

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

**APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION**

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

Magoffin County Water District  
(Name of Utility)

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870 Parkway Dr. - PO Box 490  
(Business Mailing Address - Number and Street, or P.O. Box)

---

Salyersville, KY 41465  
(Business Mailing Address - City, State, and Zip)

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606-349-6812  
(Telephone Number)

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BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

Allen McCarty - General Manager  
(Name)

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870 Parkway Dr. - PO Box 490  
(Address - Number and Street or P.O. Box)

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Salyersville, KY 41465  
(Address - City, State, Zip)

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606-349-6812  
(Telephone Number)

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mcwd07@yahoo.com  
(Email Address)

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

	YES	NO	N/A
1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. a. Applicant has filed an annual report with the Public Service Commission for the past year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Applicant has filed an annual report with the Public Service Commission for the two previous years.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Applicant's records are kept separate from other commonly-owned enterprises.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of \_\_\_\_\_, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of \_\_\_\_\_, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of \_\_\_\_\_, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

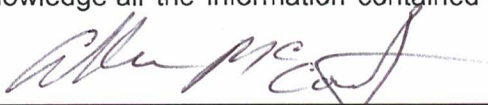
8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2021.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 580,057 and total revenues from service rates of \$ 1,986,974. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had \_\_\_\_\_ customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

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

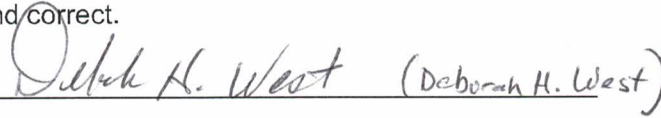
By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

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

Signed   
 Officer of the Company/Authorized Representative  
 Title     **SUPERINTENDENT**      
 Date     9-8-2023    

COMMONWEALTH OF KENTUCKY  
 COUNTY OF     Magoffin    

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

 (Deborah H. West)  
 Notary Public  
 My commission expires:     11/14/2026

LIST OF ATTACHMENTS  
(Indicate all documents submitted by checking box)

- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- Attachment Billing Analysis" Attachment
- Depreciation Schedules
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

# MAGOFFIN COUNTY WATER DISTRICT CUSTOMER NOTICE

Notice is hereby given that the Magoffin County Water District expects to file an application with the Kentucky Public Service Commission on or about August 24, 2023, seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

<b>CURRENT AND PROPOSED MONTHLY RATES</b>											
<b>Magoffin County Water District</b>											
<u>CURRENT RATE SCHEDULE</u>					<u>PROPOSED RATE SCHEDULE</u>					<u>DIFFERENCE PERCENT</u>	
<b><u>5/8" x 3/4" Meters</u></b>					<b><u>5/8" x 3/4" Meters</u></b>						
First	2,000	gallons	\$ 19.05	Minimum Bill	First	2,000	gallons	\$ 26.90	Minimum Bill	\$ 7.85	41.21%
Next	3,000	gallons	8.53	per 1,000 gallons	Next	3,000	gallons	12.05	per 1,000 gallons	\$ 3.52	41.27%
Next	5,000	gallons	7.92	per 1,000 gallons	Next	5,000	gallons	11.19	per 1,000 gallons	\$ 3.27	41.29%
Over	10,000	gallons	7.30	per 1,000 gallons	Over	10,000	gallons	10.31	per 1,000 gallons	\$ 3.01	41.23%
<b><u>3/4" Commercial Meters</u></b>					<b><u>3/4" Commercial Meters</u></b>						
First	3,000	gallons	\$ 33.96	Minimum Bill	First	3,000	gallons	\$ 47.96	Minimum Bill	\$ 14.00	41.22%
Next	2,000	gallons	10.89	per 1,000 gallons	Next	2,000	gallons	15.38	per 1,000 gallons	\$ 4.49	41.23%
Next	5,000	gallons	10.08	per 1,000 gallons	Next	5,000	gallons	14.24	per 1,000 gallons	\$ 4.16	41.27%
Next	5,000	gallons	9.28	per 1,000 gallons	Next	5,000	gallons	13.11	per 1,000 gallons	\$ 3.83	41.27%
Over	15,000	gallons	8.91	per 1,000 gallons	Over	15,000	gallons	12.58	per 1,000 gallons	\$ 3.67	41.19%
<b><u>1" Residential Meters</u></b>					<b><u>1" Residential Meters</u></b>						
First	5,000	gallons	\$ 44.64	Minimum Bill	First	5,000	gallons	\$ 63.05	Minimum Bill	\$ 18.41	41.24%
Next	5,000	gallons	7.92	per 1,000 gallons	Next	5,000	gallons	11.19	per 1,000 gallons	\$ 3.27	41.29%
Over	10,000	gallons	7.30	per 1,000 gallons	Over	10,000	gallons	10.31	per 1,000 gallons	\$ 3.01	41.23%
<b><u>1" Commercial Meters</u></b>					<b><u>1" Commercial Meters</u></b>						
First	5,000	gallons	\$ 55.74	Minimum Bill	First	5,000	gallons	\$ 78.72	Minimum Bill	\$ 22.98	41.23%
Next	5,000	gallons	\$ 10.08	per 1,000 gallons	Next	5,000	gallons	\$ 14.24	per 1,000 gallons		
Next	5,000	gallons	\$ 9.28	per 1,000 gallons	Next	5,000	gallons	\$ 13.11	per 1,000 gallons		
Over	15,000	gallons	8.91	per 1,000 gallons	Over	15,000	gallons	12.58	per 1,000 gallons	\$ 3.67	41.19%
<b><u>2" Meters</u></b>					<b><u>2" Meters</u></b>						
First	15,000	gallons	\$ 152.54	Minimum Bill	First	15,000	gallons	\$ 215.43	Minimum Bill	\$ 62.89	41.23%
Over	15,000	gallons	8.91	per 1,000 gallons	Over	15,000	gallons	12.58	per 1,000 gallons	\$ 3.67	41.19%

If the Public Service Commission approves the proposed water rates, then the monthly water bill for a customer using an average of 4,000 gallons per month will increase from \$36.11 to \$51.00. This is an increase of \$14.89 or 41.24%.

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

Magoffin County Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at the District's office located at 870 Parkway Dr, Salyersville, KY 41465. You may contact the office at 606-349-6812.

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

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

**Table C**  
**CURRENT AND PROPOSED MONTHLY RATES**  
**Magoffin County Water District**

<u>CURRENT RATE SCHEDULE</u>				<u>PROPOSED RATE SCHEDULE</u>				<u>DIFFERENCE PERCENT</u>	
<b><u>5/8" x 3/4" Meters</u></b>				<b><u>5/8" x 3/4" Meters</u></b>					
First	2,000	gallons	\$ 19.05 Minimum Bill	First	2,000	gallons	\$ 26.90 Minimum Bill	\$ 7.85	41.21%
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## SCHEDULE OF ADJUSTED OPERATIONS

### Magoffin County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Metered Retail Sales	1,544,280	(137,363)	(A)	1,406,917
Other Water Revenues:				
Forfeited Discounts				-
Misc. Service Revenues				-
Other Water Revenues	32,187			32,187
<b>Total Operating Revenues</b>	1,576,467			1,439,104
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	298,237	(7,800)	(B)	
		99,677	(C)	390,114
Salaries and Wages - Officers		7,800	(B)	7,800
Employee Pensions and Benefits	214,252	10,471	(D)	
		(82,414)	(E)	
		1,125	(F)	143,434
Purchased Water	587,584			587,584
Purchased Power	54,209	7,204	(G)	61,413
Materials and Supplies	149,118			149,118
Contractual Services	19,457			19,457
Rental of Building/Real Property	14,400			14,400
Transportation Expenses	21,827	7,007	(H)	28,834
Insurance - Gen. Liab. & Workers Comp.	21,925			21,925
Insurance - Other	5,605			5,605
Advertising	46			46
Bad Debt	501			501
Miscellaneous Expenses	57,777			57,777
Total Operation and Mnt. Expenses	1,444,938			1,488,008
Depreciation Expense	330,077	(51,261)	(I)	278,816
Taxes Other Than Income	141,560	561	(C)	142,121
<b>Total Operating Expenses</b>	1,916,575			1,908,945
<b>Total Utility Operating Income</b>	(340,108)			(469,840)

## REFERENCES

- A. The Current Billing Analysis results in pro forma water sales revenue of \$1,406,917. This reflects a full year at the retail rates that were effective in 2021 and indicates a reduction to water sales of \$137,363 is required.
- B. An adjustment to reclassify Commissioner Salaries to the proper category is necessary and therefore \$7,800 was removed from Employee Wages and properly classified as Officer Salaries and Wages.
- C. Since 2021, there have been increases in wage rates and changes in personnel. These changes result in an annual wage increase of \$99,677.
- D. Due to the increases noted in Item (C) above, an increase of \$10,471 reflects increased pension expenses.
- E. A decrease to employee pensions and benefits adjustment of \$82,414 was made to reflect current commission precedent on amounts included in pension expense for the net pension liability adjustment typically made pursuant to GASB 68.
- F. Employee Pensions and Benefits was increased \$1,125 to reflect employee health insurance premium increases subsequent to the test period.
- G. An increase of \$7,204 was made to reflect increases to purchased power subsequent to the test period.
- H. An increase of \$7,007 was made to reflect increased transportation expenses subsequent to the test period.
- I. The PSC requires adjustments to a water utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "*Depreciation Practices for Small Utilities*." Therefore, adjustments are included to bring asset lives to the midpoint of the recommended ranges resulting in a decrease in depreciation expense of \$51,261.

**Table A**  
**DEPRECIATION EXPENSE ADJUSTMENTS**  
**Magoffin County Water District**

<u>Asset</u>	<u>Date in Service</u>	<u>Original Cost *</u>	<u>Life</u>	<u>Reported Depr. Exp.</u>	<u>Proforma Life</u>	<u>Proforma Depr. Exp.</u>	<u>Depreciation Expense Adjustment</u>
<b><u>General Plant</u></b>							
Structures & Improvements					37.5	-	-
Communication & Computer Eqmt.					10.0	-	-
Office Furniture & Equipment	varies	\$ 35,245	10	3,524	22.5	1,566	(1,958)
Telemetry Equipment	varies	\$ 77,039	10	7,704	10.0	7,704	(0)
Tools, Shop, & Garage Equipment					17.5	-	-
Tank Repairs & Painting					15.0	-	-
<b><u>Source of Supply Plant</u></b>							
Collecting & Impounding Reservoirs					62.5	-	-
Supply Mains					62.5	-	-
<b><u>Pumping Plant</u></b>							
Structures & Improvements					37.5	-	-
Telemetry					10.0	-	-
Pumping Equipment	11/27/19	\$ 179,478	10.0	17,948	10.0	17,948	(0)
<b><u>Transmission &amp; Distribution Plant</u></b>							
Hydrants					50.0	-	-
Transmission & Distribution Mains	varies	\$ 13,515,405	50	270,309	62.5	216,246	(54,063)
Vault	varies	\$ 28,610	50	572	50.0	572	0
Excavator	10/05/16	\$ 54,300	10	5,430	10.0	5,430	-
Pump Equipment					20.0	-	-
Tank Fence					37.5	-	-
Services					40.0	-	-
Reservoirs & Tanks					45.0	-	-
Tank Improvements	10/01/17	\$ 205,973	50	4,119	15.0	13,732	9,613
<b><u>Transportation Equipment</u></b>							
Entire Group	varies	\$ 109,322	5.0	20,471	7.0	15,617	(4,854)
<b>TOTALS</b>		<b>\$ 14,205,372</b>		<b>\$ 330,077</b>		<b>\$ 278,816</b>	<b>\$ (51,261)</b>

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

Allowed Depreciation	\$ 278,816	
Less: Reported Depreciation	<u>\$ 330,077</u>	
Adjustment to Allowed Depreciation	\$ (51,261)	L

**Table B**  
**DEBT SERVICE SCHEDULE**  
**Magoffin County Water District**  
**CY 2022 - 2026**

	<u>CY 2022</u>		<u>CY 2023</u>		<u>CY 2024</u>		<u>CY 2025</u>		<u>CY 2026</u>		<u>TOTALS</u>
	<u>Principal</u>	<u>Interest &amp; Fees</u>	<u>Principal</u>	<u>Interest &amp; Fees</u>	<u>Principal</u>	<u>Interest &amp; Fees</u>	<u>Principal</u>	<u>Interest &amp; Fees</u>	<u>Principal</u>	<u>Interest &amp; Fees</u>	
KRWFC	70,000	43,955	75,000	9,934	75,000	9,214	80,000	8,460	80,000	7,673	459,236
<b>TOTALS</b>	<b>70,000</b>	<b>43,955</b>	<b>75,000</b>	<b>9,934</b>	<b>75,000</b>	<b>9,214</b>	<b>80,000</b>	<b>8,460</b>	<b>80,000</b>	<b>7,673</b>	<b>\$ 459,236</b>
<b>Average Annual Principal &amp; Interest</b>											<b>\$ 91,847</b>
<b>Average Annual Coverage</b>											<b>\$ 18,369</b>

## REVENUE REQUIREMENTS

<b>Pro Forma Operating Expenses</b>	1,908,945
Plus: Average Annual Principal and Interest Payments	91,847
Additional Working Capital	18,369
<b>Total Revenue Requirement</b>	2,019,161
Less: Other Operating Revenue	32,187
<b>Revenue Required From Sales of Water</b>	<u>1,986,974</u>
Less: Revenue from Sales with Present Rates	<u>1,406,917</u>
<b>Required Revenue Increase</b>	580,057
<b>Percent Increase</b>	41.23%

**CURRENT BILLING ANALYSIS WITH 2021 USAGE & EXISTING RATES**  
**Magoffin County Water District**

**SUMMARY**

	BILLS	GALLONS	REVENUE
5/8" X 3/4" Meters	41,958	146,476,700	\$ 1,402,166
3/4" Meters	499	1,648,300	\$ 16,946
1" Residential Meters	48	366,800	\$ 3,147
1" Commercial Meters	72	399,800	\$ 4,618
2" Meters	60	2,247,500	\$ 13,140
TOTAL WATER SALES	42,637	151,139,100	\$ 1,440,016
LESS ADJUSTMENTS			\$ (33,099)
NET METERED WATER SALES			\$ 1,406,917
FROM PSC ANNUAL REPORT			\$ 1,544,280
DIFFERENCE			\$ (137,363) ADJUSTMENT TO SAO BILLED RETAIL REVENUES

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

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 3,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST	3,000	22,876	31,911,800	31,911,800	-	-	-	31,911,800
NEXT	3,000	11,046	41,442,900	22,092,000	19,350,900	-	-	41,442,900
NEXT	5,000	6,442	43,094,100	12,884,000	19,326,000	10,884,100	-	43,094,100
ALL OVER	10,000	1,594	30,027,900	3,188,000	4,782,000	7,970,000	14,087,900	30,027,900
TOTAL		41,958	146,476,700	70,075,800	43,458,900	18,854,100	14,087,900	146,476,700

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	41,958	70,075,800 \$ 19.05	\$ 799,300
NEXT	3,000		43,458,900 \$ 8.53	370,704
NEXT	5,000		18,854,100 \$ 7.92	149,324
ALL OVER	10,000		14,087,900 \$ 5.88	82,837
TOTAL	41,958	146,476,700		\$ 1,402,166

**3/4" METERS**

	USAGE	BILLS	GALLONS	FIRST 3,000	NEXT 2,000	NEXT 5,000	NEXT 5,000	ALL OVER 15,000	TOTAL
FIRST	3,000	499	1,648,300	1,648,300	-	-	-	-	1,648,300
NEXT	2,000			-	-	-	-	-	-
NEXT	5,000			-	-	-	-	-	-
NEXT	5,000			-	-	-	-	-	-
ALL OVER	15,000			-	-	-	-	-	-
TOTAL		499	1,648,300	1,648,300	-	-	-	-	1,648,300

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	3,000	499	1,648,300 \$ 33.96	\$ 16,946
NEXT	2,000		- \$ 10.89	-
NEXT	5,000		- \$ 10.08	-
NEXT	5,000		- \$ 9.28	-
ALL OVER	15,000		- \$ 8.91	-
TOTAL	499	1,648,300		\$ 16,946

**1" RESIDENTIAL METERS**

	USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST	5,000	12	60,000	60,000	-	-	60,000
NEXT	5,000	36	306,800	180,000	126,800	-	306,800
ALL OVER	10,000			-	-	-	-
		48	366,800	240,000	126,800	-	366,800

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	5,000	48	240,000 \$ 44.64	\$ 2,143
NEXT	5,000		126,800 \$ 7.92	1,004
ALL OVER	10,000		- \$ 7.30	-
TOTAL	48	366,800		\$ 3,147

**1" COMMERCIAL METERS**

	USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 5,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST	5,000	60	279,800	279,800	-	-	-	279,800
NEXT	5,000	12		60,000	60,000	-	-	120,000
NEXT	5,000			-	-	-	-	-
ALL OVER	10,000			-	-	-	-	-
		72	279,800	339,800	60,000	-	-	399,800

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	5,000	72	339,800 \$ 55.74	\$ 4,013
NEXT	5,000		60,000 \$ 10.08	605
NEXT	5,000		- \$ 9.28	-
ALL OVER	10,000		- \$ 8.91	-
TOTAL	72	399,800		\$ 4,618

**2" METERS**

	USAGE	BILLS	GALLONS	FIRST 15,000	ALL OVER 15,000	TOTAL
FIRST	15,000	0	900,000	900,000	-	900,000
ALL OVER	15,000	60	1,347,500	900,000	447,500	1,347,500
		60	2,247,500	1,800,000	447,500	2,247,500

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	15,000	60	1,800,000 \$ 152.54	\$ 9,152
ALL OVER	15,000		447,500 \$ 8.91	3,987
TOTAL	60	2,247,500		\$ 13,140

**PROPOSED BILLING ANALYSIS WITH 2021 USAGE & PROPOSED RATES**  
**Magoffin County Water District**

**SUMMARY**

	BILLS	GALLONS	REVENUE
5/8" X 3/4" Meters	41,958	146,476,700	\$ 2,008,534
3/4" Meters	499	1,648,300	\$ 23,933
1" Residential Meters	48	366,800	\$ 4,444
1" Commercial Meters	72	399,800	\$ 6,522
2" Meters	60	2,247,500	\$ 18,557
TOTAL WATER SALES	42,637	151,139,100	\$ 2,061,991
LESS ADJUSTMENTS			\$ (33,099)
NET METERED WATER SALES			\$ 2,028,892
LESS REVENUE REQUIREMENT			\$ 1,986,974
DIFFERENCE			\$ 41,917

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

USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 3,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST 2,000	22,876	31,911,800	31,911,800	-	-	-	31,911,800
NEXT 3,000	11,046	41,442,900	22,092,000	19,350,900	-	-	41,442,900
NEXT 5,000	6,442	43,094,100	12,884,000	19,326,000	10,884,100	-	43,094,100
ALL OVER 10,000	1,594	30,027,900	3,188,000	4,782,000	7,970,000	14,087,900	30,027,900
TOTAL	41,958	146,476,700	70,075,800	43,458,900	18,854,100	14,087,900	146,476,700

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST 2,000	41,958	70,075,800	\$ 26.90	\$ 1,128,851
NEXT 3,000		43,458,900	\$ 12.05	523,546
NEXT 5,000		18,854,100	\$ 11.19	210,891
ALL OVER 10,000		14,087,900	\$ 10.31	145,246
TOTAL	41,958	146,476,700		\$ 2,008,534

**3/4" METERS**

USAGE	BILLS	GALLONS	FIRST 3,000	NEXT 2,000	NEXT 5,000	NEXT 5,000	ALL OVER 15,000	TOTAL
FIRST 3,000	499	1,648,300	1,648,300	-	-	-	-	1,648,300
NEXT 2,000			-	-	-	-	-	-
NEXT 5,000			-	-	-	-	-	-
NEXT 5,000			-	-	-	-	-	-
ALL OVER 15,000			-	-	-	-	-	-
TOTAL	499	1,648,300	1,648,300	-	-	-	-	1,648,300

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST 3,000	499	1,648,300	\$ 47.96	\$ 23,933
NEXT 2,000		-	\$ 15.38	-
NEXT 5,000		-	\$ 14.24	-
NEXT 5,000		-	\$ 13.11	-
ALL OVER 15,000		-	\$ 12.58	-
TOTAL	499	1,648,300		\$ 23,933

**1" RESIDENTIAL METERS**

USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST 5,000	12	60,000	60,000	-	-	60,000
NEXT 5,000	36	306,800	180,000	126,800	-	306,800
ALL OVER 10,000			-	-	-	-
	48	366,800	240,000	126,800	-	366,800

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST 5,000	48	240,000	\$ 63.05	\$ 3,026
NEXT 5,000		126,800	\$ 11.19	1,418
ALL OVER 10,000		-	\$ 10.31	-
TOTAL	48	366,800		\$ 4,444

**1" COMMERCIAL METERS**

USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 5,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST 5,000	60	279,800	279,800	-	-	-	279,800
NEXT 5,000	12		60,000	60,000	-	-	120,000
NEXT 5,000			-	-	-	-	-
ALL OVER 10,000			-	-	-	-	-
	72	279,800	339,800	60,000	-	-	399,800

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST 5,000	72	339,800	\$ 78.72	\$ 5,668
NEXT 5,000		60,000	\$ 14.24	854
NEXT 5,000		-	\$ 13.11	-
ALL OVER 10,000		-	\$ 12.58	-
TOTAL	72	399,800		\$ 6,522

**2" METERS**

USAGE	BILLS	GALLONS	FIRST 15,000	ALL OVER 15,000	TOTAL
FIRST 15,000	0	900,000	900,000	-	900,000
ALL OVER 15,000	60	1,347,500	900,000	447,500	1,347,500
	60	2,247,500	1,800,000	447,500	2,247,500

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST 15,000	60	1,800,000	\$ 215.43	\$ 12,926
ALL OVER 15,000		447,500	\$ 12.58	5,631
TOTAL	60	2,247,500		\$ 18,557

## Federal Asset Report Land & Land Rights

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>Other Depreciation:</b>									
1	Land & Land Rights	12/31/13	13,620			13,620	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>13,620</u>			<u>13,620</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>13,620</u>			<u>13,620</u>		<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		13,620			13,620		0	0
	<b>Less: Dispositions and Transfers</b>		0			0		0	0
	<b>Less: Start-up/Org Expense</b>		0			0		0	0
	<b>Net Grand Totals</b>		<u>13,620</u>			<u>13,620</u>		<u>0</u>	<u>0</u>



## Federal Asset Report Pumping Equipment

Asset	Description	Date In Service	Cost	Bus %	Sec 179Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>Other Depreciation:</b>									
1	Pumping Equipment	12/31/13	59,269			59,269	10 MO S/L	59,269	0
2	Mash Fork Pump Station	11/27/19	179,478			179,478	10 MO S/L	19,443	17,948
	<b>Total Other Depreciation</b>		<u>238,747</u>			<u>238,747</u>		<u>78,712</u>	<u>17,948</u>
	<b>Total ACRS and Other Depreciation</b>		<u>238,747</u>			<u>238,747</u>		<u>78,712</u>	<u>17,948</u>
	<b>Grand Totals</b>		238,747			238,747		78,712	17,948
	<b>Less: Dispositions and Transfers</b>		0			0		0	0
	<b>Less: Start-up/Org Expense</b>		0			0		0	0
	<b>Net Grand Totals</b>		<u>238,747</u>			<u>238,747</u>		<u>78,712</u>	<u>17,948</u>

## Federal Asset Report Transmission & Distribution Mains

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv	Meth	Prior	Current
<b>Other Depreciation:</b>										
1	Transmission & Distribution Mains	12/31/13	13,515,405			13,515,405	50	MO S/L	5,904,317	270,309
2	Excavator	10/05/16	54,300			54,300	10	MO S/L	23,078	5,430
3	Vault	7/01/16	28,610			28,610	50	MO S/L	2,575	572
<b>Total Other Depreciation</b>			<u>13,598,315</u>			<u>13,598,315</u>			<u>5,929,970</u>	<u>276,311</u>
<b>Total ACRS and Other Depreciation</b>			<u>13,598,315</u>			<u>13,598,315</u>			<u>5,929,970</u>	<u>276,311</u>
<b>Grand Totals</b>			13,598,315			13,598,315			5,929,970	276,311
<b>Less: Dispositions and Transfers</b>			0			0			0	0
<b>Less: Start-up/Org Expense</b>			0			0			0	0
<b>Net Grand Totals</b>			<u>13,598,315</u>			<u>13,598,315</u>			<u>5,929,970</u>	<u>276,311</u>

## Federal Asset Report Office Furniture & Equip.

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
<b>Other Depreciation:</b>									
I	Office Furniture & Equip.	12/31/13	35,245			35,245	10 MO S/L	24,672	3,524
	<b>Total Other Depreciation</b>		<u>35,245</u>			<u>35,245</u>		<u>24,672</u>	<u>3,524</u>
	<b>Total ACRS and Other Depreciation</b>		<u>35,245</u>			<u>35,245</u>		<u>24,672</u>	<u>3,524</u>
	<b>Grand Totals</b>		35,245			35,245		24,672	3,524
	<b>Less: Dispositions and Transfers</b>		0			0		0	0
	<b>Less: Start-up/Org Expense</b>		0			0		0	0
	<b>Net Grand Totals</b>		<u>35,245</u>			<u>35,245</u>		<u>24,672</u>	<u>3,524</u>

## Federal Asset Report Transportation Equipment

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	PerConv	Meth	Prior	Current
<b>Other Depreciation:</b>											
1	Transportation Equipment	12/31/13	291,138				291,138	5	MO S/L	291,138	0
2	2015 Ford F-150	3/12/15	27,220				27,220	5	MO S/L	27,220	0
3	2015 Ford Explorer 1FM5K8B86FGC0857	4/17/15	25,876				25,876	5	MO S/L	25,876	0
4	Ford F250	10/05/16	27,865				27,865	5	MO S/L	23,685	4,180
5	Hutch Ford F-150	1/08/18	27,781				27,781	5	MO S/L	16,669	5,556
6	Paul Miller Ford F-150	6/19/18	24,505				24,505	5	MO S/L	12,253	4,901
7	Tim Short 2019 Ford F-150	3/06/20	29,171				29,171	5	MO S/L	4,862	5,834
<b>Total Other Depreciation</b>			<u>453,556</u>				<u>453,556</u>			<u>401,703</u>	<u>20,471</u>
<b>Total ACRS and Other Depreciation</b>			<u>453,556</u>				<u>453,556</u>			<u>401,703</u>	<u>20,471</u>
<b>Grand Totals</b>			453,556				453,556			401,703	20,471
<b>Less: Dispositions and Transfers</b>			0				0			0	0
<b>Less: Start-up/Org Expense</b>			0				0			0	0
<b>Net Grand Totals</b>			<u>453,556</u>				<u>453,556</u>			<u>401,703</u>	<u>20,471</u>

## Federal Asset Report Other Plant & Misc. Equipment

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	PerConv	Meth	Prior	Current
<b>Other Depreciation:</b>											
1	Telemetry System	11/17/17	13,039				13,039	10	MO S/L	4,020	1,304
2	Hand Held Reading Devices	5/04/18	8,000				8,000	10	MO S/L	2,133	800
3	Telemetry System	6/07/18	56,000				56,000	10	MO S/L	14,467	5,600
	<b>Total Other Depreciation</b>		<u>77,039</u>				<u>77,039</u>			<u>20,620</u>	<u>7,704</u>
	<b>Total ACRS and Other Depreciation</b>		<u>77,039</u>				<u>77,039</u>			<u>20,620</u>	<u>7,704</u>
	<b>Grand Totals</b>		77,039				77,039			20,620	7,704
	<b>Less: Dispositions and Transfers</b>		0				0			0	0
	<b>Less: Start-up/Org Expense</b>		0				0			0	0
	<b>Net Grand Totals</b>		<u>77,039</u>				<u>77,039</u>			<u>20,620</u>	<u>7,704</u>

## Federal Asset Report Structures & Improvements

Asset	Description	Date In Service	Cost	Bus Sec % 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>Other Depreciation:</b>								
1	Tank Improvements	12/01/17	205,973		205,973	50 MO S/L	12,702	4,119
	<b>Total Other Depreciation</b>		<u>205,973</u>		<u>205,973</u>		<u>12,702</u>	<u>4,119</u>
	<b>Total ACRS and Other Depreciation</b>		<u>205,973</u>		<u>205,973</u>		<u>12,702</u>	<u>4,119</u>
	<b>Grand Totals</b>		205,973		205,973		12,702	4,119
	<b>Less: Dispositions and Transfers</b>		0		0		0	0
	<b>Less: Start-up/Org Expense</b>		0		0		0	0
	<b>Net Grand Totals</b>		<u>205,973</u>		<u>205,973</u>		<u>12,702</u>	<u>4,119</u>

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**ASSISTANCE AGREEMENT**

**BETWEEN**

**KENTUCKY RURAL WATER FINANCE CORPORATION**

**AND**

**MAGOFFIN COUNTY WATER DISTRICT**

**DATED**

**FEBRUARY 19, 2015**

**IN THE AMOUNT OF \$1,695,000**

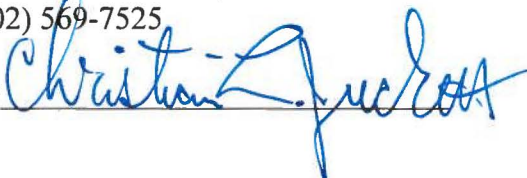
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By



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## ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of February 19, 2015 (the "Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Magoffin County Water District, 749 Parkway Drive, Salyersville, Kentucky 41465 (the "Governmental Agency"):

### WITNESSETH

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

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

WHEREAS, the Governmental Agency has outstanding the following bonds (collectively the "Refunded Bonds"), which bonds were issued by the Governmental Agency to make improvements and extensions to the Governmental Agency's waterworks system (the "System"):

1. Magoffin County Water District Waterworks Revenue Bonds of 1988, dated January 18, 1989, in the original authorized principal amount of \$335,000,
2. Magoffin County Water District Waterworks Revenue Bonds of 1991, dated July 7, 1992, in the original authorized principal amount of \$181,000,
3. Magoffin County Water District Waterworks Revenue Bonds, Series 1994, dated November 22, 1994, in the original authorized principal amount of \$185,000,
4. Magoffin County Water District Waterworks Revenue Bonds, Series 1996A, dated August 8, 1996, in the original authorized principal amount of \$250,000,
5. Magoffin County Water District Waterworks Revenue Bonds, Series 1997, dated June 10, 1997, in the original authorized principal amount of \$305,000,

6. Magoffin County Water District Waterworks Revenue Bonds, Series 1998, dated June 8, 1999, in the original authorized principal amount of \$330,000, and
7. Magoffin County Water District Waterworks Revenue Bonds, Series 2001, dated March 27, 2002, in the original authorized principal amount of \$640,000.

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

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

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

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the "Loan") in the amount of \$1,695,000 [the "Obligations"], for the purpose of providing funds for the Project, and to reaffirm the conditions and restrictions under which similar bonds or obligations may be subsequently issued ranking on a parity therewith; and

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

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

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

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

**Section 1. Definitions.**

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

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

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

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

"*Bond Legislation of 1988*" or "*1988 Bond Legislation*" refer to the Resolution authorizing the Series 1988 Bonds, duly adopted by the Governing Body of the Governmental Agency on February 26, 1988.

"*Bond Legislation of 1991*" or "*1991 Bond Legislation*" refer to the Resolution authorizing the Series 1991 Bonds, duly adopted by the Governing Body of the Governmental Agency on February 14, 1992.

"*Bond Legislation of 1994*" or "*1994 Bond Legislation*" refer to the Resolution authorizing the Series 1994 Bonds, duly adopted by the Governing Body of the Governmental Agency on June 21, 1994.

"*Bond Legislation of 1996*" or "*1996 Bond Legislation*" refer to the Resolution authorizing the Series 1996 Bonds, duly adopted by the Governing Body of the Governmental Agency on March 19, 1996.

"*Bond Legislation of 1997*" or "*1997 Bond Legislation*" refer to the Resolution authorizing the Series 1997 Bonds, duly adopted by the Governing Body of the Governmental Agency on January 31, 1997.

"*Bond Legislation of 1998*" or "*1998 Bond Legislation*" refer to the Resolution authorizing the Series 1998 Bonds, duly adopted by the Governing Body of the Governmental Agency on May 12, 1998.

"*Bond Legislation of 2001*" or "*2001 Bond Legislation*" refer to the Resolution authorizing the Series 2001 Bonds, duly adopted by the Governing Body of the Governmental Agency on September 12, 2001.

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

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

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

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

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

"*Code*" refers to the United States Internal Revenue Code of 1986, as amended, and any regulations issued thereunder.

"*Compliance Group*" refers to the Compliance Group identified and defined in the Indenture.

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

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

"*Funds*" refers to the Revenue Fund, the Sinking Fund, the Operation and Maintenance Fund, and the Governmental Agency Account.

"*Governing Body*" means the governing body of the Governmental Agency or such other body as shall be the governing body of said Governmental Agency under the laws of Kentucky at any given time.

"*Governmental Agency*" refers to the Magoffin County Water District, 749 Parkway Drive, Salyersville, Kentucky 41465.

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

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

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 60, dated February 19, 2015, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing April 1, 2015 and continuing through and including January 1, 2041 or until the Loan has been paid in full.

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

"*Obligations*" refers to the Loan authorized by this Assistance Agreement in the principal amount of \$1,695,000, maturing January 1, 2041.

"*Operation and Maintenance Fund*" refers to the Magoffin County Water District Operation and Maintenance Fund described in Section 6 of this Agreement, which be maintained for the benefit of the System.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"*Program*" refers to the Issuer's Public Projects Flexible Term Program designed to provide financing for the expansion, addition and improvement of public projects for governmental entities.

"*Program Administrator*" refers to the Kentucky Rural Water Association, Inc., Bowling Green, Kentucky.

"*Program Reserve Fund*" refers to the Program Reserve Fund created and established pursuant to Section 4.2 of the Indenture.

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

"*Refunded Bonds*" refers to the outstanding Series 2001 Bonds, Series 1991 Bonds and Series 1994 Bonds.

"*Revenue Fund*" refers to the Magoffin County Water District Revenue Fund described in Section 6 of this Agreement, which be maintained for the benefit of the System.

"*Secretary*" refers to the appointed Secretary of the Governmental Agency.

"*Series 1988 Bonds*" refers to the outstanding Magoffin County Water District Waterworks Revenue Bonds of 1988, dated January 18, 1989, in the original authorized principal amount of \$335,000.

"*Series 1991 Bonds*" refers to the outstanding Magoffin County Water District Waterworks Revenue Bonds of 1991, dated July 7, 1992, in the original authorized principal amount of \$181,000.

"*Series 1994 Bonds*" refers to the outstanding Magoffin County Water District Waterworks Revenue Bonds, Series 1994, dated November 22, 1994, in the original authorized principal amount of \$185,000.

"*Series 1996 Bonds*" refers to the outstanding Magoffin County Water District Waterworks Revenue Bonds, Series 1996, dated August 8, 1996, in the original authorized principal amount of \$350,000.

"*Series 1997 Bonds*" refers to the outstanding Magoffin County Water District Waterworks Revenue Bonds, Series 1997, dated June 10, 1997, in the original authorized principal amount of \$305,000.

"*Series 1998 Bonds*" refers to the outstanding Magoffin County Water District Waterworks Revenue Bonds, Series 1998, dated June 8, 1999, in the original authorized principal amount of \$330,000.

"*Series 2001 Bonds*" refers to the outstanding Magoffin County Water District Waterworks Revenue Bonds, Series 2001, dated March 27, 2002, in the original authorized principal amount of \$640,000.

"*Sinking Fund*" refers to the Magoffin County Water District Sinking Fund described in Section 6 of this Agreement, which be maintained for the benefit of the System.

"*System*" refers to the Governmental Agency's waterworks system, together with all future extensions, additions and improvements to said System.

"*Treasurer*" refers to the Treasurer of the Governing Body.

"*Trustee*" refers to Regions Bank, Nashville, Tennessee.

"*U.S. Obligations*" refers to bonds, notes, or Treasury Bills, which are direct obligations of the United States of America or obligations fully guaranteed by the United States of America, including book-entry obligations of the United States Treasury-State and Local Government Series, and Trust Receipts representing an ownership interest in direct obligations of the United States.

## **Section 2. Reaffirmation of Declaration of Waterworks System.**

That all proceedings heretofore taken for the establishment of and the supplying of water service in and to said Governmental Agency as a municipal waterworks system are hereby in all respects ratified and confirmed; and so long as any of the Obligations hereinafter authorized or permitted to be issued remain outstanding, said System shall be owned, controlled, operated and maintained for the security and source of payment of the Obligations. Said System is hereby declared to constitute a public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

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

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes the borrowing of \$1,695,000 from the Program, for the purpose of providing funds for the Project.

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

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Sinking Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Debit Direct Payment Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the



Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Debit Direct Payment Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Sinking Fund, the amounts set forth as sinking fund payments on Exhibit A attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under this Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on Exhibit A attached hereto, pursuant to the ACH Debit Direct Payment Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

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

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

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

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

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

#### **Section 5. Obligations Payable Out of Gross Revenues.**

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

**Section 6. Flow of Funds.**

The income and revenues of the System shall be collected, segregated, accounted for, and distributed as follows:

**A. Revenue Fund.** The Governmental Agency covenants and agrees that it will deposit in the Revenue Fund, promptly as received from time to time, all revenues of the System, as same may be extended and improved from time to time. The moneys in the Revenue Fund will be used, disbursed and applied by the Governmental Agency only for the purpose and in the manner and order of priorities specified by this Assistance Agreement, all as permitted by the Act, and in accordance with previous contractual commitments.

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

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

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

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

If for any reason there should be a failure to pay into the Sinking Fund the full amounts above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Sinking Fund from the first available income and revenues of the System, subject to the aforesaid priorities.

No further payments need to be made into the Sinking Fund if and when the amount held therein and in any other available fund is at least equal to the amount required to retire all Outstanding Bonds and Parity Bonds and paying all interest that will accrue thereon.

**C. Operation and Maintenance Fund.** There shall next be transferred monthly from the Revenue Fund and deposited into said Operation and Maintenance Fund, sums sufficient to meet the current expenses of operating and maintaining the System. The balance maintained in said Operation and Maintenance Fund shall not be in excess of the amount required to cover anticipated System expenditures for a two-month period pursuant to the Governmental Agency's annual budget.

**D. Surplus Funds.** Subject to the provisions for the disposition of the income and revenues of the System as set forth hereinabove, which provisions are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred, within sixty days after the end of each fiscal year, the balance of excess funds in the Revenue Fund on such date, to the Depreciation Fund for application in accordance with the terms of this Assistance Agreement or to the Sinking Fund to be applied to the maximum extent feasible, to the prompt purchase or redemption of Outstanding Bonds.

**Section 7. Disposition of Proceeds of the Obligations; Governmental Agency Account.**

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

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

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

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Magoffin County Water District Governmental Agency Account" (the "Governmental Agency Account") has been created and maintained by the Trustee pursuant to the Indenture; and such amount on deposit in said Governmental Agency Account shall be transferred to the Rural Development (the "RD") of the Department of Agriculture of the United States of America, the holder of the Refunded Bonds:

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

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

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

The Trustee shall be obligated to send written notice to the Governmental Agency of the need for investment directions if and whenever funds in excess of \$50,000 shall remain

uninvested for a period of more than five days. In the absence of written direction from the Governmental Agency with respect to investment of moneys held in the Governmental Agency Account, the Trustee is hereby directed to invest funds in money market mutual funds of the Trustee or its affiliates that qualify as Permitted Investments under this Assistance Agreement.

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

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

**Section 8. Arbitrage Limitations.**

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

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

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

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

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

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

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

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

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

(4) That it is anticipated that amounts on deposit in the Sinking Fund will be used within 13 months from the date of deposit for the payment of debt service on the outstanding Obligations payable from said Sinking Fund.

(5) That amounts accumulated in the Sinking Fund shall not exceed the limitations set forth in this Assistance Agreement.

(6) That it is not reasonably anticipated that amounts accumulated in the Depreciation Fund will be used for payment of debt service on any bonds payable from the revenues of the System, even though such Depreciation Fund will be so available if necessary to prevent a default in the payment of principal and interest on such bonds.

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

#### **Section 9. Parity Bonds.**

The Obligations shall not be entitled to priority one over the other in the application of the income and revenues of the System, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations, regardless of the fact they may be actually issued and delivered at different times, and provided further that the lien and security of and for any bonds or obligations hereafter issued that are payable from the income and revenues of the System, shall, except as set out herein, be subject to the priority of the Obligations as may from time to time be outstanding; provided the Governmental Agency does hereby reserve the right and privilege, of issuing additional bonds from time to time payable

from the income and revenues of the System ranking on a parity with the Obligations, but only under the conditions specified herein.

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

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

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

(3) The annual net revenues (defined as gross revenues less operating expenses), of the then existing System for the Fiscal Year preceding the year in which such Parity Bonds are to be issued, adjusted as hereinafter provided, shall be certified by an independent Certified Public Accountant to be equal at least one hundred twenty percent (120%) of the average annual debt service requirements for principal and interest on all Outstanding Bonds payable from the revenues of the System, including such requirements of the Obligations, any Parity Bonds then outstanding plus the anticipated debt service requirements of any Parity Bonds then proposed to be issued. The calculation of average annual debt service requirements of principal and interest on the additional Parity Bonds to be issued shall, regardless of whether such additional Parity Bonds are to be serial or term bonds, be determined on the basis of the principal of and interest on such Parity Bonds being payable in approximately equal annual installments.

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

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

(ii) any increase in the "annual net revenues" to be realized, within 12 months of the completion of the Project, from the proposed extensions, additions, and/or improvements being financed (in whole or in part) by such additional Parity Bonds; provided all such adjustments shall be based upon and included in a certification of a Independent Consulting Engineer.

(b) The Governmental Agency hereby covenants and agrees that in the event any additional Parity Bonds are issued, the Governmental Agency shall adjust the monthly amount to be deposited into the Sinking Fund on the same basis as that prescribed in the provisions establishing such Sinking Fund, to reflect the annual debt service requirements of the additional Parity Bonds.

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

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

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

**Section 10. Rates and Charges for Services of the System.**

While the Obligations remain outstanding and unpaid, the rates for all services of the System rendered by the Governmental Agency to its citizens, corporations, or others requiring the same, shall be reasonable and just, taking into account and consideration the cost and value of said System, the cost of maintaining and operating the same, the proper and necessary allowances for depreciation thereof, and the amounts necessary for the retirement of the Outstanding Bonds and the accruing interest on all such Outstanding Bonds as may be outstanding under the provisions of this Assistance Agreement, and there shall be charged such rates and amounts as shall be adequate to meet all requirements of the provisions of this Assistance Agreement. Prior to the issuance of the Obligations a schedule of rates and charges for the services rendered by the System to all users adequate to meet all requirements of this Assistance Agreement has been established and adopted.

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

outstanding bonds payable from the revenues of the System, calculated in the manner specified in Section 9 hereof.

The Governmental Agency also covenants to cause a report to be filed with the Governing Body within four months after the end of each fiscal year by a Certified Public Accountant, setting forth the precise debt service coverage percentage of the average annual debt service requirements falling due in any fiscal year thereafter for principal of and interest on all of the then Outstanding Bonds payable from the revenues of the System, produced or provided by the net revenues of the System in that fiscal year, calculated in the manner specified in Section 9 hereof; and the Governmental Agency covenants that if and whenever such report so filed shall establish that such coverage of annual net revenues for such year was less than 120% of the average annual debt service requirements, the Governmental Agency shall increase the rates by an amount sufficient, in the opinion of such Certified Public Accountant, to establish the existence of or immediate projection of, such minimum 120% coverage.

**Section 11. All Obligations of this Issue Are Equal.**

The Obligations authorized and permitted to be issued hereunder, and from time to time outstanding, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations and any Parity Bonds authorized or permitted to be issued under the provisions of this Assistance Agreement, regardless of the fact that they may be actually issued and delivered at different times.

**Section 12. Defeasance and/or Refunding of Obligations.**

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

**Section 13. Contractual Nature of Assistance Agreement.**

The provisions of this Assistance Agreement shall constitute a contract between the Governmental Agency and the Issuer; and after the issuance of any of such Obligations, no change, variation or alteration of any kind in the provisions of this Assistance Agreement shall



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

**Section 14. Appointment and Duties of Trustee.**

The Trustee is hereby designated as the bond registrar and paying agent with respect to the Obligations.

Its duties as Trustee shall be as follows:

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

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

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

**Section 15. Provisions in Conflict Repealed.**

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

**Section 16. Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.**

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

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

This Assistance Agreement is enacted in contemplation that Bond Counsel will render an opinion as to exemption of principal of the Obligations from Kentucky ad valorem taxation and as to exemption of interest on the Obligations from federal and Kentucky income taxation, based on the assumption by Bond Counsel that the Governmental Agency complies with covenants made by the Governmental Agency with respect to compliance with the provisions of the Code, and based on the assumption of compliance by the Governmental Agency with requirements as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Obligations. The Governmental Agency has been advised that based on the foregoing assumptions of compliance, Bond Counsel is of the

opinion that the Obligations are not "arbitrage bonds" within the meaning of Section 148 of the Code.

**Section 17. Insurance.**

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

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

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

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

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

**Section 18. Event of Default; Remedies.**

The following items shall constitute an "Event of Default" on the part of the Governmental Agency:

(a) The failure to pay principal on the Obligations when due and payable, either at maturity or by proceedings for redemption;

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

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

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

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

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

#### **Section 19. Annual Reports.**

The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the fiscal year ended December 31, 2013) and such other financial information and/or operating data as requested by the Issuer or the Compliance Group.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each fiscal year.

#### **Section 20. Supplemental Assistance Agreement.**

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

(a) to cure any ambiguity or formal defect or omission in this Assistance Agreement;

(b) to subject to the lien and pledge of this Assistance Agreement additional revenues, properties, or collateral which may legally be subjected;

(c) to add to the conditions, limitations and restrictions on the issuance of bonds, other conditions, limitations and restrictions thereafter to be observed;

(d) to add to the covenants and agreements of the Governmental Agency in this Assistance Agreement, other covenants and agreements thereafter to be incurred by the Governmental Agency or to surrender any right or power herein reserved to or conferred upon the Governmental Agency;

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

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

**Section 21. No Remedy Exclusive.**

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

**Section 22. Waivers.**

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

**Section 23. Agreement to Pay Attorneys' Fees and Expenses.**

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

**Section 24. Signatures of Officers.**

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

**Section 25. Severability Clause.**

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

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Magoffin County Water District has caused this Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By Stephen T. Owen  
President

Attest:

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

MAGOFFIN COUNTY WATER DISTRICT

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

Attest:

By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Magoffin County Water District has caused this Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

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

Attest:

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

MAGOFFIN COUNTY WATER DISTRICT

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

Attest:

By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Magoffin County Water District has caused this Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

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

Attest:

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

MAGOFFIN COUNTY WATER DISTRICT

By Paul H. Harte  
Chairman

Attest:

By Machelle Hand  
Secretary



**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2015 B  
Sinking Fund Payment Schedule**

**Borrower:** Magoffin County Water District  
**Closing Date:** 02/19/15

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
4/15-7/15	6,500.00	5,843.67	12,343.67
8/15-1/16	6,500.00	4,328.65	10,828.65
2/16-7/16	5,416.67	4,206.77	9,623.44
8/16-1/17	5,416.67	4,206.77	9,623.44
2/17-7/17	5,833.33	4,084.90	9,918.23
8/17-1/18	5,833.33	4,084.90	9,918.23
2/18-7/18	5,833.33	3,953.65	9,786.98
8/18-1/19	5,833.33	3,953.65	9,786.98
2/19-7/19	5,833.33	3,822.40	9,655.73
8/19-1-20	5,833.33	3,822.40	9,655.73
2/20-7/20	5,833.33	3,691.15	9,524.48
8/20-1/21	5,833.33	3,691.15	9,524.48
2/21-7/21	6,250.00	3,559.90	9,809.90
8/21-1/22	6,250.00	3,559.90	9,809.90
2/22-7/22	6,250.00	3,356.77	9,606.77
8/22-1/23	6,250.00	3,356.77	9,606.77
2/23-7/23	6,666.67	3,153.65	9,820.31
8/23-1/24	6,666.67	3,153.65	9,820.31
2/24-7/24	6,666.67	2,936.98	9,603.65
8/24-1/25	6,666.67	2,936.98	9,603.65
2/25-7/25	7,083.33	2,720.31	9,803.65
8/25-1/26	7,083.33	2,720.31	9,803.65
2/26-7/26	7,083.33	2,490.11	9,573.44
8/26-1/27	7,083.33	2,490.11	9,573.44
2/27-7/27	7,500.00	2,259.90	9,759.90
8/27-1/28	7,500.00	2,259.90	9,759.90
2/28-7/28	5,833.33	2,016.15	7,849.48
8/28-1/29	5,833.33	2,016.15	7,849.48
2/29-7/29	6,250.00	1,826.56	8,076.56
8/29-1/30	6,250.00	1,826.56	8,076.56
2/30-7/30	6,250.00	1,623.44	7,873.44
8/30-2/31	6,250.00	1,623.44	7,873.44
2/31-7/31	5,416.67	1,420.31	6,836.98
8/31-1/32	5,416.67	1,420.31	6,836.98
2/32-7/32	5,833.33	1,244.27	7,077.61
8/32-1/33	5,833.33	1,244.27	7,077.61
2/33-7/33	5,833.33	1,047.40	6,880.73
8/33-1/34	5,833.33	1,047.40	6,880.73
2/34-7/34	5,416.67	850.52	6,267.19
8/34-1/35	5,416.67	850.52	6,267.19
2/35-7/35	5,416.67	660.94	6,077.61
8/35-1/36	5,416.67	660.94	6,077.61
2/36-7/36	4,583.33	471.36	5,054.69
8/36-1/37	4,583.33	471.36	5,054.69
2/37-7/37	3,333.33	310.94	3,644.27
8/37-1/38	3,333.33	310.94	3,644.27
2/38-7/38	1,666.67	194.27	1,860.94
8/38-1/39	1,666.67	194.27	1,860.94
2/39-7/39	1,666.67	135.94	1,802.61
8/39-1/40	1,666.67	135.94	1,802.61
2/40-7/40	2,083.33	75.52	2,158.86
8/40-1/41	2,083.33	75.52	2,158.86
	-	-	-
	<u>1,695,000.00</u>	<u>674,715.57</u>	<u>2,369,715.57</u>

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2015 B

Borrower: Magoffin County Water District  
 Closing Date: 02/19/15

Borrower Payment Schedule


Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
02/19/15						
07/01/15			23,374.69		23,374.69	23,374.69
01/01/16	65,000.00	2.250%	25,971.88	450.00	91,421.88	
07/01/16			25,240.63		25,240.63	116,662.51
01/01/17	65,000.00	2.250%	25,240.63	450.00	90,690.63	
07/01/17			24,509.38		24,509.38	115,200.01
01/01/18	70,000.00	2.250%	24,509.38	450.00	94,959.38	
07/01/18			23,721.88		23,721.88	118,681.26
01/01/19	70,000.00	2.250%	23,721.88	450.00	94,171.88	
07/01/19			22,934.38		22,934.38	117,106.26
01/01/20	70,000.00	2.250%	22,934.38	450.00	93,384.38	
07/01/20			22,146.88		22,146.88	115,531.26
01/01/21	70,000.00	2.250%	22,146.88	450.00	92,596.88	
07/01/21			21,359.38		21,359.38	113,956.26
01/01/22	75,000.00	3.250%	21,359.38	450.00	96,809.38	
07/01/22			20,140.63		20,140.63	116,950.01
01/01/23	75,000.00	3.250%	20,140.63	450.00	95,590.63	
07/01/23			18,921.88		18,921.88	114,512.51
01/01/24	80,000.00	3.250%	18,921.88	450.00	99,371.88	
07/01/24			17,621.88		17,621.88	116,993.76
01/01/25	80,000.00	3.250%	17,621.88	450.00	98,071.88	
07/01/25			16,321.88		16,321.88	114,393.76
01/01/26	85,000.00	3.250%	16,321.88	450.00	101,771.88	
07/01/26			14,940.63		14,940.63	116,712.51
01/01/27	85,000.00	3.250%	14,940.63	450.00	100,390.63	
07/01/27			13,559.38		13,559.38	113,950.01
01/01/28	90,000.00	3.250%	13,559.38	450.00	104,009.38	
07/01/28			12,096.88		12,096.88	116,106.26
01/01/29	70,000.00	3.250%	12,096.88	450.00	82,546.88	
07/01/29			10,959.38		10,959.38	93,506.26
01/01/30	75,000.00	3.250%	10,959.38	450.00	86,409.38	
07/01/30			9,740.63		9,740.63	96,150.01
01/01/31	75,000.00	3.250%	9,740.63	450.00	85,190.63	
07/01/31			8,521.88		8,521.88	93,712.51
01/01/32	65,000.00	3.250%	8,521.88	450.00	73,971.88	
07/01/32			7,465.63		7,465.63	81,437.51
01/01/33	70,000.00	3.375%	7,465.63	450.00	77,915.63	
07/01/33			6,284.38		6,284.38	84,200.01
01/01/34	70,000.00	3.375%	6,284.38	450.00	76,734.38	
07/01/34			5,103.13		5,103.13	81,837.51
01/01/35	65,000.00	3.500%	5,103.13	450.00	70,553.13	
07/01/35			3,965.63		3,965.63	74,518.76
01/01/36	65,000.00	3.500%	3,965.63	450.00	69,415.63	
07/01/36			2,828.13		2,828.13	72,243.76
01/01/37	55,000.00	3.500%	2,828.13	450.00	58,278.13	
07/01/37			1,865.63		1,865.63	60,143.76
01/01/38	40,000.00	3.500%	1,865.63	450.00	42,315.63	
07/01/38			1,165.63		1,165.63	43,481.26
01/01/39	20,000.00	3.500%	1,165.63	450.00	21,615.63	
07/01/39			815.63		815.63	22,431.26
01/01/40	20,000.00	3.625%	815.63	350.00	21,165.63	
07/01/40			453.13		453.13	21,618.76
01/01/41	25,000.00	3.625%	453.13	350.00	25,803.13	
07/01/41						25,803.13
Totals	<u>1,695,000.00</u>		<u>674,715.57</u>	<u>11,500.00</u>	<u>2,381,215.57</u>	<u>2,381,215.57</u>

**Section 3.** The Chairman and Manager are hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing (“ARF”) Application, Tariff Sheets, and all other documents that may be required by the PSC.


**Section 4.** The Chairman, Manager, and all others to whom the Chairman may delegate certain responsibilities are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement this Resolution.

**Section 5.** This Resolution shall take effect upon its adoption.

**ADOPTED BY THE COMMISSION OF MAGOFFIN COUNTY WATER DISTRICT** at a meeting held on August 1, 2023, signed by the Chairman, and attested by the Secretary.

  
\_\_\_\_\_  
CHAIRMAN


ATTEST:

  
\_\_\_\_\_  
SECRETARY

#### CERTIFICATION

I, Secretary of the Magoffin County Water District (the “District”), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the District at a meeting properly held on August 1, 2023, signed by the Chairman of the District, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 1st day of August 2023.

  
\_\_\_\_\_  
SECRETARY

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Sanjouris Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

KENNETH AAVIER Kenneth Avvier  
 (Print Name) (Signed)

Board Member  
 (Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Magoffin

Subscribed and sworn to before me by Kenneth Auxier  
(Name)

this 01 day of August, 2023.

Dubh P. West  
NOTARY PUBLIC  
State-at-Large

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Macoffin CO. Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Jeffrey Isaac  
(Print Name)

Jeffrey Isaac  
(Signed)

Board Member  
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Magoffin

Subscribed and sworn to before me by Joffrey Isaac  
(Name)

this 01 day of August, 2023.

Debra A West  
NOTARY PUBLIC  
State-at-Large



**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Magoffin County Water District (Utility) and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Groves Roark  
(Print Name)

Groves Roark  
(Signed)

Chairman  
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Mason

Subscribed and sworn to before me by Grover Roark  
(Name)

this 01 day of August, 2023.

Wilbur H. West  
NOTARY PUBLIC  
State-at-Large

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Magoffin Co. Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

JERRY BORDERS  
(Print Name)

JJ Borders  
(Signed)

Sec. 9 TREASURY  
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Magoffin

Subscribed and sworn to before me by Jerry Borders  
(Name)

this 01 day of August, 2023.

Debra H. West  
NOTARY PUBLIC  
State-at-Large

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between \_\_\_\_\_ ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Jerry Howard  
(Print Name)

Jerry Howard  
(Signed)

Bond member  
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Magoffin

Subscribed and sworn to before me by Jerry Howard  
(Name)

this 2 day of August, 2023.

Robert H. West  
NOTARY PUBLIC  
State-at-Large