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APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION

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

WEST CARROLL WATER DISTRICT

*(Name of Utility)*

P O BOX 45

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

CARROLLTON, KY 41008

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

(502) 732-7055

*(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:

CHASTITY ROBBINS, FINANCE OFFICER

*(Name)*

P O BOX 45

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

CARROLLTON, KY 41008

*(Address - City, State, Zip)*

(502) 732-1216

*(Telephone Number)*

CROBBINS@CARROLLTONUTILITIES.COM

*(Email Address)*

(For each statement below, the Applicant should check either "YES" or "NO".)

- |   | YES                                 | NO                                  |
|---|-------------------------------------|-------------------------------------|
| 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 type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year.  | <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"/>            |
| 3. Applicant's records are kept separate from other commonly-owned enterprises.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

- |   | YES                                 | NO                                  |
|---|-------------------------------------|-------------------------------------|
| 4. a. Applicant is a corporation. A certified copy of its articles of incorporation and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| b. Applicant is a limited liability company. A certified copy of its articles of organization and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| c. Applicant is a limited partnership. A certified copy of its limited partnership agreement and all amendments thereto are attached to this application or were filed with the Public Service Commission in Case No. _____.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| d. Applicant is a sole proprietorship or partnership.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| e. Applicant is a water district organized pursuant to KRS Chapter 74.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| f. Applicant is a water association organized pursuant to KRS Chapter 273.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 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.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 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.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 6. a. Applicant has 20 or fewer customers or is a sewer utility 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. <b>(Attach a copy of customer notice.)</b>  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| b. Applicant has more than 20 customers, is not a sewer utility, 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. <b>(Attach a copy of customer notice.)</b>   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| c. Applicant has more than 20 customers, is not a sewer utility, 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. <b>(Attach a copy of customer notice.)</b> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." <b>(Attach completed "Reasons for Application" Attachment.)</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

- |       |  | YES                                 | NO                                  |
|-------|--|-------------------------------------|-------------------------------------|
| 8.    | Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." <b>(Attach completed "Current and Proposed Rates" Attachment.)</b>  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 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, <u>2011</u> .  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 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." <b>(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.)</b> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 11.   | Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ <u>38,021.00</u> and total revenues from service rates of \$ <u>530.0933</u> . The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. <b>(Attach a completed "Revenue Requirement Calculation" Attachment.)</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 12.   | As of the <b>date of the filing of this application</b> , Applicant had <u>982</u> customers.  | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 13.   | A billing analysis of Applicant's current and proposed rates is attached to this application. <b>(Attach a completed "Billing Analysis" Attachment.)</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 14.   | Applicant's depreciation schedule of utility plant in service is attached. <b>(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.)</b>  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 15.a. | Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b.    | Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| c.    | Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

- |  | YES                                 | NO                                  |
|--|-------------------------------------|-------------------------------------|
| 16.a. Applicant is not required to file state and federal tax returns.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Applicant is required to file state and federal tax returns.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| c. Applicant's most recent state and federal tax returns are attached to this Application. <b>(Attach a copy of returns.)</b>  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 17. Approximately _____ <b>(Insert dollar amount or percentage of total utility plant)</b> of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

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 Chastity Robbins  
Officer of the Company/Authorized Representative  
 Title Director of Finance  
 Date 8/20/2012

COMMONWEALTH OF KENTUCKY

COUNTY OF KENTUCKY

Before me appeared CHASTITY ROBBINS, 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.

Crystal A Stark  
 Notary Public  
 My commission expires: 7/29/15

## INDEX TO APPLICATION ATTACHMENTS

<u>Attachment</u>	<u>Item</u>
A	Revenue Requirement
B	Reasons for Application
C	Pro Forma Operating Statement
D	Billing Analysis – Current & Proposed Rates
E	Depreciation
F	Customer Notice
G	Strike Through Tariff
H	Tariff

**ATTACHMENT A**

**WEST CARROLL WATER DISTRICT**

**REVENUE REQUIRMENT**

**REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD**

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

Pro forma Operating Expenses	\$468,491.00
Plus: Average Annual Debt Principal and Interest Payments*	72,386.00
Debt Coverage Requirement**	14,477.00
Total Revenue Requirement	555,354.00
Less: Other Operating Revenue	-22,909.00
Non-operating Revenue	
Interest Income	-1,512.00
Revenue Required from Rates	530,933.00
Less: Revenue from Sales at Present Rates	-492,912.00
Required Revenue Increase	\$38,021.00

Required Revenue Increase stated as a Percentage of Revenue at Present Rates 7.71%

\* 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.

		WEST CARROLL	
		DSC method	Cash Needs Method
Pro forma Operating Expense, See Table B1		468,491	468,491
Three-Year Average Principal and Interest Payments:			
	RD	72,386	72,386
	KIA and KRWFC		
Debt Service Coverages:			
	RD at 20 percent	14,477	
	KIA and KRWFC at 10 percent		
Total Revenue Requirement		555,355	540,877
Less: Other Operating Revenues, See Table B1		(22,909)	(22,909)
Other Income and Deductions, See Table B1		(1,512)	(1,512)
Total Revenue Required from Rates		530,934	516,456
Less: Normalized Revenues at Present Rates, See Table B1		(492,912)	(492,912)
Required Revenue Increase		38,022	23,544
Percentage Increase		7.71%	4.78%
Gross Revenue		555,355	540,877
Less: Operating Expenses, includes Depreciation		(468,491)	(468,491)
Add: Depreciation Expense		80,644	80,644
Net Revenues		167,508	153,030
Divide by: Average Annual Debt Payments		72,386	72,386
DSC		2.31	2.11



**ATTACHMENT B**

**WEST CARROLL WATER DISTRICT**

**REASONS FOR APPLICATION**

**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.)**

The District is planning a major construction project in 2012 to be paid for by a loan from the Kentucky Infrastructure Authority. This project will replace an aging, problematic line on Gilgal Road that has had multiple leaks over the past 5 years contributing to an increase in the district's water loss.  
The District will also expand water service to unserved customers in Carroll and Trimble counties with this project and install a booster pump to increase capacity and redundancy in the system in the Kings Ridge area.

**ATTACHMENT C**

**WEST CARROLL WATER DISTRICT**

**PRO FORMA OPERATING STATEMENT**

**SCHEDULE OF ADJUSTED OPERATIONS - WATER UTILITY**

TYE 12/31/20 11

	Test Year	Adjustment	Ref.	Pro Forma
<b><u>Operating Revenues</u></b>				
Sales of Water				
Unmetered Water Sales				0.00
Metered Water Sales	471,489.00	-1,486.00	A	470,003.00
Bulk Loading Stations				0.00
Fire Protection Revenue				0.00
Sales for Resale				0.00
<b>Total Sales of Water</b>	<b>471,489.00</b>	<b>-1,486.00</b>		<b>470,003.00</b>
Other Water Revenues				
Forfeited Discounts	14,937.00			14,937.00
Miscellaneous Service Revenues	3,573.00	4,399.00	B	7,972.00
Rents from Water Property				0.00
Other Water Revenues				0.00
<b>Total Other Water Revenues</b>	<b>18,510.00</b>	<b>4,399.00</b>		<b>22,909.00</b>
<b>Total Operating Revenues</b>	<b>489,999.00</b>	<b>2,913.00</b>		<b>492,912.00</b>
<b><u>Operating Expenses</u></b>				
Operation and Maintenance Expenses				
Salaries and Wages - Employees				0.00
Salaries and Wages - Officers	9,000.00			9,000.00
Employee Pensions and Benefits				0.00
Purchased Water	134,211.00	-22,816.00	C	111,395.00
Purchased Power	12,512.00	-2,127.00	D	10,385.00
Fuel for Power Production				0.00
Chemicals				0.00
Materials and Supplies	18,425.00			18,425.00
Contractual Services	203,376.00	9,551.00	E	212,927.00
Water Testing	6,468.00			6,468.00
Rents				0.00
Transportation Expenses				0.00
Insurance	7,485.00			7,485.00
Regulatory Commission Expenses				0.00
Bad Debt Expense	4,176.00	1,203.00	F	5,379.00

Miscellaneous Expenses	4,726.00			4,726.00
Total Operation and Maintenance Expenses	400,379.00	-14,189.00		386,190.00
Depreciation Expense	158,697.00	-78,053.00	G	80,644.00
Amortization Expense	268.00			268.00
Taxes Other Than Income	1,389.00			1,389.00
Income Tax Expense				0.00
<b>Total Operating Expenses</b>	<b>560,733.00</b>	<b>-92,242.00</b>		<b>468,491.00</b>
<b>Utility Operating Income</b>	<b>-70,734.00</b>	<b>95,155.00</b>		<b>24,421.00</b>

A

Normalized revenue as determined by West Carroll Staff

B

West Carroll received approval from PSC for increases in Non-Recurring charges effective April 1, 2012. Staff estimates an increase in Miscellaneous Service Revenues for 2012 of \$4,399.00 due to this increase in non-recurring charges.

2012 actual year to date Miscellaneous Revenue January to July	\$3,917.00
2012 actual Miscellaneous Revenue for May, June, July \$2,433/3 = average	\$811.00
Additional expected revenue August – December = \$811 x 5	\$4,055.00
Expected Miscellaneous Revenue for 2012	\$7,972.00
Test year 2011 Miscellaneous Revenue	<u>\$3,573.00</u>
Increase in Miscellaneous Revenue	<u>\$4,399.00</u>

C

For the 2011 test year, West Carroll's water loss was calculated at 32.00%. Pursuant to 807 KAR 5:066 6(3), the maximum allowed water loss for rate making purposes is 15%. West Carroll's Purchased Water expense is being recalculated to only allow a 15% water loss.

Purchased Water	\$134,211.00
Percent over the allowable 15%	<u>x 17%</u>
Reduction in Purchased Water Expense to meet the 15% cutoff	<u>\$22,816.00</u>

D

For the 2011 test year, West Carroll's water loss was calculated at 32.00%. Pursuant to 807 KAR 5:066 6(3), the maximum allowed water loss for rate making purposes is 15%. West Carroll's Purchase Power expense is being recalculated to only allow a 15% water loss.

Purchased Power	\$12,512.00
Percent over the allowable 15%	<u>x 17%</u>
Reduction in Purchased Power Expense to meet the 15% cutoff	<u>\$2,127.00</u>

E

For the test year 2011, Account 634 - Contractual Services – Management Fees was \$188,591 and, based on year to date actual costs and an increase in the management agreement with Carrollton Utilities, is expected to increase to \$196,998. Also Account 632 – Contractual Services – Accounting was \$5,045.00 and actual cost for 2012 are \$5,703.

2012-2013 Management Contract with Carrollton Utilities	\$200,402.00
Divided by 12	\$16,700.17
2012 year to date costs January – June	\$97,283.00
New Management contract amount for July – December 16,700.17x6	<u>\$100,201.00</u>

Total expected 2012 Contractual Services – Management Fees	\$197,484.00
Test Year 2011 Contractual Services – Management Fees	<u>\$188,591.00</u>
Increase to Contractual Services	<u>\$8,893.00</u>
2012 Actual Contractual Services – Accounting	\$5,703.00
Test Year 2011 Contractual Services – Accounting	<u>\$5,045.00</u>
Increase to Contractual Services	<u>\$658.00</u>
Total increase to Contractual Services	\$9,551.00

## F

For the test year 2011, Bad Debt Expense was \$4,176 and actual Bad Debt Expense for 2012 is \$5,379.00

2012 actual Bad Debt Expense	\$5,379.00
Test Year 2011 Bad Debt Expense	<u>\$4,176.00</u>
Increase to Bad Debt Expense	<u>\$1,203.00</u>

## G

Test year depreciation has been decreased by \$78,053.00 to account for a change in the estimated service lives. The decreasing adjustment accounts for a change to the average life recommended by the National Association of Regulatory Utility Commissioners (NARUC) using the straight line, remaining life method. The adjusted depreciation schedule is attached.

Test Year 2011 Depreciation Expense	\$158,697.00
Pro Forma Depreciation Expense	<u>\$80,644.00</u>
Decrease in total Depreciation Expense	<u>\$78,053.00</u>

**ATTACHMENT D**

**WEST CARROLL WATER DISTRICT**

**BILLING ANALYSIS – CURRENT & PROPOSED RATES**



**BILLING ANALYSIS - DECLINING BLOCK RATES**  
INSTRUCTIONS

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using declining block rate design. This billing analysis is not intended for companies using a flat rate design.

a. Usage Table (Usage by Rate Increment)

Information needed to complete the usage table should be obtained from the meter books or other available usage records. The usage table is used to spread total usage into the proper incremental rate step.

Column No. 1 is the incremental steps in the present or proposed rate schedule for which the analysis is being made. Column No. 2 is the number of bills in each incremental rate step. Column No. 3 is the total gallons used in each incremental rate step. Column Nos. 4, 5, 6, 7, 8, and 9 are labeled to correspond to the incremental rate steps shown in Column No. 1 and contain the actual number of gallons used in each incremental rate step.

Example for completing Usage Table is as follows:

Column No. 1 is incremental rate steps.

Columns numbered 2 and 3 are completed by using information obtained from usage records.

Columns numbered 4, 5, 6, 7, 8, and 9 are completed by the following steps:

Step 1: 1<sup>st</sup> 2,000 gallons minimum bill rate level

432 Bills

518,400 gallons used

All bills use 2,000 gallons or less, therefore, all usage is recorded in Column 4.

Step 2: Next 3,000 gallons rate level

1,735 Bills

4,858,000 gallons used

1<sup>st</sup> 2,000 minimum x 1,735 bills = 3,470,000 gallons - record in Column 4.

Next 3,000 gallons - remainder of water over 2,000 = 1,388,000 gallons - record in Column 5.

- Step 3: Next 10,000 gallons rate level  
 1,830 Bills  
 16,268,700 gallons used  
 $1^{\text{st}}$  2,000 minimum x 1,830 bills = 3,660,000 gallons - record in Column 4.  
 Next 3,000 gallons x 1,830 bills = 5,490,000 gallons - record in Column 5.  
 Next 10,000 gallons - remainder of water over 3,000 = 7,118,700 gallons - record in Column 6.
- Step 4: Next 25,000 gallons rate level  
 650 Bills  
 15,275,000 gallons used  
 $1^{\text{st}}$  2,000 minimum x 650 bills = 1,300,000 gallons - record in Column 4.  
 Next 3,000 gallons x 650 bills = 1,950,000 gallons - record in Column 5.  
 Next 10,000 gallons x 650 bills = 6,500,000 gallons - record in Column 6.  
 Next 25,000 gallons - remainder of water over 10,000 = 5,525,000 gallons - record in Column 7.
- Step 5: Over 40,000 gallons rate level  
 153 Bills  
 9,975,600 gallons used  
 $1^{\text{st}}$  2,000 minimum x 153 bills = 306,000 gallons - record in Column 4.  
 Next 3,000 gallons x 153 bills = 459,000 gallons - record in Column 5.  
 Next 10,000 gallons x 153 bills = 1,530,000 gallons - record in Column 6.  
 Next 25,000 gallons x 153 bills = 3,825,000 gallons - record in Column 7.  
 Over 40,000 gallons - remainder of water over 25,000 = 3,855,600 gallons - record in Column 8.
- Step 6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

The Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains the revenue produced.

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

**USAGE TABLE**

Usage by Rate Increment

**Class:** Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 2,000	(5) Next 3,000	(6) Next 10,000	(7) Next 25,000	(8) Over 40,000	(9) Total
First 2,000 Minimum Bill	432	518,400	518,400					518,400
Next 3,000 Gallons	1,735	4,858,000	3,470,000	1,388,000				4,858,000
Next 10,000 Gallons	1,830	16,268,700	3,660,000	5,490,000	7,118,700			16,268,700
Next 25,000 Gallons	650	15,275,000	1,300,000	1,950,000	6,500,000	5,525,000		15,275,000
Over 40,000 Gallons	153	9,975,600	306,000	459,000	1,530,000	3,825,000	3,855,600	9,975,600
Totals	4,800	46,895,700	9,254,400	9,287,000	15,148,700	9,350,000	3,855,600	46,895,700

**REVENUE TABLE**

Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Minimum Bill	4,800	9,254,400	\$5.00 Minimum Bill	\$24,000.00
Next 3,000 Gallons		9,287,000	\$2.50 per 1,000 Gal.	\$23,217.00
Next 10,000 Gallons		15,148,700	\$2.00 per 1,000 Gal.	\$30,297.40
Next 25,000 Gallons		9,350,000	\$1.25 per 1,000 Gal.	\$11,687.50
Over 40,000 Gallons		3,855,600	\$0.75 per 1,000 Gal.	\$2,891.70
Totals	4,800	46,895,700		\$92,094.10

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 Rates  
Test Period 02/01/2011 to 1/31/2012

	Usage Table						Gallons
	Total Bills	Total Gallons	Usage by Rate Increment				
		2,000 OR LESS	2,100 TO 5,000	5,100 TO 10,000	10,100 TO 20,000	Over 20,000	
2000 OR LESS	3,847	38,236					38,236
2100 TO 5000	5,190	177,718	103,800	73,918			177,718
5100 TO 10000	2,274	153,635	45,480	68,220	39,935		153,635
10100 TO 20000	424	55,090	8,480	12,720	21,200	12,690	55,090
over 20,000	134	47,716	2,680	4,020	6,700	20,916	47,716
Totals	11,869	472,395	198,676	158,878	67,835	26,090	472,395
		\$ 22.54	\$ 7.86	\$ 7.08	\$ 6.30	\$ 5.55	
		\$ 267,527.26	\$ 124,878.11	\$ 48,027.18	\$ 16,436.70	\$ 11,608.38	\$ 468,477.63

Revenue from Proposed Rates  
Test Period 02/01/2011 to 1/31/2012

Usage Table

	Total Bills	Total Gallons	Usage by Rate Increment					Over 20,000	Gallons
			2,000 OR LESS	2,100 TO 5,000	5,100 TO 10,000	10,100 TO 20,000	20,000 TO 50,000		
2000 OR LESS	3,847	38,236	38,236					38,236	
2100 TO 5000	5,190	177,718	103,800	73,918				177,718	
5100 TO 10000	2,274	153,635	45,480	68,220	39,935			153,635	
10100 TO 20000	424	55,090	8,480	12,720	21,200	12,690		55,090	
over 20,000	134	47,716	2,680	4,020	6,700	13,400	20,916	47,716	
Totals	11,869	472,395	198,676	158,878	67,835	26,090	20,916	472,395	
			\$ 24.28	\$ 8.47	\$ 7.63	\$ 6.79	\$ 5.98		
			\$ 288,153.61	\$ 134,506.21	\$ 51,730.08	\$ 17,703.97	\$ 12,503.39	\$ 504,597.25	

**ATTACHMENT E**

**WEST CARROLL WATER DISTRICT**

**DEPRECIATION**

WEST CARROLL WATER DISTRICT

DEPRECIATION SCHEDULE

December 31, 2011

Account	ASSET BALANCES		ACCUMULATED DEPRECIATION				12/31/2011 Remaining Basis	E/Q Using Revised Lives
	Balance 1/1/2011	Balance 12/31/2011	Balance 1/1/2011	Additions	Retirements	Balance 12/31/2011		
<b>Account 301</b>								
Organization costs	40	17,854	13,701	446		14,148	3,706	40
Bond issuance costs	40	10,718	1,608	268		1,876	8,842	40
<b>Account 251</b>								
Land & Land Rights		5,502					5,502	N/A
Land 94 Construction		1,000					1,000	N/A
Land Survey - Hardy Creek		1,725					1,725	N/A
Kemper Easement Hardy Creek		550					550	N/A
Ford Lewis Tank Site		2,851					2,851	N/A
Tank Site Louise Alexander		5,127					5,127	N/A
		16,755		0			16,755	N/A
<b>Account 253</b>								
Wells & Springs	25	0	0	0	0	0	0	
<b>Account 255</b>								
Distrib Reservoirs & Standpipe	Jul-76	105,185	54,830	1,578		56,407	48,778	45
Distribution Construction 94	Jan-95	122,743	29,472	1,841		31,313	91,430	45
Painting Water Tower	1984	10,900	10,900			10,900	0	
Elevated Tank 2020 project	2005	270,421	31,549	6,009		37,558	232,863	45
Scada Equipment (telemetry)	Jan-08	6,471	1,941	647		2,588	3,883	20
Bells Ridge Tank	Jan-08	471,904	471,904	10,487		41,947	429,957	45
<b>Total Distr Reservoirs</b>		987,624	160,152	20,562	0	180,714	806,910	21,885







Meters	1989	20	838					838	0		838			0		40	21
Meters	1990	20	1,266					1,266			1,266			(0)		40	32
Meters	1991	20	1,537					1,537	37		1,537			0		40	38
Meters (24)	1992	20	2,170					2,170	109		2,121			50		40	54
Meters (16)	1993	20	1,447					1,447	72		1,372			75		40	36
Meters (25)	1994	20	2,260					2,260	113		2,034			226		40	57
Meters (8) Jackson Ridge	Nov-94	20	3,508					3,508	175		3,008			500		40	88
Meters (27)	1995	20	2,441					2,441	122		2,013			428		40	61
Meters (new construction)	1995	20	23,254					23,254	1,163		19,768			3,486		40	581
Meters	1996	20	3,074					3,074	154		2,384			690		40	77
Meters	1997	20	2,712					2,712	136		1,968			744		40	68
Meters	1998	20	2,852					2,852	143		1,926			926		40	71
Meters (begin 10 yr change out)	1999	10	3,535					3,535	0		3,535			0		40	88
Meters	2000	10	3,033					3,033	0		3,033			(0)		40	76
Meters	2001	10	3,173					3,173	317		3,173			0		40	79
Meters	2002	10	3,042					3,042	304		2,890			152		40	76
Meters	2003	10	1,460					1,460	146		1,241			219		40	37
Meters	2004	10	2,549					2,549	255		1,912			637		40	64
Meters	2005	10	3,982					3,982	398		2,589			1,393		40	100
Meters	2006	10	4,331					4,331	433		2,382			1,949		40	108
Meters	2007	10	3,352					3,352	335		1,509			1,843		40	84
Meters	2008	10	3,568					3,568	357		1,248			2,320		40	89
Meters	2009	10	997					997	100		204			793		40	25
Meters	2010	10	1,830					1,830	183		275			1,556		40	46
Meters	2011	10		3302				3,302	165		165			3,137		40	83
Total Meters			124,681	3,302		0	127,983	88,774	6,166	0	94,940			33,033			3,200
											(5)			(5)			
<b>Account 334</b>																	
Meter Installations	1978	1.50%	21,614					21,614	324		10,917			10,697		45	480
Meter Installations	1981-82	35	2,012					2,012	57		1,725			287		45	45
Meter Installations	1983	35	1,821					1,821	52		1,482			339		45	40
Meter Installations	1984	35	1,821					1,821	52		1,482			339		45	40
Meter Installations	1985	35	2,174					2,174	62		1,643			531		45	48
Meter Installations	1986	35	1,917					1,917	55		1,347			570		45	43
Meter Installations	1987	20	2,204					2,204			2,204			0		45	49
Meter Installations	1988	20	2,300					2,300			2,300			0		45	51





**ATTACHMENT F**

**WEST CARROLL WATER DISTRICT**

**CUSTOMER NOTICE**

## NOTICE

West Carroll Water District has filed an application with the Public Service Commission to increase its rates for water service. The proposed rates will become effective upon approval of the Public Service Commission.

### Monthly Water Rate:

<u>Current</u>			<u>Proposed</u>			<u>Rate</u>
First	2,000 gallons	\$22.54	First	2,000 gallons	\$24.28	Minimum Bill
Next	3,000 gallons	\$ 7.86	Next	3,000 gallons	\$ 8.47	per 1,000 gallons
Next	5,000 gallons	\$ 7.08	Next	5,000 gallons	\$ 7.63	per 1,000 gallons
Next	10,000 gallons	\$ 6.30	Next	10,000 gallons	\$ 6.79	per 1,000 gallons
Over	20,000 gallons	\$ 5.55	Over	20,000 gallons	\$ 5.98	per 1,000 gallons

MONTHLY USAGE	MONTHLY BILL AT CURRENT RATE	MONTHLY BILL AT PROPOSED RATE	PERCENT INCREASE OVER CURRENT
2,000	\$ 22.54	\$ 24.28	7.72%
<b>5,000</b>	<b>\$ 46.12</b>	<b>\$ 49.69</b>	<b>7.74%</b>
10,000	\$ 81.52	\$ 87.84	7.75%
20,000	\$ 144.52	\$ 155.74	7.76%
30,000	\$ 200.02	\$ 215.54	7.76%
50,000	\$ 311.02	\$ 335.14	7.76%
75,000	\$ 449.77	\$ 484.64	7.75%
100,000	\$ 588.52	\$ 634.14	7.75%
150,000	\$ 866.02	\$ 933.14	7.75%
200,000	\$ 1,143.52	\$ 1,232.14	7.75%
300,000	\$ 1,698.52	\$ 1,830.14	7.75%

The rates contained in this notice are the rates proposed by the West Carroll Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party. Copies of the application may be obtained at no charge from the District office at 225 6<sup>th</sup> Street, in Carrollton, Kentucky, 41008. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.

West Carroll Water District

**ATTACHMENT G**

**WEST CARROLL WATER DISTRICT**

**STRIKE THROUGH TARIFF**

FOR Carroll Co. – Carrollton, KY

PSC KY NO. 1

14<sup>th</sup> Revised SHEET NO. 1

CANCELLING PSC KY NO. 1

13<sup>th</sup> Revised SHEET NO. 1

WEST CARROLL WATER DISTRICT  
(NAME OF UTILITY)

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**RATES & CHARGES**

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**A. MONTHLY WATER RATES**

All Meter Sizes

First	2,000 gallons	<del>\$22.54 minimum bill</del>	\$24.28 minimum bill
Next	3,000 gallons	<del>\$ 7.86 per 1,000 gallons</del>	\$ 8.47 per 1,000 gallons
Next	5,000 gallons	<del>\$ 7.08 per 1,000 gallons</del>	\$ 7.63 per 1,000 gallons
Next	10,000 gallons	<del>\$ 6.30 per 1,000 gallons</del>	\$ 6.79 per 1,000 gallons
Over	20,000 gallons	<del>\$ 5.55 per 1,000 gallons</del>	\$ 5.98 per 1,000 gallons

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DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE Chairperson

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



**ATTACHMENT H**

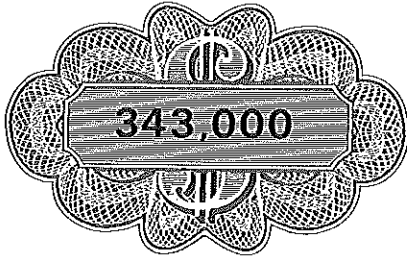
**WEST CARROLL WATER DISTRICT**

**TARIFF**

No. R-1

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
COUNTY OF CARROLL

**WEST CARROLL  
WATER  
DISTRICT**



5%

**WATER SYSTEM  
REVENUE BOND,  
SERIES OF 1975**

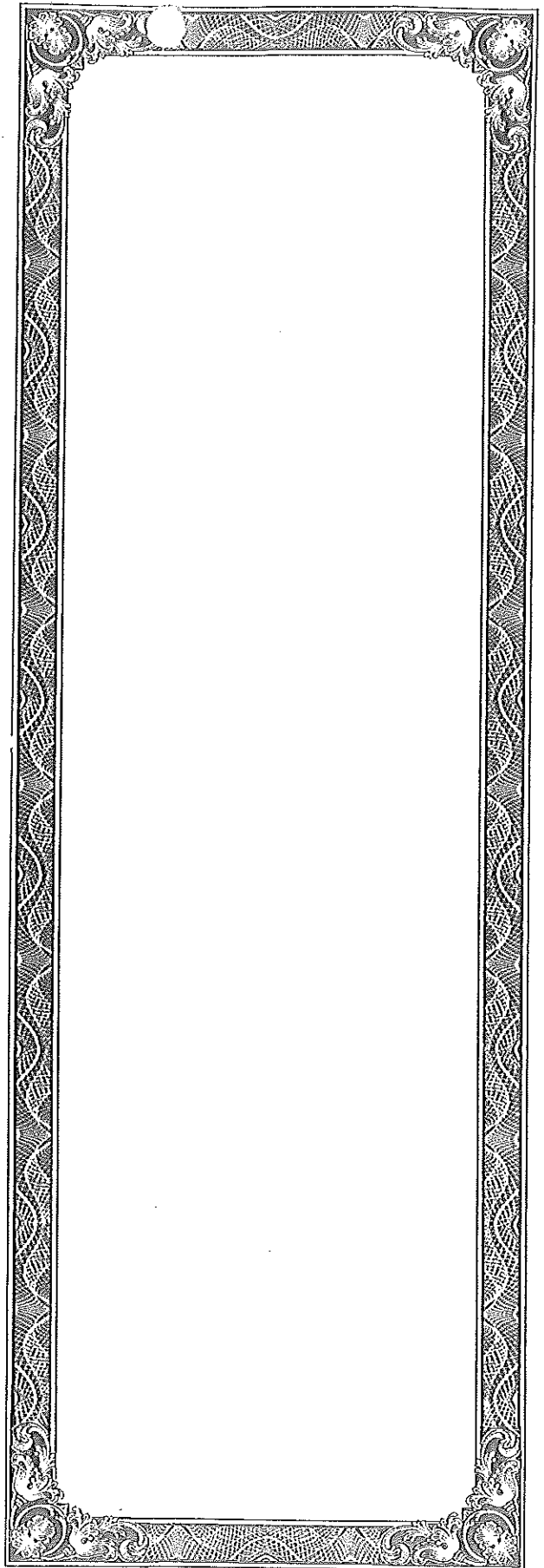
DATED

**PRINCIPAL DUE JANUARY 1,  
1977 - 2015**

INTEREST PAYABLE  
**JANUARY 1, 1976**  
AND SEMIANNUALLY THEREAFTER ON  
**JULY 1 and JANUARY 1**

PRINCIPAL AND INTEREST PAYABLE  
AT THE ADDRESS SHOWN ON THE  
REGISTRATION BOOK OF THE DISTRICT

**SPECIMEN**





UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
COUNTY OF CARROLL

# WEST CARROLL WATER DISTRICT

## WATER SYSTEM REVENUE BOND, SERIES OF 1975

KNOW ALL MEN BY THESE PRESENTS: That West Carroll Water District, a public body corporate created and existing pursuant to Chapter 74 of the Kentucky Revised Statutes, and situated in the Counties of Carroll and Trimble in the Commonwealth of Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special 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
1977	\$ 1,000	1987	\$ 6,000	1997	\$ 8,000
1978	1,000	1988	6,000	1998	8,000
1979	1,000	1989	6,000	1999	8,000
1980	1,000	1990	6,000	2000	9,000
1981	4,000	1991	6,000	2001	9,000
1982	5,000	1992	7,000	2002	10,000
1983	5,000	1993	7,000	2003	10,000
1984	5,000	1994	7,000	2004	10,000
1985	6,000	1995	7,000	2005	10,000
1986	6,000	1996	8,000	2006	10,000
				2007	13,000
				2008	14,000
				2009	14,000
				2010	16,000
				2011	16,000
				2012	17,000
				2013	17,000
				2014	18,000
				2015	18,000
				2016	18,000
				2017	21,000
				2018	21,000
				2019	21,000
				2020	21,000
				2021	21,000
				2022	21,000
				2023	21,000
				2024	21,000
				2025	21,000
				2026	21,000
				2027	21,000
				2028	21,000
				2029	21,000
				2030	21,000

without deduction for exchange or other charges, in such coin or currency as the United States of America as at the time of payment shall be legal tender for the payment of such debt, on the balance of said principal sum from time to time remaining unpaid; in like coin or currency, at the rate of 50 cents per \$1.00, until said sum is paid, except as the provisions hereinafter set forth with respect to payment, may be and become applicable hereto, both principal and interest-bearing, payable to the registered owner named at the sides shown on the registered book of this District, or, so long as the United States of America

duly authorized attorney, which transfer shall be noted upon this Bond and upon the books of the District kept for that purpose.

As provided in said Bond Resolution, this Bond is exchangeable at the expense of the registered owner hereof at any time, upon ninety days' written notice, at the request of such registered owner and upon surrender of this Bond to the District at the office of the District in Carroll County, Kentucky, for negotiable Coupon Bonds, payable to bearer, registrable as to principal only, in an amount or amounts in a multiple of \$1,000, consistent with the maturities hereof, in an aggregate principal amount equal to and maturing in conformity with the unpaid principal amount of this Bond; and in the form of such Coupon Bonds as provided in said Bond Resolution, and the said principal sum shall have the right to prepay, on any interest payment date on and after January 1, 1985, in the inverse and legal order of the installments due on this Bond, the unprincipal amount of this Bond then remaining unpaid, or such lesser portion thereof, in multiples of One Thousand Dollars (\$1,000) or less. The District may determine, at a party's or an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any redemption premium. Notice of such prepayment shall be given by registered owner to the registered owner of this Bond or its assignee, at least thirty 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; provided, however, that so long as any agency of the United States Government is the registered owner of this Bond, said Bond may be redeemed in whole or in part at any time for face value and without notice of redemption premium.

**Bond R-1**  
**Revenue Bond Series 1975 - \$ 343,000**  
**Principal due January 1, 1977-2015**  
**Interest Rate: 5.0% (6 month rate: 0.025)**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Payment</b>	<b>Princ. Bal.</b>
1/1/2000	9,000.00	5,450.00	14,450.00	209,000.00
7/1/2000		5,225.00	5,225.00	209,000.00
1/1/2001	9,000.00	5,225.00	14,225.00	200,000.00
7/1/2001		5,000.00	5,000.00	200,000.00
1/1/2002	10,000.00	5,000.00	15,000.00	190,000.00
7/1/2002		4,750.00	4,750.00	190,000.00
1/1/2003	10,000.00	4,750.00	14,750.00	180,000.00
7/1/2003		4,500.00	4,500.00	180,000.00
1/1/2004	11,000.00	4,500.00	15,500.00	169,000.00
7/1/2004		4,225.00	4,225.00	169,000.00
1/1/2005	11,000.00	4,225.00	15,225.00	158,000.00
7/1/2005		3,950.00	3,950.00	158,000.00
1/1/2006	12,000.00	3,950.00	15,950.00	146,000.00
7/1/2006		3,650.00	3,650.00	146,000.00
1/1/2007	13,000.00	3,650.00	16,650.00	133,000.00
7/1/2007		3,325.00	3,325.00	133,000.00
1/1/2008	13,000.00	3,325.00	16,325.00	120,000.00
7/1/2008		3,000.00	3,000.00	120,000.00
1/1/2009	14,000.00	3,000.00	17,000.00	106,000.00
7/1/2009		2,650.00	2,650.00	106,000.00
1/1/2010	14,000.00	2,650.00	16,650.00	92,000.00
7/1/2010		2,300.00	2,300.00	92,000.00
1/1/2011	16,000.00	2,300.00	18,300.00	76,000.00
7/1/2011		1,900.00	1,900.00	76,000.00
1/1/2012	17,000.00	1,900.00	18,900.00	59,000.00
7/1/2012		1,475.00	1,475.00	59,000.00
1/1/2013	18,000.00	1,475.00	19,475.00	41,000.00
7/1/2013		1,025.00	1,025.00	41,000.00
1/1/2014	20,000.00	1,025.00	21,025.00	21,000.00
7/1/2014		525.00	525.00	21,000.00
1/1/2015	21,000.00	525.00	21,525.00	0.00
<b>Totals</b>	<b>343,000.00</b>	<b>447,450.00</b>	<b>790,450.00</b>	

NO. R-107

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
COUNTIES OF CARROLL AND TRIMBLE

**WEST CARROLL  
WATER DISTRICT**



5%  
WATER SYSTEM REVENUE BOND  
SERIES 1981

\_\_\_\_\_  
DATED

\_\_\_\_\_  
INTEREST PAYABLE  
JANUARY 1 AND JULY 1

NO. R-



UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
COUNTIES OF CARROLL AND TRIMBLE

# WEST CARROLL WATER DISTRICT

## WATER SYSTEM REVENUE BOND, SERIES 1981

### KNOW ALL MEN BY THESE PRESENTS:

That West Carroll Water District (the "District"), acting by and through its Commission, a public body corporate in Carroll and Trimble Counties, Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special fund hereinafter identified, the sum of

**ONE HUNDRED FOURTEEN THOUSAND DOLLARS (\$114,000)**

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

Year	Principal	Principal
1984	\$1,000	\$2,500
1985	1,000	3,000
1986	1,000	3,000
1987	1,000	3,000
1988	1,500	3,000
1989	1,500	3,500
1990	1,500	3,500
1991	1,500	4,000
1992	1,500	4,000
1993	1,500	4,000
1994	1,500	4,500
1995	2,000	4,500
1996	2,000	5,000
1997	2,000	5,000
1998	2,000	5,000
1999	2,000	5,500
2000	2,500	5,500
2001	2,500	6,000
2002	2,500	6,000
		6,500

without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, and in like manner, solely from

Bonds, subject to any prior rights of the 1975 Issue, as and when the same shall become due and payable, and which shall be set aside as a special fund for that purpose and identified as the "Water System Bond and Interest Sinking Fund."

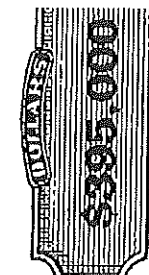
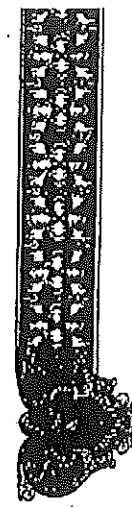
This Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Bond or the interest hereon except from said special fund. The District, acting by and through its Commission, covenants that it will fix and revise such rates and charges for the services and facilities of said System and collect and account for the income and revenue therefrom sufficient to pay all costs and expenses of operating and maintaining said System and to pay promptly when due the principal of and interest on this Bond and outstanding parity Bonds as the same become due.

This Bond shall be registered as to principal and interest in the name of the holder 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 holder of this Bond and upon the books of the District kept for that purpose.

As provided in said Bond Resolution this Bond is exchangeable at the expense of the registered holder hereof at any time, upon ninety days' written notice, at the request of such registered holder and upon surrender of this Bond to the District at the office of the District in Carroll County, Kentucky, for negotiable Coupon Bonds, payable to bearer, registrable as to principal only, in an amount or amounts in a multiple of \$500, consistent with the maturities hereof, in an aggregate principal amount actual to and maturing in conformity with the unpaid principal amount of this

**Bond R-1**  
**Revenue Bond Series 1981 - \$ 114,000**  
**Principal due January 1, 1984-2021**  
**Interest Rate: 5.0% (6 month rate: 0.025)**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Payment</b>	<b>Princ. Bal.</b>
1/1/2004	3,000.00	1,987.50	4,987.50	76,500.00
7/1/2004		1,912.50	1,912.50	76,500.00
1/1/2005	3,000.00	1,912.50	4,912.50	73,500.00
7/1/2005		1,837.50	1,837.50	73,500.00
1/1/2006	3,000.00	1,837.50	4,837.50	70,500.00
7/1/2006		1,762.50	1,762.50	70,500.00
1/1/2007	3,000.00	1,762.50	4,762.50	67,500.00
7/1/2007		1,687.50	1,687.50	67,500.00
1/1/2008	3,500.00	1,687.50	5,187.50	64,000.00
7/1/2008		1,687.50	1,687.50	64,000.00
1/1/2009	3,500.00	1,687.50	5,187.50	60,500.00
7/1/2009		1,512.50	1,512.50	60,500.00
1/1/2010	4,000.00	1,512.50	5,512.50	56,500.00
7/1/2010		1,412.50	1,412.50	56,500.00
1/1/2011	4,000.00	1,412.50	5,412.50	52,500.00
7/1/2011		1,312.50	1,312.50	52,500.00
1/1/2012	4,000.00	1,312.50	5,312.50	48,500.00
7/1/2012		1,212.50	1,212.50	48,500.00
1/1/2013	4,500.00	1,212.50	5,712.50	44,000.00
7/1/2013		1,100.00	1,100.00	44,000.00
1/1/2014	4,500.00	1,100.00	5,600.00	39,500.00
7/1/2014		987.50	987.50	39,500.00
1/1/2015	5,000.00	987.50	5,987.50	34,500.00
7/1/2015		862.50	862.50	34,500.00
1/1/2016	5,000.00	862.50	5,862.50	29,500.00
7/1/2016		737.50	737.50	29,500.00
1/1/2017	5,500.00	737.50	6,237.50	24,000.00
7/1/2017		600.00	600.00	24,000.00
1/1/2018	5,500.00	600.00	6,100.00	18,500.00
7/1/2018		462.50	462.50	18,500.00
1/1/2019	6,000.00	462.50	6,462.50	12,500.00
7/1/2019		312.50	312.50	12,500.00
1/1/2020	6,000.00	312.50	6,312.50	6,500.00
7/1/2020		162.50	162.50	6,500.00
1/1/2021	6,500.00	162.50	6,662.50	0.00
<b>Totals</b>	<b>114,000.00</b>	<b>146,400.00</b>	<b>260,400.00</b>	



Order of this Bond has been purchased by you on a par with the order of \$1,000,000 of payment with interest...

UNITED STATES OF AMERICA - COMMONWEALTH OF KENTUCKY - COUNTIES OF CARROLL AND TRIMBLE

WEST CARROLL WATER DISTRICT WATERWORKS REVENUE BONDS, SERIES 1994

INTEREST RATE: 4.50%

KNOW ALL MEN BY THESE PRESENTS: That the West Carroll Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Carroll and I Counties, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA - FARMERS HOME ADMINISTRATION, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-547 registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

THREE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$395,000),

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

Table with columns: Year, Principal, Interest, Total. Rows from 2006 to 2035.

and in the 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, semi-annually 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 Chapter 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 to a description of the nature and

extent of the security thereby created, the rights and limitations of rights of this Bond, and the rights, obligations, and conditions of this Bond, for the purpose of financing the cost (not otherwise provided for) of the construction of extensions, additions and improvements existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements hereinafter referred to as the "System").

This Bond ranks on a parity with certain outstanding West Carroll Water District Water System Bonds, Series 1975, dated September 8, 1975 (the "Bonds of 1975"), authorized by a Resolution adopted by the Commission of the District on August 13, 1982 (the "Bonds of 1982"), authorized by a Resolution adopted by the Commission of the District on January 5, 1982 (the "Bonds of 1982") (hereinafter the "Bonds of 1975 and the Bonds of 1982") that be collectively referred to as the "Prior Bonds", and the 1% bonds maturing on a parity herewith, is payable from and secured on a rank on a parity with such bonds by a pledge of the gross revenue derived from the operation of the System.

This Bond has been issued in full compliance with the Current Bond Resolution and the Prior Bond Resolutions, and this Bond, and all other Bonds issued hereunder, are and will continue to be payable from revenues which shall be set aside in a fund for that purpose and identified as to the Current Bond Resolution 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 issue, happen and be performed pursuant to 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 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 I, West Carroll Water District, by its Board of Commissioners, has caused this Bond to be executed and attested by its Secretary, and attested by its Secretary, on the date of this Bond, which is

December 15, 1994

Attest:

Signature of Clifford Swanson, Secretary

WEST CARROLL WATER DISTRICT Carroll and Trimble Counties, Kentucky

Signature of Chairperson



**Bond R-1**  
**Revenue Bond Series 1994 - \$ 395,000**  
**Principal due January 1, 1996-2033**  
**Interest Rate: 4.5% (6 month rate: 0.0225)**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Payment</b>	<b>Princ. Bal.</b>
7/1/2012		6,750.00	6,750.00	300,000.00
1/1/2013	8,500.00	6,750.00	15,250.00	291,500.00
7/1/2013		6,558.75	6,558.75	291,500.00
1/1/2014	9,000.00	6,558.75	15,558.75	282,500.00
7/1/2014		6,356.25	6,356.25	282,500.00
1/1/2015	9,000.00	6,356.25	15,356.25	273,500.00
7/1/2015		6,153.75	6,153.75	273,500.00
1/1/2016	10,000.00	6,153.75	16,153.75	263,500.00
7/1/2016		5,928.75	5,928.75	263,500.00
1/1/2017	10,000.00	5,928.75	15,928.75	253,500.00
7/1/2017		5,703.75	5,703.75	253,500.00
1/1/2018	11,000.00	5,703.75	16,703.75	242,500.00
7/1/2018		5,456.25	5,456.25	242,500.00
1/1/2019	11,000.00	5,456.25	16,456.25	231,500.00
7/1/2019		5,208.75	5,208.75	231,500.00
1/1/2020	12,000.00	5,208.75	17,208.75	219,500.00
7/1/2020		4,938.75	4,938.75	219,500.00
1/1/2021	12,500.00	4,938.75	17,438.75	207,000.00
7/1/2021		4,657.50	4,657.50	207,000.00
1/1/2022	13,000.00	4,657.50	17,657.50	194,000.00
7/1/2022		4,365.00	4,365.00	194,000.00
1/1/2023	14,000.00	4,365.00	18,365.00	180,000.00
7/1/2023		4,050.00	4,050.00	180,000.00
1/1/2024	14,500.00	4,050.00	18,550.00	165,500.00
7/1/2024		3,723.75	3,723.75	165,500.00
1/1/2025	15,000.00	3,723.75	18,723.75	150,500.00
7/1/2025		3,386.25	3,386.25	150,500.00
1/1/2026	16,000.00	3,386.25	19,386.25	134,500.00
7/1/2026		3,026.25	3,026.25	134,500.00
1/1/2027	16,500.00	3,026.25	19,526.25	118,000.00
7/1/2027		2,655.00	2,655.00	118,000.00
1/1/2028	17,500.00	2,655.00	20,155.00	100,500.00
7/1/2028		2,261.25	2,261.25	100,500.00
1/1/2029	18,500.00	2,261.25	20,761.25	82,000.00
7/1/2029		1,845.00	1,845.00	82,000.00
1/1/2030	19,500.00	1,845.00	21,345.00	62,500.00
7/1/2030		1,406.25	1,406.25	62,500.00
1/1/2031	20,000.00	1,406.25	21,406.25	42,500.00
7/1/2031		956.25	956.25	42,500.00
1/1/2032	21,500.00	956.25	22,456.25	21,000.00
7/1/2032		472.50	472.50	21,000.00
1/1/2033	21,000.00	472.50	21,472.50	0.00
<b>Totals</b>	<b>395,000.00</b>	<b>444,690.00</b>	<b>839,690.00</b>	

R-1

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
CARROLL AND TRIMBLE COUNTIES, KENTUCKY

**WEST CARROLL  
WATER DISTRICT**



**REGISTERED**

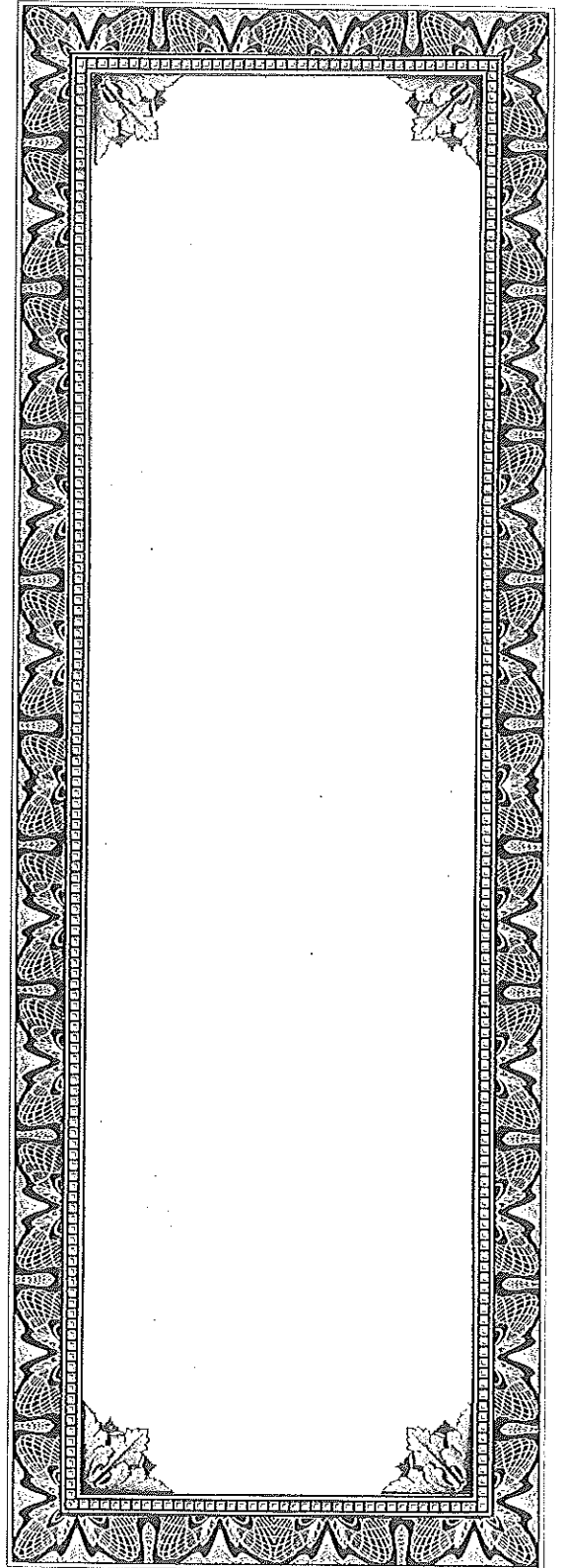
4.25%  
WATER SYSTEM  
REVENUE BOND,  
SERIES 2005

INTEREST PAYABLE  
SEMIANNUALLY ON

JANUARY 1 and JULY 1

PRINCIPAL AND INTEREST PAYABLE  
AS SPECIFIED HEREIN

PROVISION FOR REGISTRATION



NUMBER

R-1



369,000

369,000

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
CARROLL AND TRIMBLE COUNTIES, KENTUCKY

# WEST CARROLL WATER DISTRICT

## WATER SYSTEM REVENUE BOND, SERIES 2005

KNOW ALL MEN BY THESE PRESENTS: That **WEST CARROLL WATER DISTRICT** (the "District"), acting by and through its Commission, a public body corporate created and existing pursuant to Chapter 74 of the Kentucky Revised Statutes and situated in Carroll and Trimble Counties, Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special fund hereinafter identified, the sum of

**THREE HUNDRED SIXTY-NINE THOUSAND DOLLARS (\$369,000)**

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

Year	Principal	Year	Principal	Year	Principal
2007	\$4,000	2020	\$7,000	2033	\$12,000
2008	4,000	2021	7,000	2034	13,000
2009	4,000	2022	7,000	2035	13,000
2010	4,000	2023	8,000	2036	14,000
2011	4,000	2024	8,000	2037	15,000
2012	5,000	2025	8,000	2038	15,000
2013	5,000	2026	9,000	2039	16,000
2014	5,000	2027	9,000	2040	17,000
2015	5,000	2028	10,000	2041	17,000
2016	6,000	2029	10,000	2042	18,000
2017	6,000	2030	11,000	2043	19,000
2018	6,000	2031	11,000	2044	19,000
2019	6,000	2032	12,000		

Without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be the legal tender for the payment of debts due in the United States of America, and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, without deduction for exchange or collection charges and in like coin or currency, at the rate of four and twenty-five hundredths percent (4.25%) per annum semiannually on the first days of January and July in each year hereafter 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 to the registered holder hereof at the address shown on the registration books of the District

the holder of this Bond and outstanding party bonds, and the same shall continue as a lien upon the System and appurtenant facilities, together with all future additions and improvements thereto, extensions thereof and the revenues derived from the operation thereof until payment in full of the principal of and interest on this Bond and outstanding party bonds.

This Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Bond or the interest hereon except from said special fund. The District, acting by and through its Commission, covenants that it will fix, and if necessary adjust from time to time, such rates and charges for use of the services and facilities of the System and will collect and account for the income and revenues therefrom sufficient to pay promptly the interest on and principal of this Bond and outstanding party bonds as the same become due, as well as to pay the costs of operation and maintenance of the System.

This Bond shall be registered as to principal and interest in the name of the holder 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 holder and this duly authorized attorney, which transfer shall be made upon this Bond and upon the books 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, 2015, in the 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 as may be determined by the District, in multiples 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.

**Bond R-1**  
**Revenue Bond Series 2005 - \$ 369,000**  
**Principal due January 1, 2007-2044**  
**Interest Rate: 4.25% (6 month rate: 0.02125)**

Date	Principal	Interest	Payment	Princ. Bal.
1/1/2006		7,841.25	7,841.25	369,000.00
7/1/2006		7,841.25	7,841.25	369,000.00
1/1/2007	4,000.00	7,841.25	11,841.25	365,000.00
7/1/2007		7,756.25	7,756.25	365,000.00
1/1/2008	4,000.00	7,756.25	11,756.25	361,000.00
7/1/2008		7,671.25	7,671.25	361,000.00
1/1/2009	4,000.00	7,671.25	11,671.25	357,000.00
7/1/2009		7,586.25	7,586.25	357,000.00
1/1/2010	4,000.00	7,586.25	11,586.25	353,000.00
7/1/2010		7,501.25	7,501.25	353,000.00
1/1/2011	4,000.00	7,501.25	11,501.25	349,000.00
7/1/2011		7,416.25	7,416.25	349,000.00
1/1/2012	5,000.00	7,416.25	12,416.25	344,000.00
7/1/2012		7,310.00	7,310.00	344,000.00
1/1/2013	5,000.00	7,310.00	12,310.00	339,000.00
7/1/2013		7,203.75	7,203.75	339,000.00
1/1/2014	5,000.00	7,203.75	12,203.75	334,000.00
7/1/2014		7,097.50	7,097.50	334,000.00
1/1/2015	5,000.00	7,097.50	12,097.50	329,000.00
7/1/2015		6,991.25	6,991.25	329,000.00
1/1/2016	6,000.00	6,991.25	12,991.25	323,000.00
7/1/2016		6,863.75	6,863.75	323,000.00
1/1/2017	6,000.00	6,863.75	12,863.75	317,000.00
7/1/2017		6,736.25	6,736.25	317,000.00
1/1/2018	6,000.00	6,736.25	12,736.25	311,000.00
7/1/2018		6,608.75	6,608.75	311,000.00
1/1/2019	6,000.00	6,608.75	12,608.75	305,000.00
7/1/2019		6,481.25	6,481.25	305,000.00
1/1/2020	7,000.00	6,481.25	13,481.25	298,000.00
7/1/2020		6,332.50	6,332.50	298,000.00
1/1/2021	7,000.00	6,332.50	13,332.50	291,000.00
7/1/2021		6,183.75	6,183.75	291,000.00
1/1/2022	7,000.00	6,183.75	13,183.75	284,000.00
7/1/2022		6,035.00	6,035.00	284,000.00
1/1/2023	8,000.00	6,035.00	14,035.00	276,000.00
7/1/2023		5,865.00	5,865.00	276,000.00
1/1/2024	8,000.00	5,865.00	13,865.00	268,000.00
7/1/2024		5,695.00	5,695.00	268,000.00
1/1/2025	8,000.00	5,695.00	13,695.00	260,000.00
7/1/2025		5,525.00	5,525.00	260,000.00

1/1/2026	9,000.00	5,525.00	14,525.00	251,000.00
7/1/2026		5,333.75	5,333.75	251,000.00
1/1/2027	9,000.00	5,333.75	14,333.75	242,000.00
7/1/2027		5,142.50	5,142.50	242,000.00
1/1/2028	10,000.00	5,142.50	15,142.50	232,000.00
7/1/2028		4,930.00	4,930.00	232,000.00
1/1/2029	10,000.00	4,930.00	14,930.00	222,000.00
7/1/2029		4,717.50	4,717.50	222,000.00
1/1/2030	11,000.00	4,717.50	15,717.50	211,000.00
7/1/2030		4,483.75	4,483.75	211,000.00
1/1/2031	11,000.00	4,483.75	15,483.75	200,000.00
7/1/2031		4,250.00	4,250.00	200,000.00
1/1/2032	12,000.00	4,250.00	16,250.00	188,000.00
7/1/2032		3,995.00	3,995.00	188,000.00
1/1/2033	12,000.00	3,995.00	15,995.00	176,000.00
7/1/2033		3,740.00	3,740.00	176,000.00
1/1/2034	13,000.00	3,740.00	16,740.00	163,000.00
7/1/2034		3,463.75	3,463.75	163,000.00
1/1/2035	13,000.00	3,463.75	16,463.75	150,000.00
7/1/2035		3,187.50	3,187.50	150,000.00
1/1/2036	14,000.00	3,187.50	17,187.50	136,000.00
7/1/2036		2,890.00	2,890.00	136,000.00
1/1/2037	15,000.00	2,890.00	17,890.00	121,000.00
7/1/2037		2,571.25	2,571.25	121,000.00
1/1/2038	15,000.00	2,571.25	17,571.25	106,000.00
7/1/2038		2,252.50	2,252.50	106,000.00
1/1/2039	16,000.00	2,252.50	18,252.50	90,000.00
7/1/2039		1,912.50	1,912.50	90,000.00
1/1/2040	17,000.00	1,912.50	18,912.50	73,000.00
7/1/2040		1,551.25	1,551.25	73,000.00
1/1/2041	17,000.00	1,551.25	18,551.25	56,000.00
7/1/2041		1,190.00	1,190.00	56,000.00
1/1/2042	18,000.00	1,190.00	19,190.00	38,000.00
7/1/2042		807.50	807.50	38,000.00
1/1/2043	19,000.00	807.50	19,807.50	19,000.00
7/1/2043		403.75	403.75	19,000.00
1/1/2044	19,000.00	403.75	19,403.75	0.00
<b>Totals</b>	<b>369,000.00</b>	<b>394,888.75</b>	<b>763,888.75</b>	