

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PROPOSED)
ADJUSTMENT OF THE WHOLESALE) CASE NO. 2017-00417
WATER SERVICE RATES OF)
LEBANON WATER WORKS)

RESPONSE OF
LEBANON WATER WORKS COMPANY
TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
DATED APRIL 23, 2018

FILED: May 3, 2018

COMMONWEALTH OF KENTUCKY

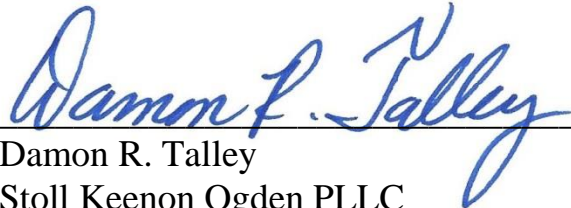
BEFORE THE PUBLIC SERVICE COMMISSION

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ADJUSTMENT OF THE WHOLESALE) CASE NO. 2017-00417
WATER SERVICE RATES OF)
LEBANON WATER WORKS)**

**RESPONSE OF LEBANON WATER WORKS COMPANY TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Comes the Lebanon Water Works Company, for its Response to the Commission Staff's Second Request for Information, and states as shown on the following pages.



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*Counsel for Lebanon Water Works
Company*

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PROPOSED)
ADJUSTMENT OF THE WHOLESALE) CASE NO. 2017-00417
WATER SERVICE RATES OF)
LEBANON WATER WORKS)

CERTIFICATION OF RESPONSE TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

This is to certify that I have supervised the preparation of Lebanon Water Works Company's Response to the Commission Staff's Second Request for Information. The response submitted on behalf of Lebanon Water Works Company is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: 5/3/2018



Daren Thompson, Operations &
Management Superintendent
Lebanon Water Works Company

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 1

Responding Witness: Holly Nicholas

- Q-1. Provide all work papers and calculations Lebanon used to calculate its revenue requirement and requested wholesale rate. These work papers, calculations, and assumptions are to be in Excel spreadsheet format with all columns and rows unprotected and accessible.
- A-1. The work papers and calculations Lebanon Water Works Company (the "Company") used to calculate its revenue requirement and requested wholesale rate are attached as **Exhibit 1-1**.

EXHIBIT 1-1

The attachment is being provided in a separate file in Excel format.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 2

Responding Witness: Lisa Mattingly

Q-2. For the proposed test year provide the following:

- A. The general ledger for Lebanon's water operations. Include all check registers and spreadsheets used to record and track financial transactions in Excel spreadsheet format with all formulas intact and unprotected, and with all columns, rows, and links accessible.
- B. Lebanon's adjusted trial balance and audit adjustments for the proposed test period. The trial balance shall be traced and referenced directly to the general ledgers requested in Item 2A.

A-2.

- A. The general ledger for Fiscal Year 2016 is attached as **Exhibit 2-1**.
The payroll check register for Fiscal Year 2016 is attached as **Exhibit 2-2**. The accounts payable check register for Fiscal Year 2016 is attached as **Exhibit 2-3**.
- B. The adjusted trial balance for Fiscal Year 2016 is attached as **Exhibit 2-4**. The audit adjustments for Fiscal Year 2016 are attached as **Exhibit 2-5**.

EXHIBIT 2-1

The attachment is being provided in a separate file in Excel format.

EXHIBIT 2-2

The attachment is being provided in a separate file in Excel format.

EXHIBIT 2-3

The attachment is being provided in a separate file in Excel format.

EXHIBIT 2-4

The attachment is being provided in a separate file in Excel format.

EXHIBIT 2-5

Client: **04061-000 - Lebanon Water Works**
 Engagement: **2016 - Lebanon Water Works**
 Period Ending: **6/30/2016**
 Trial Balance: **03.01.01 - General Fund**
 Workpaper: **Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1 445-B				
AJE to record additional interest expense related to amortization of				
00541-0000	Interest Exp - Revenue Bonds		2,956.00	
00153-0000	Loss on retirement of bonds			2,956.00
Total			2,956.00	2,956.00
Adjusting Journal Entries JE # 2 445-A				
AJE to tie accrued interest to recalculation				
00541-0000	Interest Exp - Revenue Bonds		1,170.00	
00228-0000	Accrued Bond Interest Payable			1,170.00
Total			1,170.00	1,170.00
Adjusting Journal Entries JE # 3 425-B				
AJE to record trade in of pick up truck				
00185-0000	Transportation Equipment		2,000.00	
00190-0000	Depreciation Reserve		22,134.00	
00185-0000	Transportation Equipment			18,445.00
00410-0000	Gain on Sale of Assets			2,000.00
00531-0000	Depreciation Expense			3,689.00
Total			24,134.00	24,134.00
Adjusting Journal Entries JE # 4 425-B				
AJE to tie depreciation expense to schedule				
00190-0000	Depreciation Reserve		44,991.00	
00531-0000	Depreciation Expense			44,991.00
Total			44,991.00	44,991.00
Adjusting Journal Entries JE # 5 465-D-1				
AJE to reverse accrual of AP from prior year				
00207-0000	Accounts Payable		20,634.00	
00504-0000	Power			20,215.00
00508-0000	Repairs, Supp, & Exp - Buena Vista			54.00
00512-0000	Tanks - Repairs & Expense			149.00
00521-0000	Office - Electric			216.00
Total			20,634.00	20,634.00
Adjusting Journal Entries JE # 6 435-C				
AJE to accrue invoices provided by client				
00538-0000	Laboratory Expense		3,228.00	
00207-0000	Accounts Payable			3,228.00

Client: **04061-000 - Lebanon Water Works**
 Engagement: **2016 - Lebanon Water Works**
 Period Ending: **6/30/2016**
 Trial Balance: **03.01.01 - General Fund**
 Workpaper: **Adjusting Journal Entries Report - 2**

<u>Account</u>	<u>Description</u>	<u>W/P Ref</u>	<u>Debit</u>	<u>Credit</u>
Total			<u>3,228.00</u>	<u>3,228.00</u>
Adjusting Journal Entries JE # 7 405-B				
AJE to reverse AR entry from PY for revenue recognized in FY 2015				
00409-0000	Developer Contributions - Income		4,275.00	
00120-0005	Accts Receivable-Developer Contributions			4,275.00
Total			<u>4,275.00</u>	<u>4,275.00</u>
Adjusting Journal Entries JE # 8 445-A				
AJE to adjust current portion of long term debt to actual				
00231-0000	Revenue Bonds Payable		34,400.00	
00232-0000	Current Year portion-Long Term Debt			34,400.00
Total			<u>34,400.00</u>	<u>34,400.00</u>
Adjusting Journal Entries JE # 10 446-A				
AJE to record 2015 contributions paid prior to June 30, 2015				
00260-0000	Net Pension Liability		65,382.00	
00160-0000	Deferred Outflows of Resources - Contrib			65,382.00
Total			<u>65,382.00</u>	<u>65,382.00</u>
Adjusting Journal Entries JE # 11 446-A				
AJE to reclassify current year contributions made after the				
00160-0000	Deferred Outflows of Resources - Contrib		65,172.00	
00503-0000	Fringe Benefits - Employees			65,172.00
Total			<u>65,172.00</u>	<u>65,172.00</u>
Adjusting Journal Entries JE # 12 446-A				
AJE to record current year pension expense				
00160-0000	Deferred Outflows of Resources - Contrib		124,023.00	
00258-0000	Net Inflows of Resources		62,400.00	
00503-0000	Fringe Benefits - Employees		15,122.00	
00503-0000	Fringe Benefits - Employees		111,440.00	
00260-0000	Net Pension Liability			312,985.00
Total			<u>312,985.00</u>	<u>312,985.00</u>
Adjusting Journal Entries JE # 13 460-A				
AJE to record changes in restricted net position accounts				
00330-0000	Depreciation Reserve		453,464.00	
00340-0000	Restricted Construction Reserve		30,574.00	
00390-0000	Unrestricted Net Position		150,154.00	

Client: **04061-000 - Lebanon Water Works**
 Engagement: **2016 - Lebanon Water Works**
 Period Ending: **6/30/2016**
 Trial Balance: **03.01.01 - General Fund**
 Workpaper: **Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
00300-0000	Net Invested in Capital Assets			336,324.00
00320-0000	Debt Service Reserve			297,868.00
Total			634,192.00	634,192.00
Adjusting Journal Entries JE # 14 465-D-1				
AJE made to capitalize donated dump truck				
00185-0000	Transportation Equipment		7,283.00	
00430-0000	Other Capital Contributions			2,000.00
00517-0000	Truck Expense			5,283.00
Total			7,283.00	7,283.00

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 3

Responding Witness: Lisa Mattingly

- Q-3. For the most recently concluded fiscal year, provide the following:
- A. The general ledger for Lebanon's water operations for the most recently concluded fiscal year. Include all check registers and spreadsheets used to record and tracked financial transactions in Excel spreadsheet format with all formulas intact and unprotected, and with all columns, rows, and links accessible.
 - B. Lebanon's adjusted trial balance and audit adjustments for the most recently completed fiscal year. The trial balance shall be traced and referenced directly to the general ledgers requested in Item 3A.
- A-3.
- A. The general ledger for Fiscal Year 2017 is attached as **Exhibit 3-1**.
The payroll check register for Fiscal Year 2017 is attached as **Exhibit 3-2**. The accounts payable check register for Fiscal Year 2017 is attached as **Exhibit 3-3**.
 - B. The adjusted trial balance for Fiscal Year 2017 is attached as **Exhibit 3-4**. The audit adjustments for Fiscal Year 2017 are attached as **Exhibit 3-5**.

EXHIBIT 3-1

The attachment is being provided in a separate file in Excel format.

EXHIBIT 3-2

The attachment is being provided in a separate file in Excel format.

EXHIBIT 3-3

The attachment is being provided in a separate file in Excel format.

EXHIBIT 3-4

The attachment is being provided in a separate file in Excel format.

EXHIBIT 3-5

Client: 04061-000 - Lebanon Water Works
 Engagement: 2017 - Lebanon Water Works
 Period Ending: 6/30/2017
 Trial Balance: 03.01.01 - General Fund
 Workpaper: A-6 - Adjusting Journal Entries Report - 2

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		445-B		
AJE to record additional interest expense related to CY refunding activities.				
00541-0000	Interest Exp - Revenue Bonds		2,956.00	
00153-0000	Loss on retirement of bonds			2,956.00
Total			2,956.00	2,956.00
Adjusting Journal Entries JE # 2		445-A		
AJE to reclass current portion of bonds payable				
00231-0000	Revenue Bonds Payable		55,133.00	
00232-0000	Current Year portion-Long Term Debt			55,133.00
Total			55,133.00	55,133.00
Adjusting Journal Entries JE # 3		445-J		
AJE to record principal forgiveness on KIA loan				
00235-0000	KIA Loan 2016-'17 (F14-036)		714,697.00	
00311-0000	Contributed Capital-KIA Grant			714,697.00
Total			714,697.00	714,697.00
Adjusting Journal Entries JE # 4		445-A		
AJE to record accrued bond interest payable and record expense associated with KIA interest payments				
00541-0000	Interest Exp - Revenue Bonds		10,140.00	
00228-0000	Accrued Bond Interest Payable			10,140.00
Total			10,140.00	10,140.00
Adjusting Journal Entries JE # 5		465-B		
AJE to move client's retirement liability adjustment out of revenue and into fringe benefit expense				
00503-0000	Fringe Benefits - Employees (hlth ins)		3,567.00	
00405-0000	Residential & Commercial Sales			3,567.00
Total			3,567.00	3,567.00
Adjusting Journal Entries JE # 6		425-B		
AJE to tie depreciation to schedule				
00190-0000	Depreciation Reserve		24,790.00	
00531-0000	Depreciation Expense			24,790.00
Total			24,790.00	24,790.00
Adjusting Journal Entries JE # 7		425-B		
AJE to record disposal of copier				
00190-0000	Depreciation Reserve		2,519.00	
00410-0000	Gain on Sale of Assets		1,079.00	
00183-0000	Office Equipment			3,598.00
Total			3,598.00	3,598.00
Adjusting Journal Entries JE # 8		425-B		
AJE to remove payment for easment that was booked to land account				
00174-0000	Land & Right of Way		4,934.00	
00411-0000	Other Miscellaneous Income			4,934.00

Total	<u><u>4,934.00</u></u>	<u><u>4,934.00</u></u>
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Adjusting Journal Entries JE # 9 **465-D-1**

AJE to capitalize additions that were expensed by client

00172-0000	Structure & Equipment	4,725.00	
00183-0000	Office Equipment	4,295.00	
00184-0000	Shop, Warehouse & Lab Equipment	18,442.00	
00506-0000	Pump Station & Filter Plant		8,263.00
00507-0000	Pump Station/Filter Plant-Bldg & Equip		4,725.00
00520-0000	Office - Expense & Supplies		2,200.00
00524-0000	Office - Miscellaneous		12,274.00
Total		<u><u>27,462.00</u></u>	<u><u>27,462.00</u></u>

Adjusting Journal Entries JE # 10 **410-A**

AJE provided by client to adjust inventory to actual

00130-0000	Inventory	36,958.00	
00509-0000	Meters - Repairs		17,892.00
00510-0000	Mains - Repairs		13,779.00
00511-0000	Fire Hydrants - Repairs		5,287.00
Total		<u><u>36,958.00</u></u>	<u><u>36,958.00</u></u>

Adjusting Journal Entries JE # 11 **446-A**

AJE to record 2017 contributions paid prior to June 30, 2017 and after 6/30/2016

00260-0000	Net Pension Liability	65,172.00	
00160-0000	Deferred Outflows of Resources - Contrib		65,172.00
Total		<u><u>65,172.00</u></u>	<u><u>65,172.00</u></u>

Adjusting Journal Entries JE # 12 **446-A**

AJE to reclassify current year contributions made after the measurement date

00160-0000	Deferred Outflows of Resources - Contrib	85,317.00	
00503-0000	Fringe Benefits - Employees (hlth ins)		85,317.00
Total		<u><u>85,317.00</u></u>	<u><u>85,317.00</u></u>

Adjusting Journal Entries JE # 13 **446-A**

AJE to record current year pension expense, DOR and DIR

00160-0000	Deferred Outflows of Resources - Contrib	47,165.00	
00503-0000	Fringe Benefits - Employees (hlth ins)	2,677.00	
00503-0000	Fringe Benefits - Employees (hlth ins)	151,870.00	
00258-0000	Net Inflows of Resources		1,222.00
00260-0000	Net Pension Liability		200,490.00
Total		<u><u>201,712.00</u></u>	<u><u>201,712.00</u></u>

Adjusting Journal Entries JE # 14 **460-A**

AJE to record changes in restricted net position accounts

00320-0000	Debt Service Reserve	11,142.00	
00390-0000	Unrestricted Net Position	848,838.00	
00300-0000	Net Invested in Capital Assets		718,517.00
00330-0000	Depreciation Reserve		127,548.00
00340-0000	Restricted Construction Reserve		13,915.00
Total		<u><u>859,980.00</u></u>	<u><u>859,980.00</u></u>

Adjusting Journal Entries JE # 15 **445-A**

AJE to capitalize interest on debt used to finance construction of Taylor- Marion County water connection

00189-0009	Construction in Progress	5,191.00	
00541-0000	Interest Exp - Revenue Bonds		5,191.00
Total		<u><u>5,191.00</u></u>	<u><u>5,191.00</u></u>

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 4

Responding Witness: Daren Thompson

- Q-4. Provide the "Uniform Financial Information Report" that Lebanon submitted to the Kentucky Department of Local Government for the fiscal years ending June 30, 2015, June 30, 2016, and June 30, 2017.
- A-4. The City of Lebanon's FY 2015 and FY 2016 Uniform Financial Information Reports are attached as **Exhibits 4-1** and **4-2**. The FY 2017 Uniform Financial Information Report has not yet been filed.

Note that the Company is not required to submit a Uniform Financial Information Report. It is not a city or a division or department of the City of Lebanon. None of the Company's expenses or revenues are imputed to the City of Lebanon nor does the City of Lebanon report any of the Company's expenses or revenues in its Uniform Financial Information Report to the Department for Local Government.

EXHIBIT 4-1



**City
Uniform Financial
Information Report
Fiscal Year 2014 - 2015**

Part I - Reporting Information	
City Name	City of Lebanon
Address	118 S. Proctor Knott Ave.
City, State, Zip	Lebanon, KY 40033
County	Marion
City Classification	4

(Please correct any error in name, address, and ZIP Code)



Please save the worksheet to your hard drive. Once completed, attach the worksheet to an email and forward to DLG-CSD@ky.gov.



Return to:
Department for Local Government
Cities and Special Districts Branch
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

SEND ONE ORIGINAL AND TWO COPIES OF THE COMPLETED FORM to the Department for Local Government BY **MAY 1, 2016.**

Note - Data supplied by your city in this report will be used by State and Federal Agencies and public interest groups in Kentucky. By filing this report, you will not receive local government finance reporting forms from the U.S. Census Bureau.

Part II - Contact Information

Name of person who completed form		Telephone
John O. Thomas		270-692-6272
Title		Date
City Administrator		06/28/16
Company (if not city)	Reporting Format (accounting basis)	Telephone
	Modified Accrual	
RELATED ORGANIZATIONS – Please list related organizations such as Boards, Commissions, or Utilities, whose Board members are appointed by the City's Mayor or legislative body, or who receive a major portion of their funding from city resources.		
Organization/Address	Chief Executive	Telephone
Planning & Zoning Commission, 118 S. Proctor Knott Ave., Lebanon, KY 40033	Paul Hilpp	270-692-6272
Lebanon Board of Ethics, 118 S. Proctor Knott Ave., Lebanon, KY 40033	Louise Deep	270-692-6272
Lebanon Human Rights Commission, P.O. Box 1028, Lebanon, KY 40033	Jerry Evans	270-769-2393
Lebanon Water Company, 120 S. Proctor Knott Ave., Lebanon, KY 40033	James R. Moraja, Sr.	270-692-2491

Part III - Certification - Completed report must be signed prior to filing.

This is to certify that the data contained in this report is accurate to the best of my knowledge and belief.

Signature of Official	Title	Date completed
	City Administrator	06/28/16
Printed Name of Official		Telephone
John O. Thomas		270-692-6272



Before filling out this form, please read carefully each part and all related definitions and instructions.

All information should be provided on a basis consistent with generally accepted accounting principles for the fiscal year July 1, 2014 through June 30, 2015.	Combine all items that are not entered in specific categories provided and enter the total in the "Other" line item. Amounts classified as "Other" should not exceed 5% of the corresponding category total.
ROUND TO THE NEAREST DOLLAR. DO NOT SHOW CENTS FOR REVENUES OR EXPENDITURES	THE ACTUAL TAX RATE LEVIED, COLUMN (c), PART IV MUST BE COMPLETED EVEN IF THERE WAS NOT A CHANGE IN THE TAX RATE FROM FISCAL YEAR 2013 - 2014.
Tax rates should be reported as decimal amounts. For instance a rate of 22 and 7/10 cents per \$100 assessed value should be reported as .227	PLEASE BE SURE THAT AN OFFICIAL SIGNS THE CERTIFICATION. FORMS WILL NOT BE ACCEPTED WITHOUT SIGNATURE.
Part IV - City Revenue requests the fee, rate or amount charged per unit of service. If any line-item has a multiple rate schedule, please provide a copy of the rate schedule. The schedule is only required in years when the rates have been revised or implemented.	Please be sure to reconcile subtotals and totals to the city's annual financial statements.
Report only new debt or lease agreements. DO NOT COMPLETE THESE SECTIONS AGAIN IF THEY WERE REPORTED LAST YEAR AND THERE WERE NO CHANGES IN THE DEBT OR LEASE AGREEMENT.	DLG has developed an electronic version of the UFIR. You can access this document on the DLG website: http://www.kydlgweb.ky.gov/ . For more information contact DLG-CSD@ky.gov or 800-346-5606.
Information in this report should match financial information in the city's annual audited financial statements prepared in accordance with KRS 91A.020	

Note Especially

Please report amounts covering all funds and accounts of your city except for employee-retirement funds administered by your city. Include bond redemption and interest funds, and construction or development funds as well as current funds. Exclude refunds and transfers between funds.	Please use black or blue ball point pen.
Since this form applies to cities of different sizes and complexity, some items may not apply to your city. However, read the definitions carefully for each item in the report.	Do not change any categories. Call for clarification.
This report must be returned to the Department of Local Government by May 1, 2016 per requirements of KRS 65.905.	Financial information for all utilities connected with the city must be reported on this form.
Please note your basis of accounting (cash, modified accrual or accrual) in this report.	Depreciation - to be shown as a part of "Other Operations".

General Definitions

The following general definitions will apply to grouping of expenditure categories:	
General Government - includes all general functions of your city including finance, administration, elected officials, public buildings and general insurance coverage if not assigned to individual operating departments.	
Public Safety - includes all police, fire, ambulance, correctional, inspection and code enforcement activities, and any other activity that promotes the protection of life and property.	
Public Services - includes maintenance and construction of basic infrastructure and solid waste activities. Streets and roads, leaf and brush collection, solid waste collection and recycling, operation of public parking, riverports, and stormwater and natural resource management.	
Community Service - includes parks and recreation, public health, public welfare and assistance activities, housing and community development, mass transit programs, and educational support programs.	
Utilities - include water sewerage, natural gas, electric and telecommunications systems. Please report stormwater utility costs within Public Services even if a fee is charged to support the program as a utility.	

Part IV - TAX RATES

FORM F-65(KY-3)O - 9/2015

A. Property Tax Rates	Compensating (a)	4% Increase (b)	Adopted Rate (c)
1. Real	.196	.203	.198
2. Personal	.196	.203	.198
3. Motor vehicle/watercraft			
B. Other Rates			
1. Occupational license fee (payroll tax)		.010000	
2. Net profits		.010000	
3. Gross receipt tax			
4. Insurance premium tax		.100000	
5. Bank deposits		.000250	
6. Restaurant tax		.020000	
7. Motel tax		.030000	

Part V - TAX AND OTHER REVENUES

Please list all tax revenues received for the reporting period. Intergovernmental revenues should be listed under the source from which you received them, i.e. State, Federal, or from a City, County or a Special District. This may include revenues received from services you provide to another government.

A. Property Tax	
1. Real	\$764,749
2. Personal	
3. Motor vehicle/watercraft	\$54,426
4. Bank deposits franchise tax	\$58,890
5. Delinquent (all years)	\$8,230
SUBTOTAL Property Taxes	\$886,295
B. License and Permit Fees	
1. City vehicle licensing (auto stickers)	
2. Right of way/street cut permits	
3. Alcoholic beverage licenses	\$11,969
4. Planning, zoning, development fees	\$2,075
5. Other licensing and permit fees including: Animal control; building, electrical, and plumbing permits; Electrical contractors' licenses, development impact fees, unloading fees, building, electrical, plumbing and natural gas inspections.)	\$13,180
SUBTOTAL License & Permit Fees	\$27,224

Please continue on next page

Part V – TAX AND OTHER REVENUES – Continued

FORM F-65(KY-3)O - 9/2015

C. Occupation and Business Fees

1. Occupational license fees	
(a) Payroll	\$2,367,772
(b) Net profits	\$408,764
(c) Gross receipts	
2. Fixed rate business license	\$20,710
SUBTOTAL for Occupation and Business Fees	\$2,797,246

D. Other Taxes/Fees

1. Franchise fees	
(a) Electric	\$273,983
(b) Natural gas	\$23,148
(c) Water/wastewater	
(d) Other franchise fees	
2. Motel tax	\$54,904
3. Restaurant tax	\$351,847
4. Insurance premium tax	\$1,019,144
SUBTOTAL for Other Taxes/Fees	\$1,723,026

Function activity	From cities, counties, or special districts (a)	From State (b)	From Federal (c)
E. Intergovernmental Revenues			
1. General Support			
2. Government payments in lieu of taxes	\$6,700		
3. Public Safety			
(a) Police	\$154,189	\$98,566	\$19,600
(b) Fire/EMS		\$30,680	
(c) Corrections			
4. Public Services			
(a) Streets and roads		\$172,128	
5. Community Services			
(a) Parks and recreation			
(b) Public welfare			
(c) Public health			
(d) Housing and community development		\$4,237	\$290,000
(e) Transit/bus systems			
(f) Educational support			

Please continue on next page

Part V - Tax and Other Revenues - Continued

FORM F-65(KY-3)O - 9/2015

	From cities, counties, or special districts (a)	From State (b)	From Federal (c)
E. Intergovernmental Revenues - Continued			
6. Utilities			
(a) Water supply			
(b) Sewerage systems			
(c) Electric power systems			
(d) Natural gas systems			
(e) Telecommunications		\$67,076	
7. Other intergovernmental revenues (Include: Local government economic assistance: area development fund grant; other from local, state or federal governments.)			
SUBTOTAL for Intergovernment Revenues	\$160,889	\$372,687	\$309,600
F. Other Revenues/Charges			
1. Airport revenue			
2. Utility sales			
(a) Water			
(b) Sewerage		\$1,367,872	
(c) Electric			
(d) Natural gas			
(e) Telecommunications/cable			
3. Parking (lots, meters, garages, etc)			
4. Parks and recreation receipts		\$64,909	
5. River ports, locks, etc.			
6. Special assessments			
7. Sale of real or surplus property		\$31,932	
8. Investment/interest earnings (Exclude construction and pensions)		\$6,961	
9. Fines and forfeits (including parking violations)		\$5,612	
10. Transit authority			
11. Penalties and interest		\$9,130	
12. Donations		\$6,783	
13. Rents		\$43,850	

Please continue on next page

Part V - TAX AND OTHER REVENUES - Continued

FORM F-65(KY-3)O - 9/2015

14. Solid waste collection and disposal	\$28,689
15. Other miscellaneous revenues (Include: recoveries, impounded vehicles, ambulance runs, fire protection, police arrest fees, etc)	
16. Bond proceeds	
SUBTOTAL Other Revenues/Charges	\$1,565,738
TOTAL Municipal Revenues	\$7,842,705

Part VI – EXPENDITURES

List all city spending both as direct expenditures and costs associated with services provided by other governments. An example might be spending for sewerage treatment by another city, or police or fire services provided by the county government. Include costs your city incurs for services provided by other non-profit agencies such as social services, public health, and public welfare.

Function activity	To other cities, counties, or special districts (a)	To State (b)	To Federal (c)
A. Intergovernmental Expenditures ---(all payments to other governments for services, programs, or reimbursements)			
1. General government			
2. Public safety			
3. Public services			
4. Community services			
5. Utilities			
SUBTOTAL for Intergovernmental Expenditures	\$0	\$0	\$0

Provide spending directly attributed to the city's operations by salaries and wages, other operations, and capital outlay. Salaries and wages should only include direct salary costs including any overtime and differential pay. Do not include fringe benefits or other costs such as unemployment insurance. Operations include all other costs including materials, supplies, contractual services and other miscellaneous costs. Capital outlay is normally defined as items costing at least \$1,000 and having a useful life of more than three years.

Function activity	Salaries and wages (a)	Other operations (b)	Capital Outlay	
			Equipment, land and existing structures (c)	Construction (d)
B. Direct Expenditures by the City				
1. General government (Administrative, legal, overhead, public buildings)	\$211,654	\$1,106,937	\$3,884	
2. General government: Financial Administration				
3. Public Safety				
(a) Police	\$693,100	\$452,016	\$169,280	
(b) Fire/EMS/Ambulance	\$120,272	\$167,588	\$37,112	
(c) Code enforcement/inspection	\$47,506	\$3,434		
(d) Corrections				
(e) Other costs (e.g., dispatch)	\$252,876	\$18,844		
SUBTOTAL Direct Expenditures by City	\$1,325,408	\$1,748,819	\$210,276	\$0

Please continue on next page

Part VI – EXPENDITURES - Continued

FORM F-65(KY-3)O - 9/2015	Capital Outlay			
Function activity	Salaries and wages (a)	Other operations (b)	Equipment, land and existing structures	Construction (d)
4. Public services				
(a) Streets and roads	\$199,210	\$484,039	\$240,516	
(b) Sanitation/solid waste				
(c) Natural resources				
(d) Riverport facilities				
(e) Parking facilities				
(f) Cemeteries				
SUBTOTAL for Public Services	\$199,210	\$484,039	\$240,516	\$0
5. Community services				
(a) Parks and recreation	\$295,658	\$598,714	\$82,116	
(b) Public health				
(c) Public welfare				
(d) Housing and community development	\$52,619	\$281,900		
(e) Transit/bus system				
(f) Educational support				
SUBTOTAL for Community Services	\$348,277	\$880,614	\$82,116	\$0
6. Utilities				
(a) Water systems				
(b) Sewerage systems	\$292,035	\$755,942	\$92,712	
(c) Electric power systems				
(d) Natural gas systems				
(e) Cable/telecommunications				
SUBTOTAL for Utilities	\$292,035	\$755,942	\$92,712	\$0
7. Debt payments (include all principal and interest)				
(a) General Government		\$814,134		
(b) Public safety				
(c) Public services				
(d) Community services				
(e) Utilities		\$350,746		
SUBTOTAL for Debt Payments		\$1,164,880		
8. Bond insurance costs				
9. Miscellaneous expenditures				
SUBTOTAL Bond Ins & Misc Expenditures	\$0	\$0	\$0	\$0
SUBTOTAL Direct Expenditures by City	\$2,164,930	\$5,034,294	\$625,620	\$0

Please continue on next page

Part VII - PENSION AND BENEFIT COSTS

FORM F-65(KY-3)O - 09/2015

Personnel Expenditures

1. CERS non-hazardous	\$189,985
2. CERS hazardous	\$206,238
3. City pensions	
4. Health insurance	\$495,974
5. All other employee benefits	\$48,130
SUBTOTAL Pension & Benefits	\$940,327

Part VIII - INDEBTEDNESS

List a summary of total city debt outstanding at the beginning and end of the fiscal year. Include new debt incurred during the reporting period. Segregate the total debt by revenue and general obligation bonds.

Activity	Outstanding beginning FY (a)	Issued (b)	Retired (c)	Outstanding ending FY (d)	General obligation (e)	Revenue bonds (f)
1. General governmental funds	\$889,107	\$95,971	\$791,830	\$193,248		
2. Business type funds (water, sewer, gas, electric)	\$1,009,090	\$63,341	\$331,717	\$740,714		
3. Private activity bonds (industrial revenue, non profits...)				\$0		
4. Short-term debt (All government funds)						
(a) Beginning of fiscal year						
(b) End of fiscal year						
5. Interest paid on						
(a) Water debt						
(b) Electric debt						
(c) Gas debt						
(d) Transit debt						
(b) All other debt			\$41,332			
TOTAL Interest Paid				\$41,332		
TOTAL Municipal Expenditures						
Sum totals of Parts VI and VII						\$8,765,171

Part IX - CASH AND INVESTMENTS

1. Beginning of fiscal year	
2. End of fiscal year	
(a) Sinking funds	
(b) Bond proceeds	
(c) Other reserved funds	\$613,213
(d) All non-reserved cash and investments	\$4,005,342

Finished

EXHIBIT 4-2

City Uniform Financial Information Report Fiscal Year 2015 - 2016

Part I - Reporting Information	
City Name	City of Lebanon
Address	118 S. Proctor Knott Ave.
City, State, Zip	Lebanon, KY 40033
County	Marion
City Classification	4
<small>(Please correct any error in name, address, and ZIP Code)</small>	
Please save the worksheet to your hard drive. Once completed, attach the worksheet to an email and forward to DLG-CSD@ky.gov.	

Return to:
Department for Local Government
Cities and Special Districts Branch
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601.

SEND ONE ORIGINAL AND TWO COPIES OF THE COMPLETED FORM to the Department for Local Government BY MAY 1, 2017.

Note - Data supplied by your city in this report will be used by State and Federal Agencies and public interest groups in Kentucky. By filing this report, you will not receive local government finance reporting forms from the U.S. Census Bureau.

Part II - Contact Information

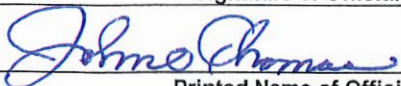
Name of person who completed form		Telephone
Rick Downs		(859) 336-7590
Title		Date
CPA		07/26/17
Company (if not city)	Reporting Format (accounting basis)	Telephone
Rick L. Downs, CPA, PSC	Modified Accrual	(859) 336-7590

RELATED ORGANIZATIONS – Please list related organizations such as Boards, Commissions, or Utilities, whose Board members are appointed by the City's Mayor or legislative body, or who receive a major portion of their funding from city resources:

Organization/Address	Chief Executive	Telephone
Planning & Zoning Commission, 118 S. Proctor Knott Ave., Lebanon, KY 40033	Paul Hilpp	(270) 692-6272
Lebanon Board of Ethics, 118 S. Proctor Knott Ave., Lebanon, KY 40033	Louise Deep	(270) 692-6272
Lebanon Human Rights Commission, P.O. Box 1028, Lebanon, KY 40033	Jerry Evans	(270) 769-2393
Lebanon Water Company, 120 S. Proctor Knott Ave., Lebanon, KY 40033	James R. Moraja, Sr	(270) 692-2491

Part III - Certification - Completed report must be signed prior to filing.

I am certifying that the data contained in this report is accurate to the best of my knowledge and belief.

Signature of Official	Title	Date completed
	City Administrator	
Printed Name of Official		Telephone
John O. Thomas		(270) 692-6272

**F-65(ky-3)O 8/2016
City UFIR**

Before filling out this form, please read carefully each part and all related definitions and instructions.

All information should be provided on a basis consistent with generally accepted accounting principles for the fiscal year July 1, 2015 through June 30, 2016.

Combine all items that are not entered in specific categories provided and enter the total in the "Other" line item. Amounts classified as "Other" should not exceed 5% of the corresponding category total.

ROUND TO THE NEAREST DOLLAR. DO NOT SHOW CENTS FOR REVENUES OR EXPENDITURES

THE ACTUAL TAX RATE LEVIED, COLUMN (c), PART IV MUST BE COMPLETED EVEN IF THERE WAS NOT A CHANGE IN THE TAX RATE FROM FISCAL YEAR 2014 - 2015

Part IV - City Revenue requests the fee, rate or amount charged per unit of service. If any line-item has a multiple rate schedule, please provide a copy of the rate schedule. The schedule is only required in years when the rates have been revised or implemented.

Tax rates should be reported as decimal amounts. For instance a rate of 22 and 7/10 cents per \$100 assessed value should be reported as .227

Report only new debt or lease agreements. DO NOT COMPLETE THESE SECTIONS AGAIN IF THEY WERE REPORTED LAST YEAR AND THERE WERE NO CHANGES IN THE DEBT OR LEASE AGREEMENT.

Please be sure to reconcile subtotals and totals to the city's annual financial statements.

Information in this report should match financial information in the city's annual audited financial statements prepared in accordance with KRS 91A.020

DLG has developed an electronic version of the UFIR. You can access this document on the DLG website: <http://www.kydlgweb.ky.gov/>. For more information contact DLG-CSD@ky.gov or 800-346-5606.

Note Especially

Please report amounts covering all funds and accounts of your city except for employee-retirement funds administered by your city. Include bond redemption and interest funds, and construction or development funds as well as current funds. Exclude refunds and transfers between funds.

Please use black or blue ball point pen.

Since this form applies to cities of different sizes and complexity, some items may not apply to your city. However, read the definitions carefully for each item in the report.

Do not change any categories. Call for clarification.

This report must be returned to the Department of Local Government by May 1, 2017 per requirements of KRS 65.905.

Financial information for all utilities connected with the city must be reported on this form.

Please note your basis of accounting (cash, modified accrual or accrual) in this report.

Depreciation - to be shown as a part of "Other Operations".

General Definitions

The following general definitions will apply to grouping of expenditure categories:

General Government - includes all general functions of your city including finance, administration, elected officials, public buildings and general insurance coverage if not assigned to individual operating departments.

Public Safety - includes all police, fire, ambulance, correctional, inspection and code enforcement activities, and any other activity that promotes the protection of life and property.

Public Services - includes maintenance and construction of basic infrastructure and solid waste activities. Streets and roads, leaf and brush collection, solid waste collection and recycling, operation of public parking, riverports, and stormwater and natural resource management.

Community Service - includes parks and recreation, public health, public welfare and assistance activities, housing and community development, mass transit programs, and educational support programs.

Utilities - include water sewerage, natural gas, electric and telecommunications systems. Please report stormwater utility costs within Public Services even if a fee is charged to support the program as a utility.

Part IV - TAX RATES

RM F-65(KY-3)O - 8/2016

Property Tax Rates	Compensating (a)	4% Increase (b)	Adopted Rate (c)
Real	0.188	0.204	0.204
Personal	0.188	0.204	0.204
Motor vehicle/watercraft			0.204
Other Rates			
Occupational license fee (payroll tax)		0.010000	
Net profits		0.010000	
Gross receipt tax			
Insurance premium tax		0.100000	
Bank deposits		0.000250	
Restaurant tax		0.020000	
Motel tax		0.030000	

Part V - TAX AND OTHER REVENUES

Please list all tax revenues received for the reporting period. Intergovernmental revenues should be listed under the source from which you received them, i.e. State, Federal, or from a City, County or a Special District. This may include revenues received from services you provide to other government.

Property Tax	
Real	\$686,790
Personal	\$190,143
Motor vehicle/watercraft	\$60,390
Bank deposits franchise tax	\$65,757
Delinquent (all years)	\$673
BTOTAL Property Taxes	\$1,003,753
License and Permit Fees	
City vehicle licensing (auto stickers)	
Right of way/street cut permits	
Alcoholic beverage licenses	\$12,222
Planning, zoning, development fees	\$1,325
Other licensing and permit fees including: Animal control; building, electrical, and plumbing permits; Electrical contractors' licenses, development impact fees, inloading fees, building, electrical, plumbing and natural gas inspections.	\$4,646
BTOTAL License & Permit Fees	\$18,193

Please continue on next page

Part V – TAX AND OTHER REVENUES – Continued

RM F-65(KY-3)O - 8/2016

Occupation and Business Fees	
1. Occupational license fees	
(a) Payroll	\$2,569,261
(b) Net profits	\$417,964
(c) Gross receipts	
2. Fixed rate business license	\$23,635
BTOTAL for Occupation and Business Fees	\$3,010,860

Other Taxes/Fees	
1. Franchise fees	
(a) Electric	\$299,813
(b) Natural gas	\$12,625
(c) Water/wastewater	
(d) Other franchise fees	
2. Motel tax	\$61,191
3. Restaurant tax	\$368,131
4. Insurance premium tax	\$1,024,047
BTOTAL for Other Taxes/Fees	\$1,765,807

Function activity	From cities, counties, or special districts (a)	From State (b)	From Federal (c)
Intergovernmental Revenues			
1. General Support			
2. Government payments in lieu of taxes	\$6,172		
3. Public Safety			
(a) Police	\$151,229	\$94,299	\$20,000
(b) Fire/EMS			
(c) Corrections			
4. Public Services			
(a) Streets and roads		\$106,709	\$60,737
i. Community Services			
(a) Parks and recreation			
(b) Public welfare			
(c) Public health			
(d) Housing and community development		\$4,368	
(e) Transit/bus systems			
(f) Educational support			

Please continue on next page

Part V - Tax and Other Revenues - Continued

RM F-65(KY-3)O - 8/2016

	From cities, counties, or special districts (a)	From State (b)	From Federal (c)
Intergovernmental Revenues - Continued			
6. Utilities			
(a) Water supply			
(b) Sewerage systems			
(c) Electric power systems			
(d) Natural gas systems			
(e) Telecommunications		\$67,074	
7. Other intergovernmental revenues (Include: Local government economic assistance; area development fund grant; other from local, state or federal governments.)		\$4,430	
IBTOTAL for Intergovernment Revenues	NA	NA	NA
Other Revenues/Charges			
1. Airport revenue			
2. Utility sales			
(a) Water			
(b) Sewerage		\$1,411,510	
(c) Electric			
(d) Natural gas			
(e) Telecommunications/cable			
3. Parking (lots, meters, garages, etc)			
4. Parks and recreation receipts		\$101,216	
5. River ports, locks, etc.			
3. Special assessments			
7. Sale of real or surplus property		\$12,855	
3. Investment/interest earnings (Exclude construction and pensions)		\$6,761	
3. Fines and forfeits (including parking violations)		\$23,475	
0. Transit authority			
1. Penalties and interest		\$7,428	
2. Donations		\$9,269	
3. Rents		\$39,530	

Please continue on next page

Part V - TAX AND OTHER REVENUES - Continued

JRM F-65(KY-3)O - 8/2016	
14. Solid waste collection and disposal	
15. Other miscellaneous revenues (Include: recoveries, impounded vehicles, ambulance runs, fire protection, police arrest fees, etc)	\$20,084
16. Bond proceeds	
UBTOTAL Other Revenues/Charges	\$1,632,128
OTAL Municipal Revenues	NA

Part VI - EXPENDITURES

Report all city spending both as direct expenditures and costs associated with services provided by other governments. An example might be spending for sewerage treatment by another city, or police or fire services provided by the county government. Include costs your city incurs for services provided by other non-profit agencies such as social services, public health, and public welfare.

Function activity	To other cities, counties, or special districts (a)	To State (b)	To Federal (c)
Intergovernmental Expenditures --- II payments to other governments for services, programs, or reimbursements)			
1. General government			
2. Public safety			
3. Public services			
4. Community services			
5. Utilities			
JBTOTAL for Intergovernmental Expenditures	\$0	\$0	\$0

Provide spending directly attributed to the city's operations by salaries and wages, other operations, and capital outlay. Salaries and wages could only include direct salary costs including any overtime and differential pay. Do not include fringe benefits or other costs such as employment insurance. Operations include all other costs including materials, supplies, contractual services and other miscellaneous costs. Capital outlay is normally defined as items costing at least \$1,000 and having a useful life of more than three years.

Function activity	Salaries and wages (a)	Other operations (b)	Capital Outlay	
			Equipment, land and existing structures (c)	Construction (d)
Direct Expenditures by the City				
1. General government (Administrative, legal, overhead, public buildings)	\$204,054	\$792,301	\$378,208	\$192,392
2. General government: Financial Administration				
3. Public Safety				
(a) Police	\$715,899	\$447,303	\$57,627	
(b) Fire/EMS/Ambulance	\$119,735	\$148,596	\$3,144	
(c) Code enforcement/inspection	\$49,119	\$3,415		
(d) Corrections				
(e) Other costs (e.g., dispatch)	\$280,590	\$19,546		
JBTOTAL Direct Expenditures by City	\$1,369,397	\$1,411,161	\$438,979	\$192,392

Please continue on next page

Part VI – EXPENDITURES - Continued

RM F-65(KY-3)O - 8/2016

Function activity	Salaries and wages (a)	Other operations (b)	Capital Outlay	
			Equipment, land and	Construction (d)
4. Public services				
(a) Streets and roads	\$188,414	\$534,952	\$120,663	\$204,175
(b) Sanitation/solid waste				
(c) Natural resources				
(d) Riverport facilities				
(e) Parking facilities				
(f) Cemeteries				
JBTOTAL for Public Services	\$188,414	\$534,952	\$120,663	\$204,175
5. Community services				
(a) Parks and recreation	\$313,450	\$666,151	\$107,506	\$105,735
(b) Public health				
(c) Public welfare				
(d) Housing and community development	\$69,091	\$338,047	\$14,800	
(e) Transit/bus system				
(f) Educational support				
JBTOTAL for Community Services	\$382,541	\$1,004,198	\$122,306	\$105,735
6. Utilities				
(a) Water systems				
(b) Sewerage systems	\$252,901	\$963,566	\$79,419	\$487,918
(c) Electric power systems				
(d) Natural gas systems				
(e) Cable/telecommunications				
JBTOTAL for Utilities	\$252,901	\$963,566	\$79,419	\$487,918
7. Debt payments (include all principal and interest)				
(a) General Government		\$103,638		
(b) Public safety				
(c) Public services				
(d) Community services				
(e) Utilities		\$351,971		
BTOTAL for Debt Payments		\$455,609		
8. Bond insurance costs				
9. Miscellaneous expenditures				
BTOTAL Bond Ins & Misc Expenditures	\$0	\$0	\$0	\$0
BTOTAL Direct Expenditures by City	\$2,193,253	\$4,369,486	\$761,367	\$990,220

Please continue on next page

Part VII - PENSION AND BENEFIT COSTS

IM F-65(KY-3)O - 8/2016

Personnel Expenditures	
1. CERS non-hazardous	\$320,213
2. CERS hazardous	\$257,715
3. City pensions	
4. Health insurance	\$443,841
5. All other employee benefits	\$87,721
BTOTAL Pension & Benefits	\$1,109,490

Part VIII - INDEBTEDNESS

a summary of total city debt outstanding at the beginning and end of the fiscal year. Include new debt incurred during the reporting period. Segregate the total debt by revenue and general obligation bonds.

Activity	Outstanding beginning FY (a)	Issued (b)	Retired (c)	Outstanding ending FY (d)	General obligation (e)	Revenue bonds (f)
General governmental funds	\$193,248	\$53,114	\$98,617	\$147,745		
Business type funds (water, sewer, gas, electric)	\$740,714		\$338,552	\$402,162		
Private activity bonds (industrial revenue, non profits...)				\$0		
Short-term debt (All government funds)						
(a) Beginning of fiscal year						
(b) End of fiscal year						
Interest paid on						
(a) Water debt						
(b) Electric debt						
(c) Gas debt						
(d) Transit debt						
(b) All other debt				\$17,823		
TOTAL Interest Paid				\$17,823		
TOTAL Municipal Expenditures (totals of Parts VI and VII)				\$9,423,816		

Part IX - CASH AND INVESTMENTS

Beginning of fiscal year	
End of fiscal year	
(a) Sinking funds	
(b) Bond proceeds	
(c) Other reserved funds	\$435,411
(d) All non-reserved cash and investments	\$4,012,716

Finished

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 5

Responding Witness: Daren Thompson

Q-5. For each outstanding revenue bond issuance and long-term loan related to Lebanon's water operations, provide:

- A. The ordinance or resolution authorizing the bond and loan issuance.
- B. A copy of the bond and loan amortization schedule.
- C. A detailed explanation of why the debt was incurred

A-5.

A. For each outstanding revenue bond issuance and long-term loan related to the Company's water operations, the Company provides the following ordinances and resolutions:

- **CNB Loan 77049:**

- Ordinance No. 91-11 authorized the issuance of \$1,400,000 in Bonds ("1992 Bonds"), which were originally purchased and held by the Farmer's Home Administration (predecessor to USDA, Rural Development.) A copy is attached as **Exhibit 8** to the Thompson Testimony filed on March 21, 2018. The 1992 Bonds are now held by Citizens National Bank of

Lebanon (“CNB”). CNB “stepped into the shoes” of USDA, Rural Development when it purchased these Bonds.

- The Resolution and minutes, attached as **Exhibit 5-1**, authorized the refinancing of this obligation.
- **CNB Loan 76735:**
 - The issuance of the underlying debt was authorized by Ordinance No. 96-15 and the 2002 Bond Ordinance. Ordinance No. 96-15 authorized the issuance of \$1,867,000 in Bonds (“1997B Bonds”), which were originally purchased and held by the Rural Utilities Service (predecessor to USDA, Rural Development). A copy of Ordinance No. 96-15 is attached as **Exhibit 9** to the Thompson Testimony filed on March 21, 2018. The 2002 Bond Ordinance authorized the issuances of \$2,787,000 in Bonds (“2002 Bonds”), which were originally purchased and held by the USDA, Rural Development. A copy of the 2002 Bond Ordinance is attached as **Exhibit 10** to the Thompson Testimony filed

on March 21, 2018. The 1997B Bonds and the 2002 Bonds are now held by CNB.

○ The Resolutions attached as **Exhibit 5-2** authorized the refinancing of both the 1997B Bonds and the 2002 Bonds.

- **KIA Loan B08-09:** Resolution 2010-01, which authorized this Assistance Agreement, is attached as **Exhibit 5-3**.
- **KIA Loan F14-036:** Resolution 2016-08, which authorized this Assistance Agreement, is attached as **Exhibit 5-4**.
- **KIA Loan F15-057:** The Resolution authorizing this Assistance Agreement is attached as **Exhibit 5-5**.

B. Copies of the Amortization Schedules are attached as the following exhibits:

- CNB Loan 77049: **Exhibit 5-6**
- CNB Loan 76735: **Exhibit 5-7**
- KIA Loan B08-09: **Exhibit 5-8**
- KIA Loan F14-036: **Exhibit 5-9**
- KIA Loan F15-057: **Exhibit 5-10**

Copies of the Amortization Schedules were also attached as **Exhibits 14, 16, 17, 18, and 19** to the Thompson Testimony filed on March 21,

2018. The KIA Loan F14-036 Amortization Schedule, attached as **Exhibit 5-9**, replaces the draft schedule attached as **Exhibit 18** to the Thompson Testimony filed on March 21, 2018.

C. A detailed explanation of why each debt was incurred is provided below:

- **CNB Loan 77049:** The 1992 Bonds, which are now held by CNB (as CNB Loan 77049), were issued to finance the construction of the Fagan Branch Reservoir. This Reservoir serves as a supplemental supply of raw water for the Company.
- **CNB Loan 76735:** This loan represents the refinancing of two (2) prior bond issues (1997B Bonds and 2002 Bonds) which were purchased by USDA, Rural Development (“RD”) or its predecessor, Rural Utility Services.

The proceeds from both the 1997B Bonds and the 2002 Bonds were used to make major improvements to the Company’s Water Treatment Plant. A portion of the 2002 Bond proceeds was also used to construct the Warehouse Road Booster Pump Station and to install approximately 6,800 linear feet of 12-inch diameter water transmission main from the Booster Pump Station to the Springfield Road Tank. These

improvements enhanced the Company's ability to provide more reliable service and to provide larger quantities of water to Marion District. A more detailed description of each project is described in the attached **Exhibits 5-11** and **5-12**.

- **KIA Loan B08-09:** The proceeds from this loan were used to construct approximately 6,500 linear feet of 16-inch diameter water transmission main along the newly completed Lebanon Bypass and the Bypass Extension (Kentucky Highway 2154). This transmission main connects with the Company's existing 20-inch diameter water transmission main, which delivers water directly from the Water Treatment Plant. This project enhanced the Company's ability to provide more reliable service and to provide larger quantities of water to Marion District through the Bypass Master Meter. A more detailed description of this project is described in the attached **Exhibit 5-13**.
- **KIA Loan F14-036:** The proceeds from this loan were used to construct the Marion-Taylor Interconnect Project commonly referred to as the "Campbellsville Water Transmission Main." It consisted of constructing approximately 50,000 linear feet of

12-inch diameter water transmission main from near the Marion-Taylor County Line to the 16-inch diameter water transmission main which was constructed with the proceeds from KIA Loan B08-09. This project provided the Company with a supplemental source of supply of potable water, which the Company and Marion District have long sought to obtain. A more detailed description of this project is described in the attached **Exhibit 5-14**.

- **KIA Loan F15-057:** The proceeds from this loan were used to construct the Woodlawn Avenue and Loretto Road Project. It consisted of constructing approximately 6,000 linear feet of 6-inch diameter water transmission main along Woodlawn Avenue and approximately 6,000 linear feet of 6-inch diameter water transmission main along Loretto Road (Kentucky Highway 49). These transmission mains replaced existing cast iron pipe that was prone to breaks and leaks. This project improved service and reliability to approximately 200 retail customers and Marion District. A more detailed description of this project is described in the attached **Exhibit 5-15**.

EXHIBIT 5-1

RESOLUTION

Refinanced
to
CNB
77049

RESOLUTION OF THE CITY OF LEBANON, KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF REFINANCING AND CURRENTLY REFUNDING CERTAIN OBLIGATIONS OF THE CITY.

WHEREAS, the City Council (the "Governing Authority") of the City of Lebanon, Kentucky (the "City") has determined that it is in the public interest to refinance and currently refund its outstanding City of Lebanon Waterworks Revenue Bonds, Series 1992, dated December 1, 1992, in the original authorized principal amount of \$1,400,000 (the "Prior Bonds"), in order for the City to obtain substantial interest cost savings which Prior Bonds were issued by the City to make improvements and extensions to the City's waterworks system (the "System"); and

WHEREAS, the City desires the Kentucky Rural Water Finance Corporation (the "Corporation") to act as its agency and instrumentality for the purpose of providing monies to refinance and currently refund the outstanding Prior Bonds and has made an application to the Corporation therefore; and

WHEREAS, in order to obtain such monies, the City is required to enter into an Assistance Agreement with the Corporation;

NOW, THEREFORE, BE IT RESOLVED by the Governing Authority of the City of Lebanon, Kentucky as follows:

1. Authorization of Assistance Agreement and the Obligations Thereunder. For the purpose of paying the costs, not otherwise provided, of the refinancing and current refunding of the Prior Bonds, the City hereby authorizes and approves the issuance of its obligations pursuant to the Assistance Agreement in the aggregate principal amount of \$744,000 (subject to adjustment plus or minus ten percent (10%) [the "Obligations"]], which amount as adjusted shall be the maximum amount of such Obligations to be outstanding at any one time under the Assistance Agreement, issued as fully registered Obligations, in said maturities and terms as more fully provided for in the Assistance Agreement. The Obligations shall bear interest at such rates and shall be payable in such amounts and at such times as specified in the Assistance Agreement, all as agreed upon by the City and the Corporation.

2. Approval and Authorization of Execution of Assistance Agreement. The Assistance Agreement by and between the City and the Corporation in the respective form attached to this Resolution, is hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the Mayor, such approval to be conclusively evidenced by the execution of said Assistance Agreement, in order to effectuate the purposes of this Resolution; and the Mayor, or any other officer of the City, is hereby authorized to execute and acknowledge same for and on behalf of the City; and the City Clerk is authorized to attest same and to affix thereto the corporate seal of the City. The Assistance Agreement is hereby ordered to be filed in the office of

the City Clerk with this Resolution in the official records of the City.

3. Disbursement of Proceeds of Obligations. The City's officers, employees and agents are authorized to carry out the procedures specified in the Assistance Agreement for the refinancing and current refunding of the Prior Bonds and for the payment from time to time of the costs and related expenses associated therewith.

4. Revenues of the System. The revenues of the System are determined to be sufficient to pay the principal of and interest on the Obligations, as the same become due and payable; and said revenues, pursuant to the terms of the Assistance Agreement, are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Assistance Agreement.

5. Mayor and Other City Officials to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Mayor, the Treasurer, the City Clerk and all other appropriate officials of the City are hereby authorized and directed to take any and all further action and to execute and deliver all other documents as may be reasonably necessary to effect the issuance and delivery of the Obligations and the Assistance Agreement.

6. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

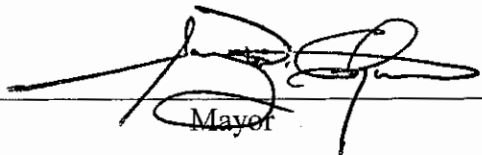
7. Captions of Clauses. The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

8. Provisions in Conflict Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

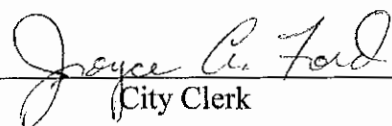
9. Effective Date of Resolution. This Resolution shall take effect from and after its adoption and approval.

Adopted on February 9, 2004.

CITY OF LEBANON, KENTUCKY

By  _____
Mayor

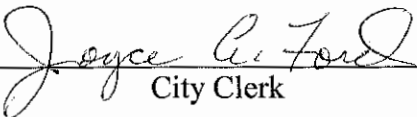
Attest:

By  _____
City Clerk

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the City of Lebanon; that the foregoing is a full, true and correct copy of a Resolution adopted by the Governing Authority of the City of Lebanon at a meeting duly held on February 9, 2004; that said official action appears as a matter of public record in the official records or Journal of the Governing Authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 9th day of February, 2004.



City Clerk

MINUTES
LEBANON WATER WORKS CO., INC.
December 17, 2012

A regular meeting of the Board of Directors was called to order at 7:00 pm by James R. Moraja, Sr., President. Also present were Bill Tatum, Vice-President, Mary Jane Shockency, Dr. Robert H. Smith, Denise Thomas, William P. Thompson, Secretary/Treasurer, John L. Thomas, Superintendent and Lisa Mattingly, secretary at the water company.

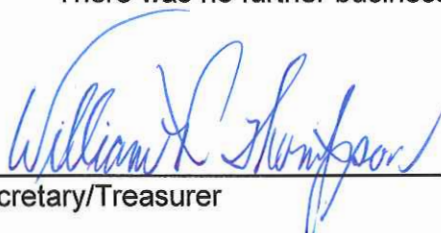
Ray Ihlenburg with O'Brien and Gere Engineers (OBG) updated the Board on a few projects.

After reviewing the Cost Savings of Refinancing the 2004 Bond Issue, the Board agreed to proceed with refinancing this loan through Citizens National Bank, same term, 2.9% rate.

The following bills were authorized to pay:

Miller Brothers	\$ 948.00	Burkman Feeds	\$ 21.96
Wal-Mart Community BRC	247.26	Calvary Store	111.84
Lebanon Wholesale, Inc.	77.00	Allan's of Central Kentucky	22.00
Danville Office Equipment	227.37	Kentucky Underground	39.59
Nich Chem	6,290.00	United Systems & Software	1,465.00
Neptune Equipment Co.	6,078.48	Cintas First Aid Supply	53.65
Lanham Refrigeration, Inc.	891.00	Carquest of Lebanon	3.59
John Deere Financial	132.84	HD Supply Waterworks	1,369.68
Hach Company	1,316.98	Woodlawn Grocery	180.00
Phillips Repair, Inc.	35.08	Lebanon Machine Shop, Inc.	44.25
Central KY Plumbing & Electric	634.90	Nally & Haydon Surfacing	133.33
C. I. Thornburg Co., Inc.	2,899.13	Lebanon Machine Shop (depr)	8,885.00

There was no further business, the meeting adjourned at 7:30 p.m.; all in favor.


Secretary/Treasurer


President

CITY COUNCIL LEBANON KENTUCKY

REGULAR MEETING

JANUARY 7, 2013

A regular meeting of the Lebanon City Council was held on January 7, 2013 at 7:00 p.m. at City Hall. With Mayor Gary D. Crenshaw presiding, Councilmembers Jerry Abell, Jay Grundy, Kate Palagi, Jim Richardson, and Darin Spalding were present.

Mayor Crenshaw called the meeting to order at 7:00 p.m.

Mrs. Mary Kay Clements, Executive Committee & Director for the Marion County Heritage Center/Historical Society was present asking for everyone's support in the Historical Society's mission by becoming a member of their organization.

Mrs. Clements announced that Heritage Center now has exclusive rights to host the only Turtleman exhibit in the world. Other exhibits will include the Don Johnson Musical Instruments Collection, Fish & Wildlife, Quilts of Marion County, and other exhibits on a rotating basis.

The minutes of the regularly scheduled council meeting held December 10, 2012 stood approved as distributed.

Councilman Spalding made a motion to approve the payment of bills as presented and Councilwoman Palagi seconded. The motion carried unanimously.


In old business, Councilman Grundy proposed appointing former Councilmember Mr. John R. Mattingly to fill the existing vacancy on the council.

Councilwoman Palagi stated that she had spoken with former Councilmember Mrs. Elizabeth Ann Osbourne about the vacancy on the Council and that she would be willing to serve.

LEBANON CITY COUNCIL
JANUARY 7, 2013
PAGE 2

Councilman Spalding also proposed Ms. Edna Seabrooks, who formerly served on the Park Board.

After all discussion, Councilman Grundy made a motion to appoint Mr. John R. Mattingly to fill the vacancy on the Lebanon City Council due to the resignation of Mrs. Denise Fogle and Councilman Abell seconded. Upon vote Councilmembers Grundy and Spalding voted "aye", Councilmember Richardson voted "nay", and Councilwoman Palagi abstained. The motion carried.



Councilman Spalding made a motion to approve the refinancing of the 2004 Lebanon Water Works Bond Issue reducing the interest rate from a variable rate between 2.06-4.19% to a fixed rate at 2.9% and Councilman Abell seconded. The motion carried unanimously.

Councilman Abell made a motion to approve the Mayor's reappointment of Ms. Benita Carrol Nally and Mr. Joe Smalley to the Board of Zoning Adjustment with terms to expire January 2016 and Councilman Spalding seconded. The motion carried unanimously.

Councilman Spalding made a motion to approve the Mayor's reappointment of Ms. Louise Deep and Mr. Brad Lanham to the Ethics Board with terms to expire January 2017 and Councilwoman Palagi seconded. The motion carried unanimously.

Councilman Abell made a motion to approve the Mayor's reappointment of Mr. Gerry Rogers and Mr. Bob O'Daniel to the Property Maintenance Code Enforcement Board with terms to expire January 2016 and Councilwoman Palagi seconded. The motion carried unanimously.

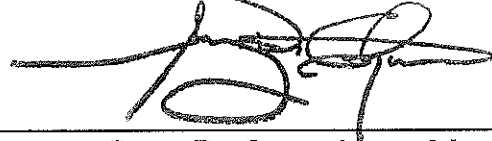
Councilman Abell made a motion to hold the first reading of Ordinance No. 2013-01 and Councilman Richardson seconded. The motion carried unanimously.

LEBANON CITY COUNCIL
JANUARY 7, 2013
PAGE 3

City Clerk Wheatley then read Ordinance No. 2013-01, an ordinance amending Ordinance No. 88-11, 2006-09, 2007-03, 2008-18, 2009-06 and Chapter 116 of the codified ordinances of the City of Lebanon: Alcoholic Beverages (as Amended).

With no further business to come before the Council, Councilman Spalding made a motion to adjourn and Councilwoman Palagi seconded. The motion carried unanimously and the meeting adjourned at 7:35 p.m.

CITY OF LEBANON KENTUCKY



Gary D. Crenshaw, Mayor

ATTEST:

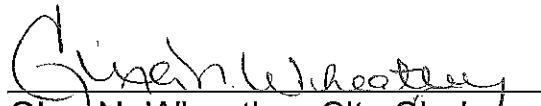

Gina N. Wheatley, City Clerk

EXHIBIT 5-2

CNB#76735
Series 1997B
and
Series 2002

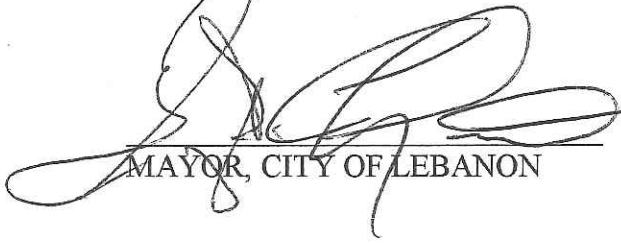
WHEREAS, IT IS RECOGNIZED THERE IS A VALID **ORDINANCE NO. 96-15** (ATTACHED HERETO) AND WILL REMAIN VALID AND ALL PROVISIONS CONTAINED WITHIN CARRY FORWARD WITH ONLY CHANGES BEING MADE AS FOLLOWS:

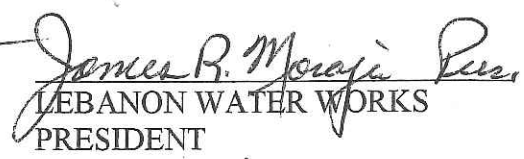
CITIZENS NATIONAL BANK, LEBANON, KY WILL NOW ASSUME THE ROLE OF "GOVERNMENT" AS DEFINED IN ARTICLE I, SECTION 102 (6) AND "PURCHASER" AS DEFINED IN ARTICLE I, SECTION 102 (8). ALL PROVISIONS OF AUTHORIZED ORDINANCE SHALL CARRY FORWARD WITHOUT AMENDMENTS AND/OR DELETIONS. THE CITY OF LEBANON AND LEBANON WATERWORKS COMPANY, INC DO HEREBY EXPLICITLY AGREE AND AFFIRM THAT CITIZENS NATIONAL BANK, LEBANON, KY WILL HAVE ALL SAFEGUARDS THAT WERE PRESENT AND GUARANTEED AT THE ORIGINAL ORIDANCE AS PROVIDED TO THE "GOVERNMENT" AND/OR "PURCHASERS" OF ORDINANCE NO. 96-15.

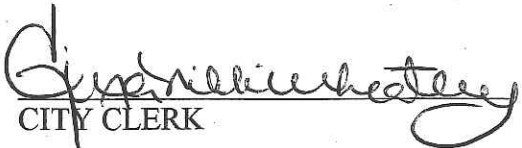
THIS CHANGE IS BEING PROMULGATED BY THE CITY OF LEBANON AND SPECIFICALLY THE LEBANON WATERWORKS COMPANY, INC (THE "COMPANY") DESIRE TO REFINANCE ORIGINAL BOND ISSUANCE REFERENCED AS SERIES **1997B.**

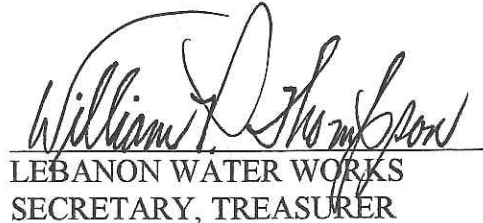
AGREED TO:

AGREED TO:


MAYOR, CITY OF LEBANON


LEBANON WATER WORKS
PRESIDENT


CITY CLERK


LEBANON WATER WORKS
SECRETARY, TREASURER

DATED:

8/13/12

CNB # 76735
(Series 2002
+ 1997B)

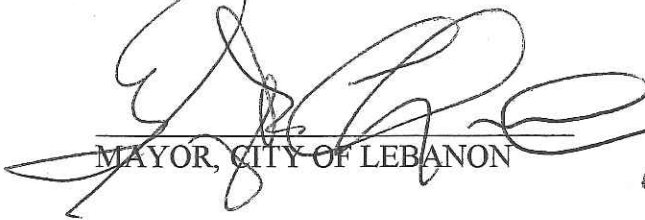
WHEREAS, IT IS RECOGNIZED THERE IS A VALID ORDINANCE NO. _____
(ATTACHED HERETO) AND WILL REMAIN VALID AND ALL PROVISIONS
CONTAINED WITHIN CARRY FORWARD WITH ONLY CHANGES BEING
MADE AS FOLLOWS:

CITIZENS NATIONAL BANK, LEBANON, KY WILL NOW ASSUME THE ROLE
OF "GOVERNMENT" AS DEFINED IN ARTICLE 1, SECTION 101 AND
"PURCHASER" AS DEFINED IN SAME SECTION. ALL PROVISIONS OF
AUTHORIZED ORDINANCE SHALL CARRY FORWARD WITHOUT
AMENDMENTS AND/OR DELETIONS. THE CITY OF LEBANON AND
LEBANON WATERWORKS COMPANY, INC DO HEREBY EXPLICITLY
AGREE AND AFFIRM THAT CITIZENS NATIONAL BANK, LEBANON, KY
WILL HAVE ALL SAFEGUARDS THAT WERE PRESENT AND GUARANTEED
AT THE ORIGINAL ORDINANCE AS PROVIDED TO THE "GOVERNMENT"
AND/OR "PURCHASERS" OF ORDINANCE NO. _____.


THIS CHANGE IS BEING PROMULGATED BY THE CITY OF LEBANON AND
SPECIFICALLY THE LEBANON WATERWORKS COMPANY, INC (THE
"COMPANY") DESIRE TO REFINANCE ORIGINAL BOND ISSUANCE
REFERENCED AS **SERIES 2002**.

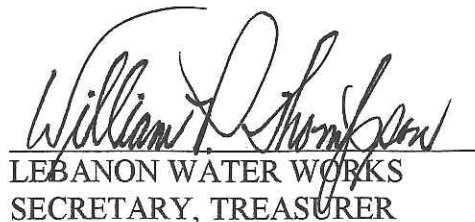
AGREED TO:

AGREED TO:


MAYOR, CITY OF LEBANON


LEBANON WATERWORKS
PRESIDENT


CITY CLERK


LEBANON WATERWORKS
SECRETARY, TREASURER

DATED:

8/13/12

EXHIBIT 5-3



CITY OF LEBANON

GARY D. CRENSHAW
MAYOR

P.O. BOX 840
LEBANON, KY 40033
TEL. (270) 692-6272
FAX (270) 692-4638

RESOLUTION 2010-01

RESOLUTION OF THE CITY OF LEBANON, KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE CITY OF LEBANON, KENTUCKY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the City Council, ("governing authority") of the City of Lebanon, Kentucky, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Governmental Agency's Water System (the "Project"); and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement with the Authority;


NOW, THEREFORE, BE IT RESOLVED by the City of Lebanon, Kentucky, as follows:

SECTION 1. That the governing authority hereby approves and authorizes of the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the Project.

SECTION 2. That any officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

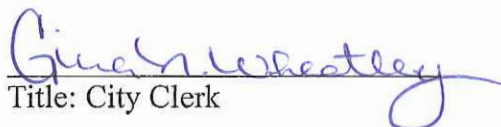
SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on JANUARY 11, 2010 .



Gary Crenshaw, Mayor

Attest:




Title: City Clerk

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the City of Lebanon, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said City at a meeting duly held on JANUARY 11, 2010; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 11TH day of JANUARY, 2010.



City Clerk

46324.1

EXHIBIT 5-4



CITY OF LEBANON

GARY D. CRENSHAW
MAYOR

P.O. BOX 840
LEBANON, KY 40039
TEL. (270) 692-6272
FAX (270) 692-4638

RESOLUTION 2016-08

RESOLUTION OF THE CITY OF LEBANON, KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT DATED AS OF JULY 1, 2016 BETWEEN THE CITY OF LEBANON, KENTUCKY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the City Council ("Governing Authority") of the City of Lebanon, Kentucky ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Governmental Agency's Water System (the "Project") and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to acquire and construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an assistance agreement dated as of July 1, 2016 (the "Assistance Agreement") with the Authority.

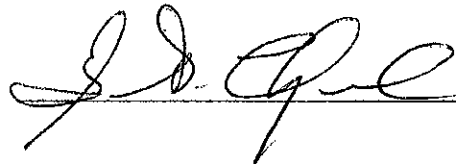
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lebanon, Kentucky, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the acquisition and construction of the Project.

SECTION 2. That the Mayor and Clerk of the Governmental Agency be and hereby are authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

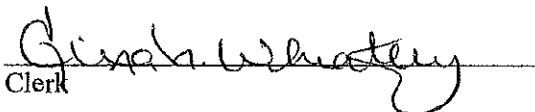
SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on July 11, 2016.



Mayor

Attest:



Clerk

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Clerk of the City of Lebanon, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the City Council of said City at a meeting duly held on July 11, 2016; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 11th day of July, 2016.

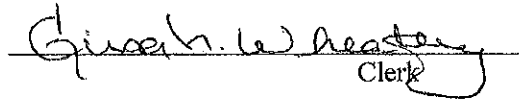

Clerk

EXHIBIT 5-5

RESOLUTION

RESOLUTION OF THE CITY OF LEBANON, KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT DATED AS OF OCTOBER 1, 2015 BETWEEN THE CITY OF LEBANON, KENTUCKY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the City Council ("Governing Authority") of the City of Lebanon, Kentucky ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Governmental Agency's Water System (the "Project") and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to acquire and construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an assistance agreement dated as of October 1, 2015 (the "Assistance Agreement") with the Authority.

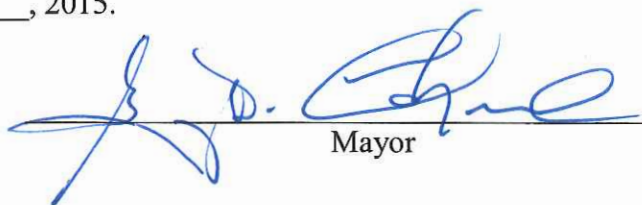
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lebanon, Kentucky, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the acquisition and construction of the Project.

SECTION 2. That the Mayor and Clerk of the Governmental Agency be and hereby are authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on October 12, 2015.



Mayor

Attest:



Clerk

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Clerk of the City of Lebanon, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the City Council of said City at a meeting duly held on October 12, 2015; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 12th day of October, 2015.


Clerk

9940547v1

EXHIBIT 5-6

CNB Loan #77049 1-25-2013 **\$ 394,502.64**

\$2,311.52 Bi-weekly

<u>Date</u>		<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
				394,502.64
2/4/2013	14	317.79	1,993.73	392,508.91
2/18/2013	14	442.66	1,868.86	390,640.05
3/4/2013	14	440.56	1,870.96	388,769.09
3/18/2013	14	438.44	1,873.08	386,896.01
4/1/2013	14	436.33	1,875.19	385,020.82
4/15/2013	14	434.22	1,877.30	383,143.52
4/29/2013	14	432.10	1,879.42	381,264.10
5/13/2013	14	429.98	1,881.54	379,382.56
5/27/2013	14	336.18	1,975.34	377,407.22
6/10/2013	14	516.84	1,794.68	375,612.54
6/24/2013	14	423.61	1,887.91	373,724.64
7/8/2013	14	421.47	1,890.05	371,834.59
7/22/2013	14	419.35	1,892.17	369,942.42
8/5/2013	14	417.21	1,894.31	368,048.11
8/19/2013	14	415.08	1,896.44	366,151.67
9/2/2013	14	324.45	1,987.07	364,164.60
9/16/2013	14	498.70	1,812.82	362,351.78
9/30/2013	14	408.66	1,902.86	360,448.92
10/14/2013	14	406.50	1,905.02	358,543.90
10/28/2013	14	404.36	1,907.16	356,636.73
11/11/2013	14	402.21	1,909.31	354,727.42
11/25/2013	14	400.05	1,911.47	352,815.95
12/9/2013	14	397.90	1,913.62	350,902.33
12/23/2013	14	395.74	1,915.78	348,986.55
1/6/2014	14	393.58	1,917.94	347,068.61
1/20/2014	14	391.41	1,920.11	345,148.50
2/3/2014	14	389.26	1,922.26	343,226.24
2/17/2014	14	387.08	1,924.44	341,301.80
3/3/2014	14	384.91	1,926.61	339,375.20
3/17/2014	14	382.74	1,928.78	337,446.42
3/31/2014	14	380.57	1,930.95	335,515.47
4/14/2014	14	378.38	1,933.14	333,582.33
4/28/2014	14	376.21	1,935.31	331,647.01
5/12/2014	14	374.02	1,937.50	329,709.52
5/26/2014	14	292.16	2,019.36	327,690.16
6/9/2014	14	448.76	1,862.76	325,827.40
6/23/2014	14	367.46	1,944.06	323,883.33

<u>Date</u>		<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
7/7/2014	14	365.26	1,946.26	321,937.07
7/21/2014	14	363.08	1,948.44	319,988.63
8/4/2014	14	360.87	1,950.65	318,037.98
8/18/2014	14	358.68	1,952.84	316,085.14
9/1/2014	14	280.09	2,031.43	314,053.71
9/15/2014	14	430.08	1,881.44	312,172.27
9/29/2014	14	352.06	1,959.46	310,212.81
10/13/2014	14	349.85	1,961.67	308,251.14
10/27/2014	14	347.64	1,963.88	306,287.26
11/10/2014	14	345.42	1,966.10	304,321.16
11/24/2014	14	343.21	1,968.31	302,352.85
12/8/2014	14	340.98	1,970.54	300,382.31
12/22/2014	14	338.77	1,972.75	298,409.56
1/5/2015	14	336.54	1,974.98	296,434.58
1/19/2015	14	334.31	1,977.21	294,457.37
2/2/2015	14	332.08	1,979.44	292,477.93
2/16/2015	14	329.85	1,981.67	290,496.26
3/2/2015	14	327.62	1,983.90	288,512.36
3/16/2015	14	325.38	1,986.14	286,526.22
3/30/2015	14	323.13	1,988.39	284,537.83
4/13/2015	14	320.90	1,990.62	282,547.20
4/27/2015	14	318.65	1,992.87	280,554.33
5/11/2015	14	316.40	1,995.12	278,559.21
5/25/2015	14	246.84	2,064.68	276,494.53
6/8/2015	14	378.64	1,932.88	274,561.65
6/22/2015	14	309.65	2,001.87	272,559.79
7/6/2015	14	307.38	2,004.14	270,555.65
7/20/2015	14	305.13	2,006.39	268,549.26
8/3/2015	14	302.86	2,008.66	266,540.60
8/17/2015	14	300.60	2,010.92	264,529.68
8/31/2015	14	298.33	2,013.19	262,516.49
9/14/2015	14	296.06	2,015.46	260,501.03
9/28/2015	14	293.79	2,017.73	258,483.30
10/12/2015	14	291.51	2,020.01	256,463.29
10/26/2015	14	289.24	2,022.28	254,441.01
11/9/2015	14	286.95	2,024.57	252,416.44
11/23/2015	14	284.67	2,026.85	250,389.59
12/7/2015	14	282.38	2,029.14	248,360.46
12/21/2015	14	280.10	2,031.42	246,329.03
1/4/2016	14	277.80	2,033.72	244,295.32
1/18/2016	14	275.51	2,036.01	242,259.31
2/1/2016	14	273.22	2,038.30	240,221.01
2/15/2016	14	270.91	2,040.61	238,180.40
2/29/2016	14	268.62	2,042.90	236,137.50
3/14/2016	14	266.31	2,045.21	234,092.29

<u>Date</u>		<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
3/28/2016	14	264.00	2,047.52	232,044.77
4/11/2016	14	261.70	2,049.82	229,994.95
4/25/2016	14	259.38	2,052.14	227,942.81
5/9/2016	14	257.07	2,054.45	225,888.36
5/23/2016	14	254.75	2,056.77	223,831.59
6/6/2016	14	252.43	2,059.09	221,772.51
6/20/2016	14	250.11	2,061.41	219,711.08
7/4/2016	14	194.69	2,116.83	217,594.25
7/18/2016	14	297.99	2,013.53	215,580.72
8/1/2016	14	243.12	2,068.40	213,512.32
8/15/2016	14	240.80	2,070.72	211,441.60
8/29/2016	14	238.46	2,073.06	209,368.54
9/12/2016	14	236.12	2,075.40	207,293.14
9/26/2016	14	233.78	2,077.74	205,215.40
10/10/2016	14	231.44	2,080.08	203,135.32
10/24/2016	14	229.09	2,082.43	201,052.89
11/7/2016	14	226.74	2,084.78	198,968.11
11/21/2016	14	224.39	2,087.13	196,880.98
12/5/2016	14	222.04	2,089.48	194,791.50
12/19/2016	14	219.68	2,091.84	192,699.66
1/2/2017	14	232.85	2,078.67	190,620.99
1/16/2017	14	199.62	2,111.90	188,509.09
1/30/2017	14	212.60	2,098.92	186,410.17
2/13/2017	14	210.22	2,101.30	184,308.87
2/27/2017	14	207.86	2,103.66	182,205.21
3/13/2017	14	205.49	2,106.03	180,099.18
3/27/2017	14	203.11	2,108.41	177,990.77
4/10/2017	14	200.74	2,110.78	175,879.99
4/24/2017	14	198.35	2,113.17	173,766.82
5/8/2017	14	195.97	2,115.55	171,651.27
5/22/2017	14	193.59	2,117.93	169,533.34
6/5/2017	14	191.19	2,120.33	167,413.01
6/19/2017	14	188.81	2,122.71	165,290.30
7/3/2017	14	186.41	2,125.11	163,165.19
7/17/2017	14	184.01	2,127.51	161,037.68
7/31/2017	14	181.62	2,129.90	158,907.78
8/14/2017	14	179.21	2,132.31	156,775.47
8/28/2017	14	176.81	2,134.71	154,640.76
9/11/2017	14	174.40	2,137.12	152,503.64
9/25/2017	14	171.99	2,139.53	150,364.11
10/9/2017	14	169.57	2,141.95	148,222.16
10/23/2017	14	167.17	2,144.35	146,077.81 OK w/ CNB
11/6/2017	14	164.75	2,146.77	143,931.04
11/20/2017	14	162.32	2,149.20	141,781.84

<u>Date</u>		<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
12/4/2017	14	159.90	2,151.62	139,630.22
12/18/2017	14	157.47	2,154.05	137,476.17
1/1/2018	14	155.04	2,156.48	135,319.70
1/15/2018	14	152.61	2,158.91	133,160.79
1/29/2018	14	150.18	2,161.34	130,999.44
2/12/2018	14	147.74	2,163.78	128,835.66
2/26/2018	14	145.30	2,166.22	126,669.44
3/12/2018	14	142.85	2,168.67	124,500.77
3/26/2018	14	140.41	2,171.11	122,329.66
4/9/2018	14	137.96	2,173.56	120,156.10
4/23/2018	14	135.51	2,176.01	117,980.09
5/7/2018	14	133.06	2,178.46	115,801.63
5/21/2018	14	130.60	2,180.92	113,620.71
6/4/2018	14	128.14	2,183.38	111,437.33
6/18/2018	14	125.68	2,185.84	109,251.48
7/2/2018	14	123.21	2,188.31	107,063.17
7/16/2018	14	120.74	2,190.78	104,872.40
7/30/2018	14	118.27	2,193.25	102,679.15
8/13/2018	14	115.80	2,195.72	100,483.43
8/27/2018	14	113.32	2,198.20	98,285.23
9/10/2018	14	110.84	2,200.68	96,084.56
9/24/2018	14	108.36	2,203.16	93,881.40
10/8/2018	14	105.88	2,205.64	91,675.76
10/22/2018	14	103.39	2,208.13	89,467.63
11/5/2018	14	100.90	2,210.62	87,257.01
11/19/2018	14	98.41	2,213.11	85,043.89
12/3/2018	14	95.91	2,215.61	82,828.28
12/17/2018	14	93.41	2,218.11	80,610.17
12/31/2018	14	90.91	2,220.61	78,389.57
1/14/2019	14	88.41	2,223.11	76,166.45
1/28/2019	14	85.90	2,225.62	73,940.83
2/11/2019	14	83.39	2,228.13	71,712.70
2/25/2019	14	80.88	2,230.64	69,482.05
3/11/2019	14	78.36	2,233.16	67,248.90
3/25/2019	14	75.84	2,235.68	65,013.22
4/8/2019	14	73.32	2,238.20	62,775.02
4/22/2019	14	70.80	2,240.72	60,534.29
5/6/2019	14	68.27	2,243.25	58,291.04
5/20/2019	14	65.74	2,245.78	56,045.26
6/3/2019	14	63.21	2,248.31	53,796.95
6/17/2019	14	60.67	2,250.85	51,546.10
7/1/2019	14	58.13	2,253.39	49,292.71
7/15/2019	14	55.59	2,255.93	47,036.78
7/29/2019	14	53.05	2,258.47	44,778.31

<u>Date</u>		<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
8/12/2019	14	50.50	2,261.02	42,517.29
8/26/2019	14	47.95	2,263.57	40,253.72
9/9/2019	14	45.40	2,266.12	37,987.60
9/23/2019	14	42.84	2,268.68	35,718.92
10/7/2019	14	40.28	2,271.24	33,447.68
10/21/2019	14	37.72	2,273.80	31,173.88
11/4/2019	14	35.16	2,276.36	28,897.52
11/18/2019	14	32.59	2,278.93	26,618.59
12/2/2019	14	30.02	2,281.50	24,337.09
12/16/2019	14	27.45	2,284.07	22,053.02
12/30/2019	14	24.87	2,286.65	19,766.37
1/13/2020	14	22.29	2,289.23	17,477.14
1/27/2020	14	19.71	2,291.81	15,185.33
2/10/2020	14	17.13	2,294.39	12,890.94
2/24/2020	14	14.54	2,296.98	10,593.96
3/9/2020	14	11.95	2,299.57	8,294.38
3/23/2020	14	9.35	2,302.17	5,992.22
4/6/2020	14	6.76	2,304.76	3,687.45
4/20/2020	14	4.16	2,307.36	1,380.09
5/4/2020	14	1.56	1,383.96	-3.87

EXHIBIT 5-7

CNB Loan #76735 8-13-2012 **\$ 4,022,993.30**

\$ 11,720.58 Bi-weekly

Date		Interest	Principal	Balance
				4,022,993.30
8/27/2012	14	5,475.74	6,244.84	4,016,748.46
9/10/2012	14	5,467.24	6,253.34	4,010,495.12
9/24/2012	14	5,458.73	6,261.85	4,004,233.27
10/8/2012	14	5,450.21	6,270.37	3,997,962.90
10/22/2012	14	5,441.67	6,278.91	3,991,683.99
11/5/2012	14	5,433.13	6,287.45	3,985,396.53
11/19/2012	14	5,424.57	6,296.01	3,979,100.52
12/3/2012	14	5,416.00	6,304.58	3,972,795.94
12/17/2012	14	5,407.42	6,313.16	3,966,482.78
12/31/2012	14	5,398.82	6,321.76	3,960,161.02
1/14/2013	14	5,390.22	6,330.36	3,953,830.66
1/28/2013	14	5,381.60	6,338.98	3,947,491.68
2/11/2013	14	5,372.97	6,347.61	3,941,144.08
2/25/2013	14	5,364.33	6,356.25	3,934,787.83
3/11/2013	14	5,355.68	6,364.90	3,928,422.94
3/25/2013	14	5,347.02	6,373.56	3,922,049.38
4/8/2013	14	5,338.35	6,382.23	3,915,667.15
4/22/2013	14	5,329.65	6,390.93	3,909,276.22
5/6/2013	14	5,320.96	6,399.62	3,902,876.59
5/20/2013	14	5,312.25	6,408.33	3,896,468.26
6/3/2013	14	5,303.53	6,417.05	3,890,051.21
6/17/2013	14	5,294.79	6,425.79	3,883,625.42
7/1/2013	14	5,286.05	6,434.53	3,877,190.89
7/15/2013	14	5,277.29	6,443.30	3,870,747.59
7/29/2013	14	5,268.52	6,452.06	3,864,295.52
8/12/2013	14	5,259.74	6,460.84	3,857,834.68
8/26/2013	14	5,250.94	6,469.64	3,851,365.04
9/9/2013	14	5,242.13	6,478.45	3,844,886.59
9/23/2013	14	5,233.32	6,487.26	3,838,399.33
10/7/2013	14	5,224.49	6,496.09	3,831,903.24
10/21/2013	14	5,215.65	6,504.93	3,825,398.30
11/4/2013	14	5,206.79	6,513.79	3,818,884.52
11/18/2013	14	5,197.92	6,522.66	3,812,361.86
12/2/2013	14	5,189.05	6,531.53	3,805,830.32
12/16/2013	14	5,180.16	6,540.42	3,799,289.90
12/30/2013	14	5,171.26	6,549.32	3,792,740.58
1/13/2014	14	5,162.34	6,558.24	3,786,182.34
1/27/2014	14	5,153.41	6,567.17	3,779,615.17
2/10/2014	14	5,144.48	6,576.10	3,773,039.07
2/24/2014	14	5,135.52	6,585.06	3,766,454.01

3/10/2014	14	5,126.57	6,594.01	3,759,860.00
3/24/2014	14	5,117.58	6,602.98	3,753,257.02
4/7/2014	14	5,108.60	6,611.98	3,746,645.04
4/21/2014	14	5,099.60	6,620.98	3,740,024.06
5/5/2014	14	5,090.59	6,629.99	3,733,394.07
5/19/2014	14	5,081.57	6,639.01	3,726,755.06
6/2/2014	14	5,072.52	6,648.06	3,720,107.00
6/16/2014	14	5,063.48	6,657.10	3,713,449.90
6/30/2014	14	5,054.42	6,666.16	3,706,783.74
7/14/2014	14	5,045.35	6,675.23	3,700,108.51
7/28/2014	14	5,036.25	6,684.33	3,693,424.18
8/11/2014	14	5,027.16	6,693.42	3,686,730.76
8/25/2014	14	5,018.06	6,702.52	3,680,028.24
9/8/2014	14	5,008.92	6,711.66	3,673,316.58
9/22/2014	14	4,999.79	6,720.79	3,666,595.79
10/6/2014	14	4,990.65	6,729.93	3,659,865.86
10/20/2014	14	4,981.48	6,739.10	3,653,126.76
11/3/2014	14	4,972.31	6,748.27	3,646,378.49
11/17/2014	14	4,963.13	6,757.45	3,639,621.04
12/1/2014	14	4,953.93	6,766.65	3,632,854.39
12/15/2014	14	4,944.72	6,775.86	3,626,078.53
12/29/2014	14	4,935.49	6,785.09	3,619,293.44
1/12/2015	14	4,926.26	6,794.32	3,612,499.12
1/26/2015	14	4,917.02	6,803.56	3,605,695.56
2/9/2015	14	4,907.75	6,812.83	3,598,882.73
2/23/2015	14	4,898.48	6,822.10	3,592,060.63
3/9/2015	14	4,889.19	6,831.39	3,585,229.24
3/23/2015	14	4,879.90	6,840.68	3,578,388.56
4/6/2015	14	4,870.58	6,850.00	3,571,538.56
4/20/2015	14	4,861.26	6,859.32	3,564,679.24
5/4/2015	14	4,851.93	6,868.65	3,557,810.59
5/18/2015	14	4,842.57	6,878.01	3,550,932.58
6/1/2015	14	4,833.22	6,887.36	3,544,045.22
6/15/2015	14	4,823.84	6,896.74	3,537,148.48
6/29/2015	14	4,814.45	6,906.13	3,530,242.35
7/13/2015	14	4,805.05	6,915.53	3,523,326.83
7/27/2015	14	4,795.64	6,924.94	3,516,401.89
8/10/2015	14	4,786.21	6,934.37	3,509,467.52
8/24/2015	14	4,776.78	6,943.80	3,502,523.71
9/7/2015	14	3,745.75	7,974.83	3,494,548.88
9/21/2015	14	5,775.72	5,944.86	3,488,604.02
10/5/2015	14	4,748.37	6,972.21	3,481,631.81
10/19/2015	14	4,738.89	6,981.69	3,474,650.12
11/2/2015	14	4,729.38	6,991.20	3,467,658.93
11/16/2015	14	4,719.87	7,000.71	3,460,658.22

11/30/2015	14	4,710.34	7,010.24	3,453,647.98
12/14/2015	14	4,700.79	7,019.79	3,446,628.19
12/28/2015	14	4,691.25	7,029.33	3,439,598.86
1/11/2016	14	4,681.67	7,038.91	3,432,559.95
1/25/2016	14	4,672.10	7,048.48	3,425,511.46
2/8/2016	14	4,662.50	7,058.08	3,418,453.38
2/22/2016	14	4,652.90	7,067.68	3,411,385.70
3/7/2016	14	4,643.27	7,077.31	3,404,308.39
3/21/2016	14	4,633.64	7,086.94	3,397,221.46
4/4/2016	14	4,624.00	7,096.57	3,390,124.89
4/18/2016	14	4,614.34	7,106.24	3,383,018.64
5/2/2016	14	4,604.66	7,115.92	3,375,902.73
5/16/2016	14	4,594.98	7,125.60	3,368,777.13
5/30/2016	14	3,602.72	8,117.86	3,360,659.27
6/13/2016	14	5,554.42	6,166.16	3,354,493.11
6/27/2016	14	4,565.84	7,154.74	3,347,338.36
7/11/2016	14	4,556.10	7,164.48	3,340,173.88
7/25/2016	14	4,546.35	7,174.23	3,332,999.65
8/8/2016	14	4,536.58	7,184.00	3,325,815.65
8/22/2016	14	4,526.80	7,193.78	3,318,621.88
9/5/2016	14	3,549.09	8,171.49	3,310,450.39
9/19/2016	14	5,471.43	6,249.15	3,304,201.24
10/3/2016	14	4,497.39	7,223.19	3,296,978.05
10/17/2016	14	4,487.55	7,233.03	3,289,745.02
10/31/2016	14	4,477.71	7,242.87	3,282,502.15
11/14/2016	14	4,467.85	7,252.73	3,275,249.42
11/28/2016	14	4,457.98	7,262.60	3,267,986.82
12/12/2016	14	4,448.09	7,272.49	3,260,714.33
12/26/2016	14	3,487.16	8,233.42	3,252,480.91
1/9/2017	14	5,375.62	6,344.96	3,246,135.95
1/23/2017	14	4,418.36	7,302.22	3,238,833.73
2/6/2017	14	4,408.41	7,312.17	3,231,521.57
2/20/2017	14	4,398.46	7,322.12	3,224,199.45
3/6/2017	14	4,388.49	7,332.09	3,216,867.36
3/20/2017	14	4,378.52	7,342.06	3,209,525.30
4/3/2017	14	4,368.52	7,352.06	3,202,173.24
4/17/2017	14	4,358.51	7,362.07	3,194,811.17
5/1/2017	14	4,348.49	7,372.09	3,187,439.09
5/15/2017	14	4,338.46	7,382.12	3,180,056.97
5/29/2017	14	3,400.90	8,319.68	3,171,737.29
6/12/2017	14	5,242.17	6,478.41	3,165,258.88
6/26/2017	14	4,308.27	7,412.31	3,157,846.54
7/10/2017	14	4,298.18	7,422.40	3,150,424.14
7/24/2017	14	4,288.08	7,432.50	3,142,991.64
8/7/2017	14	4,277.96	7,442.62	3,135,549.02

8/21/2017	11	4,267.83	7,452.75	3,128,096.27	
9/1/2017	17	3,345.33	8,375.25	3,119,721.02	
9/18/2017	14	5,156.20	6,564.38	3,113,156.64	
10/2/2017	14	4,237.35	7,483.23	3,105,673.41	
10/16/2017	14	4,227.17	7,493.41	3,098,180.00	
10/30/2017	14	4,216.97	7,503.61	3,090,676.38	OK w/ CNB
11/13/2017	14	4,206.75	7,513.83	3,083,162.56	
11/27/2017	14	4,196.53	7,524.05	3,075,638.51	
12/11/2017	14	4,186.29	7,534.29	3,068,104.21	
12/25/2017	14	4,176.03	7,544.55	3,060,559.66	
1/8/2018	14	4,165.76	7,554.82	3,053,004.84	
1/22/2018	14	4,155.48	7,565.10	3,045,439.74	
2/5/2018	14	4,145.18	7,575.40	3,037,864.34	
2/19/2018	14	4,134.87	7,585.71	3,030,278.64	
3/5/2018	14	4,124.55	7,596.03	3,022,682.60	
3/19/2018	14	4,114.21	7,606.37	3,015,076.23	
4/2/2018	14	4,103.85	7,616.73	3,007,459.50	
4/16/2018	14	4,093.49	7,627.09	2,999,832.41	
4/30/2018	14	4,083.11	7,637.47	2,992,194.93	
5/14/2018	14	4,072.71	7,647.87	2,984,547.06	
5/28/2018	14	4,062.30	7,658.28	2,976,888.78	
6/11/2018	14	4,051.88	7,668.70	2,969,220.08	
6/25/2018	14	4,041.44	7,679.14	2,961,540.94	
7/9/2018	14	4,030.99	7,689.59	2,953,851.34	
7/23/2018	14	4,020.52	7,700.06	2,946,151.28	
8/6/2018	14	4,010.04	7,710.54	2,938,440.74	
8/20/2018	14	3,999.54	7,721.04	2,930,719.71	
9/3/2018	14	3,989.04	7,731.54	2,922,988.16	
9/17/2018	14	3,978.51	7,742.07	2,915,246.09	
10/1/2018	14	3,967.97	7,752.61	2,907,493.49	
10/15/2018	14	3,957.42	7,763.16	2,899,730.33	
10/29/2018	14	3,946.86	7,773.72	2,891,956.61	
11/12/2018	14	3,936.27	7,784.31	2,884,172.30	
11/26/2018	14	3,925.68	7,794.90	2,876,377.40	
12/10/2018	14	3,915.07	7,805.51	2,868,571.89	
12/24/2018	14	3,904.45	7,816.13	2,860,755.75	
1/7/2019	14	3,893.81	7,826.77	2,852,928.98	
1/21/2019	14	3,883.15	7,837.43	2,845,091.55	
2/4/2019	14	3,872.49	7,848.09	2,837,243.46	
2/18/2019	14	3,861.80	7,858.78	2,829,384.68	
3/4/2019	14	3,851.11	7,869.47	2,821,515.21	
3/18/2019	14	3,840.40	7,880.18	2,813,635.02	
4/1/2019	14	3,829.67	7,890.91	2,805,744.11	
4/15/2019	14	3,818.93	7,901.65	2,797,842.46	
4/29/2019	14	3,808.17	7,912.41	2,789,930.06	
5/13/2019	14	3,797.40	7,923.18	2,782,006.88	

5/27/2019	14	3,786.62	7,933.96	2,774,072.92
6/10/2019	14	3,775.82	7,944.76	2,766,128.17
6/24/2019	14	3,765.01	7,955.57	2,758,172.59
7/8/2019	14	3,754.18	7,966.40	2,750,206.19
7/22/2019	14	3,743.34	7,977.24	2,742,228.95
8/5/2019	14	3,732.48	7,988.10	2,734,240.85
8/19/2019	14	3,721.61	7,998.97	2,726,241.87
9/2/2019	14	3,710.72	8,009.86	2,718,232.01
9/16/2019	14	3,699.82	8,020.76	2,710,211.25
9/30/2019	14	3,688.90	8,031.68	2,702,179.57
10/14/2019	14	3,677.97	8,042.61	2,694,136.95
10/28/2019	14	3,667.02	8,053.56	2,686,083.39
11/11/2019	14	3,656.06	8,064.52	2,678,018.87
11/25/2019	14	3,645.08	8,075.50	2,669,943.37
12/9/2019	14	3,634.09	8,086.49	2,661,856.88
12/23/2019	14	3,623.08	8,097.50	2,653,759.38
1/6/2020	14	3,612.06	8,108.52	2,645,650.86
1/20/2020	14	3,601.02	8,119.56	2,637,531.31
2/3/2020	14	3,589.97	8,130.61	2,629,400.70
2/17/2020	14	3,578.91	8,141.67	2,621,259.03
3/2/2020	14	3,567.82	8,152.76	2,613,106.27
3/16/2020	14	3,556.73	8,163.85	2,604,942.42
3/30/2020	14	3,545.62	8,174.96	2,596,767.46
4/13/2020	14	3,534.49	8,186.09	2,588,581.37
4/27/2020	14	3,523.35	8,197.23	2,580,384.13
5/11/2020	14	3,512.19	8,208.39	2,572,175.74
5/25/2020	14	3,501.02	8,219.56	2,563,956.18
6/8/2020	14	3,489.83	8,230.75	2,555,725.43
6/22/2020	14	3,478.63	8,241.95	2,547,483.48
7/6/2020	14	3,467.41	8,253.17	2,539,230.30
7/20/2020	14	3,456.17	8,264.41	2,530,965.90
8/3/2020	14	3,444.93	8,275.65	2,522,690.24
8/17/2020	14	3,433.66	8,286.92	2,514,403.33
8/31/2020	14	3,422.38	8,298.20	2,506,105.13
9/14/2020	14	3,411.09	8,309.49	2,497,795.64
9/28/2020	14	3,399.78	8,320.80	2,489,474.83
10/12/2020	14	3,388.45	8,332.13	2,481,142.71
10/26/2020	14	3,377.11	8,343.47	2,472,799.24
11/9/2020	14	3,365.75	8,354.83	2,464,444.41
11/23/2020	14	3,354.38	8,366.20	2,456,078.21
12/7/2020	14	3,343.00	8,377.58	2,447,700.63
12/21/2020	14	3,331.59	8,388.99	2,439,311.64
1/4/2021	14	3,320.17	8,400.41	2,430,911.24
1/18/2021	14	3,308.74	8,411.84	2,422,499.40
2/1/2021	14	3,297.29	8,423.29	2,414,076.11

2/15/2021	14	3,285.83	8,434.75	2,405,641.35
3/1/2021	14	3,274.35	8,446.23	2,397,195.12
3/15/2021	14	3,262.85	8,457.73	2,388,737.39
3/29/2021	14	3,251.34	8,469.24	2,380,268.14
4/12/2021	14	3,239.81	8,480.77	2,371,787.37
4/26/2021	14	3,228.27	8,492.31	2,363,295.06
5/10/2021	14	3,216.71	8,503.87	2,354,791.19
5/24/2021	14	3,205.13	8,515.45	2,346,275.74
6/7/2021	14	3,193.54	8,527.04	2,337,748.70
6/21/2021	14	3,181.94	8,538.64	2,329,210.06
7/5/2021	14	3,170.31	8,550.27	2,320,659.79
7/19/2021	14	3,158.68	8,561.90	2,312,097.89
8/2/2021	14	3,147.02	8,573.56	2,303,524.33
8/16/2021	14	3,135.35	8,585.23	2,294,939.10
8/30/2021	14	3,123.67	8,596.91	2,286,342.19
9/13/2021	14	3,111.97	8,608.61	2,277,733.57
9/27/2021	14	3,100.25	8,620.33	2,269,113.24
10/11/2021	14	3,088.52	8,632.06	2,260,481.18
10/25/2021	14	3,076.77	8,643.81	2,251,837.36
11/8/2021	14	3,065.00	8,655.58	2,243,181.78
11/22/2021	14	3,053.22	8,667.36	2,234,514.42
12/6/2021	14	3,041.42	8,679.16	2,225,835.27
12/20/2021	14	3,029.61	8,690.97	2,217,144.30
1/3/2022	14	3,017.78	8,702.80	2,208,441.49
1/17/2022	14	3,005.93	8,714.65	2,199,726.85
1/31/2022	14	2,994.07	8,726.51	2,191,000.34
2/14/2022	14	2,982.19	8,738.39	2,182,261.96
2/28/2022	14	2,970.30	8,750.28	2,173,511.68
3/14/2022	14	2,958.39	8,762.19	2,164,749.49
3/28/2022	14	2,946.46	8,774.12	2,155,975.37
4/11/2022	14	2,934.52	8,786.06	2,147,189.32
4/25/2022	14	2,922.56	8,798.02	2,138,391.30
5/9/2022	14	2,910.59	8,809.99	2,129,581.31
5/23/2022	14	2,898.60	8,821.98	2,120,759.32
6/6/2022	14	2,886.59	8,833.99	2,111,925.33
6/20/2022	14	2,874.57	8,846.01	2,103,079.32
7/4/2022	14	2,862.52	8,858.06	2,094,221.26
7/18/2022	14	2,850.47	8,870.11	2,085,351.15
8/1/2022	14	2,838.39	8,882.19	2,076,468.96
8/15/2022	14	2,826.30	8,894.28	2,067,574.69
8/29/2022	14	2,814.20	8,906.38	2,058,668.31
9/12/2022	14	2,802.08	8,918.50	2,049,749.80
9/26/2022	14	2,789.94	8,930.64	2,040,819.16
10/10/2022	14	2,777.78	8,942.80	2,031,876.36
10/24/2022	14	2,765.61	8,954.97	2,022,921.39

11/7/2022	14	2,753.42	8,967.16	2,013,954.23
11/21/2022	14	2,741.22	8,979.36	2,004,974.87
12/5/2022	14	2,728.99	8,991.59	1,995,983.28
12/19/2022	14	2,716.76	9,003.82	1,986,979.46
1/2/2023	14	2,704.50	9,016.08	1,977,963.38
1/16/2023	14	2,692.23	9,028.35	1,968,935.03
1/30/2023	14	2,679.94	9,040.64	1,959,894.39
2/13/2023	14	2,667.63	9,052.95	1,950,841.44
2/27/2023	14	2,655.31	9,065.27	1,941,776.17
3/13/2023	14	2,642.97	9,077.61	1,932,698.56
3/27/2023	14	2,630.62	9,089.96	1,923,608.60
4/10/2023	14	2,618.25	9,102.33	1,914,506.27
4/24/2023	14	2,605.86	9,114.72	1,905,391.54
5/8/2023	14	2,593.45	9,127.13	1,896,264.41
5/22/2023	14	2,581.03	9,139.55	1,887,124.86
6/5/2023	14	2,568.59	9,151.99	1,877,972.87
6/19/2023	14	2,556.13	9,164.45	1,868,808.42
7/3/2023	14	2,543.66	9,176.92	1,859,631.49
7/17/2023	14	2,531.17	9,189.41	1,850,442.08
7/31/2023	14	2,518.66	9,201.92	1,841,240.15
8/14/2023	14	2,506.13	9,214.45	1,832,025.71
8/28/2023	14	2,493.59	9,226.99	1,822,798.72
9/11/2023	14	2,481.03	9,239.55	1,813,559.17
9/25/2023	14	2,468.46	9,252.12	1,804,307.04
10/9/2023	14	2,455.86	9,264.72	1,795,042.33
10/23/2023	14	2,443.25	9,277.33	1,785,765.00
11/6/2023	14	2,430.62	9,289.96	1,776,475.04
11/20/2023	14	2,417.98	9,302.60	1,767,172.44
12/4/2023	14	2,405.32	9,315.26	1,757,857.18
12/18/2023	14	2,392.64	9,327.94	1,748,529.24
1/1/2024	14	2,379.94	9,340.64	1,739,188.60
1/15/2024	14	2,367.23	9,353.35	1,729,835.25
1/29/2024	14	2,354.50	9,366.08	1,720,469.17
2/12/2024	14	2,341.75	9,378.83	1,711,090.34
2/26/2024	14	2,328.98	9,391.60	1,701,698.74
3/11/2024	14	2,316.20	9,404.38	1,692,294.36
3/25/2024	14	2,303.40	9,417.18	1,682,877.18
4/8/2024	14	2,290.58	9,430.00	1,673,447.19
4/22/2024	14	2,277.75	9,442.83	1,664,004.35
5/6/2024	14	2,264.89	9,455.69	1,654,548.67
5/20/2024	14	2,252.02	9,468.56	1,645,080.11
6/3/2024	14	2,239.14	9,481.44	1,635,598.67
6/17/2024	14	2,226.23	9,494.35	1,626,104.32
7/1/2024	14	2,213.31	9,507.27	1,616,597.05
7/15/2024	14	2,200.37	9,520.21	1,607,076.84

7/29/2024	14	2,187.41	9,533.17	1,597,543.67
8/12/2024	14	2,174.43	9,546.15	1,587,997.52
8/26/2024	14	2,161.44	9,559.14	1,578,438.38
9/9/2024	14	2,148.43	9,572.15	1,568,866.23
9/23/2024	14	2,135.40	9,585.18	1,559,281.06
10/7/2024	14	2,122.35	9,598.23	1,549,682.83
10/21/2024	14	2,109.29	9,611.29	1,540,071.54
11/4/2024	14	2,096.21	9,624.37	1,530,447.17
11/18/2024	14	2,083.11	9,637.47	1,520,809.70
12/2/2024	14	2,069.99	9,650.59	1,511,159.11
12/16/2024	14	2,056.86	9,663.72	1,501,495.39
12/30/2024	14	2,043.70	9,676.88	1,491,818.51
1/13/2025	14	2,030.53	9,690.05	1,482,128.46
1/27/2025	14	2,017.34	9,703.24	1,472,425.22
2/10/2025	14	2,004.13	9,716.45	1,462,708.77
2/24/2025	14	1,990.91	9,729.67	1,452,979.10
3/10/2025	14	1,977.67	9,742.91	1,443,236.19
3/24/2025	14	1,964.40	9,756.18	1,433,480.01
4/7/2025	14	1,951.13	9,769.45	1,423,710.56
4/21/2025	14	1,937.83	9,782.75	1,413,927.81
5/5/2025	14	1,924.51	9,796.07	1,404,131.74
5/19/2025	14	1,911.18	9,809.40	1,394,322.34
6/2/2025	14	1,897.83	9,822.75	1,384,499.59
6/16/2025	14	1,884.46	9,836.12	1,374,663.47
6/30/2025	14	1,871.07	9,849.51	1,364,813.95
7/14/2025	14	1,857.66	9,862.92	1,354,951.04
7/28/2025	14	1,844.24	9,876.34	1,345,074.70
8/11/2025	14	1,830.80	9,889.78	1,335,184.91
8/25/2025	14	1,817.34	9,903.24	1,325,281.67
9/8/2025	14	1,803.86	9,916.72	1,315,364.94
9/22/2025	14	1,790.36	9,930.22	1,305,434.72
10/6/2025	14	1,776.84	9,943.74	1,295,490.98
10/20/2025	14	1,763.31	9,957.27	1,285,533.71
11/3/2025	14	1,749.75	9,970.83	1,275,562.88
11/17/2025	14	1,736.18	9,984.40	1,265,578.49
12/1/2025	14	1,722.59	9,997.99	1,255,580.50
12/15/2025	14	1,708.98	10,011.60	1,245,568.91
12/29/2025	14	1,695.36	10,025.22	1,235,543.68
1/12/2026	14	1,681.71	10,038.87	1,225,504.82
1/26/2026	14	1,668.05	10,052.53	1,215,452.28
2/9/2026	14	1,654.37	10,066.21	1,205,386.07
2/23/2026	14	1,640.66	10,079.92	1,195,306.15
3/9/2026	14	1,626.94	10,093.64	1,185,212.52
3/23/2026	14	1,613.21	10,107.37	1,175,105.14
4/6/2026	14	1,599.45	10,121.13	1,164,984.01
4/20/2026	14	1,585.67	10,134.91	1,154,849.11

5/4/2026	14	1,571.88	10,148.70	1,144,700.40
5/18/2026	14	1,558.06	10,162.52	1,134,537.89
6/1/2026	14	1,544.23	10,176.35	1,124,361.54
6/15/2026	14	1,530.38	10,190.20	1,114,171.34
6/29/2026	14	1,516.51	10,204.07	1,103,967.27
7/13/2026	14	1,502.62	10,217.96	1,093,749.31
7/27/2026	14	1,488.71	10,231.87	1,083,517.45
8/10/2026	14	1,474.79	10,245.79	1,073,271.66
8/24/2026	14	1,460.84	10,259.74	1,063,011.92
9/7/2026	14	1,446.88	10,273.70	1,052,738.21
9/21/2026	14	1,432.89	10,287.69	1,042,450.53
10/5/2026	14	1,418.89	10,301.69	1,032,148.84
10/19/2026	14	1,404.87	10,315.71	1,021,833.13
11/2/2026	14	1,390.83	10,329.75	1,011,503.38
11/16/2026	14	1,376.77	10,343.81	1,001,159.57
11/30/2026	14	1,362.69	10,357.89	990,801.68
12/14/2026	14	1,348.59	10,371.99	980,429.69
12/28/2026	14	1,334.47	10,386.11	970,043.58
1/11/2027	14	1,320.34	10,400.24	959,643.34
1/25/2027	14	1,306.18	10,414.40	949,228.94
2/8/2027	14	1,292.01	10,428.57	938,800.36
2/22/2027	14	1,277.81	10,442.77	928,357.60
3/8/2027	14	1,263.60	10,456.98	917,900.61
3/22/2027	14	1,249.36	10,471.22	907,429.40
4/5/2027	14	1,235.11	10,485.47	896,943.93
4/19/2027	14	1,220.84	10,499.74	886,444.19
5/3/2027	14	1,206.55	10,514.03	875,930.16
5/17/2027	14	1,192.24	10,528.34	865,401.82
5/31/2027	14	1,177.91	10,542.67	854,859.15
6/14/2027	14	1,163.56	10,557.02	844,302.12
6/28/2027	14	1,149.19	10,571.39	833,730.73
7/12/2027	14	1,134.80	10,585.78	823,144.95
7/26/2027	14	1,120.39	10,600.19	812,544.77
8/9/2027	14	1,105.96	10,614.62	801,930.15
8/23/2027	14	1,091.52	10,629.06	791,301.09
9/6/2027	14	1,077.05	10,643.53	780,657.55
9/20/2027	14	1,062.56	10,658.02	769,999.54
10/4/2027	14	1,048.05	10,672.53	759,327.01
10/18/2027	14	1,033.53	10,687.05	748,639.96
11/1/2027	14	1,018.98	10,701.60	737,938.36
11/15/2027	14	1,004.42	10,716.16	727,222.20
11/29/2027	14	989.83	10,730.75	716,491.45
12/13/2027	14	975.22	10,745.36	705,746.09
12/27/2027	14	960.60	10,759.98	694,986.11
1/10/2028	14	945.95	10,774.63	684,211.48

1/24/2028	14	931.29	10,789.29	673,422.19
2/7/2028	14	916.60	10,803.98	662,618.21
2/21/2028	14	901.90	10,818.68	651,799.53
3/6/2028	14	887.17	10,833.41	640,966.12
3/20/2028	14	872.43	10,848.15	630,117.97
4/3/2028	14	857.66	10,862.92	619,255.05
4/17/2028	14	842.87	10,877.71	608,377.34
5/1/2028	14	828.07	10,892.51	597,484.83
5/15/2028	14	813.24	10,907.34	586,577.50
5/29/2028	14	798.40	10,922.18	575,655.31
6/12/2028	14	783.53	10,937.05	564,718.27
6/26/2028	14	768.64	10,951.94	553,766.33
7/10/2028	14	753.74	10,966.84	542,799.49
7/24/2028	14	738.81	10,981.77	531,817.72
8/7/2028	14	723.86	10,996.72	520,821.00
8/21/2028	14	708.90	11,011.68	509,809.32
9/4/2028	14	693.91	11,026.67	498,782.64
9/18/2028	14	678.90	11,041.68	487,740.96
10/2/2028	14	663.87	11,056.71	476,684.25
10/16/2028	14	648.82	11,071.76	465,612.49
10/30/2028	14	633.75	11,086.83	454,525.66
11/13/2028	14	618.66	11,101.92	443,423.74
11/27/2028	14	603.55	11,117.03	432,306.71
12/11/2028	14	588.42	11,132.16	421,174.55
12/25/2028	14	573.27	11,147.31	410,027.23
1/8/2029	14	558.09	11,162.49	398,864.75
1/22/2029	14	542.90	11,177.68	387,687.07
2/5/2029	14	527.69	11,192.89	376,494.17
2/19/2029	14	512.45	11,208.13	365,286.04
3/5/2029	14	497.19	11,223.39	354,062.66
3/19/2029	14	481.92	11,238.66	342,823.99
4/2/2029	14	466.62	11,253.96	331,570.04
4/16/2029	14	451.30	11,269.28	320,300.76
4/30/2029	14	435.96	11,284.62	309,016.14
5/14/2029	14	420.61	11,299.97	297,716.17
5/28/2029	14	405.22	11,315.36	286,400.81
6/11/2029	14	389.82	11,330.76	275,070.06
6/25/2029	14	374.40	11,346.18	263,723.88
7/9/2029	14	358.96	11,361.62	252,362.26
7/23/2029	14	343.49	11,377.09	240,985.17
8/6/2029	14	328.01	11,392.57	229,592.60
8/20/2029	14	312.50	11,408.08	218,184.52
9/3/2029	14	296.97	11,423.61	206,760.91
9/17/2029	14	281.42	11,439.16	195,321.76
10/1/2029	14	265.85	11,454.73	183,867.03

10/15/2029	14	250.26	11,470.32	172,396.71
10/29/2029	14	234.65	11,485.93	160,910.79
11/12/2029	14	219.02	11,501.56	149,409.22
11/26/2029	14	203.36	11,517.22	137,892.01
12/10/2029	14	187.69	11,532.89	126,359.11
12/24/2029	14	171.99	11,548.59	114,810.52
1/7/2030	14	156.27	11,564.31	103,246.21
1/21/2030	14	140.53	11,580.05	91,666.16
2/4/2030	14	124.77	11,595.81	80,070.35
2/18/2030	14	108.98	11,611.60	68,458.75
3/4/2030	14	93.18	11,627.40	56,831.35
3/18/2030	14	77.35	11,643.23	45,188.13
4/1/2030	14	61.51	11,659.07	33,529.05
4/15/2030	14	45.64	11,674.94	21,854.11
4/29/2030	14	29.75	11,690.83	10,163.27
5/13/2030	14	13.83	10,199.10	-35.83

EXHIBIT 5-8

Rec'd 1-14-11

Chicken factory

(Replacement Reserve)
Depreciation Reserve
↓

KENTUCKY INFRASTRUCTURE AUTHORITY
REPAYMENT SCHEDULE
LOAN # B08-09
Lebanon, City of
FINAL

1.07% Rate
\$16,225.65 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$582,883.00		
06/01/11	\$13,107.23	\$3,118.42	1.07%	\$16,225.65	\$582.88	\$0.00	<i>Pa. 5-24-11</i> \$16,808.54	\$569,775.77	\$ -	\$ -
12/01/11	\$13,177.35	\$3,048.30	1.07%	\$16,225.65	\$569.78	\$0.00	<i>Pa. 11-22-11</i> \$16,795.43	\$556,598.41	\$ 4,000.00	\$ 4,000.00
06/01/12	\$13,247.85	\$2,977.80	1.07%	\$16,225.65	\$556.60	\$0.00	<i>Pa. 5-19-12</i> \$16,782.25 ✓	\$543,350.56	\$ -	\$ 4,000.00
12/01/12	\$13,318.72	\$2,906.93	1.07%	\$16,225.65	\$543.35	\$0.00	<i>Pa. 11-21-12</i> \$16,769.00 ✓	\$530,031.83	\$ 4,000.00	\$ 8,000.00
06/01/13	\$13,389.98	\$2,835.67	1.07%	\$16,225.65	\$530.03	\$0.00	<i>Pa. 5-21-13</i> \$16,755.69	\$516,641.85	\$ -	\$ 8,000.00
12/01/13	\$13,461.62	\$2,764.03	1.07%	\$16,225.65	\$516.64	\$0.00	<i>Pa. 11-14-13</i> \$16,742.30	\$503,180.22	\$ 4,000.00	\$ 12,000.00
06/01/14	\$13,533.64	\$2,692.01	1.07%	\$16,225.65	\$503.18	\$0.00	<i>Pa. 5-20-14</i> \$16,728.83	\$489,646.58	\$ -	\$ 12,000.00
12/01/14	\$13,606.04	\$2,619.61	1.07%	\$16,225.65	\$489.65	\$0.00	<i>Pa. 11-21-14</i> \$16,715.30	\$476,040.54	\$ 4,000.00	\$ 16,000.00
06/01/15	\$13,678.83	\$2,546.82	1.07%	\$16,225.65	\$476.04	\$0.00	<i>Pa. 5-22-15</i> \$16,701.69	\$462,361.70	\$ -	\$ 16,000.00
12/01/15	\$13,752.01	\$2,473.64	1.07%	\$16,225.65	\$462.36	\$0.00	<i>Pa. 11-17-15</i> \$16,688.02	\$448,609.69	\$ 4,000.00	\$ 20,000.00
06/01/16	\$13,825.59	\$2,400.06	1.07%	\$16,225.65	\$448.61	\$0.00	<i>Pa. 5-17-16</i> \$16,674.26	\$434,784.09	\$ -	\$ 20,000.00
12/01/16	\$13,899.56	\$2,326.09	1.07%	\$16,225.65	\$434.78	\$0.00	<i>Pa. 11-15-16</i> \$16,660.44	\$420,884.53	\$ 4,000.00	\$ 24,000.00
06/01/17	\$13,973.92	\$2,251.73	1.07%	\$16,225.65	\$420.88	\$0.00	<i>Pa. 5-16-17</i> \$16,646.54	\$406,910.60	\$ -	\$ 24,000.00
12/01/17	\$14,048.68	\$2,176.97	1.07%	\$16,225.65	\$406.91	\$0.00	\$16,632.56	\$392,861.92	\$ 4,000.00	\$ 28,000.00
06/01/18	\$14,123.84	\$2,101.81	1.07%	\$16,225.65	\$392.86	\$0.00	\$16,618.52	\$378,738.08	\$ -	\$ 28,000.00
12/01/18	\$14,199.40	\$2,026.25	1.07%	\$16,225.65	\$378.74	\$0.00	\$16,604.39	\$364,538.67	\$ 4,000.00	\$ 32,000.00
06/01/19	\$14,275.37	\$1,950.28	1.07%	\$16,225.65	\$364.54	\$0.00	\$16,590.19	\$350,263.30	\$ -	\$ 32,000.00
12/01/19	\$14,351.74	\$1,873.91	1.07%	\$16,225.65	\$350.26	\$0.00	\$16,575.92	\$335,911.55	\$ 4,000.00	\$ 36,000.00
06/01/20	\$14,428.52	\$1,797.13	1.07%	\$16,225.65	\$335.91	\$0.00	\$16,561.57	\$321,483.03	\$ -	\$ 36,000.00
12/01/20	\$14,505.72	\$1,719.93	1.07%	\$16,225.65	\$321.48	\$0.00	\$16,547.14	\$306,977.30	\$ 4,000.00	\$ 40,000.00
06/01/21	\$14,583.32	\$1,642.33	1.07%	\$16,225.65	\$306.98	\$0.00	\$16,532.63	\$292,393.98	\$ -	\$ 40,000.00
12/01/21	\$14,661.34	\$1,564.31	1.07%	\$16,225.65	\$292.39	\$0.00	\$16,518.05	\$277,732.64	\$ -	\$ 40,000.00
06/01/22	\$14,739.78	\$1,485.87	1.07%	\$16,225.65	\$277.73	\$0.00	\$16,503.39	\$262,992.85	\$ -	\$ 40,000.00
12/01/22	\$14,818.64	\$1,407.01	1.07%	\$16,225.65	\$262.99	\$0.00	\$16,488.65	\$248,174.21	\$ -	\$ 40,000.00
06/01/23	\$14,897.92	\$1,327.73	1.07%	\$16,225.65	\$248.17	\$0.00	\$16,473.83	\$233,276.28	\$ -	\$ 40,000.00
12/01/23	\$14,977.62	\$1,248.03	1.07%	\$16,225.65	\$233.28	\$0.00	\$16,458.93	\$218,298.66	\$ -	\$ 40,000.00
06/01/24	\$15,057.75	\$1,167.90	1.07%	\$16,225.65	\$218.30	\$0.00	\$16,443.95	\$203,240.90	\$ -	\$ 40,000.00
12/01/24	\$15,138.31	\$1,087.34	1.07%	\$16,225.65	\$203.24	\$0.00	\$16,428.90	\$188,102.59	\$ -	\$ 40,000.00
06/01/25	\$15,219.30	\$1,006.35	1.07%	\$16,225.65	\$188.10	\$0.00	\$16,413.76	\$172,883.29	\$ -	\$ 40,000.00
12/01/25	\$15,300.72	\$924.93	1.07%	\$16,225.65	\$172.88	\$0.00	\$16,398.54	\$157,582.56	\$ -	\$ 40,000.00
06/01/26	\$15,382.58	\$843.07	1.07%	\$16,225.65	\$157.58	\$0.00	\$16,383.24	\$142,199.98	\$ -	\$ 40,000.00
12/01/26	\$15,464.88	\$760.77	1.07%	\$16,225.65	\$142.20	\$0.00	\$16,367.85	\$126,735.09	\$ -	\$ 40,000.00
06/01/27	\$15,547.62	\$678.03	1.07%	\$16,225.65	\$126.74	\$0.00	\$16,352.39	\$111,187.47	\$ -	\$ 40,000.00
12/01/27	\$15,630.80	\$594.85	1.07%	\$16,225.65	\$111.19	\$0.00	\$16,336.84	\$95,556.67	\$ -	\$ 40,000.00
06/01/28	\$15,714.42	\$511.23	1.07%	\$16,225.65	\$95.56	\$0.00	\$16,321.21	\$79,842.24	\$ -	\$ 40,000.00
12/01/28	\$15,798.49	\$427.16	1.07%	\$16,225.65	\$79.84	\$0.00	\$16,305.50	\$64,043.75	\$ -	\$ 40,000.00
06/01/29	\$15,883.02	\$342.63	1.07%	\$16,225.65	\$64.04	\$0.00	\$16,289.70	\$48,160.72	\$ -	\$ 40,000.00
12/01/29	\$15,967.99	\$257.66	1.07%	\$16,225.65	\$48.16	\$0.00	\$16,273.81	\$32,192.73	\$ -	\$ 40,000.00
06/01/30	\$16,053.42	\$172.23	1.07%	\$16,225.65	\$32.19	\$0.00	\$16,257.85	\$16,139.30	\$ -	\$ 40,000.00
12/01/30	\$16,139.30	\$86.35	1.07%	\$16,225.65	\$16.14	\$0.00	\$16,241.79	(\$0.00)	\$ -	\$ 40,000.00
Totals	\$582,883.00	\$66,143.17		\$649,026.17	\$12,363.21	\$0.00	\$661,389.38		\$40,000.00	

EXHIBIT 5-9

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #F14-036
 LEBANON, CITY OF

UNOFFICIAL

Original Loan Amount \$ 3,230,000.00
 Principal Forgiven \$ (969,000.00)
 Amount to be Amortized \$ 2,261,000.00

0.75% Rate
 \$60,976.04 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$2,261,000.00		
12/01/18	\$52,497.29	\$7,407.82	0.75%	\$59,905.11	\$2,826.25	\$0.00	\$62,731.36	\$2,208,502.71	\$8,100.00	\$8,100.00
06/01/19	\$52,694.15	\$8,281.89	0.75%	\$60,976.04	\$2,760.63	\$0.00	\$63,736.67	\$2,155,808.56	\$0.00	\$8,100.00
12/01/19	\$52,891.76	\$8,084.28	0.75%	\$60,976.04	\$2,694.76	\$0.00	\$63,670.80	\$2,102,916.80	\$8,100.00	\$16,200.00
06/01/20	\$53,090.10	\$7,885.94	0.75%	\$60,976.04	\$2,628.65	\$0.00	\$63,604.69	\$2,049,826.70	\$0.00	\$16,200.00
12/01/20	\$53,289.19	\$7,686.85	0.75%	\$60,976.04	\$2,562.28	\$0.00	\$63,538.32	\$1,996,537.51	\$8,100.00	\$24,300.00
06/01/21	\$53,489.02	\$7,487.02	0.75%	\$60,976.04	\$2,495.67	\$0.00	\$63,471.71	\$1,943,048.49	\$0.00	\$24,300.00
12/01/21	\$53,689.61	\$7,286.43	0.75%	\$60,976.04	\$2,428.81	\$0.00	\$63,404.85	\$1,889,358.88	\$8,100.00	\$32,400.00
06/01/22	\$53,890.94	\$7,085.10	0.75%	\$60,976.04	\$2,361.70	\$0.00	\$63,337.74	\$1,835,467.94	\$0.00	\$32,400.00
12/01/22	\$54,093.04	\$6,883.00	0.75%	\$60,976.04	\$2,294.33	\$0.00	\$63,270.37	\$1,781,374.90	\$8,100.00	\$40,500.00
06/01/23	\$54,295.88	\$6,680.16	0.75%	\$60,976.04	\$2,226.72	\$0.00	\$63,202.76	\$1,727,079.02	\$0.00	\$40,500.00
12/01/23	\$54,499.49	\$6,476.55	0.75%	\$60,976.04	\$2,158.85	\$0.00	\$63,134.89	\$1,672,579.53	\$8,100.00	\$48,600.00
06/01/24	\$54,703.87	\$6,272.17	0.75%	\$60,976.04	\$2,090.72	\$0.00	\$63,066.76	\$1,617,875.66	\$0.00	\$48,600.00
12/01/24	\$54,909.01	\$6,067.03	0.75%	\$60,976.04	\$2,022.34	\$0.00	\$62,998.38	\$1,562,966.65	\$8,100.00	\$56,700.00
06/01/25	\$55,114.92	\$5,861.12	0.75%	\$60,976.04	\$1,953.71	\$0.00	\$62,929.75	\$1,507,851.73	\$0.00	\$56,700.00
12/01/25	\$55,321.60	\$5,654.44	0.75%	\$60,976.04	\$1,884.81	\$0.00	\$62,860.85	\$1,452,530.13	\$8,100.00	\$64,800.00
06/01/26	\$55,529.05	\$5,446.99	0.75%	\$60,976.04	\$1,815.66	\$0.00	\$62,791.70	\$1,397,001.08	\$0.00	\$64,800.00
12/01/26	\$55,737.29	\$5,238.75	0.75%	\$60,976.04	\$1,746.25	\$0.00	\$62,722.29	\$1,341,263.79	\$8,100.00	\$72,900.00
06/01/27	\$55,946.30	\$5,029.74	0.75%	\$60,976.04	\$1,676.58	\$0.00	\$62,652.62	\$1,285,317.49	\$0.00	\$72,900.00
12/01/27	\$56,156.10	\$4,819.94	0.75%	\$60,976.04	\$1,606.65	\$0.00	\$62,582.69	\$1,229,161.39	\$8,100.00	\$81,000.00
06/01/28	\$56,366.68	\$4,609.36	0.75%	\$60,976.04	\$1,536.45	\$0.00	\$62,512.49	\$1,172,794.71	\$0.00	\$81,000.00
12/01/28	\$56,578.06	\$4,397.98	0.75%	\$60,976.04	\$1,465.99	\$0.00	\$62,442.03	\$1,116,216.65	\$0.00	\$81,000.00
06/01/29	\$56,790.23	\$4,185.81	0.75%	\$60,976.04	\$1,395.27	\$0.00	\$62,371.31	\$1,059,426.42	\$0.00	\$81,000.00
12/01/29	\$57,003.19	\$3,972.85	0.75%	\$60,976.04	\$1,324.28	\$0.00	\$62,300.32	\$1,002,423.23	\$0.00	\$81,000.00
06/01/30	\$57,216.95	\$3,759.09	0.75%	\$60,976.04	\$1,253.03	\$0.00	\$62,229.07	\$945,206.28	\$0.00	\$81,000.00
12/01/30	\$57,431.52	\$3,544.52	0.75%	\$60,976.04	\$1,181.51	\$0.00	\$62,157.55	\$887,774.76	\$0.00	\$81,000.00
06/01/31	\$57,646.88	\$3,329.16	0.75%	\$60,976.04	\$1,109.72	\$0.00	\$62,085.76	\$830,127.88	\$0.00	\$81,000.00
12/01/31	\$57,863.06	\$3,112.98	0.75%	\$60,976.04	\$1,037.66	\$0.00	\$62,013.70	\$772,264.82	\$0.00	\$81,000.00
06/01/32	\$58,080.05	\$2,895.99	0.75%	\$60,976.04	\$965.33	\$0.00	\$61,941.37	\$714,184.77	\$0.00	\$81,000.00
12/01/32	\$58,297.85	\$2,678.19	0.75%	\$60,976.04	\$892.73	\$0.00	\$61,868.77	\$655,886.92	\$0.00	\$81,000.00
06/01/33	\$58,516.46	\$2,459.58	0.75%	\$60,976.04	\$819.86	\$0.00	\$61,795.90	\$597,370.46	\$0.00	\$81,000.00
12/01/33	\$58,735.90	\$2,240.14	0.75%	\$60,976.04	\$746.71	\$0.00	\$61,722.75	\$538,634.56	\$0.00	\$81,000.00
06/01/34	\$58,956.16	\$2,019.88	0.75%	\$60,976.04	\$673.29	\$0.00	\$61,649.33	\$479,678.40	\$0.00	\$81,000.00
12/01/34	\$59,177.25	\$1,798.79	0.75%	\$60,976.04	\$599.60	\$0.00	\$61,575.64	\$420,501.15	\$0.00	\$81,000.00
06/01/35	\$59,399.16	\$1,576.88	0.75%	\$60,976.04	\$525.63	\$0.00	\$61,501.67	\$361,101.99	\$0.00	\$81,000.00
12/01/35	\$59,621.91	\$1,354.13	0.75%	\$60,976.04	\$451.38	\$0.00	\$61,427.42	\$301,480.08	\$0.00	\$81,000.00
06/01/36	\$59,845.49	\$1,130.55	0.75%	\$60,976.04	\$376.85	\$0.00	\$61,352.89	\$241,634.59	\$0.00	\$81,000.00
12/01/36	\$60,069.91	\$906.13	0.75%	\$60,976.04	\$302.04	\$0.00	\$61,278.08	\$181,564.68	\$0.00	\$81,000.00
06/01/37	\$60,295.17	\$680.87	0.75%	\$60,976.04	\$226.96	\$0.00	\$61,203.00	\$121,269.51	\$0.00	\$81,000.00
12/01/37	\$60,521.28	\$454.76	0.75%	\$60,976.04	\$151.59	\$0.00	\$61,127.63	\$60,748.23	\$0.00	\$81,000.00
06/01/38	\$60,748.23	\$227.81	0.75%	\$60,976.04	\$75.94	\$0.00	\$61,051.98	\$0.00	\$0.00	\$81,000.00
Totals	\$2,261,000.00	\$176,970.67		\$2,437,970.67	\$59,347.19	\$0.00	\$2,497,317.86		\$81,000.00	

EXHIBIT 5-10

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #F15-057
 LEBANON, CITY OF
 FINAL

Woodlawn Ave
 Loretto Rd.

0.75% Rate
 \$19,417.40 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$720,000.00		
06/01/17	\$16,717.40	\$2,725.36	0.75%	\$19,442.76	\$900.00	\$0.00	\$20,342.76	\$703,282.60	\$0.00	\$0.00
12/01/17	\$16,780.09	\$2,637.31	0.75%	\$19,417.40	\$879.10	\$0.00	\$20,296.50	\$686,502.51	\$1,800.00	\$1,800.00
06/01/18	\$16,843.02	\$2,574.38	0.75%	\$19,417.40	\$858.13	\$0.00	\$20,275.53	\$669,659.49	\$0.00	\$1,800.00
12/01/18	\$16,906.18	\$2,511.22	0.75%	\$19,417.40	\$837.07	\$0.00	\$20,254.47	\$652,753.31	\$1,800.00	\$3,600.00
06/01/19	\$16,969.58	\$2,447.82	0.75%	\$19,417.40	\$815.94	\$0.00	\$20,233.34	\$635,783.73	\$0.00	\$3,600.00
12/01/19	\$17,033.21	\$2,384.19	0.75%	\$19,417.40	\$794.73	\$0.00	\$20,212.13	\$618,750.52	\$1,800.00	\$5,400.00
06/01/20	\$17,097.09	\$2,320.31	0.75%	\$19,417.40	\$773.44	\$0.00	\$20,190.84	\$601,653.43	\$0.00	\$5,400.00
12/01/20	\$17,161.20	\$2,256.20	0.75%	\$19,417.40	\$752.07	\$0.00	\$20,169.47	\$584,492.23	\$1,800.00	\$7,200.00
06/01/21	\$17,225.55	\$2,191.85	0.75%	\$19,417.40	\$730.62	\$0.00	\$20,148.02	\$567,266.68	\$0.00	\$7,200.00
12/01/21	\$17,290.15	\$2,127.25	0.75%	\$19,417.40	\$709.08	\$0.00	\$20,126.48	\$549,976.53	\$1,800.00	\$9,000.00
06/01/22	\$17,354.99	\$2,062.41	0.75%	\$19,417.40	\$687.47	\$0.00	\$20,104.87	\$532,621.54	\$0.00	\$9,000.00
12/01/22	\$17,420.07	\$1,997.33	0.75%	\$19,417.40	\$665.78	\$0.00	\$20,083.18	\$515,201.47	\$1,800.00	\$10,800.00
06/01/23	\$17,485.39	\$1,932.01	0.75%	\$19,417.40	\$644.00	\$0.00	\$20,061.40	\$497,716.08	\$0.00	\$10,800.00
12/01/23	\$17,550.96	\$1,866.44	0.75%	\$19,417.40	\$622.15	\$0.00	\$20,039.55	\$480,165.12	\$1,800.00	\$12,600.00
06/01/24	\$17,616.78	\$1,800.62	0.75%	\$19,417.40	\$600.21	\$0.00	\$20,017.61	\$462,548.34	\$0.00	\$12,600.00
12/01/24	\$17,682.84	\$1,734.56	0.75%	\$19,417.40	\$578.19	\$0.00	\$19,995.59	\$444,865.50	\$1,800.00	\$14,400.00
06/01/25	\$17,749.15	\$1,668.25	0.75%	\$19,417.40	\$556.08	\$0.00	\$19,973.48	\$427,116.35	\$0.00	\$14,400.00
12/01/25	\$17,815.71	\$1,601.69	0.75%	\$19,417.40	\$533.90	\$0.00	\$19,951.30	\$409,300.64	\$1,800.00	\$16,200.00
06/01/26	\$17,882.52	\$1,534.88	0.75%	\$19,417.40	\$511.63	\$0.00	\$19,929.03	\$391,418.12	\$0.00	\$16,200.00
12/01/26	\$17,949.58	\$1,467.82	0.75%	\$19,417.40	\$489.27	\$0.00	\$19,906.67	\$373,468.54	\$1,800.00	\$18,000.00
06/01/27	\$18,016.89	\$1,400.51	0.75%	\$19,417.40	\$466.84	\$0.00	\$19,884.24	\$355,451.65	\$0.00	\$18,000.00
12/01/27	\$18,084.46	\$1,332.94	0.75%	\$19,417.40	\$444.31	\$0.00	\$19,861.71	\$337,367.19	\$0.00	\$18,000.00
06/01/28	\$18,152.27	\$1,265.13	0.75%	\$19,417.40	\$421.71	\$0.00	\$19,839.11	\$319,214.92	\$0.00	\$18,000.00
12/01/28	\$18,220.34	\$1,197.06	0.75%	\$19,417.40	\$399.02	\$0.00	\$19,816.42	\$300,994.58	\$0.00	\$18,000.00
06/01/29	\$18,288.67	\$1,128.73	0.75%	\$19,417.40	\$376.24	\$0.00	\$19,793.64	\$282,705.91	\$0.00	\$18,000.00
12/01/29	\$18,357.25	\$1,060.15	0.75%	\$19,417.40	\$353.38	\$0.00	\$19,770.78	\$264,348.66	\$0.00	\$18,000.00
06/01/30	\$18,426.09	\$991.31	0.75%	\$19,417.40	\$330.44	\$0.00	\$19,747.84	\$245,922.57	\$0.00	\$18,000.00
12/01/30	\$18,495.19	\$922.21	0.75%	\$19,417.40	\$307.40	\$0.00	\$19,724.80	\$227,427.38	\$0.00	\$18,000.00
06/01/31	\$18,564.55	\$852.85	0.75%	\$19,417.40	\$284.28	\$0.00	\$19,701.68	\$208,862.83	\$0.00	\$18,000.00
12/01/31	\$18,634.16	\$783.24	0.75%	\$19,417.40	\$261.08	\$0.00	\$19,678.48	\$190,228.67	\$0.00	\$18,000.00
06/01/32	\$18,704.04	\$713.36	0.75%	\$19,417.40	\$237.79	\$0.00	\$19,655.19	\$171,524.63	\$0.00	\$18,000.00
12/01/32	\$18,774.18	\$643.22	0.75%	\$19,417.40	\$214.41	\$0.00	\$19,631.81	\$152,750.45	\$0.00	\$18,000.00
06/01/33	\$18,844.59	\$572.81	0.75%	\$19,417.40	\$190.94	\$0.00	\$19,608.34	\$133,905.86	\$0.00	\$18,000.00
12/01/33	\$18,915.25	\$502.15	0.75%	\$19,417.40	\$167.38	\$0.00	\$19,584.78	\$114,990.61	\$0.00	\$18,000.00
06/01/34	\$18,986.19	\$431.21	0.75%	\$19,417.40	\$143.74	\$0.00	\$19,561.14	\$96,004.42	\$0.00	\$18,000.00
12/01/34	\$19,057.38	\$360.02	0.75%	\$19,417.40	\$120.01	\$0.00	\$19,537.41	\$76,947.04	\$0.00	\$18,000.00
06/01/35	\$19,128.85	\$288.55	0.75%	\$19,417.40	\$96.18	\$0.00	\$19,513.58	\$57,818.19	\$0.00	\$18,000.00
12/01/35	\$19,200.58	\$216.82	0.75%	\$19,417.40	\$72.27	\$0.00	\$19,489.67	\$38,617.61	\$0.00	\$18,000.00
06/01/36	\$19,272.58	\$144.82	0.75%	\$19,417.40	\$48.27	\$0.00	\$19,465.67	\$19,345.03	\$0.00	\$18,000.00
12/01/36	\$19,345.03	\$72.37	0.75%	\$19,417.40	\$24.18	\$0.00	\$19,441.58	\$0.00	\$0.00	\$18,000.00
Totals	\$720,000.00	\$56,721.36		\$776,721.36	\$18,898.73	\$0.00	\$795,620.09		\$18,000.00	

EXHIBIT 5-11

Final Engineering Report Lebanon Water Works Company Calvary Water Treatment Plant Upgrade

Project Planning Area:

The Lebanon Water Works Company (LWWC) provides water to the residents of the City of Lebanon and Marion County (primarily through the Marion County Water District). There are approximately 2,423 customers of the Lebanon Water Works Company and approximately 3,535 customers of the Marion County Water District. The city and the entire county, with the exception of the very southwest portion bordering Taylor County represent the project planning area. The City of Lebanon and most of Marion County is or can be served by the LWWC's Calvary Water Treatment Plant. The southwestern portion of the County bordering Taylor County would most likely be served by the City of Campbellsville due to the topography of the area.

The *Request for Environmental Information* form completed for the Calvary Water Treatment Plant Upgrade did not identify any areas of concern. No additional farmland will be utilized, no endangered species effected, no wetlands impacted. The plant is located in the flood Zone A. Where possible construction will take place above the 100-year flood elevation and flood proof construction techniques will be utilized when the location of equipment or facilities must be within the 100-year elevation.

The 1990 population of Marion County was 16,499 and for the City of Lebanon 5,695. While the 1992 version of *How Many Kentuckians* predicts a decrease in population of approximately 7% by the year 2020, the demand for water continues to increase. The Marion County Water District is currently working on a project that will extend water into the far eastern portion of the County, connecting approximately 80 customers. The Water District also has plans to construct additional water lines in the northwest portion of the county adding about 50 customers.

In addition to the new customers connected to the system, a major business in the County, *Markers' Mark* has expressed a desired to obtain additional water daily, in order to expand their distillery business. During the early part of the application process, 3 new industries moved into the Lebanon Industrial Park bring approximately 460 jobs.

Existing Facilities:

The Calvary Water Treatment Plant was constructed in 1935 and renovated and expanded in 1964. Its rated capacity is 2.5 MGD with an average operational capacity of 1.9 MGD. The Rolling Fork River is the primary source of raw water. There are two impoundments along the river with a capacity of approximately 20.4 million gallons. The Fagan Branch Reservoir was constructed in 1992 to provide a back up source of water to the system. The capacity of the reservoir is one billion gallons.

The water treatment plant is in good condition. However, the oldest portions of the plant, those portions constructed in 1935 have reached their maximum life. These sections, the quick mix, one of the settling basins, and two filters cannot be renovated cost effectively. It is to the credit of the Lebanon Water Works Company's management and maintenance efforts that the plant is in the good condition it is in given that many of the components are 60 years old.

Need For Project:

Information supplied by the Lincoln Trail District Health Department indicates neither safe nor adequate groundwater in the County. The Health Department states that during times of high groundwater flow, large amounts of suspended solids make home filtration and disinfection cost prohibitive. Deeper wells in the County often contain small amounts of petroleum distillate and salt in solution due to the Devonian Shales present in the area. During periods of low flow, adequate amounts of water becomes the problem.

Presently, the Calvary Water Treatment Plant is at approximately 76% capacity. The Kentucky Division of Water requires communities to begin preparing for expansion when capacity reaches 80%. With the growth in new customers experienced over the last few years, the new customers coming on line due to Marion County Water District line extension projects, and increased demand from industries and business, the LWWC has begun the process of preparing for expansion of the water treatment plant before the situation becomes critical.

Project as Bid:

The project bid included the upgrading of the water treatment plant by doing the following:

- Quick mix basin - construct a new quick mix with a capacity of 5.2 MGD
- Flocculation basin - renovate the oldest settling basin to a new three stage flocculation basin with a capacity of 5.2 MGD.
- Setting basin - renovate existing basin with new tube settlers, sludge removal, baffle, weir troughs. Construct new basin with tube settlers, sludge removal, baffle, weir troughs. Total Capacity 5.2 MGD.
- Filters - Renovate existing filters (1964) with new media; construct 4 new filters. Total capacity 5.2 MGD.
- Transmission main - construct new 8,800 lf of 20" main from the water treatment plant along the old railroad bed to the existing distribution system, an additional 7,000 lf was bid as an add alternate.
- Electrical renovation

Two contracts were bid; Contract 1 for the water treatment plant work and Contract 2 for the transmission main. The advertisement for construction bids was first advertised on July 10, 1996 and again on July 24, 1996. The bid opening was August 8, 1996. The bid tabulation is attached.

Conclusions and Recommendations:

PDR Engineers recommends awarding Contract 1 to King Construction of Louisville and Contract 2 to Schroeder Construction of Elizabethtown. A letter addressed to the Lebanon Water Works Company is the final part of this engineering report.

EXHIBIT 5-12

**City of Lebanon
Lebanon Water Works**

**Water Treatment Plant Upgrade Phase II
& Water Distribution System Improvements - 2000**

The current capacity of the Water Treatment Plant (WTP) is 3.45 million gallons per day (MGD). Average daily production is approximately 2.3 MGD. The proposed Phase II Upgrade to the WTP will bring the plant to a rated capacity of 5.2 MGD and enable the plant to operate on average at about 44% capacity. This will accommodate growth in the community, which has had a tremendous amount of industrial growth in the past decade.

The distribution improvements will increase the water pressure and fire protection to the area served by the Springfield Road Storage Tank. Currently, the Springfield Road Tank does not fill completely (total storage is 420,000 gallons). By installing a booster pump station and providing a 12" direct line to the tank, the system will be able to use the top portion of the tank, providing an estimated 80,000 gallons of additional storage which will boost the pressure in the service area.

WTP Upgrade:

Retrofit the four original filters to match the four filters installed as part of the 1996 project.

Construct 2nd clearwell (350,000 gal. capacity) which will be adjacent to the existing clearwell.

Install metal weave baffles in both the existing and the new clearwell.

Construct building for high service pumps and install 2 vertical turbine pumps.

Water Distribution Systems Improvements:

Construct 6,800 feet of 12 inch water line directly to the Springfield Road Tank.

Construct a booster pump station to increase pressure and completely fill the Springfield Storage Tank.

Estimated Project Cost/Funding:

USDA Loan	\$ 2,787,000	(4.5%)
LWWC contribution	<u>400,000</u>	
Total	\$ 3,187,000	

EXHIBIT 5-13

EXHIBIT A
City of Lebanon
PROJECT SPECIFICS
B08-09

GOVERNMENTAL AGENCY:

Name: City of Lebanon
118 S Proctor Knott Avenue
Lebanon, Kentucky 40033

Contact
Person: Gary Crenshaw
(270) 692-6272

SYSTEM: Drinking Water

PROJECT: Construction of a new pump station and 6,500 linear feet of 16-inch ductile iron water line from the existing 20-inch transmission main along the newly completed Lebanon By-Pass to the Lebanon/Marion County Industrial Park. The line will enable Lebanon Water Works and the Marion County Water District to provide water to new development along the By-Pass and into the County. Additionally, all companies in the industrial park will benefit.

PROJECT BUDGET:

	Total
Administrative Expenses	\$ 4,773
Engineering Fees	\$ 209,138
Construction	\$ 916,545
Contingency	\$ 12,850
Total	\$ 1,143,306

FUNDING SOURCES:

	Amount	%
Fund B Loan	\$ 582,883	51%
HB 608 (IEDF Grant)	\$ 350,000	31%
KY Dept of Transportation	\$ 210,423	18%
Total	\$ 1,143,306	100%

EXHIBIT 5-14

Reviewer: Jami Johnson
Date: December 4, 2014
Loan Number: F14-036

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND "F")
CITY OF LEBANON, MARION COUNTY
PROJECT REVIEW
WX21155039**

I. PROJECT DESCRIPTION

The City of Lebanon f/b/o Lebanon Water Works Co. (LWWC) is requesting a \$3,230,000 Fund "F" loan for the Marion Taylor Interconnect Project. The project will construct a 50,000 linear foot (LF) 12-inch water main from the Taylor County line (City of Campbellsville) to the Lebanon By-Pass Industrial Park. The proposed route will follow US 68 into Lebanon and connect to an existing 16" main. The connection with Campbellsville will supplement its supply with approximately 500,000 gallons per day and potentially more during emergencies. A separate loan request to KIA is being submitted to the KIA Board for approval on December 4, 2014 from the City of Campbellsville for their portion (WX2217023) of the proposed project.

LWWC produces 800 million gallons of water annually of which 430 million is sold to the Marion County Water District. Raw water is sourced from Fagan Branch on the Rolling Fork River with a supplemental supply from Fagan Branch Reservoir during high use / low rainfall periods. During the summer months, LWWC reaches the maximum permitted withdrawal amount and must utilize available reservoir capacity. During continued drought conditions, supply is constrained. The reservoir's supply must be replenished over several months and water quality consistency becomes very difficult to maintain for LWWC during these periods. The proposed project will utilize a portion of Campbellsville's excess capacity which is the most efficient solution for the region. Additionally, the project will provide the opportunity for the District to provide supplemental water supply to the City of Springfield in the future.

LWWC directly serves approximately 2,600 customers and indirectly serves an additional 5,800 customers through wholesale service to the Marion County Water District.

EXHIBIT 5-15

EXHIBIT A
CITY OF LEBANON
PROJECT SPECIFICS
F15-057

GOVERNMENTAL AGENCY:

Name: City of Lebanon
PO Box 840
Lebanon, KY 40033

Contact
Person: Gary Crenshaw
Mayor

SYSTEM: Water

PROJECT:

The proposed project will replace approximately 6,000 L.F. of 6 inch water main along Woodlawn Ave. and approximately 1,700 L.F. of 6 inch water main along HWY 49, to improve service and reliability and reduce costly repairs from aging cast iron pipe that is prone to breaks and leaks that reduce service and have high repair costs. This project will provide improved service and reliability for a main serving over 200 existing customers.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 11,300
Engineering Fees - Design / Const	58,060
Engineering Fees - Inspection	40,640
Engineering Fees - Other	5,000
Construction	550,000
Contingency	55,000
Total	\$ 720,000

FUNDING SOURCES:

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 720,000	100%
Total	\$ 720,000	100%

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 6

Responding Witness: Daren Thompson

- Q-6. List all persons on Lebanon's payroll during the proposed test period. For each employee, state his or her job duties, total wages paid during the fiscal year, current salary or wage rate, and the percentage of work hours spent performing duties for each department during the fiscal year. If Lebanon's records do not permit the allocation of an employee's work hours among departments, provide an estimate for each employee and explain how Lebanon derived the estimate.
- A-6. See attached **Exhibit 6-1**. The Company does not allocate work hours by department. Because the Company's operations are solely devoted to the provision of water service, the Company is not organized into separate divisions or departments. See Response to Question No. 12. The Company does not have separate divisions or departments and thus its records do not permit an estimated allocation of employee work hours among departments.

EXHIBIT 6-1

**Lebanon Water Works Company, Inc.
Employee List FYE 6-30-2016**

Employee Number	Job Description	Current Hourly Salary	Total Paid in FYE 6-30-2016
000000015	Responsible for the overall operation and maintenance of the water plant; responsible for monitoring special projects related to the plant.	\$ 23.89	\$ 50,395.47
000000005	Performs skilled operations, maintenance, repair, and construction work on the potable water distribution system.	\$ 20.29	\$ 45,556.46
000000017	Performs administrative work including troubleshooting and assisting customers with their water service needs.	\$ 14.90	\$ 31,655.05
000000019	Performs skilled operations, maintenance, and repairs at the water treatment plant facilities. Assists when needed with work in the distribution system.	\$ 12.82	\$ 25,877.19
000000008	Performs skilled operations, maintenance, repair, and construction work on the potable water distribution system. Assists when needed with work at the treatment plant.	\$ 15.24	\$ 33,013.65
000000007	Responsible for the overall operation and maintenance of the water distribution system; responsible for monitoring special projects related to the distribution system.	\$ 19.94	\$ 32,482.27
000000009	Performs skilled operations, maintenance, and repairs at the water treatment plant facilities. Assists when needed with work in the distribution system.	\$ 23.34	\$ 28,883.39
000000003	Plans, organizes, directs, coordinates, executes, and evaluates all administrative functions including customer service, payroll, and accounting while assisting in performing required duties.	\$ 23.48	\$ 49,768.59
000000018	Oversees overall company policy and strategy.	\$ -	\$ 7,901.04
000000004	Performs skilled operations, maintenance, repair, and construction work on the potable water distribution system. Assists when needed with work at the treatment plant.	\$ 18.75	\$ 40,256.34

000000006	Performs skilled operations, maintenance, and repairs at the water treatment plant facilities. Assists when needed with work in the distribution system.	\$ 16.12	\$ 40,987.24
000000011	Performs skilled operations, maintenance, and repairs at the water treatment plant facilities. Assists when needed with work in the distribution system.	\$ 17.36	\$ 39,980.08
000000001	Responsible for the management and day to day operation of the utility. Responsible for leading, planning, and controlling the organization.	\$ 33.82	\$ 70,375.12
000000010	Responsible for the overall operation and maintenance of the water plant; responsible for monitoring special projects related to the plant.	\$ 23.89	\$ 31,729.61

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 7

Responding Witness: Daren Thompson

- Q-7. Provide job titles, job descriptions, and pay rates for each employee on December 31 for calendar years 2013 through 2017.
- A-7. See attached **Exhibit 7-1**.

EXHIBIT 7-1

**Lebanon Water Works Company, Inc.
Employee List - Dec. 31 Pay Rate**

Employee Number	Job Title	Job Description	2013	2014	2015	2016	2017
000000001	Supt	Responsible for the management and day to day operation of the utility. Responsible for leading, planning, and controlling the organization.	\$ 31.87	\$ 32.83	\$ 33.82	\$ 34.49	\$ 34.49
000000003	Ofc Mgr	Plans, organizes, directs, coordinates, executes, and evaluates all administrative functions including customer service, payroll, and accounting while assisting in performing required duties.	\$ 22.13	\$ 22.79	\$ 23.48	\$ 23.95	\$ 24.66
000000004	Dist Oper	Performs skilled operations, maintenance, repair, and construction work on the potable water distribution system. Assists when needed with work at the treatment plant.	\$ 17.67	\$ 18.20	\$ 18.75	\$ -	\$ -
000000005	Dist Mgr	Performs skilled operations, maintenance, repair, and construction work on the potable water distribution system	\$ 19.13	\$ 19.70	\$ 20.29	\$ 20.70	\$ 20.70
000000006	Trmt Plant Oper	Performs skilled operations, maintenance, and repairs at the water treatment plant facilities. Assists when needed with work in the distribution system.	\$ 15.19	\$ 15.65	\$ 16.12	\$ 16.44	\$ 21.43
000000007	Dist Mgr	Responsible for the overall operation and maintenance of the water distribution system; responsible for monitoring special projects related to the distribution system.	\$ 18.80	\$ 19.36	\$ 19.94	\$ 20.34	\$ 27.24
000000008	Dist Oper	Performs skilled operations, maintenance, repair, and construction work on the potable water distribution system. Assists when needed with work at the treatment plant.	\$ 13.40	\$ 13.80	\$ 15.24	\$ 15.54	\$ 16.01
000000009	Trmt Plant Oper-PT	maintenance, and repairs at the water treatment plant facilities. Assists when needed with work in the distribution system.	\$ 22.00	\$ 22.66	\$ 23.34	\$ 23.81	\$ 24.52

000000010	Trmt Plant Mgr	Responsible for the overall operation and maintenance of the water plant; responsible for monitoring special projects related to the plant.	\$ 22.52	\$ 23.19	\$ 23.89	\$ -	\$ -
000000011	Trmt Plant Oper	Performs skilled operations, maintenance, and repairs at the water treatment plant facilities. Assists when needed with work in the distribution system.	\$ 16.36	\$ 16.85	\$ 17.36	\$ 17.71	\$ 18.59
000000015	Trmt Plant Mgr	Responsible for the overall operation and maintenance of the water plant; responsible for monitoring special projects related to the plant.	\$ 18.26	\$ 18.81	\$ 19.37	\$ 26.44	\$ 27.24
000000017	Cust Srv Rep	Performs administrative work including troubleshooting and assisting customers with their water service needs.	\$ 13.08	\$ 13.47	\$ 14.90	\$ 15.20	\$ 15.66
000000018	Bd Member	Oversees overall company policy and strategy.	\$ 7,447.44	\$ 7,670.88	\$ 7,901.04	\$ 8,059.08	\$ 8,300.04
000000019	Trmt Plant Oper	Performs skilled operations, maintenance, and repairs at the water treatment plant facilities. Assists when needed with work in the distribution system.	\$ -	\$ 10.50	\$ 12.82	\$ 13.08	\$ 16.85
000000020	Oper & Maint Supt	Responsible for the management and day to day operation of the utility. Responsible for leading, planning, and controlling the organization.	\$ -	\$ -	\$ -	\$ 45.67	\$ 47.04
000000021	Dist Oper	Performs skilled operations, maintenance, repair, and construction work on the potable water distribution system. Assists when needed with work at the treatment plant.	\$ -	\$ -	\$ -	\$ 13.50	\$ 15.94
000000022	Dist Oper	Performs skilled operations, maintenance, repair, and construction work on the potable water distribution system. Assists when needed with work at the treatment plant.	\$ -	\$ -	\$ -	\$ 13.50	\$ 15.94
000000023	Trmt Plant Oper	Performs skilled operations, maintenance, and repairs at the water treatment plant facilities. Assists when needed with work in the distribution system.	\$ -	\$ -	\$ -	\$ 13.00	\$ 15.42

00000024	Trmt Plant Oper	Performs skilled operations, maintenance, and repairs at the water treatment plant facilities. Assists when needed with work in the distribution system.	\$ -	\$ -	\$ -	\$ 13.00	\$ 15.42
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LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 8

Responding Witness: Daren Thompson

Q-8. Using a table format, provide the following actual full-year salary information for each employee, identified by employee number and job title, for the years 2013 through 2017 (in gross dollars - not hourly or monthly rates). The employee salary information for each year shall be provided in a separate table. Provide the requested tables in an Excel spreadsheet format with all columns and rows unprotected and accessible.

- (1) Regular salary or pay.
- (2) Overtime pay.
- (3) Vacation payout.
- (4) Standby/Dispatch pay.
- (5) Bonus pay.
- (6) Other amounts paid and reported on the employees' W-2 (specify).

A-8. See attached **Exhibit 8-1**.

EXHIBIT 8-1

The attachment is being provided in a separate file in Excel format.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 9

Responding Witness: Daren Thompson

- Q-9. Using a table format, provide the regular hours and overtime hours for each employee identified in Lebanon's response to Item 8. for the years 2013 through 2017. The employee salary information for each year shall be provided in a separate table. Provide the requested table in an Excel spreadsheet format with all columns and rows unprotected and accessible.
- A-9. See attached **Exhibit 9-1**.

EXHIBIT 9-1

The attachment is being provided in a separate file in Excel format.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 10

Responding Witness: Daren Thompson

Q-10. Using a table format, provide the following actual full-year benefit information for each employee, identified by employee number and job title, for the years 2013 through 2017. The employee's benefit information for each year shall be provided in a separate table. Provide the requested tables in an Excel spreadsheet format with all columns and rows unprotected and accessible.

- A. Healthcare benefit cost for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- B. Dental benefits cost for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- C. Vision benefits cost for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- D. Life insurance cost for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- E. Accidental death and disability benefits for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.

- F. Defined Contribution - 401 (k) or similar plan cost for each employee. Provide the amount paid by Lebanon.
- G. Defined Benefit Retirement cost for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- H. Cost of any other benefit available to an employee (specify).

A-10. See attached **Exhibit 10-1**. In the last column of each tab of **Exhibit 10-1**, the abbreviation STD stands for “Short Term Disability.” Additionally, the Company participates in the County Employee Retirement System (“CERS”), which is a defined benefit retirement plan. The Company does not offer a defined contribution retirement plan.

EXHIBIT 10-1

The attachment is being provided in a separate file in Excel format.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 11

Responding Witness: Daren Thompson

Q-11. Provide a listing of all health care plan categories available to Lebanon's employees, i.e., single, married no dependents, single parent with dependents, family, etc. For each employee listed in Lebanon's response to Item 22 identify the type of health insurance coverage the employees are provided.

A-11. See attached **Exhibit 11-1**.

EXHIBIT 11-1

**Lebanon Water Works Company, Inc.
Current Employees April 2018**

Health care plan categories available:

EMP	Employee
ESP	Employee plus spouse
ECH	Employee plus child/ren
FAM	Family

Employee Number	Health Plan Designation
000000003	ECH
000000006	EMP
000000007	-
000000008	FAM
000000009	N/A
000000011	ESP
000000015	ECH
000000017	FAM
000000018	N/A
000000019	FAM
000000020	FAM
000000021	FAM
000000022	ECH
000000023	FAM
000000024	-

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 12

Responding Witness: Daren Thompson

Q-12. For each employee listed in Item 6, describe how Lebanon allocated his or her payroll and payroll overhead charges to each department for the proposed test period. This response shall include a detailed explanation of all allocation procedures. Payroll overhead charges include payroll taxes, health-insurance premiums, pension costs, and any other employee benefit costs.

A-12. The Company is not a department or division of the City of Lebanon. It is a separate and distinct entity from the City of Lebanon. It maintains separate records for its operations. Except as noted in the Response to Marion County Water District's First Request for Information, Question No. 26, the Company does not provide any services to the City of Lebanon.

The Company provides only water service; it owns and operates raw water storage, water treatment, finished water storage, transmission, and distribution facilities. The Company does not provide sanitary sewer service, storm water service, street maintenance, or any other Public Works services. The City of Lebanon has a separate department that provides sanitary sewer service. Because the Company is not organized into separate divisions or departments, no allocation is necessary because its operations are solely devoted to the provision of water service.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 13

Responding Witness: Daren Thompson

Q-13. List all joint or shared costs that Lebanon incurred during the proposed test period. For each cost, list the vendor, total expense amount, amounts allocated per division, and the basis for allocation.

A-13. Neither the Company nor the City of Lebanon jointly incurred costs during the test year. Therefore, there are no costs to allocate between the Company and the City of Lebanon.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 14

Responding Witness: Daren Thompson

Q-14. Describe the procedures to allocate joint and shared costs among Lebanon's divisions for the proposed test period.

A-14. Not applicable. The Company had no joint or shared costs in FY 2016 or FY 2017. See Response to Question No. 13.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 15

Responding Witness: Daren Thompson

Q-15. Provide all internal memorandums, policy statements, correspondence, and documents related to the allocation of joint and shared costs.

A-15. There are none.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 16

Responding Witness: Holly Nicholas

Q-16. Refer to Lebanon's March 7, 2018, response to Commission Staff's Request for Information, item 1B. Provide the schedules in Excel spreadsheet format with all formulas intact, unprotected, with all columns, rows and links accessible.

A-16. The spreadsheets are attached as **Exhibit 16-1**.

EXHIBIT 16-1

The attachment is being provided in a separate file in Excel format.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 17

Responding Witness: Holly Nicholas

Q-17. Lebanon is proposing an 8.9 percent increase to its meter charge and a 34 percent increase to its volume charge. Provide a detailed explanation how these percentage increases were determined, include all calculations, state all assumptions. Provide all schedules in Excel spreadsheet format with all formulas intact and unprotected, and with all columns, rows and links accessible.

A-17. The spreadsheet that shows all calculations was provided in response to Question No. 1 as **Exhibit 1-1**. The increased percentage for the meter charge was determined by subtracting the proposed meter charge from the current meter charge and dividing by the current meter charge. See the following:

$$(\$7.35-\$6.75) / \$6.75 = 8.9\%$$

The increased percentage for the volume charge was calculated the same way:

$$(\$3.35-\$2.50) / \$2.50 = 34\%$$

The formula used (modeled on the PSC Alternative Rate Filing procedures) resulted in a revenue increase of 30.24% for the scenario of Lebanon purchasing 400,000 GPD from Campbellsville and recovering 100% of depreciation. Based upon actual water usage for FY 2016, the rates would

need to increase by 8.9% and 34% to generate the revenue required. See the user analysis in **Exhibit 1-1**.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 18

Responding Witness: Daren Thompson

Q-18. Provide a list containing the location, size, and age of the meters that are used to serve Marion County.

A-18. See attached **Exhibit 18-1**.

EXHIBIT 18-1

Master Meter Report

Location	Date Installed	Meter Size	Test Date	Meter Serial Number
T & H / Cville Hwy -- 1	08/02/07	6" Turbine	05/03/17	70187910
T & H / Cville Hwy-- 2	08/02/07	6" Turbine	05/03/17	70187909
Hwy 208 Bypass	03/15/11	6" Turbine	05/03/17	70239592
Lorretto Hwy	08/05/14	6" Turbine	05/03/17	70292575
Hwy 208 @ Calvary School	03/27/07	3" Turbine	05/04/17	70015271
Danville Hwy	06/01/16	4" Turbine	05/04/17	70313721
Danville Hwy (Not being used)	02/10/09	3" Turbine	04/15/15	
Springfield Hwy	03/15/11	4" Turbine	05/04/17	70049192
St. Rose Road	12/22/16	3" Turbine	05/04/17	70268647
Hwy 208 Calvary Plant	01/28/03	6" Turbine	05/04/17	70022651
Fairground Rd / Woodlawn	02/08/18	2" T-10	04/03/17	61029985
Sulphur Springs Rd	02/08/18	2" T-11	04/04/17	61029984

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 19

Responding Witness: Holly Nicholas

Q-19. Refer to the testimony of Holly L. Nicholas, Page 3. Provide a copy of the completed rate study presented to the Lebanon's Board on June 12, 2017. Provide all schedules included in the study in Excel spreadsheet format with all formulas intact, unprotected, with all columns, rows and links accessible.

A-19. Neither a formal rate study nor a formal written presentation was provided to the Company's Board of Directors on June 12, 2017. Instead, the spreadsheet attached as **Exhibit 1-1** and another similar spreadsheet that showed a less than 100 percent coverage of depreciation (attached here as **Exhibit 19-1**) were provided to the Company's Board of Directors.

The spreadsheet tab titled "Summary" of **Exhibit 1-1** was the primary information shown to the Company's Board of Directors. This document summarized the data and calculations in a concise format for the Company's Board of Directors to review.

EXHIBIT 19-1

The attachment is being provided in a separate file in Excel format.

LEBANON WATER WORKS COMPANY

CASE NO. 2017-00417

Response to Commission Staff's Second Request for Information

Question No. 20

Responding Witnesses: Daren Thompson & Legal Counsel

Q-20. Lebanon's proposed tariff includes a rate case surcharge.

- A. Provide a list of other utilities that have a rate case surcharge included in their tariff.
- B. Provide a detailed explanation of the following:
 - (1) Support for the need of a rate case surcharge.
 - (2) Details of how rate case expenses will be recovered.
 - (3) Support for establishing a rate case surcharge in a utility's tariff rather than determined by the Commission on a case-by-case basis.

A-20.

- A. The following municipal utilities have or have had a rate case surcharge included in their tariffs: Owenton, Greensburg, and Hopkinsville. The Owenton tariff is attached as **Exhibit 20-1**. The Public Service Commission ("Commission") approved the Owenton surcharge in Case No. 98-283 by Order dated February 22, 1999. The Hopkinsville tariff is attached as **Exhibit 20-2**. The Commission approved the Hopkinsville surcharge in Case No. 2009-00373 by Order dated July 2, 2010. The Greensburg tariff is attached as **Exhibit 20-3**. The Commission approved the Greensburg surcharge

in Case No. 2009-00428 by Order dated August 6, 2010. The City of Augusta also proposed a 36-month surcharge to recover its rate case expenses in Case No. 2015-00039.¹ The case ultimately settled with each party paying its own legal fees. Therefore, no rate case surcharge was included in Augusta's tariff.

- B. See the Company's March 7, 2018 Response to Question No. 3 of Commission Staff's Request for Information. The Company has proposed that rate case expenses be recovered over a 36-month period. The proposed surcharge is consistent with long-standing judicial² and Commission precedent. Recovering rate case expenses in a line item surcharge is more transparent and fair than including rate case expenses in base rates. It prevents the municipal utility from recovering amounts in excess of the actual expense incurred, which may occur if the amount is included in the general wholesale rate and the municipal utility does not adjust rates again for a significant period of time. It is easier for the wholesale supplier and customer, as

¹ *Proposed Adjustment of the Wholesale Water Service Rates of the City of Augusta*, Case No. 2015-00039 (Ky. PSC Apr. 15, 2016).

² *See, e.g., Driscoll v. Edison Light & Power Co.*, 307 U.S. 104, 120-121 (1939) ("Even where the rates in effect are excessive, on a proceeding by a commission to determine reasonableness, we are of the view that the utility should be allowed its fair and proper expenses for presenting its side to the commission."); *West Ohio Gas Co. v. Public Utilities Comm'n*, 294 U.S. 63, 74 (1935); *New Jersey Bell Tel. Co. v. Department of Public Utilities*, 97 A.2d 602 (N.J. 1953); *Southern Bell Tel. & Tel. Co. v. Georgia Public Service Com.*, 49 S.E.2d 38 (Ga. 1948)

well as the Public Service Commission, to track. It provides a level of predictability for both wholesale supplier and customer.

The Company also proposed the use of a surcharge based upon actual expense to avoid potential problems associated with the inclusion of an estimated rate case expense in proposed rates. If the proposed wholesale rates included estimated rate case expense and were permitted to become effective without any Public Service Commission proceeding, the proposed rate would have been based upon costs that had not been incurred and would have been unfair to the wholesale customer. Based upon prior proceedings in which the Public Service Commission has limited recovery of rate case expense to the amount set forth in the original filing,³ if the Company underestimates rate case expense, it will not fully recover its actual costs.

The Company does not seek to usurp the Commission's ability to decide the surcharge on a case-by-case basis. Based upon the

³ See *Electronic Application of Monroe County Water District For Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2017-00070 (Ky. PSC Jan. 12, 2018) at 16. The Public Service Commission has indicated that a utility's efforts to periodically report its actual rate case expense, even when such efforts are in direct response to Commission Staff's requests for information are insufficient to support a level that is higher than the estimated level. It has also suggested that the utility may amend its application to seek recovery of a higher level of actual expenses. The Company regards this suggestion as problematic since an amendment to the original filing will effectively reset the statutory review period, require the utility to provide notice of the amendment in accordance with KRS 278.180, and lengthen the time before the issuance of a final decision.

precedent established in Case No. 2014-00392,⁴ in which the Commission refused to allow recovery of a municipal utility's rate case expense because the municipal utility had failed to make the request in its initial filing with the Commission, the Company has filed a separate surcharge to comply with the holding in Case No. 2014-00392 and provide the Commission and Marion District with sufficient notice of the proposed surcharge.

⁴ *Proposed Adjustment of the Wholesale Rates of the City of Danville*, Case No. 2014-00392 (Ky. PSC Aug. 13, 2015).

EXHIBIT 20-1

Form for filing Rate Schedules

For City of Owenton KY
Community, Town or City
P.S.C. NO. 98-283

SHEET NO.

CANCELLING P.S.C. NO.

SHEET NO.

City of Owenton, Kentucky
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

	RATE PER UNIT
The following rates are prescribed for the City of Owenton, Kentucky to be assessed to Tri-Village Water District to be effective on and after the effective date of this order:	
Wholesale Water Service	\$2.11/m gallons
*Rate Surcharge	0.04/m gallons
*This surcharge shall terminate 3 years from the date of this order or upon the collection of \$11,346 in revenues, whichever comes first.	
PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE FEB 22 1999 PURSUANT TO 807 KAR 5.011, SECTION 9 (1) BY: <u>Stephan D. Bee</u> SECRETARY OF THE COMMISSION	

DATE OF ISSUE February 22, 1999

DATE EFFECTIVE February 22, 1999

ISSUED BY Bill Gill
Name of Officer

TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. 98-283 dated 2/22/99.

EXHIBIT 20-2

FOR Hopkinsville, KY
Community, Town or City

P.S.C. KY. NO. _____

1st Revised SHEET NO. 1

Hopkinsville Water Environment Authority
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

Original SHEET NO. 1

RATES & CHARGES

Wholesale Water Rate

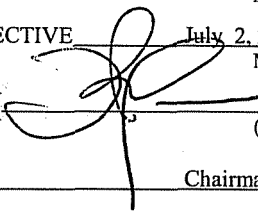
		Rate per 100 cubic feet
First	3,000 cubic feet	\$ 2.96
Next	3,000 cubic feet	\$ 2.59
All Over	6,000 cubic feet	\$ 1.88

Monthly Rate Case Expense Surcharge (July 2010 through June 2013)

Christian County Water District \$1,647.59 per month

DATE OF ISSUE July 2, 2010
Month / Date / Year

DATE EFFECTIVE July 2, 2010
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00373 DATED July 2, 2010

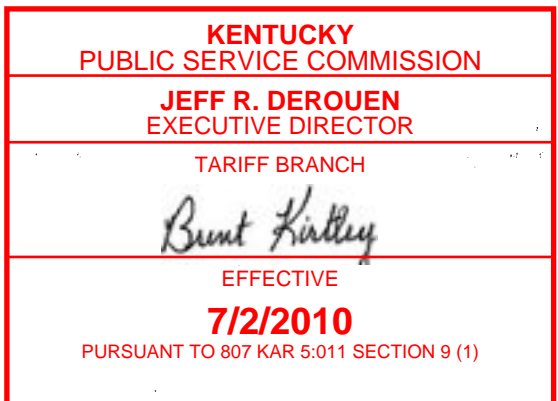


EXHIBIT 20-3

FOR Greensburg, Kentucky
Name of Municipality

P.S.C. KY. NO. _____

SHEET NO. _____

City of Greensburg Water Department
(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

MONTHLY WHOLESALE WATER RATE:

Green-Taylor Water District

All usage **\$2.206 Per 1,000 Gallons**

Monthly Surcharge **\$308.64 Per Month**

The surcharge is for recovery of rate case expense in Case No. 2009-00428 and will be collected from August 2010 through July 2013.

This new usage rate of \$2.206 per 1,000 gallons revises the previous rate of \$1.838 per 1,000 gallons.

DATE OF ISSUE 08 / 13 / 2010
Month / Date / Year

DATE EFFECTIVE 04 / 10 / 2010
Month / Date / Year

ISSUED BY *George C. Heath*
(Signature of Officer)

TITLE Mayor - City of Greensburg

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009 - 00428 DATED August 6, 2010

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 4/10/2010 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Lebanon Water Works Company's May 3, 2018 electronic filing of this Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on May 3, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and one copy in paper medium of this Response will be delivered to the Commission on or before May 7, 2018.


Damon R. Talley