

KENTUCKY INFRASTRUCTURE AUTHORITY  
LOAN #F14-08  
DWSRF #5

PSC Approval - Case No. 2015-00258 - 9/10/2015  
 KENTUCKY INFRASTRUCTURE AUTHORITY  
 REPAYMENT SCHEDULE  
 BULLOCK PEN WATER DISTRICT  
 DRINKING WATER STATE REVOLVING FUND  
 INTEREST RATE - 1.75%  
 P & I CALCULATION-

DWSRF #5 - Phase 14

364,277.71

Payment Date	Principal Due	Interest Due	Principal & Interest	Servicing Fee	Total Payment	Principal Balance
12/1/2016						364,277.71
6/1/2017	133,913.47	3,187.43	137,100.90	455.35	137,556.25	230,364.24
12/1/2017	4,981.71	1,752.34	6,734.05	287.95	7,022.00	225,382.53
6/1/2018	5,025.29	1,972.10	6,997.39	281.73	7,279.12	220,357.24
12/1/2018	5,069.26	1,928.13	6,997.39	275.45	7,272.84	215,287.97 12/31/18
6/1/2019	5,113.62	1,883.77	6,997.39	269.11	7,266.50	210,174.35
12/1/2019	5,158.36	1,839.03	6,997.39	262.72	7,260.11	205,015.99 12/31/19
6/1/2020	5,203.50	1,793.89	6,997.39	256.27	7,253.66	199,812.49
12/1/2020	5,249.03	1,748.36	6,997.39	249.77	7,247.16	194,563.46 12/31/20
6/1/2021	5,294.96	1,702.43	6,997.39	243.20	7,240.59	189,268.50
12/1/2021	5,341.29	1,656.10	6,997.39	236.59	7,233.98	183,927.21 12/31/21
6/1/2022	5,388.03	1,609.36	6,997.39	229.91	7,227.30	178,539.18
12/1/2022	5,435.17	1,562.22	6,997.39	223.17	7,220.56	173,104.01 12/31/22
6/1/2023	5,482.73	1,514.66	6,997.39	216.38	7,213.77	167,621.28
12/1/2023	5,530.70	1,466.69	6,997.39	209.53	7,206.92	162,090.57
6/1/2024	5,579.10	1,418.29	6,997.39	202.61	7,200.00	156,511.48
12/1/2024	5,627.91	1,369.48	6,997.39	195.64	7,193.03	150,883.56
6/1/2025	5,677.16	1,320.23	6,997.39	188.60	7,185.99	145,206.40
12/1/2025	5,726.83	1,270.56	6,997.39	181.51	7,178.90	139,479.57
6/1/2026	5,776.94	1,220.45	6,997.39	174.35	7,171.74	133,702.63
12/1/2026	5,827.49	1,169.90	6,997.39	167.13	7,164.52	127,875.13
6/1/2027	5,878.48	1,118.91	6,997.39	159.84	7,157.23	121,996.65
12/1/2027	5,929.92	1,067.47	6,997.39	152.50	7,149.89	116,066.73
6/1/2028	5,981.81	1,015.58	6,997.39	145.08	7,142.47	110,084.93
12/1/2028	6,034.15	963.24	6,997.39	137.61	7,135.00	104,050.78
6/1/2029	6,086.95	910.44	6,997.39	130.06	7,127.45	97,963.83
12/1/2029	6,140.21	857.18	6,997.39	122.45	7,119.84	91,823.63
6/1/2030	6,193.93	803.46	6,997.39	114.78	7,112.17	85,629.69
12/1/2030	6,248.13	749.26	6,997.39	107.04	7,104.43	79,381.56
6/1/2031	6,302.80	694.59	6,997.39	99.23	7,096.62	73,078.76
12/1/2031	6,357.95	639.44	6,997.39	91.35	7,088.74	66,720.81
6/1/2032	6,413.58	583.81	6,997.39	83.40	7,080.79	60,307.23
12/1/2032	6,469.70	527.69	6,997.39	75.38	7,072.77	53,837.53
6/1/2033	6,526.31	471.08	6,997.39	67.30	7,064.69	47,311.21
12/1/2033	6,583.42	413.97	6,997.39	59.14	7,056.53	40,727.80
6/1/2034	6,641.02	356.37	6,997.39	50.91	7,048.30	34,086.78
12/1/2034	6,699.16	298.23	6,997.39	42.61	7,040.00	27,387.62
6/1/2035	6,757.75	239.64	6,997.39	34.23	7,031.62	20,629.87
12/1/2035	6,816.88	180.51	6,997.39	25.79	7,023.18	13,812.99
6/1/2036	6,876.53	120.86	6,997.39	17.27	7,014.66	6,936.46
6/1/2036	6,936.67	60.72	6,997.39	8.67	7,006.06	-0.20
<b>Totals</b>	<b>364,277.91</b>	<b>45,457.86</b>	<b>409,735.77</b>	<b>6,531.59</b>	<b>416,267.36</b>	

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND F

PROJECT NUMBER: F14-008  
BORROWER: Bullock Pen Water District  
BORROWER'S ADDRESS: PO Box 188  
Crittenden, Kentucky 41030  
DATE OF ASSISTANCE AGREEMENT: September 1, 2015  
CFDA NO.: 66.458

ASSISTANCE AGREEMENT

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## ASSISTANCE AGREEMENT

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

### WITNESSETH

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

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

WHEREAS, the Program is funded in part, pursuant to the Capitalization Grant Operating Agreement between the Authority and the U.S. Environmental Protection Agency dated as of November 1, 1998, as amended, supplemented or restated from time to time (the "Federal Agreement") under which the Authority is responsible for providing certain "match funding" described in the Federal Agreement; and

WHEREAS, the Authority has issued, and will issue from time to time, its revenue bonds pursuant to a General Trust Indenture dated as of February 1, 2000 (the "Indenture") between the Authority and U.S. Bank, National Association, as lawful successor in interest to National City Bank of Kentucky (the "Trustee"), in order to provide the "match funding" for the Program; and

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

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

WHEREAS, the Authority is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained to repay the Loan and the interest thereon from the sources herein provided, all as hereinafter more specifically provided; and

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

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



## ARTICLE I

### DEFINITIONS

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

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

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

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

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

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

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

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

"*Cabinet*" means the Energy and Environment Cabinet of the Commonwealth.

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

"*Commonwealth*" shall mean the Commonwealth of Kentucky.

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

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



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

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

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

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

"*Indenture*" shall mean the General Trust Indenture dated as of February 1, 2000 between the Authority and the Trustee.

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

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

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

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

"*Program*" shall mean the program authorized by KRS 224A.1115 and the Indenture as the "federally assisted drinking water revolving fund" for financing Projects through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

"*Project*" shall mean, when used generally, a Drinking Water Supply Project, and when used in specific reference to the Governmental Agency, the Project described in the Project Specifics.

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

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

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

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

"*Schedule of Service Charges*" shall mean those general charges to be imposed by the Governmental Agency for services provided by the System, as set forth in Exhibit C hereto, and such other revenues identified in Exhibit C hereto from which the Loan is to be repaid, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority prior to the disbursement of any portion of the Loan hereunder.

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

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



## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

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

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

(D) To the knowledge of the Governmental Agency, there is no controversy or litigation of any nature pending or threatened, in any court or before any board, tribunal or



administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to proceed with the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of this Assistance Agreement or the Construction of the Project, or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

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

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

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

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

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

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

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



## ARTICLE III

### AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

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

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

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

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

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

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

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

Section 3.4. Subordination of Loan. The Authority hereby agrees that the security interest and source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable from the revenues of the System outstanding at the time this Assistance Agreement is executed

as identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.5(D) hereof.



## ARTICLE IV

### CONDITIONS PRECEDENT TO DISBURSEMENT; REQUISITION FOR FUNDS

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

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

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

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

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

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

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

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



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

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

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

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

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

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

(N) The Governmental Agency will proceed expeditiously with and complete the Project in accordance with the approved surveys, plans specifications and designs or amendments thereto, prepared by the Engineers for the Governmental Agency and approved by state and federal agencies.

(O) If requested, the Governmental Agency will erect at the Project sites, signs satisfactory to the Authority and the United States Environmental Protection Agency noting the participation of the Authority and the U.S. Government, respectively, in the financing of the Project.

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



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

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

(S) The Governmental Agency shall require that each of its contractors and all subcontractors maintain during the life of the construction contract, worker's compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor, and all subcontractors, as their interests may appear.

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

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

(V) The Governmental Agency shall require all laborers and mechanics employed by contractors and subcontractors on the Project shall be paid wages at rates not less than prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of Chapter 31 of title 40, United States Code.

(W) The Governmental Agency shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Consolidated Appropriations Act, 2014 (the "2014 Appropriations Act") and related Program policy guidelines) which the Governmental Agency understands includes, among other requirements, that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel



Requirement”) unless (i) the Governmental Agency has requested and obtained a waiver from the United States Environmental Protection Agency pertaining to the Project or (ii) the Authority has otherwise advised the Participant in writing that the American Iron and Steel Requirement is not applicable to the Project.

(X) The Governmental Agency shall comply with all record keeping and reporting requirements under the Federal Act, including any reports required by a Federal agency or the Authority such as performance indicators of program deliverables, information on costs and project progress. The Governmental Agency understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Federal Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds and/or other remedial actions.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

Section 4.3. Disbursements of Loan; Requisition for Funds. The Governmental Agency shall submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) and the Cabinet a Requisition for Funds prior to the fifth day of each month (or such other designated period as is acceptable to the Authority), in substantially the same form as that attached to this Assistance Agreement as Exhibit B and made a part hereof, accompanied by, to the extent requested by the Authority, the following documentation:

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

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



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

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

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

## ARTICLE V

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

Section 5.1. Imposition of Service Charges. The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which the Loan is to be made by the Authority to the Governmental Agency as specified herein and in the Act and the Indenture. The Governmental Agency hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose Service Charges upon all persons, firms and entities to whom or which services are provided by the System, such Service Charges to be no less than as set forth in Exhibit C annexed hereto. If so required, such Service Charges shall be in addition to all other rates, rentals and service charges of a similar nature of the Governmental Agency now or hereafter authorized by law, and now or hereafter being levied and collected by the Governmental Agency and shall be levied and collected solely for the purpose of repaying to the Authority all sums received from the Authority as representing the Loan in respect of the Project.

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

Section 5.3. Covenant to Adjust Service Charges. In the event, for any reason, the Schedule of Service Charges shall prove to be insufficient to provide to the Authority the minimum sums set forth in the Schedule of Payments, to make the required deposits to the Maintenance and Replacement Reserve and to provide for the operation of the System, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and state, immediately adjust and increase such Schedule of Service Charges, or immediately commence proceedings for a rate adjustment and increase with all applicable regulatory authorities, so as to provide funds sufficient to pay to the Authority the minimum sums set forth in the Schedule of Payments, to provide for the operation of the System as required under this Assistance Agreement and to make the required deposits to the Maintenance and Replacement Reserve.

Section 5.4. Adequacy of Service Charges. The Service Charges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the Schedule set forth in Exhibit C hereto so qualifies), as shall be at least adequate to make the payments at the times and in the amounts set forth in the Schedule of Payments, to make the required deposits to the Maintenance and Replacement Reserve and to provide for the operation of the System, subject to necessary governmental and regulatory approvals.

The Service Charges imposed by the Governmental Agency shall be paid by the users of the System and accordingly the Project not less frequently than the Service Charge Payment period set forth in the Project Specifics, and shall be remitted to the Authority by the



Governmental Agency with a report showing collections and any delinquencies. A report of all collections and delinquencies shall be made at least semi-annually on or before each Payment Date identified in the Schedule of Payments.

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

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

(A) That, as aforesaid, it will at all times impose, prescribe, charge and collect the Service Charges set forth in Exhibit C as shall result in net revenues to the Governmental Agency at least adequate to provide for the payments to the Authority required by this Assistance Agreement, to provide for the operation of the System and to make the required deposits to the Maintenance and Replacement Reserve.

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

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

(D) That it will notify the Authority in writing of its intention to issue bonds or notes payable from the revenues of the System not less than thirty (30) days prior to the sale of said obligations. It further covenants that it will not issue any notes, bonds or other obligations payable from the revenues of the System, if the pledge of the revenues of the System to the repayment of such obligations is to rank on a parity with, or superior to, the pledge of the revenues of the System for the repayment of the Loan granted under this Assistance Agreement, unless the Governmental Agency has secured the consent of the Authority not less than fifteen (15) days prior to the issuance of such obligations.

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



## ARTICLE VI

### OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

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

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

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

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

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

Section 6.6. Tax Covenant. In the event the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Governmental Agency shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority in order to accomplish the foregoing. The Governmental Agency shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of the System or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Authority. The Governmental Agency will not acquire or pledge any obligations which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 6.7. Accounts and Reports. The Governmental Agency shall at all times keep, or cause to be kept, proper books of record and account in accordance with the "Uniform System of Accounts" established by the Commonwealth, in which complete and accurate entries shall be



made of all its transactions relating to the System and which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Financial Statements. Within one hundred eighty (180) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principles on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity. All recipients and subrecipients expending \$500,000 or more in a year in Federal awards must have a single or program-specific audit conducted for that year in accordance with OMB Circular A-133.

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

Section 6.10. General. The Governmental Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Governmental Agency under the provisions of the Act, the Federal Act and this Assistance Agreement in accordance with the terms of such provisions including the Additional Covenants and Agreements, if any, set forth in Exhibit G hereto.

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

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

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

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



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

(1) Federal Cross-Cutters

Environmental Authorities

- (a) Archeological and Historic Preservation Act of 1974, Pub. L. 86-523, as amended
- (b) Clean Air Act, Pub. L. 84-159, as amended
- (c) 40 CFR 35.3580 (and Appendix A to Subpart L) – NEPA – Like State Environmental Review Process
- (d) Environmental Justice, Executive Order 12898
- (e) Floodplain Management, Executive Order 11988 as amended by Executive Order 12148
- (f) Protection of Wetlands, Executive Order 11990
- (g) Farmland Protection Policy Act, Pub. L. 97-98
- (h) Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- (i) National Historic Preservation Act of 1966, PL 89-665, as amended
- (j) Safe Drinking Water Act, Pub. L. 93-523, as amended
- (k) Wild and Scenic Rivers Act, Pub. L. 90-542, as amended

Economic and Miscellaneous Authorities

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

Social Policy Authorities

- (a) Age Discrimination Act of 1975, Pub. L. 94-135
- (b) Title VI of the Civil Rights Act of 1964, Pub. L. 88-352
- (c) Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 92-500 (the Clean Water Act)
- (d) Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (including Executive Orders 11914 and 11250)
- (e) Equal Employment Opportunity, Executive Order 11246
- (f) Women's and Minority Business Enterprise, Executive Orders 11625, 12138, and 12432
- (g) Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590

(2) State:

- (a) KRS 151
- (b) KRS 224
- (c) KRS 224A.1115 Federally Assisted Drinking Water Revolving Fund
- (d) KRS Chapter 337, Labor Laws
- (e) 401 KAR Chapter 8

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



## ARTICLE VII

### MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

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

Section 7.2. Additions and Improvements. The Governmental Agency shall have the privilege of making additions, modifications and improvements to the sites of the Project, and to the Project itself from time to time provided that said additions, modifications and improvements do not impair the operation or objectives of the Project. The Cost of such additions, modifications and improvements shall be paid by the Governmental Agency, and the same shall be the property of the Governmental Agency and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Governmental Agency from entering into one or more supplementary Assistance Agreements providing for an additional Loan or Loans in respect of additional Projects undertaken by the Governmental Agency.

Section 7.3. System Not to Be Disposed Of. The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not, without the prior written consent of the Authority, which consent shall not be unreasonably withheld, sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities of the System or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 7.4. Compliance with State and Federal Standards. The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards, if any, established by any state or federal agency. The Governmental Agency agrees that qualified operating personnel properly certified by the Commonwealth will be retained to operate the Project during the entire term of this Assistance Agreement.

Section 7.5. Access to Records. The Governmental Agency agrees that it will permit the Authority and any state or federal agency and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project, and commencement of operations thereof.

Section 7.6. Covenant to Insure - Casualty. The Governmental Agency agrees to insure the Project facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.



Section 7.7. Authority as Named Insured. Any insurance policy issued pursuant to Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency, and to the Authority, as their interests may appear.

Section 7.8. Covenant to Insure - Liability. The Governmental Agency agrees that it will carry public liability insurance with reference to the Project with one or more reputable insurance companies duly qualified to do business in the Commonwealth, insuring against such risks (including but not limited to personal injury, death and property damage) and in such amounts as are set forth in the Project Specifics, and naming the Authority as an additional insured.

Section 7.9. Covenant Regarding Worker's Compensation. Throughout the entire term of this Assistance Agreement, the Governmental Agency shall maintain worker's compensation coverage, or cause the same to be maintained.

Section 7.10. Application of Casualty Insurance Proceeds. If, prior to the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm or other casualty, there shall be no abatement or reduction in the amount payable by the Governmental Agency pursuant to the terms of this Assistance Agreement and the Governmental Agency will (1) promptly repair, rebuild or restore the Project damaged or destroyed; and (2) apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Governmental Agency necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Governmental Agency, and shall be promptly applied as herein provided.

Section 7.11. Eminent Domain. In the event that title to, or the temporary use of, the Project, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sole discretion:

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

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

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 7.11, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by an



authorized officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of such certificate by an authorized officer of the Authority. In no event will the Governmental Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

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

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

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

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

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

(C) The dissolution or liquidation of the Governmental Agency, or the voluntary initiation by the Governmental Agency of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Governmental Agency of any such proceeding which will remain undismissed for sixty (60) days, or the entry by the Governmental Agency into an agreement of composition with creditors or the failure generally by the Governmental Agency to pay its debts as they become due.

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

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 has occurred and is continuing (other than an event of default arising under Section 6.13 of this Assistance Agreement), the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

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

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

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

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



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

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

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

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

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

Section 8.7. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto will default under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.



## ARTICLE IX

### MISCELLANEOUS PROVISIONS

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

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

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

Section 9.4. Binding Effect. This Assistance Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, without the written consent of the other party.

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

Section 9.6. Assignability. The rights of the Authority under this Assistance Agreement shall be assignable by the Authority without the consent of the Governmental Agency, but none of the rights, duties or obligations of the Governmental Agency under this Assistance Agreement shall be assignable by the Governmental Agency without the prior written consent of the Authority.

Section 9.7. Execution in Counterparts. This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

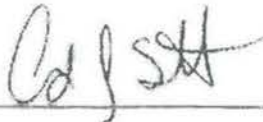
Section 9.8. Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

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



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

ATTEST:

  
\_\_\_\_\_  
Title: SECRETARY


**KENTUCKY INFRASTRUCTURE  
AUTHORITY**

By:   
\_\_\_\_\_  
Title: EXECUTIVE DIRECTOR


ATTEST:

  
Title: Secretary


**GOVERNMENTAL AGENCY:  
BULLOCK PEN WATER DISTRICT**

By:   
Title: Chairman

APPROVED:

  
SECRETARY/FINANCE AND  
ADMINISTRATION CABINET OF THE  
COMMONWEALTH OF KENTUCKY

EXAMINED:

  
a division of Winemore & Shohl  
LEGAL COUNSEL TO THE  
KENTUCKY INFRASTRUCTURE  
AUTHORITY

APPROVED AS TO FORM AND LEGALITY

  
\_\_\_\_\_  
APPROVED  
FINANCE AND ADMINISTRATION CABINET

**EXHIBIT A**  
**BULLOCK PEN WATER DISTRICT**  
**PROJECT SPECIFICS**  
**F14-008**

**GOVERNMENTAL AGENCY:**

Name: Bullock Pen Water District  
P.O. Box 188  
Crittenden, KY 41030

Contact

Person: Bobby Burgess  
Chairman

**SYSTEM:** Water

**PROJECT:**

This project involves the construction of various looped water lines to eliminate dead end connections. This will provide secondary feeds so large sections of customers will not experience service disruptions during line repairs and will reduce flushing which will help to maintain chlorine levels. One dead end connection will provide flexibility to use more water from the City of Williamstown and a second master meter connection with the City will be established which will permit a secondary feed to the Stewardsville Tank. This will also reduce flushing and help to maintain chlorine levels in the southern end of the District.

**PROJECT BUDGET:**

	<u>Total</u>
Administrative Expenses	\$ 10,000
Legal Expenses	10,000
Land, Easements	20,000
Relocation Expense & Payments	0
Planning	5,000
Engineering Fees - Design	59,187
Engineering Fees - Const / Inspection	41,248
Engineering Fees - Other	0
Construction	610,175
Equipment	0
Contingency	60,990
Other	53,000
<b>Total</b>	<b>\$ 869,600</b>

**FUNDING SOURCES:**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 849,600	98%
Local Funds	20,000	2%
Funding Source 2	0	0%
Funding Source 3	0	0%



Funding Source 4  
Total

	0	0%
<hr/>	<hr/>	<hr/>
\$	869,600	100%

**KIA DEBT SERVICE:**

Construction Loan	\$	849,600
Less: Principal Forgiveness (0%)		0
Amortized Loan Amount	\$	849,600
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	50,530
Administrative Fee (0.25%)		2,124
<b>Total Estimated Annual Debt Service</b>	<b>\$</b>	<b>52,654</b>

**AMORTIZATION COMMENCEMENT DATE:** June 1 and December 1

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

Full principal and interest payments will commence within one year of initiation of operation (estimated 12/01/16).

<b>REPLACEMENT RESERVE ACCOUNT:</b>	\$	2,100	ANNUAL AMOUNT
	\$	21,000	TOTAL AMOUNT

The annual replacement cost is \$2,100. This amount should be added to the replacement account each December 1 until the balance reaches \$21,000 and maintained for the life of the loan.

**ADMINISTRATIVE FEE:** 0.25%

**DEFAULT RATE:** 8.00%

**DEBT OBLIGATIONS CURRENTLY OUTSTANDING:**

	<u>Outstanding</u>	<u>Maturity</u>
1978 Rural Development Bonds	\$ 341,000	2017
1982 Rural Development Bonds	54,000	2022
2001C KRWFC Bonds - Surcharge	281,000	2027
2001C KRWFC Bonds - Phase 5	254,000	2027
2001C KRWFC Bonds - Refinancing	322,000	2021
2001G KRWFC Bonds - Dry Ridge Tank	217,000	2018
2004D KRWFC Bonds - Phase 7	50,000	2019
2005B KRWFC Bonds - Phase 8	432,000	2031
2005B KRWFC Bonds - Phase 10	244,000	2031
Software Solutions Note Payable	4,104	2013
1993 KIA Fund C Loan (C91-13)	17,500	2013
2002 KIA Fund F Loan (F01-06)	207,772	2022
2003 KIA Fund F Loan (F02-11)	783,978	2024
2007 KIA Fund F Loan (F07-09)	2,027,407	2030



2011 KIA Fund F Loan (F11-05)	171,438	2033
Capital Lease - Grant County Fiscal Court	785,000	2019
2003 Old National Bank Capital Lease	68,588	2014
<b>Total</b>	<u>\$ 6,260,787</u>	

**LIABILITY INSURANCE COVERAGE:**

Death or Personal Injury (per person)	<u>\$ 1,000,000</u>
Death or Personal Injury (per occurrence)	<u>\$ 2,000,000</u>
Property Damage on System	<u>\$ 5,627,215</u>

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

Borrower: \_\_\_\_\_

WX/SX Number: \_\_\_\_\_

KIA Loan # \_\_\_\_\_

Draw Number \_\_\_\_\_

Date: \_\_\_\_\_

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

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

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

Funds Requested: \_\_\_\_\_

**Project Budget and Expenses**

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

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

**Project Funding**

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



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

Borrower Signature: \_\_\_\_\_

Project Administrator: \_\_\_\_\_

Draw # \_\_\_\_\_

STATUS REPORT:  
PROJECT IS:

On schedule \_\_\_\_\_  
Ahead of schedule \_\_\_\_\_  
Behind schedule \_\_\_\_\_  
If ahead or behind, please explain \_\_\_\_\_

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

<b>Line Item</b>	<b>Draw #</b>	<b>Vender</b>	<b>Amount</b>
------------------	---------------	---------------	---------------

CERTIFICATE OF CONSULTING ENGINEERS AS TO  
PAYMENT REQUEST

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

\_\_\_\_\_  
Engineer/Architect

\_\_\_\_\_  
Firm Name



**EXHIBIT C**

**SCHEDULE OF SERVICE CHARGES**

See Attached

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2015-00045 DATED **MAR 06 2015**

The following rates and charges are prescribed for the customers in the area served by Bullock Pen Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8-inch X 3/4-inch Meter

First	2,000 Gallons	\$ 26.99 Minimum Bill
Next	3,000 Gallons	9.00 per 1,000 Gallons
Next	5,000 Gallons	8.16 per 1,000 Gallons
Next	10,000 Gallons	7.31 per 1,000 Gallons
Over	20,000 Gallons	6.46 per 1,000 Gallons

1-inch Meter

First	5,000 Gallons	\$ 53.99 Minimum Bill
Next	5,000 Gallons	8.16 per 1,000 Gallons
Next	10,000 Gallons	7.31 per 1,000 Gallons
Over	20,000 Gallons	6.46 per 1,000 Gallons

1 1/2-inch Meter

First	10,000 Gallons	\$ 94.79 Minimum Bill
Next	10,000 Gallons	7.31 per 1,000 Gallons
Over	20,000 Gallons	6.46 per 1,000 Gallons

2-inch Meter

First	20,000 Gallons	\$167.89 Minimum Bill
Over	20,000 Gallons	6.46 per 1,000 Gallons

Bulk Loading Station

\$ 7.18 per 1,000 Gallons



**EXHIBIT D**

**RESOLUTION**

RESOLUTION OF THE BULLOCK PEN WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT DATED AS OF SEPTEMBER 1, 2015 BETWEEN THE BULLOCK PEN WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

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

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

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

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

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

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

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

ADOPTED on \_\_\_\_\_, 2015.

\_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Title: Secretary

CERTIFICATE

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

IN TESTIMONY WHEREOF, witness my signature this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Secretary



**EXHIBIT E**

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

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

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and  
Bullock Pen Water District, dated as of September 1, 2015

Ladies and Gentlemen:

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

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

Based upon my review I am of the opinion that:

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

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

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

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

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

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

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

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

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

Very truly yours,



**EXHIBIT F**

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

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

Principal and Interest Payable  
on Each June 1 and December 1

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

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

**KENTUCKY INFRASTRUCTURE AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**BULLOCK PEN WATER DISTRICT, Governmental  
Agency**

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT G**

ADDITIONAL COVENANTS AND AGREEMENTS

NONE

9877868v1



**RESOLUTION**

RESOLUTION OF THE BULLOCK PEN WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT DATED AS OF SEPTEMBER 1, 2015 BETWEEN THE BULLOCK PEN WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

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

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

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

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

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

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

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

ADOPTED on 9/17, 2015.

  
\_\_\_\_\_  
Chairman

Attest:

  
\_\_\_\_\_  
Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Bullock Pen Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Commissioners of said District at a meeting duly held on 9/17, 2015; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 17 day of Sept, 2015.

  
Secretary





**MINUTES OF THE  
BULLOCK PEN WATER DISTRICT  
SEPTEMBER 2015 MEETING**

The September 2015 meeting of the Bullock Pen Water District was called to order on September 17, 2015, at the hour of 1:00 p.m. at the District Headquarters, 1 Farrell Drive, Crittenden, KY 41030. Present at the meeting were Superintendent William Catlett, Chairman Bobby Burgess, Office Manager Amy Ruark, Karen VanHolten, Pat Deming of CMW, Inc., Kerry Odle of HMB Professional Engineers, Inc., and Attorney Thomas R. Nienaber. Also present were Commissioners Logan Murphy, Charles Givin, William Wethington, and Andrea Walton.

The first order of business was a review of the August 2015 Minutes. After discussion, upon motion of William Wethington and second by Andrea Walton, it was unanimously,

“RESOLVED: that the August 2015 Minutes be approved as attached.”

The next order of business was a review of the profit and loss and warrants for August 2015. After discussion, upon motion of William Wethington and second by Logan Murphy, it was unanimously,

“RESOLVED: that the August 2015 profit and loss and warrants be approved as attached.”

The next order of business was a presentation by Pat Deming of CMW, Inc. as follows:

1. Mr. Deming reported on the status of the Phase XIV Project. Mr. Deming reviewed with the Board the KIA Assistance Agreement. KIA requested the District to adopt the attached Resolution approving the KIA Assistance Agreement. After discussion, upon motion of Logan Murphy and second by William Wethington, it was unanimously,

“RESOLVED: that the District by and through Chairman Bobby Burgess be and the same is hereby authorized to execute the attached Resolution approving the KIA Assistance Agreement. Chairman Burgess is further authorized to execute any and all other paperwork necessary to implement that approval.”

2. Mr. Nienaber reported that he needed a copy of the fully executed KIA Assistance Agreement for filing with the Public Service Commission. Mr. Deming reported that he would forward a copy to Mr. Nienaber as soon as it is received.
3. Mr. Deming reported that Contracts #1, #2 and #3 of the Phase XIV Project are being held in abeyance. Construction should begin on Contract #4 (Master Meter) by the next



meeting.

4. Mr. Deming stated that CMW, Inc. would like to submit a bill for services rendered on the Phase XIV Project for payment through the KIA loan. This bill is for services relating to the design of the Phase XIV Project. After discussion, upon motion of William Wethington and second by Charles Givin, it was unanimously,

“RESOLVED: that CMW, Inc. is hereby authorized to submit to KIA its bill for engineering design services on the Phase XIV Project.”

The next order of business was a report by Counsel Thomas R. Nienaber as follows:

1. Mr. Nienaber reported that the Public Service Commission approved the Phase XIV Project in Case No. 2015-00258. That approval was entered on September 10, 2015. Mr. Nienaber reviewed with the Board the contents of the approval Order as attached.
2. Mr. Nienaber inquired of Superintendent Catlett as to the East Fairview Road easement status. Superintendent Catlett reported that the Prewitt easement is still up in the air. Mr. Prewitt stated originally that he would sign the easement and then he apparently has changed his mind. Currently, Mr. Prewitt wants 2 free meter tap-ins in order to sign the easement. Superintendent Catlett stated he contacted the Pendleton County Judge Executive for permission to run the water lines on the County right-of-way. Superintendent Catlett reported that the Judge Executive indicated he would talk to Mr. Prewitt to see if the easement could be obtained. If not, Pendleton County would grant the District an encroachment permit to place water lines on the County right-of-way. Superintendent Catlett reported that Mr. Prewitt’s refusal to sign the easement is not a big problem.
3. Mr. Nienaber inquired as to the status of the Crittenden water tank repainting project. Superintendent Catlett reported that he received an email from C&S Quality Services, LLC requesting a 30 day contract extension. Superintendent Catlett reported that C&S has taken the position that it may not be able to complete the painting project within the contract deadline due to the District’s alleged failure to empty the Crittenden tank in a timely fashion. Superintendent Catlett reported that this position is nonsense and that the only reason the District did not drain the tank sooner was because C&S employees requested that it not be drained. The only request received by C&S for additional time is the attached email. Mr. Nienaber reviewed the contract with C&S Quality Services, LLC, § 15, which addresses contract extensions. Mr. Nienaber requested that C&S did not comply with that provision. In order to request an extension, C&S must submit a formal request with the appropriate documentation. That was not done. Commissioner Givin stated that if C&S wants additional time to complete the contract, they should make a formal request and/or attend the District’s next meeting. Superintendent Catlett stated that an additional 10-15 day request would be somewhat palatable but not 30 days. Commissioner Murphy also stated that if C&S wants a contract extension, they should

comply with the contract and submit a formal request with documentation and/or attend the District's next meeting. After considerable discussion, upon motion of Logan Murphy and second by Andrea Walton, it was unanimously,

“RESOLVED: that the District not respond to C&S Quality Services, LLC's request for a contract extension until such time as C&S Quality Services, LLC makes a formal request in conformity with the project contract.”

4. Mr. Nienaber reviewed with the Board the most recent litigation *Commonwealth of Kentucky, Grant Circuit Court, Case No. 15-CI-00298, Kentucky Farm Bureau Mutual Insurance Company, Plaintiff v. Bullock Pen Water District, Defendant* (“litigation”). Superintendent Catlett gave a brief summary of how this claim arose. Superintendent Catlett stated that the reason for the pressure surge at the Criswell residence was due to the absence of a pressure regulator. Although Superintendent Catlett reported that a pressure regulator is not required by state code, the District Standard Service Agreement states that pressure regulators are required. Mr. Nienaber stated he filed an Answer (attached) in the litigation and forwarded the file to Selective Insurance Company of America, attn Ms. Beverly Taylor, to provide a defense. Mr. Nienaber will report.

The next order of business was a report by HMB Professional Engineers, Inc., Mr. Kerry Odle, as follows:

1. Mr. Odle reported that the directional bore for the East Fairview Road Project will be bid next week. Mr. Odle is expecting to receive 3 to 4 bids for this portion of the East Fairview Road Project.
2. Mr. Odle is submitting project profiles for the Phase XV Project to NKADD. These are being submitted to NKADD for review and ranking. They should be submitted sometime next week.
3. Amy Ruark distributed a letter received from Senator Damon Thayer regarding the Bullock Pen Dam Remediation Project. Commissioner Givin inquired about the current efforts of the Division of Water (DOW) to relocate the cofferdam in an effort to allow the District to keep its water treatment plant operational during the remediation project. Superintendent Catlett stated with the District's current intake lines at the treatment plant, it would be unlikely that a cofferdam could be constructed to allow the District to keep its treatment plant operational. Nonetheless, Commissioner Givin stated that the District should continue to explore alternate plans to keep the treatment plant operational during the remediation project. Kerry Odle commented that the DOW is not likely to construct a cofferdam which would allow the District's treatment plant to remain operational. Logan Murphy inquired as to how often the treatment plant would need to be operated in order to keep it operational during the 3-4 year remediation project. Superintendent Catlett reported that a minimum 100,000 to 150,000 gallon per day 3 times a month should be



run through the treatment plant in order to keep it operational, and to maintain all of the plant's seals, pumps, filters, etc. in working order. Superintendent Catlett was asked if the District could run treated water through the plant simply to keep the treatment plant operational. Superintendent Catlett said that could be an option.

4. Mr. Nienaber reported on his contacts with the DOW. Mr. Gruzesky was out of the office for a couple of weeks so Mr. Nienaber spoke with Gary Wells. Mr. Wells reported that there has been no final decision made on the possible relocation of the cofferdam which would enable the District to keep the treatment plant operational. Mr. Wells would only state that the DOW is working on that issue.

The next order of business was a report by Superintendent Catlett as follows:

1. Superintendent Catlett reviewed with the Commissioners his monthly report as attached.
2. Superintendent Catlett reported that the Crittenden water tank has a top vent that needed to be replaced. The estimated cost was \$2,500.00. Superintendent Catlett reported that District personnel made those repairs saving the District a substantial sum of money.

The next order of business was a report by Office Managers Amy Ruark and Karen VanHolten as follows:

1. Ms. VanHolten reported that the District's workers compensation insurance rates would be approximately \$400.00 less. Coverage for the District property would be increased approximately 3%.
2. Ms. Ruark reported that the next meeting is scheduled for October 22, 2015.

There being no further business to conduct, upon motion and second, same was adjourned.

BULLOCK PEN WATER DISTRICT

BY: \_\_\_\_\_  
BOBBY BURGESS, CHAIRMAN

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, SECRETARY

**KENTUCKY INFRASTRUCTURE AUTHORITY**  
**Minutes of the Full Board**

**Meeting Date/Location:**      **March 6, 2014 – 1:00 p.m.**  
   **Kentucky Infrastructure Authority**  
   **1024 Capital Center Drive, Suite 340, Frankfort**

**Members present:**

Mr. Tony Wilder, Commissioner, Department for Local Government  
Mr. Sam Ruth, Finance and Administration Cabinet  
    (proxy for Secretary Lori H. Flanery, FAC)  
Mr. Robert Aldridge, Economic Development Cabinet  
    (proxy for Secretary Larry Hayes, EDC)  
Ms. Lona Brewer, Energy and Environment Cabinet  
    (permanent proxy for Secretary Leonard K. Peters, EEC)  
Mr. Jeff Derouen, Executive Director, Public Service Commission  
Mr. C. Ronald Lovan, representing the American Water Works Association  
Mr. Damon Talley, representing the Kentucky Rural Water Association  
Ms. Linda C. Bridwell, representing for-profit private water companies  
Mr. Jody Jenkins, Union County Judge/Executive, representing the Kentucky  
    Association of Counties  
Mr. Marty T. Ivy, representing the Kentucky Municipal Utilities Association

**Members absent:**

Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities

**Guests:**

Mr. Shafiq Amawi, Division of Water  
Mr. Steve Starkweather, Office of Financial Management  
Mr. Bobby Russell, Department of Local Government  
Mr. John Herring, Pennyriple Area Development District  
Mayor Lynn Hopkins, City of Wickliffe  
Mr. Guy Johnson, City of Wickliffe  
Mr. Billy Catlett, Bullock Pen Water District  
Mr. Bobby Burgess, Bullock Pen Water District  
Mr. Kerry Odle, CMW, Inc.  
Mr. Chase Vincent, Green River Area Development District  
Mr. Richard Harrison, Northern Kentucky Water District  
Mr. Jack Bragg, Northern Kentucky Water District  
Mr. Bob Amato, City of Nicholasville  
Mr. Tom Calkins, City of Nicholasville  
Mr. Roger Recktenwald, Kentucky Association of Counties  
Ms. Sandy Dunahoo, Nesbitt Engineering, Inc,  
Mayor G. C. Kincer, City of Jenkins  
Ms. Sherry Kincer, City of Jenkins  
Mr. Eric Glahn, Regional Water Resource Agency



## **PROCEEDINGS**

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

Mr. Rusty Anderson, KIA, made maps available for viewing via the Water Resource Information System (WRIS) which showed an overview of the water and sewer projects that were to be considered at this board meeting.

### **I. BUSINESS (Board Action Required)**

#### **A. 1. APPROVAL OF MINUTES**

**For: KIA Regular Board Meeting of February 6, 2014**

*Ms. Linda Bridwell moved to approve the minutes of the February 6, 2014 regular board meeting. Mr. Damon Talley seconded, and the motion carried unanimously.*

#### **B. NEW PROJECTS/ACTION ITEMS**

##### **1. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY HONORING JERRY WUETCHER IN RECOGNITION OF DEDICATED SERVICE.**

Mr. John Covington, KIA, read the resolution into the record before the Board. The Board acknowledged that Mr. Jerry Wuetcher served the Board with dedication and provided valuable comments and input during his role as Permanent Proxy.

*Mr. Ron Lovan moved to approve the resolution. Mr. Damon Talley seconded, and the motion carried unanimously.*

##### **2. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY REAUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A14-008) IN THE AMOUNT OF \$525,000 TO THE REGIONAL WATER RESOURCE AGENCY, DAVIESS COUNTY, KENTUCKY**

Mr. Shafiq Amawi, DOW, and Ms. Brandi Armstrong, presented the project to the Board. The Regional Water Resource Agency requested a \$525,000 Fund A loan for the construction of line extension and appurtenances for a detention basin that is being funded and constructed by the City of Owensboro. The project is designed to remove as much storm water as possible and will potentially hold storm water/combined sewage from the Dublin Lane Tunnel Sewershed. The project is part of RWRA's Long Term Control Plan for the Owensboro-Daviess County community. DOW and KIA staff recommended



approval of the loan with the standard conditions.

***Mr. Damon Talley moved to approve the Fund A (A14-008) loan with the standard conditions. Mr. Ron Lovan seconded, and the motion carried unanimously.***

**3. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B14-002) LOAN IN THE AMOUNT OF \$350,000 TO THE CITY OF DAWSON SPRINGS, HOPKINS COUNTY, KENTUCKY**

***Mr. Damon Talley announced that he would not be participating in the discussion on this project because he has been engaged by Dawson Springs to provide legal services concerning its existing wholesale supply contract with a wholesale customer and, if necessary, renegotiate the terms of the contract. Mr. Talley also announced that he would abstain from voting on this project and then left the room.***

Mr. Jeff Abshire, KIA, presented the project to the Board. The City of Dawson Springs requested a \$350,000 Fund B loan for the Dawson Springs Water Tank and Plant Improvements project. The project will paint and recondition three water tanks as well as replace a filter media at the treatment plant. The updates will prevent water outages throughout the utilities distribution system and improve treatment. KIA staff recommended approval of the loan with the standard conditions and the following special condition: The City shall increase water and wastewater rates by an amount sufficient to generate additional revenues of \$20,000 in each of fiscal 2014 and 2015. The increase may be in two equal amounts with each being effective July 1, 2014 and July 1, 2015, respectively, however the ordinance for both increases must be passed at the same time.

***Ms. Linda Bridwell moved to approve the Fund F (F14-015) resolution with the standard conditions and the special condition indicated in the staff recommendations. Ms. Lona Brewer seconded, and the motion carried with 9 yes votes and with Mr. Talley abstaining.***

***Mr. Talley returned to the room after the vote.***

**4. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B14-005) LOAN IN THE AMOUNT OF \$150,000 TO THE CITY OF WICKLIFFE, BALLARD COUNTY, KENTUCKY**

Ms. Brandi Armstrong, KIA, presented the project to the Board. The City of Wickliffe requested a \$150,000 Fund B loan for the New Well project. The City has three wells of which one is not in operation and a second one is beginning to fail to meet capacity needs. The proposed well will ensure adequate capacity and provide a backup source should the other well become inactive. KIA staff recommended approval of the loan with the standard conditions.



*Ms. Linda Bridwell moved to approve the Fund B (B14-005) loan with the standard conditions. Mr. Marty Ivy seconded, and the motion carried unanimously.*

5. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT OF THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F13-022) INCREASING THE AMOUNT TO \$444,000 TO THE CITY OF NICHOLASVILLE, JESSAMINE COUNTY, KENTUCKY

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND, PLANNING AND DESIGN LOAN (F1 13-026) IN THE AMOUNT OF \$110,000 TO THE CITY OF NICHOLASVILLE, JESSAMINE COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Mr. Jeff Abshire, KIA, presented both projects to the Board.

The City of Nicholasville requested a \$194,000 increase to their existing \$250,000 Fund F loan that was previously approved on December 6, 2012, for the Armory Place Water System Improvements project. The original project scope was reduced as a result of reduced funding from CDBG. The project as originally approved was completed and was approximately \$130,000 under budget. The proposed loan increase will permit the City to complete the project component that was previously removed from the scope.

The City of Nicholasville requested a \$110,000 Fund F1 loan for a planning and design loan for the Nicholasville – Jessamine-South Elkhorn Interconnect project. The construction project was approved on December 6, 2012, however the City did not proceed with the project resulting in an expiration of the funding commitment. The City has reapplied for funding for the planning and design phase. With the receipt of the planning and design commitment from the Authority, the City will receive priority funding for the project in the 2015 Drinking Water Intended Use Plan. If they do not proceed to construction they will lose their priority position and the project, if submitted, will be re-ranked in future Calls for Projects.

Both DOW and KIA staff recommended approval of the F13-022 loan increase and the F1 13-026 planning and design loan with the standard conditions.

Mr. John Covington informed that Board that KIA staff had been looking at ways in which planning and design loans could be utilized more in the future. Borrowers that were not quite as ready to go to construction would be encouraged to first seek a planning and design loan instead of coming in for the entire project amount. Then, when they came to the board to request the construction amount there would hopefully be a better understanding of the project and better projected costs. KIA staff is looking to work with the engineering community and borrowers to development a policy for how this



would work and how it would flow into construction loans.

***Mr. Marty Ivy moved to approve the Fund F (F13-022) loan increase with the standard conditions. Mr. Damon Talley seconded, and the motion carried with 9 yes votes and with Ms. Linda Bridwell abstaining.***

***Mr. Ron Lovan moved to approve the Fund F1 (F1 13-026) loan with the standard conditions. Judge Jody Jenkins seconded, and the motion carried with 8 yes votes, and with Ms. Linda Bridwell and Mr. Jeff Derouen abstaining. Mr. Derouen stated he was abstaining due to the fact that this project may have to come before the Public Service Commission for approval.***

**7. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F14-005) IN THE AMOUNT TO \$2,400,000 TO THE CITY OF JENKINS, LETCHER COUNTY, KENTUCKY**

Judge G.C. Kincer expressed his thanks for the opportunity to come before the Board. Judge Kincer, Mr. Shafiq Amawi, DOW, and Mr. Jeff Abshire, KIA, presented the project to the Board. The City of Jenkins requested a \$2,400,000 Fund F loan for the Water Improvements Phase IV project. The project, which is part of a multi-phased effort, involves replacement of 56,000 linear feet (LF) of ductile iron water lines with PVC lines that range from two to ten inches in diameter. (The Executive Summary in the KIA Board Book was corrected to read 56,000 linear feet instead of 36,000 linear feet) The City's original water distribution system is 40 to 100 years old and is subject to repeated failures which results in significant water loss and ongoing quality issues. Approximately 350 water meters will also be replaced with radio meters. Both DOW and KIA Staff recommended approval of the loan with the standard conditions.

***Mr. Ron Lovan moved to approve the Fund F (F14-005) loan with the standard conditions. Ms. Linda Bridwell seconded, and the motion carried unanimously.***

**8. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F14-008) IN THE AMOUNT TO \$849,600 TO THE BULLOCK PEN WATER DISTRICT, GRANT COUNTY, KENTUCKY**

***Mr. Ron Lovan announced that due to the fact that Northern Kentucky Water District sells water to the Bullock Pen Water District he was going to abstain from voting on this project and left the room.***

***Mr. Jeff Derouen announced he would abstain from voting because the Bullock Pen Water District would have to appear before the Public Service Commission for approval of this loan.***

Mr. Shafiq Amawi, DOW, and Ms. Brandi Armstrong, KIA, presented the project



to the Board. The Bullock Pen Water District requested a \$849,600 Fund F loan for the Looped Lines Phase 14 project. This project involves the construction of various looped water lines to eliminate dead end connections. Both DOW and KIA Staff recommended approval of the loan with the standard conditions.

***Mr. Damon Talley moved to approve the Fund F (F14-008) loan with the standard conditions. Ms. Linda Bridwell seconded, and the motion carried with 8 yes votes, and with Mr. Ron Lovan and Mr. Jeff Derouen abstaining.***

***Mr. Ron Lovan returned to the room after the vote.***

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

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

<b>APPLICANT</b>	<b>FUND</b>	<b>AMOUNT</b>
Regional Water Resource Agency	A14-008	\$ 525,000
City of Dawson Springs	B14-002	\$ 350,000
City of Wickliffe	B14-005	\$ 150,000
City of Nicholasville	F13-022	\$ 444,000
City of Nicholasville	F1 13-026	\$ 110,000
City of Jenkins	F14-005	\$ 2,400,000
Bullock Pen Water District	F14-008	\$ 849,600

***Ms. Linda Bridwell moved to approve the resolution. Mr. Ron Lovan seconded, and the motion carried unanimously.***

**II. EXECUTIVE DIRECTOR'S REPORT**

Mr. John Covington reported on the following items to the Board:

- A. The House introduced a Bill, HB 381, on February 12, 2014, that would decrease the membership of the Authority's Board from eleven to ten by deleting the representative of a for-profit water company. While in Committee, language was substituted to leave the membership of the Authority's Board to eleven but replace the for-profit water company position with a position to be filled by a nominee from the Kentucky Farm Bureau Federation. The Kentucky Infrastructure Authority had not taken a position on the Bill and Mr. Covington was going to continue tracking its progress. At the time of this board meeting, the Bill was still in Committee.

- B. Mr. Covington had not heard any updates on the Governor's budget and the Authority's request to leverage bonds.
- C. Mr. Covington followed up with the Board on the presentation that was made at last month's meeting by Chris Bowling regarding partial refundings of KIA Debt. Mr. Covington asked the Board how they wanted to proceed after a discussion among Board Members and KIA staff. ***Ms. Linda Bridwell moved to have Mr. Covington send a letter to Mr. Chris Bowling stating the Board's policy based on the advice from the Authority's counsel. Mr. Damon Talley seconded, and the motion carried unanimously.***
- D. In the past, the April Board Meeting was usually canceled, due to the fact that most school districts had their Spring Break during that time. But, since there were five projects already tentatively scheduled for April, and given the amount of projects that are to be scheduled in the future, there would be an April meeting. Mr. Covington asked if any of the Board members had a problem with having the April meeting and only a couple of members stated they would not be able to attend.

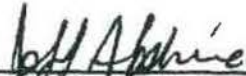
### III. STATUS REPORT FOR FUNDS A, A2, B, B1, C, F, F2

### IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:  
Tentatively scheduled for  
Thursday, April 3, 2014  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky

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

Submitted by:

  
\_\_\_\_\_  
Jeffrey A. Abshire, Secretary  
Kentucky Infrastructure Authority

3/26/14  
Date







**KENTUCKY INFRASTRUCTURE AUTHORITY**

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

**Steven L. Beshear**  
Governor

**John E. Covington III**  
Executive Director

March 12, 2014

Mr. Bobby Burgess, Chairman  
Bullock Pen Water District  
P.O. Box 188  
Crittenden, KY 41030

RECEIVED  
KENTUCKY INFRASTRUCTURE  
AUTHORITY  
2014 APR 18 AM 10 28

**KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (F14-008)**

Dear Chairman Burgess:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On March 6, 2014, the Authority approved your loan for the Looped Lines, Phase 14 project subject to the conditions stated below. The total cost of the project shall not exceed \$869,600 of which the Authority loan shall provide \$849,600 of the funding. Other anticipated funding for the project is reflected in Attachment A. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Bullock Pen Water District upon satisfactory performance of the conditions set forth in this letter. A period of twelve months from the date of this letter (3/12/2015) will be allowed for you to meet the conditions set forth in this letter and enter into an Assistance Agreement. A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

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

1. The Authority project loan shall not exceed \$849,600.



2. The loan shall bear interest at the rate of 1.75% per annum commencing with the first draw of funds.
3. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on the appropriate June 1 or December 1 within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.25% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
7. Loan funds will be disbursed after execution of the Assistance Agreement as project costs are incurred.
8. The Authority loan funds must be expended within six months of the official date of initiation of operation.
9. Fund "F" loan funds may be considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending \$500,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. Please note that the guidance for single audit requirements will change for calendar or fiscal years beginning after December 26, 2014. Please consult with your independent auditor as soon as possible to understand how the changes will affect you.

10. The Authority requires an annual financial audit to be performed for the life of the loan.

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

1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 14 days of bid opening.
2. The Assistance Agreement must be executed within six (6) months from bid opening.
3. Documentation of final funding commitments from all parties other than the Authority as reflected in the credit analysis shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration.
4. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.
5. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
6. The Borrower must complete and return to the Authority the attached "Authorization For Electronic Deposit of Vendor Payment" Form.
7. An environmental review shall be conducted by the Division of Water for all construction projects receiving DWSRF funds, within the term of this binding commitment and prior to project bid.



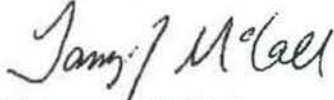
8. Technical plans and specifications and a complete DWSRF specifications checklist shall be approved by the Division of Water prior to project bid.
9. All easements or purchases of land shall be completed prior to commencement of construction. Clear Site Certification of all land or easement acquisitions shall be provided to the Division of Water. DOW representatives shall be notified for attendance of the pre-construction conference.
10. Project changes or additions shall require a complete environmental and change order review before they can be included in the DWSRF loan project.
11. Applicant must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
12. The Borrower shall comply with all Davis Bacon related monitoring and reporting and require all contractors to pay wages pursuant to applicable prevailing wage rates (federal or state) for all work relating to the subject Project.
13. The project shall comply with the reporting requirements of the Transparency Act, and shall complete the attached Transparency Act Reporting Information Form and provide to the Authority no later than 30 days after the KIA Board approval date of your loan.
14. If the project has a "Green Reserve" component, the Borrower must submit a Business Case, if required.
15. The project shall comply with Buy American requirements of The Consolidated Appropriations Act of 2014 (H.R. 3547), which became effective January 17, 2014, unless engineering plans and specifications were approved by the Division of Water prior to the effective date.

Any special conditions stated in Attachment A must be resolved.

Chairman Bobby Burgess  
March 12, 2014  
Page 5

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

Sincerely,



Tammy J. McCall  
Financial Analyst

Attachments

cc: Kerry Odle, CMW, Inc.  
Division of Water  
Dirk Bedarff, Peck, Shaffer & Williams LLP  
State Local Debt Office, DLG  
Borrower File - Bullock Pen Water District - F14-008

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

  
Accepted

3-20-14  
Date



**ATTACHMENT A**

**Bullock Pen Water District  
F14-008**

<b>EXECUTIVE SUMMARY</b> KENTUCKY INFRASTRUCTURE AUTHORITY FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Brandi Armstrong March 6, 2014 F14-008 WX21081008
<b>BORROWER</b>		BULLOCK PEN WATER DISTRICT GRANT COUNTY	
<b>BRIEF DESCRIPTION</b>			
This project involves the construction of various looped water lines to eliminate dead end connections. This will provide secondary feeds so large sections of customers will not experience service disruptions during line repairs and will reduce flushing which will help to maintain chlorine levels. One dead end connection will provide flexibility to use more water from the City of Williamstown and a second master meter connection with the City will be established which will permit a secondary feed to the Stewardsville Tank. This will also reduce flushing and help to maintain chlorine levels in the southern end of the District.			
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>	
Fund F Loan	\$849,600	RD Fee %	Actual %
Local Funds	20,000	Administrative Expenses	\$10,000
		Legal Expenses	10,000
		Land, Easements	20,000
		Planning	5,000
		Eng - Design	9.5% 8.8% 59,187
		Eng - Constr / Insp	6.5% 6.1% 41,248
		Construction	610,175
		Contingency	60,990
		Other	53,000
<b>TOTAL</b>	<b>\$869,600</b>	<b>TOTAL</b>	<b>\$869,600</b>
<b>REPAYMENT</b>	Rate Term	1.75% 20 Years	Est. Annual Payment 1st Payment 8 Mo. after first draw \$52,654
<b>PROFESSIONAL SERVICES</b>	Engineer Bond Counsel	CMW, Inc. Peck, Shaffer, & Williams	
<b>PROJECT SCHEDULE</b>	Bid Opening Construction Start Construction Stop	May-14 Aug-14 Nov-14	
<b>DEBT PER CUSTOMER</b>	Existing Proposed	\$925 \$889	
<b>OTHER DEBT</b>	See Attached		
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached		
<b>RESIDENTIAL RATES</b>	Current Additional	<u>Users</u> 6,789 0	<u>Avg. Bill</u> \$44.19 (for 4,000 gallons) \$44.19 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.		
<b>CASHFLOW</b>	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service Coverage Ratio
Audited 2011	1,339,910	830,533	509,377 1.6
Audited 2012	1,282,173	795,329	486,844 1.8
Projected 2013	1,292,770	762,249	530,521 1.7
Projected 2014	1,343,114	789,872	553,242 1.7
Projected 2015	1,355,348	808,402	548,948 1.7
Projected 2016	1,369,663	849,664	519,999 1.6
Projected 2017	1,383,949	800,122	583,827 1.7
Projected 2018	1,398,196	719,859	678,337 1.9



Reviewer: Brandi Armstrong  
Date: March 6, 2014  
Loan Number: F14-008

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND "F")  
BULLOCK PEN WATER DISTRICT, GRANT COUNTY  
PROJECT REVIEW  
WX21081006**

**I. PROJECT DESCRIPTION**

The Bullock Pen Water District is requesting a Fund "F" loan in the amount of \$849,600 for the Looped Lines, Phase 14 project. The project involves the construction of various looped water lines to eliminate dead end connections. This will provide secondary feeds so large sections of customers will not experience service disruptions during line repairs and will reduce flushing which will help to maintain chlorine levels. One dead end connection will provide flexibility to use more water from the City of Williamstown and a second master meter connection with the City will be established which will permit a secondary feed to the Stewardsville Tank. This will also reduce flushing and help to maintain chlorine levels in the southern end of the District.

The District serves areas of Grant, Boone, Kenton, Pendleton and Gallatin Counties. They purchase water from the Boone County Water District, Northern Kentucky Water District and the cities of Walton and Williamstown.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 10,000
Legal Expenses	10,000
Land, Easements	20,000
Planning	5,000
Engineering Fees - Design	59,187
Engineering Fees - Const / Inspection	41,248
Construction	610,175
Contingency	60,990
Other	53,000
<b>Total</b>	<b>\$ 869,600</b>

### III. PROJECT FUNDING

	Amount	%
Fund F Loan	\$ 849,600	98%
Local Funds	20,000	2%
<b>Total</b>	<b>\$ 869,600</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 849,600
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 50,530
Administrative Fee (0.25%)	2,124
<b>Total Estimated Annual Debt Service</b>	<b>\$ 52,654</b>

### V. PROJECT SCHEDULE

Bid Opening	May 2014
Construction Start	August 2014
Construction Stop	November 2014

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

Customers	Current
Residential	6,421
Commercial	343
Industrial	5
<b>Total</b>	<b>6,769</b>

#### B) Rates

	Current	Prior
Date of Last Rate Increase	01/01/10	12/03/03
First 2,000 gallons (Minimum Bill)	\$ 26.59	\$ 18.28
Next 3,000 gallons (per 1,000 gal)	8.80	6.15
Next 5,000 gallons (per 1,000 gal)	7.96	5.54
Next 10,000 gallons (per 1,000 gal)	7.11	4.93
All Over 20,000 gal, per 1,000 gal)	6.26	4.31
<b>Cost for 4,000 gallons</b>	<b>\$44.19</b>	<b>\$30.58</b>
Increase %	44.5%	
Affordability Index (Rate/MHI)	1.2%	



## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2007-2011, the County's population was 24,720 with a Median Household Income (MHI) of \$43,755. The median household income for the Commonwealth is \$42,248. The project will qualify for a 1.75% interest rate because the District is a regional service provider.

Year	City	Population			Unemployment	
		% Change	County	% Change	Date	Rate
1980	13,308		45,842		June 2003	6.6%
1990	15,737	18.3%	57,589	25.6%	June 2008	6.6%
2000	22,384	42.2%	85,991	49.3%	June 2012	8.7%
2010	24,662	10.2%	118,811	38.2%	June 2013	7.6%
Current	24,720	0.2%	117,218	-1.3%		
Cumulative %		85.8%		155.7%		

## VIII. 2013 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - The 2013 Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization - This project does not qualify for additional subsidization.

## IX. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended December 31, 2011 and 2012. Amounts for 2013 are estimated.

### HISTORY

Revenues increased 4% from \$4,018,818 in 2011 to \$4,171,895 in 2013. Operating expenses increased 9% from \$1,697,225 to \$1,843,590 while purchased water expenses increased 7% from \$921,669 to \$990,071. The debt coverage ratio was 1.6, 1.6 and 1.7 for years 2011 through 2013, respectively.

The balance sheet reflects a current ratio of 10.2, debt to equity ratio of 0.4 and the number of months of operating and purchased expenses in unrestricted cash is 5.1.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase 2% annually.
- 2) Expenses will increase 3% annually.
- 3) Debt service coverage is 1.7 in 2015 when principal and interest repayments begin.

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

## REPLACEMENT RESERVE

The annual replacement cost is \$2,100. This amount should be added to the replacement account each December 1 until the balance reaches \$21,000 and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
1978 Rural Development Bonds	\$ 341,000	2017
1982 Rural Development Bonds	54,000	2022
2001C KRWFC Bonds - Surcharge	281,000	2027
2001C KRWFC Bonds - Phase 5	254,000	2027
2001C KRWFC Bonds - Refinancing	322,000	2021
2001G KRWFC Bonds - Dry Ridge Tank	217,000	2018
2004D KRWFC Bonds - Phase 7	50,000	2019
2005B KRWFC Bonds - Phase 8	432,000	2031
2005B KRWFC Bonds - Phase 10	244,000	2031
Software Solutions Note Payable	4,104	2013
1993 KIA Fund C Loan (C91-13)	17,500	2013
2002 KIA Fund F Loan (F01-06)	207,772	2022
2003 KIA Fund F Loan (F02-11)	783,978	2024
2007 KIA Fund F Loan (F07-09)	2,027,407	2030
2011 KIA Fund F Loan (F11-05)	171,438	2033
Capital Lease - Grant County Fiscal Court	785,000	2019
2003 Old National Bank Capital Lease	68,588	2014
<b>Total</b>	<b>\$ 6,260,787</b>	



**XI. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS**

	<u>Outstanding</u>	<u>Maturity</u>
Water Line Extension Phase 11 (2008)	KIA	50,000
Water Line Extension Phase 11 (2006)	KIA	750,000
Water Line Extension Phase 11 (2008)	EPA	200,000

**XII. CONTACTS**

<b>Legal Applicant</b>	
Name	Bullock Pen Water District
Address	P.O. Box 188 Crittenden, KY 41030
County	Grant
Authorized Official	Bobby Burgess (Chairman)
Phone	(859) 428-2112
Email	BullockPen@fuse.net

<b>Project Contact – Applicant / Engineer</b>	
Name	Kerry Odle
Representing	CMW, Inc.
Address	400 East Vine Street, Suite 400 Lexington, KY 40507
Phone	(859) 254-6623
Email	kodle@cmwaec.com

**XIII. RECOMMENDATIONS**

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

**BULLOCK PEN WATER DISTRICT  
BALANCE SHEETS (DECEMBER YEAR END)**

<b>ASSETS</b>	<b>Audited 2011</b>	<b>Audited 2012</b>	<b>Projected 2013</b>	<b>Upon Completion 2014</b>
<b>Current Assets</b>				
Cash	819,164	1,092,164	1,197,875	1,225,917
Accounts Receivable	813,818	593,881	605,100	816,800
Inventory	130,471	169,182	169,182	169,182
Prepaid	55,288	23,648	23,648	23,648
Unamortized Expenses	23,140	21,835	21,835	21,835
<b>Total Current Assets</b>	<b>1,641,881</b>	<b>1,900,498</b>	<b>2,017,438</b>	<b>2,057,380</b>
<b>Total Restricted Assets</b>	<b>1,120,035</b>	<b>1,415,860</b>	<b>1,348,230</b>	<b>1,312,230</b>
<b>Net Fixed Assets</b>	<b>18,742,044</b>	<b>18,822,594</b>	<b>18,478,208</b>	<b>18,878,418</b>
<b>Total Other Assets</b>	<b>163,216</b>	<b>140,081</b>	<b>140,081</b>	<b>140,081</b>
<b>Total Assets</b>	<b>21,667,176</b>	<b>22,078,833</b>	<b>21,983,955</b>	<b>22,388,109</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	135,176	125,128	125,128	125,128
Withholdings and Accrued Liabilities	70,083	73,280	73,260	73,260
<b>Total Current Liabilities</b>	<b>205,259</b>	<b>198,388</b>	<b>198,388</b>	<b>198,388</b>
<b>Liabilities Payable - Restricted Assets</b>				
Revenue Bonds - C.P.	178,000	185,000	185,000	193,000
Notes Payable - C.P.	216,898	183,479	183,478	240,764
Leases - C.P.	171,206	178,569	178,588	130,020
Customer Deposits	151,038	160,442	160,442	160,442
Accrued Interest Payable	54,962	52,067	52,067	52,067
Accounts Payable - Construction and Meters	5,000	81,175	50,000	50,000
<b>Total Liabilities Payable - Restricted Assets</b>	<b>776,902</b>	<b>840,732</b>	<b>809,555</b>	<b>826,293</b>
<b>Long Term Liabilities</b>				
Revenue Refunding Bonds	2,195,000	2,010,000	1,825,000	1,632,000
Notes Payable - KIA	3,040,174	3,028,720	2,845,242	3,454,078
Capital Lease Obligations	848,808	675,020	496,452	366,432
<b>Total Long Term Liabilities</b>	<b>6,083,982</b>	<b>5,713,740</b>	<b>5,166,694</b>	<b>5,452,510</b>
<b>Total Liabilities</b>	<b>7,066,143</b>	<b>6,752,858</b>	<b>6,174,635</b>	<b>6,477,189</b>
<b>Total Retained Earnings</b>	<b>14,801,033</b>	<b>15,325,975</b>	<b>15,809,320</b>	<b>15,910,920</b>
<b>Total Liabilities and Equities</b>	<b>21,667,176</b>	<b>22,078,833</b>	<b>21,983,955</b>	<b>22,388,109</b>
<b>Balance Sheet Analysis</b>				
Current Ratio	8.0	9.6	10.2	10.4
Debt to Equity	0.5	0.4	0.4	0.4
Days Sales in Accounts Receivable	55.7	52.9	52.9	52.9
Months Operating Expenses in Unrestricted Cash	3.8	4.8	5.1	5.1



**EXHIBIT 1  
BULLOCK PEN WATER DISTRICT  
CASH FLOW ANALYSIS (DECEMBER YEAR END)**

	Audited 2011	% Change	Audited 2012	% Change	Projected 2013	Projected 2014	Projected 2015	Pro 2016
<b>Operating Revenues</b>								
Water Revenue and Penalties	3,895,879	2%	3,968,564	2%	4,045,895	4,126,813	4,209,349	4,291,885
Management Fees	122,939	3%	126,420	0%	128,000	126,000	128,000	128,000
<b>Total Revenues</b>	<b>4,018,818</b>	<b>2%</b>	<b>4,092,984</b>	<b>2%</b>	<b>4,171,895</b>	<b>4,252,813</b>	<b>4,335,349</b>	<b>4,419,885</b>
					107.4%			
<b>Operating Expenses</b>								
Purchased Water	921,889	4%	961,234	3%	990,071	1,019,773	1,050,366	1,081,000
Operating Expenses	1,697,225	5%	1,789,893	3%	1,843,590	1,880,462	1,918,071	1,956,000
Depreciation	573,314	-1%	569,388	0%	569,388	569,388	591,128	591,128
Replacement Reserve	65,464		65,464		51,464	15,464	17,564	
<b>Total Expenses</b>	<b>3,257,672</b>	<b>4%</b>	<b>3,385,979</b>	<b>2%</b>	<b>3,454,513</b>	<b>3,485,087</b>	<b>3,577,129</b>	<b>3,634,000</b>
<b>Net Operating Income</b>	<b>761,146</b>	<b>-7%</b>	<b>707,005</b>	<b>1%</b>	<b>717,382</b>	<b>767,726</b>	<b>758,220</b>	<b>785,885</b>
<b>Non-Operating Income and Expenses</b>								
Interest Income	5,450	6%	5,780	4%	6,000	6,000	6,000	
<b>Total Non-Operating Income &amp; Expenses</b>	<b>5,450</b>	<b>6%</b>	<b>5,780</b>	<b>4%</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	
<b>Add Non-Cash Expenses</b>								
Depreciation	573,314	-1%	569,388	0%	569,388	569,388	591,128	591,128
<b>Cash Available for Debt Service</b>	<b>1,339,910</b>	<b>-4%</b>	<b>1,282,173</b>	<b>1%</b>	<b>1,292,770</b>	<b>1,343,114</b>	<b>1,355,348</b>	<b>1,377,013</b>
<b>Debt Service</b> (enter as positive \$'s)								
Existing Principal	576,304		560,537		547,046	563,784	566,442	566,442
Existing Interest	254,229		234,792		215,203	228,088	213,633	213,633
Proposed KIA Loan F14-008	0		0		0	0	26,327	
<b>Total Debt Service</b>	<b>830,533</b>		<b>795,329</b>		<b>762,249</b>	<b>789,872</b>	<b>806,402</b>	<b>780,075</b>
<b>Income After Debt Service</b>	<b>509,377</b>		<b>486,844</b>		<b>530,521</b>	<b>553,242</b>	<b>548,946</b>	<b>596,938</b>
<b>Debt Coverage Ratio</b>	<b>1.6</b>		<b>1.6</b>		<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>

02/24/2014 9:03 AM, Cashflow

K:\2 Loan Team\Fund F Loans\Bullock Pen Water District F14-008\0.01 Exec Summ, Bullock Pen Water District (F14-008)

TRUIST FORMERLY BB&T  
FORMERLY BANK OF KENTUCKY  
LOAN



## Peggy Gamble

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**From:** Thomas Nienaber <tnienaber@fuse.net>  
**Sent:** Tuesday, October 29, 2013 9:31 AM  
**To:** Peggy Gamble  
**Subject:** Fw: Bullock Pen Water District - Closing October 29, 2013

**From:** Rick Wood  
**Sent:** Monday, October 28, 2013 4:42 PM  
**To:** Dirk M. Bedarff ; [tnienaber@fuse.net](mailto:tnienaber@fuse.net) ; [ajohnson@bpwd.org](mailto:ajohnson@bpwd.org) ; [Lisa Rittinger](mailto:Lisa.Rittinger)  
**Subject:** FW: Bullock Pen Water District - Closing October 29, 2013

From the loan proceeds of **\$769,465.00** in the name of Bullock Pen Water District we will be disbursing funds as follows on 10/29/13:

(1) We have a check from Bullock Pen Water District in the amount of \$16,500.00. We will use \$470,137.80 of the loan proceeds and wire a total amount of **\$486,637.80** to Regions Bank Birmingham  
ABA #062005690  
A/C # 0017541387 Wealth Management Operations  
Attn: Melissa Ragsdale Bloom  
FFC: KY Rural Water Flex Program

**Contact** Ms. Melissa Ragsdale Bloom, 615.770.4364- I spoke to Ms. Bloom today.

- (2) We will deposit \$289,825.55 into account number 22002807( Bullock Pen Water District) and creditor will draft on the account for the payoff amount of \$346,675.55
- (3) We will issue a check to Peck Shaffer for \$7,500.00 for legal services
- (4) We will Issue check a to Tom Nienaber for \$2,000.00 for legal services
- (5) We will credit the new loan with an interest payment in the amount of \$1.65

If you do not agree with any of these payments, deposits, or transfers please contact me immediately upon receipt of this E mail.

Rick Wood  
859 391 7283

**Initial Loan Values**

Loan Amount:	\$769,465.00	Number of Payments:	120
Annual Interest Rate:	2.8000%	Periodic Payment:	\$7,373.48
Loan Date:	10/29/2013	1st Payment Due:	11/29/2013
Payment Frequency:	Monthly	Last Payment Due:	10/29/2023
Total Interest Due:	\$115,352.19	Total All Payments:	\$884,817.19

**Payment Schedule**

#/Year	Date	Payment	Interest	Principal	Balance
Loan:	10/29/2013				769,465.00
1/1	11/29/2013	7,373.48	1,855.27	5,518.21	763,946.79
2/1	12/29/2013	7,373.48	1,782.54	5,590.94	758,355.85
2013 Y-T-D:		14,746.96	3,637.81	11,109.15	
Running:		14,746.96	3,637.81	11,109.15	
3/1	01/29/2014	7,373.48	1,828.48	5,545.00	752,810.85
4/2	02/28/2014	7,373.48	1,756.56	5,616.92	747,193.93
5/2	03/29/2014	7,373.48	1,685.34	5,688.14	741,505.79
6/2	04/29/2014	7,373.48	1,787.85	5,585.63	735,920.16
7/2	05/29/2014	7,373.48	1,717.15	5,656.33	730,263.83
8/2	06/29/2014	7,373.48	1,760.75	5,612.73	724,651.10
9/2	07/29/2014	7,373.48	1,690.85	5,682.63	718,968.47
10/2	08/29/2014	7,373.48	1,733.51	5,639.97	713,328.50
11/2	09/29/2014	7,373.48	1,719.91	5,653.57	707,674.93
12/2	10/29/2014	7,373.48	1,651.24	5,722.24	701,952.69
13/2	11/29/2014	7,373.48	1,692.49	5,680.99	696,271.70
14/2	12/29/2014	7,373.48	1,624.63	5,748.85	690,522.85
2014 Y-T-D:		88,481.76	20,648.76	67,833.00	
Running:		103,228.72	24,286.57	78,942.15	
15/2	01/29/2015	7,373.48	1,664.93	5,708.55	684,814.30
16/3	02/28/2015	7,373.48	1,597.90	5,775.58	679,038.72
17/3	03/29/2015	7,373.48	1,531.61	5,841.87	673,196.85
18/3	04/29/2015	7,373.48	1,623.15	5,750.33	667,446.52
19/3	05/29/2015	7,373.48	1,557.38	5,816.10	661,630.42
20/3	06/29/2015	7,373.48	1,595.26	5,778.22	655,852.20
21/3	07/29/2015	7,373.48	1,530.32	5,843.16	650,009.04
22/3	08/29/2015	7,373.48	1,567.24	5,806.24	644,202.80
23/3	09/29/2015	7,373.48	1,553.24	5,820.24	638,382.56
24/3	10/29/2015	7,373.48	1,489.56	5,883.92	632,498.64
25/3	11/29/2015	7,373.48	1,525.02	5,848.46	626,650.18
26/3	12/29/2015	7,373.48	1,462.18	5,911.30	620,738.88
2015 Y-T-D:		88,481.76	18,697.79	69,783.97	
Running:		191,710.48	42,984.36	148,726.12	
27/3	01/29/2016	7,373.48	1,496.67	5,876.81	614,862.07
28/4	02/29/2016	7,373.48	1,482.50	5,890.98	608,971.09
29/4	03/29/2016	7,373.48	1,373.57	5,999.91	602,971.18
30/4	04/29/2016	7,373.48	1,453.83	5,919.65	597,051.53
31/4	05/29/2016	7,373.48	1,393.12	5,980.36	591,071.17
32/4	06/29/2016	7,373.48	1,425.14	5,948.34	585,122.83
33/4	07/29/2016	7,373.48	1,365.29	6,008.19	579,114.64
34/4	08/29/2016	7,373.48	1,396.31	5,977.17	573,137.47
35/4	09/29/2016	7,373.48	1,381.90	5,991.58	567,145.89
36/4	10/29/2016	7,373.48	1,323.34	6,050.14	561,095.75
37/4	11/29/2016	7,373.48	1,352.86	6,020.62	555,075.13
38/4	12/29/2016	7,373.48	1,295.18	6,078.30	548,996.83
2016 Y-T-D:		88,481.76	16,739.71	71,742.05	
Running:		280,192.24	59,724.07	220,468.17	
39/4	01/29/2017	7,373.48	1,323.69	6,049.79	542,947.04
40/5	02/28/2017	7,373.48	1,266.88	6,106.60	536,840.44
41/5	03/29/2017	7,373.48	1,210.87	6,162.61	530,677.83
42/5	04/29/2017	7,373.48	1,279.52	6,093.96	524,583.87
43/5	05/29/2017	7,373.48	1,224.03	6,149.45	518,434.42
44/5	06/29/2017	7,373.48	1,250.00	6,123.48	512,310.94
45/5	07/29/2017	7,373.48	1,195.39	6,178.09	506,132.85
46/5	08/29/2017	7,373.48	1,220.34	6,153.14	499,979.71



47/5	09/29/2017	7,373.48	1,205.51	6,167.97	493,811.74
48/5	10/29/2017	7,373.48	1,152.23	6,221.25	487,590.49
49/5	11/29/2017	7,373.48	1,175.63	6,197.85	481,392.64
50/5	12/29/2017	7,373.48	1,123.25	6,250.23	475,142.41
2017 Y-T-D:		88,481.76	14,627.34	73,854.42	
Running:		368,674.00	74,351.41	294,322.59	
51/5	01/29/2018	7,373.48	1,145.62	6,227.86	468,914.55
52/6	02/28/2018	7,373.48	1,094.13	6,279.35	462,635.20
53/6	03/29/2018	7,373.48	1,043.50	6,329.98	456,305.22
54/6	04/29/2018	7,373.48	1,100.20	6,273.28	450,031.94
55/6	05/29/2018	7,373.48	1,050.07	6,323.41	443,708.53
56/6	06/29/2018	7,373.48	1,069.83	6,303.65	437,404.88
57/6	07/29/2018	7,373.48	1,020.61	6,352.87	431,052.01
58/6	08/29/2018	7,373.48	1,039.31	6,334.17	424,717.84
59/6	09/29/2018	7,373.48	1,024.04	6,349.44	418,368.40
60/6	10/29/2018	7,373.48	976.19	6,397.29	411,971.11
61/6	11/29/2018	7,373.48	993.31	6,380.17	405,590.94
62/6	12/29/2018	7,373.48	946.38	6,427.10	399,163.84
2018 Y-T-D:		88,481.76	12,503.19	75,978.57	
Running:		457,155.76	86,854.60	370,301.16	
63/6	01/29/2019	7,373.48	962.43	6,411.05	392,752.79
64/7	02/28/2019	7,373.48	916.42	6,457.06	386,295.73
65/7	03/29/2019	7,373.48	871.31	6,502.17	379,793.56
66/7	04/29/2019	7,373.48	915.72	6,457.76	373,335.80
67/7	05/29/2019	7,373.48	871.12	6,502.36	366,833.44
68/7	06/29/2019	7,373.48	884.48	6,489.00	360,344.44
69/7	07/29/2019	7,373.48	840.80	6,532.68	353,811.76
70/7	08/29/2019	7,373.48	853.08	6,520.40	347,291.36
71/7	09/29/2019	7,373.48	837.36	6,536.12	340,755.24
72/7	10/29/2019	7,373.48	795.10	6,578.38	334,176.86
73/7	11/29/2019	7,373.48	805.74	6,567.74	327,609.12
74/7	12/29/2019	7,373.48	764.42	6,609.06	321,000.06
2019 Y-T-D:		88,481.76	10,317.98	78,163.78	
Running:		545,637.52	97,172.58	448,464.94	
75/7	01/29/2020	7,373.48	773.97	6,599.51	314,400.55
76/8	02/29/2020	7,373.48	758.05	6,615.43	307,785.12
77/8	03/29/2020	7,373.48	694.23	6,679.25	301,105.87
78/8	04/29/2020	7,373.48	726.00	6,647.48	294,458.39
79/8	05/29/2020	7,373.48	687.07	6,686.41	287,771.98
80/8	06/29/2020	7,373.48	693.85	6,679.63	281,092.35
81/8	07/29/2020	7,373.48	655.88	6,717.60	274,374.75
82/8	08/29/2020	7,373.48	661.55	6,711.93	267,662.82
83/8	09/29/2020	7,373.48	645.36	6,728.12	260,934.70
84/8	10/29/2020	7,373.48	608.85	6,764.63	254,170.07
85/8	11/29/2020	7,373.48	612.83	6,760.65	247,409.42
86/8	12/29/2020	7,373.48	577.29	6,796.19	240,613.23
2020 Y-T-D:		88,481.76	8,094.93	80,386.83	
Running:		634,119.28	105,267.51	528,851.77	
87/8	01/29/2021	7,373.48	580.15	6,793.33	233,819.90
88/9	02/28/2021	7,373.48	545.58	6,827.90	226,992.00
89/9	03/29/2021	7,373.48	511.99	6,861.49	220,130.51
90/9	04/29/2021	7,373.48	530.76	6,842.72	213,287.79
91/9	05/29/2021	7,373.48	497.67	6,875.81	206,411.98
92/9	06/29/2021	7,373.48	497.68	6,875.80	199,536.18
93/9	07/29/2021	7,373.48	465.58	6,907.90	192,628.28
94/9	08/29/2021	7,373.48	464.45	6,909.03	185,719.25
95/9	09/29/2021	7,373.48	447.79	6,925.69	178,793.56
96/9	10/29/2021	7,373.48	417.18	6,956.30	171,837.26
97/9	11/29/2021	7,373.48	414.32	6,959.16	164,878.10
98/9	12/29/2021	7,373.48	384.72	6,988.76	157,889.34
2021 Y-T-D:		88,481.76	5,757.87	82,723.89	
Running:		722,601.04	111,025.38	611,575.66	
99/9	01/29/2022	7,373.48	380.69	6,992.79	150,896.55
100/10	02/28/2022	7,373.48	352.09	7,021.39	143,875.16
101/10	03/29/2022	7,373.48	324.52	7,048.96	136,826.20
102/10	04/29/2022	7,373.48	329.90	7,043.58	129,782.62

103/10	05/29/2022	7,373.48	302.83	7,070.65	122,711.97
104/10	06/29/2022	7,373.48	295.87	7,077.61	115,634.36
105/10	07/29/2022	7,373.48	269.81	7,103.67	108,530.69
106/10	08/29/2022	7,373.48	261.68	7,111.80	101,418.89
107/10	09/29/2022	7,373.48	244.53	7,128.95	94,289.94
108/10	10/29/2022	7,373.48	220.01	7,153.47	87,136.47
109/10	11/29/2022	7,373.48	210.10	7,163.38	79,973.09
110/10	12/29/2022	7,373.48	186.60	7,186.88	72,786.21
2022 Y-T-D:		88,481.76	3,378.63	85,103.13	
Running:		811,082.80	114,404.01	696,678.79	
111/10	01/29/2023	7,373.48	175.50	7,197.98	65,588.23
112/11	02/28/2023	7,373.48	153.04	7,220.44	58,367.79
113/11	03/29/2023	7,373.48	131.65	7,241.83	51,125.96
114/11	04/29/2023	7,373.48	123.27	7,250.21	43,875.75
115/11	05/29/2023	7,373.48	102.38	7,271.10	36,604.65
116/11	06/29/2023	7,373.48	88.26	7,285.22	29,319.43
117/11	07/29/2023	7,373.48	68.41	7,305.07	22,014.36
118/11	08/29/2023	7,373.48	53.08	7,320.40	14,693.96
119/11	09/29/2023	7,373.48	35.43	7,338.05	7,355.91
120/11	10/29/2023	7,373.07	17.16	7,355.91	0.00
2023 Y-T-D:		73,734.39	948.18	72,786.20	
Running:		884,817.19	115,352.19	769,465.00	

This loan is using the normal amortizing method.

Final payment amount adjusted by -0.41 due to rounding.





Department of Treasury  
Internal Revenue Service  
Ogden UT 84201-0074

Notice	CP152
Tax period	October 31, 2013
Notice date	December 9, 2013
Employer ID number	61-6017292
To contact us	Phone 1-877-829-5500 FAX 801-620-5670

074503.390607.15609.687 1 AT 0.384 370



BULLOCK PEN WATER DISTRICT  
PO BOX 188  
CRITTENDEN KY 41030-0188

Page 1 of 1



**COPY**

074503

Acknowledgment of your October 29, 2013 Form 8038-G

## We received your tax-exempt bond form

This notice serves as official acknowledgment that we received your Form 8038-G. If you filed more than one form, you will receive a separate acknowledgment for each one.

### Tax-exempt bond information

Name of issue	LEASE FINANCE AGREEMENT DATED AS OF
Issue date	October 29, 2013
Issue price	\$769,465.00
Maturity date	October 29, 2023
IRS report number	332

### Important reminders

- Attach a copy of this notice to all of your correspondence and documents related to this tax-exempt bond.
- If a tax practitioner or someone else prepared your form, you may want to give them a copy of this notice. (A copy was automatically sent to all representatives authorized with a Power-of-Attorney for this form.)

### Additional information

- Visit [www.irs.gov/cp152](http://www.irs.gov/cp152).
- For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).
- If you have questions about tax-exempt bonds, call TEGE Customer Account Services at 1-877-829-5500.
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS



**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 BULLOCK PEN 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."

ANDREA WALTON  
(Print Name)

  
(Signed)

COMMISSIONER  
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

Subscribed and sworn to before me by ANDREA WALTON, Commissioner  
(Name)

this 22<sup>nd</sup> day of SEPTEMBER, 2022.



Amy G. Ruark  
NOTARY PUBLIC  
State-at-Large     # KYNP2116



**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

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BILL WETHINGTON  
(Print Name)

*Bill M. Wethington*  
(Signed)

COMMISSIONER  
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

Subscribed and sworn to before me by BILL WETHINGTON, Commissioner  
(Name)

this \_\_\_\_\_ day of SEPTEMBER, 2022.



Amy G. Ruark  
NOTARY PUBLIC  
State-at-Large #KYNP2116

**STATEMENT OF DISCLOSURE OF  
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BOBBY BURGESS  
(Print Name)

  
(Signed)

COMMISSIONER  
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

Subscribed and sworn to before me by BOBBY BURGESS, Commissioner  
(Name)

this \_\_\_\_\_ day of SEPTEMBER, 2022.



Amy G. Ruark  
NOTARY PUBLIC  
State-at-Large  
#KYNP2116

**STATEMENT OF DISCLOSURE OF  
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RODGER BINGHAM  
(Print Name)

*Rodger Bingham*  
(Signed)

COMMISSIONER  
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

Subscribed and sworn to before me by RODGER BINGHAM, Commissioner  
(Name)

this \_\_\_\_\_ day of SEPTEMBER, 2022.

Amy G. Ruark  
NOTARY PUBLIC  
State-at-Large # KYNPA116





**STATEMENT OF DISCLOSURE OF  
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CHARLES GIVIN  
(Print Name)

  
(Signed)

CHAIRMAN  
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

Subscribed and sworn to before me by CHARLES GIVIN, Chairman  
(Name)

this \_\_\_\_\_ day of SEPTEMBER, 2022.



Amy G Ruark  
NOTARY PUBLIC  
State-at-Large #KYNP2116