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APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

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

Gallatin County Water District

(Name of Utility)

4500 Ky Hwy 455

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

Sparta, KY 41086

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

859-643-5200

(Telephone Number)

BASIC INFORMATION

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

Tammy Hendren, Office Manager

(Name)

4500 Ky Hwy 455

(Address - Number and Street or P O Box)

Sparta, KY 41086

(Address - City, State, Zip)

859-643-5200

(Telephone Number)

gallatin.water@fuse.net

(Email Address)

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

- | | YES | NO | N/A |
|---|-------------------------------------|-------------------------------------|-----|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- This application does not include a rate increase, therefore Notice not req'd.*
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)** *No rate increase is proposed.*
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2019
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 0.00 and total revenues from service rates of \$ 1,072,866. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application** Applicant had 2,000 +/- customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)** *Current Billing Analysis Only*
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

- | | YES | NO | N/A |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 16. a. Applicant is not required to file state and federal tax returns. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant is required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| c. Applicant's most recent state and federal tax returns are attached to this Application. (Attach a copy of returns.) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. Approximately <u>- 0 -</u> (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

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

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

Signed

Vic Satchwell
Officer of the Company/Authorized Representative

Title

Chairman

Date

10-14-21

COMMONWEALTH OF KENTUCKY

COUNTY OF GALLATIN

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

Theresa G. Parker

Notary Public

KYNP 28392

My commission expires:

5/8/2025

LIST OF ATTACHMENTS
Gallatin County Water District

1. Customer Notice of Proposed Rate Adjustments (Not applicable – no adjustment is proposed)
2. Reasons for Application
3. Current and Proposed Rates (Current only - no rate change is proposed)
4. Statement of Adjusted Operations and Revenue Requirements with the following attachments:
 - a. References
 - b. Table A - Depreciation Expense Adjustments
 - c. Table B - Debt Service Schedule
 - d. Pro forma Adjustments
 - e. 2019 Trial Balance
5. Current Billing Analysis
6. Proposed Billing Analysis (Not applicable – no rate change is proposed)
7. Depreciation Schedule
8. Outstanding Debt Instruments
9. Amortization Schedules
10. Statements of Disclosure of Related Party Transactions
11. Board Resolution

Attachment 1

No rate change is included in this application, therefore Customer Notice is not required.

Attachment No. 2

Reason for Application

Gallatin County Water District (“the District”) is filing this application in accordance with the Public Service Commission’s Order dated May 17, 2021, in Case No. 2019-00460. The District is not seeking a change in rates with the current application.

Attachment No. 3

CURRENT RATES
Gallatin County Water District

<u>No. of Gallons per Month</u>	<u>Charge per</u> <u>1,000 gals.</u>
First 1,000 Gallons (Minimum Bill)	\$ 21.00
Next 2,000 Gallons	7.75
Next 2,000 Gallons	7.44
Next 5,000 Gallons	6.70
All Over 10,000 Gallons	6.20
Wholesale Rate	\$ 1.46

Sales to Kentucky speedway will be a flat rate equivalent of \$2,917 per month, or a minimum of \$35,000 annually.

Attachment No. 4

SCHEDULE OF ADJUSTED OPERATIONS
Gallatin County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Pro Forma</u>
<u>Operating Revenues</u>				
Total Metered Sales	\$ 1,093,070	\$ 12,124	A	\$ 1,105,194
Sales for Resale	13,925			13,925
Other Water Revenues:				
Forfeited Discounts	29,740			29,740
Misc. Service Revenues	19,670			19,670
Other Water Revenues	3,122			3,122
Total Operating Revenues	\$ 1,159,527			\$ 1,171,651
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	258,005	(6,042)	B	251,963
Salaries and Wages - Officers	15,200			15,200
Employee Pensions and Benefits	207,605	(1,454)	B	
		(78,093)	C	
		(27,094)	D	100,964
Purchased Water	7,857	(1,245)	E	6,612
Purchased Power	61,726	(9,784)	E	51,942
Chemicals	6,547	(1,038)	E	5,509
Materials and Supplies	59,705			59,705
Contractual Services	73,326	2,833	F	76,159
Transportation Expenses	21,376			21,376
Insurance - Gen. Liability & Other	22,144			22,144
Insurance - Workers Comp	4,561			4,561
Advertising Expenses	788			788
Bad Debt	9,628			9,628
Miscellaneous Expenses	23,409			23,409
Total Operation and Mnt. Expenses	771,877			649,961
Depreciation Expense	254,942	(33,595)	G	221,347
Taxes Other Than Income	22,316	(462)	B	21,854
Total Operating Expenses	\$ 1,049,135			\$ 893,162
Net Utility Operating Income	\$ 110,392			\$ 278,489

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 893,162
Plus: Avg. Annual Principal and Interest Payments	H 211,697
Additional Working Capital	I 42,339
Total Revenue Requirement	1,147,197
Less: Other Operating Revenue	52,532
Interest Income	21,799
Revenue Required From Water Sales	1,072,866
Revenue from Sales at Present Rates	1,119,119
Surplus Revenue with Required Adjustments	\$ 46,252

REFERENCES

- A. The Current Billing Analysis results in pro forma retail sales revenue of \$1,105,194. This indicates an adjustment to Metered Water Sales of \$12,124 is required.
- B. In January 2020 a long-time employee retired. He will be replaced with an employee at starting pay of \$15.00 per hour. Based on the hours worked by the retired employee and the hourly rate of the new employee, a reduction in Salaries and Wages expense of \$6,042 will be experienced. This decrease in wages results in lower retirement benefits expense and payroll taxes of \$1,454 and \$462, respectively.
- C. Due to GASB reporting requirements for liabilities, the expense reported for the District's retirement plan is \$78,093 more than the actual amount paid to CERS. This amount is deducted.
- D. The District pays 100 percent of its employees' health insurance premiums for single coverage. The PSC typically requires that expenses associated with this level of employer-funded premiums be adjusted to be consistent with the Bureau of Labor Statistics' national average for an employer's share of health insurance premiums. The average employer share from BLS is currently 79 percent for single coverage. Applying that percentage to premiums to be paid in the current year and subtracting from that the total premiums paid in 2019, results in a deduction from 2019 benefits expense of \$27,094.
- E. The District's test year water loss was 30.85 percent. The PSC's maximum allowable loss for rate-making purposes is 15.0 percent. Therefore, the expenses for Purchased Water, Purchased Power, and Chemicals related to water purchased, produced and pumped above the 15 percent limit are not allowed in the rate base and must be deducted.
- F. During 2020 the District will be required to perform lead and copper tests throughout its system. These additional tests are estimated to cost \$8,500 more than the testing cost in 2019. Since these tests are only required at three year intervals, the total amount is amortized over three years for a total increased expense of \$2,833 per year.
- G. The PSC requires adjustments to a water utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Utilities". Therefore, adjustments are included to bring asset lives to the midpoint of the recommended ranges. The adjustment for radio-read meters deviates from the NARUC range to recognize the specific life of those meters instead of a broad category. See Table A.
- H. The annual debt service payments for the District's long term debt are shown in Table B. The five year average of these payments is added in the revenue requirement calculation.
- I. The amount shown in Table B for coverage on long term debt is required by the District's bond resolutions. This is included in the revenue requirement as Additional Working Capital.

Table A
DEPRECIATION EXPENSE ADJUSTMENTS
Gallatin County Water District

<u>Asset</u>	<u>Date in Service</u>	<u>Original Cost *</u>	<u>Life</u>	<u>Reported Depr. Exp.</u>	<u>Pro forma Life</u>	<u>Pro forma Depr. Exp.</u>	<u>Depreciation Expense Adjustment</u>
<u>Reservoirs & Elevated Tanks</u>							
Tanks	various	\$2,029,682	30.0	\$ 68,191	45.0	\$ 45,104	\$ (23,087)
Fence Speedway Tank site	11/30/12	9,992	20	500	38	266	(234)
Painting & Maintenance	various	205,675	15	13,711	15	13,711	-
<u>Meters & Installations</u>							
Conventional Meters	various	744,594	40.0	18,683	40.0	18,615	(68)
Radio Read Meters	various	451,135	40.0	11,278	20.0	22,557	11,279
<u>Transmission & Distribution Lines</u>							
Entire Group	various	4,483,791	50.0	89,711	62.5	71,741	(17,970)
<u>Water Treatment Equipment</u>							
Telemetry	11/01/07	9,950	20.0	498	10.0	995	497
Scale	10/31/17	1,201	20.0	60	27.5	44	(16)
<u>Services</u>							
Entire Group	various	304,153	30.0	10,098	40.0	7,604	(2,494)
<u>Transportation Equipment</u>							
2016 Ford 150 4wd Supercab	various	57,150	5.0	9,933	7.0	8,164	(1,769)
Big Tex 20' Trailer	10/24/19	4,524	20.0	38	20.0	226	188
<u>Radios & Office Equipment</u>							
Caterpillar 303C Excavator	03/03/08	35,891	15.0	2,393	12.5	2,871	478
Furniture & Equipment	various	4,912	10.0	129	22.5	218	89
Office Sign	12/15/17	5,412	20.0	271	37.5	144	(127)
Computer Equip. & Radios	various	27,106	5.0	5,421	10.0	2,711	(2,710)
Bobcat Model T190 (2011)	07/08/19	33,000	20.0	825	12.5	2,640	1,815
<u>Pumping Equipment</u>							
Telemetry & SCADA	various	10,245	varies	797	10.0	1,025	228
Fencing	09/16/16	4,160	10.0	416	37.5	111	(305)
Pump Equipment	various	18,270	varies	1,607	20.0	914	(694)
<u>Wells</u>							
Impellers Speedway	06/01/11	5,300	10.0	530	20.0	265	(265)
Remainder of Group	various	326,345	35.0	9,324	30.0	10,878	1,554
<u>Building - Johnson Road</u>							
Entire Group	various	360,164	varies	9,354	37.5	9,604	250
<u>Hydrants</u>							
Entire Group	various	46,940	40.0	1,174	50.0	939	(235)
TOTALS				\$ 254,942		\$ 221,347	\$ (33,595)

* Includes only costs of assets that contributed to depreciation expense in the current year.

Table B
DEBT SERVICE SCHEDULE
Gallatin County Water District
 CY 2021 - 2025

C.Y.	<u>KIA Loan B99-02</u>			<u>KRWFC Series 2017A</u>			<u>KRWFC Series 2020C</u>			<u>TOTALS</u>
	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	
2021	\$ 26,322	\$ 3,739	\$ 575	\$ 60,000	\$ 35,600	\$ 2,470	\$ 35,000	\$ 47,126	\$ 450	\$ 211,283
2022	26,666	3,395	522	65,000	33,100	2,345	40,000	45,176	450	216,655
2023	27,014	3,048	469	65,000	30,500	2,215	40,000	43,096	450	211,791
2024	27,366	2,695	415	65,000	27,900	2,085	40,000	41,016	450	206,927
2025	27,723	2,338	360	70,000	25,200	1,950	45,000	38,806	450	211,827
TOTALS	135,090	15,216	2,341	325,000	152,300	11,065	200,000	215,221	2,250	1,058,483

Average Principal & Interest \$ 211,697

Average Coverage on Long Term Debt 42,339

Adjustments - Gallatin County Water District

Water Loss Adjustment:

Produced & Purchased	166,739
Sold	114,209
Uses:	
WTP	456
Flushing	577
Fire	58
Other	-
	1,091
Line Brks.	33,886
Line Leaks	174
Other	17,379
check	166,739

30.850% water loss percentage
 15.000% allowable in rates
 15.850% adjustment percentage

Adjustments for Employee Change

	<u>Hours</u>	<u>Rate</u>	<u>Wages</u>
New Employee	2,080	\$ 15.00	31,200
O.T. Hrs	103	22.50	2,318
			33,518
Retired Employee Gross Wages			(39,559)
Adjustment for change in wages			(6,042)

Associated Payroll Tax

Total decrease in Wages	\$ (6,042)
FICA Rate	0.0765
Tax decrease	\$ (462)

Associated Pension Exp. Adjmt.

Change in Wages	(6,042)
CERS rate	0.2406
Pension Adjmt for empl. change	(1,454)

Capitalized Expense Adjustments:

Meters are capitalized - see CPA email of 08/04

GASB Pension Expense Adjustment *

Pension Liability	77,087
OPEB Liability	1,006
	78,093

* From CPA email of 07/28

Health Insurance Adjustment

	<u>Monthly</u>	<u>Annual</u>
Premium w/ new empl *	4,539	
Less wellness adjmt **	50	
Pmt. with 2020 premium	4,589	
% allowed by PSC	79%	
Allowable 2020 Premium	3,625	43,499.17
Total pd. by District in 2019 ***	70,593.00	(27,093.83)
Health Insurance Adjmt.		

* See paper copy of premium statement

** Future wellness adj expected match last 6 months of 2019

*** From 07/28 email from CPA and Trial Bal.

Select Transactions By Period
 Fiscal Year: 2019 Open
 Period: December
 Beginning Date: N/A
 Ending Date: N/A

Gallatin County Water December Trial Balance Report

Account	Beginning Balance	Period Activity	Ending Balance
00001-0000 temporary ums account	\$0.00	\$0.00	\$0.00
01000-0000 General checking	\$0.00	\$0.00	\$0.00
01001-0000 General/Payroll First Farmers	\$2,714.69	\$2,611.65	\$5,326.34
01020-0000 Revenue	\$0.00	\$0.00	\$0.00
01021-0000 Revenue - First Farmers	\$201,203.15	\$6,722.15	\$207,925.30
01024-0000 Excess Revenue CD	\$0.00	\$0.00	\$0.00
01025-0000 Certificate of Deposits	\$763,326.87	\$0.00	\$763,326.87
01026-0000 RDA Reserve CD	\$0.00	\$0.00	\$0.00
01027-0000 RDA Reserve CD	\$108,014.69	\$0.00	\$108,014.69
01030-0000 Security Deposits	\$0.00	\$0.00	\$0.00
01031-0000 Security Deposits First Farmers	\$31,444.95	(\$652.33)	\$30,792.62
01040-0000 KIA Reserve Account	\$50,236.96	(\$12,779.35)	\$37,457.61
01045-0000 Construction Account	\$0.00	\$0.00	\$0.00
01046-0000 Tobacco Grant Account	\$0.00	\$0.00	\$0.00
01050-0000 Bond Sinking Account	\$59,228.94	\$8,276.47	\$67,505.41
01055-0000 Bond Sinking -KRWF	\$77,323.41	\$8,539.47	\$85,862.88
01060-0000 Excess Revenue	\$244,677.42	\$10,183.16	\$254,860.58
01065-0000 RDA Reserve	\$63,776.16	\$5,570.14	\$69,346.30
01070-0000 HRA Health Account	\$0.00	\$0.00	\$0.00
01080-0000 Petty Cash	\$90.29	\$0.00	\$90.29
01098-0000 Undeposited Cash	\$0.00	\$0.00	\$0.00
01099-0000 Cash Transfers	\$0.00	\$0.00	\$0.00
01100-0000 Accounts Receivable	\$99,118.17	(\$8,270.84)	\$90,847.33
01120-0000 Accounts Receivable -Year End	\$38,601.69	(\$2,173.40)	\$36,428.29
01130-0000 Accounts Receivable Other	\$0.00	\$0.00	\$0.00
01135-0000 Allowance for Bad Debt	(\$885.17)	(\$9,409.63)	(\$10,294.80)
01140-0000 Interest Receivable	\$3,637.40	\$949.94	\$4,587.34
01200-0000 Inventory	\$48,745.24	\$8,162.23	\$56,907.47
01350-0000 Prepaid Expenses	\$5,728.86	(\$1,272.03)	\$4,456.83
01370-0000 Prepaid Insurance	\$12,843.15	\$56.17	\$12,899.32
01390-0000 Prepaid Taxes	\$0.00	\$0.00	\$0.00
01500-0000 Land	\$192,257.95	\$0.00	\$192,257.95
01505-0000 Land Rights	\$33,970.66	\$0.00	\$33,970.66
01510-0000 Buildings	\$345,817.42	\$0.00	\$345,817.42
01511-0000 A/D - Buildings	(\$151,184.00)	(\$1,126.00)	(\$152,310.00)
01520-0000 Building Improvements	\$14,347.00	\$0.00	\$14,347.00
01521-0000 A/D Building Improvements	\$0.00	\$0.00	\$0.00
01550-0000 Lease Hold Improvements	\$0.00	\$0.00	\$0.00
01551-0000 A/D Leasehold Improvements	\$0.00	\$0.00	\$0.00
01560-0000 Meter Installation	\$1,189,811.92	\$5,918.00	\$1,195,729.92
01561-0000 A/D Meter Installation	(\$354,432.00)	(\$13,440.00)	(\$367,872.00)
01562-0000 Distribution Reservoir	\$2,183,877.52	\$70,771.00	\$2,254,648.52
01563-0000 A/D Distribution Reservoir	(\$1,201,991.00)	(\$16,161.00)	(\$1,218,152.00)
01564-0000 Transmission Distribution Main	\$4,479,390.81	\$4,399.14	\$4,483,789.95
01565-0000 A/D Transmission Dist. Main	(\$1,840,595.00)	(\$8,839.00)	(\$1,849,434.00)
01566-0000 Services	\$301,753.44	\$2,400.00	\$304,153.44
01567-0000 A/D Services	(\$185,492.00)	(\$2,607.00)	(\$188,099.00)
01568-0000 Water Treatment Equipment	\$23,368.03	\$0.00	\$23,368.03
01569-0000 A/D Water Treatment Equipment	(\$17,796.00)	\$180.00	(\$17,616.00)
01570-0000 Pumping Equipment	\$1,294,866.76	\$0.00	\$1,294,866.76
01571-0000 A/D Pumping Equipment	(\$1,367,604.00)	\$91,889.00	(\$1,275,715.00)
01572-0000 Wells	\$372,187.72	\$0.00	\$372,187.72

Account	Beginning Balance	Period Activity	Ending Balance
01573-0000 A/D Wells	(\$211,624.00)	\$2,895.00	(\$208,729.00)
01575-0000 A/D Office	\$0.00	\$0.00	\$0.00
01580-0000 Radio/Office Equipment	\$181,704.31	\$33,000.00	\$214,704.31
01581-0000 A/D Radio Office Equipment	(\$152,409.00)	(\$1,690.00)	(\$154,099.00)
01650-0000 Vehicles	\$184,398.95	(\$47,683.50)	\$136,715.45
01651-0000 A/D Vehicles	(\$116,998.00)	\$16,101.00	(\$100,897.00)
01660-0000 Hydrants	\$46,939.85	\$0.00	\$46,939.85
01661-0000 A/D Hydrants	(\$11,327.00)	(\$96.00)	(\$11,423.00)
01680-0000 Other Fixed Assets	\$0.00	\$0.00	\$0.00
01681-0000 Base Account 01681	\$0.00	\$0.00	\$0.00
01682-0000 Base Account 01682	\$0.00	\$0.00	\$0.00
01685-0000 Construction in Process	\$83,405.39	(\$83,405.39)	\$0.00
01800-0000 Utility Deposits	\$0.00	\$0.00	\$0.00
01810-0000 Other Assets	\$0.00	\$0.00	\$0.00
01850-0000 Bond Issuance Cost	\$0.00	\$0.00	\$0.00
01851-0000 Accumlated Amortization	\$0.00	\$0.00	\$0.00
01900-0000 Orginazation Cost	\$0.00	\$0.00	\$0.00
01901-0000 Accumlated Amortization	\$0.00	\$0.00	\$0.00
01902-0000 Non-Utility Assets	\$0.00	\$0.00	\$0.00
01910-0000 Contributions after Measurement Date	\$20,389.00	\$2,927.00	\$23,316.00
01911-0000 Accumulated Amortization	\$0.00	\$0.00	\$0.00
01915-0000 Diff. Between Expect & Actual Experience	\$19,974.00	(\$1,824.00)	\$18,150.00
01916-0000 Accumlated Amortization	\$0.00	\$0.00	\$0.00
01920-0000 Change in Assumptions	\$59,847.00	\$12,097.00	\$71,944.00
01921-0000 Accumulated Amortization	\$0.00	\$0.00	\$0.00
01925-0000 Change in Proportion of Contributions	\$368.00	\$2,754.00	\$3,122.00
01926-0000 Accumulated Amortization	\$0.00	\$0.00	\$0.00
01930-0000 Net Diff. in Projected & Actual Earnings	\$28,476.00	(\$14,831.00)	\$13,645.00
01931-0000 Accumlated Amortization	\$0.00	\$0.00	\$0.00
01940-0000 Contribution After Measurement Date-OPEB	\$6,618.00	\$940.00	\$7,558.00
01941-0000 Accumulated Amortizatin -OPEB	\$0.00	\$0.00	\$0.00
01945-0000 Diff. Between Expect & Acutal Exp. OPEB	\$0.00	\$0.00	\$0.00
01946-0000 Accumulated Amoritzation- OPEB	\$0.00	\$0.00	\$0.00
01947-0000 Change in Assumptions-OPEB	\$35,654.00	\$14,634.00	\$50,288.00
01948-0000 Accumulated Amortizatin- OPEB	\$0.00	\$0.00	\$0.00
01949-0000 Change in Proportion of Contb. -OPEB	\$0.00	\$133.00	\$133.00
01950-0000 Accumulated Amortization- OPEB	\$0.00	\$0.00	\$0.00
01951-0000 Net Diff. Projected & Act. Earn-OPEB	\$0.00	\$1,119.00	\$1,119.00
01952-0000 Accumulated Amortization-OPEB	\$0.00	\$0.00	\$0.00
TOTAL ASSETS	\$7,297,798.60	\$86,968.05	\$7,384,766.65
02000-0000 Accounts Payable	(\$22,833.26)	\$12,126.30	(\$10,706.96)
02005-0000 Temp. Accounts Payable	\$0.00	\$0.00	\$0.00
02010-0000 Credit Cards-Visa	\$0.00	\$0.00	\$0.00
02020-0000 Credit Card-Mastercard	\$0.00	\$0.00	\$0.00
02030-0000 Credit Card-American Express	\$0.00	\$0.00	\$0.00
02040-0000 Accrued Waged	(\$5,918.55)	(\$1,339.48)	(\$7,258.03)
02050-0000 Accrued Compensated Absences	(\$4,596.61)	(\$972.50)	(\$5,569.11)
02090-0000 Notes Payable- Short Term	\$0.00	\$0.00	\$0.00
02110-0000 Accured Deferred Comp	\$0.00	\$0.00	\$0.00
02120-0000 Meter Deposits (void checks)	(\$1,262.64)	\$0.00	(\$1,262.64)
02180-0000 School Tax Payable	(\$2,754.51)	\$229.03	(\$2,525.48)
02190-0000 Sales Tax Payable	(\$658.21)	\$20.47	(\$637.74)
02191-0000 Sewer Sales Warsaw	\$0.00	\$0.00	\$0.00
02192-0000 Garbage Sales Warsaw	\$0.00	\$0.00	\$0.00
02200-0000 Federal Withholding	(\$286.37)	\$286.37	\$0.00
02210-0000 Social Security Tax Payable	(\$514.66)	\$514.66	\$0.00

Account	Beginning Balance	Period Activity	Ending Balance
02212-0000 Medicare W/H Payable	(\$120.40)	\$120.40	\$0.00
02215-0000 State W/H Tax	(\$853.10)	(\$0.37)	(\$853.47)
02220-0000 Local W/H Tax Payable	(\$444.55)	(\$250.01)	(\$694.56)
02230-0000 Employees Health Insurance W/H	\$0.00	\$0.00	\$0.00
02240-0000 Dental Insurance W/H	\$0.00	\$0.00	\$0.00
02245-0000 Wage Garnishment	\$0.00	\$0.00	\$0.00
02246-0000 Child Support W/H	\$0.00	\$0.00	\$0.00
02250-0000 Retirement Withholding Payable	(\$5,589.84)	(\$1,365.05)	(\$6,954.89)
02255-0000 401K W/H payable	\$50.00	\$0.00	\$50.00
02280-0000 Accrued Payroll Taxes	\$0.00	\$0.00	\$0.00
02300-0000 Accrued Interest LTD	(\$28,416.41)	(\$4,913.57)	(\$33,329.98)
02305-0000 Accrued Interest KRWF	(\$19,367.50)	(\$1,332.50)	(\$20,700.00)
02310-0000 Accrued Interest KIA	(\$1,984.36)	\$1,637.69	(\$346.67)
02315-0000 Security Depoist-Water Tower- internet	\$0.00	\$0.00	\$0.00
02330-0000 Long Term Debt- Current Portion	\$0.00	\$0.00	\$0.00
02340-0000 Escrow Metes not Installed	(\$1,152.00)	\$0.00	(\$1,152.00)
02800-0000 Long Term Notes- Debts	\$0.00	\$0.00	\$0.00
02802-0000 Notes Payable-KIA	(\$333,005.86)	\$12,866.06	(\$320,139.80)
02804-0000 Bonds Payable -1998 A	\$0.00	\$0.00	\$0.00
02806-0000 Bonds Payable -1988 B	\$0.00	\$0.00	\$0.00
02808-0000 Bonds Payable 1993	\$0.00	\$0.00	\$0.00
02810-0000 Bonds Payable 1996	\$0.00	\$0.00	\$0.00
02812-0000 Bonds Payable 2000 A	\$0.00	\$0.00	\$0.00
02814-0000 Bonds Payable 2000 B	\$0.00	\$0.00	\$0.00
02816-0000 Bonds Payable 2002	\$0.00	\$0.00	\$0.00
02817-0000 Series 2006 A Revenue Bond	(\$1,188,000.00)	\$0.00	(\$1,188,000.00)
02818-0000 Series 2006 B Revenue Bond	(\$428,000.00)	\$0.00	(\$428,000.00)
02819-0000 Bond Premium 2017	(\$40,932.65)	\$4,902.58	(\$36,030.07)
02820-0000 Bond Payable KRWF 2017A	(\$1,100,000.00)	\$0.00	(\$1,100,000.00)
02821-0000 Bond Premium KRWF 2020C	\$0.00	\$0.00	\$0.00
02822-0000 Bond Payable KRWF Series 2020C	\$0.00	\$0.00	\$0.00
02830-0000 Interim Financing	\$0.00	\$0.00	\$0.00
02835-0000 Escrow New Construction	\$0.00	\$0.00	\$0.00
02840-0000 Customer Meter Deposits	(\$22,595.00)	(\$100.00)	(\$22,695.00)
02841-0000 Meter Deposit -Old	\$0.00	\$0.00	\$0.00
02845-0000 Net Pension Liability	(\$612,380.00)	(\$98,450.00)	(\$710,830.00)
02846-0000 Net OPEB Liability	(\$178,525.00)	\$8,580.00	(\$169,945.00)
02850-0000 Contributions after Measurement Date	\$0.00	\$0.00	\$0.00
02851-0000 Accumulated Amortization	\$0.00	\$0.00	\$0.00
02855-0000 Diff. Between Expec & Actual Experience	(\$8,964.00)	\$5,961.00	(\$3,003.00)
02856-0000 Accumulated Amortization	\$0.00	\$0.00	\$0.00
02860-0000 Change in Assumptions	\$0.00	\$0.00	\$0.00
02861-0000 Accumulated Amortization	\$0.00	\$0.00	\$0.00
02865-0000 Change in Proportion of Contributions	(\$6,007.00)	\$3,564.00	(\$2,443.00)
02866-0000 Accumulated Amortization	\$0.00	\$0.00	\$0.00
02870-0000 Net Diff. in Projected & Actual Earnings	(\$35,819.00)	\$10,715.00	(\$25,104.00)
02871-0000 Accumulated Amortization	\$0.00	\$0.00	\$0.00
02875-0000 Contribution After Measurement Date-OPEB	\$0.00	\$0.00	\$0.00
02876-0000 Accumulated Amortizatin -OPEB	\$0.00	\$0.00	\$0.00
02877-0000 Diff Between Expect & Actual Exp OPEB	(\$20,805.00)	(\$30,471.00)	(\$51,276.00)
02878-0000 Accumulated Amortization- OPEB	\$0.00	\$0.00	\$0.00
02879-0000 Change in Assumption-OPEB	(\$412.00)	\$76.00	(\$336.00)
02880-0000 Accumulated Amortization-OPEB	\$0.00	\$0.00	\$0.00
02881-0000 Change in Proportion of Contb.-OPEB	(\$1,786.00)	\$354.00	(\$1,432.00)
02882-0000 Accumulated Amortization - OPEB	\$0.00	\$0.00	\$0.00
02883-0000 Net Diff. in Project & Actual Earn-OPEB	(\$12,297.00)	\$3,629.00	(\$8,668.00)
02884-0000 Accumulated Amortization- OPEB	\$0.00	\$0.00	\$0.00

Account	Beginning Balance	Period Activity	Ending Balance
TOTAL LIABILITIES	(\$4,086,231.48)	(\$73,611.92)	(\$4,159,843.40)
03010-0000 Contributions in Aid of Construction.	(\$859,418.66)	\$0.00	(\$859,418.66)
03031-0000 Grant Proceeds	(\$2,513,700.00)	\$0.00	(\$2,513,700.00)
03032-0000 Grants Proceeds	(\$135,000.00)	\$0.00	(\$135,000.00)
03033-0000 Speedway Contributions	(\$572,900.00)	\$0.00	(\$572,900.00)
03034-0000 Contributions- Fiscal Court	(\$123,800.00)	\$0.00	(\$123,800.00)
03035-0000 Contributions- Sterling Materials	(\$15,800.00)	\$0.00	(\$15,800.00)
03036-0000 Contribution- HB502	(\$250,000.00)	\$0.00	(\$250,000.00)
03038-0000 Grant-Tobacco	(\$250,000.00)	\$0.00	(\$250,000.00)
03040-0000 Retained Earnings	\$1,533,188.75	\$0.00	\$1,533,188.75
TOTAL EQUITY	(\$3,187,429.91)	\$0.00	(\$3,187,429.91)
04000-0000 Sales- Residential	(\$879,291.34)	(\$71,484.86)	(\$950,776.20)
04002-0000 Sales- Commercial	(\$141,423.05)	(\$10,545.21)	(\$151,968.26)
04004-0000 Sales Industrial	\$0.00	\$0.00	\$0.00
04006-0000 Sales- Resale	(\$13,159.11)	(\$766.29)	(\$13,925.40)
04008-0000 Sales Public Authorities	\$0.00	\$0.00	\$0.00
04010-0000 Sales -Milti Dwellings	\$0.00	\$0.00	\$0.00
04012-0000 Sales - Other	\$0.00	\$0.00	\$0.00
04020-0000 School Tax	(\$13.97)	\$0.00	(\$13.97)
04025-0000 Sales Tax	(\$135.70)	(\$11.38)	(\$147.08)
04040-0000 Reconnection Fees	(\$3,220.00)	(\$245.00)	(\$3,465.00)
04041-0000 Field Collection Charge	(\$2,870.00)	(\$280.00)	(\$3,150.00)
04042-0000 Turn on Fee New Customer	(\$6,615.00)	(\$560.00)	(\$7,175.00)
04043-0000 Disconnection Charge	(\$4,830.00)	(\$350.00)	(\$5,180.00)
04044-0000 Service Charges -Seasonal/temp	(\$665.00)	(\$35.00)	(\$700.00)
04045-0000 Convenience Fees	\$0.00	\$0.00	\$0.00
04046-0000 Penalties	(\$27,371.39)	(\$2,368.95)	(\$29,740.34)
04060-0000 Customer Refunds	\$662.77	\$1,556.69	\$2,219.46
04070-0000 Wrong Readings	\$3,770.78	\$0.00	\$3,770.78
04080-0000 Leak Adjustments	\$3,545.20	\$259.97	\$3,805.17
04090-0000 Surcharge - Warsaw	\$0.00	\$0.00	\$0.00
04092-0000 Insurance Proceeds	\$0.00	\$0.00	\$0.00
04095-0000 Cash Over (Short)	\$0.00	\$41.12	\$41.12
04097-0000 Returned Checks	\$95.96	(\$414.18)	(\$318.22)
06010-0000 Other Income	(\$4,929.55)	\$2,125.77	(\$2,803.78)
06020-0000 Gain (Loss) on Sale of Assets	\$0.00	(\$6,304.55)	(\$6,304.55)
06030-0000 Capital Contributions	\$0.00	\$0.00	\$0.00
06040-0000 Hook -Up Fees	(\$5,912.00)	(\$2,406.00)	(\$8,318.00)
06050-0000 Interest Income	(\$20,470.20)	(\$1,328.94)	(\$21,799.14)
TOTAL REVENUES	(\$1,102,831.60)	(\$93,116.81)	(\$1,195,948.41)
00000-0000 Tank Maintenance	\$0.00	\$0.00	\$0.00
05010-0000 Accounting & Auditing Fees	\$12,355.00	\$0.00	\$12,355.00
05020-0000 Advertising	\$787.80	\$0.00	\$787.80
05030-0000 Amortization Expense	\$0.00	\$0.00	\$0.00
05040-0000 Auto/Truck - Fuel Expense	\$9,296.14	\$811.92	\$10,108.06
05050-0000 Bad Debt Expense	\$218.14	\$9,409.63	\$9,627.77
05060-0000 Bank Card Charges	\$0.00	\$0.00	\$0.00
05070-0000 Bank Service Charges	\$1,812.00	\$275.00	\$2,087.00
05075-0000 Bond Issuance Expense	\$0.00	\$0.00	\$0.00
05080-0000 Chemicals	\$6,546.52	\$0.00	\$6,546.52
05090-0000 Commissioner Salaries	\$13,900.00	\$1,300.00	\$15,200.00
05095-0000 Computer Network Support- TPM	\$0.00	\$0.00	\$0.00
05100-0000 Contributions	\$0.00	\$0.00	\$0.00
05110-0000 Damages	\$0.00	\$0.00	\$0.00

Account	Beginning Balance	Period Activity	Ending Balance
05120-0000 Data Usage - Meter Service Units	\$20,403.25	\$1,914.39	\$22,317.64
05125-0000 Depreciaton Expense	\$302,841.00	(\$47,899.00)	\$254,942.00
05130-0000 Dues & Subscriptions	\$2,221.20	\$160.00	\$2,381.20
05140-0000 Education & Seminars	\$2,665.00	\$0.00	\$2,665.00
05150-0000 Employer Medicare	\$3,476.42	\$352.93	\$3,829.35
05160-0000 Employer Social Security	\$14,863.78	\$1,325.35	\$16,189.13
05170-0000 Engineering Expense	\$2,000.00	\$0.00	\$2,000.00
05180-0000 Equipment Rental	\$2,219.65	\$123.35	\$2,343.00
05190-0000 Base Account 05190	\$0.00	\$0.00	\$0.00
05200-0000 Insurance - Commissioner Health	(\$2,849.52)	(\$356.19)	(\$3,205.71)
05210-0000 Insurance- Employee Health	\$67,433.88	\$6,364.95	\$73,798.83
05215-0000 Insurance -Employee Life	\$783.66	\$83.42	\$867.08
05220-0000 Insurance - General	\$14,699.00	\$3,649.09	\$18,348.09
05230-0000 Insurance - Workers Compensation	\$4,291.55	\$269.38	\$4,560.93
05235-0000 Insurance- Bonds	\$3,116.08	\$680.49	\$3,796.57
05240-0000 Interest Expense - Bonds RDA	\$61,746.39	\$4,913.57	\$66,659.96
05245-0000 Interest Expense- KRWF Bond	\$40,067.50	(\$3,120.08)	\$36,947.42
05250-0000 Interest Expense - Customer Deposits	\$647.79	\$3.56	\$651.35
05260-0000 Interest Expense - KIA	\$4,203.16	\$859.85	\$5,063.01
05270-0000 Legal Fees	\$1,845.00	\$390.00	\$2,235.00
05280-0000 Maint. Supplies - Distribution Line	\$28,646.24	(\$6,645.07)	\$22,001.17
05282-0000 Maint. Supplies - Water Meters	\$1,858.30	\$2,125.00	\$3,983.30
05284-0000 Maint. Supplies - Vehicles/Equipment	\$298.96	\$34.08	\$333.04
05285-0000 Maint. Supplies - Small Tools	\$673.12	\$0.00	\$673.12
05290-0000 Miscellaneous Expense	\$7,205.81	(\$5,932.21)	\$1,273.60
05300-0000 Office Expense	\$19,970.63	(\$988.85)	\$18,981.78
05310-0000 Outside Services	\$8,398.74	\$116.38	\$8,515.12
05320-0000 Penalties	\$0.00	\$0.00	\$0.00
05330-0000 Postage	\$8,692.39	\$539.13	\$9,231.52
05340-0000 Public Service Assessments	\$2,297.78	\$0.00	\$2,297.78
05350-0000 Pump Maintenance	\$0.00	\$0.00	\$0.00
05355-0000 Tank Maintenance	\$2,594.11	(\$477.00)	\$2,117.11
05360-0000 Purchased Water	\$7,212.54	\$644.38	\$7,856.92
05370-0000 Rent Expense	\$0.00	\$0.00	\$0.00
05380-0000 Repairs & Maintenance - Distribution	\$21,003.57	(\$4,522.47)	\$16,481.10
05385-0000 Repairs & Maint - Vehicle/Equipment	\$10,644.07	\$290.77	\$10,934.84
05388-0000 Retirement Expense- OPEB	\$0.00	\$1,006.00	\$1,006.00
05389-0000 Retirement Expense - GASB	\$0.00	\$77,087.00	\$77,087.00
05390-0000 Retirement Expense	\$52,927.08	\$5,124.76	\$58,051.84
05391-0000 HRA Medical Expense	\$0.00	\$0.00	\$0.00
05395-0000 401K Expense	\$0.00	\$0.00	\$0.00
05400-0000 Salaries & Wages - Administrative	\$72,005.33	\$7,864.24	\$79,869.57
05410-0000 Salaries & Wages - Customer Svc	\$0.00	\$0.00	\$0.00
05420-0000 Salaries & Wages Distribution	\$162,387.70	\$15,747.39	\$178,135.09
05430-0000 Samples	\$6,879.00	\$465.00	\$7,344.00
05440-0000 Taxes & Licenses - Other	\$15.00	\$0.00	\$15.00
05450-0000 Telephone	\$5,537.69	\$507.07	\$6,044.76
05460-0000 Travel & Entertainment	\$4,176.66	\$323.87	\$4,500.53
05470-0000 Uniforms	\$5,567.52	\$1,108.70	\$6,676.22
05480-0000 Utilities - Administrative	\$2,920.46	\$168.94	\$3,089.40
05490-0000 Utilities - Pumping	\$55,083.30	\$3,553.96	\$58,637.26
06310-0000 Outside Services	\$108.00	\$108.00	\$216.00
09999-0000 Temporary Distribution	\$0.00	\$0.00	\$0.00
TOTAL EXPENSES	\$1,078,694.39	\$79,760.68	\$1,158,455.07

Account	Beginning Balance	Period Activity	Ending Balance
TOTAL ASSETS	\$7,297,798.60	\$86,968.05	\$7,384,766.65
TOTAL LIABILITIES	(\$4,086,231.48)	(\$73,611.92)	(\$4,159,843.40)
TOTAL EQUITY	(\$3,187,429.91)	\$0.00	(\$3,187,429.91)
	<u>\$24,137.21</u>	<u>\$13,356.13</u>	<u>\$37,493.34</u>
TOTAL REVENUES	(\$1,102,831.60)	(\$93,116.81)	(\$1,195,948.41)
TOTAL EXPENSES	\$1,078,694.39	\$79,760.68	\$1,158,455.07
	<u>(\$24,137.21)</u>	<u>(\$13,356.13)</u>	<u>(\$37,493.34)</u>

Attachment No. 5

BILLING ANALYSIS WITH 2019 USAGE & EXISTING RATES
Gallatin County Water District

SUMMARY

Customer Class	No. of Bills	Gallons Sold	Revenue
All Residential	23,508	83,975,641	\$ 955,910
All Commercial	383	17,844,955	118,474
Kentucky Speedway	12	776,160	35,004
Totals	23,903	102,596,756	\$ 1,109,388
		Less Net Billing Adjustments	(4,194)
		Pro Forma Metered Sales Revenue	\$ 1,105,194

ALL RESIDENTIAL METERS

	USAGE	BILLS	GALLONS	FIRST 1,000	NEXT 2,000	NEXT 2,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST	1,000	3,993	1,463,772	1,463,772	-	-	-	-	1,463,772
NEXT	2,000	8,663	17,846,483	8,663,000	9,183,483	-	-	-	17,846,483
NEXT	2,000	6,083	23,483,899	6,083,000	12,166,000	5,234,899	-	-	23,483,899
NEXT	5,000	3,839	25,478,890	3,839,000	7,678,000	7,678,000	6,283,890	-	25,478,890
ALL OVER	10,000	930	15,702,597	930,000	1,860,000	1,860,000	4,650,000	6,402,597	15,702,597
		23,508	83,975,641	20,978,772	30,887,483	14,772,899	10,933,890	6,402,597	83,975,641

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	1,000	23,508	20,978,772 \$ 21.00	\$ 493,668
NEXT	2,000	30,887,483	7.75	239,378
NEXT	2,000	14,772,899	7.44	109,910
NEXT	5,000	10,933,890	6.70	73,257
ALL OVER	10,000	6,402,597	6.20	39,696
TOTAL	23,508	83,975,641		\$ 955,910

ALL COMMERCIAL METERS

	USAGE	BILLS	GALLONS	FIRST 1,000	NEXT 2,000	NEXT 2,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST	1,000	95	22,091	22,091	-	-	-	-	22,091
NEXT	2,000	72	145,613	72,000	73,613	-	-	-	145,613
NEXT	2,000	23	87,450	23,000	46,000	18,450	-	-	87,450
NEXT	5,000	44	334,239	44,000	88,000	88,000	114,239	-	334,239
ALL OVER	10,000	149	17,255,562	149,000	298,000	298,000	745,000	15,765,562	17,255,562
		383	17,844,955	310,091	505,613	404,450	859,239	15,765,562	17,844,955

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	1,000	383	310,091 \$ 21.00	\$ 8,043
NEXT	2,000	505,613	7.75	3,919
NEXT	2,000	404,450	7.44	3,009
NEXT	5,000	859,239	6.70	5,757
ALL OVER	10,000	15,765,562	6.20	97,746
TOTAL	383	17,844,955		\$ 118,474

SERVICE TO KENTUCKY SPEEDWAY

	USAGE	BILLS	GALLONS	FIRST 466,667	ALL OVER 466,667	TOTAL
FIRST	466,667	12	776,160	776,160	-	776,160
ALL OVER	466,667	-	-	-	-	-
		12	776,160	776,160	-	776,160

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	466,667	12	776,160 \$ 2,917.00	\$ 35,004
ALL OVER	466,667	-	6.20	-
TOTAL	12	776,160		\$ 35,004

Attachment 6

This application does not include a rate increase, therefore a Proposed Billing Analysis is not required.

Attachment No. 7

GALLATIN COUNTY WATER DISTRICT
DEPRECIATION SCHEDULE-2019

<u>Description</u>	<u>Date</u>	<u>Life</u>	<u>Cost:</u> <u>Beginning Balance</u>	<u>2019 Additions</u>	<u>2019 Retirements</u>	<u>Ending Balance</u>	<u>1/1/2019 Beginning Balance</u>	<u>2019 Retirement</u>	<u>12/31/2019 Ending Balance</u>	<u>Remaining Basis</u>
Account 303										
Tank Site		Memo	11,515			11,515				
Land Rights		Memo	4,430			4,430				
Land Rights	07/01/89	Memo	2,000			2,000				
Land Rights	07/01/89	Memo	6,381			6,381				
Land Rights	07/01/92	Memo	704			704				
Land Rights	11/01/93	Memo	7,463			7,463				
Land Rights	07/01/97	Memo	105			105				
Land Rights	1999	Memo	108			108				
Tank Site	1998	Memo	1,000			1,000				
Tank Site - Hudepol	04/24/99	Memo	2,085			2,085				
Tank Site - Smith	09/13/99	Memo	35,295			35,295				
Easement - Jackson	2000	Memo	8,000			8,000				
Easements - Var. Extension	2000	Memo	3,192			3,192				
Building Site	2000	Memo	26,071			26,071				
Well Site - J L Davis	2000	Memo	77,563			77,563				
Land Ambrose Rd Scudder	2001	Memo	18,063			18,063				
Tank Site Lot 1 Mars Pl	10/29/2002	Memo	13,317			13,317				
Land Rights	1/20/1900	Memo	3,587			3,587				
Land Rights - U S 42		Memo	900			900				
Easements - 2005 Huddleston		Memo	1,450			1,450				
Pump Station Site - Dyer	5/12/2006	Memo	3,000			3,000				
Total Land Rights			226,229	-	-	226,229				226,229
Account 330										
Distribution Reservoirs & Standpipe Elevated Tank	07/01/89	30	197,291			197,291	193,998	3,293	197,291	0
Fence - Water Tank	04/01/90	20	3,100			3,100	3,100		3,100	-
Standpipe	12/01/96	30	133,983			133,983	98,605	4,466	103,071	30,912
Fence - Standpipe	12/01/96	20	5,780			5,780	5,780	-	5,780	-
Steel tank -450,000 speedway	03/01/01	25	572,900			572,900	401,030	22,916	423,946	148,954
Survey for fence at speedway tank rounding		memo	420			420			420	420
Tank (Ky Gl Lined) existing well	08/01/07	30	108,159			108,159	41,172	3,605	44,777	63,382
Tank (Ky Gl Lined) Steele's B well	08/01/07	30	100,087			100,087	38,100	3,336	41,436	58,651
200,000 Elev Tank (Caldwell)	08/01/07	30	500,792			500,792	190,634	16,693	207,328	293,464
100,000 Elev Tank (Caldwell)	08/01/07	30	416,470			416,470	158,536	13,882	172,419	244,051
Fence Speedway Tanksite	11/30/12	20	9,992			9,992	3,081	500	3,580	6,412

GALLATIN COUNTY WATER DISTRICT
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Description	Date	Life	Cost:		2019 Retirements	Ending Balance	1/1/2019 Beginning Balance	2019 Retirement	12/31/2019 Ending Balance	Remaining Basis
			Beginning Balance	2019 Additions						
Mars tank painting & maintenance	09/01/18	15	45,726	70,771		45,726	762	3,048	3,811	41,916
Eagle Tunnel Tank Painting & Maint	11/01/18	15	89,178			89,178	951	5,945	6,896	82,282
Ambrose Road Tank Painting & Maint	01/11/19	15		70,771		70,771	4,718		4,718	66,053
Total Distrib. Reservoirs		x	2,183,878	70,771	-	2,254,649	1,135,749	82,403	1,218,152	1,036,497
Account 334										
Meters & Installation	07/01/89	40	83,157			83,157	61,329	2,079	63,408	19,749
Meters & Installation	07/01/92	40	9,280			9,280	6,148	232	6,380	2,900
Meters & Installation	11/01/93	40	76,300			76,300	48,279	1,908	50,186	26,114
Meters & Installation	07/01/93	40	12,362			12,362	7,880	309	8,189	4,173
Meters & Installation	07/01/94	40	12,362			12,362	7,571	309	7,880	4,482
Meters & Installation	07/01/95	40	13,552			13,552	7,965	339	8,303	5,249
Meters & Installation	07/01/96	40	19,073			19,073	10,729	477	11,206	7,867
Meters & Installation	12/01/96	40	64,831			64,831	35,794	1,621	37,415	27,416
Meters & Installation	07/01/97	40	29,864			29,864	16,158	747	16,905	12,959
Meters & Installation	07/01/98	40	28,960			28,960	14,842	724	15,566	13,394
Meters & Installation	07/01/99	40	29,562			29,562	14,411	739	15,150	14,412
Meters & Installation 2000 ext	11/01/00	40	11,403			11,403	5,178	285	5,463	5,940
Meters & Installation	07/01/00	40	15,037			15,037	6,955	376	7,331	7,706
Meters & Installation	07/01/01	40	32,106			32,106	14,047	803	14,849	17,257
Meters & Installation 2003 ext	08/01/03	40	14,404			14,404	5,551	360	5,911	8,493
Meters & Installation	07/01/03	40	28,359			28,359	10,989	709	11,698	16,661
Meters & Installation 2004	07/01/04	40	22,386			22,386	8,116	560	8,675	13,711
Meters & Installation racetract	07/01/04	40	4,143			4,143	1,503	104	1,607	2,536
Meters & Installation US 42 (JS)	07/01/04	40	8,232			8,232	2,986	206	3,191	5,041
Meters & Installation 2005	07/01/05	40	21,565			21,565	7,278	539	7,817	13,748
Meters & Installation 2006	07/01/06	40	15,902			15,902	4,971	398	5,368	10,534
Meters & Installation tob grant	07/01/06	40	6,260			6,260	1,958	157	2,114	4,146
Meters & Installation 2007	08/01/07	40	14,293			14,293	4,080	357	4,438	9,855
Meters & Installation 2008	06/01/08	40	16,139			16,139	4,437	403	4,841	11,298
Meters & Installation 2009	06/01/09	40	4,230			4,230	1,002	106	1,108	3,122
Meters & Installation 2011	06/01/11	40	6,475			6,475	1,376	162	1,538	4,937
Meters & Installation 2012	06/01/12	40	9,928			9,928	1,859	248	2,108	7,820
Meter @ Speedway 6"	06/01/12	40	5,873			5,873	954	147	1,101	4,772
Meters & Installation 2013	07/01/12	40	21,945			21,945	3,566	549	4,115	17,830
Meters & Installation 2013	07/01/13	40	6,740			6,740	1,011	169	1,180	5,561
Meters & Installation 2014	07/01/14	40	7,252			7,252	816	181	997	6,255
Meters & Installation 2015	07/01/15	40	6,228			6,228	545	156	701	5,527
Emergency Connection CCWD	07/01/15	40	12,476			12,476	1,092	312	1,404	11,072
Miss Lime Meter Improvements	12/31/15	40	12,952			12,952	1,133	324	1,457	11,495
Miss Lime Meter 2"	10/01/15	40	7,068			7,068	574	177	751	6,317
Meters & Installation 2016	07/01/16	40	10,836			10,836	678	949	949	9,887
Fencing at emergency meter w CCWD	09/16/16	10	1,890			1,890	520	189	709	1,181

**GALLATIN COUNTY WATER DISTRICT
DEPRECIATION SCHEDULE-2019**

Description	Date	Life	Cost:		2019 Retirements	Ending Balance	1/1/2019 Beginning Balance	2019 Retirement	12/31/2019 Ending Balance	Remaining Basis
			Beginning Balance	Additions						
Meters & Installation 2017	07/01/17	40	5,654			5,654			353	5,301
825 complete radio read @ 211.08	09/30/17	40	174,141			174,141			9,795	164,346
99 retros radio read @ 165.00	09/30/17	40	16,335			16,335			919	15,416
(4) 1" retros radio read @174.50	09/30/17	40	698			698			39	659
(7) 1" complete radio read @320.40	09/30/17	40	2,242			2,242			126	2,116
(25) complete radio read not in program @ 211.08	06/30/17	40	5,277			5,277			330	4,947
850 Lids @ 23.50	09/30/17	40	19,975			19,975			1,124	18,851
Meters & Installation 2018	06/30/18	40	9,622			9,622			481	9,141
Cellular meters Phase II approx 1039 mtrs	06/30/18	40	252,442			252,442			12,622	239,820
Meters & Installation 2019	06/30/19	40		5,918		5,918			74	5,844
Total Meters & Install.		x	1,189,811	5,918	-	1,195,729	337,911	29,961	367,872	827,857
Account 331										
Transmission & Dist Lines	07/01/89	50	729,931			729,931			445,182	284,749
Transmission & Dist Lines	07/01/89	50	6,000			6,000			3,660	2,340
Transmission & Dist Lines	08/01/89	50	1,064			1,064			645	419
Transmission & Dist Lines	01/01/92	50	23,522			23,522			13,168	10,354
Transmission & Dist Lines	07/01/91	50	64,000			64,000			36,480	27,520
Transmission & Dist Lines	11/01/93	50	696,591			696,591			366,288	330,303
Transmission & Dist Lines	09/01/96	50	18,075			18,075			8,408	9,667
Transmission & Dist Lines	12/01/96	50	489,330			489,330			225,382	263,948
Transmission & Dist Lines	06/01/97	50	58,135			58,135			26,161	31,974
Transmission & Dist Lines	06/01/97	50	29,351			29,351			13,208	16,143
Transmission & Dist Lines	07/01/98	50	4,877			4,877			2,104	2,773
Transmission & Dist Lines-Speedway	05/01/00	50	521,390			521,390			205,081	316,309
Transmission & Dist Lines-Line Ext	11/01/00	50	278,501			278,501			106,758	171,743
Transmission & Dist Lines-Meadowlark	07/01/00	50	3,500			3,500			1,364	2,136
Transmission & Dist Lines-Sterling Entr	07/01/00	50	15,800			15,800			6,162	9,638
Transmission & Dist Lines	07/01/01	50	23,579			23,579			8,725	14,854
Transmission & Dist Lines	07/01/02	50	17,984			17,984			6,385	11,599
Increase In size Hwy 35	05/01/00	48	41,739			41,739			14,785	26,955
Transmission & Dist Lines-2003 extension	08/01/03	50	264,554			264,554			86,862	177,692
Transmission & Dist Lines-Speedway Lyki	01/01/03	50	74,335			74,335			25,275	49,060
Transmission & Dist CrossCreek	07/01/04	50	22,926			22,926			7,106	15,820
Transmission & Dist US 42 (US)	07/01/04	50	63,031			63,031			19,540	43,491
Transmission & Dist Tob Grant	07/01/06	50	281,316			281,316			75,956	205,360
Transmission & Dist 2007 impr	08/01/07	50	292,833			292,833			72,740	220,093
Transmission & Dist Heritage Hills	06/01/08	50	10,366			10,366			2,488	7,878
US \$@ Extension	06/01/08	50	76,061			76,061			18,254	57,807
Transmission & Dist Final Engr 06 Proj	01/01/09	50	10,636			10,636			2,340	8,296
Steele's Bottom Extension	06/01/10	50	45,560			45,560			8,657	36,903

GALLATIN COUNTY WATER DISTRICT
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Description	Date	Life	Cost:		2019 Additions	2019 Retirements	Ending Balance	1/1/2019 Beginning Balance	2019 Retirement	12/31/2019 Ending Balance	Remaining Basis
			Beginning Balance	2019 Additions							
Line Upgrade to 8" Speedway DOT Separation from Speedway 1120 Ft	07/01/12	50	43,590			43,590	5,667	872	6,539	37,052	
Speedway to 1039 Line Improvement	07/01/13	50	139,141			139,141	18,088	2,783	20,871	118,270	
US 42 & Baker Road Extension	07/01/17	50	7,734			7,734	9,915	2,479	12,394	111,546	
Baker/Eagle Tunnel Extension	05/01/19	50	4,399			4,399	232	155	387	7,347	
							(6)	88	88	4,311	
Total Transmission & Dist.		x	4,479,392	4,399	-	4,483,791	1,759,723	89,711	-	1,849,434	2,634,357
Account 320											
Chlorine Plant Eq	11/01/93	20	11,433			11,433	11,433	-	11,433	0	
Chlorinator	08/01/94	20	785			785				785	
Telemetry - Dry Creek Pump Hse	11/01/07	20	9,950			9,950	5,556	498	6,054	3,897	
Scale - Floride Room Well B	10/31/17	20	1,201			1,201	70	60	130	1,071	
		x	23,369	-	-	23,369	17,059	558	-	17,616	5,753
Account 333											
Services	07/01/89	30	19,283			19,283	18,961	643	19,604	(321)	
Services	08/01/89	30	3,960			3,960	3,883	132	4,015	(55)	
Services	07/01/90	30	10,898			10,898	10,351	363	10,714	184	
Services	07/01/91	30	3,850			3,850	3,525	128	3,654	196	
Services	01/01/92	30	1,550			1,550	1,399	52	1,450	100	
Services	07/01/92	30	1,600			1,600	1,410	53	1,464	136	
Services	07/01/93	30	2,937			2,937	2,491	98	2,589	348	
Services	11/01/93	30	16,259			16,259	13,756	542	14,298	1,961	
Services	07/01/94	30	8,498			8,498	6,939	283	7,222	1,276	
Services	07/01/95	30	16,248			16,248	12,731	542	13,273	2,975	
Services	07/01/96	30	18,177			18,177	13,634	606	14,240	3,937	
Services	07/01/97	30	29,636			29,636	21,297	988	22,285	7,351	
Services	07/01/98	30	28,340			28,340	18,895	945	19,839	8,501	
Services	07/01/99	30	28,588			28,588	18,582	953	19,534	9,054	
Services	07/01/00	30	13,463			13,463	8,303	449	8,752	4,711	
Services	07/01/01	30	5,795			5,795	3,380	193	3,573	2,222	
Services	07/01/02	30	6,455			6,455	3,550	215	3,765	2,690	
Services	07/01/03	30	4,841			4,841	2,501	161	2,662	2,179	
Services	07/01/04	30	3,814			3,814	1,843	127	1,970	1,844	
Services	07/01/05	30	3,741			3,741	1,683	125	1,808	1,933	
Services	07/01/06	30	2,807			2,807	1,170	94	1,264	1,543	
Services	07/01/07	30	2,667			2,667	1,022	89	1,111	1,556	
Services (2 add)	12/31/07	30	167			167	62	6	68	99	
Services	07/01/08	30	3,131			3,131	1,148	104	1,252	1,879	
Services	07/01/09	30	740			740	235	25	259	481	
Services	07/01/10	30	1,475			1,475	418	49	467	1,008	

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DEPRECIATION SCHEDULE-2019

Description	Date	Life	Cost:		1/1/2019 Beginning Balance	2019 Retirement	12/31/2019 Ending Balance	Remaining Basis
			Beginning Balance	2019 Additions				
Services	07/01/11	30	2,262		566	75	641	1,621
Services	07/01/12	30	2,123		460	71	531	1,592
Services	07/01/13	30	3,480		638	116	754	2,726
Services	07/01/14	30	3,770		534	126	660	3,110
Services	07/01/15	30	3,190		372	106	479	2,712
Services MS Lime 2"	10/01/15	30	540		59	18	77	464
Services	07/01/16	30	5,800		435	193	628	5,172
Services	07/01/17	30	2,160		108	72	180	1,980
Services - Cellular	07/01/17	30	20,606		1,030	687	1,717	18,889
Services	07/01/18	30	3,600		120	120	240	3,360
Services - Cellular	07/01/18	30	15,302		510	510	1,020	14,282
Services	07/01/19	30		2,400		40	40	2,360
Total Services		x	301,753	2,400	178,001	10,098	188,099	116,054
Transportation Equip								
1998 GMC Dump Truck	06/01/98	5	22,885		22,885		22,885	0
Trailer	06/01/98	10	2,250		2,250		2,250	(0)
18' Trailer (sparta trailer)	05/18/07	10	2,650		2,650		2,650	-
Ford 250 4x4	06/01/07	5	19,207		19,207	(19,207)	-	0
2010 Ford 250 4x4 + tool box	07/03/09	5	23,869		23,869		23,869	0
2011 Ford 250	08/18/11	5	23,388		23,388		23,388	0
2016 Ford 150 4WD Supercab	01/20/16	5	27,204		15,887	5,441	21,328	5,876
2019 Chevy Truck	04/22/19	5		29,946		4,492	4,492	25,454
Big Tex Trailer 20' 14,000 lb	10/24/19	20		4,524		38	38	4,486
rounding			(1)			(1)		1
Total Transportation		x	121,453	34,470	110,134	9,970	100,897	35,818
Radios & Office Equip								
Hydraulic Study		5	9,700		9,700		9,700	-
Telephone System	12/31/01	10	8,531		8,530		8,530	1
Furniture	12/31/01	10	6,386		6,387		6,387	(1)
Compressor	06/30/01	10	800		800		800	-
Fence	11/01/03	10	1,995		1,995		1,995	1
Backhoe	06/30/01	10	48,577		48,577		48,577	-
Ditchwitch traded in on 3700 trencher below	06/30/04	10	4,305		4,305		4,305	-
3700 Trencher (diesel)	05/31/05	10	13,989		13,989		13,989	0
Kabota Lawn Tractor	12/31/06	10	9,500		9,500		9,500	-
United Systems G/L Program	09/06/06	5	4,600		4,600		4,600	-
Catpillar 303C Excavator	03/03/08	15	35,891		26,320	2,393	28,713	7,178
Conference Room Furniture	02/01/09	10	3,934		3,903	31	3,934	0
Equipment	07/01/12	10	978		636	98	734	245
Lexmark MS711 Printer	10/04/17	5	2,119		530	424	954	1,165

GALLATIN COUNTY WATER DISTRICT
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Description	Date	Life	Cost:		2019 Additions	2019 Retirements	Ending Balance	1/1/2019 Beginning Balance	2019 Retirement	12/31/2019 Ending Balance	Remaining Basis
			Beginning Balance	2019							
Office Sign	12/15/17	20	5,412	5,412			292	271	563	4,849	
3 Dell Desktop Computers & Network	05/14/18	5	8,287	8,287			1,657	1,657	3,315	4,972	
Security Equipment - camera eq	03/07/18	5	14,200	14,200			2,840	2,840	5,680	8,520	
Radio Equipment	07/02/18	5	2,500	2,500			500	500	1,000	1,500	
Bobcat Model T190 (2011)	07/08/19	20	33,000	33,000			825	825	825	32,175	
Total Radio & Office Eq		x	181,704	33,000	-	214,704	145,061	9,038	154,099	60,605	
Account 311 Pump Eq											
Pumping Equipment	07/01/89	20	69,525	69,525			494		69,525	-	
Pressure Recorder	07/01/90	10	494	494			332		494	-	
Pressure Flow Meter	06/01/93	10	21,119	21,119			18,174		21,119	0	
Pump Station Modifications	06/01/97	20	18,174	18,174			27,150		18,174	-	
Temporary Pump Equipment	09/01/99	10	27,150	27,150			69,504		27,150	-	
Pump Station Telemetry EIC	11/01/00	10	69,504	69,504			86,624		69,504	-	
Booster Pump Station Straffer	11/01/01	10	13,500	13,500			39,312		13,500	-	
Booster Pump Station J&S	08/01/03	10	39,312	39,312			246,751		39,312	0	
Pump Eq-Racetrack-Straffer	06/01/04	10	246,751	246,751			421,474		246,751	0	
Pumps & Telemetry SCADA	06/01/04	10	421,473	421,473			129,847		421,474	0	
Pump Eq Existing Well 2007 Impr	08/01/07	10	129,847	129,847			35,277		129,848	0	
Pump Eq Ky 16 Booster 2007 Impr	08/01/07	10	35,277	35,277			20,573		35,278	0	
Telemetry - tanks 2007 Impr	08/01/07	10	27,863	27,863			30,578		27,863	0	
Telemetry - wells 2007 Impr	08/01/07	10	30,578	30,578			4,095		30,578	1	
Telemetry - Pump 2007 Impr	08/01/07	10	4,095	4,095			5,701		4,096	(1)	
Telemetry - EIC 2008 Impr	04/11/08	10	5,701	5,701			13,866	570	3,706	1,995	
Telemetry EIC New Computer 2013 Imp	08/01/13	10	13,866	13,866			4,160	1,387	7,044	6,822	
(2) 100 HP variable frequency drives Well B	12/29/14	10	4,160	4,160			4,404	416	1,560	2,600	
Fencing at Hwy 455 Booster Station	09/16/16	10	4,404	4,404			385	220	606	3,798	
Motor @ Well A	03/15/17	20	4,544	4,544			379	227	606	3,938	
Scada Improvements	04/20/17	20	4,544	4,544							
Total Pumping Eq		x	1,294,866	-	-	1,294,866	1,272,894	2,820	1,275,715	19,151	
WELLS											
Well - (Speedway site)	5/1/2000	35	231,227	231,227			123,319	6,606	129,926	101,301	
Well Impr Speedway 2007	8/1/2007	10	23,267	23,267			17,276		23,268	(1)	
Well Impr Steele's B 2007	8/1/2007	10	17,276	17,276			31,037	2,718	17,276	-	
Well Steele's Bottom	8/1/2007	35	95,118	95,118			3,975	530	33,754	61,364	
Impellers Speedway	6/1/2011	10	5,300	5,300					4,505	795	
Total Wells		x	372,188	-	-	372,188	198,875	9,854	208,729	163,459	

GALLATIN COUNTY WATER DISTRICT
DEPRECIATION SCHEDULE-2019

<u>Description</u>	<u>Date</u>	<u>Life</u>	<u>Cost:</u> <u>Beginning</u> <u>Balance</u>	<u>2019</u> <u>Additions</u>	<u>2019</u> <u>Retirements</u>	<u>Ending</u> <u>Balance</u>	<u>2019</u> <u>Retirement</u>	<u>12/31/2019</u> <u>Ending</u> <u>Balance</u>	<u>Remaining</u> <u>Basis</u>
<u>Building - Johnson Road</u>									
Building - Metal	12/31/2000	40	237,643			237,643	5,941	112,881	124,762
Parking Lot Paving	6/30/2001	40	13,473			13,473	337	6,232	7,241
Building Addition	11/30/2006	20	13,996			13,996	700	9,155	4,841
Building - Gosman Equipment	1/1/2009	40	79,797			79,797	1,995	21,944	57,853
	7/1/2014	40	15,255			15,255	381	2,098	13,157
Total Buildings		x	360,164	-	-	360,164	9,354	152,310	207,854
Hydrants									
4 hydrants Fiscal Court Paid	6/1/2008	40	12,883			12,883	322	3,864	9,019
4 hydrants Fiscal Court Paid	6/1/2010	40	12,863			12,863	322	3,055	9,808
4 hydrants Fiscal Court Paid	6/1/2011	40	21,194			21,194	530	4,504	16,690
Total Hydrants		x	46,940	-	-	46,940	1,174	11,423	35,518
Total Depreciation			10,781,747	150,958	(19,207)	10,913,498	254,941	5,544,345	5,369,153

Attachment No. 8a

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND B

PROJECT NUMBER	B99-02
BORROWER:	Gallatin County Water District
BORROWER'S ADDRESS	P.O. Box 159 Warsaw, Kentucky 40195
DATE OF ASSISTANCE AGREEMENT:	May 1, 2000

ASSISTANCE AGREEMENT

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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "Assistance Agreement") by and between the KENTUCKY INFRASTRUCTURE AUTHORITY, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of the Kentucky (the "Authority") and the Governmental Agency identified on the cover of this Assistance Agreement (the "Governmental Agency"):

WITNESSETH

WHEREAS, the General Assembly of the Commonwealth of Kentucky, being the duly and legally constituted legislature of Kentucky at its 1988 Regular Session, enacted House Bill 217 amending Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority has established its Program as hereinafter defined, for the purpose of providing financial assistance to Governmental Agencies, as defined in the Act, in connection with the acquisition and construction of Projects, as defined in the Act, in order to preserve, protect, upgrade, conserve, develop, utilize and manage the resources of the Commonwealth of Kentucky (the "Commonwealth") for the protection and preservation of the health, safety, convenience, and welfare of the Commonwealth and its citizens, and in that respect to assist and cooperate with Governmental Agencies in achieving such purposes; and

WHEREAS, the Authority has issued, and will issue from time to time, its revenue bonds pursuant to a General Trust Indenture dated as of September 1, 1989 (the "Indenture") between the Authority and First Kentucky Trust Company (the "Trustee") in order to provide funding for its Program; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable to acquire, construct, and finance the Project, as hereinafter defined, and the Authority has determined that the Project is a Project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Authority; and

WHEREAS, the Governmental Agency desires to enter into this Assistance Agreement with the Authority for the purpose of securing from the Authority the repayable Loan hereinafter identified; and

WHEREAS, the Authority is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained to levy, collect, and enforce and remit adequate Service Charges, as hereinafter defined, for the services provided by the Governmental Agency's System, as hereinafter defined, and to apply the necessary portion of said Service Charges to the repayment of the Loan and the interest thereon, as hereinafter specifically provided; and

WHEREAS, the Authority and the Governmental Agency have determined to enter into this Assistance Agreement pursuant to the terms of the Act and the Indenture and to set forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction, and financing of the Project and the repayment of the Loan and the interest thereon;

NOW, THEREFORE, FOR AN IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

ARTICLE I

DEFINITIONS

All of the terms utilized in this Assistance Agreement will have the same definitions and meaning as ascribed to them in the Act and the Indenture, which Act and Indenture are hereby incorporated in this Assistance Agreement by reference, the same as if set forth hereby verbatim; provided, however, that those definitions utilized in the Act and the Indenture having general application are hereby modified in certain instances to apply specifically to the Governmental Agency and its Project.

"Act" shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

"Administrative Fee" means the charge of the Authority for the servicing of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Project Specifics.

"Assistance Agreement" shall mean this agreement made and entered into by and between a Governmental Agency and the Authority, as authorized by the Act, providing for a Loan to the Governmental Agency by the Authority, and for the repayment thereof to the Authority by the Governmental Agency.

"Authority" shall mean the Kentucky Infrastructure Authority created by the Act, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected by future amendments to the Act.

"Bond" or "Bonds" or "Revenue Bonds" shall mean any Kentucky Infrastructure Authority Bond or Bonds, or the issue of such Bonds, as the case may be, authenticated and delivered under the Indenture.

"Business Day" shall mean any day other than a Saturday, Sunday or other legal holiday on which the general offices of the Commonwealth are closed.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and shall include the Regulations of the United States Department of the Treasury promulgated thereunder.

"Commonwealth" shall mean the Commonwealth of Kentucky.

"Construction" shall mean construction as defined in the Act.

"Debt Obligations" shall mean those outstanding obligations of the Governmental Agency identified in the Project Specifics outstanding as of the date of this Assistance Agreement or issued in the future in accordance with the terms hereof, payable from the revenues of the Project.

"Engineers" means the firm of consulting engineers employed by the Governmental Agency in connection with the Project identified in the Project Specifics.

"Governmental Agency" shall mean any agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate a Project, including specifically but not by way of limitation, incorporated cities, counties, sanitation districts, water districts, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another pursuant to any regional or area compact, or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such described powers; and for the purposes of this Assistance Agreement shall mean the Governmental Agency identified in the Project Specifics.

"Indenture" shall mean the General Trust Indenture dated as of September 1, 1989 between the Authority and the Trustee.

"Loan" shall mean the loan effected under this Assistance Agreement from the Authority to the Governmental Agency in the principal amount set forth in the Project Specifics, for the purpose of defraying the costs incidental to the Construction of the Project.

"Loan Rate" means the rate of interest identified in the Schedule of Payments.

"Person" shall mean any individual, firm, partnership, association, corporation or Governmental Agency.

"Program" shall mean the program authorized by KRS 224A.112 and the Indenture as the "infrastructure revolving fund" for financing Projects through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

"Project" shall mean, when used generally, an infrastructure project as defined in the Act, and when used in specific reference to the Governmental Agency, the Project described in the Project Specifics.

"Project Specifics" means those specific details of the Project identified in Exhibit A hereto, all of which are incorporated by reference in this Assistance Agreement.

"Requisition for Funds" means the form attached hereto as Exhibit B to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Authority as construction of the Project progresses.

"Schedule of Payments" means the principal and interest requirements of the Loan as set forth in Exhibit F hereto, to be established and agreed to upon or prior to the completion of the Project.

"Schedule of Service Charges" shall mean those revenues identified in Exhibit C from which the Loan is to be repaid, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority prior to the disbursement of any portion of the Loan hereunder.

"Service Charges" shall mean any monthly, quarterly, semi-annual, or annual charges, surcharges or improvement benefit assessments to be imposed by a Governmental Agency, or by the Authority, in respect of the Project which Service Charges arise by reason of the existence of, and requirement of, any Assistance Agreement and for the purposes of this Assistance Agreement said Service Charge shall be no less than those set forth in the Schedule of Service Charges.

"System" shall mean the utility system of which the Project shall become a part.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Authority. The Authority represents and warrants for the benefit of the Governmental Agency as follows:

(A) The Authority is a body corporate and politic constituting a governmental agency and instrumentality of the Commonwealth, has all necessary power and Authority to enter into, and perform its obligations under, this Assistance Agreement, and has duly authorized the execution and delivery of this Assistance Agreement.

(B) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(C) To the knowledge of the Authority, there is no litigation or proceeding pending or threatened against the Authority or any other person affecting the right of the Authority to execute or deliver this Assistance Agreement or to comply with its obligations under this Assistance Agreement. Neither the execution and delivery of this Assistance Agreement by the Authority, nor compliance by the Authority with its obligations under this Assistance Agreement, require the approval of any regulatory body, or any other entity, which approval has not been obtained.

(D) The authorization, execution and delivery of this Assistance Agreement and all actions of the Authority with respect thereto, are in compliance with the Act and any regulations issued thereunder.

Section 2.2. Representations and Warranties of the Governmental Agency. The Governmental Agency hereby represents and warrants for the benefit of the Authority as follows:

(A) The Governmental Agency is a duly organized and validly existing Governmental Agency, as described in the Act, with full power to own its properties, conduct its affairs, enter into this Assistance Agreement and consummate the transactions contemplated hereby.

(B) The negotiation, execution and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of the governing body of the Governmental Agency.

(C) This Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(D) There is no controversy or litigation of any nature pending or threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of this Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

(F) Attached hereto as Exhibit D is a true, accurate and complete copy of the resolution or ordinance of the governing body of the Governmental Agency approving and authorizing the execution and delivery of this Assistance Agreement. Such resolution or ordinance was duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such resolution or ordinance is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

(G) All actions taken by the Governmental Agency in connection with this Assistance Agreement and the Loan described herein and the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, KRS 61.805 to 61.850.

(H) The Governmental Agency has all licenses, permits and other governmental approvals (including but not limited to all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate and maintain the Project, to charge and collect the Service Charges and to enter into this Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project, and has full right, power and authority to perform the acts and things as provided for in this Assistance Agreement.

(I) Legal counsel to the Governmental Agency has duly executed and delivered the opinion of legal counsel substantially in the form set forth in Exhibit E hereto.

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1. Determination of Eligibility. Pursuant to the terms of the Act and the Indenture, the Authority has determined that the Governmental Agency's Project is a Project under the Act and the Governmental Agency is entitled to financial assistance from the Authority in connection with financing the Construction of the Project.

Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds. The principal amount of the Loan shall be the Loan Amount as identified in the Project Specifics, subject to such adjustments as may be set forth in the Schedule of Payments. Principal payments shall be made semiannually in the amounts and on the dates to be established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the Repayment Term set forth in the Project Specifics, commencing with the Amortization Commencement Date set forth in the Project Specifics.

The Loan shall bear interest, payable on the Interest Payment Dates set forth in the Project Specifics, at the Loan Rate identified in the Project Specifics, and after the Amortization Commencement Date, in the amounts (based on such Loan Rate) and on the dates set forth in the Schedule of Payments; provided that, should an Event of Default occur, such payments of interest shall be made on the first day of each month during the continuation of such Event of Default.

The Authority shall advance the proceeds of the Loan as Construction of the Project progresses upon the submission by the Governmental Agency of a Requisition for Funds in substantially the same form as Exhibit B hereto. Each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement; subject to the requirements set forth in Article IV hereof.

Payments of principal and interest on the Loan shall be made at the principal office of the Authority or the Trustee, as designated by the Authority.

Section 3.3. Governmental Agency's Right to Repay Loan. The Governmental Agency shall have the right to prepay and retire the entire amount of the Loan at any time without penalty upon written notice to the Authority no less than five (5) Business Days in advance of said prepayment.

Notwithstanding the foregoing, upon the determination by the Authority that it intends to issue revenue bonds secured by a pledge of the payments on the Loan, the Authority shall advise the Governmental Agency (i) of its intention to proceed with the authorization of such bonds (ii) of the limitation on prepayments after such bonds are issued and (iii) that the Governmental Agency has thirty (30) days from its receipt of said notice to exercise its option to prepay the Loan. Upon the expiration of said thirty day period the Governmental Agency's right to prepay the Loan shall be limited to the terms described in such notice.

Section 3.4. Subordination of Loan. The Authority hereby agrees that the security interest and source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable from the revenues of the Project outstanding at the time this Assistance Agreement is executed as identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.5(D) hereof.

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT; REQUISITION FOR FUNDS

Section 4.1. Covenants of Governmental Agency and Conditions of Loan. By the execution of this Assistance Agreement, the Governmental Agency agrees that prior to any requests for the disbursement of all or a portion of the Loan made hereunder, the Governmental Agency shall supply the Authority, if requested, appropriate documentation, satisfactory to the Authority, in its sole discretion, indicating the following:

(A) That the Authority and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority, and their respective duly authorized agents, shall have the right at all reasonable times, subject to prior notice to the Governmental Agency, to enter upon the Project and to examine and inspect same.

(B) All real estate and interest in real estate and all personal property constituting the Project and the Project sites heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency and constitute a part of the System.

(C) In the event the Governmental Agency is required to provide financing for the Project from sources other than the Authority (as described in the Project Specifics) the Authority shall have the right to receive such reasonable proofs as it may require of the ability of the Governmental Agency to finance the costs of Construction of the Project over and above the Loan, prior to the disbursement by the Authority of any portion of the Loan.

(D) The Governmental Agency shall do all things necessary to acquire all proposed and necessary sites, easements and rights of way necessary or required in respect of the Project and demonstrate its ability to construct the Project in accordance with the plans, design and specifications prepared for the Governmental Agency by the Engineers.

(E) Actual construction and installation incident to the Project shall be performed by either the lump-sum (fixed price) or unit price contract method, and adequate legal methods of obtaining public, competitive bidding will be employed prior to the awarding of the construction contract for the Project in accordance with Kentucky law.

(F) Unless construction of the Project has already been initiated as of the date of this Assistance Agreement, pursuant to due compliance with state law and applicable regulations, the Project will not be advertised or placed on the market for construction bidding by the Governmental Agency until the final plans, designs and specifications therefor have been approved by such state and federal agencies and authorities as may be legally required, and until written notification of such approvals has been received by the Governmental Agency and furnished to the Authority.

(G) Duly authorized representatives of the Authority and such other agencies of the Commonwealth as may be charged with responsibility will have reasonable access to the construction work whenever it is in preparation or progress, and the Governmental Agency will assure that the contractor or contractors will provide facilities for such access and inspection.

(H) The construction contract or contracts shall require the contractor to comply with all provisions of federal and state law legally applicable to such work, and any amendments or modifications thereto, together with all other applicable provisions of law, to cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and to be responsible for the submission of any statements required of subcontractors thereunder.

(I) A work progress schedule utilizing a method of standard acceptance in the engineering community shall be prepared prior to the institution of construction in connection with each construction contract, or, if construction has already been initiated as of the date of this Assistance Agreement, at the earliest practicable date, to indicate the proposed schedule as to completion of the Project, and same shall be maintained monthly thereafter to indicate the actual construction progress of the Project.

(J) Prior to the award of the construction contract and prior to the commencement of construction, the Governmental Agency will arrange and conduct a conference as to the Project said conference to include representatives of the Authority, the Governmental Agency, and any other participating federal or state agency, the Engineers, and all construction contractors. A written brief of said conference summarizing the construction schedule, fund requirements schedule, payment authorizations, responsible parties for approval of all facets of the construction work and payment therefor, and other pertinent matters shall be prepared and distributed to each agency involved, and all construction contractors and Engineers. Provided, however, that in the event construction shall have been initiated as of the date of this Assistance Agreement, this provision may be waived.

(K) All construction contracts will be so prepared that federal participation costs, if any, and state participation costs may be readily segregated from local participation costs, if any, and from each other, and in such manner that all materials and equipment furnished to the Governmental Agency may be readily itemized.

(L) Any change or changes in a construction contract will be promptly submitted to the Authority and any state or federal agencies.

(M) The Construction, including the letting of contracts in connection therewith, will conform in all respects to applicable requirements of federal, state and local laws, ordinances, rules and regulations.

(N) The Governmental Agency will proceed expeditiously with and complete the Project in accordance with the approved surveys, plans specifications and designs or amendments thereto, prepared by the Engineers to the Governmental Agency and approved by state and federal agencies, but only to the extent such approvals may be required.

(O) If requested, the Governmental Agency will erect at the Project sites, signs satisfactory to the Authority noting the participation of the Authority in the financing of the Project.

(P) Except as otherwise provided in this Assistance Agreement, the Governmental Agency shall have the sole and exclusive charge of all details of the Construction.

(Q) The Governmental Agency shall keep complete and accurate records of the costs of acquiring the Project sites and the costs of Construction. The Governmental Agency shall permit the Authority, acting by and through its duly authorized representatives, and the duly authorized representatives of state and/or federal agencies to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as such public bodies may reasonably require in connection with the administration of any federal or state grants.

(R) The Governmental Agency shall require that any bid for any portion of the Construction of the Project be accompanied by a bid bond, certified check or other negotiable instrument payable to the Governmental Agency, as assurance that the bidder will, upon acceptance of such bid, execute the necessary contractual documents within the required time.

(S) The Governmental Agency shall require that each construction contractor or contractors furnish a performance and payment bond in an amount at least equal to one hundred percent (100%) of the contract price or the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

(T) The Governmental Agency shall require that each of its contractors and all subcontractors maintain during the life of the construction contract, worker's compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the contractor, shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor, and all subcontractors, as their interests may appear.

(U) The Governmental Agency shall provide and maintain competent and adequate resident engineering services covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that Construction conforms to the approved plans, specifications and designs prepared by the Engineers. Such resident engineer shall certify to the Authority, any involved state or federal agencies, and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or, approved amendments thereto.

(V) The Governmental Agency shall demonstrate to the satisfaction of the Authority the legal capability of the Governmental Agency to enact, adopt, levy, charge, collect, enforce and remit to the Authority the Service Charges of the Governmental Agency described in the Schedule of Service Charges attached to and made a part of this Assistance Agreement as Exhibit C and submit proof satisfactory to the Authority that the Service Charges are in full force and effect as of the submission of the initial Requisition for Funds.

Section 4.2. Disbursements of Loan; Requisition for Funds. The Governmental Agency may submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) a Requisition for Funds during the first ten days of each month (or such other designated period as is acceptable to the Authority), in substantially the same form as that attached to this Assistance Agreement as Exhibit B and made a part hereof, accompanied by, to the extent requested by the Authority, the following documentation:

(A) A full and complete accounting of the costs of the Project to be obligated by contract or otherwise during the month in question, or already obligated and not included in any previous accounting;

(B) A full and complete accounting of any costs of the Project paid by the Governmental Agency from its own funds with the approval of the Authority and not included in any previous accounting for which it seeks reimbursement;

(C) A full and complete accounting of any costs of the Project paid or requisitioned under any other financing, loan, bond, grant or similar agreement or paid from its own funds for which it does not seek reimbursement and which have not been identified in any previous requisition form.

(D) The contractor's estimate of work performed during the preceding month pursuant to construction contracts for the Project and payment thereunder due, together with the Engineer's and Governmental Agency's approval thereof for payment by the Authority directly to the contractor.

Upon the Authority's receipt of the Requisition for Funds, and such additional documentation as it may require, the Authority may direct the Trustee to remit the amount requested to the Governmental Agency as a draw upon the Loan.

ARTICLE V

CERTAIN COVENANTS OF THE GOVERNMENTAL AGENCY; PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY

Section 5.1. Imposition of Service Charges. The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which the Loan is to be made by the Authority to the Governmental Agency as specified herein and in the Act and the Indenture. The Governmental Agency hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose the Service Charges set forth in Exhibit C annexed hereto. If so required, such Service Charges shall be in addition to all other rates, rentals and service charges of a similar nature of the Governmental Agency now or hereafter authorized by law, and now or hereafter being levied and collected by the Governmental Agency and shall be levied and collected solely for the purpose of repaying to the Authority all sums received from the Authority as representing the Loan in respect of the Project.

Section 5.2. Governmental Agency's Obligation to Repay Loan. The obligation of the Governmental Agency to repay to the Authority the amount of the Loan from the Service Charges shall not be revocable, and in the event that services supplied by the Project shall cease, or be suspended for any reason, the Governmental Agency shall continue to be obligated to repay the Loan from the Services Charges. In the event the Governmental Agency defaults in the payment of any Service Charges to the Authority, the amount of such default shall bear interest at the per annum rate equal to the Default Rate set forth in the Project Specifics, from the date of the default until the date of the payment thereof.

Section 5.3. Covenant to Adjust Service Charges. In the event, for any reason, the Schedule of Service Charges shall prove to be insufficient to provide to the Authority the minimum sums set forth in the Schedule of Payments, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and state, immediately adjust and increase such Schedule of Service Charges, so as to provide funds sufficient to pay to the Authority the minimum sums set forth in the Schedule of Payments.

Section 5.4. Adequacy of Service Charges. The Service Charges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the

Schedule set forth in Exhibit C hereto so qualifies), as shall be at least adequate to make the payments at the times and in the amounts set forth in the Schedule of Payments, subject to necessary governmental and regulatory approvals.

The Service Charges imposed by the Governmental Agency shall be paid not less frequently than the Service Charge Payment period set forth in the Project Specifics, and shall be remitted to the Authority by the Governmental Agency with a report showing collections and any delinquencies. A report of all collections and delinquencies shall be made at least semi-annually on or before each Payment Date identified in the Schedule of Payments.

Section 5.5. Covenant to Establish Maintenance and Replacement Reserve. The Governmental Agency shall establish a special account identified as a "Maintenance and Replacement Reserve". On or before each payment date identified in the Schedule of Payments, the Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to ten percent (10%) of the amount of such Loan payment until the amount on deposit in such fund is equal to five percent (5%) of the original principal amount of the Loan (the "Required Balance"). Amounts in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the Project or for the costs of replacing worn or obsolete portions of the Project. If amounts are withdrawn from such fund, the Governmental Agency shall again make the periodic deposits hereinabove required until the Required Balance is reinstated.

Section 5.6. Covenant to Charge Sufficient Rates; Reports; Inspection. The Governmental Agency hereby irrevocably covenants and agrees with the Authority:

(A) That, as aforesaid, it will at all times impose, prescribed, charge and collect the Service Charges set forth in Exhibit C hereto as shall result in net revenues to the Governmental Agency at least adequate to provide for the payments to the Authority required by this Assistance Agreement.

(B) That it will furnish to the Authority not less than annually reports of the operations and income and revenues of the Project, and will permit authorized agents of the Authority to inspect all records, accounts and data of the Project at all reasonable times.

(C) That it will collect, account for and promptly remit to the Authority those specific revenues, funds, income and proceeds derived from Service Charges incident to this Assistance Agreement.

(D) That it will notify the Authority in writing of its intention to issue bonds or notes payable from the revenues of the Project not less than thirty (30) days prior to the sale of said obligations.

Section 5.7. Segregation of Funds. The Governmental Agency shall at all times account for the income and revenues of the System and distinguish same from all other revenues, moneys and funds of the Governmental Agency, if any.

Section 5.8. Mandatory Sewer Connection. In the event that the Project consists of sanitary sewer facilities, the Governmental Agency hereby irrevocably covenants and agrees with the Authority that it will, to the maximum extent permitted by Kentucky law, and by means of ordinance, or other appropriate legislative order or action, mandatorily require the connection to and use of, the sanitary sewers constituting the Project by all persons owning, renting or occupying premises generating pollutants where such sanitary sewers are reasonably available to such premises, and to exhaust, at the expense of the Governmental Agency, all remedies for the collection of Service Charges, including, either directly or indirectly, pursuant to authority granted by Sections 96.930 to 96.943, inclusive, of the Kentucky Revised Statutes, and the Act,

causing termination of water services to any premises where the bill for sewer services is delinquent and foreclosure and decretal sale in respect of improvement benefit assessments which are delinquent.

Section 5.9. Termination of Water Services to Delinquent Users. In the event the Project consists of water facilities the Governmental Agency covenants and agrees that it shall, pursuant to applicable provisions of law, to the maximum extent authorized by law, enforce and collect the Service Charges imposed, and will promptly cause water service to be discontinued to any premises where any billing for such facilities and services shall not be paid in a timely manner.

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

Section 6.1. Further Assurance. At any time and all times the Governmental Agency shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues herein pledged or assigned, or intended so to be, or which the Governmental Agency may hereafter become bound to pledge or assign.

Section 6.2. Completion of Project. The Governmental Agency hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs and specifications prepared by the Engineers for the Governmental Agency.

Section 6.3. Establishment of Completion Date. The completion date for the Project shall be evidenced to the Authority by a certificate signed by the Engineer and an authorized representative of the Governmental Agency stating that, except for amounts retained by the Authority for costs of the Project not then due and payable, (i) the Construction has been completed and all labor, services, materials, supplies, machinery and equipment used in such Construction have been paid for, (ii) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed and all costs and expenses incurred in connection therewith have been paid, (iii) the Project and all other facilities in connection therewith have been acquired, constructed, equipped and installed to his satisfaction.

Section 6.4. Commitment to Operate. The Governmental Agency hereby covenants and agrees to commence operation of the Project immediately on completion of construction and not to discontinue operations or dispose of such Project without the approval of the Authority.

Section 6.5. Continue to Operate. The Governmental Agency hereby covenants and agrees to continuously operate and maintain the Project in accordance with applicable provisions of federal and state law and to maintain adequate records relating to said operation; said records to be made available to the Authority upon its request at all reasonable times.

Section 6.6. Tax Covenant. In the event the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Governmental Agency shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority in order to accomplish the foregoing. The Governmental Agency shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of

the System or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Authority. The Governmental Agency will not acquire or pledge any obligations which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 6.7. Accounts and Reports. The Governmental Agency shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the System, which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Financial Statements. Within ninety (90) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principals on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity.

Section 6.9. General Compliance With All Duties. The Governmental Agency shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of the this Assistance Agreement and any other Debt Obligations.

Section 6.10. Project Not to Be Disposed Of. The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities constituting the Project or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 6.11. General. The Governmental Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Governmental Agency under the provisions of the Act and this Assistance Agreement in accordance with the terms of such provisions including the Additional Covenants and Agreements, if any, set forth in Exhibit G hereto.

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 7.1. Maintain Project. The Governmental Agency agrees that during the entire term of this Assistance Agreement, it will keep the Project, including all appurtenances thereto, and the equipment and machinery therein, in good and sound repair and good operating condition at its own cost so that the completed Project will continue to provide the services for which it is designed.

Section 7.2. Additions and Improvements. The Governmental Agency shall have the privilege of making additions, modifications and improvements to the sites of the Project, and to the Project itself from time to time provided that said additions, modifications and improvements do not impair the operation or objectives of the Project. The Cost of such additions, modifications and improvements shall be

paid by the Governmental Agency, and the same shall be the property of the Governmental Agency and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Governmental Agency from entering into one or more supplementary Assistance Agreements providing for an additional Loan or Loans in respect of additional Projects undertaken by the Governmental Agency.

Section 7.3. Compliance with State and Federal Standards. The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards, if any, established by any state or federal agency. The Governmental Agency agrees that qualified operating personnel properly certified by the Commonwealth will be retained to operate the Project during the entire term of this Assistance Agreement.

Section 7.4. Access to Records. The Governmental Agency agrees that it will permit the Authority and any state or federal agency and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project, and commencement of operations thereof.

Section 7.5. Covenant to Insure - Casualty. The Governmental Agency agrees to insure the Project facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

Section 7.6. Authority as Named Insured. Any insurance policy issued pursuant to Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency, and to the Authority, as their interests may appear.

Section 7.7. Covenant to Insure - Liability. The Governmental Agency agrees that it will carry public liability insurance with reference to the Project with one or more reputable insurance companies duly qualified to do business in the Commonwealth, insuring against such risks (including but not limited to personal injury, death and property damage) and in such amounts as are set forth in the Project Specifics, and naming the Authority as an additional insured.

Section 7.8. Covenant Regarding Worker's Compensation. Throughout the entire term of this Assistance Agreement, the Governmental Agency shall maintain worker's compensation coverage, or cause the same to be maintained.

Section 7.9. Application of Casualty Insurance Proceeds. If, prior to the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm or other casualty, there shall be no abatement or reduction in the amount payable by the Governmental Agency pursuant to the terms of this Assistance Agreement, and the Governmental Agency will (1) promptly repair, rebuild or restore the Project damaged or destroyed; and (2) apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Governmental Agency necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Governmental Agency, and shall be promptly applied as herein provided.

Section 7.10. Eminent Domain. In the event that title to, or the temporary use of, the Project, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the

minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sole discretion:

(A) The restoration of the improvements located on the Project sites to substantially the same condition as prior to the exercise of said power of eminent domain; or

(B) The acquisition of additional property, if necessary, and the acquisition of additional facilities by construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities so taken by eminent domain, without the payment of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 7.10, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by an authorized officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of such certificate by an authorized officer of the Authority. In no event will the Governmental Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1, Events of Default Defined. The following will be "Events of Default" under this Assistance Agreement and the term "Event of Default" or "Default" will mean, whenever it is used in this Assistance Agreement, any one or more of the following events:

(A) Failure by the Governmental Agency to pay any payments at the times specified herein.

(B) Failure by the Governmental Agency to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Governmental Agency by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until such failure is corrected.

(C) The dissolution or liquidation of the Governmental Agency, or the voluntary initiation by the Governmental Agency of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor

relief, or the initiation against the Governmental Agency of any such proceeding which will remain undismissed for sixty (60) days, or the entry by the Governmental Agency into an agreement of composition with creditors or the failure generally by the Governmental Agency to pay its debts as they become due.

(D) A default by the Governmental Agency under the provisions of any agreements relating to its Debt Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 has occurred and is continuing, the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare all payments due hereunder, as set forth in the Schedule of Payments to be immediately due and payable.

(B) Exercise all the rights and remedies of the Authority set forth in the Act.

(C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Assistance Agreement.

Section 8.3. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Authority under this Assistance Agreement, the Authority shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer; provided, however, that the Authority may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 8.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.5. Consent to Powers of Authority Under Act. The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Governmental Agency hereby covenants and agrees that if the Authority should in the future have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Assistance Agreement.

Section 8.6. Waivers. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.7. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto will default under any of the provisions hereof and the nondefaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on

the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party.

ARTICLE I

MISCELLANEOUS PROVISIONS

Section 9.1. Approval not to be Unreasonably Withheld. Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth (30th) day following the submission of any matter requiring approval to the Authority, unless disapproved in writing prior to such thirtieth (30th) day. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of the Authority granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 9.2. Approval. This Agreement is made subject to, and conditioned upon, the approval of this Assistance Agreement by the Secretary of the Finance and Administration Cabinet.

Section 9.3. Effective Date. This Assistance Agreement shall become effective as of the date first set forth hereinabove and shall continue to full force and effect until the date the obligations of the Governmental Agency pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 9.4. Binding Effect. This Assistance Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, nor assignable by either parties without the written consent of the other party.

Section 9.5. Severability. In the event that any provision of this Assistance Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 9.6. Execution in Counterparts. This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 9.7. Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

Section 9.8. Venue. The parties hereto agree that in the event of a default by the Governmental Agency pursuant to the provisions of Article 8 of this Agreement, the Authority shall, to the extent permitted under the laws of the Commonwealth, have the right to file any necessary actions with respect thereto in Franklin Circuit Court.

Section 9.9. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Assistance Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the day and year above written.

ATTEST:

Debbie L. Milton
Title: Secretary

KENTUCKY INFRASTRUCTURE AUTHORITY

By: Raya Reck Kimmel
Title: Executive Director

ATTEST:

By: Lee Burgett
Title: Secretary

GOVERNMENTAL AGENCY:
GALLATIN COUNTY WATER DISTRICT

By: Henry Green
Title: Chairman

APPROVED:

John P. McAfee
SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

EXAMINED:

Beck, Shaffer + Williams LLP
LEGAL COUNSEL TO THE KENTUCKY
INFRASTRUCTURE AUTHORITY

Attachment No. 8b

ASSISTANCE AGREEMENT
BETWEEN
KENTUCKY RURAL WATER FINANCE CORPORATION
AND
GALLATIN COUNTY WATER DISTRICT
DATED
JULY 11, 2017
IN THE AMOUNT OF \$1,180,000

This document was prepared by:

RUBIN & HAYS
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525

By

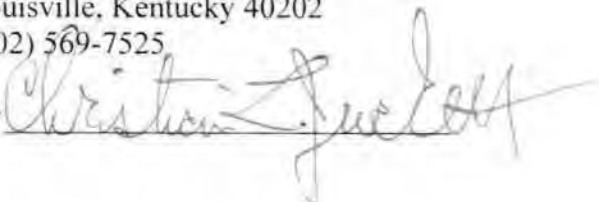


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EXHIBIT A - Debt Service Schedule

ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of July 11, 2017 (the "Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Gallatin County Water District, 4500 Highway 455, Sparta, Kentucky 41086 (the "Governmental Agency"):

WITNESSETH

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the "Program") designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued, in various series, its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program) (the "Bonds") pursuant to a Trust Indenture dated as of April 4, 2001, as supplemented from time to time (collectively, the "Indenture") between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to assistance agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2017A (the "Series 2017A Bonds") in the aggregate principal amount of \$7,010,000, pursuant to a Supplemental Trust Indenture No. 68, dated as of July 11, 2017 by and between the Issuer and the Trustee, which Series 2017A Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency has outstanding its:

- i. Gallatin County Water District Water Revenue Bonds of 1988 Series A and B, dated January 19, 1989, in the combined original principal amount of \$398,000;
- ii. Gallatin County Water District Water Revenue Bonds of 1993, dated November 15, 1993, in the original authorized principal amount of \$420,000; and
- iii. Gallatin County Water District Water Revenue Bonds of 1996, dated June 18, 1996, in the original authorized principal amount of \$371,000;
- iv. Gallatin County Water District Water Revenue Bonds of 2000 Series A and B, dated November 16, 2000, in the combined original principal amount of \$482,000; and
- v. Gallatin County Water District Water Revenue Bonds of 2002, dated February 14, 2003, in the original authorized principal amount of \$130,000.

(collectively, the "Refunded Bonds"), which bonds were issued by the Governmental Agency for the benefit of the Governmental Agency's water distribution system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to currently refund the Refunded Bonds, in order to effect substantial debt service savings (the "Project"), and the Issuer has determined that the Project is a project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Issuer; and

WHEREAS, the Governmental Agency has designated the Issuer as its instrumentality and agency; and

WHEREAS, pursuant to this Assistance Agreement the Governmental Agency will proceed with the Project; and

WHEREAS, in and by the Prior Bond Legislation (as hereinafter defined), the right and privilege was reserved by the Governmental Agency under conditions and restrictions set out in said Prior Bond Legislation, of issuing additional bonds from time to time, payable from the income and revenues of the System and ranking on a parity with the Governmental Agency's outstanding Prior Bonds (as hereinafter defined), for the purpose, among other things, of financing the costs of extensions, additions and improvements to the System and refinancing certain outstanding indebtedness, which conditions and restrictions are found to currently exist and prevail so as to permit the issuance of certain proposed additional bonds so as to rank, when issued, on a parity with the outstanding Prior Bonds; and

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the "Loan") in the amount of \$1,180,000 [the "Obligations"], for the purpose of providing funds for the Project, and to reaffirm the conditions and restrictions under which similar bonds or obligations may be subsequently issued ranking on a parity therewith; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, and under the provisions of the Prior Bond Legislation, the Governmental Agency is authorized to enter into this Assistance Agreement and to borrow the Obligations to provide such funds for the purpose aforesaid; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this Assistance Agreement pursuant to the terms of the Act and the Indenture and to set forth their respective duties, rights, covenants, and obligations with respect to the financing of the Project subject to the repayment of the Loan and the Obligations and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

Section 1. Definitions.

As used in this Assistance Agreement, unless the context requires otherwise:

"1988 Bond Legislation" refers to the Resolution authorizing the Series 1988 Bonds, duly adopted by the Governing Body on October 7, 1988.

"1993 Bond Legislation" refers to the Resolution authorizing the Series 1993 Bonds, duly adopted by the Governing Body on January 14, 1993.

"1996 Bond Legislation" refers to the Resolution authorizing the Series 1996 Bonds, duly adopted by the Governing Body on January 10, 1996.

"2000 Bond Legislation" refers to the Resolution authorizing the Series 2000 Bonds, duly adopted by the Governing Body on June 8, 2000.

"2002 Bond Legislation" refers to the Resolution authorizing the Series 2002 Bonds, duly adopted by the Governing Body on October 31, 2002.

"2006 Bond Legislation" refers to the Resolution authorizing the Series 2006 Bonds, duly adopted by the Governing Body on September 25, 2006.

"Act" refers to Chapters 58 and 74 of the Kentucky Revised Statutes.

"Assistance Agreement" refers to this Assistance Agreement authorizing the Loan and the Obligations.

"Bond Counsel" refers to Rubin & Hays, Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202, or any other nationally recognized individual or firm in the field of municipal bond law.

"Bond Fund" refers to the Gallatin County Water District Revenue Bond and Interest Sinking Fund described in the Prior Bond Legislation, which will be maintained for the benefit of the System.

"Bondowner", "Owner", "Bondholder" means and contemplates, unless the context otherwise indicates, the registered owner of one or more of the Bonds at the time issued and outstanding hereunder.

"Bonds" refers to the Obligations, the Prior Bonds and any additional Parity Bonds.

“*Certified Public Accountants*” refers to an independent Certified Public Accountant or firm of Certified Public Accountants, duly licensed in Kentucky and knowledgeable about the affairs of the System and/or of other Governmental Agency financial matters.

“*Chairman*” refers to the Chairman of the Governmental Agency.

“*Code*” refers to the United States Internal Revenue Code of 1986, as amended, and any regulations issued thereunder.

“*Compliance Group*” refers to the Compliance Group identified and defined in the Indenture.

“*Engineer*” or “*Independent Consulting Engineer*” refers to an Independent Consulting Engineer or firm of Engineers of excellent national reputation or of recognized excellent reputation in Kentucky in the fields of waterworks and sewer engineering.

“*Fiscal Year*” refers to the annual accounting period of the Governmental Agency, beginning on January 1, and ending on December 31, of each year.

“*Funds*” refers collectively to the Bond Fund, the Revenue Fund, the Operation and Maintenance Fund, and the Governmental Agency Account.

“*Governing Body*” means the Board of Commissioners of the Governmental Agency or such other body as shall be the governing body of said Governmental Agency under the laws of Kentucky at any given time.

“*Governmental Agency*” refers to the Gallatin County Water District, 4500 Highway 455, Sparta, Kentucky 41086.

“*Indenture*” means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 68, dated July 11, 2017, by and between the Issuer and the Trustee.

“*Interest Payment Date*” shall mean the 1st day of each month, commencing August 1, 2017 and continuing through and including January 1, 2039 or until the Loan has been paid in full.

“*Issuer*” refers to the Kentucky Rural Water Finance Corporation, Bowling Green, Kentucky.

“*KIA Loan*” refers to loan from the Kentucky Infrastructure Authority to the Governmental Agency, dated June 1, 2001, in the original principal amount of \$744,796.

“*Obligations*” refers to the Loan authorized by this Assistance Agreement in the principal amount of \$1,180,000, maturing January 1, 2039.

“Operation and Maintenance Fund” refers to the Gallatin County Water District Operation and Maintenance Fund described in the Prior Bond Legislation, which will be maintained for the benefit of the System.

“Outstanding Bonds” refers collectively to all outstanding Prior Bonds, the outstanding Obligations and any outstanding Parity Bonds, and does not refer to any bonds that have been defeased.

“Parity Bonds” means bonds issued in the future, which will, pursuant to the provisions of this Assistance Agreement, rank on a basis of parity with the Obligations and shall not be deemed to include, nor to prohibit the issuance of, bonds ranking inferior in security to the Obligations.

“Permitted Investments” refers to investments of funds on deposit in the various funds created herein and includes:

(a) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in the Commonwealth of Kentucky;

(b) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:

- i. United States Treasury;
- ii. Export-Import Bank of the United States;
- iii. Farmers Home Administration;
- iv. Government National Mortgage Corporation; and
- v. Merchant Marine bonds;

(c) Obligations of any corporation of the United States government, including but not limited to:

- i. Federal Home Loan Mortgage Corporation;
- ii. Federal Farm Credit Banks;
- iii. Bank for Cooperatives;
- iv. Federal Intermediate Credit Banks;
- v. Federal Land Banks;
- vi. Federal Home Loan Banks;
- vii. Federal National Mortgage Association; and
- viii. Tennessee Valley Authority;

(d) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institutions which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS Section 41.240(4);

(e) Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated on one (1) of the three (3) highest categories by a nationally recognized rating agency;

(f) Banker's acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

(g) Commercial paper rated in the highest category by a nationally recognized rating agency;

(h) Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and instrumentalities;

(i) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency; and

(j) Shares of mutual funds, each of which shall have the following characteristics:

- i. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
- ii. The management company of the investment company shall have been in operation for at least five (5) years; and
- iii. All of the securities in the mutual fund shall be eligible investments under this section.

Investments in the above instruments are subject to the following conditions and limitations:

(a) The amount of money invested at any time by a local government or political subdivision in one (1) or more of the categories of investments authorized by subsection (e), (f), (g), and (i) of this definition shall not exceed twenty percent (20%) of the total amount of money invested by the local government; and

(b) No local government or political subdivision shall purchase any investment authorized herein on a margin basis or through the use of any similar leveraging technique.

"Prior Bond Legislation" refers to the 2006 Bond Legislation.

"Prior Bonds" refers to the Series 2006 Loan.

“*Program*” refers to the Issuer’s Public Projects Flexible Term Program designed to provide financing for the expansion, addition and improvement of public projects for governmental entities.

“*Program Administrator*” refers to the Kentucky Rural Water Association, Inc., Bowling Green, Kentucky.

“*Program Reserve Fund*” refers to the Reserve Fund created and established pursuant to Section 4.2 of the Indenture.

“*Project*” refers to financing the cost to currently refund the Refunded Bonds, with the proceeds of the Obligations.

“*Refunded Bonds*” refers to the outstanding Series 1988 Bonds, Series 1993 Bonds, Series 1996 Bonds, Series 2000 Bonds, and Series 2002 Bonds.

“*Revenue Fund*” refers to the Gallatin County Water District Waterworks Revenue Fund described in the Prior Bond Legislation, which will be maintained for the benefit of the System.

“*Secretary*” refers to the Secretary of the Governmental Agency.

“*Series 1988 Bonds*” refers to the outstanding Gallatin County Water District Water Revenue Bonds of 1988 Series A and B, dated January 19, 1989, in the original principal amount of \$290,000 (Series A) and \$108,000 (Series B).

“*Series 1993 Bonds*” refers to the outstanding Gallatin County Water District Waterworks Revenue Bonds, Series 1993, dated January 9, 1997, in the original authorized principal amount of \$443,000.

“*Series 1996 Bonds*” refers to the outstanding Gallatin County Water District Water Revenue Bonds of 1996, dated June 18, 1996, in the original authorized principal amount of \$371,000.

“*Series 2000 Bonds*” refers to the outstanding Gallatin County Water District Water Revenue Bonds of 2000 Series A and B, dated November 16, 2000, in the original principal amount of \$370,000 (Series A) and \$112,000 (Series B).

“*Series 2002 Bonds*” refers to the outstanding Gallatin County Water District Water Revenue Bonds of 2002, dated February 14, 2003, in the original authorized principal amount of \$130,000.

“*Series 2006 Bonds*” refers to the outstanding Gallatin County Water District Water Revenue Bonds of 2006 Series A and B, dated February 14, 2003, in the original principal amount of \$1,394,000 (Series A) and \$500,000 (Series B).

“*System*” refers to the Governmental Agency’s water distribution system, together with all future extensions, additions and improvements to said System.

“*Treasurer*” refers to the Treasurer of the Governmental Agency.

“*Trustee*” refers to Regions Bank, Nashville, Tennessee.

“*U.S. Obligations*” refers to bonds, notes, or Treasury Bills, which are direct obligations of the United States of America or obligations fully guaranteed by the United States of America, including book-entry obligations of the United States Treasury-State and Local Government Series, and Trust Receipts representing an ownership interest in direct obligations of the United States.

Section 2. Reaffirmation of Declaration of Water Distribution System.

That all proceedings heretofore taken for the establishment of and the supplying of water service in and to said Governmental Agency as a water distribution system are hereby in all respects ratified and confirmed; and so long as any of the Obligations hereinafter authorized or permitted to be issued remain outstanding, said System shall be owned, controlled, operated and maintained for the security and source of payment of the Obligations. Said System is hereby declared to constitute a public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

Section 3. Authorization of Obligations; Place of Payment; Manner of Execution.

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes the borrowing of \$1,180,000 from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in Exhibit A attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Bond Fund pursuant to the ACH Debit Direct Payment Method (the “ACH Debit Direct Payment Method”) as described and detailed in the ACH Debit Direct Payment Authorization Form (the “ACH Authorization Form”) in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Debit Direct Payment Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Bond Fund, the amounts set forth as sinking fund payments on Exhibit A attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under this Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on Exhibit A attached hereto, pursuant to the ACH Debit Direct Payment Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

Section 4. Redemption.

(a) *Optional Redemption.* Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2028 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2027 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

In the event that the Governmental Agency desires to optionally redeem a portion of its Obligations, such redemption shall be in a denomination equal to \$5,000 or any integral multiple thereof.

(b) *Notice of Redemption.* The Governmental Agency shall give the Issuer and the Trustee notice of any redemption by sending at least one such notice by first class United States mail not less than 45 and not more than 90 days prior to the date fixed for redemption.

All of said Obligations as to which the Governmental Agency reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given, and for the retirement of which, upon the terms aforesaid, funds are duly provided, will cease to bear interest on the redemption date.

Section 5. Obligations Payable Out of Gross Revenues on a Parity with Prior Bonds.

All of the Obligations and Prior Bonds, together with the interest thereon and such additional bonds ranking on a parity therewith heretofore issued and outstanding and that may be hereafter issued and outstanding from time to time under the conditions and restrictions hereinafter set forth, shall be payable out of the Bond Fund, as heretofore created in the Prior Bond Legislation and as hereinafter more specifically provided and shall be a valid claim of the holder thereof only against said fund and the fixed portion or amount of the gross income and revenues of the System of said Governmental Agency pledged to said fund.

Section 6. Compliance with Parity Coverage Requirements of the Prior Bond Legislation.

It is hereby declared that in accordance with the provisions of the Prior Bond Legislation, and prior to the issuance of any of the Obligations hereby authorized, there will be procured and filed with the Governmental Agency Clerk of said Governmental Agency any and all statements

or certifications for the purpose of having both principal and interest on the Prior Bonds and the Obligations hereby authorized payable on a parity from the income and revenues of said System with said outstanding Prior Bonds.

Section 7. Flow of Funds.

All proceedings preliminary to and in connection with the issuance of the Prior Bonds, whereby provision was made for the receipt, custody, and application of the proceeds of the Prior Bonds; for the operation of said System on a revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; and for the enforcement and payment of the Prior Bonds; and all other covenants for the benefit of the bondholders set out in the Prior Bond Legislation, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Bonds, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, after the issuance of the Obligations, the income and revenues of the System shall be collected, segregated, accounted for, and distributed as follows:

A. Revenue Fund. The Governmental Agency covenants and agrees that it will continue to deposit in the Revenue Fund, promptly as received from time to time, all revenues of the System, as same may be extended and improved from time to time. The moneys in the Revenue Fund shall continue to be used, disbursed and applied by the Governmental Agency only for the purpose and in the manner and order of priorities specified in the Prior Bond Legislation, as hereinafter modified by this Assistance Agreement, all as permitted by the Act, and in accordance with previous contractual commitments.

B. Bond Fund. It is hereby recognized that the Governmental Agency is obligated upon the issuance of the Obligations to provide for additional debt service requirements of the Obligations.

There shall be transferred from the Revenue Fund and deposited into the Bond Fund on or before the 20th day of each month, for payment of interest on and principal of the Outstanding Bonds, including the Obligations, a sum equal to the total of the following:

- (1) An amount equal to one-sixth (1/6) of the next succeeding six-month interest payment to become due on the Outstanding Bonds, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Outstanding Bonds maturing on the next succeeding principal payment date.

If the Governmental Agency for any reason shall fail to make any monthly deposit as required, then an amount equal to the deficiency shall be set apart and deposited into the Bond Fund out of the first available revenues in the ensuing months, which amount shall be in addition to the monthly deposit otherwise required during such succeeding months. Whenever there shall accumulate in the Bond Fund amounts in excess of the requirements during the next twelve months for paying the principal of and interest due on the Outstanding Bonds, as same fall due, such excess may be used for redemption or prepayment of any Outstanding Bonds, subject to the terms and conditions set forth therein, prior to maturity.

Said Sinking Fund shall be used solely and only and is hereby pledged for the purpose of paying the principal of and interest on the Obligations and Prior Bonds.

In the event additional Parity Bonds are issued pursuant to the conditions and restrictions hereinafter prescribed, the monthly deposits to the Sinking Fund shall be increased to provide for payment of interest thereon and the principal thereof as the same respectively become due.

C. Operation and Maintenance Fund. There shall next be transferred monthly from the Revenue Fund and deposited into said Operation and Maintenance Fund, sums sufficient to meet the current expenses of operating and maintaining the System. The balance maintained in said Operation and Maintenance Fund shall not be in excess of the amount required to cover anticipated System expenditures for a two-month period pursuant to the Governmental Agency's annual budget.

D. Surplus Funds. Subject to the provisions for the disposition of the income and revenues of the System as set forth hereinabove, which provisions are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred, within sixty days after the end of each fiscal year, the balance of excess funds in the Revenue Fund on such date, to a depreciation fund for application in accordance with the terms of this Assistance Agreement or to the Bond Fund to be applied to the maximum extent feasible, to the prompt purchase or redemption of Outstanding Bonds.

Provided, however, notwithstanding anything to the contrary in any Prior Bond Legislation, the Governmental Agency shall be allowed a credit to the extent of moneys on deposit in the Program Reserve Fund for the purpose of meeting any parity requirements in any Prior Bond Legislation; subject however, to the limitation that moneys in the Program Reserve Fund may only be used to make payments of the Government Agency due under this Assistance Agreement, if necessary, and; provided further, that the Trustee may not seek payment for any reserve funds held by the Governmental Agency under any Prior Bond Legislation for payment of any amounts due from the Governmental Agency under this Assistance Agreement.

Section 8. Disposition of Proceeds of the Obligations; Governmental Agency Account.

Upon (i) the execution of this Assistance Agreement, (ii) the delivery of this Assistance Agreement to the Trustee, (iii) certification of the Compliance Group that the Loan is to be accepted in the Program, and (iv) upon receipt by the Governmental Agency of the proceeds of the Obligations, the proceeds shall be applied as follows:

(a) *Disposition of the Proceeds.* There shall first be deducted and paid from the proceeds of the Obligations the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

The balance shall be deposited to the Governmental Agency Account to be used for the Project.

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Gallatin County Water District Governmental Agency Account" (the "Governmental Agency Account") has been created and maintained by the Trustee pursuant to the Indenture; and such amount on deposit in said Governmental Agency Account shall be transferred to the Rural Development of the Department of Agriculture of the United States of America, the holder of the Refunded Bonds, as may be required:

(1) To pay the accrued interest on the Refunded Bonds to and including July 13, 2017; and

(2) To redeem on July 13, 2017 at a price equal to 100% of principal amount the Refunded Bonds that as of that date have not been redeemed, retired or otherwise paid, thereby defeasing the pledge of revenues and the property securing the Refunded Bonds.

Investment income derived from investment of the Governmental Agency Account, which shall be invested in Permitted Investments in accordance with this Assistance Agreement, shall, as received, be deposited in the Governmental Agency Account.

The Trustee shall be obligated to send written notice to the Governmental Agency of the need for investment directions if and whenever funds in excess of \$50,000 shall remain uninvested for a period of more than five days. In the absence of written direction from the Governmental Agency with respect to investment of moneys held in the Governmental Agency Account, the Trustee is hereby directed to invest funds in money market mutual funds of the Trustee or its affiliates that qualify as Permitted Investments under this Assistance Agreement.

No expenditure shall be made from the Governmental Agency Account except for proper and authorized expenses relating to the Project as approved by the Governmental Agency.

After completion of the Project, any balance then remaining on deposit in the Governmental Agency Account shall, subject to any and all applicable legal provisions and applicable arbitrage regulations necessary to assure the exemption of interest on the Obligations from Federal income taxation, upon orders of the Governing Body, be transferred to the Bond Fund, to be used for the purposes thereof.

Section 9. Arbitrage Limitations.

(a) The Governmental Agency covenants that neither the proceeds of the Obligations, nor "Non-Exempt Revenues" of the System, as defined below, will be invested in investments that will produce a net adjusted yield in excess of the net interest cost (effective yield) of the Obligations, if such investment would cause such Obligations to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, as amended, and the applicable regulations thereunder; provided, however, that such proceeds and/or revenues may be invested

to whatever extent and whenever the Code and/or applicable regulations permit same to be invested without causing the Obligations to be treated as "arbitrage bonds."

(b) "Non-Exempt Revenues" within the meaning of the foregoing shall be deemed to refer to revenues of the System deposited in any of the funds earmarked for or reasonably expected to be used for the payment of debt service on the Obligations, in excess of "Exempt Revenues," which Exempt Revenues are:

(1) amounts deposited in the Bond Fund for the purpose of paying debt service on any Obligations against the System within thirteen (13) months from the date of deposit; and

(2) amounts deposited in a depreciation fund or any similar reserve for replacements, reasonably expected to be used for extensions, additions, improvements or replacements to the System, and not reasonably expected to be used to pay debt service (even if pledged to be used to pay debt service in the event of the unexpected inadequacy of other funds pledged for that purpose).

(c) If, and to the extent that any Non-Exempt Revenues are on deposit and are available for investment by reason of the foregoing, such funds shall be subject to the investment limitations set out in Subsection (a) above.

(d) On the basis of information furnished to the Governmental Agency, on known facts, circumstances and reasonable expectations on the date of enactment of this Assistance Agreement, the Governmental Agency certifies as follows:

(1) That it is not expected or contemplated that the proceeds of the Obligations will be used or invested in any manner which will cause any of the Obligations to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder.

(2) That it is not expected or contemplated that the Governmental Agency will make any use of the proceeds of the Obligations, which, if such use had been reasonably anticipated on the date of issuance of the Obligations, would have caused the Obligations to be arbitrage bonds.

(3) That it is expected and contemplated that the Governmental Agency will comply with (i) all of the requirements of Section 148 of the Code; and (ii) all of the requirements of the applicable regulations thereunder, to whatever extent is necessary to assure that the Obligations will not be treated as arbitrage bonds.

(4) That it is anticipated that amounts on deposit in the Bond Fund will be used within 13 months from the date of deposit for the payment of debt service on the outstanding Obligations and all Prior Bonds payable from said Bond Fund.

(5) That amounts accumulated in the Bond Fund shall not exceed the limitations set forth in this Assistance Agreement.

(6) That it is not reasonably anticipated that amounts accumulated in a depreciation fund will be used for payment of debt service on any bonds payable from the revenues of the System, even though such depreciation fund will be so available if necessary to prevent a default in the payment of principal and interest on such bonds.

Prior to or at the time of delivery of the Obligations, the Governmental Agency Chief Executive and/or the Governmental Agency Treasurer are authorized to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated investment of the proceeds of the Obligations, including the execution of necessary and/or desirable certifications of the type contemplated by the Code and applicable regulations, as amended, in order to assure that interest on the Obligations will be exempt from all federal income taxes and that the Obligations will not constitute or be treated as arbitrage bonds.

Section 10. Parity Bonds.

The Obligations shall not be entitled to priority one over the other in the application of the income and revenues of the System, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations, regardless of the fact they may be actually issued and delivered at different times, and provided further that the lien and security of and for any bonds or obligations hereafter issued that are payable from the income and revenues of the System, shall, except as set out herein, be subject to the priority of the Prior Bonds and the Obligations as may from time to time be outstanding; provided the Governmental Agency has in said Prior Bond Legislation reserved the right and privilege, and does hereby reserve the right and privilege, of issuing additional bonds from time to time payable from the income and revenues of the System ranking on a parity with the Prior Bonds and with the Obligations, but only under the conditions specified in the Prior Bond Legislation, which conditions are hereinafter repeated, taking into account the issuance of the Obligations.

The Governmental Agency reserves the right to finance future extensions, additions, and/or improvements to the System by the issuance of one or more additional series of bonds to be secured by a parity lien on and ratably payable from the revenues of the System pledged to the Prior Bonds and the Obligations, provided:

(a) The facility or facilities to be constructed from the proceeds of the additional parity bonds is or are made a part of the System and its or their revenues are pledged as additional security for the additional parity bonds and the outstanding Prior Bonds and Obligations.

(b) The Governmental Agency is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds.

(c) The annual net revenues (defined as gross revenues less operating expenses), of the then existing System for the Fiscal Year preceding the year in which such Parity Bonds are to

be issued, adjusted as hereinafter provided, shall be certified by an independent Certified Public Accountant to be equal at least one hundred twenty percent (120%) of the average annual debt service requirements for principal and interest on all Outstanding Bonds payable from the revenues of the System, plus the anticipated debt service requirements of any Parity Bonds then proposed to be issued. The calculation of average annual debt service requirements of principal and interest on the additional Parity Bonds to be issued shall, regardless of whether such additional Parity Bonds are to be serial or term bonds, be determined on the basis of the principal of and interest on such Parity Bonds being payable in approximately equal annual installments.

(d) The "annual net revenues" referred to above may be adjusted for the purpose of the foregoing computations to reflect:

(1) any revisions in the System's schedule of rates or charges being imposed on or before the time of the issuance of any such additional Parity Bonds, and

(2) any increase in the annual net revenues to be realized, within 12 months of the completion of the Project, from the proposed extensions, additions and improvements being financed (in whole or in part) by such additional Parity Bonds;

provided all such adjustments shall be based upon and included in a certification of an Independent Consulting Engineer.

(e) The Governmental Agency hereby covenants and agrees that in the event any additional Parity Bonds are issued, the Governmental Agency shall:

(1) Adjust the monthly amount to be deposited into the Bond Fund on the same basis as that prescribed in the provisions establishing such Bond Fund, to reflect the annual debt service requirements of the additional Parity Bonds; and

(2) Adjust the minimum annual amount to be deposited monthly into the Bond Fund on the same basis as that prescribed in the provisions establishing such Bond Fund, taking into account the future debt service requirements of all first lien bonds which will then be outstanding against the System.

(f) The Governmental Agency reserves the right to issue parity bonds to refund or refinance any part or all of the Prior Bonds and the Obligations, provided that prior to the issuance of such additional parity bonds for that purpose, there shall have been procured and filed with the Governmental Agency Clerk a statement by a Certified Public Accountant, as defined herein, reciting the opinion based upon necessary investigation that:

(1) after the issuance of such Parity Bonds, the annual net revenues, as adjusted and defined above, of the then existing system for the fiscal year preceding the date of issuance of such Parity Bonds, after taking into account the revised debt service requirements resulting from the issuance of such Parity Bonds and from the elimination of the Bonds being refunded or refinanced thereby, are equal to not less than 120% of the average annual debt service requirements then scheduled to fall due in any fiscal year

thereafter for principal of and interest on all of the Outstanding Bonds payable from the revenues of the System, calculated in the manner specified above; or

(2) in the alternative, that the average annual debt service requirements for the Outstanding Bonds and the proposed refunding Parity Bonds, in any year of maturities thereof after the redemption of the Outstanding Bonds scheduled to be refunded through the issuance of such proposed refunding Parity Bonds, shall not exceed the average annual debt service requirements applicable to the then Outstanding Bonds for any year prior to the issuance of such proposed Parity Bonds and the redemption of the Bonds to be refunded, and without extending the maturities of such Parity Bonds beyond the maturities of the Outstanding Bonds to be refunded.

The additional Parity Bonds, the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds payable from the income and revenues of the System on a parity with the Outstanding Bonds and shall not be deemed to include nor to prohibit the issuance of any other obligations, the security and source of payment of which is subordinate and subject to the priority of the payments into the Sinking Fund for the Outstanding Bonds.

Section 11. Rates and Charges for Services of the System.

While the Obligations remain outstanding and unpaid, the rates for all services of the System rendered by the Governmental Agency to its citizens, corporations, or others requiring the same, shall be reasonable and just, taking into account and consideration the cost and value of said System, the cost of maintaining and operating the same, the proper and necessary allowances for depreciation thereof, and the amounts necessary for the retirement of the Outstanding Bonds and the accruing interest on all such Outstanding Bonds as may be outstanding under the provisions of this Assistance Agreement and the Prior Bond Legislation, and there shall be charged such rates and amounts as shall be adequate to meet all requirements of the provisions of this Assistance Agreement. Prior to the issuance of the Obligations a schedule of rates and charges for the services rendered by the System to all users adequate to meet all requirements of this Assistance Agreement has been established and adopted.

The Governmental Agency covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the Governmental Agency Clerk a certification of an Independent Consulting Engineer or a Certified Public Accountant that the "annual net revenues" (defined as gross revenues less operating expenses) of the then existing System for the fiscal year preceding the year in which such reduction is proposed, as such annual net revenues are adjusted, after taking into account the projected reduction in annual net revenues anticipated to result from any such proposed rate decrease, are equal to not less than 120% of the average annual debt service requirements for principal and interest on all of the then outstanding bonds payable from the revenues of the System, calculated in the manner specified in Section 10 hereof.

The Governmental Agency also covenants to cause a report to be filed with the Governing Body within four (4) months after the end of each fiscal year by Certified Public Accountants and/or Independent Consulting Engineers, setting forth what was the precise percentage ("coverage") of the average annual debt service requirements falling due in any fiscal

year thereafter for principal of and interest on all of the then Outstanding Bonds, produced or provided by the net revenues of the System in that fiscal year, calculated in the manner specified in Section 10 hereof; and the Governmental Agency covenants that if and whenever such report so filed shall establish that such coverage of annual net revenues for such year was less than 120% of the average annual debt service requirements falling due in any year thereafter for the principal of and interest on all of the then Outstanding Bonds, the Governmental Agency shall increase the rates by an amount sufficient, in the opinion of such Engineers and/or Accountants, to establish the existence of or immediate projection of, such minimum 120% coverage.

Section 12. All Obligations of this Issue Are Equal.

The Obligations authorized and permitted to be issued hereunder, and from time to time outstanding, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations, the Prior Bonds and any Parity Bonds authorized or permitted to be issued under the provisions of this Assistance Agreement, regardless of the fact that they may be actually issued and delivered at different times.

Section 13. Defeasance and/or Refunding of Obligations.

The Governmental Agency reserves the right, at any time, to cause the pledge of the revenues securing the outstanding Obligations to be defeased and released by paying an amount into an escrow fund sufficient, when invested (or sufficient without such investment, as the case may be) in cash and/or U.S. Obligations, to assure the availability in such escrow fund of an adequate amount (a) to call for redemption and to redeem and retire all of such outstanding Obligations, both as to principal and as to interest, on the next or any optional redemption date, including all costs and expenses in connection therewith, and to pay all principal and interest falling due on the outstanding Obligations to and on said date, or (b) to pay all principal and interest requirements on the outstanding Obligations as same mature, without redemption in advance of maturity, the determination of whether to defease under (a) or (b) or both to be made by the Governing Body. Such U.S. Obligations shall have such maturities as to assure that there will be sufficient funds for such purpose. If such defeasance is to be accomplished pursuant to (a), the Governmental Agency shall take all steps necessary to publish the required notice of the redemption of the outstanding Obligations and the applicable redemption date. Upon the proper amount of such investments being placed in escrow and so secured, such revenue pledge shall be automatically fully defeased and released without any further action being necessary.

Section 14. Contractual Nature of Assistance Agreement.

The provisions of this Assistance Agreement shall constitute a contract between the Governmental Agency and the Issuer; and after the issuance of any of such Obligations, no change, variation or alteration of any kind in the provisions of this Assistance Agreement, nor of the Prior Bond Legislation, shall be made in any manner except as herein or therein provided until such time as all of the Bonds authorized thereby and the interest thereon have been paid or provided for in full, or as otherwise provided herein; provided that the Governing Body may enact legislation for any other purpose not inconsistent with the terms of this Assistance Agreement, and which shall not impair the security of the Issuer and/or for the purpose of curing

any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any ordinance or other proceedings pertaining hereto.

Section 15. Appointment and Duties of Trustee.

The Trustee is hereby designated as the bond registrar and paying agent with respect to the Obligations.

Its duties as Trustee shall be as follows:

- (a) To register all of the Obligations in the names of the Issuer;
- (b) To cancel and destroy (or remit to the Governmental Agency for destruction, if so requested by the Governmental Agency) all exchanged, matured, retired and redeemed Obligations, and to maintain adequate records relevant thereto;
- (c) To remit, but only to the extent that all required funds are made available to the Trustee by the Governmental Agency, semiannual interest payments directly to the Issuer's accounts for the Program;
- (d) To notify the Issuer of any Obligations to be redeemed and to redeem Obligations prior to their stated maturity upon receiving sufficient funds; and
- (e) To supply the Governmental Agency with a written accounting evidencing the payment of interest on and principal of the Obligations within thirty (30) days following each respective due date.

The Trustee shall be entitled to the advice of counsel and shall be protected for any acts taken by it in good faith in reliance upon such advice. The Trustee shall not be liable for any actions taken in good faith and believed by it to be within its discretion or the power conferred upon it by this Assistance Agreement, or the responsibility for the consequences of any oversight or error in judgment.

The Trustee may at any time resign from its duties set forth in this Assistance Agreement by filing its resignation with the Governmental Agency Clerk and notifying the Issuer. Thereupon, the Issuer shall notify the Governmental Agency of a successor Trustee which shall be an incorporated bank or trust company authorized to transact business in the United States of America. Notwithstanding the foregoing, in the event of the resignation of the Trustee, provision shall be made for the orderly transition of the books, records and accounts relating to the Obligations to the successor Trustee in order that there will be no delinquencies in the payment of interest or principal due on the Obligations.

Section 16. Provisions in Conflict Repealed.

All ordinances, resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed; and it is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds payable or secured in any manner by all or any part of the income and revenues of the System, or any part thereof, and

which have not heretofore been issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered.

Section 17. Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.

In order to assure purchasers of the Obligations that interest thereon will continue to be exempt from federal and Kentucky income taxation (subject to certain exceptions set out below), the Governmental Agency covenants to and with the Issuer that (1) the Governmental Agency will take all actions necessary to comply with the provisions of the Code, (2) the Governmental Agency will take no actions which will violate any of the provisions of the Code, or would cause the Obligations to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Obligations will be used for any purpose which would cause the interest on the Obligations to become subject to federal income taxation, and the Governmental Agency will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Obligations.

The Governmental Agency reserves the right to amend this Assistance Agreement but only with the consent of the Issuer (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed necessary to assure that interest on the Obligations shall be exempt from federal income taxation, and (ii) to whatever extent shall be permissible (without jeopardizing such tax exemption or the security of such owners) to eliminate or reduce any restrictions concerning the investment of the proceeds of these Obligations, or the application of such proceeds or of the revenues of the System. The purchasers of these Obligations are deemed to have relied fully upon these covenants and undertakings on the part of the Governmental Agency as part of the consideration for the purchase of the Obligations. To the extent that the Governmental Agency obtains an opinion of nationally recognized bond counsel to the effect that non-compliance with any of the covenants contained in this Assistance Agreement or referred to in this Assistance Agreement would not subject interest on the Obligations to federal income taxes or Kentucky income taxes, the Governmental Agency shall not be required to comply with such covenants or requirements.

This Assistance Agreement is executed in contemplation that Bond Counsel will render an opinion as to exemption of principal of the Obligations from Kentucky ad valorem taxation and as to exemption of interest on the Obligations from federal and Kentucky income taxation, based on the assumption by Bond Counsel that the Governmental Agency complies with covenants made by the Governmental Agency with respect to compliance with the provisions of the Code, and based on the assumption of compliance by the Governmental Agency with requirements as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Obligations. The Governmental Agency has been advised that based on the foregoing assumptions of compliance, Bond Counsel is of the opinion that the Obligations are not "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 18. Insurance.

(a) *Fire and Extended Coverage.* If and to the extent that the System includes structures above ground level, the Governmental Agency shall, upon receipt of the proceeds of

the sale of the Obligations, if such insurance is not already in force, procure fire and extended coverage insurance on the insurable portion of all of the facilities of the System, of a kind and in such amounts as would ordinarily be carried by private companies or public bodies engaged in operating a similar utility.

The foregoing fire and extended coverage insurance shall be maintained so long as any of the Obligations are outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percent (80%) of the full insurable value of the damaged facility.

In the event of any damage to or destruction of any part of the System the Governmental Agency shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof.

(b) *Liability Insurance on Facilities.* So long as any of the Obligations are outstanding, the Governmental Agency shall procure and maintain public liability insurance relating to the operation of the facilities of the System, with limits of not less than \$200,000 for one person and \$1,000,000 for more than one person involved in one accident, to protect the Governmental Agency from claims for bodily injury and/or death; and not less than \$200,000 from claims for damage to property of others which may arise from the Governmental Agency's operations of the System and any other facilities constituting a portion of the System.

(c) *Vehicle Liability Insurance.* If and to the extent that the Governmental Agency owns or operates vehicles in the operation of the System, upon receipt of the proceeds of the Obligations, the Governmental Agency shall, if such insurance is not already in force, procure and maintain, so long as any of the Obligations are outstanding, vehicular public liability insurance with limits of not less than \$200,000 for one person and \$1,000,000 for more than one person involved in one accident, to protect the Governmental Agency from claims for bodily injury and/or death, and not less than \$200,000 against claims for damage to property of others which may arise from the operation of such vehicles by the Governmental Agency.

Section 19. Events of Default; Remedies.

The following items shall constitute an "Event of Default" on the part of the Governmental Agency:

(a) The failure to pay principal on the Obligations when due and payable, either at maturity or by proceedings for redemption;

(b) The failure to pay any installment of interest on the Obligations when the same shall become due and payable;

(c) The failure of the Governmental Agency to fulfill any of its obligations pursuant to this Assistance Agreement and to cure any such failure within 30 days after receipt of written notice of such failure; and/or

(d) The failure to promptly repair, replace or reconstruct essential facilities of the System after any major damage and/or destruction thereof.

Upon the occurrence of an Event of Default, the Issuer or the Trustee on its behalf, as owner of the Obligations, may enforce and compel the performance of all duties and obligations of the Governmental Agency as set forth herein. Upon the occurrence of an Event of Default, then, upon the filing of suit by the Trustee or the Issuer, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Governmental Agency, with power to charge and collect rates sufficient to provide for the payment of the principal of and interest on the Obligations, and for the payment of operation and maintenance expenses of the System, and to provide and apply the income and revenues in conformity with this Assistance Agreement and with the laws of the Commonwealth of Kentucky.

In addition to and apart from the foregoing, upon the occurrence of an Event of Default, the owner of any of the Obligations may require the Governmental Agency by demand, court order, injunction, or otherwise, to raise all applicable rates charged for services of the System a reasonable amount, consistent with the requirements of this Assistance Agreement.

Section 20. Annual Reports.

The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the Fiscal Year ended December 31, 2017) and such other financial information and/or operating data as requested by the Issuer or the Compliance Group.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each Fiscal Year.

Section 21. Supplemental Assistance Agreement.

The Governmental Agency may, but only with the consent of the Issuer, execute one or more supplemental Assistance Agreements as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Assistance Agreement;
- (b) to subject to the lien and pledge of this Assistance Agreement additional revenues, properties, or collateral which may legally be subjected;
- (c) to add to the conditions, limitations and restrictions on the issuance of bonds, other conditions, limitations and restrictions thereafter to be observed;
- (d) to add to the covenants and agreements of the Governmental Agency in this Assistance Agreement, other covenants and agreements thereafter to be incurred by the Governmental Agency or to surrender any right or power herein reserved to or conferred upon the Governmental Agency;

(e) to effect the issuance of additional Parity Bonds; and/or

(f) to modify the terms and conditions of this Assistance Agreement at the request of the Issuer in order to assist the Issuer in operating the Program or to maintain any rating the Issuer may have on its Program obligations.

Section 22. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 23. Waivers.

In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 24. Agreement to Pay Attorneys' Fees and Expenses.

In the event that either party hereto shall become in default under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefore to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

Section 25. Signatures of Officers.

If any of the officers whose signatures or facsimile signatures appear on this Assistance Agreement or any other document evidencing the Obligations cease to be such officers before delivery of the Obligations, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery, as provided by KRS 58.040 and KRS 61.390.

Section 26. Severability Clause.

If any section, paragraph, clause or provision of this Assistance Agreement shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Assistance Agreement.

[Signature page follows]

the sale of the Obligations, if such insurance is not already in force, procure fire and extended coverage insurance on the insurable portion of all of the facilities of the System, of a kind and in such amounts as would ordinarily be carried by private companies or public bodies engaged in operating a similar utility.

The foregoing fire and extended coverage insurance shall be maintained so long as any of the Obligations are outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percent (80%) of the full insurable value of the damaged facility.

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(c) Vehicle Liability Insurance. If and to the extent that the Governmental Agency owns or operates vehicles in the operation of the System, upon receipt of the proceeds of the Obligations, the Governmental Agency shall, if such insurance is not already in force, procure and maintain, so long as any of the Obligations are outstanding, vehicular public liability insurance with limits of not less than \$200,000 for one person and \$1,000,000 for more than one person involved in one accident, to protect the Governmental Agency from claims for bodily injury and/or death, and not less than \$200,000 against claims for damage to property of others which may arise from the operation of such vehicles by the Governmental Agency.

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(c) The failure of the Governmental Agency to fulfill any of its obligations pursuant to this Assistance Agreement and to cure any such failure within 30 days after receipt of written notice of such failure; and/or

(d) The failure to promptly repair, replace or reconstruct essential facilities of the System after any major damage and/or destruction thereof.

Upon the occurrence of an Event of Default, the Issuer or the Trustee on its behalf, as owner of the Obligations, may enforce and compel the performance of all duties and obligations of the Governmental Agency as set forth herein. Upon the occurrence of an Event of Default, then, upon the filing of suit by the Trustee or the Issuer, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Governmental Agency, with power to charge and collect rates sufficient to provide for the payment of the principal of and interest on the Obligations, and for the payment of operation and maintenance expenses of the System, and to provide and apply the income and revenues in conformity with this Assistance Agreement and with the laws of the Commonwealth of Kentucky.

In addition to and apart from the foregoing, upon the occurrence of an Event of Default, the owner of any of the Obligations may require the Governmental Agency by demand, court order, injunction, or otherwise, to raise all applicable rates charged for services of the System a reasonable amount, consistent with the requirements of this Assistance Agreement.

Section 20. Annual Reports.

The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the Fiscal Year ended December 31, 2017) and such other financial information and/or operating data as requested by the Issuer or the Compliance Group.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each Fiscal Year.

Section 21. Supplemental Assistance Agreement.

The Governmental Agency may, but only with the consent of the Issuer, execute one or more supplemental Assistance Agreements as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Assistance Agreement;
- (b) to subject to the lien and pledge of this Assistance Agreement additional revenues, properties, or collateral which may legally be subjected;
- (c) to add to the conditions, limitations and restrictions on the issuance of bonds, other conditions, limitations and restrictions thereafter to be observed;
- (d) to add to the covenants and agreements of the Governmental Agency in this Assistance Agreement, other covenants and agreements thereafter to be incurred by the Governmental Agency or to surrender any right or power herein reserved to or conferred upon the Governmental Agency;

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Gallatin County Water District has caused this Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By William Ballard
President

Attest:

By _____
Secretary/Treasurer

GALLATIN COUNTY WATER DISTRICT

By _____
Chairman

Attest:

By _____
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Gallatin County Water District has caused this Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By  _____
Secretary/Treasurer

GALLATIN COUNTY WATER DISTRICT

By _____
Chairman

Attest:

By _____
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Gallatin County Water District has caused this Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By _____
Secretary/Treasurer

GALLATIN COUNTY WATER DISTRICT

By *Vic Satorwee*
Chairman

Attest:

By *Jimmy Wilson*
Secretary

EXHIBIT A

Debt Service Schedule

KRWFC Flexible Term Program Series 2017 A
Sinking Fund Payment Schedule

Borrower: Gallatin County Water District
Closing Date: 07/11/17

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
8/17-1/18	4,166.67	4,144.45	8,311.11
2/18-7/18	4,583.33	3,642.50	8,225.83
8/18-1/19	4,583.33	3,642.50	8,225.83
2/19-7/19	5,000.00	3,450.00	8,450.00
8/19-1/20	5,000.00	3,450.00	8,450.00
2/20-7/20	5,000.00	3,240.00	8,240.00
8/20-1/21	5,000.00	3,240.00	8,240.00
2/21-7/21	5,416.67	3,030.00	8,446.67
8/21-1/22	5,416.67	3,030.00	8,446.67
2/22-7/22	5,416.67	2,802.50	8,219.17
8/22-1/23	5,416.67	2,802.50	8,219.17
2/23-7/23	5,416.67	2,575.00	7,991.67
8/23-1/24	5,416.67	2,575.00	7,991.67
2/24-7/24	5,833.33	2,347.50	8,180.83
8/24-1/25	5,833.33	2,347.50	8,180.83
2/25-7/25	6,250.00	2,102.50	8,352.50
8/25-1/26	6,250.00	2,102.50	8,352.50
2/26-7/26	6,666.67	1,840.00	8,506.67
8/26-1/27	6,666.67	1,840.00	8,506.67
2/27-7/27	6,666.67	1,560.00	8,226.67
8/27-1/28	6,666.67	1,560.00	8,226.67
2/28-7/28	5,000.00	1,346.67	6,346.67
8/28-1/29	5,000.00	1,346.67	6,346.67
2/29-7/29	5,000.00	1,186.67	6,186.67
8/29-1/30	5,000.00	1,186.67	6,186.67
2/30-7/30	5,416.67	1,026.67	6,443.33
8/30-1/31	5,416.67	1,026.67	6,443.33
2/31-7/31	5,416.67	846.56	6,263.23
8/31-1/32	5,416.67	846.56	6,263.23
2/32-7/32	3,333.33	666.46	3,999.79
8/32-1/33	3,333.33	666.46	3,999.79
2/33-7/33	3,750.00	551.46	4,301.46
8/33-1/34	3,750.00	551.46	4,301.46
2/34-7/34	3,750.00	422.08	4,172.08
8/34-1/35	3,750.00	422.08	4,172.08
2/35-7/35	2,083.33	292.71	2,376.04
8/35-1/36	2,083.33	292.71	2,376.04
2/36-7/36	2,083.33	220.83	2,304.17
8/36-1/37	2,083.33	220.83	2,304.17
2/37-7/37	2,083.33	148.96	2,232.29
8/37-1/38	2,083.33	148.96	2,232.29
2/38-7/38	2,083.33	77.08	2,160.42
8/38-1/39	2,083.33	77.08	2,160.42
	<u>1,180,000.00</u>	<u>425,380.43</u>	<u>1,605,380.43</u>

Attachment No. 8c

ASSISTANCE AGREEMENT
BETWEEN
KENTUCKY RURAL WATER FINANCE CORPORATION
AND
GALLATIN COUNTY WATER DISTRICT
DATED
MARCH 17, 2020
IN THE AMOUNT OF \$1,590,000

This document was prepared by:

RUBIN & HAYS
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525

By

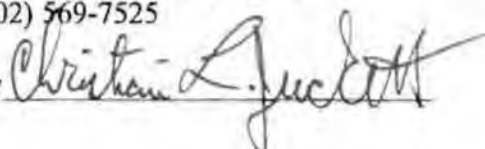


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EXHIBIT A - Debt Service Schedule

ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of March 17, 2020 (the "Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Gallatin County Water District, 4500 Highway 455, Sparta, Kentucky 41086 (the "Governmental Agency"):

WITNESSETH

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the "Program") designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued, in various series, its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program) (the "Bonds") pursuant to a Trust Indenture dated as of April 4, 2001, as supplemented from time to time (collectively, the "Indenture") between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to assistance agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020C (the "Series 2020C Bonds") in the aggregate principal amount of \$12,160,000, pursuant to a Supplemental Trust Indenture No. 75, dated as of March 17, 2020 by and between the Issuer and the Trustee, which Series 2020C Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency has outstanding its: Gallatin County Water District Water Revenue Bonds of 2006 Series A and B, dated May 21, 2007, in the original principal amount of \$1,394,000 (Series A) and \$500,000 (Series B)(the "Refunded Bonds"), which bonds were issued by the Governmental Agency for the benefit of the Governmental Agency's water distribution system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to currently refund the Refunded Bonds, in order to effect substantial debt service savings (the "Refunding Program"), and the Issuer has determined that the Refunding Program is a project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Issuer; and

WHEREAS, the Governmental Agency has designated the Issuer as its instrumentality and agency; and

WHEREAS, pursuant to this Assistance Agreement the Governmental Agency will proceed with the Refunding Program; and

WHEREAS, in and by the Prior Bond Legislation (as hereinafter defined), the right and privilege was reserved by the Governmental Agency under conditions and restrictions set out in said Prior Bond Legislation, of issuing additional bonds from time to time, payable from the income and revenues of the System and ranking on a parity with the Governmental Agency's outstanding Prior Bonds (as hereinafter defined), for the purpose, among other things, of financing the costs of extensions, additions and improvements to the System and refinancing certain outstanding indebtedness, which conditions and restrictions are found to currently exist and prevail so as to permit the issuance of certain proposed additional bonds so as to rank, when issued, on a parity with the outstanding Prior Bonds; and

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the "Loan") in the amount of \$1,590,000, to provide funds for the Refunding Program, and to reaffirm the conditions and restrictions under which similar bonds or obligations may be subsequently issued ranking on a parity therewith; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, and under the provisions of the Prior Bond Legislation, the Governmental Agency is authorized to enter into this Assistance Agreement and to borrow the Loan to provide such funds for the purpose aforesaid; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Refunding Program upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this Assistance Agreement pursuant to the terms of the Act and the Indenture and to set forth their respective duties, rights, covenants, and obligations with respect to the financing of the Refunding Program subject to the repayment of the Loan and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

Section I. Definitions.

As used in this Assistance Agreement, unless the context requires otherwise:

"2006 Bond Legislation" refers to the Resolution authorizing the Series 2006 Bonds, duly adopted by the Governing Body on September 25, 2006.

"Act" refers to Chapters 58 and 74 of the Kentucky Revised Statutes.

"Assistance Agreement" refers to this Assistance Agreement authorizing the Loan.

"Bond Counsel" refers to Rubin & Hays, Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202, or any other nationally recognized individual or firm in the field of municipal bond law.

"Bond Fund" refers to the Gallatin County Water District Revenue Bond and Interest Sinking Fund described in the Prior Bond Legislation, which will be maintained for the benefit of the System.

"Bondowner", "Owner", "Bondholder" means and contemplates, unless the context otherwise indicates, the registered owner of one or more of the Bonds at the time issued and outstanding hereunder.

"Bonds" refers to the Loan, the Prior Bonds and any additional Parity Bonds.

"Certified Public Accountants" refers to an independent Certified Public Accountant or firm of Certified Public Accountants, duly licensed in Kentucky and knowledgeable about the affairs of the System and/or of other Governmental Agency financial matters.

"Chairman" refers to the Chairman of the Governmental Agency.

"Code" refers to the United States Internal Revenue Code of 1986, as amended, and any regulations issued thereunder.

"Compliance Group" refers to the Compliance Group identified and defined in the Indenture.

"Engineer" or *"Independent Consulting Engineer"* refers to an Independent Consulting Engineer or firm of Engineers of excellent national reputation or of recognized excellent reputation in Kentucky in the fields of waterworks and sewer engineering.

"Fiscal Year" refers to the annual accounting period of the Governmental Agency, beginning on January 1, and ending on December 31, of each year.

"Funds" refers collectively to the Bond Fund, the Revenue Fund, the Operation and Maintenance Fund, and the Governmental Agency Account.

“*Governing Body*” means the Board of Commissioners of the Governmental Agency or such other body as shall be the governing body of said Governmental Agency under the laws of Kentucky at any given time.

“*Governmental Agency*” refers to the Gallatin County Water District, 4500 Highway 455, Sparta, Kentucky 41086.

“*Indenture*” means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 75, dated March 17, 2020, by and between the Issuer and the Trustee.

“*Interest Payment Date*” shall mean the 1st day of each month, commencing April 1, 2020 and continuing through and including January 1, 2047 or until the Loan has been paid in full.

“*Issuer*” refers to the Kentucky Rural Water Finance Corporation, Bowling Green, Kentucky.

“*KIA Loan*” refers to loan from the Kentucky Infrastructure Authority to the Governmental Agency, dated June 1, 2001, in the original principal amount of \$744,796.

“*Loan*” refers to the loan authorized by this Assistance Agreement in the principal amount of \$1,590,000, maturing January 1, 2047.

“*Operation and Maintenance Fund*” refers to the Gallatin County Water District Operation and Maintenance Fund described in the Prior Bond Legislation, which will be maintained for the benefit of the System.

“*Outstanding Bonds*” refers collectively to all outstanding Prior Bonds, the Loan and any outstanding Parity Bonds, and does not refer to any bonds that have been defeased.

“*Parity Bonds*” means bonds issued in the future, which will, pursuant to the provisions of this Assistance Agreement, rank on a basis of parity with the Loan and shall not be deemed to include, nor to prohibit the issuance of, bonds ranking inferior in security to the Loan.

“*Permitted Investments*” refers to investments of funds on deposit in the various funds created herein and includes:

(a) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in Kentucky;

(b) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but

not limited to:

1. United States Treasury;
2. Export-Import Bank of the United States;
3. Farmers Home Administration;
4. Government National Mortgage Corporation; and
5. Merchant Marine bonds;

(c) Obligations of any corporation of the United States government, including but not limited to:

1. Federal Home Loan Mortgage Corporation;
2. Federal Farm Credit Banks;
3. Bank for Cooperatives;
4. Federal Intermediate Credit Banks;
5. Federal Land Banks;
6. Federal Home Loan Banks;
7. Federal National Mortgage Association; and
8. Tennessee Valley Authority;

(d) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4) ;

(e) Uncollateralized certificates of deposit issued by any bank or savings and loan institution having a physical presence in Kentucky rated in one (1) of the three (3) highest categories by a competent rating agency;

(f) Bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a competent rating agency;

(g) Commercial paper rated in the highest category by a competent rating agency;

(h) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;

(i) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a competent rating agency;

(j) Shares of mutual funds and exchange traded funds, each of which shall have the following characteristics:

1. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
2. The management company of the investment company shall have been in operation for at least five (5) years; and
3. All of the securities in the mutual fund shall be eligible investments pursuant to this section;

(k) Individual equity securities if the funds being invested are managed by a professional investment manager regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed twenty-five percent (25%) of the equity allocation; and

(l) Individual high-quality corporate bonds that are managed by a professional investment manager that:

1. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
2. Have a standard maturity of no more than ten (10) years; and
3. Are rated in the three (3) highest rating categories by at least two (2) competent credit rating agencies.

(m) Any other lawful investment authorized by the Kentucky Revised Statutes to be utilized by local governments with a rating equal to or higher than the rating of the Bonds, as rated by each rating agency then rating the Bonds, including an investment agreement with investment agreement provider whose obligations have a current rating at least equal to the rating on the Bonds.

"Prior Bond Legislation" refers to the Series 2017A Assistance Agreement.

"Prior Bonds" refers to the Series 2017A Loan.

"Program" refers to the Issuer's Public Projects Flexible Term Program designed to provide financing for the expansion, addition and improvement of public projects for governmental entities.

"Program Administrator" refers to the Kentucky Rural Water Association, Inc., Bowling Green, Kentucky.

"Program Reserve Fund" refers to the Reserve Fund created and established pursuant to Section 4.2 of the Indenture.

"Refunded Bonds" refers to the outstanding Series 2006 Bonds.

“Refunding Program” refers to financing the cost to currently refund the Refunded Bonds, with the proceeds of the Loan.

“Revenue Fund” refers to the Gallatin County Water District Waterworks Revenue Fund described in the Prior Bond Legislation, which will be maintained for the benefit of the System.

“Secretary” refers to the Secretary of the Governmental Agency.

“Series 2006 Bonds” refers to the outstanding Gallatin County Water District Water Revenue Bonds of 2006 Series A and B, dated May 21, 2007, in the original principal amount of \$1,394,000 (Series A) and \$500,000 (Series B).

“Series 2017A Assistance Agreement” refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated July 11, 2017, authorizing the loan in the principal amount of \$1,180,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2017A.

“Series 2017A Loan” refers to the loan to the Governmental Agency in the principal amount of \$1,180,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2017A.

“System” refers to the Governmental Agency’s water distribution system, together with all future extensions, additions and improvements to said System.

“Treasurer” refers to the Treasurer of the Governmental Agency.

“Trustee” refers to Regions Bank, Nashville, Tennessee.

“U.S. Obligations” refers to bonds, notes, or Treasury Bills, which are direct obligations of the United States of America or obligations fully guaranteed by the United States of America, including book-entry obligations of the United States Treasury-State and Local Government Series, and Trust Receipts representing an ownership interest in direct obligations of the United States.

Section 2. Reaffirmation of Declaration of Water Distribution System.

That all proceedings heretofore taken for the establishment of and the supplying of water service in and to said Governmental Agency as a water distribution system are hereby in all respects ratified and confirmed; and so long as the Loan hereinafter authorized or permitted to be issued remain outstanding, said System shall be owned, controlled, operated and maintained for the security and source of payment of the Loan. Said System is hereby declared to constitute a public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

Section 3. Authorization of Loan; Place of Payment; Manner of Execution.

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes the borrowing of \$1,590,000 from the Program, for the purpose of providing funds for the Refunding Program.

Said Loan shall mature in such principal amounts and shall bear interest as set forth in **Exhibit A** attached hereto.

The principal of, redemption price, if any, and interest on the Loan shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Bond Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Debit Direct Payment Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Debit Direct Payment Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Bond Fund, the amounts set forth as sinking fund payments on Exhibit A attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Loan and any other payments due under this Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on Exhibit A attached hereto, pursuant to the ACH Debit Direct Payment Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

Section 4. Redemption.

(a) *Optional Redemption.* Subject to the prior written approval of the Compliance Group, the principal payments on the Loan due on or after January 1, 2029 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2028 at a redemption price equal to 100% of the principal amount of the Loan payments called for redemption, plus unpaid interest accrued to the date of redemption.

In the event that the Governmental Agency desires to optionally redeem a portion of its Loan, such redemption shall be in a denomination equal to \$5,000 or any integral multiple thereof.

(b) *Notice of Redemption.* The Governmental Agency shall give the Issuer and the Trustee notice of any redemption by sending at least one such notice by first class United States mail not less than 45 and not more than 90 days prior to the date fixed for redemption.

All of said Loan as to which the Governmental Agency reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given, and for the retirement of which, upon the terms aforesaid, funds are duly provided, will cease to bear interest on the redemption date.

Section 5. Loan Payable Out of Gross Revenues on a Parity with Prior Bonds.

The Loan and the Prior Bonds, together with the interest thereon and such additional bonds ranking on a parity therewith heretofore issued and outstanding and that may be hereafter issued and outstanding from time to time under the conditions and restrictions hereinafter set forth, shall be payable out of the Bond Fund, as heretofore created in the Prior Bond Legislation and as hereinafter more specifically provided and shall be a valid claim of the holder thereof only against said fund and the fixed portion or amount of the income and gross revenues of the System of said Governmental Agency pledged to said fund.

Section 6. Compliance with Parity Coverage Requirements of the Prior Bond Legislation.

It is hereby declared that in accordance with the provisions of the Prior Bond Legislation, and prior to the issuance of the Loan herein authorized, there will be procured and filed with the Governmental Agency Clerk of said Governmental Agency any and all statements or certifications for the purpose of having both principal and interest on the Prior Bonds and the Loan payable on a parity from the income and revenues of said System with said outstanding Prior Bonds.

Section 7. Flow of Funds.

All proceedings preliminary to and in connection with the issuance of the Prior Bonds, whereby provision was made for the receipt, custody, and application of the proceeds of the Prior Bonds; for the operation of said System on a revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; and for the enforcement and payment of the Prior Bonds; and all other covenants for the benefit of the bondholders set out in the Prior Bond Legislation, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Bonds, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, after the issuance of the Loan, the income and revenues of the System shall be collected, segregated, accounted for, and distributed as follows:

A. Revenue Fund. The Governmental Agency covenants and agrees that it will continue to deposit in the Revenue Fund, promptly as received from time to time, all revenues of the System, as same may be extended and improved from time to time. The moneys in the Revenue Fund shall continue to be used, disbursed and applied by the Governmental Agency only for the purpose and in the manner and order of priorities specified in the Prior Bond Legislation, as hereinafter modified by this Assistance Agreement, all as permitted by the Act, and in accordance with previous contractual commitments.

B. Bond Fund. It is hereby recognized that the Governmental Agency is obligated upon the issuance of the Loan to provide for additional debt service requirements of the Loan.

There shall be transferred from the Revenue Fund and deposited into the Bond Fund on or before the 20th day of each month, for payment of interest on and principal of the Outstanding Bonds, including the Loan, a sum equal to the total of the following:

- (1) An amount equal to one-sixth (1/6) of the next succeeding six-month interest payment to become due on the Outstanding Bonds, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Outstanding Bonds maturing on the next succeeding principal payment date.

If the Governmental Agency for any reason shall fail to make any monthly deposit as required, then an amount equal to the deficiency shall be set apart and deposited into the Bond Fund out of the first available revenues in the ensuing months, which amount shall be in addition to the monthly deposit otherwise required during such succeeding months. Whenever there shall accumulate in the Bond Fund amounts in excess of the requirements during the next twelve months for paying the principal of and interest due on the Outstanding Bonds, as same fall due, such excess may be used for redemption or prepayment of any Outstanding Bonds, subject to the terms and conditions set forth therein, prior to maturity.

Said Sinking Fund shall be used solely and only and is hereby pledged for the purpose of paying the principal of and interest on the Loan and Prior Bonds.

In the event additional Parity Bonds are issued pursuant to the conditions and restrictions hereinafter prescribed, the monthly deposits to the Sinking Fund shall be increased to provide for payment of interest thereon and the principal thereof as the same respectively become due.

C. Operation and Maintenance Fund. There shall next be transferred monthly from the Revenue Fund and deposited into said Operation and Maintenance Fund, sums sufficient to meet the current expenses of operating and maintaining the System. The balance maintained in said Operation and Maintenance Fund shall not be in excess of the amount required to cover anticipated System expenditures for a two-month period pursuant to the Governmental Agency's annual budget.

D. Surplus Funds. Subject to the provisions for the disposition of the income and revenues of the System as set forth hereinabove, which provisions are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred, within sixty days after the end of each fiscal year, the balance of excess funds in the Revenue Fund on such date, to a depreciation fund for application in accordance with the terms of this Assistance Agreement or to the Bond Fund to be applied to the maximum extent feasible, to the prompt purchase or redemption of Outstanding Bonds.

Provided, however, notwithstanding anything to the contrary in any Prior Bond Legislation, the Governmental Agency shall be allowed a credit to the extent of moneys on deposit in the Program Reserve Fund for the purpose of meeting any parity requirements in any Prior Bond

Legislation; subject however, to the limitation that moneys in the Program Reserve Fund may only be used to make payments of the Government Agency due under this Assistance Agreement, if necessary, and; provided further, that the Trustee may not seek payment for any reserve funds held by the Governmental Agency under any Prior Bond Legislation for payment of any amounts due from the Governmental Agency under this Assistance Agreement.

Section 8. Disposition of Proceeds of the Loan; Governmental Agency Account.

Upon (i) the execution of this Assistance Agreement, (ii) the delivery of this Assistance Agreement to the Trustee, (iii) certification of the Compliance Group that the Loan is to be accepted in the Program, and (iv) upon receipt by the Governmental Agency of the proceeds of the Loan, the proceeds shall be applied as follows:

(a) *Disposition of the Proceeds.* There shall first be deducted and paid from the proceeds of the Loan the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Loan and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

The balance shall be deposited to the Governmental Agency Account to be used for the Refunding Program.

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Gallatin County Water District Governmental Agency Account" (the "Governmental Agency Account") has been created and maintained by the Trustee pursuant to the Indenture; and such amount on deposit in said Governmental Agency Account shall be transferred to the Rural Development of the Department of Agriculture of the United States of America, the holder of the Refunded Bonds, as may be required:

(1) To pay the accrued interest on the Refunded Bonds to and including March 19, 2020; and

(2) To redeem on March 19, 2020 at a price equal to 100% of principal amount the Refunded Bonds that as of that date have not been redeemed, retired or otherwise paid, thereby defeasing the pledge of revenues and the property securing the Refunded Bonds.

Investment income derived from investment of the Governmental Agency Account, which shall be invested in Permitted Investments in accordance with this Assistance Agreement, shall, as received, be deposited in the Governmental Agency Account.

The Trustee shall be obligated to send written notice to the Governmental Agency of the need for investment directions if and whenever funds in excess of \$50,000 shall remain uninvested for a period of more than five days. In the absence of written direction from the Governmental Agency with respect to investment of moneys held in the Governmental Agency Account, the Trustee is hereby directed to invest funds in money market mutual funds of the Trustee or its affiliates that qualify as Permitted Investments under this Assistance Agreement.

No expenditure shall be made from the Governmental Agency Account except for proper and authorized expenses relating to the Refunding Program as approved by the Governmental Agency.

After completion of the Refunding Program, any balance then remaining on deposit in the Governmental Agency Account shall, subject to any and all applicable legal provisions and applicable arbitrage regulations necessary to assure the exemption of interest on the Loan from Federal income taxation, upon orders of the Governing Body, be transferred to the Bond Fund, to be used for the purposes thereof.

Section 9. Arbitrage Limitations.

(a) The Governmental Agency covenants that neither the proceeds of the Loan, nor "Non-Exempt Revenues" of the System, as defined below, will be invested in investments which will produce a net adjusted yield in excess of the net interest cost (effective yield) of the Loan, if such investment would cause such Loan to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, as amended, and the applicable regulations thereunder; provided, however, that such proceeds and/or revenues may be invested to whatever extent and whenever the Code and/or applicable regulations permit same to be invested without causing the Loan to be treated as "arbitrage bonds."

(b) "Non-Exempt Revenues" within the meaning of the foregoing shall be deemed to refer to revenues of the System deposited in any of the funds earmarked for or reasonably expected to be used for the payment of debt service on the Loan, in excess of "Exempt Revenues," which Exempt Revenues are:

(1) amounts deposited in the Bond Fund for the purpose of paying debt service on the Loan against the System within thirteen (13) months from the date of deposit; and

(2) amounts deposited in a depreciation fund or any similar reserve for replacements, reasonably expected to be used for extensions, additions, improvements or replacements to the System, and not reasonably expected to be used to pay debt service (even if pledged to be used to pay debt service in the event of the unexpected inadequacy of other funds pledged for that purpose).

(c) If, and to the extent that any Non-Exempt Revenues are on deposit and are available for investment by reason of the foregoing, such funds shall be subject to the investment limitations set out in Subsection (a) above.

(d) On the basis of information furnished to the Governmental Agency, on known facts, circumstances and reasonable expectations on the date of enactment of this Assistance Agreement, the Governmental Agency certifies as follows:

(1) That it is not expected or contemplated that the proceeds of the Loan will be used or invested in any manner which will cause the Loan to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder.

(2) That it is not expected or contemplated that the Governmental Agency will make any use of the proceeds of the Loan, which, if such use had been reasonably anticipated on the date of issuance of the Loan, would have caused the Loan to be arbitrage bonds.

(3) That it is expected and contemplated that the Governmental Agency will comply with (i) all of the requirements of Section 148 of the Code; and (ii) all of the requirements of the applicable regulations thereunder, to whatever extent is necessary to assure that the Loan will not be treated as arbitrage bonds.

(4) That it is anticipated that amounts on deposit in the Bond Fund will be used within 13 months from the date of deposit for the payment of debt service on the Loan and all Prior Bonds payable from said Bond Fund.

(5) That amounts accumulated in the Bond Fund shall not exceed the limitations set forth in this Assistance Agreement.

(6) That it is not reasonably anticipated that amounts accumulated in a depreciation fund will be used for payment of debt service on any bonds payable from the revenues of the System, even though such depreciation fund will be so available if necessary to prevent a default in the payment of principal and interest on such bonds.

Prior to or at the time of delivery of the Loan, the Governmental Agency Chief Executive and/or the Governmental Agency Treasurer are authorized to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated investment of the proceeds of the Loan, including the execution of necessary and/or desirable certifications of the type contemplated by the Code and applicable regulations, as amended, in order to assure that interest on the Loan will be exempt from all federal income taxes and that the Loan will not constitute or be treated as arbitrage bonds.

Section 10. Parity Bonds.

The lien and security of and for any bonds or obligations hereafter issued that are payable from the income and revenues of the System, shall, except as set out herein, be subject to the priority of the Prior Bonds and the Loan as may from time to time be outstanding; provided the Governmental Agency has in said Prior Bond Legislation reserved the right and privilege, and does hereby reserve the right and privilege, of issuing additional bonds from time to time payable from the income and revenues of the System ranking on a parity with the Prior Bonds and with the Loan, but only under the conditions specified in the Prior Bond Legislation, which conditions are hereinafter repeated, taking into account the issuance of the Loan.

The Governmental Agency reserves the right to finance future extensions, additions, and/or improvements to the System by the issuance of one or more additional series of bonds to be secured by a parity lien on and ratably payable from, the revenues of the System pledged to the Prior Bonds and the Loan, provided;

(a) The facility or facilities to be constructed from the proceeds of the additional parity bonds is or are made a part of the System and its or their revenues are pledged as additional security for the additional parity bonds and the outstanding Prior Bonds and the Loan.

(b) The Governmental Agency is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds.

(c) The annual net revenues (defined as gross revenues less operating expenses), of the then existing System for the Fiscal Year preceding the year in which such Parity Bonds are to be issued, adjusted as hereinafter provided, shall be certified by an independent Certified Public Accountant to be equal at least one hundred twenty percent (120%) of the average annual debt service requirements for principal and interest on all Outstanding Bonds payable from the revenues of the System, plus the anticipated debt service requirements of any Parity Bonds then proposed to be issued. The calculation of average annual debt service requirements of principal and interest on the additional Parity Bonds to be issued shall, regardless of whether such additional Parity Bonds are to be serial or term bonds, be determined on the basis of the principal of and interest on such Parity Bonds being payable in approximately equal annual installments.

(d) The "annual net revenues" referred to above may be adjusted for the purpose of the foregoing computations to reflect:

(1) any revisions in the System's schedule of rates or charges being imposed on or before the time of the issuance of any such additional Parity Bonds, and

(2) any increase in the annual net revenues to be realized, within 12 months of the completion of the Refunding Program, from the proposed extensions, additions and improvements being financed (in whole or in part) by such additional Parity Bonds;

provided all such adjustments shall be based upon and included in a certification of an Independent Consulting Engineer.

(e) The Governmental Agency hereby covenants and agrees that in the event any additional Parity Bonds are issued, the Governmental Agency shall:

(1) Adjust the monthly amount to be deposited into the Bond Fund on the same basis as that prescribed in the provisions establishing such Bond Fund, to reflect the annual debt service requirements of the additional Parity Bonds; and

(2) Adjust the minimum annual amount to be deposited monthly into the Bond Fund on the same basis as that prescribed in the provisions establishing such Bond Fund, taking into account the future debt service requirements of all first lien bonds which will then be outstanding against the System.

(f) The Governmental Agency reserves the right to issue parity bonds to refund or refinance any part or all of the Prior Bonds and the Loan, provided that prior to the issuance of such additional parity bonds for that purpose, there shall have been procured and filed with the

Governmental Agency Clerk a statement by a Certified Public Accountant, as defined herein, reciting the opinion based upon necessary investigation that:

(1) after the issuance of such Parity Bonds, the annual net revenues, as adjusted and defined above, of the then existing system for the fiscal year preceding the date of issuance of such Parity Bonds, after taking into account the revised debt service requirements resulting from the issuance of such Parity Bonds and from the elimination of the Bonds being refunded or refinanced thereby, are equal to not less than 120% of the average annual debt service requirements then scheduled to fall due in any fiscal year thereafter for principal of and interest on all of the Outstanding Bonds payable from the revenues of the System, calculated in the manner specified above; or

(2) in the alternative, that the average annual debt service requirements for the Outstanding Bonds and the proposed refunding Parity Bonds, in any year of maturities thereof after the redemption of the Outstanding Bonds scheduled to be refunded through the issuance of such proposed refunding Parity Bonds, shall not exceed the average annual debt service requirements applicable to the then Outstanding Bonds for any year prior to the issuance of such proposed Parity Bonds and the redemption of the Bonds to be refunded, and without extending the maturities of such Parity Bonds beyond the maturities of the Outstanding Bonds to be refunded.

The additional Parity Bonds, the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds payable from the income and revenues of the System on a parity with the Outstanding Bonds and shall not be deemed to include nor to prohibit the issuance of any other obligations, the security and source of payment of which is subordinate and subject to the priority of the payments into the Sinking Fund for the Outstanding Bonds.

Section 11. Rates and Charges for Services of the System.

While the Loan remains outstanding and unpaid, the rates for all services of the System rendered by the Governmental Agency to its citizens, corporations, or others requiring the same, shall be reasonable and just, taking into account and consideration the cost and value of said System, the cost of maintaining and operating the same, the proper and necessary allowances for depreciation thereof, and the amounts necessary for the retirement of the Outstanding Bonds and the accruing interest on all such Outstanding Bonds as may be outstanding under the provisions of this Assistance Agreement and the Prior Bond Legislation, and there shall be charged such rates and amounts as shall be adequate to meet all requirements of the provisions of this Assistance Agreement. Prior to the issuance of the Loan a schedule of rates and charges for the services rendered by the System to all users adequate to meet all requirements of this Assistance Agreement has been established and adopted.

The Governmental Agency covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the Governmental Agency Clerk a certification of an Independent Consulting Engineer or a Certified Public Accountant that the "annual net revenues" (defined as gross revenues less operating expenses) of the then existing System for the fiscal year preceding the year in which such reduction is proposed, as such annual net revenues are adjusted, after taking into account the projected reduction in annual net revenues

anticipated to result from any such proposed rate decrease, are equal to not less than 120% of the average annual debt service requirements for principal and interest on all of the then outstanding bonds payable from the revenues of the System, calculated in the manner specified in Section 10 hereof.

The Governmental Agency also covenants to cause a report to be filed with the Governing Body within four (4) months after the end of each fiscal year by Certified Public Accountants and/or Independent Consulting Engineers, setting forth what was the precise percentage ("coverage") of the average annual debt service requirements falling due in any fiscal year thereafter for principal of and interest on all of the then Outstanding Bonds, produced or provided by the net revenues of the System in that fiscal year, calculated in the manner specified in Section 10 hereof; and the Governmental Agency covenants that if and whenever such report so filed shall establish that such coverage of annual net revenues for such year was less than 120% of the average annual debt service requirements falling due in any year thereafter for the principal of and interest on all of the then Outstanding Bonds, the Governmental Agency shall increase the rates by an amount sufficient, in the opinion of such Engineers and/or Accountants, to establish the existence of or immediate projection of, such minimum 120% coverage.

Section 12. All Outstanding Bonds Are Equal.

There shall be no priority among the Loan, the Prior Bonds and any Parity Bonds authorized or permitted to be issued under the provisions of this Assistance Agreement, regardless of the fact that they may be actually issued and delivered at different times.

Section 13. Defeasance and/or Refunding of Obligations.

The Governmental Agency reserves the right, at any time, to cause the pledge of the revenues securing the Loan to be defeased and released by paying an amount into an escrow fund sufficient, when invested (or sufficient without such investment, as the case may be) in cash and/or U.S. Obligations, to assure the availability in such escrow fund of an adequate amount (a) to call for redemption and to redeem and retire all of such outstanding Loan obligations, both as to principal and as to interest, on the next or any optional redemption date, including all costs and expenses in connection therewith, and to pay all principal and interest falling due on the Loan to and on said date, or (b) to pay all principal and interest requirements on the Loan as same mature, without redemption in advance of maturity, the determination of whether to defease under (a) or (b) or both to be made by the Governing Body. Such U.S. Obligations shall have such maturities as to assure that there will be sufficient funds for such purpose. If such defeasance is to be accomplished pursuant to (a), the Governmental Agency shall take all steps necessary to publish the required notice of the redemption of the Loan obligations and the applicable redemption date. Upon the proper amount of such investments being placed in escrow and so secured, such revenue pledge shall be automatically fully defeased and released without any further action being necessary.

Section 14. Contractual Nature of Assistance Agreement.

The provisions of this Assistance Agreement shall constitute a contract between the Governmental Agency and the Issuer; and after the issuance of any of the Loan, no change, variation or alteration of any kind in the provisions of this Assistance Agreement, nor of the Prior

Bond Legislation, shall be made in any manner except as herein or therein provided until such time as all of the Bonds authorized thereby and the interest thereon have been paid or provided for in full, or as otherwise provided herein; provided that the Governing Body may enact legislation for any other purpose not inconsistent with the terms of this Assistance Agreement, and which shall not impair the security of the Issuer and/or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any ordinance or other proceedings pertaining hereto.

Section 15. Appointment and Duties of Trustee.

The Trustee is hereby designated as the bond registrar and paying agent with respect to the Loan.

Its duties as Trustee shall be as follows:

- (a) To register the Loan in the name of the Issuer;
- (b) To maintain adequate records relevant to the Loan;
- (c) To remit, but only to the extent that all required funds are made available to the Trustee by the Governmental Agency, semiannual interest payments directly to the Issuer's accounts for the Program;
- (d) To notify the Issuer if the Loan is to be redeemed and to redeem the Loan prior to its stated maturity upon receiving sufficient funds; and
- (e) To supply the Governmental Agency with a written accounting evidencing the payment of interest on and principal of the Loan within thirty (30) days following each respective due date.

The Trustee shall be entitled to the advice of counsel and shall be protected for any acts taken by it in good faith in reliance upon such advice. The Trustee shall not be liable for any actions taken in good faith and believed by it to be within its discretion or the power conferred upon it by this Assistance Agreement, or the responsibility for the consequences of any oversight or error in judgment.

The Trustee may at any time resign from its duties set forth in this Assistance Agreement by filing its resignation with the Governmental Agency Clerk and notifying the Issuer. Thereupon, the Issuer shall notify the Governmental Agency of a successor Trustee which shall be an incorporated bank or trust company authorized to transact business in the United States of America. Notwithstanding the foregoing, in the event of the resignation of the Trustee, provision shall be made for the orderly transition of the books, records and accounts relating to the Loan to the successor Trustee in order that there will be no delinquencies in the payment of interest or principal due on the Loan.

Section 16. Provisions in Conflict Repealed.

All ordinances, resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed; and it is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds payable or secured in any manner by all or any part of the income and revenues of the System, or any part thereof, and which have not heretofore been issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered.

Section 17. Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.

In order to assure purchasers of the Loan that interest thereon will continue to be exempt from federal and Kentucky income taxation (subject to certain exceptions set out below), the Governmental Agency covenants to and with the Issuer that (1) the Governmental Agency will take all actions necessary to comply with the provisions of the Code, (2) the Governmental Agency will take no actions which will violate any of the provisions of the Code, or would cause the Loan to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Loan will be used for any purpose which would cause the interest on the Loan to become subject to federal income taxation, and the Governmental Agency will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Loan.

The Governmental Agency reserves the right to amend this Assistance Agreement but only with the consent of the Issuer (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed necessary to assure that interest on the Loan shall be exempt from federal income taxation, and (ii) to whatever extent shall be permissible (without jeopardizing such tax exemption or the security of such owners) to eliminate or reduce any restrictions concerning the investment of the proceeds of the Loan, or the application of such proceeds or of the revenues of the System. The purchasers of the Loan are deemed to have relied fully upon these covenants and undertakings on the part of the Governmental Agency as part of the consideration for the purchase of the Loan. To the extent that the Governmental Agency obtains an opinion of nationally recognized bond counsel to the effect that non-compliance with any of the covenants contained in this Assistance Agreement or referred to in this Assistance Agreement would not subject interest on the Loan to federal income taxes or Kentucky income taxes, the Governmental Agency shall not be required to comply with such covenants or requirements.

This Assistance Agreement is executed in contemplation that Bond Counsel will render an opinion as to exemption of principal of the Loan from Kentucky ad valorem taxation and as to exemption of interest on the Loan from federal and Kentucky income taxation, based on the assumption by Bond Counsel that the Governmental Agency complies with covenants made by the Governmental Agency with respect to compliance with the provisions of the Code, and based on the assumption of compliance by the Governmental Agency with requirements as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Loan. The Governmental Agency has been advised that based on the foregoing assumptions of compliance, Bond Counsel is of the opinion that the Loan does not constitute "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 18. Insurance.

(a) *Fire and Extended Coverage.* If and to the extent that the System includes structures above ground level, the Governmental Agency shall, upon receipt of the proceeds of the sale of the Loan, if such insurance is not already in force, procure fire and extended coverage insurance on the insurable portion of all of the facilities of the System, of a kind and in such amounts as would ordinarily be carried by private companies or public bodies engaged in operating a similar utility.

The foregoing fire and extended coverage insurance shall be maintained so long as the Loan is outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percent (80%) of the full insurable value of the damaged facility.

In the event of any damage to or destruction of any part of the System the Governmental Agency shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof.

(b) *Liability Insurance on Facilities.* So long as the Loan is outstanding, the Governmental Agency shall, procure and maintain, public liability insurance relating to the operation of the facilities of the System, with limits of not less than \$200,000 for one person and \$1,000,000 for more than one person involved in one accident, to protect the Governmental Agency from claims for bodily injury and/or death; and not less than \$200,000 from claims for damage to property of others which may arise from the Governmental Agency's operations of the System and any other facilities constituting a portion of the System.

(c) *Vehicle Liability Insurance.* If and to the extent that the Governmental Agency owns or operates vehicles in the operation of the System, upon receipt of the proceeds of the Loan, the Governmental Agency shall, if such insurance is not already in force, procure and maintain, so long as the Loan is outstanding, vehicular public liability insurance with limits of not less than \$200,000 for one person and \$1,000,000 for more than one person involved in one accident, to protect the Governmental Agency from claims for bodily injury and/or death, and not less than \$200,000 against claims for damage to property of others which may arise from the operation of such vehicles by the Governmental Agency.

Section 19. Events of Default; Remedies.

The following items shall constitute an "Event of Default" on the part of the Governmental Agency:

(a) The failure to pay principal on the Loan when due and payable, either at maturity or by proceedings for redemption;

(b) The failure to pay any installment of interest on the Loan when the same shall become due and payable;

(c) The failure of the Governmental Agency to fulfill any of its obligations pursuant to this Assistance Agreement and to cure any such failure within 30 days after receipt of written notice of such failure; and/or

(d) The failure to promptly repair, replace or reconstruct essential facilities of the System after any major damage and/or destruction thereof.

Upon the occurrence of an Event of Default, the Issuer or the Trustee on its behalf, as owner of the Loan, may enforce and compel the performance of all duties and obligations of the Governmental Agency as set forth herein. Upon the occurrence of an Event of Default, then, upon the filing of suit by the Trustee or the Issuer, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Governmental Agency, with power to charge and collect rates sufficient to provide for the payment of the principal of and interest on the Loan, and for the payment of operation and maintenance expenses of the System, and to provide and apply the income and revenues in conformity with this Assistance Agreement and with the laws of the Commonwealth of Kentucky.

In addition to and apart from the foregoing, upon the occurrence of an Event of Default, the owner of the Loan may require the Governmental Agency by demand, court order, injunction, or otherwise, to raise all applicable rates charged for services of the System a reasonable amount, consistent with the requirements of this Assistance Agreement.

Section 20. Annual Reports.

The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the Fiscal Year ended December 31, 2019) and such other financial information and/or operating data as requested by the Issuer or the Compliance Group.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each Fiscal Year.

Section 21. Supplemental Assistance Agreement.

The Governmental Agency may, but only with the consent of the Issuer, execute one or more supplemental Assistance Agreements as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Assistance Agreement;
- (b) to subject to the lien and pledge of this Assistance Agreement additional revenues, properties, or collateral which may legally be subjected;
- (c) to add to the conditions, limitations and restrictions on the issuance of bonds, other conditions, limitations and restrictions thereafter to be observed;

(d) to add to the covenants and agreements of the Governmental Agency in this Assistance Agreement, other covenants and agreements thereafter to be incurred by the Governmental Agency or to surrender any right or power herein reserved to or conferred upon the Governmental Agency;

(e) to effect the issuance of additional Parity Bonds; and/or

(f) to modify the terms and conditions of this Assistance Agreement at the request of the Issuer in order to assist the Issuer in operating the Program or to maintain any rating the Issuer may have on its Program obligations.

Section 22. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 23. Waivers.

In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 24. Agreement to Pay Attorneys' Fees and Expenses.

In the event that either party hereto shall become in default under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefore to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

Section 25. Signatures of Officers.

If any of the officers whose signatures or facsimile signatures appear on this Assistance Agreement or any other document evidencing the Loan cease to be such officers before delivery of the Loan, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery, as provided by KRS 58.040 and KRS 61.390.

Section 26. Severability Clause.

If any section, paragraph, clause or provision of this Assistance Agreement shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Assistance Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Gallatin County Water District has caused this Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By John M. [Signature]
President

Attest:

By [Signature]
Secretary/Treasurer

GALLATIN COUNTY WATER DISTRICT

By _____
Chairman

Attest:

By _____
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Gallatin County Water District has caused this Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By _____
Secretary/Treasurer

GALLATIN COUNTY WATER DISTRICT

By *Vic Satchwell*
Chairman

Attest:

By *Jimmy Wilson*
Secretary

EXHIBIT A

Debt Service Schedule

**KRWFC Flexible Term Program Series 2020 C
Sinking Fund Payment Schedule**

Borrower: Gallatin County Water District
Closing Date: 03/17/20

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
3/20-7/20	2,916.67	5,960.05	8,876.72
8/20-1/21	4,375.00	4,003.02	8,378.02
2/21-7/21	3,333.33	3,851.36	7,184.69
8/21-1/22	3,333.33	3,851.36	7,184.69
2/22-7/22	3,333.33	3,678.02	7,011.36
8/22-1/23	3,333.33	3,678.02	7,011.36
2/23-7/23	3,333.33	3,504.69	6,838.02
8/23-1/24	3,333.33	3,504.69	6,838.02
2/24-7/24	3,750.00	3,331.36	7,081.36
8/24-1/25	3,750.00	3,331.36	7,081.36
2/25-7/25	4,166.67	3,136.36	7,303.02
8/25-1/26	4,166.67	3,136.36	7,303.02
2/26-7/26	4,166.67	2,919.69	7,086.36
8/26-1/27	4,166.67	2,919.69	7,086.36
2/27-7/27	4,166.67	2,703.02	6,869.69
8/27-1/28	4,166.67	2,703.02	6,869.69
2/28-7/28	4,583.33	2,486.36	7,069.69
8/28-1/29	4,583.33	2,486.36	7,069.69
2/29-7/29	4,583.33	2,385.52	6,968.86
8/29-1/30	4,583.33	2,385.52	6,968.86
2/30-7/30	4,583.33	2,284.69	6,868.02
8/30-2/31	4,583.33	2,284.69	6,868.02
2/31-7/31	4,583.33	2,183.86	6,767.19
8/31-1/32	4,583.33	2,183.86	6,767.19
2/32-7/32	5,000.00	2,083.02	7,083.02
8/32-1/33	5,000.00	2,083.02	7,083.02
2/33-7/33	5,000.00	1,973.02	6,973.02
8/33-1/34	5,000.00	1,973.02	6,973.02
2/34-7/34	5,000.00	1,863.02	6,863.02
8/34-1/35	5,000.00	1,863.02	6,863.02
2/35-7/35	5,000.00	1,753.02	6,753.02
8/35-1/36	5,000.00	1,753.02	6,753.02
2/36-7/36	5,416.67	1,643.02	7,059.69
8/36-1/37	5,416.67	1,643.02	7,059.69
2/37-7/37	5,416.67	1,517.08	6,933.75
8/37-1/37	5,416.67	1,517.08	6,933.75
2/38-7/38	5,416.67	1,391.15	6,807.81
8/38-1/39	5,416.67	1,391.15	6,807.81
2/39-7/39	5,416.67	1,265.21	6,681.88
8/39-1/40	5,416.67	1,265.21	6,681.88
2/40-7/40	5,833.33	1,132.50	6,965.83
8/40-1/41	5,833.33	1,132.50	6,965.83
2/41-7/41	5,833.33	982.29	6,815.63
8/41-1/42	5,833.33	982.29	6,815.63
2/42-7/42	5,833.33	832.08	6,665.42
8/42-1/43	5,833.33	832.08	6,665.42
2/43-7/43	6,250.00	681.88	6,931.88
8/43-1/44	6,250.00	681.88	6,931.88
2/44-7/44	6,250.00	520.94	6,770.94
8/44-1/45	6,250.00	520.94	6,770.94
2/45-7/45	6,666.67	360.00	7,026.67
8/45-1/46	6,666.67	360.00	7,026.67
2/46-7/46	6,666.67	180.00	6,846.67
8/46-1/47	6,666.67	180.00	6,846.67
2/47-7/47			
	<u>1,590,000.00</u>	<u>649,615.97</u>	<u>2,257,217.89</u>

Attachment No. 9

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2017 A

Borrower: Gallatin County Water District
 Closing Date: 07/11/17

Regions Bank Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Administrative Fee	Total	Trustee	Fiscal Total
08/01/17							
02/01/18	25,000.00	4.000%	23,555.56	1,311.11	49,866.67	450.00	
08/01/18			20,700.00	1,155.00	21,855.00		77,171.67
02/01/19	55,000.00	4.000%	20,700.00	1,155.00	76,855.00	450.00	
08/01/19			19,600.00	1,100.00	20,700.00		98,005.00
02/01/20	60,000.00	4.000%	19,600.00	1,100.00	80,700.00	450.00	
08/01/20			18,400.00	1,040.00	19,440.00		100,590.00
02/01/21	60,000.00	4.000%	18,400.00	1,040.00	79,440.00	450.00	
08/01/21			17,200.00	980.00	18,180.00		98,070.00
02/01/22	65,000.00	4.000%	17,200.00	980.00	83,180.00	450.00	
08/01/22			15,900.00	915.00	16,815.00		100,445.00
02/01/23	65,000.00	4.000%	15,900.00	915.00	81,815.00	450.00	
08/01/23			14,600.00	850.00	15,450.00		97,715.00
02/01/24	65,000.00	4.000%	14,600.00	850.00	80,450.00	450.00	
08/01/24			13,300.00	785.00	14,085.00		94,985.00
02/01/25	70,000.00	4.000%	13,300.00	785.00	84,085.00	450.00	
08/01/25			11,900.00	715.00	12,615.00		97,150.00
02/01/26	75,000.00	4.000%	11,900.00	715.00	87,615.00	450.00	
08/01/26			10,400.00	640.00	11,040.00		99,105.00
02/01/27	80,000.00	4.000%	10,400.00	640.00	91,040.00	450.00	
08/01/27			8,800.00	560.00	9,360.00		100,850.00
02/01/28	80,000.00	3.000%	8,800.00	560.00	89,360.00	450.00	
08/01/28			7,600.00	480.00	8,080.00		97,890.00
02/01/29	60,000.00	3.000%	7,600.00	480.00	68,080.00	450.00	
08/01/29			6,700.00	420.00	7,120.00		75,650.00
02/01/30	60,000.00	3.000%	6,700.00	420.00	67,120.00	450.00	
08/01/30			5,800.00	360.00	6,160.00		73,730.00
02/01/31	65,000.00	3.125%	5,800.00	360.00	71,160.00	450.00	
08/01/31			4,784.38	295.00	5,079.38		76,689.38
02/01/32	65,000.00	3.125%	4,784.38	295.00	70,079.38	450.00	
08/01/32			3,768.75	230.00	3,998.75		74,528.13
02/01/33	40,000.00	3.250%	3,768.75	230.00	43,998.75	450.00	
08/01/33			3,118.75	190.00	3,308.75		47,757.50
02/01/34	45,000.00	3.250%	3,118.75	190.00	48,308.75	450.00	
08/01/34			2,387.50	145.00	2,532.50		51,291.25
02/01/35	45,000.00	3.250%	2,387.50	145.00	47,532.50	450.00	
08/01/35			1,656.25	100.00	1,756.25		49,738.75
02/01/36	25,000.00	3.250%	1,656.25	100.00	26,756.25	450.00	
08/01/36			1,250.00	75.00	1,325.00		28,531.25
02/01/37	25,000.00	3.250%	1,250.00	75.00	26,325.00	450.00	
08/01/37			843.75	50.00	893.75		27,668.75
02/01/38	25,000.00	3.250%	843.75	50.00	25,893.75	450.00	
08/01/38			437.50	25.00	462.50		26,806.25
02/01/39	25,000.00	3.500%	437.50	25.00	25,462.50	450.00	
08/01/39							25,912.50
Totals	<u>1,180,000.00</u>		<u>401,849.32</u>	<u>23,531.11</u>	<u>1,605,380.43</u>	<u>9,900.00</u>	<u>1,615,280.43</u>

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2020 C

Borrower: Gallatin County Water District
 Closing Date: 03/17/20

Borrower Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
01/01/20						
07/01/20			17,880.16		17,880.16	17,880.16
01/01/21	35,000.00	5.200%	24,018.13	450.00	59,468.13	
07/01/21			23,108.13		23,108.13	82,576.26
01/01/22	40,000.00	5.200%	23,108.13	450.00	63,558.13	
07/01/22			22,068.13		22,068.13	85,626.26
01/01/23	40,000.00	5.200%	22,068.13	450.00	62,518.13	
07/01/23			21,028.13		21,028.13	83,546.26
01/01/24	40,000.00	5.200%	21,028.13	450.00	61,478.13	
07/01/24			19,988.13		19,988.13	81,466.26
01/01/25	45,000.00	5.200%	19,988.13	450.00	65,438.13	
07/01/25			18,818.13		18,818.13	84,256.26
01/01/26	50,000.00	5.200%	18,818.13	450.00	69,268.13	
07/01/26			17,518.13		17,518.13	86,786.26
01/01/27	50,000.00	5.200%	17,518.13	450.00	67,968.13	
07/01/27			16,218.13		16,218.13	84,186.26
01/01/28	50,000.00	5.200%	16,218.13	450.00	66,668.13	
07/01/28			14,918.13		14,918.13	81,586.26
01/01/29	55,000.00	2.200%	14,918.13	450.00	70,368.13	
07/01/29			14,313.13		14,313.13	84,681.26
01/01/30	55,000.00	2.200%	14,313.13	450.00	69,763.13	
07/01/30			13,708.13		13,708.13	83,471.26
01/01/31	55,000.00	2.200%	13,708.13	450.00	69,158.13	
07/01/31			13,103.13		13,103.13	82,261.26
01/01/32	55,000.00	2.200%	13,103.13	450.00	68,553.13	
07/01/32			12,498.13		12,498.13	81,051.26
01/01/33	60,000.00	2.200%	12,498.13	450.00	72,948.13	
07/01/33			11,838.13		11,838.13	84,786.26
01/01/34	60,000.00	2.200%	11,838.13	450.00	72,288.13	
07/01/34			11,178.13		11,178.13	83,466.26
01/01/35	60,000.00	2.200%	11,178.13	450.00	71,628.13	
07/01/35			10,518.13		10,518.13	82,146.26
01/01/36	60,000.00	2.200%	10,518.13	450.00	70,968.13	
07/01/36			9,858.13		9,858.13	80,826.26
01/01/37	65,000.00	2.325%	9,858.13	450.00	75,308.13	
07/01/37			9,102.50		9,102.50	84,410.63
01/01/38	65,000.00	2.325%	9,102.50	450.00	74,552.50	
07/01/38			8,346.88		8,346.88	82,899.38
01/01/39	65,000.00	2.325%	8,346.88	450.00	73,796.88	
07/01/39			7,591.25		7,591.25	81,388.13
01/01/40	65,000.00	2.450%	7,591.25	450.00	73,041.25	
07/01/40			6,795.00		6,795.00	79,836.25
01/01/41	70,000.00	2.575%	6,795.00	450.00	77,245.00	
07/01/41			5,893.75		5,893.75	83,138.75
01/01/42	70,000.00	2.575%	5,893.75	450.00	76,343.75	
07/01/42			4,992.50		4,992.50	81,336.25
01/01/43	70,000.00	2.575%	4,992.50	450.00	75,442.50	
07/01/43			4,091.25		4,091.25	79,533.75
01/01/44	75,000.00	2.575%	4,091.25	450.00	79,541.25	
07/01/44			3,125.63		3,125.63	82,666.88
01/01/45	75,000.00	2.575%	3,125.63	450.00	78,575.63	
07/01/45			2,160.00		2,160.00	80,735.63
01/01/46	80,000.00	2.700%	2,160.00	450.00	82,610.00	
07/01/46			1,080.00		1,080.00	83,690.00
01/01/47	80,000.00	2.700%	1,080.00	450.00	81,530.00	
07/01/47						81,530.00
Totals	<u>1,590,000.00</u>		<u>649,615.97</u>	<u>12,150.00</u>	<u>2,251,765.97</u>	<u>2,251,765.97</u>

Attachment No. 10

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

Mike Garrett
(Print Name)

Mike Garrett
(Signed)

Superintendent
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Gallatin

Subscribed and sworn to before me by Mike Garrett
(Name)

this 14th day of October, 20 21.

Theresa H. Parker
NOTARY PUBLIC
State-at-Large KYNP 28892

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

- Check this box if the Utility has no related party transactions.
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Ann Webster
(Print Name)

Ann Webster
(Signed)

Vice Chairman
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Ballardin

Subscribed and sworn to before me by Ann Webster
(Name)

this 14th day of October, 2021.

Theresa R. Parker
NOTARY PUBLIC KYNP 28892
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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Zachary McCord
(Print Name)


(Signed)

Secretary
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Gallatin

Subscribed and sworn to before me by Zachary McCord
(Name)

this 14th day of October, 2021.

Sheresa G. Parker
NOTARY PUBLIC KYNP 28892
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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Vicki SAFERWELL
(Print Name)

Vicki Saferwell
(Signed)

Commissioner
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Gallatin

Subscribed and sworn to before me by Vic Satchwell
(Name)

this 14th day of October, 2021.

Theresa G. Parker
NOTARY PUBLIC KYNP 28892
State-at-Large

Attachment No. 11

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
GALLATIN COUNTY WATER DISTRICT AUTHORIZING ITS
CHAIRMAN TO FILE AN APPLICATION WITH THE PSC**

WHEREAS, the Gallatin County Water District (“District”) is a water district created and organized under the provisions of KRS Chapter 74. The District is subject to the jurisdiction of the Kentucky Public Service Commission (“PSC”);

WHEREAS, the May 17, 2021, Order from the PSC in Case No. 2019-00460 required the District to file an application; and

WHEREAS, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the District to file an application;

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

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

Section 2. The District does not propose to adjust its monthly water rates and charges with the subject application.

Section 3. The Chairman is hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing (“ARF”) Application and all other documents that may be required by the PSC.

Section 4. The Chairman, the Office Manager, and all others to whom the Chairman may delegate certain responsibilities are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement this Resolution.


Section 5. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF GALLATIN COUNTY WATER DISTRICT at a meeting held on October 14, 2021, signed by the Chairman, and attested by the Secretary.



CHAIRMAN

ATTEST:



SECRETARY

CERTIFICATION

I, Secretary of the Gallatin County Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the District at a meeting properly held on October 14, 2021, signed by the Chairman of the District, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 14th day of October 2021.



SECRETARY