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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)

Bracken County Water District

(Name of Utility)

1324 Brooksville-Germantown Road

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

Brooksville, Kentucky 41004

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

(606) 735-3513

(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:

Diana Moran

(Name)

1324 Brooksville-Germantown Road

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

Brooksville, Kentucky 41004

(Address - City, State, Zip)

(606) 735-3513

(Telephone Number)

drmoran@brackencountywaterdistrict.com

(Email Address)

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

- | | YES | NO | N/A |
|---|-------------------------------------|--------------------------|-------------------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <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"/> | <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@ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2020.
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 \$ 254,349.00 and total revenues from service rates of \$ 1,950,394.00. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had 2,713 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

- 16. a. Applicant is not required to file state and federal tax returns.
- b. Applicant is required to file state and federal tax returns.
- c. Applicant's most recent state and federal tax returns are attached to this Application.
(Attach a copy of returns.)
- 17. Approximately 0.00 (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions.
- 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.

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

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

Signed 
Officer of the Company/Authorized Representative

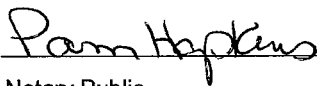
Title Chair, Bracken County Water District Board of Commissioners

Date 1-25-2022

COMMONWEALTH OF KENTUCKY

COUNTY OF Bracken

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


Notary Public

My commission expires: March 10, 2022

Notary No. 507310

EXHIBITS TO APPLICATION

<u>Exhibit</u>	<u>Document</u>
A	Attachment SR – Reasons for Application
B	Attachment CPR – Current and Proposed Rates
C	Attachment SAO-W – Statement of Adjusted Operations
D	Attachment RR-DC – Revenue Calculation Form – Debt Coverage
E	Attachment BA-DB – Billing Analysis
E-1	Billing Analysis: January – December 2020 (Test Year Rates)
E-2	Billing Analysis: January – December 2020 (Current Rates)
E-3	Billing Analysis: January – December 2020 Proposed Rates
F	Depreciation Schedule
G	Bond Resolutions/Evidences of Indebtedness
G-1	Assistance Agreement with Kentucky Infrastructure Authority (Loan F02-10) (2003)
G-2	Assistance Agreement with Kentucky Infrastructure Authority (B10-10) (2012)
G-3	Assistance Agreement with Kentucky Infrastructure Authority (C11-01) (2012)
G-4	Assistance Agreement with Kentucky Infrastructure Authority (B15-002) (2015)
G-5	Bond Resolution – Rural Development Series 2019 Bonds
G-6	Assistance Agreement with Kentucky Rural Water Finance Corporation (Series 2020E) (2020)
G-6A	Assistance Agreement with Kentucky Rural Water Finance Corporation (Series 2020E) – Amended (2020)
G-7	Assistance Agreement with Kentucky Rural Water Finance Corporation (Series 2020G) (2020)
H	Debt Amortization Schedules
H-1	Kentucky Infrastructure Authority Loan F02-10 (2003)
H-2	Kentucky Infrastructure Authority Loan B10-10 (2012)
H-3	Kentucky Infrastructure Authority Loan C11-01 (2012)

EXHIBITS TO APPLICATION

<u>Exhibit</u>	<u>Document</u>
H-4	Kentucky Infrastructure Authority Loan B15-002 (2015)
H-5	Rural Development Series 2019 Bonds
H-6	Kentucky Rural Water Finance Corporation (Series 2020E) (2020)
H-7	Kentucky Rural Water Finance Corporation (Series 2020G) (2020)
I	Debt Service Requirement and Coverage Calculation
J	ARF Form 3 - Statement of Disclosure of Related Party Transactions
K	A Resolution of The Board of Commissioners of Bracken County Water District Authorizing an Application to the Kentucky Public Service Commission for Authority to Adjust Rates for Water and Sewer Service
L	Compliance with Notice Provisions of 807 KAR 5:076
M	Cost Justification Sheet for Proposed Standard Meter Connection Rate
N	General Ledger
N-1	General Ledger (2019) (Embedded Spreadsheet Only)
N2	General Ledger (2020) (Embedded Spreadsheet Only)
N-3	General Ledger (2021) (Embedded Spreadsheet Only)
O	Trial Balances
O-1	Trial Balance (2020)
O-2	Trial Balance (2021)
P	Adjusting Journal Entries (2020)
Q	Revenues from Nonrecurring Charges and Meter Connection Fees
R	Employee Information
R-1	Employee Job Position Descriptions
R-2	Employee Roster (2015-Current)
R-3	Employee Wage Increases (Test Period and Post-Test Period) -Employee Performance Appraisals

EXHIBITS TO APPLICATION

<u>Exhibit</u>	<u>Document</u>
R-4	Bracken County Water District Employee Policies
S	Materials Re: Commissioner Salaries
S-1	Bracken County Fiscal Court Clerk Certification of Portion of Minutes of Bracken County Fiscal Court Meeting of September 10, 2009 approving annual salary of \$3,600 for each member of Bracken County Water District Board of Commissioners
S-2	Commissioner Compensation (2016-2020)
T	Insurance
T-1	Property Insurance Policy
T-2	General Liability Policy
T-3	Workers Compensation Insurance Policy
T-4	Health Insurance Monthly Statements
U	Minutes of Meeting of Board of Commissioners (January 2019 – December 2021)
U-1	Minutes (January 2019 – December 2019)
U-2	Minutes (January 2020 – December 2020)
U-3	Minutes (January 2021 – April 2021)
V	Spreadsheets Embedded in Electronic Version of Application

EXHIBIT A

REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

Bracken County Water District submits this application to comply with the Public Service Commission's Order of January 27, 2021 in Case No. 2020-00271, which directs it to file an application for rate adjustment within one year.

EXHIBIT B

CURRENT AND PROPOSED RATES**CURRENT RATES**

First 2,000 Gallons	\$ 27.89 Minimum Bill
Next 38,000 Gallons	0.01065 Per Gallon
Over 40,000 Gallons	0.00845 Per Gallon
Wholesale	0.00406 Per Gallon
Bulk Sales	9.50 Per 1,000 Gallons
5/8-Inch Service Connection Fee	\$ 500.00
Multiple Users Billed at \$27.89 Per Unit Minimum	

PROPOSED RATES

	Phase 1*	Phase 2**
First 2,000 Gallons	\$ 29.98 Minimum Bill	\$ 32.07 Minimum Bill
Next 38,000 Gallons	0.01145 Per Gallon	0.01225 Per Gallon
Over 40,000 Gallons	0.00908 Per Gallon	0.00972 Per Gallon
Wholesale	0.00436 Per Gallon	0.00467 Per Gallon
Bulk Sales	10.25 Per 1,000 Gallons	11.00 Per 1,000 Gallons
Multiple Users Per Unit Minimum	29.98	32.07
5/8-Inch Service Connection Fee	\$1,380.00	\$1,380.00

* Phase 1 Rates to take effect upon Public Service Commission approval or six months after filing.

** Phase 2 Rates to take effect one year after Phase I Rates take effect

EXHIBIT C

SCHEDULE OF ADJUSTED OPERATIONS - WATER UTILITY

TYE 12/31/20 20

	Test Year	Adjustment	Ref.	Pro Forma
<u>Operating Revenues</u>				
Sales of Water				
Unmetered Water Sales				0.00
Metered Water Sales	1,627,066.00	2,637.82	A	1,629,703.82
Bulk Loading Stations	902.00			902.00
Fire Protection Revenue				0.00
Sales for Resale	65,131.00	308.47	B	65,439.47
Total Sales of Water	1,693,099.00	2,946.29		1,696,045.29
Other Water Revenues				
Forfeited Discounts		28,415.74	C	28,415.74
Miscellaneous Service Revenues	55,324.00	-39,583.35	D	15,740.65
Rents from Water Property				0.00
Other Water Revenues				0.00
Total Other Water Revenues	55,324.00	-11,167.61		44,156.39
Total Operating Revenues	1,748,423.00	-8,221.32		1,740,201.68
<u>Operating Expenses</u>				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	210,699.00	8,058.17	E	218,757.17
Salaries and Wages - Officers	18,200.00			18,200.00
Employee Pensions and Benefits	44,919.00	-6,942.86	F	37,976.14
Purchased Water	419,931.00	-46,811.33	G	373,119.67
Purchased Power	45,855.00	-1,462.21	H	44,392.79
Fuel for Power Production				0.00
Chemicals				0.00
Materials and Supplies	94,790.00			94,790.00
Contractual Services	93,503.00			93,503.00
Water Testing	4,147.00			4,147.00
Rents				0.00
Transportation Expenses	11,525.00			11,525.00
Insurance	32,536.00	-465.47	I	32,070.53
Regulatory Commission Expenses	3,546.00	-65.60	J	3,480.40
Bad Debt Expense				0.00

Miscellaneous Expenses	299.00		K	299.00
Total Operation and Maintenance Expenses	979,950.00	-47,689.30		932,260.70
Depreciation Expense	309,868.00	69,851.69	L	379,719.69
Amortization Expense		3,000.00	M	3,000.00
Taxes Other Than Income	16,759.00	1,352.92	N	18,111.92
Income Tax Expense				0.00
Total Operating Expenses	1,306,577.00	26,515.31		1,333,092.31
Utility Operating Income	441,846.00	-34,736.63		407,109.37

REFERENCES

Reference

Remarks

- A** Adjustment reflects proforma adjustment of revenues from retail sales. Since the end of the test period, Bracken District’s rates have been adjusted twice to reflect changes in the City of Augusta’s wholesale cost of water. (Cases No. 2020-00262 and No. 2021-00228). In Case No. 2020-00277, the Commission authorized the City of Augusta to increase its wholesale rate from \$2.35 per 1,000 gallons to \$2.36 per 1,000 gallons. This increase resulted in an overall purchase water adjustment factor of \$0.02 per 1,000 gallons on the rates that Bracken District assessed during the test period. See Order of July 6, 2021 (Case No. 2021-00228). To obtain the amount of increase from retail sales, revenue from retail sales at test period rates as determined by the billing analysis (Exhibit E-1) was subtracted from revenue from retail sales at current rates as determined by billing analysis (Exhibit E-2) (\$1,606,862.57 - \$1,604,224.75 = \$2,637.82).

- B** Adjustment reflects proforma adjustment of revenues from wholesale rates. Wholesale rate to East Pendleton County Water District and City of Brooksville is currently \$4.06 per 1,000 gallons. During the test period, the wholesale rate was \$4.04 per 1,000 gallons. (15,423,600 gallons x \$0.02 per 1,000 gallons = \$308.47).

- C** Test period late payment fees were \$4,558.74. This amount is not representative of a normal year of operations. PSC prohibited collection of late payment fees from March through December 2020. (See PSC Case No. 2020-00085). Bracken District has resumed collection of late payment fees. To determine an appropriate and representative level of revenue from such fees, an average of forfeited discounts for 2017, 2018, and 2019; which are \$27,982.73, \$27,788.40, and \$29,476.10 respectively, is used. This average is \$28,415.74. Bracken District did not report late payment fees separately in its 2020 Annual Report but included those fees in Miscellaneous Service Revenues.

- D** Test period late payment fees of \$4,558.74 were removed from this category and reported in Forfeited Discounts. Tap-on Fees of \$37,571.61 were assessed during the test period. These fees should be capitalized and have been removed from Miscellaneous Service Revenues.

As to the remaining non-recurring charges, the test period amount was not representative of a normal year of operations. PSC prohibited termination of service for non-payment (See PSC Case No. 2020-00085), reducing the number of service terminations and reconnections. To determine an appropriate and representative level of revenue from reconnection charges, an average of the revenue from reconnection fees assessed in 2017, 2018, and 2019, which are respectively \$3,760, \$5,560 and \$5,160, is used.

3-Year Average = $(\$3,760 + \$5,560 + \$5,160) \div 3 = \$14,480 \div 3 = \$4,827$

Adjustment = $\$4,827 - \$2,280 = \$2,547$.

Test Year Miscellaneous Service Revenues	\$55,324.00
Remove: Test Year Late Payment Fees	4,558.74
Remove :Tap Fees	37,571.61
Add: Normalized Reconnect Fees Adjustment	<u>2,547.00</u>
Pro Forma Miscellaneous Service Revenues	\$15,470.65

REFERENCES

Reference

Remarks

E During test period, Employees No. 3 and No. 4 received \$0.50 per hour and \$0.82 per hour wage increases. After the close of test period, Employees No. 1 and 2 each received wage increase of \$2.00 per hour. Employee No. 5 was hired after the end of test period. Bracken District no longer employs other employees employed during the test year. Test period expense adjusted to reflect the changes in personnel and wage rates. Calculation of current wage expense is shown in the Excel Spreadsheet "Wage-Benefits" which is contained in the Excel Workbook "RateCalculationsSpreadsheets." That workbook is embedded in this Application and has also been filed separately with this Application.

F Bracken District pays 100 percent of cost for employee's health insurance, life insurance, and accident insurance coverage. It does not provide retirement benefits. Calculation of current employee benefits expense is shown in the Excel Spreadsheet "Wage-Benefits" which is contained in the Excel Workbook "RateCalculationsSpreadsheets." That workbook is embedded in this Application and has also been filed separately with this Application.

Actual current cost of Bracken District's contribution for employee health insurance is \$49,748.04. The PSC has previously limit employer's contribution to employee health insurance expense to the current Bureau of Labor Statistics ("BLS") Average Employer Contribution Rate for Health Insurance (78% Single Coverage; 66% Family Coverage). Applying the BLS average employer contribution rate to actual current expense requires an adjustment of \$(13,765.19) and results in a pro forma health insurance expense of \$35,982.19.**

Total Adjusted Current Employee Benefits Cost: : \$35,982.19 (Adjusted Health Insurance + \$502.80 (Life Insurance) + \$1,490.45 (Accident Insurance) = 37,976.14.

Adjustment: \$37,976.14 (Adjusted Current Employee Benefits Expense) - \$44,919 (Test Period Employee Benefits Expense) = \$(6,942.86)

**Note: Bracken District does not agree with or accept the PSC's current ratemaking practice of reducing employer contributions to employee health insurance solely on the basis of national averages and without consideration of the employee's total wage and benefit package or local market conditions and expressly reserves the right to contest this practice in future rate proceedings.

G In its 2020 Annual Report, Bracken District reported purchased water expense of \$419,931. This amount appears to be in error. During the test period, Bracken District purchased 160,141,234 gallons of water from Augusta and 4,478,800 gallons from Western Mason Water District. Based upon these purchase levels and each supplier's test period wholesale rate, total purchased water expense for the test period is \$384,528.10.

During the test period, Bracken District purchased water from Augusta and Western Mason Water District. On May 27, 2021, the PSC in Case No. 2020-00277 authorized an increase in Augusta's wholesale water rate to Bracken District from \$2.25 per 1,000 gallons to \$2.36 per 1,000 gallons. Based upon the number of gallons of water purchased from the City of Augusta during the test period), Bracken District's purchased water expense should be increased by \$1,601.42 (160,141,234 gallons x \$0.01 per 1,000 gallons).

807 KAR 5:066 limits recovery of unaccounted-for water loss to 15 percent. During the test period, District has 15.9858 percent unaccounted-for water loss. Bracken District is limited to recovery of the cost of District permitted to recover only the cost of 159,050,750 gallons (138,305,000 gallons x 1.15). Cost of remaining purchased water (5,569,283 gallons) may not be recovered. The average cost of purchased water during the test period was \$2.336 per 1,000 gallons. Approximately \$13,009.85 must be disallowed as excessive water loss. (5,569,283 gallons x 2.336 per 1,000 gallons = \$13,009.85).

REFERENCES

Reference

Remarks

Proforma purchased water expense = \$384,528.10 + \$1,601.42 + \$(13,009.85) = \$373,119.67

Adjustment: \$373,119.67 + (\$419,931) = \$(46,811.33)

Note: Bracken District recently discovered that the Augusta Water Treatment Plant master meter through which Bracken District purchases water from the City of Augusta was improperly calibrated during the test period and inaccurately reporting water purchases. During the test period, Bracken District may have been charged for as much as 3,514,489 gallons of water not actually delivered. This discovery may affect purchased water expense in two ways. It would reduce purchase water expense by \$8,294.20 (3,514,489 gallons x \$2.36 per 1,000 gallons) and would allow for full recovery of purchased water expenses as, without the phantom purchases, Bracken District’s unaccounted-for water loss would have been only 14.15 percent.

H Purchased power expense is increased \$28 to correct reporting error. Expense was reported in 2020 Annual Report as \$45,855. Electricity expense accounts in general ledger show amount as \$45,883 (\$44,048.38 + \$1,835.17).

Purchased power expense is adjusted to remove electric costs related to pumping of unaccounted-for water loss that exceeds 15 percent. Total purchased power cost is \$45,883. Of this amount, \$1,835 was for electricity to serve Bracken District’s offices and was not related to the pumping of water.

Electric Power Costs for Pumping Water: \$45,883.55 - \$1,835.17 = \$44,048.38

Electricity Cost per 1,000 gallons to Pump Water = \$44,048.38 ÷ 164,620,033 gallons = \$0.00026758.

Number of gallons of water permitted recovery= Total Gallons Sold + Total Other Water Used) x 1.15= (135,354,000+2,951,000) x 1.15=159,050,750 gallons.

159,050,750 gallons x \$0.00026758 = \$42,558.17 (Allowable cost for pumping water)

\$42,558.17 + \$(44,048.38) = \$(1,490.21) (Disallowed purchased power costs for pumping excessive water loss)

Total Adjustment: \$28 + \$(1,490.21) = \$(1,462.21)

Note: As noted in Reference G, the recent discovery of the inaccurate master meter at the Augusta Water Treatment Plant may eliminate the need to adjust this expense for excessive unaccounted-for water loss.

I Test period insurance expense adjusted to reflect decreased premiums for property and crime insurance, liability insurance, and workers compensation and employer’s liability insurance in 2021.

Property & Crime	\$10,468.23
Liability	\$12,141.01
Workers Comp	\$ 5,743.08
Public Official Bond	<u>\$ 3,919.30</u>
Total Adjusted	\$32,070.53

Adjustment = \$32,070.53 +(\$32,536) = \$(465.47)

J Regulatory expense adjusted to reflect increase to increased PSC Assessment due to adjustment of test period revenues: (\$1,748,423 x .0002) - \$3,546 = \$65.60.

K Includes test period advertising expense.

REFERENCES

Reference	Remarks
L	<p>Depreciation expense is increased \$69,851.69 to reflect additional depreciation expense for the Water Systems Improvement Project for which the PSC issued a certificate of public convenience and necessity in Case No. 2018-00352 and which was completed and placed in service March 2021.</p> <p>Distribution and Transmission mains: \$4,082,354.06 Water meters: \$130,266.16 Customer Services: \$356,279.78 Total Cost of Project = \$4,568,800</p> <p>Distribution and Transmission mains: $\\$4,082,354.06 \times .0133 = \\$54,431.39$ (75 years) Water meters: $\\$130,266.16 \times .05 = \\$6,513.31$ (20 years) Customer Services: $\\$356,279.78 \times .025 = \\$8,906.99$ (40 years) Total Adjustment: $\\$54,431.39 + \\$6,513.31 + \\$8,906.99 = \\$69,851.69$ Pro Forma Depreciation Expense: $\\$309,868 + \\$69,851.69 = \\$379,719.69$</p>
M	<p>Bracken District estimates rate case expense of \$15,000 and proposes to amortize this expense over five (5) years. Amortization expense = $\\$15,000 \div 5 \text{ years} = \\$3,000$ per year.</p>
N	<p>Adjustment to reflected increased employer taxes due to proforma employee wages.</p> <p>Proforma employer taxes = $(\\$218,717.58 + \\$18,200) \times 0.0765 = \\$18,111.92$ (includes FICA taxes on commissioner salaries.</p> <p>Adjustment to test-period expense = $\\$18,111.92 - \\$16,759 = \\$1,352.92$.</p>

EXHIBIT D

REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD

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

Pro forma Operating Expenses	\$1,333,092.00
Plus: Average Annual Debt Principal and Interest Payments*	590,098.00
Debt Coverage Requirement	118,020.00
Total Revenue Requirement	2,041,210.00
Less: Other Operating Revenue	-44,156.00
Non-operating Revenue	-7,466.00
Interest Income	-39,194.00
Revenue Required from Rates	1,950,394.00
Less: Revenue from Sales at Present Rates	-1,696,045.00
Required Revenue Increase	\$254,349.00

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	15%
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* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

EXHIBIT E

EXHIBIT E-1

Revenue from Present Rates (Rates Effective During Test Period)
Test Period from January 1, 2020 to December 31, 2020

USAGE TABLE

Usage By Rate Increment

General Rates					
	Bills	Gallons	First 2,000	Next 38,000	Over 40,000
First 2,000 gallons (Minimum)	11,121	9,976,200	9,976,200		
Next 38,000 gallons	20,538	103,339,000	41,076,000	62,263,000	
Over 40,000 gallons	79	6,310,000	158,000	3,002,000	3,150,000
Total	31,738	119,625,200	51,210,200	65,265,000	3,150,000
Wholesale Rate					
	Bills	Gallons			
East Pendleton Water District	12	880,400			
City of Brooksville	12	14,543,200			
Total	24	15,423,600			
Bulk Sales					
		Gallons			
Total		150,000			

REVENUE TABLE

Revenue By Rate Increment

General Rates				
	Bills	Gallons	Rates	Revenue
First 2,000 gallons (Minimum)	11,121	9,976,200	\$ 27.85 Minimum Bill	\$ 883,903.30
Next 38,000 gallons	20,538	103,339,000	0.01063 Per Gallon	\$ 693,766.95
Over 40,000 gallons	79	6,310,000	0.00843 Per Gallon	\$ 26,554.50
Total	31,738	119,625,200		\$1,604,224.75
Wholesale Rate				
	Bills	Gallons	Rates	Revenue
	24	15,423,600	\$ 0.00404 Per Gallon	\$ 62,311.34
Bulk Sales				
	Bills	Gallons	Rates	Revenue
		150,000	0.00950 Per Gallon	\$ 1,425.00
Total		135,198,800		\$ 1,667,961.09

EXHIBIT E-2

**Revenue from Present Rates (Rates in Effect Since July 6, 2021)
Test Period from January 1, 2020 to December 31, 2020**

USAGE TABLE

Usage By Rate Increment

General Rates					
	Bills	Gallons	First 2,000	Next 38,000	Over 40,000
First 2,000 gallons (Minimum)	11,121	9,976,200	9,976,200		
Next 38,000 gallons	20,538	103,339,000	41,076,000	62,263,000	
Over 40,000 gallons	79	6,310,000	158,000	3,002,000	3,150,000
Total	31,738	119,625,200	51,210,200	65,265,000	3,150,000
Wholesale Rate					
	Bills	Gallons			
East Pendleton Water District	12	880,400			
City of Brooksville	12	14,543,200			
Total	24	15,423,600			
Bulk Sales					
		Gallons			
Total		150,000			

REVENUE TABLE

Revenue By Rate Increment

General Rates				
	Bills	Gallons	Rates	Revenue
First 2,000 gallons (Minimum)	11,121	9,976,200	\$ 27.89 Minimum Bill	\$ 885,172.82
Next 38,000 gallons	20,538	103,339,000	0.01065 Per Gallon	\$ 695,072.25
Over 40,000 gallons	79	6,310,000	0.00845 Per Gallon	\$ 26,617.50
Total	31,738	119,625,200		\$1,606,862.57
Wholesale Rate				
	Bills	Gallons	Rates	Revenue
	24	15,423,600	\$ 0.00406 Per Gallon	\$ 62,619.82
Bulk Sales				
	Bills	Gallons	Rates	Revenue
		150,000	0.00950 Per Gallon	\$ 1,425.00
Total		135,198,800		\$ 1,670,907.99

EXHIBIT E-3

Revenue from Proposed Rates (Phase 1)
Test Period from January 1, 2020 to December 31, 2020

USAGE TABLE

Usage By Rate Increment

General Rates					
	Bills	Gallons	First 2,000	Next 38,000	Over 40,000
First 2,000 gallons (Minimum)	11,121	9,976,200	9,976,200		
Next 38,000 gallons	20,538	103,339,000	41,076,000	62,263,000	
Over 40,000 gallons	79	6,310,000	158,000	3,002,000	3,150,000
Total	31,738	119,625,200	51,210,200	65,265,000	3,150,000
Wholesale Rate					
	Bills	Gallons			
East Pendleton Water District	12	880,400			
City of Brooksville	12	14,543,200			
Total	24	15,423,600			
Bulk Sales					
		Gallons			
Total		150,000			

REVENUE TABLE

Revenue By Rate Increment

General Rates				
	Bills	Gallons	Rates	Revenue
First 2,000 gallons (Minimum)	11,121	9,976,200	\$ 29.98 Minimum Bill	\$ 951,545.60
Next 38,000 gallons	20,538	103,339,000	0.01145 Per Gallon	\$ 747,190.75
Over 40,000 gallons	79	6,310,000	0.00908 Per Gallon	\$ 28,613.36
Total	31,738	119,625,200		\$1,727,349.71
Wholesale Rate				
	Bills	Gallons	Rates	Revenue
	24	15,423,600	\$ 0.00436 Per Gallon	\$ 67,315.23
Bulk Sales				
	Bills	Gallons	Rates	Revenue
		150,000	0.01025 Per Gallon	\$ 1,1537.50
Total		135,198,800		\$ 1,796,202.44

Revenue from Proposed Rates (Phase 2)
Test Period from January 1, 2020 to December 31, 2020

USAGE TABLE

Usage By Rate Increment

General Rates					
	Bills	Gallons	First 2,000	Next 38,000	Over 40,000
First 2,000 gallons (Minimum)	11,121	9,976,200	9,976,200		
Next 38,000 gallons	20,538	103,339,000	41,076,000	62,263,000	
Over 40,000 gallons	79	6,310,000	158,000	3,002,000	3,150,000
Total	31,738	119,625,200	51,210,200	65,265,000	3,150,000
Wholesale Rate					
	Bills	Gallons			
East Pendleton Water District	12	880,400			
City of Brooksville	12	14,543,200			
Total	24	15,423,600			
Bulk Sales					
		Gallons			
Total		150,000			

REVENUE TABLE

Revenue By Rate Increment

General Rates				
	Bills	Gallons	Rates	Revenue
First 2,000 gallons (Minimum)	11,121	9,976,200	\$ 32.07 Minimum Bill	\$ 1,017,918.39
Next 38,000 gallons	20,538	103,339,000	0.01225 Per Gallon	\$ 799,309.25
Over 40,000 gallons	79	6,310,000	0.00972 Per Gallon	\$ 30,609.21
Total	31,738	119,625,200		\$1,847,836.85
Wholesale Rate				
	Bills	Gallons	Rates	Revenue
	24	15,423,600	\$ 0.00467 Per Gallon	\$ 72,010.64
Bulk Sales				
	Bills	Gallons	Rates	Revenue
		150,000	0.01100 Per Gallon	\$ 1,650.00
Total		135,198,800		\$ 1,921,497.49

EXHIBIT F

Bracken County Water District
 December 31, 2020
 UTILITY PLANT

Acct #	Assets	ASSETS				Life	Depreciation				Book Value	
		Balance 1/1/2020	ADDITIONS	Transfers	Dispositions		Balance 12/31/2020	1/1/2020	Provision	Deducts		Dispositions
301.1	Organization	\$ 1,122				50	\$ 906	\$ 22	\$ -	\$ -	\$ 928	\$ 194
303.5	Land & Land Rights	17,990				50	1,845	360	-	-	2,205	15,785
304.4	Structures & Improvements	397,798				35	138,191	11,366	-	-	149,557	248,241
305.2	Reservoirs	36,900				40	36,900	-	-	-	36,900	-
307.2	Intakes	110,873				35	110,873	-	-	-	110,873	-
310.2	Power Gen. Equipment	376,742				35	337,236	10,764	-	-	348,000	28,742
320.3	Pumping Equipment	4,060	58,671			35	4,060	1,792	-	-	5,852	56,879
331.4	Transmission, Distr, Mains	14,398,551	29,454			75	4,553,973	191,981	-	-	4,745,954	9,652,597
334.4	Meters & Install	895,777				20	622,984	46,262	-	-	669,246	255,985
336.4	Backflow Prev Equipment	3,260				0	1,304	-	-	1,304	1,956	-
339.4	Other Plant	59,685				40	20,032	1,492	-	-	21,524	38,161
343.5	Tools, Shop, Equipment	54,999				10	49,855	5,144	-	-	54,999	-
340.5	Office Furniture & Equip	136,583	6,812			10	128,583	14,340	-	-	142,923	473
341.5	Transport Equipment	38,949				10	27,223	3,895	-	-	31,118	7,831
330	Dist Res & Standpipes	539,552				35	190,004	15,416	-	-	205,420	334,132
346.5	Other Comm Equipment	110,779				20	97,936	5,539	-	-	103,475	7,304
344	Backhoe	81,643				10	81,643	-	-	-	81,643	-
3441	2008 Mini Excavator	72,771				10	71,275	1,496	-	-	72,771	-
3450	Chewy Truck 04	37,884				10	37,884	-	-	-	37,884	-
		\$ 17,375,918	\$ 94,937	\$ -	\$ -		\$ 6,512,707	\$ 309,868	\$ -	\$ -	\$ 6,822,575	\$ 10,648,280
Construction In Progress												
	1073 AC Line Project	3,199,583	1,188,874									
	1074 Hillsdale/Feagan Rdg Proj	-	-									
	1051 New AC Line Project	17,150	323,497									
	1075 Supply Line From Treatment Plant	-	144									
		3,216,733	1,512,515									
		\$ 20,592,651	\$ 1,607,452	\$ -	\$ -						\$ 22,200,103	

EXHIBIT G

EXHIBIT G-1

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND F

PROJECT NUMBER: F02-10

BORROWER: Bracken County Water District

BORROWER'S ADDRESS: P.O. Box 201
Brooksville, Kentucky 41004

DATE OF ASSISTANCE AGREEMENT: February 1, 2003

CFDA NO.: 66.458

ASSISTANCE AGREEMENT

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. Representations and Warranties of Authority 6
SECTION 2.2. Representations and Warranties of the Governmental Agency 6

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

SECTION 3.1. Determination of Eligibility..... 9
SECTION 3.2. Principal Amount of Loan Established; Loan Payments;
Disbursement of Funds 9
SECTION 3.3. Governmental Agency's Right to Prepay Loan 9
SECTION 3.4. Subordination of Loan 9

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT;
REQUISITION FOR FUNDS

SECTION 4.1. Covenants of Governmental Agency and Conditions of Loan 11
SECTION 4.2. Additional Conditions to Disbursement Required
Under the Federal Agreement..... 13
SECTION 4.3. Disbursements of Loan; Requisition for Funds 15

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..... 16
SECTION 5.2. Governmental Agency's Obligation to Repay Loan 16
SECTION 5.3. Covenant to Adjust Service Charges 16
SECTION 5.4. Adequacy of Service Charges 16
SECTION 5.5. Covenant to Establish Maintenance and Replacement Reserve 17
SECTION 5.6. Covenant to Charge Sufficient Rates; Reports; Inspections 17
SECTION 5.7. Segregation of Funds 17

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

SECTION 6.1.	Further Assurance.....	18
SECTION 6.2.	Completion of Project.....	18
SECTION 6.3.	Establishment of Completion Date.....	18
SECTION 6.4.	Commitment to Operate	18
SECTION 6.5.	Continue to Operate.....	18
SECTION 6.6.	Tax Covenant.....	18
SECTION 6.7.	Accounts and Reports.....	18
SECTION 6.8.	Financial Statements.....	19
SECTION 6.9.	General Compliance With All Duties.....	19
SECTION 6.10.	General.....	19
SECTION 6.11.	Further Covenants Under the Federal Agreement.....	19
SECTION 6.12.	Continuing Disclosure Obligation.....	21

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

SECTION 7.1.	Maintenance of System.....	22
SECTION 7.2.	Additions and Improvements.....	22
SECTION 7.3.	System Not to be Disposed of	22
SECTION 7.4.	Compliance with State and Federal Standards	22
SECTION 7.5.	Access to Records.....	22
SECTION 7.6.	Covenant to Insure - Casualty.....	22
SECTION 7.7.	Authority as Named Insured.....	23
SECTION 7.8.	Covenant to Insure - Liability.....	23
SECTION 7.9.	Covenant Regarding Workers' Compensation.....	23
SECTION 7.10.	Application of Casualty Insurance Proceeds	23
SECTION 7.11.	Eminent Domain.....	23
SECTION 7.12.	Flood Insurance	24

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1.	Events of Default Defined.....	25
SECTION 8.2.	Remedies on Default.....	25
SECTION 8.3.	Appointment of Receiver.....	26
SECTION 8.4.	No Remedy Exclusive.....	26
SECTION 8.5.	Consent to Powers of Authority Under Act.....	26
SECTION 8.6.	Waivers.....	26
SECTION 8.7.	Agreement to Pay Attorneys' Fees and Expenses.....	26

ARTICLE IX

MISCELLANEOUS PROVISIONS

SECTION 9.1.	Approval not to be Unreasonably Withheld	27
SECTION 9.2.	Approval	27
SECTION 9.3.	Effective Date	27
SECTION 9.4.	Binding Effect.....	27
SECTION 9.5.	Severability	27
SECTION 9.6.	Assignability	27
SECTION 9.7.	Execution in Counterparts	27
SECTION 9.8.	Applicable Law.....	27
SECTION 9.9.	Captions	27
SIGNATURES		28
EXHIBIT A - PROJECT SPECIFICS		A-1
EXHIBIT B - REQUISITION FORM.....		B-1
EXHIBIT C - SCHEDULE OF SERVICE CHARGES		C-1
EXHIBIT D - RESOLUTION		D-1
EXHIBIT E - LEGAL OPINION		E-1
EXHIBIT F - SCHEDULE OF PAYMENTS		F-1
EXHIBIT G - ADDITIONAL COVENANTS AND AGREEMENTS.....		G-1

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 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 Program is funded in part, pursuant to the Capitalization Grant Operating Agreement between the Authority and the U.S. Environmental Protection Agency dated as of November 1, 1998 (the "Federal Agreement") under which the Authority is responsible for providing certain "match funding" described in the Federal Agreement; 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 February 1, 2000 (the "Indenture") between the Authority and National City Bank of Kentucky (the "Trustee") in order to provide the "match funding" for the Program; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable to finance the acquisition and construction of 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 repay the Loan and the interest thereon from the sources herein provided, all as hereinafter more 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 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:

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.

"*Architects*" means the firm of consulting architects employed by the Governmental Agency in connection with the Project 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.

"*Cabinet*" means the Natural Resources and Environmental Protection Cabinet of the Commonwealth.

"*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 income and revenues of the System.

"Drinking Water Supply Project" shall mean the planning, design and construction of drinking water treatment and distribution systems, including expenditures to address Federal Act health goals, or to address situations where compliance standards have been exceeded or to prevent future violations of rules, and may further include drinking water treatment plants, including basins for rapid mix, flocculation, coagulation, filtration, pre-treatment disinfection, and disinfection prior to entry to the distribution system; distribution systems; storage tanks; intake lines and short-term water storage; clearwells; drilled wells and wellhead areas; and any other structure or facility considered necessary by the Natural Resources Cabinet of the Commonwealth of Kentucky to the efficient and sanitary operation of a public water system and complies with the requirements of the Federal Act.

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

"Federal Act" shall mean the Federal Safe Drinking Water Act, as amended, 42 U.S.C. Section 1401, et seq.

"Governmental Agency" shall mean any incorporated city or municipal corporation, or other agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate infrastructure projects, including specifically but not by way of limitation, incorporated cities, counties, including any counties containing a metropolitan sewer district, sanitation districts, water districts, 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 February 1, 2000 between the Authority and the Trustee.

"Interagency Agreement" means the Memorandum of Understanding dated as of July 1, 1999 between the Authority and the Cabinet, as the same may be amended or supplemented from time to time.

"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.1115 and the Indenture as the "federally assisted drinking water 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, a Drinking Water Supply Project, 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 the Construction of the Project progresses.

"*Resolution*" means the resolution of the Governmental Agency attached hereto as Exhibit D authorizing the execution of this Assistance Agreement.

"*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 general charges to be imposed by the Governmental Agency for services provided by the System, as set forth in Exhibit C hereto, and such other revenues identified in Exhibit C hereto 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

"*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 System, 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 Charges shall be no less than those set forth in the Schedule of Service Charges.

"*System*" shall mean the water system owned and operated by the Governmental Agency of which the Project shall become a part and from the earnings of which (represented by the Service Charges) the Governmental Agency shall repay the Authority the Loan hereunder.

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 the Federal 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) To the knowledge of the Governmental Agency, 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 proceed with 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.

(J) The Governmental Agency is in full compliance with all federal and state labor and procurement laws in connection with the planning, design, acquisition and construction of the Project.

(K) Project is consistent with the water supply plan developed pursuant to 401 KAR 4:220 for the county in which the Governmental Agency is located.

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 Drinking Water Supply 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 semiannually, 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; and shall be subject to the further 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 Prepay 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 System 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 and the Cabinet appropriate documentation, satisfactory to the Authority indicating the following:

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

(B) All real estate and interest in real estate and all personal property constituting the Project and the sites of the Project 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 the 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 Cabinet.

(G) Duly authorized representatives of the Cabinet 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, the Cabinet and any other participating federal or state agency, the Engineers, and all construction contractors, such conference to be held in accordance with guidelines established by the Authority and the Cabinet. 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 Cabinet 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 for the Governmental Agency and approved by state and federal agencies.

(O) If requested, the Governmental Agency will erect at the Project sites, signs satisfactory to the Authority and the United States Environmental Protection Agency noting the participation of the Authority and the U.S. Government, respectively, 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 and the Cabinet, acting by and through their 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 and the Cabinet such documents and information as such public bodies may reasonably require in connection with the administration of any federal or state assistance.

(R) The Governmental Agency shall require that each construction contractor or contractors furnish a performance and a 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.

(S) 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.

(T) 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 Cabinet, 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.

(U) 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 and the Cabinet 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

Section 4.2. Additional Conditions to Disbursement Required Under the Federal Agreement. The Governmental Agency, in order to comply with the terms and conditions of the Federal Agreement, further covenants and further agrees to additional conditions to disbursement, as follows:

(A) Notwithstanding any other agreements contained herein regarding the maintenance of books and records, that it shall maintain Project accounts in accordance with

generally accepted governmental accounting standards, as required by the Federal Agreement. The Governmental Agency shall retain such records for no less than three (3) years following the final payment by the Governmental Agency under this Assistance Agreement or if any portion of the Project is disposed of, until at least three (3) years after such disposition; provided that if any litigation, claim, appeal or audit is commenced prior to the end of such period such records shall be maintained until the completion of such action or until three (3) years after such commencement, whichever is later.

(B) That it has not and will not apply any other federal funding to the Project in a manner that would cause it to receive "double benefits" as described in Section 603 of the Water Quality Act of 1987.

(C) That all property required for the completion of the Project shall be obtained, by easement, purchase or other means acceptable to the Authority, prior to commencement of construction and that the relocation of any Person resulting therefrom be in accordance with 49 CFR24 for Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

(D) That all Project contractors shall be required to retain Project records for the periods established for the retention of the Governmental Agency's records in Section 4.2(A).

(E) That no more than fifty percent (50%) of the proceeds of the Loan shall be disbursed until approval by the Cabinet of the final plan for operation for the Project.

(F) That no more than ninety percent (90%) of the proceeds of the Loan shall be disbursed until approval by the Cabinet of the draft operations and maintenance manual.

(G) That final disbursement will not be allowed until approval by the Cabinet of a final operations and maintenance manual.

(H) That, as required by 40 CFR 35.2218, all engineering services regarding construction and regarding the first year of operation of the Project shall be provided for, including the following:

(1) The operation of the Project and the revision of the operations and maintenance manual as necessary to accommodate actual operating experience;

(2) The training of operating personnel, including preparation of curricula and training material for operating personnel; and

(3) Advice as to whether the Project is meeting the Project performance standards (including three quarterly reports and one project performance report).

(I) That it shall advise the Cabinet and the Authority in writing of the date for initiation of operation of the Project.

(J) That one year after operation is initiated; it shall certify to the Cabinet and the Authority that the Project is capable of meeting the Project performance standards.

(K) That it shall provide that qualified inspectors are present at the construction site. A summary of such inspector's qualifications and experience shall be submitted to the Cabinet and the Authority.

(L) That it shall notify the Authority and the Cabinet of the completion date of the Project.

(M) That it agrees to the terms and conditions of its application for assistance and the Authority's commitment to provide assistance, the terms of which are incorporated herein by reference.

(N) That all measures required to minimize water pollution to affected waters shall be employed in the Project including compliance with Section 404 of PL 92-500, as amended, it being understood that approval of the Project does not constitute sanction or approval of any changes or deviations from established water quality standards, criteria implementation dates, or dates established by enforcement proceedings.

Section 4.3. Disbursements of Loan; Requisition for Funds. The Governmental Agency shall submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) and the Cabinet a Requisition for Funds prior to the fifth day 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 planning and design 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 planning and design 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 planning and design 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 disbursement by the Authority.

Upon the Authority's receipt of the Requisition for Funds, and such additional documentation as it may require, and subject to certification by the Cabinet, 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 Service Charges upon all persons, firms and entities to whom or which services are provided by the System, such Service Charges to be no less than as 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, to make the required deposits to the Maintenance and Replacement Reserve and to provide for the operation of the System, 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, or immediately commence proceedings for a rate adjustment and increase with all applicable regulatory authorities, so as to provide funds sufficient to pay to the Authority the minimum sums set forth in the Schedule of Payments, to provide for the operation of the System as required under this Assistance Agreement and to make the required deposits to the Maintenance and Replacement Reserve.

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, to make the required deposits to the Maintenance and Replacement Reserve and to provide for the operation of the System, subject to necessary governmental and regulatory approvals.

The Service Charges imposed by the Governmental Agency shall be paid by the users of the System and accordingly the Project 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". The Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to the amount set forth in the Project Specifics at the times set forth in the Project Specifics. Amounts in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the Project or for the unbudgeted costs of replacing worn or obsolete portions of the Project.

Section 5.6. Covenant to Charge Sufficient Rates; Reports; Inspections. 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 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, to provide for the operation of the System and to make the required deposits to the Maintenance and Replacement Reserve.

(B) That it will furnish to the Authority and the Cabinet not less than annually reports of the operations and income and revenues of the System, and will permit authorized agents of the Authority to inspect all records, accounts and data of the System 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 System not less than thirty (30) days prior to the sale of said obligations. It further covenants that it will not issue any notes, bonds or other obligations payable from the revenues of the System, if the pledge of the revenues of the System to the repayment of such obligations is to rank on a parity with, or superior to, the pledge of the revenues of the System for the repayment of the Loan granted under this Assistance Agreement, unless the Governmental Agency has secured the consent of the Authority not less than fifteen (15) days prior to the issuance of such 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.

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 accordance with the "Uniform System of

Accounts" established by the Commonwealth, in which complete and accurate entries shall be made of all its transactions relating to the System and 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 principles 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 Project and the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of this Assistance Agreement and any other Debt Obligations.

Section 6.10. 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, the Federal 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.

Section 6.11. Further Covenants under the Federal Agreement. The Governmental Agency shall comply with all further requirements or conditions which may arise from time to time in order to assure compliance with the Federal Act, and with the agreements of the Authority set forth in the Federal Agreement, including but not limited to the following:

(A) The Governmental Agency shall provide all information requested of it by the Authority or the Cabinet so that (i) the Grants Information Control System, referred to in the Federal Agreement, can be maintained, (ii) the accounting and auditing procedures required by the Federal Act can be maintained and (iii) the Authority can furnish the information required of its under the Federal Agreement.

(B) Qualified operating personnel, properly certified by the Cabinet, shall be retained by the Governmental Agency to operate the Project during the entire term of this Assistance Agreement. An approved plan of operating and an operations and maintenance manual for the Project shall be provided by the Governmental Agency to the Cabinet and the Authority. The Project shall be operated and maintained in an efficient and effective manner.

(C) All residents in the service area of the Project must be offered the same opportunity to become users of the Project regardless of race, creed, color, or level of income.

(D) The Governmental Agency shall comply with provisions contained in the following federal regulations, orders, acts and circulars and the following statutes and regulations of the Commonwealth.

(1) Federal Cross-Cutters

Environmental Authorities

- (a) Archeological and Historic Preservation Act of 1974, Pub. L. 86-523, as amended
- (b) Clean Air Act, Pub. L. 84-159, as amended
- (c) Coastal Barrier Resources Act, Pub. L. 97-348
- (d) Coastal Zone Management Act, Pub. L. 93-583, as amended
- (e) Endangered Species Act, Pub. L. 93-205, as amended
- (f) Environmental Justice, Executive Order 12898
- (g) Floodplain Management, Executive Order 11988 as amended by Executive Order 12148
- (h) Protection of Wetlands, Executive Order 11990
- (i) Farmland Protection Policy Act, Pub. L. 97-98
- (j) Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- (k) National Historic Preservation Act of 1966, PL 89-665, as amended
- (l) Safe Drinking Water Act, Pub. L. 93-523, as amended
- (m) Wild and Scenic Rivers Act, Pub. L. 90-542, as amended

Economic and Miscellaneous Authorities

- (a) Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended, Executive Order 12372
- (b) Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans.
- (c) Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended
- (d) Debarment and Suspension, Executive Order 12549

Social Policy Authorities

- (a) Age Discrimination Act of 1975, Pub. L. 94-135
- (b) Title VI of the Civil Rights Act of 1964, Pub. L. 88-352
- (c) Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 92-500 (the Clean Water Act)
- (d) Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (including Executive Orders 11914 and 11250)
- (e) Equal Employment Opportunity, Executive Order 11246
- (f) Women's and Minority Business Enterprise, Executive Orders 11625, 12138, and 12432

(g) Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590

(2) State:

(a) KRS 224

(b) KRS 224A.1115 Federally Assisted Drinking Water Revolving Fund

(c) KRS Chapter 337, Labor Laws

(d) 401 KAR Chapter 5

Section 6.12. Continuing Disclosure Obligation. The Governmental Agency covenants and agrees that notwithstanding any other provision of this Assistance Agreement to the contrary, upon written notice from the Authority that the Schedule of Payments provides ten percent (10%) or more of the debt service requirements on an issue of the Authority's Bonds and that compliance by the Governmental Agency with the requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "SEC Rule") is required in connection with the Authority's Bonds, the Governmental Agency shall provide to the Authority such information as may be required by the Rule, within the time periods set out in such notice by the Authority, to enable the Authority to establish to the satisfaction of prospective purchasers of the Authority's Bonds that the requirements of the SEC Rule will be satisfied in connection with the issuance of the Authority's Bonds. The Governmental Agency further understands and agrees that the Authority shall act as the Governmental Agency's disclosure agent for purposes of compliance with the SEC Rule and that upon a failure by the Governmental Agency to provide the information required to be provided under the SEC Rule within the time frame specified in such notice, the Authority and/or the beneficial owners and holders of the Authority's Bonds shall be specifically granted the right of enforcing the provisions of this Section 6.12 by an action in mandamus, for specific performance, or similar remedy to compel performance.

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 7.1. Maintain System. 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 the System 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. System Not to Be Disposed Of. The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not, without the prior written consent of the Authority, which consent shall not be unreasonably withheld, sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities of the System or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 7.4. 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 7.5. 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 7.6. 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 7.7. 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 7.8. 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 7.9. 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 7.10. 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 7.11. 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 7.11, 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.

Section 7.12. Flood Insurance. All structures located in flood prone areas shall be covered by flood insurance carried by the Governmental Agency for an amount equal to the total Project cost excluding the cost of land and any uninsurable improvements, or for the maximum limit available under the National Flood Insurance Act of 1968, as amended, whichever is less, for the entire useful life of the Project.

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 specified herein 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 (other than an event of default arising under Section 6.13 of this Assistance Agreement), 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.

(D) Submit a formal referral to the appropriate federal agency, as required by the Federal Agreement.

The sole remedies for an Event of Default under this Assistance Agreement arising by virtue of the failure of the Governmental Agency to comply with the provisions of Section 6.10 hereof shall be those remedies specifically set forth in Section 6.10 hereof

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 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 therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

ARTICLE IX

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 in 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, 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. Assignability. The rights of the Authority under this Assistance Agreement shall be assignable by the Authority without the consent of the Governmental Agency, but none of the rights, duties or obligations of the Governmental Agency under this Assistance Agreement shall be assignable by the Governmental Agency without the prior written consent of the Authority.

Section 9.7. 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 9.8. Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

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:

[Signature]
Title: Secretary

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

By: *[Signature]*
Title: Executive Director

ATTEST:

Baxter Courts
BAXTER COURTS
Title: SECRETARY

**GOVERNMENTAL AGENCY:
BRACKEN COUNTY WATER DISTRICT**

By: *[Signature]*
Title: CHAIRMAN

APPROVED:

[Signature]
SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

EXAMINED:

[Signature]
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

**CABINET FOR NATURAL RESOURCES
AND ENVIRONMENTAL PROTECTION OF
THE COMMONWEALTH OF KENTUCKY**

By: *[Signature]*
Director
Division of Water

EXHIBIT A
BRACKEN COUNTY WATER DISTRICT
PROJECT SPECIFICS
F02-10

GOVERNMENTAL AGENCY:

Name: Bracken County Water District
 Address: P.O. Box 201
 Brooksville, KY 41004

ENGINEERS:

HMB Professional Engineers
 3 HMB Circle
 Frankfort, KY 40601

Contact

Person: Charles Tarvin, Chairman
 Phone: 606/735-3513
 Fax: 606/735-2619

Jeff Reynolds, P.E.
 859/695-9800
 859/695-8910

SYSTEM: Drinking water

PROJECT: The Bracken County Water District ("BCWD") is proposing to replace approximately six miles of small diameter water lines and construct a 250,000 gallon elevated water storage tank. The project will improve service to existing customers and provide service to 6 new customers.

PROJECT COST BREAKDOWN:

Actual Total Project Cost:

<u>PROJECT BUDGET</u>	<u>Fund F</u>	<u>Total Project</u>
Administrative & Legal	\$5,000	\$5,000
Land Acquisition	5,000	5,000
Engineering	123,500	123,500
Construction	747,508	747,508
Telemetry Equipment	10,000	10,000
Contingencies	36,992	36,992
Total	\$928,000	\$928,000

FUNDING SOURCES:

KIA Fund F Loan	\$928,000
Total	\$928,000

KIA Fund F LOAN AMOUNT:	\$928,000
LOAN RATE:	3.0%
ESTIMATED ANNUAL DEBT SERVICE PAYMENT:	\$64,361
REPAYMENT TERM:	20 yrs

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds.
(est 12/01/2003).

Full principal and interest payments will commence within one year of initiation of operation. (est 6/01/2004).

REPLACEMENT RESERVE ACCOUNT: \$3,700 to be deposited into borrower held account on or before December 1 of each year commencing with first full principal and interest payment. The annual deposits are to be made until balance reaches \$37,000 and maintained for the life of the loan.

ADMINISTRATIVE FEE: .25%

DEFAULT RATE: 8.0%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

Issue	Amount Outstanding
1993 KIA Fund C Loan	\$425,759
1995 First National Bank	347,974
2000 BTADD Loan	72,952

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	<u>1,000,000</u>
Death or Personal Injury (per occurrence)	<u>1,000,000</u>
Property Damage on System	<u>1,103,333</u>

EXHIBIT B

REQUEST FOR PAYMENT WITH RESPECT TO
ASSISTANCE AGREEMENT DATED FEBRUARY 1, 2003

Request No. _____

Dated: _____

Original sent to: Kentucky Infrastructure Authority
375 Versailles Road
Frankfort, Kentucky 40601

Copy sent to: Ms. Vicki Ray
Drinking Water Branch
Division of Water
Natural Resources and
Environmental Protection Cabinet
14 Reilly Road
Frankfort, Kentucky 40601

FROM: BRACKEN COUNTY WATER DISTRICT (the "Governmental Agency")

Gentlemen:

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of drinking water supply facilities, described in the Assistance Agreement as the "Project."

Pursuant to the Assistance Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Authority's funding share of these expenses is in the amount so denoted in this request totaling \$_____.

Documentation supporting the expenses incurred and identified per this request are attached.

ELIGIBLE PROJECT EXPENSES INCURRED

<u>Contractor</u>	<u>Expenses this Request</u>	<u>Expenses to Date</u>
Total		

ALLOCATION OF FUNDING FOR EXPENSES

<u>Funding Source</u>	<u>Portion of Expenses this Request</u>	<u>Portion of Expenses Total to Date</u>
Totals		

The Governmental Agency certifies it has also paid Project expenses for planning and design or has submitted requisitions to the applicable funding sources for Project expenses, which have not been identified in any previous Request or Payment, as follows:

<u>Funding Source</u>	<u>Amount of Payment or Requisition</u>	<u>Date of Payment or Requisition</u>
-----------------------	---	---------------------------------------

Respectfully submitted,

Governmental Agency

By: _____

Title _____

CERTIFICATE OF CONSULTING ENGINEERS AS TO
PAYMENT REQUEST

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request in connection with the "Eligible Project" and that all expenses represented in this request were duly incurred for the Construction of the "Project," that the Authority's funding share of these expenses is accurately represented and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Architect

Firm Name

EXHIBIT C

SCHEDULE OF SERVICE CHARGES

[SEE ATTACHED]

BRACKEN COUNTY WATER DISTRICT

CLASSIFICATION OF SERVICE

RESIDENTIAL, COMMERCIAL AND INDUSTRIAL
(Applicable to all of Bracken County except Augusta and Brooksville)

GALLONAGE BLOCK

First 2,000 gallons and minimum bill
Over 2,000 gallons

\$10.86

\$ 3.36 per 1,000 gallons

Surcharge Division I

\$ 6.44

(Multiple user's are billed a minimum of \$10.86 plus applicable surcharge per unit.)

Sales and Utility Tax where applicable.

CONNECTION FEE: \$600 on standard meter.

WHOLESALE DIVISION I (Applicable to Brooksville)

Gallonage Block

\$ 2.84 per 1,000 gallons

Surcharge

\$ 0.47 per 1,000 gallons

BULK SALES: Loading Station Division I

\$ 5.41 per 1,000 gallons

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 05 2002

Date of Issue: May 5, 2002

Issued by:

Diana Moran
Signature

PURSUANT TO 807 KAR 5-011
SECTION 9 (1)
Effective Date: June 5, 2002
BY STEPHEN O. BCU
SECRETARY OF THE COMMISSION

Office Manager
Title

EXHIBIT D

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT DATED AS OF FEBRUARY 1, 2003 BETWEEN THE BRACKEN COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners ("Governing Authority") of the Bracken County Water District ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Governmental Agency's Water System (the "Project") and

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

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an assistance agreement dated as of February 1, 2003 (the "Assistance Agreement") with the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Bracken County Water District, as follows:

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

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

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

ADOPTED on _____, 2003.

Chairman

Attest:

Title: Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said Commission at a meeting duly held on _____, 2003; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this ____ day of _____, 2003.

Recording Officer

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

Kentucky Infrastructure Authority
375 Versailles Road
Frankfort, Kentucky 40601

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and Bracken County Water District, dated as of February 1, 2003

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Bracken County Water District, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the drinking water supply project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement.

Based upon my review I am of the opinion that:

1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The 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 thereof 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.

3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to

execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) To the best of my knowledge, the Governmental Agency has fully complied with all federal and state labor and procurement laws in connection with the construction of the Project.

9) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

EXHIBIT F

TO ASSISTANCE AGREEMENT BETWEEN
BRACKEN COUNTY WATER DISTRICT
("GOVERNMENTAL AGENCY") AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY

Total Loan to be Repaid by
Governmental Agency to
Kentucky Infrastructure Authority

\$ _____

Principal and Interest Payable
on Each June 1 and December 1

It is understood and agreed by the parties to this Assistance Agreement that this Exhibit F is an integral part of the Assistance Agreement between the Governmental Agency and the Kentucky Infrastructure Authority.

IN WITNESS WHEREOF, the parties have caused this Exhibit F to Assistance Agreement to be executed by their respective duly authorized officers as of the date of said Assistance Agreement.

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

By: _____

Title: _____

**BRACKEN COUNTY WATER DISTRICT
Governmental Agency**

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

1. The Governmental Agency covenants and agrees to adopt and use, on or before June 30, 2004, the Kentucky Uniform System of Accounting, or an alternative process (to be approved by the Authority) which includes an annual budget, a chart of accounts, and monthly operating/management reporting. Water rates and charges must be based on the cost of providing such service.

24125VI

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT RATIFYING THE EXECUTION AND DELIVERY OF AN ASSISTANCE AGREEMENT DATED AS OF FEBRUARY 1, 2003 BETWEEN THE BRACKEN COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners ("Governing Authority") of the Bracken County Water District ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Governmental Agency's Water System (the "Project") and

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

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an assistance agreement dated as of February 1, 2003 (the "Assistance Agreement") with the Authority; and

WHEREAS, the Governing Authority by resolution dated February 20, 2002 authorized the Chairman of the Governmental Agency to execute such documents and instruments as may be necessary to effect the financial assistance to be provided by the Authority.

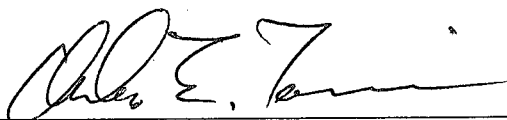
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Bracken County Water District, as follows:

SECTION 1. That the Governing Authority hereby ratifies and approves the execution and delivery of the Assistance Agreement between the Governmental Agency and the Authority for the purpose of providing the necessary financing to the Governmental Agency for the acquisition and construction of the Project.

SECTION 2. That the actions of the Chairman and Secretary of the Governmental Agency in executing the Assistance Agreement are hereby ratified and approved, and said officials are further authorized, directed and empowered to execute any additional necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.


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

ADOPTED on 3-19-, 2003.



Chairman

Attest:



Title: Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said Commission at a meeting duly held on March 19, 2003; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 19th day of March, 2003.

Baxter Courts
Recording Officer

241282

EXHIBIT G-2

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND B

PROJECT NUMBER B10-10

BORROWER: Bracken County Water District

BORROWER'S ADDRESS 1324 Brooksville-Germantown Road
PO Box 201
Brooksville, Kentucky 41004

DATE OF ASSISTANCE AGREEMENT: March 1, 2012

RECEIVED
KENTUCKY INFRASTRUCTURE
AUTHORITY
2012 APR 12 11:40:37

RECEIVED
KENTUCKY INFRASTRUCTURE
AUTHORITY
2012 APR -2 11:47

ASSISTANCE AGREEMENT

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. Representations and Warranties of Authority 6
SECTION 2.2. Representations and Warranties of the Governmental Agency 6

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

SECTION 3.1. Determination of Eligibility 8
SECTION 3.2. Principal Amount of Final Loan and Established; Loan Payments
Disbursement of Funds 8
SECTION 3.3. Governmental Agency's Right to Repay Interim Loan 8
SECTION 3.4. Subordination of Loan 8

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT OF INTERIM LOAN;
Requisition FOR FUNDS

SECTION 4.1. Covenants of Governmental Agency and Conditions of Loan 10
SECTION 4.2. Disbursements of Interim Loan Requisition for Funds 12

ARTICLE V

SERVICES CHARGES OF GOVERNMENTAL AGENCY;
PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY

SECTION 5.1. Imposition of Service Charges 14
SECTION 5.2. Governmental Agency's Obligation to Repay Loan 14
SECTION 5.3. Covenant to Adjust Service Charges 14
SECTION 5.4. Adequacy of Service Charges 14
SECTION 5.5. Covenant to Establish Maintenance and Replacement Reserve 14
SECTION 5.6. Covenant to Charge Sufficient Rates; Reports: Inspection 15
SECTION 5.7. Segregation of Funds 15
SECTION 5.8. Mandatory Sewer Connection 15
SECTION 5.9. Termination of Water Services to Delinquent Users 15

ARTICLE VI

FURTHER COVENANTS OF THE GOVERNMENTAL AGENCY

SECTION 6.1. Further Assurance	17
SECTION 6.2. Completion of Project	17
SECTION 6.3. Establishment of Completion Date	17
SECTION 6.4. Commitment to Operate.....	17
SECTION 6.5. Continue to Operate	17
SECTION 6.6. Tax Covenant	17
SECTION 6.7. Accounts and Reports	17
SECTION 6.8. Financial Statements	18
SECTION 6.9. General Compliance With All Duties	18
SECTION 6.10. Project Not to Be Disposed Of	18
SECTION 6.11. General	18

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

SECTION 7.1. Maintain Project.....	19
SECTION 7.2. Additions and Improvements	19
SECTION 7.3. Compliance with State and Federal Standards.....	19
SECTION 7.4. Access to Records	19
SECTION 7.5. Covenant to Insure - Casualty.....	19
SECTION 7.6. Authority as Named Insured	19
SECTION 7.7. Covenant to Insure - Liability	19
SECTION 7.8. Covenant Regarding Workmen's Compensation	20
SECTION 7.9. Application of Casualty Insurance Proceeds	20
SECTION 7.10. Eminent Domain	20

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. Events of Default Defined.....	21
SECTION 8.2. Remedies on Default.....	21
SECTION 8.3. Appointment of Receiver	21
SECTION 8.4. No Remedy Exclusive	22
SECTION 8.5. Consent to Powers of Authority Under Act	22
SECTION 8.6. Waivers	22
SECTION 8.7. Agreement to Pay Attorneys' Fees and Expenses	22

ARTICLE I

MISCELLANEOUS PROVISIONS

SECTION 9.1. Approval not to be Unreasonably Withheld	23
SECTION 9.2. Approval	23
SECTION 9.3. Effective Date	23

SECTION 9.4. Binding Effect	23
SECTION 9.5. Severability	23
SECTION 9.6. Execution in Counterparts.....	23
SECTION 9.7. Applicable Law	23
SECTION 9.8. Venue	23
SECTION 9.9. Captions	23
SIGNATURES	24
EXHIBIT A - PROJECT SPECIFICS	A-1
EXHIBIT B - REQUISITION FORM.....	B-1
EXHIBIT C - SCHEDULE OF SERVICE CHARGES	C-1
EXHIBIT D - RESOLUTION	D-1
EXHIBIT E - LEGAL OPINION	E-1
EXHIBIT F - SCHEDULE OF PAYMENTS	F-1
EXHIBIT G - ADDITIONAL COVENANTS AND AGREEMENTS	G-1

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 National City Bank of Kentucky (F/K/A 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;

2

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.

[End of Article I]

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.

[End of Article II]

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.

[End of Article III]

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.

[End of Article IV]

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, prescribe, 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.

[End of Article V]

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.

[End of Article VI]

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.

[End of Article VII]

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.

[End of Article VIII]

ARTICLE IX

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.

[End of Article IX]

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:

Sandy Williams

Title: _____

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

By: [Signature]

Title: EXECUTIVE DIRECTOR

ATTEST:

By: [Signature]

Title: Secretary

**GOVERNMENTAL AGENCY:
BRACKEN COUNTY WATER
DISTRICT**

By: [Signature]

Title: Chairman

APPROVED:

[Signature]
SECRETARY FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

EXAMINED:

[Signature]
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

APPROVED AS TO FORM AND LEGALITY

[Signature]
APPROVED

FINANCE AND ADMINISTRATION CABINET

EXHIBIT A
Bracken County Water District
PROJECT SPECIFICS
B10-10

GOVERNMENTAL AGENCY:

Name: Bracken County Water District
 1324 Brooksville-Germantown Road, P.O. Box 201
 Brooksville, KY 41004

Contact Person: Michael Brothers / Pam Hopkins
 (606) 564-6894

SYSTEM: Infrastructure

PROJECT:

The Bracken County Water District (BCWD) is requesting a Fund B loan in the amount of \$475,000 for the Short Roads Improvement and Upgrades project. This project will replace a 2,400 feet of two inch line on Badger Road with a four inch line, extend a line on Case Ridge by 3,200 feet, upgrade Augusta Berlin Road from Bladeston and extend to Ruf Road, upgrade waterline on 1011 at Bladeston (1,000 feet DI and 2,200 feet PVC) , upgrade two inch line on Mini Farms Subdivision to six inch for 6,000 feet, install 2.1 miles of four inch line on Old Pea Ridge and place valves at side road intersections in Mini Farms. The financing will be offered as 80% principal forgiveness and 20% loan. This project ranked 3rd on the Buffalo Trace Area Development District Water Management Council ranking completed in the fall of 2009.

PROJECT BUDGET:

Category	Total
Administrative Expenses	\$ 4,750
Legal Expenses	5,000
Engineering Fees	74,500
Construction	350,000
Contingency	35,750
Other	5,000
Total	\$ 475,000

FUNDING SOURCES:

Source	Amount	%
Fund B Loan	\$ 475,000	100%
Total	\$ 475,000	100%

KIA DEBT SERVICE:

Construction Loan	\$	475,000
Less: Principal Forgiveness (80%)	\$	380,000
Amortized Loan Amount	\$	95,000
Interest Rate		3.00%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	6,351
Administrative Fee (0.20%)	\$	190
Total Estimated Annual Debt Service	\$	6,541

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 6/1/2012).

Full principal and interest payments will commence within one year of initiation of operation (estimated 12/1/12).

REPLACEMENT RESERVE ACCOUNT:	\$	1,200	ANNUAL AMOUNT
	\$	12,000	TOTAL AMOUNT

The annual replacement cost is \$1,200. This amount should be added to the replacement account each December 1 until the balance reaches \$12,000 and maintained for the life of the loan.

ADMINISTRATIVE FEE:	0.20%
----------------------------	-------

DEFAULT RATE:	8.00%
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DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

Description	Outstanding	Maturity
Kentucky Rural Water Finance Corporation	\$1,250,000	2010
KIA Loan (F02-10)	725,134	2024
Buffalo Trace Area Development District	5,983	2010
KIA Loan (C89-18)	150,000	2012
2004 Rural Development Bond Issue	926,000	2044
KY Rural Water Finance Corp, Series 2007D	3,125,000	2028
Total	\$6,182,117	

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	<u>3,000,000</u>
Death or Personal Injury (per occurrence)	<u>3,000,000</u>
Property Damage on System	<u>3,000,000</u>

EXHIBIT B

REQUEST FOR PAYMENT WITH RESPECT TO
ASSISTANCE AGREEMENT DATED MARCH 1, 2012

Request No. _____

Dated _____

ORIGINAL SENT TO: Kentucky Infrastructure Authority
 1024 Capital Center Drive
 Suite 340
 Frankfort, Kentucky 40601

COPY SENT TO: Ms. Nancy Sanders
 Director, Community Programs
 Governor's Office for Local Development
 1024 Capitol Center Drive
 Frankfort, Kentucky 40601

FROM: Bracken County Water District ("Governmental Agency")

Gentlemen:

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of facilities described in the Assistance Agreement as the "Project."

Pursuant to the Assistance Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Authority's funding share of these expenses is in the amount so denoted in this request totaling \$_____.

Documentation supporting the expenses incurred and identified per this request are attached.

ELIGIBLE PROJECT EXPENSES INCURRED

<u>Contractor</u>	<u>Expenses this Request</u>	<u>Expenses to Date</u>
-------------------	------------------------------	-------------------------

Total

ALLOCATION OF FUNDING FOR EXPENSES

<u>Portion of Funding Source</u>	<u>Portion of Expenses Expenses this Request</u>	<u>Total to Date</u>
Totals		

The Governmental Agency certifies it has also paid Project expenses or has submitted requisitions to the applicable funding sources for Project expenses, which have not been identified in any previous Request or Payment, as follows:

<u>Funding Source</u>	<u>Amount of Payment or Requisition</u>	<u>Date of Payment or Requisition</u>
-----------------------	---	---

Respectfully submitted,

Governmental Agency

By: _____

Title: _____

Certificate of Consulting Engineers as to
Payment Request

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request in connection with the "Eligible Project" and that all expenses represented in this request were duly incurred for the Construction of the "Project," that the Authority's funding share of these expenses is accurately represented and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

Firm Name

EXHIBIT C

SCHEDULE OF SERVICE CHARGES

See Attached Water Rate Schedule

FOR BRACKEN COUNTY WATER DIST

PSC KY NO. 1

26th Revised SHEET NO. 2

CANCELLING PSC KY NO. 2

25th Revised SHEET NO. 2

BRACKEN COUNTY WATER DISTRICT
(NAME OF UTILITY)

RESIDENTIAL, COMMERCIAL AND INDUSTRIAL
(Applicable to all of Bracken County except Augusta and Brooksville)

GALLONAGE BLOCK

First 2,000 gallons and minimum bill	\$25.69
Next 38, 000 gallons	\$ 9.79/1000 gal
Over 40,000 gallons	\$ 7.76/1000 gal

(Multiple users are billed a minimum of \$25.69 per unit.)

Sales and Utility Tax where applicable.

CONNECTION FEE: \$600.00 on standard meter.

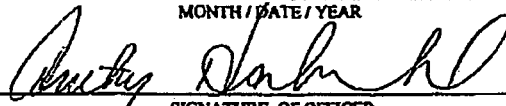
WHOLESALE DIVISION 1 (Applicable to City of Brooksville, and East Pendleton Co Water)

<u>GALLONAGE BLOCK</u>	\$3.69/1000 gal
<u>BULK SALES: Loading Station Division 1</u>	\$8.75/1000 gal
<u>FIELD CHARGE</u>	\$40.00

DATE OF ISSUE February 1, 2012

MONTH / DATE / YEAR

DATE EFFECTIVE February 1, 2012

ISSUED BY 

MONTH / DATE / YEAR

SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00005 DATED
2-2-2012


KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH 
EFFECTIVE 2/1/2012
PURSUANT TO 807 KAR 5 011 SECTION 9 (1)

EXHIBIT D

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE BRACKEN COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners (the "Governing Authority") of the Bracken County Water District ("Governmental Agency") has previously determined that it was in the public interest to acquire and construct certain facilities and improvements to the Governmental Agency's Water System (the "Project") and

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

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

NOW, THEREFORE, BE IT RESOLVED by the Bracken County Water District , as follows:

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

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

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

ADOPTED on _____.

Chairman

Attest:

Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Commissioners at a meeting duly held on _____, 2012; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this _____ day of _____, 2012.

Secretary

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

Kentucky Infrastructure Authority
1024 Capital Center Drive
Suite 340
Frankfort, Kentucky 40601

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and the Bracken County Water District, dated as of March 1, 2012

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Bracken County Water District, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the infrastructure project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

- 1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.
- 2) The 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 thereof 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.
- 3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

EXHIBIT F

TO ASSISTANCE AGREEMENT BETWEEN
THE BRACKEN COUNTY WATER DISTRICT
("GOVERNMENTAL AGENCY") AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY

Total Loan to be Repaid by
Governmental Agency to
Kentucky Infrastructure Authority \$ _____

Principal and Interest Payable
on Each _____ and

It is understood and agreed by the parties to this Assistance Agreement that this Exhibit F is an integral part of the Assistance Agreement between the Governmental Agency and the Kentucky Infrastructure Authority.

IN WITNESS WHEREOF, the parties have caused this Exhibit F to Assistance Agreement to be executed by their respective duly authorized officers as of the date of said Assistance Agreement.

KENTUCKY INFRASTRUCTURE AUTHORITY

By: _____

Title: _____

BRACKEN COUNTY WATER DISTRICT,
Governmental Agency

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

NONE

63295v1

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE BRACKEN COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners, ("governing authority") of the Bracken County Water District, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Governmental Agency's Water System (the "Project"); and

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

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

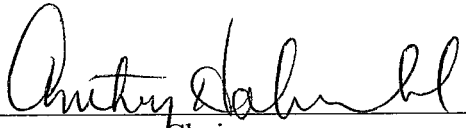
NOW, THEREFORE, BE IT RESOLVED by the Bracken County Water District, as follows:

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

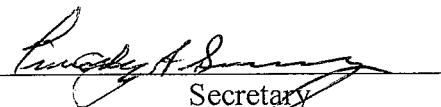
SECTION 2. That any officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

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

ADOPTED on March 21, 2012.


Chairman

Attest:


Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said District at a meeting duly held on March 21, 2012; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 21 day of March, 2012.


Secretary

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EXHIBIT G-3

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND C

PROJECT NUMBER: C11-01
BORROWER: Bracken County Water District
BORROWER'S ADDRESS 1324 Brooksville-Germantown Road
Brooksville, Kentucky 41004
DATE OF ASSISTANCE AGREEMENT: March 1, 2012

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RECEIVED
KENTUCKY INFRASTRUCTURE
AUTHORITY

ASSISTANCE AGREEMENT

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Authority..... 6
Section 2.2. Representations and Warranties of the Governmental Agency 6

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1. Determination of Eligibility..... 8
Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds.... 8
Section 3.3. Governmental Agency's Right to Prepay Loan..... 8
Section 3.4. Subordination of Loan 8

ARTICLE IV

**CONDITIONS PRECEDENT TO DISBURSEMENT OF LOAN;
REQUISITION FOR FUNDS**

Section 4.1. Covenants of Governmental Agency and Conditions of Loan 10
Section 4.2. Disbursements of Loan; Requisition for Funds 12

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..... 13
Section 5.2. Governmental Agency's Obligation to Repay Loan 13
Section 5.3. Covenant to Adjust Service Charges 13
Section 5.4. Adequacy of Service Charges..... 13
Section 5.5. Covenant to Establish Replacement Reserve Account 14
Section 5.6. Covenant to Charge Sufficient Rates; Reports; Inspection..... 14
Section 5.7. Segregation of Funds 14
Section 5.8. Mandatory Sewer Connection..... 14
Section 5.9. Termination of Water Services to Delinquent Users 15

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

Section 6.1. Further Assurance 16
Section 6.2. Completion of Project 16
Section 6.3. Establishment of Completion Date 16
Section 6.4. Commitment to Operate..... 16
Section 6.5. Continue to Operate 16
Section 6.6. Tax Covenant..... 16
Section 6.7. Accounts and Reports 16
Section 6.8. Financial Statements 17
Section 6.9. General Compliance With All Duties 17
Section 6.10. System Not to Be Disposed Of..... 17
Section 6.11. Continuing Disclosure Obligation 17
Section 6.12. General..... 17

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 7.1. Maintain System 19
Section 7.2. Additions and Improvements..... 19
Section 7.3. Compliance with State and Federal Standards..... 19
Section 7.4. Access to Records..... 19
Section 7.5. Covenant to Insure – Casualty 19
Section 7.6. Authority as Named Insured 19
Section 7.7. Covenant to Insure – Liability 19
Section 7.8. Covenant Regarding Worker's Compensation..... 20
Section 7.9. Application of Casualty Insurance Proceeds 20
Section 7.10. Eminent Domain 20

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined 21
Section 8.2. Remedies on Default..... 21
Section 8.3. Appointment of Receiver..... 21
Section 8.4. No Remedy Exclusive..... 22
Section 8.5. Consent to Powers of Authority Under Act..... 22
Section 8.6. Waivers 22
Section 8.7. Agreement to Pay Attorneys' Fees and Expenses..... 22

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Approval not to be Unreasonably Withheld	23
Section 9.2. Approval	23
Section 9.3. Effective Date	23
Section 9.4. Binding Effect.....	23
Section 9.5. Severability	23
Section 9.6. Execution in Counterparts.....	23
Section 9.7. Applicable Law	23
Section 9.8. Venue	23
Section 9.9. Captions	23
SIGNATURES	24
EXHIBIT A - PROJECT SPECIFICS.....	A-1
EXHIBIT B - REQUISITION FORM	B-1
EXHIBIT C - SCHEDULE OF SERVICE CHARGES	C-1
EXHIBIT D - RESOLUTION	D-1
EXHIBIT E - LEGAL OPINION	E-1
EXHIBIT F - SCHEDULE OF PAYMENTS.....	F-1
EXHIBIT G - ADDITIONAL COVENANTS AND AGREEMENTS	G-1

FUND C

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 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 Governmental Agencies 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 July 1, 2004 (the "Indenture") between the Authority and U.S. Bank National Association (the "Trustee") in order to Provide funding for its Governmental Agencies Program; and

WHEREAS, the Governmental Agency determined that it was 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 in order to secure to the Governmental Agency the advantages of the credit of the Authority and its ability to finance the costs incident to the Project on behalf of the Governmental Agency; 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 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 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 services of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Project Specifics.

"Applicable Interest Rate" shall mean the rate(s) of interest which shall be used as part of the repayment criteria for a Governmental Agency under an Assistance Agreement and shall be determined by the Authority in a manner based upon the source of funds from which the Project to which the Assistance Agreement relates were generated.

"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.

"Costs of Issuance" shall mean only the costs of issuing a series of Bonds as designated by the Authority including, but not being limited to, the fees and charges of the financial advisors

or underwriters, bond counsel, trustee, rating agencies, bond and official statement printers, costs of any credit enhancement, and such other fees and expenses normally attendant to an issue of the Authority's Bonds.

"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 income and revenues of the System.

"Debt Service Reserve" shall mean the reserve, if any, for payment of principal of, interest on, and redemption requirements in respect of the Bonds, created and established by the Indenture.

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

"Governmental Agencies Program" shall mean the program authorized by the Act and the Indenture 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.

"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 July 1, 2004 between the Authority and the Trustee.

"Issue Date" shall mean, with respect to Bonds of a particular series, the date of delivery of the Bonds of such series specified and determined by the series resolution and series indenture authorizing such Bonds.

"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 and the Project Specifics

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

"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.

"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 general charges to be imposed by the Governmental Agency for services provided by the System, as set forth in Exhibit C hereto, and such other 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 arises 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 owned and operated by the Governmental Agency of which the project shall become a part and from the earnings of which (represented by the Service Charges) the Governmental Agency shall repay the Authority the Loan hereunder.

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) To the knowledge of the Governmental Agency, 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 projects 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 permanently 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 semiannually, 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 Prepay 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, subject to compliance by the Governmental Agency with the covenants and conditions set forth in Exhibit G hereto, the 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 System outstanding at the time this Assistance Agreement is executed as identified in the Project Specifics and all such Debt Obligations that may hereafter be issued on a parity with the Debt Obligations identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.6 (D) hereof.

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT OF LOAN; 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 has done 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 has been 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) The Project was not 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 were received by the Governmental Agency and furnished to the Authority.

(G) The construction contract or contracts required 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.

(H) A work progress schedule utilizing a method of standard acceptance in the engineering community was prepared prior to the institution of construction in connection with each construction contract to indicate the proposed schedule as to completion of the Project, and same was maintained monthly thereafter to indicate the actual construction progress of the Project.

(I) All construction contracts were prepared so 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 could be readily itemized.

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

(K) The Governmental Agency proceeded expeditiously with and completed 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 were required.

(L) 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.

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

(N) 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.

(O) The Governmental Agency required that each construction contractor or contractors furnish an 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.

(P) The Governmental Agency required 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.

(Q) The Governmental Agency provided and maintained 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.

(R) 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 shall submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) a Requisition for Funds, 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; and

(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;

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 Service Charges upon all persons, firms and entities to whom or which services are provided by the System, such Service Charges to be no less than as 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 Loan Rate, or ten percent (10%) per annum, whichever is the greater, 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, or immediately commence proceedings for a rate adjustment and increase with all applicable regulatory authorities, 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 pay the Estimated Annual Debt Service payments set forth in the Project Specifics and, upon the establishment of the Schedule of Payments, 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 by the users of the System and accordingly the Project 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 Project Specifics or Schedule of Payments, as applicable.

Section 5.5. Covenant to Establish Replacement Reserve Account. The Governmental Agency shall establish a special account identified as a "Replacement Reserve Account". The Governmental Agency shall deposit into the Replacement Reserve Account an amount equal to the amount set forth in the Project Specifics at the times set forth in the Project Specifics. Amounts in the Replacement Reserve Account may be used for extraordinary maintenance expenses related to the Project or for the unbudgeted costs of replacing worn or obsolete portions of the Project.

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 for the services of the Project 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 System 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 upon users of the Project and facilities constituting the System, 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 (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 one hundred eighty (180) 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 principles 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. System 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 of the System or any part thereof without the prior written consent of the Authority, which consent shall not be unreasonably withheld (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 6.11. Continuing Disclosure Obligation. The Governmental Agency covenants and agrees that notwithstanding any other provision of this Assistance Agreement to the contrary, upon written notice from the Authority that the Schedule of Payments provides ten percent (10%) or more of the debt service requirements on an issue of the Authority's Bonds and that compliance by the Governmental Agency with the requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "SEC Rule") is required in connection with the Authority's Bonds, the Governmental Agency shall provide to the Authority such information as may be required by the Rule, within the time periods set out in such notice by the Authority, to enable the Authority to establish to the satisfaction of prospective purchasers of the Authority's Bonds that the requirements of the SEC Rule will be satisfied in connection with the issuance of the Authority's Bonds. The Governmental Agency further understands and agrees that the Authority shall act as the Governmental Agency's disclosure agent for purposes of compliance with the SEC Rule and that upon a failure by the Governmental Agency to provide the information required to be provided under the SEC Rule within the time frame specified in such notice, the Authority and/or the beneficial owners and holders of the Authority's Bonds shall be specifically granted the right of enforcing the provisions of this Section 6.11 by an action in mandamus, for specific performance, or similar remedy to compel performance.

Section 6.12. 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.

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 7.1. Maintain System. 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 the System 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 which would in the opinion of the Authority materially and adversely affect the performance of the obligations of the Governmental Agency under the Agreement.

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 Project Specifics of 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 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 therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

ARTICLE IX

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 in 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 power and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, nor assignable by either party 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:

By: Sandy Williams
Title: Secretary

KENTUCKY INFRASTRUCTURE
AUTHORITY

By: [Signature]
Title: EXECUTIVE DIRECTOR

GOVERNMENTAL AGENCY:
BRACKEN COUNTY WATER DISTRICT

ATTEST:

By: [Signature]
Title: Secretary

By: [Signature]
Title: Chairman

APPROVED:

[Signature]
SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

EXAMINED:

Beck Shaffer Williams LLP
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

APPROVED AS TO FORM AND LEGALITY

Patrick McInerney

APPROVED
FINANCE AND ADMINISTRATION CABINET

EXHIBIT A
Bracken County Water District
PROJECT SPECIFICS
C11-01

GOVERNMENTAL AGENCY:

Name: Bracken County Water District
 1324 Brooksville-Germantown Road, P.O. Box 201
 Brooksville, KY 41004

Contact

Person: Pam Hopkins & Michael Brothers
 (606) 564-6894

SYSTEM: Governmental Agencies

PROJECT:

The Bracken County Water District (BCWD) is requesting a Fund C loan in the amount of \$621,000 to replace approximately 11,220 linear feet of 12" PVC water main from the pump house. The current water main is 25 years old and was constructed in ground that is extremely rocky. Updated pumps have caused additional pressure on the line that and the new main will be able to handle the additional pressure.

PROJECT BUDGET:

Category	Total
Administrative Expenses	\$ 20,000
Land, Easements	3,000
Engineering Fees	93,000
Construction	455,000
Contingency	45,000
Other	5,000
Total	\$ 621,000

FUNDING SOURCES:

Source	Amount	%
Fund C Loan	\$ 621,000	100%
Total	\$ 621,000	100%

KIA DEBT SERVICE:

Construction Loan	\$ 621,000
Interest Rate	3.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 41,516
Administrative Fee (0.20%)	\$ 1,242
Total Estimated Annual Debt Service	\$ 42,758

EXHIBIT B

REQUEST FOR PAYMENT WITH RESPECT TO
ASSISTANCE AGREEMENT DATED MARCH 1, 2012

Request No. ____

Dated _____

Original sent to: Kentucky Infrastructure Authority
1024 Capital Center Drive
Suite 340
Frankfort, Kentucky 40601

FROM: Bracken County Water District
("Governmental Agency")

Gentlemen:

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the permanent financing of the acquisition and construction of facilities described in the Assistance Agreement as the "project".

Pursuant to the Assistance Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Authority's funding share of these expenses is in the amount so denoted in this request totaling \$_____.

Documentation supporting the expenses incurred and identified per this request are attached.

ELIGIBLE PROJECT EXPENSES INCURRED

Contractor

Expenses Incurred

Total:

ALLOCATION OF FUNDING FOR EXPENSES

Funding Source

Portion of Expenses
This Request

Portion of Expenses
Total to Date

Totals

Respectfully submitted,

Governmental Agency
Bracken County Water District

By: Anthony Dahl

Title: Chairman

Certificate of Consulting Engineers as to
Payment Request

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request in connection with the "Eligible Project" and that all expenses represented in this request were duly incurred for the Construction of the "Project," that the Authority's funding share of these expenses is accurately represented and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

Firm Name

EXHIBIT C
SCHEDULE OF SERVICE CHARGES

See Attached

FOR BRACKEN COUNTY WATER DIST

PSC KY NO. 1

26th Revised SHEET NO. 2

CANCELLING PSC KY NO. 2

25th Revised SHEET NO. 2

BRACKEN COUNTY WATER DISTRICT
(NAME OF UTILITY)

RESIDENTIAL, COMMERCIAL AND INDUSTRIAL
(Applicable to all of Bracken County except Augusta and Brooksville)

GALLONAGE BLOCK

First 2,000 gallons and minimum bill	\$25.69
Next 38,000 gallons	\$ 9.79/1000 gal
Over 40,000 gallons	\$ 7.76/1000 gal

(Multiple users are billed a minimum of \$25.69 per unit.)

Sales and Utility Tax where applicable.

CONNECTION FEE: \$600.00 on standard meter.

WHOLESALE DIVISION 1 (Applicable to City of Brooksville, and East Pendleton Co Water)

GALLONAGE BLOCK \$3.69/1000 gal

BULK SALES: Loading Station Division 1 \$8.75/1000 gal

FIELD CHARGE \$40.00

DATE OF ISSUE February 1, 2012

MONTH / DATE / YEAR

DATE EFFECTIVE February 1, 2012

ISSUED BY *Amity Donohue*
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2012-00005 DATED
2-2-2012

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 2/1/2012 PURSUANT TO 807 KAR 5 011 SECTION 9 (1)

EXHIBIT D

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT
APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT
BETWEEN THE BRACKEN COUNTY WATER DISTRICT AND THE
KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners ("governing authority") of the Bracken County Water District, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Governmental Agency's Water System (the "Project"); and

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

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

NOW, THEREFORE, BE IT RESOLVED by the Bracken County Water District, as follows:

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

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

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

ADOPTED on _____, 2012.

Chairman

Attest:

Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said District at a meeting duly held on _____, 2012; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this _____ day of _____, 2012.

Recording Officer

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

Kentucky Infrastructure Authority
1024 Capital Center Drive
Suite 340
Frankfort, Kentucky

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and Bracken County Water District dated as of March 1, 2012

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Bracken County Water District (hereinafter referred to as the "Governmental Agency"). I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the infrastructure project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

- 1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.
- 2) The 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 thereof 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.
- 3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded or revoked.

8) All Proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

It is understood and agreed by the parties to this Assistance Agreement that this Exhibit F is an integral part of the Assistance Agreement between the Governmental Agency and the Kentucky Infrastructure Authority.

IN WITNESS WHEREOF, the parties have caused this Exhibit F to Assistance Agreement to be executed by their respective duly authorized officers as of the date of said Assistance Agreement.

KENTUCKY INFRASTRUCTURE AUTHORITY

By: _____

Title: _____

BRACKEN COUNTY WATER DISTRICT
GOVERNMENTAL AGENCY

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT G
ADDITIONAL COVENANTS AND AGREEMENT

NONE

63289v1

EXHIBIT D

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE BRACKEN COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners (the "Governing Authority") of the Bracken County Water District ("Governmental Agency") has previously determined that it was in the public interest to acquire and construct certain facilities and improvements to the Governmental Agency's Water System (the "Project") and

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

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

NOW, THEREFORE, BE IT RESOLVED by the Bracken County Water District , as follows:

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

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

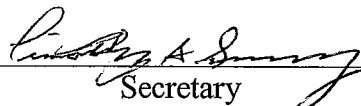
SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on March 21, 2012.



Chairman

Attest:



Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Commissioners at a meeting duly held on March 21, 2012; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 21 day of March, 2012.

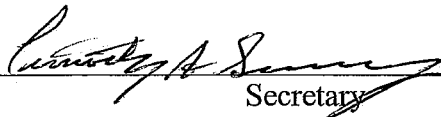

Secretary

EXHIBIT G-4

ASSISTANCE AGREEMENT
BETWEEN THE KENTUCKY INFRASTRUCTURE AUTHORITY
AND
BRACKEN COUNTY WATER DISTRICT

TRANSCRIPT OF PROCEEDINGS

Peck, Shaffer & Williams, a division of Dinsmore and Shohl, LLP
Covington, Kentucky

INDEX TO TRANSCRIPT OF PROCEEDINGS

In re: Assistance Agreement between Kentucky Infrastructure Authority (the "Authority") and Bracken County Water District (the "Governmental Agency"), dated as of September 1, 2015

- 1. Opinion of Counsel to the Governmental Agency.**
- 2. General Closing Certificate of the Governmental Agency.**
- 3. Assistance Agreement.**
- 4. Resolution of the Governmental Agency authorizing the Assistance Agreement.**
- 5. Extract of Minutes of the Meeting of the Agency adopting Resolution authorizing Assistance Agreement.**
- 6. Extract of Minutes of the Authority authorizing the Assistance Agreement.**
- 7. Commitment Letter, including Credit Analysis.**

DISTRIBUTION LIST

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Bagdad, Kentucky 41004

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Kentucky Infrastructure Authority
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Frankfort, Kentucky 40601

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DIRECT FAX: (859) 258-3517
gerald.wuetcher@skofirm.com

September 23, 2015

Kentucky Infrastructure Authority
1024 Capital Drive
Frankfort, KY 40601

Re: Assistance Agreement by and between Kentucky Infrastructure Authority
and Bracken County Water District dated as of September 1, 2015, B15-002

Dear Ladies and Gentlemen:

The undersigned is an attorney-at-law duly admitted to the practice of law in the Commonwealth of Kentucky (the "Commonwealth") and is special legal counsel to the Bracken County Water District (the "Governmental Agency"). I am familiar with the organization and existence of the Governmental Agency and the applicable laws of the Commonwealth.

Additionally, I am familiar with the infrastructure project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority (the "Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of the Assistance Agreement by and between the Authority and the Governmental Agency, the resolution of the Board of Commissioners of the Governmental Agency authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review, I am of the opinion that:

1) The Governmental Agency is a duly organized and existing political subdivision and body corporate of the Commonwealth validly existing under the Constitution and statutes of the Commonwealth.

2) The 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 thereof 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.

3) The Governmental Agency has all necessary power and authority (a) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (b) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically-granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body, pending or threatened, (a) that would have a material adverse effect on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement or (b) affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, or (v) the validity or enforceability of the Service Charges.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

STOLL KEENON OGDEN PLLC



Gerald E. Wuetcher

Re: Assistance Agreement between the Kentucky Infrastructure Authority ("KIA") and Bracken County Water District (the "Governmental Agency")

GENERAL CLOSING CERTIFICATE OF GOVERNMENTAL AGENCY

In connection with the above-captioned Assistance Agreement (the "Assistance Agreement"), the Governmental Agency, through its undersigned duly authorized officer hereby certifies, represents, warrants and covenants as follows:

1. No event of default exists, or with the passage of time will exist, under the Assistance Agreement and the representations and warranties set forth in the Assistance Agreement are true and correct as of the date hereof.
2. The Governmental Agency has examined and is familiar with proceedings of the governing body of the Governmental Agency approving the Assistance Agreement and authorizing its negotiation, execution and delivery and such proceedings were 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 proceedings are in full force and effect and have not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.
3. The Governmental Agency is a duly organized and validly existing political subdivision of the Commonwealth of Kentucky with full power to own its properties, conduct its affairs, enter into the Assistance Agreement and consummate the transactions contemplated thereby.
4. The negotiation, execution and delivery of the Assistance Agreement by the Governmental Agency and the consummation of the transactions contemplated thereby by the Governmental Agency have been duly authorized by all requisite action of the governing body of the Governmental Agency.
5. The 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 thereof 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.
6. There is no controversy or litigation of any nature pending, or to the knowledge of the Governmental Agency after diligent inquiry, 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 the 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 the Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of the Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of the

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 the Assistance Agreement.

7. The authorization and delivery of the Assistance Agreement and the consummation of the transactions contemplated thereby 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.

8. All actions taken by the Governmental Agency in connection with the Assistance Agreement and the loan described therein and the Project, as defined in the Assistance Agreement, have been in full compliance with the provisions of the Kentucky Open Meetings Law, KRS 61.805 to 61.850.

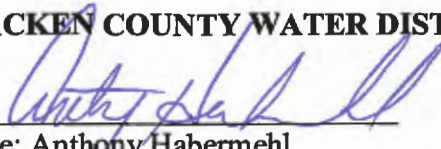
9. The Governmental Agency has all licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project and to enter into the Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Governmental Agency Project, and has full right, power and authority to perform the acts and things as provided for in the Assistance Agreement.

10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Governmental Agency indicated after their respective names and the signatures subscribed above their names are their genuine signatures.

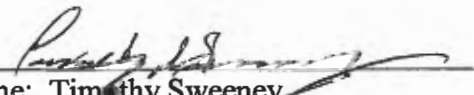
WITNESS our signatures, this 1 day of September, 2015.

GOVERNMENTAL AGENCY:

BRACKEN COUNTY WATER DISTRICT

By: 
Name: Anthony Habermehl
Title: Chairman

ATTEST:

By: 
Name: Timothy Sweeney
Title: Secretary

9874239v1

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND B

PROJECT NUMBER	B15-002
BORROWER:	Bracken County Water District
BORROWER'S ADDRESS	PO Box 201 Brooksville, Kentucky 41004
DATE OF ASSISTANCE AGREEMENT:	September 1, 2015

ASSISTANCE AGREEMENT

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. Representations and Warranties of Authority 6
SECTION 2.2. Representations and Warranties of the Governmental Agency 6

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

SECTION 3.1. Determination of Eligibility 8
SECTION 3.2. Principal Amount of Final Loan and Established; Loan Payments
Disbursement of Funds 8
SECTION 3.3. Governmental Agency's Right to Repay Interim Loan..... 8
SECTION 3.4. Subordination of Loan 8

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT OF INTERIM LOAN;
Requisition FOR FUNDS

SECTION 4.1. Covenants of Governmental Agency and Conditions of Loan 10
SECTION 4.2. Disbursements of Interim Loan Requisition for Funds..... 12

ARTICLE V

SERVICES CHARGES OF GOVERNMENTAL AGENCY;
PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY

SECTION 5.1. Imposition of Service Charges 14
SECTION 5.2. Governmental Agency's Obligation to Repay Loan 14
SECTION 5.3. Covenant to Adjust Service Charges 14
SECTION 5.4. Adequacy of Service Charges 14
SECTION 5.5. Covenant to Establish Maintenance and Replacement Reserve 14
SECTION 5.6. Covenant to Charge Sufficient Rates; Reports: Inspection..... 15
SECTION 5.7. Segregation of Funds 15
SECTION 5.8. Mandatory Sewer Connection..... 15
SECTION 5.9. Termination of Water Services to Delinquent Users 15

ARTICLE VI

FURTHER COVENANTS OF THE GOVERNMENTAL AGENCY

SECTION 6.1. Further Assurance	17
SECTION 6.2. Completion of Project	17
SECTION 6.3. Establishment of Completion Date	17
SECTION 6.4. Commitment to Operate.....	17
SECTION 6.5. Continue to Operate	17
SECTION 6.6. Tax Covenant	17
SECTION 6.7. Accounts and Reports	17
SECTION 6.8. Financial Statements	18
SECTION 6.9. General Compliance With All Duties	18
SECTION 6.10. Project Not to Be Disposed Of	18
SECTION 6.11. General	18

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

SECTION 7.1. Maintain Project.....	19
SECTION 7.2. Additions and Improvements	19
SECTION 7.3. Compliance with State and Federal Standards.....	19
SECTION 7.4. Access to Records	19
SECTION 7.5. Covenant to Insure - Casualty.....	19
SECTION 7.6. Authority as Named Insured	19
SECTION 7.7. Covenant to Insure - Liability	19
SECTION 7.8. Covenant Regarding Workmen's Compensation	20
SECTION 7.9. Application of Casualty Insurance Proceeds	20
SECTION 7.10. Eminent Domain	20

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. Events of Default Defined.....	21
SECTION 8.2. Remedies on Default.....	21
SECTION 8.3. Appointment of Receiver	21
SECTION 8.4. No Remedy Exclusive	22
SECTION 8.5. Consent to Powers of Authority Under Act	22
SECTION 8.6. Waivers	22
SECTION 8.7. Agreement to Pay Attorneys' Fees and Expenses	22

ARTICLE I

MISCELLANEOUS PROVISIONS

SECTION 9.1. Approval not to be Unreasonably Withheld	23
SECTION 9.2. Approval	23
SECTION 9.3. Effective Date	23

SECTION 9.4. Binding Effect.....	23
SECTION 9.5. Severability	23
SECTION 9.6. Execution in Counterparts.....	23
SECTION 9.7. Applicable Law	23
SECTION 9.8. Venue	23
SECTION 9.9. Captions	23
 SIGNATURES	 24
EXHIBIT A - PROJECT SPECIFICS	A-1
EXHIBIT B - REQUISITION FORM.....	B-1
EXHIBIT C - SCHEDULE OF SERVICE CHARGES	C-1
EXHIBIT D - RESOLUTION	D-1
EXHIBIT E - LEGAL OPINION	E-1
EXHIBIT F - SCHEDULE OF PAYMENTS	F-1
EXHIBIT G - ADDITIONAL COVENANTS AND AGREEMENTS	G-1

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 U.S. Bank National Association (successor in interest to F/K/A 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.

[End of Article I]

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.

[End of Article II]

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.

[End of Article III]

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.

[End of Article IV]

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.

[End of Article V]

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.

[End of Article VI]

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.

[End of Article VII]

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.

[End of Article VIII]

ARTICLE IX

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.


[End of Article IX]

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:


Title: Secretary

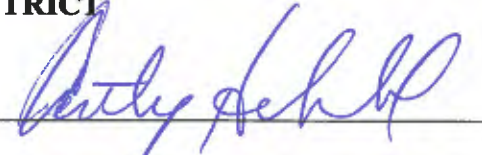
**KENTUCKY INFRASTRUCTURE
AUTHORITY**

By: 
Title: Assistant Executive Director


ATTEST:

By: 
Title: Secretary

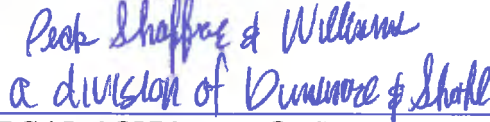
**GOVERNMENTAL AGENCY:
BRACKEN COUNTY WATER
DISTRICT**

By: 
Title: Chairman

APPROVED:


SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

EXAMINED:


LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

APPROVED AS TO FORM AND LEGALITY

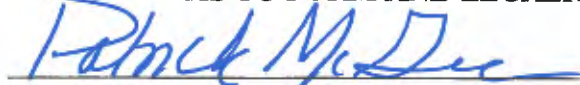

APPROVED
FINANCE AND ADMINISTRATION CABINET

EXHIBIT A
BRACKEN COUNTY WATER DISTRICT
PROJECT SPECIFICS
B15-002

GOVERNMENTAL AGENCY:

Name: Bracken County Water District
PO Box 201
Brooksville, KY 41004

Contact

Person: Anthony Habermehl
Chairman

SYSTEM: Infrastructure

PROJECT:

This project will replace 8,500 feet of asbestos cement lines that were installed in the 1960's with PVC lines. Additionally, a master meter valve pit will be replaced and five flush hydrants will be installed throughout the system.

use this section for the original wording if there is an increase request. The increase section should be in the block above.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 15,000
Legal Expenses	5,000
Land, Easements	5,000
Relocation Expense & Payments	0
Planning	5,000
Engineering Fees - Design / Const	29,000
Engineering Fees - Inspection	24,000
Engineering Fees - Other	0
Construction	250,000
Equipment	0
Contingency	25,000
Other	0
Total	\$ 358,000

FUNDING SOURCES:

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 358,000	100%
Local Funds	0	0%
Funding Source 2	0	0%

Funding Source 3	0	0%
Funding Source 4	0	0%
Funding Source 5	0	0%
Funding Source 6	0	0%
Funding Source 7	0	0%
Total	\$ 358,000	100%

KIA DEBT SERVICE:

Construction Loan	\$	358,000
Less: Principal Forgiveness (0%)		0
Amortized Loan Amount	\$	358,000
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	21,292
Administrative Fee (0.20%)		716
Total Estimated Annual Debt Service	\$	22,008

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 12/01/15).

Full principal and interest payments will commence within one year of initiation of operation (estimated 06/01/16).

REPLACEMENT RESERVE ACCOUNT:	\$	900	ANNUAL AMOUNT
	\$	9,000	TOTAL AMOUNT

The annual replacement cost is \$0,900. This amount should be added to the replacement account each December 1 until the balance reaches \$9,000 and maintained for the life of the loan.

ADMINISTRATIVE FEE: 0.20%

DEFAULT RATE: 8.00%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

	<u>Outstanding</u>	<u>Maturity</u>
KIA (F02-10)	\$ 577,624	2024
RD (2004)	888,000	2044
Series 2007D (KRWFC)	2,615,000	2028
KIA (B10-10)	89,669	2032
KIA (C11-01)	621,000	2033
Total	\$ 4,791,293	

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	<u>3,000,000</u>
Death or Personal Injury (per occurrence)	<u>3,000,000</u>
Property Damage on System	<u>3,000,000</u>

**EXHIBIT B
REQUEST FOR PAYMENT AND PROJECT STATUS REPORT**

Borrower: _____

WX/SX Number: _____
Draw Number _____

KIA Loan # _____
Date: _____

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of facilities described in the Assistance Agreement as the "Project."

Pursuant to the Assistance Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Authority's funding share of these expenses is in the amount so denoted in this request.

Documentation supporting the expenses incurred and identified per this request are attached.

Funds Requested: _____

Project Budget and Expenses

Line Item	Cost	<u>Expenses This Request</u>	<u>Expenses to Date</u>	<u>Project Budget</u>	<u>Balance</u>
1	Administrative				
2	Legal				
3	Land, Appraisals, Easements				
4	Relocation Expense				
5	Planning				
6	Engineering Fees – Design				
7	Engineering Fees - Construction				
8	Engineering Fees – Inspection				
9	Construction				
10	Equipment				
11	Contingency				
12	Other				
	TOTAL				

If expenses to date exceed project budget a revised budget must be submitted to and approved by the Authority before funds will be released.

Project Funding

Funding Agency	<u>Expenses This Request</u>	<u>Expenses to Date</u>	<u>Project Budget</u>	<u>Balance</u>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
	TOTAL			

We certify that the expenses in this draw request were incurred pursuant to local procurement policies which conform to KRS 45A.

Borrower Signature: _____

Project Administrator: _____

Draw # _____

STATUS REPORT:

PROJECT IS: On schedule _____
 Ahead of schedule _____
 Behind schedule _____
 If ahead or behind, please explain _____

PROJECT EXPENSES THIS DRAW REQUEST
(Include Invoices for Expenses Listed Below)

Line Item	Draw #	Vender	Amount
------------------	---------------	---------------	---------------

**Certificate of Consulting Engineers as to
Payment Request**

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request in connection with the "Eligible Project" and that all expenses represented in this request were duly incurred for the Construction of the "Project," that the Authority's funding share of these expenses is accurately represented and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

Firm Name

EXHIBIT C

SCHEDULE OF SERVICE CHARGES

See Attached Rate Schedule

FOR BRACKEN COUNTY WATER DIST

PSC KY NO. 1

28th Revised SHEET NO. 2

BRACKEN COUNTY WATER DISTRICT DIV I & II
(NAME OF UTILITY)

CANCELLING PSC KY NO. 2

27th Revised SHEET NO. 2

RESIDENTIAL, COMMERCIAL AND INDUSTRIAL
(Applicable to all of Bracken County except Augusta and Brooksville)

GALLONAGE BLOCK

First 2,000 gallons and minimum bill	\$25.79	(I)
Next 38,000 gallons	\$ 9.84/1000 gal	↓
Over 40,000 gallons	\$ 7.81/1000 gal	

(Multiple users are billed a minimum of \$25.79 per unit.)

Sales and Utility Tax where applicable.

CONNECTION FEE: \$750.00 on standard meter.

WHOLESALE DIVISION 1 (Applicable to City of Brooksville, and East Pendleton Co Water)

<u>GALLONAGE BLOCK</u>	\$3.74/1000 gal	(I)
------------------------	-----------------	-----

BULK SALES: Loading Station Division 1 \$8.75/1000 gal

FIELD CHARGE \$40.00

DATE OF ISSUE February 26, 2014
MONTH / DATE / YEAR

DATE EFFECTIVE February 26, 2014
MONTH / DATE / YEAR

ISSUED BY /s/ Diana Moran
SIGNATURE OF OFFICER

TITLE Office Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2014-00037 DATED March 5, 2014


KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH 
EFFECTIVE 2/26/2014 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT D

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT
APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT
BETWEEN THE BRACKEN COUNTY WATER DISTRICT AND THE
KENTUCKY INFRASTRUCTURE AUTHORITY

WHEREAS, the Board of Commissioners, ("governing authority") of the Bracken County Water District, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Water System being maintained and operated by the Governmental Agency (the "Project"); and

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

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

NOW, THEREFORE, BE IT RESOLVED by the Bracken County Water District, as follows:

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

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

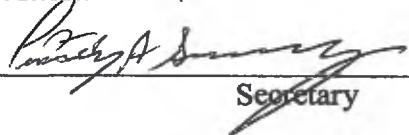
SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on Sept 1, 2015



Chairman

Attest:



Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said Agency at a meeting duly held on September 1, 2015; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 1 day of Sept., 2015.


Secretary

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

Kentucky Infrastructure Authority
1024 Capital Center Drive
Suite 340
Frankfort, Kentucky 40601

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and the Bracken County Water District, dated as of September 1, 2015

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Bracken County Water District, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the infrastructure project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The 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 thereof 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.

3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

EXHIBIT F

TO ASSISTANCE AGREEMENT BETWEEN
THE BRACKEN COUNTY WATER DISTRICT
("GOVERNMENTAL AGENCY") AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY

Total Loan to be Repaid by
Governmental Agency to
Kentucky Infrastructure Authority \$ _____

Principal and Interest Payable
on Each _____ and

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

NONE

9874207v1

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE BRACKEN COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners, ("governing authority") of the Bracken County Water District, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Water System being maintained and operated by the Governmental Agency (the "Project"); and

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

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

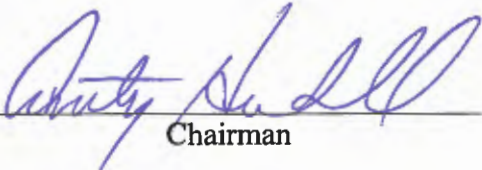
NOW, THEREFORE, BE IT RESOLVED by the Bracken County Water District, as follows:

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

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

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

ADOPTED on September 1, 2015.


Chairman

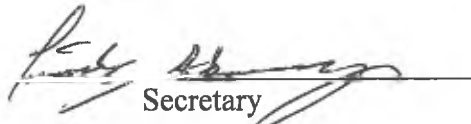
Attest:


Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said Agency at a meeting duly held on September 1, 2015; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 1 day of September, 2015.


Secretary

9874263v1

**BRACKEN COUNTY WATER DISTRICT
SPECIAL MEETING
SEPTEMBER 1, 2015**

COMMISSIONER'S PRESENT

**ANTHONY HABERMEHL
DALE APPELMAN
EDDIE KERN
TIMOTHY SWEENEY**

BRACKEN COUNTY WATER DISTRICT
SPECIAL MEETING
SEPTEMBER 1, 2015

The special meeting of the Bracken County Water District was called to order at 7:00 p.m. on Monday, September 1, 2015.

A copy of the agenda is attached.

Commissioners reviewed the KIA Assistance Agreement for the Ky 10 & 19/MM pit project.

Upon motion of Tim 2nd by Dale, now be it hereby resolved that Bracken County Water District approves and authorizes the execution of the KIA Assistance Agreement for the KY 10 & 19/ MM pit Project and authorizes Chairman, Anthony Habermehl, to execute all necessary documents. Motion carried.

With no further business on the agenda, Tim made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:



Date: 16 Sept 2015

BRACKEN COUNTY WATER DISTRICT
1324 BROOKSVILLE GERMANTOWN RD
P O BOX 201
BROOKSVILLE KY 41004
606-735-3513

9/1/2015 SPECIAL MEETING AGENDA

1. Review of the KIA Assistance Agreement for the KY 10 & 19/MM pit project.
2. Resolution and execution of the KIA Assistance Agreement.

KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: **December 4, 2014 – 1:00 p.m.**
 Kentucky Infrastructure Authority
 1024 Capital Center Drive, Suite 340, Frankfort

Members present:

Mr. Tony Wilder, Commissioner, Department for Local Government
Mr. Sam Ruth, Finance and Administration Cabinet
 (proxy for Secretary Lori H. Flanery, FAC)
Ms. Lona Brewer, Energy and Environment Cabinet
 (permanent proxy for Secretary Leonard K. Peters, EEC)
Mr. Robert Aldridge, Economic Development Cabinet
 (proxy for Secretary Larry Hayes (EDC)
Mr. Jeff Derouen, Executive Director, Public Service Commission
Mr. C. Ronald Lovan, representing the American Water Works Association
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities
Ms. Linda C. Bridwell, representing for-profit private water companies

Members absent:

Mr. Damon Talley, representing the Kentucky Rural Water Association
Mr. Jody Jenkins, Union County Judge Executive, representing the Kentucky Association
 of Counties
Mr. Marty T. Ivy, representing the Kentucky Municipal Utilities Association

Guests:

Mr. Shafiq Amawi, Division of Water
Ms. Laura Jefferson, Buffalo Trace Area Development District
Ms. Katherine Halloran, Legislative Research Commission
Ms. Liz Columbia, Office of Financial Management
Mr. John Brady, Office of Financial Management
Mr. Roger Recktenwald, Kentucky Association of Counties
Mr. Ashley Willoughby, Lincoln Trail Area Development District
Mr. Michael Brothers, Bracken County Water District
Ms. Laura Gilkerson, GRW Engineers, Inc.
Mr. Riley Sumner, Kentucky Engineering Group
Mr. Paul Reynolds, Kentucky Engineering Group
Ms. Rebecca Hall, City of Frankfort
Mr. William Ballard, East Clark County Water District
Ms. Jana Dubree, Monroe County Water District
Mr. Rob Gates, Barren River Area Development District
Mr. Bill Scalf, Frankfort Sewer Department

Mr. Mark Williams, Monroe County Water District
Mr. Ricky Ross, Monroe County Water District
Mr. Tommy Willett, Monroe County Judge-Executive
Mr. Paul Nesbitt, Nesbitt Engineering, Inc.
Mr. John Martin, GRW Engineers, Inc.
Mr. Robert Peterson, City of Frankfort
Mr. Pete Thompson, Lebanon Water Works Company
Mr. John L. Thomas, Lebanon Water Works Company

PROCEEDINGS

Chair Tony Wilder called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Mr. Wilder asked board members and guests to introduce themselves. He confirmed that a quorum was present and that the press had been notified regarding the meeting.

I. BUSINESS (Board Action Required)

A. 1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of November 6, 2014

Ms. Linda Bridwell moved to approve the minutes of the November 6, 2014, regular board meeting. Mr. Ron Lovan seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS

1. CONSIDERATION OF THE FISCAL YEAR ENDING JUNE 30, 2014, KENTUCKY INFRASTRUCTURE AUTHORITY AUDIT REPORT

Ms. Denise Pitts, KIA, and Mr. Allen Norvell, Blue & Company, LLC, presented a review of the Kentucky Infrastructure Authority Audit for fiscal year ending June 30, 2014. Mr. Norvell highlighted some of the significant points in the financial statements report, and he told the board that the audit resulted in a clean, unmodified opinion. Mr. Norvell referred to a new accounting standard that was required for this fiscal year, and explained a substantial change from fiscal year 2013 in the investment portfolio. He mentioned a change in relation to the pension plan that will impact all state agencies next year and require reporting by the Authority. In the section for Internal Controls he pointed out a corrected reversed posting for accrual of bond interest, and in the Compliance section he highlighted the statement that there were no issues of noncompliance. He also reviewed the audit communications document. Ms. Linda Bridwell asked if it is common practice for auditors to contact clients, and Mr. Norvell explained that there is usually a select sample to whom confirmations are sent.

2. The board moved on to consideration of an action item for the City of Fleming-Neon, Letcher County, Kentucky

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F1 15-018) IN THE AMOUNT OF \$143,616 TO THE CITY OF FLEMING-NEON, LETCHER COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Ms. Brandi Armstrong, KIA, presented the project to the Board. The City of Fleming-Neon requested \$143,616 in Drinking Water State Revolving Funds (Fund F1) for a Planning and Design loan for the Water Treatment Plant Upgrade project. This project will develop plans and specifications for the water treatment plant improvements discussed below. The construction project will receive a priority funding position in the funding cycle that is subsequent to Division of Water approval of the plans. The proposed project will upgrade the water treatment plant by replacing water process equipment, a chemical feed system, the electrical supply system, a backup generator, lagoon, building roof and windows, and the raw water supply at the plant. The project will also work to reduce high iron content in the water by modifying the current well, drilling a new one, or locating an alternative source of water.

Division of Water felt that this is an urgent project needed to study and plan for improvements necessary to address possible risks to the public health. Mr. Jeff Derouen and Ms. Lona Brewer explained that the study and engineering is necessary to direct planning for this project and an Abandoned Mine Lands funded project to connect to the City of Jenkins. Mr. Jerry Weutcher clarified with Mr. Amawi that this preliminary planning and design is needed in order to prepare for connection and/or making the necessary improvements to the plant.

Ms. Linda Bridwell moved to approve the Fund F Loan F1 15-018 in the amount of \$143,616 to the City of Fleming-Neon with the standard conditions and two special conditions. The first special condition is that the City of Fleming-Neon shall increase water rates by an amount sufficient to generate an additional \$30,000 in cash flow per year effective no later than February 1, 2015. The second special condition is that the city shall increase rates by an amount sufficient to generate an additional \$36,000 in cash flow per year effective no later than July 1, 2016. Ms. Lona Brewer seconded, and the motion was unanimously approved.

3. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A15-026) OF \$36,000,000 TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Mr. Jeff Abshire, KIA, presented the project to the Board. The Lexington-Fayette Urban County Government requested \$36,000,000 in Clean Water SRF funds for Phase I of the West Hickman

Wastewater Treatment Plant Wet Weather Storage project The project involves the design and construction of a multi-phase wet weather storage facility at the West Hickman Wastewater Treatment Plant on Ashgrove Pike in Jessamine County. The project will reduce the potential for 23 wet weather sanitary sewer overflow (SSO) locations. The existing sewer system lacks the capacity to meet LFUCG's EPA mandated Capacity Assurance Program. The project is a component of the Remedial Measures Plan that was submitted to the U.S. Environmental Protection Agency to comply with the Consent Decree, entered into on January 3, 2011. A portion of the engineering cost is for the storage tank/WWTP influent pumping station cost, which is infrastructure that meets the needs of the current and future project phases. When all phases are complete, total storage volume will be approximately 40 million gallons with a projected cost in the range of \$120 million.

Ms. Linda Bridwell moved to approve the Fund A Loan A15-026 in the amount of \$36,000,000 to Lexington-Fayette Urban County Government with the standard conditions. Mr. Ron Lovan seconded, and the motion was unanimously approved.

4. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A15-032) IN THE AMOUNT OF \$3,731,000 TO THE CITY OF FRANKFORT, FRANKLIN COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Brandi Armstrong, KIA, presented the project to the Board. The City of Frankfort requested a Fund "A" loan in the amount of \$3,731,000 for the West Frankfort Pump Station project. This project will replace an existing failing wet well/dry pit with a larger submersible pump station. The pumping capacity will be increased to eliminate sanitary sewer overflows and to accept future sanitary sewage. The project will be designed to allow for additional capacity to accept potential future customers outside of the city limits. The West Frankfort Pump station currently serves 3,700 homes. The new station will serve the remaining homes as well as an additional 4,940 potential future homes. Completion of the project is a substantial step in the City's ongoing efforts to achieve compliance with the Kentucky Division of Enforcement's Consent Judgment and the EPA Administrative Order. It was confirmed that the interest rate for this loan will be 1.75%. It was noted that rate increases have already been passed for the next five years.

Ms. Linda Bridwell moved to approve the Fund A loan A15-032 in the amount of \$3,731,000 to the City of Frankfort with the standard conditions. Mr. Jeff Derouen seconded, and the motion received all "aye" votes.

5. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A15-046) IN THE AMOUNT OF \$1,420,000 TO THE CITY OF HARRODSBURG, MERCER COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Brandi Armstrong, KIA, presented the project to the Board. The City of Harrodsburg requested a Fund "A" loan in the amount of \$1,420,000 for the Wastewater Collection System Rehabilitation project. The project will rehabilitate 2,170 linear feet of sewer lines across the Blue Ridge, Cardwell, Green Acres and Brentwood neighborhoods. Repair efforts will include cleaning existing piping, video inspection, manhole and line repairs and pipe lining if necessary. The project will remove existing debris, points of inflow and infiltration, and improve the hydraulics of the system. It is estimated that the City will be required to adjust rates in the future, with specific minimum rates being prescribed by Rural Development.

Mr. Sam Ruth moved to approve the Fund A loan A15-046 in the amount of \$1,420,000 to the City of Harrodsburg with the standard conditions. Ms. Linda Bridwell seconded, and the motion received all "aye" votes.

5. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B15-002) OF \$358,000 TO THE BRACKEN COUNTY WATER DISTRICT, BRACKEN COUNTY, KENTUCKY**

Ms. Jami Johnson presented the project to the Board. The Bracken County Water District (BCWD) requested a \$358,000 Fund "B" loan for the KY 19 Master Meter to Kelly Ridge Project. This project will replace approximately 8,500 feet of 4" asbestos cement (AC) line that was originally installed in the 1960's with the original construction of the system. New eight inch PVC lines will replace the old AC lines from the master meter on KY 19 to Kelly Ridge. The master meter was replaced in 2006 but continued to use the original master meter valve pit. The original master meter valve pit will be replaced. Also, there are not current flush hydrants in this area. Five flush hydrants will be added to the area with the improvements.

Mr. Ron Lovan moved to approve the Infrastructure Revolving Fund B loan B15-002 in the amount of \$358,000 to the Bracken County Water District with the standard conditions. Ms. Linda Bridwell seconded, and the motion was approved with Mr. Jeff Derouen abstaining.

6. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F14-036) OF \$3,230,000 TO THE CITY OF LEBANON F/B/O LEBANON WATER WORKS CO., MARION COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Jami Johnson, KIA, presented the project to the Board. The City of Lebanon f/b/o Lebanon Water Works Co. (LWWC) is requesting a \$3,230,000 Fund "F" loan for the Marion Taylor Interconnect Project. The project will construct a 50,000 linear foot (LF) 12-inch water main from the Taylor County line (City of Campbellsville) to the Lebanon By-Pass Industrial Park. The proposed route will follow US 68 into Lebanon and connect to an existing 16" main. The connection with Campbellsville will supplement its

supply with approximately 500,000 gallons per day and potentially more during emergencies. A separate loan request to KIA is being submitted to the KIA Board for approval on December 4, 2014 from the City of Campbellsville for their portion (WX21217023) of the proposed project.

Mr. Jeff Derouen asked if the Lebanon Water Works Co. is an eligible government entity. It was explained that the loan will be to the City of Lebanon for the benefit of LWWC, which is wholly owned by the City of Lebanon. In response to a question from Ms. Linda Bridwell, Mr. John Covington replied that the Authority typically makes loans to the city. Mr. Derouen confirmed that this loan to the City of Lebanon and a proposed loan to the City of Campbellsville are connected projects, with each entity building toward each other.

Ms. Linda Bridwell moved to approve the Fund F Loan F14-036 in the amount of \$3,230,000 to the City of Lebanon f/b/o Lebanon Water Works Co. with the standard conditions and the special condition that the City of Lebanon f/b/o of the Lebanon Water Works Co. shall enter into a wholesale purchase agreement with the City of Campbellsville for a minimum water purchase amount that will support debt service and the additional operating expenses that result from the Campbellsville project, F15-013, (approximately \$500,000 per year.) Ms. Lona Brewer seconded, and the motion was unanimously approved.

7. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F15-013) OF \$6,428,000 TO THE CITY OF CAMPBELLVILLE, TAYLOR COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Jami Johnson, KIA, presented the project to the Board. The City of Campbellsville requested a \$6,428,000 Fund "F" loan for the Regional Water System Improvements Project. The project will construct a one million gallon storage tank, 40,000 linear feet (LF) of twelve inch transmission line, and a 700 gallon per minute booster pump station that will permit the City to provide water to the Lebanon Water Works Co. (LWWC). LWWC experiences supply constraints during high use / low rainfall periods while the City of Campbellsville has excess production capacity. A separate loan request is being submitted to the KIA Board for approval on December 4, 2014 from the City of Lebanon f/b/o Lebanon Water Works Co. for their portion (WX21155039) of the proposed project. The City's water treatment plant has a design capacity of 9.0 million gallons per day with average daily production of 3.2 million gallons per day. The significant gap in plant utilization is due to multiple business closures during the late 1990's, particularly Fruit of the Loom, which employed 4,200 at one time and closed in 1998. The proposed project will increase production by 16%, or 500,000 gallons per day. In response to an inquiry from Ms. Linda Bridwell, Mr. John Covington explained the existing excess capacity of the Campbellsville facility.

Mr. Sam Ruth moved to approve the Fund F Loan F15-013 in the amount of \$6,428,000 to the City of Campbellsville with the standard conditions and the special condition that the City of Campbellsville shall enter into a

wholesale purchase agreement with the City of Lebanon f/b/o of the Lebanon Water Works Co. for a minimum water purchase amount that will support debt service and the additional operating expenses that result from the Campbellsville project (approximately \$500,000 per year.) Ms. Linda Bridwell seconded, and the motion was unanimously approved.

8. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F15-002) OF \$8,000,000 TO THE MONROE COUNTY WATER DISTRICT, MONROE COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Mr. Jeff Abshire, KIA, presented the project to the Board. The Monroe County Water District (“District”) requested an \$8,000,000 Fund “F” loan for the Regional Water Treatment Plant and System Improvements Project. The project will construct a new raw water intake on the Cumberland River, a 600,000 gallon water storage tank, one pump station, transmission lines and a two million gallon per day water treatment plant. Plans and specifications for the water treatment plant are substantially complete and were grant funded as a component of other water system improvements projects. The final plant design will permit a one million gallon per day expansion if demand increases. The District has secured a water withdrawal permit through the Division of Water (DOW) and the Army Corps of Engineers. The project ranked second out of sixty-seven projects by the DOW for the 2015 funding cycle and has consistently ranked high in previous funding cycles. The District has frequently been unable to provide required water demand during peak or drought periods, and has been subject to periodic Notices of Violation from the Division of Water. The District purchases water from the City of Tompkinsville and has unsuccessfully attempted to partner with the city on a regional solution to its issues.

Ms. Linda Bridwell asked if the City of Tompkinsville could be incorporated later if the situation changes. John Covington explained that the Monroe County Water District project was scaled back slightly to reduce costs with no involvement of the City of Tompkinsville, but it was designed so that it can be expanded should a partnership with the city be possible later.

Mr. Ron Lovan moved to approve the Fund F Loan F15-002 in the amount of \$8,000,000 to the Monroe County Water District with the standard conditions and the special condition that the Monroe County Water District will obtain Public Service Commission approval for rates sufficient to fund projected operating expenses and debt service for the District. Ms. Linda Bridwell seconded, and the motion was approved with Mr. Jeff Derouen abstaining.

9. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

This is a routine resolution allowing KIA to reimburse expenses that are paid out of the Authority's funds with bond proceeds. The projects listed below are covered under this resolution:

APPLICANT	FUND	AMOUNT
Lexington-Fayette Urban County Government	A15-026	\$36,000,000
City of Frankfort	A15-032	\$ 3,731,000
City of Harrodsburg	A15-046	\$ 1,420,000
Bracken County Water District	B15-002	\$ 358,000
City of Lebanon fbo Lebanon Water Works Co, Inc.	F14-036	\$ 3,230,000
City of Campbellsville	F15-013	\$6,428,000
Monroe County Water District	F15-002	\$8,000,000
City of Fleming-Neon	F1 15-018	\$ 143,616
Symsonia Water District (<10% Increase)	B12-07	\$ 329,016

Ms. Linda Bridwell moved to approve the resolution. Mr. David Cartmell seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR'S REPORT

In his Executive Director's Report, Mr. John Covington reported on issues discussed at the recent conference of the Council of Infrastructure Financing Authorities. He informed the board that twenty-three Fund A loan applications have been accepted, and three have been approved. Nineteen Fund F loan applications have been accepted, and nine have been approved. Ms. Linda Bridwell asked about situations in which a borrower might incur debt from another source that could impair their ability to repay their loan to Kentucky Infrastructure Authority. John Covington informed her that there is a requirement that the Authority is to be notified if a borrower incurs additional debt. In addition, every borrower is required to submit an annual audit for review by the Authority staff.

III. STATUS REPORT FOR FUNDS A, A2, B, B1, C, F, F2

IV. ANNOUNCEMENTS/NOTIFICATIONS

- There will not be a board meeting in the month of January.
- Next scheduled KIA board meeting:
 Tentatively set for Thursday, February 5, 2015
 1024 Capital Center Drive, Suite 340
 Frankfort, Kentucky

There being no further business Mr. Robert Aldridge moved to adjourn. Mr. Ron Lovan seconded and the motion carried unanimously. The November 6, 2014, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:

Jeff Abshire

Jeffrey A. Abshire, Secretary
 Kentucky Infrastructure Authority

1-29-15

Date

Steven L. Beshear
Governor

KENTUCKY INFRASTRUCTURE AUTHORITY
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
Phone (502) 573-0260
Fax (502) 573-0157
<http://kia.ky.gov>

John E. Covington III
Executive Director

December 4, 2014

Honorable Anthony Habermehl, Chairman
Bracken County Water District
P.O. Box 201
Brooksville, KY 41004



**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (B15-002)**

Dear Chairman:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On December 4, 2014, the Authority approved your loan for the Kentucky 19 Master Meter to Keely Ridge project, subject to the conditions stated below. The total cost of the project shall not exceed \$358,000 of which the Authority loan shall provide all of the funding. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Bracken County Water District upon satisfactory performance of the conditions set forth in this letter. A period of twelve months (December 4, 2015) from the date of this letter will be allowed for you to meet the conditions set forth in this letter and enter into an Assistance Agreement. A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The Authority project loan shall not exceed \$358,000.
2. The loan shall bear interest at the rate of 1.75 percent per annum commencing with the first draw of funds.
3. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be

less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.

5. Full principal payments will commence on June 1 or December 1 immediately succeeding the date of the last draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the last draw of funds, then the first principal payment date shall be the June 1 or December 1 which is at least six months from the date of the last draw of funds. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.20% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
7. Loan funds will be disbursed after execution of the Assistance Agreement as project costs are incurred.
8. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. Upon completion of final design of the facilities in the attached project description, favorable approval shall be obtained of such design by all appropriate parties as required by Kentucky statute or administrative regulation.
2. Applicant must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
3. Documentation of final funding commitments from all parties other than the Authority as reflected in the Attachment A description shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding or any new sources of funding not reflected in Attachment A shall be immediately reported and may cause this loan to be subject to further consideration.
4. Upon receipt of construction bids a tabulation of such bids and engineer's recommendations on compliance with bid specifications and recommendation for award, shall be forwarded to the Authority for final approval and sizing of this loan and the project.

Chairman Habermehl

December 4, 2014

Page 3

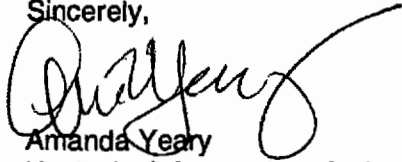
5. Based on the final "as bid" project budget, the community must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by your consultant engineer
6. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
7. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Authority.
8. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the State's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.
9. Documentation of Clearinghouse Endorsement and Clearinghouse Comments.
10. The Borrower must complete and return to the Authority the attached "Authorization for Electronic Deposit of Vendor Payment" Form.
11. Implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
12. Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North, South or Single) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). The recipient shall provide the Authority a digital copy (pdf) of the record drawings from the project within three months of construction completion.

Any special conditions listed below and/or stated in Attachment A must be resolved.

Chairman Habermehl
December 4, 2014
Page 4

Please inform the Authority of any changes in your financing plan as soon as possible. We will assist you in a final evaluation of the financing plan when construction bids are available. We wish you every success for this project which will benefit both your community and the Commonwealth as a whole.

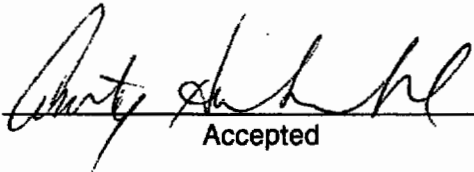
Sincerely,


Amanda Yeary
Kentucky Infrastructure Authority

Attachments

cc: Jeff Reynolds, HMB Professional Engineers, Inc.
Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP
State and Local Debt Office, DLG
Borrower File - Bracken County Water District - B15-002

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also attach the completed "Authorization for Electronic Deposit of Vendor Payment" Form.


Accepted

12-11-2014
Date

ATTACHMENT A

**Bracken County Water District
B15-002**

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND B, INFRASTRUCTURE REVOLVING LOAN FUND	Reviewer Date KIA Loan Number WRIS Number	Jami Johnson December 4, 2014 B15-002 WX21023045
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BORROWER	BRACKEN COUNTY WATER DISTRICT BRACKEN COUNTY
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BRIEF DESCRIPTION

This project will replace 8,500 feet of asbestos cement lines that were installed in the 1960's with PVC lines. Additionally, a master meter valve pit will be replaced and five flush hydrants will be installed throughout the system.

PROJECT FINANCING		PROJECT BUDGET		RD Fee %	Actual %
Fund B Loan	\$358,000	Administrative Expenses			\$15,000
		Legal Expenses			5,000
		Land, Easements			5,000
		Planning			5,000
		Eng - Design / Const	11.5%	10.5%	29,000
		Eng - Insp	9.2%	8.7%	24,000
		Construction			250,000
		Contingency			25,000
TOTAL	\$358,000	TOTAL			\$358,000

REPAYMENT	Rate Term	1.75% 20 Years	Est. Annual Payment 1st Payment	\$22,008 6 Mo. after first draw
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PROFESSIONAL SERVICES	Engineer Bond Counsel	HMB Professional Engineers, Inc. Peck, Shaffer, & Williams, a division of Dinsmore & Shohl, LLP
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PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Jun-15 Jul-15 Nov-15
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DEBT PER CUSTOMER	Existing Proposed	\$1,892 \$1,939
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OTHER DEBT	See Attached
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached

RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
Current		2,413	\$45.47 (for 4,000 gallons)
Additional		0	\$45.47 (for 4,000 gallons)

REGIONAL COORDINATION 0

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2012	901,801	428,393	473,408	2.1
Audited 2013	637,803	395,179	242,624	1.6
Projected 2014	628,773	420,010	208,763	1.5
Projected 2015	618,960	419,337	199,623	1.5
Projected 2016	608,051	439,437	168,614	1.4
Projected 2017	597,842	443,289	154,553	1.3
Projected 2018	587,428	441,667	145,761	1.3
Projected 2019	576,806	443,667	133,139	1.3

Reviewer: Jami Johnson
Date: December 4, 2014
Loan Number: B15-002

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND "B")
BRACKEN COUNTY WATER DISTRICT, BRACKEN COUNTY
PROJECT REVIEW
WX21023045**

I. PROJECT DESCRIPTION

The Bracken County Water District (BCWD) is requesting a \$358,000 Fund "B" loan for the KY 19 Master Meter to Kelly Ridge Project. This project will replace approximately 8,500 feet of 4" asbestos cement (AC) line that was originally installed in the 1960's with the original construction of the system. New eight inch PVC lines will replace the old AC lines from the master meter on KY 19 to Kelly Ridge. The master meter was replaced in 2006 but continued to use the original master meter valve pit. The original master meter valve pit will be replaced. Also, there are not current flush hydrants in this area. Therefore, five flush hydrants will be added to the area with the improvements.

The District purchases approximately 165 million gallons (MG) of water from the City of Augusta and sells about 25 MG of water in total to the City of Brooksville and the East Pendleton Water District. Both BCWD and the East Pendleton Water District are regulated by the Public Service Commission.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 15,000
Legal Expenses	5,000
Land, Easements	5,000
Planning	5,000
Engineering Fees - Design / Const	29,000
Engineering Fees - Inspection	24,000
Construction	250,000
Contingency	25,000
Total	\$ 358,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 358,000	100%
Total	\$ 358,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$	358,000
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	21,292
Administrative Fee (0.20%)		716
Total Estimated Annual Debt Service	\$	22,008

V. PROJECT SCHEDULE

Bid Opening	June 2015
Construction Start	July 2015
Construction Stop	November 2015

VI. RATE STRUCTURE

A. Customers

Customers	Current
Residential	2,395
Commercial	18
Industrial	0
Total	2,413

B. Rates

	Current	Prior
Date of Last Rate Increase	02/26/14	02/01/12
First 2,000 gallons	\$25.79	\$25.69
Next 38,000 gallons	9.84	9.79
Over 40,000 gallons	7.81	7.76
Cost for 4,000 gallons	\$45.47	\$45.27
Increase %	0.4%	
Affordability Index (Rate/MHI)	1.4%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2008-2012, the District's service area population was 6,066 with a Median Household Income (MHI) of \$39,727. The median household income for the Commonwealth is \$42,610. The project will qualify for a 1.75% interest rate.

Year	Population				Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	680		7,738		June 2004	4.9%
1990	670	-1.5%	7,766	0.4%	June 2009	12.2%
2000	589	-12.1%	8,279	6.6%	June 2013	9.5%
2010	642	9.0%	8,488	2.5%	June 2014	7.2%
Current	468	-27.1%	8,488	0.0%		
Cumulative %		-31.2%		9.7%		

VIII. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended December 31, 2012 and 2013 with the amounts for 2014 being estimated. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues decreased 10% from \$1.6 million in 2012 to \$1.5 million in 2014. Operating expenses increased 13% from \$767 thousand to \$866 thousand. The increase is due to an 10% purchased water cost increase and a 16% other operating expense increase (compensation and maintenance increases). The debt coverage ratio was 2.1, 1.6 and 1.5 for 2012 through 2014, respectively.

The balance sheet reflects a current ratio of 2.3, a debt to equity ratio of 0.6 and unrestricted cash equals 8.5 months of operating expenses.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues increase .5% in 2014 increase due to a rate to offset purchased water cost but remain flat thereafter.
- 2) Purchased water expenses increase 2.5% in 2014 then remain flat thereafter.
- 3) Operating expenses increase 2% each year for inflation.
- 4) Debt service coverage is 1.4 in 2016 when principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund B loan.

REPLACEMENT RESERVE

The annual replacement cost is \$900. This amount should be added to the replacement account each December 1 until the balance reaches \$9,000 and maintained for the life

of the loan.

IX. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA (F02-10)	\$ 577,624	2024
RD (2004)	888,000	2044
Series 2007D (KRWFC)	2,615,000	2028
KIA (B10-10)	89,669	2032
KIA (C11-01)	621,000	2033
Total	\$ 4,791,293	

X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

None.

XI. CONTACTS

Legal Applicant	
Name	Bracken County Water District
Address	PO Box 201 Brooksville, KY 41004
County	Bracken
Authorized Official	Anthony Habermehl
Phone	(606) 735-3513
Email	pam.hopkins62@yahoo.com

Project Contact – Applicant / Administrator	
Name	Laura Jefferson
Representing	Buffalo Trace ADD
Address	PO Box 460 Maysville, KY 41056
Phone	(606) 564-6894
Email	ljefferson@btadd.com

Consulting Engineer	
Name	Jeff Reynolds
Firm	HMB Professional Engineers, Inc.
Address	3 HMB Circle Frankfort, KY 40601
Phone	(502) 695-9800
Email	bmeyer@hmbpe.com

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

**BRACKEN COUNTY WATER DISTRICT
FINANCIAL SUMMARY (DECEMBER YEAR END)**

Balance Sheet	Audited	Audited	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2012	2013	2014	2015	2016	2017	2018	2019	Projected

Assets									
Current Assets	950,554	901,197	905,086	905,086	905,086	905,086	905,086	905,085	905,085
Other Assets	11,992,711	12,133,366	12,041,951	12,289,396	12,149,792	11,987,157	11,806,790	11,604,851	11,604,851
Total	12,943,265	13,034,563	12,947,036	13,194,481	13,054,877	12,892,242	12,711,875	12,509,936	12,509,936

Liabilities & Equity									
Current Liabilities	339,492	366,529	394,845	402,085	415,481	424,088	436,268	448,468	448,468
Long Term Liabilities	4,723,888	4,624,494	4,331,622	4,438,460	4,183,992	3,921,147	3,646,302	3,359,457	3,359,457
Total Liabilities	5,063,380	5,011,023	4,726,467	4,840,545	4,599,483	4,345,215	4,082,570	3,807,925	3,807,925
Net Assets	7,879,885	8,023,540	8,220,569	8,353,936	8,456,394	8,547,027	8,629,305	8,702,011	8,702,011

Cash Flow									
Revenues	1,640,120	1,486,301	1,495,838	1,495,838	1,495,838	1,495,838	1,495,838	1,495,838	1,495,838
Operating Expenses	767,278	866,409	885,665	886,478	906,387	916,596	927,010	937,632	937,632
Other Income	28,959	17,911	18,600	18,600	18,600	18,600	18,600	18,600	18,600
Cash Flow Before Debt Service	901,801	637,803	628,773	618,960	608,051	587,842	587,428	576,806	576,806

Debt Service									
Existing Debt Service	426,393	395,179	420,010	419,337	417,429	421,281	419,659	421,659	421,659
Proposed KIA Loan	0	0	0	0	22,006	22,006	22,006	22,006	22,006
Total Debt Service	426,393	395,179	420,010	419,337	439,437	443,288	441,667	443,667	443,667
Cash Flow After Debt Service	473,408	242,624	208,763	199,623	168,614	154,553	145,761	133,139	133,139

Ratios									
Current Ratio	2.8	2.3	2.3	2.3	2.3	2.1	2.1	2.1	2.0
Debt to Equity	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.4
Days Sales in Accounts Receivable	47.9	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0
Months Operating Expenses in Unrestricted Cash	10.5	8.7	8.5	8.4	8.4	8.3	8.2	8.1	8.1
Debt Coverage Ratio	2.1	1.6	1.5	1.5	1.4	1.3	1.3	1.3	1.3

Bracken County Water District
Distribution List
B15-002

Receiving original Assistance Agreement

1. **Anthony Habermehl**
Chairman
Bracken County Water District
PO Box 201
Brooksville, KY 41004

Receiving copy of Assistance Agreement

2. **Brandi Armstrong**
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

3. **Buddy Griffin**
Water Infrastructure Branch
Division of Water
Energy and Environment Cabinet
200 Fair Oaks, 4th Floor
Frankfort, Kentucky 40601

4. **0**
 0
 0
 0
 0

Receiving letter only

5. **Jeff Reynolds**
HMB Professional Engineers, Inc.
3 HMB Circle
Frankfort, KY 40601

6. **Laura Jefferson, Infrastructure Development Manager**
Buffalo Trace Area Development District
PO Box 460
Maysville, KY 41056

EXHIBIT G-5

BOND RESOLUTION

BRACKEN COUNTY WATER DISTRICT

AUTHORIZING

BRACKEN COUNTY WATER DISTRICT

WATERWORKS REVENUE BONDS, SERIES 2019

IN THE PRINCIPAL AMOUNT OF

\$3,427,000

TABLE OF CONTENTS

ARTICLE 1.	DEFINITIONS; PURPOSE; AUTHORIZATION OF BONDS; SECURITY.	3
Section 101.	Definitions	3
Section 102.	Purpose	6
Section 103.	Construction Award Approved; Work Authorized	6
Section 104.	Declaration of Period of Usefulness	7
Section 105.	Authorization of Bonds	7
Section 106.	Recognition of Prior Bonds	7
Section 107.	Current Bonds Shall be Payable Out of Gross Revenues	7
Section 108.	Lien on Contracts	8
ARTICLE 2.	THE BONDS; BOND FORM; PREPAYMENT.	9
Section 201.	Principal Payments	9
Section 202.	Issuance of Current Bonds; Bond Form	9
Section 203.	Place of Payment and Manner of Execution	9
Section 204.	Provisions as to Prepayment	9
ARTICLE 3.	CONSTRUCTION ACCOUNT; INTERIM FINANCING; APPLICATION OF PROCEEDS; ARBITRAGE LIMITATIONS.	10
Section 301.	Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits	10
A.	Covenants Applicable if RD Purchases Current Bonds	10
B.	Application of Proceeds of Current Bonds	10
Section 302.	Interim Financing Authorization	12
A.	Interim Financing	12
B.	Multiple Advances by RD	14
Section 303.	Arbitrage Limitations on Investment of Proceeds	14
ARTICLE 4.	FLOW OF FUNDS	16

Section 401.	Funds	16
Section 402.	Flow of Funds	16
A.	Revenue Fund	16
B.	Prior Sinking Fund	16
C.	Current Sinking Fund	17
D.	Debt Reserve Fund	17
E.	Operation and Maintenance Fund	18
F.	Monthly Principal and Interest Payments if Requested by the RD	18
G.	Surplus Funds	18
H.	Investment and Miscellaneous Provisions	18
Section 403.	Current Bonds are Subordinate to the Prior Bonds	19
ARTICLE 5.	COVENANTS OF DISTRICT	20
Section 501.	Rates and Charges	20
Section 502.	Books and Accounts; Audit	20
Section 503.	System to Continue to be Operated on Fiscal Year Basis; Annual Budget	20
Section 504.	General Covenants	21
Section 505.	Other Covenants Applicable So Long as RD Owns Any Bonds	22
Section 506.	Civil Rights and Equal Opportunity	22
Section 507.	Insurance on Motors, Tanks and Structures	23
ARTICLE 6.	INFERIOR BONDS AND PARITY BONDS	24
Section 601.	Inferior Bonds	24
Section 602.	Parity Bonds to Complete the Project	24
Section 603.	Parity Bonds to Finance Future Improvements	24
Section 604.	Covenants to be Complied with at Time of Issuance of Parity Bonds	25
Section 605.	Prepayment Provisions Applicable to Parity Bonds	26
Section 606.	Consent of the RD Regarding Future Bonds	26
Section 607.	Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities	26

ARTICLE 7.	DEFAULT AND CONSEQUENCES	28
Section 701.	Events of Default	28
Section 702.	Consequences of Event of Default	28
ARTICLE 8.	CONTRACTUAL PROVISIONS; GRANT APPROVAL; MISCELLANEOUS PROVISIONS.	29
Section 801.	Resolution Contractual with Bondowners	29
Section 802.	All Current Bonds are Equal	29
Section 803.	District Obligated to Refund Current Bonds Owned by Government Whenever Feasible; Defeasement Prohibited	29
Section 804.	Approval and Acceptance of RD Grant Agreement	30
Section 805.	Authorization, Ratification and Confirmation of Approval and Execution of Various Documents	30
Section 806.	Authorization of Condemnation to Acquire Easements and/or Sites	30
Section 807.	Authorization to File Requested Financing Statements	31
ARTICLE 9.	SALE OF CURRENT BONDS	32
Section 901.	Sale of Current Bonds	32
Section 902.	Adjustment in Maturities, Prepayment Provisions and Other Dates, with Consent of Purchaser if Delivery is Delayed	32
ARTICLE 10.	CONCLUDING PROVISIONS	33
Section 1001.	Covenant of District to Take All Necessary Action To Assure Compliance with the Code	33
Section 1002.	Severability Clause	34
Section 1003.	All Provisions in Conflict Repealed	34
Section 1004.	Effective Immediately Upon Adoption	34
EXHIBIT A - Schedule of Principal Payments		
EXHIBIT B - Form of Fully Registered Bond		
EXHIBIT C - Requisition Certificate		

BOND RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF \$3,427,000 PRINCIPAL AMOUNT OF BRACKEN COUNTY WATER DISTRICT WATERWORKS REVENUE BONDS, SERIES 2019 FOR THE PURPOSE OF FINANCING THE COST (NOT OTHERWISE PROVIDED) OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF SAID DISTRICT; SETTING FORTH TERMS AND CONDITIONS UPON WHICH SAID BONDS MAY BE ISSUED AND OUTSTANDING; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SAID WATERWORKS SYSTEM; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF SAID BONDS.

WHEREAS, the waterworks system (the "System") of the Bracken County Water District (the "District") is owned and operated by said District pursuant to Chapters 58 and 74 of the Kentucky Revised Statutes (the "Act"), and

WHEREAS, the District presently has outstanding certain Prior Bonds (as hereinafter defined), which Prior Bonds are payable from and secured by a pledge of the revenues derived from the operation of the System, and

WHEREAS, all of the Prior Bonds presently outstanding are current as to payment of both principal and interest, and for the security of which a certain Sinking Fund and certain reserves are being maintained, and

WHEREAS, it is the desire and intent of the District at this time to authorize and provide for the issuance of revenue bonds in the principal amount of \$3,427,000 (the "Current Bonds"), for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the System of the District, in accordance with plans and specifications prepared by Bluegrass Engineering, PLLC and to prescribe the covenants of the District, the rights of Bondowners and the details of the issuance and sale of the proposed Current Bonds, and

WHEREAS, the District desires and intends that the Current Bonds be issued subject to the vested rights and priorities in favor of the owners of the outstanding Prior Bonds, and

WHEREAS, the District has filed an application for a Certificate of Public Convenience and Necessity with the Kentucky Public Service Commission authorizing the construction of said extensions, additions and improvements, and

WHEREAS, the proceeds of the Current Bonds will be supplemented by Grant Proceeds (as hereinafter defined) in the amount of \$1,141,900 to provide the total cost of such construction,

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

**ARTICLE 1. DEFINITIONS; PURPOSE; AUTHORIZATION OF BONDS;
SECURITY.**

Section 101. Definitions. As used in this Resolution, unless the context requires otherwise:

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

"Beginning Month" refers to the month following the month in which the Current Bonds authorized herein are issued, sold and delivered to the Purchaser thereof.

"Bond Counsel" refers to an attorney or firm of attorneys recognized nationally as experts in the field of municipal bond law and shall be deemed to refer to Rubin & Hays, Louisville, Kentucky, or their successors.

"Bondowner" or "Owner" refer to registered Owners of the Current Bonds at the time issued and outstanding hereunder.

"Bonds" collectively refers to the outstanding Current Bonds, Prior Bonds and the Parity Bonds.

"Bonds of 2004" or "2004 Bonds" refers to the outstanding Bracken County Water District Waterworks Revenue Bonds, Series 2004 in the original principal amount of \$980,000, dated October 7, 2004.

"Chairman" refers to the elected or appointed Chairman or Chairperson of the Commission.

"Code" refers to the Internal Revenue Code of 1986, as amended, and the Treasury Regulations relating thereto.

"Commission" refers to the Board of Commissioners of the District, or such other body as shall be the governing body of said District under the laws of Kentucky at any given time.

"Construction Account" refers to the Bracken County Water District Waterworks Construction Account, created in Section 301(B) of this Current Bond Resolution.

"Contractors" refers to the general contractors who have been employed by the District to construct the Project.

"Current Bond Resolution" or "Resolution" refer to this Resolution authorizing the Current Bonds.

"Current Bonds" refers to the \$3,427,000 of Bracken County Water District Waterworks Revenue Bonds, Series 2019 authorized by this Resolution, to be dated as of the date of issuance thereof.

"Current Sinking Fund" refers to the Bracken County Water District Waterworks Sinking Fund of 2019, created in Section 401 of this Resolution.

"Debt Reserve Fund" refers to the Bracken County Water District Waterworks USDA Debt Reserve Fund, described in Section 402 of this Resolution.

"Depository Bank" refers to the bank, which shall be a member of the FDIC, and which shall be designated by the City.

"District" refers to the Bracken County Water District, an instrumentality of the Commonwealth of Kentucky, created pursuant to Chapter 74 of the Kentucky Revised Statutes.

"Engineers" refers to the Engineers or any one of them, who prepared the plans and specifications for the construction of the Project and who will supervise the construction thereof and/or will furnish full time resident inspection of the construction of the Project, and shall be deemed to refer to Bluegrass Engineering, PLLC, or a member of said firm, or their successors.

"Event of Default" refers to one or more of the Events of Default set forth in Section 701 of this Resolution.

"FDIC" refers to the Federal Deposit Insurance Corporation, or its successors.

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

"Funds" refers to the Construction Account, the Revenue Fund, the Current Sinking Fund, the Prior Sinking Fund, the Depreciation Fund and the Operation and Maintenance Fund.

"Government" refers to the United States of America, or any agency thereof, including RD.

"Grant Proceeds" refers to the proceeds of the RD Grant.

"Independent Consulting Engineer" refers to a consulting engineer or a firm of consulting engineers of recognized excellent reputation in the field of waterworks system engineering, and such definition includes the Engineers named above.

"Interim Lender" refers to Kentucky Rural Water Finance Corporation, Bowling Green, Kentucky, its successors or assigns; or any other financial institution or governmental agency approved by the District.

"KIA" refers to the Kentucky Infrastructure Authority, an agency and instrumentality of the Commonwealth of Kentucky.

"KIA Loans" collectively refers to the outstanding (i) Kentucky Infrastructure Authority Loan #02-10 in the original principal amount of \$791,334, issued on August 31, 2004; (ii) Kentucky Infrastructure Authority Loan #B10-10 in the original principal amount of \$475,000, issued on December 9, 2010; (iii) Kentucky Infrastructure Authority Loan #C11-01 in the original principal amount of \$621,000, issued on March 1, 2012; and (iv) Kentucky Infrastructure Authority Loan #B15-002 in the original principal amount of \$358,000, issued on September 1, 2015.

"*KRWFC Loan*" refers to the Kentucky Rural Water Finance Corporation Series 2007D Loan in the original principal amount of \$3,350,000, dated July 30, 2007.

"*Local Counsel*" refers to Michael Clark, Esq., Brooksville, Kentucky, or any other attorney or firm of attorneys designated by the District.

"*Multiple Advances*" refers to the advance of loan funds from the RD as described in Section 302 of this Resolution.

"*Note*" refers to a single note or any number of notes, in such form as may be prescribed by the Interim Lender, including any revenue bond anticipation notes issued pursuant to Chapter 58 of the Kentucky Revised Statutes, including any renewal or extensions of the Note, issued by the District evidencing the interim financing for the Project as prescribed in Section 302 of this Resolution.

"*Operation and Maintenance Fund*" refers to the Bracken County Water District Waterworks Operation and Maintenance Fund described in Section 401 of this Resolution.

"*Outstanding Bonds*" refers to the outstanding Bonds, and does not refer to, nor include, any Bonds for the payment of the principal and interest of which sufficient funds will have been deposited and earmarked for payment of Bonds; provided all Outstanding Bonds of any series held by the RD shall be deemed to constitute Outstanding Bonds until paid regardless of the deposit of funds to pay for same.

"*Parity Bonds*" refers to bonds which may be issued in the future which, pursuant to this Resolution, rank on a basis of parity with the outstanding Bonds, as to priority, security and source of payment, and does not refer to bonds which might be issued so as to rank inferior to the security and source of payment of the outstanding Bonds.

"*Prior Bond Resolution*" refers to the authorizing documentation relating to the Prior Bonds.

"*Prior Bonds*" refers collectively to the KIA Loans, the KRWFC Loan and the 2004 Bonds.

"*Prior Sinking Fund*" refers to the Bracken County Water District Waterworks Sinking Fund, described in Section 401 of this Resolution.

"*Project*" refers specifically to the construction of the currently proposed extensions, additions and improvements to the System of the District, which Project is being financed by the Current Bonds and by other funds.

"*Purchaser*" refers to the agency, person, firm or firms, or their successors, to whom the Current Bonds herein authorized are awarded at the public sale of the Current Bonds.

"*RD*" refers to the United States Department of Agriculture, acting through Rural Development.

"*RD Grant*" refers to the RD grant described in Section 804 of this Resolution.

"*Required Signatures*" refers to the signatures necessary to be obtained with reference to the approval of the expenditures to be made from the Construction Account. which required signatures shall consist of the signatures of (1) the Chairman; (2) the Engineers; and (3) the Purchaser; provided, however, any expenditures for issuance and administrative costs and the costs of any equipment which is not permanently affixed to the real estate shall not require the signature or the approval of the Engineers.

"*Revenue Fund*" refers to the Bracken County Water District Waterworks Revenue Fund, described in Section 401 of this Resolution.

"*Secretary*" refers to the elected or appointed Secretary of the Commission.

"*System*" refers to the existing waterworks system of the District, together with all extensions, additions and improvements to said System.

"*Treasurer*" refers to the elected or appointed Treasurer of the Commission.

"*U.S. Obligations*" refers to bonds or notes which are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa. Unless otherwise indicated, references to Articles or Sections refers to those in this Resolution.

Section 102. Purpose. The Current Bonds shall be issued for the purpose of financing the cost (not otherwise provided) of the Project, as set out in the plans and specifications prepared by the Engineers. The Commission hereby declares the System of the District, including the extensions, additions and improvements to be constructed, to constitute a revenue producing public project, and said System shall continue to be owned, controlled, operated and maintained by the District as a revenue producing public project pursuant to the Act, so long as any Bonds remain outstanding.

Section 103. Construction Award Approved; Work Authorized. The Commission hereby authorizes, approves, ratifies and confirms its previous action in advertising for and taking steps toward awarding the contracts for the construction of the Project to the lowest and best bidders, and further approves the action of the District officials in entering into formal contracts with said bidders, subject to the necessary approvals being obtained. Authority is hereby given for undertaking the construction of the Project according to the plans and specifications heretofore prepared by the Engineers for the District, after all necessary approvals have been obtained.

Section 104. Declaration of Period of Usefulness. The Commission hereby declares that the period of usefulness of the System is more than forty (40) years from the date of completion of the Project.

Section 105. Authorization of Bonds. The District has heretofore determined that the total cost of the Project, including preliminary expenses, land and rights-of-way, engineering expense, capitalized interest during construction, legal and administrative costs, publication costs, initial deposits required and all incidental expenses, will not exceed \$4,568,900. Therefore, it is hereby determined to be necessary in order for the District to finance the cost (not otherwise provided) of the Project that the District issue a total of \$3,427,000 of Current Bonds, based on the following calculation:

Total cost of Project		\$4,568,900
Less:		
RD Grant	\$1,141,900	
Total Non-Bond Funds:		<u>(1,141,900)</u>
Balance to be financed by Current Bonds		\$3,427,000

Accordingly, for the purpose of financing the cost (not otherwise provided) of the Project, under the provisions of the Act, there is hereby authorized to be issued and sold \$3,427,000 principal amount of Bracken County Water District Waterworks Revenue Bonds, Series 2019.

The Current Bonds shall be dated as of the date of delivery to the Purchaser thereof; shall bear interest from such date at such interest rate as may be fixed by supplemental resolution as a result of the advertised sale and competitive bidding for such Current Bonds, as hereinafter provided; and shall be issued and delivered as prescribed in Section 202 hereof.

Interest on the Current Bonds shall be payable semiannually on January 1 and July 1 of each year, provided that the first interest payment period will cover interest only from the date of delivery of the Current Bonds to the ensuing January 1 or July 1, as the case may be. Principal of the Current Bonds shall be payable on January 1 of each of the respective years until maturity, as set out in Section 201 hereof.

Section 106. Recognition of Prior Bonds. The District hereby expressly recognizes and acknowledges that the District has previously created for the benefit and protection of the owners of the Prior Bonds, a certain lien and pledge and certain security rights relating to the System, all as set forth in the Prior Bonds and in the Prior Bond Resolution.

Section 107. Current Bonds Shall be Payable Out of Gross Revenues. The Current Bonds, and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be secured by and payable out of the gross revenues of the System, after providing for all of the principal and interest requirements of the outstanding Prior Bonds.

Section 108. Lien on Contracts. In addition to the revenue pledge securing the Bonds, a lien is hereby created and granted in favor of the Bondowners on all contracts, and on all other rights of the District pertaining to the System, enforceable by assignment to any receiver or other operator proceeding by authority of any court.

ARTICLE 2. THE BONDS; BOND FORM; PREPAYMENT.

Section 201. Principal Payments. Principal payments due on the Current Bonds shall be as set forth in the schedule of maturities set out in **Exhibit A** attached to this Resolution and incorporated herein.

Section 202. Issuance of Current Bonds; Bond Form. The Purchaser of the Current Bonds at the public sale shall take delivery of the Current Bonds in the form of one or more fully registered bonds, as set forth in **Exhibit B** attached hereto and incorporated herein, amounting in the aggregate to the principal amount of the Current Bonds authorized herein, maturing as to principal as set out in Section 201. The Current Bonds shall be numbered R-1 and consecutively upward thereafter. Such Current Bonds shall, upon appropriate execution on behalf of the District as prescribed, constitute the entire bond issue herein authorized, shall be negotiable (subject to registration requirements as to transferability), registered as to principal and interest and payable as directed by the registered Owner.

Section 203. Place of Payment and Manner of Execution. Both principal of and interest on the Current Bonds shall be payable at the place and in the manner set out in the form of such Current Bond. The Current Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Chairman of the District, with the Corporate Seal of the District affixed thereto and attested by the manual or facsimile signature of the Secretary of said District.

If either of the officers whose signatures appear on the Current Bonds ceases to be such officer before delivery of said Current Bonds, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery.

Section 204. Provisions as to Prepayment. Except when all of the Current Bonds are held by the Government, principal maturities falling due prior to January 1, 2028, shall not be subject to prepayment. Principal maturities falling due on and after January 1, 2028, shall be subject to prepayment by the District on any interest payment date falling on and after January 1, 2027, at par plus accrued interest, without any prepayment penalty.

So long as all of the Current Bonds are owned by the Government, all or any of the Current Bonds, or in a multiple of \$100, may be prepaid at any time in inverse chronological order of the principal maturities due, at par plus accrued interest without any prepayment penalty.

Notice of such prepayment shall be given by certified mail to the Bondowner or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the Bondowner.

**ARTICLE 3. CONSTRUCTION ACCOUNT; INTERIM FINANCING;
APPLICATION OF PROCEEDS; ARBITRAGE LIMITATIONS.**

Section 301. Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits. The Treasurer, or such other District official as shall be designated by the Commission, shall be the custodian of all funds belonging to and associated with the System. All moneys in excess of the amount insured by the FDIC in the Construction Account shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The officials of the District entrusted with the receipt and disbursement of revenues of the System and the custody of valuable property shall be covered by a fidelity bond in the amount of not less than \$143,000 (the "Fidelity Bond"), or such larger amount as the RD may require, which Fidelity Bond shall be effective and secured by a surety company approved by the RD so long as it is owner of any of the Current Bonds. The RD and the District shall be named co-obligees in such Fidelity Bond and the amount thereof shall not be reduced without the written consent of the RD. Whenever sums in the Funds shall exceed \$143,000, the Fidelity Bond shall be increased accordingly as requested by and with the approval of the RD.

A. Covenants Applicable if RD Purchases Current Bonds. It is acknowledged that all covenants herein with reference to the necessity for approval of the RD, the necessity of observing RD regulations and procedures and the necessity of using RD forms (the "RD Forms"), shall apply only if the RD is the Purchaser of the Current Bonds and only so long as the RD holds the Current Bonds thereafter. In the event that the RD shall not be the Purchaser of the Current Bonds, or, after purchasing same, shall sell or transfer the Current Bonds to an Owner who shall not be the Government, all covenants herein with reference to the necessity for approval of the RD, the necessity of observing RD regulations and procedures, and the necessity of using RD Forms, shall not be applicable.

B. Application of Proceeds of Current Bonds. The proceeds of the Current Bonds shall be applied as follows:

(1) Payment of Interim Financing, Costs of Project and Costs of Issuance. Simultaneously with the delivery of the Current Bonds, there shall immediately be paid to the Interim Lender (or the RD if Multiple Advances are made) an amount sufficient to pay principal of and interest on any temporary loans borrowed by the District in anticipation of the sale and delivery of the Current Bonds and/or of the receipt of Grant Proceeds. Also, at the time of delivery of the Current Bonds, there shall be paid all amounts then due and payable in connection with the costs of the Project and in connection with the issuance of the Current Bonds.

(2) Construction Account. If and to the extent that the proceeds of the Current Bonds shall be in excess of the amount necessary to pay the interest, principal and costs referred to in subparagraph B(1) of this Section, such excess amount shall immediately be deposited in the "Bracken County Water District Waterworks Construction Account" hereby created, which shall be established at the Depository Bank. There shall also be deposited in said Construction Account the Grant Proceeds, as and when received, or said

Grant Proceeds may be applied, to the extent necessary, to liquidate or reduce any interim financing owed by the District at the time of receipt of Grant Proceeds.

(3) Withdrawal of Funds From Construction Account. Prior to the expenditure by the District of any moneys from the Construction Account, the District must obtain written approval from the RD as to such expenditures, if the RD is the Owner of any Outstanding Bonds. The proceeds of said Construction Account shall be withdrawn only on checks signed by the Chairman, the Treasurer (or by such other official of the District as may be authorized by the Commission), provided such official shall be covered by the Fidelity Bond required by Section 301 of this Resolution, in payment for services and/or materials supplied in connection with the Project, as evidenced by (1) a Requisition Certificate; and (2) invoices and/or partial payment estimates bearing the written approval of the Engineers and the Chairman (or by such other official of the District as may be authorized by the Commission), and which invoices and/or partial payment estimates must have been reviewed and approved for payment by the designated RD official.

Written approval or certification of the Engineers shall not be required for matters not under the jurisdiction of the Engineers, such as legal fees, land acquisition and related items.

During construction, the District shall disburse Construction Account funds in a manner consistent with RD Instruction 1780.

The District shall prepare and submit any and all RD Forms required by the RD. Periodic audits of the District's Construction Account records shall be made by RD as determined by it to be necessary.

(4) Transfer of Capitalized Interest to Current Sinking Fund. There shall be transferred from the Construction Account an amount sufficient to provide for capitalized interest (initially estimated at \$65,000) during the construction of the Project, as approved by the Engineers and by the RD. If and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project, such amount so transferred from the Construction Account shall be deposited in the Current Sinking Fund.

(5) Investment of Funds in Construction Account. Pending disbursement of amounts on deposit in the Construction Account, all such funds, or such portion of said amounts on deposit in said Construction Account as is designated by the Commission, shall be invested for the benefit of such Construction Account in Certificates of Deposit, savings accounts or U.S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for costs of the Project (as determined by the Engineers, the Chairman and the RD), provided that to the extent that any amounts on deposit in said Depository Bank shall cause the total deposits of the District in said Depository Bank to exceed the amount insured by the FDIC, the same shall be continuously secured by a valid pledge of U.S. Obligations, having an equivalent market value, in conformity with Section 66.480 of the Kentucky Revised Statutes. Investments in Certificates of Deposit or savings accounts may be made only in such Certificates or

accounts of an FDIC bank. Any such investments will be a part of the Construction Account, and income from such investments will be credited to the Construction Account. All such investments shall be subject to the limitations set out in Section 303 hereof.

(6) Statements of Contractors, Engineers and Attorneys as to Payment. Prior to the delivery of the Current Bonds, if the RD is the Purchaser of the Current Bonds, the District will be required to provide the RD with statements from the Contractors, Engineers and attorneys for the District that they have been paid to date in accordance with their contract or other agreements and, in the case of any Contractor, that he has paid his suppliers and subcontractors. Any exceptions must be authorized under RD Instruction 1780.

(7) Disposition of Balance in Construction Account After Completion of Project. When the Project has been completed and all construction costs have been paid in full, as certified by the Engineers for the District and/or by the RD, any balance then remaining in the Construction Account may, with the consent of the RD, be applied to the cost of constructing additional extensions, additions and improvements to the System (the "Additional Construction"). If such Additional Construction is to be undertaken by the Contractors previously engaged in the Project, such Additional Construction may be authorized by a change order.

If there is a balance remaining in the Construction Account after such Additional Construction, such balance (subject to legal requirements as to possible refund of any allocated portion of the balance derived from Grant Proceeds) shall be transferred to the Current Sinking Fund, whereupon said Construction Account shall be closed. Such remaining balance in the Construction Account so transferred to the Current Sinking Fund shall be used by the District immediately to prepay principal installments due on the Current Bonds in the inverse order of maturities without prepayment penalty, provided further that any balance insufficient to prepay at least \$100 of the principal payment falling due in any year on the Bonds will be transferred to the Depreciation Fund.

Section 302. Interim Financing Authorization.

A. Interim Financing. The District shall use interim financing for the Project during construction of that portion of the cost of the Project financed by the Current Bonds, if available at reasonable rates and terms.

The borrowing of up to the aggregate sum of \$3,427,000 from the Interim Lender is hereby authorized; and the Chairman is hereby authorized to execute the Note in the name and on behalf of the District. Each advance under the Note shall evidence a loan by the Interim Lender to the District for services rendered and/or materials supplied in connection with the Project, as evidenced by a Requisition Certificate.

Interim financing shall be disbursed as follows:

(1) At the direction of the District, the Interim Lender shall disburse the proceeds of the Note by cashier's checks directly to the parties entitled thereto as set forth in the Requisition Certificate; or

(2) At the direction of the District, the Interim Lender shall deposit the proceeds of the Note in the Construction Account, in which event amounts of the District on deposit therein shall, until expended to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U.S. Obligations.

The aggregate of the principal amount of all Notes shall not exceed \$3,427,000. Each Note which is renewed or superseded shall be simultaneously cancelled by the Interim Lender and transmitted to the Treasurer. The rate of interest applicable to each Note shall not exceed a reasonable rate, which rate is subject to the approval of the RD.

The total authorized interim financing of \$3,427,000 shall be the maximum indebtedness which the District may owe at any one time to the Interim Lender for the purpose of providing temporary construction financing for the Project; provided, however, that the District may reduce the amount owed by the District to the Interim Lender from time to time as and when funds are available to the District, whether derived from the proceeds of the Grant Proceeds, the proceeds of the sale of the Current Bonds or otherwise, and may reborrow from the Interim Lender additional amounts in anticipation of the further receipt by the District of additional proceeds from the Current Bonds and/or Grant Proceeds.

The District hereby covenants and agrees with the Interim Lender that upon the issuance and delivery of the Current Bonds and/or the receipt of said Grant Proceeds, the District will apply the proceeds thereof, to whatever extent may be necessary, in payment of the principal amount of the Note, together with accrued interest thereon to the date of such payment; and the proceeds of the Current Bonds and Grant Proceeds are hereby pledged therefor, and such pledge shall constitute a first and prior charge against said proceeds.

Although the proceeds of the Current Bonds and Grant Proceeds are pledged to the repayment of said interim financing, it is recognized that the Grant Proceeds may be applied to the extent required at the time of receipt of the Grant Proceeds, to the payment of costs of the Project due and owing by the District at the time of receipt of such Grant Proceeds, rather than to the repayment of portions of the interim financing at that time. If and to the extent that the Grant Proceeds are in excess of any costs of the Project due and owing at the time of receipt thereof, such Grant Proceeds may be applied, in the same manner as set out hereinabove, to the reduction of the amount of the interim financing, after which, such interim financing may again be increased as theretofore. The District further pledges the revenues of the System to the repayment of said interim financing, subject to the vested rights and priorities of the pledges securing the Outstanding Bonds.

It is understood that the foregoing constitutes an alternative method of obtaining interim financing, and does not preclude the authorization and sale, by public advertisement or otherwise, of bond anticipation notes and/or grant anticipation notes to the most favorable bidder on the open market, by concurrent or subsequent proceedings of the District.

B. Multiple Advances by RD. In the event the Current Bonds are purchased by the RD, and in the event the District is unable to obtain a commitment for interim financing for the Project from any Interim Lender at reasonable rates and terms, the Chairman is authorized to request Multiple Advances of loan funds from the RD.

If the RD agrees to make Multiple Advances to the District pending the delivery of the Current Bonds, the Chairman is hereby authorized to execute in the name and on behalf of the District any number of Notes. Each such Note, evidencing an advance of funds by the RD to the District, shall be in the form prescribed by the RD.

Each request for an advance from RD shall be accompanied by a Requisition Certificate. The District will also furnish to RD, prior to the receipt of each Multiple Advance, whatever additional documentation shall be requested by RD, including a supplemental title opinion of Local Counsel and an updated supplemental preliminary legal opinion of Bond Counsel.

The proceeds of any Multiple Advances shall be either (i) disbursed directly to the parties entitled thereto for services and/or materials supplied in connection with the Project; or (ii) deposited into the Construction Account and disbursed in accordance with the provisions of Section 301 hereof, in which event amounts on deposit in such Construction Account shall, until expended, to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U.S. Obligations.

The proceeds of the Current Bonds are hereby pledged to the repayment of such Multiple Advances, and such pledge shall constitute a first and prior pledge against such proceeds. The District further pledges the revenues of the System to the repayment of said Multiple Advances, subject to the vested rights and priorities of the pledges securing the Outstanding Bonds.

Section 303. Arbitrage Limitations on Investment of Proceeds. The District covenants and certifies, in compliance with the Code, on the basis of known facts and reasonable expectations on the date of adoption of this Resolution, that it is not expected that the proceeds of the Current Bonds will be used in a manner which would cause the Current Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The District covenants to the Owners of the Current Bonds that (1) the District will make no use of the proceeds of said Current Bonds which, if such use had been reasonably expected on the date of issue of such Current Bonds, would have caused such Current Bonds to be "arbitrage bonds"; and (2) the District will comply with all of the requirements of the Code to whatever extent is necessary to assure that the Current Bonds shall not be treated as or constitute "arbitrage bonds" and that the interest on the Bonds shall be excludable from gross income for federal income tax purposes.

Prior to or at the time of delivery of the Current Bonds, the Chairman and/or the Treasurer (who are jointly and severally charged with the responsibility for the issuance of the Current Bonds) are authorized to execute such certifications as shall be required by Bond Counsel, setting out all known and contemplated facts concerning the anticipated construction, expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by Section 148 of the Code in order to assure that interest on the Current Bonds shall be excludable from gross income for federal income tax purposes and that the Current Bonds will not be treated as "arbitrage bonds".

ARTICLE 4. FLOW OF FUNDS.

Section 401. Funds. There was heretofore created and established the following funds and accounts:

- (a) Bracken County Water District Waterworks Revenue Fund
- (b) Bracken County Water District Waterworks Prior Sinking Fund
- (c) Bracken County Water District Waterworks Depreciation Revenue Fund
- (d) Bracken County Water District Waterworks Operation and Maintenance Fund

There is hereby created the Bracken County Water District Waterworks Sinking Fund of 2019 and the Bracken County Water District Waterworks USDA Debt Reserve Fund.

All of the Funds shall be maintained with the Depository Bank so long as any Bonds remain outstanding subject to the right of the District to designate a different depository bank.

Section 402. Flow of Funds. All proceedings preliminary to and in connection with the issuance of the Outstanding Bonds, including provisions made for (i) the receipt, custody and application of the proceeds of the Outstanding Bonds; (ii) the operation of the System on a revenue-producing basis; (iii) the segregation, allocation and custody of the revenues derived from the operation of the System; (iv) the enforcement and payment of the Outstanding Bonds and (v) the depreciation of the System; and all other covenants for the benefit of Bondowners set out in the Prior Bond Resolution, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Outstanding Bonds, the same as if such provisions and proceedings were set out in full herein; provided, further, that after the issuance of the Current Bonds, the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

A. Revenue Fund. The District 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 District only for the purpose and in the manner and order of priorities specified in the Prior Bond Resolution, as hereinafter modified by this Resolution, all as permitted by the Act, and in accordance with previous contractual commitments.

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

- (1) A sum equal to one-sixth (1/6) of the next succeeding interest payment to become due on all Prior Bonds then outstanding, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of all of the Prior Bonds maturing on the next succeeding principal payment date.

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

C. Current Sinking Fund. At or after the time that the Current Bonds have been delivered, there shall be transferred from the Construction Account into the Current Sinking Fund an amount sufficient (currently estimated at \$65,000) to provide for capitalized interest during the construction of the Project, if and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project.

After the monthly transfers required in the preceding paragraphs have been paid from the Revenue Fund, there shall next be transferred monthly from said Revenue Fund and deposited into the Current Sinking Fund on or before the 20th day of each month, for payment of interest on and principal of the Current Bonds, 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 Current Bonds then outstanding, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Current Bonds maturing on the next succeeding January 1.

The Current Sinking Fund is hereby pledged for the payment of the interest and the principal of the Current Bonds, but subject to the vested rights and priorities of the Prior Bonds.

D. Debt Reserve Fund. It is hereby determined that upon the issuance of the Current Bonds, and upon completion of the Project, as certified by the Engineers and by the RD, there shall next be transferred from the Revenue Fund the sum of at least \$1,190 each month which shall be deposited into the Debt Reserve Fund until there is accumulated in such Debt Reserve Fund the sum of at least \$142,800, which amount shall be maintained, and when necessary, restored to said sum of \$142,800, so long as any of the Current Bonds are outstanding and unpaid.

As further security for the Bondowners and for the benefit of the District, it has been and is hereby provided that in addition to the monthly transfers required to be made from the Revenue Fund into the Debt Reserve Fund, there shall be deposited into said Debt Reserve Fund all proceeds of connection fees collected from potential customers (except the amounts necessary to pay the actual costs and service connections applicable to said potential customers) to aid in the financing of the cost of future extensions, additions and improvements to the System, plus the proceeds of any property damage insurance (not otherwise used to replace damaged or destroyed property); and any such amounts or proceeds so deposited shall be used solely and only for the purposes intended.

Moneys in the Debt Reserve Fund may be withdrawn and used by the District, upon appropriate certification of the Commission, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals and replacements not included in the annual budget of current expenses and/or of paying the costs of constructing future extensions, additions and improvements to the System which will either enhance its revenue-producing capacity or will provide a higher degree of service, and when necessary, for the purpose of making payments of

principal and interest on the Bonds if the amount on deposit in the Sinking Fund is not sufficient to make such payments.

E. 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 District's annual budget.

F. Monthly Principal and Interest Payments if Requested by the RD. So long as any of the Bonds are held or insured by the RD, the District shall, if requested by the RD, make the payments required by this Section 402, in monthly installments to the RD or to the insured Owners of the Bonds.

G. 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 the Debt Reserve Fund for application in accordance with the terms of this Resolution or to the Sinking Fund to be applied to the maximum extent feasible, to the prompt purchase or redemption of Outstanding Bonds.

H. Investment and Miscellaneous Provisions. All monies in the Sinking Fund and the Debt Reserve Fund shall be deposited in the Depository Bank, or such portion thereof as is designated by the Commission. All monies in the Sinking Fund and the Debt Reserve Fund shall be invested for the benefit of such respective Funds in Certificates of Time Deposit or savings accounts of the Depository Bank or in U.S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for the purposes for which such funds may be expended, provided that to the extent that any amount of the District on deposit in the Depository Bank shall cause the total deposits of the District in said Depository Bank to exceed the amount insured by the FDIC, such excess amount shall be continuously secured by a valid pledge of U.S. Obligations, having an equivalent market value, in conformity with Section 66.480 of the Kentucky Revised Statutes.

If the RD has purchased any of the Outstanding Bonds, investments in Certificates of Deposit may be made only if a separate RD Form 402-4 Agreement is executed. Any such investments will be a part of the respective Funds from which the proceeds invested are derived, and income from such investments will be credited to such respective Funds. All investments of funds derived from proceeds of the Outstanding Bonds shall be subject to the applicable limitations set out in Section 303 hereof.

All payments into the Funds shall be made on or before the twentieth (20th) day of each month, except that when the twentieth (20th) day of any month shall be a Saturday, Sunday or a legal holiday, then such payment shall be made on the next succeeding business day.

All monies held in any of the Funds shall be kept apart from all other District funds and shall be deposited in the Depository Bank, and all such deposits which cause the aggregate of

all deposits of the District therein to be in excess of the amount secured by FDIC, shall (unless invested as herein authorized) be secured by a surety bond or bonds or by a pledge of U.S. Obligations, having a market value equivalent to such deposit.

The Treasurer shall keep appropriate records as to payment of principal and interest installments and as to payment of principal of and interest on any Bonds.

Section 403. Current Bonds are Subordinate to the Prior Bonds. It is hereby certified and declared that the Current Bonds shall be subordinate to the lien and pledge of the Prior Bonds on the gross revenues of the System.

ARTICLE 5. COVENANTS OF DISTRICT

Section 501. Rates and Charges. The District shall charge such rates and charges for all services and facilities rendered by the System, which rates and charges shall be reasonable, taking into account and consideration the cost and value of the System, the cost of maintaining, repairing and operating same and the amounts necessary for the payment of principal of and interest on Outstanding Bonds against the System. The District shall charge such rates and charges as shall be adequate to meet the requirements of Articles 4 and 5 hereof.

The District covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the Secretary a certification of an Independent Consulting Engineer 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 603 hereof.

Section 502. Books and Accounts; Audit. The District shall maintain proper records and accounts relating to the operation of the System and the District's financial affairs; and the Bondowners, or their authorized representatives, shall have the right at all reasonable times to inspect the facilities of the System and all records, accounts and data relating thereto. An annual audit shall be made of the books and accounts pertinent to the System by a Certified Public Accountant licensed in Kentucky. No later than ninety (90) days after the close of each Fiscal Year, copies of such audit reports certified by such Certified Public Accountant shall be promptly mailed to the RD without request, so long as the Government is the Owner of any of the Bonds, and to any Bondowner that may have made a written request for same.

Monthly operating reports shall be furnished to the RD and to any Bondowner requesting same, during the first two (2) years of operation after completion of the Project, and whenever and so long as the District is delinquent in any of the covenants set out in the Prior Bond Resolution or this Current Bond Resolution. Thereafter, quarterly operating reports shall be furnished at all other times to the RD and to any Bondowner requesting the same.

Section 503. System to Continue to be Operated on Fiscal Year Basis; Annual Budget. While any of the Bonds are outstanding and unpaid, and to the extent permitted by law, the System shall continue to be operated and maintained on a Fiscal Year basis.

Not later than sixty (60) days before the end of each Fiscal Year, the District agrees to cause to be prepared a proposed annual budget of operating expenses (the "Proposed Budget") of the System for the then ensuing Fiscal Year, itemized on the basis of monthly requirements. A copy of said Proposed Budget shall be mailed to any Bondowner who may request in writing a copy of such Proposed Budget and to the RD without request, if the Government is the Owner of any of the Bonds.

For the purpose of the Proposed Budget, operating expenses shall include all reasonable and necessary expenses of operating, repairing, maintaining and insuring the System, but shall exclude depreciation and debt service payments. The District covenants that the operating expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that the District will not expend any amount or incur any obligation for operation or maintenance and repair in excess of the amounts provided for operating expenses in the annual budget, except upon resolution by the District that such expenses are necessary to operate and maintain the System.

Not later than sixty (60) days before the end of each Fiscal Year, the District shall prepare an estimate of gross revenues to be derived from the operation of the System for said Fiscal Year, and, to the extent that said gross revenues are insufficient (a) to pay debt service requirements on all Outstanding Bonds during the ensuing Fiscal Year, (b) to accumulate and maintain all required reserves enumerated herein and (c) to pay operating expenses, the District shall revise the rates and charges sufficiently to provide the funds so required.

If the Owners of at least 50% of the principal amount of the Outstanding Bonds, or the Government so long as it is the Owner of any of said Outstanding Bonds, so request, the Commission shall hold an open hearing not later than thirty (30) days before the beginning of the ensuing Fiscal Year, at which time any Bondowner may appear by agent or attorney and may file written objections to such proposed budget. Notice of the time and place of such hearing shall be mailed at least fifteen (15) days prior to the hearing to each registered Bondowner and to the Government.

The District covenants that annually before the first day of the Fiscal Year, the annual budget for the upcoming Fiscal Year will be adopted substantially in accordance with the Proposed Budget, and that no expenditures for operation and maintenance expenses of the System in excess of the budgeted amount shall be made during such Fiscal Year unless directed by said District by a specific resolution duly adopted.

Section 504. General Covenants. The District, through its Commission, hereby covenants and agrees with the Owners of the Bonds that:

- (1) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky;
- (2) It will make and collect reasonable and sufficient rates and charges for services and facilities rendered by the System;
- (3) It will segregate the revenues and income from the System and make application thereof consistent with and as provided by this Resolution;
- (4) Unless the written consent of the Owners of a majority of the principal amount of the Outstanding Bonds has been obtained, the District agrees not to sell, lease, mortgage or in any manner dispose of any integral part of the System, including any and all appurtenances thereto and extensions, additions and improvements that may be made thereto, until all of the

Outstanding Bonds shall have been paid or provided for in full, as provided herein; subject to the provisions of Section 607 hereof;

- (5) It will maintain in good condition and continuously operate the System and appurtenances thereto and will charge such rates and charges for the services rendered thereby so that the gross income and revenues will be sufficient at all times (i) to pay the interest on and principal of the Outstanding Bonds as same become due; (ii) to pay the cost of operating and maintaining the System; and (iii) to provide for an adequate depreciation account; and
- (6) It will carry and maintain insurance on properties of the System subject to loss or damage in amounts and against hazards substantially in accordance with the practices of other districts, cities or corporations which own and maintain waterworks systems under similar conditions; and so long as the Government is the Owner of any of the Outstanding Bonds, the Government will be listed as co-beneficiary on any such policy; and the District shall further comply with the insurance requirements of Section 506 hereof (involving insurance on motors, tanks and structures).

Section 505. Other Covenants Applicable So Long as RD Owns Any Bonds. So long as the RD shall own any of the Bonds, the District shall comply with such RD regulations, requirements and requests as shall be made by the RD, including the furnishing of operating and other financial statements, in such form and substance and for such periods as may be requested by the RD, the carrying of insurance of such types and in such amounts as the RD may specify, with insurance carriers acceptable to the RD and compliance with all of the terms and conditions of the Loan Resolution (RD Form 1780-27) adopted and executed by the District, which is hereby authorized, approved, ratified and confirmed.

Section 506. Civil Rights and Equal Opportunity. The District covenants and agrees to comply with all applicable Federal laws and statutes, including but not limited to:

(a) *Section 504 of the Rehabilitation Act of 1973.* The District acknowledges that under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RHS financial assistance.

(b) *Civil Rights Act of 1964.* The District acknowledges that it is subject to, and its Facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and Subpart E of Part 1901 of said Title VI, particularly as it relates to conducting and reporting of compliance reviews.

(c) *Americans with Disabilities Act (ADA) of 1990.* The District acknowledges that the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.*) [the "ADA Act"] prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the ADA Act applies to facilities operated by state and local public entities that provide services, programs, and

activities. Title III of the ADA Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

(d) *Age Discrimination Act of 1975.* The District acknowledges that the Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*) provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

(e) *Limited English Proficiency (LEP) under Executive Order 13166.* The District acknowledges that LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the grounds of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write or understand English. These individuals may be entitled to language assistance, free of charge. The District agrees to take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to RHS programs, services and information the District provides. These protections are pursuant to Executive Order 13166 entitled "Improving Access to Services by Persons with Limited English Proficiency" and further affirmed in the USDA Departmental Regulation 4330-005 "Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA.

Section 507. Insurance on Motors, Tanks and Structures. The District shall (a) immediately after the adoption of this Resolution and (b) at the time of final acceptance of the Project, insure all electric motors, elevated water storage tanks, pumping stations and major structures of the System in an amount recommended by the Engineers and approved by the RD, so long as the RD is the Owner of any of the Bonds, for the hazards usually covered in such area, and shall similarly insure same in an amount recommended by the Engineers, without the necessity of approval by the RD if and whenever the District has Outstanding Bonds against the System and none of such Outstanding Bonds are owned by the RD.

ARTICLE 6. INFERIOR BONDS AND PARITY BONDS

Section 601. Inferior Bonds. Except as hereinafter provided below in this Article, the District shall not, so long as any Bonds are outstanding, issue any additional bonds payable from the revenues of the System unless the security and/or pledge of the revenues to secure such additional bonds are made inferior and subordinate in all respects to the security of the Bonds.

The District expressly reserves the right at any time to issue its bonds or other obligations payable from the revenues of the System and not ranking on a parity basis with the Current Bonds, without any proof of previous earnings or net revenues, provided that the consent of the RD must be obtained prior to the issuance of any inferior bonds so long as the RD owns any of the Bonds, and provided further that, after the initial completion of the Project, such inferior bonds may be issued only for the purpose of providing for future extensions, additions and improvements to the System, and only in express recognition of the priorities, liens and rights created and existing for the security, source of payment and protection of the Outstanding Bonds; provided further, that nothing in this Section is intended to restrict or shall be construed as a restriction upon, the ordinary refunding all or a portion of the Outstanding Bonds.

Section 602. Parity Bonds to Complete the Project. The District hereby certifies, covenants and agrees that in the event that the cost of completion of the construction of the Project shall exceed the moneys available to the District from any and all sources, the District shall have the right, if necessary, to provide for such excess, and only such excess, through the issuance of Parity Bonds, provided the District has obtained a certification from the Engineers to the effect that it is necessary to issue the desired amount of Parity Bonds in order to enable the District to pay the cost (not otherwise provided) of the completion of the Project, and provided the District has complied with the provisions of Section 603 below or has obtained:

- (a) the consent of the RD if the Government is as the Owner of the Prior Bonds at that time or the consent of any other Owners of the Prior Bonds, and
- (b) the consent of (1) the RD if the Government is the purchaser of the Current Bonds; or (2) the Owners of at least 75% of the principal amount of the Current Bonds outstanding, if the Current Bonds have been issued, sold and delivered and are held by Owners other than the Government.

Section 603. Parity Bonds to Finance Future Improvements. The District reserved the right and privilege, and does hereby reserve the right and privilege, of issuing additional Parity Bonds, but only under the conditions specified in the Current Bond Resolution, which conditions are as follows:

The District further reserves the right to add new waterworks facilities and/or to finance future extensions, additions and improvements to the System by the issuance of one or more additional series of Parity Bonds to be secured by a parity lien on and ratably payable on a parity with the Current Bonds, from the revenues of the System, provided:

(a) The facilities to be constructed from the proceeds of the additional Parity Bonds are made a part of the System and their revenues are pledged as additional security for the additional Parity Bonds and for the Outstanding Bonds.

(b) The District 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 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) Compliance with Section 603(a) through (d) shall not be necessary for the issuance of Parity Bonds if the District has obtained (1) the written consent of the RD for the issuance of such Parity Bonds, if the Government is the Owner of any Bonds at the time of issuance of such Parity Bonds; and (2) the written consent of the Owners of all of the then outstanding Prior Bonds, and no other prerequisite need be complied with by the District in order to issue Parity Bonds.

Section 604. Covenants to be Complied with at Time of Issuance of Parity Bonds.

The District hereby covenants and agrees that in the event any Parity Bonds are issued, the District shall:

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

(b) Adjust the minimum annual amount to be deposited monthly into the Debt Reserve Fund on the same basis as that prescribed in the provisions establishing such Debt Reserve Fund, taking into account the future debt service requirements of all Bonds which will then be outstanding against the System; and

(c) Make such Parity Bonds payable as to principal on January 1 of each year in which principal falls due and payable as to interest on January 1 and July 1 of each year until the final maturity of such Parity Bonds.

Section 605. Prepayment Provisions Applicable to Parity Bonds. If, in connection with any subsequently issued series of Parity Bonds, it is provided that excess revenues in the Revenue Fund shall be used to prepay Outstanding Bonds in advance of scheduled maturity, or if the District at its option undertakes to prepay Outstanding Bonds in advance of scheduled maturity, it is agreed and understood, for so long as the Government owns any of the Outstanding Bonds, that no such prepayment will be effected without the approval of the RD.

Section 606. Consent of the RD Regarding Future Bonds. Notwithstanding any other provisions of this Resolution, the District agrees that so long as the Government owns any Outstanding Bonds against and/or payable from the revenues of the System, the District will not issue any future bonds, notes or other obligations against, secured by or payable from the revenues of the System without the written consent of the RD.

Section 607. Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities. The District covenants and agrees that so long as any of the Prior Bonds and/or Bonds are outstanding, the District will not sell or otherwise dispose of any of the facilities of the System, or any part thereof, and, except as provided above, the District will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of the Outstanding Bonds. Notwithstanding the foregoing, the District may at any time permanently abandon the use of, or sell at fair market value, any part of the facilities of the System, provided that:

- (a) The District is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds, and the required reserves for such Outstanding Bonds will have been accumulated;
- (b) The District will, in the event of any such sale, apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing prepayment of bonds in advance of maturity; or (2) replacement of the facility so disposed of by another facility, the revenues of which shall be incorporated into the System, as hereinbefore provided;
- (c) The District certifies, in good faith, prior to any abandonment of use, that the facilities to be abandoned are no longer economically feasible of producing net revenues; and
- (d) The District certifies, in good faith, that the estimated net revenues of the remaining facilities of the System for the then next succeeding Fiscal Year, plus the estimated net revenues of the facilities, if any, to be added to the

System, comply with the earnings requirements hereinbefore provided in the provisions and conditions governing the issuance of Parity Bonds.

Notwithstanding any other provisions hereof, so long as any Bonds are held by the Government, the District shall not dispose of its title to the System or to any part thereof, without first obtaining the written consent of the RD.

ARTICLE 7. DEFAULT AND CONSEQUENCES

Section 701. Events of Default. The following items shall constitute an Event of Default on the part of the District:

- (a) The failure to pay principal of the Bonds as and when same shall become due and payable, either at maturity or by proceedings for redemption.
- (b) The failure to pay any installment of interest on the Bonds when the same shall become due and payable or, if any or all of the Outstanding Bonds are owned by the RD, within thirty (30) days thereafter.
- (c) The default by the District in the due or punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds, the Prior Bond Resolution or in this Resolution.
- (d) The failure to promptly repair, replace or reconstruct facilities of the System that have been damaged and/or destroyed.
- (e) The entering of any order or decree with the consent or the acquiescence of the District, appointing a receiver of all or any part of the System or any revenues thereof; or if such order or decree shall be entered without the acquiescence or consent of the District, its failure to have the order vacated, discharged or stayed on appeal within sixth (60) days after entry.

Section 702. Consequences of Event of Default. Any Owner of the Current Bonds may enforce and compel the performance of all duties and obligations of the District set forth herein. Upon the occurrence of an Event of Default, then upon the filing of a suit by any Owner of said the Current Bonds, any court having jurisdiction of the action may appoint a receiver to administer said System on behalf of the District with power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal of and interest on the Outstanding Bonds and to provide and apply the income and revenues in conformity with this Resolution and with the laws of the Commonwealth of Kentucky.

The District hereby agrees to transfer to any bona fide receiver or other subsequent operator of the System, pursuant to any valid court order in a proceeding brought to enforce collection or payment of the District's obligations, all contracts and other rights of the District pertaining to the System, conditionally, for such time only as such receiver or operator shall operate by authority of the court. Upon the occurrence of an Event of Default, the Owner of any of the Outstanding Bonds may require the governing body of the District by appropriate order to raise the rates a reasonable amount consistent with the requirements of this Resolution.

**ARTICLE 8. CONTRACTUAL PROVISIONS; GRANT APPROVAL;
MISCELLANEOUS PROVISIONS.**

Section 801. Resolution Contractual with Bondowners. The provisions of this Resolution constitute a contract between the District and its Commission and the Owners of the Current Bonds as may be outstanding from time to time; and after the issuance of any of said Current Bonds, no change, alteration or variation of any kind of the provisions of this Resolution shall be made in any manner which will affect an Owner's rights except as herein provided or except with the written consent of all Bondowners until such time as all of the Current Bonds and the interest thereon have been paid in full or fully provided for; provided that the Commission may adopt any resolution for any purpose not inconsistent with the terms of this Resolution and which shall not impair the security of the Owners of the Current Bonds 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 resolution or other proceedings pertaining hereto.

It is further agreed that the Owners of 75% in principal amount of the Current Bonds at any time outstanding shall have the right to consent to and approve the adoption of resolutions or other proceedings, modifying or amending any of the terms or provisions contained in this Resolution, subject to the conditions that (a) this Resolution shall not be so modified in any manner that may adversely affect the rights of the Owners of any of the Prior Bonds, nor in any manner that may adversely affect the rights of any certain Owners of the Outstanding Bonds without similarly affecting the rights of all Owners of such Outstanding Bonds, or to reduce the percentage of the number of Owners whose consent is required to effect a further modification and (b) no such change may be effected without the consent of the RD so long as the RD owns any of the Outstanding Bonds.

Section 802. All Current Bonds are Equal. The Current Bonds authorized herein shall not be entitled to priority one over the other in the application of the income and revenues of the System, or with respect to the security for their payment, regardless of the time or times of their issuance, it being the intention that there shall be no priority among any of the Current Bonds regardless of the fact that they may be actually issued and delivered at different times.

Section 803. District Obligated to Refund Current Bonds Owned by Government Whenever Feasible; Defeasement Prohibited. So long as the Government is the Owner of any of the Current Bonds, if it appears to the Government that the District is able to refund such Current Bonds in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, or to sell bonds of the District in the open market, at reasonable rates and terms, for loans or bond issues for similar purposes and periods of time, the District will, upon request of the Government, obtain such loan and/or issue such bonds in sufficient amount to repay the Government and will take all such action as may be required in connection therewith.

In addition, so long as the Government is the Owner of any of the Current Bonds, the District shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of the Current Bonds without immediately prepaying all of the then outstanding Current Bonds.

Section 804. Approval and Acceptance of RD Grant Agreement. The RD has agreed

to make a grant to the District in the amount of \$1,141,900 (the "RD Grant") to supplement the proceeds of the Current Bonds in order to provide the total cost of the Project, and the RD has requested the District to approve, accept and execute RD Form 1780-12 (the "RD Grant Agreement"), setting out the terms and conditions upon which said RD Grant will be made. Said RD Grant Agreement is hereby approved, and the Chairman and the Secretary are authorized to execute said RD Grant Agreement on behalf of the District. The Chairman and Secretary are also authorized on behalf of the District to accept any and all other RD Grants offered to the District in connection with the Project and to execute any and all RD Grant Agreements and any other documents as may be requested by the RD in connection with RD Grants which have been and/or which may hereafter be approved for such Project.

Section 805. Authorization, Ratification and Confirmation of Approval and Execution of Various Documents. The Commission hereby authorizes, approves, ratifies and confirms the previous action of the officers of the District in approving and executing various documents related to the financing of the Project, including the following:

- (a) Legal Services Agreement with Bond Counsel.
- (b) Legal Services Agreement with Local Counsel.
- (c) Letter of Intent to Meet Conditions of RD Letter of Conditions (RD Form 1942-46).
- (d) Loan Resolution (RD Form 1780-27).
- (e) Agreement for Engineering Services with the Engineers.

Section 806. Authorization of Condemnation to Acquire Easements and/or Sites. In the event that (a) any necessary deeds of easement to allow construction of the Project over the property of any property owner or (b) any necessary deed to the necessary site of any waterworks facility of the Project shall not be obtained through negotiation within ten (10) days after the date of adoption of this Resolution and in the event that (1) such waterworks lines cannot be located within the right-of-way of the State and/or County road involved; and/or (2) such waterworks facilities cannot be located on a site already owned by the District, Local Counsel is hereby authorized and directed to file condemnation actions to obtain such necessary rights-of-way and/or sites forthwith, without further authorization or direction from the District or the Commission. Local Counsel is further directed to follow the same condemnation procedure in the event that it becomes necessary, through change orders, line extensions and/or errors in the location of property lines and/or property owners, to obtain additional easements, rights-of-way and/or sites for completion of the Project and whenever the necessary deed is not obtained by negotiation at least ten (10) days prior to the date on which construction is contemplated in the respective easement, right-of-way and/or site.

The District further approves the payment from the funds available therefor allocated to the costs of the Project to pay any judgment award, or compromise, determined by Local Counsel with the acquiescence of the Commission, toward the costs of such easements, rights-of-way and/or sites; provided, in each instance, that the payment of such funds to satisfy any judgment, award or

compromise must first be approved by the RD; and the Commission further determines that if and to whatever extent the funds available from the proceeds of the financing contemplated by this Resolution shall be inadequate to pay any judgment, award or compromise amount for such easements, rights-of-way and/or sites, or if the District is unable to obtain the approval of the RD for any such payment, the Commission shall take all reasonably necessary actions, within the powers and authority of the Commission, to make such additional amount available from all other available District resources.

Section 807. Authorization to File Required Financing Statements. In the event that it is determined by Bond Counsel or Local Counsel that the District is required to file any financing statements under the Kentucky Uniform Commercial Code in order to perfect the pledge of the gross revenues of the District's System as security for the Current Bonds, Bond Counsel and/or Local Counsel are hereby authorized to prepare and file with the appropriate officials such financing statements as they deem necessary.

ARTICLE 9. SALE OF CURRENT BONDS

Section 901. Sale of Current Bonds. The Current Bonds shall be offered publicly for sale upon the basis of sealed, competitive bids at such time as the Commission shall designate.

A suggested form of "Notice of Bond Sale", a suggested form of "Official Notice of Sale of Bonds" and a suggested form of "Bid Form", having been prepared in advance by Bond Counsel, and all of such documents having been found to be in satisfactory form, a copy of each is hereby ordered to be filed in the records of the Secretary with the Minutes of the meeting at which this Resolution is adopted. The Notice of Bond Sale shall be signed by the Secretary and may be used for the purpose of publishing notice of the sale of the Current Bonds. Copies of such documents shall be furnished to any interested parties who may request same.

In the event that there is no bid or that all bids are rejected, the District may readvertise the sale pursuant to this Resolution.

Section 902. Adjustment in Maturities, Prepayment Provisions and Other Dates, with Consent of Purchaser if Delivery is Delayed. In the event that delivery of the Current Bonds authorized herein is delayed for any reason and the District, with the consent of the Purchaser of the Current Bonds, determines it is in the District's best interest to change the maturities, the applicable prepayment date or any other dates, the District may adjust the same by a Resolution of the Commission approving the adjustments.

ARTICLE 10. CONCLUDING PROVISIONS

Section 1001. Covenant of District to Take All Necessary Action To Assure Compliance with the Code. In order to assure the Owners of the Current Bonds that such Current Bonds shall continue to be legal and that interest thereon will continue to be excludable from gross income for federal income tax purposes and exempt from all Kentucky income taxation, the District covenants to and with the Owners of the Current Bonds to take the following action:

(a) The District will (1) take all actions necessary to comply with the provisions of the Code necessary to assure that interest on the Current Bonds will be excludable from gross income for federal income tax purposes; (2) will take no actions which will violate any of the provisions of the Code; and (3) not use the proceeds of the Current Bonds for any purpose which will cause interest on the Current Bonds or on interim financing obligations, including, but not limited to the Note, issued pursuant to Section 302 hereof to become includable in gross income for federal income tax purposes.

(b) The District hereby certifies that it does not reasonably anticipate that the total principal amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code which the District, or any subordinate entity of the District, will issue during the calendar year during which the Current Bonds are issued, will exceed \$10,000,000; and therefore the District hereby designates the Current Bonds and all interim financing obligations, including, but not limited to the Note, issued pursuant to Section 302 hereof as "qualified tax-exempt obligations".

(c) The District further certifies that the Current Bonds and any and all interim financing obligations of the District are not "private activity bonds" within the meaning of the Code.

(d) The District covenants and agrees to comply with the rebate requirements on certain excess earnings imposed by Section 148 of the Code, and in the event it is determined by the District, upon the advice of Bond Counsel, that the Construction Account, or any other Fund established hereunder, is subject to said rebate requirements and does in fact generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Current Bonds, plus any income attributable to such excess, there shall be established a separate and special fund with the Depository Bank, which fund shall be designated the "Excess Earnings and Rebate Fund", which shall be utilized for the collection and payment of any excess generated from investments and the remittance thereof to the United States of America on or before the anniversary of the fifth (5th) year from the date of the Current Bonds, and once every five (5) years thereafter until the final retirement of the Current Bonds; the last installment, to the extent required, to be made no later than sixty (60) days following the date on which funds sufficient for the complete retirement of the Current Bonds are deposited with any escrow agent. The District further covenants to file any and all reports, if any, as may be required to be filed with the Government with regard to the liability or non-liability of the District as to any such rebate requirements and to maintain records in regard thereto for the period of time required by applicable Treasury regulations.

Section 1002. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, which shall continue in full force and effect.

Section 1003. All Provisions in Conflict Repealed. All motions, resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are to the extent of such conflict hereby repealed. It is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds of the District payable or secured in any manner by all or any part of the income and revenues of said System or any part thereof, and which have not been heretofore issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered. The District covenants to correct by appropriate proceedings any required procedure previously taken invalidly.

Section 1004. Effective Immediately Upon Adoption. This Resolution shall take effect and be effective immediately upon its adoption.

Adopted this October 17, 2018.

BRACKEN COUNTY WATER DISTRICT



Chairman

(Seal of District)

Attest:



Secretary

CERTIFICATION

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District, and that the foregoing Resolution is a true copy of a Resolution duly adopted by the Board of Commissioners of said District, signed by the Chairman of said District and attested under Seal by me as Secretary, at a properly convened meeting of said Board of Commissioners held on October 17, 2018, as shown by the official records of said District in my custody and under my control.

I further certify that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825, that a quorum was present at said meeting, that said Resolution has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as Secretary and the official Seal of the District this October 17, 2018.



Secretary

(Seal of District)

EXHIBIT A

Schedule of Principal Payments

<u>Payment Due</u> <u>January 1</u>	<u>Principal</u> <u>Payment</u>	<u>Payment Due</u> <u>January 1</u>	<u>Principal</u> <u>Payment</u>
2020	\$48,000	2040	\$ 83,000
2021	49,500	2041	85,000
2022	51,000	2042	87,500
2023	52,000	2043	90,000
2024	53,500	2044	92,500
2025	55,000	2045	95,000
2026	56,500	2046	97,500
2027	58,000	2047	100,000
2028	60,000	2048	103,000
2029	61,500	2049	105,500
2030	63,000	2050	108,500
2031	65,000	2051	111,500
2032	66,500	2052	114,500
2033	68,500	2053	118,000
2034	70,500	2054	121,000
2035	72,500	2055	124,500
2036	74,500	2056	128,000
2037	76,500	2057	131,500
2038	78,500	2058	135,000
2039	80,500	2059	134,500

EXHIBIT B

(FORM OF FULLY REGISTERED BOND)

**UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
BRACKEN COUNTY WATER DISTRICT
WATERWORKS REVENUE BONDS, SERIES 2019**

No. R- _____ Interest Rate: _____ % \$ _____

KNOW ALL PERSONS BY THESE PRESENTS:

That the Bracken County Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Bracken County, Kentucky, for value received, hereby promises to pay to

_____ the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

_____ DOLLARS (\$ _____),

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

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
-------------	------------------	-------------	------------------	-------------	------------------

[Here the printer of the Current Bond will print the maturities of the Current Bonds purchased by the registered Owner]

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the Interest Rate specified above, semiannually on the first days of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the registered owner shown on the registration book of the District.

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond

Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Bond is issued subject to the vested rights and priorities in favor of the owners of the outstanding (i) Kentucky Infrastructure Authority Loan #02-10 in the original principal amount of \$791,334, issued on August 31, 2004 (the "2004 KIA Loan"); (ii) Kentucky Infrastructure Authority Loan #B10-10 in the original principal amount of \$475,000, issued on December 9, 2010 (the "2010 KIA Loan"); (iii) Kentucky Infrastructure Authority Loan #C11-01 in the original principal amount of \$621,000, issued on March 1, 2012 (the "2012 KIA Loan"); (iv) Kentucky Infrastructure Authority Loan #B15-002 in the original principal amount of \$358,000, issued on September 1, 2015 (the "2015 KIA Loan"); (v) Kentucky Rural Water Finance Corporation Series 2007D Loan in the original principal amount of \$3,350,000, dated July 30, 2007 (the "KRWFC Loan"); and (vi) Bracken County Water District Waterworks Revenue Bonds, Series 2004 in the original principal amount of \$980,000, dated October 7, 2004 (the "2004 Bonds") [hereinafter the 2004 KIA Loan, the 2010 KIA Loan, the 2012 KIA Loan, the 2015 KIA Loan, the KRWFC Loan and the 2004 Bonds shall be collectively referred to as the "Prior Bonds"]. Accordingly, this Bond, together with any bonds ranking on a parity herewith, is payable from and secured by a pledge of the gross revenues to be derived from the operation of the System, after providing for the requirements of the Prior Bonds.

This Bond has been issued in full compliance with the Current Bond Resolution; and this Bond, and any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Resolution, are and will continue to be payable from revenues which shall be set aside in a fund for that purpose and identified as the "Bracken County Water District Waterworks Sinking Fund of 2019", created in the Current Bond Resolution.

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

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond in order to complete the Project, and to finance

future extensions, additions and improvements to the System, provided the necessary requirements of the Current Bond Resolution have been complied with by the District.

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

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2027, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Hundred Dollars (\$100), as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered owner of this Bond or its assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

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

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

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

IN WITNESS WHEREOF said Bracken County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is

BRACKEN COUNTY WATER DISTRICT

By _____
Chairman

Attest:

Secretary

(Seal of District)

PROVISION FOR REGISTRATION

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

Date of Registration	Name of Registered Owner	Signature of Bond Registrar

ASSIGNMENT

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

By: _____

EXHIBIT C

REQUISITION CERTIFICATE

Re: Bracken County Water District Waterworks Revenue Bonds, Series 2019, in the principal amount of \$3,427,000

The undersigned hereby certify as follows:

1. That they are the signatories required for construction and/or administrative draws pursuant to the Bond Resolution adopted by the Bracken County Water District (the "District").

2. That the named firms and/or persons set forth on Exhibit A attached hereto are now entitled to the aggregate sum of \$_____, itemized as set forth in said Exhibit A and as per approved invoices attached hereto:

3. That upon said amount being lent to said District and/or obtained by said District from the proceeds of the Current Bonds and/or other sources, the undersigned approve such expenditure and the payment of said amounts to said firms and/or persons, either directly or from amounts deposit in the "Bracken County Water District Waterworks Construction Account".

4. That we hereby certify that we have carefully inspected the work and, as a result of our inspection and to the best of our knowledge and belief, the amounts shown in this Requisition Certificate are correct and the work has been performed in accordance with the agreements between the District and the parties requesting payment.

IN TESTIMONY WHEREOF, witness the signature of the undersigned, this ____ day of _____, 20____.

Bracken County Water District

Bluegrass Engineering, Inc.

By _____
Chairman

By _____
Registered Professional Engineer
State of Kentucky No. _____

Approved on _____

Approved on _____

USDA, Rural Development

Amount expended heretofore \$ _____

By _____
Authorized RD Official

Amount approved herein _____

Total _____

Approved on _____

EXHIBIT A TO REQUISITION CERTIFICATE

Name of Entity/Person

Amount

EXHIBIT G-6

ASSISTANCE AGREEMENT
BETWEEN
KENTUCKY RURAL WATER FINANCE CORPORATION
AND
BRACKEN COUNTY WATER DISTRICT
DATED
SEPTEMBER 23, 2020
IN THE AMOUNT OF \$740,000

This document was prepared by:

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

By

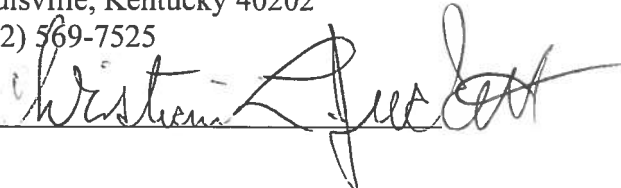


TABLE OF CONTENTS TO ASSISTANCE AGREEMENT

Section 1. Definitions.2
Section 2. Reaffirmation of Declaration of Waterworks System.8
Section 3. Authorization of Loan; Place of Payment; Manner of Execution.8
Section 4. Redemption.....9
Section 5. Loan Payable Out of Gross Revenues on a Parity with Prior Bonds.....9
Section 6. Compliance with Parity Coverage Requirements of the Prior Bond Legislation....9
Section 7. Flow of Funds.9
Section 8. Disposition of Proceeds of the Loan; Governmental Agency Account.....11
Section 9. Arbitrage Limitations.....12
Section 10. Parity Bonds.....14
Section 11. Rates and Charges for Services of the System.16
Section 12. All Obligations of this Loan Are Equal.17
Section 13. Defeasance and/or Refunding of the Loan.17
Section 14. Contractual Nature of Assistance Agreement.....17
Section 15. Appointment and Duties of Trustee.....17
Section 16. Provisions in Conflict Repealed.18
Section 17. Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.....18
Section 18. Insurance.....19
Section 19. Event of Default; Remedies.....20
Section 20. Annual Reports.21
Section 21. Supplemental Assistance Agreement.21
Section 22. No Remedy Exclusive.21
Section 23. Waivers.22
Section 24. Agreement to Pay Attorneys’ Fees and Expenses.22
Section 25. Signatures of Officers.22
Section 26. Severability Clause.22

EXHIBIT A Debt Service Schedule

ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of September 23, 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 Bracken County Water District, 1324 Brooksville Germantown Road, Brooksville, Kentucky 41004 (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) 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 2020E (the “Series 2020E Bonds”) in the aggregate principal amount of \$11,375,000, pursuant to a Supplemental Trust Indenture No. 77, dated as of September 23, 2020 by and between the Issuer and the Trustee, which Series 2020E Bonds will rank on a parity with the other outstanding bonds issued under the terms of the Indenture 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 agencies and the Issuer; and

WHEREAS, the Governmental Agency has outstanding its Bracken County Water District Waterworks Revenue Bonds, Series 2004, dated October 7, 2004, in the original principal amount of \$980,000 (the “Refunded Bonds”), which bonds were issued by the Governmental Agency to make improvements and extensions to the Governmental Agency’s waterworks 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 cost 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 \$740,000 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 1. Definitions.

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

"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 hereunder.

“*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 Legislation of 2018*” refers to the Ordinance authorizing the Series 2018 Bonds, duly enacted by the Governing Body of the Governmental Agency on October 17, 2018.

“*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.

“*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 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 Revenue Fund, the Sinking Fund, the Sinking Fund of 2019, 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 Bracken County Water District, 1324 Brooksville Germantown Road, Brooksville, Kentucky 41004.

“*Governmental Agency Chief Executive*” refers to the Chairman of the Governing Body.

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

“*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. 77, dated September 23, 2020, by and between the Issuer and the Trustee.

“*Interest Payment Date*” shall mean the 1st day of each month, commencing November 1, 2020 and continuing through and including January 1, 2044 or until the Loan has been paid in full.

“*Issuer*” refers to the Kentucky Rural Water Finance Corporation, 1151 Old Porter Pike, Bowling Green, Kentucky 42103.

“*KIA*” refers to the Kentucky Infrastructure Authority, an agency and instrumentality of the Commonwealth of Kentucky.

“*KIA Loans*” collectively refers to the outstanding (i) Kentucky Infrastructure Authority Loan #02-10 in the original principal amount of \$791,334, issued on August 31, 2004; (ii) Kentucky Infrastructure Authority Loan #B10-10 in the original principal amount of \$475,000, issued on December 9, 2010; (iii) Kentucky Infrastructure Authority Loan #C11-01 in the original principal amount of \$621,000, issued on March 1, 2012; and (iv) Kentucky Infrastructure Authority Loan #B15-002 in the original principal amount of \$358,000, issued on September 1, 2015.

“*Loan*” refers to the loan authorized by this Assistance Agreement from the Issuer to the Governmental Agency, in the principal amount of \$740,000, maturing January 1, 2044, to defray the cost of the Refunding Program.

“*Operation and Maintenance Fund*” refers to the Bracken County Water District Waterworks Operation and Maintenance Fund described in Section 401 of the Bond Legislation of 2018 and which Operation and Maintenance Fund will continue to 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 collectively to the Series 2007D Assistance Agreement.

"Prior Bonds" refers collectively to the KIA Loans and the Series 2007D 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 specifically to the construction of the extensions, additions and improvements to the System that were financed with proceeds of the Series 2004 Bonds.

“*Refunded Bonds*” refers to the outstanding Series 2004 Bonds.

“*Refunding Program*” refers to the current refunding of the Refunded Bonds with the proceeds of the Loan.

“*Revenue Fund*” refers to the Bracken County Water District Water Revenue Fund created in the Bond Legislation of 2018 and which Revenue Fund will continue to be maintained for the benefit of all of the Bonds.

“*Series 2004 Bonds*” refers to the outstanding Bracken County Water District Waterworks Revenue Bonds, Series 2004, dated October 7, 2004, in the original principal amount of \$980,000.

“*Series 2007D Assistance Agreement*” refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated July 30, 2007, authorizing the Series 2007D Loan.

“*Series 2007D Loan*” refers to the outstanding loan in the amount of \$3,350,000, dated July 30, 2007, to the Governmental Agency from the Kentucky Rural Water Finance Corporation Public Projects Flexible Term Refunding Revenue Bonds (Flexible Term Program), Series 2007D, which loan was reamortized on September 23, 2020 to a revised principal amount of \$1,350,000.

“*Series 2019 Bonds*” refers to the outstanding Bracken County Water District Waterworks Revenue Bonds, Series 2019, dated January 17, 2020, in the original principal amount of \$3,427,000

“*Sinking Fund*” refers to the fund created in Section 401 of the Bond Legislation of 2018 as the Bracken County Water District Waterworks Sinking Fund.

“*Sinking Fund of 2019*” refers to the fund created in Section 401 of the Bond Legislation of 2018 as the Bracken County Water District Waterworks Sinking Fund of 2019.

“*System*” refers to the Governmental Agency’s waterworks 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 Waterworks System.

That all proceedings heretofore taken for the establishment of and the supplying of water service in and to said Governmental Agency as a waterworks system are hereby in all respects ratified and confirmed; and so long as the Loan herein authorized or permitted to be issued remains 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 the Act, the Governmental Agency hereby authorizes the borrowing of \$740,000 from the Program, to provide funds for the Refunding Program.

The Loan is payable on the Interest Payment Date in such principal and interest amounts 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 Sinking 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 Sinking 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 Loan payments due on or after January 1, 2030 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, 2029 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 payments, 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 payments 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, the Prior Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be secured by and payable out of the gross revenues of the System.

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, hereafter, 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. Sinking Fund. There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Sinking Fund sums sufficient to pay when due the principal and interest requirements on the Loan and the Prior Bonds. Specifically, there shall be paid into the Sinking Fund on or before the 20th day of each month, on account of the Loan and the Prior Bonds, not less than the following:

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

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.

If for any reason there should be a failure to pay into the Sinking Fund the full amounts above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Sinking Fund from the first available income and revenues of the System, subject to the aforesaid priorities.

No further payments need to be made into the Sinking Fund if and when the amount held therein and in any other available fund is at least equal to the amount required to retire all Loan and the Prior Bonds and Parity Bonds and paying all interest that will accrue thereon.

B. Sinking Fund of 2019. After the monthly transfers required in the preceding paragraphs have been paid from the Revenue Fund, there shall next be transferred monthly from said Revenue Fund and deposited into the Sinking Fund of 2019 on or before the 20th day of each month, for payment of interest on and principal of the Series 2019 Bonds, 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 Series 2019 Bonds, plus

- (2) A sum equal to one-twelfth (1/12) of the principal of any Series 2019 Bonds maturing on the next succeeding principal payment date.

The Sinking Fund of 2019 is hereby pledged for the payment of the interest and the principal of the Series 2019 Bonds, but subject to the vested rights and priorities of the Prior Bonds.

Pursuant to Section 4.3(b)(iv) of the Indenture, the money and investments in the Principal and Interest Account (as defined in the Indenture) may be returned to the Governmental Agency and applied to the final Loan Payment (as defined in the Indenture) for the Governmental Agency.

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 Sinking 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 "Bracken 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 (the "RD") 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 interest on the Refunded Bonds to and including September 25, 2020; and

(2) To redeem on September 25, 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 Sinking 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 that 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 Sinking Fund for the purpose of paying debt service on the Loan 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 Sinking 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 Sinking Fund.

(5) That amounts accumulated in the Sinking 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.

No other bonds or other obligations shall be issued by the Governmental Agency and made payable from the revenues of the System unless the pledge of revenues for the same is expressly made subordinate and inferior to the lien and pledge herein created; provided, however, the Governmental Agency hereby reserves the right and privilege of issuing additional bonds, from time to time, payable from the revenues of the System, ranking on a basis of equality and parity as to security and source of payment with the Loan, and heretofore issued and outstanding parity bonds, for the following purposes and subject to the following conditions and restrictions:

(A) The Governmental Agency shall have the right to add new System facilities and related auxiliary facilities 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 and any other security pledged to the Loan, provided in each instance that:

(i) facility or facilities to be built 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 Bonds;

(ii) the Governmental Agency is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the income and revenues of the System or any part thereof;

(iii) the annual net revenues, defined as gross revenues less Current Expenses of the System for the fiscal year next preceding the issuance of additional parity bonds, are certified by an independent certified public accountant to have been equal to at least one and twenty hundredths (1.20) times the average annual requirements for principal and interest on all bonds then outstanding and payable from the revenues of the System. The term "Current Expenses," as used herein, includes all reasonable and necessary costs of operating, repairing, maintaining and insuring the System, but shall exclude any allowance for depreciation, payments into a depreciation fund for extensions, improvements and extraordinary repairs and maintenance, and payments into a sinking fund and a debt service reserve;

(iv) the estimated average annual net revenues of the facility or facilities to be constructed or acquired with the proceeds of such additional bonds (and any other funds pledged as security), when added to the estimated future average annual net revenues of the then existing System, shall be at least one and twenty hundredths (1.20) times the average annual debt service requirements for principal and interest on all outstanding bonds payable from the revenues of the System and on the additional bonds to be issued. Future net revenue estimates shall be furnished by a recognized independent Consulting Engineer and shall be forecast over a period not exceeding ten (10) years from the date of the additional bonds proposed to be issued. Provided, however, the foregoing conditions and limitations prescribed in subparagraph (iii) and this subparagraph (iv) may be waived or modified by the written consent of the holders of at least seventy-five percent (75%) in principal amount of the Outstanding Bonds and parity bonds.

(B) The Governmental Agency hereby covenants and agrees that in the event additional series of parity bonds are issued, it shall:

(i) adjust the monthly deposits into the Sinking Fund on the same basis as that prescribed in Section 7 hereof to reflect the annual debt service on the additional bonds; and

(ii) adjust and increase appropriately the monthly amount to be deposited into a depreciation fund in accord with controlling resolutions to give recognition to the facilities and equipment to be constructed or acquired with the proceeds of such additional bonds.

(C) The additional parity bonds (sometimes herein referred to as "permitted" to be issued), the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds or obligations payable from the revenues of the System on a basis of equality and parity with the Loan, and shall not be deemed to include other bonds or obligations, the security and source of payment of which are subordinate and subject to the priority of the Loan and parity bonds herein authorized or permitted to be issued. The Governmental Agency expressly reserves

the right to issue the Loan or other obligations payable from the revenues herein pledged, and not ranking on a basis of equality and parity with the Loan and parity bonds herein otherwise referred to, without any proof of previous earnings or net revenues, but only if such bonds or other obligations are issued to provide for additions or extensions or improvements of the System, and only if the same are issued in express recognition of the priorities, liens and rights created and existing for the security, source of payment, and protection of the Loan and parity bonds herein authorized and permitted to be issued. Provided, however, that nothing in this Section is intended or shall be construed as a restriction upon the ordinary refunding of the Loan, and/or of any bonds which may have been issued and are outstanding under any of the provisions of this Assistance Agreement, if such refunding does not operate to increase, in any year until the final maturity of the refunding bonds, the aggregate of the principal and interest requirements of the bonds to remain outstanding and the bonds proposed to be refunded.

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

While any Bonds are 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 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 in the previous Section) 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 Outstanding Bonds, calculated in the manner specified in the previous Section.

The Governmental Agency also covenants to cause a report to be filed with the Governing Body within four months after the end of each fiscal year by a Certified Public Accountant, setting forth the precise debt service coverage percentage 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 payable from the revenues of the System, produced or provided by the net revenues of the System in that fiscal year, calculated in the manner specified in the previous Section; and the Governmental Agency covenants that if and whenever such report so filed shall establish that such coverage of net revenues for such year was less than 120% of the average annual debt service requirements, the Governmental Agency shall increase the rates by

an amount sufficient, in the opinion of such Certified Public Accountant, to establish the existence of or immediate projection of, such minimum 120% coverage.

Section 12. All Obligations of this Loan 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 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 the Loan.

The Governmental Agency reserves the right, at any time, to cause the pledge of the revenues securing the outstanding 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, 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 Loan to and on said date, or (b) to pay all principal and interest requirements on the outstanding Loan as same matures, 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 Loan 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 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 cancel and destroy (or remit to the Governmental Agency for destruction, if so requested by the Governmental Agency) all exchanged, matured, retired and redeemed Loan 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 Loan obligations 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 is not an “arbitrage bond” 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 any of 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. Event 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 prior to the Fiscal Year in which this Agreement is executed) 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 Bracken 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. Duff
President

Attest:

By [Signature]
Secretary/Treasurer

BRACKEN 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 Bracken 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

BRACKEN COUNTY WATER DISTRICT

By  _____
Chairman

Attest:

By  _____
Secretary

EXHIBIT A

Debt Service Schedule

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

Borrower: Bracken County Water District - refunding of RD debt
Closing Date: 09/23/20

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
	-		
11/20-1/21	11,666.67	2,939.26	14,605.93
2/21-7/21	2,916.67	1,942.71	4,859.38
8/21-1/22	2,916.67	1,942.71	4,859.38
2/22-7/22	2,916.67	1,818.75	4,735.42
8/22-1/23	2,916.67	1,818.75	4,735.42
2/23-7/23	3,333.33	1,694.79	5,028.13
8/23-1/24	3,333.33	1,694.79	5,028.13
2/24-7/24	3,333.33	1,553.13	4,886.46
8/24-1/25	3,333.33	1,553.13	4,886.46
2/25-7/25	3,333.33	1,411.46	4,744.79
8/25-1/26	3,333.33	1,411.46	4,744.79
2/26-7/26	3,750.00	1,269.79	5,019.79
8/26-1/27	3,750.00	1,269.79	5,019.79
2/27-7/27	1,666.67	1,110.42	2,777.08
8/27-1/28	1,666.67	1,110.42	2,777.08
2/28-7/28	2,083.33	1,039.58	3,122.92
8/28-1/29	2,083.33	1,039.58	3,122.92
2/29-7/29	2,083.33	951.04	3,034.38
8/29-1/30	2,083.33	951.04	3,034.38
2/30-7/30	2,083.33	862.50	2,945.83
8/30-2/31	2,083.33	862.50	2,945.83
2/31-7/31	2,083.33	794.79	2,878.13
8/31-1/32	2,083.33	794.79	2,878.13
2/32-7/32	2,083.33	727.08	2,810.42
8/32-1/33	2,083.33	727.08	2,810.42
2/33-7/33	2,083.33	659.38	2,742.71
8/33-1/34	2,083.33	659.38	2,742.71
2/34-7/34	2,083.33	612.50	2,695.83
8/34-1/35	2,083.33	612.50	2,695.83
2/35-7/35	2,083.33	565.63	2,648.96
8/35-1/36	2,083.33	565.63	2,648.96
2/36-7/36	2,500.00	518.75	3,018.75
8/36-1/37	2,500.00	518.75	3,018.75
2/37-7/37	2,500.00	462.50	2,962.50
8/37-1/37	2,500.00	462.50	2,962.50
2/38-7/38	2,500.00	403.13	2,903.13
8/38-1/39	2,500.00	403.13	2,903.13
2/39-7/39	2,500.00	343.75	2,843.75
8/39-1/40	2,500.00	343.75	2,843.75
2/40-7/40	2,500.00	284.38	2,784.38
8/40-1/41	2,500.00	284.38	2,784.38
2/41-7/41	2,500.00	218.75	2,718.75
8/41-1/42	2,500.00	218.75	2,718.75
2/42-7/42	2,916.67	153.13	3,069.79
8/42-1/43	2,916.67	153.13	3,069.79
2/43-7/43	2,916.67	76.56	2,993.23
8/43-1/44	2,916.67	76.56	2,993.23
2/44-7/44	-	-	-
	-	-	-
	<u>740,000.00</u>	<u>242,511.54</u>	<u>967,905.61</u>

EXHIBIT G-6A

**FIRST AMENDMENT AND SUPPLEMENT TO
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of September 23, 2020 (the “First Amendment to 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 Bracken County Water District, 1324 Brooksville Germantown Road, Brooksville, Kentucky 41004 (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) 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 2020E (the “Series 2020E Bonds”) in the aggregate principal amount of \$11,375,000, pursuant to a Supplemental Trust Indenture No. 77, dated as of September 23, 2020 by and between the Issuer and the Trustee, which Series 2020E Bonds will rank on a parity with the other outstanding bonds issued under the terms of the Indenture 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 agencies and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the “Assistance Agreement”) with the Issuer on July 30, 2007, pursuant to which the Issuer provided the Governmental Agency with a loan dated July 30, 2007, in the original principal amount of \$3,350,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2007D (the “Loan”); and

WHEREAS, the proceeds of the Series 2007D Loan were used to finance the cost to cost to refund certain prior short-term financial obligations of the District, the proceeds of which were utilized for the benefit of the District’s water system (the “System”); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Loan, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings 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 First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect 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 1. Definitions. Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

“Assistance Agreement” refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated July 30, 2007, authorizing the Series 2007D Loan.

“First Amendment to Assistance Agreement” refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan.

“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. 77, dated September 23, 2020, by and between the Issuer and the Trustee.

“Interest Payment Date” shall mean the 1st day of each month, commencing November 1, 2020 and continuing through and including January 1, 2027 or until the Loan has been paid in full.

“*Loan*” refers to the loan in the amount of \$3,350,000, dated July 30, 2007, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2007D, as amended herein.

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

Section 2. Authorization of Loan; Place of Payment; Manner of Execution. Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly the Act, the Governmental Agency hereby authorizes this borrowing of \$1,350,000 from the Program, for the purpose of providing funds to re-amortize the Loan.

The Loan is payable on the Interest Payment Date in such principal and interest amounts 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 Sinking 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 Sinking 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 3. Revision of Debt Service Schedule and Amortization of Fees and Costs. Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency’s Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize 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.

Section 4. Calculation of Revised Principal Amount of the Loan. The revised principal amount of the Loan is \$1,350,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on September 23, 2020	1,518,124.85
Plus net costs associated with amending the debt service on the Loan	(116,156.68)
Credit for current balance in Governmental Agency's Sinking Fund	(55,855.54)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	<u>3,887.37</u>
Revised principal amount of the Loan	\$1,350,000.00

[Signature Page Follows]

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Bracken County Water District has caused this First Amendment to 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

BRACKEN COUNTY WATER DISTRICT

By _____
Chairman

Attest:
By _____
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Bracken County Water District has caused this First Amendment to 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

BRACKEN COUNTY WATER DISTRICT

By  _____
Chairman

Attest:

By  _____
Secretary

EXHIBIT A

Debt Service Schedule

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

Borrower: Bracken County Water District - refunding of KRWFC debt
Closing Date: 09/23/20

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
	-		
11/20-1/21	38,333.33	6,800.00	45,133.33
2/21-7/21	15,416.67	4,373.96	19,790.63
8/21-1/22	15,416.67	4,373.96	19,790.63
2/22-7/22	16,250.00	3,718.75	19,968.75
8/22-1/23	16,250.00	3,718.75	19,968.75
2/23-7/23	16,666.67	3,028.13	19,694.79
8/23-1/24	16,666.67	3,028.13	19,694.79
2/24-7/24	17,500.00	2,319.79	19,819.79
8/24-1/25	17,500.00	2,319.79	19,819.79
2/25-7/25	18,333.33	1,576.04	19,909.38
8/25-1/26	18,333.33	1,576.04	19,909.38
2/26-7/26	18,750.00	796.88	19,546.88
8/26-1/27	18,750.00	796.88	19,546.88
	-	-	-
	<u>1,350,000.00</u>	<u>210,162.50</u>	<u>1,515,029.17</u>

EXHIBIT G-7

TRANSCRIPT OF PROCEEDINGS

**BRACKEN COUNTY WATER DISTRICT
LOAN IN THE AMOUNT OF \$985,000**

FROM THE

**KENTUCKY RURAL WATER FINANCE CORPORATION
PUBLIC PROJECTS REFUNDING AND IMPROVEMENT REVENUE
BONDS (FLEXIBLE TERM PROGRAM)
SERIES 2020G
DATED OCTOBER 13, 2020
IN THE AMOUNT OF \$8,090,000**

APPROVING LEGAL OPINION

By

RUBIN & HAYS

**Municipal Bond Attorneys
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525**

TRANSCRIPT OF PROCEEDINGS INDEX

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G.

ASSISTANCE AGREEMENT AND CLOSING DOCUMENTATION

- a. Resolution of the Board of Commissioners, dated August 19, 2020.
- b. Minutes of Meeting of the Board of Commissioners on August 19, 2020.
- c. Assistance Agreement.
- d. Supplemental Tax Certificate.
- e. Arbitrage Certificate.
- f. Certificate of Officers.
- g. PSC Certificate of Public Convenience and Necessity.
- h. Certificate of Rural Development as to Consent.
- i. Certificate of Kentucky Infrastructure Authority.
- j. Certificate of Raymond James as to Parity Coverage.
- k. Letter of the State Local Debt Officer.
- l. Legal Opinion of Rubin & Hays.
- m. Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.
- n. Distribution List.

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR TO FINANCE A CONSTRUCTION PROJECT FOR THE DISTRICT

WHEREAS, the Board of Commissioners of the Bracken County Water District (the "District") has previously determined that it is in the public interest to make extensions, additions and improvements (the "Project") to the District's water system (the "System"); and

WHEREAS, the District desires the Kentucky Rural Water Finance Corporation (the "Corporation") to act as its agency and instrumentality for the purpose of providing monies to finance the cost of said Project, consisting of a new water supply line and appurtenances, and has made an application to the Corporation therefore;

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Bracken County Water District, as follows:

1. Authorization of Assistance Agreement and the Loan Thereunder. To pay the costs, not otherwise provided, of financing the Project, the District hereby authorizes and approves the issuance of its loan pursuant to the Assistance Agreement in an aggregate principal amount of \$1,000,000 (subject to adjustment plus 10% or minus by any amount) [the "Loan"], which amount as adjusted shall be the maximum principal amount of such Loan to be outstanding at any one time under the Assistance Agreement, issued as a fully registered Loan, in said maturities and terms as more fully provided for in the Assistance Agreement. The Loan shall bear interest at such rates and shall be payable in such amounts and at such times as specified in the Assistance Agreement, all as agreed upon by the District and the Corporation.

2. Approval and Authorization of Execution of Assistance Agreement. The Assistance Agreement by and between the District and the Corporation in such form as may be approved by the Chairman, is hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the Chairman, such approval to be conclusively evidenced by the execution of said Assistance Agreement, in order to effectuate the purposes of this Resolution; and the Chairman, or any other officer of the District, is hereby authorized to execute and acknowledge same for and on behalf of the District; and the Secretary is authorized to attest same. The Assistance Agreement is hereby ordered to be filed in the office of the Secretary with this Resolution in the official records of the District.

3. Disbursement of Proceeds of Loan. The District's officers, employees and agents are authorized to carry out the procedures specified in the Assistance Agreement for the financing of the Project and for the payment from time to time of the costs and related expenses associated therewith.

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

5. **Chairman and Other District Officials to Take Any Other Necessary Action.** Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, the Treasurer, the Secretary and all other appropriate officials of the District are hereby authorized and directed to file any and all applications necessary to obtain approval of the issuance of the Loan from the Kentucky Public Service Commission, if necessary, and to take any and all further action and to execute and deliver all other documents as may be reasonably necessary to effect the issuance and delivery of the Loan and the Assistance Agreement.

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

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

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

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

Adopted on August 19, 2020.

BRACKEN COUNTY WATER DISTRICT

By  _____
Chairman

Attest:

By  _____
Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Commissioners of the Bracken County Water District at a meeting duly

held on August 19, 2020; that said official action appears as a matter of public record in the official records or Journal of the Board of Commissioners; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this August 19, 2020.


Secretary

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
AUGUST 19, 2020

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, August 19, 2020. Motion made by Dale 2nd by Eddie to accept the minutes from the regular meeting July 15, 2020. Motion carried. Check detail from 7/16/20 – 8/19/20 was reviewed. Copy attached.

City of Augusta purchases for July were 17,022,791 gallons. Total paid \$40,003.58.

Micro-Comm annual support renewal was reviewed. Motion made by Eddie 2nd by Louie to renew. Motion carried.

We received notice from KRWA that the district has been nominated for the Wooden Bucket Award. The award is presented to a utility that has shown effort in enhancing operations, etc. It will be awarded at the KRWA Annual Business meeting on August 25th.

Mark Cerrie, Core & Main, contacted Diana about additional training on the Beacon reading system. Commissioner's instructed Diana to get prices.

Diana reported that the email system needs upgraded. Our current email platform is based on technology from 1992. We have been having issues with emails being rejected and other issues. Pricing through GoDaddy (our website developer) is \$395.28 for 3 users for 3 years. Louie made a motion to upgrade email 2nd by Eddie. Motion carried.

Leak adjustments for the coming billing cycle were discussed and reviewed. Grawe Farm, Harvey and Diane Grawe, allowed the Johnson's

to use water from their meter to water cattle. They had a leak at the cattle fountain. Diane requested a leak adj. After review and discussion, the commissioners instructed Diana to make the adj. as we normally would. Monica Hughes Reinhart also requested a leak. They have been watering flowers and garden. Diana pulled data from the meter and will try to estimate what is actual usage vs. leak and adjust the bill from there.

Dale reported that Leary will be here within the next 30 days to paint the Berlin Tank.

The VFD's at the main pump station are finished. Diana will transfer funds, if necessary, to pay the invoices.

Paul reported that Thompson Ridge and Johnsville have been completed. Tilton will be moving to Foster next and then Old 19. The warranty period for the project is September 9, 2019 to September 9, 2022.

The supply line bid opening was held July 30, 2020. One bid was received. Tilton Excavating bid was \$867,650. Paul recommended to the board that we award the bid to Tilton. Motion made by Louie 2nd by Dale to award the supply line project to Tilton Excavating. Motion carried. Resolution for the financing of the project was signed.

The sick pool was discussed. Currently there are no hours used out of the sick pool. Diana reported that Tony Rumford had 432 accumulated sick hours when he quit. The board decided to add those hours to the sick pool, bringing total hours available to 512. This is a one-time addition. Once used, the pool will revert to 80 hours.

With no further business Eddie made a motion to adjourn 2nd by Louie.

Motion carried.

Approved by:

Date

ASSISTANCE AGREEMENT

BETWEEN

KENTUCKY RURAL WATER FINANCE CORPORATION

AND

BRACKEN COUNTY WATER DISTRICT

DATED

OCTOBER 13, 2020

IN THE AMOUNT OF \$985,000

This document was prepared by:

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

By

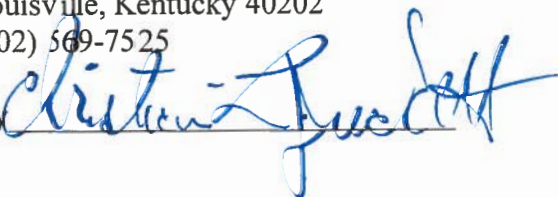


TABLE OF CONTENTS TO ASSISTANCE AGREEMENT

Section 1.	Definitions.	3
Section 2.	Reaffirmation of Declaration of Waterworks System.	8
Section 3.	Authorization of Loan; Place of Payment; Manner of Execution.	8
Section 4.	Redemption.	9
Section 5.	Loan Payable Out of Gross Revenues on a Parity with Prior Bonds.....	9
Section 6.	Compliance with Parity Coverage Requirements of the Prior Bond Legislation.	9
Section 7.	Flow of Funds.	10
Section 8.	Disposition of Proceeds of the Loan; Governmental Agency Account.....	12
Section 9.	Arbitrage Limitations.....	13
Section 10.	Parity Bonds.....	14
Section 11.	Rates and Charges for Services of the System.	16
Section 12.	All Obligations Equal.	17
Section 13.	Defeasance and/or Refunding of the Loan.	17
Section 14.	Contractual Nature of Assistance Agreement.....	18
Section 15.	Appointment and Duties of Trustee.....	18
Section 16.	Provisions in Conflict Repealed.	19
Section 17.	Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.....	19
Section 18.	Insurance.....	20
Section 19.	Event of Default; Remedies.....	20
Section 20.	Annual Reports.	21
Section 21.	Supplemental Assistance Agreement.	21
Section 22.	No Remedy Exclusive.	22
Section 23.	Waivers.	22
Section 24.	Agreement to Pay Attorneys' Fees and Expenses.	22
Section 25.	Signatures of Officers.	22
Section 26.	Severability Clause.	22
	EXHIBIT A	Debt Service Schedule
	EXHIBIT B.....	Form of Requisition Certificate

ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of October 13, 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 Bracken County Water District, 1324 Brooksville Germantown Road, Brooksville, Kentucky 41004 (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) 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 2020G (the "Series 2020G Bonds") in the aggregate principal amount of \$8,090,000, pursuant to a Supplemental Trust Indenture No. 78, dated as of October 13, 2020 by and between the Issuer and the Trustee, which Series 2020G Bonds will rank on a parity with the other outstanding bonds issued under the terms of the Indenture 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 agencies and the Issuer; and

WHEREAS, the Governmental Agency presently owns and operates a waterworks system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to finance improvements and extensions to the System (hereinafter more specifically defined as 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 Issuer has found and determined that the Project will be in furtherance of the purposes of the Issuer and the Governmental Agency under the Act; 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 cost 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 \$985,000 to provide 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 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 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 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:

“*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 hereunder.

“*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 Legislation of 2018*” refers to the Ordinance authorizing the Series 2018 Bonds, duly enacted by the Governing Body of the Governmental Agency on October 17, 2018.

“*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.

“*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 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 Revenue Fund, the Sinking Fund, the Sinking Fund of 2019, 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 Bracken County Water District, 1324 Brooksville Germantown Road, Brooksville, Kentucky 41004.

“*Governmental Agency Chief Executive*” refers to the Chairman of the Governing Body.

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

“*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. 78, dated October 13, 2020, by and between the Issuer and the Trustee.

“*Interest Payment Date*” shall mean the 1st day of each month, commencing December 1, 2020 and continuing through and including July 1, 2040 or until the Loan has been paid in full.

“*Issuer*” refers to the Kentucky Rural Water Finance Corporation, 1151 Old Porter Pike, Bowling Green, Kentucky 42103.

“*KIA*” refers to the Kentucky Infrastructure Authority, an agency and instrumentality of the Commonwealth of Kentucky.

“*KIA Loans*” collectively refers to the outstanding (i) Kentucky Infrastructure Authority Loan #02-10 in the original principal amount of \$791,334, issued on August 31, 2004; (ii) Kentucky Infrastructure Authority Loan #B10-10 in the original principal amount of \$475,000, issued on December 9, 2010; (iii) Kentucky Infrastructure Authority Loan #C11-01 in the original principal amount of \$621,000, issued on March 1, 2012; and (iv) Kentucky Infrastructure Authority Loan #B15-002 in the original principal amount of \$358,000, issued on September 1, 2015.

“*Loan*” refers to the loan authorized by this Assistance Agreement from the Issuer to the Governmental Agency, in the principal amount of \$985,000, maturing July 1, 2040, to defray the cost of the Project.

“*Operation and Maintenance Fund*” refers to the Bracken County Water District Waterworks Operation and Maintenance Fund described in Section 401 of the Bond Legislation of 2018 and which Operation and Maintenance Fund will continue to 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 collectively to the Series 2007D Assistance Agreement and the Series 2020E Assistance Agreement.

"Prior Bonds" refers collectively to the KIA Loans, the Series 2007D Loan, and the Series 2020E 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., 1151 Old Porter Pike, Bowling Green, Kentucky 42103.

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

“*Project*” refers to a new water supply line and appurtenances for the System, acquired with the proceeds of the Loan.

“*Requisition Certificate*” means the form attached hereto as **Exhibit B** to be utilized by the Governmental Agency in obtaining disbursements of the Loan proceeds from the Governmental Agency Account for the Project.

“*Revenue Fund*” refers to the Bracken County Water District Water Revenue Fund created in the Bond Legislation of 2018 and which Revenue Fund will continue to be maintained for the benefit of all of the Bonds.

“*Series 2007D Assistance Agreement*” refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated July 30, 2007, authorizing the Series 2007D Loan.

“*Series 2007D Loan*” refers to the outstanding loan in the amount of \$3,350,000, dated July 30, 2007, to the Governmental Agency from the Kentucky Rural Water Finance Corporation Public Projects Flexible Term Refunding Revenue Bonds (Flexible Term Program), Series 2007D, which loan was reamortized on September 23, 2020 to a revised principal amount of \$1,350,000.

“*Series 2019 Bonds*” refers to the outstanding Bracken County Water District Waterworks Revenue Bonds, Series 2019, dated January 17, 2020, in the original principal amount of \$3,427,000

“*Series 2020E Assistance Agreement*” refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated September 23, 2020, authorizing the Series 2020E Loan.

“*Series 2020E Loan*” refers to the outstanding loan in the amount of \$740,000, dated September 23, 2020, to the Governmental Agency from the Kentucky Rural Water Finance Corporation Public Projects Flexible Term Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020E.

“*Sinking Fund*” refers to the fund created in Section 401 of the Bond Legislation of 2018 as the Bracken County Water District Waterworks Sinking Fund.

“*Sinking Fund of 2019*” refers to the fund created in Section 401 of the Bond Legislation of 2018 as the Bracken County Water District Waterworks Sinking Fund of 2019.

“*System*” refers to the Governmental Agency’s waterworks 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 Waterworks System.

That all proceedings heretofore taken for the establishment of and the supplying of water service in and to said Governmental Agency as a waterworks system are hereby in all respects ratified and confirmed; and so long as the Loan herein authorized or permitted to be issued remains 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 the Act, the Governmental Agency hereby authorizes the borrowing of \$985,000 from the Program, to provide funds for the Project.

The Loan is payable on the Interest Payment Date in such principal and interest amounts 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 Sinking 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 Sinking 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 Loan payments due on or after July 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 July 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 the principal due under the 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 payments 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, the Prior Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be secured by and payable out of the gross revenues of the System.

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, hereafter, 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. Sinking Fund. There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Sinking Fund sums sufficient to pay when due the principal and interest requirements on the Loan and the Prior Bonds. Specifically, there shall be paid into the Sinking Fund on or before the 20th day of each month, on account of the Loan and the Prior Bonds, not less than the following:

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

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.

If for any reason there should be a failure to pay into the Sinking Fund the full amounts above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Sinking Fund from the first available income and revenues of the System, subject to the aforesaid priorities.

No further payments need to be made into the Sinking Fund if and when the amount held therein and in any other available fund is at least equal to the amount required to retire all Loan and the Prior Bonds and Parity Bonds and paying all interest that will accrue thereon.

C. Sinking Fund of 2019. After the monthly transfers required in the preceding paragraphs have been paid from the Revenue Fund, there shall next be transferred monthly from said Revenue Fund and deposited into the Sinking Fund of 2019 on or before the 20th day of each month, for payment of interest on and principal of the Series 2019 Bonds, 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 Series 2019 Bonds, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Series 2019 Bonds maturing on the next succeeding principal payment date.

The Sinking Fund of 2019 is hereby pledged for the payment of the interest and the principal of the Series 2019 Bonds, but subject to the vested rights and priorities of the Prior Bonds.

Pursuant to Section 4.3(b)(iv) of the Indenture, the money and investments in the Principal and Interest Account (as defined in the Indenture) may be returned to the Governmental Agency and applied to the final Loan Payment (as defined in the Indenture) for the Governmental Agency.

D. 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.

E. 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 Sinking 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 Project.

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Bracken County Water District Governmental Agency Account" (the "Governmental Agency Account") has been created and maintained by the Trustee pursuant to the Indenture; and the amount on deposit in said Governmental Agency Account shall be applied to the extent necessary to pay the cost of the Project.

Pending disbursement for the costs of the Project, the proceeds of the Loan shall be subject to a first and paramount lien and charge in favor of the Issuer, for the benefit of the owners of all bonds issued under the Indenture, and for their further security.

Payment from the Governmental Agency Account for costs in connection with the Project shall be made only upon a Requisition Certificate (a copy of which is attached hereto as Exhibit B) delivered to the Trustee that has been approved by the Engineers having charge of supervising the Project, and countersigned by the Governmental Agency Chief Executive or City Treasurer, said Engineers to certify in each instance that the Requisition Certificate represents a sum actually earned by and due to the proposed payee under a contract with said Governmental Agency for work performed and/or materials furnished in connection with the Project, or represents a sum necessary to be expended for land and/or rights of way necessary to be acquired by the Governmental Agency in connection with said Project.

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 in accordance with the contracts, plans, and specifications as approved by the Governmental Agency.

After completion of the Project, as certified by the Engineers, 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 Sinking 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 that 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 Sinking Fund for the purpose of paying debt service on the Loan 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 Sinking 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 Sinking Fund.

(5) That amounts accumulated in the Sinking 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.

No other bonds or other obligations shall be issued by the Governmental Agency and made payable from the revenues of the System unless the pledge of revenues for the same is expressly made subordinate and inferior to the lien and pledge herein created; provided, however, the Governmental Agency hereby reserves the right and privilege of issuing additional bonds, from time to time, payable from the revenues of the System, ranking on a basis of equality and parity as to security and source of payment with the Loan, and heretofore issued and outstanding parity bonds, for the following purposes and subject to the following conditions and restrictions:

(A) The Governmental Agency shall have the right to add new System facilities and related auxiliary facilities 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 and any other security pledged to the Loan, provided in each instance that:

(i) facility or facilities to be built 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 Bonds;

(ii) the Governmental Agency is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the income and revenues of the System or any part thereof;

(iii) the annual net revenues, defined as gross revenues less Current Expenses of the System for the fiscal year next preceding the issuance of additional parity bonds, are certified by an independent certified public accountant to have been equal to at least one and twenty hundredths (1.20) times the average annual requirements for principal and interest on all bonds then outstanding and payable from the revenues of the System. The term "Current Expenses," as used herein, includes all reasonable and necessary costs of operating, repairing, maintaining and insuring the System, but shall exclude any allowance for depreciation, payments into a depreciation fund for extensions, improvements and extraordinary repairs and maintenance, and payments into a sinking fund and a debt service reserve;

(iv) the estimated average annual net revenues of the facility or facilities to be constructed or acquired with the proceeds of such additional bonds (and any other funds pledged as security), when added to the estimated future average annual net revenues of the then existing System, shall be at least one and twenty hundredths (1.20) times the average annual debt service requirements for principal and interest on all outstanding bonds payable from the revenues of the System and on the additional bonds to be issued. Future net revenue estimates shall be furnished by a recognized independent Consulting Engineer and shall be forecast over a period not exceeding ten (10) years from the date of the additional bonds proposed to be issued. Provided, however, the foregoing conditions and limitations prescribed in subparagraph (iii) and this subparagraph (iv) may be waived or modified by the written consent of the holders of at least seventy-five percent (75%) in principal amount of the Outstanding Bonds and parity bonds.

(B) The Governmental Agency hereby covenants and agrees that in the event additional series of parity bonds are issued, it shall:

(i) adjust the monthly deposits into the Sinking Fund on the same basis as that prescribed in Section 7 hereof to reflect the annual debt service on the additional bonds; and

(ii) adjust and increase appropriately the monthly amount to be deposited into a depreciation fund in accord with controlling resolutions to give recognition to the facilities and equipment to be constructed or acquired with the proceeds of such additional bonds.

(C) The additional parity bonds (sometimes herein referred to as “permitted” to be issued), the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds or obligations payable from the revenues of the System on a basis of equality and parity with the Loan, and shall not be deemed to include other bonds or obligations, the security and source of payment of which are subordinate and subject to the priority of the Loan and parity bonds herein authorized or permitted to be issued. The Governmental Agency expressly reserves the right to issue the Loan or other obligations payable from the revenues herein pledged, and not ranking on a basis of equality and parity with the Loan and parity bonds herein otherwise referred to, without any proof of previous earnings or net revenues, but only if such bonds or other obligations are issued to provide for additions or extensions or improvements of the System, and only if the same are issued in express recognition of the priorities, liens and rights created and existing for the security, source of payment, and protection of the Loan and parity bonds herein authorized and permitted to be issued. Provided, however, that nothing in this Section is intended or shall be construed as a restriction upon the ordinary refunding of the Loan, and/or of any bonds which may have been issued and are outstanding under any of the provisions of this Assistance Agreement, if such refunding does not operate to increase, in any year until the final maturity of the refunding bonds, the aggregate of the principal and interest requirements of the bonds to remain outstanding and the bonds proposed to be refunded.

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 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 in the previous Section) 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 Outstanding Bonds, calculated in the manner specified in the previous Section.

The Governmental Agency also covenants to cause a report to be filed with the Governing Body within four months after the end of each fiscal year by a Certified Public Accountant, setting forth the precise debt service coverage percentage 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 payable from the revenues of the System, produced or provided by the net revenues of the System in that fiscal year, calculated in the manner specified in the previous Section; and the Governmental Agency covenants that if and whenever such report so filed shall establish that such coverage of net revenues for such year was less than 120% of the average annual debt service requirements, the Governmental Agency shall increase the rates by an amount sufficient, in the opinion of such Certified Public Accountant, to establish the existence of or immediate projection of, such minimum 120% coverage.

Section 12. All Obligations 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 the Loan.

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 matures, 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 the Loan, no change, variation or alteration of any kind in the provisions of this Assistance Agreement shall be made in any manner except as herein or therein provided until such time as the Loan has 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 of any Loan obligations 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 is not an "arbitrage bond" 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. Event 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 preceding the Fiscal Year in which this Agreement is executed) 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 Bracken 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

BRACKEN 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 Bracken 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

BRACKEN COUNTY WATER DISTRICT

By  _____
Chairman

Attest:

By  _____
Secretary

EXHIBIT A

Debt Service Schedule

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

**Borrower: Bracken County County Water District
Closing Date: 10/13/20**

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
12/20/1/21	2,500.00	2,767.50	5,267.50
2/21-7/21	2,500.00	2,767.77	5,267.77
8/21-1/22	3,333.33	2,268.75	5,602.08
2/22-7/22	3,333.33	2,268.75	5,602.08
8/22-1/23	3,333.33	2,193.75	5,527.08
2/23-7/23	3,333.33	2,193.75	5,527.08
8/23-1/24	3,333.33	2,118.75	5,452.08
2/24-7/24	3,333.33	2,118.75	5,452.08
8/24-1/25	3,333.33	2,043.75	5,377.08
2/25-7/25	3,333.33	2,043.75	5,377.08
8/25-1/26	3,333.33	1,968.75	5,302.08
2/26-7/26	3,333.33	1,968.75	5,302.08
8/26-1/27	3,750.00	1,793.75	5,543.75
2/27-7/27	3,750.00	1,793.75	5,543.75
8/27-1/28	3,750.00	1,596.88	5,346.88
2/28-7/28	3,750.00	1,596.88	5,346.88
8/28-1/29	4,166.67	1,400.00	5,566.67
2/29-7/29	4,166.67	1,400.00	5,566.67
8/29-1/30	4,166.67	1,306.25	5,472.92
2/30-7/30	4,166.67	1,306.25	5,472.92
8/30-2/31	4,166.67	1,170.83	5,337.50
2/31-7/31	4,166.67	1,170.83	5,337.50
8/31-1/32	4,583.33	1,035.42	5,618.75
2/32-7/32	4,583.33	1,035.42	5,618.75
8/32-1/33	4,583.33	932.29	5,515.63
2/33-7/33	4,583.33	932.29	5,515.63
8/33-1/34	4,583.33	829.17	5,412.50
2/34-7/34	4,583.33	829.17	5,412.50
8/34-1/35	4,583.33	726.04	5,309.38
2/35-7/35	4,583.33	726.04	5,309.38
8/35-1/36	5,000.00	622.92	5,622.92
2/36-7/36	5,000.00	622.92	5,622.92
8/36-1/37	5,000.00	504.17	5,504.17
2/37-7/37	5,000.00	504.17	5,504.17
8/37-1/37	5,000.00	385.42	5,385.42
2/38-7/38	5,000.00	385.42	5,385.42
8/38-1/39	5,000.00	260.42	5,260.42
2/39-7/39	5,000.00	260.42	5,260.42
8/39-1/40	5,416.67	135.42	5,552.08
2/40-7/40	5,416.67	135.42	5,552.08
	-	-	-
	<u>985,000.00</u>	<u>301,652.50</u>	<u>1,286,654.11</u>

EXHIBIT B
REQUISITION CERTIFICATE

Request No. _____

Dated _____

To: Regions Bank
Corporate Trust Department
150 Fourth Avenue North, Suite 900
Nashville, Tennessee 37219
Fax Number: 615-770-4350

From: Bracken County Water District ("Governmental Agency")
Contact Person: Ms. Diana Moran, Office Manager
1324 Brooksville Germantown Road, Brooksville, KY 41004

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G.

Ladies and Gentlemen:

1. That _____ (the "Payee") is due the sum of \$ _____, which represents an amount duly earned by and payable to said Payee, its successors or assigns, for labor, materials, work and/or services detailed in the attached Exhibits and furnished under an existing contract with the above identified Governmental Agency, relating to the "Project" (as described in the Assistance Agreement between the Governmental Agency and the Kentucky Rural Water Finance Corporation) financed by the issuance of the above-identified Loan, and that if such sum is for materials and/or supplies furnished, such materials and/or supplies have been received, and if for services, such services have been performed;

2. That the Payee has expended or is expending concurrently with the delivery of this Certificate, the amount set out above on account of the cost of the Project, and that no Requisition Certificate with respect to such expenditure has previously been delivered to Regions Bank, Nashville, Tennessee, as Trustee;

3. That the undersigned are presently the persons who have been duly designated to execute this Requisition Certificate in connection with such Project, and that the authority of the undersigned to do so has not been canceled, revoked, rescinded, changed or altered in any manner.

Respectfully submitted,
BRACKEN COUNTY WATER DISTRICT

By _____
Office Manager

**Certificate of Consulting Engineers as to
Payment Request**

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request and that all expenses represented in this request were duly incurred for the construction of the "Project," and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

Firm Name _____

By _____

Title _____

SUPPLEMENTAL TAX CERTIFICATE

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G.

THIS SUPPLEMENTAL TAX CERTIFICATE (the "Supplemental Tax Certificate") is made and entered into as of October 13, 2020 by and between the Kentucky Rural Water Finance Corporation ("KRWFC") and the Bracken County Water District (the "District"):

WITNESSETH:

WHEREAS, the District has agreed, in an Assistance Agreement dated the date hereof (the "Agreement") to borrow \$985,000 (the "Loan") pursuant to a Program administered by KRWFC and funded with a portion of the proceeds of the \$8,090,000 Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G that were issued on October 13, 2020 (the "Bonds") by KRWFC pursuant to and secured by a Trust Indenture, dated as of April 4, 2001 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 supplemented by a Supplemental Trust Indenture No. 78, dated October 13, 2020 (collectively the "Indenture"), between the Issuer and Regions Bank;

WHEREAS, the District has agreed in the Agreement to use the proceeds of the Loan to finance the cost of a new water supply line and appurtenances (the "Project") to be part of the District's waterworks system (the "System"); and

WHEREAS, it is necessary for the parties hereto to enter into this Supplemental Tax Certificate to ensure that interest paid on the Bonds and on the Loan shall all be and shall all remain excludable from gross income for Federal income purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code") and is not and will not become a specific item of tax preference under Section 57(a)(5)(C) of the Code for the federal alternative minimum tax and to comply with the requirements of KRWFC's Tax Certificate (the "Tax Certificate") dated as of April 4, 2001 issued with respect to the Bonds.

NOW, THEREFORE, the parties hereto agree and bind themselves as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. In addition to words and terms defined elsewhere in this Supplemental Tax Certificate, the Code and Regulations (each as herein defined), the Arbitrage Certificate (as hereinafter defined), the Indenture and the Agreement, the following capitalized words and terms used in this Supplemental Tax Certificate shall have the following meanings, unless some other meaning is plainly intended:

“Arbitrage Bond” means any obligation of a Governmental Entity that is treated as an arbitrage bond under Sections 103(b)(2) and 148 of the Code.

“Arbitrage Certificate” means the Tax Certificate under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended, for the Bonds given by KRWFC, including certifications given with respect thereto by the Financial Advisor, the Underwriter and KRWFC, and for the Loan given by the District.

“Closing Date” means the date of this Supplemental Tax Certificate.

“Cost of Issuance” means any expenditure incurred in connection with the issuance of the Loan or the District’s share of such expenditures relating to the Bonds, including such costs as underwriters’ spread, rating agency fees, appraisal costs, attorneys’ and accountants’ fees and printing costs, but excluding Qualified Guarantee Fees or expenditures incurred in connection with the Project.

“Disposition Proceeds” means the amounts, including property, received from the sale, exchange or other disposition of the Project.

“Federally-Guaranteed” means having the payment of either the principal of or interest on any portion of the Loan or any loan made with the Proceeds of any portion of the Loan guaranteed, in whole or in part, directly or indirectly, by the United States, or acquiring any Investment Property that is, directly or indirectly federally-insured, except as otherwise permitted by Section 149(b) of the Code.

“Governmental Entity” means any State and any political subdivision and agency of any State.

“Gross Proceeds” means Sale Proceeds and Replacement Proceeds, determined pursuant to Treas. Regs. §1.148-1(b) and -1(c), all until spent.

“Investment Proceeds” means any amounts actually or constructively earned or received from investing the Proceeds in Investment Property.

“Investment Property” means any security (as defined in Section 165(g)(2)(A) or (B) of the Code), obligation (including any Tax-Exempt Bond), annuity contract or other investment-type property.

“Non-Governmental Entity” means any person or entity, other than a Governmental Entity.

“Pledged Fund” means any amount pledged, directly or indirectly, to pay principal of or interest on the Loan and that provides reasonable assurance of such amounts being paid even if the District experiences financial difficulties, including amounts subject to a negative pledge.

“Private Loan” means any loan, directly or indirectly, of any of the Proceeds of an obligation of a Governmental Entity to any Non-Governmental Entity.

“Private Use” means the use of any Proceeds of the Loan or any facilities financed with such Proceeds by Private Users.

“Private User” means any Non-Governmental Entity, other than a natural person not engaged in a trade or business.

“Rebate Amount” means the amount determined by KRWFC pursuant to the Tax Certificate.

“Rebate Payments” means any payment of the Rebate Amount made to the United States Treasury.

“Redemption Date” means the date on which the last of the principal of and interest on the Loan has been paid, whether upon maturity, redemption or acceleration thereof.

“Replacement Proceeds” means amounts replaced by Proceeds of the Loan, including any sinking fund, Pledged Fund, restricted gifts (not including qualified endowment funds, pursuant to Treas. Reg. §1.148-6(d)(3)(iii)(C)) or reserve or replacement fund, or other funds that would be available, directly or indirectly, to pay debt service on the Loan, within the meaning of Treas. Reg. §1.148-1(c).

“Research Agreement” means an agreement between the District and a Private User under which the District or the Private User uses any portion of the System to carry on research.

“Sale Proceeds” means the Loan amount.

“Service Contract” means a contract between the District and a Service Provider under which the Service Provider provides services involving any portion or function of a Governmental Facility financed with Governmental Bonds.

“Service Provider” means any Private User that provides management or other services.

“State” means any state and possession of the United States and the District of Columbia.

“Treasury Regulation” and *“Treas. Reg.”* means any Regulation, Proposed Regulation or Temporary Regulation, as may be applicable, issued by the United States Treasury Department pursuant to the Code or the 1954 Code, as appropriate.

“Yield” means, pursuant to Treas. Regs. §1.148-4 and -5, that discount rate that, when computing the present value of all payments of principal and interest to be paid on an obligation,

produces an amount equal to, in the case of the Loan, the Issue Price and in the case of any Investment Property, the fair market value, as provided in Treas. Reg. §1.148-5(d).

“*Yield Reduction Amount*” means the amount determined by KRWFC pursuant to the Tax Certificate.

“*Yield Reduction Payment*” means any payment of the Yield Reduction Amount made to the United States Treasury.

Section 1.02. Interpretative Rules. For all purposes of this Supplemental Tax Certificate, except as otherwise expressly provided or unless the context otherwise requires (a) “Supplemental Tax Certificate” means this instrument, as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof; (b) all references in this instrument to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed; (c) the words “herein”, “hereof”, “hereunder”, “herewith” and other words of similar import refer to this Supplemental Tax Certificate as a whole and not to any particular Article, Section or other subdivision; (d) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; (e) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; (f) the terms defined elsewhere in this Supplemental Tax Certificate shall have the meanings therein prescribed for them; (g) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders; (h) the headings used in this Supplemental Tax Certificate are for convenience of reference only and shall not define or limit the provisions hereof.

ARTICLE II COVENANTS, REPRESENTATIONS, ACKNOWLEDGMENTS AND DIRECTIONS

Section 2.01. Authority and Organization. (a) The District represents for the benefit of KRWFC that it is a political subdivision of the Commonwealth of Kentucky with the power, among others, to enter into the Agreement in furtherance of its corporate purposes, including financing the cost of the Project.

(b) KRWFC represents for the benefit of the District that (i) KRWFC is duly organized and validly existing under the laws of the Commonwealth of Kentucky; and (ii) KRWFC has full power and authority to establish a program to enter into loans and assistance agreements with political subdivisions and public agencies of the Commonwealth of Kentucky.

Section 2.02. Use of Proceeds. The District represents that:

(a) *Deposit and Use of Proceeds.*

- i. Loan proceeds in the amount of \$1,000,000, plus rounding proceeds in the amount of \$931.38 will be deposited to the Borrower's Governmental Agency Account and used to finance the Project;
- ii. \$20,760.00 of the face amount of the Loan will be used on the date hereof to pay costs associated with the making of the Loan; and

The remaining difference between the face amount of the Loan and the above deposits results from the fact that the Loan is being acquired from the District at a premium from its face amount in the amount of \$36,691.38 (original issue premium of \$54,529.35 less underwriter's discount of \$17,837.97).

(b) No Private Use of Proceeds. No more than 5% of the Proceeds of the Loan will be used for private business use, in accordance with the rules contained in Treas. Reg. 1.141-3. The District expects to use the System for the entire stated term of the Agreement.

(c) Expectations. Reserved.

(d) Use of the System. The District will own and operate the System during the entire term of the Agreement and will not change the use or ownership of any part of the System during the entire term of the Agreement without the prior written consent of KRWFC.

(e) Reimbursement Allocations. Reserved.

(f) Investment Limitations. (i) The District will invest the Gross Proceeds of the Loan and any Disposition Proceeds of the Loan under the Investment Agreement unless otherwise authorized in writing by KRWFC.

(ii) If at any time, either the District determines or is informed that the Yield on the investment of moneys held by itself or any other person must be restricted or limited in order to prevent the Bonds from becoming Arbitrage Bonds, the District shall, and shall so instruct any holder of the Sale Proceeds or Investment Proceeds of the Loan, to take such action or actions as may be necessary to restrict or limit the yield on such investments as set forth in, and in accordance with, such instruction.

(g) Temporary period for amounts in District's Governmental Agency Account. Reserved.

(h) Federal Guarantees. The Gross Proceeds will not be invested in any Investment Property that is Federally-Guaranteed.

(i) No Transferred Proceeds. All of the proceeds of the Prior Bonds have been expended and there are therefore no Transferred Proceeds with respect to the Prior Bonds.

Section 2.03. Service Contracts. The District represents that it will not enter into any Service Contracts or management contracts with respect to the System without the prior written consent of KRWFC and agrees that any Service Contracts or management contracts relating to bond-financed property will comply with the management contract safe harbors of Rev. Proc. 97-13.

Section 2.04. Research Agreements. The District represents that it will not enter into any Research Agreements with respect to the System without the prior written consent of KRWFC.

Section 2.05. Changes in Use or User of System. The District represents that (a) no part of the System will be sold, or otherwise disposed of without the prior written consent of KRWFC; (b) it will not permit any use of its System by any person or entity other than itself without the prior written consent of KRWFC; (c) any portion of the System consisting of personal property may be sold in the ordinary course of an established governmental program if (i) the weighted average maturity of the portion of the Loan financing the personal property was not greater than one hundred twenty percent (120%) of the reasonably expected actual use of such personal property by the District, (ii) the District expected at the date of the Agreement that the fair market value of the personal property at the time of disposition would not be greater than twenty-five percent (25%) of its cost and (iii) at the time of disposition, the personal property is no longer suitable for the governmental purpose for which it was acquired.

Section 2.06. Investments. The District will expend the proceeds of the Loan on the date hereof and does not contemplate investing the Gross Proceeds of the Loan.

Section 2.07. Loan is a Purpose Obligation of the Bonds. The Bonds were issued to establish a program to make loans to Governmental Agencies pursuant to assistance agreements and therefore constitute a governmental program for the acquisition of purpose investments. At least 95% of the payments made by the District pursuant to the Agreement will be used to pay principal, interest, or redemption prices on the Bonds, or to pay administrative costs of the Bonds. The District covenants not to acquire the Bonds or other bonds of KRWFC related to the Program. The yield on the Loan to the District does not exceed the yield on the Bonds by more than 1.5 percent.

Section 2.08. No Abusive Arbitrage Device. Both KRWFC and the District agree that they will not take any action that will enable KRWFC or the District to take any action that (a) has the effect of enabling KRWFC or the District to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (b) overburdens the market for tax-exempt obligations in any manner. The amount of proceeds of the Loan is not reasonably expected to exceed the amount necessary for the District to accomplish the governmental purposes described in the Agreement.

Section 2.09. Records. The District represents that proper records and accounts, containing complete and correct entries of all transactions relating to the Agreement, the use of the Gross Proceeds of the Agreement and the expenditures made in connection with the Project,

will be maintained. The information described in this Section will be retained for at least six (6) years after the Redemption Date.

Section 2.10. Payment of Arbitrage Compliance Amounts. The District represents that all actions necessary to comply with the Yield limitations applicable to investments of the Sale Proceeds and Investment Proceeds of the Loan and the rebate requirements contained in Section 148(f) of the Code and the Treasury Regulations thereunder will be taken. Immediately upon the request of KRWFC, the District will assemble copies of records concerning investments of Gross Proceeds of the Loan, including any amounts held by any provider of a letter of credit or guarantor under a reimbursement or other similar agreement. In particular, the District will provide KRWFC with information that will enable KRWFC to determine if any Rebate Amount is payable. The District will pay any Rebate Payment and any Yield Reduction Payment owed with respect to the Gross Proceeds of the Loan, as determined by KRWFC. The information described in this Section will be retained for at least six (6) years after the Redemption Date.

Section 2.11. Election to Apply Rebate Exception Separately to the Loan. The District hereby elects and KRWFC has previously elected to have the spending exceptions of Treas. Reg. 1.148-7 and the small-issuer exceptions of Treas. Reg. 1.148-8 applied separately to the Loan.

The applicable beginning date in applying the spending exceptions of Treas. Reg. 1.148-7 is the Closing Date. The spending exceptions include the six-month exception described in Treas. Reg. 1.148-7(c), the eighteen-month exception described in Treas. Reg. 1.148-7(d), and the two-year exception described in Treas. Reg. 1.148-7(e).

Section 2.12. Information Reporting Requirements. The District represents that it will timely execute and file any information reports required under Section 149(e) of the Code (Form 8038-G) or as required by KRWFC.

Section 2.13. Compliance with Supplemental Tax Certificate. (a) The District may, at any time, employ bond counsel, independent certified public accountants, or other qualified experts acceptable to KRWFC to perform any of the requirements imposed upon the District by this Supplemental Tax Certificate.

(b) KRWFC and the District agree, to the extent reasonably possible, to comply with any amendments to the Code or any applicable Regulations, effective retroactively, and KRWFC and the District shall take all actions necessary to amend this Supplemental Tax Certificate to comply therewith.

(c) Whenever any action or direction is required of the District hereunder, such action or direction may, or in the absence of any such action or direction shall, be made by KRWFC.

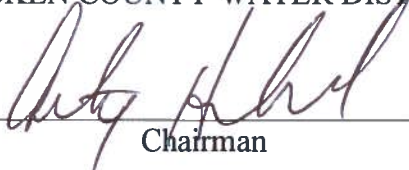
(d) Any restriction or covenant contained in this Supplemental Tax Certificate need not be observed or may be changed if KRWFC and the District receive an opinion of Tax Counsel to the effect that such nonobservance or change will not adversely effect the exclusion of interest on any of the Bonds from gross income for purposes of Federal income taxation.

IN WITNESS WHEREOF, KRWFC and the District have each caused this Supplemental Tax Certificate to be executed in its own name and on its behalf by its duly authorized officers, all as of the date set forth above.

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
Treasurer

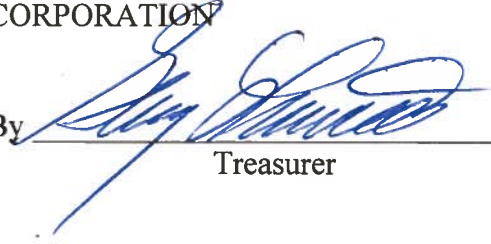
BRACKEN COUNTY WATER DISTRICT

By  _____
Chairman

IN WITNESS WHEREOF, KRWFC and the District have each caused this Supplemental Tax Certificate to be executed in its own name and on its behalf by its duly authorized officers, all as of the date set forth above.

KENTUCKY RURAL WATER FINANCE CORPORATION

By



Treasurer

BRACKEN COUNTY WATER DISTRICT

By

Chairman

ARBITRAGE CERTIFICATE

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G.

The undersigned officer of the Bracken County Water District (the "District") hereby certifies with respect to the loan in the amount of \$985,000 (the "Loan"): (a) the Loan is made pursuant to an Assistance Agreement (the "Agreement") by and between the Kentucky Rural Water Finance Corporation ("KRWFC") and the District, derived from the proceeds of the \$8,090,000 Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G (the "Bonds") issued by KRWFC; and (b) the Agreement is entered into to finance certain improvements to the District's existing waterworks system (the "System"), and is dated the date hereof (the "Closing Date"), which is also the date of delivery of and payment for the Loan.

The undersigned officer of the District also certifies that the following facts, estimates and circumstances regarding the amount and use of the Proceeds (as defined in Treas. Reg. §1.148-1(b), issued under the Internal Revenue Code of 1986, as amended (the "Code")) of the Loan are as of the Closing Date and according to the District's best knowledge, information and belief, reasonably expected to exist or to occur:

1. Proceeds. The Proceeds of the Loan consist, and will consist, of the Sale Proceeds and Investment Proceeds, each as defined in Treas. Reg. §1.148-1(b), issued under the Code, and equal the Loan amount.

2. Purpose of Loan.

a. The Sale Proceeds of the Loan, together with certain other funds, will be used to provide funds to pay the costs of issuance of the Loan and finance the cost of a new water supply line and appurtenances (the "Project"); which constitutes a valid governmental purpose (the "Governmental Purpose").

b. The total amount of Proceeds received by the District will not exceed the amount necessary to finance the Governmental Purpose. The Agreement is being entered into at this time in such amount because the Borrower is obligated or soon will be obligated to make certain expenditures for the Project.

3. Yield on the Loan.

a. The price at which the Loan was sold to the Issuer, which intends to hold the Loan for investment purposes and not for resale to the general public, is equal to the Loan Amount.

b. The Yield on the Loan, as defined in Treas. Reg. §1.148-4, issued under the Code, is **2.1116636%**. The term "yield", as used herein, means that yield which, when used in computing the present worth of all payments of principal and interest on an obligation, produces an amount equal to, in the case of the Bonds, the amount actually received by the District as a result of the sale of the Bonds (including any accrued interest).

4. Application of Proceeds. All of the Sale Proceeds will be used to pay the cost of the Governmental Purpose, including issuance expenses and any accrued interest to the Closing Date. No amount received as Proceeds of the Loan will be used in a manner not set forth in this section.

5. Expenditure of Proceeds for the Project. The Project will commence promptly following the Closing Date, and the Borrower has incurred, or will incur, within six (6) months after the Closing Date, a substantial binding commitment to expend at least five percent (5%) of the "Net Sales Proceeds" (defined in Treas. Reg. §1.148-1(b) as Sales Proceeds less an amount that is the lesser of five percent (5%) of the Sales Proceeds or \$100,000) on the Project. The District will expend at least eighty-five percent (85%) of the Net Sales Proceeds by October 13, 2023.

6. Investment of Proceeds.

a. The District has agreed in the Supplemental Tax Certificate executed by the District and dated of even date herewith that it will not invest any of the Proceeds of the Loan without the express consent of KRWFC, and any such investments will be done so that such investment will not cause interest on either the Loan or the Bonds to be includable in the holder's gross income for purposes of federal income taxation or the debt to be treated as "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code and the Treasury Regulations thereunder.

b. Not more than fifty percent (50%) of the Proceeds of the Loan will be invested in investments that both do not carry out the Governmental Purpose of the Agreement and have a substantially guaranteed yield for at least four (4) years.

c. Amounts deposited in the District's Sinking Fund will be used to pay the principal of and interest on the Loan, and the District reasonably expects that there will be no other funds that will be so used or that will be pledged to payment of the Loan under circumstances such that the holder of the Loan is reasonably assured that such fund will be available for payment of debt service on the Loan. The Sinking Fund is a fund that is used primarily to achieve a proper matching of revenues and debt service within each bond year. Money deposited in the Sinking Fund will be used within thirteen (13) months from the date of deposit for the payment of debt service on the District's outstanding Loan and other parity obligations and, except for an amount equal to not more than the greater of (i) one-twelfth (1/12) of debt service requirements of such Loan and other parity obligations for the then ensuing year or (ii) one year's earnings on the Sinking Fund, the Sinking Fund will be depleted annually through such application for current debt service requirements of the Loan and other parity obligations. Any income earned from the investment of amounts deposited in the Sinking Fund will be retained in the Sinking Fund and expended within one year from the date of receipt.

d. Any unexpended portion of the Proceeds of the Loan, including any amounts in any reasonably required reserve or replacement fund, will be invested in the investment contract described in the Trust Indenture for the Bonds and other than any funds described herein invested during a temporary period permitted under Treas. Regs. §1.148-1 through -11, issued under the Code, if any, or any amounts in any reasonably required reserve or replacement fund, as described in Treas. Reg. §1.148-2(f), no

Proceeds of the Loan, or any moneys that may become Replacement Proceeds, as defined in Treas. Reg. §1.148-1(c), of the Loan, in excess of the lesser of (i) five percent (5%) of such Proceeds or (ii) \$100,000, have been invested in “higher yielding investments”, as defined in the Code and the Treasury Regulations thereunder.

7. General.

a. The District reasonably expects that neither the Project, nor any part thereof, will be sold or otherwise disposed of by the District prior to the final principal maturity date of the Loan.

b. There are no amounts, other than any funds specifically contributed by the District and the Gross Proceeds of the Loan, that are available for the Governmental Purpose and the term of the Loan is no longer than reasonably necessary for the Governmental Purpose.

c. Any Rebate Payments and any Yield Reduction Payments (each as defined in the Supplemental Tax Certificate), owed pursuant to Section 148(f) of the Code, will be remitted to the United States Treasury as directed by KRWFC, pursuant to the Supplemental Tax Certificate entered into with respect to the Bonds.

d. The District has not employed in connection with the Loan a transaction or series of transactions that attempts to circumvent the provisions of Sections 103(b)(2) and 148 of the Code and the Treasury Regulations thereunder, enabling the District to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and/or increasing the burden on the market for tax-exempt obligations through actions such as issuing more obligations, issuing obligations sooner or allowing them to remain outstanding longer than would otherwise be necessary for the Governmental Purpose.

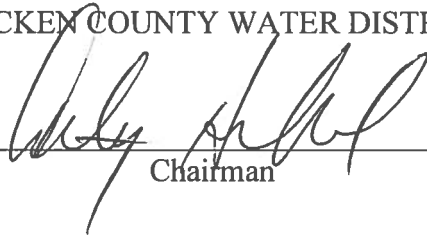
e. KRWFC has never been advised of any listing or contemplated listing by the Internal Revenue Service to the effect that the District’s certification with respect to its obligations may not be relied upon and no notice to that effect has been published in the Internal Revenue Bulletin.

f. Certain of the facts, estimates and circumstances contained herein are based upon representations made by KRWFC in the attached certificate, or in other letters and reports that accompany the sundry closing documents related to the sale and delivery of the Loan. The District is not aware of any facts, estimates or circumstances that would cause it to question the accuracy of such representations. To the best of the knowledge, information and belief of the undersigned, who is authorized by the District to sign this certificate on behalf of the District, the above expectations of the District as stated herein are reasonable and there are no other facts, estimates or circumstances that would materially change the foregoing conclusion.

This certificate is being executed and delivered pursuant to Treas. Regs. §1.148-1 through -11 issued under the Code, of which the undersigned, with the advice of counsel, is generally familiar. On the basis of the foregoing, it is, not expected that the proceeds of the Loan will be used in a manner that would cause the Loan or the Bonds to be “arbitrage bonds” under Sections 103(b)(2) and 148 of the Code or the Treasury Regulations thereunder.

Dated as of October 13, 2020.

BRACKEN COUNTY WATER DISTRICT

By:  _____
Chairman

**CERTIFICATE OF OFFICERS OF
BRACKEN COUNTY WATER DISTRICT**

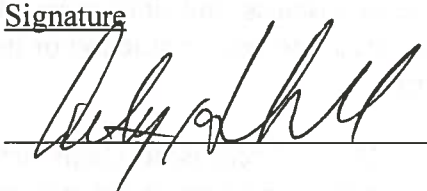

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G.

The undersigned officials of the Bracken County Water District (the "District") under the Assistance Agreement (the "Agreement") between the District and the Kentucky Rural Water Finance Corporation ("KRWFC"), dated the date hereof, do hereby certify as follows:

1. That they are the duly elected or appointed, qualified and acting incumbents of their respective offices of the District, as set forth after their signatures hereto, and as such are familiar with the books, records, and affairs of the District.

2. That the District is a body politic and corporate, validly organized, existing and in good standing under and by virtue of the laws of the Commonwealth of Kentucky with all requisite power and authority to operate a waterworks system (the "System") and to carry on its business as now being conducted.

3. That the below-named persons were on the date or dates of the execution of the Agreement and are on the date of this Certificate the duly elected or appointed and qualified incumbents of the respective offices of the District set forth opposite their names and that the signatures set forth opposite their names are their genuine signatures:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Anthony Habermehl	Chairman	 _____
Timothy Sweeney	Secretary	 _____

4. That included in the transcript of which this Certificate forms a part is a true, correct and complete copy of the resolution duly adopted by the Governing Body of the District on August 19, 2020 (the "Resolution"), authorizing the appropriate officials of the District to execute the Agreement. The Resolution was duly adopted in accordance with all applicable laws.

5. The Resolution duly authorized the Agreement for the purpose of financing the cost of a new water supply line and appurtenances, to be part of the System (the "Project").

6. The Agreement has been duly authorized, executed and delivered by the District and constitutes a legal, valid and binding obligation of the District, enforceable against the District in accordance with its terms.

7. The representations and warranties of the District made in the Agreement are true and correct in all material respects on and as of the date hereof as if made on and as of the date hereof; the Resolution has not been amended or supplemented and is in full force and effect; and the Agreement has been entered into and is in full force and effect.

8. That we are familiar with the provisions of the Agreement, and we hereby certify that at the time of or immediately after the issuance, sale and delivery of the Loan, the proceeds of the Loan authorized by the Agreement were applied or will be applied as itemized in the Distribution of Loan Proceeds Schedule attached hereto as **Exhibit A**, and this certification constitutes the instruction to and authorization of the Trustee to make such payments and deposits specified in said **Exhibit A**.

9. The District is not in default under or in violation of (i) any provisions of applicable law, (ii) the Agreement, or (iii) any indenture, mortgage, lien, agreement, contract, deed, lease, loan agreement, note, bond, order, judgment, decree or other instrument or restriction of any kind or character to which it is a party or by which it or its properties are or may be bound, or to which it or any of its assets is subject, which default would have a material adverse effect on the condition, financial or otherwise, of the District or on the ability of the District to perform its obligations under the Agreement. Neither the execution and delivery of the Agreement nor compliance by the District with the terms, conditions and provisions of the Agreement will conflict with or result in a breach of, or constitute a default under, any of the foregoing.

10. Since the date of the financial information provided to KRWFC, there have not been any material adverse changes in the business, properties, condition (financial or otherwise) or results of operations of the District, whether or not arising from transactions in the ordinary course of business, and since such date, except in the ordinary course of business, the District has not entered into any transaction or incurred any liability material to the financial position of the District.

11. There is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, or public board or body, pending or, to the best of our knowledge, threatened against or affecting the District wherein an unfavorable decision, ruling or finding would materially adversely affect the business, properties, condition (financial or otherwise) or the results of operations of the District or the ability of the District to perform its obligations under the Agreement.

12. All authorizations, consents and approvals of, notices to, registrations or filings with, or other actions in respect of or by, any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the District of the Agreement have been duly obtained, given or taken (and copies thereof have been provided to KRWFC).

13. Any certificate signed by any official of the District and delivered to KRWFC will be deemed to be a representation by the District to KRWFC as to the statements made therein.

WITNESS our hands this October 13, 2020.

BRACKEN COUNTY WATER DISTRICT

By  _____
Chairman

Attest:

By  _____
Secretary

EXHIBIT A

DISTRIBUTION OF LOAN PROCEEDS SCHEDULE

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G.

SOURCES OF FUNDS

Par Amount of Loan	\$985,000.00
Plus Original Issue Premium	<u>54,529.35</u>
Total Sources	\$1,039,529.35

USES OF FUNDS

Deposit to Bracken County Water District Governmental Agency Account for the Project	\$1,000,931.38
Underwriter's Discount	17,837.97
Deposit to Costs of Issuance Account	<u>20,760.00</u>
Total Uses	\$1,039,529.35

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BRACKEN)	
COUNTY WATER DISTRICT FOR THE)	
ISSUANCE OF A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO)	
CONSTRUCT A WATER SYSTEM)	CASE NO.
IMPROVEMENTS PROJECT AND AN ORDER)	2020-00271
AUTHORIZING THE ISSUANCE OF)	
SECURITIES PURSUANT TO THE)	
PROVISIONS OF KRS 278.020, KRS 278.300,)	
AND 807 KAR 5:001)	

ORDER

This matter arises from Bracken County Water District's (Bracken District) application for a Certificate of Public Convenience and Necessity (CPCN) and financing approval to install approximately 5,250 linear feet of 12-inch ductile iron water main from the city of Augusta's water treatment plant to a point along Augusta Berlin Road in northern Bracken County. The application was tendered on August 26, 2020, and deemed to have been filed on August 28, 2020, after Bracken District cured a deficiency.

Here, the financing for which Bracken District has requested approval is intended to fund the project for which it is requesting a CPCN, so the financing approval is dependent on Bracken District obtaining a CPCN for that project. On October 21, 2020, the Commission entered an Order pursuant to KRS 278.300, finding good cause to extend the application beyond 60 days to continue its investigation and review of the application. No party has sought intervention in this matter. The record for this case is complete, and the matter stands ready for decision.

Bracken District, a water district organized under KRS Chapter 274, provides retail water service to approximately 2,597 water customers¹ in Bracken, Mason, Pendleton, and Robertson counties, Kentucky.²

The proposed project includes the installation of approximately 5,250 linear feet of 12-inch ductile iron water main from the city of Augusta's water treatment plant to a point along Augusta Berlin Road in northern Bracken County.³ The installation of the water main is necessary because of the age of the water main and the fact that it exists in a flood area. In the event of a break on this water main the entire water district's customers are in jeopardy of losing water service.⁴

The total cost of the proposed project, including but not limited to development, Land and Rights, legal and administration, engineering, interest, plus contingencies, is \$1,004,900.⁵ Bracken District proposes to finance the \$1,004,900 project cost through the issuance of a loan from the Kentucky Rural Water Finance Corporation (KRWFC) of \$1,000,000 and internally generated funds of \$29,900.⁶ The proposed KRWFC loan will mature over a 20-year term, with interest rates that vary between 2.00 percent to 2.50

¹ *Annual Report of Bracken County Water District for the Year Ended December 31, 2019* at 49.

² *Id.* at 12.

³ Application, Exhibit A.

⁴ *Id.*

⁵ Application, Exhibit D.

⁶ Application, Exhibit D, Final Project Budget. Total Project Cost: \$867,650 (Construction Cost) + \$137,250 (Non-Construction Costs) = \$1,004,900. Funding Project per Source: \$975,000 (Proceeds of the KRWFC Loan Net of Issuance Costs) + \$29,900 (Internally Generated Funds) = \$1,004,900.

percent per annum.⁷ Bracken District does not propose to increase its water service rates to its customers as a result of the proposed project.⁸

The Commission notes that its records indicate Bracken District has not sought a general adjustment in base rates since its last rate case in 2010.⁹ Attached hereto in the Appendix is the Commission's analysis of Bracken District's Excel spreadsheets submitted in its responses to Commission Staff's Initial Request for Information.¹⁰ The Commission's analysis of Bracken District's Audited financial records shows that for the calendar years 2016–2019, Bracken District met the Debt Service Coverage (DSC) requirements of its lenders. Based upon Bracken District's projections Bracken District will remain in compliance with the DSC requirements of its lenders for the calendar years 2021–2023.

Upon its review of Bracken District's DSC projections, the Commission noted that Bracken District included customer tap-on fees in its calculation of the operating revenues available for debt service. Historically, the Commission has found that customer tap-on fees are a form of cost-free capital designed to recover the cost of meter installation rather than as a source of operating revenue to the water utility.¹¹ By eliminating customer tap-

⁷ *Id.*, Exhibit C, Preliminary Number Runs, Net Debt Service Schedule.

⁸ Bracken District's Responses to Commission Staff's First Request for Information (Staff's First Request) (filed Oct. 2, 2020), Item 1.

⁹ Case No. 2010-00184, *Application of Bracken County Water District for an Adjustment of Water Rates*, (Ky. PSC Aug. 10, 2010).

¹⁰ Staff's Initial Request for Information (filed Oct. 2, 2020), Items 7–9.

¹¹ In calculating Other Operating Revenues, the Commission has expressly excluded revenues for tap-on charges. According to KRS 278.0152(2), a tap-on fee is established by a water utility to recover the costs for service tap, meter, meter vault, and installation. According to 807 KAR 5:006, Section 1(6), nonrecurring charges, such as tap-on fees, are intended to be limited in nature and to recover the specific cost of the activity. As we noted in an earlier proceeding, "[i]f tap-on fees are listed as a revenue in the

on fees from Bracken District's DSC projections, the Commission determined that in calendar years 2022-2023 Bracken District will not be in compliance with the DSC requirements of its lenders. However, unlike Bracken District's lenders, the Commission includes noncash items such as depreciation expense in the DSC calculation supporting the revenue requirement of water districts and associations.¹² For the projected calendar years 2021–2023, Bracken District's DSC falls below the 1.2X threshold.

Pursuant to the results of its financial analysis performed in this proceeding, the Commission finds that Bracken District should be ordered to file an application for a general rate adjustment pursuant to 807 KAR 5:001, Section 16, or an application for an alternative rate adjustment pursuant to 807 KAR 5:076 within one year of the date of the issuance of this Order to ensure its revenue is sufficient to support adequate and reliable service. Any filing for a rate adjustment filed under KRS 278.023 does not relieve Bracken District from this requirement.

IT IS THEREFORE ORDERED that:

1. Bracken District is granted a CPCN for the proposed project as submitted.
2. Bracken District's proposed plan of financing is approved.

debt service calculation, than [sic] the corresponding costs should likewise be included. Since Northern District's fees are cost based, the costs would offset the fees and there would be nothing available to apply to debt service." See Case No. 2002-00105, *Application of Northern Kentucky Water District for (A) An Adjustment of Rates; (B) Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds* (Ky. PSC Apr. 30, 2003) at 13. Case No. 2002-00105, *Application of Northern Kentucky Water District for an Adjustment of Rates, Issuance of Bonds, and Tariff Changes* (Ky. PSC Jan. 7, 2011) at 25.

¹² See Case No. 2019-00424, *Electronic Application of Grant County Sanitary Sewer District for an Alternate Rate Adjustment* (Ky. PSC May 6, 2020); see Case No. 2020-00020, *Alternative Rate Adjustment Filing of Knox County Utility Commission* (Ky. PSC July 22, 2020); and see Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020).

3. Bracken District is authorized to obtain a KRWFC loan in the amount of \$1,000,000 maturing over 20 years with interest rates that vary between 2.00 percent to 2.50 percent per annum.

4. The proceeds from the loan agreement shall be used only for the purposes specified in Bracken District's application.

5. Bracken District shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

6. Notwithstanding ordering paragraphs 4 and 5, if surplus funds remain after the approved construction has been completed, Bracken District may use such surplus to construct additional plant facilities if KRWFC approves of the use and the additional construction, and it will not result in a change in Bracken District's rates for service. Bracken District shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 4.

7. Bracken District shall file with the Commission documentation of the total costs of this project, including the cost of construction and all other capitalized costs (e.g., engineering, legal, and administrative), within 60 days of the date that construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

8. Bracken District shall file a copy of the "as-built" drawings and a certified statement from the engineer that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of substantial completion of the construction certified herein.

9. Bracken District shall require the construction to be inspected under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

10. Bracken District shall notify the Commission in writing one week prior to the actual start of construction and at the 50 percent completion point.

11. Any documents filed in the future pursuant to ordering paragraphs 6, 7, 8, and 10 of this Order shall reference this case number and shall be retained in the utility's post-case correspondence file.

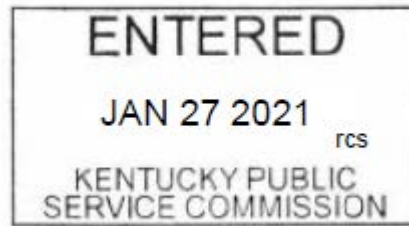
12. The Executive Director is delegated authority to grant reasonable extensions of time for filing of any documents required by this Order upon Bracken District's showing of good cause for such extension.

13. Bracken District shall file an application for a general rate adjustment pursuant to 807 KAR 5:001, Section 16, or an application for an alternative rate adjustment pursuant to 807 KAR 5:076 within one year of the date of the issuance of this Order.

14. This case is closed and removed from the Commission's docket.

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky, or any agency thereof.

By the Commission



ATTEST:


Executive Director

Case No. 2020-00271

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00271 DATED JAN 21 2021

Commission Analysis of Bracken District's
Audited and Projected Financial Information

	Debt Service Coverage - Lenders			
	Unaudited 2019	Audited 2018	Audited 2017	Audited 2016
Operating Revenues:				
Operating Revenue	\$ 1,772,759	\$ 1,486,104	\$ 1,560,059	\$ 1,557,242
Operating Expenses Net Depreciation	1,014,771	812,175	846,269	851,312
Net Operating Income	757,988	673,929	713,790	705,930
Non-Operating Income - Interest on Deposits	7,774	7,645	4,146	4,024
Cash Available for Debt Service	765,762	681,574	717,936	709,954
Divide by: Annual Debt Service	486,475	438,795	438,795	438,795
Debt Service Coverage - Bracken District	<u>1.57</u>	<u>1.55</u>	<u>1.64</u>	<u>1.62</u>

	Projected Debt Service Coverage - Lenders		
	2021	2022	2023
Operating Revenues:			
Operating Revenues - Water Sales	\$ 1,600,000	\$ 1,632,000	\$ 1,664,840
Disconnect/Reconnect/Late Charge Fees	58,000	59,160	60,343
Other - Customer Tap-on Fees	30,000	30,600	31,212
Total Operating Revenue	<u>1,688,000</u>	<u>1,721,760</u>	<u>1,756,395</u>
Operation and Maintenance Expenses:			
Operation Expenses	607,000	619,140	631,523
Maintenance Expenses	60,000	61,200	62,424
Customer Accounts Expense	12,000	12,240	12,485
Administrative and General Expenses	281,000	286,620	292,352
Total Operation and Maintenance Expenses	<u>960,000</u>	<u>979,200</u>	<u>998,784</u>
Net Operating Income	728,000	742,560	757,611
Non-Operating Income - Interest on Deposits	4,500	4,590	4,682
Cash Available for Debt Service	732,500	747,150	762,293
Divide by: Annual Debt Service	550,049	619,790	623,390
Debt Service Coverage - Bracken District	<u>1.33</u>	<u>1.21</u>	<u>1.22</u>
Cash Available for Debt Service	732,500	747,150	762,293
Less: Customer Tap-on Fees	(30,000)	(30,600)	(31,212)
Actual Cash Available for Debt Service	702,500	716,550	731,081
Divide by: Annual Debt Service	550,049	619,790	623,390
Debt Service Coverage - Commission	<u>1.28</u>	<u>1.16</u>	<u>1.17</u>

	Projected Debt Service Coverage - Commission		
	2021	2022	2023
Operating Revenues:			
Operating Revenues - Water Sales	\$ 1,600,000	\$ 1,632,000	\$ 1,664,840
Disconnect/Reconnect/Late Charge Fees	58,000	59,160	60,343
Other - Customer Tape Fees			
Total Operating Revenue	1,658,000	1,691,160	1,725,183
Operating Expenses:			
Operation Expenses	607,000	619,140	631,523
Maintenance Expenses	60,000	61,200	62,424
Customer Accounts Expense	12,000	12,240	12,485
Administrative and General Expenses	281,000	286,620	292,352
Depreciation Expense (Existing and Const. Project)	324,968	324,968	324,968
Total Operating Expenses	1,284,968	1,304,168	1,323,752
Net Operating Income	373,032	386,992	401,431
Non-Operating Income - Interest on Deposits	4,500	4,590	4,682
Cash Available for Debt Service	377,532	391,582	406,113
Divide by: Annual Debt Service	550,049	619,790	623,390
Debt Service Coverage	0.69	0.63	0.65
Construction Project (5,250 linear feet of 12-inch ductile iron main)			\$ 1,004,900
Divide by: Mid-point of the NARUC Depreciation Range - Mains			62.5
Projected Depreciation Expense - Construction Project			16,078
Calendar Year 2019 Depreciation Expense			308,890
Total Projected Depreciation Expense			\$ 324,968

*Diana Moran
Office Manager
Bracken County Water District
P. O. Box 201
Brooksville, KY 41004

*Bracken County Water District
1324 Brooksville Germantown Road
P. O. Box 201
Brooksville, KY 41004

*Paul Reynolds
Kentucky Engineering Group
PO Box 1034
Versailles, KENTUCKY 40383

*Honorable W. Randall Jones
Attorney at Law
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KENTUCKY 40202

**CERTIFICATE OF BONDOWNER AS TO
CONSENT TO ISSUANCE OF A LOAN TO THE
BRACKEN COUNTY WATER DISTRICT
RANKING ON A PARITY WITH
OTHER LONG-TERM DEBT OF THE DISTRICT**

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G.

The Rural Development (the "RD") of the Department of Agriculture of the United States of America hereby certifies that it is the owner of the following outstanding bonds:

Bracken County Water District Waterworks Revenue Bonds, Series 2019, dated January 17, 2020, in the original principal amount of \$3,427,000 (the "Prior Bonds").

The RD consents to the issuance of the Series 2020G Loan in the amount of \$985,000, maturing in 2040, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G, ranking on a parity as to security and source of payment with the Prior Bonds, without the necessity for establishing compliance with any of the terms and conditions for the issuance of parity bonds, other than this consent of the owner of the outstanding Prior Bonds; and the RD further consents to the affixing of a statement on the Prior Bonds owned by the RD, reading substantially as follows:

The holder of this Bond has consented to the issuance of \$985,000 of bonds ranking on parity as to security and source of payment with this Bond.

IN TESTIMONY WHEREOF, witness the duly authorized signature of the Rural Development this November 13 , 2020.

RURAL DEVELOPMENT

By  _____
Signature
Hilda Gay Legg
State Director

Title

**CERTIFICATE OF
KENTUCKY INFRASTRUCTURE AUTHORITY**

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G (the "Series 2020G Loan").

The Kentucky Infrastructure Authority (the "KIA") of the Commonwealth of Kentucky hereby certifies that it is the provider of outstanding loans to the Bracken County Water District (the "District").

The KIA consents to the issuance of the Series 2020G Loan, in the principal amount of \$985,000, maturing in 2040, ranking on a parity as to security and source of payment with the outstanding KIA loans to the District, without the necessity for establishing compliance with any of the terms and conditions for the issuance of parity bonds, other than this consent of the holder of the outstanding KIA loan.

IN TESTIMONY WHEREOF, witness the duly authorized signature of the Kentucky Infrastructure Authority this November 10, 2020.

KENTUCKY INFRASTRUCTURE
AUTHORITY

By Meili Sun
Signature
Treasurer
Title

**CERTIFICATE OF RAYMOND JAMES
AS TO PARITY COVERAGE**

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G.

We, Raymond James & Associates, Inc., Lexington, Kentucky, the financial advisors to the Kentucky Rural Water Finance Corporation, in reference to the above-referenced loan (the "Loan"), hereby certify as follows:

1. That we have analyzed the financial records in connection with the operation of the existing waterworks system (the "System") of the Bracken County Water District (the "District"), for the fiscal year ended December 31, 2018 and the unaudited financial records for the fiscal year ended December 31, 2019.
2. That we have been advised that the District intends to finance the cost of a new water supply line and appurtenances for the System with the proceeds of the above-referenced Series 2020G Loan.
3. The District's audited financial records for the fiscal year ended December 31, 2018 and other information provided by the District indicate that the District presently has outstanding the following long-term debt:
 - a. Kentucky Infrastructure Authority Loan #02-10 in the original principal amount of \$791,334, issued on August 31, 2004;
 - b. Kentucky Infrastructure Authority Loan #B10-10 in the original principal amount of \$475,000, issued on December 9, 2010;
 - c. Kentucky Infrastructure Authority Loan #C11-01 in the original principal amount of \$621,000, issued on March 1, 2012;
 - d. Kentucky Infrastructure Authority Loan #B15-002 in the original principal amount of \$358,000, issued on September 1, 2015;
 - e. Loan in the amount of \$3,350,000, dated July 30, 2007, from the Kentucky Rural Water Finance Corporation Public Projects Flexible Term Refunding Revenue Bonds (Flexible Term Program), Series 2007D, which loan was reamortized on September 23, 2020 to a revised principal amount of \$1,350,000;
 - f. Bracken County Water District Waterworks Revenue Bonds, Series 2019, dated January 17, 2020, in the original principal amount of \$3,427,000; and
 - g. Loan in the amount of \$740,000, dated September 23, 2020, from the Kentucky Rural Water Finance Corporation Public Projects Flexible Term Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020E.

(Hereinafter collectively referred to as the “Prior Bonds”).

4. That we have prepared, to the best of our ability, schedules showing the debt service requirements of the long-term debt listed in paragraph 3 above and of the Series 2020G Loan.
5. That based upon (i) said analysis and studies, (ii) the average annual debt service requirements scheduled to fall due in any fiscal year for principal of and interest on the Prior Bonds and Series 2020G Loan, and (iii) upon such further inquiry as was deemed appropriate and necessary by the undersigned, it is hereby certified as follows:

The annual net revenues of the System for the fiscal year ended December 31, 2019 (unaudited) is \$456,873, which amount is not less than 110% (actually 1.57%) of the average annual debt service requirement for any year ending December 31 with respect to the outstanding Prior Bonds and Series 2020G Loan. In adding an anticipated Rural Development loan (not yet closed), the estimated debt service coverage is 1.24%

IN TESTIMONY WHEREOF, witness my signature this October 7, 2020.

Raymond James & Associates, Inc.,
Lexington, Kentucky



By _____
Vice-President



**OFFICE OF THE GOVERNOR
DEPARTMENT FOR LOCAL GOVERNMENT**

Andy Beshear
Governor

100 Airport Road, Third Floor
Frankfort, Kentucky 40601
Phone: (502) 573-2382
Fax: (502) 227-8691
www.kydigweb.ky.gov

Dennis Keene
Commissioner

October 13, 2020

Mr. Christian L. Juckett
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KY 40202-1410

RE: \$985,000 Bracken County Water District, Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G, dated October 13, 2020

Dear Mr. Juckett:

This letter will acknowledge receipt of notification regarding the issuance of the above referenced bonds in conformity with KRS 65.117.

The information received complies with the requirements of this office and the above referenced statute.

If I may be of further assistance, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "D Keene".

DENNIS KEENE
Commissioner and State Local Debt Officer



An Equal Opportunity Employer M/F/D

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT
NICHOLAS J. LOCOCO

October 13, 2020

Kentucky Rural Water Finance Corporation
1151 Old Porter Pike
Bowling Green, Kentucky 42103

Regions Bank
Corporate Trust Department
150 Fourth Avenue North, 9th Floor
Nashville, Tennessee 37219

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G.

We have examined a certified copy of the transcript of proceedings of the Bracken County Water District, a political subdivision of the Commonwealth of Kentucky (the "District") relating to the authorization and issuance of its Assistance Agreement, dated as of October 13, 2020, (the "Assistance Agreement") by and between the District and the Kentucky Rural Water Finance Corporation, representing a loan in the aggregate principal amount of \$985,000 (the "Loan").

The Loan has been authorized and issued pursuant to the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), including particularly Chapters 58 and 74 of the Kentucky Revised Statutes (the "Act"), in accordance with the Assistance Agreement.

We have examined such portions of the Constitution, Statutes and laws of the United States, the Constitution, Statutes and laws of the Commonwealth, and such applicable court decisions, regulations, rulings and opinions as we have deemed necessary or relevant for the purposes of the opinions set forth below.

We have also made such investigation as we have deemed necessary for the purposes of such opinions and relied upon certificates of officials of the Commonwealth and the District as to certain factual matters.

Based upon the foregoing, it is our opinion, under the law existing on the date of this opinion, that:

1. The District is a political subdivision of the Commonwealth, duly organized and validly existing under the laws of the Commonwealth and has the legal right and authority to borrow the Loan.

2. The Assistance Agreement has been duly authorized, executed and delivered by the District and is a valid and binding obligation of the District enforceable in accordance with its terms.

3. The Loan has been duly authorized by the District and is a valid and binding limited and special obligation of the District enforceable in accordance with its terms.

4. The Loan is payable as to principal, premium, if any, and interest from and is secured by a pledge of and a lien on the revenues of the District's System, as defined in the Assistance Agreement.

5. Interest on the Loan is excludable from gross income for federal income tax purposes. In addition, the Loan is not a "private activity bond" as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended (the "Code").

6. Interest on the Loan is exempt from Kentucky income taxation and the Loan is exempt from ad valorem taxation by the Commonwealth and any of its political subdivisions.

Our opinion set forth above is subject to the qualification that the enforceability of the Assistance Agreement, the Loan and agreements relating thereto may be limited by bankruptcy, reorganization, moratorium, insolvency, or other similar laws relating to or affecting the enforcement of creditors' rights, and to the exercise of judicial discretion in accordance with general equitable principles.

A handwritten signature in blue ink, appearing to read "Richard Hays", is written in a cursive style.

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410

Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT
NICHOLAS J. LOCOCO

October 22, 2020

VIA CERTIFIED MAIL

RETURN RECEIPT #7017 0530 0000 4215 0973

Department of the Treasury
Internal Revenue Service Center
Ogden, Utah 84201

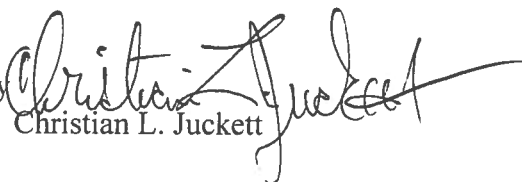
Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Flexible Term Program.

Ladies and Gentlemen:

Enclosed is Form 8038G, Information Return for Tax-Exempt Governmental Obligations, which we are requesting to be filed with the Internal Revenue Service for the above-referenced loan issue.

Very truly yours,

Rubin & Hays

By 
Christian L. Juckett

Enclosure

Part I Reporting Authority If Amended Return, check here

1 Issuer's name Bracken County Water District		2 Issuer's employer identification number (EIN) 61-0651413	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Christian L. Juckett		3b Telephone number of other person shown on 3a 502-569-7525	
4 Number and street (or P.O. box if mail is not delivered to street address) 450 South Third Street, Third Floor	Room/suite	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Louisville, Kentucky 40202		7 Date of issue 10/13/2020	
8 Name of issue Loan from Public Projects Ref. & Improvement Rev. Bonds (Flexible Term Program), Ser. 2020G		9 CUSIP number N/A	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Ms. Diana Moran, Office Manager		10b Telephone number of officer or other employee shown on 10a (606) 735-3513	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17	1,039,529	35
18 Other. Describe ►	18		
19a If bonds are TANs or RANs, check only box 19a			<input type="checkbox"/>
b If bonds are BANs, check only box 19b			<input type="checkbox"/>
20 If bonds are in the form of a lease or installment sale, check box			<input type="checkbox"/>

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/01/2040	\$ 1,039,529.35	\$ 985,000	11.196 years	2.1116 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	0	00
23 Issue price of entire issue (enter amount from line 21, column (b))	23	1,039,529	35
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	38,597	97
25 Proceeds used for credit enhancement	25	0	00
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0	00
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	0	00
28 Proceeds used to refund prior taxable bonds. Complete Part V	28	0	00
29 Total (add lines 24 through 28)	29	38,597	97
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	1,000,931	38

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	►	_____ years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	►	_____ years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	►	_____
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	_____

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a		
b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input checked="" type="checkbox"/> and enter the following information:			
b Enter the date of the master pool bond ▶ (MM/DD/YYYY) <u>10/13/2020</u>			
c Enter the EIN of the issuer of the master pool bond ▶ <u>61-1286160</u>			
d Enter the name of the issuer of the master pool bond ▶ <u>Kentucky Rural Water Finance Corporation</u>			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input type="checkbox"/>			
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/>			
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/>			
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input type="checkbox"/>			
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input type="checkbox"/>			
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____			
b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____			

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative: *Anthony Habermehl* Date: 10/13/2020

Type or print name and title: Anthony Habermehl, Chairman

Paid Preparer Use Only

Print/Type preparer's name <u>Christian L. Juckett</u>	Preparer's signature <u><i>Christian L. Juckett</i></u>	Date <u>10/13/2020</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P01391045</u>
Firm's name ▶ <u>Rubin & Hays</u>	Firm's EIN ▶ <u>31-1488290</u>		Phone no. <u>502-569-7525</u>	
Firm's address ▶ <u>450 South Third Street, Third Floor, Louisville, KY 40202</u>				

**KENTUCKY RURAL WATER FINANCE CORPORATION
FLEXIBLE TERM FINANCE PROGRAM**

Distribution List

Re: Loan in the amount of \$985,000, dated October 13, 2020, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020G.

Kentucky Rural Water Finance Corporation

Mr. Gary Larimore, Executive Director
Mr. Andy Lange, Assistant Director
1151 Old Porter Pike
Bowling Green, Kentucky 42103
Phone: (270) 843-2291
Fax: (270) 796-8623
g.larimore@krwa.org
a.lange@krwa.org

KRWFC Counsel

Damon R. Talley
Stoll Keenon Ogden PLLC
PO Box 150
112 N Lincoln Blvd.
Hodgenville, KY 42748
Phone: (270) 358-3187
Fax: (270) 358-9560
damon.talley@skofirm.com

Trustee/Administrator

Mr. Daniel Olson (615) 770-4357
Ms. Inna Culp (615) 770-4352
Regions Bank
Corporate Trust Department
150 Fourth Avenue North
Suite 1500, 15th floor
Nashville, TN 37219
Facsimile: (615) 770-4350
daniel.olson@regions.com
inna.culp@regions.com

Borrower

Mr. Diana Moran
Bracken County Water District
P.O. Box 201
Brooksville, KY 41004
Phone: (606) 735-3513
d.moran@brackencountywaterdistrict.com

Financial Advisor

Mr. Bob Pennington (859) 232-8211
Ms. Kristen Millard (859) 232-8249
Raymond James & Associates, Inc.
489 East Main Street
Lexington, Kentucky 40507
Toll-free: (800) 937-0161
Fax: (859) 232-8255
bob.pennington@raymondjames.com
kristen.millard@raymondjames.com

Bond Counsel

Mr. Charles Musson
Mr. Randy Jones
Mr. Christian Juckett
Rubin & Hays
Kentucky Home Trust Building
450 South 3rd Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
csmusson@rubinhays.com
wrjones@rubinhays.com
cljuckett@rubinhays.com

EXHIBIT H

EXHIBIT H-1

Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number F02-10

Loan Summary					
Borrower:	Bracken County Water District			Approval Date:	10-03-2002
Loan ID:	0475	KIA Loan Number:	F02-10	Maturity Date:	12-01-2024
Status:	Active	Interest Rate:	3.00%	R & M Reserve:	\$37,000.00
Loan Amount:	\$928,000.08	Pmt. Frequency	Semi-Annual		
AA Date:	02-01-2003	Supp. AA Date:			

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
06-01-2005	\$17,100.35	\$13,920.00	\$31,020.35	\$1,160.00	\$0.00	\$32,180.35	\$910,899.73	\$0.00	\$0.00
12-01-2005	\$17,356.85	\$13,663.50	\$31,020.35	\$1,138.62	\$0.00	\$32,158.98	\$893,542.87	\$3,700.00	\$3,700.00
06-01-2006	\$17,617.21	\$13,403.14	\$31,020.35	\$1,116.93	\$0.00	\$32,137.28	\$875,925.66	\$0.00	\$3,700.00
12-01-2006	\$17,881.47	\$13,138.88	\$31,020.35	\$1,094.91	\$0.00	\$32,115.26	\$858,044.19	\$3,700.00	\$7,400.00
06-01-2007	\$18,149.69	\$12,870.66	\$31,020.35	\$1,072.56	\$0.00	\$32,092.91	\$839,894.49	\$0.00	\$7,400.00
12-01-2007	\$18,421.93	\$12,598.42	\$31,020.35	\$1,049.87	\$0.00	\$32,070.22	\$821,472.56	\$3,700.00	\$11,100.00
06-01-2008	\$18,698.26	\$12,322.09	\$31,020.35	\$1,026.84	\$0.00	\$32,047.19	\$802,774.30	\$0.00	\$11,100.00
12-01-2008	\$18,978.74	\$12,041.61	\$31,020.35	\$1,003.47	\$0.00	\$32,023.82	\$783,795.56	\$3,700.00	\$14,800.00
06-01-2009	\$19,263.42	\$11,756.93	\$31,020.35	\$979.74	\$0.00	\$32,000.10	\$764,532.13	\$0.00	\$14,800.00
12-01-2009	\$19,552.37	\$11,467.98	\$31,020.35	\$955.67	\$0.00	\$31,976.02	\$744,979.76	\$3,700.00	\$18,500.00
06-01-2010	\$19,845.65	\$11,174.70	\$31,020.35	\$931.22	\$0.00	\$31,951.58	\$725,134.11	\$0.00	\$18,500.00
12-01-2010	\$20,143.34	\$10,877.01	\$31,020.35	\$906.42	\$0.00	\$31,926.77	\$704,990.76	\$3,700.00	\$22,200.00
06-01-2011	\$20,445.49	\$10,574.86	\$31,020.35	\$881.24	\$0.00	\$31,901.59	\$684,545.27	\$0.00	\$22,200.00
12-01-2011	\$20,752.17	\$10,268.18	\$31,020.35	\$855.68	\$0.00	\$31,876.03	\$663,793.10	\$3,700.00	\$25,900.00
06-01-2012	\$21,063.45	\$9,956.90	\$31,020.35	\$829.74	\$0.00	\$31,850.09	\$642,729.64	\$0.00	\$25,900.00
12-01-2012	\$21,379.41	\$9,640.94	\$31,020.35	\$803.41	\$0.00	\$31,823.77	\$621,350.23	\$3,700.00	\$29,600.00
06-01-2013	\$21,700.10	\$9,320.25	\$31,020.35	\$776.69	\$0.00	\$31,797.04	\$599,650.13	\$0.00	\$29,600.00
12-01-2013	\$22,025.60	\$8,994.75	\$31,020.35	\$749.56	\$0.00	\$31,769.92	\$577,624.53	\$3,700.00	\$33,300.00
06-01-2014	\$22,355.98	\$8,664.37	\$31,020.35	\$722.03	\$0.00	\$31,742.38	\$555,268.54	\$0.00	\$33,300.00
12-01-2014	\$22,691.32	\$8,329.03	\$31,020.35	\$694.09	\$0.00	\$31,714.44	\$532,577.22	\$3,700.00	\$37,000.00
06-01-2015	\$23,031.69	\$7,988.66	\$31,020.35	\$665.72	\$0.00	\$31,686.07	\$509,545.53	\$0.00	\$37,000.00
12-01-2015	\$23,377.17	\$7,643.18	\$31,020.35	\$636.93	\$0.00	\$31,657.29	\$486,168.35	\$0.00	\$37,000.00
06-01-2016	\$23,727.82	\$7,292.53	\$31,020.35	\$607.71	\$0.00	\$31,628.06	\$462,440.53	\$0.00	\$37,000.00
12-01-2016	\$24,083.74	\$6,936.61	\$31,020.35	\$578.05	\$0.00	\$31,598.40	\$438,356.79	\$0.00	\$37,000.00
06-01-2017	\$24,445.00	\$6,575.35	\$31,020.35	\$547.95	\$0.00	\$31,568.30	\$413,911.78	\$0.00	\$37,000.00
12-01-2017	\$24,811.67	\$6,208.68	\$31,020.35	\$517.39	\$0.00	\$31,537.74	\$389,100.11	\$0.00	\$37,000.00
06-01-2018	\$25,183.85	\$5,836.50	\$31,020.35	\$486.38	\$0.00	\$31,506.73	\$363,916.26	\$0.00	\$37,000.00
12-01-2018	\$25,561.61	\$5,458.74	\$31,020.35	\$454.90	\$0.00	\$31,475.25	\$338,354.64	\$0.00	\$37,000.00
06-01-2019	\$25,945.03	\$5,075.32	\$31,020.35	\$422.94	\$0.00	\$31,443.30	\$312,409.61	\$0.00	\$37,000.00
12-01-2019	\$26,334.21	\$4,686.14	\$31,020.35	\$390.51	\$0.00	\$31,410.87	\$286,075.40	\$0.00	\$37,000.00
06-01-2020	\$26,729.22	\$4,291.13	\$31,020.35	\$357.59	\$0.00	\$31,377.95	\$259,346.18	\$0.00	\$37,000.00
12-01-2020	\$27,130.16	\$3,890.19	\$31,020.35	\$324.18	\$0.00	\$31,344.53	\$232,216.02	\$0.00	\$37,000.00
06-01-2021	\$27,537.11	\$3,483.24	\$31,020.35	\$290.27	\$0.00	\$31,310.62	\$204,678.91	\$0.00	\$37,000.00
12-01-2021	\$27,950.17	\$3,070.18	\$31,020.35	\$255.85	\$0.00	\$31,276.20	\$176,728.74	\$0.00	\$37,000.00
06-01-2022	\$28,369.42	\$2,650.93	\$31,020.35	\$220.91	\$0.00	\$31,241.26	\$148,359.32	\$0.00	\$37,000.00
12-01-2022	\$28,794.96	\$2,225.39	\$31,020.35	\$185.45	\$0.00	\$31,205.80	\$119,564.36	\$0.00	\$37,000.00
06-01-2023	\$29,226.88	\$1,793.47	\$31,020.35	\$149.46	\$0.00	\$31,169.81	\$90,337.48	\$0.00	\$37,000.00

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number F02-10**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
12-01-2023	\$29,665.29	\$1,355.06	\$31,020.35	\$112.92	\$0.00	\$31,133.27	\$60,672.19	\$0.00	\$37,000.00
06-01-2024	\$30,110.27	\$910.08	\$31,020.35	\$75.84	\$0.00	\$31,096.19	\$30,561.92	\$0.00	\$37,000.00
12-01-2024	\$30,561.92	\$458.43	\$31,020.35	\$38.20	\$0.00	\$31,058.55	\$0.00	\$0.00	\$37,000.00
Totals:	\$928,000.08	\$312,814.01	\$1,240,814.09	\$26,067.83	\$0.00	\$1,266,881.93		\$37,000.00	

EXHIBIT H-2

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number B10-10**

Loan Summary					
Borrower:	Bracken County Water District			Approval Date:	12-09-2010
Loan ID:	0723	KIA Loan Number:	B10-10	Maturity Date:	06-01-2032
Status:	Active	Interest Rate:	3.00%	R & M Reserve:	\$12,000.00
Loan Amount:	\$475,000.00	Pmt. Frequency	Semi-Annual		
AA Date:	03-01-2012	Supp. AA Date:			

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
12-01-2012	\$1,750.57	\$1,723.99	\$3,474.56	\$95.00	\$0.00	\$3,569.56	\$93,249.43	\$1,200.00	\$1,200.00
06-01-2013	\$1,776.83	\$1,398.74	\$3,175.57	\$93.25	\$0.00	\$3,268.82	\$91,472.60	\$0.00	\$1,200.00
12-01-2013	\$1,803.48	\$1,372.09	\$3,175.57	\$91.47	\$0.00	\$3,267.04	\$89,669.12	\$1,200.00	\$2,400.00
06-01-2014	\$1,830.53	\$1,345.04	\$3,175.57	\$89.67	\$0.00	\$3,265.24	\$87,838.59	\$0.00	\$2,400.00
12-01-2014	\$1,857.99	\$1,317.58	\$3,175.57	\$87.84	\$0.00	\$3,263.41	\$85,980.60	\$1,200.00	\$3,600.00
06-01-2015	\$1,885.86	\$1,289.71	\$3,175.57	\$85.98	\$0.00	\$3,261.55	\$84,094.74	\$0.00	\$3,600.00
12-01-2015	\$1,914.15	\$1,261.42	\$3,175.57	\$84.09	\$0.00	\$3,259.66	\$82,180.59	\$1,200.00	\$4,800.00
06-01-2016	\$1,942.86	\$1,232.71	\$3,175.57	\$82.18	\$0.00	\$3,257.75	\$80,237.73	\$0.00	\$4,800.00
12-01-2016	\$1,972.00	\$1,203.57	\$3,175.57	\$80.24	\$0.00	\$3,255.81	\$78,265.73	\$1,200.00	\$6,000.00
06-01-2017	\$2,001.58	\$1,173.99	\$3,175.57	\$78.27	\$0.00	\$3,253.84	\$76,264.15	\$0.00	\$6,000.00
12-01-2017	\$2,031.61	\$1,143.96	\$3,175.57	\$76.26	\$0.00	\$3,251.83	\$74,232.54	\$1,200.00	\$7,200.00
06-01-2018	\$2,062.08	\$1,113.49	\$3,175.57	\$74.23	\$0.00	\$3,249.80	\$72,170.46	\$0.00	\$7,200.00
12-01-2018	\$2,093.01	\$1,082.56	\$3,175.57	\$72.17	\$0.00	\$3,247.74	\$70,077.45	\$1,200.00	\$8,400.00
06-01-2019	\$2,124.41	\$1,051.16	\$3,175.57	\$70.08	\$0.00	\$3,245.65	\$67,953.04	\$0.00	\$8,400.00
12-01-2019	\$2,156.27	\$1,019.30	\$3,175.57	\$67.95	\$0.00	\$3,243.52	\$65,796.77	\$1,200.00	\$9,600.00
06-01-2020	\$2,188.62	\$986.95	\$3,175.57	\$65.80	\$0.00	\$3,241.37	\$63,608.15	\$0.00	\$9,600.00
12-01-2020	\$2,221.45	\$954.12	\$3,175.57	\$63.61	\$0.00	\$3,239.18	\$61,386.70	\$1,200.00	\$10,800.00
06-01-2021	\$2,254.77	\$920.80	\$3,175.57	\$61.39	\$0.00	\$3,236.96	\$59,131.93	\$0.00	\$10,800.00
12-01-2021	\$2,288.59	\$886.98	\$3,175.57	\$59.13	\$0.00	\$3,234.70	\$56,843.34	\$1,200.00	\$12,000.00
06-01-2022	\$2,322.92	\$852.65	\$3,175.57	\$56.84	\$0.00	\$3,232.41	\$54,520.42	\$0.00	\$12,000.00
12-01-2022	\$2,357.76	\$817.81	\$3,175.57	\$54.52	\$0.00	\$3,230.09	\$52,162.66	\$0.00	\$12,000.00
06-01-2023	\$2,393.13	\$782.44	\$3,175.57	\$52.16	\$0.00	\$3,227.73	\$49,769.53	\$0.00	\$12,000.00
12-01-2023	\$2,429.03	\$746.54	\$3,175.57	\$49.77	\$0.00	\$3,225.34	\$47,340.50	\$0.00	\$12,000.00
06-01-2024	\$2,465.46	\$710.11	\$3,175.57	\$47.34	\$0.00	\$3,222.91	\$44,875.04	\$0.00	\$12,000.00
12-01-2024	\$2,502.44	\$673.13	\$3,175.57	\$44.88	\$0.00	\$3,220.45	\$42,372.60	\$0.00	\$12,000.00
06-01-2025	\$2,539.98	\$635.59	\$3,175.57	\$42.37	\$0.00	\$3,217.94	\$39,832.62	\$0.00	\$12,000.00
12-01-2025	\$2,578.08	\$597.49	\$3,175.57	\$39.83	\$0.00	\$3,215.40	\$37,254.54	\$0.00	\$12,000.00
06-01-2026	\$2,616.75	\$558.82	\$3,175.57	\$37.25	\$0.00	\$3,212.82	\$34,637.79	\$0.00	\$12,000.00
12-01-2026	\$2,656.00	\$519.57	\$3,175.57	\$34.64	\$0.00	\$3,210.21	\$31,981.79	\$0.00	\$12,000.00
06-01-2027	\$2,695.84	\$479.73	\$3,175.57	\$31.98	\$0.00	\$3,207.55	\$29,285.95	\$0.00	\$12,000.00
12-01-2027	\$2,736.28	\$439.29	\$3,175.57	\$29.29	\$0.00	\$3,204.86	\$26,549.67	\$0.00	\$12,000.00
06-01-2028	\$2,777.32	\$398.25	\$3,175.57	\$26.55	\$0.00	\$3,202.12	\$23,772.35	\$0.00	\$12,000.00
12-01-2028	\$2,818.98	\$356.59	\$3,175.57	\$23.77	\$0.00	\$3,199.34	\$20,953.37	\$0.00	\$12,000.00
06-01-2029	\$2,861.27	\$314.30	\$3,175.57	\$20.95	\$0.00	\$3,196.52	\$18,092.10	\$0.00	\$12,000.00
12-01-2029	\$2,904.19	\$271.38	\$3,175.57	\$18.09	\$0.00	\$3,193.66	\$15,187.91	\$0.00	\$12,000.00
06-01-2030	\$2,947.75	\$227.82	\$3,175.57	\$15.19	\$0.00	\$3,190.76	\$12,240.16	\$0.00	\$12,000.00
12-01-2030	\$2,991.97	\$183.60	\$3,175.57	\$12.24	\$0.00	\$3,187.81	\$9,248.19	\$0.00	\$12,000.00

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number B10-10**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
06-01-2031	\$3,036.85	\$138.72	\$3,175.57	\$9.25	\$0.00	\$3,184.82	\$6,211.34	\$0.00	\$12,000.00
12-01-2031	\$3,082.40	\$93.17	\$3,175.57	\$6.21	\$0.00	\$3,181.78	\$3,128.94	\$0.00	\$12,000.00
06-01-2032	\$3,128.94	\$46.63	\$3,175.57	\$3.13	\$0.00	\$3,178.70	\$0.00	\$0.00	\$12,000.00
Totals:	\$95,000.00	\$32,321.79	\$127,321.79	\$2,134.86	\$0.00	\$129,456.65		\$12,000.00	

EXHIBIT H-3

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number C11-01**

Loan Summary

Borrower:	Bracken County Water District			Approval Date:	03-03-2011
Loan ID:	0741	KIA Loan Number:	C11-01	Maturity Date:	12-01-2033
Status:	Active	Interest Rate:	3.00%	R & M Reserve:	\$16,000.00
Loan Amount:	\$621,000.00	Pmt. Frequency	Monthly		
AA Date:	03-01-2012	Supp. AA Date:			

Amortization Table

Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
01-01-2014	\$1,891.55	\$1,552.50	\$3,444.05	\$621.00	\$0.00	\$4,065.05	\$619,108.45	\$0.00	\$0.00
02-01-2014	\$1,896.28	\$1,547.77	\$3,444.05	\$103.18	\$0.00	\$3,547.23	\$617,212.17	\$0.00	\$0.00
03-01-2014	\$1,901.02	\$1,543.03	\$3,444.05	\$102.87	\$0.00	\$3,546.92	\$615,311.15	\$0.00	\$0.00
04-01-2014	\$1,905.77	\$1,538.28	\$3,444.05	\$102.55	\$0.00	\$3,546.60	\$613,405.38	\$0.00	\$0.00
05-01-2014	\$1,910.54	\$1,533.51	\$3,444.05	\$102.23	\$0.00	\$3,546.28	\$611,494.84	\$0.00	\$0.00
06-01-2014	\$1,915.31	\$1,528.74	\$3,444.05	\$101.92	\$0.00	\$3,545.97	\$609,579.53	\$0.00	\$0.00
07-01-2014	\$1,920.10	\$1,523.95	\$3,444.05	\$101.60	\$0.00	\$3,545.65	\$607,659.43	\$0.00	\$0.00
08-01-2014	\$1,924.90	\$1,519.15	\$3,444.05	\$101.28	\$0.00	\$3,545.33	\$605,734.53	\$0.00	\$0.00
09-01-2014	\$1,929.71	\$1,514.34	\$3,444.05	\$100.96	\$0.00	\$3,545.01	\$603,804.82	\$0.00	\$0.00
10-01-2014	\$1,934.54	\$1,509.51	\$3,444.05	\$100.63	\$0.00	\$3,544.68	\$601,870.28	\$0.00	\$0.00
11-01-2014	\$1,939.37	\$1,504.68	\$3,444.05	\$100.31	\$0.00	\$3,544.36	\$599,930.91	\$0.00	\$0.00
12-01-2014	\$1,944.22	\$1,499.83	\$3,444.05	\$99.99	\$0.00	\$3,544.04	\$597,986.69	\$1,600.00	\$1,600.00
01-01-2015	\$1,949.08	\$1,494.97	\$3,444.05	\$99.66	\$0.00	\$3,543.71	\$596,037.61	\$0.00	\$1,600.00
02-01-2015	\$1,953.96	\$1,490.09	\$3,444.05	\$99.34	\$0.00	\$3,543.39	\$594,083.65	\$0.00	\$1,600.00
03-01-2015	\$1,958.84	\$1,485.21	\$3,444.05	\$99.01	\$0.00	\$3,543.06	\$592,124.81	\$0.00	\$1,600.00
04-01-2015	\$1,963.74	\$1,480.31	\$3,444.05	\$98.69	\$0.00	\$3,542.74	\$590,161.07	\$0.00	\$1,600.00
05-01-2015	\$1,968.65	\$1,475.40	\$3,444.05	\$98.36	\$0.00	\$3,542.41	\$588,192.42	\$0.00	\$1,600.00
06-01-2015	\$1,973.57	\$1,470.48	\$3,444.05	\$98.03	\$0.00	\$3,542.08	\$586,218.85	\$0.00	\$1,600.00
07-01-2015	\$1,978.50	\$1,465.55	\$3,444.05	\$97.70	\$0.00	\$3,541.75	\$584,240.35	\$0.00	\$1,600.00
08-01-2015	\$1,983.45	\$1,460.60	\$3,444.05	\$97.37	\$0.00	\$3,541.42	\$582,256.90	\$0.00	\$1,600.00
09-01-2015	\$1,988.41	\$1,455.64	\$3,444.05	\$97.04	\$0.00	\$3,541.09	\$580,268.49	\$0.00	\$1,600.00
10-01-2015	\$1,993.38	\$1,450.67	\$3,444.05	\$96.71	\$0.00	\$3,540.76	\$578,275.11	\$0.00	\$1,600.00
11-01-2015	\$1,998.36	\$1,445.69	\$3,444.05	\$96.38	\$0.00	\$3,540.43	\$576,276.75	\$0.00	\$1,600.00
12-01-2015	\$2,003.36	\$1,440.69	\$3,444.05	\$96.05	\$0.00	\$3,540.10	\$574,273.39	\$1,600.00	\$3,200.00
01-01-2016	\$2,008.37	\$1,435.68	\$3,444.05	\$95.71	\$0.00	\$3,539.76	\$572,265.02	\$0.00	\$3,200.00
02-01-2016	\$2,013.39	\$1,430.66	\$3,444.05	\$95.38	\$0.00	\$3,539.43	\$570,251.63	\$0.00	\$3,200.00
03-01-2016	\$2,018.42	\$1,425.63	\$3,444.05	\$95.04	\$0.00	\$3,539.09	\$568,233.21	\$0.00	\$3,200.00
04-01-2016	\$2,023.47	\$1,420.58	\$3,444.05	\$94.71	\$0.00	\$3,538.76	\$566,209.74	\$0.00	\$3,200.00
05-01-2016	\$2,028.53	\$1,415.52	\$3,444.05	\$94.37	\$0.00	\$3,538.42	\$564,181.21	\$0.00	\$3,200.00
06-01-2016	\$2,033.60	\$1,410.45	\$3,444.05	\$94.03	\$0.00	\$3,538.08	\$562,147.61	\$0.00	\$3,200.00
07-01-2016	\$2,038.68	\$1,405.37	\$3,444.05	\$93.69	\$0.00	\$3,537.74	\$560,108.93	\$0.00	\$3,200.00
08-01-2016	\$2,043.78	\$1,400.27	\$3,444.05	\$93.35	\$0.00	\$3,537.40	\$558,065.15	\$0.00	\$3,200.00
09-01-2016	\$2,048.89	\$1,395.16	\$3,444.05	\$93.01	\$0.00	\$3,537.06	\$556,016.26	\$0.00	\$3,200.00
10-01-2016	\$2,054.01	\$1,390.04	\$3,444.05	\$92.67	\$0.00	\$3,536.72	\$553,962.25	\$0.00	\$3,200.00
11-01-2016	\$2,059.14	\$1,384.91	\$3,444.05	\$92.33	\$0.00	\$3,536.38	\$551,903.11	\$0.00	\$3,200.00
12-01-2016	\$2,064.29	\$1,379.76	\$3,444.05	\$91.98	\$0.00	\$3,536.03	\$549,838.82	\$1,600.00	\$4,800.00
01-01-2017	\$2,069.45	\$1,374.60	\$3,444.05	\$91.64	\$0.00	\$3,535.69	\$547,769.37	\$0.00	\$4,800.00

Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number C11-01

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
02-01-2017	\$2,074.63	\$1,369.42	\$3,444.05	\$91.29	\$0.00	\$3,535.34	\$545,694.74	\$0.00	\$4,800.00
03-01-2017	\$2,079.81	\$1,364.24	\$3,444.05	\$90.95	\$0.00	\$3,535.00	\$543,614.93	\$0.00	\$4,800.00
04-01-2017	\$2,085.01	\$1,359.04	\$3,444.05	\$90.60	\$0.00	\$3,534.65	\$541,529.92	\$0.00	\$4,800.00
05-01-2017	\$2,090.23	\$1,353.82	\$3,444.05	\$90.25	\$0.00	\$3,534.30	\$539,439.69	\$0.00	\$4,800.00
06-01-2017	\$2,095.45	\$1,348.60	\$3,444.05	\$89.91	\$0.00	\$3,533.96	\$537,344.24	\$0.00	\$4,800.00
07-01-2017	\$2,100.69	\$1,343.36	\$3,444.05	\$89.56	\$0.00	\$3,533.61	\$535,243.55	\$0.00	\$4,800.00
08-01-2017	\$2,105.94	\$1,338.11	\$3,444.05	\$89.21	\$0.00	\$3,533.26	\$533,137.61	\$0.00	\$4,800.00
09-01-2017	\$2,111.21	\$1,332.84	\$3,444.05	\$88.86	\$0.00	\$3,532.91	\$531,026.40	\$0.00	\$4,800.00
10-01-2017	\$2,116.48	\$1,327.57	\$3,444.05	\$88.50	\$0.00	\$3,532.55	\$528,909.92	\$0.00	\$4,800.00
11-01-2017	\$2,121.78	\$1,322.27	\$3,444.05	\$88.15	\$0.00	\$3,532.20	\$526,788.14	\$0.00	\$4,800.00
12-01-2017	\$2,127.08	\$1,316.97	\$3,444.05	\$87.80	\$0.00	\$3,531.85	\$524,661.06	\$1,600.00	\$6,400.00
01-01-2018	\$2,132.40	\$1,311.65	\$3,444.05	\$87.44	\$0.00	\$3,531.49	\$522,528.66	\$0.00	\$6,400.00
02-01-2018	\$2,137.73	\$1,306.32	\$3,444.05	\$87.09	\$0.00	\$3,531.14	\$520,390.93	\$0.00	\$6,400.00
03-01-2018	\$2,143.07	\$1,300.98	\$3,444.05	\$86.73	\$0.00	\$3,530.78	\$518,247.86	\$0.00	\$6,400.00
04-01-2018	\$2,148.43	\$1,295.62	\$3,444.05	\$86.37	\$0.00	\$3,530.42	\$516,099.43	\$0.00	\$6,400.00
05-01-2018	\$2,153.80	\$1,290.25	\$3,444.05	\$86.02	\$0.00	\$3,530.07	\$513,945.63	\$0.00	\$6,400.00
06-01-2018	\$2,159.19	\$1,284.86	\$3,444.05	\$85.66	\$0.00	\$3,529.71	\$511,786.44	\$0.00	\$6,400.00
07-01-2018	\$2,164.58	\$1,279.47	\$3,444.05	\$85.30	\$0.00	\$3,529.35	\$509,621.86	\$0.00	\$6,400.00
08-01-2018	\$2,170.00	\$1,274.05	\$3,444.05	\$84.94	\$0.00	\$3,528.99	\$507,451.86	\$0.00	\$6,400.00
09-01-2018	\$2,175.42	\$1,268.63	\$3,444.05	\$84.58	\$0.00	\$3,528.63	\$505,276.44	\$0.00	\$6,400.00
10-01-2018	\$2,180.86	\$1,263.19	\$3,444.05	\$84.21	\$0.00	\$3,528.26	\$503,095.58	\$0.00	\$6,400.00
11-01-2018	\$2,186.31	\$1,257.74	\$3,444.05	\$83.85	\$0.00	\$3,527.90	\$500,909.27	\$0.00	\$6,400.00
12-01-2018	\$2,191.78	\$1,252.27	\$3,444.05	\$83.48	\$0.00	\$3,527.53	\$498,717.49	\$1,600.00	\$8,000.00
01-01-2019	\$2,197.26	\$1,246.79	\$3,444.05	\$83.12	\$0.00	\$3,527.17	\$496,520.23	\$0.00	\$8,000.00
02-01-2019	\$2,202.75	\$1,241.30	\$3,444.05	\$82.75	\$0.00	\$3,526.80	\$494,317.48	\$0.00	\$8,000.00
03-01-2019	\$2,208.26	\$1,235.79	\$3,444.05	\$82.39	\$0.00	\$3,526.44	\$492,109.22	\$0.00	\$8,000.00
04-01-2019	\$2,213.78	\$1,230.27	\$3,444.05	\$82.02	\$0.00	\$3,526.07	\$489,895.44	\$0.00	\$8,000.00
05-01-2019	\$2,219.31	\$1,224.74	\$3,444.05	\$81.65	\$0.00	\$3,525.70	\$487,676.13	\$0.00	\$8,000.00
06-01-2019	\$2,224.86	\$1,219.19	\$3,444.05	\$81.28	\$0.00	\$3,525.33	\$485,451.27	\$0.00	\$8,000.00
07-01-2019	\$2,230.42	\$1,213.63	\$3,444.05	\$80.91	\$0.00	\$3,524.96	\$483,220.85	\$0.00	\$8,000.00
08-01-2019	\$2,236.00	\$1,208.05	\$3,444.05	\$80.54	\$0.00	\$3,524.59	\$480,984.85	\$0.00	\$8,000.00
09-01-2019	\$2,241.59	\$1,202.46	\$3,444.05	\$80.16	\$0.00	\$3,524.21	\$478,743.26	\$0.00	\$8,000.00
10-01-2019	\$2,247.19	\$1,196.86	\$3,444.05	\$79.79	\$0.00	\$3,523.84	\$476,496.07	\$0.00	\$8,000.00
11-01-2019	\$2,252.81	\$1,191.24	\$3,444.05	\$79.42	\$0.00	\$3,523.47	\$474,243.26	\$0.00	\$8,000.00
12-01-2019	\$2,258.44	\$1,185.61	\$3,444.05	\$79.04	\$0.00	\$3,523.09	\$471,984.82	\$1,600.00	\$9,600.00
01-01-2020	\$2,264.09	\$1,179.96	\$3,444.05	\$78.66	\$0.00	\$3,522.71	\$469,720.73	\$0.00	\$9,600.00
02-01-2020	\$2,269.75	\$1,174.30	\$3,444.05	\$78.29	\$0.00	\$3,522.34	\$467,450.98	\$0.00	\$9,600.00
03-01-2020	\$2,275.42	\$1,168.63	\$3,444.05	\$77.91	\$0.00	\$3,521.96	\$465,175.56	\$0.00	\$9,600.00
04-01-2020	\$2,281.11	\$1,162.94	\$3,444.05	\$77.53	\$0.00	\$3,521.58	\$462,894.45	\$0.00	\$9,600.00
05-01-2020	\$2,286.81	\$1,157.24	\$3,444.05	\$77.15	\$0.00	\$3,521.20	\$460,607.64	\$0.00	\$9,600.00
06-01-2020	\$2,292.53	\$1,151.52	\$3,444.05	\$76.77	\$0.00	\$3,520.82	\$458,315.11	\$0.00	\$9,600.00
07-01-2020	\$2,298.26	\$1,145.79	\$3,444.05	\$76.39	\$0.00	\$3,520.44	\$456,016.85	\$0.00	\$9,600.00
08-01-2020	\$2,304.01	\$1,140.04	\$3,444.05	\$76.00	\$0.00	\$3,520.05	\$453,712.84	\$0.00	\$9,600.00
09-01-2020	\$2,309.77	\$1,134.28	\$3,444.05	\$75.62	\$0.00	\$3,519.67	\$451,403.07	\$0.00	\$9,600.00

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number C11-01**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
10-01-2020	\$2,315.54	\$1,128.51	\$3,444.05	\$75.23	\$0.00	\$3,519.28	\$449,087.53	\$0.00	\$9,600.00
11-01-2020	\$2,321.33	\$1,122.72	\$3,444.05	\$74.85	\$0.00	\$3,518.90	\$446,766.20	\$0.00	\$9,600.00
12-01-2020	\$2,327.13	\$1,116.92	\$3,444.05	\$74.46	\$0.00	\$3,518.51	\$444,439.07	\$1,600.00	\$11,200.00
01-01-2021	\$2,332.95	\$1,111.10	\$3,444.05	\$74.07	\$0.00	\$3,518.12	\$442,106.12	\$0.00	\$11,200.00
02-01-2021	\$2,338.78	\$1,105.27	\$3,444.05	\$73.68	\$0.00	\$3,517.73	\$439,767.34	\$0.00	\$11,200.00
03-01-2021	\$2,344.63	\$1,099.42	\$3,444.05	\$73.29	\$0.00	\$3,517.34	\$437,422.71	\$0.00	\$11,200.00
04-01-2021	\$2,350.49	\$1,093.56	\$3,444.05	\$72.90	\$0.00	\$3,516.95	\$435,072.22	\$0.00	\$11,200.00
05-01-2021	\$2,356.37	\$1,087.68	\$3,444.05	\$72.51	\$0.00	\$3,516.56	\$432,715.85	\$0.00	\$11,200.00
06-01-2021	\$2,362.26	\$1,081.79	\$3,444.05	\$72.12	\$0.00	\$3,516.17	\$430,353.59	\$0.00	\$11,200.00
07-01-2021	\$2,368.17	\$1,075.88	\$3,444.05	\$71.73	\$0.00	\$3,515.78	\$427,985.42	\$0.00	\$11,200.00
08-01-2021	\$2,374.09	\$1,069.96	\$3,444.05	\$71.33	\$0.00	\$3,515.38	\$425,611.33	\$0.00	\$11,200.00
09-01-2021	\$2,380.02	\$1,064.03	\$3,444.05	\$70.94	\$0.00	\$3,514.99	\$423,231.31	\$0.00	\$11,200.00
10-01-2021	\$2,385.97	\$1,058.08	\$3,444.05	\$70.54	\$0.00	\$3,514.59	\$420,845.34	\$0.00	\$11,200.00
11-01-2021	\$2,391.94	\$1,052.11	\$3,444.05	\$70.14	\$0.00	\$3,514.19	\$418,453.40	\$0.00	\$11,200.00
12-01-2021	\$2,397.92	\$1,046.13	\$3,444.05	\$69.74	\$0.00	\$3,513.79	\$416,055.48	\$1,600.00	\$12,800.00
01-01-2022	\$2,403.91	\$1,040.14	\$3,444.05	\$69.34	\$0.00	\$3,513.39	\$413,651.57	\$0.00	\$12,800.00
02-01-2022	\$2,409.92	\$1,034.13	\$3,444.05	\$68.94	\$0.00	\$3,512.99	\$411,241.65	\$0.00	\$12,800.00
03-01-2022	\$2,415.95	\$1,028.10	\$3,444.05	\$68.54	\$0.00	\$3,512.59	\$408,825.70	\$0.00	\$12,800.00
04-01-2022	\$2,421.99	\$1,022.06	\$3,444.05	\$68.14	\$0.00	\$3,512.19	\$406,403.71	\$0.00	\$12,800.00
05-01-2022	\$2,428.04	\$1,016.01	\$3,444.05	\$67.73	\$0.00	\$3,511.78	\$403,975.67	\$0.00	\$12,800.00
06-01-2022	\$2,434.11	\$1,009.94	\$3,444.05	\$67.33	\$0.00	\$3,511.38	\$401,541.56	\$0.00	\$12,800.00
07-01-2022	\$2,440.20	\$1,003.85	\$3,444.05	\$66.92	\$0.00	\$3,510.97	\$399,101.36	\$0.00	\$12,800.00
08-01-2022	\$2,446.30	\$997.75	\$3,444.05	\$66.52	\$0.00	\$3,510.57	\$396,655.06	\$0.00	\$12,800.00
09-01-2022	\$2,452.41	\$991.64	\$3,444.05	\$66.11	\$0.00	\$3,510.16	\$394,202.65	\$0.00	\$12,800.00
10-01-2022	\$2,458.54	\$985.51	\$3,444.05	\$65.70	\$0.00	\$3,509.75	\$391,744.11	\$0.00	\$12,800.00
11-01-2022	\$2,464.69	\$979.36	\$3,444.05	\$65.29	\$0.00	\$3,509.34	\$389,279.42	\$0.00	\$12,800.00
12-01-2022	\$2,470.85	\$973.20	\$3,444.05	\$64.88	\$0.00	\$3,508.93	\$386,808.57	\$1,600.00	\$14,400.00
01-01-2023	\$2,477.03	\$967.02	\$3,444.05	\$64.47	\$0.00	\$3,508.52	\$384,331.54	\$0.00	\$14,400.00
02-01-2023	\$2,483.22	\$960.83	\$3,444.05	\$64.06	\$0.00	\$3,508.11	\$381,848.32	\$0.00	\$14,400.00
03-01-2023	\$2,489.43	\$954.62	\$3,444.05	\$63.64	\$0.00	\$3,507.69	\$379,358.89	\$0.00	\$14,400.00
04-01-2023	\$2,495.65	\$948.40	\$3,444.05	\$63.23	\$0.00	\$3,507.28	\$376,863.24	\$0.00	\$14,400.00
05-01-2023	\$2,501.89	\$942.16	\$3,444.05	\$62.81	\$0.00	\$3,506.86	\$374,361.35	\$0.00	\$14,400.00
06-01-2023	\$2,508.15	\$935.90	\$3,444.05	\$62.39	\$0.00	\$3,506.44	\$371,853.20	\$0.00	\$14,400.00
07-01-2023	\$2,514.42	\$929.63	\$3,444.05	\$61.98	\$0.00	\$3,506.03	\$369,338.78	\$0.00	\$14,400.00
08-01-2023	\$2,520.70	\$923.35	\$3,444.05	\$61.56	\$0.00	\$3,505.61	\$366,818.08	\$0.00	\$14,400.00
09-01-2023	\$2,527.00	\$917.05	\$3,444.05	\$61.14	\$0.00	\$3,505.19	\$364,291.08	\$0.00	\$14,400.00
10-01-2023	\$2,533.32	\$910.73	\$3,444.05	\$60.72	\$0.00	\$3,504.77	\$361,757.76	\$0.00	\$14,400.00
11-01-2023	\$2,539.66	\$904.39	\$3,444.05	\$60.29	\$0.00	\$3,504.34	\$359,218.10	\$0.00	\$14,400.00
12-01-2023	\$2,546.00	\$898.05	\$3,444.05	\$59.87	\$0.00	\$3,503.92	\$356,672.10	\$1,600.00	\$16,000.00
01-01-2024	\$2,552.37	\$891.68	\$3,444.05	\$59.45	\$0.00	\$3,503.50	\$354,119.73	\$0.00	\$16,000.00
02-01-2024	\$2,558.75	\$885.30	\$3,444.05	\$59.02	\$0.00	\$3,503.07	\$351,560.98	\$0.00	\$16,000.00
03-01-2024	\$2,565.15	\$878.90	\$3,444.05	\$58.59	\$0.00	\$3,502.64	\$348,995.83	\$0.00	\$16,000.00
04-01-2024	\$2,571.56	\$872.49	\$3,444.05	\$58.17	\$0.00	\$3,502.22	\$346,424.27	\$0.00	\$16,000.00
05-01-2024	\$2,577.99	\$866.06	\$3,444.05	\$57.74	\$0.00	\$3,501.79	\$343,846.28	\$0.00	\$16,000.00

Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number C11-01

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
06-01-2024	\$2,584.43	\$859.62	\$3,444.05	\$57.31	\$0.00	\$3,501.36	\$341,261.85	\$0.00	\$16,000.00
07-01-2024	\$2,590.90	\$853.15	\$3,444.05	\$56.88	\$0.00	\$3,500.93	\$338,670.95	\$0.00	\$16,000.00
08-01-2024	\$2,597.37	\$846.68	\$3,444.05	\$56.45	\$0.00	\$3,500.50	\$336,073.58	\$0.00	\$16,000.00
09-01-2024	\$2,603.87	\$840.18	\$3,444.05	\$56.01	\$0.00	\$3,500.06	\$333,469.71	\$0.00	\$16,000.00
10-01-2024	\$2,610.38	\$833.67	\$3,444.05	\$55.58	\$0.00	\$3,499.63	\$330,859.33	\$0.00	\$16,000.00
11-01-2024	\$2,616.90	\$827.15	\$3,444.05	\$55.14	\$0.00	\$3,499.19	\$328,242.43	\$0.00	\$16,000.00
12-01-2024	\$2,623.44	\$820.61	\$3,444.05	\$54.71	\$0.00	\$3,498.76	\$325,618.99	\$0.00	\$16,000.00
01-01-2025	\$2,630.00	\$814.05	\$3,444.05	\$54.27	\$0.00	\$3,498.32	\$322,988.99	\$0.00	\$16,000.00
02-01-2025	\$2,636.58	\$807.47	\$3,444.05	\$53.83	\$0.00	\$3,497.88	\$320,352.41	\$0.00	\$16,000.00
03-01-2025	\$2,643.17	\$800.88	\$3,444.05	\$53.39	\$0.00	\$3,497.44	\$317,709.24	\$0.00	\$16,000.00
04-01-2025	\$2,649.78	\$794.27	\$3,444.05	\$52.95	\$0.00	\$3,497.00	\$315,059.46	\$0.00	\$16,000.00
05-01-2025	\$2,656.40	\$787.65	\$3,444.05	\$52.51	\$0.00	\$3,496.56	\$312,403.06	\$0.00	\$16,000.00
06-01-2025	\$2,663.04	\$781.01	\$3,444.05	\$52.07	\$0.00	\$3,496.12	\$309,740.02	\$0.00	\$16,000.00
07-01-2025	\$2,669.70	\$774.35	\$3,444.05	\$51.62	\$0.00	\$3,495.67	\$307,070.32	\$0.00	\$16,000.00
08-01-2025	\$2,676.37	\$767.68	\$3,444.05	\$51.18	\$0.00	\$3,495.23	\$304,393.95	\$0.00	\$16,000.00
09-01-2025	\$2,683.07	\$760.98	\$3,444.05	\$50.73	\$0.00	\$3,494.78	\$301,710.88	\$0.00	\$16,000.00
10-01-2025	\$2,689.77	\$754.28	\$3,444.05	\$50.29	\$0.00	\$3,494.34	\$299,021.11	\$0.00	\$16,000.00
11-01-2025	\$2,696.50	\$747.55	\$3,444.05	\$49.84	\$0.00	\$3,493.89	\$296,324.61	\$0.00	\$16,000.00
12-01-2025	\$2,703.24	\$740.81	\$3,444.05	\$49.39	\$0.00	\$3,493.44	\$293,621.37	\$0.00	\$16,000.00
01-01-2026	\$2,710.00	\$734.05	\$3,444.05	\$48.94	\$0.00	\$3,492.99	\$290,911.37	\$0.00	\$16,000.00
02-01-2026	\$2,716.77	\$727.28	\$3,444.05	\$48.49	\$0.00	\$3,492.54	\$288,194.60	\$0.00	\$16,000.00
03-01-2026	\$2,723.56	\$720.49	\$3,444.05	\$48.03	\$0.00	\$3,492.08	\$285,471.04	\$0.00	\$16,000.00
04-01-2026	\$2,730.37	\$713.68	\$3,444.05	\$47.58	\$0.00	\$3,491.63	\$282,740.67	\$0.00	\$16,000.00
05-01-2026	\$2,737.20	\$706.85	\$3,444.05	\$47.12	\$0.00	\$3,491.17	\$280,003.47	\$0.00	\$16,000.00
06-01-2026	\$2,744.04	\$700.01	\$3,444.05	\$46.67	\$0.00	\$3,490.72	\$277,259.43	\$0.00	\$16,000.00
07-01-2026	\$2,750.90	\$693.15	\$3,444.05	\$46.21	\$0.00	\$3,490.26	\$274,508.53	\$0.00	\$16,000.00
08-01-2026	\$2,757.78	\$686.27	\$3,444.05	\$45.75	\$0.00	\$3,489.80	\$271,750.75	\$0.00	\$16,000.00
09-01-2026	\$2,764.67	\$679.38	\$3,444.05	\$45.29	\$0.00	\$3,489.34	\$268,986.08	\$0.00	\$16,000.00
10-01-2026	\$2,771.58	\$672.47	\$3,444.05	\$44.83	\$0.00	\$3,488.88	\$266,214.50	\$0.00	\$16,000.00
11-01-2026	\$2,778.51	\$665.54	\$3,444.05	\$44.37	\$0.00	\$3,488.42	\$263,435.99	\$0.00	\$16,000.00
12-01-2026	\$2,785.46	\$658.59	\$3,444.05	\$43.91	\$0.00	\$3,487.96	\$260,650.53	\$0.00	\$16,000.00
01-01-2027	\$2,792.42	\$651.63	\$3,444.05	\$43.44	\$0.00	\$3,487.49	\$257,858.11	\$0.00	\$16,000.00
02-01-2027	\$2,799.40	\$644.65	\$3,444.05	\$42.98	\$0.00	\$3,487.03	\$255,058.71	\$0.00	\$16,000.00
03-01-2027	\$2,806.40	\$637.65	\$3,444.05	\$42.51	\$0.00	\$3,486.56	\$252,252.31	\$0.00	\$16,000.00
04-01-2027	\$2,813.42	\$630.63	\$3,444.05	\$42.04	\$0.00	\$3,486.09	\$249,438.89	\$0.00	\$16,000.00
05-01-2027	\$2,820.45	\$623.60	\$3,444.05	\$41.57	\$0.00	\$3,485.62	\$246,618.44	\$0.00	\$16,000.00
06-01-2027	\$2,827.50	\$616.55	\$3,444.05	\$41.10	\$0.00	\$3,485.15	\$243,790.94	\$0.00	\$16,000.00
07-01-2027	\$2,834.57	\$609.48	\$3,444.05	\$40.63	\$0.00	\$3,484.68	\$240,956.37	\$0.00	\$16,000.00
08-01-2027	\$2,841.66	\$602.39	\$3,444.05	\$40.16	\$0.00	\$3,484.21	\$238,114.71	\$0.00	\$16,000.00
09-01-2027	\$2,848.76	\$595.29	\$3,444.05	\$39.69	\$0.00	\$3,483.74	\$235,265.95	\$0.00	\$16,000.00
10-01-2027	\$2,855.89	\$588.16	\$3,444.05	\$39.21	\$0.00	\$3,483.26	\$232,410.06	\$0.00	\$16,000.00
11-01-2027	\$2,863.02	\$581.03	\$3,444.05	\$38.74	\$0.00	\$3,482.79	\$229,547.04	\$0.00	\$16,000.00
12-01-2027	\$2,870.18	\$573.87	\$3,444.05	\$38.26	\$0.00	\$3,482.31	\$226,676.86	\$0.00	\$16,000.00
01-01-2028	\$2,877.36	\$566.69	\$3,444.05	\$37.78	\$0.00	\$3,481.83	\$223,799.50	\$0.00	\$16,000.00

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number C11-01**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
02-01-2028	\$2,884.55	\$559.50	\$3,444.05	\$37.30	\$0.00	\$3,481.35	\$220,914.95	\$0.00	\$16,000.00
03-01-2028	\$2,891.76	\$552.29	\$3,444.05	\$36.82	\$0.00	\$3,480.87	\$218,023.19	\$0.00	\$16,000.00
04-01-2028	\$2,898.99	\$545.06	\$3,444.05	\$36.34	\$0.00	\$3,480.39	\$215,124.20	\$0.00	\$16,000.00
05-01-2028	\$2,906.24	\$537.81	\$3,444.05	\$35.85	\$0.00	\$3,479.90	\$212,217.96	\$0.00	\$16,000.00
06-01-2028	\$2,913.51	\$530.54	\$3,444.05	\$35.37	\$0.00	\$3,479.42	\$209,304.45	\$0.00	\$16,000.00
07-01-2028	\$2,920.79	\$523.26	\$3,444.05	\$34.88	\$0.00	\$3,478.93	\$206,383.66	\$0.00	\$16,000.00
08-01-2028	\$2,928.09	\$515.96	\$3,444.05	\$34.40	\$0.00	\$3,478.45	\$203,455.57	\$0.00	\$16,000.00
09-01-2028	\$2,935.41	\$508.64	\$3,444.05	\$33.91	\$0.00	\$3,477.96	\$200,520.16	\$0.00	\$16,000.00
10-01-2028	\$2,942.75	\$501.30	\$3,444.05	\$33.42	\$0.00	\$3,477.47	\$197,577.41	\$0.00	\$16,000.00
11-01-2028	\$2,950.11	\$493.94	\$3,444.05	\$32.93	\$0.00	\$3,476.98	\$194,627.30	\$0.00	\$16,000.00
12-01-2028	\$2,957.48	\$486.57	\$3,444.05	\$32.44	\$0.00	\$3,476.49	\$191,669.82	\$0.00	\$16,000.00
01-01-2029	\$2,964.88	\$479.17	\$3,444.05	\$31.94	\$0.00	\$3,475.99	\$188,704.94	\$0.00	\$16,000.00
02-01-2029	\$2,972.29	\$471.76	\$3,444.05	\$31.45	\$0.00	\$3,475.50	\$185,732.65	\$0.00	\$16,000.00
03-01-2029	\$2,979.72	\$464.33	\$3,444.05	\$30.96	\$0.00	\$3,475.01	\$182,752.93	\$0.00	\$16,000.00
04-01-2029	\$2,987.17	\$456.88	\$3,444.05	\$30.46	\$0.00	\$3,474.51	\$179,765.76	\$0.00	\$16,000.00
05-01-2029	\$2,994.64	\$449.41	\$3,444.05	\$29.96	\$0.00	\$3,474.01	\$176,771.12	\$0.00	\$16,000.00
06-01-2029	\$3,002.12	\$441.93	\$3,444.05	\$29.46	\$0.00	\$3,473.51	\$173,769.00	\$0.00	\$16,000.00
07-01-2029	\$3,009.63	\$434.42	\$3,444.05	\$28.96	\$0.00	\$3,473.01	\$170,759.37	\$0.00	\$16,000.00
08-01-2029	\$3,017.15	\$426.90	\$3,444.05	\$28.46	\$0.00	\$3,472.51	\$167,742.22	\$0.00	\$16,000.00
09-01-2029	\$3,024.69	\$419.36	\$3,444.05	\$27.96	\$0.00	\$3,472.01	\$164,717.53	\$0.00	\$16,000.00
10-01-2029	\$3,032.26	\$411.79	\$3,444.05	\$27.45	\$0.00	\$3,471.50	\$161,685.27	\$0.00	\$16,000.00
11-01-2029	\$3,039.84	\$404.21	\$3,444.05	\$26.95	\$0.00	\$3,471.00	\$158,645.43	\$0.00	\$16,000.00
12-01-2029	\$3,047.44	\$396.61	\$3,444.05	\$26.44	\$0.00	\$3,470.49	\$155,597.99	\$0.00	\$16,000.00
01-01-2030	\$3,055.06	\$388.99	\$3,444.05	\$25.93	\$0.00	\$3,469.98	\$152,542.93	\$0.00	\$16,000.00
02-01-2030	\$3,062.69	\$381.36	\$3,444.05	\$25.42	\$0.00	\$3,469.47	\$149,480.24	\$0.00	\$16,000.00
03-01-2030	\$3,070.35	\$373.70	\$3,444.05	\$24.91	\$0.00	\$3,468.96	\$146,409.89	\$0.00	\$16,000.00
04-01-2030	\$3,078.03	\$366.02	\$3,444.05	\$24.40	\$0.00	\$3,468.45	\$143,331.86	\$0.00	\$16,000.00
05-01-2030	\$3,085.72	\$358.33	\$3,444.05	\$23.89	\$0.00	\$3,467.94	\$140,246.14	\$0.00	\$16,000.00
06-01-2030	\$3,093.43	\$350.62	\$3,444.05	\$23.37	\$0.00	\$3,467.42	\$137,152.71	\$0.00	\$16,000.00
07-01-2030	\$3,101.17	\$342.88	\$3,444.05	\$22.86	\$0.00	\$3,466.91	\$134,051.54	\$0.00	\$16,000.00
08-01-2030	\$3,108.92	\$335.13	\$3,444.05	\$22.34	\$0.00	\$3,466.39	\$130,942.62	\$0.00	\$16,000.00
09-01-2030	\$3,116.69	\$327.36	\$3,444.05	\$21.82	\$0.00	\$3,465.87	\$127,825.93	\$0.00	\$16,000.00
10-01-2030	\$3,124.49	\$319.56	\$3,444.05	\$21.30	\$0.00	\$3,465.35	\$124,701.44	\$0.00	\$16,000.00
11-01-2030	\$3,132.30	\$311.75	\$3,444.05	\$20.78	\$0.00	\$3,464.83	\$121,569.14	\$0.00	\$16,000.00
12-01-2030	\$3,140.13	\$303.92	\$3,444.05	\$20.26	\$0.00	\$3,464.31	\$118,429.01	\$0.00	\$16,000.00
01-01-2031	\$3,147.98	\$296.07	\$3,444.05	\$19.74	\$0.00	\$3,463.79	\$115,281.03	\$0.00	\$16,000.00
02-01-2031	\$3,155.85	\$288.20	\$3,444.05	\$19.21	\$0.00	\$3,463.26	\$112,125.18	\$0.00	\$16,000.00
03-01-2031	\$3,163.74	\$280.31	\$3,444.05	\$18.69	\$0.00	\$3,462.74	\$108,961.44	\$0.00	\$16,000.00
04-01-2031	\$3,171.65	\$272.40	\$3,444.05	\$18.16	\$0.00	\$3,462.21	\$105,789.79	\$0.00	\$16,000.00
05-01-2031	\$3,179.58	\$264.47	\$3,444.05	\$17.63	\$0.00	\$3,461.68	\$102,610.21	\$0.00	\$16,000.00
06-01-2031	\$3,187.52	\$256.53	\$3,444.05	\$17.10	\$0.00	\$3,461.15	\$99,422.69	\$0.00	\$16,000.00
07-01-2031	\$3,195.49	\$248.56	\$3,444.05	\$16.57	\$0.00	\$3,460.62	\$96,227.20	\$0.00	\$16,000.00
08-01-2031	\$3,203.48	\$240.57	\$3,444.05	\$16.04	\$0.00	\$3,460.09	\$93,023.72	\$0.00	\$16,000.00
09-01-2031	\$3,211.49	\$232.56	\$3,444.05	\$15.50	\$0.00	\$3,459.55	\$89,812.23	\$0.00	\$16,000.00

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number C11-01**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
10-01-2031	\$3,219.52	\$224.53	\$3,444.05	\$14.97	\$0.00	\$3,459.02	\$86,592.71	\$0.00	\$16,000.00
11-01-2031	\$3,227.57	\$216.48	\$3,444.05	\$14.43	\$0.00	\$3,458.48	\$83,365.14	\$0.00	\$16,000.00
12-01-2031	\$3,235.64	\$208.41	\$3,444.05	\$13.89	\$0.00	\$3,457.94	\$80,129.50	\$0.00	\$16,000.00
01-01-2032	\$3,243.73	\$200.32	\$3,444.05	\$13.35	\$0.00	\$3,457.40	\$76,885.77	\$0.00	\$16,000.00
02-01-2032	\$3,251.84	\$192.21	\$3,444.05	\$12.81	\$0.00	\$3,456.86	\$73,633.93	\$0.00	\$16,000.00
03-01-2032	\$3,259.97	\$184.08	\$3,444.05	\$12.27	\$0.00	\$3,456.32	\$70,373.96	\$0.00	\$16,000.00
04-01-2032	\$3,268.12	\$175.93	\$3,444.05	\$11.73	\$0.00	\$3,455.78	\$67,105.84	\$0.00	\$16,000.00
05-01-2032	\$3,276.29	\$167.76	\$3,444.05	\$11.18	\$0.00	\$3,455.23	\$63,829.55	\$0.00	\$16,000.00
06-01-2032	\$3,284.48	\$159.57	\$3,444.05	\$10.64	\$0.00	\$3,454.69	\$60,545.07	\$0.00	\$16,000.00
07-01-2032	\$3,292.69	\$151.36	\$3,444.05	\$10.09	\$0.00	\$3,454.14	\$57,252.38	\$0.00	\$16,000.00
08-01-2032	\$3,300.92	\$143.13	\$3,444.05	\$9.54	\$0.00	\$3,453.59	\$53,951.46	\$0.00	\$16,000.00
09-01-2032	\$3,309.17	\$134.88	\$3,444.05	\$8.99	\$0.00	\$3,453.04	\$50,642.29	\$0.00	\$16,000.00
10-01-2032	\$3,317.44	\$126.61	\$3,444.05	\$8.44	\$0.00	\$3,452.49	\$47,324.85	\$0.00	\$16,000.00
11-01-2032	\$3,325.74	\$118.31	\$3,444.05	\$7.89	\$0.00	\$3,451.94	\$43,999.11	\$0.00	\$16,000.00
12-01-2032	\$3,334.05	\$110.00	\$3,444.05	\$7.33	\$0.00	\$3,451.38	\$40,665.06	\$0.00	\$16,000.00
01-01-2033	\$3,342.39	\$101.66	\$3,444.05	\$6.78	\$0.00	\$3,450.83	\$37,322.67	\$0.00	\$16,000.00
02-01-2033	\$3,350.74	\$93.31	\$3,444.05	\$6.22	\$0.00	\$3,450.27	\$33,971.93	\$0.00	\$16,000.00
03-01-2033	\$3,359.12	\$84.93	\$3,444.05	\$5.66	\$0.00	\$3,449.71	\$30,612.81	\$0.00	\$16,000.00
04-01-2033	\$3,367.52	\$76.53	\$3,444.05	\$5.10	\$0.00	\$3,449.15	\$27,245.29	\$0.00	\$16,000.00
05-01-2033	\$3,375.94	\$68.11	\$3,444.05	\$4.54	\$0.00	\$3,448.59	\$23,869.35	\$0.00	\$16,000.00
06-01-2033	\$3,384.38	\$59.67	\$3,444.05	\$3.98	\$0.00	\$3,448.03	\$20,484.97	\$0.00	\$16,000.00
07-01-2033	\$3,392.84	\$51.21	\$3,444.05	\$3.41	\$0.00	\$3,447.46	\$17,092.13	\$0.00	\$16,000.00
08-01-2033	\$3,401.32	\$42.73	\$3,444.05	\$2.85	\$0.00	\$3,446.90	\$13,690.81	\$0.00	\$16,000.00
09-01-2033	\$3,409.82	\$34.23	\$3,444.05	\$2.28	\$0.00	\$3,446.33	\$10,280.99	\$0.00	\$16,000.00
10-01-2033	\$3,418.35	\$25.70	\$3,444.05	\$1.71	\$0.00	\$3,445.76	\$6,862.64	\$0.00	\$16,000.00
11-01-2033	\$3,426.89	\$17.16	\$3,444.05	\$1.14	\$0.00	\$3,445.19	\$3,435.75	\$0.00	\$16,000.00
12-01-2033	\$3,435.75	\$8.30	\$3,444.05	\$0.57	\$0.00	\$3,444.62	\$0.00	\$0.00	\$16,000.00
Totals:	\$621,000.00	\$205,572.00	\$826,572.00	\$14,222.28	\$0.00	\$840,794.28		\$16,000.00	

EXHIBIT H-4

Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number B15-002

Loan Summary					
Borrower:	Bracken County Water District			Approval Date:	12-04-2014
Loan ID:	0895	KIA Loan Number:	B15-002	Maturity Date:	06-01-2036
Status:	Active	Interest Rate:	1.75%	R & M Reserve:	\$9,000.00
Loan Amount:	\$358,000.00	Pmt. Frequency	Semi-Annual		
AA Date:	09-01-2015	Supp. AA Date:			

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
12-01-2016	\$7,513.63	\$3,110.53	\$10,624.16	\$358.00	\$0.00	\$10,982.16	\$350,486.37	\$900.00	\$900.00
06-01-2017	\$7,579.37	\$3,066.76	\$10,646.13	\$350.49	\$0.00	\$10,996.62	\$342,907.00	\$0.00	\$900.00
12-01-2017	\$7,645.69	\$3,000.44	\$10,646.13	\$342.91	\$0.00	\$10,989.04	\$335,261.31	\$900.00	\$1,800.00
06-01-2018	\$7,712.59	\$2,933.54	\$10,646.13	\$335.26	\$0.00	\$10,981.39	\$327,548.72	\$0.00	\$1,800.00
12-01-2018	\$7,780.08	\$2,866.05	\$10,646.13	\$327.55	\$0.00	\$10,973.68	\$319,768.64	\$900.00	\$2,700.00
06-01-2019	\$7,848.15	\$2,797.98	\$10,646.13	\$319.77	\$0.00	\$10,965.90	\$311,920.49	\$0.00	\$2,700.00
12-01-2019	\$7,916.83	\$2,729.30	\$10,646.13	\$311.92	\$0.00	\$10,958.05	\$304,003.66	\$900.00	\$3,600.00
06-01-2020	\$7,986.10	\$2,660.03	\$10,646.13	\$304.00	\$0.00	\$10,950.13	\$296,017.56	\$0.00	\$3,600.00
12-01-2020	\$8,055.98	\$2,590.15	\$10,646.13	\$296.02	\$0.00	\$10,942.15	\$287,961.58	\$900.00	\$4,500.00
06-01-2021	\$8,126.47	\$2,519.66	\$10,646.13	\$287.96	\$0.00	\$10,934.09	\$279,835.11	\$0.00	\$4,500.00
12-01-2021	\$8,197.57	\$2,448.56	\$10,646.13	\$279.84	\$0.00	\$10,925.97	\$271,637.54	\$900.00	\$5,400.00
06-01-2022	\$8,269.30	\$2,376.83	\$10,646.13	\$271.64	\$0.00	\$10,917.77	\$263,368.24	\$0.00	\$5,400.00
12-01-2022	\$8,341.66	\$2,304.47	\$10,646.13	\$263.37	\$0.00	\$10,909.50	\$255,026.58	\$900.00	\$6,300.00
06-01-2023	\$8,414.65	\$2,231.48	\$10,646.13	\$255.03	\$0.00	\$10,901.16	\$246,611.93	\$0.00	\$6,300.00
12-01-2023	\$8,488.28	\$2,157.85	\$10,646.13	\$246.61	\$0.00	\$10,892.74	\$238,123.65	\$900.00	\$7,200.00
06-01-2024	\$8,562.55	\$2,083.58	\$10,646.13	\$238.12	\$0.00	\$10,884.25	\$229,561.10	\$0.00	\$7,200.00
12-01-2024	\$8,637.47	\$2,008.66	\$10,646.13	\$229.56	\$0.00	\$10,875.69	\$220,923.63	\$900.00	\$8,100.00
06-01-2025	\$8,713.05	\$1,933.08	\$10,646.13	\$220.92	\$0.00	\$10,867.05	\$212,210.58	\$0.00	\$8,100.00
12-01-2025	\$8,789.29	\$1,856.84	\$10,646.13	\$212.21	\$0.00	\$10,858.34	\$203,421.29	\$900.00	\$9,000.00
06-01-2026	\$8,866.19	\$1,779.94	\$10,646.13	\$203.42	\$0.00	\$10,849.55	\$194,555.10	\$0.00	\$9,000.00
12-01-2026	\$8,943.77	\$1,702.36	\$10,646.13	\$194.56	\$0.00	\$10,840.69	\$185,611.33	\$0.00	\$9,000.00
06-01-2027	\$9,022.03	\$1,624.10	\$10,646.13	\$185.61	\$0.00	\$10,831.74	\$176,589.30	\$0.00	\$9,000.00
12-01-2027	\$9,100.97	\$1,545.16	\$10,646.13	\$176.59	\$0.00	\$10,822.72	\$167,488.33	\$0.00	\$9,000.00
06-01-2028	\$9,180.61	\$1,465.52	\$10,646.13	\$167.49	\$0.00	\$10,813.62	\$158,307.72	\$0.00	\$9,000.00
12-01-2028	\$9,260.94	\$1,385.19	\$10,646.13	\$158.31	\$0.00	\$10,804.44	\$149,046.78	\$0.00	\$9,000.00
06-01-2029	\$9,341.97	\$1,304.16	\$10,646.13	\$149.05	\$0.00	\$10,795.18	\$139,704.81	\$0.00	\$9,000.00
12-01-2029	\$9,423.71	\$1,222.42	\$10,646.13	\$139.70	\$0.00	\$10,785.83	\$130,281.10	\$0.00	\$9,000.00
06-01-2030	\$9,506.17	\$1,139.96	\$10,646.13	\$130.28	\$0.00	\$10,776.41	\$120,774.93	\$0.00	\$9,000.00
12-01-2030	\$9,589.35	\$1,056.78	\$10,646.13	\$120.77	\$0.00	\$10,766.90	\$111,185.58	\$0.00	\$9,000.00
06-01-2031	\$9,673.26	\$972.87	\$10,646.13	\$111.19	\$0.00	\$10,757.32	\$101,512.32	\$0.00	\$9,000.00
12-01-2031	\$9,757.90	\$888.23	\$10,646.13	\$101.51	\$0.00	\$10,747.64	\$91,754.42	\$0.00	\$9,000.00
06-01-2032	\$9,843.28	\$802.85	\$10,646.13	\$91.75	\$0.00	\$10,737.88	\$81,911.14	\$0.00	\$9,000.00
12-01-2032	\$9,929.41	\$716.72	\$10,646.13	\$81.91	\$0.00	\$10,728.04	\$71,981.73	\$0.00	\$9,000.00
06-01-2033	\$10,016.29	\$629.84	\$10,646.13	\$71.98	\$0.00	\$10,718.11	\$61,965.44	\$0.00	\$9,000.00
12-01-2033	\$10,103.93	\$542.20	\$10,646.13	\$61.97	\$0.00	\$10,708.10	\$51,861.51	\$0.00	\$9,000.00
06-01-2034	\$10,192.34	\$453.79	\$10,646.13	\$51.86	\$0.00	\$10,697.99	\$41,669.17	\$0.00	\$9,000.00
12-01-2034	\$10,281.52	\$364.61	\$10,646.13	\$41.67	\$0.00	\$10,687.80	\$31,387.65	\$0.00	\$9,000.00

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Bracken County Water District - Loan Number B15-002**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
06-01-2035	\$10,371.49	\$274.64	\$10,646.13	\$31.39	\$0.00	\$10,677.52	\$21,016.16	\$0.00	\$9,000.00
12-01-2035	\$10,462.24	\$183.89	\$10,646.13	\$21.02	\$0.00	\$10,667.15	\$10,553.92	\$0.00	\$9,000.00
06-01-2036	\$10,553.92	\$92.21	\$10,646.13	\$10.55	\$0.00	\$10,656.68	\$0.00	\$0.00	\$9,000.00
Totals:	\$358,000.00	\$67,823.23	\$425,823.23	\$7,753.76	\$0.00	\$433,576.99		\$9,000.00	

EXHIBIT H-5

Name	BRACKEN CO. WATER DISTRICT				LOAN NUMBER	91-08
Bond Series		Amount of Bond			Interest Rate	Semi Annual
2020		\$3,427,000.00			2.250%	1/17/2020
			JANUARY	JULY		
YEAR	PRINCIPAL	INTEREST	Principal/ Interest Payment Due	INTEREST Interest Payment Due	Yearly Total Paid	BALANCE
						\$3,427,000.00
2020			\$0.00	\$34,856.81	\$34,856.81	\$3,427,000.00
2021	\$48,000.00	\$38,553.75	\$86,553.75	\$38,013.75	\$124,567.50	\$3,379,000.00
2022	\$49,500.00	\$38,013.75	\$87,513.75	\$37,456.88	\$124,970.63	\$3,329,500.00
2023	\$51,000.00	\$37,456.88	\$88,456.88	\$36,883.13	\$125,340.00	\$3,278,500.00
2024	\$52,000.00	\$36,883.13	\$88,883.13	\$36,298.13	\$125,181.25	\$3,226,500.00
2025	\$53,500.00	\$36,298.13	\$89,798.13	\$35,696.25	\$125,494.38	\$3,173,000.00
2026	\$55,000.00	\$35,696.25	\$90,696.25	\$35,077.50	\$125,773.75	\$3,118,000.00
2027	\$56,500.00	\$35,077.50	\$91,577.50	\$34,441.88	\$126,019.38	\$3,061,500.00
2028	\$58,000.00	\$34,441.88	\$92,441.88	\$33,789.38	\$126,231.25	\$3,003,500.00
2029	\$60,000.00	\$33,789.38	\$93,789.38	\$33,114.38	\$126,903.75	\$2,943,500.00
2030	\$61,500.00	\$33,114.38	\$94,614.38	\$32,422.50	\$127,036.88	\$2,882,000.00
2031	\$63,000.00	\$32,422.50	\$95,422.50	\$31,713.75	\$127,136.25	\$2,819,000.00
2032	\$65,000.00	\$31,713.75	\$96,713.75	\$30,982.50	\$127,696.25	\$2,754,000.00
2033	\$66,500.00	\$30,982.50	\$97,482.50	\$30,234.38	\$127,716.88	\$2,687,500.00
2034	\$68,500.00	\$30,234.38	\$98,734.38	\$29,463.75	\$128,198.13	\$2,619,000.00
2035	\$70,500.00	\$29,463.75	\$99,963.75	\$28,670.63	\$128,634.38	\$2,548,500.00
2036	\$72,500.00	\$28,670.63	\$101,170.63	\$27,855.00	\$129,025.63	\$2,476,000.00
2037	\$74,500.00	\$27,855.00	\$102,355.00	\$27,016.88	\$129,371.88	\$2,401,500.00
2038	\$76,500.00	\$27,016.88	\$103,516.88	\$26,156.25	\$129,673.13	\$2,325,000.00
2039	\$78,500.00	\$26,156.25	\$104,656.25	\$25,273.13	\$129,929.38	\$2,246,500.00
2040	\$80,500.00	\$25,273.13	\$105,773.13	\$24,367.50	\$130,140.63	\$2,166,000.00
2041	\$83,000.00	\$24,367.50	\$107,367.50	\$23,433.75	\$130,801.25	\$2,083,000.00
2042	\$85,000.00	\$23,433.75	\$108,433.75	\$22,477.50	\$130,911.25	\$1,998,000.00
2043	\$87,500.00	\$22,477.50	\$109,977.50	\$21,493.13	\$131,470.63	\$1,910,500.00
2044	\$90,000.00	\$21,493.13	\$111,493.13	\$20,480.63	\$131,973.75	\$1,820,500.00
2045	\$92,500.00	\$20,480.63	\$112,980.63	\$19,440.00	\$132,420.63	\$1,728,000.00
2046	\$95,000.00	\$19,440.00	\$114,440.00	\$18,371.25	\$132,811.25	\$1,633,000.00
2047	\$97,500.00	\$18,371.25	\$115,871.25	\$17,274.38	\$133,145.63	\$1,535,500.00
2048	\$100,000.00	\$17,274.38	\$117,274.38	\$16,149.38	\$133,423.75	\$1,435,500.00
2049	\$103,000.00	\$16,149.38	\$119,149.38	\$14,990.63	\$134,140.00	\$1,332,500.00
2050	\$105,500.00	\$14,990.63	\$120,490.63	\$13,803.75	\$134,294.38	\$1,227,000.00
2051	\$108,500.00	\$13,803.75	\$122,303.75	\$12,583.13	\$134,886.88	\$1,118,500.00
2052	\$111,500.00	\$12,583.13	\$124,083.13	\$11,328.75	\$135,411.88	\$1,007,000.00
2053	\$114,500.00	\$11,328.75	\$125,828.75	\$10,040.63	\$135,869.38	\$892,500.00
2054	\$118,000.00	\$10,040.63	\$128,040.63	\$8,713.13	\$136,753.75	\$774,500.00
2055	\$121,000.00	\$8,713.13	\$129,713.13	\$7,351.88	\$137,065.00	\$653,500.00
2056	\$124,500.00	\$7,351.88	\$131,851.88	\$5,951.25	\$137,803.13	\$529,000.00
2057	\$128,000.00	\$5,951.25	\$133,951.25	\$4,511.25	\$138,462.50	\$401,000.00
2058	\$131,500.00	\$4,511.25	\$136,011.25	\$3,031.88	\$139,043.13	\$269,500.00
2059	\$135,000.00	\$3,031.88	\$138,031.88	\$1,513.13	\$139,545.00	\$134,500.00
2060	\$134,500.00	\$1,513.13	\$136,013.13	\$0.00	\$136,013.13	\$0.00
	Total Prin. Paid	Total Semi-Annual Int. Paid		Total Semi-Annual Int. Paid	Total Bond Prin./Int. Paid	
	\$3,427,000.00	\$926,420.63		\$922,723.69	\$5,276,144.31	

EXHIBIT H-6

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

Borrower: Bracken County Water District - refunding of KRWFC debt
Closing Date: 09/23/20

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
	-		
11/20-1/21	38,333.33	6,800.00	45,133.33
2/21-7/21	15,416.67	4,373.96	19,790.63
8/21-1/22	15,416.67	4,373.96	19,790.63
2/22-7/22	16,250.00	3,718.75	19,968.75
8/22-1/23	16,250.00	3,718.75	19,968.75
2/23-7/23	16,666.67	3,028.13	19,694.79
8/23-1/24	16,666.67	3,028.13	19,694.79
2/24-7/24	17,500.00	2,319.79	19,819.79
8/24-1/25	17,500.00	2,319.79	19,819.79
2/25-7/25	18,333.33	1,576.04	19,909.38
8/25-1/26	18,333.33	1,576.04	19,909.38
2/26-7/26	18,750.00	796.88	19,546.88
8/26-1/27	18,750.00	796.88	19,546.88
	-	-	-
	<u>1,350,000.00</u>	<u>210,162.50</u>	<u>1,515,029.17</u>

EXHIBIT H-7

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

**Borrower: Bracken County County Water District
Closing Date: 10/13/20**

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
12/20/1/21	2,500.00	2,767.50	5,267.50
2/21-7/21	2,500.00	2,767.77	5,267.77
8/21-1/22	3,333.33	2,268.75	5,602.08
2/22-7/22	3,333.33	2,268.75	5,602.08
8/22-1/23	3,333.33	2,193.75	5,527.08
2/23-7/23	3,333.33	2,193.75	5,527.08
8/23-1/24	3,333.33	2,118.75	5,452.08
2/24-7/24	3,333.33	2,118.75	5,452.08
8/24-1/25	3,333.33	2,043.75	5,377.08
2/25-7/25	3,333.33	2,043.75	5,377.08
8/25-1/26	3,333.33	1,968.75	5,302.08
2/26-7/26	3,333.33	1,968.75	5,302.08
8/26-1/27	3,750.00	1,793.75	5,543.75
2/27-7/27	3,750.00	1,793.75	5,543.75
8/27-1/28	3,750.00	1,596.88	5,346.88
2/28-7/28	3,750.00	1,596.88	5,346.88
8/28-1/29	4,166.67	1,400.00	5,566.67
2/29-7/29	4,166.67	1,400.00	5,566.67
8/29-1/30	4,166.67	1,306.25	5,472.92
2/30-7/30	4,166.67	1,306.25	5,472.92
8/30-2/31	4,166.67	1,170.83	5,337.50
2/31-7/31	4,166.67	1,170.83	5,337.50
8/31-1/32	4,583.33	1,035.42	5,618.75
2/32-7/32	4,583.33	1,035.42	5,618.75
8/32-1/33	4,583.33	932.29	5,515.63
2/33-7/33	4,583.33	932.29	5,515.63
8/33-1/34	4,583.33	829.17	5,412.50
2/34-7/34	4,583.33	829.17	5,412.50
8/34-1/35	4,583.33	726.04	5,309.38
2/35-7/35	4,583.33	726.04	5,309.38
8/35-1/36	5,000.00	622.92	5,622.92
2/36-7/36	5,000.00	622.92	5,622.92
8/36-1/37	5,000.00	504.17	5,504.17
2/37-7/37	5,000.00	504.17	5,504.17
8/37-1/37	5,000.00	385.42	5,385.42
2/38-7/38	5,000.00	385.42	5,385.42
8/38-1/39	5,000.00	260.42	5,260.42
2/39-7/39	5,000.00	260.42	5,260.42
8/39-1/40	5,416.67	135.42	5,552.08
2/40-7/40	5,416.67	135.42	5,552.08
	-	-	-
	<u>985,000.00</u>	<u>301,652.50</u>	<u>1,286,654.11</u>

EXHIBIT I

DEBT SERVICE REQUIREMENT AND COVERAGE CALCULATION

	KIA 02-10		KIA B10-10		KIA C11-01		KIA B15-002		RD 2019		KRWFC 2020E		KRWFC 2020G	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	57,164	6,553	4,681	1,670	29,247	12,482	16,611	4,681	49,500	75,471	229,167	67,229	40,000	27,225
2023	58,892	3,149	4,822	1,529	30,139	11,193	16,903	4,893	51,000	74,340	221,967	57,490	40,000	27,225
2024	60,672	1,369	4,968	1,383	30,052	10,275	17,200	4,092	52,000	73,181	249,167	47,325	40,000	25,425
2025			5,118	1,233	31,998	9,331	17,502	3,790	53,500	71,994	259,167	36,735	40,000	24,525
2026			5,273	1,078	32,971	8,365	17,812	3,482	55,000	70,774	269,167	25,721	40,000	23,625

Year	Total Payments	
2022	621,681	
2023	603,540	5-year Total: \$2,950,491.66
2024	617,109	Annual Average: \$ 590,098.33
2025	554,894	Average Coverage:* \$ 118,019.67
2026	553,267	

*20 percent of annual principal and interest payments

Note: Pending before the Public Service Commission is Bracken County Water District's request for authorization to borrow approximately \$315,000 from Kentucky Rural Water Finance Corporation to finance the construction of a 2,100 linear foot 12-inch ductile iron water main. See Case No. 2021-00467, *Electronic Application of the Bracken County Water District for the Issuance of A Certificate of Public Convenience and Necessity to Construct A Water System Improvements Project and An Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300 and 807 Kar 5:001* (filed Dec. 17, 2021).

EXHIBIT J

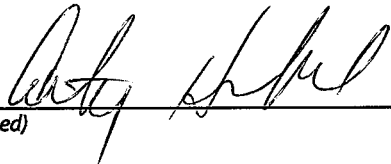
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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 Bracken 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."

Anthony Habermehl
(Print Name)


(Signed)

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 BRACKEN

Subscribed and sworn to before me by Anthony Habermehl
(Name)

this 25 day of January, 2022.

Pam Hopkins
NOTARY PUBLIC
State-at-Large

Notary Number: 507310

My Commission expires: March 10, 2022

**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 Bracken 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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Eddie Kern
(Print Name)


(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 BRACKEN

Subscribed and sworn to before me by Eddie Kern
(Name)

this 21 day of January, 2022.

Michael B...
NOTARY PUBLIC
State-at-Large

Notary Number: 595522

My Commission expires: 2-19-22


**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 Bracken 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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Dale Appelman
(Print Name)


(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 BRACKEN

Subscribed and sworn to before me by Dale Appelman
(Name)

this 21 day of January, 2022.

Pam Hopkins
NOTARY PUBLIC
State-at-Large

Notary Number: 507310

My Commission expires: March 10, 2022

**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 Bracken 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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Timothy Sweeney
(Print Name)

Timothy A. Sweeney
(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 BRACKEN

Subscribed and sworn to before me by Timothy Sweeney
(Name)

this 21 day of January, 2022.

Pam Hopkins
NOTARY PUBLIC
State-at-Large

Notary Number: 507310

My Commission expires: March 10, 2022

**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 Bracken 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.
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Louie King
(Print Name)

Louie King
(Signed)

Treasurer
(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 BRACKEN

Subscribed and sworn to before me by Louie King
(Name)

this 24 day of January, 20 22.

Pam Hopkins
NOTARY PUBLIC
State-at-Large

Notary Number: 507310

My Commission expires: March 10, 2022

EXHIBIT K

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
BRACKEN COUNTY WATER DISTRICT AUTHORIZING AN
APPLICATION TO THE KENTUCKY PUBLIC SERVICE COMMISSION
FOR AUTHORITY TO ADJUST RATES FOR WATER SERVICE**

WHEREAS, Bracken County Water District is a water district created pursuant to the provisions of KRS Chapter 74;

WHEREAS, pursuant to KRS 278.015, the Kentucky General Assembly has declared water districts to be public utilities and subject to the jurisdiction of the Kentucky Public Service Commission in the same manner and to the same extent as any other utility as defined in KRS 278.010;

WHEREAS, on January 27, 2021, in Case No. 2020-00271, the Kentucky Public Service Commission ordered Bracken County Water District to file an application for rate adjustment within one year;

WHEREAS, Bracken District has conducted a rate review using the ratemaking methodology that the Kentucky Public Service Commission has historically employed for water districts to establish the appropriate level of revenue from its rates for water service and that review indicates that Bracken County Water District's present rates for water service are producing less than the level of revenue required to meet Bracken County Water District's operating expenses, service its debt obligations and provide for adequate working capital and that an increase in Bracken County Water District's current rates for water service is necessary to obtain the appropriate level of revenue to ensure adequate and reliable service;

WHEREAS, Bracken County Water District proposes to adjust its rates for water service to produce the appropriate level of revenue to ensure adequate and reliable service to persons within its territory and to reflect the actual cost of providing water service;

WHEREAS, given the size of the increase shown necessary by the rate review, the proposed increase should be implemented in phases;

WHEREAS, the rates set forth in Exhibit A to this Resolution are the rates that, based upon Bracken County Water District's adjusted operations for the year ending December 31, 2020, will produce the appropriate level of revenue upon completion of their phase-in;

WHEREAS, Bracken County Water District has examined the costs necessary to perform a standard meter connection and found that those costs exceed the current fee that Bracken County Water District assesses for such service and should be adjusted to the standard meter connection fee set forth in Exhibit A to this Resolution to permit Bracken County Water District to recover an its costs to make a meter connection, and,

WHEREAS, KRS 278.180 and 807 KAR 5:076 require Bracken County Water District to serve notice of its proposed rate adjustment on and to make application for rate adjustment to the Kentucky Public Service Commission;

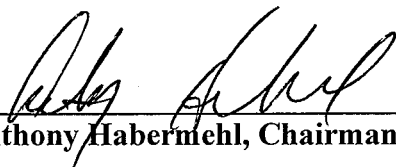
NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF BRACKEN COUNTY WATER DISTRICT AS FOLLOWS:

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 Chairman is authorized and directed to take all actions reasonably necessary to apply to the Kentucky Public Service Commission, pursuant to 807 KAR 5:076, for authority to adjust Bracken County Water District's rates for water service to those set forth in Exhibit A to this Resolution.

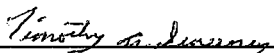
Section 3. The Chairman, or his designated agent, is hereby authorized and directed to execute an application to the Kentucky Public Service Commission necessary to obtain an adjustment of rates for retail water service.

ADOPTED BY THE BOARD OF COMMISSIONERS OF BRACKEN COUNTY WATER DISTRICT at a meeting held on January 19, 2022, signed by the Chairman, and attested by the Secretary.



Anthony Habermehl, Chairman

ATTEST:



Timothy Sweeney, Secretary

EXHIBIT A

**EXHIBIT TO A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF BRACKEN COUNTY WATER DISTRICT DATED JANUARY 19, 2022**

PHASE I

(Effective upon Public Service Commission approval or six months after filing of Application)

First 2,000 gallons and Minimum Bill	\$29.98 Minimum Bill
Next 38,000 gallons	0.01145 Per Gallon
Over 40,000 gallons	0.00908 Per Gallon
Wholesale Rate	0.00436 Per Gallon
Bulk Sales: Loading Stations	10.25 Per 1,000 Gallons

5/8-Inch Standard Meter Connection Fee \$1,380.00

Multiple Users Billed at \$29.98 per unit

PHASE II

(Effective One Year After Public Service Commission approval of Phase I Rates)

First 2,000 gallons and Minimum Bill	\$32.07 Minimum Bill
Next 38,000 gallons	0.01225 Per Gallon
Over 40,000 gallons	0.00972 Per Gallon
Wholesale Rate	0.00467 Per Gallon
Bulk Sales: Loading Stations	11.00 Per 1,000 Gallons

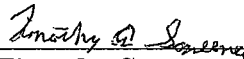
5/8-Inch Standard Meter Connection Fee \$1,380.00

Multiple Users Billed at \$32.07 per unit

CERTIFICATION

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bracken County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Commissioners of the Bracken County Water District at a meeting duly held on January 19, 2022; that said official action appears as a matter of public record in Bracken County Water District's official records or journal; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

WITNESS my hand this 19th day of January 2022.



Timothy Sweeney, Secretary

EXHIBIT L

COMPLIANCE WITH 807 KAR 5:076, SECTION 5

In accordance with 807 KAR 5:076, Section 5(2)(b), Bracken County Water District has caused the notice on the next page to be published in a prominent manner in *The Bracken County News*, a newspaper of general circulation in Bracken County Water District's service area, once a week for three (3) consecutive weeks, beginning January 27, 2022.

In accordance with 807 KAR 5:076, Section 5(1)(a), Bracken County Water District has post at its offices a copy of the notice on the next page as of January 27, 2022.

As of January 27, 2022, in accordance with 807 KAR 5:076, Section 5(1)(b), Bracken County Water District has post on its website a copy of the notice on the next page and a hyperlink to the location on the Public Service Commission's website where the case documents are available.

NOTICE

On or about January 27, 2022, Bracken County Water District will file an application with the Kentucky Public Service Commission to adjust its monthly rates for water service. Bracken County Water District is making this application to comply with the Kentucky Public Service Commission’s Order of January 27, 2021 in Case No. 2020-00271. Bracken County Water District’s application will be filed pursuant to the procedures set forth in 807 KAR 5:076. Under those procedures, the proposed rates may not be placed into effect until the Kentucky Public Service Commission has issued an order approving the proposed rates or six (6) months from the date of the filing of the application, whichever occurs first.

Bracken County Water District proposes to adjust its rates for monthly water service in two phases. Phase 1 rates will become effective upon the Kentucky Public Service Commission’s approval. Phase 2 rates will become effective one year later. The proposed rates for water service are as follows:

PHASE 1				
	Present Rate	Proposed Rate	Change (\$)	Change (%)
First 2,000 Gallons	\$27.89 Minimum Bill	\$29.98 Minimum Bill	\$2.09	7.49
Next 38,000 Gallons	0.01065 Per Gallon	0.01145 Per Gallon	0.00080 Per Gallon	7.51
Over 40,000 Gallons	0.00845 Per Gallon	0.00908 Per Gallon	0.00063 Per Gallon	7.46
Wholesale	0.00406 Per Gallon	0.00436 Per Gallon	0.00030 Per Gallon	7.39
Bulk Sales	9.50 Per 1,000 Gallons	10.25 Per 1,000 Gallons	\$0.75 Per 1,000 Gallons	7.89
Multiple Users Minimum	\$27.89 Per Unit	\$29.98 Per Unit	\$2.09	7.49
PHASE 2				
	Present Rate	Proposed Rate	Change (\$)	Change (%)
First 2,000 Gallons	\$ 27.89 Minimum Bill	\$ 32.07 Minimum Bill	\$4.18	14.99
Next 38,000 Gallons	0.01065 Per Gallon	0.01225 Per Gallon	0.00160 Per Gallon	15.02
Over 40,000 Gallons	0.00845 Per Gallon	0.00972 Per Gallon	0.00127 Per Gallon	15.03
Wholesale	0.00406 Per Gallon	0.00467 Per Gallon	0.00061 Per Gallon	15.02
Bulk Sales	9.50 Per 1,000 Gallons	11.00 Per 1,000 Gallons	\$1.50 Per 1,000 Gallons	15.79
Multiple Users Minimum	\$27.898 Per Unit	\$32.07 Per Unit	\$4.18	14.99

If the Public Service Commission approves the proposed water rate, the increase in a customer’s monthly bill will be:

Customer	Average Usage (gals)	Monthly Bill at Current Rate	Monthly Bill at Phase 1 Rate	Monthly Bill Increase (%)	Monthly Bill at Phase 2 Rate	Monthly Bill Increase (%)
Retail Customer	3,770	\$ 46.74	\$ 50.28	7.57	\$ 53.93	15.38
Wholesale Customer	642,650	\$ 2,609.16	\$ 2,801.95	7.39	\$ 3,001.18	15.02

Bracken County Water District also proposes to increase its service meter connection fee for 5/8-inch meter connections from \$750 to \$1,380, an increase of \$630 or 84 percent:

The Kentucky Public Service Commission has established Case No. 2021-00415 to review Bracken County Water District's application. Any person may examine this application at Bracken County Water District's office, 1324 Brooksville- Germantown Road, Brooksville, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or at the Kentucky Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's Web site at <https://psc.ky.gov/Case/ViewCaseFilings/2021-415>.

Comments regarding the application may be submitted to the Kentucky Public Service Commission through the Commission's Web Site at <http://psc.ky.gov> or by e-mail to psc.info@ky.gov or by mail to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

The rates contained in this notice are the rates proposed by Bracken County Water District. However, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for intervention to the Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the person's status and interest. If the Kentucky Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of notice, it may take final action on the proposed rates.

Bracken County Water District
First Publication Date: January 27, 2022

EXHIBIT M

**AVERAGE METER CONNECTION EXPENSE
COST JUSTIFICATION**

Name of Utility BRACKEN COUNTY WATER DISTRICT DIV I & II

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch 3/4-Inch 1-Inch 1 1/2 -Inch 2-Inch

Other (specify) _____

B. Materials Expense

		<u>Unit Quantity</u>	<u>Cost</u>	<u>Total Cost</u>
1.	Water Meter	<u>1</u>	<u>67.50</u>	<u>67.50</u>
2.	Meter Yoke	<u>1</u>	<u>266.54</u>	<u>266.54</u>
3.	Corporation Stop	<u>1</u>	<u>64.95</u>	<u>64.95</u>
4.	Meter Box and Top	<u>1</u>	<u>99.94</u>	<u>99.94</u>
5.	Miscellaneous Fittings	<u>1</u>	<u>45.36</u>	<u>45.36</u>
6.	Other (Itemize)			
	<u>ENCODER</u>	<u>1</u>	<u>235.69</u>	<u>235.69</u>
	<u>TAPPING SADDLE</u>	<u>1</u>	<u>67.29</u>	<u>67.29</u>
	_____	_____	_____	_____
	TOTAL MATERIALS EXPENSE			\$ <u>847.27</u>
	(add total cost)			

C. Service Pipe Expense

Type of Service Pipe CTS Size of Service Pipe .75"

	<u>Unit Quantity</u>	<u>Cost</u>	<u>Total Cost</u>
1. Short Side Service	<u>20</u>	<u>.35/ft</u>	<u>7.00</u>
2. Long Side Service	<u>80</u>	<u>.35/ft</u>	<u>28.00</u>
AVERAGE SERVICE PIPE EXPENSE (add total cost and divide by 2)			<u>\$ 17.50</u>

D. Installation Labor Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>5</u>	<u>31.62</u>	<u>158.10</u>
2. Long Side Service	<u>7</u>	<u>31.62</u>	<u>221.34</u>
AVERAGE INSTALLATION LABOR EXPENSE (add total cost and divide by 2)			<u>\$189.72</u>

E. Installation Equipment Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>3</u>	<u>50.00</u>	<u>150.00</u>
2. Long Side Service	<u>5</u>	<u>60.00</u>	<u>300.00</u>
AVERAGE INSTALLATION EQUIPMENT EXPENSE (add total cost and divide by 2)			<u>\$225.00</u>

F. Installation Miscellaneous Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Inspection	<u>1</u>	<u>31.62</u>	<u>31.62</u>
2. Site Clean-Up	<u>1.5</u>	<u>31.62</u>	<u>47.43</u>
3. Other			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

AVERAGE INSTALLATION MISCELLANEOUS EXPENSE \$79.05
(add total cost)

G. Overhead Expense

1. Installation expense (\$ _____) times
overhead rate (____%) \$ 0

H. Administrative Expense

1. Office expense for establishing a new account
and billing record. \$ 24.66

I. Total Expenses

Materials Expense	<u>\$847.27</u>
Service Pipe Expense	<u>17.50</u>
Installation Labor Expense	<u>189.72</u>
Installation Equipment Expense	<u>225.00</u>
Installation Miscellaneous Expense	<u>79.05</u>
Overhead Expense	_____
Administrative Expense	<u>24.66</u>

TOTAL CONNECTION EXPENSE \$1383.20

Employee Wage Cost Calculations

Employee Position	Hourly Wage	Average Hourly Wage	Average Overtime Wage
Operations:			
Maintenance Worker	17		
Maintenance Administrator	24.69		
Total	\$41.69	\$ 20.85	\$ 31.27

Administration:			
Office Manager	\$ 24.72		
Office Assistant	\$ 17.00		
Office Assistant	\$ 16.00		
Total	\$ 57.72	\$ 19.24	\$ 30.78

Employee Benefit Costs

Benefit	% of Wages
Workers Comp	2.53
FICA Taxes	6.20
Medicare	1.45
Utility Responsibility	10.18

Health Insurance

Annual Health Insurance Premium	\$ 35,982.89	
Divided By Test Period Reg Hours	10,400.00	
Health Insurance Cost Per Hr		\$ 3.46

Life Insurance

Annual Life Insurance Premium	\$ 502.80	
Divided By Test Period Reg Hours	10,400.00	
Life Insurance Cost Per Hr		\$ 0.05

Accident Insurance

Annual Accident Insurance Premium	\$ 1,490.45	
Divided By Test Period Reg Hours	10,400.00	
Accident Insurance Cost Per Hr		\$ 0.14

Benefits Calculations:

Operational (20.85 x 10.18%)	\$2.12
Administrative (\$19.24 x 10.18%)	\$1.96

Average Hourly Wage w/ Benefits

Operational	\$26.62	\$38.10
Administrative	\$24.66	\$35.45

EXHIBIT N

EXHIBIT N-1

(SPREADSHEET FORMAT ONLY)

EXHIBIT N-2

(SPREADSHEET FORMAT ONLY)

EXHIBIT N-3

(SPREADSHEET FORMAT ONLY)

EXHIBIT O

EXHIBIT O-1

BRACKEN COUNTY WATER DISTRICT

Trial Balance

01/25/22

As of December 31, 2020

Accrual Basis

	Dec 31, 20	
	Debit	Credit
131. · CASH		0.00
131. · CASH:131.2 · CASH IN BANK 005-201-9		137,040.22
131. · CASH:131.21 · CASH -78131413		775,117.24
131. · CASH:131.22 · 78-138868		164.07
131. · CASH:131.22 · 78-138868:131.22A · AUGUSTA BERLIN & SHORT ROADS		55,177.70
131. · CASH:131.22 · 78-138868:131.22B · HWY 10&19/MM PIT - INTERCONNECT		2,060.88
131. · CASH:131.23 · CASH - 874000619		100,287.23
131. · CASH:1313 · CASH-CD# 2576700		259,404.33
131. · CASH:1337 · ACCOUNT 78137586		0.00
132. · SPECIAL DEPOSITS		0.00
132. · SPECIAL DEPOSITS:132.1 · RESERVE FOR KIA BOND		0.00
132. · SPECIAL DEPOSITS:132.2D · SINKING FUND KRWFC 2007D SERIES		0.00
132. · SPECIAL DEPOSITS:132.2E · SINKING FUND KRWFC 2020E SERIES	187,230.47	
132. · SPECIAL DEPOSITS:132.2G · SINKING FUND KRWFC 2020G SERIES	10,535.00	
132. · SPECIAL DEPOSITS:132.4 · CUSTOMER DEPOSITS 0052167	75,261.80	
132. · SPECIAL DEPOSITS:132.7 · CONSTRUCTION ACCOUNT 0052217	45,558.21	
132. · SPECIAL DEPOSITS:1321 · RESERVE KY INFRASTRUCTURE		0.00
132. · SPECIAL DEPOSITS:1322 · CASH-CD # 11310		0.00
132. · SPECIAL DEPOSITS:1323 · CASH-MAINT. RES.		0.00
132. · SPECIAL DEPOSITS:1325 · SOUTHWESTERN PROJECT78-131592		0.00
132. · SPECIAL DEPOSITS:1328 · KIA CONST. FUNDS AVAILABLE		0.00
132. · SPECIAL DEPOSITS:133.1 · SCHG DIV 1 78-13028-0		0.00
132. · SPECIAL DEPOSITS:133.3 · F02-10 SINKING FUND 874000615	24,443.35	
132. · SPECIAL DEPOSITS:133.4 · F02-10 DEPR.RESERVE 874000616	37,547.18	
132. · SPECIAL DEPOSITS:133.5 · USDA SINKING FUND 874000617	11,013.62	
132. · SPECIAL DEPOSITS:133.5 · USDA SINKING FUND 874000617:133.5A · USDA...	5,074.91	
132. · SPECIAL DEPOSITS:133.5 · USDA SINKING FUND 874000617:133.5B · USDA ...	86,143.19	
132. · SPECIAL DEPOSITS:133.6 · USDA DEPR RESERVE 874000618		0.00
132. · SPECIAL DEPOSITS:133.6 · USDA DEPR RESERVE 874000618:133.6A · USD...		0.00
132. · SPECIAL DEPOSITS:133.6 · USDA DEPR RESERVE 874000618:133.6B · USD...	14,292.30	
132. · SPECIAL DEPOSITS:133.7 · 78-146895		42.27
132. · SPECIAL DEPOSITS:133.7 · 78-146895:133.7A · DEPR.RES. AUG/BERLIN 78-...	13,454.24	
132. · SPECIAL DEPOSITS:133.7 · 78-146895:133.7B · DEPR. RESERVE KY 10 & 19/...	4,200.00	
132. · SPECIAL DEPOSITS:133.8 · DEPR. RES. SHORT RD 78-146887	12,040.73	
132. · SPECIAL DEPOSITS:133.9 · CONST. FUND SUPPLY LINE PROJECT	1,000,958.26	
1330 · OTHER SPECIAL DEPOSITS:1332 · SCHG DIV 2 78-13027-9		0.00
1330 · OTHER SPECIAL DEPOSITS:1338 · DELISLE CURVE DEPR. RESERVE		0.00
134. · WORKING FUNDS		360.00
141. · ACCOUNTS RECEIVABLE		0.00
1000 · FIXED ASSETS:1013 · UTILITY TRUCK		0.00
1000 · FIXED ASSETS:1014 · WATER TANK CHATHAM		0.00
1000 · FIXED ASSETS:1015 · WATER TOWER		0.00
101. · UTILITY PLANT IN SERVICE		0.00
1011 · WATER TREATMENT FACILITY		0.00
141.2 · UNBILLED REVENUE	90,483.65	
141.3 · A/R other	1,241.00	
1411 · CUSTOMER ACCOUNTS RECEIVABLE	154,069.11	
143. · ACC.PROV./UNCOLLECTIBLE ACC--CR		8,091.61
143. · ACC.PROV./UNCOLLECTIBLE ACC--CR:143.1 · RESERVE FOR DELINQUE...		0.00
1499 · Undeposited Funds		0.00
162 · Prepaid Insurance	15,445.21	
1741 · A/R LINE EXT RIGGS		0.00

BRACKEN COUNTY WATER DISTRICT

01/25/22

Trial Balance

Accrual Basis

As of December 31, 2020

	Dec 31, 20	
	Debit	Credit
105. · CONSTRUCTION WORK IN PROGRESS	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1067 SNAG CREEK MELDAHL DAM	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1051 · 2020 ADD ON ROADS	340,647.07	
105. · CONSTRUCTION WORK IN PROGRESS:1052 · G-TOWN PHASE IIB&IIC	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1053 · CROSS COUNTRY LINE	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1054 · COURTS HILL PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1055 · HWY 1159 RELOCATION - S...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1056 · BILL WILSON/NEW ZION RD	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1057 · BERLIN/LENOXBURG PRO...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1058 · SOUTHWESTERN PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1059 · HWY 19 STATE PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1060 · DELISLE CURVE PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1061 · OFFICE/STORAGE BUILDI...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1062 · BUSER RIDGE PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1063 · DELISLE CURVE PHASE II	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1064 · WILSON RD PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1065 · DELISLE CURVE PHASE III	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1066 · COOPER LANE PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1068 · SHORT ROADS/AUGUSTA B...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1069 · WELLSBURG CAMP LINE E...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1070 · FLORENCE LANE PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1071 · HWY 1159 RELOCATION P...	20.00	
105. · CONSTRUCTION WORK IN PROGRESS:1071A · EASEMENT EXP. STATE R...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1072 · KY 10&19/MM PIT/INTER C...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1073 · A/C LINE REPLACEMENT P...	4,388,457.16	
105. · CONSTRUCTION WORK IN PROGRESS:1074 · HILLSDALE/FEGAN RIDGE...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1075 · SUPPLY LINE PROJECT @ ...	144.00	
108. · ACCUMULATED DEPRECIATION	24,075.00	
108. · ACCUMULATED DEPRECIATION:108.1 · ACCUMULATED DEPRECIATION		6,846,646.00
108. · ACCUMULATED DEPRECIATION:3461 · SINKING FUND ASSET	0.00	
108. · ACCUMULATED DEPRECIATION:3462 · AUDIT REPORT ASSET PLUG	0.00	
301. · ORGANIZATION:301.1 · ORGANIZATION INTANGIBLE PLANT	1,122.00	
303. · LAND AND LAND RIGHTS:303.4 · LAND&LAND RIGHTS DIST. PLANT	3,500.00	
303. · LAND AND LAND RIGHTS:303.5 · LAND &LAND RIGHTS GENERAL PLANT	14,490.00	
304. · STRUCTURES AND IMPROVEMENTS:304.4 · STRUCTURES & IMPROVEM...	384,312.31	
304. · STRUCTURES AND IMPROVEMENTS:304.5 · STRUCTURES &IMPROVEM...	13,485.84	
305. · COLLECTING&IMPOUNDING RESERVOIR:305.2 · COLLECTING&IMPOU...	36,900.00	
307. · WELLS AND SPRINGS:307.2 · WELLS & SPRINGS SOURCE OF SUPPL	110,873.00	
310. · POWER GENERATION EQUIP-SOURCE:310.2 · POWER GENERATION EQ...	376,742.00	
311 · PUMPING EQUIPMENT:311.4 · PUMPING EQUIP TRANS & PLANT	58,671.00	
320. · WATER TREATMENT EQUIPMENT:320.3 · WATER TREATMENT EQUIPM...	4,060.00	
330. · DIST. RESERVOIRS & STANDPIPES	539,051.70	
331. · TRANSMISSION & DIST MAINS	0.00	
331. · TRANSMISSION & DIST MAINS:331.4 · TRANS & DIST. MAINS-PLANT	14399050.57	
334. · METERS AND METER INSTALLS	0.00	
334. · METERS AND METER INSTALLS:334.4 · METERS & METER INSTALLS PL...	925,233.74	
336.4 · BACKFLOW PREVENTION DEVICES	3,260.00	
339. · OTHER PLANT & MISC. EQUIPMENT	0.00	
339. · OTHER PLANT & MISC. EQUIPMENT:339.4 · OTHER PLANT & MISC. EQU...	59,685.24	
340. · OFFICE FURNITURE AND EQUIPMENT:340.5 · OFFICE FURNITURE &EQ...	143,393.81	
341. · TRANSPORTATION EQUIPMENT:341.5 · TRANSPORTATION EQUIP. GEN...	133,388.86	
343. · TOOLS,SHOP & GARAGE EQUIP.:343.5 · TOOLS,SHOP & GARAGE EQUIP...	48,648.89	

BRACKEN COUNTY WATER DISTRICT

01/25/22

Trial Balance

Accrual Basis

As of December 31, 2020

	Dec 31, 20	
	Debit	Credit
345. · POWER OPERATED EQUIPMENT:345.5 · POWER OPERATED EQUIP. GEN...	104,207.84	
346. · COMMUNICATION EQUIPMENT:346.5 · COMMUNICATION EQUIPMENT...	110,779.10	
151. · PLANT MATERIALS & SUPPLIES	64,562.98	
186. · MISC. DEFERRED DEBITS:1862 · BOND ISSUE COST	99,505.00	
186. · MISC. DEFERRED DEBITS:1863 · MERGER COST	0.00	
186. · MISC. DEFERRED DEBITS:1864 · KU LINE DEPOSIT REFUND	0.00	
231. · Accounts Payable	0.00	
231. · Accounts Payable:2309 · OTHER PAYABLES	0.00	
231.1 · OTHER. PAYABLES		90,994.62
231.1 · OTHER. PAYABLES:231.2 · DEPR RESERVE TREATMENT PLANT	0.00	
231.1 · OTHER. PAYABLES:231.4 · OUTSTANDING CHECKS		245.26
2313 · ROB MILLBORN TAP REFUND PAY.	0.00	
2315 · KBK PARTNERSHIP PIPE DEPOSIT	0.00	
2316 · WILSON FARM PROJECT PIPE DEP.	0.00	
2317 · HAROLD & JOYCE PERKINS PIPE DEP	0.00	
2318 · STEVE KLUMP PIPE DEPOSIT	0.00	
232. · NOTES PAYABLE:232.1 · KRWFC NOTE PAYABLE	0.00	
235. · CUSTOMER DEPOSITS		74,850.00
236. · ACCRUED TAXES	0.00	
236. · ACCRUED TAXES:236.6 · SALES TAX		253.66
236. · ACCRUED TAXES:236.7 · UTILITY TAX		3,709.67
236. · ACCRUED TAXES:236.8 · SOCIAL SECURITY EMPLOYER	0.01	
236. · ACCRUED TAXES:236.9 · MEDICARE EMPLOYER	0.01	
2365 · CITY TAX	0.00	
237. · ACCRUED INTEREST:237.1D · ACCRUED INT ON LONG-TERM DEBT		29,217.78
2372 · DELISLE CURVE FUNDS	0.00	
2373 · OFFICE/STORAGE BLDG FUNDS	0.00	
2377 · 2009 CHEVY NOTE PAYABLE	0.00	
2378 · 2008 EXCAVATOR NOTE PAYABLE	0.00	
241. · TAX COLLECTIONS PAYABLE	122.16	
241. · TAX COLLECTIONS PAYABLE:236.1 · FICA TAX PAYABLE	0.01	
241. · TAX COLLECTIONS PAYABLE:236.2 · MED. TAX PAYABLE	0.01	
241. · TAX COLLECTIONS PAYABLE:236.3 · FEDERAL WITHHOLDING	0.00	
241. · TAX COLLECTIONS PAYABLE:236.4 · STATE WITHHOLDING		711.00
242. · MISC. CURRENT & ACCRUED LIAB.:242.1 · Accrued Wages		7,012.39
242. · MISC. CURRENT & ACCRUED LIAB.:242.2 · Accrued Vacation		15,962.79
242. · MISC. CURRENT & ACCRUED LIAB.:242.3 · EMPLOYEE HEALTH INS.-TA...	0.00	
224. · OTHER LONG TERM DEBT	0.00	
224. · OTHER LONG TERM DEBT:2241 · BONDS PAYABLE KIA	0.00	
224. · OTHER LONG TERM DEBT:2242 · UNAMORTIZED BOND PREMIUM		249,069.15
224. · OTHER LONG TERM DEBT:2243 · NOTE PAYABLE 1ST NATIONAL	0.00	
224. · OTHER LONG TERM DEBT:2244 · BOND ISSUE LOSS	0.00	
224. · OTHER LONG TERM DEBT:2245 · BTADD NOTE PAYABLE	0.00	
224. · OTHER LONG TERM DEBT:2246 · BERLIN KIA NOTE PAYABLE		232,216.03
224. · OTHER LONG TERM DEBT:2248 · BACKHOE NOTE PAYABLE	0.00	
224. · OTHER LONG TERM DEBT:2249 · RD NOTE PAYABLE 91-06 S/W PROJE	0.00	
224. · OTHER LONG TERM DEBT:2250 · KRWFC INTERIM FINANCING	0.00	
224. · OTHER LONG TERM DEBT:2251 · 91-08 RD NOTE PAYABLE A/C PROJE		3,427,000.00
224. · OTHER LONG TERM DEBT:2258 · KRWFC REFINANCE SERIES 2020 E		2,090,000.00
224. · OTHER LONG TERM DEBT:2259 · KRWFC SUPPLY LINE PROJECT		985,000.00
224. · OTHER LONG TERM DEBT:2260 · KRWFC BONDS PAYABLE 2007	0.00	
224. · OTHER LONG TERM DEBT:2262 · CITY OF AUGUSTA UNDERCHARGE	0.00	

BRACKEN COUNTY WATER DISTRICT

01/25/22

Trial Balance

Accrual Basis

As of December 31, 2020

	Dec 31, 20	
	Debit	Credit
224. · OTHER LONG TERM DEBT:2263 · C11-01 KIA -AUGUSTA BERLIN		444,439.12
224. · OTHER LONG TERM DEBT:2264 · B10-10 KIA SHORT ROADS PROJECT		61,386.70
224. · OTHER LONG TERM DEBT:2265 · B15-002 HWY10&19/MM PIT PROJECT		287,961.58
252 · WELLSBURG CAMPGROUND	0.00	
Opening Bal Equity	0.00	
215. · UNAPPROPRIATED RETAINED EARNING	0.00	
215.1 · RETAINED EARNINGS BEFORE CONTRI		4,698,195.79
215.2 · DONATED CAPITAL		43,450.99
215.2 · DONATED CAPITAL:2712 · FED. GRANTS IN AID OF CONST.		566,500.00
215.2 · DONATED CAPITAL:2721 · STATE GRANT IN AID OF CONST.		1,328,222.66
215.2 · DONATED CAPITAL:2722 · CUSTOMER CONTR. CONT. CAPITAL		589,939.00
215.2 · DONATED CAPITAL:2723 · RESERVES		62,555.00
215.2 · DONATED CAPITAL:2727 · DELISLE CURVE PHASE II FUNDS		1,410,500.00
215.2 · DONATED CAPITAL:2728 · DELISLE CURVE PHASE III FUNDS		1,250,000.00
215.2 · DONATED CAPITAL:2729 · KIA - SHORT ROADS PROJECT		380,000.00
215.2 · DONATED CAPITAL:2730 · KIA-WEST END FEED PROJECT		100,000.00
215.2 · DONATED CAPITAL:2731 · HWY 1159 DOT DONATED CAPITAL	0.00	
215.8 · PRIOR PERIOD ADJUSTMENT	115,472.53	
2651 · SINKING FUND RESERVE	0.00	
2652 · DEPRECIATION RESERVE	0.00	
2711 · TAP ON FEES - CUSTOMERS	0.00	
2713 · AA HIGHWAY GRANTS	0.00	
2714 · CROSS COUNTRY GRANT	0.00	
2715 · HWY 1159 RELOCATION FUNDS-STATE	0.00	
2716 · BILL WILSON/NEW ZION PROJECT	0.00	
2717 · SOUTHWESTERN PROJECT TAP FEES	0.00	
2718 · HWY 19 STATE PROJECT	0.00	
2720 · SOUTHWESTERN PROJECT FUNDS	0.00	
2724 · CONTIBUTED CAPITAL - KIA	0.00	
2725 · DELISLE CURVE TAP FEES	0.00	
2726 · DELISLE CURVE PHASE II TAP FEES	0.00	
418 · BOND PREMIUM AMORTIZATION		10,829.00
419. · INTEREST AND DIVIDEND INCOME		39,194.37
421. · NONUTILITY INCOME:421.8 · MISC. INCOME		7,464.69
433 · UNAMORTIZED BOND PREMIU,	0.00	
461. · METERED WATER REVENUE:461.1 · METERED SALES TO RESIDENTIAL ...		1,585,435.97
461. · METERED WATER REVENUE:461.2 · METERED SALES TO COMMERCIA...		41,630.04
461. · METERED WATER REVENUE:461.6 · LOADING STATION		902.25
466. · SALES FOR RESALE		65,131.11
471. · MISC. SERVICE REVENUE:4211 · PENALTIES		4,558.74
471. · MISC. SERVICE REVENUE:4212 · TURN ON FEE		9,680.00
471. · MISC. SERVICE REVENUE:4213 · RECONNECT FEE		2,280.00
471. · MISC. SERVICE REVENUE:4215 · RET.CHECK CHARGE		600.00
471. · MISC. SERVICE REVENUE:4216 · FIELD CHARGE		240.00
471. · MISC. SERVICE REVENUE:4217 · DISCOUNTS EARNED		74.08
471. · MISC. SERVICE REVENUE:4218 · SERVICE TERM. FIELD COLLECTION		160.00
471. · MISC. SERVICE REVENUE:4219 · AFTER HOURS RECONNECT FEE		160.00
471. · MISC. SERVICE REVENUE:4221 · CUSTOMER TAP FEES		37,571.61
403. · DEPRECIATION EXP.	309,868.00	
408. · TAXES OTHER THAN INCOME:408.12 · EMPLOYER SOCIAL SECURITY	16,759.45	
434 · BOND ISSUANCE COSTS	4,325.76	
601 · SALARIES & WAGES		8,060.88

BRACKEN COUNTY WATER DISTRICT

Trial Balance

01/25/22

As of December 31, 2020

Accrual Basis

	Dec 31, 20	
	Debit	Credit
601 · SALARIES & WAGES:601.6 · DISTRIBUTION MAINT. SALARIES	97,409.92	
601 · SALARIES & WAGES:601.7 · ACCOUNT & COLLECTIONS SALARIES	52,286.68	
601 · SALARIES & WAGES:601.8 · ADMINISTRATION & GEN. SALARIES	52,941.73	
601 · SALARIES & WAGES:603.8 · OFFICERS SALARIES	18,200.00	
604 · EMPLOYEE PENSIONS AND BENEFITS:604.6 · EMPLOYEE BENEFITS- MA...	18,917.62	
604 · EMPLOYEE PENSIONS AND BENEFITS:604.7 · EMPLOYEE BENEFITS-CU...	12,783.54	
604 · EMPLOYEE PENSIONS AND BENEFITS:604.8 · EMPLOYEE BENEFITS - A...	13,217.85	
610.1 · PURCHASED WATER	376,331.93	
6105 · WESTERN MASON PURCHASE WATER	5,957.87	
615.0 · PURCHASED POWER:615.5 · ELECTRICITY	44,012.85	
615.0 · PURCHASED POWER:615.7 · OFFICE ELECTRICITY	1,842.26	
620 · MATERIALS AND SUPPLIES:620.6 · MATERIALS & SUPPLIES	34,998.22	
620 · MATERIALS AND SUPPLIES:620.7 · CUSTOMER ACCT.'S EXPENSE	16,165.36	
620 · MATERIALS AND SUPPLIES:620.8 · ADMIN & GENERAL EPXENSES	43,626.18	
632 · CONTR SERVICES - ACCOUNTING:632.8 · ADMIN & GENERAL ACCOUNT...	11,750.00	
633 · CONTRACTUAL SERVICES-LEGAL:633.8 · LEGAL SERVICES	4,565.75	
635.6 · WATER ANALYSIS FEE	4,147.50	
636 · CONTRACTUAL SERVICES - OTHER:636.5 · OPERATIONS	150.00	
636 · CONTRACTUAL SERVICES - OTHER:636.6 · MAINTENANCE	47,219.75	
636 · CONTRACTUAL SERVICES - OTHER:636.8 · ADMIN & GENERAL EXPENSES	29,817.44	
650 · TRANSPORTATION EXPENSE:650.6 · TRANS. EXP. - MAINT.	11,525.24	
657 · INSURANCE - GENERAL LIABILITY:657.8 · ADMIN & GENERAL -LIABILI...	21,608.88	
658 · INSURANCE-WORKER'S COMP.:658.6 · WORK COMP INS -MAINTENANCE	5,294.61	
658 · INSURANCE-WORKER'S COMP.:658.7 · WORK COMP - ACCOUNT EXPEN...	278.10	
658 · INSURANCE-WORKER'S COMP.:658.8 · WORK COMP-ADMIN & GENERAL	434.77	
659 · INSURANCE - OTHER:659.7 · INSURANCE OTHER - ACCOUNTS EXP.	814.44	
659 · INSURANCE - OTHER:659.8 · INSURANCE OTHER - ADMIN & GEN.	4,105.11	
660.8 · ADVERTISING & PRINTING	299.00	
667.8 · REGULATORY COMM. EXP.	3,545.52	
415 · CIP FLOW THROUGH ACCOUNT REPORTABLE HEALTH COVERAGE	0.00	133,098.45
416 · CIP EXPENSE FLOW THRU	133,098.45	
427 · INTEREST EXPENSE	0.05	
427 · INTEREST EXPENSE:427.33 · KIA INT. EXP. F02-10	8,863.11	
427 · INTEREST EXPENSE:427.37 · 91-06 USDA INT.EXP. S/W PROJECT	92,616.31	
427 · INTEREST EXPENSE:427.38 · KRWFC 2020G SUPPLY LINE EXP	29,217.78	
427 · INTEREST EXPENSE:427.39 · KRWFC INT. EXP. 2007D	22,146.13	
427 · INTEREST EXPENSE:427.4 · CUSTOMER DEP.INT. EXP.	71.57	
427 · INTEREST EXPENSE:427.41 · C11-01 KIA-AUG/BERLIN INT EXP	14,701.71	
427 · INTEREST EXPENSE:427.42 · B10-10 KIA-SHORT ROADS PROJECT	2,070.48	
427 · INTEREST EXPENSE:427.43 · B15-002 INT EXP KY10 & 19 & MM	5,850.20	
427 · INTEREST EXPENSE:427.44 · 91-08 RD INT EXP A/C PROJECT	34,856.86	
TOTAL	27231201.99	27231201.99

EXHIBIT O-2

BRACKEN COUNTY WATER DISTRICT

01/25/22

Trial Balance

Accrual Basis

As of December 31, 2021

	Dec 31, 21	
	Debit	Credit
131. · CASH		0.00
131. · CASH:131.2 · CASH IN BANK 005-201-9		107,454.20
131. · CASH:131.21 · CASH -78131413		632,945.48
131. · CASH:131.22 · 78-138868		194.90
131. · CASH:131.22 · 78-138868:131.22A · AUGUSTA BERLIN & SHORT ROADS		50,914.45
131. · CASH:131.22 · 78-138868:131.22B · HWY 10&19/MM PIT - INTERCONNECT		1,800.82
131. · CASH:131.23 · CASH - 874000619		100,307.29
131. · CASH:1313 · CASH-CD# 2576700		261,792.50
131. · CASH:1337 · ACCOUNT 78137586		0.00
132. · SPECIAL DEPOSITS		0.00
132. · SPECIAL DEPOSITS:132.1 · RESERVE FOR KIA BOND		0.00
132. · SPECIAL DEPOSITS:132.2D · SINKING FUND KRWFC 2007D SERIES		0.00
132. · SPECIAL DEPOSITS:132.2E · SINKING FUND KRWFC 2020E SERIES	265,462.81	
132. · SPECIAL DEPOSITS:132.2G · SINKING FUND KRWFC 2020G SERIES	33,612.48	
132. · SPECIAL DEPOSITS:132.4 · CUSTOMER DEPOSITS 0052167	75,760.69	
132. · SPECIAL DEPOSITS:132.7 · CONSTRUCTION ACCOUNT 0052217	404.30	
132. · SPECIAL DEPOSITS:1321 · RESERVE KY INFRASTRUCTURE		0.00
132. · SPECIAL DEPOSITS:1322 · CASH-CD # 11310		0.00
132. · SPECIAL DEPOSITS:1323 · CASH-MAINT. RES.		0.00
132. · SPECIAL DEPOSITS:1325 · SOUTHWESTERN PROJECT78-131592		0.00
132. · SPECIAL DEPOSITS:1328 · KIA CONST. FUNDS AVAILABLE		0.00
132. · SPECIAL DEPOSITS:133.1 · SCHG DIV 1 78-13028-0		0.00
132. · SPECIAL DEPOSITS:133.3 · F02-10 SINKING FUND 874000615	26,141.59	
132. · SPECIAL DEPOSITS:133.4 · F02-10 DEPR.RESERVE 874000616	37,554.69	
132. · SPECIAL DEPOSITS:133.5 · USDA SINKING FUND 874000617	28,009.36	
132. · SPECIAL DEPOSITS:133.5 · USDA SINKING FUND 874000617:133.5A · USDA SI...		0.00
132. · SPECIAL DEPOSITS:133.5 · USDA SINKING FUND 874000617:133.5B · USDA SI...	81,667.32	
132. · SPECIAL DEPOSITS:133.6 · USDA DEPR RESERVE 874000618	2,384.27	
132. · SPECIAL DEPOSITS:133.6 · USDA DEPR RESERVE 874000618:133.6A · USDA D...		0.00
132. · SPECIAL DEPOSITS:133.6 · USDA DEPR RESERVE 874000618:133.6B · USDA D...	26,192.30	
132. · SPECIAL DEPOSITS:133.7 · 78-146895		277.40
132. · SPECIAL DEPOSITS:133.7 · 78-146895:133.7A · DEPR.RES. AUG/BERLIN 78-14...	15,104.24	
132. · SPECIAL DEPOSITS:133.7 · 78-146895:133.7B · DEPR. RESERVE KY 10 & 19/M...	5,025.00	
132. · SPECIAL DEPOSITS:133.8 · DEPR. RES. SHORT RD 78-146887	12,047.17	
132. · SPECIAL DEPOSITS:133.9 · CONST. FUND SUPPLY LINE PROJECT	1,304.66	
1330 · OTHER SPECIAL DEPOSITS:1332 · SCHG DIV 2 78-13027-9		0.00
1330 · OTHER SPECIAL DEPOSITS:1338 · DELISLE CURVE DEPR. RESERVE		0.00
134. · WORKING FUNDS		360.00
141. · ACCOUNTS RECEIVABLE		0.00
1000 · FIXED ASSETS:1013 · UTILITY TRUCK		0.00
1000 · FIXED ASSETS:1014 · WATER TANK CHATHAM		0.00
1000 · FIXED ASSETS:1015 · WATER TOWER		0.00
101. · UTILITY PLANT IN SERVICE		0.00
1011 · WATER TREATMENT FACILITY		0.00
141.2 · UNBILLED REVENUE	90,483.65	
141.3 · A/R other	1,241.00	
1411 · CUSTOMER ACCOUNTS RECEIVABLE	157,497.04	
143. · ACC.PROV./UNCOLLECTIBLE ACC--CR		8,091.61
143. · ACC.PROV./UNCOLLECTIBLE ACC--CR:143.1 · RESERVE FOR DELINQUENTS		0.00
1499 · Undeposited Funds		0.00
162 · Prepaid Insurance	15,925.58	
1741 · A/R LINE EXT RIGGS		0.00

BRACKEN COUNTY WATER DISTRICT

01/25/22

Trial Balance

Accrual Basis

As of December 31, 2021

	Dec 31, 21	
	Debit	Credit
105. · CONSTRUCTION WORK IN PROGRESS	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1067 SNAG CREEK MELDAHL DAM	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1051 · 2020 ADD ON ROADS	340,647.07	
105. · CONSTRUCTION WORK IN PROGRESS:1052 · G-TOWN PHASE IIB&IIC	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1053 · CROSS COUNTRY LINE	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1054 · COURTS HILL PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1055 · HWY 1159 RELOCATION - ST...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1056 · BILL WILSON/NEW ZION RD	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1057 · BERLIN/LENOXBURG PROJE...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1058 · SOUTHWESTERN PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1059 · HWY 19 STATE PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1060 · DELISLE CURVE PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1061 · OFFICE/STORAGE BUILDING	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1062 · BUSER RIDGE PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1063 · DELISLE CURVE PHASE II	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1064 · WILSON RD PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1065 · DELISLE CURVE PHASE III	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1066 · COOPER LANE PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1068 · SHORT ROADS/AUGUSTA BE...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1069 · WELLSBURG CAMP LINE EXT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1070 · FLORENCE LANE PROJECT	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1071 · HWY 1159 RELOCATION PRO...	889.62	
105. · CONSTRUCTION WORK IN PROGRESS:1071A · EASEMENT EXP. STATE RD ...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1072 · KY 10&19/MM PIT/INTER CO...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1073 · A/C LINE REPLACEMENT PR...	4,747,910.67	
105. · CONSTRUCTION WORK IN PROGRESS:1074 · HILLSDALE/FEGAN RIDGE P...	0.00	
105. · CONSTRUCTION WORK IN PROGRESS:1075 · SUPPLY LINE PROJECT @ PL...	999,797.60	
108. · ACCUMULATED DEPRECIATION	24,075.00	
108. · ACCUMULATED DEPRECIATION:108.1 · ACCUMULATED DEPRECIATION		7,151,346.00
108. · ACCUMULATED DEPRECIATION:3461 · SINKING FUND ASSET	0.00	
108. · ACCUMULATED DEPRECIATION:3462 · AUDIT REPORT ASSET PLUG	0.00	
301. · ORGANIZATION:301.1 · ORGANIZATION INTANGIBLE PLANT	1,122.00	
303. · LAND AND LAND RIGHTS:303.4 · LAND&LAND RIGHTS DIST. PLANT	3,500.00	
303. · LAND AND LAND RIGHTS:303.5 · LAND &LAND RIGHTS GENERAL PLANT	14,490.00	
304. · STRUCTURES AND IMPROVEMENTS:304.4 · STRUCTURES & IMPROVEME...	384,312.31	
304. · STRUCTURES AND IMPROVEMENTS:304.5 · STRUCTURES &IMPROVEMEN...	13,485.84	
305. · COLLECTING&IMPOUNDING RESERVOIR:305.2 · COLLECTING&IMPOUN...	36,900.00	
307. · WELLS AND SPRINGS:307.2 · WELLS & SPRINGS SOURCE OF SUPPL	110,873.00	
310. · POWER GENERATION EQUIP-SOURCE:310.2 · POWER GENERATION EQUIP.	376,742.00	
311 · PUMPING EQUIPMENT:311.4 · PUMPING EQUIP TRANS & PLANT	58,671.00	
320. · WATER TREATMENT EQUIPMENT:320.3 · WATER TREATMENT EQUIPME...	4,060.00	
330. · DIST. RESERVOIRS & STANDPIPES	539,051.70	
331. · TRANSMISSION & DIST MAINS	0.00	
331. · TRANSMISSION & DIST MAINS:331.4 · TRANS & DIST. MAINS-PLANT	14399050.57	
334. · METERS AND METER INSTALLS	0.00	
334. · METERS AND METER INSTALLS:334.4 · METERS & METER INSTALLS PLA...	925,233.74	
336.4 · BACKFLOW PREVENTION DEVICES	3,260.00	
339. · OTHER PLANT & MISC. EQUIPMENT	0.00	
339. · OTHER PLANT & MISC. EQUIPMENT:339.4 · OTHER PLANT & MISC. EQUIP...	60,855.24	
340. · OFFICE FURNITURE AND EQUIPMENT:340.5 · OFFICE FURNITURE &EQUI...	171,877.06	
341. · TRANSPORTATION EQUIPMENT:341.5 · TRANSPORTATION EQUIP. GENER...	133,388.86	
343. · TOOLS,SHOP & GARAGE EQUIP.:343.5 · TOOLS,SHOP & GARAGE EQUIP.G...	52,993.84	

BRACKEN COUNTY WATER DISTRICT

Trial Balance

01/25/22

As of December 31, 2021

Accrual Basis

	Dec 31, 21	
	Debit	Credit
345. · POWER OPERATED EQUIPMENT:345.5 · POWER OPERATED EQUIP. GENE...	104,207.84	
346. · COMMUNICATION EQUIPMENT:346.5 · COMMUNICATION EQUIPMENT G...	110,779.10	
151. · PLANT MATERIALS & SUPPLIES	64,562.98	
186. · MISC. DEFERRED DEBITS:1862 · BOND ISSUE COST	99,505.00	
186. · MISC. DEFERRED DEBITS:1863 · MERGER COST	0.00	
186. · MISC. DEFERRED DEBITS:1864 · KU LINE DEPOSIT REFUND	0.00	
231. · Accounts Payable	0.00	
231. · Accounts Payable:2309 · OTHER PAYABLES	0.00	
231.1 · OTHER. PAYABLES		90,994.62
231.1 · OTHER. PAYABLES:231.2 · DEPR RESERVE TREATMENT PLANT	0.00	
231.1 · OTHER. PAYABLES:231.4 · OUTSTANDING CHECKS		245.26
2313 · ROB MILLBORN TAP REFUND PAY.	0.00	
2315 · KBK PARTNERSHIP PIPE DEPOSIT	0.00	
2316 · WILSON FARM PROJECT PIPE DEP.	0.00	
2317 · HAROLD & JOYCE PERKINS PIPE DEP	0.00	
2318 · STEVE KLUMP PIPE DEPOSIT	0.00	
232. · NOTES PAYABLE:232.1 · KRWFC NOTE PAYABLE	0.00	
235. · CUSTOMER DEPOSITS		75,349.78
236. · ACCRUED TAXES	0.00	
236. · ACCRUED TAXES:236.6 · SALES TAX		609.25
236. · ACCRUED TAXES:236.7 · UTILITY TAX		4,701.35
236. · ACCRUED TAXES:236.8 · SOCIAL SECURITY EMPLOYER	0.01	
236. · ACCRUED TAXES:236.9 · MEDICARE EMPLOYER	0.01	
2365 · CITY TAX	0.00	
237. · ACCRUED INTEREST:237.1D · ACCRUED INT ON LONG-TERM DEBT		29,217.78
237. · ACCRUED INTEREST:237.1E · ACCRUED INT ON LONG TERM DEBT	37,900.00	
237. · ACCRUED INTEREST:237.1G · ACCRUED INT ON LONG TERM DEBT.	0.00	
2372 · DELISLE CURVE FUNDS	0.00	
2373 · OFFICE/STORAGE BLDG FUNDS	0.00	
2377 · 2009 CHEVY NOTE PAYABLE	0.00	
2378 · 2008 EXCAVATOR NOTE PAYABLE	0.00	
241. · TAX COLLECTIONS PAYABLE		115.12
241. · TAX COLLECTIONS PAYABLE:236.1 · FICA TAX PAYABLE	0.01	
241. · TAX COLLECTIONS PAYABLE:236.2 · MED. TAX PAYABLE	0.01	
241. · TAX COLLECTIONS PAYABLE:236.3 · FEDERAL WITHHOLDING	0.00	
241. · TAX COLLECTIONS PAYABLE:236.4 · STATE WITHHOLDING		743.95
242. · MISC. CURRENT & ACCRUED LIAB.:242.1 · Accrued Wages		7,012.39
242. · MISC. CURRENT & ACCRUED LIAB.:242.2 · Accrued Vacation		15,962.79
242. · MISC. CURRENT & ACCRUED LIAB.:242.3 · EMPLOYEE HEALTH INS.-TAX...	0.00	
224. · OTHER LONG TERM DEBT	0.00	
224. · OTHER LONG TERM DEBT:2241 · BONDS PAYABLE KIA	0.00	
224. · OTHER LONG TERM DEBT:2242 · UNAMORTIZED BOND PREMIUM		249,069.15
224. · OTHER LONG TERM DEBT:2243 · NOTE PAYABLE 1ST NATIONAL	0.00	
224. · OTHER LONG TERM DEBT:2244 · BOND ISSUE LOSS	0.00	
224. · OTHER LONG TERM DEBT:2245 · BTADD NOTE PAYABLE	0.00	
224. · OTHER LONG TERM DEBT:2246 · BERLIN KIA NOTE PAYABLE		176,728.75
224. · OTHER LONG TERM DEBT:2248 · BACKHOE NOTE PAYABLE	0.00	
224. · OTHER LONG TERM DEBT:2249 · RD NOTE PAYABLE 91-06 S/W PROJE	0.00	
224. · OTHER LONG TERM DEBT:2250 · KRWFC INTERIM FINANCING	0.00	
224. · OTHER LONG TERM DEBT:2251 · 91-08 RD NOTE PAYABLE A/C PROJE		3,379,000.00
224. · OTHER LONG TERM DEBT:2258 · KRWFC REFINANCE SERIES 2020 E		1,940,000.00
224. · OTHER LONG TERM DEBT:2259 · KRWFC SUPPLY LINE PROJECT		965,000.00

BRACKEN COUNTY WATER DISTRICT

Trial Balance

As of December 31, 2021

	Dec 31, 21	
	Debit	Credit
224. · OTHER LONG TERM DEBT:2260 · KRWFC BONDS PAYABLE 2007	0.00	
224. · OTHER LONG TERM DEBT:2262 · CITY OF AUGUSTA UNDERCHARGE	0.00	
224. · OTHER LONG TERM DEBT:2263 · C11-01 KIA -AUGUSTA BERLIN		416,055.53
224. · OTHER LONG TERM DEBT:2264 · B10-10 KIA SHORT ROADS PROJECT		56,843.34
224. · OTHER LONG TERM DEBT:2265 · B15-002 HWY10&19/MM PIT PROJECT		271,637.54
252 · WELLSBURG CAMPGROUND	0.00	
Opening Bal Equity	0.00	
215. · UNAPPROPRIATED RETAINED EARNING	0.00	
215.1 · RETAINED EARNINGS BEFORE CONTRI		5,036,573.00
215.2 · DONATED CAPITAL		151,670.71
215.2 · DONATED CAPITAL:2712 · FED. GRANTS IN AID OF CONST.		566,500.00
215.2 · DONATED CAPITAL:2721 · STATE GRANT IN AID OF CONST.		1,405,418.28
215.2 · DONATED CAPITAL:2722 · CUSTOMER CONTR. CONT. CAPITAL		589,939.00
215.2 · DONATED CAPITAL:2723 · RESERVES		62,555.00
215.2 · DONATED CAPITAL:2727 · DELISLE CURVE PHASE II FUNDS		1,410,500.00
215.2 · DONATED CAPITAL:2728 · DELISLE CURVE PHASE III FUNDS		1,250,000.00
215.2 · DONATED CAPITAL:2729 · KIA - SHORT ROADS PROJECT		380,000.00
215.2 · DONATED CAPITAL:2730 · KIA-WEST END FEED PROJECT		100,000.00
215.2 · DONATED CAPITAL:2731 · HWY 1159 DOT DONATED CAPITAL		869.62
215.8 · PRIOR PERIOD ADJUSTMENT	115,472.53	
2651 · SINKING FUND RESERVE	0.00	
2652 · DEPRECIATION RESERVE	0.00	
2711 · TAP ON FEES - CUSTOMERS	0.00	
2713 · AA HIGHWAY GRANTS	0.00	
2714 · CROSS COUNTRY GRANT	0.00	
2715 · HWY 1159 RELOCATION FUNDS-STATE	0.00	
2716 · BILL WILSON/NEW ZION PROJECT	0.00	
2717 · SOUTHWESTERN PROJECT TAP FEES	0.00	
2718 · HWY 19 STATE PROJECT	0.00	
2720 · SOUTHWESTERN PROJECT FUNDS	0.00	
2724 · CONTIBUTED CAPITAL - KIA	0.00	
2725 · DELISLE CURVE TAP FEES	0.00	
2726 · DELISLE CURVE PHASE II TAP FEES	0.00	
419. · INTEREST AND DIVIDEND INCOME		3,008.27
421. · NONUTILITY INCOME:421.8 · MISC. INCOME		4,011.39
461. · METERED WATER REVENUE:461.1 · METERED SALES TO RESIDENTIAL CU		1,552,174.14
461. · METERED WATER REVENUE:461.2 · METERED SALES TO COMMERCIAL C...		64,179.55
461. · METERED WATER REVENUE:461.6 · LOADING STATION		902.25
466. · SALES FOR RESALE		65,716.90
471. · MISC. SERVICE REVENUE:4211 · PENALTIES		29,280.10
471. · MISC. SERVICE REVENUE:4212 · TURN ON FEE		9,400.00
471. · MISC. SERVICE REVENUE:4213 · RECONNECT FEE		3,480.00
471. · MISC. SERVICE REVENUE:4214 · METER TEST CHARGE		40.00
471. · MISC. SERVICE REVENUE:4215 · RET.CHECK CHARGE		420.00
471. · MISC. SERVICE REVENUE:4216 · FIELD CHARGE		480.00
471. · MISC. SERVICE REVENUE:4217 · DISCOUNTS EARNED		66.19
471. · MISC. SERVICE REVENUE:4218 · SERVICE TERM. FIELD COLLECTION		40.00
471. · MISC. SERVICE REVENUE:4219 · AFTER HOURS RECONNECT FEE		80.00
471. · MISC. SERVICE REVENUE:4221 · CUSTOMER TAP FEES		27,497.19
403. · DEPRECIATION EXP.	304,700.00	
408. · TAXES OTHER THAN INCOME:408.12 · EMPLOYER SOCIAL SECURITY	18,655.86	
601 · SALARIES & WAGES	0.00	

BRACKEN COUNTY WATER DISTRICT

01/25/22

Trial Balance

Accrual Basis

As of December 31, 2021

	Dec 31, 21	
	Debit	Credit
601 · SALARIES & WAGES:601.6 · DISTRIBUTION MAINT. SALARIES	120,100.60	
601 · SALARIES & WAGES:601.7 · ACCOUNT & COLLECTIONS SALARIES	65,644.32	
601 · SALARIES & WAGES:601.8 · ADMINISTRATION & GEN. SALARIES	52,671.93	
601 · SALARIES & WAGES:603.8 · OFFICERS SALARIES	18,200.00	
604 · EMPLOYEE PENSIONS AND BENEFITS:604.6 · EMPLOYEE BENEFITS- MAIN...	19,921.22	
604 · EMPLOYEE PENSIONS AND BENEFITS:604.7 · EMPLOYEE BENEFITS-CUST...	12,244.90	
604 · EMPLOYEE PENSIONS AND BENEFITS:604.8 · EMPLOYEE BENEFITS - ADM...	12,476.10	
610.1 · PURCHASED WATER	419,067.28	
6105 · WESTERN MASON PURCHASE WATER	9,558.72	
615.0 · PURCHASED POWER:615.5 · ELECTRICITY	45,517.81	
615.0 · PURCHASED POWER:615.7 · OFFICE ELECTRICITY	1,799.37	
620 · MATERIALS AND SUPPLIES:620.6 · MATERIALS & SUPPLIES	37,162.70	
620 · MATERIALS AND SUPPLIES:620.7 · CUSTOMER ACCT.'S EXPENSE	19,212.63	
620 · MATERIALS AND SUPPLIES:620.8 · ADMIN & GENERAL EPXENSES	41,573.55	
632 · CONTR SERVICES - ACCOUNTING:632.8 · ADMIN & GENERAL ACCOUNTIN...	12,150.00	
633 · CONTRACTUAL SERVICES-LEGAL:633.8 · LEGAL SERVICES	35,580.55	
635.6 · WATER ANALYSIS FEE	4,295.25	
636 · CONTRACTUAL SERVICES - OTHER:636.5 · OPERATIONS	470.00	
636 · CONTRACTUAL SERVICES - OTHER:636.6 · MAINTENANCE	86,349.80	
636 · CONTRACTUAL SERVICES - OTHER:636.8 · ADMIN & GENERAL EXPENSES	34,962.65	
650 · TRANSPORTATION EXPENSE:650.6 · TRANS. EXP. - MAINT.	19,757.06	
657 · INSURANCE - GENERAL LIABILITY:657.8 · ADMIN & GENERAL -LIABILITY...	22,572.74	
658 · INSURANCE-WORKER'S COMP.:658.6 · WORK COMP INS -MAINTENANCE	4,965.12	
658 · INSURANCE-WORKER'S COMP.:658.7 · WORK COMP - ACCOUNT EXPENSES	292.68	
658 · INSURANCE-WORKER'S COMP.:658.8 · WORK COMP-ADMIN & GENERAL	384.78	
659 · INSURANCE - OTHER:659.7 · INSURANCE OTHER - ACCOUNTS EXP.	1,348.86	
659 · INSURANCE - OTHER:659.8 · INSURANCE OTHER - ADMIN & GEN.	3,324.33	
660.8 · ADVERTISING & PRINTING	767.50	
667.8 · REGULATORY COMM. EXP.	3,496.85	
REPORTABLE HEALTH COVERAGE	0.00	
427 · INTEREST EXPENSE:427.33 · KIA INT. EXP. F02-10	7,099.54	
427 · INTEREST EXPENSE:427.36 · KRWFC SERIES 2020E INT EXP	29,667.78	
427 · INTEREST EXPENSE:427.38 · KRWFC 2020G SUPPLY LINE EXP	22,140.00	
427 · INTEREST EXPENSE:427.4 · CUSTOMER DEP.INT. EXP.	73.70	
427 · INTEREST EXPENSE:427.41 · C11-01 KIA-AUG/BERLIN INT EXP	13,808.00	
427 · INTEREST EXPENSE:427.42 · B10-10 KIA-SHORT ROADS PROJECT	1,928.30	
427 · INTEREST EXPENSE:427.43 · B15-002 INT EXP KY10 & 19 & MM	5,536.02	
427 · INTEREST EXPENSE:427.44 · 91-08 RD INT EXP A/C PROJECT	76,567.50	
TOTAL	<u>27553525.80</u>	<u>27553525.80</u>

EXHIBIT P

**Bracken County Water District
Journal Entries
12/31/2020**

	Acct #	Acct Name	Debit	Credit
1)	461.1	Residential Water Sales	16,339.88	-
	1411	Accounts Receivable	-	16,339.88
	To adjust accounts receivable at 12/31/20			
2)	143	Provision for Uncoll. Accounts	2,194.07	
	461.1	Residential Water Sales		2,194.07
	To adj. Uncoll. Accounts at 12/31/20			
3)	236.7	Utility Tax	1,094.13	
	236.6	Sales Tax	229.37	
	620.8	Admin & General Expense		1,323.50
	To adjust taxes payable at 12/31/20			
4)	334.4	Meters & Install	29,453.78	
	620	Materials & Supplies		21,539.26
	601	Salaries		12,713.09
	1051	Add on Roads CIP	4,798.57	
	To capitalize taps at 12/31/20			
5)	242.1	Accrued Wages	1,608.66	<i>1,608.66</i>
	242.2	Accrued Vacation	<i>9,669.54</i>	9,669.54
	601	Salaries and Wages	8,060.88	<i>8,060.88</i>
	To adj accrued vacation and accrued wages at 12/31/20			
6)	427.37	USDA Interest Expense SW Project	19,973.75	
	427	USDA Interest Expense	29,217.78	
	237.1D	Accrued Interest		49,191.53
	To adj accrued interest at 12/31/20			
7)	620.8	Materials and Supplies Exp	1,407.32	
	235	Customer Deposits		1,407.32
	To adj customer deposits at 12/31/20			
8)	620.6	Materials & Supplies	17,217.16	

	151 Plant Mat. & Supplies Inventory		17,217.16
	To adj inventory at 12/31/20		

9)	141.2 Unbilled Revenue	43,510.78	
	461.1 Residential Water Sales		43,510.78
	To adjust unvilled revenue at 12/31/20		

10)	403 Depreciation Expense	9,868.00	
	108.1 Accumulated Depreciation		9,868.00
	To adj depreciation expense at 12/31/20		

11)	636.8	1,008.53	
	615.5	3,781.28	
	650.6	2,442.33	
	620.6	2,815.12	
	610.1	30,242.34	
	620.8	1,915.62	
	615.7	208.32	
	1073	45,150.30	
	635.6	1,886.25	
	6105	1,544.53	
	231.1	-	90,994.62

To adj accounts payable at 12/31/21

EXHIBIT Q

NONRECURRING CHARGE REVENUE

Charge or Fee	Number Assessed	Revenue Collected
Field Charge	6	\$ 240.00
Service Term Field Charge	4	\$ 160.00
Turn-On Charge	242	\$ 9,680.00
Reconnect Charge	57	\$ 2,280.00
After Hours Reconnect	2	\$ 160.00
Meter Test Charge	0	\$ 0.00
Connection Fee	47	\$37,571.61
Returned Check Charge	20	\$ 600.00
Late Payment Penalties	941	\$ 4,558.74
Meter Reading Charge	0	\$ 0.00
Meter Resetting Charge	0	\$ 0.00
Service Investigation Charge	0	\$ 0.00

EXHIBIT R

EXHIBIT R-1

Class Title: Office Manager²

Department: Administration

Supervisor: Commissioners

Supervises: Meter Readers

Class Characteristics: Under general executive direction, serves as Office Manager for the Commission while assisting with the duties of the office, including specialized administrative and fiscal duties and responsibilities; responsible for accounts payable and receivable; maintains records of the Commission; serves as Personnel Officer; performs related duties as required.

General Duties and Responsibilities:

Essential: Responsible for all activities and programs of the office; assist with the performance of all duties of the office. Attends all Commission meetings and provides information as requested. Accepts tap-on fees. Runs credit checks; processes work order transactions for water services. Accepts information from meter Reader, checks for accuracy and request re-reads as necessary. Prepares, proofs and forwards monthly bills; accepts payments; makes bank deposits; balances cash drawer daily. Prepares and forwards late notices for non-payment. Checks invoices for accuracy and insures signed receipts of merchandise or services; pays all bills for the District; Maintains accounting journals and general journals. Reconciles bank statements. Enters a variety of information in computer, cash receipts, disbursements records, inventory, etc. Reports balances of accounts to Commission monthly. Prepares payroll; maintains accurate payroll records; forwards reports as required by federal and state agencies. Receives and answers questionnaires, correspondence, etc. Administers employee benefits program. Maintains personnel records. Administers worker's compensation program. Prepares, forwards, and maintains reports as required; insures accurate records are prepared and maintained. Greets visitors; accepts phone calls during office hours and maintains records of these calls. Accepts customer complaints and attends to their disposition or forwards to higher authority. Receives and distributes mail. Notifies press of special meetings. Runs errand including post office, bank, attorney's office, etc.

Non-essential: None

DESIRABLE QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent supplemented by two years responsible experience in work involving frequent contact with the public, record keeping and financial operations. Additional education may be substituted for the required work experience on a year-for-year basis.

² Changed 5/07

Special Knowledge, Skills and Abilities:

Knowledge: Extensive knowledge of federal and state laws and administrative regulations regarding accounting (accounts receivable and payable) of utility funds, payroll, and other financial transactions. Extensive knowledge of the Public Service

Commission: Knowledge of, or ability to learn, minute preservation. Extensive knowledge of record keeping requirements. Extensive knowledge of modern office terminology, procedures, and equipment. Knowledge of banking practices.

Skills: Skill in the use of computer, calculator, copier, typewriter, etc.

Abilities: Ability to prepare and maintain records accurately and efficiently. Ability to use modern office equipment efficiently. Ability to accept complaints, both in person and by phone, and to process complaints in accordance with established procedures. Ability to communicate effectively, orally and in writing. Ability to establish and maintain effective working relationships with officials, employees and the general public. Ability to be tactful, patient, firm, and diplomatic.

ADDITIONAL INFORMATION

Special Licensing Requirements: None.

Bond Requirements: Must be bondable.

Training Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District.

Evening Meeting Requirements: Must attend regular and special Commission meetings.

Instructions: Somewhat general; many aspects of the work are covered specifically, but must use some of own judgment.

Processes: Must occasionally consider different courses of action, or deviate from standard operating procedures, to get the job done.

Review of Work: Works independently most of the time; supervisor reviews work through monthly reports.

Analytical Requirements: Assignments frequently involve decisions based on a wide knowledge of many factors where application of advanced or technical concepts are required.

Public/Internal Contact: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job (95% public; 5% internal).

Confidential Information: Yes.

Mental Effort: Heavy.

Interruptions: Constant.

Physical Demands:

Lifting: Work is performed in an office sitting at a desk or table; may lift light objects of 25 pounds or less.

Use of Equipment: Normal office equipment (calculator, computer, printer, typewriter, copier, telephone, etc.)

Overtime Provision: Non-exempt.

Class Title: Office Assistant³

Department: Administration

Supervisor: Commissioners

Supervises: None

Class Characteristics: Assist with office duties; assumes responsibility for the office in the absence of the Office Manager; assists with maintaining records for the Commission; assists in preparing and mailing utility bills and the collection of revenues; performs related duties as required.

General Duties and Responsibilities:

Essential: Assumes responsibility for the office in the absence of the Office Manager. Assist with the performance of all duties of the office including preparing, proofing and mailing monthly bills; accepting payments; balancing cash drawer; making bank deposits. Assists with maintaining account journals and general journals; assists with preparation of reports; assists with process of invoices. Reconciles bank statements. Assist with entering and maintaining a variety of computerized records. Assists with payroll preparation. Assists in preparing and administering quarterly financial reports. Assists with preparing and forwarding late notices and preparing work orders for meter connect and disconnect. Assist with processing work-order transactions for water services. Assists in preparing and maintaining records. Types letters and other communications for officers; answers telephone; greets visitors; accepts customer complaints and attends to their disposition or forwards to higher authority.

Non-essential: None

DESIRABLE QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent supplemented by one-year responsible experience in work involving frequent contact with the public.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of federal and state laws and administrative regulations regarding accounting (accounts receivable and payable) of utility funds, payroll, and other financial transactions. Knowledge of record keeping requirements. Knowledge of modern office terminology, procedures and equipment.

Skills: Skill in the use of computer, calculator, copier, typewriter, etc.

Abilities: Ability to communicate effectively, orally and in writing. Ability to accept complaints in person and by phone and to attend to their disposition or forward to higher

³ Changed 5/07

authority. Ability to establish and maintain effective working relationships with officials, employees and the general public.

ADDITIONAL INFORMATION

Special Licensing Requirements: None.

Bond Requirements: Must be bondable.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District.

Evening Meeting Requirements: May occasionally be required to attend evening meetings in the absence of the Office Manager.

Instructions: Somewhat general; many aspects of the work are covered specifically, but must use some of own judgment.

Processes: Work varies slightly, and seldom required to take different, new, or unusual approaches to completing work.

Review of Work: Work may be reviewed as it is being completed.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contact: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job (public 95%; internal 5%.)

Confidential Information: Yes.

Mental Effort: Moderate/heavy.

Interruptions: Constant.

Physical Demands:

Lifting: Work is typically performed in an office sitting at a desk or table; may lift light objects of 25 pounds or less.

Use of Equipment: Normal office equipment (calculator, computer, printer, typewriter, copier, telephone, etc.)

Overtime Provision: Non-exempt.

Class Title: Account Clerk . .

Department: Administration

Supervisor: Office Manager

Supervises: None

Class Characteristics: Under general supervision, assists with office duties as assigned; assists in preparing and mailing utility bills and the collection of revenues; assists with maintaining records for the Commission; performs related duties as required.

General Duties and Responsibilities:

Essential: Assists in performing all duties of the office, including preparing, proofing and mailing monthly bills, accepting payments, balancing cash drawer, making bank deposits. Assists with maintaining accounting journals and general journals; assists with preparation of reports as requested. Assists with processes invoices. Reconciles bank statements as requested. Assists with entering and maintaining a variety of computerized records. Assists in preparing and administering quarterly financial reports. Assists with preparing and forwarding late notices and preparing work orders for meter connect and disconnect as directed. Assists with processing work-order transactions for water services. Assists in preparing and maintaining records. Types letters and other communications for officers as requested. Answers telephone; greets visitors; accepts customer complaints and attends to their disposition or forwards to higher authority.

Non-essential: None.

DESIRABLE QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent; no previous work experience requirements.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of, or ability to learn, federal and state laws and administrative regulations regarding accounting (accounts receivable and payable) of utility funds, payroll, and other financial transactions. Knowledge of record keeping requirements. Knowledge of modern office terminology, procedures, and equipment.

Skills: Skill in the use of computer, calculator, copier, typewriter, etc.

Abilities: Ability to communicate effectively, orally and in writing. Ability to accept complaints in person and by phone and to attend to their disposition or forward to higher authority. Ability to establish and maintain effective working relationships with officials, employees and the general public.

⁴ Changed 1/96

ADDITIONAL INFORMATION

Special Licensing Requirements: None.

Bond Requirements: Must be bondable.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District.

Evening Meeting Requirements: None.

Instructions: Somewhat general; many aspects of the work are covered specifically, but must use some of own judgment.

Processes: Work varies slightly, and seldom required to take different, new, or unusual approaches to completing work.

Review of Work: Work may be reviewed as it is being completed.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contact: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job (public 95%; internal 5%.)

Confidential Information: Yes.

Mental Effort: Moderate/heavy. Interruptions: Constant.

Physical Demands:

Lifting: Work is typically performed in an office sitting at a desk or table; may lift light objects of 25 pounds or less.

Use of Equipment: Normal office equipment (calculator, computer, printer, typewriter, copier, telephone, etc.)

Overtime Provision: Non-exempt.

Class Title: Maintenance Worker II
Department: Maintenance
Supervisor: Board of Commissioners/Distribution Supervisor
Supervises: May Supervise Other Maintenance Workers As Requested by Board or Distribution Supervisor

Class Characteristics: Under general supervision, performs semiskilled and manual labor work activities in the construction, installation, maintenance and repair of the water distribution system; may supervise other Maintenance Workers as requested; operates equipment; may read meters; performs related work as required.

General Duties and Responsibilities:

Essential: Assists with construction, installation, maintenance and repair of water distribution system, including installation and/or replacement of lines, regulators, meters, etc. May supervise personnel assigned to crew as directed by the Board or Distribution Supervisor. Picks up work orders daily and completes assigned tasks. Operates equipment. Assists with inspecting system. Installs/connects water services; disconnects services as requested. Locates water lines, valves, etc. Assists with keeping all equipment in working order. Performs servicing and assists with preventive maintenance programs on equipment; makes minor repairs and/or adjustments to equipment; forwards requests for major repairs to superiors. Cleans vehicles, equipment and tools after use. Read meters. Monitor telemetry system. Pull daily chlorine samples. File reports with state agencies including but not limited to, MOR and CCR. Assist engineers and project managers with projects. GPS water system. Perform routine safety inspections. Assists with other duties on a regular basis as requested

Non-Essential: None.

DESIRABLE QUALIFICATIONS

Training and Experience: Must have completed three years as Maintenance Worker I or equivalent; no education requirements, but must able to follow oral and written instructions.

Special Knowledge, Skills and Abilities:

Knowledge: Thorough knowledge of equipment, materials, methods and techniques used in construction, installation, maintenance and repair of water distribution systems. Thorough knowledge of the functions, servicing and maintenance requirements of mechanical equipment and machinery. Thorough knowledge of the geography of the service area. Thorough knowledge of work hazards and applicable safety precautions associated with equipment, tools, vehicles and procedures; and ability to insure compliance with safety standards.

Abilities: Ability to operate motorized equipment. Ability to assist with maintenance (or preventive maintenance) and servicing program. Ability to perform work activities involving carpentry, electrical, plumbing, painting, pouring concrete, etc. Ability to detect mechanical

problems and make minor repairs. Ability to establish and maintain effective working relationships with officers and employees, and the general public. Physical ability to perform heavy labor for extended periods of time, often under adverse weather conditions.

ADDITIONAL REQUIREMENTS

Special Licensing Requirements: Must possess current drivers license issued by the Commonwealth of Kentucky.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District. Possession of Class IID Distribution License, or current license required to operate the district.

Instructions: Instructions are somewhat general; many aspects of work covered specifically, but must use some of own judgment.

Processes: Work varies slightly; seldom required to take different, new or unusual approaches in completing work assignments.

Review of Work: Completed work is spot-checked as it is being completed.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contact: Frequent public and internal contacts are requirements of the job.

Confidential Information: None.

Mental Effort: Moderate.

Interruptions: Few.

Physical Demands of the Job: Work is typically performed outdoors, requiring intermittent standing, walking, stooping; must lift objects over 25 pounds; required to be in high places, confined spaces, and using stairs and ladders; exposed to fumes.

Use of Equipment: Must operate vehicle, construction and/or mechanical tools and equipment, including backhoe, trencher, air compressor, safety equipment, hand tools, power tools.

Additional Requirements: Must be able to respond to calls in emergency situations at all hours.

Overtime Provision: Non-exempt.

Class Title: Maintenance Worker I

Department: Maintenance

Supervisor: Distribution Supervisor

Supervises: None.

Class Characteristics: Under general supervision, performs semiskilled and manual labor work activities in the construction, installation, maintenance and repair of the water distribution system; operates equipment; may read meters; performs related work as required.

General Duties and Responsibilities:

Essential: Assists with construction, installation, maintenance and repair of water distribution system, including installation and/or replacement of lines, regulators, meters, etc. Picks up work orders daily and completes assigned tasks. Operates equipment. Assists with inspecting system. Installs/connects water services; disconnects services as requested. Locates water lines, valves, etc. Assists with keeping all equipment in working order. Performs servicing and assists with preventive maintenance programs on equipment; makes minor repairs and/or adjustments to equipment; forwards requests for major repairs to superiors. Cleans vehicles, equipment and tools after use. May read water meters. Assists with other duties on a regular basis as requested.

Non-Essential: None.

DESIRABLE QUALIFICATIONS

Training and Experience: No education or work experience requirements; however, must be able to follow oral and written instructions.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of equipment, materials, methods and techniques used in construction, installation, maintenance and repair of water distribution systems. Knowledge of the functions, servicing and maintenance requirements of mechanical equipment and machinery.

Knowledge of the geography of the service area. Knowledge of work hazards and applicable safety precautions associated with equipment, tools, vehicles and procedures; and ability to insure compliance with safety standards.

Abilities: Ability to operate motorized equipment. Ability to assist with maintenance (or preventive maintenance) and servicing program. Ability to perform work activities involving carpentry, electrical, plumbing, painting, pouring concrete, etc. Ability to detect mechanical problems and make minor repairs. Ability to establish and maintain effective working relationships with officers and employees, and the general public. Physical ability to perform heavy labor for extended periods of time, often under adverse weather conditions.

ADDITIONAL REQUIREMENTS

Special Licensing Requirements: Must possess current drivers license issued by the Commonwealth of Kentucky, or must obtain drivers license as soon as practical upon employment with the District.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District. Possession of Class IID Distribution License preferred, but not required.

Instructions: Instructions are somewhat general; many aspects of work covered specifically, but must use some of own judgment.

Processes: Work varies slightly; seldom required to take different, new or unusual approaches in completing work assignments.

Review of Work: Completed work is spot-checked as it is being completed.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contact: Frequent public and internal contacts are requirements of the job.

Confidential Information: None.

Mental Effort: Moderate.

Interruptions: Few.

Physical Demands of the Job: Work is typically performed outdoors, requiring intermittent standing, walking, stooping; must lift objects over 25 pounds; required to be in high places, confined spaces, and using stairs and ladders; exposed to fumes.

Use of Equipment: Must operate vehicle; must operate construction and/or mechanical tools and equipment, including backhoe, trencher, air compressor, safety equipment, hand tools, power tools.

Additional Requirements: Must be able to respond to calls in emergency situations at all hours.

Overtime Provision: Non-exempt.

EXHIBIT R-2

BRACKEN COUNTY WATER DISTRICT EMPLOYEE ROSTER (2015 - CURRENT)

No.	Last Name	First Name	Hired Date	Termination Date	Position	Wage Rate
1			04/20/2011	N/A	MAINTENANCE WORKER	\$ 17.00
5			01/12/2021	N/A	OFFICE ASSISTANT	\$ 16.00
2			05/21/2008	N/A	MAINTENANCE ADMIN	\$ 24.69
6			07/27/2016	6/3/2017	MAINTENANCE WORKER	\$ 15.00
7			12/21/2009	06/03/2016	MAINTENANCE WORKER	\$ 19.25
8			03/16/2020	10/12/2020	OFFICE ASSISTANT	\$ 13.55
3			08/14/1997	N/A	OFFICE ASSISTANT	\$ 17.00
9			10/16/2017	01/28/2020	MAINTENANCE/OFFICE WORKER	\$ 14.00
10			08/06/2020	03/29/2021	MAINTENANCE WORKER	\$ 15.00
4			10/04/1995	N/A	OFFICE MANAGER	\$ 24.72
11			10/24/2011	04/13/2020	MAINTENANCE WORKER	\$ 15.00

EXHIBIT R-3

EMPLOYEE EVALUATION
BRACKEN COUNTY WATER DISTRICT
Employee No. 3

Name [REDACTED] _____

Evaluation period From 2/6/19 to 2/20

Date _____

Current Salary 16.50

Other benefits: life, health, accident 5.54

Holidays (10) ^{\$} 1320

Last Pay Raise 2/15/17

EVALUATION RECOMMENDATIONS:

Increase/decrease salary to total of .50¢

Effective date of increase/decrease 2/17/20

Commissioner comments:

[REDACTED] _____
Employee Signature **



Commissioner Signature

**Verifies review of evaluation, does not designate agreement or disagreement with evaluation

EMPLOYEE EVALUATION
BRACKEN COUNTY WATER DISTRICT
Employee No. 4

Name [REDACTED]

Evaluation period From 2/6/19 to 2/19/20

Date 2/19/20

Current Salary \$23.90

Other benefits: life, health, accident \$4.69

Holidays (10) \$1912

Last Pay Raise 3/21/16

EVALUATION RECOMMENDATIONS:

Increase/decrease salary to total of 24.72

Effective date of increase/decrease 8/17/20

Commission comments:

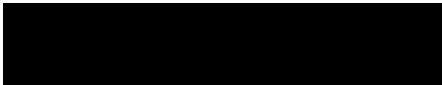
6 month Review

[REDACTED]
Employee Signature **


Commissioner Signature

**Verifies review of evaluation, does not designate agreement or disagreement with evaluation

EMPLOYEE EVALUATION
BRACKEN COUNTY WATER DISTRICT
Employee No. 1

Name 

Evaluation period From 4-20-20 to 2-17-21

Date 2-17-21

Current Salary 15⁰⁰

Other benefits: life, health, accident 2.27/hr.

Holidays (10) 1200⁰⁰

Last Pay Raise _____

EVALUATION RECOMMENDATIONS:

Increase/decrease salary to total of 17.⁰⁰ Hr

Effective date of increase/decrease 2/15/21

Commission comments:

we do expect to get license when it can be acquired.

time card Requirements



Employee Signature



Commissioner Signature

**Verifies review of evaluation, does not designate agreement or disagreement with evaluation

EMPLOYEE EVALUATION
BRACKEN COUNTY WATER DISTRICT

Employee No. 2

Name [REDACTED]

Evaluation period From 2-19-20 to 2-17-21

Date 2-17-21

Current Salary 22.69

Other benefits: life, health, accident 5.65/hr.

Holidays (10) 1815²⁰

Last Pay Raise 3-21-16

EVALUATION RECOMMENDATIONS:

Increase/decrease salary to total of 24.69

Effective date of increase/decrease 2/15/21

Commission comments:

This will cap your pay for a time period of
2 years after that we will take another
look at this pay increase.

[REDACTED]
Employee Signature **


Commissioner Signature

**Verifies review of evaluation, does not designate agreement or disagreement with evaluation

EXHIBIT R-4

**BRACKEN COUNTY WATER DISTRICT
BROOKSVILLE, KENTUCKY
PERSONNEL POLICIES AND PROCEDURES**

ADOPTED: JULY 13, 1995

REVISED: JANUARY 1996

2ND REVISION: DECEMBER 2010

3RD REVISION: AUGUST 2015

4TH REVISION: DECEMBER 2016

5TH REVISION: MAY 2018

CHANGES IN POLICY

This manual supersedes all previous manuals. We reserve the right to interpret, change or cancel any part of our policies, procedures and benefits at any time. We will attempt to notify all employees of these changes.

EMPLOYMENT RELATIONSHIP – AT-WILL

You enter into employment voluntarily, and you are free to resign at any time for any reason or no reason at all. Similarly, Bracken County Water District Division I and II is an at-will employer. The District is free to conclude its relationship with any employee at any time for any reason or no reason at all. An employee whose employment is terminated in any manner shall return all keys, handbooks, materials, supplies and all property belonging to the District.

INCLEMENT WEATHER/EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fire or power failure can disrupt company operations. The decision to close will be made by the Chairman or any board member. When the decision is made to close by the Board, employees will be compensated for their regular pay for that day. If the Board does not feel that the situation warrants closing the office, each employee can use their own discretion in determining whether to come into work. Employees desiring to be paid for the absence will be permitted to use vacation time. Exceptions to this rule will be the day before and the day after a holiday. The Board must approve those days if an employee is to use vacation time.

BRACKEN COUNTY WATER DISTRICT ORGANIZATION CHART

**BRACKEN COUNTY
WATER DISTRICT
COMMISSIONERS**



TABLE OF CONTENTS

TABLE OF CONTENTS..... i

PERSONNEL POLICIES AND PROCEDURES 1

PART I : STATEMENT OF PURPOSE 5

 A. Scope of Coverage: 5

 B. Equal Employment Opportunity: 5

 C. Administrative Responsibilities: 6

PART II : EMPLOYMENT PROCESS 7

 A. Procedures for Filling Vacancies: 7

 B. Employment of Relatives: 8

 C. Employee Handbook: 9

PART III : CONDITIONS OF EMPLOYMENT 9

 A. Introductory Period 9

 B. Transfer 9

 C. Promotion: 9

 D. Disciplinary Action: 10

 E. Resignations: 13

 F. Layoff: 13

 G. Reemployment/Reinstatement: 13

 H. Loss of Job Requirement: 14

 I. Violence in the Workplace: 14

 J. ADA: 14

 K. Political Activity: 15

 L. Employee Evaluation: 15

 M. Use of District Property, Vehicles and Equipment: 15

 N. Sexual Harassment: 16

 O. Exit Interview: 16

PART IV : CLASSIFICATION PLAN 16

 A. Allocations: 16

 B. Written Specifications: 16

 C. Regular Review/Evaluation: 17

 D. Reclassifications: 17

 E. Categories of Employment: 17

PART V : COMPENSATION PLAN 18

A. Pay Plan:	18
B. Hours of Work:	18
C. Workweek:	18
D. Overtime:	18
E. On-Call Pay:.....	19
F. Call-Back pay:	20
G. Salary Increases:	20
H. Pay Periods:	20
I. Payroll Deductions:.....	20
PART VI : BENEFITS	20
A. Holidays:	21
B. Vacation Leave:	22
C. Sick Leave:.....	23
D. Disability Leave:.....	24
E. Maternity Leave:.....	24
F. Bereavement (Funeral) Leave:.....	24
G. Lunch Period and Break Periods:	25
H. Family and Medical Leave	25
I. Leave of Absence:.....	25
J. Military Leave:.....	25
K. Jury Duty:.....	25
L. Insurance	26
M. Social Security:	26
N. Educational Assistance (Career Development):	26
O. Vacation hours	27
P. Uniform Policy:	27
Q. Body Art & Piercing Policy	28
PART VII : EXPENSE REIMBURSEMENT	29
PART VIII : SEVERABILITY	29
A. District Employees:.....	31
B. Person(s) Outside District Employment:	31
APPENDIX A (Grievance Procedure).....	31
APPENDIX B (Drug-Free Workplace Policy).....	36
APPENDIX C (FMLA Policy).....	38

COMPENSATION PLAN.....39
CLASSIFICATION PLAN.....40

POLICIES AND PROCEDURES

PART I: STATEMENT OF PURPOSE¹

1. The Bracken County Water District (hereinafter referred to as the District) recognizes that a personnel system which is designed to ensure the recruitment and retention of a competent, productive work force is essential to effective, efficient operation. These policies and procedures have been developed in order to achieve optimum efficiency, economy and equity in the pursuit of the District's goals and the utilization of its human resources.

2. These policies and procedures will be maintained under the supervision of the Board Chair, who may either serve as Personnel Officer or designate another District employee as Personnel Officer. Recommended revisions in these policies and procedures will be made by the Personnel Officer to the Board, and any amendments hereto shall be made by the Board.

A. Scope of Coverage:

1. The following are explicitly exempted from coverage unless otherwise specified:

- a. Members of Board;
- b. County Attorney;
- c. Consultants, advisors and counsel rendering temporary services;
- d. Independent contractors.

and

2. In the event that individual sections of these personnel policies and procedures are declared applicable to personnel defined in I.A.1. above, the provision must be stated in the applicable section.

3. All employees not explicitly exempted from coverage of these policies and procedures shall be subject to its provisions unless indicated otherwise in the contents of individual sections of these policies and procedures.

B. Equal Employment Opportunity Policy:

The District seeks to provide equal opportunity to all of its employees and applicants for employment and to prohibit discrimination based on race, color, religion, sex, national origin, political affiliation, physical or mental disability, age or marital status. The District promotes equal opportunity in matters of hiring, promotion, transfer, compensation, benefits and all other

¹ **DISCLAIMER:** Information included in these personnel policies and procedures, classification plan, and compensation plan is not intended to represent a contract between any employee and the District, and may be changed by the Board without notice. The term "established position" indicates the position(s) in each class created by the Board. The class(es) and/or number of positions in each may be changed by the Board without notice, and employee(s) occupying the position(s) may be affected by such changes.

terms, privileges and conditions of employment, actively pursuing equal employment opportunity.

C. Administrative Responsibilities:

1. The Office Manager shall be designated as the Personnel Officer for the District. In addition to the duties set forth in these policies and procedures, the Personnel Officer shall:

a. Ensure the following records for all employees are maintained in accordance with federal and state laws:

- 1) Employee's name and permanent address;
- 2) Position title;
- 3) Departmental assignment;
- 4) Salary;
- 5) Past changes in employment with the District;
- 6) EEO requirements;
- 7) Fair Labor Standards Act requirements; and
- 8) Additional information as required.

b. Insure that subsequent amendments or additions made in these personnel policies and procedures by the Board are incorporated herein as follows:

1) A list of all District personnel having custody of these policies and procedures shall be maintained;

2) Immediately upon official amendment or addition, the change or changes shall be written in a manner and format consistent with these policies and procedures;

3) The effective date of the change shall be placed at the end of the section changed; and

4) A memorandum explaining the change(s) with the change(s) or addition(s) attached shall be distributed to all personnel assigned custody of a copy of the policies and procedures.

2. All personnel decisions are subject to final review and approval by the Board, who has overall responsibility and authority over all personnel matters.

PART II: EMPLOYMENT PROCESS

A. Procedures for Filling Vacancies:

1. The procedures for filling vacancies in established positions (including newly-established positions) follow:

a. Placement policy:

1) Appointment to an established position with the District shall be made only after the Board has determined that the person being considered meets all qualifications prescribed for a particular class or position.

2) This policy shall apply to current employees who request a transfer or promotion to a vacant position as well as new applicants for employment or reemployment.

b. Announcement of vacant positions:

1) When a vacancy occurs within the District, the Personnel Officer may notify current employees of the vacancy by placing written notices in strategic location(s) throughout the District service. Notices posted shall include position title, grade, summary of duties, position qualifications, and time limit for applying. Employees who wish to apply for the position must present a completed Employment Application Form to the Personnel Officer, thus indicating the employee's interest in the vacant position. The Board may fill the vacancy by either promoting current employees or employing a person from outside the District service.

2) When announcements of vacant position(s) are made outside the organization, either of the following may apply:

(a) The District's open application policy allows persons interested in employment with the District to complete an Employment Application Form at any time, regardless of whether or not vacancies exist. The applicant must indicate the position(s) applied for, and the Employment Application Form will be considered active for a period of six months.

(b) If the District elects to advertise the vacant positions, announcements shall be made in a newspaper of general circulation in the County. All announcements shall include such information as where to apply, deadlines for application, dates and times available for obtaining application form, pay range for the position, summary of duties and responsibilities, and position qualifications suggested. All announcements shall contain the following statement: "An Equal Opportunity Employer".

(c) The District may list vacant position(s) with the local office of the Department of Employment Services.

3) The Board shall receive the completed Employment Application Forms for all applicants (including current employees) who meet the qualifications for the position(s) for appointment decision(s).

c. Application for position:

1) Employment Application Forms supplied by the District and completed by applicants shall include information about the applicant's training and experience and such additional information as required to effectively evaluate the applicant's ability to perform the duties required by the position.

2) No person may be appointed to a position unless verified information on an official Employment Application Form indicates that the person meets the qualifications for the position as set forth in the class specification.

3) All Employment Application Forms must be signed and dated by the applicant.

d. Certification of eligibility for position:

1) The qualifications of an applicant for a position shall be ascertained on the basis of one or more of the following:

(a) Information the applicant supplies on the official Employment Application Form;

(b) Job-related written, performance or physical tests or examinations, or any combination which may be required by the District;

(c) Personal interview;

(d) Information and evaluations supplied by references given by the applicant on the application form; and

(e) Other relevant job-related information.

2) When the Board determines that more information shall be obtained concerning an applicant, a more extensive background investigation may be conducted prior to actual appointment of the applicant.

3) Applicants may be required to pass a job-related physical examination by a medical doctor of the District's choice following a conditional offer of employment.

B. Employment of Relatives:

1. The District does not prohibit the employment of relatives so long as neither of the related parties are in a supervisory role in which the progress, performance or welfare of the other might be directly or indirectly affected.

2. For the purpose of this section, relative is hereby defined as husband/wife, mother/daughter, mother/son, father/son, father/daughter, brother/sister, brothers or sisters.

Cross reference:

See Bracken County Ethics Code

C. Employee Handbook:

All newly employed personnel occupying established positions shall receive a copy of the Handbook as a part of the orientation. A statement shall be signed indicating receipt of the copy.

PART III: CONDITIONS OF EMPLOYMENT

A. Introductory Period:

1. All personnel initially appointed to an established position shall be on an introductory status for a period of six months.

2. Any employee who has served an initial introductory period and is promoted to a new position may be reinstated without right of appeal to the position from which the employee was promoted or to a position comparable to the one from which the employee was promoted during the introductory period.

B. Transfer:

Any employee occupying an established position may request a transfer from one position to a comparable position by submitting a written request to the Personnel Officer, provided the employee is not serving an original introductory period, the employee possesses the appropriate qualifications, and the position is vacant.

Cross-reference:

See Announcement of Vacant Positions, Part II.A.1.(b). for transfer procedures.

C. Promotion:

Any employee occupying an established position may apply for promotion to a higher position by making the request to the Personnel Officer, provided the employee possesses the appropriate qualifications for the position, the employee is not serving an original introductory period, and the position is vacant.

Cross-reference:

See Announcement of Vacant Positions, Part II.A.1.(b),for promotion procedures.

D. Disciplinary Action:

1. The policy of the District is to be fair and consistent in the administration of its rules, regulations and procedures, including these personnel policies and procedures. When problems arise, emphasis is on improvement and/or correction rather than punishment. However, willful, continued, or inexcusable breaches of employment rules, regulations and procedures must be dealt with firmly in accordance with a uniform policy, which applies to all employees.

2. An employee may be disciplined for, but not limited to, the following:

- a. Incompetency;
- b. Inefficiency;
- c. Dishonesty:
 - 1) Deliberately making or using falsified records, materials, requisitions. etc.;
 - 2) Lying;
 - 3) Personal use of district property without permission from the Board;
 - 4) Waste;
 - 5) Supplying false information on an application form;
- d. Immoral or improper conduct;
- e. Neglect of duty:
 - 1) Repeated failure to be at workstation at starting time;
 - 2) Leaving assigned work area without permission;
 - 3) Failure to attend scheduled meetings;
 - 4) Refusal to accept reasonable work assignments;
 - 5) Stopping work before specified time;
 - 6) Deliberate interruption of work;
 - 7) Loitering, loafing or sleeping on job;
 - 8) Unsatisfactory work and/or attitude;
- f. Neglect or mishandling of equipment;

- g. Excessive absenteeism
- h. Failure to keep time cards accurately or completing, another employee's time card;
- i. Attempting bodily injury to another person
- j. Fighting or horseplay on District premises at any time;
- k. Failure to observe safety rules;
- l. Abusive or obscene language;
- m. Discourtesy to the public or fellow employees;
- n. Conviction of a criminal charge;
- o. Untidy attire, torn uniforms, and other failures to maintain a clean, neat appearance;
- p. Activities that discredit the individual or organization or cause inefficiency in performing assigned duties;
- q. Reporting to work under the influence of intoxicants or illegal drugs, or using, manufacturing or distributing intoxicants or illegal drugs while on duty (including lunch time);
- r. Gambling on the job (including lunch time);
- s. Improperly discussing or disclosing confidential information;
- t. An accumulation of minor infractions;
- u. Failure to follow any other rule, regulation, operating procedure or job requirement not specifically mentioned above.

3. When an employee engages in any of the above activities, one of the following measures shall apply, depending upon the circumstances involved and the severity of the offense:

- a. Verbal warning (reprimand):
 - 1) The immediate supervisor shall administer the reprimand without rancor as soon as possible after the offense.
 - 2) The date of the reprimand, along with a description of the occurrence which prompted the reprimand and any comments the employee may have made, shall be noted and placed in the employee's departmental personnel folder by the person giving the reprimand.

b. Written warning:

1) Upon the occurrence of a second minor infraction, the immediate supervisor shall give the employee a written warning specifying the reason(s) for such warning and noting any previous verbal and/or written warnings.

2) Written warning shall indicate corrective action and state that the employee's performance will now be reviewed on a regular basis for improvement and explain the consequences of such continued infractions.

3) The written warning shall be forwarded to the Personnel Officer and placed in the employee's personnel file.

c. Suspension:

1) After either a serious violation or repeated minor violations, the immediate supervisor shall either suspend the employee with pay until the Board reviews the violations, request in writing that the Board suspend the employee. The request will include the reason(s) for the suspension, along with details of previous disciplinary action taken against the employee.

2) The Board may suspend an employee, depending upon the severity of the offense.

3) The suspended employee shall be notified of the suspension in writing within five working days after the time of suspension. The notice shall include the reason(s) for and, if known, duration of suspension.

d. Dismissal:

1) Employees may be dismissed when offense(s) is/are continually repeated, when misconduct is committed which is serious enough to warrant discharge on the first offense, continued inefficiency, or inability to perform the duties of the position satisfactorily.

2) In the event that dismissal is warranted, the immediate supervisor shall make a recommendation to that effect to the Board Chair. The recommendation shall include previous disciplinary action taken against the employee, and the recommended date and time of discharge.

3) Final and formal discharge of an employee shall come from the Board.

4) Provided the notification was made in writing, a copy of the notification shall be placed in the employee's personnel folder.

e. Demotion or transfer: In the event that an employee becomes unable to perform the duties as stated in the class specification, the employee may be transferred

or demoted in lieu of taking any disciplinary action, provided the employee meets the qualifications for the position, and the position is vacant.

4. Any disciplinary action which could potentially result in dismissal shall require that a pre-disciplinary hearing be offered to the employee prior to the determination of the dismissal. If the hearing is held, either the employee or the District shall have the opportunity to be represented by legal counsel and call witnesses as necessary.

E. Resignations:

1. An employee who decides to resign from employment with the District shall inform the immediate supervisor of the intended resignation as soon as possible after the decision is made. It is preferable for the notice to be in writing, and to include the effective date of the resignation; unless approved in advance by the Board, failure to give at least two weeks' notice may be cause for denying future employment with the District and may be cause for the District's refusal to give a recommendation if contacted by other employer(s).

2. The official employment date of an employee who resigns and is reinstated shall be the latest date of employment, unless specified otherwise by the Board.

3. Any employee who is absent from work for five (5) consecutive days without notifying the immediate supervisor of the reason(s) for the absence will be considered to have abandoned the job and will be terminated from employment with the District.

F. Layoff:

1. The Board may lay off an employee or employees because of lack of work or funds.

2. The order of layoff shall be determined by the needs of the District; consideration shall be given to both the seniority and merit of persons being considered for layoff.

3. Temporary, seasonal and introductory period employees shall be laid off before employees occupying established positions within class(es) affected by the layoff.

4. One week before the effective date of the layoff of an employee occupying a established position, the Board shall notify the employee of the layoff in writing. The notice shall explain the reason(s) for and duration of the layoff (if known), and a copy of the notice shall be placed in the employee's personnel file.

5. An employee who has a satisfactory record of service and is laid off shall be eligible for reemployment in another position, providing that the employee meets the qualifications for the position and that the position is vacant.

G. Reemployment/Reinstatement:

1. The Board may reemploy any former employee who has resigned from the District with a satisfactory employment record or who has been laid off because of lack of work or funds.

2. The Board shall reinstate into the former position or a comparable position any employee who fails during the introductory period to serve satisfactorily in a position to which the employee has been promoted. The reinstated employee shall receive at least the rate of pay which was received at the time of promotion.

H. Loss of Job Requirement:

Any employee who is unable to perform the duties and requirements of the employee's position because of loss of necessary license or other requirement may, at the discretion of the Board, (1) be separated from the District service, or (2) be reassigned to a vacant position, provided the employee meets the qualifications required for the position and the position is vacant.

I. Violence in the Workplace:

A growing concern among workers in both the public and private sector is safety from violence while at work. In response to this concern, it is important that every employee be aware that violence and threats of violence are unacceptable workplace behaviors. Violence in the workplace involves more than the use of weapons. It can include shoving, harassing, and hitting, as well as other acts.

The District does not tolerate any actions that threaten its employees. Any such action will be dealt with immediately by management. This includes verbal and physical harassment, verbal and physical threats and any actions that may cause others to feel unsafe in our workplace. It is the responsibility of all employees to report threatening actions whenever they occur to management. All threatening incidents will be investigated by management and documented in personnel files.

If a threat of violence occurs in the workplace, from employees or from customers, the supervisor must be made aware of the threat.

J. American with Disabilities Act (ADA):

Policy statement of the American with Disabilities Act (ADA): The District is committed to the full implementation of the Americans with Disabilities Act (ADA) to maximize the full inclusion and integration of people with disabilities in all aspects of employment, services and activities.

All employees must comply with the following policies regarding the ADA:

1. **Discrimination Prohibited:** Employees with disabilities who are otherwise qualified may not be discriminated against in any areas of employment including, but not limited to, job application and compensation procedures, fringe benefits available by virtue of employment, and activities sponsored by the District.

2. **Limiting, Segregating, and Classifying:** Employees with disabilities shall not be limited, segregated, or classified in a way that adversely affects their employment opportunities or status.

3. **Contractual or Other Arrangements:** The District will not participate in contractual or other arrangements or relationships that would subject qualified employees with disabilities to the discrimination prohibited by the ADA.

4. **Reasonable Accommodations:** The District will make reasonable accommodation to the known physical or mental limitations of an otherwise qualified employee with a disability, unless it can be shown that the accommodation would impose an undue hardship on the District. After a qualified employee requests reasonable accommodation, the District will make every reasonable effort to find out what is needed to provide the appropriate accommodations. This is to be an interactive process with the Personnel Officer consulting with the employee with a disability.

5. **Retaliation and Coercion:** The District will not coerce, intimidate, threaten, harass, or interfere with any individual exercising or enjoying his or her rights under the ADA, or because that individual aided or encouraged any other individual in the exercise of the rights granted or protected by the ADA. Employees who believe they have been adversely impacted in violation of this policy may file a complaint as set forth in the Employee Grievances and Complaints section of the Employee Handbook. Please direct any questions or concerns to the Personnel Officer.

K. Political Activity:

1. Employees of the District shall not engage in political activity during assigned duty hours.

2. No employee, as a condition of employment or continued employment, shall be required to contribute to or campaign for any candidate for political office.

3. An employee may request a leave of absence without pay for the purpose of devoting full-time to political activities.

L. Employee Evaluation:

1. All employees occupying established positions shall be evaluated at least annually, except that employees shall be evaluated quarterly during the employee's introductory period.

2. Employee evaluation forms designed by the department and approved by the Board Chair shall be used for all evaluations.

3. A copy of the completed evaluation form shall be placed in the employee's personnel folder.

M. Use of District Property, Vehicles and Equipment:

1. District owned property, vehicles, and equipment should be used only in the performance of official District business unless authorized by the Board.

2. Any employee operating or responsible for the operation of a District vehicle or other equipment shall comply with applicable laws and safety standards, and departmental policies.

Cross-reference:

See Bracken County Ethics Code

N. Sexual Harassment:

1. In compliance with Title VII of the Civil Rights Act of 1964, as amended, and pursuant to the guidelines on sex discrimination issued by the Equal Employment Opportunity Commission, the District does not tolerate sexual harassment (defined as any unwelcome sexual advances, request for sexual favors, sexual remark or conduct that affects job or promotion decisions; interferes with work performance; creates a hostile, offensive or intimidating atmosphere; or any other physical contact of a sexual nature.)

2. Employees who believe they have been subjected to sexual harassment, or any other form of harassment, by another employee, should inform the Personnel Officer or County Attorney, who will conduct an investigation immediately and confidentially. An employee found guilty of sexual harassment against another employee will be subject to appropriate disciplinary action, including dismissal. There will be no retaliation against any employee who makes a good faith report of harassment.

O. Exit Interview:

1. Employees are requested to participate in an exit interview upon termination of employment with the District for any purpose.

2. All keys, identification card, and District property still in the employees' possession shall be turned in during the exit interview.

PART IV: CLASSIFICATION PLAN

A. Allocations:

1. In the authorized classification plan:

a. Each established position shall be assigned to an appropriate class on the basis of the duties and responsibilities of the position.

b. A class may include one or more positions.

B. Written Specifications:

1. Each class shall have a specification that includes:

- a. A concise, descriptive title;
 - b. A description of duties and responsibilities of the class;
 - c. A statement of desirable qualifications for the position.
2. All positions in a class shall be sufficiently alike to permit:
 - a. The use of a single descriptive title;
 - b. A description of each of the duties in the class;
 - c. The same qualifications for each position;
 - d. The use of the same tests of competence for each position;

C. Regular Review/Evaluation:

1. At least once each year the Personnel Officer shall review the duties and responsibilities of each class. If necessary, the Personnel Officer shall recommend reclassification of position(s), the creation of new classes, or the abolition of existing classes.
2. All changes shall be made upon recommendation by the Personnel Officer and approval by the Board.

D. Reclassifications:

1. The Personnel Officer shall recommend reclassification of a position after its duties and responsibilities change and it is no longer comparable with other positions in the class.
2. Whenever the duties of a position so change that no appropriate class for it exists, the Personnel Officer shall prepare an appropriate class specification for the position and submit it for appropriate reclassification to a new class.
3. Reclassification of a position may not be used to avoid a restriction concerning demotion, promotion or compensation.
4. When creating a new class, the format for existing specifications shall be maintained, including all required sections.
5. All classification changes shall be made by amending the personnel system upon recommendation by the Personnel Officer and approval by the Board.
6. Reclassification of positions must be accompanied within the limits of current revenues.

E. Categories of Employment:

1. All employees of the District shall be classified as full-time, part-time, temporary or seasonal, or assigned. Definitions of each follow:

a. Full-time employee: An employee who occupies an established position and works 40 hours or more per week on a regularly scheduled basis;

b. Part-time employee: An employee who occupies an established position and works less than 40 hours per week on a regularly scheduled basis;

c. Temporary or seasonal employee: An employee who works in a position which is of a temporary nature not exceeding six months per year; and

d. Assigned employee: An employee made available to the District by another agency.

e. On-call employee: An employee available to work only if called for a specific assignment.

2. Only employees occupying full-time established positions shall be entitled to benefits provided by the District.

PART V: COMPENSATION PLAN

A. Pay Plan: eliminated

B. Hours of Work:

1. Each employee shall work according to a schedule of hours determined by the employee's immediate supervisor. Flexible hours may be scheduled for employees if recommended by the Department Director and approved by the Board.

2. Any employee who does not report to work and fails to notify the employee's immediate supervisor or the Personnel Officer of the intended absence by the scheduled time to begin work shall not be allowed to charge the time off to either sick or vacation leave; the period of absence shall be considered time off without pay.

C. Workweek:

1. The official workweek shall begin and end on Sunday at midnight.

2. The official work week may be changed at any time, but not to avoid overtime requirements.

D. Overtime:

1. In order to determine whether an employee will receive overtime pay for hours worked in excess of 40 hours per week, each class shall be declared “exempt” or “non-exempt” in accordance with the provisions of federal and state labor laws; the designation shall be placed on each class specification. Employees in exempt classes shall not receive overtime pay; employees in non-exempt classes shall receive overtime pay at the rate of one and one-half times the regular hourly wages for all hours worked in excess of 40 hours in any work week.

2. Overtime pay will be granted for actual hours worked. Time off with pay (including holidays, vacation leave, sick leave, jury duty, funeral leave, etc.) will not be considered as hours worked for overtime pay purposes.

3. Overtime work shall never be at the employee’s discretion, shall be approved in advance by the immediate supervisor or Department Director whenever possible, and shall be kept at the minimum consistent with maintenance of essential services and the District’s financial resources.

4. Employees who are required to work overtime may be required by the Department Director to take time off to avoid overtime pay, provided the time off is taken during the same workweek as the additional hours worked.

E. On-Call Pay:

1. Each week one member of the Distribution crew shall carry out on-call duties to cover after-hours emergencies. On-call duties shall be on a rotating basis. Employees scheduled to be on-call will receive one hundred dollars (\$100.00) compensation per week. On-call pay will be listed as a line item on the employee’s paycheck and shall be subject to mandatory deductions.

2. If an employee is unable to fulfill his duties it is the employee’s responsibility to find a replacement. Employees may trade with an employee on a day by day trade.

3. Due to illness, injury, or a similar circumstance, if an employee is unable to fulfill his entire week on-call he will then forfeit the on-call pay to the replacement. Only one employee per week will be eligible for on-call pay.

4. Employee receiving on-call pay will not be eligible for callback pay, but will be compensated for each hour worked.

5. It is the scheduled member’s responsibility to assess the after-hours emergency situation and determine if further assistance is needed.

a. Additional members will be compensated with call-back pay or actual hours worked.

6. As a general rule, employee on-call should have a maximum of thirty minutes to respond to the call and, unless on another service call, should be on site within one hour.

F. Call-Back Pay:

When an employee is required to report for duty at a time the employee is scheduled to be off-duty, the employee shall receive a minimum of two hours pay. Employee occupying on-call status is excluded from call-back pay for that period.

G. Salary Increases:

1. The annual statement of revenues and expenditures as recommended by the Board Chair to the Board may include salary increases effective January 1 annually, and individual adjustments may be made during the year as necessary.

2. The salary increases may include both cost-of-living and merit increases. Vacation days or personal days may be awarded by the Board in lieu of pay increase.

H. Pay Periods:

1. Employees shall be paid bi-weekly (every two weeks). Checks will be issued no later than the Wednesday following the ending of the pay period.

2. Signed time cards attesting to hours worked shall be submitted to the Office Manager or Office Assistant by 9:00 am on Monday following the end of the pay period.

3. Accumulated sick and vacation leave on pay stubs are for reference only. Actual values may be obtained through the office manager after the pay period that includes the last day of the month.

I. Payroll Deductions:

1. The following mandatory deductions will be made from every employee's gross wages:

- a. Federal Income Tax;
- b. Social Security Tax (FICA);
- c. Medicare;
- d. State Withholding Taxes;
- e. Health Insurance (Cafeteria Plan)

2. Other voluntary contributions may be withheld, provided the withholding is applicable to all employees.

PART VI: BENEFITS

Employee benefits constitute a basic ingredient in personnel administration. Employees occupying full-time established positions shall receive benefits as follows.

A. Holidays:

1. The following holidays shall be observed by the District:
 - a. The first day of January (New Year's Day);
 - b. The last Monday in May (Memorial Day);
 - c. The fourth day of July (Independence Day);
 - d. The first Monday in September (Labor Day);
 - e. The eleventh day of November (Veterans Day);
 - f. The fourth Thursday and Friday in November (Thanksgiving Holiday);
 - g. The twenty fourth day of December (Christmas Eve);
 - h. The twenty-fifth day of December (Christmas Day);
 - i. The thirty-first day of December (New Year's Eve).
2. In addition to the above, any day may be designated as a holiday by proclamation of the Board.
3. When any holiday listed above falls on Saturday, the preceding business day shall be considered the holiday; when any holiday listed above falls on Sunday, the following business day shall be considered a holiday. However, when Christmas Eve-Christmas and New Year's Eve-New Year's Day falls on weekends, the Board may elect to keep the District offices open, provided that the employees receive pay for the holidays.
4. In order for an employee to be paid for a holiday, the employee must be on active pay status and must work the last scheduled day before and the first scheduled day after the holiday, with the following exceptions:
 - a. The absence(s) must be approved in advance; and
 - b. Employees on vacation leave shall be paid for the holiday instead of being charged vacation leave.
5. All employees occupying full-time established positions shall receive holidays with pay for the legal holidays observed by the District. Employees shall receive payment for the hours normally worked; if the employee's regularly scheduled day off falls on a holiday, the employee shall receive eight hours holiday pay.
6. Employees who are required to work on holidays shall receive holiday pay in addition to payment for actual hours worked.

B. Vacation Leave:

1. Employees on active pay status and occupying established full-time positions shall be granted annual leave at full pay at the current salary rate as follows:

<u>Years of Employment</u>	<u>Annual Leave Accrued</u>
Years one and two	40 hours
Years three thru ten	80 hours
Years eleven and over	120 hours

2. Vacation leave shall be accrued at the rate of 1/12th of the annual rate per month of employment, and accruals shall be limited to three times the employee's current vacation leave allowed.

3. For accrual purposes, a new employee who reports for work on or before the 15th of the month shall accrue the full amount for that month. If employed on or after the 16th, a new employee shall begin accruing vacation leave the beginning of the following month.

4. Vacation leave may not be taken by employees serving original introductory periods; employees on introductory status as a result of promotion may take accrued vacation leave.

5. Insofar as possible, vacation days shall be requested in advance. The Department Director may disapprove vacation leave if the employee's services are required at the requested time. Vacation time shall be taken in increments of not less than 15 minutes.

6. After successful completion of the original introductory period, any employee who terminates employment with the District shall be compensated for earned but unused vacation leave; employees who either resign or are discharged during the original introductory period shall not receive compensation for vacation leave.

7. Former employees who resigned with a satisfactory work record and are reemployed or reinstated may be reinstated at the previous employment accrual vacation rate.

8. Employees absent because of sickness or non-work related injury or disability may use accrued vacation leave or personal leave during the time off only after accrued sick leave has been exhausted.

9. At December 31st, unused vacation time accrual of three times the allowed amount may be carried forward. Employee will be compensated for any unused time above the allowed accrual amount at a rate of 50% of its value.

10. The Office Manager shall keep records of vacation leave earned and vacation leave taken; vacation leave taken shall be limited to the current amount earned.

C. Sick Leave:

1. Employees who occupy established full-time positions shall accrue eight hours sick leave credit per completed month of employment:

a. For accrual purposes, a new employee who reports for work on or before the 15th of the month shall accrue the full amount for that month. If employed on or after the 16th, a new employee shall begin accruing vacation leave the beginning of the following month.

b. Sick leave is credited on the last workday of each month, and employees must be on active pay status on the last working day of the month to accrue sick leave for that month.

2. Employees shall be limited to a maximum accrual of 720 hours.

a. Hours accrued above the allowed amount (720 hours) will be banked in a community pool. Any person not having enough accrued sick time may request approval from the commissioners to utilize hours from the pool. No hours are to be used prior to approval from the board.

b. Employees shall not be allowed to use sick leave in advance of accrual unless authorized in advance by the Board.

3. Accrued sick leave may be utilized by employees when they are unable to perform their duties because of non-work related sickness or injury, medical evaluations, examinations or quarantine. At the employee's request, vacation leave may be used while off-duty because of non-work related sickness, injury or illness only upon exhaustion of accrued sick leave.

4. A supervisor reserves the right to visit any employee while using sick leave, and/or a statement from a medical professional may be requested after any sick leave take if abuse of sick leave is suspected. The District reserves the right to require a release to return to work from a medical professional after any period of absence.

5. When an employee takes sick leave, the employee's Department Director shall be informed of the fact and the reason(s) thereof as soon as possible. Failure to notify the Department Director before the work period is scheduled to begin shall be cause for denial of sick leave with pay for the period of absence.

6. Absence for part of a day that is chargeable to sick leave shall be charged in an amount not smaller than 15 minutes.

7. Employees who terminate employment with the District shall not be compensated for accrued sick leave credit. Any employee fraudulently taking sick leave may be disciplined, including suspension or dismissal.

8. The Office Manager shall keep records of sick leave allowance, taken, and accrued for each employee.

D. Disability Leave:

1. Any employee who suffers injury or illness as a result of service connected accident or illness shall be compensated at the current negotiated rate with the worker's compensation insurance company.

2. The District shall not supplement the worker's compensation insurance payment; however, an employee shall receive regular pay during the period from date of injury and the beginning of worker's compensation insurance payment, provided the employee has accumulated sick leave or vacation leave to use for this purpose. An employee shall be removed from the payroll during the period of receiving payment from the worker's compensation insurance company; in addition, the following shall apply:

a. The District will continue to pay the employer's share of insurance payments for a period of six months for each injury or illness, after which the employee shall be responsible for the full payment in order to continue coverage.

b. Sick leave and vacation leave, including accruals during the period of absence, will be placed in escrow until the employee returns to work.

c. Employees on worker's compensation shall not receive payment for holidays during the period of absence.

3. The District reserves the right to request any employee to be examined by a medical professional of the District's choice to insure the employee capable of returning to work and performing the duties and responsibilities of the assigned class.

E. Maternity Leave:

1. For employees not yet eligible for Family and Medical Leave, Maternity leave may be granted for employees with temporary disability due to pregnancy, childbirth, or any impairment thereof, and miscarriage for a period not to exceed three calendar months. An additional period may be granted if required by a Medical Doctor.

2. The employee may use any accrued sick leave, then accrued vacation leave, and the remaining period will be time off without pay.

3. An employee returning to work from maternity leave must furnish a physician's statement certifying the employee's ability to perform required duties.

F. Bereavement (Funeral) Leave:

1. Employees occupying established full-time positions may be granted up to three working days off without loss in pay in case of death in the immediate family (spouse, child/step child, parent, brother, sister, parent-in-law, grandparents, grandchildren).

2. The employee and supervisor shall determine the amount of time the employee may be absent from work, not to exceed three working days. If the required number of days is greater than three, the Board may authorize leave with or without pay, depending upon the circumstances involved, and the needs of the District.

G. Lunch Period and Break Periods:

1. Employees shall be entitled to one 15-minute break for each consecutive four hours worked; breaks shall be scheduled, and shall not coincide with time of arrival, lunch periods, or time of departure from work.

2. All employees shall be entitled to a 30-minute lunch period; such period shall be without pay, and shall be close to the middle of the work period.

H. Family and Medical Leave:

Eligible employees may take Family and Medical leave. The policy is attached as Appendix C.

I. Leave of Absence:

1. Employees must submit requests for non-paid leave of absence in writing to the immediate supervisor, who shall forward the request with accompanying recommendation to the Board for final approval.

2. Employees on leave of absence shall keep the District informed of the leave status, and shall contact immediate supervisor at least two weeks prior to the conclusion of the approved leave or of the employee's desire to return to work.

3. While on non-paid leave of absence, employees shall not accrue benefits, and shall be responsible for the total amount of insurance premium costs.

4. Employees on leave of absence who fail to return to work at the conclusion of approved leave will be terminated from employment with the District effective the last pay check received.

J. Military Leave:

1. Any employee occupying a full-time established position who is a member of the National Guard or any reserve component of the Armed Forces of the United States, or of the Reserve Corps of the United States Public Health Service, shall be entitled to leave of absence without loss in pay for a period not exceeding fifteen calendar days in any one calendar year for the purpose of attending annual mandatory training (KRS 61.394, KRS 61.396).

2. In the event an employee is called to active military duty, the provisions of federal law shall apply.

K. Jury Duty:

1. Employees shall be compensated at the normal rate of pay while serving on jury duty; however, compensation (less expenses) paid by the courts shall be turned over to the District.

2. Employees summoned as a plaintiff or a defendant in a proceeding arising from outside employment or personal business shall not be entitled to leave with pay, but may use accrued vacation leave during the absence.

3. All employees serving on jury duty shall be absent from work only during the times required by the courts, and shall report for work immediately upon release from the courts.

L. Insurance:

1. Health Insurance: Currently, the District provides single insurance coverage. The amount of a deduction connected with coverage, if any, is determined by the Board and may change annually. Currently, Employees wishing to obtain family coverage shall be responsible for total costs for the family coverage option. The contributed amount to any health savings or similar plan will be determined upon annual review of insurance renewal. Insurance may change annually. The provision of insurance benefits is governed by the applicable plan documents. This handbook only provides an overview and does not govern the provision of these benefits.

2. Life insurance: The District provides \$10,000 term life insurance for employees occupying full-time established positions.

3. Worker's Compensation Insurance: The District pays total costs.

4. Unemployment Insurance: The District pays total costs.

5. Accident Insurance: The District pays total costs for accident insurance coverage for employees occupying full-time established positions. Employee's wishing to obtain other coverage including cancer, disability and family coverage shall be responsible for total costs. The District will treat this amount as a deduction and forward it on behalf of the employee provided the amounts due are withheld from employee's wages.

M. Social Security:

The District and each employee contribute equal amounts at the rate established by Congress.

N. Educational Assistance (Career Development):

To encourage the professional and personal development of its employees, the District may pay the following for educational/career development programs, provided that the department has funds for the expenditure, and provided the program is approved in advance by the Board. Current license needed for the District is a Class II D Distribution License, which

requires 12 hours of training every two (2) years. Employees requiring continuing education hours to maintain or to obtain license must conform to the following criteria:

1. Hours must be needed to maintain or obtain license. Any other continuing education hour in excess of those required to maintain or obtain license will be at the expense of the employee.

2. Employee must present board with schedule of training hours and associated cost prior to training.

3. Upon completion of training, employee must present board with a complete list of all expenses including mileage, meals and cost of training. Meals for anyone that attends training with employee must be paid for separately so employee cost can be easily identified.

4. Employee will receive a maximum of 8 hours of regular pay per day for approved training sessions. Daily meal allowance maximum of \$20 per day with no overnight stay \$40 per day with overnight stay upon submittal of paid receipts. In lieu of hotel cost, daily mileage will be reimbursed at the federal rate as set by the Federal Government each year. Maximum mileage will be 150 miles per day.

O. Vacation Hours: Vacation Hours must be used for any extra training that is obtained above that required to maintain or obtain the license needed for the District. The District will not pay for mileage, meals, and etc. for any additional training employee desires unless previous permission is received by the District Board. Uniform Policy:

PURPOSE

The purpose of this policy is to promote professional appearance and uniformity among distribution personnel and to comply with safety standards.

POLICY

It is the policy of the District to promote safety and uniformity within the distribution department and to display a professional appearance to the public. Uniforms will be provided to distribution personnel as authorized by the Board. Personnel who are provided uniforms shall wear uniforms at all times while on duty. Uniforms shall be kept as neat and presentable as working conditions permit.

All distribution employees shall wear the ANSI Class III uniform shirt with blue jeans or blue work pants as provided. In the event of an afterhours emergency, when a uniform may not be available to you, the District will permit you to wear the green safety vest that has been provided. Vest may also be worn in place of ANSI Class III jackets or winter coats.

Meter readers hired on a per meter basis shall wear lime green/yellow safety T-shirts that are provided by the District.

VIOLATIONS OF THE UNIFORM POLICY

Through the contract with the supplier each distribution employee will be provided eleven sets of uniforms, therefore there should be no reason for any distribution employee to be out of uniform. Violations shall be dealt with in the following manner:

First offense: Any distribution employee reporting to work without the required uniform will receive a verbal warning from the Maintenance Administrator or a member of the board. The employee will be required to wear the safety vest that has been provided to them. The warning will be noted in the employees personnel file.

Second offense: Any distribution employee violating the uniform policy a second time will receive a written warning from the Maintenance Administrator or a member of the board. The employee will be required to wear the safety vest that has been provided to them. The written warning will be placed in the employees personnel file.

Any repeat violations of the uniform policy will result in suspension of the employee without pay for a period of not less than 40 hours. Flagrant disregard for the uniform policy will result in dismissal.

Q. Body Art & Piercing Policy:

PURPOSE

The purpose of this policy is to promote professional appearance and uniformity among personnel.

POLICY

It is the policy of the District to present a professional image to the public. In addition to proper dress, employees are expected to present a clean, neat and business-like appearance. Visible body art/tattoos are prohibited. All body art/tattoos must be covered by normal clothing or uniforms while at work. Extreme jewelry is not permitted. Jewelry is limited to a watch, wedding ring, and religious medal or symbol for men. Women may wear a watch, bracelet, wedding /engagement rings, pendant, and small to moderate earrings. Jewelry in tongue, lip, eyebrow, or nose is prohibited.

VIOLATIONS OF THE BODY ART AND PIERCING POLICY

First offense: Any employee reporting to work in violation of the policy will receive a verbal warning from a member of the board. The employee will be required to cover the tattoo/body art and/or remove the jewelry. The warning will be noted in the employees personnel file.

Second offense: Any employee violating the policy a second time will receive a written warning from a member of the board. The employee will be required to cover the tattoo/body art and/or remove the jewelry. The written warning will be placed in the employees personnel file.

Flagrant disregard for the uniform policy will result in dismissal.

PART VII: EXPENSE REIMBURSEMENT

1. Any officer or employee of the District incurring expenses for approved travel on behalf of the District shall be reimbursed at the actual rate of expenditures:

- a. Food costs shall not exceed \$40 per day;
- b. Costs for hotel shall not exceed the rate at the host hotel where the event is held.

2. Receipts for all expenditures must be obtained and attached to the Expense Reimbursement Form, which must be completed and received by the Office Manager within three working days after returning to work.

3. If travel by personal vehicle is required, the reimbursement shall be at the rate authorized by the federal government.

4. All Expense Reimbursement Forms shall be signed by the employee requesting the reimbursement and the Board Chair.

PART VIII: SEVERABILITY

1. If any provision of these personnel policies and procedures is held invalid, such invalidation shall not affect the remainder of these personnel policies or its application.

2. All policies and procedures that conflict with the contents of these policies and procedures are hereby repealed.

GRIEVANCE PROCEDURE

Appendix A

GRIEVANCE PROCEDURE

A. District Employees:

1. Unless an employee or employee group is procedurally covered otherwise by state or federal law, any employee of the District who feels aggrieved by an act or decision by the administration, supervisory personnel or other officers or employees shall have the right to process the grievance in accordance with the following procedure:

a. The aggrieved employee shall present the grievance to the Department Director within three working days of its occurrence or knowledge of its occurrence (except that grievances may be submitted directly to the Board if the grievance is against the Department Director). The grievance (and all subsequent appeals) shall be in writing, and shall set forth the reasons and grounds for the grievance with a statement of relief sought. The Department Director shall attempt to adjust the matter, and shall respond to the employee in writing within three working days.

1) The Grievance Procedure Form shall be used. Both the grievance and proposed solution to grievance sections shall be specific as to facts, names, facility involved, dates, places, etc. State specifically which law, policy, rule, regulation, procedure, condition of employment, past practice or agreement was involved and how it was violated.

2) Group grievances crossing departmental lines shall be forwarded directly to the Board.

3) An investigation may be conducted at any level of grievance by the recipient of the grievance.

4) If the grievance is based on race, color, religion, sex, age, national origin or disability, a copy of all correspondence shall be forwarded to the Personnel Officer.

b. If the grievance remains unresolved within the department, it may be presented by the aggrieved employee to the Board within three working days after receiving the Department Director's response. The Board may conduct an investigation, and shall respond to the aggrieved employee in writing within sixty calendar days after the grievance is received.

2. If a hearing is held at any level, both the District and the aggrieved employee may be represented by Counsel.

3. If requested, introductory period, temporary and seasonal employees will be advised of their rights to file grievances regarding discrimination by the Personnel Officer.

B. Person(s) Outside District Employment:

1. If any person or persons outside the District employment, including protected class individuals, feels aggrieved by an act or decision of the District legislative, executive, administrative, supervisory, or other officers or employees, the grievance shall be processed in accordance with the following procedure:

a. The individual may request a Grievance Procedure Form from the Personnel Officer, complete the grievance and proposed solution to grievance sections, and forward the form directly to the Board Chair. The Board Chair shall respond to the grievance in writing within ten working days after the grievance is received.

b. The completed Grievance Procedure Form shall be specific as to facts, names, facility involved, dates, places, etc., and received by the Personnel Officer within the time limit as required by federal law.

c. The Board Chair may conduct an investigation, and shall respond to the grievance in writing within thirty days after receiving the grievance.

d. If the grievance remains unresolved, it may be presented to the Board within thirty days after receiving the Board Chair's response. The Board shall respond to the grievance within the time limits as required by federal law.

2. If the aggrieved person or persons is not satisfied with the decision of the District, the Personnel Officer will advise the person or persons of the available alternatives.

**GRIEVANCE PROCEDURE FORM
BRACKEN COUNTY WATER DISTRICT**

TO: _____ FROM: _____

I wish to file the following grievance:

Proposed solution to grievance:

Signature _____ Date _____

Response of _____

Received _____ Signature _____ Returned _____

The attached sheet shall be completed to continue the grievance at each level.

After receiving the response from _____ on _____
(Date)

- () I am satisfied with the resolution of the grievance;
- () I am dissatisfied with the resolution of the grievance, and wish to appeal the decision to the next higher level.

Signature _____ Date _____

Response of _____

Received _____ Signature _____ Returned _____

_____ After receiving the response from _____ on _____
(Date)

- () I am satisfied with the resolution of the grievance;
- () I am dissatisfied with the resolution of the grievance, and wish to appeal the decision to the next higher level.

Signature _____ Date _____

Response of _____

Received _____ Signature _____ Returned _____

Use additional sheet(s) to continue grievance.

DRUG-FREE WORKPLACE POLICY

Appendix B

**BRACKEN COUNTY WATER DISTRICT
DRUG-FREE WORKPLACE POLICY**

1. It is the policy of the Bracken County Water District that its work place shall remain drug-free in compliance with the Drug-Free Workplace Act of 1988 (PL 100-690, Title V, Subtitle D).

2. No employee of the District shall engage in unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in any workplace of the District.

3. Controlled substances are those described in KRS 218.140, or in regulations of the Kentucky Cabinet for Human Resources.

4. The District shall maintain a Drug-Free Workplace Program; through the implementation of the procedures as set out herein below:

a. Each employee is hereby informed that they shall notify the Board or Personnel Officer within five (5) days of any criminal drug statute conviction for a violation in the workplace. Within 30 days, the District will take action as appropriate.

b. A Drug-Free Workplace Certification shall be published and shall be read and signed by each District employee, whether full-time or part-time (a copy of said certification is attached and made a part of this policy).

c. Any employee violating the terms of this policy statement is subject to immediate dismissal.

d. Employees found to be abusing drugs, but not convicted of any drug statute violation, will be subject to appropriate personnel action up to and including a requirement to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes, or termination. The District will not pay for this rehabilitation.

e. Employees will be advised of available sources of information and counseling upon request.

DRUG-FREE WORKPLACE CERTIFICATION

1. The Bracken County Water District hereby certifies that it will provide a drug-free workplace and has adopted a Drug-Free Awareness Program intended to inform employees about:

- a. The dangers of drug abuse in the workplace;
- b. The District's intent of maintaining a drug-free work place;
- c. Any available drug counseling, rehabilitation and employee assistance programs; and
- d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

2. All employees are hereby notified that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in any District workplace.

3. As a condition of employment, District employees shall:

- a. Abide by the terms of the District's Personnel Policies on a Drug-Free Workplace; and
- b. Notify the Personnel Officer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction.

4. District employees are hereby notified that penalties for drug abuse violations occurring in the workplace shall include:

- a. Taking appropriate personnel action up to and including termination; or
- b. Requiring the employee to participate satisfactorily in an appropriate drug abuse assistance or rehabilitation program.

5. Employees will be advised of available sources of information and counseling upon request.

I, THE UNDERSIGNED, CERTIFY THAT I UNDERSTAND THE PROVISIONS AS STATED ABOVE.

Signature _____ Date _____

FAMILY AND MEDICAL LEAVE POLICY

Appendix C

Bracken County Water District
Family and Medical Leave Policy

I. Eligibility and Purpose for Taking the Leave.

A. **12-Week Leave Entitlement.** An employee who has been employed for at least 12 months and for at least 1,250 hours during the 12-month period prior to leave, is entitled to take a job-protected, unpaid leave of absence of up to 12 work weeks during any 12-month period.

1. **Reasons for taking leave.** This 12-week leave of absence may be taken for any one or more of the following reasons:

- a. For incapacity due to pregnancy, or prenatal medical care;
- b. For the birth of the employee's child and to care for the child after birth;
- c. For the placement of a child with the employee for adoption or foster care and to care for the newly placed child;
- d. To care for the employee's spouse, child, or parent, as defined by law, if such family member has a serious health condition;
- e. Because of a serious health condition that makes the employee unable to perform any one of the essential functions of the employee's position; or
- f. To address any qualifying exigency arising out of the fact that the employee's spouse, child or parent has been or has orders to be deployed to a foreign country or is on active duty or call to active duty status in or to a foreign country ("qualifying exigency leave"). Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions and attending post-deployment reintegration briefings.

2. **Serious Health Condition.**

a. A "serious health condition" is an illness, injury, impairment, or physical or mental condition that involves either:

- 1) An overnight stay in a medical care facility; or
- 2) Continuing treatment by a health care provider for a condition that prevents the employee from performing the functions of the employee's job or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by:

- (a) A period of incapacity of more than 3 consecutive calendar days combined with at least 2 visits to a health care provider or 1 visit and a regimen of continuing treatment;
- (b) Incapacity due to pregnancy;
- (c) Incapacity due to a chronic condition; or
- (d) Other conditions to the extent required by law.

3. **Time for taking the leave.** The District uses the “rolling method” of calculating the 12-month period during which the employee is entitled to take up to 12 weeks of FMLA leave due to one of the above reasons. Under the “rolling method” the 12-month period begins on the date of the requested leave and any FMLA leave taken from that date through the prior 12 months will count towards the employee’s 12-week entitlement for that year.

B. **26-Week Leave Entitlement.** An employee who has been employed for at least 12 months and for at least 1,250 hours during the 12-month period prior to leave, is entitled to take a job-protected, unpaid leave of absence of up to 26 work weeks during a single 12-month period to care for a covered service member.

1. A “covered service member” is:

a. A current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred or aggravated in the line of duty on active duty that may render the service member medically unfit to perform the duties of his or her military office, grade, rank or rating, and for which the service member is:

- 1) Undergoing medical treatment, recuperation or therapy;
- 2) In outpatient status; or
- 3) On the temporary disability retired list.

b. A veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness incurred or aggravated in the line of duty on active duty and who was a member of the Armed Forces, including a member of the National Guard or Reserves, within the 5 year period preceding the treatment, recuperation, or therapy.

2. To be eligible to take FMLA leave to care for a covered service member, the employee must be the service member’s spouse, child, parent or next-of-kin, as defined by law.

3. **Time for Taking the Leave.** An employee may take up to 26 weeks of leave to care for a seriously ill or injured covered service member in a single 12-month period.

The single 12-month period begins on the first day the employee takes FMLA leave to care for a covered service member, and ends 12 months after that date.

C. **Limits on FMLA Leave Available to Spousal Employees.** In cases in which a husband and wife are both employed by the District, they may take a combined total of 12 work weeks of leave for the following reasons: for the birth or placement of a child with the employees for adoption or foster care and to care for the newly born or newly placed child; or to care for a parent with a serious health condition. Spousal employees are also limited to a combined total of 26 work weeks of leave to: care for a covered service member with a serious injury or illness; or to take leave to care for a seriously injured covered service member in combination with one of the 12-week leave entitlements listed in this paragraph.

II. Request for FMLA Leave.

A. Amount of Notice.

1. **In general.** Any employee applying for leave for any FMLA-qualifying reason must request and complete the District's application for FMLA leave. The employee must return the completed application to the Personnel Officer at least 30 days in advance of the start of leave if the need for leave is foreseeable. If a full 30 days notice is not possible, the form must be submitted as soon as practicable (either the same day the employee learns of the need for leave or the next business day).

2. **Unforeseeable leave.** Where the need for FMLA leave is not foreseeable, and the employee is unable to complete a written application for FMLA leave before the start of the leave, the employee must follow the Water District's call-in policy, and submit a completed application for FMLA leave as soon as practicable.

3. **Qualifying exigency leave.** Regardless of how far in advance the employee becomes aware of the need to take qualifying exigency leave, notice of the need for such leave must always be given as soon as practicable (either the same day the employee learns of the need for leave or the next business day).

B. **Content of the Notice.** In all circumstances, when giving notice of the need for leave, the employee must provide sufficient information for the District to determine if the leave qualifies for FMLA protection, and must state the anticipated timing and duration of the leave.

1. "Sufficient information" includes, but is not limited to, information showing that: the employee is unable to perform one or more job functions; that the family member is unable to perform daily activities; that hospitalization or continuing treatment by a health care provider is needed; or that demonstrates circumstances that would support the need for military family leave.

2. The employee must also inform the Water District if the requested leave is for a reason for which FMLA leave was previously taken or certified.

C. **Failure to Give Adequate Notice.** Employees who fail to provide sufficient notice may have their FMLA leave delayed or denied.

D. **Designation of FMLA Leave.** The Water District reserves the right to designate leave, paid or unpaid, as FMLA leave as soon as the District discovers that the reason for the leave qualifies under the FMLA.

E. **Processing of FMLA Leave Requests.**

1. **Notice of eligibility.** Once an employee has requested FMLA leave, the District will inform the employee whether he or she is eligible for such leave. If the employee is eligible, the employee will be instructed as to whether any additional information is required, and as to his or her rights and responsibilities under the FMLA. If the employee is not eligible, the District will provide at least one reason for the ineligibility. This notice does not constitute a final determination of whether the leave qualifies for FMLA protection.

2. **Certification of Leave.**

a. **If the employee is requesting leave for the purpose of tending to their own or a family member's serious health condition:** within 15 calendar days after the request for leave, the employee must provide a complete and sufficient certification of the need for such leave prepared by the appropriate health care provider.

If the District has reason to doubt the validity of the certification provided, it may require the employee to obtain a second opinion from a physician selected by the District at the District's expense. If the second opinion is in conflict with the first, the District may require the employee, at the District's expense, to see a mutually agreed upon health care provider to give a final and binding opinion.

Periodic recertifications may be required to the extent permitted by law.

b. **If the employee is requesting leave to care for a seriously injured covered service member:** within 15 calendar days after the request for leave, the employee must provide a complete and sufficient certification of the need for such leave prepared by a health care provider authorized by law to complete such a certification.

c. **If the leave is to address a qualifying exigency:** an eligible employee must submit a completed Certification of Qualifying Exigency form, accompanied by the required supporting documentation and a copy of the covered military member's deployment and/or active duty orders within 15 calendar days after the request for leave.

d. **Failure to complete a certification form.** An employee who fails to timely submit a complete and sufficient certification form may be denied FMLA leave, and will be subject to the District's other applicable leave and/or attendance policies. Appropriate certification forms are available from the Personnel Officer.

3. **Designation Notice.** Once the District has sufficient information to make a determination as to whether the leave is FMLA-qualifying, it will inform the requesting employee whether the leave will be designated as FMLA-protected, and, if so, of the amount of leave that will be counted against the employee's leave entitlement. If the leave is not determined to be FMLA-qualifying, the District will inform the employee.

The District will not make a final determination as to whether the leave is in fact FMLA-qualifying until all the necessary information, including any required certifications, has been received.

III. Intermittent Leave/Reduced Schedule Leave.

A. **Availability.** Except as discussed below, an employee does not need to use his or her FMLA leave entitlement(s) in one block, and may instead request leave, including leave to address qualifying exigencies, on an intermittent or reduced schedule basis.

1. **Exception for birth, placement of a child.** Leave taken to care for a healthy, newly born or newly placed child may not be taken on an intermittent or reduced schedule basis.

B. **Medical Necessity.** Depending on the reason for the intermittent or reduced schedule leave, the employee may be required to demonstrate that taking FMLA leave on an intermittent or reduced schedule basis is medically necessary.

C. **Scheduling.** Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the District's business.

D. **Transfer to an Alternate Position.** In order to better accommodate an employee's need for intermittent or reduced schedule leave, the District may transfer an employee to an alternative, available position for which the employee is qualified. Any such transfer will provide equivalent pay and benefits.

IV. Exhaustion of Paid Leave.

Under the FMLA, employees may choose or employers may require employees to use accrued paid leave while taking unpaid FMLA leave. In order to elect to apply accrued paid leave to an FMLA-qualifying leave of absence, the employee must comply with the District's applicable paid leave policies. If the employee does not meet the conditions to substitute accrued paid leave, he or she may take the FMLA leave unpaid.

An employee must substitute for unpaid FMLA leave any available paid leave to which he or she is entitled and which has accrued to the employee as of the time of leave.

Employees will not be required to exhaust their available accrued paid leave while they are on FMLA leave and are also receiving pay under workers' compensation or under the District's long or short term disability insurance programs. However, employees may elect to apply their accrued paid leave to supplement the pay they receive under workers' compensation or the District's long or short term disability plans.

Any form of paid leave (including, but not limited to, accrued paid leave under any Company policy, short term disability, long term disability and workers' compensation) which also qualifies and is designated as FMLA leave shall run concurrently with FMLA leave.

V. Employee Benefits.

A. **Maintenance of Benefits.** The employee's status, salary, and benefits will be maintained during leave to the extent required by law. During the term of FMLA leave, the employee will continue to receive group health benefits on the same terms as if the employee had continued to work as long as the employee continues to pay his or her contribution to group health benefits. If the payment is over 30 days late, coverage may lapse.

B. **Recovery of Contributions.** The District may recover its contribution to the health benefits during the FMLA leave period if the employee does not return to work after the leave for a reason other than (i) the continuation, recurrence, or onset of a serious health condition of the employee or the employee's family member, or a serious injury or illness of a covered service member; or (ii) other circumstances beyond the employee's control.

VI. Return to Work.

A. **Monthly Reports.** During the employee's FMLA leave, the employee must report in writing on a monthly basis to the Personnel Officer on the employee's status and intent to return to work.

B. **Fitness for Duty Report.** If an employee goes on FMLA leave due to his or her own serious health condition, the employee must obtain and present a note from his or her health care provider stating that the employee is able to resume work.

C. **Job Restoration.** Upon return from FMLA leave, most employees will be restored to their original position or an equivalent position with equivalent pay, benefits and other terms of employment. Employees will be returned to the same or equivalent position to the extent required by law. An employee's use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave.

VII. Enforcement.

A. The FMLA makes it unlawful for any employer to interfere with, restrain or deny the exercise of any right provided under the FMLA or to discharge or discriminate against any person for opposing any practice made unlawful by the FMLA, or for involvement in any proceeding under or relating to the FMLA. An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against the District if he or she feels that such an unlawful act has occurred. The FMLA does not affect any Federal or State law prohibiting discrimination or supersede any State or local law or collective bargaining agreement, which provides greater family or medical leave rights.

VIII. Questions.

A. For all questions or concerns relating to the FMLA, or to request FMLA leave, please contact the Personnel Officer.

COMPENSATION PLAN

CLASSIFICATION PLAN

Class Title: Office Manager²
Department: Administration
Supervisor: Commissioners
Supervises: Meter Readers

Class Characteristics: Under general executive direction, serves as Office Manager for the Commission while assisting with the duties of the office, including specialized administrative and fiscal duties and responsibilities; responsible for accounts payable and receivable; maintains records of the Commission; serves as Personnel Officer; performs related duties as required.

General Duties and Responsibilities:

Essential: Responsible for all activities and programs of the office; assist with the performance of all duties of the office. Attends all Commission meetings and provides information as requested. Accepts tap-on fees. Runs credit checks; processes work order transactions for water services. Accepts information from meter Reader, checks for accuracy and request re-reads as necessary. Prepares, proofs and forwards monthly bills; accepts payments; makes bank deposits; balances cash drawer daily. Prepares and forwards late notices for non-payment. Checks invoices for accuracy and insures signed receipts of merchandise or services; pays all bills for the District; Maintains accounting journals and general journals. Reconciles bank statements. Enters a variety of information in computer, cash receipts, disbursements records, inventory, etc. Reports balances of accounts to Commission monthly. Prepares payroll; maintains accurate payroll records; forwards reports as required by federal and state agencies. Receives and answers questionnaires, correspondence, etc. Administers employee benefits program. Maintains personnel records. Administers worker's compensation program. Prepares, forwards, and maintains reports as required; insures accurate records are prepared and maintained. Greets visitors; accepts phone calls during office hours and maintains records of these calls. Accepts customer complaints and attends to their disposition or forwards to higher authority. Receives and distributes mail. Notifies press of special meetings. Runs errand including post office, bank, attorney's office, etc.

Non-essential: None

DESIRABLE QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent supplemented by two years responsible experience in work involving frequent contact with the public, record keeping and financial operations. Additional education may be substituted for the required work experience on a year-for-year basis.

² Changed 5/07

Special Knowledge, Skills and Abilities:

Knowledge: Extensive knowledge of federal and state laws and administrative regulations regarding accounting (accounts receivable and payable) of utility funds, payroll, and other financial transactions. Extensive knowledge of the Public Service

Commission: Knowledge of, or ability to learn, minute preservation. Extensive knowledge of record keeping requirements. Extensive knowledge of modern office terminology, procedures, and equipment. Knowledge of banking practices.

Skills: Skill in the use of computer, calculator, copier, typewriter, etc.

Abilities: Ability to prepare and maintain records accurately and efficiently. Ability to use modern office equipment efficiently. Ability to accept complaints, both in person and by phone, and to process complaints in accordance with established procedures. Ability to communicate effectively, orally and in writing. Ability to establish and maintain effective working relationships with officials, employees and the general public. Ability to be tactful, patient, firm, and diplomatic.

ADDITIONAL INFORMATION

Special Licensing Requirements: None.

Bond Requirements: Must be bondable.

Training Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District.

Evening Meeting Requirements: Must attend regular and special Commission meetings.

Instructions: Somewhat general; many aspects of the work are covered specifically, but must use some of own judgment.

Processes: Must occasionally consider different courses of action, or deviate from standard operating procedures, to get the job done.

Review of Work: Works independently most of the time; supervisor reviews work through monthly reports.

Analytical Requirements: Assignments frequently involve decisions based on a wide knowledge of many factors where application of advanced or technical concepts are required.

Public/Internal Contact: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job (95% public; 5% internal).

Confidential Information: Yes.

Mental Effort: Heavy.

Interruptions: Constant.

Physical Demands:

Lifting: Work is performed in an office sitting at a desk or table; may lift light objects of 25 pounds or less.

Use of Equipment: Normal office equipment (calculator, computer, printer, typewriter, copier, telephone, etc.)

Overtime Provision: Non-exempt.

Class Title: Office Assistant³

Department: Administration

Supervisor: Commissioners

Supervises: None

Class Characteristics: Assist with office duties; assumes responsibility for the office in the absence of the Office Manager; assists with maintaining records for the Commission; assists in preparing and mailing utility bills and the collection of revenues; performs related duties as required.

General Duties and Responsibilities:

Essential: Assumes responsibility for the office in the absence of the Office Manager. Assist with the performance of all duties of the office including preparing, proofing and mailing monthly bills; accepting payments; balancing cash drawer; making bank deposits. Assists with maintaining account journals and general journals; assists with preparation of reports; assists with process of invoices. Reconciles bank statements. Assist with entering and maintaining a variety of computerized records. Assists with payroll preparation. Assists in preparing and administering quarterly financial reports. Assists with preparing and forwarding late notices and preparing work orders for meter connect and disconnect. Assist with processing work-order transactions for water services. Assists in preparing and maintaining records. Types letters and other communications for officers; answers telephone; greets visitors; accepts customer complaints and attends to their disposition or forwards to higher authority.

Non-essential: None

DESIRABLE QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent supplemented by one-year responsible experience in work involving frequent contact with the public.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of federal and state laws and administrative regulations regarding accounting (accounts receivable and payable) of utility funds, payroll, and other financial transactions. Knowledge of record keeping requirements. Knowledge of modern office terminology, procedures and equipment.

Skills: Skill in the use of computer, calculator, copier, typewriter, etc.

Abilities: Ability to communicate effectively, orally and in writing. Ability to accept complaints in person and by phone and to attend to their disposition or forward to higher

³ Changed 5/07

authority. Ability to establish and maintain effective working relationships with officials, employees and the general public.

ADDITIONAL INFORMATION

Special Licensing Requirements: None.

Bond Requirements: Must be bondable.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District.

Evening Meeting Requirements: May occasionally be required to attend evening meetings in the absence of the Office Manager.

Instructions: Somewhat general; many aspects of the work are covered specifically, but must use some of own judgment.

Processes: Work varies slightly, and seldom required to take different, new, or unusual approaches to completing work.

Review of Work: Work may be reviewed as it is being completed.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contact: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job (public 95%; internal 5%.)

Confidential Information: Yes.

Mental Effort: Moderate/heavy.

Interruptions: Constant.

Physical Demands:

Lifting: Work is typically performed in an office sitting at a desk or table; may lift light objects of 25 pounds or less.

Use of Equipment: Normal office equipment (calculator, computer, printer, typewriter, copier, telephone, etc.)

Overtime Provision: Non-exempt.

Class Title: Account Clerk (Part-Time)⁴

Department: Administration

Supervisor: Office Manager

Supervises: None

Class Characteristics: Under general supervision, assists with office duties as assigned; assists in preparing and mailing utility bills and the collection of revenues; assists with maintaining records for the Commission; performs related duties as required.

General Duties and Responsibilities:

Essential: Assists in performing all duties of the office, including preparing, proofing and mailing monthly bills, accepting payments, balancing cash drawer, making bank deposits. Assists with maintaining accounting journals and general journals; assists with preparation of reports as requested. Assists with processes invoices. Reconciles bank statements as requested. Assists with entering and maintaining a variety of computerized records. Assists in preparing and administering quarterly financial reports. Assists with preparing and forwarding late notices and preparing work orders for meter connect and disconnect as directed. Assists with processing work-order transactions for water services. Assists in preparing and maintaining records. Types letters and other communications for officers as requested. Answers telephone; greets visitors; accepts customer complaints and attends to their disposition or forwards to higher authority.

Non-essential: None.

DESIRABLE QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent; no previous work experience requirements.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of, or ability to learn, federal and state laws and administrative regulations regarding accounting (accounts receivable and payable) of utility funds, payroll, and other financial transactions. Knowledge of record keeping requirements. Knowledge of modern office terminology, procedures, and equipment.

Skills: Skill in the use of computer, calculator, copier, typewriter, etc.

Abilities: Ability to communicate effectively, orally and in writing. Ability to accept complaints in person and by phone and to attend to their disposition or forward to higher authority. Ability to establish and maintain effective working relationships with officials, employees and the general public.

⁴ Changed 1/96

ADDITIONAL INFORMATION

Special Licensing Requirements: None.

Bond Requirements: Must be bondable.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District.

Evening Meeting Requirements: None.

Instructions: Somewhat general; many aspects of the work are covered specifically, but must use some of own judgment.

Processes: Work varies slightly, and seldom required to take different, new, or unusual approaches to completing work.

Review of Work: Work may be reviewed as it is being completed.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contact: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job (public 95%; internal 5%.)

Confidential Information: Yes.

Mental Effort: Moderate/heavy. Interruptions: Constant.

Physical Demands:

Lifting: Work is typically performed in an office sitting at a desk or table; may lift light objects of 25 pounds or less.

Use of Equipment: Normal office equipment (calculator, computer, printer, typewriter, copier, telephone, etc.)

Overtime Provision: Non-exempt.

Class Title: Meter Reader (Part-Time)

Department: Administration

Supervisor: Office Manager

Supervises: None

Class Characteristics: Under general supervision, serves as meter reader for the Commission; reports all faulty meters and water leaks observed; performs related work as required.

General Duties and Responsibilities:

Essential: Reads water meters on assigned routes on a monthly basis between the fifteenth and twentieth of each month; submits the completed meter readings to the Office Manager by the twentieth of each month; checks meters for accuracy; performs re-reads if requested. Reports all faulty meters or meter boxes; reports all leaks detected. May assist Office Manager with handling problems and complaints regarding meter reading activities as requested. Cleans and maintains assigned equipment and hand tools. Assists with other duties as requested.

Non-essential: None.

MINIMUM QUALIFICATIONS

Training and Experience: No education or work experience requirements; must be able to follow oral and written instructions.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of the geography of the service area, including location of streets, roads and meters. Knowledge of work hazards and applicable safety precautions associated with tools and equipment. Knowledge of hand-held unit utilized in meter reading. Knowledge of federal and state laws and administrative regulations and Commission policies and procedures governing assigned duties, including confined space legislation.

Skills: Skill in the use of hand tools.

Abilities: Ability to read meters accurately; ability to remember the location of meters throughout the system. Ability to establish and maintain effective working relationships with other employees and the general public. Ability to walk long distances and remain outdoors for extended periods of time, regardless of weather conditions.

ADDITIONAL INFORMATION

Special Licensing Requirements: Must possess and maintain valid drivers license issued by the Commonwealth of Kentucky.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District.

Instructions: Somewhat general; many aspects of job covered specifically, but must also use own judgment.

Processes: Work varies slightly and seldom required to take different, new or unusual approaches in completing work.

Review of Work: Work is not reviewed, except that reports generated from data collected are reviewed.

Analytical Requirements: Duties are of a routine nature.

Public/Internal Contact: Public and internal contacts requiring tact and diplomacy are requirements of the job (95% public; 5% internal).

Confidential Information: Limited use of confidential information.

Mental Effort: Moderate.

Interruptions: Few.

Physical Demands:

Lifting: Work is performed outdoors regardless of weather conditions. Typically standing or walking long distances each day; must lift objects weighing in excess of 25 pounds or less.

Use of Tools and/or Equipment Used: Vehicle, hand-held unit, pipe wrench, hand pump, tube, small hand tools.

Special Requirements: As a condition of employment, must use own vehicle in performing the job.

Overtime Provision: Non-exempt.

Class Title: Distribution Supervisor

Department: Maintenance

Supervisor: Commissioners

Supervises: Maintenance Workers

Class Characteristics: Under general executive direction, supervises all maintenance personnel; oversees proper installation, construction and maintenance of systems for delivering water to customers; performs related work as required.

General Duties and Responsibilities:

Essential: Oversees construction and maintenance of water distribution systems, insuring compliance with established procedures and standards and federal, state and local laws and administrative regulations. Supervises and assists with the installation of new services; maintains services, including checking lines, replacing meters, etc.; insures proper paperwork is completed following completion of work. Locates water lines, valves, etc. Checks system for leaks. Operates equipment. Insures the adequate inventory of materials, supplies, and spare parts are maintained. Inspects water distribution systems, repairs system as needed; reports needs for major repairs; performs or assists with maintenance of systems. Attends training programs; may represent Commissioners at meetings involving water distribution systems as requested. Keeps time records for all maintenance employees; adjusts work schedules to cover time off for employees to take leave, attend seminars, etc. Responds to emergency situations involving water distribution systems.

Non-essential: None.

DESIRABLE QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent supplemented by five years directly related work experience.

Special Knowledge, Skills and Abilities:

Knowledge: Extensive knowledge of water distribution systems, including construction and maintenance of systems. Extensive knowledge of federal, state and local laws and administrative regulations reference water distribution. Extensive knowledge of functions and servicing/maintenance requirements of equipment and machinery. Extensive knowledge of and ability to insure compliance with safety requirements. Extensive knowledge of the geography of the service area.

Abilities: Ability to supervise personnel assigned to maintenance while assisting with performance of required duties. Ability to detect mechanical flaws and assist with minor repairs on equipment. Ability to insure compliance with preventive maintenance and servicing programs. Ability to prepare and/or insure the preparation of records and reports on a timely basis, and to insure that reports are forwarded as required. Ability to establish and maintain effective working relationships with officers, other employees and the general public. Physical

ability to perform heavy labor for extended periods of time, often under adverse weather conditions.

ADDITIONAL REQUIREMENTS

Special Licensing Requirements:⁵ Must possess and maintain a valid drivers license issued by the Commonwealth of Kentucky. Must possess and maintain Class IID Distribution License issued by the Commonwealth of Kentucky.

Certification Requirements: Must possess and maintain Class IID Distribution License. Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District.

Evening Meeting Requirements: Must attend regular and special Commission meetings.

Instructions: Instructions are somewhat general; many aspects of work are covered specifically, but must use own judgment some of the time.

Processes: Must frequently refine existing work methods and develop new techniques, concepts and programs within established limits or policies.

Review of Work: Completed work is generally not reviewed.

Analytical Requirements: Assignments frequently involve decisions based on a wide knowledge of many factors where application of advanced or technical concepts are required.

Public/Internal Contact: Public and internal contacts requiring tact and diplomacy are requirements of the job.

Confidential Information: Yes.

Mental Effort: Moderate.

Interruptions: Frequent.

Physical Demands of the Job: Except for record keeping, work is typically performed outdoors, requiring intermittent standing, walking, stooping; must lift objects over 25 pounds; required to be in high places, confined spaces, and using stairs and ladders; exposed to fumes.

Use of Equipment: Must operate vehicle; must operate construction and/or mechanical tools and equipment, including backhoe, trencher, air compressor, safety equipment, hand tools, power tools, normal office equipment.

Additional Requirements: Must be able to respond to emergency situations at all hours.

Overtime Provision: Non-exempt.

⁵ Changed 1/96

Class Title: Maintenance Worker II
Department: Maintenance
Supervisor: Board of Commissioners/Distribution Supervisor
Supervises: May Supervise Other Maintenance Workers As Requested by Board or Distribution Supervisor

Class Characteristics: Under general supervision, performs semiskilled and manual labor work activities in the construction, installation, maintenance and repair of the water distribution system; may supervise other Maintenance Workers as requested; operates equipment; may read meters; performs related work as required.

General Duties and Responsibilities:

Essential: Assists with construction, installation, maintenance and repair of water distribution system, including installation and/or replacement of lines, regulators, meters, etc. May supervise personnel assigned to crew as directed by the Board or Distribution Supervisor. Picks up work orders daily and completes assigned tasks. Operates equipment. Assists with inspecting system. Installs/connects water services; disconnects services as requested. Locates water lines, valves, etc. Assists with keeping all equipment in working order. Performs servicing and assists with preventive maintenance programs on equipment; makes minor repairs and/or adjustments to equipment; forwards requests for major repairs to superiors. Cleans vehicles, equipment and tools after use. Read meters. Monitor telemetry system. Pull daily chlorine samples. File reports with state agencies including but not limited to, MOR and CCR. Assist engineers and project managers with projects. GPS water system. Perform routine safety inspections. Assists with other duties on a regular basis as requested

Non-Essential: None.

DESIRABLE QUALIFICATIONS

Training and Experience: Must have completed three years as Maintenance Worker I or equivalent; no education requirements, but must able to follow oral and written instructions.

Special Knowledge, Skills and Abilities:

Knowledge: Thorough knowledge of equipment, materials, methods and techniques used in construction, installation, maintenance and repair of water distribution systems. Thorough knowledge of the functions, servicing and maintenance requirements of mechanical equipment and machinery. Thorough knowledge of the geography of the service area. Thorough knowledge of work hazards and applicable safety precautions associated with equipment, tools, vehicles and procedures; and ability to insure compliance with safety standards.

Abilities: Ability to operate motorized equipment. Ability to assist with maintenance (or preventive maintenance) and servicing program. Ability to perform work activities involving carpentry, electrical, plumbing, painting, pouring concrete, etc. Ability to detect mechanical

problems and make minor repairs. Ability to establish and maintain effective working relationships with officers and employees, and the general public. Physical ability to perform heavy labor for extended periods of time, often under adverse weather conditions.

ADDITIONAL REQUIREMENTS

Special Licensing Requirements: Must possess current drivers license issued by the Commonwealth of Kentucky.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District. Possession of Class IID Distribution License, or current license required to operate the district.

Instructions: Instructions are somewhat general; many aspects of work covered specifically, but must use some of own judgment.

Processes: Work varies slightly; seldom required to take different, new or unusual approaches in completing work assignments.

Review of Work: Completed work is spot-checked as it is being completed.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contact: Frequent public and internal contacts are requirements of the job.

Confidential Information: None.

Mental Effort: Moderate.

Interruptions: Few.

Physical Demands of the Job: Work is typically performed outdoors, requiring intermittent standing, walking, stooping; must lift objects over 25 pounds; required to be in high places, confined spaces, and using stairs and ladders; exposed to fumes.

Use of Equipment: Must operate vehicle, construction and/or mechanical tools and equipment, including backhoe, trencher, air compressor, safety equipment, hand tools, power tools.

Additional Requirements: Must be able to respond to calls in emergency situations at all hours.

Overtime Provision: Non-exempt.

Class Title: Maintenance Worker I

Department: Maintenance

Supervisor: Distribution Supervisor

Supervises: None.

Class Characteristics: Under general supervision, performs semiskilled and manual labor work activities in the construction, installation, maintenance and repair of the water distribution system; operates equipment; may read meters; performs related work as required.

General Duties and Responsibilities:

Essential: Assists with construction, installation, maintenance and repair of water distribution system, including installation and/or replacement of lines, regulators, meters, etc. Picks up work orders daily and completes assigned tasks. Operates equipment. Assists with inspecting system. Installs/connects water services; disconnects services as requested. Locates water lines, valves, etc. Assists with keeping all equipment in working order. Performs servicing and assists with preventive maintenance programs on equipment; makes minor repairs and/or adjustments to equipment; forwards requests for major repairs to superiors. Cleans vehicles, equipment and tools after use. May read water meters. Assists with other duties on a regular basis as requested.

Non-Essential: None.

DESIRABLE QUALIFICATIONS

Training and Experience: No education or work experience requirements; however, must be able to follow oral and written instructions.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of equipment, materials, methods and techniques used in construction, installation, maintenance and repair of water distribution systems. Knowledge of the functions, servicing and maintenance requirements of mechanical equipment and machinery.

Knowledge of the geography of the service area. Knowledge of work hazards and applicable safety precautions associated with equipment, tools, vehicles and procedures; and ability to insure compliance with safety standards.

Abilities: Ability to operate motorized equipment. Ability to assist with maintenance (or preventive maintenance) and servicing program. Ability to perform work activities involving carpentry, electrical, plumbing, painting, pouring concrete, etc. Ability to detect mechanical problems and make minor repairs. Ability to establish and maintain effective working relationships with officers and employees, and the general public. Physical ability to perform heavy labor for extended periods of time, often under adverse weather conditions.

ADDITIONAL REQUIREMENTS

Special Licensing Requirements: Must possess current drivers license issued by the Commonwealth of Kentucky, or must obtain drivers license as soon as practical upon employment with the District.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District. Possession of Class IID Distribution License preferred, but not required.

Instructions: Instructions are somewhat general; many aspects of work covered specifically, but must use some of own judgment.

Processes: Work varies slightly; seldom required to take different, new or unusual approaches in completing work assignments.

Review of Work: Completed work is spot-checked as it is being completed.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contact: Frequent public and internal contacts are requirements of the job.

Confidential Information: None.

Mental Effort: Moderate.

Interruptions: Few.

Physical Demands of the Job: Work is typically performed outdoors, requiring intermittent standing, walking, stooping; must lift objects over 25 pounds; required to be in high places, confined spaces, and using stairs and ladders; exposed to fumes.

Use of Equipment: Must operate vehicle; must operate construction and/or mechanical tools and equipment, including backhoe, trencher, air compressor, safety equipment, hand tools, power tools.

Additional Requirements: Must be able to respond to calls in emergency situations at all hours.

Overtime Provision: Non-exempt.

Class Title: Maintenance Worker (Part-time)⁶
Department: Distribution
Supervisor: Maintenance Administrator/ Distribution Supervisor
Supervises: None

Class Characteristics: Under general supervision, performs semi-skilled and manual labor work activities in the construction, installation, maintenance and repair of the water distribution system; performs related work as required.

General Duties and Responsibilities:

Essential: Assists with construction, installation, maintenance and repair of water distribution system, including installation and /or replacement of lines, regulators, meters, etc. Assists with other duties including but not limited to: Meter turn-off/turn-on; disconnect/reconnect; re-reads; general labor including raking; seeding; shoveling; mowing; weed eating; snow removal; vehicle maintenance; office cleaning; shop maintenance; water samples when requested; assists with other duties as maintenance administrator requests.

Non-essential: None

DESIRABLE QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent. Must be able to follow oral and written instructions.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of equipment, materials, methods and techniques used in construction, installation, maintenance and repair of water distribution systems; Knowledge of the service area; Knowledge of work hazards and applicable safety precautions associated with equipment, tools, vehicles and procedures; and ability to insure compliance with safety standards.

Abilities: Ability to operate motorized equipment; Ability to assist with maintenance (or preventive maintenance) and servicing program; Ability to establish and maintain effective working relationships with officers, employees and the general public.

ADDITIONAL REQUIREMENTS

Special Licensing Requirements: Must possess current drivers license issued by the Commonwealth of Kentucky, or must obtain drivers license as soon as practical upon employment with the District.

⁶ Changed 08/11

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment with the district.

Instructions: Instructions are somewhat general; many aspects of work covered specifically, but must use some of own judgment.

Processes: Work varies slightly; seldom required to take different, new or unusual approaches in completing work assignments.

Review of Work: Completed work is spot-checked as it is being completed.

Public/Internal Contact: Frequent public and internal contacts are requirements of the job.

Mental Effort: Moderate.

Physical demands of the job: Work is typically performed outdoors. You may be required to work in inclement weather. Also includes intermittent standing; walking, stooping and lifting.

Use of Equipment: Must operate motor vehicle; must operate mechanical tools and equipment including hand and power tools.

Overtime Provision: Non-exempt.

Class Title: Chief Water Plant Operator⁷
Department: Water Plant
Supervisor: Commissioners
Supervises: Employees Assigned to Water Plant

Class Characteristics: Under general direction, performs all duties as plant operator; supervises personnel assigned to plant; oversees proper operation of water plant; performs related work as required.

General Duties and Responsibilities:

Essential: Oversees operation of water plant, insuring that plant operation is in compliance with established procedures and standards and federal, state and local laws and administrative regulations. Performs duties of plant operator. Maintains inventory of chemicals, orders additional chemicals as needed. Inspects plant for needed repairs and maintenance; reports needs for major repairs; performs or assists with minor maintenance duties. Checks daily logs; completes and forwards and/or insures the completion and forwarding of required reports on a timely basis. May represent Utility at meetings involving water filtration and treatment. Adjusts work schedules to cover time off for employees to take leave, attend seminars, etc. Responds to emergency situations at plant. Assists other departments as requested.

Non-essential: None.

MINIMUM QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent supplemented by work experience and/or education acceptable by the Kentucky Department of Natural Resources and Environmental Protection Cabinet to have received a Class III Water Treatment Plant Operators License.

Special Knowledge, Skills and Abilities:

Knowledge: Extensive knowledge of water plant operations. Extensive knowledge of federal, state and local laws and administrative regulations reference water treatment. Extensive knowledge of functions and servicing/ maintenance requirements of mechanical equipment and machinery. Extensive knowledge of and ability to insure compliance with safety requirements. Working knowledge of math and chemistry. Working knowledge of computer hardware and applicable software programs.

Abilities: Ability to supervise personnel assigned to plant while performing the duties of Plant Operator. Ability to detect mechanical flaws and assist with minor repairs on plant and equipment. Ability to insure compliance with preventive maintenance and servicing programs. Ability to prepare and/or insure the preparation of records and reports on a timely basis, and to

⁷ Added 1/96

insure that reports are forwarded as required. Ability to establish and maintain effective working relationships with officers, other employees and the general public. Physical ability to perform heavy labor for extended periods of time, often under adverse weather conditions.

ADDITIONAL REQUIREMENTS

Special Licensing Requirements: Must possess and maintain a valid drivers license issued by the Commonwealth of Kentucky.

Certification Requirements: Must possess and maintain a Class III Water Treatment Plant Operators License issued by the Commonwealth of Kentucky.

Evening Meeting Requirements: Must attend regular and special Commission meetings.

Instructions: Instructions are somewhat general; many aspects of work are covered specifically, but must use own judgment some of the time.

Processes: Must frequently refine existing work methods and develop new techniques, concepts, or programs within established limits or policies.

Review of Work: Completed work is generally not reviewed, except that reports submitted to regulatory agencies are reviewed.

Analytical Requirements: Assignments frequently involve decisions based on a wide knowledge of many factors where application of advanced or technical concepts are required.

Public/Internal Contacts: Some public contacts; internal contacts with other departments are requirements of the job.

Confidential Information: Yes.

Mental Effort: Moderate.

Interruptions: Frequent.

Physical Demands of the Job: Work requires sitting at desk with intermittent standing, walking, stooping; must lift objects weighing more than 25 pounds; some work is performed outdoors regardless of weather conditions; must operate vehicle and equipment; required to be in high places, confined spaces, and using stairs and ladders; exposed to fumes, chemicals and toxic substances.

Use of Equipment: Mechanical tools and equipment (hand tools, power tools, etc.), meters, normal office equipment (phone, computer, calculator, etc.), safety equipment, vehicles.

Additional Requirements: Must be able to work irregular shifts; must be able to respond to emergency situations at all hours.

Overtime Provision: Non-exempt.

Class Title: Water Plant Operator II⁸
Department: Water Plant
Supervisor: Chief Water Plant Operator
Supervises: None

Class Characteristics: Under general supervision, assists in the daily operation and maintenance of the water plant; performs related work as required.

General Duties and Responsibilities:

Essential: Assists in the daily operation and maintenance of the water plant, including start-up and/or shut-down of plant and equipment, involving collection and distribution of water in compliance with established procedures and standards and federal and state laws and administrative regulations. Assists with inspection and/or monitoring of pumps, charts, gauges and meters daily. Adds chemicals in accordance with prescribed standards; collects water samples and performs lab tests; checks proper adjustment of feeder equipment; adjusts chemicals as necessary. Prepares and maintains accurate reports/records. Forwards water samples and reports as required. Assists with performing servicing and preventive maintenance programs on plant and equipment; makes minor repairs and/or adjustments on plant and equipment; forwards requests for major repairs and/or equipment to superiors. Assists with maintaining adequate inventory of spare parts, chemicals, equipment and tools. Assists with minor construction projects. Assists other departments as requested. Assists with cleaning of plant and grounds.

Non-Essential: None.

MINIMUM QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent supplemented by work experience and/or education acceptable by the Kentucky Natural Resources and Environmental Protection Cabinet to have received Class II Water Plant Operators License.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of water plant operations. Knowledge of federal, state laws and administrative regulations with reference to water treatment. Knowledge of functions, servicing and maintenance requirements of mechanical equipment and machinery. Knowledge of and ability to comply with safety standards.

Abilities: Ability to detect mechanical flaws and make minor repairs to plant and equipment. Ability to assist with maintaining preventive maintenance and servicing program. Ability to prepare and maintain accurate reports. Ability to assist with maintaining inventory of chemicals, spare parts and tools. Ability to establish and maintain effective working

⁸ Added 1/96

relationships with officers, other employees, and the general public. Physical ability to perform heavy labor for extended periods of time, often under adverse weather conditions.

ADDITIONAL REQUIREMENTS

Special Licensing Requirements: Must possess and maintain a valid drivers license issued by the Commonwealth of Kentucky.

Certification Requirements: Must possess and maintain a Class II Water Treatment Plant Operators License issued by the Commonwealth of Kentucky; must receive Class III license immediately after meeting experience requirements for the class.

Evening Meeting Requirements: None.

Instructions: Instructions are detailed and specific, covering all aspects of the work; instructions are more general after the employee learns each job.

Processes: Work varies slightly, and seldom required to take different, new or unusual approaches in completing work assignments.

Review of Work: Most completed work is reviewed until the employee learns each job.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contacts: Occasional contacts with the public and employees or supervisors from other departments.

Confidential Information: No.

Mental Effort: Moderate.

Interruptions: Few.

Physical Demands of the Job: Work requires sitting at desk with intermittent standing, walking, stooping; must lift objects weighing more than 25 pounds; some work is performed outdoors regardless of weather conditions; must operate vehicle and equipment; required to be in high places, confined spaces, and using stairs and ladders; exposed to fumes, chemicals and toxic substances.

Use of Equipment: Mechanical tools and equipment (hand tools, power tools, etc.), meters, normal office equipment (phone, computer, calculator, etc.), computerized chemical feeders, safety equipment, vehicles.

Additional Requirements: Must be able to work irregular shifts; must be able to respond to calls in emergency situations at all hours.

Overtime Provision: Non-exempt.

Class Title: Water Plant Operator I⁹
Department: Water Plant
Supervisor: Chief Water Plant Operator
Supervises: None

Class Characteristics: Under general supervision, assists in the daily operation and maintenance of the water plant; performs related work as required.

General Duties and Responsibilities:

Essential: Assists in the daily operation and maintenance of the water plant, including start-up and/or shut-down of plant and equipment, involving collection and distribution of water in compliance with established procedures and standards and federal and state laws and administrative regulations. Assists with inspection and/or monitoring of pumps, charts, gauges and meters daily. Adds chemicals in accordance with prescribed standards; collects water samples and performs lab tests; checks proper adjustment of feeder equipment; adjusts chemicals as necessary. Prepares and maintains accurate reports/records. Forwards water samples and reports as required. Assists, with performing servicing and preventive maintenance programs on plant and equipment; makes minor repairs and/or adjustments on plant and equipment; forwards requests for major repairs and/or equipment to superiors. Assists with maintaining adequate inventory of spare parts, chemicals, equipment and tools. Assists with minor construction projects. Assists other departments as requested. Assists with cleaning of plant and grounds.

Non-Essential: None.

MINIMUM QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent; no previous work experience required to qualify for entry into the class. Must be able to obtain and maintain Water Plant Operators License up to Class III required by the Kentucky Natural Resources and Environmental Protection Cabinet after meeting experience requirements at each step.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of water plant operations. Knowledge of federal, state laws and administrative regulations with reference to water treatment. Knowledge of functions, servicing and maintenance requirements of mechanical equipment and machinery. Knowledge of and ability to comply with safety standards.

Abilities: Ability to detect mechanical flaws and make minor repairs to plant and equipment. Ability to assist with maintaining preventive maintenance and servicing program. Ability to prepare and maintain accurate reports. Ability to assist with maintaining inventory of chemicals, spare parts and tools. Ability to establish and maintain effective working

⁹ Added 1/96

relationships with officers, other employees, and the general public. Physical ability to perform heavy labor for extended periods of time, often under adverse weather conditions.

ADDITIONAL REQUIREMENTS

Special Licensing Requirements: Must possess and maintain a valid drivers license issued by the Commonwealth of Kentucky.

Certification Requirements: Must obtain Water Treatment Plant Operators License issued by the Commonwealth of Kentucky up to and including Class III immediately after meeting experience requirements.

Evening Meeting Requirements: None.

Instructions: Instructions are detailed and specific, covering all aspects of the work; instructions are more general after the employee learns each job.

Processes: Work varies slightly, and seldom required to take different, new or unusual approaches in completing work assignments.

Review of Work: Most completed work is reviewed until the employee learns each job.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contacts: Occasional contacts with the public and employees or supervisors from other departments.

Confidential Information: None.

Mental Effort: Moderate.

Interruptions: Few.

Physical Demands of the Job: Work requires sitting at desk with intermittent standing, walking, stooping; must lift objects over 25 pounds; some work is performed outdoors regardless of weather conditions; must operate vehicle and equipment; required to be in high places, confined spaces, and using stairs and ladders; exposed to fumes, chemicals and toxic substances.

Tools and/or Equipment Used: Mechanical tools and equipment (hand tools, power tools, etc.), meters, normal office equipment (phone, computer, calculator, etc.), computerized chemical feeders, safety equipment, vehicles.

Additional Requirements: Must be able to work irregular shifts; must be able to respond to calls in emergency situations at all hours.

Overtime Provision: Non-exempt.

Class Title: Water Plant Operator III¹⁰
Department: Water Plant
Supervisor: Chief Water Plant Operator
Supervises: May Assume Responsibility for the water plant in the Absence of the Chief Water Plant Operator

Class Characteristics: Under general direction, assists in the daily operation and maintenance of the water plant; may assume responsibility for water plant in the absence of Chief Water Plant Operator; performs related work as required.

General Duties and Responsibilities:

Essential: Assists in the daily operation and maintenance of the water plant, including start-up and/or shut-down of plant and equipment, involving collection and distribution of water in compliance with established procedures and standards and federal and state laws and administrative regulations. May assume responsibility for water plant, in the absence of a higher authority. Inspects and/or monitors pumps, charts, gauges and meters daily. Adds chemicals in accordance with prescribed standards; collects water samples and performs lab tests; insures proper adjustment of feeder equipment; adjusts chemicals as necessary. Forwards water samples as required. Prepares and maintains accurate reports/records; forwards reports as required. Performs servicing and assists with preventive maintenance programs on plant and equipment; makes minor repairs and/or adjustments on plant and equipment; forwards requests for major repairs to superiors. Assists with maintaining adequate inventory of spare parts, chemicals, equipment and tools. Assists with minor construction projects. Assists with cleaning of plant and grounds. Assists other departments as requested. Participates in training programs to obtain and maintain Class III Water Plant Operator certification.

Non-Essential: None.

MINIMUM QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent supplemented by work experience and/or education acceptable by the Kentucky Natural Resources and Environmental Protection Cabinet to have received Class III Water Plant Operators License.

Special Knowledge, Skills and Abilities:

Knowledge: Thorough knowledge of water plant operations. Thorough knowledge of federal, state laws and administrative regulations with reference to water treatment. Thorough knowledge of functions, servicing and maintenance requirements of mechanical equipment and machinery. Thorough knowledge of and ability to comply with safety standards.

¹⁰ Added 1/96

Abilities: Ability to detect mechanical flaws and make minor repairs to plant and equipment. Ability to maintain preventive maintenance and servicing program. Ability to prepare and maintain accurate reports. Ability to assist with maintaining inventory of chemicals, spare parts and tools. Ability to supervise the work of water plant operators while assisting with performing required duties. Ability to establish and maintain effective working relationships with officers, other employees, and the general public. Physical ability to perform heavy labor for extended periods of time, often under adverse weather conditions.

ADDITIONAL REQUIREMENTS

Special Licensing Requirements: Must possess and maintain a valid drivers license issued by the Commonwealth of Kentucky.

Certification Requirements: Must possess and maintain a Class III Water Treatment Plant Operators License issued by the Commonwealth of Kentucky.

Evening Meeting Requirements: May be required to attend Commission meetings in absence of the Chief Water Plant Operator.

Instructions: Instructions are somewhat general; many aspects of work covered specifically, but must use some of own judgment.

Processes: Must occasionally consider different courses of action, or deviate from standard operating procedures, to get the job done.

Review of Work: Completed work is spot checked.

Analytical Requirements: Assignments frequently involve decisions based on a wide knowledge of many factors where application of advanced or technical concepts are required.

Public/Internal Contacts: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job.

Confidential Information: No.

Mental Effort: Moderate.

Interruptions: Few.

Physical Demands of the Job: Work requires sitting at desk with intermittent standing, walking, stooping; must lift objects weighing more than 25 pounds; some work is performed outdoors regardless of weather conditions; must operate vehicle and equipment; required to be in high places, confined spaces, and using stairs and ladders; exposed to fumes, chemicals and toxic substances.

Use of Equipment: Mechanical tools and equipment (hand tools, power tools, etc.), meters, normal office equipment (phone, computer, calculator, etc.), safety equipment, vehicles.

Additional Requirements: Must be able to work irregular shifts; must be able to respond to calls in emergency situations at all hours.

Overtime Provision: Non-exempt.

Class Title: Account Clerk – Maintenance Worker

Department: Administration/Maintenance

Supervisor: Commissioners

Supervises: None

Class Characteristics: Under general supervision, assist with office duties as assigned; assists in preparing and mailing utility bills and the collection of revenues; performs semiskilled and manual labor work activities in the construction, installation, maintenance, and repair of the water distribution system; read meters; operate GPS equipment; performs related work as required.

General Duties and Responsibilities:

Essential: Assist with the performance duties of the office including preparing, proofing, and mailing monthly bills; accepting payments; balancing cash drawer; making bank deposits. Assists with entering and maintaining a variety of computerized records. Assists with preparing and forwarding late notices; prepare work orders for meter connect and disconnect; process work-order transactions for water services; answers telephone; greets visitors; accepts customer complaints and attends to their disposition or forwards to higher authority; Assists with construction, installation, maintenance and repair of water distribution system, including installation and/or replacement of lines, regulators, meters, etc. Picks up work orders daily and completes assigned tasks; Installs/connects water services; disconnects services as requested; Cleans vehicles, equipment and tools after use. May read meters; GPS water system; General labor including raking, seeding, shoveling, mowing, weed eating, snow removal, vehicle maintenance, office, and shop cleaning.

Non-essential: None

DESIRABLE QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent. Must be able to follow oral and written instructions.

Special Knowledge, Skills, and Abilities:

Knowledge: Knowledge of modern office terminology, procedures, and equipment; Knowledge of equipment, materials, methods, and techniques used in construction, installation, maintenance and repair of water distribution systems.

Skills: Skill in the use of computer, calculator, copier, etc.

Abilities: Ability to communicate effectively, orally and in writing; Ability to accept complaints in person and by phone and to attend to their disposition or forward to higher authority; Physical ability to perform heavy labor for extended periods of time, often under adverse weather conditions;

ADDITIONAL INFORMATION

Special Licensing Requirements: Must possess current driver's license issued by your state of residence.

Bond Requirements: Must be bondable.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District.

Instructions: Somewhat general, many aspects of the work are covered specifically, but must use some of own judgement.

Processes: Work varies slightly; seldom required to take different, new, or unusual approaches in completing work assignments.

Review of Work: Work may be reviewed as it is being completed.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contact: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job (public 75%; internal 25%).

Confidential Information: Yes

Mental Effort: Moderate/heavy

Interruptions: Constant

Physical Demands of the Job:

OFFICE

Lifting: Work is typically performed in an office sitting at a desk or table; may lift light objects of 25 pounds or less.

Use of Equipment: Normal office equipment (computer, calculator, printer, copier, telephone, etc.

MAINTENANCE

Lifting: Work is typically performed outdoors, requiring intermittent standing, walking, stooping; must lift objects over 25 pounds; required to be in confined spaces, high places using stairs and ladders; exposed to fumes.

Use of Equipment: Must operate vehicle, mechanical tools and equipment, safety equipment, hand and power tools.

Overtime Provision: Non-exempt.

Class Title: Account Clerk – (part time)

Department: Administration

Supervisor: Office Manager

Supervises: None

Class Characteristics: Under general supervision, assists with office duties as assigned; assists in preparing and mailing utility bills and the collection of revenues; reads meters; performs GPS of system.

General Duties and Responsibilities:

Essential: Assists in performing duties of the office including preparing, proofing, and mailing monthly bills, accepting payments, and balancing cash drawer. Assists with entering and maintaining a variety of computerized records. Assists with preparing and forwarding late notices. Prepare and update work orders. Answer telephone; greet visitors; accept customer complaints and attend to their disposition or forward to higher authority; filing; Read meters; Perform GPS of the system. Assume responsibility of the office in the absence of the Office Manager and Office Assistant.

Non-essential: None

DESIRABLE QUALIFICATIONS

Training and Experience: Graduation from high school or equivalent; no previous work experience requirements.

Special Knowledge, Skills and Abilities:

Knowledge: Knowledge of modern office terminology, procedures, and equipment.

Skills: Skill in the use of computer, calculator, copier, typewriter, etc.

Abilities: Ability to communicate effectively, orally and in writing. Ability to accept complaints in person and by phone and to attend to their disposition or forward to higher authority. Ability to establish and maintain effective working relationships with officials, employees and the general public.

ADDITIONAL INFORMATION

Special Licensing Requirements: None.

Bond Requirements: Must be bondable.

Certification Requirements: Must obtain CPR Certification as soon as practical upon employment, and must remain certified throughout employment with the District.

Evening Meeting Requirements: None.

Instructions: Somewhat general; many aspects of the work are covered specifically, but must use some of own judgment.

Processes: Work varies slightly, and seldom required to take different, new, or unusual approaches to completing work.

Review of Work: Work may be reviewed as it is being completed.

Analytical Requirements: Problems require analysis based on precedent.

Public/Internal Contact: Frequent public and internal contacts requiring tact and diplomacy are requirements of the job (public 95%; internal 5%.)

Confidential Information: Yes.

Mental Effort: Moderate/heavy. Interruptions: Constant.

Physical Demands:

Lifting: Work is typically performed in an office sitting at a desk or table; may lift light objects of 25 pounds or less.

Use of Equipment: Normal office equipment (calculator, computer, printer, typewriter, copier, telephone, etc.)

Overtime Provision: Non-exempt.

EXHIBIT S

EXHIBIT S-1

Tina K. Teegarden
Bracken Co. Fiscal Court Clerk
Office of the Bracken Co. Judge Executive
P.O. Box 264, Brooksville, KY, 41004
bcfo@windstream.net

Office: (606) 735-2300

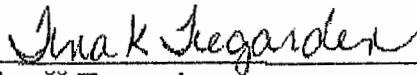
Fax: (606) 735-2615

September 10, 2008

Re: Salary Increase for Bracken County Water District Board Members

The salary increase was approved at the Bracken County Fiscal Court meeting on September 10, 2008 as follows:

“Upon Motion of Perry Poe, seconded by Neil Brumley that the annual salary of the Bracken Co. Water District Board Members annual salary be increased to \$3,600.00
Voting Yes: Carl Allen, David Kelsch, Tim Figgins, Scotty Lippert, Perry Poe, Neil Brumley, and Dennis Jefferson.
Absent: Clark Hennessey”.



Tina K Teegarden
Bracken Co. Fiscal Court Clerk

EXHIBIT S-2

COMMISSIONER COMPENSATION (2016 – 2021)

Year	Commissioner	Position	Salary	FICA Taxes	Other	Total
2016	Anthony Habermehl	Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Dale Appelman	Vice Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Timothy Sweeney	Secretary	\$3,600.00	\$275.40	\$0	\$3,875.40
	Baxter Courts	Treasurer	\$3,800.00	\$290.70	\$0	\$4,090.70
	Eddie Kern	Commissioner	\$3,600.00	\$275.40	\$0	\$3,875.40
2017	Anthony Habermehl	Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Dale Appelman	Vice Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Timothy Sweeney	Secretary	\$3,600.00	\$275.40	\$0	\$3,875.40
	Baxter Courts	Treasurer	\$2,900.00	\$221.85	\$0	\$3,121.85
	Louie King	Treasurer	\$1,200.00	\$ 91.80	\$0	\$1,291.80
	Eddie Kern	Commissioner	\$3,600.00	\$275.40	\$0	\$3,875.40
2018	Anthony Habermehl	Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Dale Appelman	Vice Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Timothy Sweeney	Secretary	\$3,600.00	\$275.40	\$0	\$3,875.40
	Louie King	Treasurer	\$3,800.00	\$290.70	\$0	\$4,090.70
	Eddie Kern	Commissioner	\$3,600.00	\$275.40	\$0	\$3,875.40
2019	Anthony Habermehl	Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Dale Appelman	Vice Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Timothy Sweeney	Secretary	\$3,600.00	\$275.40	\$0	\$3,875.40
	Louie King	Treasurer	\$3,800.00	\$290.70	\$0	\$4,090.70
	Eddie Kern	Commissioner	\$3,600.00	\$275.40	\$0	\$3,875.40
2020	Anthony Habermehl	Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Dale Appelman	Vice Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Timothy Sweeney	Secretary	\$3,600.00	\$275.40	\$0	\$3,875.40
	Louie King	Treasurer	\$3,800.00	\$290.70	\$0	\$4,090.70
	Eddie Kern	Commissioner	\$3,600.00	\$275.40	\$0	\$3,875.40
2021	Anthony Habermehl	Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Dale Appelman	Vice Chair	\$3,600.00	\$275.40	\$0	\$3,875.40
	Timothy Sweeney	Secretary	\$3,600.00	\$275.40	\$0	\$3,875.40
	Louie King	Treasurer	\$3,800.00	\$290.70	\$0	\$4,090.70
	Eddie Kern	Commissioner	\$3,600.00	\$275.40	\$0	\$3,875.40

Note: Each Commissioner receives an annual salary of \$3,600. The Treasurer receives an extra \$200 in accordance with KRS 74.050. Bracken County Water District pays federal payroll taxes on each commissioner’s salary. No other compensation or benefits are provided to commissioners. Baxter Courts served as Treasurer until September 14, 2017 when he resigned and Louie King was appointed to complete his remaining term.

EXHIBIT T

EXHIBIT T-1



Property Invoice

**Kentucky League of Cities
Insurance Services**

F.E.I.N. 61-1238903

Telephone: (800) 876-4552
(859) 977-3700

Make check payable and mail to:
Kentucky League of Cities Insurance Services
P.O. Box 34108
Lexington, KY 40588

Bracken County Water District
P.O. Box 201
Brooksville, KY 41004

Invoice Number: P6129-2021-20811-0

Date: 5/26/2021

Policy Number and Description	Amount
<p>Policy Period: 7/1/2021-7/1/2022 Policy Number: P6129-2021-20811</p> <p style="text-align: center;">DATE PAID <u>7/1/21</u> AMOUNT PAID <u>10,468.23</u> CHECK NO. <u>19717</u> <u>162</u></p>	\$ 10,468.23
A 5% late charge will be assessed on all late payments.	
Unless Payment is received when due, coverage provided by this policy may be cancelled for nonpayment retroactive to the beginning of the policy inception date.	
Amount Due By 7/15/2021	\$ 10,468.23

Assured Partners NL LLC
2305 River Road
Louisville, KY 40206

Retain This Copy For Your Records

**KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES
(KLCIS)**

PROPERTY COVERAGE DECLARATIONS

Name of Insured: Bracken County Water District

Policy Number: P6129-2021-20811

Mailing Address: P.O. Box 201, Brooksville, Kentucky 41004

Agent of Record: Assured Partners NL LLC

Coverage Period: from **7/1/2021** at 12:01a.m. Standard (or Daylight) time to **7/1/2022** at 12:01 a.m. Standard (or Daylight) time at the mailing address shown above.

In return for the payment of the contribution, and subject to all the terms of this certificate, KLCIS and the Trust agree with the above to provide the coverage as stated in the Declaration. Refer to the attached Property Coverage Document for details of coverage provided.

All Real & Personal Property per attached Statement of Values.

<u>TYPE OF COVERAGE</u>	<u>LIMIT OF COVERAGE</u>	
Building and Personal Property	\$5,638,074	Per Occurrence
Scheduled Equipment	\$326,946	Per Occurrence
Fine Arts	No Coverage	Per Occurrence
Valuable Papers	\$500,000	Per Occurrence
Flood	\$5,000,000	Per Occurrence
(ZONES B,C, AND X ONLY)	\$50,000,000	Annual Aggregate for All Participating Members
Earthquake	\$60,000,000	Annual Aggregate for All Participating Members See Earthquake endorsement for applicable limit for each region.
Terrorism Damage	\$5,965,020	Per Occurrence
Business Income/Extra Expense/Rental Value	\$2,000,000	Per Occurrence
Transportation	\$500,000	Per Conveyance / Per Occurrence

Equipment Breakdown Protection Coverage Limits

Combined Property Damage, Business Income / Extra Expense	\$50,000,000	Per Breakdown and annual aggregate for all participating members
Utility Interruption	\$2,000,000	Per Breakdown
Coverage applies only if the interruption of service lasts at least 24 consecutive hours, see deductible		
Newly Acquired Locations Number of Days Coverage	\$1,000,000	Per Breakdown 30 days
Ordinance or Law	\$100,000	Per Breakdown
Expediting Expenses	\$2,500,000	Per Breakdown
Spoilage	\$25,000	Per Breakdown

These following limits are part of, not in addition to, the Property Damage Limit Per Breakdown

Water Damage	\$100,000	Per Breakdown
Hazardous Substances	\$100,000	Per Breakdown
Data and Media	\$25,000	Per Breakdown
Ammonia Contamination	\$25,000	Per Breakdown
Consequential Loss	\$25,000	Per Breakdown

DEDUCTIBLES

Per Occurrence on All Perils Other Than Flood, Earthquake unless otherwise stated.	\$1,000.00
Per Occurrence for Earthquake	\$25,000 or 2% of TIV's for each damaged location (whichever is greater)
Per Occurrence for Flood	\$25,000
Per Occurrence for Scheduled Equipment	\$1,000.00
Per Occurrence for Fine Arts	No Coverage
Per Occurrence for Valuable Papers	\$250.00
Business Income/Extra Expense/Rental Value	24 hours

Equipment Breakdown Protection Deductibles

Damage to Covered Property (excluding electrical transformers), Spoilage, Ammonia, Contamination, Consequential Loss, Newly Acquired Premises	\$1,000 per breakdown
Damage to Electrical Transformers	\$1.50 per KVA of all damaged transformers, or \$1,000, whichever is greater, per breakdown
Business Income/ Extra Expense	24 hours deductible

BASIC COVERAGE FORMS

ENDORSEMENTS

KLCIS-BPP'2020, KLCIS-PCL'2020, KLCIS-PPC'2019,
KLCIS-TRAN'2016, KLCIS-EQUAKE'2021, KLCIS-FL'2020,
KLCIS-EB'2015, KLCIS-IF'2017, KLCIS-BI/EE/RENT'2016

KLCIS-PRANIML'2020, KLCIS-EQC'2021, KLCIS-IM'2016

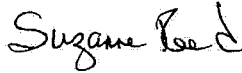
TOTAL PREMIUM (7/1/2021 - 7/1/2022 Installment) \$10,064.62

This coverage has been placed with a liability self-insurance group which is known as the Kentucky League of Cities Insurance Services ("KLCIS"). KLCIS has received a certificate of filing from the Commonwealth of Kentucky.

Claims against group members are not covered by the Kentucky Insurance Guaranty Association.

KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES

by



5/26/2021

(Authorized Agent)

Date

KENTUCKY LEAGUE OF CITIES INSURANCE AGENCY, INC.

by



5/26/2021

(Authorized Agent)

Date

**KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES
(KLCIS)**

CRIME COVERAGE DECLARATIONS

Name of Insured: Bracken County Water District

Policy Number: P6129-2021-20811

Mailing Address: P.O. Box.201, Brooksville, Kentucky 41004

Agent of Record: Assured Partners NL LLC

Coverage Period: from **7/1/2021** at 12:01a.m. Standard (or Daylight) time to **7/1/2022** at 12:01 a.m. Standard (or Daylight) time at the mailing address shown above.

Subject to all terms of this policy, KLCIS agrees to provide you with the coverages shown below for which a premium is shown and you pay to us.

COVERAGE	LIMIT per occurrence	DEDUCTIBLE per occurrence	PREMIUM
Forgery or Alteration (Form B)	No Coverage	No Coverage	No Coverage
Theft, Disappearance & Destruction (Form C) - Inside	No Coverage	No Coverage	No Coverage
Theft, Disappearance & Destruction (Form C) - Outside	No Coverage	No Coverage	No Coverage
Public Employee Dishonesty (Form O)	\$150,000	\$750	403.61
Money Orders & Counterfeit Paper Currency Coverage (Form R)	No Coverage	No Coverage	No Coverage
TOTAL PREMIUM			\$403.61

BASIC COVERAGE FORMS

KLCIS-CGP-LSF'2018, KLCIS-PED'2001

ENDORSEMENTS

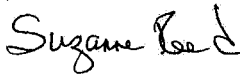
NOTE: Wherever the word "policy" appears in the attached forms or endorsements, it will be construed to mean the same as "declarations"; wherever the word "company" appears, it will be construed to mean the same as "KLCIS" Each of the coverages listed on page one of these declarations is separate and apply to these coverages only.

This coverage has been placed with a liability self-insurance group which is known as the Kentucky League of Cities Insurance Services ("KLCIS"). KLCIS has received a certificate of filing from the Commonwealth of Kentucky and has provided continuous coverage to its members since July 1, 1987.

Claims against group members are not covered by the Kentucky Insurance Guaranty Association.

KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES

by



5/26/2021

(Authorized Agent)

Date

KENTUCKY LEAGUE OF CITIES INSURANCE AGENCY, INC.

by



5/26/2021

(Authorized Agent)

Date

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Name of Insured: Bracken County Water District

Policy Number: P6129-2021-20811

Effective Date: 7/1/2021

SPECIFICALLY TRAINED ANIMAL COVERAGE ENDORSEMENT

The KLCIS Building & Personal Property Coverage Form (KLCIS-BPP'2020) is amended as follows:

Exclusion b. Animals, contained in section A. Coverage, 2. Property Not Covered is removed only as it pertains to "Specifically Trained Canines".

The following is added to the Building and Personal Property Coverage Form, Section A. Coverage, 1. Covered Property:
d. "Specifically Trained Canines"

A. Coverage

We will pay \$15,000 for the death of "Specifically Trained Canines" resulting from accidents, injury, illness or disease. This includes death from "humane destruction". This payment would be applicable for each "Specifically Trained Canine".

B. Additional Coverages

1. Theft – We will pay \$15,000 for the theft of "Specifically Trained Canines". Payment will not be made until the "Specifically Trained Canine" has been out of your control for seven days. If we make a payment pursuant to theft and the animal is subsequently found alive, you will return that payment to us. This payment would be applicable for each "Specifically Trained Canine" each policy year.
2. Training Expense – We will pay up to \$50,000 for the expenses associated with the purchase and training of a new canine to replace a "Specifically Trained Canine" that has died and for which you have been paid for that death by this endorsement.
3. Veterinary Expense – We will pay up to \$1,000 for each "Specifically Trained Canine" each policy year for medical expenses resulting from an injury or surgical procedures necessary to the health of the animal, including post-surgical hospitalization. We will pay up to \$100 for each "Specifically Trained Canine" each policy year for "routine veterinary care".

C. Coverage Period

This coverage is effective twenty-four hours a day, seven days a week for as long as you are the sole owner of the "Specifically Trained Canine" and this policy is in force. Coverage ends when you are no longer the sole owner or when this policy has been cancelled.

D. Exclusions

The following exclusions apply to this "Specifically Trained Canine" Endorsement

1. Loss caused by mysterious disappearance or escape;
2. Use of a "Specifically Trained Canine" in any racing or gaming event;
3. Loss caused by intentional neglect or abuse; and
4. Dishonest or criminal acts (including theft) committed by you, any of your employees including temporary employees or authorized representatives

E. "Specifically Trained Canines" Not Covered

1. "Specifically Trained Canines" not solely owned by you;
2. "Specifically Trained Canines" that become permanently unfit for or incapable of fulfilling their training purposes, as determined by a licensed veterinarian; and
3. "Specifically Trained Canines" who have not completed their annual recertification.

F. Definitions

The following definitions apply to this "Specifically Trained Canine" Endorsement

1. "Humane Destruction" means destruction of an animal in order to terminate continued suffering that is both incurable and excessive.
2. "Routine Veterinary Care" means annual physical examination, vaccines, parasite test, dental check and other bloodwork or tests that is recommended by the veterinarian.
3. "Specifically Trained Canine" means a canine that has been certified and received their discipline accreditation for Patrol, Explosives, Search & Rescue, or Narcotics or any combination and is required to pass an annual recertification process.

All other terms and conditions of the KLCIS Building & Personal Property Coverage Form (KLCIS-BPP'2020) and the Property Policy Conditions (KLCIS-PPC'2016) remain unchanged.

EQUIPMENT COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning, refer to Section F. — Definitions.

A. Coverage

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means:

- a. Your equipment as scheduled.
- b. Similar property of others that is in your care, custody or control as scheduled.
- c. Unscheduled equipment in your care that has been leased, borrowed, or rented from others. The most we will pay for "loss" in any one event for such equipment is \$250,000. We will cover such equipment in your possession up to 30 days. Any equipment that will be in your possession for a period of longer than 30 days must be added to the equipment schedule effective from the first day of your possession.
- d. Un-manned aircraft or Watercraft as scheduled.
- e. Your unscheduled equipment \$5,000 any one loss.
- f. Your employee tools \$25,000 any one loss with limitation of \$1,500 per tool.

2. Property Not Covered

- a. Automobiles, motor trucks, tractors, trailers, and similar conveyances designated for highway use and used for over the road transportation of people or cargo. However, this does not include:
 1. Self-propelled vehicles designed and used primarily to carry mounted equipment; or
 2. Vehicles designed for highway use that are unlicensed and not operated on public roads.
- b. Plans, blueprints, designs or specifications.
- c. Loaned, Leased or Rented Property-We do not cover property that you loan, lease or rent to others.
- d. Accounts, bills, currency, food stamps, or other evidence of debt, lottery tickets not held for sale, money, notes or securities.
- e. Contraband or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

4. Coverage Extensions

Additionally Acquired Property.

If during the policy period you acquire additional equipment of a type already covered by this form, we will cover such equipment for up to 60 days after you acquire it or until the end of the policy period, whichever occurs first. We will cover such additional equipment for up to:

- a. 25% of the Total Limit of Insurance shown in the Declarations; or

b. \$150,000,

whichever is the lesser amount.

You agree to report the value of such equipment to us within the 60 day period and to pay an additional premium from the date you acquire it. If you do not report such equipment, coverage will cease automatically 60 days after the date the equipment is acquired, or at the end of the policy period, whichever occurs first.

5. Additional Coverages

a. Debris Removal

1. We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - a. The date of direct physical "loss"; or
 - b. The end of the policy period.
2. We will pay up to \$25,000 for any debris removal expense in any one occurrence.
3. This coverage extension for debris removal does not apply to costs to:
 - a. Extract "pollutants" from land or water; or
 - b. Remove, restore or replace polluted land or water.

b. Pollutant Cleanup and Removal

1. We will pay your expenses to extract "pollutants" from land or water if the release, seepage, migration, escape, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss to Covered Property that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the covered loss.
2. The most we will pay under this Coverage Extension is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

c. Rental Expense Reimbursement

We will reimburse your rental expenses should a covered "loss" to equipment you own make it necessary to rent replacement equipment to continue your normal operations of the work in progress. We will reimburse these rental expenses provided you do not have equivalent idle equipment you can use and you restore or replace the lost or damaged equipment as soon as possible. Our reimbursement is limited to rental expenses incurred during the period of time beginning seventy-two (72) hours after the "loss" has occurred and continuing until the equipment has been restored, released or is no longer needed, whichever occurs first. The period of reimbursement will not be limited by the policy expiration date.

The most we will pay for all rental expense is \$1,500 per policy period and \$500 for any one day.

d. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$10,000 for your liability for fire department service charges:

1. Assumed by contract or agreement prior to loss; or
2. Required by local ordinance.

A deductible does not apply to this Additional Coverage.

e. Fire Protection Devices

We will pay the expenses you incur to recharge or refill any fire protection device discharged as a result of fire or explosion. This Additional Coverage does not apply while actual work is being performed upon the fire protection system or while it is being tested.

The most we will pay under this Additional Coverage is \$1,000.

A deductible does not apply to this Additional Coverage.

B. Exclusions

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. Nuclear Hazard

1. Any weapon employing atomic fission or fusion, whether in time of peace or war; or
2. Nuclear reaction or radiation, or radioactive contamination, however caused.

But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

c. War And Military Action

1. War, including undeclared or civil war;
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for a "loss" caused by or resulting from any of the following:

- a. "Loss" caused by or resulting from loss of use, business interruption, delay, or loss of market.
- b. Missing property where the only proof of "loss" is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other insurance where there is no physical evidence to show what happened to the covered property.
- c. "Loss" caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants" unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified cause of loss".

This exclusion does not apply to covered property in the custody of a carrier for hire.

- d. "Loss" caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick or false pretense.
- e. "Loss" caused by or resulting from Dishonest Acts by:
 1. You;
 2. Anyone else with an interest in the property;
 3. Your agents or their employees or authorized representatives;
 4. Anyone entrusted with the property, whether in collusion with others or occurring during the hours

of employment; or

5. Your partners, officers, directors, trustees, or joint ventures.

f. "Loss" caused by or resulting from processing or work upon the property.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

g. "Loss" caused by or resulting from voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

h. "Loss" caused by or resulting from unauthorized instructions to transfer property to any person or to any place.

i. "Loss" caused by or resulting from contamination or deterioration including corrosion; decay; fungus; mildew; mold; rot; rust; wear and tear; or any quality, fault or weakness in the covered property that causes it to damage or destroy itself.

j. Mechanical breakdown or electrical damage to electrical appliances or devices including wiring unless the "loss" is caused by lightning. But if fire results, we will pay for losses caused directly by fire.

k. Marring, scratching, exposure to light, breakage of tubes, bulbs, lamps or articles made largely of glass (except lenses).

l. "Loss" caused by or resulting from overload or weight of a load exceeding the registered lifting or supporting capacity of any machine.

3. Earth Movement

a. Earthquake, including earth sinking, rising or shifting related to such event;

b. Landslide, including any earth sinking, rising or shifting related to such event;

c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased.

d. Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil, the presence or lack of moisture or water in the soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

e. Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

1. Airborne volcanic blast or airborne shock waves;
2. Ash, dust or particulate matter; or
3. Lava flow

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence. Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

C. Limits of Insurance

The most we will pay for "loss" in any one occurrence is the total applicable Limits of Insurance shown in the equipment schedule attached to this policy.

D. Deductible

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limits of Insurance.

E. Additional Conditions

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. Coverage Territory

We cover property wherever located within:

- a. The continental United States of America; and
- b. Canada.

2. Valuation

a. Property

The value of property will be the lesser of the following amounts:

1. The cost of reasonably restoring that property to its condition immediately before "loss"; or
2. The cost of replacing that property with substantially identical new property; or
3. The replacement cost value that applies to the covered property as shown on the equipment schedule.

b. Property of Others

The value of property in your care, custody or control will be the lesser of:

1. The amount for which you are liable; or
2. Actual cash value; or
3. The limit that applies to the covered property.

In the event of "loss", the value of property will be determined as of the time of "loss". We do not cover more than your insurable interest in any property.

3. Inspections and Surveys

1. We have the right to:

- a. Make inspections of the equipment at any time to ensure replacement cost values;
- b. Give you reports on the conditions we find; and
- c. Recommend and endorse changes to values as needed to maintain replacement cost.

F. Definitions

1. "Loss" means accidental loss or damage.

2. "Pollutant" means;

- a. Any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be disposed of as well as recycled, reclaimed or reconditioned.
- b. Electrical or magnetic emissions, whether visible or invisible, and sound emissions.

3. "Specified Causes of Loss" – means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from

fire extinguishing equipment; lightning; riot; sinkhole collapse; smoke; sonic boom; vandalism; vehicles;
volcanic action; water damage; weight of ice; snow, or sleet; and windstorm.

**KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES
(KLCIS)**

CONDITIONS FOR EQUIPMENT, FINE ARTS & VALUABLE PAPERS

A. Abandonment

There can be no abandonment of any property to us,

B. Appraisal

If we and you disagree on the value of property or the amount of loss, either may make a written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraiser will state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage, including a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
7. We may examine any insured under oath, while not in the presence of any other insured, and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summons or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claims.

D. Insurance Under Two or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual

amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of loss or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage part and;
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not liable for any part of a loss that has been paid or made good by others.

If there is an appraisal, we will still retain our right to deny the claim.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limits of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for that amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets or Parts

1. Pair or Set. In case of loss or damage to any part of a pair or set we may:
 - a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
 - b. Pay the difference between the value of the pair or set before and after the loss or damage.
2. Parts. In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expense to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will return the unearned premium on that item.

J. Transfer of Rights of Recovery Against Others to Us.

If any person or organization to or for whom we make payment under this Coverage Part has the rights to recover damage from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing;

1. Prior to a loss to your Covered Property; or
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm
 1. Owned or controlled by you; or
 2. That owns or controls you.

This will not restrict your insurance.

If there is an appraisal, we will still retain our right to deny the claim.

K. Concealment, Misrepresentation or Fraud

This Coverage Part is void if any case of fraud, intentional concealment or misrepresentation of a material fact by you or any other insured, at any time, concerning:

- a. This Coverage Part
- b. The Covered Property
- c. Your interest in the Covered Property; or
- d. A claim under this Coverage Part.

L. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Part, at any one or more locations, will not affect coverage at any location here, at the time of loss or damage, the breach of condition does not exist.

M. Legal Action Against Us

No one may bring any legal action against us under this Coverage Part unless:

- a. There has been full compliance with all the terms of this Coverage Part; and
- b. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

N. No Benefit to Bailee:

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

O. Policy Period

We cover loss or damage commencing:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

P. Liberalization

- If we revise this coverage form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

Kentucky League of Cities Insurance Services
Building Schedule- as of 7/1/2021
100% Estimated Replacement Cost of Property

Name of Insured: Bracken County Water District

Policy Number: P6129-2021-20811

Policy Effective: 7/1/2021

<u>Location</u>	<u>Bldg #</u>	<u>Description</u>		<u>Building</u>	<u>Contents</u>	<u>Total Value</u>	<u>Premium</u>
	1	Office 1324 Brooksville-Germantown Rd.	Eff:7/1/2021 Exp:7/1/2022	\$345,072	\$99,133	\$444,205	\$1,201.84
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	1	Water Station Miami St.	Eff:7/1/2021 Exp:7/1/2022	\$4,954	\$1,191	\$6,145	\$7.31
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	1	Valve Pit Industrial Park	Eff:7/1/2021 Exp:7/1/2022	\$0	\$14,298	\$14,298	\$17.01
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	1	Pump Station 5546 Augusta Berlin Rd.	Eff:7/1/2021 Exp:7/1/2022	\$234,714	\$213,994	\$448,708	\$842.14
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	1	Control Tower 400 Long Stretch Rd.	Eff:7/1/2021 Exp:7/1/2022	\$6,441	\$131,304	\$137,745	\$163.86
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	1	Water Tower 177 McCnutt Drive	Eff:7/1/2021 Exp:7/1/2022	\$1,058,999	\$27,643	\$1,086,642	\$1,292.67
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	1	Water Tower Industrial and Gillespie Lane	Eff:7/1/2021 Exp:7/1/2022	\$870,732	\$30,264	\$900,996	\$1,071.82
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	1	Water Tower 1324 Brooksville Germantown Rd.	Eff:7/1/2021 Exp:7/1/2022	\$1,031,007	\$17,158	\$1,048,165	\$1,246.90
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	1	Pump Station 5318 Asbury	Eff:7/1/2021 Exp:7/1/2022	\$18,579	\$65,532	\$84,111	\$100.06
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	2	Storage Building 1324 Brooksville-Germantown Rd.	Eff:7/1/2021 Exp:7/1/2022	\$169,812	\$100,086	\$269,898	\$730.24
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	2	Control Building Hwy 10 Berlin	Eff:7/1/2021 Exp:7/1/2022	\$4,954	\$23,829	\$28,783	\$54.02
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes
	2	Pump Station Hwy 1159 Bladeston Drive	Eff:7/1/2021 Exp:7/1/2022	\$160,773	\$21,436	\$182,209	\$216.76
							Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes

Kentucky League of Cities Insurance Services
Building Schedule- as of 7/1/2021
100% Estimated Replacement Cost of Property

Name of Insured: Bracken County Water District

Policy Number: P6129-2021-20811

Policy Effective: 7/1/2021

<u>Location</u>	<u>Bldg #</u>	<u>Description</u>		<u>Building</u>	<u>Contents</u>	<u>Total Value</u>	<u>Premium</u>
	2	Water Tower - Telemetry Equipment 1324 Brooksville Germantown Rd.	Eff:7/1/2021 Exp:7/1/2022	\$57,222	\$0	\$57,222	\$68.07
Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes							
	3	Water Tower Hwy 10 Berlin	Eff:7/1/2021 Exp:7/1/2022	\$928,947	\$0	\$928,947	\$1,105.08
Intrusion Alarm- No Sprinklers- No Fire Alarm- No Hydrant w/1000'- Yes							
Total Building and Contents for				\$4,892,206	\$745,868	\$5,638,074	\$8,117.78
Total Building and Contents				\$4,892,206	\$745,868	\$5,638,074	\$8,117.78

Kentucky League of Cities Insurance Services Equipment Schedule

Name of Insured: Bracken County Water District

Effective Date: 7/1/2021

<u>Item#</u>	<u>Description</u>	<u>Amount of Coverage</u>	<u>Premium</u>
1	Misc. Hand Tools and Equipment	\$51,510	\$306.72
2	Gator 16 ft. Trailer	\$2,782	\$16.57
3	2000 Ingersall Rand Air Compressor, S# 312884UEK221	\$4,121	\$24.54
4	2004 Caterpillar 420D Backhoe/Loader, S# 0FDP15292	\$69,023	\$411.00
5	2008 Caterpillar Mini Excavator 303.5, S# DMY02260	\$44,846	\$267.04
6	2009 Stihl Saw Ts420, S# 170346326	\$1,029	\$6.13
7	2010 Bush Hog Zero Turn Mower, S# 12-0013	\$7,108	\$42.33
8	2014 Ditch Witch 3" Air Tool	\$5,880	\$35.01
9	Telemetry Equipment at Dutch Ridge Rd.	\$20,604	\$122.69
11	VFD Controls/Pumps	\$59,258	\$352.86
12	150 kW Generator	\$60,785	\$361.95
Original Total		\$326,946	\$1,946.84
Total as Endorsed		\$326,946	\$1,946.84

EXHIBIT T-2

Liability Invoice



**Kentucky League of Cities
Insurance Services**

F.E.I.N. 61-1238903

Telephone: (800) 876-4552
(859) 977-3700

Make check payable and mail to:
Kentucky League of Cities Insurance Services
P.O. Box 34108
Lexington, KY 40588

Bracken County Water District
P.O. Box 201
Brooksville, KY 41004

Invoice Number: L6129-2021-20810-0

Date: 5/26/2021

Policy Number and Description	Amount
Policy Period: 7/1/2021-7/1/2022 Policy Number: L6129-2021-20810 DATE PAID <u>7/1/21</u> AMOUNT PAID <u>12,141.01</u> CHECK NO. <u>19717</u> 162	\$ 12,141.01
A 5% late charge will be assessed on all late payments.	
Unless Payment is received when due, coverage provided by this policy may be cancelled for nonpayment retroactive to the beginning of the policy inception date.	
Amount Due By 7/15/2021	\$ 12,141.01

[Handwritten signature]

Assured Partners NL LLC
2305 River Road
Louisville, KY 40206

Retain This Copy For Your Records

**KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES
(KLCIS)**

LIABILITY COVERAGE DECLARATIONS

Name of Insured: Bracken County Water District

Policy Number: L6129-2021-20810

Address: P.O. Box 201
Brooksville, Kentucky 41004

Agent of Record: Assured Partners NL LLC

Coverage Period: from **7/1/2021** at 12:01 a.m. Standard (or Daylight) time to **7/1/2022** at 12:01 a.m. Standard (or Daylight) time at the mailing address shown above. For purposes of the prior acts coverage endorsement, this policy shall be deemed renewed annually one year from the initial coverage date.

Subject to all terms of this policy, KLCIS agrees to provide you with coverages shown below for which a premium is shown and you pay to us.

COVERAGE	LIMIT Per Occurrence	DEDUCTIBLE Per Occurrence	PREMIUM 7/1/2021-7/1/2022 Installment
Commercial General Liability	\$5,000,000	\$0	\$5,855.59
Garage Keepers Liability	No Coverage	No Coverage	No Coverage
Public Officials Liability Claims Made Form	\$3,000,000	\$1,000	\$2,321.00
Law Enforcement Liability	No Coverage	No Coverage	No Coverage
Sewer Backup Liability	No Coverage	No Coverage	No Coverage
Business Auto Liability	\$3,000,000	\$0	\$3,353.00
Auto Physical Damage	Actual Cash Value	See Vehicle Schedule	\$611.42
TOTAL PREMIUM			\$12,141.01

***In the event of an "Occurrence" or "Accident" which invokes more than one type of coverage under the same or different policies issued by KLCIS, then the liability of KLCIS shall not exceed the highest applicable limit under any one coverage.**

Your policy may contain premium adjustments for the following:	
Accredited Law Enforcement Agency	0%
Loss Control, GL, PO and Auto Liability Review	0%
Loss Control, LE Liability Review	0%

PRIOR ACTS COVERAGE	
<p>If a date or dates appear below, you are being provided with coverage for accidents or occurrences or wrongful acts, which pre-date your current coverage period. Coverage provided by the Prior Acts endorsement may have been part of an earlier policy issued to you by KLCIS. If so, no dates will appear below and no additional Prior Acts coverage is afforded by this policy.</p>	
General Liability	
Public Officials Liability	
Employee Benefits Liability	
Law Enforcement Liability	

Basic Coverage Forms: KLCIS-GL'2020, KLCIS-CMPO'2020, KLCIS-BA'2020, KLCIS-CMCyber'2020

Endorsements: KLCIS-DED'06, KLCIS-CMCyber'2021

COVERAGE SUBLIMITS

For each of the coverages for which you paid a premium the following sublimits apply:

GENERAL LIABILITY

Fire Damage Limit	\$100,000	Per Fire
Medical Expense Limit	\$5,000	Per Person
Employee Benefits Liability	\$5,000,000	Per Occurrence
Hazardous Response Team	\$5,000,000	Per Occurrence

AUTOMOBILE LIABILITY

Personal Injury Protection	\$10,000	Per Person
Uninsured Motorists	\$100,000	Per Accident
Underinsured Motorists	\$100,000	Per Accident
"Comprehensive", Collision Damage	(see vehicle schedule)	

BUSINESS AUTOMOBILE POLICY DECLARATIONS

SCHEDULE OF COVERAGES AND COVERED AUTOMOBILES

Each of the coverages will apply only to those AUTOMOBILES shown as covered AUTOMOBILES. AUTOMOBILES are shown as covered AUTOMOBILES for a particular coverage by the entry of one or more symbols as described in the coverage document.

COVERAGES	COVERED AUTOS	LIMIT (The most we will pay for any one accident or loss.)	
Liability Coverage	1, 8, 9	\$3,000,000	
Personal Injury Protection	5	\$10,000	
Uninsured Motorist/ Underinsured Motorist Coverage	2	\$100,000	
PHYSICAL DAMAGE			
		LIMIT	DEDUCTIBLE
Comprehensive Coverage	7, 8	Actual Cash Value or Cost of Repair, whichever is less, minus deductible amount	See Vehicle Schedule
Collision	7, 8		See Vehicle Schedule

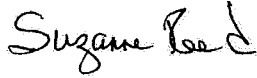
NOTE: Wherever the word "**policy**" appears in the attached forms or endorsements, it will be construed to mean the same as "**declarations**"; wherever the word "**company**" appears, it will be construed to mean the same as "**KLCIS**". Each of the coverages listed on page one of these declarations is separate and apply to these coverages only.

This coverage has been placed with a liability self-insurance group which is known as the Kentucky League of Cities Insurance Services ("KLCIS"). KLCIS has received a certificate of filing from the Commonwealth of Kentucky and has provided continuous coverage to its members since July 1, 1987.

Claims against group members are not covered by the Kentucky Insurance Guaranty Association.

KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES

by



5/26/2021

(Authorized Agent)

Date

KENTUCKY LEAGUE OF CITIES INSURANCE AGENCY, INC.

by



5/26/2021

(Authorized Agent)

Date

KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES

Schedule of Covered Vehicles

Name of Insured: Bracken County Water District

Policy Number: L6129-2021-20810 **Effective Date:** 7/1/2021

No.	Mem Veh#	Year	Make and Model	VIN #	DEDUCTIBLES		
					Collision	Comp	Premium
1		2015	Chevrolet Silverado	2814	\$1,000	\$1,000	\$ 1,178.47
2		2012	Chevrolet Colorado	4410		\$1,000	\$ 865.63
3		2012	Chevrolet Silverado	3006	\$1,000	\$1,000	\$ 971.75
4		2009	Chevrolet Silverado 3500 w/ Utility Bed	0151	\$1,000	\$1,000	\$ 948.57
					Grand Total:		\$ 3,964.42

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Name of Insured: Bracken County Water District

Policy Number: L6129-2021-20810

Effective Date: 7/1/2021

Data Breach and Privacy Liability Insurance Coverage

Claims Made and Reported Coverage: With regard to Coverage A. and C., of this policy form, the coverage afforded by this policy is limited to liability for only those Claims that are first made against the Insured during the Policy Period or the Extended Reporting Period, if exercised, and reported to the Company during the Policy Period or the Extended Reporting Period, if exercised, or within sixty (60) days after the expiration of the Policy Period or the Extended Reporting Period, if exercised.

Notice: Coverage A. and C., of this policy endorsement contain provisions that reduce the limits of liability stated in this policy endorsement by the costs of legal defense and permit legal defense costs to be applied against the deductible. Please read the policy endorsement and corresponding coverage form carefully.

In return for payment of the liability premium, and subject to all the terms of this policy, the company agrees with the Named Insured to provide the insurance as stated in this policy form.

LIMITS OF LIABILITY:

A.	For Coverage A. Data Breach and Privacy Liability Coverage Each Claim: (fines limited to \$100,000)	\$1,000,000
B.	For Coverage B. Data Breach Loss to Insured Coverage Each Claim: Cyber Extortion - defined in policy definitions section, Item BB, #4 Each Claim:	\$1,000,000 \$250,000/\$250,000 annual aggregate
C.	For Coverage C. "Electronic Media" Liability Coverage Each Claim:	\$1,000,000
D.	For Coverage D. "Breach Mitigation Expense" Coverage Each Claim:	\$250,000/\$250,000 annual aggregate
E.	For Coverage E. "Business Interruption Event" Reimbursement Coverage Each "Unauthorized Access":	\$100,000/\$100,000 annual aggregate
F.	For Coverage F. "PCI Assessments" Reimbursement Coverage Each "Payment Card Breach": Social Engineering Loss Each Social Engineering Incident Policy Aggregate: Aggregate Limit for all Pool Participants: (Losses occurring on policies/risks attaching)	\$100,000/\$100,000 annual aggregate \$25,000/\$25,000 annual aggregate \$1,000,000 \$5,000,000

DEDUCTIBLE: (KLCIS and Named Insured)

A.	For Coverage A. Data Breach and Privacy Liability Coverage Each Claim:	\$50,000
B.	For Coverage B. Data Breach Loss to Insured Coverage Each Claim:	\$50,000
C.	For Coverage C. "Electronic Media Liability" Coverage Each Claim:	\$50,000
D.	For Coverage D. "Breach Mitigation Expense" Coverage Each Claim:	\$50,000
E.	For Coverage E. "Business Interruption Event" Reimbursement Coverage Each "Unauthorized Access":	48 hours
F.	For Coverage F. "PCI Assessments" Reimbursement Coverage Each "Payment Card Breach": Social Engineering Loss Coverage Each Social Engineering Incident:	\$50,000 \$50,000

RETROACTIVE DATE:

A.	For Coverage A. Network and Information Security Liability Coverage	7/1/2019
B.	For C. Electronic Media Liability Coverage	7/1/2019

NOTICES:

Claim and Potential Claim Notices required to be provided to the Company under this policy shall be addressed to:

KENTUCKY LEAGUE OF CITIES

INSURANCE SERVICES:

100 East Vine Street, Suite 800
Lexington, KY 40507
Fax: (859) 977-0192
Phone: (800) 876-4552

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Name of Insured: Bracken County Water District

Policy Number: L6129-2021-20810

Effective Date: 7/1/2021

REIMBURSABLE DEDUCTIBLE ENDORSEMENT

KLCIS shall only be liable for those amounts payable hereunder in settlement or satisfaction of claims, judgments or awards, defense costs, charges and expenses which are in excess of the deductible(s) stated below. Provided however, this deductible, shall not apply to amounts paid under Coverage D, Medical Payments. This deductible shall apply separately to each occurrence and shall be borne by the member and remain uninsured. Notwithstanding anything to the contrary, KLCIS will not be responsible for any deductible retained by the member.

KLCIS shall advance payment of the deductible in order to expeditiously settle an outstanding claim. When this occurs, the member shall be obligated to reimburse the deductible amount to KLCIS within 30 days of the invoice date.

In the event of any recovery on a loss for which KLCIS has advanced payment of any deductible amount hereunder, such recovery shall accrue entirely to the benefit of KLCIS until the amount advanced by KLCIS has been recovered.

The "INSURED" shall notify KLCIS as soon as practicable of ALL occurrences or events which may result in a claim.

AMOUNT OF DEDUCTIBLES:

Commercial General Liability	\$0
Business Auto	\$0
Public Officials	\$1,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Name of Insured: Bracken County Water District

Policy Number: L6129-2021-20810

Endorsement Effective Date: 7/1/2021

PUBLIC OFFICIALS MANUSCRIPT ENDORSEMENT

It is hereby agreed and understood that the declarations section of the above referenced policy is amended to include a prior acts date for Public Officials Liability of 7/1/1995.

All other terms and conditions remain unchanged.

What to do in a crisis?



Our retained crisis management consultants, Security Exchange Ltd are available globally 24/7 to advise and assist our insured clients; and to respond to emergency situations involving active assailant incidents.

In the event of an incident which may be covered under the terms of the policy, Security Exchange Emergency 24-hour Crisis Line must be informed immediately.

When calling the Crisis Line you will be asked for your name, company, contact telephone number and policy number (if available). These details will be escalated and a case manager will call back as soon as possible.

CRISIS LINE
+1 312-500-5093

NOTIFICATION OF AN INCIDENT TO SECURITY EXCHANGE DOES NOT CONSTITUTE NOTIFICATION UNDER THE POLICY. THE ROLE OF THE CRISIS CONSULTANTS IS LIMITED TO PROVIDING IMMEDIATE ASSISTANCE AND GUIDANCE TO THE ASSURED IN THE EVENT OF AN ACTUAL OR THREATENED INSURED EVENT. CONSULTANTS DO NOT HAVE THE AUTHORITY ON BEHALF OF UNDERWRITERS TO DEAL WITH MATTERS OF POLICY COVERAGE OR THE APPLICATION OF POLICY TERMS AND CONDITIONS.

Active Assailant Policy



Policy Number: J-USN210006872	
Policy Period: From: 07/01/2021 12:01 am local standard time To: 07/01/2022 12:01 am local standard time	
Coverage Provided By: Kentucky League of Cities Insurance Services	
Original Insured(s): Active members of the Property or Liability Kentucky League of Cities Insurance Services Programs	
Law and Jurisdiction: Kentucky, United State of America	Service of Suit Nominee: Secretary, Legal Department, Markel Service Incorporated, Ten Parkway North, Deerfield, Illinois 60015

Insured Details:

Insured Locations: All property declared.

Policy Limits:

Property Damage	Limits: USD 250,000 per member	Deductible: None
Time Element	Limits: USD 250,000 per member	Deductible: 24 hours any one Occurrence Deductible iro Denial of Access: 6 hours any one Occurrence
Third Party Liability	Limits: USD 250,000 per member	Deductible: USD 5,000 any one Occurrence

Ancillary Support	Coverage:	Limits:	Deductible:
	Medical and dental expenses	USD 20,000 per person	None
	Counselling costs	USD 10,000 per injured person USD 5,000 per non-injured person	None
	Funeral costs	USD 10,000 per person USD 150,000 per member	None
	Crisis management service	USD 100,000 per member	None
	Employee retraining costs	USD 10,000 per person	None
	Replacement employee recruitment costs	USD 250,000 per member	None
Aggregate limit across all coverage sections			
Per Member		Limit: USD 250,000 any one Occurrence and in the annual aggregate	
Annual Aggregate		Limit: USD 1,000,000 in the annual aggregate for all members of Kentucky League of Cities Property & Liability program	

Express Warranties & Subjectivities:

Warranted no known or reported losses or incidents of the type of event covered under this policy prior to 07/01/2020.

Endorsements:

KLCIS City Sponsored Event Endorsement – included in coverage form

This coverage has been placed with a liability self-insurance group which is known as the Kentucky League of Cities Insurance Services ("KLCIS"). KLCIS has received a certificate of filing from the Commonwealth of Kentucky and has provided continuous coverage to its members since July 1, 1987. Claims against group members are not covered by the Kentucky Insurance Guaranty Association.

KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES by

Suzanne Reed
(Authorized Agent)

4/30/2021
Date

KENTUCKY LEAGUE OF CITIES INSURANCE AGENCY, INC. by

Jeremy D. Baird
(Authorized Agent)

4/30/2021
Date

EXHIBIT T-3

Workers Compensation Invoice



**Kentucky League of Cities
Insurance Services**

F.E.I.N. 61-1238903

Telephone: (800) 876-4552
(859) 977-3700

Make check payable and mail to:
Kentucky League of Cities Insurance Services
P.O. Box 34108
Lexington, KY 40588

Bracken County Water District
P.O. Box 201
Brooksville, KY 41004

Invoice Number: W6129-2021-20430-0

Date: 5/26/2021

Policy Number and Description	Amount
Policy Period: 7/1/2021-7/1/2022 Policy Number: W6129-2021-20430 DATE PAID <u>7/1/21</u> AMOUNT PAID <u>5541.99</u> CHECK NO. <u>19717</u> 102	\$ 5,541.99
A 5% late charge will be assessed on all late payments.	
Unless Payment is received when due, coverage provided by this policy may be cancelled for nonpayment retroactive to the beginning of the policy inception date.	
Amount Due By 7/15/2021	\$ 5,541.99

Assured Partners NL LLC
2305 River Road
Louisville, KY 40206

Retain This Copy For Your Records

KENTUCKY LEAGUE OF CITIES WORKERS' COMPENSATION TRUST

100 East Vine Street, Suite 800, Lexington, KY 40507-3701

859-977-3700 or 800-876-4552

FEIN 61-1238903

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

INFORMATION PAGE

CARRIER CODE 36676

Item 1: Bracken County Water District
P.O. Box 201
Brooksville, Kentucky 41004

POLICY # W6129-2021-20430

Federal ID#: 61-0651413

SIC Code:

Risk ID#:

Locations - All usual workplaces of the insured at or from which operations covered by this policy are conducted are located at the above address unless otherwise stated herein: See attached schedules for location(s).

Item 2: Policy Period: From 7/1/2021 to 7/1/2022 12:01 A.M. standard time at the Insured's mailing address.

Item 3:

A. Workers' Compensation Insurance: Part One of the policy applies to the Workers' Compensation Law of the states listed here: Kentucky

B. Employers' Liability Insurance: Part two of the policy applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident \$4,000,000 each employee

Bodily Injury by Disease \$4,000,000 each employee

Bodily Injury by Disease \$4,000,000 policy limit

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here: All states not provided. Coverage provided pursuant to Kentucky Law.

D. This policy includes these forms, endorsements and schedules: KLCIS-WC-EL'2006, WC 00 03 11, WC 00 04 06

Item 4: The premium for this policy will be determined by our Manuals and Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit:

****See Attached Schedule for Classifications****

INSTALLMENT YEAR: 7/1/2021 - 7/1/2022

Premium Subject to Tax	\$ 5,178.46
Plus Kentucky Premium Tax (7.02)%	\$ 363.53
Estimated Annual Total	\$ 5,541.99

Dated Issued: 5/26/2021

From: KLC Workers' Compensation Trust
Lexington, KY 40507-3701

NOTE: Wherever the word "**policy**" appears in the attached forms or endorsements, it will be construed to mean the same as "**declarations**"; wherever the word "**company**" appears, it will be construed to mean the same as "**KLCIS**". Each of the coverages listed on page one of these declarations is separate and apply to these coverages only.

This coverage has been placed with a workers' compensation self-insurance group which is known as the Kentucky League of Cities Insurance Services ("KLCIS"). KLCIS has received a certificate of filing from the Commonwealth of Kentucky and has provided continuous coverage to its members since July 1, 1987.

Claims against group members are not covered by the Kentucky Insurance Guaranty Association.

KENTUCKY LEAGUE OF CITIES INSURANCE SERVICES

by



5/26/2021

(Authorized Agent)

Date

KENTUCKY LEAGUE OF CITIES INSURANCE AGENCY, INC.

by



5/26/2021

(Authorized Agent)

Date

KENTUCKY LEAGUE OF CITIES WORKERS' COMPENSATION TRUST

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

Date Issued: 7/1/2021

WC 00 00 01 A
Schedule Page 1

SCHEDULE OF OPERATIONS
Payroll Premium Summary

NAME OF INSURED: Bracken County Water District
POLICY NUMBER W6129-2021-20430
INSTALLMENT YEAR: 7/1/2021 to 7/1/2022
MEMBER NUMBER: 6129

Classification	Code No.	Payroll Exposure	Rate per \$100 of Payroll	Annualized Estimated Manual Premium	Estimated Final Premium	Pro-Rated Estimated Final Premium
Waterworks (Meter Readers, Water Plant)	7520	126,932.00	4.48	5,686.55	4,718.93	4,718.93
Outside Salesperson	8742	18,200.00	0.97	176.54	146.50	146.50
Office Employees	8810-01	86,920.00	0.33	286.84	238.03	238.03
Minimum Premium Adjustment-Workers Compensation	MINPWC	0.00	0	0.00	0.00	0.00
Total Premium Subject To Experience Rating (Subject To Tax)				\$6,149.93	\$5,103.46	\$5,103.46

KENTUCKY LEAGUE OF CITIES WORKERS' COMPENSATION TRUST

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

Date Issued: 7/1/2021

WC 00 00 01 A
Schedule Page 2

SCHEDULE OF OPERATIONS
Premium Summary

NAME OF INSURED: Bracken County Water District
POLICY NUMBER W6129-2021-20430
INSTALLMENT YEAR: 7/1/2021 to 7/1/2022
MEMBER NUMBER: 6129

Total Scheduled Premium Subject to Experience Rating	6,149.93
Experience Modification Factor (0.92)	-491.99
Modified Premium	5,657.94
Modified Premium Subject to Deductible Credit	5,657.94
Deductible Credit (0)	0.00
Subject to Premium Volume Discount	5,657.94
Premium Volume Discount (-0.098)	-554.48
Subject to Misc. Modifiers	5,103.46
Drug Free Workplace (0)	0.00
Loss Control Modifier (0)	0.00
Miscellaneous Modifier (0)	0.00
Risk Assessment Modifier (0)	0.00
Mono-Line WC Modifier (0)	0.00
Expense Constant	75.00
Total Policy Period Premium Subject to Tax	5,178
Kentucky Premium Tax (0.0702)	363.53
POLICY TOTAL	5,541.99

AGENT OF RECORD: Assured Partners NL LLC
2305 River Road
Louisville, KY 40206

VOLUNTARY COMPENSATION AND EMPLOYERS' LIABILITY COVERAGE ENDORSEMENTS

This endorsement adds Voluntary Compensation Insurance to the policy.

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by an employee included in the group of employees described in the Schedule.
2. The bodily injury must arise out of and in the course of employment necessary or incidental to work in a state listed in the Schedule.
3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen temporarily away from those places.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay an amount equal to the benefits that would be required of you if you and your employees described in the Schedule were subject to the workers' compensation law shown in the Schedule. We will pay those amounts to the persons who would be entitled to them under the law.

With respect to elected officials, we will pay for medical benefits only as a result of bodily injury. The bodily injury must arise from attendance or travel to and from an official municipal meeting as defined by the Sunshine Law of the State of Kentucky.

With respect to auxilliary and other volunteer personnel, we will pay for medical benefits only as a result of bodily injury. Such other personnel must be reported to us and requested to be covered by this insurance prior to claim.

C. Exclusions

This insurance does not cover:

1. Any obligation imposed by a workers' compensation or occupational disease law, or any similar law.
2. Bodily injury intentionally caused or aggravated by you.

D. Before We Pay

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

F. Employers' Liability Insurance

Part Two (Employers' Liability Insurance) applies to bodily injury covered by this endorsement as though the State of Employment shown in the Schedule were shown in Item 3.A. of the Information Page.

Schedule

Employees

As listed on Volunteer Employees
Form

State of Employment

Kentucky

Designated Workers' Compensation Law

PREMIUM DISCOUNT ENDORSEMENT

Policy Number: W6129-2021-20430

Policy Effective Date: 7/1/2021 to 7/1/2022

Policy Change Number: 001

Change Effective Date: 7/1/2021

Insured: Bracken County Water District

Company: Kentucky League of Cities Insurance Services Carrier Code: 1
 WC

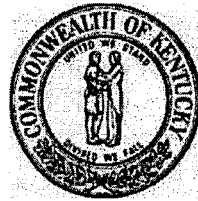
The premium for this policy and the policies, if any, listed in Item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in Item 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

Schedule

1.	<u>State:</u> Kentucky	<u>Estimated Eligible Premium</u>			
		First	Next	Next	
		\$4,999	\$20,000	\$75,000	Balance
2.	Average Percentage Discount: <u>-9.8%</u>				

3. Other Policies: Policy Effective Date: 7/1/2021 to 7/1/2022

4. If there are no entries in Items 1, 2 and 3 of the Schedule, see the Premium Discount Endorsement attached to your policy number:



COMMONWEALTH OF KENTUCKY WORKERS' COMPENSATION NOTICE

Employees of this business are covered by the Kentucky Workers' Compensation Act (KRS Chapter 342). Conspicuous posting of this notice is required by law.

Employer: **Bracken County Water District**

Address: **P.O. Box 201, Brooksville, KY, 41004**

Policy #: **W6129-2021-20430 effective 7/1/2021 to 7/1/2022**

Workers Compensation Carrier (or third party administrator): **Kentucky League of Cities Insurance Services.**

Address: **PO Box 1720, Lexington, KY 40588**

Telephone: **800-382-7729**

Contact Person: **Angie Gabbard**

EMPLOYEES: IF INJURED - NOTIFY your supervisor **IMMEDIATELY**. When possible, notice should be in writing. FAILURE to notify your supervisor could result in denial of benefits. **OBTAIN MEDICAL CARE**. Your employer must pay for ALL NECESSARY MEDICAL CARE to treat a workplace injury. The employee may select the physician or medical facility to render care. If the employer is enrolled in an approved Managed Care Plan, employee selection of physicians is LIMITED to the Approved Provider Network, except in certain emergencies. **FOR INJURIES REQUIRING CONTINUING CARE, the EMPLOYEE MUST DESIGNATE A TREATING PHYSICIAN**. A form to do so will be furnished by your employer or its insurance carrier.

This employer IS participating in a Managed Care Plan for medical care.

DISABILITY BENEFITS to replace wages lost due to a workplace injury are payable under the Workers' Compensation Act after seven (7) days of disability. A claim must be filed with Department of Workers Claims WITHIN TWO YEARS of the date of injury, or last payment of temporary total disability benefits.

NEED ASSISTANCE? Contact your employer's claim representative. If your questions about workers compensation rights are not promptly answered, call the Kentucky Department of Workers Claims at 1-800-554-8601 to speak to an Ombudsman or Workers Compensation Specialist.

EMPLOYER SUPERVISORS - NOTIFY MANAGEMENT IMMEDIATELY OF ALL INJURIES SO THAT TIMELY REPORT CAN BE MADE AS REQUIRED BY LAW.

EXHIBIT T-4



Invoice
For coverage in January 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171138 - ~~December 14, 2020~~

Billing Contact *Jan 2021*
1-800-232-2006

GB EAST REGION MEDICAL

Payment due
January 1, 2021

HBSGAFPLETHBSG148A1215202001450006364
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O.BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$4,292.81
Total payments received	-\$4,292.81
Amount past due	\$0.00
Premiums this period	\$4,292.81
Member adjustments	\$0.00
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state</small>	
Please pay total amount due	\$4,292.81

Invoice vs Paid Reporting!
Do you need a report showing your monthly invoiced premiums and payments? If so, sign in or register on Employer Portal at Humana.com/employer/ebilling. Choose "Go to Billing" then click "Invoiced vs. paid" to pull a report that will show your monthly invoiced insurance premiums and payments received for the last 24 months. While you are logged in, sign up for email notifications located on the preference page to help manage your account!

The temporary payment option to use credit/debit cards will expire for commercial group accounts on 1/1/2021. We will no longer be accepting credit/debit cards as a form of payment. Please review our other payment options available on the Employer portal such as one-time ACH and recurring payments using your checking or savings account. Or if you prefer to call, you can make a payment over the phone by calling 1-800-232-2006 (TTY: 711).

AAA

DATE PAID *1/18/21*
 AMOUNT PAID *4292.81*
 CHECK NO. *L/C*

pre-tax 858.40

604.6 1675.35
604.7 955.55
604.8 803.51

continued ▶



Employee Detail:

BRACKEN COUNTY WATER DIST

602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$365.69			
Employee Total							\$365.69
[REDACTED]	010950238	PPO	ESP	\$1,865.44			
Employee Total							\$1,865.44
[REDACTED]	010950240	PPO	EMP	\$955.55			
Employee Total							\$955.55
[REDACTED]	116655161	PPO	EMP	\$302.62			
Employee Total							\$302.62
[REDACTED]	010950241	PPO	EMP	\$803.51			
Employee Total							\$803.51

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



Questions about your invoice? Call your Billing Representative at 1-800-232-2006.
 Don't forget, you can pay your invoice online at Humana.com.



Invoice
For coverage in March 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171149 - February 14, 2021

Billing Contact
1-800-232-2006
GB EAST REGION MEDICAL

Payment due
March 1, 2021

HBSGAFPLETHBSG149A0215202100370006067
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O.BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$4,292.81
Total payments received	-\$4,292.81
Amount past due	\$0.00
Premiums this period	\$4,292.81
Member adjustments	\$0.00
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state.</small>	
Please pay total amount due	\$4,292.81

Improving the overall wellness of your employees may improve their health, reduce illness, and reduce absences. You can learn more about the wellness programs available to your employees by visiting Humana.com/employers/products and choose "Wellness Programs" at the bottom of the page.

DATE PAID 2/15/21
AMOUNT PAID 4292.81
CHECK NO. 19480

pre-tax 858.40
604.6 1575.35
604.7 955.55
604.8 803.51

Did you know you and your employees can help influence the healthcare system and contain rising costs? This will only happen if your employees have the details they need to make informed choices. Be sure to tell your employees about Humana's consumer tools and resources on Humana.com as well as other websites. This encourages employees to make cost and quality healthcare comparisons.

continued ▶



Employee Detail:

BRACKEN COUNTY WATER DIST

602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$365.69			
Employee Total							\$365.69
[REDACTED]	010950238	PPO	ESP	\$1,865.44			
Employee Total							\$1,865.44
[REDACTED]	010950240	PPO	EMP	\$955.55			
Employee Total							\$955.55
[REDACTED]	116655161	PPO	EMP	\$302.62			
Employee Total							\$302.62
[REDACTED]	010950241	PPO	EMP	\$803.51			
Employee Total							\$803.51

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



Questions about your invoice? Call your Billing Representative at 1-800-232-2006.
 Don't forget, you can pay your invoice online at Humana.com.



Invoice
For coverage in April 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171148 - March 14, 2021

Billing Contact
1-800-232-2006
GB EAST REGION MEDICAL

Payment due
April 1, 2021

HBSGAFPLETHBSG149A0315202100250005950
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O.BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$4,292.81
Total payments received	-\$4,292.81
Amount past due	\$0.00
Premiums this period	\$4,292.81
Member adjustments	\$0.00
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state</small>	
Please pay total amount due	\$4,292.81

When an employee covered by a Humana health plan leaves your company for any reason, you'll need to provide that information to Humana. You now can use the Employer Self-Service Center to make changes in employee's status by visiting Humana.com, selecting "Other Humana Sites", then click on "Employers", and logging into the Employer Self-Service Center.

DATE PAID 3/29/21 *J/K*
AMOUNT PAID 4292.81
CHECK NO. _____ *AK*

pre tax 1287.60
604.6 1246.15
604.7 955.55
604-8 803.51

Did you know there's a frequently asked question section on the employer portal at Humana.com? Check it out for answers to questions on the following topics: Medical, Spending Accounts, Pharmacy, Dental, Life and Vision.

continued ►



Employee Detail:

BRACKEN COUNTY WATER DIST

602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$365.69			
Employee Total							\$365.69
[REDACTED]	010950238	PPO	ESP	\$1,865.44			
Employee Total							\$1,865.44
[REDACTED]	010950240	PPO	EMP	\$955.55			
Employee Total							\$955.55
[REDACTED]	116655161	PPO	EMP	\$302.62			
Employee Total							\$302.62
[REDACTED]	010950241	PPO	EMP	\$803.51			
Employee Total							\$803.51

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



Questions about your invoice? Call your Billing Representative at 1-800-232-2006.
 Don't forget, you can pay your invoice online at Humana.com.



Invoice
For coverage in May 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171146 - April 14, 2021

Billing Contact
1-800-232-2006
GB EAST REGION MEDICAL

Payment due
May 1, 2021

HBSGAFPLETHBSG149A0415202101150005904
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O.BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$4,292.81
Total payments received	-\$4,292.81
Amount past due	\$0.00
Premiums this period	\$3,990.19
Member adjustments	-\$302.62
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state</small>	
Please pay total amount due	\$3,687.57

Do you need help submitting group invoices? Log in to the Employer Portal at Humana.com and select the Chat with Us icon in the bottom, right hand corner to receive additional assistance from our Secure Chat Assistant. If you need additional assistance, please reach out to Humana Business Services at 1-800-592-3005.

AA

LIC

DATE PAID 4/26/21
AMOUNT PAID 3687.57
CHECK NO. 19009

<i>pretax</i>	<i>858.40</i>
<i>604.6</i>	<i>1070.11</i>
<i>604.7</i>	<i>955.55</i>
<i>604.8</i>	<i>803.51</i>

Encourage your employees to keep their phone numbers up-to-date. To make sure Humana is able to contact them about valuable plan information, it's important to let us know if they have changed their phone number, even if it's just a temporary change. Please encourage them to contact you with any changes to their contact information.

continued ▶



Employee Detail:
BRACKEN COUNTY WATER DIST
602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$365.69			
Employee Total							\$365.69
[REDACTED]	010950238	PPO	ESP	\$1,865.44			
Employee Total							\$1,865.44
[REDACTED]	010950240	PPO	EMP	\$955.55			
Employee Total							\$955.55
TERMINATION: 04/01/2021	116655161	PPO	EMP	-\$302.62			
Employee Total							-\$302.62
[REDACTED]	010950241	PPO	EMP	\$803.51			
Employee Total							\$803.51

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



Questions about your invoice? Call your Billing Representative at 1-800-232-2006.
Don't forget, you can pay your invoice online at Humana.com.



Invoice
For coverage in June 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171120 - May 14, 2021

Billing Contact
1-800-232-2006
GB EAST REGION MEDICAL

Payment due
June 1, 2021

HBSGAFPLETHBSG150A0515202100230005832
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O.BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$3,687.57
Total payments received	-\$3,687.57
Amount past due	\$0.00
Premiums this period	\$3,990.19
Member adjustments	\$0.00
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state</small>	
Please pay total amount due	\$3,990.19

We strongly encourage all Humana members to consider getting the COVID-19 vaccine when they are eligible, and as medically appropriate. Encourage you employees to talk to their doctor about what is best for them. Let your employees know that eligibility may vary so they can check with their state or local health department on rules in their area. Visit us at Humana.com/coronavirus for the latest.

DATE PAID 5/24/21 *L/C*
AMOUNT PAID 3990.19
CHECK NO. 19658 *AA*

pre-tax 858.40
604.6 1372.73
604.7 955.55
604.8 803.51

Manage your account quickly and easily from anywhere 24/7. Need to make a payment? Use Express pay - It's a quick and easy way to make a secure one-time payment without having to sign into your account. If you need to check your balance, review your invoice or sign up for email notifications, sign in or register on the Employer Portal where you can also make a one-time payment or set up recurring payments! All of these great features and more are available at Humana.com/employer/ebilling.

continued ▶



Employee Detail:

BRACKEN COUNTY WATER DIST
602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$365.69			
Employee Total							\$365.69
[REDACTED]	010950238	PPO	ESP	\$1,865.44			
Employee Total							\$1,865.44
[REDACTED]	010950240	PPO	EMP	\$955.55			
Employee Total							\$955.55
[REDACTED]	010950241	PPO	EMP	\$803.51			
Employee Total							\$803.51

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



Questions about your invoice? Call your Billing Representative at 1-800-232-2006.
Don't forget, you can pay your invoice online at Humana.com.



Invoice

For coverage in July 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171145 - June 14, 2021

Billing Contact
1-800-232-2006
GB EAST REGION MEDICAL

Payment due
July 1, 2021

HBSGAFPLETHBSG152A0615202100360005774
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O. BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$3,990.19
Total payments received	\$3,990.19
Amount past due	\$0.00
Premiums this period	\$3,990.19
Member adjustments	\$0.00
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state</small>	
Please pay total amount due	\$3,990.19

Share these tips with your employees to help protect them from COVID-19 scams.

- Be cautious of answering phone calls from numbers they not recognize
 - Do not click links in emails. If they think the address is correct, encourage them to retype it in a browser window.
 - Be wary of opening attachments in any email.
- For additional information visit
Humana.com/coronavirus.

DATE PAID 6/28/21
 AMOUNT PAID 3990.19
 CHECK NO. 19704

Manage your account quickly and easily from anywhere 24/7. Need to make a payment? Use Express pay - It's a quick and easy way to make a secure one-time payment without having to sign into your account. If you need to check your balance, review your invoice or sign up for email notifications, sign in or register on the Employer Portal where you can also make a one-time payment or set up recurring payments! All of these great features and more are available at Humana.com/employer/ebilling.

pre-tax 858.40
 604.6 1372.73
 604.7 955.55
 604.8 803.51

continued ▶



Employee Detail:
BRACKEN COUNTY WATER DIST
602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$365.69			
Employee Total							\$365.69
[REDACTED]	010950238	PPO	ESP	\$1,865.44			
Employee Total							\$1,865.44
[REDACTED]	010950240	PPO	EMP	\$955.55			
Employee Total							\$955.55
[REDACTED]	010950241	PPO	EMP	\$803.51			
Employee Total							\$803.51

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



Questions about your invoice? Call your Billing Representative at 1-800-232-2006.
Don't forget, you can pay your invoice online at Humana.com.



Invoice

For coverage in August 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171153 - July 14, 2021

Billing Contact
1-800-232-2006
GB EAST REGION MEDICAL

Payment due
August 1, 2021

HBSGAFPLETHBSG154A0715202100170005688
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O.BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$3,990.19
Total payments received	-\$3,990.19
Amount past due	\$0.00
Premiums this period	\$3,990.19
Member adjustments	\$0.00
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state</small>	
Please pay total amount due	\$3,990.19

We strongly encourage all Humana members to consider getting the COVID-19 vaccine when they are eligible, and as medically appropriate. Encourage you employees to talk to their doctor about what is best for them. Let your employees know that eligibility may vary so they can check with their state or local health department on rules in their area. Visit us at Humana.com/coronavirus for the latest.

7/11/21
DATE PAID 7/11/21
AMOUNT PAID 3990.19
CHECK NO. 19756
pre-tax 858.40
604.6 1372.73
604.7 955.55
604.8 803.51

*Att
JLC*

Manage your account quickly and easily from anywhere 24/7. Need to make a payment? Use Express pay - It's a quick and easy way to make a secure one-time payment without having to sign into your account. If you need to check your balance, review your invoice or sign up for email notifications, sign in or register on the Employer Portal where you can also make a one-time payment or set up recurring payments! All of these great features and more are available at Humana.com/employer/ebilling.

continued ▶



Employee Detail:

BRACKEN COUNTY WATER DIST

602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$365.69			
Employee Total							\$365.69
[REDACTED]	010950238	PPO	ESP	\$1,865.44			
Employee Total							\$1,865.44
[REDACTED]	010950240	PPO	EMP	\$955.55			
Employee Total							\$955.55
[REDACTED]	010950241	PPO	EMP	\$803.51			
Employee Total							\$803.51

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



Questions about your invoice? Call your Billing Representative at 1-800-232-2006.
 Don't forget, you can pay your invoice online at Humana.com.



Invoice
For coverage in September 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171157 - August 14, 2021

Billing Contact
1-800-232-2006
GB EAST REGION MEDICAL

Payment due
September 1, 2021

HBSGAFPLETHBSG154A0815202100420005592
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O.BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$3,990.19
Total payments received	-\$3,990.19
Amount past due	\$0.00
Premiums this period	\$3,990.19
Member adjustments	\$0.00
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state</small>	
Please pay total amount due	\$3,990.19

Share these tips with your employees to help protect them from COVID-19 scams.

- Be cautious of answering phone calls from numbers they not recognize
- Do not click links in emails. If they think the address correct, encourage them to retype it in a browser window.
- Be wary of opening attachments in any email.

For additional information visit
Humana.com/coronavirus.

DATE PAID 8/16/21 *JL*
 AMOUNT PAID 3990.19
 CHECK NO. 19808
ACT

pre-tax	858.40
604.6	1372.73
604.7	955.55
604.8	803.51

Manage your account quickly and easily from anywhere 24/7.
 Need to make a payment? Use Express pay - It's a quick and easy way to make a secure one-time payment without having to sign into your account. If you need to check your balance, review your invoice or sign up for email notifications, sign in or register on the Employer Portal where you can also make a one-time payment or set up recurring payments! All of these great features and more are available at Humana.com/employer/ebilling.

continued ▶



Employee Detail:

BRACKEN COUNTY WATER DIST

602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$365.69			
Employee Total							\$365.69
[REDACTED]	010950238	PPO	ESP	\$1,865.44			
Employee Total							\$1,865.44
[REDACTED]	010950240	PPO	EMP	\$955.55			
Employee Total							\$955.55
[REDACTED]	010950241	PPO	EMP	\$803.51			
Employee Total							\$803.51

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



Questions about your invoice? Call your Billing Representative at 1-800-232-2006.
 Don't forget, you can pay your invoice online at Humana.com.



Invoice

For coverage in October 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171159 - September 14, 2021

Billing Contact
1-800-232-2006
GB EAST REGION MEDICAL

Payment due
October 1, 2021

HBSGAFPLETHBSG156A0915202100290005502
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O.BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$3,990.19
Total payments received	-\$3,990.19
Amount past due	\$0.00
Premiums this period	\$3,990.19
Member adjustments	\$0.00
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state</small>	
Please pay total amount due	\$3,990.19

When an employee covered by a Humana health plan leaves your company for any reason, you'll need to provide that information to Humana. You now can use the Employer Self-Service Center to make changes in employee's status by visiting Humana.com, selecting "Other Humana Sites", then click on "Employers", and logging into the Employer Self-Service Center.

DATE PAID 9/27/21
AMOUNT PAID 3990.19
CHECK NO. 19873
JLC
AK

pre-tax 1287.00
604.6 943.53
604.7 955.55
604.8 803.51

Manage your account quickly and easily from anywhere 24/7. Need to make a payment? Use Express pay - It's a quick and easy way to make a secure one-time payment without having to sign into your account. If you need to check your balance, review your invoice or sign up for email notifications, sign in or register on the Employer Portal where you can also make a one-time payment or set up recurring payments! All of these great features and more are available at Humana.com/employer/ebilling.

continued ►



Employee Detail:
BRACKEN COUNTY WATER DIST
602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$365.69			
Employee Total							\$365.69
[REDACTED]	010950238	PPO	ESP	\$1,865.44			
Employee Total							\$1,865.44
[REDACTED]	010950240	PPO	EMP	\$955.55			
Employee Total							\$955.55
[REDACTED]	010950241	PPO	EMP	\$803.51			
Employee Total							\$803.51

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



Questions about your invoice? Call your Billing Representative at 1-800-232-2006.
Don't forget, you can pay your invoice online at Humana.com.



Invoice
For coverage in November 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171161 - October 14, 2021

Billing Contact
1-800-232-2006
GB EAST REGION MEDICAL

Payment due
November 1, 2021

HBSGAFPLETHBSG156A1015202100010005456
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O.BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$3,990.19
Total payments received	-\$3,990.19
Amount past due	\$0.00
Premiums this period	\$3,990.19
Member adjustments	\$0.00
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state</small>	
Please pay total amount due	\$3,990.19

Share these tips with your employees to help protect them from COVID-19 scams.

- Be cautious of answering phone calls from numbers they not recognize
- Do not click links in emails. If they think the address correct, encourage them to retype it in a browser window.
- Be wary of opening attachments in any email.

For additional information visit
Humana.com/coronavirus.

DATE PAID 10/25/21 *L/C*
 AMOUNT PAID 3990.19
 CHECK NO. 19934 *AD*

pre-tax	858.40
604.6	1372.73
604.7	955.55
604.8	803.51

Manage your account quickly and easily from anywhere 24/7.
 Need to make a payment? Use Express pay - It's a quick and easy way to make a secure one-time payment without having to sign into your account. If you need to check your balance, review your invoice or sign up for email notifications, sign in or register on the Employer Portal where you can also make a one-time payment or set up recurring payments! All of these great features and more are available at Humana.com/employer/ebilling.

continued ▶



Employee Detail:

BRACKEN COUNTY WATER DIST
602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$365.69			
Employee Total							\$365.69
[REDACTED]	010950238	PPO	ESP	\$1,865.44			
Employee Total							\$1,865.44
[REDACTED]	010950240	PPO	EMP	\$955.55			
Employee Total							\$955.55
[REDACTED]	010950241	PPO	EMP	\$803.51			
Employee Total							\$803.51

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



Questions about your invoice? Call your Billing Representative at 1-800-232-2006.
Don't forget, you can pay your invoice online at Humana.com.



Invoice

For coverage in December 2021

BRACKEN COUNTY WATER DIST

Billing ID
602665-001

Invoice number - Invoice date
256171166 - November 14, 2021

Billing Contact
1-800-232-2006
GB EAST REGION MEDICAL

Payment due
December 1, 2021

HBSGAFPLETHBSG156A1115202100090005360
BRACKEN COUNTY WATER DIST
DIANA MORAN
P.O.BOX 201
BROOKSVILLE, KY 41004

Invoice Summary

Amount due from last invoice	\$3,990.19
Total payments received	-\$3,990.19
Amount past due	\$0.00
Premiums this period	\$4,145.67
Member adjustments	\$0.00
Fees and other adjustments	\$0.00
- Other	\$0.00
- Wellness Engagement Incentive	\$0.00
<small>*availability varies by state</small>	
Please pay total amount due	\$4,145.67

We strongly encourage all Humana members to consider getting the COVID-19 vaccine when they are eligible, and as medically appropriate. Encourage you employees to talk to their doctor about what is best for them. Let your employees know that eligibility may vary so they can check with their state or local health department on rules in their area. Visit us at [Humana.com/coronavirus](https://www.humana.com/coronavirus) for the latest.

DATE PAID 11/22/21
AMOUNT PAID 4145.67
CHECK NO. 19988

LIC

*pre tax 894.80
604.6 1443.75
604.7 979.29
604.8 827.83*

Manage your account quickly and easily from anywhere 24/7. Need to make a payment? Use Express pay - It's a quick and easy way to make a secure one-time payment without having to sign into your account. If you need to check your balance, review your invoice or sign up for email notifications, sign in or register on the Employer Portal where you can also make a one-time payment or set up recurring payments! All of these great features and more are available at [Humana.com/employer/ebilling](https://www.humana.com/employer/ebilling).

continued ►



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Employee Detail:

BRACKEN COUNTY WATER DIST

602665-001

BRACKEN COUNTY WATER DIST

Member Name	Member ID Number	Plan	Type	Premium			Total Premium
				Medical	Dental	Specialty	
[REDACTED]	116222047	PPO	EMP	\$379.81			
Employee Total							\$379.81
[REDACTED]	010950238	PPO	ESP	\$1,958.74			
Employee Total							\$1,958.74
[REDACTED]	010950240	PPO	EMP	\$979.29			
Employee Total							\$979.29
[REDACTED]	010950241	PPO	EMP	\$827.83			
Employee Total							\$827.83

± Cobra Coverage " State Continuation Coverage ž State Continuation with Subsidy



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EXHIBIT U

EXHIBIT U-1

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
JANUARY 16, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, January 16, 2019. Motion made by Tim 2nd by Dale to accept the minutes from the regular meeting December 19, 2018. Motion carried. Check detail from 12/20/18 - 1/16/19 was reviewed. Copy attached.

City of Augusta purchases for December were 11,894,931 gallons. Total paid \$27,953.11. Western Mason purchases were 570,000 gallons. Total paid \$758.10. Reading are just getting finished so sales aren't calculated yet. Michael and Tony repaired a couple of small leaks.

Reviewed a bill from Windstream for repairs made on Hillsdale Road where Tilton hit the phone line. Windstream locators had marked the line wrong. The bill was for \$8,916.60. Diana has contacted Beth Moore to send a reply.

Tilton and Bluegrass Engineering submitted pay request. The USDA is shut down due to the federal government shut down. The district will pay the invoices and be reimbursed when the government is up and running. Tilton has 8700 feet installed with this pay request.

Year- end inventory adjustments were reviewed. Diana reported that Sherri started the year-end closing on the 15th. 1 Source is planning on doing the PSC report.

Michael reported that the generator is in and should be finished up by this afternoon. He is going to Southern States for the fuel.

Susan at Augusta plant called Michael Tuesday concerned about the clear well. She said that pump 2 was pumping with no flow and pump 1

wouldn't start. Later she called and told him that the pump started and she had flow.

Diana reported that she and Michael had worked on an order by the PSC about water loss. It was submitted January 10, 2019.

Paul talked about the treatment plant. Bluegrass is still working on preliminary studies.

New rates will be on bills going out at the end of January.

With no further business Louie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

_____ Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
FEBRUARY 20, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, February 20, 2019. Motion made by Louie 2nd by Tim to accept the minutes from the regular meeting January 16, 2019. Motion carried. Check detail from 1/17/19 - 2/20/19 was reviewed. Copy attached.

Jamie McCormick of Hall Road was present to request a line extension of approximately 2500 feet to his property line. Potential to pick up two others on the way, and he has someone interested in a lot if he can get water. Anthony asked Paul Reynolds to get some numbers together and he will get in touch with Mr. McCormick.

Reviewed an invoice from Maher Electric for the balance due on the installation of the generator. Balance due \$16,732.01. Motion made by Louie 2nd by Tim to pay the invoice. Motion carried.

Tom Fay presented a bid for painting the interior of the office. Bid for one coat is \$2600, includes labor and material. Motion made by Tim 2nd by Louie to accept the bid. Motion carried.

Maher Electric will be coming today to look at replacing the lighting in the office to LED.

Darrell Williams had a leak at a cattle fountain in January. Diana calculated the leak adjustment using 11 months history due to the fact the Williams had a leak in January 2018. Upon review by the board, they will allow the adjustment using 11 months history.

City of Augusta purchases for January were 11,852,183 gallons. Total paid \$27,852.63. Western Mason purchases were 766,400 gallons. Total paid \$1019.31. Sales are at 11,865,000. Tony and Amanda repaired a leak on the cross-country line going to Highway 8 from Dover Road. Have had a few high usage customers this month. Have looked for a leak in Division II. Suspect that most of it is customer usage.

Discussed a bill on Robert Marshall's account at 1185 Ruf Road. The meter did not pick up a leak detection, but the high usage was noticed when checking readings. Mr. Marshall was notified. He phoned the office stating that the water had been turned off by his worker. He asked Greg Taylor to check it. The suspicion is that the worker did not turn the water off when he was supposed to. Same thing happened at this time last year. Mr. Marshall does not want to pay the bill. The board instructed Diana to shut the meter off if the bill is not paid.

Funds for the AC Line Project were received from the USDA for the reimbursement owed to the district and for Tilton and Bluegrass Engineering's last pay request.

Paul reported that Tilton had approximately 17,000 feet installed as of February 6th. He has about 3,500 feet left on Asbury then plans to move to 10 & 22. The change order has been sent to DOW for Old 19 and Hwy 1159.

Brian Riggs requested that the district move the meter serves his property on Fegan Ridge. The meter was installed years ago near the bridge at Hillsdale. He is afraid that the creek is getting too close and will wash the meter and line out. He has agreed to pay for all the material to move the meter to his side of the road. The board instructed Tony to take care of it.

With no further business Tim made a motion to adjourn 2nd by Louie.
Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
MARCH 20, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, March 20, 2019. Motion made by Tim 2nd by Eddie to accept the minutes from the regular meeting February 20, 2019. Motion carried. Check detail from 2/21/19 – 3/20/19 was reviewed. Copy attached.

City of Augusta purchases for February 12,766,839 gallons. Total paid \$30,002.08. Western Mason purchases 200,500 gallons. Total paid \$266.66. Sales are at 9,817,500 gallons.

The board discussed the need for part-time help while Michael Brothers is out. Consider M & H Landscaping for the mowing. No action.

Louie discussed damage to a meter jar and RTR/Transponder at Mark McKenney property at 1582 Powersville Harrison Co Road. Mr. McKenney had a new home installed and someone damaged the jar and meter equipment. Louie reported to the board that the meter jar was the old paper type and he feels that the district should replace it at no cost. Amanda had taken pictures of the transponder. Upon review of pictures and discussion, Dale made a motion 2nd by Tim to charge Mr. McKenney for the cost of a new RTR/Transponder combo, since the damage was too severe to repair. Install meter jar at no cost. Motion carried with 3 yea and one nay.

Judge Executive, Tina Teegarden, was present to discuss the ARSA billing. She has been approached by ARSA members to speak with the water board, asking them to reconsider doing the billing for BCWD customers affected by the new sewer treatment plant. After a lengthy

discussion, the board has agreed to reconsider the billing, with no commitment. Tina is going to suggest to ARSA board members that they meet with the district.

KACO unemployment renewal was reviewed. Motion made by Dale 2nd by Eddie to renew. Motion carried.

Annual maintenance renewal for the Infoseal folder/sealer was reviewed. Paid around \$1,700 for the machine when new. Maintenance is over \$500 per year. Board decided not to renew.

Paul Reynolds reported that a progress meeting on the A/C Line Project had been held earlier this morning. Tilton has installed approximately 6 miles of line, 1/3rd of the project has been completed.

Paul also presented the board with an estimate for Hall Road, as was requested of him last month. Based on Tilton's estimates for the A/C project, Hall Road would cost approximately \$34,000 to cover the 2,600 feet that was requested from Jamie McCormick. After discussion, the board is going to request that Mr. McCormick furnish half of the expense for the project, \$17,000. We will try to add it to the end of the project. Anthony will contact Mr. McCormick.

With no further business Eddie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
APRIL 17, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, April 17, 2019. Motion made by Tim 2nd by Louie to accept the minutes from the regular meeting March 20, 2019. Motion carried. Check detail from 3/21/19 - 4/17/2019 was reviewed. Copy attached.

City of Augusta purchases for March 13,181,985 gallons. Total paid \$30,977.68. No purchase from Western Mason. Sales are at 10,552,200 gallons. Tony reported that they repaired a leak on Hilton Lane and a small leak at Powersville.

Augusta Mayor, Mike Taylor, was present to request a meeting with our board to discuss the maintenance on the treatment plant.

Justin Moore, Assured Partners, presented an insurance proposal for 2019-2020 renewal on the property liability, auto, and work comp. The proposal is with Ky League of Cities. Comparison sheet is attached. With the safety grants, this year's savings will be 18%. Tim made a motion 2nd by Eddie to accept the proposal. Motion carried. Health insurance renewal is December 1. The board instructed Diana to have Justin quote health insurance at that time.

Amanda reported that the CCR report will be available at the end of this month.

Sick pool total is at 63.5 hours used.

Anthony reported that Jamie McCormick on Hall Road is willing to cost share the installation. Paul's estimate was at \$34,000 for

approximately 2,600 feet. This road will be added to the A/C Line Project if funds are available.

Paul reported that Tilton has installed 1/3rd of the line (50,000 feet). Some clean up has been done on Asbury Road. He is working on 22 and 10 and will be moving to North Bluegrass then to Perkins Ridge. As of April's pay request, \$1,866,404.80 has been expended on the project.

With no further business Eddie made a motion to adjourn 2nd by Tim. Motion carried.

Approved by:

_____ Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
MAY 15, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, May 15, 2019. Motion made by Tim 2nd by Eddie to accept the minutes from the regular meeting April 17, 2019. Motion carried. Check detail from 4/18/2019 – 5/15/2019 was reviewed. Copy attached.

Randal Smith, T.R. Malone, and Scotty Lippert were present to discuss the ARSA billing for the 66 BCWD customers that will be connecting to the sewer system. Tim expressed concerns with us handling the billing. Eddie explained to them that we will have to check with our billing company to see if our program is able to handle the additional billing. Anthony explained to them that we cannot do the billing without charging. He told them that he will check with our attorney and we will be in touch.

City of Augusta purchases for April were 12,051,261 gallons. Total paid \$28,320.49. No purchase from Western Mason. Sales are not calculated at this time. Readings are just being finished up. Tony reported that we had a leak on the cross-country line to Holts Creek. Approximate loss of 100,000 gallons per day from May 4 – May 10. Leak on Perkins Ridge where Singleton was doing road bore for A/ C Line Project.

Diana reminded the board that the meters in Locust Creek are coming up on the ten-year test period in June. She explained to them that some districts have been granted an extension from the PSC. The board instructed her to contact Jerry Wuechter to see what process we need to take.

Sick pool is at 56 hours used.

Paul Reynolds gave an update on the A/C line project. As of the construction meeting today, 65,000 feet of line has been installed. 42% of the line has been installed and 55% of contract time has expired. This coming week meters on Asbury Road will be installed and Tilton will start digging on Perkins Ridge.

With no further business Eddie made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

_____ Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
JUNE 19, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, June 19, 2019. Motion made by Tim 2nd by Dale to accept the minutes from the regular meeting May 15, 2019. Motion carried. Check detail from 5/16/2019 – 6/19/19 was reviewed. Copy attached.

Brian King was present to request a line extension to his farm on Parina Road, approximately .8 of a mile back a lane. Potential of 3 or 4 taps. Anthony explained that we could have additional funds left from the A/C Line Project. We should know the status closer to August and will let him know. No action.

Emily from Layne Christensen presented the vibration test reports from the pump stations. Chatham pump one needs to be replaced. Approximately \$3,500. She recommends cast iron replacement instead of bronze. They are finding that the chlorine is causing issues with the bronze pumps. She will check pricing. Replacement is probably 4-6 weeks out. Louie made a motion 2nd by Tim to replace the pump. Motion carried. Emily is also going to get a quote for the meter at the main pump station.

Michael proposed that we consider installing a loop line across Courts Hill in order to have an alternate feed to the western end of the county. The board instructed him to have Paul get information for next meeting.

Diana reminded the board that we have approximately 90 meters in Locust Creek that are at the 10-year mark for testing. Commissioners instructed her to have those worked on this coming week. We also have

about 150 left to change in the system. Tony and Amanda changed Belmont, Toadvine, and Jacobs Road this past month.

City of Augusta bill was 14,495,523 gallons. Total paid \$34,064.50. Sales are at 12,769,400.

Sick pool is at (59).

Received \$429.80 capital credit from Blue Grass Energy.

ARSA billing was discussed. No action.

With no further business Louie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

_____ Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
JULY 17, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, July 17, 2019. Motion made by Tim 2nd by Dale to accept the minutes from the regular meeting June 19, 2019. Motion carried. Check detail from 6/20/19 - 7/17/19 was reviewed. Copy attached.

Michael reported that the pump has been ordered for Chatham. He is going to check with Layne to see what the additional cost would be to change the pumps to VFD. The quote from Layne for the meter at the main pump station is \$6050. Additional fittings, if needed, \$650, labor and equipment for install \$175 per hour. Motion made by Eddie, 2nd by Dale to install. Motion passed.

Diana reported that the Beacon reading system is getting closer. Test files have been sent from Badger to Ampstun. Possible training in the next month or two.

City of Augusta for June 13,098,478 gallons. Total paid \$30,781.43.

Michael discussed re-routing the line going cross country from 1019 to Holts Creek. Paul will check into it.

Garry Hitch on Gibson Lane wants to move his meter to the new line that went from 1951 to 1019. His meter is currently at the corner of 1951 and 1019, and he has had several leaks. After discussion, the board instructed Diana to charge him for material only.

Michael and Diana will be having training this afternoon on the Smart 911 system. We will be utilizing the system for boil water advisories.

Received the reimbursement check from Fiscal Court for the generator.

Paul reported that Tilton has installed 50% of the line. Approximately 78% of the time has elapsed. There has been approximately 50 weather days that will be added making the contract end date October 30th. Tilton is planning on moving to 10 and 19 next.

Paul reported that the Courts Hill Road extension to make the loop is approximately 1 mile of line at \$135,000. Brian King on Parina Road estimate is \$44,000.

Amanda reported that she had contacted Josh Duvall on June 19th regarding GPS information that had been sent to him. She had about 2-1/2 months' worth of data (March - early June). Josh told her that the folder was gone. After discussion, Anthony instructed Amanda to request that Josh attend our meeting in August.

With no further business Eddie made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
AUGUST 21, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, August 21, 2019. Motion made by Dale 2nd by Tim to accept the minutes from the regular meeting July 17, 2019. Motion carried. Check detail from 7/18/19 – 8/21/19 was reviewed. Copy attached.

The 2018 Audit was presented by Sherman from Donna Hendrix CPA. Good audit with no findings. As an internal control, Donna recommends that a board member review the bank statements monthly and sign off on them. Louie will do the reviews.

Jeff Aulick, Superintendent with Bracken County Schools, was present to discuss the expansion at the new bus garage. Mr. Aulick had requested that a hydrant be installed near the new superintendent's office. Tilton has quoted \$7,500 for labor and material. Anthony sent Mr. Aulick a letter stating that the material would be ordered once we receive the check from them. Mr. Aulick requested that, if possible, the fees be waived. Anthony instructed Michael to check with BTADD to see if there are any grants available.

Tina Teegarden and Scotty Lippert were present to request that the board make a decision regarding the billing for the ARSA board. Anthony put the request to the board. The district will do the billing for \$50 per month. Tim - no; Dale - yes; Eddie - yes. Vote carried. Tina will speak with ARSA chairman, Randall Smith, regarding the contract. Our attorney, Jerry Wuechter, will review.

City of Augusta bill for July 15,506,134 gallons. Total paid \$36,439.43. Sales are at 12,215,900. Michael explained that Tilton had been filling lines and flushing.

Reviewed Ampstun (billing program) annual support renewal - \$2,675; and Micro Comm annual support for \$4,450.

Badger has been working with the Ampstun, and they are planning on doing training in the next couple of weeks.

We have 224 manual meters left in the system. Our crew will change out the meters on Perkins Ridge and Hwy 22. Tilton will replace them. This will make the paperwork easier and keeping up with the meter change cycle.

Received \$902 refund from KACO worker's comp.

Michael received a quote for \$6,700 from Layne for upgrading to VFD pumps in Chatham. He is still checking into it. Not sure if this price includes the pump.

Michael will attend the BTADD meeting and put the VFD motors for the pump stations on a project profile.

The sick pool has 41.5 hours used.

Michael is ordering tires for Tony's truck.

Mueller has been here to work on the hydrant on 19 near Shady Lane. They were unable to get it broke loose. Anthony instructed Michael to replace it with one that is in the shop. We will work on the old one once it is out of the ground.

Michael discussed a small section of 8" AC pipe that will still be in service after the AC Project is completed. A small section the runs from the master meter pit on South Bluegrass to the City of Brooksville. Paul and Michael have been working with Jeff Mofford, but the City most likely

won't replace it. Anthony instructed Cherokee to have Paul get prices for next month's meeting.

Anthony reported that everything has been straightened out with the GPS system. He intends to talk with Josh Duvall and Amanda.

With no further business Eddie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

_____ Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
SEPTEMBER 18, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, September 18, 2019. Motion made by Tim 2nd by Louie to accept the minutes from the regular meeting August 21, 2019. Motion carried. Check detail from 8/22/19 - 9/18/19 was reviewed. Copy attached.

Diana reported that Tony and Amanda installed radio reads on Forest Hill, Haley Ridge, Hwy 22, Hwy 539, Stump Rd, Browning's Corner, Bracken Hills Dr, Wallace Rd, Mattox Road, and Neave Ridge. There 50 meters on Perkins Ridge left to change. Tilton will owe for lids and meters on 22 and Perkins Ridge.

Michael discussed a generator for the Chatham pump station. He will check with BTADD to see if there are any grant funds still available.

Diana reported that training for the new reading system will be done during meter reading next month, October 10th and 11th.

City of Augusta bill for August was 14,534,455 gallons. Total paid \$31,155.99. Sales are at 13,791,600. Tilton has done a lot of flushing this month.

Paul reported that Tilton has two-thirds of the line installed. He plans to move to Shofstall next.

New carpet installed in board room will be replaced due to an echo in the room now. Anthony will contact Jack Barrett at Augusta Flooring.

With no further business Louie made a motion to adjourn 2nd by Tim.
Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
OCTOBER 16, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, October 16, 2019. Motion made by Tim 2nd by Eddie to accept the minutes from the regular meeting September 18, 2019. Motion carried. Check detail from 9/19/19 – 10/16/19 was reviewed. Copy attached.

Mike Paolucci was present to request water service at his property on Augusta Berlin Road. Could involve a small line extension. Anthony instructed Michael and Paul to meet with Mr. Paolucci to review the options.

City of Augusta bill for September was 16,859,510. Total paid \$39,619.85. Sales are not calculated. Michael reported that we have had flushing from Tilton, large fire department use, and some leaks.

Augusta Flooring will take up the new carpet squares in the conference room and replace with regular carpet and padding. Once that is complete, they will do the front office.

Power inverters will be purchased for the trucks for meter reading.

Joetta Carpenter on Dutch Ridge has requested an adjustment to her bill. Michael has pulled the data from her meter and found the head off of her meter twice. Data shows no usage for 28 days. Suspect that customer has been taking head off meter. Old pool liner in yard, but she claims that they had water hauled for pool. After discussion and review of data pulled from the meter, the board told Diana that she is not eligible for an

adjustment. We will continue to monitor the meter and usage. If the head is off the meter again, we will call the Sheriff.

The 2009 truck has a transmission issue. Michael had Regan Galloway tow it to Dutch Chevrolet. Tow bill will be \$300. Approximately \$1,300 for transmission repair. They are also going to check the rear brakes while it is there and make any necessary repairs. Once the 2009 is ready, Michael will take the 2015 for repairs to a leak in the rear end.

Jagg Company is coming to hook up the new meter at the main pump station.

Michael is getting prices on the VFD pumps at Chatham.

Project ranking at BTADD were Friday, 10/11. Michael talked to Cindy about a Homeland Security grant for more generators.

All meters in the system have been changed to radio read. Tilton will owe for meters on Perkins Ridge, Salem Ridge, and Highway 22.

Badger Beacon training was October 10th and 11th. Invoice for \$6,812.50 for training and one-time engagement fee was reviewed. Motion to approve made by Dale 2nd by Eddie. Motion carried.

Cabinet for Human Resources requested a waiver of their penalty for last month. They said they didn't receive the bill. They have been late 19 times. Board denied.

Keith Wright was making payments on his farm account due to a leak. He turned the water off at the meter himself and the meter bled through. He is refusing to pay the bill. Commissioner's instructed Diana to take the bill to Beth Moore for collection.

Reviewed the renewal for Humana. Louie made a motion 2nd by Dale to renew as is. Motion carried.

Paul reported that Tilton is about 70% complete with the project. The change order for Old 19 and Highway 1159 has been processed. 120 days have been added to the contract. Add on roads were discussed with no action being taken.

With no further business Eddie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
NOVEMBER 20, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, November 20, 2019. Motion made by Dale 2nd by Eddie to accept the minutes from the regular meeting October 16, 2019. Motion carried. Check detail from 10/17/19 - 11/20/19 was reviewed. Copy attached.

City of Augusta purchases for October were 13,849,164 gallons. Total paid \$32,545.55. Sales are not calculated due to issues with coding of large meters.

Leary Construction inspected the towers on November 12th. We are unaware as to how they obtained access to the towers. Tony has notified Leary's office that we do not want any tanks taken out of service during the holidays. A letter has been prepared to send to Leary regarding the time of year that they do their inspection every year. Upon receipt of their reports, the letter will be sent explaining that we will not allow them to take tanks out of service near the holidays, and to notify them that they are not to be climbing the fences to do their inspections.

The Brinks alarm monitoring invoice was discussed. This bill will be set up on auto withdraw due to issues with them getting the invoice to us.

Don Nichols with Jag has done preventive maintenance on the main pump station. Reports were reviewed. Louie made a motion 2nd by Eddie to have Jag do electrical inspections at the pump stations annually. Motion carried.

Estimates for VFD pumps at Chatham were reviewed. No action.

KIA invoices were reviewed. Payments will be auto drafted on December 1st.

Loan closing for the interim financing tentative date is December 18, 2019 provided bond counsel is available. Rates will also be monitored. If the trend is lower rates, the closing will take place in January, 2020. First payment will be due at closing. After the closing, the district is required to fund a depreciation reserve, a sinking fund reserve, and a short-lived assets account. The short-lived assets account will have to be a new account kept separately and required to deposit \$2,703 monthly for the life of the loan. Sinking fund and depreciation reserves can be deposited in the accounts used for our other USDA note.

Anthony discussed an outstanding work order produced in January, 2019 for a leak on Parina Road. The leak was valved off and has not been repaired. Anthony asked Michael to check it and report back to the board. He also discussed an outstanding work order for Ashley Pernuae from October 7th on Western Hills Road. The setter was broken and was causing the customer's bill to run high. The head was removed from the meter and a credit was issued to the customer. As of November 7th, the head was still off the meter. Anthony had Tilton do the repair. Anthony instructed Diana that any work order 30 days or older was to be brought to the meeting each month.

Hard water issues on Locust Creek were discussed. The board instructed Michael to flush the area more often. Diana will contact KRWA for assistance.

Budget was reviewed. Paul Reynolds provided updated construction estimate. Diana will update the numbers and email to the board. No action taken.

Michael reported that he has repaired the hydrant at Shady Lane and Highway 19.

Dyer Meter will be here to test large meters in December. Will send 3/4" meters with him for testing. These meters will be used in the 10-year change program once tested/repaired.

Tom Haas on Apple Ridge (off Hwy 1019) has asked Michael about installing a hydrant at the end of Apple Ridge when Tilton goes through there. Paul and Michael will get an estimate from Tilton and will contact Mr. Haas with a price.

Paul and Michael met with Mike Palouchi on Augusta Berlin Road. Mike was present in October requesting a water main for a wedding venue. Paul recommends to the board that we do not run a main line to this property due to elevations and issues with adjacent landowners. His recommendation is that we allow Mr. Palouchi to purchase nothing larger than a 1" meter and have him run his own service line. The board instructed Michael and Diana that a 1" meter is as large as we will allow.

Paul reported that Tilton is a little ahead this month. Old 19 and Highway 1159 approval has been received. Add on roads were discussed. Approximately 22,000 feet estimated at \$300,000. Tim wants to set a \$200,000 limit and have the proposed customers fund the other 1/3rd. Dale made a motion 2nd by Louie to have Paul proceed with the add on roads DOW process. Motion carried.

Motion made by Dale 2nd Tim to go into executive session.

Motion made by Tim 2nd by Dale to return to regular session.

Anthony announced that the employee dinner will be held at 1:00 on Wednesday, December 18th at DeSha's.

With no further business Eddie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
DECEMBER 18, 2019

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, December 18, 2019. Motion made by Tim 2nd by Eddie to accept the minutes from the regular meeting November 20, 2019. Motion carried. Check detail from 11/21/19 – 12/18/19 was reviewed. Copy attached.

City of Augusta purchases for November were 11,695,773 gallons. Total paid \$27,485.06. Sales are not calculated.

Anthony discussed the add-on roads project meeting that was held Saturday, December 14, 2019. Potential customers are making pledges. Ad for the project will be published in the Bracken County News next week.

Michael reported that Jag did preventive maintenance on the Chatham pump station and repaired the lights at the main pump station.

We had a leak on Thanksgiving Day on Hwy 1159. A valve broke off. Michael has contacted Jeff Reynolds to make sure contractor makes the repair.

Year end inventory has been completed. (\$3,364.03) worth of adjustments were made. Some were due to parts supplied to Tilton during project.

We had an issue with a meter for Steve Dean. Did not read for 3 months. Mr. Dean is now claiming they had a leak. Commissioner's instructed Diana to give an adjustment for one month. Leak adjustment will be figured splitting usage over the three-month period and taking last month (November) as the leak month.

Calcium issue was discussed. Michael and Diana have spoken with Dell Harris, KRWA, and he is supposed to go to the plant to see if he can find any changes that have been made that could be contributing. Paul Reynolds has discussed the issue with Bryan Lovan and Brian has sent his recommendations as to testing that he thinks we should have done to analyze the water. Copy is attached. Michael will contact the lab.

Outstanding work orders were reviewed.

Inactive meters and meter readings were discussed. Amanda reported to Anthony that all meters north of the AA have been GPS'd.

Paul reported that Tilton is 85% complete with the project. Anthony has requested that Tilton shut down until after the first of the year. He does not want anyone being on a boil advisory over the holidays. Will add days to the end of the contract. Interest rates are expected to go down, so the loan closing has been scheduled for January 15th at 10:00. This will make the first payment due in July.

Plans have been submitted to the DOW for the add on roads. The ad for bids will run in the Bracken County News on December 26th. Bids will be opened January 3rd. Inv for 70% (\$17,150) of design fees for Bluegrass Engineering was reviewed and approved in a motion made by Dale 2nd by Eddie. Motion carried.

Budget was reviewed. Motion made by Dale 2nd by Louie to approve. Motion carried.

With no further business Eddie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

Date

EXHIBIT U-2

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
JANUARY 15, 2020

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, January 15, 2020. Motion made by Eddie 2nd by Tim to accept the minutes from the regular meeting December 18, 2019. Motion carried. Check detail from 12/19/19 - 01/15/20 was reviewed. Copy attached.

City of Augusta purchases for December were 12,136,693 gallons. Total paid \$28,521.25. Sales are at 10,163,900.

Letter to potential customers for 2020 Add on Roads Project was reviewed. We are asking that customers have their pledges made by January 31, 2020.

Michael reported to the board that he will purchase new tires for the trailer and a starter for the air compressor.

Michael spoke with Northern Ky Water District lab regarding the test that Brian had recommended for the hard water issues. Michael will begin gathering test the week of January 20th. 4 - 5 sites will be tested quarterly, 10 samples per site, approximately \$750 per quarter.

Diana reported that the year-end closing has been started.

Letter that was prepared for Leary Construction was reviewed. Dale will now be our contact with Leary. He and Michael will work together on the tank inspections with Leary.

Dyer Meter Service did meter testing for the meters that were pulled for the ten-year test. Test results were reviewed. Diana has spoken with the auditors, and the meters will be put back into inventory at a zero value.

The 2020 Add on Roads bid opening was held on January 3, 2020. One bid was received, Tilton Excavating. Upon review of bid, Bluegrass Engineering recommended that the bid be awarded to Tilton. Motion made by Dale 2nd by Tim to table the project until the pledges have been received. Motion carried. At the February meeting the board will decide which roads will be done.

Paul reported that the project completion date for the A/C Line Project has been updated to March 30th. 83% of the contract time has been completed. Tilton plans to move to Foster around the 20th of January.

Randy Jones, Bond Attorney for the project, was present for the loan closing for the interim financing.

Anthony has run an ad in Bracken County News to procure an engineer for a study on the line replacement from the treatment plant feed line to our system. It will run in this week's paper. Anthony, Michael, and Louie will do the scoring.

With no further business Eddie made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
FEBRUARY 19, 2020

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, February 19, 2020. Motion made by Dale 2nd by Louie to accept the minutes from the regular meeting January 15, 2020. Motion carried. Check detail from 01/16/20 - 2/19/2020 was reviewed. Copy attached.

City of Augusta purchases for January were 12,432,935 gallons. Total paid \$29,217.41. Sales are at 10,867,000. Tilton has been flushing, have repaired a couple of leaks, and had one customer with a large leak.

Received one bid for the mowing. Tabled.

Michael reported that he and Paul have checked into an alternate feed to Augusta.

He has also checked with Cindy Ring at BTADD regarding Homeland Security applications for additional generators. He will apply when they open up.

Michael is going to explore the VFD pumps for the main pump station. We are having capacitor issues and he wants to explore the pump options further.

Mike Paulucci, Augusta Berlin Road Wedding Venue, has additional taps that his business partner is interested in. Paul has estimated approximately \$18,600 to extend the line 900 feet. Should be at least 3 taps total.

The 2020 Add-On Roads Project was discussed. Motion made by Dale 2nd by Louie to put Upper Pitty Creek on hold at the present time due

to lack of enough customer contribution/interest. The funds for Sunset Ridge will be transferred to Augusta Berlin Road Wedding Venue. Customer on Sunset Ridge is interested in installing line himself. Motion carried.

Our CD with the Bank of Maysville matures on April 5, 2020. Diana will contact the bank about renewing.

Diana discussed the project maps. She has spoken with Jeff Reynolds at HMB. They will charge \$105/hour to research projects that they have done in the past and put maps on a disc. Paul has agreed to put all project on a CD after we get info from HMB. Dale made a motion 2nd by Louie to get as-built plans from HMB. Motion carried.

Water testing from various areas in the county was reviewed.

Paul reported that the A/C Line Project has been shut down until March 15, 2020 due to the weather.

With no further business Dale made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
MAY 20, 2020

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, May 20, 2020. Motion made by Dale 2nd by Eddie to accept the minutes from the regular meeting February 19, 2020. Motion carried. Check detail from 2/20/2020 - 5/20/2020 was reviewed. Copy attached.

Meeting of the Board was cancelled in March and April due to the Covid-19 pandemic.

City of Augusta purchases for April were 11,988,342 gallons. Total paid \$28,172.63. Sales are at 10,866,100.

The wedding venue on Augusta Berlin Road has contacted Michael regarding the need of a 6" line for fire suppression. After discussion, the board asked Michael to let Mr. Paolucci know that the district will not be responsible for any cost associated with installing a larger line to their property.

Reviewed letters that were sent to the City of Augusta Mayor. No response from the mayor. Composed a letter to each council member regarding the acquisition of the plant. Will be mailed out today.

KIA invoices due June 1st were reviewed.

Sunset Ridge line extension was discussed. The district will supply PVC pipe, engineer fees, DOW fees, and first valve. Customer does install and covers all other cost. Michael will call them.

Michael reported that Layne did the pump inspection at the main pump station on Augusta Berlin Road. Control valve is leaking when

pump kicks on. Some capacitors need replaced, and the surge valve is bad. \$6,745 for the surge valve plus labor and fittings. VFD's from Layne is \$19,525. Michael spoke with Maher electric and they said the generator should run the VFD's. Michael has a call in to Generac to make sure. Motion made by Louie 2nd by Eddie t repair the surge valve. Motion carried.

Eddie made a motion 2nd by Tim to repair the check valve and install the VFD motors. Motion carried.

Diana will contact Vanguard Mapping (Josh Duvall) to get pricing on changing meters for the ten-year change, and GPS'ing the meters.

Dale gave an update on the water towers. The board wants at least two towers painted and cleaned before our next payment is made. Dale will contact Rick Jessup with Leary.

Paul reported that the A/C project was shut down January 1st through April 30th. We have added 105 days to the end of the contract. Add on roads are complete. Tilton's estimated cost for the add on roads was \$300,370. Completed total was \$279,850. Tilton is working on 1159 now. Big project is 86% complete.

With no further business Dale made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:



6-17/2020

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
JUNE 17, 2020

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, June 17, 2020. Motion made by Eddie 2nd by Tim to accept the minutes from the regular meeting May 20, 2020. Motion carried. Check detail from 5/21/20 - 6/17/20 was reviewed. Copy attached.

City of Augusta purchases for May were 13,195,075 gallons. Total paid \$31,008.44. Sales are at 13,053,100.

Proposed line for Sunset Ridge was discussed and put on hold.

The pricing for the VFD's at the May meeting was incorrectly quoted. Total is near \$50,000. Louie made a motion 2nd by Tim to do the upgrade at the corrected price. Motion carried.

Michael reported that Tilton has done most of the clean up on the A/C Line Project.

Treatment plant acquisition at Augusta was discussed. Letters have been sent to each council member. Anthony has spoken with some of them and they seem to be in favor. Anthony will update as soon as he hears anything. No action.

Meter changes outs were discussed. Vanguard Mapping, Josh Duvall, quoted \$48 per meter to change and GPS. Board held discussion and it was decided to hire a part-time person.

Resolutions for the refinance of the KRWFC and RD bonds were reviewed. Motion made by Eddie to sign the resolutions, 2nd by Louie.

Motion carried. Estimated savings for refinance is at \$421,580.38. Copies are attached.

Insurance renewal with Ky League of Cities was reviewed. Louie made a motion to renew 2nd by Eddie. Motion carried.

Our IT specialist recommended that we install a server. We have had issues with the networking, etc. multiple times. Had issues this past month getting the laptops connected to load the reading program. A copy of the quote is attached. Diana spoke with Ampstun, our billing program company, and they recommended that we upgrade to the Windows based program. They are putting together a quote. Diana will email it to the board when she gets it.

The USDA invoice for July 1st for loan #'s 91-06 and 91-08 was reviewed.

Diana reported that the past due account balance is at \$8,870. The PSC is still not allowing any disconnects due to the pandemic.

Paul gave an update on the project. Clean up is going well. The state highway is working on a bridge on Route 8 and they are rerouting traffic through Foster. At the construction meeting it was decided that Tilton will move to Old 19 and finish up some little things before moving to Foster.

Paul gave an update on the service line from the treatment plant. Estimated price is \$935,035. Dale made a motion to move forward with the project, 2nd by Tim. Motion carried.

Eddie discussed a final bill for Bill Asbury. Mr. Asbury complained to Eddie that he did not use any water and that the water should have been turned off 2 months ago because the house had been torn down. After discussion, the board instructed Diana to waive the final bill.

Dale reported that Leary is here cleaning the Chatham Tank. They are going to paint it while it is out of service. Dale also explained to our board that he has reviewed the contract and sandblasting and draping are not included in our contract.

With no further business Eddie made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
JULY 15, 2020

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, July 15, 2020. Motion made by Dale 2nd by Eddie to accept the minutes from the regular meeting June 17, 2020. Motion carried. Check detail from 6/18/20 - 7/15/20 was reviewed. Copy attached.

City of Augusta purchases for June were 15,752,632 gallons. Total paid \$37,018.68. Sales are at 12,409,200.

Reviewed pricing on upgrade to the billing program and a new server. No action.

Dick Welte has a leak and has meter turned off until he can find the leak. They requested that we allow an adjustment to the July bill once the repair is made. Commissioners instructed Diana to tell Mr. Welte to contact us once the leak is repaired and the board will review it for an adjustment.

Diana reported that we received one application for the part-time position that was advertised. Anthony will call a few that had applied in the past and will follow up with the board.

Anthony reminded the board that we have been invited to tour the treatment plant today at 1:00. He also let the board know that Augusta has told him that they are looking at a rate increase.

Chatham tank was down 6/15 - 7/8. They painted the exterior and inspected the inside. They sealed the seams on the interior. Michael

reported that pressure increased in the system while the tower was out of service and has caused some leaks. We had a leak at the Chatham tank.

Diana reported that the 30 days past due balance is \$11,284.

David Howard contacted Louie requesting that the board waive the \$40 service fee to change the name on his account from his dad, Claude, to him. David has paid the bill since the meter was installed and has good payment history. Commissioners instructed Diana to change the name at no charge.

Michael reported that the ton truck is having starting issues. The fuel pressure is bleeding off. The board instructed Michael to have Galloway tow it to Cohen's in Bladeston.

Michael and Diana were contacted by Pam Parten with Ky Emergency Management regarding a program through FEMA for the COVID-19 expenses. There is also the CARES act that we may be able to utilize. Our expenses have been minimal, but there is a possibility that we could get some help with the past due accounts. Michael and Diana will work on it.

Paul reported that the project is about 90% complete with line install. 46 days have been added to the contract time. Tilton will do Frogtown, Johnsville, and any small areas then will move to Old 19.

Paul also reported that the new supply line from the plant is ready to be submitted to DOW. The certificate of public necessity that must go through the PSC cannot be done until the project is submitted to the DOW. The certificate normally takes 60 days. Commissioners instructed Paul to go forward with plans to DOW and the certificate. Motion made by Dale 2nd by Louie to let bids. Motion carried. The board authorizes the

Chairman to sign the resolution and all documents associated with the project. Paul will send ad to paper for next week.

Water analysis for the system was discussed. We ran one in January and Paul would like to run one in the summer. Michael will have the lab set something up for next week or so.

With no further business Eddie made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
AUGUST 19, 2020

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, August 19, 2020. Motion made by Dale 2nd by Eddie to accept the minutes from the regular meeting July 15, 2020. Motion carried. Check detail from 7/16/20 – 8/19/20 was reviewed. Copy attached.

City of Augusta purchases for July were 17,022,791 gallons. Total paid \$40,003.58.

Micro-Comm annual support renewal was reviewed. Motion made by Eddie 2nd by Louie to renew. Motion carried.

We received notice from KRWA that the district has been nominated for the Wooden Bucket Award. The award is presented to a utility that has shown effort in enhancing operations, etc. It will be awarded at the KRWA Annual Business meeting on August 25th.

Mark Cerrie, Core & Main, contacted Diana about additional training on the Beacon reading system. Commissioner's instructed Diana to get prices.

Diana reported that the email system needs upgraded. Our current email platform is based on technology from 1992. We have been having issues with emails being rejected and other issues. Pricing through GoDaddy (our website developer) is \$395.28 for 3 users for 3 years. Louie made a motion to upgrade email 2nd by Eddie. Motion carried.

Leak adjustments for the coming billing cycle were discussed and reviewed. Grawe Farm, Harvey and Diane Grawe, allowed the Johnson's

to use water from their meter to water cattle. They had a leak at the cattle fountain. Diane requested a leak adj. After review and discussion, the commissioners instructed Diana to make the adj. as we normally would. Monica Hughes Reinhart also requested a leak. They have been watering flowers and garden. Diana pulled data from the meter and will try to estimate what is actual usage vs. leak and adjust the bill from there.

Dale reported that Leary will be here within the next 30 days to paint the Berlin Tank.

The VFD's at the main pump station are finished. Diana will transfer funds, if necessary, to pay the invoices.

Paul reported that Thompson Ridge and Johnsville have been completed. Tilton will be moving to Foster next and then Old 19. The warranty period for the project is September 9, 2019 to September 9, 2022.

The supply line bid opening was held July 30, 2020. One bid was received. Tilton Excavating bid was \$867,650. Paul recommended to the board that we award the bid to Tilton. Motion made by Louie 2nd by Dale to award the supply line project to Tilton Excavating. Motion carried. Resolution for the financing of the project was signed.

The sick pool was discussed. Currently there are no hours used out of the sick pool. Diana reported that Tony Rumford had 432 accumulated sick hours when he quit. The board decided to add those hours to the sick pool, bringing total hours available to 512. This is a one-time addition. Once used, the pool will revert to 80 hours.

With no further business Eddie made a motion to adjourn 2nd by Louie.

Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
SPECIAL MEETINER
SEPTEMBER 11, 2020

The special meeting of the Bracken County Water District was called to order at 7:30 p.m. on Friday, September 11, 2020.

The agenda for the meeting was discussion of the PSC proceeding with the City of Augusta regarding their rate increase. The PSC has intervened in the case and has suspended their rate case until February 2021.

Discussion was held and a motion was made by Dale 2nd by Louie to intervene in the PSC proceeding regarding the City of Augusta's rate increase. Motion carried. Anthony will contact Gerald Wuetcher to prepare the motion to intervene.

With no further business on the agenda, Eddie made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

_____ Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
SEPTEMBER 16, 2020

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, September 16, 2020. Motion made by Dale 2nd by Eddie to accept the minutes from the regular meeting August 19, 2020. Motion carried. Motion made by Louie 2nd by Tim to accept the minutes from the Special meeting September 11, 2020. Motion carried. Check detail from 8/20/20 - 9/16/2020 was reviewed. Copy attached.

City of Augusta purchases for August were 14,399,981 gallons. Total paid \$33,839.95. Western Mason purchases were 418,800. Total paid \$557.00. Sales are at 12,060,000.

Mark Litzinger contacted Eddie regarding a water tap on Thompson Ridge. The line ends approximately 400 feet from Mr. Litzinger's property. Mr. Litzinger has agreed to pay an additional \$1,000 for the district to run service line to his property. Discussion was held. Motion was made by Eddie 2nd by Louie to run 1" service line to Mr. Litzinger's property. Motion carried.

Board members discussed the positions of the board and decided that each member would continue with their position. Anthony - Chairman, Dale - Vice-Chairman, Tim - Secretary, Louie - Treasurer, Eddie - Board Member.

Michael reported that the 2015 truck is back and doing fine. The Colorado has been the Andy's Repair Center for a tune-up. The 2012 needs brakes.

Michael discussed the A/C line that is at the nursing home on Asbury Road. The line will need to be replaced and as part of the project. While Tilton is there, Michael also wants to move the meter to the outside of the building. He will need to check on the fire protection. Commissioners instructed Michael to have information for the October meeting.

Dale contacted Leary about painting the tanks. No response.

Board instructed Michael to purchase a metal detector to keep in the Colorado.

A multiple connection issue was discussed at the property previously owned by Lillian and Rita Weiss. New owner, Don Weiss, contacted the office needing meters marked. It was discovered that they have "apartments". This address has never been listed as a multiple connection. Commissioners instructed the office to send a letter to Mr. Weiss explaining that the multiple residences need to have their own meter installed or the water will be disconnected.

The treatment plant was discussed. The board has agreed that if the City of Augusta does not act at their meeting this month regarding the plant, we will rescind our offer to purchase.

Paul Reynolds gave an update on the project. The contract date has been extended to October 31, 2020. Foster should be completed by next week and Tilton will move to Old 19. We have not received the Certificate of Public Necessity from the PSC for the supply line project. Loan closing for that project is scheduled for October 13th.

Anthony requested that Paul get cost on Hwy 1159 to see if road department will reimburse cost if they start back on road construction.

Past due accounts are at \$17,972. At this time, the PSC has not lifted the order halting disconnects and penalties.

On September 14, 2020 Diana transferred \$35,000 from the savings account to cover the pump invoice from Layne. She did not transfer the \$20,000 to that account this month to cover the DEQ invoices for the main pump station repairs.

CPR training is set for October 21st. It will be held after the meeting. Employees will have first aid training following CPR.

With no further business Eddie made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
SPECIAL MEETING
OCTOBER 28, 2020

The Special meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, October 28, 2020. Motion made by Eddie 2nd by Tim to accept the minutes from the regular meeting September 16, 2020. Motion carried. Check detail from 9/17/20 – 10/28/20 was reviewed. Copy is attached.

City of Augusta purchases for September were 13,196,281 gallons. Total paid \$31,011.29. Western Mason purchases were 892,700 gallons. Total paid \$1,187.29. Sales are at 11,628,200.

Michael reported that he did project ranking with BTADD.

Michael discussed the connection at the nursing home on Asbury. The meter is currently on the inside of the building and he is going to try to get it moved outside when Tilton replaces the line there.

Job foreman at the sewer plant contacted Michael regarding tapping the main for the plant usage. Michael and Paul will meet with him to go over the details. The foreman has been told that they are not to tap the line until it has been agreed to by our board.

Michael talked to Rick Jessup at Leary regarding the tank inspections and painting. They are now saying they will be here at the end of November.

The 2019 audit was reviewed. Good audit. Recommendation from auditor that the treasurer open and approve bank statements and then review reconciliation when completed.

Disconnects were discussed. The PSC has ordered that utilities work with customers who are behind on their bills. We are required to let them sign payment agreements, which cannot be less than 6 months, and penalties have been suspended through December. Disconnects can resume in November.

Issues with the networking were discussed. Eric Shen, our IT man, has repeatedly said that we need to upgrade to a server to eliminate these issues. Our current billing program will not work with the new server unless security features are disabled, which we will not do. Server upgrade is \$5,732. New billing program is \$19,475. Louie made a motion 2nd by Eddie to do the upgrade. Motion carried. Diana will try to schedule it for January 2021.

Budget was reviewed. Motion made by Eddie 2nd by Tim to accept the budget. Motion carried.

The RD depreciation reserve account for loan # 91-06 has a balance of \$56,480. That loan was refinanced. The funds need to either be moved from restricted cash or used as reserves for the new RD loan. Motion made by Louie 2nd by Eddie to move the funds to the general account. Motion carried.

Received notice from the PSC that they have extended the date for the approval of the Supply Line Project. The financing has already been secured and the first payment will be in November.

Paul reported that all the line is installed on the A/C project. Theresa (RD) and Paul will do a final inspection in November. Tilton will start getting customers changed over to the new lines.

The PVA office has requested access to our GPS information in order to help prospective landowners to know where lines, etc. are located. The board instructed Michael to work with them with anything they need.

Diana reported that Kerry French resigned effective 10/9/20.

HMB has started transferring project maps to disk.

Diana discussed the email hacking that occurred 9/22. We received the check for \$28,916.67 from the insurance company on 10/15. There is a \$5,000 deductible for cyber coverage that will be billed separately.

Carl Allen called Louie regarding a meter setter that is on the wrong side of the road at a property that he has purchased on 1019. The meter was originally installed for a milk barn years ago and the house is across the road. After discussion, the commissioners instructed Michael to let Mr. Allen know that he will have to pay for the parts and will be required to install a backflow and shut off at the meter.

The board has decided to rescind the offer on the treatment plant in Augusta. We will send a letter this week. Anthony is working with Jerry Wuechter. We will request an inspection from the DOW.

Reviewed a bill from Bluegrass Engineering for the Supply Line Project. Tabled.

With no further business Eddie made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

Date

EXHIBIT U-3

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
JANUARY 20, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, January 20, 2021. Motion made by Dale 2nd by Tim to accept the minutes from the Special meeting October 28, 2020. Motion carried. Check detail from 10/29/20 - 1/20/21 was reviewed. Copy attached.

City of Augusta purchases for December were 12,869,084 gallons. Total paid \$30,242.34. Western Mason purchases were 1,161,300 gallons. Total paid \$1,544.53.

Jerry Wuechter is going to file a motion with the PSC regarding the treatment plant. He is reviewing info to request the DOW investigate. He will do an open records act to get information from Augusta. We have a project profile for a treatment plant, and we have procured an engineering firm for the project, so we can send an application to RD to possibly get a loan with them.

The heating system at the office needs replaced. We have a bid from Jefferson Heating in Maysville. Diana will contact Jason Jefferson - Jefferson Heating in Brooksville, and Travis Weiss for a bid. Will email board when bids are received, and a decision will be made.

The board instructed Michael to get a fuel tank for the 1 ton.

Michael reported that water loss for 2020 is at 15%. Tilton filling lines and flushing contributed.

Michael had Nathan Cooper Wiring change out the lights in the tool room to LED.

The leak at the nursing home was repaired, but it has started with a small leak again. It is PVC line. There may be a small section on Asbury that is still AC. Michael and Derrick will work on it.

Quote from Core and Main for a 4" meter for the sewer treatment plant was reviewed. Cost is \$4,843.14. Michael is going to get a price from Tilton for installing and pass the information on to Jeff Reynolds at HMB, engineers for ARSA.

Chatham pump station lighting needs replaced. Michael will get them taken care of.

Michael reported that the generator has 54,000 hours on it. He is going to contact Trevor Thomas about doing maintenance on it.

James has all of the meter change outs for 2019 caught up. He is GPS'ing them as he goes. We have about 450 for 2020.

Diana reported that Pam has used 162 hours out of the sick pool. The pool consisted of the original 80 hours established by the board, and 432 that was added when Tony left. Louie made a motion 2nd by Dale to "wipe out" the 162 that Pam has used, and she will start back at zero. Motion carried.

We received \$6,052 residual funds that were left over from the KRWA note that was refinanced.

Dale gave an update from Leary on the tanks. They are supposed to be here in March to do the Berlin tank, and in June to do the Industrial tank. Parina tank will be after that.

Diana reported that the new billing program is up and running. The first three days of training were the 12th - 14th. Next training will be the 25th - 27th. Ampstun failed to mention that inventory was not part of the new

program. They will install it when they come back on the 25th. Cost is \$3,500. The new server has been installed.

Diana reported that 1 Source CPA started the year-end process today. PSC report should be completed on time.

Past due accounts that were not paid due to the governor's order are actually in pretty good shape. Customers were instructed to contact Licking Valley CAP for assistance. Several customers were given \$500 towards their past due bills. Many have signed contracts to make payments on the balance while keeping their current bill up to date. We have started doing disconnects, and penalties will resume today.

Paul reported that the AC Project is almost complete. Tilton has about 100 meters left to change over. All lines are installed.

With no further business, Louie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
SPECIAL MEETING
FEBRUARY 3, 2021

A special meeting of the Bracken County Water District was called to order at 7:00 p.m. on Wednesday, February 3, 2021.

The agenda for the meeting was to discuss the rate increase proposed by the City of Augusta. The PSC had suspended the rate until February 1st. They have not completed their investigation, but Augusta has decided to implement the new rate subject to refund. Effective date February 1st.

The increased cost for the district will be approximately \$24,000 and is therefore prudent to adjust retail rates immediately. Motion made by Dale, 2nd by Louie to put the new rate into effect for services rendered on and after February 13, 2021. Motion carried. A copy of the Resolution is attached.

With no further business on the agenda, Eddie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
FEBRUARY 17, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, February 17, 2021. Motion made by Louie 2nd by Eddie to accept the minutes from the regular meeting January 20, 2021. Motion carried. Motion made by Dale 2nd by Louie to accept the minutes from the Special meeting February 3, 2021. Motion carried. Check detail from 1/21/21 - 2/17/2021 was reviewed. Copy attached.

City of Augusta purchases for January were 13,557,169 gallons. Total paid \$31,859.35. Western Mason purchases were 1,074,900 gallons. Total paid \$1,429.62.

Anthony discussed the rate case with Augusta and the PSC. Jerry Wuechter was on conference call and reported to the board that Augusta has until 2/14 to respond to the PSC. The PSC has until May 1st to make their ruling on the case. No action.

The Supply Line Project has been approved by the PSC. There are some issues with easements. Louie will talk to an attorney in Robertson County and Anthony will talk to Jackie Wright regarding a condemnation suit. No action.

Page 23, item number 7 under Section C of the employee handbook was discussed. The handbook currently reads that sick time for a former employee that has resigned with a good work record will receive credit for accrued unused sick leave upon returning to employment with the district. Motion made by Louie 2nd by Dale to eliminate the provision. Motion carried.

Paul presented the pay request from Tilton, and briefly discussed the Supply Line Project.

Rita Ford had a large water leak. Her adjustment was reviewed. The board instructed Diana to set up a payment plan of \$50 per month plus regular monthly bill.

With no further business, Eddie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
APRIL 21, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, April 21, 2021. Motion made by Eddie 2nd by Louie to accept the minutes from the regular meeting March 17, 2021. Motion carried. Check detail from 3/18/2021 - 4/21/2021 was reviewed. Copy attached.

Dan Fout with Complete Restoration was present to discuss a tank maintenance program. Prior to contract discussions, he suggested that we have an inspection done on our tanks. He presented a quote for inspecting the tanks. Louie made a motion 2nd by Eddie to have the tanks and clear-well inspected. Motion carried.

City of Augusta purchases for March were 13,152,169 gallons. Total paid \$32,880.43. Western Mason purchases were 1,106,200 gallons. Total paid \$1,471.25. Sales are at 11,795,900.

Anthony will set up an interview with Nathan Combess for the field crew position. He will call a special meeting when he has the date and time.

Augusta rate increase was discussed. Augusta has requested a meeting. Anthony, Paul, and Jerry will attend.

Michael discussed VFD's at Chatham. After the annual inspection, the board will review and decide about upgrading.

Paul gave an update on the A/C Line Project. Tilton's pay estimate this month is \$71,758.62. He is finishing up changing meters over to the new lines. Change orders are at approximately \$123,500.

Paul presented an invoice for Bluegrass Engineering for the Supply Line Project \$29,537.50.

Project profiles were discussed. There are some funds becoming available from the government. We will work on having some projects ready to go.

Paul also discussed the steps needed to start the process of building a plant. Bluegrass Engineering estimate for pre-design steps to get things through the DOW is approximately \$25,000. No action.

Diana reported that she did not do the transfer from the general fund to the savings account for \$20,000 for March or April. The balance in the general fund was a little low, probably due to the increased payment for the KRWFC loan for 3 months.

With no further business, Eddie made a motion to adjourn 2nd by Tim. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
MAY 19, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, May 19, 2021. Motion made by Eddie 2nd by Dale to accept the minutes from the regular meeting April 21, 2021. Motion carried. Motion made by Dale 2nd by Tim to accept the minutes from the special meeting from May 11, 2021. Motion carried. Check detail from 4/22/2021 - 5/19/2021 was reviewed. Copy attached.

City of Augusta purchases for April were 12,327,685. Total paid \$30,819.23. Western Mason purchases were 1,066,800. Total paid \$1,418.84. Sales are at 9,964,320. Theft at a hydrant at Valley High was discussed. Two Augusta volunteer firefighters were witnessed filling the tanker truck and using it to fill a swimming pool. A letter will be sent.

Electric bills at the main pump station were reviewed. VFD's are showing some savings.

Complete Restoration did tank and clearwell inspections. The reports have been mailed, but we have not received them yet.

The exterior of the Industrial tank is being painted and the interior is being cleaned. They are supposed to start on Berlin tank next week.

Vibration test was performed at Chatham. The pump is showing more vibration than last year. Commissioners instructed Michael to pull the pump for repair and change to VFD.

Michael reported that he has been changing meters on Asbury.

System Support Associates (IT) has recommended that we try Starlink satellite internet. It is still in the beta stages, but reports are looking good on speed, etc. Equipment cost is \$500. Upfront cost is \$99.

Eddie made a motion, 2nd by Dale to have Diana sign up for it. Motion carried.

Paul discussed the final payment for Tilton for the A/C Line Project, including retainage \$128,887.87. This is the district's portion. Grant and loan have already been used. Will transfer funds from 131.21.

Paul also told the board that the Supply Line Project should be started by the June meeting.

Bryan Lovan discussed a proposal for a preliminary study for a treatment plant to get things ready to present to the DOW. Proposal is \$90,000. Initial amount needed will be \$20,000 - \$30,000 to conduct enough study to meet with DOW. Motion made by Eddie 2nd by Dale to have Bluegrass conduct initial study and meet with DOW on the district's behalf. Motion carried.

With no further business, Eddie made a motion to adjourn 2nd by Tim. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
SPECIAL MEETING
JUNE 7, 2021

A special meeting of the Bracken County Water District was called to order at 7:00 p.m. on Monday, June 7, 2021.

The agenda for the meeting was to discuss the resolution regarding the rate and agreement with the City of Augusta. A motion was made by Tim, 2nd by Louie to sign the resolution. Motion carried. Copy is attached.

With no further business on the agenda, Eddie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
JUNE 16, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, June 16, 2021. Eddie Kern absent. Guest James F. from Complete Restoration attended. Motion made by Tim 2nd by Dale to accept the minutes from the special meeting on Monday June 14th, 2021. Motion carried. Motion made by Tim 2nd by Dale to accept the minutes from the regular meeting May 19, 2021. Motion carried. Check detail from 5/20/2021- 6/16/2021 was reviewed. Copy attached.

City of Augusta purchases for May were 16,651,384. Total paid \$39,297.28. Western Mason purchases were 373,000. Total paid \$496.09. Sales are at 12,875,100.

Video from the industrial tank inspection was viewed. James from Complete Restorations explained the inspection process and findings. Anthony inquired about why the riser pipe inspections were not conducted. James F. stated they did not have an explanation but that the riser pipes could be inspected if the board wishes in the future.

Quote reviewed for cleaning the clear well. Complete restorations will charge \$4,850.00 for both chambers to be cleaned separately and \$800 if completed in one visit. Michael Brothers included there would need to be a county wide boil water advisory if both chambers were cleaned at the same time. Anthony requested a line-by-line quote from Complete Restorations for all problems to be addressed.

Anthony reviewed and discussed the Kentucky League of Cities invoice. Workers' compensation expense \$5541.99, liability expense \$12,141.01, and property insurance expense \$10,468.23 Motion to approve costs made by Louie, 2nd by Dale. Motion carried.

Michael Brothers discussed recent electrical work Nathan Cooper has completed. Nathan will be sending an invoice in the next few weeks.

Michael Brothers presented to the board the application for the Project Profile grant funds. Total \$80,000 of grand funds applied for. Money to be used for clear well work and tank restorations. Michael will be turning the application in this Friday June 18th, 2021. Motion to approve application for submission made my Anthony 2nd by Louie.

Paul discussed the clear well work will be priority, followed by the supply line project which is set to begin mid to late July.

With no further business, Louie made a motion to adjourn 2nd by Anthony. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
JULY 21, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, July 21, 2021. Motion made by Eddie 2nd by Dale to accept the minutes from the regular meeting June 16, 2021. Motion carried. Check detail from 6/17/2021 - 7/21/2021 was reviewed. Copy attached.

City of Augusta purchases for June were 14,618,401. Total paid \$34,499.42. Western Mason purchases were 399,900 gallons. Total paid \$531.87. Sales are estimated at 12,944,500.

Nicholas Grammas purchased the property from Mohrfield's on Wrangling Run Road. He wants to relocate the water line. The board instructed Michael to get the footage and report back. No action.

Estimate from Complete Restoration for the clearwell was reviewed. Motion made by Louie 2nd by Eddie to schedule the cleaning. Motion carried.

Tilton made the repair at the nursing home on Asbury. He will do the valve repair at the clearwell, then start on the Supply Line Project around the 1st of August.

The board instructed Diana to use 2 days out of the sick pool for Monick.

The board discussed the tank maintenance contract. Motion made by Dale 2nd by Louie to withhold the check to Leary Construction this year. Motion carried.

With no further business, Louie made a motion to adjourn 2nd by Anthony. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
AUGUST 18, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, August 18, 2021. Motion made by Tim 2nd by Dale to accept the minutes from the regular meeting July 21, 2021. Motion carried. Check detail from 7/22/2021 - 8/18/2021 was reviewed. Copy attached.

City of Augusta purchases for July were 16,767,958. Total paid \$39,572.39. Western Mason purchases were 207,700 gallons. Total paid \$276.24. Sales are estimated at 11,563,200. Water loss was discussed. Bluegrass Engineering has been conducting the study at the treatment plant and at our clearwell. They should know something by the last week of August.

Ampstun annual support agreement was reviewed - \$2,800. Motion made by Louie 2nd by Dale to accept. Motion carried.

MicroComm annual support was reviewed - \$4,575. Motion made by Tim 2nd by Louie to accept. Motion carried.

Savannah was present to thank the board for the opportunity to work here this summer.

Nicholas Grammas requested a leak adjustment for his bill due August 20. Someone had turned the water on and apparently someone had left a hydrant on. His bill is \$1,984.35. Upon discussion, the board

instructed Diana that Mr. Grammas does not qualify for a leak adjustment, but we can offer him to sign up for a payment plan with one year to pay.

James Markley requested a leak adjustment for his farm tap. Cattle had rubbed against a hydrant and turned it on. Mr. Markley told Diana that they have the handle bungee corded down right now but have not made any changes to keep the cattle from being able to do it again. His bill is \$730.18. Upon discussion, the board instructed Diana to offer Mr. Markley a payment plan for 6 months. No adjustment.

Clearwell cleaning was discussed. Anthony instructed Michael and Diana to contact the owner of Complete Restoration to discuss safety issues with the cleaning crew that was here on August 9th. Anthony instructed Diana to calculate Michael's overtime, and it will be deducted from the invoice. The crew was supposed to be here by 9:00 a.m., but didn't show up until after 2:00 p.m. James Franks, owner of Complete Restoration, told Michael and Diana that he would check with his crew. He will let us know when they can come back to finish the other side.

Michael reported that meter change outs for 2021 are caught up to the end of August. There are around 90 left for 2020, March through May.

Michael discussed the water audit that Dell Harris with KRWA is conducting. He was here yesterday (Tuesday, Aug 17) to gather information. He will conduct a flow test from the treatment plant on the supply line if needed after Bluegrass Engineering finishes their testing. His analysis so far is showing 90 gpm loss in the Berlin area, and 19 gpm in each the Industrial Park and Chatham. Parina tank area is at 1 gpm loss.

Derrick hauled scrap to Butler Recycling. Total \$2,281. He still has a load or two to get hauled.

Diana reported to the board that Monick had to take sick leave due to her son and herself having a virus. Diana spoke with Anthony about it and 37.25 sick hours were used out the sick pool for Mo.

Diana reported to the board that due to the increase in the debt for the A/C Line Project and the Supply Line project we are no longer going to be able to transfer \$20,000 per month to the savings account 131.21. The amount will be reduced to \$5,000.

Paul reported that Tilton had started on the Supply Line Project. He has installed 1,400 feet. The Pay estimate submitted today - Tilton \$144,692.65; Bluegrass Engineering \$18,902.50.

Paul talked about the additional pipe needed to go up the hill to the pump station. 2,100 feet. Paul estimates is to be \$250 - \$300,000. Dale made a motion 2nd by Tim to add to the supply line project. Motion carried. KRWFC has already told Paul that we can get the extra funds needed.

With no further business, Dale made a motion to adjourn 2nd by Tim. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
SEPTEMBER 15, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, September 15, 2021. Motion made by Dale 2nd by Eddie to accept the minutes from the regular meeting August 18, 2021. Motion carried. Check detail from 8/19/2021 - 9/15/2021 was reviewed. Copy attached.

Chuck Leary, owner of Leary Construction, was present to discuss the tank contract and issues that the board had with the work that had been performed. In June the board had voted to withhold payment to Leary until items were taken care of. Mr. Leary assured the board that his crew would be here before the end of October to clean the Parina tank. Items at the Industrial tank that did not get taken care of include the repair of the grout on the legs of the tower, the target doesn't work, and the target did not get painted. Michael was instructed to leave the meeting and meet with Mr. Leary to go over items that need to be addressed at the other tanks. They are to set a schedule to have these items completed. Michael will report to Anthony as things are scheduled. Louie made a motion 2nd by Eddie the pay the Leary invoice upon completion of the cleaning of the Parina tank. Motion carried.

Complete Restoration is scheduled to have a crew here on September 21st to clean the 2nd chamber at the clearwell.

Diana reported that we have received a refund of \$414.67 from KACO for the 2019 unemployment fees.

City of Augusta purchases for August were 18,140,990 gallons. Total paid \$42,812.74. Western Mason purchases were 236,000 gallons. Total paid \$313.88. Sales are at 11,907,900. The leak that was repaired on September 6th had been averaging approximately 100,000 gallons per day. The leak ran for 14 days. Water loss at price of delivery, wages, and cost to repair leak are at \$10,000. We also had a few small leaks at a couple of the PRV's, and one on Licking Valley subdivision. Michael had contacted KRWA, and representative Dell Harris has been helping to locate the leak. He is going to come back to test the flow rate from the treatment plant.

Jerry plans to have the rate study completed and ready for presentation at the October meeting.

Paul gave an update on the Supply Line Project. 1,680 feet of pipe was installed. Tilton invoice was \$190,912. Bluegrass Engineering invoice is \$16,418.75. Paul has plans ready to submit to the DOW for the addition to the project to replace the line going to the pump station. Louie made a motion 2nd by Dale to have Bluegrass Engineering submit the plans.

Motion carried.

Louie's term has been renewed. New term is 9/15/21 - 9/14/25.

Louie made a motion to go into executive session to discuss employee matters 2nd by Tim. Motion carried.

Dale made a motion to return to regular session 2nd by Tim. Motion carried.

With no further business, Eddie made a motion to adjourn 2nd by
Tim. Motion carried.

Approved by:

Date

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
OCTOBER 20, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, October 20, 2021. Motion made by Eddie 2nd by Tim to accept the minutes from the regular meeting September 15, 2021. Motion carried. Check detail from 9/16/2021 - 10/20/2021 was reviewed. Copy attached.

Jerry Wuechter attended the meeting via Zoom and discussed the rate case. No action.

KIA loan invoices for December were reviewed.

Michael gave an update on Leary Construction and the tanks. They cleaned the Parina tank on October 4th and fixed the float on the Berlin tank. Chuck Leary discussed with Michael items at the Industrial tank that he was not pleased with. Items that should have been done but weren't are grout on the legs, and the target wasn't repaired. He is also going to touch up the paint. They also visited the Chatham tank. Anthony had instructed Diana to pay the Leary invoice on October 14th.

Dell Harris with KRWA came in to help with the water loss from Augusta. He has concluded that the meter is off.

Tilton did the tie-in at the plant. Michael pulled samples but was instructed by DOW that no boil water advisory was necessary. Samples came back good. Tilton is filling the new line today.

Augusta purchases for September was 15,714,350 gallons. Total paid \$37,085.87. Western Mason purchases were 268,700 gallons. Total paid \$357.37. Sales are at 11,441,700.

Discussed hiring possibilities for a maintenance worker - Nesco, Indeed, advertising in Ledger and Bracken Co News. Diana will check with Nesco on fees. We will run an ad in both the Ledger and Bracken News.

Discussed purchasing a portable flow meter and a listening device for help with finding leaks. Estimate is around \$9,500, which would include training. Eddie made a motion 2nd by Tim to purchase both devices. Motion carried.

Michael's vacation time was discussed. Due to being short staffed, he has not been able to use vacation, and in December he would lose some. Louie made a motion 2nd by Tim to pay Michael for 2 weeks' vacation and carry over 2 weeks at year end. Motion carried.

KRWFC resolution for the additional funds for the add on line to the pump station was reviewed. Motion made by Eddie, 2nd by Louie to sign the resolution. Motion carried.

David Swolsky on Dover Road hit the water line when he was driving fence post. He did not call 811 or the district for a line locate prior to digging. Parts and labor total \$444.25. The board instructed Diana to send Mr. Swolsky a bill.

Anthony discussed outstanding work orders. He is going to talk to Tilton about a price for doing some of the taps.

Paul gave an update on the Supply Line Project. Invoice from Tilton thru 10/15 is \$275,678.62. Bluegrass Engineering invoice is \$36,170. Change order for the add on of 2,100 feet is \$268,500. DOW has approved. Randy Jones, bond attorney, has suggested that we file a CPCN for the additional line. He will take care of that.

Paul presented an invoice for 50% of the fees for the pump test they performed at the treatment plant. Augusta will be responsible for the other half. Jerry will draft a letter to Augusta requesting their payment. Bryan discussed the test that was conducted and their findings. CI Thornburg had adjusted the meter at the plant. They are registering fast. Jerry will draft a letter to Augusta regarding re-testing of the meters. Paul will coordinate with Augusta, KRWA, and the PSC so that all can be present. We want the PSC involved because they are concerned with our water loss

With no further business, Eddie made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

_____ Date _____

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
NOVEMBER 17, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, November 17, 2021. Motion made by Eddie 2nd by Tim to accept the minutes from the regular meeting October 20, 2021. Motion carried. Check detail from 10/21/2021 - 11/17/2021 was reviewed. Copy attached.

City of Augusta purchases for October were 14,199,381 gallons. Total paid \$33,510.54. Western Mason purchases were 488,300 gallons. Total paid \$649.44. Sales are at 9,813,600. 4 small leaks were repaired. Michael reported that the meter at the pump station is off 2 million gallons. The meeting with Augusta, PSC, and C I Thornburg is tentatively scheduled for November 30th.

Reviewed letter from Kristie Dodge, BTADD, regarding a utility assistance program through the CDBG. Upon review of the requirements, it was decided that we would not apply.

The proposed rate increase was reviewed. Anthony will instruct Jerry to submit to the PSC as a two-phase implementation.

Michael reported that the Industrial tank is back in service. Leary plans to return in the spring to sandblast and paint the inside. The target is not working, but they did repair the grout on the legs.

Tilton worked at Pickrell's on Hawkins/Pine View (Shady Lane). Hydrant has been installed and the meters have been set. Michael talked to

the board about doing a project profile to increase the line on Shady Lane. He wants to upgrade it to a 6" line. He and Paul will work on that.

The 2015 Chevy is leaking again. It is no longer under warranty. Will try to take it to Cummins Automotive.

Michael has repaired the mole, but it needs to be tested.

Michael and Monick attended the ranking meeting at the courthouse. Our treatment plant ranked 2nd. Augusta's plant repairs ranked 1st.

Patricia Toller on Wagel road has talked to Michael about making a push under the road for them so that they can have water at their building. Commissioner's discussed various possibilities. Michael will call Toller's and let them know that they can pay for us to push under the road, install a new meter, or contract with Tilton to make the push.

2020 audit was reviewed. There were no significant findings. Invoice for Donna Hendrix for \$9,000 was reviewed and approved.

John Parker called Diana requesting that we waive his penalty. He had a leak and was trying to coordinate our worker with his to see if the leak was fixed. After discussion, the board instructed Diana to credit the penalty on both of his accounts.

New antennas for the meter reading system have been ordered. Michael and Diana are going to attempt to repair the other two to have a back-up.

Diana discussed a cyber security grant that is available through KLC. She will be attending a webinar on the 30th. She is going to try to apply for reimbursement for some of the things that we have already put in place.

Satellite internet is being delayed. They are now saying it is a shortage in silicone that is causing the delay.

Diana was instructed to purchase 2 new chairs for the front office.

DOW has approved the additional line for the clearwell. Randy Jones has applied to the PSC for a CPCN. Pipe was delivered today. Tilton won't submit an invoice until January. Loan paperwork must be completed.

Pay request for Tilton for the Supply Line Project \$46,997.88.
Bluegrass Engineering invoice is \$1,790.25.

With no further business, Eddie made a motion to adjourn 2nd by Louie. Motion carried.

Approved by:

_____ Date _____

BRACKEN COUNTY WATER DISTRICT
REGULAR MEETING
DECEMBER 15, 2021

The regular meeting of the Bracken County Water District was called to order at 9:00 a.m. on Wednesday, December 15, 2021. Motion made by Eddie 2nd by Tim to accept the minutes from the regular meeting November 17, 2021. Motion carried. Check detail from 11/18/2021 - 12/15/2021 was reviewed. Copy attached.

Augusta water purchases were 14,761,763. Total paid \$34,837.75. No purchases from Western Mason this month. Sales are at 10,721,400. Water loss was discussed. The meter at the AWTP was set back 22% by C I Thornburg on November 30th. A meeting with C I Thornburg, Bluegrass Engineering, City of Augusta, PSC, KRWA, and us had been scheduled at 1:00 p.m. to be held at the treatment plant. C I Thornburg conducted their testing prior to anyone else's arrival. They had already left before anyone else got there. Based on their adjustment to the meter, we have determined that 32,290,792 gallons has been overcharged to us from Augusta. Jerry will send their attorney a letter. We have been instructed by Jerry to deduct the amount overcharged on the February bill if Augusta does not give a refund. Anthony will talk with Jerry about sending a letter to C I Thornburg requesting reimbursement for legal and engineering expenses. Augusta is also arguing over the price charged by Bluegrass Engineering for the testing that was conducted on the meters, etc. They had previously agreed to the testing, and therefore, are responsible for one half of the fees.

Augusta has procured Can-Tech to do the study on the plant. Jerry will send a letter requesting a start date.

BTADD ranking – Augusta repairs was 4th within in the 5-county area. Our plant is in the 2nd phase.

The 2022 budget was reviewed and discussed. Diana was instructed to add a truck to March for \$57,000. Louie made a motion 2nd by Eddie to accept the budget with the change for the truck. Motion carried.

Jerry provided two scenarios for the rate application. He still needs to speak with the auditor before getting exact numbers, but we are looking at 15% or 16.34%. Upon discussion, the board decided to go for the 15%. We will try to split it into 2 rounds if the PSC will approve.

Motion made by Eddie 2nd by Louie to give the employees an \$110 incentive bonus. Motion carried.

Anthony briefly discussed insurance and retirement for the employees. Diana will check with McGregor. No action.

The employee Christmas dinner is today at 1:00.

With no further business, Eddie made a motion to adjourn 2nd by Dale. Motion carried.

Approved by:

Date

EXHIBIT V

SPREADSHEETS EMBEDDED IN ELECTRONIC VERSION OF APPLICATION

Spreadsheet No.	Description
01	Rate Calculation Workbook (includes Schedule of Adjusted Operations, Revenue Requirements Calculation, Debt Service and Coverage Requirements, Wage and Benefits Calculations, Usage Table and Revenue Table (Test Period Rates), Usage Table and Revenue Table (Current Rates), Usage Table and Revenue Table (Proposed Rates), and Employee Roster (2016-Present))
02	Depreciation Schedule
03	General Ledger (2019)
04	General Ledger (2020)
05	General Ledger (2021)