

Case No. 2024-00217

City of Mt. Vernon's Responses to the Commission Staff's First Request for Information

1. Refer to Mt. Vernon Tariff Filing "City-of-MTVernon_Water_Tariff_Rates_Revision_Support_-_FeasibilityAnalysis_2021" (feasibility analysis). Also refer to Mt. Vernon Tariff Filing at unnumbered page 2 of 110 pages.

a Compare the "Project Rev. Reqmnt" tab and the "Project Budget" tab of the feasibility analysis, which note a project cost of \$3,840,000 with page 2 of the tariff filing, which states "The total project cost is \$4,142,000 . . .". State which amount is correct and whether the rate calculations should be modified if the correct amount is \$4,142,000. Provide updated rate calculations, if appropriate.

Response:

The project budget has been updated several times since the bids were received on September 12, 2023. The project budget developed after the bids were received totaled \$3,840,000 and reflected the contract being awarded to the low bidder, Sensabaugh Design and Construction. Unfortunately, the bids were well above the original estimate, and it took several months to obtain additional funding. By this time, the bids had expired and the low bidder had committed its resources to other projects. Negotiations proceeded with the second lowest bidder, Smith Contractors, and on March 27, 2024 the Project Budget was updated to reflect a total cost of \$4,142,000.

The City of Mt. Vernon has requested an additional \$750,000 in grants from the Appalachian Regional Commission to account for budget adjustments associated with other improvements at the Water Treatment Plant, engineering, and construction observation. Therefore, the final Project Budget is \$4,590,000.

The total Project Budget has increased since the original application to Rural Development, but this didn't impact the Feasibility Study since the additional funds obtained

Case No. 2024-00217

City of Mt. Vernon's Responses to the Commission Staff's First Request for Information

were grants and the loan amount needed to finance the Project did not change.

b. Provide the NARUC depreciation life that will be used for each component of the proposed project.

Response:

The total project cost will be depreciated over a life of 37.5 years based on the NARUC category for Structures & Improvements.

c. If the correct project cost amount is \$4,142,000, provide the source of funding for the additional \$302,000 project cost.

Response:

Attached is a revised Project Budget dated August 1, 2024 (Exhibit 1) and a letter from RD to ARC outlining the Project Funding dated March 25, 2024 (Exhibit 2).

Responding Witness: Vaughn Williams

Case No. 2024-00217

City of Mt. Vernon's Responses to the Commission Staff's First Request for Information

2 Refer to the feasibility analysis. The "Project Rev. Reqmnt" tab notes a Rural Development Loan (RD) component.

a Provide a copy of the Letter of Conditions for the RD funding.

Response:

Attached is the RD Letter of Conditions (Exhibit 3).

b Provide a copy of the RD bond document including the final amortization schedule. If the RD debt has not yet been issued, provide the date that Mt. Vernon expects it to be issued and an amortization schedule with anticipated payment dates based on the projected bond issue date.

Response:

Attached is the Bond Ordinance with Amortization Schedule (Exhibit 4).

Responding Witness: Vaughn Williams

Case No. 2024-00217

City of Mt. Vernon's Responses to the Commission Staff's First Request for Information

3 Refer to the opening Order entered on July 12, 2024, Exhibit A at page 14 of 21. Depreciation expense is reported at \$283,246 for the Water Fund and \$283,245 for the Sewer Fund.

a State how depreciation was determined for each of the water and sewer funds.

Response:

The City of Mt. Vernon has traditionally divided the total depreciation expense for water and sewer assets in half.

b Provide a summary of fixed assets that are grouped between water, sewer, and administrative that shows gross cost, accumulated depreciation, 2023 depreciation expense, and net book value as of June 30, 2023.

Response:

A depreciation schedule is attached (Exhibit 5).

Responding Witness: Vaughn Williams

Case No. 2024-00217

City of Mt. Vernon's Responses to the Commission Staff's First Request for Information

4. Provide an updated wholesale and retail unit cost analysis (per thousand gallons) based on (1) audited 2023 financial results, and (2) the projected incremental costs for the proposed project.

Response:

An updated wholesale and retail cost analysis based on the 2023 financial results is attached as Exhibit 6.

Page 1 of Exhibit 6 shows the City's Operating Revenues, Operating Expenses, and Debt Service for Year Ending June 30, 2023. The analysis concludes that a uniform increase of 21.78% should be applied to the current retail and wholesale rates to cover the City's operating expenses, debt service, and 20% additional working capital (coverage). The 21.78% increase does not include any costs associated with the current Water Treatment Plant Improvements Project.

Page 2 of Exhibit 6 is a table showing the existing and proposed rates for the 5/8"x3/4" retail meters and wholesale users after a uniform 21.78% increase is applied.

Pages 3 and 4 of Exhibit 6 show the incremental increase needed to finance the proposed Project and the proportionate cost allocated to the retail and wholesale users. The Project costs were allocated based upon the proportionate volumes of water sales. During 2023, the City sold 460,452,500 gallons total, of which 344,634,900 gallons (74.8%) was sold to wholesale customers and 115,817,600 gallons (25.3%) was sold to retail users.

Page 5 of Exhibit 6 is table showing the proposed rates for the 5/8"x3/4" meters and wholesale users with the incremental increase needed for the proposed Project.

Case No. 2024-00217

City of Mt. Vernon's Responses to the Commission Staff's First Request for Information

Also included is a spreadsheet, referenced as Exhibit 7, titled "Revised Feasibility Analysis 240812.xls" with tabs "2023 Usage" and "2023 Updated Rates" developed for Exhibit 6.

Responding Witness: Vaughn Williams



City of Mt. Vernon
Water Treatment Plant - Taste & Odor Control System
Revised Project Budget

August 1, 2024

PROJECT COSTS	July 2018 Budget	Revised Budget
Total Construction Cost	\$812,000	\$3,348,741
Contingency	80,000	623,901
Engineering Fee:		
Design & Bidding Phase	60,000	110,824
Construction Phase	15,000	43,600
Construction Observation	67,000	283,988
Planning (PER, etc.)	20,000	20,000
Geotechnical	10,000	0
Administration	25,000	5,000
Legal, Local Counsel	1,000	8,000
Legal, Bond Counsel	0	13,946
Interim Financing	0	57,000
Corp of Engineers Review Fee	75,000	75,000
TOTAL PROJECT COST	\$1,165,000	\$4,590,000
PROJECT FUNDING		
Appalachian Regional Commission (ARC)	\$165,000	\$165,000
Appalachian Regional Commission (ARC)	0	750,000
Kentucky Flood Control Matching Grant	250,000	250,000
USACE Pride 531	750,000	750,000
Rural Development, Loan	0	864,000
Rural Development, Grant	0	1,811,000
TOTAL PROJECT FUNDING	\$1,165,000	\$4,590,000



March 25, 2024

Mr. Brandon McBride, Executive Director
Attn: Karen Hayman, Project Control
Appalachian Regional Commission
1666 Connecticut Avenue, NW
Washington, D.C. 20009-1068

Re: City of Mount Vernon – Rockcastle County
Mount Vernon Water Treatment Plant Improvements (KY-19527) Project

Dear Mr. McBride:

Rural Development has been requested to administer the referenced project which proposes to address the finished water taste and smell issues due to serious algae blooms in the source water. The proposed project will include the renovation and upgrades to the existing plant by adding a PAC basin, PAC storage building with feed equipment, a PAC feed line, and all related appurtenances. Rural Development has not reviewed, concurred in, or approved the pending application as it pertains to Rural Development regulations and guidelines.

The appropriate environmental review has been completed and the project is ready to proceed.

Project Funding:

ARC Grant (Proposed R1)	\$ 750,000
ARC Grant (KY- 19527)	165,000
RD Loan	864,000
RD Grant	1,811,000
Kentucky Flood Control	250,000
Matching Grant	
USACE Pride 531	<u>750,000</u>
TOTAL	\$ 4,590,000

USDA Rural Development is prepared to administer the ARC grant under the Memorandum of Agreement between ARC and USDA Rural Development once all required documentation is received and reviewed for approval. Rural Development retains the right to withdraw as the administrating Basic Agency if project does not meet Rural Development project guidelines/standards.

Please transfer the ARC funds to this agency as the processing schedule permits.

Rural Development • Kentucky State Office
771 Corporate Drive, Suite 200, Lexington, Kentucky 40502
Voice (859) 224-7300 • Fax (859) 224-4748 • TTY (859) 224-7422

USDA is an equal opportunity provider and employer.

If there are any questions, please contact Kimberly McCay, Community Programs Director, in this office at 859/224-7673 or kimberly.mccay@usda.gov .

Sincerely,

Dr. Thomas E. Carew
State Director

cc: DLG - Frankfort, Ky.
Field Director – Shelbyville, Ky.
Area Specialist - London, Ky.



United States Department of Agriculture

Rural Development

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

Voice 859.224.7300
Fax 855.661.8335
TTY 859.224.7422

March 15, 2024

Honorable Tim Roberts, Mayor
City of Mt. Vernon
PO Box 1465
Mt. Vernon, KY

SUBJECT: Letter of Conditions

Recipient Name City of Mt. Vernon
Project Name: FY 22 ARC WTP Improvements
CFDA NUMBER – 10.760

Agency Loan:	\$ 864,000
Agency Grant:	\$1,811,000
ARC Grant:	\$ 165,000
PRIDE 531 (COE):	\$ 750,000
KY Flood Control:	\$ 250,000

Dear Mayor Roberts:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and/or grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA Rural Development (RD), both of which are referred to throughout this letter as the Agency. Any changes in project cost, source of funds, scope of project, or any other significant changes in the project or applicant must be reported to and concurred with by the Agency by written amendment to this letter. This includes any significant changes in the Applicant's financial condition, operation, organizational structure or executive leadership. Any changes made without Agency concurrence shall be cause for discontinuing processing of the application.

This letter does not constitute loan and/or grant approval, nor does it ensure that funds are or will be available for the project. The funding is being processed on the basis of a loan not to exceed \$864,000 and/or a grant not to exceed \$1,811,000. The loan and/or grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds" is signed by the Agency approval official.

The applicant will ensure projects are completed in a timely, efficient, and economical manner. You must meet all conditions set forth under Section III – Requirements Prior to Advertising for Bids within 1 year of this letter.

USDA is an equal opportunity provider, employer and lender.

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

Mt. Vernon, City of

2

If you do not meet the conditions of this letter, the Agency reserves the right to withdraw Agency funding.

If you agree to meet the conditions set forth in this letter and desire further consideration be given to your application, please complete and return the following forms within 60 days:

Form RD 1942-46, "Letter of Intent to Meet Conditions"
Form RD 1940-1, "Request for Obligation of Funds"

All parties may access information and regulations referenced in this letter at our website located at: [Water and Environmental Programs | Rural Development \(usda.gov\)](http://www.usda.gov/water-and-environmental-programs/rural-development)

The conditions are as follows:

SECTION I - PROJECT SCOPE

1. Project Description – Funds will be used to include the renovation and upgrades to the existing plant by adding a PAC basin, PAC storage building with feed equipment, a PAC feed line, and all related appurtenances.

Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER), prepared by Kenviron as concurred with by the Agency.

2. Project Funding – The Agency is offering the following funding for your project:

Agency Loan -	\$ 864,000
Agency Grant -	\$ 1,811,000

This offer is based upon the following additional funding being obtained.

ARC Grant	- \$ 165,000
Pride 531 (COE)	- \$750,000
KY Flood Control	- \$250,000

TOTAL PROJECT COST - \$ 3,840,000

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Prior to loan closing, any increase in non-Agency funding will be applied first as a reduction to Agency grant funds, up to the total amount of the grant, and then as a reduction to Agency loan funds.

The applicant must certify that they have exhausted all other funding avenues and have no pending funding considerations from any other sources. Further, the applicant must certify that they do not intend to apply anywhere else for funding for this project. If, after obligation of Agency funds, other funding becomes available, the Agency reserves the right to deobligate any and all funding for this project and to re-underwrite. This may result in the offering of a different funding package to for this project.

Prior to advertisement for construction bids, you must provide evidence of applicant contributions and other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

3. Project Budget – Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs:</u>	<u>Total Budgeted:</u>	
Development	3,015,226	
Contingency	258,718	
Engineering Fees	361,156	
Includes:		
Preliminary Engineering Report		20,000
Design		123,500
Construction Administration		30,924
Resident Project Representation (Inspection)		186,732
Interest - Interim	95,000	
Legal Fees - Local Attorney	14,950	
Legal Fees - Bond Counsel	14,950	
Administration	5,000	
COE Review Fee	75,000	
TOTAL	3,840,000	

Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. Obligated loan and/or grant funds not needed to complete the proposed project will be deobligated. Any reduction will be applied to Agency grant funds first. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. An “Amended Letter of Conditions” will be issued for any changes to the total project budget.

4. Project Timeline – To ensure that the project proceeds in a timely manner, key processing milestones have been established in accordance with the PER or other Agency approved documentation. **Projects should be completed and Agency funds fully disbursed within three years of obligation.**

By agreeing to the terms herein, you agree to comply with the milestones identified below. If, for any reason, one or more of the milestones cannot be met, you must notify the Agency in writing at least 30 days prior to the referenced date. Should your final completion date become more than three years after obligation the written request will follow the procedures outlined in Section VI of this letter, including the submission of not less than 90 days prior to the benchmark. The correspondence must contain a valid explanation as to why the milestone cannot be met and include a proposed revised project completion schedule. If the Agency agrees to the modification, a written confirmation will be issued. The Agency reserves the right to de-obligate loan and/or grant funds, or take other appropriate action, if the established or amended deadlines are not met.

<u>Milestone</u>	<u>Date</u>
Plans & Specifications, and Design Complete	August 2023
Initial Advertisement for Bids	September 2023
Award Contract(s)/Initiate Construction	March 2024
Substantial Completion	September 2025
Final Completion	February 2026

SECTION II – RATES & TERMS

5. Interest Rates and Loan Terms – The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, unless you request otherwise. Should the interest rate be reduced, the payment will be recalculated to the lower amount. The payment due date will be established as the day that the loan closes.

Your loan will be scheduled for repayment over a period of 40 years. Payments will be equal annual amortized installments, beginning year after closing. For planning purposes, use a 2.25% interest which provides for an annual payment of \$32,988. The precise payment amount will be based on the interest rate at which the loan is closed and may be different than the one above.

6 Security – The loan will be secured by a Revenue bond with first/parity lien position in the amount of \$864,000. The bond will be fully registered as to both principal and interest in the name of the “United States of America, Acting through the United States Department of Agriculture.” Bond Counsel will be utilized in preparation of these documents.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or associated laws. There must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983.

If the loan will be on parity with other lender/s, the bond must specify that, in the event of default, each lender will be affected on a proportionate basis.

Additional security requirements are contained in RUS Bulletin 1780-27, "Loan Resolution (Public Bodies) and/or RUS Bulletin 1780-12, "Water and Waste System Grant Agreement". A draft of all security instruments, including draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. Bond/loan resolutions must be duly adopted and executed prior to loan closing.

The Grant Agreement will be executed prior to the first disbursement of grant funds. The grantee understands that any property acquired or improved with Federal grant funds may have use and disposition conditions which apply to the property as provided by 2 CFR part 200 in effect at this time and as may be subsequently modified. The grantee understands that any sale or transfer of property is subject to the interest of the United States Government in the market value in proportion to its participation the project.

7. Reserves – Reserves must be properly budgeted and set aside to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated emergency repairs, to assist with debt service should the need arise, and for the replacement of assets which have a useful life less than the repayment period of the loan. The following reserves are required to be established as a condition of this loan:

- a. **Debt Service Reserve** – As a part of this Agency loan proposal, you must establish a debt service reserve fund equal to at least one annual loan installment that accumulates at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. For planning purposes, 10% of the proposed loan installment would equal \$275.00 per month; this amount should be deposited monthly until a total of \$33,000 has accumulated. Prior written concurrence from the Agency must be obtained before funds may be withdrawn from this account during the life of the loan. When funds are withdrawn during the life of the loan, deposits will continue as designated above until the fully funded amount is reached.
- b. **Short-Lived Asset Reserve** – In addition to the debt service reserve fund, you must establish a short-lived asset reserve fund. Based on the PER, you must deposit at least \$236,250 into the short-lived asset reserve fund annually for the life of the loan to pay for repairs and/or replacement of major system assets. It is your responsibility to assess your facility's short-lived asset needs on a regular basis and adjust the amount deposited to meet those needs.

SECTION III – REQUIREMENTS PRIOR TO ADVERTISING FOR BIDS

8. Organization – The Bond Counsel transcripts of proceedings must show that your organization is a duly incorporated public body and has continued legal existence. Your organization must have the authority to own, construct, operate, and maintain the proposed facility, as well as for borrowing money, pledging security and raising revenues.

9. Suspension and Debarment Screening – You will be asked to provide information on the principals of your organization. Agency staff must conduct screening for suspension and debarment of the entity, as well as its principals through the Do Not Pay Portal.

- a. Principal –
 - i. An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or
 - ii. A consultant or other person, whether or not employed by the participant or paid with federal funds, who –
 1. Is in a position to handle federal funds;
 2. Is in a position to influence or control the use of those funds; or,
 3. Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction. (2 CFR §180.995)

10. Environmental Requirements –At the conclusion of the proposal’s environmental review process, specific action(s) were determined necessary to avoid or minimize adverse environmental impacts. As outlined in the approved Environmental Report (ER) dated July 26, 2021, the following actions are required for successful completion of the project and must be adhered to during project design and construction:

- a. The project shall be in compliance with requirements as noted in the Governor’s Office for Local Government (A-95) letter dated October 26, 2018.
- b. The line design and construction shall be accomplished in a way that will leave the floodplains and wetland unaffected after construction is completed. The U.S. Corps of Engineer’s Nationwide Permit 12 applies to all floodplain and utility line construction.
- c. Any excavation by the Contractor that uncovers or disturbs a historical or archeological artifact shall be immediately reported to the Owner and a representative of this agency.
- d. Construction shall be halted pending the notification process and further directions issued by this agency after consultation with the State Historic Preservation Officer.
- e. The design and construction of the project shall be accomplished with all local, state, and federal statues, regulations and permits in affect.
- f. Best Management Practices shall be incorporated into the project design, construction and maintenance.
- g. Since all corridor construction will occur in the existing highway right-of-way, if a stream is encountered it will be necessary be directional bored. Notify RD if any relocation of the line is anticipated for stream crossings.
- h. All requirements stated in the USFWS letter dated December 3, 2020 shall be made a part of the project design, construction, and maintenance.

The project, as proposed, has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and/or permits may apply or be required. If the project or any project element deviates from or is modified from the originally approved project, additional environmental review may be required.

11. Engineering Services – You have been required to complete an Agreement for Engineering Services, which should consist of the Engineers Joint Contract Documents Committee (EJCDC) documents as indicated in RUS Bulletin 1780-26, “Guidance for the Use of EJCDC Documents on Water and Waste Projects with RUS Financial Assistance,” or other approved form of agreement. The Agency will provide concurrence prior to advertising for bids and must approve any modifications to this agreement.

12. Contract Documents, Final Plans, and Specifications- All development will be completed by contract in accordance with applicable provisions of RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Constructing and Inspections, (copy available upon request), and in compliance with all statutory requirements. You are responsible to share this with your engineer before pre-design.

- a. The plans and specifications and all proposals required by law must be approved by Division of Water – Kentucky.
- b. In preparing final design and providing service to the planned project area, you and your engineer will comply with all zoning and planning requirements of the appropriate governing bodies where service is to be provided.
- c. The Agency will need to concur in the plans and specifications prior to advertising for bids. The Agency may require an updated cost estimate if a significant amount of time has elapsed between the original project cost estimate and advertising for bids.
- d. The use of any procurement method other than competitive sealed bids must be requested in writing and approved by the Agency.
- e. The contract documents must consist of the EJCDC construction contract documents as indicated in RUS Bulletin 1780-26 or other Agency-approved forms of agreement.

13. American Iron and Steel Requirements. Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference applies the American Iron and Steel (AIS) requirement to obligations made after May 5, 2017:

- (1) No Federal funds made available for this fiscal year for the rural water, wastewater, waste disposal, and solid waste management programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 et seq.) shall be used for a project for the construction, alteration, maintenance, or repair of a public water or wastewater system unless all of the iron and steel products used in the project are produced in the United States.
- (2) The term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
- (3) The requirement shall not apply in any case or category of cases in which the Secretary of Agriculture (in this section referred to as the “Secretary”) or the designee of the Secretary finds that—
 - (a) applying the requirement would be inconsistent with the public interest;
 - (b) iron and steel products are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
 - (c) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.
- (4) Owners are ultimately responsible for compliance with AIS requirements (as defined in RUS Bulletin 1780-35).
 - (a) **Sign** loan resolutions, grant agreements and letters of intent to meet conditions which include AIS language, accepting AIS requirements in those documents and in the letter of conditions.
 - (b) **Sign** agreements for engineering services, executed construction contracts and all other appropriate and necessary documents which include AIS language.
Change Orders and Partial Payment Estimates: **Acknowledge** responsibility for compliance with AIS requirements by signing change orders (EJCDC C-941) and partial payment estimates (EJCDC C-620).
 - (c) Substantial completion of project: **Obtain** the certification letters from the consulting engineer and **maintain** this documentation for the life of the loan.
 - (d) Special Cases
 - i. Where Owner provides their own engineering, the Owner’s responsibilities will include items listed in Section 5 of RUS Bulletin 1780-35.
 - ii. Where Owner performs their own construction, the Owner’s responsibilities will include items listed in Section 6 of RUS Bulletin 1780-35.
 - iii. Where Owner directly procures AIS products, Owner must **utilize** EJCDC Procurement Series standard contract documents following RUS Bulletin 1780-26 Exhibit D and **obtain** manufacturers’ certifications and provide copies to Engineer and Contractor.

14. Legal Services –A legal services agreement is required with your attorney and bond counsel, if applicable, for any legal work needed in connection with this project. The agreement should stipulate an hourly rate for the work, with a “not to exceed” amount for the services, including reimbursable expenses. RUS Bulletin 1780-7, “Legal Services Agreement,” or similar format may be used. The Agency will provide concurrence prior to advertising for bids. Any changes to the fees or services spelled out in the original agreement must be reflected in an amendment to the agreement and have prior Agency concurrence.

15. Property Rights - Prior to advertising for bids, you and your legal counsel must furnish satisfactory evidence that you have adequate continuous and valid control over the lands and rights-of-way needed for the project. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Such control over the lands and rights will be evidenced by the following:

- a. **Right-of-Way Map** – Your engineer will provide a map clearly showing the location of all lands and rights-of-way needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
- b. **Form RD 442-20, “Right-of-Way Easement”** – This form, or similar format, may be used to obtain any necessary easements for the proposed project.
- c. **Form RD 442-21, “Right-of-Way Certificate”** – You will provide a certification on this form that all right-of-way requirements have been obtained for the proposed project.
- d. **Form RD 442-22, “Opinion of Counsel Relative to Rights-of-Way”** – Your attorney will provide a certification and legal opinion on this form addressing rights-of-way, easements, and title.
- e. **Preliminary Title Work (Title Opinion)** – When applicable, your attorney or title company will provide a preliminary title opinion for any property related to the facility, currently owned and to be acquired, along with copies of deeds, contracts or options for purchasing said property. Form RD 1927-9, “Preliminary Title Opinion,” may be used.

The approving official may waive title defects or restrictions, such as utility easements, that do not adversely affect the suitability, successful operation, security value, or transferability of the facility. Any such waivers must be provided by the approving official in writing prior to closing or the start of construction, whichever occurs first.

You are responsible for the acquisition of all property rights necessary for the project and for determining that prices paid are reasonable and fair. The Agency may require an appraisal by an independent appraiser or Agency employee in order to validate the price to be paid.

16. System Policies, Procedures, Contracts, and Agreements – The facility must be operated on a sound business plan which involves adopting policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system. Mandatory connection policies should be used where enforceable. The policies, procedures, and/or ordinances must contain an effective collection policy for accounts not paid in full within a specified number of days after the date of billing.

They should include appropriate late fees, specified timeframes for disconnection of service, and reconnection fees. A draft of these policies, procedures, and/or ordinances must be submitted for Agency review and concurrence, along with the documents below, before closing instructions may be issued unless otherwise stated.

- a. **Conflict of Interest Policy** – Prior to obligation of funds, you must certify in writing that your organization has in place up-to-date written standards of conduct covering conflict of interest. The standards of conduct must include disciplinary actions in the event of a violation by officers, employees, or agents of the borrower. The standards identified herein apply to any parent, affiliate or subsidiary organization of the borrower that is not a state or local government, or Indian Tribe. Policies and accompanying documents shall be furnished to Rural Development upon request.

You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Disclosure must be in the form of a written letter signed and dated by the applicant's official. A negative disclosure in the same format is required if no conflicts are anticipated.

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

Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.

- b. **Water User Agreement** – Projects not involving mandatory connection require users to execute a Water Users Agreement. The draft agreement must receive Agency concurrence prior to advertising for bids. RUS Bulletin 1780-9, "Water Users Agreement," or similar format may be used.
- c. **Contracts for Other Services/Lease Agreement** – Drafts of any contracts or other forms of agreements for other services, including audit, management, operation, and maintenance, or lease agreements covering real property essential to the successful operation of the facility, must be submitted to the Agency for review and concurrence prior to advertising for bids.
- d. **Parity/Intercreditor Agreement** – Projects with parity liens must have in place a written agreement between the parity lenders. The draft agreement must receive Agency concurrence prior to advertising for bids.
- e. **Other agreements** with governments or other entities regarding joint operation of facilities, granting authority to Agency borrower for providing service within another entity's service area, etc. – The draft agreement must receive Agency concurrence prior to advertising for bids.

Fully executed copies of any policies, procedures, ordinances, contracts, or agreements above must be submitted prior to loan closing, with the exception of the conflict of interest policy, which must be in place prior to obligation of funds.

17. Closing Instructions – The Agency will prepare closing instructions as soon as the requirements of the previous paragraphs are complete, as well as a draft of the security instrument(s). Both your bond and legal counsel must comply with these instructions when closing the Agency loan/grant.

18. System Users – This letter of conditions is based upon your indication at application that there will be at least 1,062 residential users, 908 non-residential users, and 3 bulk/wholesale users on the existing and/or proposed system when construction is completed.

Before the Agency can agree to the project being advertised for construction bids, you must certify that the number of users indicated at application are currently using the system or signed up to use the system once it is operational.

If the actual number of existing and/or proposed users that have signed up for service is less than the number indicated at the time of application, you must provide the Agency with a written plan on how you will obtain the necessary revenue to adequately cash flow the expected operation, maintenance, debt service, and reserve requirements of the proposed project (e.g., increase user rates, sign up an adequate number of other users, reduce project scope, etc.). Similar action is required if there is cause to modify the anticipated flows or volumes presented following approval.

- a. **Positive Program to Encourage Connections** – You must provide a positive program to encourage connection by all users as soon as service is available. The program will be reviewed by the Agency prior to advertising for bids. A guide for developing your positive program is available from the Agency.
- b. **Water/Sewer User Agreements** – Users will be required to execute a Water/Sewer Users Agreement prior to advertising for construction bids. The amount of cash contributions required will be set by you and concurred with by the Agency. Contributions should be an amount high enough to indicate sincere interest on the part of the potential user, but not so high as to preclude service to low-income families, and must have a deadline for the contribution to be used or forfeited. RUS Bulletin 1780-9, “Water Users Agreement,” or similar agreement may be used.
- c. **Service Declination Statement** – Each potential user who is located along planned lines and declines the offered service will be provided an opportunity to sign a “Service Declination Statement.”

19. Construction Account – A separate construction account is not required for project funds. However, the recipient must be able to separately identify, report and account for all Federal funds, including the receipt, obligation and expenditure of funds, in accordance with 2 CFR 200.305. These funds must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage. **If the balances at the financial institution where federal funds**

will be deposited exceeds the FDIC insurance coverage, the excess amount must be collaterally secured up to 100 percent of the highest amount of funds expected to be deposited in the account at any one time, per the Department of Treasury regulations and requirements.

20. Interim Financing – The Agency’s policy is to utilize interim financing for all loans exceeding \$500,000. Prepayment penalties on interim financing are not allowed. Borrowers are required to seek interim financing initially from private or cooperative lenders if funds can be borrowed at reasonable interest rates on an interim basis from those sources for the construction period. The fact that a commercial lender’s rates are higher than current Agency interest rates does not necessarily mean that the commercial rate is not reasonable.

21. Proposed Operating Budget – You must establish and/or maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance (O and M), debt service, and reserves. Prior to advertising for bids, you must submit a proposed annual operating budget to the Agency, as well as your proposed rate schedule. The operating budget should be based on a typical year cash flow after completion of the construction phase and should be signed by the appropriate official of your organization. Form RD 442-7, “Operating Budget,” or similar format may be utilized for this purpose. It is expected that O and M expenses will change over each successive year and user rates will need to be adjusted on a regular basis.

Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system. This assistance is available free to your organization. If you are interested, please contact our office for information.

22. Permits –The owner or responsible party will be required to obtain all applicable permits for the project, prior to advertising for bids. The consulting engineer must submit written evidence that all applicable permits required prior to construction have been obtained with submission to the Agency of the final plans, specifications, and bid documents.

23. Risk and Resilience Assessment/Emergency Response Plan (RRA/ERP) –The Agency requires all financed water and wastewater systems to have a RRA/ERP in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operation, and a certification that an RRA is complete must be submitted within one year of the start of operation. Borrowers with existing systems must provide a certification that an RRA/ERP has been completed prior to advertising for bids. Technical assistance is available in preparing these documents at no cost to you.

Before funds are drawn, you should have in place a cybersecurity plan, a supply chain plan, and a plan to comply with cybersecurity requirements of the National Institute of Science and Technology and the Cybersecurity and Infrastructure Security Administration. These items should be addressed in the RRA/ERP.

The RRA/ERP documents themselves are not submitted to the Agency. The RRA/ERP must address potential impacts from natural disasters and other emergency events. It should include plans to address impacts of flash flooding in areas where severe drought or wildfires occur. The documents should be reviewed and updated every five years at a minimum.

24. Bid Authorization - Once all the conditions outlined in Section III of this letter have been met, the Agency will authorize you to advertise the project for construction bids. Such advertisement must be in accordance with applicable State statutes.

SECTION IV - REQUIREMENTS PRIOR TO START OF CONSTRUCTION

25. Disbursement of Agency Funds - Agency funds will be disbursed electronically into the construction account as they are needed. SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," must be completed and submitted to the Agency prior to commencement of construction.

The order of disbursement is as follows: 1) Applicant contribution, 2) other funding sources, 3) interim financing or Agency loan funds, and 4) Agency grant funds. Interim financing or Agency loan funds will be expended after all other funding sources unless a written agreement is reached with all other funding sources on how funds are to be disbursed prior the first disbursement. Interim financing funds or Agency loan funds must be used prior to the use of Agency grant funds. Agency Grant funds must not be disbursed prior to loan funds except as authorized in 7 CFR 1780.45(d).

Grant funds are to be deposited in an interest-bearing account (exception provided below) in accordance with 2 CFR Part 200 and interest in excess of \$500 per year remitted to the Agency. The funds should be disbursed by the recipient immediately upon receipt, and there should be little interest accrual on the Federal funds. Recipients shall maintain advances of Federal funds in interest-bearing accounts, unless:

- The recipient receives less than \$120,000 in Federal awards per year.
- The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
- The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
- A foreign government or banking system prohibits or precludes interest-bearing accounts.

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

- a. **Cost Overruns** – If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding or other means will be considered prior to commitment of subsequent funding by the Agency. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds. Cost overruns exceeding 20 percent of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.
- b. **Excess Funds** - If bids are lower than anticipated at time of obligation, excess funds must be deobligated prior to start of construction except in the cases addressed in this paragraph. In cases where the original PER for the project included items that were not bid, or were bid as an alternate, the State Office official may modify the project to fully utilize obligated funds for those items. Amendments to the PER, ER, and Letter of Conditions may be needed for any work not included in the original project scope. In all cases, prior to start of construction, excess funds will be deobligated, with grant funds being deobligated first. Excess funds do not include contingency funds as described in this letter.

27. Suspension and Debarment Screening – In accordance with 2 CFR Part 180, Subpart C, as a condition of the transaction and the responsibilities to persons at the next lower tier with whom you enter into transactions, you must conduct screening for suspension and debarment of lower tier recipients (e.g., vendors, contractors, etc.).

28. Contract Review – Your attorney will certify that the executed contract documents, including performance and payment bonds, if required, are adequate and that the persons executing these documents have been properly authorized to do so in accordance with 7 CFR 1780.61(b).

Once your attorney has certified that they are acceptable, the contract documents will be submitted to the Agency for concurrence. Construction cannot commence until the Agency has concurred in the construction contracts.

29. Final Rights of Way – Your attorney or title company must furnish a separate final title opinion or Title Insurance Policy on all real property related to the facility, now owned and to be acquired for this project, as of the day of loan closing or start of construction, whichever occurs first. Form RD 1927-10, “Final Title Opinion” may be used.

If any of the right-of-way forms listed previously in this letter contain exceptions that do not adversely affect the suitability, successful operation, security value, or transferability of the facility, the approving official must provide a written waiver prior to the issuance of the Notice to Proceed.

30. Insurance and Bonding Requirements - Prior to the start of construction or loan closing, whichever occurs first, you must acquire and submit to the Agency proof of the types of

insurance and bond coverage for the borrower shown below. The use of deductibles may be allowed, providing you have the financial resources to cover potential claims requiring payment of the deductible. The Agency strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of the Agency to assure that adequate insurance and fidelity bond coverage is maintained.

- a. **General Liability Insurance** – Include vehicular coverage.
- b. **Workers' Compensation** – In accordance with appropriate State laws.
- c. **Guaranty or Fidelity Insurance**—Coverage for all persons who have access to funds, including persons working under a contract or management agreement. Coverage may be provided either for all individual positions or persons, or through “blanket” coverage providing protection for all appropriate employees. Each position is to be insured in an amount equal to the maximum amount of funds expected to be under the control of that position at any one time. The minimum coverage allowed will be an amount equal to the total annual debt service payment on the Agency loans. The coverage may be increased during construction based on the anticipated monthly advances.
- d. **National Flood Insurance** - If the project involves acquisition or construction in a designated special flood area, the community in which the acquisition or construction is situated must be currently participating in the national flood insurance program. Additionally, if the project involves acquisition or construction in designated special flood or mudslide prone areas, a flood insurance policy must be in place at the time of loan closing.
- e. **Real Property Insurance** – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not normally insured, and subsurface lift stations except for the value of electrical and pumping equipment. The Agency will be listed as mortgagee on the policy when the Agency has a lien on the property. Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all facilities identified above.

The Agency is to be listed as “Other Insured” so as to receive notifications on all insurance, regardless of security. Insurance types described above are required to be continued throughout the life of the loan. See Section VII.

31. Initial Civil Rights Compliance Review – The Agency will conduct an initial civil rights compliance review of the borrower prior to loan closing or start of construction, whichever occurs first, in accordance with 7 CFR 1901, Subpart E. You are expected to comply with the completion of the review, including the furnishing of any documents, records, or other applicable material.

SECTION V – REQUIREMENTS PRIOR TO CLOSING

32. Interim Financing. Interim financing is being used. Generally, loan closing will occur near the end of construction when interim funds are fully disbursed. Documents detailed above from

Sections II and III regarding security, electronic payments (Form 3550-28), and system policies, procedures, contracts, and agreements must be adopted and/or executed and submitted to the Agency prior to loan closing.

33. Electronic Payments – Payments will be made through an electronic preauthorized debit system. You will be required to complete Form RD 3550-28, “Authorization Agreement for Preauthorized Payments,” for all new and existing indebtedness to the Agency prior to loan closing.

34. Other Requirements – All requirements contained in the Agency’s closing instructions, as well as any requirements of your bond counsel and/or attorney, must be met prior to loan closing.

- a. **System for Award Management**. You will be required to maintain a Unique Entity ID (UEI) and maintain an active registration in the System for Award Management (SAM) database. Renewal can be completed online at: <http://sam.gov>. This registration must be renewed and revalidated every 12 months for as long as there is an active loan, grant, or guaranteed loan with the Agency.

To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The registration process may take up to 10 business days. (See 2 CFR Part 25 and the “Help” section at <http://sam.gov>).

- b. **Litigation**. You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.
- c. **Certified Operator**. Evidence must be provided that your system has or will have a certified operator, as defined by applicable State or Federal requirements, available prior to the system becoming operational, or that a suitable supervisory agreement with a certified operator is in effect.

SECTION VI – REQUIREMENTS DURING CONSTRUCTION AND POST CONSTRUCTION

35. Construction Completion Timeframe – Following the benchmarks established in Section I, Item 4, Project Timeline, all projects should be completed and Agency funds fully disbursed within three years of the date of obligation. If funds are not disbursed within three years of obligation and you have not already done so per Section I, Item 4, you must submit a written request for extension of time to the Agency with adequate justification of the circumstances, including any beyond your control. The request must be submitted at least 90 days prior to the end of the three-year timeframe and include a revised estimated date of completion. The Agency will typically only allow one extension. Subsequent requests for waivers beyond the initial

extension or requests that exceed five years from the initial date of obligation will be submitted to the RUS, Water and Environmental Programs for consideration. The Agency retains the right to de-obligate any loan and/or grant monies, or take other appropriate action, related to unliquidated funds that exceed the timeframes above and are not under an active extension.

36. Resident Inspector(s) – Full-time inspection is required unless you request an exception. Such requests must be made in writing and the Agency must provide written concurrence. Inspection services are to be provided by the consulting engineer unless other arrangements are requested in writing and concurred with by the Agency. A resume of qualifications of any resident inspector(s) will be submitted to the owner and Agency for review and concurrence prior to the pre-construction conference. The resident inspector(s) must attend the preconstruction conference.

37. Preconstruction Conference – A preconstruction conference will be held prior to the issuance of the Notice to Proceed. The consulting engineer will review the planned development with the Agency, owner, resident inspector, attorney, contractor, other funders, and other interested parties, and will provide minutes of this meeting to the owner and Agency.

38. Inspections - The Agency requires a preconstruction conference, pre-final, final, and warranty inspections. Your engineer will schedule a warranty inspection with the contractor and the Agency before the end of the [one-year] warranty period to address and/or resolve any outstanding warranty issues. The Agency will conduct an inspection with you of your records management system at the same time and will continue to inspect the facility and your records system every three years for the life of the loan. See Section VII of this letter.

39. Change Orders – A Change Order must be submitted for all modifications to the approved scope of work, including existing contracts. This includes non-physical modifications such as any time extension requests. Prior written Agency concurrence is required for all Change Orders.

40. Payments – Prior Agency concurrence is required for all invoices and requests for payment before Agency funds will be released. Requests for payment related to a contract or service agreement will be signed by the owner, project engineer, and contractor or service provider prior to Agency concurrence. Invoices not related to a construction contract or service agreement will include the owner's written concurrence.

41. Use of Remaining Funds – As stated above, applicant contribution and connection or tap fees will be the first funds expended in the project. Funds remaining after all costs incident to the basic project have been paid or provided will be handled as follows:

- a. Funds remaining after the applicant contribution and connection fees may be considered in direct proportion to the amounts of funding obtained from each source. The use of Agency funding will be limited to eligible loan and grant purposes, provided the use will not result in major changes to the original scope of work and the purpose of the loan and grant remains the same.
- b. Any reductions in the Agency funding will be first applied to the grant funds.

- c. Grant funds not expended for authorized purposes will be cancelled (de-obligated) within 180 days of final completion of project. Prior to actual cancellation, you, your attorney and engineer will be notified of the Agency's intent to cancel the remaining funds and given appropriate appeal rights.
- d. Under no circumstances is it appropriate to use remaining funds as contributions to a new project outside the scope of the funded project.
- e. Loan funds that are not needed will be cancelled (de-obligated) prior to loan closing.

42. Technical, Managerial and Financial Capacity - It is required that members of the Board of Directors, City Council members, trustees, commissioners and other governing members possess the necessary technical, managerial, and financial capacity skills to consistently comply with pertinent Federal and State laws and requirements. It is recommended members receive training within one year of appointment or election to the governing board, and a refresher training for all governing members on a routine basis. The content and amount of training should be tailored to the needs of the individual and the utility system. Technical assistance providers are available to provide this training for your organization, often at no cost. Contact the Agency for additional information.

43. Reporting Requirements Related to Expenditure of Funds -- An annual audit under 2 CFR 200 is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law and must be submitted within 9 months of your fiscal year end. Both the audit and accompanying management report must be submitted for review.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy of that agreement to the Agency prior to the advertisement of construction bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit to be completed, the time frame in which the audit will be completed, and how irregularities will be reported.

SECTION VII – SERVICING REQUIREMENTS DURING THE TERM OF THE LOAN

44. Prepayment and Extra Payments - Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

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

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

45. Annual Financial Reporting/Audit Requirements – You are required to submit an annual financial report at the end of each fiscal year. The annual report will be certified by the appropriate organization official, and will consist of financial information, a current rate schedule, and listing of board members with their terms. Financial statements must be prepared on an accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The annual report will include separate reporting for each water and waste disposal facility, and itemized cash accounts by type (debt service, short-lived assets, etc.) under each facility. All records, books and supporting material are to be retained for three years after the issuance of the annual report. Technical assistance is available, at no cost, with preparing financial reports.

The type of financial information that must be submitted is specified below:

- a. **Audits** – An audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

See Section VI for additional information regarding audits.

- b. **Financial Statements** – If you expend less than \$750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit which include, at a minimum, a balance sheet and an income and expense statement. You may use Form RD 442-2, “Statement of Budget, Income and Equity,” and 442-3, “Balance Sheet,” or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.
- c. **Quarterly Reports** – Quarterly Income and Expense Statements will be required until the processing office waives this requirement. You may use Form RD 442-2, “Statement of Budget, Income and Equity,” or similar format to provide this information. The reports are to be signed by the appropriate borrower official and submitted within 30 days of each quarter’s end. The Agency will notify you in writing when quarterly reports are no longer required.

46. Annual Budget and Projected Cash Flow - Thirty days prior to the beginning of each fiscal year, you will be required to submit an annual budget and projected cash flow to this office. The budget must be signed by the appropriate borrower official. Form RD 442-2, “Statement of Budget, Income and Equity,” or similar format may be used.

Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system, as well as completing the annual budget.

47. Graduation - By accepting this loan, you are also agreeing to refinance (graduate) the unpaid loan balance in whole, or in part, upon request of the Government. If at any time the Agency determines you can obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms, you will be requested to refinance. Your ability to refinance will be assessed every other year for those loans that are five years old or older.

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

49. System for Award Management. You will be required to maintain a Unique Entity ID (UEI) and maintain an active registration in the System for Award Management (SAM) database. Further information can be found at paragraph 33 of this letter.

50. Risk and Resiliency Assessment/Emergency Response Plan (RRA/ERP) – The RRA/ERP is further outlined under Section III of this letter. You will be required to submit a certification to the servicing office every five years that the RRA/ERP is current and covers all sites related to the facility. The RRA/ERP documents themselves are not submitted to the Agency. The RRA/ERP must address potential impacts from natural disasters and other emergency events. It should include plans to address impacts of flash flooding in areas where severe drought or wildfires occur. Technical assistance is available in preparing these documents at no cost to you.

51. Insurance. – Insurance requirements are further outlined in Section IV of this letter. You will be required to maintain insurance on the facility and employees as previously described in this letter for the life of the loan.

52. Statutory and National Policy Requirements – As a recipient of Federal funding, you are required to comply with U.S. statutory and public policy requirements, including but not limited to:

- a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance.
- b. **Civil Rights Act of 1964** – All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.

- c. **The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.
- d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- e. **Limited English Proficiency (LEP) under Executive Order 13166** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled, “Improving Access to Services by Persons with Limited English Proficiency” and further affirmed in the USDA Departmental Regulation 4330-005, “Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA.”
- f. **Controlled Substances Act** - Even though state law may allow some activities, as a recipient of Federal funding, you are subject to the Controlled Substances Act. Specific questions about the Controlled Substances Act should be directed to the Servicing Official who will contact the Office of General Counsel, as appropriate.

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

The Agency will conduct regular compliance reviews of the borrower and its operation in accordance with 7 CFR Part 1901, Subpart E, and 36 CFR 1191, Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities; Architectural Barriers Act (ABA) Accessibility Guidelines. Compliance reviews will typically be conducted in conjunction with the security inspections described in this letter.

If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that you provide, you must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. The Agency will utilize this data as part of the required compliance review.

Mt. Vernon, City of

22

SECTION VIII – REMEDIES FOR NON-COMPLIANCE

Non-compliance with the conditions in this letter or requirements of your security documents will be addressed under the provisions of Agency regulations, statutes, and other applicable policies.

We look forward to working with you to complete this project. If you have any questions, please contact Lesli Gill by e-mail at lesli.gill@usda.gov.

Sincerely,

THOMAS
CAREW

Digitally signed by
THOMAS CAREW
Date: 2024.03.15
15:32:35 -04'00'

DR. THOMAS E. CAREW
State Director

Attachments

cc: CP Field Director – Shelbyville, KY
Attorney -
Bond Counsel – Rubin & Hays, Louisville, KY
Engineer – Kenvirons, Frankfort, KY

FORMS and BULLETINS:

Form AD-3031 “Assurance Regarding Felony Convictions or Tax Delinquent Status for Corporate Applicants” – Item 30
Internal Revenue Service Form 1023, Appendix A, “Sample Conflict of Interest Policy” - Item 15
Form RD 440-22, “Promissory Note” – Item 6
Form RD 442-2, “Statement of Budget, Income and Equity” – Items 45 and 46
Form RD 442-3, “Balance Sheet” – Item 45
Form RD 442-7, “Operating Budget” – Item 20
Form RD 442-20, “Right-of-Way Easement” – Item 14
Form RD 442-21, “Right-of-Way Certificate” – Item 14
Form RD 442-22, “Opinion of Counsel Relative to Rights-of-Way” – Item 14
Form RD 1927-9, “Preliminary Title Opinion” – Item 14
Form RD 1927-10, “Final Title Opinion” – Item 28

Mt. Vernon, City of

23

Form RD 1940-1, "Request for Obligation of Funds" – Pages 1 and 2
Form RD 1942-8, "Resolution of Members or Stockholders" – Item 6
Form RD 1942-46, "Letter of Intent to Meet Conditions" – Page 2
Form RD 3550-28, "Authorization Agreement for Preauthorized Payments" – Items 32 and 33
Form UCC-1, "Financing Statement" – Item 6
Form UCC-1Ad, "UCC Financing Statement Addendum" – Item 6
SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form" – Item 24
RUS Bulletin 1780-7, "Legal Services Agreement" – Item 13
RUS Bulletin 1780-9, "Water Users Agreement" - Items 15 and 17
RUS Bulletin 1780-12, "Water and Waste System Grant Agreement" – Item 6
RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Documents on Water and Waste
Projects with RUS Financial Assistance" – Items 11 and 12
RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)" – Item 6
RUS Bulletin 1780-28, "Loan Resolution Security Agreement" – Item 6

Ordinance 2024-4

BOND ORDINANCE

CITY OF MOUNT VERNON, KENTUCKY

AUTHORIZING

CITY OF MOUNT VERNON WATER SYSTEM REVENUE BONDS, SERIES 2024

IN THE PRINCIPAL AMOUNT OF

\$864,000

TABLE OF CONTENTS

ARTICLE 1.	DEFINITIONS; PURPOSE; AUTHORIZATION OF BONDS; SECURITY	2
Section 101.	Definitions	2
Section 102.	Purpose	6
Section 103.	Construction Award Approved; Work Authorized	6
Section 104.	Declaration of Period of Usefulness	6
Section 105.	Authorization of Bonds	6
Section 106.	Recognition of Prior Bonds	7
Section 107.	Current Bonds Shall be Payable Out of Gross Revenues	7
Section 108.	Lien on Contracts	7
ARTICLE 2.	THE BONDS; BOND FORM; PREPAYMENT	8
Section 201.	Principal Payments	8
Section 202.	Issuance of Current Bonds; Bond Form	8
Section 203.	Place of Payment and Manner of Execution	8
Section 204.	Provisions as to Prepayment	8
ARTICLE 3.	CONSTRUCTION ACCOUNT; INTERIM FINANCING; APPLICATION OF PROCEEDS; ARBITRAGE LIMITATIONS	9
Section 301.	Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits	9
A.	Covenants Applicable if RD Purchases Current Bonds	9
B.	Application of Proceeds of Current Bonds	9
Section 302.	Interim Financing Authorization	12
A.	Interim Financing	12
B.	Multiple Advances by RD	13
Section 303.	Arbitrage Limitations on Investment of Proceeds	14

ARTICLE 4.	FLOW OF FUNDS	15
Section 401.	Funds	15
Section 402.	Flow of Funds	15
A.	Revenue Fund	15
B.	Prior Sinking Fund	15
C.	Current Sinking Fund	16
D.	Debt Reserve Fund	16
E.	Operation and Maintenance Fund	17
F.	Monthly Principal and Interest Payments if Requested by RD	17
G.	Surplus Funds	17
H.	Investment and Miscellaneous Provisions	17
Section 403.	Current Bonds are Subordinate to the Prior Bonds	18
ARTICLE 5.	COVENANTS OF CITY	19
Section 501.	Rates and Charges	19
Section 502.	Books and Accounts; Audit	19
Section 503.	System to Continue to be Operated on Fiscal Year Basis; Annual Budget	19
Section 504.	General Covenants	20
Section 505.	Other Covenants Applicable So Long as RD Owns Any Bonds	21
Section 506.	Insurance on Motors, Tanks and Structures	22
ARTICLE 6.	INFERIOR BONDS AND PARITY BONDS	23
Section 601.	Inferior Bonds.	23
Section 602.	Parity Bonds to Complete the Project	23
Section 603.	Parity Bonds to Finance Future Improvements	23
Section 604.	Covenants to be Complied with at Time of Issuance of Parity Bonds	25
Section 605.	Prepayment Provisions Applicable to Parity Bonds	25
Section 606.	Consent of the RD Regarding Future Bonds	25
Section 607.	Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities	25

ARTICLE 7.	DEFAULT AND CONSEQUENCES	27
Section 701.	Events of Default	27
Section 702.	Consequences of Event of Default	27
ARTICLE 8.	CONTRACTUAL PROVISIONS; MISCELLANEOUS PROVISIONS ..	28
Section 801.	Ordinance Contractual with Bondowners	28
Section 802.	All Current Bonds are Equal	28
Section 803.	City Obligated to Refund Current Bonds Owned by Government Whenever Feasible; Defeasement Prohibited	28
Section 804.	Use of City Streets	29
Section 805.	Authorization, Ratification and Confirmation of Approval and Execution of Various Documents	29
Section 806.	Authorization of Condemnation to Acquire Easements and/or Sites ..	29
ARTICLE 9.	SALE OF CURRENT BONDS	31
Section 901.	Sale of Current Bonds	31
Section 902.	Adjustment in Maturities, Prepayment Provisions and Other Dates if Delivery is Delayed	31
ARTICLE 10.	CONCLUDING PROVISIONS	32
Section 1001.	Covenant of City to Take All Necessary Action To Assure Compliance with the Code	32
Section 1002.	Severability Clause	33
Section 1003.	All Provisions in Conflict Repealed	33
Section 1004.	Effective Date	33
CERTIFICATION		34
EXHIBIT A - Schedule of Principal Maturities		
EXHIBIT B - Form of Fully Registered Bond		
EXHIBIT C - Requisition Certificate		

BOND ORDINANCE

ORDINANCE OF THE CITY OF MOUNT VERNON, KENTUCKY, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF \$864,000 PRINCIPAL AMOUNT OF CITY OF MOUNT VERNON WATER SYSTEM REVENUE BONDS, SERIES 2024, FOR THE PURPOSE OF FINANCING THE COST (NOT OTHERWISE PROVIDED) OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATER SYSTEM OF SAID CITY; SETTING FORTH TERMS AND CONDITIONS UPON WHICH SAID BONDS MAY BE ISSUED AND OUTSTANDING; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SAID WATER SYSTEM; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF SAID BONDS.

WHEREAS, the water system (the "System") of the City of Mount Vernon, Kentucky (the "City") is owned and operated by said City pursuant to Chapters 58 and 82 of the Kentucky Revised Statutes (the "Act"), and

WHEREAS, the City presently has outstanding certain Prior Bonds (as hereinafter defined), which Prior Bonds are payable from and secured by a pledge of the revenues derived from the operation of the System, and

WHEREAS, all of the Prior Bonds presently outstanding are current as to payment of both principal and interest, and for the security of which a certain Sinking Fund and certain reserves are being maintained in the manner and by the means prescribed the Prior Bonds, and

WHEREAS, it is the desire and intent of the City at this time to authorize and provide for the issuance of revenue bonds in the principal amount of \$864,000, (the "Current Bonds"), for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the System of the City, in accordance with plans and specifications prepared by Kenvirons, Inc., and to prescribe the covenants of the City, the rights of Bondowners and the details of the issuance and sale of the proposed Current Bonds, and

WHEREAS, the proceeds of the Current Bonds will be supplemented by Grant Proceeds (as hereinafter defined), to provide the total cost of such construction,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF MOUNT VERNON, KENTUCKY, AS FOLLOWS:

**ARTICLE 1. DEFINITIONS; PURPOSE; AUTHORIZATION
OF BONDS; SECURITY.**

Section 101. Definitions. As used in this Ordinance, unless the context requires otherwise:

"Act" refers to Chapters 58 and 82 of the Kentucky Revised Statutes.

"Beginning Month" refers to the month following the month in which the Current Bonds authorized herein are issued, sold and delivered to the Purchaser thereof.

"Bond Counsel" refers to an attorney or firm of attorneys recognized nationally as experts in the field of municipal bond law and shall be deemed to refer to Rubin & Hays, Louisville, Kentucky, or their successors.

"Bondowner" or "Owner" refer to the registered Owners of the Bonds at the time issued and outstanding hereunder.

"Bonds" refers collectively to the outstanding Current Bonds, Prior Bonds and Parity Bonds.

"City" refers to the City of Mount Vernon, Kentucky.

"City Clerk" refers to the appointed City Clerk of the City.

"Code" refers to the Internal Revenue Code of 1986, as amended, and the Treasury Regulations relating thereto.

"Construction Account" refers to the City of Mount Vernon Water System Construction Account, created in Section 301(B) of this Current Bond Ordinance.

"Contractors" refers to the general contractors who have been employed by the City to construct the Project.

"Current Bond Ordinance" or "Ordinance" refer to this Ordinance authorizing the Current Bonds.

"Current Bonds" refers to the \$864,000 of City of Mount Vernon Water System Revenue Bonds, Series 2024, authorized by this Ordinance, to be dated as of the date of issuance thereof.

"Current Sinking Fund" refers to the City of Mount Vernon Water System Sinking Fund of 2024, described in Section 401 of this Ordinance.

"Debt Reserve Fund" refers to the City of Mount Vernon Water System Debt Reserve Fund of 2024 described in Section 401 of this Ordinance.

"Depository Bank" refers to the bank to be named by the City, which shall be a member of the FDIC.

"Engineers" refers to the Engineers or any one of them, who prepared the plans and specifications for the construction of the Project and who will supervise the construction thereof and/or will furnish full time resident inspection of the construction of the Project, and shall be deemed to refer to Kenvirons, Inc., or a member of said firm, or their successors.

"Event of Default" refers to one or more of the Events of Default set forth in Section 701 of this Ordinance.

"FDIC" refers to the Federal Deposit Insurance Corporation, or its successors.

"Fiscal Year" refers to the annual accounting period of the City, beginning on July 1 and ending on June 30 of each year.

"Funds" refers to the Revenue Fund, the Prior Sinking Fund, the Current Sinking Fund, the Debt Reserve Fund, the Construction Account and the Operation and Maintenance Fund.

"Governing Body" refers to the City Council of the City, or such other body as shall be the governing body of said City under the laws of Kentucky at any given time.

"Government" refers to the United States of America, or any agency thereof, including RD.

"Grant Proceeds" refers to the proceeds of various grants to the City in the aggregate amount of \$3,726,000.

"Independent Consulting Engineer" refers to a consulting engineer or a firm of consulting engineers of recognized excellent reputation in the field of water system engineering, and such definition includes the Engineers named above.

"Interim Lender" refers to Rural Water Financing Agency, Bowling Green, Kentucky, its successors or assigns; or any other financial institution or governmental agency approved by the City.

"KADD Lease" refers to the lease agreement between the City and the Kentucky Council of Area Development Districts, dated September 19, 2019 in the original principal amount of \$1,185,000.

"KIA Loans" refers collectively to the Kentucky Infrastructure Authority Loan B07-01, dated February 1, 2007, in the original principal amount of \$945,000 and the Kentucky Infrastructure Authority Loan F12-01, dated April 1, 2013, in the original principal amount of \$3,023,310.

"KRWFC Loan" refers to the loan to the City from the Kentucky Rural Water Finance Corporation made on May 13, 2010 in the original principal amount of \$2,428,000.

"Local Counsel" refers to an attorney or firm of attorneys designated by the City.

"Mayor" refers to the Mayor of the City.

"Multiple Advances" refers to the advance of loan funds from the RD as described in Section 302 of this Ordinance.

"Note" refers to a single note or any number of notes, in such form as may be prescribed by the Interim Lender, including any revenue bond anticipation notes issued pursuant to Chapter 58 of the Kentucky Revised Statutes, including any renewal or extensions of the Note, issued by the City evidencing the interim financing for the Project as prescribed in Section 302 of this Ordinance.

"Operation and Maintenance Fund" refers to the City of Mount Vernon Water System Operation and Maintenance Fund described in Section 401 of this Ordinance.

"Outstanding Bonds" refers to the outstanding Bonds, and does not refer to, nor include, any Bonds for the payment of the principal and interest of which sufficient funds will have been deposited and earmarked for payment of Bonds; provided all Outstanding Bonds of any series held by RD shall be deemed to constitute Outstanding Bonds until paid regardless of the deposit of funds to pay for same.

"Parity Bonds" refers to bonds which may be issued in the future which, pursuant to this Ordinance, rank on a basis of parity with the outstanding Current Bonds, as to priority, security and source of payment, and does not refer to bonds which might be issued so as to rank inferior to the security and source of payment of the outstanding Current Bonds.

"Prior Bonds" refers collectively to the KADD Lease, the KIA Loans, and the KRWFC Loan.

"Prior Sinking Fund" refers to the City of Mount Vernon Bond Sinking Fund, described in Section 401 of this Ordinance.

"Project" refers specifically to the construction of the currently proposed extensions, additions and improvements to the System of the City, which Project is being financed by the Current Bonds and by other funds.

"Purchaser" refers to the agency, person, firm or firms, or their successors, to whom the Current Bonds herein authorized are awarded at the public sale of the Current Bonds.

"RD" refers to the United States Department of Agriculture, acting through Rural Development.

"Required Signatures" refers to the signatures necessary to be obtained with reference to the approval of the expenditures to be made from the Construction Account, which required signatures

shall consist of the signatures of (1) the Mayor, (2) the Engineers and (3) the Purchaser; provided, however, any expenditures for issuance and administrative costs and the costs of any equipment which is not permanently affixed to the real estate shall not require the signature or the approval of the Engineers.

"Revenue Fund" refers to the City of Mount Vernon Water System Revenue Fund, described in Section 401 of this Ordinance.

"System" refers to the existing water system of the City, together with all extensions, additions and improvements to said System.

"Treasurer" refers to the appointed Treasurer of the City.

"U.S. Obligations" refers to bonds or notes which 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.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa. Unless otherwise indicated, references to Articles or Sections refers to those in this Ordinance.

Section 102. Purpose. The Current Bonds shall be issued for the purpose of financing the cost (not otherwise provided) of the Project, as set out in the plans and specifications prepared by the Engineers. The City Council hereby declares the System of the City, 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 City as a revenue producing public project pursuant to the Act, so long as any Bonds remain outstanding.

Section 103. Construction Award Approved; Work Authorized. The City Council hereby authorizes, approves, ratifies and confirms its previous action in advertising for and taking steps toward awarding the contracts for the construction of the Project to the lowest and best bidders, and further approves the action of the City officials in entering into formal contracts with said bidders, subject to the necessary approvals being obtained. Authority is hereby given for undertaking the construction of the Project according to the plans and specifications heretofore prepared by the Engineers for the City, after all necessary approvals have been obtained.

Section 104. Declaration of Period of Usefulness. The City Council hereby declares that the period of usefulness of the System is more than forty (40) years from the date of completion of the Project.

Section 105. Authorization of Bonds. The City has heretofore determined that the total cost of the Project, including preliminary expenses, land and rights-of-way, engineering expense, capitalized interest during construction, legal and administrative costs, publication costs, initial deposits required and all incidental expenses, will be approximately \$4,590,000. Therefore, it is

hereby determined to be necessary in order for the City to finance the cost (not otherwise provided) of the Project that the City issue a total of \$864,000 of Current Bonds, based on the following calculation:

Total cost of Project		\$4,590,000
Less:		
Various Grants	<u>\$ 3,726,000</u>	
Total Non-Bond Funds:		<u>(3,726,000)</u>
Balance to be financed by Current Bonds		\$864,000

Accordingly, for the purpose of financing the cost (not otherwise provided) of the Project, under the provisions of the Act, there is hereby authorized to be issued and sold \$864,000 principal amount of City of Mount Vernon Water System Revenue Bonds, Series 2024.

The Current Bonds shall be dated as of the date of delivery to the Purchaser thereof; shall bear interest from such date at such interest rate as may be fixed by supplemental resolution as a result of the advertised sale and competitive bidding for such Current Bonds, as hereinafter provided; and shall be issued and delivered as prescribed in Section 202 hereof.

Interest on the Current Bonds shall be payable semiannually on January 1 and July 1 of each year, provided that the first interest payment period will cover interest only from the date of delivery of the Current Bonds to the ensuing January 1 or July 1, as the case may be. Principal of the Current Bonds shall be payable on January 1 of each of the respective years until maturity, as set out in Section 201 hereof.

Section 106. Recognition of Prior Bonds. The City hereby expressly recognizes and acknowledges that the City has previously pledged, for the benefit and protection of the owners of the Prior Bonds, the gross revenues of the System, all as set forth in the Prior Bonds.

Section 107. Current Bonds Shall be Payable Out of Gross Revenues. The Current Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions set forth hereinafter, shall be secured by and payable on a parity from the gross revenues of the System, subject to the priority of the Prior Bonds.

Section 108. Lien on Contracts. In addition to the revenue pledge securing the Bonds, a lien is hereby created and granted in favor of the Bondowners on all contracts and on all other rights of the City pertaining to the System, enforceable by assignment to any receiver or other operator proceeding by authority of any court.

ARTICLE 2. THE BONDS; BOND FORM; PREPAYMENT.

Section 201. Principal Payments. Principal payments due on the Current Bonds shall be as set forth in the schedule of maturities set out in **Exhibit A** attached to this Ordinance and incorporated herein by reference.

Section 202. Issuance of Current Bonds; Bond Form. The Purchaser of the Current Bonds at the public sale thereof shall take delivery of the Current Bonds in the form of one or more fully registered bonds, as set forth in **Exhibit B** attached hereto and incorporated herein by reference, amounting in the aggregate to the principal amount of the Current Bonds authorized herein, maturing as to principal as set out in Section 201 above. The Current Bonds shall be numbered R-1 and consecutively upward thereafter. Such Current Bonds shall, upon appropriate execution on behalf of the City as prescribed herein, constitute the entire bond issue herein authorized, shall be negotiable (subject to registration requirements as to transferability), and payable as to principal and interest to the registered Owner.

Section 203. Place of Payment and Manner of Execution. Both principal of and interest on the Current Bonds shall be payable at the place and in the manner set out in the form of such Current Bond. The Current Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor, with the Corporate Seal of the City affixed thereto and attested by the manual or facsimile signature of the City Clerk.

If either of the officers whose signatures appear on the Current Bonds ceases to be such officer before delivery of said Current Bonds, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery.

Section 204. Provisions as to Prepayment. Except when all of the Current Bonds are held by the Government, principal maturities falling due prior to January 1, 2035, shall not be subject to prepayment. Principal maturities falling due on and after January 1, 2035, shall be subject to prepayment by the City on any date falling on and after January 1, 2034, at par plus accrued interest, without any prepayment penalty.

So long as the registered owner of the Current Bonds is the United States of America, or any agency thereof, the entire principal amount of the Current Bonds, or installments in multiples of \$100, may be prepaid at any time in inverse chronological order of the installments due. Prepayments or extra payments on the Current Bonds shall, after payment of interest, be applied to the installments last to become due thereunder and shall not affect the obligation of the City to pay the remaining installments in accordance with the Current Bonds. Notice of such prepayment shall be given by certified mail to the Bondowner or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the consent of the Bondowner.

**ARTICLE 3. CONSTRUCTION ACCOUNT; INTERIM FINANCING;
APPLICATION OF PROCEEDS; ARBITRAGE LIMITATIONS.**

Section 301. Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits. The Treasurer, or such other City official as shall be designated by the City Council, shall be the custodian of all funds belonging to and associated with the System. All moneys in excess of the amount insured by the FDIC in the Construction Account shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The officials of the City entrusted with the receipt and disbursement of revenues of the System and the custody of valuable property shall be covered by a fidelity bond in the amount of not less than such amount specified by RD (the "Fidelity Bond"), or such larger amount as RD may require, which Fidelity Bond shall be effective and secured by a surety company approved by RD so long as it is owner of any of the Current Bonds. The RD and the City shall be named co-obligees in such Fidelity Bond and the amount thereof shall not be reduced without the written consent of RD. Whenever sums in the Funds shall exceed the minimum amount of coverage required by RD, the Fidelity Bond shall be increased accordingly as requested by and with the approval of RD.

A. Covenants Applicable if RD Purchases Current Bonds. It is acknowledged that all covenants herein with reference to the necessity for approval of the RD, the necessity of observing RD regulations and procedures and the necessity of using RD forms (the "RD Forms"), shall apply only if the RD is the Purchaser of the Current Bonds and only so long as the RD holds the Current Bonds thereafter. In the event that the RD shall not be the Purchaser of the Current Bonds, or, after purchasing same, shall sell or transfer the Current Bonds to an Owner who shall not be the Government, all covenants herein with reference to the necessity for approval of the RD, the necessity of observing RD regulations and procedures, and the necessity of using RD Forms, shall not be applicable.

B. Application of Proceeds of Current Bonds. The proceeds of the Current Bonds shall be applied as follows:

(1) Payment of Interim Financing, Costs of Project and Costs of Issuance. Simultaneously with the delivery of the Current Bonds, there shall immediately be paid to the Interim Lender (or the RD if Multiple Advances are made) an amount sufficient to pay principal of and interest on any temporary loans borrowed by the City in anticipation of the sale and delivery of the Current Bonds and/or of the receipt of Grant Proceeds. Also, at the time of delivery of the Current Bonds, there shall be paid all amounts then due and payable in connection with the costs of the Project and in connection with the issuance of the Current Bonds.

(2) Construction Account. If and to the extent that the proceeds of the Current Bonds shall be in excess of the amount necessary to pay the interest, principal and costs referred to in subparagraph B(1) of this Section, such excess amount shall immediately be deposited in the "City of Mount Vernon Water System Construction Account" hereby created, which shall be established at the Depository Bank. There shall also be deposited

in said Construction Account the Grant Proceeds, as and when received, or said Grant Proceeds may be applied, to the extent necessary, to liquidate or reduce any interim financing owed by the City at the time of receipt of Grant Proceeds.

(3) Withdrawal of Funds From Construction Account. Prior to the expenditure by the City of any moneys from the Construction Account, the City must obtain written approval from the RD as to such expenditures, if the RD is the Owner of any Outstanding Bonds. The proceeds of said Construction Account shall be withdrawn only on checks signed by the Mayor, the Treasurer (or by such other official of the City as may be authorized by the City Council), provided such official shall be covered by the Fidelity Bond required by Section 301 of this Ordinance, in payment for services and/or materials supplied in connection with the Project, as evidenced by (1) a Requisition Certificate and (2) invoices and/or partial payment estimates bearing the written approval of the Engineers and the Mayor (or by such other official of the City as may be authorized by the City Council), and which invoices and/or partial payment estimates must have been reviewed and approved for payment by the designated RD official.

Written approval or certification of the Engineers shall not be required for matters not under the jurisdiction of the Engineers, such as legal fees, land acquisition and related items.

During construction, the City shall disburse Construction Account funds in a manner consistent with RD Instruction 1780.

The City shall prepare and submit any and all RD Forms required by the RD. Periodic audits of the City's Construction Account records shall be made by RD as determined by it to be necessary.

(4) Transfer of Capitalized Interest to Current Sinking Fund. There shall be transferred from the Construction Account from time to time, as needed, an amount sufficient to provide for capitalized interest during the construction of the Project, as approved by the Engineers and by the RD. If and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project, such amount so transferred from the Construction Account shall be deposited in the Current Sinking Fund.

(5) Investment of Funds in Construction Account. Pending disbursement of amounts on deposit in the Construction Account, all such funds, or such portion of said amounts on deposit in said Construction Account as is designated by the City Council, shall be invested for the benefit of such Construction Account in Certificates of Deposit, savings accounts or U.S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for costs of the Project (as determined by the Engineers, the Mayor and the RD), provided that to the extent that any amounts on deposit in said Depository Bank shall cause the total deposits of

the City in said Depository Bank to exceed the amount insured by the FDIC, the same shall be continuously secured by a valid pledge of U.S. Obligations, having an equivalent market value, in conformity with Section 66.480 of the Kentucky Revised Statutes. Investments in Certificates of Deposit or savings accounts may be made only in such Certificates or accounts of an FDIC bank. Any such investments will be a part of the Construction Account, and income from such investments will be credited to the Construction Account. All such investments shall be subject to the limitations set out in Section 303 hereof.

(6) Statements of Contractors, Engineers and Attorneys as to Payment. Prior to the delivery of the Current Bonds, if the RD is the Purchaser of the Current Bonds, the City will be required to provide the RD with statements from the Contractors, Engineers and attorneys for the City that they have been paid to date in accordance with their contract or other agreements and, in the case of any Contractor, that he has paid his suppliers and subcontractors. Any exceptions must be authorized under RD Instruction 1780.

(7) Disposition of Balance in Construction Account After Completion of Project. When the Project has been completed and all construction costs have been paid in full, as certified by the Engineers for the City and/or by the RD, any balance then remaining in the Construction Account may, with the consent of the RD, be applied to the cost of constructing additional extensions, additions and improvements to the System (the "Additional Construction"). If such Additional Construction is to be undertaken by the Contractors previously engaged in the Project, such Additional Construction may be authorized by a change order.

If there is a balance remaining in the Construction Account after such Additional Construction, such balance (subject to legal requirements as to possible refund of any allocated portion of the balance derived from Grant Proceeds) shall be transferred to the Current Sinking Fund, whereupon said Construction Account shall be closed. Such remaining balance in the Construction Account so transferred to the Current Sinking Fund shall be used by the City immediately to prepay principal installments due on the Current Bonds in the inverse order of maturities without prepayment penalty, provided further that any balance insufficient to prepay at least \$100 of the principal payment falling due in any year on the Current Bonds will be transferred to the Debt Reserve Fund.

Section 302. Interim Financing Authorization.

A. Interim Financing. The City shall use interim financing for the Project during construction of that portion of the cost of the Project financed by the Current Bonds, if available at reasonable rates and terms.

The borrowing of up to the aggregate sum of \$864,000 from the Interim Lender is hereby authorized; and the Mayor is hereby authorized to execute the Note in the name and on behalf of the City. Each advance under the Note shall evidence a loan by the Interim Lender to the City for

services rendered and/or materials supplied in connection with the Project, as evidenced by a Requisition Certificate.

Interim financing shall be disbursed as follows:

(1) At the direction of the City, the Interim Lender shall disburse the proceeds of the Note by cashier's checks directly to the parties entitled thereto as set forth in the Requisition Certificate; or

(2) At the direction of the City, the Interim Lender shall deposit the proceeds of the Note in the Construction Account, in which event amounts of the City on deposit therein shall, until expended to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U.S. Obligations.

The aggregate of the principal amount of all Notes shall not exceed \$864,000. Each Note which is renewed or superseded shall be simultaneously cancelled by the Interim Lender and transmitted to the Treasurer. The rate of interest applicable to each Note shall not exceed a reasonable rate, which rate is subject to the approval of the RD.

The total authorized interim financing of \$864,000 shall be the maximum indebtedness which the City may owe at any one time to the Interim Lender for the purpose of providing temporary construction financing for the Project; provided, however, that the City may reduce the amount owed by the City to the Interim Lender from time to time as and when funds are available to the City, whether derived from the proceeds of the Grant Proceeds, the proceeds of the sale of the Current Bonds or otherwise, and may reborrow from the Interim Lender additional amounts in anticipation of the further receipt by the City of additional proceeds from the Current Bonds and/or Grant Proceeds.

The City hereby covenants and agrees with the Interim Lender that upon the issuance and delivery of the Current Bonds and/or the receipt of said Grant Proceeds, the City will apply the proceeds thereof, to whatever extent may be necessary, in payment of the principal amount of the Note, together with accrued interest thereon to the date of such payment; and the proceeds of the Current Bonds and Grant Proceeds are hereby pledged therefor, and such pledge shall constitute a first and prior charge against said proceeds.

Although the proceeds of the Current Bonds and Grant Proceeds are pledged to the repayment of said interim financing, it is recognized that the Grant Proceeds may be applied to the extent required at the time of receipt of the Grant Proceeds, to the payment of costs of the Project due and owing by the City at the time of receipt of such Grant Proceeds, rather than to the repayment of portions of the interim financing at that time. If and to the extent that the Grant Proceeds are in excess of any costs of the Project due and owing at the time of receipt thereof, such Grant Proceeds may be applied, in the same manner as set out hereinabove, to the reduction of the amount of the interim financing, after which, such interim financing may again be increased as theretofore. The

City further pledges the revenues of the System to the repayment of said interim financing, subject to the vested rights and priorities of the pledges securing the Outstanding Bonds.

It is understood that the foregoing constitutes an alternative method of obtaining interim financing, and does not preclude the authorization and sale, by public advertisement or otherwise, of bond anticipation notes and/or grant anticipation notes to the most favorable bidder on the open market, by concurrent or subsequent proceedings of the City.

B. Multiple Advances by RD. In the event the Current Bonds are purchased by the RD, and in the event the City is unable to obtain a commitment for interim financing for the Project from any Interim Lender at reasonable rates and terms, the Mayor is authorized to request Multiple Advances of loan funds from the RD.

If the RD agrees to make Multiple Advances to the City pending the delivery of the Current Bonds, the Mayor is hereby authorized to execute in the name and on behalf of the City any number of Notes. Each such Note, evidencing an advance of funds by the RD to the City, shall be in the form prescribed by the RD.

Each request for an advance from the RD shall be accompanied by a Requisition Certificate. The City will also furnish to the RD, prior to the receipt of each Multiple Advance, whatever additional documentation shall be requested by the RD, including an updated supplemental title opinion of Local Counsel and an updated supplemental preliminary legal opinion of Bond Counsel.

The proceeds of any Multiple Advances shall be either (i) disbursed directly to the parties entitled thereto for services and/or materials supplied in connection with the Project or (ii) deposited into the Construction Account and disbursed in accordance with the provisions of Section 301 hereof, in which event amounts on deposit in such Construction Account shall, until expended, to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U.S. Obligations.

The proceeds of the Current Bonds are hereby pledged to the repayment of such Multiple Advances, and such pledge shall constitute a first and prior pledge against such proceeds. The City further pledges the revenues of the System to the repayment of said Multiple Advances, subject to the vested rights and priorities of the pledges securing the Outstanding Bonds.

Section 303. Arbitrage Limitations on Investment of Proceeds. The City covenants and certifies, in compliance with the Code, on the basis of known facts and reasonable expectations on the date of enactment of this Ordinance, that it is not expected that the proceeds of the Current Bonds will be used in a manner which would cause the Current Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The City covenants to the Owners of the Current Bonds that (1) the City will make no use of the proceeds of said Current Bonds which, if such use had been reasonably expected on the date of issue of such Current Bonds, would have caused such Current Bonds to be "arbitrage bonds" and (2) the City will comply with all of the requirements of the Code to whatever extent is necessary to assure that the Current Bonds shall not be treated as or constitute

"arbitrage bonds" and that the interest on the Current Bonds shall be excludable from gross income for Federal income tax purposes.

Prior to or at the time of delivery of the Current Bonds, the Mayor and/or the Treasurer (who are jointly and severally charged with the responsibility for the issuance of the Current Bonds) are authorized to execute such certifications as shall be required by Bond Counsel, setting out all known and contemplated facts concerning the anticipated construction, expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by Section 148 of the Code in order to assure that interest on the Current Bonds shall be excludable from gross income for Federal income tax purposes and that the Current Bonds will not be treated as "arbitrage bonds".

ARTICLE 4. FLOW OF FUNDS.

Section 401. Funds. There was heretofore created the following funds and accounts:

- (a) City of Mount Vernon Water System Revenue Fund;
- (b) City of Mount Vernon Water System Sinking Fund;
- (c) City of Mount Vernon Water System Reserve Fund; and
- (d) City of Mount Vernon Water System Operation and Maintenance Fund.

There is hereby created the City of Mount Vernon Water System Sinking Fund of 2024 and the City of Mount Vernon Water System Debt Reserve Fund of 2024.

All of the Funds shall be maintained with the Depository Bank so long as any Bonds remain outstanding, subject to the right of the City to designate another Depository Bank.

Section 402. Flow of Funds. All proceedings preliminary to and in connection with the issuance of the Outstanding Bonds, including provisions made for (i) the receipt, custody and application of the proceeds of the Outstanding Bonds; (ii) the operation of the System on a revenue-producing basis; (iii) the segregation, allocation and custody of the revenues derived from the operation of the System; (iv) the enforcement and payment of the Outstanding Bonds and (v) the depreciation of the System; and all other covenants for the benefit of Bondowners set out in the Prior Bond Ordinance, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Outstanding Bonds, the same as if such provisions and proceedings were set out in full herein; provided, further, that after the issuance of the Current Bonds, the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

A. Revenue Fund. The City 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 City only for the purpose and in the manner and order of priorities specified in the Prior Bond Ordinance, as hereinafter modified by this Ordinance, all as permitted by the Act, and in accordance with previous contractual commitments.

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

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

Said Prior 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.

C. Current Sinking Fund. At or after the time that the Current Bonds have been delivered, there shall be transferred from the Construction Account into the Current Sinking Fund an amount sufficient to provide for capitalized interest during the construction of the Project, if and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project.

After the monthly transfers required in the preceding paragraphs have been paid from the Revenue Fund, there shall next be transferred monthly from said Revenue Fund and deposited into the Current Sinking Fund on or before the 20th day of each month, for payment of interest on and principal of the Current Bonds, 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 Current Bonds then outstanding, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Current Bonds maturing on the next succeeding principal payment date.

The Current Sinking Fund is hereby pledged for the payment of the interest and the principal of the Current Bonds, subject to the vested rights and priorities of the Prior Bonds.

D. Debt Reserve Fund. It is hereby determined that upon the issuance of the Current Bonds, and upon completion of the Project, as certified by the Engineers and by the RD, there shall next be transferred from the Revenue Fund the sum of at least \$275 each month which shall be deposited into the Debt Reserve Fund until there is accumulated in such Debt Reserve Fund the sum of at least \$33,000, which amount shall be maintained, and when necessary, restored to said sum of \$33,000, so long as any of the Current Bonds are outstanding and unpaid. These deposits are in addition to any deposits required by the Prior Bonds.

As further security for the Bondowners and for the benefit of the City, it has been and is hereby provided that in addition to the monthly transfers required to be made from the Revenue Fund into the Debt Reserve Fund, there shall be deposited into said Debt Reserve Fund all proceeds of connection fees collected from potential customers (except the amounts necessary to pay the actual costs and service connections applicable to said potential customers) to aid in the financing of the cost of future extensions, additions and improvements to the System, plus the proceeds of any property damage insurance (not otherwise used to replace damaged or destroyed property); and any such amounts or proceeds so deposited shall be used solely and only for the purposes intended.

Moneys in the Debt Reserve Fund may be withdrawn and used by the City, upon appropriate certification of the City Council and the prior written authorization of RD, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals and replacements not included in the annual budget of current expenses and/or of paying the costs of constructing future extensions,

additions and improvements to the System which will either enhance its revenue-producing capacity or will provide a higher degree of service, and when necessary, for the purpose of making payments of principal and interest on the Bonds if the amount on deposit in the Sinking Fund is not sufficient to make such payments.

E. 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 City's annual budget.

F. Monthly Principal and Interest Payments if Requested by the RD. So long as any of the Bonds are held or insured by the RD, the City shall, if requested by the RD, make the payments required by this Section 402, in monthly installments to the RD or to the insured Owners of the Bonds.

G. 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 Debt Reserve Fund for application in accordance with the terms of this Ordinance or to the Sinking Fund to be applied to the maximum extent feasible, to the prompt purchase or redemption of Outstanding Bonds.

H. Investment and Miscellaneous Provisions. All monies in the Sinking Fund and the Debt Reserve Fund shall be deposited in the Depository Bank, or such portion thereof as is designated by the City Council. All monies in the Sinking Fund and the Debt Reserve Fund shall be invested for the benefit of such respective Funds in Certificates of Time Deposit or savings accounts of the Depository Bank or in U.S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for the purposes for which such funds may be expended, provided that to the extent that any amount of the City on deposit in the Depository Bank shall cause the total deposits of the City in said Depository Bank to exceed the amount insured by the FDIC, such excess amount shall be continuously secured by a valid pledge of U.S. Obligations, having an equivalent market value, in conformity with Section 66.480 of the Kentucky Revised Statutes.

Any investments will be a part of the respective Funds from which the proceeds invested are derived, and income from such investments will be credited to such respective Funds. All investments of funds derived from proceeds of the Outstanding Bonds shall be subject to the applicable limitations set out in Section 303 hereof.

All payments into the Funds shall be made on or before the twentieth (20th) day of each month, except that when the twentieth (20th) day of any month shall be a Saturday, Sunday or a legal holiday, then such payment shall be made on the next succeeding business day.

All monies held in any of the Funds shall be kept apart from all other City funds and shall be deposited in the Depository Bank, and all such deposits which cause the aggregate of all deposits of the City therein to be in excess of the amount secured by FDIC, shall (unless invested as herein authorized) be secured by a surety bond or bonds or by a pledge of U.S. Obligations, having a market value equivalent to such deposit.

The Treasurer shall keep appropriate records as to payment of principal and interest installments and as to payment of principal of and interest on any Bonds.

Section 403. Current Bonds are Subordinate to the Prior Bonds. It is hereby certified and declared that the Current Bonds shall be subordinate to the lien and pledge of the Prior Bonds on the gross revenues of the System.

ARTICLE 5. COVENANTS OF CITY.

Section 501. Rates and Charges. The City shall charge such rates and charges for all services and facilities rendered by the System, which rates and charges shall be reasonable, taking into account and consideration the cost and value of the System, the cost of maintaining, repairing and operating same and the amounts necessary for the payment of principal of and interest on Outstanding Bonds against the System. The City shall charge such rates and charges as shall be adequate to meet the requirements of Articles 4 and 5 hereof.

The City covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the City Clerk a certification of an Independent Consulting Engineer that the annual net revenues (defined as gross revenues less operating expenses) of the then existing System for the fiscal year preceding the year in which such reduction is proposed, as such annual net revenues are adjusted, after taking into account the projected reduction in annual net revenues anticipated to result from any such proposed rate decrease, are equal to not less than 120% of the average annual debt service requirements for principal and interest on all of the then Outstanding Bonds payable from the revenues of the System, calculated in the manner specified in Section 603 hereof.

Section 502. Books and Accounts; Audit. The City shall maintain proper records and accounts relating to the operation of the System and the City's financial affairs; and the Bondowners, or their authorized representatives, shall have the right at all reasonable times to inspect the facilities of the System and all records, accounts and data relating thereto. An annual audit shall be made of the books and accounts pertinent to the System by a Certified Public Accountant licensed in Kentucky. No later than ninety (90) days after the close of each Fiscal Year, copies of such audit reports certified by such Certified Public Accountant shall be promptly mailed to the RD without request, so long as the Government is the Owner of any of the Bonds, and to any Bondowner that may have made a written request for same.

Monthly operating reports shall be furnished to the RD and to any Bondowner requesting same, during the first two years of operation after completion of the Project, and whenever and so long as the City is delinquent in any of the covenants set out in this Current Bond Ordinance. Thereafter, quarterly operating reports shall be furnished at all other times to the RD and to any Bondowner requesting the same.

Section 503. System to Continue to be Operated on Fiscal Year Basis; Annual Budget. While any of the Bonds are outstanding and unpaid, and to the extent permitted by law, the System shall continue to be operated and maintained on a Fiscal Year basis.

Not later than sixty (60) days before the end of each Fiscal Year, the City agrees to cause to be prepared a proposed annual budget of operating expenses (the "Proposed Budget") of the System for the then ensuing Fiscal Year, itemized on the basis of monthly requirements. A copy of said Proposed Budget shall be mailed to any Bondowner who may request in writing a copy of such

Proposed Budget and to the RD without request, if the Government is the Owner of any of the Bonds.

For the purpose of the Proposed Budget, operating expenses shall include all reasonable and necessary expenses of operating, repairing, maintaining and insuring the System, but shall exclude depreciation and debt service payments. The City covenants that the operating expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that the City will not expend any amount or incur any obligation for operation or maintenance and repair in excess of the amounts provided for operating expenses in the annual budget, except upon resolution by the City that such expenses are necessary to operate and maintain the System.

Not later than sixty (60) days before the end of each Fiscal Year, the City shall prepare an estimate of gross revenues to be derived from the operation of the System for said Fiscal Year, and, to the extent that said gross revenues are insufficient (a) to pay debt service requirements on all Outstanding Bonds during the ensuing Fiscal Year, (b) to accumulate and maintain all required reserves enumerated herein and (c) to pay operating expenses, the City shall revise the rates and charges sufficiently to provide the funds so required.

If the Owners of at least 50% of the principal amount of the Outstanding Bonds, or the Government so long as it is the Owner of any of said Outstanding Bonds, so request, the City Council shall hold an open hearing not later than thirty (30) days before the beginning of the ensuing Fiscal Year, at which time any Bondowner may appear by agent or attorney and may file written objections to such proposed budget. Notice of the time and place of such hearing shall be mailed at least fifteen (15) days prior to the hearing to each registered Bondowner and to the Government.

The City covenants that annually before the first day of the Fiscal Year, the annual budget for the upcoming Fiscal Year will be adopted substantially in accordance with the Proposed Budget, and that no expenditures for operation and maintenance expenses of the System in excess of the budgeted amount shall be made during such Fiscal Year unless directed by said City by a specific resolution duly adopted.

Section 504. General Covenants. The City, through its City Council, hereby covenants and agrees with the Owners of the Bonds that:

- (1) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky;
- (2) It will make and collect reasonable and sufficient rates and charges for services and facilities rendered by the System;
- (3) It will segregate the revenues and income from the System and make application thereof consistent with and as provided by this Ordinance;

- (4) Unless the written consent of the Owners of a majority of the principal amount of the Outstanding Bonds has been obtained, the City agrees not to sell, lease, mortgage or in any manner dispose of any integral part of the System, including any and all appurtenances thereto and extensions, additions and improvements that may be made thereto, until all of the Outstanding Bonds shall have been paid or provided for in full, as provided herein; subject to the provisions of Section 607 hereof;
- (5) It will maintain in good condition and continuously operate the System and appurtenances thereto and will charge such rates and charges for the services rendered thereby so that the gross income and revenues will be sufficient at all times (i) to pay the interest on and principal of the Outstanding Bonds as same become due, (ii) to pay the cost of operating and maintaining the System, and (iii) to provide for an adequate depreciation account; and
- (6) It will carry and maintain insurance on properties of the System subject to loss or damage in amounts and against hazards substantially in accordance with the practices of other districts, cities or corporations which own and maintain water systems under similar conditions; and so long as the Government is the Owner of any of the Outstanding Bonds, the Government will be listed as co-beneficiary on any such policy; and the City shall further comply with the insurance requirements of Section 506 hereof (involving insurance on motors, tanks and structures).

Section 505. Other Covenants Applicable So Long as RD Owns Any Bonds. So long as the RD shall own any of the Bonds, the City shall comply with such RD regulations, requirements and requests as shall be made by the RD, including the furnishing of operating and other financial statements, in such form and substance and for such periods as may be requested by the RD, the carrying of insurance of such types and in such amounts as the RD may specify, with insurance carriers acceptable to the RD and compliance with all of the terms and conditions of the Loan Resolution (RD Form 1780-27) adopted and executed by the City, which is hereby authorized, approved, ratified and confirmed.

Section 506. Civil Rights and Equal Opportunity. The City covenants and agrees to comply with all applicable Federal laws and statutes, including but not limited to:

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

(b) *Civil Rights Act of 1964.* The City acknowledges that it is subject to, and its Facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C.

2000d *et seq.*) and Subpart E of Part 1901 of said Title VI, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.

(c) *Americans with Disabilities Act (ADA) of 1990.* The City acknowledges that the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.*) [the "ADA Act"] prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications.

(d) *Age Discrimination Act of 1975.* The City acknowledges that the Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*) provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

(e) *Limited English Proficiency (LEP) under Executive Order 13166.* The City acknowledges that LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the grounds of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write or understand English. These individuals may be entitled to language assistance, free of charge. The City agrees to take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to RHS programs, services and information the City provides. These protections are pursuant to Executive Order 13166 entitled "Improving Access to Services by Persons with Limited English Proficiency" and further affirmed in the USDA Departmental Regulation 4330-005 "Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA.

(f) *Controlled Substances Act.* The City acknowledges that it is subject to the Controlled Substances Act.

Section 507. Insurance on Motors, Tanks and Structures. The City shall (a) immediately after the enactment of this Ordinance and (b) at the time of final acceptance of the Project, insure all electric motors, pumping stations and major structures of the System in an amount recommended by the Engineers and approved by the RD, so long as the RD is the Owner of any of the Bonds, for the hazards usually covered in such area, and shall similarly insure same in an amount recommended by the Engineers, without the necessity of approval by the RD if and whenever the City has Outstanding Bonds against the System and none of such Outstanding Bonds are owned by the RD.

ARTICLE 6. INFERIOR BONDS AND PARITY BONDS.

Section 601. Inferior Bonds. Except as hereinafter provided in this Article, the City shall not, so long as any Bonds are outstanding, issue any additional bonds payable from the revenues of the System unless the security and/or pledge of the revenues to secure such additional bonds are made inferior and subordinate in all respects to the security of the Bonds.

The City expressly reserves the right at any time to issue its bonds or other obligations payable from the revenues of the System and not ranking on a parity basis with the Current Bonds, without any proof of previous earnings or net revenues, provided that the consent of the RD must be obtained prior to the issuance of any inferior bonds so long as the RD owns any of the Bonds, and provided further that, after the initial completion of the Project, such inferior bonds may be issued only for the purpose of providing for future extensions, additions and improvements to the System, and only in express recognition of the priorities, liens and rights created and existing for the security, source of payment and protection of the Outstanding Bonds; provided further, that nothing in this Section is intended to restrict or shall be construed as a restriction upon, the ordinary refunding of all or a portion of the Outstanding Bonds.

Section 602. Parity Bonds to Complete the Project. The City hereby certifies, covenants and agrees that in the event that the cost of completion of the construction of the Project shall exceed the moneys available to the City from any and all sources, the City shall have the right, if necessary, to provide for such excess, and only such excess, through the issuance of Parity Bonds, provided the City has obtained a certification from the Engineers to the effect that it is necessary to issue the desired amount of Parity Bonds in order to enable the City to pay the cost (not otherwise provided) of the completion of the Project, and provided the City has complied with the provisions of Section 603 below or has obtained:

- (a) the consent of the RD if the Government is the Owner of the Prior Bonds at that time or the consent of any other Owners of the Prior Bonds, and
- (b) the consent of (1) the RD if the Government is the purchaser of the Current Bonds or (2) the Owners of at least 75% of the principal amount of the Current Bonds outstanding, if the Current Bonds have been issued, sold and delivered and are held by Owners other than the Government.

Section 603. Parity Bonds to Finance Future Improvements. The City has reserved the right and privilege, and does hereby reserve the right and privilege, of issuing additional Parity Bonds, but only under the conditions specified in this Current Bond Ordinance, which conditions are as follows:

The City further reserves the right to add new water facilities and/or to finance future extensions, additions and improvements to the System by the issuance of one or more additional series of Parity Bonds to be secured by a parity lien on and ratably payable on a parity with the Current Bonds, from the revenues of the System, 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 City 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 an Independent Consulting Engineer.

(e) Compliance with Section 603(a) through (d) shall not be necessary for the issuance of Parity Bonds if the City has obtained (1) the written consent of the RD for the issuance of such Parity Bonds, if the Government is the Owner of any Outstanding Bonds at the time of issuance of such Parity Bonds and (2) the written consent of the Owners of all of the then Outstanding Bonds, and no other prerequisite need be complied with by the City in order to issue Parity Bonds.

Section 604. Covenants to be Complied with at Time of Issuance of Parity Bonds. The City hereby covenants and agrees that in the event any Parity Bonds are issued, the City shall:

(a) Adjust the monthly amount to be deposited into the Sinking Fund on the same basis as that prescribed in the provisions establishing such Sinking Fund, to reflect the annual debt service requirements of the Parity Bonds;

(b) Adjust the minimum annual amount to be deposited monthly into the Debt Reserve Fund on the same basis as that prescribed in the provisions establishing such Debt Reserve Fund, taking into account the future debt service requirements of all Bonds which will then be outstanding against the System; and

(c) Make such Parity Bonds payable as to principal on January 1 of each year in which principal falls due and payable as to interest on January 1 and July 1 of each year until the final maturity of such Parity Bonds.

Section 605. Prepayment Provisions Applicable to Parity Bonds. If, in connection with any subsequently issued series of Parity Bonds, it is provided that excess revenues in the Revenue Fund shall be used to prepay Outstanding Bonds in advance of scheduled maturity, or if the City at its option undertakes to prepay Outstanding Bonds in advance of scheduled maturity, it is agreed and understood, for so long as the Government owns any of the Outstanding Bonds, that no such prepayment will be effected without the approval of the RD.

Section 606. Consent of the RD Regarding Future Bonds. Notwithstanding any other provisions of this Ordinance, the City agrees that so long as the Government owns any Outstanding Bonds against and/or payable from the revenues of the System, the City will not issue any future bonds, notes or other obligations against, secured by or payable from the revenues of the System without the written consent of the RD.

Section 607. Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities. The City covenants and agrees that so long as any of the Bonds are outstanding, the City will not sell or otherwise dispose of any of the facilities of the System, or any part thereof, and, except as provided above, the City will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of the Outstanding Bonds. Notwithstanding the foregoing, the City may at any time permanently abandon the use of, or sell at fair market value, any part of the facilities of the System, provided that:

(a) The City is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds, and the required reserves for such Outstanding Bonds will have been accumulated;

(b) The City will, in the event of any such sale, apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing prepayment of bonds in advance of maturity or (2) replacement of the facility so disposed of by another facility, the revenues of which shall be incorporated into the System, as hereinbefore provided;

- (c) The City certifies, in good faith, prior to any abandonment of use, that the facilities to be abandoned are no longer economically feasible of producing net revenues; and
- (d) The City certifies, in good faith, that the estimated net revenues of the remaining facilities of the System for the then next succeeding Fiscal Year, plus the estimated net revenues of the facilities, if any, to be added to the System, comply with the earnings requirements hereinbefore provided in the provisions and conditions governing the issuance of Parity Bonds.

Notwithstanding any other provisions hereof, so long as any Bonds are held by the Government, the City shall not dispose of its title to the System or to any part thereof, without first obtaining the written consent of the RD.

ARTICLE 7. DEFAULT AND CONSEQUENCES.

Section 701. Events of Default. The following items shall constitute an Event of Default on the part of the City:

- (a) The failure to pay principal of the Bonds as and when same shall become due and payable, either at maturity or by proceedings for redemption.
- (b) The failure to pay any installment of interest on the Bonds when the same shall become due and payable or, if any or all of the Outstanding Bonds are owned by the RD, within 30 days thereafter.
- (c) The default by the City in the due or punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in this Ordinance.
- (d) The failure to promptly repair, replace or reconstruct facilities of the System that have been damaged and/or destroyed.
- (e) The entering of any order or decree with the consent or the acquiescence of the City, appointing a receiver of all or any part of the System or any revenues thereof; or if such order or decree shall be entered without the acquiescence or consent of the City, its failure to have the order vacated, discharged or stayed on appeal within 60 days after entry.

Section 702. Consequences of Event of Default. Any Owner of the Current Bonds may enforce and compel the performance of all duties and obligations of the City set forth herein. Upon the occurrence of an Event of Default, then upon the filing of a suit by any Owner of the Current Bonds, any court having jurisdiction of the action may appoint a receiver to administer said System on behalf of the City with power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal of and interest on the Outstanding Bonds and to provide and apply the income and revenues in conformity with this Ordinance and with the laws of the Commonwealth of Kentucky.

The City hereby agrees to transfer to any bona fide receiver or other subsequent operator of the System, pursuant to any valid court order in a proceeding brought to enforce collection or payment of the City's obligations, all contracts, and other rights of the City pertaining to the System, conditionally, for such time only as such receiver or operator shall operate by authority of the court. Upon the occurrence of an Event of Default, the Owner of any of the Outstanding Bonds may require the governing body of the City by appropriate order to raise the rates a reasonable amount consistent with the requirements of this Ordinance.

ARTICLE 8. CONTRACTUAL PROVISIONS; MISCELLANEOUS PROVISIONS.

Section 801. Ordinance Contractual with Bondowners. The provisions of this Ordinance constitute a contract between the City and its City Council and the Owners of the Current Bonds as may be outstanding from time to time; and after the issuance of any of said Current Bonds, no change, alteration or variation of any kind of the provisions of this Ordinance shall be made in any manner which will affect an Owner's rights except as herein provided or except with the written consent of all Bondowners until such time as all of the Current Bonds and the interest thereon have been paid in full or fully provided for; provided that the City Council may adopt any resolution for any purpose not inconsistent with the terms of this Ordinance and which shall not impair the security of the Owners of the Current Bonds 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 resolution or other proceedings pertaining hereto.

It is further agreed that the Owners of 75% in principal amount of the Current Bonds at any time outstanding shall have the right to consent to and approve the adoption of resolutions or other proceedings, modifying or amending any of the terms or provisions contained in this Ordinance, subject to the conditions that (a) this Ordinance shall not be so modified in any manner that may adversely affect the rights of the Owners of any of the Prior Bonds, nor in any manner that may adversely affect the rights of any certain Owners of the Outstanding Bonds without similarly affecting the rights of all Owners of such Outstanding Bonds, or to reduce the percentage of the number of Owners whose consent is required to effect a further modification and (b) no such change may be effected without the consent of the RD so long as the RD owns any of the Outstanding Bonds.

Section 802. All Current Bonds are Equal. The Current Bonds authorized herein shall not be entitled to priority one over the other in the application of the income and revenues of the System, or with respect to the security for their payment, regardless of the time or times of their issuance, it being the intention that there shall be no priority among any of the Current Bonds regardless of the fact that they may be actually issued and delivered at different times.

Section 803. City Obligated to Refund Current Bonds Owned by Government Whenever Feasible; Defeasement Prohibited. So long as the Government is the Owner of any of the Current Bonds, if it appears to the Government that the City is able to refund such Current Bonds in whole or in part, by obtaining a loan for such purposes from responsible commercial or private credit sources, or to sell bonds of the City in the open market, at reasonable rates and terms, the City will, upon request of the Government, obtain such loan and/or issue such bonds in sufficient amount to repay the Government and will take all such action as may be required in connection therewith.

In addition, so long as the Government is the Owner of any of the Current Bonds, the City shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of the Current Bonds without immediately prepaying all of the then outstanding Current Bonds.

Section 804. Use of City Streets. The use of all City streets, highways, alleys and public ways for the construction and maintenance of the Project is hereby authorized, without the necessity of further permits, licenses or other certifications from the City.

Section 805. Authorization, Ratification and Confirmation of Approval and Execution of Various Documents. The City Council hereby authorizes, approves, ratifies and confirms the previous action of the officers of the City in approving and executing various documents related to the financing of the Project, including the following:

- (a) Legal Services Agreement with Bond Counsel.
- (b) Legal Services Agreement with Local Counsel.
- (c) Letter of Intent to Meet Conditions of RD Letter of Conditions (RD Form 1942-46).
- (d) Loan Resolution (RD Form 1780-27).
- (e) Agreement for Engineering Services with the Engineers.

Section 806. Authorization of Condemnation to Acquire Easements and/or Sites. In the event that (a) any necessary deeds of easement to allow construction of the Project over the property of any property owner or (b) any necessary deed to the necessary site of any water facility of the Project shall not be obtained through negotiation within 10 days after the date of enactment of this Ordinance and in the event that (1) such water lines cannot be located within the right-of-way of the State and/or County road involved, and/or (2) such water facilities cannot be located on a site already owned by the City, Local Counsel is hereby authorized and directed to file condemnation actions to obtain such necessary rights-of-way and/or sites forthwith, without further authorization or direction from the City or the City Council. Local Counsel is further directed to follow the same condemnation procedure in the event that it becomes necessary, through change orders, line extensions and/or errors in the location of property lines and/or property owners, to obtain additional easements, rights-of-way and/or sites for completion of the Project and whenever the necessary deed is not obtained by negotiation at least 10 days prior to the date on which construction is contemplated in the respective easement, right-of-way and/or site.

The City further approves the payment from the funds available therefor allocated to the costs of the Project to pay any judgment award, or compromise, determined by Local Counsel with the acquiescence of the City Council, toward the costs of such easements, rights-of-way and/or sites; provided, in each instance, that the payment of such funds to satisfy any judgment, award or compromise must first be approved by the RD; and the City Council further determines that if and to whatever extent the funds available from the proceeds of the financing contemplated by this Ordinance, shall be inadequate to pay any judgment, award or compromise amount for such easements, rights-of-way and/or sites, or if the City is unable to obtain the approval of the RD for

any such payment, the City Council shall take all reasonably necessary actions, within the powers and authority of the City Council, to make such additional amount available from all other available City resources.

ARTICLE 9. SALE OF CURRENT BONDS.

Section 901. Sale of Current Bonds. The Current Bonds shall be offered publicly for sale upon the basis of sealed, competitive bids at such time as the City Council shall designate.

A suggested form of "Notice of Bond Sale", a suggested form of "Official Notice of Sale of Bonds" and a suggested form of "Bid Form", having been prepared in advance by Bond Counsel, and all of such documents having been found to be in satisfactory form, a copy of each is hereby ordered to be filed in the records of the City Clerk with the Minutes of the meeting at which this Ordinance is enacted. The Notice of Bond Sale shall be signed by the City Clerk and may be used for the purpose of publishing notice of the sale of the Current Bonds. Copies of such documents shall be furnished to any interested parties who may request same.

In the event that there is no bid or that all bids are rejected, the City may readvertise the sale pursuant to this Ordinance.

Section 902. Adjustment in Maturities, Prepayment Provisions and Other Dates if Delivery is Delayed. In the event that delivery of the Current Bonds authorized herein is delayed for any reason and the City, with the consent of the Purchaser of the Current Bonds, determines it is in the City's best interest to change the maturities, the applicable prepayment date or any other dates, the City may adjust the same by an Order of the City Council approving the adjustments.

ARTICLE 10. CONCLUDING PROVISIONS.

Section 1001. Covenant of City to Take All Necessary Action To Assure Compliance with the Code. In order to assure the Owners of the Current Bonds that such Current Bonds shall continue to be legal and that interest thereon will continue to be excludable from gross income for Federal income tax purposes and exempt from all Kentucky income taxation, the City covenants to and with the Owners of the Current Bonds to take the following action:

(a) The City will (1) take all actions necessary to comply with the provisions of the Code necessary to assure that interest on the Current Bonds will be excludable from gross income for Federal income tax purposes, (2) will take no actions which will violate any of the provisions of the Code, and (3) not use the proceeds of the Current Bonds for any purpose which will cause interest on the Current Bonds or on interim financing obligations, including, but not limited to the Note, issued pursuant to Section 302 hereof to become includable in gross income for Federal income tax purposes.

(b) The City hereby certifies that it does not reasonably anticipate that the total principal amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code which the City, or any subordinate entity of the City, will issue during the calendar year during which the Current Bonds are issued, will exceed \$10,000,000; and therefore the City hereby designates the Current Bonds and all interim financing obligations, including, but not limited to the Note, issued pursuant to Section 302 hereof as "qualified tax-exempt obligations".

(c) The City further certifies that the Current Bonds and any and all interim financing obligations of the City are not "private activity bonds" within the meaning of the Code.

(d) The City covenants and agrees that it will not issue, or cause any subordinate entity of the City to issue on the City's behalf, bonds or other obligations considered under the Code to be "tax-exempt obligations" (other than private activity bonds) in the aggregate principal amount in excess of \$5,000,000 during the calendar year in which the Bonds will be issued.

(e) The City covenants and agrees to comply with the rebate requirements on certain excess earnings imposed by Section 148 of the Code, and in the event it is determined by the City, upon the advice of Bond Counsel, that the Construction Account, or any other fund established hereunder, is subject to said rebate requirements and does 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 Current Bonds, plus any income attributable to such excess, the City covenants and agrees to 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 years from the date of issuance of the Current Bonds, and once every five years thereafter until the final retirement of the Current

Bonds; the last installment, to the extent required, to be made no later than sixty days following the date on which funds sufficient for the complete retirement of the Current Bonds are deposited with any escrow agent. The City further covenants to file any and all reports, if any, as may be required to be filed with the Government with regard to the liability or non-liability of the City as to any such rebate requirements and to maintain records in regard thereto for the period of time required by applicable Treasury regulations.

Section 1002. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, which shall continue in full force and effect.

Section 1003. All Provisions in Conflict Repealed. All motions, resolutions and orders, or parts thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict hereby repealed. It is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds of the City payable or secured in any manner by all or any part of the income and revenues of said System or any part thereof, and which have not been heretofore sold, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered. The City covenants to correct by appropriate proceedings any required procedure previously taken invalidly.

Section 1004. Effective Date. This Ordinance shall take effect upon its enactment and publication by title and summary, as provided by law.

Introduced and given first reading on June 13, 2024.

Given second reading and enacted on June 20, 2024.

City of Mount Vernon, Kentucky



Mayor

(Seal of City)

Attest:



City Clerk

CERTIFICATION

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the City of Mount Vernon, Kentucky, and that the foregoing Ordinance is a true copy of an Ordinance duly enacted by the City Council of said City, signed by the Mayor of said City and attested under Seal by me as City Clerk, at a properly convened meeting of said City Council held on June 20, 2024, as shown by the official records of said City 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 61.825, that a quorum was present at said meeting, that said Ordinance 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 City Clerk and the official Seal of the City this June 20, 2024.



City Clerk

(Seal of City)

EXHIBIT A

Schedule of Principal Payments on Bond

<u>Payment Due January 1</u>	<u>Principal Payment</u>	<u>Payment Due January 1</u>	<u>Principal Payment</u>
2026	\$13,500	2046	\$21,000
2027	14,000	2047	21,500
2028	14,000	2048	22,000
2029	14,500	2049	22,500
2030	15,000	2050	23,000
2031	15,000	2051	23,500
2032	15,500	2052	24,000
2033	16,000	2053	24,500
2034	16,000	2054	25,000
2035	16,500	2055	26,000
2036	17,000	2056	26,500
2037	17,500	2057	27,000
2038	17,500	2058	27,500
2039	18,000	2059	28,000
2040	18,500	2060	29,000
2041	19,000	2061	29,500
2042	19,500	2062	30,000
2043	20,000	2063	31,000
2044	20,000	2064	31,500
2045	20,500	2065	33,500

EXHIBIT B

(BOND FORM)

**UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
CITY OF MOUNT VERNON
WATER SYSTEM REVENUE BONDS, SERIES 2024**

No. R- _____ Interest Rate: _____% \$ _____

KNOW ALL PERSONS BY THESE PRESENTS:

That the City of Mount Vernon (the "City"), acting by and through its City Council (the "City Council"), a home rule city the Commonwealth of Kentucky for value received, hereby promises to pay to

the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

_____ DOLLARS (\$ _____),

on the first day of January, in years and installments as follows:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
-------------	------------------	-------------	------------------	-------------	------------------

[Here the printer of the Current Bond will print the maturities of the Current Bonds purchased by the registered Owner]

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the Interest Rate specified above, semiannually on the first days of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the registered owner shown on the registration book of the City.

This Bond is issued by the City under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 82 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly enacted Bond Ordinance of the City authorizing same (the "Current Bond Ordinance"), to which Current Bond Ordinance reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the City, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing water system of the City (said existing water system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Bond is subject to the vested rights and priorities of the outstanding (i) Kentucky Infrastructure Authority Loans B07-01 and F12-01 (collectively, the "KIA Loans"); (ii) Kentucky Rural Water Finance Corporation Loan, dated May 13, 2010 (the "KRWFC Loan"); and (iii) Kentucky Council of Area Development Districts Lease, dated September 19, 2019 (the "KADD Lease")(hereinafter, the KIA Loans, the KRWFC Loan and the KADD Lease shall be collectively referred to as the "Prior Bonds"). Accordingly, this Bond, together with any bonds ranking on a parity herewith, is payable from and secured by a pledge of the gross revenues to be derived from the operation of the System, after providing for the requirements of the Prior Bonds.

This Bond has been issued in full compliance with the Current Bond Ordinance, and this Bond, and any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Ordinance are and will continue to be payable from revenues which shall be set aside in a fund for that purpose and identified as the "City of Mount Vernon Water System Sinking Fund of 2024".

This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations and is payable solely out of the revenues of the System. As provided in the Current Bond Ordinance, the City covenants that so long as this Bond is outstanding, the System will be continuously owned and operated by the City as a revenue producing public undertaking within the meaning of the aforesaid Act for the security and source of payment of this Bond, and that the City will fix, and if necessary adjust, from time to time, such rates for the services and facilities of the System and will collect and account for the revenues therefrom sufficient to pay promptly the principal of and interest on this Bond and all other bonds ranking on a parity therewith as may be outstanding from time to time, to pay the cost of operation and maintenance of the System and to provide for the depreciation thereof.

The City has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond, if necessary in order to complete the aforesaid extensions, additions and improvements to the System and to finance future extensions, additions and improvements to the System, provided the City has met the requirements of the Current Bond Ordinance.

This Bond shall be registered as to principal and interest in the name of the owner hereof, after which it shall be transferable only upon presentation to the City Clerk of the City as the Bond Registrar, with a written transfer duly acknowledged by the registered owner or its duly authorized

attorney, which transfer shall be noted upon this Bond and upon the registration book of the City kept for that purpose.

The City, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2034, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Hundred Dollars (\$100), as the City may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium.

So long as the registered owner of this Bond is the United States of America, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$100, may be prepaid at any time in inverse chronological order of the installments due. Prepayments or extra payments on this Bond shall, after payment of interest, be applied to the installments last to become due thereunder and shall not affect the obligation of the City to pay the remaining installments in accordance with this Bond. Notice of such prepayment shall be given by certified mail to the Bondowner or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the consent of the Bondowner.

Upon default in the payment of any principal or interest payment on this Bond, or upon failure by the City to comply with any other provision of this Bond or with any provision of the Current Bond Ordinance, the registered owner may, at its option, institute all rights and remedies provided by law or by said Current Bond Ordinance.

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 this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said City of Mount Vernon, by its City Council, has caused this Bond to be executed by its Mayor, its corporate seal to be hereunto affixed, and attested by its City Clerk, on the date of this Bond, which is

CITY OF MOUNT VERNON, KENTUCKY

By 
Mayor

Attest:


City Clerk

(Seal of City)

PROVISION FOR REGISTRATION

This Bond shall be registered on the registration book of the City kept for that purpose by the City Clerk, as Bond Registrar, upon presentation hereof to said City Clerk, who shall make notation of such registration in the registration blank, and this Bond may thereafter be transferred only upon written transfer acknowledged by the registered owner or its attorney, such transfer to be made on said book and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of Bond Registrar

ASSIGNMENT

For value received, this Bond is hereby assigned, without recourse and subject to all of its terms and conditions, unto _____, this ____ day of _____, _____.

By: _____

EXHIBIT C

REQUISITION CERTIFICATE

Re: City of Mount Vernon Water System Revenue Bonds, Series 2024, in the principal amount of \$864,000

The undersigned hereby certify as follows:

1. That they are the signatories required for construction and/or administrative draws pursuant to the Bond Ordinance adopted by the City of Mount Vernon, Kentucky (the "City").

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 City and/or obtained by said City from the proceeds of the Current Bonds 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 "City of Mount Vernon Water System 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 City and the parties requesting payment.

IN TESTIMONY WHEREOF, witness the signature of the undersigned, this ____ day of _____, 20____.

City of Mount Vernon, Kentucky

Kenvirons, Inc.

By _____

By _____

Registered Professional Engineer
State of Kentucky No. _____

Approved on _____

Approved on _____

USDA, Rural Development

Amount expended heretofore \$ _____

By _____
Authorized RD Official

Amount approved herein _____

Approved on _____

Total _____

EXHIBIT A TO REQUISITION CERTIFICATE

Name of Entity/Person

Amount

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 1

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Buildings - Fire												
564		New Fire Building (10%)	6/27/07	21,000.00	0.00	0.00	15,750.00	1,050.00	16,800.00	4,200.00	S/L	20.00
579		New Fire Building Construction	6/25/08	224,717.82	0.00	0.00	157,302.46	11,235.89	168,538.35	56,179.47	S/L	20.00
595		Steel Gear Racks	5/27/09	2,283.30	0.00	0.00	1,493.72	114.17	1,607.89	675.41	S/L	20.00
609		Improvements - Fire Dept Restroom	4/29/09	5,000.00	0.00	0.00	3,291.67	250.00	3,541.67	1,458.33	S/L	20.00
		Buildings - Fire		253,001.12	0.00c	0.00	177,837.85	12,650.06	190,487.91	62,513.21		
Group: Buildings - Gen Govt												
67		Building - City Hall	1/01/01	10,000.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	S/L	20.00
68		Building - City Hall Improvements	6/30/97	51,338.00	0.00	0.00	51,338.00	0.00	51,338.00	0.00	S/L	20.00
478		Building-City Hall Improvements	2/11/04	10,995.00	0.00	0.00	10,124.56	549.75	10,674.31	320.69	S/L	20.00
656		DECK & STAIRS	11/12/10	1,371.34	0.00	0.00	799.98	68.57	868.55	502.79	S/L	20.00
657		SKATE PARK FENCE	10/26/10	3,474.00	0.00	0.00	2,026.50	173.70	2,200.20	1,273.80	S/L	20.00
658		PARK EQUIPMENT	10/28/10	2,157.00	0.00	0.00	1,258.25	107.85	1,366.10	790.90	S/L	20.00
738		Shelter at Lake Linville	3/24/14	19,986.00	0.00	0.00	8,244.23	999.30	9,243.53	10,742.47	S/L	20.00
776		BAIT HOUSE	11/25/14	20,902.71	0.00	0.00	7,925.64	1,045.14	8,970.78	11,931.93	S/L	20.00
777		BARN BUILDING-MARINA	8/06/14	9,271.00	0.00	0.00	4,893.05	618.07	5,511.12	3,759.88	S/L	15.00
801		Kitchen Area Tile	2/24/16	4,572.80	0.00	0.00	1,930.72	304.85	2,235.57	2,337.23	S/L	15.00
831		Drive thru Bank Window	11/22/16	15,176.60	0.00	0.00	5,649.05	1,011.77	6,660.82	8,515.78	S/L	15.00
847		City Hall Renovation	5/29/18	70,329.63	0.00	0.00	14,358.96	3,516.48	17,875.44	52,454.19	S/L	20.00
884		St. Clair Building	1/01/20	12,237.96	0.00	0.00	1,529.75	611.90	2,141.65	10,096.31	S/L	20.00
		Buildings - Gen Govt		231,812.04	0.00c	0.00	120,078.69	9,007.38	129,086.07	102,725.97		
Group: Infrastructure - Gen. Gov												
112		Alcorn Street Structure	6/30/50	1,562.88	0.00	0.00	1,500.40	20.84	1,521.24	41.64	S/L	75.00
113		Alley #2 Structure	6/30/50	606.06	0.00	0.00	581.80	8.08	589.88	16.18	S/L	75.00
114		Bethrum Street Structure	6/30/50	3,818.40	0.00	0.00	3,665.62	50.91	3,716.53	101.87	S/L	75.00
115		Carter Drive Structure	6/30/50	16,013.60	0.00	0.00	15,372.96	213.51	15,586.47	427.13	S/L	75.00
116		Center Street Structure	6/30/50	1,221.00	0.00	0.00	1,172.16	16.28	1,188.44	32.56	S/L	75.00
117		Chestnut Drive Structure	6/30/50	6,020.64	0.00	0.00	5,779.92	80.28	5,860.20	160.44	S/L	75.00
118		Church Street Structure	6/30/50	1,491.84	0.00	0.00	1,432.14	19.89	1,452.03	39.81	S/L	75.00
119		Clark St. Structure	6/30/50	1,198.80	0.00	0.00	1,150.76	15.98	1,166.74	32.06	S/L	75.00
120		Cox Lane Structure	6/30/50	740.00	0.00	0.00	710.47	9.87	720.34	19.66	S/L	75.00
121		Craig Street Structure	6/30/50	3,004.40	0.00	0.00	2,884.25	40.06	2,924.31	80.09	S/L	75.00
122		Crawford Lane Structure	6/30/50	4,625.00	0.00	0.00	4,440.07	61.67	4,501.74	123.26	S/L	75.00
123		Crawford Street Structure	6/30/50	2,693.60	0.00	0.00	2,585.76	35.91	2,621.67	71.93	S/L	75.00
124		Crawford St. Ext. Structure	6/30/50	3,241.20	0.00	0.00	3,111.64	43.22	3,154.86	86.34	S/L	75.00
125		Dailey Avenue Structure	6/30/50	5,141.52	0.00	0.00	4,935.78	68.55	5,004.33	137.19	S/L	75.00
126		Davis Street Structure	6/30/50	4,058.16	0.00	0.00	3,895.86	54.11	3,949.97	108.19	S/L	75.00
127		East Locust Street Structure	6/30/50	1,323.12	0.00	0.00	1,270.16	17.64	1,287.80	35.32	S/L	75.00
128		Elmwood Cemetery Structure	6/30/50	4,975.02	0.00	0.00	4,775.94	66.33	4,842.27	132.75	S/L	75.00
129		Evans St. Structure	6/30/50	1,909.20	0.00	0.00	1,832.92	25.46	1,858.38	50.82	S/L	75.00
130		Fair Street Structure	6/30/50	5,079.36	0.00	0.00	4,876.08	67.72	4,943.80	135.56	S/L	75.00
131		Ferguson Street Structure	6/30/50	5,659.52	0.00	0.00	5,433.13	75.46	5,508.59	150.93	S/L	75.00
132		Fish Street Structure	6/30/50	2,853.44	0.00	0.00	2,739.39	38.05	2,777.44	76.00	S/L	75.00
133		Floyd Street Structure	6/30/50	13,266.72	0.00	0.00	12,736.06	176.89	12,912.95	353.77	S/L	75.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 2

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Infrastructure - Gen. Gov (continued)												
134		Ford Drive Structure	6/30/50	13,823.20	0.00	0.00	13,270.29	184.31	13,454.60	368.60	S/L	75.00
135		Graham Street Structure	6/30/50	2,486.40	0.00	0.00	2,386.90	33.15	2,420.05	66.35	S/L	75.00
136		Greenway Street Structure	6/30/50	4,736.00	0.00	0.00	4,546.63	63.15	4,609.78	126.22	S/L	75.00
137		Hamlin Street Structure	6/30/50	3,115.40	0.00	0.00	2,990.81	41.54	3,032.35	83.05	S/L	75.00
138		High Street Structure	6/30/50	8,798.60	0.00	0.00	8,446.56	117.31	8,563.87	234.73	S/L	75.00
139		Hill Street Structure	6/30/50	4,901.76	0.00	0.00	4,702.76	65.36	4,768.12	133.64	S/L	75.00
140		Hunter Street Structure	6/30/50	12,950.00	0.00	0.00	12,432.07	172.67	12,604.74	345.26	S/L	75.00
141		Jerry Street Structure	6/30/50	12,881.92	0.00	0.00	12,366.67	171.76	12,538.43	343.49	S/L	75.00
142		Joyce Street Structure	6/30/50	10,744.80	0.00	0.00	10,314.92	143.26	10,458.18	286.62	S/L	75.00
143		Lair Street Structure	6/30/50	4,943.20	0.00	0.00	4,745.49	65.91	4,811.40	131.80	S/L	75.00
144		Langdon Street Structure	6/30/50	7,074.40	0.00	0.00	6,791.52	94.33	6,885.85	188.55	S/L	75.00
145		Lawrence Lane Structure	6/30/50	3,626.00	0.00	0.00	3,481.03	48.35	3,529.38	96.62	S/L	75.00
146		Liberty Street Structure	6/30/50	5,957.00	0.00	0.00	5,718.79	79.43	5,798.22	158.78	S/L	75.00
147		Liberty Street Structure	6/30/50	2,168.20	0.00	0.00	2,081.49	28.91	2,110.40	57.80	S/L	75.00
148		Locust Street Structure	6/30/50	8,179.22	0.00	0.00	4,452.13	109.06	4,561.19	3,618.03	S/L	75.00
149		Lovell Court Structure	6/30/50	5,143.00	0.00	0.00	4,937.21	68.57	5,005.78	137.22	S/L	75.00
150		Lovell Lane Structure	6/30/50	3,859.84	0.00	0.00	3,705.35	51.46	3,756.81	103.03	S/L	75.00
151		Lovell Lane Structure	6/30/50	7,518.40	0.00	0.00	7,217.76	100.25	7,318.01	200.39	S/L	75.00
152		Lower Drive Structure	6/30/50	318.57	0.00	0.00	305.88	4.25	310.13	8.44	S/L	75.00
153		Maple Drive Structure	6/30/50	16,197.12	0.00	0.00	15,549.20	215.96	15,765.16	431.96	S/L	75.00
154		McBee Street Structure	6/30/50	3,161.28	0.00	0.00	3,034.82	42.15	3,076.97	84.31	S/L	75.00
155		McFerron Street Structure	6/30/50	3,538.68	0.00	0.00	3,397.08	47.18	3,444.26	94.42	S/L	75.00
156		Mill Street Structure	6/30/50	2,285.12	0.00	0.00	2,193.75	30.47	2,224.22	60.90	S/L	75.00
157		Newcomb Avenue Structure	6/30/50	13,648.56	0.00	0.00	13,102.60	181.98	13,284.58	363.98	S/L	75.00
158		Newcomb Avenue Structure	6/30/50	2,521.92	0.00	0.00	2,421.14	33.63	2,454.77	67.15	S/L	75.00
159		Old Somerset Road Structure	6/30/50	6,047.28	0.00	0.00	5,805.38	80.63	5,886.01	161.27	S/L	75.00
160		Old Somerset Road Structure	6/30/50	1,598.40	0.00	0.00	1,534.42	21.31	1,555.73	42.67	S/L	75.00
161		Old US 25 Structure	6/30/50	3,330.00	0.00	0.00	3,196.80	44.40	3,241.20	88.80	S/L	75.00
162		Old US 25 South Structure	6/30/50	17,094.00	0.00	0.00	16,410.24	227.92	16,638.16	455.84	S/L	75.00
163		Owens Street Structure	6/30/50	3,031.04	0.00	0.00	2,909.72	40.41	2,950.13	80.91	S/L	75.00
164		Parrett Street Structure	6/30/50	1,391.20	0.00	0.00	1,335.57	18.55	1,354.12	37.08	S/L	75.00
165		Parsons Street Structure	6/30/50	4,662.00	0.00	0.00	4,475.52	62.16	4,537.68	124.32	S/L	75.00
166		Paul Street Structure	6/30/50	7,832.90	0.00	0.00	7,519.61	104.44	7,624.05	208.85	S/L	75.00
167		Perciful Street Structure	6/30/50	12,210.00	0.00	0.00	11,721.60	162.80	11,884.40	325.60	S/L	75.00
168		Pittman Street Structure	6/30/50	1,580.64	0.00	0.00	1,517.52	21.08	1,538.60	42.04	S/L	75.00
169		Popular St. Ext. Structure	6/30/50	13,509.44	0.00	0.00	12,969.15	180.13	13,149.28	360.16	S/L	75.00
170		Popular Street Structure	6/30/50	3,113.92	0.00	0.00	2,989.39	41.52	3,030.91	83.01	S/L	75.00
171		Popular Street Structure	6/30/50	2,128.98	0.00	0.00	2,043.90	28.39	2,072.29	56.69	S/L	75.00
172		Quarry Street Structure	6/30/50	10,389.60	0.00	0.00	9,974.06	138.53	10,112.59	277.01	S/L	75.00
173		School Street Structure	6/30/50	5,123.76	0.00	0.00	4,918.88	68.32	4,987.20	136.56	S/L	75.00
174		School Street Structure	6/30/50	6,979.68	0.00	0.00	6,700.44	93.06	6,793.50	186.18	S/L	75.00
175		School Street Structure	6/30/50	6,979.68	0.00	0.00	6,700.44	93.06	6,793.50	186.18	S/L	75.00
176		Shirely Street Structure	6/30/50	5,502.64	0.00	0.00	5,282.57	73.37	5,355.94	146.70	S/L	75.00
177		Short Street Structure	6/30/50	873.20	0.00	0.00	838.22	11.64	849.86	23.34	S/L	75.00
178		Sigmon Street Structure	6/30/50	1,964.70	0.00	0.00	1,886.20	26.20	1,912.40	52.30	S/L	75.00
179		Spring Street Structure	6/30/50	1,857.50	0.00	0.00	1,715.27	24.77	1,740.04	117.46	S/L	75.00
180		Spring Street Structure	6/30/50	5,283.60	0.00	0.00	5,072.30	70.45	5,142.75	140.85	S/L	75.00
181		T Street Structure	6/30/50	1,361.60	0.00	0.00	1,307.04	18.15	1,325.19	36.41	S/L	75.00
182		Tevis Street Structure	6/30/50	7,215.00	0.00	0.00	6,926.40	96.20	7,022.60	192.40	S/L	75.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 3

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Infrastructure - Gen. Gov (continued)												
183		Town Hill Court Structure	6/30/50	1,332.00	0.00	0.00	1,278.72	17.76	1,296.48	35.52	S/L	75.00
184		William Street Structure	6/30/50	1,238.76	0.00	0.00	1,189.28	16.52	1,205.80	32.96	S/L	75.00
185		Williams Street Structure	6/30/50	34,387.80	0.00	0.00	33,012.20	458.50	33,470.70	917.10	S/L	75.00
186		Wood Street Structure	6/30/50	1,403.04	0.00	0.00	1,346.98	18.71	1,365.69	37.35	S/L	75.00
187		Young Street Structure	6/30/50	955.71	0.00	0.00	917.42	12.74	930.16	25.55	S/L	75.00
196		Alley 2 Unnamed Structure	6/30/50	574.24	0.00	0.00	551.34	7.66	559.00	15.24	S/L	75.00
197		Alley 3 Structure	6/30/50	592.00	0.00	0.00	568.25	7.89	576.14	15.86	S/L	75.00
198		Cox Lane Structure	6/30/50	1,833.72	0.00	0.00	1,760.38	24.45	1,784.83	48.89	S/L	75.00
201		Hillcrest Drive Structure	6/30/50	3,245.64	0.00	0.00	3,115.92	43.28	3,159.20	86.44	S/L	75.00
202		Jerri Street Structure	6/30/50	2,960.00	0.00	0.00	2,841.67	39.47	2,881.14	78.86	S/L	75.00
203		Pittman Lane Structure	6/30/50	1,539.20	0.00	0.00	1,477.58	20.52	1,498.10	41.10	S/L	75.00
204		Pittman Lane Structure	6/30/50	4,857.36	0.00	0.00	4,662.96	64.76	4,727.72	129.64	S/L	75.00
205		Redbud Lane Structure	6/30/50	6,896.80	0.00	0.00	6,620.98	91.96	6,712.94	183.86	S/L	75.00
206		Barnett Road Structure	6/30/50	34,410.00	0.00	0.00	33,033.60	458.80	33,492.40	917.60	S/L	75.00
207		Chestnut Drive Structure	6/30/50	6,253.00	0.00	0.00	6,002.81	83.37	6,086.18	166.82	S/L	75.00
208		Coy Vance Road Structure	6/30/50	1,801.90	0.00	0.00	1,729.92	24.03	1,753.95	47.95	S/L	75.00
209		Hale Street Structure	6/30/50	1,847.04	0.00	0.00	1,773.22	24.63	1,797.85	49.19	S/L	75.00
210		Hummell Road Structure	6/30/50	12,691.00	0.00	0.00	12,183.29	169.21	12,352.50	338.50	S/L	75.00
211		Hysinger Road Structure	6/30/50	5,698.00	0.00	0.00	4,722.01	75.97	4,797.98	900.02	S/L	75.00
212		Jerri Street Structure	6/30/50	6,754.72	0.00	0.00	6,484.47	90.06	6,574.53	180.19	S/L	75.00
213		KOA Road Structure	6/30/50	5,801.60	0.00	0.00	5,569.44	77.35	5,646.79	154.81	S/L	75.00
214		Mt. Zion Road Structure	6/30/50	5,328.00	0.00	0.00	5,114.88	71.04	5,185.92	142.08	S/L	75.00
215		N. Holt Drive Structure	6/30/50	4,836.64	0.00	0.00	4,643.21	64.49	4,707.70	128.94	S/L	75.00
216		Nigro Town Hill Structure	6/30/50	4,024.86	0.00	0.00	3,863.76	53.66	3,917.42	107.44	S/L	75.00
217		Old 25 North Structure	6/30/50	2,712.84	0.00	0.00	2,604.30	36.17	2,640.47	72.37	S/L	75.00
218		Red Foley Road Structure	6/30/50	8,436.00	0.00	0.00	8,098.56	112.48	8,211.04	224.96	S/L	75.00
219		Redbud School Road Structure	6/30/50	5,087.50	0.00	0.00	4,883.93	67.83	4,951.76	135.74	S/L	75.00
220		Rose Hill Road Structure	6/30/50	32,441.60	0.00	0.00	31,143.84	432.55	31,576.39	865.21	S/L	75.00
221		Rose Hill Road Structure	6/30/50	10,774.40	0.00	0.00	10,343.45	143.66	10,487.11	287.29	S/L	75.00
222		Rose Hill Road Ext. Structure	6/30/50	4,235.76	0.00	0.00	4,066.40	56.48	4,122.88	112.88	S/L	75.00
223		W. Holt Drive Structure	6/30/50	2,930.40	0.00	0.00	2,813.14	39.07	2,852.21	78.19	S/L	75.00
224		Water Plant Road Structure	6/30/50	5,141.52	0.00	0.00	4,935.78	68.55	5,004.33	137.19	S/L	75.00
225		Woodland Place Structure	6/30/50	1,295.00	0.00	0.00	1,243.27	17.27	1,260.54	34.46	S/L	75.00
226		Clontz Road Structure	6/30/50	1,110.00	0.00	0.00	1,065.60	14.80	1,080.40	29.60	S/L	75.00
231		Alcorn Street Surface	6/30/02	591.36	0.00	0.00	591.36	0.00	591.36	0.00	S/L	5.00
232		Alley #2 Surface	6/30/02	687.96	0.00	0.00	687.96	0.00	687.96	0.00	S/L	15.00
233		Bethrum Street Surface	6/30/02	2,889.60	0.00	0.00	2,889.60	0.00	2,889.60	0.00	S/L	10.00
234		Carter Drive Surface	6/30/02	6,059.20	0.00	0.00	6,059.20	0.00	6,059.20	0.00	S/L	5.00
235		Center Street Surface	6/30/02	1,386.00	0.00	0.00	1,386.00	0.00	1,386.00	0.00	S/L	15.00
236		Chestnut Drive Surface	6/30/02	6,834.24	0.00	0.00	6,834.24	0.00	6,834.24	0.00	S/L	15.00
237		Church Street Surface	6/30/02	1,692.44	0.00	0.00	1,692.44	0.00	1,692.44	0.00	S/L	15.00
238		Clark Street Surface	6/30/02	1,360.80	0.00	0.00	1,360.80	0.00	1,360.80	0.00	S/L	15.00
239		Cox Lane Surface	6/30/02	2,081.52	0.00	0.00	2,081.52	0.00	2,081.52	0.00	S/L	15.00
240		Craig Street Surface	6/30/02	3,410.40	0.00	0.00	3,410.40	0.00	3,410.40	0.00	S/L	15.00
241		Crawford Lane Surface	6/30/02	3,500.00	0.00	0.00	3,500.00	0.00	3,500.00	0.00	S/L	10.00
242		Crawford Street Surface	6/30/02	3,057.60	0.00	0.00	3,057.60	0.00	3,057.60	0.00	S/L	15.00
243		Crawford Street Ext. Surface	6/30/02	3,679.20	0.00	0.00	3,679.20	0.00	3,679.20	0.00	S/L	15.00
244		Dailey Avenue Surface	6/30/02	5,836.32	0.00	0.00	5,836.32	0.00	5,836.32	0.00	S/L	15.00
245		Davis Street Surface	6/30/02	1,535.52	0.00	0.00	1,535.52	0.00	1,535.52	0.00	S/L	5.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 4

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Infrastructure - Gen. Gov (continued)												
246		East Locust Street Surface	6/30/02	1,501.92	0.00	0.00	1,501.92	0.00	1,501.92	0.00	S/L	15.00
247		Elmwood Cemetary Surface	6/30/02	5,647.32	0.00	0.00	5,647.32	0.00	5,647.32	0.00	S/L	15.00
248		Evans Street Surface	6/30/02	2,167.20	0.00	0.00	2,167.20	0.00	2,167.20	0.00	S/L	15.00
249		Fair Street Surface	6/30/02	5,765.76	0.00	0.00	5,765.76	0.00	5,765.76	0.00	S/L	15.00
250		Ferguson Street Surface	6/30/02	6,424.32	0.00	0.00	6,424.32	0.00	6,424.32	0.00	S/L	15.00
251		Fish Street Surface	6/30/02	3,239.04	0.00	0.00	3,239.04	0.00	3,239.04	0.00	S/L	15.00
252		Floyd Street Surface	6/30/02	15,059.52	0.00	0.00	15,059.52	0.00	15,059.52	0.00	S/L	15.00
253		Ford Drive Surface	6/30/02	5,230.40	0.00	0.00	5,230.40	0.00	5,230.40	0.00	S/L	10.00
254		Graham Street Surface	6/30/02	2,822.40	0.00	0.00	2,822.40	0.00	2,822.40	0.00	S/L	15.00
255		Greenway Street Surface	6/30/02	5,376.00	0.00	0.00	5,376.00	0.00	5,376.00	0.00	S/L	15.00
256		Hamlin Street Surface	6/30/02	3,536.40	0.00	0.00	3,536.40	0.00	3,536.40	0.00	S/L	15.00
257		High Street Surface	6/30/02	9,987.60	0.00	0.00	9,987.60	0.00	9,987.60	0.00	S/L	15.00
258		Hill Street Surface	6/30/02	1,854.72	0.00	0.00	1,854.72	0.00	1,854.72	0.00	S/L	5.00
259		Hunter Street Surface	6/30/02	9,800.00	0.00	0.00	9,800.00	0.00	9,800.00	0.00	S/L	10.00
260		Jerry Street Surface	6/30/02	14,622.72	0.00	0.00	14,622.72	0.00	14,622.72	0.00	S/L	15.00
261		Joyce Street Surface	6/30/02	11,776.80	0.00	0.00	11,776.80	0.00	11,776.80	0.00	S/L	15.00
262		Lair Street Surface	6/30/02	1,870.40	0.00	0.00	1,870.40	0.00	1,870.40	0.00	S/L	5.00
263		Langdon Street Surface	6/30/02	8,030.40	0.00	0.00	8,030.40	0.00	8,030.40	0.00	S/L	15.00
264		Lawrence Lane Surface	6/30/02	2,744.00	0.00	0.00	2,744.00	0.00	2,744.00	0.00	S/L	10.00
265		Liberty Street Surface	6/30/02	2,254.00	0.00	0.00	2,254.00	0.00	2,254.00	0.00	S/L	5.00
266		Liberty Street Surface	6/30/02	1,640.80	0.00	0.00	1,640.80	0.00	1,640.80	0.00	S/L	10.00
267		Locust Street Surface	6/30/02	9,284.52	0.00	0.00	9,284.52	0.00	9,284.52	0.00	S/L	15.00
268		Lovell Court Surface	6/30/02	3,892.00	0.00	0.00	3,892.00	0.00	3,892.00	0.00	S/L	10.00
269		Lovell Lane Surface	6/30/02	4,381.44	0.00	0.00	4,381.44	0.00	4,381.44	0.00	S/L	15.00
270		Lovell Lane Surface	6/30/02	8,534.40	0.00	0.00	8,534.40	0.00	8,534.40	0.00	S/L	15.00
271		Lower Drive Surface	6/30/02	361.62	0.00	0.00	361.62	0.00	361.62	0.00	S/L	15.00
272		Maple Drive Surface	6/30/02	18,385.92	0.00	0.00	18,385.92	0.00	18,385.92	0.00	S/L	15.00
273		McBee Street Surface	6/30/02	3,588.48	0.00	0.00	3,588.48	0.00	3,588.48	0.00	S/L	15.00
274		McFerron Street Surface	6/30/02	4,016.88	0.00	0.00	4,016.88	0.00	4,016.88	0.00	S/L	15.00
275		Mill Street Surface	6/30/02	864.64	0.00	0.00	864.64	0.00	864.64	0.00	S/L	5.00
276		Newcomb Avenue Surface	6/30/02	10,327.64	0.00	0.00	10,327.64	0.00	10,327.64	0.00	S/L	10.00
277		Newcomb Avenue Surface	6/30/02	1,908.48	0.00	0.00	1,908.48	0.00	1,908.48	0.00	S/L	10.00
278		Old Somerset Road Surface	6/30/02	604.80	0.00	0.00	604.80	0.00	604.80	0.00	S/L	5.00
279		Old Somerset Road Surface	6/30/02	4,576.32	0.00	0.00	4,576.32	0.00	4,576.32	0.00	S/L	10.00
280		Old US 25 Surface	6/30/02	1,260.00	0.00	0.00	1,260.00	0.00	1,260.00	0.00	S/L	5.00
281		Old US 25 South Surface	6/30/02	19,404.00	0.00	0.00	19,404.00	0.00	19,404.00	0.00	S/L	15.00
282		Owens Street Surface	6/30/02	3,440.64	0.00	0.00	3,440.64	0.00	3,440.64	0.00	S/L	15.00
283		Parrett Street Surface	6/30/02	1,579.20	0.00	0.00	1,579.20	0.00	1,579.20	0.00	S/L	15.00
284		Parsons Street Surface	6/30/02	1,764.00	0.00	0.00	1,764.00	0.00	1,764.00	0.00	S/L	5.00
285		Paul Street Surface	6/30/02	8,891.40	0.00	0.00	8,891.40	0.00	8,891.40	0.00	S/L	15.00
286		Perciful Street Surface	6/30/02	9,240.00	0.00	0.00	9,240.00	0.00	9,240.00	0.00	S/L	10.00
287		Pittman Street Surface	6/30/02	1,794.24	0.00	0.00	1,794.24	0.00	1,794.24	0.00	S/L	15.00
288		Popular Ext. Surface	6/30/02	10,223.36	0.00	0.00	10,223.36	0.00	10,223.36	0.00	S/L	10.00
289		Popular Street Surface	6/30/02	805.56	0.00	0.00	805.56	0.00	805.56	0.00	S/L	5.00
290		Popular Street Surface	6/30/02	3,534.72	0.00	0.00	3,534.72	0.00	3,534.72	0.00	S/L	15.00
291		Quarry Street Surface	6/30/02	11,793.60	0.00	0.00	11,793.60	0.00	11,793.60	0.00	S/L	15.00
292		School Street Surface	6/30/02	7,922.88	0.00	0.00	7,922.88	0.00	7,922.88	0.00	S/L	15.00
293		School Street Surface	6/30/02	5,816.16	0.00	0.00	5,816.16	0.00	5,816.16	0.00	S/L	15.00
294		School Street Surface	6/30/02	902.16	0.00	0.00	902.16	0.00	902.16	0.00	S/L	15.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 5

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Infrastructure - Gen. Gov (continued)												
295		Shirely Street Surface	6/30/02	4,164.16	0.00	0.00	4,164.16	0.00	4,164.16	0.00	S/L	5.00
296		Short Street Surface	6/30/02	991.20	0.00	0.00	991.20	0.00	991.20	0.00	S/L	15.00
297		Sigmon Street Surface	6/30/02	2,230.20	0.00	0.00	2,230.20	0.00	2,230.20	0.00	S/L	15.00
298		Spring Street Surface	6/30/02	1,995.00	0.00	0.00	1,995.00	0.00	1,995.00	0.00	S/L	15.00
299		Spring Street Surface	6/30/02	5,997.60	0.00	0.00	5,997.60	0.00	5,997.60	0.00	S/L	15.00
300		T Street Surface	6/30/02	1,030.40	0.00	0.00	1,030.40	0.00	1,030.40	0.00	S/L	10.00
301		Tevis Street Surface	6/30/02	2,730.00	0.00	0.00	2,730.00	0.00	2,730.00	0.00	S/L	5.00
302		Town Hill Court Surface	6/30/02	1,512.00	0.00	0.00	1,512.00	0.00	1,512.00	0.00	S/L	15.00
303		William Street Surface	6/30/02	1,406.16	0.00	0.00	1,406.16	0.00	1,406.16	0.00	S/L	15.00
304		Williams Street Surface	6/30/02	39,034.80	0.00	0.00	39,034.80	0.00	39,034.80	0.00	S/L	15.00
305		Wood Street Surface	6/30/02	1,061.76	0.00	0.00	1,061.76	0.00	1,061.76	0.00	S/L	10.00
306		Young Street Surface	6/30/02	361.62	0.00	0.00	361.62	0.00	361.62	0.00	S/L	5.00
315		Alley 2 Unnamed Surface	6/30/02	217.28	0.00	0.00	217.28	0.00	217.28	0.00	S/L	5.00
316		Alley 3 Surface	6/30/02	224.00	0.00	0.00	224.00	0.00	224.00	0.00	S/L	5.00
317		Cox Lane Surface	6/30/02	280.00	0.00	0.00	280.00	0.00	280.00	0.00	S/L	5.00
319		Four Sons Sub Surface	6/30/02	3,176.56	0.00	0.00	3,176.56	0.00	3,176.56	0.00	S/L	15.00
321		Jerri Street Surface	6/30/02	1,120.00	0.00	0.00	1,120.00	0.00	1,120.00	0.00	S/L	5.00
322		Pittman Lane Surface	6/30/02	1,837.92	0.00	0.00	1,837.92	0.00	1,837.92	0.00	S/L	5.00
323		Pittman Lane Surface	6/30/02	582.40	0.00	0.00	582.40	0.00	582.40	0.00	S/L	5.00
324		Redbud Drive Surface	6/30/02	2,609.60	0.00	0.00	2,609.60	0.00	2,609.60	0.00	S/L	5.00
325		Barnett Road Surface	6/30/02	26,040.00	0.00	0.00	26,040.00	0.00	26,040.00	0.00	S/L	10.00
326		Chestnut Drive Surface	6/30/02	7,098.00	0.00	0.00	7,098.00	0.00	7,098.00	0.00	S/L	15.00
327		Coy Vance Road Surface	6/30/02	2,045.40	0.00	0.00	2,045.40	0.00	2,045.40	0.00	S/L	15.00
328		Hale Street Surface	6/30/02	2,096.64	0.00	0.00	2,096.64	0.00	2,096.64	0.00	S/L	15.00
329		Hummell Road Surface	6/30/02	14,406.00	0.00	0.00	14,406.00	0.00	14,406.00	0.00	S/L	15.00
330		Hysinger Road Surface	6/30/02	6,468.00	0.00	0.00	6,468.00	0.00	6,468.00	0.00	S/L	15.00
331		Jerri Street Surface	6/30/02	7,667.52	0.00	0.00	7,667.52	0.00	7,667.52	0.00	S/L	15.00
332		KOA Road Surface	6/30/02	6,585.60	0.00	0.00	6,585.60	0.00	6,585.60	0.00	S/L	15.00
333		Mt. Zion Road Surface	6/30/02	6,048.00	0.00	0.00	6,048.00	0.00	6,048.00	0.00	S/L	15.00
334		N. Holt Drive Surface	6/30/02	5,490.24	0.00	0.00	5,490.24	0.00	5,490.24	0.00	S/L	15.00
335		Nigro Town Hill Surface	6/30/02	1,522.92	0.00	0.00	1,522.92	0.00	1,522.92	0.00	S/L	5.00
336		Old 25 North Surface	6/30/02	3,079.44	0.00	0.00	3,079.44	0.00	3,079.44	0.00	S/L	15.00
337		Red Foley Road Surface	6/30/02	9,576.00	0.00	0.00	9,576.00	0.00	9,576.00	0.00	S/L	15.00
338		Redbud School Road Surface	6/30/02	3,850.00	0.00	0.00	3,850.00	0.00	3,850.00	0.00	S/L	10.00
339		Rose Hill Road Surface	6/30/02	12,230.40	0.00	0.00	12,230.40	0.00	12,230.40	0.00	S/L	15.00
340		Rose Hill Road Surface	6/30/02	24,550.40	0.00	0.00	24,550.40	0.00	24,550.40	0.00	S/L	10.00
341		Rose Hill Road Ext Surface	6/30/02	4,808.16	0.00	0.00	4,808.16	0.00	4,808.16	0.00	S/L	15.00
342		W. Holt Drive Surface	6/30/02	1,108.80	0.00	0.00	1,108.80	0.00	1,108.80	0.00	S/L	5.00
343		Water Plant Road Surface	6/30/02	1,945.44	0.00	0.00	1,945.44	0.00	1,945.44	0.00	S/L	5.00
344		Woodland Place Surface	6/30/02	1,470.00	0.00	0.00	1,470.00	0.00	1,470.00	0.00	S/L	15.00
345		Clontz Road Surface	6/30/02	420.00	0.00	0.00	420.00	0.00	420.00	0.00	S/L	5.00
347		Hillcrest Drive Surface	6/30/02	1,228.08	0.00	0.00	1,228.08	0.00	1,228.08	0.00	S/L	5.00
350		Four Sons Sub Structure	6/30/50	2,800.16	0.00	0.00	2,688.25	37.34	2,725.59	74.57	S/L	75.00
443		Old US 25 Surface	9/26/02	9,127.30	0.00	0.00	9,127.30	0.00	9,127.30	0.00	S/L	15.00
444		Parson Hill Surface	9/26/02	1,173.00	0.00	0.00	1,173.00	0.00	1,173.00	0.00	S/L	15.00
445		Popular Street Surface	9/26/02	1,625.54	0.00	0.00	1,625.54	0.00	1,625.54	0.00	S/L	15.00
446		Lawrence Street Surface	9/26/02	4,771.90	0.00	0.00	4,771.90	0.00	4,771.90	0.00	S/L	15.00
447		Newcomb Street Surface	9/26/02	2,031.84	0.00	0.00	2,031.84	0.00	2,031.84	0.00	S/L	15.00
448		Owens Street Surface	9/26/02	3,077.00	0.00	0.00	3,077.00	0.00	3,077.00	0.00	S/L	15.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 6

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Infrastructure - Gen. Gov (continued)												
449		Perciful Street Surface	9/26/02	6,150.94	0.00	0.00	6,150.94	0.00	6,150.94	0.00	S/L	15.00
450		Carter Street Surface	10/11/02	3,382.66	0.00	0.00	3,382.66	0.00	3,382.66	0.00	S/L	15.00
451		Liberty Street Surface	10/11/02	5,813.66	0.00	0.00	5,813.66	0.00	5,813.66	0.00	S/L	15.00
452		Hill Street Surface	10/11/02	3,376.88	0.00	0.00	3,376.88	0.00	3,376.88	0.00	S/L	15.00
453		City Hall Surface	10/19/02	6,659.22	0.00	0.00	6,659.22	0.00	6,659.22	0.00	S/L	15.00
456		Red Bud Lane Surface	1/14/04	12,038.40	0.00	0.00	12,038.40	0.00	12,038.40	0.00	S/L	15.00
457		Floyd Street Surface	1/16/04	17,934.08	0.00	0.00	17,934.08	0.00	17,934.08	0.00	S/L	15.00
458		Davies Street Surface	1/16/04	2,375.36	0.00	0.00	2,375.36	0.00	2,375.36	0.00	S/L	15.00
459		Crawford Street Surface	1/16/04	2,955.52	0.00	0.00	2,955.52	0.00	2,955.52	0.00	S/L	15.00
460		Perciful Street Surface	1/16/04	3,865.28	0.00	0.00	3,865.28	0.00	3,865.28	0.00	S/L	15.00
461		Alcorn Street Surface	1/16/04	1,922.88	0.00	0.00	1,922.88	0.00	1,922.88	0.00	S/L	15.00
462		Old Somers St. Surface	1/16/04	4,215.04	0.00	0.00	4,215.04	0.00	4,215.04	0.00	S/L	15.00
482		Pitman Street surface	11/18/04	12,168.93	0.00	0.00	12,168.93	0.00	12,168.93	0.00	S/L	15.00
483		Lower Dr. surface	11/18/04	3,187.55	0.00	0.00	3,187.55	0.00	3,187.55	0.00	S/L	15.00
484		Joyce St surface	11/18/04	5,545.19	0.00	0.00	5,545.19	0.00	5,545.19	0.00	S/L	15.00
485		Craig St surface	11/18/04	3,706.29	0.00	0.00	3,706.29	0.00	3,706.29	0.00	S/L	15.00
486		Langdon St	11/18/04	3,868.35	0.00	0.00	3,868.35	0.00	3,868.35	0.00	S/L	15.00
487		Graham St surface	11/18/04	3,717.39	0.00	0.00	3,717.39	0.00	3,717.39	0.00	S/L	15.00
488		Lovell Lane surface	11/18/04	4,815.55	0.00	0.00	4,815.55	0.00	4,815.55	0.00	S/L	15.00
489		Daily St surface	11/18/04	932.40	0.00	0.00	932.40	0.00	932.40	0.00	S/L	15.00
490		Alley # 2	11/18/04	917.97	0.00	0.00	917.97	0.00	917.97	0.00	S/L	15.00
491		Negrotown Hill surface	11/18/04	5,004.62	0.00	0.00	5,004.62	0.00	5,004.62	0.00	S/L	15.00
492		Owens Str surface	11/18/04	991.97	0.00	0.00	991.97	0.00	991.97	0.00	S/L	15.00
493		City Parking Lot surface	11/18/04	10,363.33	0.00	0.00	10,363.33	0.00	10,363.33	0.00	S/L	15.00
503		Rose Hill Embankment	1/01/05	3,551.88	0.00	0.00	3,551.88	0.00	3,551.88	0.00	S/L	15.00
522		Rose Hill Road Surface	10/26/05	39,919.88	0.00	0.00	39,919.88	0.00	39,919.88	0.00	S/L	15.00
523		Crawford Street Surface	11/30/05	5,499.12	0.00	0.00	5,499.12	0.00	5,499.12	0.00	S/L	15.00
524		Bertam Street Surface	11/30/05	4,343.68	0.00	0.00	4,343.68	0.00	4,343.68	0.00	S/L	15.00
525		Wood Street Surface	11/30/05	2,207.92	0.00	0.00	2,207.92	0.00	2,207.92	0.00	S/L	15.00
526		Sigmon Street Surface	11/30/05	3,254.68	0.00	0.00	3,254.68	0.00	3,254.68	0.00	S/L	15.00
527		Ford Street Surface	11/30/05	5,467.88	0.00	0.00	5,467.88	0.00	5,467.88	0.00	S/L	15.00
528		Carter Drive Surface	11/30/05	15,389.44	0.00	0.00	15,389.44	0.00	15,389.44	0.00	S/L	15.00
529		Red Bud School Street Surface	11/30/05	7,753.24	0.00	0.00	7,753.24	0.00	7,753.24	0.00	S/L	15.00
530		Tee Street Surface	12/16/05	3,297.80	0.00	0.00	3,297.80	0.00	3,297.80	0.00	S/L	15.00
531		Hunter Street Surface	12/16/05	10,992.52	0.00	0.00	10,992.52	0.00	10,992.52	0.00	S/L	15.00
532		Shirley Street Surface	12/16/05	11,004.84	0.00	0.00	11,004.84	0.00	11,004.84	0.00	S/L	15.00
533		Four Sons Street Surface	12/16/05	4,404.40	0.00	0.00	4,404.40	0.00	4,404.40	0.00	S/L	15.00
534		Mill Street Surface	12/16/05	3,303.08	0.00	0.00	3,303.08	0.00	3,303.08	0.00	S/L	15.00
535		Davis Street Surface	12/16/05	3,303.96	0.00	0.00	3,303.96	0.00	3,303.96	0.00	S/L	15.00
540		Lair Street Surface	10/28/06	7,534.80	0.00	0.00	7,534.80	0.00	7,534.80	0.00	S/L	15.00
541		Lovell Court Surface	10/28/06	7,453.60	0.00	0.00	7,453.60	0.00	7,453.60	0.00	S/L	15.00
542		Hamblin Street Surface	10/28/06	4,982.32	0.00	0.00	4,982.32	0.00	4,982.32	0.00	S/L	15.00
543		Popular Street Surface	10/28/06	13,432.72	0.00	0.00	13,432.72	0.00	13,432.72	0.00	S/L	15.00
544		Short Street Surface	10/30/06	1,752.24	0.00	0.00	1,752.24	0.00	1,752.24	0.00	S/L	15.00
545		Rose Hill Road Surface	10/30/06	20,000.40	0.00	0.00	20,000.40	0.00	20,000.40	0.00	S/L	15.00
570		2 Shelters at Lake Linville	4/24/08	9,780.00	0.00	0.00	6,927.50	489.00	7,416.50	2,363.50	S/L	20.00
571		Rock Wall at Triangle Park	6/18/08	2,958.00	0.00	0.00	828.24	59.16	887.40	2,070.60	S/L	50.00
581		Richmond St. Sidewalks - T-21 Gra	6/30/08	44,322.52	0.00	0.00	41,367.62	2,954.90	44,322.52	0.00	S/L	15.00
582		Lovell Lane Sidewalks	6/30/08	64,002.50	0.00	0.00	59,735.62	4,266.88	64,002.50	0.00	S/L	15.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 7

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Infrastructure - Gen. Gov (continued)												
584		Lake Linville Park - Alcoa	6/30/08	22,664.50	0.00	0.00	21,153.58	1,510.92	22,664.50	0.00	S/L	15.00
585		Triangle Park Rock Wall	7/02/08	4,600.00	0.00	0.00	1,288.00	92.00	1,380.00	3,220.00	S/L	50.00
586		Triangle Park Rock Wall	7/09/08	786.00	0.00	0.00	220.08	15.72	235.80	550.20	S/L	50.00
614		Richmond St Sidewalks-T-21 Grant	6/30/09	366,586.00	0.00	0.00	317,707.91	24,439.07	342,146.98	24,439.02	S/L	15.00
616		Lovell Lane Sidewalks	6/30/09	17,200.00	0.00	0.00	14,906.71	1,146.67	16,053.38	1,146.62	S/L	15.00
617		Lake Linville Park-Alcoa	6/30/09	23,928.09	0.00	0.00	20,737.73	1,595.21	22,332.94	1,595.15	S/L	15.00
618		Jones Building Improvements	6/30/09	36,046.72	0.00	0.00	15,620.28	1,201.56	16,821.84	19,224.88	S/L	30.00
619		Restrooms City Park	6/30/09	26,211.06	0.00	0.00	17,037.15	1,310.55	18,347.70	7,863.36	S/L	20.00
621		Relocation Utility Lines	6/30/10	230,256.01	0.00	0.00	138,153.60	11,512.80	149,666.40	80,589.61	S/L	20.00
623		Restrooms City Park	6/30/10	34,192.69	0.00	0.00	20,515.56	1,709.63	22,225.19	11,967.50	S/L	20.00
624		Old 25 Surface	9/16/09	19,283.73	0.00	0.00	16,391.15	1,285.58	17,676.73	1,607.00	S/L	15.00
625		Newcomb St Surface	9/11/09	17,019.23	0.00	0.00	14,560.95	1,134.62	15,695.57	1,323.66	S/L	15.00
626		Fire Dept Surface	9/16/09	10,000.00	0.00	0.00	8,500.04	666.67	9,166.71	833.29	S/L	15.00
665		STREETSIGNS	5/04/11	3,340.58	0.00	0.00	2,486.93	222.71	2,709.64	630.94	S/L	15.00
670		Richmond/School/Newcomb St	6/30/11	271,025.13	0.00	0.00	90,341.68	8,212.88	98,554.56	172,470.57	S/L	33.00
671		Utility Line Relocation	6/30/11	194,469.20	0.00	0.00	64,823.11	5,893.01	70,716.12	123,753.08	S/L	33.00
673		Sewer Plant Surface	9/14/10	13,130.17	0.00	0.00	7,768.70	656.51	8,425.21	4,704.96	S/L	20.00
674		Hospital Street Surface	9/14/10	7,129.33	0.00	0.00	4,218.23	356.47	4,574.70	2,554.63	S/L	20.00
675		YOungs Street Surface	9/14/10	2,035.21	0.00	0.00	1,204.16	101.76	1,305.92	729.29	S/L	20.00
676		Liberty Street Surface	9/14/10	3,385.47	0.00	0.00	2,003.03	169.27	2,172.30	1,213.17	S/L	20.00
677		Parsons Street Surface	9/14/10	8,249.92	0.00	0.00	4,881.25	412.50	5,293.75	2,956.17	S/L	20.00
678		Cox Street Surface	9/14/10	1,742.53	0.00	0.00	1,031.04	87.13	1,118.17	624.36	S/L	20.00
679		Shop Parking Surface	9/14/10	6,790.58	0.00	0.00	4,017.77	339.53	4,357.30	2,433.28	S/L	20.00
680		City Lot Surface	9/14/10	6,965.63	0.00	0.00	4,121.31	348.28	4,469.59	2,496.04	S/L	20.00
681		Ford Drive Surface	9/14/10	6,917.28	0.00	0.00	4,092.68	345.86	4,438.54	2,478.74	S/L	20.00
696		BOAT DOCK IMPROVEMENTS	6/30/12	28,668.62	0.00	0.00	8,687.50	868.75	9,556.25	19,112.37	S/L	33.00
697		LAKE PARK IMPROVEMENTS	12/21/11	11,016.32	0.00	0.00	3,505.21	333.83	3,839.04	7,177.28	S/L	33.00
707		SEALING LOT	8/09/11	6,336.00	0.00	0.00	2,096.00	192.00	2,288.00	4,048.00	S/L	33.00
719		Terry Street Surface	11/12/12	27,864.42	0.00	0.00	13,467.79	1,393.22	14,861.01	13,003.41	S/L	20.00
720		Chestnut Street Surface	3/01/13	24,598.22	0.00	0.00	11,479.16	1,229.91	12,709.07	11,889.15	S/L	20.00
721		Red Bud Street Surface	3/01/13	8,106.78	0.00	0.00	3,783.17	405.34	4,188.51	3,918.27	S/L	20.00
722		Paul Street Surface	3/01/13	30,408.95	0.00	0.00	14,190.87	1,520.45	15,711.32	14,697.63	S/L	20.00
723		Hills Street	3/01/13	8,113.87	0.00	0.00	3,786.44	405.69	4,192.13	3,921.74	S/L	20.00
724		Parson Street Surface	3/01/13	1,613.61	0.00	0.00	753.01	80.68	833.69	779.92	S/L	20.00
735		Boat Dock Renovation	11/01/12	111,750.50	0.00	0.00	32,735.01	3,386.38	36,121.39	75,629.11	S/L	33.00
737		City Boundry Survey	10/09/12	5,000.00	0.00	0.00	1,477.32	151.52	1,628.84	3,371.16	S/L	33.00
744		Master Plan-Lake Linville Dev	7/15/13	10,000.00	0.00	0.00	6,000.03	666.67	6,666.70	3,333.30	S/L	15.00
745		Boat Dock- Deck & Patio	7/15/13	10,777.37	0.00	0.00	2,939.31	326.59	3,265.90	7,511.47	S/L	33.00
758		Paving-City Hall	6/25/14	3,835.00	0.00	0.00	1,534.00	191.75	1,725.75	2,109.25	S/L	20.00
759		Paving-Mt Vernon Fire	6/24/14	1,000.00	0.00	0.00	400.00	50.00	450.00	550.00	S/L	20.00
760		Paving-Striping City Parking	6/24/14	2,340.00	0.00	0.00	936.00	117.00	1,053.00	1,287.00	S/L	20.00
761		Cox Lane surfacing	6/28/14	4,733.55	0.00	0.00	1,893.44	236.68	2,130.12	2,603.43	S/L	20.00
762		Evans Street surfacing	6/28/14	4,133.81	0.00	0.00	1,653.52	206.69	1,860.21	2,273.60	S/L	20.00
763		Davis Street Surface	6/28/14	2,674.50	0.00	0.00	1,069.84	133.73	1,203.57	1,470.93	S/L	20.00
764		East Locust Str Surface	6/28/14	4,114.19	0.00	0.00	1,645.68	205.71	1,851.39	2,262.80	S/L	20.00
765		Fair Street	6/28/14	1,953.87	0.00	0.00	781.52	97.69	879.21	1,074.66	S/L	20.00
766		Rose Hill Road Surface	6/28/14	10,530.78	0.00	0.00	4,212.32	526.54	4,738.86	5,791.92	S/L	20.00
767		Holt Drive Surrace	6/28/14	9,700.25	0.00	0.00	3,880.08	485.01	4,365.09	5,335.16	S/L	20.00
768		Dailey Street surface	6/28/14	2,059.84	0.00	0.00	823.92	102.99	926.91	1,132.93	S/L	20.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 8

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Infrastructure - Gen. Gov (continued)												
769		Stop signs & posts	3/06/14	6,049.85	0.00	0.00	2,520.75	302.49	2,823.24	3,226.61	S/L	20.00
783		SIDEWALKS MAPLE DRIVE	11/25/14	2,002.14	0.00	0.00	607.35	80.09	687.44	1,314.70	S/L	25.00
784		BOAT DOCK IMPROVEMENTS	9/25/14	7,703.37	0.00	0.00	2,985.07	385.17	3,370.24	4,333.13	S/L	20.00
785		BOAT DOCK IMPROVEMENTS	5/25/15	8,350.80	0.00	0.00	2,957.57	417.54	3,375.11	4,975.69	S/L	20.00
793		HIGH STREET SIDEWALKS	10/01/14	15,000.00	0.00	0.00	4,650.00	600.00	5,250.00	9,750.00	S/L	25.00
794		WILLIAMS ST SIDEWALKS	11/19/14	12,320.00	0.00	0.00	3,737.07	492.80	4,229.87	8,090.13	S/L	25.00
795		MAIN ST SIDEWALKS	12/02/14	4,800.00	0.00	0.00	1,456.00	192.00	1,648.00	3,152.00	S/L	25.00
799		Rest Building Improvements	9/24/14	8,150.00	0.00	0.00	2,105.44	271.67	2,377.11	5,772.89	S/L	30.00
804		Main Street Concrete	9/28/15	1,000.00	0.00	0.00	204.53	30.30	234.83	765.17	S/L	33.00
805		Wooden Dock	7/07/15	11,641.00	0.00	0.00	2,469.32	352.76	2,822.08	8,818.92	S/L	33.00
806		Splashpad	7/29/15	19,684.50	0.00	0.00	9,076.74	1,312.30	10,389.04	9,295.46	S/L	15.00
807		Wood Dock Kit	9/28/15	10,313.58	0.00	0.00	2,109.58	312.53	2,422.11	7,891.47	S/L	33.00
808		Wood Dock Kits	6/26/16	15,110.98	0.00	0.00	2,747.46	457.91	3,205.37	11,905.61	S/L	33.00
820		Clark Street Surface	8/29/15	4,090.16	0.00	0.00	1,397.48	204.51	1,601.99	2,488.17	S/L	20.00
821		School Street Surface	8/29/15	1,481.74	0.00	0.00	506.28	74.09	580.37	901.37	S/L	20.00
822		East Poplar Street Surface	8/29/15	7,709.64	0.00	0.00	2,634.12	385.48	3,019.60	4,690.04	S/L	20.00
823		Old Somerset Road Surface	8/29/15	2,198.42	0.00	0.00	751.12	109.92	861.04	1,337.38	S/L	20.00
824		Jerri Street Surface	8/29/15	3,315.26	0.00	0.00	1,132.70	165.76	1,298.46	2,016.80	S/L	20.00
825		Asphalt City Streets Various	8/29/15	4,256.82	0.00	0.00	1,454.41	212.84	1,667.25	2,589.57	S/L	20.00
826		Speedbumps Newcomb Ave	8/29/15	2,100.00	0.00	0.00	717.50	105.00	822.50	1,277.50	S/L	20.00
827		West Main Sidewalks	11/19/15	1,000.00	0.00	0.00	329.17	50.00	379.17	620.83	S/L	20.00
833		Docks-Boatdock	4/20/17	5,650.08	0.00	0.00	1,459.58	282.50	1,742.08	3,908.00	S/L	20.00
834		Plumbing boat dock	8/26/16	2,309.49	0.00	0.00	673.58	115.47	789.05	1,520.44	S/L	20.00
835		Electric Docks	6/08/17	5,335.00	0.00	0.00	1,355.98	266.75	1,622.73	3,712.27	S/L	20.00
842		Joyce Street	9/28/16	4,264.00	0.00	0.00	1,225.90	213.20	1,439.10	2,824.90	S/L	20.00
843		Ford Extention	9/28/16	2,870.00	0.00	0.00	1,650.25	287.00	1,937.25	932.75	S/L	10.00
844		Floyd Street	9/28/16	246.00	0.00	0.00	70.73	12.30	83.03	162.97	S/L	20.00
853		Splash Pad	5/30/18	79,429.95	0.00	0.00	16,216.96	3,971.50	20,188.46	59,241.49	S/L	20.00
854		Lair Street Sidewalkes	8/23/17	9,617.00	0.00	0.00	2,324.11	480.85	2,804.96	6,812.04	S/L	20.00
855		Bethrum Street Paving/repair	9/01/17	8,516.52	0.00	0.00	2,058.18	425.83	2,484.01	6,032.51	S/L	20.00
856		Church & Lair St sidewalks	10/18/17	8,700.00	0.00	0.00	2,030.00	435.00	2,465.00	6,235.00	S/L	20.00
857		Lovell Lane Sidewalks	7/27/17	9,200.00	0.00	0.00	2,261.67	460.00	2,721.67	6,478.33	S/L	20.00
858		lights-renfro valley	7/27/17	12,200.00	0.00	0.00	2,999.17	610.00	3,609.17	8,590.83	S/L	20.00
863		Red Bud Rd paving	5/29/18	12,711.66	0.00	0.00	2,595.29	635.58	3,230.87	9,480.79	S/L	20.00
868		Splash Pad Labor	7/17/18	8,518.00	0.00	0.00	2,224.15	567.87	2,792.02	5,725.98	S/L	15.00
869		Splashpad cameras	6/30/19	2,650.00	0.00	0.00	795.00	265.00	1,060.00	1,590.00	S/L	10.00
876		Langdoon Lovell Concrete work	7/10/18	8,300.00	0.00	0.00	1,660.00	415.00	2,075.00	6,225.00	S/L	20.00
877		Williams St Concrete Work	7/10/18	500.00	0.00	0.00	100.00	25.00	125.00	375.00	S/L	20.00
878		Williams-W Main Concrete Work	9/27/18	4,600.00	0.00	0.00	862.50	230.00	1,092.50	3,507.50	S/L	20.00
879		Rose Hill Street Paving	4/09/19	3,618.44	0.00	0.00	587.99	180.92	768.91	2,849.53	S/L	20.00
880		I-75 Ramp Widening	11/20/18	44,174.88	0.00	0.00	5,276.46	1,472.50	6,748.96	37,425.92	S/L	30.00
881		Infrastructure Micorfoodery Bln	4/22/20	382,762.06	0.00	0.00	27,643.94	12,758.74	40,402.68	342,359.38	S/L	30.00
902		Limestone Street - Concrete Work	10/21/19	31,416.84	0.00	0.00	4,188.91	1,570.84	5,759.75	25,657.09	S/L	20.00
914		Boat Ramp	1/06/23	25,087.67	0.00c	0.00	0.00	1,254.38	1,254.38	23,833.29	S/L	10.00
918		Main Street Repavement	11/15/22	130,800.00	0.00c	0.00	0.00	4,360.00	4,360.00	126,440.00	S/L	20.00
919		Lowell Storm Sewer	4/24/23	19,750.00	0.00c	0.00	0.00	164.58	164.58	19,585.42	S/L	20.00
Infrastructure - Gen. Gov				<u>4,246,142.50</u>	<u>0.00c</u>	<u>0.00</u>	<u>2,616,677.41</u>	<u>132,019.27</u>	<u>2,748,696.68</u>	<u>1,497,445.82</u>		

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 9

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Infrastructure - Wat/Sew												
70		Disposal Plant	6/30/98	336,769.00	0.00	0.00	251,156.25	4,490.25	255,646.50	81,122.50	S/L	75.00
71		Equipment	6/30/68	33,119.00	0.00	0.00	33,119.00	0.00	33,119.00	0.00	S/L	10.00
72		Fixed Plant	6/30/68	87,843.00	0.00	0.00	87,843.00	0.00	87,843.00	0.00	S/L	50.00
73		Sewer Lab	6/30/69	793.00	0.00	0.00	793.00	0.00	793.00	0.00	S/L	10.00
74		Lift Station	6/30/71	8,500.00	0.00	0.00	8,500.00	0.00	8,500.00	0.00	S/L	10.00
75		Sewer Extensions	6/30/72	699.00	0.00	0.00	699.00	0.00	699.00	0.00	S/L	50.00
76		Sewer Extensions	6/30/73	9,306.00	0.00	0.00	9,306.00	0.00	9,306.00	0.00	S/L	50.00
77		Sewer Extensions	6/30/74	1,801.00	0.00	0.00	1,746.50	36.02	1,782.52	18.48	S/L	50.00
78		Sewer Extensions	6/30/76	3,236.00	0.00	0.00	3,009.00	64.72	3,073.72	162.28	S/L	50.00
79		Lift Station	6/30/77	7,929.00	0.00	0.00	7,929.00	0.00	7,929.00	0.00	S/L	10.00
80		Terry St. Survey	6/30/77	720.00	0.00	0.00	720.00	0.00	720.00	0.00	S/L	10.00
81		Sewer Extensions	6/30/71	88,864.00	0.00	0.00	88,864.00	0.00	88,864.00	0.00	S/L	50.00
82		Sewer Extensions	6/30/78	11,838.00	0.00	0.00	10,182.00	236.76	10,418.76	1,419.24	S/L	50.00
83		Sewer Plant	6/30/83	19,581.00	0.00	0.00	15,275.50	391.62	15,667.12	3,913.88	S/L	50.00
84		Sewer Lines	6/30/86	509,767.00	0.00	0.00	361,932.50	10,195.34	372,127.84	137,639.16	S/L	50.00
85		Sewer Lines	6/30/87	1,315,179.00	0.00	0.00	853,739.50	26,303.58	880,043.08	435,135.92	S/L	50.00
86		Lift Station	7/31/87	15,050.00	0.00	0.00	15,050.00	0.00	15,050.00	0.00	S/L	10.00
87		Sewer Renovation	7/01/88	1,161,048.00	0.00	0.00	836,539.00	23,220.96	859,759.96	301,288.04	S/L	50.00
88		Sewer Expansion	6/30/89	11,857.00	0.00	0.00	8,061.50	237.14	8,298.64	3,558.36	S/L	50.00
89		Skid Tank	11/04/91	1,045.00	0.00	0.00	1,045.00	0.00	1,045.00	0.00	S/L	10.00
90		Sewer Expansion	12/31/91	770,207.00	0.00	0.00	471,109.50	15,404.14	486,513.64	283,693.36	S/L	50.00
91		Improvements - Sewer	7/01/96	397,091.00	0.00	0.00	303,788.50	12,033.06	315,821.56	81,269.44	S/L	33.00
92		Improvements - Sewer	6/30/98	589,560.00	0.00	0.00	428,771.35	17,865.45	446,636.80	142,923.20	S/L	33.00
93		Sewer Improvements	3/31/99	30,455.80	0.00	0.00	21,459.04	922.90	22,381.94	8,073.86	S/L	33.00
94		Water Plant	8/01/85	49,585.00	0.00	0.00	49,585.00	0.00	49,585.00	0.00	S/L	25.00
95		Mains	6/30/70	6,591.00	0.00	0.00	6,591.00	0.00	6,591.00	0.00	S/L	33.00
96		Mains	6/30/71	12,224.00	0.00	0.00	12,224.00	0.00	12,224.00	0.00	S/L	33.00
97		Mains	6/30/74	31,951.00	0.00	0.00	31,951.00	0.00	31,951.00	0.00	S/L	33.00
98		Mains	6/30/75	23,390.00	0.00	0.00	23,390.00	0.00	23,390.00	0.00	S/L	33.00
99		Mains	6/30/77	3,567.00	0.00	0.00	3,567.00	0.00	3,567.00	0.00	S/L	33.00
100		Mains	6/30/78	7,877.00	0.00	0.00	7,877.00	0.00	7,877.00	0.00	S/L	33.00
101		Waterline	5/30/85	142,266.00	0.00	0.00	142,266.00	0.00	142,266.00	0.00	S/L	33.00
102		Arc Water	6/30/88	300,196.00	0.00	0.00	300,196.00	0.00	300,196.00	0.00	S/L	33.00
108		Filter	9/30/90	25,000.00	0.00	0.00	25,000.00	0.00	25,000.00	0.00	S/L	10.00
109		Pump Station	3/27/96	5,164.00	0.00	0.00	5,164.00	0.00	5,164.00	0.00	S/L	10.00
110		Improvements - Water	6/30/97	19,308.00	0.00	0.00	14,920.25	585.09	15,505.34	3,802.66	S/L	33.00
111		Water Improvements & Extension	1/01/00	6,164,971.69	0.00	0.00	4,203,389.70	186,817.32	4,390,207.02	1,774,764.67	S/L	33.00
352		Water Plant	1/01/01	25,000.00	0.00	0.00	25,000.00	0.00	25,000.00	0.00	S/L	20.00
353		Steel Tank	1/01/01	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	0.00	S/L	20.00
354		Concrete Tank	1/01/01	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	20.00
355		Water Treatment	6/30/69	37,795.00	0.00	0.00	37,795.00	0.00	37,795.00	0.00	S/L	25.00
356		Tanks	6/30/70	93,696.00	0.00	0.00	93,696.00	0.00	93,696.00	0.00	S/L	33.00
357		Engineer Design	4/07/80	1,170.00	0.00	0.00	1,170.00	0.00	1,170.00	0.00	S/L	25.00
358		Plant Improvement	6/30/80	57,187.00	0.00	0.00	57,187.00	0.00	57,187.00	0.00	S/L	20.00
359		Motor Control	9/13/83	14,757.00	0.00	0.00	14,757.00	0.00	14,757.00	0.00	S/L	15.00
360		Mains	1/01/01	95,790.00	0.00	0.00	95,790.00	0.00	95,790.00	0.00	S/L	20.00
361		Mains	6/30/70	795,377.00	0.00	0.00	795,377.00	0.00	795,377.00	0.00	S/L	20.00
362		Mains	6/30/72	3,499.00	0.00	0.00	3,499.00	0.00	3,499.00	0.00	S/L	33.00
363		Mains	6/30/67	4,559.00	0.00	0.00	4,559.00	0.00	4,559.00	0.00	S/L	33.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 10

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Infrastructure - Wat/Sew (continued)												
364		Service	1/01/01	29,475.00	0.00	0.00	29,475.00	0.00	29,475.00	0.00	S/L	20.00
365		Hydrants	1/01/01	3,200.00	0.00	0.00	3,200.00	0.00	3,200.00	0.00	S/L	20.00
370		Service	6/30/70	350.00	0.00	0.00	350.00	0.00	350.00	0.00	S/L	33.00
371		Hydrants	6/30/70	1,006.00	0.00	0.00	1,006.00	0.00	1,006.00	0.00	S/L	33.00
372		Meters and Hydrants	6/30/73	1,801.00	0.00	0.00	1,801.00	0.00	1,801.00	0.00	S/L	33.00
376		Air Condition Unit	8/11/92	2,300.00	0.00	0.00	2,300.00	0.00	2,300.00	0.00	S/L	7.00
377		Transmitter and Recorder	3/01/93	3,199.00	0.00	0.00	3,199.00	0.00	3,199.00	0.00	S/L	7.00
455		Water Line Halcomb East	5/01/03	77,299.30	0.00	0.00	44,896.00	2,342.40	47,238.40	30,060.90	S/L	33.00
477		Water Line Halcomb East	5/31/04	37,270.54	0.00	0.00	37,270.54	0.00	37,270.54	0.00	S/L	15.00
479		NEW RAW WATER PROJECT	12/03/03	81,932.50	0.00	0.00	46,138.70	2,482.80	48,621.50	33,311.00	S/L	33.00
480		Improvements-Rt 25	5/17/05	18,418.52	0.00	0.00	10,488.31	613.95	11,102.26	7,316.26	S/L	30.00
481		NEURAW WATER PROJECT	5/25/05	149,917.89	0.00	0.00	77,609.07	4,542.97	82,152.04	67,765.85	S/L	33.00
502		Meters & Meter Equipment	1/01/05	8,034.27	0.00	0.00	4,260.55	243.46	4,504.01	3,530.26	S/L	33.00
512		Emergency Water Tank	11/28/05	1,750.00	0.00	0.00	1,451.04	87.50	1,538.54	211.46	S/L	20.00
536		2 Water Tanks	11/09/05	1,085.00	0.00	0.00	904.17	54.25	958.42	126.58	S/L	20.00
537		Improvements - Hwy 25	5/19/06	5,037.50	0.00	0.00	2,700.71	167.92	2,868.63	2,168.87	S/L	30.00
538		NEW RAW WATER PROJECT	6/30/06	1,184,768.56	0.00	0.00	574,433.28	35,902.08	610,335.36	574,433.20	S/L	33.00
539		LAKE LINVILLE SEWER EXTEN	6/30/06	23,880.00	0.00	0.00	11,578.24	723.64	12,301.88	11,578.12	S/L	33.00
546		New Raw Water Project	6/30/07	393,656.07	0.00	0.00	178,934.55	11,928.97	190,863.52	202,792.55	S/L	33.00
565		Emergency Water Tank	10/24/06	1,799.98	0.00	0.00	1,410.00	90.00	1,500.00	299.98	S/L	20.00
568		Lake Linville Engineering Fees	6/30/07	104,411.19	0.00	0.00	47,459.70	3,163.98	50,623.68	53,787.51	S/L	33.00
569		Halcomb Ave Engineering Fees	6/30/07	8,250.00	0.00	0.00	3,750.00	250.00	4,000.00	4,250.00	S/L	33.00
583		New Sewer Project	6/30/08	538,039.89	0.00	0.00	228,259.36	16,304.24	244,563.60	293,476.29	S/L	33.00
600		Improvements - Hwy 1249 Water C	9/09/08	6,000.00	0.00	0.00	2,515.18	181.82	2,697.00	3,303.00	S/L	33.00
601		Improvements - Hwy 1249 Water C	9/16/08	5,000.00	0.00	0.00	2,083.40	151.52	2,234.92	2,765.08	S/L	33.00
607		Water Tank & Line Improvements	4/21/09	9,604.75	0.00	0.00	3,832.16	291.05	4,123.21	5,481.54	S/L	33.00
615		New Sewer Project	9/01/08	123,218.94	0.00	0.00	51,652.42	3,733.91	55,386.33	67,832.61	S/L	33.00
622		Rose Hill Rd Sewer	6/30/10	92,332.03	0.00	0.00	33,575.28	2,797.94	36,373.22	55,958.81	S/L	33.00
630		W/Line Tank Improvements	6/30/10	13,527.55	0.00	0.00	4,919.16	409.93	5,329.09	8,198.46	S/L	33.00
648		GARAGE DOOR	1/04/11	3,213.99	0.00	0.00	2,464.10	214.27	2,678.37	535.62	S/L	15.00
649		NEW DECK	11/12/10	2,742.66	0.00	0.00	2,742.66	0.00	2,742.66	0.00	S/L	10.00
650		COMPONENTS TANKS	8/04/10	9,384.86	0.00	0.00	9,384.86	0.00	9,384.86	0.00	S/L	10.00
651		RISER WATER TANK	11/19/10	12,579.00	0.00	0.00	4,415.34	381.18	4,796.52	7,782.48	S/L	33.00
652		METERS	11/30/10	38,991.20	0.00	0.00	13,686.29	1,181.55	14,867.84	24,123.36	S/L	33.00
653		METERS	2/02/11	39,467.20	0.00	0.00	13,654.10	1,195.98	14,850.08	24,617.12	S/L	33.00
654		METERS	3/14/11	39,943.20	0.00	0.00	13,717.87	1,210.40	14,928.27	25,014.93	S/L	33.00
655		METERS	6/15/11	11,152.35	0.00	0.00	3,745.61	337.95	4,083.56	7,068.79	S/L	33.00
672		Rose Hill Road Sewer	6/30/11	13,831.84	0.00	0.00	4,610.65	419.15	5,029.80	8,802.04	S/L	33.00
682		METERS	7/13/11	6,469.65	0.00	0.00	2,156.55	196.05	2,352.60	4,117.05	S/L	33.00
683		METERS	11/16/11	19,971.60	0.00	0.00	6,405.03	605.20	7,010.23	12,961.37	S/L	33.00
684		METERS	12/21/11	39,943.20	0.00	0.00	12,709.20	1,210.40	13,919.60	26,023.60	S/L	33.00
685		METERS	6/14/12	77,614.08	0.00	0.00	23,715.40	2,351.94	26,067.34	51,546.74	S/L	33.00
698		ROSE HILL ROAD SEWER	6/03/12	2,022,321.63	0.00	0.00	617,931.57	61,282.47	679,214.04	1,343,107.59	S/L	33.00
731		Boundry Survey	10/04/12	10,000.00	0.00	0.00	4,875.00	500.00	5,375.00	4,625.00	S/L	20.00
732		Water Influent Metering	12/18/12	21,375.23	0.00	0.00	6,153.44	647.73	6,801.17	14,574.06	S/L	33.00
733		Rose Hill Road Sewer	7/01/12	396,946.64	0.00	0.00	120,286.90	12,028.69	132,315.59	264,631.05	S/L	33.00
757		Meters & connectors	6/20/14	7,420.00	0.00	0.00	1,798.80	224.85	2,023.65	5,396.35	S/L	33.00
818		Master Meter- Plant	5/11/16	8,125.00	0.00	0.00	5,010.42	812.50	5,822.92	2,302.08	S/L	10.00
846		Water Tower Project	2/01/17	2,821,826.51	0.00	0.00	382,122.33	70,545.66	452,667.99	2,369,158.52	S/L	40.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 11

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Infrastructure - Wat/Sew (continued)												
862		Water Tower Project	11/30/17	243,670.67	0.00	0.00	33,843.15	7,383.96	41,227.11	202,443.56	S/L	33.00
875		Road for Tank	6/03/19	1,950.00	0.00	0.00	400.83	130.00	530.83	1,419.17	S/L	15.00
901		Renfro Creek Road Waterline Replc	4/09/20	2,546.00	0.00	0.00	173.59	77.15	250.74	2,295.26	S/L	33.00
Infrastructure - Wat/Sew				22,114,230.48	0.00c	0.00	12,476,045.60	548,205.76	13,024,251.36	9,089,979.12		
Group: Land - Fire												
563		Land for New Fire Building	2/13/07	50,000.00	0.00	0.00	0.00	0.00	0.00	50,000.00	Land	0.00
Land - Fire				50,000.00	0.00c	0.00	0.00	0.00	0.00	50,000.00		
Group: Land - General Government												
1		City Hall	1/01/01	5,447.00	0.00	0.00	0.00	0.00	0.00	5,447.00	Land	0.00
12		Spring Street Picnic Area	6/30/72	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	Land	0.00
13		Main Street Parking Lot (Cox Hdwe	6/30/72	25,000.00	0.00	0.00	0.00	0.00	0.00	25,000.00	Land	0.00
15		Main Street - City Park	6/30/80	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00	Land	0.00
17		East Main Street Parking Lot (Ct H	6/30/80	6,000.00	0.00	0.00	0.00	0.00	0.00	6,000.00	Land	0.00
19		CSX - Parking Lot	6/30/94	47,500.00	0.00	0.00	0.00	0.00	0.00	47,500.00	Land	0.00
20		Williams Street - City Park	6/30/95	95,000.00	0.00	0.00	0.00	0.00	0.00	95,000.00	Land	0.00
66		Lot Behind City Hall	6/30/97	6,109.00	0.00	0.00	0.00	0.00	0.00	6,109.00	Land	0.00
587		Skate Park Property (Mink)	8/25/08	185,050.00	0.00	0.00	0.00	0.00	0.00	185,050.00	Land	0.00
669		Land-Brd Ed, Hosp & Mt Vernon D	8/31/10	22,000.00	0.00	0.00	0.00	0.00	0.00	22,000.00	Land	0.00
832		Land-St Clair Apt	6/29/17	24,900.00	0.00	0.00	0.00	0.00	0.00	24,900.00	Land	0.00
Land - General Government				432,006.00	0.00c	0.00	0.00	0.00	0.00	432,006.00		
Group: Land - Water and Sewer												
5		Newcomb Street (sewer plant)	1/01/01	9,500.00	0.00	0.00	0.00	0.00	0.00	9,500.00	Land	0.00
6		Newcomb Street - Sewer Plant	6/30/68	4,500.00	0.00	0.00	0.00	0.00	0.00	4,500.00	Land	0.00
7		Linville Lake Property	6/30/69	338,587.00	0.00	0.00	0.00	0.00	0.00	338,587.00	Land	0.00
11		KY 1249 Water Tank Land	6/30/70	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	Land	0.00
14		Lakeside Lots (VFW/Winstead)	7/09/74	3,000.00	0.00	0.00	0.00	0.00	0.00	3,000.00	Land	0.00
21		Jeri Lane Pump Station Property	6/30/97	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	Land	0.00
64		Hunter St. Pump Station Property	6/30/97	1,000.00	0.00	0.00	0.00	0.00	0.00	1,000.00	Land	0.00
69		Horseshoe Bend (Faith Mtn Rd) Tai	6/30/99	1,000.00	0.00	0.00	0.00	0.00	0.00	1,000.00	Land	0.00
518		Land	11/08/05	2,500.00	0.00	0.00	0.00	0.00	0.00	2,500.00	Land	0.00
770		Land-Water Tower	7/18/13	35,000.00	0.00	0.00	0.00	0.00	0.00	35,000.00	Land	0.00
Land - Water and Sewer				405,087.00	0.00c	0.00	0.00	0.00	0.00	405,087.00		
Group: Mach/Equip - Fire												
351		1937 Ford Fire Truck	6/30/37	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	0.00	S/L	10.00
575		2006 Ford Crown Victoria	8/01/07	10,500.00	0.00	0.00	10,500.00	0.00	10,500.00	0.00	S/L	3.00
576		Fire Gear - 2 Coats, 2 Pants	3/03/08	2,066.00	0.00	0.00	2,066.00	0.00	2,066.00	0.00	S/L	5.00
580		1988 Tanker Fire Truck	5/16/08	7,673.00	0.00	0.00	7,673.00	0.00	7,673.00	0.00	S/L	10.00
594		Equipment on Pongo Fire Truck	12/23/08	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	5.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM
Page 12

Tax Asset Detail 7/01/22 - 6/30/23

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Mach/Equip - Fire (continued)												
596		Fire Gear - 3 Coats, 3 Pants	3/03/09	3,345.00	0.00	0.00	3,345.00	0.00	3,345.00	0.00	S/L	5.00
605		Fire Gear - 4 Helmets, 5 Coats, 4 Pa	6/24/09	7,160.00	0.00	0.00	7,160.00	0.00	7,160.00	0.00	S/L	5.00
606		Piercing Nozzle & Hand Pump	6/24/09	1,600.00	0.00	0.00	1,600.00	0.00	1,600.00	0.00	S/L	5.00
608		09 Freightliner M2 4-Door Fire Tru	12/19/08	217,467.00	0.00	0.00	217,467.00	0.00	217,467.00	0.00	S/L	10.00
627		4 pr gear Coats & Pants	3/12/10	4,485.00	0.00	0.00	4,485.00	0.00	4,485.00	0.00	S/L	5.00
628		Hoses	8/30/09	1,645.00	0.00	0.00	1,645.00	0.00	1,645.00	0.00	S/L	5.00
631		Breathing Equipments	5/04/10	154,500.00	0.00	0.00	154,500.00	0.00	154,500.00	0.00	S/L	10.00
637		08 Ford Crown Victoria	11/24/09	12,500.00	0.00	0.00	12,500.00	0.00	12,500.00	0.00	S/L	3.00
646		2009 Ford F-550 Rescue Truck	12/31/09	40,500.00	0.00	0.00	40,500.00	0.00	40,500.00	0.00	S/L	10.00
666		EQUIPMENT	12/14/10	3,676.83	0.00	0.00	3,676.83	0.00	3,676.83	0.00	S/L	10.00
667		1993 BOARDMAN FIRE TRUCK	3/01/11	45,000.00	0.00	0.00	45,000.00	0.00	45,000.00	0.00	S/L	10.00
668		Fire Gear & Hat	11/30/10	2,489.00	0.00	0.00	2,489.00	0.00	2,489.00	0.00	S/L	5.00
686		2 GENERATORS	12/21/11	3,012.00	0.00	0.00	3,012.00	0.00	3,012.00	0.00	S/L	10.00
687		FIRE GEAR (coats & pants)	11/16/11	3,010.00	0.00	0.00	3,010.00	0.00	3,010.00	0.00	S/L	5.00
688		ACCELERATOR 6.5 PUMP	3/05/12	5,425.00	0.00	0.00	5,425.00	0.00	5,425.00	0.00	S/L	10.00
689		SPREADER	3/05/12	5,150.00	0.00	0.00	5,150.00	0.00	5,150.00	0.00	S/L	10.00
690		SUPER LIGHT CUTTER	3/05/12	4,495.00	0.00	0.00	4,495.00	0.00	4,495.00	0.00	S/L	10.00
691		40" TELESCOPING RAM	3/05/12	3,495.00	0.00	0.00	3,495.00	0.00	3,495.00	0.00	S/L	10.00
692		2 EXTENSION HOSES	3/05/12	1,380.00	0.00	0.00	1,380.00	0.00	1,380.00	0.00	S/L	5.00
693		VIPER SPREADER/CUTTER	3/05/12	4,095.00	0.00	0.00	4,095.00	0.00	4,095.00	0.00	S/L	10.00
694		BANTAM 3.0 HP POWER UNIT	3/05/12	3,425.00	0.00	0.00	3,425.00	0.00	3,425.00	0.00	S/L	10.00
705		FIRE HOSES	1/19/12	3,435.50	0.00	0.00	3,435.50	0.00	3,435.50	0.00	S/L	5.00
716		Helmets	11/26/12	2,400.00	0.00	0.00	2,400.00	0.00	2,400.00	0.00	S/L	5.00
717		Thermal Imaging Camera	5/24/13	6,550.00	0.00	0.00	5,949.58	600.42	6,550.00	0.00	S/L	10.00
718		Washer & Dryer	6/24/13	1,524.90	0.00	0.00	1,372.41	152.49	1,524.90	0.00	S/L	10.00
734		Fire Gear-Coats & Pants	1/04/13	2,385.00	0.00	0.00	2,385.00	0.00	2,385.00	0.00	S/L	5.00
746		Hoses & nozzles	11/21/13	8,540.00	0.00	0.00	7,330.17	854.00	8,184.17	355.83	S/L	10.00
747		7 sets Coats & Pants	1/15/14	10,955.00	0.00	0.00	10,955.00	0.00	10,955.00	0.00	S/L	5.00
748		2 lights	2/04/14	2,605.22	0.00	0.00	2,192.71	260.52	2,453.23	151.99	S/L	10.00
771		SLC-29 Cutter	1/02/14	3,095.00	0.00	0.00	2,630.75	309.50	2,940.25	154.75	S/L	10.00
772		S-100-28 Spreader	1/02/14	4,496.00	0.00	0.00	3,821.60	449.60	4,271.20	224.80	S/L	10.00
773		Nitro 1.5 HP Power Unit	1/02/14	2,910.00	0.00	0.00	2,473.50	291.00	2,764.50	145.50	S/L	10.00
774		Hydra-Ram !	1/02/14	1,600.00	0.00	0.00	1,360.00	160.00	1,520.00	80.00	S/L	10.00
786		ELECTRIC FAN	4/01/15	3,489.62	0.00	0.00	2,529.96	348.96	2,878.92	610.70	S/L	10.00
787		2015 7X16 TRAILER	4/06/15	4,600.00	0.00	0.00	3,335.00	460.00	3,795.00	805.00	S/L	10.00
788		TOURNOUT GEAR & GLOVES	7/22/14	1,781.00	0.00	0.00	1,409.96	178.10	1,588.06	192.94	S/L	10.00
798		2003 FORD F250 BRUSH TRUCK	8/25/14	11,160.00	0.00	0.00	8,742.00	1,116.00	9,858.00	1,302.00	S/L	10.00
809		Stell X-Strut Kit & Auto Crib	1/27/16	8,781.00	0.00	0.00	5,634.48	878.10	6,512.58	2,268.42	S/L	10.00
810		Thermal Imaging Camera	3/01/16	4,228.14	0.00	0.00	2,677.80	422.81	3,100.61	1,127.53	S/L	10.00
819		Coats and Pants	6/30/16	1,715.00	0.00	0.00	1,715.00	0.00	1,715.00	0.00	S/L	5.00
836		Fire Suits	2/16/17	3,192.37	0.00	0.00	3,192.37	0.00	3,192.37	0.00	S/L	5.00
837		Brass Moniotr	6/23/17	3,212.16	0.00	0.00	1,606.10	321.22	1,927.32	1,284.84	S/L	10.00
852		RMA Monitor & Nozzle	6/16/18	2,728.76	0.00	0.00	1,091.52	272.88	1,364.40	1,364.36	S/L	10.00
870		Fire Coats & Shoes	6/26/19	2,051.92	0.00	0.00	1,231.14	410.38	1,641.52	410.40	S/L	5.00
882		2020 Dodge Ram Truck	1/27/20	32,817.03	0.00	0.00	7,930.78	3,281.70	11,212.48	21,604.55	S/L	10.00
886		SCBA Refurbishment	10/21/19	3,593.85	0.00	0.00	1,916.72	718.77	2,635.49	958.36	S/L	5.00
887		Vending Machine	12/06/19	2,940.00	0.00	0.00	1,519.00	588.00	2,107.00	833.00	S/L	5.00
888		Fire Coat and Pants	6/03/20	1,775.00	0.00	0.00	739.58	355.00	1,094.58	680.42	S/L	5.00
889		Flir Thermal Camera	3/13/20	2,900.00	0.00	0.00	676.67	290.00	966.67	1,933.33	S/L	10.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 13

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Mach/Equip - Fire (continued)												
890		HEATING UNIT	7/01/19	2,400.00	0.00	0.00	1,028.58	342.86	1,371.44	1,028.56	S/L	7.00
891		HEATING UNIT	9/06/19	2,700.00	0.00	0.00	1,092.85	385.71	1,478.56	1,221.44	S/L	7.00
907		Atlantics Water & Base	6/23/21	7,031.00	0.00	0.00	703.10	703.10	1,406.20	5,624.80	S/L	10.00
912		Thermal Cameras	2/10/22	3,700.65	0.00	0.00	220.28	528.66	748.94	2,951.71	S/L	7.00
917		2021 Chevy 5500 Truck	1/11/23	191,465.00	0.00c	0.00	0.00	9,573.25	9,573.25	181,891.75	S/L	10.00
Mach/Equip - Fire				901,852.95	0.00c	0.00	648,392.94	24,253.03	672,645.97	229,206.98		
Group: Mach/Equip - Gen. Govt.												
378		Recreation Equip. - City Park	11/01/98	300,000.00	0.00	0.00	300,000.00	0.00	300,000.00	0.00	S/L	20.00
379		Computers (5)	7/01/01	20,500.00	0.00	0.00	20,500.00	0.00	20,500.00	0.00	S/L	5.00
380		Epson Printer DFX-8500	7/01/01	4,500.00	0.00	0.00	4,500.00	0.00	4,500.00	0.00	S/L	5.00
381		HP G55XI Printer	7/01/01	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	0.00	S/L	5.00
382		Desks	7/01/01	7,850.00	0.00	0.00	7,850.00	0.00	7,850.00	0.00	S/L	10.00
383		File Cabinets	7/01/01	15,765.00	0.00	0.00	15,765.00	0.00	15,765.00	0.00	S/L	10.00
384		Conference Table & Chairs	7/01/01	6,300.00	0.00	0.00	6,300.00	0.00	6,300.00	0.00	S/L	10.00
385		Office Chairs	7/01/01	1,850.00	0.00	0.00	1,850.00	0.00	1,850.00	0.00	S/L	10.00
504		Computer Software	9/30/05	4,665.33	0.00	0.00	4,665.33	0.00	4,665.33	0.00	S/L	10.00
505		Computer Software	9/30/05	4,332.00	0.00	0.00	4,332.00	0.00	4,332.00	0.00	S/L	10.00
506		Christmas Decorations	1/16/06	3,799.80	0.00	0.00	3,799.80	0.00	3,799.80	0.00	S/L	5.00
547		Grass Hopper 721-D Zero Turn Rid	8/16/06	1,666.67	0.00	0.00	1,666.67	0.00	1,666.67	0.00	S/L	10.00
549		Konica Copier 26XE11061	3/26/07	409.99	0.00	0.00	409.99	0.00	409.99	0.00	S/L	5.00
551		Bench for Streetscape on US 25	4/03/07	600.00	0.00	0.00	600.00	0.00	600.00	0.00	S/L	5.00
588		Portable Generator	10/14/08	2,847.60	0.00	0.00	2,847.60	0.00	2,847.60	0.00	S/L	5.00
589		Walk in Cooler & Freezer	12/08/08	700.00	0.00	0.00	700.00	0.00	700.00	0.00	S/L	5.00
620		Equipment Snack Bar-Lake Linville	9/09/08	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	S/L	10.00
632		HP Comp Towers	10/28/09	2,776.00	0.00	0.00	2,776.00	0.00	2,776.00	0.00	S/L	5.00
633		City Sign	10/22/09	7,150.00	0.00	0.00	7,150.00	0.00	7,150.00	0.00	S/L	10.00
634		Sign Landscaping	11/04/09	3,500.00	0.00	0.00	3,500.00	0.00	3,500.00	0.00	S/L	10.00
644		Salt Spreader	1/08/10	5,482.41	0.00	0.00	5,482.41	0.00	5,482.41	0.00	S/L	5.00
706		Park Equipment	6/27/12	8,066.15	0.00	0.00	5,377.40	537.74	5,915.14	2,151.01	S/L	15.00
708		Office Furniture	6/28/13	1,300.98	0.00	0.00	1,170.90	130.08	1,300.98	0.00	S/L	10.00
709		Computers/cameras	4/25/13	2,112.64	0.00	0.00	1,936.55	176.09	2,112.64	0.00	S/L	10.00
710		Securtiy System-Skate Park	5/17/13	4,850.00	0.00	0.00	4,405.42	444.58	4,850.00	0.00	S/L	10.00
711		Play Equipment & Slide	6/18/13	5,175.00	0.00	0.00	4,657.50	517.50	5,175.00	0.00	S/L	10.00
712		Playground-sand	6/28/13	3,086.80	0.00	0.00	2,778.12	308.68	3,086.80	0.00	S/L	10.00
736		5 Picnic Tables	5/07/13	1,750.00	0.00	0.00	1,750.00	0.00	1,750.00	0.00	S/L	5.00
775		TRAILER & MOWER	6/23/15	5,333.33	0.00	0.00	2,488.92	355.56	2,844.48	2,488.85	S/L	15.00
778		QUICKBOOKS SOFTWARE-MAI	3/23/15	2,151.60	0.00	0.00	2,151.60	0.00	2,151.60	0.00	S/L	5.00
779		PRINTER-MARINA BAIT HOUSE	3/15/15	999.00	0.00	0.00	999.00	0.00	999.00	0.00	S/L	5.00
780		FRIDGE-BAITHOUSE	4/08/15	1,940.00	0.00	0.00	1,406.50	194.00	1,600.50	339.50	S/L	10.00
796		ELECTRIC MOTOR	11/26/14	3,200.00	0.00	0.00	1,213.33	160.00	1,373.33	1,826.67	S/L	20.00
797		SNOW PLOW	12/22/14	5,050.00	0.00	0.00	1,515.00	202.00	1,717.00	3,333.00	S/L	25.00
800		Cameras-park	12/08/15	4,513.99	0.00	0.00	2,971.72	451.40	3,423.12	1,090.87	S/L	10.00
828		Plow & Salt box	12/03/15	8,466.00	0.00	0.00	5,573.45	846.60	6,420.05	2,045.95	S/L	10.00
829		Boat	7/22/16	3,500.00	0.00	0.00	2,070.83	350.00	2,420.83	1,079.17	S/L	10.00
830		Boat	5/19/17	2,000.00	0.00	0.00	1,016.67	200.00	1,216.67	783.33	S/L	10.00
864		BOAT DOCK CAMERAS	6/30/19	4,075.00	0.00	0.00	2,445.00	815.00	3,260.00	815.00	S/L	5.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 14

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Mach/Equip - Gen. Govt. (continued)												
865		John Deere Zero Turn Mower	6/30/19	8,834.94	0.00	0.00	2,650.47	883.49	3,533.96	5,300.98	S/L	10.00
866		Boat	6/30/19	2,400.00	0.00	0.00	720.00	240.00	960.00	1,440.00	S/L	10.00
883		Boat Refurbishment	6/12/20	3,902.49	0.00	0.00	813.02	390.25	1,203.27	2,699.22	S/L	10.00
903		Meade Tractor	3/31/21	7,880.00	0.00	0.00	985.00	788.00	1,773.00	6,107.00	S/L	10.00
904		Boat Dock Camera	11/11/20	2,210.00	0.00	0.00	368.33	221.00	589.33	1,620.67	S/L	10.00
908		City Hall HVAC	7/29/21	7,000.00	0.00	0.00	916.67	1,000.00	1,916.67	5,083.33	S/L	7.00
909		St Clair Bldg Mini Split	10/15/21	4,100.00	0.00	0.00	439.29	585.71	1,025.00	3,075.00	S/L	7.00
910		F250 Flatbed	4/01/22	7,000.00	0.00	0.00	175.00	700.00	875.00	6,125.00	S/L	10.00
913		Water Activator Switch	7/01/22	3,127.00	0.00c	0.00	0.00	446.71	446.71	2,680.29	S/L	7.00
915		Playground- CIP	6/06/23	12,053.40	0.00c	0.00	0.00	0.00	0.00	12,053.40	Land	0.00
916		Compresor & Generator	3/01/23	10,900.00	0.00c	0.00	0.00	519.05	519.05	10,380.95	S/L	7.00
Mach/Equip - Gen. Govt.				538,173.12	0.00c	0.00	454,190.49	11,463.44	465,653.93	72,519.19		
Group: Mach/Equip - Police												
24		1999 Ford Crown Vic	1/01/01	10,300.00	0.00	0.00	10,300.00	0.00	10,300.00	0.00	S/L	3.00
30		4 Beretta Pistols	1/01/97	1,600.00	0.00	0.00	1,600.00	0.00	1,600.00	0.00	S/L	10.00
31		6 - 30 Cal. Carbines	1/01/01	1,007.00	0.00	0.00	1,007.00	0.00	1,007.00	0.00	S/L	10.00
32		2 Ruger 223	1/01/96	800.00	0.00	0.00	800.00	0.00	800.00	0.00	S/L	10.00
33		4 computers	1/01/01	1,600.00	0.00	0.00	1,600.00	0.00	1,600.00	0.00	S/L	3.00
35		6 Panasonic Laptop Toughbook	1/01/02	60,000.00	0.00	0.00	60,000.00	0.00	60,000.00	0.00	S/L	5.00
463		1 Ford Crown Victoria	8/28/03	8,300.00	0.00	0.00	8,300.00	0.00	8,300.00	0.00	S/L	3.00
474		1 Antenna	3/09/04	789.00	0.00	0.00	789.00	0.00	789.00	0.00	S/L	5.00
475		5 Glockes	5/12/04	4,428.00	0.00	0.00	4,428.00	0.00	4,428.00	0.00	S/L	10.00
476		8 Holsters & Various Cases	5/12/04	1,483.72	0.00	0.00	1,483.72	0.00	1,483.72	0.00	S/L	10.00
498		2 Mobile Radios	5/25/05	842.00	0.00	0.00	842.00	0.00	842.00	0.00	S/L	5.00
499		CDR Repeater & Duplexer	5/03/05	5,546.00	0.00	0.00	5,546.00	0.00	5,546.00	0.00	S/L	5.00
501		Digital Camera	4/25/05	266.98	0.00	0.00	266.98	0.00	266.98	0.00	S/L	3.00
508		X26 Kit - Black/Metal	8/09/05	1,609.90	0.00	0.00	1,609.90	0.00	1,609.90	0.00	S/L	10.00
553		Microsoft Windows XP	5/04/07	149.99	0.00	0.00	149.99	0.00	149.99	0.00	S/L	10.00
554		6 Digital Cameras, 4 Memory Cards	5/04/07	599.88	0.00	0.00	599.88	0.00	599.88	0.00	S/L	3.00
560		2 Tasers	4/11/07	1,609.09	0.00	0.00	1,609.09	0.00	1,609.09	0.00	S/L	10.00
561		Remington Shotgun	5/12/07	300.00	0.00	0.00	300.00	0.00	300.00	0.00	S/L	10.00
562		2005 Crown Victoria	7/06/06	13,800.00	0.00	0.00	13,800.00	0.00	13,800.00	0.00	S/L	3.00
572		4 Tasers & Batteries	2/28/08	3,458.86	0.00	0.00	3,458.86	0.00	3,458.86	0.00	S/L	10.00
573		Rifle Stock & Scope	5/07/08	290.30	0.00	0.00	290.30	0.00	290.30	0.00	S/L	10.00
591		Radar - Bee III	2/19/09	1,847.00	0.00	0.00	1,847.00	0.00	1,847.00	0.00	S/L	5.00
604		2 Tasers	5/20/09	1,587.50	0.00	0.00	1,587.50	0.00	1,587.50	0.00	S/L	10.00
635		Glock w/night sight	3/07/10	531.00	0.00	0.00	531.00	0.00	531.00	0.00	S/L	10.00
636		Stinger Spike System	10/06/09	3,141.84	0.00	0.00	3,141.84	0.00	3,141.84	0.00	S/L	10.00
659		2011 CROWN VICTORIZ	9/15/10	20,641.00	0.00	0.00	20,641.00	0.00	20,641.00	0.00	S/L	5.00
660		2010 FORD EXPLORER	9/15/10	22,789.58	0.00	0.00	22,789.58	0.00	22,789.58	0.00	S/L	5.00
661		2010 FORD EXPLORER	9/15/10	22,789.58	0.00	0.00	22,789.58	0.00	22,789.58	0.00	S/L	5.00
662		EQUIP 3 NEW VEHICLES	10/19/10	20,002.00	0.00	0.00	20,002.00	0.00	20,002.00	0.00	S/L	5.00
663		EQUIP 2 VEHICLES	11/16/10	13,590.51	0.00	0.00	13,590.51	0.00	13,590.51	0.00	S/L	5.00
664		2011 CROWN VIC	1/18/11	23,843.16	0.00	0.00	23,843.16	0.00	23,843.16	0.00	S/L	5.00
703		K-9 UNIT	3/01/12	9,746.10	0.00	0.00	9,746.10	0.00	9,746.10	0.00	S/L	5.00
704		K-9 UNIT	4/27/12	1,747.95	0.00	0.00	1,747.95	0.00	1,747.95	0.00	S/L	5.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 15

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Mach/Equip - Police (continued)												
713		Police uniforms	6/27/13	4,732.00	0.00	0.00	4,732.00	0.00	4,732.00	0.00	S/L	5.00
739		Radar Equipment	6/01/04	9,062.50	0.00	0.00	8,156.25	906.25	9,062.50	0.00	S/L	10.00
740		8 Intoxication Testing Kits	5/28/14	2,392.00	0.00	0.00	1,933.53	239.20	2,172.73	219.27	S/L	10.00
741		6 Glock 27 w night sight	5/28/14	2,494.00	0.00	0.00	2,015.98	249.40	2,265.38	228.62	S/L	10.00
742		8 Ankle holsters	5/28/14	576.00	0.00	0.00	465.60	57.60	523.20	52.80	S/L	10.00
743		3 Tasers & Accessories	10/17/13	3,321.63	0.00	0.00	2,878.72	332.16	3,210.88	110.75	S/L	10.00
749		2014 Dodge Pursuit Charger	1/31/14	29,115.20	0.00	0.00	29,115.20	0.00	29,115.20	0.00	S/L	5.00
750		2014 Dodge Pursuit Charger	1/31/14	29,115.20	0.00	0.00	29,115.20	0.00	29,115.20	0.00	S/L	5.00
751		2014 Dodge Pursuit Charger	1/31/14	29,115.20	0.00	0.00	29,115.20	0.00	29,115.20	0.00	S/L	5.00
752		2014 Dodge Pursuit Charger	1/31/14	29,115.20	0.00	0.00	29,115.20	0.00	29,115.20	0.00	S/L	5.00
781		4 FUJITSUE COMPUTERS FOR C	5/27/15	13,406.02	0.00	0.00	13,406.02	0.00	13,406.02	0.00	S/L	5.00
782		HEAT ALERT & DOOR POPPER	4/09/15	1,074.23	0.00	0.00	778.80	107.42	886.22	188.01	S/L	10.00
802		Search Lantern	11/11/06	801.94	0.00	0.00	801.94	0.00	801.94	0.00	S/L	5.00
803		9 Patrol Rifles	5/23/16	7,947.00	0.00	0.00	4,834.42	794.70	5,629.12	2,317.88	S/L	10.00
848		2018 Dodge Police Charger	2/22/18	29,081.40	0.00	0.00	25,203.88	3,877.52	29,081.40	0.00	S/L	5.00
849		2018 Dodge durango AWD SSV	2/22/18	35,834.69	0.00	0.00	31,056.74	4,777.95	35,834.69	0.00	S/L	5.00
850		2018 Dodge Durango AWD SSV	2/22/18	35,834.69	0.00	0.00	31,056.74	4,777.95	35,834.69	0.00	S/L	5.00
851		2018 Dodge DruangoAWD SSV	2/22/18	35,834.69	0.00	0.00	31,056.74	4,777.95	35,834.69	0.00	S/L	5.00
867		Portable Incinerator	7/09/18	4,250.00	0.00	0.00	1,700.00	425.00	2,125.00	2,125.00	S/L	10.00
905		Colossus	12/04/20	5,208.00	0.00	0.00	824.60	520.80	1,345.40	3,862.60	S/L	10.00
906		Dell Latitudes (4)	12/31/20	6,939.04	0.00	0.00	1,040.85	693.90	1,734.75	5,204.29	S/L	10.00
911		Tasers	6/23/22	25,200.00	0.00	0.00	0.00	3,600.00	3,600.00	21,600.00	S/L	7.00
Mach/Equip - Police				601,488.57	0.00	0.00	539,441.55	26,137.80	565,579.35	35,909.22		

Group: Mach/Equip - Water & Sewe

49		Chlorinator Control Unit	10/12/94	1,750.00	0.00	0.00	1,750.00	0.00	1,750.00	0.00	S/L	20.00
50		ABS Piranha Grinder Pump	6/30/94	4,495.00	0.00	0.00	4,495.00	0.00	4,495.00	0.00	S/L	10.00
51		Office Equipment	9/01/95	2,281.00	0.00	0.00	2,281.00	0.00	2,281.00	0.00	S/L	7.00
52		John Deere Tractor	6/13/96	22,996.00	0.00	0.00	22,996.00	0.00	22,996.00	0.00	S/L	10.00
53		Bob Cat Loader	7/01/96	9,995.00	0.00	0.00	9,995.00	0.00	9,995.00	0.00	S/L	10.00
55		1997 Ford F150	2/25/97	18,941.00	0.00	0.00	18,941.00	0.00	18,941.00	0.00	S/L	10.00
56		Leak Detector	2/28/97	2,005.00	0.00	0.00	2,005.00	0.00	2,005.00	0.00	S/L	10.00
57		Alamo Extend A Cut Mower	5/31/97	4,850.00	0.00	0.00	4,850.00	0.00	4,850.00	0.00	S/L	10.00
59		Sewer Pump	4/23/99	4,893.00	0.00	0.00	4,893.00	0.00	4,893.00	0.00	S/L	15.00
60		97 Ford F150	2/22/00	7,900.00	0.00	0.00	7,900.00	0.00	7,900.00	0.00	S/L	5.00
61		2 Computers	7/24/00	2,486.00	0.00	0.00	2,486.00	0.00	2,486.00	0.00	S/L	5.00
387		Backhoe Cab	12/31/90	995.00	0.00	0.00	995.00	0.00	995.00	0.00	S/L	5.00
388		File Cabinet	6/30/68	131.00	0.00	0.00	131.00	0.00	131.00	0.00	S/L	10.00
390		File Cabinet	6/30/86	104.00	0.00	0.00	104.00	0.00	104.00	0.00	S/L	10.00
397		Office Furniture	7/30/90	121.00	0.00	0.00	121.00	0.00	121.00	0.00	S/L	10.00
399		Air Compressor	6/30/67	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	0.00	S/L	7.00
400		Jackhammer	6/30/67	150.00	0.00	0.00	150.00	0.00	150.00	0.00	S/L	7.00
401		Pipe Pusher	6/30/67	200.00	0.00	0.00	200.00	0.00	200.00	0.00	S/L	7.00
404		Pavement Breaker	6/30/67	650.00	0.00	0.00	650.00	0.00	650.00	0.00	S/L	7.00
405		Sewer Rodding Machine	6/30/67	900.00	0.00	0.00	900.00	0.00	900.00	0.00	S/L	7.00
406		Chain Saw	6/30/69	50.00	0.00	0.00	50.00	0.00	50.00	0.00	S/L	7.00
407		Pump	6/30/69	63.00	0.00	0.00	63.00	0.00	63.00	0.00	S/L	7.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 16

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Mach/Equip - Water & Sewe (continued)												
408		Mercury Outboard Motor	6/30/70	348.00	0.00	0.00	348.00	0.00	348.00	0.00	S/L	7.00
409		Pipe Cutter	6/30/70	425.00	0.00	0.00	425.00	0.00	425.00	0.00	S/L	7.00
410		Small Tools	6/30/70	164.00	0.00	0.00	164.00	0.00	164.00	0.00	S/L	7.00
414		Equipment	9/30/87	16,319.00	0.00	0.00	16,319.00	0.00	16,319.00	0.00	S/L	10.00
415		Printer Stand	1/23/91	1,805.00	0.00	0.00	1,805.00	0.00	1,805.00	0.00	S/L	5.00
418		Myers Grinder Pump	12/02/91	1,696.00	0.00	0.00	1,696.00	0.00	1,696.00	0.00	S/L	7.00
419		Laboratory Turb Equipment	6/30/92	1,195.00	0.00	0.00	1,195.00	0.00	1,195.00	0.00	S/L	7.00
420		Air Mask/Case	6/01/92	1,395.00	0.00	0.00	1,395.00	0.00	1,395.00	0.00	S/L	7.00
421		Floor Polisher	4/13/92	705.00	0.00	0.00	705.00	0.00	705.00	0.00	S/L	7.00
423		IBM Color Terminal	4/13/92	1,285.00	0.00	0.00	1,285.00	0.00	1,285.00	0.00	S/L	5.00
424		(2) Office Chairs	2/03/92	483.00	0.00	0.00	483.00	0.00	483.00	0.00	S/L	7.00
425		Fax Machine	8/07/92	696.00	0.00	0.00	696.00	0.00	696.00	0.00	S/L	5.00
426		Boat Alum	6/30/68	120.00	0.00	0.00	120.00	0.00	120.00	0.00	S/L	5.00
429		Chevy Blazer	6/30/90	7,000.00	0.00	0.00	7,000.00	0.00	7,000.00	0.00	S/L	5.00
430		Regulator	10/14/94	503.00	0.00	0.00	503.00	0.00	503.00	0.00	S/L	10.00
431		PH Iron Meter	3/14/95	1,215.00	0.00	0.00	1,215.00	0.00	1,215.00	0.00	S/L	10.00
432		Almo Rotary Mower	4/28/96	1,484.00	0.00	0.00	1,484.00	0.00	1,484.00	0.00	S/L	10.00
433		Paper Shredder	8/05/96	1,187.00	0.00	0.00	1,187.00	0.00	1,187.00	0.00	S/L	10.00
434		Fax Machine	8/05/96	562.00	0.00	0.00	562.00	0.00	562.00	0.00	S/L	10.00
436		Air Conditioner	7/12/00	608.00	0.00	0.00	608.00	0.00	608.00	0.00	S/L	7.00
437		60D7 Volute Pump - Grade School	12/20/00	1,421.00	0.00	0.00	1,421.00	0.00	1,421.00	0.00	S/L	15.00
438		Printer (Portion of Kaye's HP)	2/28/01	778.00	0.00	0.00	778.00	0.00	778.00	0.00	S/L	5.00
439		Booster Pump	8/04/00	680.00	0.00	0.00	680.00	0.00	680.00	0.00	S/L	15.00
440		3" Trash Water Pump	11/09/00	1,450.00	0.00	0.00	1,450.00	0.00	1,450.00	0.00	S/L	15.00
494		97 Ford Truck	1/01/04	9,500.00	0.00	0.00	9,500.00	0.00	9,500.00	0.00	S/L	3.00
513		Modem/MicroSwitch	8/10/05	3,578.10	0.00	0.00	3,578.10	0.00	3,578.10	0.00	S/L	5.00
514		2 Booster Pumps	11/09/05	748.00	0.00	0.00	748.00	0.00	748.00	0.00	S/L	15.00
515		Computer Software	12/30/05	722.50	0.00	0.00	722.50	0.00	722.50	0.00	S/L	10.00
516		Computer Software	9/30/05	4,665.33	0.00	0.00	4,665.33	0.00	4,665.33	0.00	S/L	10.00
517		Computer Software	12/30/05	4,332.00	0.00	0.00	4,332.00	0.00	4,332.00	0.00	S/L	10.00
519		Computer Software	12/30/05	722.50	0.00	0.00	722.50	0.00	722.50	0.00	S/L	10.00
520		Computer Software	9/30/05	333.34	0.00	0.00	333.34	0.00	333.34	0.00	S/L	10.00
521		Computer Software	12/30/05	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	10.00
548		Grass Hopper 721-D Zero Turn Rid	8/16/06	3,333.33	0.00	0.00	3,333.33	0.00	3,333.33	0.00	S/L	10.00
550		Konica Copier 26XE11061	3/26/07	819.97	0.00	0.00	819.97	0.00	819.97	0.00	S/L	5.00
555		HP Computer, Monitor & Printer	5/04/07	899.97	0.00	0.00	899.97	0.00	899.97	0.00	S/L	3.00
556		Microsoft Windows XP, Firedog PC	5/04/07	269.98	0.00	0.00	269.98	0.00	269.98	0.00	S/L	10.00
566		6 Radios CMU 200 438-470 Mhz	5/14/07	2,762.95	0.00	0.00	2,762.95	0.00	2,762.95	0.00	S/L	5.00
567		1996 Ford F-350	9/27/06	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	3.00
577		Radio Switching at Farm Tank	2/06/08	4,047.05	0.00	0.00	4,047.05	0.00	4,047.05	0.00	S/L	5.00
578		Porta Pump, Leak Detector	1/31/08	2,389.60	0.00	0.00	2,296.72	92.88	2,389.60	0.00	S/L	15.00
590		Walk in Cooler & Freezer	12/08/08	1,400.00	0.00	0.00	1,400.00	0.00	1,400.00	0.00	S/L	5.00
597		SLC 500 Computer - Water Plant	11/26/08	2,229.89	0.00	0.00	2,229.89	0.00	2,229.89	0.00	S/L	3.00
598		Kent KHB-8G Hoe Ram	11/19/08	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	10.00
599		2009 John Deere 310SJ Backhoe Lc	12/17/08	73,000.00	0.00	0.00	73,000.00	0.00	73,000.00	0.00	S/L	10.00
629		Baord for water tank	6/30/09	4,600.00	0.00	0.00	4,600.00	0.00	4,600.00	0.00	S/L	10.00
638		HP Towers	10/28/09	1,280.00	0.00	0.00	1,280.00	0.00	1,280.00	0.00	S/L	5.00
639		Turbidimeter	9/25/09	1,862.57	0.00	0.00	1,862.57	0.00	1,862.57	0.00	S/L	10.00
640		Meter Reading Handhelds	5/07/10	28,394.80	0.00	0.00	28,394.80	0.00	28,394.80	0.00	S/L	10.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 17

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Mach/Equip - Water & Sewe (continued)												
641		07 Ford Escape	3/23/10	9,800.00	0.00	0.00	9,800.00	0.00	9,800.00	0.00	S/L	3.00
642		06 Ford 150	4/15/10	12,500.00	0.00	0.00	12,500.00	0.00	12,500.00	0.00	S/L	3.00
643		Used Ditch Witch	8/07/09	7,000.00	0.00	0.00	7,000.00	0.00	7,000.00	0.00	S/L	10.00
647		2010 JEEP	5/06/11	14,000.00	0.00	0.00	14,000.00	0.00	14,000.00	0.00	S/L	3.00
695		CAMERAS	6/30/12	14,909.94	0.00	0.00	14,909.94	0.00	14,909.94	0.00	S/L	10.00
699		W&S EQUIPMENT	7/13/11	11,800.00	0.00	0.00	8,653.37	786.67	9,440.04	2,359.96	S/L	15.00
700		MODEM	11/04/11	5,465.90	0.00	0.00	5,465.90	0.00	5,465.90	0.00	S/L	10.00
701		CONTROLLER	12/27/11	2,172.40	0.00	0.00	2,172.40	0.00	2,172.40	0.00	S/L	10.00
702		1998 CHEVY 6500	6/07/12	4,500.00	0.00	0.00	4,500.00	0.00	4,500.00	0.00	S/L	5.00
725		405K Tank	9/25/12	8,500.00	0.00	0.00	4,143.75	425.00	4,568.75	3,931.25	S/L	20.00
726		Computer System	9/25/12	2,454.77	0.00	0.00	2,393.43	61.34	2,454.77	0.00	S/L	10.00
727		Spectrometer	10/26/12	3,229.15	0.00	0.00	3,121.56	107.59	3,229.15	0.00	S/L	10.00
728		John Deere Tractor	9/05/12	18,313.06	0.00	0.00	9,003.89	915.65	9,919.54	8,393.52	S/L	20.00
729		John Deere Loader	9/25/12	3,840.06	0.00	0.00	3,744.09	95.97	3,840.06	0.00	S/L	10.00
730		Office furniture	6/27/13	2,000.00	0.00	0.00	1,800.00	200.00	2,000.00	0.00	S/L	10.00
753		Tank Renovation	6/01/14	7,500.00	0.00	0.00	6,062.50	750.00	6,812.50	687.50	S/L	10.00
754		Modem and radio	9/18/13	5,839.94	0.00	0.00	5,839.94	0.00	5,839.94	0.00	S/L	7.00
755		Disk Kit	4/29/14	2,916.96	0.00	0.00	2,916.96	0.00	2,916.96	0.00	S/L	5.00
756		Used 2006 Ford F-250	2/20/14	13,500.00	0.00	0.00	13,500.00	0.00	13,500.00	0.00	S/L	5.00
789		PUMP BOOSTER	10/27/14	2,782.30	0.00	0.00	2,133.10	278.23	2,411.33	370.97	S/L	10.00
790		LEAK LOCATOR	6/22/15	4,395.00	0.00	0.00	2,051.00	293.00	2,344.00	2,051.00	S/L	15.00
791		2008 CHEVY SILVERADO	6/30/15	19,999.99	0.00	0.00	14,000.00	2,000.00	16,000.00	3,999.99	S/L	10.00
792		MOWER & TRIALER	6/23/15	2,666.67	0.00	0.00	1,244.46	177.78	1,422.24	1,244.43	S/L	15.00
811		Low Range Trubidmeter	1/27/16	2,892.00	0.00	0.00	1,855.70	289.20	2,144.90	747.10	S/L	10.00
812		Dechlorination Syst-Turnkey	10/06/15	4,151.00	0.00	0.00	1,867.93	276.73	2,144.66	2,006.34	S/L	15.00
813		Ford Simtap Drilling Machine	11/19/15	2,240.00	0.00	0.00	1,474.67	224.00	1,698.67	541.33	S/L	10.00
814		2010 Ford F-250 (white)	12/05/15	13,989.00	0.00	0.00	13,989.00	0.00	13,989.00	0.00	S/L	5.00
815		Indeco Hammer	5/11/16	5,500.00	0.00	0.00	3,391.67	550.00	3,941.67	1,558.33	S/L	10.00
816		Roots URAI Blower	11/19/15	1,619.95	0.00	0.00	1,619.95	0.00	1,619.95	0.00	S/L	5.00
817		Itron S Read Radio	1/27/16	5,076.28	0.00	0.00	3,257.29	507.63	3,764.92	1,311.36	S/L	10.00
838		Pump	9/08/16	5,342.50	0.00	0.00	2,077.66	356.17	2,433.83	2,908.67	S/L	15.00
839		Turbidity meters	10/25/16	5,043.37	0.00	0.00	1,428.96	252.17	1,681.13	3,362.24	S/L	20.00
840		Ford F250	7/05/16	18,900.00	0.00	0.00	18,900.00	0.00	18,900.00	0.00	S/L	5.00
841		Pump Motor	5/23/17	2,930.00	0.00	0.00	1,489.42	293.00	1,782.42	1,147.58	S/L	10.00
845		Modem-s4000	2/22/17	5,250.00	0.00	0.00	5,250.00	0.00	5,250.00	0.00	S/L	5.00
859		2014 GMC Acadia	7/17/17	16,000.00	0.00	0.00	15,733.33	266.67	16,000.00	0.00	S/L	5.00
860		2010 Ford F150	8/07/17	18,900.00	0.00	0.00	18,585.00	315.00	18,900.00	0.00	S/L	5.00
861		Autoswitch regulator	5/19/18	2,128.75	0.00	0.00	869.26	212.88	1,082.14	1,046.61	S/L	10.00
871		Computer Tower	11/20/18	4,307.31	0.00	0.00	3,086.90	861.46	3,948.36	358.95	S/L	5.00
873		New Motor Pump #1	6/12/19	36,465.00	0.00	0.00	7,495.58	2,431.00	9,926.58	26,538.42	S/L	15.00
874		RTU Modem 600 & Radio	6/03/19	8,515.87	0.00	0.00	2,625.74	851.59	3,477.33	5,038.54	S/L	10.00
892		Bypass Pump	9/06/19	7,672.00	0.00	0.00	2,173.73	767.20	2,940.93	4,731.07	S/L	10.00
893		REBUILT SEWAGE PUMP	6/09/20	3,200.00	0.00	0.00	666.67	320.00	986.67	2,213.33	S/L	10.00
894		Refrigerated Wastewater Sampler	6/09/20	1,783.00	0.00	0.00	530.65	254.71	785.36	997.64	S/L	7.00
895		FC300 Read Rado (Meter Reader)	6/11/20	1,949.14	0.00	0.00	580.10	278.45	858.55	1,090.59	S/L	7.00
896		Rebuilt Sewage Pump	2/06/20	1,800.00	0.00	0.00	435.00	180.00	615.00	1,185.00	S/L	10.00
897		Rebuilt Sewage Pump	4/09/20	2,515.00	0.00	0.00	565.88	251.50	817.38	1,697.62	S/L	10.00
898		Rebuilt Sewage Pump	6/30/20	4,268.00	0.00	0.00	853.60	426.80	1,280.40	2,987.60	S/L	10.00
899		Aquascope	3/12/20	1,800.00	0.00	0.00	599.99	257.14	857.13	942.87	S/L	7.00

2240 City of Mt. Vernon

08/09/2024 11:52 PM

Tax Asset Detail 7/01/22 - 6/30/23

Page 18

FYE: 6/30/2023

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: Mach/Equip - Water & Sewe (continued)												
900		Sewage Pump	3/12/20	7,712.50	0.00	0.00	1,799.58	771.25	2,570.83	5,141.67	S/L	10.00
920		Networking Modems	11/15/22	13,597.75	0.00c	0.00	0.00	906.52	906.52	12,691.23	S/L	10.00
		Mach/Equip - Water & Sewe		<u>679,006.44</u>	<u>0.00c</u>	<u>0.00</u>	<u>557,438.55</u>	<u>18,285.18</u>	<u>575,723.73</u>	<u>103,282.71</u>		
		Grand Total		<u>30,452,800.22</u>	<u>0.00c</u>	<u>0.00</u>	<u>17,590,103.08</u>	<u>782,021.92</u>	<u>18,372,125.00</u>	<u>12,080,675.22</u>		

EXHIBIT 6

**City of Mt. Vernon
Rate Increase Based on Financial Results for
Year Ending June 30, 2023**

Rate Increase for Current O&M, Debt Service, & Coverage

	Water	Sewer	Total
Operating Revenues			
Charges for Services - Water	\$1,920,716	\$0	\$1,920,716
Charges for Services - Sewer	0	511,264	511,264
Total Operating Revenues	<u>1,920,716</u>	<u>511,264</u>	<u>2,431,980</u>
Operating Expenses			
Employee Compensation & Benefits	642,000	194,124	836,124
Contractual Services	26,653	12,374	39,027
Utilities	233,499	69,409	302,908
Repair & Maintenance	480,386	115,324	595,710
Other Supplies & Expenses	112,157	53,272	165,429
Insurance	63,419	34,948	98,367
Depreciation	283,246	283,245	566,491
Total Operating Expenses	<u>1,841,360</u>	<u>762,696</u>	<u>2,604,056</u>
Annual Debt Service, Principal & Interest	427,959	0	427,959
Additional Working Capital (Coverage)	<u>85,592</u>	<u>0</u>	<u>85,592</u>
Total Revenue Requirement	2,354,911	762,696	3,117,607
less Interest Income	<u>15,894</u>	<u>0</u>	<u>15,894</u>
Revenue Required from Services	<u>2,339,017</u>	<u>762,696</u>	<u>3,101,713</u>
Revenue from Current Services	<u>1,920,716</u>	<u>511,264</u>	<u>2,431,980</u>
Required Revenue Increase	<u>418,301</u>	<u>251,432</u>	<u>669,733</u>
Percent Increase	21.78%	49.18%	27.54%

EXHIBIT 6

**City of Mt. Vernon
Rate Increase Based on Financial Results for
Year Ending June 30, 2023**

Water Rates Based on Current O&M, Debt Service, & Coverage

Uniform Rate Increase 21.78%

Resident - 5/8" x 3/4" Meter			Code 1	
Water Use			Existing Rate	Proposed Rate
			\$9.57 Min. Bill	\$11.65 Min. Bill
First	8,000 gallons		3.77 per M Gal.	\$4.59 per M Gal.
Next	32,000 gallons		3.73 per M Gal.	\$4.54 per M Gal.
Over	40,000 gallons		3.65 per M Gal.	\$4.44 per M Gal.

Non-Resident - 5/8" x 3/4" Meter			Code 2	
Water Use			Existing Rate	Proposed Rate
			\$13.59 Min. Bill	\$16.55 Min. Bill
First	8,000 gallons		5.28 per M Gal.	\$6.43 per M Gal.
Next	32,000 gallons		5.22 per M Gal.	\$6.36 per M Gal.
Over	40,000 gallons		5.10 per M Gal.	\$6.21 per M Gal.

Wholesale			Codes 3, 18, & 20	
Bill Rate			Existing Rate	Proposed Rate
			\$2.93 per M Gal.	\$3.57 per M Gal.

EXHIBIT 6

**City of Mt. Vernon
Rate Increase Based on Financial Results for
Year Ending June 30, 2023**

Incremental Increase for Proposed Project

Debt Service	
RD Loan Amount	\$864,000
Term of Loan, Years	38
Interest Rate	2.375%
Capital Recovery Factor	0.0402
RD Annual Principal & Interest	\$34,771
Rural Development Coverage at 20%	\$6,954
New Facility O&M Expense	\$40,150
New Facility Depreciation	\$122,400
Short Lived Assets	\$0
Revenue Requirement for Proposed Project	\$204,275

Allocation of Proposed Project Costs to Wholesale Users

Total Water Sold to Wholesale Customers	344,634,900 gal.
Total Water Sold to Retail & Wholesale Customers	460,452,500
Percentage of Total Water Use	74.8%

	Allocation	Rev. Req't
RD Annual Principal & Interest	74.8%	\$26,025
Rural Development Coverage at 20%	74.8%	\$5,205
New Facility O&M Expense	74.8%	\$30,051
Depreciation	74.8%	\$91,613
Short Lived Assets	33.5%	\$0
Wholesale Revenue Requirement		\$152,894

Wholesale Rate Increase, (\$/1,000 gal.)	\$0.44
Wholesale Rate Without Project, (\$/1,000 gal.)	\$3.57
Proposed Wholesale Rate	\$4.01

EXHIBIT 6

**City of Mt. Vernon
Rate Increase Based on Financial Results for
Year Ending June 30, 2023**

Allocation of Proposed Project Costs to Retail Users

Total Water Sold to Retail Customers	115,817,600 gal.
Total Water Sold to Retail & Wholesale Customers	460,452,500
Percentage of Total Water Use	25.2%

	Allocation	Rev. Req't
RD Annual Principal & Interest	25.2%	\$8,746
Rural Development Coverage at 10%	25.2%	\$1,749
New Facility O&M Expense	25.2%	\$10,099
Depreciation	25.2%	\$30,787
Short Lived Assets	66.5%	\$0
Retail Revenue Requirement		\$51,381
Retail Revenue Requirement		\$51,381
Existing Sales to Retail Customers		\$910,936
Required Sales to Retail Customers		\$962,317
Percent Increase for Retail Users		5.64%

EXHIBIT 6

**City of Mt. Vernon
Rate Increase Based on Financial Results for
Year Ending June 30, 2023**

**Water Rates Based on Current Financials &
Incremental Increase for Proposed Project**

Incremental Retail Increase 5.64%

Resident - 5/8" x 3/4" Meter			Code 1	
Water Use			New Rate	New w/Project
			\$11.65 Min. Bill	\$12.31 Min. Bill
First	8,000 gallons		4.59 per M Gal.	\$4.85 per M Gal.
Next	32,000 gallons		4.54 per M Gal.	\$4.80 per M Gal.
Over	40,000 gallons		4.44 per M Gal.	\$4.69 per M Gal.

Non-Resident - 5/8" x 3/4" Meter			Code 2	
Water Use			New Rate	New w/Project
			\$16.55 Min. Bill	\$17.48 Min. Bill
First	8,000 gallons		6.43 per M Gal.	\$6.79 per M Gal.
Next	32,000 gallons		6.36 per M Gal.	\$6.72 per M Gal.
Over	40,000 gallons		6.21 per M Gal.	\$6.56 per M Gal.

Wholesale			Codes 3, 18, & 20	
			Existing Rate	Proposed Rate
		Bill Rate	3.57 per M Gal.	\$4.01 per M Gal.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF THE CITY OF MT.)
VERNON TO INCREASE ITS WHOLESALE WATER)
RATES TO WESTERN ROCKCASTLE WATER)
ASSOCIATION, INC. AND KENTUCKY-AMERICAN)
WATER COMPANY)

Case No. 2024-00217

CERTIFICATION

This is to certify that I have supervised the preparation of the City of Mt. Vernon's responses to the Commission Staff's First Request for Information and that the responses to the request are true and accurate to the best of my knowledge, information, and belief after reasonable inquiry.

8/13/2024
Date


Vaughn Williams