

SUMMARY ADDENDUM

TO

PRELIMINARY ENGINEERING REPORT

DATED December 2021 February 2023

FOR

Rowan Water, Inc. – Water System Improvements Project  
(Name of Project)

APPLICANT CONTACT PERSON Jerry Patrick, Manager

APPLICANT PHONE NUMBER (606) 784-9818

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 61-0701413

***ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.***

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary report in accordance with this Guide.

Please complete the applicable sections of the Summary Addendum. ***Please note, if water and sewer revenue will both be taken as security for the loan, all user information and characteristics of both utility systems will be needed even though the project will benefit only one utility.***

Feasibility reviews and grant determinations may be processed more accurately and more rapidly if the Summary/Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

I. GENERAL

- A. Proposed Project: Provide a brief description of the proposed project. In addition to this summary, the applicant/engineer should submit a project map of the service area.

**The proposed project will replace approximately 9,100 LF of existing problematic 4" and 12" PVC water main, installation of two new pump station with Variable Frequency Drives (VFD's) at the existing Rowan Water office site and along U.S. 60. Additionally, should funds be available, the project may include the purchase of a back hoe, portable generator, trailer, computer equipment, tank maintenance and inspections and miscellaneous tools.**

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM NA

A. Sewage Treatment:

1. Type \_\_\_\_\_

2. Method of Sludge Disposal \_\_\_\_\_

3. Cost per 1,000 gallons if sewage treatment is contracted:

\$ \_\_\_\_\_

4. Date Constructed \_\_\_\_\_

B. Treatment Capacity of Sewage Treatment Plant \_\_\_\_\_

C. Type of Sewage Collector System (Describe)

D. Number and Capacity of Sewage Lift Stations

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size 6" \_\_\_\_\_ 8" \_\_\_\_\_

10" \_\_\_\_\_ 12" \_\_\_\_\_, Larger \_\_\_\_\_

Date(s) Constructed \_\_\_\_\_

F. Conditions of Existing System: Briefly describe the conditions and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

III. FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

Rowan Water Inc. (RWI), purchases water from the Morehead Utility Plant Board. A new water purchase contract was signed in 2001 and is valid for 40 years. The contract allows RWI to purchase up to 2.7 MGD capacity of the plant capacity which is currently 8.5 MGD. RWI's water purchases average 1.3 to 1.7 MGD.

If the applicant purchases water:

Seller(s):

1. Morehead Utility Plant Board

Price/1,000 gallons:

1. \$1.398/1000 plus \$25,000/month (debt service)

Present Estimated Market Value of Existing System: \$ 10,400,000

B. Water Storage:

Type: Ground Storage Tank X Elevated Tank \_\_\_\_\_

Standpipe \_\_\_\_\_ Other \_\_\_\_\_

Number of Storage Structures 10

Total Storage Volume Capacity 951,000 Gallons

Date Storage Tank(s) Constructed 1970 & after

C. Water Distribution System:

Pipe Material PVC & small amount of AC

Lineal Feet of Pipe: 2" & 3" Diameter 792,500 4" 728,654

6" 389,260 8" 58,360

10" 63,888 12" 8,448

16" 2,000

All pipe footage is an estimate only.

Date(s) Water Lines Constructed 1970 – present

Number and Capacity of Pump Station(s) 10: 70 gpm to 300 gpm

D. Condition of Existing Water System:

Briefly describe the condition and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

Rowan Water, Inc. continually develops projects that maintain and upgrade the water system resulting in a system that is in very good condition.

E. Percentage of Water Loss Existing System 15%

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Principal Balance</u>	<u>Payment Date</u>	<u>Bond Type Water/Sewer*</u>	<u>Amount on Deposit in Reserve Account</u>
<u>1991 Issue</u>	<u>USDA RD</u>	<u>\$637,969</u>	<u>June/Dec</u>	<u>100 % 5.00 %</u>	<u>_____ \$</u>
<u>1992 Issue</u>	<u>USDA RD</u>	<u>\$202,692</u>	<u>June/Dec</u>	<u>100 % 5.00 %</u>	<u>_____ \$</u>
<u>1998 Issue</u>	<u>USDA RD</u>	<u>\$827,587</u>	<u>June/Dec</u>	<u>100 % 4.50 %</u>	<u>_____ \$</u>
<u>2001 Issue</u>	<u>USDA RD</u>	<u>\$259,348</u>	<u>June/Dec</u>	<u>100 % 4.50 %</u>	<u>_____ \$</u>
<u>2004 Issue</u>	<u>USDA RD</u>	<u>\$381,339</u>	<u>June/Dec</u>	<u>100 % 4.50 %</u>	<u>_____ \$</u>
<u>2004 Issue</u>	<u>USDA RD</u>	<u>\$168,739</u>	<u>June/Dec</u>	<u>100 % 4.50 %</u>	<u>_____ \$</u>
<u>2007 Issue</u>	<u>USDA RD</u>	<u>\$507,769</u>	<u>June/Dec</u>	<u>100 % 4.125 %</u>	<u>_____ \$</u>
<u>2012 Issue</u>	<u>USDA RD</u>	<u>\$839,733</u>	<u>June/Dec</u>	<u>100 % 2.75 %</u>	<u>_____ \$</u>
<u>2012 Issue</u>	<u>USDA RD</u>	<u>\$90,197</u>	<u>June/Dec</u>	<u>100 % 2.75 %</u>	<u>_____ \$</u>
<u>2017 Issue</u>	<u>USDA RD</u>	<u>\$1,048,083</u>	<u>June/Dec</u>	<u>100 % 2.625 %</u>	<u>_____ \$</u>
<u>2020 Issue</u>	<u>USDA RD</u>	<u>\$1,222,000</u>	<u>June/Dec</u>	<u>100 % 2.25 %</u>	<u>_____ \$</u>
					<u>\$303,130</u>

\* If a combined issue, show attributable portion to each system.

B. Principal and Interest Payments: (Begin with Next Fiscal Year Payment)

DATE OF ISSUE	BOND HOLDER	PAYMENT YEAR: 2021		PAYMENT YEAR: 2022		PAYMENT YEAR: 2023	
		PRINCIPAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT	INTEREST PAYMENT
1991	RD	45,000	31,900	47,300	29,700	49,700	27,300
1992	RD	12,800	10,200	13,400	9,500	14,000	8,800
1998	RD	30,900	37,300	32,300	35,900	33,800	34,400
2001	RD	8,200	11,700	8,600	11,300	9,000	10,900
2004	RD	9,200	17,200	9,600	16,800	10,000	16,300
2004	RD	4,000	7,600	4,200	7,400	4,400	7,200
2007	RD	10,600	21,000	11,000	20,500	11,500	20,000
2012	RD	17,200	22,600	17,700	22,200	18,100	21,700
2012	RD	1,900	2,400	1,900	2,400	2,000	2,300
2017	RD	17,250	27,750	17,700	27,300	18,200	26,900
2020	RD	28,400	18,300	28,800	18,000	29,200	17,500
TOTAL		185,450	207,950	192,500	201,000	170,700	193,300

<b>REVISIONS TO ACCOUNT FOR KRWFC FINANCING 1_11_23</b>							
DATE OF ISSUE	BOND HOLDER	PAYMENT YEAR: 2021		PAYMENT YEAR: 2022		PAYMENT YEAR: 2023	
		PRINCIPAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT	INTEREST PAYMENT
1991	RD	45,000	31,900				
1992	RD	12,800	10,200				
1998	RD	30,900	37,300				
2001	RD	8,200	11,700				
2004	RD	9,200	17,200				
2004	RD	4,000	7,600				
2007	RD	10,600	21,000	11,000	20,500	11,500	20,000
2012	RD	17,200	22,600	17,700	22,200	18,100	21,700
2012	RD	1,900	2,400	1,900	2,400	2,000	2,300
2017	RD	17,250	27,750	17,700	27,300	18,200	26,900
2020	RD	28,400	18,300	28,800	18,000	29,200	17,500
2021	KRWFC			105,000	110,248	145,000	71,294
TOTAL		185,450	207,950	182,100	200,648	224,000	159,694

V. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: (Do Not Show Any Debt Listed in Paragraph IV Above)

<u>Lender or Lessor</u>	<u>Date of Issue (Month &amp; Year)</u>	<u>Principal Balance</u>	<u>Purpose (Water and/ or Sewer)</u>	<u>Payment Date</u>	<u>Principal &amp; Interest Payment (P&amp;I)</u>	<u>Date to Be Paid In Full</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites:	Water	_____	<i>Sewer</i>	_____
Number of Storage Tank Sites	Water	10	<i>Sewer</i>	_____
Number of Pump Stations:	Water	10	<i>Sewer</i>	_____
Total Acreage:	Water	5 Acres	<i>Sewer</i>	_____ Acres
Purchase Price:	Water	\$ _____	<i>Sewer</i>	\$ _____

VII. NUMBER OF EXISTING USERS

	Water	<i>Sewer</i>
Residential (In Town) *	6,612	_____.
Residential (Out of Town) *	_____	_____.
Non-Residential (In Town)	657	_____.
Non-Residential (Out of Town) – wholesale customer	3	_____.
Total	7,272	_____.
Number to Total Potential Users Living in the Service Area	7,400	_____.

\*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u><i>Sewer Connection Fee</i></u>
5/8" x 3/4"	\$ 1,000.00 (Residential)	\$ _____
1"	\$ Actual Cost plus 15% overhead charge	\$ _____

IX. SEWER RATES - EXISTING SYSTEM N/A

*Percentage of Water Bill* \_\_\_\_\_ % *Minimum Charge* \$ \_\_\_\_\_  
*Other: (If Charge Not Based on Water Bill)* \_\_\_\_\_  
*Date This Rate Went Into Effect* \_\_\_\_\_

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule: See attached Sheet  
 Date This Rate Went Into Effect: December 19, 2019

**XI. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD**

*For Period 01/01/2020 to 12/31/2020*

<b>ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM</b>							
				Residential		Commercial	
MONTHLY WATER USAGE		Average		No. of Users	Usage 1,000	No. of Users	Usage 1,000
<b><u>5/8" x 3/4" meter</u></b>		Residential	Commercial				
0 - 1,000 Gal.	482	855	1103	532	104	89	
1,001 - 2,000 Gal.	1,050	1,950	995	1,045	92	179	
2,001 - 3,000 Gal.	2,150	2,800	1112	2,391	99	277	
3,001 - 4,000 Gal.	3,045	3,850	998	3,039	97	373	
4,001 - 5,000 Gal.	4,050	4,750	771	3,123	93	442	
5,001 - 6,000 Gal.	5,050	5,950	521	2,631	45	268	
6,001 - 7,000 Gal.	6,400	6,900	334	2,138	39	269	
7,001 - 8,000 Gal.	7,200	7,950	221	1,591	37	294	
8,001 - 9,000 Gal.	8,350		143	1,194			
9,001 - 10,000 Gal.	9,350		97	907			
10,001 - 11,000 Gal.	10,250		68	697			
11,001 - 12,000 Gal.	11,300		49	554			
12,001 - 13,000 Gal.	12,200		33	403			
13,001 - 14,000 Gal.	13,100		23	301			
14,001 - 15,000 Gal.	14,150		20	283			
15,001 - 16,000 Gal.	15,200		16	243			
16,001 - 17,000 Gal.	16,150		13	210			
17,001 - 18,000 Gal.	17,200		10	172			
18,001 - 19,000 Gal.	18,200		10	182			
19,001 - 20,000 Gal.	19,300		7	135			
20,000 & Over	22,500		25	563			
	<i>Subtotal</i>		6569	22,332	606	2,192	
	Average Monthly Usage			3,400		3,617	
<b><u>3/4" meter</u></b>		Residential	Commercial				
	8025	12,192	9	72	12	146	
	<i>Subtotal</i>		9	72	12	146	
<b><u>1" meter</u></b>							
0-20,000 Gal.	7438		16	119	0	0	
20,000 & Over	20613		0	0	14	289	
	<i>Subtotal</i>		16	119	14	289	
<b><u>1.5" meter</u></b>		Residential	Commercial				
		4,458			2	9	
	<i>Subtotal</i>		0	0	2	9	
<b><u>2" meter</u></b>		Residential	Commercial				
	10411	34,024	18	187	17	578	
	<i>Subtotal</i>		18	187	17	578	
<b><u>Wholesale Customers</u></b>							
	Fleming Cty WA	371,417			3	1,114	
	City of Olive Hill	370,738			2	741	
	Sandy Hook WD				1	0	
	<i>Subtotal</i>				6	1855.727	
	<b>Totals</b>		<b>6612</b>	<b>22,710</b>	<b>657</b>	<b>5,070</b>	



XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

Water Supply described in Section III-A.

B. Water Storage:

Type: Ground Storage Tank     X     Elevated Tank       
Standpipe      Other     

Number of Storage Structures     10    

Total Storage Volume Capacity     951,000    

C. Water Distribution System:

Pipe Material   PVC, AC  

Lineal Feet of Pipe: 3" Diameter      4"     

6"      8"     

10"      12"     

Number and Capacity of Pump Station(s)   10; 70 to 300 gpm  

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites     0    

Number of Pump Sites     0    

Number of Other Sites     0    

Total Acreage     0     Acres

Purchase Price   \$    0

XIX. NUMBER OF NEW WATER USERS

Residential (In Town) *	<u>0</u>
Residential (Out of Town) *	<u>0</u>
Non-Residential (In Town)	<u>0</u>
Non-Residential (Out of Town)	<u>0</u>
Total	<u>0</u>
Number to Total Potential Users Living in the Service Area	<u>0</u>

\*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.

XX. PROPOSED WATER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION:

<u>Meter Size</u>	<u>Connection Fee</u>
<u>5/8" x 3/4"</u>	<u>\$ No Change</u>
<u>1 - Inch</u>	<u>\$ No Change</u>
<u>1-1/2 Inch</u>	<u>\$ No Change</u>
<u>2 - Inch</u>	<u>\$ No Change</u>
<u>3 - Inch</u>	<u>\$</u>
<u>4 - Inch</u>	<u>\$</u>
<u>5 - Inch</u>	<u>\$</u>
<u>6 - Inch</u>	<u>\$</u>

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule without RUS Grant:

B. Recommended Rate Schedule with RUS Grant:

<p style="text-align: center;"><b>Rowan Water - System Improvements Project</b>  <b>Summary Addendum</b>  <b>Funding Option 2 - 40 year Payback Schedule with no Grant</b>  <b>First Year of Operation - Year Ending in 2023</b></p>						
<b>Total Project Cost</b>						\$1,880,000
<b>Proposed Funding</b>						
RD Grant Funds						\$0
Proposed Bond Amount						\$1,880,000
<b>Proposed Debt Service</b>						
RD Loan Annual Debt Service (First 2 years of 40 year loan are deferred)						\$65,750
40 years @ 1.75%						
RD Loan Debt Service Coverage (10% of Annual Debt Service)						\$6,580
<i>Total New Project Debt Service</i>						\$72,330
<b>Additional Expenses &amp; Anticipated Debt Service</b>						
Estimated Annual O & M Increase						\$755,243
Short-Lived Assets						\$80,000
						+
<i>Total Additional Expenses &amp; Anticipated Debt Service</i>						\$835,243
Total Annual Increase (Total New Project Debt Service + Total Additional Expenses)						\$907,573
Balance Available for Coverage (For Planned & Ongoing Immediate Projects)						-\$8,658
<b>Total Additional Annual Revenue Required</b>						<b>\$898,915</b>
Total Additional Annual Revenue Required						\$898,915
Total 2019 Billed Water Revenue						÷ \$3,100,581
<b>Percentage Rate Increase</b>						<b>29.00%</b>
			<b>2020 Existing Rates</b>	<b>Proposed Rates</b>		
		<i>In Gallons</i>				
	5/8" Meter	First 2,000	\$19.42	<b>\$25.05</b>		
		Next 3,000	\$8.17	<b>\$10.54</b>		
		Next 10,000	\$7.62	<b>\$9.83</b>		
		Next 10,000	\$7.45	<b>\$9.61</b>		
		Next 10,000	\$7.07	<b>\$9.12</b>		
		Next 10,000	\$6.74	<b>\$8.69</b>		
		Next 10,000	\$6.52	<b>\$8.41</b>		
	3/4" Meter	First 4,000	\$36.64	<b>\$47.27</b>		
		Next 1,000	\$8.17	<b>\$10.54</b>		
		Next 10,000	\$7.62	<b>\$9.83</b>		
		Next 10,000	\$7.45	<b>\$9.61</b>		
		Next 10,000	\$7.07	<b>\$9.12</b>		
		Next 15,000	\$6.74	<b>\$8.69</b>		
		Over 50,000	\$6.52	<b>\$8.41</b>		
	1" Meter	First 5,000	\$44.80	<b>\$57.79</b>		
		Next 10,000	\$7.62	<b>\$9.83</b>		
		Next 10,000	\$7.45	<b>\$9.61</b>		
		Next 10,000	\$7.07	<b>\$9.12</b>		
		Next 15,000	\$6.74	<b>\$8.69</b>		
		Over 50,000	\$6.52	<b>\$8.41</b>		
	1.5" Meter	First 15,000	\$120.98	<b>\$156.06</b>		
		Next 10,000	\$7.45	<b>\$9.61</b>		
		Next 10,000	\$7.07	<b>\$9.12</b>		
		Next 15,000	\$6.74	<b>\$8.69</b>		
		Over 50,000	\$6.52	<b>\$8.41</b>		
	2" Meter	First 25,000	\$195.50	<b>\$252.20</b>		
		Next 10,000	\$7.07	<b>\$9.12</b>		
		Next 15,000	\$6.74	<b>\$8.69</b>		
		Over 50,000	\$6.52	<b>\$8.41</b>		
		Wholesale	\$2.12	<b>\$2.73</b>		
	Wholesale Rate	Fleming County Water Assoc.	\$2.12	<b>\$2.73</b>		
		City of Olive Hill	<del>\$2.12</del>	<b>\$2.73</b>		

**Rowan Water - System Improvements Project  
Summary Addendum  
Funding Option 1 - 40 year Payback Schedule with Grant  
First Year of Operation - Year Ending in 2023**

<b>Total Project Cost</b>						\$1,880,000
<b>Proposed Funding</b>						
RD Grant Funds						\$380,000
RD Grant Funds (Additional Funds)						\$380,000
Proposed Bond Amount						\$1,120,000
<b>Proposed Debt Service</b>						
RD Loan Annual Debt Service (First 2 years of 40 year loan are deferred) 40 years @ 1.75%						\$39,200
RD Loan Debt Service Coverage (10% of Annual Debt Service)						\$3,920
<i>Total New Project Debt Service</i>						\$43,120
<b>Additional Expenses &amp; Anticipated Debt Service</b>						
Estimated Annual O & M Increase						\$755,243
Short-Lived Assets						\$80,000
						+
<i>Total Additional Expenses &amp; Anticipated Debt Service</i>						\$835,243
Total Annual Increase (Total New Project Debt Service + Total Additional Expenses)						\$878,363
Balance Available for Coverage (For Planned & Ongoing Immediate Projects)						-
<b>Total Additional Annual Revenue Required</b>						<b>\$869,705</b>
Total Additional Annual Revenue Required						\$869,705
Total 2020 Billed Water Revenue						÷
<i>Percentage Rate Increase</i>						<b>29.00%</b>

		2020 Existing Rates	Proposed Rates
5/8" Meter	<i>In Gallons</i>		
	First 2,000	\$19.42	\$25.05
	Next 3,000	\$8.17	\$10.54
	Next 10,000	\$7.62	\$9.83
	Next 10,000	\$7.45	\$9.61
	Next 10,000	\$7.07	\$9.12
	Next 10,000	\$6.74	\$8.69
3/4" Meter	First 4,000	\$36.64	\$47.27
	Next 1,000	\$8.17	\$10.54
	Next 10,000	\$7.62	\$9.83
	Next 10,000	\$7.45	\$9.61
	Next 10,000	\$7.07	\$9.12
	Next 15,000	\$6.74	\$8.69
	Over 50,000	\$6.52	\$8.41
1" Meter	First 5,000	\$44.80	\$57.79
	Next 10,000	\$7.62	\$9.83
	Next 10,000	\$7.45	\$9.61
	Next 10,000	\$7.07	\$9.12
	Next 15,000	\$6.74	\$8.69
	Over 50,000	\$6.52	\$8.41
1.5" Meter	First 15,000	\$120.98	\$156.06
	Next 10,000	\$7.45	\$9.61
	Next 10,000	\$7.07	\$9.12
	Next 15,000	\$6.74	\$8.69
	Over 50,000	\$6.52	\$8.41
2" Meter	First 25,000	\$195.50	\$252.20
	Next 10,000	\$7.07	\$9.12
	Next 15,000	\$6.74	\$8.69
	Over 50,000	\$6.52	\$8.41
	Wholesale	\$2.12	\$2.73
Wholesale Rate	Fleming County Water Assoc.	\$2.12	\$2.73
	City of Olive Hill	<del>(\$2)</del> <sup>2</sup>	\$2.73

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS

XXV. FORECAST OF WATER - INCOME - EXISTING SYSTEM											
MONTHLY WATER USAGE		AVERAGE RATE		No. of Users	Residential		AVERAGE RATE		No. of Users	Commercial	
	AVERAGE Residential	Residential			Usage 1,000	Income	AVERAGE Commercial	Commercial		Usage 1,000	Income
<b>5/8" x 3/4" meter</b>											
0 - 1,000 Gal.	754	\$ 25.05	1103	832	27,630	855	\$ 25.05	104	89	2,605	
1,001 - 2,000 Gal.	1,051	\$ 25.05	995	1,046	24,925	1,950	\$ 25.05	92	179	2,305	
2,001 - 3,000 Gal.	2,050	\$ 25.58	1112	2,280	28,442	2,800	\$ 33.48	99	277	3,315	
3,001 - 4,000 Gal.	3,046	\$ 36.07	998	3,040	36,003	3,850	\$ 44.55	97	373	4,321	
4,001 - 5,000 Gal.	4,050	\$ 46.66	771	3,123	35,973	4,750	\$ 54.04	93	442	5,025	
5,001 - 6,000 Gal.	5,050	\$ 57.16	521	2,631	29,781	5,950	\$ 66.01	45	268	2,970	
6,001 - 7,000 Gal.	6,044	\$ 66.93	334	2,019	22,355	6,900	\$ 75.35	39	269	2,939	
7,001 - 8,000 Gal.	7,200	\$ 78.30	221	1,591	17,303	7,950	\$ 85.67	37	294	3,170	
8,001 - 9,000 Gal.	8,050	\$ 86.65	143	1,151	12,391			0	0	0	
9,001 - 10,000 Gal.	9,050	\$ 96.48	97	878	9,359			0	0	0	
10,001 - 11,000 Gal.	10,250	\$ 108.28	68	697	7,363			0	0	0	
11,001 - 12,000 Gal.	11,300	\$ 115.65	49	554	5,667			0	0	0	
12,001 - 13,000 Gal.	12,200	\$ 127.45	33	403	4,206			0	0	0	
13,001 - 14,000 Gal.	13,100	\$ 136.29	23	301	3,135			0	0	0	
14,001 - 15,000 Gal.	14,150	\$ 146.61	20	283	2,932			0	0	0	
15,001 - 16,000 Gal.	15,200	\$ 156.89	16	243	2,510			0	0	0	
16,001 - 17,000 Gal.	16,150	\$ 166.02	13	210	2,158			0	0	0	
17,001 - 18,000 Gal.	17,200	\$ 176.11	10	172	1,761			0	0	0	
18,001 - 19,000 Gal.	18,200	\$ 185.72	10	182	1,857			0	0	0	
19,001 - 20,000 Gal.	19,300	\$ 196.29	7	135	1,374			0	0	0	
20,000 & Over	22,500	\$ 224.75	25	563	5,619			0	0	0	
	<i>Sub-Total</i>		6569	22,332	\$ 282,744			606	2,192	\$ 26,650	
Average Monthly Rate											
Average Monthly Usage											
<b>3/4" meter</b>											
Resid.	8,025	\$ 87.55	9	72	788						
Comm.	12,192	\$ 126.93						12	146	1,523	
	<i>Sub-Total</i>		9	72	\$ 788			12	146	\$ 1,523	
<b>1" meter</b>											
0 - 20,000 Gal.	7,438	\$ 81.76	16	119	1,308						
20,000 & Over	20,613	\$ 210.03						14	289	2,940	
	<i>Sub-Total</i>		16	119	\$ 1,308			14	289	\$ 2,940	
<b>1.5" meter</b>											
	4,458	\$ 156.06						2	9	312	
	<i>Sub-Total</i>							2	8,916	\$ 312.12	
<b>2" meter</b>											
Resid.	10,411	\$ 252.20	18	187	4,540						
Comm.	34,024	\$ 328.09						17	578	5,578	
	<i>Sub-Total</i>		18	187	\$ 4,540			17	578	\$ 5,578	
<b>Wholesale</b>											
Fleming Cty WA	371,417	\$ 1,013.97						3	1,114	3,042	
City of Olive Hill	370,738	\$ 1,012.11						2	741	2,024	
Sandy Hook WD	0	\$ -						1	0	0	
	<i>Sub-Total</i>							6	1,856	\$ 5,066.13	
	<b>Totals</b>		<b>6612</b>	<b>22,710</b>	<b>\$ 289,379</b>			<b>657</b>	<b>5,070</b>	<b>\$ 42,069</b>	

XXXVI. CURRENT OPERATING BUDGET - (WATER SYSTEM) -						Year Ending 2020
A.	Operating Income:					
	Water Sales					\$ 3,100,581
	Miscellaneous					\$ 168,699
	Other (Describe) - Membership Fees					\$ 675
	Less Allowances and Deductions					
	Total Operating Income					\$ 3,269,955
B.	Operation and Maintenance Expenses:					
	(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)					
	Salaries					\$ 501,484
	Board Member Fees					\$ 26,586
	Employee Retirement & Benefits					\$ 297,135
	Payroll Tax Expense					\$ 42,332
	Purchased Water					\$ 1,283,767
	Purchased Power					\$ 120,954
	Materials & Supplies					\$ 93,541
	Contractual Services					\$ 121,200
	Transportation Expenses					\$ 31,074
	Insurance					\$ 42,329
	Bad Debt Expense					\$ 9,431
	Misc. Expense					\$ 132,924
	Total Operating Expenses					\$ 2,702,757
	Net Operating Income					\$ 567,198
C.	Non-Operating Income:					
	Interest Expense					\$ (198,270)
	Interest Income					\$ 57,210
	Gain on sale of assets					\$ (267,102)
	Total Non-Operating Income					\$ (408,162)
D.	Net Income					\$ 159,036
E.	Debt Repayment:					
	RUS Interest					\$ -
	RUS Principal					\$ 150,378
	Non-RUS Interest					
	Non-RUS Principal					
	Total Debt Repayment					\$ 150,378
F.	Balance Available for Coverage					\$ 8,658
	Balance Available					\$ 8,658
	Coverage Ratio					(15) 1.06

<b>XXXVII. PROPOSED OPERATING BUDGET - (WATER SYSTEM)</b>		
	(1st Full Year of Operation)	Year Ending 2023
A.	Operating Income:	
	Water Sales	\$ 3,977,376
	Miscellaneous	\$ 175,000
	Other (Describe) - Membership Fees	\$ 700
	Less Allowances and Deductions	
	<b>Total Operating Income</b>	<b>\$ 4,153,076</b>
B.	Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
	Salaries	\$ 640,009
	Board Member Fees	\$ 33,930
	Employee Retirement & Benefits	\$ 379,213
	Payroll Tax Expense	\$ 54,025
	Purchased Water	\$ 1,638,382
	Purchased Power	\$ 154,365
	Materials & Supplies	\$ 119,380
	Contractual Services	\$ 154,679
	Transportation Expenses	\$ 39,658
	Insurance	\$ 54,022
	Bad Debt Expense	\$ 12,036
	Misc. Expense	\$ 169,642
	<b>Total Operating Expenses</b>	<b>\$ 3,449,339</b>
	<b>Net Operating Income</b>	<b>\$ 703,737</b>
C.	Non-Operating Income:	
	Interest Expense	\$ (159,694)
	Interest Income	\$ 55,000
	Gain on sale of assets	
	<b>Total Non-Operating Income</b>	<b>\$ (104,694)</b>
D.	<b>Net Income</b>	<b>\$ 599,043</b>
E.	Debt Repayment:	
	RUS Interest	\$ -
	RUS Principal	\$ 79,000
	Non-RUS Interest	
	Non-RUS Principal (KRWFC)	\$ 145,000
	<b>Total Debt Repayment</b>	<b>\$ 224,000</b>
F.	Balance Available for Coverage	\$ 375,043
	Short Lived Assets	\$ 80,000
	Debt Reserve	\$ 5,200
	<b>Balance Available</b>	<b>\$ 289,843</b>
	Coverage Ratio (16)	2.67



XV. ESTIMATED PROJECT COST – WATER

Development	<u>\$ 1,588,000</u>
Land and Rights	<u>                    </u>
Legal	<u>30,000</u>
Engineering	<u>137,000</u>
Interest	<u>5,000</u>
Contingencies	<u>120,000</u>
Initial Operating and Maintenance	<u>0</u>
Other (Refinance existing loan)	<u>0</u>
TOTAL	<u>\$ 1,880,000</u>

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	\$ <u>0</u>
Other Applicant Contribution	<u>0</u>
RUS Loan	<u>1,120,000</u>
RUS Grant	<u>760,000</u>
ARC Grant (If applicable)	<u>0</u>
CDBG (If applicable)	<u>0</u>
Other (Specify)	<u>0</u>
Other (Specify)	<u>0</u>
TOTAL	<u>\$ 1,880,000</u>