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

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

KNOX COUNTY UTILITY COMMISSION

(Name of Utility)

P. O. BOX 1630

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

BARBOURVILLE, KY 40906

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

606-546-5300

(Telephone Number)

BASIC INFORMATION

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

MICHELLE STEWART, OFFICE MANAGER

(Name)

P. O. BOX 1630

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

BARBOURVILLE, KY 40906

(Address - City, State, Zip)

606-546-5300

(Telephone Number)

KNOXCOUTILITY@AOL.COM

(Email Address)

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

- | | YES | NO | N/A |
|---|-------------------------------------|--------------------------|-----|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" 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 checked="" 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"/> | |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" 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

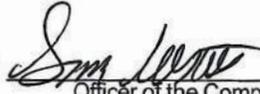
8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2022.
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 \$ 107,199 and total revenues from service rates of \$ 1,812,689. 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 2,954 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 CHAIRMAN

Date 02-26-2024

COMMONWEALTH OF KENTUCKY

COUNTY OF KNOX

Before me appeared MICHELLE STEWART, OFFICE 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.

 KYNP4390
Notary Public

My commission expires: 02-01-2026

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

KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

ATTACHMENTS

1. Customer Notice of Proposed Rate Adjustment
2. Reasons for Application
3. Current and Proposed Rates
4. Statement of Adjusted Operations and Revenue Requirements
Calculation with the Following Exhibits:
 - a. References
 - b. Table A – Debt Service Schedule
5. Current Billing Analysis
6. Proposed Billing Analysis
7. Depreciation Schedule
8. Outstanding Debt Instruments
9. Amortization Schedules
10. Statements of Disclosure of Related Party Transactions
11. Board Resolution

**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

ATTACHMENT 1

**Customer Notice of Proposed
Rate Adjustment**

**PUBLIC NOTICE
KNOX COUNTY UTILITY COMMISSION
WATER RATE INCREASE**

Notice is hereby given that the Knox County Utility Commission will file on or about February 19, 2024 an application with the Kentucky Public Service Commission for a rate increase to cover its increased costs. A person may examine this application at the offices of the Knox County Utility Commission located at 1905 KY Hwy 930, Barbourville, KY 40906. A person may also examine this application at the Kentucky Public Service Commission offices located at 211 Sower Boulevard, Frankfort, KY 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through the commission's Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The rates contained herein are the rates proposed by Knox County Utility Commission, but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may submit a timely written request for intervention to the Public Service Commission, Post Office 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 initial publication or mailing of this notice, the commission may take final action on the application.

MONTHLY WATER RATES

	Old Rate	New Rate	Increase
<u>5/8" x 3/4" Meter</u>			
First 1,000 Gallons	\$21.07 Minimum Bill	\$22.51 Minimum Bill	\$1.44/6.8%
All over 1,000 Gallons	\$8.32 Per 1,000 Gals.	\$8.89 Per 1,000 Gals.	\$0.57/6.8%
<u>1" Meter</u>			
First 5,000 Gallons	\$54.36 Minimum Bill	\$58.07 Minimum Bill	\$3.71/6.8%
All over 5,000 Gallons	\$8.32 Per 1,000 Gals.	\$8.89 Per 1,000 Gals.	\$0.57/6.8%
<u>2" Meter</u>			
First 20,000 Gallons	\$179.19 Minimum Bill	\$191.38 Minimum Bill	\$12.19/6.8%
All Over 20,000 Gals.	\$8.32 Per 1,000 Gals.	\$8.89 Per 1,000 Gals.	\$0.57/6.8%
<u>3" Meter</u>			
First 30,000 Gallons	\$262.42 Minimum Bill	\$280.27 Minimum Bill	\$17.85/6.8%
All Over 30,000 Gals.	\$8.32 Per 1,000 Gals.	\$8.89 Per 1,000 Gals.	\$0.57/6.8%
<u>4" Meter</u>			
First 50,000 Gallons	\$428.86 Minimum Bill	\$458.03 Minimum Bill	\$29.17/6.8%
All Over 50,000 Gals.	\$8.32 Per 1,000 Gals.	\$8.89 Per 1,000 Gals.	\$0.57/6.8%
Average Monthly Bill for 3,500 Gallons – 5/8x3/4 Meters	\$41.87	\$44.73	\$2.86 or 6.8%
Average Monthly Bill for 29,000 Gallons – 1" Meters	\$254.04	\$271.43	\$17.39 or 6.8%

Average Monthly Bill for 26,300 Gallons – 2” Meters	\$231.60	\$247.39	\$15.79 or 6.8%
Average Monthly Bill for 3” Meters	There are no 3” meters in the system at this time.		
Average Monthly Bill for 85,350 Gallons – 4” Meters	\$722.97	\$772.29	\$49.32 or 6.8%

The proposed rate increase is \$0.57 (6.8%) per 1,000 gallons for all customer classifications.

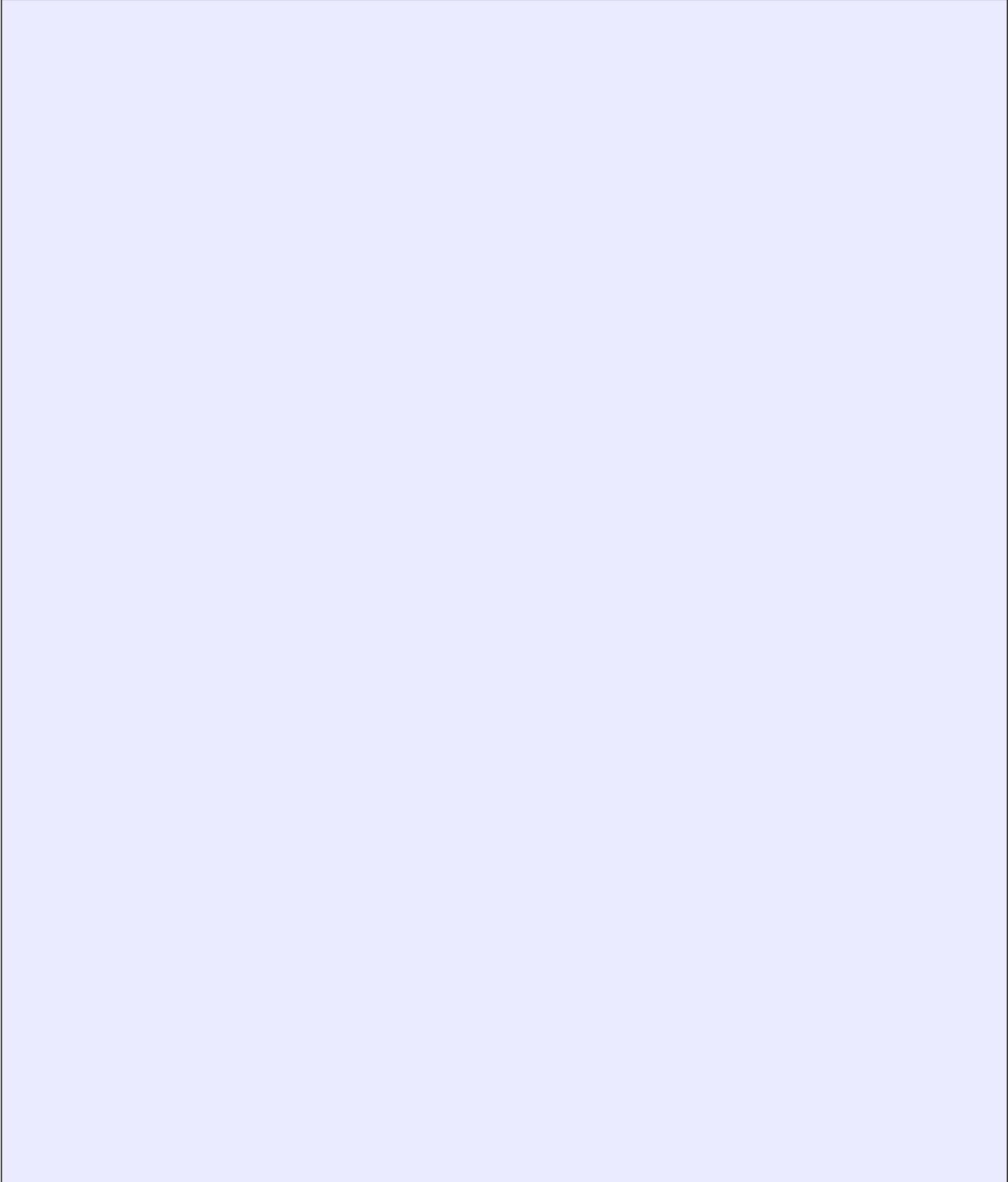
**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

ATTACHMENT 2

Reasons for Application

REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

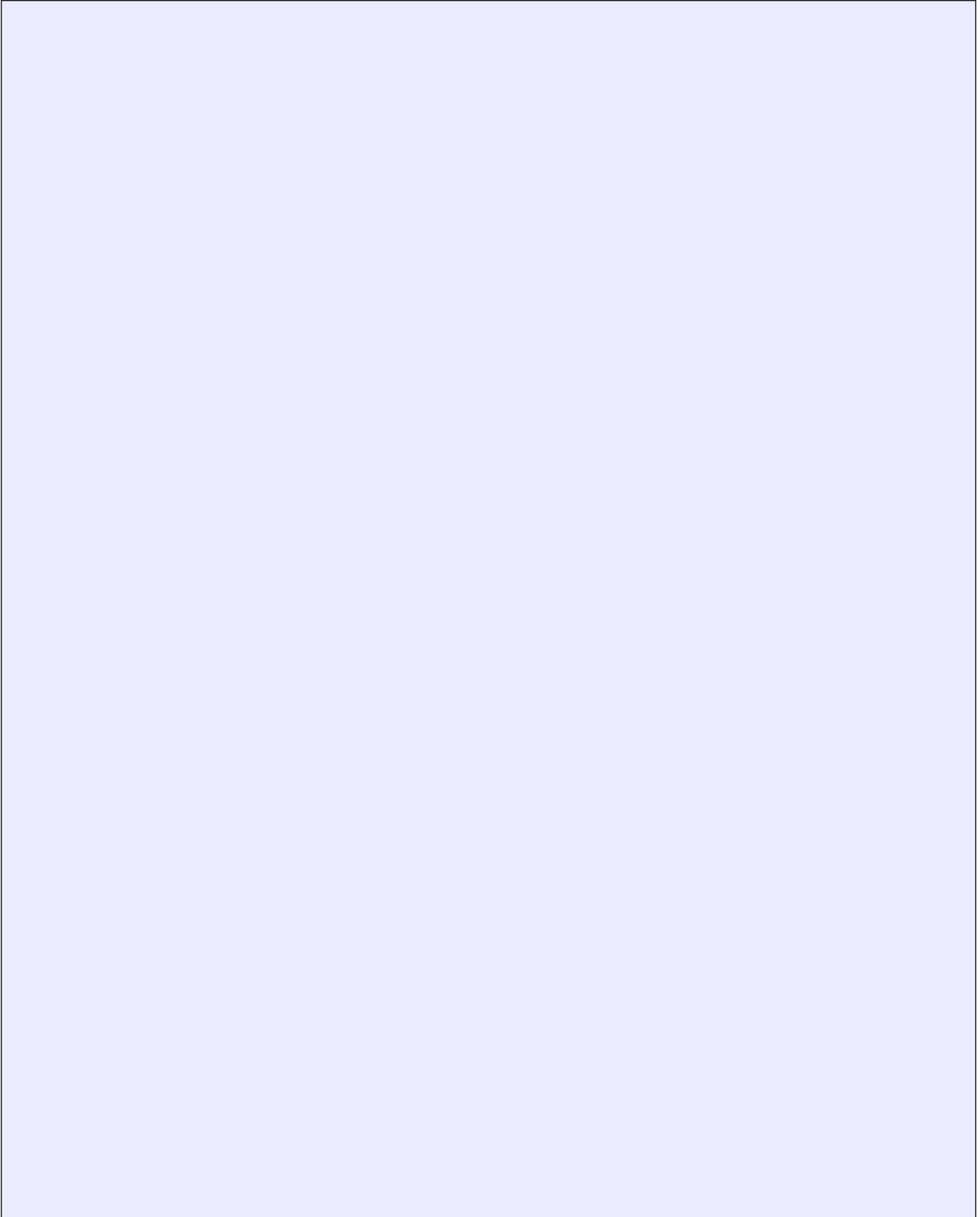


**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

ATTACHMENT 3

Current and Proposed Rates

CURRENT AND PROPOSED RATES
(List Applicant's Current and Proposed Rates)



KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

ATTACHMENT 4

**Statement of Adjusted Operations and Revenue
Requirements Calculation with the Following Exhibits:**

- a. References**
- b. Table A – Debt Service Schedule**

SCHEDULE OF ADJUSTED OPERATIONS - WATER UTILITY

TYE 12/31/20

	Test Year	Adjustment	Ref.	Pro Forma
<u>Operating Revenues</u>				
Sales of Water				
Unmetered Water Sales				
Metered Water Sales				
Bulk Loading Stations				
Fire Protection Revenue				
Sales for Resale				
Total Sales of Water				
Other Water Revenues				
Forfeited Discounts				
Miscellaneous Service Revenues				
Rents from Water Property				
Other Water Revenues				
Total Other Water Revenues				
Total Operating Revenues				
<u>Operating Expenses</u>				
Operation and Maintenance Expenses				
Salaries and Wages - Employees				
Salaries and Wages - Officers				
Employee Pensions and Benefits				
Purchased Water				
Purchased Power				
Fuel for Power Production				
Chemicals				
Materials and Supplies				
Contractual Services				
Water Testing				
Rents				
Transportation Expenses				
Insurance				
Regulatory Commission Expenses				
Bad Debt Expense				

Miscellaneous Expenses				
Total Operation and Maintenance Expenses				
Depreciation Expense				
Amortization Expense				
Taxes Other Than Income				
Income Tax Expense				
Total Operating Expenses				
Utility Operating Income				

References

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**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT**

TABLE A

DEBT SERVICE SCHEDULE

	YEAR	PRINCIPAL	INTEREST	TOTAL
KIA - SRF LOAN #F22-017	2024	\$29,159	\$1,437	\$30,596
	2025	\$29,232	\$1,364	\$30,596
	2026	\$29,308	\$1,291	\$30,599
	2027	\$29,378	\$1,217	\$30,595
	2028	\$29,452	\$1,144	\$30,596
	TOTAL	\$146,529	\$6,453	\$152,982
	AVERAGE			\$30,596.40
KENTUCKY RURAL WATER FINANCE CORP.	2024	\$95,000	\$65,729	\$160,729
	2025	\$100,000	\$62,293	\$162,293
	2026	\$100,000	\$58,793	\$158,793
	2027	\$105,000	\$55,179	\$160,179
	2028	\$110,000	\$51,390	\$161,390
	TOTAL	\$510,000	\$293,384	\$803,384
	AVERAGE			\$160,677
TOTAL				\$191,273

**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

ATTACHMENT 5

Current Billing Analysis

KNOX COUNTY UTILITY COMMISSION

2022 BILLING ANALYSIS - CURRENT RATES

BILLING CODE	MIN. BILLS	MIN. GALS	OVER MIN. BILLS	MIN. GALS.	>1,000 GALS	TOTAL GALS.	INCOME
5/8X3/4 METERS							
Minimum Bill \$21.07 for first 1,000 gllons; all over 1,000 gallons @ \$8.32/1,000 Gallons							
1	6,655	2,891,800	27,187	27,187,000	87,389,600	117,468,400	\$1,440,132
9	208	88,900	1,212	1,212,000	3,484,100	4,785,000	\$58,907
10	39	28,800	447	447,000	1,308,400	1,784,200	\$21,126
12	0	0	65	65,000	307,600	372,600	\$3,929
20	400	90,700	182	182,000	1,844,400	2,117,100	\$27,608
25	18	13,400	34	34,000	27,900	75,300	\$1,328
30	422	120,800	191	191,000	808,400	1,120,200	\$19,642
TOTALS	7,742	3,234,400	29,318	29,318,000	95,170,400	127,722,800	\$1,572,672
1" METERS							
Minimum Bill \$54.36 for first 5,000 gallons; all over 5,000 gallons @ \$8.32/1,000 gallons							
2	16	44,000	33	165,000	284,400	493,400	\$5,030
21	12	11,900	0	0	0	11,900	\$652
31	13	16,900	13	65,000	3,939,000	4,020,900	\$34,186
TOTALS	41	72,800	46	230,000	4,223,400	4,526,200	\$39,868
2" METERS							
Minimum Bill \$179.19 for first 20,000 gallons; all over 20,000 gallons @ \$8.32/1,000 gallons							
22	25	64,900	0	0	0	64,900	\$4,480
32	19	217,100	18	360,000	249,200	826,300	\$8,703
TOTALS	44	282,000	18	360,000	249,200	891,200	\$13,183
4" METER							
Minimum Bill \$428.86 for first 50,000 gallons; all over 50,000 gallons @ \$8.32/1,000 gallons							
34	12	351,000	13	650,000	542,000	1,543,000	\$15,231
TOTAL INCOME							\$1,640,954

**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

ATTACHMENT 6

Proposed Billing Analysis

KNOX COUNTY UTILITY COMMISSION

2022 BILLING ANALYSIS - PROPOSED RATES

BILLING CODE	MIN. BILLS	MIN. GALS	OVER MIN. BILLS	MIN. GALS.	>1,000 GALS	TOTAL GALS.	INCOME
5/8X3/4 METERS							
Minimum Bill \$22.51 for first 1,000 gllons; all over 1,000 gallons @ \$8.89/1,000 Gallons							
1	6,655	2,891,800	27,187	27,187,000	87,389,600	117,468,400	\$1,538,677
9	208	88,900	1,212	1,212,000	3,484,100	4,785,000	\$62,938
10	39	28,800	447	447,000	1,308,400	1,784,200	\$22,572
12	0	0	65	65,000	307,600	372,600	\$4,198
20	400	90,700	182	182,000	1,844,400	2,117,100	\$29,498
25	18	13,400	34	34,000	27,900	75,300	\$1,419
30	422	120,800	191	191,000	808,400	1,120,200	\$20,985
TOTALS	7,742	3,234,400	29,318	29,318,000	95,170,400	127,722,800	\$1,680,285
1" METERS							
Minimum Bill \$58.07 for first 5,000 gallons; all over 5,000 gallons @ \$8.89/1,000 gallons							
2	16	44,000	33	165,000	284,400	493,400	\$5,374
21	12	11,900	0	0	0	11,900	\$697
31	13	16,900	13	65,000	3,939,000	4,020,900	\$36,528
TOTALS	41	72,800	46	230,000	4,223,400	4,526,200	\$42,598
2" METERS							
Minimum Bill \$191.38 for first 20,000 gallons; all over 20,000 gallons @ \$8.89/1,000 gallons							
22	25	64,900	0	0	0	64,900	\$4,480
32	19	217,100	18	360,000	249,200	826,300	\$8,845
TOTALS	44	282,000	18	360,000	249,200	891,200	\$13,325
4" METER							
Minimum Bill \$458.03 for first 50,000 gallons; all over 50,000 gallons @ \$8.89/1,000 gallons							
34	12	351,000	13	650,000	542,000	1,543,000	\$16,269
TOTAL INCOME							\$1,752,478

**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

ATTACHMENT 7

Depreciation Schedule

Tax Asset Detail 1/01/22 - 12/31/22

FYE: 12/31/2022

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 157 - LAND												
88		LAND & RIGHTS	10/31/70	1,213.00	0.00	0.00	0.00	0.00	0.00	1,213.00	Land	0.00
89		LAND & RIGHTS	10/31/70	901.00	0.00	0.00	0.00	0.00	0.00	901.00	Land	0.00
90		LAND & RIGHTS	2/23/95	35,000.00	0.00	0.00	0.00	0.00	0.00	35,000.00	Land	0.00
91		LAND-DWD TANK SITE	7/01/01	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	Land	0.00
92		LAND- RAMSEY BR	9/05/05	2,505.00	0.00	0.00	0.00	0.00	0.00	2,505.00	Land	0.00
		157 - LAND		44,619.00	0.00c	0.00	0.00	0.00	0.00	44,619.00		
Group: 165 - STRUCTURES & IMPR												
152		PLANT & OFFICE BLDG	10/31/70	176,379.00	0.00	0.00	176,379.00	0.00	176,379.00	0.00	S/L	37.50
153		STRUCTURES & IMPR	10/31/97	396.00	0.00	0.00	396.00	0.00	396.00	0.00	S/L	37.50
154		STRUCTURES & IMPR	10/31/73	21,600.00	0.00	0.00	21,600.00	0.00	21,600.00	0.00	S/L	37.50
155		STRUCTURES & IMPR	10/31/74	1,326.00	0.00	0.00	1,326.00	0.00	1,326.00	0.00	S/L	37.50
156		UPSTAIRS IMPR	10/31/88	19,580.00	0.00	0.00	19,580.00	0.00	19,580.00	0.00	S/L	37.50
157		UPSTAIRS RENOVATION	12/31/93	7,855.00	0.00	0.00	7,176.09	209.47	7,385.56	469.44	S/L	37.50
158		UPSTAIRS RENOVATION	12/31/94	3,065.00	0.00	0.00	2,870.51	81.73	2,952.24	112.76	S/L	37.50
159		UPSTAIRS RENOVATION	9/30/95	2,360.00	0.00	0.00	2,029.11	62.93	2,092.04	267.96	S/L	37.50
160		IMPROVE INTAKE SYSTEM	9/30/95	6,597.00	0.00	0.00	6,597.00	0.00	6,597.00	0.00	S/L	37.50
161		PLANT FILTER UPGRADE	7/01/97	77,222.00	0.00	0.00	77,222.00	0.00	77,222.00	0.00	S/L	37.50
163		TREAT PLANT ADDITION	10/01/98	3,798.00	0.00	0.00	3,798.00	0.00	3,798.00	0.00	S/L	37.50
164		T PLANT VALVE	1/12/99	229.00	0.00	0.00	229.00	0.00	229.00	0.00	S/L	37.50
165		BORING PIPES	7/01/00	217.00	0.00	0.00	217.00	0.00	217.00	0.00	S/L	37.50
166		TILING OFFICE	4/06/01	1,196.00	0.00	0.00	1,196.00	0.00	1,196.00	0.00	S/L	37.50
167		IMPROVEMENTS	7/01/01	8,676.00	0.00	0.00	8,676.00	0.00	8,676.00	0.00	S/L	37.50
169		FENCING-ARTEMUS TANK	12/31/01	1,642.00	0.00	0.00	1,642.00	0.00	1,642.00	0.00	S/L	37.50
170		SLUDGE POND	3/31/02	34,211.00	0.00	0.00	23,489.99	912.29	24,402.28	9,808.72	S/L	37.50
172		UNNAMED	12/31/04	5,143.00	0.00	0.00	4,559.88	137.15	4,697.03	445.97	S/L	37.50
173		FENCING	8/05/05	30,791.00	0.00	0.00	25,248.20	821.09	26,069.29	4,721.71	S/L	37.50
222		METAL GARAGE	11/01/06	34,650.99	0.00	0.00	20,617.37	924.03	21,541.40	13,109.59	S/L	37.50
223		FILTER MEDIA	8/01/06	5,934.00	0.00	0.00	5,934.00	0.00	5,934.00	0.00	S/L	37.50
238		ENGINEERING FILTER MEDIA	1/31/07	2,540.26	0.00	0.00	2,485.25	55.01	2,540.26	0.00	S/L	37.50
239		STRUCTURES & IMPROVEMEN	7/01/07	1,231.76	0.00	0.00	1,153.80	32.85	1,186.65	45.11	S/L	37.50
262		STRUCTURES & IMPROVEMEN	6/30/08	6,919.47	0.00	0.00	5,789.31	184.52	5,973.83	945.64	S/L	37.50
299		Structures and improvements	6/30/09	34,187.89	0.00	0.00	25,185.10	911.68	26,096.78	8,091.11	S/L	37.50
318		Filter Media in Filter #2	3/12/10	4,532.55	0.00	0.00	3,036.84	120.87	3,157.71	1,374.84	S/L	37.50
319		Replaced line in Moores Creek	3/25/10	2,180.55	0.00	0.00	1,442.83	58.15	1,500.98	679.57	S/L	37.50
320		Valve in Treatment Plant	8/23/10	1,580.49	0.00	0.00	979.93	42.15	1,022.08	558.41	S/L	37.50
321		Garage Door	4/20/10	925.00	0.00	0.00	388.52	24.67	413.19	511.81	S/L	37.50
322		Table, Chairs, Paint	10/02/10	441.39	0.00	0.00	269.98	11.77	281.75	159.64	S/L	37.50
373		1000 Gallon Delpac Storage Tank	5/09/12	1,601.00	0.00	0.00	725.76	42.69	768.45	832.55	S/L	37.50
374		Improvements	5/30/12	2,274.00	0.00	0.00	1,011.93	60.64	1,072.57	1,201.43	S/L	37.50
375		Upgrade Electrical Wiring	7/05/12	4,365.56	0.00	0.00	1,906.27	116.41	2,022.68	2,342.88	S/L	37.50
386		Agitator for Mixer	8/03/12	499.35	0.00	0.00	213.93	13.32	227.25	272.10	S/L	37.50
387		Mud Valve - Treatment Plant	9/12/12	690.55	0.00	0.00	289.99	18.41	308.40	382.15	S/L	37.50
415		Aluminum Chemical Spill Block Pa	1/30/13	488.08	0.00	0.00	184.69	13.02	197.71	290.37	S/L	37.50
416		Improvements - Floor Tile in Treatn	7/29/13	834.17	0.00	0.00	273.86	22.24	296.10	538.07	S/L	37.50
433		Sand for Filters	10/31/14	1,620.00	0.00	0.00	329.40	43.20	372.60	1,247.40	S/L	37.50
434		10" Mud Valve	3/26/14	1,107.04	0.00	0.00	289.67	29.52	319.19	787.85	S/L	37.50

Tax Asset Detail 1/01/22 - 12/31/22

FYE: 12/31/2022

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 165 - STRUCTURES & IMPR (continued)												
462		Fencing - Stinking Creek	4/30/15	500.00	0.00	0.00	88.87	13.33	102.20	397.80	S/L	37.50
506		Plant & Garage Lighting	6/28/17	6,670.00	0.00	0.00	800.41	177.87	978.28	5,691.72	S/L	37.50
507		Upstairs Lighting, Timer Switch	11/08/17	642.00	0.00	0.00	71.33	17.12	88.45	553.55	S/L	37.50
530		Barbourville Overhead Garage Door	11/15/18	2,250.00	0.00	0.00	190.00	60.00	250.00	2,000.00	S/L	37.50
547		Fence Gate at KY 930	6/03/19	450.00	0.00	0.00	31.00	12.00	43.00	407.00	S/L	37.50
548		Filter Sand	12/16/19	1,680.00	0.00	0.00	89.60	44.80	134.40	1,545.60	S/L	37.50
579		10" Mud Valve	9/11/20	1,190.44	0.00	0.00	79.36	59.52	138.88	1,051.56	S/L	20.00
588		Filter Sand	3/31/21	1,860.00	0.00	0.00	37.20	49.60	86.80	1,773.20	S/L	37.50
614		8" River Bore & Tie-in	5/18/22	5,780.12	0.00c	0.00	0.00	168.59	168.59	5,611.53	S/L	20.00
165 - STRUCTURES & IMPR				531,909.66	0.00c	0.00	458,127.98	5,552.64	463,680.62	68,229.04		
Group: 170 - OFFICE FURNITURE												
203		PRINTER & SUPPLY	9/09/88	322.00	0.00	0.00	322.00	0.00	322.00	0.00	S/L	5.00
204		PAYROLL SOFTWARE	12/11/98	250.00	0.00	0.00	250.00	0.00	250.00	0.00	S/L	3.00
205		COMPAQ HARDWARE	6/11/99	3,460.00	0.00	0.00	3,460.00	0.00	3,460.00	0.00	S/L	5.00
206		UNITED SOFTWARE	6/11/99	5,892.00	0.00	0.00	5,892.00	0.00	5,892.00	0.00	S/L	5.00
207		PAYABLE SOFTWARE	7/01/00	250.00	0.00	0.00	250.00	0.00	250.00	0.00	S/L	5.00
208		OFFICE FURNITURE	7/01/00	475.00	0.00	0.00	475.00	0.00	475.00	0.00	S/L	5.00
209		CELL PHONE 2	7/01/00	161.00	0.00	0.00	161.00	0.00	161.00	0.00	S/L	5.00
210		OFFICE CHAIRS	7/01/00	541.00	0.00	0.00	541.00	0.00	541.00	0.00	S/L	5.00
211		OFFICE FURNITURE	7/01/01	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	5.00
212		WORKING COPIER- CABINET	9/30/03	2,715.00	0.00	0.00	2,715.00	0.00	2,715.00	0.00	S/L	5.00
213		OFFICE SOFTWARE	3/15/05	11,044.00	0.00	0.00	11,044.00	0.00	11,044.00	0.00	S/L	3.00
214		PDA	4/15/05	10,164.00	0.00	0.00	10,164.00	0.00	10,164.00	0.00	S/L	5.00
215		POWER SUPPLY RADISE	12/15/05	127.00	0.00	0.00	127.00	0.00	127.00	0.00	S/L	7.00
240		REFRIGERATOR	7/01/07	468.00	0.00	0.00	468.00	0.00	468.00	0.00	S/L	10.00
241		OFFICE CHAIRS	7/01/07	105.98	0.00	0.00	105.98	0.00	105.98	0.00	S/L	10.00
242		OFFICE STOOLS	7/01/07	179.98	0.00	0.00	179.98	0.00	179.98	0.00	S/L	10.00
263		PANASONIC DP 8016 COPIER/PI	6/30/08	1,785.37	0.00	0.00	1,785.37	0.00	1,785.37	0.00	S/L	10.00
264		FLAT SCREEN MONITOR	3/31/08	95.00	0.00	0.00	95.00	0.00	95.00	0.00	S/L	5.00
300		U Flame Heater 3000 gas	10/31/09	244.98	0.00	0.00	244.98	0.00	244.98	0.00	S/L	10.00
301		Printer	10/31/09	149.99	0.00	0.00	149.99	0.00	149.99	0.00	S/L	5.00
329		2 Drafting Stools	12/01/10	359.98	0.00	0.00	359.98	0.00	359.98	0.00	S/L	10.00
380		2 Itron Alliance Meter Readers	3/31/12	9,905.00	0.00	0.00	9,905.00	0.00	9,905.00	0.00	S/L	7.00
382		Dell Laptop	3/15/12	769.72	0.00	0.00	769.72	0.00	769.72	0.00	S/L	5.00
399		Workstation Computer	4/23/13	865.90	0.00	0.00	865.90	0.00	865.90	0.00	S/L	5.00
400		Main Server Computer	5/29/13	886.58	0.00	0.00	886.58	0.00	886.58	0.00	S/L	5.00
404		Receipt Printer for Computer	5/29/13	680.36	0.00	0.00	680.36	0.00	680.36	0.00	S/L	5.00
435		Samsung Copier	10/21/14	3,192.00	0.00	0.00	3,192.00	0.00	3,192.00	0.00	S/L	5.00
463		Dell Laptop	6/01/15	744.63	0.00	0.00	744.63	0.00	744.63	0.00	S/L	5.00
464		Boss Drafting Stool	7/09/15	129.99	0.00	0.00	129.99	0.00	129.99	0.00	S/L	5.00
465		Asus Monitor	6/09/15	113.98	0.00	0.00	113.98	0.00	113.98	0.00	S/L	5.00
466		80,000 BTU Heater for Plant	10/20/15	571.79	0.00	0.00	503.69	68.10	571.79	0.00	S/L	7.00
486		Wireless Cameras	3/14/16	531.05	0.00	0.00	531.05	0.00	531.05	0.00	S/L	5.00
487		Hard Drive (Cameras)	3/23/16	133.99	0.00	0.00	133.99	0.00	133.99	0.00	S/L	5.00
508		Printer	4/25/17	49.00	0.00	0.00	45.73	3.27	49.00	0.00	S/L	5.00
531		United Systems - Itron Mobile Syst	10/15/18	13,995.00	0.00	0.00	9,096.75	2,799.00	11,895.75	2,099.25	S/L	5.00

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FYE: 12/31/2022

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 170 - OFFICE FURNITURE (continued)												
549		Kyocera Copier	3/11/19	5,472.00	0.00	0.00	3,100.80	1,094.40	4,195.20	1,276.80	S/L	5.00
		170 - OFFICE FURNITURE		79,831.27	0.00	0.00	72,490.45	3,964.77	76,455.22	3,376.05		
Group: 172 - OTHER EQUIPMENT												
174		CHLORINE ANALYZER	1/01/93	705.00	0.00	0.00	705.00	0.00	705.00	0.00	S/L	17.50
175		LAB PH/ISE METER	6/22/93	1,595.00	0.00	0.00	1,595.00	0.00	1,595.00	0.00	S/L	17.50
176		SPECTROPHOTOMETER	12/16/93	1,613.00	0.00	0.00	1,613.00	0.00	1,613.00	0.00	S/L	17.50
177		EQUIPMENT	6/01/96	7,995.00	0.00	0.00	7,995.00	0.00	7,995.00	0.00	S/L	17.50
178		PIERCE REVERSE MOLE	8/15/98	5,561.00	0.00	0.00	5,561.00	0.00	5,561.00	0.00	S/L	17.50
179		HACH PH MACHINE	12/31/99	750.00	0.00	0.00	750.00	0.00	750.00	0.00	S/L	17.50
180		PLANT MIXER	7/01/00	666.00	0.00	0.00	666.00	0.00	666.00	0.00	S/L	17.50
181		EQUIPMENT	7/01/01	5,838.00	0.00	0.00	5,838.00	0.00	5,838.00	0.00	S/L	17.50
182		EQUIPMENT	7/01/02	18,310.00	0.00	0.00	18,310.00	0.00	18,310.00	0.00	S/L	17.50
183		REGAL CHLORINATOR	7/31/03	1,550.00	0.00	0.00	1,550.00	0.00	1,550.00	0.00	S/L	17.50
184		G-R AIR COMPRESSOR	11/14/03	5,200.00	0.00	0.00	5,200.00	0.00	5,200.00	0.00	S/L	17.50
185		FILTER TROUGHS	11/30/03	604.00	0.00	0.00	604.00	0.00	604.00	0.00	S/L	17.50
186		CONTROLTRON	12/31/04	3,322.00	0.00	0.00	3,322.00	0.00	3,322.00	0.00	S/L	17.50
187		CLORINE EMERG KIT	4/05/05	1,995.00	0.00	0.00	1,995.00	0.00	1,995.00	0.00	S/L	17.50
188		CHART RECORDER 4"	4/15/05	505.00	0.00	0.00	505.00	0.00	505.00	0.00	S/L	17.50
189		HUSKY POWER CUTTER	9/05/05	796.00	0.00	0.00	796.00	0.00	796.00	0.00	S/L	17.50
224		HEATER UNITS	11/01/06	2,062.83	0.00	0.00	1,948.24	114.59	2,062.83	0.00	S/L	17.50
225		PIERCING TOOL FOR BORING M	1/15/06	5,286.87	0.00	0.00	5,286.87	0.00	5,286.87	0.00	S/L	17.50
226		LEAK DETECTORS	7/15/06	1,164.00	0.00	0.00	1,164.00	0.00	1,164.00	0.00	S/L	17.50
227		BACKFLOW PREVENTOR	11/15/06	400.00	0.00	0.00	400.00	0.00	400.00	0.00	S/L	17.50
243		MIXER MOTOR	5/01/07	660.24	0.00	0.00	660.24	0.00	660.24	0.00	S/L	17.50
244		RADIO TOWER ANT	3/01/07	2,658.00	0.00	0.00	2,658.00	0.00	2,658.00	0.00	S/L	17.50
246		TRUCK RADIOS	11/01/07	769.50	0.00	0.00	769.50	0.00	769.50	0.00	S/L	17.50
247		TOOLS	12/01/07	774.89	0.00	0.00	774.89	0.00	774.89	0.00	S/L	17.50
265		28V IMPACT WRENCH	2/15/08	280.99	0.00	0.00	280.99	0.00	280.99	0.00	S/L	17.50
266		4" 7 DAY PRESSURE RECORDER	2/15/08	414.11	0.00	0.00	414.11	0.00	414.11	0.00	S/L	17.50
267		WELDING/CUTTING TORCH OU	2/15/08	743.42	0.00	0.00	743.42	0.00	743.42	0.00	S/L	17.50
268		CHLORINATOR/CL2 MONITOR	3/15/08	5,623.16	0.00	0.00	5,623.16	0.00	5,623.16	0.00	S/L	17.50
269		ELECTRODE FOR PH METER	4/15/08	248.95	0.00	0.00	248.95	0.00	248.95	0.00	S/L	17.50
270		ALUMINUM BOAT	4/15/08	200.00	0.00	0.00	200.00	0.00	200.00	0.00	S/L	17.50
271		SENSION 4 PH METER	5/15/08	902.25	0.00	0.00	902.25	0.00	902.25	0.00	S/L	17.50
272		MOBILE RADIO AND ANTENNA	9/15/08	387.25	0.00	0.00	387.25	0.00	387.25	0.00	S/L	17.50
273		MIXER	10/15/08	1,203.94	0.00	0.00	1,203.94	0.00	1,203.94	0.00	S/L	17.50
302		AMT 3" Solids Handling Pump	10/15/09	863.70	0.00	0.00	798.89	49.35	848.24	15.46	S/L	17.50
303		Rotatape Model 300 Measuring Wh	10/15/09	136.66	0.00	0.00	126.44	7.81	134.25	2.41	S/L	17.50
304		60 gpd LMI B1 Series Chemical	5/15/09	875.66	0.00	0.00	846.51	29.15	875.66	0.00	S/L	17.50
305		4 function valves and tubing	5/15/09	271.29	0.00	0.00	262.24	9.05	271.29	0.00	S/L	17.50
306		Drum pump motor and pump end	3/15/09	698.27	0.00	0.00	686.64	11.63	698.27	0.00	S/L	17.50
307		Husqvarna chainsaw	1/15/09	447.06	0.00	0.00	447.06	0.00	447.06	0.00	S/L	17.50
308		Field camera	3/15/09	94.99	0.00	0.00	94.99	0.00	94.99	0.00	S/L	17.50
328		Gas heater for basement	12/01/10	199.99	0.00	0.00	161.68	11.43	173.11	26.88	S/L	17.50
330		4" Pressure Recorder	8/01/10	441.72	0.00	0.00	371.77	25.24	397.01	44.71	S/L	17.50
331		Drum Pump Motor & Pump End	8/01/10	623.24	0.00	0.00	524.52	35.61	560.13	63.11	S/L	17.50

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 172 - OTHER EQUIPMENT (continued)												
333		Battery & Kit for Grinder	4/01/10	522.08	0.00	0.00	456.81	29.83	486.64	35.44	S/L	17.50
334		Portable Radio	4/01/10	425.62	0.00	0.00	372.40	24.32	396.72	28.90	S/L	17.50
335		Cub Cadet Riding Lawnmower	4/01/10	1,500.00	0.00	0.00	1,312.47	85.71	1,398.18	101.82	S/L	17.50
336		Mixing Basin Mixer	3/01/10	818.05	0.00	0.00	722.66	46.75	769.41	48.64	S/L	17.50
337		PH Electrode 5 Pin	3/01/10	260.95	0.00	0.00	230.52	14.91	245.43	15.52	S/L	17.50
338		4" Pressure Recorder	3/01/10	438.59	0.00	0.00	387.41	25.06	412.47	26.12	S/L	17.50
339		LMI Chemical Pump	1/01/10	962.00	0.00	0.00	865.79	54.97	920.76	41.24	S/L	17.50
351		5 Pin PH Electrode	1/31/11	254.00	0.00	0.00	243.70	10.30	254.00	0.00	S/L	17.50
352		Radio	2/28/11	456.32	0.00	0.00	456.32	0.00	456.32	0.00	S/L	17.50
353		3 PH 3/4 HP Motor for End Mixer	7/31/11	356.82	0.00	0.00	316.88	20.39	337.27	19.55	S/L	17.50
354		Chemical Pump with Valve & Tubin	7/31/11	1,084.25	0.00	0.00	804.19	61.96	866.15	218.10	S/L	17.50
355		4" Dickson Pressure Recorder	9/30/11	483.15	0.00	0.00	417.59	27.61	445.20	37.95	S/L	17.50
356		Cutoff/Bevel Tool With Charger	10/31/11	260.00	0.00	0.00	221.63	14.86	236.49	23.51	S/L	17.50
357		Speed Reducer for Rapid Mixer	11/30/11	711.36	0.00	0.00	597.88	40.65	638.53	72.83	S/L	17.50
358		4" Dickson Pressure Recorder	11/30/11	449.00	0.00	0.00	377.39	25.66	403.05	45.95	S/L	17.50
359		Motor for End Mixer	11/30/11	320.23	0.00	0.00	269.16	18.30	287.46	32.77	S/L	17.50
360		Motor for Rapid Mixer	12/07/11	263.87	0.00	0.00	221.80	15.08	236.88	26.99	S/L	17.50
379		Rapid Mixer w/ speed reducer	7/06/12	1,047.40	0.00	0.00	793.02	59.85	852.87	194.53	S/L	17.50
381		CL 17 Chlorine Analyzer	2/27/12	4,111.00	0.00	0.00	3,308.35	234.91	3,543.26	567.74	S/L	17.50
388		M28 Sawzall Kit w/2 Batteries	1/31/12	420.07	0.00	0.00	343.03	24.00	367.03	53.04	S/L	17.50
389		Milwaukee Impact Wrench Kit	5/31/12	477.21	0.00	0.00	367.00	27.27	394.27	82.94	S/L	17.50
390		Haier Window Air Conditioner	7/26/12	469.00	0.00	0.00	349.52	26.80	376.32	92.68	S/L	17.50
401		Frigidaire Aire Conditioner	5/20/13	499.00	0.00	0.00	312.44	28.51	340.95	158.05	S/L	17.50
402		Husqvarna Weed Trimmer	5/30/13	295.00	0.00	0.00	164.73	16.86	181.59	113.41	S/L	17.50
406		154pc Tools & Socket Sets	7/23/13	206.67	0.00	0.00	111.95	11.81	123.76	82.91	S/L	17.50
408		Husqvarna Riding Mower	8/06/13	1,000.00	0.00	0.00	541.65	57.14	598.79	401.21	S/L	17.50
409		Speed Reducer Rapid Mixer	8/27/13	848.16	0.00	0.00	500.85	48.47	549.32	298.84	S/L	17.50
410		C-Face Reducer for End Mixer	9/26/13	1,010.88	0.00	0.00	584.83	57.76	642.59	368.29	S/L	17.50
411		3" Head for Boring Machine	9/12/13	971.76	0.00	0.00	573.80	55.53	629.33	342.43	S/L	17.50
412		1/3HP Submersible Pump	10/31/13	968.20	0.00	0.00	548.67	55.33	604.00	364.20	S/L	17.50
414		Gas Heater w/Blower for Downstair	12/06/13	229.99	0.00	0.00	127.58	13.14	140.72	89.27	S/L	17.50
436		Scales for Chlorine Cylinders	4/10/14	2,945.00	0.00	0.00	1,493.57	168.29	1,661.86	1,283.14	S/L	17.50
437		Hammer Drill	4/04/14	422.13	0.00	0.00	214.07	24.12	238.19	183.94	S/L	17.50
438		LMI Series B Metering Pump	7/16/14	928.52	0.00	0.00	426.69	53.06	479.75	448.77	S/L	17.50
439		Rapid Mix Speed Reducer	12/19/14	874.08	0.00	0.00	349.65	49.95	399.60	474.48	S/L	17.50
440		Mixer Motor	12/17/14	308.86	0.00	0.00	123.55	17.65	141.20	167.66	S/L	17.50
467		Itron FC300	1/15/15	2,900.00	0.00	0.00	1,159.97	165.71	1,325.68	1,574.32	S/L	17.50
468		Lawnmower	3/30/15	700.00	0.00	0.00	270.00	40.00	310.00	390.00	S/L	17.50
469		Hach DR 3900 Spectrophotometer	4/28/15	4,136.00	0.00	0.00	1,575.60	236.34	1,811.94	2,324.06	S/L	17.50
470		UMS Payment Import Module	3/31/15	945.00	0.00	0.00	364.50	54.00	418.50	526.50	S/L	17.50
471		FC300 Handheld Meter Reader	12/11/15	2,905.92	0.00	0.00	1,010.14	166.05	1,176.19	1,729.73	S/L	17.50
485		LMI Chemical Pump	2/16/16	1,395.80	0.00	0.00	465.27	79.76	545.03	850.77	S/L	17.50
509		Delpac Pump	8/22/17	317.12	0.00	0.00	78.52	18.12	96.64	220.48	S/L	17.50
510		Radio, Antenna	9/21/17	467.70	0.00	0.00	113.60	26.73	140.33	327.37	S/L	17.50
511		Speed Reducer	9/25/17	1,430.88	0.00	0.00	347.48	81.76	429.24	1,001.64	S/L	17.50
532		Grainger - Speed Reducer	7/03/18	1,207.00	0.00	0.00	241.40	68.97	310.37	896.63	S/L	17.50
550		Truck Radio	2/01/19	321.94	0.00	0.00	53.66	18.40	72.06	249.88	S/L	17.50
551		LMI Chemical Pump - Delpac	3/14/19	1,350.00	0.00	0.00	218.57	77.14	295.71	1,054.29	S/L	17.50
552		LMI Chemical Pump	10/22/19	808.00	0.00	0.00	100.04	46.17	146.21	661.79	S/L	17.50

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Group: 172 - OTHER EQUIPMENT (continued)												
553		Bottom of Filter Turbiwell Analyze	10/01/19	10,534.00	0.00	0.00	1,354.37	601.94	1,956.31	8,577.69	S/L	17.50
554		2 Portable Radios	11/01/19	416.60	0.00	0.00	51.59	23.81	75.40	341.20	S/L	17.50
555		C Face for Middle Mixer	11/11/19	1,256.72	0.00	0.00	155.59	71.81	227.40	1,029.32	S/L	17.50
556		Washdown Motor for Middle Mixer	11/06/19	1,524.43	0.00	0.00	188.74	87.11	275.85	1,248.58	S/L	17.50
580		Telemetry - Stinking Creek Tank	1/06/20	7,800.00	0.00	0.00	1,560.00	780.00	2,340.00	5,460.00	S/L	10.00
581		Radio	2/04/20	380.10	0.00	0.00	145.71	76.02	221.73	158.37	S/L	5.00
582		Cub Cadet Mower	3/19/20	2,000.00	0.00	0.00	350.00	200.00	550.00	1,450.00	S/L	10.00
583		Artemus Tank Telemetry	9/01/20	7,800.00	0.00	0.00	1,040.00	780.00	1,820.00	5,980.00	S/L	10.00
589		Radio	3/09/21	826.70	0.00	0.00	137.78	165.34	303.12	523.58	S/L	5.00
590		Gas Chlorinator	4/06/21	3,045.85	0.00	0.00	130.54	174.05	304.59	2,741.26	S/L	17.50
591		LMI Pump	5/04/21	804.10	0.00	0.00	30.63	45.95	76.58	727.52	S/L	17.50
592		Ditch Witch Hammerhead	6/06/21	5,200.00	0.00	0.00	303.33	520.00	823.33	4,376.67	S/L	10.00
593		Craftsman Lawnmower	7/16/21	900.00	0.00	0.00	37.50	90.00	127.50	772.50	S/L	10.00
594		Labtronx	12/14/21	7,239.87	0.00	0.00	34.48	413.71	448.19	6,791.68	S/L	17.50
615		Ramsey Branch Tank Telemetry	1/04/22	23,691.00	0.00c	0.00	0.00	1,353.77	1,353.77	22,337.23	S/L	17.50
616		Husqvarna Chainsaw	3/25/22	670.00	0.00c	0.00	0.00	28.71	28.71	641.29	S/L	17.50
617		Oakton ph700 PH Meter	3/28/22	1,071.84	0.00c	0.00	0.00	45.94	45.94	1,025.90	S/L	17.50
618		Trailer	4/07/22	1,099.99	0.00c	0.00	0.00	47.14	47.14	1,052.85	S/L	17.50
619		Chlorine Scale	7/29/22	1,590.30	0.00c	0.00	0.00	37.86	37.86	1,552.44	S/L	17.50
		172 - OTHER EQUIPMENT		209,774.06	0.00c	0.00	116,020.11	8,462.98	124,483.09	85,290.97		
Group: 172-20 SEWER OTHER EQUIP												
314		Hydrant-Liftstation flush	2/28/09	713.57	0.00	0.00	701.72	11.85	713.57	0.00	S/L	17.50
		172-20 SEWER OTHER EQUIP		713.57	0.00c	0.00	701.72	11.85	713.57	0.00		
Group: 175 - PUMPING EQUIPMENT												
190		BROWNS BR PUMP	12/31/94	338.00	0.00	0.00	338.00	0.00	338.00	0.00	S/L	20.00
191		MOTOR 15 HP 300	12/31/94	3,790.00	0.00	0.00	3,790.00	0.00	3,790.00	0.00	S/L	20.00
192		HI SERVICE PUMP	6/01/96	17,320.00	0.00	0.00	17,320.00	0.00	17,320.00	0.00	S/L	20.00
193		BU CREEK PUMP	10/21/98	4,479.00	0.00	0.00	4,479.00	0.00	4,479.00	0.00	S/L	20.00
194		J LINE VERT PUMP	12/21/98	6,223.00	0.00	0.00	6,223.00	0.00	6,223.00	0.00	S/L	20.00
195		PUMP MOTORS	10/12/99	252.00	0.00	0.00	252.00	0.00	252.00	0.00	S/L	20.00
196		PUMP	12/31/99	437.00	0.00	0.00	437.00	0.00	437.00	0.00	S/L	20.00
197		PUMP MOTOR	7/01/00	191.00	0.00	0.00	191.00	0.00	191.00	0.00	S/L	20.00
198		PUMP	7/01/00	341.00	0.00	0.00	341.00	0.00	341.00	0.00	S/L	20.00
199		UNNAMED	12/31/04	11,224.00	0.00	0.00	11,224.00	0.00	11,224.00	0.00	S/L	20.00
200		PORTA PUMPS 2	3/20/05	1,541.00	0.00	0.00	1,541.00	0.00	1,541.00	0.00	S/L	20.00
201		PUMP	4/15/05	3,329.00	0.00	0.00	3,329.00	0.00	3,329.00	0.00	S/L	20.00
202		PUMP- ELECTRICAL WORK	7/05/05	554.00	0.00	0.00	554.00	0.00	554.00	0.00	S/L	20.00
228		RIVER PUMP	5/15/06	4,073.83	0.00	0.00	4,073.83	0.00	4,073.83	0.00	S/L	20.00
245		BACKWASH PUMP	9/01/07	6,234.00	0.00	0.00	6,234.00	0.00	6,234.00	0.00	S/L	20.00
248		92 PUMP STATION ELECTRIC	11/01/07	375.00	0.00	0.00	375.00	0.00	375.00	0.00	S/L	20.00
249		RIVER PUMP	10/01/07	4,045.90	0.00	0.00	4,045.90	0.00	4,045.90	0.00	S/L	20.00
250		1809 PUMP STATION MOTOR	12/01/07	2,013.63	0.00	0.00	2,013.63	0.00	2,013.63	0.00	S/L	20.00
251		FLOURIDE PUMP	12/01/07	1,001.74	0.00	0.00	1,001.74	0.00	1,001.74	0.00	S/L	20.00
274		DEHUMIDIFIER	1/15/08	138.44	0.00	0.00	138.44	0.00	138.44	0.00	S/L	20.00

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Group: 175 - PUMPING EQUIPMENT (continued)												
275		RIVER PUMP	1/15/08	510.00	0.00	0.00	510.00	0.00	510.00	0.00	S/L	20.00
276		213JM PACO MOTOR	2/15/08	468.00	0.00	0.00	468.00	0.00	468.00	0.00	S/L	20.00
277		SEAL KIT, WEAR RING KIT & SI	3/15/08	337.09	0.00	0.00	337.09	0.00	337.09	0.00	S/L	20.00
278		EXHAUST FAN	3/15/08	120.95	0.00	0.00	120.95	0.00	120.95	0.00	S/L	20.00
279		GATE VALVE W/FLANGE PACK	4/15/08	519.26	0.00	0.00	519.26	0.00	519.26	0.00	S/L	20.00
280		MOTOR HIGH SERVICE PUMP	4/15/08	600.00	0.00	0.00	600.00	0.00	600.00	0.00	S/L	20.00
281		CHICAGO PUMP MODEL CP409	8/15/08	4,675.00	0.00	0.00	4,636.04	38.96	4,675.00	0.00	S/L	20.00
282		15 HORSEPOWER PUMP	10/15/08	977.19	0.00	0.00	952.77	24.42	977.19	0.00	S/L	20.00
283		1 HP DRIVE FOR MIXER	11/15/08	325.26	0.00	0.00	314.42	10.84	325.26	0.00	S/L	20.00
284		10 HP MOTOR	12/15/08	968.33	0.00	0.00	927.99	40.34	968.33	0.00	S/L	20.00
285		HAYES GAP PUMPING STATION	4/15/08	605.00	0.00	0.00	605.00	0.00	605.00	0.00	S/L	20.00
286		1809 PUMP STATION	4/15/08	605.00	0.00	0.00	605.00	0.00	605.00	0.00	S/L	20.00
287		PEERLESS 7.5 HP WATER PUMF	3/17/08	1,364.76	0.00	0.00	1,364.76	0.00	1,364.76	0.00	S/L	20.00
288		HAYES GAP PUMPING STATION	3/31/08	730.13	0.00	0.00	730.13	0.00	730.13	0.00	S/L	20.00
289		ARMATURE AND MOTOR	6/12/08	1,195.00	0.00	0.00	1,195.00	0.00	1,195.00	0.00	S/L	20.00
309		Chicago pump model CP 4092.5	12/15/09	5,148.00	0.00	0.00	4,418.70	257.40	4,676.10	471.90	S/L	20.00
310		10 HP motor for 1809 Pump Statio	5/15/09	722.75	0.00	0.00	662.56	36.14	698.70	24.05	S/L	20.00
311		Pumping equipment	6/30/09	2,329.24	0.00	0.00	2,096.28	116.46	2,212.74	116.50	S/L	20.00
323		Electrical Improvements on River P	9/09/10	810.00	0.00	0.00	634.50	40.50	675.00	135.00	S/L	20.00
324		Aurora River Pump Improvements	1/11/10	1,500.00	0.00	0.00	1,275.00	75.00	1,350.00	150.00	S/L	20.00
325		Aurora River Pump Improvements	11/01/10	2,000.00	0.00	0.00	1,533.33	100.00	1,633.33	366.67	S/L	20.00
326		Motor for Hayes Gap Pump	8/10/10	565.68	0.00	0.00	447.81	28.28	476.09	89.59	S/L	20.00
327		Valves for Hayes Gap Pump	9/14/10	505.61	0.00	0.00	396.05	25.28	421.33	84.28	S/L	20.00
361		Portapump Submersible Pump	10/31/11	854.88	0.00	0.00	685.92	42.74	728.66	126.22	S/L	20.00
362		10HP Baldor Motor - 1809 Pump S	11/01/11	911.69	0.00	0.00	911.69	0.00	911.69	0.00	S/L	20.00
363		Motor for Rapid Mixer	11/30/11	264.17	0.00	0.00	208.83	13.21	222.04	42.13	S/L	20.00
376		High Service Pump	7/16/12	7,872.00	0.00	0.00	5,472.91	393.60	5,866.51	2,005.49	S/L	20.00
377		High Service Pump Motor	5/29/12	680.00	0.00	0.00	488.95	34.00	522.95	157.05	S/L	20.00
378		10HP 460/3PH Submersible Pump	1/17/12	6,552.60	0.00	0.00	5,023.67	327.63	5,351.30	1,201.30	S/L	20.00
384		Pumping Equipment	7/06/12	1,654.10	0.00	0.00	1,169.72	82.71	1,252.43	401.67	S/L	20.00
391		7.5HP 3628 Motor	2/07/12	703.43	0.00	0.00	539.29	35.17	574.46	128.97	S/L	20.00
392		Seal Kit for Hayes Gap Pump Statio	2/07/12	226.89	0.00	0.00	173.91	11.34	185.25	41.64	S/L	20.00
417		Station 92 4" Mueller Steam Check	3/13/13	530.00	0.00	0.00	324.31	26.50	350.81	179.19	S/L	20.00
418		Station 1809 Submersible Water Pu	4/04/13	155.25	0.00	0.00	93.13	7.76	100.89	54.36	S/L	20.00
419		Pumping Equipment	5/07/13	936.80	0.00	0.00	550.93	46.84	597.77	339.03	S/L	20.00
420		Replace Wiring on River Pump	6/27/13	720.00	0.00	0.00	406.29	36.00	442.29	277.71	S/L	20.00
421		Station 92 Mueller Butterfly Valve	4/05/13	249.00	0.00	0.00	149.40	12.45	161.85	87.15	S/L	20.00
422		Station 1809 Timers	12/12/13	1,030.02	0.00	0.00	519.91	51.50	571.41	458.61	S/L	20.00
441		Electrical Improvements - River Pu	8/27/14	100.00	0.00	0.00	38.33	5.00	43.33	56.67	S/L	20.00
442		Electrical Improvements - Hayes Ga	8/27/14	300.00	0.00	0.00	115.00	15.00	130.00	170.00	S/L	20.00
443		Electrical Improvements - 1809 & 9	9/30/14	600.00	0.00	0.00	225.00	30.00	255.00	345.00	S/L	20.00
445		Timers & Pressure Switches - Haye	3/26/14	761.85	0.00	0.00	348.26	38.09	386.35	375.50	S/L	20.00
446		Timers & Pressure Switches - 1809	3/26/14	761.84	0.00	0.00	348.26	38.09	386.35	375.49	S/L	20.00
447		Solenoid Valve & Sump Pump - Ha	3/18/14	574.02	0.00	0.00	262.40	28.70	291.10	282.92	S/L	20.00
448		Solenoid Valve & Sump Pump - 18	3/18/14	574.01	0.00	0.00	262.40	28.70	291.10	282.91	S/L	20.00
449		Timers - Hayes Gap & Flat Lick	4/10/14	672.70	0.00	0.00	307.55	33.64	341.19	331.51	S/L	20.00
450		Timers - 1809 & 92	4/10/14	672.70	0.00	0.00	307.55	33.64	341.19	331.51	S/L	20.00
451		River Pump Improvements	5/07/14	5,045.04	0.00	0.00	2,102.09	252.25	2,354.34	2,690.70	S/L	20.00
472		Chicago River Pump	3/18/15	7,646.48	0.00	0.00	2,580.66	382.32	2,962.98	4,683.50	S/L	20.00

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Group: 175 - PUMPING EQUIPMENT (continued)												
473		LMI Delpac Pump	10/27/15	1,214.40	0.00	0.00	374.44	60.72	435.16	779.24	S/L	20.00
474		River Pump Equipment	11/30/15	22,750.17	0.00	0.00	6,919.85	1,137.51	8,057.36	14,692.81	S/L	20.00
475		Hayes Gap Pump Equipment	9/30/15	2,069.45	0.00	0.00	646.69	103.47	750.16	1,319.29	S/L	20.00
476		Caney Gap Pump Equipment	6/30/15	5,898.97	0.00	0.00	1,917.17	294.95	2,212.12	3,686.85	S/L	20.00
495		River Pump Improvements	10/08/16	738.60	0.00	0.00	193.88	36.93	230.81	507.79	S/L	20.00
496		Caney Gap Pump Switch on Pump #	3/02/16	862.71	0.00	0.00	251.65	43.14	294.79	567.92	S/L	20.00
497		Caney Gap Pump Zoeller M 53 Sub	4/22/16	155.25	0.00	0.00	43.98	7.76	51.74	103.51	S/L	20.00
498		Caney Gap Pump #1 & #2 Improve	7/14/16	2,428.21	0.00	0.00	667.76	121.41	789.17	1,639.04	S/L	20.00
499		Caney Gap Limit Switch Pump #1	7/20/16	807.50	0.00	0.00	218.72	40.38	259.10	548.40	S/L	20.00
500		Caney Gap Pump Rewind	8/05/16	2,500.00	0.00	0.00	677.08	125.00	802.08	1,697.92	S/L	20.00
501		Caney Gap New Pump #1 & Pump :	9/21/16	7,179.58	0.00	0.00	1,884.64	358.98	2,243.62	4,935.96	S/L	20.00
502		Caney Gap Pump #2 Rewind	11/11/16	2,800.39	0.00	0.00	723.44	140.02	863.46	1,936.93	S/L	20.00
503		Hwy 1809 Pump Station Wiring Im	10/08/16	898.96	0.00	0.00	235.99	44.95	280.94	618.02	S/L	20.00
520		River Pump Mixing Basin Motor	9/20/17	512.80	0.00	0.00	108.97	25.64	134.61	378.19	S/L	20.00
521		Caney Gap Peerless Pump C810AM	3/03/17	3,046.23	0.00	0.00	736.17	152.31	888.48	2,157.75	S/L	20.00
522		Hayes Gap Seal Kit	11/28/17	384.57	0.00	0.00	78.52	19.23	97.75	286.82	S/L	20.00
523		Hwy 1809 Seal Kit, Wear Ring Kit,	2/15/17	752.03	0.00	0.00	184.87	37.60	222.47	529.56	S/L	20.00
524		Hwy 1809 Impellor	3/28/17	822.25	0.00	0.00	195.27	41.11	236.38	585.87	S/L	20.00
525		Hwy 1809 2 Impellers	3/16/17	1,772.50	0.00	0.00	420.99	88.63	509.62	1,262.88	S/L	20.00
526		Hwy 92, Laurel Br, Flatlick Electric	11/07/17	2,403.50	0.00	0.00	500.75	120.18	620.93	1,782.57	S/L	20.00
533		Forcht Bank - Pump	3/06/18	229.99	0.00	0.00	44.08	11.50	55.58	174.41	S/L	20.00
534		Cole Electric - River Pump Rewind	8/02/18	2,750.00	0.00	0.00	469.79	137.50	607.29	2,142.71	S/L	20.00
535		Cole Electric - River Pump Rewind	8/02/18	2,750.00	0.00	0.00	469.79	137.50	607.29	2,142.71	S/L	20.00
536		Cole Electric - River Pump Rewind	9/04/01	2,750.00	0.00	0.00	550.00	137.50	687.50	2,062.50	S/L	20.00
537		Cole Electric - River Pump Repair	12/03/18	1,000.00	0.00	0.00	154.17	50.00	204.17	795.83	S/L	20.00
558		River Pump Rewind	6/11/19	3,000.00	0.00	0.00	387.50	150.00	537.50	2,462.50	S/L	20.00
559		Install Mixer Motor & C Face	6/25/19	470.00	0.00	0.00	58.75	23.50	82.25	387.75	S/L	20.00
560		River Pump Repair	7/31/19	600.00	0.00	0.00	72.50	30.00	102.50	497.50	S/L	20.00
561		Seals & O Rings	10/17/19	1,436.28	0.00	0.00	155.59	71.81	227.40	1,208.88	S/L	20.00
584		Barnes 4" Submersible Pump	5/04/20	7,683.31	0.00	0.00	2,561.10	1,536.66	4,097.76	3,585.55	S/L	5.00
585		Motor repairs	6/30/20	8,157.88	0.00	0.00	2,447.37	1,631.58	4,078.95	4,078.93	S/L	5.00
595		River Pump Repair	3/22/21	5,822.00	0.00	0.00	218.33	291.10	509.43	5,312.57	S/L	20.00
596		Diesel Pump w/ Hoses	3/29/21	1,150.00	0.00	0.00	43.13	57.50	100.63	1,049.37	S/L	20.00
597		4" Power-Flo River Pump	4/06/21	7,076.65	0.00	0.00	265.37	353.83	619.20	6,457.45	S/L	20.00
598		8" Clow Gate Valve	6/01/21	1,103.57	0.00	0.00	32.19	55.18	87.37	1,016.20	S/L	20.00
599		Grund Pump - 1809 Pump St.	7/06/21	5,896.13	0.00	0.00	147.40	294.81	442.21	5,453.92	S/L	20.00
600		River Pump Repair	10/05/21	7,250.00	0.00	0.00	90.63	362.50	453.13	6,796.87	S/L	20.00
620		Chicago River Pump Repair	6/24/22	800.00	0.00c	0.00	0.00	20.00	20.00	780.00	S/L	20.00
621		Chicago River Pump	8/19/22	1,800.00	0.00c	0.00	0.00	30.00	30.00	1,770.00	S/L	20.00
622		Peabody Cares Creek Pump Repair	9/30/22	3,390.00	0.00c	0.00	0.00	42.38	42.38	3,347.62	S/L	20.00
623		Chicago River Pump Repair	9/30/22	3,190.00	0.00c	0.00	0.00	39.88	39.88	3,150.12	S/L	20.00
624		River Pump Repair	11/10/22	5,920.00	0.00c	0.00	0.00	49.33	49.33	5,870.67	S/L	20.00
625		Ebara 4" River Pump	12/31/22	10,321.91	0.00c	0.00	0.00	0.00	0.00	10,321.91	S/L	20.00
626		Chicago River Pump Repair	6/30/22	3,489.00	0.00c	0.00	0.00	87.23	87.23	3,401.77	S/L	20.00
627		Ebara 4" River Pump	1/31/22	8,702.46	0.00c	0.00	0.00	398.86	398.86	8,303.60	S/L	20.00
175 - PUMPING EQUIPMENT				293,270.51	0.00c	0.00	142,017.06	11,800.57	153,817.63	139,452.88		

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FYE: 12/31/2022

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 175-20 PUMP EQUIP SEWER												
261		PUMPING EQUIPMENT	7/31/07	648.00	0.00	0.00	467.10	32.40	499.50	148.50	S/L	20.00
296		BIMBLE LIFT STATION	5/15/08	480.00	0.00	0.00	480.00	0.00	480.00	0.00	S/L	20.00
315		Pumping equipment	6/30/09	9,490.26	0.00	0.00	8,541.23	474.51	9,015.74	474.52	S/L	20.00
431		Pumping Equipment - Control & In	6/26/13	665.00	0.00	0.00	375.25	33.25	408.50	256.50	S/L	20.00
432		Pump Bracket & Gasket for Pump #	10/25/13	1,556.12	0.00	0.00	804.02	77.81	881.83	674.29	S/L	20.00
444		Electrical Improvements - Bimble (S	8/27/14	710.00	0.00	0.00	272.17	35.50	307.67	402.33	S/L	20.00
477		Bimble Lift Station Pump Equipme	9/30/15	800.00	0.00	0.00	250.00	40.00	290.00	510.00	S/L	20.00
504		Bimble Lift Station New VFD Pumj	2/11/16	6,244.34	0.00	0.00	1,847.30	312.22	2,159.52	4,084.82	S/L	20.00
175-20 PUMP EQUIP SEWER				20,593.72	0.00 ^c	0.00	13,037.07	1,005.69	14,042.76	6,550.96		

Group: 180 - METERS & INSTALLS

1		METER INSTALLATIONS	12/31/80	388.00	0.00	0.00	388.00	0.00	388.00	0.00	S/L	45.00
2		METER INSTALLATIONS	12/31/81	452.00	0.00	0.00	452.00	0.00	452.00	0.00	S/L	45.00
3		METER INSTALLATIONS	12/31/82	901.00	0.00	0.00	901.00	0.00	901.00	0.00	S/L	45.00
4		METER INSTALLATIONS	12/31/83	839.00	0.00	0.00	839.00	0.00	839.00	0.00	S/L	45.00
5		METER INSTALLATIONS	12/31/84	1,329.00	0.00	0.00	1,329.00	0.00	1,329.00	0.00	S/L	45.00
6		METER INSTALLATIONS	12/31/85	1,019.00	0.00	0.00	1,019.00	0.00	1,019.00	0.00	S/L	45.00
7		METER INSTALLATIONS	12/31/86	513.00	0.00	0.00	513.00	0.00	513.00	0.00	S/L	45.00
8		METER INSTALLATIONS	12/31/87	450.00	0.00	0.00	450.00	0.00	450.00	0.00	S/L	45.00
9		METERS	12/31/87	410.00	0.00	0.00	410.00	0.00	410.00	0.00	S/L	40.00
10		METER INSTALL	10/31/88	2,471.00	0.00	0.00	2,471.00	0.00	2,471.00	0.00	S/L	45.00
11		METER INSTALLATIONS	12/31/88	544.00	0.00	0.00	544.00	0.00	544.00	0.00	S/L	45.00
12		METER INSTALL	10/31/89	4,076.00	0.00	0.00	4,076.00	0.00	4,076.00	0.00	S/L	45.00
13		METER INSTALLATIONS	12/31/89	1,540.00	0.00	0.00	1,540.00	0.00	1,540.00	0.00	S/L	45.00
14		METER INSTALL	10/31/90	2,746.00	0.00	0.00	2,746.00	0.00	2,746.00	0.00	S/L	45.00
15		METER INSTALLATIONS	12/31/90	828.00	0.00	0.00	828.00	0.00	828.00	0.00	S/L	45.00
16		METER INSTALLATIONS	7/01/91	25,556.00	0.00	0.00	25,556.00	0.00	25,556.00	0.00	S/L	45.00
17		METERS	7/01/91	1,151.00	0.00	0.00	1,151.00	0.00	1,151.00	0.00	S/L	40.00
18		METERS	10/31/91	2,449.00	0.00	0.00	2,449.00	0.00	2,449.00	0.00	S/L	40.00
19		MASTER METER	12/31/91	1,550.00	0.00	0.00	1,550.00	0.00	1,550.00	0.00	S/L	40.00
20		METER INSTALL	12/31/91	608.00	0.00	0.00	608.00	0.00	608.00	0.00	S/L	45.00
21		METERS	7/01/92	586.00	0.00	0.00	586.00	0.00	586.00	0.00	S/L	40.00
22		METER INSTALLATIONS	12/31/92	3,708.00	0.00	0.00	3,708.00	0.00	3,708.00	0.00	S/L	45.00
23		METER INSTALL	12/31/92	3,211.00	0.00	0.00	3,211.00	0.00	3,211.00	0.00	S/L	45.00
24		METERS	12/31/92	677.00	0.00	0.00	677.00	0.00	677.00	0.00	S/L	40.00
25		METER INSTALLATIONS	7/01/93	1,812.00	0.00	0.00	1,812.00	0.00	1,812.00	0.00	S/L	45.00
26		METERS	7/01/93	298.00	0.00	0.00	298.00	0.00	298.00	0.00	S/L	40.00
27		METER INSTALL	12/31/93	4,482.00	0.00	0.00	4,482.00	0.00	4,482.00	0.00	S/L	45.00
28		METERS	12/31/93	3,708.00	0.00	0.00	3,708.00	0.00	3,708.00	0.00	S/L	40.00
29		METER INSTALLATIONS	7/01/94	4,297.00	0.00	0.00	4,297.00	0.00	4,297.00	0.00	S/L	45.00
30		METERS	7/01/94	645.00	0.00	0.00	645.00	0.00	645.00	0.00	S/L	40.00
31		METER INSTALL	12/31/94	7,307.00	0.00	0.00	7,307.00	0.00	7,307.00	0.00	S/L	45.00
32		METERS	12/31/94	4,387.00	0.00	0.00	4,387.00	0.00	4,387.00	0.00	S/L	40.00
33		METERS	7/01/95	229.00	0.00	0.00	229.00	0.00	229.00	0.00	S/L	40.00
34		MASTER METER-CORBIN	8/01/95	13,000.00	0.00	0.00	13,000.00	0.00	13,000.00	0.00	S/L	40.00
35		METER INSTALLATIONS	9/01/95	114,331.00	0.00	0.00	114,331.00	0.00	114,331.00	0.00	S/L	45.00
36		METER INSTALL	9/30/95	5,613.00	0.00	0.00	5,613.00	0.00	5,613.00	0.00	S/L	45.00

Tax Asset Detail 1/01/22 - 12/31/22

FYE: 12/31/2022

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 180 - METERS & INSTALLS (continued)												
37		METERS	9/30/95	2,470.00	0.00	0.00	2,470.00	0.00	2,470.00	0.00	S/L	40.00
38		METER INSTALL	12/31/95	2,315.00	0.00	0.00	2,315.00	0.00	2,315.00	0.00	S/L	45.00
39		METERS	7/01/96	2,542.00	0.00	0.00	2,542.00	0.00	2,542.00	0.00	S/L	40.00
40		NEW METERS	6/01/97	2,058.00	0.00	0.00	2,058.00	0.00	2,058.00	0.00	S/L	40.00
41		PRECISION METERS	1/27/98	2,645.00	0.00	0.00	2,645.00	0.00	2,645.00	0.00	S/L	40.00
42		NEW METERS	7/15/98	3,056.00	0.00	0.00	3,056.00	0.00	3,056.00	0.00	S/L	40.00
43		MASTER METER	3/08/99	1,298.00	0.00	0.00	1,298.00	0.00	1,298.00	0.00	S/L	40.00
44		NEW METERS	12/31/99	3,468.00	0.00	0.00	3,468.00	0.00	3,468.00	0.00	S/L	40.00
45		METERS	12/31/99	6,618.00	0.00	0.00	6,618.00	0.00	6,618.00	0.00	S/L	40.00
46		NEW METERS	7/01/00	607.00	0.00	0.00	607.00	0.00	607.00	0.00	S/L	40.00
47		METERS	12/31/00	1,885.00	0.00	0.00	1,885.00	0.00	1,885.00	0.00	S/L	40.00
48		METER INSTALL	7/01/01	9,494.00	0.00	0.00	7,886.16	210.98	8,097.14	1,396.86	S/L	45.00
49		METERS	7/01/01	15,036.00	0.00	0.00	13,909.50	375.90	14,285.40	750.60	S/L	40.00
50		NEW METERS	10/31/02	3,000.00	0.00	0.00	2,400.00	75.00	2,475.00	525.00	S/L	40.00
51		COMPOUND 4" METER	3/04/03	1,600.00	0.00	0.00	1,200.00	40.00	1,240.00	360.00	S/L	40.00
52		METERS	4/30/03	2,958.00	0.00	0.00	2,218.75	73.95	2,292.70	665.30	S/L	40.00
53		METERS	9/30/03	3,009.00	0.00	0.00	2,255.66	75.23	2,330.89	678.11	S/L	40.00
54		METERS	12/31/04	3,009.01	0.00	0.00	2,105.66	75.23	2,180.89	828.12	S/L	40.00
55		METER	3/15/05	2,435.00	0.00	0.00	1,582.91	60.88	1,643.79	791.21	S/L	40.00
56		SENSUA METER	3/15/05	15,000.00	0.00	0.00	9,750.00	375.00	10,125.00	4,875.00	S/L	40.00
57		METER	6/15/05	861.00	0.00	0.00	560.16	21.53	581.69	279.31	S/L	40.00
252		METERS	7/01/07	7,806.43	0.00	0.00	4,293.52	195.16	4,488.68	3,317.75	S/L	40.00
290		METERS	6/30/08	6,375.00	0.00	0.00	3,187.54	159.38	3,346.92	3,028.08	S/L	40.00
312		Meters	6/30/09	5,156.97	0.00	0.00	2,320.61	128.92	2,449.53	2,707.44	S/L	40.00
340		50 Sensus Meters	2/01/10	1,725.00	0.00	0.00	725.97	43.13	769.10	955.90	S/L	40.00
341		116 Sensus Water Meters	9/01/10	3,940.00	0.00	0.00	1,543.17	98.50	1,641.67	2,298.33	S/L	40.00
342		Calibration of 6" and 4" Plant Meter	8/01/10	500.00	0.00	0.00	197.92	12.50	210.42	289.58	S/L	40.00
364		100 - 3/4" Sensus Meter	3/31/11	3,450.00	0.00	0.00	1,897.50	86.25	1,983.75	1,466.25	S/L	40.00
365		6" Tigermag EP Meter	6/30/11	2,857.62	0.00	0.00	1,500.24	71.44	1,571.68	1,285.94	S/L	40.00
385		150 Meters	6/30/12	7,148.50	0.00	0.00	2,144.54	178.71	2,323.25	4,825.25	S/L	40.00
403		50 5/8x3/4 Water Meters	6/24/13	2,075.00	0.00	0.00	518.79	51.88	570.67	1,504.33	S/L	40.00
405		New Finished Meter in Plant	7/15/13	243.96	0.00	0.00	61.00	6.10	67.10	176.86	S/L	40.00
407		2 Large Meter Field Test	8/05/13	400.00	0.00	0.00	98.33	10.00	108.33	291.67	S/L	40.00
413		50 5/8x3/4 Water Meters	11/20/13	2,350.00	0.00	0.00	538.54	58.75	597.29	1,752.71	S/L	40.00
452		50 5/8"x3/4" Water Meters	2/17/14	2,350.00	0.00	0.00	509.17	58.75	567.92	1,782.08	S/L	40.00
453		1" Water Meter	5/28/14	126.40	0.00	0.00	25.81	3.16	28.97	97.43	S/L	40.00
454		100 5/8"x3/4" Water Meters	6/26/14	4,700.00	0.00	0.00	940.00	117.50	1,057.50	3,642.50	S/L	40.00
455		Raw Water Meter	7/28/14	1,810.00	0.00	0.00	354.46	45.25	399.71	1,410.29	S/L	40.00
456		2 Large Meter Field Tests	8/30/14	400.00	0.00	0.00	76.67	10.00	86.67	313.33	S/L	40.00
457		Finished Water Meter	8/20/14	2,902.73	0.00	0.00	556.37	72.57	628.94	2,273.79	S/L	40.00
458		Coal Tipple Meter	9/23/14	441.96	0.00	0.00	82.87	11.05	93.92	348.04	S/L	40.00
478		2 Large Meters Field Test	9/24/15	400.00	0.00	0.00	62.50	10.00	72.50	327.50	S/L	40.00
479		50 Water Meters	8/25/15	2,350.00	0.00	0.00	372.08	58.75	430.83	1,919.17	S/L	40.00
480		1" Meter	6/02/15	266.91	0.00	0.00	43.91	6.67	50.58	216.33	S/L	40.00
481		20 Water Meters	4/23/15	940.00	0.00	0.00	156.67	23.50	180.17	759.83	S/L	40.00
484		50 Water Meters	1/11/16	2,350.00	0.00	0.00	352.50	58.75	411.25	1,938.75	S/L	40.00
488		50 Water Meters	5/23/16	2,350.00	0.00	0.00	328.02	58.75	386.77	1,963.23	S/L	40.00
490		2" Meter	8/04/16	747.55	0.00	0.00	101.24	18.69	119.93	627.62	S/L	40.00
491		2 Large Meters Field Test	8/19/16	400.00	0.00	0.00	53.33	10.00	63.33	336.67	S/L	40.00

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FYE: 12/31/2022

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 180 - METERS & INSTALLS (continued)												
492		2 1" Meters	8/16/16	350.00	0.00	0.00	46.67	8.75	55.42	294.58	S/L	40.00
493		50 3/4" Meters & 1 1" Meter	9/13/16	2,525.00	0.00	0.00	336.69	63.13	399.82	2,125.18	S/L	40.00
494		1 2" Meter	9/15/16	557.75	0.00	0.00	74.35	13.94	88.29	469.46	S/L	40.00
512		50 5/8"x3/4" Water Meters	6/29/17	2,400.00	0.00	0.00	270.00	60.00	330.00	2,070.00	S/L	40.00
513		Raw Water Meter	8/22/17	3,232.09	0.00	0.00	350.13	80.80	430.93	2,801.16	S/L	40.00
514		125 5/8"x3/4" Water Meters	8/23/17	5,875.00	0.00	0.00	636.48	146.88	783.36	5,091.64	S/L	40.00
515		2 Large Meter Field Tests	8/24/17	400.00	0.00	0.00	43.33	10.00	53.33	346.67	S/L	40.00
516		50 5/8"x3/4" Water Meters	8/24/17	2,400.00	0.00	0.00	260.00	60.00	320.00	2,080.00	S/L	40.00
517		2 1" Water Meters	10/20/17	358.00	0.00	0.00	37.29	8.95	46.24	311.76	S/L	40.00
518		10 5/8"x3/4" Water Meters	11/14/17	480.00	0.00	0.00	50.00	12.00	62.00	418.00	S/L	40.00
538		Neptune - 50 Water Meters	5/01/18	2,497.50	0.00	0.00	228.95	62.44	291.39	2,206.11	S/L	40.00
539		United Systems - 192 Kamstrup Me	8/06/18	22,080.00	0.00	0.00	1,886.00	552.00	2,438.00	19,642.00	S/L	40.00
540		Dyer Meter - 2 Large Meter Field T	8/23/18	360.00	0.00	0.00	30.00	9.00	39.00	321.00	S/L	40.00
541		Neptune - 50 Water Meters	9/12/18	2,497.50	0.00	0.00	208.13	62.44	270.57	2,226.93	S/L	40.00
542		United Systems - 192 Water Pit Enc	10/02/18	13,911.08	0.00	0.00	1,130.28	347.78	1,478.06	12,433.02	S/L	40.00
543		United Systems - 24 Water Pit Encc	11/06/18	1,746.64	0.00	0.00	138.29	43.67	181.96	1,564.68	S/L	40.00
544		United Systems - 24 Kamstrup Met	12/11/18	2,807.51	0.00	0.00	216.42	70.19	286.61	2,520.90	S/L	40.00
562		24 Kamstrup Meters	1/03/19	2,809.85	0.00	0.00	210.75	70.25	281.00	2,528.85	S/L	40.00
563		24 Pit Encoders	1/23/19	1,746.64	0.00	0.00	127.37	43.67	171.04	1,575.60	S/L	40.00
564		50 Meters	2/14/19	2,497.50	0.00	0.00	182.11	62.44	244.55	2,252.95	S/L	40.00
565		50 Meters	3/25/19	2,497.50	0.00	0.00	171.71	62.44	234.15	2,263.35	S/L	40.00
566		24 Kamstrup Meters	3/22/19	2,823.86	0.00	0.00	194.15	70.60	264.75	2,559.11	S/L	40.00
567		24 Pit Encoders	3/29/19	1,747.56	0.00	0.00	120.15	43.69	163.84	1,583.72	S/L	40.00
568		168 Kamstrup Meters	4/12/19	19,320.00	0.00	0.00	1,328.25	483.00	1,811.25	17,508.75	S/L	40.00
569		168 Pit Encoders	4/25/19	12,241.16	0.00	0.00	816.08	306.03	1,122.11	11,119.05	S/L	40.00
570		168 Kamstrup Meters	6/14/19	19,320.00	0.00	0.00	1,247.75	483.00	1,730.75	17,589.25	S/L	40.00
571		168 Pit Encoders	6/12/19	12,241.63	0.00	0.00	790.60	306.04	1,096.64	11,144.99	S/L	40.00
572		168 Pit Encoders	7/31/19	12,241.04	0.00	0.00	739.57	306.03	1,045.60	11,195.44	S/L	40.00
573		168 Kamstrup Meters	8/14/19	19,320.00	0.00	0.00	1,167.25	483.00	1,650.25	17,669.75	S/L	40.00
574		50 Meters	9/16/19	2,497.50	0.00	0.00	140.49	62.44	202.93	2,294.57	S/L	40.00
575		216 Kamstrup Meters	10/14/19	27,000.00	0.00	0.00	1,518.75	675.00	2,193.75	24,806.25	S/L	40.00
576		216 Pit Encoders	10/31/19	15,650.10	0.00	0.00	847.71	391.25	1,238.96	14,411.14	S/L	40.00
586		Neptune Meters	6/30/20	8,720.73	0.00	0.00	327.03	218.02	545.05	8,175.68	S/L	40.00
601		240 Iron Pit Encoders	1/05/21	18,204.64	0.00	0.00	455.12	455.12	910.24	17,294.40	S/L	40.00
602		240 Kamstrup Meters	1/20/21	30,720.00	0.00	0.00	704.00	768.00	1,472.00	29,248.00	S/L	40.00
603		50 Meters	7/06/21	2,695.00	0.00	0.00	33.69	67.38	101.07	2,593.93	S/L	40.00
604		288 Kamstrup Meters	7/06/21	59,650.36	0.00	0.00	745.63	1,491.26	2,236.89	57,413.47	S/L	40.00
605		Kamstrup Meter	8/03/21	821.23	0.00	0.00	8.55	20.53	29.08	792.15	S/L	40.00
606		3 Field Meter Tests	9/07/21	1,140.00	0.00	0.00	9.50	28.50	38.00	1,102.00	S/L	40.00
607		2 T-10 Meters	9/07/21	1,350.10	0.00	0.00	11.25	33.75	45.00	1,305.10	S/L	40.00
610		Line Extension	8/31/21	3,092.00	0.00	0.00	25.77	77.30	103.07	2,988.93	S/L	40.00
628		Neptune Equipment Co - 50 Meters	4/21/22	3,198.00	0.00c	0.00	0.00	53.30	53.30	3,144.70	S/L	40.00
629		United Systems - 240 Itron Pit Encc	4/08/22	19,878.20	0.00c	0.00	0.00	372.72	372.72	19,505.48	S/L	40.00
630		3 4" Long Meter	4/27/22	13,511.52	0.00c	0.00	0.00	225.19	225.19	13,286.33	S/L	40.00
631		240 Kamstrup Meters	4/28/22	33,427.25	0.00c	0.00	0.00	557.12	557.12	32,870.13	S/L	40.00
632		10 Kamstrup Meters & Itron Pit Enc	7/21/22	2,389.75	0.00c	0.00	0.00	24.89	24.89	2,364.86	S/L	40.00
633		10 Kamstrup Meters & Itron Pit Enc	9/15/22	2,239.36	0.00c	0.00	0.00	18.66	18.66	2,220.70	S/L	40.00
634		20 Kamstrup Meters & Itron Pit Enc	10/26/22	5,433.41	0.00c	0.00	0.00	22.64	22.64	5,410.77	S/L	40.00
635		Citco Water - 3/4" Meter Test	11/16/22	66.88	0.00c	0.00	0.00	0.14	0.14	66.74	S/L	40.00

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 180 - METERS & INSTALLS (continued)												
636		20 Kamstrup Meters & Itron Pit Enc	12/30/22	5,435.27	0.00c	0.00	0.00	0.00	0.00	5,435.27	S/L	40.00
		180 - METERS & INSTALLS		<u>800,445.15</u>	<u>0.00c</u>	<u>0.00</u>	<u>331,851.31</u>	<u>12,943.18</u>	<u>344,794.49</u>	<u>455,650.66</u>		
Group: 181 - TRANS & DIST MAINS												
58		BRUSH CREED EXPANSION	8/31/02	2,173,500.00	0.00	0.00	1,313,881.00	34,776.00	1,348,657.00	824,843.00	S/L	62.50
72		GOODIN BRANCH EXT	3/31/02	14,595.00	0.00	0.00	9,102.84	233.52	9,336.36	5,258.64	S/L	62.50
73		BUCKEYE	10/17/03	8,315.00	0.00	0.00	4,659.68	133.04	4,792.72	3,522.28	S/L	62.50
74		TRACE BRANCH	10/31/03	7,125.00	0.00	0.00	3,992.00	114.00	4,106.00	3,019.00	S/L	62.50
75		LAUREL BRANCH	12/31/03	5,797.00	0.00	0.00	3,200.17	92.75	3,292.92	2,504.08	S/L	62.50
76		GOODIN BRANCH	12/31/03	2,485.00	0.00	0.00	1,370.92	39.76	1,410.68	1,074.32	S/L	62.50
77		BIG CREEK	12/31/03	8,077.00	0.00	0.00	4,458.33	129.23	4,587.56	3,489.44	S/L	62.50
78		EXPANSION	12/30/04	1,514.00	0.00	0.00	805.58	24.22	829.80	684.20	S/L	62.50
79		LINE EXTENSION	12/31/96	11,137.00	0.00	0.00	11,137.00	0.00	11,137.00	0.00	S/L	62.50
80		T RUN BRANCH EXT	8/25/98	4,453.00	0.00	0.00	4,453.00	0.00	4,453.00	0.00	S/L	62.50
81		B/VILLE TIE-IN	10/15/98	10,339.00	0.00	0.00	10,339.00	0.00	10,339.00	0.00	S/L	62.50
82		SHY MUG EXT	10/15/98	11,275.00	0.00	0.00	11,275.00	0.00	11,275.00	0.00	S/L	62.50
83		KNOX LINE EXT	12/31/02	469,800.00	0.00	0.00	287,517.60	7,516.80	295,034.40	174,765.60	S/L	62.50
84		UNNAMED	12/31/04	3,014.00	0.00	0.00	1,919.84	48.22	1,968.06	1,045.94	S/L	62.50
85		BRIAR HILL EXT	3/15/05	611,052.00	0.00	0.00	358,687.21	9,776.83	368,464.04	242,587.96	S/L	62.50
86		PINEVILLE CONNECTION	12/15/05	107,976.00	0.00	0.00	63,381.54	1,727.62	65,109.16	42,866.84	S/L	62.50
87		STINKING CREEK EXPANSION	12/15/05	46,148.00	0.00	0.00	27,089.19	738.37	27,827.56	18,320.44	S/L	62.50
93		TR & DIST MAINS	12/31/71	47,292.00	0.00	0.00	47,292.00	0.00	47,292.00	0.00	S/L	62.50
94		TR & DIST RESERVOIRS	10/31/73	38,084.00	0.00	0.00	38,084.00	0.00	38,084.00	0.00	S/L	62.50
95		TR & DIST RESERVOIRS	10/31/74	298.00	0.00	0.00	298.00	0.00	298.00	0.00	S/L	62.50
96		TR & DIST MAINS	12/31/75	5,743.00	0.00	0.00	5,743.00	0.00	5,743.00	0.00	S/L	62.50
97		TR & DIST MAINS	12/31/76	55.00	0.00	0.00	55.00	0.00	55.00	0.00	S/L	62.50
98		TR & DIST MAINS	12/31/79	2,778.00	0.00	0.00	2,594.48	44.45	2,638.93	139.07	S/L	62.50
99		TR & DIST MAINS	12/31/84	115.00	0.00	0.00	100.49	1.84	102.33	12.67	S/L	62.50
100		TR & DIST MAINS	12/31/85	469.00	0.00	0.00	410.10	7.50	417.60	51.40	S/L	62.50
101		TR & DIST MAINS	12/31/87	2,116.00	0.00	0.00	1,654.16	33.86	1,688.02	427.98	S/L	62.50
102		TR & DIST MAINS	10/31/89	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	S/L	62.50
103		TR & DIST MAINS	12/31/89	1,944.00	0.00	0.00	1,447.56	31.10	1,478.66	465.34	S/L	62.50
104		TR & DIST MAINS	12/31/90	334,670.00	0.00	0.00	241,430.04	5,354.72	246,784.76	87,885.24	S/L	62.50
105		TR & DIST MAINS	10/31/91	306,697.00	0.00	0.00	242,002.98	4,907.15	246,910.13	59,786.87	S/L	62.50
106		TR & DIST MAINS	12/31/91	600.00	0.00	0.00	442.46	9.60	452.06	147.94	S/L	62.50
107		TR & DIST MAINS	12/31/92	17,333.00	0.00	0.00	12,430.38	277.33	12,707.71	4,625.29	S/L	62.50
108		TR & DIST MAINS	12/31/92	10,748.00	0.00	0.00	7,237.60	171.97	7,409.57	3,338.43	S/L	62.50
109		TR & DIST MAINS	12/31/93	3,667.00	0.00	0.00	2,555.62	58.67	2,614.29	1,052.71	S/L	62.50
110		TR & DIST MAINS	12/31/94	9,292.00	0.00	0.00	6,230.10	148.67	6,378.77	2,913.23	S/L	62.50
111		TR & DIST MAINS	9/01/95	1,289,858.00	0.00	0.00	771,835.92	20,637.73	792,473.65	497,384.35	S/L	62.50
112		TR & DIST MAINS	9/01/95	2,703.00	0.00	0.00	1,656.82	43.25	1,700.07	1,002.93	S/L	62.50
113		TR & DIST MAINS	9/01/95	2,761.00	0.00	0.00	1,693.27	44.18	1,737.45	1,023.55	S/L	62.50
114		TR & DIST MAINS	9/30/95	9,947.00	0.00	0.00	6,425.85	159.15	6,585.00	3,362.00	S/L	62.50
115		MAINS	7/01/96	6,070.00	0.00	0.00	3,598.71	97.12	3,695.83	2,374.17	S/L	62.50
116		TR & DIST MAINS	10/31/95	261,011.00	0.00	0.00	261,011.00	0.00	261,011.00	0.00	S/L	62.50
117		DISTRIG MAINS	7/01/01	1,927.00	0.00	0.00	1,510.96	30.83	1,541.79	385.21	S/L	62.50
118		COTTON BARGO ROAD	4/30/03	1,543.00	0.00	0.00	1,076.18	24.69	1,100.87	442.13	S/L	62.50

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 181 - TRANS & DIST MAINS (continued)												
119		TRACE BRANCH CROSSING	9/30/03	6,235.00	0.00	0.00	4,219.07	99.76	4,318.83	1,916.17	S/L	62.50
120		LOGAN BRANCH	9/30/03	3,260.00	0.00	0.00	2,206.12	52.16	2,258.28	1,001.72	S/L	62.50
148		UNNAMED	12/31/04	8,974.00	0.00	0.00	8,974.00	0.00	8,974.00	0.00	S/L	62.50
219		NEW LINES- ROAD FORK	12/16/03	574,565.00	0.00	0.00	245,610.54	9,193.04	254,803.58	319,761.42	S/L	62.50
220		ROAD FORK EXPANSION	3/15/05	40,055.00	0.00	0.00	23,511.91	640.88	24,152.79	15,902.21	S/L	62.50
221		TR & DIST MAINS	12/31/05	28,143.00	0.00	0.00	15,816.38	450.29	16,266.67	11,876.33	S/L	62.50
233		TRANSMISSION AND DISTRIBU	1/15/06	304,574.00	0.00	0.00	102,641.41	4,873.18	107,514.59	197,059.41	S/L	62.50
258		TRANS & DIST WHITLEY	11/30/07	100,000.00	0.00	0.00	28,908.33	1,600.00	30,508.33	69,491.67	S/L	62.50
259		TRANS & DIST KNOX	11/30/07	451,819.19	0.00	0.00	130,613.42	7,229.11	137,842.53	313,976.66	S/L	62.50
292		TRANSMISSION & DIST MAINS	12/31/08	11,586.76	0.00	0.00	3,035.75	185.39	3,221.14	8,365.62	S/L	62.50
293		STINKING POPLAR CREEK EXP	12/31/08	500,983.09	0.00	0.00	131,257.59	8,015.73	139,273.32	361,709.77	S/L	62.50
294		FLAT CREEK/HUBBS HOLLOW/	12/31/08	250,080.10	0.00	0.00	65,520.96	4,001.28	69,522.24	180,557.86	S/L	62.50
316		Trans & Dist Mains	12/31/09	390,847.27	0.00	0.00	92,630.82	6,253.56	98,884.38	291,962.89	S/L	62.50
369		Laurel Branch Pump Station	2/01/11	58,786.47	0.00	0.00	12,340.23	940.58	13,280.81	45,505.66	S/L	62.50
370		Flat Lick Pump Station and Extensi	2/01/11	890,774.86	0.00	0.00	186,988.50	14,252.40	201,240.90	689,533.96	S/L	62.50
371		Stinking Creek Reinforcement Mair	2/01/11	89,327.35	0.00	0.00	18,751.31	1,429.24	20,180.55	69,146.80	S/L	62.50
394		Gravy Branch Line Extension	12/06/12	1,211.57	0.00	0.00	198.83	19.39	218.22	993.35	S/L	62.50
395		Stinking Creek Tank	4/26/12	781.90	0.00	0.00	139.70	12.51	152.21	629.69	S/L	62.50
396		Graytown Road Water Lines	11/06/12	467.25	0.00	0.00	77.67	7.48	85.15	382.10	S/L	62.50
397		Flat Lick Tank	4/26/12	6,388.12	0.00	0.00	1,141.34	102.21	1,243.55	5,144.57	S/L	62.50
398		SCADA/Telemetry	9/04/12	6,372.80	0.00	0.00	1,085.47	101.96	1,187.43	5,185.37	S/L	62.50
423		Doe Gap Branch - Flat Lick Tank &	6/30/13	2,594.99	0.00	0.00	387.95	41.52	429.47	2,165.52	S/L	62.50
424		Doe Gap Branch - Flat Lick Tank &	7/31/13	1,563.10	0.00	0.00	230.43	25.01	255.44	1,307.66	S/L	62.50
425		Turkey Creek Line Relocation	1/31/13	1,026.00	0.00	0.00	164.10	16.42	180.52	845.48	S/L	62.50
426		Main Line Coalport Relocation	3/31/13	311.35	0.00	0.00	48.48	4.98	53.46	257.89	S/L	62.50
427		Line Extensions	6/30/13	850.00	0.00	0.00	127.08	13.60	140.68	709.32	S/L	62.50
428		Sowders/Factory Rd Extension	7/31/13	470.85	0.00	0.00	69.38	7.53	76.91	393.94	S/L	62.50
429		G. Broughton Extension	5/17/13	1,096.07	0.00	0.00	166.16	17.54	183.70	912.37	S/L	62.50
461		Pigeon Roost Project	6/30/15	234,540.96	0.00	0.00	24,392.29	3,752.66	28,144.95	206,396.01	S/L	62.50
483		Jeff's Creek Project	11/30/15	54,772.09	0.00	0.00	5,331.13	876.35	6,207.48	48,564.61	S/L	62.50
529		Coalstone CIP	2/15/19	134,496.85	0.00	0.00	6,276.52	2,151.95	8,428.47	126,068.38	S/L	62.50
181 - TRANS & DIST MAINS				<u>10,021,277.99</u>	<u>0.00c</u>	<u>0.00</u>	<u>4,898,949.45</u>	<u>153,801.88</u>	<u>5,052,751.33</u>	<u>4,968,526.66</u>		
Group: 181-20 SEWER TRANS LINES												
235		GRAVITY MAIN	5/15/06	229,424.00	0.00	0.00	65,462.29	3,670.78	69,133.07	160,290.93	S/L	62.50
236		FORCE MAIN	5/15/06	300,426.00	0.00	0.00	85,721.58	4,806.82	90,528.40	209,897.60	S/L	62.50
181-20 SEWER TRANS LINES				<u>529,850.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>151,183.87</u>	<u>8,477.60</u>	<u>159,661.47</u>	<u>370,188.53</u>		
Group: 182 - NEW SERVICES												
121		SERVICE INSTALLATIONS	7/01/96	21,619.00	0.00	0.00	21,619.00	0.00	21,619.00	0.00	S/L	40.00
122		SERVICE INSTALLATIONS	3/01/97	2,132.00	0.00	0.00	2,132.00	0.00	2,132.00	0.00	S/L	40.00
123		SERVICE INSTALLATIONS	6/01/97	3,871.00	0.00	0.00	3,871.00	0.00	3,871.00	0.00	S/L	40.00
124		SERVICE INSTALLATIONS	7/01/97	8,815.00	0.00	0.00	8,815.00	0.00	8,815.00	0.00	S/L	40.00
125		SERVICE INSTALLATIONS	7/01/97	3,087.00	0.00	0.00	3,087.00	0.00	3,087.00	0.00	S/L	40.00
126		SERVICE INSTALLATIONS	7/01/97	4,426.00	0.00	0.00	4,426.00	0.00	4,426.00	0.00	S/L	40.00
127		ENGL E HOLLOW	7/01/98	3,070.00	0.00	0.00	3,070.00	0.00	3,070.00	0.00	S/L	40.00

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 182 - NEW SERVICES (continued)												
128		OTHER SERVICES	7/01/98	8,085.00	0.00	0.00	8,083.16	1.84	8,085.00	0.00	S/L	40.00
129		ROSIE TROSPER	7/01/98	4,874.00	0.00	0.00	4,874.00	0.00	4,874.00	0.00	S/L	40.00
130		SANDY BRANCH	7/01/98	1,651.00	0.00	0.00	1,651.00	0.00	1,651.00	0.00	S/L	40.00
131		NEW SERVICES	7/15/98	3,303.00	0.00	0.00	3,303.00	0.00	3,303.00	0.00	S/L	40.00
132		NEW SERVICES	12/31/98	6,255.00	0.00	0.00	6,255.00	0.00	6,255.00	0.00	S/L	40.00
133		NEW SERVICES	12/31/99	25,233.00	0.00	0.00	24,396.66	630.83	25,027.49	205.51	S/L	40.00
134		NEW SERVICES	7/01/00	8,000.00	0.00	0.00	7,800.00	200.00	8,000.00	0.00	S/L	40.00
135		NEW SERVICES	7/01/01	63,730.00	0.00	0.00	54,172.25	1,593.25	55,765.50	7,964.50	S/L	40.00
136		NEW SERVICES	7/01/02	23,139.00	0.00	0.00	18,395.91	578.48	18,974.39	4,164.61	S/L	40.00
137		NEW SERVICES	7/01/03	22,564.00	0.00	0.00	16,922.50	564.10	17,486.60	5,077.40	S/L	40.00
138		NEW SERVICES	12/31/04	15,609.00	0.00	0.00	10,925.66	390.23	11,315.89	4,293.11	S/L	40.00
232		NEW SERVICES	12/31/06	18,562.99	0.00	0.00	6,961.05	464.07	7,425.12	11,137.87	S/L	40.00
254		NEW SERVICES	12/31/07	29,651.57	0.00	0.00	15,567.09	741.29	16,308.38	13,343.19	S/L	40.00
291		NEW SERVICES	12/31/08	19,902.13	0.00	0.00	9,453.51	497.55	9,951.06	9,951.07	S/L	40.00
317		New Services	12/31/09	12,765.44	0.00	0.00	5,425.33	319.14	5,744.47	7,020.97	S/L	40.00
343		New Services	12/31/10	20,003.00	0.00	0.00	7,501.16	500.08	8,001.24	12,001.76	S/L	40.00
366		New Services	12/31/11	17,348.95	0.00	0.00	5,638.39	433.72	6,072.11	11,276.84	S/L	40.00
393		New Services	12/31/12	14,010.00	0.00	0.00	3,852.75	350.25	4,203.00	9,807.00	S/L	40.00
430		New Services	12/31/13	11,857.37	0.00	0.00	2,667.88	296.43	2,964.31	8,893.06	S/L	40.00
459		1" Water Meter	10/15/14	126.40	0.00	0.00	23.70	3.16	26.86	99.54	S/L	40.00
460		New Services	12/31/14	17,405.77	0.00	0.00	3,045.98	435.14	3,481.12	13,924.65	S/L	40.00
482		New Services	12/31/15	15,928.99	0.00	0.00	2,389.32	398.22	2,787.54	13,141.45	S/L	40.00
505		New Services	12/31/16	13,593.85	0.00	0.00	1,699.25	339.85	2,039.10	11,554.75	S/L	40.00
527		New Services	12/31/17	6,704.29	0.00	0.00	670.44	167.61	838.05	5,866.24	S/L	40.00
546		New Services	12/31/18	12,998.94	0.00	0.00	974.91	324.97	1,299.88	11,699.06	S/L	40.00
577		New Services	12/31/19	11,609.91	0.00	0.00	580.50	290.25	870.75	10,739.16	S/L	40.00
587		New Service Installations	12/31/20	13,888.00	0.00	0.00	347.20	347.20	694.40	13,193.60	S/L	40.00
609		New Service Installations	12/31/21	17,734.00	0.00	0.00	0.00	443.35	443.35	17,290.65	S/L	40.00
638		New Service Installations	12/31/22	18,644.58	0.00c	0.00	0.00	0.00	0.00	18,644.58	S/L	40.00
182 - NEW SERVICES				<u>502,199.18</u>	<u>0.00c</u>	<u>0.00</u>	<u>270,597.60</u>	<u>10,311.01</u>	<u>280,908.61</u>	<u>221,290.57</u>		
Group: 182-20 NEW SERVICE SEWER												
298		NEW SERVICES	6/30/08	94.70	0.00	0.00	41.22	2.37	43.59	51.11	S/L	40.00
182-20 NEW SERVICE SEWER				<u>94.70</u>	<u>0.00c</u>	<u>0.00</u>	<u>41.22</u>	<u>2.37</u>	<u>43.59</u>	<u>51.11</u>		
Group: 183 - HYDRANTS												
59		HYDRANTS	10/31/78	825.00	0.00	0.00	825.00	0.00	825.00	0.00	S/L	50.00
60		HYDRANTS	12/31/81	1,078.00	0.00	0.00	1,078.00	0.00	1,078.00	0.00	S/L	50.00
61		HYDRANTS	7/06/82	1,819.00	0.00	0.00	1,819.00	0.00	1,819.00	0.00	S/L	50.00
62		HYDRANTS	10/31/86	1,177.00	0.00	0.00	1,177.00	0.00	1,177.00	0.00	S/L	50.00
63		HYDRANTS	12/31/92	41.00	0.00	0.00	41.00	0.00	41.00	0.00	S/L	50.00
64		HYDRANT-POPLAR CREEK	10/14/99	1,056.00	0.00	0.00	1,056.00	0.00	1,056.00	0.00	S/L	50.00
65		HYDRANT-POPLAR CREEK	1/28/02	4,250.00	0.00	0.00	4,250.00	0.00	4,250.00	0.00	S/L	50.00
66		KNOX LINE HYDRANTS	12/31/02	5,200.00	0.00	0.00	5,062.03	104.00	5,166.03	33.97	S/L	50.00
67		GOODIN BRANCH	6/30/03	1,671.00	0.00	0.00	1,514.54	33.42	1,547.96	123.04	S/L	50.00
68		EATON FORK	9/30/03	979.00	0.00	0.00	887.49	19.58	907.07	71.93	S/L	50.00

Tax Asset Detail 1/01/22 - 12/31/22

FYE: 12/31/2022

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 183 - HYDRANTS (continued)												
69		HIGHWAY 223	10/31/03	1,707.00	0.00	0.00	1,548.18	34.14	1,582.32	124.68	S/L	50.00
70		HYDRANTS	3/15/05	25,000.00	0.00	0.00	19,333.03	500.00	19,833.03	5,166.97	S/L	50.00
71		HYDRANTS	12/15/05	2,500.00	0.00	0.00	1,933.03	50.00	1,983.03	516.97	S/L	50.00
255		HYDRANTS	9/30/07	1,598.00	0.00	0.00	996.06	31.96	1,028.02	569.98	S/L	50.00
367		Fire Hydrant on Stinking Extension	7/31/11	4,915.35	0.00	0.00	1,807.78	98.31	1,906.09	3,009.26	S/L	50.00
183 - HYDRANTS				<u>53,816.35</u>	<u>0.00c</u>	<u>0.00</u>	<u>43,328.14</u>	<u>871.41</u>	<u>44,199.55</u>	<u>9,616.80</u>		
Group: 184 - TANKS												
150		ARTEMUS TANK	10/31/70	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	45.00
151		STINKING CR TANK	10/31/70	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	45.00
162		STORAGE TANK HWY 1809	9/01/98	119,000.00	0.00	0.00	119,000.00	0.00	119,000.00	0.00	S/L	45.00
168		ARTEMUS TANK REF	12/19/01	24,280.00	0.00	0.00	24,280.00	0.00	24,280.00	0.00	S/L	45.00
171		STINKING CR PAINTING	11/14/03	32,228.00	0.00	0.00	32,228.00	0.00	32,228.00	0.00	S/L	45.00
216		TANK - CANEY GAP	12/16/03	187,200.00	0.00	0.00	136,760.00	4,160.00	140,920.00	46,280.00	S/L	45.00
217		ENGINEERING FEES	12/16/03	118,417.00	0.00	0.00	83,796.08	2,631.49	86,427.57	31,989.43	S/L	45.00
218		OTHER COSTS	12/16/03	20,419.00	0.00	0.00	14,448.87	453.76	14,902.63	5,516.37	S/L	45.00
234		TANK - RAMSEY BRANCH	8/15/06	237,774.00	0.00	0.00	137,050.32	5,283.87	142,334.19	95,439.81	S/L	45.00
368		Big Creek Water Tank	2/01/11	174,148.00	0.00	0.00	44,141.71	3,869.96	48,011.67	126,136.33	S/L	45.00
372		Flat Lick Tank	2/01/11	232,636.00	0.00	0.00	58,966.77	5,169.69	64,136.46	168,499.54	S/L	45.00
184 - TANKS				<u>1,148,102.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>652,671.75</u>	<u>21,568.77</u>	<u>674,240.52</u>	<u>473,861.48</u>		
Group: 184-20 SEWER LIFT STATION												
237		LIFT STATION	5/15/06	342,225.00	0.00	0.00	171,873.00	7,605.00	179,478.00	162,747.00	S/L	45.00
297		TRANSDUCER & SENSON	5/15/08	1,970.34	0.00	0.00	963.33	43.79	1,007.12	963.22	S/L	45.00
184-20 SEWER LIFT STATION				<u>344,195.34</u>	<u>0.00c</u>	<u>0.00</u>	<u>172,836.33</u>	<u>7,648.79</u>	<u>180,485.12</u>	<u>163,710.22</u>		
Group: 185 -TRANSPORTATION EQUIP												
139		CASE 580L BACKHOE	7/12/99	49,650.00	0.00	0.00	49,650.00	0.00	49,650.00	0.00	S/L	7.00
142		CASE 580M BACKHOE	3/31/01	57,845.00	0.00	0.00	57,845.00	0.00	57,845.00	0.00	S/L	7.00
143		1988 FORD DUMP	4/02/01	6,750.00	0.00	0.00	6,750.00	0.00	6,750.00	0.00	S/L	7.00
144		1997 JEEP CHEROKEE	1/28/02	4,250.00	0.00	0.00	4,250.00	0.00	4,250.00	0.00	S/L	7.00
145		1996 DODGE 2500	8/04/03	5,225.00	0.00	0.00	5,225.00	0.00	5,225.00	0.00	S/L	7.00
146		1999 DODGE 1500	8/04/03	4,225.00	0.00	0.00	4,225.00	0.00	4,225.00	0.00	S/L	7.00
149		CASE BACKHOE 580 SM	3/05/05	80,350.00	0.00	0.00	80,350.00	0.00	80,350.00	0.00	S/L	7.00
229		2002 FORD F-250 UTILITY TRUC	1/15/06	11,950.00	0.00	0.00	11,950.00	0.00	11,950.00	0.00	S/L	7.00
231		1992 FERREE TRAILER	11/15/06	5,500.00	0.00	0.00	5,500.00	0.00	5,500.00	0.00	S/L	7.00
253		2008 CHEVY COLORADO	11/01/07	12,765.00	0.00	0.00	12,765.00	0.00	12,765.00	0.00	S/L	7.00
260		TRUCK BOXES	6/30/07	220.99	0.00	0.00	220.99	0.00	220.99	0.00	S/L	7.00
295		2008 CHEVY SILVERADO 1500	11/18/08	20,604.01	0.00	0.00	20,604.01	0.00	20,604.01	0.00	S/L	7.00
313		Toolbox	10/15/09	369.99	0.00	0.00	369.99	0.00	369.99	0.00	S/L	7.00
332		Pipe Rack for F150 Ford Truck	7/01/10	693.96	0.00	0.00	693.96	0.00	693.96	0.00	S/L	7.00
489		2016 Dodge Ram 1500	6/15/16	36,027.00	0.00	0.00	28,735.80	5,146.71	33,882.51	2,144.49	S/L	7.00
519		2018 Dodge Ram	11/27/17	21,911.00	0.00	0.00	12,781.41	3,130.14	15,911.55	5,999.45	S/L	7.00
545		2019 Dodge Ram	11/06/18	24,458.00	0.00	0.00	1,936.26	611.45	2,547.71	21,910.29	S/L	40.00

Tax Asset Detail 1/01/22 - 12/31/22

FYE: 12/31/2022

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 185 -TRANSPORTATION EQUIP (continued)												
608		2018 Chevrolet Colorado	9/16/21	20,262.00	0.00	0.00	126.64	506.55	633.19	19,628.81	S/L	40.00
637		2019 Ford Ranger	11/14/22	29,999.99	0.00c	0.00	0.00	714.29	714.29	29,285.70	S/L	7.00
185 -TRANSPORTATION EQUIP				<u>393,056.94</u>	<u>0.00c</u>	<u>0.00</u>	<u>303,979.06</u>	<u>10,109.14</u>	<u>314,088.20</u>	<u>78,968.74</u>		
Grand Total				<u>14,973,749.44</u>	<u>0.00c</u>	<u>0.00</u>	<u>7,627,833.12</u>	<u>256,532.65</u>	<u>7,884,365.77</u>	<u>7,089,383.67</u>		

**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

ATTACHMENT 8

Outstanding Debt Instruments

TRANSCRIPT OF PROCEEDINGS
KNOX COUNTY UTILITY COMMISSION
LOAN IN THE AMOUNT OF \$2,550,000

FROM THE

KENTUCKY RURAL WATER FINANCE CORPORATION
PUBLIC PROJECTS REFUNDING REVENUE BONDS
(FLEXIBLE TERM PROGRAM)
SERIES 2015B
DATED FEBRUARY 19, 2015
IN THE AMOUNT OF \$11,710,000

APPROVING LEGAL OPINION

By

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

TRANSCRIPT OF PROCEEDINGS INDEX

Re: Loan in the amount of \$2,550,000, dated February 19, 2015, to the Adair County Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B.

ASSISTANCE AGREEMENT AND CLOSING DOCUMENTATION

- a. Resolution of the Board of Commissioners.
- b. Minutes of Meeting of the Board of Commissioners.
- c. Assistance Agreement.
- d. Supplemental Tax Certificate.
- e. Arbitrage Certificate.
- f. Certificate of Officers.
- g. PSC Application.
- h. PSC Certificate of Public Convenience and Necessity.
- i. Letter of the State Local Debt Officer.
- j. Legal Opinion of Rubin & Hays.
- k. Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

RESOLUTION

RESOLUTION OF THE KNOX COUNTY UTILITY COMMISSION APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF REFINANCING CERTAIN OBLIGATIONS OF THE COMMISSION.

WHEREAS, the Board of Commissioners ("Governing Authority") of the Knox County Utility Commission (the "Commission") previously issued the following outstanding bonds to make improvements and extensions to the Commission's waterworks system (the "System"):

1. Knox County Utility Commission Waterworks Refunding and Improvement Revenue Bonds, Series 2000, dated September 27, 2001, in the original authorized principal amount of \$2,278,000.
2. Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002, dated December 12, 2002, in the amount of \$495,000, consisting of \$403,000 of Series A Bonds and \$92,000 of Series B Bonds.
3. Knox County Utility Commission Waterworks Revenue Bonds, Series 2002, dated December 13, 2002, in the amount of \$350,000.

(The above-referenced bonds are hereinafter collectively referred to as the "Prior Bonds").

WHEREAS, the Governing Authority has determined that it is in the public interest to refinance and currently refund the Prior Bonds to obtain debt service savings for the Commission; and

WHEREAS, the Commission desires the Kentucky Rural Water Finance Corporation (the "Corporation") to act as its agency and instrumentality for the purpose of providing monies to refinance and currently refund the outstanding Prior Bonds and has made an application to the Corporation therefore; and

WHEREAS, in order to obtain such monies, the Commission is required to enter into an Assistance Agreement with the Corporation;

NOW, THEREFORE, BE IT RESOLVED by the Governing Authority of the Knox County Utility Commission as follows:

1. Authorization of Assistance Agreement and the Obligations Thereunder. For the purpose of paying the costs, not otherwise provided, to refinance the Prior Bonds, the Commission hereby authorizes and approves the issuance of its obligations pursuant to the Assistance Agreement in the aggregate principal amount of \$2,485,000.00 (subject to adjustment plus or minus ten percent (10%)) (which aggregate principal amount may be adjusted downward in the event that the Chairman determines it is in the Commission's best interest to not refund one

or more of the Prior Bonds) [the "Obligations"], which amount as adjusted shall be the maximum amount of such Obligations to be outstanding at any one time under the Assistance Agreement, issued as fully registered Obligations, in said maturities and terms as more fully provided for in the Assistance Agreement. The Obligations shall bear interest at such rates and shall be payable in such amounts and at such times as specified in the Assistance Agreement, all as agreed upon by the Commission and the Corporation.

2. Approval and Authorization of Execution of Assistance Agreement. The Assistance Agreement by and between the Commission and the Corporation in such form as may be approved by the Chairman, is hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the Chairman, such approval to be conclusively evidenced by the execution of said Assistance Agreement, in order to effectuate the purposes of this Resolution; and the Chairman, or any other officer of the Commission, is hereby authorized to execute and acknowledge same for and on behalf of the Commission; and the Secretary is authorized to attest same and to affix thereto the corporate seal of the Commission. The Assistance Agreement is hereby ordered to be filed in the office of the Secretary with this Resolution in the official records of the Commission.

3. Disbursement of Proceeds of Obligations. The Commission's officers, employees and agents are authorized to carry out the procedures specified in the Assistance Agreement for the refinancing and current refunding of the Prior Bonds and for the payment from time to time of the costs and related expenses associated therewith.

4. Revenues of the System. The revenues of the System are determined to be sufficient to pay the principal of and interest on the Obligations, as the same become due and payable; and said revenues, pursuant to the terms of the Assistance Agreement, are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Assistance Agreement.

5. Chairman and Other Commission Officials to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, Treasurer, Secretary and all other appropriate officials of the Commission are hereby authorized and directed to file any and all applications necessary to obtain approval of the issuance of the Obligations from the Kentucky Public Service Commission and to take any and all further action and to execute and deliver all other documents as may be reasonably necessary to effect the issuance and delivery of the Obligations and the Assistance Agreement.

6. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

7. Captions of Clauses. The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

8. **Provisions in Conflict Repealed.** All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

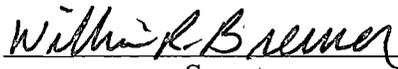
9. **Effective Date of Resolution.** This Resolution shall take effect from and after its adoption and approval.

Adopted on November 6, 2014.

KNOX COUNTY UTILITY
COMMISSION

By  _____
Chairman

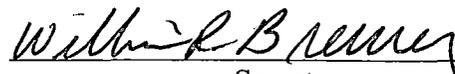
Attest:

By  _____
Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Commission; that the foregoing is a full, true and correct copy of a Resolution adopted by the Governing Authority of the Commission at a meeting duly held on November 6, 2014; that said official action appears as a matter of public record in the official records or Journal of the Governing Authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this November 6, 2014.

 _____
Secretary

KNOX COUNTY UTILITY COMMISSION COMMISSIONERS MEETING

November 6, 2014

Meeting was called to order by Chairman Jerry P Cox. Present were Commissioners David Evans and William Brewer. Derrick Poff and Edd Bingham were absent.

Motion was made by William Brewer to approve October minutes. Seconded by David Evans. All in favor

Motion was made by William Brewer to approve September Financial Report. Seconded by Jerry P Cox. All in favor

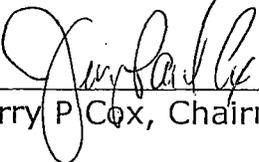
Invoices submitted at meeting were approved.

Motion was made by William Brewer to pass the Resolution of the Knox County Utility Commission Approving and authorizing an assistance agreement with the Kentucky Rural Water Finance Corporation for the purpose of refinancing certain obligations of the Commission. Seconded by David Evans. All in favor

Marshall Ramey, Superintendent reported that M&D Contractor was ahead of schedule at 16% complete on the Pigeon Roost project. The Commissioners wanted Marshall to talk to the contractor about the cost of pouring a larger slab of concrete when they did the pump station foundation in order for a block structure to be built later.

Motion was made by William Brewer to give a \$200.00 Christmas bonus to each employee. Seconded by David Evans. All in favor

With no further business meeting was adjourned.


Jerry P Cox, Chairman


David M Evans, Treasurer

Absent in Dec meeting
William Brewer, Secretary


Derrick D Poff, Commissioner


Edd Bingham, Commissioner

ASSISTANCE AGREEMENT
BETWEEN
KENTUCKY RURAL WATER FINANCE CORPORATION
AND
KNOX COUNTY UTILITY COMMISSION
DATED
FEBRUARY 19, 2015
IN THE AMOUNT OF \$2,550,000

This document was prepared by:

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

By

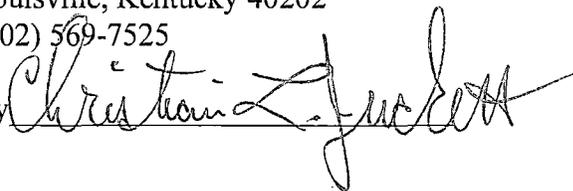


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ASSISTANCE AGREEMENT

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 Knox County Utility Commission, P.O. Box 1630, Barbourville, Kentucky 40906 (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. Knox County Utility Commission Waterworks Refunding and Improvement Revenue Bonds, Series 2000, dated September 27, 2001, in the original authorized principal amount of \$2,278,000.
2. Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002, dated December 12, 2002, in the amount of \$495,000, consisting of \$403,000 of Series A Bonds and \$92,000 of Series B Bonds.
3. Knox County Utility Commission Waterworks Revenue Bonds, Series 2002, dated December 13, 2002, in the amount of \$350,000.

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 \$2,550,000 [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 2000*" or "*2000 Bond Legislation*" refer to the Resolution authorizing the Series 2000 Bonds, duly adopted by the Governing Body on October 3, 2000.

"*Bond Legislation of 2002 (Refunding)*" or "*2002 (Refunding) Bond Legislation*" refer to the Resolution authorizing the Series 2002 Refunding Bonds, duly adopted by the Governing Body on September 3, 2002.

"*Bond Legislation of 2002*" or "*2002 Bond Legislation*" refer to the Resolution authorizing the Series 2002 Bonds, duly adopted by the Governing Body on October 1, 2002.

"*Chairman*" refers to the Chairman of the Commission.

"*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 Knox County Utility Commission, P.O. Box 1630, Barbourville, Kentucky 40906, a statutory organization, formed under the provisions of the Kentucky Revised Statutes, being created pursuant to a merger of the East Knox County Water District and the Dewitt Water District.

"*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 1st day of each month, commencing April 1, 2015 and continuing through and including January 1, 2039 or until the Loan has been paid in full.

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

"*Obligations*" refers to the Loan authorized by this Assistance Agreement in the principal amount of \$2,550,000, maturing January 1, 2039.

"*Operation and Maintenance Fund*" refers to the "Knox County Utility Commission 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 2002 Refunding Bonds and Series 2002 Bonds.

"*Revenue Fund*" refers to the Knox County Utility Commission 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 2000 Bonds*" refer to the outstanding Knox County Utility Commission Waterworks Refunding and Improvement Revenue Bonds, Series 2000, dated September 27, 2001, in the original authorized principal amount of \$2,278,000.

"*Series 2002 Bonds*" refer to the outstanding Knox County Utility Commission Waterworks Revenue Bonds, Series 2002, dated December 13, 2002, in the amount of \$350,000.

"*Series 2002 Refunding Bonds*" refer to the outstanding Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002, dated December 12, 2002, in the amount of \$495,000, consisting of \$403,000 of Series A Bonds and \$92,000 of Series B Bonds.

"*Sinking Fund*" refers to the Knox County Utility Commission 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 \$2,550,000 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 "Knox County Utility Commission 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 Certified Public Accountant.

(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.

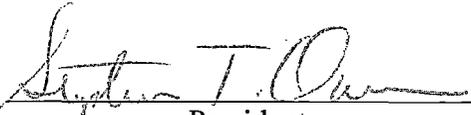
Section 25. Severability Clause.

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 Knox County Utility Commission 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

KNOX COUNTY UTILITY COMMISSION

By _____
Chairman

Attest:

By _____
Secretary

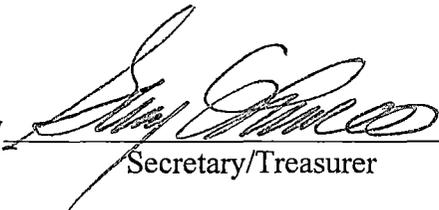
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KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By  _____
Secretary/Treasurer

KNOX COUNTY UTILITY COMMISSION

By _____
Chairman

Attest:

By _____
Secretary

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KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By _____
Secretary/Treasurer

KNOX COUNTY UTILITY COMMISSION

By  _____
Chairman

Attest:

By  _____
Secretary

EXHIBIT A

Debt Service Schedule

KRWFC Flexible Term Program Series 2015 B
Sinking Fund Payment Schedule

Borrower: Knox County Utility Commission
Closing Date: 02/19/15

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
4/15-7/15	11,000.00	8,884.69	19,884.69
8/15-1/16	11,000.00	6,581.25	17,581.25
2/16-7/16	8,333.33	6,375.00	14,708.33
8/16-1/17	8,333.33	6,375.00	14,708.33
2/17-7/17	7,916.67	6,187.50	14,104.17
8/17-1/18	7,916.67	6,187.50	14,104.17
2/18-7/18	7,083.33	6,009.38	13,092.71
8/18-1/19	7,083.33	6,009.38	13,092.71
2/19-7/19	7,083.33	5,850.00	12,933.33
8/19-1-20	7,083.33	5,850.00	12,933.33
2/20-7/20	7,500.00	5,690.63	13,190.63
8/20-1/21	7,500.00	5,690.63	13,190.63
2/21-7/21	7,500.00	5,521.88	13,021.88
8/21-1/22	7,500.00	5,521.88	13,021.88
2/22-7/22	7,916.67	5,278.13	13,194.79
8/22-1/23	7,916.67	5,278.13	13,194.79
2/23-7/23	7,916.67	5,020.83	12,937.50
8/23-1/24	7,916.67	5,020.83	12,937.50
2/24-7/24	8,333.33	4,763.54	13,096.88
8/24-1/25	8,333.33	4,763.54	13,096.88
2/25-7/25	8,750.00	4,492.71	13,242.71
8/25-1/26	8,750.00	4,492.71	13,242.71
2/26-7/26	8,750.00	4,208.33	12,958.33
8/26-1/27	8,750.00	4,208.33	12,958.33
2/27-7/27	9,166.67	3,923.96	13,090.63
8/27-1/28	9,166.67	3,923.96	13,090.63
2/28-7/28	9,166.67	3,626.04	12,792.71
8/28-1/29	9,166.67	3,626.04	12,792.71
2/29-7/29	9,583.33	3,328.13	12,911.46
8/29-1/30	9,583.33	3,328.13	12,911.46
2/30-7/30	10,000.00	3,016.67	13,016.67
8/30-2/31	10,000.00	3,016.67	13,016.67
2/31-7/31	10,416.67	2,691.67	13,108.33
8/31-1/32	10,416.67	2,691.67	13,108.33
2/32-7/32	10,416.67	2,353.13	12,769.79
8/32-1/33	10,416.67	2,353.13	12,769.79
2/33-7/33	8,750.00	2,001.56	10,751.56
8/33-1/34	8,750.00	2,001.56	10,751.56
2/34-7/34	9,166.67	1,706.25	10,872.92
8/34-1/35	9,166.67	1,706.25	10,872.92
2/35-7/35	9,583.33	1,385.42	10,968.75
8/35-1/36	9,583.33	1,385.42	10,968.75
2/36-7/36	9,583.33	1,050.00	10,633.33
8/36-1/37	9,583.33	1,050.00	10,633.33
2/37-7/37	10,000.00	714.58	10,714.58
8/37-1/38	10,000.00	714.58	10,714.58
2/38-7/38	10,416.67	364.58	10,781.25
8/38-1/39	10,416.67	364.58	10,781.25
	<u>2,550,000.00</u>	<u>1,101,745.01</u>	<u>3,651,745.01</u>

SUPPLEMENTAL TAX CERTIFICATE

Re: Loan in the amount of \$2,550,000, dated February 19, 2015, to the Knox County Utility Commission from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B.

THIS SUPPLEMENTAL TAX CERTIFICATE (the "Supplemental Tax Certificate") is made and entered into as of February 19, 2015 by and between the Kentucky Rural Water Finance Corporation ("KRWFC") and the Knox County Utility Commission (the "District"):

WITNESSETH:

WHEREAS, the District has agreed, in an Assistance Agreement dated the date hereof (the "Agreement") to borrow \$2,550,000 (the "Loan") pursuant to a Program administered by KRWFC and funded with a portion of the proceeds of the \$11,710,000 Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B that were issued on February 19, 2015 (the "Bonds") by KRWFC pursuant to and secured by a Trust Indenture, dated as of April 4, 2001 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 supplemented by a Supplemental Trust Indenture No. 60, dated February 19, 2015 (collectively the "Indenture"), between the Issuer and Regions Bank;

WHEREAS, the District has agreed in the Agreement to use the proceeds of the Loan to finance the current refunding of the following outstanding bonds (the "Refunded Bonds") for the District's waterworks system (the "System"):

- i. Knox County Utility Commission Waterworks Refunding and Improvement Revenue Bonds, Series 2000, dated September 27, 2001, in the original authorized principal amount of \$2,278,000,
- ii. Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002, dated December 12, 2002, in the amount of \$495,000, consisting of \$403,000 of Series A Bonds and \$92,000 of Series B Bonds, and
- iii. Knox County Utility Commission Waterworks Revenue Bonds, Series 2002, dated December 13, 2002, in the original authorized principal amount of \$350,000.

(The refunding of the Refunded Bonds is referred to herein as the "Project").

WHEREAS, it is necessary for the parties hereto to enter into this Supplemental Tax Certificate to ensure that interest paid on the Bonds and on the Loan shall all be and shall all remain excludable from gross income for Federal income purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code") and is not and will not become a specific item of tax preference under Section 57(a)(5)(C) of the Code for the federal alternative minimum tax and to comply with the requirements of KRWFC's Tax Certificate (the "Tax Certificate") dated as of April 4, 2001 issued with respect to the Bonds.

NOW, THEREFORE, the parties hereto agree and bind themselves as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. In addition to words and terms defined elsewhere in this Supplemental Tax Certificate, the Code and Regulations (each as herein defined), the Arbitrage Certificate (as hereinafter defined), the Indenture and the Agreement, the following capitalized words and terms used in this Supplemental Tax Certificate shall have the following meanings, unless some other meaning is plainly intended:

"Arbitrage Bond" means any obligation of a Governmental Entity that is treated as an arbitrage bond under Sections 103(b)(2) and 148 of the Code.

"Arbitrage Certificate" means the Tax Certificate under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended, for the Bonds given by KRWFC, including certifications given with respect thereto by the Financial Advisor, the Underwriter and KRWFC, and for the Loan given by the District.

"Closing Date" means the date of this Supplemental Tax Certificate.

"Cost of Issuance" means any expenditure incurred in connection with the issuance of the Loan or the District's share of such expenditures relating to the Bonds, including such costs as underwriters' spread, rating agency fees, appraisal costs, attorneys' and accountants' fees and printing costs, but excluding Qualified Guarantee Fees or expenditures incurred in connection with the Project.

"Disposition Proceeds" means the amounts, including property, received from the sale, exchange or other disposition of the Project.

"Federally-Guaranteed" means having the payment of either the principal of or interest on any portion of the Loan or any loan made with the Proceeds of any portion of the Loan guaranteed, in whole or in part, directly or indirectly, by the United States, or acquiring any Investment Property that is, directly or indirectly federally-insured, except as otherwise permitted by Section 149(b) of the Code.

"Governmental Entity" means any State and any political subdivision and agency of any State.

"Gross Proceeds" means Sale Proceeds and Replacement Proceeds, determined pursuant to Treas. Regs. §1.148-1(b) and -1(c), all until spent.

"Investment Proceeds" means any amounts actually or constructively earned or received from investing the Proceeds in Investment Property.

"Investment Property" means any security (as defined in Section 165(g)(2)(A) or (B) of the Code), obligation (including any Tax-Exempt Bond), annuity contract or other investment-type property.

"Non-Governmental Entity" means any person or entity, other than a Governmental Entity.

"Pledged Fund" means any amount pledged, directly or indirectly, to pay principal of or interest on the Loan and that provides reasonable assurance of such amounts being paid even if the District experiences financial difficulties, including amounts subject to a negative pledge.

"Private Loan" means any loan, directly or indirectly, of any of the Proceeds of an obligation of a Governmental Entity to any Non-Governmental Entity.

"Private Use" means the use of any Proceeds of the Loan or any facilities financed with such Proceeds by Private Users.

"Private User" means any Non-Governmental Entity, other than a natural person not engaged in a trade or business.

"Rebate Amount" means the amount determined by KRWFC pursuant to the Tax Certificate.

"Rebate Payments" means any payment of the Rebate Amount made to the United States Treasury.

"Redemption Date" means the date on which the last of the principal of and interest on the Loan has been paid, whether upon maturity, redemption or acceleration thereof.

"Replacement Proceeds" means amounts replaced by Proceeds of the Loan, including any sinking fund, Pledged Fund, restricted gifts (not including qualified endowment funds, pursuant to Treas. Reg. §1.148-6(d)(3)(iii)(C)) or reserve or replacement fund, or other funds that would be available, directly or indirectly, to pay debt service on the Loan, within the meaning of Treas. Reg. §1.148-1(c).

"Research Agreement" means an agreement between the District and a Private User under which the District or the Private User uses any portion of the System to carry on research.

"Sale Proceeds" means the Loan amount.

"Service Contract" means a contract between the District and a Service Provider under which the Service Provider provides services involving any portion or function of a Governmental Facility financed with Governmental Bonds.

"Service Provider" means any Private User that provides management or other services.

"State" means any state and possession of the United States and the District of Columbia.

"Treasury Regulation" and "Treas. Reg." means any Regulation, Proposed Regulation or Temporary Regulation, as may be applicable, issued by the United States Treasury Department pursuant to the Code or the 1954 Code, as appropriate.

"Yield" means, pursuant to Treas. Regs. §1.148-4 and -5, that discount rate that, when computing the present value of all payments of principal and interest to be paid on an obligation, produces an amount equal to, in the case of the Loan, the Issue Price and in the case of any Investment Property, the fair market value, as provided in Treas. Reg. §1.148-5(d).

"Yield Reduction Amount" means the amount determined by KRWFC pursuant to the Tax Certificate.

"Yield Reduction Payment" means any payment of the Yield Reduction Amount made to the United States Treasury.

Section 1.02. Interpretative Rules. For all purposes of this Supplemental Tax Certificate, except as otherwise expressly provided or unless the context otherwise requires (a) "Supplemental Tax Certificate" means this instrument, as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof; (b) all references in this instrument to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed; (c) the words "herein", "hereof", "hereunder", "herewith" and other words of similar import refer to this Supplemental Tax Certificate as a whole and not to any particular Article, Section or other subdivision; (d) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; (e) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; (f) the terms defined elsewhere in this Supplemental Tax Certificate shall have the meanings therein prescribed for them; (g) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders; (h) the headings used in this Supplemental Tax Certificate are for convenience of reference only and shall not define or limit the provisions hereof.

ARTICLE II

COVENANTS, REPRESENTATIONS, ACKNOWLEDGMENTS AND DIRECTIONS

Section 2.01. Authority and Organization. (a) The District represents for the benefit of KRWFC that it is a political subdivision of the Commonwealth of Kentucky with the power, among others, to enter into the Agreement in furtherance of its corporate purposes, including financing the cost of the Project.

(b) KRWFC represents for the benefit of the District that (i) KRWFC is duly organized and validly existing under the laws of the Commonwealth of Kentucky; and (ii) KRWFC has full

power and authority to establish a program to enter into loans and assistance agreements with political subdivisions and public agencies of the Commonwealth of Kentucky.

Section 2.02. Use of Proceeds. The District represents that:

(a) Deposit and Use of Proceeds.

- i. \$2,493,265.19 (Loan proceeds in the amount of \$2,476,472.69, plus transfers from the Refunded Bonds sinking fund in the amount of \$16,792.50) will be used to currently refund the Refunded Bonds;
- ii. \$40,750.00 of the face amount of the Loan will be used on the date hereof to pay costs associated with the making of the Loan; and
- iii. A rounding amount of \$88.96 will be deposited to the Governmental Agency Account (as defined in the Agreement) and used to pay interest on the Loan.

The remaining difference between the face amount of the Loan and the above deposits results from the fact that the Loan is being acquired from the District at a discount from its face amount in the amount of \$32,688.35 (original issue premium of \$3,776.65 less an underwriter's discount of \$36,465.00).

(b) No Private Use of Proceeds. No more than 5% of the Proceeds of the Loan will be used for private business use, in accordance with the rules contained in Treas. Reg. 1.141-3. The District expects to use the System for the entire stated term of the Agreement.

(c) Expectations. Reserved.

(d) Use of the System. The District will own and operate the System during the entire term of the Agreement and will not change the use or ownership of any part of the System during the entire term of the Agreement without the prior written consent of KRWFC.

(e) Reimbursement Allocations. Reserved.

(f) Investment Limitations. (i) The District will invest the Gross Proceeds of the Loan and any Disposition Proceeds of the Loan under the Investment Agreement unless otherwise authorized in writing by KRWFC.

(ii) If at any time, either the District determines or is informed that the Yield on the investment of moneys held by itself or any other person must be restricted or limited in order to prevent the Bonds from becoming Arbitrage Bonds, the District shall, and shall so instruct any holder of the Sale Proceeds or Investment Proceeds of the Loan, to take such action or actions as may be necessary to restrict or limit the yield on such investments as set forth in, and in accordance with, such instruction.

(g) *Temporary period for amounts in District's Governmental Agency Account.* Reserved.

(h) *Federal Guarantees.* The Gross Proceeds will not be invested in any Investment Property that is Federally-Guaranteed.

(i) *No Transferred Proceeds.* All of the proceeds of the Refunded Bonds have been expended and there are therefore no Transferred Proceeds with respect to the Refunded Bonds.

Section 2.03. Service Contracts. The District represents that it will not enter into any Service Contracts or management contracts with respect to the System without the prior written consent of KRWFC and agrees that any Service Contracts or management contracts relating to bond-financed property will comply with the management contract safe harbors of Rev. Proc. 97-13.

Section 2.04. Research Agreements. The District represents that it will not enter into any Research Agreements with respect to the System without the prior written consent of KRWFC.

Section 2.05. Changes in Use or User of System. The District represents that (a) no part of the System will be sold, or otherwise disposed of without the prior written consent of KRWFC; (b) it will not permit any use of its System by any person or entity other than itself without the prior written consent of KRWFC; (c) any portion of the System consisting of personal property may be sold in the ordinary course of an established governmental program if (i) the weighted average maturity of the portion of the Loan financing the personal property was not greater than one hundred twenty percent (120%) of the reasonably expected actual use of such personal property by the District, (ii) the District expected at the date of the Agreement that the fair market value of the personal property at the time of disposition would not be greater than twenty-five percent (25%) of its cost and (iii) at the time of disposition, the personal property is no longer suitable for the governmental purpose for which it was acquired.

Section 2.06. Investments. The District will expend the proceeds of the Loan on the date hereof and does not contemplate investing the Gross Proceeds of the Loan.

Section 2.07. Loan is a Purpose Obligation of the Bonds. The Bonds were issued to establish a program to make loans to Governmental Agencies pursuant to assistance agreements and therefore constitute a governmental program for the acquisition of purpose investments. At least 95% of the payments made by the District pursuant to the Agreement will be used to pay principal, interest, or redemption prices on the Bonds, or to pay administrative costs of the Bonds. The District covenants not to acquire the Bonds or other bonds of KRWFC related to the Program. The yield on the Loan to the District does not exceed the yield on the Bonds by more than 1.5 percent.

Section 2.08. No Abusive Arbitrage Device. Both KRWFC and the District agree that they will not take any action that will enable KRWFC or the District to take any action that (a) has the effect of enabling KRWFC or the District to exploit the difference between tax-exempt

and taxable interest rates to gain a material financial advantage or (b) overburdens the market for tax-exempt obligations in any manner. The amount of proceeds of the Loan is not reasonably expected to exceed the amount necessary for the District to accomplish the governmental purposes described in the Agreement.

Section 2.09. Records. The District represents that proper records and accounts, containing complete and correct entries of all transactions relating to the Agreement, the use of the Gross Proceeds of the Agreement and the expenditures made in connection with the Project, will be maintained. The information described in this Section will be retained for at least six (6) years after the Redemption Date.

Section 2.10. Payment of Arbitrage Compliance Amounts. The District represents that all actions necessary to comply with the Yield limitations applicable to investments of the Sale Proceeds and Investment Proceeds of the Loan and the rebate requirements contained in Section 148(f) of the Code and the Treasury Regulations thereunder will be taken. Immediately upon the request of KRWFC, the District will assemble copies of records concerning investments of Gross Proceeds of the Loan, including any amounts held by any provider of a letter of credit or guarantor under a reimbursement or other similar agreement. In particular, the District will provide KRWFC with information that will enable KRWFC to determine if any Rebate Amount is payable. The District will pay any Rebate Payment and any Yield Reduction Payment owed with respect to the Gross Proceeds of the Loan, as determined by KRWFC. The information described in this Section will be retained for at least six (6) years after the Redemption Date.

Section 2.11. Election to Apply Rebate Exception Separately to the Loan. The District hereby elects and KRWFC has previously elected to have the spending exceptions of Treas. Reg. 1.148-7 and the small issuer exceptions of Treas. Reg. 1.148-8 applied separately to the Loan.

The applicable beginning date in applying the spending exceptions of Treas. Reg. 1.148-7 is the Closing Date. The spending exceptions include the six month exception described in Treas. Reg. 1.148-7(c), the eighteen month exception described in Treas. Reg. 1.148-7(d), and the two year exception described in Treas. Reg. 1.148-7(e).

Section 2.12. Information Reporting Requirements. The District represents that it will timely execute and file any information reports required under Section 149(e) of the Code (Form 8038-G) or as required by KRWFC.

Section 2.13. Compliance with Supplemental Tax Certificate. (a) The District may, at any time, employ bond counsel, independent certified public accountants, or other qualified experts acceptable to KRWFC to perform any of the requirements imposed upon the District by this Supplemental Tax Certificate.

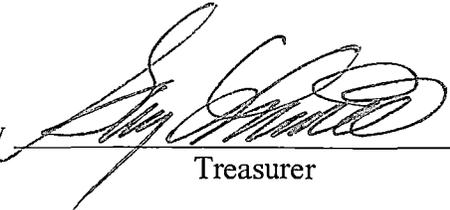
(b) KRWFC and the District agree, to the extent reasonably possible, to comply with any amendments to the Code or any applicable Regulations, effective retroactively, and KRWFC and the District shall take all actions necessary to amend this Supplemental Tax Certificate to comply therewith.

(c) Whenever any action or direction is required of the District hereunder, such action or direction may, or in the absence of any such action or direction shall, be made by KRWFC.

(d) Any restriction or covenant contained in this Supplemental Tax Certificate need not be observed or may be changed if KRWFC and the District receive an opinion of Tax Counsel to the effect that such nonobservance or change will not adversely effect the exclusion of interest on any of the Bonds from gross income for purposes of Federal income taxation.

IN WITNESS WHEREOF, KRWFC and the District have each caused this Supplemental Tax Certificate to be executed in its own name and on its behalf by its duly authorized officers, all as of the date set forth above.

KENTUCKY RURAL WATER FINANCE CORPORATION

By  _____
Treasurer

KNOX COUNTY UTILITY COMMISSION

By _____
Chairman

(c) Whenever any action or direction is required of the District hereunder, such action or direction may, or in the absence of any such action or direction shall, be made by KRWFC.

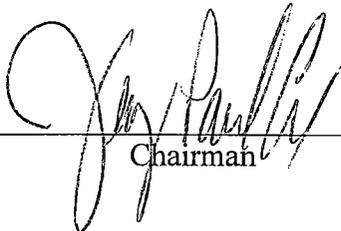
(d) Any restriction or covenant contained in this Supplemental Tax Certificate need not be observed or may be changed if KRWFC and the District receive an opinion of Tax Counsel to the effect that such nonobservance or change will not adversely effect the exclusion of interest on any of the Bonds from gross income for purposes of Federal income taxation.

IN WITNESS WHEREOF, KRWFC and the District have each caused this Supplemental Tax Certificate to be executed in its own name and on its behalf by its duly authorized officers, all as of the date set forth above.

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
Treasurer

KNOX COUNTY UTILITY COMMISSION

By  _____
Chairman

ARBITRAGE CERTIFICATE

Re: Loan in the amount of \$2,550,000, dated February 19, 2015, to the Knox County Utility Commission from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B.

The undersigned officer of the Knox County Utility Commission (the "District") hereby certifies with respect to the loan in the amount of \$2,550,000 (the "Loan") made pursuant to the Assistance Agreement (the "Agreement") by and between the Kentucky Rural Water Finance Corporation ("KRWFC") and the District, derived from the proceeds of the \$11,710,000 Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B (the "Bonds") issued by KRWFC, which Agreement is entered into for the purpose of currently refunding certain obligations of the District, secured by the District's existing waterworks system (the "System") and made as of the date hereof (the "Closing Date"), which is the date of delivery of, and payment for, the Loan, that the following facts, estimates and circumstances regarding the amount and use of all of the Proceeds, as defined in Treas. Reg. §1.148-1(b), issued under the Internal Revenue Code of 1986, as amended (the "Code"), of the Loan are, as of the Closing Date and according to the District's best knowledge, information and belief, reasonably expected to exist or to occur:

1. Proceeds. The Proceeds of the Loan consist, and will consist, of the Sale Proceeds and Investment Proceeds, each as defined in Treas. Reg. §1.148-1(b), issued under the Code, and equal the Loan amount.

2. Purpose of Loan.

a. The Proceeds of the Loan, together with certain other funds, will be used to provide funds to pay the costs of issuance of the Loan and finance the current refunding of the outstanding (collectively, the "Refunded Bonds"), which constitutes a valid governmental purpose (the "Governmental Purpose"):

i. Knox County Utility Commission Waterworks Refunding and Improvement Revenue Bonds, Series 2000, dated September 27, 2001, in the original authorized principal amount of \$2,278,000,

ii. Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002, dated December 12, 2002, in the amount of \$495,000, consisting of \$403,000 of Series A Bonds and \$92,000 of Series B Bonds, and

iii. Knox County Utility Commission Waterworks Revenue Bonds, Series 2002, dated December 13, 2002, in the original authorized principal amount of \$350,000.

b. The total amount of Proceeds received by the District will not exceed the amount necessary to finance the Governmental Purpose. The Agreement is being entered into at this time in such amount because the Borrower expects to redeem the Refunded Bonds on February 23, 2015.

3. Yield on the Loan.

a. The price at which the Loan was sold to the Issuer, which intends to hold the Loan for investment purposes and not for resale to the general public, is equal to the Loan Amount.

b. The Yield on the Loan, as defined in Treas. Reg. §1.148-4, issued under the Code, is 3.2720223%. The term "yield", as used herein, means that yield which, when used in computing the present worth of all payments of principal and interest on an obligation, produces an amount equal to, in the case of the Bonds, the amount actually received by the District as a result of the sale of the Bonds (including any accrued interest).

4. Application of Proceeds. All of the Sale Proceeds will be used to pay the cost of the Governmental Purpose, including issuance expenses and any accrued interest to the Closing Date. No amount received as Proceeds of the Loan will be used in a manner not set forth in this section.

5. Expenditure of Proceeds for the Project. An amount of the "Net Sales Proceeds" (defined in Treas. Reg. §1.148-1(b) as Sales Proceeds less an amount that is the lesser of five percent (5%) of the Sales Proceeds or \$100,000) of the Loan as specified in the Supplemental Tax Certificate executed by the District and dated of even date herewith will be deposited into the Governmental Agency Account with Regions Bank, Nashville, Tennessee, then transferred to the Rural Development (the "RD") of the Department of Agriculture of the United States of America, the holder of the Refunded Bonds, as may be required:

a. To pay the accrued interest on the Refunded Bonds to and including February 23, 2015; and

b. 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.

6. Investment of Proceeds.

a. The District has agreed in the Supplemental Tax Certificate executed by the District and dated of even date herewith that it will not invest any of the Proceeds of the Loan without the express consent of KRWFC, and any such investments will be done so that such investment will not cause interest on either the Loan or the Bonds to be includable in the holder's gross income for purposes of federal income taxation or the debt to be treated as "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code and the Treasury Regulations thereunder.

b. Not more than fifty percent (50%) of the Proceeds of the Loan will be invested in investments that both do not carry out the Governmental Purpose of the Agreement and have a substantially guaranteed yield for at least four (4) years.

c. Amounts deposited in the District's Sinking Fund will be used to pay the principal of and interest on the Loan, and the District reasonably expects that there will be no other funds that will be so used or that will be pledged to payment of the Loan under circumstances such that the holder of the Loan is reasonably assured that such fund will be available for payment of debt service on the Loan. The Sinking Fund is a fund that is used primarily to achieve a proper matching of revenues and debt service within each bond year. Money deposited in the Sinking Fund will be used within thirteen (13) months from the date of deposit for the payment of debt service on the District's outstanding Loan and other parity obligations and, except for an amount equal to not more than the greater of (i) one-twelfth (1/12) of debt service requirements of such Loan and other parity obligations for the then ensuing year or (ii) one year's earnings on the Sinking Fund, the Sinking Fund will be depleted annually through such application for current debt service requirements of the Loan and other parity obligations. Any income earned from the investment of amounts deposited in the Sinking Fund will be retained in the Sinking Fund and expended within one year from the date of receipt.

d. Any unexpended portion of the Proceeds of the Loan, including any amounts in any reasonably required reserve or replacement fund, will be invested in the investment contract described in the Trust Indenture for the Bonds and other than any funds described herein invested during a temporary period permitted under Treas. Regs. §1.148-1 through -11, issued under the Code, if any, or any amounts in any reasonably required reserve or replacement fund, as described in Treas. Reg. §1.148-2(f), no Proceeds of the Loan, or any moneys that may become Replacement Proceeds, as defined in Treas. Reg. §1.148-1(c), of the Loan, in excess of the lesser of (i) five percent (5%) of such Proceeds or (ii) \$100,000, have been invested in "higher yielding investments", as defined in the Code and the Treasury Regulations thereunder.

7. General.

a. The District reasonably expects that neither the project financed with the proceeds of the Refunded Bonds, nor any part thereof, will be sold or otherwise disposed of by the District prior to the final principal maturity date of the Loan.

b. There are no amounts, other than any funds specifically contributed by the District and the Gross Proceeds of the Loan, that are available for the Governmental Purpose and the term of the Loan is not longer than reasonably necessary for the Governmental Purpose.

c. Any Rebate Payments and any Yield Reduction Payments (each as defined in the Supplemental Tax Certificate), owed pursuant to Section 148(f) of the Code, will

be remitted to the United States Treasury as directed by KRWFC, pursuant to the Supplemental Tax Certificate entered into with respect to the Bonds.

d. The District has not employed in connection with the Loan a transaction or series of transactions that attempts to circumvent the provisions of Sections 103(b)(2) and 148 of the Code and the Treasury Regulations thereunder, enabling the District to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and/or increasing the burden on the market for tax-exempt obligations through actions such as issuing more obligations, issuing obligations sooner or allowing them to remain outstanding longer than would otherwise be necessary for the Governmental Purpose.

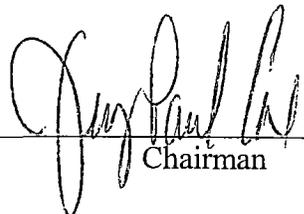
e. KRWFC has never been advised of any listing or contemplated listing by the Internal Revenue Service to the effect that the District's certification with respect to its obligations may not be relied upon and no notice to that effect has been published in the Internal Revenue Bulletin.

f. Certain of the facts, estimates and circumstances contained herein are based upon representations made by KRWFC in the attached certificate, or in other letters and reports that accompany the sundry closing documents related to the sale and delivery of the Loan. The District is not aware of any facts, estimates or circumstances that would cause it to question the accuracy of such representations. To the best of the knowledge, information and belief of the undersigned, who is authorized by the District to sign this certificate on behalf of the District, the above expectations of the District as stated herein are reasonable and there are no other facts, estimates or circumstances that would materially change the foregoing conclusion.

This certificate is being executed and delivered pursuant to Treas. Regs. §1.148-1 through -11 issued under the Code, of which the undersigned, with the advice of counsel, is generally familiar. On the basis of the foregoing, it is, not expected that the proceeds of the Loan will be used in a manner that would cause the Loan or the Bonds to be "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code or the Treasury Regulations thereunder.

Dated as of February 19, 2015.

KNOX COUNTY UTILITY
COMMISSION

By:  _____
Chairman

**CERTIFICATE OF OFFICERS OF
KNOX COUNTY UTILITY COMMISSION**

Re: Loan in the amount of \$2,550,000, dated February 19, 2015, to the Knox County Utility Commission from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B.

The undersigned officials of the Knox County Utility Commission (the "District") under the Assistance Agreement (the "Agreement") between the District and the Kentucky Rural Water Finance Corporation ("KRWFC"), dated the date hereof, do hereby certify as follows:

1. That they are the duly elected or appointed, qualified and acting incumbents of their respective offices of the District, as set forth after their signatures hereto, and as such are familiar with the books, records and affairs of the District.

2. That the District is a body politic and corporate, validly organized, existing and in good standing under and by virtue of the laws of the Commonwealth of Kentucky with all requisite power and authority to operate a waterworks system (the "System") and to carry on its business as now being conducted.

3. That the below-named persons were on the date or dates of the execution of the Agreement and are on the date of this Certificate the duly elected or appointed and qualified incumbents of the respective offices of the District set forth opposite their names and that the signatures set forth opposite their names are their genuine signatures:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Jerry Cox	Chairman	 _____
William Brewer	Secretary	 _____

4. That included in the transcript of which this Certificate forms a part is a true, correct and complete copy of the resolution duly adopted by the Governing Body of the District on November 6, 2014 (the "Resolution"), authorizing the appropriate officials of the District to execute the Agreement. The Resolution was duly adopted in accordance with all applicable laws.

5. The Resolution duly authorized the current refunding of the following outstanding bonds of the District (the "Refunded Bonds"):

- i. Knox County Utility Commission Waterworks Refunding and Improvement Revenue Bonds, Series 2000, dated September 27, 2001, in the original authorized principal amount of \$2,278,000,
- ii. Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002, dated December 12, 2002, in the amount of \$495,000,

consisting of \$403,000 of Series A Bonds and \$92,000 of Series B Bonds, and

- iii. Knox County Utility Commission Waterworks Revenue Bonds, Series 2002, dated December 13, 2002, in the original authorized principal amount of \$350,000.

6. The Agreement has been duly authorized, executed and delivered by the District and constitutes a legal, valid and binding obligation of the District, enforceable against the District in accordance with its terms.

7. The representations and warranties of the District made in the Agreement are true and correct in all material respects on and as of the date hereof as if made on and as of the date hereof; the Resolution has not been amended or supplemented and is in full force and effect; and the Agreement has been entered into and is in full force and effect.

8. That we are familiar with the provisions of the Agreement, and we hereby certify that at the time of or immediately after the issuance, sale and delivery of the Loan, the proceeds of the Loan authorized by the Agreement were applied or will be applied as itemized in the Distribution of Loan Proceeds Schedule attached hereto as **Exhibit A**, and this certification constitutes the instruction to and authorization of the Trustee to make such payments and deposits specified in said **Exhibit A**.

9. The District is not in default under or in violation of (i) any provisions of applicable law, (ii) the Agreement, or (iii) any indenture, mortgage, lien, agreement, contract, deed, lease, loan agreement, note, bond, order, judgment, decree or other instrument or restriction of any kind or character to which it is a party or by which it or its properties are or may be bound, or to which it or any of its assets is subject, which default would have a material adverse effect on the condition, financial or otherwise, of the District or on the ability of the District to perform its obligations under the Agreement. Neither the execution and delivery of the Agreement nor compliance by the District with the terms, conditions and provisions of the Agreement will conflict with or result in a breach of, or constitute a default under, any of the foregoing.

10. Since the date of the financial information provided to KRWFC, there have not been any material adverse changes in the business, properties, condition (financial or otherwise) or results of operations of the District, whether or not arising from transactions in the ordinary course of business, and since such date, except in the ordinary course of business, the District has not entered into any transaction or incurred any liability material to the financial position of the District.

11. There is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, or public board or body, pending or, to the best of our knowledge, threatened against or affecting the District wherein an unfavorable decision, ruling or finding would materially adversely affect the business, properties, condition (financial or otherwise) or the results of operations of the District or the ability of the District to perform its obligations under the Agreement.

12. All authorizations, consents and approvals of, notices to, registrations or filings with, or other actions in respect of or by, any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the District of the Agreement have been duly obtained, given or taken (and copies thereof have been provided to KRWFC).

13. Any certificate signed by any official of the District and delivered to KRWFC will be deemed to be a representation by the District to KRWFC as to the statements made therein.

WITNESS our hands this February 19, 2015.

KNOX COUNTY UTILITY
COMMISSION

By  _____
Chairman

Attest:

By  _____
Secretary

EXHIBIT A

DISTRIBUTION OF LOAN PROCEEDS SCHEDULE

Re: Loan in the amount of \$2,550,000, dated February 19, 2015, to the Knox County Utility Commission from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B.

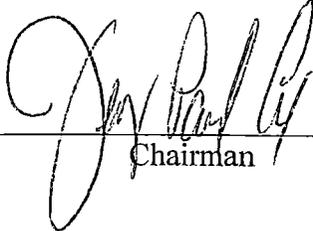
SOURCES OF FUNDS

Par Amount of Loan	\$2,550,000.00
Transfer from Refunded Bonds Sinking Fund	16,792.50
Plus Original Issue Premium	<u>3,776.65</u>
Total Sources	\$2,570,569.15

USES OF FUNDS

Deposit to Knox County Utility Commission Governmental Agency Account to refund the Refunded Bonds	2,493,265.19
Deposit of rounding proceeds to Knox County Utility Commission Governmental Agency Account	88.96
Underwriter's Discount	36,465.00
Deposit to Costs of Issuance Account	<u>40,750.00</u>
Total Uses	\$2,570,569.15

KNOX COUNTY UTILITY
COMMISSION

By:  _____
Chairman

Steve L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James Gardner
Vice Chairman

Linda Breathitt
Commissioner

December 22, 2014

PARTIES OF RECORD

RE: Case No. **2014-00442**

Knox County Utility Commission
(Financing)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received December 22, 2014 and has been assigned Case No. 2014-00442. In all future correspondence or filings in connection with this case, please reference the above case number. Public comments and responses to public comments regarding this case may be viewed on the Commission's web site at <http://www.psc.ky.gov>.

All documents submitted to the Commission in this proceeding must comply with the rules of procedure adopted by the Commission found in 807 KAR 5:001. Any deviation from these rules must be submitted in writing to the Commission for consideration as required by 807 KAR 5:001 (22). Additionally, confidential treatment of any material submitted must follow the requirements found in 807 KAR 5:001 (13).

Pursuant to the 2014 revisions to KRS 278.380, beginning on July 16, 2014, the Commission shall use electronic means to deliver orders. Please ensure a proper email address is included for each person to be included on the Commission's official service list.

Materials submitted to the Commission which do not comply with the rules of procedure, or that do not have an approved deviation, are subject to rejection by Commission pursuant to 807 KAR 5:001 (3). In order to insure cases are processed in a timely manner and accurate reliable records are created, please make sure that the rules of procedure are followed. Should you have any questions, please contact Linda Faulkner in the Division of Filings at (502)564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

JD/tw

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF KNOX COUNTY)
 UTILITY COMMISSION TO ISSUE)
 SECURITIES IN THE APPROXIMATE PRINCIPAL)
 AMOUNT OF \$2,490,000 FOR THE PURPOSE)
 OF REFUNDING CERTAIN OUTSTANDING) Case No. 2014-_____
 REVENUE BONDS OF THE DISTRICT)
 PURSUANT TO THE PROVISIONS OF KRS 278.300)
 AND 807 KAR 5:001)

** *** **** ***** **** ** **

APPLICATION

The Applicant, Knox County Utility Commission (the "Utility"), files this Application pursuant to KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") enter an Order authorizing the Utility to issue certain securities in the approximate principal amount of \$2,490,000 (subject to adjustment of up to 10%), for the purpose of refunding certain outstanding waterworks revenue bonds of the Utility. In support of this Application, and in compliance with the rules and regulations of the Commission, the Utility states as follows:

1. The Utility was established pursuant to a Commission approved merger of the East Knox County Water District and the Dewitt Water District in accordance with the provisions of Chapters 74 and 278 of the Kentucky Revised Statutes. The Utility is now, and has been since its inception, regulated by the Commission, and all records and proceedings of the Commission with

reference to the Utility are incorporated in this Application by reference. The Utility does not have any Articles of Incorporation due to the fact that it is a statutory entity.

2. The governing body of the Utility is its Board of Commissioners which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.

3. The mailing address of the Utility is as follows:

Knox County Utility Commission
c/o Ms. Carolyn Smith, Assistant Superintendent
P.O. Box 1630
Barbourville, Kentucky 40906
Telephone: (606) 546-5300
Fax: (606) 546-3099
Email: knoxcountility@aol.com

4. A general description of the Utility's water system property, together with a statement of the original cost, is contained in the Utility's Annual Report for 2013 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The Utility proposes to borrow funds from the Kentucky Rural Water Finance Corporation ("KRWFC") pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$2,490,000 (subject to adjustment of up to 10%) for the purpose of refunding the outstanding revenue bonds designated as (i) Knox County Utility Commission Waterworks Refunding and Improvement Revenue Bonds, Series 2000, dated September 27, 2001, in the original principal amount of \$2,278,000, bearing interest at the rate of 4.50% per annum (the "2000 Bonds"); (ii) Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002, dated December 12, 2002, in the original principal amount of \$495,000, consisting of \$403,000 of Series A Bonds and \$92,000 of Series B Bonds, said Series A Bonds bearing interest

at the rate of 4.50% per annum and said Series B Bonds bearing interest at the rate of 5.00% (collectively, the "2002A and B Bonds"); and (iii) Knox County Utility Commission Waterworks Revenue Bonds, Series 2002, dated December 13, 2002, in the original principal amount of \$350,000, bearing interest at the rate of 4.50% per annum (the "2002 Bonds") (hereinafter, the 2000 Bonds, 2002A and B Bonds and the 2002 Bonds shall be collectively referred to as the "Prior Bonds"). The Prior Bonds are held by the U.S. Department of Agriculture, acting through Rural Development.

6. The estimated debt service for the KRWFC Loan is shown in **Exhibit A** which is attached hereto and incorporated herein by reference. The debt service schedule and estimated interest rates are subject to change because of market conditions. The final terms and details of the KRWFC Loan may vary from the present assumptions based upon market conditions and other business judgment factors.

7. The KRWFC Loan will provide the Utility with the funds necessary to (i) refund the Prior Bonds; and (iii) pay the fees and expenses incident to the issuance of the KRWFC Loan.

8. The Sources and Uses of Funds to be obtained from the issuance of the KRWFC Loan are detailed as **Exhibit B**, which is attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed refinancing will result in a net present value cashflow savings of approximately \$235,661.78. These savings are shown on the Debt Service Comparison, which is attached hereto and incorporated herein by reference as **Exhibit C**.

10. The final principal amount of the KRWFC Loan will be adjusted based upon final interest rates which will be known on or about the date of sale of the proposed KRWFC Loan. Final financial figures will be submitted to the Commission in a timely manner. The Utility will not issue

the securities if interest rates in the bond market shift to a point where the Utility will not achieve any debt service savings.

11. The Debt Service Schedule of the outstanding Prior Bonds being refunded is set forth in **Exhibit D**.

12. The Utility represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of the Utility by producing substantial debt service savings. This is a lawful object within the corporate purposes of the Utility's utility operations. The KRWFC Loan is necessary, appropriate for, and consistent with the proper performance by the Utility of its service to the public and will not impair its ability to perform that service.

13. The Utility represents that it will, as soon as reasonably possible after the closing of the KRWFC Loan, file with the Commission a statement setting forth the date of issuance of the KRWFC Loan, the price paid, the fees and expenses incurred in the issuance of the KRWFC Loan, and the terms and interest rates of the KRWFC Loan.

14. The detailed Statement of Revenues, Expenses and Changes in Net Position, Statement of Net Position and Statement of Cash Flows for the twelve month period ending on December 31, 2013 are attached hereto and incorporated herein by reference as **Exhibit E** respectively.

15. Pursuant to 807 KAR 5:001, Section 12 - Financial Exhibit; the Utility hereby responds as follows:

- (i) Section 12(1)(b): The Utility states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material

changes to the Utility's financial condition have occurred since the end of the twelve (12) month period contained in the Utility's most recent annual report on file with the Commission.

- (ii) Section 12(2)(a), (b) and (c) Stock: The Utility does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: The Utility does not have any outstanding mortgages as of the date hereof.
- (iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of the Utility is contained in the 2013 Annual Report on file with this Commission.
- (v) Section 12(2)(h) Dividends: The Utility has no outstanding stock and therefore pays no dividends.
- (vi) Section 12(2)(i) Financial Statements: See paragraph #14 above.

16. Pursuant to 807 KAR 5:001, Section 18, the Utility hereby responds as follows:

- (i) Section 18(1)(a): The Utility has complied with the requirements of 807 KAR 5:001, Section 14.
- (ii) Section 18(1)(b): A general description of the Utility's property, its field of operation and a statement of original cost of said property and the cost to the Utility is contained in the Utility's 2013 Annual Report on file with this Commission.
- (iii) Section 18(1)(c): The Utility is not issuing any stock as part of this financing. The information concerning the proposed KRWFC Loan is

contained in this Application. The KRWFC Loan will be secured by and payable from the gross revenues of the Utility's water system.

- (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refund the outstanding Prior Bonds.
 - (v) Section 18(1)(e): No property is being acquired with the proceeds of the KRWFC Loan.
 - (vi) Section 18(1)(f): The details of the refunding of the Prior Bonds are contained in this Application and the Exhibits hereto.
 - (vii) Section 18(1)(g): Written notification of the proposed issuance of the KRWFC Loan is being provided to the State Local Debt Officer.
 - (viii) Section 18(2)(a): See paragraph #15 above.
 - (ix) Section 18(2)(b): The Utility does not have any outstanding trust deeds or mortgages.
 - (x) Section 18(2)(c): No property is being acquired with the proceeds of the KRWFC Loan.
17. No rate adjustment will be necessary.

WHEREFORE, the Knox County Utility Commission respectfully requests that the Commission take the following actions:

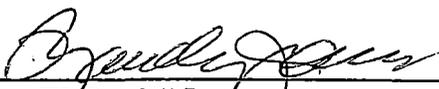
1. Authorize the issuance of the securities requested in the Application;
2. Due to the volatility of the present bond market and in order to achieve substantial interest cost savings to the Utility by taking full advantage of current low interest rates, the Utility requests that the Commission issued its Order on or before **January 29, 2015**; and
3. Process this Application without a formal hearing in order to save time and expense.

The Utility will promptly respond to any information requests by the Commission's staff.

Knox County Utility Commission

By  12/16/14
Jerry Cox, Chairman
P.O. Box 1630
Barbourville, Kentucky 40906
Phone: (606) 546-5300
Fax: (606) 546-3099
Email: knoxcountility@aol.com

Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
Counsel for Knox County Utility Commission
wrijones@rubinhays.com

STATE OF KENTUCKY)
) SS
COUNTY OF KNOX)

The affiant, Jerry Cox, being first duly sworn, states: That he is the Chairman of the Knox County Utility Commission, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, he believes to be true and correct.

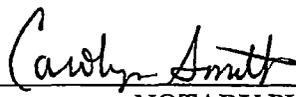
IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 16th day of December, 2014.



Jerry Cox, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Jerry Cox, Chairman of the Knox County Utility Commission, on this the 16th day of December, 2014.

My Commission expires: 12-10-17



NOTARY PUBLIC

Preliminary

\$2,490,000

Knox County Utility Commission
 Potential Refunding through the
 Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/04/2014	-	-	-	-	-
08/01/2015	-	-	58,005.75	58,005.75	-
12/31/2015	-	-	-	-	58,005.75
02/01/2016	75,000.00	2.850%	44,055.00	119,055.00	-
08/01/2016	-	-	42,886.25	42,886.25	-
12/31/2016	-	-	-	-	162,041.25
02/01/2017	75,000.00	2.650%	42,886.25	117,886.25	-
08/01/2017	-	-	41,992.50	41,992.50	-
12/31/2017	-	-	-	-	159,978.75
02/01/2018	80,000.00	2.700%	41,992.50	121,992.50	-
08/01/2018	-	-	40,912.50	40,912.50	-
12/31/2018	-	-	-	-	162,905.00
02/01/2019	80,000.00	2.700%	40,912.50	120,912.50	-
08/01/2019	-	-	39,832.50	39,832.50	-
12/31/2019	-	-	-	-	160,745.00
02/01/2020	80,000.00	2.950%	39,832.50	119,632.50	-
08/01/2020	-	-	38,652.50	38,652.50	-
12/31/2020	-	-	-	-	158,485.00
02/01/2021	85,000.00	3.800%	38,652.50	123,652.50	-
08/01/2021	-	-	37,037.50	37,037.50	-
12/31/2021	-	-	-	-	160,690.00
02/01/2022	90,000.00	3.750%	37,037.50	127,037.50	-
08/01/2022	-	-	35,350.00	35,350.00	-
12/31/2022	-	-	-	-	162,387.50
02/01/2023	90,000.00	3.650%	35,350.00	125,350.00	-
08/01/2023	-	-	33,707.50	33,707.50	-
12/31/2023	-	-	-	-	159,057.50
02/01/2024	95,000.00	3.550%	33,707.50	128,707.50	-
08/01/2024	-	-	32,021.25	32,021.25	-
12/31/2024	-	-	-	-	160,728.75
02/01/2025	100,000.00	3.500%	32,021.25	132,021.25	-
08/01/2025	-	-	30,271.25	30,271.25	-
12/31/2025	-	-	-	-	162,292.50
02/01/2026	100,000.00	3.500%	30,271.25	130,271.25	-
08/01/2026	-	-	28,521.25	28,521.25	-
12/31/2026	-	-	-	-	158,792.50
02/01/2027	105,000.00	3.550%	28,521.25	133,521.25	-
08/01/2027	-	-	26,657.50	26,657.50	-
12/31/2027	-	-	-	-	160,178.75
02/01/2028	110,000.00	3.500%	26,657.50	136,657.50	-
08/01/2028	-	-	24,732.50	24,732.50	-
12/31/2028	-	-	-	-	161,390.00
02/01/2029	110,000.00	3.500%	24,732.50	134,732.50	-
08/01/2029	-	-	22,807.50	22,807.50	-
12/31/2029	-	-	-	-	157,540.00
02/01/2030	115,000.00	3.450%	22,807.50	137,807.50	-
08/01/2030	-	-	20,823.75	20,823.75	-
12/31/2030	-	-	-	-	158,631.25
02/01/2031	120,000.00	3.550%	20,823.75	140,823.75	-
08/01/2031	-	-	18,693.75	18,693.75	-
12/31/2031	-	-	-	-	159,517.50
02/01/2032	125,000.00	3.550%	18,693.75	143,693.75	-
08/01/2032	-	-	16,475.00	16,475.00	-
12/31/2032	-	-	-	-	160,168.75
02/01/2033	125,000.00	3.650%	16,475.00	141,475.00	-
08/01/2033	-	-	14,193.75	14,193.75	-
12/31/2033	-	-	-	-	155,668.75
02/01/2034	110,000.00	3.650%	14,193.75	124,193.75	-
08/01/2034	-	-	12,186.25	12,186.25	-
12/31/2034	-	-	-	-	136,380.00
02/01/2035	110,000.00	3.800%	12,186.25	122,186.25	-
08/01/2035	-	-	10,096.25	10,096.25	-
12/31/2035	-	-	-	-	132,282.50
02/01/2036	115,000.00	3.900%	10,096.25	125,096.25	-
08/01/2036	-	-	7,853.75	7,853.75	-
12/31/2036	-	-	-	-	132,950.00
02/01/2037	120,000.00	3.900%	7,853.75	127,853.75	-
08/01/2037	-	-	5,513.75	5,513.75	-
12/31/2037	-	-	-	-	133,367.50
02/01/2038	125,000.00	3.950%	5,513.75	130,513.75	-
08/01/2038	-	-	3,045.00	3,045.00	-
12/31/2038	-	-	-	-	133,558.75
02/01/2039	130,000.00	4.050%	3,045.00	133,045.00	-
08/01/2039	-	-	412.50	412.50	-
12/31/2039	-	-	-	-	133,457.50
02/01/2040	10,000.00	4.100%	412.50	10,412.50	-
08/01/2040	-	-	207.50	207.50	-
12/31/2040	-	-	-	-	10,620.00
02/01/2041	10,000.00	4.150%	207.50	10,207.50	-
12/31/2041	-	-	-	-	10,207.50
Total	\$2,490,000.00	-	\$1,272,028.25	\$3,762,028.25	-

Yield Statistics

Bond Year Dollars	\$34,494.25
Average Life	13.853 Years
Average Coupon	3.6876530%
Net Interest Cost (NIC)	3.7583707%
True Interest Cost (TIC)	3.7622605%
Bond Yield for Arbitrage Purposes	3.6164639%
All Inclusive Cost (AIC)	3.9481880%
IRS Form 8038	
Net Interest Cost	3.6717294%
Weighted Average Maturity	13.700 Years

Raymond James

Public Finance

Preliminary

\$2,490,000

Knox County Utility Commission
Potential Refunding through the
Kentucky Rural Water Finance Corporation

Sources & Uses

Dated 12/04/2014 | Delivered 12/04/2014

Sources Of Funds

Par Amount of Bonds	\$2,490,000.00
Reoffering Premium	12,956.45
Transfers from Prior Issue Debt Service Funds	99,610.42
Total Sources	\$2,602,566.87

Uses Of Funds

Total Underwriter's Discount (1.500%)	37,350.00
Costs of Issuance	38,850.00
Deposit to Current Refunding Fund	2,524,372.64
Rounding Amount	1,994.23
Total Uses	\$2,602,566.87

Preliminary

\$2,490,000

Knox County Utility Commission
Potential Refunding through the
Kentucky Rural Water Finance Corporation

Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/31/2014	-	-	-	-	-
12/31/2015	58,005.75	450.00	58,455.75	168,160.00	109,704.25
12/31/2016	162,041.25	450.00	162,491.25	168,482.50	5,991.25
12/31/2017	159,978.75	450.00	160,428.75	167,692.50	7,263.75
12/31/2018	162,905.00	450.00	163,355.00	168,767.50	5,412.50
12/31/2019	160,745.00	450.00	161,195.00	167,707.50	6,512.50
12/31/2020	158,485.00	450.00	158,935.00	167,535.00	8,600.00
12/31/2021	160,690.00	450.00	161,140.00	169,182.50	8,042.50
12/31/2022	162,387.50	450.00	162,837.50	167,672.50	4,835.00
12/31/2023	159,057.50	450.00	159,507.50	168,027.50	8,520.00
12/31/2024	160,728.75	450.00	161,178.75	168,202.50	7,023.75
12/31/2025	162,292.50	450.00	162,742.50	168,197.50	5,455.00
12/31/2026	158,792.50	450.00	159,242.50	168,012.50	8,770.00
12/31/2027	160,178.75	450.00	160,628.75	168,625.00	7,996.25
12/31/2028	161,390.00	450.00	161,840.00	168,035.00	6,195.00
12/31/2029	157,540.00	450.00	157,990.00	167,265.00	9,275.00
12/31/2030	158,631.25	450.00	159,081.25	168,270.00	9,188.75
12/31/2031	159,517.50	450.00	159,967.50	168,027.50	8,060.00
12/31/2032	160,168.75	450.00	160,618.75	167,560.00	6,941.25
12/31/2033	155,668.75	450.00	156,118.75	164,912.50	8,793.75
12/31/2034	136,380.00	450.00	136,830.00	143,557.50	6,727.50
12/31/2035	132,282.50	450.00	132,732.50	142,472.50	9,740.00
12/31/2036	132,950.00	450.00	133,400.00	143,162.50	9,762.50
12/31/2037	133,367.50	450.00	133,817.50	143,582.50	9,765.00
12/31/2038	133,558.75	450.00	134,008.75	141,777.50	7,768.75
12/31/2039	133,457.50	450.00	133,907.50	141,747.50	7,840.00
12/31/2040	10,620.00	450.00	11,070.00	19,260.00	8,190.00
12/31/2041	10,207.50	450.00	10,657.50	19,427.50	8,770.00
Total	\$3,762,028.25	\$12,150.00	\$3,774,178.25	\$4,085,322.50	\$311,144.25

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	311,144.25
Gross PV Debt Service Savings	243,266.89
Effects of changes in Expenses	(7,605.11)
Net PV Cashflow Savings @ 3.948%(AIC)	235,661.78
Transfers from Prior Issue Debt Service Fund	(99,610.42)
Contingency or Rounding Amount	1,994.23
Net Present Value Benefit	\$138,045.59
Net PV Benefit / \$2,477,000 Refunded Principal	5.573%
Net Future Value Benefit	\$213,528.06
Net PV Benefit / \$2,490,000 Refunding Principal	5.544%
Average Annual Cash Flow Savings	11,523.86

Refunding Bond Information

Refunding Dated Date	12/04/2014
Refunding Delivery Date	12/04/2014

Raymond James

Preliminary

\$317,000

Knox County Utility Commission

Loan 90-06

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	10,000.00	-	13,590.00	23,590.00
12/31/2016	11,000.00	-	13,117.50	24,117.50
12/31/2017	11,000.00	-	12,622.50	23,622.50
12/31/2018	12,000.00	-	12,105.00	24,105.00
12/31/2019	12,000.00	-	11,565.00	23,565.00
12/31/2020	13,000.00	-	11,002.50	24,002.50
12/31/2021	14,000.00	-	10,395.00	24,395.00
12/31/2022	14,000.00	-	9,765.00	23,765.00
12/31/2023	15,000.00	-	9,112.50	24,112.50
12/31/2024	16,000.00	-	8,415.00	24,415.00
12/31/2025	17,000.00	-	7,672.50	24,672.50
12/31/2026	17,000.00	-	6,907.50	23,907.50
12/31/2027	19,000.00	-	6,097.50	25,097.50
12/31/2028	19,000.00	-	5,242.50	24,242.50
12/31/2029	20,000.00	-	4,365.00	24,365.00
12/31/2030	21,000.00	-	3,442.50	24,442.50
12/31/2031	22,000.00	-	2,475.00	24,475.00
12/31/2032	23,000.00	-	1,462.50	24,462.50
12/31/2033	21,000.00	4.500%	472.50	21,472.50
Total	\$307,000.00	-	\$149,827.50	\$456,827.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/04/2014
Average Life	10.420 Years
Average Coupon	4.500000%
Weighted Average Maturity (Par Basis)	10.420 Years

Refunding Bond Information

Refunding Dated Date	12/04/2014
Refunding Delivery Date	12/04/2014

Preliminary

\$1,911,000

Knox County Utility Commission

Loan 90-01

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	42,000.00	-	83,250.00	125,250.00
12/31/2016	44,000.00	-	81,315.00	125,315.00
12/31/2017	46,000.00	-	79,290.00	125,290.00
12/31/2018	48,000.00	-	77,175.00	125,175.00
12/31/2019	50,000.00	-	74,970.00	124,970.00
12/31/2020	52,000.00	-	72,675.00	124,675.00
12/31/2021	55,000.00	-	70,267.50	125,267.50
12/31/2022	57,000.00	-	67,747.50	124,747.50
12/31/2023	60,000.00	-	65,115.00	125,115.00
12/31/2024	62,000.00	-	62,370.00	124,370.00
12/31/2025	65,000.00	-	59,512.50	124,512.50
12/31/2026	68,000.00	-	56,520.00	124,520.00
12/31/2027	71,000.00	-	53,392.50	124,392.50
12/31/2028	75,000.00	-	50,107.50	125,107.50
12/31/2029	77,000.00	-	46,687.50	123,687.50
12/31/2030	82,000.00	-	43,110.00	125,110.00
12/31/2031	85,000.00	-	39,352.50	124,352.50
12/31/2032	89,000.00	-	35,437.50	124,437.50
12/31/2033	93,000.00	-	31,342.50	124,342.50
12/31/2034	97,000.00	-	27,067.50	124,067.50
12/31/2035	101,000.00	-	22,612.50	123,612.50
12/31/2036	106,000.00	-	17,955.00	123,955.00
12/31/2037	111,000.00	-	13,072.50	124,072.50
12/31/2038	115,000.00	-	7,987.50	122,987.50
12/31/2039	120,000.00	4.500%	2,700.00	122,700.00
Total	\$1,871,000.00	-	\$1,241,032.50	\$3,112,032.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/04/2014
Average Life	14.315 Years
Average Coupon	4.5000000%
Weighted Average Maturity (Par Basis)	14.315 Years

Refunding Bond Information

Refunding Dated Date	12/04/2014
Refunding Delivery Date	12/04/2014

Preliminary

\$305,000

Knox County Utility Commission

Loan 90-08

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+i
12/31/2015	6,000.00	-	13,320.00	19,320.00
12/31/2016	6,000.00	-	13,050.00	19,050.00
12/31/2017	6,000.00	-	12,780.00	18,780.00
12/31/2018	7,000.00	-	12,487.50	19,487.50
12/31/2019	7,000.00	-	12,172.50	19,172.50
12/31/2020	7,000.00	-	11,857.50	18,857.50
12/31/2021	8,000.00	-	11,520.00	19,520.00
12/31/2022	8,000.00	-	11,160.00	19,160.00
12/31/2023	8,000.00	-	10,800.00	18,800.00
12/31/2024	9,000.00	-	10,417.50	19,417.50
12/31/2025	9,000.00	-	10,012.50	19,012.50
12/31/2026	10,000.00	-	9,585.00	19,585.00
12/31/2027	10,000.00	-	9,135.00	19,135.00
12/31/2028	10,000.00	-	8,685.00	18,685.00
12/31/2029	11,000.00	-	8,212.50	19,212.50
12/31/2030	11,000.00	-	7,717.50	18,717.50
12/31/2031	12,000.00	-	7,200.00	19,200.00
12/31/2032	12,000.00	-	6,660.00	18,660.00
12/31/2033	13,000.00	-	6,097.50	19,097.50
12/31/2034	14,000.00	-	5,490.00	19,490.00
12/31/2035	14,000.00	-	4,860.00	18,860.00
12/31/2036	15,000.00	-	4,207.50	19,207.50
12/31/2037	16,000.00	-	3,510.00	19,510.00
12/31/2038	16,000.00	-	2,790.00	18,790.00
12/31/2039	17,000.00	-	2,047.50	19,047.50
12/31/2040	18,000.00	-	1,260.00	19,260.00
12/31/2041	19,000.00	4.500%	427.50	19,427.50
Total	\$299,000.00	-	\$217,462.50	\$516,462.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/04/2014
Average Life	15.737 Years
Average Coupon	4.5000000%
Weighted Average Maturity (Par Basis)	15.737 Years

Refunding Bond Information

Refunding Oated Date	12/04/2014
Refunding Delivery Date	12/04/2014

Knox County Utility Commission
 Statements of Net Position
 December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 646,675	\$ 507,449
Investments	-	107,977
Receivables, less allowance	82,795	83,088
Unbilled accounts receivable	55,740	60,857
Inventories	23,473	24,688
Other current assets	223	207
Total Current Assets	<u>808,906</u>	<u>784,266</u>
Noncurrent assets		
Restricted assets		
Restricted cash and cash equivalents	<u>89,698</u>	<u>92,880</u>
Capital Assets		
Land and improvements	44,619	44,619
Structures and improvements	508,160	506,837
Pumping equipment	131,664	125,822
Meters and meter installation	721,162	704,237
Hydrants	53,816	53,816
Storage tanks	1,148,102	1,148,102
Transmission and distribution plant	10,127,318	10,119,405
Vehicles and other equipment	409,727	403,697
Office equipment	54,898	52,465
Lift stations	344,195	344,195
	<u>13,543,661</u>	<u>13,503,195</u>
Accumulated depreciation	<u>(5,546,108)</u>	<u>(5,075,724)</u>
Net Capital Assets	<u>7,997,553</u>	<u>8,427,471</u>
Other Assets		
Bond issue costs, net of amortization	<u>8,865</u>	<u>9,287</u>
Total Other Assets	<u>8,865</u>	<u>9,287</u>
Total Noncurrent Assets	<u>8,096,116</u>	<u>8,529,638</u>
Total Assets	<u>8,905,022</u>	<u>9,313,904</u>

See accompanying notes to financial statements.

Knox County Utility Commission
 Statements of Net Position (Continued)
 December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Liabilities		
Current Liabilities		
Current portion of long-term debt	56,000	52,000
Accounts payable	37,652	27,821
Accrued interest payable	47	47
Accrued salaries and taxes payable	16,171	18,234
Total Current Liabilities	109,870	98,102
Noncurrent Liabilities		
Customer deposits	27,172	28,099
Long-term debt, less current portion	2,477,000	2,533,000
Total Noncurrent Liabilities	2,504,172	2,561,099
Total Liabilities	2,614,042	2,659,201
Net Position		
Net investment in capital assets	5,464,553	5,842,471
Restricted	89,698	92,880
Unrestricted	736,729	719,352
Total Net Position	\$ 6,290,980	\$ 6,654,703

See accompanying notes to financial statements.

Knox County Utility Commission
 Statements of Revenues, Expenses and Changes in Net Position
 For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues		
Water sales	\$ 1,086,674	\$ 1,119,411
Sewer sales	18,360	14,528
Service charges	15,195	15,825
Tap fees	18,479	22,474
Penalties	30,162	30,185
Other revenues	6,358	8,151
Total Operating Revenues	<u>1,175,228</u>	<u>1,210,574</u>
Operating Expenses		
Salaries and wages	276,661	267,104
Employee benefits	175,401	174,126
Purchased power	209,756	208,563
Utilities	58,945	55,602
Chemicals	57,407	57,384
Repairs and maintenance	32,791	32,123
Contracted services	21,895	26,711
Vehicle and equipment expenses	25,497	25,891
Insurance	31,245	33,687
Sewer treatment	14,916	9,921
Amortization	422	444
Depreciation	470,384	473,756
Bad debt expense, net of recoveries	11,947	13,248
Other operating expenses	44,135	46,932
Total Operating Expenses	<u>1,431,402</u>	<u>1,425,492</u>
Operating Loss	<u>(256,174)</u>	<u>(214,918)</u>
Nonoperating Revenues (Expenses)		
Interest income	4,759	16,641
Federal and state grants	4,158	14,010
Interest expense	(116,466)	(119,708)
Total Nonoperating Revenues (Expenses)	<u>(107,549)</u>	<u>(89,057)</u>
Change in Net Position	(363,723)	(303,975)
Net Position, Beginning of Year	<u>6,654,703</u>	<u>6,958,678</u>
Net Position, End of Year	<u>\$ 6,290,980</u>	<u>\$ 6,654,703</u>

See accompanying notes to financial statements.

Knox County Utility Commission
 Statements of Cash Flows
 For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 1,173,353	\$ 1,184,525
Receipts from other activities	6,358	8,151
Payments to employees	(278,724)	(267,318)
Payments to suppliers	(672,905)	(695,645)
Net Cash Provided by Operating Activities	<u>228,082</u>	<u>229,713</u>
Cash Flows From Capital and Related Financing Activities		
Purchases of property, plant and equipment	(40,466)	(100,255)
Principal payments on debt	(52,000)	(113,000)
Interest payments on debt	(116,466)	(119,708)
Federal, state and local grants	4,158	14,010
Net Cash Used by Capital and Related Financing Activities	<u>(204,774)</u>	<u>(318,953)</u>
Cash Flows From Investing Activities		
Interest on cash and investments	4,759	15,943
Proceeds from sale of investments	107,977	-
Net Cash Provided by Investing Activities	<u>112,736</u>	<u>15,943</u>
Net Increase (Decrease) in Cash and Cash Equivalents	136,044	(73,297)
Cash and Cash Equivalents at Beginning of Year	<u>600,329</u>	<u>673,626</u>
Cash and Cash Equivalents at End of Year	<u>\$ 736,373</u>	<u>\$ 600,329</u>
Reconciliation of Cash at End of Year		
Cash and Cash Equivalents	\$ 646,675	\$ 507,449
Restricted Cash and Cash Equivalents	89,698	92,880
Total Cash at End of Year	<u>\$ 736,373</u>	<u>\$ 600,329</u>

See accompanying notes to financial statements.

Knox County Utility Commission
 Statements of Cash Flows (Continued)
 For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Reconciliation of Operating Loss to Net Cash		
Provided by Operating Activities:		
Operating loss	\$ (256,174)	\$ (214,918)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	470,384	473,756
Amortization	422	444
Loss on retirement of debt	-	1,021
(Increase) Decrease in:		
Accounts receivable	293	(2,544)
Unbilled accounts receivable	5,117	(18,212)
Other receivables	-	3,013
Inventory	1,215	7,214
Prepaid expenses and other assets	(16)	(107)
Increase (Decrease) in:		
Accounts payable	9,831	(19,585)
Customer deposits	(927)	(155)
Accrued expenses	(2,063)	(214)
Net Cash Provided by Operating Activities	<u>\$ 228,082</u>	<u>\$ 229,713</u>

See accompanying notes to financial statements.

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF KNOX COUNTY)
 UTILITY COMMISSION TO ISSUE)
 SECURITIES IN THE APPROXIMATE PRINCIPAL)
 AMOUNT OF \$2,490,000 FOR THE PURPOSE)
 OF REFUNDING CERTAIN OUTSTANDING) Case No. 2014-00442
 REVENUE BONDS OF THE DISTRICT)
 PURSUANT TO THE PROVISIONS OF KRS 278.300)
 AND 807 KAR 5:001)

** *** **** ***** **** *** **

MOTION TO AMEND APPLICATION

The Applicant, Knox County Utility Commission (the "Utility"), by Counsel, files this Motion to Amend Application pursuant to 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") grant this Motion. In support of this Motion, and in compliance with the rules and regulations of the Commission, the Utility, by Counsel, states as follows:

1. The Utility previously filed an Application requesting approval to issue securities, the proceeds of which will be used to refund certain outstanding high interest rate Bonds of the Utility.
2. The Application listed the outstanding Bonds to be refunded and inadvertently included a series of Bonds that had been previously retired by the Utility. The Bonds that were

mistakenly included are the Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002B, dated December 12, 2002, in the original principal amount of \$92,000, bearing interest at the rate of 5.00% per annum. Accordingly, the defined term "Prior Bonds" on page 3 of the Application should be revised to read "(hereinafter, the 2000 Bonds, the 2002A Bonds and the 2002 Bonds shall be collectively referred to as the "Prior Bonds").

3. The original Application included certain financial schedules in Exhibit D and the Utility, by Counsel, would like to clarify for the Commission, the headings of such schedules. Specifically, the schedule with the heading "\$317,000 - Knox County Utility Commission - Loan 90-06" is the Total Refunded Debt Service for the outstanding Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002A, dated December 12, 2002, in the original principal amount of \$403,000, bearing interest at the rate of 4.50% per annum. The schedule with the heading "\$1,911,000 - Knox County Utility Commission - Loan 90-01" is the Total Refunded Debt Service for the outstanding Knox County Utility Commission Waterworks Refunding and Improvement Revenue Bonds, Series 2000, dated September 27, 2001, in the original principal amount of \$2,278,000, bearing interest at the rate of 4.50% per annum. The schedule with the heading "\$305,000 - Knox County Utility Commission - Loan 90-08" is the Total Refunded Debt Service for the outstanding Knox County Utility Commission Waterworks Revenue Bonds, Series 2002, dated December 13, 2002, in the original principal amount of \$350,000, bearing interest at the rate of 4.50% per annum.

4. All other facts and circumstances listed in the original Application shall remain the same.

WHEREFORE, the Knox County Utility Commission, by Counsel, respectfully requests that the Commission grant the Motion to Amend Application to take the following actions:

1. Delete the reference to the Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002B from the Application, as such Bonds have previously been retired;
2. Revise the definition of "Prior Bonds" on page 3 of the Application to read "(hereinafter, the 2000 Bonds, the 2002A Bonds and the 2002 Bonds shall be collectively referred to as the "Prior Bonds"); and
3. Note in the case file the clarified headings for the schedules filed as Exhibit D in the Application.

Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
Counsel for Knox County Utility Commission
wrjones@rubinhays.com

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KNOX COUNTY UTILITY)	
COMMISSION TO ISSUE SECURITIES IN THE)	
APPROXIMATE PRINCIPAL AMOUNT OF)	
\$2,490,000 FOR THE PURPOSE OF REFUNDING)	CASE NO.
CERTAIN OUTSTANDING REVENUE BONDS)	2014-00442
OF THE DISTRICT PURSUANT TO THE)	
PROVISIONS OF KRS 278.300 AND 807 KAR 5:001)	

ORDER

On December 22, 2014, Knox County Utility Commission ("Knox County") applied to the Commission for approval to enter into an assistance agreement with the Kentucky Rural Water Finance Corporation ("KRWFC") to borrow approximately \$2,490,000, subject to an adjustment of up to 10 percent, to refund existing bond indebtedness. On December 30, 2014, Knox County filed a motion to amend the original Application in order to correct and clarify certain information that was included in the original Application.

Having considered the record and being otherwise sufficiently advised, the Commission finds that:

1. Knox County proposes to execute an assistance agreement with KRWFC to borrow \$2,490,000, subject to an adjustment of up to 10 percent. The proposed loan will have a 26-year term subject to interest rates of up to 4.15 percent.¹

¹ Original Application, Exhibit A.

2. Knox County proposes to use the proceeds from the assistance agreement to fully refund the outstanding Waterworks Revenue Bonds Series 2000, 2002, and 2002A that are held by the United States Department of Agriculture Rural Development ("RD") in the amounts of \$1,871,000, \$299,000, and \$307,000,² respectively.

3. Knox County estimates that its proposed refinancing will result in total gross savings and net present value savings of \$213,528 and \$138,045, respectively.³

4. Knox County will expend \$2,602,567 to refund the outstanding bonds and to pay bond issuance costs.⁴

5. Knox County's proposed loan is for a lawful object within its corporate purpose, is reasonably necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair Knox County's ability to perform that service, and is reasonably necessary and appropriate for such purpose.

² On pages 2-3 of its original Application, Knox County stated that Bond Series 2002B would also be refinanced; however, as noted on pages 1-2 of Knox County's motion to amend the original Application, the 2002B Bonds are fully retired and cannot be refinanced as a part of this proceeding. The outstanding Bond Series that are to be refinanced in this proceeding are identified in Exhibit D of the original Application by their RD loan numbers. The loan numbers are matched to the appropriate Bond Series on page 2 of Knox County's motion to amend its original Application as follows:

Bond Series	Loan No.
2000	90-01
2002	90-08
2002A	90-06

³ Application, Exhibit C. The utility identifies "gross savings" and "net present value savings" as "net future value benefit" and "net present value benefit," respectively.

⁴ Application, Exhibit B. \$37,350 (Total Underwriter's Discount) + \$38,850 (Cost of Issuance) + \$2,524,373 (Deposit to Current Refunding Fund) + \$1,994 (Rounding) = \$2,602,567. The sources of the funds are \$2,490,000 (Par Amount of Bonds) + \$12,957 (Reoffering Premium) + 99,610 (Existing Debt Service Funds) = \$2,602,567.

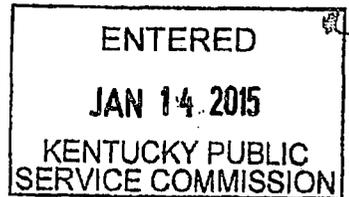
IT IS THEREFORE ORDERED that:

1. Knox County's motion to amend the Application is granted.
2. Knox County is authorized to enter into an agreement with KRWFC to borrow no more than \$2,739,000⁵ for the purpose of refunding the outstanding indebtedness, but only under such terms and conditions as will produce both positive gross savings and net present value savings.
3. If the actual terms and conditions of the agreement with KRWFC differ from those set forth in its application, Knox County shall, within 30 days of executing the loan agreement, file with the Commission amortization schedules and work papers showing the actual gross savings and net present value savings that will result from the refinancing.
4. Within 30 days of executing the proposed agreement, Knox County shall file a copy of the executed Assistance Agreement and any documents referenced in the executed Assistance Agreement that Knox County has not previously filed with the Commission.
5. The proceeds from the Assistance Agreement shall be used only for the lawful purposes specified in Knox County's application.
6. Any documents filed pursuant to ordering paragraphs 3 and 4 of this Order shall reference the number of this case and shall be retained in the utility's general correspondence file.

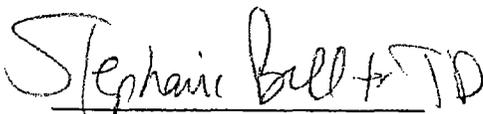
⁵ \$2,490,000 x 110% = \$2,739,000.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

By the Commission



ATTEST:


Executive Director

Carolyn Smith
Assistant Superintendent
Knox County Utility Commission
P. O. Box 1630
Barbourville, KY 40906

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7535 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

March 13, 2015

Ms. Lisa Dale
Commissioner and State Local Debt Officer
Department for Local Government
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601-8204

Re: Loans from the Kentucky Rural Water Finance Corporation Public Projects
Refunding Revenue Bonds (Flexible Term Program), Series 2015B.

Dear Lisa:

I was concerned that you had not received my email from February 16 with notice to the State Local Debt Officer of loans to the following borrowers:

East Laurel Water District
East Pendleton Water District
Knox County Utility Commission
Magoffin County Water District
Pendleton County Water District
Wood Creek Water District

For that reason, I have enclosed a copy of my email from February 16 with the information for the referenced borrowers.

Please feel free to call if I can provide you with any additional information or documentation.

Sincerely,

Rubin & Hays

By 
Christian L. Juckett

Enclosures

From: **Christian Juckett** cljuckett@rubinhays.com
Subject: Re: SLDO Notifications
Date: February 20, 2015 at 4:07 PM
To: Dale Lisa Lisa.Dale@ky.gov

Good Afternoon Lisa,

I am sending this email again without attachments just to confirm that you received it.

If you didn't receive the copy with attachments then I will mail them.

Christian

Christian L. Juckett
cljuckett@rubinhays.com
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
502-569-7532
502-744-8143 (mobile)

On Feb 16, 2015, at 8:43 AM, Christian Juckett <cljuckett@rubinhays.com> wrote:

Good Morning Lisa:

The following borrowers intend to close loans from the Kentucky Rural Water Finance Corporation Flexible Term Program on Thursday, February 19:

East Laurel Water District
East Pendleton Water District
Knox County Utility Commission
Magoffin County Water District
Pendleton County Water District
Wood Creek Water District

For that reason, I have attached an electronic copies of notices to Mr. Wilder for each borrower.

Would you please send me a short reply, so that I know you received this email.

Thank you very much for your help.

Cordially,

Christian

Christian L. Juckett
cljuckett@rubinhays.com
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
502-569-7532
502-744-8143 (mobile)

Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B

<East Laurel SLDO ltr 2015-02-16.pdf><East Pendleton SLDO ltr 2015-02-16.pdf><Knox Utilities SLDO ltr 2015-02-16.pdf><Magoffin SLDO ltr 2015-02-16.pdf><Pendleton SLDO ltr 2015-02-16.pdf><Wood Creek SLDO ltr 2015-02-16.pdf>

From: **Christian Juckett** cjuckett@rubinhays.com
Subject: SLDO Notifications
Date: February 16, 2015 at 8:43 AM
To: Dale Lisa Lisa.Dale@ky.gov

Good Morning Lisa:

The following borrowers intend to close loans from the Kentucky Rural Water Finance Corporation Flexible Term Program on Thursday, February 19:

East Laurel Water District
East Pendleton Water District
Knox County Utility Commission
Magoffin County Water District
Pendleton County Water District
Wood Creek Water District

For that reason, I have attached an electronic copies of notices to Mr. Wilder for each borrower.

Would you please send me a short reply, so that I know you received this email.

Thank you very much for your help.

Cordially,

Christian

Christian L. Juckett
cjuckett@rubinhays.com
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
502-569-7532
502-744-8143 (mobile)

Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B



East Laurel SLDO ltr
2015-02-16.pdf



East Pendleton SLDO ltr
2015-02-16.pdf



Knox Utilities SLDO ltr
2015-02-16.pdf



Magoffin SLDO ltr 2015-
02-16.pdf



Pendleton SLDO ltr 2015-
02-16.pdf



Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7535 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

February 16, 2015

Hon. Tony Wilder
Commissioner and State Local Debt Officer
Department for Local Government
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601-8204

Re: Loan in the amount of \$2,550,000, dated February 19, 2015, to the Knox County Utility Commission from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B.

Dear Mr. Wilder:

Enclosed is a copy of our proposed approving Legal Opinion, a Local Debt Notification Bond Summary Form, and the Schedule of Principal Maturities and Interest Rates in connection with the above transaction. The Loan proceeds were derived from a public competitive sale on February 5, 2015, by the financial advisor, Raymond James & Associates, Inc., of Lexington, Kentucky, at a price of \$2,517,311.65 (98.718% of par). Regions Bank, Nashville, Tennessee, is acting as Trustee and Paying Agent.

The Loan is dated and the closing is scheduled for February 19, 2015. The Loan (i) matures on January 1, 2039 and (ii) bears interest at the fixed rates set forth in the enclosed Schedule.

We would appreciate your furnishing us your letter that the District has complied with the requirements of KRS 66.045 in the issuance of this Loan.

Sincerely,

Rubin & Hays

By 
Christian L. Juckett

Enclosures

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7535 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

February 19, 2015

Kentucky Rural Water Finance Corporation
3251 Springhollow Avenue
Bowling Green, Kentucky 42102-1424

Regions Bank
Corporate Trust Department
150 Fourth Avenue North, Suite 900
Nashville, Tennessee 37219

Re: Loan in the amount of \$2,550,000, dated February 19, 2015, to the Knox County Utility Commission from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B.

We have examined a certified copy of the transcript of proceedings of the Knox County Utility Commission, a political subdivision of the Commonwealth of Kentucky (the "District") relating to the authorization and issuance of its Assistance Agreement, dated as of February 19, 2015, (the "Assistance Agreement") by and between the District and the Kentucky Rural Water Finance Corporation, representing a loan in the aggregate principal amount of \$2,550,000 (the "Loan").

The Loan has been authorized and issued pursuant to the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), including particularly Chapters 58 and 74 of the Kentucky Revised Statutes (the "Act"), in accordance with the Assistance Agreement.

We have examined such portions of the Constitution, Statutes and laws of the United States, the Constitution, Statutes and laws of the Commonwealth, and such applicable court decisions, regulations, rulings and opinions as we have deemed necessary or relevant for the purposes of the opinions set forth below.

We have also made such investigation as we have deemed necessary for the purposes of such opinions, and relied upon certificates of officials of the Commonwealth and the District as to certain factual matters.

Based upon the foregoing, it is our opinion, under the law existing on the date of this opinion, that:

1. The District is a political subdivision of the Commonwealth, duly organized and validly existing under the laws of the Commonwealth and has the legal right and authority to borrow the Loan.

2. The Assistance Agreement has been duly authorized, executed and delivered by the District and is a valid and binding obligation of the District enforceable in accordance with its terms.

3. The Loan has been duly authorized by the District and is a valid and binding limited and special obligation of the District enforceable in accordance with its terms.

4. The Loan is payable as to principal, premium, if any, and interest from and is secured by a pledge of and a lien on the revenues of the District's System, as defined in the Assistance Agreement.

5. Interest on the Loan is excludable from gross income for federal income tax purposes. In addition, the Loan is not a "private activity bond" as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended (the "Code").

6. Interest on the Loan is exempt from Kentucky income taxation and the Loan is exempt from ad valorem taxation by the Commonwealth and any of its political subdivisions.

Our opinion set forth above is subject to the qualification that the enforceability of the Assistance Agreement, the Loan and agreements relating thereto may be limited by bankruptcy, reorganization, moratorium, insolvency, or other similar laws relating to or affecting the enforcement of creditors' rights, and to the exercise of judicial discretion in accordance with general equitable principles.

**LOCAL DEBT NOTIFICATION
BOND SUMMARY FORM**

Please complete this form and return to the State Local Debt Officer. Include all corresponding bond information and the **principal payment schedule**. Completion of this form along with the payment schedule will insure timely entry into the State Local Debt Report. Thank you in advance for your assistance.

Name of Entity Issuing Bond: Knox County Utility Commission, 1905 Ky 930, Barbourville, Kentucky 40906

County (Please specify the **County or Counties** in which the **Entity** is located. This is strictly for our filing purposes.) Knox

Type of Bond: (please circle one or fill in the blank if type not listed) _____

Bond Anticipation Notes	General Obligation	Industrial Revenue
Lease Revenue	Public Corporation	Refunding
Refunding Revenue	Revenue	Special Assessment

Purpose of the Bond: current refunding some of the District's Rural Development bonds

IF REFUNDING— Please state the name, date and principal amount of original issue(s) being refunded:

1. Knox County Utility Commission Waterworks Refunding and Improvement Revenue Bonds, Series 2000, dated September 27, 2001, in the original authorized principal amount of \$2,278,000
2. Knox County Utility Commission Waterworks Refunding Revenue Bonds, Series 2002, dated December 12, 2002, in the amount of \$495,000, consisting of \$403,000 of Series A Bonds and \$92,000 of Series B Bonds
3. Knox County Utility Commission Waterworks Revenue Bonds, Series 2002, dated December 13, 2002, in the original authorized principal amount of \$350,000

Is the COUNTY (in which the Entity is located) Obligated? No.

Date the Bond was Issued: February 19, 2015

Bond Series: Series 2015B.

Principal Amount: \$2,550,000

Type of Interest (Fixed or Variable): Fixed.

Interest Rate: Please see Schedule attached hereto.

Date of Initial Payment: April 1, 2015

AOC Percent (if applicable): N/A

Date of Maturity: January 1, 2039

Call Date: Obligations maturing on or after January 1, 2026 are subject to optional redemption, in whole or in part, by the District, at any time falling on or after January 1, 2025

Retirement Method: Revenues of the waterworks system.

Who is the Financial Advisor (if applicable): Raymond James & Associates, Inc., Lexington, Ky.

Who is Trustee/Paying Agent: Regions Bank, Nashville, Tennessee.

Who is Bond Counsel: Rubin & Hays, Louisville, Kentucky.

\$2,550,000

Kentucky Rural Water Finance Corporation
Public Projects Revenue Bonds, Series 2015 B
Knox County Utility Commission

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/19/2015	-	-	-	-	-
08/01/2015	-	-	35,538.75	35,538.75	-
12/31/2015	-	-	-	-	35,538.75
02/01/2016	110,000.00	2.250%	39,487.50	149,487.50	-
08/01/2016	-	-	38,250.00	38,250.00	-
12/31/2016	-	-	-	-	187,737.50
02/01/2017	100,000.00	2.250%	38,250.00	138,250.00	-
08/01/2017	-	-	37,125.00	37,125.00	-
12/31/2017	-	-	-	-	175,375.00
02/01/2018	95,000.00	2.250%	37,125.00	132,125.00	-
08/01/2018	-	-	36,056.25	36,056.25	-
12/31/2018	-	-	-	-	168,181.25
02/01/2019	85,000.00	2.250%	36,056.25	121,056.25	-
08/01/2019	-	-	35,100.00	35,100.00	-
12/31/2019	-	-	-	-	156,156.25
02/01/2020	85,000.00	2.250%	35,100.00	120,100.00	-
08/01/2020	-	-	34,143.75	34,143.75	-
12/31/2020	-	-	-	-	154,243.75
02/01/2021	90,000.00	2.250%	34,143.75	124,143.75	-
08/01/2021	-	-	33,131.25	33,131.25	-
12/31/2021	-	-	-	-	157,275.00
02/01/2022	90,000.00	3.250%	33,131.25	123,131.25	-
08/01/2022	-	-	31,668.75	31,668.75	-
12/31/2022	-	-	-	-	154,800.00
02/01/2023	95,000.00	3.250%	31,668.75	126,668.75	-
08/01/2023	-	-	30,125.00	30,125.00	-
12/31/2023	-	-	-	-	156,793.75
02/01/2024	95,000.00	3.250%	30,125.00	125,125.00	-
08/01/2024	-	-	28,581.25	28,581.25	-
12/31/2024	-	-	-	-	153,706.25
02/01/2025	100,000.00	3.250%	28,581.25	128,581.25	-
08/01/2025	-	-	26,956.25	26,956.25	-
12/31/2025	-	-	-	-	155,537.50
02/01/2026	105,000.00	3.250%	26,956.25	131,956.25	-
08/01/2026	-	-	25,250.00	25,250.00	-
12/31/2026	-	-	-	-	157,206.25
02/01/2027	105,000.00	3.250%	25,250.00	130,250.00	-
08/01/2027	-	-	23,543.75	23,543.75	-
12/31/2027	-	-	-	-	153,793.75
02/01/2028	110,000.00	3.250%	23,543.75	133,543.75	-
08/01/2028	-	-	21,756.25	21,756.25	-
12/31/2028	-	-	-	-	155,300.00
02/01/2029	110,000.00	3.250%	21,756.25	131,756.25	-
08/01/2029	-	-	19,968.75	19,968.75	-
12/31/2029	-	-	-	-	151,725.00
02/01/2030	115,000.00	3.250%	19,968.75	134,968.75	-
08/01/2030	-	-	18,100.00	18,100.00	-
12/31/2030	-	-	-	-	153,068.75
02/01/2031	120,000.00	3.250%	18,100.00	138,100.00	-
08/01/2031	-	-	16,150.00	16,150.00	-
12/31/2031	-	-	-	-	154,250.00
02/01/2032	125,000.00	3.250%	16,150.00	141,150.00	-
08/01/2032	-	-	14,118.75	14,118.75	-
12/31/2032	-	-	-	-	155,268.75
02/01/2033	125,000.00	3.375%	14,118.75	139,118.75	-
08/01/2033	-	-	12,009.38	12,009.38	-
12/31/2033	-	-	-	-	151,128.13
02/01/2034	105,000.00	3.375%	12,009.38	117,009.38	-
08/01/2034	-	-	10,237.50	10,237.50	-
12/31/2034	-	-	-	-	127,246.88
02/01/2035	110,000.00	3.500%	10,237.50	120,237.50	-
08/01/2035	-	-	8,312.50	8,312.50	-
12/31/2035	-	-	-	-	128,550.00
02/01/2036	115,000.00	3.500%	8,312.50	123,312.50	-
08/01/2036	-	-	6,300.00	6,300.00	-
12/31/2036	-	-	-	-	129,612.50
02/01/2037	115,000.00	3.500%	6,300.00	121,300.00	-
08/01/2037	-	-	4,287.50	4,287.50	-
12/31/2037	-	-	-	-	125,587.50
02/01/2038	120,000.00	3.500%	4,287.50	124,287.50	-
08/01/2038	-	-	2,187.50	2,187.50	-
12/31/2038	-	-	-	-	126,475.00
02/01/2039	125,000.00	3.500%	2,187.50	127,187.50	-
12/31/2039	-	-	-	-	127,187.50
Total	\$2,550,000.00	-	\$1,101,745.01	\$3,651,745.01	-

Yield Statistics

Bond Year Dollars	\$33,322.50
Average Life	13.068 Years
Average Coupon	3.3063096%
Net Interest Cost (NIC)	3.4044106%
True Interest Cost (TIC)	3.4148689%
Bond Yield for Arbitrage Purposes	3.2262479%
All Inclusive Cost (AIC)	3.5781867%

IRS Form 8038

Net Interest Cost	3.3272764%
Weighted Average Maturity	12.922 Years

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7535 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

February 19, 2015

Kentucky Rural Water Finance Corporation
3251 Springhollow Avenue
Bowling Green, Kentucky 42102-1424

Regions Bank
Corporate Trust Department
150 Fourth Avenue North, Suite 900
Nashville, Tennessee 37219

Re: Loan in the amount of \$2,550,000, dated February 19, 2015, to the Knox County Utility Commission from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B.

We have examined a certified copy of the transcript of proceedings of the Knox County Utility Commission, a political subdivision of the Commonwealth of Kentucky (the "District") relating to the authorization and issuance of its Assistance Agreement, dated as of February 19, 2015, (the "Assistance Agreement") by and between the District and the Kentucky Rural Water Finance Corporation, representing a loan in the aggregate principal amount of \$2,550,000 (the "Loan").

The Loan has been authorized and issued pursuant to the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), including particularly Chapters 58 and 74 of the Kentucky Revised Statutes (the "Act"), in accordance with the Assistance Agreement.

We have examined such portions of the Constitution, Statutes and laws of the United States, the Constitution, Statutes and laws of the Commonwealth, and such applicable court decisions, regulations, rulings and opinions as we have deemed necessary or relevant for the purposes of the opinions set forth below.

We have also made such investigation as we have deemed necessary for the purposes of such opinions, and relied upon certificates of officials of the Commonwealth and the District as to certain factual matters.

Based upon the foregoing, it is our opinion, under the law existing on the date of this opinion, that:

1. The District is a political subdivision of the Commonwealth, duly organized and validly existing under the laws of the Commonwealth and has the legal right and authority to borrow the Loan.

2. The Assistance Agreement has been duly authorized, executed and delivered by the District and is a valid and binding obligation of the District enforceable in accordance with its terms.

3. The Loan has been duly authorized by the District and is a valid and binding limited and special obligation of the District enforceable in accordance with its terms.

4. The Loan is payable as to principal, premium, if any, and interest from and is secured by a pledge of and a lien on the revenues of the District's System, as defined in the Assistance Agreement.

5. Interest on the Loan is excludable from gross income for federal income tax purposes. In addition, the Loan is not a "private activity bond" as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended (the "Code").

6. Interest on the Loan is exempt from Kentucky income taxation and the Loan is exempt from ad valorem taxation by the Commonwealth and any of its political subdivisions.

Our opinion set forth above is subject to the qualification that the enforceability of the Assistance Agreement, the Loan and agreements relating thereto may be limited by bankruptcy, reorganization, moratorium, insolvency, or other similar laws relating to or affecting the enforcement of creditors' rights, and to the exercise of judicial discretion in accordance with general equitable principles.

A handwritten signature in black ink, appearing to read "Ruben Hays". The signature is written in a cursive style with a large, sweeping initial 'R'.

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)
 See separate instructions.
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Knox County Utility Commission		2 Issuer's employer identification number (EIN) [REDACTED]	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Christian L. Juckett		3b Telephone number of other person shown on 3a 502-569-7525	
4 Number and street (or P.O. box if mail is not delivered to street address) 450 South Third Street		Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Louisville, Kentucky 40202		7 Date of issue 02/19/2015	
8 Name of issue Loan from Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B		9 CUSIP number N/A	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Ms. Carolyn Smith, Assistant Superintendent		10b Telephone number of officer or other employee shown on 10a 606-546-5300	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education		11	
12 Health and hospital		12	
13 Transportation		13	
14 Public safety		14	
15 Environment (including sewage bonds)		15	
16 Housing		16	
17 Utilities		17	2,553,776 65
18 Other. Describe		18	
19 If obligations are TANs or RANs, check only box 19a	<input type="checkbox"/>		
If obligations are BANs, check only box 19b	<input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box	<input type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	01/01/2039	\$ 2,553,776.65	\$ 2,550,000	12.921 years	3.2720 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)					
22	Proceeds used for accrued interest			22	0 00
23	Issue price of entire issue (enter amount from line 21, column (b))			23	2,553,776 65
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	77,215 00		
25	Proceeds used for credit enhancement	25	0 00		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0 00		
27	Proceeds used to currently refund prior issues	27	2,476,472. 69		
28	Proceeds used to advance refund prior issues	28	0 00		
29	Total (add lines 24 through 28)	29	2,553,687 69		
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	88 96		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.		
31	Enter the remaining weighted average maturity of the bonds to be currently refunded	See Exhibit A years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	02/23/2015
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	See Exhibit A

Part VI Miscellaneous

- | | | |
|------------|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
- b** Enter the date of the master pool obligation ▶ 02/19/2015
- c** Enter the EIN of the issuer of the master pool obligation ▶ _____
- d** Enter the name of the issuer of the master pool obligation ▶ Kentucky Rural Water Finance Corporation
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
- 41a** If the issuer has identified a hedge, check here and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	Signature of issuer's authorized representative	2-19-15 Date	Jerry Cox, Chairman Type or print name and title		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Christian L. Juckett		2/19/15		P01391045
	Firm's name ▶	Firm's EIN ▶	Phone no.		
	Rubin & Hays	[REDACTED]	502-569-7525		
	Firm's address ▶		450 South Third Street, Louisville, Ky. 40202		

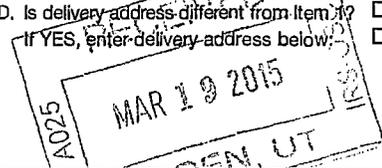
SCHEDULE A

Form 8038-G Information Return for Tax-Exempt Governmental Obligations

Knox County Utility Commission EIN: [REDACTED]

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

		<i>2000 Bonds</i>	<i>2002 Bonds</i>	<i>2002A Bonds</i>
31	Enter the remaining weighted average maturity of the bonds to be currently refunded	10.245	15.549	14.143
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	n/a	n/a	n/a
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	02/23/2015	02/23/2015	02/23/2015
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	09/27/2001	12/12/2002	12/13/2002

SENDER COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p><input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.</p> <p><input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>
<p>1. Article Addressed to:</p> <p><i>Internal Revenue Service Denver, Utah 84201</i></p>	<p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> 
<p>2. Article Number (Transfer from service label)</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>7013 2250 0001 6278 2097</p>	

Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

March 10, 2015

**VIA CERTIFIED MAIL
RETURN RECEIPT #7013 2250 0001 6278 2097**

Internal Revenue Service Center
Ogden, Utah 84201

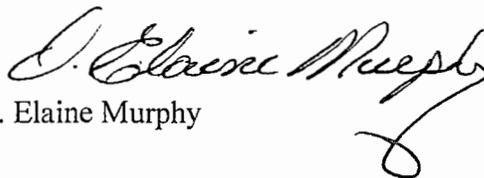
Re: Loan in the amount of \$2,550,000, dated February 19, 2015, to the Knox County Utility Commission from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2015B.

Ladies and Gentlemen:

Enclosed is Form 8038G, Information Return for Tax-Exempt Governmental Obligations, which we are requesting to be filed with the Internal Revenue Service for the above-referenced bond issue.

Very truly yours,

Rubin & Hays

By 
O. Elaine Murphy

Enclosure

CERTIFIED MAIL

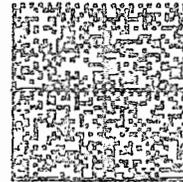
Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202-1410



7013 2250 0001 6278 2097



042J80114756
\$6.48
03/10/15
Mailed From 40202
US POSTAGE

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Internal Revenue Service Center
Ogden, Utah 84201

7012 2250 0001 6278 2097 9229 1000 0522

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$.48
Certified Fee		3.30
Return Receipt Fee (Endorsement Required)		2.70
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	6.48

Postmark
Here

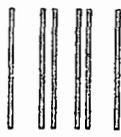
Sent To **Internal Revenue Service**

Street, Apt. No.,
or PO Box No.

City, State, ZIP+4
Ogden, Utah 84201

PS Form 3800, August 2005 See Reverse for Instructions

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

◦ Sender: Please print your name, address, and ZIP+4[®] in this box[◦]

Ms. O. Elaine Murphy
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202

KAY CO. (KAWFC FT 2013 B)

PLACESTICKERHEREFORWARDINGINFORMATION
PLACE STICKER HERE FOR FORWARDING INFORMATION

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
*Internal Revenue Service
Darden, Utah 84201*

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X Addressee

B. Received by (*Printed Name*) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail® Priority Mail Express™
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (*Extra Fee*) Yes

2. Article Number
(*Transfer from service label*) **7013 2250 0001 6278 2097**

\$2,550,000

Kentucky Rural Water Finance Corporation
Public Projects Revenue Bonds, Series 2015 B
Knox County Utility Commission

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
12/31/2015	-	-	35,538.75	35,538.75	35,538.75
12/31/2016	110,000.00	2.250%	77,737.50	187,737.50	187,737.50
12/31/2017	100,000.00	2.250%	75,375.00	175,375.00	175,375.00
12/31/2018	95,000.00	2.250%	73,181.25	168,181.25	168,181.25
12/31/2019	85,000.00	2.250%	71,156.25	156,156.25	156,156.25
12/31/2020	85,000.00	2.250%	69,243.75	154,243.75	154,243.75
12/31/2021	90,000.00	2.250%	67,275.00	157,275.00	157,275.00
12/31/2022	90,000.00	3.250%	64,800.00	154,800.00	154,800.00
12/31/2023	95,000.00	3.250%	61,793.75	156,793.75	156,793.75
12/31/2024	95,000.00	3.250%	58,706.25	153,706.25	153,706.25
12/31/2025	100,000.00	3.250%	55,537.50	155,537.50	155,537.50
12/31/2026	105,000.00	3.250%	52,206.25	157,206.25	157,206.25
12/31/2027	105,000.00	3.250%	48,793.75	153,793.75	153,793.75
12/31/2028	110,000.00	3.250%	45,300.00	155,300.00	155,300.00
12/31/2029	110,000.00	3.250%	41,725.00	151,725.00	151,725.00
12/31/2030	115,000.00	3.250%	38,068.75	153,068.75	153,068.75
12/31/2031	120,000.00	3.250%	34,250.00	154,250.00	154,250.00
12/31/2032	125,000.00	3.250%	30,268.75	155,268.75	155,268.75
12/31/2033	125,000.00	3.375%	26,128.13	151,128.13	151,128.13
12/31/2034	105,000.00	3.375%	22,246.88	127,246.88	127,246.88
12/31/2035	110,000.00	3.500%	18,550.00	128,550.00	128,550.00
12/31/2036	115,000.00	3.500%	14,612.50	129,612.50	129,612.50
12/31/2037	115,000.00	3.500%	10,587.50	125,587.50	125,587.50
12/31/2038	120,000.00	3.500%	6,475.00	126,475.00	126,475.00
12/31/2039	125,000.00	3.500%	2,187.50	127,187.50	127,187.50
Total	\$2,550,000.00	-	\$1,101,745.01	\$3,651,745.01	\$3,651,745.01

**KENTUCKY INFRASTRUCTURE AUTHORITY
ASSISTANCE AGREEMENT**

FUND F

PROJECT NUMBER: F22-017

GOVERNMENTAL AGENCY (Borrower): Knox County Utility Commission

GOVERNMENTAL AGENCY'S ADDRESS: P.O. Box 1630
Barbourville, Kentucky 40906

DATE OF ASSISTANCE AGREEMENT: April 4, 2023

CFDA NO: 66.468

ASSISTANCE AGREEMENT

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ASSISTANCE AGREEMENT

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

WITNESSETH

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

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

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

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

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

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

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

contained to levy, collect, and enforce and remit adequate Service Charges, as hereinafter defined, for the services provided by the Governmental Agency's System, as hereinafter defined, and to apply the necessary portion of said Service Charges to the repayment of the Loan and the interest thereon, as hereinafter specifically provided; and

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

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

ARTICLE I DEFINITIONS

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

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

“*Administrative Fee*” means the charge of the Authority for the servicing of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Loan Term Schedule.

“*Amortization Commencement Date*” means the date set forth on the Loan Term Schedule when the first payment of principal of and interest on the Loan is due under the Schedule of Payments.

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

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

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

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

“*Cabinet*” means the Energy and Environment Cabinet of the Commonwealth.

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

“*Commonwealth*” shall mean the Commonwealth of Kentucky.

“*Construction*” shall mean construction as defined in the Act.

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

“*Default Rate*” means the rate of interest identified in the Loan Term Schedule to accrue on the amount of the Loan that is in default under this Assistance Agreement.

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

“*Effective Date*” means the date set forth on the cover page of this Assistance Agreement.

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

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

“*Federal Agreement*” shall mean the Capitalization Grant Operating Agreement between the Authority and the U.S. Environmental Protection Agency dated as of November 1, 1998, as amended, supplemented or restated from time to time.

“*Governmental Agency*” shall mean any agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate a Project, including specifically but not by way of limitation, incorporated cities, counties, including any counties containing a metropolitan sewer district, sanitation districts, water districts, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either

acting alone, or in combination with one another pursuant to any regional or area compact, or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such described powers; and for the purposes of this Assistance Agreement shall mean the Governmental Agency identified on the front cover of this Assistance Agreement and in the Project Specifics.

“*Indenture*” shall mean the General Trust Indenture dated as of February 1, 2000 between the Authority and the Trustee, as amended and supplemented from time to time.

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

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

“*Loan Payment Date*” shall mean the dates principal of and/or interest on the Loan are due as set forth in the Loan Term Schedule.

“*Loan Rate*” means the rate per annum of interest identified in the Loan Term Schedule.

“*Loan Term Schedule*” shall mean the payment information and terms of the Loan identified and set forth in Exhibit F attached hereto and includes any amendments or supplements thereto.

“*Person*” shall mean any individual, firm, partnership, association, limited liability company, corporation or Governmental Agency.

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

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

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

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

“*Resolution*” means the resolution or ordinance of the Governmental Agency in the form of the resolution attached hereto as Exhibit D authorizing the execution of this Assistance Agreement.

“*Schedule of Payments*” means the debt service schedule of the Loan as set forth in the Loan Term Schedule.

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

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

“*System*” shall mean the water system owned and operated by the Governmental Agency of which the Project shall become a part.

“*Trustee*” shall mean U.S. Bank Trust Company, National Association, and its successors or assigns.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Authority.

The Authority represents and warrants for the benefit of the Governmental Agency as follows:

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

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

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

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

Section 2.2. Representations and Warranties of the Governmental Agency.

The Governmental Agency hereby represents and warrants for the benefit of the Authority as follows:

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

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

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

(D) To the knowledge of the Governmental Agency, there is no controversy or litigation of any nature pending or threatened in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to acquire and construct the Project; or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions that have been taken in the authorization or delivery of this Assistance Agreement or the construction of the Project; or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor; or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, or an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

(F) Pursuant to the Resolution of the governing body, the Governmental Agency has approved and authorized the execution and delivery of this Assistance Agreement. Such Resolution was duly enacted or adopted at a duly called meeting, held in accordance with the law

of the governing body of the Governmental Agency at which a quorum was present and acting throughout; is in full force and effect; and has not been superseded, altered, amended or repealed as of the date hereof.

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

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

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

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

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

**ARTICLE III
AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS**

Section 3.1. Determination of Eligibility.

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

Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds.

The principal amount of the Loan shall be the Loan Amount as identified in the Loan Term Schedule, subject to such adjustments as may be set forth in any amendment or supplement to said Loan Term Schedule. Principal payments shall be made in the amounts and on the Loan Payment Dates established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the repayment term set forth in the Schedule of Payments, commencing on the Amortization Commencement Date.

The outstanding principal balance of the Loan shall bear interest, payable on the Loan Payment Dates, at the Loan Rate identified in the Loan Term Schedule. Beginning on the

Amortization Commencement Date, principal and interest on the Loan shall be payable in the amounts and on the Loan Payment Dates set forth in the Schedule of Payments; provided that, should an Event of Default occur, such Loan payments, in such amounts as determined in the sole discretion of the Authority, shall be made on the first day of each month during the continuation of such Event of Default.

The Authority shall advance the proceeds of the Loan as Construction of the Project progresses upon the submission by the Governmental Agency of a Requisition for Funds in substantially the same form as Exhibit B hereto. Each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement. The Governmental Agency shall pay interest on the unpaid balance of disbursements at the Loan Rate payable on each Loan Payment Date prior to the Amortization Commencement Date.

Interest on the Loan shall be calculated on the actual number of days and an assumed 360-day year.

Payments of principal and interest on the Loan shall be payable in lawful money of the United States of America at the principal office of the Authority or the Trustee, as designated by the Authority. If so requested by the Authority, Loan payments hereunder shall be made by the Governmental Agency 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") as provided by the Authority or the Trustee to the Governmental Agency, which ACH Authorization Form shall be completed, signed and forwarded to the Authority or the Trustee prior to the Governmental Agency receiving any disbursement of the proceeds of the Loan.

Section 3.3. Governmental Agency's Right to Prepay Loan.

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

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

Section 3.4. Subordination of Loan.

The Authority hereby agrees that, subject to compliance by the Governmental Agency with the covenants and conditions set forth in this Assistance Agreement, the source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable from the revenues of the System outstanding at the time this Assistance Agreement is executed as identified in the Project Specifics and all such

Debt Obligations that may hereafter be issued on a parity with the Debt Obligations identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.6(C) hereof.

**ARTICLE IV
CONDITIONS PRECEDENT TO DISBURSEMENT;
REQUISITION FOR FUNDS**

Section 4.1. Covenants of Governmental Agency and Conditions of Loan.

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

(A) That the Authority and the Cabinet and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority or the Cabinet, and their respective duly authorized agents, shall have the right at all reasonable times, subject to prior notice to the Governmental Agency, to enter upon the Project and its site during construction of the Project and to examine and inspect same, and the Governmental Agency will assure that the contractor or contractors will provide facilities for such access and inspection.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(V) The Governmental Agency shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Consolidated Appropriations Act, 2014 (the

“2014 Appropriations Act”) and related Program policy guidelines) which the Governmental Agency understands includes, among other requirements, that all of the iron and steel products used in the Project are to be produced in the United States (“American Iron and Steel Requirement”) unless (i) the Governmental Agency has requested and obtained a waiver from the United States Environmental Protection Agency pertaining to the Project or (ii) the Authority has otherwise advised the Governmental Agency in writing that the American Iron and Steel Requirement is not applicable to the Project.

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

Notwithstanding anything in this Assistance Agreement to the contrary, if the Governmental Agency fails to comply, at any time, with the provisions of Section 4.1(V) or Section 4.1(W) hereof, the Authority may, at its sole discretion, withhold the disbursements of any proceeds of the Loan to the Governmental Agency or its designee.

Section 4.2. Additional Conditions to Disbursement Required Under the Federal Agreement.

The Governmental Agency, in order to comply with the terms and conditions of the Federal Agreement, further covenants and further agrees to additional conditions to disbursement, as follows:

(A) That the Project shall be completed no later than the Amortization Commencement Date.

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

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

(D) That all real property or property rights required for the completion of the Project shall be obtained, by easement, purchase or other means acceptable to the Authority, prior to

commencement of construction and that the relocation of any Person resulting therefrom be in accordance with 49 CFR 24 for Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

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

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

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

(H) That final disbursement will not be remitted before the Cabinet has approved a final operations and maintenance manual.

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

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

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

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

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

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

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

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

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

(O) That all measures required to minimize water pollution to affected waters shall be employed in the construction of the Project including compliance with Section 404 of PL 92-500,

as amended, it being understood that approval of the Project does not constitute sanction or approval of any changes or deviations from established water quality standards, criteria implementation dates, or dates established by enforcement proceedings.

Section 4.3. Disbursements of Funds; Requisition for Funds.

The Governmental Agency shall submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) and the Cabinet a Requisition for funds prior to the fifth (5th) day of each month (or such other designated period as is acceptable to the Authority), in substantially the same form as that attached to this Assistance Agreement as Exhibit B and made a part hereof, accompanied by, to the extent requested by the Authority, the following documentation:

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

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

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

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

Upon the Authority's receipt of the Requisition for Funds and such additional documentation as it may require, and subject to certification by the Cabinet, the Authority may direct the Trustee to remit the amount requested to the Governmental Agency as a draw upon the Loan. If directed by the Authority, the Governmental Agency shall establish, with the Trustee, an electric fund transfer system, which may be an ACH Payment Method.

The Authority may disburse proceeds of the Loan directly to the Governmental Agency. The Governmental Agency, if so directed by the Authority, shall establish itself as a vendor under the eMars system of the Commonwealth of Kentucky.

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

Section 5.1. Imposition of Service Charges.

The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which the Loan

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

Section 5.2. Governmental Agency's Obligation to Repay Loan.

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

Section 5.3. Covenant to Adjust Service Charges.

In the event, for any reason, the Schedule of Service Charges shall prove to be insufficient to (i) provide for the required coverage of all debt service payments on obligations payable from the revenues of the System as set forth in Section 5.4 hereof, (ii) provide for the operation of the System as required under this Assistance Agreement, and (iii) make the required deposits to the Maintenance and Replacement Reserve; the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and Kentucky, immediately adjust and increase such Schedule of Service Charges or immediately commence proceedings for a rate adjustment and increase with all applicable regulatory authorities so as to provide funds sufficient to pay the debt service requirements set forth in the Schedule of Payments and the Authority's Administrative Fee, to provide for the operation of the System as required under this Assistance Agreement, and to make required deposits to the Maintenance and Replacement Reserve.

Section 5.4. Adequacy of Service Charges.

The Service Charges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the Schedule set forth in Exhibit C hereto so qualifies) as shall be at least adequate to provide revenues equal to the sum of (i) 110% of the debt service coming due during each fiscal year on this Loan and all other obligations secured and payable from the revenues of the System, in each case computed as of the beginning of such fiscal year (except to the extent the Governmental Agency has by binding ordinance or resolution committed reserves to the payment of such debt service), (ii) the amounts required to provide for the operation of the System during each fiscal year as required under this Assistance Agreement, and (iii) the amounts to be deposited hereunder to the Maintenance and Replacement Reserve in each fiscal year.

The Service Charges imposed by the Governmental Agency shall be paid by the users of the System, both existing and new users, and accordingly the Project. The Governmental Agency shall deliver to the Authority, on or before each Loan Payment Date, a report of all collections and any delinquencies.

Section 5.5. Covenant to Establish Maintenance and Replacement Reserve.

The Governmental Agency shall establish a special account identified as a “Maintenance and Replacement Reserve”. The Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to the amount set forth in the Project Specifics at the times set forth in the Project Specifics. Funds in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the System or for the unbudgeted costs of replacing worn or obsolete portions of the System, subject to approval of the Authority.

Section 5.6. Reports; Inspection.

The Governmental Agency hereby irrevocably covenants and agrees with the Authority:

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

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

(C) That it will notify the Authority in writing of its intention to issue bonds or notes payable from the revenues of the System not less than thirty (30) days prior to the sale of said obligations.

Section 5.7. Segregation of Funds.

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

**ARTICLE VI
OTHER COVENANTS OF THE GOVERNMENTAL AGENCY**

Section 6.1. Further Assurance.

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

Section 6.2. Completion of Project.

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

Section 6.3. Establishment of Completion Date.

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

Section 6.4. Commitment to Operate.

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

Section 6.5. Continue to Operate.

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

Section 6.6. Tax Covenant.

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

Section 6.7. Accounts and Reports.

The Governmental Agency shall at all times keep, or cause to be kept, proper books of record and account in accordance with the "Uniform System of Accounts" established by the Commonwealth, in which complete and accurate entries shall be made of all its transactions relating to the System and which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Audit Requirements.

Within one hundred eighty (180) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, including disclosure of the Maintenance and Replacement Reserve, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principles on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity. All recipients and subrecipients expending \$750,000 or more in a year in Federal awards must have a single or program-specific audit conducted for that year in accordance with 2 CFR Part 200.

Section 6.9. General Compliance with all Duties.

The Governmental Agency shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of the Act, the Federal Act and this Assistance Agreement and any other Debt Obligations.

Section 6.10. System Not to Be Disposed Of.

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

Section 6.11. Further Covenants under the Federal Agreement.

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

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

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

(C) All residents in the service area of the System must be offered the same opportunity to become users of the System regardless of race, religion, color, national origin, sex, disability or level of income.

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

(1) Federal Cross-Cutters

Environmental Authorities

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

Economic and Miscellaneous Authorities

- (a) Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended, Executive Order 12372
- (b) Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans.

- (c) Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended
- (d) Debarment and Suspension, Executive Order 12549

Social Policy Authorities

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

(2) State:

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

Section 6.12. Continuing Disclosure Obligation.

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

Section 6.13. General.

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

**ARTICLE VII
MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION**

Section 7.1. Maintain System.

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

Section 7.2. Additions and Improvements.

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

Section 7.3. Compliance with State and Federal Standards.

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

Section 7.4. Access to Records.

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

Section 7.5. Covenant to Insure - Casualty.

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

Section 7.6. Authority as Named Insured.

For so long as any amounts are due and payable under this Assistance Agreement, any insurance policy issued pursuant to Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency, and to the Authority, as their interests may appear.

Section 7.7. Covenant to Insure - Liability.

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

Section 7.8. Covenant Regarding Worker's Compensation.

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

Section 7.9. Application of Casualty Insurance Proceeds.

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

Section 7.10. Eminent Domain.

In the event that title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate

condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sole discretion:

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

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

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 7.10, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by an authorized officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of such certificate by an authorized officer of the Authority. In no event will the Governmental Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

Section 7.11. Flood Insurance.

For so long as any amounts are due and payable under this Assistance Agreement, all structures located in flood prone areas shall be covered by flood insurance carried by the Governmental Agency for an amount equal to the replacement cost excluding the cost of land and any uninsurable improvements, or for the maximum limit available under the National Flood Insurance Act of 1968, as amended, whichever is less.

**ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES**

Section 8.1. Events of Default Defined.

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

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

(B) Failure by the Governmental Agency to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Governmental

Agency by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until such failure is corrected.

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

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

Section 8.2. Remedies on Default.

Whenever any Event of Default referred to in Section 8.1 has occurred and is continuing (other than an event of default arising under Section 6.12 of this Assistance Agreement), the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare the principal of and interest on the Loan, and all other payments due hereunder, to be immediately due and payable.

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

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

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

The sole remedies for an Event of Default under this Assistance Agreement arising by virtue of the failure of the Governmental Agency to comply with the provisions of Section 6.12 hereof shall be those remedies specifically set forth in Section 6.12 hereof

Section 8.3. Appointment of Receiver.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Authority under this Assistance Agreement, the Authority shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer, provided, however, that the Authority may, with

or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 8.4. No Remedy Exclusive.

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

Section 8.5. Consent to Powers of Authority Under Act.

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

Section 8.6. Waivers.

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

Section 8.7. Agreement to Pay Attorneys' Fees and Expenses.

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

**ARTICLE IX
MISCELLANEOUS PROVISIONS**

Section 9.1. Approval not to be Unreasonably Withheld.

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

Section 9.2. Approval.

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

Section 9.3. Effective Date.

This Assistance Agreement shall become effective on the Effective Date and shall continue in full force and effect until the date the obligations of the Governmental Agency pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 9.4. Binding Effect.

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

Section 9.5. Severability.

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

Section 9.6. Assignability.

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

Section 9.7. Execution in Counterparts.

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

Section 9.8. Applicable Law.

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

Section 9.9. Captions.

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

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the Effective Date.

KENTUCKY INFRASTRUCTURE
AUTHORITY

By: *J. Leav*
Chairman

ATTEST:

By: *Margaret F. Link*
Margaret F. Link (Apr 21, 2023 10:50 EDT)
Secretary of Kentucky Infrastructure Authority

GOVERNMENTAL AGENCY:
KNOX COUNTY UTILITY COMMISSION

By: *Jim [Signature]*
Chairman

ATTEST:

By: *William R. B. [Signature]*
Secretary of Governmental Agency

APPROVED:

By: *Holly Johnson*
Secretary/Finance and Administration
Cabinet of the Commonwealth of Kentucky

EXAMINED:

By: *Robin [Signature]*
Legal Counsel to the *NSL*
Kentucky Infrastructure Authority

APPROVED AS TO FORM AND
LEGALITY:

By: *Patrick McGee*
Patrick McGee (Apr 21, 2023 11:29 EDT)
Approved, Finance and
Administration Cabinet

EXHIBIT A
PROJECT SPECIFICS

EXHIBIT A
KNOX COUNTY UTILITY COMMISSION
PROJECT SPECIFICS
F22-017

GOVERNMENTAL AGENCY:

Name: Knox County Utility Commission
 PO Box 1630
 Barbourville, KY 40906

Contact Person: Sam Watts
 Chairman

SYSTEM: Water

PROJECT:

The Knox County Utility Commission is requesting a Fund F loan in the amount of \$1,193,000 for the Barbourville Connection – KY 225 project. This project will lay about 15,000 LF of 8" main, add a booster station, valves and telemetry.

PROJECT BUDGET:

	Total
Administrative Expenses	\$ 32,500
Legal Expenses	7,500
Planning	5,000
Engineering Fees - Design	115,884
Engineering Fees - Construction	28,971
Engineering Fees - Inspection	87,875
Engineering Fees - Other	24,102
Construction	1,850,000
Contingency	185,000
Total	\$ 2,336,832

FUNDING SOURCES:

	Amount	%
Fund F Loan	\$ 1,193,000	51%
Cleaner Water Grant (for CPBOC approval)	1,143,832	49%
Total	\$ 2,336,832	100%

KIA DEBT SERVICE:

Construction Loan	\$ 1,193,000
Less: Principal Forgiveness	596,500
Amortized Loan Amount	\$ 596,500
Interest Rate	0.25%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 30,595
Administrative Fee (0.25%)	1,491
Total Estimated Annual Debt Service	\$ 32,087

EXHIBIT B

REQUEST FOR PAYMENT AND PROJECT STATUS REPORT

Borrower: _____

WX/SX Number: _____

KIA Loan # _____

Draw Number _____

Date: _____

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

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

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

Funds Requested: _____

Project Budget and Expenses

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

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

Project Funding

Funding Agency	Expenses This Request	Expenses to Date	Project Budget	Balance
1				
2				
3				
4				
5				
6				
7				
8				
9				

10
11
12

TOTAL _____

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

Borrower Signature: _____

Project Administrator: _____

Draw # _____

STATUS REPORT:
PROJECT IS:

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

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

Line Item	Draw #	Vender	Amount
------------------	---------------	---------------	---------------

**CERTIFICATE OF CONSULTING ENGINEERS AS TO
PAYMENT REQUEST**

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

Engineer/Architect

Firm Name

EXHIBIT C

SCHEDULE OF SERVICE CHARGES

(See Attached)

Knox County Utility Commission

Water Rates

5/ 8" x 3/4" Meter	
First 1,000 gallons	\$21.07
Over 1,000 gallons	\$8.32 per 1,000 gallons
1" Meter	
First 5,000 gallons	\$54.36
Over 5,000 gallons	\$8.32 per 1,000 gallons
2" Meter	
First 20,000 gallons	\$179.19
Over 20,000 gallons	\$8.32 per 1,000 gallons
3" Meter	
First 30,000 gallons	\$262.42
Over 30,000 gallons	\$8.32 per 1,000 gallons
4" Meter	
First 50,000 gallons	\$428.86
Over 50,000 gallons	\$8.32 per 1,000 gallons

Tap Fee	\$400.00
Meter Deposit	\$80.00
Connection/Turn-On Charge	\$15.00 \$30.00 after hours
Field Collection Charge	\$15.00
Late Payment Penalty	10%
Meter Relocation Charge	Cost
Meter Re-Read Charge	\$15.00
Meter Test Charge	\$40.00
Reconnection Charge	\$30.00 \$50.00 after hours
Returned Check Charge	\$25.00
Service Call/Investigation	\$15.00 \$25.00 after hours
Service Line Inspection	\$40.00
Field Apparatus Penalty	Estimate

Sewer Rates

Monthly Rate	\$9.66 per 1,000 gallons
Late Payment Penalty	10%
Returned Check Charge	\$25.00
Tap Fee - Residential	\$1,185.00
Tap Fee - Other	Cost
Disconnection Charge	Cost

EXHIBIT D

RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE KNOX COUNTY UTILITY COMMISSION AND THE KENTUCKY INFRASTRUCTURE AUTHORITY TO PROVIDE UP TO \$1,193,000 OF LOAN FUNDS FOR PROJECT NUMBER F22-017.

WHEREAS, the Board of Commissioners (“Governing Authority”) of the Knox County Utility Commission (“Governmental Agency”) has previously determined that it is in the public interest to acquire and construct certain facilities and improvements (the “Project”) to the Governmental Agency’s Water system (the “System”);

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

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement (the “Assistance Agreement”) with the Authority.

NOW, THEREFORE, IT IS RESOLVED by the Board of Commissioners of the Knox County Utility Commission, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Governmental Agency and the Authority regarding Project Number F22-017 substantially in the form on file with the Governmental Agency to provide the necessary financing to the Governmental Agency for the Project.

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

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

ADOPTED on April 4, 2023.

GOVERNMENTAL AGENCY:
KNOX COUNTY UTILITY COMMISSION

By: _____
Chairman

ATTEST:

By: _____
Secretary of Governmental Agency

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Knox County Utility Commission; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Commissioners of the Knox County Utility Commission at a meeting duly held on April 4, 2023; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this April 4, 2023.

Secretary of Governmental Agency

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

April 4, 2023

Kentucky Infrastructure Authority
100 Airport Road, Third Floor
Frankfort, Kentucky 40601

Re: Assistance Agreement by and between Kentucky Infrastructure Authority and the Knox County Utility Commission, regarding Project Number: F22-017.

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Knox County Utility Commission (“the Governmental Agency”). I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally, I am familiar with the drinking water supply project (the “Project”) with respect to which the Assistance Agreement dated the date hereof by and between the Kentucky Infrastructure Authority (“Authority”) and the Governmental Agency (the “Assistance Agreement”) is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the legislation of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT F

LOAN TERM SCHEDULE

Principal Amount of Loan:	\$1,193,000
Loan Interest Rate:	0.25%
Default Interest Rate:	8.00%
Authority's Administrative Fee:	0.25%
Loan Payment Dates:	Each June 1 and December 1
Amortization Commencement Date:	June 1, 2024
Schedule of Payments:	see attached

The Loan has been awarded principal forgiveness in the amount of 50% of the Principal Amount of the Loan, not to exceed \$596,500, which will be credited to the Loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the Borrower.

It is understood and agreed by the parties to this Assistance Agreement that this Term Loan Schedule (Exhibit F) is an integral part of the Assistance Agreement between the Governmental Agency and the Authority. This Term Loan Schedule may be amended, supplemented or modified by the mutual agreement of the Governmental Agency and the Authority provided that such amendment, supplement or modification shall be in writing and executed by the respective duly authorized officers of the Governmental Agency and the Authority. Upon the execution and delivery of any amended, supplemented or modified Term Loan Schedule, the Assistance Agreement and the Term Loan Schedule shall be, and be deemed to be, amended, supplemented and modified in accordance therewith, and the respective rights, duties and obligations under the Assistance Agreement of the Governmental Agency and the Authority shall thereafter be determined, exercised and enforced under the Assistance Agreement subject in all respects to such amendments, supplements and modifications.

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

- (A) Unless otherwise agreed to by the Authority, all Loan proceeds shall be expended by the Governmental Agency no later than six months after the initiation of operation of the Project.

KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: February 9, 2022 – 1:00 p.m.
Kentucky Infrastructure Authority
Via Teleconference

Members present:

Mr. Dennis Keene, Commissioner, Department for Local Government
Ms. Linda Bridwell, Executive Director, Public Service Commission
Ms. Holly M. Johnson, Secretary, Finance and Administration Cabinet
Mr. Carey Johnson, proxy for Secretary Rebecca Goodman, Energy and Environment Cabinet
Ms. Kristina Slattery, proxy for Interim Secretary Larry Hays, Cabinet for Economic Development
Mr. Ron Lovan, Representing the Kentucky Section of the American Water Works Association
Judge Mark McKenzie, representing Kentucky Association of Counties
Mr. Russell Rose, representing Kentucky Rural Water Association
Mayor Les Stapleton, representing Kentucky League of Cities
Mr. Robert A. Amato, representing Kentucky Municipal Utilities Association

Members absent:

Mr. David R. Farrar, representing for Profit Water Companies

KIA Staff:

Ms. Sandy Williams, Executive Director
Mr. Milward Dedman, Deputy Executive Director
Ms. Julie Bickers, Regional Compliance Coordinator
Mr. John Brady, Financial Analyst
Mr. Jim Carpenter, Fiscal Officer & KIA Treasurer
Mr. Kelly Cunnagin, Executive Staff Advisor
Mr. Alex Fisher, Financial Analyst
Ms. Carmen Ignat, Financial Analyst
Ms. Debbie Landrum, Regional Compliance Coordinator
Ms. Meg Link, Administrative Specialist III and KIA Secretary
Mr. Roger Recktenwald, Grants Administrator
Mr. Don Schierer, WRIS Resource Management Analyst
Mr. Tom Schubert, GIS Specialist

Guests:

Mr. Jory Becker, Division of Water
Ms. Bethany Couch, Office of Financial Management
Ms. Jocelyn Gross, Gateway Area Development District
Ms. Jessica Keene, City of Whitesburg
Mayor Tiffany Craft, City of Whitesburg
Mr. Gary Larimore
Ms. Holly McGrath-Rosas, Morehead Utility Commission
Ms. Holly Nicholas, Kentucky Engineering Group, PLLC
Mr. Alan Robinson, Eclipse Engineering, PLLC
Ms. Michelle Stewart Knox County Utility Commission
Mr. Jeremy Woosley, Grayson County Water District

I. PROCEEDINGS

Commissioner Dennis Keene, called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. He noted that the press notification distribution had been done appropriately and confirmed a quorum was present.

A. BUSINESS (Board Action Required)

1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of December 2, 2021

Mr. Ron Lovan moved to approve the minutes of the December 2, 2021, regular board meeting. Mayor Les Stapleton seconded, and the motion carried unanimously.

KIA Special Called Board Meeting of December 6, 2021

Mr. Ron Lovan moved to approve the minutes of the December 6, 2021, special called board meeting. Mayor Les Stapleton seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS

1. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND LOAN (B22-001) FOR AN AMOUNT UP TO \$499,853.09 TO THE CITY OF CATLETTSBURG, BOYD COUNTY, KENTUCKY

Mr. Alex Fisher discussed the City of Catlettsburg's request for a Fund B Loan, (B22-001), in the amount of \$499,853.09 to repay a portion of their existing Fund A14-013 loan which funded the replacement of a sludge press at the WWTP and approximately 2,000 linear feet of collection system. The Wastewater Treatment Plant (WWTP) project is complete and has been operational since late 2018. EPA required that a portion of the Fund A loan be repaid because the City was unable to meet the American Iron and Steel requirement on a portion of the Fund A project.

The City was unable to produce American Iron and Steel (AIS) certification on the materials used for the collection system replacement work. SRF program requirements do not allow AIS Certification waivers. Therefore, EPA requires the city to repay the portion of the loan that is not in compliance.

The original Fund A loan was for a total of \$2,485,000 out of a project cost of \$3,335,000. Additional funding sources were \$700,000 in CDBG and \$150,000 in local funds. The City received 10% principal forgiveness of \$248,500 for the Fund A loan. The CDBG portion of the treatment plant has been closed out and cannot be diverted to the collections system work. The Division of Water (DOW) reviewed the contract details and determined that \$341,353.09 on Contract #1 and \$158,500.00 on Contract #2 for a total of \$499,853.09 represents the collection system work that is unable meet the AIS certification requirements.

The Fund A loan (A14-013) will be repaid in the amount of this Fund B loan. This Fund B loan will retain the original terms from the Fund A loan, a 0.75% interest rate with a 20-year loan term.

Ms. Linda Bridwell moved to approve the Fund B Loan, (B22-001), for an amount up to \$499,853.09 to the City of Catlettsburg with the standard conditions and the following special condition: Sewer rates will be increased by 17% effective July 1, 2022 to maintain the 1.1 debt coverage ratio. Ms. Kristina Slattery seconded and the motion was unanimously approved.

2. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AN AMENDMENT TO THE CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND F LOAN (F19-002) INCREASE FOR AN AMOUNT UP TO \$44,998,000 TO THE CITY OF MOREHEAD F/B/O MOREHEAD UTILITY PLANT BOARD, ROWAN COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. Alex Fisher, KIA, discussed the City of Morehead, F/B/O Morehead Utility Plant Board's request for a Fund F loan increase in the amount of \$16,570,000 to supplement the Regional Water Treatment Plant Construction project. The last phase was board approved on May 6th, 2021. This new increase amount will bring the new total KIA loan amount up to \$44,998,000.

This increase is due to additional supply costs and price increases due to the Water Treatment Plant construction and raw and finished waterline construction phases of the project. Water Treatment Plant Construction was bid on October 15, 2021. The lowest bid was \$29,987,000. Updated cost estimates for Phases 1A/1B/3A/3B, scheduled to be bid in October 2022, place the total updated project cost at \$44,998,000.

The Morehead Utility Plant Board serves 3,636 direct customers in Bath, Fleming and Rowan counties, along with 11,687 indirectly served through wholesale water sales.

Mr. Russ Rose asked if there was a cap on funding over the original amount of the loan. Director Williams noted there is a cap of 10% on the amount the Executive Director can approve, without bringing it back to the Board for further review and approval.

Ms. Linda Bridwell asked why there was such a significant increase. Mr. Alan Robinson, Eclipse Engineering, noted that the original project was for three different contracts and now there are five contracts. When this project started costs were not nearly as high as they are today.

Mr. Russ Rose moved to approve the Fund F Loan, (F19-002) loan increase for an amount up to \$44,998,000 to the City of Morehead F/B/O Morehead Utility Plant Board with the standard conditions. Ms. Linda Bridwell seconded and the motion was unanimously approved.

3. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A

CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F22-002) FOR AN AMOUNT UP TO \$7,231,000 TO THE GRAYSON COUNTY WATER DISTRICT, GRAYSON COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the Grayson County Water District's request for a Fund F Loan, (F22-002), in the amount of \$7,231,000 for the GCWD East – West Improvements II project. This project will consist of comprehensive improvements to the Water Treatment Plant and the distribution system that will result in more reliable and safer water for customers. Major components of the project include the construction and replacement of water lines, upgrading existing pumps, and the rehabilitation of two storage tanks. The project will upgrade existing treatment components that will help address water quality issues outlined in an Agreed Order for TTHM's in purchased water.

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

Ms. Linda Bridwell abstained from voting. Mr. Carey Johnson moved to approve the Fund F Loan, (F22-002,) loan for an amount up to \$7,231,000 to the Grayson County Water District with the standard conditions. Mr. Ron Lovan seconded and the motion was unanimously approved.

4. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F22-011) FOR AN AMOUNT UP TO \$1,660,000 TO THE CITY OF WHITESBURG, LETCHER COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. Alex Fisher, KIA, discussed the City of Whitesburg's request for a Fund F Loan, (F22-011), in the amount of \$1,660,000 for the Waterline Replacement Phase 1 project. This project will replace water lines, meters, hydrants, valves and any other related items to completely replace the water distribution system on the Eastern side of the City system.

This project will install four new master meters with SCADA that will be able to identify excess water leaks. Additionally, the project will replace 1,100 LF of 8" PVC, 18,300 LF of 6" PVC, 1,500 LF of 4" PVC and 1,850 LF of 2" PVC waterlines, 12 flushing hydrants, valves and boxes from 2" to 8" and 154 radio read meters.

Currently the City of Whitesburg serves 1,251 residential and over 230 commercial and industrial customers.

Mr. Bob Amato moved to approve the Fund F Loan, (F22-011), loan for an amount up to \$1,660,000 to the City of Whitesburg with the standard conditions. Ms. Linda Bridwell seconded and the motion was unanimously approved.

5. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F22-015) FOR AN AMOUNT UP TO \$2,904,000 TO THE CITY OF LONDON F/B/O LONDON UTILITY COMMISSION, LAUREL COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the City of London F/B/O London Utility Commission’s request for a Fund F Loan, (F22-015), in the amount of \$2,904,000 for the Water Treatment Plant (WTP) Improvements project. The project will consist of numerous improvements to the WTP, repairs to three existing water storage tanks, and the installation of a submersible pump station. The three storage tanks that will undergo extensive repairs supply the entire distribution system. The new pump station will be located at the WTP and will allow the Commission to capture all backwash water and eliminate the need for on-site lagoons.

The Commission currently serves over 3,300 residential customers, approximately 1,200 commercial and industrial customers, and provides wholesale service to the Wood Creek Water Association.

Mr. Bob Amato moved to approve the Fund F Loan, (F22-015) loan for an amount up to \$2,904,000 to the City of London F/B/O London Utility Commission with the standard conditions. Mr. Ron Lovan seconded and the motion was unanimously approved.

6. **A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F22-017) FOR AN AMOUNT UP TO \$1,193,000 TO THE KNOX COUNTY UTILITY COMMISSION, KNOX COUNTY, KENTUCKY**

Mr. Jory Becker, DOW, and Mr. Alex Fisher, KIA, discussed the Knox County Utility Commission’s request for a Fund F Loan, (F22-017), in the amount of \$1,193,000 for the Barbourville Connection – KY 225 project. This project will lay about 15,000 LF of 8” main, add a booster station, valves and telemetry.

The project will address additional old 4” and 6” mains with push-on joint PVC and asbestos cement by installing the 8” lines. A 4” master meter pit and additional gate and air release valves will be included in this project.

Currently the Knox County Utility Commission serves 2,778 residential and over 100 commercial and industrial customers.

Ms. Linda Bridwell abstained from voting. Mr. Russ Rose moved to approve the Fund F Loan, (F22-017) loan for an amount up to \$1,193,000 to the Knox County Utility Commission with the standard conditions and the following special condition: By March 31, 2022, the Knox County Utility Commission will need a resolution from the Knox County Commission Board, demonstrating their intentions to increase revenues as necessary and

authorized by the Public Service Commission (PSC) to meet the loan requirements over the life of the loan. KIA staff review indicates that revenues would need to be increased by \$43,100, which equates approximately to rates increasing by 3% in Fiscal Year 2023, to meet expenses and debt service in the first full year of debt service in 2024. In addition, to the 3% in FY2023, KIA indicates that 2% each year in FY 2024 and FY 2026 will be needed to maintain the 1.1 debt coverage ratio. Mr. Bob Amato seconded and the motion was unanimously approved.

7. A RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

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

BORROWER	FUND	AMOUNT UP TO
City of Catlettsburg	B22-001	\$499,853.09
City of Morehead, F/B/O Morehead Utility Plant Board (Increase)	F19-002	\$16,570,000
Grayson County Water District	F22-002	\$7,231,000
City of Whitesburg	F22-011	\$1,660,000
City of London, F/B/O London Utility Commission	F22-015	\$2,904,000
Knox County Utility Commission	F22-017	\$1,193,000

Ms. Linda Bridwell made the motion to approve the capital reimbursement resolution. Mr. Ron Lovan seconded and the motion was unanimously approved.

II. EXECUTIVE DIRECTOR’S REPORT

Director Williams addressed the group. She discussed the progress with the Cleaner Water Grants, there have been 649 applications submitted, representing all 120 Kentucky counties for a total of \$731 million. One hundred twenty-eight are for unserved drinking water projects in rural areas, totaling \$168 million. Sixteen of those applications are under Consent Decrees through the Division of Water, representing about \$105 million. Ms. Williams reminded everyone that the KIA website keeps current up-to-date totals under the WRIS Cleaner Water Grants, if anyone would like to see the progress to date. Currently, 184 projects have been announced for a total just over \$106 million, representing 53 counties. More announcements are expected very soon.

The next steps are getting the documentation ready to send out to funding recipients and evaluating the unserved drinking water projects.

In regard to Broadband funding grants, we are finalizing those through the challenge process and working jointly with the Finance and Administration Cabinet’s Office of Procurement Services to facilitate the Broadband grant funding. Special thanks goes to Secretary Holly Johnson for allowing us to work with their staff on this project. We are making progress, it is going slower than we expected, but progress is being made. It is our first time around and we are learning what we did not know.

Funding provided through the Bi-Partisan Infrastructure Law that will be managed through KIA’s State Revolving Fund will be about \$112 million. Forty-six and a half million dollars for lead service line replacement and \$12.4 million will be used for emerging contaminants for drinking water and \$29.6 million will be added to the base program on the drinking water side, which equals \$88.5 million available for subsidized loans with principal forgiveness. On the Clean Water side, there is an additional \$22.8 million available to our base funding and \$1.2 million available for Clean Water emerging contaminants for a total of about \$24 million on the Clean Water side. We anticipate over the next five years Kentucky will receive \$605 million of additional funding through the EPA State Revolving Fund Program.

The Final EPA state engagement meeting with EPA staff will be held on Tuesday, February 22nd. We anticipate EPA guidance for the new SRF program regarding emerging contaminants and lead service line replacements in March.

The Division of Water, the EPA and KIA are working together to outline the program requirements and we can move forward as EPA notifies us what their requirements will entail. Staff will prepare a guidance document for the new funding.

Commissioner Keene thanked Director Williams for the tremendous job she and the staff are doing getting this new funding out in a timely manner.

ANNOUNCEMENTS/NOTIFICATIONS

Next regularly scheduled KIA board meeting:
Thursday, March 3, 1:00 p.m.

There being no further business, Mr. Ron Lovan moved to adjourn the February 9, 2022 meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:

Margaret F. Link
Margaret F. Link, Secretary
Kentucky Infrastructure Authority

February 16, 2022
Date



Andy Beshear
GOVERNOR

**FINANCE AND ADMINISTRATION CABINET
OFFICE OF THE CONTROLLER**

Holly M. Johnson
SECRETARY

200 Mero Street, 5th Floor
Frankfort, Kentucky 40622
Phone: (502) 564-2210
Fax: (502) 564-6597

March 17, 2022

The Honorable Rick Girdler, Co-Chairman
The Honorable Chris Freeland, Co-Chairman
Members of the Capital Projects and Bond Oversight Committee
Legislative Research Commission
Frankfort, Kentucky 40601

Re: Capital Projects and Bond Oversight Committee
Meeting Held March 15, 2022

Dear Senator Girdler, Representative Freeland, and
Members of the Capital Projects and Bond Oversight Committee:

I have received notification that no action was taken by the Capital Projects and Bond Oversight Committee due to the lack of a quorum at the March 15, 2022, meeting. Please accept this letter as notification of the determination to proceed with the transfers and actions necessary for the projects listed below:

- 1) Division of Real Properties, Department for Facilities and Support Services
 - a. Transportation Cabinet, Department of Vehicle Regulation, Jefferson County (New Lease)
 - b. Finance and Administration Cabinet, Department of Revenue, Boone County (Lease Renewal)
 - c. Transportation Cabinet, Department of Vehicle Regulation, Boyle County (Lease Modification)

- 2) Kentucky Infrastructure Authority
 - a. Fund F Loan - City of Hazard
 - b. Fund F Loan - City of Hazard
 - c. Fund F Loan and CWP Grant - City of Monticello
 - d. Fund F Loan and CWP Grant- Knox County Utility Commission
 - e. Cleaner Water Program Grants, Sewer (34)
 - f. Cleaner Water Program Grants, Water (69)

- 3) Cabinet for Economic Development
 - a. Economic Development Fund Grant - City of Elizabethtown on behalf of Kruger Packaging (USA) LLC

- 4) Office of Financial Management
 - a. Kentucky Economic Development Finance Authority Hospital Revenue Refunding Bonds, Series 2022-A1 and Series 2022-A2 (Baptist Healthcare System Obligated Group) (New Conduit Debt Issue)

- 5) School District Debt Issues with School Facilities Construction Commission Debt Service Participation
 - a. Beechwood Independent (New Project)
 - b. Taylor County (New Project)
 - c. Jefferson County (Refunding)

Sincerely,



Holly M. Johnson, Secretary
Finance and Administration Cabinet

Attachments

- C: Ryan Barrow, Executive Director, Office of Financial Management
John Hicks, State Budget Director
Katie Smith, Commissioner Economic Development Cabinet
Sandy Williams, Executive Director Kentucky Infrastructure Authority
Chelsey Couch, Executive Director, School Facilities Construction Commission
Scott Aubrey, Director, Division of Real Properties

SENATE MEMBERS

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President, LRC Co-Chair
David Givens
President Pro Tempore
Damon Thayer
Majority Floor Leader
Morgan McGarvey
Minority Floor Leader
Julie Raque Adams
Majority Caucus Chair
Reginald Thomas
Minority Caucus Chair
Mike Wilson
Majority Whip
Dennis Parrett
Minority Whip



LEGISLATIVE RESEARCH COMMISSION

State Capitol 700 Capital Avenue Frankfort KY 40601

502-564-8100

Capitol Fax 502-564-2922

Annex Fax 502-564-6543

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Jay D. Hartz

Director

HOUSE MEMBERS

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Speaker, LRC Co-Chair
David Meade
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Suzanne Miles
Majority Caucus Chair
Derrick Graham
Minority Caucus Chair
Chad McCoy
Majority Whip
Angie Hatton
Minority Whip

March 16, 2022

Holly M. Johnson, Secretary
Finance and Administration Cabinet
200 Mero Street, 5th Floor
Frankfort, Kentucky 40622

Secretary Johnson:

Pursuant to KRS 45.800(2) and KRS 45.810(3), this letter is to notify you that the Capital Projects and Bond Oversight Committee did not approve transactions transmitted by the Division of Real Properties and the Office of Financial Management; including the Kentucky Infrastructure Authority, Cabinet for Economic Development, and School Facilities Construction Commission, at its March 15, 2022 meeting since there was no quorum. Agency representatives provided testimony regarding the submittals and the present committee members did not voice any objections. Therefore, the committee understands that the Cabinet may provide notification under KRS 45.800(4) and KRS 45.810(4) of proceeding with the transactions rather than resubmitting them for the committee's April meeting. The submittals requiring committee approval were as follows:

Division of Real Properties, Department for Facilities and Support Services

Agenda Item 5.A.1.: New Lease - Transportation Cabinet, Department of Vehicle Regulation, Jefferson County, PR-5683

Agenda Item 5.A.2.: Lease Renewal (Rate Increase) - Finance and Administration Cabinet, Department of Revenue, Boone County, PR-4095

Agenda Item 5.A.3.: Lease Modification Over \$50,000 - Transportation Cabinet, Department of Vehicle Regulation, Boyle County, PR-5671

Office of Financial Management

Kentucky Infrastructure Authority

Agenda Item 6.A.1.a.: Drinking Water State Revolving Fund (Fund F) Program Loans - City of Hazard, Perry County, F22-003

Agenda Item 6.A.1.b.: Drinking Water State Revolving Fund (Fund F) Program Loans - City of Hazard, Perry County, F22-012

Agenda Item 6.A.2.a.: Drinking Water State Revolving Fund (Fund F) Program Loan and Cleaner Water Program Water Grant, City of Monticello, Wayne County, F22-005 and #21CWW215

Agenda Item 6.A.2.b.: Drinking Water State Revolving Fund (Fund F) Program Loan and Cleaner Water Program Water Grant, Knox County Utility Commission, Knox County, F22-017 and #21CWW106

Agenda Item 6.A.3.a.: Cleaner Water Program Grants, Sewer (Thirty-three – County Pool/One – Consent Decree Pool)

Agenda Item 6.A.3.b.: Cleaner Water Program Grants, Water (Sixty-nine – County Pool)

Cabinet for Economic Development

Agenda Item 6.B.: Economic Development Fund Grant - City of Elizabethtown on behalf of Kruger Packaging

Office of Financial Management

Agenda Item 6.C.: New Conduit Debt Issue - Kentucky Economic Development Finance Authority Hospital Revenue Refunding Bonds, Series 2022A-1 and Series 2022A-2 (Baptist Healthcare System Obligated Group)

School District Debt Issues with School Facilities Construction Commission Debt Service Participation

Agenda Item 6.D.1.a: New Projects – Beechwood Independent (Kenton County)

Agenda Item 6.D.1.b: New Projects – Taylor County

Agenda Item 6.D.2: Refunding – Jefferson County

If you have any questions, then please contact Katherine Halloran, Committee Staff Administrator, (502) 564-8100, extension 59124.

Sincerely,



Representative Chris Freeland, Co-Chair
Capital Projects and Bond Oversight Committee

Sincerely,



Senator Rick Girdler, Co-Chair
Capital Projects and Bond Oversight Committee

cc: Members, Capital Projects and Bond Oversight Committee
Janice Tomes, Deputy State Budget Director, Office of State Budget Director
Kevin Cardwell, Deputy State Budget Director, Office of State Budget Director
Geri E. Grigsby, Deputy Secretary, Finance and Administration Cabinet
Cassidy Connell, Chief of Staff, Finance and Administration Cabinet
Teresa Lajara, Executive Director, Office of Legislative and Intergovernmental Affairs, Finance and Administration Cabinet
Sam Ruth, Commissioner, Department for Facilities and Support Services, Finance and Administration Cabinet
Charles O. Bush, Deputy Commissioner, Department for Facilities and Support Services, Finance and Administration Cabinet
Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet
Natalie W. Brawner, Assistant Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet
Brien Hoover, Property Management Branch Manager, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet
Ryan Barrow, Executive Director, Office of Financial Management, Finance and Administration Cabinet
Steven Starkweather, Deputy Executive Director, Office of Financial Management, Finance and Administration Cabinet
Dennis Keene, Commissioner, Department for Local Government
Sandy R. Williams, Executive Director, Kentucky Infrastructure Authority
Milward M. Dedman, Deputy Executive Director, Kentucky Infrastructure Authority
Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development
Anthony Ellis, General Counsel, Office of Legal Services/Interim Executive Director, Office of Entrepreneurship, Cabinet for Economic Development
Chelsey L. Couch, Executive Director, School Facilities Construction Commission
Kristi Russell, Senior Financial Analyst, School Facilities Construction Commission

Knox County Utility Commission AA F22-017 (e-signature)

Final Audit Report

2023-04-21

Created:	2023-04-11
By:	Nicholas Lococo (njlococo@rubinhays.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAApOxxGLDh_ly9Jp7aoJK0BGwczqzooVbO

"Knox County Utility Commission AA F22-017 (e-signature)" History

-  Document created by Nicholas Lococo (njlococo@rubinhays.com)
2023-04-11 - 6:04:26 PM GMT- IP address: 98.103.10.138
-  Document emailed to dennis.keene@ky.gov for signature
2023-04-11 - 6:05:46 PM GMT
-  Email viewed by dennis.keene@ky.gov
2023-04-19 - 6:31:05 PM GMT- IP address: 107.77.232.126
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-  Email viewed by dennis.keene@ky.gov
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2023-04-21 - 2:16:20 PM GMT- IP address: 104.47.65.254
-  Signer dennis.keene@ky.gov entered name at signing as Dennis Keene
2023-04-21 - 2:16:40 PM GMT- IP address: 205.204.186.1
-  Document e-signed by Dennis Keene (dennis.keene@ky.gov)
Signature Date: 2023-04-21 - 2:16:42 PM GMT - Time Source: server- IP address: 205.204.186.1
-  Document emailed to meg.link@ky.gov for signature
2023-04-21 - 2:16:45 PM GMT



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2023-04-21 - 2:49:30 PM GMT- IP address: 104.47.64.254



Signer meg.link@ky.gov entered name at signing as Margaret F. Link

2023-04-21 - 2:50:53 PM GMT- IP address: 205.204.186.1



Document e-signed by Margaret F. Link (meg.link@ky.gov)

Signature Date: 2023-04-21 - 2:50:55 PM GMT - Time Source: server- IP address: 205.204.186.1



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2023-04-21 - 2:50:56 PM GMT



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Signer patrick.mcgee@ky.gov entered name at signing as Patrick McGee

2023-04-21 - 3:29:13 PM GMT- IP address: 205.204.186.53



Document e-signed by Patrick McGee (patrick.mcgee@ky.gov)

Signature Date: 2023-04-21 - 3:29:15 PM GMT - Time Source: server- IP address: 205.204.186.53



Document emailed to Holly Johnson (hollymccoy.johnson@ky.gov) for signature

2023-04-21 - 3:29:17 PM GMT



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2023-04-21 - 4:53:32 PM GMT- IP address: 52.44.93.197



Document e-signed by Holly Johnson (hollymccoy.johnson@ky.gov)

Signature Date: 2023-04-21 - 5:09:01 PM GMT - Time Source: server- IP address: 107.127.14.116



Agreement completed.

2023-04-21 - 5:09:01 PM GMT

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**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

ATTACHMENT 9

Amortization Schedules

\$2,550,000

Kentucky Rural Water Finance Corporation
Public Projects Revenue Bonds, Series 2015 B
Knox County Utility Commission

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
12/31/2015	-	-	35,538.75	35,538.75	35,538.75
12/31/2016	110,000.00	2.250%	77,737.50	187,737.50	187,737.50
12/31/2017	100,000.00	2.250%	75,375.00	175,375.00	175,375.00
12/31/2018	95,000.00	2.250%	73,181.25	168,181.25	168,181.25
12/31/2019	85,000.00	2.250%	71,156.25	156,156.25	156,156.25
12/31/2020	85,000.00	2.250%	69,243.75	154,243.75	154,243.75
12/31/2021	90,000.00	2.250%	67,275.00	157,275.00	157,275.00
12/31/2022	90,000.00	3.250%	64,800.00	154,800.00	154,800.00
12/31/2023	95,000.00	3.250%	61,793.75	156,793.75	156,793.75
12/31/2024	95,000.00	3.250%	58,706.25	153,706.25	153,706.25
12/31/2025	100,000.00	3.250%	55,537.50	155,537.50	155,537.50
12/31/2026	105,000.00	3.250%	52,206.25	157,206.25	157,206.25
12/31/2027	105,000.00	3.250%	48,793.75	153,793.75	153,793.75
12/31/2028	110,000.00	3.250%	45,300.00	155,300.00	155,300.00
12/31/2029	110,000.00	3.250%	41,725.00	151,725.00	151,725.00
12/31/2030	115,000.00	3.250%	38,068.75	153,068.75	153,068.75
12/31/2031	120,000.00	3.250%	34,250.00	154,250.00	154,250.00
12/31/2032	125,000.00	3.250%	30,268.75	155,268.75	155,268.75
12/31/2033	125,000.00	3.375%	26,128.13	151,128.13	151,128.13
12/31/2034	105,000.00	3.375%	22,246.88	127,246.88	127,246.88
12/31/2035	110,000.00	3.500%	18,550.00	128,550.00	128,550.00
12/31/2036	115,000.00	3.500%	14,612.50	129,612.50	129,612.50
12/31/2037	115,000.00	3.500%	10,587.50	125,587.50	125,587.50
12/31/2038	120,000.00	3.500%	6,475.00	126,475.00	126,475.00
12/31/2039	125,000.00	3.500%	2,187.50	127,187.50	127,187.50
Total	\$2,550,000.00	-	\$1,101,745.01	\$3,651,745.01	\$3,651,745.01

Raymond James

Public Finance

KENTUCKY INFRASTRUCTURE AUTHORITY
 LOAN #F22-017
 KNOX COUNTY UTILITY COMMISSION

UNOFFICIAL

Original Loan Amount \$ 1,193,000.00
 Principal Forgiveness \$ (596,500.00)
 Repayment Amount \$ 596,500.00

0.25% Interest
 \$15,297.74 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$596,500.00		
12/01/23	\$14,552.11	\$745.63	0.25%	\$15,297.74	\$745.63	\$0.00	\$16,043.37	\$581,947.89	\$3,000.00	\$3,000.00
06/01/24	\$14,570.31	\$727.43	0.25%	\$15,297.74	\$727.43	\$0.00	\$16,025.17	\$567,377.58	\$0.00	\$3,000.00
12/01/24	\$14,588.52	\$709.22	0.25%	\$15,297.74	\$709.22	\$0.00	\$16,006.96	\$552,789.06	\$3,000.00	\$6,000.00
06/01/25	\$14,606.75	\$690.99	0.25%	\$15,297.74	\$690.99	\$0.00	\$15,988.73	\$538,182.31	\$0.00	\$6,000.00
12/01/25	\$14,625.01	\$672.73	0.25%	\$15,297.74	\$672.73	\$0.00	\$15,970.47	\$523,557.30	\$3,000.00	\$9,000.00
06/01/26	\$14,643.29	\$654.45	0.25%	\$15,297.74	\$654.45	\$0.00	\$15,952.19	\$508,914.01	\$0.00	\$9,000.00
12/01/26	\$14,661.60	\$636.14	0.25%	\$15,297.74	\$636.14	\$0.00	\$15,933.88	\$494,252.41	\$3,000.00	\$12,000.00
06/01/27	\$14,679.92	\$617.82	0.25%	\$15,297.74	\$617.82	\$0.00	\$15,915.56	\$479,572.49	\$0.00	\$12,000.00
12/01/27	\$14,698.27	\$599.47	0.25%	\$15,297.74	\$599.47	\$0.00	\$15,897.21	\$464,874.22	\$3,000.00	\$15,000.00
06/01/28	\$14,716.65	\$581.09	0.25%	\$15,297.74	\$581.09	\$0.00	\$15,878.83	\$450,157.57	\$0.00	\$15,000.00
12/01/28	\$14,735.04	\$562.70	0.25%	\$15,297.74	\$562.70	\$0.00	\$15,860.44	\$435,422.53	\$3,000.00	\$18,000.00
06/01/29	\$14,753.46	\$544.28	0.25%	\$15,297.74	\$544.28	\$0.00	\$15,842.02	\$420,669.07	\$0.00	\$18,000.00
12/01/29	\$14,771.90	\$525.84	0.25%	\$15,297.74	\$525.84	\$0.00	\$15,823.58	\$405,897.17	\$3,000.00	\$21,000.00
06/01/30	\$14,790.37	\$507.37	0.25%	\$15,297.74	\$507.37	\$0.00	\$15,805.11	\$391,106.80	\$0.00	\$21,000.00
12/01/30	\$14,808.86	\$488.88	0.25%	\$15,297.74	\$488.88	\$0.00	\$15,786.62	\$376,297.94	\$3,000.00	\$24,000.00
06/01/31	\$14,827.37	\$470.37	0.25%	\$15,297.74	\$470.37	\$0.00	\$15,768.11	\$361,470.57	\$0.00	\$24,000.00
12/01/31	\$14,845.90	\$451.84	0.25%	\$15,297.74	\$451.84	\$0.00	\$15,749.58	\$346,624.67	\$3,000.00	\$27,000.00
06/01/32	\$14,864.46	\$433.28	0.25%	\$15,297.74	\$433.28	\$0.00	\$15,731.02	\$331,760.21	\$0.00	\$27,000.00
12/01/32	\$14,883.04	\$414.70	0.25%	\$15,297.74	\$414.70	\$0.00	\$15,712.44	\$316,877.17	\$3,000.00	\$30,000.00
06/01/33	\$14,901.64	\$396.10	0.25%	\$15,297.74	\$396.10	\$0.00	\$15,693.84	\$301,975.53	\$0.00	\$30,000.00
12/01/33	\$14,920.27	\$377.47	0.25%	\$15,297.74	\$377.47	\$0.00	\$15,675.21	\$287,055.26	\$3,000.00	\$33,000.00
06/01/34	\$14,938.92	\$358.82	0.25%	\$15,297.74	\$358.82	\$0.00	\$15,656.56	\$272,116.34	\$0.00	\$33,000.00
12/01/34	\$14,957.59	\$340.15	0.25%	\$15,297.74	\$340.15	\$0.00	\$15,637.89	\$257,158.75	\$3,000.00	\$36,000.00
06/01/35	\$14,976.29	\$321.45	0.25%	\$15,297.74	\$321.45	\$0.00	\$15,619.19	\$242,182.46	\$0.00	\$36,000.00
12/01/35	\$14,995.01	\$302.73	0.25%	\$15,297.74	\$302.73	\$0.00	\$15,600.47	\$227,187.45	\$3,000.00	\$39,000.00
06/01/36	\$15,013.76	\$283.98	0.25%	\$15,297.74	\$283.98	\$0.00	\$15,581.72	\$212,173.69	\$0.00	\$39,000.00
12/01/36	\$15,032.52	\$265.22	0.25%	\$15,297.74	\$265.22	\$0.00	\$15,562.96	\$197,141.17	\$3,000.00	\$42,000.00
06/01/37	\$15,051.31	\$246.43	0.25%	\$15,297.74	\$246.43	\$0.00	\$15,544.17	\$182,089.86	\$0.00	\$42,000.00
12/01/37	\$15,070.13	\$227.61	0.25%	\$15,297.74	\$227.61	\$0.00	\$15,525.35	\$167,019.73	\$3,000.00	\$45,000.00
06/01/38	\$15,088.97	\$208.77	0.25%	\$15,297.74	\$208.77	\$0.00	\$15,506.51	\$151,930.76	\$0.00	\$45,000.00
12/01/38	\$15,107.83	\$189.91	0.25%	\$15,297.74	\$189.91	\$0.00	\$15,487.65	\$136,822.93	\$3,000.00	\$48,000.00
06/01/39	\$15,126.71	\$171.03	0.25%	\$15,297.74	\$171.03	\$0.00	\$15,468.77	\$121,696.22	\$0.00	\$48,000.00
12/01/39	\$15,145.62	\$152.12	0.25%	\$15,297.74	\$152.12	\$0.00	\$15,449.86	\$106,550.60	\$3,000.00	\$51,000.00
06/01/40	\$15,164.55	\$133.19	0.25%	\$15,297.74	\$133.19	\$0.00	\$15,430.93	\$91,386.05	\$0.00	\$51,000.00
12/01/40	\$15,183.51	\$114.23	0.25%	\$15,297.74	\$114.23	\$0.00	\$15,411.97	\$76,202.54	\$3,000.00	\$54,000.00
06/01/41	\$15,202.49	\$95.25	0.25%	\$15,297.74	\$95.25	\$0.00	\$15,392.99	\$61,000.05	\$0.00	\$54,000.00
12/01/41	\$15,221.49	\$76.25	0.25%	\$15,297.74	\$76.25	\$0.00	\$15,373.99	\$45,778.56	\$3,000.00	\$57,000.00
06/01/42	\$15,240.52	\$57.22	0.25%	\$15,297.74	\$57.22	\$0.00	\$15,354.96	\$30,538.04	\$0.00	\$57,000.00
12/01/42	\$15,259.57	\$38.17	0.25%	\$15,297.74	\$38.17	\$0.00	\$15,335.91	\$15,278.47	\$3,000.00	\$60,000.00
06/01/43	\$15,278.47	\$19.27	0.25%	\$15,297.74	\$19.10	\$0.00	\$15,316.84	\$0.00	\$0.00	\$60,000.00
Totals	\$596,500.00	\$15,409.60		\$611,909.60	\$15,409.43	\$0.00	\$627,319.03		\$60,000.00	

**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

ATTACHMENT 10

Statements of Disclosure of Related Party Transactions

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between January 1, 2022 and December 31, 2023 ("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

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Marshall Ramey
(Print Name)


(Signed)

Superintendent
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Knox

Subscribed and sworn to before me by Marshall Ramey
(Name)

this 2nd day of January , 20 24 .

Michelle Stewart KY NP 4390
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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Sam Watts

(Print Name)


(Signed)

Chairman

(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Knox

Subscribed and sworn to before me by Sam Watts
(Name)

this 2nd day of January , 20 24 .

 Michelle Howard KYNP4390
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
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William (Buddy) Brewer
(Print Name)

William R. Brewer
(Signed)

Secretary
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Knox

Subscribed and sworn to before me by William Brewer
(Name)

this 5th day of January , 20 24 .

 Michelle Howard KY NP 4390
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

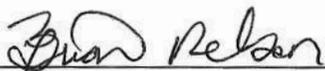
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Brian Nelson

(Print Name)



(Signed)

Treasurer

(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Knox

Subscribed and sworn to before me by Brian Nelson
(Name)

this 2nd day of January, 2024.

Michelle Steward KYNP4390
NOTARY PUBLIC
State-at-Large

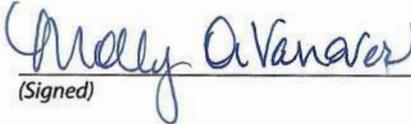
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Molly Vanover
(Print Name)


(Signed)

Commissioner
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Knox

Subscribed and sworn to before me by Molly Vanover
(Name)

this 2nd day of January, 2024.

Michelle Steer KYNP4390
NOTARY PUBLIC
State-at-Large

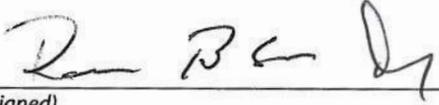
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Ramiro Solis
(Print Name)


(Signed)

Commissioner
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Knox

Subscribed and sworn to before me by Ramiro Solis
(Name)

this 2nd day of January, 2024.

Michelle Hecard KNP 4390
NOTARY PUBLIC
State-at-Large

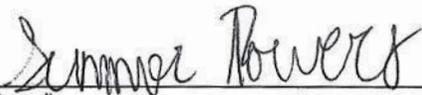
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Summer Powers
(Print Name)


(Signed)

Commissioner
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Knox

Subscribed and sworn to before me by Summer Powers
(Name)

this 2nd day of January, 2024.

Michelle Steer KP NP 4390
NOTARY PUBLIC
State-at-Large

**KNOX COUNTY UTILITY COMMISSION
APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

ATTACHMENT 11

Board Resolution

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE KNOX COUNTY UTILITY
COMMISSION PROPOSING ADJUSTMENTS TO ITS WATER RATES AND CHARGES AND
AUTHORIZING ITS CHAIRMAN TO FILE AN APPLICATION WITH THE PSC SEEKING APPROVAL OF
THE PROPOSED RATE ADJUSTMENT**

WHEREAS, the Knox County Utility Commission (Commission) is a water district created and organized under the provisions of KRS Chapter 74. The Commission is subject to the jurisdiction of the Kentucky Public Service Commission (PSC);

WHEREAS, prudent financial management dictates that the Commission take appropriate action to adjust its water rates and charges; and

WHEREAS, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the Commission to propose adjustments to its water rates and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOX COUNTY UTILITY COMMISSION AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The Commission proposes to adjust its monthly water rates and charges as set forth in Appendix A, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in Appendix A are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustments shall not become effective until PSC approval has been obtained.

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

Section 4. The Chairman, Office Manager, and all other appropriate Commission Staff 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 KNOX COUNTY UTILITY COMMISSION at a meeting held of February 6, 2024, signed by the Chairman and attested by the Secretary.



CHAIRMAN

ATTEST:



SECRETARY

CERTIFICATION

I, Secretary of the Knox County Utility Commission, do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Knox County Utility Commission at a meeting properly held on February 6, 2024, signed by the Chairman of the Knox County Utility Commission, attested by me as Secretary, and now in full force and effect.



SECRETARY

APPENDIX A

**CURRENT AND PROPOSED RATES
KNOX COUNTY UTILITY COMMISSION**

CURRENT RATES

Meter Size	Gals. Included in Minimum	Minimum Monthly Bill
5/8x3/4 inch	1,000	\$ 21.07
1 inch	5,000	54.36
2 inch	20,000	179.19
3 inch	30,000	262.42
4 inch	50,000	428.86

RATES FOR WATER USAGE IN ADDITION TO MINIMUM

For all usage above minimum all meters \$8.32 per 1,000 gallons

PROPOSED RATES

Meter Size	Gals. Included in Minimum	Minimum Monthly Bill
5/8x3/4 inch	1,000	\$ 22.51
1 inch	5,000	58.07
2 inch	20,000	191.38
3 inch	40,000	280.27
4 inch	50,000	458.03

RATES FOR WATER USAGE IN ADDITION TO MINIMUM

For all usage above minimum all meters \$8.89 per 1,000 gallons