owner of this Bond is the United States of America, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$1,000, may be prepaid at any time in inverse chronological order of the installments due.

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

**LEGAL OPINION  
RUBIN & HAYS**

ATTORNEYS AT LAW  
SECOND FLOOR NORTH, FIRST TRUST CENTRE  
200 SOUTH FIFTH STREET  
LOUISVILLE, KENTUCKY 40202  
TELEPHONE (502) 585-2153

Re: Fountain Run Water District #1 Waterworks and Sewer Revenue Bonds of 1988, in the amount of \$208,000.

We hereby certify that we have examined a transcript of the proceedings of the Board of Commissioners (the "Commission") of the Fountain Run Water District #1 of Monroe, Allen, and Barren Counties, Kentucky (the "District") in connection with the issuance by said District of its Fountain Run Water District #1 Waterworks and Sewer Revenue Bonds of 1988 (the "Current Bonds") in the amount of \$208,000, bearing interest at the interest rate specified in the Bonds (the "Interest Rate") payable semiannually on January 1 and July 1 of each year, with principal amounts falling due on January 1 in each of the respective years, 1991 through 2028, inclusive.

Said Current Bonds are issued pursuant to a Bond Resolution (the "Current Bond Resolution") duly adopted by the Commission of the District for the purpose of financing the cost of extensions, additions, and improvements to the existing Combined and Consolidated Waterworks and Sewer System (the "System") of the District.

We are of the opinion that such proceedings show lawful authority for the issuance of the Current Bonds under the laws of the Commonwealth of Kentucky, including Chapters 58, 74 and 106 of the Kentucky Revised Statutes, and the proceedings of the District now in force.

We further certify that we have examined the executed single, fully registered bond, number R-1, representing the total authorized principal amount of said Current Bonds, as issued and delivered, and an executed counterpart of the Current Bond Resolution.

Based on such examination, it is our opinion that the Current Bonds are in conformity with the proceedings of the District, that the Current Bonds are valid and legally binding and enforceable upon the District according to the import thereof and are payable from the gross revenues of the System on a second lien basis, subject to the rights and priorities of (i) the outstanding Fountain Run Water District #1 Waterworks Revenue Bonds of 1970, dated October 8, 1970 (the "Series 1970 Bonds"), authorized by a Resolution adopted by the District on July 15, 1970 (the "1970 Bond Resolution"), and (ii) the outstanding Fountain Run Water District #1 Waterworks and Sewer Revenue Bonds of 1985, dated April 18, 1985, (the "Series 1985 Bonds"), authorized by a Resolution adopted by the District on April 9, 1985 (the "1985 Bond Resolution"), the Series 1970 Bonds and the Series 1985 Bonds being hereinafter referred to as the Prior Bonds.

It is our opinion that the Current Bonds are secured by a statutory mortgage lien against the System, subject to the first lien securing the Prior Bonds, and that a sufficient portion of said gross revenues has been ordered by the Commission to be set aside at least semiannually and pledged to the payment of the interest on and principal of the Prior Bonds and the Current Bonds as the same become due. We express no opinion concerning the sufficiency of such revenues for that purpose.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with the Current Bonds, if necessary in order to complete the aforesaid extensions, additions, and improvements to the System. The District has also reserved the right to issue additional parity bonds to finance future extensions, additions and/or improvements to the System, provided the necessary showings as to the earnings coverage required by the Current Bond Resolution are in existence and properly certified.

Based on current rulings and official interpretations, and assuming that the District complies with certain covenants contained in the Current Bond Resolution made with respect to compliance with the provisions of the Internal Revenue Code of 1986 (the "Code"), including a covenant to comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America as to certain investment earnings on the proceeds of the Current Bonds, it is our opinion that: (a) interest on the Current Bonds is excludable from gross income for Federal income tax purposes; (b) the Current Bonds have been validly designated as "qualified tax-exempt obligations" by the District pursuant to the provisions of Section 265(b)(3) of the Code, thus permitting the deduction of a substantial portion of the interest incurred to carry tax-exempt bonds by financial institutions; (c) the Current Bonds are an issue of "state or local bonds" which are not "private activity bonds" within the meaning of Section 103 of the Code, and the interest on the Current Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals; (d) interest on the Current Bonds may be taken into account in the computation of certain taxes that may be imposed with respect to corporations, including, without limitation, the environmental tax, the branch profits tax on foreign corporations, the effect on certain S Corporations with excess passive income, and other tax consequences to certain insurance companies; (e) interest on the Current Bonds will be included in adjusted net book income and adjusted current earnings when calculating the alternative minimum taxable income of corporations; (f) an individual who owns any of the Current Bonds may be required to include in gross income a portion of his or her Social Security or railroad retirement payments; (g) any taxpayer (individuals or corporations) owning these Current Bonds may have collateral tax consequences if they are deemed to have incurred or have continued to incur indebtedness to purchase or carry tax-exempt obligations; and (h) interest on the Current Bonds is exempt from Kentucky income taxes, and the principal of the Current Bonds is exempt from ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.

No opinion is expressed regarding other Federal income tax consequences caused by the receipt of interest on these Current Bonds.

However, it is expressed in the consolidated Farm and Rural Development Act that if the Current Bonds are sold out of the Agricultural Credit Insurance Fund or out of the Rural Development Insurance Fund as an insured loan, the interest thereon paid to an insured owner shall be included in the taxable income of such owner.

**PROVISION FOR REGISTRATION**

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

Date of Registration	Name of Registered Owner	Signature of Secretary of Fountain Run Water District #1, Bond Registrar
	UNITED STATES OF AMERICA, FARMERS HOME ADMINISTRATION 333 Waller Avenue Lexington, Kentucky 40504	

**ASSIGNMENT**

For value received, this Bond is hereby assigned, without recourse and subject to all of its terms and conditions, unto \_\_\_\_\_

\_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

By: \_\_\_\_\_

**UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
FOUNTAIN RUN WATER DISTRICT #1  
WATERWORKS REVENUE BONDS, SERIES 2009**

No. R-1

Interest Rate: 2.50 %

\$689,000

KNOW ALL PERSONS BY THESE PRESENTS:

That the Fountain Run Water District #1 (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Monroe, Allen and Barren Counties, 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

**S P E C I M E N**

SIX HUNDRED EIGHTY-NINE THOUSAND DOLLARS (\$689,000),

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>
2011	\$11,000	2024	\$15,000	2037	\$21,000
2012	11,000	2025	15,000	2038	22,000
2013	11,000	2026	16,000	2039	22,000
2014	11,000	2027	16,000	2040	23,000
2015	12,000	2028	17,000	2041	24,000
2016	12,000	2029	17,000	2042	24,000
2017	12,000	2030	18,000	2043	25,000
2018	13,000	2031	18,000	2044	26,000
2019	13,000	2032	19,000	2045	26,000
2020	13,000	2033	19,000	2046	27,000
2021	14,000	2034	20,000	2047	28,000
2022	14,000	2035	20,000	2048	28,000
2023	15,000	2036	21,000		

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 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"), 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 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 Fountain Run Water District #1 Waterworks and Sewer Revenue Bonds of 1988, dated December 12, 1988 (the "1988 Bonds"), authorized by a Resolution adopted by the Commission of the District on November 28, 1988 (the "1988 Bond Resolution"); but subject to the vested rights and priorities in favor of the owners of the outstanding Fountain Run Water District #1 Waterworks and Sewer Revenue Bonds of 1985, dated April 18, 1985 (the "1985 Bonds"), authorized by a Resolution adopted by the Commission of the District on April 9, 1985 (the "1985 Bond Resolution"). Accordingly, this Bond, the 1998 Bonds, together with any bonds ranking on a parity herewith, are payable from and secured by a pledge of the gross revenues to be derived from the operation of the System, after providing for the requirements of the 1985 Bonds and the requirements of the 1985 Bond Resolution.

This Bond has been issued in full compliance with the Current Bond Resolution and the 1988 Bond Resolution; and this 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 1988 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 "Fountain Run Water District #1 Sinking Fund of 2009", created in the Current Bond Resolution.

This Bond does not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations and is payable solely out of the revenues of the System. As provided in the Current Bond Resolution, the District covenants that so long as any of the 1988 Bonds and/or this Bond, are outstanding, the System will be continuously owned and operated by the District as a revenue producing public undertaking within the meaning of the aforesaid Act for the security and source of payment of the 1988 Bonds and of this Bond, and that

the District will fix, and if necessary adjust, from time to time, such rates for the services and facilities of the System and will collect and account for the revenues therefrom sufficient to pay promptly the principal of and interest on the 1988 Bonds, this Bond and all other bonds ranking on a parity therewith as may be outstanding from time to time, to pay the cost of operation and maintenance of the System and to provide for the depreciation thereof.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond in order to complete the Project, and to finance future extensions, additions and improvements to the System, provided the necessary requirements of the Current Bond Resolution have been complied with by the District.

This Bond shall be registered as to principal and interest in the name of the owner hereof, after which it shall be transferable only upon presentation to the Secretary of the District as the Bond Registrar, with a written transfer duly acknowledged by the registered owner or its duly authorized attorney, which transfer shall be noted upon this Bond and upon the registration book of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2018, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Hundred Dollars (\$100), as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered owner of this Bond or its assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

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

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

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

IN WITNESS WHEREOF said Fountain Run Water District #1, 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 October 21, 2009.

FOUNTAIN RUN WATER DISTRICT #1  
Monroe, Allen and Barren Counties, Kentucky

By \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

(Seal of District)

**S P E C I M E N**  
PROVISION FOR REGISTRATION

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

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
October 21, 2009	UNITED STATES OF AMERICA acting by and through the U.S. DEPARTMENT OF AGRICULTURE 771 Corporate Drive, Suite 200 Lexington, Kentucky 40503-5477	

ASSIGNMENT

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

\_\_\_\_\_

By: \_\_\_\_\_

S P E C I M E N

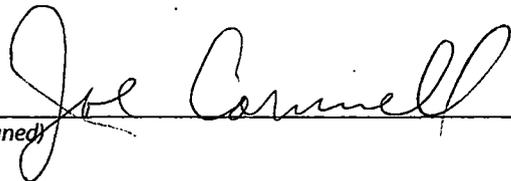
**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

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 Fountain Run Water District #1 ("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."

Joe Cornwell  
(Print Name)

  
(Signed)

Fountain Run Water District #1 Chairman  
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Monroe

Subscribed and sworn to before me by Joe Cornwell  
(Name)

this 12<sup>th</sup> day of June, 2018.

Christopher J. Veach  
Christopher J. Veach, NOTARY PUBLIC State-at-Large

