

beginning of the project for water purchases from Walton. (A copy of the water supply agreement with Walton is attached as exhibit J);

- Approximately 5,280 linear feet of 8 inch main along Dixon Road from Rich Road to #4315 Dixon Road;
- Approximately 1,373 linear feet of 8 inch main along Taylor Mill Road from the end of the existing main to #4868 Taylor Mill Road.

These areas were chosen based on population density. The estimated cost of the total project is \$919,323.00. All areas included in the project have similar characteristics of rural location, sparse population density, lack of potable water supply and inability to connect to a water distribution system without the extension of these water lines.

The funds obtained in a number of prior sub districts were predicated on the economic status of the affected areas' residents. The funds in this case are not so encumbered. There is no low/moderate income requirements for the financing of this project, therefore, income levels are not a factor in the selection of geographic areas. There is no low/moderate income funding associated with this project. No customers or areas have been designated a part of this sub district based on income criteria.

7. The project will be financed with a grant approved in the 2008 state budget administered through the Kentucky Infrastructure Authority in the amount of \$500,000.00; a contribution from the Kenton County Fiscal Court of \$25,000.00; the District's Five Year Capital Budget, PSC No. 81 "Mains into Unserved Areas 2007 – Sub district I Kenton County" with a budget of \$250,000.00 – Bond Anticipation Note (BAN) 2007; and a customer contribution of \$169,323.00, which will be repaid through a maximum monthly surcharge of \$30.00 per customer as reflected on the monthly bill. The total project cost of \$919,323.00 includes: