

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC APPLICATION OF THE GRAYSON )**  
**COUNTY WATER DISTRICT FOR A )**  
**CERTIFICATE OF PUBLIC CONVENIENCE )**  
**AND NECESSITY TO CONSTRUCT A SYSTEM ) Case No. 2023-00117**  
**IMPROVEMENTS PROJECT AND AN ORDER )**  
**AUTHORIZING THE ISSUANCE OF SECURITIES )**  
**PURSUANT TO KRS 278.023 )**

**A P P L I C A T I O N**

This Application of the Grayson County Water District ("Grayson District"), respectfully shows:

1. That Grayson District is a water district created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.
2. That the post office address of Grayson District is:  
  
Grayson County Water District  
c/o Mr. Jeremy Woosley, District Manager  
21 Shull White Road  
Leitchfield, Kentucky 42754  
Phone: (270) 259-2917  
Fax: (270) 200-4302  
email address: [jwoosley@graysonwater.com](mailto:jwoosley@graysonwater.com)
3. That Grayson District, pursuant to the provisions of KRS 278.023, seeks (i) a Certificate of Public Convenience and Necessity permitting Grayson District to construct a waterworks improvement project (the "Project"); and (ii) an Order approving of the issuance of securities.
4. That the Project is described in Exhibit "A" attached hereto.
5. That Grayson District proposes to finance the construction of the Project through the issuance of (i) \$5,619,000 of its Water System Revenue Bonds; (ii) a USDA, Rural Development ("RD") grant in the amount of \$911,000; and (iii) a loan (F22-002) from the Kentucky Infrastructure

Authority (KIA) Drinking Water State Revolving Fund F in the amount of \$7,231,000 issued pursuant to an Assistance Agreement. Grayson District has a commitment from RD to purchase said \$5,619,000 of Bonds maturing over a 40-year period, at an interest rate not to exceed 1.75% per annum as set out in the RD Letter of Conditions, as amended, filed herewith as an Exhibit. The KIA Loan matures over a 30-year period, at an interest rate of 0.25% per annum as set out in the KIA Commitment Letter filed herewith as an Exhibit.

6. That Grayson District does not contemplate having the Project constructed with any deviation from minimum construction standards of this Commission.

7. That Grayson District files herewith the following Exhibits pursuant to 807 KAR 5:069, Section 2 in support of this Application:

- A. Copy of RD Letter of Conditions, as amended, and Form RD 1940-1 Request for Obligation of Funds (**Exhibit "B"**).
- B. Copy of RD Letter of Concurrence in Contract Award (**Exhibit "C"**).
- C. Copy of Preliminary Engineering Report, Final Engineering Report, certified bid tabulations and Plans and Specifications on electronic storage medium in .pdf format.
- D. Certified statement from the Chairperson of Grayson District (**Exhibit "D"**), based upon statements of the Engineers for Grayson District, concerning the following:
  - (1) The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
  - (2) All other state approvals or permits have been obtained;
  - (3) The current rates of Grayson District shall produce the total revenue requirements recommended in the engineering reports; and
  - (4) Setting out the dates when it is anticipated that construction will begin and end.
- E. Copy of the KIA Commitment Letter and Extension Letter (**Exhibit "E"**).

8. That Grayson District is not requesting a revision in rates and charges in connection with this Application.

9. That the foregoing constitutes the documents necessary to obtain the approval of this Commission in accordance with Section 278.023 of the Kentucky Revised Statutes and in accordance with the "Filing Requirements" specified in 807 KAR 5:069, Section 2.

WHEREFORE, Applicant, the Grayson County Water District, asks that the Public Service Commission of the Commonwealth of Kentucky grant the following:

- a. A Certificate of Public Convenience and Necessity permitting Grayson District to construct a water system improvement project; and
- b. An Order approving the issuance of the following securities by Grayson District; (i) \$5,619,000 of Water System Revenue Bonds maturing over a 40-year period, at an interest rate not to exceed 1.75% per annum; and (ii) a \$7,231,000 KIA Drinking Water State Revolving Fund F Loan maturing over a 30-year period, at an interest rate of 0.25% per annum.

Grayson County Water District

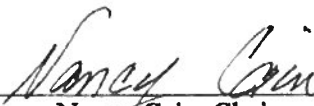
By: Nancy Cain  
Chairperson  
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COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF GRAYSON )


The undersigned, Nancy Cain, being duly sworn, deposes and states that she is the Chairperson of the Board of Commissioners of the Grayson County Water District, Applicant, in the above proceedings; that she has read the foregoing Application and has noted the contents thereof; that the same is true of her own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, she believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this May 22<sup>nd</sup>, 2023.

  
\_\_\_\_\_  
Nancy Cain, Chairperson  
Grayson County Water District

Subscribed and sworn to before me by Nancy Cain, Chairperson of the Board of Commissioners of the Grayson County Water District, on this May 22<sup>nd</sup>, 2023.

My Commission expires: 2/10/2026.

  
\_\_\_\_\_  
Notary Public

Notary Public Number KYNP44526

# **EXHIBIT A**

## **Project Description**

The Project is described in detail in the Final Engineering Report. The need for the Project is also described in the Final Engineering Report.

## **EXHIBIT B**

RD Letter of Conditions, as Amended  
and Form RD 1940-1



April 28, 2021

Mr. John Tomes, Chairman  
Grayson County Water District  
21 Shull White Road  
Leitchfield, Kentucky 42754

RE: FY 21 East West Innerconnect – Phase 2B

Dear Mr. Tomes:

This letter establishes conditions that must be understood and agreed to by you before further consideration may be given to the application. The loan will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area office staff of USDA Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. It should also be understood that Rural Development is under no obligation to provide additional funds to meet an overrun in construction costs.

This letter is not to be considered as loan approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$5,619,000; a RUS Grant not to exceed \$911,000. No applicant cash contribution will be required.

If Rural Development makes the loan, the interest rate will be the lower of the rate in effect at the time of loan approval or the rate in effect at the time of loan closing, unless the applicant otherwise chooses. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application.

The "Letter of Intent to Meet Conditions" must be executed within three weeks from the date of this letter or it becomes invalid unless a time extension is granted by Rural Development.

If the conditions set forth in this letter are not met within 180 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application. In signing Form RD 1942-46, "Letter of Intent to Meet Conditions," you are agreeing to complete the following as expeditiously as possible:

1. Number of Users and Their Contribution:

There shall be 6903 water users, of which all are existing. The Area Director will review and authenticate the number of users prior to advertising for construction bids.

Rural Development • Kentucky State Office  
771 Corporate Drive, Suite 200, Lexington, Kentucky 40502  
Voice (859) 224-7300 • Fax (859) 661-8335 • TTY (859) 224-7422

USDA is an equal opportunity provider, employer and lender.

2. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the Bond. Principal payment will not be deferred. Payments will be in accordance with applicable KRS, which requires interest to be paid semi-annually (January 1 and July 1) and principal will be due on or before the first of January. Rural Development may require the District to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the bond is held or insured by RUS. Monthly payments will be approximate amortized installments.

3. Recommended Repayment Method:

Payments on this loan shall be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," should be signed by the District to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Area Director will furnish the necessary forms and further guidance on the PAD procedure.

4. Reserve Accounts:

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance, pay for repairs, and assist with debt service should the need arise.

The District will be required to deposit \$1,640 per month into a "Funded Debt Reserve Account" until the account reaches \$196,800. The deposits are to be resumed any time the account falls below the \$196,800.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the District's prior bond ordinances.

The monthly deposits to the Reserve Account are required to commence with the first month of the first full fiscal year after the facility becomes operational.

The District also needs to fund an account for short-lived assets by depositing a sum of \$19,389 monthly into the account. The funds in the short-lived asset account may be used by the District as needed to replace or add short-lived assets in the District's utility systems.

5. Security Requirements:

A pledge of gross water revenue(s) will be provided in the Bond Ordinance. Bonds shall rank on a parity with existing bonds, if possible.

If this is not possible, the bond will be subordinate and junior to the existing bonds, in which case the District will be required to abrogate its right to issue additional bonds ranking on a parity with the existing bonds, so long as any unpaid indebtedness remains on this bond issue. Additional security requirements are contained in [RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," and RUS Bulletin 1780-27, "Loan



Resolution Public Body." A draft of all security instruments, including, draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. The Bond Resolution and Loan Resolution must be duly adopted and executed prior to loan closing. The Grant Agreement must be fully executed prior to the first disbursement of grant funds.

6. Land Rights and Real Property:

The District will be required to furnish satisfactory title, easements, etc., necessary to install, maintain and operate the facility to serve the intended users.

The pipelines will be on private rights-of-way where feasible. Easements and options are to be secured prior to advertising for construction bids.

7. Organization:

The District will be legally organized under applicable KRS, which will permit them to perform this service, borrow, or repay money.

The District must maintain a current registration of their Dun and Bradstreet Data Universal Numbering System (DUNS) number in SAM.gov (System for Award Management) in order to receive federal loan and/or grant financial assistance. This registration must be updated/renewed at least annually.

8. Business Operations:

The District will be required to operate the system under a well-established set of resolutions, rules and regulations. A budget must be established annually and adopted by the District after review by Rural Development. At no later than loan pre-closing, the District will be required to furnish a prior approved management plan to include, as a minimum, provisions for management, maintenance, meter reading, miscellaneous services, billing, collecting, delayed payment penalties, disconnect/reconnect fees, bookkeeping, making and delivering required reports and audits.

9. Conflict of Interest Policy:

Prior to obligation of funds, you will certify in writing that your organization has in place an up-to-date written policy on conflict of interest. The policy will include, at a minimum: (1) a requirement for those with a conflict/potential conflict to disclose the conflict/potential conflict, (2) a prohibition of interested members of the applicant's governing body from voting on any matter in which there is a conflict, and (3) a description of the specific process by which the governing body will manage identified or potential conflicts.

You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Sample conflict of interest policies may be found at the National Council of Nonprofits website,

<https://www.councilofnonprofits.org/tools-resources/conflict-of-interest>, or in Internal Revenue Service Form 1023, Appendix A, "Sample Conflict of Interest Policy," at <http://www.irs.gov/pub/irs-pdf/i1023.pdf>. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.

Disclosure must be in the form of a written letter signed and dated by the applicant's official. A negative disclosure of the same format is required if no conflicts are anticipated. Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.

10. Accounts, Records and Audits:

The District will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits)/statistical and financial reports, quarterly and annually, in accordance with subsection 1780.47 of RUS Instruction 1780.

The District shall be required to submit a copy of its audit agreement for review and concurrence by Rural Development prior to pre-closing the loan.

The District will be required to establish and maintain separate accounts for each system. Annual audits, budgets, and reports will be submitted to Rural Development showing separate accounts.

The District shall obtain the assistance of its accountant to establish the District's accounting system. Rural Development review of the accounting system is required.

11. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the District. The District should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The District will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$375,000.
- D. Real Property Insurance - The District will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the District from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The District will obtain and maintain adequate coverage on any facilities located in special flood and mudslide prone areas.

12. Planning and Performing Development:

- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "24" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 days from this date, and prepare bid documents. The Area Director is prepared to furnish the necessary guide to follow so as to keep the project plans and documents within our guidelines and requirements. The project must be constructed by the design/bid/build method of construction. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.
- B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:
1. Final plans, specifications and bid documents.
  2. Applicant's letter on efforts to encourage small business and minority-owned business participation.
  3. Legal Service Agreements.
  4. Engineering Agreements.

Revision in these documents will be subject to Rural Development concurrence. Any agreements, contracts, etc. not reviewed and approved by Rural Development will not be eligible for payment from project funds or revenues from facilities financed by this Agency.

Prior to receipt of an authorization to advertise for construction bids, the District will obtain advance clearance from Bond Counsel and/or Local Counsel regarding compliance with KRS 424 pertaining to publishing of the advertisement for construction bids in local newspapers and the period of time the notice is required to be published.

13. Bid Tabulation:

Immediately after bid opening, you must provide the Agency with the bid tabulation and your engineer's evaluation of bids and recommendations for contract awards. If the Agency agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the requirements of this letter have been satisfied, the Agency will authorize you to issue the Notice of Award.

- A. Cost Overruns – If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding or other means will be considered prior to commitment of subsequent funding by the Agency. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds.

Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.

- B. Excess Funds – If bids are lower than anticipated at time of obligation, excess funds must be de-obligated prior to start of construction except in the cases addressed in this paragraph. In cases where the original PER for the project included items that were not bid, or were bid as an alternate, the State Office official may modify the project to fully utilize obligated funds for those items. Amendments to the PER, ER, and letter of conditions may be needed for any work not included in the original project scope. In all cases, prior to start of construction, excess funds will be de-obligated, with grant funds being de-obligated first. Excess funds do not include contingency funds as described in this letter.

14. Contract Documents, Final Plans, and Specifications:

- A. The contract documents must consist of the EJCDC construction contract documents as indicated in RUS Bulletin 1780-26 or other Agency-approved forms of agreement.
- B. The contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Constructing and Inspections, and must be submitted to the Agency for concurrence prior to advertising for bids along with an updated cost estimate. The Agency may require another updated cost estimate if a significant amount of time elapses between the original submission and advertising for bids.
- C. The use of any procurement method other than competitive sealed bids must be requested in writing and approved by the Agency.

15. Contract Review:

Your attorney will certify that the executed contract documents, including performance and payment, if required, are adequate and that the persons executing these documents have been properly authorized to do so in accordance with RUS Instruction 1780.61 (b).

16. Civil Rights & Equal Opportunity:

You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

A. Section 504 of the Rehabilitation Act of 1973:

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

B. Civil Rights Act of 1964:

All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews.

Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this Title.

C. The Americans with Disabilities Act (ADA) of 1990:

This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

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

E. Limited English Proficiency (LEP) under Executive Order 13166:

LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons.

LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled, "Improving Access to Services by Persons with Limited English Proficiency" and further affirmed in the USDA Departmental Regulation 4330-005, "Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA."

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. You must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor your compliance with these requirements during compliance reviews.

17. Closing Instructions:

The Office of General Counsel, our Regional Attorney, will be required to write closing instructions in connection with this loan. Conditions listed therein must be met by the District.

18. Compliance with Special Laws and Regulations:

The District will be required to conform to any and all state and local laws and regulations affecting this type project.

19. Treatment Plant and System Operator:

The District is reminded that the water treatment plant and water system operator must have an Operator's Certificate issued by the State.

20. Prior to Pre-Closing the Loan, the District Will Be Required to Adopt:

- A. Form RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)."
- B. Form RD 400-1, "Equal Opportunity Agreement."
- C. Form RD 400-4, "Assurance Agreement."
- D. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- E. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- F. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."
- G. RUS Bulletin 1780-22, "Eligibility Certification."

21. Refinancing and Graduation Requirements:

The District is reminded that if at any time it shall appear to the Government that the District is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the request of the Government, the District will apply for and accept such loan in sufficient amount to repay the Government.

22. Commercial Interim Financing:

The District will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the District will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date

in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

23. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the Association prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

For each "construction account" as established, if the amount of RUS loan and grant funds plus any applicant contributions or funds from other sources to be deposited into the account are expected to exceed \$250,000 at any time, the financial institution will secure the amount in excess of \$250,000 by pledging collateral with the Federal Reserve Bank in an amount not less than the excess in accordance with 7 CFR, 1902.7(a).

Agency funds will be disbursed into the construction account through an electronic transfer system. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

Monthly audits of the Association's construction account records shall be made by Rural Development.

Borrowers receiving federal loan and/or grant funds by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment

Any applicant contribution will be the first funds expended, followed by other funding sources. Interim financing or Agency loan funds will be expended after all other funding sources unless an agreement is reached with all other funding sources on how funds are to be disbursed prior to start of construction or loan closing, whichever occurs first. Interim financing funds or Agency loan funds must be used prior to the use of Agency grant funds. The Grant funds must not be disbursed prior to loan funds except as specified in RUS Instruction 1780.45 (d). In the unlikely event the Agency mistakenly disburses funds, the funds will be remitted back to the Agency electronically.

During construction, the Association shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the Association, the Board of Directors shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the Association.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing \_\_\_\_\_," will be prepared by the Association and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

24. Project Budget:

Estimated expenditures are as follows:

Project Costs:

Development	\$5,042,000
Legal and Administrative	250,000
Interest	60,000
Engineering Fees	630,000
Contingencies	<u>504,000</u>
TOTAL PROJECT COST	\$6,530,000

Project Funding:

RUS Loan	\$5,619,000
RUS Grant	<u>\$ 911,000</u>
TOTAL FUNDING	\$6,530,000

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. Prior to advertisement for construction bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

Obligated loan or grant funds not needed to complete the proposed project will be de-obligated prior to start of construction. Any reduction will be applied to grant funds first. An amended letter of conditions will be issued for any changes to the total project budget.

25. Construction Completion Timeframe:

All projects are required to be completed and all funds disbursed within five years of obligation. If funds are not disbursed within five years of obligation, you must submit a written waiver request with adequate justification of extenuating circumstances beyond your control for an extension of time. Any additional requests for waivers beyond the initial extension will be submitted through the State Office to the Assistant Administrator for concurrence decision.

26. Use of Remaining Project Funds:

After providing for all authorized costs, any remaining project funds will be considered to be RUS loan funds and refunded in proportion to participation in the project.

27. Proposed Operating Budget:

You will be required to submit to Rural Development a copy of your proposed annual operating budget that supports the proposed loan repayment prior to this agency giving you written authorization to proceed with the bidding phase. The operating budget should



be based on a typical year cash flow, subject to completion of this project in the first full year of operation. Form RD 442-7, "Operating Budget," or similar form may be utilized for this purpose.

28. Rates and Charges:

Rates and charges for facilities and services rendered by the District must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

5/8"x 3/4" Meter

First	1,500	gallons @ \$19.35 - Minimum Bill.
Next	8,500	gallons @ \$ 9.07 – per 1,000 gallons.
Next	40,000	gallons @ \$ 8.15 – per 1,000 gallons.
Next	100,000	gallons @ \$ 7.23 – per 1,000 gallons.
All Over	150,000	gallons @ \$ 6.34 – per 1,000 gallons.

3/4" Meter

First	3,000	gallons @ \$32.95 - Minimum Bill.
Next	7,000	gallons @ \$ 9.07 – per 1,000 gallons.
Next	40,000	gallons @ \$ 8.15 – per 1,000 gallons.
Next	100,000	gallons @ \$ 7.23 – per 1,000 gallons.
All Over	150,000	gallons @ \$ 6.34 – per 1,000 gallons.

1" Meter

First	5,000	gallons @ \$51.10 - Minimum Bill.
Next	5,000	gallons @ \$ 9.07 – per 1,000 gallons.
Next	40,000	gallons @ \$ 8.15 – per 1,000 gallons.
Next	100,000	gallons @ \$ 7.23 – per 1,000 gallons.
All Over	150,000	gallons @ \$ 6.34 – per 1,000 gallons.

1 1/2" Meter

First	10,000	gallons @ \$96.45 - Minimum Bill.
Next	40,000	gallons @ \$ 8.15 – per 1,000 gallons.
Next	100,000	gallons @ \$ 7.23 – per 1,000 gallons.
All Over	150,000	gallons @ \$ 6.34 – per 1,000 gallons.

2" Meter

First	16,000	gallons @ \$145.35 - Minimum Bill.
Next	34,000	gallons @ \$ 8.15 – per 1,000 gallons.
Next	100,000	gallons @ \$ 7.23 – per 1,000 gallons.
All Over	150,000	gallons @ \$ 6.34 – per 1,000 gallons.

3" Meter

First 30,000 gallons @ \$259.45 - Minimum Bill.  
 Next 20,000 gallons @ \$ 8.15 – per 1,000 gallons.  
 Next 100,000 gallons @ \$ 7.23 – per 1,000 gallons.  
 All Over 150,000 gallons @ \$ 6.34 – per 1,000 gallons.

4" Meter

First 50,000 gallons @ \$422.45 - Minimum Bill.  
 Next 100,000 gallons @ \$ 7.23 – per 1,000 gallons.  
 All Over 150,000 gallons @ \$ 6.34 – per 1,000 gallons.

6" Meter

First 100,000 gallons @ \$783.95 - Minimum Bill.  
 Next 50,000 gallons @ \$ 7.23 – per 1,000 gallons.  
 All Over 150,000 gallons @ \$ 6.34 – per 1,000 gallons.

8" Meter

First 150,000 gallons @ \$1,145.45 - Minimum Bill.  
 All Over 150,000 gallons @ \$ 6.34 – per 1,000 gallons.

10" Meter

First 250,000 gallons @ \$1,779.45 - Minimum Bill.  
 All Over 250,000 gallons @ \$ 6.34 – per 1,000 gallons.

City of Caneyville - \$2.725 per 1,000 gallons.

29. Water Purchase Contract:

The District will submit a Water Purchase Contract for approval by Rural Development before advertising for construction bids. If the contract is not on Form RD 442-30, "Water Purchase Contract," the contract will require approval by our Regional Attorney. The contract must meet the requirements of subsection 1780.62 of RUS Instruction 1780, which includes there must be 40 years left on the term of the water purchase contract. The contract term must match the term of the loan.

30. Vulnerability Assessment/Emergency Response Plan (VA/ERP):

The Agency requires all financed water and wastewater systems to have a VA/ERP in place. Borrowers with existing systems must provide a certification that a VA/ERP has been completed prior to advertising for bids. The documents are not submitted to the Agency for VA/ERP requirements throughout the life of the loan.

31. Floodplain Construction:

The District will be required to pass and adopt a Resolution or amend its By-Laws whereby the District will deny any water service to any future customer wishing to build on or develop property located within a designated floodplain.

If a customer or developer requests service for construction in a designated floodplain, the customer or developer must provide evidence and a justification for approval by the District and Rural Development officials that there are no other alternatives to construction or development within the designated floodplain. The community must be a participant in the National Flood Insurance Program (NFIP), and the customer or developer must obtain the required permits prior to the tap on restrictions being waived.

32. Water Withdrawal Permit:

The District will be required to obtain satisfactory evidence that a revised water withdrawal permit has been secured from the Division of Water. The permit must be obtained prior to the commencement of construction on the water project.

33. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Governor's Office for Local Development letter dated April 1, 2020, from Ms. Lee Nalley.
- B. The design and construction shall be in compliance with the requirements of the U.S. Fish and Wildlife Service by letter dated July 31, 2020, and signed by Virgil Lee Andrews, Jr. Field Supervisor.
- C. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without effect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
- D. Any excavation by Contractor that uncovers a historical or archaeological artifact shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted until RD can consult with the State Historical Preservation Officer and issue further directions.
- E. The design and construction shall be in compliance with all local, state, and federal environmental statutes, regulations, and executive orders applicable to the project.
- F. Best Management Practices shall be incorporated into the project design, construction, and maintenance.

34. System for Award Management:

You will be required to maintain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain an active registration in the System for Award Management (SAM) database. Renewal can be done on-line at: <http://sam.gov>.

This registration must be renewed and revalidated every twelve (12) months for as long as there are Agency funds to be expended.

To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The

registration process may take up to 10 business days. (See 2 CFR Part 25 and the "Help" section at <http://sam.gov>).

35. Prepayment and Extra Payments:

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

*Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.*

36. Security/Operational Inspections:

The Agency will inspect the facility and conduct a review of your operations and records management system and conflict of interest policy every three years for the life of the loan. You must participate in these inspections and provide the required information.

37. American Iron and Steel:

Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) applies a new American Iron and Steel requirement:

- (1) No Federal funds made available for this fiscal year for the rural water, waste water, waste disposal, and solid waste management programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 et seq.) shall be used for a project for the construction, alteration, maintenance, or repair of a public water or wastewater system unless all of the iron and steel products used in the project are produced in the United States.
- (2) The term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
- (3) The requirement shall not apply in any case or category of cases in which the Secretary of Agriculture (in this section referred to as the "Secretary") or the designee of the Secretary finds that— a. applying the requirement would be inconsistent with the public interest; b. iron and steel products are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or c. inclusion of iron and steel products

produced in the United States will increase the cost of the overall project by more than 25 percent.

38. Final Approval Conditions:

Final approval of this assistance will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

If you desire to proceed with your application, the Area Director will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,

**TRACI  
VAUGHT**

Digitally signed by  
TRACI VAUGHT  
Date: 2021.04.27  
16:07:42 -04'00'

TRACI VAUGHT  
Acting State Director

Enclosures

cc: Field Director – Shelbyville, Kentucky  
Field Specialist – Columbia, Kentucky  
Lincoln Trail ADD – Elizabethtown, Kentucky  
Rubin & Hays – Louisville, Kentucky  
Kentucky Engineering – Versailles, Kentucky  
Thomas Goff – Leitchfield, Kentucky  
PSC – ATTN: Talina Mathews – Frankfort, Kentucky



Rural Development

May 17, 2021

Kentucky State Office

771 Corporate Drive,  
Suite 200  
Lexington, KY  
40503

Mr. John Tomes, Chairman  
Grayson County Water District  
21 Shull White Road  
Leitchfield, Kentucky 42754

Voice 859.224.7300  
Fax 855.661.8335  
TTY 859.224.7422

Re: Letter of Conditions Dated April 28, 2021  
FY 21 East West Interconnect – Phase 2B Project

Dear Mr. Tomes:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated April 28, 2021. The purpose of this amendment is to revise the project costs.

Paragraph numbered "24" is revised to read as follows:

"24. Project Budget:

Estimated expenditures are as follows:

Project Costs:

Development	\$5,042,000
Land and Rights	250,000
Legal Services	60,000
Interest	44,000
Engineering Fees	630,000
Contingencies	<u>504,000</u>
TOTAL PROJECT COST	\$6,530,000

Project Funding:

RUS Loan	\$5,619,000
RUS Grant	<u>\$ 911,000</u>
TOTAL FUNDING	\$6,530,000

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. Prior to advertisement for construction bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

USDA is an equal opportunity provider, employer and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,

TRACI Digitally signed  
by TRACI VAUGHT  
Date: 2021.05.17  
08:55:13 -04'00'  
VAUGHT

TRACI VAUGHT  
Acting State Director

cc: Field Director – Shelbyville, Kentucky  
Field Specialist – Columbia, Kentucky  
Lincoln Trail ADD – Elizabethtown, Kentucky  
Rubin & Hays – Louisville, Kentucky  
Kentucky Engineering – Versailles, Kentucky  
Thomas Goff – Leitchfield, Kentucky  
PSC – ATTN: Talina Mathews – Frankfort, Kentucky



United States Department of Agriculture

Rural Development

May 23, 2023,

Kentucky State Office

771 Corporate Drive,  
Suite 200  
Lexington, KY  
40503

Ms. Nancy Cain, Chairman  
Grayson County Water District  
21 Shull White Road  
Leitchfield, Kentucky 42754

Voice 859.224.7300  
Fax 855.661.8335  
TTY 859.224.7422

Re: Letter of Conditions Dated April 28, 2021

Dear Ms. Cain:

This letter shall serve as Amendment No. 2 to the Letter of Conditions dated April 28, 2021. The purpose of this amendment is to revise project costs and project funding sources.

"24. Project Budget:

Estimated expenditures are as follows:

Project Costs:

Legal and Administration	\$80,000
Land and Rights	250,000
Preliminary Engineering Report	20,000
Basic Engineering Services	404,000
Construction Inspection	235,000
Additional Services	70,000
Construction – Contract 5	695,600
Construction – Contract 6	8,584,310
Construction – Contact 7	1,631,780
Miscellaneous	699,141
Contingencies	<u>\$1,091,169</u>
TOTAL PROJECT COST	\$13,761,000

Project Funding:

RUS Loan	\$5,619,000
RUS Grant	911,000
Drinking Water SRF	<u>\$7,231,000</u>
TOTAL FUNDING	\$13,761,000"

USDA is an equal opportunity provider, employer and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).



All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,

**KIMBERLY  
MCCAY**

Digitally signed by  
KIMBERLY MCCAY  
Date: 2023.05.23 08:34:59  
-04'00'

DR. THOMAS E. CAREW  
State Director

cc: Field Director – Shelbyville, Kentucky  
Field Specialist - Elizabethtown, Kentucky  
Lincoln Trail ADD - Elizabethtown, Kentucky  
Rubin & Hays -Louisville, Kentucky  
Kentucky Engineering- Versailles, Kentucky  
Thomas Goff- Leitchfield, Kentucky  
PSC - ATTN: Linda Bridewell - Frankfort, Kentucky



REQUEST FOR OBLIGATION OF FUNDS

<b>INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( )</b> Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
<b>1. CASE NUMBER</b> ST CO BORROWER ID 20-043-*****8814		<b>LOAN NUMBER</b>	<b>FISCAL YEAR</b>
<b>2. BORROWER NAME</b> Grayson County Water District		<b>3. NUMBER NAME FIELDS</b> (1, 2, or 3 from Item 2)	
		<b>4. STATE NAME</b> Kentucky	
		<b>5. COUNTY NAME</b> Grayson	
<b>GENERAL BORROWER/LOAN INFORMATION</b>			
<b>6. RACE/ETHNIC CLASSIFICATION</b> 1 - WHITE 2 - BLACK 3 - ASIAN 4 - HISPANIC 5 - API	<b>7. TYPE OF APPLICANT</b> 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER		<b>8. COLLATERAL CODE</b> 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT
<b>9. EMPLOYEE RELATIONSHIP CODE</b> 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.	<b>10. SEX CODE</b> 1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGAN MALE OWNED 5 - ORGAN FEMALE OWNED 6 - PUBLIC BODY	<b>11. MARITAL STATUS</b> 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	<b>12. VETERAN CODE</b> 1 - YES 2 - NO
<b>13. CREDIT REPORT</b> 1 - YES 2 - NO	<b>14. DIRECT PAYMENT</b> 3 (See FMI)	<b>15. TYPE OF PAYMENT</b> 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	<b>16. FEE INSPECTION</b> 1 - YES 2 - NO
<b>17. COMMUNITY SIZE</b> 1 - 10 000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000		<b>18. USE OF FUNDS CODE</b> (See FMI)	
<b>COMPLETE FOR OBLIGATION OF FUNDS</b>			
<b>19. TYPE OF ASSISTANCE</b> 067 (See FMI)	<b>20. PURPOSE CODE</b>	<b>21. SOURCE OF FUNDS</b>	<b>22. TYPE OF ACTION</b> 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION
<b>23. TYPE OF SUBMISSION</b> 1 - INITIAL 2 - SUBSEQUENT	<b>24. AMOUNT OF LOAN</b> \$5,619,000.00	<b>25. AMOUNT OF GRANT</b> \$911,000.00	
<b>26. AMOUNT OF IMMEDIATE ADVANCE</b>	<b>27. DATE OF APPROVAL</b> MO DAY YR 05 07 21	<b>28. INTEREST RATE</b> 1.7500 %	<b>29. REPAYMENT TERMS</b> 40
<b>COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS</b>			
<b>30. PROFIT TYPE</b> 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
<b>COMPLETE FOR EM LOANS ONLY</b>		<b>COMPLETE FOR CREDIT SALE-ASSUMPTION</b>	
<b>31. DISASTER DESIGNATION NUMBER</b> (See FMI)	<b>32. TYPE OF SALE</b> 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN		
<b>FINANCE OFFICE USE ONLY</b>		<b>COMPLETE FOR FP LOANS ONLY</b>	
<b>33. OBLIGATION DATE</b> MO DA YR	<b>34. BEGINNING FARMER/RANCHER</b> (See FMI)		

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder    COPY 1 - Finance Office    COPY 2 - Applicant/Lender    COPY 3 - State Office

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0062. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

Approval of financial assistance is subject to the provisions of the Letter of Conditions dated April 28, 2021, and any amendments thereto.

5/17/21 Obligation entered over terminal @ 1:45 pm, on

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form.  YES  NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date APRIL 30, 20 21

John R. Tomes, Chairman

(Signature of Applicant)

Date \_\_\_\_\_, 20 \_\_\_\_\_

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

Traci Vaughn

(Signature of Approving Official)

Typed or Printed Name: Traci Vaughn

Date Approved: 5/17/21

Title: Acting State Director

38. TO THE APPLICANT: As of this date 5/17/21 on, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

## **EXHIBIT C**

**RD Letter of Concurrence in Contract Award**



United States Department of Agriculture

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**Rural Development**

May 25, 2023

Kentucky State Office

771 Corporate Drive,  
Suite 200  
Lexington, KY  
40503

**SUBJECT:** Grayson Co. Water District  
East-West Interconnect Phase 2  
Contract Award Concurrence

Voice 859.224.7300  
Fax 859.224.7425  
TTY 859.224.7422

**TO:** Area Office  
Elizabethtown, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of Contract 5 to the low bidder Currens Construction, LLC, in the amount of \$695,600; Contract 6 to the low bidder Cleary Construction, Inc., in the amount of \$8,854,309.50; and Contract 7 to the low bidder Scott and Ritter, Inc., in the amount of \$1,631,780.

If you have any questions, please contact Julie Anderson, State Engineer, at (859) 224-7348.

*Julie Anderson*  
Julie Anderson  
State Director  
Rural Development

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

# **EXHIBIT D**

## **Certificate of Chairperson**

**CERTIFICATE OF CHAIRPERSON OF GRAYSON COUNTY  
WATER DISTRICT AS TO STATEMENT REQUIRED BY  
SECTION 2(6) OF 807 KAR 5:069**

I, the undersigned, hereby certify that I am the duly qualified and acting Chairperson of the Grayson County Water District ("Grayson District") and that Grayson District is in the process of arranging to finance the construction of improvements to the water system (the "Project"), in cooperation with Kentucky Engineering Group, PLLC, Versailles, Kentucky, the Engineers for the District (the "Engineers").

Based on information furnished to me by said Engineers, I hereby certify as follows:

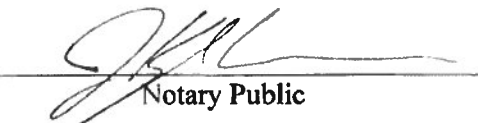
1. That the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
2. That all other state approvals and/or permits have been obtained.
3. That the current rates of Grayson District are contemplated to produce total revenue requirements recommended in the Engineering Reports prepared by such Engineers and filed with the Kentucky Public Service Commission.
4. That it is now contemplated that construction of the Project will begin on or about July 1, 2023, and will end on or about December 22, 2024.

IN TESTIMONY WHEREOF, witness my signature this May 22<sup>nd</sup>, 2023.

  
\_\_\_\_\_  
Chairperson  
Grayson County Water District

STATE OF KENTUCKY            )  
  ) SS  
COUNTY OF GRAYSON        )

Subscribed and sworn to before me by Nancy Cain, Chairperson of the Board of Commissioners of the Grayson County Water District on this May 22, 2023.

  
\_\_\_\_\_  
Notary Public

Notary Public Number KYNP 44526



## **EXHIBIT E**

**KIA Commitment Letter and Extension Letter**



**KENTUCKY INFRASTRUCTURE AUTHORITY**

**Andy Beshear**  
Governor

100 Airport Road  
Frankfort, Kentucky 40601  
(502) 573-0260  
kia.ky.gov

**Sandy Williams**  
Executive Director

March 8, 2022

Mrs. Nancy Cain, Chair  
Grayson County Water District  
21 Shull White Rd.  
Leitchfield, KY 42754

**KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (F22-002)**

Dear Chair Cain:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On February 9, 2022, the Authority approved your loan for the GCWD East - West Improvements II project subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed \$7,231,000, without prior authorization, of which the Authority is the sole source of the funding. The final loan amount will be equal to the amount of funds disbursed for the project. Attachment B incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Grayson County Water District upon satisfactory performance of the conditions set forth in Attachment A. You must meet the conditions set forth in Attachment A and enter into an Assistance Agreement by March 8, 2023 (twelve months from the date of this letter). 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.

**TEAM**  
**KENTUCKY.**

An Equal Opportunity Employer M/F/D

Chair Cain  
March 8, 2022  
Page 2

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,



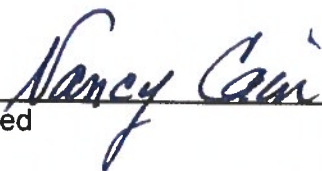
Sandy Williams  
Executive Director

Attachments

cc: Holly Nicholas, Kentucky Engineering Group, PLLC  
Kentucky Engineering Group, PLLC, Robert Taylor

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms along with the completed "Transparency Act Reporting Information Form". Complete the attached "Authorization for Electronic Deposit of Vendor Payment Form" and the "ACH Debit Authorization Form" and **return to the US Bank address at the bottom of each form**. Also included are the "Legal Counsel Certification Letter" sample and the "Statement of Approval of Projections of Revenue and Expenses" for you to complete at the appropriate time. These forms and an SRF loan checklist guide can be found in Attachment C of this letter.

Accepted



Date

7/13/2022

## ATTACHMENT A

### Conditions

#### Grayson County Water District F22-002

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

1. The Authority project loan shall not exceed \$7,231,000 without prior authorization.
2. Principal forgiveness of .50% of the assistance amount, not to exceed \$1,000,000.00 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.
3. The loan shall bear interest at the rate of .25% per annum commencing with the first draw of funds.
4. Interest shall be payable on the unforgiven 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. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day. Please complete and return the "ACH Debit Authorization" form in Attachment C of this letter to U.S. Bank for processing.
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. The loan shall be repaid over a period not to exceed 30 years from the date of initiation of operation for the project.
7. A loan servicing fee of 0.25% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
8. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.

9. The Authority loan funds must be expended within six months of the official date of initiation of operation.
10. Fund "F" loan funds may be considered to be federal funds. If more than \$750,000 of federal funds is disbursed during any one (borrower) fiscal year, the borrower is required to have a single or program-specific audit conducted for that year in accordance with 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
11. The Authority requires that an annual financial audit be provided for the life of the loan.
12. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
13. The Borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

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. Any special conditions listed in Attachment B must be satisfied before the project is presented before the Committee.
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 the "Authorization for Electronic Deposit of Borrower Payment" form in Attachment C of this letter to U.S. Bank.
7. The Borrower must provide documentation of Eclearinghouse Endorsement and Eclearinghouse Comments.
8. Prior to the project bid, an environmental review shall be conducted by the Division of Water for all construction projects receiving State Revolving Funds ("SRF") money.
9. Technical plans and specifications and a complete SRF specifications checklist shall be approved by the Division of Water prior to project bid.
10. 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.
11. Project changes or additions deviating from the original scope of work described in the Project Profile may require a new or amended environmental review and change order review before they can be included in the SRF loan project.
12. The Borrower 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.
13. The Borrower shall implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
14. 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 for all work relating to the subject Project.
15. The project shall comply with the reporting requirements of the Transparency Act, and shall complete the Transparency Act Reporting

Information Form in Attachment C of this letter and provide to the Authority no later than 30 days after the KIA Board approval date of your loan.

16. Based on the final "as-bid" project budget, the Borrower must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by the consulting engineer.
17. The project shall comply with American Iron and Steel 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.

**ATTACHMENT B**

**Executive Summary and Credit Analysis**

**Grayson County Water District  
F22-002**



<b>EXECUTIVE SUMMARY</b>		Reviewer	John Brady		
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	February 9, 2022		
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F22-002		
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21085037		
<b>BORROWER</b>		GRAYSON COUNTY WATER DISTRICT GRAYSON COUNTY			
<b>BRIEF DESCRIPTION</b>					
The Grayson County Water District (GCWD) is requesting a Fund F loan in the amount of \$7,231,000 for the GCWD East – West Improvements II project. This project will consist of comprehensive improvements to the Water Treatment Plant and the distribution system that will result in more reliable and safer water for customers. Major components of the project include the construction and replacement of water lines, upgrading existing pumps, and the rehabilitation of two storage tanks.					
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>			
Fund F Loan	\$7,231,000	RD Fee %	Actual %		
<b>TOTAL</b>	<b>\$7,231,000</b>	<b>TOTAL</b>	<b>\$7,231,000</b>		
<b>REPAYMENT</b>		Rate	0.25%		
		Term	30 Years		
		Est. Annual Payment	\$231,293		
		1st Payment	6 Mo. after first draw		
<b>PROFESSIONAL SERVICES</b>		Engineer	Kentucky Engineering Group, PLLC		
		Bond Counsel	Rubin & Hays		
<b>PROJECT SCHEDULE</b>		Bid Opening	Aug-22		
		Construction Start	Mar-23		
		Construction Stop	Mar-24		
<b>DEBT PER CUSTOMER</b>		Existing	\$1,113		
		Proposed	\$1,669		
<b>OTHER DEBT</b>		See Attached			
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>		
	Current	7,068	\$44.25 (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 2018		1,079,603	1,450,670	(371,067)	0.7
Audited 2019		1,101,970	1,971,028	(869,058)	0.6
Audited 2020		1,000,891	835,496	165,395	1.2
Projected 2021		1,067,662	872,292	195,370	1.2
Projected 2022		1,212,490	839,139	373,351	1.4
Projected 2023		1,148,052	603,888	544,164	1.9
Projected 2024		1,100,787	717,434	383,354	1.5
Projected 2025		1,052,577	831,739	220,838	1.3

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

	Audited 2018	Audited 2019	Audited 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	946,401	833,662	876,942	924,514	1,013,684	1,122,517	1,199,188	1,243,355
Other Assets	21,625,888	21,205,132	21,904,183	21,201,378	20,640,958	20,054,513	26,570,420	25,725,314
<b>Total</b>	<b>22,572,289</b>	<b>22,038,794</b>	<b>22,781,125</b>	<b>22,125,892</b>	<b>21,654,642</b>	<b>21,177,030</b>	<b>27,769,608</b>	<b>26,968,670</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	806,923	806,295	1,001,967	970,970	754,693	976,893	992,993	1,010,193
Long Term Liabilities	7,901,834	7,305,974	7,435,290	6,730,051	6,329,051	5,709,851	11,309,651	10,665,451
<b>Total Liabilities</b>	<b>8,708,757</b>	<b>8,112,269</b>	<b>8,437,257</b>	<b>7,701,021</b>	<b>7,083,744</b>	<b>6,686,744</b>	<b>12,302,644</b>	<b>11,675,644</b>
<b>Net Assets</b>	<b>13,863,532</b>	<b>13,926,525</b>	<b>14,343,868</b>	<b>14,424,871</b>	<b>14,570,898</b>	<b>14,490,286</b>	<b>15,466,964</b>	<b>15,293,026</b>
<b>Cash Flow</b>								
Revenues	3,481,407	3,514,252	3,544,715	3,656,025	3,846,282	3,846,282	3,846,282	3,846,282
Operating Expenses	2,488,106	2,511,284	2,635,655	2,680,195	2,725,624	2,700,062	2,837,327	2,895,537
Other Income	86,302	99,002	91,832	91,832	91,832	91,832	91,832	91,832
<b>Cash Flow Before Debt Service</b>	<b>1,079,603</b>	<b>1,101,970</b>	<b>1,000,891</b>	<b>1,067,662</b>	<b>1,212,490</b>	<b>1,148,052</b>	<b>1,100,787</b>	<b>1,052,577</b>
<b>Debt Service</b>								
Existing Debt Service	1,450,670	1,971,028	835,496	872,292	839,139	603,888	601,787	600,446
Proposed KIA Loan	0	0	0	0	0	0	115,647	231,293
<b>Total Debt Service</b>	<b>1,450,670</b>	<b>1,971,028</b>	<b>835,496</b>	<b>872,292</b>	<b>839,139</b>	<b>603,888</b>	<b>717,434</b>	<b>831,739</b>
<b>Cash Flow After Debt Service</b>	<b>(371,067)</b>	<b>(869,058)</b>	<b>165,395</b>	<b>195,370</b>	<b>373,351</b>	<b>544,164</b>	<b>383,354</b>	<b>220,838</b>
<b>Ratios</b>								
Current Ratio	1.2	1.0	0.9	1.0	1.3	1.1	1.2	1.2
Debt to Equity	0.6	0.6	0.6	0.5	0.5	0.5	0.8	0.8
Days Sales in Accounts Receivable	27.3	27.2	27.9	27.9	27.9	27.9	27.9	27.9
Months Operating Expenses in Unrestricted Cash	0.7	0.3	0.9	1.0	1.3	1.8	2.1	2.2
Debt Coverage Ratio	0.7	0.6	1.2	1.2	1.4	1.9	1.5	1.3

Reviewer: John Brady  
Date: February 9, 2022  
Loan Number: F22-002

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
GRAYSON COUNTY WATER DISTRICT, GRAYSON COUNTY  
PROJECT REVIEW  
WX21085037**

**I. PROJECT DESCRIPTION**

The Grayson County Water District (GCWD) is requesting a Fund F loan in the amount of \$7,231,000 for the GCWD East – West Improvements II project. This project will consist of comprehensive improvements to the Water Treatment Plant and the distribution system that will result in more reliable and safer water for customers. Major components of the project include the construction and replacement of water lines, upgrading existing pumps, and the rehabilitation of two storage tanks. The project will upgrade existing treatment components that will help address water quality issues outlined in an Agreed Order for TTHM's in purchased water.

The GCWD currently serves over 6,700 residential customers and over 350 commercial and industrial customers. They purchase water from the City of Leitchfield and provide wholesale service to the City of Caneyville.

**II. PROJECT BUDGET**

	<u>Total</u>
Land, Easements	\$ 236,000
Planning	20,000
Engineering Fees - Design	259,000
Engineering Fees - Construction	65,000
Engineering Fees - Inspection	205,000
Engineering Fees - Other	105,000
Construction	5,765,000
Contingency	576,000
<b>Total</b>	<b>\$ 7,231,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 7,231,000	100%
<b>Total</b>	<b>\$ 7,231,000</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 7,231,000
Less: Principal Forgiveness	1,000,000
Amortized Loan Amount	\$ 6,231,000
Interest Rate	0.25%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 215,716
Administrative Fee (0.25%)	15,578
<b>Total Estimated Annual Debt Service</b>	<b>\$ 231,293</b>

#### V. PROJECT SCHEDULE

Bid Opening	August 2022
Construction Start	March 2023
Construction Stop	March 2024

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

Customers	Current
Residential	6,711
Commercial	296
Industrial	61
Total	7,068

##### B) Rates

Water	Current	Prior	Prior
Date of Last Rate Increase	12/14/21	06/16/20	07/04/15
Minimum (1,500 gallons)	\$20.37	\$19.35	\$18.09
Next 8,500 gallons (per 1,000)	9.55	9.07	8.56
Cost for 4,000 gallons	\$44.25	\$42.03	\$39.49
Increase %	5.3%	6.4%	
Affordability Index (Rate/MHI)	1.3%	1.3%	

#### VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate

2015-2019, the Utility's service area population was 14,246 with a Median Household Income (MHI) of \$39,371. The median household income for the Commonwealth is \$50,589. The project will qualify for a 0.25% interest rate.

#### **VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$1,000,000 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.

#### **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended December 31, 2018 through December 31, 2020. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

##### **HISTORY**

Water revenues increased 2.5% from \$3.48 million in 2018 to \$3.54 million in 2020 due to a rate increase that went into effect in June 2020. Operating expenses increased 5.9% from \$2.49 million to \$2.64 million during the same period due to higher payroll and contract service costs. The debt coverage ratio was 0.7, 0.6, and 1.2 in 2018, 2019, and 2020.

The balance sheet reflects a current ratio of 0.9, a debt to equity ratio of 0.6, 27.9 days of sales in accounts receivables, and 0.9 months operating expenses in unrestricted cash.

##### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water revenues are projected to increase 3.2% in 2021 and 5.3% in 2022 due to existing rate increases.
- 2) Operating expenses are projected to increase 2% annually due to inflation.
- 3) Debt service coverage is 1.5 in 2024 when principal and interest repayments begin.

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

The GCWD is regulated by the Public Service Commission (PSC). They will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$7,231,000 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

**REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$362,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$18,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan F01-02	\$ 459,439	2022
2009 KY Rural Water Note	40,000	2029
2012 KY Rural Water Note	2,600,000	2034
2013 KY Rural Water Note	970,000	2057
2019 KY Rural Water Note	1,040,000	2060
Series 2013 Bonds	1,270,000	2052
Series 2017 Bonds	689,500	2057
Series 2020 Bonds	<u>795,000</u>	2060
<b>Total</b>	<b>\$ 7,863,939</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	Grayson County Water District
Authorized Official	Nancy Cain (Chair)
County	Grayson
Email	ncain@graysonwater.com
Phone	(270) 259-2917
Address	21 Shull White Rd. Leitchfield, KY 42754

<b>Applicant Contact</b>	
Name	Jeremy Woosley
Organization	Grayson County Water District
Email	jwoosley@graysonwater.com
Phone	(270) 259-2917
Address	21 Shull White Rd. Leitchfield, KY 42754

**Project Administrator**

Name	Holly Nicholas
Organization	Kentucky Engineering Group, PLLC
Email	hnicholas@kyengr.com
Phone	(859) 333-9742
Address	PO Box 1034 Versailles, KY 40383

**Consulting Engineer**

PE Name	Robert Taylor
Firm Name	Kentucky Engineering Group, PLLC
Email	rtaylor@kyengr.com
Phone	(859) 608-8927
Address	PO Box 1034 Versailles, KY 40383

**XII. RECOMMENDATIONS**

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

ATTACHMENT C

Forms

Grayson County Water District  
F22-002



AUTHORIZATION FOR ELECTRONIC DEPOSIT  
OF BORROWER PAYMENT  
KENTUCKY INFRASTRUCTURE AUTHORITY  
KIA Loan # F22-002

**Borrower Information:**

Name: Grayson County Water District

Address: 21 Skull White Rd.

City: Leitchfield State: KY Zip: 42754

Federal I.D. #: 61-1038814 Telephone: (270) 259-2917

Contact Name: Jeremy Woosley

Email: jwoosley@graysonwater.com

**Financial Institution Information:**

Bank Name The Cecilian Bank

Branch: Hwy 62 Leitchfield Telephone: (270) 259-2233

City: Leitchfield State: KY Zip: 42754

Transit / ABA No: 083904631

Account Name: Construction Account

Account Number: .

I, the undersigned, authorize payments directly to the account indicated above and to correct any errors which may occur from the transactions. I also authorize the Financial Institution to post these transactions to that account.

Signature: Nancy Cain Date: 7/13/22

Name Printed: Nancy Cain Job Title: Chair-person

Send to: U.S. Bank via Email

[KentuckyInfrastructureAuth@usbank.com](mailto:KentuckyInfrastructureAuth@usbank.com)

KIA Loan # F22-002

**ACH DEBIT AUTHORIZATION FORM**

**AUTHORIZATION AGREEMENT FOR PRE-ARRANGED PAYMENTS  
(DEBITS)**

The undersigned hereby authorizes U.S. Bank National Association Corporate Trust Department ("U.S. Bank") to initiate debit entries to the Checking  Savings  (specify type) account indicated below at the bank named below:

BANK NAME The Cecilia Bank BRANCH Hwy 62 Leitchfield  
CITY Leitchfield STATE KY ZIP CODE 42754  
BANK TRANSIT/ABA NO. 083904631 ACCOUNT NO.     

This authority is to remain in full force and effect until U.S. Bank has received written notification from the undersigned of its termination in such time and in such manner as to afford U.S. Bank a reasonable opportunity to act. The undersigned has the right to stop payment of a debit entry by reasonable prior written notification to U.S. Bank. After the above account has been charged, the undersigned has the right to have the amount of any erroneous debit immediately credited to its account by U.S. Bank up to 30 days following issuance of a statement.

NAME OF ENTITY: Graysun County Water District  
ADDRESS 21 Skull White Rd., Leitchfield, KY 42754  
TAX IDENTIFICATION NUMBER: 61-1038814

By Nancy Cassi Dated 7/13/2022  
Authorized Signer

Send to: U.S. Bank via Email

[KentuckyInfrastructureAuth@usbank.com](mailto:KentuckyInfrastructureAuth@usbank.com)

## TRANSPARENCY ACT REPORTING INFORMATION FORM

### CLEAN WATER STATE REVOLVING FUND AND DRINKING WATER STATE REVOLVING FUND

This form is required for projects funded in whole or in part from the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund. This form is to be completed and returned with the signed Conditional Commitment Letter from the Kentucky Infrastructure Authority.

**Borrower Information:**

Name:	Grayson County Water District
Data Universal Numbering system (DUNS) No.*:	805 800 935
KIA Loan Number:	F22-002
Street Address	21 Skull White Rd.
City, State and Zip (Zip must include 4 digit extension)	Leitchfield, KY 42754-9107
Federal Congressional District(s) of Borrower Utility Service Area:	District 2

\*If the DUNS No. provided above is registered under a different name than the recipient of funding, please provide the registration name below:

DUNS Name	NA
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\*If the recipient has not yet obtained a DUNS Number, please do so no later than 30 days after the KIA Board approval date of your loan request and provide notification to KIA of the number once issued. For instructions on DUNS registration, please contact [jeff.abshire@ky.gov](mailto:jeff.abshire@ky.gov).

**Physical Location of Project (Primary Place of Performance)**

Street Address	
City, State and Zip (Zip must include 4 digit extension)	Leitchfield, KY 42754-9107
Federal Congressional District(s) of Project Location	District 2

**Reliance upon Federal Assistance (please answer the below questions Yes or No):**

Did recipient receive 80% or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	NO
Did recipient receive \$25 million or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) during the last fiscal year?	NO
Does the public have access to compensation of senior executives of the recipient through periodic reports filed under Section 13A or 15D of the Securities Exchange Act of 1934 or Section 6104 of the Internal Revenue Code of 1986?	NO

**DUNS Registration Information:** <http://fedgov.dnb.com/webform> OR 1-866-705-5711

Registration can be completed over the phone or via the web. Phone registration requests take approximately 10 minutes and are free. Internet requests are fulfilled within 24 hours.

the 1990s. The 1990s have been characterized by a new wave of internationalization, and the 1990s have seen a significant increase in the number of international students in the United States. The number of international students in the United States has increased from 160,000 in 1980 to 250,000 in 1995 (U.S. Department of Education, 1996).

The increase in the number of international students in the United States has led to a corresponding increase in the number of international students in the United Kingdom. The number of international students in the United Kingdom has increased from 100,000 in 1980 to 150,000 in 1995 (U.K. Department of Education, 1996). The increase in the number of international students in the United Kingdom has led to a corresponding increase in the number of international students in the United Kingdom.

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**KENTUCKY INFRASTRUCTURE AUTHORITY**

**Andy Beshear**  
Governor

100 Airport Road  
Frankfort, Kentucky 40601  
(502) 573-0260  
kia.ky.gov

**Sandy Williams**  
Executive Director

May 31, 2023

Mrs Nancy Cain, Chair  
Grayson County Water District  
21 Shull White Rd  
Leitchfield, KY 42754

**KENTUCKY INFRASTRUCTURE AUTHORITY  
FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (F22-002)  
EXTENSION**

Dear Chair Cain:

The Kentucky Infrastructure Authority ("the Authority") has approved an extension of the Drinking Water State Revolving Fund (DWSRF) loan F22-002 for the GCWD East-West Improvements Project. The Authority has extended the deadline for the District to meet the conditions set forth in the conditional commitment letter for a period of six (6) months. The original expiration date was March 8, 2023. The new expiration date will be September 8, 2023. If the project does not meet the conditions by the new expiration date, the commitment may be rescinded.

All original terms and conditions from the commitment letter dated March 8, 2022, shall remain in effect.

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

Sincerely,

A handwritten signature in cursive script that reads "Sandy Williams".

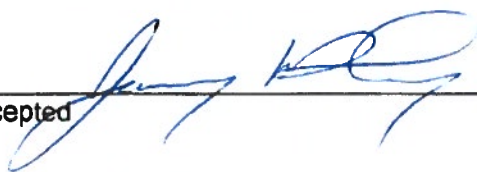
Sandy Williams  
Executive Director

**TEAM**  
**KENTUCKY™**

An Equal Opportunity Employer M/F/D

Commitment Letter Extension  
Grayson County Water District  
May 31, 2023  
Page 2

Please sign and return a copy of this letter indicating your acceptance of this commitment letter extension and its terms.

Accepted 

Date 5-31-23