

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

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

Ohio County Water District

(Name of Utility)

124 East Washington Street

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

Hartford, KY 42347

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

270-298-7704

(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:

Eric Hickman

(Name)

124 East Washington Street

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

Hartford, KY 42347

(Address - City, State, Zip)

270-298-7704

(Telephone Number)

ehickman@ocwdky.org

(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"/> | <input type="checkbox"/> |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input 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"/> | <input type="checkbox"/> |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

YES NO N/A

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

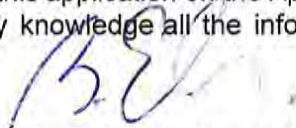
YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2023.
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 \$ 817,646 and total revenues from service rates of \$ 5,447,282. 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 6,210,+/- 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant is required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| c. Applicant's most recent state and federal tax returns are attached to this Application. (Attach a copy of returns.) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. Approximately <u> - 0 - </u> (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. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

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 April 22, 2024

COMMONWEALTH OF KENTUCKY

COUNTY OF OHIO

Before me appeared Ben Everley, 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.


 Notary Public
 My commission expires: 10/18/2025

CUSTOMER NOTICE

Notice is hereby given that the Ohio County Water District expects to file an application with the Kentucky Public Service Commission on or about May 3, 2024, seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY WATER RATES

<u>No. of Gallons per Month</u>	<u>Current</u>	<u>Proposed</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
First 2,000 Gals. *	\$25.97	\$30.56	\$4.59	17.7%
Next 18,000 Gallons	\$10.79	\$12.70	\$1.91	17.7%
Next 30,000 Gallons	\$9.33	\$10.98	\$1.65	17.7%
Next 50,000 Gallons	\$7.85	\$9.24	\$1.39	17.7%
Over 100,000 Gallons	\$6.39	\$7.52	\$1.13	17.7%

* Lump sum minimum bill

If the Public Service Commission approves the proposed rates, then the monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$47.55 to \$55.96. This is an increase of \$8.41 or 17.69%.

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

Ohio County Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at Ohio County Water District's office located at 124 East Washington St., Hartford, KY 42347. You may contact the office at 270-298-7704.

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

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

WHOLESALE CUSTOMER NOTICE

Notice is hereby given that the Ohio County Water District expects to file an application on or about May 3, 2024, with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY WATER RATES

Wholesale Rate for All Wholesale Customers

<u>No. of Gallons per Month</u>	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Increase</u>
For all Water Purchased	\$3.29	\$3.87	\$0.58	17.63%

If the Public Service Commission approves the proposed water rates, then the monthly bill for a wholesale customer will increase from \$3,290 to \$3,870 for each 1.0 million gallons purchased. This is an increase of \$580 or 17.63%.

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

Ohio County Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at Ohio County Water District's office located at 124 East Washington St., Hartford, KY 42347. You may contact the office at 270-298-7704.

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

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

Reasons for Application

Ohio County Water District (“the District”) is requesting a 17.66 percent rate increase for all its water customers. The rate increase will generate approximately \$817,646 in additional annual revenue. The District needs the rate increase for the following reasons:

1. To enable the District to pay its annual principal payments on its existing long-term debt from water revenues rather than from depreciation reserves.
2. To enable the District to meet the requirements set forth in its existing debt instruments.
3. To restore the District to a sound financial condition; and
4. To enable the District to enhance its financial capacity so it can continue to operate its system in compliance with the federal Safe Drinking Water Act, as amended in 1996, and KRS Chapter 151.

Reasons for Application

Ohio County Water District (“the District”) is requesting a 17.66 percent rate increase for all its water customers. The rate increase will generate approximately \$817,646 in additional annual revenue. The District needs the rate increase for the following reasons:

1. To enable the District to pay its annual principal payments on its existing long-term debt from water revenues rather than from depreciation reserves.
2. To enable the District to meet the requirements set forth in its existing debt instruments.
3. To restore the District to a sound financial condition; and
4. To enable the District to enhance its financial capacity so it can continue to operate its system in compliance with the federal Safe Drinking Water Act, as amended in 1996, and KRS Chapter 151.

SCHEDULE OF ADJUSTED OPERATIONS

Ohio County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Retail Metered Sales	\$ 4,005,490	\$ 22,508	A	\$ 4,027,998
Sales for Resale	601,639	-	A	601,639
Other Water Revenues:				
Forfeited Discounts	-	80,107	B	80,107
Misc. Service Revenues	23,492			23,492
Other Water Revenues	<u>208,154</u>	(80,107)	B	<u>128,047</u>
Total Operating Revenues	\$ 4,838,775			\$ 4,861,283
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	\$ 1,151,874	\$ 52,904	C	\$ 1,204,778
Salaries and Wages - Officers	25,200			25,200
Employee Pensions and Benefits	685,368	(104,224)	D	
		(38,928)	E	
		(45,390)	F	496,826
Purchased Water	1,698			1,698
Purchased Power	404,011			404,011
Chemicals	269,084			269,084
Materials and Supplies	266,738			266,738
Contractual Services - Engineering	55,497			55,497
Contractual Services - Acct. & Legal	32,604			32,604
Contractual Services - Water Testing	31,174			31,174
Contractual Services - Other	188,941	(9,827)	G	
		4,750	H	183,864
Rental of Bldg/Property & Equipment	29,526	(28,800)	I	726
Transportation Expenses	77,214			77,214
Insurance - Vehicle, Gen. Liability & Other	67,997			67,997
Insurance - Workers Comp.	9,125			9,125
Advertising	469			469
Bad Debt Expense	17,868			17,868
Miscellaneous Expenses	<u>193,165</u>			<u>193,165</u>
Total Operation and Mnt. Expenses	3,507,553			3,338,037
Depreciation Expense	1,239,687	43,454	J	1,283,141
Taxes Other Than Income	<u>91,646</u>	6,582	C	<u>98,228</u>
Total Operating Expenses	\$ 4,838,886	(119,480)		\$ 4,719,406

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 4,719,406
Plus: Average Annual Principal and Interest Payments	K 874,924
Additional Working Capital	L <u>174,985</u>
Overall Revenue Requirement	5,769,315
Less: Other Operating Revenue	231,646
Interest Income	84,739
Net Nonutility Income	<u>5,648</u>
Revenue Required From All Water Sales	5,447,282
Less: Revenue from All Sales at Present Rates	<u>4,629,637</u>
Required Revenue Increase	\$ 817,646
Percent Increase	17.66%

REFERENCES

- A. The Current Billing Analysis results in pro forma retail sales revenue of \$4,027,998. This indicates an addition to Metered Water Sales of \$22,508 is required. The billing analysis results in total revenue for wholesale sales of \$601,639. This indicates that no adjustment to Sales for Resale is required.
- B. Forfeited Discounts (Late Fees) were reported with Other Water Revenues. To provide more detail this revenue is reclassified to its own category.
- C. Changes in the employee roster and wage rates during and after 2023 result in an increase in Salaries and Wages expense of \$52,904 and an increase in payroll taxes of \$6,582.
- D. Due to GASB reporting requirements for liabilities, the expense reported for the District's retirement plan is \$104,224 more than the actual amount paid to CERS. That amount is deducted.
- E. With a decrease in the contribution rate charged by CERS beginning July 1, 2024, total payments for the CERS retirement program are estimated to decrease by \$38,928.
- F. The PSC requires that the District's expenses for employees' health insurance be adjusted to be consistent with the Bureau of Labor Statistics national average for an employer's share of premiums. Average employer shares from BLS are currently 78 percent for single coverage and 67 percent for family plans. The PSC allowable employer share for dental insurance is 40 percent. Applying these percentages to premiums to be paid in the current year results in a deduction from 2023 benefits expense of \$45,390.
- G. The District is a member of the Rochester Dam Regional Water Commission. Future required payments to RDRWC are based on \$0.08 per 1,000 gallons of water withdrawn from Green River. Charges from RDRWC were formerly \$0.10 per 1,000 gallons, so future payments are estimated to be \$9,827 less than in 2023.
- H. Estimated rate case expenses are \$8,250 for the rate consultant and \$6,000 for attorney's fees. The total is amortized over 3 years to result in an annual adjustment of \$4,750.
- I. Previously the District rented the building used for field operations. That expense will be eliminated with occupancy of the new Distribution Building.
- J. The PSC typically requires adjustments to a water utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Utilities". Therefore, adjustments are included to bring

asset lives to the midpoint of the recommended ranges. The adjustment for radio read meters deviates from the NARUC range to recognize the specific life of those meters instead of a broad category. Other assets completed in early 2024 are also included in the adjustments. See Table A.

- K. The annual debt service payments for OCWD's bond issues are shown in Table B. The three year average of these payments is added in the revenue requirement calculation.
- L. The amount shown in Table B for coverage on long term debt is required by OCWD's bond resolutions. This is included in the revenue requirement as Additional Working Capital.

Table A
DEPRECIATION EXPENSE ADJUSTMENTS

<u>Asset</u>	<u>Original Cost *</u>	<u>Reported Life</u>	<u>Depr. Exp.</u>	<u>Pro Forma Life</u>	<u>Pro Forma Depr. Exp.</u>	<u>Depreciation Expense Adjustment</u>
<u>Land and Land Rights</u>						
Entire Group	5,230	50.0	105	50.0	105	0
<u>Land/Structure Improvements</u>						
Pumping Equipment	23,467			20.0	1,173	
Laboratory Equipment	9,996			17.5	571	
Remainder of Group	<u>8,604,922</u>			37.5	<u>229,465</u>	
Subtotal - Entire Group	8,638,385	various	234,222		231,209	(3,013)
<u>Transmission and Distribution</u>						
Meters and Services	2,336,052			40.0	58,401	
Radio Read Meters	494,933			15.0	32,996	
Hydrants	379,679			50.0	7,594	
Communication Equipment	41,295			10.0	4,130	
Pumping Equipment	35,792			20.0	1,790	
Structures and Improvements	43,241			37.5	1,153	
Reservoirs and Tanks	1,110,305			45.0	24,673	
Water Treatment Equipment	148,086			27.5	5,385	
Lines and Appurtenances	<u>22,429,487</u>			62.5	<u>358,872</u>	
Subtotal - Entire Group	27,018,870	various	625,945		494,993	(130,952)
<u>Treatment Plant and Equipment</u>						
Structures and Improvements	3,074,485			37.5	81,986	
Reservoirs and Tanks	2,788,173			45.0	61,959	
Lines and Appurtenances	98,596			62.5	1,578	
Communication Equipment	20,313			10.0	2,031	
Water Treatment Equipment	2,327,086			27.5	84,621	
Pumping Equipment	823,058			20.0	41,153	
Power Operated Equipment	<u>2,889</u>			12.5	<u>231</u>	
Subtotal - Entire Group	9,134,600	various	292,467		273,560	(18,907)
<u>Equipment</u>						
Power Operated Equipment	125,403			12.5	10,032	
Communication Equipment	143,733			10.0	14,373	
Laboratory Equipment	10,041			17.5	574	
Tools, Shop & Garage Equipment	23,087			17.5	1,319	
Pumping Equipment	<u>15,505</u>			20.0	<u>775</u>	
Subtotal - Entire Group	317,769	various	23,805		27,074	3,269
<u>Office Equipment</u>						
Structures and Improvements	7,782			37.5	208	
Office Furniture & Equipment	11,478			22.5	510	
Communication Equipment	<u>50,042</u>			10.0	<u>5,004</u>	
Subtotal - Entire Group	69,302	various	6,045		5,722	(323)
<u>Transportation Equipment</u>						
Entire Group	502,232	various	<u>57,098</u>	7.0	<u>71,747</u>	<u>14,649</u>
Subtotal EOY 2023 Assets			\$1,239,687		\$ 1,104,409	\$ (135,278)
<u>2024 Additions</u>						
See tabulation next page	7,046,698			see table	<u>178,731</u>	<u>178,731</u>
PRO FORMA TOTALS					\$ 1,283,141	\$ 43,454

* Costs associated with assets that contributed to depreciation expense in the test year.

Table A Continued
DEPRECIATION EXPENSE ADJUSTMENTS

<u>Asset</u>	<u>Original Cost</u>	<u>Reported Life</u>	<u>Depr. Exp.</u>	<u>Pro Forma Life</u>	<u>Pro Forma Depr. Exp.</u>	<u>Depreciation Expense Adjustment</u>
<u>2024 ADDITIONS</u>						
New WTP Intake	\$ 5,943,600	-	-	see below	\$ 132,559	\$ 132,559
Distribution Building	650,000	-	-	37.5	17,333	17,333
Turbidimeter	10,745	-	-	17.5	614	614
2024 Chevy Silverado 1500	42,505	-	-	7.0	6,072	6,072
Fencing - Distribution Yard	64,185	-	-	37.5	1,712	1,712
Goshen P. Sta. - Pump & Motor #1	39,800	-	-	20.0	1,990	1,990
Office Computer	1,276	-	-	10.0	128	128
Office Furnishings & Eq'mt.	21,388	-	-	22.5	951	951
Vermeer Hole Hammer	4,285	-	-	12.5	343	343
Filter Train #3 VFD	7,890	-	-	20.0	395	395
Hamlin Chapel Rd. W.L. (final)	36,752	-	-	62.5	588	588
Hartford P. Sta. Pumps	68,610	-	-	20.0	3,431	3,431
Hartford P. Sta. VFD's	22,490	-	-	20.0	1,125	1,125
Goshen P. Sta. - Pump & Motor #2	39,800	-	-	20.0	1,990	1,990
Rebuild Raw Water Pump #2	30,452	-	-	20.0	1,523	1,523
2024 Chevy 2500 Crew Cab	54,970	-	-	7.0	7,853	7,853
2" PVC Water Line	<u>7,950</u>	-	-	62.5	<u>127</u>	<u>127</u>
Total 2024 Additions to Date	\$ 7,046,698				\$ 178,731	\$ 178,731
<u>New WTP Intake Project</u>						
	<u>Constr. Cost</u>	<u>%</u>	<u>Project Cost</u>	<u>Life</u>	<u>Depr. Exp.</u>	
Structures & Improvements	\$ 2,641,152	51.46%	\$3,058,837	37.5	\$ 81,569	
Piping	2,285,886	44.54%	2,647,388	62.5	42,358	
Treatment Equipment	204,961	3.99%	237,375	27.5	8,632	
Totals	<u>\$ 5,132,000</u>		<u>\$5,943,600</u>		<u>\$ 132,559</u>	

Table B
DEBT SERVICE SCHEDULE
Ohio County Water District
CY 2025 - 2027

	<u>KIA Loan F08-08</u>			<u>KIA Loan F15-069</u>			<u>KRWFC Series 2020A</u>			<u>BAN Series 2023</u>		<u>TOTALS</u>
	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Principal</u>	<u>Interest</u>	<u>Fees</u>	<u>Principal</u>	<u>Interest *</u>	
2025	215,457	15,006	3,752	73,305	17,441	2,385	170,000	211,852	450	-	165,270	\$ 874,918
2026	217,617	12,846	3,212	74,593	16,152	2,209	180,000	202,752	450	-	165,270	875,101
2027	219,798	10,664	2,667	75,904	14,841	2,029	190,000	193,132	450	-	165,270	874,755
TOTALS	\$652,872	\$ 38,516	9,631	\$ 223,802	\$ 48,434	6,623	\$ 540,000	\$ 607,736	1,350	-	\$ 495,809	\$2,624,773
Average Annual Debt Service											\$ 874,924	
Average Annual Coverage											\$ 174,985	

* Based on total expected final loan amount of \$2,988,600

CURRENT BILLING ANALYSIS
WITH 2023 USAGE & CURRENT RATES
Ohio County Water District

SUMMARY

Total Billed Revenue	\$ 4,088,205
Less Net Billing Adjustments	<u>(60,207)</u>
Total Metered Retail Sales	\$ 4,027,998
Plus Wholesale Sales Revenue	<u>601,639</u>
Total Revenue from Water Sales	\$ 4,629,637

RETAIL SALES - ALL METER SIZES

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 18,000	NEXT 30,000	NEXT 50,000	ALL OVER 100,000
FIRST	2,000	26,049	23,803,500	23,803,500	-	-	-	-
NEXT	18,000	47,302	230,393,600	94,604,000	135,789,600	-	-	-
NEXT	30,000	776	22,486,000	1,552,000	13,968,000	6,966,000	-	-
NEXT	50,000	192	13,733,400	384,000	3,456,000	5,760,000	4,133,400	-
ALL OVER	100,000	188	47,904,500	376,000	3,384,000	5,640,000	9,400,000	29,104,500
		74,507	338,321,000	120,719,500	156,597,600	18,366,000	13,533,400	29,104,500

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	74,507	120,719,500	\$ 25.97	1,934,947
NEXT	18,000		156,597,600	10.79	1,689,688
NEXT	30,000		18,366,000	9.33	171,355
NEXT	50,000		13,533,400	7.85	106,237
ALL OVER	100,000		29,104,500	6.39	185,978
TOTAL		74,507	338,321,000		\$ 4,088,205

WHOLESALE SALES

	TOTAL GALLONS SOLD	RATE	REVENUE
ALL CUSTOMERS	182,869,000	\$ 3.29	601,639

PROPOSED BILLING ANALYSIS
WITH 2023 USAGE & PROPOSED RATES
Ohio County Water District

SUMMARY

Total Billed Revenue	\$ 4,811,297
Less Net Billing Adjustments	<u>(70,840)</u>
Total Metered Retail Sales	\$ 4,740,457
Plus Wholesale Sales Revenue	<u>707,703</u>
Total Revenue from Water Sales	\$ 5,448,160

RETAIL - ALL METER SIZES

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 18,000	NEXT 30,000	NEXT 50,000	ALL OVER 100,000
FIRST	2,000	26,049	23,803,500	23,803,500	-	-	-	-
NEXT	18,000	47,302	230,393,600	94,604,000	135,789,600	-	-	-
NEXT	30,000	776	22,486,000	1,552,000	13,968,000	6,966,000	-	-
NEXT	50,000	192	13,733,400	384,000	3,456,000	5,760,000	4,133,400	-
ALL OVER	100,000	188	47,904,500	376,000	3,384,000	5,640,000	9,400,000	29,104,500
		74,507	338,321,000	120,719,500	156,597,600	18,366,000	13,533,400	29,104,500

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE	
FIRST	2,000	74,507	120,719,500	\$30.56	2,276,934
NEXT	18,000		156,597,600	12.70	1,988,790
NEXT	30,000		18,366,000	10.98	201,659
NEXT	50,000		13,533,400	9.24	125,049
ALL OVER	100,000		29,104,500	7.52	218,866
TOTAL	74,507	338,321,000			\$ 4,811,297

WHOLESALE SALES

	TOTAL GALLONS SOLD	RATE	REVENUE
ALL CUSTOMERS	182,869,000	3.87	\$ 707,703

Ohio County Water District

Depreciation Per Auditor's Schedule
Prior to Additions and Deletions

			Cost	12/31/2022 Acc Depr	12/31/2023 Depr Exp	12/31/2023 Acc Depr	Net Book	Additions and Deletions for 2023						
Construction in Process			259,002.12				259,002.12							
Equipment														
	SCADA Telemetry for operations	6/12/2023	10	381,687.69	280,715.32	21,219.77	301,935.09	79,752.60						
	Trimble Comm Equipment	3/29/2023	15	19,570.00		978.50	978.50	18,591.50						
	Polaris 23'	9/19/2023	10	6,335.83		316.79	316.79	6,019.04						
	Exmark Mower	2/13/2023	10	12,105.21		302.63	302.63	11,802.58						
D	Generator	1/26/2010	20	11,840.87		986.74	986.74	10,854.13						
				(2,500.00)	(1,625.00)		(1,750.00)	(750.00)	47,351.91	(1,625.00)	2,584.66	834.66		46,517.25
Land and Land Rights			515,320.00	4,097.20	104.60	4,201.80	511,118.20							
Land/Structure Impr			8,700,446.87	2,686,107.21	235,890.21	2,921,997.42	5,778,449.45							
Office Equipment			100,847.00	68,904.93	6,045.44	74,950.37	25,896.63							
Organization Expense			8,245.00	8,245.00		8,245.00	-							
Transmission and Distribution			26,150,029.96	10,833,382.85	605,572.54	11,438,955.39	14,711,074.57							
	Bells Run PACO pump	8/31/2023	10	5,560.00		185.33	185.33	5,374.67						
	Extension 150' 6" loop City of H	4/25/2023	20	24,600.00		820.00	820.00	23,780.00						
	Hamlin Chaple Ext 7600' 6" replaced 4" 850' 4", 1240' 2"	11/30/2023	20	398,545.75		1,660.61	1,660.61	396,885.14						
	Union Hill 3830' 2"	8/19/2023	20	30,021.83		500.36	500.36	29,521.47						
	Country Club Ln 800' 6"	6/30/2023	20	14,693.01		367.33	367.33	14,325.68						
	Meters 3/4 New 62	6/30/2023	20	83,644.82		2,091.12	2,091.12	81,553.70						
	Meters 3/4 Replacement 109	6/30/2023	20	19,262.48		481.56	481.56	18,780.92						
	Meters 3/4 Replacement 522	6/30/2023	20	107,162.42		2,679.06	2,679.06	104,483.36						
	Meter 1"	6/30/2023	20	246.70		6.17	6.17	240.53						
	Meter 2"	6/30/2023	20	1,008.58		25.21	25.21	983.37						
216,745.20	Meter 6"	6/30/2023	20	5,420.20		135.51	135.51	5,284.70						
	Replaced Meters 2023	12/31/2022	50	(53,004.00)	(51,943.92)	(1,060.08)	(53,004.00)	-						
	Telemetry System Update	1/19/2023	10	5,270.00		483.08	483.08	4,786.92						
	PACO Pump at Echols	3/21/2023	10	2,359.46		176.96	176.96	2,182.50						
	Pump Laser Align	4/4/2023	10	2,952.47		221.81	221.81	2,730.66						
	Windy Hill Control Valve	10/20/2023	20	136,613.28		1,138.44	1,138.44	135,474.84						
	Western KY Distillery extension 4000' 12"	6/30/2023	20	394,300.00		9,857.50	9,857.50	384,442.50						
	Remote Terminal Unit at W. KY Distillery	8/11/2023	10	14,468.05		602.84	602.84	13,865.21	1,193,125.05	(51,943.92)	20,372.81	(31,571.11)		1,224,696.16
Transportation Equipment			500,114.00	280,954.97	53,321.87	334,276.84	165,837.16							
	23' Ford F-150	8/30/2023	7	68,620.00		3,267.62	3,267.62	65,352.38						
	24 Silverado	11/28/2023	7	42,681.00		508.11	508.11	42,172.89						
D	12' Ford F150	6/15/2015	5	(17,000.00)	(15,300.00)		(17,000.00)	-						
D	93' GMC 2 Ton	12/31/2002	5	(10,500.00)	(10,500.00)		(10,500.00)	-	83,801.00	(25,800.00)	3,775.73	(23,724.27)		107,525.27
Treatment Plant and Related Equipment			9,044,552.00	4,227,454.18	285,664.94	4,513,119.12	4,531,432.88							
	Permeate Pump	1/23/2023	10	6,891.80		689.18	689.18	6,202.62						
	Electric Acuator	2/14/2023	10	9,150.00		838.75	838.75	8,311.25						
	Membrane	6/5/2023	10	94,500.00		4,725.00	4,725.00	89,775.00						
	SCADA upgrade	8/3/2023	10	4,380.00		182.50	182.50	4,197.50						
	40 HP Filter Motor	7/17/2023	10	8,806.47		366.94	366.94	8,439.53	123,728.27		6,802.37	6,802.37		116,925.90
									1,448,006.23	(79,368.92)	33,535.57	(47,658.35)		1,495,664.58
Water Contract			1,000.00	1,000.00		1,000.00	-							
			47,109,250.87	18,311,492.74	1,241,354.94	19,551,022.68	27,558,228.19							
						19,552,847.68	27,558,228.19							
						(1,825.00)	0.00							
			45,661,244.64	18,390,861.66	1,207,819.37	19,598,681.03	26,062,563.61							
			1,448,006.23	(79,368.92)	33,535.57	(47,658.35)	1,495,664.58							
			47,109,250.87	18,311,492.74	1,241,354.94	19,551,022.68	27,558,228.19							
						1,825.00	(0.00)							

403 Depreciation Expense	1241354.94
426.19 Apartment Depreciaton	1668
Total	1239686.94
Per control	1239686.94

Book Future Depreciation FYE: 12/31/23

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group:											
506	Raw Water Intake Project (CIP - 20	12/31/21	223,699.54	0.00	0.00	0.00	0.00	0.00	223,699.54	Memo	0.00
507	Hamlin Chapel Rd Project (CIP - 20	12/31/22	12,000.00	0.00	0.00	0.00	0.00	0.00	12,000.00	Memo	0.00
508	Distribution Warehouse Project (CII	12/31/22	16,950.00	0.00	0.00	0.00	0.00	0.00	16,950.00	Memo	0.00
510	Raw Water Intake Project (CIP - 20	12/31/22	6,352.58	0.00	0.00	0.00	0.00	0.00	6,352.58	Memo	0.00
No Group			<u>259,002.12</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>259,002.12</u>		
Group: Equipment											
427	Radio Tower	9/28/07	642.00	0.00	0.00	642.00	0.00	642.00	0.00	S/L	15.00
428	Chipping Hammer	10/05/07	600.00	0.00	0.00	600.00	0.00	600.00	0.00	S/L	10.00
429	Fork Lift	7/22/09	6,500.00	0.00	0.00	6,500.00	0.00	6,500.00	0.00	S/L	10.00
430	Generator	1/26/10	2,500.00	0.00	0.00	1,625.00	125.00	1,750.00	750.00	S/L	20.00
431	WTP 2003 Lind E Forklift	6/15/11	10,965.00	0.00	0.00	10,965.00	0.00	10,965.00	0.00	S/L	10.00
433	WTP Forklift	6/15/11	8,000.00	0.00	0.00	8,000.00	0.00	8,000.00	0.00	S/L	10.00
434	Furniture & Fixtures	6/15/11	6,001.00	0.00	0.00	6,001.00	0.00	6,001.00	0.00	S/L	10.00
435	SCADA System	6/15/11	83,012.00	0.00	0.00	64,531.60	4,150.60	68,682.20	14,329.80	S/L	20.00
436	Laboratory Equipment	6/15/11	35,420.00	0.00	0.00	35,420.00	0.00	35,420.00	0.00	S/L	10.00
437	13 Drawer Tool Box (WTP)	5/24/11	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	0.00	S/L	10.00
438	3400 (4X4) Bobcat (WTP)	8/02/11	9,442.00	0.00	0.00	9,442.00	0.00	9,442.00	0.00	S/L	10.00
440	Metrotech 9890DXLT Locator	6/22/11	3,575.00	0.00	0.00	3,575.00	0.00	3,575.00	0.00	S/L	10.00
441	Commun - Radio Upgrade	12/31/13	13,122.00	0.00	0.00	9,878.60	874.80	10,753.40	2,368.60	S/L	15.00
442	GPS Software	11/13/14	15,670.00	0.00	0.00	15,670.00	0.00	15,670.00	0.00	S/L	5.00
443	Leak Detector	1/26/15	3,064.00	0.00	0.00	2,295.80	306.40	2,602.20	461.80	S/L	10.00
444	Portable Meter	2/09/15	6,890.00	0.00	0.00	5,168.00	689.00	5,857.00	1,033.00	S/L	10.00
445	SCADA Upgrade - Hartford Pump S	8/14/15	7,280.00	0.00	0.00	7,280.00	0.00	7,280.00	0.00	S/L	3.00
446	SCADA Upgrade - Goshen Pump S	8/14/15	7,175.00	0.00	0.00	7,175.00	0.00	7,175.00	0.00	S/L	3.00
447	CAT Mini Excavator	2/11/15	47,486.00	0.00	0.00	35,616.20	4,748.60	40,364.80	7,121.20	S/L	10.00
448	Dist Sys SCADA Radio Hdware Up	7/20/15	16,868.00	0.00	0.00	12,651.60	1,686.80	14,338.40	2,529.60	S/L	10.00
449	PACO Pump for Pump Station	12/31/16	4,695.00	0.00	0.00	2,035.00	313.00	2,348.00	2,347.00	S/L	15.00
450	Trencher	4/18/16	7,000.00	0.00	0.00	4,550.00	700.00	5,250.00	1,750.00	S/L	10.00
451	100 KW Generator (Dist)	4/28/16	3,500.00	0.00	0.00	1,515.66	233.33	1,748.99	1,751.01	S/L	15.00
452	15 Sampling Stations	8/17/16	6,375.00	0.00	0.00	1,383.00	212.50	1,595.50	4,779.50	S/L	30.00
453	2.5 Hammer Head Mole	2/10/17	3,461.00	0.00	0.00	1,903.20	346.10	2,249.30	1,211.70	S/L	10.00
454	Windy Hill Tank SCADA Update	12/27/17	4,825.00	0.00	0.00	1,770.34	321.67	2,092.01	2,732.99	S/L	15.00
455	Overhead Hoist	2/26/18	6,758.00	0.00	0.00	3,379.60	675.80	4,055.40	2,702.60	S/L	10.00
456	Vermeer Skid Mount Vacuum Sys	7/05/18	19,235.00	0.00	0.00	9,619.00	1,923.50	11,542.50	7,692.50	S/L	10.00
457	Hyster Forklift	4/02/19	8,500.00	0.00	0.00	2,550.00	850.00	3,400.00	5,100.00	S/L	10.00
458	Exmark Mower	4/26/19	9,775.00	0.00	0.00	2,933.00	977.50	3,910.50	5,864.50	S/L	10.00
504	SPX 9000 125HP 480 Volt NEMA1	7/21/21	10,810.69	0.00	0.00	1,531.52	1,081.07	2,612.59	8,198.10	S/L	10.00
505	Hach DR6000 Spec 2036735	1/05/21	10,041.00	0.00	0.00	2,008.20	1,004.10	3,012.30	7,028.70	S/L	10.00
Equipment			<u>381,687.69</u>	<u>0.00</u>	<u>0.00</u>	<u>280,715.32</u>	<u>21,219.77</u>	<u>301,935.09</u>	<u>79,752.60</u>		
Group: Land and Land Rights											
3	Aquired Prior to 1973	1/01/72	10,028.00	0.00	0.00	0.00	0.00	0.00	10,028.00	Land	0.00
4	Land	1/01/73	300.00	0.00	0.00	0.00	0.00	0.00	300.00	Land	0.00
5	Land	1/01/74	786.00	0.00	0.00	0.00	0.00	0.00	786.00	Land	0.00

Book Future Depreciation FYE: 12/31/23

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Land and Land Rights (continued)											
6	Land	1/01/75	4,698.00	0.00	0.00	0.00	0.00	0.00	4,698.00	Land	0.00
7	Land	1/01/76	873.00	0.00	0.00	0.00	0.00	0.00	873.00	Land	0.00
8	Land	1/01/77	200.00	0.00	0.00	0.00	0.00	0.00	200.00	Land	0.00
9	Land	1/01/78	1,950.00	0.00	0.00	0.00	0.00	0.00	1,950.00	Land	0.00
10	Land	1/01/79	3,455.00	0.00	0.00	0.00	0.00	0.00	3,455.00	Land	0.00
11	Land	1/01/80	2,293.00	0.00	0.00	0.00	0.00	0.00	2,293.00	Land	0.00
12	Land	1/01/81	14,000.00	0.00	0.00	0.00	0.00	0.00	14,000.00	Land	0.00
13	Land	1/01/81	500.00	0.00	0.00	0.00	0.00	0.00	500.00	Land	0.00
14	Land Rights	1/01/81	1,800.00	0.00	0.00	0.00	0.00	0.00	1,800.00	Land	0.00
15	Land (C.P. Porter)	7/31/85	300.00	0.00	0.00	0.00	0.00	0.00	300.00	Land	0.00
16	Land Rights	6/30/85	3,374.00	0.00	0.00	0.00	0.00	0.00	3,374.00	Land	0.00
17	Easements	7/01/86	2,283.00	0.00	0.00	0.00	0.00	0.00	2,283.00	Land	0.00
18	Easement Hoke	7/01/87	2,500.00	0.00	0.00	0.00	0.00	0.00	2,500.00	Land	0.00
19	Land (Henderson)	11/30/89	5,220.00	0.00	0.00	0.00	0.00	0.00	5,220.00	Land	0.00
20	Land (Funk)	2/08/90	9,218.00	0.00	0.00	0.00	0.00	0.00	9,218.00	Land	0.00
21	Easements	7/15/91	401.00	0.00	0.00	0.00	0.00	0.00	401.00	Land	0.00
22	Easement (Baize)	7/01/92	200.00	0.00	0.00	0.00	0.00	0.00	200.00	Land	0.00
23	Easements	7/31/92	179.00	0.00	0.00	0.00	0.00	0.00	179.00	Land	0.00
24	Recording Easements	9/30/93	273.00	0.00	0.00	0.00	0.00	0.00	273.00	Land	0.00
25	Sanders Property	11/16/93	12,285.00	0.00	0.00	0.00	0.00	0.00	12,285.00	Land	0.00
26	Easements	4/05/94	199.00	0.00	0.00	0.00	0.00	0.00	199.00	Land	0.00
27	Easements	1/13/95	456.00	0.00	0.00	0.00	0.00	0.00	456.00	Land	0.00
28	Easements	1/16/95	120.00	0.00	0.00	0.00	0.00	0.00	120.00	Land	0.00
29	Easements	7/14/95	312.00	0.00	0.00	0.00	0.00	0.00	312.00	Land	0.00
30	Easements	7/14/95	1,932.00	0.00	0.00	0.00	0.00	0.00	1,932.00	Land	0.00
31	Easements	9/29/95	216.00	0.00	0.00	0.00	0.00	0.00	216.00	Land	0.00
32	Easements	12/31/96	14,133.00	0.00	0.00	0.00	0.00	0.00	14,133.00	Land	0.00
33	Land Rights (Limited)(RR)	1/01/97	5,230.00	0.00	0.00	4,097.20	104.60	-4,201.80	1,028.20	S/L	50.00
34	Easements (Series I)	12/31/99	29,350.00	0.00	0.00	0.00	0.00	0.00	29,350.00	Land	0.00
35	Easements (Fiscal Court Projects)	12/31/01	7,143.00	0.00	0.00	0.00	0.00	0.00	7,143.00	Land	0.00
36	Land & Easements (Series II)	12/31/01	7,436.00	0.00	0.00	0.00	0.00	0.00	7,436.00	Land	0.00
37	Land Costs IPE Tank	12/31/01	4,343.00	0.00	0.00	0.00	0.00	0.00	4,343.00	Land	0.00
38	Easements Fiscal Court Projects	12/31/02	3,600.00	0.00	0.00	0.00	0.00	0.00	3,600.00	Land	0.00
39	Land for Tank Sale	12/31/02	3,500.00	0.00	0.00	0.00	0.00	0.00	3,500.00	Land	0.00
40	Easements	12/31/03	1,718.00	0.00	0.00	0.00	0.00	0.00	1,718.00	Land	0.00
41	Henderson Property	9/30/04	6,839.00	0.00	0.00	0.00	0.00	0.00	6,839.00	Land	0.00
42	Fordsville Valve House Land	12/31/04	1,759.00	0.00	0.00	0.00	0.00	0.00	1,759.00	Land	0.00
43	Rockport Valve House Land	12/31/04	2,491.00	0.00	0.00	0.00	0.00	0.00	2,491.00	Land	0.00
44	Easements	12/31/04	2,148.00	0.00	0.00	0.00	0.00	0.00	2,148.00	Land	0.00
45	Easement (Omega Rail Mgmt Appli	12/31/06	500.00	0.00	0.00	0.00	0.00	0.00	500.00	Land	0.00
46	Easement (Paducah & Louisville RF	12/31/06	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	Land	0.00
47	Easements	12/31/06	792.00	0.00	0.00	0.00	0.00	0.00	792.00	Land	0.00
48	Land (Office Bldg)	3/27/07	25,000.00	0.00	0.00	0.00	0.00	0.00	25,000.00	Land	0.00
49	Easements	7/01/07	1,515.00	0.00	0.00	0.00	0.00	0.00	1,515.00	Land	0.00
50	Easements	12/31/08	646.00	0.00	0.00	0.00	0.00	0.00	646.00	Land	0.00
51	Land (Raw Water Intake)	12/31/09	2,804.00	0.00	0.00	0.00	0.00	0.00	2,804.00	Land	0.00
52	Easements	12/31/09	374.00	0.00	0.00	0.00	0.00	0.00	374.00	Land	0.00
53	Land Survey (New Baymus Rd)	12/31/10	2,755.00	0.00	0.00	0.00	0.00	0.00	2,755.00	Land	0.00
54	Easements	12/31/10	619.00	0.00	0.00	0.00	0.00	0.00	619.00	Land	0.00

Book Future Depreciation FYE: 12/31/23

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Land and Land Rights (continued)											
55	Land (WTP Site)	12/31/11	153,891.00	0.00	0.00	0.00	0.00	0.00	153,891.00	Land	0.00
56	Land Add'l (WTP Site)	8/13/14	97,008.00	0.00	0.00	0.00	0.00	0.00	97,008.00	Land	0.00
57	Easements Phase I	12/31/16	45,280.00	0.00	0.00	0.00	0.00	0.00	45,280.00	Land	0.00
58	Land (Surveying)	7/09/17	1,620.00	0.00	0.00	0.00	0.00	0.00	1,620.00	Land	0.00
59	Land BCBC Tank Site (From Doug	11/21/17	2,575.00	0.00	0.00	0.00	0.00	0.00	2,575.00	Land	0.00
60	Land Raw Water Intake (From Horr	5/05/21	4,900.00	0.00	0.00	0.00	0.00	0.00	4,900.00	Land	0.00
	Land and Land Rights		515,320.00	0.00	0.00	4,097.20	104.60	4,201.80	511,118.20		
Group: Land/Structure Improve.											
61	Grading (Funk Lot)	6/29/90	5,470.00	0.00	0.00	0.00	0.00	0.00	5,470.00	Land	0.00
62	Communication Tower	12/31/03	2,089.00	0.00	0.00	1,014.46	52.23	1,066.69	1,022.31	S/L	40.00
65	Fordsville Valve House	12/31/04	38,875.00	0.00	0.00	17,981.76	971.88	18,953.64	19,921.36	S/L	40.00
66	Rockport Valve House	12/31/04	15,608.00	0.00	0.00	7,215.40	390.20	7,605.60	8,002.40	S/L	40.00
67	Porch (Maintenance Bldg)	11/03/06	990.00	0.00	0.00	411.50	24.75	436.25	553.75	S/L	40.00
68	Flener Building (Office)	11/30/04	74,845.00	0.00	0.00	29,001.26	1,871.13	30,872.39	43,972.61	S/L	40.00
69	Parking Lot (Office Bldg)	3/27/07	8,500.00	0.00	0.00	8,500.00	0.00	8,500.00	0.00	S/L	15.00
70	Flener Bldg Improvements (Office)	12/31/07	91,461.00	0.00	0.00	35,447.06	2,286.53	37,733.59	53,727.41	S/L	40.00
72	Fleener Bldg Improvements	7/01/10	10,652.00	0.00	0.00	6,661.20	532.60	7,193.80	3,458.20	S/L	20.00
73	Landscaping WTP Site	6/15/11	39,559.00	0.00	0.00	30,326.54	2,637.27	32,963.81	6,595.19	S/L	15.00
74	Paving/Sidewalks	6/15/11	140,131.00	0.00	0.00	80,579.10	7,006.55	87,585.65	52,545.35	S/L	20.00
75	Fences	6/15/11	80,902.00	0.00	0.00	46,518.20	4,045.10	50,563.30	30,338.70	S/L	20.00
76	Driveways	6/15/11	54,461.00	0.00	0.00	31,315.10	2,723.05	34,038.15	20,422.85	S/L	20.00
77	Rip Rap	6/15/11	48,021.00	0.00	0.00	27,612.10	2,401.05	30,013.15	18,007.85	S/L	20.00
78	Raw Water Intake	6/15/11	7,517.00	0.00	0.00	2,161.86	187.93	2,349.79	5,167.21	S/L	40.00
79	HVAC System	6/15/11	161,084.00	0.00	0.00	92,621.40	8,054.20	100,675.60	60,408.40	S/L	20.00
80	Septic System	6/15/11	14,190.00	0.00	0.00	6,531.20	567.60	7,098.80	7,091.20	S/L	25.00
81	Lagoons	6/15/11	153,877.00	0.00	0.00	44,239.86	3,846.93	48,086.79	105,790.21	S/L	40.00
82	Spillway	6/15/11	30,195.00	0.00	0.00	8,681.76	754.88	9,436.64	20,758.36	S/L	40.00
83	Floc/SED Basin	6/15/11	1,061,794.00	0.00	0.00	305,266.70	26,544.85	331,811.55	729,982.45	S/L	40.00
84	UL Trafilration System	6/15/11	641,699.00	0.00	0.00	184,483.96	16,042.48	200,526.44	441,172.56	S/L	40.00
85	Decant Structure	6/15/11	55,256.00	0.00	0.00	15,882.80	1,381.40	17,264.20	37,991.80	S/L	40.00
86	GAC Structure	6/15/11	468,964.00	0.00	0.00	134,826.20	11,724.10	146,550.30	322,413.70	S/L	40.00
87	Clearwell	6/15/11	972,414.00	0.00	0.00	279,565.70	24,310.35	303,876.05	668,537.95	S/L	40.00
88	Operations Building	6/15/11	618,159.00	0.00	0.00	177,720.96	15,453.98	193,174.94	424,984.06	S/L	40.00
89	Chemical Buildings	6/15/11	556,555.00	0.00	0.00	160,010.76	13,913.88	173,924.64	382,630.36	S/L	40.00
90	Shelter	6/15/11	15,209.00	0.00	0.00	4,370.46	380.23	4,750.69	10,458.31	S/L	40.00
91	Vaults & Manholes	6/15/11	135,795.00	0.00	0.00	39,041.76	3,394.88	42,436.64	93,358.36	S/L	40.00
92	Piping & Valves	6/15/11	1,190,188.00	0.00	0.00	342,181.40	29,754.70	371,936.10	818,251.90	S/L	40.00
93	Electrical	6/15/11	1,270,827.00	0.00	0.00	365,365.36	31,770.68	397,136.04	873,690.96	S/L	40.00
94	Hydrants	12/31/11	5,855.00	0.00	0.00	1,679.76	146.38	1,826.14	4,028.86	S/L	40.00
95	Driveway to Raw Water Building	12/31/11	33,515.00	0.00	0.00	19,273.50	1,675.75	20,949.25	12,565.75	S/L	20.00
96	Retaining Wall at River (RWI)	12/31/11	30,656.00	0.00	0.00	17,628.60	1,532.80	19,161.40	11,494.60	S/L	20.00
97	Intake Upgrade	12/31/12	22,956.00	0.00	0.00	6,026.80	573.90	6,600.70	16,355.30	S/L	40.00
98	GAC Building	12/31/13	462,467.00	0.00	0.00	109,838.36	11,561.68	121,400.04	341,066.96	S/L	40.00
99	WTP Sidewalks & Flag Pole	12/31/13	26,005.00	0.00	0.00	8,235.66	866.83	9,102.49	16,902.51	S/L	30.00
100	WTP Sign	12/31/13	20,784.00	0.00	0.00	6,582.60	692.80	7,275.40	13,508.60	S/L	30.00
101	Flener Building (Apartments)	7/01/10	42,100.00	0.00	0.00	16,320.00	1,052.50	17,372.50	24,727.50	S/L	40.00

Book Future Depreciation FYE: 12/31/23

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Land/Structure Improve. (continued)											
102	Building Improvements (Apartment Heating/AC	7/01/10	5,992.00	0.00	0.00	3,749.20	299.60	4,048.80	1,943.20	S/L	20.00
103	WTP Flocculator Building	5/29/15	4,725.00	0.00	0.00	2,363.00	315.00	2,678.00	2,047.00	S/L	15.00
104	Extend Driveway to GAC Building	12/21/15	15,252.00	0.00	0.00	2,858.60	381.30	3,239.90	12,012.10	S/L	40.00
106	Water Tower Fence	12/15/16	6,500.00	0.00	0.00	2,113.00	325.00	2,438.00	4,062.00	S/L	20.00
107	WTP Generator Bldg/Shed	7/31/17	2,595.00	0.00	0.00	952.00	173.00	1,125.00	1,470.00	S/L	15.00
108	Sidewalk Barrier	11/08/17	1,758.00	0.00	0.00	483.80	87.90	571.70	1,186.30	S/L	20.00
109	Security Fence	12/14/17	2,887.00	0.00	0.00	396.36	72.18	468.54	2,418.46	S/L	40.00
509	SPX 480 Volt VFD Controller	6/22/22	17,650.00	0.00	0.00	441.25	882.50	1,323.75	16,326.25	S/L	20.00
511	SPX 480 Volt VFD Controller	2/22/22	12,416.32	0.00	0.00	517.35	620.82	1,138.17	11,278.15	S/L	20.00
512	3 Turbidimeters	5/05/22	11,050.55	0.00	0.00	736.70	1,105.06	1,841.76	9,208.79	S/L	10.00
513		3/18/22	9,996.00	0.00	0.00	374.85	499.80	874.65	9,121.35	S/L	20.00
	Land/Structure Improve.		<u>8,700,446.87</u>	<u>0.00</u>	<u>0.00</u>	<u>2,686,107.21</u>	<u>235,890.21</u>	<u>2,921,997.42</u>	<u>5,778,449.45</u>		
Group: Office Equipment											
460	Heating/AC Unit	7/02/09	3,600.00	0.00	0.00	3,240.00	240.00	3,480.00	120.00	S/L	15.00
461	Vehiele Transceiver Unit & Softwar	8/03/09	20,000.00	0.00	0.00	19,963.66	36.34	20,000.00	0.00	S/L	15.00
462	Taslalfa 3050CI Copier/Printer	2/16/12	7,432.00	0.00	0.00	7,432.00	0.00	7,432.00	0.00	S/L	7.00
463	Computers & Monitors	12/31/13	4,185.00	0.00	0.00	4,185.00	0.00	4,185.00	0.00	S/L	5.00
464	Counter Receipt Printer & Cash Rej	12/31/13	2,955.00	0.00	0.00	2,955.00	0.00	2,955.00	0.00	S/L	5.00
465	HP Proliant ML350P Server	5/30/14	7,297.00	0.00	0.00	7,297.00	0.00	7,297.00	0.00	S/L	5.00
466	GPS Update (Cost of flyover)	12/31/14	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	5.00
467	CCTVC System	12/07/15	4,676.00	0.00	0.00	4,676.00	0.00	4,676.00	0.00	S/L	5.00
468	Air Conditioner	2/08/16	4,182.00	0.00	0.00	1,112.80	278.80	1,391.60	2,790.40	S/L	15.00
469	Base Station Transreceiver and Soft	11/08/17	18,500.00	0.00	0.00	4,318.33	1,233.33	5,551.66	12,948.34	S/L	15.00
470	KYOCERA Copier	9/21/20	6,073.00	0.00	0.00	2,169.14	867.57	3,036.71	3,036.29	S/L	7.00
471	Computers from Greenstone	8/12/20	7,358.00	0.00	0.00	3,679.20	1,471.60	5,150.80	2,207.20	S/L	5.00
472	Computers from Greenstone	1/05/21	4,184.00	0.00	0.00	1,254.80	836.80	2,091.60	2,092.40	S/L	5.00
473	Office Furnishings from Business W	1/19/21	5,405.00	0.00	0.00	1,622.00	1,081.00	2,703.00	2,702.00	S/L	5.00
	Office Equipment		<u>100,847.00</u>	<u>0.00</u>	<u>0.00</u>	<u>68,904.93</u>	<u>6,045.44</u>	<u>74,950.37</u>	<u>25,896.63</u>		
Group: Organization Expense											
1	Organization Expense	3/01/67	8,245.00	0.00	0.00	8,245.00	0.00	8,245.00	0.00	S/L	40.00
	Organization Expense		<u>8,245.00</u>	<u>0.00</u>	<u>0.00</u>	<u>8,245.00</u>	<u>0.00</u>	<u>8,245.00</u>	<u>0.00</u>		
Group: Trans & Distrib. Lines											
111	Original Costs	3/01/67	625,175.00	0.00	0.00	496,069.34	8,335.67	504,405.01	120,769.99	S/L	75.00
112	Extensions	1/01/68	4,075.00	0.00	0.00	2,478.66	54.33	2,532.99	1,542.01	S/L	75.00
113	Extensions	1/01/69	9,892.00	0.00	0.00	5,945.78	131.89	6,077.67	3,814.33	S/L	75.00
114	Extensions	1/01/70	7,670.00	0.00	0.00	4,551.54	102.27	4,653.81	3,016.19	S/L	75.00
115	Extensions	1/01/71	5,053.00	0.00	0.00	2,962.74	67.37	3,030.11	2,022.89	S/L	75.00
116	Extensions	1/01/72	5,350.00	0.00	0.00	3,092.66	71.33	3,163.99	2,186.01	S/L	75.00
117	Extensions	1/01/73	107,922.00	0.00	0.00	61,615.92	1,438.96	63,054.88	44,867.12	S/L	75.00
118	Extensions	1/01/74	79,279.00	0.00	0.00	44,660.10	1,057.05	45,717.15	33,561.85	S/L	75.00
119	Extensions	1/01/75	13,304.00	0.00	0.00	7,385.78	177.39	7,563.17	5,740.83	S/L	75.00

Book Future Depreciation FYE: 12/31/23

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Trans & Distrib. Lines (continued)											
120	Extensions	1/01/76	295,169.00	0.00	0.00	189,201.18	3,935.59	193,136.77	102,032.23	S/L	75.00
121	Other Extensions	1/01/76	36,280.00	0.00	0.00	19,904.46	483.73	20,388.19	15,891.81	S/L	75.00
122	Shultztown	1/01/76	6,255.00	0.00	0.00	3,409.80	83.40	3,493.20	2,761.80	S/L	75.00
123	Extensions	1/01/77	80,436.00	0.00	0.00	43,405.96	1,072.48	44,478.44	35,957.56	S/L	75.00
124	Extensions	1/01/78	54,115.00	0.00	0.00	28,414.06	721.53	29,135.59	24,979.41	S/L	75.00
125	Extensions - Green Coal	1/01/79	20,000.00	0.00	0.00	10,395.34	266.67	10,662.01	9,337.99	S/L	75.00
126	Extensions - Other	1/01/79	22,216.00	0.00	0.00	11,505.42	296.21	11,801.63	10,414.37	S/L	75.00
127	Extensions - Green Coal	1/01/80	2,080.00	0.00	0.00	1,049.46	27.73	1,077.19	1,002.81	S/L	75.00
128	Extensions - Other	1/01/80	32,700.00	0.00	0.00	18,538.00	436.00	18,974.00	13,726.00	S/L	75.00
129	Extensions	1/01/81	1,530,835.00	0.00	0.00	1,289,468.40	30,616.70	1,320,085.10	210,749.90	S/L	50.00
130	Extensions	6/01/82	20,266.00	0.00	0.00	16,403.64	405.32	16,808.96	3,457.04	S/L	50.00
132	Additions	6/30/82	1,500.00	0.00	0.00	1,215.00	30.00	1,245.00	255.00	S/L	50.00
133	Additions	6/30/83	56,219.00	0.00	0.00	44,398.76	1,124.38	45,523.14	10,695.86	S/L	50.00
134	Additions	6/30/84	108,758.00	0.00	0.00	83,740.32	2,175.16	85,915.48	22,842.52	S/L	50.00
135	Additions	6/30/85	108,471.00	0.00	0.00	81,338.84	2,169.42	83,508.26	24,962.74	S/L	50.00
136	Additions	7/01/86	143,085.00	0.00	0.00	104,462.40	2,861.70	107,324.10	35,760.90	S/L	50.00
137	Extensions (FmHA Proj)	7/01/87	1,121,541.00	0.00	0.00	802,597.64	22,430.82	825,028.46	296,512.54	S/L	50.00
138	Extensions - Lines	7/01/87	44,128.00	0.00	0.00	31,345.12	882.56	32,227.68	11,900.32	S/L	50.00
140	Fire Hydrants	7/01/87	1,460.00	0.00	0.00	1,030.40	29.20	1,059.60	400.40	S/L	50.00
141	Extensions - Lines	7/01/88	53,675.00	0.00	0.00	37,052.00	1,073.50	38,125.50	15,549.50	S/L	50.00
142	Extensions - Meters	7/01/88	37,028.00	0.00	0.00	35,421.27	1,234.27	36,655.54	372.46	S/L	30.00
143	Hydrants	7/01/88	996.00	0.00	0.00	689.84	19.92	709.76	286.24	S/L	50.00
144	Extensions (L&M)(FmHA)	7/01/88	180,075.00	0.00	0.00	124,268.00	3,601.50	127,869.50	52,205.50	S/L	50.00
145	Extensions - Meters	7/01/89	31,025.00	0.00	0.00	31,025.00	0.00	31,025.00	0.00	S/L	30.00
146	Extensions - Lines	7/01/89	7,064.00	0.00	0.00	4,724.56	141.28	4,865.84	2,198.16	S/L	50.00
147	Fire Hydrants	7/01/89	2,977.00	0.00	0.00	2,128.08	59.54	2,187.62	789.38	S/L	50.00
148	Extensions - Lines	7/01/89	8,600.00	0.00	0.00	5,762.00	172.00	5,934.00	2,666.00	S/L	50.00
149	Extensions - Lines	7/01/90	8,014.00	0.00	0.00	5,200.56	160.28	5,360.84	2,653.16	S/L	50.00
150	Extensions - Meters	7/01/90	9,901.00	0.00	0.00	9,901.00	0.00	9,901.00	0.00	S/L	30.00
153	Meters	7/01/91	6,852.00	0.00	0.00	6,726.40	125.60	6,852.00	0.00	S/L	30.00
154	Line Extensions	7/01/91	4,677.00	0.00	0.00	2,960.08	93.54	3,053.62	1,623.38	S/L	50.00
155	Hydrants	7/01/91	4,000.00	0.00	0.00	2,520.00	80.00	2,600.00	1,400.00	S/L	50.00
156	Extensions (Contributed)	7/01/92	29,275.00	0.00	0.00	17,579.00	585.50	18,164.50	11,110.50	S/L	50.00
157	Extensions Construct	7/01/92	507.00	0.00	0.00	305.28	10.14	315.42	191.58	S/L	50.00
158	Extensions (PD On Contrib Lns)	7/01/92	1,185.00	0.00	0.00	731.40	23.70	755.10	429.90	S/L	50.00
159	Fire Hydrant (Contributed)	7/01/92	1,034.00	0.00	0.00	660.36	20.68	681.04	352.96	S/L	50.00
160	Meters	7/01/92	17,448.00	0.00	0.00	16,922.60	525.40	17,448.00	0.00	S/L	30.00
161	Extensions - Meters	7/01/93	27,186.00	0.00	0.00	24,915.20	906.20	25,821.40	1,364.60	S/L	30.00
162	Extensions Lines	7/01/93	5,190.00	0.00	0.00	3,067.60	103.80	3,171.40	2,018.60	S/L	50.00
163	Fire Hydrants	7/01/93	1,409.00	0.00	0.00	826.36	28.18	854.54	554.46	S/L	50.00
164	Extensions Contributed	7/01/93	1,625.00	0.00	0.00	972.00	32.50	1,004.50	620.50	S/L	50.00
165	Extensions	7/01/94	137,259.00	0.00	0.00	88,517.36	2,745.18	91,262.54	45,996.46	S/L	50.00
166	Meters	7/01/94	36,792.00	0.00	0.00	34,157.40	1,226.40	35,383.80	1,408.20	S/L	30.00
167	Fire Hydrant	7/01/94	1,200.00	0.00	0.00	705.00	24.00	729.00	471.00	S/L	50.00
168	Pump Horton Station	11/10/94	2,380.00	0.00	0.00	2,380.00	0.00	2,380.00	0.00	S/L	10.00
169	Pump Hartford Station	4/01/94	1,775.00	0.00	0.00	1,775.00	0.00	1,775.00	0.00	S/L	10.00
170	Fire Hydrant (Contributed)	7/01/94	3,600.00	0.00	0.00	2,115.00	72.00	2,187.00	1,413.00	S/L	50.00
171	Extensions (Meter Refund)	7/01/95	1,800.00	0.00	0.00	1,013.00	36.00	1,049.00	751.00	S/L	50.00
172	Pump Horton Station	2/24/95	788.00	0.00	0.00	788.00	0.00	788.00	0.00	S/L	10.00

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Trans & Distrib. Lines (continued)											
173	Meters	7/01/95	12,422.00	0.00	0.00	10,557.07	414.07	10,971.14	1,450.86	S/L	30.00
174	Meter Installations	7/01/95	12,086.00	0.00	0.00	10,274.87	402.87	10,677.74	1,408.26	S/L	30.00
175	Meter New (1996)	12/31/96	2,943.00	0.00	0.00	2,401.10	98.10	2,499.20	443.80	S/L	30.00
176	Meter Installations '96	12/31/96	14,454.00	0.00	0.00	11,519.80	481.80	12,001.60	2,452.40	S/L	30.00
177	Meters (Replaced) 1996	12/31/96	5,777.00	0.00	0.00	4,729.57	192.57	4,922.14	854.86	S/L	30.00
178	Trans & Distrib Mains (RR)	1/01/97	424,484.00	0.00	0.00	391,925.36	8,489.68	400,415.04	24,068.96	S/L	50.00
179	Meter & Installations (RR)	1/01/97	115,715.00	0.00	0.00	92,083.60	2,314.30	94,397.90	21,317.10	S/L	50.00
180	Fire Hydrants (RR)	1/01/97	2,725.00	0.00	0.00	2,685.00	40.00	2,725.00	0.00	S/L	50.00
181	Telemetry Sys (Toll Rd Tank)	6/23/97	3,180.00	0.00	0.00	3,180.00	0.00	3,180.00	0.00	S/L	10.00
182	Meter New (87) 1997	6/30/97	2,259.00	0.00	0.00	1,913.60	75.30	1,988.90	270.10	S/L	30.00
183	Meters Replaced (275) 1997	6/30/97	7,138.00	0.00	0.00	6,068.86	237.93	6,306.79	831.21	S/L	30.00
184	Meter Installations (87)	6/30/97	11,639.00	0.00	0.00	9,893.94	387.97	10,281.91	1,357.09	S/L	30.00
185	Pump Horton Station	6/30/98	843.00	0.00	0.00	843.00	0.00	843.00	0.00	S/L	10.00
186	Meter New (127)	6/30/98	3,640.00	0.00	0.00	2,956.66	121.33	3,077.99	562.01	S/L	30.00
187	Meters Replaced (186)	6/30/98	5,069.00	0.00	0.00	4,128.94	168.97	4,297.91	771.09	S/L	30.00
188	Meter Installations (127)	7/01/98	17,787.00	0.00	0.00	14,528.80	592.90	15,121.70	2,665.30	S/L	30.00
189	Meters New (164)	12/31/99	4,510.00	0.00	0.00	3,525.66	150.33	3,675.99	834.01	S/L	30.00
190	Meters Replaced (440)	12/31/99	12,100.00	0.00	0.00	9,471.66	403.33	9,874.99	2,225.01	S/L	30.00
191	Meter Installations (164)	12/31/99	38,974.00	0.00	0.00	30,527.26	1,299.13	31,826.39	7,147.61	S/L	30.00
192	Pumps	8/31/99	2,904.00	0.00	0.00	2,904.00	0.00	2,904.00	0.00	S/L	10.00
193	Pumps & Motors (3)	11/30/99	15,120.00	0.00	0.00	15,120.00	0.00	15,120.00	0.00	S/L	10.00
194	Distribution Mains (Series I)	12/31/99	2,251,716.00	0.00	0.00	1,068,047.64	45,034.32	1,113,081.96	1,138,634.04	S/L	50.00
195	Distribution Structures (Series I)	12/31/99	39,041.00	0.00	0.00	22,936.06	976.03	23,912.09	15,128.91	S/L	40.00
196	Distribution Equipment (Series I)	12/31/99	128,079.00	0.00	0.00	128,079.00	0.00	128,079.00	0.00	S/L	20.00
197	Distribution Mains (Series I)	6/30/00	835.00	0.00	0.00	390.40	16.70	407.10	427.90	S/L	50.00
198	Meters New (143)	12/31/00	4,147.00	0.00	0.00	3,105.46	138.23	3,243.69	903.31	S/L	30.00
199	Meters Replaced	12/31/00	4,350.00	0.00	0.00	3,263.00	145.00	3,408.00	942.00	S/L	30.00
200	Meter Installations	12/31/00	18,841.00	0.00	0.00	14,145.06	628.03	14,773.09	4,067.91	S/L	30.00
201	Meter Installations (New 229: New	12/31/01	40,076.00	0.00	0.00	28,723.74	1,335.87	30,059.61	10,016.39	S/L	30.00
202	Meter Installations (Contractor)	12/31/01	27,390.00	0.00	0.00	19,630.00	913.00	20,543.00	6,847.00	S/L	30.00
203	Distribution Mains (Fiscal Court Pr	12/31/01	310,403.00	0.00	0.00	133,472.12	6,208.06	139,680.18	170,722.82	S/L	50.00
204	Distribution Mains (Bleach Road)	12/31/01	8,775.00	0.00	0.00	3,783.00	175.50	3,958.50	4,816.50	S/L	50.00
205	Distribution Mains (Heritage Estate:	12/31/01	6,469.00	0.00	0.00	2,774.76	129.38	2,904.14	3,564.86	S/L	50.00
206	Distribution Mains (Keystone)	12/31/01	8,870.00	0.00	0.00	3,806.80	177.40	3,984.20	4,885.80	S/L	50.00
207	Distribution Mains (Morris Lane)	12/31/01	1,476.00	0.00	0.00	644.04	29.52	673.56	802.44	S/L	50.00
208	Distribution Mains (Series III)	12/31/01	2,553,212.00	0.00	0.00	1,097,876.48	51,064.24	1,148,940.72	1,404,271.28	S/L	50.00
209	Distribution Equipment (Series II)	12/31/01	22,555.00	0.00	0.00	22,555.00	0.00	22,555.00	0.00	S/L	20.00
210	Distribution Mains (Governor's Gra	12/31/01	592,412.00	0.00	0.00	254,732.48	11,848.24	266,580.72	325,831.28	S/L	50.00
211	Distribution Mains (IPE Tank)	12/31/01	22,817.00	0.00	0.00	9,804.68	456.34	10,261.02	12,555.98	S/L	50.00
212	Distribution Equipment (IPE Tank)	12/31/01	44,717.00	0.00	0.00	44,717.00	0.00	44,717.00	0.00	S/L	20.00
213	Compaq Computer/SCADA	11/02/01	1,671.00	0.00	0.00	1,671.00	0.00	1,671.00	0.00	S/L	5.00
214	Fiscal Court Projects	12/31/02	322,502.00	0.00	0.00	132,225.08	6,450.04	138,675.12	183,826.88	S/L	50.00
215	Liberty Church Road	12/31/02	63,513.00	0.00	0.00	26,035.52	1,270.26	27,305.78	36,207.22	S/L	50.00
216	Series II Contract F	12/31/02	421,629.00	0.00	0.00	172,875.16	8,432.58	181,307.74	240,321.26	S/L	50.00
217	Mains Donated GRIDDA	12/31/02	800,401.00	0.00	0.00	328,164.04	16,008.02	344,172.06	456,228.94	S/L	50.00
218	District Projects	12/31/02	36,246.00	0.00	0.00	14,863.84	724.92	15,588.76	20,657.24	S/L	50.00
219	Meters	12/31/02	59,919.00	0.00	0.00	40,939.60	1,997.30	42,936.90	16,982.10	S/L	30.00
220	Meters 6" Touchread (2)	12/31/02	5,186.00	0.00	0.00	3,545.74	172.87	3,718.61	1,467.39	S/L	30.00
221	Meter Installations	12/31/02	89,965.00	0.00	0.00	61,478.66	2,998.83	64,477.49	25,487.51	S/L	30.00

Book Future Depreciation FYE: 12/31/23

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Trans & Distrib. Lines (continued)											
222	Meter Installations (Series II-F)	12/31/02	23,319.00	0.00	0.00	15,929.60	777.30	16,706.90	6,612.10	S/L	30.00
223	Fire Hydrant	12/31/02	1,804.00	0.00	0.00	738.16	36.08	774.24	1,029.76	S/L	50.00
224	Meters & Installation	12/31/03	96,349.00	0.00	0.00	62,633.26	3,211.63	65,844.89	30,504.11	S/L	30.00
225	Line Additions	12/31/03	193,717.00	0.00	0.00	75,908.68	3,874.34	79,783.02	113,933.98	S/L	50.00
226	Fiscal Court Projects - Extensions	12/31/04	38,649.00	0.00	0.00	14,299.96	772.98	15,072.94	23,576.06	S/L	50.00
227	Mains Series III	8/31/04	1,524,969.00	0.00	0.00	533,366.76	30,499.38	563,866.14	961,102.86	S/L	50.00
228	138,000 Standpipe (R'Port)(Purchas	12/31/04	68,951.00	0.00	0.00	31,893.56	1,723.78	33,617.34	35,333.66	S/L	40.00
229	Rockport Mains (Purchased)	12/31/04	174,562.00	0.00	0.00	64,687.48	3,491.24	68,178.72	106,383.28	S/L	50.00
230	Meter Installations (R'Port)(Pur	12/31/04	67,088.00	0.00	0.00	41,366.54	2,236.27	43,602.81	23,485.19	S/L	30.00
231	Hydrants (R'Port Purchased 30-6")	12/31/04	24,599.00	0.00	0.00	9,101.96	491.98	9,593.94	15,005.06	S/L	50.00
232	Fordsville Main Connection	12/31/04	585,551.00	0.00	0.00	216,654.04	11,711.02	228,365.06	357,185.94	S/L	50.00
233	Fordsville Valve House Valving	12/31/04	16,000.00	0.00	0.00	5,920.00	320.00	6,240.00	9,760.00	S/L	50.00
234	Fordsville Telemetry	12/31/04	43,980.00	0.00	0.00	43,980.00	0.00	43,980.00	0.00	S/L	10.00
235	Main Rockport Connection	12/31/04	54,113.00	0.00	0.00	20,017.52	1,082.26	21,099.78	33,013.22	S/L	50.00
236	Rockport Valve House Valving	12/31/04	23,603.00	0.00	0.00	8,732.12	472.06	9,204.18	14,398.82	S/L	50.00
237	Meter Installations (New)	12/31/04	39,839.00	0.00	0.00	24,567.94	1,327.97	25,895.91	13,943.09	S/L	30.00
238	Line Additions (OCFC Projects)	12/31/05	65,602.00	0.00	0.00	22,960.08	1,312.04	24,272.12	41,329.88	S/L	50.00
239	Hydrants (Olation & Fields Rd)	12/31/05	5,189.00	0.00	0.00	1,819.56	103.78	1,923.34	3,265.66	S/L	50.00
240	Hydrant (Wemhiener)	12/31/05	2,211.00	0.00	0.00	770.44	44.22	814.66	1,396.34	S/L	50.00
241	Fordsville (Addl Cost Less ADJ)(1)	12/31/05	35,282.00	0.00	0.00	12,354.28	705.64	13,059.92	22,222.08	S/L	50.00
242	Line Replacement (HWY 1245)	12/31/05	15,007.00	0.00	0.00	5,250.28	300.14	5,550.42	9,456.58	S/L	50.00
243	Meter Installations	12/31/05	46,454.00	0.00	0.00	27,090.94	1,548.47	28,639.41	17,814.59	S/L	30.00
244	Meter Settings	12/31/06	28,344.00	0.00	0.00	15,591.60	944.80	16,536.40	11,807.60	S/L	30.00
245	OCWD Line Extensions	12/31/06	38,302.00	0.00	0.00	12,639.08	766.04	13,405.12	24,896.88	S/L	50.00
246	OC Fiscal Court Line Additions	12/31/06	146,459.00	0.00	0.00	48,329.36	2,929.18	51,258.54	95,200.46	S/L	50.00
247	Hydrants	12/31/06	15,354.00	0.00	0.00	5,066.16	307.08	5,373.24	9,980.76	S/L	50.00
248	BCBC 1,000,000 Tank	12/31/06	1,041,354.00	0.00	0.00	344,456.16	20,827.08	365,283.24	676,070.76	S/L	50.00
249	Meter Setting	7/01/07	50,608.00	0.00	0.00	26,147.86	1,686.93	27,834.79	22,773.21	S/L	30.00
250	OCWD Line Additions	7/01/07	48,581.00	0.00	0.00	15,065.24	971.62	16,036.86	32,544.14	S/L	50.00
251	OC Fiscal Court Line Additions	7/01/07	130,543.00	0.00	0.00	40,469.72	2,610.86	43,080.58	87,462.42	S/L	50.00
252	Breckinridge Project Line Addition	7/01/07	496,163.00	0.00	0.00	153,807.52	9,923.26	163,730.78	332,432.22	S/L	50.00
253	Hydrants	7/01/07	24,880.00	0.00	0.00	7,718.20	497.60	8,215.80	16,664.20	S/L	50.00
254	PACO Pump & Motor (H'Ford Pum	7/18/08	2,160.00	0.00	0.00	2,160.00	0.00	2,160.00	0.00	S/L	10.00
255	Buster Pump Station (Independence	11/17/08	24,920.00	0.00	0.00	18,067.00	1,246.00	19,313.00	5,607.00	S/L	20.00
256	OCWD Additions	12/31/08	388,845.00	0.00	0.00	112,765.80	7,776.90	120,542.70	268,302.30	S/L	50.00
257	Meters 73 3/4" 1-1"	12/31/08	8,346.00	0.00	0.00	6,047.60	417.30	6,464.90	1,881.10	S/L	20.00
258	342 Radio Read Transceiver Units	12/31/08	40,682.00	0.00	0.00	29,493.20	2,034.10	31,527.30	9,154.70	S/L	20.00
259	Meter Settings	12/31/08	20,903.00	0.00	0.00	10,105.54	696.77	10,802.31	10,100.69	S/L	30.00
260	Hydrants (4)	12/31/08	13,500.00	0.00	0.00	3,915.00	270.00	4,185.00	9,315.00	S/L	50.00
261	Transmission Mains	12/31/09	419,735.00	0.00	0.00	113,331.40	8,394.70	121,726.10	298,008.90	S/L	50.00
262	Meters 187 - 3/4" 3-1" 1-3	12/31/09	28,366.00	0.00	0.00	12,770.06	945.53	13,715.59	14,650.41	S/L	30.00
263	825 Radio Read Transceiver Units	12/31/09	82,500.00	0.00	0.00	37,125.00	2,750.00	39,875.00	42,625.00	S/L	30.00
264	Meter Settings	12/31/09	37,854.00	0.00	0.00	17,036.60	1,261.80	18,298.40	19,555.60	S/L	30.00
265	Hydrant	12/31/09	3,500.00	0.00	0.00	945.00	70.00	1,015.00	2,485.00	S/L	50.00
266	6 Eclipse Auto Flushers	6/19/06	10,890.00	0.00	0.00	7,356.00	544.50	7,900.50	2,989.50	S/L	20.00
267	2 1/2' AHPP Hammerhead Mole	9/01/09	3,900.00	0.00	0.00	3,900.00	0.00	3,900.00	0.00	S/L	10.00
268	30/35 KW Generator	12/22/09	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	0.00	S/L	10.00
269	Meters 61 - 3/4"	12/31/10	8,198.00	0.00	0.00	3,413.54	273.27	3,686.81	4,511.19	S/L	30.00
270	Meter Settings	12/31/10	16,114.00	0.00	0.00	6,713.26	537.13	7,250.39	8,863.61	S/L	30.00

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Trans & Distrib. Lines (continued)											
271	Radio Read Units	12/31/10	188,925.00	0.00	0.00	78,714.00	6,297.50	85,011.50	103,913.50	S/L	30.00
272	OCWD Lines	12/31/10	305,819.00	0.00	0.00	76,450.76	6,116.38	82,567.14	223,251.86	S/L	50.00
273	OCFC Lines	12/31/10	126,316.00	0.00	0.00	31,575.64	2,526.32	34,101.96	92,214.04	S/L	50.00
274	Meters 52 - 3/4" 3-1"	12/31/11	12,374.00	0.00	0.00	4,738.94	412.47	5,151.41	7,222.59	S/L	30.00
275	Meter Settings	12/31/11	15,990.00	0.00	0.00	6,130.00	533.00	6,663.00	9,327.00	S/L	30.00
276	Radio Read Units	12/31/11	94,339.00	0.00	0.00	36,166.26	3,144.63	39,310.89	55,028.11	S/L	30.00
277	12" Maint (WTP Connection)	12/31/11	82,824.00	0.00	0.00	19,044.96	1,656.48	20,701.44	62,122.56	S/L	50.00
278	OCWD Line Extensions	12/31/11	205,061.00	0.00	0.00	47,162.44	4,101.22	51,263.66	153,797.34	S/L	50.00
279	OCFC Line Extensions	12/31/11	55,344.00	0.00	0.00	12,729.76	1,106.88	13,836.64	41,507.36	S/L	50.00
280	Hydrants	12/31/11	8,450.00	0.00	0.00	1,944.00	169.00	2,113.00	6,337.00	S/L	50.00
281	Meters 72 - 3/4" 1-1" 1-2"	12/31/12	14,602.00	0.00	0.00	5,112.46	486.73	5,599.19	9,002.81	S/L	30.00
282	Meter Settings	12/31/12	36,736.00	0.00	0.00	12,861.06	1,224.53	14,085.59	22,650.41	S/L	30.00
283	Radio Read Units	12/31/12	23,681.00	0.00	0.00	8,285.74	789.37	9,075.11	14,605.89	S/L	30.00
284	OCFC Line Extensions	12/31/12	22,556.00	0.00	0.00	4,736.24	451.12	5,187.36	17,368.64	S/L	50.00
285	Auto Flushers (7)	12/31/12	14,700.00	0.00	0.00	5,145.00	490.00	5,635.00	9,065.00	S/L	30.00
286	Hydrants	12/31/12	45,749.00	0.00	0.00	9,606.96	914.98	10,521.94	35,227.06	S/L	50.00
287	Flow Meter (Bells Run Tank)	1/19/12	3,650.00	0.00	0.00	3,650.00	0.00	3,650.00	0.00	S/L	10.00
288	Generator (Goshen Pump Station)	6/21/12	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	0.00	S/L	10.00
289	Generator (Echols Pump Station)	6/21/12	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	0.00	S/L	10.00
291	Air Conditioner (Hartford Pump Sta	9/19/12	4,200.00	0.00	0.00	2,940.00	280.00	3,220.00	980.00	S/L	15.00
292	OCWD Line Extensions	12/31/13	202,486.00	0.00	0.00	38,474.44	4,049.72	42,524.16	159,961.84	S/L	50.00
293	OCFC Line Extensions	12/31/13	45,724.00	0.00	0.00	8,683.96	914.48	9,598.44	36,125.56	S/L	50.00
294	Meters 43- 3/4" 1-1"	12/31/13	9,304.00	0.00	0.00	2,945.26	310.13	3,255.39	6,048.61	S/L	30.00
295	Meter Settings	12/31/13	12,346.00	0.00	0.00	3,913.06	411.53	4,324.59	8,021.41	S/L	30.00
296	Radio Read Units 586	12/31/13	64,806.00	0.00	0.00	20,520.40	2,160.20	22,680.60	42,125.40	S/L	30.00
297	OCFC Hydrants 9	12/31/13	45,433.00	0.00	0.00	8,634.32	908.66	9,542.98	35,890.02	S/L	50.00
298	OCWD Hydrants 1	12/31/13	4,640.00	0.00	0.00	882.60	92.80	975.40	3,664.60	S/L	50.00
299	SCADA Upgrade	12/31/13	7,145.00	0.00	0.00	6,791.00	354.00	7,145.00	0.00	S/L	10.00
300	Meters 35-3/4" 1-1" 1-2"	12/31/14	9,163.00	0.00	0.00	2,593.86	305.43	2,899.29	6,263.71	S/L	30.00
301	Meters Settings	12/31/14	17,798.00	0.00	0.00	5,041.54	593.27	5,634.81	12,163.19	S/L	30.00
302	OCWD Line Extensions	12/31/14	165,918.00	0.00	0.00	28,203.72	3,318.36	31,522.08	134,395.92	S/L	50.00
303	OCFC Line Extensions	12/31/14	24,785.00	0.00	0.00	4,215.40	495.70	4,711.10	20,073.90	S/L	50.00
304	OCWD Hydrants 2	12/31/14	10,900.00	0.00	0.00	1,853.00	218.00	2,071.00	8,829.00	S/L	50.00
305	OCFC Hydrants 6	12/31/14	32,380.00	0.00	0.00	5,507.20	647.60	6,154.80	26,225.20	S/L	50.00
306	Meters 43-3/4" 1-1" 2-1 1/2"	12/31/15	11,866.00	0.00	0.00	2,969.06	395.53	3,364.59	8,501.41	S/L	30.00
307	Meter Settings	12/31/15	15,303.00	0.00	0.00	3,825.20	510.10	4,335.30	10,967.70	S/L	30.00
308	OCWD Lines Extension & Upsizing	12/31/15	136,348.00	0.00	0.00	20,451.92	2,726.96	23,178.88	113,169.12	S/L	50.00
309	OCFC Lines Extensions	12/31/15	33,705.00	0.00	0.00	5,055.20	674.10	5,729.30	27,975.70	S/L	50.00
310	OCWD Line Extensions	12/31/12	336,810.00	0.00	0.00	70,728.40	6,736.20	77,464.60	259,345.40	S/L	50.00
311	Hydrants OCWD 1 OCFC 11	12/31/15	72,528.00	0.00	0.00	10,881.12	1,450.56	12,331.68	60,196.32	S/L	50.00
312	OCWD Meters	12/31/16	76,905.00	0.00	0.00	49,990.00	7,690.50	57,680.50	19,224.50	S/L	10.00
313	OCWD Meter Settings	12/31/16	28,271.00	0.00	0.00	6,123.74	942.37	7,066.11	21,204.89	S/L	30.00
314	OCWD Mains	12/31/16	133,897.00	0.00	0.00	17,406.88	2,677.94	20,084.82	113,812.18	S/L	50.00
315	Phase 1 Mains	12/31/16	1,031,628.00	0.00	0.00	134,113.12	20,632.56	154,745.68	876,882.32	S/L	50.00
316	OCWD Hydrants	12/31/16	6,393.00	0.00	0.00	831.72	127.86	959.58	5,433.42	S/L	50.00
317	OCFC Hydrants	12/31/16	5,023.00	0.00	0.00	650.92	100.46	751.38	4,271.62	S/L	50.00
318	OCWD Meters 3/4" 714	12/31/17	78,250.00	0.00	0.00	43,038.00	7,825.00	50,863.00	27,387.00	S/L	10.00
319	OCWD Meters 1" 3	12/31/17	1,173.00	0.00	0.00	644.60	117.30	761.90	411.10	S/L	10.00
320	OCWD Meters 1 1/2" 1	12/31/17	610.00	0.00	0.00	336.00	61.00	397.00	213.00	S/L	10.00

Book Future Depreciation FYE: 12/31/23

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Trans & Distrib. Lines (continued)											
321	OCWD Meters 2" 3	12/31/17	3,291.00	0.00	0.00	1,810.20	329.10	2,139.30	1,151.70	S/L	10.00
322	Baizetown Proj Meters 3/4" 13	12/31/17	3,081.00	0.00	0.00	1,694.20	308.10	2,002.30	1,078.70	S/L	10.00
323	OCWD Meter Settings	12/31/17	53,731.00	0.00	0.00	9,851.06	1,791.03	11,642.09	42,088.91	S/L	30.00
324	Baizetown Proj Meters Settings	12/31/17	11,302.00	0.00	0.00	2,072.46	376.73	2,449.19	8,852.81	S/L	30.00
325	OCWD Mains	12/31/17	191,050.00	0.00	0.00	21,016.00	3,821.00	24,837.00	166,213.00	S/L	50.00
326	Baizetown Proj Mains	12/31/17	301,841.00	0.00	0.00	33,202.64	6,036.82	39,239.46	262,601.54	S/L	50.00
327	Phase 1 Mains	12/31/17	154,032.00	0.00	0.00	16,944.28	3,080.64	20,024.92	134,007.08	S/L	50.00
328	OCWD Flush Hydrant	12/31/17	2,262.00	0.00	0.00	248.48	45.24	293.72	1,968.28	S/L	50.00
329	OCFC Hydrant 2	12/31/17	12,704.00	0.00	0.00	1,397.16	254.08	1,651.24	11,052.76	S/L	50.00
330	Additions	7/09/05	48,464.00	0.00	0.00	5,330.56	969.28	6,299.84	42,164.16	S/L	50.00
331	SCADA Upgrade BCBC Tank (OCV	12/31/17	14,412.00	0.00	0.00	7,926.40	1,441.20	9,367.60	5,044.40	S/L	10.00
332	Hydrant Bethel Church Rd	6/30/18	4,041.00	0.00	0.00	324.64	80.82	405.46	3,635.54	S/L	50.00
333	Hydrant HWY 136 & 860 6"	8/13/18	11,681.00	0.00	0.00	933.24	233.62	1,166.86	10,514.14	S/L	50.00
334	Windy Hill Tank Mixing System	6/30/18	49,212.00	0.00	0.00	4,920.48	984.24	5,904.72	43,307.28	S/L	50.00
335	Olatan Tank Mixing System	6/30/18	60,762.00	0.00	0.00	6,075.48	1,215.24	7,290.72	53,471.28	S/L	50.00
336	Hoover Hill Tank Mixing System	6/30/18	38,112.00	0.00	0.00	3,810.48	762.24	4,572.72	33,539.28	S/L	50.00
337	OCWD Meters 1" New 1	6/30/18	391.00	0.00	0.00	79.10	19.55	98.65	292.35	S/L	20.00
338	OCWD 1" New Sets 1	6/30/18	1,071.00	0.00	0.00	215.10	53.55	268.65	802.35	S/L	20.00
339	OCWD Meters 3/4 New 57	6/30/18	14,320.00	0.00	0.00	2,864.00	716.00	3,580.00	10,740.00	S/L	20.00
340	OCWD Meters 3/4 New Sets 57	6/30/18	61,038.00	0.00	0.00	12,207.80	3,051.90	15,259.70	45,778.30	S/L	20.00
341	OCWD Meters 3/4 Replacements 1	6/30/18	327,088.00	0.00	0.00	81,562.80	16,354.40	97,917.20	229,170.80	S/L	20.00
342	OCWD Meters 3/4 Replacements S	6/30/18	71,610.00	0.00	0.00	14,322.00	3,580.50	17,902.50	53,707.50	S/L	20.00
343	OCWD Meters 1" Replacements 1	6/30/18	391.00	0.00	0.00	79.10	19.55	98.65	292.35	S/L	20.00
344	OCWD Meters 1" Replacements Set	6/30/18	55.00	0.00	0.00	10.50	2.75	13.25	41.75	S/L	20.00
345	Hoover Hill Project	6/30/19	347,360.00	0.00	0.00	24,315.40	6,947.20	31,262.60	316,097.40	S/L	50.00
346	HWY 1414 4920' 4"	6/30/19	51,421.00	0.00	0.00	3,598.84	1,028.42	4,627.26	46,793.74	S/L	50.00
347	Various Line Additions Miller Cons	6/30/19	64,990.00	0.00	0.00	4,549.60	1,299.80	5,849.40	59,140.60	S/L	50.00
348	OCWD Meters 3/4 New 41	6/30/19	9,656.00	0.00	0.00	1,689.60	482.80	2,172.40	7,483.60	S/L	20.00
349	OCWD Meters 3/4 New Sets 41	6/30/19	48,004.00	0.00	0.00	8,400.40	2,400.20	10,800.60	37,203.40	S/L	20.00
350	OCWD Meters 3/4 New 10 By Mill	6/30/19	2,355.00	0.00	0.00	412.50	117.75	530.25	1,824.75	S/L	20.00
351	OCWD Meters 3/4 Replacements 5c	6/30/19	133,058.00	0.00	0.00	23,284.80	6,652.90	29,937.70	103,120.30	S/L	20.00
352	OCWD Meters 3/4 Replacements S	6/30/19	40,680.00	0.00	0.00	7,119.00	2,034.00	9,153.00	31,527.00	S/L	20.00
353	HWY 69 Hrtld to Centertown 1200'	3/04/20	80,000.00	0.00	0.00	10,000.00	4,000.00	14,000.00	66,000.00	S/L	20.00
354	Fern Rd add 1800' 3" 90' 4"	6/30/20	14,940.00	0.00	0.00	1,868.00	747.00	2,615.00	12,325.00	S/L	20.00
355	Burnell Lane Add 1300' 3" 130' 4"	6/30/20	8,420.00	0.00	0.00	1,053.00	421.00	1,474.00	6,946.00	S/L	20.00
356	Kirk Lane 300' 4"	6/30/20	3,570.00	0.00	0.00	446.00	178.50	624.50	2,945.50	S/L	20.00
357	OCWD Meters 3/4 Replacements 48	6/30/20	150,060.00	0.00	0.00	18,758.00	7,503.00	26,261.00	123,799.00	S/L	20.00
358	OCWD Meters 3/4 New 54	6/30/20	12,717.00	0.00	0.00	1,589.70	635.85	2,225.55	10,491.45	S/L	20.00
359	OCWD Meters 3/4 New Sets 54	6/30/20	63,225.00	0.00	0.00	7,903.50	3,161.25	11,064.75	52,160.25	S/L	20.00
360	Fire Hydrant Cedar Grove	6/30/20	1,260.00	0.00	0.00	158.00	63.00	221.00	1,039.00	S/L	20.00
361	Fire Hydrant HWY 62	6/30/21	5,797.00	0.00	0.00	434.78	289.85	724.63	5,072.37	S/L	20.00
362	OCWD Meters 3 4 65 New Meters	6/30/21	15,308.00	0.00	0.00	1,148.10	765.40	1,913.50	13,394.50	S/L	20.00
363	OCWD Meters 3/4 New Sets 65	6/30/21	93,731.00	0.00	0.00	7,029.83	4,686.55	11,716.38	82,014.62	S/L	20.00
364	OCWD Meters 3/4 Replacement Mc	6/30/21	89,420.00	0.00	0.00	6,706.50	4,471.00	11,177.50	78,242.50	S/L	20.00
365	I69/HWY69 2200' of 8" KYTC Proj	6/30/21	374,735.00	0.00	0.00	28,105.13	18,736.75	46,841.88	327,893.12	S/L	20.00
366	Abandoned Lines (165,176)	12/31/04	-165,176.00 ✓	0.00	0.00	-102,343.70	-2,202.35	-104,546.05	-60,629.95	S/L	75.00
367	Abandoned Lines (87,931)	12/31/04	-87,931.00 ✓	0.00	0.00	-62,057.24	-1,758.62	-63,815.86	-24,115.14	S/L	50.00
368	Abandoned Lines (1965)	12/31/08	-9,323.00 ✓	0.00	0.00	-7,019.62	-124.31	-7,143.93	-2,179.07	S/L	75.00
369	Abandoned Lines (1975)	12/31/08	-6,217.00 ✓	0.00	0.00	-3,855.78	-82.89	-3,938.67	-2,278.33	S/L	75.00

Book Future Depreciation FYE: 12/31/23

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Trans & Distrib. Lines (continued)											
370	Abandoned Lines (1980)	12/31/08	-29,573.00 ✓	0.00	0.00	-16,360.62	-394.31	-16,754.93	-12,818.07	S/L	75.00
371	Abandoned Lines (1988)	12/31/08	-36,923.00 ✓	0.00	0.00	-17,347.92	-738.46	-18,086.38	-18,836.62	S/L	50.00
372	Abandoned Lines (2004)	12/31/08	-1,535.00 ✓	0.00	0.00	-540.40	-30.70	-571.10	-963.90	S/L	50.00
373	Abandoned Tank Demolished Toll I	12/31/09	-36,365.00 ✓	0.00	0.00	-25,404.74	-484.87	-25,889.61	-10,475.39	S/L	75.00
374	Abandoned Lines 2200' (1967)	12/31/20	-35,774.00 ✓	0.00	0.00	-27,908.98	-476.99	-28,385.97	-7,388.03	S/L	75.00
375	Adjustment	1/01/20	-53,753.00 ✓	0.00	0.00	-53,753.00	0.00	-53,753.00	0.00	S/L	75.00
376	Replaced Meters 2018	12/31/18	-246,973.00 ✓	0.00	0.00	-230,793.46	-4,939.46	-235,732.92	-11,240.08	S/L	50.00
377	Replaced Meters 2019	12/31/19	-107,350.00 ✓	0.00	0.00	-103,056.00	-2,147.00	-105,203.00	-2,147.00	S/L	50.00
378	Replaced Meters 2020	12/31/20	-92,720.00 ✓	0.00	0.00	-90,864.80	-1,855.20	-92,720.00	0.00	S/L	50.00
379	Replaced Meters 2021	12/31/20	-71,400.00 ✓	0.00	0.00	-69,972.00	-1,428.00	-71,400.00	0.00	S/L	50.00
503	Water Inlet Flow Replacement Flow	6/25/21	6,625.00 ✓	0.00	0.00	331.25	220.83	552.08	6,072.92	S/L	30.00
514	4" PRV Harlin Chaple	11/02/22	5,827.71 ✓	0.00	0.00	48.56	291.39	339.95	5,487.76	S/L	20.00
519	OCWD Meters 3/4 New 45	6/30/22	10,597.50 ✓	0.00	0.00	264.94	529.88	794.82	9,802.68	S/L	20.00
520	OCWD Meters 3/4 New Sets 45	6/30/22	46,916.98 ✓	0.00	0.00	1,172.92	2,345.85	3,518.77	43,398.21	S/L	20.00
521	OCWD Meters 3/4 Replacement M	6/30/22	19,251.60 ✓	0.00	0.00	481.29	962.58	1,443.87	17,807.73	S/L	20.00
522	OCWD Meters 3/4 Replacement M	6/30/22	119,161.49 ✓	0.00	0.00	2,979.04	5,958.07	8,937.11	110,224.38	S/L	20.00
523	OCWD Meters 1" Replacement	6/30/22	740.10 ✓	0.00	0.00	18.50	37.01	55.51	684.59	S/L	20.00
524	OCWD Meters 2" Replacement	6/30/22	1,008.58 ✓	0.00	0.00	25.21	50.43	75.64	932.94	S/L	20.00
525	Replaced Meters 2022	12/31/21	-75,096.00 ✓	0.00	0.00	-73,593.92	-1,502.08	-75,096.00	0.00	S/L	50.00
526	Line Extension	6/30/22	10,615.00 ✓	0.00	0.00	265.38 ✓	530.75	796.13	9,818.87	S/L	20.00
Trans & Distrib. Lines			26,150,029.96	0.00	0.00	10,833,382.85	605,572.54	11,438,955.39	14,711,074.57		
Group: Transportation Equipment											
D 474	1993 GMC 2 Ton VIN 6162	12/31/02	10,500.00	0.00	0.00	10,500.00	0.00	10,500.00	0.00	S/L	5.00
475	2002 GMC TC7 Dump Truck VIN :	7/06/11	12,000.00	0.00	0.00	12,000.00	0.00	12,000.00	0.00	S/L	5.00
476	2007 Chev Silverado VIN 8642	5/14/12	8,900.00	0.00	0.00	8,900.00	0.00	8,900.00	0.00	S/L	5.00
477	2008 Chev Silverado Ext Cab	3/28/13	11,500.00	0.00	0.00	11,500.00	0.00	11,500.00	0.00	S/L	5.00
478	10 Ton Tilt Trailer	4/25/13	12,358.00	0.00	0.00	12,358.00	0.00	12,358.00	0.00	S/L	10.00
479	14 FT Trailer	8/08/13	2,150.00	0.00	0.00	2,043.00	107.00	2,150.00	0.00	S/L	10.00
480	2004 Duo- Lift Tandem Trailer VIN	3/13/14	3,500.00	0.00	0.00	2,975.00	350.00	3,325.00	175.00	S/L	10.00
481	2008 Ford F-350 VIN 6906	8/01/14	15,900.00	0.00	0.00	15,900.00	0.00	15,900.00	0.00	S/L	5.00
D 482	2008 Chev 1500	12/11/14	10,525.00	0.00	0.00	10,525.00	0.00	10,525.00	0.00	S/L	5.00
483	2012 Ford F150 4X4 VIN 11707	6/15/15	17,000.00	0.00	0.00	15,300.00	1,700.00	17,000.00	0.00	S/L	5.00
485	2016 Ford F150 Supercab 4X4	7/03/15	25,703.00	0.00	0.00	19,275.60	2,570.30	21,845.90	3,857.10	S/L	10.00
486	2016 Ford F150 VIN 77835	6/02/16	25,532.00	0.00	0.00	23,706.86	1,825.14	25,532.00	0.00	S/L	7.00
487	2016 Ford F150 VIN 77836	6/02/16	25,532.00	0.00	0.00	23,706.86	1,825.14	25,532.00	0.00	S/L	7.00
488	16 FT Tilt Trailer	8/22/16	7,150.00	0.00	0.00	4,648.00	715.00	5,363.00	1,787.00	S/L	10.00
489	2002 Chev VIN 03742	1/30/17	19,500.00	0.00	0.00	15,322.42	2,785.71	18,108.13	1,391.87	S/L	7.00
490	10 FT Bed for 2002	1/30/17	3,000.00	0.00	0.00	2,358.14	428.57	2,786.71	213.29	S/L	7.00
491	2018 Ford F450	6/30/18	41,034.00	0.00	0.00	32,241.00	5,862.00	38,103.00	2,931.00	S/L	7.00
492	2018 Ford F450 Lights and Ser Bed	6/30/18	10,408.00	0.00	0.00	5,202.72	1,486.86	6,689.58	3,718.42	S/L	7.00
493	2018 Ford F150 VIN 5909	4/18/18	27,078.00	0.00	0.00	13,538.58	3,868.29	17,406.87	9,671.13	S/L	7.00
494	2018 Ford F150 VIN 5910	4/18/18	27,078.00	0.00	0.00	13,538.58	3,868.29	17,406.87	9,671.13	S/L	7.00
495	2019 Does D150 4X4 Supercab VIN	12/10/18	27,370.00	0.00	0.00	13,685.00	3,910.00	17,595.00	9,775.00	S/L	7.00
496	EZ WAU Trailer	10/15/18	1,695.00	0.00	0.00	594.00	169.50	763.50	931.50	S/L	10.00
497	Morstar SF 8'6" X 84" Flatbed	6/06/18	2,245.00	0.00	0.00	785.00	224.50	1,009.50	1,235.50	S/L	10.00
498	2018 Ford F150	6/10/21	32,769.00	0.00	0.00	7,412.04	4,681.29	12,093.33	20,675.67	S/L	7.00

Book Future Depreciation FYE: 12/31/23

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Transportation Equipment (continued)											
515	2017 Ford Explorer XLT	4/13/22	27,153.00	0.00	0.00	2,909.25	3,879.00	6,788.25	20,364.75	S/L	7.00
516	20' Trailer Pipe Hauler	11/16/22	3,590.00	0.00	0.00	29.92	359.00	388.92	3,201.08	S/L	10.00
517	2023 F-150 Crew Cab (Delivered in	12/31/22	44,472.00	0.00	0.00	0.00	6,353.14	6,353.14	38,118.86	S/L	7.00
518	2023 F-150 Crew Cab (Delivered in	12/31/22	44,472.00	0.00	0.00	0.00	6,353.14	6,353.14	38,118.86	S/L	7.00
	Transportation Equipment		500,114.00	0.00	0.00	280,954.97	53,321.87	334,276.84	165,837.16		
Group: Treatment Plnt/Related Eq											
380	300 GAL Storage Tank	7/01/87	269,688.00	0.00	0.00	193,277.52	5,393.76	198,671.28	71,016.72	S/L	50.00
381	Electric - Storage Tank	7/01/87	3,763.00	0.00	0.00	2,663.52	75.26	2,738.78	1,024.22	S/L	50.00
382	Electrical - Storage Tanks	7/01/88	9,488.00	0.00	0.00	6,554.52	189.76	6,744.28	2,743.72	S/L	50.00
383	Raw Water Intake System	7/01/92	560,572.00	0.00	0.00	314,631.88	11,211.44	325,843.32	234,728.68	S/L	50.00
384	500,000 Gal Storage Tank (Wendy	12/31/99	513,250.00	0.00	0.00	301,529.50	12,831.25	314,360.75	198,889.25	S/L	40.00
385	500,000 Gal Storage Tank (Hoover	12/31/99	422,014.00	0.00	0.00	247,925.70	10,550.35	258,476.05	163,537.95	S/L	40.00
386	Add'l Basis Storage Tank Basis SP 1	12/31/99	28,379.00	0.00	0.00	16,662.96	709.48	17,372.44	11,006.56	S/L	40.00
388	Storage Tanks (Add'l Cost) Series 1	7/01/00	4,115.00	0.00	0.00	2,368.76	102.88	2,471.64	1,643.36	S/L	40.00
389	500 Gal Storage Tank (Olaton)(Seri	12/31/01	735,227.00	0.00	0.00	395,190.36	18,380.68	413,571.04	321,655.96	S/L	40.00
390	500 Gal Storage Tank (IPE)	12/31/01	802,249.00	0.00	0.00	432,722.46	20,056.23	452,778.69	349,470.31	S/L	40.00
391	150 KW Generator	2/06/09	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	S/L	10.00
392	Generator	12/31/10	15,000.00	0.00	0.00	9,375.00	750.00	10,125.00	4,875.00	S/L	20.00
393	Raw Water Pumps	6/15/11	266,366.00	0.00	0.00	153,157.60	13,318.30	166,475.90	99,890.10	S/L	20.00
394	Raw Water Line 16"	6/15/11	71,041.00	0.00	0.00	16,340.64	1,420.82	17,761.46	53,279.54	S/L	50.00
395	RWI Generator	6/15/11	117,592.00	0.00	0.00	54,095.36	4,703.68	58,799.04	58,792.96	S/L	25.00
396	HI Service Pumps (Dist)	6/15/11	349,744.00	0.00	0.00	201,101.40	17,487.20	218,588.60	131,155.40	S/L	20.00
397	Equipment	6/15/11	17,379.00	0.00	0.00	17,379.00	0.00	17,379.00	0.00	S/L	10.00
398	Rapid Mixer	6/15/11	15,086.00	0.00	0.00	11,568.46	1,005.73	12,574.19	2,511.81	S/L	15.00
399	Floculator	6/15/11	111,439.00	0.00	0.00	85,434.54	7,429.27	92,863.81	18,575.19	S/L	15.00
400	Instrumentation	6/15/11	797,062.00	0.00	0.00	611,076.94	53,137.47	664,214.41	132,847.59	S/L	15.00
401	Static Mixer	6/15/11	18,347.00	0.00	0.00	10,546.70	917.35	11,464.05	6,882.95	S/L	20.00
402	Sludge Collector	6/15/11	85,618.00	0.00	0.00	49,230.80	4,280.90	53,511.70	32,106.30	S/L	20.00
403	Plate Settlers	6/15/11	232,392.00	0.00	0.00	66,814.60	5,809.80	72,624.40	159,767.60	S/L	40.00
404	Chemical Feed System	6/15/11	209,003.00	0.00	0.00	60,088.16	5,225.08	65,313.24	143,689.76	S/L	40.00
405	Carbon Asorption Vessels	6/15/11	353,343.00	0.00	0.00	101,590.16	8,833.58	110,423.74	242,919.26	S/L	40.00
406	Chlorination Equipment	6/15/11	113,885.00	0.00	0.00	32,741.26	2,847.13	35,588.39	78,296.61	S/L	40.00
407	Ultrafiltration Membrane Equip	6/15/11	70,669.00	0.00	0.00	20,319.46	1,766.73	22,086.19	48,582.81	S/L	40.00
408	Chemical Tanks	6/15/11	46,478.00	0.00	0.00	13,362.90	1,161.95	14,524.85	31,953.15	S/L	40.00
409	Filters	6/15/11	2,500,708.00	0.00	0.00	711,276.70	62,517.70	773,794.40	1,726,913.60	S/L	40.00
410	Ford Tractor/Bushhog	10/03/12	6,300.00	0.00	0.00	6,300.00	0.00	6,300.00	0.00	S/L	10.00
411	Generator Installation	2/02/12	1,190.00	0.00	0.00	629.00	59.50	688.50	501.50	S/L	20.00
412	Aerators	12/31/13	6,717.00	0.00	0.00	3,807.60	447.80	4,255.40	2,461.60	S/L	15.00
413	2001 Exma Riding Mower	10/01/14	2,889.00	0.00	0.00	2,600.80	288.20	2,889.00	0.00	S/L	10.00
414	Labaratory Equipment	12/14/15	27,555.00	0.00	0.00	20,669.00	2,755.50	23,424.50	4,130.50	S/L	10.00
415	Generator Installation	12/15/16	56,914.00	0.00	0.00	15,938.12	2,276.56	18,214.68	38,699.32	S/L	25.00
416	Shed for Generator (WTP)	12/31/16	5,365.00	0.00	0.00	1,504.20	214.60	1,718.80	3,646.20	S/L	25.00
417	Generator Hooup & Enclosure	4/03/17	555.00	0.00	0.00	121.40	22.20	143.60	411.40	S/L	25.00
418	WTP Generator Install & Transfer V	5/19/17	8,554.00	0.00	0.00	1,881.32	342.16	2,223.48	6,330.52	S/L	25.00
419	Concrete Pad for Generator	6/09/17	2,700.00	0.00	0.00	594.00	108.00	702.00	1,998.00	S/L	25.00
420	Digital Control Update	8/15/17	11,479.00	0.00	0.00	2,525.32	459.16	2,984.48	8,494.52	S/L	25.00

Book Future Depreciation FYE: 12/31/23

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Treatment Plnt/Related Eq (continued)											
421	WTP Generator Parts	8/15/17	3,400.00	0.00	0.00	748.00	136.00	884.00	2,516.00	S/L	25.00
422	Bldg Ext & WTP Generator Shelter	10/06/17	5,140.00	0.00	0.00	1,132.20	205.60	1,337.80	3,802.20	S/L	25.00
423	WTP Main Generator	11/21/17	2,638.00	0.00	0.00	582.04	105.52	687.56	1,950.44	S/L	25.00
424	SCADA Software Update	12/27/17	15,933.00	0.00	0.00	3,504.64	637.32	4,141.96	11,791.04	S/L	25.00
425	Bleach System	7/23/18	110,160.00	0.00	0.00	12,086.40	4,406.40	16,492.80	93,667.20	S/L	25.00
426	Bleach System Set Up	9/09/19	27,166.00	0.00	0.00	3,803.28	1,086.64	4,889.92	22,276.08	S/L	25.00
	Treatment Plnt/Related Eq		<u>9,044,552.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,227,454.18</u>	<u>285,664.94</u>	<u>4,513,119.12</u>	<u>4,531,432.88</u>		
Group: Water Contract											
2	Water Contract	3/01/67	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	40.00
	Water Contract		<u>1,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,000.00</u>	<u>0.00</u>	<u>1,000.00</u>	<u>0.00</u>		
	Grand Total		<u>45,661,244.64</u>	<u>0.00</u>	<u>0.00</u>	<u>18,390,861.66</u>	<u>1,207,819.37</u>	<u>19,598,681.03</u>	<u>26,062,563.61</u>		

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND F

PROJECT NUMBER: F08-08

BORROWER: Ohio County Water District

BORROWER'S ADDRESS: PO Box 207
124 East Washington Street
Hartford, Kentucky 42347

DATE OF ASSISTANCE AGREEMENT: August 1, 2009

CFDA NO.: 66.468

ASSISTANCE AGREEMENT

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. Representations and Warranties of Authority 6
SECTION 2.2. Representations and Warranties of the Governmental Agency 6

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

SECTION 3.1. Determination of Eligibility 9
SECTION 3.2. Principal Amount of Loan Established; Loan Payments;
Disbursement of Funds 9
SECTION 3.3. Governmental Agency's Right to Prepay Loan 9
SECTION 3.4. Subordination of Loan 9

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT;
REQUISITION FOR FUNDS

SECTION 4.1. Covenants of Governmental Agency and Conditions of Loan 11
SECTION 4.2. Additional Conditions to Disbursement Required
Under the Federal Agreement 13
SECTION 4.3. Disbursements of Loan; Requisition for Funds 15

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 16
SECTION 5.2. Governmental Agency's Obligation to Repay Loan 16
SECTION 5.3. Covenant to Adjust Service Charges 16
SECTION 5.4. Adequacy of Service Charges 16
SECTION 5.5. Covenant to Establish Maintenance and Replacement Reserve 17
SECTION 5.6. Covenant to Charge Sufficient Rates; Reports; Inspections 17
SECTION 5.7. Segregation of Funds 17

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

SECTION 6.1.	Further Assurance	18
SECTION 6.2.	Completion of Project	18
SECTION 6.3.	Establishment of Completion Date	18
SECTION 6.4.	Commitment to Operate	18
SECTION 6.5.	Continue to Operate	18
SECTION 6.6.	Tax Covenant	18
SECTION 6.7.	Accounts and Reports	18
SECTION 6.8.	Financial Statements	19
SECTION 6.9.	General Compliance With All Duties	19
SECTION 6.10.	General	19
SECTION 6.11.	Further Covenants Under the Federal Agreement	19
SECTION 6.12.	Continuing Disclosure Obligation	21

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

SECTION 7.1.	Maintenance of System	22
SECTION 7.2.	Additions and Improvements	22
SECTION 7.3.	System Not to be Disposed of.....	22
SECTION 7.4.	Compliance with State and Federal Standards.....	22
SECTION 7.5.	Access to Records	22
SECTION 7.6.	Covenant to Insure - Casualty	22
SECTION 7.7.	Authority as Named Insured	23
SECTION 7.8.	Covenant to Insure - Liability	23
SECTION 7.9.	Covenant Regarding Workers' Compensation	23
SECTION 7.10.	Application of Casualty Insurance Proceeds.....	23
SECTION 7.11.	Eminent Domain	23
SECTION 7.12.	Flood Insurance.....	24

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1.	Events of Default Defined.....	25
SECTION 8.2.	Remedies on Default.....	25
SECTION 8.3.	Appointment of Receiver	26
SECTION 8.4.	No Remedy Exclusive.....	26
SECTION 8.5.	Consent to Powers of Authority Under Act.....	26
SECTION 8.6.	Waivers	26
SECTION 8.7.	Agreement to Pay Attorneys' Fees and Expenses	26

ARTICLE IX

MISCELLANEOUS PROVISIONS

SECTION 9.1.	Approval not to be Unreasonably Withheld.....	27
SECTION 9.2.	Approval.....	27
SECTION 9.3.	Effective Date.....	27
SECTION 9.4.	Binding Effect.....	27
SECTION 9.5.	Severability	27
SECTION 9.6.	Assignability	27
SECTION 9.7.	Execution in Counterparts.....	27
SECTION 9.8.	Applicable Law	27
SECTION 9.9.	Captions	27
SIGNATURES		28
EXHIBIT A - PROJECT SPECIFICS		A-1
EXHIBIT B - REQUISITION FORM		B-1
EXHIBIT C - SCHEDULE OF SERVICE CHARGES.....		C-1
EXHIBIT D - RESOLUTION.....		D-1
EXHIBIT E - LEGAL OPINION.....		E-1
EXHIBIT F - SCHEDULE OF PAYMENTS.....		F-1
EXHIBIT G - ADDITIONAL COVENANTS AND AGREEMENTS		G-1

ASSISTANCE AGREEMENT

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

WITNESSETH

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

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

WHEREAS, the Program is funded in part, pursuant to the Capitalization Grant Operating Agreement between the Authority and the U.S. Environmental Protection Agency dated as of November 1, 1998 (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 National City Bank of Kentucky (the "Trustee") in order to provide the "match funding" for the Program; and

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

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

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

"*Cabinet*" means the Natural Resources and Environmental Protection Cabinet of the Commonwealth.

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

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

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

"*Debt Obligations*" shall mean those outstanding obligations of the Governmental Agency identified in the Project Specifics outstanding as of the date of this Assistance

Agreement or issued in the future in accordance with the terms hereof, payable from the income and revenues of the System.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

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

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

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

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

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

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

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

Section 3.4. Subordination of Loan. The Authority hereby agrees that the security interest and source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable

from the revenues of the System outstanding at the time this Assistance Agreement is executed as identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.5(D) hereof.

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT; REQUISITION FOR FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) Notwithstanding any other agreements contained herein regarding the maintenance of books and records, that it shall maintain Project accounts in accordance with

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

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

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

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

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

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

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

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

Accounts" established by the Commonwealth, in which complete and accurate entries shall be made of all its transactions relating to the System and which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Financial Statements. Within ninety (90) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principles on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity.

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

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

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

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

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

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

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

(1) Federal Cross-Cutters

Environmental Authorities

- (a) Archeological and Historic Preservation Act of 1974, Pub. L. 86-523, as amended
- (b) Clean Air Act, Pub. L. 84-159, as amended
- (c) Coastal Barrier Resources Act, Pub. L. 97-348
- (d) Coastal Zone Management Act, Pub. L. 93-583, as amended
- (e) Endangered Species Act, Pub. L. 93-205, as amended
- (f) Environmental Justice, Executive Order 12898
- (g) Floodplain Management, Executive Order 11988 as amended by Executive Order 12148
- (h) Protection of Wetlands, Executive Order 11990
- (i) Farmland Protection Policy Act, Pub. L. 97-98
- (j) Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- (k) National Historic Preservation Act of 1966, PL 89-665, as amended
- (l) Safe Drinking Water Act, Pub. L. 93-523, as amended
- (m) 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 224

(b) KRS 224A.1115 Federally Assisted Drinking Water Revolving Fund

(c) KRS Chapter 337, Labor Laws

(d) 401 KAR Chapter 5

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

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IX

MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

ATTEST:

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

By: _____

Title: _____

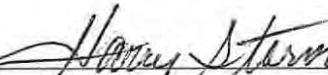
Title: _____

ATTEST:

**GOVERNMENTAL AGENCY:
OHIO COUNTY WATER DISTRICT**



Title: SECRETARY

By: 

Title: CHAIRMAN

APPROVED:

EXAMINED:

SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

ENERGY AND ENVIRONMENT CABINET

By: _____
Director
Division of Water

APPROVED AS TO FORM AND LEGALITY

APPROVED
FINANCE AND ADMINISTRATION CABINET

EXHIBIT A
Ohio County Water District
PROJECT SPECIFICS
F08-08

GOVERNMENTAL AGENCY:

Name: Ohio County Water District
 PO Box 207
 Hartford, Kentucky 42347

Contact

Person: Harry Storm
 270-298-7704

SYSTEM: Drinking Water

PROJECT: The OCWD is requesting a \$2,000,000 increase to it's previously approved Fund F loan of \$3,000,000 approved in March, 2008 to construct a new 4 MGD water treatment plant. The new treatment plant will replace an existing 2 MGD plant and to offset the loss of treated water now supplied to the District under contract with a local poultry processing facility. The existing plant does not meet current drinking water regulations and the contract with the poultry facility expires February 2009. The existing raw water intake structure will be upgraded to serve the new water plant. Source water for the new plant will continue to be the Green River. The project will also include conversion of an existing treated water main to transport raw water and a new section of treated water transmission main.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 286,335
Legal Expenses	\$ 40,000
Land, Easements	\$ 165,000
Engineering Fees	\$ 1,505,303
Construction	\$ 10,200,000
Pilot Testing and Treatment	\$ 60,000
Miscellaneous	\$ 50,000
Contingency	\$ 993,362
Debt Refinancing	\$ 6,398,500
Total	<u>\$ 19,698,500</u>

FUNDING SOURCES:

	<u>Amount</u>	<u>%</u>
Fund F Loan - Revised	\$ 5,000,000	25%
EDA Grant	\$ 1,500,000	8%
RD Grant	\$ 1,500,000	8%
RD Loan	\$ 9,198,500	47%
KIA IEDF Grant	\$ 550,000	3%
GRIDA	\$ 450,000	2%
Local Funds	\$ 1,500,000	8%
Total	<u>\$ 19,698,500</u>	<u>100%</u>

KIA DEBT SERVICE:

	REVISED	ORIGINAL	INCREASE
Construction Loan	\$ 5,000,000	\$ 3,000,000	\$ 2,000,000
Interest Rate	1.00%	1.00%	1.00%
Loan Term (Years)	\$ 20	\$ 20	\$ 20
Estimated Annual Debt Service	\$ 276,455	\$ 165,873	\$ 110,582
Administrative Fee (0.25%)	\$ 12,500	\$ 7,500	\$ 5,000
Total Estimated Annual Debt Service	\$ 288,955	\$ 173,373	\$ 115,582

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 12/1/09).

Full principal and interest payments will commence within one year of initiation of operation (estimated 12/01/11).

REPLACEMENT RESERVE ACCOUNT: \$ 12,500 ANNUAL AMOUNT
 \$ 125,000 TOTAL AMOUNT

The annual replacement cost is \$12,500. This amount should be added to the replacement account each December 1 until the balance reaches \$125,000 and maintained for the life of the loan.

ADMINISTRATIVE FEE: 0.25%

DEFAULT RATE: 8.00%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

	Outstanding	Maturity
KIA Fund C Loan	\$227,789	2014
GMAC Loan	\$31,582	2013
Series 1998 Revenue Bonds	\$3,220,000	Refinance with RD
Series 2000 Revenue Bonds	\$3,510,000	Refinance with RD
Series 2003 Revenue Bonds	\$1,495,000	2023
Total	\$8,484,371	

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	<u>SEE ATTACHED</u>
Death or Personal Injury (per occurrence)	_____
Property Damage on System	_____

EXHIBIT B

REQUEST FOR PAYMENT WITH RESPECT TO
ASSISTANCE AGREEMENT DATED AUGUST 1, 2009
LOAN NO. F08-08

Request No. _____

Dated: _____

Original sent to: Kentucky Infrastructure Authority
1024 Capital Center Drive
Suite 340
Frankfort, Kentucky 40601

Copy sent to: Water Infrastructure Branch
Division of Water
Energy and Environment Cabinet
200 Fair Oaks, 4th Floor
Frankfort, Kentucky 40601

FROM: OHIO COUNTY WATER DISTRICT (the "Governmental Agency")

Gentlemen:

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of drinking water supply 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 totaling \$ _____.

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

ELIGIBLE PROJECT EXPENSES INCURRED

<u>Contractor</u>	<u>Expenses this Request</u>	<u>Expenses to Date</u>
-------------------	------------------------------	-------------------------

Total

ALLOCATION OF FUNDING FOR EXPENSES

<u>Funding Source</u>	<u>Portion of Expenses this Request</u>	<u>Portion of Expenses Total to Date</u>
-----------------------	---	--

Totals

The Governmental Agency certifies it has also paid Project expenses for planning and design or has submitted requisitions to the applicable funding sources for Project expenses, which have not been identified in any previous Request or Payment, as follows:

<u>Funding Source</u>	<u>Amount of Payment or Requisition</u>	<u>Date of Payment or Requisition</u>
-----------------------	---	---------------------------------------

Respectfully submitted,

Governmental Agency

By: _____

Title _____

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]

EXHIBIT D

RESOLUTION

RESOLUTION OF THE OHIO COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT DATED AS OF AUGUST 1, 2009 BETWEEN THE OHIO COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

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

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

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an assistance agreement dated as of August 1, 2009 (the "Assistance Agreement") with the Authority.

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

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

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

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

ADOPTED on _____, 2009.

Chairman

Attest:

Title: Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Ohio County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said District at a meeting duly held on _____, 2009; 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 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this ____ day of _____, 2009.

Recording Officer

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

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

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and Ohio County Water District, dated as of August 1, 2009

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 Ohio County Water District, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the drinking water supply project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

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

Based upon my review I am of the opinion that:

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT F

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

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

Principal and Interest Payable
on Each June 1 and December 1

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

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

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

By: _____

Title: _____

**OHIO COUNTY WATER DISTRICT
Governmental Agency**

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

NONE

45145.1

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND F

PROJECT NUMBER: F15-069

BORROWER: Ohio County Water District

BORROWER'S ADDRESS: 124 East Washington Street
PO Box 207
Hartford, Kentucky 42347

DATE OF ASSISTANCE AGREEMENT: August 1, 2016

CFDA NO.: 66.458

ASSISTANCE AGREEMENT

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. Representations and Warranties of Authority 6
SECTION 2.2. Representations and Warranties of the Governmental Agency 6

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

SECTION 3.1. Determination of Eligibility..... 9
SECTION 3.2. Principal Amount of Loan Established; Loan Payments;
Disbursement of Funds 9
SECTION 3.3. Governmental Agency's Right to Prepay Loan 9
SECTION 3.4. Subordination of Loan 9

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT;
REQUISITION FOR FUNDS

SECTION 4.1. Covenants of Governmental Agency and Conditions of Loan..... 11
SECTION 4.2. Additional Conditions to Disbursement Required
Under the Federal Agreement..... 13
SECTION 4.3. Disbursements of Loan; Requisition for Funds 14

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..... 16
SECTION 5.2. Governmental Agency's Obligation to Repay Loan 16
SECTION 5.3. Covenant to Adjust Service Charges 16
SECTION 5.4. Adequacy of Service Charges 16
SECTION 5.5. Covenant to Establish Maintenance and Replacement Reserve 17
SECTION 5.6. Covenant to Charge Sufficient Rates; Reports; Inspections 17
SECTION 5.7. Segregation of Funds 17

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

SECTION 6.1.	Further Assurance.....	18
SECTION 6.2.	Completion of Project.....	18
SECTION 6.3.	Establishment of Completion Date.....	18
SECTION 6.4.	Commitment to Operate	18
SECTION 6.5.	Continue to Operate.....	18
SECTION 6.6.	Tax Covenant.....	18
SECTION 6.7.	Accounts and Reports.....	18
SECTION 6.8.	Financial Statements.....	19
SECTION 6.9.	General Compliance With All Duties.....	19
SECTION 6.10.	General.....	19
SECTION 6.11.	Further Covenants Under the Federal Agreement.....	19
SECTION 6.12.	Continuing Disclosure Obligation	21

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

SECTION 7.1.	Maintenance of System.....	22
SECTION 7.2.	Additions and Improvements.....	22
SECTION 7.3.	System Not to be Disposed of	22
SECTION 7.4.	Compliance with State and Federal Standards	22
SECTION 7.5.	Access to Records.....	22
SECTION 7.6.	Covenant to Insure - Casualty.....	22
SECTION 7.7.	Authority as Named Insured.....	23
SECTION 7.8.	Covenant to Insure - Liability.....	23
SECTION 7.9.	Covenant Regarding Workers' Compensation.....	23
SECTION 7.10.	Application of Casualty Insurance Proceeds	23
SECTION 7.11.	Eminent Domain.....	23
SECTION 7.12.	Flood Insurance	24

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1.	Events of Default Defined	25
SECTION 8.2.	Remedies on Default.....	25
SECTION 8.3.	Appointment of Receiver.....	26
SECTION 8.4.	No Remedy Exclusive	26
SECTION 8.5.	Consent to Powers of Authority Under Act.....	26
SECTION 8.6.	Waivers	26
SECTION 8.7.	Agreement to Pay Attorneys' Fees and Expenses.....	26

ARTICLE IX

MISCELLANEOUS PROVISIONS

SECTION 9.1.	Approval not to be Unreasonably Withheld	27
SECTION 9.2.	Approval	27
SECTION 9.3.	Effective Date	27
SECTION 9.4.	Binding Effect.....	27
SECTION 9.5.	Severability	27
SECTION 9.6.	Assignability	27
SECTION 9.7.	Execution in Counterparts	27
SECTION 9.8.	Applicable Law.....	27
SECTION 9.9.	Captions	27
SIGNATURES		28
EXHIBIT A - PROJECT SPECIFICS		A-1
EXHIBIT B - REQUISITION FORM.....		B-1
EXHIBIT C - SCHEDULE OF SERVICE CHARGES		C-1
EXHIBIT D – RESOLUTION.....		D-1
EXHIBIT E - LEGAL OPINION		E-1
EXHIBIT F - SCHEDULE OF PAYMENTS		F-1
EXHIBIT G - ADDITIONAL COVENANTS AND AGREEMENTS.....		G-1

ASSISTANCE AGREEMENT

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

WITNESSETH

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

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

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

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

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

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

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

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

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

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

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

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

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

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

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

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

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT; REQUISITION FOR FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Federal Cross-Cutters

Environmental Authorities

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

Economic and Miscellaneous Authorities

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

Social Policy Authorities

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

(2) State:

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

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

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IX

MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

ATTEST:

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

Bridi Norton
SECRETARY
Title: _____

By: Sandra K. Dunaker
Title: _____ BOARD CHAIR

ATTEST:

**GOVERNMENTAL AGENCY:
OHIO COUNTY WATER DISTRICT**

Eddie Embury
Title: Secretary

By: B. E. G.
Title: Chairman

APPROVED:

William M. Randrum III
SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

EXAMINED:

Peck Shaffer & Williams
a division of Ammer & Shobe
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

APPROVED AS TO FORM AND LEGALITY

Patrick M. De...
APPROVED
FINANCE AND ADMINISTRATION CABINET

EXHIBIT A
OHIO COUNTY WATER DISTRICT
PROJECT SPECIFICS
F15-069

GOVERNMENTAL AGENCY:

Name: Ohio County Water District
124 East Washington Street P.O.Box 207
Hartford, KY 42347

Contact
Person: Walt Beasley
Superintendent

SYSTEM: Water

PROJECT:

This project will replace approximately 17,500 linear feet (LF) of eight and ten inch lines with a sixteen inch line. It will eliminate one pump station resulting in a savings of about \$40,000 annually and will improve reliability of the system to effectively deliver water to the northern section of Ohio County and the southern section of Daviess County.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 42,000
Legal Expenses	18,000
Engineering Fees - Design / Const	78,000
Engineering Fees - Inspection	56,000
Engineering Fees - Other	6,000
Construction	1,281,000
Contingency	119,000
Other	30,000
Total	\$ 1,630,000

FUNDING SOURCES:

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 1,630,000	100%
Total	\$ 1,630,000	100%

KIA DEBT SERVICE:

Construction Loan	\$ 1,630,000
Less: Principal Forgiveness (0%)	0
Amortized Loan Amount	<u>\$ 1,630,000</u>
Interest Rate	1.75%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 96,945
Administrative Fee (0.25%)	<u>4,075</u>
Total Estimated Annual Debt Service	\$ 101,020

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 12/01/16).

Full principal and interest payments will commence within one year of initiation of operation (estimated 12/01/17).

REPLACEMENT RESERVE ACCOUNT:	\$ 4,100 ANNUAL AMOUNT
	\$ 41,000 TOTAL AMOUNT

The annual replacement cost is \$4,100. This amount should be added to the replacement account each December 1 until the balance reaches \$41,000 and maintained for the life of the loan.

ADMINISTRATIVE FEE: 0.25%

DEFAULT RATE: 8.00%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan (C89-27)	\$ -	2014
KIA Loan (F08-08)	3,787,769	2031
Revenue Bonds Series 2003	1,090,000	2023
USDA Revenue Bonds Series A	6,921,000	2050
USDA Revenue Bonds Series B	<u>1,186,500</u>	2050
Total	\$ 12,985,269	

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)
Death or Personal Injury (per occurrence)
Property Damage on System

1,000,000.⁰⁰
1,000,000.⁰⁰
1,000,000.⁰⁰

**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 polices which conform to KRS 45A.

Borrower Signature: _____

Project Administrator: _____

Draw # _____

STATUS REPORT:
PROJECT IS:

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

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

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

FOR Ohio County, Kentucky
Community, Town or City
P.S.C. KY. NO. 1
Original SHEET NO. 7
CANCELLING P.S.C. KY. NO. 7
New SHEET NO. 7

Ohio County Water District
(Name of Utility)

CONTENTS

D. SPECIAL NON-RECURRING CHARGES:

Connection/Turn-on Charge	\$ 35.00
Meter Re-read Charge	35.00
Meter Test Charge (5/8" Meter)	65.00
Meter Test Charge (1" Meter)	Actual Cost
Re-Connect Charge	65.00
Returned Check Charge	25.00
Service Call/Investigation	35.00
Service Call/Investigation (After Hours)	45.00

NOTE---Regular working hours for the utility's Maintenance Staff is 8:00 am to 4:00 pm Monday through Friday, excluding holidays. Upon customer request, and subject to availability of Maintenance Staff, services may be performed outside regular working hours at the after hours rate.

DATE OF ISSUE _____
Month / Date / Year

Month / Date / Year

ISSUED BY



(Signature of Officer)

TITLE

Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____

DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
11/18/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By



Executive Director

EXHIBIT C
SCHEDULE OF SERVICE CHARGES

See Attached

EXHIBIT D

RESOLUTION

RESOLUTION OF THE OHIO COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT DATED AS OF AUGUST 1, 2016 BETWEEN THE OHIO COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

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

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

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an assistance agreement dated as of August 1, 2016 (the "Assistance Agreement") with the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Ohio County Water District, as follows:

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

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

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

ADOPTED on _____, 2016.

Chairman

Attest:

Title: Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Ohio County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of said District at a meeting duly held on _____, 2016; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this ____ day of _____, 2016.

Secretary

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

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

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and Ohio County Water District, dated as of August 1, 2016

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 Ohio County Water District, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the drinking water supply project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

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

Based upon my review I am of the opinion that:

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT F

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

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

Principal and Interest Payable
on Each June 1 and December 1

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

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

KENTUCKY INFRASTRUCTURE AUTHORITY

By: _____

Title: _____

**OHIO COUNTY WATER DISTRICT, Governmental
Agency**

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

NONE

10529100v1

Re: Assistance Agreement between the Kentucky Infrastructure Authority ("KIA") and Ohio County Water District (the "Governmental Agency"), dated as of August 1, 2016

GENERAL CLOSING CERTIFICATE OF GOVERNMENTAL AGENCY

In connection with the above-captioned Assistance Agreement (the "Assistance Agreement"), the Governmental Agency, through its undersigned duly authorized officer hereby certifies, represents, warrants and covenants as follows:

1. No event of default exists, or with the passage of time will exist, under the Assistance Agreement and the representations and warranties set forth in the Assistance Agreement are true and correct as of the date hereof.

2. The Governmental Agency has examined and is familiar with proceedings of the governing body of the Governmental Agency approving the Assistance Agreement and authorizing its negotiation, execution and delivery and such proceedings were duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such proceedings are in full force and effect and have not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

3. The Governmental Agency is a duly organized and validly existing political subdivision of the Commonwealth of Kentucky with full power to own its properties, conduct its affairs, enter into the Assistance Agreement and consummate the transactions contemplated thereby.

4. The negotiation, execution and delivery of the Assistance Agreement by the Governmental Agency and the consummation of the transactions contemplated thereby by the Governmental Agency have been duly authorized by all requisite action of the governing body of the Governmental Agency.

5. 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.

6. There is no controversy or litigation of any nature pending, or to the knowledge of the Governmental Agency after diligent inquiry, 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 the Assistance Agreement or to 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 which have been taken in the authorization or delivery of the Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of the Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of the

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 the Assistance Agreement.

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

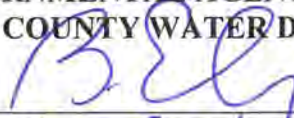
8. All actions taken by the Governmental Agency in connection with the Assistance Agreement and the loan described therein and the Project, as defined in the Assistance Agreement, have been in full compliance with the provisions of the Kentucky Open Meetings Law, KRS 61.805 to 61.850.

9. The Governmental Agency has all licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project and to enter into the Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Governmental Agency Project, and has full right, power and authority to perform the acts and things as provided for in the Assistance Agreement.


10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Governmental Agency indicated after their respective names and the signatures subscribed above their names are their genuine signatures.

WITNESS our signatures, this 15 day of August, 2016.

**GOVERNMENTAL AGENCY:
OHIO COUNTY WATER DISTRICT**

By: 
Name: BEN EVERLEY
Title: Chairman

Attest:

By: 
Name: Eddie Embrey
Title: Secretary



GERALD WUETCHER
DIRECT DIAL: (859) 231-3017
DIRECT FAX: (859) 258-3517
gerald.wuetcher@skofirm.com

2000 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KY 40202-2828
MAIN: (502) 333-6000
FAX: (502) 333-6099

August 26, 2016

Kentucky Infrastructure Authority
1024 Capital Drive
Frankfort, KY 40601

Re: Assistance Agreement by and between Kentucky Infrastructure Authority
and Ohio County Water District dated as of August 1, 2016, F15-069

Dear Ladies and Gentlemen:

The undersigned is an attorney-at-law duly admitted to the practice of law in the Commonwealth of Kentucky (the "Commonwealth") and is special legal counsel to Ohio County Water District (the "Governmental Agency"). I am familiar with the organization and existence of the Governmental Agency and the applicable laws of the Commonwealth.

Additionally, I am familiar with the infrastructure project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority (the "Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of the Assistance Agreement by and between the Authority and the Governmental Agency, the resolution of the Board of Commissioners of the Governmental Agency 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 political subdivision and body corporate of the Commonwealth validly existing under the Constitution and statutes of the Commonwealth.
- 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 (a) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (b) 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.

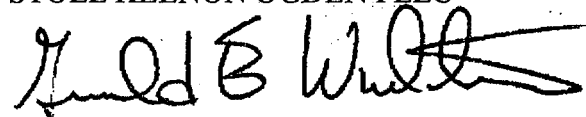
6) To the best of my knowledge after due inquiry there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body, pending or threatened, (a) that would have a material adverse effect on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement or (b) 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, or (v) the validity or enforceability of the Service Charges.

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

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

Very truly yours,

STOLL KEENON OGDEN PLLC



Gerald E. Wuetcher

Ohio County Water District

124 East Washington Street • P.O. Box 207 Hartford, Kentucky 42347
270-298-7704 • 1-800-953-2880

August 15, 2016

The Ohio County Water District Board of Commissioners met for their monthly board meeting Monday, August 15, 2016. Members present were Ben Everley, Chuck Price, Cletus Greer, Eddie Embry Sr., Jay Raymond, Mark Whitehouse and Reid Haire. Employees present for the meeting were Walt Beasley, Vicki Shields and Valerie Peach. Visitor present was Gerald Watts with Embry and Watts.

Motion # 1

A motion was made by Mark Whitehouse to approve the minutes of the July 25, 2016 meeting. A second to the motion was given by Eddie Embry Sr. Motion carries unanimously.

Motion # 2

A motion was made by Reid Haire to approve the financial report as presented by Gerald Watts from Embry and Watts. A second to this motion was given by Jay Raymond. Motion carries unanimously.

Motion #3

A motion was made by Mark Whitehouse to Adopt Resolution 16-04 Assistance Agreement between Kentucky Infrastructure Authority and Ohio County Water District. A second to this motion was given by Cletus Greer. Motion carries unanimously.

OCWD Board opened two bids received on 2008 Chevrolet.

Motion #4

A motion was made by Chuck Price to award winning bid in the amount of \$5,150.00 to Ronnie Henderson on the 2008 Chevrolet truck, VIN # 1GCEC19048Z252458. A second to this motion was given by Eddie Embry SR... Motion carries unanimously.

Walt Beasley reviewed the Water Loss Report, Revenue Report, Phase 1 Update to begin September 1, 2016, Baizetown Project ready to bid by late fall, and the WTP Lagoon Project bids to be opened September 1, 2016 at 2:00 PM.

Mr. Haire raised questions to lead in the water in Kentucky referring to news article; Mr. Beasley advised that we have no lead in our system also of the required testing we do in customers' homes have not been out of range. Walt also stated he would find out next week where in KY they're having problems.

Page 2

The Board discussed the Sexual Harassment Policy outline and the Nepotism Policy outline. Mark Whitehouse brought up concerns in Sexual Harassment policy that would be covered in the Nepotism policy board suggested removing that paragraph. Also, suggested the wording should be changed to included "protected by law". Jay Raymond brought up discussion in regards to defining "family" how broad this should reach. Vicki Shields suggested going by OCWD policy in which we recognize family in our bereavement Policy. Walt Beasley agreed and suggested to contact attorney who drew up policies and revisit those concerns. Items were tabled until next meeting.

Motion #6

A motion was made by Reid Haire to adjourn. A second to this motion was given by Cletus Greer. Motion carries unanimously.

The next board meeting will be on Monday, September 19, 2016 at 5:00.

Ben Everley, Chairman

Eddie Embry Sr., Secretary

RESOLUTION 16-04

RESOLUTION OF THE OHIO COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT DATED AS OF AUGUST 1, 2016 BETWEEN THE OHIO COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

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

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

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an assistance agreement dated as of August 1, 2016 (the "Assistance Agreement") with the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Ohio County Water District, as follows:

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

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

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

ADOPTED on August 15, 2016.


Chairman


Attest:


Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Ohio County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of said District at a meeting duly held on Aug. 15, 2016; 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 15 day of August, 2016.


Secretary

10529125v1

ASSISTANCE AGREEMENT
BETWEEN
KENTUCKY RURAL WATER FINANCE CORPORATION
AND
OHIO COUNTY WATER DISTRICT
DATED
JANUARY 7, 2020
IN THE AMOUNT OF \$7,335,000

This document was prepared by:

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

By




TABLE OF CONTENTS TO ASSISTANCE AGREEMENT

Section 1.	Definitions	3
Section 2.	Reaffirmation of Declaration of Waterworks System	7
Section 3.	Authorization of Loan; Place of Payment; Manner of Execution	7
Section 4.	Redemption.....	8
Section 5.	Loan Payable Out of Gross Revenues on a Parity with Prior Bonds.....	8
Section 6.	Compliance with Parity Coverage Requirements of the Prior Bond Legislation....	9
Section 7.	Flow of Funds	9
Section 8.	Disposition of Proceeds of the Loan; Governmental Agency Account.....	10
Section 9.	Arbitrage Limitations.....	11
Section 10.	Parity Bonds.....	13
Section 11.	Rates and Charges for Services of the System	14
Section 12.	All Obligations of this Loan Are Equal	15
Section 13.	Defeasance and/or Refunding of the Loan	15
Section 14.	Contractual Nature of Assistance Agreement.....	16
Section 15.	Appointment and Duties of Trustee.....	16
Section 16.	Provisions in Conflict Repealed	17
Section 17.	Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.....	17
Section 18.	Insurance.....	18
Section 19.	Events of Default; Remedies	19
Section 20.	Annual Reports	19
Section 21.	Supplemental Assistance Agreement	19
Section 22.	No Remedy Exclusive	20
Section 23.	Waivers	20
Section 24.	Agreement to Pay Attorneys' Fees and Expenses	20
Section 25.	Signatures of Officers	20
Section 26.	Severability Clause	21

EXHIBIT A Debt Service Schedule

ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of January 7, 2020 (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 Ohio County Water District, 124 E. Washington Street, Hartford, Kentucky 42347 (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) 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 2020A (the "Series 2020A Bonds") in the aggregate principal amount of \$12,635,000, pursuant to a Supplemental Trust Indenture No. 73, dated as of January 7, 2020 by and between the Issuer and the Trustee, which Series 2020A Bonds will rank on a parity with the other outstanding bonds issued under the terms of the Indenture 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 agencies and the Issuer; and

WHEREAS, the Governmental Agency has outstanding its Ohio County Water District Waterworks Revenue Bonds, Series 2010, dated June 15, 2011, in the principal amount of \$8,200,000, consisting of \$7,000,000 of Series A Bonds and \$1,200,000 of Series B Bonds (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"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to currently refund the Refunded Bonds, in order to effect substantial debt service savings (the "Refunding Program"), and the Issuer has determined that the Refunding Program 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 Refunding Program; and

WHEREAS, in and by the Prior Bond Legislation (as hereinafter defined), the right and privilege was reserved by the Governmental Agency under conditions and restrictions set out in said Prior Bond Legislation, of issuing additional bonds from time to time, payable from the income and revenues of the System and ranking on a parity with the Governmental Agency's outstanding Prior Bonds (as hereinafter defined), for the purpose, among other things, of financing the cost of extensions, additions and improvements to the System and refinancing certain outstanding indebtedness, which conditions and restrictions are found to currently exist and prevail so as to permit the issuance of certain proposed additional bonds so as to rank, when issued, on a parity with the outstanding Prior Bonds; 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 \$7,335,000 for the Refunding Program, 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, and under the provisions of the Prior Bond Legislation, the Governmental Agency is authorized to enter into this Assistance Agreement and to borrow the Loan 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 Refunding Program 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 Refunding Program subject to 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:

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 hereunder.

“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 2010” or *“2010 Bond Legislation”* refers to the resolution authorizing the Series 2010 Bonds, which was adopted by the Governing Body on July 15, 2009.

“Bond Legislation of 2015” or *“2015 Bond Legislation”* refers to the resolution authorizing the Series 2015 Bonds, which was adopted by the Governing Body on February 9, 2015.

“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 Loan, the Prior Bonds 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.

“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 collectively to the Revenue Fund, the Sinking Fund, the Operation and Maintenance Fund, and the Governmental Agency Account.

“*Governing Body*” means the Board of Commissioners 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 Ohio County Water District, 124 E. Washington Street, Hartford, Kentucky 42347.

“*Governmental Agency Chief Executive*” refers to the Chairman of the Governing Body.

“*Governmental Agency Clerk*” refers to the Secretary of the Governmental Agency.

“*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. 73, dated January 7, 2020, by and between the Issuer and the Trustee.

“*Interest Payment Date*” shall mean the 1st day of each month, commencing March 1, 2020 and continuing through and including January 1, 2050 or until the Loan has been paid in full.

“*Issuer*” refers to the Kentucky Rural Water Finance Corporation, Bowling Green, Kentucky, 1151 Old Porter Pike, Bowling Green, Kentucky 42103.

“*KIA Loans*” refers to the loans from the Kentucky Infrastructure Authority to the Governmental Agency for Project Number F08-08 (dated August 1, 2009) and F15-069 (2015).

“*Loan*” refers to the loan authorized by this Assistance Agreement from the Issuer to the Governmental Agency, in the principal amount of \$7,335,000, maturing January 1, 2050, to defray the cost of the Refunding Program.

“*Operation and Maintenance Fund*” refers to the Ohio County Water District Waterworks Operation and Maintenance Fund described in Section 401 of the Prior Bond Legislation.

“*Outstanding Bonds*” refers collectively to all outstanding Prior Bonds, the Loan 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 Loan and shall not be deemed to include, nor to prohibit the issuance of, bonds ranking inferior in security to the Loan.

“*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.

“Prior Bond Legislation” refers to the Series 2015 Bond Legislation.

“Prior Bonds” refers collectively to the KIA Loans and Series 2015 Bonds.

“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 Reserve Fund created and established pursuant to Section 4.2 of the Indenture.

“Refunded Bonds” refers to the current refunding of the outstanding Series 2010 Bonds.

“Refunding Program” refers to the current refunding of the Refunded Bonds with the proceeds of the Loan.

“Revenue Fund” refers to the Ohio County Water District Waterworks Revenue Fund created in the Prior Bond Legislation and which Revenue Fund will continue to be maintained for the benefit of all of the Bonds.

“Series 2010 Bonds” refers to the Ohio County Water District Waterworks Revenue Bonds, Series 2010 in the principal amount of \$8,200,000, consisting of \$7,000,000 of Series A Bonds and \$1,200,000 of Series B Bonds, dated June 15, 2011.

“Series 2015 Bonds” refers to the outstanding Ohio County Water District Waterworks Refunding Revenue Bonds, Series 2015, dated March 19, 2015, in the original authorized principal amount of \$960,000.

“Sinking Fund” refers to the Ohio County Water District Waterworks Sinking Fund, described in Section 7.

“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 Governmental Agency.

“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 waterworks system are hereby in all respects ratified and confirmed; and so long as the Loan 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 Loan. 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 Loan; Place of Payment; Manner of Execution. That pursuant to the Constitution and laws of Kentucky, and particularly the Act, the Governmental Agency hereby authorizes the borrowing of \$7,335,000 from the Program, to provide funds for the Refunding Program.

The Loan is payable on the Interest Payment Date in such principal and interest amounts as set forth in **Exhibit A** attached hereto.

The principal of, redemption price, if any, and interest on the Loan 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 Loan 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.* Subject to the prior written approval of the Compliance Group, the Loan payments due on or after January 1, 2029 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2028 at a redemption price equal to 100% of the principal amount of the Loan payments 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 Loan payments, 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 Loan payments 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. Loan Payable Out of Gross Revenues on a Parity with Prior Bonds. The Loan, the Prior Bonds and any additional Parity Bonds that may be issued under the

conditions and restrictions hereinafter set forth, shall be secured by and payable out of the gross revenues of the System.

Section 6. Compliance with Parity Coverage Requirements of the Prior Bond Legislation. It is hereby declared that in accordance with the provisions of the Prior Bond Legislation and prior to the issuance of the Loan hereby authorized, there will be procured and filed with the Governmental Agency Clerk of said Governmental Agency any and all statements or certifications for the purpose of having both principal and interest on the Prior Bonds and the Loan hereby authorized payable on a parity from the income and revenues of said System with said outstanding Prior Bonds.

Section 7. Flow of Funds. All proceedings preliminary to and in connection with the issuance of the Prior Bonds, whereby provision was made for the receipt, custody, and application of the proceeds of the Prior Bonds; for the operation of said System on a revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; and for the enforcement and payment of the Prior Bonds; and all other covenants for the benefit of the bondholders set out in the Prior Bond Legislation, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Bonds, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, hereafter, 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 continue to 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 shall continue to be used, disbursed and applied by the Governmental Agency only for the purpose and in the manner and order of priorities specified in the Prior Bond Legislation, as hereinafter modified by this Assistance Agreement, all as permitted by the Act, and in accordance with previous contractual commitments.

B. Sinking Fund. It is hereby recognized that the Governmental Agency is obligated upon the issuance of the Loan to provide for additional debt service requirements of the Loan.

There shall 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 Prior Bonds and the Loan, a sum equal to the total of the following:

- (1) An amount equal to one-sixth (1/6) of the next succeeding six-month interest payment to become due on the Prior Bonds and the Loan balance then outstanding, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Prior Bonds and the Loan maturing on the next succeeding principal 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 Prior Bonds and the Loan.

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 Sinking Fund to be applied to the maximum extent feasible, to the prompt purchase or redemption of Outstanding Bonds.

Provided, however, notwithstanding anything to the contrary in any Prior Bond Legislation, the Governmental Agency shall be allowed a credit to the extent of moneys on deposit in the Program Reserve Fund for the purpose of meeting any parity requirements in any Prior Bond Legislation; subject however, to the limitation that moneys in the Program Reserve Fund may only be used to make payments of the Government Agency due under this Assistance Agreement, if necessary, and; provided further, that the Trustee may not seek payment for any reserve funds held by the Governmental Agency under any Prior Bond Legislation for payment of any amounts due from the Governmental Agency under this Assistance Agreement.

Section 8. Disposition of Proceeds of the Loan; 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 Loan, the proceeds shall be applied as follows:

(a) *Disposition of the Proceeds.* There shall first be deducted and paid from the proceeds of the Loan the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Loan 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 Refunding Program.

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Ohio County Water District Governmental Agency Account" (the "Governmental Agency Account") has been created and maintained by the Trustee pursuant to the Indenture; and such amount on deposit in said Governmental Agency Account shall be transferred to the Rural

Development (the "RD") of the Department of Agriculture of the United States of America, the holder of the Refunded Bonds, as may be required:

- (1) To pay the interest on the Refunded Bonds to and including January 9, 2020; and
- (2) To redeem on January 9, 2020 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 Refunding Program as approved by the Governmental Agency.

After completion of the Refunding Program, 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 Loan from Federal income taxation, upon orders of the Governing Body, be transferred to the Sinking Fund, to be used for the purposes thereof.

Section 9. Arbitrage Limitations.

(a) The Governmental Agency covenants that neither the proceeds of the Loan, nor "Non-Exempt Revenues" of the System, as defined below, will be invested in investments that will produce a net adjusted yield in excess of the net interest cost (effective yield) of the Loan, if such investment would cause such Loan 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 Loan 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 Loan, 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 a 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 Loan will be used or invested in any manner which will cause the Loan 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 Loan, which, if such use had been reasonably anticipated on the date of issuance of the Loan, would have caused the Loan 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 Loan 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 Loan and all Prior Bonds 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 a 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 Loan, the Governmental Agency Chief Executive and/or the Governmental Agency 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 Loan, 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 Loan will be exempt from all federal income taxes and that the Loan will not constitute or be treated as arbitrage bonds.

Section 10. Parity Bonds. 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 Prior Bonds and the Loan as may from time to time be outstanding; provided the Governmental Agency has in said Prior Bond Legislation reserved the right and privilege, and 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 Prior Bonds and with the Loan, but only under the conditions specified herein and in the Prior Bond Legislation, which conditions are hereinafter repeated, taking into account the issuance of the Loan.

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 Prior Bonds and the Loan, provided;

(a) The facilities to be constructed from the proceeds of the additional Parity Bonds are made a part of the System and their revenues are pledged as additional security for the additional Parity Bonds and for the Outstanding Bonds.

(b) The Governmental Agency is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds.

(c) 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, 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.

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

(1) any revisions in the System’s schedule of rates or charges being imposed on or before the time of the issuance of any such additional Parity Bonds, and

(2) any increase in the annual net revenues to be realized from the proposed extensions, additions and 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 or an Independent Consulting Engineer.

(e) Reference is made to the necessity of obtaining the written consent of the United States Department of Agriculture Farmers Home Administration or its successor [the “FHA”] for the issuance of future bonds encumbering the System while the FHA holds any bonds payable from the revenues of the System.

(f) The Governmental Agency reserves the right to issue Parity Bonds to refund or refinance any part or all of the Loan, provided that prior to the issuance of such 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 the 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 the Parity Bonds, after taking into account the revised debt service requirements resulting from the issuance of the Parity Bonds and from the elimination of the Outstanding 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 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 proposed Parity Bonds, in any year of maturities thereof after the redemption of the obligations scheduled to be refunded through the issuance of the proposed Parity Bonds, shall not exceed the average annual debt service requirements applicable to the then outstanding obligations for any year prior to the issuance of the proposed Parity Bonds and the redemption of the obligations scheduled to be refunded.

Section 11. Rates and Charges for Services of the System. While the Loan remains 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

Outstanding Bonds as may be outstanding under the provisions of this Assistance Agreement and the Prior Bond Legislation, 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 Loan 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 (as defined in Section 10 hereof) 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 10 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 10 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 falling due in any year thereafter for the principal of and interest on all of the then Outstanding Bonds, 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 12. All Obligations of this Loan 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 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 13. Defeasance and/or Refunding of the Loan. The Governmental Agency reserves the right, at any time, to cause the pledge of the revenues securing the outstanding Loan 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 Loan, 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 Loan to and on said date, or (b) to pay all principal and interest requirements on the outstanding Loan as same matures, 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 Loan 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 14. 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 the Loan, no change, variation or alteration of any kind in the provisions of this Assistance Agreement, nor of the Prior Bond Legislation, 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 15. Appointment and Duties of Trustee. The Trustee is hereby designated as the bond registrar and paying agent with respect to the Loan.

Its duties as Trustee shall be as follows:

- (a) To register the Loan in the name 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 Loan 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 Loan obligations to be redeemed and to redeem the Loan prior to its 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 Loan 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 Loan to the successor Trustee in order that there will be no delinquencies in the payment of interest or principal due on the Loan.

Section 16. 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 17. 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 Loan 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 Loan to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Loan will be used for any purpose which would cause the interest on the Loan 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 Loan.

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 Loan 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 the Loan, or the application of such proceeds or of the revenues of the System. The purchasers of the Loan 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 Loan. 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 Loan 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 executed in contemplation that Bond Counsel will render an opinion as to exemption of principal of the Loan from Kentucky ad valorem taxation and as to exemption of interest on the Loan 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 Loan. The Governmental Agency has been advised that based on the foregoing assumptions of compliance, Bond Counsel is of the opinion that the Loan is not an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 18. 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 Loan, 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 Loan is 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 the Loan is 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 Loan, the Governmental Agency shall, if such insurance is not already in force, procure and maintain, so long as the Loan is 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 19. Events 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 Loan when due and payable, either at maturity or by proceedings for redemption;

(b) The failure to pay any installment of interest on the Loan 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 Loan, 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 Loan, 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 the Loan 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 20. 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, 2019) 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 21. 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 affect 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 22. 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 23. 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 24. 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 25. Signatures of Officers. If any of the officers whose signatures or facsimile signatures appear on this Assistance Agreement or any other document evidencing the Loan cease to be such officers before delivery of the Loan, 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 26. 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.

[Signature page follows]

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 Ohio County Water District has caused this Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By  _____
President

Attest:

By  _____
Secretary/Treasurer

OHIO COUNTY WATER DISTRICT

By _____
Chairman

Attest:

By _____
Secretary

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


KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By _____
Secretary/Treasurer

OHIO COUNTY WATER DISTRICT

By  _____
Chairman

Attest:

By  _____
Secretary

EXHIBIT A

Debt Service Schedule

**KRWFC Flexible Term Program Series 2020 A
Sinking Fund Payment Schedule**

Borrower: Ohio County Water District
Closing Date: 01/07/20

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
3/20-7/20	11,666.67	28,217.51	39,884.18
8/20-1/21	13,636.36	20,644.38	34,280.74
2/21-7/21	12,500.00	20,037.71	32,537.71
8/21-1/22	12,500.00	20,037.71	32,537.71
2/22-7/22	12,916.67	19,387.71	32,304.38
8/22-1/23	12,916.67	19,387.71	32,304.38
2/23-7/23	13,333.33	18,716.04	32,049.38
8/23-1/24	13,333.33	18,716.04	32,049.38
2/24-7/24	14,166.67	18,022.71	32,189.38
8/24-1/25	14,166.67	18,022.71	32,189.38
2/25-7/25	15,000.00	17,286.04	32,286.04
8/25-1/26	15,000.00	17,286.04	32,286.04
2/26-7/26	15,833.33	16,506.04	32,339.38
8/26-1/27	15,833.33	16,506.04	32,339.38
2/27-7/27	16,666.67	15,682.71	32,349.38
8/27-1/28	16,666.67	15,682.71	32,349.38
2/28-7/28	17,083.33	14,816.04	31,899.38
8/28-1/29	17,083.33	14,816.04	31,899.38
2/29-7/29	17,500.00	14,440.21	31,940.21
8/29-1/30	17,500.00	14,440.21	31,940.21
2/30-7/30	17,916.67	14,055.21	31,971.88
8/30-2/31	17,916.67	14,055.21	31,971.88
2/31-7/31	18,333.33	13,638.65	31,971.98
8/31-1/32	18,333.33	13,638.65	31,971.98
2/32-7/32	18,750.00	13,189.48	31,939.48
8/32-1/33	18,750.00	13,189.48	31,939.48
2/33-7/33	19,166.67	12,706.67	31,873.33
8/33-1/34	19,166.67	12,706.67	31,873.33
2/34-7/34	19,583.33	12,189.17	31,772.50
8/34-1/35	19,583.33	12,189.17	31,772.50
2/35-7/35	20,000.00	11,660.42	31,660.42
8/35-1/36	20,000.00	11,660.42	31,660.42
2/36-7/36	20,416.67	11,095.42	31,512.08
8/36-1/37	20,416.67	11,095.42	31,512.08
2/37-7/37	21,250.00	10,493.13	31,743.13
8/37-1/37	21,250.00	10,493.13	31,743.13
2/38-7/38	21,666.67	9,866.25	31,532.92
8/38-1/39	21,666.67	9,866.25	31,532.92
2/39-7/39	22,500.00	9,200.00	31,700.00
8/39-1/40	22,500.00	9,200.00	31,700.00
2/40-7/40	22,916.67	8,480.00	31,396.67
8/40-1/41	22,916.67	8,480.00	31,396.67
2/41-7/41	23,750.00	7,746.67	31,496.67
8/41-1/42	23,750.00	7,746.67	31,496.67
2/42-7/42	24,583.33	6,986.67	31,570.00
8/42-1/43	24,583.33	6,986.67	31,570.00
2/43-7/43	25,416.67	6,200.00	31,616.67
8/43-1/44	25,416.67	6,200.00	31,616.67
2/44-7/44	26,250.00	5,386.67	31,636.67
8/44-1/45	26,250.00	5,386.67	31,636.67
2/45-7/45	26,666.67	4,546.67	31,213.33
8/45-1/46	26,666.67	4,546.67	31,213.33
2/46-7/46	27,500.00	3,693.33	31,193.33
8/46-1/47	27,500.00	3,693.33	31,193.33
2/47-7/47	28,333.33	2,813.33	31,146.67
8/47-1/48	28,333.33	2,813.33	31,146.67
2/48-7/48	29,166.67	1,906.67	31,073.33
8/48-1/49	29,166.67	1,906.67	31,073.33
2/49-7/49	30,416.67	973.33	31,390.00
8/49-1/50	30,416.67	973.33	31,390.00
	<u>7,335,000.00</u>	<u>4,125,628.82</u>	<u>11,460,628.82</u>

RESOLUTION

AUTHORIZING

**OHIO COUNTY WATER DISTRICT
WATERWORKS REVENUE BOND ANTICIPATION NOTE
SERIES 2023**

TABLE OF CONTENTS TO NOTE RESOLUTION

Section 1.	Definitions.	2
Section 2.	Words of Masculine Gender; Plural as Well as Singular Form.....	4
Section 3.	Purpose; Reaffirmation of Declaration of Waterworks System.	4
Section 4.	Authorization of Note.	4
Section 5.	Interest Payable on Interest Payment Dates.....	4
Section 6.	Principal Amount and Maturities.....	5
Section 7.	Optional Redemption Provisions.	5
Section 8.	Security for Note.....	6
Section 9.	Payment of Consideration for Note.	6
Section 10.	Renewal Notes Permitted.	6
Section 11.	Further Documentation; Pledge of Instruments.....	6
Section 12.	Pledge and Assignment of the District; Further Assurance; Completion of Project.	6
Section 13.	Note Form.....	7
Section 14.	Execution of the Note.	7
Section 15.	Registration and Payment.	7
Section 16.	Conditions of Sale of Note.	7
Section 17.	Use of Proceeds of Note.	8
Section 18.	Creation of Funds.	8
Section 19.	Compliance with Federal Arbitrage Regulations.	9
Section 20.	Bank Eligibility and Rebate Provisions.....	11
Section 21.	Covenant as to Audits.....	11
Section 22.	Default; Remedies.	11
Section 23.	Rights of Bank.	12
Section 24.	Resolution is Contractual With Bank.	12
Section 25.	Signatures of Officers.	13
Section 26.	Terms of Note and this Resolution May be Revised Before Issuance.	13
Section 27.	Severability Clause.	13
Section 28.	Captions of Clauses.	13
Section 29.	Effective Immediately Upon Adoption.	13
	Certificate of Secretary	14
	Exhibit A - Form of Note	
	Exhibit B - Form of Investment Letter	
	Exhibit C - Form of Requisition Certificate	

RESOLUTION NO. _____

A RESOLUTION OF THE OHIO COUNTY WATER DISTRICT PROVIDING FOR THE ISSUANCE OF ITS WATERWORKS REVENUE BOND ANTICIPATION NOTE, SERIES 2023, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000, TO PROVIDE INTERIM FINANCING FOR ADDITIONS, EXTENSIONS, AND APPURTENANCES TO THE EXISTING WATERWORKS SYSTEM; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE NOTE IS TO BE ISSUED AND OUTSTANDING; AND AUTHORIZING THE EXECUTION OF ANY DOCUMENT AND THE TAKING OF ANY ACTION NECESSARY TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION.

RECITALS:

1. The waterworks system (the “System”) of the Ohio County Water District (the “District”) is owned and operated by the District pursuant to Chapter 74 of the Kentucky Revised Statutes.

2. The District currently has outstanding and payable from the revenues of the System, its (i) loan from the Kentucky Infrastructure Authority (“KIA”) to the District, dated August 1, 2009, for Project Number F08-08, (ii) loan from KIA to the District for Project F15-069, maturing June 1, 2037, and (iii) loan in the amount of \$7,335,000, dated January 7, 2020, to the District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2020A (collectively, the “Senior Bonds”).

3. The District has determined, rather than issue Permanent Financing (as defined herein) at this time, to obtain interim financing for the costs of the Project by means of the sale and issuance of its Water System Revenue Bond Anticipation Note, Series 2023 in the principal amount not to exceed \$5,000,000 (the “Note”), under authority of Sections 58.150 and 56.513 of the Kentucky Revised Statutes (“KRS”), which Note shall be payable as to both principal and interest solely from (a) the proceeds of the Permanent Financing, when sold and issued, and (b) the income and revenues to be derived from the operation of the System, as extended and improved from time to time, but on a basis subordinate and subject in all respects to the prior and superior pledges, liens, rights, and contractual commitments securing the Senior Bonds; and the Note shall not constitute an indebtedness of the District within the meaning of debt-limiting provisions of the Constitution of Kentucky.

4. In accordance with KRS 58.150 and 56.513, the District has solicited proposals from at least three responsible lenders with respect to the interim loan to be evidenced by the Note, has determined that the best proposal is that of Pinnacle Bank (the “Bank”), and has determined to sell and issue the Note to the Bank.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE OHIO COUNTY WATER DISTRICT, AS FOLLOWS:

Section 1. Definitions.

As used in this Resolution, unless the context requires otherwise, the following terms shall have the following respective meanings:

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

“*Authorized Denomination*” means \$100,000 or any integral multiple thereof (plus increments of \$0.01 in excess thereof) provided that any amount shall be an Authorized Denomination if such amount results from the redemption of Note pursuant to this Resolution.

“*Bank*” refers to Pinnacle Bank, Louisville, Kentucky, the original purchaser of the Note.

“*Board of Commissioners*” refers to the Board of Commissioners of the District.

“*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.

“*Business Day*” means any day other than a Saturday, Sunday or holiday or a day on which banks located in Kentucky are required or authorized to close for general banking business or on any day on which the New York Stock Exchange is closed.

“*Chairman*” refers to the Chairman of the Board of Commissioners.

“*Code*” refers to the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

“*Construction Fund*” refers to the Ohio County Water District Waterworks Revenue Bond Anticipation Note Construction Fund, created in Section 18 of this Resolution.

“*Costs of Issuance Fund*” refers to the Ohio County Water District Waterworks Revenue Bond Anticipation Note Costs of Issuance Fund created in Section 18 of this Resolution.

“*Costs of the Project*” means and includes the following:

- (a) the cost of publishing any proceedings, if any, as may be required by law;
- (b) the fee and out-of-pocket expenses of Bond Counsel, the fee and out-of-pocket expenses of the Bank and its counsel;
- (c) all other costs and expenses, necessary to be incurred in connection with the construction, renovation, improvement, equipping and/or financing of the Project.

“*Default Rate*” means 4% in excess of the Interest Rate payable on the Note; provided that such rate shall in no event exceed the maximum rate allowed by law.

“*District*” refers to the Ohio County Water District, 124 East Washington Street, Hartford, Kentucky 42347.

“*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 engineering.

“*Equipment*” refers to machinery, equipment, furniture and fixtures paid for (or reimbursed) out of the proceeds of the Note, if any, and which Equipment then becomes a part of the Project.

“*Final Maturity Date*” refers to September 10, 2025.

“*Funds*” refers to the Sinking Fund, Costs of Issuance Fund, and Construction Fund.

“*Interest Payment Date*” means January 1, April 1, July 1, and October 1 of each year, commencing January 1, 2024.

“*Interest Rate*” refers to a fixed interest rate applicable to the Note of 5.53% per annum on the basis of a 360-day year consisting of twelve 30-day months.

“*KRS*” refers to the Kentucky Revised Statutes, as amended from time to time.

“*Note Register*” means the form or system or document in which the ownership of the Note is recorded by the District.

“*Note*” refers to the Ohio County Water District Waterworks Revenue Bond Anticipation Note, dated as of the date of delivery, in the principal amount not to exceed \$5,000,000.

“*Permanent Financing*” shall mean proceeds of temporary or permanent financing or other borrowing secured by revenues of the District of whatever nature or from any other legally available funds of the District, including, but not limited to bonds issued by the District and delivered to a purchaser for the purpose of financing the Costs of the Project.

“*Permitted Investments*” means IntraFi Network deposits utilizing the ICS service as authorized by KRS 66.480(1)(d), or, with the written consent of the Bank, such other investments authorized by KRS 66.480.

“*Project*” refers to additions, extensions, and appurtenances to the existing waterworks system of the District, funded with proceeds of the Note.

“*Regulations*” refers to the applicable Federal income tax regulations issued by the Department of Treasury of the United States of America interpreting the Code.

“*Required Signatures*” refers to the signatures necessary to be obtained with reference to the approval of advances of Note proceeds, which required signatures shall consist of the

signatures of the Chairman or other District representative authorized by the Board of Commissioners.

“*Secretary*” refers to the elected or appointed Secretary of the Board of Commissioners.

“*Sinking Fund*” refers to the Ohio County Water District Waterworks Revenue Bond Anticipation Note Sinking Fund, created in Section 18 of this Resolution.

“*Treasurer*” refers to the elected or appointed Treasurer of the Board of Commissioners.

“*U.S. Obligations*” means bonds or notes that are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

Section 2. Words of Masculine Gender; Plural as Well as Singular Form.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as to the singular form of any of such words and terms. All words and terms used in this Resolution have the meaning set forth therein. Unless otherwise indicated, references to Articles or Sections refer to those in this Resolution.

Section 3. Purpose; Reaffirmation of Declaration of Waterworks System.

The Note will be issued for the purpose of financing the Costs of the Project, as set out in the plans and specifications prepared by the Engineers. The Board of Commissioners hereby declares the System, including the extensions, additions, and improvements to be constructed, to constitute a revenue producing public project, and said System shall continue to be owned, controlled, operated, and maintained by the District as a revenue producing public project pursuant to the Act, so long as the Note remains outstanding.

Section 4. Authorization of Note.

In order to provide funds necessary to finance the Project and to defray all costs and expenses incident to the issuance of the Note on an interim basis, there shall be and there is hereby authorized to be issued the Ohio County Water District Waterworks Revenue Bond Anticipation Note, in a total principal amount not to exceed \$5,000,000, to be dated as of the date of delivery, in anticipation of the issuance by the Final Maturity Date of the Permanent Financing hereinafter identified. The Note shall mature on the Final Maturity Date unless redeemed at the option of the District on an earlier date as provided in Section 7, hereof.

Section 5. Interest Payable on Interest Payment Dates.

The Note shall bear interest from its date at the Interest Rate on the aggregate unpaid balance payable on each Interest Payment Date until payment in full of the Note.

On each Interest Payment Date, the District shall pay interest due on the Note to the Bank by check, wire transfer, or other means according to payment instructions given to the District by the Bank.

Upon (a) the issuance by the Internal Revenue Service of a statutory notice of deficiency, (b) a final and nonappealable determination by a court of competent jurisdiction, or (c) an opinion of counsel having a national reputation in the field of tax-exempt finance to the effect that interest on the Note is not excludable by the Bank from gross income for federal income tax purposes (a "Determination of Taxability"), the interest rate on the Note shall be increased to an interest rate that would result in the Bank's receiving the same after federal tax equivalent yield as if a Determination of Taxability had not occurred (the "Taxable Rate"). Such Taxable Rate shall be effective as of the date interest on the Note is determined to be includable in the Bank's gross income for federal income tax purposes, and all additional interest payable as a result of this subparagraph shall be due within thirty days of written demand by the Bank therefor. The District shall also pay the Bank any additional penalties, taxes, or interest thereon for which the Bank becomes liable as a result of a Determination of Taxability. The District shall pay such penalty, taxes, or interest within thirty days after receiving a written demand by the Bank therefor. The District's obligation to make the above payment under this paragraph shall be required regardless of whether the District is contesting or is offering or has offered in good faith, either directly or through the Bank, to contest any Determination of Taxability. However, if the District shall so contest the Determination of Taxability and shall be successful (after final appeal), then all payments made by the District in excess of the payments which would have been made under this paragraph shall be refunded to the District with interest thereon at the rate then borne by the Note.

Section 6. Principal Amount and Maturities.

The total principal amount of the Note shall not exceed \$5,000,000. On the Final Maturity Date, or prior redemption or acceleration as provided herein, of the Note, the District shall pay to the Bank by check, wire transfer, or other means according to the payment instructions of the Bank the outstanding principal amount of the Note plus interest then due. Upon receipt of payment in full for the Note, the Bank shall immediately cancel the Note and return it to the District.

The principal of and interest on the Note shall be payable to the Bank, without exchange or collection charges, in lawful money of the United States of America. The Note shall be issued only as a single fully registered note without coupons in the Authorized Denomination, unless the District shall otherwise direct, shall be numbered R-1.

Section 7. Optional Redemption Provisions.

Provided that the District has given to the Bank at least fifteen (15) days written notice, the Note shall be subject to optional redemption, in whole, in advance of maturity on any date: (i) on or prior to October 10, 2024 at a redemption price equal to 101% of the principal sum outstanding on such redemption date, plus accrued interest to the date of redemption, or (ii) after October 10, 2024 at a redemption price equal to 100% of the principal sum outstanding on such redemption date, plus accrued interest to the date of redemption.

Section 8. Security for Note.

As the security for the payment of the principal of and interest on the Note, and to provide for the payment of such principal and interest, the District hereby pledges (a) the proceeds of the Permanent Financing when sold and issued, and (b) the income and revenues of the System, but on a basis subordinate and subject in all respects to the prior and superior pledges, liens, rights, and contractual commitments securing the Senior Bonds payable from the revenues of the System.

Section 9. Payment of Consideration for Note.

The proceeds of the Note shall be paid by the Bank, as purchaser of the Note to the District for the payment of the Costs of the Project.

Section 10. Renewal Notes Permitted.

The District reserves the right to issue renewal notes as provided by law; and the proceeds of the sale of such renewal notes shall be applied to the payment and retirement of the Note and are hereby pledged therefor.

Section 11. Further Documentation; Pledge of Instruments.

At any time and from time to time, upon the written request of the Bank and at the sole expense of the District, the District will promptly and duly execute and deliver such further instruments and documents and take such further action as the Bank may reasonably request for the purpose of obtaining or preserving the full benefits of the security provided by this Resolution of the rights and powers herein granted. Without limiting the generality of the foregoing, the District will execute and file such financing or continuation statements, or amendments thereto, and such other instruments, endorsements, or notices, as the Bank may deem necessary or desirable in order to perfect and preserve the liens created or continued or intended to be created or continued hereby. The District hereby authorizes the Bank to file any such financing or continuation statement without the signature of the District to the extent permitted. If any amount payable under or in connection with any of the collateral shall be or become evidenced by any promissory note, other instrument, or chattel paper, such note, instrument, or chattel paper shall be immediately delivered to the Bank, duly endorsed (without recourse) in a manner reasonably satisfactory to the Bank, to be held as collateral pursuant to this Resolution.

Section 12. Pledge and Assignment of the District; Further Assurance; Completion of Project.

The District hereby agrees and covenants that it will, before the maturity date of the Note, take all proper and necessary action in accordance with law (a) to authorize, sell, and issue the Permanent Financing in an amount sufficient to provide for the payment when due of the principal of and interest on, and the retirement of, the Note and (b) to adjust, if necessary, its water service rates and charges so that the Permanent Financing may be issued.

The District does hereby irrevocably assign and pledge to the Bank and its successors or assigns, all right, title, and interest of the District in and to the proceeds of the Permanent Financing and all monies to be received from the debt issued pursuant to the Permanent Financing for the Project.

At any time and all times the District 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 District may hereafter become bound to pledge or assign.

The District hereby covenants and agrees to proceed expeditiously with and promptly complete the Project so that the Permanent Financing can be delivered on or prior to the Final Maturity Date.

Section 13. Note Form.

The Note shall be issued (and shall be executed by the indicated officials) in substantially the form set forth as **Exhibit A** attached hereto and incorporated herein by reference, with such necessary or appropriate variations, omissions, and insertions as may be permitted or required by this Resolution or advised by the District's bond counsel.

Section 14. Execution of the Note.

The Note shall be executed on behalf of the District and signed with the manual or facsimile signature of the Chairman and attested by the manual or facsimile signature of the Secretary of the District.

Section 15. Registration and Payment.

The Note shall be fully registered and transferred and assigned in accordance with the written authorized instruction of the Bank. The District shall establish and maintain a list of the registered owner of the Note. The District shall serve as its own registrar and paying agent for the purpose of maintaining the Note Register.

No transfer of the Note shall be valid unless made on the Note Register at the request of the registered owner in person or by his attorney duly authorized in writing, and similarly noted on such Note. The District shall not be required to transfer or exchange any Note on any date which is after the fifteenth day of the month preceding any interest payment date, or during any period beginning 15 days prior to the date selected by the District for redemption prior to maturity of the Note and ending on the date of mailing of notice of any such redemption. The person in whose name a Note is registered on the Note Register shall be deemed the owner thereof for all purposes.

Section 16. Conditions of Sale of Note.

Proposals to make the loan evidenced by the Note have been solicited on a limited basis from at least three institutions having knowledge and experience in financial and business matters who are capable of evaluating the merits and risks of the Note, who would not be purchasing the Note for more than one account, and who do not intend to resell the Note. In connection with such solicitation, the District has made available to such qualified purchasers, upon request, material financial and other information regarding the System, the District, and the Note in the District's

possession. The Bank, as purchaser of the Note, will be required to sign an “investment letter” in substantially the form of **Exhibit B** attached hereto.

The Chairman and Treasurer of the District (each, an “Authorized Officer” and together, the “Authorized Officers”), and each of them, are hereby authorized and directed to sell and to cause the issuance of the Note, the District having complied with the procedures contained in KRS 58.150 and KRS 56.513 by soliciting proposals for the loan to be evidenced by the Note from at least three responsible lenders. The Authorized Officers, and each of them, are further authorized to enter into and to execute on behalf of the District any and all agreements, certificates, opinions, instruments, and documents necessary or desirable to effectuate the sale and issuance of the Note and to approve any supplemental terms and provisions deemed to be necessary or desirable to carry out the intent and purposes of this Resolution.

Section 17. Use of Proceeds of Note.

(a) The District shall provide the Bank with a written request for an advance of Note proceeds signed by the Required Signatures in the form provided as **Exhibit C** hereto at least two Business Days before such advance is needed containing: (a) a request that the Bank make such advance in the amount and on the date specified therein; (b) a description of the Costs of the Project for which such advance is requested; and (c) a certification that the total amount of all advances to be received by the District pursuant to the Note and this Resolution will not exceed \$5,000,000. Note proceeds shall be deposited, together with other available funds of the District, as follows: (x) an amount sufficient to pay the costs of issuing the Note shall be deposited to the Costs of Issuance Fund, and used by the District to pay costs of issuance of the Note; and (y) the remainder shall be deposited to the Construction Fund and used to pay or reimburse the District for the Costs of the Project.

(b) It shall not be necessary for the Engineer to approve the payment of the costs of issuing the Note, administrative costs, and the costs of any Equipment that is not permanently affixed to the real estate.

(c) Pending disbursement for the authorized purposes, the proceeds of the Note shall be subject to a first and paramount lien and charge in favor of the owners of the Note and for their further security.

(d) Whenever the Project is complete, any surplus then remaining in the Construction Fund may be transferred to the Sinking Fund, and the next payments for interest and principal shall be reduced by such amount, or, with the written consent of the Bank, may be used to pay or reimburse the costs of additions, extensions, and/or improvements to the Project and/or the purchase of Equipment for the Project.

Section 18. Creation of Funds.

(a) There is hereby created the “Ohio County Water District Waterworks Revenue Bond Anticipation Note Sinking Fund (the “Sinking Fund”) into which there shall be paid as needed any interest payments due on the Note on the next Interest Payment Date. The Sinking Fund shall be created and established at the Bank.

Funds on deposit in the Sinking Fund may be invested in Permitted Investments, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Sinking Fund. All income earned from investment of moneys in the Sinking Fund (including the capitalized interest, if any, deposited therein) shall, as earned, be used to pay principal and interest on the Note.

No further payments need be made into the Sinking Fund whenever and so long as such amount of the Note shall have been retired that the amount then held in the Sinking Fund is equal to (or sufficient to defease) the entire amount of the interest and principal (and redemption premium, if any) that will be payable to and at the time of the retirement and/or maturity of all the Note then remaining outstanding.

(b) There is hereby created the "Ohio County Water District Waterworks Revenue Bond Anticipation Note Costs of Issuance Fund (the "Costs of Issuance Fund"), which shall also be deposited with the Bank as and when needed, into which Costs of Issuance Fund there shall be set aside and deposited the issuance costs of the Note. Funds on deposit in the Costs of Issuance Fund shall not be invested.

(c) There is hereby created the "Ohio County Water District Waterworks Revenue Bond Anticipation Note Construction Fund (the "Construction Fund") to be deposited with the Bank, into which there shall be set aside out of the proceeds of the sale of the Note funds necessary to pay or reimburse the District for the Costs of the Project.

Funds on deposit in the Construction Fund may be invested in Permitted Investments. All income earned from investment of moneys in the Construction Fund shall be kept in the Construction Fund and used to pay the Costs of the Project.

Section 19. Compliance with Federal Arbitrage Regulations.

(a) The Board of Commissioners covenants that the proceeds of the Note shall not be invested in investments which will produce a net adjusted yield in excess of the net interest cost (effective yield) of the Note authorized herein, if such investment would cause the Note to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code; provided, however, that the funds may be invested to whatever extent and whenever the Code permits same to be invested without causing the Note to be treated as "arbitrage bonds."

(b) On the basis of known facts and circumstances in existence on the date of adoption of this Resolution, the Board of Commissioners certifies that it is not expected that the proceeds of the Note will be used in a manner that would cause the Note to be "arbitrage bonds." The Board of Commissioners covenants with the purchasers and/or owners of the Note authorized herein that (a) the Board of Commissioners will make no use of the proceeds of the Note that, if such use had been reasonably expected on the date of issuance of the Note, would cause the Note to be "arbitrage bonds," and (b) that the Board of Commissioners will comply with (1) all of the requirements of Section 148 of the Code; and (2) all of the requirements of the applicable Regulations thereunder, to whatever extent is necessary to assure that the Note will not be treated as "arbitrage bonds."

(c) On the basis of known facts and reasonable expectations on the date of enactment of this Resolution, the Board of Commissioners certifies as follows:

- (1) that there has been no overissuance of the Note;
- (2) that it is anticipated and covenanted that amounts on deposit in the Sinking Fund will be used within thirteen (13) months from the date of deposit for the payment of principal of and/or interest on the outstanding Note, and that, except for an amount equal to not more than the greater of (1) one-twelfth (1/12) of debt service requirements on the outstanding Note for the then ensuing year, or (2) one year's earnings on the Sinking Fund, such Sinking Fund will be depleted annually through such application for current debt service requirements of the outstanding Note; and
- (3) that the Board of Commissioners has not been advised of any listing or contemplated listing by the Internal Revenue Service determining that the foregoing type of certification with respect to the Board of Commissioners's obligations may not be relied on.

(d) The Board of Commissioners covenants and agrees that in the event it is subsequently determined by the Board of Commissioners upon the advice of Bond Counsel, that the funds created herein are subject to the "rebate requirements" on excess earnings in favor of the United States of America imposed by Section 148(f) of the Code and that such funds in fact generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Note, plus any income attributable to such excess, it shall rebate to the United States of America any such excess generated from such investments and remit such excess to the United States of America on or before five (5) years and 60 days from the date of issuance of the Note, and not later than once every five years thereafter until the final retirement of the Note; the last installment, to the extent required, to be made no later than sixty (60) days following the complete retirement of the Note. The Board of Commissioners further covenants to file any and all reports, if any, as may be required to be filed with the United States Government with regard to the liability or non-liability of the Board of Commissioners as to any such rebate requirements and to maintain records in regard thereto for the period of time required by applicable Treasury Regulations.

(e) The Board of Commissioners reserves the right to make any investment permitted by state law if, whenever, and to the extent that Section 148 of the Code or the Treasury Regulations relating thereto shall be repealed, amended, or relaxed, or shall be held void by a final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, or relaxation, amendment, or decision would not, in the opinion of Bond Counsel, result in making the interest on the Note subject to Federal income taxation.

(f) Prior to or at the time of delivery of the Note, the Chairman and/or the Treasurer are (is) authorized to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated expenditures, and investments, including the execution of necessary and/or desirable certifications of the type contemplated by the applicable arbitrage regulations under the Code, in order to assure that interest

on the Note will be exempt from all Federal income taxes and that the Note will not be treated as “arbitrage bonds.”

Section 20. Bank Eligibility and Rebate Provisions.

The District hereby certifies that it does not reasonably anticipate issuing “qualified tax-exempt obligations” during the calendar year in which the Note are being issued in excess of \$10,000,000, and, therefore, the District does hereby designate the Note as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.

Section 21. Covenant as to Audits.

The District agrees that so long as the Note is outstanding (i) it will cause audited financial statements of the financial affairs of the District to be made available to the Bank by October 31 after the end of each fiscal year and (ii) it will furnish to the Bank a copy of the District’s annual budget in an electronic format within thirty (30) days of adoption by the Board of Commissioners of the District.

All expenses incurred in causing such financial reports to be made and copies distributed, shall constitute proper expenses incident to the issuance of the Note and shall be paid by the District as an expense of the Note in addition to the amounts otherwise required to be paid hereunder.

Section 22. Default; Remedies.

(a) The following shall be considered an “Event of Default” under this Resolution:

(1) there shall be any default in the payment of the principal of or the interest on the Note, when due, or

(2) the insolvency of, or the filing of a petition in bankruptcy by or against the District, or

(3) the District shall fail or refuse to comply with the provisions of the Act, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Resolution, any authorizing resolution of the District, or the Note, or the District shall default in the performance or observance of any covenant, other than payment of rental agreements or conditions on its part contained in the Resolution; and such failure, refusal, or default shall continue for a period of forty-five (45) days after written notice thereof by the Bank.

(b) Upon the happening and continuance of any Event of Default, the Bank may proceed to protect and enforce its rights by such of the following remedies, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bank, including the right to require the District to enforce fully the Resolution and to charge, collect and fully account for the District revenues and to require

the District to carry out any and all other covenants or agreements with the Bank and to perform its duties under the Act;

(2) by bringing suit upon the Note;

(3) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Bank; and/or

(4) by declaring the full principal amount of the Note outstanding, together with accrued interest, due and payable; provided that if all Events of Default have been cured, the Bank may annual such declaration and its consequences.

The District expressly waives any right to claim a trespass in connection with any such action.

In the event of default, the Note shall continue to bear interest after maturity at the interest rate applicable to the Note until the necessary funds are made available for the payment thereof.

In case of any action or any proceedings in any court to collect any sums payable or secured by this Resolution or to protect the lien herein of the Bank, or in any other case permitted by law in which attorneys' fees may be collected from the District or charged upon the proceeds of any Permanent Financing, bond and/or notes issued for the purpose of paying the principal of or interest on the Note, the District agrees to pay reasonable attorneys' fees incurred by the Bank.

(c) Upon the happening and continuance of any Event of Default (including, but not limited to, the failure to pay all amounts due on the Final Maturity Date) interest shall accrue at the Default Rate.

Section 23. Rights of Bank.

Notwithstanding any other provisions herein contained, the Bank shall have all of the rights provided for hereunder to require the District to operate the Project and to charge whatever rents and rates are necessary for the services provided by such facilities and to levy such rents, subject to any limitations imposed by law, in order that all of the interest on and the principal of the Note shall be paid in full.

The Bank shall be secured to the full extent provided by law by a pledge of revenues of the District in accordance with the terms of the Act.

Section 24. Resolution is Contractual With Bank.

The provisions of this Resolution and of any authorized supplemental resolution entered into prior to the delivery and payment of the Note to the Bank, shall constitute a contract between the District and the Bank, no change in the provisions of this Resolution or of any supplemental resolution shall be made in any manner except as herein provided until such time as the Note and the interest thereon have been paid in full; provided:

(a) the District may adopt a supplemental resolution for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any proceedings pertaining hereto, provided no change may be made which would impair the security or interests of the Bank in any way, without the consent in writing of the Bank; and

(b) the Bank shall have the right to consent to, and approve the adoption of ordinances, resolutions or other proceedings, modifying or amending any of the terms or provisions contained in this Resolution; provided, however, that no such modifications or amendments shall be made which will permit: (1) an extension of the maturity of the Note, or any parity notes, or (2) a reduction in the principal of the Note or the redemption premium or the rate of interest thereon, or (3) a preference or priority of any Note or parity notes over any other note or notes, or (4) a reduction in the percentage of the aggregate principal amount of the Note required to consent to any modification or amendment, or (5) impair in any way the rights of the Bank.

Section 25. Signatures of Officers.

If any of the officers whose signatures or facsimile signatures appear on the Note cease to be such officers before delivery of the Note, such signatures shall nevertheless be valid for all purposes the same as if said officers had remained in office until delivery, as provided in KRS 61.390.

Section 26. Terms of Note and this Resolution May be Revised Before Issuance.

The District reserves the right, prior to the issuance of the Note, to amend this Resolution as to the date, amount, maturities, redemption premiums and other provisions of the Note, consistent with market conditions and other pertinent factors at the time of such issuance.

Section 27. Severability Clause.

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

Section 28. Captions of Clauses.

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

Section 29. Effective Immediately Upon Adoption.

This Resolution shall take effect and be effective immediately upon its adoption.

[Signature Page Follows]

Adopted this September 25, 2023.

OHIO COUNTY WATER DISTRICT



Chairman

Attest:



Secretary

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Ohio County Water District Board of Commissioners, and that the foregoing Resolution is a true copy of a Resolution duly adopted by the Board of Commissioners of said the District, signed by the Chairman of said the District at a properly convened meeting of said Board of Commissioners held on September 25, 2023, as shown by the official records of said the District in my custody and under my control.

I further certify that said meeting was duly 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 Resolution has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as Secretary this September 25, 2023.

Secretary

EXHIBIT A

**UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
OHIO COUNTY WATER DISTRICT
WATERWORKS REVENUE BOND ANTICIPATION NOTE
SERIES 2023**

NO. R-1

Interest Rate:

5.53%

Maturity Date:

September 10, 2025

Dated as of:

October 10, 2023

KNOW ALL PERSONS BY THESE PRESENTS:

That the Ohio County Water District (“the District”) acknowledges itself to owe and for value received, hereby promises to pay to the order of:

PINNACLE BANK
Louisville, Kentucky

upon presentation and surrender of this Note, the principal sum of:

FIVE MILLION DOLLARS (\$5,000,000)

on the Maturity Date set forth above and to pay interest on said sum to Pinnacle Bank (the “Bank”), at the Interest Rate set forth herein, per annum, from the date hereof, payable on January 1, April 1, July 1, and October 1 of each year, commencing January 1, 2024, except as the provisions hereinafter set forth as to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to the maturity of this Note (the “Note”), to be paid in immediately available lawful money of the United States of America to the Bank at its principal office in Louisville, Kentucky, or if the Bank is no longer the holder of the Note, then to the registered owner of this Note, both principal and interest being payable without deduction for exchange or collection charges. Interest shall be calculated on an assumed 30 day month/360 day year. All accrued but unpaid interest on this Note will be due and payable in full on the Maturity Date.

This Note is authorized and issued under a Resolution (the “Resolution”) enacted by the District on September 25, 2023, for the public purpose of providing funds with which to fund all or any portion of the costs of additions, extensions, and appurtenances to the existing waterworks system of the District (the “Project”), pursuant to and in full compliance with the laws of the Commonwealth of Kentucky.

The Note constitutes a limited obligation of the District and the income and revenues of the System are irrevocably pledged to the prompt payment of the principal of, premium, if any,

and interest on the Note when the same become due, but on a basis subordinate and subject in all respects to the prior and superior pledges, liens, rights and contractual commitments securing the District's outstanding (i) loan from the Kentucky Infrastructure Authority ("KIA") to the District, dated August 1, 2009, for Project Number F08-08, (ii) loan from KIA to the District for Project F15-069, maturing June 1, 2037, and (iii) loan in the amount of \$7,335,000, dated January 7, 2020, to the District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2020A.

This Note is issued in anticipation of Permanent Financing (as defined in the Resolution). In the Resolution, the District assigns and pledges to the Bank, all right, title and interest of the District in and to the proceeds of the Permanent Financing and all monies to be received from the debt issued pursuant to the Permanent Financing for the Project.

Reference is hereby made to the Resolution for a more particular description of the terms and conditions under which the Note is issued, a more specific identification of the Project, the revenues pledged for the payment of the Note, the nature and extent of the security, the rights and duties of the District and the rights of the Bank with respect to such security.

THIS NOTE HAS BEEN ISSUED UNDER AND PURSUANT TO THE PROVISIONS OF CHAPTER 58 OF THE KENTUCKY REVISED STATUTES ("ACT"). THIS NOTE, INCLUDING THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON, SHALL NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISIONS OF THE COMMONWEALTH OF KENTUCKY, AN OBLIGATION, EITHER GENERAL OR SPECIFIC, OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION SHALL BE LIABLE THEREON, NOR SHALL THE FAITH, REVENUES AND CREDIT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE NOTE.

Provided that the District has given to the Bank at least fifteen (15) days written notice, the Note shall be subject to optional redemption, in whole, in advance of maturity on any date: (i) on or prior to October 10, 2024 at a redemption price equal to 101% of the principal sum outstanding on such redemption date, plus accrued interest to the date of redemption, or (ii) after October 10, 2024 at a redemption price equal to 100% of the principal sum outstanding on such redemption date, plus accrued interest to the date of redemption.

Principal of and interest on this Note shall be payable to the Bank by the District by check, wire transfer, or other means according to payment instructions given to the District by the Bank.

The Note has been designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Internal Revenue Code of 1986 and the Note will not be required to be included by financial institutions in calculating the disallowance of the deduction for interest expense allocable to tax-exempt interest under such Section.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of the Note, do exist, have happened and have been performed in due time, form and manner as required by law and that this Note complies on its face with said law; and that the amount of this Note, together with all other obligations of the District, does not exceed the debt incurring authority and capacity of this District; and the District, so long as the Note remains outstanding, shall perform all duties imposed upon it by the Resolution.

IN WITNESS WHEREOF, the Ohio County Water District has caused this Note to be executed on its behalf with the duly authorized manual signature of its Chairman, attested by the manual signature of the Secretary, and this Note is to be dated as of the date set forth above.

OHIO COUNTY WATER DISTRICT

By: _____
Chairman

Attest:

By _____
Secretary

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto _____ the within Note and hereby irrevocably constitutes and appoints _____ attorney to transfer said Note on the books kept for registration and transfer of this Note, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Social Security Number or
other taxpayer
identification number:

EXHIBIT B
FORM OF INVESTMENT LETTER

Pinnacle Bank
100 Mallard Creek Road, Suite 105
Louisville, Kentucky 40207

October 10, 2023

Ohio County Water District
124 East Washington Street
Hartford, Kentucky 42347

Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202

Re: Ohio County Water District Waterworks Revenue Bond Anticipation Note, Series 2023, dated October 10, 2023, in the original principal amount of \$5,000,000.

Ladies and Gentlemen:

The undersigned, Pinnacle Bank (the “Bank”), hereby acknowledges the purchase and receipt of \$5,000,000 in principal amount of the Ohio County Water District Waterworks Revenue Bond Anticipation Note, Series 2023, dated the date of delivery (the “Note”) issued by the Ohio County Water District (the “Issuer”).

The Bank, purchaser of the Note, hereby represents to you that:

1. The Bank has the authority to purchase the Note and to execute this letter and any other instruments and documents required to be executed by the Bank in connection with the acquisition of the Note.

2. The Bank is (a) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”), or (b) an “accredited investor” as defined in Rule 501 of Regulation D under the 1933 Act.

3. Except as discussed in this paragraph, the purchase of the Note is solely for the account of the Bank (and not for the interest or account of another person or entity). The Bank has neither a present intention to sell, reoffer, or otherwise transfer or dispose of the Note (or any legal or beneficial interest therein), nor has the Bank offered, solicited, marketed, pre-sold, sold, assigned, transferred, or disposed of the Note (or any legal or beneficial interest therein) to any individual, person, or entity; provided that the Bank may sell or transfer the Note to one or more affiliates of, or parties related to, the Bank. In addition, the Bank has not created a market for the Note.

4. The Bank is not acting as a fiduciary for the Issuer or in the capacity of broker, dealer, municipal securities Bank, or dealer, placement agent, financial advisor, or municipal advisor in connection with the Bank's acquisition of the Note. Neither the Bank nor any related entity thereto has provided, nor will the Bank provide, financial, legal, tax, accounting, or other advice to or on behalf of the Issuer with respect to the Note. The Issuer has sought and obtained financial, legal, tax, accounting, and other advice (including as it relates to structure, timing, terms, and similar matters) with respect to the Note from their financial, legal, and other advisors (and neither the Bank nor any related entity thereto) to the extent that the Issuer desired to obtain such advice.

5. The Bank understands that the Note (a) is not being registered under the Securities Act of 1933 (the "1933 Act") and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) will be delivered in a form that is not readily marketable and is subject to transfer restrictions and conditions as set forth in the Note.

6. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Note and are purchasing the Note with a full understanding of all of the terms, conditions, and risks thereof, and are capable of assuming, and willing to assume, these risks.

7. We acknowledge that we have either been supplied with or have access to information, including financial statements and other financial information, to which a reasonable purchaser would attach significance in making its investment decisions, and we have had the opportunity to ask questions and receive answers from individuals concerning the Issuer, the Note, and the security therefor, so that as a reasonable purchaser, we have been able to make our decision to purchase the Note.

8. The Bank recognizes that the ownership of the Note involves risks, including that there may be a limited market for the Note, and, accordingly, that the Bank must bear the economic risk of retaining ownership of the Note for an indefinite period of time. The Bank represents that it can bear such economic risks.

9. The Bank acknowledges that it has the right to sell and transfer the Note, only as permitted by law and subject to applicable securities laws and regulations thereunder; and as further subject to any conditions of transfer or assignment contained in the Note or the resolution adopted by the Board of Commissioners of the Issuer authorizing the Note (the "Resolution").

10. The Bank acknowledges that Rubin & Hays, as bond counsel with respect to the Note, and the Issuer are relying on the truth and accuracy of the representations herein made by the Bank. Accordingly, the foregoing representations are made by the Bank with the intent that they may be relied upon for the purpose of making certain legal conclusions with respect to the applicability (or non-applicability) of certain securities laws and regulations thereunder, including U.S. Securities and Exchange Commission Rule 15(c)2-12.

11. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Note and in the Resolution.

PINNACLE BANK

By _____

Title _____

EXHIBIT C
REQUISITION CERTIFICATE

Re: Ohio County Water District Waterworks Revenue Bond Anticipation Note, Series 2023

The undersigned hereby certify as follows:

1. That they are the signatories required for construction and/or administrative draws pursuant to the Resolution enacted by the Ohio County Water District ("the District").
2. That the named firms and/or persons set forth on Exhibit A attached hereto are now entitled to the aggregate sum of \$ _____, itemized as set forth in said Exhibit A and as per approved invoices attached hereto:
3. That upon said amount being lent to said the District and/or obtained by said the District from the proceeds of the Note and/or other sources, the undersigned approve such expenditure and the payment of said amounts to said firms and/or persons, either directly or from amounts on deposit in the "Ohio County Water District Waterworks Revenue Bond Anticipation Note Construction Account".
4. That we hereby certify that we have carefully inspected the work and, as a result of our inspection and to the best of our knowledge and belief, the amounts shown in this Requisition Certificate are correct and the work has been performed in accordance with the agreements between the District and the parties requesting payment.

IN TESTIMONY WHEREOF, witness the signature of the undersigned, this ____ day of _____, 20 ____.

Amount expended heretofore \$ _____

Amount approved herein _____

Total _____

OHIO COUNTY WATER DISTRICT

By _____
Authorized Representative

Approved on _____


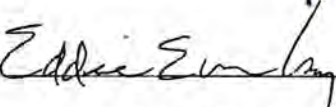
EXHIBIT A TO REQUISITION CERTIFICATE

<u>Name of Entity/Person</u>	<u>Amount</u>
------------------------------	---------------

CERTIFICATE OF SECRETARY

Re: Ohio County Water District Waterworks Revenue Bond Anticipation Notes, Series 2023, dated October 13, 2023, in the original principal amount of \$5,000,000.

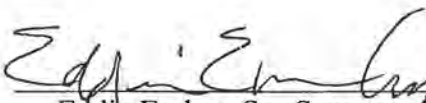
I, Eddie Embry, Sr., hereby certify that I am the duly appointed, qualified and acting Secretary/Treasurer of the Board of Commissioners of the Ohio County Water District (the "District"), and I further certify on behalf of the District that the following persons are now the duly qualified and acting officials of the District, duly elected to the offices set forth opposite their respective names, and that the respective signature appearing opposite the name of each person is his or her genuine signature:

Name	Office	Signature
Ben Everly	Chairman	
Eddie Embry, Sr.	Secretary/Treasurer	

The above persons are hereby certified to be the officers of the District authorized to execute and deliver documents and certificates for the purpose of closing the above-referenced Notes, and to effect transactions contemplated by said documents and certificates.

That as Secretary, I have been responsible for the minutes of the meetings of the Board of Commissioners of the District for those certain meetings held during the calendar year 2023 at which resolutions or ordinances were adopted relating to the above-captioned Notes pursuant to the terms of the Kentucky Revised Statutes; and that the aforesaid meetings at which actions were taken in relation to said Notes were conducted in compliance with the applicable provisions of KRS 61.805 through 61.850, inclusive, said meetings having been (a) regular, (b) adjourned regular, (c) rescheduled regular or (d) special, called meetings, concerning which all public media had notice under the terms of said statutes (if such notice had been requested by them under the terms of said statutes).

IN TESTIMONY WHEREOF, witness my signature this October 13, 2023.


Eddie Embry, Sr., Secretary/Treasurer

**RECEIPT AND CERTIFICATE
OF
EXECUTION AND NO LITIGATION**

Re: Ohio County Water District Waterworks Revenue Bond Anticipation Notes, Series 2023, dated October 13, 2023, in the original principal amount of \$5,000,000.

The undersigned, Ben Everly, Chairman of the Board of Commissioners of the Ohio County Water District (the "District") and Eddie Embry, Sr., Secretary/Treasurer of the Board of Commissioners of the District, do hereby certify that we are the officials respectively above indicated of said the District, and we further certify as follows:

1. That the Ohio County Water District Waterworks Revenue Bond Anticipation Notes, Series 2023 (the "Notes"), in the original principal amount of \$5,000,000, represent the entire authorized issue, bearing interest at the rates set forth in the Resolution authorizing the issuance of the Notes, which Resolution was adopted by the Board of Commissioners of the District on September 25, 2023 (the "Resolution").

2. That said Notes are the Notes which were duly authorized by said the District to be payable from the "Ohio County Water District Waterworks Revenue Bond Anticipation Note Sinking Fund" created by Section 18 of the Resolution.

3. That the Notes were executed with the manual signature of the undersigned Chairman and attested by the manual signature of the undersigned Secretary.

4. That the Notes were on this day by us lawfully issued, sold, and delivered to Pinnacle Bank, Louisville, Kentucky (the "Purchaser") and paid for in full by said Purchaser in accordance with the terms of the private, negotiated sale of the Notes to the Purchaser approved by the Board of Commissioners in the Resolution, at the agreed sale price of \$5,000,000 (100% of par).

5. That we are familiar with the provisions of Section 17 of the Resolution, and we hereby certify that at the time of or immediately after the issuance, sale, and delivery of the Notes, the proceeds of the Notes were applied or will be applied as itemized in the Distribution of Proceeds Schedule and this certificate constitutes the instruction to and authorization of the Purchaser to make payments and deposits as specified in said schedule.

6. That we are the officers of the District authorized to execute and deliver documents and certifications and to effect other transactions in connection with the issuance of the Notes.

7. That to the best of our knowledge, there is no litigation pending or threatened against the District to restrain or enjoin the issuance or delivery of any of the Notes, the application of the proceeds thereof, or the payment, collection, or application of moneys pursuant to the Resolution or in any way contesting or affecting any authority for, or the validity of the Notes, the Resolution, the application of the proceeds of the Notes, or the payment, collection, or application of moneys or the pledge thereof pursuant to the Resolution.

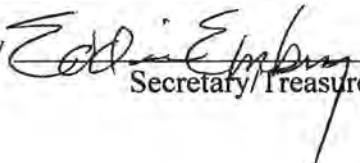
8. Since the date of the financial information provided to the Purchaser, there have not been any material adverse changes in the business, properties, condition (financial or otherwise), or results of operations of the District, whether or not arising from transactions in the ordinary course of business, 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.

9. That none of the proceedings or authority for the issuance of the Notes have been repealed, revoked, rescinded, canceled, modified, changed, or altered in any manner since the passage of the Resolution on September 25, 2023.

IN TESTIMONY WHEREOF, witness our respective official signatures this October 13, 2023.

OHIO COUNTY WATER DISTRICT

By  _____
Chairman

By  _____
Secretary/Treasurer

70,443.⁷⁸

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #F08-08
 OHIO CO WATER DISTRICT
 FINAL

1.00% Rate
 \$115,231.27 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
								\$3,742,957.20		
06/01/12	\$84,761.20	\$18,292.44	1.0000%	\$103,053.64	\$4,678.70	\$0.00	\$107,732.34	\$3,658,196.00	\$0.00	\$0.00
12/01/12	\$85,185.01	\$18,290.98	1.0000%	\$103,475.99	\$4,572.75	\$0.00	\$108,048.74	\$3,894,018.99	\$12,500.00	\$12,500.00
06/01/13	\$93,302.43	\$18,398.02	1.0000%	\$111,700.45	\$4,867.52	\$0.00	\$116,567.97	\$3,883,582.72	\$0.00	\$25,000.00
12/01/13	\$95,813.36	\$19,405.20	1.0000%	\$115,218.56	\$4,854.48	\$0.00	\$120,073.04	\$3,787,769.36	\$12,500.00	\$12,500.00
06/01/14	\$96,292.42	\$18,938.85	1.0000%	\$115,231.27	\$4,734.71	\$0.00	\$119,965.98	\$3,691,476.94	\$0.00	\$25,000.00
12/01/14	\$96,773.88	\$18,457.39	1.0000%	\$115,231.27	\$4,614.34	\$0.00	\$119,845.61	\$3,594,703.06	\$12,500.00	\$37,500.00
06/01/15	\$97,257.76	\$17,973.51	1.0000%	\$115,231.27	\$4,493.38	\$0.00	\$119,724.65	\$3,497,445.30	\$0.00	\$37,500.00
12/01/15	\$97,744.05	\$17,487.22	1.0000%	\$115,231.27	\$4,371.81	\$0.00	\$119,603.08	\$3,399,701.25	\$12,500.00	\$50,000.00
06/01/16	\$98,232.76	\$16,998.51	1.0000%	\$115,231.27	\$4,249.63	\$0.00	\$119,480.90	\$3,301,468.49	\$0.00	\$50,000.00
12/01/16	\$98,723.92	\$16,507.35	1.0000%	\$115,231.27	\$4,126.84	\$0.00	\$119,358.11	\$3,202,744.57	\$12,500.00	\$62,500.00
06/01/17	\$99,217.55	\$16,013.72	1.0000%	\$115,231.27	\$4,003.43	\$0.00	\$119,234.70	\$3,103,527.02	\$0.00	\$62,500.00
12/01/17	\$99,713.63	\$15,517.64	1.0000%	\$115,231.27	\$3,879.41	\$0.00	\$119,110.68	\$3,003,813.39	\$12,500.00	\$75,000.00
06/01/18	\$100,212.20	\$15,019.07	1.0000%	\$115,231.27	\$3,754.77	\$0.00	\$118,986.04	\$2,903,601.19	\$0.00	\$75,000.00
12/01/18	\$100,713.26	\$14,518.01	1.0000%	\$115,231.27	\$3,629.50	\$0.00	\$118,860.77	\$2,802,887.93	\$12,500.00	\$87,500.00
06/01/19	\$101,216.83	\$14,014.44	1.0000%	\$115,231.27	\$3,503.61	\$0.00	\$118,734.88	\$2,701,671.10	\$0.00	\$87,500.00
12/01/19	\$101,722.91	\$13,508.36	1.0000%	\$115,231.27	\$3,377.09	\$0.00	\$118,608.36	\$2,599,948.19	\$12,500.00	\$100,000.00
06/01/20	\$102,231.53	\$12,999.74	1.0000%	\$115,231.27	\$3,249.94	\$0.00	\$118,481.21	\$2,497,716.66	\$0.00	\$100,000.00
12/01/20	\$102,742.69	\$12,488.58	1.0000%	\$115,231.27	\$3,122.15	\$0.00	\$118,353.42	\$2,394,973.97	\$12,500.00	\$112,500.00
06/01/21	\$103,256.40	\$11,974.87	1.0000%	\$115,231.27	\$2,993.71	\$0.00	\$118,224.98	\$2,291,717.57	\$0.00	\$112,500.00
12/01/21	\$103,772.68	\$11,458.59	1.0000%	\$115,231.27	\$2,864.64	\$0.00	\$118,095.91	\$2,187,944.89	\$12,500.00	\$125,000.00
06/01/22	\$104,291.54	\$10,939.73	1.0000%	\$115,231.27	\$2,734.94	\$0.00	\$117,966.21	\$2,083,653.35	\$0.00	\$125,000.00
12/01/22	\$104,813.00	\$10,418.27	1.0000%	\$115,231.27	\$2,604.57	\$0.00	\$117,835.84	\$1,978,840.35	\$0.00	\$125,000.00
06/01/23	\$105,337.06	\$9,894.21	1.0000%	\$115,231.27	\$2,473.55	\$0.00	\$117,704.82	\$1,873,503.29	\$0.00	\$125,000.00
12/01/23	\$105,863.75	\$9,367.52	1.0000%	\$115,231.27	\$2,341.88	\$0.00	\$117,573.15	\$1,767,639.54	\$0.00	\$125,000.00
06/01/24	\$106,393.07	\$8,838.20	1.0000%	\$115,231.27	\$2,209.55	\$0.00	\$117,440.82	\$1,661,246.47	\$0.00	\$125,000.00
12/01/24	\$106,925.04	\$8,306.23	1.0000%	\$115,231.27	\$2,076.56	\$0.00	\$117,307.83	\$1,554,321.43	\$0.00	\$125,000.00
06/01/25	\$107,459.66	\$7,771.61	1.0000%	\$115,231.27	\$1,942.91	\$0.00	\$117,174.18	\$1,446,861.77	\$0.00	\$125,000.00
12/01/25	\$107,996.97	\$7,234.30	1.0000%	\$115,231.27	\$1,808.58	\$0.00	\$117,039.85	\$1,338,864.80	\$0.00	\$125,000.00
06/01/26	\$108,536.95	\$6,694.32	1.0000%	\$115,231.27	\$1,673.58	\$0.00	\$116,904.85	\$1,230,327.85	\$0.00	\$125,000.00
12/01/26	\$109,079.63	\$6,151.64	1.0000%	\$115,231.27	\$1,537.91	\$0.00	\$116,769.18	\$1,121,248.22	\$0.00	\$125,000.00
06/01/27	\$109,625.03	\$5,606.24	1.0000%	\$115,231.27	\$1,401.56	\$0.00	\$116,632.83	\$1,011,623.19	\$0.00	\$125,000.00
12/01/27	\$110,173.15	\$5,058.12	1.0000%	\$115,231.27	\$1,264.53	\$0.00	\$116,495.80	\$901,450.04	\$0.00	\$125,000.00
06/01/28	\$110,724.03	\$4,507.24	1.0000%	\$115,231.27	\$1,126.81	\$0.00	\$116,358.08	\$790,726.01	\$0.00	\$125,000.00
12/01/28	\$111,277.64	\$3,953.63	1.0000%	\$115,231.27	\$988.41	\$0.00	\$116,219.68	\$679,448.37	\$0.00	\$125,000.00
06/01/29	\$111,834.03	\$3,397.24	1.0000%	\$115,231.27	\$849.31	\$0.00	\$116,080.58	\$567,614.34	\$0.00	\$125,000.00
12/01/29	\$112,393.19	\$2,838.08	1.0000%	\$115,231.27	\$709.52	\$0.00	\$115,940.79	\$455,221.15	\$0.00	\$125,000.00
06/01/30	\$112,955.16	\$2,276.11	1.0000%	\$115,231.27	\$569.03	\$0.00	\$115,800.30	\$342,265.99	\$0.00	\$125,000.00
12/01/30	\$113,519.93	\$1,711.34	1.0000%	\$115,231.27	\$427.84	\$0.00	\$115,659.11	\$228,746.06	\$0.00	\$125,000.00
06/01/31	\$114,087.54	\$1,143.73	1.0000%	\$115,231.27	\$285.93	\$0.00	\$115,517.20	\$114,658.52	\$0.00	\$125,000.00
12/01/31	\$114,658.52	\$572.75	1.0000%	\$115,231.27	\$143.32	\$0.00	\$115,374.59	\$0.00	\$0.00	\$125,000.00
Totals	\$4,146,831.36	\$434,943.00		\$4,581,774.50	\$109,112.70	\$0.00	\$4,690,887.20		\$125,000.00	

Auto Pay KIA
 Set

**KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #F15-069
 OHIO COUNTY WATER DISTRICT
 FINAL**

1.75% Interest \$35,667.51 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
12/01/17	\$25,172.76	\$9,969.92	1.75%	\$35,142.68	\$1,499.25	\$0.00	\$36,641.93	\$1,199,399.62		
06/01/18	\$25,393.02	\$10,274.49	1.75%	\$35,667.51	\$1,467.78	\$0.00	\$37,135.29	\$1,174,226.86	\$4,100.00	\$4,100.00
12/01/18	\$25,615.21	\$10,052.30	1.75%	\$35,667.51	\$1,436.04	\$0.00	\$37,103.55	\$1,148,833.84	\$0.00	\$4,100.00
06/01/19	\$31,640.16	\$11,274.85	1.75%	\$42,915.01	\$1,656.18	\$0.00	\$44,571.19	\$1,375,375.76	\$4,100.00	\$8,200.00
12/01/19	\$33,157.72	\$12,162.00	1.75%	\$45,319.72	\$1,649.10	\$0.00	\$46,968.82	\$1,395,971.18	\$0.00	\$8,200.00
06/01/20	\$33,447.84	\$11,924.63	1.75%	\$45,372.47	\$1,630.63	\$0.00	\$47,003.10	\$1,362,813.46	\$4,100.00	\$12,300.00
12/01/20	\$33,740.52	\$11,631.95	1.75%	\$45,372.47	\$1,590.62	\$0.00	\$46,963.09	\$1,329,365.62	\$0.00	\$12,300.00
06/01/21	\$34,035.74	\$11,336.73	1.75%	\$45,372.47	\$1,550.25	\$0.00	\$46,922.72	\$1,295,625.10	\$4,100.00	\$16,400.00
12/01/21	\$34,333.57	\$11,038.90	1.75%	\$45,372.47	\$1,509.53	\$0.00	\$46,882.00	\$1,261,589.36	\$0.00	\$16,400.00
06/01/22	\$34,633.99	\$10,738.48	1.75%	\$45,372.47	\$1,468.44	\$0.00	\$46,840.91	\$1,227,255.79	\$4,100.00	\$20,500.00
12/01/22	\$34,937.03	\$10,435.44	1.75%	\$45,372.47	\$1,427.01	\$0.00	\$46,799.48	\$1,192,621.80	\$0.00	\$20,500.00
06/01/23	\$35,242.73	\$10,129.74	1.75%	\$45,372.47	\$1,385.20	\$0.00	\$46,757.67	\$1,157,684.77	\$4,100.00	\$24,600.00
12/01/23	\$35,551.11	\$9,821.36	1.75%	\$45,372.47	\$1,343.03	\$0.00	\$46,715.50	\$1,122,442.04	\$0.00	\$24,600.00
06/01/24	\$35,862.17	\$9,510.30	1.75%	\$45,372.47	\$1,300.49	\$0.00	\$46,672.96	\$1,086,890.93	\$4,100.00	\$28,700.00
12/01/24	\$36,175.97	\$9,196.50	1.75%	\$45,372.47	\$1,257.58	\$0.00	\$46,630.05	\$1,051,028.76	\$0.00	\$28,700.00
06/01/25	\$36,492.50	\$8,879.97	1.75%	\$45,372.47	\$1,214.30	\$0.00	\$46,586.77	\$1,014,852.79	\$4,100.00	\$32,800.00
12/01/25	\$36,811.81	\$8,560.66	1.75%	\$45,372.47	\$1,170.64	\$0.00	\$46,543.11	\$978,360.29	\$0.00	\$32,800.00
06/01/26	\$37,133.92	\$8,238.55	1.75%	\$45,372.47	\$1,126.58	\$0.00	\$46,499.05	\$941,548.48	\$4,100.00	\$36,900.00
12/01/26	\$37,458.84	\$7,913.63	1.75%	\$45,372.47	\$1,082.16	\$0.00	\$46,454.63	\$904,414.56	\$0.00	\$36,900.00
06/01/27	\$37,786.61	\$7,585.86	1.75%	\$45,372.47	\$1,037.34	\$0.00	\$46,409.81	\$866,955.72	\$4,100.00	\$41,000.00
12/01/27	\$38,117.24	\$7,255.23	1.75%	\$45,372.47	\$992.13	\$0.00	\$46,364.60	\$829,169.11	\$0.00	\$41,000.00
06/01/28	\$38,450.77	\$6,921.70	1.75%	\$45,372.47	\$946.51	\$0.00	\$46,318.98	\$791,051.87	\$0.00	\$41,000.00
12/01/28	\$38,787.22	\$6,585.25	1.75%	\$45,372.47	\$900.51	\$0.00	\$46,272.98	\$752,601.10	\$0.00	\$41,000.00
06/01/29	\$39,126.60	\$6,245.87	1.75%	\$45,372.47	\$854.10	\$0.00	\$46,226.57	\$713,813.88	\$0.00	\$41,000.00
12/01/29	\$39,468.96	\$5,903.51	1.75%	\$45,372.47	\$807.29	\$0.00	\$46,179.76	\$674,687.28	\$0.00	\$41,000.00
06/01/30	\$39,814.31	\$5,558.16	1.75%	\$45,372.47	\$760.05	\$0.00	\$46,132.52	\$635,218.32	\$0.00	\$41,000.00
12/01/30	\$40,162.69	\$5,209.78	1.75%	\$45,372.47	\$712.41	\$0.00	\$46,084.88	\$595,404.01	\$0.00	\$41,000.00
06/01/31	\$40,514.11	\$4,858.36	1.75%	\$45,372.47	\$664.37	\$0.00	\$46,036.84	\$555,241.32	\$0.00	\$41,000.00
12/01/31	\$40,868.60	\$4,503.87	1.75%	\$45,372.47	\$615.89	\$0.00	\$45,988.36	\$514,727.21	\$0.00	\$41,000.00
06/01/32	\$41,226.21	\$4,146.26	1.75%	\$45,372.47	\$566.99	\$0.00	\$45,939.46	\$473,858.61	\$0.00	\$41,000.00
12/01/32	\$41,586.94	\$3,785.53	1.75%	\$45,372.47	\$517.66	\$0.00	\$45,890.13	\$432,632.40	\$0.00	\$41,000.00
06/01/33	\$41,950.83	\$3,421.64	1.75%	\$45,372.47	\$467.89	\$0.00	\$45,840.36	\$391,045.46	\$0.00	\$41,000.00
12/01/33	\$42,317.89	\$3,054.58	1.75%	\$45,372.47	\$417.70	\$0.00	\$45,790.17	\$349,094.63	\$0.00	\$41,000.00
06/01/34	\$42,688.17	\$2,684.30	1.75%	\$45,372.47	\$367.07	\$0.00	\$45,739.54	\$306,776.74	\$0.00	\$41,000.00
12/01/34	\$43,061.69	\$2,310.78	1.75%	\$45,372.47	\$315.99	\$0.00	\$45,688.46	\$264,088.57	\$0.00	\$41,000.00
06/01/35	\$43,438.49	\$1,933.98	1.75%	\$45,372.47	\$264.47	\$0.00	\$45,636.94	\$221,026.88	\$0.00	\$41,000.00
12/01/35	\$43,818.56	\$1,553.91	1.75%	\$45,372.47	\$212.49	\$0.00	\$45,584.96	\$177,588.39	\$0.00	\$41,000.00
06/01/36	\$44,201.99	\$1,170.48	1.75%	\$45,372.47	\$160.07	\$0.00	\$45,532.54	\$133,769.83	\$0.00	\$41,000.00
12/01/36	\$44,588.75	\$783.72	1.75%	\$45,372.47	\$107.17	\$0.00	\$45,479.64	\$89,567.84	\$0.00	\$41,000.00
06/01/37	\$44,979.09	\$393.38	1.75%	\$45,372.47	\$53.82	\$0.00	\$45,426.29	\$44,979.09	\$0.00	\$41,000.00
Totals	\$1,503,792.33	\$278,956.55		\$1,782,748.88	\$38,506.73	\$0.00	\$1,821,255.61		\$41,000.00	

Created by KIA on 07/16/2019

Auto Pay Set

The principal balance of the loan increased by \$252,157.13 on 12/01/18 to include additional draws
 The principal balance of the loan increased by \$52,235.58 on 06/01/19 to include additional draws

K.I.A. Phase I

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2020 A

Borrower: Ohio County Water District
 Closing Date: 01/07/20

Amortization

Borrower Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
01/01/20						
07/01/20			141,087.55		141,087.55	141,087.55
01/01/21	140,000.00	5.200%	123,866.25	450.00	264,316.25	
07/01/21			120,226.25		120,226.25	384,542.50
01/01/22	150,000.00	5.200%	120,226.25	450.00	270,676.25	
07/01/22			116,326.25		116,326.25	387,002.50
01/01/23	155,000.00	5.200%	116,326.25	450.00	271,776.25	
07/01/23			112,296.25		112,296.25	384,072.50
01/01/24	160,000.00	5.200%	112,296.25	450.00	272,746.25	
07/01/24			108,136.25		108,136.25	380,882.50
01/01/25	170,000.00	5.200%	108,136.25	450.00	278,586.25	
07/01/25			103,716.25		103,716.25	382,302.50
01/01/26	180,000.00	5.200%	103,716.25	450.00	284,166.25	
07/01/26			99,036.25		99,036.25	383,202.50
01/01/27	190,000.00	5.200%	99,036.25	450.00	289,486.25	
07/01/27			94,096.25		94,096.25	383,582.50
01/01/28	200,000.00	5.200%	94,096.25	450.00	294,546.25	
07/01/28			88,896.25		88,896.25	383,442.50
01/01/29	205,000.00	2.200%	88,896.25	450.00	294,346.25	
07/01/29			86,641.25		86,641.25	380,987.50
01/01/30	210,000.00	2.200%	86,641.25	450.00	297,091.25	
07/01/30			84,331.25		84,331.25	381,422.50
01/01/31	215,000.00	2.325%	84,331.25	450.00	299,781.25	
07/01/31			81,831.88		81,831.88	381,613.13
01/01/32	220,000.00	2.450%	81,831.88	450.00	302,281.88	
07/01/32			79,136.88		79,136.88	381,418.76
01/01/33	225,000.00	2.575%	79,136.88	450.00	304,586.88	
07/01/33			76,240.00		76,240.00	380,826.88
01/01/34	230,000.00	2.700%	76,240.00	450.00	306,690.00	
07/01/34			73,135.00		73,135.00	379,825.00
01/01/35	235,000.00	2.700%	73,135.00	450.00	308,585.00	
07/01/35			69,962.50		69,962.50	378,547.50
01/01/36	240,000.00	2.825%	69,962.50	450.00	310,412.50	
07/01/36			66,572.50		66,572.50	376,985.00
01/01/37	245,000.00	2.950%	66,572.50	450.00	312,022.50	
07/01/37			62,958.75		62,958.75	374,981.25
01/01/38	255,000.00	2.950%	62,958.75	450.00	318,408.75	
07/01/38			59,197.50		59,197.50	377,606.25
01/01/39	260,000.00	3.075%	59,197.50	450.00	319,647.50	
07/01/39			55,200.00		55,200.00	374,847.50
01/01/40	270,000.00	3.200%	55,200.00	450.00	325,650.00	
07/01/40			50,880.00		50,880.00	376,530.00
01/01/41	275,000.00	3.200%	50,880.00	450.00	326,330.00	
07/01/41			46,480.00		46,480.00	372,810.00
01/01/42	285,000.00	3.200%	46,480.00	450.00	331,930.00	
07/01/42			41,920.00		41,920.00	373,850.00
01/01/43	295,000.00	3.200%	41,920.00	450.00	337,370.00	
07/01/43			37,200.00		37,200.00	374,570.00
01/01/44	305,000.00	3.200%	37,200.00	450.00	342,650.00	
07/01/44			32,320.00		32,320.00	374,970.00
01/01/45	315,000.00	3.200%	32,320.00	450.00	347,770.00	
07/01/45			27,280.00		27,280.00	375,050.00
01/01/46	320,000.00	3.200%	27,280.00	450.00	347,730.00	
07/01/46			22,160.00		22,160.00	369,890.00
01/01/47	330,000.00	3.200%	22,160.00	450.00	352,610.00	
07/01/47			16,880.00		16,880.00	369,490.00
01/01/48	340,000.00	3.200%	16,880.00	450.00	357,330.00	
07/01/48			11,440.00		11,440.00	368,770.00
01/01/49	350,000.00	3.200%	11,440.00	450.00	361,890.00	
07/01/49			5,840.00		5,840.00	367,730.00
01/01/50	365,000.00	3.200%	5,840.00	450.00	371,290.00	
Totals	7,335,000.00		4,125,628.82	13,500.00	11,474,128.82	11,474,128.82

BOND DEBT SERVICE

Ohio County Water District
Waterworks Revenue Anticipation Note, Series 2023
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service
12/31/2024			267,283.33	267,283.33
12/31/2025	5,000,000	5.530%	262,675.00	5,262,675.00
	5,000,000		529,958.33	5,529,958.33

**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 _____ Ohio County Water District _____ ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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

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

Cletas Greer
(Print Name)

Cletas Greer
(Signed)

board member
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF OHIO

Subscribed and sworn to before me by Cletus Greer
(Name)

this 22nd day of APRIL, 2024.

Renetta B. Romers
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

J. Carlton Gregory
(Print Name)

J. Carlton Gregory
(Signed)

Commissioner
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Ohio

Subscribed and sworn to before me by J. Carlin Gregory
(Name)

this 22ND day of April, 2024.

Shelita Romero
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

Reid Haice
(Print Name)

Reid Haice
(Signed)

Board Member
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF OHIO

Subscribed and sworn to before me by REID HAIRE
(Name)

this 22ND day of APRIL, 2024.

Renetta Blomero
NOTARY PUBLIC
State-at-Large

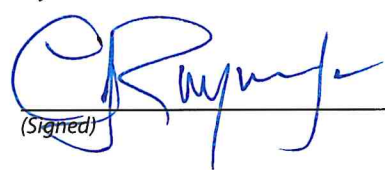
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

Hyndon J. Raymond
(Print Name)


(Signed)

Board Member.
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF OHIO

Subscribed and sworn to before me by Lyndon J. Raymond
(Name)

this 22nd day of APRIL, 2024.

Kenneth Blomew
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

Eddie Embury
(Print Name)

Eddie Embury
(Signed)

Sec. Treas.
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF OHIO

Subscribed and sworn to before me by Eddie Embry
(Name)

this 22nd day of APRIL, 2024.

Renetta B. Homers
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

ERIC HICKMAN
(Print Name)


(Signed)

GENERAL MANAGER
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF OHIO

Subscribed and sworn to before me by Eric Hickman
(Name)

this 22nd day of April, 2024.

Renetta Romero
NOTARY PUBLIC
State-at-Large

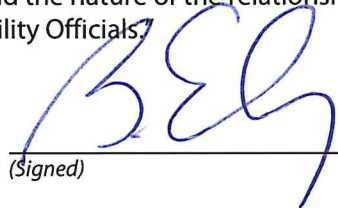
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

Ben Everkey
(Print Name)


(Signed)

Board Member - Chairman
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Ohio

Subscribed and sworn to before me by Ben Everley
(Name)

this 22ND day of April, 2024.

Genetta B. Romero
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

Michael Newmar
(Print Name)

Michael Newmar
(Signed)

Board Member
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF OHIO

Subscribed and sworn to before me by Michael Newman
(Name)

this 22nd day of APRIL, 2024.

Genetta D. Romero
NOTARY PUBLIC
State-at-Large

RESOLUTION 2024-04-01

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE OHIO COUNTY WATER DISTRICT 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 Ohio County Water District (“District”) is a water district created and organized under the provisions of KRS Chapter 74. The District is subject to the jurisdiction of the Kentucky Public Service Commission (“PSC”);

WHEREAS, prudent financial management dictates that the District 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 District to propose adjustments to its water rates and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF OHIO COUNTY WATER DISTRICT 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.

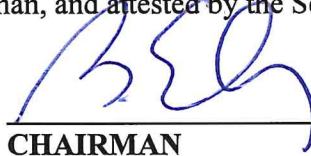
Section 2. The District proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

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

Section 4. The Chairman, General Manager, and all other appropriate District 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 OHIO COUNTY WATER DISTRICT at a meeting held on April 22, 2024, signed by the Chairman, and attested by the Secretary.



CHAIRMAN

ATTEST:



SECRETARY

CERTIFICATION

I, Secretary of the Ohio County Water District (the “District”), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the District at a meeting properly held on April 22, 2024, signed by the Chairman of the District, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 22nd day of April 2024.



SECRETARY

APPENDIX A
CURRENT AND PROPOSED RATES
Ohio County Water District

EXISTING WATER RATES

No. of Gallons per Month

First	2,000	Gallons @	\$25.97	L.S. Minimum
Next	18,000	Gallons @	10.79	per 1,000 Gallons
Next	30,000	Gallons @	9.33	per 1,000 Gallons
Next	50,000	Gallons @	7.85	per 1,000 Gallons
Over	100,000	Gallons @	6.39	per 1,000 Gallons
Wholesale Customers			\$3.29	per 1,000 Gallons

PROPOSED WATER RATES

No. of Gallons per Month

First	2,000	Gallons @	\$30.56	L.S. Minimum
Next	18,000	Gallons @	12.70	per 1,000 Gallons
Next	30,000	Gallons @	10.98	per 1,000 Gallons
Next	50,000	Gallons @	9.24	per 1,000 Gallons
Over	100,000	Gallons @	7.52	per 1,000 Gallons
Wholesale Customers			\$3.87	per 1,000 Gallons