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

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

Edmonson County Water District

(Name of Utility)

1128 KY Hwy 259 N

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

Brownsville, KY 42210

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

270-597-2165 ,

(Telephone Number)

BASIC INFORMATION

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

Kevin Shaw, General Manager

(Name)

1128 KY Hwy 259 N

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

Brownsville, KY 42210

(Address - City, State, Zip)

270-597-2165

(Telephone Number)

kevin.shaw@ecwdwater.com

(Email Address)

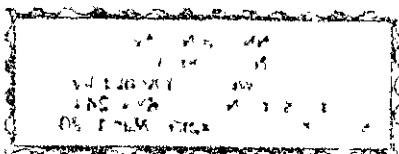
(For each statement below, the Applicant should check either "YES", "NO", or
"NOT APPLICABLE" (N/A))

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

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

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." (Attach completed "Current and Proposed Rates" Attachment.)
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2023.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." (Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 1,045,264 and total revenues from service rates of \$ 5,147,585. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. (Attach a completed "Revenue Requirement Calculation" Attachment.)
12. As of the date of the filing of this application, Applicant had 11,665 +/- customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. (Attach a completed "Billing Analysis" Attachment.)
14. Applicant's depreciation schedule of utility plant in service is attached. (Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.



- | | YES | NO | N/A |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| 16. a. Applicant is not required to file state and federal tax returns. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant is required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| c. Applicant's most recent state and federal tax returns are attached to this Application. (Attach a copy of returns.) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. Approximately <u>- 0 -</u> (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

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

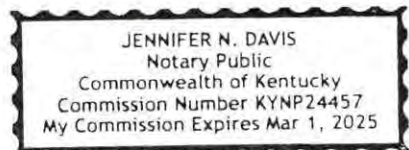
I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed 
 Officer of the Company/Authorized Representative
 Title Chairman
 Date July 9, 2024

COMMONWEALTH OF KENTUCKY
 COUNTY OF EDMONSON

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


 Notary Public
 My commission expires: 3/1/25



LIST OF ATTACHMENTS
Edmonson County Water District

1. Customer Notice of Proposed Rate Adjustments
2. Wholesale Customer Notice
3. Reasons for Application
4. Current and Proposed Rates
5. Statement of Adjusted Operations and Revenue Requirements with the following attachments:
 - a. References
 - b. Table A - Depreciation Expense Adjustments
 - c. Table B - Debt Service Schedule
 - d. Table C - System Information
 - e. Table D - Wholesale Allocation Factors
 - f. Table E - Allocation of Depreciation Expense
 - g. Table F - Allocation of Plant Value and Debt Service
 - h. Table G - Wholesale Rate Computation
 - i. Table H - Allocation of Operation & Maintenance Expense - Retail
 - j. Table I - Summary of Allocations – Retail
 - k. Table J - Units of Service
 - l. Table K - Calculation of Water Rates - Retail
6. Current Billing Analysis
7. Proposed Billing Analysis
8. Depreciation Schedule
9. Outstanding Debt Instruments
 - a. USDA Bonds
 - b. KRWFC Loans
10. Amortization Schedules
11. Statements of Disclosure of Related Party Transactions
12. Board Resolution

Attachment #1

CUSTOMER NOTICE

Notice is hereby given that the Edmonson County Water District expects to file an application with the Kentucky Public Service Commission on or about July 19, 2024, seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY WATER RATES

<u>Meter Size</u>	<u>Minimum Bills Based on Meter Size</u>		<u>Minimum Bills Based on Meter Size</u>		<u>Dollar Increase</u>	<u>Percent Increase</u>
	<u>Current</u>		<u>Proposed</u>			
	<u>Gals. Incl'd.</u>	<u>Bill</u>	<u>Gals. Incl'd.</u>	<u>Bill</u>		
5/8 x 3/4 inch	1,500	\$16.40	1,500	\$18.33	\$1.93	11.77%
1 inch	1,500	16.40	5,000	49.67	33.27	202.87%
1-1/2 inch	1,500	16.40	10,000	93.99	77.59	473.11%
2 inch	1,500	16.40	16,000	148.82	132.42	807.44%
3 inch	1,500	16.40	30,000	291.55	275.15	1677.74%
4 inch	1,500	16.40	50,000	491.25	474.85	2895.43%

Rates for Water Usage Above Minimums

<u>Gals. Per Month</u>	<u>Charge Per 1,000 Gallons</u>		<u>Dollar Increase</u>	<u>Percent Increase</u>
	<u>Current</u>	<u>Proposed</u>		
All Usage	\$6.14	\$8.65	\$2.51	40.88%

If the Public Service Commission approves the proposed rates, then the monthly bill for a customer using an average of 3,000 gallons per month will increase from \$25.61 to \$31.31. This is an increase of \$5.70 or 22.3%.

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

Edmonson County Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at the District's office located at 1128 KY Hwy 259 N, Brownsville, KY 42210. You may contact the office at 270-597-2165.

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

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

WHOLESALE CUSTOMER NOTICE

Notice is hereby given that the Edmonson County Water District expects to file an application with the Kentucky Public Service Commission on or about July 19, 2024, seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY WATER RATES

Wholesale Rate for All Wholesale Customers

	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Increase</u>
For all Water Purchased	\$3.10	\$3.34	\$0.24	7.7%

If the Public Service Commission approves the proposed rates, then the monthly bill for a wholesale customer using an average of 2,750,000 gallons per month will increase from \$8,525.00 to \$9,185.00. This is an increase of \$660.00 or 7.7%.

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

Edmonson County Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at the District's office located at 1128 KY Hwy 259 N, Brownsville, KY 42210. You may contact the office at 270-597-2165.

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Attachment #2

Reasons for Application

Edmonson County Water District (“the District”) is requesting an average 25.9% rate increase for its retail water customers and a 7.7% increase for wholesale customers. These rate increases will generate additional annual revenue of approximately \$1,045,264. The District needs the rate increases for the following reasons:

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

Attachment #3

CURRENT AND PROPOSED RATES

Edmonson County Water District

CURRENT RATE SCHEDULE

All Meter Sizes

First 1,500 gallons \$16.40 Minimum Bill
Over 1,500 gallons 6.14 per 1,000 gallons

Wholesale Rate

All water purchased \$ 3.10 per 1,000 gallons

PROPOSED RATE SCHEDULE

5/8 x 3/4" Meters

First 1,500 gallons \$ 18.33 Minimum Bill
Over 1,500 gallons 8.65 per 1,000 gallons

1" Meters

First 5,000 gallons \$ 49.67 Minimum Bill
Over 5,000 gallons 8.65 per 1,000 gallons

1-1/2" Meters

First 10,000 gallons \$ 93.99 Minimum Bill
Over 10,000 gallons 8.65 per 1,000 gallons

2" Meters

First 16,000 gallons \$ 148.82 Minimum Bill
Over 16,000 gallons 8.65 per 1,000 gallons

3" Meters

First 30,000 gallons \$ 291.55 Minimum Bill
Over 30,000 gallons 8.65 per 1,000 gallons

4" Meters

First 50,000 gallons \$ 491.25 Minimum Bill
Over 50,000 gallons 8.65 per 1,000 gallons

Wholesale Rate

All water purchased \$ 3.34 per 1,000 gallons

Attachment #4

SCHEDULE OF ADJUSTED OPERATIONS

Edmonson County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Metered Retail Sales	\$ 3,934,832	65,282	A	\$ 4,000,114
Sales for Resale	102,205	2	A	102,207
Other Water Revenues:				
Forfeited Discounts	59,316			59,316
Misc. Service Revenues	<u>15,616</u>			<u>15,616</u>
Total Operating Revenues	\$ 4,111,969			\$ 4,177,253
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	1,409,099	302,694	B	1,711,793
Salaries and Wages - Officers	27,500	2,500	C	30,000
Employee Pensions and Benefits	342,170	38,088	B	
		7,500	D	
		11,435	E	399,193
Purchased Water	4,978	(850)	F	4,128
Purchased Power	307,539	(52,506)	F	255,033
Chemicals	140,507	(23,989)	F	116,518
Materials and Supplies	204,331			204,331
Contractual Services	390,939			390,939
Rental of Equipment	9,008			9,008
Transportation Expenses	102,586			102,586
Insurance - Gen. Liab. & Workers Comp.	61,726	15,559	G	77,285
Advertising	2,603			2,603
Bad Debt	9,311			9,311
Miscellaneous Expenses	<u>63,070</u>			<u>63,070</u>
Total Operation and Mnt. Expenses	3,075,367			3,375,798
Depreciation Expense	856,606	63,376	H	919,982
Taxes Other Than Income	<u>118,108</u>	21,668	B	<u>139,776</u>
Total Operating Expenses	\$ 4,050,081			\$ 4,435,556
Net Utility Operating Income	\$ 61,888			\$ (258,303)

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 4,435,556
Plus: Average Annual Principal and Interest Payments	I 828,850
Additional Working Capital	J 165,770
Amortization of Debt Discount	<u>(2,100)</u>
Overall Revenue Requirement	5,428,077
Less: Other Operating Revenue	74,932
Nonutility Income less Expense	30,973
Interest Income	174,587
Proposed Wholesale Sales Revenue	<u>110,120</u>
Revenue Required From Retail Sales	5,037,465
Less: Revenue from Retail Sales at Present Rates	<u>4,000,114</u>
Required Retail Revenue Increase	\$ 1,037,351
Percent Retail Rate Increase	25.9%

REFERENCES

- A. The Current Billing Analysis results in pro forma Retail Sales revenue of \$4,000,114 and Wholesale revenue of \$102,207. This indicates additions to Metered Retail Sales of \$65,282 and to Sales for Resale of \$2 are required.
- B. After the test year of 2023, wages were increased for most employees and new employees were added. These changes result in a net increase in Salaries and Wages expense of \$302,694. This increase in wages also results in additional retirement benefits expense and payroll taxes of \$38,088 and \$21,668, respectively.
- C. The salary for each Commissioner is \$6,000 per year. With 5 Commissioners serving on the board, the normal total annual expense is \$30,000. Therefore, an adjustment of \$2,500 is required.
- D. The District pays 100 percent of its employees' health insurance premiums. The PSC typically requires that expenses associated with this level of employer-funded premiums be adjusted to be consistent with the Bureau of Labor Statistics' national average for an employer's share of health insurance premiums. Average employer shares from BLS are currently 78 percent for single coverage. Applying that percentage to premiums to be paid in the current year, but also including the new employee positions, results in an addition to 2023 benefits expense of \$7,500.
- E. The District has adopted new Uniform and Boot policies for employees. These policies are expected to increase benefits expense by \$11,435 above uniform expenses incurred in 2023.
- F. The District's test year water loss was 32.07 percent. The PSC's maximum allowable loss for rate-making purposes is 15.0 percent. Therefore, the expenses for Purchased Water, Purchased Power, and Chemicals related to water treated and pumped above the 15 percent limit are not allowed in the rate base and must be deducted.
- G. The District has been notified that its liability and property insurance will increase by \$15,559 beginning July 2024.
- H. The PSC requires adjustments to a water utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Utilities". Therefore, adjustments are included to bring asset lives to the midpoint of the recommended ranges. See Table A.
- I. The annual debt service payments for the District's loans are shown in Table B. The three year average of these payments is added in the revenue requirement calculation.
- J. The amount shown in Table B for coverage on long term debt is required by the District's bond resolutions. This is included in the revenue requirement as Additional Working Capital.

Table A
DEPRECIATION EXPENSE ADJUSTMENTS

<u>Assets</u>	<u>Original Cost *</u>	<u>Reported</u>		<u>Proforma</u>		<u>Depreciation Expense Adjustment</u>
		<u>Life</u>	<u>Depr. Exp.</u>	<u>Life</u>	<u>Depr. Exp.</u>	
30430 - 30450: Structures & Improvements						
Entire Group	3,480,706	37.5	92,998	37.5	92,998	-
30620: Lake, River and Other Intakes						
Entire Group	662,372	40.0	16,559	40.0	16,559	-
30950: Supply Mains						
Entire Group	256,800	62.5	4,109	62.5	4,109	-
31030/31120: Pumping Equipment						
Power Operated Equipment	26,282	12.5	876	12.5	876	-
Pumping Equipment	707,020	varies	33,372	20.0	35,351	1,979
Other Pumping Equipment	193,601	25.0	6,605	25.0	7,744	1,139
Structures and Improvements	150,000	37.5	4,000	37.5	4,000	-
32030: Water Treatment Equipment						
Entire Group	802,598	27.5	27,710	27.5	29,185	1,475
33040: Reservoirs and Tanks						
Entire Group	6,057,332	45.0	134,607	45.0	134,607	-
33140: Transmission and Distribution Mains						
Entire Group	20,908,701	62.5	335,803	62.5	334,539	(1,264)
33340: Services						
Entire Group	1,096,358	40.0	26,706	40.0	27,409	703
33440: Meters						
Conventional Meters	17,608	40.0	440	40.0	440	-
AMR Meters	1,672,210	40.0	45,849	20.0	83,611	37,762
33450: Meter Installations					(835,580)	
Entire Group	1,698,106	varies	42,891	45.0	37,736	(5,155)
33540: Hydrants						
Entire Group	208,508	50.0	4,179	50.0	4,170	(9)
33940/34050: Office Furniture and Equipment						
Structures and Improvements	7,226	varies	338	37.5	193	(145)
Furniture and equipment	16,705	22.5	743	22.5	743	-
Computers, electronics and software	183,180	varies	8,076	10.0	18,318	10,242
34150: Transportation Equipment						
Entire Group	431,173	7.0	46,192	7.0	61,596	15,404
34340/34350: Tools, Shop & Garage Equipment						
Power Operated Equipment	4,419	12.5	354	12.5	354	-
Remainder of Group	30,946	17.5	1,068	17.5	1,768	700
34430: Laboratory Equipment						
Entire Group	52,353	varies	2,825	17.5	2,992	167
34550: Power Operated Equipment						
Entire Group	137,045	12.5	10,964	12.5	10,964	-
34650: Communication Equipment						
Entire Group	57,552	varies	5,752	10.0	5,752	-
34750: Miscellaneous Equipment						
Power Operated Equipment	6,300	12.5	504	12.5	504	-
Remainder of Group	60,628	17.5	3,086	17.5	3,464	378
TOTALS			856,606		84,402	63,376

* Includes only costs of assets that contributed to depreciation expense in the test year.

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

	<u>CY 2025</u>		<u>CY 2026</u>		<u>CY 2027</u>		<u>TOTALS</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
RD Series 2001A	\$103,000	\$71,013	\$ 106,000	\$67,568	\$110,000	\$63,993	\$ 521,574
RD Series 2010A	12,000	9,765	12,500	9,484	13,000	9,191	65,940
RD Series 2010B	15,000	11,993	15,500	11,644	16,000	11,284	81,421
KRWFC 2012D	144,583	55,051	149,583	49,846	154,583	44,324	597,971
RD Series 2013A	10,500	8,883	10,500	8,659	11,000	8,426	57,968
RD Series 2013B	3,000	4,125	3,000	4,035	3,000	3,945	21,105
KRWFC 2013B	144,583	15,458	149,583	11,049	159,167	6,143	485,983
RD Series 2019	21,000	14,422	21,000	14,108	21,000	13,793	105,323
KRWFC 2020C	104,583	79,031	109,583	73,592	114,583	67,894	549,268
TOTALS	558,250	269,740	577,250	249,985	602,333	228,993	\$ 2,486,551
Average Annual Principal & Interest							\$ 828,850
Average Annual Coverage							\$ 165,770

Table C
SYSTEM INFORMATION
Edmonson County Water District

Schedule of All Mains and Jointly Used Mains

<u>Main Size</u>	<u>Total System</u>			<u>Joint Use</u>	
	<u>Length (feet)</u>	<u>Miles of Mains</u>	<u>Inch - Miles</u>	<u>Miles of Mains</u>	<u>Inch - Miles</u>
16	12,672	2.40	38.40	1.63	26.09
12	44,194	8.37	100.44		
10	7,392	1.40	14.00		
8	162,466	30.77	246.16	1.21	9.65
6	888,624	168.30	1,009.80	0.13	0.80
4	2,022,240	383.00	1,532.00		
3	409,200	77.50	232.50		
2	83,424	15.80	31.60		
Totals	3,630,211	687.5	3,204.90	2.97	36.54

Water Purchased, Sold and Used

	<u>Gallons x 1,000</u>	<u>Percent</u>
Water Produced	740,501	
Retail Sales	428,635	
Wholesale Sales	32,970	
Total Water Sold	461,605	
Water Used at WTP	11,576	1.56%
System Flushing	29,787	4.02%
Fire Dept. & Other	32	
Line Losses	237,501	32.07%

Table D
WHOLESALE ALLOCATION FACTORS
Edmonson County Water District

		<u>FACTOR</u>
Line Loss Percentage		0.3207
Plant Use Percentage		0.0156
Line Loss + Plant Use		0.3364
Joint Use Inch-miles		36.54
Total Inch-Miles		3,204.90
Water Sold - Wholesale		32,970
Water Sold - Total		461,605
Production Multiplier	$\frac{1}{1 - 0.3364}$	= 1.5068
Joint Use Pipeline Ratio	$\frac{36.54}{3,204.90}$	= 0.0114
Joint Share of Line Loss	0.3207×0.0114	= 0.0037
Joint Share Line Loss + Plant Use	$0.0037 + 0.0156$	= 0.0193
Wholesale Production Multiplier	$\frac{1}{1 - 0.0193}$	= 1.0197
Production Allocation Factor	$\frac{1.0197}{1.5068} \times \frac{32,970.0}{461,605.0}$	= 0.0483
Pipeline Transmission Factor	$\frac{32,970.0}{461,605.0} \times 0.0114$	= 0.0008
Use Factor	$\frac{32,970.0}{461,605.0}$	= 0.0714

Table E
ALLOCATION OF DEPRECIATION EXPENSE

Edmonson County Water District

	<u>Proforma</u> <u>Depr. Exp.</u>	<u>Supply &</u> <u>Treatment</u>	<u>Trans. &</u> <u>Distribution</u>	<u>Storage</u> <u>Tanks</u>	<u>General</u> <u>& Admin.</u>	<u>Customer</u>
Structures & Improvements	92,998	81,745	5,022		6,231	
Lake, River and Other Intakes	16,559	16,559				
Supply Mains	4,109	4,109				
Pumping Equipment	47,971		47,971			
Water Treatment Equipment	29,185	29,185				
Reservoirs and Tanks	134,607			134,607		
Transmission and Distribution Mains	334,539		334,539			
Services	27,409					27,409
Meters	84,051					84,051
Meter Installations	37,736					37,736
Hydrants	4,170					4,170
Office Furniture and Equipment	19,254				19,254	
Laboratory Equipment	2,992	2,992				
SUBTOTALS	835,580	134,590	387,532	134,607	25,485	153,365
SUBTOTAL PERCENTAGES		16.11%	46.38%	16.11%	3.05%	18.35%
Transportation Equipment	61,596					
Tools, Shop & Garage Equipment	2,122					
Power Operated Equipment	10,964					
Communication Equipment	5,752					
Miscellaneous Equipment	3,968					
SUBTOTAL	84,402					
PERCENTAGE ALLOCATIONS		13,595	39,145	13,597	2,574	15,491
TOTALS	919,982	148,185	426,677	148,204	28,059	168,857

Table F
ALLOCATION OF PLANT VALUE AND DEBT SERVICE
Edmonson County Water District

	<u>Total</u> <u>Values</u>	<u>Water</u> <u>Treatment</u>	<u>Trans. &</u> <u>Distribution</u>	<u>Storage</u> <u>Tanks</u>	<u>General</u> <u>& Admin.</u>	<u>Customer</u>
Land and Land Rights	\$ 810,728	712,630	43,779		54,319	
Structures & Improvements	4,648,616	3,810,223	235,651		602,742	
Lake, River and Other Intakes	751,570	751,570				
Supply Mains	256,800	256,800				
Pumping Equipment	1,943,625		1,943,625			
Water Treatment Equipment	1,777,745	1,777,745				
Reservoirs and Tanks	6,057,332			6,057,332		
Transmission and Dist. Mains	21,068,601		21,068,601			
Services	1,540,643					1,540,643
Meters	1,689,818					1,689,818
Meter Installations	1,698,106					1,698,106
Hydrants	208,508					208,508
Office Furniture and Equipment	381,193				381,193	
Laboratory Equipment	60,845	60,845				
SUBTOTALS	\$ 42,894,130	7,369,813	23,291,656	6,057,332	1,038,254	5,137,075
SUBTOTAL PERCENTAGES		17.2%	54.3%	14.1%	2.4%	12.0%
Transportation Equipment	632,256					
Tools, Shop & Garage Equipment	82,537					
Power Operated Equipment	345,360					
Communication Equipment	427,399					
Miscellaneous Equipment	78,392					
SUBTOTAL	1,565,944					
PERCENTAGE ALLOCATIONS		269,051	850,313	221,136	37,904	187,540
TOTALS	\$ 44,460,074	\$ 7,638,864	\$ 24,141,969	\$ 6,278,468	#####	\$ 5,324,615
Plant Value Percentages		17.2%	54.3%	14.1%	2.4%	12.0%
Debt Serv. & Coverage Allocation	\$ 992,520	\$ 170,529	\$ 538,942	\$ 140,160	\$ 24,024	\$ 118,866

Table G
WHOLESALE RATE COMPUTATION
Edmonson County Water District

	<u>Proforma</u> <u>Expenses</u>	<u>Allocation</u> <u>Factor</u>	<u>Wholesale</u> <u>Allocation</u>	<u>Retail</u> <u>Allocation</u>
Salaries & Wages				
Water Production	476,075	0.0483	23,010	453,065
Trans./Distribution	720,643	0.0008	587	720,056
Customer Accts.	276,933		0	276,933
Admin & General	238,142	0.0483	11,510	226,632
Employee Benefits + Taxes				
Water Production	149,895	0.0483	7,245	142,650
Trans./Distribution	226,899	0.0008	185	226,714
Customer Accts.	87,194		0	87,194
Admin & General	74,981	0.0483	3,624	71,357
Salaries - Officers	30,000	0.0483	1,450	28,550
Purchased Water	4,128	0.0483	200	3,929
Purchased Power				
Water Production	155,136	0.0483	7,498	147,638
Trans./Distribution	95,548	0.0008	78	95,471
Admin & General	4,348	0.0008	4	4,344
Chemicals				
Water Production	116,518	0.0483	5,632	110,887
Materials & Supplies				
Water Production	32,835	0.0483	1,587	31,248
Trans./Distribution	87,330	0.0008	71	87,259
Customer Accts.	47,801		0	47,801
Admin & General	36,365	0.0008	30	36,335
Contr. Services - Acct. & Legal	24,000	0.0483	1,160	22,840
Contr. Services - Water Testing				
Water Production	12,308	0.0483	595	11,713
Trans./Distribution	18,882	0.0008	15	18,867
Contr. Services - Other				
Water Production	96,876	0.0483	4,682	92,194
Trans./Distribution	156,403	0.0008	127	156,276
Customer Accts.	10,052			10,052
Admin & General	72,418	0.0008	59	72,359
Equipment Rental				
Water Production	3,054	0.0483	148	2,906
Trans./Distribution	5,954	0.0008	5	5,949

Transportation Expense				
Water Production	7,877	0.0483	381	7,496
Trans./Distribution	92,827	0.0008	76	92,751
Admin & General	1,882	0.0008	2	1,880
Insurance - Gen Liab & Other	50,210	0.0483	2,427	47,783
Insurance - Worker's Comp.				
Water Production	3,203	0.0483	155	3,048
Trans./Distribution	4,848	0.0008	4	4,844
Customer Accts.	1,863		0	1,863
Admin & General	1,602	0.0483	77	1,525
Advertising	2,603	0.0008	2	2,601
Bad Debt	9,311		0	9,311
Miscellaneous Expense				
Water Production	12,046	0.0483	582	11,464
Trans./Distribution	14,713	0.0008	12	14,701
Customer Accts.	12,320		0	12,320
Admin & General	23,991	0.0008	20	23,971
Total Operating Expenses	3,500,015		73,236	3,426,779
Depreciation Expense				
Water Production	148,185	0.0483	7,162	141,023
Trans. / Distribution	426,677	0.0008	347	426,329
Tanks & Reservoirs	148,204	0.0714	10,585	137,619
Admin & General	28,059	0.0008	23	28,036
Customer	168,857		0	168,857
Debt Service & Coverage				
Water Production	170,529	0.0483	8,242	162,287
Trans. / Distribution	538,942	0.0008	439	538,503
Tanks & Reservoirs	140,160	0.0714	10,011	130,149
Admin & General	24,024	0.0008	20	24,004
Customer	118,866		0	118,866
Total Revenue Required	5,412,517		110,066	5,302,451
Wholesale Gallons Sold (x 1,000)			32,970	
Wholesale Rate per 1,000 Gallons			<u><u>\$3.34</u></u>	

Table H
ALLOCATION OF OPERATION & MAINTENANCE EXPENSE - RETAIL
Edmonson County Water District

	<u>Total</u>	<u>Commodity</u>	<u>Customer</u>		<u>Admin. & General</u>
			<u>Values</u>	<u>Collecting</u>	
Salaries & Wages	1,676,686	1,173,121	235,393	41,540	226,632
Employee Benefits + Taxes	527,916	369,365	74,115	13,079	71,357
Salaries - Officers (A & G)	28,550				28,550
Purchased Water	3,929	3,929			
Purchased Power	247,453	243,109			4,344
Chemicals	110,887	110,887			
Materials & Supplies	202,643	118,507	40,631	7,170	36,335
Contr. Services - Acct. & Legal	22,840				22,840
Contr. Services - Water Testing	30,580	30,580			
Contr. Services - Other	330,880	248,469	8,544	1,508	72,359
Equipment Rental	8,856	8,856			
Transportation Expense	102,128	100,248			1,880
Insurance - Gen. Liability	47,783				47,783
Insurance - Workers Comp	11,280	7,892	1,584	279	1,525
Advertising	2,601				2,601
Bad Debt	9,311		9,311		
Misc. Expense	62,456	26,165	10,472	1,848	23,971
Depreciation	901,864	704,971		168,857	28,036
Totals	4,328,642	3,146,097	380,049	234,281	568,214
Less Admin. & General	<u>568,214</u>				
Total w/o A & G	3,760,428				
Percentages w/o A & G	100.00%	83.66%	10.11%	6.23%	
Allocation of Admin. & General	568,214	475,387	57,427	35,401	
Total O & M Expense Allocations	4,328,642	3,621,484	437,476	269,682	

Table I
SUMMARY OF ALLOCATIONS - RETAIL
Edmonson County Water District

	<u>Total</u>	<u>Commodity</u>	<u>Customer Costs</u>	
			<u>Billing &</u>	<u>Meters &</u>
	<u>Expenses</u>	<u>Costs</u>	<u>Collecting</u>	<u>Services</u>
Operation & Maintenance Expenses	4,328,642	3,621,484	437,476	269,682
Debt Service & Coverage	<u>973,809</u>	<u>830,939</u>	<u>24,004</u>	<u>118,866</u>
Total Expenses - Retail	5,302,451	4,452,423	461,481	388,548
		84.0%	8.7%	7.3%
Less:				
Forfeited Discounts	(59,316)		(59,316)	
Miscellaneous Operating Revenue	(15,616)		(15,616)	
Non-operating Revenues	(205,560)	(172,607)	(17,890)	(15,063)
Plus:				
Pro forma Billing Adjustments	<u>71,290</u>	<u>59,862</u>	<u>6,204</u>	<u>5,224</u>
Expenses Recovered fom Retail Rates	5,093,249	4,339,678	374,863	378,709

Table J
UNITS OF SERVICE
Edmonson County Water District

Adjustment for Minimum Bill Usage (Proposed Minimums):

<u>Meter Size</u>	<u>No. of Min. Bills</u>	<u>Gallons Allowed</u>	<u>Gallons Used</u>	<u>Gallons Not Used</u>
5/8 x 3/4"	64,995	97,492,500	29,266,700	68,225,800
1"	420	2,100,000	879,400	1,220,600
1-1/2"	12	120,000	42,100	-
2"	468	7,488,000	1,528,200	5,959,800
3"	-	-	-	-
4"	1	50,000	39,400	10,600
Totals	65,896	107,250,500	31,755,800	75,416,800

Water Usage By Block:

<u>Single Block</u>	<u>Annual Sales</u>	<u>Adjustment for Min.</u>	<u>Adjusted Sales</u>
All Retail	428,139,900	75,416,800	503,556,700

Number of Services and Equivalents:

<u>Meter Size</u>	<u>Service Ratio</u>	<u>No. of Bills</u>	<u>No. of Equivalents</u>
5/8 x 3/4"	1.00	138,617	138,617
1"	1.40	660	924
1-1/2"	1.80	12	22
2"	2.90	683	1,981
3"	11.00	-	-
6"	21.00	12	252
Totals		139,984	141,795

Table K
CALCULATION OF WATER RATES - RETAIL
Edmonson County Water District

	Total
Commodity Costs	4,339,678
Adjusted Commodity Sales	503,557
CALCULATED USAGE RATES	\$8.62

PROPOSED USAGE RATE \$8.65

(adjusted per Billing Analysis to result in required revenue)

CALCULATION OF CUSTOMER CHARGES:

	Billing & Collecting	Meters & Services
Expenses to be Allocated	374,863	378,709
No. of Bills or Equivalents	139,984	141,795
Unit Cost of Service	\$2.68	\$2.67

	Billing & Collecting	Service Ratio	Meters & Services	Total Customer Charge
5/8 x 3/4"	2.68	1.00	2.67	\$ 5.35
1"	2.68	1.40	3.74	6.42
1-1/2"	2.68	1.80	4.81	7.49
2"	2.68	2.90	7.74	10.42
3"	2.68	11.00	29.37	32.05
6"	2.68	21.00	56.07	58.75

Attachment #5

CURRENT BILLING ANALYSIS WITH 2023 USAGE & EXISTING RATES
Edmonson County Water District

SUMMARY

Total Retail Billed Revenue	\$ 4,056,784
Less Billing Adjustments	(56,670)
Total Metered Retail Sales	\$ 4,000,114
Plus Sales for Resale	102,207
Total Pro forma Sales Revenue	\$ 4,158,991

ALL RETAIL METERS

	USAGE	BILLS	GALLONS	FIRST 1,500	ALL OVER 1,500	TOTAL
FIRST	1,500	65,395	29,441,100	29,441,100	-	29,441,100
ALL OVER	1,500	74,589	398,698,800	111,883,500	286,815,300	398,698,800
		139,984	428,139,900	141,324,600	286,815,300	428,139,900

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	1,500	139,984	\$ 16.40	\$ 2,295,738
ALL OVER	1,500	286,815,300	6.14	1,761,046
TOTAL		139,984		\$ 4,056,784

SALES FOR RESALE

	GALLONS	RATE	TOTAL
ALL SALES	32,970,000	3.10	\$ 102,207

Attachment #6

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

SUMMARY

Total Retail Billed Revenue	\$ 5,110,882
Less Billing Adjustments	<u>(71,290)</u>
Total Metered Retail Sales	\$ 5,039,592
Plus Sales for Resale	<u>110,120</u>
Total Pro forma Sales Revenue	\$ 5,221,002

5/8 x 3/4" Meters

	USAGE	BILLS	GALLONS	FIRST 1,500	ALL OVER 1,500	TOTAL
FIRST	1,500	64,995	29,266,700	29,266,700	-	29,266,700
ALL OVER	1,500	73,622	377,527,500	110,433,000	267,094,500	377,527,500
		138,617	406,794,200	139,699,700	267,094,500	406,794,200

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	1,500	138,617	139,699,700	\$ 18.33	\$ 2,540,850
ALL OVER	1,500		267,094,500	8.65	2,310,367
TOTAL		138,617	406,794,200		\$ 4,851,217

1" Meters

	USAGE	BILLS	GALLONS	FIRST 5,000	ALL OVER 5,000	TOTAL
FIRST	5,000	420	879,400	879,400	-	879,400
ALL OVER	5,000	240	5,178,600	1,200,000	3,978,600	5,178,600
		660	6,058,000	2,079,400	3,978,600	6,058,000

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	5,000	660	2,079,400	\$ 49.67	\$ 32,782
ALL OVER	5,000		3,978,600	8.65	34,415
TOTAL		660	6,058,000		\$ 67,197

1-1/2" Meters

	USAGE	BILLS	GALLONS	FIRST 10,000	ALL OVER 10,000	TOTAL
FIRST	10,000	12	42,100	42,100	-	42,100
ALL OVER	10,000	-	-	-	-	-
		12	42,100	42,100	-	42,100

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	10,000	12	42,100	\$ 93.99	\$ 1,128
ALL OVER	10,000		-	8.65	-
TOTAL		12	42,100		\$ 1,128

2" Meters

	USAGE	BILLS	GALLONS	FIRST 16,000	ALL OVER 16,000	TOTAL
FIRST	16,000	468	1,528,200	1,528,200	-	1,528,200
ALL OVER	16,000	215	12,399,400	3,440,000	8,959,400	12,399,400
		683	13,927,600	4,968,200	8,959,400	13,927,600

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	16,000	683	\$ 148.82	\$ 101,644
ALL OVER	16,000	8,959,400	8.65	77,499
TOTAL	683	13,927,600		\$ 179,143

4" Meters

	USAGE	BILLS	GALLONS	FIRST 50,000	ALL OVER 50,000	TOTAL
FIRST	50,000	1	39,400	39,400	-	39,400
ALL OVER	50,000	11	1,278,600	550,000	728,600	1,278,600
		12	1,318,000	589,400	728,600	1,318,000

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	50,000	12	\$ 491.25	\$ 5,895
ALL OVER	50,000	728,600	8.65	6,302
TOTAL	12	1,318,000		\$ 12,197

SALES FOR RESALE

	GALLONS	RATE	TOTAL
ALL SALES	32,970,000	3.34 \$	110,120

Attachment #7

**ECWD - Water [ECW - Water]
Depreciation Expense**

LN 1/24
Conclusion: Account appears
materially stated.

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
30200								
1	Franchise	6/1/2000	0.0000	10,262.00	0.00	0.00	0.00	0.00
Subtotal: 30200				10,262.00	0.00	0.00	0.00	0.00
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 30200				GL 10,262.00	0.00	0.00	0.00	0.00
30330								
2	Land & Land Rights	11/1/1990	0.0000	3,480.27	0.00	0.00	0.00	0.00
3	Land 4.46 Acres-K Skaggs	11/2/1994	0.0000	48,750.00	0.00	0.00	0.00	0.00
4	Land 19.817 Acres-K Skaggs	1/12/2001	0.0000	130,900.00	0.00	0.00	0.00	0.00
982	Spring Corporation - 6 month Purch Option	9/28/2022	0.0000	10,000.00	0.00	0.00	0.00	0.00
996	Spring Corporation - 9.532 ac Alvey Lane, Cub Run, KY	3/28/2023	0.0000	359,550.00	0.00	0.00	0.00	0.00
999	Family Dream Cabin LLC - Lot 3 Harborview Village	5/25/2023	0.0000	50,050.00	0.00	0.00	0.00	0.00
Subtotal: 30330				602,730.27	0.00	0.00	0.00	0.00
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 30330				GL 602,730.27	0.00	0.00	0.00	0.00
30340								
82	Land & Land Rights	1/1/1990	0.0000	32,587.00	0.00	0.00	0.00	0.00
83	Recording Easements	1/1/1990	0.0000	2,035.25	0.00	0.00	0.00	0.00
84	Recording Easements-Ed Co CDBG	1/1/1992	0.0000	2,068.50	0.00	0.00	0.00	0.00
85	Survey-Hart Co CDBG	1/1/1992	0.0000	250.00	0.00	0.00	0.00	0.00
86	Option Tank Site-KY 88	12/1/1993	0.0000	100.00	0.00	0.00	0.00	0.00
87	Recording Easements-Hart co CDBG	12/1/1993	0.0000	420.00	0.00	0.00	0.00	0.00
88	Survey Tank Site-KY 88	12/1/1993	0.0000	250.00	0.00	0.00	0.00	0.00
89	Tank Site-Ky 88 (W Higdon)	12/1/1994	0.0000	2,400.00	0.00	0.00	0.00	0.00
90	Recording Easements-2.2 Project	11/1/1994	0.0000	936.00	0.00	0.00	0.00	0.00
91	314 Acre Lot-Hwy 88	11/1/1996	0.0000	3,000.00	0.00	0.00	0.00	0.00
92	Record Tanksite-70E	5/1/1999	0.0000	150.00	0.00	0.00	0.00	0.00
93	Survey Tank Site-70E	5/1/1999	0.0000	300.00	0.00	0.00	0.00	0.00
94	Tank Site-70E P Vincent	5/1/1999	0.0000	5,000.00	0.00	0.00	0.00	0.00
95	Tanksite-Peonia	12/1/2000	0.0000	1,500.00	0.00	0.00	0.00	0.00
96	Tanksite-Hart Co. Survey 700	7/1/2001	0.0000	5,700.00	0.00	0.00	0.00	0.00
97	Recording Easements-CDBG Project	7/1/2001	0.0000	216.00	0.00	0.00	0.00	0.00
98	Title Exams-Hart Co. Project	7/1/2001	0.0000	193.00	0.00	0.00	0.00	0.00
99	Recording Easements-Hart Co. Project	6/1/2002	0.0000	372.00	0.00	0.00	0.00	0.00
100	Recording Easements-Grayson Co. Project	12/1/2002	0.0000	504.00	0.00	0.00	0.00	0.00
101	Recording Easements-1.034 Project	1/1/2004	0.0000	564.00	0.00	0.00	0.00	0.00
102	Recording Easements-3.2 Project	5/1/2006	0.0000	12.00	0.00	0.00	0.00	0.00
103	Recording Easements-KY Hwy 259 Reloc	9/1/2006	0.0000	64.00	0.00	0.00	0.00	0.00
104	Recording Easements-Barn Run Sub	10/1/2006	0.0000	32.00	0.00	0.00	0.00	0.00
105	Tank Site-Poplar Springs 1.4 Prj-H Lane	12/1/2006	0.0000	16,528.00	0.00	0.00	0.00	0.00
106	Tank Site-KY 88- 1.4 Proj S Howell	12/1/2006	0.0000	12,528.00	0.00	0.00	0.00	0.00
107	Tank Site-Hwy 101 Bledsoe 3.2 Prj H Tarter	12/1/2006	0.0000	5,000.00	0.00	0.00	0.00	0.00
108	Recording Easements-3.2 Prj Ed & Hart Co	1/1/2007	0.0000	1,598.00	0.00	0.00	0.00	0.00

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
30340								
109	Tank Site-Hwy 101 Bledsoe 3.2 Prj H Tarter	1/5/2007	0.0000	14,532.00	0.00	0.00	0.00	0.00
110	Cleaning Tank Site-Hwy 88-3.38 Project	5/1/2008	0.0000	1,500.00	0.00	0.00	0.00	0.00
111	Recording Easements-3.2 Project Ed Co.	6/1/2008	0.0000	17.00	0.00	0.00	0.00	0.00
112	Recording Easements-3.38 Hart Co. Project	6/1/2008	0.0000	17.00	0.00	0.00	0.00	0.00
113	Recording Easements-3.38 Proj Grayson	12/1/2008	0.0000	493.00	0.00	0.00	0.00	0.00
114	Recording Deed Land Trade 3.38 Edmonson	1/1/2009	0.0000	18.50	0.00	0.00	0.00	0.00
115	Recording Easements-Grayson Co.	9/1/2009	0.0000	34.00	0.00	0.00	0.00	0.00
116	Recording Easements-3.38 Proj Grayson	12/1/2009	0.0000	255.00	0.00	0.00	0.00	0.00
117	Recording Easements-3.38 Proj Edmonson	12/1/2009	0.0000	323.00	0.00	0.00	0.00	0.00
118	Recording Easements-3.38 Proj Hart	12/1/2009	0.0000	374.00	0.00	0.00	0.00	0.00
119	Recording Easements-Hart Co Proj	12/1/2009	0.0000	663.00	0.00	0.00	0.00	0.00
120	Quit Deed Cub Run Pump Station	6/1/2010	0.0000	650.00	0.00	0.00	0.00	0.00
121	Recording Easements-Hart Co Proj	1/1/2011	0.0000	323.00	0.00	0.00	0.00	0.00
122	Recording Easements-Edmonson Co Proj	1/1/2011	0.0000	340.00	0.00	0.00	0.00	0.00
123	Removing Tank-Lindseyville Site	1/1/2011	0.0000	14,872.00	0.00	0.00	0.00	0.00
124	Hart Co Clerk Easement	10/13/2014	0.0000	17.00	0.00	0.00	0.00	0.00
125	EC Clert Easement	1/14/2015	0.0000	17.00	0.00	0.00	0.00	0.00
864	easement renewal	6/1/2017	0.0000	2,617.00	0.00	0.00	0.00	0.00
881	30X60 Lot 1238 Chaumont Rd.(future pump station)	5/10/2018	0.0000	4,150.00	0.00	0.00	0.00	0.00
884	Easement	12/6/2018	0.0000	204.00	0.00	0.00	0.00	0.00
885	Easement	12/7/2018	0.0000	221.00	0.00	0.00	0.00	0.00
896	Easement	5/17/2019	0.0000	136.00	0.00	0.00	0.00	0.00
899	Easement	12/27/2019	0.0000	119.00	0.00	0.00	0.00	0.00
917	Easement	2/11/2020	0.0000	4,000.00	0.00	0.00	0.00	0.00
955	LAnd & Rights	8/15/2020	0.0000	7,303.50	0.00	0.00	0.00	0.00
Subtotal: 30340				147,503.75	0.00	0.00	0.00	0.00
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 30340				GL 147,503.75	0.00	0.00	0.00	0.00
30350								
550	Land & Land Rights	1/1/1985	0.0000	4,400.00	0.00	0.00	0.00	0.00
551	1 1/2 acres-Storage lot	3/1/1992	0.0000	9,000.00	0.00	0.00	0.00	0.00
552	Survey Lot	9/3/2003	0.0000	600.00	0.00	0.00	0.00	0.00
553	Dozing-Clearing Lot	10/1/2003	0.0000	3,185.00	0.00	0.00	0.00	0.00
554	2.02 Acres Land Ky 259 Alexander	10/1/2006	0.0000	18,030.00	0.00	0.00	0.00	0.00
555	1.861 Acres Land-Luttrell Cemetery Rd	8/15/1200	0.0000	15,017.00	0.00	0.00	0.00	0.00
Subtotal: 30350				50,232.00	0.00	0.00	0.00	0.00
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 30350				GL 50,232.00	0.00	0.00	0.00	0.00
30430								
5	Stuctures and Improvements	1/1/1976	37.5000	875,602.21	0.00	768,915.19	0.00	768,915.19
6	Fencing	1/1/1982	37.5000	11,060.00	0.00	11,060.00	0.00	11,060.00
7	Double Doors	7/1/1993	37.5000	2,550.00	0.00	1,538.50	68.00	1,606.50

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
30430								
8	15" 20' Plastic Road Tile	12/1/1993	37.5000	390.43	0.00	235.59	10.41	246.00
9	11087 Sq Ft 36 mil Hypalon Geomembrane	12/1/1993	37.5000	12,305.21	0.00	7,424.03	328.14	7,752.17
10	Additions to Wax Plant	12/1/1994	37.5000	2,776.12	0.00	1,619.34	74.03	1,693.37
11	Monument-Wax Plant	12/1/1994	37.5000	500.00	0.00	291.66	13.33	304.99
12	Additions to Wax Plant- 2.2 Project	12/1/1995	37.5000	588,517.69	0.00	331,531.55	15,693.81	347,225.36
13	540' Commercial Tile	3/1/1997	37.5000	1,125.00	0.00	588.75	30.00	618.75
14	Lids & Rails for Clarifier-Wax Plant	10/1/2000	37.5000	12,174.00	0.00	5,640.62	324.64	5,965.26
15	Doors-Brownsville Plant	10/1/2000	37.5000	3,224.00	0.00	1,493.78	85.97	1,579.75
16	Metal Roof-Filter Bldg-Wax Plant	10/1/2002	37.5000	3,338.16	0.00	1,413.10	89.02	1,502.12
17	Upgrade Brownsville Plant	10/1/2002	37.5000	1,808,907.74	0.00	765,770.97	48,237.54	814,008.51
18	Pavement-Brow. Plant Entrance to Intake	12/1/2002	37.5000	17,747.00	0.00	7,512.89	473.25	7,986.14
19	Treatment Tank-Wax 3.2 Project	3/1/2008	37.5000	336,561.53	0.00	102,090.32	8,974.97	111,065.29
20	841' of 6' Chain Link Fence-Wax	12/1/2010	37.5000	18,318.20	0.00	4,825.86	488.49	5,314.35
21	4' Chain Link Fence-Wax	12/1/2010	37.5000	1,866.51	0.00	491.73	49.77	541.50
22	4 Gate Valves-Bvllc WTP	3/1/2011	37.5000	5,076.12	0.00	1,235.18	135.36	1,370.54
856	Doors and hardware	12/1/2016	37.5000	6,899.00	0.00	6,002.12	183.97	6,186.09
865	wax improvements	11/1/2017	37.5000	9,932.51	0.00	1,158.80	264.87	1,423.67
866	24" 90 elbow outer intake	9/20/2017	37.5000	1,600.00	0.00	189.34	42.67	232.01
882	6'x8'x3/8" aluminum man way cover	5/18/2018	37.5000	8,800.00	0.00	833.07	234.67	1,067.74
883	24 Inch gate valve	7/16/2018	37.5000	3,200.00	0.00	298.66	85.33	383.99
901	20 ft. Gate Chainlink Fence	10/23/2019	37.5000	2,300.00	0.00	199.32	61.33	260.65
924	Fencing	12/19/2020	37.5000	1,500.00	0.00	80.00	40.00	120.00
975	Steel Basin Cover	12/21/2021	37.5000	59,700.00	0.00	1,592.00	1,592.00	3,184.00
995	New Roof - Wax Plant	7/28/2023	37.5000	9,375.00	0.00	0.00	104.17	104.17
1000	New Flooring - Office	10/18/2023	37.5000	1,476.41	0.00	0.00	6.56	6.56
1001	Mainline 1.5 ton Minisplit - Wax Plant	11/20/2023	37.5000	3,400.00	0.00	0.00	7.56	7.56
Subtotal: 30430				3,810,222.84	0.00	2,024,032.37	77,699.86	2,101,732.23
Less dispositions and exchanges :				0.00	0.00	0.00	0.00	0.00
Net for: 30430				GL 3,810,222.84	0.00	2,024,032.37	77,699.86	2,101,732.23
30440								
126	Structures and Improvements	1/1/1981	37.5000	4,950.23	0.00	3,949.84	0.00	3,949.84
127	Pump Stations-2.2 Project	12/1/1995	37.5000	20,540.49	0.00	11,571.15	547.75	12,118.90
128	Welding Tops-Pump Stations	11/1/1995	37.5000	800.00	0.00	450.66	21.33	471.99
129	Pump Station-Hwy 88	12/1/1997	37.5000	3,267.53	0.00	1,709.99	87.13	1,797.12
130	10'X10' Block bldg-Hwy 88 Tank	12/1/1997	37.5000	750.00	0.00	392.50	20.00	412.50
131	(2) 5'X9'X6' Concrete Vaults for Pumps	12/1/2001	37.5000	14,701.56	0.00	4,753.55	392.04	5,145.59
132	Pump Station-Fairview 3.2 Project	6/1/2008	37.5000	36,964.76	0.00	11,212.71	985.73	12,198.44
133	Pump Station-Riverhill 3.2 Project	6/1/2008	37.5000	32,972.08	0.00	10,001.57	879.26	10,880.83
134	4,037' 3 Phase Elec In 88 Dug Hill ps tank	12/1/2010	37.5000	26,541.17	0.00	6,992.17	707.76	7,699.93
135	Pump Station-Bee Spring 3.38	12/1/2010	37.5000	17,333.64	0.00	4,566.50	462.23	5,028.73
136	Pump Station-88 Dug Hill 3.38	12/1/2010	37.5000	17,333.64	0.00	4,566.50	462.23	5,028.73
137	Pump Station-Big Windy 3.38	12/1/2010	37.5000	17,333.64	0.00	4,566.50	462.23	5,028.73
138	400' Fencing Windyville Tank	6/1/2011	37.5000	8,704.09	0.00	2,313.84	232.11	2,545.95

**ECWD - Water [ECW - Water]
Depreciation Expense**

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Financial

01/01/2023 - 12/31/2023

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30440								
139	400' Fencing Dog Creek Tank	6/1/2011	37.5000	8,704.09	0.00	2,313.84	232.11	2,545.95
855	Roof Repairs	6/17/2016	37.5000	9,986.08	0.00	1,431.34	266.30	1,697.64
886	12" wide saucer overlay	2/26/2018	37.5000	12,650.00	0.00	1,248.13	337.33	1,585.46
906	Garage Doors	9/20/2019	37.5000	2,118.00	0.00	188.60	56.48	245.08
Subtotal: 30440				235,651.00	0.00	72,229.39	6,152.02	78,381.41
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 30440				GL 235,651.00	0.00	72,229.39	6,152.02	78,381.41
30450								
556	Structures & Improvements	1/1/1980	37.5000	144,724.26	0.00	144,724.26	0.00	144,724.26
557	Paving Parking Lot	1/1/1981	37.5000	13,506.76	0.00	13,506.76	0.00	13,506.76
558	Fencing Storage Lot	1/1/1983	37.5000	7,380.00	0.00	7,380.00	0.00	7,380.00
559	Addition to Maint Bldg	1/1/1990	37.5000	5,187.73	0.00	5,187.73	0.00	5,187.73
560	12x12x24 Door-Maint Bldg	1/1/1991	37.5000	370.00	0.00	370.00	0.00	370.00
561	Concrete Retaining Wall-Office Bldg	5/1/1992	37.5000	4,370.00	0.00	4,370.00	0.00	4,370.00
562	Office Sign	5/1/1992	37.5000	860.00	0.00	860.00	0.00	860.00
563	Storage Bins-Maint Bldg	5/1/1992	37.5000	309.11	0.00	309.11	0.00	309.11
564	7x5x3 Gate	2/1/1993	37.5000	101.66	0.00	101.66	0.00	101.66
565	Condensing Unit & Thermostat	11/1/1993	37.5000	1,850.00	0.00	1,850.00	0.00	1,850.00
566	Concrete Garage Floor	8/1/1994	37.5000	3,300.00	0.00	3,300.00	0.00	3,300.00
567	(4) Bradford Pear Trees	10/1/1994	37.5000	165.32	0.00	165.32	0.00	165.32
568	ReRoof Office Bldg	11/1/1995	37.5000	2,750.00	0.00	2,658.33	73.33	2,731.66
569	Landscaping	4/1/1997	37.5000	728.00	0.00	645.49	19.41	664.90
570	Addition-Office Building	4/1/1900	37.5000	94,173.00	0.00	58,387.26	0.00	58,387.26
571	Drain Tiles (2) 15" 24' & (2) 24" 16'	11/1/2003	37.5000	637.18	0.00	416.20	16.99	433.19
572	Drain Tiles (8) 42"x24'-Lot Maint Bldg	3/1/2004	37.5000	3,594.35	0.00	2,204.60	95.85	2,300.45
573	Rock & Mud Covers-Lot maint Bldg	12/1/2004	37.5000	4,701.35	0.00	2,883.56	125.37	3,008.93
574	Maintenance Building	6/1/2005	37.5000	89,688.22	0.00	51,336.82	2,391.69	53,728.51
575	Drain Tiles (6) Behind Old Shop	6/1/2005	37.5000	1,501.25	0.00	860.74	40.03	900.77
576	Paving Parking Lot	9/1/2007	37.5000	35,545.00	0.00	20,556.87	947.87	21,504.74
577	206 Ton Channel Rock	10/1/2007	37.5000	2,931.97	0.00	1,446.46	78.19	1,524.65
578	Paving Parking Lot-Maint Bldg	7/1/2008	37.5000	67,325.00	0.00	35,570.05	1,795.33	37,365.38
579	Additions Office Bldg Drive Thru	7/1/2008	37.5000	38,251.42	0.00	17,340.68	1,020.04	18,360.72
580	Tiling-Kitchen, Hall & Bathrooms	12/1/2009	37.5000	3,129.08	0.00	2,513.65	83.44	2,597.09
581	810' Fencing Shop Area	7/1/2011	37.5000	22,087.82	0.00	7,362.62	589.01	7,951.63
582	New Metal Roof	12/1/2013	37.5000	8,600.00	0.00	2,006.66	229.33	2,235.99
934	Computers	5/6/2020	20.0000	23,478.70	0.00	3,130.51	1,173.94	4,304.45
951	New Flooring for Office	12/20/2021	37.5000	14,645.00	0.00	390.53	390.53	781.06
1030	Mainline 3 ton 21 SEER Multi Heat Pump Mini Split and 2	8/16/2023	37.5000	6,850.00	0.00	0.00	76.11	76.11
Subtotal: 30450				602,742.18	0.00	391,835.87	9,146.46	400,982.33
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 30450				GL 602,742.18	0.00	391,835.87	9,146.46	400,982.33
30620								

ECWD - Water [ECW - Water]
Depreciation Expense

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Financial

01/01/2023 - 12/31/2023

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30620								
23	Lakes, River & Other Intakes	1/1/1971	40.0000	89,198.11	0.00	88,722.22	0.00	88,722.22
24	Intake-Wax Treatment Plant	1/1/1991	40.0000	57,902.55	0.00	37,154.11	1,447.56	38,601.67
25	Additions to Intake-Wax Plant 2.2 Project	12/1/1995	40.0000	162,036.56	0.00	91,010.51	4,050.91	95,061.42
26	New Service at Intake	5/1/1996	40.0000	1,398.94	0.00	757.79	34.97	792.76
27	Upgrade Intake-Brownsville Treatment Plt	10/1/2002	40.0000	435,899.12	0.00	183,804.09	10,897.48	194,701.57
867	16" gate valve	12/15/2017	40.0000	5,135.00	0.00	581.97	128.38	710.35
Subtotal: 30620				751,570.28	0.00	402,030.69	16,559.30	418,589.99
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 30620				GL 751,570.28	0.00	402,030.69	16,559.30	418,589.99
30950								
140	CLA-VAL Control Valve 4 Vault-windyville Tank	1/1/2010	62.5000	9,712.84	0.00	2,350.55	155.41	2,505.96
141	660' 16" Main Green River Crossing	12/1/2010	62.5000	189,903.12	0.00	45,956.53	3,038.45	48,994.98
142	595' 8" Main River Run South Side	12/1/2010	62.5000	6,816.82	0.00	1,649.71	109.07	1,758.78
143	16" Gate Valve Green River	10/1/2011	62.5000	5,866.78	0.00	1,302.47	93.87	1,396.34
144	(2) 12" Kennedy Model 1106 Check Valves	11/1/2013	62.5000	14,654.26	0.00	2,667.11	234.47	2,901.58
859	3" valve	11/22/2016	62.5000	1,277.00	0.00	145.15	20.43	165.58
974	PRV Vault - Core & Main + Transportation and Installator	5/9/2022	62.5000	28,568.82	0.00	304.73	457.10	761.83
Subtotal: 30950				256,799.64	0.00	54,376.25	4,108.80	58,485.05
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 30950				GL 256,799.64	0.00	54,376.25	4,108.80	58,485.05
31030								
28	200KW TRA Generator Vin00620	4/1/1996	12.5000	5,000.00	0.00	2,450.00	0.00	2,450.00
29	Generator Hook-Up-Wax	12/1/2010	12.5000	26,282.43	0.00	9,724.52	876.13	10,600.65
Subtotal: 31030				31,282.43	0.00	12,174.52	876.13	13,050.65
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 31030				GL 31,282.43	0.00	12,174.52	876.13	13,050.65
31120								
145	Pumping Equipment	1/1/1979	20.0000	227,884.28	0.00	185,456.96	0.00	185,456.96
146	Overhaul Water Intake Pump	1/1/1990	20.0000	6,799.25	0.00	4,147.70	0.00	4,147.70
147	Water Intake Pumps-Hart Co. CDBG	1/1/1990	20.0000	70,637.30	0.00	43,088.88	0.00	43,088.88
148	Pump	1/1/1990	20.0000	7,035.00	0.00	4,291.35	0.00	4,291.35
149	Pumping Equipment-Wax Treat Plt	1/1/1991	20.0000	67,402.98	0.00	39,767.77	0.00	39,767.77
150	Pumping Equipmtent-35m. Proj	1/1/1991	20.0000	39,150.04	0.00	23,098.50	0.00	23,098.50
151	5 Stage Jacuzzi Bowl	1/1/1991	20.0000	3,663.00	0.00	2,161.17	0.00	2,161.17
152	3 Stage Pump	1/1/1991	20.0000	1,557.00	0.00	918.63	0.00	918.63
153	100HP Motor Overhaul	1/1/1991	20.0000	1,296.80	0.00	765.23	0.00	765.23
154	(2) Honeyvell Model 4200 Recorders	1/1/1993	25.0000	1,306.18	0.00	718.30	0.00	718.30
155	Ground System, (2) Fans/Pump Stations	7/1/1993	25.0000	710.27	0.00	390.77	0.00	390.77
156	200 RSPs 2 HP 1Phase 2X2Red Jacket Pump	3/1/1994	20.0000	465.00	0.00	255.75	0.00	255.75
157	(3) SW-Amtrel PB-50 Pumps	8/1/1995	20.0000	5,370.00	0.00	2,846.10	0.00	2,846.10

ECWD - Water [ECW - Water]
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31120								
158	Honeywell Recorder, Ashcraft Transducer	9/1/1995	25.0000	1,182.00	0.00	602.82	0.00	602.82
159	Bermad 700 Series Control Valve	12/1/1995	25.0000	2,241.43	0.00	1,143.16	0.00	1,143.16
160	Pumping Equip-2.2 Project	12/1/1995	20.0000	107,571.44	0.00	57,012.89	0.00	57,012.89
161	Electrical Service for Pumps Hwy1075,88&185	7/1/1995	20.0000	1,020.00	0.00	540.60	0.00	540.60
162	(2) Electrical Service Pump Sta, Hwy185-Lindsey	12/1/1995	20.0000	994.14	0.00	526.82	0.00	526.82
163	(2) Intake Pumps 75GPM/3Phase Hwy 185&1075	6/1/1996	20.0000	6,580.00	0.00	3,355.80	0.00	3,355.80
164	1X1 1/4X5 GTV Thrush Pressurizer Pump Hwy185	9/1/1997	20.0000	595.00	0.00	291.55	0.00	291.55
165	Electrical Service for Pumps 88 Project	4/1/1998	20.0000	2,637.92	0.00	1,239.86	0.00	1,239.86
166	Telemetry-Pump Sta-88 Project	8/1/1998	25.0000	13,282.53	0.00	6,774.08	309.95	7,084.03
167	Telemetry-Industrial Park-EDA	12/1/1998	25.0000	20,110.85	0.00	10,256.60	737.49	10,994.09
168	Differential Pressure Transmitter-Bville	3/1/1998	25.0000	1,132.08	0.00	577.32	7.63	584.95
169	Chemical Feed Pump-Bville	1/1/1998	20.0000	531.30	0.00	249.80	0.00	249.80
170	8" Water Turbine Flow Meter-Wax	8/1/1998	25.0000	3,001.50	0.00	1,530.77	70.03	1,600.80
171	Overhaul Intake Pump	12/1/1998	20.0000	7,018.40	0.00	3,298.69	0.00	3,298.69
172	Fairview Booster Pump Sta	6/1/1999	20.0000	6,313.10	0.00	2,840.85	0.00	2,840.85
173	Meyers 10HP-230V-3 Phase 8" Dia Impeller	8/1/1999	25.0000	2,400.00	0.00	1,176.00	96.00	1,272.00
174	Transmitter for High Service Pumps-Wax	5/1/2000	25.0000	2,087.00	0.00	980.89	83.48	1,064.37
175	High Service Pump @ Wax	6/1/2000	20.0000	7,490.00	0.00	3,220.70	0.00	3,220.70
176	75HP Motor Starter for Pump	8/1/2000	20.0000	3,667.30	0.00	1,576.89	0.00	1,576.89
177	Chart Recorder-High Service Pump Wax	8/1/2000	25.0000	602.00	0.00	282.94	24.08	307.02
178	(2) MSP 400 Transducers for Pump Control-Hwy88	9/1/2000	25.0000	1,018.00	0.00	478.46	40.72	519.18
179	Rebuild (2) Pumps @ Pump Sta.	11/1/2000	20.0000	7,122.69	0.00	3,062.81	0.00	3,062.81
180	Telemetry Unit Base Card for Pump Equip-Lindseyville Tz	12/1/2000	25.0000	3,661.25	0.00	1,720.76	146.45	1,867.21
181	Pleuger Motor & Pleuger Worthington Pump Overhaul	9/1/2000	20.0000	5,975.10	0.00	2,569.25	0.00	2,569.25
182	Upgrade SLeepy Hollow Booster Station	6/1/2001	25.0000	4,702.00	0.00	2,115.90	188.08	2,303.98
183	Overhaul Wax Intake Pump	10/1/2001	20.0000	14,468.00	0.00	5,931.88	0.00	5,931.88
184	Honeywell Dr4300 Circular Chart Recorder	5/1/2002	25.0000	880.00	0.00	378.40	35.20	413.60
185	Upgrade Pumping Equip-Brown Plant	10/1/2002	20.0000	252,926.29	0.00	108,126.04	0.00	108,126.04
186	700GPM High Service Pump-Wax Trt Pit	6/1/2002	20.0000	7,268.00	0.00	2,985.94	0.00	2,985.94
187	MIC 2000 Pump Control-Dog Creek	1/1/2003	25.0000	641.20	0.00	262.82	25.65	288.47
188	Lutz Pump Tube 39"-B-36 Drum Pump w/Motor-Wax	1/1/2003	20.0000	569.46	0.00	239.08	0.00	239.08
189	(2) Stenner Percs Pumps 1/4"-100PSI	1/1/2003	20.0000	594.31	0.00	249.49	0.00	249.49
190	Lutz Pump Tube 39"-B-36 Drum Pump w/Motor-Bville	1/1/2003	20.0000	576.47	0.00	242.02	0.00	242.02
191	LMI Pump	1/1/2003	20.0000	647.00	0.00	271.74	0.00	271.74
192	Overhaul Raw Water Pump-Wax Plant	10/1/2004	20.0000	10,730.77	0.00	4,292.39	536.54	4,828.93
193	Telemetry Cabinet-Rhoda Valve Pit	12/1/2004	25.0000	4,650.00	0.00	1,813.50	186.00	1,999.50
194	30HP, 1800 RPM Plegur Motor&Submersible Pump-Wax	11/1/2005	20.0000	18,755.00	0.00	7,126.90	937.75	8,064.65
195	RTU Pump Panel Fork Pump Station	11/1/2005	25.0000	7,430.00	0.00	2,749.10	297.20	3,046.30
196	Pumping Equipment-Fairview BPS 3.2 Proj	6/1/2008	20.0000	97,309.67	0.00	31,139.60	4,865.48	36,005.08
197	Pumping Equipment-Riverhill BPS 3.2 Proj	6/1/2008	20.0000	108,560.80	0.00	37,996.33	5,428.04	43,424.37
198	Myers 10HP3PH 480V Lagoon Pump	7/1/2008	20.0000	3,137.67	0.00	1,710.03	156.88	1,866.91
199	Pumping Equipment-Bee Spr BPS 3.38	12/1/2010	20.0000	39,289.59	0.00	15,322.93	1,964.48	17,287.41
200	Pumping Equipment-88 Dug Hill BPS 3.38	12/1/2010	20.0000	46,223.04	0.00	18,026.99	2,311.15	20,338.14
201	3 Phase wiring Pumping Equip 88 Dug Hill 3.38	12/1/2010	25.0000	4,744.80	0.00	1,804.86	189.79	1,994.65
202	Pumping Equipment-Big Windy BPS 3.38	12/1/2010	20.0000	46,223.04	0.00	18,026.99	2,311.15	20,338.14

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
31120								
203	Pumping Equipment-Cub Run BPS 3.38	12/1/2010	20.0000	52,000.94	0.00	20,280.39	2,600.05	22,880.44
204	Install (2) Delta VFD's River Hill PS	12/1/2011	25.0000	20,441.16	0.00	6,950.00	817.65	7,767.65
205	Install (2) Delta VFD's Fairview PS	12/1/2011	25.0000	20,441.16	0.00	6,950.00	817.65	7,767.65
206	Install (2) Delta VFD's Bville WTP	12/1/2011	25.0000	53,690.00	0.00	18,254.60	2,147.60	20,402.20
207	A/C End Mounted Z000 Series Pump	7/1/2012	25.0000	3,485.45	0.00	1,045.65	139.42	1,185.07
208	Goulds Raw Intake Pump-Wax	8/1/2012	20.0000	25,055.00	0.00	7,767.05	1,252.75	9,019.80
209	Stenner Pump 10GPD/100PSI Wax	10/1/2013	20.0000	447.93	0.00	132.15	22.40	154.55
210	Stenner Pump 45MHP22 B 'ville	11/1/2013	20.0000	487.00	0.00	143.66	24.35	168.01
211	Pump and motor forks pump station	1/1/2014	20.0000	4,622.13	0.00	1,247.97	231.11	1,479.08
860	AP - pumping equipment	12/31/2016	20.0000	13,068.94	0.00	11,762.06	653.45	12,415.51
887	3500 RPM 30 HP M8XHC Pumping Unit	10/26/2018	20.0000	6,171.00	0.00	1,285.63	308.55	1,594.18
907	Straeffer Pump	9/26/2019	20.0000	4,221.00	0.00	685.91	211.05	896.96
908	Submissible Lagoon Pump	11/15/2019	20.0000	2,794.51	0.00	442.48	139.73	582.21
935	1800 Pump & Monitor	11/9/2020	20.0000	29,042.00	0.00	3,146.22	1,452.10	4,598.32
937	Fairbanks Morse Horizontal Case Pump	10/19/2020	20.0000	7,710.00	0.00	835.25	385.50	1,220.75
938	Mitsubishi VT INV 15/20 HP	10/19/2020	20.0000	1,334.93	0.00	144.63	66.75	211.38
952	Cumberland Pipeline - Edmonson/Hart Water Line	4/19/2021	20.0000	134,550.00	0.00	11,212.50	6,727.50	17,940.00
957	Pump Station Cedar Hill	8/15/2020	37.5000	150,000.00	0.00	9,666.67	4,000.00	13,666.67
1002	Check Valve 8" GA Industries FG 250-D	12/29/2023	25.0000	4,094.12	0.00	0.00	0.00	0.00
1003	8" GA Ind 250-DS 125# Flanged Air Cushioned Swing Ct	11/10/2023	25.0000	5,449.05	0.00	0.00	36.33	36.33
1004	High Service Pump 1	1/18/2023	25.0000	3,762.39	0.00	0.00	137.96	137.96
1005	High Service Pump 2	2/2/2023	25.0000	3,762.39	0.00	0.00	137.96	137.96
1006	Submersible pump Wax Plant	9/11/2023	25.0000	38,215.80	0.00	0.00	509.54	509.54
1007	Pump Bville Plant WEG Drive 300 HP	9/11/2023	25.0000	15,656.95	0.00	0.00	208.76	208.76
Subtotal: 31120				1,912,343.09	0.00	775,983.17	43,977.38	819,960.55
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 31120				GL 1,912,343.09	0.00	775,983.17	43,977.38	819,960.55
32030								
30	Water Treatment Equipment	1/1/1980	27.5000	283,517.58	0.00	229,722.60	0.00	229,722.60
31	Heater	3/1/1987	27.5000	925.18	0.00	925.18	0.00	925.18
32	Wax Treatment Plant	1/1/1991	27.5000	672,460.56	0.00	396,751.70	0.00	396,751.70
33	Chain Foot for Floculator	1/1/1991	27.5000	1,100.75	0.00	649.59	0.00	649.59
34	Over Haul Chlorinators	1/1/1991	27.5000	1,284.04	0.00	757.56	0.00	757.56
35	Monitor Wsyse-30	5/1/1992	27.5000	513.08	0.00	292.41	0.00	292.41
36	Reliance Motor Reeves Power Unit	7/1/1992	27.5000	307.52	0.00	175.28	0.00	175.28
37	Aluminum Auger Feeder	10/1/1992	27.5000	177.16	0.00	102.66	0.00	102.66
38	Universal Timer	10/1/1992	27.5000	101.42	0.00	57.85	0.00	57.85
39	Star Printer	10/1/1992	27.5000	439.22	0.00	250.23	0.00	250.23
40	Overhaul 40HP Motor Hollow Shaft Pump	12/1/1992	27.5000	898.35	0.00	512.14	0.00	512.14
41	Chlorine Analyzers	12/1/1992	27.5000	4,349.50	0.00	2,522.71	0.00	2,522.71
42	Wyse 30-80 Column Amber Terminal	7/1/1993	27.5000	385.00	0.00	219.45	0.00	219.45
43	2HP Variable Frequency AC Meter Controller	2/1/1993	27.5000	1,842.00	0.00	1,013.10	0.00	1,013.10
44	Turbidimeter & Kit	6/1/1993	27.5000	1,120.51	0.00	616.28	0.00	616.28

ECWD - Water [ECW - Water]
Depreciation Expense

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Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
32030								
45	44497 Wyse Keyboard	6/1/1993	27.5000	145.00	0.00	79.75	0.00	79.75
46	Chlorinator Equipment	5/1/1994	27.5000	403.01	0.00	225.93	0.00	225.93
47	Dual Mechanical Scale SN9412-413	8/1/1994	27.5000	1,029.15	0.00	586.01	0.00	586.01
48	Indelac 120 Vac Elect Activator	10/1/1994	27.5000	1,286.33	0.00	740.19	0.00	740.19
49	LMI BiPump 60GPB 100PSI Sn941005070	7/1/1995	27.5000	514.97	0.00	300.00	0.00	300.00
50	Bristol Bablock 3755 Loop Controller	7/1/1995	27.5000	2,346.88	0.00	1,367.65	0.00	1,367.65
51	(2) Basic Spill Containment Stations	11/1/1995	27.5000	385.27	0.00	224.62	4.66	229.28
52	DR/2000 Spectra Photo Meter & Lab PH Mtr.	12/1/1995	27.5000	1,985.50	0.00	1,157.01	30.08	1,187.09
53	Additions-Wax Trt Plt 2.2 Project	12/1/1995	27.5000	53,751.75	0.00	31,322.74	814.40	32,137.14
54	Install & Calibrate Flow Transmitter	2/1/1996	27.5000	1,973.50	0.00	1,110.54	41.96	1,152.50
55	(2) 1/3HP Industrial Meters	10/1/1997	27.5000	356.92	0.00	193.75	12.98	206.73
56	Dual Mechanical Cylinder Scale	12/1/1997	27.5000	856.68	0.00	464.86	31.15	496.01
57	Clarifier-Wax	4/1/1999	27.5000	65,989.10	0.00	33,174.47	2,399.60	35,574.07
58	Bench Top Turbidimeter for Lab Testing	3/1/2000	27.5000	1,073.10	0.00	517.97	39.02	556.99
59	Chemical Feed metering Pump	4/1/2000	27.5000	567.08	0.00	273.71	20.62	294.33
60	Chart Recorder for Chlorine Monitor-Wax	5/1/2000	27.5000	1,450.00	0.00	699.96	52.73	752.69
61	Dual Cylinder Scale-Wax Plt	5/1/2002	27.5000	1,130.27	0.00	500.37	41.10	541.47
62	Chemical Metering Pump-Bville	8/1/2002	27.5000	500.84	0.00	221.79	18.21	240.00
63	Dual Meter Cylinder Scale-Bville	10/1/2002	27.5000	1,045.47	0.00	462.76	38.02	500.78
64	1/2HP Drum Mixer-Bville	10/1/2002	27.5000	502.60	0.00	214.37	18.28	232.65
65	Chemical Pump-Wax	10/1/2002	27.5000	447.79	0.00	301.36	16.28	317.64
66	Chemical Tanks, Line & Hook Ups-Wax	12/1/2002	27.5000	2,578.55	0.00	1,141.70	93.77	1,235.47
67	Chemical Tanks, Line & Hook Ups-Bville	12/1/2002	27.5000	1,146.29	0.00	507.45	41.68	549.13
68	(2) Stenner 45 MHPM Chem Pumps-Wax	12/1/2002	27.5000	588.20	0.00	250.71	21.39	272.10
69	Upgrade Treatment Equip-Bville	10/1/2002	27.5000	496,738.18	0.00	219,919.48	18,063.21	237,982.69
70	500 Gallon Vertical Chemical Tank-Bville	1/1/2003	27.5000	364.07	0.00	153.88	13.24	167.12
71	Hach 2100P Turbidimeter-Bville	7/1/2003	27.5000	895.85	0.00	378.76	32.58	411.34
72	M/C 2000 Clearwell Tank Lever Rooding-Wax	10/1/2003	27.5000	628.20	0.00	265.48	22.84	288.32
73	Clearwell Vent Extension	4/1/2003	27.5000	2,957.00	0.00	1,250.01	107.53	1,357.54
74	350X402 Beary Plattery Single Cylinder Scale	4/1/2004	27.5000	369.96	0.00	234.10	13.45	247.55
75	85MHP17 w/Tubing 4 Way Valve	5/1/2004	27.5000	360.75	0.00	228.29	13.12	241.41
76	(3) Two Channel Recorders	7/1/2004	27.5000	7,800.00	0.00	4,935.28	283.64	5,218.92
77	(2) Agitator Chemical Mixers	2/1/2008	27.5000	2,450.04	0.00	1,158.23	89.09	1,247.32
78	100 Gallon Open Top Cone Bottom Tank	2/1/2008	27.5000	1,551.28	0.00	708.02	56.41	764.43
79	Chemical Feeder-Wax 3.2 Project	4/1/2008	27.5000	90,981.05	0.00	41,520.47	3,308.40	44,828.87
80	(2) 1720 E Turbiding Sensors-Wax	2/1/2011	27.5000	5,331.95	0.00	1,880.74	193.89	2,074.63
81	(40) 4' X6'8" X1/8" Baffel Panels	12/1/2013	27.5000	4,980.40	0.00	1,109.29	181.11	1,290.40
854	Chlorine Gas Regulator	12/21/2016	27.5000	7,091.00	0.00	1,082.98	257.85	1,340.83
868	Lighin Mixer	5/19/2017	27.5000	2,353.00	0.00	339.75	85.56	425.31
888	JN102A Metering Pump	7/16/2018	27.5000	2,274.30	0.00	449.70	82.70	532.40
909	Leeson 3/4 HP Motor	7/18/2019	27.5000	2,171.00	0.00	311.68	78.95	390.63
910	Spencer Blower Vortex	7/22/2019	27.5000	1,358.25	0.00	194.99	49.39	244.38
911	Rotary Actuator	7/23/2019	27.5000	2,756.75	0.00	395.77	100.25	496.02
912	Chlorine Gas Regulator	10/15/2019	27.5000	9,642.56	0.00	1,303.94	350.64	1,654.58
939	Chemtrac HA2 Analyzer	1/20/2020	27.5000	4,340.00	0.00	514.56	157.82	672.38

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
32030								
940	Sharpe- FGP- 200 Mixer	11/30/2020	27.5000	5,966.00	0.00	451.98	216.95	668.93
958	Encore 700 Pump	7/7/2021	27.5000	3,583.69	0.00	195.48	130.32	325.80
1008	210 QRB Reciprocating Air Compressor	9/21/2023	27.5000	9,324.09	0.00	0.00	84.77	84.77
Subtotal: 32030				1,777,745.49	0.00	989,591.27	27,709.64	1,017,300.91
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 32030				GL 1,777,745.49	0.00	989,591.27	27,709.64	1,017,300.91
33040								
212	Distribution Reservoirs & Standpipes	1/1/1982	45.0000	935,119.85	0.00	750,631.13	20,780.44	771,411.57
213	Painting Creek Tank	1/1/1990	45.0000	6,200.00	0.00	4,043.78	137.78	4,181.56
214	Nolin Estates Tank	1/1/1990	45.0000	208,434.35	0.00	135,945.61	4,631.87	140,577.48
215	Painting Nolin Estates Tank	1/1/1991	45.0000	5,000.00	0.00	3,161.11	111.11	3,272.22
216	Moving Tank at Nolin Estates	11/1/1995	45.0000	22,000.00	0.00	12,197.78	488.89	12,686.67
217	Tank - 2.2 Project	12/1/1995	45.0000	96,248.13	0.00	53,150.29	2,138.85	55,289.14
218	Tank - 860 Project	12/1/1996	45.0000	227,128.83	0.00	120,883.10	5,047.31	125,930.41
219	Painting Dog Creek Tank	11/1/1997	45.0000	38,000.00	0.00	19,464.44	844.44	20,308.88
220	Tank-Industrial Park	12/1/1998	45.0000	428,523.34	0.00	211,881.03	9,522.74	221,403.77
221	Tank-Industrial Park-Admin Fee	6/1/1999	45.0000	748.70	0.00	353.47	16.64	370.11
222	Tank-Peonia	5/1/2001	45.0000	77,000.00	0.00	33,281.11	1,711.11	34,992.22
223	Tank-4.8 Project	10/1/2002	45.0000	484,205.78	0.00	199,600.47	10,760.13	210,360.60
224	Tank-Hart County Project	10/1/2002	45.0000	349,365.80	0.00	144,016.42	7,763.68	151,780.10
225	Tank-Hwy 101-3.2 Project	9/1/2008	45.0000	777,249.65	0.00	227,129.63	17,272.21	244,401.84
226	250K Tank-Lindseyville-3.38 Proj	12/1/2010	45.0000	966,061.70	0.00	243,662.20	21,468.04	265,130.24
227	100K Tank-Grayson Co-3.38 Proj	12/1/2010	45.0000	740,724.33	0.00	186,827.17	16,460.54	203,287.71
228	Painting Cedar Springs Tank	12/1/2010	45.0000	68,756.78	0.00	17,342.03	1,527.93	18,869.96
229	Painting Peary#1 Tank	12/1/2010	45.0000	100,939.58	0.00	25,459.19	2,243.10	27,702.29
230	Painting RiverHill Tank	12/1/2011	45.0000	115,300.00	0.00	26,775.22	2,562.22	29,337.44
231	Painting Lincoln Tank	12/1/2011	45.0000	99,800.00	0.00	23,175.78	2,217.78	25,393.56
232	Painting Windyville Tank	12/1/2011	45.0000	92,300.00	0.00	21,434.11	2,051.11	23,485.22
233	Painting Nolin Estates Tank	12/1/2011	45.0000	91,800.00	0.00	21,318.00	2,040.00	23,358.00
234	Painting Wingfield Tank	12/1/2011	45.0000	89,800.00	0.00	20,853.56	1,995.56	22,849.12
235	Mixing System-Water Tank	7/1/2012	45.0000	36,625.00	0.00	10,417.78	813.89	11,231.67
Subtotal: 33040				6,057,331.82	0.00	2,513,004.41	134,607.37	2,647,611.78
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 33040				GL 6,057,331.82	0.00	2,513,004.41	134,607.37	2,647,611.78
33140								
236	Transmission & Distribution Lines	1/1/1981	62.5000	5,429,209.25	0.00	4,425,032.29	86,867.35	4,511,899.64
237	Line Additions	1/1/1990	62.5000	2,670.16	0.00	1,724.83	42.72	1,767.55
238	Line Additions-Hart Co	1/1/1990	62.5000	303,407.12	0.00	196,000.94	4,854.51	200,855.45
239	Line Additions-35 Mile Project	1/1/1991	62.5000	855,255.16	0.00	535,389.63	13,684.08	549,073.71
240	Line Additions-Skaggs	1/1/1991	62.5000	15,500.00	0.00	9,703.00	248.00	9,951.00
241	Line Additions	1/1/1991	62.5000	20,679.38	0.00	12,945.36	330.87	13,276.23
242	Line Additions-22 Mi Project	1/1/1992	62.5000	535,678.21	0.00	324,620.87	8,570.85	333,191.72

ECWD - Water [ECW - Water]
Depreciation Expense

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
33140								
243	Line Additions-Ed Co CDBG	1/1/1992	62.5000	453,400.04	0.00	274,760.40	7,254.40	282,014.80
244	Line Additions-Hart Co CDBG	1/1/1992	62.5000	166,887.00	0.00	100,487.51	2,670.19	103,157.70
245	Line Additions	1/1/1992	62.5000	4,744.89	0.00	2,875.47	75.92	2,951.39
246	Line Additions-Hart Co CDBG	6/1/1993	62.5000	2,206.84	0.00	1,293.30	35.31	1,328.61
247	Line Additions	1/1/1993	62.5000	9,306.22	0.00	5,453.32	148.90	5,602.22
248	Line Additions-Noah Bledsoe Rd	1/1/1994	62.5000	3,354.00	0.00	1,898.36	53.66	1,952.02
249	Line Additions-Union Light Rd	1/1/1994	62.5000	16,994.00	0.00	9,618.60	271.90	9,890.50
250	Line Additions-Other	1/1/1994	62.5000	2,722.25	0.00	1,540.93	43.56	1,584.49
251	Engineering Fees-Line Ext.	1/1/1994	62.5000	2,672.00	0.00	1,512.35	42.75	1,555.10
252	Relocate Line-Hwy 743	9/1/1995	62.5000	11,203.16	0.00	6,116.84	179.25	6,296.09
253	8" Line-Hwy 185	11/1/1995	62.5000	471.03	0.00	257.17	7.54	264.71
254	Line Additions-Other	1/1/1995	62.5000	3,310.50	0.00	1,807.54	52.97	1,860.51
255	Line Additions-2.2 Project	12/1/1995	62.5000	1,091,734.68	0.00	596,087.04	17,467.75	613,554.79
256	Line Additions-860 Project	12/1/1996	62.5000	568,354.84	0.00	300,574.73	9,093.68	309,668.41
257	Line Extension-Rock Bore & Base w/casing 31W&422	11/1/1996	62.5000	3,916.00	0.00	2,059.82	62.66	2,122.48
258	Line Additions-Other	1/1/1996	62.5000	1,540.89	0.00	810.56	24.65	835.21
259	Line Additions-860 Project	3/1/1997	62.5000	8,000.47	0.00	4,048.25	128.01	4,176.26
260	Line Additions-Hwy 88 Project	12/1/1997	62.5000	66,791.65	0.00	33,796.51	1,068.67	34,865.18
261	Line Additions-Other	1/1/1997	62.5000	1,203.56	0.00	608.98	19.26	628.24
262	Main Addition-Hwy 88 Project	12/1/1998	62.5000	5,244.90	0.00	2,549.07	83.92	2,632.99
263	Main Addition-891 Project	12/1/1998	62.5000	741,773.93	0.00	360,502.16	11,868.38	372,370.54
264	Main-Industrial Park	12/1/1998	62.5000	123,754.74	0.00	60,144.85	1,980.08	62,124.93
265	Mains-Other	1/1/1998	62.5000	5,076.56	0.00	2,467.34	81.23	2,548.57
266	Main-Industrial Park	6/1/1999	62.5000	216.20	0.00	100.66	3.46	104.12
267	Mains-Other	1/1/1999	62.5000	3,984.38	0.00	1,829.77	63.75	1,893.52
268	Main Hwy 101 Relocation	6/1/2000	62.5000	206,701.95	0.00	92,189.09	3,307.23	95,496.32
269	Mains-Other	1/1/2000	62.5000	2,147.58	0.00	957.92	34.36	992.28
270	Mains-CDBG-Self Help Project	7/1/2001	62.5000	259,240.87	0.00	110,436.66	4,147.85	114,584.51
271	Mains-Other	1/1/2001	62.5000	8,528.33	0.00	3,633.01	136.45	3,769.46
272	Mains-4.8 Project	10/1/2002	62.5000	1,175,600.24	0.00	477,293.60	18,809.60	496,103.20
273	Mains-Hart Co. Project	10/1/2002	62.5000	381,723.74	0.00	154,979.86	6,107.58	161,087.44
274	Mains-Grayson Co Project	10/1/2002	62.5000	120,729.05	0.00	49,015.97	1,931.66	50,947.63
275	Mains-Other	1/1/2002	62.5000	3,585.96	0.00	1,455.92	57.38	1,513.30
276	6" Main-Lake Forrest Prop.	11/1/2003	62.5000	5,779.16	0.00	2,230.70	92.47	2,323.17
277	Mains-Other	1/1/2003	62.5000	2,735.22	0.00	1,055.71	43.76	1,099.47
278	Mains-1.034M Project	9/1/2004	62.5000	1,085,278.77	0.00	397,212.11	17,364.46	414,576.57
279	Mains-101 Relocation Project	10/1/2004	62.5000	74,056.10	0.00	27,104.50	1,184.90	28,289.40
280	Mains-Other	1/1/2004	62.5000	5,074.36	0.00	1,857.26	81.19	1,938.45
281	Mains-Eng Fees 259 Relocation	1/1/2005	62.5000	10,522.04	0.00	3,640.61	168.35	3,808.96
282	Main Upgrade-KY Hwy 743	9/1/2006	62.5000	7,785.40	0.00	2,538.07	124.57	2,662.64
283	Mains-Other	1/1/2006	62.5000	286.89	0.00	93.56	4.59	98.15
284	Main 8" Industrial Park	6/1/2007	62.5000	3,814.62	0.00	1,167.30	61.03	1,228.33
285	Main-259 Hwy Relocation	8/1/2007	62.5000	129,457.97	0.00	39,614.15	2,071.33	41,685.48
286	Mains-3.2 Project	7/1/2008	62.5000	1,516,980.73	0.00	433,856.48	24,271.69	458,128.17
287	Main-3.38 Proj	12/1/2010	62.5000	655,789.05	0.00	161,324.09	10,492.62	171,816.71

ECWD - Water [ECW - Water]
Depreciation Expense

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
33140								
288	Hwy 101 Relocation Main	12/1/2010	62.5000	242,677.31	0.00	59,698.66	3,882.84	63,581.50
289	Mains-Hart Co. Project	12/1/2011	62.5000	671,715.28	0.00	151,807.70	10,747.44	162,555.14
290	Mains-Edmonson Co. Project	12/1/2011	62.5000	373,183.94	0.00	84,339.58	5,970.94	90,310.52
291	Main-6" Relocation Hwy 70-259	9/1/2013	62.5000	48,462.00	0.00	9,013.93	775.39	9,789.32
292	Relocation HWY 743	12/1/2014	62.5000	389,063.10	0.00	68,475.09	6,225.01	74,700.10
293	Relocation HWY 88	12/1/2014	62.5000	295,171.51	0.00	51,950.18	4,722.74	56,672.92
294	HWY 743 abandoned lines	12/1/2014	50.0000	-56,970.00	0.00	-56,970.00	0.00	-56,970.00
295	HWY 88 abandoned lines	2/12/114	50.0000	-38,680.00	0.00	-38,680.00	0.00	-38,680.00
296	Emergency needs project	8/1/2014	62.5000	855,675.75	0.00	133,485.45	13,690.81	147,176.26
297	Straw Line Ext. 1000'	1/1/1990	62.5000	2,035.12	0.00	1,314.61	32.56	1,347.17
298	Oakland Hill Dev. 4600'	1/1/1990	62.5000	4,844.33	0.00	3,129.55	77.51	3,207.06
299	Moutardier Shores 6157.72'	1/1/1990	62.5000	21,859.93	0.00	14,121.56	349.76	14,471.32
300	Noel Johnson Line 2200'	1/1/1990	62.5000	3,130.03	0.00	2,021.98	50.08	2,072.06
301	VanMeter Road 1700'	1/1/1991	62.5000	4,121.22	0.00	2,579.75	65.94	2,645.69
302	Saw Mill Road 2900'	1/1/1991	62.5000	2,946.87	0.00	1,844.82	47.15	1,891.97
303	Denham Road 4660'	1/1/1991	62.5000	5,708.17	0.00	3,573.21	91.33	3,664.54
304	Birtles & Gullett 3200'	1/1/1991	62.5000	4,181.03	0.00	2,600.59	66.90	2,667.49
305	Logan Rd Ext. 2080'	1/1/1992	62.5000	3,814.69	0.00	2,311.60	61.04	2,372.64
306	Jones Rd 3520'	1/1/1992	62.5000	3,837.63	0.00	2,325.53	61.40	2,386.93
307	Harban-View Village 4300'	1/1/1992	62.5000	12,678.49	0.00	7,683.18	202.86	7,886.04
308	Wala Line Ext. 2180'	1/1/1993	62.5000	4,519.61	0.00	2,648.43	72.31	2,720.74
309	Windy Ridge Rd 2640'	1/1/1994	62.5000	6,433.33	0.00	3,641.36	102.93	3,744.29
310	Deacan Lane 3485'	1/1/1994	62.5000	5,423.52	0.00	3,069.71	86.78	3,156.49
311	Haycraft Subd. 2640'	1/1/1994	62.5000	10,035.56	0.00	5,639.96	160.57	5,800.53
312	Dr. Duvall 2500'	1/1/1994	62.5000	5,039.48	0.00	2,852.36	80.63	2,932.99
313	Dover Ridge Rd 2750'	1/1/1994	62.5000	7,256.50	0.00	4,107.18	116.10	4,223.28
314	ABC 1480'	1/1/1994	62.5000	2,885.24	0.00	1,632.91	46.16	1,679.07
315	Powell Subd. 1480'	1/1/1994	62.5000	3,153.37	0.00	1,784.88	50.45	1,835.33
316	Springview Subd 2280'	1/1/1995	62.5000	6,473.62	0.00	3,534.54	103.58	3,638.12
317	Lochober 3060'	1/1/1995	50.0000	14,635.00	0.00	8,049.25	292.70	8,341.95
318	Browning Road 600'	1/1/1995	62.5000	1,969.70	0.00	1,075.36	31.52	1,106.88
319	Sara Smith Farm Line 1665'	1/1/1996	62.5000	5,253.31	0.00	2,763.34	84.05	2,847.39
320	Mammoth Oaks Subd. 3800'	1/1/1996	62.5000	16,276.43	0.00	8,561.44	260.42	8,821.86
321	Nolin Lakeside Subd. 1530'	1/1/1996	62.5000	3,568.29	0.00	1,877.03	57.09	1,934.12
322	Reed Road Line Ext. 2600'	1/1/1996	62.5000	4,371.07	0.00	2,299.15	69.94	2,369.09
323	Little Eden Subd. 520'	1/1/1996	62.5000	2,653.76	0.00	1,396.00	42.46	1,438.46
324	Dallas Meredith Line 513'	1/1/1996	62.5000	7,775.78	0.00	4,090.17	124.41	4,214.58
325	Forestville Rd 4360'	1/1/1996	62.5000	5,082.02	0.00	2,673.13	81.31	2,754.44
326	Horse Run Est. 2280'	1/1/1996	62.5000	5,693.08	0.00	2,994.52	91.09	3,085.61
327	Rollin Meadows 1900'	1/1/1997	62.5000	4,981.65	0.00	2,520.65	79.71	2,600.36
328	Poplar Ridge 2500'	1/1/1997	62.5000	8,186.47	0.00	4,142.37	130.98	4,273.35
329	New Grove Est. 3140'	1/1/1997	62.5000	8,020.00	0.00	4,058.12	128.32	4,186.44
330	Pearson Branch Rd 1760'	1/1/1997	62.5000	4,256.61	0.00	2,153.80	68.11	2,221.91
331	Harold Johnson Farm 4200'	1/1/1997	62.5000	9,684.43	0.00	4,900.36	154.95	5,055.31
332	Audubon Hills 1980'	1/1/1997	62.5000	5,803.27	0.00	2,936.57	92.85	3,029.42

ECWD - Water [ECW - Water]
Depreciation Expense

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33140								
333	Sam Goodman Rd. 2910'	1/1/1998	62.5000	9,613.45	0.00	4,672.01	153.82	4,825.83
334	Croghan Subd. 1500'	1/1/1998	62.5000	7,822.12	0.00	3,801.49	125.15	3,926.64
335	Honey Creek Rd 1440'	1/1/1998	62.5000	4,752.36	0.00	2,309.56	76.04	2,385.60
336	Crossroads Villa 2060'	1/1/1998	62.5000	7,918.14	0.00	3,848.15	126.69	3,974.84
337	Crossroads Subd. 1300'	4/1/1999	62.5000	5,447.21	0.00	2,538.31	87.16	2,625.47
338	Irene Decker Rd 2120'	4/1/1999	62.5000	6,213.45	0.00	2,895.49	99.42	2,994.91
339	Seven Springs Co. Est. 2740'	5/1/1999	62.5000	7,832.80	0.00	3,650.17	125.32	3,775.49
340	Meadow View Subd. 1280'	7/1/1999	62.5000	5,932.56	0.00	2,765.99	94.92	2,860.91
341	Dreamland Subd II 1120'	8/1/1999	62.5000	3,975.68	0.00	1,852.59	63.61	1,916.20
342	Ray Cobb Line 2800'	2/1/2000	62.5000	7,060.08	0.00	3,120.52	112.96	3,233.48
343	Greenward Sub. 5540'	4/1/2000	62.5000	23,157.20	0.00	7,178.67	0.00	7,178.67
344	Rolling Meadows II 2360'	10/1/2000	62.5000	5,521.35	0.00	2,462.72	88.34	2,551.06
345	Creek Hills Est. 1700'	12/1/2000	62.5000	5,249.83	0.00	2,341.50	84.00	2,425.50
346	Tanglewood Subdivision 7924'	12/1/2000	62.5000	32,223.26	0.00	14,371.81	515.57	14,887.38
347	K. Collard & Duvall Line Ext. 3200'	5/1/2001	62.5000	5,952.58	0.00	2,535.89	95.24	2,631.13
348	Timber Ridge Subdiv. 5840'	6/1/2001	62.5000	20,189.50	0.00	8,600.85	323.03	8,923.88
349	Cedar Point Subd. 1660'	7/1/2001	62.5000	4,817.98	0.00	2,052.47	77.09	2,129.56
350	Barbee's Cross Roads Subd.	10/1/2001	62.5000	4,114.48	0.00	1,752.65	65.83	1,818.48
351	Chalybeate Springs Subd. 1440'	10/1/2001	62.5000	3,455.01	0.00	1,471.83	55.28	1,527.11
352	Poplar Ridge Phase III 3380'	11/1/2001	62.5000	9,866.19	0.00	4,202.92	157.86	4,360.78
353	Craddock Farm Subd. 6710'	12/1/2001	62.5000	37,685.00	0.00	16,053.81	602.96	16,656.77
354	Industrial Park Line Ext.	6/1/2001	62.5000	2,450.24	0.00	1,043.70	39.20	1,082.90
355	County Barn Rd Line Ext. 2220'	1/1/2002	62.5000	5,828.62	0.00	2,366.49	93.26	2,459.75
356	Briar Creek Meadows 560'	6/1/2002	62.5000	2,745.30	0.00	1,114.55	43.92	1,158.47
357	Laurel Ridge Camp Phase II	7/1/2002	62.5000	9,103.20	0.00	3,695.82	145.65	3,841.47
358	Heather Heights Subd. 1560'	8/1/2002	62.5000	7,148.41	0.00	2,902.17	114.37	3,016.54
359	Rocky Hill Mobile Home Subd. 7720'	10/1/2002	62.5000	24,969.36	0.00	10,137.50	399.51	10,537.01
360	Mallard Point Properties 2964'	7/1/2003	62.5000	11,006.49	0.00	4,248.61	176.10	4,424.71
361	Lake Forrest Properties 7990'	2/1/2004	62.5000	20,280.54	0.00	7,422.67	324.49	7,747.16
362	Greensward Subdivision 6280'	8/1/2004	62.5000	20,222.46	0.00	7,401.43	323.56	7,724.99
363	Chalybeate Estates 3828'	5/1/2005	62.5000	14,853.54	0.00	5,139.32	237.66	5,376.98
364	Ironwood Acres 4020'	8/1/2005	62.5000	16,170.25	0.00	5,594.99	258.72	5,853.71
365	Cave Lake Subdivision 1190'	9/1/2005	62.5000	13,067.43	0.00	4,521.36	209.08	4,730.44
366	Lake Forrest Unit II 5640'	11/1/2005	62.5000	25,600.55	0.00	8,857.78	409.61	9,267.39
367	Serenity Cove 980'	11/1/2005	62.5000	8,108.97	0.00	2,805.71	129.74	2,935.45
368	Green Meadows Subdivision 2960'	11/1/2005	62.5000	16,444.34	0.00	5,689.80	263.11	5,952.91
369	Poplar Ridge Phase 5 3080'	3/1/2006	62.5000	25,348.34	0.00	8,263.53	405.57	8,669.10
370	Indian Cliff Estates	5/1/2006	62.5000	45,128.34	0.00	14,711.88	722.05	15,433.93
371	Hidden Springs 1440'	9/1/2006	62.5000	11,078.39	0.00	3,611.58	177.25	3,788.83
372	Richland Subdivision 3610'	9/1/2006	62.5000	23,280.01	0.00	7,589.28	372.48	7,961.76
373	Greensward Phase IV 2645'	9/1/2006	62.5000	16,280.96	0.00	5,307.61	260.50	5,568.11
374	Barton Run Subdivision 5185'	10/1/2006	62.5000	46,551.98	0.00	15,175.95	744.83	15,920.78
375	Bentfield Subdivision 380'	10/1/2006	62.5000	4,994.70	0.00	1,628.22	79.92	1,708.14
376	Edmonson County Royale 4385'	11/1/2006	62.5000	34,399.16	0.00	11,214.08	550.39	11,764.47
377	Cornerstone Estates 884'	4/1/2007	62.5000	7,107.64	0.00	2,174.96	113.72	2,288.68

**ECWD - Water [ECW - Water]
Depreciation Expense**

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01/01/2023 - 12/31/2023

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33140								
378	Mayden Trace 3580'	4/1/2007	62.5000	29,578.12	0.00	9,051.00	473.25	9,524.25
379	Rich/Goins Subdivision 605'	4/1/2007	62.5000	5,524.64	0.00	1,690.56	88.39	1,778.95
380	By the Park Subdivision 615'	4/1/2007	62.5000	8,906.74	0.00	2,725.46	142.51	2,867.97
381	Dreamland IV 936'	4/1/2007	62.5000	7,150.32	0.00	2,188.12	114.41	2,302.53
382	Ironwood Subdivision II 2680'	5/1/2007	62.5000	14,743.00	0.00	4,511.36	235.89	4,747.25
383	Ambassador Shore Trailwoods 940'	1/1/2008	62.5000	8,133.54	0.00	2,326.19	130.14	2,456.33
384	Moutardier Bluffs 6150'	11/1/2008	62.5000	28,194.04	0.00	8,063.48	451.10	8,514.58
385	Willow Creek Subdivision 1540'	8/1/2009	62.5000	15,153.71	0.00	3,727.78	242.46	3,970.24
386	Nolin River Run 1300'	12/1/2009	62.5000	12,153.69	0.00	2,989.78	194.46	3,184.24
387	Hickory Cabins 940'	7/1/2011	62.5000	7,801.22	0.00	1,763.03	124.82	1,887.85
388	Red Rock of Nolin 2277'	8/1/2011	50.0000	11,338.70	0.00	2,607.86	226.77	2,834.63
389	The Pointe at Nolin 3830'	6/1/2012	62.5000	21,904.04	0.00	4,512.22	350.46	4,862.68
390	Greenwood Unit V 2100'	9/1/2012	62.5000	12,890.41	0.00	2,655.45	206.25	2,861.70
391	Fairview Ridge Subdivision 590'	11/1/2012	62.5000	7,380.91	0.00	1,520.48	118.09	1,638.57
392	Wilderness Ridge Subdivision 3660'	4/1/2013	62.5000	24,316.46	0.00	4,522.86	389.06	4,911.92
861	work orders	12/31/2016	62.5000	341.26	0.00	38.24	5.46	43.70
869	2017 work orders	11/30/2017	62.5000	2,001.70	0.00	195.49	32.03	227.52
889	March WO's	3/30/2018	62.5000	777.88	0.00	59.14	12.45	71.59
913	Trans & Dist Mains	4/23/2019	62.5000	4,748.60	0.00	278.59	75.98	354.57
914	May Workorders	5/31/2019	62.5000	121,566.93	0.00	6,969.83	1,945.07	8,914.90
915	June Workorders	6/21/2019	62.5000	22,267.23	0.00	1,246.98	356.28	1,603.26
916	September Workorders	9/30/2019	62.5000	602.36	0.00	31.33	9.64	40.97
936	Edmonson Hart Water Project	8/15/2020	62.5000	741,355.54	0.00	28,665.75	11,861.69	40,527.44
959	Edmonson Hart Water Line Project	7/1/2021	62.5000	42,931.22	0.00	1,030.35	686.90	1,717.25
Subtotal: 33140				20,908,701.25	0.00	10,162,774.30	335,802.96	10,498,577.26
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 33140				GL 20,908,701.25	0.00	10,162,774.30	335,802.96	10,498,577.26
33340								
393	Services	1/1/1981	40.0000	444,284.66	0.00	356,560.02	0.00	356,560.02
394	Services-90	1/1/1990	40.0000	7,605.96	0.00	4,981.93	190.15	5,172.08
395	Services-Hart Co CDBG	1/1/1990	40.0000	26,530.52	0.00	17,377.48	663.26	18,040.74
396	Services-35mi Project	1/1/1991	40.0000	52,884.28	0.00	33,581.65	1,322.11	34,903.76
397	Services-91	1/1/1991	40.0000	8,853.18	0.00	5,621.66	221.33	5,842.99
398	Services-22mi Project	1/1/1992	40.0000	32,274.97	0.00	19,849.12	806.87	20,655.99
399	Services-Edmonson Co CDBG	1/1/1992	40.0000	45,177.68	0.00	27,784.17	1,129.44	28,913.61
400	Services-Hart Co CDBG	1/1/1992	40.0000	13,324.86	0.00	8,194.87	333.12	8,527.99
401	Services-92	1/1/1992	40.0000	8,468.51	0.00	5,250.47	211.71	5,462.18
402	Services-93	1/1/1993	40.0000	7,737.83	0.00	4,604.11	193.45	4,797.56
403	Services-94	1/1/1994	40.0000	11,343.79	0.00	6,522.79	283.59	6,806.38
404	Services-2.2 Project	12/1/1995	40.0000	85,485.11	0.00	47,444.18	2,137.13	49,581.31
405	Services-95	1/1/1995	40.0000	11,141.93	0.00	6,183.81	278.55	6,462.36
406	Services-860 Project	1/1/1996	40.0000	26,240.26	0.00	14,038.66	656.01	14,694.67
407	Services-Larry Meredith	1/1/1996	40.0000	26,141.28	0.00	13,985.69	653.53	14,639.22

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
33340								
408	Services-Other	1/1/1996	40.0000	1,123.32	0.00	601.06	28.08	629.14
409	Services-97	1/1/1997	40.0000	9,216.25	0.00	4,746.49	230.41	4,976.90
410	Services-891 Project	12/1/1998	40.0000	44,887.32	0.00	22,219.15	1,122.18	23,341.33
411	Services-98	12/1/1998	40.0000	12,446.95	0.00	6,161.26	311.17	6,472.43
412	Services-99	12/1/1999	40.0000	8,883.09	0.00	4,219.43	222.08	4,441.51
413	Services-Hwy 101 Project	6/1/2000	40.0000	3,419.41	0.00	1,555.74	85.49	1,641.23
414	Services-2000	6/1/2000	40.0000	8,320.36	0.00	3,785.69	208.01	3,993.70
415	Services-CDBG, Self Help	7/1/2001	40.0000	7,350.63	0.00	3,197.60	183.77	3,381.37
416	Services-2001	7/1/2001	40.0000	10,002.45	0.00	4,350.96	250.06	4,601.02
417	Services-Hart Co. Project	10/1/2002	40.0000	5,657.73	0.00	2,347.98	141.44	2,489.42
418	Services-Grayson Co Project	10/1/2002	40.0000	1,870.04	0.00	776.05	46.75	822.80
419	Services-2002	10/1/2002	40.0000	8,794.91	0.00	3,683.89	219.87	3,903.76
420	Services-31 Road Bores	1/1/2003	40.0000	882.00	0.00	348.39	22.05	370.44
421	Services-2003	1/1/2003	40.0000	8,431.54	0.00	3,330.55	210.79	3,541.34
422	Services-1.034 Project	9/1/2004	40.0000	8,354.33	0.00	3,132.93	208.86	3,341.79
423	Services-101 Relocation Project	10/1/2004	40.0000	1,317.37	0.00	494.05	32.93	526.98
424	Services-2004	10/1/2004	40.0000	10,141.16	0.00	3,802.88	253.53	4,056.41
425	Services-2005	1/1/2005	40.0000	13,477.68	0.00	4,784.52	336.94	5,121.46
426	Services-2006	1/1/2006	40.0000	15,177.86	0.00	5,084.63	379.45	5,464.08
427	Services-259 Hwy Relocation	8/1/2007	40.0000	15,425.74	0.00	4,859.10	385.64	5,244.74
428	Services-2007	1/1/2007	40.0000	16,320.96	0.00	5,141.11	408.02	5,549.13
429	Services-3.2 Project	7/1/2008	40.0000	18,115.81	0.00	5,344.22	452.90	5,797.12
430	Services-2008	1/1/2008	40.0000	11,901.70	0.00	3,511.00	297.54	3,808.54
431	Services-2009	1/1/2009	40.0000	9,669.13	0.00	2,465.60	241.73	2,707.33
432	Services-3.38 Project	12/1/2010	40.0000	6,074.28	0.00	1,548.99	151.86	1,700.85
433	Service-Hwy 101 Relocation	12/1/2010	40.0000	15,495.08	0.00	3,951.23	387.38	4,338.61
434	Service-2010	1/1/2010	40.0000	10,114.26	0.00	2,629.76	252.86	2,882.62
435	Services-Hart Co. Project	12/1/2011	40.0000	9,110.08	0.00	2,186.40	227.75	2,414.15
436	Services-Edmonson Co	12/1/2011	40.0000	4,884.27	0.00	1,147.85	122.11	1,269.96
437	Services-2011	1/1/2011	40.0000	9,543.06	0.00	2,242.61	238.58	2,481.19
438	Services-2012	1/1/2012	40.0000	9,737.23	0.00	2,093.48	243.43	2,336.91
439	Services-Hwy 70-259 Relocation	9/1/2013	40.0000	18,885.10	0.00	3,682.58	472.13	4,154.71
440	Services-2013	1/1/2013	40.0000	9,620.20	0.00	1,875.91	240.51	2,116.42
441	Services 2014	1/1/2014	40.0000	22,019.65	0.00	4,073.61	550.49	4,624.10
442	Services 2015	1/1/2015	40.0000	22,285.43	0.00	3,677.11	557.14	4,234.25
853	2016 Services	6/1/2016	40.0000	25,476.26	0.00	3,481.79	636.91	4,118.70
870	2017 work orders	12/31/2017	40.0000	31,154.49	0.00	3,271.22	778.86	4,050.08
897	Work Orders	6/30/2018	40.0000	31,243.56	0.00	3,514.91	781.09	4,296.00
918	Workorders	6/30/2019	40.0000	32,984.52	0.00	2,886.14	824.61	3,710.75
947	Services	8/15/2020	40.0000	38,021.00	0.00	2,297.11	950.53	3,247.64
948	Work Orders	6/30/2020	40.0000	31,679.56	0.00	1,979.98	791.99	2,771.97
976	Workorders	7/1/2022	40.0000	57,028.63	0.00	712.86	1,425.72	2,138.58
989	Services	7/1/2021	40.0000	40,328.39	0.00	1,512.32	1,008.21	2,520.53
1019	2023 Services	6/30/2023	40.0000	56,275.00	0.00	0.00	703.44	703.44
Subtotal: 33340				1,540,642.61	0.00	720,690.75	26,705.54	747,396.29

ECWD - Water [ECW - Water]
Depreciation Expense

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 33340				GL 1,540,642.61	0.00	720,690.75	26,705.54	747,396.29
33440								
443	4" Meter-City of Brownsville	1/1/1987	40.0000	1,200.00	0.00	847.12	30.00	877.12
444	4" Meter-Great Onyx Job Corp	1/1/1987	40.0000	1,600.00	0.00	1,129.51	40.00	1,169.51
445	2" Meters-4 Badger	9/1/1996	40.0000	1,156.00	0.00	618.46	28.90	647.36
446	Meter 2" Badger	5/1/2000	40.0000	349.00	0.00	158.80	8.73	167.53
447	2" Meter RCDL 170B	9/1/2001	40.0000	364.78	0.00	158.77	9.12	167.89
448	1" Inven Sys SR# Meter(1)	8/1/2002	40.0000	91.00	0.00	37.77	2.28	40.05
449	(10) 1" Meters M70	1/1/2003	40.0000	790.00	0.00	312.05	19.75	331.80
450	(6) 2" meters M170	5/1/2003	40.0000	2,130.00	0.00	841.35	53.25	894.60
451	Meter-Industrial Authority	1/1/2004	40.0000	424.85	0.00	257.01	10.62	267.63
452	(2) 2" Meters T10	4/1/2005	40.0000	700.00	0.00	395.50	17.50	413.00
453	1" Meter M70	8/1/2005	40.0000	513.00	0.00	289.85	12.83	302.68
454	(2) 2" T10 Meters	4/1/2006	40.0000	625.00	0.00	328.13	15.63	343.76
455	(6) 1" T10 Meters	11/1/2006	40.0000	706.50	0.00	370.91	17.66	388.57
456	Meters-Hwy 259 Relocation	8/1/2007	40.0000	252.76	0.00	122.68	6.32	129.00
457	3" Sensus 125-W Fire Hydrant Meter	6/1/2007	40.0000	780.00	0.00	382.26	19.50	401.76
458	(5) 2" M170 Meters	10/1/2008	40.0000	2,158.71	0.00	971.41	53.97	1,025.38
459	(3) 2" T10 Meters	9/1/2009	40.0000	1,179.00	0.00	477.50	29.48	506.98
460	(10) 1" Sensus SR Meters	10/1/2009	40.0000	1,205.00	0.00	494.06	30.13	524.19
461	(1) 2" Compound Series B81	11/1/2010	40.0000	1,381.20	0.00	511.03	34.53	545.56
462	Ultrasonic Flow Meter-3.38	12/1/2010	40.0000	9,822.40	0.00	3,585.21	245.56	3,830.77
463	(3,314) AMR Meters 5/8X3/4	12/1/2010	40.0000	311,966.10	0.00	0.00	11,324.89	11,324.89
464	(2362) AMR Meters 5/8X3/4	1/1/2011	40.0000	271,687.50	0.00	0.00	10,781.25	10,781.25
465	(598) AMR Meters 5/8X3/4	1/1/2011	40.0000	65,835.00	0.00	0.00	2,612.50	2,612.50
466	Ultrasonic Flow Meter	4/1/2013	40.0000	2,667.00	0.00	720.09	66.68	786.77
467	(12) ARM Model Meters 170 2	7/1/2013	40.0000	6,523.20	0.00	1,761.23	163.08	1,924.31
468	(115) AMR Meters 5/8X3/4	7/1/2013	40.0000	8,625.00	0.00	2,328.75	215.63	2,544.38
469	Badger meter 30-1"5-2	8/18/2014	40.0000	9,519.60	0.00	2,332.29	237.99	2,570.28
470	Badger meter (100) 5/8x3/4 LL meter	6/1/2015	40.0000	13,173.00	0.00	2,568.74	329.33	2,898.07
852	Meters	5/11/2016	40.0000	13,103.73	0.00	1,878.17	327.59	2,205.76
879	100 meters	6/26/2017	40.0000	15,194.00	0.00	1,823.28	379.85	2,203.13
880	core and main	10/18/2017	40.0000	3,303.24	0.00	374.35	82.58	456.93
903	Meters	5/10/2018	40.0000	19,508.96	0.00	2,276.03	487.72	2,763.75
904	Meters	6/29/2018	40.0000	15,446.94	0.00	1,737.77	386.17	2,123.94
905	Meters	10/22/2018	40.0000	3,404.38	0.00	354.63	85.11	439.74
919	Meters	2/18/2019	40.0000	6,968.00	0.00	667.77	174.20	841.97
920	Meters	5/29/2019	40.0000	3,532.95	0.00	316.48	88.32	404.80
921	Meters	5/17/2019	40.0000	19,139.40	0.00	1,714.59	478.49	2,193.08
922	Meters	8/31/2019	40.0000	17,012.80	0.00	1,417.73	425.32	1,843.05
949	Meters-1016 Meters	2/19/2020	40.0000	94,345.76	0.00	6,682.81	2,358.64	9,041.45
950	Meters	9/23/2020	40.0000	7,428.86	0.00	417.87	185.72	603.59
977	Meters (3736 meters)	7/1/2022	40.0000	351,758.89	0.00	4,396.98	8,793.97	13,190.95
990	Meters - 508	7/1/2021	40.0000	47,172.88	0.00	1,768.98	1,179.32	2,948.30

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
33440								
1017	3,696 5/8"x3/4" AMR Meters	6/30/2023	40.0000	355,072.00	0.00	0.00	4,438.40	4,438.40
Subtotal: 33440				1,689,818.39	0.00	47,827.92	46,288.51	94,116.43
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 33440				GL 1,689,818.39	0.00	47,827.92	46,288.51	94,116.43
33450								
471	Meter Installations (776)	1/1/1983	45.0000	73,710.05	0.00	0.00	8,604.93	8,604.93
472	Meter Installations-90	1/1/1990	45.0000	9,419.71	0.00	6,143.62	209.33	6,352.95
473	Meter Installations-Hart Co.	1/1/1990	45.0000	41,893.68	0.00	27,323.88	930.97	28,254.85
474	Meter Installations-91	1/1/1991	45.0000	12,355.07	0.00	7,811.11	274.56	8,085.67
475	Meter Installations-92	1/1/1992	45.0000	11,271.80	0.00	6,900.96	250.48	7,151.44
476	Meter Installations-93	1/1/1993	45.0000	17,697.31	0.00	10,480.84	393.27	10,874.11
477	Meter Installations-94	1/1/1994	45.0000	15,702.31	0.00	8,985.31	348.94	9,334.25
478	Meter Installations-2.2 Proj	12/1/1995	45.0000	27,834.01	0.00	0.00	1,448.51	1,448.51
479	Meter Installations-95	12/1/1995	45.0000	17,481.30	0.00	9,653.66	388.47	10,042.13
480	Meter Installations-860 Proj	12/1/1996	45.0000	31,691.66	0.00	16,866.93	704.26	17,571.19
481	Meter Installations-L Meredith	12/1/1996	45.0000	27,000.46	0.00	14,370.26	600.01	14,970.27
482	Meter Installations-Other	12/1/1996	45.0000	6,420.77	0.00	3,417.39	142.68	3,560.07
483	Meter Installations-97	1/1/1997	45.0000	28,271.38	0.00	14,481.28	628.25	15,109.53
484	Meter Installations-891 Project	12/1/1998	45.0000	41,475.96	0.00	20,415.41	921.69	21,337.10
485	Meter Installations-98	12/1/1998	45.0000	37,181.49	0.00	18,301.41	826.26	19,127.67
486	Meter Installations-99	1/1/1999	45.0000	37,124.20	0.00	17,530.78	824.98	18,355.76
487	Meter Installations-Hwy 101 Project	6/1/2000	45.0000	6,231.64	0.00	2,818.16	138.48	2,956.64
488	Meter Installations-2000	6/1/2000	45.0000	32,923.43	0.00	14,961.76	731.63	15,693.39
489	Meter Installations-CDBG Project	6/1/2001	45.0000	13,747.91	0.00	5,942.19	305.51	6,247.70
490	Meter Installations-2001	6/1/2001	45.0000	43,214.52	0.00	18,678.39	960.32	19,638.71
491	Meter Installations-Hart Co. Project	10/1/2002	45.0000	11,334.60	0.00	4,697.64	251.88	4,949.52
492	Meter Installations-Grayson Co. Project	10/1/2002	45.0000	3,293.76	0.00	1,357.85	73.19	1,431.04
493	Meter Installations-2002	1/1/2002	45.0000	32,748.94	0.00	13,499.86	727.75	14,227.61
494	Meter Installations-2003	1/1/2003	45.0000	32,171.36	0.00	12,618.27	714.92	13,333.19
495	Meter Installations-1.034 Project	9/1/2004	45.0000	22,257.90	0.00	8,284.92	494.62	8,779.54
496	Meter Installations-101 Relocation Pro	10/10/2004	45.0000	1,588.73	0.00	591.29	35.31	626.60
497	Meter Installations-2004	10/10/2004	45.0000	35,493.77	0.00	13,211.65	788.75	14,000.40
498	Meter Installations-2005	1/1/2005	45.0000	42,473.36	0.00	14,960.11	943.85	15,903.96
499	Meter Installations-2006	1/1/2006	45.0000	47,552.58	0.00	15,798.00	1,056.72	16,854.72
500	Meter Installations-259 Hwy Relocation	8/1/2007	45.0000	749.18	0.00	233.99	16.65	250.64
501	Meter Installations-2007	1/1/2007	45.0000	45,757.44	0.00	14,286.51	1,016.83	15,303.34
502	Meter Installations-3.2 Project	7/1/2008	45.0000	21,043.66	0.00	6,149.44	467.64	6,617.08
503	Meter Installations-2008	1/1/2008	45.0000	38,671.68	0.00	11,300.73	859.37	12,160.10
504	Meter Installations-2009	1/1/2009	45.0000	29,962.00	0.00	8,156.32	665.82	8,822.14
505	Meter Installation-3.38 Proj	12/1/2010	45.0000	29,176.29	0.00	7,423.78	648.36	8,072.14
506	Meter Installation-2010 (4812 meters)	1/1/2010	45.0000	35,008.51	0.00	8,907.73	777.97	9,685.70
507	Meter Installation-Hart Co Project	1/1/2011	45.0000	25,459.55	0.00	5,912.27	565.77	6,478.04
508	Meter Installation-Edmonson Co Proj	1/1/2011	45.0000	15,110.50	0.00	3,509.00	335.79	3,844.79

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
33450								
509	Meter Installations-2011	1/1/2011	45.0000	26,035.16	0.00	6,045.91	578.56	6,624.47
510	Meter Installations-2012	1/1/2012	45.0000	25,989.85	0.00	5,515.65	577.55	6,093.20
511	Meter Installations-2013	1/1/2013	45.0000	33,544.71	0.00	6,448.00	745.44	7,193.44
512	Meter Installations-2014	1/1/2014	45.0000	25,492.78	0.00	4,645.39	566.51	5,211.90
513	Meter Installations-2015	6/1/2015	45.0000	26,932.81	0.00	4,369.13	598.51	4,967.64
862	2016 work orders	12/31/2016	50.0000	29,406.31	0.00	3,528.78	588.13	4,116.91
871	2017 work orders	6/30/2017	45.0000	34,559.62	0.00	3,878.35	767.99	4,646.34
898	Meter Installations	6/30/2018	45.0000	37,551.98	0.00	4,120.29	834.49	4,954.78
923	Workorders	6/30/2019	45.0000	42,212.00	0.00	3,576.29	938.04	4,514.33
953	Meter Installations	6/30/2020	45.0000	47,492.09	0.00	2,638.45	1,055.38	3,693.83
978	Meter Installations (3736 meters)	7/1/2022	45.0000	74,543.56	0.00	828.26	1,656.52	2,484.78
981	Meter Installations - 508	7/1/2021	45.0000	60,069.70	0.00	2,002.32	1,334.88	3,337.20
1018	3,696 Meter Installs	6/30/2023	45.0000	231,773.00	0.00	0.00	2,575.26	2,575.26
Subtotal: 33450				1,698,106.04	0.00	423,579.52	42,891.98	466,471.50
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 33450				GL 1,698,106.04	0.00	423,579.52	42,891.98	466,471.50
33540								
514	Hydrants	1/1/1977	50.0000	18,837.00	0.00	17,172.25	376.74	17,548.99
515	Hydrants-92	1/1/1992	50.0000	1,584.00	0.00	966.24	31.68	997.92
516	Hydrant	1/1/1996	50.0000	160.80	0.00	82.11	3.22	85.33
517	Hydrant	8/1/2001	50.0000	5,548.24	0.00	2,385.64	110.96	2,496.60
518	Hydrant w/ Access	7/1/2002	50.0000	1,838.00	0.00	753.58	36.76	790.34
519	Priceville Fire Dept. (3) 6' Hydrants	5/1/2002	50.0000	3,000.00	0.00	1,230.00	60.00	1,290.00
520	Bear Creek Fire Dept (4) 6"Hyd (1) 4"750 Hyd	5/1/2002	50.0000	4,750.00	0.00	1,947.50	95.00	2,042.50
521	Cub Run Fire Dept (8) 6" Hydrants	6/1/2002	50.0000	8,000.00	0.00	3,280.00	160.00	3,440.00
522	Kyrock Fire Dept (5) 6" Hydrants	8/1/2002	50.0000	5,000.00	0.00	2,050.00	100.00	2,150.00
523	Anetta Fire Dept (5) 6" Hydrants	8/1/2002	50.0000	5,000.00	0.00	2,050.00	100.00	2,150.00
524	Wingfield Fire Dept (5)6", (2)3" Hyd	7/1/2002	50.0000	6,500.00	0.00	2,665.00	130.00	2,795.00
525	Wax Fire Dept (4)6", (5)4", (3)3" 1500 Hyd	11/1/2002	50.0000	11,000.00	0.00	4,510.00	220.00	4,730.00
526	Rocky Hill Fire Dept (2) 8" Hydrants	1/1/2002	50.0000	2,000.00	0.00	820.00	40.00	860.00
527	Hydrant Accessories	12/1/2002	50.0000	242.55	0.00	99.54	4.85	104.39
528	(6) 5 1/4 Hydrants & (4) 2 1/4 Hyd & Install	6/1/2003	50.0000	17,634.04	0.00	6,877.46	352.68	7,230.14
529	Hydrants & Accessories	6/1/2004	50.0000	3,328.13	0.00	1,231.36	66.56	1,297.92
530	Hydrants & Accessories	6/1/2006	50.0000	4,082.91	0.00	1,347.39	81.66	1,429.05
531	(7) Hydrants w/ Access & Install	6/1/2007	50.0000	6,534.00	0.00	2,025.54	130.68	2,156.22
532	3" Hydrant w/ Access & Install	6/1/2007	50.0000	1,030.40	0.00	319.46	20.61	340.07
533	Nolin Lake Estates 5 1/4 Hydrant 208 Pine Crest	5/1/2008	50.0000	1,912.20	0.00	554.53	38.24	592.77
534	Nolin Lake Estates 2 1/4 Hydrant 208 Pine Crest	5/1/2008	50.0000	1,073.92	0.00	311.46	21.48	332.94
535	(2) Hydrants-3.2 Project	5/1/2008	50.0000	6,840.67	0.00	1,983.80	136.81	2,120.61
536	Cub Run-5 1/4 Hydrant	10/1/2008	50.0000	1,284.09	0.00	372.41	25.68	398.09
537	Kessinger Rd Post Hydrant	10/1/2010	50.0000	1,271.74	0.00	317.88	25.43	343.31
538	Priceville Rd 5 1/4 Hydrant	10/1/2010	50.0000	745.47	0.00	186.37	14.91	201.28
539	Lincoln Fire Dept 5 1/4 Hydrant	11/1/2010	50.0000	1,413.85	0.00	353.50	28.28	381.78

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
33540								
540	Flush Type Hydrant-3.38 Proj	12/1/2010	50.0000	3,466.73	0.00	866.63	69.33	935.96
541	Hwy 101 Relocation Hydrant	12/1/2010	50.0000	471.58	0.00	117.88	9.43	127.31
542	3' Post Hydrant & Install A. Whittle	6/1/2011	50.0000	1,026.93	0.00	236.21	20.54	256.75
543	101 Fire Dept 5 1/4 Hydrant	10/1/2012	50.0000	1,438.64	0.00	302.10	28.77	330.87
544	Jack West Rd 4 1/2 Hydrant & Install	5/1/2013	50.0000	2,188.75	0.00	415.90	43.78	459.68
545	Rocky Hill Fire Dept Post Hydrant	8/1/2013	50.0000	640.00	0.00	121.60	12.80	134.40
546	Superior Metal Cub Run Hwy Shoe Hydrant	11/1/2013	50.0000	2,154.50	0.00	409.35	43.09	452.44
547	Hydrant 2015	1/1/2015	50.0000	4,996.47	0.00	799.44	99.93	899.37
863	2016 work orders	12/31/2016	50.0000	6,031.92	0.00	723.84	120.64	844.48
872	2017 work orders	11/30/2017	50.0000	5,572.45	0.00	566.54	111.45	677.99
900	Hydrants	3/30/2018	50.0000	685.30	0.00	65.12	13.71	78.83
925	Workorders	7/31/2019	50.0000	715.00	0.00	48.86	14.30	63.16
926	Workorders	11/30/2019	50.0000	851.64	0.00	52.51	17.03	69.54
954	Fire Hydrants	8/15/2020	50.0000	54,469.00	0.00	2,632.67	1,089.38	3,722.05
979	Hydrants	8/15/2022	50.0000	1,116.11	0.00	18.24	43.40	61.64
988	Hydrants	8/15/2021	50.0000	1,018.32	0.00	28.86	20.37	49.23
1028	Hydrants	8/15/2023	50.0000	1,053.00	0.00	0.00	8.78	8.78
Subtotal: 33540				208,508.35	0.00	63,298.77	4,178.96	67,477.73
Less dispositions and exchanges :				0.00	0.00	0.00	0.00	0.00
Net for: 33540				GL 208,508.35	0.00	63,298.77	4,178.96	67,477.73
33940								
548	Other Plant & Misc Equip	1/1/1990	17.5000	5,285.00	0.00	5,285.00	0.00	5,285.00
549	480v 15kw heater	12/30/2014	17.5000	1,294.86	0.00	536.46	73.99	610.45
Subtotal: 33940				6,579.86	0.00	5,821.46	73.99	5,895.45
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 33940				GL 6,579.86	0.00	5,821.46	73.99	5,895.45
34050								
583	Office Equip & Furniture	1/1/1988	22.5000	54,804.53	0.00	54,804.53	0.00	54,804.53
584	2 Desk & 2 Chairs	1/1/1990	22.5000	465.63	0.00	465.63	0.00	465.63
585	Calculator	1/1/1990	22.5000	169.59	0.00	169.59	0.00	169.59
586	(2) Sharp Calculators	1/1/1991	22.5000	137.00	0.00	137.00	0.00	137.00
587	4 Drawer File Cabinet	1/1/1992	22.5000	459.80	0.00	459.80	0.00	459.80
588	Storage Cabinet	1/1/1992	22.5000	137.50	0.00	137.50	0.00	137.50
589	Laminator & BC Pouches	1/1/1992	22.5000	423.65	0.00	423.65	0.00	423.65
590	Recorder	1/1/1992	22.5000	276.00	0.00	276.00	0.00	276.00
591	Calculator	1/1/1992	22.5000	147.50	0.00	147.50	0.00	147.50
592	(3) File Cabinets	1/1/1992	22.5000	319.50	0.00	319.50	0.00	319.50
593	Walnut Typing Stand	2/1/1993	22.5000	119.00	0.00	119.00	0.00	119.00
594	Calculator	6/1/1993	22.5000	59.99	0.00	59.99	0.00	59.99
595	SHR Fax Machine & Stand	7/1/1993	22.5000	554.00	0.00	554.00	0.00	554.00
596	Hon Executive Chair & Printer Stand	7/1/1993	22.5000	227.50	0.00	227.50	0.00	227.50
597	Gray Key Cabinet	8/1/1993	22.5000	84.58	0.00	84.58	0.00	84.58

ECWD - Water [ECW - Water]
Depreciation Expense

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
34050								
598	MI Calculator	11/1/1993	22.5000	49.50	0.00	49.50	0.00	49.50
599	Chair & Shelving 8L-2S	9/1/1994	22.5000	182.25	0.00	182.25	0.00	182.25
600	Sharp Calculator	12/1/1995	22.5000	171.75	0.00	171.75	0.00	171.75
601	(12) Black LTR File Cabinets	2/1/1996	22.5000	1,188.00	0.00	1,188.00	0.00	1,188.00
602	Executive High Back Chair	3/1/1997	22.5000	287.00	0.00	287.00	0.00	287.00
603	12X200 Carpet & 3/8" Pad	10/1/1997	37.5000	5,330.00	0.00	5,330.00	0.00	5,330.00
604	(4) Office Chairs	11/1/1997	22.5000	758.96	0.00	758.96	0.00	758.96
605	Front Desk	2/1/1998	22.5000	320.00	0.00	320.00	0.00	320.00
606	Typing Table	2/1/1998	22.5000	98.00	0.00	98.00	0.00	98.00
607	(2) Calculators	2/1/1995	22.5000	278.00	0.00	278.00	0.00	278.00
608	Blueprint Cabinet	2/1/1998	22.5000	750.00	0.00	750.00	0.00	750.00
609	4 Drawer File Cabinet	4/1/1998	22.5000	100.00	0.00	100.00	0.00	100.00
610	Executive Chair	2/1/1999	22.5000	398.00	0.00	398.00	0.00	398.00
611	DeskJet 112 GXI Printer-Wax	2/1/1999	22.5000	562.28	0.00	562.28	0.00	562.28
612	Dell Dimension V350 Computer	3/1/1999	22.5000	1,621.00	0.00	1,621.00	0.00	1,621.00
613	Desk	3/1/1999	22.5000	460.00	0.00	460.00	0.00	460.00
614	Relisys Monitor W/Cable	4/1/1999	22.5000	845.00	0.00	845.00	0.00	845.00
615	Desk Black/Walnut	9/1/1999	22.5000	190.00	0.00	190.00	0.00	190.00
616	Printer SNAIY164762-Bville Plt	2/1/2000	22.5000	360.00	0.00	360.00	0.00	360.00
617	File Storage Shelf	5/1/2000	22.5000	171.50	0.00	171.50	0.00	171.50
618	(30) Stack Chairs	5/1/2000	22.5000	1,170.00	0.00	1,170.00	0.00	1,170.00
619	Desk 36" X 72'	5/1/2000	22.5000	683.00	0.00	683.00	0.00	683.00
620	(2) Desk 30" X 60	5/1/2000	22.5000	1,298.00	0.00	1,298.00	0.00	1,298.00
621	Credenza 24" X 72'	5/1/2000	22.5000	582.00	0.00	582.00	0.00	582.00
622	Bookcase - 6 Shelf	5/1/2000	22.5000	163.90	0.00	163.90	0.00	163.90
623	Executive Swivel Chair	5/1/2000	22.5000	424.00	0.00	424.00	0.00	424.00
624	(2) Chairs	5/1/2000	22.5000	184.00	0.00	184.00	0.00	184.00
625	(2) Work Stations	5/1/2000	22.5000	398.00	0.00	398.00	0.00	398.00
626	(4) Office Panels 5X6	5/1/2000	37.5000	552.00	0.00	552.00	0.00	552.00
627	(4) 4 Drawer File Cabinets	5/1/2000	22.5000	536.00	0.00	536.00	0.00	536.00
628	(2) 2 Drawer File Cabinet	5/1/2000	22.5000	196.00	0.00	196.00	0.00	196.00
629	Folding Chair Carrier	6/1/2000	22.5000	178.00	0.00	178.00	0.00	178.00
630	Black Chair	6/1/2000	22.5000	92.00	0.00	92.00	0.00	92.00
631	(2) File Storage Shelves	7/1/2000	22.5000	343.00	0.00	343.00	0.00	343.00
632	Time Clock Wax Plant	7/1/2000	22.5000	340.00	0.00	340.00	0.00	340.00
633	Work Station	7/1/2000	22.5000	199.00	0.00	199.00	0.00	199.00
634	Executive Swivel Chair-Wax Plant	8/1/2000	22.5000	420.00	0.00	420.00	0.00	420.00
635	Recliner-Brown Plt	9/1/2000	22.5000	499.00	0.00	499.00	0.00	499.00
636	Relisys Color Terminal w/Cable	10/1/2000	17.5000	795.00	0.00	795.00	0.00	795.00
637	16 Port Digiboard	10/1/2000	22.5000	1,095.00	0.00	1,095.00	0.00	1,095.00
638	Desk 30' X 60" Walnut-Brown Plt	10/1/2000	22.5000	649.00	0.00	649.00	0.00	649.00
639	Executive Swivel Chair-Brown Plt	10/1/2000	22.5000	420.00	0.00	420.00	0.00	420.00
640	Credit Card Machine	10/1/2000	22.5000	1,450.00	0.00	1,450.00	0.00	1,450.00
641	(4) Relisys Color Terminals	12/1/2000	17.5000	2,780.00	0.00	2,780.00	0.00	2,780.00
642	(2) Workabout Handheld Meter Reading Devices	12/1/2000	17.5000	2,590.00	0.00	2,590.00	0.00	2,590.00

ECWD - Water [ECW - Water]
Depreciation Expense

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
34050								
643	Hand Held Meter Reader	5/1/2001	17.5000	1,295.00	0.00	1,295.00	0.00	1,295.00
644	Scanner & Software	8/1/2001	22.5000	1,495.00	0.00	1,495.00	0.00	1,495.00
645	Hon 2 Drawer file Cabinet	9/1/2001	22.5000	106.00	0.00	106.00	0.00	106.00
646	20" Television w/VCR & Cart	9/1/2001	22.5000	516.00	0.00	516.00	0.00	516.00
647	Work About Hand Held Meter Reading Device	1/1/2002	22.5000	1,302.80	0.00	1,302.80	0.00	1,302.80
648	Calculator-Bville Plt	2/1/2002	22.5000	112.10	0.00	112.10	0.00	112.10
649	Task Chair	2/1/2002	22.5000	79.99	0.00	79.99	0.00	79.99
650	(2) Hon 4 Dr File (AB276) (1) Hon 2 Drw 102	3/1/2002	22.5000	378.00	0.00	378.00	0.00	378.00
651	(3) Hon 4 Dr Vertical FileCabinets	9/1/2002	22.5000	435.00	0.00	435.00	0.00	435.00
652	(2) Burgundy Office Chairs	2/1/2004	22.5000	160.00	0.00	160.00	0.00	160.00
653	Hamilton Paymet Depository w/ Safe	5/1/2004	22.5000	4,150.00	0.00	4,150.00	0.00	4,150.00
654	Dell Optiplex PC, 16' Monitor, Printer	6/1/2004	22.5000	1,501.40	0.00	1,501.40	0.00	1,501.40
655	HP LaserJet Color Printer	11/1/2004	22.5000	3,440.00	0.00	3,440.00	0.00	3,440.00
656	HP Design Jet Plus Plotter	11/1/2004	22.5000	9,469.00	0.00	9,469.00	0.00	9,469.00
657	ArcView Mapping Software	11/1/2004	22.5000	1,365.00	0.00	1,365.00	0.00	1,365.00
658	Kodak Camera	12/1/2004	22.5000	405.96	0.00	405.96	0.00	405.96
659	(2) Surge Outlet w (2) Backups	12/1/2004	22.5000	435.95	0.00	435.95	0.00	435.95
660	Display Case	12/1/2004	22.5000	2,000.00	0.00	2,000.00	0.00	2,000.00
661	GPS System & Software	12/1/2004	22.5000	9,090.34	0.00	9,090.34	0.00	9,090.34
662	Computer Table, Desk, Chairs, Printer Table	12/1/2004	22.5000	57.00	0.00	57.00	0.00	57.00
663	(2) Awesome 6500 Computers	12/1/2004	22.5000	7,759.25	0.00	7,759.25	0.00	7,759.25
664	5.86Hz Fax Machine Panasonic	12/1/2004	22.5000	229.98	0.00	229.98	0.00	229.98
665	Explorer 1200 Computer	12/1/2004	22.5000	2,452.00	0.00	2,452.00	0.00	2,452.00
666	(2) Battery Backups Computer	1/1/2005	22.5000	259.98	0.00	259.98	0.00	259.98
667	Payroll Time Clock	4/1/2005	22.5000	277.92	0.00	277.92	0.00	277.92
668	Water Cooler	5/1/2005	22.5000	655.00	0.00	655.00	0.00	655.00
669	Lexmark T644 Laser Printer	12/1/2005	22.5000	1,895.00	0.00	1,895.00	0.00	1,895.00
670	Arc GIS Map Publisher	9/1/2006	22.5000	2,000.00	0.00	2,000.00	0.00	2,000.00
671	Hon Executive Chair	10/1/2006	22.5000	455.04	0.00	455.04	0.00	455.04
672	Optiplex 320 PC, Flat Screen	3/1/2007	22.5000	1,026.64	0.00	1,026.64	0.00	1,026.64
673	Panasonic SP-8035 Copier	8/1/2007	22.5000	5,539.00	0.00	5,539.00	0.00	5,539.00
674	Geo XH Mapping System	12/1/2007	22.5000	17,908.00	0.00	17,908.00	0.00	17,908.00
675	(3) Mayline Burgandy Stools	5/1/2008	22.5000	891.00	0.00	814.77	39.60	854.37
676	Software Solution-Computer Hardware	5/1/2008	22.5000	1,634.00	0.00	1,494.20	72.62	1,566.82
677	Software Solution-Computer Software	5/1/2008	22.5000	284.00	0.00	259.70	12.62	272.32
678	Software Solution-Computer Hardware	6/1/2008	22.5000	1,764.00	0.00	1,613.08	78.40	1,691.48
679	Grey High Back Chair	3/1/2009	22.5000	449.99	0.00	366.50	20.00	386.50
680	2 Drawer File Cabinet	3/1/2009	22.5000	344.99	0.00	291.41	15.33	306.74
681	Intel Corel PC	3/1/2009	22.5000	1,064.38	0.00	892.93	47.31	940.24
682	MapSync GIS/GPS Mapping Software	9/1/2009	22.5000	6,050.00	0.00	5,075.28	268.89	5,344.17
683	Dell Optiplex 780 PC	12/1/2009	22.5000	1,801.61	0.00	1,467.29	80.07	1,547.36
684	Hand Held Intraface-Badger	4/1/2010	22.5000	1,650.00	0.00	1,178.83	73.33	1,252.16
685	Orion Mobile Meter Reading System	4/1/2010	17.5000	20,520.00	0.00	15,422.57	1,172.57	16,595.14
686	Trimble Ranger HandHeld Reader	4/1/2010	17.5000	6,379.00	0.00	4,638.44	364.51	5,002.95
687	Orion Premium Laptop Kit	4/1/2010	22.5000	12,130.44	0.00	8,666.51	539.13	9,205.64

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
34050								
688	Martin Yale Folding Machine	4/1/2010	22.5000	763.57	0.00	545.54	33.94	579.48
689	(2) Hi Base Stools	10/1/2010	22.5000	378.20	0.00	270.18	16.81	286.99
690	Chair	12/1/2010	22.5000	280.00	0.00	200.04	12.44	212.48
691	(2) Black Mesh Back Chairs	12/1/2010	22.5000	220.50	0.00	157.54	9.80	167.34
692	HP LaserJet Printer	2/1/2011	22.5000	431.00	0.00	264.83	19.16	283.99
693	Hon 4 Drawer Filing Cabinet	8/1/2011	22.5000	514.99	0.00	316.44	22.89	339.33
694	Ultra Evolution Computer-Bville Plt	5/1/2012	22.5000	885.37	0.00	455.50	39.35	494.85
695	OMNI VXS10 Credit Card Machine	5/1/2012	22.5000	330.00	0.00	169.77	14.67	184.44
696	Municipal Notification System (one-call)	5/1/2012	22.5000	32,664.02	0.00	16,803.83	1,451.73	18,255.56
697	Oasis P8M Water Cooler	11/1/2012	22.5000	738.42	0.00	379.90	32.82	412.72
698	Computer Software Online Payments	12/1/2012	22.5000	9,500.00	0.00	4,887.22	422.22	5,309.44
699	Office Chair Big & Tall	2/1/2013	22.5000	309.99	0.00	128.47	13.78	142.25
700	Brother Fax 2880	3/1/2013	22.5000	262.24	0.00	108.65	11.66	120.31
701	Pyramid Office Chair Big & Tall	7/1/2013	22.5000	528.00	0.00	218.83	23.47	242.30
702	Winotek PC W/Windowa 7 & MS Office 2013	10/1/2013	22.5000	2,796.25	0.00	1,857.98	124.28	1,982.26
703	toshiba business copier	5/29/2014	22.5000	3,592.35	0.00	1,309.24	159.66	1,468.90
704	headsets	7/18/2014	22.5000	753.24	0.00	274.48	33.48	307.96
705	9 computers	6/1/2015	22.5000	18,334.62	0.00	3,015.01	814.87	3,829.88
706	badger meter laptop	6/1/2015	17.5000	7,950.00	0.00	1,408.29	454.29	1,862.58
707	Wax Desk	6/1/2015	22.5000	931.49	0.00	153.18	41.40	194.58
708	HP Proliant ML 350 Server	8/19/2015	22.5000	10,632.00	0.00	1,748.37	472.53	2,220.90
709	HP internal tape backup drive	12/8/2015	22.5000	4,701.45	0.00	773.13	208.95	982.08
848	Laptop Mapping	1/21/2016	22.5000	2,200.00	0.00	2,200.00	0.00	2,200.00
849	Trimble GEO 7x handheld	5/19/2016	22.5000	8,120.39	0.00	8,120.39	0.00	8,120.39
850	Filing Cabinets	12/7/2016	22.5000	2,957.90	0.00	1,470.73	131.46	1,602.19
851	Laptop - DC Best Buy	12/8/2016	22.5000	1,415.10	0.00	1,281.44	62.89	1,344.33
873	Precision prod/trimble	2/1/2017	17.5000	8,326.91	0.00	7,474.38	475.82	7,950.20
874	software solutions/comp	3/20/2017	22.5000	4,780.00	0.00	4,009.88	212.44	4,222.32
941	Split Heat Pump System	4/7/2020	22.5000	5,932.00	0.00	725.01	263.64	988.65
980	PC Workstation Intell I9 10900 2.8Hz Processor	3/2/2022	22.5000	3,030.00	0.00	112.22	134.67	246.89
983	Office Furniture - Chairs	4/4/2022	22.5000	1,965.88	0.00	65.53	87.37	152.90
984	HTI Brownsville Computer and Software	9/2/2022	22.5000	4,944.00	0.00	73.24	219.73	292.97
985	Cabinets and Counter Tops Brownsville Plant	11/22/2022	22.5000	5,100.00	0.00	18.89	226.67	245.56
1009	New Desktop and Installation	8/11/2023	22.5000	2,231.99	0.00	0.00	41.33	41.33
1010	Acer Desktop - Latisha Computer	12/8/2023	22.5000	2,350.93	0.00	0.00	8.71	8.71
Subtotal: 34050				374,612.47	0.00	271,975.90	9,083.31	281,059.21
Less dispositions and exchanges :				0.00	0.00	0.00	0.00	0.00
Net for: 34050				GL 374,612.47	0.00	271,975.90	9,083.31	281,059.21
34150								
712	1999 Chevy Dump Tk 07 H042 1GBJTH103X2107083	7/1/1999	7.0000	30,416.92	0.00	30,416.92	0.00	30,416.92
713	Backhoe Trailer	9/1/1999	7.0000	613.77	0.00	613.77	0.00	613.77
715	22'6" 10Ton Trailer	5/1/2000	7.0000	5,860.00	0.00	5,860.00	0.00	5,860.00
717	2007 Chevrolet 6500 Truck w/Bed	11/1/2007	7.0000	54,475.00	0.00	54,475.00	0.00	54,475.00

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
34150								
719	2010 White Ford Ranger Trk 1FTLR1FE3APA34129	12/1/2009	7.0000	16,467.00	0.00	16,467.00	0.00	16,467.00
720	2010 White Ford Ranger Trk 1FTLR1FEXAPA34130	12/1/2009	7.0000	16,467.00	0.00	16,467.00	0.00	16,467.00
721	5'x8' Angle Utility Trailer	4/1/2010	7.0000	706.99	0.00	689.31	0.00	689.31
724	2011 White Ford Ranger Trk 1FTKR1AD9BPA49777	5/1/2011	7.0000	11,078.00	0.00	10,708.73	0.00	10,708.73
725	1-2014 Ford F150 truck	6/11/2014	7.0000	20,543.00	0.00	20,543.00	0.00	20,543.00
726	2015 Ford f150	11/24/2015	7.0000	21,939.00	0.00	21,939.00	0.00	21,939.00
846	2016 Ford Edge	5/26/2016	7.0000	27,288.00	0.00	25,663.74	1,624.26	27,288.00
847	2017 Ford F150	12/20/2016	7.0000	22,515.00	0.00	22,515.00	0.00	22,515.00
890	Trans Equipment	4/20/2018	7.0000	8,612.88	0.00	5,741.91	1,230.41	6,972.32
891	Light Duty Work Truck	10/5/2018	7.0000	25,470.00	0.00	15,463.92	3,638.57	19,102.49
892	Truck 2.5 Flat	11/13/2018	7.0000	7,000.00	0.00	4,166.67	1,000.00	5,166.67
893	Light Duty Work Truck	12/7/2018	7.0000	25,470.00	0.00	14,857.49	3,638.57	18,496.06
927	Ford Ranger 4X4	7/8/2019	7.0000	24,613.00	0.00	14,416.18	3,516.14	17,932.32
942	22.5 Ton Equipment Trailer	9/11/2020	7.0000	15,500.00	0.00	5,166.68	2,214.29	7,380.97
943	(2) Ford F-150's	12/30/2020	7.0000	52,512.00	0.00	15,003.42	7,501.71	22,505.13
986	Don Franklin - 2022 Chevy Colorado	2/24/2022	7.0000	29,868.16	0.00	3,555.73	4,266.88	7,822.61
987	2023 Ford F750 Dump Truck	11/1/2022	7.0000	104,400.00	0.00	2,485.72	14,914.29	17,400.01
1011	2023 Toyota Tacoma	9/28/2023	7.0000	37,057.40	0.00	0.00	1,323.48	1,323.48
1012	2023 Toyota Tacoma	10/12/2023	7.0000	37,057.40	0.00	0.00	1,323.48	1,323.48
1013	2023 Ford F-150	12/18/2023	7.0000	36,325.28	0.00	0.00	0.00	0.00
Subtotal: 34150				632,255.80	0.00	307,216.19	46,192.08	353,408.27
Less dispositions and exchanges :				0.00	0.00	0.00	0.00	0.00
Net for: 34150				GL 632,255.80	0.00	307,216.19	46,192.08	353,408.27
34330								
728	Pallet Truck	12/1/2000	17.5000	285.00	0.00	285.00	0.00	285.00
729	Wet-Dry Vac 16gal 6.25HP	3/1/2003	17.5000	109.99	0.00	109.99	0.00	109.99
730	Blue pipe wrench	8/11/2014	17.5000	88.35	0.00	88.35	0.00	88.35
Subtotal: 34330				483.34	0.00	483.34	0.00	483.34
Less dispositions and exchanges :				0.00	0.00	0.00	0.00	0.00
Net for: 34330				GL 483.34	0.00	483.34	0.00	483.34
34340								
894	Electric Actuator	8/13/2018	17.5000	2,607.00	0.00	657.95	148.97	806.92
944	Turbid Meter Kit	10/15/2020	17.5000	1,500.16	0.00	153.91	85.72	239.63
Subtotal: 34340				4,107.16	0.00	811.86	234.69	1,046.55
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 34340				GL 4,107.16	0.00	811.86	234.69	1,046.55
34350								
732	Tools, Shop & Garage Equipment	1/1/1990	17.5000	11,421.52	0.00	11,421.52	0.00	11,421.52
733	Assorted Small Tools, Wrenches, Pliers	1/1/1999	17.5000	573.50	0.00	573.50	0.00	573.50
734	Shovel & Rakes	3/1/1999	17.5000	78.36	0.00	78.36	0.00	78.36

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
34350								
735	Water Pump	5/1/1999	17.5000	81.00	0.00	81.00	0.00	81.00
736	Hand Tools	1/1/2000	17.5000	180.13	0.00	180.13	0.00	180.13
737	Pressure Recorder	7/1/2000	17.5000	349.00	0.00	349.00	0.00	349.00
738	Spreader Seeder	7/1/2000	17.5000	370.99	0.00	370.99	0.00	370.99
739	Hand Box, Assorted Small Tools	4/1/2001	17.5000	412.74	0.00	412.74	0.00	412.74
740	44cr Stihl Chain Saw	5/1/2001	17.5000	279.95	0.00	279.95	0.00	279.95
741	SLedge Hammer, 24" Bolt Cutter	5/1/2001	17.5000	48.94	0.00	48.94	0.00	48.94
742	Reed Plastic Pipe Saw	5/1/2001	17.5000	47.70	0.00	47.70	0.00	47.70
743	Ferro Magnetic Locator Maquetrak	6/1/2001	17.5000	639.97	0.00	639.97	0.00	639.97
744	*(2) Meuller Shell Cutters	6/1/2001	17.5000	611.00	0.00	611.00	0.00	611.00
745	*Difference 1' Adapter for Shell Cutter	2/1/2002	17.5000	17.00	0.00	17.00	0.00	17.00
746	Hydrant Seat Wrench	11/1/2002	17.5000	273.00	0.00	273.00	0.00	273.00
747	3/4" Vega Drill	1/1/2003	17.5000	160.00	0.00	160.00	0.00	160.00
748	(2) 14" Chains w/hooks	1/1/2003	17.5000	52.22	0.00	52.22	0.00	52.22
749	(5) Shovels, (2) Post Hole Diggers, 3 Rakes	4/1/2003	17.5000	88.13	0.00	88.13	0.00	88.13
750	Metrotech Model 810 Tracer	6/1/2004	17.5000	2,348.12	0.00	2,348.12	0.00	2,348.12
751	Tool Box, Pliers, Adj Wrench, Screw Driver	11/1/2004	17.5000	132.33	0.00	132.33	0.00	132.33
752	Swivel Diffuser w/case Flow Tester	11/1/2004	17.5000	359.08	0.00	359.08	0.00	359.08
753	(7) Heaters w/ LP Tanks	12/1/2004	17.5000	839.34	0.00	839.34	0.00	839.34
754	Air Compressor Tools	12/1/2005	17.5000	100.00	0.00	100.00	0.00	100.00
755	Small Tools-Ratchet, Pliers, Laser	3/1/2006	17.5000	145.21	0.00	145.21	0.00	145.21
756	Ford 12 Station Meter Test Bench 106/100 Gal Tank	8/1/2007	17.5000	14,890.00	0.00	14,890.00	0.00	14,890.00
757	Ingensall Rand 5hp 80gal Compressor w/ Torch Kit	12/1/2007	17.5000	1,224.04	0.00	1,224.04	0.00	1,224.04
758	Maagna-Trak 101 Locator	2/1/2008	17.5000	645.98	0.00	645.98	0.00	645.98
759	Pressure Washer	12/1/2008	17.5000	399.99	0.00	399.99	0.00	399.99
760	Welder	12/1/2008	17.5000	549.99	0.00	549.99	0.00	549.99
761	Battery Charger	12/1/2008	17.5000	139.99	0.00	139.99	0.00	139.99
762	4 Ton Floor Jack	12/1/2008	17.5000	129.99	0.00	129.99	0.00	129.99
763	3500 Watt Generator	12/1/2008	17.5000	349.99	0.00	349.99	0.00	349.99
764	4 Ton Ray System Port-A-Power	12/1/2008	17.5000	265.25	0.00	265.25	0.00	265.25
765	Tool Box, Pliers, Wrenches	1/1/2009	17.5000	200.93	0.00	200.93	0.00	200.93
766	Tool Box, Socket, Ratchet, Pliers	10/1/2009	17.5000	154.72	0.00	154.72	0.00	154.72
767	TSC Grader Blade	1/1/2010	17.5000	299.99	0.00	299.99	0.00	299.99
768	Air Hammer	6/1/2010	17.5000	14.99	0.00	14.99	0.00	14.99
769	Compressor	6/1/2010	17.5000	89.99	0.00	89.99	0.00	89.99
770	Quick Cut Saw	10/1/2010	17.5000	799.96	0.00	799.96	0.00	799.96
771	(7) Kobalt Compact 12" Truck Boxes	1/1/2011	17.5000	976.50	0.00	976.50	0.00	976.50
772	MH Pst Hyd Seat Wrench	1/1/2011	17.5000	230.50	0.00	230.50	0.00	230.50
773	(1) Kobalt Compact 12" Truck Box	5/1/2011	17.5000	148.00	0.00	148.00	0.00	148.00
774	Sears Tools Socket Set	5/1/2011	17.5000	95.38	0.00	95.38	0.00	95.38
775	14" Pipe Wrench	5/1/2011	17.5000	47.92	0.00	47.92	0.00	47.92
777	1/2 Drive Impact	9/1/2011	17.5000	177.96	0.00	177.96	0.00	177.96
778	Portable Transit Time Flow Meter	3/1/2011	17.5000	5,215.00	0.00	5,215.00	0.00	5,215.00
779	usa blue metal detector	2/4/2014	17.5000	680.57	0.00	583.37	38.89	622.26
780	Sears - tools	3/14/2014	17.5000	301.75	0.00	258.68	17.24	275.92

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
34350								
781	USA blue meter transmitter	8/7/2014	17.5000	862.35	0.00	739.20	49.28	788.48
782	TSC tool box	12/22/2014	17.5000	159.99	0.00	137.14	9.14	146.28
875	Welder - Generator	5/10/2017	17.5000	3,280.47	0.00	1,718.36	187.46	1,905.82
895	Cub Cadet 50" Stamped Deck	3/19/2018	12.5000	2,124.00	0.00	807.12	169.92	977.04
928	Gas Ductile & Chainsaw	5/23/2019	17.5000	2,988.00	0.00	788.26	170.74	959.00
945	Quick Cut Saw	8/7/2020	17.5000	839.96	0.00	116.00	48.00	164.00
965	Bush Hog	8/24/2021	12.5000	2,295.00	0.00	244.80	183.60	428.40
966	Clamp on Bucket Fork	10/26/2021	17.5000	1,366.65	0.00	91.11	78.09	169.20
1014	MALA Locator Core Antenna and Tablet	10/13/2023	17.5000	16,392.00	0.00	0.00	234.17	234.17
Subtotal: 34350				77,947.03	0.00	52,140.33	1,186.53	53,326.86
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 34350				GL 77,947.03	0.00	52,140.33	1,186.53	53,326.86
34430								
783	Microscope	2/1/2006	17.5000	742.00	0.00	742.00	0.00	742.00
784	DR 5000 UV/VIS Spectrophotometer	11/1/2010	17.5000	4,684.30	0.00	4,684.30	0.00	4,684.30
785	DR 5000 UV/VIS Spectrophotometer Photo Meter	4/1/2012	17.5000	7,768.95	0.00	7,491.53	277.42	7,768.95
786	kTO Chlorine Analyzer	12/1/2012	17.5000	3,064.70	0.00	3,064.70	0.00	3,064.70
876	chlorine analyzer cl17	10/10/2017	17.5000	3,393.67	0.00	1,636.24	193.92	1,830.16
929	Analyzer	3/18/2019	17.5000	13,550.00	0.00	2,903.59	774.29	3,677.88
930	Chlorine Analyzer	8/30/2019	17.5000	4,330.00	0.00	824.77	247.43	1,072.20
964	Chart Recorder	5/28/2021	17.5000	2,131.36	0.00	192.83	121.79	314.62
967	12' Chart Recorder	11/17/2021	17.5000	3,055.52	0.00	189.15	174.60	363.75
991	Honeywell Chart Recorder - Wax	3/7/2022	17.5000	3,064.84	0.00	145.94	175.13	321.07
992	Honeywell Chart Recorder - Wax	8/3/2022	17.5000	3,347.99	0.00	79.71	191.31	271.02
993	Spectrophotomer - 1/2 Wax 1/2 Bville	8/10/2022	17.5000	11,711.06	0.00	278.83	669.20	948.03
Subtotal: 34430				60,844.39	0.00	22,233.59	2,825.09	25,058.68
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 34430				GL 60,844.39	0.00	22,233.59	2,825.09	25,058.68
34550								
787	Power Operated Equipment	1/1/1990	12.5000	1,544.00	0.00	1,544.00	0.00	1,544.00
788	Lift Forks-Case Backhoe	1/1/1991	12.5000	780.00	0.00	780.00	0.00	780.00
789	Clamp Pipe Pusher	4/1/1992	12.5000	360.00	0.00	360.00	0.00	360.00
791	Model 900 4"-8" Side Tapping Unit	8/1/1994	12.5000	8,634.62	0.00	8,634.62	0.00	8,634.62
793	1999 John Deere Tractor SNLV52105121802 s210	9/1/1999	12.5000	16,355.38	0.00	16,355.38	0.00	16,355.38
794	6'Grader Box	9/1/1999	12.5000	365.00	0.00	365.00	0.00	365.00
795	6' Rotary Hoe Tiller	9/1/1999	12.5000	1,840.00	0.00	1,840.00	0.00	1,840.00
796	12" Case Bucket	12/1/1999	12.5000	762.80	0.00	762.80	0.00	762.80
797	Case 580 SM Loader/Backhoe	10/1/2002	12.5000	54,031.00	0.00	54,031.00	0.00	54,031.00
798	185 CFM Sulliar Air Compressor	3/1/2011	12.5000	12,986.00	0.00	12,986.00	0.00	12,986.00
799	Vermeer Horizontal Directional Drill	3/1/2011	12.5000	108,656.26	0.00	108,656.26	0.00	108,656.26
801	RCF2072 Landpride Rotary Cutter	6/1/2012	12.5000	2,000.00	0.00	2,000.00	0.00	2,000.00
858	Air Motor Dist	11/4/2016	12.5000	7,745.00	0.00	1,884.62	619.60	2,504.22

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
34550								
956	Mini Excavator	8/15/2020	12.5000	39,500.00	0.00	7,965.83	3,160.00	11,125.83
994	Mini Excavator - 85V5	9/9/2022	12.5000	89,800.00	0.00	2,394.67	7,184.00	9,578.67
Subtotal: 34550				345,360.06	0.00	220,560.18	10,963.60	231,523.78
Less dispositions and exchanges :				0.00	0.00	0.00	0.00	0.00
Net for: 34550				GL 345,360.06	0.00	220,560.18	10,963.60	231,523.78
34650								
802	Radio & Access	1/1/1992	10.0000	867.33	0.00	867.33	0.00	867.33
805	Low Bank Max Trac Radio & Install	11/1/1995	10.0000	740.00	0.00	740.00	0.00	740.00
806	(2) Man Trac 100 Mobile 2 CH 60W Radios	4/1/1997	10.0000	1,445.00	0.00	1,445.00	0.00	1,445.00
808	William Johnson-Tech Radio	5/1/2000	10.0000	95.00	0.00	95.00	0.00	95.00
810	TK-6110 Low Band Mobile w/MLB 3400M Antenna	5/1/2001	10.0000	705.60	0.00	705.60	0.00	705.60
816	CDM 750 36-42W 4ext Radio	3/1/2010	10.0000	987.25	0.00	335.69	0.00	335.69
818	(8) Honeywell Chart Reader	12/1/2010	10.0000	16,524.74	0.00	5,618.38	0.00	5,618.38
819	Telemetry System-Wax	12/1/2010	10.0000	143,811.45	0.00	48,895.91	0.00	48,895.91
823	SCADA System (telemetry)	12/2/2015	10.0000	204,700.00	0.00	204,700.00	0.00	204,700.00
902	Communication Equipment-WIN911	12/5/2018	10.0000	14,880.00	0.00	6,076.00	1,488.00	7,564.00
931	Badger Orion Transmitter Mobile Receiver	4/30/2019	10.0000	3,750.00	0.00	1,375.00	375.00	1,750.00
932	Mobile Radios and Base	12/13/2019	10.0000	19,550.70	0.00	6,028.13	1,955.07	7,983.20
968	Communication Equipment	3/26/2021	10.0000	1,931.48	0.00	338.01	193.15	531.16
969	Badger Communication Equip	7/2/2021	10.0000	2,945.50	0.00	441.83	294.55	736.38
970	Communications Equipment	2/4/2021	10.0000	14,465.00	0.00	2,772.46	1,446.50	4,218.96
Subtotal: 34650				427,399.05	0.00	280,434.34	5,752.27	286,186.61
Less dispositions and exchanges :				0.00	0.00	0.00	0.00	0.00
Net for: 34650				GL 427,399.05	0.00	280,434.34	5,752.27	286,186.61
34750								
824	Miscellaneous Equipment	7/1/1989	17.5000	75.00	0.00	75.00	0.00	75.00
825	(2) Microwaves	1/1/1991	22.5000	298.00	0.00	298.00	0.00	298.00
826	Whirlpool Refrigerator	1/1/1991	22.5000	439.00	0.00	439.00	0.00	439.00
827	Cam Corder	1/1/1991	22.5000	1,011.98	0.00	1,011.98	0.00	1,011.98
828	Air Conditioner-Wax Plant	7/1/1993	17.5000	499.00	0.00	499.00	0.00	499.00
829	Pressure Recorder	3/1/1994	17.5000	332.00	0.00	332.00	0.00	332.00
830	4 Wheel Pallet Loading Truck-Wax	7/1/1994	17.5000	197.02	0.00	197.02	0.00	197.02
831	Tandem Hand Dump Truck-Wax	7/1/1994	7.0000	207.68	0.00	207.68	0.00	207.68
832	KF20 Test Pump	11/1/1999	17.5000	1,448.66	0.00	1,448.66	0.00	1,448.66
833	100gal Fuel Tank & Pump	11/1/1999	17.5000	529.98	0.00	529.98	0.00	529.98
834	Water Fountain-Brownsville Plant	7/1/2000	22.5000	382.20	0.00	382.20	0.00	382.20
835	Refrigerator	12/1/2002	22.5000	543.99	0.00	543.99	0.00	543.99
836	Butcher Block Table & 4 Chairs	12/1/2002	22.5000	378.80	0.00	378.80	0.00	378.80
837	GE 1000 BTU Air Conditioner Bville Pit	7/1/2003	17.5000	355.00	0.00	355.00	0.00	355.00
838	Whirlpool Refrigerator	4/1/2005	22.5000	499.00	0.00	499.00	0.00	499.00
839	Microwave	4/1/2005	22.5000	75.45	0.00	75.45	0.00	75.45
840	Husquarva Riding Lawnmower	9/1/2005	12.5000	1,600.00	0.00	1,600.00	0.00	1,600.00

**ECWD - Water [ECW - Water]
Depreciation Expense**

Sorted: General - GL asset acct.

Financial

01/01/2023 - 12/31/2023

Business % Applied to Depreciation

System No.	Description	Date In Service	Life	Cost / Other Basis	Salvage/ Basis Adj.	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)
34750								
841	Microwave	12/1/2005	22.5000	114.96	0.00	114.96	0.00	114.96
842	18 Cubic Ft Reprigerator-Wax Plt	12/1/2009	22.5000	457.99	0.00	457.99	0.00	457.99
843	Kawasaki 25HP 54" Hydrostatic Mower	8/1/2011	12.5000	1,919.96	0.00	1,919.96	0.00	1,919.96
844	Hoover Vacuum Cleaner	9/1/2011	17.5000	169.56	0.00	169.56	0.00	169.56
845	Itron Digital Leak Detector	5/1/2013	17.5000	3,037.06	0.00	2,906.93	130.13	3,037.06
857	2016 Cub Cadet Z-turn mower	6/21/2016	12.5000	6,299.99	0.00	3,969.00	504.00	4,473.00
877	DR4300 Chart Recorder	10/26/2017	17.5000	1,017.29	0.00	482.01	58.13	540.14
878	Metrotech vm810 line locator	12/28/2017	17.5000	2,921.92	0.00	1,335.73	166.97	1,502.70
933	Honeywell 10' Chart Recorder	1/28/2019	17.5000	1,893.59	0.00	550.06	108.21	658.27
946	Trash Pump 3" Gas Multipquip	7/16/2020	17.5000	2,194.50	0.00	290.00	125.40	415.40
960	15 KW 480V 3Phase Heater	1/27/2021	17.5000	2,692.80	0.00	294.92	153.87	448.79
971	Leak Detection Equipment - Edmonson Hart Water Line	8/9/2021	17.5000	34,800.00	0.00	2,817.14	1,988.57	4,805.71
972	1-1/2" 12 VDC Submersible Pump	11/19/2021	17.5000	1,013.80	0.00	62.76	57.93	120.69
1015	Arrow 100+ L1 GNSS Receiver Bundle with RTK Activati	6/12/2023	17.5000	8,062.00	0.00	0.00	268.74	268.74
1016	Honeywell 10" Chart Recorder	11/9/2023	17.5000	2,923.89	0.00	0.00	27.85	27.85
Subtotal: 34750				78,392.07	0.00	24,243.78	3,589.80	27,833.58
Less dispositions and exchanges:				0.00	0.00	0.00	0.00	0.00
Net for: 34750				GL 78,392.07	0.00	24,243.78	3,589.80	27,833.58
Unassigned								
962	GRW Engineering Fees - CIP - 259 Relocation	12/31/2023	5.0000	47,250.00	0.00	0.00	0.00	0.00
997	GRW Engineering Fees - CIP - 259 Relocation	12/31/2022	0.0000	8,210.00	0.00	0.00	0.00	0.00
998	GRW Engineering Fees - CIP - Wax Plant	12/31/2022	0.0000	11,250.00	0.00	0.00	0.00	0.00
1020	GRW - Wax Plant CIP Additions 2023	12/31/2023	0.0000	6,250.00	0.00	0.00	0.00	0.00
1021	GRW - 259 Relocation CIP Additions 2023	12/31/2023	0.0000	46,455.00	0.00	0.00	0.00	0.00
1022	GRW EC GC Emergency Project 03621-14 CIP Additions	12/31/2023	0.0000	10,345.20	0.00	0.00	0.00	0.00
1023	Edmonson County Cleaner Water Project 03621-11 CIP /	12/31/2023	0.0000	14,303.30	0.00	0.00	0.00	0.00
1024	Hart County Cleaner Water Project 03621-13 CIP Additio	12/31/2023	0.0000	3,256.00	0.00	0.00	0.00	0.00
1025	Hart Co Cleaner Water 22 Project 03621-17 CIP Addition	12/31/2023	0.0000	1,705.90	0.00	0.00	0.00	0.00
1026	Edmonson County Cleaner Water 22 Project 03621-15 C	12/31/2023	0.0000	8,837.62	0.00	0.00	0.00	0.00
1027	Grayson County Cleaner Water 22 Project 03621-16 CIP	12/31/2023	0.0000	2,036.34	0.00	0.00	0.00	0.00
Subtotal: Unassigned				159,899.36	0.00	0.00	0.00	0.00
Less dispositions and exchanges :				0.00	0.00	0.00	0.00	0.00
Net for: Unassigned				GL 159,899.36	0.00	0.00	0.00	0.00
Subtotal:				44,460,074.02	0.00	19,839,350.17	856,606.27	20,695,956.44
Less dispositions and exchanges :				0.00	0.00	0.00	0.00	0.00
Grand Totals:				44,460,074.02	0.00	19,839,350.17	856,606.27	20,695,956.44

Attachment #8

A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$4,113,000 WATER SYSTEM REVENUE BONDS, 2001 SERIES A AND B TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; CONFIRMING, RATIFYING AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS OUTSTANDING; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

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A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$4,113,000 WATER SYSTEM REVENUE BONDS, 2001 SERIES A AND B TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; CONFIRMING, RATIFYING AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS OUTSTANDING; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

WHEREAS, upon petition and hearing, an order and judgment (County Court Order Book 3, page 625) was duly entered by the County Court of Edmonson County, Kentucky, on March 10, 1967, determining necessity and creating and establishing the Edmonson County Water District (the "District") and defining the geographical area thereof, the same to constitute a public body corporate with all powers and authority as provided in KRS Chapter 74; and

WHEREAS, the District is at this time a *de jure* water district situated in Edmonson County, Kentucky, with existing extensions into Warren, Grayson and Hart Counties; and

WHEREAS, since 1969 the District has owned and operated a municipal water distribution system (the "System") to serve the area of the District, and in this connection the District has previously issued and there are presently outstanding the following bonds payable from and secured by a first pledge of the revenues of the System, on a parity one with the other:

(a) \$1,023,000 outstanding principal amount of Water System Revenue Bonds, 1988 Series A and B (the "1988 Bonds"), authorized by Resolution of the Commission of the District adopted on April 17, 1989, as amended by Resolutions adopted on November 11, 1991, and February 14, 1996 (collectively the "1988 Resolution");

(b) \$853,000 outstanding principal amount of Water System Revenue Bonds, Series 1990 (the "1990 Bonds"), authorized by Resolution of the Commission of the District adopted on January 22, 1990, as amended by Resolutions adopted on November 11, 1991, and February 14, 1996 (collectively the "1990 Resolution");

(c) \$275,000 outstanding principal amount of Water System Revenue Bonds, Series 1991A (the "1991A Bonds"), authorized by Resolution of the Commission of the District adopted on July 22, 1991 as amended by Resolutions adopted on November 11, 1991, and February 14, 1996 (collectively the "1991A Resolution");

(d) \$545,000 outstanding principal amount of Water System Revenue Bonds, Series 1991B (the "1991B Bonds"), authorized by Resolution of the Commission of the District adopted on November 11, 1991, as amended by Resolution adopted on February 14, 1996 (collectively the "1991B Resolution");

(e) \$2,060,500 outstanding principal amount of Water System Revenue Bonds, 1994 Series A and B (the "1994A and B Bonds"), authorized by Resolution of the Commission of the District adopted on January 24, 1994, as amended by Resolution adopted on February 14, 1996 (collectively the "1994A and B Resolution");

(f) \$816,000 outstanding principal amount of Water System Revenue Bonds, 1994 Series C (the "1994C Bonds"), authorized by Resolution of the Commission of the District adopted on December 12, 1994, as amended by Resolution adopted on February 14, 1996 (collectively the "1994C Resolution");

(g) \$1,300,000 outstanding principal amount of Water System Refunding Revenue Bonds, Series 1996A (the "1996A Bonds"), authorized by Resolution of the Commission of the District adopted on February 14, 1996 (the "1996A Resolution"); and

(h) \$580,500 outstanding principal amount of Water System Revenue Bonds, Series 1997 (the "1997 Bonds"), authorized by Resolution of the Commission of the District adopted on October 29, 1997 (the "1997 Resolution");

and further there are presently outstanding certain subordinate obligations of the District which are payable from and secured by a pledge of the revenues of the System subject to the priorities of the 1988, 1990, 1991A, 1991B, 1994A and B, 1994C, 1996A and 1997 Bonds; and

WHEREAS, it is provided in the 1988, 1990, 1991A, 1991B, 1994A and B, 1994C, 1996A and 1997 Resolutions (the "Prior Resolutions") that the District may issue additional parity bonds ranking on a basis of parity and equality with the outstanding 1988, 1990, 1991A, 1991B and 1994A and B, 1994C, 1996A and 1997 Bonds (the "Prior Bonds") for the purpose of adding new water distribution system facilities to the System upon a showing of compliance with the parity bond coverage test set forth in the 1997 Resolution, and it has been determined by the Commission of the District that the District may now meet such coverage test so that additional parity bonds, ranking on a parity with the Prior Bonds and styled "Water System Revenue Bonds, 2001 Series A and B (the "2001 Bonds"), may now be issued in the aggregate amount of \$4,113,000 for the purpose of financing a portion of the costs of major improvements and additions to the water facilities heretofore approved by the Commission of the District (the "Project"), all as more fully

described in the plans and specifications heretofore prepared on behalf of the District by Elrod-Dunson, Inc., Nashville, Tennessee, and on file in the office of the District; and

WHEREAS, in proceedings before the Public Service Commission of Kentucky, the District has obtained the right and authority to construct and operate major extensions and additions to the System, and plans and specifications have heretofore been prepared by Elrod-Dunson, Inc., Nashville, Tennessee, the District's consulting engineers, and approved by the District's Commission and all state and other supervisory authorities having jurisdiction thereof; and it is the opinion of the Commission of the District that it is feasible to undertake the construction and installation of such new facilities at this time; and

WHEREAS, it has been determined upon the basis of public bids for construction duly solicited in the manner required by law, and upon the basis of other costs and estimates, that the aggregate of all costs and expenses in connection with the aforesaid project will be \$4,896,000, and to provide a portion of such funds the District has received from USDA an offer to make a loan to the District in the amount of \$4,113,000 which, together with a USDA Grant in the amount of \$775,000 and a District contribution in the amount of at least \$8,000, will be sufficient to pay the estimated costs and expenses; and

WHEREAS, it is now appropriate for the District to provide for borrowing said sum of \$4,113,000 through issuance and sale of its Water System Revenue Bonds, 2001 Series A and B (the "2001 Bonds"), according to authority of Kentucky Revised Statutes ("KRS") Chapters 74 and 106 and the provisions of the Prior Resolutions permitting the issuance of parity bonds; and

WHEREAS, the 2001 Bonds will be payable as to both principal and interest solely (except as to capitalized interest) from the income and revenues to be derived from the operation of the System and will not constitute an indebtedness of the District within the meaning of debt-limiting provisions of the Constitution of Kentucky;

NOW, THEREFORE, THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1

AFFIRMATION OF PREAMBLE RECITALS:

AUTHORIZATION OF THE PROJECT:

DECLARATION OF NECESSITY

All statements and recitals set forth in the preamble of this Resolution, including the terms defined therein, are hereby affirmed and adopted as a part of this Resolution.

It is hereby further determined and declared to be necessary in the interests of the general welfare of the citizens and inhabitants of the District that the District undertake at this time the construction and installation of major additions and extensions (the "Project"), to the District's

municipal water distribution system (the "System"), all substantially according to the plans, specifications and designs prepared for the District by Elrod-Dunson, Inc., Nashville, Tennessee (the "Engineers"), and on file with the District. Immediate undertaking of such construction and installation is hereby authorized.

SECTION 2

PROJECT TO BE MUNICIPALLY OWNED AND OPERATED

The construction and installation of the Project is undertaken by the District for public purposes and the same shall constitute and be a part of the System, and so long as any of the 2001 Bonds hereinafter authorized, or bonds issued on a parity therewith, shall remain outstanding and unpaid as to principal or interest, the System shall continue to be municipally owned, controlled, operated and maintained by the District for the security and source of payment of the 2001 Bonds and all other parity bonds outstanding heretofore or hereafter issued. The Project is to be constructed, installed and acquired and the System is to be operated pursuant to the provisions of KRS Chapters 74 and 106, now in full force and effect.

SECTION 3

BOND ISSUE AUTHORIZED; CERTAIN TERMS AND DETAILS

(A) For the purpose of providing funds to defray the costs of the Project (to the extent not otherwise provided to be paid), including all necessary and proper appurtenances, and expenses incident thereto and incident to the issuance of the 2001 Bonds, there are hereby authorized to be issued the District's Water System Revenue Bonds, 2001 Series A and B, in the aggregate principal amount of \$4,113,000 (the "2001 Bonds"), with reservation of right on the part of the District to issue additional bonds in the future, payable from the income and revenues of the System, subject to the conditions and restrictions hereinafter reaffirmed, readopted and set forth. The 2001 Bonds hereby authorized shall be offered at public sale as provided in Section 4 hereof and shall be issuable in the form of a single fully registered bond for each series as provided in Section 5 hereof.

The 2001 Bonds shall be dated as of the date of delivery to the original purchaser thereof; shall mature as to principal in installments on January 1 in each of the years 2004 to 2041 inclusive, as set forth in the schedules appearing below; and shall bear interest from their date until payment of principal, such interest to the respective principal maturity dates to be payable semiannually on January 1 and July 1 of each year, and such interest to be at such rates as may be established by a supplemental Resolution upon the basis of competitive sale of the 2001 Bonds as hereinafter provided. The principal amounts and the installments of principal of the respective series of 2001 Bonds, in fully registered form as aforesaid, shall be as set forth in the following schedules:

2001 Series A Maturity Schedule (\$3,837,000)

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2004	\$ 52,500	2017	\$ 79,500	2030	\$ 121,000
2005	54,500	2018	82,500	2031	124,500
2006	56,000	2019	85,000	2032	129,000
2007	58,000	2020	87,500	2033	133,000
2008	59,500	2021	90,500	2034	137,000
2009	62,000	2022	93,500	2035	142,000
2010	63,500	2023	96,500	2036	146,000
2011	66,000	2024	99,500	2037	151,000
2012	68,000	2025	103,000	2038	156,000
2013	70,000	2026	106,000	2039	161,000
2014	72,500	2027	110,000	2040	166,500
2015	74,500	2028	113,000	2041	172,000
2016	77,500	2029	117,000		

2001 Series B Maturity Schedule (\$276,000)

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2004	\$ 2,900	2017	\$ 5,100	2030	\$ 9,000
2005	3,000	2018	5,300	2031	9,400
2006	3,100	2019	5,600	2032	9,900
2007	3,300	2020	5,800	2033	10,300
2008	3,400	2021	6,100	2034	10,700
2009	3,600	2022	6,300	2035	11,300
2010	3,700	2023	6,600	2036	11,700
2011	3,900	2024	6,900	2037	12,300
2012	4,100	2025	7,200	2038	12,800
2013	4,300	2026	7,600	2039	13,400
2014	4,400	2027	7,900	2040	14,000
2015	4,700	2028	8,300	2041	14,700
2016	4,800	2029	8,600		

The 2001 Bonds shall be issued as a single fully registered 2001 Bond, numbered R-1, maturing in principal installments in annual amounts corresponding to the schedules immediately above, provided, however, that installments of principal of 2001 Bonds maturing on and after January 1, 2012, shall be subject to prepayment at the option of the District prior to maturity in whole or from time to time in part in inverse order of maturities (less than all of a single maturity to be selected by lot) on any interest payment date on and after January 1, 2011, upon terms of par plus accrued interest without any prepayment premium, upon thirty (30) days' prior written notice mailed to the registered holder or holders of the 2001 Bonds; provided, that so long as USDA is the owner of any of the 2001

Bonds, the same may be prepaid in whole or in part at any time at par plus accrued interest, and without notice or prepayment premium. The 2001 Bonds may be prepaid only in increments of \$100.

Both principal of and interest on the 2001 Bonds shall be payable, without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, to the registered holder at the address shown on the registration books of the District or, so long as USDA is the registered holder, at the office or address as may be designated by USDA from time to time.

If any District officer whose signature appears on any 2001 Bond shall cease to be such officer prior to delivery, such signature shall nevertheless be valid and binding for all purposes, the same as if such officer had continued in office until the time of delivery of such 2001 Bond. The 2001 Bonds, together with the Prior Bonds, and the interest thereon, and any bonds which may hereafter be issued on a basis of parity therewith subject to the conditions and restrictions hereinafter set forth, shall be payable only out of the Waterworks Bond and Interest Sinking Fund of 1969 created by Resolution of the Commission of the District adopted on March 31, 1969 (the "1969 Resolution"), and continued by the Prior Resolutions, and shall be a valid claim of the holder thereof only against said Fund and the fixed portion or amount of the revenues of the System which the District has pledged to said Fund, subject to the terms hereof.

The District finds and declares that the 2001 Bonds shall rank on a basis of parity and equality as to security and source of payment with the District's previously issued and outstanding Prior Bonds inasmuch as the District is in compliance with all covenants and undertakings in connection with the Prior Bonds.

SECTION 4

PROVISIONS RELATING TO SALE OF BOND ISSUE

The 2001 Bonds authorized by this Resolution shall be publicly offered for sale according to a Notice of Sale of Bonds conforming to the requirements of KRS Chapter 424 (and particularly KRS 424.140(3) and KRS 424.360), which shall be published one time, not less than seven (7) days nor more than twenty-one (21) days prior to the date therein specified (by and at the discretion of the Chairman of the Commission of the District) for the opening and consideration of purchase bids, in each of the following: (a) the legal newspapers published in Edmonson, Hart, Grayson and Warren Counties, Kentucky, which are qualified under KRS 424.120 to publish advertisements for the District; and (b) The Courier-Journal, Louisville, Kentucky, a legal newspaper having statewide circulation.

Said Notice shall state the name and amount of 2001 Bonds to be sold, the time of the sale and other details concerning the 2001 Bonds and the sale, and shall inform prospective bidders that a copy of the Official Notice of Bond Sale, setting out the maturities, security of the 2001 Bonds, provisions as to redemption prior to maturity and related information, may be obtained from the

District. Such Official Notice shall contain, *inter alia*, substantially the following bidding requirements:

(A) Bidders shall be limited to institutions or persons having knowledge and experience in financial and business matters who are capable of evaluating the merits and risks of the 2001 Bonds and who are not purchasing for more than one account and do not intend to redistribute the 2001 Bonds. The District will make available to any such qualified bidder, upon written request, any financial or other material information regarding the District and the System in the District's possession. Bidders are required to bid a cash price of not less than par value for the 2001 Bonds.

(B) A single interest rate for each series must be bid in a multiple of 1/8 or 1/10 of one percent.

(C) Bids will be considered only for both series of 2001 Bonds, to be issued as a single fully executed bond for each series of 2001 Bonds.

(D) Bidders (except USDA) are required to deposit a good faith check by cashier's check or certified check in the minimum amount of 2% of the face amount of the 2001 Bonds for which the bid is submitted, which good faith deposit may be applied as partial payment for such 2001 Bonds, or as liquidated damage in the event that such bidder, if successful, fails to comply with the terms of his bid.

(E) Preference in award will be given to the bid resulting in the lowest net interest cost to the District.

(F) The lowest net interest cost will be determined by deducting the total amount of any premium bid from the aggregate amount of interest upon the 2001 Bonds bid for, computed from the first day of the month following the date of sale of the 2001 Bonds (even though the 2001 Bonds will bear interest only from the date of delivery) to the final maturity specified in each bid.

(G) The District expects to deliver, and the successful bidder must be prepared to accept delivery of and pay for, the 2001 Bonds at the office of the District within 45 days after notice is given of the award. If the 2001 Bonds are not ready for delivery and payment within 45 days from the aforesaid date of sale, the successful bidder shall be relieved of any liability to accept delivery of the 2001 Bonds, except that 2001 Bonds purchased by any agency of the federal government will be delivered to it at a place and time designated by such agency in accordance with its established practices and procedures.

(H) The District reserves the right, in its discretion, to determine the best bid or bids, to waive any informality or irregularity and to reject any or all bids.

(I) The District will furnish the 2001 Bonds, together with evidence of approval of the 2001 Bond issue by the Public Service Commission of Kentucky pursuant to the requirements of KRS Chapter 278, and customary closing documents, including a no-litigation certificate.

(J) The successful bidder will receive the approving legal opinion of Harper, Ferguson & Davis, Bond Counsel, Louisville, Kentucky, as to the legality of and tax-exempt status of interest on the 2001 Bonds, without additional cost to the successful bidder.

In the event that there is no bid, or that all bids are rejected, the District may re-advertise the sale pursuant to this Resolution.

Bond Counsel having submitted to the Commission of the District forms of the Notice of Sale of Bonds and the Official Notice of Bond Sale, together with an Official Bid Form for use by all bidders except USDA, said documents are hereby approved and authorized for use in connection with the aforesaid sale of the 2001 Bonds.

SECTION 5

2001 BONDS TO BE ISSUED IN FULLY REGISTERED FORM; FULLY REGISTERED BOND FORM

Upon the sale of the 2001 Bonds, the District shall issue a single fully registered 2001 Bond numbered R-1 (hereinafter referred to as a "Fully Registered Bond" for each series). Each Fully Registered Bond shall be in the aggregate principal amount of the series it represents, maturing as to principal in installments as set out in Section 3 hereof. Each Fully Registered Bond shall be of type composition, on paper of sufficient weight and strength to prevent deterioration until the last day of maturity of any installment of principal as stated therein, and shall conform in size to standard practice. Each Fully Registered Bond shall, upon execution on behalf of the District (which execution shall be by manual signatures of the Chairman and Secretary-Treasurer of the Commission, and actual impression of the corporate seal), constitute the Bond issue herein authorized and referred to, and shall be non-negotiable, without interest coupons, registered as to principal and interest, and payable as directed by the payee, and be in substantially the form hereinafter set forth.

The District hereby directs that books for the registration and for the transfer of each Fully Registered Bond shall be kept by the Secretary-Treasurer, who is hereby appointed as Bond Registrar in connection with such Bond. Each Fully Registered Bond shall be transferable only upon said Bond Registrar's books at the request of the registered holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered holder or his duly authorized attorney. Upon such transfer of the Fully Registered Bond, the Bond Registrar shall complete (with the name of the transferee), date and execute the registration schedule appearing on the Fully Registered Bond and deliver the Fully Registered Bond to such transferee. The person in whose name the Fully Registered Bond shall be properly registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal thereof or interest thereon shall be made only to or upon the order of the registered holder thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Fully Registered Bond to the extent of the sum or sums so paid. The face amount of each Fully Registered Bond, portions of which mature on different dates, will be reduced upon the

payment of each maturity, and the Secretary-Treasurer shall keep appropriate records of all payments (both principal and interest) with respect to each Fully Registered Bond.

Each Fully Registered Bond shall be in substantially the following form (with appropriate insertions and modifications):

(FORM OF FULLY REGISTERED BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
EDMONSON COUNTY WATER DISTRICT
WATER SYSTEM REVENUE BOND, 2001 SERIES ____

No. R-1 \$ _____

KNOW ALL MEN BY THESE PRESENTS:

That Edmonson County Water District (the "District"), acting by and through its Commission, a public body corporate created and existing pursuant to Chapter 74 of the Kentucky Revised Statutes and situated in Edmonson, Warren, Grayson and Hart Counties, Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special fund hereinafter identified, the sum of _____ DOLLARS (\$ _____) on the first day of January in years and installments as follows:

Year Principal Year Principal Year Principal

(Here the printer will print the principal maturities for the 2001 Series A or Series B Bonds, respectively)

without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, without deduction for exchange or collection charges and in like coin or currency, at the rate of _____ (_____%) per annum, semiannually on the first days of January and July in each year hereafter 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 to the registered holder hereof at the address shown on the registration books of the District or, so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, at the office or address as may be designated by said Department of Agriculture from time to time.

This Bond is the Bond in fully registered form representing a total authorized series of Bonds in the principal amount of \$ _____ issued by the District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 74 and 106 of the Kentucky

Revised Statutes, and pursuant to a duly adopted Resolution of the District, for the purpose of paying the costs (to the extent not otherwise provided to be paid) of the construction and installation of major extensions and additions to the District's municipal water distribution system (the "System"), together with appurtenant facilities, and incidental expenses.

This Bond and the series which it represents, together with such additional bonds ranking on a parity therewith as have heretofore been issued and are outstanding and as may hereafter be issued and outstanding from time to time in accordance with the conditions and restrictions set forth in the resolution authorizing the issuance of this Bond, are payable from and secured by a pledge of a fixed portion of the income and revenues to be derived from the operation of the System, which fixed portion shall be sufficient to pay the principal of and interest on this Bond and the series which it represents, and any outstanding parity bonds, as and when the same shall become due and payable, and which shall be set aside as a special fund for that purpose and identified as the "Waterworks Bond and Interest Sinking Fund of 1969." This Bond and the series it represents rank on a basis of parity and equality with certain identically styled bonds designated 2001 Series ___ and issued simultaneously herewith pursuant to the Bond-authorizing Resolution.

A statutory mortgage lien upon the System and appurtenant facilities, together with all future additions and improvements thereto, and extensions thereof, is created by Section 106.080 of the Kentucky Revised Statutes and by the aforesaid Resolution for the benefit and protection of the holder of this Bond, and the same shall remain in effect until payment in full of the principal of and interest on this Bond.

This Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Bond or the interest hereon except from said special fund. The District, acting by and through its Commission, covenants that it will fix, and if necessary adjust from time to time, such rates and charges for use of the services and facilities of the System and will collect and account for the income and revenues therefrom sufficient to pay promptly the interest on and principal of this issue of Bonds, and all other bonds ranking on a parity therewith as may be issued and outstanding from time to time in accordance with the conditions and restrictions prescribed in that connection, as well as to pay the costs of operation and maintenance of the System.

This Bond shall be registered as to principal and interest in the name of the holder hereof, after which it shall be transferable only upon presentation to the Secretary-Treasurer of the District, as the Bond Registrar, with a written transfer duly acknowledged by the registered holder or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the books of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2012, in the 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 multiples of One Hundred Dollars (\$100) as the District 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. Notice of such prepayment shall be given by registered mail to the registered holder of the Bond at least thirty (30) days prior to the date fixed for prepayment. Provided, however, that so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, this Bond may be prepaid at any time in whole or in part, at par or face value and without notice or prepayment premium.

Upon default in the payment of any principal or interest payment on this Bond or upon failure by the District to comply with any other provisions of this Bond or with the provisions of the resolution authorizing the issuance of this Bond, the registered holder may, at his option, institute proceedings to enforce all rights and remedies provided by law or by said resolution.

This Bond is exempt from ad valorem taxation in the Commonwealth of Kentucky.

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, being the total authorized amount of Bonds of the series which this Bond represents, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the Edmonson County Water District, in the Commonwealth of Kentucky, by its Commission, has caused this Bond to be executed by the Chairman of its Commission, attested by the Secretary-Treasurer, and its corporate seal to be hereunto affixed, on the date of this Bond, which is _____.

EDMONSON COUNTY WATER
DISTRICT

ATTEST:

By _____
Chairman of the Commission

Secretary-Treasurer

(Seal of District)

PROVISION FOR REGISTRATION

This Bond shall be registered on the books of the Edmonson County Water District kept for that purpose by the Secretary-Treasurer, as Bond Registrar, upon presentation hereof to the Secretary-Treasurer, 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 holder or his attorney, such transfer to be made on said books and endorsed hereon.

(FORM OF REGISTRATION)

Date of Registration	Name of Registered Holder	Signature of the Water District's Bond Registrar
	United States of America Department of Agriculture State Office 771 Corporate Dr., Suite 200 Lexington, Kentucky 40503*	

*(To be inserted if USDA purchases the 2001 Bonds)

SECTION 6

DISPOSITION OF 2001 BOND PROCEEDS: CONSTRUCTION FUND

The Secretary-Treasurer of the District shall be the custodian of all funds belonging to and associated with the System, as expanded and improved from time to time, and such funds shall be deposited in the Brownsville Deposit Bank, of Brownsville, Kentucky, or in such other bank or banks in Kentucky as the Commission of the District may from time to time designate (hereinafter sometimes referred to, singularly and collectively, as the "Depository Bank"). All such moneys of the District deposited in the Depository Bank in excess of the amount insured by the Federal Deposit Insurance Corporation ("FDIC") shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The Secretary-Treasurer shall execute a fidelity bond in an amount and with a surety company approved by USDA so long as it is the holder of any of the 2001 Bonds; and USDA and the District shall be named co-obligees in such surety bond, and the amount thereof shall not be reduced without the written consent of USDA. The proceeds of the 2001 Bonds shall be applied as follows:

Upon the issuance and delivery of the 2001 Bonds authorized by this Resolution, the entire proceeds thereof shall be deposited in an account designated "Edmonson County Water District 2001 Construction Fund" (the "Construction Fund"), hereby created. Said 2001 Bond proceeds shall constitute a part of the Construction Fund and shall be applied, to the extent necessary, in paying the costs incident to constructing, installing and acquiring the Project, including expenses incurred in the

issuance of the 2001 Bonds and paying interim financing obligations (both principal and interest) incurred in connection with the Project as authorized by said separate interim financing Resolution of the Commission of the District; provided, however, any 2001 Bond proceeds so used to pay such interim financing obligations may be disbursed directly to the appropriate lending institution(s) without the requirement of being deposited to the Construction Fund.

A sum in the Construction Fund estimated to be equal to interest which will accrue on the 2001 Bonds (following delivery thereof) during construction and development of the Project shall be earmarked, used and applied to the payment of interest on the 2001 Bonds next becoming due.

Disbursements from the Construction Fund shall be made by checks signed by the District Secretary-Treasurer, and such disbursements shall be authorized and approved in writing by the District Chairman and Secretary-Treasurer and, if USDA is the purchaser of the 2001 Bonds, by USDA (if USDA so requires). Reference is made in this connection to the provisions of the separate interim financing Resolution adopted concurrently herewith.

Pending disbursement, the 2001 Bond proceeds shall be deposited, as aforesaid, in the Construction Fund, and to the extent that such deposit causes the aggregate deposits by the District in the Depository Bank to be in excess of the amount insured by FDIC, the same shall be secured by a surety bond or bonds furnished by a surety company or companies qualified to do business in Kentucky and approved by the Commission of the District, or by a valid pledge of direct obligations of the United States Government, or obligations as to which the payment of principal and interest are guaranteed by the United States Government, having a market value at least equivalent to such deposit.

Where the moneys on deposit in the Construction Fund exceed the estimated disbursements on account of the Project for the next 60 days, the District shall direct the Depository Bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than six months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such investments shall be deposited in the Construction Fund by the District, unless otherwise authorized by USDA.

In the event any unexpected balance shall remain in the Construction Fund after completion of the Project, and payment of all of the costs thereof, as certified by the Engineers, such unexpended balance, subject to the terms and conditions of the aforesaid USDA loan, and to USDA approval, shall be transferred and deposited in the Waterworks Bond and Interest Sinking Fund of 1969, hereinafter referred to, and shall be used at the earliest practicable date for the retirement of 2001 Bonds by purchase thereof (or principal prepayment) in inverse order of maturities or established annual payment amounts, and in proportion to the principal amount of the series (insofar as practicable).

In the event that the amount hereinabove provided to be set aside from 2001 Bond proceeds for payment for interest during the construction and development of the Project should prove to be

insufficient for such purpose, additional moneys may, upon approval by USDA, be withdrawn from the Construction Fund and so applied, inasmuch as interest during such period is a proper part of the cost of the Project, to the extent authorized by USDA.

Pending disbursements for the authorized purposes, the proceeds of all 2001 Bonds at any time issued pursuant to this Resolution shall be subject to a first and paramount lien and charge in favor of the holders of 2001 Bonds issued and outstanding hereunder and for their further security.

SECTION 7

OPERATION OF SYSTEM; FLOW OF FUNDS; ACCUMULATION OF REVENUES

Operation and Revenues of System; Funds and Accounts. From and after issuance and delivery of the 2001 Bonds, and so long as any of the 2001 Bonds or parity bonds remain outstanding and unpaid, the System shall continue to be operated on a fiscal year basis beginning each January 1 and ending on the last day of the next December, as at present, and on that basis the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created by the 1969 Resolution designated and identified as the District's "Waterworks Revenue Fund" (the "Revenue Fund"), which shall continue to be maintained by the District, and into which shall be deposited all income and revenues of the System (to the extent not otherwise provided to be deposited hereinafter). The moneys in the Revenue Fund from time to time shall be used and disbursed and applied by the District, as permitted by applicable statutes, as follows:

(A) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created in and by the 1969 Resolution and designated and identified as the "Waterworks Bond and Interest Sinking Fund of 1969" (the "Bond Fund"), which shall continue to be maintained so long as any of the Prior Bonds, 2001 Bonds or parity bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Prior Bonds, 2001 Bonds and any parity bonds hereafter issued and outstanding pursuant to the provisions of this Resolution.

There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Bond Fund sums sufficient to pay when due the principal and interest requirements on the Prior Bonds, 2001 Bonds and any parity bonds. Specifically, there shall be paid into the Bond Fund on or before the 20th day of each month, on account of the Prior Bonds and 2001 Bonds, not less than the following:

- (i) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-sixth (1/6) of the next succeeding interest installment to become due on all Prior Bonds and 2001 Bonds then outstanding; and
- (ii) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-twelfth (1/12) of the principal of all Prior Bonds and 2001 Bonds maturing on the next succeeding January 1.

In the event additional parity bonds are issued pursuant to the conditions and restrictions hereinafter prescribed in that connection, the monthly deposits to the Bond Fund shall be increased to provide for payment of interest thereon and the principal thereof as the same respectively become due.

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

No further payments need be made into the Bond Fund if and when the amount held therein and in the Debt Service Reserve Fund hereinafter created is at least equal to the amount required to retire all outstanding Prior Bonds, 2001 Bonds and parity bonds and paying all interest that will accrue thereon.

(B) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, is hereby created and designated and identified as the "Water System Revenue Bond Debt Service Reserve Fund" (the "Debt Service Reserve Fund"), which shall be maintained so long as there are outstanding any parity bonds herein permitted to be issued on a parity with the Prior Bonds and 2001 Bonds, except those parity bonds the original purchaser or purchasers of which have waived the benefit of, and any claim to, the Debt Service Reserve Fund. Parity bonds which may be issued and outstanding from time to time as hereinafter permitted and with respect to which the original purchaser or purchasers have not waived the benefit of and claim to the Debt Service Reserve Fund are hereafter referred to as "qualified parity bonds." The purchaser of the Prior Bonds, other than the 1996A Bonds, by its acceptance of the Prior Bonds, other than the 1996A Bonds, has been, and the purchaser of the 2001 Bonds shall be, deemed to have elected, for itself and on behalf of all subsequent holders of the Prior Bonds, other than the 1996A Bonds, and all subsequent holders of the 2001 Bonds, to waive the benefit of and any claim to the Debt Service Reserve Fund.

All moneys deposited in the Debt Service Reserve Fund from time to time shall be held and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the outstanding qualified parity bonds, if any, if and to the extent insufficient funds are available therefor in the Bond Fund. Whenever the amount in the Debt Service Reserve Fund is less than the Reserve Amount, hereinafter defined, the amount necessary to restore the balance in the Debt Service Reserve Fund to the Reserve Amount shall be paid into the Debt Service Reserve Fund in thirty-six (36) equal monthly installments, each payable on the twentieth (20th) day of the month (except that when the twentieth (20th) day of any month shall be a Sunday or a legal holiday, then

such payment shall be made on the next succeeding business day) from the Revenue Fund, after making the deposits set out in subsection (B) above, until the Reserve Amount is on deposit in the Debt Service Reserve Fund. The term "Reserve Amount" as used herein means an amount of money equal to the lesser of (i) the maximum principal and interest requirement on the outstanding qualified parity bonds in any year ending January 1, (ii) and amount equal to 125% of the average annual debt service on the outstanding qualified parity bonds in any year ending January 1, and (iii) an amount equal to 10% of the proceeds of all such qualified parity bonds within the meaning of Section 148(d) of the United States Internal Revenue Code of 1986, as amended.

Any amount in the Debt Service Reserve Fund in excess of the Reserve Amount shall be transferred to the Bond Fund and applied as credit against payments into the Bond Fund from the Revenue Fund on a monthly basis as described in the foregoing subsection (A).

(C) All moneys held in the Revenue Fund, the Bond Fund and the Debt Service Reserve Fund shall be deposited in a bank or banks which are members of the Federal Deposit Insurance Corporation ("FDIC"), and all such deposits which cause the aggregate deposits of the District in any one bank to be in excess of the amount insured by FDIC shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Revenue Fund and the Bond Fund may, and the Debt Service Reserve Fund shall, be invested in Investment Obligations, as hereinafter defined, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Fund which supplied the funds for such investments, and the income from such investments shall be credited to the Bond Fund; provided, however, if the amount in the Debt Service Reserve Fund is less than the Reserve Amount, income from investments in the Debt Service Reserve Fund shall be credited to the Debt Service Reserve Fund until the Reserve Amount is accumulated therein. Investment Obligations in the Debt Service Reserve Fund shall be valued at cost.

Investment income accruing to the Bond Fund shall be credited against payments into the Bond Fund from the Revenue Fund on a monthly basis as set out in the foregoing subsection (B) hereof.

As used herein, the term "Investment Obligations" shall mean any of the following, if and to the extent the following are legal investments for the moneys held in the funds and accounts established pursuant to this Resolution: (i) general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, and any certificate or other evidence of an ownership interest in any such securities or in specified portions thereof consisting of the principal thereof or the interest thereon or any combination thereof; (ii) obligations of any agency or instrumentality of the United States of America the payment of principal of and interest on which is backed by the full faith and credit of the United States of America; (iii) savings accounts, interest-bearing time deposits or certificates of deposit in any national bank or bank chartered in Kentucky authorized to engage in the banking business the deposits of which shall be insured by the FDIC and having a combined capital and surplus aggregating not less than Two Million Dollars (\$2,000,000); provided, however, that each such deposit shall be

continuously secured (to the extent not insured by FDIC) by lodging with a separate bank or trust company approved by the District, as custodian, collateral security in the form of obligations described in (i) or (ii) above having a market value (exclusive of accrued interest) at all times not less than the amount of such deposit (to the extent not insured by FDIC), which collateral security shall be valued by the District at least annually and must be unencumbered and not otherwise pledged and shall be subject to a perfected first lien for the benefit of the District; (iv) repurchase agreements with banks described in (iii) above, continuously secured as provided in (iii) above; (v) money market funds composed of securities described in (i) and (ii) above and rated AAA (or the equivalent thereof) by Standard and Poor's Corporation or Moody's Investors Service, Inc., provided that any such investment in money market funds shall not exceed six (6) months in duration; and (vi) bonds, notes or certificates of indebtedness of the Commonwealth of Kentucky and its agencies and instrumentalities.

(D) A separate and special fund or account of the District was created by the 1969 Resolution designated and identified as the District's "Depreciation Fund" (the "Depreciation Fund"). After observing the priority of deposits set forth in (A) through (C) above, which are cumulative, there shall be set apart and paid into the Depreciation Fund each month from the remaining funds in the Revenue Fund at least the following monthly deposits with respect to the indicated series of bonds, in the case of each series to continue so long as any bonds of such series remain outstanding or until the indicated minimum balance for such series is reached:

<u>Series</u>	<u>Monthly Deposit</u>	<u>Minimum Balance</u>
1988	\$575	\$ 69,000
1990	470	56,400
1991A	150	18,000
1991B	300	36,000
1994A	940	112,800
1994B	150	18,000
1994C	425	51,000
1996A	835	100,200
1997	280	33,600
2001	1,610	None

provided that for the above purpose the aggregate balance in the Depreciation Fund from time to time shall be allocated to the respective series of bonds outstanding (or bonds issued to refund any such series) in the order (earliest first) set out above.

In addition to the above deposits from the Revenue Fund, there shall also be deposited in the Depreciation Fund, as received, the proceeds of all property damage insurance (except public liability) maintained in connection with the System, and the cash proceeds of any surplus, worn-out or obsolescent properties of the System, if the same be sold upon order of the Commission. Any fees which may be levied and collected by the Commission of the District for the privilege of connecting

to the System (excluding initial deposits received in aid of a particular project) shall be paid, as received, into the Depreciation Fund.

The Depreciation Fund shall be available and may be withdrawn and used by the District, upon appropriate certification as to the authorization for such withdrawal, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals or replacements, not included in the Annual Budget of Current Expenses (as defined in Section 8 hereof), and the cost of constructing additions and improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. The Depreciation Fund shall also be available for transfer to the Bond Fund in order to avoid default in connection with any bonds payable from the Bond Fund or to redeem or purchase Prior Bonds, 2001 Bonds or parity bonds in advance of maturity.

At any time when the accumulations in the Depreciation Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Investment Obligations (as described in subsection (C) of this Section) maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than five (5) years after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Depreciation Fund shall be carried to the credit of the Depreciation Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(E) A separate and special fund or account of the District was created by the 1969 Resolution designated the District's "Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), which shall continue to be maintained for the benefit of the System and all bonds payable from the income and revenues of the System. The District covenants that it will transfer monthly from the moneys in the Revenue Fund, after making the transfers required by (A) through (D) above, to the Operation and Maintenance Fund sums sufficient to pay as they accrue the Current Expenses of operating and maintaining the System pursuant to the Annual Budget, for which provision is hereafter made, and to accrue an operation and maintenance reserve not in excess of anticipated requirements for a two-month period pursuant to the Annual Budget.

At any time when the accumulations in the Operation and Maintenance Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Investment Obligations (as described in subsection (C) of this Section) maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than ninety (90) days after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Operation and Maintenance Fund shall be carried to the credit of the Operation and Maintenance Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and

any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(F) Subject to the provisions of subsections (A) through (E) above, which are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred within sixty (60) days after the end of each fiscal year the balance of excess funds in the Revenue Fund on such date to the Depreciation Fund.

* * *

All payments into the above special 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 Sunday or a legal holiday, then such payment shall be made on the next succeeding business day.

All moneys held in any of the above special funds shall be kept apart from all other District funds and shall be deposited in a bank or banks selected by the District from time to time (in each case, a "Depository Bank"), and all such deposits which cause the aggregate of all deposits of the District in any Depository Bank 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 pledge of direct obligations or by guaranteed bonds or securities of the United States Government having a market value at least equivalent to such excess deposit.

SECTION 8

COVENANTS TO BONDHOLDERS

The District hereby irrevocably covenants and agrees with the holder or holders of any and all 2001 Bonds and parity bonds at any time issued and outstanding pursuant to authority of this Resolution that so long as the same or any part thereof or interest thereon remain outstanding and unpaid:

(A) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky, and by the terms and provisions of this Resolution.

(B) It will at all times operate the System on a revenue-producing basis, and will permit no free services to be rendered or afforded thereby.

(C) It will maintain the System in good condition through application of revenues accumulated and set aside for operation and maintenance, as herein provided; and will make unusual or extraordinary repairs, renewals and replacements, as the same may be required, through application of revenues accumulated and set aside for such purposes.

(D) The District covenants and agrees that, so long as any of the 2001 Bonds are outstanding, it will not sell or otherwise dispose of any of the System facilities or any part thereof, and, except as provided for in this Resolution and in the Prior Resolutions, it 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 2001 Bonds. Notwithstanding the foregoing, the District may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:

(i) it is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the System;

(ii) it will, in the event of sale, apply the proceeds to either (1) redemption of outstanding 2001 Bonds or parity 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;

(iii) it certifies, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(iv) notwithstanding all of the foregoing, no such sale, abandonment or transfer of System facilities shall be made so long as USDA owns any of the 2001 Bonds herein authorized, without the written consent and approval of USDA.

(E) It will establish, enforce and collect rates and charges for services rendered and facilities afforded by the System; and the same shall be reasonable and just, taking into account and consideration the cost and value of the System, the costs of operating the same and maintaining it in a good state of repair, proper and necessary allowances for depreciation and for additions and extensions, and the amounts necessary for the orderly retirement of all outstanding bonds as aforesaid and the accruing interest thereon, and the accumulation of reserves as herein provided; and such rates and charges shall be adequate to meet all such requirements as provided in this Resolution, and shall, if necessary, be adjusted from time to time in order to comply herewith.

On or before the date of issuance of the 2001 Bonds, the District will adopt a Budget of Current Expenses for the System for the remainder of the then current fiscal year of the System, and thereafter, on or before the first day of each fiscal year so long as any 2001 Bonds are outstanding, it will adopt an Annual Budget of Current Expenses for the ensuing fiscal year, and will file a copy of each such Budget, and of any amendments thereto, in the office of the Secretary-Treasurer of the District, and furnish copies thereof to the holder of any Bond upon request. The term "Current Expenses," as herein used, includes all reasonable and necessary costs of operating, repairing, maintaining, and insuring the System, but shall exclude any allowance for depreciation, payments into the Depreciation Fund for extensions, improvements, and extraordinary repairs and maintenance, and payments into the Bond Fund. The District covenants

that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that it will not expend any amount or incur any obligations for operation, maintenance and repairs in excess of the amounts provided for Current Expenses in the Annual Budget, except upon resolution duly adopted by the Commission of the District determining that such expenses are necessary in order to operate and maintain the System. At the same time, and in like manner, the District agrees that it will prepare an estimate of cash income and revenues to be derived from operation of the System for each fiscal year, and to the extent that said cash income and revenues are insufficient to provide for all payments required to be made into the Bond Fund during such ensuing fiscal year, and to make the monthly payments specified by subsection (A) of Section 7 of this Resolution, and to pay Current Expenses, the District covenants and agrees that it will revise its rates and charges for services rendered by the System, so that the same will be adequate to meet all of such requirements.

(F) It will not at any time make any reduction in any prevailing schedule of rates and charges for use of the services and facilities of the System without first obtaining the written determination of a Consulting Engineer of national reputation that the proposed reduction will not adversely affect the ability of the District to meet all the requirements set forth in this Resolution.

(G) It will at all times segregate the revenues of the System from all other revenues, moneys, and funds of the District, and will promptly and regularly make application and distribution thereof into the special funds provided in the Prior Resolutions, and in this Resolution, in the amount and with due regard for the priorities herein attributed thereto.

(H) It will keep proper books of record and account, separate and clearly distinguishable from all other municipal records and accounts, showing complete and correct entries of all transactions relating to the System, and the same shall be available and open to inspection by any 2001 Bondholder, and any agent or representative of a 2001 Bondholder.

(I) It will, within ninety (90) days after the end of each fiscal year, cause an audit to be made of the books of record and account pertinent to the System, by an independent state-licensed accountant not in the employ of the District on a monthly salary basis, showing all receipts and disbursements, and reflecting in reasonable detail the financing condition and records of the System, including the status of the several funds hereinbefore created, the status of the insurance and fidelity bonding, the number and type of connections, and the current rates and charges, with comments of the auditor concerning whether the books and records are being kept in compliance with this Resolution and in accordance with recognized accounting practices, and will promptly cause a copy of the Audit Report to be filed in the Office of the Secretary-Treasurer where it will be available for public inspection, and will promptly mail a copy thereof to the original recipients of 2001 Bonds issued hereunder. If requested to do so, the District will furnish to any 2001 Bondholder a condensed form of the Balance Sheet, and a condensed form of the Operating Report, in reasonable detail. All expenses incurred in causing such audits to be made, and copies distributed, shall constitute proper expenses of operating and maintaining the System, and may be paid from revenues allocated for such purposes, as herein provided. Provided, so long as

USDA holds any of the 2001 Bonds herein authorized, the District shall furnish operating and other financial statements in such form and substance and for such periods as may be requested by USDA.

(J) Any holder of 2001 Bonds may either at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance by the District and its officers and agents of all duties imposed or required by law or this Resolution in connection with the operation of the System, including the making and collecting of sufficient rates and segregation of the revenues and application thereof.

(K) If there be any default in the payment of the principal of or interest on any of the 2001 Bonds, then upon the filing of suit by any holder of the 2001 Bonds or any of the coupons, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the District, with power to charge and collect rates sufficient to provide for the payment of any bonds or obligations outstanding against the System, and for the payment of Current Expenses, and to apply the revenues in conformity with this Resolution and the provisions of said statute laws of Kentucky aforesaid.

(L) The District will cause each municipal officer or other person (other than depository banks) having custody of any moneys administered under the provisions of this Resolution to be bonded at all times in an amount at least equal to the maximum amount of such moneys in his custody at any time; each such bond to have surety given by a surety corporation qualified to do business in Kentucky and approved by the Commission, and the premiums for such surety shall constitute a proper expense of operating the System, and may be paid from moneys available in the Operation and Maintenance Fund.

(M) It will procure, and at all times maintain in force, insurance of all insurable properties constituting parts of, or being appurtenant to, the System to the full insurable value thereof, against damage or destruction by fire, windstorm, and the hazards covered by the standard "extended coverage" policy endorsements or provisions, the premiums therefor to be paid from the Operation and Maintenance Fund; and will deposit all sums collected under the terms of such policies in a special Fund. Such insurance shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percentum (80%) of the full insurable value of the damaged facility.

(N) The District will procure and at all times maintain public liability insurance relating to the operation of the System, with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death; and not less than \$200,000 from claims for damage to property of others which may arise from the District's operation of the System.

(O) The District will carry suitable worker's compensation insurance in accordance with law.

(P) If the District owns or operates a vehicle in the operation of the System, the District will procure and at all times maintain vehicular public liability insurance with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death, and not less than \$200,000 against claims for damage to property of others which may arise from the District's operation of vehicles. Provided, notwithstanding (M), (N), (O) and (P) above, that so long as USDA holds any 2001 Bonds, the District will procure and maintain insurance of such types and amounts as USDA may specify, which shall not be less than the amounts specified in this Section 8 so long as the Prior Bonds and the 2001 Bonds are outstanding.

(Q) So long as USDA is the holder of any bonds of the District, the District shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of such bonds held by USDA without immediately prepaying all of such bonds held by USDA.

SECTION 9

PARITY BONDS PERMITTED: TERMS

The 2001 Bonds and outstanding parity bonds, together with any additional parity bonds issued under the restrictions and conditions hereinafter set forth, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among such bonds, regardless of the fact that they may be actually issued and delivered at different times.

The District hereby reserves the right and privilege of issuing additional bonds from time to time payable from the income and revenues of the System ranking on a parity with the 2001 Bonds and any outstanding parity bonds (herein sometimes referred to as "additional parity bonds") in order to pay the costs of extensions, additions and improvements to the System, provided that (a) the written consent of the holders of all 2001 Bonds and any outstanding parity bonds is obtained or (b) either of the conditions set forth in (i) or (ii) below is met:

(i) The net income and revenues of the System for the fiscal year preceding the year in which such additional parity bonds are to be issued were at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1 with respect to all 2001 Bonds and parity bonds which are then outstanding and the additional parity bonds then proposed to be issued. The term "net income and revenues" as herein used is defined as gross income and revenues of the System (including all payments to the Revenue Fund and interest earnings accruing to the Bond Fund, the Depreciation Fund and the Operation and Maintenance Fund) less the sum of Current Expenses as defined in subsection (E) of Section 8 hereof. Such showing of net income and revenues for such preceding fiscal year may be represented by the report of the auditors.

(ii) A statement is filed with the Secretary of the District by (a) an independent certified public accountant or firm of certified public accountants not in the regular employ of the District

on a monthly salary basis or (b) an independent professional engineer or firm or firms of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky, reciting the opinion based upon necessary investigation that the net income and revenues of the System as defined in (i) above for twelve (12) consecutive months out of the eighteen (18) months preceding the issuance of said additional parity bonds (with adjustments as hereinafter provided) were equal to at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1 with respect to the 2001 Bonds and any parity bonds then outstanding and the proposed additional parity bonds. The net income and revenues may be adjusted for the purpose of the foregoing computations to reflect any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional parity bonds, and also to reflect any increase in such net income and revenues by reason of the extensions, additions and improvements to the System the cost of which (in whole or in part) is to be paid through the issuance of such additional parity bonds; but such latter adjustments shall only be made if contracts for the immediate construction or acquisition of such extensions, additions and improvements have been or will be entered into prior to the issuance of such additional parity bonds. All such adjustments to reflect any revision of rates and charges or an increase in net income and revenues by reason of extensions, additions and improvements to the System as aforesaid shall be based upon written certification by (a) an independent professional engineer or firm of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky or (b) an independent certified public accountant or firm of certified public accountants not in the employ of the District on a monthly salary basis.

The District hereby further reserves the right and privilege of issuing additional parity bonds for the purpose of refunding the 2001 Bonds and any parity bonds, or any portion thereof, as may be outstanding, provided that before any additional parity bonds are issued for such purpose, there shall have been procured and filed with the Secretary of the District either (a) the written consent of the holders of all 2001 Bonds and any outstanding parity bonds (other than the bonds being refunded) to such issuance or (b) a statement by an independent certified public accountant or firm of independent certified public accountants reciting the opinion based upon necessary investigation that after the issuance of such additional parity bonds, the net income and revenues, as adjusted and defined above, of the System for the fiscal year preceding the date of issuance of such additional parity bonds, after taking into account the revised maximum annual debt service resulting from the issuance of such additional parity bonds and from the elimination of the bonds being refunded thereby, are equal to not less than 120% of the maximum annual debt service requirement for any year ending January 1 with respect to the 2001 Bonds and any parity bonds then outstanding and the proposed additional parity bonds and calculated in the manner specified above.

The original purchaser or purchasers of a series of additional parity bonds may waive the benefit of and any claim to the Debt Service Reserve Fund, in which event such bonds shall not be secured by or payable from the Debt Service Reserve Fund; and the District may make it a condition to the original sale of any series of additional parity bonds that the purchaser or purchasers thereof, by offering to purchase or by purchasing the same, has agreed to such waiver.

The interest payment dates for all such additional parity bonds shall be semiannually on January 1 and July 1 of each year, and the principal maturities thereof shall be on January 1 of the year in which any such principal is scheduled to become due.

The additional parity bonds, the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds payable from the income and revenues of the System on a parity with the 2001 Bonds and outstanding parity bonds, and shall not be deemed to include or prohibit the issuance of other obligations the security and source of payment of which is subordinate and subject to the priority of the payments into the Bond Fund and the Debt Service Reserve Fund for account of the 2001 Bonds and any parity bonds.

SECTION 10

PROVISIONS OF RESOLUTION CONSTITUTE CONTRACT

The provisions of this Resolution shall constitute a contract between the District and the holders of the 2001 Bonds herein authorized and any parity bonds herein permitted to be issued, and after the issuance of any of the 2001 Bonds, no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner without the written consent of the holder or holders of the 2001 Bonds, except as herein provided, until such time as all of the 2001 Bonds and parity bonds issued hereunder, and the interest thereon, have been paid in full.

SECTION 11

STATUTORY MORTGAGE LIEN ACKNOWLEDGED

A statutory mortgage lien upon the System, together with all appurtenances and additions thereto and extensions thereof, and including the revenues thereof, is granted and created by Section 106.080 of the Kentucky Revised Statutes for the benefit and protection of the holders of the 2001 Bonds issued and parity bonds permitted to be issued under authority of this Resolution, and previously issued and outstanding parity bonds, and of the interest payable thereon; and said statutory mortgage lien is hereby recognized and shall be effective upon delivery of any of the 2001 Bonds and shall continue in full force and effect so long as there shall remain unpaid any part of the principal of or interest on the 2001 Bonds and any parity bonds.

SECTION 12

TAX COVENANTS AND REPRESENTATIONS

(A) The District certifies, covenants and agrees that the Project will be constructed expeditiously and the expenditure of the portion of the proceeds of the 2001 Bonds deposited in the Construction Fund for the payment of the costs of the Project will be made promptly in order that the Project will be completed and in operation at the earliest possible date. The District further certifies

and covenants with the holders of the 2001 Bonds that so long as any of the 2001 Bonds remain outstanding, moneys on deposit in any fund or account in connection with the 2001 Bonds, whether or not such moneys were derived from the proceeds of the sale of the 2001 Bonds or from any other sources, will not be invested or used in a manner which will cause the 2001 Bonds to be "arbitrage bonds" within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any lawful regulations promulgated or proposed thereunder, including Sections 1.103-13 and 1.103-14 of the Income Tax Regulations (26 CFR Part 1), as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Chairman and/or Secretary-Treasurer as the officers of the District charged with the responsibility for issuing the 2001 Bonds, are authorized and directed, for and on behalf of the District, to execute all papers, documents, certificates and other instruments that may be required for evidencing compliance with federal "arbitrage bond" regulations, and any representations and certifications contained in such papers, documents, certificates and other instruments so executed shall be deemed to constitute representations and certifications of the District.

(B) The District further represents, warrants, agrees and covenants as follows:

(i) Within the meaning of Section 141 of the Code and the Income Tax Regulations issued thereunder, over the terms of the Bonds (i) less than 10% of the proceeds of the 2001 Bonds, if any, will be applied for any private business use, and the payment of principal of or interest on less than 10% of the amount of the 2001 Bonds, if any, will be secured directly or indirectly by any interest in property used for a private business use, or payments in respect of such property, or will be derived directly or indirectly from payments (whether or not to the District) in respect of such property; (ii) at least 90% of the proceeds of the 2001 Bonds will be applied for a governmental use of the District; (iii) any private business use of the Project will be related to such governmental use of the District and will not be unrelated or disproportionate; and (iv) none of the proceeds of the 2001 Bonds will be used, directly or indirectly, to make or finance loans to private persons. It is reasonably expected that over the term of the 2001 Bonds (a) the Project will be available for general public use, in that it will be reasonably available for use by natural persons not engaged in a trade or business on the same basis as any other person or entity, (b) no nongovernmental person will have any special legal entitlement to use the Project, and (c) there will be no direct or indirect payments made with respect to the Project or the security of the 2001 Bonds by any persons or entities other than payments by the general public as described in clause (a) above.

(ii) Within the meaning of Section 148(f)(4)(B), it is reasonably expected at least 75% of the net proceeds (including investment proceeds) of the 2001 Bonds will be used for construction expenditures with respect to property which is owned by a governmental unit, at least 10% of such proceeds will be spent for the governmental purposes of the issue within six months from the date the 2001 Bonds are issued, at least 45% of such proceeds will be spent for such purposes within one year from such date, at least 75% of such proceeds will be spent for such purposes within eighteen months from such date, and at least 100% of such proceeds will be spent within two years from such date. It is also reasonably expected at least 50% of all proceeds (including investment proceeds) of the Bonds will be used for expenditures on the Project within six months, at least 60% will be so used within 12 months and 100% will be so used within 18 months from the date of issuance of the 2001 Bonds. If

for any reason the arbitrage rebate requirements of Section 148(f) of the Code should be deemed to apply to the 2001 Bonds, the District will take all action necessary to comply therewith.

(iii) It is reasonably expected that during the term of the 2001 Bonds the Project will not be disposed of, provided, however, should there be any disposition of any personal property constituting a part of the Project because it is no longer suitable for its governmental purpose, it is reasonably expected that the fair market value of such personal property will not exceed 25% of its cost.

(iv) The weighted average maturity of the 2001 Bonds does not exceed 120% of the weighted average useful life of the facilities comprising the Project.

(v) The District has not heretofore expended any sums on the Project which are to be reimbursed from the proceeds of the 2001 Bonds, other than (a) certain preliminary expenditures such as engineering and planning costs not exceeding 20% of the 2001 Bond proceeds, (b) expenditures made within 60 days prior to the date of adoption of this Resolution, and (c) expenditures prior to which the District had adopted an official intent resolution regarding reimbursement from tax-exempt bond proceeds.

(vi) The 2001 Bonds are not federally guaranteed within the meaning of Section 149(b) of the Code.

(vii) The District will comply with the information reporting requirements of Section 149(e) of the Code.

(viii) The District will not use or permit the use of any of the funds provided by the 2001 Bonds in such manner as to, or take or omit to take any action which would, impair the exclusion from gross income for federal income tax purposes of interest on the 2001 Bonds. The District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the 2001 Bonds shall, for the purposes of federal income taxation, be excludable from gross income.

(ix) This Resolution is intended to and does constitute, in part, a declaration of official intent under applicable Income Tax Regulations.

SECTION 13

SEVERABILITY CLAUSE

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

SECTION 14

REPEAL OF INCONSISTENT PROVISIONS

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

SECTION 15

WHEN RESOLUTION EFFECTIVE

This Resolution shall be in full force and effect from and after its adoption, approval and attestation as provided by law.

ADOPTED BY THE COMMISSION OF THE EDMONSON COUNTY WATER DISTRICT, EDMONSON COUNTY, KENTUCKY, at a meeting held on the 12th day of March, 2001, on the same occasion signed by the Chairman, attested under seal by the Secretary-Treasurer, and declared to be in full force and effect.

(SEAL)

ATTEST:


Chairman of the Commission


Secretary-Treasurer

CERTIFICATION

The undersigned, Secretary-Treasurer of the Commission of Edmonson County Water District, Edmonson County, Kentucky, hereby certifies that the foregoing is a true, complete and correct copy of a Resolution adopted by the Commission of said District, signed by the Chairman thereof, and attested under seal by me as Secretary-Treasurer upon the occasion of a properly convened meeting of the Commission of said District held on the 12th day of March, 2001, as shown by the official records in my custody and under my control.

WITNESS my hand this 12th day of March, 2001.


Secretary-Treasurer

A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$570,000 WATER SYSTEM REVENUE BONDS, TAXABLE SERIES 2010A (BUILD AMERICA BONDS -- DIRECT PAYMENT TO ISSUER), TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; CONFIRMING, RATIFYING AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS OUTSTANDING; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

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A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$570,000 WATER SYSTEM REVENUE BONDS, TAXABLE SERIES 2010A (BUILD AMERICA BONDS -- DIRECT PAYMENT TO ISSUER), TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; CONFIRMING, RATIFYING AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS OUTSTANDING; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

WHEREAS, upon petition and hearing, an order and judgment (County Court Order Book 3, page 625) was duly entered by the County Court of Edmonson County, Kentucky, on March 10, 1967, determining necessity and creating and establishing the Edmonson County Water District (the "District") and defining the geographical area thereof, the same to constitute a public body corporate with all powers and authority as provided in KRS Chapter 74; and

WHEREAS, the District is at this time a *de jure* water district situated in Edmonson County, Kentucky, with existing extensions into Warren, Grayson and Hart Counties; and

WHEREAS, since 1969 the District has owned and operated a municipal water distribution system (the "System") to serve the area of the District, and in this connection the District has previously issued and there are presently outstanding the following bonds and obligations payable from and secured by a first pledge of the revenues of the System, on a parity one with the other:

(a) \$1,757,500 outstanding principal amount of Water System Revenue Bonds, 1994 Series A and B (the "1994A and B Bonds"), authorized by Resolution of the Commission of the District adopted on January 24, 1994, as amended by Resolution adopted on February 14, 1996 (collectively the "1994A and B Resolution");

(b) \$704,000 outstanding principal amount of Water System Revenue Bonds, 1994 Series C (the "1994C Bonds"), authorized by Resolution of the Commission of the District adopted on December 12, 1994, as amended by Resolution adopted on February 14, 1996 (collectively the "1994C Resolution");

(c) \$504,000 outstanding principal amount of Water System Revenue Bonds, Series 1997 (the "1997 Bonds"), authorized by Resolution of the Commission of the District adopted on October 29, 1997 (the "1997 Resolution");

(d) \$3,684,000 outstanding principal amount of Water System Revenue Bonds, 2001 Series A and B (the "2001 Bonds"), authorized by Resolution of the Commission of the District adopted on March 12, 2001 (the "2001 Resolution");

(e) \$411,000 outstanding principal amount of Water System Revenue Bonds, Series 2003 (the "2003 Bonds"), authorized by Resolution of the Commission of the District adopted October 28, 2003 (the "2003 Resolution");

(f) Loan repayment obligation to the Kentucky Rural Water Finance Corporation under an Assistance Agreement dated April 27, 2004 (the "2004 Resolution"), in an outstanding principal amount not exceeding \$2,188,500 (the "2004 Bonds");

(g) Loan repayment obligation to Kentucky Rural Water Finance Corporation under an Assistance Agreement dated May 29, 2008 (the "2008C Resolution"), in an outstanding principal amount not exceeding \$735,000 (the "Series 2008C Bonds");

(h) \$1,701,000 outstanding principal amount of Water System Revenue Bonds, Series 2007A and Series 2007B (collectively the "2007 Bonds"), authorized by Resolution of the Commission of the District adopted July 10, 2007 (the "2007 Resolution"); and

(i) \$1,511,000 outstanding principal amount of Water System Revenue Bonds, Series 2009 (the "2009 Bonds"), authorized by Resolution of the Commission of the District adopted March 10, 2009 (the "2009 Resolution");

and further there are presently outstanding certain subordinate obligations of the District which are payable from and secured by a pledge of the revenues of the System subject to the priorities of the 1994A and B, 1994C, 1997, 2001, 2003, 2004, 2008C, 2007 and 2009 Bonds; and

WHEREAS, it is provided in the 1994A and B, 1994C, 1997, 2001, 2003, 2004, 2008C, 2007 and 2009 Resolutions (collectively, the "Prior Resolutions") that the District may issue additional parity bonds ranking on a basis of parity and equality with the outstanding 1994A and B, 1994C, 1997, 2001, 2003, 2004, 2008C, 2007 and 2009 Bonds (collectively, the "Prior Bonds") for the purpose of adding new water distribution system facilities to the System upon a showing of compliance with the parity bond coverage test set forth in the 2003 Resolution; and it has been determined by the Commission of the District that the District may now meet such coverage test so that additional parity bonds, ranking on a parity with the Prior Bonds and styled "Water System Revenue Bonds, Series 2010A," may now be issued in the aggregate amount of \$570,000 for the

purpose of financing a portion of the costs of major improvements and additions to the water facilities heretofore approved by the Commission of the District (the "Project"), all as more fully described in the plans and specifications heretofore prepared on behalf of the District by GRW Engineers, Inc., Nashville, Tennessee, and on file in the office of the District; and

WHEREAS, in proceedings before the Public Service Commission of Kentucky, the District has obtained the right and authority to construct and operate major extensions and additions to the System, and plans and specifications have heretofore been prepared by GRW Engineers, Inc., Nashville, Tennessee, the District's consulting engineers, and approved by the District's Commission and all state and other supervisory authorities having jurisdiction thereof; and it is the opinion of the Commission of the District that it is feasible to undertake the construction and installation of such new facilities at this time; and

WHEREAS, it has been determined upon the basis of public bids for construction duly solicited in the manner required by law, and upon the basis of other costs and estimates, that the aggregate of all costs and expenses in connection with the Project will be \$1,279,000; and to provide a portion of such funds the District has received from the United States Department of Agriculture, Rural Development ("USDA"), an offer to make a loan to the District in the amount of \$570,000 which, together with a USDA Grant in the amount of \$249,500, a Kentucky Infrastructure Authority Grant in the amount of \$450,000, and new user connection fees in the amount of at least \$9,500, will be sufficient to pay the estimated costs and expenses; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") authorizes the District to issue taxable bonds known as "Build America Bonds" to finance capital expenditures for which it could issue tax-exempt bonds and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds, and the District will issue the 2010A Bonds as described below as taxable Build America Bonds; and

WHEREAS, it is now appropriate for the District to provide for borrowing the sum of \$570,000 through issuance and sale of its Water System Revenue Bonds, Taxable Series 2010A (Build America Bonds – Direct Payment to Issuer) (the "2010A Bonds"), according to authority of Kentucky Revised Statutes ("KRS") Chapters 74 and 106 and the provisions of the Prior Resolutions permitting the issuance of parity bonds; and

WHEREAS, the 2010A Bonds will be payable as to both principal and interest solely (except as to capitalized interest) from the income and revenues to be derived from the operation of the System and will not constitute an indebtedness of the District within the meaning of debt-limiting provisions of the Constitution of Kentucky;

NOW, THEREFORE, THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1

AFFIRMATION OF PREAMBLE RECITALS:

AUTHORIZATION OF THE PROJECT;
DECLARATION OF NECESSITY

All statements and recitals set forth in the preamble of this Resolution, including the terms defined therein, are hereby affirmed and adopted as a part of this Resolution.

It is hereby further determined and declared to be necessary in the interests of the general welfare of the citizens and inhabitants of the District that the District undertake at this time the construction and installation of major additions and extensions (the "Project"), to the District's municipal water distribution system (the "System"), all substantially according to the plans, specifications and designs prepared for the District by GRW Elrod-Dunson, Inc., Nashville, Tennessee (the "Engineers"), and on file with the District. Immediate undertaking of such construction and installation is hereby authorized.

SECTION 2

PROJECT TO BE MUNICIPALLY
OWNED AND OPERATED

The construction and installation of the Project is undertaken by the District for public purposes and the same shall constitute and be a part of the System, and so long as any of the 2010A Bonds hereinafter authorized, or bonds issued on a parity therewith, shall remain outstanding and unpaid as to principal or interest, the System shall continue to be municipally owned, controlled, operated and maintained by the District for the security and source of payment of the 2010A Bonds and all other parity bonds outstanding heretofore or hereafter issued. The Project is to be constructed, installed and acquired and the System is to be operated pursuant to the provisions of KRS Chapters 74 and 106, now in full force and effect.

SECTION 3

2010A BOND ISSUE AUTHORIZED;
CERTAIN TERMS AND DETAILS

(A) For the purpose of providing funds to defray the costs of the Project (to the extent not otherwise provided to be paid), including all necessary and proper appurtenances, and expenses incident thereto and incident to the issuance of the 2010A Bonds, there are hereby authorized to be issued the District's \$570,000 Water System Revenue Bonds, Taxable Series 2010A (Build America Bonds – Direct Payment to Issuer) (the "2010A Bonds"), with reservation of right on the part of the District to issue additional bonds in the future, payable from the income and revenues of the System, subject to the conditions and restrictions hereinafter reaffirmed, readopted and set forth. The 2010A Bonds hereby authorized shall be offered at public sale as provided in Section 4 hereof and shall be issuable in the form of a single fully registered bond as provided in Section 5 hereof.

The 2010A Bonds shall be dated as of the date of delivery to the original purchaser thereof; shall mature as to principal in installments on January 1 in each of the years 2013 to 2050

inclusive, as set forth in the respective schedules appearing below; and shall bear interest from their date until payment of principal, such interest to the respective principal maturity dates to be payable annually on January 1 and July 1 of each year, and such interest to be at such rate as shall be established by a supplemental resolution upon the basis of competitive sale of the 2010A Bonds as hereinafter provided. The installments of principal of the 2010A Bonds, in fully registered form as aforesaid, shall be as set forth in the following schedule:

Series 2010A Maturity Schedule

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2013	\$ 9,000	2026	\$12,500	2039	\$17,500
2014	9,000	2027	13,000	2040	18,000
2015	9,500	2028	13,000	2041	18,500
2016	9,500	2029	13,500	2042	19,000
2017	10,000	2030	14,000	2043	19,500
2018	10,000	2031	14,000	2044	20,000
2019	10,500	2032	14,500	2045	20,500
2020	10,500	2033	15,000	2046	21,000
2021	11,000	2034	15,500	2047	21,500
2022	11,500	2035	16,000	2048	22,000
2023	11,500	2036	16,000	2049	22,500
2024	12,000	2037	16,500	2050	23,500
2025	12,000	3038	17,000		

provided, however, that installments of principal of 2010A Bonds maturing on and after January 1, 2021, shall be subject to prepayment at the option of the District prior to maturity in whole or from time to time in part in inverse order of maturities (less than all of a single maturity to be selected by lot) on any interest payment date on and after January 1, 2020, upon terms of par plus accrued interest without any prepayment premium, upon thirty (30) days' prior written notice mailed to the registered holder or holders of the 2010A Bonds; provided, that so long as USDA is the owner of any of the 2010A Bonds, the same may be prepaid in whole or in part at any time at par plus accrued interest, and without notice or prepayment premium. The 2010A Bonds may be prepaid only in increments of \$500.

Both principal of and interest on the 2010A Bonds shall be payable, without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, to the registered holder at the address shown on the registration books of the District or, so long as USDA is the registered holder, at the office or address as may be designated by USDA from time to time.

If any District officer whose signature appears on any 2010A Bond shall cease to be such officer prior to delivery, such signature shall nevertheless be valid and binding for all purposes, the same as if such officer had continued in office until the time of delivery of such 2010A Bond.

The 2010A Bonds, together with the Prior Bonds, and the interest thereon, and any bonds which may hereafter be issued on a basis of parity therewith subject to the conditions and restrictions hereinafter set forth, shall be payable only out of the Waterworks Bond and Interest Sinking Fund of 1969 created by Resolution of the Commission of the District adopted on March 31, 1969 (the "1969 Resolution"), and continued by the Prior Resolutions, and shall be a valid claim of the holder thereof only against said Fund and the fixed portion or amount of the revenues of the System which the District has pledged to said Fund, subject to the terms hereof.

The District finds and declares that the 2010A Bonds shall rank on a basis of parity and equality as to security and source of payment with each other and with the District's previously issued and outstanding Prior Bonds inasmuch as the District is in compliance with all covenants and undertakings in connection with the Prior Bonds.

SECTION 4

PROVISIONS RELATING TO SALE OF BOND ISSUE

The 2010A Bonds authorized by this Resolution shall be publicly offered for sale according to a Notice of Sale of Bonds conforming to the requirements of KRS Chapter 424 (and particularly KRS 424.140(3) and KRS 424.360), which shall be published one time, not less than seven (7) days nor more than twenty-one (21) days prior to the date therein specified (by and at the discretion of the Chairman of the Commission of the District) for the opening and consideration of purchase bids, in each of the following: (a) the legal newspapers published in Edmonson, Hart, Grayson and Warren Counties, Kentucky, which are qualified under KRS 424.120 to publish advertisements for the District; and (b) The Courier-Journal, Louisville, Kentucky, a legal newspaper having statewide circulation.

Said Notice shall state the name and amount of the 2010A Bonds to be sold, the time of the sale and other details concerning the 2010A Bonds and the sale, and shall inform prospective bidders that a copy of the Official Notice of Bond Sale, setting out the maturities, security of the 2010A Bonds, provisions as to redemption prior to maturity and related information, may be obtained from the District. Such Official Notice shall contain, *inter alia*, substantially the following bidding requirements:

(A) Bidders shall be limited to institutions or persons having knowledge and experience in financial and business matters who are capable of evaluating the merits and risks of the 2010A Bonds and who are not purchasing for more than one account and do not intend to redistribute the 2010A Bonds. The District will make available to any such qualified bidder, upon written request, any financial or other material information regarding the District and the System in the District's possession. Bidders are required to bid a cash price of not less and not more than par value for the 2010A Bonds. No premium shall be bid.

(B) A single interest rate must be bid in a multiple of 1/8 or 1/10 of one percent.

(C) Bids will be considered only for the entire 2010A Bond issue, to be issued as a single fully registered bond.

(D) Bidders (except USDA) are required to deposit a good faith check by cashier's check or certified check in the minimum amount of 2% of the face amount of the 2010A Bonds for which the bid is submitted, which good faith deposit may be applied as partial payment for such 2010A Bonds, or as liquidated damage in the event that such bidder, if successful, fails to comply with the terms of his bid.

(E) Preference in award will be given to the bid resulting in the lowest net interest cost to the District.

(F) The lowest net interest cost will be determined by applying the aggregate amount of interest on the 2010A Bonds bid for, computed from the first day of the month following the date of sale of the 2010A Bonds (even though the 2010A Bonds will bear interest only from the date of delivery) to the final maturity specified in each bid.

(G) The District expects to deliver, and the successful bidder must be prepared to accept delivery of and pay for, the 2010A Bonds at the office of the District within 45 days after notice is given of the award. If the 2010A Bonds are not ready for delivery and payment within 45 days from the aforesaid date of sale, the successful bidder shall be relieved of any liability to accept delivery of the 2010A Bonds, except that 2010A Bonds purchased by any agency of the federal government will be delivered to it at a place and time designated by such agency in accordance with its established practices and procedures.

(H) The District reserves the right, in its discretion, to determine the best bid or bids, to waive any informality or irregularity and to reject any or all bids.

(I) The District will furnish the 2010A Bonds, together with evidence of approval of the 2010A Bond issue by the Public Service Commission of Kentucky pursuant to the requirements of KRS Chapter 278, and customary closing documents, including a no-litigation certificate.

(J) The successful bidder will receive the approving legal opinion of Stoll Keenon Ogden PLLC, Bond Counsel, Louisville, Kentucky, as to the legality of the 2010A Bonds, without additional cost to the successful bidder.

In the event that there is no bid, or that all bids are rejected, the District may re-advertise the sale pursuant to this Resolution.

Bond Counsel having submitted to the Commission of the District forms of the Notice of Sale of Bonds and the Official Notice of Bond Sale, together with an Official Bid Form for use by all bidders except USDA, said documents are hereby approved and authorized for use in connection with the aforesaid sale of the 2010A Bonds.

SECTION 5

2010A BONDS TO BE ISSUED IN FULLY REGISTERED FORM; FULLY REGISTERED BOND FORM

Upon the sale of the 2010A Bonds, the District shall issue a single fully registered 2010A Bond numbered R-1 (hereinafter referred to as the "Fully Registered Bond"). The Fully Registered Bond shall be in the aggregate principal amount of the 2010A Bonds it represents, maturing as to principal in installments as set out in Section 3 hereof. The Fully Registered Bond shall be of type composition, on paper of sufficient weight and strength to prevent deterioration until the last day of maturity of any installment of principal as stated therein, and shall conform in size to standard practice. The Fully Registered Bond shall, upon execution on behalf of the District (which execution shall be by manual signatures of the Chairman and Secretary-Treasurer of the Commission, and actual impression of the corporate seal), constitute the 2010A Bond issue it represents and shall be non-negotiable, without interest coupons, registered as to principal and interest, and payable as directed by the payee, and be in substantially the form hereinafter set forth.

The District hereby directs that books for the registration and for the transfer of the Fully Registered Bond shall be kept by the Secretary-Treasurer, who is hereby appointed as Bond Registrar in connection with such Bond. The Fully Registered Bond shall be transferable only upon said Bond Registrar's books at the request of the registered holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered holder or his duly authorized attorney. Upon such transfer of the Fully Registered Bond, the Bond Registrar shall complete (with the name of the transferee), date and execute the registration schedule appearing on the Fully Registered Bond and deliver the Fully Registered Bond to such transferee. The person in whose name the Fully Registered Bond shall be properly registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal thereof or interest thereon shall be made only to or upon the order of the registered holder thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Fully Registered Bond to the extent of the sum or sums so paid. The face amount of the Fully Registered Bond, portions of which mature on different dates, will be reduced upon the payment of each maturity, and the Secretary-Treasurer shall keep appropriate records of all payments (both principal and interest) with respect to the Fully Registered Bond.

The Fully Registered Bond shall be in substantially the following form (with appropriate insertions and modifications):

(FORM OF FULLY REGISTERED BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
EDMONSON COUNTY WATER DISTRICT
WATER SYSTEM REVENUE BOND, TAXABLE SERIES 2010A
(BUILD AMERICA BONDS – DIRECT PAYMENT TO ISSUER)

No. R-1

\$570,000

KNOW ALL MEN BY THESE PRESENTS:

That Edmonson County Water District (the "District"), acting by and through its Commission, a public body corporate created and existing pursuant to Chapter 74 of the Kentucky Revised Statutes and situated in Edmonson, Warren, Grayson and Hart Counties, Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special fund hereinafter identified, the sum of Five Hundred Seventy Thousand Dollars (\$570,000) 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>
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(Here insert the principal maturities of the 2010A Bonds)

without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, without deduction for exchange or collection charges and in like coin or currency, at the rate of _____ (____%) per annum, semiannually on the first days of January and July in each year hereafter 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 to the registered holder hereof at the address shown on the registration books of the District or, so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, at the office or address as may be designated by said Department of Agriculture from time to time.

This Bond is the Bond in fully registered form representing a total authorized series of Bonds in the principal amount of \$570,000 issued by the District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 74 and 106 of the Kentucky Revised Statutes, and pursuant to a duly adopted Resolution of the District, for the purpose of paying the costs (to the extent not otherwise provided to be paid) of the construction and installation of major extensions and additions to the District's municipal water distribution system (the "System"), together with appurtenant facilities, and incidental expenses.

This Bond and the issue which it represents, together with the 2010A Bonds and such additional bonds ranking on a parity therewith as have heretofore been issued and are outstanding and as may hereafter be issued and outstanding from time to time in accordance with the

conditions and restrictions set forth in the resolution authorizing the issuance of this Bond, are payable from and secured by a pledge of a fixed portion of the income and revenues to be derived from the operation of the System, which fixed portion shall be sufficient to pay the principal of and interest on this Bond and the issue which it represents, and any outstanding parity bonds, as and when the same shall become due and payable, and which shall be set aside as a special fund for that purpose and identified as the "Waterworks Bond and Interest Sinking Fund of 1969."

A statutory mortgage lien upon the System and appurtenant facilities, together with all future additions and improvements thereto, and extensions thereof, is created by Section 106.080 of the Kentucky Revised Statutes and by the aforesaid Resolution for the benefit and protection of the holder of this Bond, and the same shall remain in effect until payment in full of the principal of and interest on this Bond.

This Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Bond or the interest hereon except from said special fund. The District, acting by and through its Commission, covenants that it will fix, and if necessary adjust from time to time, such rates and charges for use of the services and facilities of the System and will collect and account for the income and revenues therefrom sufficient to pay promptly the interest on and principal of this issue of Bonds, and all other bonds ranking on a parity therewith as may be issued and outstanding from time to time in accordance with the conditions and restrictions prescribed in that connection, as well as to pay the costs of operation and maintenance of the System.

This Bond shall be registered as to principal and interest in the name of the holder hereof, after which it shall be transferable only upon presentation to the Secretary-Treasurer of the District, as the Bond Registrar, with a written transfer duly acknowledged by the registered holder or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the books of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2020, in the 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 multiples of Five Hundred Dollars (\$500) as the District 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. Notice of such prepayment shall be given by registered mail to the registered holder of the Bond at least thirty (30) days prior to the date fixed for prepayment. Provided, however, that so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, this Bond may be prepaid at any time in whole or in part, at par or face value and without notice or prepayment premium.

Upon default in the payment of any principal or interest payment on this Bond or upon failure by the District to comply with any other provisions of this Bond or with the provisions of the resolution authorizing the issuance of this Bond, the registered holder may, at his option, institute proceedings to enforce all rights and remedies provided by law or by said resolution.

This Bond is exempt from *ad valorem* taxation in the Commonwealth of Kentucky.

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, being the total authorized amount of Bonds of the issue which this Bond represents, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the Edmonson County Water District, in the Commonwealth of Kentucky, by its Commission, has caused this Bond to be executed by the Chairman of its Commission, attested by the Secretary-Treasurer, and its corporate seal to be hereunto affixed, on the date of this Bond, which is _____.

EDMONSON COUNTY WATER
DISTRICT

Attest:

By _____
Chairman of the Commission

Secretary-Treasurer

(Seal of District)

PROVISION FOR REGISTRATION

This Bond shall be registered on the books of the Edmonson County Water District kept for that purpose by the Secretary-Treasurer, as Bond Registrar, upon presentation hereof to the Secretary-Treasurer, 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 holder or his attorney, such transfer to be made on said books and endorsed hereon.

(FORM OF REGISTRATION)

Date of Registration	Name of Registered Holder	Signature of the Water District's Bond Registrar
	United States of America Department of Agriculture State Office 771 Corporate Dr., Suite 200 Lexington, Kentucky 40503*	

*(To be inserted if USDA purchases the 2010A Bonds)

SECTION 6

DISPOSITION OF 2010A BOND PROCEEDS; CONSTRUCTION FUND

The Secretary-Treasurer of the District shall be the custodian of all funds belonging to and associated with the System, as expanded and improved from time to time, and such funds shall be deposited in the Brownsville Deposit Bank, of Brownsville, Kentucky, or in such other bank or banks in Kentucky as the Commission of the District may from time to time designate (hereinafter sometimes referred to, singularly and collectively, as the "Depository Bank"). All such moneys of the District deposited in the Depository Bank in excess of the amount insured by the Federal Deposit Insurance Corporation ("FDIC") shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The Secretary-Treasurer shall execute a fidelity bond in an amount and with a surety company approved by USDA so long as it is the holder of any of the 2010A Bonds; and USDA and the District shall be named co-obligees in such surety bond, and the amount thereof shall not be reduced without the written consent of USDA. The proceeds of the 2010A Bonds shall be applied as follows:

Upon the issuance and delivery of the 2010A Bonds authorized by this Resolution, the entire proceeds thereof shall be deposited in an account designated "Edmonson County Water District 2010A Construction Fund" (the "Construction Fund"), hereby created. Said 2010A Bond proceeds shall constitute a part of the Construction Fund and shall be applied, to the extent necessary, in paying the costs incident to constructing, installing and acquiring the Project, including expenses incurred in the issuance of the 2010A Bonds and paying interim financing obligations (both principal and interest) incurred in connection with the Project as authorized by said separate interim financing Resolution of the Commission of the District; provided, however, any 2010A Bond proceeds so used to pay such interim financing obligations may be disbursed directly to the appropriate lending institution(s) without the requirement of being deposited to the Construction Fund.

A sum in the Construction Fund estimated to be equal to interest which will accrue on the 2010A Bonds (following delivery thereof) during construction and development of the Project shall be earmarked, used and applied to the payment of interest on the 2010A Bonds next becoming due.

Disbursements from the Construction Fund shall be made by checks signed by the District Secretary-Treasurer, and such disbursements shall be authorized and approved in writing by the District Chairman and Secretary-Treasurer and, if USDA is the purchaser of the 2010A Bonds, by USDA (if USDA so requires). Reference is made in this connection to the provisions of the separate interim financing Resolution adopted concurrently herewith.

Pending disbursement, the 2010A Bond proceeds shall be deposited, as aforesaid, in the Construction Fund, and to the extent that such deposit causes the aggregate deposits by the District in the Depository Bank to be in excess of the amount insured by FDIC, the same shall be secured by a surety bond or bonds furnished by a surety company or companies qualified to do business in Kentucky and approved by the Commission of the District, or by a valid pledge of direct obligations of the United States Government, or obligations as to which the payment of principal and interest are guaranteed by the United States Government, having a market value at least equivalent to such deposit.

Where the moneys on deposit in the Construction Fund exceed the estimated disbursements on account of the Project for the next 60 days, the District shall direct the Depository Bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than six months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such investments shall be deposited in the Construction Fund by the District, unless otherwise authorized by USDA.

In the event any unexpected balance shall remain in the Construction Fund after completion of the Project, and payment of all of the costs thereof, as certified by the Engineers, such unexpended balance, subject to the terms and conditions of the aforesaid USDA loan, and to USDA approval, shall be transferred and deposited in the Waterworks Bond and Interest Sinking Fund of 1969, hereinafter referred to, and shall be used at the earliest practicable date for the retirement of 2010A Bonds by purchase thereof (or principal prepayment) in inverse order of maturities or established annual payment amounts, and in proportion to the principal amount of the series (insofar as practicable).

In the event that the amount hereinabove provided to be set aside from 2010A Bond proceeds for payment for interest during the construction and development of the Project should prove to be insufficient for such purpose, additional moneys may, upon approval by USDA, be withdrawn from the Construction Fund and so applied, inasmuch as interest during such period is a proper part of the cost of the Project, to the extent authorized by USDA.

Pending disbursements for the authorized purposes, the proceeds of all 2010A Bonds at any time issued pursuant to this Resolution shall be subject to a first and paramount lien and

charge in favor of the holders of 2010A Bonds issued and outstanding hereunder and for their further security.

SECTION 7

OPERATION OF SYSTEM; FLOW OF FUNDS; ACCUMULATION OF REVENUES

Operation and Revenues of System; Funds and Accounts. From and after issuance and delivery of the 2010A Bonds, and so long as any of the 2010A Bonds or parity bonds remain outstanding and unpaid, the System shall continue to be operated on a fiscal year basis beginning each January 1 and ending on the last day of the next December, as at present, and on that basis the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created by the 1969 Resolution designated and identified as the District's "Waterworks Revenue Fund" (the "Revenue Fund"), which shall continue to be maintained by the District, and into which shall be deposited all income and revenues of the System (to the extent not otherwise provided to be deposited hereinafter). The moneys in the Revenue Fund from time to time shall be used and disbursed and applied by the District, as permitted by applicable statutes, as follows:

(A) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created in and by the 1969 Resolution and designated and identified as the "Waterworks Bond and Interest Sinking Fund of 1969" (the "Bond Fund"), which shall continue to be maintained so long as any of the Prior Bonds, 2010A Bonds or parity bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Prior Bonds, 2010A Bonds and any parity bonds hereafter issued and outstanding pursuant to the provisions of this Resolution.

There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Bond Fund sums sufficient to pay when due the principal and interest requirements on the Prior Bonds, 2010A Bonds and any parity bonds. Specifically, there shall be paid into the Bond Fund on or before the 20th day of each month, on account of the Prior Bonds and 2010A Bonds, not less than the following:

- (i) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-sixth (1/6) of the next succeeding interest installment to become due on all Prior Bonds and 2010A Bonds then outstanding; and
- (ii) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-twelfth (1/12) of the principal of all Prior Bonds and 2010A Bonds maturing on the next succeeding January 1.

In the event additional parity bonds are issued pursuant to the conditions and restrictions hereinafter prescribed in that connection, the monthly deposits to the Bond Fund shall be increased to provide for payment of interest thereon and the principal thereof as the same respectively become due.

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

No further payments need be made into the Bond Fund if and when the amount held therein and in the Debt Service Reserve Fund hereinafter created is at least equal to the amount required to retire all outstanding Prior Bonds, 2010A Bonds and parity bonds and paying all interest that will accrue thereon.

(B) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, is hereby created and designated and identified as the "Water System Revenue Bond Debt Service Reserve Fund" (the "Debt Service Reserve Fund"), which shall be maintained so long as there are outstanding any parity bonds herein permitted to be issued on a parity with the Prior Bonds and 2010A Bonds, except those parity bonds the original purchaser or purchasers of which have waived the benefit of, and any claim to, the Debt Service Reserve Fund. Parity bonds which may be issued and outstanding from time to time as hereinafter permitted and with respect to which the original purchaser or purchasers have not waived the benefit of and claim to the Debt Service Reserve Fund are hereafter referred to as "qualified parity bonds." The purchasers of the Prior Bonds, other than the 1996A Bonds, by their acceptance of the Prior Bonds, have been, and the purchaser of the 2010A Bonds shall be, deemed to have elected, for themselves and on behalf of all subsequent holders of the Prior Bonds, and all subsequent holders of the 2010A Bonds, to waive the benefit of and any claim to the Debt Service Reserve Fund.

All moneys deposited in the Debt Service Reserve Fund from time to time shall be held and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the outstanding qualified parity bonds, if any, if and to the extent insufficient funds are available therefor in the Bond Fund. Whenever the amount in the Debt Service Reserve Fund is less than the Reserve Amount, hereinafter defined, the amount necessary to restore the balance in the Debt Service Reserve Fund to the Reserve Amount shall be paid into the Debt Service Reserve Fund in thirty-six (36) equal monthly installments, each payable on the twentieth (20th) day of the month (except that when the twentieth (20th) day of any month shall be a Sunday or a legal holiday, then such payment shall be made on the next succeeding business day) from the Revenue Fund, after making the deposits set out in subsection (B) above, until the Reserve Amount is on deposit in the Debt Service Reserve Fund. The term "Reserve Amount" as used herein means an amount of money equal to the lesser of (i) the maximum principal and interest requirement on the outstanding qualified parity bonds in any year ending January 1, (ii) and amount equal to 125% of the average annual debt service on the outstanding qualified parity bonds in any year ending January 1, and (iii) an amount equal to 10% of the proceeds of all such qualified parity bonds within the meaning of Section 148(d) of the United States Internal Revenue Code of 1986, as amended.

Any amount in the Debt Service Reserve Fund in excess of the Reserve Amount shall be transferred to the Bond Fund and applied as credit against payments into the Bond Fund from the Revenue Fund on a monthly basis as described in the foregoing subsection (A).

(C) All moneys held in the Revenue Fund, the Bond Fund and the Debt Service Reserve Fund shall be deposited in a bank or banks which are members of the Federal Deposit Insurance Corporation ("FDIC"), and all such deposits which cause the aggregate deposits of the District in any one bank to be in excess of the amount insured by FDIC shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Revenue Fund and the Bond Fund may, and the Debt Service Reserve Fund shall, be invested in Investment Obligations, as hereinafter defined, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Fund which supplied the funds for such investments, and the income from such investments shall be credited to the Bond Fund; provided, however, if the amount in the Debt Service Reserve Fund is less than the Reserve Amount, income from investments in the Debt Service Reserve Fund shall be credited to the Debt Service Reserve Fund until the Reserve Amount is accumulated therein. Investment Obligations in the Debt Service Reserve Fund shall be valued at cost.

Investment income accruing to the Bond Fund shall be credited against payments into the Bond Fund from the Revenue Fund on a monthly basis as set out in the foregoing subsection (B) hereof.

As used herein, the term "Investment Obligations" shall mean any of the following, if and to the extent the following are legal investments for the moneys held in the funds and accounts established pursuant to this Resolution: (i) general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, and any certificate or other evidence of an ownership interest in any such securities or in specified portions thereof consisting of the principal thereof or the interest thereon or any combination thereof; (ii) obligations of any agency or instrumentality of the United States of America the payment of principal of and interest on which is backed by the full faith and credit of the United States of America; (iii) savings accounts, interest-bearing time deposits or certificates of deposit in any national bank or bank chartered in Kentucky authorized to engage in the banking business the deposits of which shall be insured by the FDIC and having a combined capital and surplus aggregating not less than Two Million Dollars (\$2,000,000); provided, however, that each such deposit shall be continuously secured (to the extent not insured by FDIC) by lodging with a separate bank or trust company approved by the District, as custodian, collateral security in the form of obligations described in (i) or (ii) above having a market value (exclusive of accrued interest) at all times not less than the amount of such deposit (to the extent not insured by FDIC), which collateral security shall be valued by the District at least annually and must be unencumbered and not otherwise pledged and shall be subject to a perfected first lien for the benefit of the District; (iv) repurchase agreements with banks described in (iii) above, continuously secured as provided in (iii) above; (v) money market funds composed of securities described in (i) and (ii) above and rated AAA (or the equivalent thereof) by Standard and Poor's Ratings Service or Moody's Investors Service, Inc., provided that any such investment in money

market funds shall not exceed six (6) months in duration; and (vi) bonds, notes or certificates of indebtedness of the Commonwealth of Kentucky and its agencies and instrumentalities.

(D) A separate and special fund or account of the District was created by the 1969 Resolution designated and identified as the District's "Depreciation Fund" (the "Depreciation Fund"). After observing the priority of deposits set forth in (A) through (C) above, which are cumulative, there shall be set apart and paid into the Depreciation Fund each month from the remaining funds in the Revenue Fund at least the following monthly deposits with respect to the indicated series of bonds, in the case of each series to continue so long as any bonds of such series remain outstanding or until the indicated minimum balance for such series is reached:

<u>Series</u>	<u>Monthly Deposit</u>	<u>Minimum Balance</u>
1994A	940	\$112,800
1994B	150	18,000
1994C	425	51,000
1997	280	33,600
2001	1,610	None
2003	205	24,600
2004	1,495	292,200
2007A	555	66,600
2007B	225	26,400
2009	690	82,800
2010A	200	24,000

provided that for the above purpose the aggregate balance in the Depreciation Fund from time to time shall be allocated to the respective series of bonds outstanding (or bonds issued to refund any such series) in the order (earliest first) set out above.

In addition to the above deposits from the Revenue Fund, there shall also be deposited in the Depreciation Fund, as received, the proceeds of all property damage insurance (except public liability) maintained in connection with the System, and the cash proceeds of any surplus, worn-out or obsolescent properties of the System, if the same be sold upon order of the Commission. Any fees which may be levied and collected by the Commission of the District for the privilege of connecting to the System (excluding initial deposits received in aid of a particular project) shall be paid, as received, into the Depreciation Fund.

The Depreciation Fund shall be available and may be withdrawn and used by the District, upon appropriate certification as to the authorization for such withdrawal, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals or replacements, not included in the Annual Budget of Current Expenses (as defined in Section 8 hereof), and the cost of constructing additions and improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. The Depreciation Fund shall also be available for transfer to the Bond Fund in order to avoid default in connection with any bonds payable from the Bond Fund or to redeem or purchase Prior Bonds, 2010A Bonds or parity bonds in advance of maturity.

At any time when the accumulations in the Depreciation Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Investment Obligations (as described in subsection (C) of this Section) maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than five (5) years after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Depreciation Fund shall be carried to the credit of the Depreciation Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(E) A separate and special fund or account of the District was created by the 1969 Resolution designated the District's "Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), which shall continue to be maintained for the benefit of the System and all bonds payable from the income and revenues of the System. The District covenants that it will transfer monthly from the moneys in the Revenue Fund, after making the transfers required by (A) through (D) above, to the Operation and Maintenance Fund sums sufficient to pay as they accrue the Current Expenses of operating and maintaining the System pursuant to the Annual Budget, for which provision is hereafter made, and to accrue an operation and maintenance reserve not in excess of anticipated requirements for a two-month period pursuant to the Annual Budget.

At any time when the accumulations in the Operation and Maintenance Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Investment Obligations (as described in subsection (C) of this Section) maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than ninety (90) days after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Operation and Maintenance Fund shall be carried to the credit of the Operation and Maintenance Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(F) Subject to the provisions of subsections (A) through (E) above, which are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred within sixty (60) days after the end of each fiscal year the balance of excess funds in the Revenue Fund on such date to the Depreciation Fund.

* * *

All payments into the above special 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 Sunday or a legal holiday, then such payment shall be made on the next succeeding business day.

All moneys held in any of the above special funds shall be kept apart from all other District funds and shall be deposited in a bank or banks selected by the District from time to time (in each case, a "Depository Bank"), and all such deposits which cause the aggregate of all deposits of the District in any Depository Bank 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 pledge of direct obligations or by guaranteed bonds or securities of the United States Government having a market value at least equivalent to such excess deposit.

SECTION 8

COVENANTS TO BONDHOLDERS

The District hereby irrevocably covenants and agrees with the holder or holders of any and all 2010A Bonds and parity bonds at any time issued and outstanding pursuant to authority of this Resolution that so long as the same or any part thereof or interest thereon remain outstanding and unpaid:

(A) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky, and by the terms and provisions of this Resolution.

(B) It will at all times operate the System on a revenue-producing basis, and will permit no free services to be rendered or afforded thereby.

(C) It will maintain the System in good condition through application of revenues accumulated and set aside for operation and maintenance, as herein provided; and will make unusual or extraordinary repairs, renewals and replacements, as the same may be required, through application of revenues accumulated and set aside for such purposes.

(D) The District covenants and agrees that, so long as any of the 2010A Bonds are outstanding, it will not sell or otherwise dispose of any of the System facilities or any part thereof, and, except as provided for in this Resolution and in the Prior Resolutions, it 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 2010A Bonds. Notwithstanding the foregoing, the District may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:

(i) it is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the System;

(ii) it will, in the event of sale, apply the proceeds to either (1) redemption of outstanding 2010A Bonds or parity 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;

(iii) it certifies, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(iv) notwithstanding all of the foregoing, no such sale, abandonment or transfer of System facilities shall be made so long as USDA owns any of the 2010A Bonds herein authorized, without the written consent and approval of USDA.

(E) It will establish, enforce and collect rates and charges for services rendered and facilities afforded by the System; and the same shall be reasonable and just, taking into account and consideration the cost and value of the System, the costs of operating the same and maintaining it in a good state of repair, proper and necessary allowances for depreciation and for additions and extensions, and the amounts necessary for the orderly retirement of all outstanding bonds as aforesaid and the accruing interest thereon, and the accumulation of reserves as herein provided; and such rates and charges shall be adequate to meet all such requirements as provided in this Resolution, and shall, if necessary, be adjusted from time to time in order to comply herewith.

On or before the date of issuance of the 2010A Bonds, the District will adopt a Budget of Current Expenses for the System for the remainder of the then current fiscal year of the System, and thereafter, on or before the first day of each fiscal year so long as any 2010A Bonds are outstanding, it will adopt an Annual Budget of Current Expenses for the ensuing fiscal year, and will file a copy of each such Budget, and of any amendments thereto, in the office of the Secretary-Treasurer of the District, and furnish copies thereof to the holder of any Bond upon request. The term "Current Expenses," as herein used, includes all reasonable and necessary costs of operating, repairing, maintaining, and insuring the System, but shall exclude any allowance for depreciation, payments into the Depreciation Fund for extensions, improvements, and extraordinary repairs and maintenance, and payments into the Bond Fund. The District covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that it will not expend any amount or incur any obligations for operation, maintenance and repairs in excess of the amounts provided for Current Expenses in the Annual Budget, except upon resolution duly adopted by the Commission of the District determining that such expenses are necessary in order to operate and maintain the System. At the same time, and in like manner, the District agrees that it will prepare an estimate of cash income and revenues to be derived from operation of the System for each fiscal year, and to the extent that said cash income and revenues are insufficient to provide for all payments required to be made into the Bond Fund during such ensuing fiscal year, and to make the monthly payments specified by subsection (A) of Section 7 of this Resolution, and to pay Current Expenses, the District covenants and agrees that it will revise its rates and charges for services rendered by the System, so that the same will be adequate to meet all of such requirements.

(F) It will not at any time make any reduction in any prevailing schedule of rates and charges for use of the services and facilities of the System without first obtaining the written determination of a Consulting Engineer of national reputation that the proposed

reduction will not adversely affect the ability of the District to meet all the requirements set forth in this Resolution.

(G) It will at all times segregate the revenues of the System from all other revenues, moneys, and funds of the District, and will promptly and regularly make application and distribution thereof into the special funds provided in the Prior Resolutions, and in this Resolution, in the amount and with due regard for the priorities herein attributed thereto.

(H) It will keep proper books of record and account, separate and clearly distinguishable from all other municipal records and accounts, showing complete and correct entries of all transactions relating to the System, and the same shall be available and open to inspection by any 2010A Bondholder, and any agent or representative of a 2010A Bondholder.

(I) It will, within ninety (90) days after the end of each fiscal year, cause an audit to be made of the books of record and account pertinent to the System, by an independent state-licensed accountant not in the employ of the District on a monthly salary basis, showing all receipts and disbursements, and reflecting in reasonable detail the financing condition and records of the System, including the status of the several funds hereinbefore created, the status of the insurance and fidelity bonding, the number and type of connections, and the current rates and charges, with comments of the auditor concerning whether the books and records are being kept in compliance with this Resolution and in accordance with recognized accounting practices, and will promptly cause a copy of the Audit Report to be filed in the Office of the Secretary-Treasurer where it will be available for public inspection, and will promptly mail a copy thereof to the original recipients of 2010A Bonds issued hereunder. If requested to do so, the District will furnish to any 2010A Bondholder a condensed form of the Balance Sheet, and a condensed form of the Operating Report, in reasonable detail. All expenses incurred in causing such audits to be made, and copies distributed, shall constitute proper expenses of operating and maintaining the System, and may be paid from revenues allocated for such purposes, as herein provided. Provided, so long as USDA holds any of the 2010A Bonds herein authorized, the District shall furnish operating and other financial statements in such form and substance and for such periods as may be requested by USDA.

(J) Any holder of 2010A Bonds may either at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance by the District and its officers and agents of all duties imposed or required by law or this Resolution in connection with the operation of the System, including the making and collecting of sufficient rates and segregation of the revenues and application thereof.

(K) If there be any default in the payment of the principal of or interest on any of the 2010A Bonds, then upon the filing of suit by any holder of the 2010A Bonds or any of the coupons, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the District, with power to charge and collect rates sufficient to provide for the payment of any bonds or obligations outstanding against the

System, and for the payment of Current Expenses, and to apply the revenues in conformity with this Resolution and the provisions of the statute laws of Kentucky aforesaid.

(L) The District will cause each municipal officer or other person (other than depository banks) having custody of any moneys administered under the provisions of this Resolution to be bonded at all times in an amount at least equal to the maximum amount of such moneys in his custody at any time; each such bond to have surety given by a surety corporation qualified to do business in Kentucky and approved by the Commission; and the premiums for such surety shall constitute a proper expense of operating the System, and may be paid from moneys available in the Operation and Maintenance Fund.

(M) It will procure, and at all times maintain in force, insurance of all insurable properties constituting parts of, or being appurtenant to, the System to the full insurable value thereof, against damage or destruction by fire, windstorm, and the hazards covered by the standard "extended coverage" policy endorsements or provisions, the premiums therefor to be paid from the Operation and Maintenance Fund; and will deposit all sums collected under the terms of such policies in a special Fund. Such insurance shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percentum (80%) of the full insurable value of the damaged facility.

(N) The District will procure and at all times maintain public liability insurance relating to the operation of the System, with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death; and not less than \$200,000 from claims for damage to property of others which may arise from the District's operation of the System.

(O) The District will carry suitable worker's compensation insurance in accordance with law.

(P) If the District owns or operates a vehicle in the operation of the System, the District will procure and at all times maintain vehicular public liability insurance with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death, and not less than \$200,000 against claims for damage to property of others which may arise from the District's operation of vehicles. Provided, notwithstanding (M), (N), (O) and (P) above, that so long as USDA holds any 2010A Bonds, the District will procure and maintain insurance of such types and amounts as USDA may specify, which shall not be less than the amounts specified in this Section 8 so long as the Prior Bonds and the 2010A Bonds are outstanding.

(Q) So long as USDA is the holder of any bonds of the District, the District shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of such bonds held by USDA without immediately prepaying all of such bonds held by USDA.

SECTION 9

PARITY BONDS PERMITTED; TERMS

The 2010A Bonds and outstanding parity bonds, together with any additional parity bonds issued under the restrictions and conditions hereinafter set forth, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among such bonds, regardless of the fact that they may be actually issued and delivered at different times.

The District hereby reserves the right and privilege of issuing additional bonds from time to time payable from the income and revenues of the System ranking on a parity with the 2010A Bonds and any outstanding parity bonds (herein sometimes referred to as "additional parity bonds") in order to pay the costs of extensions, additions and improvements to the System, provided that (a) the written consent of the holders of all 2010A Bonds and any outstanding parity bonds is obtained or (b) either of the conditions set forth in (i) or (ii) below is met:

(i) The net income and revenues of the System for the fiscal year preceding the year in which such additional parity bonds are to be issued were at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1 with respect to all 2010A Bonds and parity bonds which are then outstanding and the additional parity bonds then proposed to be issued. The term "net income and revenues" as herein used is defined as gross income and revenues of the System (including all payments to the Revenue Fund and interest earnings accruing to the Bond Fund, the Depreciation Fund and the Operation and Maintenance Fund) less the sum of Current Expenses as defined in subsection (E) of Section 8 hereof. Such showing of net income and revenues for such preceding fiscal year may be represented by the report of the auditors.

(ii) A statement is filed with the Secretary of the District by (a) an independent certified public accountant or firm of certified public accountants not in the regular employ of the District on a monthly salary basis or (b) an independent professional engineer or firm or firms of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky, reciting the opinion based upon necessary investigation that the net income and revenues of the System as defined in (i) above for twelve (12) consecutive months out of the eighteen (18) months preceding the issuance of said additional parity bonds (with adjustments as hereinafter provided) were equal to at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1 with respect to the 2010A Bonds and any parity bonds then outstanding and the proposed additional parity bonds. The net income and revenues may be adjusted for the purpose of the foregoing computations to reflect any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional parity bonds, and also to reflect any increase in such net income and revenues by reason of the extensions, additions and improvements to the System the cost of which (in whole or in part) is to be paid through the issuance of such additional parity bonds; but such latter adjustments shall

only be made if contracts for the immediate construction or acquisition of such extensions, additions and improvements have been or will be entered into prior to the issuance of such additional parity bonds. All such adjustments to reflect any revision of rates and charges or an increase in net income and revenues by reason of extensions, additions and improvements to the System as aforesaid shall be based upon written certification by (a) an independent professional engineer or firm of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky or (b) an independent certified public accountant or firm of certified public accountants not in the employ of the District on a monthly salary basis.

The District hereby further reserves the right and privilege of issuing additional parity bonds for the purpose of refunding the 2010A Bonds and any parity bonds, or any portion thereof, as may be outstanding, provided that before any additional parity bonds are issued for such purpose, there shall have been procured and filed with the Secretary of the District either (a) the written consent of the holders of all 2010A Bonds and any outstanding parity bonds (other than the bonds being refunded) to such issuance or (b) a statement by an independent certified public accountant or firm of independent certified public accountants reciting the opinion based upon necessary investigation that after the issuance of such additional parity bonds, the net income and revenues, as adjusted and defined above, of the System for the fiscal year preceding the date of issuance of such additional parity bonds, after taking into account the revised maximum annual debt service resulting from the issuance of such additional parity bonds and from the elimination of the bonds being refunded thereby, are equal to not less than 120% of the maximum annual debt service requirement for any year ending January 1 with respect to the 2010A Bonds and any parity bonds then outstanding and the proposed additional parity bonds and calculated in the manner specified above.

The original purchaser or purchasers of a series of additional parity bonds may waive the benefit of and any claim to the Debt Service Reserve Fund, in which event such bonds shall not be secured by or payable from the Debt Service Reserve Fund; and the District may make it a condition to the original sale of any series of additional parity bonds that the purchaser or purchasers thereof, by offering to purchase or by purchasing the same, has agreed to such waiver.

The interest payment dates for all such additional parity bonds shall be semiannually on January 1 and July 1 of each year, and the principal maturities thereof shall be on January 1 of the year in which any such principal is scheduled to become due.

The additional parity bonds, the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds payable from the income and revenues of the System on a parity with the 2010A Bonds and outstanding parity bonds, and shall not be deemed to include or prohibit the issuance of other obligations the security and source of payment of which is subordinate and subject to the priority of the payments into the Bond Fund and the Debt Service Reserve Fund for account of the 2010A Bonds and any parity bonds.

SECTION 10

PROVISIONS OF RESOLUTION CONSTITUTE CONTRACT

The provisions of this Resolution shall constitute a contract between the District and the holders of the 2010A Bonds herein authorized and any parity bonds herein permitted to be issued, and after the issuance of any of the 2010A Bonds, no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner without the written consent of the holder or holders of the 2010A Bonds, except as herein provided, until such time as all of the 2010A Bonds and parity bonds issued hereunder, and the interest thereon, have been paid in full.

SECTION 11

STATUTORY MORTGAGE LIEN ACKNOWLEDGED

A statutory mortgage lien upon the System, together with all appurtenances and additions thereto and extensions thereof, and including the revenues thereof, is granted and created by Section 106.080 of the Kentucky Revised Statutes for the benefit and protection of the holders of the 2010A Bonds issued and parity bonds permitted to be issued under authority of this Resolution, and previously issued and outstanding parity bonds, and of the interest payable thereon; and said statutory mortgage lien is hereby recognized and shall be effective upon delivery of any of the 2010A Bonds and shall continue in full force and effect so long as there shall remain unpaid any part of the principal of or interest on the 2010A Bonds and any parity bonds.

SECTION 12

TAX COVENANTS AND REPRESENTATIONS

(A) The District certifies, covenants and agrees that the Project will be constructed expeditiously and the expenditure of the portion of the proceeds of the 2010A Bonds deposited in the Construction Fund for the payment of the costs of the Project will be made promptly in order that the Project will be completed and in operation at the earliest possible date. The District further certifies and covenants with the holders of the 2010A Bonds that so long as any of the 2010A Bonds remain outstanding, moneys on deposit in any fund or account in connection with the 2010A Bonds, whether or not such moneys were derived from the proceeds of the sale of the 2010A Bonds or from any other sources, will not be invested or used in a manner which will cause the 2010A Bonds to be "arbitrage bonds" within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 54AA of the Code, and any regulations issued or proposed thereunder, and notices issued thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Chairman and/or Secretary-Treasurer as the officers of the District charged with the responsibility for issuing the 2010A Bonds, are authorized and directed, for and on behalf of the District, to execute all papers, documents, certificates and other instruments that may be required for evidencing compliance with federal "arbitrage bond" regulations, and any representations and

certifications contained in such papers, documents, certificates and other instruments so executed shall be deemed to constitute representations and certifications of the District.

(B) The District further represents, warrants, agrees and covenants as follows:

(i) Within the meaning of Section 141 of the Code and the Income Tax Regulations issued thereunder, over the terms of the Bonds (i) less than 10% of the proceeds of the 2010A Bonds, if any, will be applied for any private business use, and the payment of principal of or interest on less than 10% of the amount of the 2010A Bonds, if any, will be secured directly or indirectly by any interest in property used for a private business use, or payments in respect of such property, or will be derived directly or indirectly from payments (whether or not to the District) in respect of such property; (ii) at least 90% of the proceeds of the 2010A Bonds will be applied for a governmental use of the District; (iii) any private business use of the Project will be related to such governmental use of the District and will not be unrelated or disproportionate; and (iv) none of the proceeds of the 2010A Bonds will be used, directly or indirectly, to make or finance loans to private persons. It is reasonably expected that over the term of the 2010A Bonds (a) the Project will be available for general public use, in that it will be reasonably available for use by natural persons not engaged in a trade or business on the same basis as any other person or entity, (b) no nongovernmental person will have any special legal entitlement to use the Project, and (c) there will be no direct or indirect payments made with respect to the Project or the security of the 2010A Bonds by any persons or entities other than payments by the general public as described in clause (a) above.

(ii) Within the meaning of Section 148(f)(4)(B), it is reasonably expected at least 75% of the net proceeds (including investment proceeds) of the 2010A Bonds will be used for construction expenditures with respect to property which is owned by a governmental unit, at least 10% of such proceeds will be spent for the governmental purposes of the issue within six months from the date the 2010A Bonds are issued, at least 45% of such proceeds will be spent for such purposes within one year from such date, at least 75% of such proceeds will be spent for such purposes within eighteen months from such date, and at least 100% of such proceeds will be spent within two years from such date. It is also reasonably expected at least 50% of all proceeds (including investment proceeds) of the Bonds will be used for expenditures on the Project within six months, at least 60% will be so used within 12 months and 100% will be so used within 18 months from the date of issuance of the 2010A Bonds. If for any reason the arbitrage rebate requirements of Section 148(f) of the Code should be deemed to apply to the 2010A Bonds, the District will take all action necessary to comply therewith.

(iii) It is reasonably expected that during the term of the 2010A Bonds the Project will not be disposed of, provided, however, should there be any disposition of any personal property constituting a part of the Project because it is no longer suitable for its governmental purpose, it is reasonably expected that the fair market value of such personal property will not exceed 25% of its cost.

(iv) The weighted average maturity of the 2010A Bonds does not exceed 120% of the weighted average useful life of the facilities comprising the Project.

(v) The District has not heretofore expended any sums on the Project which are to be reimbursed from the proceeds of the 2010A Bonds, other than (a) certain preliminary expenditures such as engineering and planning costs not exceeding 20% of the 2010A Bond proceeds, (b) expenditures made within 60 days prior to the date of adoption of this Resolution, and (c) expenditures prior to which the District had adopted an official intent resolution regarding reimbursement from tax-exempt bond proceeds. Proceeds of the 2010A Bonds will only be used for capital expenditures paid or incurred after the effective date of the Recovery Act.

(vi) The 2010A Bonds are not federally guaranteed within the meaning of Section 149(b) of the Code.

(vii) The District will comply with the information reporting requirements of Section 149(e) of the Code.

(viii) The District will not use or permit the use of any of the funds provided by the 2010A Bonds in such manner as to, or take or omit to take any action which would, impair the exclusion from gross income for federal income tax purposes of interest on the 2010A Bonds. The District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the 2010A Bonds shall, for the purposes of federal income taxation, be excludable from gross income.

(ix) This Resolution is intended to and does constitute, in part, a declaration of official intent under applicable Income Tax Regulations.

(x) In addition, in respect of the issuance of the 2010A Bonds as taxable bonds under the Recovery Act:

(a) All of the excess of (1) the available project proceeds (as defined in Section 54A of the Code to mean sale proceeds of such 2010A Bonds less not more than 2% of such proceeds used to pay costs of issuance plus investment proceeds thereon), over (2) any amounts in a reasonably required reserve fund (within the meaning of Section 150(a)(3) of the Code) with respect to such issue, is to be used for capital expenditures;

(b) The District will make an irrevocable election to have Section 54AA(g) of the Code apply to such 2010A Bonds so that the City will receive a refundable credit under Section 6431 of the Code equal to 35% of the stated interest paid on such Bonds;

(c) The District will comply with the requirements of Section 54AA(g) of the Code to assure eligibility of the District for receipt of the direct pay interest credit;

(d) The issue price (reoffering price) of such 2010A Bonds of the same maturity cannot exceed the par amount by more than .25% multiplied by the number

of complete years to the earlier of the maturity date or the first optional redemption date for such 2010A Bonds; and

(e) The District will not use or permit the use of any of the funds provided by such 2010A Bonds in such a manner as to, or take or omit to take any action which would, impair the status of such 2010A Bonds as "qualified bonds" under Section 54AA of the Code. In the foregoing connection, the District agrees to file, in a timely manner, any and all necessary forms required by the Code, including without limitation IRS Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds, and IRS Form 8038-CP, Return for Credit Payments for Issuers of Qualified Bonds. The District also agrees to complete and file, in a timely manner, any and all other forms and questionnaires received by the District with respect to the 2010A Bonds, including without limitation IRS Form 14127, Direct Pay Bonds Compliance Questionnaire. The General Manager of the District is further instructed to prepare, with the assistance of counsel, written procedures to assure the future compliance with the Build America Bond Requirements of the Code.

SECTION 13

SEVERABILITY CLAUSE

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

SECTION 14

REPEAL OF INCONSISTENT PROVISIONS

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

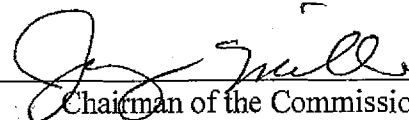
SECTION 15

WHEN RESOLUTION EFFECTIVE

This Resolution shall be in full force and effect from and after its adoption, approval and attestation as provided by law.

ADOPTED BY THE COMMISSION OF THE EDMONSON COUNTY WATER DISTRICT, EDMONSON COUNTY, KENTUCKY, at a meeting held on the 11th day of May, 2010, signed by the Chairman, attested by the Secretary-Treasurer and declared to be in full force and effect.

Attest:


Chairman of the Commission


Secretary-Treasurer

Certification

The undersigned, Secretary-Treasurer of the Commission of Edmonson County Water District, Edmonson County, Kentucky, hereby certifies that the foregoing is a true, complete and correct copy of a Resolution adopted by the Commission of said District, signed by the Chairman thereof, and attested under seal by me as Secretary-Treasurer upon the occasion of a properly convened meeting of the Commission of said District held on the 11th day of May, 2010, as shown by the official records in my custody and under my control.

WITNESS my hand this 11th day of May, 2010.


Secretary-Treasurer

A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$700,000 WATER SYSTEM REVENUE BONDS, TAXABLE SERIES 2010B (BUILD AMERICA BONDS - DIRECT PAYMENT TO ISSUER), TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; CONFIRMING, RATIFYING AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS OUTSTANDING; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

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A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$700,000 WATER SYSTEM REVENUE BONDS, TAXABLE SERIES 2010B (BUILD AMERICA BONDS - DIRECT PAYMENT TO ISSUER), TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; CONFIRMING, RATIFYING AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS OUTSTANDING; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

WHEREAS, upon petition and hearing, an order and judgment (County Court Order Book 3, page 625) was duly entered by the County Court of Edmonson County, Kentucky, on March 10, 1967, determining necessity and creating and establishing the Edmonson County Water District (the "District") and defining the geographical area thereof, the same to constitute a public body corporate with all powers and authority as provided in KRS Chapter 74; and

WHEREAS, the District is at this time a *de jure* water district situated in Edmonson County, Kentucky, with existing extensions into Warren, Grayson and Hart Counties; and

WHEREAS, since 1969 the District has owned and operated a municipal water distribution system (the "System") to serve the area of the District, and in this connection the District has previously issued and there are presently outstanding the following bonds and obligations payable from and secured by a first pledge of the revenues of the System, on a parity one with the other:

(a) \$1,757,500 outstanding principal amount of Water System Revenue Bonds, 1994 Series A and B (the "1994A and B Bonds"), authorized by Resolution of the Commission of the District adopted on January 24, 1994, as amended by Resolution adopted on February 14, 1996 (collectively the "1994A and B Resolution");

(b) \$704,000 outstanding principal amount of Water System Revenue Bonds, 1994 Series C (the "1994C Bonds"), authorized by Resolution of the Commission of the

District adopted on December 12, 1994, as amended by Resolution adopted on February 14, 1996 (collectively the "1994C Resolution");

(c) \$504,000 outstanding principal amount of Water System Revenue Bonds, Series 1997 (the "1997 Bonds"), authorized by Resolution of the Commission of the District adopted on October 29, 1997 (the "1997 Resolution");

(d) \$3,684,000 outstanding principal amount of Water System Revenue Bonds, 2001 Series A and B (the "2001 Bonds"), authorized by Resolution of the Commission of the District adopted on March 12, 2001 (the "2001 Resolution");

(e) \$411,000 outstanding principal amount of Water System Revenue Bonds, Series 2003 (the "2003 Bonds"), authorized by Resolution of the Commission of the District adopted October 28, 2003 (the "2003 Resolution");

(f) Loan repayment obligation to the Kentucky Rural Water Finance Corporation under an Assistance Agreement dated March 24, 2004 (the "2004 Resolution"), in an outstanding principal amount not exceeding \$2,188,500 (the "2004 Bonds");

(g) Loan repayment obligation to Kentucky Rural Water Finance Corporation under an Assistance Agreement dated May 29, 2008 (the "2008C Resolution"), in an outstanding principal amount not exceeding \$735,000 (the "Series 2008C Bonds");

(h) \$1,701,000 outstanding principal amount of Water System Revenue Bonds, Series 2007A and Series 2007B (collectively the "2007 Bonds"), authorized by Resolution of the Commission of the District adopted July 10, 2007 (the "2007 Resolution");

(i) \$1,511,000 outstanding principal amount of Water System Revenue Bonds, Taxable Series 2009 (Build America Bonds – Direct Payment to Issuer) (the "2009 Bonds"), authorized by Resolutions of the Commission of the District adopted March 18, 2009 and April 13, 2010 (collectively, the "2009 Resolution"); and

(j) \$570,000 outstanding principal amount of Water System Revenue Bonds, Taxable Series 2010A (Build America Bonds – Direct Payment to Issuer) (the "2010A Bonds"), authorized by Resolution of the Commission of the District adopted May 11, 2010 (the "2010A Resolution");

and further there are presently outstanding certain subordinate obligations of the District which are payable from and secured by a pledge of the revenues of the System subject to the priorities of the 1994A and B, 1994C, 1997, 2001, 2003, 2004, 2008C, 2007, 2009 and 2010A Bonds; and

WHEREAS, it is provided in the 1994A and B, 1994C, 1997, 2001, 2003, 2004, 2008C, 2007, 2009 and 2010A Resolutions (collectively, the "Prior Resolutions") that the District may issue additional parity bonds ranking on a basis of parity and equality with the outstanding 1994A and B, 1994C, 1997, 2001, 2003, 2004, 2008C, 2007, 2009 and 2010A Bonds (collectively, the "Prior Bonds") for the purpose of adding new water distribution system facilities to the System upon a showing of compliance with the parity bond coverage test set forth in the 2003 Resolution, and it has been determined by the Commission of the District that the District may now meet such coverage test so that additional parity bonds, ranking on a parity with the Prior Bonds and styled "Water System

Revenue Bonds, Taxable Series 2010B (Build America Bonds – Direct Payment to Issuer),” may now be issued in the aggregate amount of \$700,000 for the purpose of financing a portion of the costs of major improvements and additions to the water facilities heretofore approved by the Commission of the District (the “Project”), all as more fully described in the plans and specifications heretofore prepared on behalf of the District by GRW Engineers, Inc., Nashville, Tennessee, and on file in the office of the District; and

WHEREAS, in proceedings before the Public Service Commission of Kentucky, the District has obtained the right and authority to construct and operate major extensions and additions to the System, and plans and specifications have heretofore been prepared by GRW Engineers, Inc., Nashville, Tennessee, the District’s consulting engineers, and approved by the District’s Commission and all state and other supervisory authorities having jurisdiction thereof; and it is the opinion of the Commission of the District that it is feasible to undertake the construction and installation of such new facilities at this time; and

WHEREAS, it has been determined upon the basis of public bids for construction duly solicited in the manner required by law, and upon the basis of other costs and estimates, that the aggregate of all costs and expenses in connection with the Project will be \$1,000,000; and to provide a portion of such funds the District has received from the United States Department of Agriculture, Rural Development (“USDA”), an offer to make a loan to the District in the amount of \$700,000 which, together with a USDA Grant in the amount of \$295,500, and new user connection fees in the amount of at least \$5,000, will be sufficient to pay the estimated costs and expenses; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) authorizes the District to issue taxable bonds known as “Build American Bonds” to finance capital expenditures for which it could issue tax-exempt bonds and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds, and the District will issue the 2010B Bonds as described below as taxable Build America Bonds; and

WHEREAS, it is now appropriate for the District to provide for borrowing the sum of \$700,000 through issuance and sale of its Water System Revenue Bonds, Taxable Series 2010B (Build America Bonds – Direct Payment to Issuer) (the “2010B Bonds”), according to authority of Kentucky Revised Statutes (“KRS”) Chapters 74 and 106 and the provisions of the Prior Resolutions permitting the issuance of parity bonds; and

WHEREAS, the 2010B Bonds will be payable as to both principal and interest solely (except as to capitalized interest) from the income and revenues to be derived from the operation of the System and will not constitute an indebtedness of the District within the meaning of debt-limiting provisions of the Constitution of Kentucky;

NOW, THEREFORE, THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1

AFFIRMATION OF PREAMBLE RECITALS;
AUTHORIZATION OF THE PROJECT;
DECLARATION OF NECESSITY

All statements and recitals set forth in the preamble of this Resolution, including the terms defined therein, are hereby affirmed and adopted as a part of this Resolution.

It is hereby further determined and declared to be necessary in the interests of the general welfare of the citizens and inhabitants of the District that the District undertake at this time the construction and installation of major additions and extensions (the "Project"), to the District's municipal water distribution system (the "System"), all substantially according to the plans, specifications and designs prepared for the District by GRW Elrod-Dunson, Inc., Nashville, Tennessee (the "Engineers"), and on file with the District. Immediate undertaking of such construction and installation is hereby authorized.

SECTION 2

PROJECT TO BE MUNICIPALLY
OWNED AND OPERATED

The construction and installation of the Project is undertaken by the District for public purposes and the same shall constitute and be a part of the System, and so long as any of the 2010B Bonds hereinafter authorized, or bonds issued on a parity therewith, shall remain outstanding and unpaid as to principal or interest, the System shall continue to be municipally owned, controlled, operated and maintained by the District for the security and source of payment of the 2010B Bonds and all other parity bonds outstanding heretofore or hereafter issued. The Project is to be constructed, installed and acquired and the System is to be operated pursuant to the provisions of KRS Chapters 74 and 106, now in full force and effect.

SECTION 3

2010B BOND ISSUE AUTHORIZED;
CERTAIN TERMS AND DETAILS

(A) For the purpose of providing funds to defray the costs of the Project (to the extent not otherwise provided to be paid), including all necessary and proper appurtenances, and expenses incident thereto and incident to the issuance of the 2010B Bonds, there are hereby authorized to be issued the District's \$700,000 Water System Revenue Bonds, Taxable Series 2010B (Build America Bonds – Direct Payment to Issuer) (the "2010B Bonds"), with reservation of right on the part of the District to issue additional bonds in the future, payable from the income and revenues of the System, subject to the conditions and restrictions hereinafter reaffirmed, readopted and set forth. The 2010B Bonds hereby authorized shall be offered at public sale as provided in Section 4 hereof and shall be issuable in the form of a single fully registered bond as provided in Section 5 hereof.

The 2010B Bonds shall be dated as of the date of delivery to the original purchaser thereof; shall mature as to principal in installments on January 1 in each of the years 2013 to 2050 inclusive, as set forth in the respective schedules appearing below; and shall bear interest from their date until payment of principal, such interest to the respective principal maturity dates to be payable annually on January 1 and July 1 of each year, and such interest to be at such rate as shall be established by a supplemental resolution upon the basis of competitive sale of the 2010B Bonds as hereinafter provided. The installments of principal of the 2010B Bonds, in fully registered form as aforesaid, shall be as set forth in the following schedule:

Series 2010B Maturity Schedule

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2013	\$11,000	2026	\$15,500	2039	\$21,500
2014	11,000	2027	16,000	2040	22,000
2015	11,500	2028	16,000	2041	22,500
2016	12,000	2029	16,500	2042	23,000
2017	12,000	2030	17,000	2043	24,000
2018	12,500	2031	17,500	2044	24,500
2019	13,000	2032	18,000	2045	25,000
2020	13,000	2033	18,500	2046	26,000
2021	13,500	2034	19,000	2047	26,500
2022	14,000	2035	19,500	2048	27,000
2023	14,000	2036	20,000	2049	28,000
2024	14,500	2037	20,500	2050	28,000
2025	15,000	3038	21,000		

provided, however, that installments of principal of 2010B Bonds maturing on and after January 1, 2021, shall be subject to prepayment at the option of the District prior to maturity in whole or from time to time in part in inverse order of maturities (less than all of a single maturity to be selected by lot) on any interest payment date on and after January 1, 2020, upon terms of par plus accrued interest without any prepayment premium, upon thirty (30) days' prior written notice mailed to the registered holder or holders of the 2010B Bonds; provided, that so long as USDA is the owner of any of the 2010B Bonds, the same may be prepaid in whole or in part at any time at par plus accrued interest, and without notice or prepayment premium. The 2010B Bonds may be prepaid only in increments of \$500.

Both principal of and interest on the 2010B Bonds shall be payable, without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, to the registered holder at the address shown on the registration books of the District or, so long as USDA is the registered holder, at the office or address as may be designated by USDA from time to time.

If any District officer whose signature appears on any 2010B Bond shall cease to be such officer prior to delivery, such signature shall nevertheless be valid and binding for all purposes, the same as if such officer had continued in office until the time of delivery of such 2010B Bond.

The 2010B Bonds, together with the Prior Bonds, and the interest thereon, and any bonds which may hereafter be issued on a basis of parity therewith subject to the conditions and restrictions hereinafter set forth, shall be payable only out of the Waterworks Bond and Interest Sinking Fund of 1969 created by Resolution of the Commission of the District adopted on March 31, 1969 (the "1969 Resolution"), and continued by the Prior Resolutions, and shall be a valid claim of the holder thereof only against said Fund and the fixed portion or amount of the revenues of the System which the District has pledged to said Fund, subject to the terms hereof.

The District finds and declares that the 2010B Bonds shall rank on a basis of parity and equality as to security and source of payment with each other and with the District's previously issued and outstanding Prior Bonds inasmuch as the District is in compliance with all covenants and undertakings in connection with the Prior Bonds.

SECTION 4

PROVISIONS RELATING TO SALE OF BOND ISSUE

The 2010B Bonds authorized by this Resolution shall be publicly offered for sale according to a Notice of Sale of Bonds conforming to the requirements of KRS Chapter 424 (and particularly KRS 424.140(3) and KRS 424.360), which shall be published one time, not less than seven (7) days nor more than twenty-one (21) days prior to the date therein specified (by and at the discretion of the Chairman of the Commission of the District) for the opening and consideration of purchase bids, in each of the following: (a) the legal newspapers published in Edmonson, Hart, Grayson and Warren Counties, Kentucky, which are qualified under KRS 424.120 to publish advertisements for the District; and (b) The Courier-Journal, Louisville, Kentucky, a legal newspaper having statewide circulation.

Said Notice shall state the name and amount of the 2010B Bonds to be sold, the time of the sale and other details concerning the 2010B Bonds and the sale, and shall inform prospective bidders that a copy of the Official Notice of Bond Sale, setting out the maturities, security of the 2010B Bonds, provisions as to redemption prior to maturity and related information, may be obtained from the District. Such Official Notice shall contain, *inter alia*, substantially the following bidding requirements:

(A) Bidders shall be limited to institutions or persons having knowledge and experience in financial and business matters who are capable of evaluating the merits and risks of the 2010B Bonds and who are not purchasing for more than one account and do not intend to redistribute the 2010B Bonds. The District will make available to any such qualified bidder, upon written request, any financial or other material information regarding the District and the System in the District's possession. Bidders are required to bid a cash price of not less and not more than par value for the 2010B Bonds. No premium shall be bid.

(B) A single interest rate must be bid in a multiple of 1/8 or 1/10 of one percent.

(C) Bids will be considered only for the entire 2010B Bond issue, to be issued as a single fully registered bond.

(D) Bidders (except USDA) are required to deposit a good faith check by cashier's check or certified check in the minimum amount of 2% of the face amount of the 2010B Bonds for which the bid is submitted, which good faith deposit may be applied as partial payment for such 2010B Bonds, or as liquidated damage in the event that such bidder, if successful, fails to comply with the terms of his bid.

(E) Preference in award will be given to the bid resulting in the lowest net interest cost to the District.

(F) The lowest net interest cost will be determined by applying the aggregate amount of interest on the 2010B Bonds bid for, computed from the first day of the month following the date of sale of the 2010B Bonds (even though the 2010B Bonds will bear interest only from the date of delivery) to the final maturity specified in each bid.

(G) The District expects to deliver, and the successful bidder must be prepared to accept delivery of and pay for, the 2010B Bonds at the office of the District within 45 days after notice is given of the award. If the 2010B Bonds are not ready for delivery and payment within 45 days from the aforesaid date of sale, the successful bidder shall be relieved of any liability to accept delivery of the 2010B Bonds, except that 2010B Bonds purchased by any agency of the federal government will be delivered to it at a place and time designated by such agency in accordance with its established practices and procedures.

(H) The District reserves the right, in its discretion, to determine the best bid or bids, to waive any informality or irregularity and to reject any or all bids.

(I) The District will furnish the 2010B Bonds, together with evidence of approval of the 2010B Bond issue by the Public Service Commission of Kentucky pursuant to the requirements of KRS Chapter 278, and customary closing documents, including a no-litigation certificate.

(J) The successful bidder will receive the approving legal opinion of Stoll Keenon Ogden PLLC, Bond Counsel, Louisville, Kentucky, as to the legality of the 2010B Bonds, without additional cost to the successful bidder.

In the event that there is no bid, or that all bids are rejected, the District may re-advertise the sale pursuant to this Resolution.

Bond Counsel having submitted to the Commission of the District forms of the Notice of Sale of Bonds and the Official Notice of Bond Sale, together with an Official Bid Form for use by all bidders except USDA, said documents are hereby approved and authorized for use in connection with the aforesaid sale of the 2010B Bonds.

SECTION 5

2010B BONDS TO BE ISSUED IN FULLY REGISTERED FORM: FULLY REGISTERED BOND FORM

Upon the sale of the 2010B Bonds, the District shall issue a single fully registered 2010B Bond numbered R-1 (hereinafter referred to as the "Fully Registered Bond"). The Fully Registered Bond shall be in the aggregate principal amount of the 2010B Bonds it represents, maturing as to principal in installments as set out in Section 3 hereof. The Fully Registered Bond shall be of type composition, on paper of sufficient weight and strength to prevent deterioration until the last day of maturity of any installment of principal as stated therein, and shall conform in size to standard practice. The Fully Registered Bond shall, upon execution on behalf of the District (which execution shall be by manual signatures of the Chairman and Secretary-Treasurer of the Commission, and actual impression of the corporate seal), constitute the 2010B Bond issue it represents and shall be non-negotiable, without interest coupons, registered as to principal and interest, and payable as directed by the payee, and be in substantially the form hereinafter set forth.

The District hereby directs that books for the registration and for the transfer of the Fully Registered Bond shall be kept by the Secretary-Treasurer, who is hereby appointed as Bond Registrar in connection with such Bond. The Fully Registered Bond shall be transferable only upon said Bond Registrar's books at the request of the registered holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered holder or his duly authorized attorney. Upon such transfer of the Fully Registered Bond, the Bond Registrar shall complete (with the name of the transferee), date and execute the registration schedule appearing on the Fully Registered Bond and deliver the Fully Registered Bond to such transferee. The person in whose name the Fully Registered Bond shall be properly registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal thereof or interest thereon shall be made only to or upon the order of the registered holder thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Fully Registered Bond to the extent of the sum or sums so paid. The face amount of the Fully Registered Bond, portions of which mature on different dates, will be reduced upon the payment of each maturity, and the Secretary-Treasurer shall keep appropriate records of all payments (both principal and interest) with respect to the Fully Registered Bond.

The Fully Registered Bond shall be in substantially the following form (with appropriate insertions and modifications):

(FORM OF FULLY REGISTERED BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
EDMONSON COUNTY WATER DISTRICT
WATER SYSTEM REVENUE BOND, TAXABLE SERIES 2010B
(BUILD AMERICA BONDS – DIRECT PAYMENT TO ISSUER)

No. R-1

\$700,000

KNOW ALL MEN BY THESE PRESENTS:

That Edmonson County Water District (the "District"), acting by and through its Commission, a public body corporate created and existing pursuant to Chapter 74 of the Kentucky Revised Statutes and situated in Edmonson, Warren, Grayson and Hart Counties, Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special fund hereinafter identified, the sum of Seven Hundred Thousand Dollars (\$700,000) 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>
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(Here insert the principal maturities of the 2010B Bonds)

without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, without deduction for exchange or collection charges and in like coin or currency, at the rate of _____ (____%) per annum, semiannually on the first days of January and July in each year hereafter 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 to the registered holder hereof at the address shown on the registration books of the District or, so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, at the office or address as may be designated by said Department of Agriculture from time to time.

This Bond is the Bond in fully registered form representing a total authorized series of Bonds in the principal amount of \$700,000 issued by the District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 74 and 106 of the Kentucky Revised Statutes, and pursuant to a duly adopted Resolution of the District, for the purpose of paying the costs (to the extent not otherwise provided to be paid) of the construction and installation of major extensions and additions to the District's municipal water distribution system (the "System"), together with appurtenant facilities, and incidental expenses.

This Bond and the issue which it represents, together with the 2010B Bonds and such additional bonds ranking on a parity therewith as have heretofore been issued and are outstanding and as may hereafter be issued and outstanding from time to time in accordance with the conditions and restrictions set forth in the resolution authorizing the issuance of this Bond, are payable from and secured by a pledge of a fixed portion of the income and revenues to be derived

from the operation of the System, which fixed portion shall be sufficient to pay the principal of and interest on this Bond and the issue which it represents, and any outstanding parity bonds, as and when the same shall become due and payable, and which shall be set aside as a special fund for that purpose and identified as the "Waterworks Bond and Interest Sinking Fund of 1969."

A statutory mortgage lien upon the System and appurtenant facilities, together with all future additions and improvements thereto, and extensions thereof, is created by Section 106.080 of the Kentucky Revised Statutes and by the aforesaid Resolution for the benefit and protection of the holder of this Bond, and the same shall remain in effect until payment in full of the principal of and interest on this Bond.

This Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Bond or the interest hereon except from said special fund. The District, acting by and through its Commission, covenants that it will fix, and if necessary adjust from time to time, such rates and charges for use of the services and facilities of the System and will collect and account for the income and revenues therefrom sufficient to pay promptly the interest on and principal of this issue of Bonds, and all other bonds ranking on a parity therewith as may be issued and outstanding from time to time in accordance with the conditions and restrictions prescribed in that connection, as well as to pay the costs of operation and maintenance of the System.

This Bond shall be registered as to principal and interest in the name of the holder hereof, after which it shall be transferable only upon presentation to the Secretary-Treasurer of the District, as the Bond Registrar, with a written transfer duly acknowledged by the registered holder or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the books of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2020, in the 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 multiples of Five Hundred Dollars (\$500) as the District 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. Notice of such prepayment shall be given by registered mail to the registered holder of the Bond at least thirty (30) days prior to the date fixed for prepayment. Provided, however, that so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, this Bond may be prepaid at any time in whole or in part, at par or face value and without notice or prepayment premium.

Upon default in the payment of any principal or interest payment on this Bond or upon failure by the District to comply with any other provisions of this Bond or with the provisions of the resolution authorizing the issuance of this Bond, the registered holder may, at his option, institute proceedings to enforce all rights and remedies provided by law or by said resolution.

This Bond is exempt from *ad valorem* taxation in the Commonwealth of Kentucky.

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, being the total authorized amount of Bonds of the issue which this Bond represents, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the Edmonson County Water District, in the Commonwealth of Kentucky, by its Commission, has caused this Bond to be executed by the Chairman of its Commission, attested by the Secretary-Treasurer, and its corporate seal to be hereunto affixed, on the date of this Bond, which is _____.

EDMONSON COUNTY WATER
DISTRICT

Attest:

By _____
Chairman of the Commission

Secretary-Treasurer

(Seal of District)

PROVISION FOR REGISTRATION

This Bond shall be registered on the books of the Edmonson County Water District kept for that purpose by the Secretary-Treasurer, as Bond Registrar, upon presentation hereof to the Secretary-Treasurer, 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 holder or his attorney, such transfer to be made on said books and endorsed hereon.

(FORM OF REGISTRATION)

<u>Date of Registration</u>	<u>Name of Registered Holder</u>	<u>Signature of the Water District's Bond Registrar</u>
	United States of America Department of Agriculture State Office 771 Corporate Dr., Suite 200 Lexington, Kentucky 40503*	

*(To be inserted if USDA purchases the 2010B Bonds)

SECTION 6

DISPOSITION OF 2010B BOND PROCEEDS; CONSTRUCTION FUND

The Secretary-Treasurer of the District shall be the custodian of all funds belonging to and associated with the System, as expanded and improved from time to time, and such funds shall be deposited in the Brownsville Deposit Bank, of Brownsville, Kentucky, or in such other bank or banks in Kentucky as the Commission of the District may from time to time designate (hereinafter sometimes referred to, singularly and collectively, as the "Depository Bank"). All such moneys of the District deposited in the Depository Bank in excess of the amount insured by the Federal Deposit Insurance Corporation ("FDIC") shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The Secretary-Treasurer shall execute a fidelity bond in an amount and with a surety company approved by USDA so long as it is the holder of any of the 2010B Bonds; and USDA and the District shall be named co-obligees in such surety bond, and the amount thereof shall not be reduced without the written consent of USDA. The proceeds of the 2010B Bonds shall be applied as follows:

Upon the issuance and delivery of the 2010B Bonds authorized by this Resolution, the entire proceeds thereof shall be deposited in an account designated "Edmonson County Water District 2010B Construction Fund" (the "Construction Fund"), hereby created. Said 2010B Bond proceeds shall constitute a part of the Construction Fund and shall be applied, to the extent necessary, in paying the costs incident to constructing, installing and acquiring the Project, including expenses incurred in the issuance of the 2010B Bonds and paying interim financing obligations (both principal and interest) incurred in connection with the Project as authorized by said separate interim financing Resolution of the Commission of the District; provided, however, any 2010B Bond proceeds so used to pay such interim financing obligations may be disbursed directly to the appropriate lending institution(s) without the requirement of being deposited to the Construction Fund.

A sum in the Construction Fund estimated to be equal to interest which will accrue on the 2010B Bonds (following delivery thereof) during construction and development of the Project shall be earmarked, used and applied to the payment of interest on the 2010B Bonds next becoming due.

Disbursements from the Construction Fund shall be made by checks signed by the District Secretary-Treasurer, and such disbursements shall be authorized and approved in writing by the District Chairman and Secretary-Treasurer and, if USDA is the purchaser of the 2010B Bonds, by USDA (if USDA so requires). Reference is made in this connection to the provisions of the separate interim financing Resolution adopted concurrently herewith.

Pending disbursement, the 2010B Bond proceeds shall be deposited, as aforesaid, in the Construction Fund, and to the extent that such deposit causes the aggregate deposits by the District in the Depository Bank to be in excess of the amount insured by FDIC, the same shall be secured by a surety bond or bonds furnished by a surety company or companies qualified to do business in Kentucky and approved by the Commission of the District, or by a valid pledge of direct obligations of the United States Government, or obligations as to which the payment of principal and interest are guaranteed by the United States Government, having a market value at least equivalent to such deposit.

Where the moneys on deposit in the Construction Fund exceed the estimated disbursements on account of the Project for the next 60 days, the District shall direct the Depository Bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by the United States Government, which shall mature not later than six months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such investments shall be deposited in the Construction Fund by the District, unless otherwise authorized by USDA.

In the event any unexpected balance shall remain in the Construction Fund after completion of the Project, and payment of all of the costs thereof, as certified by the Engineers, such unexpended balance, subject to the terms and conditions of the aforesaid USDA loan, and to USDA approval, shall be transferred and deposited in the Waterworks Bond and Interest Sinking Fund of 1969, hereinafter referred to, and shall be used at the earliest practicable date for the retirement of 2010B Bonds by purchase thereof (or principal prepayment) in inverse order of maturities or established annual payment amounts, and in proportion to the principal amount of the series (insofar as practicable).

In the event that the amount hereinabove provided to be set aside from 2010B Bond proceeds for payment for interest during the construction and development of the Project should prove to be insufficient for such purpose, additional moneys may, upon approval by USDA, be withdrawn from the Construction Fund and so applied, inasmuch as interest during such period is a proper part of the cost of the Project, to the extent authorized by USDA.

Pending disbursements for the authorized purposes, the proceeds of all 2010B Bonds at any time issued pursuant to this Resolution shall be subject to a first and paramount lien and charge in favor of the holders of 2010B Bonds issued and outstanding hereunder and for their further security.

SECTION 7

OPERATION OF SYSTEM; FLOW OF FUNDS; ACCUMULATION OF REVENUES

Operation and Revenues of System; Funds and Accounts. From and after issuance and delivery of the 2010B Bonds, and so long as any of the 2010B Bonds or parity bonds remain outstanding and unpaid, the System shall continue to be operated on a fiscal year basis beginning each January 1 and ending on the last day of the next December, as at present, and on that basis the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created by the 1969 Resolution designated and identified as the District's "Waterworks Revenue Fund" (the "Revenue Fund"), which shall continue to be maintained by the District, and into which shall be deposited all income and revenues of the System (to the extent not otherwise provided to be deposited hereinafter). The moneys in the Revenue Fund from time

to time shall be used and disbursed and applied by the District, as permitted by applicable statutes, as follows:

(A) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created in and by the 1969 Resolution and designated and identified as the "Waterworks Bond and Interest Sinking Fund of 1969" (the "Bond Fund"), which shall continue to be maintained so long as any of the Prior Bonds, 2010B Bonds or parity bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Prior Bonds, 2010B Bonds and any parity bonds hereafter issued and outstanding pursuant to the provisions of this Resolution.

There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Bond Fund sums sufficient to pay when due the principal and interest requirements on the Prior Bonds, 2010B Bonds and any parity bonds. Specifically, there shall be paid into the Bond Fund on or before the 20th day of each month, on account of the Prior Bonds and 2010B Bonds, not less than the following:

- (i) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-sixth (1/6) of the next succeeding interest installment to become due on all Prior Bonds and 2010B Bonds then outstanding; and
- (ii) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-twelfth (1/12) of the principal of all Prior Bonds and 2010B Bonds maturing on the next succeeding January 1.

In the event additional parity bonds are issued pursuant to the conditions and restrictions hereinafter prescribed in that connection, the monthly deposits to the Bond Fund shall be increased to provide for payment of interest thereon and the principal thereof as the same respectively become due.

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

No further payments need be made into the Bond Fund if and when the amount held therein and in the Debt Service Reserve Fund hereinafter created is at least equal to the amount required to retire all outstanding Prior Bonds, 2010B Bonds and parity bonds and paying all interest that will accrue thereon.

(B) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, is hereby created and designated and identified as the "Water System Revenue Bond Debt Service Reserve Fund" (the "Debt Service Reserve Fund"), which shall be maintained so long as there are outstanding any parity bonds herein permitted to be issued on a parity with the Prior Bonds and 2010B Bonds, except those parity bonds the original purchaser or purchasers of which have waived the benefit of, and any claim to, the Debt Service Reserve Fund. Parity bonds which may be issued and outstanding from time to time as hereinafter permitted and

with respect to which the original purchaser or purchasers have not waived the benefit of and claim to the Debt Service Reserve Fund are hereafter referred to as "qualified parity bonds." The purchasers of the Prior Bonds, other than the 1996A Bonds, by their acceptance of the Prior Bonds, have been, and the purchaser of the 2010B Bonds shall be, deemed to have elected, for themselves and on behalf of all subsequent holders of the Prior Bonds, and all subsequent holders of the 2010B Bonds, to waive the benefit of and any claim to the Debt Service Reserve Fund.

All moneys deposited in the Debt Service Reserve Fund from time to time shall be held and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the outstanding qualified parity bonds, if any, if and to the extent insufficient funds are available therefor in the Bond Fund. Whenever the amount in the Debt Service Reserve Fund is less than the Reserve Amount, hereinafter defined, the amount necessary to restore the balance in the Debt Service Reserve Fund to the Reserve Amount shall be paid into the Debt Service Reserve Fund in thirty-six (36) equal monthly installments, each payable on the twentieth (20th) day of the month (except that when the twentieth (20th) day of any month shall be a Sunday or a legal holiday, then such payment shall be made on the next succeeding business day) from the Revenue Fund, after making the deposits set out in subsection (B) above, until the Reserve Amount is on deposit in the Debt Service Reserve Fund. The term "Reserve Amount" as used herein means an amount of money equal to the lesser of (i) the maximum principal and interest requirement on the outstanding qualified parity bonds in any year ending January 1, (ii) an amount equal to 125% of the average annual debt service on the outstanding qualified parity bonds in any year ending January 1, and (iii) an amount equal to 10% of the proceeds of all such qualified parity bonds within the meaning of Section 148(d) of the United States Internal Revenue Code of 1986, as amended.

Any amount in the Debt Service Reserve Fund in excess of the Reserve Amount shall be transferred to the Bond Fund and applied as credit against payments into the Bond Fund from the Revenue Fund on a monthly basis as described in the foregoing subsection (A).

(C) All moneys held in the Revenue Fund, the Bond Fund and the Debt Service Reserve Fund shall be deposited in a bank or banks which are members of the Federal Deposit Insurance Corporation ("FDIC"), and all such deposits which cause the aggregate deposits of the District in any one bank to be in excess of the amount insured by FDIC shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Revenue Fund and the Bond Fund may, and the Debt Service Reserve Fund shall, be invested in Investment Obligations, as hereinafter defined, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Fund which supplied the funds for such investments, and the income from such investments shall be credited to the Bond Fund; provided, however, if the amount in the Debt Service Reserve Fund is less than the Reserve Amount, income from investments in the Debt Service Reserve Fund shall be credited to the Debt Service Reserve Fund until the Reserve Amount is accumulated therein. Investment Obligations in the Debt Service Reserve Fund shall be valued at cost.

Investment income accruing to the Bond Fund shall be credited against payments into the Bond Fund from the Revenue Fund on a monthly basis as set out in the foregoing subsection (B) hereof.

As used herein, the term "Investment Obligations" shall mean any of the following, if and to the extent the following are legal investments for the moneys held in the funds and accounts established pursuant to this Resolution: (i) general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, and any certificate or other evidence of an ownership interest in any such securities or in specified portions thereof consisting of the principal thereof or the interest thereon or any combination thereof; (ii) obligations of any agency or instrumentality of the United States of America the payment of principal of and interest on which is backed by the full faith and credit of the United States of America; (iii) savings accounts, interest-bearing time deposits or certificates of deposit in any national bank or bank chartered in Kentucky authorized to engage in the banking business the deposits of which shall be insured by the FDIC and having a combined capital and surplus aggregating not less than Two Million Dollars (\$2,000,000); provided, however, that each such deposit shall be continuously secured (to the extent not insured by FDIC) by lodging with a separate bank or trust company approved by the District, as custodian, collateral security in the form of obligations described in (i) or (ii) above having a market value (exclusive of accrued interest) at all times not less than the amount of such deposit (to the extent not insured by FDIC), which collateral security shall be valued by the District at least annually and must be unencumbered and not otherwise pledged and shall be subject to a perfected first lien for the benefit of the District; (iv) repurchase agreements with banks described in (iii) above, continuously secured as provided in (iii) above; (v) money market funds composed of securities described in (i) and (ii) above and rated AAA (or the equivalent thereof) by Standard and Poor's Ratings Service or Moody's Investors Service, Inc., provided that any such investment in money market funds shall not exceed six (6) months in duration; and (vi) bonds, notes or certificates of indebtedness of the Commonwealth of Kentucky and its agencies and instrumentalities.

(D) A separate and special fund or account of the District was created by the 1969 Resolution designated and identified as the District's "Depreciation Fund" (the "Depreciation Fund"). After observing the priority of deposits set forth in (A) through (C) above, which are cumulative, there shall be set apart and paid into the Depreciation Fund each month from the remaining funds in the Revenue Fund at least the following monthly deposits with respect to the indicated series of bonds, in the case of each series to continue so long as any bonds of such series remain outstanding or until the indicated minimum balance for such series is reached:

<u>Series</u>	<u>Monthly Deposit</u>	<u>Minimum Balance</u>
1994A	940	\$112,800
1994B	150	18,000
1994C	425	51,000
1997	280	33,600
2001	1,610	None
2003	205	24,600
2004	1,495	292,200
2007A	555	66,600
2007B	225	26,400
2009	690	82,800
2010A	200	24,000
2010B	245	29,400

provided that for the above purpose the aggregate balance in the Depreciation Fund from time to time shall be allocated to the respective series of bonds outstanding (or bonds issued to refund any such series) in the order (earliest first) set out above.

In addition to the above deposits from the Revenue Fund, there shall also be deposited in the Depreciation Fund, as received, the proceeds of all property damage insurance (except public liability) maintained in connection with the System, and the cash proceeds of any surplus, worn-out or obsolescent properties of the System, if the same be sold upon order of the Commission. Any fees which may be levied and collected by the Commission of the District for the privilege of connecting to the System (excluding initial deposits received in aid of a particular project) shall be paid, as received, into the Depreciation Fund.

The Depreciation Fund shall be available and may be withdrawn and used by the District, upon appropriate certification as to the authorization for such withdrawal, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals or replacements, not included in the Annual Budget of Current Expenses (as defined in Section 8 hereof), and the cost of constructing additions and improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. The Depreciation Fund shall also be available for transfer to the Bond Fund in order to avoid default in connection with any bonds payable from the Bond Fund or to redeem or purchase Prior Bonds, 2010B Bonds or parity bonds in advance of maturity.

At any time when the accumulations in the Depreciation Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Investment Obligations (as described in subsection (C) of this Section) maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than five (5) years after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Depreciation Fund shall be carried to the credit of the Depreciation Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

The District shall also make monthly deposits of \$1,000 into a special segregated subaccount within the Depreciation Fund to fund costs of short-lived water system assets, as required by USDA.

(E) A separate and special fund or account of the District was created by the 1969 Resolution designated the District's "Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), which shall continue to be maintained for the benefit of the System and all bonds payable from the income and revenues of the System. The District covenants that it will transfer monthly from the moneys in the Revenue Fund, after making the transfers required by (A) through (D) above, to the Operation and Maintenance Fund sums sufficient to pay as they accrue the Current Expenses of operating and maintaining the System pursuant to the Annual Budget, for which provision is hereafter made, and to accrue an operation and maintenance reserve not in excess of anticipated requirements for a two-month period pursuant to the Annual Budget.

At any time when the accumulations in the Operation and Maintenance Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Investment Obligations (as described in subsection (C) of this Section) maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than ninety (90) days after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Operation and Maintenance Fund shall be carried to the credit of the Operation and Maintenance Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(F) Subject to the provisions of subsections (A) through (E) above, which are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred within sixty (60) days after the end of each fiscal year the balance of excess funds in the Revenue Fund on such date to the Depreciation Fund.

* * *

All payments into the above special 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 Sunday or a legal holiday, then such payment shall be made on the next succeeding business day.

All moneys held in any of the above special funds shall be kept apart from all other District funds and shall be deposited in a bank or banks selected by the District from time to time (in each case, a "Depository Bank"), and all such deposits which cause the aggregate of all deposits of the District in any Depository Bank 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 pledge of direct obligations or by guaranteed bonds or securities of the United States Government having a market value at least equivalent to such excess deposit.

SECTION 8

COVENANTS TO BONDHOLDERS

The District hereby irrevocably covenants and agrees with the holder or holders of any and all 2010B Bonds and parity bonds at any time issued and outstanding pursuant to authority of this Resolution that so long as the same or any part thereof or interest thereon remain outstanding and unpaid:

(A) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky, and by the terms and provisions of this Resolution.

(B) It will at all times operate the System on a revenue-producing basis, and will permit no free services to be rendered or afforded thereby.

(C) It will maintain the System in good condition through application of revenues accumulated and set aside for operation and maintenance, as herein provided; and will make unusual or extraordinary repairs, renewals and replacements, as the same may be required, through application of revenues accumulated and set aside for such purposes.

(D) The District covenants and agrees that, so long as any of the 2010B Bonds are outstanding, it will not sell or otherwise dispose of any of the System facilities or any part thereof, and, except as provided for in this Resolution and in the Prior Resolutions, it 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 2010B Bonds. Notwithstanding the foregoing, the District may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:

(i) it is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the System;

(ii) it will, in the event of sale, apply the proceeds to either (1) redemption of outstanding 2010B Bonds or parity 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;

(iii) it certifies, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(iv) notwithstanding all of the foregoing, no such sale, abandonment or transfer of System facilities shall be made so long as USDA owns any of the 2010B Bonds herein authorized, without the written consent and approval of USDA.

(E) It will establish, enforce and collect rates and charges for services rendered and facilities afforded by the System; and the same shall be reasonable and just, taking into account and consideration the cost and value of the System, the costs of operating the same and maintaining it in a good state of repair, proper and necessary allowances for depreciation and for additions and extensions, and the amounts necessary for the orderly retirement of all outstanding bonds as aforesaid and the accruing interest thereon, and the accumulation of reserves as herein provided; and such rates and charges shall be adequate to meet all such requirements as provided in this Resolution, and shall, if necessary, be adjusted from time to time in order to comply herewith.

On or before the date of issuance of the 2010B Bonds, the District will adopt a Budget of Current Expenses for the System for the remainder of the then current fiscal year of the System, and thereafter, on or before the first day of each fiscal year so long as any 2010B Bonds are outstanding, it will adopt an Annual Budget of Current Expenses for the ensuing fiscal year, and will file a copy of each such Budget, and of any amendments thereto, in the office of the Secretary-Treasurer of the District, and furnish copies thereof to the holder of any Bond upon request. The term "Current Expenses," as herein used, includes all reasonable and necessary costs of operating, repairing, maintaining, and insuring the System, but shall exclude any allowance for depreciation, payments into the

Depreciation Fund for extensions, improvements, and extraordinary repairs and maintenance, and payments into the Bond Fund. The District covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that it will not expend any amount or incur any obligations for operation, maintenance and repairs in excess of the amounts provided for Current Expenses in the Annual Budget, except upon resolution duly adopted by the Commission of the District determining that such expenses are necessary in order to operate and maintain the System. At the same time, and in like manner, the District agrees that it will prepare an estimate of cash income and revenues to be derived from operation of the System for each fiscal year, and to the extent that said cash income and revenues are insufficient to provide for all payments required to be made into the Bond Fund during such ensuing fiscal year, and to make the monthly payments specified by subsection (A) of Section 7 of this Resolution, and to pay Current Expenses, the District covenants and agrees that it will revise its rates and charges for services rendered by the System, so that the same will be adequate to meet all of such requirements.

(F) It will not at any time make any reduction in any prevailing schedule of rates and charges for use of the services and facilities of the System without first obtaining the written determination of a Consulting Engineer of national reputation that the proposed reduction will not adversely affect the ability of the District to meet all the requirements set forth in this Resolution.

(G) It will at all times segregate the revenues of the System from all other revenues, moneys, and funds of the District, and will promptly and regularly make application and distribution thereof into the special funds provided in the Prior Resolutions, and in this Resolution, in the amount and with due regard for the priorities herein attributed thereto.

(H) It will keep proper books of record and account, separate and clearly distinguishable from all other municipal records and accounts, showing complete and correct entries of all transactions relating to the System, and the same shall be available and open to inspection by any 2010B Bondholder, and any agent or representative of a 2010B Bondholder.

(I) It will, within ninety (90) days after the end of each fiscal year, cause an audit to be made of the books of record and account pertinent to the System, by an independent state-licensed accountant not in the employ of the District on a monthly salary basis, showing all receipts and disbursements, and reflecting in reasonable detail the financing condition and records of the System, including the status of the several funds hereinbefore created, the status of the insurance and fidelity bonding, the number and type of connections, and the current rates and charges, with comments of the auditor concerning whether the books and records are being kept in compliance with this Resolution and in accordance with recognized accounting practices, and will promptly cause a copy of the Audit Report to be filed in the Office of the Secretary-Treasurer where it will be available for public inspection, and will promptly mail a copy thereof to the original recipients of 2010B Bonds issued hereunder. If requested to do so, the District will furnish to any 2010B Bondholder a condensed form of the Balance Sheet, and a condensed form of the Operating Report, in reasonable detail. All expenses incurred in causing such audits to be

made, and copies distributed, shall constitute proper expenses of operating and maintaining the System, and may be paid from revenues allocated for such purposes, as herein provided. Provided, so long as USDA holds any of the 2010B Bonds herein authorized, the District shall furnish operating and other financial statements in such form and substance and for such periods as may be requested by USDA.

(J) Any holder of 2010B Bonds may either at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance by the District and its officers and agents of all duties imposed or required by law or this Resolution in connection with the operation of the System, including the making and collecting of sufficient rates and segregation of the revenues and application thereof.

(K) If there be any default in the payment of the principal of or interest on any of the 2010B Bonds, then upon the filing of suit by any holder of the 2010B Bonds or any of the coupons, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the District, with power to charge and collect rates sufficient to provide for the payment of any bonds or obligations outstanding against the System, and for the payment of Current Expenses, and to apply the revenues in conformity with this Resolution and the provisions of the statute laws of Kentucky aforesaid.

(L) The District will cause each municipal officer or other person (other than depository banks) having custody of any moneys administered under the provisions of this Resolution to be bonded at all times in an amount at least equal to the maximum amount of such moneys in his custody at any time; each such bond to have surety given by a surety corporation qualified to do business in Kentucky and approved by the Commission, and the premiums for such surety shall constitute a proper expense of operating the System, and may be paid from moneys available in the Operation and Maintenance Fund.

(M) It will procure, and at all times maintain in force, insurance of all insurable properties constituting parts of, or being appurtenant to, the System to the full insurable value thereof, against damage or destruction by fire, windstorm, and the hazards covered by the standard "extended coverage" policy endorsements or provisions, the premiums therefor to be paid from the Operation and Maintenance Fund; and will deposit all sums collected under the terms of such policies in a special Fund. Such insurance shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty per centum (80%) of the full insurable value of the damaged facility.

(N) The District will procure and at all times maintain public liability insurance relating to the operation of the System, with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death; and not less than \$200,000 from claims for damage to property of others which may arise from the District's operation of the System.

(O) The District will carry suitable worker's compensation insurance in accordance with law.

(P) If the District owns or operates a vehicle in the operation of the System, the District will procure and at all times maintain vehicular public liability insurance with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death, and not less than \$200,000 against claims for damage to property of others which may arise from the District's operation of vehicles. Provided, notwithstanding (M), (N), (O) and (P) above, that so long as USDA holds any 2010A Bonds, the District will procure and maintain insurance of such types and amounts as USDA may specify, which shall not be less than the amounts specified in this Section 8 so long as the Prior Bonds and the 2010B Bonds are outstanding.

(Q) So long as USDA is the holder of any bonds of the District, the District shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of such bonds held by USDA without immediately prepaying all of such bonds held by USDA.

SECTION 9

PARITY BONDS PERMITTED; TERMS

The 2010B Bonds and outstanding parity bonds, together with any additional parity bonds issued under the restrictions and conditions hereinafter set forth, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among such bonds, regardless of the fact that they may be actually issued and delivered at different times.

The District hereby reserves the right and privilege of issuing additional bonds from time to time payable from the income and revenues of the System ranking on a parity with the 2010B Bonds and any outstanding parity bonds (herein sometimes referred to as "additional parity bonds") in order to pay the costs of extensions, additions and improvements to the System, provided that (a) the written consent of the holders of all 2010B Bonds and any outstanding parity bonds is obtained or (b) either of the conditions set forth in (i) or (ii) below is met:

(i) The net income and revenues of the System for the fiscal year preceding the year in which such additional parity bonds are to be issued were at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1 with respect to all 2010B Bonds and parity bonds which are then outstanding and the additional parity bonds then proposed to be issued. The term "net income and revenues" as herein used is defined as gross income and revenues of the System (including all payments to the Revenue Fund and interest earnings accruing to the Bond Fund, the Depreciation Fund and the Operation and Maintenance Fund) less the sum of Current Expenses as defined in subsection (E) of Section 8 hereof. Such showing of net income and revenues for such preceding fiscal year may be represented by the report of the auditors.

(ii) A statement is filed with the Secretary of the District by (a) an independent certified public accountant or firm of certified public accountants not in the regular employ of the District on a monthly salary basis or (b) an independent professional engineer or

firm or firms of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky, reciting the opinion based upon necessary investigation that the net income and revenues of the System as defined in (i) above for twelve (12) consecutive months out of the eighteen (18) months preceding the issuance of said additional parity bonds (with adjustments as hereinafter provided) were equal to at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1 with respect to the 2010B Bonds and any parity bonds then outstanding and the proposed additional parity bonds. The net income and revenues may be adjusted for the purpose of the foregoing computations to reflect any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional parity bonds, and also to reflect any increase in such net income and revenues by reason of the extensions, additions and improvements to the System the cost of which (in whole or in part) is to be paid through the issuance of such additional parity bonds; but such latter adjustments shall only be made if contracts for the immediate construction or acquisition of such extensions, additions and improvements have been or will be entered into prior to the issuance of such additional parity bonds. All such adjustments to reflect any revision of rates and charges or an increase in net income and revenues by reason of extensions, additions and improvements to the System as aforesaid shall be based upon written certification by (a) an independent professional engineer or firm of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky or (b) an independent certified public accountant or firm of certified public accountants not in the employ of the District on a monthly salary basis.

The District hereby further reserves the right and privilege of issuing additional parity bonds for the purpose of refunding the 2010B Bonds and any parity bonds, or any portion thereof, as may be outstanding, provided that before any additional parity bonds are issued for such purpose, there shall have been procured and filed with the Secretary of the District either (a) the written consent of the holders of all 2010B Bonds and any outstanding parity bonds (other than the bonds being refunded) to such issuance or (b) a statement by an independent certified public accountant or firm of independent certified public accountants reciting the opinion based upon necessary investigation that after the issuance of such additional parity bonds, the net income and revenues, as adjusted and defined above, of the System for the fiscal year preceding the date of issuance of such additional parity bonds, after taking into account the revised maximum annual debt service resulting from the issuance of such additional parity bonds and from the elimination of the bonds being refunded thereby, are equal to not less than 120% of the maximum annual debt service requirement for any year ending January 1 with respect to the 2010B Bonds and any parity bonds then outstanding and the proposed additional parity bonds and calculated in the manner specified above.

The original purchaser or purchasers of a series of additional parity bonds may waive the benefit of and any claim to the Debt Service Reserve Fund, in which event such bonds shall not be secured by or payable from the Debt Service Reserve Fund; and the District may make it a condition to the original sale of any series of additional parity bonds that the purchaser or purchasers thereof, by offering to purchase or by purchasing the same, has agreed to such waiver.

The interest payment dates for all such additional parity bonds shall be semiannually on January 1 and July 1 of each year, and the principal maturities thereof shall be on January 1 of the year in which any such principal is scheduled to become due.

The additional parity bonds, the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds payable from the income and revenues of the System on a parity with the 2010B Bonds and outstanding parity bonds, and shall not be deemed to include or prohibit the issuance of other obligations the security and source of payment of which is subordinate and subject to the priority of the payments into the Bond Fund and the Debt Service Reserve Fund for account of the 2010B Bonds and any parity bonds.

SECTION 10

PROVISIONS OF RESOLUTION CONSTITUTE CONTRACT

The provisions of this Resolution shall constitute a contract between the District and the holders of the 2010B Bonds herein authorized and any parity bonds herein permitted to be issued, and after the issuance of any of the 2010B Bonds, no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner without the written consent of the holder or holders of the 2010B Bonds, except as herein provided, until such time as all of the 2010B Bonds and parity bonds issued hereunder, and the interest thereon, have been paid in full.

SECTION 11

STATUTORY MORTGAGE LIEN ACKNOWLEDGED

A statutory mortgage lien upon the System, together with all appurtenances and additions thereto and extensions thereof, and including the revenues thereof, is granted and created by Section 106.080 of the Kentucky Revised Statutes for the benefit and protection of the holders of the 2010B Bonds issued and parity bonds permitted to be issued under authority of this Resolution, and previously issued and outstanding parity bonds, and of the interest payable thereon; and said statutory mortgage lien is hereby recognized and shall be effective upon delivery of any of the 2010B Bonds and shall continue in full force and effect so long as there shall remain unpaid any part of the principal of or interest on the 2010B Bonds and any parity bonds.

SECTION 12

TAX COVENANTS AND REPRESENTATIONS

(A) The District certifies, covenants and agrees that the Project will be constructed expeditiously and the expenditure of the portion of the proceeds of the 2010B Bonds deposited in the Construction Fund for the payment of the costs of the Project will be made promptly in order that the Project will be completed and in operation at the earliest possible date. The District further certifies and covenants with the holders of the 2010B Bonds that so long as any of the 2010B Bonds remain outstanding, moneys on deposit in any fund or account in connection with the 2010B Bonds, whether or not such moneys were derived from the proceeds of the sale of the

2010B Bonds or from any other sources, will not be invested or used in a manner which will cause the 2010B Bonds to be "arbitrage bonds" within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 54AA of the Code, and any regulations issued or proposed thereunder, and notices issued thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Chairman and/or Secretary-Treasurer as the officers of the District charged with the responsibility for issuing the 2010B Bonds, are authorized and directed, for and on behalf of the District, to execute all papers, documents, certificates and other instruments that may be required for evidencing compliance with federal "arbitrage bond" regulations, and any representations and certifications contained in such papers, documents, certificates and other instruments so executed shall be deemed to constitute representations and certifications of the District.

(B) The District further represents, warrants, agrees and covenants as follows:

(i) Within the meaning of Section 141 of the Code and the Income Tax Regulations issued thereunder, over the terms of the Bonds (i) less than 10% of the proceeds of the 2010B Bonds, if any, will be applied for any private business use, and the payment of principal of or interest on less than 10% of the amount of the 2010B Bonds, if any, will be secured directly or indirectly by any interest in property used for a private business use, or payments in respect of such property, or will be derived directly or indirectly from payments (whether or not to the District) in respect of such property; (ii) at least 90% of the proceeds of the 2010B Bonds will be applied for a governmental use of the District; (iii) any private business use of the Project will be related to such governmental use of the District and will not be unrelated or disproportionate; and (iv) none of the proceeds of the 2010B Bonds will be used, directly or indirectly, to make or finance loans to private persons. It is reasonably expected that over the term of the 2010B Bonds (a) the Project will be available for general public use, in that it will be reasonably available for use by natural persons not engaged in a trade or business on the same basis as any other person or entity, (b) no nongovernmental person will have any special legal entitlement to use the Project, and (c) there will be no direct or indirect payments made with respect to the Project or the security of the 2010B Bonds by any persons or entities other than payments by the general public as described in clause (a) above.

(ii) Within the meaning of Section 148(f)(4)(B), it is reasonably expected at least 75% of the net proceeds (including investment proceeds) of the 2010B Bonds will be used for construction expenditures with respect to property which is owned by a governmental unit, at least 10% of such proceeds will be spent for the governmental purposes of the issue within six months from the date the 2010B Bonds are issued, at least 45% of such proceeds will be spent for such purposes within one year from such date, at least 75% of such proceeds will be spent for such purposes within eighteen months from such date, and at least 100% of such proceeds will be spent within two years from such date. It is also reasonably expected at least 50% of all proceeds (including investment proceeds) of the Bonds will be used for expenditures on the Project within six months, at least 60% will be so used within 12 months and 100% will be so used within 18 months from the date of issuance of the 2010B Bonds. If for any reason the arbitrage rebate requirements of Section 148(f) of the Code should be deemed to apply to the 2010B Bonds, the District will take all action necessary to comply therewith.

(iii) It is reasonably expected that during the term of the 2010B Bonds the Project will not be disposed of, provided, however, should there be any disposition of any personal

property constituting a part of the Project because it is no longer suitable for its governmental purpose, it is reasonably expected that the fair market value of such personal property will not exceed 25% of its cost.

(iv) The weighted average maturity of the 2010B Bonds does not exceed 120% of the weighted average useful life of the facilities comprising the Project.

(v) The District has not heretofore expended any sums on the Project which are to be reimbursed from the proceeds of the 2010B Bonds, other than (a) certain preliminary expenditures such as engineering and planning costs not exceeding 20% of the 2010B Bond proceeds, (b) expenditures made within 60 days prior to the date of adoption of this Resolution, and (c) expenditures prior to which the District had adopted an official intent resolution regarding reimbursement from tax-exempt bond proceeds. Proceeds of the 2010B Bonds will only be used for capital expenditures paid or incurred after the effective date of the Recovery Act.

(vi) The 2010B Bonds are not federally guaranteed within the meaning of Section 149(b) of the Code.

(vii) The District will comply with the information reporting requirements of Section 149(e) of the Code.

(viii) The District will not use or permit the use of any of the funds provided by the 2010B Bonds in such manner as to, or take or omit to take any action which would, if the 2010B Bonds were issued on a tax-exempt basis, impair the exclusion from gross income for federal income tax purposes of interest on the 2010B Bonds. The District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the 2010B Bonds would, if the 2010B Bonds were issued on a tax-exempt basis, for the purposes of federal income taxation, be excludable from gross income.

(ix) This Resolution is intended to and does constitute, in part, a declaration of official intent under applicable Income Tax Regulations.

(x) In addition, in respect of the issuance of the 2010B Bonds as taxable bonds under the Recovery Act:

(a) All of the excess of (1) the available project proceeds (as defined in Section 54A of the Code to mean sale proceeds of such 2010B Bonds less not more than 2% of such proceeds used to pay costs of issuance plus investment proceeds thereon), over (2) any amounts in a reasonably required reserve fund (within the meaning of Section 150(a)(3) of the Code) with respect to such issue, is to be used for capital expenditures;

(b) The District will make an irrevocable election to have Section 54AA(g) of the Code apply to such 2010B Bonds so that the City will receive a refundable credit under Section 6431 of the Code equal to 35% of the stated interest paid on such Bonds;

(c) The District will comply with the requirements of Section 54AA(g) of the Code to assure eligibility of the District for receipt of the direct pay interest credit;

(d) The issue price (reoffering price) of such 2010B Bonds of the same maturity cannot exceed the par amount by more than .25% multiplied by the number of complete years to the earlier of the maturity date or the first optional redemption date for such 2010B Bonds; and

(e) The District will not use or permit the use of any of the funds provided by such 2010B Bonds in such a manner as to, or take or omit to take any action which would, impair the status of such 2010B Bonds as "qualified bonds" under Section 54AA of the Code. In the foregoing connection, the District agrees to file, in a timely manner, any and all necessary forms required by the Code, including without limitation IRS Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds, and IRS Form 8038-CP, Return for Credit Payments for Issuers of Qualified Bonds. The District also agrees to complete and file, in a timely manner, any and all other forms and questionnaires received by the District with respect to the 2010B Bonds, including without limitation IRS Form 14127, Direct Pay Bonds Compliance Questionnaire. The General Manager of the District is further instructed to prepare, with the assistance of counsel, written procedures to assure the future compliance with the Build America Bond Requirements of the Code.

SECTION 13

SEVERABILITY CLAUSE

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

SECTION 14

REPEAL OF INCONSISTENT PROVISIONS

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

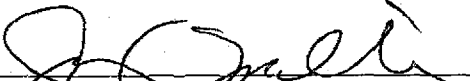
SECTION 15

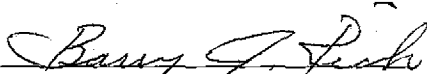
WHEN RESOLUTION EFFECTIVE

This Resolution shall be in full force and effect from and after its adoption, approval and attestation as provided by law.

ADOPTED BY THE COMMISSION OF THE EDMONSON COUNTY WATER DISTRICT, EDMONSON COUNTY, KENTUCKY, at a meeting held on the 9th day of November, 2010, signed by the Chairman, attested by the Secretary-Treasurer and declared to be in full force and effect.

Attest:


Chairman of the Commission


Secretary-Treasurer

Certification

The undersigned, Secretary-Treasurer of the Commission of Edmonson County Water District, Edmonson County, Kentucky, hereby certifies that the foregoing is a true, complete and correct copy of a Resolution adopted by the Commission of said District, signed by the Chairman thereof, and attested under seal by me as Secretary-Treasurer upon the occasion of a properly convened meeting of the Commission of said District held on the 9th day of November, 2010, as shown by the official records in my custody and under my control.

WITNESS my hand this ___ day of November, 2010.


Secretary-Treasurer

A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE CONSTRUCTION AND THE INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S WATER SYSTEM REVENUE BONDS, SERIES 2013A AND SERIES 2013B IN AN AGGREGATE PRINCIPAL AMOUNT OF \$664,000, TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; CONFIRMING, RATIFYING AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS OUTSTANDING; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS HEREIN AUTHORIZED AND THE ENFORCEMENT THEREOF; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

Adopted July 23, 2014

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A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE CONSTRUCTION AND THE INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S WATER SYSTEM REVENUE BONDS, SERIES 2013A AND SERIES 2013B IN AN AGGREGATE PRINCIPAL AMOUNT OF \$664,000, TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; CONFIRMING, RATIFYING AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS OUTSTANDING; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS HEREIN AUTHORIZED AND THE ENFORCEMENT THEREOF; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

WHEREAS, upon petition and hearing, and upon proper public notice according to the provisions of Chapter 74 of the Kentucky Revised Statutes ("KRS"), an order was duly entered by the County Court of Edmonson County, Kentucky, on March 10, 1967, determining necessity for and creating and establishing the Edmonson County Water District (the "District"), defining the geographical area thereof, the same thereupon constituting and being a public body corporate with all powers and authority as provided in KRS Chapter 74; and

WHEREAS, the District is at this time a *de jure* water district situated in Edmonson County, Kentucky, with extensions into Warren, Grayson and Hart Counties; and

WHEREAS, since 1969 the District has owned and operated a municipal water distribution system (the "System") to serve the area within the District, and in this connection the District has previously issued and there are presently outstanding the following bonds and obligations payable from and secured by a first pledge of the revenues of the System, on a parity one with the other:

- (a) \$3,467,700 outstanding principal amount of Water System Revenue Bonds, 2001 Series A and B (the "Series 2001 Bonds"), authorized by Resolution of the Commission of the District adopted on March 12, 2001 (the "Series 2001 Resolution");

- (b) \$392,000 outstanding principal amount of Water System Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), authorized by Resolution of the Commission of the District adopted October 28, 2003 (the "Series 2003 Resolution");
- (c) Loan repayment obligation to the Kentucky Rural Water Finance Corporation under an Assistance Agreement dated March 24, 2004, as amended and supplemented by a First Amendment and Supplement to Assistance Agreement dated as of February 27, 2013 (as amended and supplemented, the "2004 Agreement"), in an outstanding principal amount not exceeding \$1,914,000 (the "2004 Loan");
- (d) Loan repayment obligation to Kentucky Rural Water Finance Corporation under an Assistance Agreement dated May 29, 2008 (the "2008C Agreement"), in an outstanding principal amount not exceeding \$561,250 (the "2008C Loan");
- (e) \$1,640,000 outstanding principal amount of Water System Revenue Bonds, Series 2007A and Series 2007B (collectively the "Series 2007 Bonds"), authorized by Resolution of the Commission of the District adopted July 10, 2007 (the "Series 2007 Resolution");
- (f) \$1,460,500 outstanding principal amount of Water System Revenue Bonds, Taxable Series 2009 (Build America Bonds - Direct Payment to Issuer) (the "Series 2009 Bonds"), authorized by Resolutions of the Commission of the District adopted March 18, 2009 and April 13, 2010 (collectively, the "Series 2009 Resolution");
- (g) \$561,000 outstanding principal amount of Water System Revenue Bonds, Taxable Series 2010A (Build America Bonds - Direct Payment to Issuer) (the "Series 2010A Bonds"), authorized by Resolution of the Commission of the District adopted May 11, 2010 (the "Series 2010A Resolution");
- (h) \$689,000 outstanding principal amount of Water System Revenue Bonds, Taxable Series 2010B (Build America Bonds - Direct Payment to Issuer) (the "Series 2010B Bonds"), authorized by Resolution of the Commission of the District adopted November 9, 2010 (the "Series 2010B Resolution"); and
- (i) Loan repayment obligation to Kentucky Rural Water Finance Corporation under an Assistance Agreement dated May 30, 2012 (the "2012 Agreement"), in an outstanding principal amount not exceeding \$2,787,500 (the "2012 Loan"); and

and further there are presently outstanding certain subordinate obligations of the District that are payable from and secured by a pledge of the revenues of the System subject to the priorities of the Series 2001 Bonds, the Series 2003 Bonds, the 2004 Loan, the 2008C Loan, the Series 2007 Bonds, the Series 2009 Bonds, the Series 2010A Bonds, the Series 2010B Bonds and the 2012 Loan (the "Prior Obligations"); and

WHEREAS, it is provided in the Series 2001 Resolution, the Series 2003 Resolution, the 2004 Agreement, the 2008C Agreement, the Series 2007 Resolution, the Series 2009 Resolution,

the Series 2010A Resolution, the Series 2010B Resolution and the 2012 Agreement (collectively, the "Prior Resolutions") that the District may issue additional parity bonds ranking on a parity and equality with the outstanding Prior Obligations for the purpose of adding new municipal water distribution system facilities to the System upon a showing of compliance with the parity bond coverage test set forth in the 2003 Resolution, and it has been determined by the Commission of the District that the District may now meet such coverage test so that two series of additional parity bonds, ranking on a parity with the Prior Obligations and styled "Water System Revenue Bonds, Series 2013A" and "Water System Revenue Bonds, Series 2013B," may now be issued in the aggregate principal amount of \$664,000 for the purpose of financing a portion of the costs of major improvements and additions to the municipal water facilities heretofore approved by the Commission of the District (the "Project"), all as more fully described in the plans and specifications heretofore prepared on behalf of the District by GRW Engineers, Inc., Nashville, Tennessee (the "Engineers"), and on file in the office of the District; and

WHEREAS, in proceedings before the Public Service Commission of Kentucky, the District has obtained the right and authority to construct and operate major extensions and additions to the System, and plans and specifications have heretofore been prepared by the Engineers and approved by the District's Commission and all state and other supervisory authorities having jurisdiction thereof; and it is the opinion of the Commission of the District that it is feasible to undertake the construction and installation of such new facilities at this time; and

WHEREAS, it has been determined upon the basis of public bids for construction duly solicited in the manner required by law, and upon the basis of other costs and estimates, that the aggregate of all costs and expenses in connection with the Project will be \$950,000; and to provide a portion of such funds the District has received from the United States Department of Agriculture, Rural Development ("USDA"), an offer to make a two loans to the District in the amounts of \$504,000 and \$160,000, respectively (\$664,000 total), which, together with USDA grants in the aggregate amount of \$286,000, will be sufficient to pay such estimated costs and expenses; and

WHEREAS, it is now appropriate for the District to provide for borrowing such sum of \$664,000 through the issuance and sale of its Water System Revenue Bonds, Series 2013A in an aggregate principal amount of \$504,000 (the "Series 2013A Bonds") and Water System Revenue Bonds, Series 2013B in an aggregate principal amount of \$160,000 (the "Series 2013B Bonds") and, collectively with the Series 2013A Bonds, the "Series 2013 Bonds"), according to authority of Kentucky Revised Statutes ("KRS") Chapters 74 and 106; and

WHEREAS, the Series 2013 Bonds will be payable as to both principal and interest solely (except as to capitalized interest) from the income and revenues to be derived from the operation of the System and will not constitute an indebtedness of the District within the meaning of debt-limiting provisions of the Constitution of Kentucky;

NOW, THEREFORE, THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1
AFFIRMATION OF PREAMBLE RECITALS;
AUTHORIZATION OF THE PROJECT;
DECLARATION OF NECESSITY

All statements and recitals set forth in the preamble of this Resolution, including the terms defined therein, are hereby affirmed and adopted as a part of this Resolution.

It is hereby further determined and declared to be necessary in the interests of the general welfare of the citizens and inhabitants of the District that the District undertake at this time the construction and installation of the Project, all substantially according to the plans, specifications and designs prepared for the District by the Engineers and on file with the District. Immediate undertaking of such construction and installation is hereby authorized.

SECTION 2
PROJECT TO BE MUNICIPALLY
OWNED AND OPERATED

The construction and installation of the Project is undertaken by the District for public purposes and the same shall constitute and be a part of the System, and so long as any of the Series 2013 Bonds hereinafter authorized, or bonds or obligations issued on a parity therewith, shall remain outstanding and unpaid as to principal or interest, the System shall continue to be municipally owned, controlled, operated and maintained by the District for the security and source of payment of the Series 2013 Bonds and all other parity bonds or obligations outstanding heretofore or hereafter issued. The Project is to be constructed, installed and acquired and the System is to be operated pursuant to the provisions of KRS Chapters 74 and 106, now in full force and effect.

SECTION 3
SERIES 2013 BONDS AUTHORIZED;
CERTAIN TERMS AND DETAILS

For the purpose of providing funds to defray the costs of the Project (to the extent not otherwise provided to be paid), including all necessary and proper appurtenances, and expenses incident thereto and incident to the issuance of the Series 2013 Bonds, there are hereby authorized to be issued the District's Water System Revenue Bonds, Series 2013A in an aggregate principal amount of \$504,000 and Water System Revenue Bonds, Series 2013B in an aggregate principal amount of \$160,000, with reservation of right on the part of the District to issue additional bonds or obligations in the future, payable from the income and revenues of the System, subject to the conditions and restrictions hereinafter prescribed and set forth. The Series 2013 Bonds hereby authorized shall be offered at public sale as provided in Section 4 hereof and each series of the Series 2013 Bonds shall be issuable in the form of a single fully registered bond as provided in Section 5 hereof.

Each series of the Series 2013 Bonds shall be dated as of the date of delivery to the original purchaser thereof; shall mature as to principal in installments on January 1 in each of the years 2016 to 2053, inclusive, as set forth in the respective schedule appearing below; and shall bear interest from their date until payment of principal, such interest to the respective principal maturity dates to be payable semiannually on January 1 and July 1 of each year, and such interest to be at such rate as may be established by a supplemental Resolution upon the basis of competitive sale of such series of the Series 2013 Bonds as hereinafter provided. The installments of principal of each series of the Series 2013 Bonds, in fully registered form as aforesaid, shall be as set forth in the following respective maturity schedule:

Series 2013A Bonds Maturity Schedule (\$504,000):

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2017	\$ 9,000	2030	\$11,500	2043	\$15,000
2018	9,000	2031	12,000	2044	15,500
2019	9,000	2032	12,000	2045	16,000
2020	9,500	2033	12,500	2046	16,000
2021	9,500	2034	12,500	2047	16,500
2022	9,500	2035	13,000	2048	17,000
2023	10,000	2036	13,000	2049	17,000
2024	10,000	2037	13,500	2050	17,500
2025	10,500	2038	13,500	2051	18,000
2026	10,500	2039	14,000	2052	18,500
2027	11,000	2040	14,000	2053	18,500
2028	11,000	2041	14,500	2054	17,500
2029	11,500	2042	15,000		

Series 2013B Bonds Maturity Schedule (\$160,000):

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2017	\$2,000	2030	\$3,500	2043	\$5,000
2018	2,500	2031	3,500	2044	5,000
2019	2,500	2032	3,500	2045	5,500
2020	2,500	2033	3,500	2046	5,500
2021	2,500	2034	4,000	2047	5,500
2022	2,500	2035	4,000	2048	6,000
2023	2,500	2036	4,000	2049	6,000
2024	2,500	2037	4,000	2050	6,500
2025	3,000	2038	4,500	2051	6,500
2026	3,000	2039	4,500	2052	6,500
2027	3,000	2040	4,500	2053	7,000
2028	3,000	2041	4,500	2054	7,500
2029	3,000	2042	5,000		

The 2013A Bonds and the 2013B Bonds shall each be issued as a single fully registered bond, numbered R-1, maturing in principal installments in annual amounts corresponding to the respective schedule immediately above, provided, however, that installments of principal of Series 2013 Bonds maturing on and after January 1, 2024, shall be subject to prepayment at the option of the District before maturity in whole or from time to time in part in inverse order of maturities (less than all of a single maturity to be selected by lot) on any interest payment date on and after January 1, 2023, upon terms of par plus accrued interest without any prepayment premium, upon thirty (30) days' prior written notice mailed to the registered holder or holders of the Series 2013 Bonds; provided, that so long as USDA is the owner of any of the Series 2013 Bonds, the same may be prepaid in whole or in part at any time at par plus accrued interest, and without notice or prepayment premium. The Series 2013 Bonds may be prepaid only in increments of \$500.

Both principal of and interest on the Series 2013 Bonds shall be payable, without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, to the registered holder at the address shown on the registration books of the District or, so long as USDA is the registered holder, at the office or address as may be designated by USDA from time to time.

If any District officer whose signature appears on any 2013 Bond shall cease to be such officer before delivery, such signature shall nevertheless be valid and binding for all purposes, the same as if such officer had continued in office until the time of delivery of such 2013 Bond.

The Series 2013 Bonds, together with the Prior Obligations, and the interest thereon, and any bonds which may hereafter be issued on a basis of parity therewith subject to the conditions and restrictions hereinafter set forth, shall be payable as to principal and interest only out of the Bond Fund hereinafter defined and shall be a valid claim of the holder thereof only against said Bond Fund and the fixed portion or amount of the revenues of the System which the District has pledged to said Bond Fund, subject to the terms hereof.

The District finds and declares that the Series 2013 Bonds shall rank on a basis of parity and equality as to security and source of payment with each other and with the District's previously issued and outstanding Prior Obligations inasmuch as the District is in compliance with all covenants and undertakings in connection with the Prior Obligations.

SECTION 4 PROVISIONS RELATING TO SALE OF SERIES 2013 BONDS

The Series 2013 Bonds authorized by this Resolution shall be publicly offered for sale according to a Combined Notice of Sale of Bonds conforming to the requirements of KRS Chapter 424 (and particularly KRS 424.140(3) and KRS 424.360), which shall be published one time, not less than seven (7) days nor more than twenty-one (21) days before the date therein specified (by and at the discretion of the Chairman of the Commission of the District) for the opening and consideration of purchase bids, in each of the following: (a) the legal newspapers published in Edmonson, Hart, Grayson and Warren Counties, Kentucky, which are qualified

under KRS 424.120 to publish advertisements for the District; and (b) The Courier-Journal, Louisville, Kentucky, a legal newspaper having statewide circulation.

Said Notice shall state the name and amount of each series of the Series 2013 Bonds to be sold, the time of the sale and other details concerning each series of the Series 2013 Bonds and the sale, and shall inform prospective bidders that a copy of the Official Notice of Bond Sale, setting out the maturities, security of the Series 2013 Bonds, provisions as to redemption before maturity and related information, may be obtained from the District. Such Official Notice shall contain, *inter alia*, substantially the following bidding requirements:

(a) Bidders shall be limited to institutions or persons having knowledge and experience in financial and business matters who are capable of evaluating the merits and risks of the Series 2013 Bonds and who are not purchasing for more than one account and do not intend to redistribute the Series 2013 Bonds. The District will make available to any such qualified bidder, upon written request, any financial or other material information regarding the District and the System in the District's possession. Bidders are required to bid a cash price of not less and not more than par value for the Series 2013 Bonds. No premium shall be bid.

(b) A single interest rate must be bid in a multiple of 1/8 or 1/10 of one percent.

(c) Bids will be considered only for both series of the Series 2013 Bonds, to be issued as a single fully registered bond for each series.

(d) Bidders (except USDA) are required to deposit a good faith check by cashier's check or certified check in the minimum amount of 2.0% of the face amount of the Series 2013 Bonds for which the bid is submitted, which good faith deposit may be applied as partial payment for such Series 2013 Bonds, or as liquidated damage in the event that such bidder, if successful, fails to comply with the terms of his bid.

(e) Preference in award will be given to the bid resulting in the lowest net interest cost to the District.

(f) The lowest net interest cost will be determined by applying the aggregate amount of interest on the Series 2013 Bonds bid for, computed from the first day of the month following the date of sale of the Series 2013 Bonds (even though the Series 2013 Bonds will bear interest only from the date of delivery) to the final maturity specified in each bid.

(g) The District expects to deliver, and the successful bidder must be prepared to accept delivery of and pay for, the Series 2013 Bonds at the office of the District within forty-five (45) days after notice is given of the award. If the Series 2013 Bonds are not ready for delivery and payment within forty-five (45) days from the aforesaid date of sale, the successful bidder shall be relieved of any liability to accept delivery of the Series 2013 Bonds, except that Series 2013 Bonds purchased by any agency of the federal government will be delivered to it at a place and time designated by such agency in accordance with its established practices and procedures.

(h) The District reserves the right, in its discretion, to determine the best bid or bids, to waive any informality or irregularity and to reject any or all bids.

(i) The District will furnish the Series 2013 Bonds, together with evidence of approval of the 2013 Bond issue by the Public Service Commission of Kentucky pursuant to the requirements of KRS Chapter 278, and customary closing documents, including a no-litigation certificate.

(j) The successful bidder will receive the approving legal opinion of Stoll Keenon Ogden PLLC, Bond Counsel, Louisville, Kentucky, as to the legality of the Series 2013 Bonds, without additional cost to the successful bidder.

In the event that there is no bid, or that all bids are rejected, the District may re-advertise the sale pursuant to this Resolution.

Bond Counsel having submitted to the Commission of the District forms of the Combined Notice of Sale of Bonds and the Official Notice of Bond Sale, together with an Official Bid Form for use by all bidders except USDA, said documents are hereby approved and authorized for use in connection with the aforesaid sale of the Series 2013 Bonds.

SECTION 5
SERIES 2013 BONDS TO BE ISSUED IN FULLY REGISTERED FORM:
FULLY REGISTERED BOND FORM

Upon the sale of the Series 2013 Bonds, the District shall issue a single fully registered 2013A Bond numbered R-1 for the 2013A Bonds and a single fully registered 2013B Bond numbered R-1 for the 2013B Bonds (each fully registered bond being individually referred to herein as a "Fully Registered Bond"). Each Fully Registered Bond shall be in the aggregate principal amount of the series of the Series 2013 Bonds it represents, maturing as to principal in installments as set out in Section 3 hereof. Each Fully Registered Bond shall be of type composition, on paper of sufficient weight and strength to prevent deterioration until the last day of maturity of any installment of principal as stated therein, and shall conform in size to standard practice. Each Fully Registered Bond shall, upon execution on behalf of the District (which execution shall be by manual signatures of the Chairman and Secretary-Treasurer of the Commission, and actual impression of the corporate seal), constitute the series of the Series 2013 Bonds it represents and shall be non-negotiable, without interest coupons, registered as to principal and interest, and payable as directed by the payee, and be in substantially the form hereinafter set forth.

The District hereby directs that books for the registration and for the transfer of each Fully Registered Bond shall be kept by the Secretary-Treasurer, who is hereby appointed as Bond Registrar in connection with each 2013 Bond. Each Fully Registered Bond shall be transferable only upon said Bond Registrar's books at the request of the registered holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered holder or his duly authorized attorney. Upon such transfer of a Fully Registered Bond, the Bond Registrar shall complete (with the name of the transferee), date and execute the registration schedule appearing on such Fully Registered Bond and deliver such Fully Registered Bond to such transferee. The person in whose name a Fully Registered Bond shall be properly registered

shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal thereof or interest thereon shall be made only to or upon the order of the registered holder thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon a Fully Registered Bond to the extent of the sum or sums so paid. The face amount of each Fully Registered Bond, portions of which mature on different dates, will be reduced upon the payment of each maturity for such series, and the Secretary-Treasurer shall keep appropriate records of all payments (both principal and interest) with respect to each Fully Registered Bond.

The Fully Registered Bond for each series of Series 2013 Bonds shall be in substantially the following form (with appropriate insertions and modifications):

(FORM OF EACH FULLY REGISTERED SERIES 2013 BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
EDMONSON COUNTY WATER DISTRICT
WATER SYSTEM REVENUE BOND, SERIES 2013

No. R-1 \$ _____

KNOW ALL MEN BY THESE PRESENTS:

That Edmonson County Water District (the "District"), acting by and through its Commission, a public body corporate created and existing pursuant to Chapter 74 of the Kentucky Revised Statutes and situated in Edmonson, Warren, Grayson and Hart Counties, Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special 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>
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(Here the printer will print the principal maturities of the 2013A Bonds or the 2013B Bonds.)

without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, without deduction for exchange or collection charges and in like coin or currency, at the rate of _____% per annum, semiannually on the first days of January and July in each year hereafter 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 to the registered holder hereof at the address shown on the registration books of the District or, so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, at the office or address as may be designated by said Department of Agriculture from time to time.

This Bond is the Bond in fully registered form representing a total authorized series of Bonds in the aggregate principal amount of \$ _____ issued by the District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including KRS Chapters 74 and 106, and pursuant to a duly adopted Resolution of the District, for the purpose of paying the costs (to the extent not otherwise provided to be paid) of the construction and installation of major improvements and additions to the District's municipal water distribution system (the "System"), together with appurtenant facilities, and incidental expenses.

This Bond and the series which it represents, together with such additional bonds and obligations ranking on a parity therewith as have heretofore been issued and are outstanding and as may hereafter be issued and outstanding from time to time in accordance with the conditions and restrictions set forth in the Resolution authorizing the issuance of this Bond, are payable from and secured by a pledge of a fixed portion of the income and revenues to be derived from the operation of the System, which fixed portion shall be sufficient to pay the principal of and interest on this Bond and the series of which it forms a part, and any outstanding parity bonds, as and when the same shall become due and payable, and which shall be set aside as a special fund for that purpose and identified as the "Waterworks Bond and Interest Sinking Fund of 1969." This Bond and the series it represents rank on a basis of parity and equality with certain identically styled bonds designated Series 2013__ and issued simultaneously herein pursuant to the Bond-authorizing Resolution.

A statutory mortgage lien upon the System and appurtenant facilities, together with all future additions and improvements thereto, and extensions thereof, is created by Section 106.080 of the Kentucky Revised Statutes and by the aforesaid Resolution for the benefit and protection of the holder of this Bond, and the same shall remain in effect until payment in full of the principal of and interest on this Bond.

This Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Bond or the interest hereon except from said special fund. The District, acting by and through its Commission, covenants that it will fix, and if necessary adjust from time to time, such rates and charges for use of the services and facilities of the System and will collect and account for the income and revenues therefrom sufficient to pay promptly the interest on and principal of this series of Bonds and all other bonds and obligations ranking on a parity therewith that may be outstanding from time to time, as well as to pay the costs of operation and maintenance of the System.

This Bond shall be registered as to principal and interest in the name of the holder hereof, after which it shall be transferable only upon presentation to the Secretary-Treasurer of the District, as the Bond Registrar, with a written transfer duly acknowledged by the registered holder or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the books of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2023, in the 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 multiples of Five Hundred Dollars (\$500) as the District 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. Notice of such prepayment shall be given by registered mail to the registered holder of this Bond at least thirty (30) days before the date fixed for prepayment. Provided, however, that so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, this Bond may be prepaid at any time in whole or in part, at par or face value and without notice or prepayment premium.

Upon default in the payment of any principal or interest payment on this Bond or upon failure by the District to comply with any other provisions of this Bond or with the provisions of the resolution authorizing the issuance of this Bond, the registered holder may, at his option, institute proceedings to enforce all rights and remedies provided by law or by said resolution.

This Bond is exempt from *ad valorem* taxation in the Commonwealth of Kentucky.

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, being the total authorized amount of Bonds of the series of which this Bond is a part, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the Edmonson County Water District, in the Commonwealth of Kentucky, by its Commission, has caused this Bond to be executed by the Chairman of its Commission, attested by the Secretary-Treasurer, and its corporate seal to be hereunto affixed, on the date of this Bond, which is _____.

EDMONSON COUNTY WATER
DISTRICT

By: _____
Chairman of the Commission

Attest:

Secretary-Treasurer

(Seal of District)

PROVISION FOR REGISTRATION

This Bond shall be registered on the books of the Edmonson County Water District kept for that purpose by its Secretary-Treasurer, as Bond Registrar, upon presentation hereof to the

Secretary-Treasurer, 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 holder or his attorney, such transfer to be made on said books and endorsed hereon.

(FORM OF REGISTRATION)

<u>Date of Registration</u>	<u>Name of Registered Holder</u>	<u>Signature of the District's Bond Registrar</u>
	United States of America Department of Agriculture State Office 771 Corporate Dr., Suite 200 Lexington, Kentucky 40503*	

(To be inserted if USDA purchases the Series 2013 Bonds)

SECTION 6
DISPOSITION OF BOND PROCEEDS; CONSTRUCTION FUND

The Secretary-Treasurer of the District shall be the custodian of all funds belonging to and associated with the System, as expanded and improved from time to time, and such funds shall be deposited in a bank or banks in Kentucky as the Commission of the District may from time to time designate (hereinafter sometimes referred to, singularly and collectively, as the "Depository Bank"). All such moneys of the District deposited in the Depository Bank in excess of the amount insured by the Federal Deposit Insurance Corporation ("FDIC") shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The Secretary-Treasurer shall execute a fidelity bond in an amount and with a surety company approved by USDA so long as it is the holder of any of the Series 2013 Bonds; and USDA and the District shall be named co-obligees in such surety bond, and the amount thereof shall not be reduced without the written consent of USDA. The proceeds of the Series 2013 Bonds shall be applied as follows:

Upon the issuance and delivery of the Series 2013 Bonds authorized by this Resolution, the entire proceeds thereof shall be deposited in an account designated "Edmonson County Water District 2013 Construction Fund" (the "Construction Fund"), hereby created. Said 2013 Bond proceeds shall constitute a part of the Construction Fund and shall be applied, to the extent necessary, in paying the costs incident to constructing, installing and acquiring the Project, including expenses incurred in the issuance of the Series 2013 Bonds and paying any interim financing obligations (both principal and interest) incurred in connection with the Project; provided, however, any 2013 Bond proceeds so used to pay such interim financing obligations

may be disbursed directly to the appropriate lending institution(s) without the requirement of being deposited to the Construction Fund.

A sum in the Construction Fund estimated to be equal to interest which will accrue on the Series 2013 Bonds (following delivery thereof) during construction and development of the System shall be earmarked, used and applied to the payment of interest on the Series 2013 Bonds next becoming due.

Disbursements from the Construction Fund shall be made by checks signed by the District Secretary-Treasurer, and such disbursements shall be authorized and approved in writing by the District Chairman and Secretary-Treasurer and, if USDA is the purchaser of the Series 2013 Bonds, by USDA (if USDA so requires). Reference is made in this connection to the provisions of the separate interim financing Resolution adopted concurrently herewith.

Pending disbursement, the 2013 Bond proceeds shall be deposited, as aforesaid, in the Construction Fund, and to the extent that such deposit causes the aggregate deposits by the District in the Depository Bank to be in excess of the amount insured by FDIC, the same shall be secured by a surety bond or bonds furnished by a surety company or companies qualified to do business in Kentucky and approved by the Commission of the District, or by a valid pledge of direct obligations of the United States Government, or obligations as to which the payment of principal and interest are guaranteed by the United States Government, having a market value at least equivalent to such deposit.

Where the moneys on deposit in the Construction Fund exceed the estimated disbursements on account of the System for the next sixty (60) days, the District shall direct the Depository Bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than six (6) months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such investments shall be deposited in the Construction Fund by the District, unless otherwise authorized by USDA.

In the event any unexpected balance shall remain in the Construction Fund after completion of the Project, and payment of all of the costs thereof, as certified by the Engineers, such unexpended balance, subject to the terms and conditions of the aforesaid USDA loan, and to USDA approval, shall be transferred and deposited in the Bond Fund hereinafter defined, and shall be used at the earliest practicable date for the retirement of the Series 2013 Bonds by purchase thereof (or principal prepayment) in inverse order of maturities or established annual payment amounts, and in proportion to the principal amount of the series (insofar as practicable).

In the event that the amount hereinabove provided to be set aside from 2013 Bond proceeds for payment for interest during the construction and development of the System should prove to be insufficient for such purpose, additional moneys may, upon approval by USDA, be withdrawn from the Construction Fund and so applied, inasmuch as interest during such period is a proper part of the cost of the System, to the extent authorized by USDA.

Pending disbursements for the authorized purposes, the proceeds of all Series 2013 Bonds at any time issued pursuant to this Resolution shall be subject to a first and paramount lien

and charge in favor of the holders of Series 2013 Bonds issued and outstanding hereunder and for their further security.

SECTION 7
OPERATION OF SYSTEM; FLOW OF FUNDS;
ACCUMULATION OF REVENUES

Operation and Revenues of System; Funds and Accounts. From and after issuance and delivery of the Series 2013 Bonds, and so long as any of the Series 2013 Bonds or parity bonds remain outstanding and unpaid, the System shall continue to be operated on a fiscal year basis beginning each January 1 and ending on the last day of the next December, as at present, and on that basis the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created by the 1969 Resolution designated and identified as the District's "Waterworks Revenue Fund" (the "Revenue Fund"), which shall continue to be maintained by the District, and into which shall be deposited all income and revenues of the System (to the extent not otherwise provided to be deposited hereinafter). The moneys in the Revenue Fund from time to time shall be used and disbursed and applied by the District, as permitted by applicable statutes, as follows:

(a) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created in and by the 1969 Resolution and designated and identified as the "Waterworks Bond and Interest Sinking Fund of 1969" (the "Bond Fund"), which shall continue to be maintained so long as any of the Prior Obligations, Series 2013 Bonds or parity bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Prior Obligations, Series 2013 Bonds and any parity bonds hereafter issued and outstanding pursuant to the provisions of this Resolution.

There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Bond Fund sums sufficient to pay when due the principal and interest requirements on the Prior Obligations, Series 2013 Bonds and any parity bonds. Specifically, there shall be paid into the Bond Fund on or before the 20th day of each month, on account of the Prior Obligations and Series 2013 Bonds, not less than the following:

- (i) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-sixth (1/6) of the next succeeding interest installment to become due on all Prior Obligations and Series 2013 Bonds then outstanding; and

- (ii) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-twelfth (1/12) of the principal of all Prior Obligations and Series 2013 Bonds maturing on the next succeeding January 1.

In the event additional parity bonds are issued pursuant to the conditions and restrictions hereinafter prescribed in that connection, the monthly deposits to the Bond Fund shall be increased to provide for payment of interest thereon and the principal thereof as the same respectively become due.

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

No further payments need be made into the Bond Fund if and when the amount held therein and in the Debt Service Reserve Fund hereinafter created is at least equal to the amount required to retire all outstanding Prior Obligations, Series 2013 Bonds and parity bonds and paying all interest that will accrue thereon.

(b) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, is hereby created and designated and identified as the "Water System Revenue Bond Debt Service Reserve Fund" (the "Debt Service Reserve Fund"), which shall be maintained so long as there are outstanding any parity bonds or obligations herein permitted to be issued on a parity with the Prior Obligations and Series 2013 Bonds, except those parity bonds the original purchaser or purchasers of which have waived the benefit of, and any claim to, the Debt Service Reserve Fund. Parity bonds which may be issued and outstanding from time to time as hereinafter permitted and with respect to which the original purchaser or purchasers have not waived the benefit of and claim to the Debt Service Reserve Fund are hereafter referred to as "qualified parity bonds." The purchasers of the Prior Obligations, by their acceptance of the Prior Obligations, have been, and the purchaser of the Series 2013 Bonds shall be, deemed to have elected, for themselves and on behalf of all subsequent holders of the Prior Obligations, and all subsequent holders of the Series 2013 Bonds, to waive the benefit of and any claim to the Debt Service Reserve Fund.

All moneys deposited in the Debt Service Reserve Fund from time to time shall be held and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the outstanding qualified parity bonds, if any, if and to the extent insufficient funds are available therefor in the Bond Fund. Whenever the amount in the Debt Service Reserve Fund is less than the Reserve Amount, hereinafter defined, the amount necessary to restore the balance in the Debt Service Reserve Fund to the Reserve Amount shall be paid into the Debt Service Reserve Fund in thirty-six (36) equal monthly installments, each payable on the twentieth (20th) day of the month (except that when the twentieth (20th) day of any month shall be a Sunday or a legal holiday, then such payment shall be made on the next succeeding business day) from the Revenue Fund, after making the deposits set out in subsection (b) above, until the Reserve Amount is on deposit in the Debt Service Reserve Fund. The term "Reserve Amount" as used herein means an amount of money equal to the lesser of (i) the maximum principal and interest requirement on the outstanding qualified parity bonds in any year ending January 1, (ii)

and amount equal to 125% of the average annual debt service on the outstanding qualified parity bonds in any year ending January 1, and (iii) an amount equal to 10% of the proceeds of all such qualified parity bonds within the meaning of Section 148(d) of the United States Internal Revenue Code of 1986, as amended.

Any amount in the Debt Service Reserve Fund in excess of the Reserve Amount shall be transferred to the Bond Fund and applied as credit against payments into the Bond Fund from the Revenue Fund on a monthly basis as described in the foregoing subsection (a).

(c) All moneys held in the Revenue Fund, the Bond Fund and the Debt Service Reserve Fund shall be deposited in a bank or banks which are members of the Federal Deposit Insurance Corporation ("FDIC"), and all such deposits which cause the aggregate deposits of the District in any one bank to be in excess of the amount insured by FDIC shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Revenue Fund and the Bond Fund may, and the Debt Service Reserve Fund shall, be invested in Investment Obligations, as hereinafter defined, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Fund which supplied the funds for such investments, and the income from such investments shall be credited to the Bond Fund; provided, however, if the amount in the Debt Service Reserve Fund is less than the Reserve Amount, income from investments in the Debt Service Reserve Fund shall be credited to the Debt Service Reserve Fund until the Reserve Amount is accumulated therein. Investment Obligations in the Debt Service Reserve Fund shall be valued at cost.

Investment income accruing to the Bond Fund shall be credited against payments into the Bond Fund from the Revenue Fund on a monthly basis as set out in the foregoing subsection (b) hereof.

As used herein, the term "Investment Obligations" shall mean any of the following, if and to the extent the following are legal investments for the moneys held in the funds and accounts established pursuant to this Resolution: (i) general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, and any certificate or other evidence of an ownership interest in any such securities or in specified portions thereof consisting of the principal thereof or the interest thereon or any combination thereof; (ii) obligations of any agency or instrumentality of the United States of America the payment of principal of and interest on which is backed by the full faith and credit of the United States of America; (iii) savings accounts, interest-bearing time deposits or certificates of deposit in any national bank or bank chartered in Kentucky authorized to engage in the banking business the deposits of which shall be insured by the FDIC and having a combined capital and surplus aggregating not less than Two Million Dollars (\$2,000,000); provided, however, that each such deposit shall be continuously secured (to the extent not insured by FDIC) by lodging with a separate bank or trust company approved by the District, as custodian, collateral security in the form of obligations described in (i) or (ii) above having a market value (exclusive of accrued interest) at all times not less than the amount of such deposit (to the extent not insured by FDIC), which collateral security shall be valued by the District at least annually and must be unencumbered and not otherwise pledged and shall be subject to a

perfected first lien for the benefit of the District; (iv) repurchase agreements with banks described in (iii) above, continuously secured as provided in (iii) above; (v) money market funds composed of securities described in (i) and (ii) above and rated AAA (or the equivalent thereof) by Standard and Poor's Ratings Service or Moody's Investors Service, Inc., provided that any such investment in money market funds shall not exceed six (6) months in duration; and (vi) bonds, notes or certificates of indebtedness of the Commonwealth of Kentucky and its agencies and instrumentalities.

(d) A separate and special fund or account of the District was created by the 1969 Resolution designated and identified as the District's "Depreciation Fund" (the "Depreciation Fund"). After observing the priority of deposits set forth in (a) through (c) above, which are cumulative, there shall be set apart and paid into the Depreciation Fund each month from the remaining funds in the Revenue Fund at least the following monthly deposits with respect to the indicated series of bonds, in the case of each series to continue so long as any bonds of such series remain outstanding or until the indicated minimum balance for such series is reached:

<u>Series</u>	<u>Monthly Deposit</u>	<u>Minimum Balance</u>
1994A	\$940	\$112,800
1994B	150	18,000
1994C	425	51,000
1997	280	33,600
2001	1,610	None
2003	205	24,600
2004	1,495	292,200
2007A	555	66,600
2007B	225	26,400
2009	690	82,800
2010A	200	24,000
2010B	245	29,400
2013A and 2013B	230	27,600

provided that for the above purpose the aggregate balance in the Depreciation Fund from time to time shall be allocated to the respective series of bonds outstanding (or bonds issued to refund any such series) in the order (earliest first) set out above.

In addition to the above deposits from the Revenue Fund, there shall also be deposited in the Depreciation Fund, as received, the proceeds of all property damage insurance (except public liability) maintained in connection with the System, and the cash proceeds of any surplus, worn-out or obsolescent properties of the System, if the same be sold upon order of the Commission. Any fees which may be levied and collected by the Commission of the District for the privilege of connecting to the System (excluding initial deposits received in aid of a particular project) shall be paid, as received, into the Depreciation Fund.

The Depreciation Fund shall be available and may be withdrawn and used by the District, upon appropriate certification as to the authorization for such withdrawal, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals or replacements, not

included in the Annual Budget of Current Expenses (as defined in Section 8 hereof), and the cost of constructing additions and improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. The Depreciation Fund shall also be available for transfer to the Bond Fund in order to avoid default in connection with any bonds payable from the Bond Fund or to redeem or purchase Prior Obligations, Series 2013 Bonds or parity bonds in advance of maturity.

At any time when the accumulations in the Depreciation Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Investment Obligations (as described in subsection (c) of this Section 7) maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than five (5) years after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Depreciation Fund shall be carried to the credit of the Depreciation Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

The District shall also make monthly deposits of \$2,000 into a special segregated subaccount within the Depreciation Fund to fund costs of short-lived water system assets, as required by USDA.

(e) A separate and special fund or account of the District was created by the 1969 Resolution designated the District's "Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), which shall continue to be maintained for the benefit of the System and all bonds payable from the income and revenues of the System. The District covenants that it will transfer monthly from the moneys in the Revenue Fund, after making the transfers required by (a) through (d) above, to the Operation and Maintenance Fund sums sufficient to pay as they accrue the Current Expenses of operating and maintaining the System pursuant to the Annual Budget, for which provision is hereafter made, and to accrue an operation and maintenance reserve not in excess of anticipated requirements for a two-month period pursuant to the Annual Budget.

At any time when the accumulations in the Operation and Maintenance Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Investment Obligations (as described in subsection (c) of this Section 7) maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than ninety (90) days after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Operation and Maintenance Fund shall be carried to the credit of the Operation and Maintenance Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(f) Subject to the provisions of subsections (a) through (f) above, which are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred within sixty (60) days after the end of each fiscal year the balance of excess funds in the Revenue Fund on such date to the Depreciation Fund.

* * *

All payments into the above special 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 Sunday or a legal holiday, then such payment shall be made on the next succeeding business day.

All moneys held in any of the above special funds shall be kept apart from all other District funds and shall be deposited in a bank or banks selected by the District from time to time (in each case, a "Depository Bank"), and all such deposits which cause the aggregate of all deposits of the District in any Depository Bank 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 pledge of direct obligations or by guaranteed bonds or securities of the United States Government having a market value at least equivalent to such excess deposit.

SECTION 8 COVENANTS TO BONDHOLDERS

The District hereby irrevocably covenants and agrees with the holder or holders of any and all Series 2013 Bonds and parity bonds at any time issued and outstanding pursuant to authority of this Resolution that so long as the same or any part thereof or interest thereon remain outstanding and unpaid:

(a) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky, and by the terms and provisions of this Resolution.

(b) It will at all times operate the System on a revenue-producing basis, and will permit no free services to be rendered or afforded thereby.

(c) It will maintain the System in good condition through application of revenues accumulated and set aside for operation and maintenance, as herein provided; and will make unusual or extraordinary repairs, renewals and replacements, as the same may be required, through application of revenues accumulated and set aside for such purposes.

(d) The District covenants and agrees that, so long as any of the Series 2013 Bonds are outstanding, it will not sell or otherwise dispose of any of the System facilities or any part thereof, and, except as provided for in this Resolution and the Prior Resolutions, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal or before the charge or lien of the Series 2013 Bonds. Notwithstanding the foregoing, the District may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:

(i) it is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the System;

(ii) it will, in the event of sale, apply the proceeds to either (A) redemption of outstanding Series 2013 Bonds or parity bonds in accordance with the provisions governing prepayment of bonds in advance of maturity, or (B) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the System as hereinbefore provided;

(iii) it certifies, before any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(iv) notwithstanding all of the foregoing, no such sale, abandonment or transfer of System facilities shall be made so long as USDA owns any of the Series 2013 Bonds herein authorized, without the written consent and approval of USDA.

(e) It will establish, enforce and collect rates and charges for services rendered and facilities afforded by the System; and the same shall be reasonable and just, taking into account and consideration the cost and value of the System, the costs of operating the same and maintaining it in a good state of repair, proper and necessary allowances for depreciation and for additions and extensions, and the amounts necessary for the orderly retirement of all outstanding bonds as aforesaid and the accruing interest thereon, and the accumulation of funds as herein provided; and such rates and charges shall be adequate to meet all such requirements as provided in this Resolution, and shall, if necessary, be adjusted from time to time in order to comply herewith.

On or before the date of issuance of the Series 2013 Bonds, the District will adopt a Budget of Current Expenses for the System for the remainder of the then current fiscal year of the System, and thereafter, on or before the first day of each fiscal year so long as any Series 2013 Bonds are outstanding, it will adopt an Annual Budget of Current Expenses for the ensuing fiscal year, and will file a copy of each such Budget, and of any amendments thereto, in the office of the Secretary-Treasurer of the District, and furnish copies thereof to the holder of any Bond upon request. The term "Current Expenses," as herein used, includes all reasonable and necessary costs of operating, repairing, maintaining, and insuring the System, but shall exclude any allowance for depreciation, payments into the Depreciation Fund for extensions, improvements, and extraordinary repairs and maintenance, and payments into the Bond Fund. The District covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that it will not expend any amount or incur any obligations for operation, maintenance and repairs in excess of the amounts provided for Current Expenses in the Annual Budget, except upon resolution duly adopted by the Commission of the District determining that such expenses are necessary in order to operate and maintain the System. At the same time, and in like manner, the District agrees that it will prepare an estimate of cash income and revenues to be derived from operation of the System for each fiscal year, and to the extent that said cash income and revenues are insufficient to provide for all payments required to be made into the Bond Fund during such ensuing fiscal year, and to make the monthly payments specified by subsection (a) of Section 7 of this Resolution, and to pay Current

Expenses, the District covenants and agrees that it will revise its rates and charges for services rendered by the System, so that the same will be adequate to meet all of such requirements.

(f) It will not at any time make any reduction in any prevailing schedule of rates and charges for use of the services and facilities of the System without first obtaining the written determination of a consulting engineer of national reputation that the proposed reduction will not adversely affect the ability of the District to meet all the requirements set forth in this Resolution.

(g) It will at all times segregate the revenues of the System from all other revenues, moneys, and funds of the District, and will promptly and regularly make application and distribution thereof into the special funds provided in this Resolution, in the amount and with due regard for the priorities herein attributed thereto.

(h) It will keep proper books of record and account, separate and clearly distinguishable from all other municipal records and accounts, showing complete and correct entries of all transactions relating to the System, and the same shall be available and open to inspection by any 2013 Bondholder, and any agent or representative of a 2013 Bondholder.

(i) It will, within ninety (90) days after the end of each fiscal year, cause an audit to be made of the books of record and account pertinent to the System, by an independent state-licensed certified public accountant not in the employ of the District on a monthly salary basis, showing all receipts and disbursements, and reflecting in reasonable detail the financing condition and records of the System, including the status of the several funds hereinbefore created, the status of the insurance and fidelity bonding, the number and type of connections, and the current rates and charges, with comments of the auditor concerning whether the books and records are being kept in compliance with this Resolution and in accordance with recognized accounting practices, and will promptly cause a copy of the audit report to be filed in the office of the Secretary-Treasurer where it will be available for public inspection, and will promptly mail a copy thereof to the original purchaser of Series 2013 Bonds issued hereunder. If requested to do so, the District will furnish to any 2013 Bondholder a condensed form of the balance sheet, and a condensed form of the operating report, in reasonable detail. All expenses incurred in causing such audits to be made, and copies distributed, shall constitute proper expenses of operating and maintaining the System, and may be paid from revenues allocated for such purposes, as herein provided. Provided, so long as USDA holds any of the Series 2013 Bonds herein authorized, the District shall furnish operating and other financial statements in such form and substance and for such periods as may be requested by USDA.

(j) Any holder of Bonds may either at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance by the District and its officers and agents of all duties imposed or required by law or this Resolution in connection with the operation of the System, including the making and collecting of sufficient rates and segregation of the revenues and application thereof.

(k) If there be any default in the payment of the principal of or interest on any of the Series 2013 Bonds, then upon the filing of suit by any holder of the Series 2013 Bonds any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the District, with power to charge and collect rates sufficient to provide for the payment of any

bonds or obligations outstanding against the System, and for the payment of Current Expenses, and to apply the revenues in conformity with this Resolution and the provisions of said statute laws of Kentucky aforesaid.

(l) The District will cause each municipal officer or other person (other than Depository Banks) having custody of any moneys administered under the provisions of this Resolution to be bonded at all times in an amount at least equal to the maximum amount of such moneys in his custody at any time, each such bond to have surety given by a surety corporation qualified to do business in Kentucky and approved by the Commission; and the premiums for such surety shall constitute a proper expense of operating the System, and may be paid from moneys available in the Operation and Maintenance Fund.

(m) It will procure, and at all times maintain in force, insurance of all insurable properties constituting parts of, or being appurtenant to, the System to the full insurable value thereof, against damage or destruction by fire, windstorm, and the hazards covered by the standard "extended coverage" policy endorsements or provisions, the premiums therefor to be paid from the Operation and Maintenance Fund; and will deposit all sums collected under the terms of such policies in a special Fund. Such insurance shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percent (80%) of the full insurable value of the damaged facility.

(n) The District will procure and at all times maintain public liability insurance relating to the operation of the System, with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death; and not less than \$200,000 from claims for damage to property of others which may arise from the District's operation of the System.

(o) The District will carry suitable worker's compensation insurance in accordance with law.

(p) If the District owns or operates a vehicle in the operation of the System, the District will procure and at all times maintain vehicular public liability insurance with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death, and not less than \$200,000 against claims for damage to property of others which may arise from the District's operation of vehicles. Provided, notwithstanding (m), (n), (o) and (p) above, that so long as USDA holds any Series 2013 Bonds, the District will procure and maintain insurance of such types and amounts as USDA may specify, which shall not be less than the amounts specified in this Section 8 so long as the Series 2013 Bonds are outstanding.

(q) So long as USDA is the holder of any bonds of the District, the District shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of such bonds held by USDA without immediately prepaying all of such bonds held by USDA.

SECTION 9

PARITY BONDS PERMITTED; TERMS

The Series 2013 Bonds and outstanding parity bonds, together with any additional parity bonds issued under the restrictions and conditions hereinafter set forth, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among such bonds, regardless of the fact that they may be actually issued and delivered at different times.

The District hereby reserves the right and privilege of issuing additional bonds and obligations from time to time payable from the income and revenues of the System ranking on a parity with the Series 2013 Bonds and any outstanding parity bonds (herein sometimes referred to as "additional parity bonds") in order to pay the costs of extensions, additions and improvements to the System, provided that (a) the written consent of the holders of all Series 2013 Bonds and any outstanding parity bonds is obtained or (b) either of the conditions set forth in (i) or (ii) below is met:

(i) The net income and revenues of the System for the fiscal year preceding the year in which such additional parity bonds are to be issued were at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1 with respect to all Series 2013 Bonds and parity bonds which are then outstanding and the additional parity bonds then proposed to be issued. The term "net income and revenues" as herein used is defined as gross income and revenues of the System (including all payments to the Revenue Fund and interest earnings accruing to the Bond Fund, the Depreciation Fund and the Operation and Maintenance Fund) less the sum of Current Expenses as defined in Section 8(e) hereof. Such showing of net income and revenues for such preceding fiscal year may be represented by the report of the auditors.

(ii) A statement is filed with the Secretary of the District by (a) an independent certified public accountant or firm of certified public accountants not in the regular employ of the District on a monthly salary basis or (b) an independent professional engineer or firm or firms of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky, reciting the opinion based upon necessary investigation that the net income and revenues of the System as defined in (i) above for twelve (12) consecutive months out of the eighteen (18) months preceding the issuance of said additional parity bonds (with adjustments as hereinafter provided) were equal to at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1 with respect to the Series 2013 Bonds and any parity bonds then outstanding and the proposed additional parity bonds. The net income and revenues may be adjusted for the purpose of the foregoing computations to reflect any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional parity bonds, and also to reflect any increase in such net income and revenues by reason of the extensions, additions and improvements to the System the cost of which (in whole or in part) is to be paid through the issuance of such additional parity bonds; but such latter adjustments shall only be made if contracts for the immediate construction or acquisition of such

extensions, additions and improvements have been or will be entered into prior to the issuance of such additional parity bonds. All such adjustments to reflect any revision of rates and charges or an increase in net income and revenues by reason of extensions, additions and improvements to the System as aforesaid shall be based upon written certification by (a) an independent professional engineer or firm of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky or (b) an independent certified public accountant or firm of certified public accountants not in the employ of the District on a monthly salary basis.

The District hereby further reserves the right and privilege of issuing additional parity bonds for the purpose of refunding the Series 2013 Bonds and any parity bonds, or any portion thereof, as may be outstanding, provided that before any additional parity bonds are issued for such purpose, there shall have been procured and filed with the Secretary of the District either (a) the written consent of the holders of all Series 2013 Bonds and any outstanding parity bonds (other than the bonds being refunded) to such issuance or (b) a statement by an independent certified public accountant or firm of independent certified public accountants reciting the opinion based upon necessary investigation that after the issuance of such additional parity bonds, the net income and revenues, as adjusted and defined above, of the System for the fiscal year preceding the date of issuance of such additional parity bonds, after taking into account the revised maximum annual debt service resulting from the issuance of such additional parity bonds and from the elimination of the bonds being refunded thereby, are equal to not less than 120% of the maximum annual debt service requirement for any year ending January 1 with respect to the Series 2013 Bonds and any parity bonds then outstanding and the proposed additional parity bonds and calculated in the manner specified above.

The original purchaser or purchasers of a series of additional parity bonds may waive the benefit of and any claim to the Debt Service Reserve Fund, in which event such bonds shall not be secured by or payable from the Debt Service Reserve Fund; and the District may make it a condition to the original sale of any series of additional parity bonds that the purchaser or purchasers thereof, by offering to purchase or by purchasing the same, has agreed to such waiver.

The interest payment dates for all such additional parity bonds shall be semiannually on January 1 and July 1 of each year, and the principal maturities thereof shall be on January 1 of the year in which any such principal is scheduled to become due.

The additional parity bonds, the issuance of which is restricted and conditioned by this Section 9, shall be understood to mean bonds and obligations payable from the income and revenues of the System on a parity with the Series 2013 Bonds and outstanding parity bonds, and shall not be deemed to include or prohibit the issuance of other obligations the security and source of payment of which is subordinate and subject to the priority of the payments into the Bond Fund and the Debt Service Reserve Fund for account of the Series 2013 Bonds and any parity bonds.

SECTION 10
PROVISIONS OF RESOLUTION CONSTITUTE CONTRACT

The provisions of this Resolution shall constitute a contract between the District and the holders of the Series 2013 Bonds herein authorized and any parity bonds herein permitted to be issued, and after the issuance of any of the Series 2013 Bonds, no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner without the written consent of the holder or holders of the Series 2013 Bonds, except as herein provided, until such time as all of the Series 2013 Bonds and parity bonds issued hereunder, and the interest thereon, have been paid in full.

SECTION 11
STATUTORY MORTGAGE LIEN ACKNOWLEDGED

A statutory mortgage lien upon the System, together with all appurtenances and additions thereto and extensions thereof, and including the revenues thereof, is granted and created by Section 106.080 of the Kentucky Revised Statutes for the benefit and protection of the holders of the Prior Obligations and Series 2013 Bonds issued and parity bonds permitted to be issued under authority of this Resolution, and of the interest payable thereon; and said statutory mortgage lien is hereby recognized and shall be effective upon delivery of any of the Series 2013 Bonds and shall continue in full force and effect so long as there shall remain unpaid any part of the principal of or interest on the Series 2013 Bonds and any parity bonds.

SECTION 12
TAX COVENANTS AND REPRESENTATIONS

(a) The District certifies, covenants and agrees that the Project will be constructed expeditiously and the expenditure of the portion of the proceeds of the Series 2013 Bonds deposited in the Construction Fund for the payment of the costs of the Project will be made promptly in order that the Project will be completed and in operation at the earliest possible date. The District further certifies and covenants with the holders of the Series 2013 Bonds that so long as any of the Series 2013 Bonds remain outstanding, moneys on deposit in any fund or account in connection with the Series 2013 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2013 Bonds or from any other sources, will not be invested or used in a manner which will cause the Series 2013 Bonds to be "arbitrage bonds" within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any lawful regulations promulgated or proposed thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Chairman and/or Secretary-Treasurer as the officers of the District charged with the responsibility for issuing the Series 2013 Bonds, are authorized and directed, for and on behalf of the District, to execute all papers, documents, certificates and other instruments that may be required for evidencing compliance with federal "arbitrage bond" regulations, and any representations and certifications contained in such papers, documents, certificates and other instruments so executed shall be deemed to constitute representations and certifications of the District.

(b) The District further represents, warrants, agrees and covenants as follows:

(i) Within the meaning of Section 141 of the Code and the Income Tax Regulations issued thereunder, over the terms of the Series 2013 Bonds (A) less than 10% of the proceeds of the Series 2013 Bonds, if any, will be applied for any private business use, and the payment of principal of or interest on less than 10% of the amount of the Series 2013 Bonds, if any, will be secured directly or indirectly by any interest in property used for a private business use, or payments in respect of such property, or will be derived directly or indirectly from payments (whether or not to the District) in respect of such property; (B) at least 90% of the proceeds of the Series 2013 Bonds will be applied for a governmental use of the District; (C) any private business use of the Project will be related to such governmental use of the District and will not be unrelated or disproportionate; and (D) none of the proceeds of the Series 2013 Bonds will be used, directly or indirectly, to make or finance loans to private persons. It is reasonably expected that over the term of the Series 2013 Bonds (a) the Project will be available for general public use, in that it will be reasonably available for use by natural persons not engaged in a trade or business on the same basis as any other person or entity, (b) no nongovernmental person will have any special legal entitlement to use the Project, and (c) there will be no direct or indirect payments made with respect to the Project or the security of the Series 2013 Bonds by any persons or entities other than payments by the general public as described in clause (a) above.

(ii) Within the meaning of Section 148(f)(4)(B), it is reasonably expected at least 75% of the net proceeds (including investment proceeds) of the Series 2013 Bonds will be used for construction expenditures with respect to property which is owned by a governmental unit, at least 10% of such proceeds will be spent for the governmental purposes of the issue within six (6) months from the date the Series 2013 Bonds are issued, at least 45% of such proceeds will be spent for such purposes within one year from such date, at least 75% of such proceeds will be spent for such purposes within eighteen (18) months from such date, and at least 100% of such proceeds will be spent within two years from such date. It is also reasonably expected at least 50% of all proceeds (including investment proceeds) of the Series 2013 Bonds will be used for expenditures on the Project within six (6) months, at least 60% will be so used within twelve (12) months and 100% will be so used within eighteen (18) months from the date of issuance of the Series 2013 Bonds. If for any reason the arbitrage rebate requirements of Section 148(f) of the Code should be deemed to apply to the Series 2013 Bonds, the District will take all action necessary to comply therewith.

(iii) It is reasonably expected that during the term of the Series 2013 Bonds the Project will not be disposed of, provided, however, should there be any disposition of any personal property constituting a part of the Project because it is no longer suitable for its governmental purpose, it is reasonably expected that the fair market value of such personal property will not exceed 25% of its cost.

(iv) The weighted average maturity of the Series 2013 Bonds does not exceed 120% of the weighted average useful life of the facilities comprising the Project.

(v) The District has not heretofore expended any sums on the Project which are to be reimbursed from the proceeds of the Series 2013 Bonds, other than (A) certain

preliminary expenditures such as engineering and planning costs not exceeding 20% of the 2013 Bond proceeds, (B) expenditures made within sixty (60) days before the date of adoption of this Resolution, and (C) expenditures before which the District had adopted an official intent resolution regarding reimbursement from tax-exempt bond proceeds.

(vi) The Series 2013 Bonds are not federally guaranteed within the meaning of Section 149(b) of the Code.

(vii) The District will comply with the information reporting requirements of Section 149(e) of the Code.

(viii) The District will not use or permit the use of any of the funds provided by the Series 2013 Bonds in such manner as to, or take or omit to take any action which would, impair the exclusion from gross income for federal income tax purposes of interest on the Series 2013 Bonds. The District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the Series 2013 Bonds shall, for the purposes of federal income taxation, be excludable from gross income.

(c) This Resolution is intended to and does constitute, in part, a declaration of official intent under applicable Income Tax Regulations.

SECTION 13
SEVERABILITY CLAUSE

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

SECTION 14
REPEAL OF INCONSISTENT PROVISIONS

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

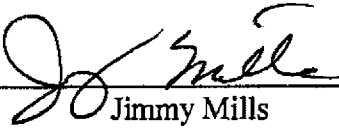
SECTION 15
WHEN RESOLUTION EFFECTIVE

This Resolution shall be in full force and effect from and after its adoption, approval and attestation as provided by law.

(Signature page to follow)


ADOPTED BY THE COMMISSION OF THE EDMONSON COUNTY WATER DISTRICT, at a meeting held on July 23, 2014, on the same occasion signed by the Chairman, attested by the Secretary-Treasurer, and declared to be in full force and effect.

[District Seal]



Jimmy Mills
Chairman

Attest:

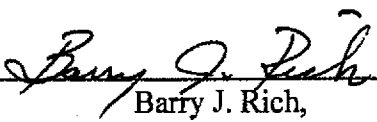


Barry J. Rich,
Secretary-Treasurer

CERTIFICATION

The undersigned, Secretary-Treasurer of the Commission of Edmonson County Water District, hereby certifies that the foregoing is a true, complete and correct copy of a Resolution adopted by the Commission of the District at a properly convened meeting of the Commission of the District held on July 23, 2014, signed by the Chairman and attested by me as Secretary-Treasurer, as shown by the official records in my custody and under my control.

WITNESS my hand this February 12, 2015.



Barry J. Rich,
Secretary-Treasurer

5/42

A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE ACQUISITION, CONSTRUCTION, INSTALLATION, AND EQUIPPING OF IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S WATER SYSTEM REVENUE BONDS, SERIES 2019, TO PAY A PORTION OF THE COSTS THEREOF; CONFIRMING, RATIFYING, AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION, AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE SYSTEM; CONFIRMING, RATIFYING, AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS AND OBLIGATIONS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE SERIES 2019 BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS AND OBLIGATIONS THEN OUTSTANDING; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE SERIES 2019 BONDS HEREIN AUTHORIZED AND THE ENFORCEMENT THEREOF; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE SERIES 2019 BONDS HEREIN AUTHORIZED.

Adopted November 12, 2019

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EXHIBIT A - DEFINITIONS	
EXHIBIT B - FORM OF SERIES 2019 BONDS	

A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE ACQUISITION, CONSTRUCTION, INSTALLATION, AND EQUIPPING OF IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S WATER SYSTEM REVENUE BONDS, SERIES 2019, TO PAY A PORTION OF THE COSTS THEREOF; CONFIRMING, RATIFYING, AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION, AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE SYSTEM; CONFIRMING, RATIFYING, AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS AND OBLIGATIONS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE SERIES 2019 BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS AND OBLIGATIONS THEN OUTSTANDING; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE SERIES 2019 BONDS HEREIN AUTHORIZED AND THE ENFORCEMENT THEREOF; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE SERIES 2019 BONDS HEREIN AUTHORIZED.

RECITALS

WHEREAS, all capitalized terms used in these Recitals shall have the meanings set forth in EXHIBIT A attached hereto; and

WHEREAS, upon petition and hearing, and upon proper public notice according to the provisions of KRS Chapter 74, an order was duly entered by the County Court of Edmonson County, Kentucky, on March 10, 1967, determining necessity for and creating and establishing the Edmonson County Water District, defining the geographical area thereof, the same thereupon constituting and being a public body corporate with all powers and authority as provided in KRS Chapter 74; and

WHEREAS, the District is at this time a de jure water district situated in Edmonson County, Kentucky, with extensions into Warren, Grayson, Butler and Hart Counties; and

WHEREAS, since 1969 the District has owned and operated a municipal water distribution system to serve the area within the District, and in this connection the District has previously issued and there are presently outstanding the following bonds and obligations payable from and secured by a first pledge of the revenues of the System, on a parity one with another:

- (i) The Series 2001A Bonds, which are currently outstanding in an aggregate principal amount of \$2,755,500, such Series 2001A Bonds having been

authorized, sold, issued, and administered by the District pursuant to the Series 2001 Bond Resolution;

- (ii) The Series 2001B Bonds, which are currently outstanding in an aggregate principal amount of \$210,800, the Series 2001B Bonds having been authorized, sold, issued, and administered by the District pursuant to the Series 2001 Bond Resolution;
- (iii) The Series 2003 Bonds, which are currently outstanding in an aggregate principal amount of \$346,000, the Series 2003 Bonds having been authorized, sold, issued, and administered by the District pursuant to the Series 2003 Bond Resolution;
- (iv) The 2004B KRWFC Loan, which is currently outstanding in an aggregate principal amount of \$1,270,833, which 2004B KRWFC Loan is governed by the 2004B KRWFC Assistance Agreement;
- (v) The Series 2007A Bonds, which are currently outstanding in an aggregate principal amount of \$1,043,000, the Series 2007A Bonds having been authorized, sold, issued, and administered by the District pursuant to the Series 2007 Bond Resolution;
- (vi) The Series 2007B Bonds, which are currently outstanding in an aggregate principal amount of \$450,000, the Series 2007B Bonds having been authorized, sold, issued, and administered by the District pursuant to the Series 2007 Bond Resolution;
- (vii) The 2008C KRWFC Loan, which is currently outstanding in a principal amount of \$225,883, which 2008C KRWFC Loan is governed by the 2008C KRWFC Assistance Agreement;
- (viii) The Series 2009 Bonds, which are currently outstanding in an aggregate principal amount of \$1,337,000, the Series 2009 Bonds having been authorized, sold, issued, and administered pursuant to the Series 2009 Bond Resolution;
- (ix) The Series 2010A Bonds, which are currently outstanding in an aggregate principal amount of \$502,500, the Series 2010A Bonds having been authorized, sold, issued, and administered by the District pursuant to the Series 2010A Bond Resolution;
- (x) The Series 2010B Bonds, which are currently outstanding in an aggregate principal amount of \$617,000, the Series 2010B Bonds having been authorized, sold, issued, and administered by the District pursuant to the Series 2010B Bond Resolution;

- (xi) The 2012D KRWFC Loan, which is currently outstanding in a principal amount of \$2,224,167, which 2012D KRWFC Loan is governed by the 2012D KRWFC Assistance Agreement;
- (xii) The Series 2013A Bonds, which are currently outstanding in an aggregate principal amount of \$477,000, the Series 2013A Bonds having been authorized, sold, issued, and administered by the District pursuant to the Series 2013 Bond Resolution; and
- (xiii) The Series 2013B Bonds, which are currently outstanding in an aggregate principal amount of \$153,000, the Series 2013B Bonds having been authorized, sold, issued, and administered by the District pursuant to the Series 2013 Bond Resolution; and

WHEREAS, it is provided in the Existing Parity Resolutions and Agreements that the District may issue additional parity bonds ranking on a parity and equality with the outstanding Existing Parity Obligations for the purpose of adding new municipal water distribution system facilities to the System upon a showing of compliance with the parity bond coverage test set forth in the Existing Parity Resolutions and Agreements, and it has been determined by the Board of Commissioners that the District may now meet such coverage test so that a series of additional parity bonds, ranking on a parity with the Existing Parity Obligations and styled "Water System Revenue Bonds, Series 2019" may now be issued in the aggregate principal amount of \$1,032,000 for the purpose of financing a portion of the costs of major improvements and additions to the municipal water facilities heretofore approved by the Board of Commissioners, all as more fully described in the plans and specifications heretofore prepared on behalf of the District by GRW Engineers, Inc., Nashville, Tennessee, and on file in the office of the District; and

WHEREAS, in proceedings before the Public Service Commission of Kentucky, the District has obtained the right and authority to construct and operate major extensions and additions to the System, and plans and specifications have heretofore been prepared by the Engineers and approved by the Board of Commissioners and all state and other supervisory authorities having jurisdiction thereof; and it is the opinion of the Board of Commissioners that it is feasible to undertake the construction and installation of such new facilities at this time; and

WHEREAS, it has been determined upon the basis of public bids for construction duly solicited in the manner required by law, and upon the basis of other costs and estimates, that the aggregate of all costs and expenses in connection with the Project will be \$1,290,000; and to provide a portion of such funds the District has received from the United States Department of Agriculture, Rural Development, an offer to make a loan to the District in the amount of \$1,032,000, which, together with a grant from USDA in the aggregate amount of \$258,000, will be sufficient to pay such estimated costs and expenses; and

WHEREAS, it is now appropriate for the District to provide for borrowing such sum through the issuance and sale of its Water System Revenue Bonds, Series 2019 in an aggregate principal amount of \$1,032,000 according to authority of KRS Chapters 74 and 106; and

WHEREAS, the Series 2019 Bonds will be payable as to both principal and interest solely (except as to capitalized interest) from the income and revenues to be derived from the operation of the System and will not constitute an indebtedness of the District within the meaning of debt-limiting provisions of the Constitution of the Commonwealth;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE EDMONSON COUNTY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

**ARTICLE I
AFFIRMATION OF RECITALS**

The District hereby finds, determines, and declares that the facts, recitals, determinations, and declarations set forth in the recitals of this Series 2019 Bond Resolution are true and correct and hereby affirms and approves all acts described in the recitals. Such facts, recitals, determinations, and declarations are hereby adopted and incorporated as part of this Series 2019 Bond Resolution.

**ARTICLE II
DEFINED TERMS**

Capitalized terms used in this Series 2019 Bond Resolution shall have the meanings provided in **EXHIBIT A** attached hereto.

**ARTICLE III
DECLARATION OF NECESSITY AND PUBLIC PURPOSE**

The Board of Commissioners hereby declares it to be necessary and in the interests of the general welfare of the District's citizens and inhabitants to acquire, construct, install, and equip the Project, all substantially according to the plans, specifications, and designs prepared for the District by the Engineers. The District has undertaken the construction, acquisition, installation, and equipping of the Project for public purposes. By its adoption of this Series 2019 Bond Resolution, the District hereby declares the Project a public project in accordance with and pursuant to the laws of the Commonwealth.

**ARTICLE IV
PROJECT TO BE MUNICIPALLY
OWNED AND OPERATED**

The construction and installation of the Project is undertaken by the District for public purposes and the same shall constitute and be a part of the System, and so long as any of the Series 2019 Bonds hereinafter authorized, or bonds or obligations issued on a parity therewith, shall remain outstanding and unpaid as to principal or interest, the System shall continue to be municipally owned, controlled, operated, and maintained by the District for the security and source of payment of the Series 2019 Bonds and all other parity bonds or obligations outstanding heretofore or hereafter issued. The Project is to be acquired, constructed, installed, and equipped and the System is to be operated pursuant to the provisions of KRS Chapters 74 and 106, now in full force and effect.

**ARTICLE V
SERIES 2019 BONDS AUTHORIZED;
CERTAIN TERMS AND DETAILS**

For the purpose of providing funds to defray the costs of the Project (to the extent not otherwise provided to be paid), including all necessary and proper appurtenances, and expenses incident thereto and incident to the issuance of the Series 2019 Bonds, there are hereby authorized to be issued the District's Water System Revenue Bonds, Series 2019 in an aggregate principal amount of \$1,032,000, with reservation of right on the part of the District to issue Additional Parity Obligations in the future, payable from the income and revenues of the System, subject to the conditions and restrictions hereinafter prescribed and set forth. The Series 2019 Bonds hereby authorized shall be offered at public sale as provided in ARTICLE VI hereof and the Series 2019 Bonds shall be issuable in the form of a single fully registered bond as provided in ARTICLE VIII hereof.

The Series 2019 Bonds shall be dated as of the date of delivery to the original purchaser thereof; shall mature as to principal in installments on January 1st in each of the years 2022 to 2060, inclusive, as set forth in the respective schedule appearing below; and shall bear interest from their date until payment of principal, such interest to the respective principal maturity dates to be payable semiannually on January 1st and July 1st of each year, and such interest to be at such rate as may be established by a supplemental Resolution upon the basis of competitive sale of the Series 2019 Bonds as hereinafter provided. The installments of principal of the Series 2019 Bonds, in fully registered form as aforesaid, shall be as set forth in the following maturity schedule:

Year	Principal	Year	Principal	Year	Principal
2022	\$14,000	2035	\$20,500	2048	\$31,000
2023	14,500	2036	21,500	2049	32,000
2024	15,000	2037	22,000	2050	33,000
2025	15,500	2038	22,500	2051	34,000
2026	15,500	2039	23,500	2052	35,000
2027	16,000	2040	24,000	2053	36,000
2028	16,500	2041	25,000	2054	37,000
2029	17,000	2042	25,500	2055	38,500
2030	18,000	2043	26,500	2056	39,500
2031	18,500	2044	27,500	2057	41,000
2032	19,000	2045	28,000	2058	42,000
2033	19,500	2046	29,000	2059	43,500
2034	20,000	2047	30,000	2060	45,000

The 2019 Bonds shall be issued as a single fully registered bond, numbered R-1, maturing in principal installments in annual amounts corresponding to the schedule immediately above, provided, however, that installments of principal of Series 2019 Bonds maturing on and after January 1, 2030, shall be subject to prepayment at the option of the District before maturity in whole or from time to time in part in inverse order of maturities (less than all of a single maturity to be selected by lot) on any interest payment date on and after January 1, 2029, upon terms of par plus accrued interest without any prepayment premium, upon thirty days' prior written notice mailed to the registered holder or holders of the Series 2019 Bonds; provided, that so long as USDA is the owner of any Series 2019 Bond, the same may be prepaid in whole or in part at any time at par plus accrued interest, and without notice or prepayment premium. Refunds, extra payments, and loan proceeds obtained from outside sources for the purposes of making prepayments hereunder shall, after payment of interest, be applied to scheduled payments of principal in their inverse order of maturity and shall not affect the District's obligation to pay the remaining scheduled principal installments or maturities as they come due and payable. The Series 2019 Bonds may be prepaid only in increments of \$500.

Both principal of and interest on the Series 2019 Bonds shall be payable, without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, to the registered holder at the address shown on the registration books of the District or, so long as USDA is the registered holder, at the office or address as may be designated by USDA from time to time.

If any District officer whose signature appears on any Series 2019 Bond shall cease to be such officer before delivery, such signature shall nevertheless be valid and binding for all purposes, the same as if such officer had continued in office until the time of delivery of such Series 2019 Bond.

The Series 2019 Bonds, together with the Existing Parity Obligations, and the interest thereon, and any obligations which may hereafter be issued on a basis of parity therewith subject to the conditions and restrictions hereinafter set forth, shall be payable as to principal and interest only out of the Bond Fund hereinafter defined and shall be a valid claim of the holder thereof only against said Bond Fund and the fixed portion or amount of the revenues of the System which the District has pledged to said Bond Fund, subject to the terms hereof.

The District finds and declares that the Series 2019 Bonds shall rank on a basis of parity and equality as to security and source of payment with each other and with the District's previously issued and outstanding Existing Parity Obligations inasmuch as the District is in compliance with all covenants and undertakings in connection with the Existing Parity Obligations.

ARTICLE VI PROVISIONS RELATING TO SALE OF THE SERIES 2019 BONDS

The Series 2019 Bonds authorized by this Series 2019 Bond Resolution shall be publicly offered for sale according to a Notice of Bond Sale conforming to the requirements of KRS Chapter 424 (and particularly KRS 424.140(3) and KRS 424.360), which shall be published one time, not less than seven days nor more than twenty-one days before the date therein specified (by and at the discretion of the Chairman of the Board of Commissioners) for the opening and consideration of purchase bids, in each of the following: (a) the legal newspapers published in Edmonson, Hart, Grayson, Warren and Butler Counties, Kentucky, which are qualified under KRS 424.120 to publish advertisements for the District; and (b) THE COURIER-JOURNAL, Louisville, Kentucky, a legal newspaper having statewide circulation.

The Notice shall state the name and amount of the Series 2019 Bonds to be sold, the time of the sale and other details concerning the Series 2019 Bonds and the sale, and shall inform prospective bidders that a copy of the Official Notice of Bond Sale, setting out the maturities, security of the Series 2019 Bonds, provisions as to redemption before maturity and related information, may be obtained from the District. The Official Notice shall contain, among other things, substantially the following bidding requirements:

(a) Bidders shall be limited to institutions or persons having knowledge and experience in financial and business matters who are capable of evaluating the merits and risks of the Series 2019 Bonds and who are not purchasing for more than one account and do not intend to redistribute the Series 2019 Bonds. The District will make available to any such qualified bidder, upon written request, any financial or other material information regarding the District and the System in the District's possession. Bidders are required to bid a cash price of not less and not more than par value for the Series 2019 Bonds. No premium shall be bid.

(b) A single interest rate must be bid in a multiple of 1/8 or 1/10 of one percent.

(c) Bids will be considered only for all of the Series 2019 Bonds, to be issued as a single fully registered bond.

(d) Bidders (except USDA) are required to deposit a good faith check by cashier's check or certified check in the minimum amount of 2.0% of the face amount of the Series 2019 Bonds, which good faith deposit may be applied as partial payment for the Series 2019 Bonds, or as liquidated damage in the event that such bidder, if successful, fails to comply with the terms of its bid.

(e) Preference in award will be given to the bid resulting in the lowest net interest cost to the District.

(f) The lowest net interest cost will be determined by applying the aggregate amount of interest on the Series 2019 Bonds bid for, computed from the first day of the month following the date of sale of the Series 2019 Bonds (even though the Series 2019 Bonds will bear interest only from the date of delivery) to the final maturity specified in each bid.

(g) The District expects to deliver, and the successful bidder must be prepared to accept delivery of and pay for, the Series 2019 Bonds at the office of the District within forty-five days after notice is given of the award. If the Series 2019 Bonds are not ready for delivery and payment within forty-five days from the aforesaid date of sale, the successful bidder shall be relieved of any liability to accept delivery of the Series 2019 Bonds, except that Series 2019 Bonds purchased by any agency of the federal government will be delivered to it at a place and time designated by such agency in accordance with its established practices and procedures.

(h) The District reserves the right, in its discretion, to determine the best bid or bids, to waive any informality or irregularity and to reject any or all bids.

(i) The District will furnish the Series 2019 Bonds, together with evidence of approval of the 2019 Bond issue by the Public Service Commission of Kentucky pursuant to the requirements of KRS Chapter 278, and customary closing documents, including a no-litigation certificate.

(j) The successful bidder will receive the approving legal opinion of Stoll Keenon Ogden PLLC, Bond Counsel, Lexington, Kentucky, as to the legality of the Series 2019 Bonds, without additional cost to the successful bidder.

If there is no bid, or that all bids are rejected, the District may re-advertise the sale pursuant to this Series 2019 Bond Resolution.

Bond Counsel having submitted to the Board of Commissioners forms of the Notice of Bond Sale and the Official Notice of Bond Sale, together with an Official Bid Form for use by all bidders except USDA, said documents are hereby approved and authorized for use in connection with the aforesaid sale of the Series 2019 Bonds.

ARTICLE VII
SERIES 2019 BONDS TO BE ISSUED IN FULLY REGISTERED FORM;
FULLY REGISTERED BOND FORM

Upon the sale of the Series 2019 Bonds, the District shall issue a single fully registered 2019 Bond numbered R-1. The Fully Registered Bond shall be in the aggregate principal amount of the Series 2019 Bonds, maturing as to principal in installments as set out in ARTICLE V hereof. The Fully Registered Bond shall be of type composition, on paper of sufficient weight and strength to prevent deterioration until the last day of maturity of any installment of principal as stated therein, and shall conform in size to standard practice. Each Fully Registered Bond shall, upon execution on behalf of the District (which execution shall be by manual signatures of the Chairman and Secretary-Treasurer of the Board of Commissioners, and actual impression of the corporate seal), constitute the Series 2019 Bonds and shall be non-negotiable, without interest coupons, registered as to principal and interest, and payable as directed by the payee, and be in substantially the form set forth herein.

The District hereby directs that books for the registration and for the transfer of the Fully Registered Bond shall be kept by the Secretary-Treasurer, who is hereby appointed as Bond Registrar in connection with the Series 2019 Bond. The Fully Registered Bond shall be transferable only upon said Bond Registrar's books at the request of the registered holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered holder or his duly authorized attorney. Upon such transfer of the Fully Registered Bond, the Bond Registrar shall complete (with the name of the transferee), date and execute the registration schedule appearing on such Fully Registered Bond and deliver such Fully Registered Bond to such transferee. The person in whose name a Fully Registered Bond shall be properly registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal thereof or interest thereon shall be made only to or upon the order of the registered holder thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon a Fully Registered Bond to the extent of the sum or sums so paid. The face amount of each Fully Registered Bond, portions of which mature on different dates, will be reduced upon the payment of each maturity, and the Secretary-Treasurer shall keep appropriate records of all payments (both principal and interest) with respect to the Fully Registered Bond.

ARTICLE VIII
FORM OF SERIES 2019 BOND

The Series 2019 Bonds shall be issued only in the form of bonds registered as to payment of both principal and interest in substantially the form attached hereto as **EXHIBIT B**, with

necessary and appropriate variations, omissions, and insertions as permitted or required by this Series 2019 Bond Resolution or customary practice.

**ARTICLE IX
DISPOSITION OF BOND PROCEEDS;
CONSTRUCTION FUND**

The Secretary-Treasurer of the District shall be the custodian of all funds belonging to and associated with the System, as expanded and improved from time to time, and such funds shall be deposited in a bank or banks in Kentucky as the Board of Commissioners may from time to time designate (the "Depository Bank"). All such moneys of the District deposited in the Depository Bank in excess of the amount insured by the FDIC shall be secured by the Depository Bank in accordance with U.S. Treasury Department Circular No. 176. The Secretary-Treasurer shall execute a fidelity bond in an amount and with a surety company approved by USDA so long as it is the holder of any of the Series 2019 Bonds; and USDA and the District shall be named co-obligees in such surety bond, and the amount thereof shall not be reduced without the written consent of USDA. The proceeds of the Series 2019 Bonds shall be applied as follows:

Upon the issuance and delivery of the Series 2019 Bonds authorized by this Series 2019 Bond Resolution, the entire proceeds thereof shall be deposited in an account designated "Edmonson County Water District 2019 Construction Fund," hereby created. The Series 2019 Bond proceeds shall constitute a part of the Construction Fund and shall be applied, to the extent necessary, in paying the costs incident to acquiring, constructing, installing, and equipping the Project, including expenses incurred in the issuance of the Series 2019 Bonds and paying any interim financing obligations (both principal and interest) incurred in connection with the Project; provided, however, any Series 2019 Bond proceeds so used to pay such interim financing obligations may be disbursed directly to the appropriate lending institution(s) without the requirement of being deposited to the Construction Fund.

A sum in the Construction Fund estimated to be equal to interest which will accrue on the Series 2019 Bonds (following delivery thereof) during construction and development of the System shall be earmarked, used, and applied to the payment of interest on the Series 2019 Bonds next becoming due.

Disbursements from the Construction Fund shall be made by checks signed by the District's Secretary-Treasurer, and such disbursements shall be authorized and approved in writing by the District's Chairman and Secretary-Treasurer and, if USDA is the purchaser of the Series 2019 Bonds, by USDA (if USDA so requires). Reference is made in this connection to the provisions of the separate interim financing resolution adopted concurrently herewith and loan agreement authorized therein.

Pending disbursement, the Series 2019 Bond proceeds shall be deposited, as aforesaid, in the Construction Fund, and to the extent that such deposit causes the aggregate deposits by the

District in the Depository Bank to be in excess of the amount insured by FDIC, the same shall be secured by a surety bond or bonds furnished by a surety company or companies qualified to do business in the Commonwealth and approved by the Board of Commissioners, or by a valid pledge of direct obligations of the United States Government, or obligations as to which the payment of principal and interest are guaranteed by the United States Government, having a market value at least equivalent to such deposit.

Where the moneys on deposit in the Construction Fund exceed the estimated disbursements on account of the System for the next sixty days, the District shall direct the Depository Bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than six months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such investments shall be deposited in the Construction Fund by the District, unless otherwise authorized by USDA.

If any unexpected balance shall remain in the Construction Fund after completion of the Project, and payment of all of the costs thereof, as certified by the Engineers, such unexpended balance, subject to the terms and conditions of the aforesaid USDA loan, and to USDA approval, shall be transferred and deposited in the Bond Fund hereinafter defined, and shall be used at the earliest practicable date for the retirement of the Series 2019 Bonds by purchase thereof (or principal prepayment) in inverse order of maturities or established annual payment amounts, and in proportion to the principal amount of the series (insofar as practicable).

If the amount hereinabove provided to be set aside from Series 2019 Bond proceeds for payment for interest during the construction and development of the System should prove to be insufficient for such purpose, additional moneys may, upon approval by USDA, be withdrawn from the Construction Fund and so applied, inasmuch as interest during such period is a proper part of the cost of the System, to the extent authorized by USDA.

Pending disbursements for the authorized purposes, the proceeds of all Series 2019 Bonds at any time issued pursuant to this Series 2019 Bond Resolution shall be subject to a first and paramount lien and charge in favor of the holders of Series 2019 Bonds issued and outstanding hereunder and for their further security.

ARTICLE X
OPERATION OF SYSTEM; FLOW OF FUNDS;
ACCUMULATION OF REVENUES

All proceedings preliminary to and in connection with the issuance of the Existing Parity Obligations, particularly the Existing Parity Resolutions and Agreements, whereby provision was made for the operation of the System on a revenue-producing basis, for the segregation, allocation, and custody of revenues derived from the System's operation, and for the enforcement and payment of the Existing Parity Obligations, are hereby ratified and confirmed and shall continue in full force and effect, the same as if such provisions and proceedings were

herein set out in full, and nothing herein shall be construed as altering, revising, or amending said contractual relationships; and so long as any Existing Parity Obligations remain outstanding and unpaid, the District shall maintain all funds and accounts required to be maintained and created or continued by the terms of the Existing Parity Resolutions and Agreements.

From and after issuance and delivery of the Series 2019 Bonds, and so long as any of the Series 2019 Bonds or Existing Parity Obligations remain outstanding and unpaid, the System shall continue to be operated on a fiscal year basis beginning each January 1st and ending on the last day of the next December, as at present, and on that basis the income and revenues of the System shall be collected, segregated, accounted for, and distributed as follows:

The District previously established the "Waterworks Revenue Fund" for the benefit of bond issues now paid and discharged and the Existing Parity Obligations. The Revenue Fund is hereby continued for the benefit and payment of the Existing Parity Obligations and the Series 2019 Bonds. The Revenue Fund has been and shall continue to be a separate and special fund or account of the District, distinct and apart from its other funds and accounts. The District shall maintain the Revenue Fund so long as any Existing Parity Obligation or Series 2019 Bonds is outstanding. The moneys in the Revenue Fund from time to time shall be used and disbursed and applied by the District, as permitted by applicable statutes, as follows:

(a) The District previously established the "Waterworks Bond and Interest Sinking Fund of 1969" for the benefit of bond issues now paid and discharged and the Existing Parity Obligations. The Bond Fund is hereby continued for the benefit and payment of the Existing Parity Obligations and the Series 2019 Bonds. The Bond Fund has been and shall continue to be a separate and special fund or account of the District, distinct and apart from its other funds and accounts. The District shall maintain the Bond Fund so long as any Existing Parity Obligation, Series 2019 Bond, or Additional Parity Obligation is outstanding. All moneys deposited in the Bond Fund from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Existing Parity Obligations, the Series 2019 Bonds, and the Additional Parity Obligations hereafter issued and outstanding pursuant to the provisions of this Series 2019 Bond Resolution.

There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Bond Fund sums sufficient to pay when due the principal and interest requirements on the Existing Parity Obligations, Series 2019 Bonds, and any Additional Parity Obligations. Specifically, there shall be paid into the Bond Fund on or before the 20th day of each month, on account of the Existing Parity Obligations and the Series 2019 Bonds, not less than the following:

(i) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-sixth (1/6th) of the next succeeding interest installment to become due on all Existing Parity Obligations, Series 2019 Bonds, and Additional Parity Obligations then outstanding; and

(ii) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-twelfth (1/12th) of the principal of all Existing Parity Obligations, Series 2019 Bonds, and Additional Parity Obligations maturing on the next succeeding January 1st.

If Additional Parity Obligations are issued pursuant to the conditions and restrictions hereinafter prescribed in that connection, the monthly deposits to the Bond Fund shall be increased to provide for payment of interest thereon and the principal thereof as the same respectively become due.

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

No further payments need be made into the Bond Fund if and when the amount held therein and in the Debt Service Reserve Fund hereinafter created is at least equal to the amount required to retire all outstanding Existing Parity Obligations, Series 2019 Bonds, and Additional Parity Obligations and paying all interest that will accrue thereon.

(b) The District previously established the "Water System Revenue Bond Debt Service Reserve Fund" for the benefit of bond issues now paid and discharged. The Debt Service Reserve Fund is hereby continued for the benefit and payment of future Qualified Parity Obligations (as defined below). The Debt Service Reserve Fund has been and shall continue to be a separate and special fund or account of the District, distinct and apart from its other funds and accounts. The District shall maintain the Debt Service Reserve Fund so long as any parity bonds or obligations herein permitted to be issued on a parity with the Existing Parity Obligations and Series 2019 Bonds is outstanding, except those parity bonds or obligations the original purchaser or purchasers of which have waived the benefit of, and any claim to, the Debt Service Reserve Fund. Additional Parity Obligations which may be issued and outstanding from time to time as hereinafter permitted and with respect to which the original purchaser or purchasers have not waived the benefit of and claim to the Debt Service Reserve Fund are hereafter referred to as "**Qualified Parity Obligations.**" The purchasers of the Existing Parity Obligations, by their acceptance of the Existing Parity Obligations, have been, and the purchaser of the Series 2019 Bonds shall be, deemed to have elected, for themselves and on behalf of all subsequent holders of the Existing Parity Obligations, and all subsequent holders of the Series 2019 Bonds, to waive the benefit of and any claim to the Debt Service Reserve Fund.

All moneys deposited in the Debt Service Reserve Fund from time to time shall be held and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the outstanding Qualified Parity Obligations, if any, if and to the extent insufficient funds are available therefor in the Bond Fund. Whenever the amount in the Debt Service Reserve Fund is less than the Reserve Amount, the amount necessary to restore the

balance in the Debt Service Reserve Fund to the Reserve Amount shall be paid into the Debt Service Reserve Fund in thirty-six equal monthly installments, each payable on the twentieth day of the month (except that when the twentieth day of any month shall be a Sunday or a legal holiday, then such payment shall be made on the next succeeding Business Day) from the Revenue Fund, after making the deposits set out in subsection (b) above, until the Reserve Amount is on deposit in the Debt Service Reserve Fund.

Any amount in the Debt Service Reserve Fund in excess of the Reserve Amount shall be transferred to the Bond Fund and applied as credit against payments into the Bond Fund from the Revenue Fund on a monthly basis as described in the foregoing subsection (a).

(c) All moneys held in the Revenue Fund, the Bond Fund and the Debt Service Reserve Fund shall be deposited in a bank or banks which are members of the FDIC, and all such deposits which cause the aggregate deposits of the District in any one bank to be in excess of the amount insured by FDIC shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Revenue Fund and the Bond Fund may, and the Debt Service Reserve Fund shall, be invested in Investment Obligations, as hereinafter defined, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest or principal payments, and all such investments shall be carried to the credit of the Fund which supplied the funds for such investments, and the income from such investments shall be credited to the Bond Fund; provided, however, if the amount in the Debt Service Reserve Fund is less than the Reserve Amount, income from investments in the Debt Service Reserve Fund shall be credited to the Debt Service Reserve Fund until the Reserve Amount is accumulated therein. Investment Obligations in the Debt Service Reserve Fund shall be valued at cost.

Investment income accruing to the Bond Fund shall be credited against payments into the Bond Fund from the Revenue Fund on a monthly basis as set out in the foregoing subsection (b) hereof.

(d) The District previously established the "Depreciation Fund" for the benefit of bond issues now paid and discharged and the Existing Parity Obligations. The Depreciation Fund is hereby continued for the benefit and payment of the Existing Parity Obligations and the Series 2019 Bonds. The Depreciation Fund has been and shall continue to be a separate and special fund or account of the District, distinct and apart from its other funds and accounts. The District shall maintain the Depreciation Fund so long as any Existing Parity Obligation, Series 2019 Bond, or Additional Parity Obligation is outstanding. After observing the priority of deposits set forth in (a) through (c) above, which are cumulative, there shall be set apart and paid into the Depreciation Fund each month from the remaining funds in the Revenue Fund at least the following monthly deposits with respect to the indicated series of bonds, in the case of each series to continue so long as any bonds of such series remain outstanding or until the indicated minimum balance for such series is reached:

Series	Monthly Deposit	Minimum Balance
2001	\$1,610	None
2003	\$205	\$24,600
2004	\$1,495	\$292,200
2007A	\$555	\$66,600
2007B	\$225	\$26,400
2009	\$690	\$82,800
2010A	\$200	\$24,000
2010B	\$245	\$29,400
2013A and 2013B	\$230	\$27,600
2019	\$385	\$46,200

provided that for the above purpose the aggregate balance in the Depreciation Fund from time to time shall be allocated to the respective series of bonds outstanding (or bonds issued to refund any such series) in the order (earliest first) set out above.

In addition to the above deposits from the Revenue Fund, there shall also be deposited in the Depreciation Fund, as received, the proceeds of all property damage insurance (except public liability) maintained in connection with the System, and the cash proceeds of any surplus, worn-out or obsolescent properties of the System, if the same be sold upon order of the Board of Commissioners. Any fees which may be levied and collected by the Board of Commissioners for the privilege of connecting to the System (excluding initial deposits received in aid of a particular project) shall be paid, as received, into the Depreciation Fund.

The Depreciation Fund shall be available and may be withdrawn and used by the District, upon appropriate certification as to the authorization for such withdrawal, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals, or replacements, not included in the Annual Budget of Current Expenses, and the cost of constructing additions and improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. The Depreciation Fund shall also be available for transfer to the Bond Fund in order to avoid default in connection with any obligations payable from the Bond Fund or to redeem or purchase Existing Parity Obligations, Series 2019 Bonds, or Additional Parity Obligations in advance of maturity.

At any time when the accumulations in the Depreciation Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Board of Commissioners in Investment Obligations maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than five years after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Depreciation Fund shall be carried to the credit of the Depreciation Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses

incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

The District shall also make monthly deposits of \$8,417 into a special segregated subaccount within the Depreciation Fund to fund costs of short-lived water system assets, as required by USDA.

(e) The District previously established the "Operation and Maintenance Fund" for the benefit of bond issues now paid and discharged and the Existing Parity Obligations. The Operation and Maintenance Fund is hereby continued for the benefit and payment of the Existing Parity Obligations and the Series 2019 Bonds. The Operation and Maintenance Fund has been and shall continue to be a separate and special fund or account of the District, distinct and apart from its other funds and accounts. The District shall maintain the Operation and Maintenance Fund so long as any Existing Parity Obligation, Series 2019 Bond, or Additional Parity Obligation is outstanding. The District covenants that it will transfer monthly from the moneys in the Revenue Fund, after making the transfers required by (a) through (d) above, to the Operation and Maintenance Fund sums sufficient to pay as they accrue the Current Expenses of operating and maintaining the System pursuant to the Annual Budget, for which provision is hereafter made, and to accrue an operation and maintenance reserve not in excess of anticipated requirements for a two-month period pursuant to the Annual Budget.

At any time when the accumulations in the Operation and Maintenance Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Board of Commissioners in Investment Obligations maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than ninety days after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Operation and Maintenance Fund shall be carried to the credit of the Operation and Maintenance Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(f) Subject to the provisions of subsections (a) through (e) above, which are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred within sixty days after the end of each fiscal year the balance of excess funds in the Revenue Fund on such date to the Depreciation Fund.

* * *

All payments into the above special funds shall be made on or before the twentieth day of each month, except that when the twentieth day of any month shall be a Sunday or a legal holiday, then such payment shall be made on the next succeeding Business Day.

All moneys held in any of the above special funds shall be kept apart from all other District funds and shall be deposited in a Depository Bank, and all such deposits which cause the aggregate of all deposits of the District in any Depository Bank 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 pledge of direct obligations or by guaranteed bonds or securities of the United States Government having a market value at least equivalent to such excess deposit.

ARTICLE XI COVENANTS TO BONDHOLDERS

The District hereby irrevocably covenants and agrees with the holder or holders of any and all Series 2019 Bonds and any Additional Parity Obligations at any time issued and outstanding pursuant to authority of this Series 2019 Bond Resolution that so long as the same or any part thereof or interest thereon remain outstanding and unpaid:

(a) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of this Series 2019 Bond Resolution.

(b) It will at all times operate the System on a revenue-producing basis, and will permit no free services to be rendered or afforded thereby.

(c) It will maintain the System in good condition through application of revenues accumulated and set aside for operation and maintenance, as herein provided; and will make unusual or extraordinary repairs, renewals and replacements, as the same may be required, through application of revenues accumulated and set aside for such purposes.

(d) The District covenants and agrees that, so long as any of the Series 2019 Bonds are outstanding, it will not sell or otherwise dispose of any of the System facilities or any part thereof, and, except as provided for in this Series 2019 Bond Resolution and the Existing Parity Resolutions and Agreements, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal or before the charge or lien of the Series 2019 Bonds. Notwithstanding the foregoing, the District may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:

(i) it is in compliance with all covenants and undertakings in connection with all of its bonds and obligations then outstanding and payable from the revenues of the System;

(ii) it will, in the event of sale, apply the proceeds to either (A) redemption of outstanding Series 2019 Bonds or parity bonds in accordance with the provisions governing prepayment of bonds in advance of maturity, or (B) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the System as hereinbefore provided;

(iii) it certifies, before any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(iv) notwithstanding all of the foregoing, no such sale, abandonment or transfer of System facilities shall be made so long as USDA owns any of the Series 2019 Bonds herein authorized, without the written consent and approval of USDA.

(e) It will establish, enforce and collect rates and charges for services rendered and facilities afforded by the System; and the same shall be reasonable and just, taking into account and consideration the cost and value of the System, the costs of operating the same and maintaining it in a good state of repair, proper and necessary allowances for depreciation and for additions and extensions, and the amounts necessary for the orderly retirement of all outstanding bonds as aforesaid and the accruing interest thereon, and the accumulation of funds as herein provided; and such rates and charges shall be adequate to meet all such requirements as provided in this Series 2019 Bond Resolution, and shall, if necessary, be adjusted from time to time in order to comply herewith.

On or before the date of issuance of the Series 2019 Bonds, the District will adopt a Budget of Current Expenses for the System for the remainder of the then current fiscal year of the System, and thereafter, on or before the first day of each fiscal year so long as any Series 2019 Bonds are outstanding, it will adopt an annual budget of Current Expenses for the ensuing fiscal year, and will file a copy of each such Budget, and of any amendments thereto, in the office of the Secretary-Treasurer of the District, and furnish copies thereof to the holder of any Bond upon request (the "**Annual Budget**"). The District covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that it will not expend any amount or incur any obligations for operation, maintenance and repairs in excess of the amounts provided for Current Expenses in the Annual Budget, except upon resolution duly adopted by the Board of Commissioners determining that such expenses are necessary in order to operate and maintain the System. At the same time, and in like manner, the District agrees that it will prepare an estimate of cash income and revenues to be derived from operation of the System for each fiscal year, and to the extent that said cash income and revenues are insufficient to provide for all payments required to be made into the Bond Fund during such ensuing fiscal year, and to make the monthly payments specified by ARTICLE X of this Series 2019 Bond Resolution, and to pay Current Expenses, the District covenants and agrees that it will revise its rates and charges for services rendered by the System, so that the same will be adequate to meet all of such requirements.

(f) It will not at any time make any reduction in any prevailing schedule of rates and charges for use of the services and facilities of the System without first obtaining the written determination of a consulting engineer of national reputation that the proposed reduction will not adversely affect the ability of the District to meet all the requirements set forth in this Series 2019 Bond Resolution.

(g) It will at all times segregate the revenues of the System from all other revenues, moneys, and funds of the District, and will promptly and regularly make application and distribution thereof into the special funds provided in this Series 2019 Bond Resolution, in the amount and with due regard for the priorities herein attributed thereto.

(h) It will keep proper books of record and account, separate and clearly distinguishable from all other municipal records and accounts, showing complete and correct entries of all transactions relating to the System, and the same shall be available and open to inspection by any Bondholder, and any agent or representative of a Bondholder.

(i) It will, within ninety days after the end of each fiscal year, cause an audit to be made of the books of record and account pertinent to the System, by an independent state-licensed certified public accountant not in the employ of the District on a monthly salary basis, showing all receipts and disbursements, and reflecting in reasonable detail the financing condition and records of the System, including the status of the several funds hereinbefore created, the status of the insurance and fidelity bonding, the number and type of connections, and the current rates and charges, with comments of the auditor concerning whether the books and records are being kept in compliance with this Series 2019 Bond Resolution and in accordance with recognized accounting practices, and will promptly cause a copy of the audit report to be filed in the office of the Secretary-Treasurer where it will be available for public inspection, and will promptly mail a copy thereof to the original purchaser of Series 2019 Bonds issued hereunder. If requested to do so, the District will furnish to any Bondholder a condensed form of the balance sheet, and a condensed form of the operating report, in reasonable detail. All expenses incurred in causing such audits to be made, and copies distributed, shall constitute proper expenses of operating and maintaining the System, and may be paid from revenues allocated for such purposes, as herein provided. Provided, so long as USDA holds any of the Series 2019 Bonds herein authorized, the District shall furnish operating and other financial statements in such form and substance and for such periods as may be requested by USDA.

(j) Any holder of Series 2019 Bonds may either at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance by the District and its officers and agents of all duties imposed or required by law or this Series 2019 Bond Resolution in connection with the operation of the System, including the making and collecting of sufficient rates and segregation of the revenues and application thereof.

(k) If there be any default in the payment of the principal of or interest on any of the Series 2019 Bonds, then upon the filing of suit by any holder of the Series 2019 Bonds any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the District, with power to charge and collect rates sufficient to provide for the payment of any bonds or obligations outstanding against the System, and for the payment of Current Expenses, and to apply the revenues in conformity with this Series 2019 Bond Resolution and the provisions of the laws of the Commonwealth.

(l) The District will cause each municipal officer or other person (other than Depository Banks) having custody of any moneys administered under the provisions of this Series 2019 Bond Resolution to be bonded at all times in an amount at least equal to the maximum amount of such moneys in his custody at any time, each such bond to have surety given by a surety corporation qualified to do business in the Commonwealth and approved by the Board of Commissioners; and the premiums for such surety shall constitute a proper expense of operating the System, and may be paid from moneys available in the Operation and Maintenance Fund.

(m) It will procure, and at all times maintain in force, insurance of all insurable properties constituting parts of, or being appurtenant to, the System to the full insurable value thereof, against damage or destruction by fire, windstorm, and the hazards covered by the standard "extended coverage" policy endorsements or provisions, the premiums therefor to be paid from the Operation and Maintenance Fund; and will deposit all sums collected under the terms of such policies in a special Fund. Such insurance shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percent of the full insurable value of the damaged facility.

(n) The District will procure and at all times maintain public liability insurance relating to the operation of the System, with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury or death; and not less than \$200,000 from claims for damage to property of others which may arise from the District's operation of the System.

(o) The District will carry suitable worker's compensation insurance in accordance with law.

(p) If the District owns or operates a vehicle in the operation of the System, the District will procure and at all times maintain vehicular public liability insurance with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death, and not less than \$200,000 against claims for damage to property of others which may arise from the District's operation of vehicles. Provided, notwithstanding (m), (n), (o), and (p) above, that so long as USDA holds any Series 2019 Bonds, the District will procure and maintain insurance of such types and amounts as USDA may specify, which shall not be less than the amounts specified in this subsection (p) so long as the Series 2019 Bonds are outstanding.

(q) So long as USDA is the holder of any bonds of the District, the District shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of such bonds held by USDA without immediately prepaying all of such bonds held by USDA.

ARTICLE XII
ADDITIONAL PARITY OBLIGATIONS PERMITTED

The Series 2019 Bonds and outstanding Existing Parity Obligations, together with any Additional Parity Obligations issued under the restrictions and conditions hereinafter set forth, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among such bonds and obligations, regardless of the fact that they may be actually issued and delivered at different times.

The District hereby reserves the right and privilege of issuing Additional Parity Obligations from time to time payable from the income and revenues of the System ranking on a parity with the Series 2019 Bonds and the outstanding Existing Parity Obligations in order to pay the costs of extensions, additions, and improvements to the System, provided that (a) the written consent of the holders of all Series 2019 Bonds and any then outstanding Existing Parity Obligations is obtained or (b) either of the conditions set forth in (i) or (ii) below is met:

(i) The Net Income and Revenues of the System for the fiscal year preceding the year in which such additional parity bonds are to be issued were at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1st with respect to all Series 2019 Bonds and Existing Parity Obligations which are then outstanding and the Additional Parity Obligations then proposed to be issued. Such showing of Net Income and Revenues for such preceding fiscal year may be represented by the report of the auditors.

(ii) A statement is filed with the Secretary-Treasurer of the District by (A) an independent certified public accountant or firm of certified public accountants not in the regular employ of the District on a monthly salary basis or (B) an independent professional engineer or firm or firms of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in the Commonwealth, reciting the opinion based upon necessary investigation that the Net Income and Revenues of the System for twelve consecutive months out of the eighteen months preceding the issuance of the Additional Parity Obligations (with adjustments as hereinafter provided) were equal to at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1st with respect to the Series 2019 Bonds and any Existing Parity Obligations then outstanding and the proposed Additional Parity Obligations. The Net Income and Revenues may be adjusted for the purpose of the foregoing computations to reflect any revision in the schedule of rates or charges being imposed at the time of the issuance of any such Additional Parity Obligations, and also to reflect any increase in such Net Income and Revenues by reason of the extensions, additions, and improvements to the System the cost of which (in whole or in part) is to be paid through the issuance of such Additional Parity Obligations; but such latter adjustments shall only be made if contracts for the immediate construction or acquisition of such extensions, additions, and improvements have been or will be entered into before the issuance of such Additional Parity Obligations. All such adjustments to reflect any revision of rates and charges or an increase in Net Income and Revenues by reason of extensions, additions, and improvements to the System as aforesaid shall be based upon written certification by (y) an independent professional engineer or firm of professional engineers not in the employ of the District on a monthly salary

basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky or (z) an independent certified public accountant or firm of certified public accountants not in the employ of the District on a monthly salary basis.

The District hereby further reserves the right and privilege of issuing Additional Parity Obligations for the purpose of refunding the Series 2019 Bonds and any Existing Parity Obligations, or any portion thereof, as may be outstanding, provided that before any Additional Parity Obligations are issued for such purpose, there shall have been procured and filed with the Secretary-Treasurer of the District either (a) the written consent of the holders of all Series 2019 Bonds and any outstanding Existing Parity Obligations (other than the obligations being refunded) to such issuance or (b) a statement by an independent certified public accountant or firm of independent certified public accountants reciting the opinion based upon necessary investigation that after the issuance of such Additional Parity Obligations, the Net Income and Revenues, as adjusted and defined above, of the System for the fiscal year preceding the date of issuance of such Additional Parity Obligations, after taking into account the revised maximum annual debt service resulting from the issuance of such Additional Parity Obligations and from the elimination of the obligations being refunded thereby, are equal to not less than 120% of the maximum annual debt service requirement for any year ending January 1st with respect to the Series 2019 Bonds and any Existing Parity Obligations to remain outstanding and the proposed Additional Parity Obligations and calculated in the manner specified above.

The original purchaser or purchasers of a series of Additional Parity Obligations may waive the benefit of and any claim to the Debt Service Reserve Fund, in which event such obligations shall not be secured by or payable from the Debt Service Reserve Fund; and the District may make it a condition to the original sale of any series of Additional Parity Obligations that the purchaser or purchasers thereof, by offering to purchase or by purchasing the same, has agreed to such waiver.

The interest payment dates for all such Additional Parity Obligations shall be semiannually on January 1st and July 1st of each year, and the principal maturities thereof shall be on January 1st of the year in which any such principal is scheduled to become due.

The Additional Parity Obligations, the issuance of which is restricted and conditioned by this ARTICLE XII, shall be understood to mean bonds and obligations payable from the income and revenues of the System on a parity with the Series 2019 Bonds and outstanding Existing Parity Obligations, and shall not be deemed to include or prohibit the issuance of other obligations the security and source of payment of which is subordinate and subject to the priority of the payments into the Bond Fund and the Debt Service Reserve Fund for account of the Series 2019 Bonds and any Existing Parity Obligations.

ARTICLE XIII
PROVISIONS OF RESOLUTION CONSTITUTE CONTRACT

The provisions of this Series 2019 Bond Resolution shall constitute a contract between the District and the holders of the Series 2019 Bonds herein authorized and any Additional Parity Obligations herein permitted to be issued, and after the issuance of any of the Series 2019 Bonds, no change, variation, or alteration of any kind of the provisions of this Series 2019 Bond Resolution shall be made in any manner without the written consent of the holder or holders of the Series 2019 Bonds, except as herein provided, until such time as all of the Series 2019 Bonds and parity bonds issued hereunder, and the interest thereon, have been paid in full.

**ARTICLE XIV
STATUTORY MORTGAGE LIEN ACKNOWLEDGED**

A statutory mortgage lien upon the System, together with all appurtenances and additions thereto and extensions thereof, and including the revenues thereof, is granted and created by KRS 106.080 for the benefit and protection of the holders of the Existing Parity Obligations, the Series 2019 Bonds, and the Additional Parity Obligations permitted to be issued under authority of this Series 2019 Bond Resolution, and of the interest payable thereon; and said statutory mortgage lien is hereby recognized and shall be effective upon delivery of any of the Series 2019 Bonds and shall continue in full force and effect so long as there shall remain unpaid any part of the principal of or interest on the Series 2019 Bonds and any Additional Parity Obligations.

ARTICLE XV
TAX COVENANTS AND REPRESENTATIONS

(a) The District certifies, covenants, and agrees that the Project will be constructed expeditiously and the expenditure of the portion of the proceeds of the Series 2019 Bonds deposited in the Construction Fund for the payment of the costs of the Project will be made promptly in order that the Project will be completed and in operation at the earliest possible date. The District further certifies and covenants with the holders of the Series 2019 Bonds that so long as any of the Series 2019 Bonds remain outstanding, moneys on deposit in any fund or account in connection with the Series 2019 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2019 Bonds or from any other sources, will not be invested or used in a manner which will cause the Series 2019 Bonds to be "arbitrage bonds" within the meaning of Code Sections 103(b)(2) and 148 and any lawful regulations promulgated or proposed thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented, or revised. The Chairman or Secretary-Treasurer as the officers of the District charged with the responsibility for issuing the Series 2019 Bonds, are authorized and directed, for and on behalf of the District, to execute all papers, documents, certificates, and other instruments that may be required for evidencing compliance with federal "arbitrage bond" regulations, and any representations and certifications contained in such papers, documents, certificates, and other instruments so executed shall be deemed to constitute representations and certifications of the District.

(b) The District further represents, warrants, agrees, and covenants as follows:

(i) Within the meaning of Code Section 141 and the Income Tax Regulations issued thereunder, over the terms of the Series 2019 Bonds (A) less than 10% of the proceeds of the Series 2019 Bonds, if any, will be applied for any private business use, and the payment of principal of or interest on less than 10% of the amount of the Series 2019 Bonds, if any, will be secured directly or indirectly by any interest in property used for a private business use, or payments in respect of such property, or will be derived directly or indirectly from payments (whether or not to the District) in respect of such property; (B) at least 90% of the proceeds of the Series 2019 Bonds will be applied for a governmental use of the District; (C) any private business use of the Project will be related to such governmental use of the District and will not be unrelated or disproportionate; and (D) none of the proceeds of the Series 2019 Bonds will be used, directly or indirectly, to make or finance loans to private persons. It is reasonably expected that over the term of the Series 2019 Bonds (1) the Project will be available for general public use, in that it will be reasonably available for use by natural persons not engaged in a trade or business on the same basis as any other person or entity, (2) no nongovernmental person will have any special legal entitlement to use the Project, and (3) there will be no direct or indirect payments made with respect to the Project or the security of the Series 2019 Bonds by any persons or entities other than payments by the general public as described in clause (1) above.

(ii) Within the meaning of Code Section 148(f)(4)(B), it is reasonably expected at least 75% of the net proceeds (including investment proceeds) of the Series 2019 Bonds will be used for construction expenditures with respect to property which is owned by a governmental unit, at least 10% of such proceeds will be spent for the governmental purposes of the issue within six months from the date the Series 2019 Bonds are issued, at least 45% of such proceeds will be spent for such purposes within one year from such date, at least 75% of such proceeds will be spent for such purposes within eighteen months from such date, and at least 100% of such proceeds will be spent within two years from such date. It is also reasonably expected at least 50% of all proceeds (including investment proceeds) of the Series 2019 Bonds will be used for expenditures on the Project within six months, at least 60% will be so used within twelve months and 100% will be so used within eighteen months from the date of issuance of the Series 2019 Bonds. If for any reason the arbitrage rebate requirements of Code Section 148(f) should be deemed to apply to the Series 2019 Bonds, the District will take all action necessary to comply therewith.

(iii) It is reasonably expected that during the term of the Series 2019 Bonds the Project will not be disposed of, provided, however, should there be any disposition of any personal property constituting a part of the Project because it is no longer suitable for its governmental purpose, it is reasonably expected that the fair market value of such personal property will not exceed 25% of its cost.

(iv) The weighted average maturity of the Series 2019 Bonds does not exceed 120% of the weighted average useful life of the facilities comprising the Project.

(v) The District has not heretofore expended any sums on the Project which are to be reimbursed from the proceeds of the Series 2019 Bonds, other than (A) certain preliminary expenditures such as engineering and planning costs not exceeding 20% of the Series 2019 Bond proceeds, (B) expenditures made within sixty days before the date of adoption of this Series 2019 Bond Resolution, and (C) expenditures before which the District had adopted an official intent resolution regarding reimbursement from tax-exempt bond proceeds.

(vi) The Series 2019 Bonds are not federally guaranteed within the meaning of Code Section 149(b).

(vii) The District will comply with the information reporting requirements of Code Section 149(e).

(viii) The District will not use or permit the use of any of the funds provided by the Series 2019 Bonds in such manner as to, or take or omit to take any action which would, impair the exclusion from gross income for federal income tax purposes of interest on the Series 2019 Bonds. The District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the Series 2019 Bonds shall, for the purposes of federal income taxation, be excludable from gross income.

(c) This Series 2019 Bond Resolution is intended to and does constitute, in part, a declaration of official intent under applicable Income Tax Regulations.

ARTICLE XVI REBATE FUND

The District hereby establishes the Rebate Fund for the benefit of the Series 2019 Bonds and the maintenance of the exclusion of the interest thereon from taxation under the laws of the United States of America.

Moneys held in the Rebate Fund from time to time shall be invested in Investment Obligations to the extent practicable.

Moneys held in the Rebate Fund from time to time shall not be subject to the pledge of this Series 2019 Bond Resolution, shall not constitute a part of the funds held or pledged by the District for the benefit of the holders of the Series 2019 Bonds and shall be dedicated to the United States of America to the extent of any obligation on the part of the District to rebate Cumulative Excess Earnings to the United States of America as described in the following paragraph.

Within five days after the end of each Computation Period and within five days after the payment in full of all outstanding Series 2019 Bonds, the District shall calculate the amount of Cumulative Excess Earnings as of the end of such Computation Period or the date of such payment, and shall also determine the amount then on deposit in the Rebate Fund. If the amount then on deposit in the Rebate Fund is in excess of the Cumulative Excess Earnings, the District shall forthwith deposit the excess amount in the Bond Fund. If the amount then on deposit in the Rebate Fund is less than the Cumulative Excess Earnings, the District shall within five days deposit in the Rebate Fund an amount sufficient to cause the Rebate Fund to contain an amount equal to the Cumulative Excess Earnings. Within thirty days after the end of the fifth anniversary date of the issuance of the Series 2019 Bonds and every such fifth anniversary date thereafter, the District shall pay to the United States of America in accordance with Code Section 148(f) from the moneys then on deposit in the Rebate Fund an amount equal to 90% (or such greater percentage not in excess of 100% as the District may direct) of the Cumulative Excess Earnings as of the end of such fifth anniversary date. Within sixty days after the payment in full of all outstanding Series 2019 Bonds, the District shall pay to the United States in accordance with Code Section 148(f) from the moneys then on deposit in the Rebate Fund an amount equal to 100% of the Cumulative Excess Earnings as of the date of such payment and any moneys remaining in the Rebate Fund following such payment shall be transferred to the Bond Fund.

**ARTICLE XVII
SEVERABILITY CLAUSE**

If any section, paragraph, clause, or provision of this Series 2019 Bond Resolution shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Series 2019 Bond Resolution.

**ARTICLE XVIII
REPEAL OF INCONSISTENT PROVISIONS**

All resolutions and orders, or parts thereof, in conflict with the provisions of this Series 2019 Bond Resolution are, to the extent of such conflict, hereby repealed.

**ARTICLE XIX
WHEN RESOLUTION EFFECTIVE**

This Series 2019 Bond Resolution shall be in full force and effect from and after its adoption, approval, and attestation as provided by law.

**ARTICLE XX
RULES OF CONSTRUCTION**

The singular form of any word used herein, including the terms defined in **EXHIBIT A** attached hereto, shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders. Unless otherwise specified, the word "including" shall mean "including without limitation", the word "or" shall mean "and/or", and the word "any" shall mean "any and all." Unless otherwise specified, references to Articles, Sections, and other subdivisions of this Series 2019 Bond Resolution are to the designated Articles, Sections, and other subdivisions of this Series 2019 Bond Resolution as originally executed. The words "hereof," "herein," "hereunder," and words of similar import refer to this Series 2019 Bond Resolution as a whole. The captions or headings in this Series 2019 Bond Resolution are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Series 2019 Bond Resolution. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP. **EXHIBITS A** and **B** attached hereto are hereby incorporated by reference into this Series 2019 Bond Resolution and constitute a part hereof.

(Signature page to follow)

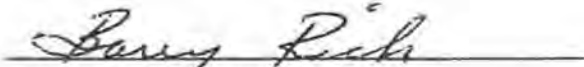
[SIGNATURE PAGE TO SERIES 2019 BOND RESOLUTION]

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE EDMONSON COUNTY WATER DISTRICT, at a meeting held on November 12, 2019 on the same occasion signed by the Chairman, attested by the Secretary-Treasurer, and declared to be in full force and effect.

[District Seal]


Chairman

Attest:


Secretary-Treasurer

CERTIFICATION

The undersigned, Secretary-Treasurer of the Board of Commissioners of Edmonson County Water District, hereby certifies that the foregoing is a true, complete, and correct copy of a Resolution adopted by the Board of Commissioners at a properly convened meeting of the Board of Commissioners held on November 12, 2019, signed by the Chairman and attested by me as Secretary-Treasurer, as shown by the official records in my custody and under my control.

WITNESS my hand this November 12, 2019


Secretary-Treasurer

EXHIBIT A

DEFINITIONS

In addition to the words and terms elsewhere defined in this Series 2019 Bond Ordinance, the following words and terms as used in this Series 2019 Bond Ordinance shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Additional Parity Obligations” means any bonds or other obligations issued by the District on a parity as to security and source of payment with any then outstanding Existing Parity Obligations, Series 2019 Bonds, and Additional Parity Obligations previously issued by the District before such date of determination pursuant to the requirements of ARTICLE XII hereof.

“Annual Budget” has the meaning provided in subsection (e) of ARTICLE XI hereof.

“Board of Commissioners” means the Board of Commissioners of the District duly appointed and acting pursuant to the requirements of KRS Chapter 74.

“Bond Fund” means the fund previously established by the District named the “Waterworks Bond and Interest Sinking Fund of 1969” for the benefit of bond issues now paid and discharged and the Existing Parity Obligations and continued in accordance with ARTICLE X hereof in connection with the District’s authorization and issuance of the Series 2019 Bonds.

“Bond Registrar” means the Secretary-Treasurer of the District, as appointed pursuant to ARTICLE VII hereof.

“Bondholder” means a registered holder of any Series 2019 Bond.

“Business Day” means (i) any day other than a Saturday, Sunday, federal holiday, or other day on which the New York Stock Exchange is regularly closed; and (ii) in all other cases, any other day on which commercial banks in Edmonson County, Kentucky are required by law to be open for business.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code, the

applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court decisions).

"Commonwealth" means the Commonwealth of Kentucky.

"Computation Period" means the period of time over which Excess Earnings are required to be computed under Code Section 148(f).

"Construction Fund" means an account established by the District with a Depository Bank pursuant to ARTICLE IX hereof and designated the "Edmonson County Water District 2019 Construction Fund."

"Cumulative Excess Earnings" means the amount of all Excess Earnings earned from the date of original delivery of the Series 2019 Bonds through the end of the relevant computation date, less the amount of any Excess Earnings paid to the United States pursuant to ARTICLE XVI hereof.

"Current Expenses" for any period means all reasonable and necessary costs of operating, repairing, maintaining, and insuring the System for such period, but excluding (i) any allowance for depreciation for such period, (ii) any payments into the Depreciation Fund for extensions, improvements, and extraordinary repairs and maintenance during such period, and (iii) any payment into the Bond Fund during such period.

"Depository Bank" means such bank or banks in Edmonson County, Kentucky, as the Board of Commissioners may from time to time designate as provided in ARTICLE IX hereof.

"District" means Edmonson County Water District, a water district and political subdivision of the Commonwealth created and existing pursuant to KRS Chapter 74 and serving residents and customers in Edmonson, Warren, Grayson, and Hart Counties, Kentucky.

"Engineers" means GRW Engineers, Inc., Nashville, Tennessee, a professional engineering firm having an expertise in municipal water projects maintaining an office in Nashville, Tennessee.

"Excess Earnings" means an amount equal to the sum of (i) plus (ii) where:

- (i) is the excess of:
 - (a) the aggregate amount earned on all Nonpurpose Investments in which Gross Proceeds of the Series 2019 Bonds are invested (other than investments

attributable to an excess described in this clause (i)), over

(b) the amount which would have been earned if such Nonpurpose Investments (other than amounts attributable to an excess described in this clause (i)) were invested at a rate equal to the Yield on the Series 2019 Bonds; and

(ii) is any income attributable to the excess described in clause (i).

The sum of (i) plus (ii) shall be determined in accordance with Code Section 148(f).

"Existing Parity Obligations" means the Series 2001A Bonds, the Series 2001B Bonds, the Series 2003 Bonds, the Series 2007A Bonds, the Series 2007B Bonds, the 2008C KRWFC Loan, the Series 2009 Bonds, the Series 2010A Bonds, the Series 2010B Bonds, the 2012D KRWFC Loan, the Series 2013A Bonds, and the Series 2013B Bonds.

"Existing Parity Resolutions and Agreements" means the Series 2001 Bond Resolution, the Series 2003 Bond Resolution, the 2004B KRWFC Assistance Agreement, the Series 2007 Bond Resolution, the 2008C KRWFC Assistance Agreement, the Series 2009 Bond Resolution, the Series 2010A Bond Resolution, the Series 2010B Bond Resolution, the 2012D KRWFC Assistance Agreement, and the Series 2013A Bond Resolution.

"FDIC" means the independent agency of the United States federal government named the Federal Deposit Insurance Corporation.

"Fully Registered Bond" means the single Series 2019 Bond, numbered R-1, and registered in accordance with the requirements of ARTICLE VII hereof.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied. Whenever any accounting term is used herein which is not otherwise defined, it shall have the meaning ascribed thereto under GAAP.

“Investment Obligations” means any of the following, if and to the extent the following are legal investments for the moneys held in the various funds established or continued pursuant to this Series 2019 Bond Ordinance:

- (i) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian, which investments may be accomplished through repurchase agreements reached with sources including, but not limited to, national or state banks chartered in the Commonwealth;
- (ii) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to: (1) United States Treasury; (2) Export-Import Bank of the United States; (3) Government National Mortgage Corporation; and (4) Merchant Marine;
- (iii) Obligations of any corporation of the United States government, including but not limited to: (1) Federal Home Loan Mortgage Corporation; (2) Federal Farm Credit Banks; (3) Bank for Cooperatives; (4) Federal Intermediate Credit Banks; (5) Federal Land Banks; (6) Federal Home Loan Banks; (7) Federal National Mortgage Association; and (8) Tennessee Valley Authority;
- (iv) Certificates of deposit issued by or other interest bearing accounts of any bank or savings and loan institution that are insured by the FDIC or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);
- (v) Uncollateralized certificates of deposit, time deposits, trust accounts, trust deposits and demand deposits, including interest bearing money market accounts, of any bank or savings and loan institution, rated in one of the three highest categories by a nationally recognized rating agency;
- (vi) Bankers’ acceptances for banks rated in one of the three highest categories by a nationally recognized rating agency;
- (vii) Commercial paper rated in the highest category by a nationally recognized rating agency;

- (viii) Bonds or certificates of indebtedness of the Commonwealth and of its agencies and instrumentalities;
- (ix) Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency;
- (x) Shares of mutual funds, each of which shall have the following characteristics:
 - (1) The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
 - (2) The management company of the investment company shall have been in operation for at least five years; and
 - (3) All of the securities in the mutual fund shall be investments in any one or more of the investments described in (i) through (ix) above;
- (xi) Investment agreements with any financial institution the long-term debt, claims and paying ability or financial program strength of which is rated not lower than the second highest category (without regard to gradations within such category) by at least one of the nationally recognized rating agencies; provided that if the investment agreement is guaranteed by a third party, then the above rating requirement will apply to the guarantor only; and
- (xii) Such other investments as may be authorized by law, including without limitation those authorized KRS 66.480.

"KRS" means the Kentucky Revised Statutes.

"KRWFC" means the Kentucky Rural Water Finance Corporation, a Kentucky nonprofit corporation.

"Net Income and Revenues" means, for any period, gross income and revenues of the System (including all payments to the Revenue Fund and interest earnings accruing to the Bond Fund, the Depreciation Fund, and the Operation and Maintenance Fund) less the sum of Current Expenses for that period.

"Nonpurpose Investments" has the meaning provided by Code Section 148(f).

"Project" means the acquisition, construction, installation, and equipping of major improvements and additions to the System, the costs of which will be partially financed by the proceeds of the Series 2019 Bonds.

"Qualified Parity Obligations" has the meaning provided in ARTICLE X hereof.

"Rebate Fund" has the meaning provided in ARTICLE XVI hereof.

"Reserve Amount" means an amount of money equal to the lesser of (i) the maximum principal and interest requirement on the outstanding Qualified Parity Bonds in any year ending January 1st, (ii) and amount equal to 125% of the average annual debt service on the outstanding Qualified Parity Bonds in any year ending January 1st, and (iii) an amount equal to 10% of the proceeds of all such Qualified Parity Bonds within the meaning of Code Section 148(d).

"Series 2001 Bond Resolution" means the resolution adopted by the Board of Commissioners on March 12, 2001, authorizing the sale, issuance, delivery, and administration of the Series 2001A Bonds and the Series 2001B Bonds.

"Series 2001A Bonds" means the Edmonson County Water District, Water System Revenue Bonds, 2001 Series A, dated May 15, 2002, issued by the District pursuant to the Series 2001 Bond Resolution and originally issued in an principal amount of \$3,837,000.

"Series 2001B Bonds" means the Edmonson County Water District, Water System Revenue Bonds, 2001 Series B, dated May 15, 2002, issued by the District pursuant to the Series 2001 Bond Resolution and originally issued in an principal amount of \$276,000.

"Series 2003 Bond Resolution" means the resolution adopted by the Board of Commissioners on October 28, 2003, authorizing the sale, issuance, delivery, and administration of the Series 2003 Bonds.

"Series 2003 Bonds" means the Edmonson County Water District, Water System Revenue Bonds, Series 2003, dated June 16, 2004, issued by the District pursuant to the Series 2003 Bond Resolution and originally issued in an principal amount of \$442,000.

"Series 2007 Bond Resolution" means the resolution adopted by the Board of Commissioners on July 10, 2007, authorizing the sale, issuance, delivery, and administration of the Series 2007A Bonds and the Series 2007B Bonds.

"Series 2007A Bonds" means the Edmonson County Water District, Water System Revenue Bonds, Series 2007A, dated June 11, 2008, issued by the

District pursuant to the Series 2007 Bond Resolution and originally issued in an principal amount of \$1,200,000.

"Series 2007B Bonds" means the Edmonson County Water District, Water System Revenue Bonds, Series 2007B, dated June 11, 2008, issued by the District pursuant to the Series 2007 Bond Resolution and originally issued in an principal amount of \$520,000.

"Series 2009 Bond Resolution" means the resolution adopted by the Board of Commissioners on March 10, 2009, as amended and supplemented on April 13, 2010, authorizing the sale, issuance, delivery, and administration of the Series 2009 Bonds.

"Series 2009 Bonds" means the Edmonson County Water District, Water System Revenue Bonds, Taxable Series 2009 (Build America Bonds - Direct Payment to Issuer), dated May 25, 2010, issued by the District pursuant to the Series 2009 Bond Resolution and originally issued in an principal amount of \$1,511,000.

"Series 2010A Bond Resolution" means the resolution adopted by the Board of Commissioners on May 11, 2010, authorizing the sale, issuance, delivery, and administration of the Series 2010A Bonds.

"Series 2010A Bonds" means the Edmonson County Water District, Water System Revenue Bonds, Taxable Series 2010A (Build America Bonds - Direct Payment to Issuer), dated December 15, 2010, issued by the District pursuant to the Series 2010A Bond Resolution and originally issued in an principal amount of \$570,000.

"Series 2010B Bond Resolution" means the resolution adopted by the Board of Commissioners on November 9, 2010, authorizing the sale, issuance, delivery, and administration of the Series 2010B Bonds.

"Series 2010B Bonds" means the Edmonson County Water District, Water System Revenue Bonds, Taxable Series 2010B (Build America Bonds - Direct Payment to Issuer), dated November 24, 2010, issued by the District pursuant to the Series 2010B Bond Resolution and originally issued in an principal amount of \$700,000.

"Series 2013 Bond Resolution" means the resolution adopted by the Board of Commissioners on July 23, 2014, authorizing the sale, issuance, delivery, and administration of the Series 2013A Bonds and the Series 2013B Bonds.

"Series 2013A Bonds" means the Edmonson County Water District, Water System Revenue Bonds, Series 2013A, dated February 12, 2015, issued by

the District pursuant to the Series 2013 Bond Resolution and originally issued in an principal amount of \$504,000.

"Series 2013B Bonds" means the Edmonson County Water District Water System Revenue Bonds, Series 2013B, dated February 12, 2015, issued by the District pursuant to the Series 2013 Bond Resolution and originally issued in an principal amount of \$160,000.

"Series 2019 Bond Resolution" means this Resolution adopted by the Board of Commissioners on November 12, 2019 authorizing the sale, issuance, delivery, and administration of the Series 2019 Bonds.

"Series 2019 Bond" means the Edmonson County Water District, Water System Revenue Bonds, Series 2019 to be dated as of their date of delivery by the District pursuant to the requirements of this Series 2019 Bond Resolution and to be issued in an original principal amount of \$1,032,000.

"System" means the water facilities owned and operated by the District as a municipal water distribution system, including all future improvements to, replacements of, and additions to currently existing water facilities.

"USDA" means the United States Department of Agriculture, Rural Development, the Kentucky state office of which has a business address of 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503.

"Yield" has the meaning provided by Code Section 148(f).

"2004B KRWFC Assistance Agreement" means the Assistance Agreement dated as of March 24, 2004, as amended and supplemented by a First Amendment and Supplement to Assistance Agreement dated as of February 27, 2013, by and between the District and KRWFC governing the 2004B KRWFC Loan.

"2004B KRWFC Loan" means the payment obligation of the District to the KRWFC originally incurred in a principal amount of \$2,654,000 pursuant to the 2004B KRWFC Assistance Agreement, which represented a loan by the KRWFC to the District from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program) Series 2004B.

"2008C KRWFC Assistance Agreement" means the Assistance Agreement dated as of May 29, 2008, by and between the District and KRWFC governing the 2008C KRWFC Loan.

"2008C KRWFC Loan" means the payment obligation of the District to the KRWFC originally incurred in a principal amount of \$830,000 pursuant to the 2008C KRWFC Assistance Agreement, which represented a loan by the KRWFC to the District from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program) Series 2004B.

"2012D KRWFC Assistance Agreement" means the Assistance Agreement dated as of May 30, 2012, by and between the District and KRWFC governing the 2012D KRWFC Loan.

"2012D KRWFC Loan" means the payment obligation of the District to the KRWFC originally incurred in an principal amount of \$2,900,000 pursuant to the 2012D KRWFC Assistance Agreement, which represented a loan by the KRWFC to the District from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program) Series 2012D.

EXHIBIT B

FORM OF SERIES 2019 BONDS

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
EDMONSON COUNTY WATER DISTRICT
WATER SYSTEM REVENUE BOND, SERIES 2019

No. R-1

\$1,032,000

KNOW ALL MEN BY THESE PRESENTS:

That Edmonson County Water District (the "District"), acting by and through its Commission, a public body corporate created and existing pursuant to Chapter 74 of the Kentucky Revised Statutes and situated in Edmonson, Warren, Grayson, and Hart Counties, Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special fund hereinafter identified, the sum of **ONE MILLION THIRTY-TWO THOUSAND DOLLARS AND NO CENTS (\$1,032,000)** on the first day of January in years and installments as follows:

Year	Principal	Year	Principal	Year	Principal
2022	\$14,000	2035	\$20,500	2048	\$31,000
2023	14,500	2036	21,500	2049	32,000
2024	15,000	2037	22,000	2050	33,000
2025	15,500	2038	22,500	2051	34,000
2026	15,500	2039	23,500	2052	35,000
2027	16,000	2040	24,000	2053	36,000
2028	16,500	2041	25,000	2054	37,000
2029	17,000	2042	25,500	2055	38,500
2030	18,000	2043	26,500	2056	39,500
2031	18,500	2044	27,500	2057	41,000
2032	19,000	2045	28,000	2058	42,000
2033	19,500	2046	29,000	2059	43,500
2034	20,000	2047	30,000	2060	45,000

without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, without deduction for exchange or collection charges and in like coin or currency, at the rate of ____ percent (___%) per annum, semiannually on the first days of January and July in each year hereafter 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 to the registered holder

hereof at the address shown on the registration books of the District or, so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, at the office or address as may be designated by said Department of Agriculture from time to time.

This Bond is the Bond in fully registered form representing a total authorized series of Bonds in the principal amount of \$1,032,000 issued by the District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including KRS Chapters 74 and 106, and pursuant to a duly adopted Resolution of the District, for the purpose of paying the costs (to the extent not otherwise provided to be paid) of the construction and installation of major improvements and additions to the District's municipal water distribution system (the "System"), together with appurtenant facilities, and incidental expenses.

This Series 2019 Bond and the series which it represents, together with such additional bonds and obligations ranking on a parity therewith as have heretofore been issued and are outstanding and as may hereafter be issued and outstanding from time to time in accordance with the conditions and restrictions set forth in the Resolution authorizing the issuance of this Bond, are payable from and secured by a pledge of a fixed portion of the income and revenues to be derived from the operation of the System, which fixed portion shall be sufficient to pay the principal of and interest on this Series 2019 Bond and the series of which it forms a part, and any outstanding parity bonds, as and when the same shall become due and payable, and which shall be set aside as a special fund for that purpose and identified as the "Waterworks Bond and Interest Sinking Fund of 1969." This Series 2019 Bond and the series it represents rank on a basis of parity and equality with certain identically styled bonds designated Series 2019 and issued simultaneously herein pursuant to the Bond-authorizing Resolution.

A statutory mortgage lien upon the System and appurtenant facilities, together with all future additions and improvements thereto, and extensions thereof, is created by Section 106.080 of the Kentucky Revised Statutes and by the aforesaid Resolution for the benefit and protection of the holder of this Series 2019 Bond, and the same shall remain in effect until payment in full of the principal of and interest on this Series 2019 Bond.

This Series 2019 Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Series 2019 Bond or the interest hereon except from said special fund. The District, acting by and through its Commission, covenants that it will fix, and if necessary adjust from time to time, such rates and charges for use of the services and facilities of the System and will collect and account for the income and revenues therefrom sufficient to pay promptly the interest on and principal of this series of Series 2019 Bond and all other bonds and obligations ranking on a parity therewith that may be outstanding from time to time, as well as to pay the costs of operation and maintenance of the System.

This Series 2019 Bond shall be registered as to principal and interest in the name of the holder hereof, after which it shall be transferable only upon presentation to the Secretary-Treasurer of the District, as the Bond Registrar, with a written transfer duly acknowledged by

the registered holder or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the books of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2029, in the inverse chronological order of the installments due on this Bond, the entire principal amount of this Series 2019 Bond then remaining unpaid, or such lesser portion thereof in multiples of Five Hundred Dollars (\$500) as the District 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. Notice of such prepayment shall be given by registered mail to the registered holder of this Series 2019 Bond at least thirty days before the date fixed for prepayment. Provided, however, that so long as the United States of America, Department of Agriculture, is the registered holder of this Series 2019 Bond, this Series 2019 Bond may be prepaid at any time in whole or in part, at par or face value and without notice or prepayment premium.

Upon default in the payment of any principal or interest payment on this Series 2019 Bond or upon failure by the District to comply with any other provisions of this Series 2019 Bond or with the provisions of the resolution authorizing the issuance of this Series 2019 Bond, the registered holder may, at his option, institute proceedings to enforce all rights and remedies provided by law or by said resolution.

This Series 2019 Bond is exempt from ad valorem taxation in the Commonwealth of Kentucky.

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 Series 2019 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 Series 2019 Bond, being the total authorized amount of Series 2019 Bonds of the series of which this Series 2019 Bond is a part, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

[Signature page to follow]

[SIGNATURE PAGE TO SERIES 2019 BOND]

IN WITNESS WHEREOF, the Edmonson County Water District, in the Commonwealth of Kentucky, by its Commission, has caused this Series 2019 Bond to be executed by the Chairman of its Commission, attested by the Secretary-Treasurer, and its corporate seal to be hereunto affixed, on the date of this Series 2019 Bond, which is _____.

EDMONSON COUNTY WATER DISTRICT

By: _____
Chairman

Attest:

Secretary-Treasurer

(Seal of District)

PROVISION FOR REGISTRATION

This Bond shall be registered on the books of the Edmonson County Water District kept for that purpose by its Secretary-Treasurer, as Bond Registrar, upon presentation hereof to the Secretary-Treasurer, who shall make notation of such registration in the registration blank, and this Series 2019 Bond may thereafter be transferred only upon written transfer acknowledged by the registered holder or his attorney, such transfer to be made on said books and endorsed hereon.

(FORM OF REGISTRATION)

Date of Registration	Name of Registered Holder	Signature of the District's Bond Registrar
	United States of America Department of Agriculture State Office 771 Corporate Drive, Suite 200 Lexington, KY 40503*	

*(To be inserted if USDA purchases the Series 2019 Bond)

ASSISTANCE AGREEMENT
BETWEEN
KENTUCKY RURAL WATER FINANCE CORPORATION
AND
EDMONSON COUNTY WATER DISTRICT
DATED
MAY 30, 2012
IN THE AMOUNT OF \$2,900,000

This document was prepared by:

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

By

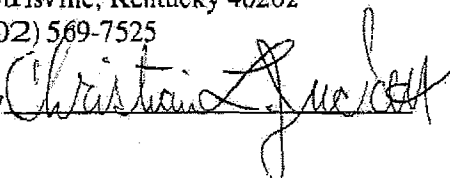


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EXHIBIT A Debt Service Schedule

ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of May 30, 2012 (the "Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Edmonson County Water District, P.O. Box 208, Brownsville, Kentucky 42210 (the "Governmental Agency"):

WITNESSETH

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the "Program") designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program), Series 2001, dated April 4, 2001, in the aggregate principal amount of \$46,000,000 (the "Series 2001 Bonds") pursuant to a Trust Indenture dated as of April 4, 2001 (the "Indenture") between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to Assistance Agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2012D (the "Series 2012D Bonds") in the aggregate principal amount of \$15,975,000, pursuant to a Supplemental Trust Indenture No. 46, dated as of May 30, 2012 by and between the Issuer and the Trustee, which Series 2012D Bonds will rank on a parity with the Series 2001 Bonds and the proceeds of which will be used by certain Governmental Agencies to acquire, construct and equip public projects described in various Assistance Agreements by and between the Governmental Agencies and the Issuer; and

WHEREAS, the Governmental Agency has outstanding its (i) Edmonson County Water District Water System Revenue Bonds, 1994 Series A, dated December 12, 1994, in the original principal amount of \$1,900,000, (ii) Edmonson County Water District Water System Revenue Bonds, 1994 Series B, dated December 12, 1994, in the original principal amount of \$300,000, (iii) Edmonson County Water District Water System Revenue Bonds, 1994 Series C, dated August 11, 1995, in the original principal amount of \$860,000, and (iv) Edmonson County Water District Water System Revenue Bonds, Series 1997, dated May 27, 1998, in the original principal amount of \$600,000 (collectively, the "Refunded Bonds"), which bonds were issued by the Governmental Agency to make improvements and extensions to the Governmental Agency's waterworks system (the "System"); and

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

within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Issuer; and

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

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

WHEREAS, in and by the Prior Bond Legislation (as hereinafter defined), the right and privilege was reserved by the Governmental Agency under conditions and restrictions set out in said Prior Bond Legislation, of issuing additional bonds from time to time, payable from the income and revenues of the System and ranking on a parity with the Governmental Agency's outstanding Prior Bonds (as hereinafter defined), for the purpose, among other things, of financing the costs of extensions, additions and improvements to the System and refinancing certain outstanding indebtedness, which conditions and restrictions are found to currently exist and prevail so as to permit the issuance of certain proposed additional bonds so as to rank, when issued, on a parity with the outstanding Prior Bonds; and

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the "Loan") in the amount of \$2,900,000 [the "Obligations"], for the purpose of providing funds for the Project, and to reaffirm the conditions and restrictions under which similar bonds or obligations may be subsequently issued ranking on a parity therewith; and

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

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

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

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

Section 1. Definitions. As used in this Assistance Agreement, unless the context requires otherwise:

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

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

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

"Bond Fund" refers to the Edmonson County Water District Waterworks Bond and Interest Sinking Fund of 1969 created and confirmed in the Prior Bond Legislation and which Bond Fund will continue to be maintained for the benefit of the System.

"Bond Legislation of 1994A and B" or "1994A and B Bond Legislation" refers to the resolution authorizing the Series 1994A Bonds and the Series 1994B Bonds, which was adopted by the Governing Body on January 24, 1994, as amended by resolution adopted on February 14, 1996.

"Bond Legislation of 1994C" or "1994C Bond Legislation" refers to the resolution authorizing the Series 1994C Bonds, which was adopted by the Governing Body on December 12, 1994, as amended by resolution adopted on February 14, 1996.

"Bond Legislation of 1997" or "1997 Bond Legislation" refers to the resolution authorizing the Series 1997 Bonds, which was adopted by the Governing Body on October 29, 1997.

"Bond Legislation of 2001A and B" or "2001A and B Bond Legislation" refers to the resolution authorizing the Series 2001A Bonds and Series 2001B Bonds, which was adopted by the Governing Body on March 12, 2001.

"Bond Legislation of 2003" or "2003 Bond Legislation" refer to the Resolution authorizing the Bonds of 2003, duly adopted by the Governing Body on October 28, 2003.

"Bond Legislation of 2007" or "2007 Bond Legislation" refer to the Resolution authorizing the Series 2007A Bonds and Series 2007B Bonds, duly adopted by the Governing Body on July 10, 2007.

"Bond Legislation of 2009" or "2009 Bond Legislation" refer to the Resolution authorizing the Series 2009 Bonds, duly adopted by the Governing Body on March 18, 2009.

"Bond Legislation of 2010A" or "2010A Bond Legislation" refer to the Resolution authorizing the Series 2010A Bonds, duly adopted by the Governing Body on May 11, 2010.

"*Bond Legislation of 2010B*" or "*2010B Bond Legislation*" refer to the Resolution authorizing the Series 2010B Bonds, duly adopted by the Governing Body on November 9, 2010.

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

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

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

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

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

"*Depreciation Fund*" refers to the Edmonson County Water District Depreciation Fund created in the Prior Bond Legislation and which Depreciation Fund will continue to be maintained for the benefit of all of the Bonds.

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

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

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

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

"*Governmental Agency*" refers to the Edmonson County Water District, P.O. Box 208, Brownsville, Kentucky 42210.

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

"Governmental Agency Clerk" refers to the Secretary/Treasurer of the Governmental Agency.

"Indenture" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 46, dated May 30, 2012, by and between the Issuer and the Trustee.

"Interest Payment Date" shall mean the 1st day of each month, commencing July 1, 2012 and continuing through and including January 1, 2036 or until the Loan has been paid in full.

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

"Obligations" refers to the Loan authorized by this Assistance Agreement in the principal amount of \$2,900,000, maturing January 1, 2036.

"Operation and Maintenance Fund" refers to the Edmonson County Water District Operation and Maintenance Fund created and confirmed in the Prior Bond Legislation and which Operation and Maintenance Fund will continue to be maintained for the benefit of the System.

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

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

"Permitted Investments" refers to the following:

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

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

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

- v. Merchant Marine bonds;
- (c) Obligations of any corporation of the United States government, including but not limited to:
- i. Federal Home Loan Mortgage Corporation;
 - ii. Federal Farm Credit Banks;
 - iii. Bank for Cooperatives;
 - iv. Federal Intermediate Credit Banks;
 - v. Federal Land Banks;
 - vi. Federal Home Loan Banks;
 - vii. Federal National Mortgage Association; and
 - viii. Tennessee Valley Authority;
- (d) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institutions which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS Section 41.240(4);
- (e) Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated on one (1) of the three (3) highest categories by a nationally recognized rating agency;
- (f) Banker's acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;
- (g) Commercial paper rated in the highest category by a nationally recognized rating agency;
- (h) Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and instrumentalities;
- (i) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency; and
- (j) Shares of mutual funds, each of which shall have the following characteristics:
- i. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
 - ii. The management company of the investment company shall have been in operation for at least five (5) years; and
 - iii. All of the securities in the mutual fund shall be eligible investments under this section.

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

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

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

"Prior Bond Legislation" collectively refers to the 2001A and B Bond Legislation, 2003 Bond Legislation, 2003 Bond Legislation, Series 2004B Assistance Agreement, 2007 Bond Legislation, 2008C Assistance Agreement, 2009 Bond Legislation, 2010A Bond Legislation, and 2010B Bond Legislation.

"Prior Bonds" refers to the Series 2001A Bonds, Series 2001B Bonds, Series 2003 Bonds, Series 2004B Loan, Series 2007A Bonds, Series 2007B Bonds, Series 2008C Loan, Series 2009 Bonds, Series 2010A Bonds and Series 2010B Bonds.

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

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

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

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

"Refunded Bonds" refers to the Series 1994 A, B and C Bonds, and Series 1997 Bonds.

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

"Series 1994A Bonds" refer to the outstanding Edmonson County Water District Water System Revenue Bonds, 1994 Series A, dated December 12, 1994, in the original authorized principal amount of \$1,900,000.

"Series 1994B Bonds" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, 1994 Series B, dated December 12, 1994, in the original authorized principal amount of \$300,000.

"*Series 1994C Bonds*" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, 1994 Series C, dated August 11, 1995, in the original authorized principal amount of \$860,000.

"*Series 1996A Bonds*" refers to the outstanding Edmonson County Water District Water System Refunding Revenue Bonds, Series 1996A, dated February 1, 1996, in the original authorized principal amount of \$1,605,000.

"*Series 1997 Bonds*" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series 1997, dated May 27, 1998, in the original authorized principal amount of \$600,000.

"*Series 2001A Bonds*" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2001A, dated May 15, 2002, in the original authorized principal amount of \$3,837,000.

"*Series 2001B Bonds*" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2001B, dated May 15, 2002, in the original authorized principal amount of \$276,000.

"*Series 2003 Bonds*" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2003, dated June 16, 2004, in the original authorized principal amount of \$442,000.

"*Series 2004B Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated April 27, 2004, authorizing the loan in the principal amount of \$2,654,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B.

"*Series 2004B Loan*" refers to the outstanding loan to the Governmental Agency in the principal amount of \$2,654,000, dated April 27, 2004, from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B.

"*Series 2007A Bonds*" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2007A, dated June 11, 2008, in the original principal amount of \$1,200,000.

"*Series 2007B Bonds*" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2007B, dated June 11, 2008, in the original principal amount of \$520,000.

"*Series 2008C Assistance Agreement*" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated May 29, 2008,

authorizing the loan in the principal amount of \$830,000 from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2008C.

"*Series 2008C Loan*" refers to the outstanding loan in the amount of \$830,000, dated May 29, 2008, to the Governmental Agency from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2008C.

"*Series 2009 Bonds*" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Taxable Series 2009 (Build America Bonds - Direct Payment to Issuer), dated May 24, 2010, in the original principal amount of \$1,511,000.

"*Series 2010A Bonds*" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Taxable Series 2010A (Build America Bonds - Direct Payment to Issuer), in the original principal amount of \$570,000.

"*Series 2010B Bonds*" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Taxable Series 2010B (Build America Bonds - Direct Payment to Issuer), dated November 24, 2010, in the original principal amount of \$700,000.

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

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

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

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

Section 2. Reaffirmation of Declaration of Waterworks System. That all proceedings heretofore taken for the establishment of and the supplying of water service in and to said Governmental Agency as a municipal waterworks system are hereby in all respects ratified and confirmed; and so long as any of the Obligations hereinafter authorized or permitted to be issued remain outstanding, said System shall be owned, controlled, operated and maintained for the security and source of payment of the Obligations. Said System is hereby declared to constitute a public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

Section 3. Authorization of Obligations; Place of Payment; Manner of Execution. That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes the borrowing of \$2,900,000 from the Program, for the purpose of providing funds for the Project.

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

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

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

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

Section 4. Redemption.

(a) *Optional Redemption.* Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2022 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2021 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

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

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

All of said Obligations as to which the Governmental Agency reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given, and for the

retirement of which, upon the terms aforesaid, funds are duly provided, will cease to bear interest on the redemption date.

Section 5. Obligations Payable Out of Revenues on a Parity with Prior Bonds.

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

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

Section 7. Flow of Funds. All proceedings preliminary to and in connection with the issuance of the Prior Bonds, whereby provision was made for the receipt, custody, and application of the proceeds of the Prior Bonds; for the operation of said System on a revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; and for the enforcement and payment of the Prior Bonds; and all other covenants for the benefit of the bondholders set out in the Prior Bond Legislation, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Bonds, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, hereafter, the income and revenues of the System shall be collected, segregated, accounted for, and distributed as follows:

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

B. Bond Fund. A separate and special fund or account of the Governmental Agency, distinct and apart from all other funds and accounts, was created in and by the Prior Bond Resolution and designated and identified as the "Edmonson County Water District Waterworks Bond and Interest Sinking Fund of 1969," which shall continue to be maintained so long as any of the Outstanding Bonds or any additional Parity Bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the

principal of and interest on the Outstanding Bonds and any Parity Bonds hereafter issued and outstanding pursuant to the provisions of this Assistance Agreement.

There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Bond Fund sums sufficient to pay when due the principal and interest requirements on the Outstanding Bonds. Specifically, there shall be paid into the Bond Fund on or before the 20th day of each month, on account of the Outstanding Bonds, not less than the following:

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

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

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

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

Pursuant to Section 4.3(b)(iv) of the Indenture, the money and investments in the Principal and Interest Account (as defined in the Indenture) may be returned to the Governmental Agency and applied to the final Loan Payment (as defined in the Indenture) for the Governmental Agency.

C. Depreciation Fund. Pursuant to the provisions of the Prior Bond Legislation, there shall next be transferred from the Revenue Fund a sum sufficient, each month, to maintain a balance in said Depreciation Fund of at least the sum required by the Prior Bond Legislation, which shall be deposited into the Depreciation Fund.

Moneys in the Depreciation Fund may be withdrawn and used by the Governmental Agency, upon appropriate certification of the Governing Body, in accordance with the provisions of the Prior Bond Legislation, 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 Bond Fund is not sufficient to make such payments.

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

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

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

Section 8. Disposition of Proceeds of the Obligations; Governmental Agency Account. Upon (i) the execution of this Assistance Agreement, (ii) the delivery of this Assistance Agreement to the Trustee, (iii) certification of the Compliance Group that the Loan is to be accepted in the Program, and (iv) upon receipt by the Governmental Agency of the proceeds of the Obligations, the proceeds shall be applied as follows:

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

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

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Edmonson County Water District Governmental Agency Account" (the "Governmental Agency Account") has been created and maintained by the Trustee pursuant to the Indenture; and such

amount on deposit in said Governmental Agency Account shall be transferred to the Rural Development (the "RD") of the Department of Agriculture of the United States of America, the holder of the Refunded Bonds, as may be required:

(1) To pay the interest on the Refunded Bonds to and including May 31, 2012;
and

(2) To redeem on May 31, 2012 at a price equal to 100% of principal amount the Refunded Bonds that as of that date have not been redeemed, retired or otherwise paid, thereby defeasing the pledge of revenues and the property securing the Refunded Bonds.

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

The Trustee shall be obligated to send written notice to the Governmental Agency of the need for investment directions if and whenever funds in excess of \$50,000 shall remain uninvested for a period of more than five days. In the absence of written direction from the Governmental Agency with respect to investment of moneys held in the Governmental Agency Account, the Trustee is hereby directed to invest funds in money market mutual funds of the Trustee or its affiliates that qualify as Permitted Investments under this Assistance Agreement.

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

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

Section 9. Arbitrage Limitations.

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

(b) "Non-Exempt Revenues" within the meaning of the foregoing shall be deemed to refer to revenues of the System deposited in any of the funds earmarked for or reasonably

expected to be used for the payment of debt service on the Obligations, in excess of "Exempt Revenues," which Exempt Revenues are:

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

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

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

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

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

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

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

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

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

(6) That it is not reasonably anticipated that amounts accumulated in the Depreciation Fund will be used for payment of debt service on any bonds payable from

the revenues of the System, even though such Depreciation Fund will be so available if necessary to prevent a default in the payment of principal and interest on such bonds.

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

Section 10. Parity Bonds. The Obligations shall not be entitled to priority one over the other in the application of the income and revenues of the System, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations, regardless of the fact they may be actually issued and delivered at different times, and provided further that the lien and security of and for any bonds or obligations hereafter issued that are payable from the income and revenues of the System, shall, except as set out herein, be subject to the priority of the Prior Bonds and the Obligations as may from time to time be outstanding; provided the Governmental Agency has in said Prior Bond Legislation reserved the right and privilege, and does hereby reserve the right and privilege, of issuing additional bonds from time to time payable from the income and revenues of the System ranking on a parity with the Prior Bonds and with the Obligations, but only under the conditions specified in the Prior Bond Legislation, which conditions are hereinafter repeated, taking into account the issuance of the Obligations.

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

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

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

(c) The annual net revenues (defined as gross revenues less essential operation and maintenance 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 equal at least 120% of the maximum annual debt service requirements for principal of and interest on all outstanding Bonds payable from the revenues of the System, plus the anticipated requirements of any Parity Bonds then proposed to be issued. The calculation of maximum annual debt

service requirements of principal and interest on the additional Parity Bonds to be issued shall, regardless of whether such 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:

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

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

(e) Reference is made to the necessity of obtaining the written consent of the United States Department of Agriculture Rural Development or its successor [the "RD"] for the issuance of future bonds encumbering the System while the RD holds any bonds payable from the revenues of the System.

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

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

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

Section 11. Rates and Charges for Services of the System. While any Bonds are outstanding and unpaid, the rates for all services of the System rendered by the Governmental Agency to its citizens, corporations, or others requiring the same, shall be reasonable and just, taking into account and consideration the cost and value of said System, the cost of maintaining and operating the same, the proper and necessary allowances for depreciation thereof, and the amounts necessary for the retirement of the outstanding Bonds and the accruing interest on all such Bonds as may be outstanding under the provisions of this Assistance Agreement and the Prior Bond Legislation, and there shall be charged such rates and amounts as shall be adequate to meet all requirements of the provisions of this Assistance Agreement. Prior to the issuance of the Obligations a schedule of rates and charges for the services rendered by the System to all users adequate to meet all requirements of this Assistance Agreement has been established and adopted.

The Governmental Agency covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the Governmental Agency Clerk a certification of an Independent Consulting Engineer or a Certified Public Accountant that the net income and revenues (as defined in Section 10 hereof) of the then existing System for the fiscal year preceding the year in which such reduction is proposed, as such annual net revenues are adjusted, after taking into account the projected reduction in annual net revenues anticipated to result from any such proposed rate decrease, are equal to not less than 120% of the maximum annual debt service requirements for principal and interest on all of the then outstanding bonds payable from the revenues of the System, calculated in the manner specified in Section 10 hereof.

Section 12. All Obligations of this Issue Are Equal. The Obligations authorized and permitted to be issued hereunder, and from time to time outstanding, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations, the Prior Bonds and any Parity Bonds authorized or permitted to be issued under the provisions of this Assistance Agreement, regardless of the fact that they may be actually issued and delivered at different times.

Section 13. Defeasance and/or Refunding of Obligations. The Governmental Agency reserves the right, at any time, to cause the pledge of the revenues securing the outstanding Obligations to be defeased and released by paying an amount into an escrow fund sufficient, when invested (or sufficient without such investment, as the case may be) in cash and/or U.S. Obligations, to assure the availability in such escrow fund of an adequate amount (a) to call for redemption and to redeem and retire all of such outstanding Obligations, both as to principal and as to interest, on the next or any optional redemption date, including all costs and expenses in connection therewith, and to pay all principal and interest falling due on the outstanding Obligations to and on said date, or (b) to pay all principal and interest requirements on the outstanding Obligations as same mature, without redemption in advance of maturity, the determination of whether to defease under (a) or (b) or both to be made by the Governing Body. Such U.S. Obligations shall have such maturities as to assure that there will be sufficient funds for such purpose. If such defeasance is to be accomplished pursuant to (a), the Governmental Agency shall take all steps necessary to publish the required notice of the redemption of the

outstanding Obligations and the applicable redemption date. Upon the proper amount of such investments being placed in escrow and so secured, such revenue pledge shall be automatically fully defeased and released without any further action being necessary.

Section 14. Contractual Nature of Assistance Agreement. The provisions of this Assistance Agreement shall constitute a contract between the Governmental Agency and the Issuer; and after the issuance of any of such Obligations, no change, variation or alteration of any kind in the provisions of this Assistance Agreement, nor of the Prior Bond Legislation, shall be made in any manner except as herein or therein provided until such time as all of the Bonds authorized thereby and the interest thereon have been paid or provided for in full, or as otherwise provided herein; provided (a) that the Governing Body may enact legislation for any other purpose not inconsistent with the terms of this Assistance Agreement, and which shall not impair the security of the Issuer and/or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any ordinance or other proceedings pertaining hereto.

Section 15. Appointment and Duties of Trustee. The Trustee is hereby designated as the bond registrar and paying agent with respect to the Obligations.

Its duties as Trustee shall be as follows:

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

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

The Trustee may at any time resign from its duties set forth in this Assistance Agreement by filing its resignation with the Governmental Agency Clerk and notifying the Issuer.

Thereupon, the Issuer shall notify the Governmental Agency of a successor Trustee which shall be an incorporated bank or trust company authorized to transact business in the United States of America. Notwithstanding the foregoing, in the event of the resignation of the Trustee, provision shall be made for the orderly transition of the books, records and accounts relating to the Obligations to the successor Trustee in order that there will be no delinquencies in the payment of interest or principal due on the Obligations.

Section 16. Provisions in Conflict Repealed. All ordinances, resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed; and it is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds payable or secured in any manner by all or any part of the income and revenues of the System, or any part thereof, and which have not heretofore been issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered.

Section 17. Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986. In order to assure purchasers of the Obligations that interest thereon will continue to be exempt from federal and Kentucky income taxation (subject to certain exceptions set out below), the Governmental Agency covenants to and with the Issuer that (1) the Governmental Agency will take all actions necessary to comply with the provisions of the Code, (2) the Governmental Agency will take no actions which will violate any of the provisions of the Code, or would cause the Obligations to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Obligations will be used for any purpose which would cause the interest on the Obligations to become subject to federal income taxation, and the Governmental Agency will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Obligations.

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

This Assistance Agreement is enacted in contemplation that Bond Counsel will render an opinion as to exemption of principal of the Obligations from Kentucky ad valorem taxation and as to exemption of interest on the Obligations from federal and Kentucky income taxation, based on the assumption by Bond Counsel that the Governmental Agency complies with covenants

made by the Governmental Agency with respect to compliance with the provisions of the Code, and based on the assumption of compliance by the Governmental Agency with requirements as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Obligations. The Governmental Agency has been advised that based on the foregoing assumptions of compliance, Bond Counsel is of the opinion that the Obligations are not "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 18. Insurance.

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

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

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

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

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

Section 19. Event of Default; Remedies. The following items shall constitute an "Event of Default" on the part of the Governmental Agency:

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

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

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

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

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

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

Section 20. Annual Reports. The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the fiscal year ended December 31, 2011) and such other financial information and/or operating data as requested by the Issuer or the Compliance Group.

The annual financial information and operating data, including audited financial statements, will be made available on or before 120 days after the end of each fiscal year.

Section 21. Supplemental Assistance Agreement. The Governmental Agency may, but only with the consent of the Issuer, execute one or more supplemental Assistance Agreements as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

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

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

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

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

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

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

Section 22. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 23. Waivers. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 24. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto shall become in default under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefore to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

Section 25. Signatures of Officers. If any of the officers whose signatures or facsimile signatures appear on this Assistance Agreement or any other document evidencing the Obligations cease to be such officers before delivery of the Obligations, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery, as provided by KRS 58.040 and KRS 61.390.

Section 26. Severability Clause. If any section, paragraph, clause or provision of this Assistance Agreement shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Assistance Agreement.

[Signature page follows]

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By  President

Attest:

By _____
Secretary/Treasurer

EDMONSON COUNTY WATER DISTRICT

By _____
Chairman

Attest:

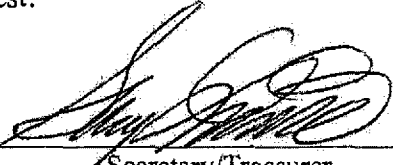
By _____
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By  _____
Secretary/Treasurer

EDMONSON COUNTY WATER DISTRICT

By _____
Chairman

Attest:

By _____
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By _____
Secretary/Treasurer

EDMONSON COUNTY WATER DISTRICT

By  _____
Chairman

Attest:

By  _____
Secretary

EXHIBIT A
Debt Service Schedule

KRWFC Flexible Term Program Series 2012 D
Sinking Fund Payment Schedule

Borrower: Edmonson County Water District
Closing Date: 05/30/12

	Monthly Principal	Monthly Interest	Monthly Admin.Fees	Total Monthly Sinking Fund Payments
7/12-7/13	9,285.71	9,364.69	554.68	19,205.09
2/13-7/13	7,916.67	7,943.44	472.50	16,332.61
8/13-1/14	7,916.67	7,943.44	472.50	16,332.61
2/14-8/14	8,333.33	7,626.77	456.67	16,416.77
8/14-1/15	8,333.33	7,626.77	456.67	16,416.77
2/15-7/15	8,750.00	7,293.44	440.00	16,483.44
8/15-1/16	8,750.00	7,293.44	440.00	16,483.44
2/16-7/16	8,750.00	7,030.94	422.50	16,203.44
8/16-1/17	8,750.00	7,030.94	422.50	16,203.44
2/17-7/17	9,166.67	6,855.94	405.00	16,427.61
8/17-1/18	9,166.67	6,855.94	405.00	16,427.61
2/18-7/18	9,583.33	6,580.94	386.67	16,550.94
8/18-1/19	9,583.33	6,580.94	386.67	16,550.94
2/19-7/19	10,000.00	6,293.44	367.50	16,660.94
8/19-1/20	10,000.00	6,293.44	367.50	16,660.94
2/20-7/20	10,000.00	5,993.44	347.50	16,340.94
8/20-1/21	10,000.00	5,993.44	347.50	16,340.94
2/21-7/21	10,416.67	5,718.44	327.50	16,462.61
8/21-1/22	10,416.67	5,718.44	327.50	16,462.61
2/22-7/22	10,833.33	5,405.94	306.67	16,545.94
8/22-1/23	10,833.33	5,405.94	306.67	16,545.94
2/23-7/23	11,250.00	5,070.11	285.00	16,605.11
8/23-1/24	11,250.00	5,070.11	285.00	16,605.11
2/24-7/24	11,666.67	4,710.11	262.50	16,639.27
8/24-1/25	11,666.67	4,710.11	262.50	16,639.27
2/25-7/25	12,083.33	4,313.44	239.17	16,635.94
8/25-1/26	12,083.33	4,313.44	239.17	16,635.94
2/26-7/26	12,500.00	3,902.61	215.00	16,617.61
8/26-1/27	12,500.00	3,902.61	215.00	16,617.61
2/27-7/27	12,916.67	3,465.11	190.00	16,571.77
8/27-1/28	12,916.67	3,465.11	190.00	16,571.77
2/28-7/28	13,333.33	3,013.02	164.17	16,510.52
8/28-1/29	13,333.33	3,013.02	164.17	16,510.52
2/29-7/29	14,166.67	2,546.36	137.50	16,850.52
8/29-1/30	14,166.67	2,546.36	137.50	16,850.52
2/30-7/30	14,583.33	2,032.81	109.17	16,725.31
8/30-1/31	14,583.33	2,032.81	109.17	16,725.31
2/31-7/31	15,000.00	1,504.17	80.00	16,584.17
8/31-1/32	15,000.00	1,504.17	80.00	16,584.17
2/32-7/32	15,833.33	941.67	50.00	16,825.00
8/32-1/33	15,833.33	941.67	50.00	16,825.00
2/33-7/33	5,833.33	347.92	18.33	6,199.58
8/33-1/34	5,833.33	347.92	18.33	6,199.58
2/34-7/34	1,666.67	129.17	6.67	1,802.50
8/34-1/35	1,666.67	129.17	6.67	1,802.50
2/35-7/35	1,666.67	66.67	3.33	1,736.67
8/35-1/36	1,666.67	66.67	3.33	1,736.67
	<u>2,900,000.00</u>	<u>1,250,983.02</u>	<u>72,202.77</u>	<u>4,223,185.79</u>

**FIRST AMENDMENT AND SUPPLEMENT TO
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of February 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Edmonson County Water District, P.O. Box 208, Brownsville, Kentucky 42210 (the "Governmental Agency"):

WITNESSETH

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2013B (the "Series 2013B Bonds") in the aggregate principal amount of \$17,365,000, pursuant to a Supplemental Trust Indenture No. 51, dated as of February 27, 2013 by and between the Issuer and the Trustee, which Series 2013B Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on April 27, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated April 27, 2004, in the original principal amount of \$2,654,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to refund five bond issues secured by the District's waterworks system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations and the interest thereon;

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

Section 1. Definitions. Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated April 27, 2004, authorizing the Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 51, dated February 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1st day of each month, commencing April 1, 2013 and continuing through and including January 1, 2029 or until the Loan has been paid in full.

"*Loan*" refers to the loan in the amount of \$2,654,000, dated April 27, 2004, to the Governmental Agency from the Issuer, as amended herein.

"Obligations" refers to the Loan originally authorized by the Assistance Agreement, which loan is supplemented, amended, modified and reauthorized by this First Amendment to Assistance Agreement, maturing January 1, 2029.

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

Section 2. Authorization of Obligations; Place of Payment; Manner of Execution. Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

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

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

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

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

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

Section 3. Redemption. Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written

approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs. Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

Section 5. Calculation of Revised Principal Amount of the Loan. The revised principal amount of the Loan is \$1,960,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on February 27, 2013	1,922,000.00
Plus accrued interest from February 1 to February 27, 2013	5,902.00
Plus fee to bondholders for early call of the Loan	19,220.00
Plus net costs associated with amending the debt service on the Loan	34,720.90
Plus deposit to Governmental Agency's Sinking Fund (rounding)	2,844.93
Credit for current balance in Governmental Agency's Sinking Fund	<u>(24,687.83)</u>
Revised principal amount of the Loan	\$1,960,000.00

[Signature page follows]

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith
President

Attest:

By _____
Secretary/Treasurer

EDMONSON COUNTY WATER DISTRICT

By _____
Chairman

Attest:


By _____
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By  _____
Secretary/Treasurer

EDMONSON COUNTY WATER DISTRICT

By _____
Chairman

Attest:

By _____
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By _____
Secretary/Treasurer

EDMONSON COUNTY WATER DISTRICT

By J. J. Gull
Chairman

Attest:

By Barry J. Pich
Secretary

EXHIBIT A

Debt Service Schedule

KRWFC Flexible Term Program Series 2013 B
Sinking Fund Payment Schedule

Borrower: Edmonson County Water District
Closing Date: 02/27/13

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
4/13-7/13	11,500.00	5,683.05	17,183.05
8/13-1/14	11,500.00	4,428.54	15,928.54
2/14-8/14	9,583.33	4,208.13	13,791.46
8/14-1/15	9,583.33	4,208.13	13,791.46
2/15-7/15	9,583.33	3,987.71	13,571.04
8/15-1/16	9,583.33	3,987.71	13,571.04
2/16-7/16	10,000.00	3,767.29	13,767.29
8/16-1/17	10,000.00	3,767.29	13,767.29
2/17-7/17	10,000.00	3,537.29	13,537.29
8/17-1/18	10,000.00	3,537.29	13,537.29
2/18-7/18	10,416.67	3,307.29	13,723.96
8/18-1/19	10,416.67	3,307.29	13,723.96
2/19-7/19	10,416.67	3,067.71	13,484.38
8/19-1-20	10,416.67	3,067.71	13,484.38
2/20-7/20	10,416.67	2,828.13	13,244.79
8/20-1/21	10,416.67	2,828.13	13,244.79
2/21-7/21	10,833.33	2,536.46	13,369.79
8/21-1/22	10,833.33	2,536.46	13,369.79
2/22-7/22	11,250.00	2,233.13	13,483.13
8/22-1/23	11,250.00	2,233.13	13,483.13
2/23-7/23	11,666.67	1,918.13	13,584.79
8/23-1/24	11,666.67	1,918.13	13,584.79
2/24-7/24	11,666.67	1,576.88	13,243.54
8/24-1/25	11,666.67	1,576.88	13,243.54
2/25-7/25	12,083.33	1,221.04	13,304.38
8/25-1/26	12,083.33	1,221.04	13,304.38
2/26-7/26	12,500.00	852.50	13,352.50
8/26-1/27	12,500.00	852.50	13,352.50
2/27-7/27	13,333.33	440.00	13,773.33
8/27-1/28	13,333.33	440.00	13,773.33
	<u>1,960,000.00</u>	<u>475,083.43</u>	<u>2,435,083.43</u>

ASSISTANCE AGREEMENT
BETWEEN
KENTUCKY RURAL WATER FINANCE CORPORATION
AND
EDMONSON COUNTY WATER DISTRICT
DATED
MARCH 17, 2020
IN THE AMOUNT OF \$3,325,000

This document was prepared by:

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

By 

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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of March 17, 2020 (the "Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Edmonson County Water District, 1128 Highway 259 North, Brownsville, Kentucky 42210 (the "Governmental Agency"):

WITNESSETH

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020C (the "Series 2020C Bonds") in the aggregate principal amount of \$12,160,000, pursuant to a Supplemental Trust Indenture No. 75, dated as of March 17, 2020 by and between the Issuer and the Trustee, which Series 2020C Bonds will rank on a parity with the other outstanding bonds issued under the terms of the Indenture and the proceeds of which will be used by certain governmental agencies to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental agencies and the Issuer; and

WHEREAS, the Governmental Agency has outstanding its (i) Edmonson County Water District Water System Revenue Bonds, Series of 2001B, dated May 15, 2002, in the original principal amount of \$276,000; (ii) Edmonson County Water District Water System Revenue Bonds, Series 2003, dated June 16, 2004, in the original principal amount of \$442,000; (iii) Edmonson County Water District Water System Revenue Bonds, Series of 2007A, dated June 11, 2008, in the original principal amount of \$1,200,000; (iv) Edmonson County Water District Water System Revenue Bonds, Series of 2007B, dated June 11, 2008, in the original principal amount of \$520,000; and (v) Edmonson County Water District Water System Revenue Bonds, Taxable Series 2009 (Build America Bonds - Direct Payment to Issuer), dated May 24, 2010, in the original principal amount of \$1,511,000 (the "Refunded Bonds"), which bonds were issued by the Governmental Agency to make improvements and extensions to the Governmental Agency's waterworks and sewer system (the "System"); and

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

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

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

WHEREAS, in and by the Prior Bond Legislation (as hereinafter defined), the right and privilege was reserved by the Governmental Agency under conditions and restrictions set out in said Prior Bond Legislation, of issuing additional bonds from time to time, payable from the income and revenues of the System and ranking on a parity with the Governmental Agency's outstanding Prior Bonds (as hereinafter defined), for the purpose, among other things, of financing the cost of extensions, additions and improvements to the System and refinancing certain outstanding indebtedness, which conditions and restrictions are found to currently exist and prevail so as to permit the issuance of certain proposed additional bonds so as to rank, when issued, on a parity with the outstanding Prior Bonds; and

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the "Loan") in the amount of \$3,325,000 for the Refunding Program, and to reaffirm the conditions and restrictions under which similar bonds or obligations may be subsequently issued ranking on a parity therewith; and

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

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

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

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY

ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

Section 1. Definitions. As used in this Assistance Agreement, unless the context requires otherwise:

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

"Assistance Agreement" refers to this Assistance Agreement authorizing the Loan and the obligations hereunder.

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

"Bond Fund" refers to the Edmonson County Water District Waterworks Bond and Interest Sinking Fund of 1969 created and confirmed in the Prior Bond Legislation and which Bond Fund will continue to be maintained for the benefit of the System.

"Bond Legislation of 2001A and B" or *"2001A and B Bond Legislation"* refers to the resolution authorizing the Series 2001A Bonds and Series 2001B Bonds, which was adopted by the Governing Body on March 12, 2001.

"Bond Legislation of 2003" or *"2003 Bond Legislation"* refer to the Resolution authorizing the Bonds of 2003, duly adopted by the Governing Body on October 28, 2003.

"Bond Legislation of 2005" or *"2005 Bond Legislation"* refer to the Resolution authorizing the Bonds of 2005, duly adopted by the Governing Body.

"Bond Legislation of 2007" or *"2007 Bond Legislation"* refer to the Resolution authorizing the Series 2007A Bonds and Series 2007B Bonds, duly adopted by the Governing Body on July 10, 2007.

"Bond Legislation of 2009" or *"2009 Bond Legislation"* refer to the Resolution authorizing the Series 2009 Bonds, duly adopted by the Governing Body on March 18, 2009.

"Bond Legislation of 2010A" or *"2010A Bond Legislation"* refer to the Resolution authorizing the Series 2010A Bonds, duly adopted by the Governing Body on May 11, 2010.

"Bond Legislation of 2010B" or *"2010B Bond Legislation"* refer to the Resolution authorizing the Series 2010B Bonds, duly adopted by the Governing Body on November 9, 2010.

"Bond Legislation of 2013" or *"2013 Bond Legislation"* refer to the Resolution authorizing the Series 2013A and B Bonds, duly adopted by the Governing Body on July 23, 2014.

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

“*Bonds*” refers to the Loan, the Prior Bonds and any additional Parity Bonds.

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

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

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

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

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

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

“*Funds*” refers collectively to the Revenue Fund, the Bond Fund, the Depreciation Fund, the Operation and Maintenance Fund, and the Governmental Agency Account.

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

“*Governmental Agency*” refers to the Edmonson County Water District, 1128 Highway 259 North, Brownsville, Kentucky 42210.

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

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

“*Indenture*” means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 75, dated March 17, 2020, by and between the Issuer and the Trustee.

"Interest Payment Date" shall mean the 1st day of each month, commencing April 1, 2020 and continuing through and including January 1, 2048 or until the Loan has been paid in full.

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

"Loan" refers to the loan authorized by this Assistance Agreement from the Issuer to the Governmental Agency, in the principal amount of \$3,325,000, maturing January 1, 2048, to defray the cost of the Refunding Program.

"Operation and Maintenance Fund" refers to the Edmonson County Water District Operation and Maintenance Fund created and confirmed in the Prior Bond Legislation and which Operation and Maintenance Fund will continue to be maintained for the benefit of the System.

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

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

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

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

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

1. United States Treasury;
2. Export-Import Bank of the United States;
3. Farmers Home Administration;
4. Government National Mortgage Corporation; and
5. Merchant Marine bonds;

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

1. Federal Home Loan Mortgage Corporation;
2. Federal Farm Credit Banks;
3. Bank for Cooperatives;
4. Federal Intermediate Credit Banks;
5. Federal Land Banks;
6. Federal Home Loan Banks;
7. Federal National Mortgage Association; and
8. Tennessee Valley Authority;

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

(e) Uncollateralized certificates of deposit issued by any bank or savings and loan institution having a physical presence in Kentucky rated in one (1) of the three (3) highest categories by a competent rating agency;

(f) Bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a competent rating agency;

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

(h) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;

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

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

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

(k) Individual equity securities if the funds being invested are managed by a professional investment manager regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall

not exceed twenty-five percent (25%) of the equity allocation; and

(l) Individual high-quality corporate bonds that are managed by a professional investment manager that:

1. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
2. Have a standard maturity of no more than ten (10) years; and
3. Are rated in the three (3) highest rating categories by at least two (2) competent credit rating agencies.

(m) Any other lawful investment authorized by the Kentucky Revised Statutes to be utilized by local governments with a rating equal to or higher than the rating of the Bonds, as rated by each rating agency then rating the Bonds, including an investment agreement with investment agreement provider whose obligations have a current rating at least equal to the rating on the Bonds.

"Prior Bond Legislation" refers collectively to the 2001A Bond Legislation, Series 2004B Assistance Agreement, 2005 Bond Legislation, Series 2008C Assistance Agreement, 2010A Bond Legislation, 2010B Bond Legislation, Series 2012D Assistance Agreement, and 2013 Bond Legislation.

"Prior Bonds" refers collectively to the Series 2001A Bonds, Series 2004B Loan, Series 2005 Bonds, 2008C Loan, Series 2010A Bonds, Series 2010B Bonds, Series 2012D Loan, 2013A Bonds, and Series 2013B Bonds.

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

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

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

"Refunded Bonds" refers to the outstanding Series 2001B Bonds, Series 2003 Bonds, Series 2007A Bonds, Series 2007B Bonds, and Series 2009 Bonds.

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

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

"Series 2001A Bonds" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2001A, dated May 15, 2002, in the original authorized principal amount of \$3,837,000.

"Series 2001B Bonds" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2001B, dated May 15, 2002, in the original authorized principal amount of \$276,000.

"Series 2003 Bonds" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2003, dated June 16, 2004, in the original authorized principal amount of \$442,000.

"Series 2004B Assistance Agreement" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated April 27, 2004, authorizing the loan in the principal amount of \$2,654,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B.

"Series 2004B Loan" refers to the outstanding loan to the Governmental Agency in the principal amount of \$2,654,000, dated April 27, 2004, from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B.

"Series 2005 Bonds" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2005, dated June 22, 2005, in the original principal amount of \$100,000.

"Series 2007A Bonds" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2007A, dated June 11, 2008, in the original principal amount of \$1,200,000.

"Series 2007B Bonds" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series of 2007B, dated June 11, 2008, in the original principal amount of \$520,000.

"Series 2008C Assistance Agreement" refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated May 29, 2008, authorizing the loan in the principal amount of \$830,000 from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2008C.

"Series 2008C Loan" refers to the outstanding loan in the amount of \$830,000, dated May 29, 2008, to the Governmental Agency from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2008C.

"Series 2009 Bonds" refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Taxable Series 2009 (Build America Bonds - Direct Payment to Issuer), dated May 24, 2010, in the original principal amount of \$1,511,000.

“Series 2010A Bonds” refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Taxable Series 2010A (Build America Bonds - Direct Payment to Issuer), dated December 15, 2010, in the original principal amount of \$570,000.

“Series 2010B Bonds” refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Taxable Series 2010B (Build America Bonds - Direct Payment to Issuer), dated November 24, 2010, in the original principal amount of \$700,000.

“Series 2012D Assistance Agreement” refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated May 30, 2012, authorizing the loan in the principal amount of \$2,900,000 from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2012D.

“Series 2012D Loan” refers to the outstanding loan in the amount of \$2,900,000, dated May 30, 2012, to the Governmental Agency from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2012D.

“Series 2013A Bonds” refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series 2013A, dated February 12, 2015, in the original principal amount of \$504,000.

“Series 2013B Bonds” refers to the outstanding Edmonson County Water District Water System Revenue Bonds, Series 2013B, dated February 12, 2015, in the original principal amount of \$160,000.

“System” refers to the Governmental Agency’s waterworks and sewer system, together with all future extensions, additions and improvements to said System.

“Treasurer” refers to the Treasurer of the Governmental Agency.

“Trustee” refers to Regions Bank, Nashville, Tennessee.

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

Section 2. Reaffirmation of Declaration of Waterworks and sewer System. That all proceedings heretofore taken for the establishment of and the supplying of water service in and to said Governmental Agency as a waterworks and sewer system are hereby in all respects ratified and confirmed; and so long as the Loan hereinafter authorized or permitted to be issued remain outstanding, said System shall be owned, controlled, operated and maintained for the security and source of payment of the Loan. Said System is hereby declared to constitute a

public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

Section 3. Authorization of Loan; Place of Payment; Manner of Execution. That pursuant to the Constitution and laws of Kentucky, and particularly the Act, the Governmental Agency hereby authorizes the borrowing of \$3,325,000 from the Program, to provide funds for the Refunding Program.

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

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

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

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

Section 4. Redemption.

(a) *Optional Redemption.* Subject to the prior written approval of the Compliance Group, the Loan payments due on or after January 1, 2029 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2028 at a redemption price equal to 100% of the principal amount of the Loan payments called for redemption, plus unpaid interest accrued to the date of redemption.

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

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

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

Section 5. Loan Payable Out of Gross Revenues on a Parity with Prior Bonds. The Loan, the Prior Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be secured by and payable out of the gross revenues of the System.

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

Section 7. Flow of Funds. All proceedings preliminary to and in connection with the issuance of the Prior Bonds, whereby provision was made for the receipt, custody, and application of the proceeds of the Prior Bonds; for the operation of said System on a revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; and for the enforcement and payment of the Prior Bonds; and all other covenants for the benefit of the bondholders set out in the Prior Bond Legislation, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Bonds, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, hereafter, the income and revenues of the System shall be collected, segregated, accounted for, and distributed as follows:

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

B. Bond Fund. A separate and special fund or account of the Governmental Agency, distinct and apart from all other funds and accounts, was created in and by the Prior Bond Resolution and designated and identified as the "Edmonson County Water District Waterworks Bond and Interest Sinking Fund of 1969", which shall continue to be maintained so long as any of the Outstanding Bonds or any additional Parity Bonds herein permitted to be

issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Outstanding Bonds and any Parity Bonds hereafter issued and outstanding pursuant to the provisions of this Assistance Agreement.

There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Bond Fund sums sufficient to pay when due the principal and interest requirements on the Outstanding Bonds. Specifically, there shall be paid into the Bond Fund on or before the 20th day of each month, on account of the Outstanding Bonds, not less than the following:

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

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

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

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

Pursuant to Section 4.3(b)(iv) of the Indenture, the money and investments in the Principal and Interest Account (as defined in the Indenture) may be returned to the Governmental Agency and applied to the final Loan Payment (as defined in the Indenture) for the Governmental Agency.

C. Depreciation Fund. Pursuant to the provisions of the Prior Bond Legislation, there shall next be transferred from the Revenue Fund a sum sufficient, each month, to maintain a balance in said Depreciation Fund of at least the sum required by the Prior Bond Legislation, which shall be deposited into the Depreciation Fund.

Moneys in the Depreciation Fund may be withdrawn and used by the Governmental Agency, upon appropriate certification of the Governing Body, in accordance with the provisions of the Prior Bond Legislation, 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 Bond Fund is not sufficient to make such payments.

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

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

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

Section 8. Disposition of Proceeds of the Loan; Governmental Agency Account. Upon (i) the execution of this Assistance Agreement, (ii) the delivery of this Assistance Agreement to the Trustee, (iii) certification of the Compliance Group that the Loan is to be accepted in the Program, and (iv) upon receipt by the Governmental Agency of the proceeds of the Loan, the proceeds shall be applied as follows:

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

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

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

(1) To pay the interest on the Refunded Bonds to and including March 19, 2020; and

(2) To redeem on March 19, 2020 at a price equal to 100% of principal amount the Refunded Bonds that as of that date have not been redeemed, retired or otherwise paid, thereby defeasing the pledge of revenues and the property securing the Refunded Bonds.

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

The Trustee shall be obligated to send written notice to the Governmental Agency of the need for investment directions if and whenever funds in excess of \$50,000 shall remain uninvested for a period of more than five days. In the absence of written direction from the Governmental Agency with respect to investment of moneys held in the Governmental Agency Account, the Trustee is hereby directed to invest funds in money market mutual funds of the Trustee or its affiliates that qualify as Permitted Investments under this Assistance Agreement.

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

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

Section 9. Arbitrage Limitations.

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

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

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

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

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

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

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

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

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

(4) That it is anticipated that amounts on deposit in the Bond Fund will be used within 13 months from the date of deposit for the payment of debt service on the outstanding Loan and all Prior Bonds payable from said Bond Fund.

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

Attachment #9

91-20
3,837,000 Bond
3.25% Interest

Year	Principal Payment	Principal Balance	Total Interest	1/2 Interest	Principal plus 1/2 Int
		\$ 3,837,000.00	\$ 124,702.50	\$ 62,351.25	
2004	\$ 52,500.00	\$ 3,784,500.00	\$ 122,996.25	\$ 61,498.13	\$ 115,998.13
2005	\$ 54,500.00	\$ 3,730,000.00	\$ 121,225.00	\$ 60,612.50	\$ 116,612.50
2006	\$ 56,000.00	\$ 3,674,000.00	\$ 119,405.00	\$ 59,702.50	\$ 117,702.50
2007	\$ 58,000.00	\$ 3,616,000.00	\$ 117,520.00	\$ 58,760.00	\$ 118,260.00
2008	\$ 59,500.00	\$ 3,556,500.00	\$ 115,586.25	\$ 57,793.13	\$ 119,793.13
2009	\$ 62,000.00	\$ 3,494,500.00	\$ 113,571.25	\$ 56,785.63	\$ 120,285.63
2010	\$ 63,500.00	\$ 3,431,000.00	\$ 111,507.50	\$ 55,753.75	\$ 121,753.75
2011	\$ 66,000.00	\$ 3,365,000.00	\$ 109,362.50	\$ 54,681.25	\$ 122,681.25
2012	\$ 68,000.00	\$ 3,297,000.00	\$ 107,152.50	\$ 53,576.25	\$ 123,576.25
2013	\$ 70,000.00	\$ 3,227,000.00	\$ 104,877.50	\$ 52,438.75	\$ 124,938.75
2014	\$ 72,500.00	\$ 3,154,500.00	\$ 102,521.25	\$ 51,260.63	\$ 125,760.63
2015	\$ 74,500.00	\$ 3,080,000.00	\$ 100,100.00	\$ 50,050.00	\$ 127,550.00
2016	\$ 77,500.00	\$ 3,002,500.00	\$ 97,581.25	\$ 48,790.63	\$ 128,290.63
2017	\$ 79,500.00	\$ 2,923,000.00	\$ 94,997.50	\$ 47,498.75	\$ 129,998.75
2018	\$ 82,500.00	\$ 2,840,500.00	\$ 92,316.25	\$ 46,158.13	\$ 131,158.13
2019	\$ 85,000.00	\$ 2,755,500.00	\$ 89,553.75	\$ 44,776.88	\$ 132,276.88
2020	\$ 87,500.00	\$ 2,668,000.00	\$ 86,710.00	\$ 43,355.00	\$ 133,855.00
2021	\$ 90,500.00	\$ 2,577,500.00	\$ 83,768.75	\$ 41,884.38	\$ 135,384.38
2022	\$ 93,500.00	\$ 2,484,000.00	\$ 80,730.00	\$ 40,365.00	\$ 136,865.00
2023	\$ 96,500.00	\$ 2,387,500.00	\$ 77,593.75	\$ 38,796.88	\$ 138,296.88
2024	\$ 99,500.00	\$ 2,288,000.00	\$ 74,360.00	\$ 37,180.00	\$ 140,180.00
2025	\$ 103,000.00	\$ 2,185,000.00	\$ 71,012.50	\$ 35,506.25	\$ 141,506.25
2026	\$ 106,000.00	\$ 2,079,000.00	\$ 67,567.50	\$ 33,783.75	\$ 143,783.75
2027	\$ 110,000.00	\$ 1,969,000.00	\$ 63,992.50	\$ 31,996.25	\$ 144,996.25
2028	\$ 113,000.00	\$ 1,856,000.00	\$ 60,320.00	\$ 30,160.00	\$ 147,160.00
2029	\$ 117,000.00	\$ 1,739,000.00	\$ 56,517.50	\$ 28,258.75	\$ 149,258.75
2030	\$ 121,000.00	\$ 1,618,000.00	\$ 52,585.00	\$ 26,292.50	\$ 150,792.50
2031	\$ 124,500.00	\$ 1,493,500.00	\$ 48,538.75	\$ 24,269.38	\$ 153,269.38
2032	\$ 129,000.00	\$ 1,364,500.00	\$ 44,346.25	\$ 22,173.13	\$ 155,173.13
2033	\$ 133,000.00	\$ 1,231,500.00	\$ 40,023.75	\$ 20,011.88	\$ 157,011.88
2034	\$ 137,000.00	\$ 1,094,500.00	\$ 35,571.25	\$ 17,785.63	\$ 159,785.63
2035	\$ 142,000.00	\$ 952,500.00	\$ 30,956.25	\$ 15,478.13	\$ 161,478.13
2036	\$ 146,000.00	\$ 806,500.00	\$ 26,211.25	\$ 13,105.63	\$ 164,105.63
2037	\$ 151,000.00	\$ 655,500.00	\$ 21,303.75	\$ 10,651.88	\$ 166,651.88
2038	\$ 156,000.00	\$ 499,500.00	\$ 16,233.75	\$ 8,116.88	\$ 169,116.88
2039	\$ 161,000.00	\$ 338,500.00	\$ 11,001.25	\$ 5,500.63	\$ 172,000.63
2040	\$ 166,500.00	\$ 172,000.00	\$ 5,590.00	\$ 2,795.00	\$ 174,795.00
2041	\$ 172,000.00				

91-35
 570,000 Series 2010A Bond
 2.25%

Year	Principal Payment	Principal Balance	Total Interest	1/2 Interest	Principal plus 1/2 Int
2010		\$ 570,000.00	641.25		
2011		\$ 570,000.00	\$12,825.00	\$ 6,412.50	\$ 6,412.50
2012		\$ 570,000.00	\$12,825.00	\$ 6,412.50	\$ 15,412.50
2013	\$9,000	\$ 561,000.00	\$12,622.50	\$ 6,311.25	\$ 15,311.25
2014	\$9,000	\$ 552,000.00	\$12,420.00	\$ 6,210.00	\$ 15,710.00
2015	\$9,500	\$ 542,500.00	\$12,206.25	\$ 6,103.13	\$ 15,603.13
2016	\$9,500	\$ 533,000.00	\$11,992.50	\$ 5,996.25	\$ 15,996.25
2017	\$10,000	\$ 523,000.00	\$11,767.50	\$ 5,883.75	\$ 15,883.75
2018	\$10,000	\$ 513,000.00	\$11,542.50	\$ 5,771.25	\$ 16,271.25
2019	\$10,500	\$ 502,500.00	\$11,306.25	\$ 5,653.13	\$ 16,153.13
2020	\$10,500	\$ 492,000.00	\$11,070.00	\$ 5,535.00	\$ 16,535.00
2021	\$11,000	\$ 481,000.00	\$10,822.50	\$ 5,411.25	\$ 16,911.25
2022	\$11,500	\$ 469,500.00	\$10,563.75	\$ 5,281.88	\$ 16,781.88
2023	\$11,500	\$ 458,000.00	\$10,305.00	\$ 5,152.50	\$ 17,152.50
2024	\$12,000	\$ 446,000.00	\$10,035.00	\$ 5,017.50	\$ 17,017.50
2025	\$12,000	\$ 434,000.00	\$ 9,765.00	\$ 4,882.50	\$ 17,382.50
2026	\$12,500	\$ 421,500.00	\$ 9,483.75	\$ 4,741.88	\$ 17,741.88
2027	\$13,000	\$ 408,500.00	\$ 9,191.25	\$ 4,595.63	\$ 17,595.63
2028	\$13,000	\$ 395,500.00	\$ 8,898.75	\$ 4,449.38	\$ 17,949.38
2029	\$13,500	\$ 382,000.00	\$ 8,595.00	\$ 4,297.50	\$ 18,297.50
2030	\$14,000	\$ 368,000.00	\$ 8,280.00	\$ 4,140.00	\$ 18,140.00
2031	\$14,000	\$ 354,000.00	\$ 7,965.00	\$ 3,982.50	\$ 18,482.50
2032	\$14,500	\$ 339,500.00	\$ 7,638.75	\$ 3,819.38	\$ 18,819.38
2033	\$15,000	\$ 324,500.00	\$ 7,301.25	\$ 3,650.63	\$ 19,150.63
2034	\$15,500	\$ 309,000.00	\$ 6,952.50	\$ 3,476.25	\$ 19,476.25
2035	\$16,000	\$ 293,000.00	\$ 6,592.50	\$ 3,296.25	\$ 19,296.25
2036	\$16,000	\$ 277,000.00	\$ 6,232.50	\$ 3,116.25	\$ 19,616.25
2037	\$16,500	\$ 260,500.00	\$ 5,861.25	\$ 2,930.63	\$ 19,930.63
2038	\$17,000	\$ 243,500.00	\$ 5,478.75	\$ 2,739.38	\$ 20,239.38
2039	\$17,500	\$ 226,000.00	\$ 5,085.00	\$ 2,542.50	\$ 20,542.50
2040	\$18,000	\$ 208,000.00	\$ 4,680.00	\$ 2,340.00	\$ 20,840.00
2041	\$18,500	\$ 189,500.00	\$ 4,263.75	\$ 2,131.88	\$ 21,131.88
2042	\$19,000	\$ 170,500.00	\$ 3,836.25	\$ 1,918.13	\$ 21,418.13
2043	\$19,500	\$ 151,000.00	\$ 3,397.50	\$ 1,698.75	\$ 21,698.75
2044	\$20,000	\$ 131,000.00	\$ 2,947.50	\$ 1,473.75	\$ 21,973.75
2045	\$20,500	\$ 110,500.00	\$ 2,486.25	\$ 1,243.13	\$ 22,243.13
2046	\$21,000	\$ 89,500.00	\$ 2,013.75	\$ 1,006.88	\$ 22,506.88
2047	\$21,500	\$ 68,000.00	\$ 1,530.00	\$ 765.00	\$ 22,765.00
2048	\$22,000	\$ 46,000.00	\$ 1,035.00	\$ 517.50	\$ 23,017.50
2049	\$22,500	\$ 23,500.00	\$ 528.75	\$ 264.38	\$ 23,764.38
2050	\$23,500	\$ -	\$ -	\$ -	\$ -

91-37

700,000 Series 2010B Bond

2.25%

Year	Principal Payment	Principal Balance	Total Interest	1/2 Interest	Principal plus 1/2 Int
2010		\$ 700,000.00	1706.25		
2011		\$ 700,000.00	\$15,750.00	\$ 7,875.00	\$ 7,875.00
2012		\$ 700,000.00	\$15,750.00	\$ 7,875.00	\$ 18,875.00
2013	\$11,000	\$ 689,000.00	\$15,502.50	\$ 7,751.25	\$ 18,751.25
2014	\$11,000	\$ 678,000.00	\$15,255.00	\$ 7,627.50	\$ 19,127.50
2015	\$11,500	\$ 666,500.00	\$14,996.25	\$ 7,498.13	\$ 19,498.13
2016	\$12,000	\$ 654,500.00	\$14,726.25	\$ 7,363.13	\$ 19,363.13
2017	\$12,000	\$ 642,500.00	\$14,456.25	\$ 7,228.13	\$ 19,728.13
2018	\$12,500	\$ 630,000.00	\$14,175.00	\$ 7,087.50	\$ 20,087.50
2019	\$13,000	\$ 617,000.00	\$13,882.50	\$ 6,941.25	\$ 19,941.25
2020	\$13,000	\$ 604,000.00	\$13,590.00	\$ 6,795.00	\$ 20,295.00
2021	\$13,500	\$ 590,500.00	\$13,286.25	\$ 6,643.13	\$ 20,643.13
2022	\$14,000	\$ 576,500.00	\$12,971.25	\$ 6,485.63	\$ 20,485.63
2023	\$14,000	\$ 562,500.00	\$12,656.25	\$ 6,328.13	\$ 20,828.13
2024	\$14,500	\$ 548,000.00	\$12,330.00	\$ 6,165.00	\$ 21,165.00
2025	\$15,000	\$ 533,000.00	\$11,992.50	\$ 5,996.25	\$ 21,496.25
2026	\$15,500	\$ 517,500.00	\$11,643.75	\$ 5,821.88	\$ 21,821.88
2027	\$16,000	\$ 501,500.00	\$11,283.75	\$ 5,641.88	\$ 21,641.88
2028	\$16,000	\$ 485,500.00	\$10,923.75	\$ 5,461.88	\$ 21,961.88
2029	\$16,500	\$ 469,000.00	\$10,552.50	\$ 5,276.25	\$ 22,276.25
2030	\$17,000	\$ 452,000.00	\$10,170.00	\$ 5,085.00	\$ 22,585.00
2031	\$17,500	\$ 434,500.00	\$ 9,776.25	\$ 4,888.13	\$ 22,888.13
2032	\$18,000	\$ 416,500.00	\$ 9,371.25	\$ 4,685.63	\$ 23,185.63
2033	\$18,500	\$ 398,000.00	\$ 8,955.00	\$ 4,477.50	\$ 23,477.50
2034	\$19,000	\$ 379,000.00	\$ 8,527.50	\$ 4,263.75	\$ 23,763.75
2035	\$19,500	\$ 359,500.00	\$ 8,088.75	\$ 4,044.38	\$ 24,044.38
2036	\$20,000	\$ 339,500.00	\$ 7,638.75	\$ 3,819.38	\$ 24,319.38
2037	\$20,500	\$ 319,000.00	\$ 7,177.50	\$ 3,588.75	\$ 24,588.75
2038	\$21,000	\$ 298,000.00	\$ 6,705.00	\$ 3,352.50	\$ 24,852.50
2039	\$21,500	\$ 276,500.00	\$ 6,221.25	\$ 3,110.63	\$ 25,110.63
2040	\$22,000	\$ 254,500.00	\$ 5,726.25	\$ 2,863.13	\$ 25,363.13
2041	\$22,500	\$ 232,000.00	\$ 5,220.00	\$ 2,610.00	\$ 25,610.00
2042	\$23,000	\$ 209,000.00	\$ 4,702.50	\$ 2,351.25	\$ 26,351.25
2043	\$24,000	\$ 185,000.00	\$ 4,162.50	\$ 2,081.25	\$ 26,581.25
2044	\$24,500	\$ 160,500.00	\$ 3,611.25	\$ 1,805.63	\$ 26,805.63
2045	\$25,000	\$ 135,500.00	\$ 3,048.75	\$ 1,524.38	\$ 27,524.38
2046	\$26,000	\$ 109,500.00	\$ 2,463.75	\$ 1,231.88	\$ 27,731.88
2047	\$26,500	\$ 83,000.00	\$ 1,867.50	\$ 933.75	\$ 27,933.75
2048	\$27,000	\$ 56,000.00	\$ 1,260.00	\$ 630.00	\$ 28,630.00
2049	\$28,000	\$ 28,000.00	\$ 630.00	\$ 315.00	\$ 28,315.00
2050	\$28,000	\$ -	\$ -	\$ -	\$ -

KRWFC Flexible Term Program Series 2012 D
Sinking Fund Payment Schedule

Borrower: Edmonson County Water District
Closing Date: 05/30/12

Draw 100 Draw 730 Draw 000 Cr 12620

	Monthly Principal	Monthly Interest	Monthly Admin.Fees	Total Monthly Sinking Fund Payments
7/12-1/13	9,285.71	9,364.69	554.68	19,205.09
2/13-7/13	7,916.67	7,943.44	472.50	16,332.61
8/13-1/14	7,916.67	7,945.44	472.50	16,332.61
2/14-8/14	8,333.33	7,626.77	456.67	16,416.77
8/14-1/15	8,333.33	7,626.77	456.67	16,416.77
2/15-7/15	8,750.00	7,293.44	440.00	16,483.44
8/15-1/16	8,750.00	7,293.44	440.00	16,483.44
2/16-7/16	8,750.00	7,030.94	422.50	16,203.44
8/16-1/17	8,750.00	7,030.94	422.50	16,203.44
2/17-7/17	9,166.67	6,855.94	405.00	16,427.61
8/17-1/18	9,166.67	6,855.94	405.00	16,427.61
2/18-7/18	9,583.33	6,580.94	386.67	16,550.94
8/18-1/19	9,583.33	6,580.94	386.67	16,550.94
2/19-7/19	10,000.00	6,293.44	367.50	16,660.94
8/19-1-20	10,000.00	6,293.44	367.50	16,660.94
2/20-7/20	10,000.00	5,993.44	347.50	16,340.94
8/20-1/21	10,000.00	5,993.44	347.50	16,340.94
2/21-7/21	10,416.67	5,718.44	327.50	16,462.61
8/21-1/22	10,416.67	5,718.44	327.50	16,462.61
2/22-7/22	10,833.33	5,405.94	306.67	16,545.94
8/22-1/23	10,833.33	5,405.94	306.67	16,545.94
2/23-7/23	11,250.00	5,070.11	285.00	16,605.11
8/23-1/24	11,250.00	5,070.11	285.00	16,605.11
2/24-7/24	11,666.67	4,710.11	262.50	16,639.27
8/24-1/25	11,666.67	4,710.11	262.50	16,639.27
2/25-7/25	12,083.33	4,313.44	239.17	16,635.94
8/25-1/26	12,083.33	4,313.44	239.17	16,635.94
2/26-7/26	12,500.00	3,902.61	215.00	16,617.61
8/26-1/27	12,500.00	3,902.61	215.00	16,617.61
2/27-7/27	12,916.67	3,465.11	190.00	16,571.77
8/27-1/28	12,916.67	3,465.11	190.00	16,571.77
2/28-7/28	13,333.33	3,013.02	164.17	16,510.52
8/28-1/29	13,333.33	3,013.02	164.17	16,510.52
2/29-7/29	14,166.67	2,546.36	137.50	16,850.52
8/29-1/30	14,166.67	2,546.36	137.50	16,850.52
2/30-7/30	14,583.33	2,032.81	109.17	16,725.31
8/30-2/31	14,583.33	2,032.81	109.17	16,725.31
2/31-7/31	15,000.00	1,504.17	80.00	16,584.17
8/31-1/32	15,000.00	1,504.17	80.00	16,584.17
2/32-7/32	15,833.33	941.67	50.00	16,825.00
8/32-1/33	15,833.33	941.67	50.00	16,825.00
2/33-7/33	5,833.33	347.92	18.33	6,199.58
8/33-1/34	5,833.33	347.92	18.33	6,199.58
2/34-7/34	1,666.67	129.17	6.67	1,802.50
8/34-1/35	1,666.67	129.17	6.67	1,802.50
2/35-7/35	1,666.67	66.67	3.33	1,736.67
8/35-1/36	1,666.67	66.67	3.33	1,736.67
	<u>2,900,000.00</u>	<u>1,250,983.02</u>	<u>72,202.77</u>	<u>4,223,185.79</u>

91-39

504,000 Series 2013A Bond

2.125%

Year	Principal Payment	Principal Balance	Total Interest	Paid 1/2 Interest	Principal plus 1/2 Int
2015		\$ 504,000.00	\$10,710.00	\$ 4,078.61	\$ 5,355.00
2016		\$ 504,000.00	\$10,710.00	\$ 5,355.00	\$ 14,355.00
2017	\$9,000	\$ 495,000.00	\$10,518.75	\$ 5,259.38	\$ 14,259.38
2018	\$9,000	\$ 486,000.00	\$10,327.50	\$ 5,163.75	\$ 14,163.75
2019	\$9,000	\$ 477,000.00	\$10,136.25	\$ 5,068.13	\$ 14,568.13
2020	\$9,500	\$ 467,500.00	\$ 9,934.38	\$ 4,967.19	\$ 14,467.19
2021	\$9,500	\$ 458,000.00	\$ 9,732.50	\$ 4,866.25	\$ 14,366.25
2022	\$9,500	\$ 448,500.00	\$ 9,530.63	\$ 4,765.31	\$ 14,765.31
2023	\$10,000	\$ 438,500.00	\$ 9,318.13	\$ 4,659.06	\$ 14,659.06
2024	\$10,000	\$ 428,500.00	\$ 9,105.63	\$ 4,552.81	\$ 15,052.81
2025	\$10,500	\$ 418,000.00	\$ 8,882.50	\$ 4,441.25	\$ 14,941.25
2026	\$10,500	\$ 407,500.00	\$ 8,659.38	\$ 4,329.69	\$ 15,329.69
2027	\$11,000	\$ 396,500.00	\$ 8,425.63	\$ 4,212.81	\$ 15,212.81
2028	\$11,000	\$ 385,500.00	\$ 8,191.88	\$ 4,095.94	\$ 15,595.94
2029	\$11,500	\$ 374,000.00	\$ 7,947.50	\$ 3,973.75	\$ 15,473.75
2030	\$11,500	\$ 362,500.00	\$ 7,703.13	\$ 3,851.56	\$ 15,851.56
2031	\$12,000	\$ 350,500.00	\$ 7,448.13	\$ 3,724.06	\$ 15,724.06
2032	\$12,000	\$ 338,500.00	\$ 7,193.13	\$ 3,596.56	\$ 16,096.56
2033	\$12,500	\$ 326,000.00	\$ 6,927.50	\$ 3,463.75	\$ 15,963.75
2034	\$12,500	\$ 313,500.00	\$ 6,661.88	\$ 3,330.94	\$ 16,330.94
2035	\$13,000	\$ 300,500.00	\$ 6,385.63	\$ 3,192.81	\$ 16,192.81
2036	\$13,000	\$ 287,500.00	\$ 6,109.38	\$ 3,054.69	\$ 16,554.69
2037	\$13,500	\$ 274,000.00	\$ 5,822.50	\$ 2,911.25	\$ 16,411.25
2038	\$13,500	\$ 260,500.00	\$ 5,535.63	\$ 2,767.81	\$ 16,767.81
2039	\$14,000	\$ 246,500.00	\$ 5,238.13	\$ 2,619.06	\$ 16,619.06
2040	\$14,000	\$ 232,500.00	\$ 4,940.63	\$ 2,470.31	\$ 16,970.31
2041	\$14,500	\$ 218,000.00	\$ 4,632.50	\$ 2,316.25	\$ 17,316.25
2042	\$15,000	\$ 203,000.00	\$ 4,313.75	\$ 2,156.88	\$ 17,156.88
2043	\$15,000	\$ 188,000.00	\$ 3,995.00	\$ 1,997.50	\$ 17,497.50
2044	\$15,500	\$ 172,500.00	\$ 3,665.63	\$ 1,832.81	\$ 17,832.81
2045	\$16,000	\$ 156,500.00	\$ 3,325.63	\$ 1,662.81	\$ 17,662.81
2046	\$16,000	\$ 140,500.00	\$ 2,985.63	\$ 1,492.81	\$ 17,992.81
2047	\$16,500	\$ 124,000.00	\$ 2,635.00	\$ 1,317.50	\$ 18,317.50
2048	\$17,000	\$ 107,000.00	\$ 2,273.75	\$ 1,136.88	\$ 18,136.88
2049	\$17,000	\$ 90,000.00	\$ 1,912.50	\$ 956.25	\$ 18,456.25
2050	\$17,500	\$ 72,500.00	\$ 1,540.63	\$ 770.31	\$ 18,770.31
2051	\$18,000	\$ 54,500.00	\$ 1,158.13	\$ 579.06	\$ 19,079.06
2052	\$18,500	\$ 36,000.00	\$ 765.00	\$ 382.50	\$ 18,882.50
2053	\$18,500	\$ 17,500.00	\$ 371.88	\$ 185.94	\$ 17,685.94
2054	\$17,500	\$ -	\$ -	\$ -	\$ -

91-41

106,000 Series 2013B Bond

3.000%

Year	Principal Payment	Principal Balance	Total Interest	Paid 1/2 Interest	Principal plus 1/2 Int
2015		\$ 160,000.00	\$ 4,800.00	\$ 1,827.95	\$ 2,400.00
2016		\$ 160,000.00	\$ 4,800.00	\$ 2,400.00	\$ 4,400.00
2017	\$2,000	\$ 158,000.00	\$ 4,740.00	\$ 2,370.00	\$ 4,870.00
2018	\$2,500	\$ 155,500.00	\$ 4,665.00	\$ 2,332.50	\$ 4,832.50
2019	\$2,500	\$ 153,000.00	\$ 4,590.00	\$ 2,295.00	\$ 4,795.00
2020	\$2,500	\$ 150,500.00	\$ 4,515.00	\$ 2,257.50	\$ 4,757.50
2021	\$2,500	\$ 148,000.00	\$ 4,440.00	\$ 2,220.00	\$ 4,720.00
2022	\$2,500	\$ 145,500.00	\$ 4,365.00	\$ 2,182.50	\$ 4,682.50
2023	\$2,500	\$ 143,000.00	\$ 4,290.00	\$ 2,145.00	\$ 4,645.00
2024	\$2,500	\$ 140,500.00	\$ 4,215.00	\$ 2,107.50	\$ 5,107.50
2025	\$3,000	\$ 137,500.00	\$ 4,125.00	\$ 2,062.50	\$ 5,062.50
2026	\$3,000	\$ 134,500.00	\$ 4,035.00	\$ 2,017.50	\$ 5,017.50
2027	\$3,000	\$ 131,500.00	\$ 3,945.00	\$ 1,972.50	\$ 4,972.50
2028	\$3,000	\$ 128,500.00	\$ 3,855.00	\$ 1,927.50	\$ 4,927.50
2029	\$3,000	\$ 125,500.00	\$ 3,765.00	\$ 1,882.50	\$ 5,382.50
2030	\$3,500	\$ 122,000.00	\$ 3,660.00	\$ 1,830.00	\$ 5,330.00
2031	\$3,500	\$ 118,500.00	\$ 3,555.00	\$ 1,777.50	\$ 5,277.50
2032	\$3,500	\$ 115,000.00	\$ 3,450.00	\$ 1,725.00	\$ 5,225.00
2033	\$3,500	\$ 111,500.00	\$ 3,345.00	\$ 1,672.50	\$ 5,672.50
2034	\$4,000	\$ 107,500.00	\$ 3,225.00	\$ 1,612.50	\$ 5,612.50
2035	\$4,000	\$ 103,500.00	\$ 3,105.00	\$ 1,552.50	\$ 5,552.50
2036	\$4,000	\$ 99,500.00	\$ 2,985.00	\$ 1,492.50	\$ 5,492.50
2037	\$4,000	\$ 95,500.00	\$ 2,865.00	\$ 1,432.50	\$ 5,932.50
2038	\$4,500	\$ 91,000.00	\$ 2,730.00	\$ 1,365.00	\$ 5,865.00
2039	\$4,500	\$ 86,500.00	\$ 2,595.00	\$ 1,297.50	\$ 5,797.50
2040	\$4,500	\$ 82,000.00	\$ 2,460.00	\$ 1,230.00	\$ 5,730.00
2041	\$4,500	\$ 77,500.00	\$ 2,325.00	\$ 1,162.50	\$ 6,162.50
2042	\$5,000	\$ 72,500.00	\$ 2,175.00	\$ 1,087.50	\$ 6,087.50
2043	\$5,000	\$ 67,500.00	\$ 2,025.00	\$ 1,012.50	\$ 6,012.50
2044	\$5,000	\$ 62,500.00	\$ 1,875.00	\$ 937.50	\$ 6,437.50
2045	\$5,500	\$ 57,000.00	\$ 1,710.00	\$ 855.00	\$ 6,355.00
2046	\$5,500	\$ 51,500.00	\$ 1,545.00	\$ 772.50	\$ 6,272.50
2047	\$5,500	\$ 46,000.00	\$ 1,380.00	\$ 690.00	\$ 6,690.00
2048	\$6,000	\$ 40,000.00	\$ 1,200.00	\$ 600.00	\$ 6,600.00
2049	\$6,000	\$ 34,000.00	\$ 1,020.00	\$ 510.00	\$ 7,010.00
2050	\$6,500	\$ 27,500.00	\$ 825.00	\$ 412.50	\$ 6,912.50
2051	\$6,500	\$ 21,000.00	\$ 630.00	\$ 315.00	\$ 6,815.00
2052	\$6,500	\$ 14,500.00	\$ 435.00	\$ 217.50	\$ 7,217.50
2053	\$7,000	\$ 7,500.00	\$ 225.00	\$ 112.50	\$ 7,612.50
2054	\$7,500	\$ -	\$ -	\$ -	\$ -

- Revised -

Feb. 1st each yr:
Trustee Fee
\$450/year
Dntawoo

1st pymt will come
out March 20, 2013
or April 1st, 2013
replaced 2004 B

KRWFC Flexible Term Program Series 2013 B
Sinking Fund Payment Schedule

Borrower: Edmonson County Water District
Closing Date: 02/27/13

012120

	Dr 22100 Monthly Principal	Dr 42730 Monthly Interest	Total Monthly Sinking Fund Payments
4/13-7/13	11,500.00	5,683.30	17,183.30
8/13-1/14	11,500.00	4,428.54	15,928.54
2/14-8/14	9,583.33	4,208.13	13,791.46
8/14-1/15	9,583.33	4,208.13	13,791.46
2/15-7/15	9,583.33	3,987.71	13,571.04
8/15-1/16	9,583.33	3,987.71	13,571.04
2/16-7/16	10,000.00	3,767.29	13,767.29
8/16-1/17	10,000.00	3,767.29	13,767.29
2/17-7/17	10,000.00	3,537.29	13,537.29
8/17-1/18	10,000.00	3,537.29	13,537.29
2/18-7/18	10,416.67	3,307.29	13,723.96
8/18-1/19	10,416.67	3,307.29	13,723.96
2/19-7/19	10,416.67	3,067.71	13,484.38
8/19-1-20	10,416.67	3,067.71	13,484.38
2/20-7/20	10,416.67	2,828.13	13,244.79
8/20-1/21	10,416.67	2,828.13	13,244.79
2/21-7/21	10,833.33	2,536.46	13,369.79
8/21-1/22	10,833.33	2,536.46	13,369.79
2/22-7/22	11,250.00	2,233.13	13,483.13
8/22-1/23	11,250.00	2,233.13	13,483.13
2/23-7/23	11,666.67	1,918.13	13,584.79
8/23-1/24	11,666.67	1,918.13	13,584.79
2/24-7/24	11,666.67	1,576.88	13,243.54
8/24-1/25	11,666.67	1,576.88	13,243.54
2/25-7/25	12,083.33	1,221.04	13,304.38
8/25-1/26	12,083.33	1,221.04	13,304.38
2/26-7/26	12,500.00	852.50	13,352.50
8/26-1/27	12,500.00	852.50	13,352.50
2/27-7/27	13,333.33	440.00	13,773.33
8/27-1/28	13,333.33	440.00	13,773.33
	<u>1,960,000.00</u>	<u>475,084.43</u>	<u>2,435,084.43</u>

BONDS

DATE OF ISSUE
AMOUNT OF ISSUE
INTEREST RATE
DATE OF FIRST PAYMENT

Loan 91-43
9/24/2020
\$1,032,000
1.500%
1/1/2021



Edmonson County
 Water District

This payment schedule is an estimate only based upon the bond schedule and is for planning purposes only.

Notices will be mailed prior to the scheduled payment dates which state the required payment amount.

Pmt Date	Interest	Principal	Total Payment	Outstanding Principal
01/01/21	\$4,198.69		\$4,198.69	\$1,032,000
07/01/21	\$7,740.00		\$7,740.00	\$1,032,000
01/01/22	\$7,740.00	\$20,000	\$27,740.00	\$1,012,000
07/01/22	\$7,590.00		\$7,590.00	\$1,012,000
01/01/23	\$7,590.00	\$20,000	\$27,590.00	\$992,000
07/01/23	\$7,440.00		\$7,440.00	\$992,000
01/01/24	\$7,440.00	\$20,000	\$27,440.00	\$972,000
07/01/24	\$7,290.00		\$7,290.00	\$972,000
01/01/25	\$7,290.00	\$21,000	\$28,290.00	\$951,000
07/01/25	\$7,132.50		\$7,132.50	\$951,000
01/01/26	\$7,132.50	\$21,000	\$28,132.50	\$930,000
07/01/26	\$6,975.00		\$6,975.00	\$930,000
01/01/27	\$6,975.00	\$21,000	\$27,975.00	\$909,000
07/01/27	\$6,817.50		\$6,817.50	\$909,000
01/01/28	\$6,817.50	\$22,000	\$28,817.50	\$887,000
07/01/28	\$6,652.50		\$6,652.50	\$887,000
01/01/29	\$6,652.50	\$22,000	\$28,652.50	\$865,000
07/01/29	\$6,487.50		\$6,487.50	\$865,000
01/01/30	\$6,487.50	\$22,000	\$28,487.50	\$843,000
07/01/30	\$6,322.50		\$6,322.50	\$843,000
01/01/31	\$6,322.50	\$23,000	\$29,322.50	\$820,000
07/01/31	\$6,150.00		\$6,150.00	\$820,000
01/01/32	\$6,150.00	\$23,000	\$29,150.00	\$797,000
07/01/32	\$5,977.50		\$5,977.50	\$797,000
01/01/33	\$5,977.50	\$23,000	\$28,977.50	\$774,000
07/01/33	\$5,805.00		\$5,805.00	\$774,000
01/01/34	\$5,805.00	\$24,000	\$29,805.00	\$750,000
07/01/34	\$5,625.00		\$5,625.00	\$750,000
01/01/35	\$5,625.00	\$24,000	\$29,625.00	\$726,000
07/01/35	\$5,445.00		\$5,445.00	\$726,000
01/01/36	\$5,445.00	\$24,000	\$29,445.00	\$702,000
07/01/36	\$5,265.00		\$5,265.00	\$702,000
01/01/37	\$5,265.00	\$25,000	\$30,265.00	\$677,000
07/01/37	\$5,077.50		\$5,077.50	\$677,000
01/01/38	\$5,077.50	\$25,000	\$30,077.50	\$652,000
07/01/38	\$4,890.00		\$4,890.00	\$652,000
01/01/39	\$4,890.00	\$25,000	\$29,890.00	\$627,000
07/01/39	\$4,702.50		\$4,702.50	\$627,000
01/01/40	\$4,702.50	\$26,000	\$30,702.50	\$601,000
07/01/40	\$4,507.50		\$4,507.50	\$601,000
01/01/41	\$4,507.50	\$26,000	\$30,507.50	\$575,000
07/01/41	\$4,312.50		\$4,312.50	\$575,000
01/01/42	\$4,312.50	\$27,000	\$31,312.50	\$548,000
07/01/42	\$4,110.00		\$4,110.00	\$548,000
01/01/43	\$4,110.00	\$27,000	\$31,110.00	\$521,000
07/01/43	\$3,907.50		\$3,907.50	\$521,000
01/01/44	\$3,907.50	\$27,000	\$30,907.50	\$494,000
07/01/44	\$3,705.00		\$3,705.00	\$494,000
01/01/45	\$3,705.00	\$28,000	\$31,705.00	\$466,000
07/01/45	\$3,495.00		\$3,495.00	\$466,000
01/01/46	\$3,495.00	\$28,000	\$31,495.00	\$438,000
07/01/46	\$3,285.00		\$3,285.00	\$438,000
01/01/47	\$3,285.00	\$29,000	\$32,285.00	\$409,000
07/01/47	\$3,067.50		\$3,067.50	\$409,000
01/01/48	\$3,067.50	\$29,000	\$32,067.50	\$380,000
07/01/48	\$2,850.00		\$2,850.00	\$380,000
01/01/49	\$2,850.00	\$29,000	\$31,850.00	\$351,000
07/01/49	\$2,632.50		\$2,632.50	\$351,000
01/01/50	\$2,632.50	\$30,000	\$32,632.50	\$321,000
07/01/50	\$2,407.50		\$2,407.50	\$321,000
01/01/51	\$2,407.50	\$30,000	\$32,407.50	\$291,000
07/01/51	\$2,182.50		\$2,182.50	\$291,000
01/01/52	\$2,182.50	\$31,000	\$33,182.50	\$260,000
07/01/52	\$1,950.00		\$1,950.00	\$260,000
01/01/53	\$1,950.00	\$31,000	\$32,950.00	\$229,000
07/01/53	\$1,717.50		\$1,717.50	\$229,000
01/01/54	\$1,717.50	\$32,000	\$33,717.50	\$197,000
07/01/54	\$1,477.50		\$1,477.50	\$197,000

01/01/55	\$1,477.50	\$32,000	\$33,477.50	\$165,000
07/01/55	\$1,237.50		\$1,237.50	\$165,000
01/01/56	\$1,237.50	\$33,000	\$34,237.50	\$132,000
07/01/56	\$990.00		\$990.00	\$132,000
01/01/57	\$990.00	\$33,000	\$33,990.00	\$99,000
07/01/57	\$742.50		\$742.50	\$99,000
01/01/58	\$742.50	\$34,000	\$34,742.50	\$65,000
07/01/58	\$487.50		\$487.50	\$65,000
01/01/59	\$487.50	\$34,000	\$34,487.50	\$31,000
07/01/59	\$232.50		\$232.50	\$31,000
01/01/60	\$232.50	\$31,000	\$31,232.50	

Replaced
 RD-91-22
 91-28
 91-30
 91-32
 91-33

KRWFC Flexible Term Program Series 2020 C
 Sinking Fund Payment Schedule

+ 450
 yearly Trustee
 Fee

Borrower: Edmonson County Water District
 Closing Date: 03/17/20

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
3/20-7/20	6,666.67	12,567.15	19,233.82
8/20-1/21	10,000.00	8,440.63	18,440.63
2/21-7/21	7,083.33	8,093.96	15,177.29
8/21-1/22	7,083.33	8,093.96	15,177.29
2/22-7/22	7,500.00	7,725.63	15,225.63
8/22-1/23	7,500.00	7,725.63	15,225.63
2/23-7/23	7,500.00	7,335.63	14,835.63
8/23-1/24	7,500.00	7,335.63	14,835.63
2/24-7/24	8,333.33	6,945.63	15,278.96
8/24-1/25	8,333.33	6,945.63	15,278.96
2/25-7/25	8,750.00	6,512.29	15,262.29
8/25-1/26	8,750.00	6,512.29	15,262.29
2/26-7/26	9,166.67	6,057.29	15,223.96
8/26-1/27	9,166.67	6,057.29	15,223.96
2/27-7/27	9,583.33	5,580.63	15,163.96
8/27-1/28	9,583.33	5,580.63	15,163.96
2/28-7/28	10,000.00	5,082.29	15,082.29
8/28-1/29	10,000.00	5,082.29	15,082.29
2/29-7/29	10,000.00	4,862.29	14,862.29
8/29-1/30	10,000.00	4,862.29	14,862.29
2/30-7/30	10,416.67	4,642.29	15,058.96
8/30-2/31	10,416.67	4,642.29	15,058.96
2/31-7/31	10,416.67	4,413.13	14,829.79
8/31-1/32	10,416.67	4,413.13	14,829.79
2/32-7/32	10,833.33	4,183.96	15,017.29
8/32-1/33	10,833.33	4,183.96	15,017.29
2/33-7/33	10,833.33	3,945.63	14,778.96
8/33-1/34	10,833.33	3,945.63	14,778.96
2/34-7/34	10,833.33	3,707.29	14,540.63
8/34-1/35	10,833.33	3,707.29	14,540.63
2/35-7/35	11,250.00	3,468.96	14,718.96
8/35-1/36	11,250.00	3,468.96	14,718.96
2/36-7/36	11,666.67	3,221.46	14,888.13
8/36-1/37	11,666.67	3,221.46	14,888.13
2/37-7/37	11,666.67	2,950.21	14,616.88
8/37-1/37	11,666.67	2,950.21	14,616.88
2/38-7/38	12,083.33	2,678.96	14,762.29
8/38-1/39	12,083.33	2,678.96	14,762.29
2/39-7/39	12,500.00	2,398.02	14,898.02
8/39-1/40	12,500.00	2,398.02	14,898.02
2/40-7/40	12,500.00	2,091.77	14,591.77
8/40-1/41	12,500.00	2,091.77	14,591.77
2/41-7/41	11,666.67	1,769.90	13,436.56
8/41-1/42	11,666.67	1,769.90	13,436.56
2/42-7/42	10,000.00	1,469.48	11,469.48
8/42-1/43	10,000.00	1,469.48	11,469.48
2/43-7/43	10,000.00	1,211.98	11,211.98
8/43-1/44	10,000.00	1,211.98	11,211.98
2/44-7/44	10,416.67	954.48	11,371.15
8/44-1/45	10,416.67	954.48	11,371.15
2/45-7/45	10,833.33	686.25	11,519.58
8/45-1/46	10,833.33	686.25	11,519.58
2/46-7/46	11,250.00	393.75	11,643.75
8/46-1/47	11,250.00	393.75	11,643.75
2/47-7/47	3,333.33	90.00	3,423.33
8/47-1/48	3,333.33	90.00	3,423.33
2/48-7/48			
	<u>3,325,000.00</u>	<u>1,318,022.77</u>	<u>4,681,338.89</u>

Attachment #10


**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

Darren Dennison
(Print Name)


(Signed)

Treasurer
(Position/Office)

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

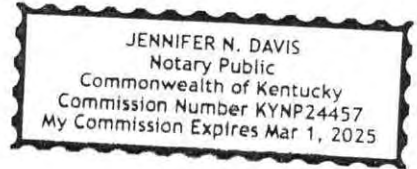
COMMONWEALTH OF KENTUCKY

COUNTY OF Edmonson

Subscribed and sworn to before me by Darren Dennison
(Name)

this 9 day of July, 2024.

Jennifer N. Davis
NOTARY PUBLIC
State-at-Large




**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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Jimmy Mills
(Print Name)


(Signed)

Chairman
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Edmonson

Subscribed and sworn to before me by Jimmy Mills
(Name)

this 9 day of July, 2024.

Jennifer N. Davis
NOTARY PUBLIC
State-at-Large

JENNIFER N. DAVIS
Notary Public
Commonwealth of Kentucky
Commission Number KYNP24457
My Commission Expires Mar 1, 2025

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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Jarrod Beatty
(Print Name)


(Signed)

Vice-Chairman
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Edmonson

Subscribed and sworn to before me by Jarrod Beatty
(Name)

this 9 day of July, 2024.

Jennifer N. Davis
NOTARY PUBLIC
State-at-Large

JENNIFER N. DAVIS
Notary Public
Commonwealth of Kentucky
Commission Number KYNP24457
My Commission Expires Mar 1, 2025

STATEMENT OF DISCLOSURE OF RELATED PARTY TRANSACTIONS

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

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

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Blake Aubrey
(Print Name)


(Signed)

Secretary
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Edmonson

Subscribed and sworn to before me by Blake Aubrey
(Name)

this 9 day of July, 2024.

Jennifer N. Davis
NOTARY PUBLIC
State-at-Large

JENNIFER N. DAVIS
Notary Public
Commonwealth of Kentucky
Commission Number KYNP24457
My Commission Expires Mar 1, 2025

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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Josh Brooks
(Print Name)


(Signed)

Commissioner
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Edmonson

Subscribed and sworn to before me by Josh Brooks
(Name)

this 9 day of July, 2024.

Jennifer N. Davis
NOTARY PUBLIC
State-at-Large

JENNIFER N. DAVIS
Notary Public
Commonwealth of Kentucky
Commission Number KYNP24457
My Commission Expires Mar 1, 2025

Attachment #11

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE EDMONSON COUNTY WATER DISTRICT PROPOSING ADJUSTMENTS TO ITS WATER RATES AND CHARGES AND AUTHORIZING ITS CHAIRMAN TO FILE AN APPLICATION WITH THE PSC SEEKING APPROVAL OF THE PROPOSED RATE ADJUSTMENT

WHEREAS, the Edmonson County Water District ("District") is a water district created and organized under the provisions of KRS Chapter 74. The District is subject to the jurisdiction of the Kentucky Public Service Commission ("PSC");

WHEREAS, prudent financial management dictates that the District take appropriate action to adjust its water rates and charges; and

WHEREAS, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the District to propose adjustments to its water rates and charges;

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

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

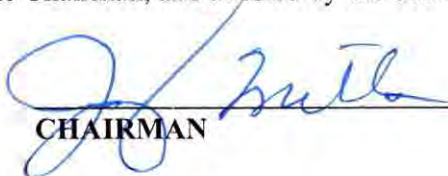
Section 2. The District proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

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

Section 4. The Chairman, General Manger, and all other appropriate District Staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement this Resolution.

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

ADOPTED BY THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT at a meeting held on July 9, 2024, signed by the Chairman, and attested by the Secretary.



CHAIRMAN

ATTEST:




SECRETARY

CERTIFICATION

I, Secretary of the Edmonson County Water District (the “District”), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the District at a meeting properly held on July 9, 2024, signed by the Chairman of the District, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 9th day of July 2024.



SECRETARY

Appendix A
CURRENT AND PROPOSED RATES
Edmonson County Water District

<u>CURRENT RATE SCHEDULE</u>	<u>PROPOSED RATE SCHEDULE</u>
<u>All Meter Sizes</u>	<u>5/8 x 3/4" Meters</u>
First 1,500 gallons \$16.40 Minimum Bill	First 1,500 gallons \$ 18.33 Minimum Bill
Over 1,500 gallons 6.14 per 1,000 gallons	Over 1,500 gallons 8.65 per 1,000 gallons
	<u>1" Meters</u>
	First 5,000 gallons \$ 49.67 Minimum Bill
	Over 5,000 gallons 8.65 per 1,000 gallons
	<u>1-1/2" Meters</u>
	First 10,000 gallons \$ 93.99 Minimum Bill
	Over 10,000 gallons 8.65 per 1,000 gallons
	<u>2" Meters</u>
	First 16,000 gallons \$ 148.82 Minimum Bill
	Over 16,000 gallons 8.65 per 1,000 gallons
	<u>3" Meters</u>
	First 30,000 gallons \$ 291.55 Minimum Bill
	Over 30,000 gallons 8.65 per 1,000 gallons
	<u>4" Meters</u>
	First 50,000 gallons \$ 491.25 Minimum Bill
	Over 50,000 gallons 8.65 per 1,000 gallons
<u>Wholesale Rate</u>	<u>Wholesale Rate</u>
All water purchased \$ 3.10 per 1,000 gallons	All water purchased \$ 3.34 per 1,000 gallons