

**SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY**

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION

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

Wood Creek Water District

*(Name of Utility)*

1670 Hal Rogers Parkway

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

London, KY 40741

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

606-878-9420

*(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:

Dewayne Lewis

*(Name)*

1670 Hal Rogers Parkway

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

London, KY 40741

*(Address - City, State, Zip)*

606-878-9420

*(Telephone Number)*

dewaynelewis@woodcreekwater.org

*(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 type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |                      |
|       |  |                                     |                                     |                          | Requesting deviation |
| b.    | Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |                      |
|       |  |                                     |                                     |                          | See above.           |
| 2. a. | Applicant has filed an annual report with the Public Service Commission for the past year.   | <input checked="" type="checkbox"/> | <input 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"/>            | <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@ag.ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
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 \$ 305,175 and total revenues from service rates of \$ 6,220,012. 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 5,310 +/- 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.

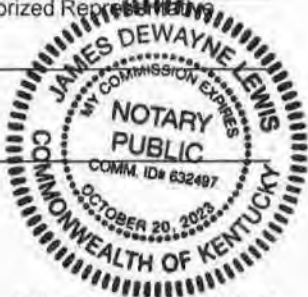
YES NO N/A

- 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 - (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 *Glenn Williams*  
 Officer of the Company/Authorized Representative  
 Title Chairman  
 Date 11-30-2021



COMMONWEALTH OF KENTUCKY  
COUNTY OF LAUREL

Before me appeared GLENN WILLIAMS, 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.

*James D. Lewis*  
 Notary Public  
 My commission expires: 10-20-2023



**LIST OF ATTACHMENTS**  
**Wood Creek Water District**

1. Customer Notice of Proposed Rate Adjustments
2. Wholesale Customer Notice
3. Reasons for Application
4. Current and Proposed Rates
5. Statement of Adjusted Operations and Revenue Requirements with the following attachments:
  - a. References
  - b. Table A - Depreciation Expense Adjustments
  - c. Table B - Debt Service Schedule
6. Current Billing Analysis
7. Proposed Billing Analysis
8. Depreciation Schedule
9. Outstanding Debt Instruments
  - a. KRWFC Loans
  - b. USDA Bonds
10. Amortization Schedules
11. Statements of Disclosure of Related Party Transactions
12. Board Resolution

# Attachment No. 1

## CUSTOMER NOTICE

Notice is hereby given that the Wood Creek Water District expects to file an application with the Kentucky Public Service Commission on or about November 30, 2021, seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

### MONTHLY WATER RATES

#### Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. Incl'd. in Minimum</u>	<u>Minimum Bills</u>		<u>Dollar</u>	<u>Percent</u>
		<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Increase</u>
5/8 x 3/4 inch	2,000	\$24.22	\$25.47	\$1.25	5.16%
1 inch	5,000	46.08	48.45	2.37	5.14%
1-1/2 inch	10,000	71.95	75.68	3.72	5.18%
2 inch	20,000	117.65	123.78	6.12	5.21%
3 inch	30,000	163.35	171.88	8.52	5.22%
6 inch	50,000	483.25	508.58	25.32	5.24%

#### Rates for Water Usage in Addition to Minimum

<u>No. of Gallons per Month:</u>	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Increase</u>
First 2,000 Gallons	\$24.22	\$25.47	\$1.25	5.16%
Next 1,500 Gallons	7.70	8.10	0.40	5.19%
Next 1,500 Gallons	6.87	7.22	0.35	5.09%
Next 2,500 Gallons	5.78	6.08	0.30	5.19%
Over 7,500 Gallons	4.57	4.81	0.24	5.25%

If the Public Service Commission approves the proposed water rates, then the monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$39.21 to \$41.23. This is an increase of \$2.03 or 5.2%. If the proposed rates are approved, the monthly bill for a commercial customer using an average of 24,000 gallons per month will increase from \$135.93 to \$143.02. This is an increase of \$7.08 or 5.2%.

The rates contained in this notice are the rates proposed by Wood Creek Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

Wood Creek Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at the District's office located at 1670 Hal Rogers Parkway, London, KY 40741. You may contact the office at 606-878-9420.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its website

or by mail to Public Service Commission, PO Box 615, Frankfort, Kentucky, 40602. You may contact the Public Service Commission at 502-564-3940.

A person may submit a timely written request for intervention to the Public Service Commission, PO Box 615, Frankfort, KY, 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Public Service Commission may take final action on the application.

# Attachment No. 2



## WHOLESALE CUSTOMER NOTICE

Notice is hereby given that the Wood Creek Water District expects to file an application with the Kentucky Public Service Commission on or about November 30, 2021, seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

### MONTHLY WATER RATES

#### Wholesale Rate for All Wholesale Customers

	<u>Charge per 1,000 Gals.</u>	<u>Dollar</u>	<u>Percent</u>
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
For all Water Purchased	\$3.42	\$3.60	\$0.18 5.3%

If the Public Service Commission approves the proposed rates, then the monthly bill for a wholesale customer will increase from \$3,420 to \$3,600 for each 1,000,000 gallons purchased. This is an increase of \$180.00 per million gallons or 5.3%.

The rates contained in this notice are the rates proposed by Wood Creek Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

Wood Creek Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at the District's office located at 1670 Hal Rogers Parkway, London, KY 40741. You may contact the office at 606-878-9420.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, PO Box 615, Frankfort, Kentucky, 40602. You may contact the Public Service Commission at 502-564-3940.

A person may submit a timely written request for intervention to the Public Service Commission, PO Box 615, Frankfort, KY, 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Public Service Commission may take final action on the application.

# Attachment No. 3

# Reasons for Application

Wood Creek Water District (“the District”) is requesting a 5.16 percent rate increase for its water customers. The rate increase will generate approximately \$305,175 in additional annual revenue. The District needs the rate increase for the following reasons:

1. To enable the District to pay its annual principal payments on its existing long-term debt from water revenues rather than from depreciation reserves.
2. To enable the District to meet the requirements set forth in its existing debt instruments.
3. To maintain the District in a sound financial condition; and
4. To enable the District to enhance its financial capacity so it can continue to operate its system in compliance with the federal Safe Drinking Water Act, as amended in 1996, and KRS Chapter 151.

# Attachment No. 4

**CURRENT AND PROPOSED RATES**  
**Wood Creek Water District**

**CURRENT RATE SCHEDULE**

**5/8" x 3/4" Meters**

First	2,000 gallons	\$ 24.22	Minimum Bill
Next	1,500 gallons	7.70	per 1,000 gallons
Next	1,500 gallons	6.87	per 1,000 gallons
Next	2,500 gallons	5.78	per 1,000 gallons
Over	7,500 gallons	4.57	per 1,000 gallons

**1" Meters**

First	5,000 gallons	\$ 46.08	Minimum Bill
Next	2,500 gallons	5.78	per 1,000 gallons
Over	7,500 gallons	4.57	per 1,000 gallons

**1-1/2" Meters**

First	10,000 gallons	\$ 71.95	Minimum Bill
Over	10,000 gallons	4.57	per 1,000 gallons

**2" Meters**

First	20,000 gallons	\$ 117.65	Minimum Bill
Over	20,000 gallons	4.57	per 1,000 gallons

**3" Meters**

First	30,000 gallons	\$ 163.35	Minimum Bill
Over	30,000 gallons	4.57	per 1,000 gallons

**6" Meters**

First	100,000 gallons	\$ 483.25	Minimum Bill
Over	100,000 gallons	4.57	per 1,000 gallons

**Wholesale Rates**

All Water Sold	\$ 3.42	per 1,000 gallons
----------------	---------	-------------------

**PROPOSED RATE SCHEDULES**

**5/8" x 3/4" Meters**

First	2,000 gallons	\$ 25.47	Minimum Bill
Next	1,500 gallons	8.10	per 1,000 gallons
Next	1,500 gallons	7.22	per 1,000 gallons
Next	2,500 gallons	6.08	per 1,000 gallons
Over	7,500 gallons	4.81	per 1,000 gallons

**1" Meters**

First	5,000 gallons	\$ 48.45	Minimum Bill
Next	2,500 gallons	6.08	per 1,000 gallons
Over	7,500 gallons	4.81	per 1,000 gallons

**1-1/2" Meters**

First	10,000 gallons	\$ 75.68	Minimum Bill
Over	10,000 gallons	4.81	per 1,000 gallons

**2" Meters**

First	20,000 gallons	\$ 123.78	Minimum Bill
Over	20,000 gallons	4.81	per 1,000 gallons

**3" Meters**

First	30,000 gallons	\$ 171.88	Minimum Bill
Over	30,000 gallons	4.81	per 1,000 gallons

**6" Meters**

First	100,000 gallons	\$ 508.58	Minimum Bill
Over	100,000 gallons	4.81	per 1,000 gallons

**Wholesale Rates**

All Water Sold	3.60	per 1,000 gallons
----------------	------	-------------------



# Attachment No. 5

**SCHEDULE OF ADJUSTED OPERATIONS**  
**Wood Creek Water District**

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Pro Forma</u>
<u>Operating Revenues</u>				
Total Retail Metered Sales	\$ 2,955,931	897	A	\$ 2,956,828
Sales for Resale	2,958,011	(2)	A	2,958,009
Other Water Revenues:				
Forfeited Discounts	-	11,314	B	
		66,960	C	78,274
Misc. Service Revenues	-	28,070	B	28,070
Other Water Revenues	39,384	(39,384)	B	-
<b>Total Operating Revenues</b>	<b>\$ 5,953,326</b>			<b>\$ 6,021,181</b>
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	2,205,667	(978,374)	D	
		(12,252)	E	
		36,451	F	1,251,492
Salaries and Wages - Officers		18,000	G	18,000
Employee Pensions and Benefits		881,228	D	
		(8,797)	E	
		(163,715)	H	
		33,842	I	742,557
Purchased Power	302,762			302,762
Chemicals	556,183			556,183
Materials and Supplies	822,481	(10,223)	E	812,258
Contractual Services	19,667			19,667
Transportation Expenses	95,139	(7,233)	E	87,906
Insurance	203,696	3,043	D	206,739
Bad Debt	24,657			24,657
Miscellaneous Expenses	44,410	(18,000)	G	26,410
<b>Total Operation and Mnt. Expenses</b>	<b>4,274,662</b>			<b>4,048,631</b>
Depreciation Expense	1,007,837	(22,085)	J	985,752
Taxes Other Than Income	13,329	94,103	D	
		(970)	E	
	-	2,575	F	109,038
<b>Total Operating Expenses</b>	<b>\$ 5,295,828</b>			<b>\$ 5,143,420</b>
<b>Net Utility Operating Income</b>	<b>\$ 657,498</b>			<b>\$ 877,761</b>

**REVENUE REQUIREMENTS**

<b>Pro Forma Operating Expenses</b>				<b>\$ 5,143,420</b>
Plus: Avg. Annual Principal and Interest Payments			K	988,146
Additional Working Capital			L	197,629
<b>Total Revenue Requirement</b>				<b>\$ 6,329,195</b>
Less: Other Operating Revenues				(106,344)
Interest Income				(2,839)
Nonutility Income	53,896	(53,896)	M	-
Misc. Nonutility Expense	(714,692)	714,692	N	-
<b>Revenue Required From Water Sales</b>				<b>\$ 6,220,012</b>
Revenue from Sales at Present Rates				5,914,837
<b>Required Revenue Increase</b>				<b>\$ 305,175</b>
<b>Percent Increase</b>				<b>5.16%</b>

## REFERENCES

- A. The Current Billing Analysis results in pro forma Retail Metered Sales of \$2,956,828 and Sales for Resale of \$2,958,009. This indicates an addition to reported Metered Sales of \$897 is required and a \$2 deduction from wholesale sales is needed.
- B. The total reported for Other Water Revenues is actually the revenue from Forfeited Discounts and Misc. Service Revenues. The amounts for these two items are reclassified to their own categories.
- C. In spring of 2020, the Governor issued an Executive Order that prohibited utilities from charging Late Fees on past due accounts. This Order has now been rescinded. To normalize the revenue from Late Fees an adjustment of 66.960 is added to the amount reported for 2020. This makes the pro forma figure for Late Fees equal to the average for the three years prior to 2020.
- D. The total reported for Salaries and Wages expense includes Employee Pensions and Benefits, payroll taxes and unemployment insurance. The amounts for these three items are reclassified to their own categories.
- E. The allocations of office expenses, administrative labor and benefits, and transportation expenses to other companies operated by Wood Creek did not include an allocation to Wood Creek's sewer system. Those expenses have been reallocated to include the sewer division and the appropriate amounts are deducted.
- F. In February 2021 a 3 percent across the board increase in wage rates was implemented. This change results in an annual wage increase of \$36,451 and additional payroll taxes of \$2,575.
- G. Commissioner salaries were reported with Miscellaneous Expenses. This expense is reclassified to its own category.
- H. The District pays 100 percent of its employees' health insurance premiums. The PSC requires that expenses associated with this level of employer-funded premiums be adjusted to be consistent with the Bureau of Labor Statistics' national average for an employer's share of health insurance premiums. Average employer shares from BLS are currently 79 percent for single coverage and 66 percent for families. Applying those percentages to premiums to be paid in the current year results in a deduction from 2020 benefits expense of \$163,715.
- I. The increase in wages and an increase in the employer's contribution rate charged by CERS result in higher payments for the retirement program. These payments are estimated to increase by \$33,842.

- J. The PSC requires adjustments to a water utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Utilities". Therefore, adjustments are included to bring asset lives to the midpoint of the recommended ranges. See Table A.
- K. The annual debt service payments for the District's loans are shown in Table B. The five-year average of these payments is added in the revenue requirement calculation.
- L. The amount shown in Table B for coverage on long term debt is required by the District's loan documents. This is included in the revenue requirement as Additional Working Capital.
- M. The \$53,896 reported as Nonutility Income includes a capital contribution and an audit adjustment from accumulated depreciation. These capital items should not be considered as an offset to operating expenses and are deducted.
- N. Due to GASB reporting requirements for retirement plan liabilities, an expense of \$714,692 associated with the District's pension plan was included as a Nonutility Expense. Because this was not an actual payment to CERS for the retirement plan, that amount is deducted.

**Table A**  
**DEPRECIATION EXPENSE ADJUSTMENTS**  
**Wood Creek Water District**

<u>Asset Description</u>	<u>Date in Service</u>	<u>Original Cost *</u>	<u>Reported Life</u>	<u>Depr. Exp.</u>	<u>Pro Forma Life</u>	<u>Depr. Exp.</u>	<u>Depreciation Expense Adjustment</u>
<b><u>304 - Structures &amp; Improvements</u></b>							
Entire Group	various	\$ 11,525,022	varies	\$ 295,588	37.5	\$ 307,334	\$ 11,746
<b><u>309 - Supply Mains</u></b>							
Entire Group	01/01/78	4,484	50.0	90	62.5	72	(18)
<b><u>311 - Pumping Equipment</u></b>							
Remainder of Group	various	866,240	varies	25,394	25.0	34,650	9,256
<b><u>320 - Water Treatment Equipment</u></b>							
New Water Plant	06/30/08	6,189,620	40.0	154,741	37.5	165,057	10,316
Remainder of Group	various	390,764	varies	11,148	27.5	14,210	3,062
<b><u>330 - Dist. Reservoirs &amp; Standpipes</u></b>							
Entire Group	various	2,053,232	50.0	41,065	45.0	45,627	4,562
<b><u>331 - Transmission &amp; Dist. Mains</u></b>							
Entire Group	various	10,595,163	varies	211,471	62.5	169,523	(41,948)
<b><u>333 - Services</u></b>							
Entire Group	various	1,140,579	varies	35,188	40.0	28,514	(6,674)
<b><u>334 - Meters &amp; Meter Installations</u></b>							
Meter Installations	various	149,628	45.0	3,325	45.0	3,325	-
Meters	various	1,092,531	35.0	30,483	40.0	27,313	(3,170)
<b><u>335 - Hydrants</u></b>							
Entire Group	various	144,219	40.0	3,654	50.0	2,884	(770)
<b><u>340 - Office Furniture &amp; Equipment</u></b>							
Entire Group	various	187,199	varies	12,820	22.5	8,320	(4,500)
<b><u>341 - Transportation Equipment</u></b>							
Entire Group	various	967,527	varies	146,767	7.0	138,218	(8,549)
<b><u>344 - Lab Equipment</u></b>							
Entire Group	various	9,482	varies	1,592	17.5	542	(1,050)
<b><u>345 - Power Operated Equipment</u></b>							
Entire Group	various	88,798	varies	3,435	12.5	7,104	3,669
<b><u>346 - Communication Equipment</u></b>							
Entire Group	various	2,980	10.0	298	10.0	298	-
<b><u>347 - Misc Equipment</u></b>							
Entire Group	various	326,672	varies	30,668	10.0	32,667	1,999
<b><u>348 - Other Tangible Equipment</u></b>							
Misc. Equipment	06/30/09	1,665	15.0	111	17.5	95	(16)
<b>TOTALS</b>				<b>\$ 1,007,838</b>	<b>\$ 985,753</b>	<b>\$ (22,085)</b>	

\* Includes only costs associated with assets that contributed to depreciation expense in the test year.



**Table B**  
**DEBT SERVICE SCHEDULE**  
**Wood Creek Water District**  
CY 2022 - 2026

	CY 2022		CY 2023		CY 2024		CY 2025		CY 2026		TOTALS
	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	
1998 Refunding	50,000	1,250	-	-	-	-	-	-	-	-	51,250
KRWFC 2005B	152,000	81,288	161,000	74,534	168,000	67,395	176,000	59,886	184,000	51,938	1,176,042
KRWFC 2007A	68,000	59,337	71,000	56,478	73,000	53,426	74,000	50,266	77,000	47,019	629,526
KRWFC 2015B	155,000	53,081	130,000	48,450	135,000	44,144	135,000	39,756	140,000	35,288	915,719
RD Series 2005A	141,000	253,488	147,000	247,319	154,000	240,888	161,000	234,150	168,000	227,107	1,973,952
RD Series 2005B	14,500	24,523	15,000	23,907	15,500	23,269	16,000	22,610	17,000	21,930	194,239
<b>TOTALS</b>	<b>580,500</b>	<b>472,968</b>	<b>524,000</b>	<b>450,688</b>	<b>545,500</b>	<b>429,122</b>	<b>562,000</b>	<b>406,668</b>	<b>586,000</b>	<b>383,282</b>	<b>\$4,940,728</b>
<b>Average Annual Principal &amp; Interest</b>											<b>\$ 988,146</b>
<b>Average Annual Coverage</b>											<b>\$ 197,629</b>

# Attachment No. 6

**CURRENT BILLING ANALYSIS - 2020 USAGE & EXISTING RATES**  
**Wood Creek Water District**

**SUMMARY**

	No. of Bills	Gallons Sold	Revenue
5/8" X 3/4" Meters	62,570	251,347,000	\$ 2,443,971
1" Meters	420	6,589,900	43,342
1-1/2" Meters	12	1,262,800	6,086
2" Meters	564	36,951,000	202,936
3" Meters	30	978,700	7,392
6" Meters	48	53,219,200	253,100
Retail Sales	63,644	350,348,600	\$ 2,956,828
Sales for Resale		864,915,000	2,958,009
<b>Total Pro Forma Sales Revenue</b>			<b>\$ 5,914,837</b>

**5/8" x 3/4" METERS**

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 1,500	NEXT 1,500	NEXT 2,500	ALL OVER 7,500
FIRST	2,000	22,744	21,754,200	21,754,200	-			-
NEXT	1,500	16,044	44,407,900	32,088,000	12,319,900			-
NEXT	1,500	10,005	42,313,300	20,010,000	15,007,500	7,295,800		
NEXT	2,500	7,638	46,617,300	15,276,000	11,457,000	11,457,000	8,427,300	
ALL OVER	7,500	6,139	96,254,300	12,278,000	9,208,500	9,208,500	15,347,500	50,211,800
		62,570	251,347,000	101,406,200	47,992,900	27,961,300	23,774,800	50,211,800

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	62,570	\$ 24.22	\$ 1,515,445
NEXT	1,500	47,992,900	7.70	369,545
NEXT	1,500	27,961,300	6.87	192,094
NEXT	2,500	23,774,800	5.78	137,418
ALL OVER	7,500	50,211,800	4.57	229,468
TOTAL	62,570	251,347,000		\$ 2,443,971

**1" METERS**

	USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 2,500	ALL OVER 7,500	TOTAL
FIRST	5,000	179	276,600	276,600	-	-	276,600
NEXT	2,500	51	311,600	255,000	56,600	-	311,600
ALL OVER	7,500	190	6,001,700	950,000	475,000	4,576,700	6,001,700
		420	6,589,900	1,481,600	531,600	4,576,700	6,589,900

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	5,000	420	\$ 46.08	\$ 19,354
NEXT	2,500	531,600	5.78	3,073
ALL OVER	7,500	4,576,700	4.57	20,916
TOTAL	420	6,589,900		\$ 43,342

**1-1/2" METERS**

	USAGE	BILLS	GALLONS	FIRST 10,000	ALL OVER 10,000	TOTAL
FIRST	10,000	-	-	-	-	-
ALL OVER	10,000	12	1,262,800	120,000	1,142,800	1,262,800
		12	1,262,800	120,000	1,142,800	1,262,800

**REVENUE BY RATE INCREMENT**

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	10,000	12	120,000	\$ 71.95	\$ 863
ALL OVER	10,000		1,142,800	4.57	5,223
TOTAL		12	1,262,800		\$ 6,086

**2" METERS**

	USAGE	BILLS	GALLONS	FIRST 20,000	ALL OVER 20,000	TOTAL
FIRST	20,000	302	1,824,400	1,824,400	-	1,824,400
ALL OVER	20,000	262	35,126,600	5,240,000	29,886,600	35,126,600
		564	36,951,000	7,064,400	29,886,600	36,951,000

**REVENUE BY RATE INCREMENT**

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	20,000	564	7,064,400	\$ 117.65	\$ 66,355
ALL OVER	20,000		29,886,600	4.57	136,582
TOTAL		564	36,951,000		\$ 202,936

**3" METERS**

	USAGE	BILLS	GALLONS	FIRST 30,000	ALL OVER 30,000	TOTAL
FIRST	30,000	21	163,500	163,500	-	163,500
ALL OVER	30,000	9	815,200	270,000	545,200	815,200
		30	978,700	433,500	545,200	978,700

**REVENUE BY RATE INCREMENT**

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	30,000	30	433,500	\$ 163.35	\$ 4,901
ALL OVER	30,000		545,200	4.57	2,492
TOTAL		30	978,700		\$ 7,392

**6" METERS**

	USAGE	BILLS	GALLONS	FIRST 100,000	ALL OVER 100,000	TOTAL
FIRST	100,000	25	611,900	611,900	-	611,900
ALL OVER	100,000	23	52,607,300	2,300,000	50,307,300	52,607,300
		48	53,219,200	2,911,900	50,307,300	53,219,200

**REVENUE BY RATE INCREMENT**

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	100,000	48	2,911,900	\$ 483.25	\$ 23,196
ALL OVER	100,000		50,307,300	4.57	229,904
TOTAL		48	53,219,200		\$ 253,100

**SALES FOR RESALE**

	K GALS	RATE	TOTAL
West Laurel	366,938	3.42	\$ 1,254,928
East Laurel	484,158	3.42	1,655,820
Livingston	13,819	3.42	47,261
	864,915		\$ 2,958,009

# Attachment No. 7



**PROPOSED BILLING ANALYSIS - 2020 USAGE & PROPOSED RATES**  
**Wood Creek Water District**

**SUMMARY**

	No. of Bills	Gallons Sold	Revenue
5/8" X 3/4" Meters	62,570	251,347,000	\$ 2,570,351
1" Meters	420	6,589,900	45,595
1-1/2" Meters	12	1,262,800	6,405
2" Meters	564	36,951,000	213,564
3" Meters	30	978,700	7,779
6" Meters	48	53,219,200	266,390
Retail Sales	63,644	350,348,600	\$ 3,110,083
Sales for Resale		864,915,000	3,113,694
<b>Total Pro Forma Sales Revenue</b>			<b>\$ 6,223,777</b>

**5/8" x 3/4" METERS**

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 1,500	NEXT 1,500	NEXT 2,500	ALL OVER 7,500
FIRST	2,000	22,744	21,754,200	21,754,200	-			-
NEXT	1,500	16,044	44,407,900	32,088,000	12,319,900			-
NEXT	1,500	10,005	42,313,300	20,010,000	15,007,500	7,295,800		
NEXT	2,500	7,638	46,617,300	15,276,000	11,457,000	11,457,000	8,427,300	
ALL OVER	7,500	6,139	96,254,300	12,278,000	9,208,500	9,208,500	15,347,500	50,211,800
		62,570	251,347,000	101,406,200	47,992,900	27,961,300	23,774,800	50,211,800

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	62,570	101,406,200 \$ 25.47	\$ 1,593,658
NEXT	1,500	47,992,900	8.10	388,742
NEXT	1,500	27,961,300	7.22	201,881
NEXT	2,500	23,774,800	6.08	144,551
ALL OVER	7,500	50,211,800	4.81	241,519
TOTAL	62,570	251,347,000		\$ 2,570,351

**1" METERS**

	USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 2,500	ALL OVER 7,500	TOTAL
FIRST	5,000	179	276,600	276,600	-	-	276,600
NEXT	2,500	51	311,600	255,000	56,600	-	311,600
ALL OVER	7,500	190	6,001,700	950,000	475,000	4,576,700	6,001,700
		420	6,589,900	1,481,600	531,600	4,576,700	6,589,900

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	5,000	420	1,481,600 \$ 48.45	\$ 20,349
NEXT	2,500	531,600	6.08	3,232
ALL OVER	7,500	4,576,700	4.81	22,014
TOTAL	420	6,589,900		\$ 45,595

**1-1/2" METERS**

	USAGE	BILLS	GALLONS	FIRST 10,000	ALL OVER 10,000	TOTAL
FIRST	10,000	-	-	-	-	-
ALL OVER	10,000	12	1,262,800	120,000	1,142,800	1,262,800
		12	1,262,800	120,000	1,142,800	1,262,800

**REVENUE BY RATE INCREMENT**

		BILLS	GALLONS	RATE	REVENUE
FIRST	10,000	12	120,000	\$ 75.68	\$ 908
ALL OVER	10,000		1,142,800	4.81	5,497
TOTAL		12	1,262,800		\$ 6,405

**2" METERS**

	USAGE	BILLS	GALLONS	FIRST 20,000	ALL OVER 20,000	TOTAL
FIRST	20,000	302	1,824,400	1,824,400	-	1,824,400
ALL OVER	20,000	262	35,126,600	5,240,000	29,886,600	35,126,600
		564	36,951,000	7,064,400	29,886,600	36,951,000

**REVENUE BY RATE INCREMENT**

		BILLS	GALLONS	RATE	REVENUE
FIRST	20,000	564	7,064,400	\$ 123.78	\$ 69,809
ALL OVER	20,000		29,886,600	4.81	143,755
TOTAL		564	36,951,000		\$ 213,564

**3" METERS**

	USAGE	BILLS	GALLONS	FIRST 30,000	ALL OVER 30,000	TOTAL
FIRST	30,000	21	163,500	163,500	-	163,500
ALL OVER	30,000	9	815,200	270,000	545,200	815,200
		30	978,700	433,500	545,200	978,700

**REVENUE BY RATE INCREMENT**

		BILLS	GALLONS	RATE	REVENUE
FIRST	30,000	30	433,500	\$ 171.88	\$ 5,156
ALL OVER	30,000		545,200	4.81	2,622
TOTAL		30	978,700		\$ 7,779

**6" METERS**

	USAGE	BILLS	GALLONS	FIRST 100,000	ALL OVER 100,000	TOTAL
FIRST	100,000	25	611,900	611,900	-	611,900
ALL OVER	100,000	23	52,607,300	2,300,000	50,307,300	52,607,300
		48	53,219,200	2,911,900	50,307,300	53,219,200

**REVENUE BY RATE INCREMENT**

		BILLS	GALLONS	RATE	REVENUE
FIRST	100,000	48	2,911,900	\$ 508.58	\$ 24,412
ALL OVER	100,000		50,307,300	4.81	241,978
TOTAL		48	53,219,200		\$ 266,390

**SALES FOR RESALE**

	K GALS	RATE	TOTAL
West Laurel	366,938	3.60	\$ 1,320,977
East Laurel	484,158	3.60	1,742,969
Livingston	13,819	3.60	49,748
	864,915		\$ 3,113,694

# Attachment No. 8

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 301 Organization</b>												
<b>Location: 301-10 ORGANIZATION</b>												
224		ORGANIZATION	1/01/71	21,836.00	0.00	0.00	21,836.00	0.00	21,836.00	0.00	S/L	40.00
		<b>301-10 ORGANIZATION</b>		<u>21,836.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>21,836.00</u>	<u>0.00</u>	<u>21,836.00</u>	<u>0.00</u>		
		<b>301 Organization</b>		<u>21,836.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>21,836.00</u>	<u>0.00</u>	<u>21,836.00</u>	<u>0.00</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 303 Land</b>												
<b>Location:</b>												
456		LAND & LAND RIGHTS	2/28/07	11,345.50	0.00	0.00	0.00	0.00	0.00	11,345.50	Land	0.00
457		LAND & LAND RIGHT ROBNS	9/30/07	450,000.00	0.00	0.00	0.00	0.00	0.00	450,000.00	Land	0.00
458		LAND & LAND RIGHTS MOORE	11/30/07	30,000.00	0.00	0.00	0.00	0.00	0.00	30,000.00	Land	0.00
459		LAND & LAND RIGHTS BINDER	2/28/07	531,639.50	0.00	0.00	0.00	0.00	0.00	531,639.50	Land	0.00
460		LAND & LAND RIGHTS CLIFFS	2/28/07	115,440.00	0.00	0.00	0.00	0.00	0.00	115,440.00	Land	0.00
461		LAND & LAND RIGHTS BLEDSO	2/28/07	443,280.00	0.00	0.00	0.00	0.00	0.00	443,280.00	Land	0.00
462		LAND & LAND RIGHTS BLEDSO	12/31/07	146,460.00	0.00	0.00	0.00	0.00	0.00	146,460.00	Land	0.00
471		LAND WATERSHED PROJECT	12/31/08	297,876.25	0.00	0.00	0.00	0.00	0.00	297,876.25	Land	0.00
499		LAND AND LAND RIGHTS	6/30/09	504,875.00	0.00	0.00	0.00	0.00	0.00	504,875.00	Land	0.00
509		LAND AQUISITION COSTS	12/31/10	860,822.50	0.00	0.00	0.00	0.00	0.00	860,822.50	Land	0.00
<b>No Location</b>				<u>3,391,738.75</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,391,738.75</u>		
<b>Location: 303-20 LAND &amp; LAND RIGHTS</b>												
225		LAND AND LAND RIGHTS	3/21/75	15,800.00	0.00	0.00	0.00	0.00	0.00	15,800.00	Land	0.00
226		LAND AND LAND RIGHTS	1/01/77	1,000.00	0.00	0.00	0.00	0.00	0.00	1,000.00	Land	0.00
227		LAND AND LAND RIGHTS	1/01/77	1,675.00	0.00	0.00	0.00	0.00	0.00	1,675.00	Land	0.00
228		LAND AND LAND RIGHTS	1/01/71	49,936.00	0.00	0.00	0.00	0.00	0.00	49,936.00	Land	0.00
229		LAND AND LAND RIGHTS	1/01/80	9,700.00	0.00	0.00	0.00	0.00	0.00	9,700.00	Land	0.00
230		LAND AND LAND RIGHTS	7/01/88	1,924.00	0.00	0.00	0.00	0.00	0.00	1,924.00	Land	0.00
231		LAND AND LAND RIGHTS	7/01/89	8,392.00	0.00	0.00	0.00	0.00	0.00	8,392.00	Land	0.00
232		LAND & LAND RIGHTS	8/31/95	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00	Land	0.00
<b>303-20 LAND &amp; LAND RIGHTS</b>				<u>98,427.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>98,427.00</u>		
<b>Location: 303-21 LAND &amp; LAND CLEAR</b>												
233		LAND AND LAND CLEARING	1/01/71	138,876.00	0.00	0.00	0.00	0.00	0.00	138,876.00	Land	0.00
<b>303-21 LAND &amp; LAND CLEAR</b>				<u>138,876.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>138,876.00</u>		
<b>Location: 303-30 LAND &amp; LAND RIGHTS</b>												
234		LAND AND LAND RIGHTS	3/01/99	30,000.00	0.00	0.00	0.00	0.00	0.00	30,000.00	Land	0.00
<b>303-30 LAND &amp; LAND RIGHTS</b>				<u>30,000.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>30,000.00</u>		
<b>Location: 303-40 LAND &amp; LAND RIGHTS</b>												
235		LAND AND LAND RIGHTS	1/01/79	878.00	0.00	0.00	0.00	0.00	0.00	878.00	Land	0.00
236		LAND AND LAND RIGHTS	1/01/83	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	Land	0.00
237		LAND AND LAND RIGHTS	7/01/86	52,000.00	0.00	0.00	0.00	0.00	0.00	52,000.00	Land	0.00
238		LAND AND LAND RIGHTS	7/01/87	1,303.00	0.00	0.00	0.00	0.00	0.00	1,303.00	Land	0.00
239		LAND AND LAND RIGHTS	7/01/88	15,459.00	0.00	0.00	0.00	0.00	0.00	15,459.00	Land	0.00
<b>303-40 LAND &amp; LAND RIGHTS</b>				<u>89,640.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>89,640.00</u>		
<b>Location: 303-50 LAND &amp; LAND RIGHTS</b>												
240		LAND AND LAND RIGHTS	7/01/87	125,950.00	0.00	0.00	0.00	0.00	0.00	125,950.00	Land	0.00
241		LAND AND LAND RIGHTS	7/01/05	146,587.50	0.00	0.00	0.00	0.00	0.00	146,587.50	Land	0.00
242		LAND AND LAND RIGHTS	7/01/06	26,762.50	0.00	0.00	0.00	0.00	0.00	26,762.50	Land	0.00
601		LAND & LAND RIGHTS	6/30/13	1,020.00	0.00	0.00	101.99	0.00	101.99	918.01	Land	35.00

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 303 Land   Location: 303-50 LAND &amp; LAND RIGHTS (continued)</b>												
606		LAND AND LAND RIGHTS	6/30/14	47,333.50	0.00	0.00	0.00	0.00	0.00	47,333.50	Land	0.00
630		LAND RIGHTS - ROBINSON	12/29/16	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	Land	0.00
649		LAND & LAND RIGHTS WHIT	9/28/17	18,905.84	0.00	0.00	0.00	0.00	0.00	18,905.84	Land	0.00
666		LAND	6/30/18	124,000.00	0.00	0.00	0.00	0.00	0.00	124,000.00	Land	0.00
679		LAND	2/07/19	16,800.00	0.00	0.00	0.00	0.00	0.00	16,800.00	Land	0.00
680		LAND	10/22/19	50,000.00	0.00	0.00	0.00	0.00	0.00	50,000.00	Land	0.00
681		LAND	12/18/19	30,000.00	0.00	0.00	0.00	0.00	0.00	30,000.00	Land	0.00
<b>303-50 LAND &amp; LAND RIGHTS</b>				<u>592,359.34</u>	<u>0.00c</u>	<u>0.00</u>	<u>101.99</u>	<u>0.00</u>	<u>101.99</u>	<u>592,257.35</u>		
<b>Location: 303-90 LAND AND LAND RIGH <span style="color: red;">SEWER</span></b>												
517		LAND - LAUREL CO SCH BD	1/01/01	9,000.00	0.00	0.00	0.00	0.00	0.00	9,000.00	Land	0.00
518		LAND	7/01/09	39,007.50	0.00	0.00	0.00	0.00	0.00	39,007.50	Land	0.00
573		Land and Land Rights	7/01/11	3,500.00	0.00	0.00	0.00	0.00	0.00	3,500.00	Land	0.00
<b>303-90 LAND AND LAND RIGH</b>				<u>51,507.50</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>51,507.50</u>		
<b>303 Land</b>				<u>4,392,548.59</u>	<u>0.00c</u>	<u>0.00</u>	<u>101.99</u>	<u>0.00</u>	<u>101.99</u>	<u>4,392,446.60</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 304 Structures &amp; Improvem</b>												
<b>Location: 304-20 STRUCT &amp; IMPROVEMT</b>												
243		STRUCTURES & IMPROVEMEN	7/01/99	795,118.00	0.00	0.00	747,006.24	22,717.66	769,723.90	25,394.10	S/L	35.00
244		BOAT DOCK	7/01/06	10,362.23	0.00	0.00	6,994.49	518.11	7,512.60	2,849.63	S/L	20.00
434		PLANT GATE & SIGN	9/30/07	4,661.50	0.00	0.00	2,544.43	155.38	2,699.81	1,961.69	S/L	30.00
472		SIGN AT PLANT	3/31/08	4,661.50	0.00	0.00	2,339.13	133.19	2,472.32	2,189.18	S/L	35.00
473		GATE AT PLANT	4/30/08	1,392.00	0.00	0.00	692.68	39.77	732.45	659.55	S/L	35.00
<b>304-20 STRUCT &amp; IMPROVEMT</b>				<b>816,195.23</b>	<b>0.00c</b>	<b>0.00</b>	<b>759,576.97</b>	<b>23,564.11</b>	<b>783,141.08</b>	<b>33,054.15</b>		
<b>Location: 304-30 STRUCT &amp; IMPROVEMT</b>												
402		STRUCTURES AND IMPROVEM	1/01/71	234,229.00	0.00	0.00	234,229.00	0.00	234,229.00	0.00	S/L	40.00
403		STRUCTURES AND IMPROVEM	1/01/78	559,813.00	0.00	0.00	475,835.96	13,995.33	489,831.29	69,981.71	S/L	40.00
404		STRUCTURES AND IMPROVEM	7/01/86	735,684.00	0.00	0.00	507,626.92	18,392.10	526,019.02	209,664.98	S/L	40.00
405		STRUCTURES & IMPROVEMEN	7/01/91	1,870,601.00	0.00	0.00	1,103,654.40	46,765.03	1,150,419.43	720,181.57	S/L	40.00
406		ROOF-PLANT	3/11/91	16,000.00	0.00	0.00	9,547.00	400.00	9,947.00	6,053.00	S/L	40.00
407		ROOF-CHEMICAL BUILDING	2/15/95	6,575.00	0.00	0.00	3,411.52	164.38	3,575.90	2,999.10	S/L	40.00
408		STORAGE BUILDING	1/16/96	1,700.00	0.00	0.00	850.00	42.50	892.50	807.50	S/L	40.00
410		FENCE	10/24/96	448.00	0.00	0.00	217.24	11.20	228.44	219.56	S/L	40.00
497		NEW WATER PLANT	6/30/08	6,145,881.90	0.00	0.00	1,536,470.50	153,647.05	1,690,117.55	4,455,764.35	S/L	40.00
500		STRUCTURE & IMPROVEMENT	6/30/09	179,869.41	0.00	0.00	41,369.99	4,496.74	45,866.73	134,002.68	S/L	40.00
<b>304-30 STRUCT &amp; IMPROVEMT</b>				<b>9,750,801.31</b>	<b>0.00c</b>	<b>0.00</b>	<b>3,913,212.53</b>	<b>237,914.33</b>	<b>4,151,126.86</b>	<b>5,599,674.45</b>		
<b>Location: 304-40 STRUCT &amp; IMPROVEMT</b>												
257		STRUCTURES AND IMPROVEM	1/01/76	1,738.00	0.00	0.00	1,738.00	0.00	1,738.00	0.00	S/L	20.00
258		STRUCTURES AND IMPROVEM	1/01/78	20,504.00	0.00	0.00	20,504.00	0.00	20,504.00	0.00	S/L	20.00
259		STRUCTURES AND IMPROVEM	1/01/79	17,159.00	0.00	0.00	17,159.00	0.00	17,159.00	0.00	S/L	20.00
260		STRUCTURES AND IMPROVEM	1/01/82	214.00	0.00	0.00	214.00	0.00	214.00	0.00	S/L	20.00
261		STRUCTURES AND IMPROVEM	7/01/86	2,111.00	0.00	0.00	2,111.00	0.00	2,111.00	0.00	S/L	20.00
262		STORAGE BUILDING	7/01/87	109,960.00	0.00	0.00	109,960.00	0.00	109,960.00	0.00	S/L	20.00
263		FENCE	6/08/92	506.00	0.00	0.00	506.00	0.00	506.00	0.00	S/L	20.00
264		STRUCTURES AND IMPROVEM	7/01/99	795,118.00	0.00	0.00	747,006.24	22,717.66	769,723.90	25,394.10	S/L	35.00
<b>304-40 STRUCT &amp; IMPROVEMT</b>				<b>947,310.00</b>	<b>0.00c</b>	<b>0.00</b>	<b>899,198.24</b>	<b>22,717.66</b>	<b>921,915.90</b>	<b>25,394.10</b>		
<b>Location: 304-50 STRUCT &amp; IMPROVEMT</b>												
1		STORAGE BUILDING	7/01/88	1,769.00	0.00	0.00	1,145.24	44.23	1,189.47	579.53	S/L	40.00
2		NEW OFFICE	5/01/89	172,919.00	0.00	0.00	109,511.24	4,322.98	113,834.22	59,084.78	S/L	40.00
3		PAVING	7/01/90	14,865.00	0.00	0.00	14,865.00	0.00	14,865.00	0.00	S/L	20.00
4		PLANT FURNACE	7/01/90	1,172.00	0.00	0.00	710.36	29.30	739.66	432.34	S/L	40.00
5		BATHROOM FIXTURES	7/01/90	165.00	0.00	0.00	96.72	4.13	100.85	64.15	S/L	40.00
6		LAKE-BUILDING	7/01/91	2,318.00	0.00	0.00	1,317.48	46.36	1,363.84	954.16	S/L	50.00
7		FENCE	10/24/96	3,843.00	0.00	0.00	1,864.36	96.08	1,960.44	1,882.56	S/L	40.00
8		STRUCTURES & IMPROVEMEN	7/01/04	33,843.00	0.00	0.00	23,327.49	966.94	24,294.43	9,548.57	S/L	35.00
9		STRUCTURES & IMPROVEMEN	7/01/06	6,855.28	0.00	0.00	4,039.70	195.87	4,235.57	2,619.71	S/L	35.00
438		FENCE AT WAREHOUSE	2/26/07	8,735.00	0.00	0.00	4,856.24	249.57	5,105.81	3,629.19	S/L	35.00
439		BLACKTOP OFFICE PARKING L	4/27/07	13,428.00	0.00	0.00	7,353.44	383.66	7,737.10	5,690.90	S/L	35.00
440		SIDEWALKS AT OFFICE	3/27/07	1,594.00	0.00	0.00	879.54	45.54	925.08	668.92	S/L	35.00
441		METAL CARPORT	5/08/07	1,620.00	0.00	0.00	887.16	46.29	933.45	686.55	S/L	35.00

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 304 Structures &amp; Improvem   Location: 304-50 STRUCT &amp; IMPROVEMT (continued)</b>												
443		BUILDING	11/30/07	29,042.00	0.00	0.00	7,599.32	726.05	8,325.37	20,716.63	S/L	40.00
474		CABINETS AT PLANT	2/29/08	8,900.00	0.00	0.00	2,632.92	222.50	2,855.42	6,044.58	S/L	40.00
475		3 TON HP/DUCT PTS/LAB	2/29/08	4,480.00	0.00	0.00	1,325.33	112.00	1,437.33	3,042.67	S/L	40.00
476		PLANT AND OFFICE SHELVING	2/29/08	1,400.00	0.00	0.00	414.17	35.00	449.17	950.83	S/L	40.00
477		WAREHOUSE HEAT PUMP	3/31/08	2,000.00	0.00	0.00	587.50	50.00	637.50	1,362.50	S/L	40.00
478		ROOF-STORAGE BUILDING	4/30/08	2,800.00	0.00	0.00	816.67	70.00	886.67	1,913.33	S/L	40.00
479		ROAD TO SLUDG DUMP	12/31/08	7,036.44	0.00	0.00	3,266.90	201.04	3,467.94	3,568.50	S/L	35.00
480		TOP SOIL BIN	12/31/08	23,279.70	0.00	0.00	6,401.89	581.99	6,983.88	16,295.82	S/L	40.00
501		STRUCTURE & IMPROVEMENT	6/30/09	17,230.23	0.00	0.00	7,568.98	492.29	8,061.27	9,168.96	S/L	35.00
568		Structures and Improvements	7/01/11	1,107.00	0.00	0.00	375.60	31.63	407.23	699.77	S/L	35.00
619		STRUCTURES AND IMPROVEM	6/30/15	5,121.48	0.00	0.00	1,152.32	256.07	1,408.39	3,713.09	S/L	20.00
682		DOCKS (AMERICAN MUSCLE)	10/15/19	40,799.00	0.00	0.00	509.99	2,039.95	2,549.94	38,249.06	S/L	20.00
701		C A MILLS	6/30/20	5,680.00	0.00c	0.00	0.00	142.00	142.00	5,538.00	S/L	20.00
<b>304-50 STRUCT &amp; IMPROVEMT</b>				<u>412,002.13</u>	<u>0.00c</u>	<u>0.00</u>	<u>203,505.56</u>	<u>11,391.47</u>	<u>214,897.03</u>	<u>197,105.10</u>		
<b>Location: 304-90 STRUCTURE &amp; IMPRO SEWER</b>												
519		STRUCTURE & IMPROVEMENT	7/01/09	7,290.01	0.00	0.00	3,827.25	364.50	4,191.75	3,098.26	S/L	20.00
521		STRUCTURE & IMPROVEMENT	7/01/05	8,375.00	0.00	0.00	6,071.88	418.75	6,490.63	1,884.37	S/L	20.00
578		Structure & Improvements	7/01/11	20,220.25	0.00	0.00	8,593.59	1,011.01	9,604.60	10,615.65	S/L	20.00
589		Structures and Improvements	7/01/12	1,143.47	0.00	0.00	428.78	57.17	485.95	657.52	S/L	20.00
<b>304-90 STRUCTURE &amp; IMPRO</b>				<u>37,028.73</u>	<u>0.00c</u>	<u>0.00</u>	<u>18,921.50</u>	<u>1,851.43</u>	<u>20,772.93</u>	<u>16,255.80</u>		
<b>304 Structures &amp; Improvem</b>				<u>11,963,337.40</u>	<u>0.00c</u>	<u>0.00</u>	<u>5,794,414.80</u>	<u>297,439.00</u>	<u>6,091,853.80</u>	<u>5,871,483.60</u>		



**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 305 Coll. &amp; Impounding</b>												
<b>Location: 305-20 COLLECT &amp; IMPOUND</b>												
245		COLLECTING & IMPOUNDING I	1/01/71	30,880.00	0.00	0.00	30,880.00	0.00	30,880.00	0.00	S/L	50.00
<b>305-20 COLLECT &amp; IMPOUND</b>				<u>30,880.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>30,880.00</u>	<u>0.00</u>	<u>30,880.00</u>	<u>0.00</u>		
<b>Location: 352-19 COLLECTION FORCE M <i>SEWER</i></b>												
520		COLLECTION SEWERA	7/01/01	1,401,954.00	0.00	0.00	648,403.30	35,048.85	683,452.15	718,501.85	S/L	40.00
522		COLLECTION SEWERS	7/01/02	120,364.00	0.00	0.00	52,659.25	3,009.10	55,668.35	64,695.65	S/L	40.00
523		COLLECTION SEWERS	7/01/03	8,625.52	0.00	0.00	3,558.06	215.64	3,773.70	4,851.82	S/L	40.00
524		COLLECTION SEWERS	7/01/04	762,695.33	0.00	0.00	295,544.39	19,067.38	314,611.77	448,083.56	S/L	40.00
525		COLLECTION SEWERS	7/01/05	28,218.31	0.00	0.00	10,229.17	705.46	10,934.63	17,283.68	S/L	40.00
526		COLLECTION SEWERS	7/01/06	119,022.33	0.00	0.00	40,170.06	2,975.56	43,145.62	75,876.71	S/L	40.00
527		COLLECTION SEWERS	7/01/08	3,623.94	0.00	0.00	1,041.90	90.60	1,132.50	2,491.44	S/L	40.00
528		COLLECTION SEWERS	7/01/09	1,079,887.51	0.00	0.00	283,470.49	26,997.19	310,467.68	769,419.83	S/L	40.00
529		COLLECTION SEWERS	7/10/10	18,182.12	0.00	0.00	4,318.23	454.55	4,772.78	13,409.34	S/L	40.00
574		Collections Force Main	7/01/11	772,400.41	0.00	0.00	164,135.09	19,310.01	183,445.10	588,955.31	S/L	40.00
590		Collections Force Main	7/01/12	2,771.96	0.00	0.00	519.75	69.30	589.05	2,182.91	S/L	40.00
602		COLLECTION FORCE MAIN	6/30/13	11,060.78	0.00	0.00	1,198.27	184.35	1,382.62	9,678.16	S/L	60.00
698		COLLECTIONS FORCE MAIN	6/30/19	619,317.93	0.00	0.00	7,741.47	15,482.95	23,224.42	596,093.51	S/L	40.00
<b>352-19 COLLECTION FORCE M</b>				<u>4,948,124.14</u>	<u>0.00c</u>	<u>0.00</u>	<u>1,512,989.43</u>	<u>123,610.94</u>	<u>1,636,600.37</u>	<u>3,311,523.77</u>		
<b>305 Coll. &amp; Impounding</b>				<u>4,979,004.14</u>	<u>0.00c</u>	<u>0.00</u>	<u>1,543,869.43</u>	<u>123,610.94</u>	<u>1,667,480.37</u>	<u>3,311,523.77</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 309 Supply Mains</b>												
<b>Location: 309-20 SUPPLY MAINS</b>												
246		SUPPLY MAINS	1/01/78	4,484.00	0.00	0.00	3,728.24	89.68	3,817.92	666.08	S/L.	50.00
		<b>309-20 SUPPLY MAINS</b>		<u>4,484.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>3,728.24</u>	<u>89.68</u>	<u>3,817.92</u>	<u>666.08</u>		
		<b>309 Supply Mains</b>		<u>4,484.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>3,728.24</u>	<u>89.68</u>	<u>3,817.92</u>	<u>666.08</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 310 Power Generation Equi</b>												
<b>Location: 393-00 POWER OPERATED EQU SEWER</b>												
530		JD 4501 DOZER	7/01/06	89,500.00	0.00	0.00	89,500.00	0.00	89,500.00	0.00	S/L	10.00
531		KOMATSU PC78MR-6	7/01/06	72,000.00	0.00	0.00	72,000.00	0.00	72,000.00	0.00	S/L	10.00
533		JD 310D BACKHOE	7/16/96	48,250.00	0.00	0.00	48,250.00	0.00	48,250.00	0.00	S/L	10.00
534		IR AIR COMPRESSOR	3/29/01	12,959.00	0.00	0.00	12,959.00	0.00	12,959.00	0.00	S/L	10.00
<b>393-00 POWER OPERATED EQU</b>				<u>222,709.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>222,709.00</u>	<u>0.00</u>	<u>222,709.00</u>	<u>0.00</u>		
<b>310 Power Generation Equi</b>				<u>222,709.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>222,709.00</u>	<u>0.00</u>	<u>222,709.00</u>	<u>0.00</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 311 Pumping Equipment</b>												
<b>Location: 311-00 PUMPING EQUIPMENT</b>												
481		PULSE FEEDER PUMP	6/30/08	12,982.12	0.00	0.00	3,430.98	370.92	3,801.90	9,180.22	S/L	35.00
511		PUMPING EQUIPMENT	9/09/10	5,196.00	0.00	0.00	2,424.80	259.80	2,684.60	2,511.40	S/L	20.00
<b>311-00 PUMPING EQUIPMENT</b>				<b>18,178.12</b>	<b>0.00c</b>	<b>0.00</b>	<b>5,855.78</b>	<b>630.72</b>	<b>6,486.50</b>	<b>11,691.62</b>		
<b>Location: 311-20 ELECT PUMP EQUIP</b>												
247		ELECTRIC PUMPING EQUIPMEI	1/01/71	9,100.00	0.00	0.00	9,100.00	0.00	9,100.00	0.00	S/L	40.00
248		ELECTRIC PUMPING EQUIPMEI	1/01/78	86,906.00	0.00	0.00	73,868.28	2,172.65	76,040.93	10,865.07	S/L	40.00
249		ELECTRIC PUMPING EQUIPMEI	1/01/80	132.00	0.00	0.00	115.16	3.30	118.46	13.54	S/L	40.00
250		ELECTRIC PUMPING EQUIPMEI	1/01/82	310,976.00	0.00	0.00	242,568.88	7,774.40	250,343.28	60,632.72	S/L	40.00
251		ELECTRIC PUMPING EQUIPMEI	1/01/83	80.00	0.00	0.00	66.40	2.00	68.40	11.60	S/L	40.00
252		ELECTRIC PUMPING EQUIPMEI	7/01/86	4,822.00	0.00	0.00	3,321.36	120.55	3,441.91	1,380.09	S/L	40.00
253		ELECTRIC PUMPING EQUIPMEI	7/01/87	21,807.00	0.00	0.00	14,608.68	545.18	15,153.86	6,653.14	S/L	40.00
254		ELECTRIC PUMPING EQUIPMEI	7/01/88	47,340.00	0.00	0.00	30,773.20	1,183.50	31,956.70	15,383.30	S/L	40.00
255		FLEC PUMP EQUIP VAUGHN	2/28/00	210,000.00	0.00	0.00	88,200.00	5,250.00	93,450.00	116,550.00	S/L	40.00
451		ELECTRIC PUMPING EQUIPMEI	6/30/07	12,099.00	0.00	0.00	3,266.75	302.48	3,569.23	8,529.77	S/L	40.00
510		PUMPING EQUIPMENT	7/01/10	119,530.00	0.00	0.00	56,776.75	5,976.50	62,753.25	56,776.75	S/L	20.00
702		Tencarva Machine Con	2/25/20	34,369.22	0.00c	0.00	0.00	1,432.05	1,432.05	32,937.17	S/L	20.00
<b>311-20 ELECT PUMP EQUIP</b>				<b>857,161.22</b>	<b>0.00c</b>	<b>0.00</b>	<b>522,665.46</b>	<b>24,762.61</b>	<b>547,428.07</b>	<b>309,733.15</b>		
<b>Location: 363-90 ELECTRIC PUMPING &amp; SEWER</b>												
535		4 LIFT STATION PUMPS	7/01/01	50,000.00	0.00	0.00	50,000.00	0.00	50,000.00	0.00	S/L	5.00
536		494 SIMPLEX GRINDER PUMPS	7/01/01	573,534.00	0.00	0.00	573,534.00	0.00	573,534.00	0.00	S/L	7.00
537		PUMPS	7/01/02	181,524.00	0.00	0.00	181,524.00	0.00	181,524.00	0.00	S/L	7.00
538		PUMPS	7/01/03	14.66	0.00	0.00	14.66	0.00	14.66	0.00	S/L	7.00
539		PUMPS	7/01/04	176,355.02	0.00	0.00	176,355.02	0.00	176,355.02	0.00	S/L	7.00
540		PUMPS	7/01/05	38,309.88	0.00	0.00	38,309.88	0.00	38,309.88	0.00	S/L	7.00
541		PUMPS	7/01/06	35,467.15	0.00	0.00	35,467.15	0.00	35,467.15	0.00	S/L	7.00
542		PUMPS	7/01/07	35,948.28	0.00	0.00	35,948.28	0.00	35,948.28	0.00	S/L	7.00
543		PUMPS	7/01/08	38,848.78	0.00	0.00	38,848.78	0.00	38,848.78	0.00	S/L	7.00
544		PUMPS	7/01/09	994,788.29	0.00	0.00	994,788.29	0.00	994,788.29	0.00	S/L	35.00
545		PUMPS	7/01/10	96,812.32	0.00	0.00	96,812.32	0.00	96,812.32	0.00	S/L	7.00
577		Electric Pumping Equipment	7/01/11	285,174.91	0.00	0.00	96,755.77	8,147.85	104,903.62	180,271.29	S/L	35.00
592		Electric Pumping Equipment	7/01/12	117,262.80	0.00	0.00	87,528.31	16,751.83	104,280.14	12,982.66	S/L	7.00
605		ELECTRIC PUMP	6/30/13	58,930.03	0.00	0.00	19,152.25	2,946.50	22,098.75	36,831.28	S/L	20.00
617		Electric Pumping Equipment	6/30/14	93,744.16	0.00	0.00	25,779.65	4,687.21	30,466.86	63,277.30	S/L	20.00
629		Electric Pumping Equipment	6/30/15	110,792.66	0.00	0.00	24,928.34	5,539.63	30,467.97	80,324.69	S/L	20.00
648		ELECTRIC PUMPING EQUIP	6/30/16	140,362.97	0.00	0.00	24,563.52	7,018.15	31,581.67	108,781.30	S/L	20.00
656		ELECTRIC PUMPING EQUIP	6/30/17	140,381.08	0.00	0.00	8,773.82	3,509.53	12,283.35	128,097.73	S/L	40.00
665		ELECTRIC PUMPING EQUIP	6/30/18	87,778.89	0.00	0.00	6,583.41	4,388.94	10,972.35	76,806.54	S/L	20.00
700		ELECTRIC PUMPING EQUIPMEI	6/30/19	350,746.32	0.00	0.00	8,768.66	17,537.32	26,305.98	324,440.34	S/L	20.00
<b>363-90 ELECTRIC PUMPING &amp;</b>				<b>3,606,776.20</b>	<b>0.00c</b>	<b>0.00</b>	<b>2,524,436.11</b>	<b>70,526.96</b>	<b>2,594,963.07</b>	<b>1,011,813.13</b>		
<b>Location: 393-90 COMMUNICATION EQUI SEWER</b>												
719		ELECTRIC PUMPING EQUIP (W)	6/30/20	196,418.16	0.00c	0.00	0.00	4,910.45	4,910.45	191,507.71	S/L	20.00

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	id	Property Description	Date in Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 311 Pumping Equipment   Location: 393-90 COMMUNICATION EQUI (continued)												
		393-90 COMMUNICATION EQUI		<u>196,418.16</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>4,910.45</u>	<u>4,910.45</u>	<u>191,507.71</u>		
		311 Pumping Equipment		<u>4,678,533.70</u>	<u>0.00c</u>	<u>0.00</u>	<u>3,052,957.35</u>	<u>100,830.74</u>	<u>3,153,788.09</u>	<u>1,524,745.61</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 320 Water Treatment Equip</b>												
<b>Location: 320-30 WATER TRTMT EQUIP</b>												
411		WATER TREATMENT EQUIPME	1/01/76	72.00	0.00	0.00	72.00	0.00	72.00	0.00	S/L	25.00
412		WATER TREATMENT EQUIPME	1/01/78	243,428.00	0.00	0.00	243,428.00	0.00	243,428.00	0.00	S/L	25.00
413		WATER TREATMENT EQUIPME	1/01/79	906.00	0.00	0.00	758.16	18.12	776.28	129.72	S/L	50.00
414		WATER TREATMENT EQUIPME	1/01/80	594.00	0.00	0.00	594.00	0.00	594.00	0.00	S/L	25.00
415		WATER TREATMENT EQUIPME	1/01/82	347.00	0.00	0.00	347.00	0.00	347.00	0.00	S/L	25.00
416		WATER TREATMENT EQUIPME	1/01/83	316.00	0.00	0.00	316.00	0.00	316.00	0.00	S/L	25.00
417		PRESSURE RECORDERS	1/01/84	1,093.00	0.00	0.00	1,093.00	0.00	1,093.00	0.00	S/L	25.00
418		CHEMICAL FEEDERS	1/01/84	8,027.00	0.00	0.00	8,027.00	0.00	8,027.00	0.00	S/L	25.00
419		AIR PAC	7/01/86	1,196.00	0.00	0.00	1,196.00	0.00	1,196.00	0.00	S/L	25.00
420		JAR TEST MACHINE	7/01/86	759.00	0.00	0.00	759.00	0.00	759.00	0.00	S/L	25.00
421		AIR COMPRESSOR	7/01/86	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	25.00
422		CHEMICAL FEEDER	7/01/86	5,305.00	0.00	0.00	5,305.00	0.00	5,305.00	0.00	S/L	25.00
423		PRESSURE RECOEDER	7/01/89	326.00	0.00	0.00	326.00	0.00	326.00	0.00	S/L	25.00
424		(2) RFCORDERS	9/14/92	649.00	0.00	0.00	649.00	0.00	649.00	0.00	S/L	20.00
425		CHOLRINE MACHINE	7/01/93	2,285.00	0.00	0.00	2,285.00	0.00	2,285.00	0.00	S/L	25.00
426		AIR COMPRESSOR	5/31/94	1,495.00	0.00	0.00	1,495.00	0.00	1,495.00	0.00	S/L	20.00
427		CHEMICAL PUMP	8/31/94	1,001.00	0.00	0.00	1,001.00	0.00	1,001.00	0.00	S/L	25.00
428		WATER TREATMENT EQUIPME	11/06/95	656.00	0.00	0.00	602.32	18.74	621.06	34.94	S/L	35.00
429		RECORDER	5/21/96	573.00	0.00	0.00	565.48	7.52	573.00	0.00	S/L	20.00
430		WATER TREATMENT EQUIPME	6/30/99	12,445.00	0.00	0.00	9,638.48	355.57	9,994.05	2,450.95	S/L	35.00
431		CHEMICAL FEED ADDITION-SE	11/13/00	191,041.00	0.00	0.00	144,100.20	5,458.31	149,558.51	41,482.49	S/L	35.00
432		WATER TREATMENT EQUIPME	7/01/01	2,461.00	0.00	0.00	1,757.40	70.31	1,827.71	633.29	S/L	35.00
433		WATER TREATMENT EQUIPME	7/01/04	22,500.00	0.00	0.00	12,921.44	642.86	13,564.30	8,935.70	S/L	35.00
498		NEW WATER PLANT	6/30/08	6,189,620.23	0.00	0.00	1,779,515.86	154,740.51	1,934,256.37	4,255,363.86	S/L	40.00
502		WATER TREATMENT EQUIPME	6/30/09	31,442.00	0.00	0.00	11,768.28	898.34	12,666.62	18,775.38	S/L	35.00
667		WATER TREATMENT EQUIPME	6/30/18	128,739.85	0.00	0.00	5,517.42	3,678.28	9,195.70	119,544.15	S/L	35.00
<b>320-30 WATER TRTMT EQUIP</b>				<u>6,852,277.08</u>	<u>0.00c</u>	<u>0.00</u>	<u>2,239,038.04</u>	<u>165,888.56</u>	<u>2,404,926.60</u>	<u>4,447,350.48</u>		
<b>320 Water Treatment Equip</b>				<u>6,852,277.08</u>	<u>0.00c</u>	<u>0.00</u>	<u>2,239,038.04</u>	<u>165,888.56</u>	<u>2,404,926.60</u>	<u>4,447,350.48</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Am't	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 330 Dist. Reservoirs &amp; St</b>												
<b>Location: 330-40 DIST RES/STANDPIPE</b>												
265		DIST RESERVOIRS & STANDPIF	7/01/04	89,959.77	0.00	0.00	27,887.60	1,799.20	29,686.80	60,272.97	S/L	50.00
266		DISTB. RESERVOIRS & STANDI	1/01/78	309,159.00	0.00	0.00	256,598.24	6,183.18	262,781.42	46,377.58	S/L	50.00
267		DISTB. RESERVOIRS & STANDI	1/01/79	37,509.00	0.00	0.00	30,379.24	750.18	31,129.42	6,379.58	S/L	50.00
268		DISTB. RESERVOIRS & STANDI	1/01/80	8,317.00	0.00	0.00	6,647.12	166.34	6,813.46	1,503.54	S/L	50.00
269		DISTB. RESERVOIRS & STANDI	7/01/86	217,958.00	0.00	0.00	146,029.88	4,359.16	150,389.04	67,568.96	S/L	50.00
270		DIST RESERVOIR & STANDPIPE	7/01/02	850.00	0.00	0.00	306.00	17.00	323.00	527.00	S/L	50.00
271		DIST RESERVOIRS & STANDPIF	7/01/03	775,776.26	0.00	0.00	256,006.24	15,515.53	271,521.77	504,254.49	S/L	50.00
272		FENCE AT PLANT	7/01/87	6,495.00	0.00	0.00	4,223.20	129.90	4,353.10	2,141.90	S/L	50.00
273		TANK-CONDEM. LAND	7/01/88	7,540.00	0.00	0.00	4,752.40	150.80	4,903.20	2,636.80	S/L	50.00
274		WATER TANK	7/01/89	21,851.00	0.00	0.00	13,329.36	437.02	13,766.38	8,084.62	S/L	50.00
275		RESERVOIRS AND STANDPIPES	7/01/90	308.00	0.00	0.00	179.88	6.16	186.04	121.96	S/L	50.00
276		VAUGHN RIDGE TANK	2/28/00	577,509.00	0.00	0.00	231,003.24	11,550.18	242,553.42	334,955.58	S/L	50.00
<b>330-40 DIST RES/STANDPIPE</b>				<u>2,053,232.03</u>	<u>0.00c</u>	<u>0.00</u>	<u>977,342.40</u>	<u>41,064.65</u>	<u>1,018,407.05</u>	<u>1,034,824.98</u>		
<b>330 Dist. Reservoirs &amp; St</b>				<u>2,053,232.03</u>	<u>0.00c</u>	<u>0.00</u>	<u>977,342.40</u>	<u>41,064.65</u>	<u>1,018,407.05</u>	<u>1,034,824.98</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 331 Trans &amp; Dist</b>												
<b>Location: 331-40 TRANS &amp; DIST MAINS</b>												
277		TRANSPORTATION & DISTB. M	1/01/71	478,716.00	0.00	0.00	478,716.00	0.00	478,716.00	0.00	S/L	40.00
278		TRANSPORTATION & DISTB. M	1/01/71	2,820.00	0.00	0.00	2,727.20	56.40	2,783.60	36.40	S/L	50.00
279		TRANSPORTATION & DISTB. M	1/01/72	5,541.00	0.00	0.00	5,267.76	110.82	5,378.58	162.42	S/L	50.00
280		TRANSPORTATION & DISTB. M	1/01/73	8,611.00	0.00	0.00	8,003.96	172.22	8,176.18	434.82	S/L	50.00
281		TRANSPORTATION & DISTB. M	1/01/74	13,390.00	0.00	0.00	12,188.40	267.80	12,456.20	933.80	S/L	50.00
282		TRANSPORTATION & DISTB. M	1/01/75	2,332.00	0.00	0.00	2,082.52	46.64	2,129.16	202.84	S/L	50.00
283		TRANSPORTATION & DISTB. M	1/01/76	4,894.00	0.00	0.00	4,259.84	97.88	4,357.72	536.28	S/L	50.00
284		TRANSPORTATION & DISTB. M	1/01/76	23,117.00	0.00	0.00	20,105.12	462.34	20,567.46	2,549.54	S/L	50.00
285		TRANSPORTATION & DISTB. M	1/01/77	8,196.00	0.00	0.00	6,968.56	163.92	7,132.48	1,063.52	S/L	50.00
286		TRANSPORTATION & DISTB. M	1/01/78	564,370.00	0.00	0.00	468,419.20	11,287.40	479,706.60	84,663.40	S/L	50.00
287		TRANSPORTATION & DISTB. M	1/01/79	35,911.00	0.00	0.00	29,083.96	718.22	29,802.18	6,108.82	S/L	50.00
288		TRANSPORTATION & DISTB. M	1/01/80	14,145.00	0.00	0.00	11,318.20	282.90	11,601.10	2,543.90	S/L	50.00
289		TRANSPORTATION & DISTB. M	1/01/81	32,591.00	0.00	0.00	25,097.76	651.82	25,749.58	6,841.42	S/L	50.00
290		TRANSPORTATION & DISTB. M	1/01/81	25,229.00	0.00	0.00	19,430.44	504.58	19,935.02	5,293.98	S/L	50.00
291		TRANSPORTATION & DISTB. M	1/01/82	8,512.00	0.00	0.00	6,465.32	170.24	6,635.56	1,876.44	S/L	50.00
292		TRANSPORTATION & DISTB. M	1/01/83	56,767.00	0.00	0.00	42,002.12	1,135.34	43,137.46	13,629.54	S/L	50.00
293		TRANSPORTATION & DISTB. M	1/01/84	54,324.00	0.00	0.00	39,106.64	1,086.48	40,193.12	14,130.88	S/L	50.00
294		TRANSMISSION & DIST MA	1/01/85	29,910.00	0.00	0.00	20,934.60	598.20	21,532.80	8,377.20	S/L	50.00
295		TRANSMISSION & DIST MA	7/01/86	81,085.00	0.00	0.00	54,331.60	1,621.70	55,953.30	25,131.70	S/L	50.00
296		TRANSMISSION & DIST MA	7/01/87	10,667.00	0.00	0.00	6,929.12	213.34	7,142.46	3,524.54	S/L	50.00
297		TRANS. & DIST MAINS	7/01/88	1,353,276.00	0.00	0.00	852,570.36	27,065.52	879,635.88	473,640.12	S/L	50.00
298		TRANS AND DIST MAINS	7/01/90	11,597.00	0.00	0.00	6,842.92	231.94	7,074.86	4,522.14	S/L	50.00
299		TRANS. & DIST MAINS	7/01/91	3,894.00	0.00	0.00	2,220.84	77.88	2,298.72	1,595.28	S/L	50.00
300		TRANS. AND DIST MAINS	7/01/92	345,515.00	0.00	0.00	190,030.40	6,910.30	196,940.70	148,574.30	S/L	50.00
301		TRANS AND DIST MAINS	7/01/93	118,225.00	0.00	0.00	66,210.00	2,364.50	68,574.50	49,650.50	S/L	50.00
302		TRANS & DIST MAINS	7/01/94	67,464.00	0.00	0.00	34,405.04	1,349.28	35,754.32	21,709.68	S/L	50.00
303		TRANS & DIST MAINS	7/01/95	530,642.00	0.00	0.00	260,015.12	10,612.84	270,627.96	260,014.04	S/L	50.00
304		TRANS & DIST MAINS	7/01/96	31,751.00	0.00	0.00	14,923.36	635.02	15,558.38	16,192.62	S/L	50.00
305		TRANS & DIST MAINS	7/01/97	60,545.00	0.00	0.00	27,245.20	1,210.90	28,456.10	32,088.90	S/L	50.00
306		TRANS & DIST MAINS	7/01/98	6,798.00	0.00	0.00	2,923.28	135.96	3,059.24	3,738.76	S/L	50.00
307		TRANS & DIST MAINS	7/01/99	22,966.00	0.00	0.00	9,415.76	459.32	9,875.08	13,090.92	S/L	50.00
308		TRANS & DIST MAINS	7/01/00	724,853.00	0.00	0.00	289,941.08	14,497.06	304,438.14	420,414.86	S/L	50.00
309		TRANS & DIST MAINS	7/01/01	238,976.00	0.00	0.00	90,810.36	4,779.52	95,589.88	143,386.12	S/L	50.00
310		TRANS & DISTB MAINS	7/01/02	459,261.00	0.00	0.00	165,333.74	9,185.22	174,518.96	284,742.04	S/L	50.00
311		TRANS & DIST MAINS	7/01/03	278,089.63	0.00	0.00	91,769.54	5,561.79	97,331.33	180,758.30	S/L	50.00
312		TRANS & DIST MAINS	7/01/04	263,548.63	0.00	0.00	81,700.04	5,270.97	86,971.01	176,577.62	S/L	50.00
313		TRANS & DIST MAINS	7/01/05	2,690,484.17	0.00	0.00	780,240.36	53,809.68	834,050.04	1,856,434.13	S/L	50.00
314		TRANS & DIST MAINS	7/01/06	144,562.54	0.00	0.00	39,031.88	2,891.25	41,923.13	102,639.41	S/L	50.00
452		TRANS & DIST MAINS.	7/01/07	17,758.85	0.00	0.00	4,439.75	355.18	4,794.93	12,963.92	S/L	50.00
482		TRANS & DIST MAINS.	7/01/08	1,809,866.34	0.00	0.00	416,269.29	36,197.33	452,466.62	1,357,399.72	S/L	50.00
503		TRANSMISSION & DIST MAINS.	6/30/09	94,613.01	0.00	0.00	19,868.73	1,892.26	21,760.99	72,852.02	S/L	50.00
512		TRANS & DIST MAINS.	7/10/10	68,496.50	0.00	0.00	24,316.28	1,369.93	25,686.21	42,810.29	S/L	50.00
569		Trans & Dist Mains	7/01/11	20,737.24	0.00	0.00	3,525.29	414.74	3,940.03	16,797.21	S/L	50.00
579		Trans & Dist Mains	7/01/12	28,561.53	0.00	0.00	4,284.23	571.23	4,855.46	23,706.07	S/L	50.00
598		TRANS & DISTRIB MAINS	6/30/13	81,177.96	0.00	0.00	8,794.30	1,352.97	10,147.27	71,030.69	S/L	60.00
607		TRANS & MAINS	6/30/14	11,742.08	0.00	0.00	1,076.35	195.70	1,272.05	10,470.03	S/L	60.00
620		TRANS DIST MAINS	6/30/15	7,346.25	0.00	0.00	550.98	122.44	673.42	6,672.83	S/L	60.00
631		TRANS & MAINS	6/30/16	54,295.56	0.00	0.00	3,167.25	904.93	4,072.18	50,223.38	S/L	60.00



**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date in Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 331 Trans &amp; Dist   Location: 331-40 TRANS &amp; DIST MAINS (continued)</b>												
650		TRANS & MAINS	6/30/17	15,739.52	0.00	0.00	786.98	314.79	1,101.77	14,637.75	S/L	50.00
668		TRANSMISSION AND DISTRIBU	6/30/18	18,089.20	0.00	0.00	542.67	361.78	904.45	17,184.75	S/L	50.00
684		TRANSMISSION AND DISTRIBU	6/30/19	15,361.41	0.00	0.00	153.61	307.23	460.84	14,900.57	S/L	50.00
703		Capitalized Labor	6/30/20	16,517.39	0.00c	0.00	0.00	412.93	412.93	16,104.46	S/L	20.00
<b>331-40 TRANS &amp; DIST MAINS</b>				<u>11,073,878.81</u>	<u>0.00c</u>	<u>0.00</u>	<u>4,756,843.31</u>	<u>211,470.63</u>	<u>4,968,313.94</u>	<u>6,105,564.87</u>		
<b>331 Trans &amp; Dist</b>				<u>11,073,878.81</u>	<u>0.00c</u>	<u>0.00</u>	<u>4,756,843.31</u>	<u>211,470.63</u>	<u>4,968,313.94</u>	<u>6,105,564.87</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 333 Services SEWER</b>												
<b>Location:</b>												
546		LATERAL KITS	7/01/01	61,399.00	0.00	0.00	61,399.00	0.00	61,399.00	0.00	S/L	10.00
547		VALVE BOXES	7/01/01	8,398.00	0.00	0.00	8,398.00	0.00	8,398.00	0.00	S/L	10.00
548		56.264 SERVICE LINES	7/01/01	140,660.00	0.00	0.00	107,253.00	14,066.00	121,319.00	19,341.00	S/L	10.00
549		SERVICES	7/01/01	533.00	0.00	0.00	533.00	0.00	533.00	0.00	S/L	10.00
550		SERVICES	7/01/02	23,192.00	0.00	0.00	23,192.00	0.00	23,192.00	0.00	S/L	10.00
551		SERVICES	7/01/03	11,217.13	0.00	0.00	11,217.13	0.00	11,217.13	0.00	S/L	10.00
552		SERVICES	7/01/04	11,325.49	0.00	0.00	11,325.49	0.00	11,325.49	0.00	S/L	10.00
553		SERVICES	7/01/05	41,599.93	0.00	0.00	41,599.93	0.00	41,599.93	0.00	S/L	10.00
554		SERVICES	7/01/06	29,328.98	0.00	0.00	29,328.98	0.00	29,328.98	0.00	S/L	10.00
555		SERVICES	7/01/07	32,002.29	0.00	0.00	32,002.29	0.00	32,002.29	0.00	S/L	10.00
556		SERVICES	7/01/08	130,689.98	0.00	0.00	130,689.98	0.00	130,689.98	0.00	S/L	10.00
557		SERVICES	7/01/09	146,685.33	0.00	0.00	146,685.33	0.00	146,685.33	0.00	S/L	10.00
558		SERVICES	7/01/10	89,191.17	0.00	0.00	84,731.64	4,459.53	89,191.17	0.00	S/L	10.00
575		Services	7/01/11	100,803.64	0.00	0.00	85,683.06	10,080.36	95,763.42	5,040.22	S/L	10.00
591		Services	7/01/12	130,537.73	0.00	0.00	75,059.19	13,053.77	88,112.96	42,424.77	S/L	10.00
603		SERVICES	6/30/13	49,701.95	0.00	0.00	14,910.59	3,313.46	18,224.05	31,477.90	S/L	15.00
616		Services	6/30/14	86,856.56	0.00	0.00	13,648.91	2,481.62	16,130.53	70,726.03	S/L	35.00
628		Services	6/30/15	123,379.82	0.00	0.00	15,863.13	3,525.14	19,388.27	103,991.55	S/L	35.00
647		SERVICES	6/30/16	99,326.46	0.00	0.00	34,764.27	9,932.65	44,696.92	54,629.54	S/L	10.00
655		SERVICES	6/30/17	144,917.47	0.00	0.00	12,076.45	4,830.58	16,907.03	128,010.44	S/L	30.00
664		SERVICES	6/30/18	38,148.87	0.00	0.00	2,861.16	1,907.44	4,768.60	33,380.27	S/L	20.00
699		SERVICES	6/30/19	120,411.80	0.00	0.00	2,006.86	4,013.73	6,020.59	114,391.21	S/L	30.00
717		SERVICES (WW)	6/30/20	160,819.72	0.00	0.00	0.00	2,680.33	2,680.33	158,139.39	S/L	30.00
<b>No Location</b>				<u>1,781,126.32</u>	<u>0.00</u>	<u>0.00</u>	<u>945,229.39</u>	<u>74,344.61</u>	<u>1,019,574.00</u>	<u>761,552.32</u>		
<b>Location: 333-40 SERVICES</b>												
315		SERVICES	1/01/71	81,120.00	0.00	0.00	81,120.00	0.00	81,120.00	0.00	S/L	20.00
316		SERVICES	1/01/71	1,040.00	0.00	0.00	1,040.00	0.00	1,040.00	0.00	S/L	20.00
317		SERVICES	1/01/72	3,496.00	0.00	0.00	3,496.00	0.00	3,496.00	0.00	S/L	20.00
318		SERVICES	1/01/73	3,349.00	0.00	0.00	3,349.00	0.00	3,349.00	0.00	S/L	20.00
319		SERVICES	1/01/74	4,059.00	0.00	0.00	4,059.00	0.00	4,059.00	0.00	S/L	20.00
320		SERVICES	1/01/75	10,675.00	0.00	0.00	10,675.00	0.00	10,675.00	0.00	S/L	20.00
321		SERVICES	1/01/76	3,921.00	0.00	0.00	3,921.00	0.00	3,921.00	0.00	S/L	20.00
322		SERVICES	1/01/77	7,020.00	0.00	0.00	7,020.00	0.00	7,020.00	0.00	S/L	20.00
323		SERVICES	1/01/78	11,394.00	0.00	0.00	11,394.00	0.00	11,394.00	0.00	S/L	20.00
324		SERVICES	1/01/79	8,995.00	0.00	0.00	8,995.00	0.00	8,995.00	0.00	S/L	20.00
325		SERVICES	1/01/80	12,453.00	0.00	0.00	12,453.00	0.00	12,453.00	0.00	S/L	20.00
326		SERVICES	1/01/81	7,257.00	0.00	0.00	7,257.00	0.00	7,257.00	0.00	S/L	20.00
327		SERVICES	1/01/82	12,842.00	0.00	0.00	12,842.00	0.00	12,842.00	0.00	S/L	20.00
328		SERVICES	1/01/83	22,936.00	0.00	0.00	22,936.00	0.00	22,936.00	0.00	S/L	20.00
329		SERVICES	1/01/84	14,604.00	0.00	0.00	14,604.00	0.00	14,604.00	0.00	S/L	20.00
330		SERVICES	1/01/85	21,688.00	0.00	0.00	21,688.00	0.00	21,688.00	0.00	S/L	20.00
331		SERVICES	7/01/86	17,831.00	0.00	0.00	17,831.00	0.00	17,831.00	0.00	S/L	20.00
332		SERVICES	7/01/87	22,312.00	0.00	0.00	22,312.00	0.00	22,312.00	0.00	S/L	20.00
333		SERVICES	7/01/88	18,231.00	0.00	0.00	18,231.00	0.00	18,231.00	0.00	S/L	20.00
334		SERVICES	7/01/89	25,224.00	0.00	0.00	25,224.00	0.00	25,224.00	0.00	S/L	20.00
335		SERVICES	7/01/90	15,970.00	0.00	0.00	15,970.00	0.00	15,970.00	0.00	S/L	20.00

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 333 Services   Location: 333-40 SERVICES (continued)												
336		SERVICES	7/01/91	25,005.00	0.00	0.00	25,005.00	0.00	25,005.00	0.00	S/L	20.00
337		SERVICES	7/01/92	52,292.00	0.00	0.00	52,292.00	0.00	52,292.00	0.00	S/L	20.00
338		SERVICES	7/01/93	41,578.00	0.00	0.00	41,578.00	0.00	41,578.00	0.00	S/L	20.00
339		SERVICES	7/01/94	36,691.00	0.00	0.00	36,691.00	0.00	36,691.00	0.00	S/L	20.00
340		SERVICES	7/01/95	42,574.00	0.00	0.00	42,574.00	0.00	42,574.00	0.00	S/L	30.00
341		SERVICES	7/01/96	59,841.00	0.00	0.00	59,841.00	0.00	59,841.00	0.00	S/L	30.00
342		SERVICES	7/01/97	46,053.00	0.00	0.00	46,053.00	0.00	46,053.00	0.00	S/L	30.00
343		SERVICES	7/01/98	36,553.00	0.00	0.00	36,553.00	0.00	36,553.00	0.00	S/L	30.00
344		SERVICES	7/01/99	44,506.00	0.00	0.00	42,651.32	1,483.53	44,134.85	371.15	S/L	30.00
345		SERVICES	7/01/00	44,834.00	0.00	0.00	41,845.68	1,494.47	43,340.15	1,493.85	S/L	30.00
346		SERVICES	7/01/01	38,330.00	0.00	0.00	33,858.68	1,277.67	35,136.35	3,193.65	S/L	30.00
347		SERVICES	7/01/02	68,512.00	0.00	0.00	57,093.72	2,283.73	59,377.45	9,134.55	S/L	30.00
348		SERVICES	7/01/03	73,176.63	0.00	0.00	55,492.26	2,439.22	57,931.48	15,245.15	S/L	30.00
349		SERVICES	7/01/04	58,560.82	0.00	0.00	41,480.58	1,952.03	43,432.61	15,128.21	S/L	30.00
350		SERVICES	7/01/05	60,973.81	0.00	0.00	40,141.09	2,032.46	42,173.55	18,800.26	S/L	30.00
351		SERVICES	7/01/06	75,865.96	0.00	0.00	46,151.83	2,528.87	48,680.70	27,185.26	S/L	30.00
453		SERVICES	7/01/07	84,231.70	0.00	0.00	21,057.88	1,684.63	22,742.51	61,489.19	S/L	50.00
483		SERVICES	7/01/08	60,435.80	0.00	0.00	30,721.55	2,014.53	32,736.08	27,699.72	S/L	30.00
504		SERVICES	6/30/09	60,144.26	0.00	0.00	27,566.11	2,004.81	29,570.92	30,573.34	S/L	30.00
513		SERVICES	7/01/10	20,177.98	0.00	0.00	8,239.35	672.60	8,911.95	11,266.03	S/L	30.00
570		Services	7/01/11	47,620.30	0.00	0.00	27,778.50	1,587.34	29,365.84	18,254.46	S/L	30.00
580		Services	7/01/12	48,857.57	0.00	0.00	23,614.52	1,628.59	25,243.11	23,614.46	S/L	30.00
599		SERVICES	6/30/13	11,820.59	0.00	0.00	1,920.82	295.51	2,216.33	9,604.26	S/L	40.00
608		SERVICES	6/30/14	23,999.11	0.00	0.00	3,299.89	599.98	3,899.87	20,099.24	S/L	40.00
621		SERVICES	6/30/15	51,233.86	0.00	0.00	5,763.82	1,280.85	7,044.67	44,189.19	S/L	40.00
632		SERVICES	6/30/16	48,542.28	0.00	0.00	4,247.46	1,213.56	5,461.02	43,081.26	S/L	40.00
651		SERVICES	6/30/17	103,228.03	0.00	0.00	8,602.33	3,440.93	12,043.26	91,184.77	S/L	30.00
669		SERVICES	6/30/18	47,052.24	0.00	0.00	2,352.61	1,568.41	3,921.02	43,131.22	S/L	30.00
683		SERVICES	6/30/19	35,797.66	0.00	0.00	596.63	1,193.26	1,789.89	34,007.77	S/L	30.00
704		SERVICES	6/30/20	30,678.79	0.00	0.00	0.00	511.31	511.31	30,167.48	S/L	30.00
<b>333-40 SERVICES</b>				<u>1,805,583.39</u>	<u>0.00</u>	<u>0.00</u>	<u>1,191,480.63</u>	<u>35,188.29</u>	<u>1,226,668.92</u>	<u>578,914.47</u>		
<b>333 Services</b>				<u>3,586,709.71</u>	<u>0.00</u>	<u>0.00</u>	<u>2,136,710.02</u>	<u>109,532.90</u>	<u>2,246,242.92</u>	<u>1,340,466.79</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 334 Meters &amp; Meter Instal</b>												
<b>Location: 334-40 METERS</b>												
352		METERS	1/01/71	4,613.00	0.00	0.00	4,613.00	0.00	4,613.00	0.00	S/L	20.00
353		METERS	1/01/72	39.00	0.00	0.00	39.00	0.00	39.00	0.00	S/L	20.00
354		METERS	1/01/73	9,233.00	0.00	0.00	9,233.00	0.00	9,233.00	0.00	S/L	20.00
355		METERS	1/01/74	4,361.00	0.00	0.00	4,361.00	0.00	4,361.00	0.00	S/L	20.00
356		METERS	1/01/75	9,006.00	0.00	0.00	9,006.00	0.00	9,006.00	0.00	S/L	20.00
357		METERS	1/01/76	3,427.00	0.00	0.00	3,427.00	0.00	3,427.00	0.00	S/L	20.00
358		METERS	1/01/77	16,147.00	0.00	0.00	16,147.00	0.00	16,147.00	0.00	S/L	20.00
359		METERS	1/01/78	8,753.00	0.00	0.00	8,753.00	0.00	8,753.00	0.00	S/L	20.00
360		METERS	1/01/79	10,180.00	0.00	0.00	10,180.00	0.00	10,180.00	0.00	S/L	20.00
361		METERS	1/01/80	26,866.00	0.00	0.00	26,866.00	0.00	26,866.00	0.00	S/L	20.00
362		METERS	1/01/81	8,870.00	0.00	0.00	8,870.00	0.00	8,870.00	0.00	S/L	20.00
363		METERS	1/01/82	12,223.00	0.00	0.00	12,223.00	0.00	12,223.00	0.00	S/L	20.00
364		METERS	1/01/83	11,055.00	0.00	0.00	11,055.00	0.00	11,055.00	0.00	S/L	20.00
365		METERS	1/01/84	12,966.00	0.00	0.00	12,966.00	0.00	12,966.00	0.00	S/L	20.00
366		METERS	7/01/86	11,825.00	0.00	0.00	11,825.00	0.00	11,825.00	0.00	S/L	20.00
367		METERS	7/01/87	4,127.00	0.00	0.00	4,127.00	0.00	4,127.00	0.00	S/L	20.00
368		METERS	7/01/89	5,412.00	0.00	0.00	5,412.00	0.00	5,412.00	0.00	S/L	20.00
369		METERS	7/01/90	21,940.00	0.00	0.00	21,940.00	0.00	21,940.00	0.00	S/L	20.00
370		METERS	7/01/91	5,230.00	0.00	0.00	5,230.00	0.00	5,230.00	0.00	S/L	20.00
371		METERS	7/01/92	7,281.00	0.00	0.00	7,281.00	0.00	7,281.00	0.00	S/L	20.00
372		METERS	7/01/93	19,442.00	0.00	0.00	19,442.00	0.00	19,442.00	0.00	S/L	20.00
373		METERS	7/04/94	1,565.00	0.00	0.00	1,565.00	0.00	1,565.00	0.00	S/L	20.00
374		METERS	7/01/95	14,968.00	0.00	0.00	14,968.00	0.00	14,968.00	0.00	S/L	35.00
375		METERS	7/01/97	14,924.00	0.00	0.00	14,924.00	0.00	14,924.00	0.00	S/L	35.00
376		METERS	7/01/99	34,122.00	0.00	0.00	32,050.04	974.91	33,024.95	1,097.05	S/L	35.00
377		METERS	7/01/00	50,283.00	0.00	0.00	45,972.74	1,436.66	47,409.40	2,873.60	S/L	35.00
378		METERS	7/01/01	66,762.00	0.00	0.00	57,701.36	1,907.49	59,608.85	7,153.15	S/L	35.00
379		METERS	7/01/02	143,868.00	0.00	0.00	117,149.24	4,110.51	121,259.75	22,608.25	S/L	35.00
380		METERS	7/01/03	53,047.51	0.00	0.00	39,217.31	1,515.64	40,732.95	12,314.56	S/L	35.00
381		METERS	7/01/04	36,137.08	0.00	0.00	24,908.74	1,032.49	25,941.23	10,195.85	S/L	35.00
382		METERS	7/01/05	120,746.28	0.00	0.00	77,191.32	3,449.89	80,641.21	40,105.07	S/L	35.00
383		METERS	7/01/06	33,969.45	0.00	0.00	20,017.71	970.56	20,988.27	12,981.18	S/L	35.00
455		METERS	7/01/07	76,011.82	0.00	0.00	40,992.10	2,171.77	43,163.87	32,847.95	S/L	35.00
484		METERS	7/01/08	21,073.30	0.00	0.00	10,310.88	602.09	10,912.97	10,160.33	S/L	35.00
505		METERS	6/30/09	31,888.38	0.00	0.00	14,008.13	911.10	14,919.23	16,969.15	S/L	35.00
514		METERS	7/01/10	64,793.34	0.00	0.00	35,223.14	1,851.24	27,074.38	37,718.96	S/L	35.00
571		Meters	7/01/11	24,642.79	0.00	0.00	8,360.95	704.08	9,065.03	15,577.76	S/L	35.00
581		Meters	7/01/12	75,317.27	0.00	0.00	21,788.19	2,151.92	23,940.11	51,377.16	S/L	35.00
600		METERS	6/30/13	35,912.71	0.00	0.00	5,187.39	798.06	5,985.45	29,927.26	S/L	45.00
609		METER & METER INSTALLATI	6/30/14	113,875.04	0.00	0.00	13,918.08	2,530.56	16,448.64	97,426.40	S/L	45.00
622		METER & METER INSTALLATI	6/30/15	16,246.92	0.00	0.00	1,624.68	361.04	1,985.72	14,261.20	S/L	45.00
633		METERS & INSTALLATION	6/30/16	19,505.96	0.00	0.00	1,517.14	433.47	1,950.61	17,555.35	S/L	45.00
652		METERS	6/30/17	80,682.78	0.00	0.00	5,763.05	2,305.22	8,068.27	72,614.51	S/L	35.00
670		METERS	6/30/18	85,518.03	0.00	0.00	3,665.06	2,443.37	6,108.43	79,409.60	S/L	35.00
685		METERS	6/30/19	22,431.74	0.00	0.00	320.45	640.91	961.36	21,470.38	S/L	35.00
705		METERS	6/30/20	35,327.09	0.00	0.00	0.00	504.67	504.67	34,822.42	S/L	35.00

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 334 Meters &amp; Meter Instal   Location: 334-40 METERS (continued)</b>												
<b>334-40 METERS</b>				<u>1,486,615.49</u>	<u>0.00c</u>	<u>0.00</u>	<u>811,340.70</u>	<u>33,807.65</u>	<u>845,148.35</u>	<u>641,467.14</u>		
<b>Location: 334-41 METER INSTALLATION</b>												
384		METER INSTALLATION	1/01/72	8,901.00	0.00	0.00	8,901.00	0.00	8,901.00	0.00	S/L	20.00
385		METER INST.	7/01/90	1,168.00	0.00	0.00	1,168.00	0.00	1,168.00	0.00	S/L	20.00
<b>334-41 METER INSTALLATION</b>				<u>10,069.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>10,069.00</u>	<u>0.00</u>	<u>10,069.00</u>	<u>0.00</u>		
<b>334 Meters &amp; Meter Instal</b>				<u>1,496,684.49</u>	<u>0.00c</u>	<u>0.00</u>	<u>821,409.70</u>	<u>33,807.65</u>	<u>855,217.35</u>	<u>641,467.14</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 335 Hydrants</b>												
<b>Location: 335-40 HYDRANTS</b>												
386		HYDRANTS	1/01/71	7,375.00	0.00	0.00	7,375.00	0.00	7,375.00	0.00	S/L	20.00
387		HYDRANTS	1/01/76	546.00	0.00	0.00	546.00	0.00	546.00	0.00	S/L	20.00
388		HYDRANTS	1/01/77	217.00	0.00	0.00	217.00	0.00	217.00	0.00	S/L	20.00
389		HYDRANTS	1/01/78	46,133.00	0.00	0.00	46,133.00	0.00	46,133.00	0.00	S/L	20.00
390		HYDRANTS	1/01/82	300.00	0.00	0.00	300.00	0.00	300.00	0.00	S/L	20.00
391		HYDRANTS	7/01/86	614.00	0.00	0.00	614.00	0.00	614.00	0.00	S/L	20.00
392		HYDRANTS	7/01/89	1,021.00	0.00	0.00	1,021.00	0.00	1,021.00	0.00	S/L	20.00
393		HYDRANTS	7/01/91	3,310.00	0.00	0.00	3,310.00	0.00	3,310.00	0.00	S/L	20.00
394		HYDRANTS	7/01/92	79.00	0.00	0.00	79.00	0.00	79.00	0.00	S/L	20.00
395		HYDRANTS	7/01/93	42.00	0.00	0.00	42.00	0.00	42.00	0.00	S/L	20.00
396		HYDRANTS	7/01/98	5,941.00	0.00	0.00	5,792.82	148.18	5,941.00	0.00	S/L	40.00
397		HYDRANTS	7/01/01	7,174.00	0.00	0.00	6,098.20	179.35	6,277.55	896.45	S/L	40.00
398		HYDRANTS	7/01/02	2,151.00	0.00	0.00	1,721.27	53.78	1,775.05	375.95	S/L	40.00
399		HYDRANTS	7/01/03	4,053.91	0.00	0.00	2,939.15	101.35	3,040.50	1,013.41	S/L	40.00
400		HYDRANTS	7/01/04	7,935.32	0.00	0.00	5,356.37	198.38	5,554.75	2,380.57	S/L	40.00
401		HYDRANTS	7/01/06	25,967.08	0.00	0.00	14,931.05	649.18	15,580.23	10,386.85	S/L	40.00
454		HYDRANTS	7/01/07	8,792.00	0.00	0.00	4,615.80	219.80	4,835.60	3,956.40	S/L	40.00
485		HYDRANTS	7/01/08	6,349.91	0.00	0.00	3,016.25	158.75	3,175.00	3,174.91	S/L	40.00
506		HYDRANTS	6/30/09	6,531.78	0.00	0.00	2,775.99	163.29	2,939.28	3,592.50	S/L	40.00
515		HYDRANTS	7/01/10	10,979.28	0.00	0.00	4,117.20	274.48	4,391.68	6,587.60	S/L	40.00
582		HYDRANTS	7/01/12	8,869.29	0.00	0.00	2,439.03	221.73	2,660.76	6,208.53	S/L	40.00
610		HYDRANTS	6/30/14	10,191.69	0.00	0.00	1,783.53	254.79	2,038.32	8,153.37	S/L	40.00
634		HYDRANTS	6/30/16	1,950.00	0.00	0.00	341.25	97.50	438.75	1,511.25	S/L	20.00
671		HYDRANTS	6/30/18	17,781.72	0.00	0.00	666.81	444.54	1,111.35	16,670.37	S/L	40.00
686		HYDRANTS	6/30/19	19,550.71	0.00	0.00	244.38	488.77	733.15	18,817.56	S/L	40.00
<b>335-40 HYDRANTS</b>				<u>203,855.69</u>	<u>0.00c</u>	<u>0.00</u>	<u>116,476.10</u>	<u>3,653.87</u>	<u>120,129.97</u>	<u>83,725.72</u>		
<b>335 Hydrants</b>				<u>203,855.69</u>	<u>0.00c</u>	<u>0.00</u>	<u>116,476.10</u>	<u>3,653.87</u>	<u>120,129.97</u>	<u>83,725.72</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 339 Other Plant &amp; Equip</b>												
<b>Location: 339-20 TEMPORARY DAMS</b>												
256		TEMPORARY DAMS	1/01/71	21,732.00	0.00	0.00	21,732.00	0.00	21,732.00	0.00	S/L	50.00
		<b>339-20 TEMPORARY DAMS</b>		<u>21,732.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>21,732.00</u>	<u>0.00</u>	<u>21,732.00</u>	<u>0.00</u>		
		<b>339 Other Plant &amp; Equip</b>		<u>21,732.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>21,732.00</u>	<u>0.00</u>	<u>21,732.00</u>	<u>0.00</u>		

## Tax Asset Detail 1/01/20 - 12/31/20

FYE: 12/31/2020

Asset	d 1	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 340 Office Furn. &amp; Equip</b>												
<b>Location: 340-50 OFFICE FURN/EQUIP</b>												
17		FILEING CABNET, SAFE, DESK	1/01/75	382.00	0.00	0.00	382.00	0.00	382.00	0.00	S/L	10.00
18		FENCE	1/01/81	1,678.00	0.00	0.00	1,678.00	0.00	1,678.00	0.00	S/L	10.00
20		OFFICE FURN. & EQUIPMENT	1/01/82	1,017.00	0.00	0.00	1,017.00	0.00	1,017.00	0.00	S/L	10.00
21		FENCE	1/01/84	3,179.00	0.00	0.00	3,179.00	0.00	3,179.00	0.00	S/L	10.00
22		AIR CONDITIONER	1/01/84	965.00	0.00	0.00	965.00	0.00	965.00	0.00	S/L	10.00
23		HEAT PUMP	1/01/85	2,820.00	0.00	0.00	2,820.00	0.00	2,820.00	0.00	S/L	10.00
24		COPIER	1/01/85	1,844.00	0.00	0.00	1,844.00	0.00	1,844.00	0.00	S/L	10.00
25		COMPUTER SOFTWARE	1/01/88	8,300.00	0.00	0.00	8,300.00	0.00	8,300.00	0.00	S/L	10.00
26		OFFICE FURNITURE	1/01/88	3,942.00	0.00	0.00	3,942.00	0.00	3,942.00	0.00	S/L	10.00
27		4 DESKS, 2 CHAIRS	5/09/88	650.00	0.00	0.00	650.00	0.00	650.00	0.00	S/L	10.00
28		CALCULATOR, 3 CHAIRS	8/08/88	642.00	0.00	0.00	642.00	0.00	642.00	0.00	S/L	10.00
29		5 CUSTOM BLINDS	11/14/88	366.00	0.00	0.00	366.00	0.00	366.00	0.00	S/L	10.00
30		DESK-PEGGY'S OFFICE	6/01/89	2,175.00	0.00	0.00	2,175.00	0.00	2,175.00	0.00	S/L	10.00
31		DESK-ELMO'S OFFICE	6/01/89	1,400.00	0.00	0.00	1,400.00	0.00	1,400.00	0.00	S/L	10.00
32		TABLE-COMPUTER ROOM	6/01/89	540.00	0.00	0.00	540.00	0.00	540.00	0.00	S/L	10.00
33		TABLE	6/01/89	400.00	0.00	0.00	400.00	0.00	400.00	0.00	S/L	10.00
34		APPLIANCES - VARIOUS	5/19/89	4,033.00	0.00	0.00	4,033.00	0.00	4,033.00	0.00	S/L	10.00
35		OFFICE FURNITURE	2/21/89	2,361.00	0.00	0.00	2,361.00	0.00	2,361.00	0.00	S/L	10.00
37		OFFICE FURNITURE	3/13/89	1,240.00	0.00	0.00	1,240.00	0.00	1,240.00	0.00	S/L	10.00
38		COMPUTER EQUIPMENT	7/01/89	25,090.00	0.00	0.00	25,090.00	0.00	25,090.00	0.00	S/L	10.00
39		TABLE 4-CHAIRS	5/17/89	270.00	0.00	0.00	270.00	0.00	270.00	0.00	S/L	10.00
41		COMPUTER EQUIPMENT	7/10/89	1,220.00	0.00	0.00	1,220.00	0.00	1,220.00	0.00	S/L	10.00
42		10 CHAIRS-NEW OFFICE	8/14/89	500.00	0.00	0.00	500.00	0.00	500.00	0.00	S/L	10.00
43		2 COMPUTER SCREENS	11/13/89	1,219.00	0.00	0.00	1,219.00	0.00	1,219.00	0.00	S/L	10.00
44		COMPUTER & SOFTWARE	7/01/90	3,157.00	0.00	0.00	3,157.00	0.00	3,157.00	0.00	S/L	10.00
45		TYPEWRITER & 2 FOLDING TA	7/01/90	472.00	0.00	0.00	472.00	0.00	472.00	0.00	S/L	10.00
46		OFFICE BLINDS	7/01/90	2,430.00	0.00	0.00	2,430.00	0.00	2,430.00	0.00	S/L	10.00
47		COMPUTER TERMINAL	4/01/93	575.00	0.00	0.00	575.00	0.00	575.00	0.00	S/L	10.00
48		COMPUTER PROGRAM-AP & GI	5/01/93	1,490.00	0.00	0.00	1,490.00	0.00	1,490.00	0.00	S/L	10.00
49		COMPUTER	3/11/91	2,020.00	0.00	0.00	2,020.00	0.00	2,020.00	0.00	S/L	10.00
50		(2) TYPEWRITERS	11/11/91	1,250.00	0.00	0.00	1,250.00	0.00	1,250.00	0.00	S/L	10.00
51		COMPUTER PROGRAM-WO	10/01/93	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	0.00	S/L	10.00
52		COMPUTER	11/01/93	1,920.00	0.00	0.00	1,920.00	0.00	1,920.00	0.00	S/L	10.00
53		SOFTWARE	7/01/92	5,880.00	0.00	0.00	5,880.00	0.00	5,880.00	0.00	S/L	10.00
54		COMPUTER	7/01/92	20,125.00	0.00	0.00	20,125.00	0.00	20,125.00	0.00	S/L	10.00
55		COMPUTER	7/01/93	1,390.00	0.00	0.00	1,390.00	0.00	1,390.00	0.00	S/L	10.00
56		PRINTER	9/01/93	695.00	0.00	0.00	695.00	0.00	695.00	0.00	S/L	10.00
57		OKIDATA PRINTER	3/14/94	525.00	0.00	0.00	525.00	0.00	525.00	0.00	S/L	10.00
60		DESK AND SHELVES	4/30/94	400.00	0.00	0.00	400.00	0.00	400.00	0.00	S/L	10.00
61		SOFTWARE	2/28/94	475.00	0.00	0.00	475.00	0.00	475.00	0.00	S/L	10.00
62		EMB DEVICE	4/30/94	695.00	0.00	0.00	695.00	0.00	695.00	0.00	S/L	10.00
63		128K RAM FOR EMB DEVICES	10/01/95	1,480.00	0.00	0.00	1,480.00	0.00	1,480.00	0.00	S/L	10.00
64		EMB DEVICE	7/01/95	695.00	0.00	0.00	695.00	0.00	695.00	0.00	S/L	10.00
65		OFFICE FURNITURE-EULA'S OF	1/11/96	800.00	0.00	0.00	800.00	0.00	800.00	0.00	S/L	10.00
66		TABLE-PEGGY'S OFFICE	1/15/96	225.00	0.00	0.00	225.00	0.00	225.00	0.00	S/L	10.00
67		ENTRA/P133/MONITOR/PRINTE	3/22/96	4,336.00	0.00	0.00	4,336.00	0.00	4,336.00	0.00	S/L	10.00
68		AIR CONDITIONER 3 1/2 TON	6/10/97	1,810.00	0.00	0.00	1,810.00	0.00	1,810.00	0.00	S/L	10.00
69		P.C.	8/26/97	2,250.00	0.00	0.00	2,250.00	0.00	2,250.00	0.00	S/L	10.00



**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset Id	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 340 Office Furn. &amp; Equip   Location: 340-50 OFFICE FURN/EQUIP (continued)</b>											
71	DESK CABINETS & TOPS	8/26/97	1,150.00	0.00	0.00	1,150.00	0.00	1,150.00	0.00	S/L	10.00
72	COMPUTER HARDWARE	3/01/98	18,715.00	0.00	0.00	18,715.00	0.00	18,715.00	0.00	S/L	10.00
74	PC & PRINTER	2/20/99	1,495.00	0.00	0.00	1,495.00	0.00	1,495.00	0.00	S/L	10.00
75	EMB HANDHEIDS	7/06/99	1,504.00	0.00	0.00	1,504.00	0.00	1,504.00	0.00	S/L	10.00
76	HAND HLE METER READERS	3/31/00	7,770.00	0.00	0.00	7,770.00	0.00	7,770.00	0.00	S/L	10.00
77	COMPUTER & PRINER	3/24/00	1,847.00	0.00	0.00	1,847.00	0.00	1,847.00	0.00	S/L	10.00
78	PAULS OFFICE FURNITURE	5/01/00	1,854.00	0.00	0.00	1,854.00	0.00	1,854.00	0.00	S/L	10.00
79	(3) SCANNERS	5/02/00	3,285.00	0.00	0.00	3,285.00	0.00	3,285.00	0.00	S/L	10.00
80	OKIPACEMARK4410 PRINTER	2/28/01	2,995.00	0.00	0.00	2,995.00	0.00	2,995.00	0.00	S/L	10.00
81	COMPUTER AND PRINTER	5/31/01	2,045.00	0.00	0.00	2,045.00	0.00	2,045.00	0.00	S/L	10.00
83	PLANT PRINTER	5/31/02	2,789.00	0.00	0.00	2,789.00	0.00	2,789.00	0.00	S/L	10.00
84	COMPUTER (PAUL)	6/30/02	1,880.00	0.00	0.00	1,880.00	0.00	1,880.00	0.00	S/L	10.00
85	24 PRINTER	1/31/03	3,029.00	0.00	0.00	3,029.00	0.00	3,029.00	0.00	S/L	10.00
86	OFFICE EQUIPMENT	4/30/03	1,090.00	0.00	0.00	1,090.00	0.00	1,090.00	0.00	S/L	10.00
87	FURNITURE (BRAD'S OFFICE)	7/31/03	1,503.00	0.00	0.00	1,503.00	0.00	1,503.00	0.00	S/L	10.00
88	DELL COMPUTER	10/31/03	2,887.00	0.00	0.00	2,887.00	0.00	2,887.00	0.00	S/L	10.00
89	COMPUTER (BRAD)	11/30/03	1,049.00	0.00	0.00	1,049.00	0.00	1,049.00	0.00	S/L	10.00
90	COMPUTER - PLANT	7/01/04	2,976.00	0.00	0.00	2,976.00	0.00	2,976.00	0.00	S/L	10.00
91	PRINTER/RELOAD SYSTEM/MF	7/01/04	2,078.00	0.00	0.00	2,078.00	0.00	2,078.00	0.00	S/L	10.00
92	COMPUTER & PRINTER - LAB	7/01/04	1,873.00	0.00	0.00	1,873.00	0.00	1,873.00	0.00	S/L	10.00
93	COMPUTER SYSTEM, MODEM,	7/01/04	2,065.00	0.00	0.00	2,065.00	0.00	2,065.00	0.00	S/L	10.00
94	(10) 17 LCD MONITORS, SERVE	7/01/04	15,935.00	0.00	0.00	15,935.00	0.00	15,935.00	0.00	S/L	10.00
95	COMPUTER, MONITOR, WIREL	7/01/05	4,402.00	0.00	0.00	4,402.00	0.00	4,402.00	0.00	S/L	10.00
96	COMPUTER	7/01/06	3,781.90	0.00	0.00	3,781.90	0.00	3,781.90	0.00	S/L	10.00
435	COMPUTER DESK & CABINETS	4/27/07	2,100.00	0.00	0.00	2,100.00	0.00	2,100.00	0.00	S/L	20.00
436	DESK & CABINET	4/05/07	2,809.00	0.00	0.00	2,809.00	0.00	2,809.00	0.00	S/L	20.00
437	TRAVERSE SOFTWARE	3/30/07	2,385.00	0.00	0.00	2,385.00	0.00	2,385.00	0.00	S/L	10.00
486	CHAIRS	3/31/08	5,308.35	0.00	0.00	5,175.69	132.66	5,308.35	0.00	S/L	20.00
487	OFFICE COPIER	8/30/08	3,039.00	0.00	0.00	3,039.00	0.00	3,039.00	0.00	S/L	10.00
507	UNITED SYSTEMS	6/30/09	29,851.17	0.00	0.00	25,373.52	1,492.56	26,866.08	2,985.09	S/L	20.00
516	OFFICE FURNITURE	7/01/10	5,312.98	0.00	0.00	3,984.75	265.65	4,250.40	1,062.58	S/L	20.00
567	FURNACE	1/01/81	625.00	0.00	0.00	625.00	0.00	625.00	0.00	S/L	10.00
572	Office Furniture and Equipment	9/09/11	1,682.69	0.00	0.00	1,065.69	84.13	1,149.82	532.87	S/L	20.00
583	Office Furniture and Equipment	7/01/12	12,092.97	0.00	0.00	6,651.15	604.65	7,255.80	4,837.17	S/L	20.00
597	HVAC UNIT	11/07/13	11,725.00	0.00	0.00	3,434.53	556.95	3,991.48	7,733.52	S/L	20.00
611	OFFICE EQUIPMENT	6/30/14	30,806.79	0.00	0.00	10,782.38	1,540.34	12,322.72	18,484.07	S/L	20.00
623	OFFICE EQUIPMENT	6/30/15	3,950.00	0.00	0.00	1,777.50	395.00	2,172.50	1,777.50	S/L	10.00
653	OFFICE FURNITURE	9/21/17	3,805.99	0.00	0.00	856.35	380.60	1,236.95	2,569.04	S/L	10.00
672	OFFICE FURNITURE	6/30/18	37,707.25	0.00	0.00	5,656.09	3,770.73	9,426.82	28,280.43	S/L	10.00
687	OFFICE FURNITURE	6/30/19	32,975.34	0.00	0.00	1,648.77	3,297.53	4,946.30	28,029.04	S/L	10.00
706	OFFICE FURNITURE	9/30/20	11,981.25	0.00c	0.00	0.00	299.53	299.53	11,681.72	S/L	10.00
<b>340-50 OFFICE FURN/EQUIP</b>			<b>410,983.68</b>	<b>0.00c</b>	<b>0.00</b>	<b>290,190.32</b>	<b>12,820.33</b>	<b>303,010.65</b>	<b>107,973.03</b>		
<b>340 Office Furn. &amp; Equip</b>			<b>410,983.68</b>	<b>0.00c</b>	<b>0.00</b>	<b>290,190.32</b>	<b>12,820.33</b>	<b>303,010.65</b>	<b>107,973.03</b>		

## Tax Asset Detail 1/01/20 - 12/31/20

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 341 Trans. Equipment</b>												
<b>Location: 341-50 TRANS EQUIP</b>												
19		1992 GMC TRUCK	11/13/91	15,169.00	0.00	0.00	15,169.00	0.00	15,169.00	0.00	S/L	4.00
104		1993 GMC TRUCK	6/01/93	11,869.00	0.00	0.00	11,869.00	0.00	11,869.00	0.00	S/L	4.00
108		1996 INTL TRUCK	7/03/95	37,464.00	0.00	0.00	37,464.00	0.00	37,464.00	0.00	S/L	4.00
110		'96 F-250 P/U TRUCK	4/09/96	19,029.00	0.00	0.00	19,029.00	0.00	19,029.00	0.00	S/L	4.00
112		'97 GMC SIERRA 4-WD P/U TRU	6/30/97	18,919.00	0.00	0.00	18,919.00	0.00	18,919.00	0.00	S/L	4.00
113		'98 GMC 2 TON TRUCK	6/30/98	41,247.00	0.00	0.00	41,247.00	0.00	41,247.00	0.00	S/L	4.00
116		ONE TON TRUCK	7/02/99	25,307.00	0.00	0.00	25,307.00	0.00	25,307.00	0.00	S/L	4.00
118		2001 SERVICE PICK UP TRUCK	6/30/01	27,751.00	0.00	0.00	27,751.00	0.00	27,751.00	0.00	S/L	4.00
123		TRUCK & TRAILER	2/28/02	62,376.00	0.00	0.00	62,376.00	0.00	62,376.00	0.00	S/L	4.00
124		04 FORD PU SERVICE BODY &	12/01/03	15,392.95	0.00	0.00	15,392.95	0.00	15,392.95	0.00	S/L	4.00
125		04 FORD PU	11/30/03	25,054.00	0.00	0.00	25,054.00	0.00	25,054.00	0.00	S/L	4.00
126		DODGE PU	10/31/03	27,154.00	0.00	0.00	27,154.00	0.00	27,154.00	0.00	S/L	4.00
129		2004 FORD F150	7/01/04	13,980.00	0.00	0.00	13,980.00	0.00	13,980.00	0.00	S/L	4.00
131		2005 GMC SIERRA 1500	7/01/04	15,070.75	0.00	0.00	15,070.75	0.00	15,070.75	0.00	S/L	4.00
132		CRANE FOR SERVICE TRUCK	7/01/04	811.61	0.00	0.00	811.61	0.00	811.61	0.00	S/L	4.00
133		???	7/01/05	36,189.14	0.00	0.00	36,189.14	0.00	36,189.14	0.00	S/L	4.00
134		05 FORD EXPLORER (BLUE)	7/01/06	19,999.00	0.00	0.00	19,999.00	0.00	19,999.00	0.00	S/L	4.00
217		GPS DATEBASE	8/31/03	3,333.33	0.00	0.00	3,333.33	0.00	3,333.33	0.00	S/L	10.00
222		MOLE HAMMERHEAD	7/01/05	4,140.00	0.00	0.00	4,140.00	0.00	4,140.00	0.00	S/L	15.00
449		2007 FORD F-150	6/22/07	19,980.00	0.00	0.00	19,980.00	0.00	19,980.00	0.00	S/L	4.00
450		2007 FORD F-150	6/22/07	19,980.00	0.00	0.00	19,980.00	0.00	19,980.00	0.00	S/L	4.00
490		DUMP TRUCK	12/31/08	56,880.00	0.00	0.00	56,880.00	0.00	56,880.00	0.00	S/L	10.00
585		GMC G7 TANKER	1/19/12	7,000.00	0.00	0.00	7,000.00	0.00	7,000.00	0.00	S/L	7.00
586		2012 FORD F-150	6/01/12	17,363.00	0.00	0.00	17,363.00	0.00	17,363.00	0.00	S/L	7.00
587		2012 FORD F-150	6/01/12	17,363.00	0.00	0.00	17,363.00	0.00	17,363.00	0.00	S/L	7.00
593		2013 FORD F-150 4WD	5/14/13	25,711.00	0.00	0.00	22,038.07	1,101.93	23,140.00	2,571.00	S/L	7.00
594		2013 FORD F-150 4WD	5/14/13	25,711.00	0.00	0.00	22,038.07	1,101.93	23,140.00	2,571.00	S/L	7.00
612		2014 FORD 150 4WD	5/12/14	21,402.00	0.00	0.00	19,349.48	2,052.52	21,402.00	0.00	S/L	7.00
613		FORD F-150 2WD	2/24/14	17,967.00	0.00	0.00	14,972.48	2,566.71	17,539.19	427.81	S/L	7.00
614		FORD F-150 2 WD	2/24/14	17,967.00	0.00	0.00	14,972.48	2,566.71	17,539.19	427.81	S/L	7.00
625		TRUCK	6/30/15	14,630.00	0.00	0.00	9,405.00	2,090.00	11,495.00	3,135.00	S/L	7.00
626		FORD F-150 4WD SUPEPRCAB	6/16/15	8,499.00	0.00	0.00	5,463.63	1,214.14	6,677.77	1,821.23	S/L	7.00
627		PUMPER	6/30/15	5,000.00	0.00	0.00	3,214.30	714.29	3,928.59	1,071.41	S/L	7.00
636		2016 FORD F150	2/09/16	25,456.00	0.00	0.00	19,940.53	5,091.20	25,031.73	424.27	S/L	5.00
637		2016 FORD F150	2/09/16	25,456.00	0.00	0.00	19,940.53	5,091.20	25,031.73	424.27	S/L	5.00
638		2017 FORD F150	12/12/16	21,256.00	0.00	0.00	13,107.87	4,251.20	17,359.07	3,896.93	S/L	5.00
640		2016 FORD F150 4X2	8/16/16	23,656.00	0.00	0.00	15,770.67	4,731.20	20,501.87	3,154.13	S/L	5.00
657		2017 F150 #61409	5/05/17	29,534.00	0.00	0.00	15,751.47	5,906.80	21,658.27	7,875.73	S/L	5.00
658		2017 F150 #61410	5/05/17	29,534.00	0.00	0.00	15,751.47	5,906.80	21,658.27	7,875.73	S/L	5.00
659		2017 RANGER RT188 BOAT & T	5/22/17	19,890.00	0.00	0.00	10,276.50	3,978.00	14,254.50	5,635.50	S/L	5.00
660		2017 SUPER DUTY F35	6/30/17	27,445.00	0.00	0.00	13,722.50	5,489.00	19,211.50	8,233.50	S/L	5.00
661		MOUNT 1 KNAPHEIDE SERVICE	6/30/17	15,895.00	0.00	0.00	7,947.50	3,179.00	11,126.50	4,768.50	S/L	5.00
673		2018 FORD 150 #70941	7/23/18	29,680.00	0.00	0.00	8,409.33	5,936.00	14,345.33	15,334.67	S/L	5.00
674	d	2018 FORD 150 #70940	7/20/18	29,680.00	0.00	0.00	8,409.33	989.33	9,398.66	20,281.34	S/L	5.00
675		2019 FORD F-35 #39603	11/20/18	29,067.00	0.00	0.00	6,297.85	5,813.40	12,111.25	16,955.75	S/L	5.00
676	d	2019 FORD F-150 #37000	11/29/18	33,517.00	0.00	0.00	7,262.02	3,910.32	11,172.34	22,344.66	S/L	5.00
689		2019 FORD ESCAPE #85466	8/15/19	23,905.00	0.00	0.00	1,992.08	4,781.00	6,773.08	17,131.92	S/L	5.00
690		2019 FORD F-350 UPGRADE #39	5/11/19	21,395.00	0.00	0.00	2,852.67	4,279.00	7,131.67	14,263.33	S/L	5.00

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 341 Trans. Equipment   Location: 341-50 TRANS EQUIP (continued)</b>												
691		DUMP TRUCK	4/02/19	35,000.00	0.00	0.00	5,250.00	7,000.00	12,250.00	22,750.00	S/L	5.00
693		2019 Ford F-150 #34675	9/04/19	29,992.00	0.00	0.00	1,999.47	5,998.40	7,997.87	21,994.13	S/L	5.00
694		2019 Ford F-150 #83930	10/07/19	21,520.00	0.00	0.00	1,076.00	4,304.00	5,380.00	16,140.00	S/L	5.00
695		2019 Ford F-150 #63761	4/22/19	28,991.00	0.00	0.00	3,865.47	5,798.20	9,663.67	19,327.33	S/L	5.00
696	d	2019 Ford F-150 #30221	4/09/19	28,991.00	0.00	0.00	4,348.65	3,865.47	8,214.12	20,776.88	S/L	5.00
697	d	2019 Ford F-150 #30220	4/09/19	28,991.00	0.00	0.00	4,348.65	3,865.47	8,214.12	20,776.88	S/L	5.00
707		2020 FF-150 #34108	8/19/20	30,246.00	0.00c	0.00	0.00	2,016.40	2,016.40	28,229.60	S/L	5.00
708		2020 F-150 #34107	8/19/20	30,246.00	0.00c	0.00	0.00	2,016.40	2,016.40	28,229.60	S/L	5.00
709		2020 F-150 #80828	7/30/20	30,541.00	0.00c	0.00	0.00	2,545.08	2,545.08	27,995.92	S/L	5.00
710		2020 F-150 #80829	7/30/20	30,541.00	0.00c	0.00	0.00	2,545.08	2,545.08	27,995.92	S/L	5.00
711		2020 F-150 #37598	2/25/20	29,992.00	0.00c	0.00	0.00	4,998.67	4,998.67	24,993.33	S/L	5.00
712		2020 F-150 #37600	2/25/20	29,992.00	0.00c	0.00	0.00	4,998.67	4,998.67	24,993.33	S/L	5.00
713		2020 F-350 #08259	2/25/20	40,943.00	0.00c	0.00	0.00	6,823.83	6,823.83	34,119.17	S/L	5.00
714		2020 F-150 #37601	2/18/20	29,992.00	0.00c	0.00	0.00	4,998.67	4,998.67	24,993.33	S/L	5.00
715		UPGRADE - 2020 F-350 #08259	5/29/20	19,295.00	0.00c	0.00	0.00	2,251.08	2,251.08	17,043.92	S/L	5.00
<b>341-50 TRANS EQUIP</b>				1,526,347.78	0.00c	0.00	858,595.85	146,767.10	1,005,362.95	520,984.83		
*Less: Dispositions and Transfers				121,179.00	0.00	0.00	24,368.65	0.00	36,999.24	84,179.76		
<b>Net 341-50 TRANS EQUIP</b>				<u>1,405,168.78</u>	<u>0.00c</u>	<u>0.00</u>	<u>834,227.20</u>	<u>146,767.10</u>	<u>968,363.71</u>	<u>436,805.07</u>		
<b>Location: 392-00 TRANSPORTATION EQU SEWER</b>												
100		1992 GMC TRUCK	11/13/91	15,169.00	0.00	0.00	15,169.00	0.00	15,169.00	0.00	S/L	4.00
<b>392-00 TRANSPORTATION EQU</b>				15,169.00	0.00c	0.00	15,169.00	0.00	15,169.00	0.00		
<b>341 Trans. Equipment</b>				1,541,516.78	0.00c	0.00	873,764.85	146,767.10	1,020,531.95	520,984.83		
*Less: Dispositions and Transfers				121,179.00	0.00	0.00	24,368.65	0.00	36,999.24	84,179.76		
<b>Net 341 Trans. Equipment</b>				<u>1,420,337.78</u>	<u>0.00c</u>	<u>0.00</u>	<u>849,396.20</u>	<u>146,767.10</u>	<u>983,532.71</u>	<u>436,805.07</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 344 Lab Equipment</b>												
<b>Location: 344-50 LAB EQUIP</b>												
137		LABORATORY EQUIPMENT	1/01/77	1,820.00	0.00	0.00	1,820.00	0.00	1,820.00	0.00	S/L	5.00
138		MICROSCOPE	1/01/84	818.00	0.00	0.00	818.00	0.00	818.00	0.00	S/L	5.00
139		PORTABLE TESTER	7/01/90	1,496.00	0.00	0.00	1,496.00	0.00	1,496.00	0.00	S/L	5.00
140		LABORTARY EQUIPMENT	2/10/92	2,007.00	0.00	0.00	2,007.00	0.00	2,007.00	0.00	S/L	5.00
141		METER TEST TANK	3/03/92	1,750.00	0.00	0.00	1,750.00	0.00	1,750.00	0.00	S/L	5.00
142		METER TESTER	9/01/93	364.00	0.00	0.00	364.00	0.00	364.00	0.00	S/L	5.00
143		LAB EQUIPMENT	7/01/04	23,991.33	0.00	0.00	23,991.33	0.00	23,991.33	0.00	S/L	5.00
641		LAB EQUIPMENT	5/24/16	3,041.96	0.00	0.00	1,090.05	304.20	1,394.25	1,647.71	S/L	10.00
677		LAB EQUIPMENT	6/30/18	6,439.90	0.00	0.00	1,931.97	1,287.98	3,219.95	3,219.95	S/L	5.00
<b>344-50 LAB EQUIP</b>				<u>41,728.19</u>	<u>0.00c</u>	<u>0.00</u>	<u>35,268.35</u>	<u>1,592.18</u>	<u>36,860.53</u>	<u>4,867.66</u>		
<b>344 Lab Equipment</b>				<u>41,728.19</u>	<u>0.00c</u>	<u>0.00</u>	<u>35,268.35</u>	<u>1,592.18</u>	<u>36,860.53</u>	<u>4,867.66</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 345 Power Operated</b>												
<b>Location: 345-50 POWER OP EQUIP</b>												
130		TOOL BOXES & BEDMATS FOR	7/01/04	957.00	0.00	0.00	957.00	0.00	957.00	0.00	S/L	4.00
144		POWER DR. EQUIP. BACKHOE	10/01/74	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	10.00
145		BORING MACHINE	8/01/74	3,731.00	0.00	0.00	3,731.00	0.00	3,731.00	0.00	S/L	10.00
147		1986 BORING MACHINE	7/01/86	6,220.00	0.00	0.00	6,220.00	0.00	6,220.00	0.00	S/L	10.00
149		AUGERS	11/07/91	3,154.00	0.00	0.00	3,154.00	0.00	3,154.00	0.00	S/L	10.00
150		AUGERS	8/10/92	3,333.00	0.00	0.00	3,333.00	0.00	3,333.00	0.00	S/L	10.00
152		GUTTER	6/08/92	856.00	0.00	0.00	856.00	0.00	856.00	0.00	S/L	10.00
153		STEAM JENNY	6/18/92	587.00	0.00	0.00	587.00	0.00	587.00	0.00	S/L	10.00
154		BACKHOE BUCKET	7/13/92	450.00	0.00	0.00	450.00	0.00	450.00	0.00	S/L	10.00
155		3/4 AJR MOLE	9/30/98	4,324.00	0.00	0.00	4,324.00	0.00	4,324.00	0.00	S/L	10.00
156		AUGER	9/30/98	2,557.00	0.00	0.00	2,557.00	0.00	2,557.00	0.00	S/L	10.00
157		STRAW BLOWER	12/31/98	2,200.00	0.00	0.00	2,200.00	0.00	2,200.00	0.00	S/L	10.00
158		PUMP	6/30/95	630.00	0.00	0.00	630.00	0.00	630.00	0.00	S/L	10.00
159		TEST PUMP W/HONDA ENG	4/22/96	1,915.00	0.00	0.00	1,915.00	0.00	1,915.00	0.00	S/L	10.00
160		97 CASE 580S/L BACKHOE	10/31/97	53,150.00	0.00	0.00	53,150.00	0.00	53,150.00	0.00	S/L	10.00
161		BORING MACHINE	3/22/00	11,719.00	0.00	0.00	11,719.00	0.00	11,719.00	0.00	S/L	10.00
162		J. DEERE BACKHOE 310SE	6/16/00	53,925.00	0.00	0.00	53,925.00	0.00	53,925.00	0.00	S/L	10.00
163		USED TRACTOR	5/31/01	6,500.00	0.00	0.00	6,500.00	0.00	6,500.00	0.00	S/L	10.00
164		EXCAVATOR	10/31/02	76,040.00	0.00	0.00	76,040.00	0.00	76,040.00	0.00	S/L	10.00
165		DRILL/AUGER	5/31/02	5,540.00	0.00	0.00	5,540.00	0.00	5,540.00	0.00	S/L	10.00
166		DITCH WITCH	10/31/02	7,147.00	0.00	0.00	7,147.00	0.00	7,147.00	0.00	S/L	10.00
167		HOLE HOG	9/30/03	5,042.00	0.00	0.00	5,042.00	0.00	5,042.00	0.00	S/L	10.00
170		CUMMINS DIESEL 40-KN MOBI	7/01/04	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	S/L	10.00
171		HOLEHOG	7/01/04	4,436.89	0.00	0.00	4,436.89	0.00	4,436.89	0.00	S/L	10.00
172		MITSUBISHI FX503041 FORKLIF	7/01/04	19,260.00	0.00	0.00	19,260.00	0.00	19,260.00	0.00	S/L	10.00
173		JOHN DEERE 310 BACKHOE	7/01/04	22,680.11	0.00	0.00	22,680.11	0.00	22,680.11	0.00	S/L	10.00
174		WOODS BB72 6' MOWER STUM	7/01/06	1,275.15	0.00	0.00	1,275.15	0.00	1,275.15	0.00	S/L	15.00
446		J X 70 CASE IH TRACTOR	8/06/07	19,900.00	0.00	0.00	19,900.00	0.00	19,900.00	0.00	S/L	15.00
447		STIHL TS-400 WITH BLADES	11/05/07	1,156.30	0.00	0.00	1,156.30	0.00	1,156.30	0.00	S/L	15.00
488		2008 DODGE RAM PICKUP	3/31/08	26,186.00	0.00	0.00	26,186.00	0.00	26,186.00	0.00	S/L	4.00
489		2008 DODGE RAM PICKUP	3/31/08	26,186.00	0.00	0.00	26,186.00	0.00	26,186.00	0.00	S/L	4.00
491		TWO CASH REGISTERS	2/29/08	968.40	0.00	0.00	952.26	16.14	968.40	0.00	S/L	20.00
492		FORKLIFT	6/30/08	21,800.00	0.00	0.00	21,800.00	0.00	21,800.00	0.00	S/L	15.00
493		JOHN DEERE BACKHOE	12/31/08	79,000.00	0.00	0.00	76,366.68	2,633.32	79,000.00	0.00	S/L	15.00
595		JOHN DEERE MOWER	4/25/13	5,287.55	0.00	0.00	3,253.33	334.90	3,588.23	1,699.32	S/L	15.00
642		POWER OPERATED EQUIPME	4/14/16	4,510.00	0.00	0.00	1,691.25	451.00	2,142.25	2,367.75	S/L	10.00
<b>345-50 POWER OP EQUIP</b>				<b>497,623.40</b>	<b>0.00c</b>	<b>0.00</b>	<b>490,120.97</b>	<b>3,435.36</b>	<b>493,556.33</b>	<b>4,067.07</b>		
<b>345 Power Operated</b>				<b>497,623.40</b>	<b>0.00c</b>	<b>0.00</b>	<b>490,120.97</b>	<b>3,435.36</b>	<b>493,556.33</b>	<b>4,067.07</b>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 346 Comm. Equipment</b>												
<b>Location: 346-50 COMM EQUIP</b>												
175		COMMUNICATION EQUIPMENT	12/01/74	2,991.00	0.00	0.00	2,991.00	0.00	2,991.00	0.00	S/L	10.00
176		RADIOS	12/01/75	1,040.00	0.00	0.00	1,040.00	0.00	1,040.00	0.00	S/L	4.00
177		COMMUNICATION EQUIPMENT	6/13/77	122.00	0.00	0.00	122.00	0.00	122.00	0.00	S/L	4.00
178		COMMUNICATION EQUIPMENT	6/13/77	1,331.00	0.00	0.00	1,331.00	0.00	1,331.00	0.00	S/L	4.00
179		COMMUNICATION EQUIPMENT	1/01/79	707.00	0.00	0.00	707.00	0.00	707.00	0.00	S/L	4.00
180		COMMUNICATION EQUIPMENT	1/01/80	713.00	0.00	0.00	713.00	0.00	713.00	0.00	S/L	4.00
181		COMMUNICATION EQUIPMENT	1/01/83	2,895.00	0.00	0.00	2,895.00	0.00	2,895.00	0.00	S/L	4.00
182		RADIOS	1/01/84	9,863.00	0.00	0.00	9,863.00	0.00	9,863.00	0.00	S/L	4.00
183		RADIOS	7/01/88	1,339.00	0.00	0.00	1,339.00	0.00	1,339.00	0.00	S/L	4.00
184		(2) TRUCK RADIOS	12/09/91	1,206.00	0.00	0.00	1,206.00	0.00	1,206.00	0.00	S/L	4.00
185		POLES FOR TELEMETRY	9/12/97	363.00	0.00	0.00	363.00	0.00	363.00	0.00	S/L	4.00
186		POLES FOR TELEMETRY	1/07/98	34,586.00	0.00	0.00	34,586.00	0.00	34,586.00	0.00	S/L	4.00
187		TELEMETRY	5/12/98	7,124.00	0.00	0.00	7,124.00	0.00	7,124.00	0.00	S/L	4.00
188		TELEMETRY	2/11/99	6,836.00	0.00	0.00	6,836.00	0.00	6,836.00	0.00	S/L	4.00
189		TELEMETRY	5/30/99	4,500.00	0.00	0.00	4,500.00	0.00	4,500.00	0.00	S/L	4.00
190		RADIOS FOR NEW TRUCKS	7/01/04	2,628.00	0.00	0.00	2,628.00	0.00	2,628.00	0.00	S/L	4.00
191		HAND HELD UNITS	7/01/04	2,118.00	0.00	0.00	2,118.00	0.00	2,118.00	0.00	S/L	4.00
584		TELEMETRY	7/01/12	2,980.00	0.00	0.00	2,235.00	298.00	2,533.00	447.00	S/L	10.00
<b>346-50 COMM EQUIP</b>				<b>83,342.00</b>	<b>0.00c</b>	<b>0.00</b>	<b>82,597.00</b>	<b>298.00</b>	<b>82,895.00</b>	<b>447.00</b>		
<b>Location: 393-90 COMMUNICATION EQUIP SEWER</b>												
559		TELEMETRY	7/01/01	16,356.00	0.00	0.00	16,356.00	0.00	16,356.00	0.00	S/L	10.00
618		Communication Equipment	6/30/14	18,500.00	0.00	0.00	10,175.00	1,850.00	12,025.00	6,475.00	S/L	10.00
<b>393-90 COMMUNICATION EQUIP</b>				<b>34,856.00</b>	<b>0.00c</b>	<b>0.00</b>	<b>26,531.00</b>	<b>1,850.00</b>	<b>28,381.00</b>	<b>6,475.00</b>		
<b>346 Comm. Equipment</b>				<b>118,198.00</b>	<b>0.00c</b>	<b>0.00</b>	<b>109,128.00</b>	<b>2,148.00</b>	<b>111,276.00</b>	<b>6,922.00</b>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date in Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 347 Misc Equip</b>												
<b>Location: 347-50 MISCELLANEOUS</b>												
596		TILLER	7/24/13	1,500.00	0.00	0.00	609.58	95.00	704.58	795.42	S/L	15.00
643		TW8800 DIGITAL LINE TRACER	6/09/16	3,179.45	0.00	0.00	2,278.61	635.89	2,914.50	264.95	S/L	5.00
644		TRIMBLE HANDHELD SCANNER	8/08/16	14,145.50	0.00	0.00	4,833.05	1,414.55	6,247.60	7,897.90	S/L	10.00
645		WORKFLOW SOFTWARE	8/04/16	7,340.00	0.00	0.00	2,507.83	734.00	3,241.83	4,098.17	S/L	10.00
646		IRON FC300 RECEIVER	8/29/16	22,433.00	0.00	0.00	7,477.67	2,243.30	9,720.97	12,712.03	S/L	10.00
654		COMMUNICATION EQUIPMENT	5/04/17	2,385.25	0.00	0.00	1,590.16	596.31	2,186.47	198.78	S/L	4.00
678		MISC EQUIPMENT	6/30/18	11,302.97	0.00	0.00	1,695.45	1,130.30	2,825.75	8,477.22	S/L	10.00
688		MISC EQUIPMENT	6/30/19	211,994.00	0.00	0.00	10,599.70	21,199.40	31,799.10	180,194.90	S/L	10.00
716		MISC EQUIP	6/30/20	52,392.23	0.00c	0.00	0.00	2,619.61	2,619.61	49,772.62	S/L	10.00
<b>347-50 MISCELLANEOUS</b>				<u>326,672.40</u>	<u>0.00c</u>	<u>0.00</u>	<u>31,592.05</u>	<u>30,668.36</u>	<u>62,260.41</u>	<u>264,411.99</u>		
<b>347 Misc Equip</b>				<u>326,672.40</u>	<u>0.00c</u>	<u>0.00</u>	<u>31,592.05</u>	<u>30,668.36</u>	<u>62,260.41</u>	<u>264,411.99</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 348 Other Tan. Equip</b>												
<b>Location:</b>												
444		ASPHALT CUTTER	3/05/07	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	0.00	S/L	15.00
445		HANDHELD METER READERS	4/26/07	5,180.00	0.00	0.00	5,180.00	0.00	5,180.00	0.00	S/L	15.00
494		WAREHOUSE ALARM	2/29/08	4,557.00	0.00	0.00	4,557.00	0.00	4,557.00	0.00	S/L	15.00
495		LCD MONITOR	2/29/08	272.62	0.00	0.00	272.62	0.00	272.62	0.00	S/L	5.00
496		OVERBILT TRAILER	7/31/08	25,457.00	0.00	0.00	25,457.00	0.00	25,457.00	0.00	S/L	15.00
508		MISC. EQUIPMENT	6/30/09	1,665.00	0.00	0.00	1,526.25	111.00	1,637.25	27.75	S/L	15.00
<b>No Location</b>				<b>39,631.62</b>	<b>0.00c</b>	<b>0.00</b>	<b>39,492.87</b>	<b>111.00</b>	<b>39,603.87</b>	<b>27.75</b>		
<b>Location: 347-50 MISCELLANEOUS</b>												
192		PATROL BOAT	4/30/02	17,166.00	0.00	0.00	17,166.00	0.00	17,166.00	0.00	S/L	10.00
193		MISCELLANEOUS EQUIPMENT	1/01/71	4,615.00	0.00	0.00	4,615.00	0.00	4,615.00	0.00	S/L	6.00
194		STEAM JENNY	1/01/80	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	0.00	S/L	3.00
195		FEEDER	1/01/81	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	S/L	10.00
196		LAWN MOWER	1/01/81	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	10.00
197		MISCELLANEOUS EQUIPMENT	1/01/83	464.00	0.00	0.00	464.00	0.00	464.00	0.00	S/L	10.00
198		MISCELLANEOUS EQUIPMENT	1/01/83	450.00	0.00	0.00	450.00	0.00	450.00	0.00	S/L	10.00
202		SIGN - NEW OFFICE	7/01/89	612.00	0.00	0.00	612.00	0.00	612.00	0.00	S/L	10.00
203		CAMERA	4/08/91	761.00	0.00	0.00	761.00	0.00	761.00	0.00	S/L	10.00
204		ICE MACHINE	5/03/91	625.00	0.00	0.00	625.00	0.00	625.00	0.00	S/L	10.00
205		WELDER	4/28/92	450.00	0.00	0.00	450.00	0.00	450.00	0.00	S/L	10.00
206		METER DEVICES	2/01/93	6,280.00	0.00	0.00	6,280.00	0.00	6,280.00	0.00	S/L	10.00
207		TRAILER BED	9/30/94	9,450.00	0.00	0.00	9,450.00	0.00	9,450.00	0.00	S/L	10.00
208		AIR COMPRESSOR	11/30/94	9,965.00	0.00	0.00	9,965.00	0.00	9,965.00	0.00	S/L	10.00
209		FLAT BED TRAILER	3/02/95	9,950.00	0.00	0.00	9,950.00	0.00	9,950.00	0.00	S/L	10.00
210		PORTAFLOW	11/27/96	5,628.00	0.00	0.00	5,628.00	0.00	5,628.00	0.00	S/L	10.00
212		6FT SWEEPSTER BROOM	12/01/97	3,116.00	0.00	0.00	3,116.00	0.00	3,116.00	0.00	S/L	10.00
213		TILLER-S'AGR TECH	4/29/97	1,450.00	0.00	0.00	1,450.00	0.00	1,450.00	0.00	S/L	10.00
215		FLAT BED TRAILER	10/16/97	9,950.00	0.00	0.00	9,950.00	0.00	9,950.00	0.00	S/L	10.00
216		HOLE HAMMER	9/30/01	4,456.00	0.00	0.00	4,456.00	0.00	4,456.00	0.00	S/L	10.00
218		GPS EQUIP (MAP SYNC)	8/31/03	6,340.00	0.00	0.00	6,340.00	0.00	6,340.00	0.00	S/L	10.00
219		MISCELLANEOUS	7/01/04	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	10.00
220		NEW HAMMERHEAD	7/01/05	3,740.00	0.00	0.00	3,740.00	0.00	3,740.00	0.00	S/L	15.00
223		GATOR 7 X 18' TRLR	7/01/06	4,395.00	0.00	0.00	4,395.00	0.00	4,395.00	0.00	S/L	15.00
588		To balance to WTB	7/01/05	14,936.86	0.00	0.00	14,936.86	0.00	14,936.86	0.00	S/L	10.00
<b>347-50 MISCELLANEOUS</b>				<b>123,299.86</b>	<b>0.00c</b>	<b>0.00</b>	<b>123,299.86</b>	<b>0.00</b>	<b>123,299.86</b>	<b>0.00</b>		
<b>348 Other Tan. Equip</b>				<b>162,931.48</b>	<b>0.00c</b>	<b>0.00</b>	<b>162,792.73</b>	<b>111.00</b>	<b>162,903.73</b>	<b>27.75</b>		



**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 355 Flow Measuring Device</b>												
<b>Location: 355-90 FLOW MEASURING DEV SEWER</b>												
560		2 FLOW MEASURING DEVICES	7/01/01	11,720.00	0.00	0.00	11,720.00	0.00	11,720.00	0.00	S/L	5.00
561		FLOW MEASURING DEVICES	7/01/04	516.62	0.00	0.00	516.62	0.00	516.62	0.00	S/L	5.00
718		FLOW MEASURING (WW)	6/30/20	9,985.50	0.00c	0.00	0.00	998.55	998.55	8,986.95	S/L	5.00
<b>355-90 FLOW MEASURING DEV</b>				<u>22,222.12</u>	<u>0.00c</u>	<u>0.00</u>	<u>12,236.62</u>	<u>998.55</u>	<u>13,235.17</u>	<u>8,986.95</u>		
<b>355 Flow Measuring Device</b>				<u>22,222.12</u>	<u>0.00c</u>	<u>0.00</u>	<u>12,236.62</u>	<u>998.55</u>	<u>13,235.17</u>	<u>8,986.95</u>		

**Tax Asset Detail 1/01/20 - 12/31/20**

FYE: 12/31/2020

Asset	d i	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 362 Receiving Walls/Pumps</b>												
<b>Location: 362-90 REC. WELLS &amp; PUMPS SEWER</b>												
562		RECEIVING WELLS/PUMP PIT	7/01/01	75,000.00	0.00	0.00	34,688.00	1,875.00	36,563.00	38,437.00	S/L	40.00
563		RECEIVING WELLS/PUMP PIT	7/01/05	4,258.50	0.00	0.00	1,543.67	106.46	1,650.13	2,608.37	S/L	40.00
564		RECEIVING WELLS/PUMP PIT	7/01/06	3,409.30	0.00	0.00	1,150.61	85.23	1,235.84	2,173.46	S/L	40.00
565		RECEIVING WELLS/PUMP PIT	7/01/09	24,548.90	0.00	0.00	6,444.06	613.72	7,057.78	17,491.12	S/L	40.00
566		RECEIVING WELLS	7/01/10	20,982.42	0.00	0.00	4,983.32	524.56	5,507.88	15,474.54	S/L	40.00
576		Receiving Wells & Pumps	7/01/11	15,920.00	0.00	0.00	3,383.00	398.00	3,781.00	12,139.00	S/L	40.00
604		REC WALLS & PUMPS	6/30/13	4,680.00	0.00	0.00	1,014.00	156.00	1,170.00	3,510.00	S/L	30.00
<b>362-90 REC. WELLS &amp; PUMPS</b>				<u>148,799.12</u>	<u>0.00c</u>	<u>0.00</u>	<u>53,206.66</u>	<u>3,758.97</u>	<u>56,965.63</u>	<u>91,833.49</u>		
<b>362 Receiving Walls/Pumps</b>				<u>148,799.12</u>	<u>0.00c</u>	<u>0.00</u>	<u>53,206.66</u>	<u>3,758.97</u>	<u>56,965.63</u>	<u>91,833.49</u>		
<b>Grand Total</b>				<u>54,821,497.81</u>	<u>0.00c</u>	<u>0.00</u>	<u>23,767,468.93</u>	<u>1,289,688.47</u>	<u>25,057,157.40</u>	<u>29,764,340.41</u>		
<b>Less: Dispositions and Transfers</b>				<u>121,179.00</u>	<u>0.00</u>	<u>0.00</u>	<u>24,368.65</u>	<u>0.00</u>	<u>36,999.24</u>	<u>84,179.76</u>		
<b>Net Grand Total</b>				<u>54,700,318.81</u>	<u>0.00c</u>	<u>0.00</u>	<u>23,743,100.28</u>	<u>1,289,688.47</u>	<u>25,020,158.16</u>	<u>29,680,160.65</u>		

# Attachment No. 9a

## BOND RESOLUTION

RESOLUTION OF THE WOOD CREEK WATER DISTRICT, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF \$665,000 (PLUS OR MINUS \$65,000) PRINCIPAL AMOUNT OF WOOD CREEK WATER DISTRICT WATERWORKS REFUNDING REVENUE BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998, FOR THE PURPOSE OF FINANCING THE COST (NOT OTHERWISE PROVIDED) OF THE REFUNDING OF CERTAIN OUTSTANDING OBLIGATIONS OF THE DISTRICT.

WHEREAS, the waterworks system (the "System") of the Wood Creek Water District (the "District") is owned and operated by said District pursuant to Chapter 74 of the Kentucky Revised Statutes (the "Act"), and

WHEREAS, the District has heretofore issued the following revenue bonds:

- (a) Wood Creek Water District Waterworks System Revenue Bonds, dated July 10, 1967, in the original authorized principal amount of \$808,500 (the "Bonds of 1967") authorized by a Resolution adopted by the District on May 2, 1967 (the "1967 Bond Resolution");
- (b) Wood Creek Water District Waterworks Revenue Bonds of 1976, dated January 5, 1978, in the original authorized principal amount of \$1,325,000 (the "Bonds of 1976") authorized by a Resolution adopted by the District on November 8, 1976 (the "1976 Bond Resolution");
- (c) Wood Creek Water District Waterworks Revenue Bonds of 1980, dated December 29, 1980, in the original authorized principal amount of \$61,000 (the "Bonds of 1980") authorized by a Resolution adopted by the District on November 10, 1980 (the "1980 Bond Resolution");
- (d) Wood Creek Water District Waterworks Revenue Bonds of 1983, dated February 17, 1984, in the original authorized principal amount of \$760,000, (the "Bonds of 1983") authorized by a Resolution adopted by the District on March 18, 1983 (the "1983 Bond Resolution");
- (e) Wood Creek Water District Waterworks Revenue Bonds of 1984, dated June 20, 1986, in the original authorized principal amount of \$354,000 (the "Bonds of 1984") authorized by a Resolution adopted by the District on September 12, 1984 (the "1984 Bond Resolution");

- (f) Wood Creek Water District Waterworks Revenue Bonds of 1986, dated October 2, 1987, in the original authorized principal amount of \$600,000 (the "Bonds of 1987") authorized by a Resolution adopted by the District on April 28, 1987 (the "1987 Bond Resolution");
- (g) Wood Creek Water District Waterworks Revenue Bonds of 1989, dated August 14, 1991, in the original authorized principal amount of \$1,456,000 (the "Bonds of 1989") authorized by a Resolution adopted by the District on December 8, 1989 (the "1989 Bond Resolution");
- (h) Wood Creek Water District Waterworks Revenue Bonds of 1992, dated February 19, 1992, in the original authorized principal amount of \$114,000 (the "Bonds of 1992") authorized by a Resolution adopted by the District on February 3, 1992 (the "1992 Bond Resolution"); and
- (i) Wood Creek Water District Waterworks Revenue Bonds, Series 1996, dated July 21, 1998, in the original authorized principal amount of \$1,711,000 (the "Bonds of 1996") authorized by a Resolution adopted by the District on July 8, 1996 (the "1996 Bond Resolution").

Hereinafter the Bonds of 1967, Bonds of 1976, Bonds of 1980, Bonds of 1983, Bonds of 1984, Bonds of 1989, Bonds of 1992, and Bonds of 1996 are referred to as the "Prior Bonds" and the 1967 Bond Resolution, 1976 Bond Resolution, 1980 Bond Resolution, 1983 Bond Resolution, 1984 Bond Resolution, 1989 Bond Resolution, 1992 Bond Resolution and 1996 Bond Resolution are referred to as the "Prior Bond Resolution";

WHEREAS, the District has determined it is necessary and desirable in the public interest that the District currently refund and retire the outstanding Bonds of 1987 (the "Refunded Bonds"), which may be paid and discharged immediately, in order to effect substantial debt service savings; and to provide funds for such refunding it is now appropriate for the District to cause the sale and issuance of its Waterworks Refunding Revenue Bonds, Series 1998 (the "Current Bonds"), according to the authority of KRS Chapters 58 and 74 and the applicable provisions of the Prior Bond Resolution permitting the issuance of bonds on a parity with the Prior Bonds, which Current Bonds shall be payable as to both principal and interest solely from the income and revenues to be derived from the operation of the System, as extended and improved from time to time, on a parity with the Prior Bonds, and shall not constitute an indebtedness of the District within the meaning of provisions of the Constitution and statutes of the Commonwealth of Kentucky; and

WHEREAS, the United States of America, acting by and through the U.S. Department of Agriculture, Rural Development (the "RD"), as holder of the Prior Bonds, has consented in writing to permit the issuance of the Current Bonds on a parity basis with the Prior Bonds, and accordingly,

the Current Bonds shall be payable from and secured by a pledge of the gross revenues of the System, on a parity with the Prior Bonds;

WHEREAS, in proceedings before the Public Service Commission of Kentucky, the District has obtained, or will obtain prior to issuance of the Current Bonds, an order approving the issuance of the Current Bonds; and

WHEREAS, under the provisions of Chapters 58 and 74 of the Kentucky Revised Statutes, the District is authorized to issue the Current Bonds to provide such funds for the purpose aforesaid,

NOW, THEREFORE, BE IT RESOLVED BY THE WOOD CREEK 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"* means 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"* mean and contemplate the registered Owners of the Current Bonds at the time issued and outstanding hereunder.

*"Bonds"* refers to the Current Bonds, the Prior Bonds, and any Parity Bonds issued hereinafter.

*"Bonds of 1967"* or *"Series 1967 Bonds"* refer to the outstanding Wood Creek Water District Waterworks System Revenue Bonds, dated July 10, 1967, in the original authorized principal amount of \$808,500.

*"Bonds of 1976"* or *"Series 1976 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1976, dated January 5, 1978, in the original authorized principal amount of \$1,325,000.

*"Bonds of 1980"* or *"Series 1980 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1980, dated December 29, 1980, in the original authorized principal amount of \$61,000.

*"Bonds of 1983"* or *"Series 1983 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1983, dated February 17, 1984, in the original authorized principal amount of \$760,000.

*"Bonds of 1984"* or *"Series 1984 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1984, dated June 20, 1986, in the original authorized principal amount of \$354,000.

*"Bonds of 1987"* or *"Series 1987 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1986, dated October 2, 1987, in the original authorized principal amount of \$600,000.



*"Bonds of 1989" or "Series 1989 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1989, dated August 14, 1991, in the original authorized principal amount of \$1,456,000.

*"Bonds of 1992" or "Series 1992 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1992, dated February 19, 1992, in the original authorized principal amount of \$114,000.

*"Bonds of 1996" or "Series 1996 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds, Series 1996, dated July 21, 1998, in the original authorized principal amount of \$1,711,000.

*"Bond Registrar", "Transfer Agent", or "Paying Agent"* refers to the bank which shall constitute the Bond Registrar, Transfer Agent and Paying Agent with respect to the Current Bonds, which Paying Agent shall have the duties and responsibilities of (a) issuing semiannual checks in payment of interest requirements as to the Current Bonds, (b) paying the principal (and redemption price, if any) of same at maturity or applicable redemption prior to maturity upon surrender of the Current Bonds, (c) authenticating, issuing and delivering the Current Bonds to the original purchasers of same in accordance with the sale of the Current Bonds, at the direction of the District (d) maintaining the Current Bonds register, and (e) handling exchanges, cancellations, reissuance, redemption and all apparent duties of a Bond Registrar and Transfer Agent with respect to the Current Bonds, as hereinafter set out. The Bond Registrar, Transfer Agent and Paying Agent hereby designated is The Fifth Third Bank, Cincinnati, Ohio; provided, however, it is understood that the District reserves the right to designate a different Federal Deposit Insurance Corporation instrumentality to perform any and all of such functions of Bond Registrar, Transfer Agent and Paying Agent as to the Current Bonds.

*"Bond Resolution of 1967" or "1967 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1967, duly adopted by the Board of Commissioners of the District on May 2, 1967.

*"Bond Resolution of 1976" or "1976 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1976, duly adopted by the Board of Commissioners of the District on November 8, 1976.

*"Bond Resolution of 1980" or "1980 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1980, duly adopted by the Board of Commissioners of the District on November 10, 1980.

*"Bond Resolution of 1983" or "1983 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1983, duly adopted by the Board of Commissioners of the District on March 18, 1983.



*"Bond Resolution of 1984"* or *"1984 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1984, duly adopted by the Board of Commissioners of the District on September 12, 1984.

*"Bond Resolution of 1987"* or *"1987 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1987, duly adopted by the Board of Commissioners of the District on April 28, 1987.

*"Bond Resolution of 1989"* or *"1989 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1989, duly adopted by the Board of Commissioners of the District on December 8, 1989.

*"Bond Resolution of 1992"* or *"1992 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1992, duly adopted by the Board of Commissioners of the District on February 3, 1992.

*"Bond Resolution of 1996"* or *"1996 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1996, duly adopted by the Board of Commissioners of the District on July 8, 1996.

*"Certified Public Accountants"* refers to an independent Certified Public Accountant or firm of Certified Public Accountants, duly licensed in affairs of the System and/or of other District financial matters. Until otherwise directed by the governing body of the District, such term shall be deemed to refer to Cloyd, Simons & Company, P.S.C., London, Kentucky.

*"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" or "Governing Body"* means 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.

*"Current Bond Resolution" or "Resolution"* refers to this Resolution authorizing the Current Bonds.

*"Current Bonds"* refers to the \$665,000 (plus or minus \$65,000) of Wood Creek Water District Waterworks Refunding Revenue Bonds, Series 1998 authorized by this Resolution, dated as of September 1, 1998.

*"Depository Bank"* means the bank, which shall be members of the FDIC, and which have served and shall continue to serve as the depository of all of the Funds created in the Prior Bond Resolution and this Current Bond Resolution, which bank is Cumberland Valley National Bank, London, Kentucky.

*"Depreciation Fund"* refers to the Wood Creek Water District Waterworks Revenue Bond Depreciation Reserve Fund, described in Section 401(E) of this Resolution.

*"District"* refers to the Wood Creek Water District of Laurel County, Kentucky.

*"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.

*"Financial Advisor"* refers to the firm of J.J.B. Hilliard, W.L. Lyons, Inc., Louisville, Kentucky.

*"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 Revenue Fund, the Sinking Fund, the Depreciation Fund, the Reserve Fund and the Operation and Maintenance Fund.

*"Government"* means the United States of America, or any agency thereof, including the RD.

*"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.

*"Interest Payment Date"* shall mean January 1 and July 1 of each year, commencing January 1, 1999.

*"Operation and Maintenance Fund"* refers to the Wood Creek Water District Waterworks Operation and Maintenance Fund described in Section 401(F) of this Resolution.

*"Outstanding Bonds"* refers to the outstanding Prior Bonds, the Current Bonds, and any additional outstanding Parity 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"* means bonds which may be issued in the future, in addition to the Prior Bonds and the Current Bonds, which Parity Bonds issued in the future will, pursuant to the provisions of this Current Bond Resolution and the Prior Bond Resolution, rank on a basis of parity with said 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 Current Bonds.

*"Permitted Investments"* refers to and includes (a) direct obligations of or obligations guaranteed by the United States of America, including bookkeeping entries; and (b) interest-bearing time deposits or certificates of deposit issued by banks insured by the FDIC and fully secured, to the extent of the amount in excess of the amount insured by the FDIC, by a pledge of direct obligations of, or obligations guaranteed by, the United States of America having a fair market value, exclusive of accrued interest, equal to not less than 100% of such excess amount.

*"Prior Bonds"* refers to the Bonds of 1967, Bonds of 1976, Bonds of 1980, Bonds of 1983, Bonds of 1984, Bonds of 1989, Bonds of 1992 and Bonds of 1996.

*"Prior Bond Resolution"* refers to the 1967 Bond Resolution, 1976 Bond Resolution, 1980 Bond Resolution, 1983 Bond Resolution, 1984 Bond Resolution, 1989 Bond Resolution, 1992 Bond Resolution and 1996 Bond Resolution.

*"Purchaser"* means 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"* means the Rural Development of the Department of Agriculture of the United States of America.

*"Record Date"* shall mean with respect to any Interest Payment Date, the close of business on June 15 or December 15, as the case may be, next preceding such Interest Payment Date, whether or not such June 15 or December 15 is a business day.

*"Refunded Bonds"* refers to the Bonds of 1987.

*"Refunding Program"* refers to the refinancing and current refunding of the Bonds of 1987.

*"Reserve Amount"* refers to an amount, as of any particular date of computation, equal to the lesser of (i) the maximum annual debt service on the Current Bonds; (ii) 10% of the proceeds of the Current Bonds issued; or (iii) 125% of the average annual principal and interest requirements on the Current Bonds.

*"Reserve Fund"* refers to the Wood Creek Water District Waterworks Debt Service Reserve Fund of 1998, created in Section 401(C) of this Resolution.

*"Revenue Fund"* refers to the Wood Creek Water District Waterworks Revenue Fund, described in Section 401(A) of this Resolution.

*"Secretary"* refers to the elected or appointed Secretary of the Governing Body.

*"Sinking Fund"* refers to the Wood Creek Water District Waterworks Revenue Bond Sinking Fund, described in Section 401(B) of this Resolution.

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

"Treasurer" refers to the appointed Treasurer of the District.

"U.S. Obligations" means 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. Authorization of Bonds.** For the purpose of defraying the costs (not otherwise provided) of the Refunding Program, there are hereby authorized to be presently issued and sold Six Hundred Sixty-five Thousand Dollars (\$665,000) [plus or minus up to \$65,000] principal amount of Wood Creek Water District Waterworks Refunding Revenue Bonds, Series 1998, dated and bearing interest from September 1, 1998. In order to provide sufficient revenues to undertake the Refunding Program the principal amount of the Current Bonds shall be adjusted upward or downward as deemed necessary by the Governing Body on the date of the sale of the Current Bonds. Said Current Bonds shall mature serially on the first day of January of the respective years, as set out in Exhibit A attached hereto, and shall bear interest payable semiannually on the first days of January and July of each year, beginning on January 1, 1999, at an interest rate or rates and in the maturities to be fixed by Resolution of the Governing Body as a result of the advertised sale of the Bonds.

**Section 103. Recognition of Outstanding Bonds.** The District hereby expressly recognizes and acknowledges that the District has previously created for the benefit and protection of the owners of the Outstanding Bonds, a certain lien and pledge and certain security rights relating to the System, all as set forth in the Outstanding Bonds and in the documents authorizing such Outstanding Bonds.

**Section 104. Current Bonds Shall be Payable on First Lien Basis Out of Gross Revenues.** The Prior Bonds, the Current Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be payable solely on a first lien basis out of the gross revenues of the System, and shall be a valid claim of the Owners thereof against the Sinking Fund created for the benefit of such owners.



**ARTICLE 2. THE BONDS; PRINCIPAL INSTALLMENTS; BOND FORM;  
EXECUTION; PREPAYMENT.**

**Section 201. Principal Installments.** Principal installments due on the Current Bonds shall be as set forth in the schedule of maturities set out in **Exhibit A** attached to this Resolution, adjusted by the Resolution approving the sale of the Current Bonds, and incorporated herein by reference.

**Section 202. Issuance of Current Bonds; Bond Form.** The Purchaser of the Current Bonds at the public sale thereof 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 by reference, amounting in the aggregate to the principal amount of the Current Bonds authorized herein, maturing as to principal in installments as set out in **Exhibit A**. 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 herein, constitute the entire bond issue herein authorized, shall be negotiable (subject to registration requirements as to transferability), and payable as to principal and interest to the registered Owner.

**Section 203. Place of Payment and Manner of Execution.** The principal of (and redemption price, if any) and interest on the Current Bonds shall be payable in lawful money of the United States of America as they respectively become due, whether at maturity or by prior redemption. Principal of each Current Bond is payable upon surrender of same at the main office of the Paying Agent and Bond Registrar. Interest on the Current Bonds shall be paid by check or draft mailed by the Paying Agent to the Bondowners as of the Record Date, at the respective addresses appearing on the bond register.

So long as any Current Bonds remain outstanding, the Bond Registrar shall keep at its principal office a bond register showing and recording a register of the Owners of the Current Bonds and shall provide for the registration and transfer of Current Bonds in accordance with the terms of this Current Bond Resolution, subject to such reasonable regulations as the Bond Registrar may prescribe.

The Current Bonds shall be executed on behalf of the District with the duly authorized reproduced facsimile signature of the Chairman, and the reproduced facsimile of its corporate seal shall be imprinted thereon and attested by the reproduced facsimile signature of the Secretary; and said officials, by the execution of appropriate certifications, shall adopt as and for their own proper signatures, their respective facsimile signatures on said Current Bonds; provided the Authentication Certificate of Registrar must be executed by the manual signature of the Bond Registrar on each Current Bond before such Current Bond shall be valid.

The Bond Registrar shall have the right to order the preparation of whatever number of Current Bond certificates as, in the sole discretion of the Bond Registrar, shall be deemed necessary in order to enable the Bond Registrar to maintain an adequate reserve supply of such certificates to effect properly the continuing transfers and exchanges of ownership of the Current Bonds as same

are sold, exchanged and/or otherwise surrendered in the future. No further action regarding the authorization or execution of additional certificates shall be required by the Governing Body, the Chairman or the Secretary.

At least 5 business days prior to the delivery of the Current Bonds, the Purchasers shall furnish to the Bond Registrar the name, address, social security number or taxpayer identification number of each party to whom the Current Bonds shall have been resold and in whose name the Current Bonds are to be registered and the principal amounts and maturities thereof. The Bond Registrar shall then issue and deliver to the Purchasers, on the closing date, fully registered Current Bond certificates for each registered owner so designated.

Pending the preparation of printed Current Bonds the District may execute and, upon the District's request, the Bond Registrar shall authenticate and deliver one or more temporary Current Bond which may be printed, lithographed, typewritten, mimeographed or otherwise reproduced, in any denomination, substantially of the tenor of the printed Current Bonds in lieu of which they are delivered, in fully registered form without coupons, and with such appropriate insertions, omissions, substitutions and other appropriate and necessary variations as the officers of the District executing such temporary Current Bonds may determine, as evidenced by their signing such temporary Current Bonds.

All Current Bonds shall be exchangeable and transferable upon the presentation and surrender thereof at the office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, for a Current Bond or Current Bonds of the same maturity and interest rate and in any authorized denomination of \$5,000 and/or a multiple thereof within a single maturity, in an aggregate principal amount or amounts equal to the unpaid principal amount of the Current Bond or Current Bonds presented for exchange. The Bond Registrar shall be and is hereby authorized to (authenticate and) deliver exchange Current Bonds in accordance with the provisions of this Section 203. Each exchange Current Bond delivered in accordance with this Section 203 shall constitute an original contractual obligation of the District and shall be entitled to the benefits and security of this Current Bond Resolution to the same extent as the Current Bond or Current Bonds in lieu of which such exchange Current Bond is delivered.

#### **Section 204. Redemption of Current Bonds.**

##### **(A) Mandatory Sinking Fund Redemption**

If the successful bidder and original purchaser of the Current Bonds so elects in accordance with the provisions of the Official Terms and Conditions of Sale, and as may be provided in the Resolution of the Commission awarding the Current Bonds to such original purchaser, the Current Bonds stated to mature on the maturity dates set out in the successful bid of such original purchaser shall be combined to comprise the maturities of Term Bonds as set out in said successful bid and in said Resolution; and such Term Bonds shall be subject to mandatory redemption in part, at the

selection of the Paying Agent and Bond Registrar by lot in such manner as the Paying Agent and Bond Registrar may determine, from moneys in the Sinking Fund on each applicable January 1 at par plus accrued interest to the redemption date, according to the mandatory sinking fund redemption schedule or schedules set out in said Resolution and in principal amounts corresponding to the above maturity schedule set out in **Exhibit A** hereto.

(B) Optional Redemption

The Current Bonds maturing on and after January 1, 2010, are subject to redemption by the District, at its option, prior to maturity in whole or from time to time in part at any time on or after January 1, 2009, in any order of maturities (less than all of a single maturity to be selected by lot in such manner as the Paying Agent and Bond Registrar may determine) at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates (inclusive)</u>	<u>Redemption Price</u>
January 1, 2009, through December 31, 2009	102%
January 1, 2010, through December 31, 2010	101%
January 1, 2011 and thereafter	100%

(C) Other Redemption Provisions

The Paying Agent and Bond Registrar shall, upon being satisfactorily indemnified as to expenses, cause notice of the call for any redemption, identifying the Current Bonds or portions thereof (\$5,000 or any integral multiples thereof) to be redeemed, to be sent by registered or certified mail at least thirty (30) days prior to the date fixed for redemption to the Registered Holder of each Current Bond to be redeemed at the address shown on the registration books. Failure to give such notice by mailing or any defect therein in respect of any Current Bond shall not affect the validity of any proceedings for the redemption of any other Current Bond. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, irrespective of whether the Registered Holder receives the notice. The redemption notice shall set forth in detail the redemption provisions.

Prior to the date fixed for redemption of Current Bonds, funds shall be deposited by the District with the Paying Agent and Bond Registrar to pay, and the Paying Agent and Bond Registrar is hereby authorized and directed to deposit such funds into the Sinking Fund hereinafter identified and to apply such funds to the payment of, the Current Bonds or portions thereof called for redemption, together with accrued interest thereon to the redemption date and any required premium. Upon the giving of notice and the deposit of adequate funds in the Sinking Fund for redemption of Current Bonds, interest on the Current Bonds or portions thereof so called for redemption shall cease to accrue after the date fixed for redemption. No payment of principal, premium or interest shall be made by the Paying Agent and Bond Registrar upon any Current Bond or portion thereof called for



redemption until such Current Bond or portion thereof shall have been delivered to the Paying Agent and Bond Registrar for payment or cancellation, or the Paying Agent and Bond Registrar shall have received the items required by Section 205 hereof with respect to any mutilated, lost, stolen or destroyed Current Bond.

A portion of any Current Bond maturing on or after January 1, 2010, may be redeemed, but Current Bonds shall be redeemed only in the principal amount of \$5,000 each or any integral multiples thereof. Upon surrender of any Current Bond for redemption in part only, the District shall execute and the Paying Agent and Bond Registrar shall register, authenticate and deliver to the holder thereof, within a period of three days from surrender of such Current Bond to the Paying Agent and Bond Registrar, at the expense of the District, a new Current Bond or Current Bonds of the same maturity, of authorized denominations and in aggregate principal amount equal to the unredeemed portion of the Current Bond surrendered.

**Section 205. Mutilated, Lost, Stolen or Destroyed Current Bonds.** If any Current Bond shall be mutilated, lost, stolen or destroyed, the District may execute, authenticate and deliver a new Current Bond of like maturity and tenor in lieu of and in substitution for the Current Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Current Bond, such mutilated Current Bond shall first be surrendered to the District, and in the case of any lost, stolen or destroyed Current Bond, there shall be first furnished to the District satisfactory evidence of the ownership of such Bond and of such loss, theft or destruction, together with indemnity satisfactory to the Bond Registrar. If any such Current Bond shall have matured, the District (through the Bond Registrar) may pay the same instead of issuing a new Current Bond. The District and/or the Bond Registrar may charge the owner of such Current Bond its (their) reasonable fees and expenses in this connection.

**Section 206. Authentication of Current Bonds.** The Current Bonds, after execution by the District, shall be delivered to the Bond Registrar. No Current Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Current Bond Resolution unless and until such Current Bond has been duly authenticated by the Bond Registrar by the execution of the Authentication Certificate of Bond Registrar appearing on such Current Bond. Such Certificate appearing on any Current Bond shall be deemed to have been duly executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar. It shall not be required that the same officer of the Bond Registrar sign such Certificate on all of the Current Bonds.

The District shall deliver to the Bond Registrar a sufficient quantity of Current Bonds in blank to enable the Bond Registrar to hold a quantity of Current Bonds in blank, after the initial delivery of the Current Bonds, for future authentication and exchange for such Current Bonds as may be exchanged and transferred from time to time.

**Section 207. Disposition of Current Bonds Proceeds.** All sums received as accrued interest from the sale of the Current Bonds shall be deposited in the Sinking Fund hereinafter



continued (for payment of interest first due on the Current Bonds) and the remaining Current Bond proceeds shall be applied as follows:

(a) There shall first be paid from the Current Bond proceeds by or on the order of the Chairman the contractual fee of the District's Financial Advisor, the fee and any expenses of the Bond Registrar and Paying Agent, all counsel fees and expenses, rating service fees, if any, printing and publication charges and any other necessary or desirable fees and expenses with respect to the issuance of the Current Bonds and the redemption of the Refunded Bonds.

(b) A sufficient portion of the Current Bond proceeds together with such other legally available funds of the District as may be necessary, including such sums previously accrued specifically to pay interest on and all principal of the Refunded Bonds (which funds are hereby appropriated for such purpose), shall be applied to the current refunding, redemption or prepayment and retirement of the Refunded Bonds as herein described, and in this connection each of the Chairman, Secretary and Treasurer is hereby authorized and directed to take all necessary action on behalf of the District to provide for such redemption or prepayment and retirement immediately upon delivery of the Current Bonds, and in any event no later than thirty days thereafter.

(c) A sufficient portion of the Current Bond proceeds together with other available funds of the District as shall be necessary to cause the aggregate amount on deposit in the Reserve Fund hereinafter referred to be equal to the Reserve Amount shall be deposited in the Reserve Fund.

(d) The balance of the Current Bond proceeds, if any, shall be deposited in the Sinking Fund.

**Section 208. Application of Remaining Funds Held for Refunded Bonds.** The District covenants that simultaneously with the delivery of the Current Bonds and with the written approval of the RD, all amounts remaining in funds and accounts previously created and maintained by the District specifically for payment of principal of and accrued interest on the Refunded Bonds shall be transferred and applied according to the written direction of the Chairman or the Treasurer.

### ARTICLE 3. ARBITRAGE LIMITATIONS.

**Section 301. Arbitrage Limitations on Investment of Proceeds.** The District covenants and certifies, in compliance with the Code, that on the basis of known facts and reasonable expectations on the date of enactment 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 Purchaser and/or 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 Current 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 the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such 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. Flow of Funds.** From and after issuance and delivery of the Current Bonds, and so long as any of the Current Bonds or Parity Bonds remain outstanding and unpaid, the System shall continue to be operated on a Fiscal Year basis, and on that basis the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

(A) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created by the Prior Bond Resolution designated and identified as the District's "Water Revenue Fund", which shall continue to be maintained by the District, and into which shall be deposited all income and revenues of the System (to the extent not otherwise provided to be deposited hereinafter). The moneys in the Revenue Fund from time to time shall be used and disbursed and applied by the District, as permitted by applicable statutes, as follows:

(B) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created in and by the Prior Bond Resolution and designated and identified as the "Waterworks Bond and Interest Sinking Fund", which shall continue to be maintained so long as any of the Outstanding Bonds or any additional Parity Bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Outstanding Bonds and any Parity Bonds hereafter issued and outstanding pursuant to the provisions of this Resolution.

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 Outstanding Bonds. Specifically, there shall be paid into the Sinking Fund on or before the 20th day of each month, on account of the Outstanding Bonds, not less than the following:

- (i) a sum which together with other funds available in the Sinking Fund for such purpose will be equal to one-sixth (1/6) of the next succeeding interest installment to become due on all Outstanding Bonds; and
- (ii) a sum which together with other funds available in the Sinking Fund for such purpose will be equal to one-twelfth (1/12) of the principal of all Outstanding Bonds maturing on the next succeeding January 1.

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 Outstanding Bonds and Parity Bonds and paying all interest that will accrue thereon.

(C) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, is hereby created, designated and identified as the "Wood Creek Water District Waterworks Revenue Bond Debt Service Reserve Fund of 1998", which shall continue to be maintained so long as there are outstanding any Parity Bonds herein permitted to be issued on a parity with the Outstanding Bonds, except those Parity Bonds the original purchaser or purchasers of which have waived the benefit of, and any claim to, the Reserve Fund. Parity Bonds which may be issued and outstanding from time to time as hereinafter permitted and with respect to which the original purchaser or purchasers have not waived the benefit of and claim to the Reserve Fund are hereafter referred to as "Qualified Parity Bonds". The holders of the Prior Bonds, have elected, for themselves and on behalf of all subsequent holders of the Prior Bonds, to waive the benefit of and any claim to the Reserve Fund.

All moneys deposited in the Reserve Fund from time to time shall be held and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the outstanding Qualified Parity Bonds, if any, if and to the extent insufficient funds are available therefor in the Sinking Fund. Whenever the amount in the Reserve Fund is less than the Reserve Amount, the amount necessary to restore balance in the Reserve Fund to the Reserve Amount shall be paid into the Reserve Fund in thirty-six (36) equal monthly installments, each payable on the twentieth (20th) day of the month (except that when the twentieth (20th) day of any month shall be a Sunday or a legal holiday, then such payment shall be made on the next succeeding business day) from the Revenue Fund, after making the deposits set out in subsection (B) above, until the Reserve Amount is on deposit in the Reserve Fund.

Any amount in the Reserve Fund in excess of the Reserve Amount shall be transferred to the Sinking Fund and applied as credit against payments into the Sinking Fund from the Revenue Fund on a monthly basis as described in the foregoing subsection (B).

(D) A separate and special fund or account of the District was created by the Prior Bond Resolution designated and identified as the District's "Depreciation Fund". After observing the priority of deposits set forth in (A) through (C) above, which are cumulative, there shall be set apart and paid into the Depreciation Fund each month, such sum as is required by the Prior Bond Resolution, from the remaining funds in the Revenue Fund, such monthly deposits to continue so long as any Prior Bonds payable from the income and revenues of the System remain outstanding and unpaid or until the minimum balance set forth in said Prior Bond Resolution is reached.



In addition to the above deposits from the Revenue Fund, there shall also be deposited in the Depreciation Fund, as received, the proceeds of all property damage insurance (except public liability) maintained in connection with the System, and the cash proceeds of any surplus, worn-out or obsolescent properties of the System, if the same be sold upon order of the Commission. Any fees which may be levied and collected by the Commission of the District for the privilege of connecting to the System (excluding initial deposits received in aid of a particular project) shall be paid, as received, into the Depreciation Fund.

The Depreciation Fund shall be available and may be withdrawn and used by the District, upon appropriate certification as to the authorization for such withdrawal, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals or replacements, and the cost of constructing additions and improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. The Depreciation Fund shall also be available for transfer to the Sinking Fund in order to avoid default in connection with any Outstanding Bonds payable from the Sinking Fund or to redeem or purchase Outstanding Bonds in advance of maturity.

At any time when the accumulations in the Depreciation Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Permitted Investments maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than five (5) years after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Depreciation Fund shall be carried to the credit of the Depreciation Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(E) A separate and special fund or account of the District was created by the Prior Bond Resolution designated the District's "Operation and Maintenance Fund", which shall continue to be maintained for the benefit of the System and all Outstanding Bonds payable from the income and revenues of the System. The District covenants that it will transfer monthly from the moneys in the Revenue Fund, after making the transfers required by (A) through (E) above, to the Operation and Maintenance Fund sums sufficient to pay as they accrue the Current Expenses of operating and maintaining the System pursuant to the Proposed Budget, for which provision is hereafter made, and to accrue an operation and maintenance reserve not in excess of anticipated requirements for a two-month period pursuant to the Proposed Budget.

At any time when the accumulations in the Operation and Maintenance Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Permitted Investments maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than ninety (90) days after the date of investment; but as and when

funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Operation and Maintenance Fund shall be carried to the credit of the Operation and Maintenance Fund; all income from investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(F) All moneys held in the Revenue Fund, the Sinking Fund, the Reserve Fund and the Depreciation Fund shall be deposited in a bank or banks which are members of the FDIC, and all such deposits which cause the aggregate deposits of the District in any one bank to be in excess of the amount insured by FDIC shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Revenue Fund and the Sinking Fund shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Revenue Fund and the Sinking Fund may, and the Reserve Fund shall, be invested in Permitted Investments, as hereinafter defined, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Fund which supplied the funds for such investments, and the income from such investments shall be credited to the Sinking Fund; provided, however, if the amount in the Reserve Fund is less than the Reserve Amount, income from investments in the Reserve Fund shall be credited to the Reserve Fund until the Reserve Amount is accumulated therein. Permitted Investments in the Reserve Fund shall be valued at cost.

Investment income accruing to the Sinking Fund shall be credited against payments into the Sinking Fund from the Revenue Fund on a monthly basis as set out in the foregoing subsection (B) hereof.

(G) Subject to the provisions of subsections (A) through (F) above, which are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred within sixty (60) days after the end of each Fiscal Year the balance of excess funds in the Revenue Fund on such date to the Depreciation Fund.

All payments into the above special 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 Sunday or a legal holiday, then such payment shall be made on the next succeeding business day.

All moneys held in any of the above special 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 in any Depository Bank 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 pledge of direct obligations or by guaranteed bonds or securities of the United States Government having a market value at least equivalent to such excess deposit.

**Section 402. Current Bonds on a Parity with Outstanding Bonds.** It is hereby certified and declared that prior to the issuance of any of the Current Bonds, there will have been procured and filed with the District (i) a letter from the RD to the effect that the RD agrees to the issuance of the Current Bonds ranking on a parity as to security and source of payment with the Prior Bonds, all of which are owned by the RD, together with (ii) a certification signed by the RD to the effect that a legend has been typed, stamped or otherwise affixed on each of the Prior Bonds held by the RD, evidencing the agreement of the RD as the then Owner of the Prior Bonds, to the issuance of the Current Bonds so as to rank on a parity with the Prior Bonds, such legend to be in substantially the following form:

The holder of this Bond has consented to the issuance of \$665,000 of Wood Creek Water District Waterworks Refunding Revenue Bonds, Series 1998, ranking on a parity as to security and source of payment with this Bond.

Accordingly, it is hereby found and declared that the Current Bonds shall rank and be payable on a parity with the Prior Bonds from the gross income and revenues of the System.

## ARTICLE 5. COVENANTS OF DISTRICT.

**Section 501. Rates and Charges.** The District covenants that while the Current Bonds remain outstanding and unpaid, such rates and charges for services of the System will be imposed and collected so that the gross income and revenues of the System will be sufficient to provide for all principal and interest requirements of all Outstanding Bonds, to provide for all expenses of operation, repair, maintenance and insurance, of the System and to produce net revenues in each year equal to not less than 120% of the average annual principal and interest requirements of all Outstanding Bonds, calculated in the manner (and with the defined terms) specified in Section 602 hereof, authorizing the issuance of future Parity Bonds, except that for the purpose of such calculation, no adjustment shall be permitted for future projections or for any other matter; and the District shall enact promptly and enforce increased rates whenever such increase shall be necessary to fulfill any covenants of or payments required by this Resolution.

The District covenants that it will not reduce the rates and charges for services rendered by the System without first filing with the Secretary a certification of an Independent Consulting Engineer to the effect that the annual net revenues (defined as gross revenues less essential operation and maintenance expenses) of the then existing System for the fiscal year preceding the date on which such reduction is proposed, as such annual revenues are adjusted, after taking into account the projected reduction in revenues anticipated to result from such proposed rate decrease, are equal to not less than 120% of the average annual debt service requirements falling due in any year thereafter, calculated in the manner specified in Section 602 hereof.

The District also covenants to cause a coverage report to be filed with the Governing Body within four months after the end of each fiscal year by Certified Public Accountants and/or Independent Consulting Engineers, setting forth what was the precise percentage of the average annual debt service requirements falling due thereafter for principal of and interest on all of the then Outstanding Bonds payable from the revenues of the System, calculated in the manner specified in Section 602 hereof; and the District 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 future annual debt service requirements, the District shall increase the rates by an amount sufficient, in the opinion of such Certified Public Accountants and/or Independent Consulting Engineers, to establish the existence of or immediate projection of, such minimum 120% coverage.

**Section 502. Books and Accounts; Audit.** The District covenants to maintain proper records and accounts relating to the operation of the System and the District's financial affairs; and the Owners of any of the Current Bonds, 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 days after the close of each Fiscal Year, copies of such audit reports certified by such Certified Public Accountant shall be promptly mailed to any Bondowner that may have made a written request for same.



**Section 503. System to Continue to be Operated on Fiscal Year Basis; Annual Budget.**

While any of the Current Bonds, and any Parity 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 days after the end of each Fiscal Year, beginning immediately after the issuance of the Current Bonds, the District agrees to cause to be prepared a detailed statement of income and expenditures for the Fiscal Year, a current financial statement and a proposed annual budget of current 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.

For the purpose of the Proposed Budget, current expenses shall include all reasonable and necessary expenses of operating, repairing, maintaining and insuring the System, but shall exclude depreciation and payments into the Sinking Fund, the Reserve Fund, the Depreciation Fund. The District covenants that the current 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 current 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 days after 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 current expenses, the District shall revise the rates and charges sufficiently to provide the funds 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 District Council shall hold an open hearing not later than thirty 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 days prior to the hearing to each registered Bondowner and to the Government.

The District covenants that annually before the first day of December, the annual budget for the then current 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 Current 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 505 hereof (involving insurance on motors, tanks and structures); and

**Section 505. Insurance on Motors, Tanks and Structures.** If and to the extent not now fully required by the 1982 Bond Resolution, the District shall immediately after the adoption of this Resolution insure all electric motors, pumping stations and major structures of the System in an amount recommended by an Independent Consulting Engineer for the hazards usually covered in such area.

## ARTICLE 6. INFERIOR BONDS AND PARITY BONDS.

**Section 601. Inferior Bonds.** Except as provided below in this Article, the District shall not, so long as any of the Current Bonds and/or Parity 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 Current Bonds and any Parity 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 Outstanding Bonds, and provided further that, 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 of the Outstanding Bonds.

**Section 602. Parity Bonds to Finance Future Improvements.** The District reserves the right and privilege, of issuing additional Parity Bonds, but only under the following conditions:

The District further reserves the right to add new combined and consolidated water and sewer 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 Outstanding 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 operation 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, including such requirements of the Current Bonds, any Parity Bonds then outstanding 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 at 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) Reference is made to Section 605 hereof as to the necessity of obtaining the written consent of the RD for the issuance of future bonds encumbering the System while the RD owns any Bonds payable from the revenues of the System.

The District hereby further reserves the right and privilege of issuing additional Parity Bonds for the purpose of refunding any of the Outstanding Bonds and any additional Parity Bonds, or any portion thereof, as may be outstanding, provided that before any additional Parity Bonds are issued for such purpose, there shall have been procured and filed with the Secretary of the District either (a) the written consent of the holders of all Outstanding Bonds and any additional Parity Bonds (other than the bonds being refunded) to such issuance or (b) a statement by an independent Certified Public Accountant reciting the opinion based upon necessary investigation that after the issuance of such additional Parity Bonds, the net income and revenues, as adjusted and defined above, of the System for the fiscal year preceding the date of issuance of such additional Parity Bonds, after taking into account the revised maximum annual debt service resulting from the issuance of such additional Parity Bonds and from the elimination of the bonds being refunded, are equal to not less than 120% of the maximum annual debt service requirement for any year ending January 1 with respect to the Outstanding Bonds and any additional Parity Bonds then outstanding and the proposed additional Parity Bonds and calculated in the manner specified above.

The original purchaser or purchasers of a series of additional Parity Bonds may waive the benefit of and any claim to the Reserve Fund, in which event such bonds shall not be secured by or payable from the Reserve Fund; and the District may make it a condition to the original sale of any series of additional Parity Bonds that the purchaser or purchasers thereof, by offering to purchase or by purchasing the same, has agreed to such waiver.



**Section 603. 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 Depreciation Fund on the same basis as that prescribed in the provisions establishing such Depreciation Fund, taking into account the future debt service requirements of all bonds payable out of the Sinking Fund 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 604. 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 605. 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 606. Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities.** The District covenants and agrees that so long as any of the Current 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 Current 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.

## **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 Current 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 Current Bonds when the same shall become due and payable.
- (c) The default by the District in the due or punctual performance of any of the covenants, conditions, agreements and provisions contained in the Current Bonds 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 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 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 Current 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 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; MISCELLANEOUS PROVISIONS.**

**Section 801. Resolution Contractual with Bondowners.** The provisions of this Current Bond Resolution shall constitute a contract between the District and the Owners of the Current Bonds, and after the issuance of any of the Current Bonds, no change, variation or alteration of any kind, in the provisions of this Current Bond Resolution shall be made in any manner, except for the purpose of curing any ambiguity or of curing, correcting, or supplementing any defective or inconsistent provisions contained herein or in any proceeding pertaining hereto, and except as herein provided, until such time as all of the Current Bonds and the interest thereon have been paid in full; provided, however, that the Owners of eighty percent (80%) in principal amount of the Current Bonds may agree to a modification or amendment to this Current Bond Resolution; provided, however, that no such modifications or amendments shall be made which will permit: (a) an extension of the maturity of any of the Current Bonds or of any Parity Bonds, (b) a reduction in the principal amount of any Current Bond or the redemption price or the rate of interest thereon, (c) the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with the lien or pledge of the Current Bonds, (d) a preference or priority of any Current Bonds or Parity Bonds over any other bond or bonds, (e) a reduction in the aggregate principal amount of the Current Bonds required to consent to any such modification or amendment, or (f) impair in any way the rights of the Owners of the Current 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. Signatures of Officers.** If any of the officers whose signatures or facsimile signatures appear on the Current Bonds cease to be such officers before delivery of the Current Bonds, such signatures shall nevertheless be valid for all purposes the same as if said officers had retained in office until delivery, as provided in KRS 58.040 and KRS 61.390.

**Section 804. Appointment and Duties of Bond Registrar, Transfer Agent, and Paying Agent.** The Fifth Third Bank, Cincinnati, Ohio, is hereby designated as the Bond Registrar, Transfer Agent and Paying Agent.

**A. Duties as Bond Registrar and Transfer Agent.** The Bond Registrar and Transfer Agent shall have the following duties

- (1) To authenticate the Current Bonds authorized herein.
- (2) To register all of the Current Bonds in the names of the respective owners thereof;



(3) Upon being supplied with a properly authenticated assignment satisfactory to the Bond Registrar (in the sole discretion of such Bond Registrar), to transfer the ownership of Current Bonds from one registered Bondowner to another within three (3) business days of the receipt of such proper assignment by the Bond Registrar; and

(4) To cancel and destroy (or remit to the District for destruction, if so requested by the District) all exchanged, matured, retired and redeemed Current Bonds, and to maintain adequate records relevant thereto.

B. Duties as Paying Agent. The Paying Agent shall have the following duties:

(1) To hold the Sinking Fund in accordance with the provisions of hereof;

(2) To remit, but only to the extent that all required funds are made available to the Paying Agent by the District, semiannual interest payments directly to the registered owner of each Bond by regular United States mail. Said interest payments shall be deposited in the United States mail no later than each interest due date. Matured or redeemed Bonds shall be payable upon presentation to the Paying Agent. For interest payment purposes, the Paying Agent shall be entitled to rely on its records as Bond Registrar as to the ownership of each Bond as of the 15th day of the month preceding an interest due date, and the Paying Agent's check shall be drawn and mailed accordingly;

(3) To notify the Owner of each Current Bond to be redeemed and to redeem Bonds prior to their stated maturity upon their presentation in accordance with the provisions of this Current Bond Resolution upon receiving, sufficient funds; and

(4) To supply the District with a written accounting evidencing the payment of interest on and principal of the Current Bonds within 30 days following each respective due date.

The Bond Registrar/Paying Agent 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 Bond Registrar/Paying Agent 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 Current Bond Resolution, or the responsibility for the consequences of any oversight or error of judgment.

The Bond Registrar/Paying Agent may at any time resign from its duties set forth in this Current Bond Resolution by filing its resignation with the Secretary and notifying the Purchaser of the Bonds. Thereupon, the District shall designate a successor Bond Registrar/Paying Agent 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 Bond Registrar/Paying Agent, provision shall be made for the orderly transition of the books, records and

accounts relating to the Current Bonds to the successor Bond Registrar/Paying Agent in order that there will be no delinquencies in the payment of interest or principal due on the Current Bonds.

The Bond Registrar/Transfer Agent/Paying Agent shall indicate its acceptance of its duties as Bond Registrar, Transfer Agent and Paying Agent by signing the acceptance at the conclusion of this Current Bond Resolution.

## **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 District 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, the same are hereby approved, and 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 enacted. 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.

## ARTICLE 10. CONCLUDING PROVISIONS.

**Section 1001. Covenant of District to Take All Necessary Action To Assure Compliance with Internal Revenue Code.** In order to assure the Purchaser and any subsequent owner 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 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 as "qualified tax-exempt obligations".

(c) Within the meaning of Section 141 of the Code, (i) less than 10% of the proceeds of the Current Bonds, if any, will be applied for any private business use, and the payment of principal of or interest on less than 10% of the amount of the Current Bonds, if any, will be secured directly or indirectly by any interest in property used for a private business use, or payments in respect of such property, or will be derived from payments in respect of such property; (ii) at least 90% of the proceeds of the Current Bonds will be applied for a governmental use of the District; (iii) any private business use of the System will be related to such governmental use of the District and will not be unrelated or disproportionate; and (iv) none of the proceeds of the Current Bonds will be used, directly or indirectly, to make or finance loans to private persons.

(d) The Current Bonds are not federally guaranteed within the meaning of Section 149(b) of the Code.

(e) The District will comply with the information reporting requirements of Section 149(e) of the Code.

(f) 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 any 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 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 the 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. Annual Disclosure Requirements.** In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), the District agrees to provide or cause to be provided through a designated agent (the "Agent"), in a timely manner, to (i) each nationally recognized municipal securities information repository ("NRMSIR") designated by the SEC in accordance with the Rule or to the Municipal Securities Rulemaking Board ("MSRB") and (ii) the appropriate state information depository ("SID"), if any, designated by the Commonwealth of Kentucky, notice of the occurrence of any of the following events with respect to the Current Bonds, if such event is material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinion or events affecting the tax-exempt status of the Current Bonds;
- (g) modifications to rights of the Bondholders;
- (h) Current Bond calls;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Current Bonds;  
and/or
- (k) rating changes.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that such other event is



material with respect to the Current Bonds, but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The District shall make publicly available the financial information and operating data on the System. Such information may be obtained from the District Manager, P.O. Box 726, London, Kentucky 40741, telephone: (606) 878-9420.

As of the date of this Resolution, the District is in compliance with the reporting requirements of the Rule for all undertakings for which they are an "obligated person" as defined in the Rule.

The obligations of the District described above will remain in effect only for such period that (i) the Bonds are outstanding in accordance with their terms and (ii) that the District remains an obligated person with respect to the Bonds within the meaning of the Rule. The District reserves the right to terminate its obligation to provide notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this Section is intended to be for the benefit of the Bondholders (including holders of beneficial interests in the Bonds).

Notwithstanding any other provision of this Resolution, this Section may be amended, if the District receives an opinion of independent legal counsel to the effect that:

- (i) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the types of activities in which the District is engaged;
- (ii) this Section as so amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (iii) such amendment does not materially impair the interests of the Bondholders.

In the event of a failure of the District to comply with any provision of this Section, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section. A default under this Section shall not be deemed an Event of Default under this Resolution, and the sole remedy under this Section in the event of any failure of the District to comply with this Section shall be an action to compel performance.

**Section 1003. 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 1004. 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 sold, 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 1005. Effective Date.** This Resolution shall take effect upon its adoption and publication by title and summary, as provided by law.

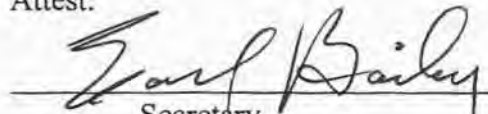
Adopted on September 14, 1998.

WOOD CREEK 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 Wood Creek Water District, and that the foregoing Resolution is a true copy of a Resolution duly adopted by the Commission 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 Commission held on September 14, 1998, 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 September 14, 1998.

  
Secretary

(Seal of District)





ACCEPTANCE BY THE FIFTH THIRD BANK  
BOND REGISTRAR, TRANSFER AGENT, AND PAYING AGENT

The undersigned, The Fifth Third Bank, hereby agrees to the provisions of the foregoing Resolution to the extent there are contained therein provisions as to the rights and duties of it as Bond Registrar, Transfer Agent and Paying Agent.

Dated: September 14, 1998.

The Fifth Third Bank

By Fred T. Averil  
Signature

TRUST OFFICER  
Title

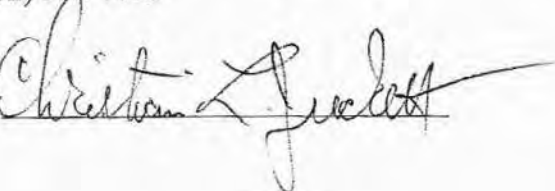
\_\_\_\_\_  
\_\_\_\_\_

**ASSISTANCE AGREEMENT**  
**BETWEEN**  
**KENTUCKY RURAL WATER FINANCE CORPORATION**  
**AND**  
**WOOD CREEK WATER DISTRICT**  
**DATED OCTOBER 19, 2005**  
**IN THE AMOUNT OF \$3,594,000**

\_\_\_\_\_  
\_\_\_\_\_

This document was prepared by:

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

By 

## INDEX TO ASSISTANCE AGREEMENT

Section 1.	Definitions .....	3
Section 2.	Reaffirmation of Declaration of Waterworks System .....	9
Section 3.	Authorization of Obligations; Place of Payment; Manner of Execution .....	9
Section 4.	Redemption.....	10
Section 5.	Obligations Payable Out of Revenues on a Parity with Prior Bonds .....	11
Section 6.	Compliance with Parity Coverage Requirements of the Prior Bond Legislation..	11
Section 7.	Flow of Funds .....	11
Section 8.	Disposition of Proceeds of the Obligations; Governmental Agency Account .....	13
Section 9.	Arbitrage Limitations .....	14
Section 10.	Parity Bonds .....	16
Section 11.	Rates and Charges for Services of the System .....	18
Section 12.	All Obligations of this Issue Are Equal.....	19
Section 13.	Defeasance and/or Refunding of Obligations.....	19
Section 14.	Contractual Nature of Assistance Agreement .....	19
Section 15.	Appointment and Duties of Trustee.....	20
Section 16.	Provisions in Conflict Repealed .....	20
Section 17.	Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986 .....	21
Section 18.	Insurance.....	22
Section 19.	Event of Default; Remedies.....	22
Section 20.	Annual Reports .....	23
Section 21.	Supplemental Assistance Agreement .....	23
Section 22.	No Remedy Exclusive .....	24
Section 23.	Waivers.....	24
Section 24.	Agreement to Pay Attorneys' Fees and Expenses .....	24
Section 25.	Signatures of Officers.....	24
Section 26.	Severability Clause .....	24

## ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of October 19, 2005 (the "Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, Bowling Green, Kentucky, a non-profit corporation and instrumentality of the various entities of the Commonwealth of Kentucky (the "Issuer") and the Wood Creek Water District, City of London, Laurel County, Kentucky (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 its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program), Series 2001, dated April 4, 2001, in the aggregate principal amount of \$46,000,000 (the "Series 2001 Bonds") pursuant to a Trust Indenture dated as of April 4, 2001 (the "Indenture") between the Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to Fifth Third Bank), as 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 Revenue Bonds (Flexible Term Program), Series 2005B (the "Series 2005B Bonds") in the aggregate principal amount of \$4,855,000, pursuant to a Supplemental Trust Indenture No. 18, dated as of October 1, 2005 by and between the Issuer and the Trustee, which Series 2005B Bonds will rank on a parity with the Series 2001 Bonds and the proceeds of which will be used by certain Governmental Agencies to acquire, construct and equip public projects described in various Assistance Agreements by and between the Governmental Agencies and the Issuer; and

WHEREAS, the Governmental Agency, presently owns and operates the waterworks system (the "System") of said Governmental Agency; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to finance improvements 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 costs of extensions, additions and improvements to the System, and refinancing certain outstanding indebtedness, which conditions and restrictions are found to currently exist and prevail so as to permit the issuance of certain proposed additional bonds so as to rank, when issued, on a parity with the outstanding Prior Bonds; and

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the "Loan") in the amount of \$3,594,000 [the "Obligations"], for the purpose of providing funds for the Project, and to reaffirm the conditions and restrictions under which similar bonds or obligations may be subsequently issued ranking on a parity therewith; and

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

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

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

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



**Section 1. Definitions.** As used in this Assistance Agreement, unless the context requires otherwise:

“*Act*” refers to Chapters 58 and 74 of the Kentucky Revised Statutes.

“*Assistance Agreement*” refers to this Assistance Agreement authorizing the Loan and the Obligations.

“*Bond Counsel*” refers to a nationally recognized firm of Bond Counsel which firm has prepared the legal proceedings for the Obligations, has furnished all of the customary services of Bond Counsel in this financing and will continue to furnish such services until the Obligations are delivered and paid for, including the rendering of the final approving legal opinion with regard to the legality of the Obligations and the tax exemption of the interest thereon.

“*Bond Resolution of 1967*” or “*1967 Bond Resolution*” refers to the Resolution authorizing the Bonds of 1967, duly adopted by the Board of Commissioners of the District on May 2, 1967.

“*Bond Resolution of 1980*” or “*1980 Bond Resolution*” refers to the Resolution authorizing the Bonds of 1980, duly adopted by the Board of Commissioners of the District on November 10, 1980.

“*Bond Resolution of 1989*” or “*1989 Bond Resolution*” refers to the Resolution authorizing the Bonds of 1989, duly adopted by the Board of Commissioners of the District on December 8, 1989.

“*Bond Resolution of 1992*” or “*1992 Bond Resolution*” refers to the Resolution authorizing the Bonds of 1992, duly adopted by the Board of Commissioners of the District on February 3, 1992.

“*Bond Resolution of 1996*” or “*1996 Bond Resolution*” refers to the Resolution authorizing the Bonds of 1996, duly adopted by the Board of Commissioners of the District on July 8, 1996.

“*Bond Resolution of 1998*” or “*1998 Bond Resolution*” refers to the Resolution authorizing the Bonds of 1998, duly adopted by the Board of Commissioners of the District on September 14, 1998.

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

“*Bonds*” refers to the Obligations, the Prior Bonds and any additional Parity Bonds.

“*Bonds of 1967*” or “*Series 1967 Bonds*” refer to the outstanding Wood Creek Water District Waterworks System Revenue Bonds, dated July 10, 1967, in the original authorized principal amount of \$808,500.

“*Bonds of 1980*” or “*Series 1980 Bonds*” refers to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1980, dated December 29, 1980, in the original authorized principal amount of \$61,000.

“*Bonds of 1989*” or “*Series 1989 Bonds*” refers to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1989, dated August 14, 1991, in the original authorized principal amount of \$3,594,000.

“*Bonds of 1992*” or “*Series 1992 Bonds*” refers to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1992, dated February 19, 1992, in the original authorized principal amount of \$114,000.

“*Bonds of 1996*” or “*Series 1996 Bonds*” refers to the outstanding Wood Creek Water District Waterworks Revenue Bonds, Series 1996, dated July 21, 1998, in the original authorized principal amount of \$1,711,000.

“*Bonds of 1998*” or “*Series 1998 Bonds*” refers to the outstanding Wood Creek Water District Waterworks Refunding Revenue Bonds, Series 1998, dated September 1, 1998, in the original authorized principal amount of \$665,000.

“*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.

“*Depreciation Fund*” refers to the Wood Creek Water District Waterworks Revenue Bond Depreciation Reserve Fund, described in Section 401(E) of the Bond Resolution of 1998, which will be maintained for the benefit of the System.

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

“*Funds*” refers to the Revenue Fund, the Sinking Fund, the Operation and Maintenance Fund, the Depreciation Fund, the Reserve 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 Wood Creek Water District, Kentucky.

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

“*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. 18, dated October 1, 2005, by and between the Issuer and the Trustee.

“*Interest Payment Date*” shall mean the 1<sup>st</sup> day of each month, commencing December 1, 2005 and continuing through and including January 1, 2031 or until the Loan has been paid in full.

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

“*Obligations*” refers to the Loan authorized by this Assistance Agreement in the principal amount of \$3,594,000.

“*Operation and Maintenance Fund*” refers to the Wood Creek Water District Waterworks Operation and Maintenance Fund described in Section 401(E) of the Bond Resolution of 1998, which will be maintained for the benefit of the System.

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

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

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

- (1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America,



including instruments evidencing an ownership interest in securities described in this clause (1);

- (2) obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following:

Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Bank, Federal Land Banks, Government National Mortgage Association, Federal Home Loan Mortgage Corporation or Federal Housing Administration;

- (3) repurchase agreements (including those of the Trustee or the Bank) fully secured by collateral security described in clause (1) or (2) of this definition, which collateral (a) is held by the Trustee or a third party agent during the term of such repurchase agreement, (b) is not subject to liens or claims of third parties and (c) has a market value (determined at least once every fourteen days) at least equal to the amount so invested;
- (4) certificates of deposit of, or time deposits in, any bank (including the Trustee or the Bank) or savings and loan association (a) the debt obligations of which (or in the case of the principal bank of a bank holding company, the debt obligations of the bank holding company of which) have been rated at least equal to the rating assigned to the Bonds by each Rating Agency then rating the Bonds or (b) which are fully insured by the Federal Deposit Insurance Corporation or (c) which are secured at all times, in the manner and to the extent provided by law, by collateral security (described in clause (1) or (2) of this definition) of a market value (valued at least quarterly) of no less than the amount of money so invested;
- (5) shares in any investment company registered under the Federal Investment Governmental Agency Act of 1940 whose shares are registered under the Federal Securities Act of 1933 and whose only investments are government securities described in clause (1) or (2) of this definition and repurchase agreements fully secured by government securities described in clause (1) or (2) of this definition and/or other obligations rated AAA by S&P;
- (6) tax-exempt obligations of any state of the United States, or political subdivision thereof, which are rated AA or better by S&P or mutual funds invested only in such obligations;
- (7) units of a taxable or nontaxable government money-market portfolio composed of U.S. Government obligations and repurchase agreements collateralized by such obligations;
- (8) commercial paper rated A-1 or A-1+ by S&P;

- (9) corporate notes or bonds with one year or less to maturity rated in one of the two highest Rating Categories by S&P; or
- (10) shares of mutual funds, each of which shall have the following characteristics:
  - (i) The mutual fund shall be an open-end diversified investment company registered under the Federal Investment company Act of 1940, as amended;
  - (ii) The management company of the investment company shall have been in operation for at least five (5) years; and
  - (iii) All of the securities in the mutual fund shall be in investments in any one or more of the investments described in (1) and (3) above.

*“Prior Bond Legislation”* refers collectively to the 1967 Bond Resolution, 1980 Bond Resolution, 1992 Bond Resolution, 1996 Bond Resolution, and the 1998 Bond Resolution and the Series 2003A Assistance Agreement, Series 2003C Assistance Agreement, and Series 2004B Assistance Agreement.

*“Prior Bonds”* refers to the Bonds of 1967, Bonds of 1980, Bonds of 1992, Bonds of 1996, and the Bonds of 1998 and the Series 2003A Loan, the Series 2003C Loan, and the Series 2004B 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 Program Reserve Fund created and established pursuant to Section 4.2 of the Indenture.

*“Project”* refers to financing the construction of an expansion of the Governmental Agency’s regional water treatment plant, with appurtenances, with the proceeds of the Obligations.

*“Record Date”* shall mean with respect to any Interest Payment Date, the close of business on the 15<sup>th</sup> day next preceding such Interest Payment Date, whether or not such day is a business day.

*“Requisition Certificate”* means the form attached hereto as Exhibit B to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Governmental Agency Account as the Project progresses.

“*Reserve Fund*” refers to the Wood Creek Water District Waterworks Debt Service Reserve Fund of 1998, described in Section 401(C) of the Bond Resolution of 1998, which will be maintained for the benefit of the System.

“*Revenue Fund*” refers to the Wood Creek Water District Water Revenue Fund, described in Section 401(A) of the Bond Resolution of 1998, which will be maintained for the benefit of the System.

“*Series 2003A Assistance Agreement*” refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated March 25, 2003, authorizing the loan in the principal amount of \$299,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003A .

“*Series 2003A Loan*” refers to the loan to the Governmental Agency in the principal amount of \$299,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003A.

“*Series 2003C Assistance Agreement*” refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated October 29, 2003, authorizing the loan in the principal amount of \$1,345,400 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003C .

“*Series 2003C Loan*” refers to the loan to the Governmental Agency in the principal amount of \$1,345,400 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003C.

“*Series 2004B Assistance Agreement*” refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated October 19, 2004, authorizing the loan in the principal amount of \$1,318,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B.

“*Series 2004B Loan*” refers to the loan to the Governmental Agency in the principal amount of \$1,318,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B.

“*Sinking Fund*” refers to the Wood Creek Water District Waterworks Revenue Bond Sinking Fund, described in Section 401(B) of the Bond Resolution of 1998, which will be maintained for the benefit of the System.

“*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 any of the Obligations hereinafter authorized or permitted to be issued remain outstanding, said System shall be owned, controlled, operated and maintained for the security and source of payment of the Obligations. Said System is hereby declared to constitute a public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

**Section 3. Authorization of Obligations; Place of Payment; Manner of Execution.** That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 to 58.140, inclusive of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes the borrowing of \$3,594,000 from the Program, for the purpose of providing funds for the Project. The Obligations shall mature on each January 1 beginning January 1, 2007 and continuing thereafter through and until January 1, 2031, in such principal amounts, and shall bear interest payable on the Interest Payment Dates, commencing December 1, 2005 in the maturities and at the interest rates set forth in Exhibit A attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Dates, beginning December 1, 2005 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 the first day of each month, from the Sinking Fund, the amounts hereinafter specified:

- (1) An amount equal to one-sixth (1/6) of the interest becoming due on the Obligations on the next succeeding interest due date, and subject to a credit for the amount on deposit in the Sinking Fund transferred thereto on the date of issue of the Obligations; plus



- (2) An amount equal to one-twelfth (1/12) of the principal amount of all Obligations maturing on the next succeeding January 1.

Notwithstanding the provisions of paragraph (1) above, because the Issuer must make payments on the Series 2005B Bonds every February 1 and August 1, and the Governmental Agency must make monthly principal and interest payments on the Interest Payment Date totaling the Governmental Agency's pro rata share of the principal and interest payments on the Series 2005B Bonds by each January 1 and July 1, the Governmental Agency's initial eight (8) payments on the Obligations will include interest amortized from October 1, 2005 to August 1, 2006.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under this Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, in each month, 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.* Obligations maturing on and prior to January 1, 2015, shall not be subject to redemption prior to maturity. Subject to the prior written approval of the Compliance Group, Obligations maturing on or after January 1, 2016, are subject to redemption, in whole or in part, by the Governmental Agency prior to their stated maturities, at any time falling on or after January 1, 2015 upon payment of the principal amount to be redeemed plus accrued interest to the date of redemption, on the dates, subject to redemption premium stated as a percentage of the principal amount to be redeemed, as follows:

<u>Redemption Dates (Inclusive)</u>	<u>Redemption Price</u>
January 1, 2016 through December 31, 2016	101.00%
January 1, 2017 through December 31, 2017	100.05%
January 1, 2018 and thereafter	100.00%

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

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

All of said Obligations as to which the Governmental Agency reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given, and for the

retirement of which, upon the terms aforesaid, funds are duly provided, will cease to bear interest on the redemption date.

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

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

**Section 6. Compliance with Parity Coverage Requirements of the Prior Bond Legislation.** It is hereby declared that in accordance with the provisions of the Prior Bond Legislation, and prior to the issuance of any of the Obligations hereby authorized, there will be procured and filed with the Governmental Agency Clerk of said Governmental Agency any and all statements or certifications for the purpose of having both principal and interest on the Prior Bonds and the Obligations hereby authorized payable on a parity from the income and revenues of said System with said outstanding Prior Bonds.

**Section 7. Flow of Funds.** All proceedings preliminary to and in connection with the issuance of the Prior Bonds, whereby provision was made for the receipt, custody, and application of the proceeds of the Prior Bonds; for the operation of said System on a revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; and for the enforcement and payment of the Prior Bonds; and all other covenants for the benefit of the bondholders set out in the Prior Bond Legislation, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Bonds, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, 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 into 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.** A separate and special fund or account of the Governmental Agency, distinct and apart from all other funds and accounts, was created in and by the Prior Bond Resolution and designated and identified as the "Wood Creek Water District Waterworks Revenue Bond Sinking Fund," which shall continue to be maintained so long as any of the Outstanding Bonds or any additional Parity Bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and

interest on the Outstanding Bonds and any Parity Bonds hereafter issued and outstanding pursuant to the provisions of this Assistance Agreement.

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 Outstanding Bonds. Specifically, there shall be paid into the Sinking Fund on or before the 20th day of each month, on account of the Outstanding 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 Outstanding Bonds, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Outstanding Bonds maturing on the next succeeding principal payment date.

Notwithstanding the provisions of paragraph (1) above, because the Issuer must make payments on the Series 2005B Bonds every February 1 and August 1, and the Governmental Agency must make monthly principal and interest payments on the Interest Payment Date totaling the Governmental Agency's pro rata share of the principal and interest payments on the Series 2005B Bonds by each January 1 and July 1, the Governmental Agency's initial eight (8) payments on the Obligations will include interest amortized from October 1, 2005 to August 1, 2006.

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 Outstanding Bonds and Parity Bonds and paying all interest that will accrue thereon.

**C. Reserve Fund.** Pursuant to the provisions of the Prior Bond Legislation, there shall next be transferred from the Revenue Fund a sum sufficient, each month, to maintain a balance in said Reserve Fund of at least the sum required by the Prior Bond Legislation, which shall be deposited into the Reserve Fund.

**D. Depreciation Fund.** Pursuant to the provisions of the Prior Bond Legislation, there shall next be transferred from the Revenue Fund a sum sufficient, each month, to maintain a balance in said Depreciation Fund of at least the sum required by the Prior Bond Legislation, which shall be deposited into the Depreciation Fund.



Moneys in the Depreciation Fund may be withdrawn and used by the Governmental Agency, upon appropriate certification of the Governing Body, in accordance with the provisions of the Prior Bond Legislation, 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 Governmental Agency's annual budget.

**F. 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 Reserve Fund or the 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 Depreciation Funds held by the Governmental Agency under any Prior Bond Legislation for payment of any amounts due from the Governmental Agency under this Assistance Agreement.

**Section 8. Disposition of Proceeds of the Obligations; Governmental Agency Account.** Upon (i) the execution of this Assistance Agreement, (ii) the deliverance of this Assistance Agreement to the Trustee, (iii) certification of the Compliance Group that the Loan is to be accepted in the Program, and (iv) upon receipt by the Governmental Agency of the proceeds of the Obligations, the proceeds shall be applied as follows:

(a) *Disposition of the Proceeds.* There shall first be deducted and paid from the proceeds of the Obligations the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive,



including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

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

*(b) Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Wood Creek 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.

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.

Payment from the Governmental Agency Account for costs in connection with the Project shall be made only upon a Requisition Certificate delivered to the Trustee which has been approved by the Engineers having charge of supervising the Project, and countersigned by the Governmental Agency Chief Executive, 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.

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 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 Obligations 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 Obligations, nor "Non-Exempt Revenues" of the System, as defined below, will be invested in investments which will produce a net adjusted yield in excess of the net interest cost (effective yield) of the Obligations, if such investment would cause such

Obligations to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, as amended, and the applicable regulations thereunder; provided, however, that such proceeds and/or revenues may be invested to whatever extent and whenever the Code and/or applicable regulations permit same to be invested without causing the Obligations to be treated as "arbitrage bonds."

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

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

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

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

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

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

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

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

(4) That it is anticipated that amounts on deposit in the Sinking Fund will be used within 13 months from the date of deposit for the payment of debt service on the outstanding Obligations and all Prior Bonds payable from said 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 the Depreciation Fund will be used for payment of debt service on any bonds payable from the revenues of the System, even though such Depreciation Fund will be so available if necessary to prevent a default in the payment of principal and interest on such bonds.

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

**Section 10. Parity Bonds.** The Obligations shall not be entitled to priority one over the other in the application of the income and revenues of the System, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations, regardless of the fact they may be actually issued and delivered at different times, and provided further that the lien and security of and for any bonds or obligations hereafter issued that are payable from the income and revenues of the System, shall, except as set out herein, be subject to the priority of the Prior Bonds and the Obligations as may from time to time be outstanding; provided the Governmental Agency has in said Prior Bond Legislation reserved the right and privilege, and does hereby reserve the right and privilege, of issuing additional bonds from time to time payable from the income and revenues of the System ranking on a parity with the Prior Bonds and with the Obligations, but only under the conditions specified in the Prior Bond Legislation, which conditions are hereinafter repeated, taking into account the issuance of the Obligations.

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

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



(b) The Governmental Agency is in compliance with all covenants and undertakings in connection with all of the bonds then outstanding and payable from the revenues of the System or any part thereof.

(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 the Outstanding Bonds, including such requirements of the Obligations, any Parity Bonds then outstanding 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:

(i) any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional Parity Bonds, and

(ii) any increase in the "annual net revenues" to be realized, within 12 months of the completion of the Project, from the proposed extensions, additions, and/or 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 a Certified Public Accountant.

(e) Reference is made to the necessity of obtaining the written consent of the United States Department of Agriculture Rural Development or its successor [the "RD"] for the issuance of future bonds encumbering the System while the RD holds any bonds payable from the revenues of the System.

The Governmental Agency hereby covenants and agrees that in the event any additional Parity Bonds are issued, the Governmental Agency 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 annual debt service requirements of the additional Parity Bonds; and

(b) Adjust the minimum annual amount to be deposited monthly into the Depreciation Fund on the same basis as that prescribed in the provisions establishing such Depreciation Fund, taking into account the future replacement costs of the facilities to be constructed and acquired with the proceeds of such additional Parity Bonds.

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

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

(b) in the alternative, that the average annual debt service requirements for the Prior Bonds, the Obligations, any previously issued Parity Bonds and the proposed Parity Bonds, in any year of maturities thereof after the redemption of the Outstanding Bonds scheduled to be refunded through the issuance of the proposed Parity Bonds, shall not exceed the average annual debt service requirements applicable to the then outstanding Prior Bonds, the Obligations and any previously issued Parity Bonds for any year prior to the issuance of the proposed Parity Bonds and the redemption of the Outstanding Bonds to be refunded.

**Section 11. Rates and Charges for Services of the System.** While there are any Outstanding Bonds, 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 Outstanding Bonds as may be outstanding under the provisions of this Assistance Agreement and the Prior Bond Legislation, and there shall be charged such rates and amounts as shall be adequate to meet all requirements of the provisions of this Assistance Agreement. Prior to the issuance of the Obligations a schedule of rates and charges for the services rendered by the System to all users adequate to meet all requirements of this Assistance Agreement has been established and adopted.

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

The Governmental Agency also covenants to cause a report to be filed with the Governing Body within four 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 Section 10 hereof; 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 Issue Are Equal.** The Obligations authorized and permitted to be issued hereunder, and from time to time outstanding, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations, the Prior Bonds and any Parity Bonds authorized or permitted to be issued under the provisions of this Assistance Agreement, regardless of the fact that they may be actually issued and delivered at different times.

**Section 13. Defeasance and/or Refunding of Obligations.** The Governmental Agency reserves the right, at any time, to cause the pledge of the revenues securing the outstanding Obligations to be defeased and released by paying an amount into an escrow fund sufficient, when invested (or sufficient without such investment, as the case may be) in direct obligations of or obligations guaranteed by the United States of America, including book entry obligations and trust receipts representing an ownership in direct obligations of the United States of America, to assure the availability in such escrow fund of an adequate amount (a) to call for redemption and to redeem and retire all of such outstanding Obligations, both as to principal and as to interest, on the next or any optional redemption date, including all costs and expenses in connection therewith, and to pay all principal and interest falling due on the outstanding Obligations to and on said date, or (b) to pay all principal and interest requirements on the outstanding Obligations as same mature, without redemption in advance of maturity, the determination of whether to defease under (a) or (b) or both to be made by the Governing Body. Such Permitted Investments shall have such maturities as to assure that there will be sufficient funds for such purpose. If such defeasance is to be accomplished pursuant to (a), the Governmental Agency shall take all steps necessary to publish the required notice of the redemption of the outstanding Obligations and the applicable redemption date. Upon the proper amount of such investments being placed in escrow and so secured, such revenue pledge shall be automatically fully defeased and released without any further action being necessary.

**Section 14. Contractual Nature of Assistance Agreement.** The provisions of this Assistance Agreement shall constitute a contract between the Governmental Agency and the Issuer; and after the issuance of any of such Obligations, no change, variation or alteration of any kind in the provisions of this Assistance Agreement, nor of the Prior Bond Legislation, shall be made in any manner except as herein or therein provided until such time as all of the Bonds



authorized thereby and the interest thereon have been paid or provided for in full, or as otherwise provided herein; provided (a) that the Governing Body may enact legislation for any other purpose not inconsistent with the terms of this Assistance Agreement, and which shall not impair the security of the Issuer and/or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any ordinance or other proceedings pertaining hereto.

**Section 15. Appointment and Duties of Trustee.** The Trustee is hereby designated as the bond registrar and paying agent with respect to the Obligations.

Its duties as Trustee shall be as follows:

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

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

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

**Section 16. Provisions in Conflict Repealed.** All ordinances, resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed; and it is

hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds payable or secured in any manner by all or any part of the income and revenues of the System, or any part thereof, and which have not heretofore been issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered.

**Section 17. Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.** In order to assure purchasers of the Obligations that interest thereon will continue to be exempt from federal and Kentucky income taxation (subject to certain exceptions set out below), the Governmental Agency covenants to and with the Issuer that (1) the Governmental Agency will take all actions necessary to comply with the provisions of the Code, (2) the Governmental Agency will take no actions which will violate any of the provisions of the Code, or would cause the Obligations to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Obligations will be used for any purpose which would cause the interest on the Obligations to become subject to federal income taxation, and the Governmental Agency will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Obligations.

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

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



**Section 18. Insurance.** *(a) Fire and Extended Coverage.* If and to the extent that the System includes structures above ground level, the Governmental Agency shall, upon receipt of the proceeds of the sale of the Obligations, if such insurance is not already in force, procure fire and extended coverage insurance on the insurable portion of all of the facilities of the System, of a kind and in such amounts as would ordinarily be carried by private companies or public bodies engaged in operating a similar utility.

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

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

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

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

**Section 19. 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 Obligations when due and payable, either at maturity or by proceedings for redemption;

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

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

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

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

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

**Section 20. Annual Reports.** The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the fiscal year ended December 31, 2005) 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 120 days after the end of each fiscal year (December 31).

**Section 21. Supplemental Assistance Agreement.** The Governmental Agency may, but only with the consent of the Issuer, execute one or more supplemental Assistance Agreements as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

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

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

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

**Section 22. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

**Section 23. Waivers.** In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.


**Section 24. Agreement to Pay Attorneys' Fees and Expenses.** In the event that either party hereto shall become in default under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefore to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

**Section 25. Signatures of Officers.** If any of the officers whose signatures or facsimile signatures appear on this Assistance Agreement or any other document evidencing the Obligations cease to be such officers before delivery of the Obligations, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery, as provided by KRS 58.040 and KRS 61.390.

**Section 26. Severability Clause.** If any section, paragraph, clause or provision of this Assistance Agreement shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Assistance Agreement.

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 Wood Creek Water District has caused this Assistance Agreement to be signed in corporate name and by its officers thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By   
President

Attest:

\_\_\_\_\_  
Secretary/Treasurer

WOOD CREEK WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

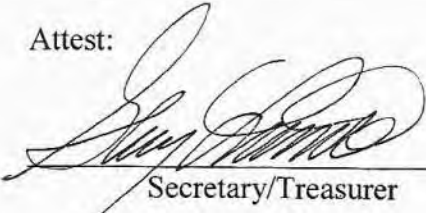
\_\_\_\_\_  
Secretary

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 Wood Creek Water District has caused this Assistance Agreement to be signed in corporate name and by its officers thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary/Treasurer

WOOD CREEK WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
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 Wood Creek Water District has caused this Assistance Agreement to be signed in corporate name and by its officers thereunder duly authorized, all as of the day and year first above written.

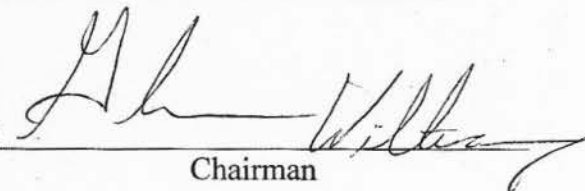
KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary/Treasurer

WOOD CREEK WATER DISTRICT

By   
Chairman

Attest:

  
Secretary



ISSUER ACKNOWLEDGMENT

COMMONWEALTH OF KENTUCKY

COUNTY OF HENDERSON

The foregoing instrument was acknowledged before me this October 19, 2005 by Allan VanMeter who is the President of the Kentucky Rural Water Finance Corporation, on behalf of said Corporation.

WITNESS my hand this October 19, 2005.

My Commission expires: Oct. 21, 2006.

Sandra K. Wilkinson  
Notary Public, in and for said County and State

COMMONWEALTH OF KENTUCKY

COUNTY OF WARREN

The foregoing instrument was acknowledged before me this October \_\_\_\_, 2005 by Gary Larimore who is the Secretary/Treasurer of the Kentucky Rural Water Finance Corporation, on behalf of said Corporation.

WITNESS my hand this October \_\_\_\_, 2005.

My Commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, in and for said County and State

ISSUER ACKNOWLEDGMENT

COMMONWEALTH OF KENTUCKY

COUNTY OF HENDERSON

The foregoing instrument was acknowledged before me this October \_\_\_\_, 2005 by Allan VanMeter who is the President of the Kentucky Rural Water Finance Corporation, on behalf of said Corporation.

WITNESS my hand this October \_\_\_\_, 2005.

My Commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, in and for said County and State

COMMONWEALTH OF KENTUCKY

COUNTY OF WARREN

The foregoing instrument was acknowledged before me this October 14, 2005 by Gary Larimore who is the Secretary/Treasurer of the Kentucky Rural Water Finance Corporation, on behalf of said Corporation.

WITNESS my hand this October 14, 2005.

My Commission expires: 7-11-06.

Bobbie S. Shanahan

\_\_\_\_\_  
Notary Public, in and for said County and State

**GOVERNMENTAL AGENCY ACKNOWLEDGMENT**


COMMONWEALTH OF KENTUCKY

COUNTY OF LAUREL

The foregoing instrument was acknowledged before me this October 17, 2005 by Glenn Williams and Earl Bailey who are the Chairman and Secretary of the Wood Creek Water District, on behalf of said District.

WITNESS my hand this October 17, 2005.

My Commission expires: 10-20-2007.

  
\_\_\_\_\_  
Notary Public, in and for said County and State

---

---

**ASSISTANCE AGREEMENT**  
**BETWEEN**  
**KENTUCKY RURAL WATER FINANCE CORPORATION**  
**AND**  
**WOOD CREEK WATER DISTRICT**  
**DATED JANUARY 30, 2007**  
**IN THE AMOUNT OF \$2,086,000**

---

---

This document was prepared by:

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

By \_\_\_\_\_

## INDEX TO ASSISTANCE AGREEMENT

Section 1.	Definitions .....	4
Section 2.	Reaffirmation of Declaration of Waterworks System .....	9
Section 3.	Authorization of Obligations; Place of Payment; Manner of Execution.....	10
Section 4.	Redemption.....	11
Section 5.	Obligations Payable Out of Revenues on a Parity with Prior Bonds .....	11
Section 6.	Compliance with Parity Coverage Requirements of the Prior Bond Legislation..	11
Section 7.	Flow of Funds.....	12
Section 8.	Disposition of Proceeds of the Obligations; Governmental Agency Account .....	14
Section 9.	Arbitrage Limitations .....	15
Section 10.	Parity Bonds .....	17
Section 11.	Rates and Charges for Services of the System .....	19
Section 12.	All Obligations of this Issue Are Equal.....	19
Section 13.	Defeasance and/or Refunding of Obligations.....	20
Section 14.	Contractual Nature of Assistance Agreement .....	20
Section 15.	Appointment and Duties of Trustee.....	20
Section 16.	Provisions in Conflict Repealed .....	21
Section 17.	Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.....	21
Section 18.	Insurance.....	22
Section 19.	Event of Default; Remedies.....	23
Section 20.	Annual Reports .....	24
Section 21.	Supplemental Assistance Agreement .....	24
Section 22.	No Remedy Exclusive .....	24
Section 23.	Waivers .....	25
Section 24.	Agreement to Pay Attorneys' Fees and Expenses.....	25
Section 25.	Signatures of Officers.....	25
Section 26.	Severability Clause.....	25

## ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of January 30, 2007 (the "Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, Bowling Green, Kentucky, a nonprofit corporation and instrumentality of the various entities of the Commonwealth of Kentucky (the "Issuer") and the Wood Creek Water District, City of London, Laurel County, Kentucky (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 its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program), Series 2001, dated April 4, 2001, in the aggregate principal amount of \$46,000,000 (the "Series 2001 Bonds") pursuant to a Trust Indenture dated as of April 4, 2001 (the "Indenture") between the Issuer and The Bank of New York Trust Company, N.A. (as successor in interest to Fifth Third Bank), as 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 Revenue Bonds (Flexible Term Program), Series 2007A (the "Series 2007A Bonds") in the aggregate principal amount of \$12,355,000, pursuant to a Supplemental Trust Indenture No. 25, dated as of January 30, 2007 by and between the Issuer and Regions Bank, Nashville, Tennessee (the "Trustee"), which Series 2007A Bonds will rank on a parity with the Series 2001 Bonds and the proceeds of which will be used by certain Governmental Agencies to acquire, construct and equip public projects described in various Assistance Agreements by and between the Governmental Agencies and the Issuer; and

WHEREAS, the Governmental Agency, presently owns and operates the waterworks system (the "System") of said Governmental Agency; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to finance improvements 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 costs of extensions, additions and improvements to the System, and refinancing certain outstanding indebtedness, which conditions and restrictions are found to currently exist and prevail so as to permit the issuance of certain proposed additional bonds so as to rank, when issued, on a parity with the outstanding Prior Bonds; and

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the "Loan") in the amount of \$2,086,000 [the "Obligations"], for the purpose of providing funds for the Project, and to reaffirm the conditions and restrictions under which similar bonds or obligations may be subsequently issued ranking on a parity therewith; and

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

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

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

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

**Section 1. Definitions.** As used in this Assistance Agreement, unless the context requires otherwise:

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

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

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

"*Bond Resolution of 1980*" or "*1980 Bond Resolution*" refers to the Resolution authorizing the Bonds of 1980, duly adopted by the Board of Commissioners of the District on November 10, 1980.

"*Bond Resolution of 1989*" or "*1989 Bond Resolution*" refers to the Resolution authorizing the Bonds of 1989, duly adopted by the Board of Commissioners of the District on December 8, 1989.

"*Bond Resolution of 1992*" or "*1992 Bond Resolution*" refers to the Resolution authorizing the Bonds of 1992, duly adopted by the Board of Commissioners of the District on February 3, 1992.

"*Bond Resolution of 1996*" or "*1996 Bond Resolution*" refers to the Resolution authorizing the Bonds of 1996, duly adopted by the Board of Commissioners of the District on July 8, 1996.

"*Bond Resolution of 1998*" or "*1998 Bond Resolution*" refers to the Resolution authorizing the Bonds of 1998, duly adopted by the Board of Commissioners of the District on September 14, 1998.

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

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

"*Bonds of 1980*" or "*Series 1980 Bonds*" refers to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1980, dated December 29, 1980, in the original authorized principal amount of \$61,000.

"*Bonds of 1992*" or "*Series 1992 Bonds*" refers to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1992, dated February 19, 1992, in the original authorized principal amount of \$114,000.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing March 1, 2007 and continuing through and including January 1, 2036 or until the Loan has been paid in full.

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

"*Obligations*" refers to the Loan authorized by this Assistance Agreement in the principal amount of \$2,086,000.

"*Operation and Maintenance Fund*" refers to the Wood Creek Water District Waterworks Operation and Maintenance Fund described in Section 401(E) of the Bond Resolution of 1998, which will be maintained for the benefit of the System.

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

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

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

- (1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America, including instruments evidencing an ownership interest in securities described in this clause (1);
- (2) obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following:

Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Bank, Federal Land Banks, Government National Mortgage Association, Federal Home Loan Mortgage Corporation or Federal Housing Administration;

- (3) repurchase agreements (including those of the Trustee or the Bank) fully secured by collateral security described in clause (1) or (2) of this definition, which collateral (a) is held by the Trustee or a third party agent during the term of such repurchase agreement, (b) is not subject to liens or claims of third parties and (c)

has a market value (determined at least once every fourteen days) at least equal to the amount so invested;

- (4) certificates of deposit of, or time deposits in, any bank (including the Trustee or the Bank) or savings and loan association (a) the debt obligations of which (or in the case of the principal bank of a bank holding company, the debt obligations of the bank holding company of which) have been rated at least equal to the rating assigned to the Bonds by each Rating Agency then rating the Bonds or (b) which are fully insured by the Federal Deposit Insurance Corporation or (c) which are secured at all times, in the manner and to the extent provided by law, by collateral security (described in clause (1) or (2) of this definition) of a market value (valued at least quarterly) of no less than the amount of money so invested;
- (5) shares in any investment company registered under the Federal Investment Governmental Agency Act of 1940 whose shares are registered under the Federal Securities Act of 1933 and whose only investments are government securities described in clause (1) or (2) of this definition and repurchase agreements fully secured by government securities described in clause (1) or (2) of this definition and/or other obligations rated AAA by S&P;
- (6) tax-exempt obligations of any state of the United States, or political subdivision thereof, which are rated AA or better by S&P or mutual funds invested only in such obligations;
- (7) units of a taxable or nontaxable government money-market portfolio composed of U.S. Government obligations and repurchase agreements collateralized by such obligations;
- (8) commercial paper rated A-1 or A-1+ by S&P;
- (9) corporate notes or bonds with one year or less to maturity rated in one of the two highest Rating Categories by S&P; or
- (10) shares of mutual funds, each of which shall have the following characteristics:
  - (i) The mutual fund shall be an open-end diversified investment company registered under the Federal Investment company Act of 1940, as amended;
  - (ii) The management company of the investment company shall have been in operation for at least five (5) years; and
  - (iii) All of the securities in the mutual fund shall be in investments in any one or more of the investments described in (1) and (3) above.

*"Prior Bond Legislation"* refers collectively to the 1980 Bond Resolution, 1992 Bond Resolution, 1996 Bond Resolution, and the 1998 Bond Resolution and the Series 2003A



Assistance Agreement, Series 2003C Assistance Agreement, Series 2004B Assistance Agreement, and the Series 2005B Assistance Agreement.

"*Prior Bonds*" refers to the Bonds of 1980, Bonds of 1992, Bonds of 1996, and the Bonds of 1998 and the Series 2003A Loan, the Series 2003C Loan, the Series 2004B Loan, and the Series 2005B 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 Program Reserve Fund created and established pursuant to Section 4.2 of the Indenture.

"*Project*" refers to financing the acquisition of certain real property located on Wood Creek Lake as part of a watershed protection project, with the proceeds of the Obligations.

"*Requisition Certificate*" means the form attached hereto as Exhibit B to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Governmental Agency Account as the Project progresses.

"*Reserve Fund*" refers to the Wood Creek Water District Waterworks Debt Service Reserve Fund of 1998, described in Section 401(C) of the Bond Resolution of 1998, which will be maintained for the benefit of the System.

"*Revenue Fund*" refers to the Wood Creek Water District Water Revenue Fund, described in Section 401(A) of the Bond Resolution of 1998, which will be maintained for the benefit of the System.

"*Series 2003A Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated March 25, 2003, authorizing the loan in the principal amount of \$299,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003A .

"*Series 2003A Loan*" refers to the loan to the Governmental Agency in the principal amount of \$299,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003A.

"*Series 2003C Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated October 29, 2003, authorizing the loan in the principal amount of \$1,345,400 from the Kentucky Rural Water

Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003C .

"*Series 2003C Loan*" refers to the loan to the Governmental Agency in the principal amount of \$1,345,400 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003C.

"*Series 2004B Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated October 19, 2004, authorizing the loan in the principal amount of \$1,318,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B.

"*Series 2004B Loan*" refers to the loan to the Governmental Agency in the principal amount of \$1,318,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B.

"*Series 2005B Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated October 19, 2005, authorizing the loan in the principal amount of \$3,594,000 from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2005B.

"*Series 2005B Loan*" refers to the loan to the Governmental Agency in the principal amount of \$3,594,000 from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2005B.

"*Sinking Fund*" refers to the Wood Creek Water District Waterworks Revenue Bond Sinking Fund, described in Section 401(B) of the Bond Resolution of 1998, which will be maintained for the benefit of the System.

"*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 any of the Obligations hereinafter authorized or permitted to be issued remain outstanding, said System shall be owned, controlled, operated and maintained for the security and source of payment of the Obligations. Said System is hereby declared to constitute a public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

**Section 3. Authorization of Obligations; Place of Payment; Manner of Execution.** That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 to 58.140, inclusive of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes the borrowing of \$2,086,000 from the Program, for the purpose of providing funds for the Project. The Obligations shall mature on each January 1 beginning January 1, 2008 and continuing thereafter through and until January 1, 2036, in such principal amounts, and shall bear interest payable on the Interest Payment Dates, commencing March 1, 2007 in the maturities and at the interest rates set forth in Exhibit A attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Dates, beginning March 1, 2007 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 the first day of each month, from the Sinking Fund, the amounts hereinafter specified:

- (1) An amount equal to one-sixth (1/6) of the interest becoming due on the Obligations on the next succeeding interest due date, and subject to a credit for the amount on deposit in the Sinking Fund transferred thereto on the date of issue of the Obligations; plus
- (2) An amount equal to one-twelfth (1/12) of the principal amount of all Obligations maturing on the next succeeding January 1.

Notwithstanding the provisions of paragraph (1) above, because the Issuer must make payments on the Series 2007A Bonds every February 1 and August 1, and the Governmental Agency must make monthly principal and interest payments on the Interest Payment Date totaling the Governmental Agency's pro rata share of the principal and interest payments on the Series 2007A Bonds by each January 1 and July 1, the Governmental Agency's initial five (5) payments on the Obligations will include interest amortized from January 30, 2007 to August 1, 2007.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under this Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, in each month, 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.* Obligations maturing on and prior to January 1, 2017 shall not be subject to redemption prior to maturity. Subject to the prior written approval of the Compliance Group, Obligations maturing on or after July 1, 2018, are subject to redemption, in whole or in part, by the Governmental Agency prior to their stated maturities, at any time falling on or after January 1, 2017, at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

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

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

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

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

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

**Section 6. Compliance with Parity Coverage Requirements of the Prior Bond Legislation.** It is hereby declared that in accordance with the provisions of the Prior Bond Legislation, and prior to the issuance of any of the Obligations hereby authorized, there will be procured and filed with the Governmental Agency Clerk of said Governmental Agency any and all statements or certifications for the purpose of having both principal and interest on the Prior

Bonds and the Obligations hereby authorized payable on a parity from the income and revenues of said System with said outstanding Prior Bonds.

**Section 7. Flow of Funds.** All proceedings preliminary to and in connection with the issuance of the Prior Bonds, whereby provision was made for the receipt, custody, and application of the proceeds of the Prior Bonds; for the operation of said System on a revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; and for the enforcement and payment of the Prior Bonds; and all other covenants for the benefit of the bondholders set out in the Prior Bond Legislation, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Bonds, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, 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 into 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.** A separate and special fund or account of the Governmental Agency, distinct and apart from all other funds and accounts, was created in and by the Prior Bond Resolution and designated and identified as the "Wood Creek Water District Waterworks Revenue Bond Sinking Fund," which shall continue to be maintained so long as any of the Outstanding Bonds or any additional Parity Bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Outstanding Bonds and any Parity Bonds hereafter issued and outstanding pursuant to the provisions of this Assistance Agreement.

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 Outstanding Bonds. Specifically, there shall be paid into the Sinking Fund on or before the 20th day of each month, on account of the Outstanding 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 Outstanding Bonds, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Outstanding Bonds maturing on the next succeeding principal payment date.

Notwithstanding the provisions of paragraph (1) above, because the Issuer must make payments on the Series 2007A Bonds every February 1 and August 1, and the



Governmental Agency must make monthly principal and interest payments on the Interest Payment Date totaling the Governmental Agency's pro rata share of the principal and interest payments on the Series 2007A Bonds by each January 1 and July 1, the Governmental Agency's initial five (5) payments on the Obligations will include interest amortized from January 30, 2007 to August 1, 2007.

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 Outstanding Bonds and Parity Bonds and paying all interest that will accrue thereon.

**C. Reserve Fund.** Pursuant to the provisions of the Prior Bond Legislation, there shall next be transferred from the Revenue Fund a sum sufficient, each month, to maintain a balance in said Reserve Fund of at least the sum required by the Prior Bond Legislation, which shall be deposited into the Reserve Fund.

**D. Depreciation Fund.** Pursuant to the provisions of the Prior Bond Legislation, there shall next be transferred from the Revenue Fund a sum sufficient, each month, to maintain a balance in said Depreciation Fund of at least the sum required by the Prior Bond Legislation, which shall be deposited into the Depreciation Fund.

Moneys in the Depreciation Fund may be withdrawn and used by the Governmental Agency, upon appropriate certification of the Governing Body, in accordance with the provisions of the Prior Bond Legislation, 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 Governmental Agency's annual budget.

**F. 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 Reserve Fund or the 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 Depreciation Funds held by the Governmental Agency under any Prior Bond Legislation for payment of any amounts due from the Governmental Agency under this Assistance Agreement.

**Section 8. Disposition of Proceeds of the Obligations; Governmental Agency Account.** Upon (i) the execution of this Assistance Agreement, (ii) the deliverance of this Assistance Agreement to the Trustee, (iii) certification of the Compliance Group that the Loan is to be accepted in the Program, and (iv) upon receipt by the Governmental Agency of the proceeds of the Obligations, the proceeds shall be applied as follows:

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

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

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Wood Creek 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.

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.

Payment from the Governmental Agency Account for costs in connection with the Project shall be made only upon a Requisition Certificate delivered to the Trustee and signed by the Governmental Agency Chief Executive, and by said delivery the Governmental Agency Chief Executive certifies in each instance that the Requisition Certificate 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.

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 approved by the Governmental Agency.

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

#### **Section 9. Arbitrage Limitations.**

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

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

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

(2) amounts deposited in the Depreciation Fund or any similar reserve for replacements, reasonably expected to be used for extensions, additions, improvements or



replacements to the System, and not reasonably expected to be used to pay debt service (even if pledged to be used to pay debt service in the event of the unexpected inadequacy of other funds pledged for that purpose).

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

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

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

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

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

(4) That it is anticipated that amounts on deposit in the Sinking Fund will be used within 13 months from the date of deposit for the payment of debt service on the outstanding Obligations and all Prior Bonds payable from said 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 the Depreciation Fund will be used for payment of debt service on any bonds payable from the revenues of the System, even though such Depreciation Fund will be so available if necessary to prevent a default in the payment of principal and interest on such bonds.

Prior to or at the time of delivery of the Obligations, the Governmental Agency Chief Executive and/or the Governmental Agency Treasurer are authorized to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated investment of the proceeds of the Obligations, including the execution of necessary and/or desirable certifications of the type contemplated by the Code and applicable regulations, as amended, in order to assure that interest on the

Obligations will be exempt from all federal income taxes and that the Obligations will not constitute or be treated as arbitrage bonds.

**Section 10. Parity Bonds.** The Obligations shall not be entitled to priority one over the other in the application of the income and revenues of the System, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations, regardless of the fact they may be actually issued and delivered at different times, and provided further that the lien and security of and for any bonds or obligations hereafter issued that are payable from the income and revenues of the System, shall, except as set out herein, be subject to the priority of the Prior Bonds and the Obligations as may from time to time be outstanding; provided the Governmental Agency has in said Prior Bond Legislation reserved the right and privilege, and does hereby reserve the right and privilege, of issuing additional bonds from time to time payable from the income and revenues of the System ranking on a parity with the Prior Bonds and with the Obligations, but only under the conditions specified in the Prior Bond Legislation, which conditions are hereinafter repeated, taking into account the issuance of the Obligations.

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

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

(b) The Governmental Agency is in compliance with all covenants and undertakings in connection with all of the bonds then outstanding and payable from the revenues of the System or any part thereof.

(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 the Outstanding Bonds, including such requirements of the Obligations, any Parity Bonds then outstanding 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:

(i) any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional Parity Bonds, and

(ii) any increase in the "annual net revenues" to be realized, within 12 months of the completion of the Project, from the proposed extensions, additions, and/or 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 a Certified Public Accountant.

(e) Reference is made to the necessity of obtaining the written consent of the United States Department of Agriculture Rural Development or its successor [the "RD"] for the issuance of future bonds encumbering the System while the RD holds any bonds payable from the revenues of the System.

The Governmental Agency hereby covenants and agrees that in the event any additional Parity Bonds are issued, the Governmental Agency 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 annual debt service requirements of the additional Parity Bonds; and

(b) Adjust the minimum annual amount to be deposited monthly into the Depreciation Fund on the same basis as that prescribed in the provisions establishing such Depreciation Fund, taking into account the future replacement costs of the facilities to be constructed and acquired with the proceeds of such additional Parity Bonds.

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

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

(b) in the alternative, that the average annual debt service requirements for the Prior Bonds, the Obligations, any previously issued Parity Bonds and the proposed Parity Bonds, in any year of maturities thereof after the redemption of the Outstanding Bonds scheduled to be refunded through the issuance of the proposed Parity Bonds, shall not exceed the average annual debt service requirements applicable to the then outstanding Prior Bonds, the Obligations and



any previously issued Parity Bonds for any year prior to the issuance of the proposed Parity Bonds and the redemption of the Outstanding Bonds to be refunded.

**Section 11. Rates and Charges for Services of the System.** While there are any Outstanding Bonds, 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 Outstanding Bonds as may be outstanding under the provisions of this Assistance Agreement and the Prior Bond Legislation, and there shall be charged such rates and amounts as shall be adequate to meet all requirements of the provisions of this Assistance Agreement. Prior to the issuance of the Obligations a schedule of rates and charges for the services rendered by the System to all users adequate to meet all requirements of this Assistance Agreement has been established and adopted.

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

The Governmental Agency also covenants to cause a report to be filed with the Governing Body within four 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 Section 10 hereof; 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 Issue Are Equal.** The Obligations authorized and permitted to be issued hereunder, and from time to time outstanding, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations, the Prior Bonds and any Parity Bonds authorized or permitted to be issued under the provisions of this Assistance Agreement, regardless of the fact that they may be actually issued and delivered at different times.

**Section 13. Defeasance and/or Refunding of Obligations.** The Governmental Agency reserves the right, at any time, to cause the pledge of the revenues securing the outstanding Obligations to be defeased and released by paying an amount into an escrow fund sufficient, when invested (or sufficient without such investment, as the case may be) in direct obligations of or obligations guaranteed by the United States of America, including book entry obligations and trust receipts representing an ownership in direct obligations of the United States of America, to assure the availability in such escrow fund of an adequate amount (a) to call for redemption and to redeem and retire all of such outstanding Obligations, both as to principal and as to interest, on the next or any optional redemption date, including all costs and expenses in connection therewith, and to pay all principal and interest falling due on the outstanding Obligations to and on said date, or (b) to pay all principal and interest requirements on the outstanding Obligations as same mature, without redemption in advance of maturity, the determination of whether to defease under (a) or (b) or both to be made by the Governing Body. Such Permitted Investments shall have such maturities as to assure that there will be sufficient funds for such purpose. If such defeasance is to be accomplished pursuant to (a), the Governmental Agency shall take all steps necessary to publish the required notice of the redemption of the outstanding Obligations and the applicable redemption date. Upon the proper amount of such investments being placed in escrow and so secured, such revenue pledge shall be automatically fully defeased and released without any further action being necessary.

**Section 14. Contractual Nature of Assistance Agreement.** The provisions of this Assistance Agreement shall constitute a contract between the Governmental Agency and the Issuer; and after the issuance of any of such Obligations, no change, variation or alteration of any kind in the provisions of this Assistance Agreement, nor of the Prior Bond Legislation, shall be made in any manner except as herein or therein provided until such time as all of the Bonds authorized thereby and the interest thereon have been paid or provided for in full, or as otherwise provided herein; provided (a) that the Governing Body may enact legislation for any other purpose not inconsistent with the terms of this Assistance Agreement, and which shall not impair the security of the Issuer and/or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any ordinance or other proceedings pertaining hereto.

**Section 15. Appointment and Duties of Trustee.** The Trustee is hereby designated as the bond registrar and paying agent with respect to the Obligations.

Its duties as Trustee shall be as follows:

- (a) To register all of the Obligations in the names of the Issuer;
- (b) To cancel and destroy (or remit to the Governmental Agency for destruction, if so requested by the Governmental Agency) all exchanged, matured, retired and redeemed Obligations, and to maintain adequate records relevant thereto;

(c) To remit, but only to the extent that all required funds are made available to the Trustee by the Governmental Agency, semiannual interest payments directly to the Issuer's accounts for the Program;

(d) To notify the Issuer of any Obligations to be redeemed and to redeem Obligations prior to their stated maturity upon receiving sufficient funds; and

(e) To supply the Governmental Agency with a written accounting evidencing the payment of interest on and principal of the Obligations within thirty (30) days following each respective due date.

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

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

**Section 16. Provisions in Conflict Repealed.** All ordinances, resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed; and it is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds payable or secured in any manner by all or any part of the income and revenues of the System, or any part thereof, and which have not heretofore been issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered.

**Section 17. Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.** In order to assure purchasers of the Obligations that interest thereon will continue to be exempt from federal and Kentucky income taxation (subject to certain exceptions set out below), the Governmental Agency covenants to and with the Issuer that (1) the Governmental Agency will take all actions necessary to comply with the provisions of the Code, (2) the Governmental Agency will take no actions which will violate any of the provisions of the Code, or would cause the Obligations to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Obligations will be used for any purpose which would cause the interest on the Obligations to become subject to federal income taxation, and the Governmental Agency will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Obligations.



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

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

#### **Section 18. Insurance.**

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

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

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

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

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

**Section 19. 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 Obligations when due and payable, either at maturity or by proceedings for redemption;

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

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

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

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

In addition to and apart from the foregoing, upon the occurrence of an Event of Default, the owner of any of the Obligations may require the Governmental Agency by demand, court

order, injunction, or otherwise, to raise all applicable rates charged for services of the System a reasonable amount, consistent with the requirements of this Assistance Agreement.

**Section 20. Annual Reports.** The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the fiscal year ended December 31, 2006) 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 120 days after the end of each fiscal year (December 31).

**Section 21. Supplemental Assistance Agreement.** The Governmental Agency may, but only with the consent of the Issuer, execute one or more supplemental Assistance Agreements as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Assistance Agreement;
- (b) to subject to the lien and pledge of this Assistance Agreement additional revenues, properties, or collateral which may legally be subjected;
- (c) to add to the conditions, limitations and restrictions on the issuance of bonds, other conditions, limitations and restrictions thereafter to be observed;
- (d) to add to the covenants and agreements of the Governmental Agency in this Assistance Agreement, other covenants and agreements thereafter to be incurred by the Governmental Agency or to surrender any right or power herein reserved to or conferred upon the Governmental Agency;
- (e) to effect the issuance of additional Parity Bonds; and/or
- (f) to modify the terms and conditions of this Assistance Agreement at the request of the Issuer in order to assist the Issuer in operating the Program or to maintain any rating the Issuer may have on its Program obligations.

**Section 22. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

**Section 23. Waivers.** In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

**Section 24. Agreement to Pay Attorneys' Fees and Expenses.** In the event that either party hereto shall become in default under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefore to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

**Section 25. Signatures of Officers.** If any of the officers whose signatures or facsimile signatures appear on this Assistance Agreement or any other document evidencing the Obligations cease to be such officers before delivery of the Obligations, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery, as provided by KRS 58.040 and KRS 61.390.

**Section 26. Severability Clause.** If any section, paragraph, clause or provision of this Assistance Agreement shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Assistance Agreement.

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 Wood Creek Water District has caused this Assistance Agreement to be signed in corporate name and by its officers thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary/Treasurer

WOOD CREEK WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary



**ISSUER ACKNOWLEDGMENT**

COMMONWEALTH OF KENTUCKY

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this January \_\_\_\_, 2007 by David Peterson who is the President of the Kentucky Rural Water Finance Corporation, on behalf of said Corporation.

WITNESS my hand this January \_\_\_\_, 2007.

My Commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State at Large, Kentucky

COMMONWEALTH OF KENTUCKY

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this January \_\_\_\_, 2007 by Gary Larimore who is the Secretary/Treasurer of the Kentucky Rural Water Finance Corporation, on behalf of said Corporation.

WITNESS my hand this January \_\_\_\_, 2007.

My Commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State at Large, Kentucky



**GOVERNMENTAL AGENCY ACKNOWLEDGMENT**

COMMONWEALTH OF KENTUCKY

COUNTY OF LAUREL

The foregoing instrument was acknowledged before me this January \_\_\_\_, 2007 by Glenn Williams who is the Secretary of the Wood Creek Water District, on behalf of said District.

WITNESS my hand this January \_\_\_\_, 2007.

My Commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State at Large, Kentucky

COMMONWEALTH OF KENTUCKY

COUNTY OF LAUREL

The foregoing instrument was acknowledged before me this January \_\_\_\_, 2007 by Earl Bailey who is the Secretary of the Wood Creek Water District, on behalf of said District.

WITNESS my hand this January \_\_\_\_, 2007.

My Commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State at Large, Kentucky

---

---

**ASSISTANCE AGREEMENT**  
**BETWEEN**  
**KENTUCKY RURAL WATER FINANCE CORPORATION**  
**AND**  
**WOOD CREEK WATER DISTRICT**  
**DATED**  
**FEBRUARY 19, 2015**  
**IN THE AMOUNT OF \$1,515,000**

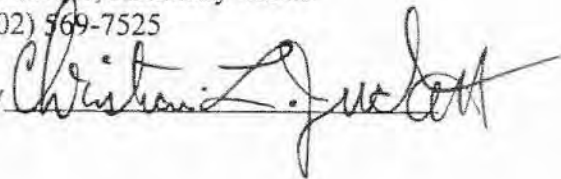
---

---

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. ....	9
Section 3.	Authorization of Obligations; Place of Payment; Manner of Execution. ....	9
Section 4.	Redemption.....	10
Section 5.	Obligations Payable Out of Gross Revenues on a Parity with Prior Bonds. ....	10
Section 6.	Compliance with Parity Coverage Requirements of the Prior Bond Legislation. ....	11
Section 7.	Flow of Funds. ....	11
Section 8.	Disposition of Proceeds of the Obligations; Governmental Agency Account. ....	12
Section 9.	Arbitrage Limitations.....	14
Section 10.	Parity Bonds.....	16
Section 11.	Rates and Charges for Services of the System.....	18
Section 12.	All Obligations of this Issue Are Equal. ....	19
Section 13.	Defeasance and/or Refunding of Obligations. ....	19
Section 14.	Contractual Nature of Assistance Agreement.....	19
Section 15.	Appointment and Duties of Trustee. ....	19
Section 16.	Provisions in Conflict Repealed.....	20
Section 17.	Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986. ....	21
Section 18.	Insurance.....	21
Section 19.	Event of Default; Remedies. ....	22
Section 20.	Annual Reports. ....	23
Section 21.	Supplemental Assistance Agreement.....	23
Section 22.	No Remedy Exclusive.....	24
Section 23.	Waivers. ....	24
Section 24.	Agreement to Pay Attorneys' Fees and Expenses.....	24
Section 25.	Signatures of Officers. ....	24
Section 26.	Severability Clause. ....	24

## ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of February 19, 2015 (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 Wood Creek Water District, 1676 Daniel Boone Parkway East, London, Kentucky 40741 (the "Governmental Agency");

### WITNESSETH

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B (the "Series 2015B Bonds") in the aggregate principal amount of \$11,710,000, pursuant to a Supplemental Trust Indenture No. 60, dated as of February 19, 2015 by and between the Issuer and the Trustee, which Series 2015B Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency has outstanding the following bonds (collectively 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"):

1. Wood Creek Water District Waterworks Revenue Bonds of 1980, dated December 29, 1980, in the original authorized principal amount of \$61,000.
2. Wood Creek Water District Waterworks Revenue Bonds of 1992, dated February 19, 1992, in the original authorized principal amount of \$114,000.
3. Wood Creek Water District Waterworks Revenue Bonds, Series 1996, dated July 21, 1998, in the original authorized principal amount of \$1,502,000.

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

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

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

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

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the "Loan") in the amount of \$1,515,000 [the "Obligations"], for the purpose of providing funds for the Project, and to reaffirm the conditions and restrictions under which similar bonds or obligations may be subsequently issued ranking on a parity therewith; and

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

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

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

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



## **Section 1. Definitions.**

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

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

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

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

"*Bond Legislation of 1980*" or "*1980 Bond Legislation*" refer to the Resolution authorizing the Series 1980 Bonds, duly adopted by the Governing Body on November 10, 1980.

"*Bond Legislation of 1992*" or "*1992 Bond Legislation*" refer to the Resolution authorizing the Series 1992 Bonds, duly adopted by the Governing Body on February 3, 1992.

"*Bond Legislation of 1996*" or "*1996 Bond Legislation*" refer to the Resolution authorizing the Series 1996 Bonds, duly adopted by the Governing Body on July 8, 1996.

"*Bond Legislation of 1998*" or "*1998 Bond Legislation*" refer to the Resolution authorizing the Series 1998 Bonds, duly adopted by the Governing Body on September 14, 1998.

"*Bond Legislation of 2005*" or "*2005 Bond Legislation*" refer to the Resolution authorizing the Series 2005 Bonds, duly adopted by the Governing Body on November 14, 2005.

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

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

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

"*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.



"*Depreciation Fund*" refers to the Wood Creek Water District Waterworks Revenue Bond Depreciation Reserve Fund, described in Section 401(E) of the Bond Legislation of 1998, which will be maintained for the benefit of the System.

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

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

"*Funds*" refers to the Revenue Fund, the Sinking Fund, the Operation and Maintenance Fund, the Depreciation Fund, the Reserve 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 Wood Creek Water District, 1676 Daniel Boone Parkway East, London, Kentucky 40741.

"*Governmental Agency Chief Executive*" refers to the Chairman of the Governmental Agency.

"*Governmental Agency Clerk*" refers to the Secretary of the Governing Body.

"*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. 60, dated February 19, 2015, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing April 1, 2015 and continuing through and including January 1, 2038 or until the Loan has been paid in full.

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

"*Obligations*" refers to the Loan authorized by this Assistance Agreement in the principal amount of \$1,515,000, maturing January 1, 2038.

"*Operation and Maintenance Fund*" refers to the Wood Creek Water District Waterworks Operation and Maintenance Fund described in Section 401(E) of the Bond Legislation of 1998, which will be maintained for the benefit of the System.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*"Prior Bond Legislation"* refers collectively to the 1998 Bond Legislation, 2005 Bond Resolution, Series 2003A Assistance Agreement, Series 2003C Assistance Agreement, Series 2004B Assistance Agreement, the Series 2005B Assistance Agreement and the Series 2007A Assistance Agreement.

*"Prior Bonds"* refers to the Series 1998 Bonds, Series 2005 Bonds, Series 2003A Loan, the Series 2003C Loan, the Series 2004B Loan, the Series 2005B Loan and the Series 2007A 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 Program Reserve Fund created and established pursuant to Section 4.2 of the Indenture.

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

"*Refunded Bonds*" refers to the outstanding Series 1980 Bonds, Series 1992 Bonds and Series 1996 Bonds.

"*Reserve Fund*" refers to the Wood Creek Water District Waterworks Debt Service Reserve Fund of 1998, described in Section 401(C) of the Bond Legislation of 1998, which will be maintained for the benefit of the System.

"*Revenue Fund*" refers to the Wood Creek Water District Water Revenue Fund, described in Section 401(A) of the Bond Legislation of 1998, which will be maintained for the benefit of the System.

"*Series 1980 Bonds*" refers to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1980, dated December 29, 1980, in the original authorized principal amount of \$61,000.

"*Series 1992 Bonds*" refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1992, dated February 19, 1992, in the original authorized principal amount of \$114,000.

"*Series 1996 Bonds*" refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds, Series 1996, dated July 21, 1998, in the original authorized principal amount of \$1,711,000.

"*Series 1998 Bonds*" refers to the outstanding Wood Creek Water District Waterworks Refunding Revenue Bonds, Series 1998, dated September 1, 1998, in the original authorized principal amount of \$665,000.

"*Series 2003A Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated March 25, 2003, authorizing the loan in the principal amount of \$299,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003A.



"*Series 2003A Loan*" refers to the loan to the Governmental Agency in the principal amount of \$299,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003A.

"*Series 2003C Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated October 29, 2003, authorizing the loan in the principal amount of \$1,345,400 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003C.

"*Series 2003C Loan*" refers to the loan to the Governmental Agency in the principal amount of \$1,345,400 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003C.

"*Series 2004B Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated October 19, 2004, authorizing the loan in the principal amount of \$1,318,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B.

"*Series 2004B Loan*" refers to the loan to the Governmental Agency in the principal amount of \$1,318,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B.

"*Series 2005 Bonds*" refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds, Series 2005, dated August 22, 2007, in the original authorized principal amount of \$7,975,000, consisting of \$7,250,000 of Series A Bonds and \$725,000 of Series B Bonds.

"*Series 2005B Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated October 19, 2005, authorizing the loan in the principal amount of \$3,594,000 from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2005B.

"*Series 2005B Loan*" refers to the loan to the Governmental Agency in the principal amount of \$3,594,000 from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2005B.

"*Series 2007A Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated January 30, 2007, authorizing the loan in the principal amount of \$2,086,000 from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2007A.

"*Series 2007A Loan*" refers to the loan to the Governmental Agency in the principal amount of \$2,086,000 from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2007A.

"*Sinking Fund*" refers to the Wood Creek Water District Waterworks Revenue Bond Sinking Fund, described in Section 401(B) of the Bond Legislation of 1998, which will be maintained for the benefit of the System.

"*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 Governing Body.

"*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 any of the Obligations hereinafter authorized or permitted to be issued remain outstanding, said System shall be owned, controlled, operated and maintained for the security and source of payment of the Obligations. Said System is hereby declared to constitute a public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

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

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes the borrowing of \$1,515,000 from the Program, for the purpose of providing funds for the Project.

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

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the 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 Obligations and any other payments due under this Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on Exhibit A attached hereto, pursuant to the ACH Debit Direct Payment Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

#### **Section 4. Redemption.**

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2025 shall not be subject to optional redemption prior to maturity. Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2026, are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturities, at any time falling on or after January 1, 2025, at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

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

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

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

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

All of the Obligations and Prior Bonds, together with the interest thereon and such additional bonds ranking on a parity therewith heretofore issued and outstanding and that may be hereafter issued and outstanding from time to time under the conditions and restrictions

hereinafter set forth, shall be payable out of the Sinking Fund as hereinafter more specifically provided and shall be a valid claim of the holder thereof only against said fund and the fixed portion or amount of the gross income and revenues of the System of said Governmental Agency pledged to said fund.

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

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

**Section 7. Flow of Funds.**

All proceedings preliminary to and in connection with the issuance of the Prior Bonds, whereby provision was made for the receipt, custody, and application of the proceeds of the Prior Bonds; for the operation of said System on a revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; and for the enforcement and payment of the Prior Bonds; and all other covenants for the benefit of the bondholders set out in the Prior Bond Legislation, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Bonds, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, 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 into 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.** A separate and special fund or account of the Governmental Agency, distinct and apart from all other funds and accounts, was created in and by the Prior Bond Resolution and designated and identified as the "Wood Creek Water District Waterworks Revenue Bond Sinking Fund," which shall continue to be maintained so long as any of the Outstanding Bonds or any additional Parity Bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Outstanding Bonds and any Parity Bonds hereafter issued and outstanding pursuant to the provisions of this Assistance Agreement.

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 Outstanding Bonds. Specifically, there shall be paid into the Sinking Fund on or before the 20th day of each month, on account of the Outstanding Bonds, not less than the following:

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

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

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

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 Outstanding Bonds and Parity Bonds and paying all interest that will accrue thereon.

**C. Reserve Fund.** Pursuant to the provisions of the Prior Bond Legislation, there shall next be transferred from the Revenue Fund a sum sufficient, each month, to maintain a balance in said Reserve Fund of at least the sum required by the Prior Bond Legislation, which shall be deposited into the Reserve Fund.

**D. Depreciation Fund.** Pursuant to the provisions of the Prior Bond Legislation, there shall next be transferred from the Revenue Fund a sum sufficient, each month, to maintain a balance in said Depreciation Fund of at least the sum required by the Prior Bond Legislation, which shall be deposited into the Depreciation Fund.

Moneys in the Depreciation Fund may be withdrawn and used by the Governmental Agency, upon appropriate certification of the Governing Body, in accordance with the provisions of the Prior Bond Legislation, 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 Governmental Agency's annual budget.

**F. 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 Reserve Fund or the 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 Depreciation Funds held by the Governmental Agency under any Prior Bond Legislation for payment of any amounts due from the Governmental Agency under this Assistance Agreement.

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

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

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

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

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Wood Creek 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:

(1) To pay the accrued interest on the Refunded Bonds to and including February 23, 2015; and

(2) To redeem on February 23, 2015 at a price equal to 100% of principal amount the Refunded Bonds that as of that date have not been redeemed, retired or otherwise paid, thereby defeasing the pledge of revenues and the property securing the Refunded Bonds.

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

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

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

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

#### **Section 9. Arbitrage Limitations.**

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

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

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

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

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

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

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

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

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

(4) That it is anticipated that amounts on deposit in the Sinking Fund will be used within 13 months from the date of deposit for the payment of debt service on the outstanding Obligations and all Prior Bonds payable from said 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 the Depreciation Fund will be used for payment of debt service on any bonds payable from the revenues of the System, even though such Depreciation Fund will be so available if necessary to prevent a default in the payment of principal and interest on such bonds.

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

#### **Section 10. Parity Bonds.**

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

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

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

(2) The Governmental Agency is in compliance with all covenants and undertakings in connection with all of the bonds then outstanding and payable from the revenues of the System or any part thereof.

(3) 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, including such requirements of the Obligations, any Parity Bonds then outstanding 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.

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

(i) any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional Parity Bonds, and

(ii) any increase in the "annual net revenues" to be realized, within 12 months of the completion of the Project, from the proposed extensions, additions, and/or 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 a Certified Public Accountant.

(5) Reference is made to the necessity of obtaining the written consent of the United States Department of Agriculture Rural Development or its successor [the "RD"] for the issuance of future bonds encumbering the System while the RD holds any bonds payable from the revenues of the System.

(b) The Governmental Agency hereby covenants and agrees that in the event any additional Parity Bonds are issued, the Governmental Agency shall 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 annual debt service requirements of the additional Parity Bonds; and

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

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

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

(2) in the alternative, that the average annual debt service requirements for the Prior Bonds, the Obligations, any previously issued Parity Bonds and the proposed refunding Parity Bonds, in any year of maturities thereof after the redemption of the Bonds scheduled to be refunded through the issuance of such proposed refunding Parity Bonds, shall not exceed the average annual debt service requirements applicable to the then outstanding Prior Bonds, the Obligations and any previously issued Parity Bonds for any year prior to the issuance of such proposed Parity Bonds and the redemption of the Bonds to be refunded.

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

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

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

The Governmental Agency also covenants to cause a report to be filed with the Governing Body within four 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 Section 10 hereof; and the Governmental Agency covenants that if and whenever such report so filed shall establish that such coverage of annual net revenues for such year was less than 120% of the average annual debt service requirements, 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 Issue Are Equal.**

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

**Section 13. Defeasance and/or Refunding of Obligations.**

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

**Section 14. Contractual Nature of Assistance Agreement.**

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

**Section 15. Appointment and Duties of Trustee.**

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

Its duties as Trustee shall be as follows:

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

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

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

#### **Section 16. Provisions in Conflict Repealed.**

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

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

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

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

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

**Section 18. Insurance.**

(a) *Fire and Extended Coverage.* If and to the extent that the System includes structures above ground level, the Governmental Agency shall, upon receipt of the proceeds of the sale of the Obligations, if such insurance is not already in force, procure fire and extended



coverage insurance on the insurable portion of all of the facilities of the System, of a kind and in such amounts as would ordinarily be carried by private companies or public bodies engaged in operating a similar utility.

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

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

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

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

#### **Section 19. 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 Obligations when due and payable, either at maturity or by proceedings for redemption;

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

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

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

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

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

#### **Section 20. Annual Reports.**

The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the fiscal year ended December 31, 2013) and such other financial information and/or operating data as requested by the Issuer or the Compliance Group.

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

#### **Section 21. Supplemental Assistance Agreement.**

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

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

Governmental Agency or to surrender any right or power herein reserved to or conferred upon the Governmental Agency;

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

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

**Section 22. No Remedy Exclusive.**

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

**Section 23. Waivers.**

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

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

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

**Section 25. Signatures of Officers.**

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

**Section 26. Severability Clause.**

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

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 Wood Creek Water District has caused this Assistance Agreement to be signed in corporate name and by its officers thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By Stephen T. Owen  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

WOOD CREEK 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 Wood Creek Water District has caused this Assistance Agreement to be signed in corporate name and by its officers thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By  \_\_\_\_\_  
Secretary/Treasurer

WOOD CREEK 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 Wood Creek Water District has caused this Assistance Agreement to be signed in corporate name and by its officers thereunder duly authorized, all as of the day and year first above written.

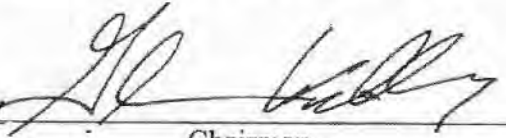
KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

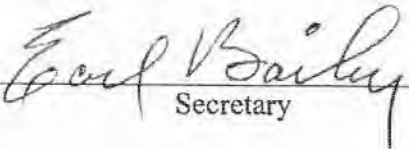
Attest:

By \_\_\_\_\_  
Secretary/Treasurer

WOOD CREEK WATER DISTRICT

By  \_\_\_\_\_  
Chairman

Attest:

By  \_\_\_\_\_  
Secretary

# Attachment No. 9b

BOND RESOLUTION

WOOD CREEK WATER DISTRICT

AUTHORIZING

WOOD CREEK WATER DISTRICT WATERWORKS REVENUE BONDS, SERIES 2005

IN THE AGGREGATE PRINCIPAL AMOUNT OF

\$7,975,000

CONSISTING OF

\$7,250,000 OF SERIES A BONDS

AND

\$725,000 OF SERIES B BONDS

## TABLE OF CONTENTS

ARTICLE 1.	DEFINITIONS; PURPOSE; AUTHORIZATION OF BONDS; SECURITY. ....	3
Section 101.	Definitions .....	3
Section 102.	Purpose .....	7
Section 103.	Construction Award Approved; Work Authorized .....	7
Section 104.	Declaration of Period of Usefulness .....	7
Section 105.	Authorization of Bonds .....	7
Section 106.	Recognition of Prior Bonds .....	8
Section 107.	Current Bonds Shall be Payable Out of Gross Revenues .....	8
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.	Depreciation Fund .....	17
E.	Operation and Maintenance Fund .....	18
F.	Monthly Principal and Interest Payments if Requested by 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.	Insurance on Motors, Tanks and Structures .....	22
ARTICLE 6.	INFERIOR BONDS AND PARITY BONDS .....	23
Section 601.	Inferior Bonds .....	23
Section 602.	Parity Bonds to Complete the Project .....	23
Section 603.	Parity Bonds to Finance Future Improvements .....	23
Section 604.	Covenants to be Complied with at Time of Issuance of Parity Bonds .....	24
Section 605.	Prepayment Provisions Applicable to Parity Bonds .....	25
Section 606.	Consent of the RD Regarding Future Bonds .....	25
Section 607.	Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities .....	25
ARTICLE 7.	DEFAULT AND CONSEQUENCES .....	27
Section 701.	Events of Default .....	27
Section 702.	Consequences of Event of Default .....	27
ARTICLE 8.	CONTRACTUAL PROVISIONS; GRANT APPROVAL; MISCELLANEOUS PROVISIONS. ....	28
Section 801.	Resolution Contractual with Bondowners .....	28
Section 802.	All Current Bonds are Equal .....	28
Section 803.	District Obligated to Refund Current Bonds Owned by Government Whenever Feasible; Defeasement Prohibited .....	28
Section 804.	Approval and Acceptance of RD Grant Agreement .....	29
Section 805.	Approval and Acceptance of ARC Grant Agreement .....	29
Section 806.	Approval and Acceptance of EDA Grant Agreement .....	29



Section 807.	Authorization, Ratification and Confirmation of Approval and Execution of Various Documents .....	29
Section 808.	Authorization of Condemnation to Acquire Easements and/or Sites .....	30
ARTICLE 9.	SALE OF CURRENT BONDS .....	31
Section 901.	Sale of Current Bonds .....	31
Section 902.	Adjustment in Maturities, Prepayment Provisions and Other Dates, with Consent of Purchaser if Delivery is Delayed .....	31
ARTICLE 10.	CONCLUDING PROVISIONS .....	32
Section 1001.	Covenant of District to Take All Necessary Action To Assure Compliance with the Code .....	32
Section 1002.	Severability Clause .....	33
Section 1003.	All Provisions in Conflict Repealed .....	33
Section 1004.	Effective Immediately Upon Adoption .....	33
EXHIBITS A-1 and A-2 - Schedule of Principal Payments		
EXHIBIT B - Form of Fully Registered Bond		
EXHIBIT C - Requisition Certificate		

## BOND RESOLUTION

**RESOLUTION OF THE WOOD CREEK WATER DISTRICT OF LAUREL COUNTY, KENTUCKY, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF \$7,975,000 PRINCIPAL AMOUNT OF WOOD CREEK WATER DISTRICT WATERWORKS REVENUE BONDS, SERIES 2005, CONSISTING OF \$7,250,000 OF SERIES A BONDS AND \$725,000 OF SERIES B BONDS 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 Wood Creek 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 in the manner and by the means prescribed in the Prior Bond Resolution (as hereinafter defined) of the District, authorizing the Prior Bonds, 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 \$7,975,000, consisting of \$7,250,000 of Series A Bonds and \$725,000 of Series B Bonds (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 Kenvirons, Inc. 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 Public Service Commission of Kentucky has granted to the District a Certificate of Public Convenience and Necessity, 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) and other loan funds to provide the total cost of such construction,

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE WOOD CREEK WATER DISTRICT OF LAUREL COUNTY, KENTUCKY, 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.

*"ARC Grant"* refers to the Appalachian Regional Commission grant described in Section 805 of this Resolution.

*"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 1967" or "Series 1967 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds, dated July 10, 1967, in the original authorized principal amount of \$808,500.

*"Bonds of 1980" or "Series 1980 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1980, dated December 29, 1980, in the original authorized principal amount of \$61,000.

*"Bonds of 1992" or "Series 1992 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds of 1992, dated February 19, 1992, in the original authorized principal amount of \$114,000.

*"Bonds of 1996" or "Series 1996 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Revenue Bonds, Series 1996, dated July 21, 1998, in the original authorized principal amount of \$1,711,000.

*"Bonds of 1998" or "Series 1998 Bonds"* refer to the outstanding Wood Creek Water District Waterworks Refunding Revenue Bonds, Series 1998, dated September 1, 1998, in the original authorized principal amount of \$665,000.

*"Bond Resolution of 1967" or "1967 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1967, duly adopted by the Board of Commissioners of the District on May 2, 1967.

"*Bond Resolution of 1980*" or "*1980 Bond Resolution*" refer to the Resolution authorizing the Bonds of 1980, duly adopted by the Board of Commissioners of the District on November 10, 1980.

"*Bond Resolution of 1992*" or "*1992 Bond Resolution*" refer to the Resolution authorizing the Bonds of 1992, duly adopted by the Board of Commissioners of the District on February 3, 1992.

"*Bond Resolution of 1996*" or "*1996 Bond Resolution*" refer to the Resolution authorizing the Bonds of 1996, duly adopted by the Board of Commissioners of the District on July 8, 1996.

"*Bond Resolution of 1998*" or "*1998 Bond Resolution*" refer to the Resolution authorizing the Bonds of 1998, duly adopted by the Board of Commissioners of the District on September 14, 1998.

"*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 Wood Creek 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 \$7,975,000 of Wood Creek Water District Waterworks Revenue Bonds, Series 2005, consisting of \$7,250,000 of Series A Bonds and \$725,000 of Series B Bonds authorized by this Resolution, to be dated as of the date of issuance thereof.

"*Current Sinking Fund*" refers to the Wood Creek Water District Waterworks Sinking Fund of 2005, created in Section 401 of this Resolution.

"*Depository Bank*" refers to the bank, which shall be a member of the FDIC, which bank is Cumberland Valley National Bank, London, Kentucky, or its successor.

"*Depreciation Fund*" refers to the Wood Creek Water District Waterworks Depreciation Reserve Fund, described in Section 402 of this Resolution.

"*District*" refers to the Wood Creek Water District of Laurel County, Kentucky.



*"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 Wood Creek 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 \$15,080,000. 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 \$7,975,000 of Current Bonds, based on the following calculation:

Total cost of Project		\$15,080,000
Less:		
RD Grant	\$1,000,000	
KIA Grant	750,000	
District Contribution	62,000	
KRWFC Project Loan	3,594,000	
ARC Grant	500,000	
EDA Grant	<u>1,199,000</u>	
Total Non-Bond Funds:		<u>(7,105,000)</u>
Balance to be financed by Current Bonds		\$7,975,000

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 \$7,975,000 principal amount of Wood Creek Water District Waterworks Revenue Bonds, Series 2005, consisting of \$7,250,000 of Series A Bonds and \$725,000 of Series B Bonds.

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, 2016, shall not be subject to prepayment. Principal maturities falling due on and after January 1, 2016, shall be subject to prepayment by the District on any date falling on and after January 1, 2015, 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 \$579,000 (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 \$579,000, 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 "Wood Creek 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 \$200,000) 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 may be made only if a separate RD Form 402-4 Agreement is executed, if the RD has purchased any of the Bonds, and 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 \$7,975,000 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 \$7,975,000. 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 \$7,975,000 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 the RD shall be accompanied by a Requisition Certificate. The District will also furnish to the RD, prior to the receipt of each Multiple Advance, whatever additional documentation shall be requested by the RD, including an updated 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 in the Prior Bond Resolution the following funds and accounts:

- (a) Wood Creek Water District Waterworks Revenue Fund
- (b) Wood Creek Water District Waterworks Sinking Fund
- (c) Wood Creek Water District Waterworks Depreciation Reserve Fund
- (d) Wood Creek Water District Waterworks Operation and Maintenance Fund

The is hereby created and established in this Resolution the Wood Creek Water District Waterworks Sinking Fund of 2005.

All of the Funds shall be maintained with the Depository Bank so long as any Bonds remain outstanding.

**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 \$200,000) 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. Depreciation 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 \$3,615 each month which shall be deposited into the Depreciation Fund until there is accumulated in such Depreciation Fund the sum of at least \$433,800, which amount shall be maintained, and when necessary, restored to said sum of \$433,800, so long as any of the Bonds are outstanding and unpaid. These deposits are in addition to the deposits required by the Prior Bond Resolution.

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 Depreciation Fund, there shall be deposited into said Depreciation 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 Depreciation 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 Depreciation 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 Depreciation 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 Depreciation 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. 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 Depreciation Fund on the same basis as that prescribed in the provisions establishing such Depreciation 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 \$1,000,000 (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. Approval and Acceptance of ARC Grant Agreement.** The Appalachian Regional Commission (the "ARC") has agreed to make a grant to the District in the amount of \$500,000 (the "ARC Grant") to supplement the proceeds of the Current Bonds in order to provide the total cost of the Project, and the ARC has requested the District to approve, accept and execute a certain ARC Grant Agreement (the "ARC Grant Agreement"), setting out the terms and conditions upon which said ARC Grant will be made. Said ARC Grant Agreement is hereby approved, and the Chairman and the Secretary are authorized to execute said ARC 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 ARC Grants offered to the District in connection with the Project and to execute any and all ARC Grant Agreements and any other documents as may be requested by the ARC in connection with ARC Grants which have been and/or which may hereafter be approved for such Project.

**Section 806. Approval and Acceptance of EDA Grant Agreement.** The Economic Development Commission (the "EDA") has agreed to make a grant to the District in the amount of \$1,199,000 (the "EDA Grant") to supplement the proceeds of the Current Bonds in order to provide the total cost of the Project, and the EDA has requested the District to approve, accept and execute a certain EDA Grant Agreement (the "EDA Grant Agreement"), setting out the terms and conditions upon which said EDA Grant will be made. Said EDA Grant Agreement is hereby approved, and the Chairman and the Secretary are authorized to execute said EDA 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 EDA Grants offered to the District in connection with the Project and to execute any and all EDA Grant Agreements and any other documents as may be requested by the EDA in connection with EDA Grants which have been and/or which may hereafter be approved for such Project.

**Section 807. 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 808. 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.



## 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 November 14, 2005.

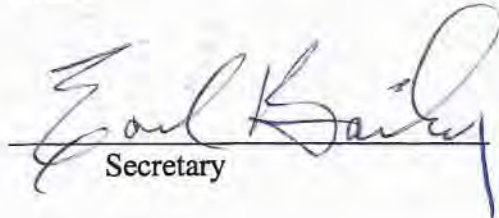
WOOD CREEK WATER DISTRICT



Chairman

(Seal of District)

Attest:



Secretary

CERTIFICATION

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Wood Creek Water District of Laurel County, Kentucky, 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 November 14, 2005, 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 November 14, 2005.

  
Secretary

(Seal of District)

# Attachment No. 10



**WOOD CREEK WATER DISTRICT**

**KRWFC BONDS PAYABLE**

<u>BOND</u>	<u>BALANCE 13-31-19</u>	<u>2020 PRINC. PAID</u>	<u>BALANCE 12-31-20</u>
1998	<u>95,000</u>	<u>45,000</u>	<u>50,000</u> ✓
2003A	0		0
2003C	0		0
2004B	0		0
2005B	2,177,000	140,000	2,037,000 ✓
2007A	1,502,000	59,000	1,443,000 ✓
2015	<u>2,050,000</u>	<u>190,000</u>	<u>1,860,000</u> ✓
	<u>5,729,000</u>	<u>389,000</u>	<u>5,340,000</u>
			<u>5,390,000</u>

1998

Wood Creek Water District  
Waterworks Refunding Revenue Bonds  
Series 1998

g/L ACCT # 221-20

Debt Service Schedule

AMK OF New York  
# 352940

1998

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/99	5,000.00	4.000000	10,451.67	15,451.67	
7/1/99			15,577.50	15,577.50	31,029.17
1/1/00	15,000.00	4.000000	15,577.50	30,577.50	
7/1/00			15,277.50	15,277.50	45,855.00
1/1/01	15,000.00	4.000000	15,277.50	30,277.50	
7/1/01			14,977.50	14,977.50	45,255.00
1/1/02	20,000.00	4.000000	14,977.50	34,977.50	
7/1/02			14,577.50	14,577.50	49,555.00
1/1/03	20,000.00	4.000000	14,577.50	34,577.50	
7/1/03			14,177.50	14,177.50	48,755.00
1/1/04	20,000.00	4.350000	14,177.50	38,177.50	
7/1/04			13,742.50	13,742.50	47,920.00
1/1/05	20,000.00	4.350000	13,742.50	33,742.50	
7/1/05			13,307.50	13,307.50	47,050.00
1/1/06	20,000.00	4.350000	13,307.50	33,307.50	
7/1/06			12,872.50	12,872.50	46,180.00
1/1/07	25,000.00	4.350000	12,872.50	37,872.50	
7/1/07			12,328.75	12,328.75	50,201.25
1/1/08	25,000.00	4.350000	12,328.75	37,328.75	
7/1/08			11,785.00	11,785.00	49,113.75
1/1/09	25,000.00	4.700000	11,785.00	36,785.00	
7/1/09			11,197.50	11,197.50	47,982.50
1/1/10	25,000.00	4.700000	11,197.50	36,197.50	
7/1/10			10,610.00	10,610.00	46,807.50
1/1/11	25,000.00	4.700000	10,610.00	35,610.00	
7/1/11			10,022.50	10,022.50	45,632.50
1/1/12	25,000.00	4.700000	10,022.50	35,022.50	
7/1/12			9,435.00	9,435.00	44,457.50
1/1/13	30,000.00	4.900000	9,435.00	39,435.00	
7/1/13			8,700.00	8,700.00	48,135.00
1/1/14	30,000.00	4.900000	8,700.00	38,700.00	
7/1/14			7,965.00	7,965.00	46,665.00
1/1/15	35,000.00	4.900000	7,965.00	42,965.00	
7/1/15			7,107.50	7,107.50	50,072.50
1/1/16	35,000.00	4.900000	7,107.50	42,107.50	
7/1/16			6,250.00	6,250.00	48,357.50
1/1/17	35,000.00	5.000000	6,250.00	41,250.00	
7/1/17			5,375.00	5,375.00	46,625.00
1/1/18	40,000.00	5.000000	5,375.00	45,375.00	
7/1/18			4,375.00	4,375.00	49,750.00
1/1/19	40,000.00	5.000000	4,375.00	44,375.00	
7/1/19			3,375.00	3,375.00	47,750.00
1/1/20	40,000.00	5.000000	3,375.00	43,375.00	
7/1/20			2,375.00	2,375.00	45,750.00
1/1/21	45,000.00	5.000000	2,375.00	47,375.00	
7/1/21			1,250.00	1,250.00	48,625.00
1/1/22	50,000.00	5.000000	1,250.00	51,250.00	
7/1/22					51,250.00
ACCRUED	665,000.00		463,774.17	1,128,774.17	
	665,000.00		3,832.28	3,832.28	
			459,941.89	1,124,941.89	

ACCT # 352940

Dated 9/1/98 with Delivery of 10/15/98  
 Bond Years 9.536667  
 Average Coupon 4.863064  
 Average Life 14.340852  
 M I C 5.002525 % Using 98.000000  
 T I C 5.049568 % From Delivery Date

2005 B

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIAL 2005 B

Borrower: Wood Creek WD  
 Dated Date: 10/19/05

Summary Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
10/19/05						
07/01/06			128,465.29	450.00	128,915.29	128,915.29
01/01/07	81,000.00	4.090%	77,079.18		160,079.18	160,079.18
07/01/07	0.00		75,381.83	-450.00	75,381.83	235,911.01
01/01/08	92,000.00	4.090%	75,381.83		167,381.83	235,911.01
07/01/08	0.00		73,500.43	-450.00	73,500.43	241,332.26
01/01/09	95,000.00	4.090%	73,500.43		168,500.43	241,332.26
07/01/09	0.00		71,557.68	-450.00	72,007.68	240,508.11
01/01/10	95,000.00	4.090%	71,557.68		166,557.68	240,508.11
07/01/10	0.00		69,614.93	-450.00	70,064.93	236,622.61
01/01/11	100,000.00	4.090%	69,614.93		169,614.93	236,622.61
07/01/11	0.00		67,569.93	-450.00	68,019.93	237,634.86
01/01/12	104,000.00	4.090%	67,569.93		171,569.93	237,634.86
07/01/12	0.00		65,443.13	-450.00	65,893.13	237,663.06
01/01/13	108,000.00	4.090%	65,443.13		173,443.13	237,663.06
07/01/13	0.00		63,214.53	-450.00	63,684.53	237,127.66
01/01/14	112,000.00	4.090%	63,214.53		175,214.53	237,127.66
07/01/14	0.00		60,944.13	-450.00	61,394.13	236,628.66
01/01/15	116,000.00	4.090%	60,944.13		176,944.13	236,628.66
07/01/15	0.00		58,571.93	-450.00	59,021.93	235,566.06
01/01/16	120,000.00	4.090%	58,571.93		178,571.93	235,566.06
07/01/16	0.00		56,117.93	-450.00	56,567.93	235,139.86
01/01/17	126,000.00	4.090%	56,117.93		182,117.93	235,139.86
07/01/17	0.00		53,541.23	-450.00	53,991.23	236,109.16
01/01/18	131,000.00	4.090%	53,541.23		184,541.23	236,109.16
07/01/18	0.00		50,862.28	-450.00	51,312.28	235,853.51
01/01/19	135,000.00	4.090%	50,862.28		185,862.28	235,853.51
07/01/19	0.00		48,101.53	-450.00	48,551.53	234,413.81
01/01/20	140,000.00	4.190%	48,101.53		188,101.53	234,413.81
07/01/20	0.00		45,168.53	-450.00	45,618.53	233,720.00
01/01/21	148,000.00	4.215%	45,168.53		193,168.53	233,720.00
07/01/21	0.00		42,049.43	-450.00	42,499.43	233,667.36
01/01/22	152,000.00	4.290%	42,049.43		194,049.43	233,667.36
07/01/22	0.00		38,789.03	-450.00	39,239.03	233,288.46
01/01/23	161,000.00	4.340%	38,789.03		199,789.03	233,288.46
07/01/23	0.00		35,295.33	-450.00	35,745.33	233,534.36
01/01/24	168,000.00	4.340%	35,295.33		203,295.33	233,534.36
07/01/24	0.00		31,649.73	-450.00	32,099.73	233,395.06
01/01/25	176,000.00	4.390%	31,649.73		207,649.73	233,395.06
07/01/25	0.00		27,786.53	-450.00	28,236.53	233,886.26
01/01/26	184,000.00	4.440%	27,786.53		211,786.53	233,886.26
07/01/26	0.00		23,701.73	-450.00	24,151.73	233,978.26
01/01/27	191,000.00	4.465%	23,701.73		214,701.73	233,978.26
07/01/27	0.00		19,437.65	-450.00	19,887.65	234,589.38
01/01/28	200,000.00	4.465%	19,437.65		219,437.65	234,589.38
07/01/28	0.00		14,972.65	-450.00	15,422.65	234,860.30
01/01/29	211,000.00	4.490%	14,972.65		225,972.65	234,860.30
07/01/29	0.00		10,235.70	-450.00	10,685.70	236,638.33
01/01/30	219,000.00	4.590%	10,235.70		229,235.70	236,638.33
07/01/30	0.00		5,209.65	-450.00	5,659.65	234,895.35
01/01/31	227,000.00	4.590%	5,209.65		232,209.65	234,895.35
07/01/31	0.00			-450.00	450.00	232,659.65
Sub	3,594,000.00		2,425,019.37	11,700.00	6,028,719.37	

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
12/5-1/6		16,058.16	16,058.16
2/6-7/6	6,916.67	16,058.16	22,974.83
8/6-1/7	6,916.67	12,846.53	19,763.20
2/7-7/7	7,666.67	12,563.64	20,230.31
8/7-1/8	7,666.67	12,563.64	20,230.31
2/8-7/8	7,916.67	12,250.07	20,166.74
8/8-1/9	7,916.67	12,250.07	20,166.74
2/9-7/9	7,916.67	11,926.28	19,842.95
8/9-1/10	7,916.67	11,926.28	19,842.95
2/10-7/10	8,333.33	11,602.49	19,935.82
8/10-1/11	8,333.33	11,602.49	19,935.82
2/11-7/11	8,666.67	11,261.66	19,928.33
8/11-1/12	8,666.67	11,261.66	19,928.33
2/12-7/12	9,000.00	10,907.19	19,907.19
8/12-1/13	9,000.00	10,907.19	19,907.19
2/13-7/13	9,333.33	10,539.09	19,872.42
8/13-1/14	9,333.33	10,539.09	19,872.42
2/14-7/14	9,666.67	10,157.36	19,824.02
8/14-1/15	9,666.67	10,157.36	19,824.02
2/15-7/15	10,000.00	9,761.99	19,761.99
8/15-1/16	10,000.00	9,761.99	19,761.99
2/16-7/16	10,500.00	9,352.99	19,852.99
8/16-1/17	10,500.00	9,352.99	19,852.99
2/17-7/17	10,916.67	8,923.54	19,840.21
8/17-1/18	10,916.67	8,923.54	19,840.21
2/18-7/18	11,250.00	8,477.05	19,727.05
8/18-1/19	11,250.00	8,477.05	19,727.05
2/19-7/19	11,666.67	8,016.92	19,683.59
8/19-1/20	11,666.67	8,016.92	19,683.59
2/20-7/20	12,333.33	7,528.09	19,861.42
8/20-1/21	12,333.33	7,528.09	19,861.42
2/21-7/21	12,666.67	7,008.24	19,674.91
8/21-1/22	12,666.67	7,008.24	19,674.91
2/22-7/22	13,416.67	6,464.84	19,881.51
8/22-1/23	13,416.67	6,464.84	19,881.51
2/23-7/23	14,000.00	5,882.56	19,882.56
8/23-1/24	14,000.00	5,882.56	19,882.56
2/24-7/24	14,666.67	5,274.96	19,941.62
8/24-1/25	14,666.67	5,274.96	19,941.62
2/25-7/25	15,333.33	4,671.09	19,944.22
8/25-1/26	15,333.33	4,671.09	19,944.22
2/26-7/26	15,916.67	3,950.29	19,866.96
8/26-1/27	15,916.67	3,950.29	19,866.96
2/27-7/27	16,666.67	3,239.61	19,846.28
8/27-1/28	16,666.67	3,239.61	19,846.28
2/28-7/28	17,583.33	2,495.44	20,078.78
8/28-1/29	17,583.33	2,495.44	20,078.78
2/29-7/29	18,250.00	1,705.95	19,955.95
8/29-1/30	18,250.00	1,705.95	19,955.95
2/30-7/30	18,916.67	858.28	19,774.94
8/30-2/31	18,916.67	858.28	19,774.94
Sub	3,594,000.00	2,425,019.37	6,019,019.37

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2007 A

Borrower: Wood Creek Water District  
 Closing Date: 01/30/07

Borrower Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
01/30/07						
07/01/07			✓ 44,716.05	9-1-07	44,716.05	44,716.05
01/01/08	38,000.00 ✓	4.050%	✓ 44,469.00	2-1-08	450.00	82,919.00
07/01/08			✓ 43,699.50	8-1-08		43,699.50
01/01/09	40,000.00 ✓	4.050%	✓ 43,699.50	2-1-09	450.00	84,149.50
07/01/09			42,889.50	8-1-09		42,889.50
01/01/10	43,000.00 ✓	4.050%	42,889.50	✓	450.00	86,339.50
07/01/10			42,018.75	✓		42,018.75
01/01/11	44,000.00	4.050%	42,018.75	450.00	86,468.75	128,358.25
07/01/11			41,127.75		41,127.75	127,596.50
01/01/12	45,000.00	4.050%	41,127.75	450.00	86,577.75	126,794.25
07/01/12			40,216.50		40,216.50	129,870.50
01/01/13	50,000.00	4.050%	40,216.50	450.00	90,666.50	126,865.75
07/01/13			39,204.00		39,204.00	124,881.25
01/01/14	49,000.00	4.050%	39,204.00	450.00	88,654.00	125,930.75
07/01/14			38,211.75		38,211.75	125,930.75
01/01/15	49,000.00	4.050%	38,211.75	450.00	87,661.75	124,881.25
07/01/15			37,219.50		37,219.50	128,775.25
01/01/16	55,000.00	4.050%	37,219.50	450.00	92,669.50	126,547.75
07/01/16			36,105.75		36,105.75	126,547.75
01/01/17	55,000.00	4.050%	36,105.75	450.00	91,555.75	125,930.75
07/01/17			34,992.00		34,992.00	125,930.75
01/01/18	57,000.00	4.050%	34,992.00	450.00	92,442.00	125,930.75
07/01/18			33,837.75		33,837.75	125,930.75
01/01/19	59,000.00	4.050%	33,837.75	450.00	93,287.75	125,930.75
07/01/19			32,643.00		32,643.00	123,541.25
01/01/20	59,000.00	4.050%	32,643.00	450.00	92,093.00	123,541.25
07/01/20			31,448.25		31,448.25	127,030.25
01/01/21	65,000.00	4.050%	31,448.25	450.00	96,898.25	127,030.25
07/01/21			30,132.00		30,132.00	127,030.25
01/01/22	68,000.00	4.050%	30,132.00	450.00	98,582.00	127,337.00
07/01/22			28,755.00		28,755.00	127,337.00
01/01/23	71,000.00	4.175%	28,755.00	450.00	100,205.00	127,477.88
07/01/23			27,272.88		27,272.88	126,426.26
01/01/24	73,000.00	4.300%	27,272.88	450.00	100,722.88	126,426.26
07/01/24			25,703.38		25,703.38	124,265.76
01/01/25	74,000.00	4.300%	25,703.38	450.00	100,153.38	124,265.76
07/01/25			24,112.38		24,112.38	124,019.26
01/01/26	77,000.00	4.300%	24,112.38	450.00	101,562.38	129,461.01
07/01/26			22,456.88		22,456.88	123,699.76
01/01/27	86,000.00	4.425%	22,456.88	450.00	108,906.88	126,827.88
07/01/27			20,554.13		20,554.13	124,756.88
01/01/28	84,000.00	4.425%	20,554.13	450.00	105,004.13	124,756.88
07/01/28			18,695.63		18,695.63	123,699.76
01/01/29	91,000.00	4.425%	18,695.63	450.00	110,145.63	123,699.76
07/01/29			16,682.25		16,682.25	123,699.76
01/01/30	93,000.00	4.425%	16,682.25	450.00	110,132.25	124,039.63
07/01/30			14,624.63		14,624.63	124,039.63
01/01/31	100,000.00	4.425%	14,624.63	450.00	115,074.63	124,039.63
07/01/31			12,412.13		12,412.13	123,503.75
01/01/32	101,000.00	4.425%	12,412.13	450.00	113,862.13	123,503.75
07/01/32			10,177.50		10,177.50	123,503.75
01/01/33	110,000.00	4.425%	10,177.50	450.00	120,627.50	123,503.75
07/01/33			7,743.75		7,743.75	123,503.75
01/01/34	110,000.00	4.425%	7,743.75	450.00	118,193.75	123,503.75
07/01/34			5,310.00		5,310.00	123,503.75
01/01/35	120,000.00	4.425%	5,310.00	450.00	125,760.00	123,503.75
07/01/35			2,655.00		2,655.00	123,105.00
01/01/36	120,000.00	4.425%	2,655.00	450.00	123,105.00	123,105.00
07/01/36						
Totals	<u>2,086,000.00</u>		<u>1,610,988.13</u>	<u>13,050.00</u>	<u>3,710,038.13</u>	

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2015 B

Borrower: Wood Creek Water District  
 Closing Date: 02/19/15

Borrower Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
02/19/15						
07/01/15			36,056.25		36,056.25	36,056.25
01/01/16	190,000.00	2.250%	40,062.50	450.00	230,512.50	
07/01/16			37,925.00		37,925.00	268,437.50
01/01/17	175,000.00	2.250%	37,925.00	450.00	213,375.00	
07/01/17			35,956.25		35,956.25	249,331.25
01/01/18	180,000.00	2.250%	35,956.25	450.00	216,406.25	
07/01/18			33,931.25		33,931.25	250,337.50
01/01/19	185,000.00	2.250%	33,931.25	450.00	219,381.25	
07/01/19			31,850.00		31,850.00	251,231.25
01/01/20	190,000.00	2.250%	31,850.00	450.00	222,300.00	
07/01/20			29,712.50		29,712.50	252,012.50
01/01/21	190,000.00	2.250%	29,712.50	450.00	220,162.50	
07/01/21			27,575.00		27,575.00	247,737.50
01/01/22	155,000.00	3.250%	27,575.00	450.00	183,025.00	
07/01/22			25,056.25		25,056.25	208,081.25
01/01/23	130,000.00	3.250%	25,056.25	450.00	155,506.25	
07/01/23			22,943.75		22,943.75	178,450.00
01/01/24	135,000.00	3.250%	22,943.75	450.00	158,393.75	
07/01/24			20,750.00		20,750.00	179,143.75
01/01/25	135,000.00	3.250%	20,750.00	450.00	156,200.00	
07/01/25			18,556.25		18,556.25	174,756.25
01/01/26	140,000.00	3.250%	18,556.25	450.00	159,006.25	
07/01/26			16,281.25		16,281.25	175,287.50
01/01/27	120,000.00	3.250%	16,281.25	450.00	136,731.25	
07/01/27			14,331.25		14,331.25	151,062.50
01/01/28	115,000.00	3.250%	14,331.25	450.00	129,781.25	
07/01/28			12,462.50		12,462.50	142,243.75
01/01/29	125,000.00	3.250%	12,462.50	450.00	137,912.50	
07/01/29			10,431.25		10,431.25	148,343.75
01/01/30	65,000.00	3.250%	10,431.25	450.00	75,881.25	
07/01/30			9,375.00		9,375.00	85,256.25
01/01/31	65,000.00	3.250%	9,375.00	450.00	74,825.00	
07/01/31			8,318.75		8,318.75	83,143.75
01/01/32	70,000.00	3.250%	8,318.75	450.00	78,768.75	
07/01/32			7,181.25		7,181.25	85,950.00
01/01/33	65,000.00	3.375%	7,181.25	450.00	72,631.25	
07/01/33			6,084.38		6,084.38	78,715.63
01/01/34	65,000.00	3.375%	6,084.38	450.00	71,534.38	
07/01/34			4,987.50		4,987.50	76,521.88
01/01/35	70,000.00	3.500%	4,987.50	450.00	75,437.50	
07/01/35			3,762.50		3,762.50	79,200.00
01/01/36	70,000.00	3.500%	3,762.50	450.00	74,212.50	
07/01/36			2,537.50		2,537.50	76,750.00
01/01/37	70,000.00	3.500%	2,537.50	450.00	72,987.50	
07/01/37			1,312.50		1,312.50	74,300.00
01/01/38	75,000.00	3.500%	1,312.50	450.00	76,762.50	
07/01/38						76,762.50
Totals	<u>2,780,000.00</u>		<u>838,762.51</u>	<u>10,350.00</u>	<u>3,629,112.51</u>	<u>3,629,112.51</u>



WOOD CREEK WATER DISTRICT  
RURAL DEVELOPMENT BONDS PAYABLE  
12/31/20

<u>ORIGINAL ISSUE</u>	<u>RATE</u>	<u>BALANCE 12/31/19</u>	<u>PRIN. PD. JAN. 2020</u>	<u>Payoff</u>	<u>BALANCE 12/31/20</u>	
\$61,000	5.00%	\$0			\$0	91-04
\$114,000	5.00%	0			\$0	91-09
\$1,711,000	4.75%	0			\$0	91-12
\$7,250,000	4.25%	6,058,000	130,000		\$5,928,000	91-13 ✓
\$725,000	4.25%	603,500	13,000		\$590,500	91-16 ✓
		<u>6,661,500</u>	<u>143,000</u>	<u>0</u>	<u>6,518,500</u>	

RD 91-13

Name of Borrower: Wood Creek Water District			
Amount of Loan	7250000	Annual Interest Rate	0.04375
Number of Initial Interest Only Payments	2	Number of principal and/or Interest Payments	40
Payment Frequency	Annual	This is a split payment bond.	false
Principal Payment Units	1000	Interest Payment Units	1

YEAR	PERIOD	NUMBER	PAYMENT	INTEREST	PRINCIPAL	BALANCE
2006	1	1	317188	317188	0	7250000
2007	1	2	317188	317188	0	7250000
2008	1	3	395188	317188	78000	7172000
2009	1	4	394775	313775	81000	7091000
2010	1	5	395232	310232	85000	7006000
2011	1	6	394513	306513	88000	6918000
2012	1	7	394663	302663	92000	6826000
2013	1	8	394638	298638	96000	6730000
2014	1	9	394438	294438	100000	6630000
2015	1	10	395063	290063	105000	6525000
2016	1	11	394469	285469	109000	6416000
2017	1	12	394700	280700	114000	6302000
2018	1	13	394713	275713	119000	6183000
2019	1	14	394507	270507	124000	6059000
2020	1	15	395082	265082	130000	5929000
2021	1	16	394394	259394	135000	5794000
2022	1	17	394488	253488	141000	5653000
2023	1	18	394319	247319	147000	5506000
2024	1	19	394888	240888	154000	5352000
2025	1	20	395150	234150	161000	5191000
2026	1	21	395107	227107	168000	5023000
2027	1	22	394757	219757	175000	4848000
2028	1	23	395100	212100	183000	4665000
2029	1	24	395094	204094	191000	4474000
2030	1	25	394738	195738	199000	4275000
2031	1	26	395032	187032	208000	4067000
2032	1	27	394932	177932	217000	3850000
2033	1	28	394438	168438	226000	3624000
2034	1	29	394550	158550	236000	3388000
2035	1	30	395225	148225	247000	3141000
2036	1	31	394419	137419	257000	2884000
2037	1	32	395175	126175	269000	2615000
2038	1	33	394407	114407	280000	2335000
2039	1	34	395157	102157	293000	2042000
2040	1	35	394338	89338	305000	1737000
2041	1	36	394994	75994	319000	1418000
2042	1	37	395038	62038	333000	1085000
2043	1	38	394469	47469	347000	738000
2044	1	39	394288	32288	362000	376000
2045	1	40	392450	16450	376000	0
<b>TOTALS</b>			<b>15633304</b>	<b>8383304</b>	<b>7250000</b>	

Warning: This schedule is an estimate of payments. Rural Development calculates interest amounts and principle reduction as of the date the payment is processed. Because over the life of the loan payments will be processed on dates other than the due date, the actual interest amounts and principle reduction will not match the schedule provided here.

RD 91-16

Name of Borrower: Wood Creek Water District			
Amount of Loan	725000	Annual Interest Rate	0.0425
Number of Initial Interest Only Payments	2	Number of principal and/or Interest Payments	40
Payment Frequency	Annual	This is a split payment bond.	false
Principal Payment Units	500	Interest Payment Units	1

YEAR	PERIOD	NUMBER	PAYMENT	INTEREST	PRINCIPAL	BALANCE
2006	1	1	30813	30813	0	725000
2007	1	2	30813	30813	0	725000
2008	1	3	38813	30813	8000	717000
2009	1	4	38973	30473	8500	708500
2010	1	5	38612	30112	8500	700000
2011	1	6	38750	29750	9000	691000
2012	1	7	38868	29368	9500	681500
2013	1	8	38964	28964	10000	671500
2014	1	9	39039	28539	10500	661000
2015	1	10	38593	28093	10500	650500
2016	1	11	38647	27647	11000	639500
2017	1	12	38679	27179	11500	628000
2018	1	13	38690	26690	12000	616000
2019	1	14	38680	26180	12500	603500
2020	1	15	38649	25649	13000	590500
2021	1	16	38597	25097	13500	577000
2022	1	17	39023	24523	14500	562500
2023	1	18	38907	23907	15000	547500
2024	1	19	38769	23269	15500	532000
2025	1	20	38610	22610	16000	516000
2026	1	21	38930	21930	17000	499000
2027	1	22	38708	21208	17500	481500
2028	1	23	38964	20464	18500	463000
2029	1	24	38678	19678	19000	444000
2030	1	25	38870	18870	20000	424000
2031	1	26	39020	18020	21000	403000
2032	1	27	38628	17128	21500	381500
2033	1	28	38714	16214	22500	359000
2034	1	29	38758	15258	23500	335500
2035	1	30	38759	14259	24500	311000
2036	1	31	38718	13218	25500	285500
2037	1	32	38634	12134	26500	259000
2038	1	33	39008	11008	28000	231000
2039	1	34	38818	9818	29000	202000
2040	1	35	38585	8585	30000	172000
2041	1	36	38810	7310	31500	140500
2042	1	37	38972	5972	33000	107500
2043	1	38	38569	4569	34000	73500
2044	1	39	38624	3124	35500	38000
2045	1	40	39615	1615	38000	0
<b>TOTALS</b>			<b>1535871</b>	<b>810871</b>	<b>725000</b>	

Warning: This schedule is an estimate of payments. Rural Development calculates interest amounts and principle reduction as of the date the payment is processed. Because over the life of the loan payments will be processed on dates other than the due date, the actual interest amounts and principle reduction will not match the schedule provided here.

# Attachment No. 11



**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 \_\_\_\_\_ Wood Creek 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."

Glen Williams  
(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 LAUREL

Subscribed and sworn to before me by GLENN WILLIAMS  
(Name)

this 8 day of NOVEMBER, 2021.

James D. Lewis  
NOTARY PUBLIC  
State-at-Large



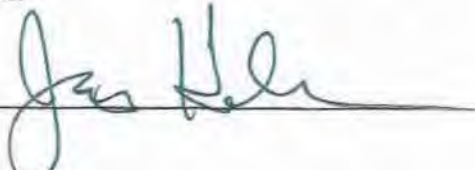
**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Wood Creek 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."

JAMES KELLER  
(Print Name)

  
(Signed)

TREASURER / 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.

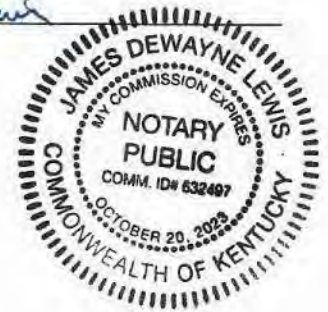
COMMONWEALTH OF KENTUCKY

COUNTY OF LAUREL

Subscribed and sworn to before me by JAMES KELLER  
(Name)

this 8 day of NOVEMBER, 20 21.

James D. Lewis  
NOTARY PUBLIC  
State-at-Large





**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Wood Creek 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."

JAMES B. LEWIS  
(Print Name)

James B. Lewis  
(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 LAUREL

Subscribed and sworn to before me by JAMES B. LEWIS  
(Name)

this 29<sup>TH</sup> day of NOVEMBER, 2021.



NOTARY PUBLIC  
State-at-Large







**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Wood Creek 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."

DEWAYNE LEWIS  
(Print Name)

*Dewayne Lewis*  
(Signed)

MANAGER  
(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 LAUREL

Subscribed and sworn to before me by DEWAYNE LEWIS  
(Name)

this 24 day of NOVEMBER, 20 21.



NOTARY PUBLIC  
State-at-Large



# Attachment No. 12

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
WOOD CREEK WATER DISTRICT PROPOSING ADJUSTMENTS  
TO ITS WATER RATES AND CHARGES AND AUTHORIZING ITS  
CHAIRMAN TO FILE AN APPLICATION WITH THE PSC  
SEEKING APPROVAL OF THE PROPOSED RATE ADJUSTMENT**

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

**WHEREAS**, prudent financial management dictates that the District take appropriate action to adjust its water rates and charges; and

**WHEREAS**, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the District to propose adjustments to its water rates and charges;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF WOOD CREEK WATER DISTRICT AS FOLLOWS:**

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

**Section 2.** The District proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.



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

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

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

**ADOPTED BY THE COMMISSION OF WOOD CREEK WATER DISTRICT** at a meeting held on November 8, 2021, signed by the Chairman, and attested by the Secretary.

  
CHAIRMAN

ATTEST:

  
SECRETARY

**CERTIFICATION**

I, Secretary of the Wood Creek Water District (the “District”), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the District at a meeting properly held on November 8, 2021, signed by the Chairman of the District, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 8th day of November 2021.

  
SECRETARY

**Appendix A  
PROPOSED RATES  
Wood Creek Water District**

**5/8" x 3/4" Meters**

First	2,000 gallons	\$ 25.47	Minimum Bill
Next	1,500 gallons	8.10	per 1,000 gallons
Next	1,500 gallons	7.22	per 1,000 gallons
Next	2,500 gallons	6.08	per 1,000 gallons
Over	7,500 gallons	4.81	per 1,000 gallons

**1" Meters**

First	5,000 gallons	\$ 48.45	Minimum Bill
Next	2,500 gallons	6.08	per 1,000 gallons
Over	7,500 gallons	4.81	per 1,000 gallons

**1-1/2" Meters**

First	10,000 gallons	\$ 75.68	Minimum Bill
Over	10,000 gallons	4.81	per 1,000 gallons

**2" Meters**

First	20,000 gallons	\$ 123.78	Minimum Bill
Over	20,000 gallons	4.81	per 1,000 gallons

**3" Meters**

First	30,000 gallons	\$ 171.88	Minimum Bill
Over	30,000 gallons	4.81	per 1,000 gallons

**6" Meters**

First	100,000 gallons	\$ 508.58	Minimum Bill
Over	100,000 gallons	4.81	per 1,000 gallons

**Wholesale Rates**

All Water Purchased		3.60	per 1,000 gallons
---------------------	--	------	-------------------