

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

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

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

Crittenden-Livingston County Water Distruct  
(Name of Utility)

620 E Main St

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

Salem, KY 42078

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

270-988-2680

(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:

Tony Travis

(Name)

620 E Main St

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

Salem, KY 42078

(Address - City, State, Zip)

270-988-2680

(Telephone Number)

clwaterdistrict@gmail.com

(Email Address)

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

YES NO N/A

- |    |    |  |                                     |                                     |  |
|----|----|--|-------------------------------------|-------------------------------------|--|
| 1. | a. | In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |  |
|    | b. | Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |  |
| 2. | a. | Applicant has filed an annual report with the Public Service Commission for the past year.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |  |
|    | b. | Applicant has filed an annual report with the Public Service Commission for the two previous years.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |  |
| 3. |    | Applicant's records are kept separate from other commonly-owned enterprises.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |  |

YES NO N/A

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

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2023.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 522,031 and total revenues from service rates of \$ 3,603,982. 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 3,731 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

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

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

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

Signed Tony E. Travis  
Office of the Company/Authorized Representative

Title (Temporary) Superintendent

Date 9-3-2024

COMMONWEALTH OF KENTUCKY  
COUNTY OF Livingston

Before me appeared Tony Travis, 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.

[Signature] Kynp 87193  
Notary Public  
My commission expires: April 3rd 2028

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

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

## **Table of Contents**

Attachment 1 – Customer Notice

Attachment 2 – Statement of Reasons for Application

Attachment 3 – Current and Proposed Rates

Attachment 4 – Statement of Adjusted Operations and Revenue Requirement

Attachment 5 – Billing Analysis at Existing Rates

Attachment 6 – Billing Analysis at Proposed Rates

Attachment 7 – Depreciation

Attachment 8 – Outstanding Debt Instruments

Attachment 9 – Amortization Schedules

Attachment 10 - Statement of Disclosure

Attachment 11 – Board Resolution

**Attachment 1**  
**Customer Notice**

# CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT

## CUSTOMER NOTICE

Notice is hereby given that the Crittenden Livingston County Water District expects to file an application with the Kentucky Public Service Commission on or about July 9, 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.

<b>CURRENT AND PROPOSED MONTHLY RATES</b> Crittenden Livingston County Water District											
<u>CURRENT RATE SCHEDULE</u>					<u>PROPOSED RATE SCHEDULE</u>					<u>DIFFERENCE PERCENT</u>	
<b><u>5/8" X 3/4" Meters</u></b>					<b><u>5/8" X 3/4" Meters</u></b>						
First	1,000	gallons	\$ 24.76	Minimum Bill	First	1,000	gallons	\$ 28.95	Minimum Bill	\$ 4.19	16.94%
Next	9,000	gallons	14.08	per 1,000 gallons	Next	9,000	gallons	16.46	per 1,000 gallons	2.38	16.94%
Next	10,000	gallons	12.06	per 1,000 gallons	Next	10,000	gallons	14.10	per 1,000 gallons	2.04	16.94%
Over	20,000	gallons	9.52	per 1,000 gallons	Over	20,000	gallons	11.13	per 1,000 gallons	1.61	16.94%
<b><u>1" Meters</u></b>					<b><u>1" Meters</u></b>						
First	5,000	gallons	\$ 81.08	Minimum Bill	First	5,000	gallons	\$ 94.81	Minimum Bill	\$ 13.73	16.94%
Next	5,000	gallons	14.08	per 1,000 gallons	Next	5,000	gallons	16.46	per 1,000 gallons	2.38	16.94%
Next	10,000	gallons	12.06	per 1,000 gallons	Next	10,000	gallons	14.10	per 1,000 gallons	2.04	16.94%
Over	20,000	gallons	9.52	per 1,000 gallons	Over	20,000	gallons	11.13	per 1,000 gallons	1.61	16.94%
<b><u>2" Meters</u></b>					<b><u>2" Meters</u></b>						
First	15,000	gallons	\$ 211.78	Minimum Bill	First	15,000	gallons	\$ 247.65	Minimum Bill	\$ 35.87	16.94%
Next	5,000	gallons	12.06	per 1,000 gallons	Next	5,000	gallons	14.10	per 1,000 gallons	2.04	16.94%
Over	20,000	gallons	9.52	per 1,000 gallons	Over	20,000	gallons	11.13	per 1,000 gallons	1.61	16.94%
<b><u>3" Meters</u></b>					<b><u>3" Meters</u></b>						
First	50,000	gallons	N/A	Minimum Bill	First	50,000	gallons	652.05	Minimum Bill	N/A	N/A
Over	50,000	gallons	N/A	per 1,000 gallons	Over	50,000	gallons	11.13	per 1,000 gallons	N/A	N/A
<b><u>4" Meters</u></b>					<b><u>4" Meters</u></b>						
First	75,000	gallons	N/A	Minimum Bill	First	75,000	gallons	930.30	Minimum Bill	N/A	N/A
Over	75,000	gallons	N/A	per 1,000 gallons	Over	75,000	gallons	11.13	per 1,000 gallons	N/A	N/A
<b><u>Bulk Sales</u></b>					<b><u>Bulk Sales</u></b>						
			\$ 9.52	per 1,000 gallons				\$ 11.13	per 1,000 gallons	\$ 1.61	16.94%
<b><u>Wholesale Rate</u></b>					<b><u>Wholesale Rate</u></b>						
			\$ 3.34	per 1,000 gallons				\$ 3.91	per 1,000 gallons	\$ 0.57	16.94%
<b><u>Tap Fee</u></b>					<b><u>Tap Fee</u></b>						
5/8" x 3/4"			\$ 750.00		5/8" x 3/4"			\$ 1,114.00		\$ 364.00	48.53%
1"			850.00		1"			1,462.00		612.00	72.00%

If the Public Service Commission approves the proposed water rates, then the monthly water bill for a customer using an average of 4,000 gallons per month will increase from \$67.00 to \$78.35. This is an increase of \$11.35 or 16.94%. Further, a table representing the increase for an average customer for each usage class is shown below.



**CURRENT AND PROPOSED BILLS**  
**Crittenden Livingston County Water District**

<u>Gallons</u> per Month*	<u>Meter</u> Size	<u>Existing</u> Bill	<u>Proposed</u> Bill	<u>Change</u>	<u>Percentage</u>
4,000	5/8 x 3/4"	67.00	78.35	11.35	16.94%
5,000	1"	81.08	94.81	13.73	16.94%
25,000	2"	319.68	373.83	54.15	16.94%
180,000	3"	N/A	2,321.55	N/A	N/A
180,000	4"	N/A	2,098.95	N/A	N/A

The rates contained in this notice are the rates proposed by Crittenden-Livingston 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.

Crittenden-Livingston 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 Association's office located at 620 E Main St, Salem, KY 42078. You may contact the office at 270-988-2680.

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.

**Attachment 2**  
**Reasons for Application**

# Reasons for Application

Crittenden-Livingston County Water District (“the District”) is requesting a 16.94 percent rate increase for all of its water customers. The rate increase will generate approximately \$522,031 in additional annual revenue.

The District needs the rate increase for the following reasons:

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

**Attachment 3**  
**Current and Proposed Rates**

**CURRENT AND PROPOSED MONTHLY RATES  
Crittenden Livingston County Water District**

<u>CURRENT RATE SCHEDULE</u>				<u>PROPOSED RATE SCHEDULE</u>				<u>DIFFERENCE PERCENT</u>	
<b><u>5/8" X 3/4" Meters</u></b>				<b><u>5/8" X 3/4" Meters</u></b>					
First	1,000 gallons	\$ 24.76	Minimum Bill	First	1,000 gallons	\$ 28.95	Minimum Bill	\$ 4.19	16.94%
Next	9,000 gallons	14.08	per 1,000 gallons	Next	9,000 gallons	16.46	per 1,000 gallons	2.38	16.94%
Next	10,000 gallons	12.06	per 1,000 gallons	Next	10,000 gallons	14.10	per 1,000 gallons	2.04	16.94%
Over	20,000 gallons	9.52	per 1,000 gallons	Over	20,000 gallons	11.13	per 1,000 gallons	1.61	16.94%
<b><u>1" Meters</u></b>				<b><u>1" Meters</u></b>					
First	5,000 gallons	\$ 81.08	Minimum Bill	First	5,000 gallons	\$ 94.81	Minimum Bill	\$ 13.73	16.94%
Next	5,000 gallons	14.08	per 1,000 gallons	Next	5,000 gallons	16.46	per 1,000 gallons	2.38	16.94%
Next	10,000 gallons	12.06	per 1,000 gallons	Next	10,000 gallons	14.10	per 1,000 gallons	2.04	16.94%
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<b><u>2" Meters</u></b>				<b><u>2" Meters</u></b>					
First	15,000 gallons	\$ 211.78	Minimum Bill	First	15,000 gallons	\$ 247.65	Minimum Bill	\$ 35.87	16.94%
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<b><u>3" Meters</u></b>				<b><u>3" Meters</u></b>					
First	50,000 gallons	N/A	Minimum Bill	First	50,000 gallons	652.05	Minimum Bill	N/A	N/A
Over	50,000 gallons	N/A	per 1,000 gallons	Over	50,000 gallons	11.13	per 1,000 gallons	N/A	N/A
<b><u>4" Meters</u></b>				<b><u>4" Meters</u></b>					
First	75,000 gallons	N/A	Minimum Bill	First	75,000 gallons	930.30	Minimum Bill	N/A	N/A
Over	75,000 gallons	N/A	per 1,000 gallons	Over	75,000 gallons	11.13	per 1,000 gallons	N/A	N/A
<b><u>Bulk Sales</u></b>				<b><u>Bulk Sales</u></b>					
		\$ 9.52	per 1,000 gallons			\$ 11.13	per 1,000 gallons	\$ 1.61	16.94%
<b><u>Wholesale Rate</u></b>				<b><u>Wholesale Rate</u></b>					
		\$ 3.34	per 1,000 gallons			\$ 3.91	per 1,000 gallons	\$ 0.57	16.94%
<b><u>Tap Fee</u></b>				<b><u>Tap Fee</u></b>					
5/8" x 3/4"		\$ 750.00		5/8" x 3/4"		\$1,114.00		\$ 364.00	48.53%
1"		850.00		1"		1,462.00		612.00	72.00%

**Attachment 4**

**Statement of Adjusted Operations  
and Calculation of Revenue Requirement**

## SCHEDULE OF ADJUSTED OPERATIONS

### Crittenden Livingston County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Metered Retail Sales	2,502,135	67,499	(A)	2,569,634
Sales for Resale	512,317			512,317
Other Water Revenues:				
Forfeited Discounts	67,097			67,097
Misc. Service Revenues	12,420			12,420
Other Water Revenues	36,587			36,587
<b>Total Operating Revenues</b>	3,130,556			3,198,055
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	622,678			622,678
Salaries and Wages - Officers	6,200			6,200
Employee Pensions and Benefits	75,009	(15,710)	(B)	59,299
Purchased Water	50,552	(4,535)	(C)	46,017
Purchased Power	199,422	(17,892)	(C)	181,530
Chemicals	213,278	(19,135)	(C)	194,143
Materials and Supplies	548,579			548,579
Contractual Services	69,911			69,911
Transportation Expenses	20,541			20,541
Insurance - Gen. Liab. & Workers Comp.	60,792			60,792
Insurance - Other	1,145			1,145
Bad Debt	(611)			(611)
Miscellaneous Expenses	82,844			82,844
Total Operation and Mnt. Expenses	1,950,340			1,893,068
Depreciation Expense	720,392			720,392
Taxes Other Than Income	45,329			45,329
<b>Total Operating Expenses</b>	2,716,061			2,658,789
<b>Total Utility Operating Income</b>	414,495			539,266

### REVENUE REQUIREMENTS

<b>Pro Forma Operating Expenses</b>	2,658,789
Plus: Average Annual Principal and Interest Payments	896,000
Additional Working Capital	179,200
<b>Total Revenue Requirement</b>	3,733,988
Less: Other Operating Revenue	116,104
Interest Income	13,902
<b>Revenue Required From Sales of Water</b>	3,603,982
Less: Revenue from Sales with Present Rates	3,081,951
<b>Required Revenue Increase</b>	522,031
<b>Percent Increase</b>	16.94%

**REFERENCES**

- A. The Current Billing Analysis results in pro forma water sales revenue of \$2,569,634. This reflects a full year at the retail rates that were effective in 2023 and indicates an increase to water sales of \$67,499 is required.
- B. Employee Pensions and Benefits were decreased by \$15,710 to reflect the BLS national averages concerning employee benefit coverage recently adopted by the PSC.
- C. Purchased Water, Purchased Power, and Chemicals were adjusted by \$4,535, \$17,892, and \$19,135 respectively to reflect expenses incurred to pump water lost in excess of 15 percent allowable by PSC regulations.

<b>Table A</b> <b><u>DEBT SERVICE SCHEDULE</u></b> Crittenden Livingston County Water District CY 2024 - 2028											
	<u>CY 2024</u>		<u>CY 2025</u>		<u>CY 2026</u>		<u>CY 2027</u>		<u>CY 2028</u>		<u>TOTALS</u>
	<u>Principal</u>	<u>Interest &amp; Fees</u>	<u>Principal</u>	<u>Interest &amp; Fees</u>	<u>Principal</u>	<u>Interest &amp; Fees</u>	<u>Principal</u>	<u>Interest &amp; Fees</u>	<u>Principal</u>	<u>Interest &amp; Fees</u>	
2008 RD Bonds	45,000	11,078	45,000	9,143	45,000	7,208	50,000	5,134	50,000	2,921	270,484
2013 C	250,000	54,378	270,000	42,573	275,000	32,574	285,000	23,678	280,000	14,355	1,527,558
2013 C	70,000	56,721	75,000	53,429	75,000	50,673	75,000	48,291	80,000	45,734	629,848
KIA Radio- Read	15,201	3,379	15,507	3,043	15,818	2,700	16,136	2,351	16,461	1,994	92,590
Moore Hill Water Tower	46,321	13,747	47,136	12,817	47,964	11,870	48,807	10,906	49,664	9,926	299,158
KIA - Meters	12,370	8,278	12,713	7,911	13,065	7,533	13,427	7,145	13,798	6,746	102,986
2018 KACO	80,000	67,969	85,000	63,844	90,000	59,469	95,000	54,844	100,000	49,969	746,095
2017 KACO	94,583	67,574	99,583	62,609	104,583	57,381	109,583	51,890	114,583	48,910	811,279
<b>TOTALS</b>	<b>613,475</b>	<b>283,124</b>	<b>649,939</b>	<b>255,369</b>	<b>666,430</b>	<b>229,408</b>	<b>692,953</b>	<b>204,239</b>	<b>704,506</b>	<b>180,555</b>	<b>\$ 4,479,998</b>
<b>Average Annual Principal &amp; Interest</b>										<b>\$</b>	<b>896,000</b>
<b>Average Annual Coverage</b>										<b>\$</b>	<b>179,200</b>



## **Attachment 5**

### **Billing Analysis with Existing Rates**

**CURRENT BILLING ANALYSIS - CURRENT USAGE & EXISTING RATES**  
**Crittenden Livingston County Water District**

**SUMMARY**

	No. of Bills	Gallons Sold	Revenue	
5/8" X 3/4" Meters	43,729	128,922,548	\$ 2,360,913	
1" Meters	509	4,252,439	70,851	
2" Meters	255	10,666,793	137,870	
Totals	44,493	143,841,780	\$ 2,569,634	
Less Billing Adjustments			\$ -	
Net Total			\$ 2,569,634	
Less PSC Annual Report			\$ (2,502,135)	
SAO Adjustment			\$ 67,499	-2.7%

**5/8" X 3/4" Meters**

	USAGE	BILLS	GALLONS	FIRST 1,000	NEXT 9,000	NEXT 10,000	ALL OVER 20,000	TOTAL
FIRST	1,000	13,701	4,081,635	4,081,635	-	-	-	4,081,635
NEXT	9,000	28,521	93,040,275	28,521,000	64,519,275	-	-	93,040,275
NEXT	10,000	1,121	15,030,561	1,121,000	10,089,000	3,820,561	-	15,030,561
ALL OVER	20,000	386	16,770,077	386,000	3,474,000	3,860,000	9,050,077	16,770,077
TOTAL		43,729	128,922,548	34,109,635	78,082,275	7,680,561	9,050,077	#####

**REVENUE BY RATE INCREMENT**

		BILLS	GALLONS	RATE	REVENUE
FIRST	1,000	43,729	34,109,635	\$ 24.76	\$ 1,082,730
NEXT	9,000		78,082,275	\$ 14.08	1,099,398
NEXT	10,000		7,680,561	\$ 12.06	92,628
ALL OVER	20,000		9,050,077	\$ 9.52	86,157
TOTAL		43,729	128,922,548		\$ 2,360,913

**1" Meters**

	USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 5,000	NEXT 10,000	ALL OVER 20,000	TOTAL
FIRST	5,000	305	653,485	653,485	-	-	-	653,485
NEXT	5,000	107	768,124	535,000	233,124	-	-	768,124
NEXT	10,000	44	601,020	220,000	220,000	161,020	-	601,020
ALL OVER	20,000	53	2,229,810	265,000	265,000	530,000	1,169,810	2,229,810
TOTAL		509	4,252,439	1,673,485	718,124	691,020	1,169,810	4,252,439

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	509	1,673,485	\$ 81.08	\$ 41,270
NEXT		718,124	\$ 14.08	10,111
NEXT		691,020	\$ 12.06	8,334
ALL OVER		1,169,810	\$ 9.52	11,137
TOTAL	509	4,252,439		\$ 70,851

**2" Meters**

	USAGE	BILLS	GALLONS	FIRST 15,000	NEXT 5,000	ALL OVER 20,000	TOTAL
FIRST	15,000	161	561,090	561,090	-	-	561,090
NEXT	5,000	17	296,500	255,000	41,500		
ALL OVER	20,000	77	9,809,203	1,155,000	385,000	8,269,203	9,809,203
TOTAL		255	10,666,793	1,971,090	426,500	8,269,203	10,370,293

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	255	1,971,090	\$ 211.78	\$ 54,004
NEXT		426,500	\$ 12.06	5,144
ALL OVER		8,269,203	\$ 9.52	78,723
TOTAL	255	10,666,793		\$ 137,870

## **Attachment 6**

### **Billing Analysis with Proposed Rates**

**CURRENT BILLING ANALYSIS - CURRENT USAGE & EXISTING RATES**  
**Crittenden Livingston County Water District**

**SUMMARY**

	No. of Bills	Gallons Sold	Revenue	
5/8" X 3/4" Meters	43,729	128,922,548	\$ 2,760,812	
1" Meters	509	4,252,439	82,852	
2" Meters	255	10,666,793	161,223	
Totals	44,493	143,841,780	\$ 3,004,887	
Less Billing Adjustments			\$ -	
Net Total			\$ 3,004,887	
Less Revenue Requirement			\$ (3,603,982)	
SAO Adjustment			\$ (599,095)	16.6%

**5/8" X 3/4" Meters**

	USAGE	BILLS	GALLONS	FIRST 1,000	NEXT 9,000	NEXT 10,000	ALL OVER 20,000	TOTAL
FIRST	1,000	13,701	4,081,635	4,081,635	-	-	-	4,081,635
NEXT	9,000	28,521	93,040,275	28,521,000	64,519,275	-	-	93,040,275
NEXT	10,000	1,121	15,030,561	1,121,000	10,089,000	3,820,561	-	15,030,561
ALL OVER	20,000	386	16,770,077	386,000	3,474,000	3,860,000	9,050,077	16,770,077
TOTAL		43,729	128,922,548	34,109,635	78,082,275	7,680,561	9,050,077	#####

**REVENUE BY RATE INCREMENT**

		BILLS	GALLONS	RATE	REVENUE
FIRST	1,000	43,729	34,109,635	\$ 28.95	\$ 1,266,126
NEXT	9,000		78,082,275	\$ 16.46	1,285,618
NEXT	10,000		7,680,561	\$ 14.10	108,317
ALL OVER	20,000		9,050,077	\$ 11.13	100,750
TOTAL		43,729	128,922,548		\$ 2,760,812

**1" Meters**

	USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 5,000	NEXT 10,000	ALL OVER 20,000	TOTAL
FIRST	5,000	305	653,485	653,485	-	-	-	653,485
NEXT	5,000	107	768,124	535,000	233,124	-	-	768,124
NEXT	10,000	44	601,020	220,000	220,000	161,020	-	601,020
ALL OVER	20,000	53	2,229,810	265,000	265,000	530,000	1,169,810	2,229,810
TOTAL		509	4,252,439	1,673,485	718,124	691,020	1,169,810	4,252,439

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	509	1,673,485	\$ 94.81	\$ 48,260
NEXT		718,124	\$ 16.46	11,824
NEXT		691,020	\$ 14.10	9,745
ALL OVER		1,169,810	\$ 11.13	13,023
TOTAL	509	4,252,439		\$ 82,852

**2" Meters**

	USAGE	BILLS	GALLONS	FIRST 15,000	NEXT 5,000	ALL OVER 20,000	TOTAL
FIRST	15,000	161	561,090	561,090	-	-	561,090
NEXT	5,000	17	296,500	255,000	41,500		
ALL OVER	20,000	77	9,809,203	1,155,000	385,000	8,269,203	9,809,203
TOTAL		255	10,666,793	1,971,090	426,500	8,269,203	10,370,293

**REVENUE BY RATE INCREMENT**

	BILLS	GALLONS	RATE	REVENUE
FIRST	255	1,971,090	\$ 247.65	\$ 63,151
NEXT		426,500	\$ 14.10	6,015
ALL OVER		8,269,203	\$ 11.13	92,057
TOTAL	255	10,666,793		\$ 161,223

**Attachment 7**  
**Depreciation Schedule**

# Crittenden-Livingston Water District Depreciation Schedule by Category For the 12 Months Ended 12/31/23

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/23	Current Depreciation	Accum Depr 12/31/23
<b>Land</b>									
1	Land - See Asset 404 for part 1 o	07/08/86	LAND	00/00	N	5,539.79	0.00	0.00	0.00
30	Land Pumping	07/08/86	LAND	00/00	N	1,000.00	0.00	0.00	0.00
31	Land - Water Treatment	07/08/86	LAND	00/00	N	14,060.48	0.00	0.00	0.00
32	Land - Dist Plant	07/08/86	LAND	00/00	N	7,419.26	0.00	0.00	0.00
33	Land - Easements	09/06/89	LAND	00/00	N	1,947.30	0.00	0.00	0.00
172	Land	07/01/99	LAND	00/00	N	3,000.00	0.00	0.00	0.00
288	Land - Phase 9	09/15/04	LAND	00/00	N	13,000.00	0.00	0.00	0.00
332	Land - Phase IX	04/12/05	LAND	00/00	N	1,500.00	0.00	0.00	0.00
345	Davis Property	08/06/07	LAND	00/00	N	3,000.00	0.00	0.00	0.00
376	Lot Purchased from L Slayden	06/11/10	LAND	00/00	N	3,500.00	0.00	0.00	0.00
377	Lot Purchased from P Henry	06/11/10	LAND	00/00	N	3,500.00	0.00	0.00	0.00
402	Pickneyville Road Land	07/11/11	LAND	00/00	N	3,002.00	0.00	0.00	0.00
427	Land	12/02/14	LAND	00/00	N	5,500.00	0.00	0.00	0.00
430	Moore Hill Water Tower Land	09/14/15	LAND	00/00	N	31,000.00	0.00	0.00	0.00
431	Land Next To Water Plant	11/11/15	LAND	00/00	N	5,000.00	0.00	0.00	0.00
460	Salem Boat Club Land	04/22/19	LAND	00/00	N	6,500.00	0.00	0.00	0.00
477	Line Extension Project - WIP	12/31/23	LAND	00/00	N	70,500.00	0.00	0.00	0.00
Total for (Land)						178,968.83	0.00	0.00	0.00
<b>Lake River Intake</b>									
337	Phase 10 Intake	12/31/06	ST LINE	50/00	N	475,911.00	152,359.28	9,527.90	161,887.18
347	2007 Phase 10 Intake	04/12/07	ST LINE	50/00	N	412,500.24	129,879.26	8,241.68	138,120.94
Total for (Lake River Intake)						888,411.24	282,238.54	17,769.58	300,008.12
<b>Pumping Equipment</b>									
256	Pumping Equipment (Phase	07/01/02	ST LINE	35/00	N	100,697.23	58,940.81	2,871.50	61,812.31
346	Raw Water Pumping System	09/26/07	ST LINE	35/00	N	20,987.00	9,150.87	600.56	9,751.43
361	Pumpting Equipment	02/15/08	ST LINE	20/00	N	7,566.55	5,634.30	377.02	6,011.32
362	Pumping Equipment	02/15/08	ST LINE	20/00	N	5,880.00	4,378.43	292.99	4,671.42
404	Generator	02/23/12	ST LINE	10/00	N	124,927.00	124,406.47	0.00	124,406.47
423	Submersible Pump	12/31/13	ST LINE	20/00	N	27,052.00	12,195.38	1,355.74	13,551.12
432	Honda Generator	03/06/15	ST LINE	10/00	N	1,531.00	1,194.44	152.40	1,346.84
433	Pump	11/09/15	ST LINE	20/00	N	18,594.00	6,649.20	927.75	7,576.95
469	Guthrie Sales & Service	09/28/21	ST LINE	20/00	N	30,021.00	1,938.86	1,501.05	3,439.91
476	Ferguson Enterprises - Capital	02/23/23	ST LINE	10/00	N	5,730.00	0.00	501.37	501.37
Total for (Pumping Equipment)						342,985.78	224,488.76	8,580.38	233,069.14
<b>Water Treat Struct</b>									
407	Heat/Cool Unit	04/01/12	ST LINE	10/00	N	6,900.00	6,900.00	0.00	6,900.00
Total for (Water Treat Struct)						6,900.00	6,900.00	0.00	6,900.00
<b>Water Treatment Equip</b>									
41	Water Treatment	07/08/85	ST LINE	50/00	N	415,003.07	302,940.92	8,300.06	311,240.98
42	Water Treatment	07/08/86	ST LINE	50/00	N	681,847.71	497,748.68	13,636.95	511,385.63
43	Water Treatment Equipment	07/01/87	ST LINE	50/00	N	2,836.64	2,013.22	56.62	2,069.84
166	Water Treatment Equipment	07/01/99	ST LINE	50/00	N	5,112.16	2,401.80	102.12	2,503.92
252	Water Treatment Equip	07/01/02	ST LINE	50/00	N	1,212.68	496.99	24.23	521.22
254	Water Treatment Plant	07/01/02	ST LINE	50/00	N	3,231,751.70	1,324,502.25	64,561.33	1,389,063.58



**Crittenden-Livingston Water District  
Depreciation Schedule by Category  
For the 12 Months Ended 12/31/23**

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/23	Current Depreciation	Accum Depr 12/31/23
<b>Water Treatment Equip</b>									
262	Equipment	03/10/03	ST LINE	50/00	N	2,327.00	922.69	46.49	969.18
276	Water Treamtent Plant	07/01/03	ST LINE	50/00	N	43,777.52	17,066.44	874.58	17,941.02
342	Water Plant Equipment	12/31/06	ST LINE	50/00	N	16,480.07	5,275.98	329.94	5,605.92
363	Water Treatment Equipment	02/05/08	ST LINE	50/00	N	2,435.00	1,282.46	32.81	1,315.27
Total for (Water Treatment Equip)						4,402,783.55	2,154,651.43	87,965.13	2,242,616.56
<b>Transporation Equip</b>									
368	Truck	07/22/08	ST LINE	05/00	N	7,500.00	7,500.00	0.00	7,500.00
413	2 Service Trucks	12/31/13	ST LINE	05/00	N	74,234.00	73,615.38	0.00	73,615.38
440	2005 Chevrolet Trailblazer Split	12/21/04	ST LINE	05/00	N	22,403.03	22,403.03	0.00	22,403.03
441	Replacement Truck for 2005 Chev	05/16/16	ST LINE	05/00	N	13,875.00	13,875.00	0.00	13,875.00
462	Meter Reader Truck	12/26/19	ST LINE	05/00	N	10,200.00	6,574.29	1,851.43	8,425.72
466	99 Chevy Silverado	08/31/20	ST LINE	05/00	N	5,900.00	2,802.50	1,180.00	3,982.50
470	Vehicle	01/11/21	ST LINE	05/00	N	12,700.00	4,974.17	2,540.00	7,514.17
472	Truck	03/16/22	ST LINE	05/00	N	30,145.00	4,772.96	6,029.00	10,801.96
473	2022 Chevy 2500	06/03/22	ST LINE	05/00	N	44,645.00	4,836.54	8,929.00	13,765.54
Total for (Transporation Equip)						221,602.03	141,353.87	20,529.43	161,883.30
<b>Dist Reservoirs/Pipe</b>									
44	Water Tanks (see #410 1 of 2)	07/08/86	ST LINE	50/00	N	171,911.81	125,492.27	3,438.24	128,930.51
45	Water Tanks	07/01/88	ST LINE	50/00	N	300.00	207.00	6.00	213.00
258	Water Storage Tanks	07/01/02	ST LINE	50/00	N	459,277.61	188,230.49	9,175.08	197,405.57
281	Tanks - PH VI-A	07/01/03	ST LINE	50/00	N	6,221.41	2,425.40	124.29	2,549.69
434	Road @ Plant	10/21/15	ST LINE	50/00	N	1,768.03	262.65	35.18	297.83
435	Lagoon & Road	08/28/15	ST LINE	50/00	N	6,570.00	1,002.83	130.61	1,133.44
443	Cumberland River Line Repair	02/23/16	ST LINE	50/00	N	67,052.00	9,906.40	1,325.12	11,231.52
447	Moore Hill Tank	10/01/17	ST LINE	50/00	N	963,060.40	100,318.79	19,261.21	119,580.00
Total for (Dist Reservoirs/Pipe)						1,676,161.26	427,845.83	33,495.73	461,341.56
<b>Small Equipment</b>									
143	Toolbox	10/02/97	ST LINE	05/00	N	750.00	750.00	0.00	750.00
238	C.P. Air Compressor 185	03/01/02	ST LINE	05/00	N	6,914.52	6,914.52	0.00	6,914.52
274	Trailer	07/11/03	ST LINE	05/00	N	4,450.00	4,450.00	0.00	4,450.00
311	Hand Held Meter Reader	02/21/05	ST LINE	05/00	N	1,395.00	1,395.00	0.00	1,395.00
353	Amana Air Conditioner	09/27/07	ST LINE	15/00	N	1,500.00	1,500.00	0.00	1,500.00
367	Electric Service	06/20/08	ST LINE	20/00	N	1,715.29	1,245.57	86.06	1,331.63
448	Locator	12/14/17	ST LINE	07/00	N	6,349.31	4,573.01	907.05	5,480.06
Total for (Small Equipment)						23,074.12	20,828.10	993.11	21,821.21
<b>Trans &amp; Dist Mains</b>									
46	Water Mains	07/08/86	ST LINE	50/00	N	1,732,674.11	1,264,852.02	34,653.48	1,299,505.50
47	Water Mains	07/01/87	ST LINE	50/00	N	23,786.15	16,881.69	474.81	17,356.50
48	Water Mains	07/01/88	ST LINE	50/00	N	1,788.89	1,233.92	35.71	1,269.63
49	Water Mains	07/01/89	ST LINE	50/00	N	4,772.71	3,196.46	95.29	3,291.75
50	Water Mains	09/06/89	ST LINE	50/00	N	586,885.68	391,112.66	11,717.09	402,829.75
51	Main Extension	07/01/90	ST LINE	50/00	N	25,832.77	16,785.22	515.77	17,300.99
52	Water Mains	07/01/91	ST LINE	50/00	N	1,102.06	694.05	22.01	716.06
53	Water Mains	07/01/92	ST LINE	50/00	N	2,017.75	1,230.49	40.29	1,270.78

# Crittenden-Livingston Water District Depreciation Schedule by Category For the 12 Months Ended 12/31/23

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/23	Current Depreciation	Accum Depr 12/31/23
<b>Trans &amp; Dist Mains</b>									
54	Water Mains	07/01/92	ST LINE	50/00	N	679,899.10	414,589.01	13,576.64	428,165.65
55	Water Mains	07/01/93	ST LINE	50/00	N	9,406.10	5,547.58	187.84	5,735.42
56	Water Mains	07/01/94	ST LINE	50/00	N	103,063.37	58,725.12	2,058.26	60,783.38
57	Water Mains	07/01/95	ST LINE	50/00	N	440,413.36	242,140.41	8,795.84	250,936.25
58	Water Mains	07/01/96	ST LINE	50/00	N	114,884.35	60,866.80	2,294.55	63,161.35
59	Water Mains	07/01/96	ST LINE	50/00	N	2,933.49	1,554.19	58.59	1,612.78
60	Water Mains	07/01/96	ST LINE	50/00	N	1,034,314.51	548,040.27	20,655.90	568,696.17
61	Water Mains	07/01/97	ST LINE	50/00	N	64,251.94	32,756.62	1,283.34	34,039.96
62	Water Mains	07/01/97	ST LINE	50/00	N	500.00	254.93	9.99	264.92
63	Water Mains	07/01/97	ST LINE	50/00	N	5,207.75	2,655.05	104.01	2,759.06
64	Water Mains	07/01/97	ST LINE	50/00	N	144,176.83	73,503.57	2,879.73	76,383.30
65	Water Mains	12/31/97	ST LINE	50/00	N	2,846.39	1,423.74	57.00	1,480.74
66	Water Mains	12/31/97	ST LINE	50/00	N	3,164.19	1,582.63	63.37	1,646.00
145	Water Mains	07/01/98	ST LINE	50/00	N	34,836.94	17,063.90	695.84	17,759.74
150	Water Mains (A/P)	12/31/98	ST LINE	50/00	N	2,974.79	1,428.49	59.57	1,488.06
153	Mains (Cap Wages)	07/01/98	ST LINE	50/00	N	10,244.10	5,017.74	204.62	5,222.36
157	Water Mains	07/01/99	ST LINE	50/00	N	109,633.28	51,508.63	2,189.94	53,698.57
158	Water Mains (Cap Wages)	07/01/99	ST LINE	50/00	N	5,330.21	2,504.19	106.47	2,610.66
170	Mains (A/P)	07/01/99	ST LINE	50/00	N	11,046.29	5,189.89	220.65	5,410.54
182	Water Mains (Cap Wages)	07/01/00	ST LINE	50/00	N	14,068.28	6,328.38	281.03	6,609.41
186	Water Mains	07/01/00	ST LINE	50/00	N	54,151.54	24,359.03	1,081.72	25,440.75
192	Water Mains	03/31/01	ST LINE	50/00	N	15,687.74	6,826.73	314.13	7,140.86
199	Water Mains	05/15/01	ST LINE	50/00	N	59,461.50	25,756.85	1,187.83	26,944.68
200	Road Bores	06/11/01	ST LINE	50/00	N	7,270.00	3,137.03	145.23	3,282.26
207	Water Mains	06/01/01	ST LINE	50/00	N	1,927.39	831.69	38.50	870.19
209	Road Bores	07/26/01	ST LINE	50/00	N	6,450.00	2,763.80	129.15	2,892.95
211	Water Mains	07/01/01	ST LINE	50/00	N	5,978.71	2,569.84	119.43	2,689.27
212	Water Mains	08/01/01	ST LINE	50/00	N	1,527.00	653.79	30.51	684.30
219	Water Mains	07/01/01	ST LINE	50/00	N	11,774.96	5,061.29	235.22	5,296.51
223	Water Mains (Cap Wages)	07/01/01	ST LINE	50/00	N	21,993.75	9,453.78	439.36	9,893.14
224	Water Mains (A/P)	07/01/01	ST LINE	50/00	N	3,170.57	1,362.83	63.34	1,426.17
239	Water Mains	07/01/02	ST LINE	50/00	N	67,094.37	27,498.03	1,340.36	28,838.39
240	Water Mains	07/01/02	ST LINE	50/00	N	10,751.28	4,406.36	214.78	4,621.14
241	Water Mains (Cap Wages)	07/01/02	ST LINE	50/00	N	18,323.98	7,509.90	366.06	7,875.96
253	Water Mains (Phase VI-A)	07/01/02	ST LINE	50/00	N	2,082,902.40	853,657.49	41,610.54	895,268.03
260	Mains	07/01/03	ST LINE	50/00	N	171,790.81	66,971.75	3,432.00	70,403.75
261	Mains (Cap Wages)	07/01/03	ST LINE	50/00	N	8,340.69	3,251.54	166.63	3,418.17
277	Mains - PH VI-A	07/01/03	ST LINE	50/00	N	28,215.13	10,999.51	563.68	11,563.19
282	Mains - Phase VI-B	07/01/03	ST LINE	50/00	N	1,405,306.32	547,851.14	28,074.93	575,926.07
287	Water Mains	07/01/04	ST LINE	50/00	N	7,214.69	2,668.32	144.14	2,812.46
294	Mains (Cap Wages)	07/01/04	ST LINE	50/00	N	5,308.83	1,963.49	106.06	2,069.55
316	Mains	07/01/05	ST LINE	50/00	N	16,461.92	5,759.25	328.89	6,088.14
317	Mains - A/P	12/01/05	ST LINE	50/00	N	636.80	217.50	12.72	230.22
318	Main (Cap Wages)	07/01/05	ST LINE	50/00	N	8,523.14	2,975.95	170.46	3,146.41

**Crittenden-Livingston Water District  
Depreciation Schedule by Category  
For the 12 Months Ended 12/31/23**

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/23	Current Depreciation	Accum Depr 12/31/23
<b>Trans &amp; Dist Mains</b>									
319	Mains - Phase VII	08/01/05	ST LINE	50/00	N	816,041.85	284,134.48	16,303.67	300,438.15
320	Mains - Phase VIII	01/01/05	ST LINE	50/00	N	762,931.31	274,541.31	15,242.34	289,783.65
338	Mains	11/02/06	ST LINE	50/00	N	3,579.23	1,156.72	71.51	1,228.23
344	Phase 12 T & D Mains	12/31/06	ST LINE	50/00	N	16,955.65	5,428.21	339.46	5,767.67
348	Phase 12 Design Fee	10/18/07	ST LINE	50/00	N	8,343.40	2,531.98	167.03	2,699.01
349	Flash Plugs for Mains	12/31/07	ST LINE	50/00	N	13,833.82	4,152.09	276.95	4,429.04
364	Mains	10/16/08	ST LINE	50/00	N	2,974.01	843.05	59.54	902.59
373	Line Construction - Phase 13	12/31/08	ST LINE	50/00	N	3,252,136.04	911,039.73	65,105.82	976,145.55
405	Water Line Improvement	10/31/12	ST LINE	50/00	N	20,854.40	4,243.00	417.46	4,660.46
426	Reiters View Line	11/30/14	ST LINE	50/00	N	17,935.40	3,883.62	335.56	4,219.18
436	Youth Camp Road Water Main	10/31/15	ST LINE	50/00	N	8,279.40	1,357.00	161.77	1,518.77
451	Silam Church Rd 6,000ft	01/16/17	ST LINE	50/00	N	12,000.00	1,430.00	240.00	1,670.00
455	Polk Rd Extension	04/24/18	ST LINE	50/00	N	13,507.45	1,271.96	270.15	1,542.11
456	Black Rd Extension	05/07/18	ST LINE	50/00	N	10,616.26	982.01	212.33	1,194.34
457	Greenhaven Rd Extension	03/26/18	ST LINE	50/00	N	9,208.89	882.53	184.18	1,066.71
464	Flow Meter Converter	02/25/20	ST LINE	07/00	N	3,751.00	1,540.60	535.85	2,076.45
Total for (Trans & Dist Mains)						14,165,267.02	6,346,592.83	283,576.92	6,630,169.75
<b>Lab Equipment</b>									
138	Lab Equipment	07/08/86	ST LINE	16/00	N	4,080.28	4,080.28	0.00	4,080.28
380	Equipment	01/26/10	ST LINE	10/00	N	564.00	561.65	0.00	561.65
381	Equipment	02/04/10	ST LINE	40/00	N	1,421.40	458.70	35.49	494.19
382	Equipment	03/17/10	ST LINE	10/00	N	165.48	165.48	0.00	165.48
Total for (Lab Equipment)						6,231.16	5,266.11	35.49	5,301.60
<b>Services</b>									
67	Services	07/08/86	ST LINE	35/00	N	37,701.18	37,701.18	0.00	37,701.18
68	Services	07/01/87	ST LINE	35/00	N	8,088.29	8,088.29	0.00	8,088.29
69	Services	07/01/88	ST LINE	35/00	N	12,993.68	12,793.70	199.98	12,993.68
70	Services	07/01/89	ST LINE	35/00	N	10,042.57	9,602.37	285.54	9,887.91
71	Services Phase 1	09/06/89	ST LINE	35/00	N	32,978.90	31,376.90	937.76	32,314.66
72	Services	07/01/90	ST LINE	35/00	N	16,690.39	15,483.64	474.79	15,958.43
73	Services	07/01/91	ST LINE	35/00	N	15,107.09	13,584.44	429.92	14,014.36
74	Services	12/31/91	ST LINE	35/00	N	1,676.76	1,486.42	48.09	1,534.51
75	Services	07/01/92	ST LINE	35/00	N	7,560.12	6,582.61	215.23	6,797.84
76	Services	07/01/92	ST LINE	35/00	N	70,521.47	61,284.59	2,033.81	63,318.40
77	Services	07/01/93	ST LINE	35/00	N	16,878.04	14,214.58	480.62	14,695.20
78	Services	07/01/94	ST LINE	35/00	N	29,026.22	23,617.77	826.77	24,444.54
79	Services	07/01/95	ST LINE	35/00	N	27,875.98	21,886.62	794.17	22,680.79
80	Services	07/01/96	ST LINE	35/00	N	4,720.22	3,571.32	134.51	3,705.83
81	Services	07/01/96	ST LINE	35/00	N	109.18	82.61	3.11	85.72
82	Services	07/01/96	ST LINE	35/00	N	115,874.83	87,677.53	3,301.15	90,978.68
83	Services	07/01/97	ST LINE	35/00	N	3,293.26	2,397.69	93.86	2,491.55
84	Services	12/31/97	ST LINE	35/00	N	636.57	455.03	18.23	473.26
85	Services	12/31/97	ST LINE	35/00	N	33.46	23.95	0.95	24.90
146	Services	07/01/98	ST LINE	35/00	N	1,920.73	1,343.63	54.74	1,398.37

**Crittenden-Livingston Water District  
Depreciation Schedule by Category  
For the 12 Months Ended 12/31/23**

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/23	Current Depreciation	Accum Depr 12/31/23
<b>Services</b>									
151	Services (A/P)	12/31/98	ST LINE	35/00	N	40.50	27.84	1.16	29.00
154	Services (Cap Wages)	07/01/98	ST LINE	35/00	N	3,123.25	2,184.84	89.02	2,273.86
159	Services	07/01/99	LAND	00/00	N	1,054.61	0.00	0.00	0.00
160	Services (Cap Wages)	07/01/99	ST LINE	35/00	N	3,586.33	2,406.37	102.23	2,508.60
171	Services (A/P)	07/01/99	ST LINE	35/00	N	32.43	21.78	0.92	22.70
175	Services	07/01/00	ST LINE	35/00	N	4,183.41	2,687.60	119.27	2,806.87
183	Services (Cap Wages)	07/01/00	ST LINE	35/00	N	5,125.71	3,292.93	146.14	3,439.07
187	Services (A/P)	07/01/00	ST LINE	35/00	N	3,661.22	2,352.11	104.38	2,456.49
190	Services	07/01/00	ST LINE	35/00	N	19,925.34	12,800.71	568.08	13,368.79
193	Services	03/31/01	ST LINE	35/00	N	3,879.69	2,412.57	111.08	2,523.65
194	Services	03/31/01	ST LINE	35/00	N	33.00	20.52	0.94	21.46
206	Services	06/01/01	ST LINE	35/00	N	442.13	272.46	12.61	285.07
210	Services	07/26/01	ST LINE	35/00	N	6,420.00	3,931.05	183.80	4,114.85
213	Services	07/01/01	ST LINE	35/00	N	9,461.90	5,808.46	269.79	6,078.25
214	Services	08/01/01	ST LINE	35/00	N	476.00	291.06	13.57	304.63
215	Services	09/01/01	ST LINE	35/00	N	22.00	13.43	0.63	14.06
225	Services (Cap Wages)	07/01/01	ST LINE	35/00	N	4,357.79	2,675.17	124.26	2,799.43
242	Services	07/01/02	ST LINE	35/00	N	7,055.99	4,130.07	201.21	4,331.28
243	Services (A/P)	07/01/02	ST LINE	35/00	N	71.00	41.55	2.03	43.58
244	Services (Cap Wages)	07/01/02	ST LINE	35/00	N	1,706.51	998.88	48.66	1,047.54
263	Services	07/01/03	ST LINE	35/00	N	4,230.57	2,355.43	120.65	2,476.08
264	Service (Cap Wages)	07/01/03	ST LINE	35/00	N	5,445.29	3,031.78	155.29	3,187.07
283	Services - Phase VI-B	07/01/03	ST LINE	35/00	N	137,365.62	76,481.49	3,917.48	80,398.97
291	Services	07/01/04	ST LINE	35/00	N	1,900.00	1,003.66	54.19	1,057.85
295	Service (Cap Wages)	07/01/04	ST LINE	35/00	N	3,359.73	1,774.63	95.82	1,870.45
299	Services - A/P	12/01/04	ST LINE	35/00	N	1,739.40	898.11	49.61	947.72
321	Services	07/01/05	ST LINE	35/00	N	300.00	149.91	8.56	158.47
322	Services (Cap Wages)	07/01/05	ST LINE	35/00	N	5,179.23	2,587.89	147.72	2,735.61
323	Services - Phase VII	08/01/05	ST LINE	35/00	N	33,941.06	16,878.21	968.10	17,846.31
324	Services - Phase VII	01/01/05	ST LINE	35/00	N	35,304.63	18,144.42	1,006.96	19,151.38
333	Phase 8 Services	12/31/06	ST LINE	35/00	N	15,000.00	6,861.95	429.26	7,291.21
334	Phase 9 Services	12/31/06	ST LINE	35/00	N	3,455,798.04	1,580,902.82	98,895.57	1,679,798.39
335	Phase 7 Services	12/31/06	ST LINE	35/00	N	63,805.60	29,188.76	1,825.94	31,014.70
336	Phase 12 Services	12/31/06	ST LINE	35/00	N	761,825.03	348,507.45	21,801.37	370,308.82
339	Water Plant	12/31/06	ST LINE	50/00	N	22,507.12	7,205.46	450.60	7,656.06
357	Wilson Hill Water Tower Phase 9	12/31/06	ST LINE	35/00	N	690,000.00	315,650.12	19,745.93	335,396.05
358	Joy Water Tower Phase 9	12/31/06	ST LINE	35/00	N	125,000.00	57,182.99	3,577.16	60,760.15
359	Moore Hill Pump Station	12/31/06	ST LINE	35/00	N	96,000.00	43,916.56	2,747.26	46,663.82
360	Hwy 133 Pump Station	12/31/06	ST LINE	35/00	N	65,000.00	29,735.13	1,860.12	31,595.25
Total for (Services)						6,012,089.07	2,942,081.04	170,290.60	3,112,371.64
<b>Meters &amp; Install</b>									
86	Meters	07/08/86	ST LINE	35/00	N	22,603.19	22,603.19	0.00	22,603.19
87	Meter Installation	07/08/86	ST LINE	35/00	N	99,339.50	99,339.50	0.00	99,339.50
89	Meter Installation	07/01/87	ST LINE	35/00	N	12,928.03	12,928.03	0.00	12,928.03

**Crittenden-Livingston Water District  
Depreciation Schedule by Category  
For the 12 Months Ended 12/31/23**

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/23	Current Depreciation	Accum Depr 12/31/23
<b>Meters &amp; Install</b>									
90	Meters	07/01/88	ST LINE	35/00	N	2,297.90	2,262.53	35.37	2,297.90
91	Meter Installation	07/01/88	ST LINE	35/00	N	11,070.44	10,900.06	170.38	11,070.44
92	Meters	07/01/89	ST LINE	35/00	N	1,141.00	1,090.98	32.45	1,123.43
93	Meters Phase II	09/06/89	ST LINE	35/00	N	8,218.29	7,819.09	233.68	8,052.77
94	Meter Installation	07/01/89	ST LINE	35/00	N	3,981.34	3,806.82	113.20	3,920.02
95	Meter Installation	09/06/89	ST LINE	35/00	N	38,827.83	36,941.75	1,104.05	38,045.80
96	Meters	07/01/90	ST LINE	35/00	N	2,019.44	1,873.43	57.45	1,930.88
97	Meter Installation	07/01/90	ST LINE	35/00	N	1,318.88	1,223.50	37.53	1,261.03
98	Meters	07/01/91	ST LINE	35/00	N	3,670.11	3,300.20	104.45	3,404.65
99	Meters	07/01/92	ST LINE	35/00	N	3,838.77	3,342.44	109.28	3,451.72
100	Meter Installation	07/01/92	ST LINE	35/00	N	6,563.81	5,715.18	186.85	5,902.03
101	Meters	07/01/93	ST LINE	35/00	N	10,288.96	8,665.28	292.99	8,958.27
102	Meter Installation	07/01/93	ST LINE	35/00	N	6,920.00	5,827.93	197.07	6,025.00
103	Meters	07/01/94	ST LINE	35/00	N	5,225.67	4,251.91	148.86	4,400.77
104	Meter Installation	07/01/94	ST LINE	35/00	N	12,391.28	10,082.44	352.94	10,435.38
105	Meters	07/01/95	ST LINE	35/00	N	15,167.30	11,908.45	432.11	12,340.56
106	Meter Installation	07/01/95	ST LINE	35/00	N	9,791.93	7,688.07	278.96	7,967.03
107	Meters	07/01/96	ST LINE	35/00	N	7,671.19	5,804.11	218.58	6,022.69
108	Meter Installation	07/01/96	ST LINE	35/00	N	23,014.90	17,413.23	655.81	18,069.04
109	Meters	07/01/96	ST LINE	35/00	N	4,542.73	3,437.05	129.45	3,566.50
110	Meter Installation	07/01/96	ST LINE	35/00	N	11,315.77	8,561.62	322.44	8,884.06
111	Meters	07/01/97	ST LINE	35/00	N	11,695.23	8,514.94	333.31	8,848.25
112	Meter Installation	07/01/97	ST LINE	35/00	N	10,473.70	7,625.56	298.50	7,924.06
113	meter Installation	12/31/97	ST LINE	35/00	N	1,163.73	831.81	33.33	865.14
114	Meter Installation	12/31/97	ST LINE	35/00	N	682.44	487.80	19.55	507.35
147	Meters	07/01/98	ST LINE	35/00	N	9,009.63	6,302.48	256.80	6,559.28
148	Meter Installation	07/01/98	ST LINE	35/00	N	214.44	150.04	6.11	156.15
155	Meter Install (Cap Wages)	07/01/98	ST LINE	35/00	N	5,810.91	4,064.93	165.63	4,230.56
161	Meters	07/01/99	ST LINE	35/00	N	10,257.09	6,882.29	292.40	7,174.69
162	Meter Installation	07/01/99	ST LINE	35/00	N	1,973.06	1,323.86	56.25	1,380.11
163	Meter Install (Cap Wages)	07/01/99	ST LINE	35/00	N	5,730.80	3,845.30	163.36	4,008.66
176	Meters	07/01/00	ST LINE	35/00	N	12,967.42	8,330.70	369.71	8,700.41
177	Meters Installation	07/01/00	ST LINE	35/00	N	1,320.00	847.99	37.64	885.63
184	Meter Install (Cap Wages)	07/01/00	ST LINE	35/00	N	9,778.07	6,281.70	278.78	6,560.48
188	Meters (A/P)	07/01/00	ST LINE	35/00	N	466.56	299.72	13.30	313.02
195	Meters	03/31/01	ST LINE	35/00	N	3,304.93	2,055.18	94.62	2,149.80
203	Meter	06/01/01	ST LINE	35/00	N	1,091.33	672.55	31.12	703.67
204	Meters	04/13/01	ST LINE	35/00	N	927.05	575.74	26.43	602.17
216	Meters	07/01/01	ST LINE	35/00	N	4,314.42	2,648.55	123.02	2,771.57
217	Meters	08/01/01	ST LINE	35/00	N	1,227.75	750.81	35.00	785.81
220	Meters Install	07/01/01	ST LINE	35/00	N	1,485.11	911.69	42.34	954.03
227	Meters (Cap Wages)	07/01/01	ST LINE	35/00	N	7,505.93	4,607.81	214.02	4,821.83
228	Meters (A/P)	07/01/01	ST LINE	35/00	N	1,262.46	775.02	36.00	811.02
229	Meters Install (Cap Wages)	07/01/01	ST LINE	35/00	N	315.54	193.73	9.00	202.73

# Crittenden-Livingston Water District Depreciation Schedule by Category For the 12 Months Ended 12/31/23

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/23	Current Depreciation	Accum Depr 12/31/23
<b>Meters &amp; Install</b>									
245	Meters	07/01/02	ST LINE	35/00	N	5,968.43	3,493.51	170.20	3,663.71
246	Meters (A/P)	07/01/02	ST LINE	35/00	N	828.47	484.92	23.63	508.55
247	Meters (Cap Wages)	07/01/02	ST LINE	35/00	N	13,868.28	8,117.53	395.47	8,513.00
248	Meter Install	07/01/02	ST LINE	35/00	N	568.05	332.50	16.20	348.70
257	Meters (Phase VI-A)	07/01/02	ST LINE	35/00	N	137,917.25	80,726.71	3,932.87	84,659.58
265	Meters	07/01/03	ST LINE	35/00	N	4,902.85	2,729.74	139.82	2,869.56
266	Meters (Cap Wages)	07/01/03	ST LINE	35/00	N	12,526.88	6,974.63	357.25	7,331.88
280	Meters - PH-A	07/01/03	ST LINE	35/00	N	1,868.23	1,040.21	53.28	1,093.49
284	Meters - Phase VI-B	07/01/03	ST LINE	35/00	N	56,905.15	31,683.27	1,622.86	33,306.13
289	Meters	07/01/04	ST LINE	35/00	N	5,891.24	3,111.83	168.02	3,279.85
296	Meters (Cap Wages)	07/01/04	ST LINE	35/00	N	15,929.73	8,414.42	454.33	8,868.75
300	Meters - A/P	12/01/04	ST LINE	35/00	N	8,386.71	4,330.19	239.21	4,569.40
325	Meters	07/01/05	ST LINE	35/00	N	34,451.63	17,214.09	982.66	18,196.75
326	Meters - A/P	12/01/05	ST LINE	35/00	N	13,312.82	6,493.51	379.73	6,873.24
327	Meters (Cap Wages)	07/01/05	ST LINE	35/00	N	18,653.18	9,320.25	532.04	9,852.29
340	Meters	12/31/06	ST LINE	35/00	N	11,204.15	5,125.49	320.63	5,446.12
350	14" Meter	12/18/07	ST LINE	35/00	N	2,350.00	1,007.87	67.25	1,075.12
351	2007 Meters Installed	12/31/07	ST LINE	35/00	N	22,354.15	9,587.28	639.68	10,226.96
365	Meters	05/07/08	ST LINE	35/00	N	560.27	234.60	15.98	250.58
366	Meters	06/09/08	ST LINE	35/00	N	6,167.96	2,568.13	175.96	2,744.09
369	Meters	10/31/08	ST LINE	35/00	N	28,739.48	11,641.28	822.36	12,463.64
370	Meters	11/13/08	ST LINE	35/00	N	3,502.30	1,416.57	99.92	1,516.49
371	Meters	12/15/08	ST LINE	35/00	N	1,189.96	478.48	33.95	512.43
372	Meters	12/15/08	ST LINE	35/00	N	1,267.72	509.75	36.17	545.92
375	61 Meters - 2009	12/31/09	ST LINE	35/00	N	24,337.08	9,046.50	696.35	9,742.85
378	Meter	05/13/10	ST LINE	35/00	N	2,586.95	935.50	73.81	1,009.31
384	Lyon County Meter	11/02/10	ST LINE	35/00	N	1,193.30	414.48	34.05	448.53
399	2010 Meter Sets (42)	12/31/10	ST LINE	35/00	N	16,756.74	5,749.81	479.43	6,229.24
403	2011 Meters - 67 @ \$398.96	12/31/11	ST LINE	35/00	N	26,730.32	8,408.13	764.75	9,172.88
409	Drive-by Meters	12/20/12	ST LINE	35/00	N	162,244.00	52,382.21	4,401.81	56,784.02
411	2012 Meter Sets - 68 @ \$398.97	12/31/12	ST LINE	35/00	N	27,129.96	7,758.47	776.15	8,534.62
412	Radio Read Meters 2013	12/31/13	ST LINE	35/00	N	56,480.03	14,537.72	1,615.75	16,153.47
421	2013 Meter Sets (37)	12/31/13	ST LINE	35/00	N	15,189.61	3,909.76	434.54	4,344.30
422	Radio Read Meters	12/11/13	ST LINE	35/00	N	7,200.00	1,866.73	205.46	2,072.19
425	3" Meter	08/01/14	ST LINE	35/00	N	4,591.55	1,297.20	123.73	1,420.93
428	2014 Meter Sets 60 @ \$575.15	12/31/14	ST LINE	35/00	N	34,509.00	7,896.23	987.18	8,883.41
429	100 Radio Read Meters	12/31/14	ST LINE	35/00	N	17,418.05	3,985.55	498.27	4,483.82
437	Radio Read Meters	01/22/15	ST LINE	35/00	N	17,418.05	5,901.70	425.87	6,327.57
438	2015 3/4" Meter Set (38)	12/31/15	ST LINE	35/00	N	21,855.70	4,376.33	625.19	5,001.52
439	2" Meter 2015	12/31/15	ST LINE	35/00	N	2,621.37	524.91	74.99	599.90
446	2016 Meters (34)	12/31/16	ST LINE	35/00	N	19,555.10	3,375.60	558.72	3,934.32
449	New Meters (47)	12/31/17	ST LINE	35/00	N	20,009.78	2,882.37	571.71	3,454.08
454	2018 New Meters (28)	12/31/18	ST LINE	35/00	N	16,702.56	1,928.76	477.22	2,405.98
461	New Radios for meters	06/26/19	ST LINE	05/00	N	1,745.71	1,231.79	352.40	1,584.19

**Crittenden-Livingston Water District  
Depreciation Schedule by Category  
For the 12 Months Ended 12/31/23**

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/23	Current Depreciation	Accum Depr 12/31/23
<b>Meters &amp; Install</b>									
463	2019 New Meters	12/31/19	ST LINE	35/00	N	30,548.82	3,020.55	861.38	3,881.93
467	New Meters	04/20/20	ST LINE	35/00	N	1,360.00	105.24	38.86	144.10
468	Radio Read Meter Project	11/16/21	ST LINE	10/00	N	318,423.00	35,822.59	31,842.30	67,664.89
475	New Meter Installs 2022	12/31/22	ST LINE	35/00	N	12,960.00	15.43	370.29	385.72
478	2023 Meters (31)	12/31/23	ST LINE	35/00	N	24,655.00	0.00	29.35	29.35
Total for (Meters & Install)						1,720,662.43	760,177.31	67,149.15	827,326.46
<b>Communication Equipment</b>									
139	Communication Equipment	07/08/86	ST LINE	14/00	N	1,697.70	1,697.70	0.00	1,697.70
140	Communication Equipment	07/01/87	ST LINE	14/00	N	100.00	100.00	0.00	100.00
273	Jackson Purchase Two Way Radi	07/18/03	ST LINE	14/00	N	7,658.00	7,635.21	0.00	7,635.21
406	Radios to Read Drive-By Meters	07/19/12	ST LINE	20/00	N	114,800.00	59,892.89	5,754.46	65,647.35
450	Telemetry	12/20/17	ST LINE	10/00	N	22,660.00	11,424.42	2,266.00	13,690.42
452	Telemetry - Moore Hill Tank	04/10/18	ST LINE	10/00	N	16,849.00	7,933.07	1,684.90	9,617.97
453	Telemetry - Water plant	07/16/18	ST LINE	10/00	N	19,788.00	8,822.15	1,978.80	10,800.95
Total for (Communication Equipment)						183,552.70	97,505.44	11,684.16	109,189.60
<b>Hydrants</b>									
115	Hydrants	07/08/86	ST LINE	50/00	N	24,014.89	17,530.95	480.30	18,011.25
116	Hydrants	07/01/87	ST LINE	50/00	N	455.68	323.34	9.10	332.44
117	Hydrants	07/01/88	ST LINE	50/00	N	1,128.95	778.72	22.53	801.25
118	Hydrants	07/01/92	ST LINE	50/00	N	27,043.38	16,490.58	540.02	17,030.60
119	Hydrants	07/01/94	ST LINE	50/00	N	5,463.05	3,112.79	109.10	3,221.89
120	Hydrants	07/01/95	ST LINE	50/00	N	27,788.12	15,277.94	554.98	15,832.92
121	Hydrants	07/01/96	ST LINE	50/00	N	1,204.68	638.18	24.06	662.24
122	Hydrants	07/01/96	ST LINE	50/00	N	196.97	104.34	3.93	108.27
123	Hydrants	07/01/96	ST LINE	50/00	N	17,369.57	9,203.38	346.88	9,550.26
124	Hydrants	07/01/97	ST LINE	50/00	N	3,882.68	1,979.38	77.55	2,056.93
125	Hydrants	12/31/97	ST LINE	50/00	N	38.60	19.26	0.77	20.03
149	Hydrants	07/01/98	ST LINE	50/00	N	2,117.06	1,036.98	42.29	1,079.27
156	Hydrants (Cap Wages)	07/01/98	ST LINE	50/00	N	663.46	324.97	13.25	338.22
164	Hydrants	07/01/99	ST LINE	35/00	N	2,918.99	1,958.57	83.21	2,041.78
165	Hydrants (Cap Wages)	07/01/99	ST LINE	35/00	N	887.40	595.38	25.30	620.68
178	Hydrants	07/01/00	ST LINE	35/00	N	10,438.60	6,706.14	297.60	7,003.74
185	Hydrants (Cap Wages)	07/01/00	ST LINE	35/00	N	1,253.21	805.16	35.72	840.88
189	Hydrants (A/P)	07/01/00	ST LINE	50/00	N	1,029.91	463.29	20.57	483.86
196	Hydrants	03/31/01	ST LINE	50/00	N	1,163.38	506.27	23.29	529.56
205	Hydrants	04/13/01	ST LINE	50/00	N	330.00	143.48	6.59	150.07
218	Hydrants	07/01/01	ST LINE	50/00	N	839.19	360.69	16.76	377.45
230	Hydrants (Cap Wages)	07/01/01	ST LINE	50/00	N	724.49	311.39	14.47	325.86
231	Hydrants (A/P)	07/01/01	ST LINE	50/00	N	330.00	141.83	6.59	148.42
249	Hydrants	07/01/02	ST LINE	50/00	N	7,946.74	3,256.85	158.76	3,415.61
250	Hydrants (A/P)	07/01/02	ST LINE	50/00	N	3,052.43	1,251.03	60.98	1,312.01
251	Hydrants (Cap Wages)	07/01/02	ST LINE	50/00	N	1,929.41	790.74	38.54	829.28
255	Hydrants (Phase VI-A)	07/01/02	ST LINE	50/00	N	9,277.10	3,802.10	185.33	3,987.43
267	Hydrant	07/01/03	ST LINE	50/00	N	9,471.82	4,608.75	159.23	4,767.98

**Crittenden-Livingston Water District  
Depreciation Schedule by Category  
For the 12 Months Ended 12/31/23**

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/23	Current Depreciation	Accum Depr 12/31/23
<b>Hydrants</b>									
268	Hydrant (Cap Wages)	07/01/03	ST LINE	50/00	N	3,300.25	1,286.63	65.93	1,352.56
278	Hydrants - PH VI-A	07/01/03	ST LINE	50/00	N	125.66	48.95	2.51	51.46
285	Hydrants - Phase VI-B	07/01/03	ST LINE	50/00	N	10,106.36	3,939.92	201.90	4,141.82
290	Hydrants	07/01/04	ST LINE	50/00	N	6,320.85	2,337.79	126.28	2,464.07
297	Hydrants (Cap Wages)	07/01/04	ST LINE	50/00	N	2,420.76	895.35	48.36	943.71
301	Hydrants - A/P	12/01/04	ST LINE	50/00	N	3,022.13	1,092.54	60.38	1,152.92
328	Hydrants	07/01/05	ST LINE	50/00	N	4,004.66	1,401.02	80.01	1,481.03
329	Hydrants (Cap Wages)	07/01/05	ST LINE	50/00	N	3,701.18	1,294.86	73.95	1,368.81
330	Hydrants Phase VII	08/01/05	ST LINE	50/00	N	25,547.03	8,895.09	510.40	9,405.49
331	Hydrants - Phase VIII	01/01/05	ST LINE	50/00	N	5,261.42	1,893.36	105.11	1,998.47
341	Hydrants	12/31/06	ST LINE	50/00	N	2,170.00	694.68	43.45	738.13
Total for (Hydrants)						228,940.06	116,302.67	4,675.98	120,978.65
<b>Office Furniture &amp; Equip</b>									
128	Office Building	06/01/92	ST LINE	16/00	N	2,686.39	2,686.39	0.00	2,686.39
129	Computer 8/24	07/01/92	ST LINE	14/00	N	3,235.77	3,235.77	0.00	3,235.77
131	Microwave	10/01/92	ST LINE	14/00	N	144.90	144.90	0.00	144.90
132	Radio	11/01/92	ST LINE	14/00	N	695.00	695.00	0.00	695.00
133	Radio & Antenna	07/13/93	ST LINE	14/00	N	930.11	930.11	0.00	930.11
135	Computer System Software	07/01/96	ST LINE	05/00	N	4,540.00	4,540.00	0.00	4,540.00
136	Computer System Hardware	07/01/96	ST LINE	05/00	N	2,706.00	2,706.00	0.00	2,706.00
167	Tape Drive	11/01/99	ST LINE	05/00	N	850.00	850.00	0.00	850.00
169	MAS 90 Software	04/01/99	ST LINE	03/00	N	2,579.27	2,579.27	0.00	2,579.27
221	Electric Range	11/28/01	ST LINE	10/00	N	299.95	299.95	0.00	299.95
222	Alliance Software	12/13/01	ST LINE	03/00	N	4,990.00	2,284.23	0.00	2,284.23
270	Office Equipment	07/03/03	ST LINE	16/00	N	82.68	82.68	0.00	82.68
271	Software	05/14/03	ST LINE	05/00	N	5,204.88	5,204.88	0.00	5,204.88
272	Software	09/17/03	ST LINE	05/00	N	2,374.94	2,374.94	0.00	2,374.94
286	Refrigerator	12/02/03	ST LINE	05/00	N	383.00	383.00	0.00	383.00
302	3 Fire Proof Cabinets	07/01/05	ST LINE	10/00	N	1,500.00	1,500.00	0.00	1,500.00
303	3 Dell Computers	12/28/05	ST LINE	03/00	N	3,358.08	3,358.08	0.00	3,358.08
304	Locator	12/28/05	ST LINE	05/00	N	1,031.22	1,031.22	0.00	1,031.22
306	Black Executive Chair	09/20/05	ST LINE	05/00	N	129.98	129.98	0.00	129.98
307	2 Desks	12/02/05	ST LINE	07/00	N	479.98	479.98	0.00	479.98
308	2-3 Drawer Cabinets	12/02/05	ST LINE	07/00	N	359.98	359.98	0.00	359.98
309	Desk	12/02/05	ST LINE	07/00	N	739.97	739.97	0.00	739.97
310	Lateral File Cabinet	12/05/05	ST LINE	07/00	N	289.99	289.99	0.00	289.99
312	Meter Reading Software	02/21/05	ST LINE	03/00	N	995.00	995.00	0.00	995.00
356	Lockers	02/01/07	ST LINE	10/00	N	710.00	710.00	0.00	710.00
374	Office Furniture	12/31/08	ST LINE	05/00	N	811.75	811.75	0.00	811.75
383	Superintendent Office Furniture	03/17/10	ST LINE	05/00	N	2,360.00	2,360.00	0.00	2,360.00
408	Computer	10/03/12	ST LINE	05/00	N	529.99	529.99	0.00	529.99
444	Computer	04/08/16	ST LINE	05/00	N	3,355.00	3,355.00	0.00	3,355.00
465	Printer	02/14/20	ST LINE	05/00	N	2,795.00	1,607.12	559.00	2,166.12
Total for (Office Furniture & Equip)						51,148.83	47,255.18	559.00	47,814.18



**Crittenden-Livingston Water District  
 Depreciation Schedule by Category  
 For the 12 Months Ended 12/31/23**

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/23	Current Depreciation	Accum Depr 12/31/23
<b>Office Building</b>									
34	Building	02/18/92	ST LINE	40/00	N	40,010.50	30,859.48	1,002.85	31,862.33
35	Central Heat & Air	07/01/95	ST LINE	40/00	N	4,624.00	3,177.26	115.35	3,292.61
181	Addition to Office Building	03/02/00	ST LINE	40/00	N	2,524.26	1,440.22	63.00	1,503.22
305	Office Improvements	12/28/05	ST LINE	15/00	N	2,350.82	2,344.29	0.00	2,344.29
354	Breakroom Renovation	12/31/07	ST LINE	40/00	N	2,418.55	907.46	60.54	968.00
459	Office Remodel	05/18/18	ST LINE	15/00	N	22,916.70	7,065.98	1,527.78	8,593.76
474	Garage Door	11/03/22	ST LINE	07/00	N	5,024.40	89.72	717.77	807.49
	Total for (Office Building)					79,869.23	45,884.41	3,487.29	49,371.70
<b>Power Oper Equipment</b>									
144	Backhoe	11/10/97	ST LINE	05/00	N	47,961.65	47,961.65	0.00	47,961.65
233	Case 360 Trencher with Back	03/01/02	ST LINE	05/00	N	11,524.20	11,524.20	0.00	11,524.20
234	Ditch Witch Pusher P80	03/01/02	ST LINE	05/00	N	6,146.24	6,146.24	0.00	6,146.24
458	Trencher	12/10/18	ST LINE	10/00	N	7,500.00	3,031.25	750.00	3,781.25
471	Mini Excavator and Trailer	07/07/21	ST LINE	07/00	N	61,950.00	12,906.25	8,850.00	21,756.25
	Total for (Power Oper Equipment)					135,082.09	81,569.59	9,600.00	91,169.59
	Client Subtotal Before Sales					30,323,729.40	13,700,941.11	720,391.95	14,421,333.06
	Less Assets Sold					0.00			0.00
	<b>Total</b>					<b>30,323,729.40</b>	<b>13,700,941.11</b>	<b>720,391.95</b>	<b>14,421,333.06</b>

**Attachment 8**  
**Outstanding Debt Instruments**

**BOND RESOLUTION**

**CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT**

**AUTHORIZING**

**CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT  
WATERWORKS REVENUE BONDS, SERIES 1995**

**IN THE AGGREGATE AMOUNT OF**

**\$984,000**

**CONSISTING OF  
\$884,000 OF SERIES A BONDS**

**AND**

**\$100,000 OF SERIES B BONDS**

## TABLE OF CONTENTS

ARTICLE 1.	DEFINITIONS; PURPOSE; AUTHORIZATION OF BONDS; SECURITY. ....	3
Section 101.	Definitions .....	3
Section 102.	Purpose .....	7
Section 103.	Construction Award Approved; Work Authorized .....	7
Section 104.	Declaration of Period of Usefulness .....	7
Section 105.	Authorization of Bonds .....	7
Section 106.	Recognition of Prior Bonds .....	8
Section 107.	Current Bonds Shall be Payable on Out of Gross Revenues .....	8
Section 108.	Lien on Contracts .....	8
ARTICLE 2.	THE BONDS; BOND FORM; PREPAYMENT. ....	9
Section 201.	Principal Payments .....	9
Section 202.	Issuance of Current Bonds; Bond Form .....	9
Section 203.	Place of Payment and Manner of Execution .....	9
Section 204.	Provisions as to Prepayment .....	9
ARTICLE 3.	CONSTRUCTION ACCOUNT; INTERIM FINANCING; APPLICATION OF PROCEEDS; ARBITRAGE LIMITATIONS. ....	10
Section 301.	Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits .....	10
A.	Covenants Applicable if RECD Purchases Current Bonds .....	10
B.	Application of Proceeds of Current Bonds .....	10
Section 302.	Interim Financing Authorization .....	12
A.	Interim Financing .....	12
B.	Multiple Advances by RECD .....	14
Section 303.	Arbitrage Limitations on Investment of Proceeds .....	14
ARTICLE 4.	FLOW OF FUNDS .....	16
Section 401.	Funds .....	16
Section 402.	Flow of Funds .....	16
A.	Revenue Fund .....	16
B.	Sinking Fund .....	16
C.	Depreciation Fund .....	17

D.	Operation and Maintenance Fund .....	18
E.	Monthly Principal and Interest Payments if Requested by the RECD .....	18
F.	Surplus Funds .....	18
G.	Investment and Miscellaneous Provisions .....	18
Section 403.	Current Bonds on a Parity with Prior Bonds .....	19
ARTICLE 5.	COVENANTS OF DISTRICT .....	20
Section 501.	Rates and Charges .....	20
Section 502.	Books and Accounts; Audit .....	20
Section 503.	System to Continue to be Operated on Fiscal Year Basis; Annual Budget .....	20
Section 504.	General Covenants .....	21
Section 505.	Other Covenants Applicable So Long as RECD Owns Any Bonds ....	22
Section 506.	Insurance on Motors, Tanks and Structures .....	22
ARTICLE 6.	INFERIOR BONDS AND PARITY BONDS .....	23
Section 601.	Inferior Bonds .....	23
Section 602.	Parity Bonds to Complete the Project .....	23
Section 603.	Parity Bonds to Finance Future Improvements .....	23
Section 604.	Covenants to be Complied with at Time of Issuance of Parity Bonds .....	24
Section 605.	Prepayment Provisions Applicable to Parity Bonds .....	25
Section 606.	Consent of the RECD Regarding Future Bonds .....	25
Section 607.	Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities .....	25
ARTICLE 7.	DEFAULT AND CONSEQUENCES .....	27
Section 701.	Events of Default .....	27
Section 702.	Consequences of Event of Default .....	27
ARTICLE 8.	CONTRACTUAL PROVISIONS; GRANT APPROVAL; MISCELLANEOUS PROVISIONS. ....	28
Section 801.	Resolution Contractual with Bondowners .....	28
Section 802.	All Current Bonds are Equal .....	28
Section 803.	District Obligated to Refund Current Bonds Owned by Government Whenever Feasible; Defeasement Prohibited .....	28
Section 804.	Approval and Acceptance of RECD Grant Agreement .....	29
Section 805.	Authorization, Ratification and Confirmation of Approval and Execution of Various Documents .....	29
Section 806.	Authorization of Condemnation to Acquire Easements and/or Sites .....	29

ARTICLE 9.	SALE OF CURRENT BONDS .....	31
Section 901.	Sale of Current Bonds .....	31
Section 902.	Adjustment in Maturities, Prepayment Provisions and Other Dates, with Consent of Purchaser if Delivery is Delayed .....	31
ARTICLE 10.	CONCLUDING PROVISIONS .....	32
Section 1001.	Covenant of District to Take All Necessary Action To Assure Compliance with the Code .....	32
Section 1002.	Severability Clause .....	33
Section 1003.	All Provisions in Conflict Repealed .....	33
Section 1004.	Effective Immediately Upon Adoption .....	33

- EXHIBIT A - Schedule of Principal Payments
- EXHIBIT B - Form of Fully Registered Bond
- EXHIBIT C - Requisition Certificate

## BOND RESOLUTION

**RESOLUTION OF THE CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT OF CRITTENDEN AND LIVINGSTON COUNTIES, KENTUCKY, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF \$984,000 PRINCIPAL AMOUNT OF CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT WATERWORKS REVENUE BONDS, SERIES 1995, CONSISTING OF \$884,000 OF SERIES A BONDS AND \$100,000 OF SERIES B BONDS FOR THE PURPOSE OF FINANCING THE COST (NOT OTHERWISE PROVIDED) OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF SAID DISTRICT; SETTING FORTH TERMS AND CONDITIONS UPON WHICH SAID BONDS MAY BE ISSUED AND OUTSTANDING; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SAID WATERWORKS SYSTEM; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF SAID BONDS.**

WHEREAS, the waterworks system (the "System") of the Crittenden-Livingston County Water District (the "District") is owned and operated by said District pursuant to Chapters 58 and 74 of the Kentucky Revised Statutes (the "Act"), and

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

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

WHEREAS, it is the desire and intent of the District at this time to authorize and provide for the issuance of revenue bonds in the aggregate principal amount of \$984,000 (the "Current Bonds"), for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the System of the District, in accordance with plans and specifications prepared by GRW Engineers, Inc. and to prescribe the covenants of the District, the rights of Bondowners and the details of the issuance and sale of the proposed Current Bonds, and

WHEREAS, the District desires and intends that the Current Bonds be issued so as to rank on a parity basis with the Prior Bonds, and

WHEREAS, the Prior Bonds were issued to and are now held by the Rural Economic and Community Development of the Department of Agriculture of the United States of America (the "RECD"), as successor agency of the Farmers Home Administration, and

WHEREAS, the RECD, as the Owner of the Prior Bonds, has consented to the issuance by the District of the Current Bonds, and

WHEREAS, the Public Service Commission of Kentucky has granted to the District a Certificate of Public Convenience and Necessity, authorizing the construction of said extensions, additions and improvements, and

WHEREAS, the proceeds of the Current Bonds will be supplemented by Grant Proceeds (as hereinafter defined) in the amount of approximately \$295,600, and by connection charges in the amount of at least \$43,400, to provide the total cost of such construction,

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT OF CRITTENDEN AND LIVINGSTON COUNTIES, KENTUCKY, AS FOLLOWS:



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

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

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

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

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

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

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

*"Bonds of 1985" or "Series 1985 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks System Revenue Bonds of 1985, Series B, dated December 2, 1985, in the original authorized principal amount of \$171,000.

*"Bonds of 1988" or "Series 1988 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1988, dated May 30, 1989, in the original authorized principal amount of \$634,000.

*"Bonds of 1989" or "Series 1989 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks Refunding Revenue Bonds of 1989, dated May 30, 1989, in the original authorized principal amount of \$1,201,000.

*"Bonds of 1991" or "Series 1991 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1991, dated November 7, 1991, in the original authorized principal amount of \$358,000.

*"Bond Resolution of 1985" or "1985 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1985, duly adopted by the Board of Commissioners of the District on March 25, 1985.

*"Bond Resolution of 1988" or "1988 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1988, duly adopted by the Board of Commissioners of the District on November 14, 1988.

*"Bond Resolution of 1989"* or *"1989 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1989, duly adopted by the Board of Commissioners of the District on May 22, 1989.

*"Bond Resolution of 1991"* or *"1991 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1991, duly adopted by the Board of Commissioners of the District on February 18, 1991.

*"Chairman"* refers to the elected or appointed Chairman or Chairperson of the Commission.

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

*"Commission"* refers to the Board of Commissioners of the District, or such other body as shall be the governing body of said District under the laws of Kentucky at any given time.

*"Construction Account"* refers to the Crittenden-Livingston County Water District Construction Account, created in Section 301(B) of this Current Bond Resolution.

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

*"Current Bond Resolution"* or *"Resolution"* refer to this Resolution authorizing the Current Bonds.

*"Current Bonds"* refers to the \$984,000 of Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 1995, consisting of \$884,000 of Series A Bonds and \$100,000 of Series B Bonds authorized by this Resolution, to be dated as of the date of issuance thereof.

*"Depository Bank"* refers to the bank, which shall be a member of the FDIC, which bank is The Salem Bank, Inc., Salem, Kentucky, or its successor.

*"Depreciation Fund"* refers to the Crittenden-Livingston County Water District Waterworks Depreciation Reserve Fund, described in Section 402 of this Resolution.

*"District"* refers to the Crittenden-Livingston County Water District of Crittenden and Livingston Counties, Kentucky.

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

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

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

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

*"Funds"* refers to the Construction Account, the Revenue Fund, the Sinking Fund, the Depreciation Fund and the Operation and Maintenance Fund.

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

*"Grant Proceeds"* refers to the proceeds of the RECD Grant.

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

*"Interim Lender"* refers to RECD, Lexington, Kentucky, its successors or assigns; or any other financial institution or governmental agency approved by the District.

*"Local Counsel"* refers to Alan C. Stout, Marion, Kentucky, or any other attorney or firm of attorneys designated by the District.

*"Multiple Advances"* refers to the advance of loan funds from the RECD as described in Section 302 of this Resolution.

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

*"Operation and Maintenance Fund"* refers to the Crittenden-Livingston County Water District Waterworks Operation and Maintenance Fund, described in Section 401 of this Resolution.

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

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

*"Prior Bonds"* refers collectively to the Series 1985 Bonds, the Series 1988 Bonds, the Series 1989 Bonds and the Series 1991 Bonds.

*"Prior Bond Resolution"* refers collectively to the 1985 Bond Resolution, the 1988 Bond Resolution, the 1989 Bond Resolution and the 1991 Bond Resolution.

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

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

*"RECD"* refers to the Rural Economic and Community Development of the Department of Agriculture of the United States Department of Agriculture.

*"RECD Grant"* refers to the RECD grant described in Section 804 of this Resolution.

*"Required Signatures"* refers to the signatures necessary to be obtained with reference to the approval of the expenditures to be made from the Construction Account, which required signatures shall consist of the signatures of (1) the Chairman; (2) the Engineers; and (3) the Purchaser; provided, however, any expenditures for issuance and administrative costs and the costs of any equipment which is not permanently affixed to the real estate shall not require the signature or the approval of the Engineers.

*"Revenue Fund"* refers to the Crittenden-Livingston County Water District Waterworks Revenue Fund, described in Section 401 of this Resolution.

*"Secretary"* refers to the elected or appointed Secretary of the Commission.

*"Sinking Fund"* refers to the Crittenden-Livingston County Water District Waterworks Bond and Interest Sinking Fund, described in Section 401 of this Resolution.

*"System"* refers to the existing waterworks system of the District, together with all extensions, additions and improvements to said System.

*"Treasurer"* refers to the elected or appointed Treasurer of the Commission.

*"U.S. Obligations"* refers to bonds or notes which are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

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

**Section 102. Purpose.** The Current Bonds shall be issued for the purpose of financing the cost (not otherwise provided) of the Project, as set out in the plans and specifications prepared by the Engineers. The Commission hereby declares the System of the District, including the extensions, additions and improvements to be constructed, to constitute a revenue producing public project, and said System shall continue to be owned, controlled, operated and maintained by the District as a revenue producing public project pursuant to the Act, so long as any Bonds remain outstanding.

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

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

**Section 105. Authorization of Bonds.** The District has heretofore determined that the total cost of the Project, including preliminary expenses, land and rights-of-way, engineering expense, capitalized interest during construction, legal and administrative costs, publication costs, initial deposits required and all incidental expenses, will not exceed \$1,323,000. Therefore, it is hereby determined to be necessary in order for the District to finance the cost (not otherwise provided) of the Project that the District issue a total of \$984,000 of Current Bonds, based on the following calculation:

Total cost of Project		\$1,323,000
Less:		
RECD Grant	\$295,600	
Connection Charges	<u>43,400</u>	
Total Non-Bond Funds:		<u>(339,000)</u>
Balance to be financed by Current Bonds		\$984,000

Accordingly, for the purpose of financing the cost (not otherwise provided) of the Project, under the provisions of the Act, there is hereby authorized to be issued and sold \$984,000

principal amount of Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 1995, consisting of \$884,000 of Series A Bonds and \$100,000 of Series B Bonds.

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

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

**Section 106. Recognition of Prior Bonds.** The District hereby expressly recognizes and acknowledges that the District has previously created for the benefit and protection of the owners of the Prior Bonds, a certain lien and pledge and certain security rights relating to the System, all as set forth in the Prior Bonds and in the Prior Bond Resolution.

**Section 107. Current Bonds Shall be Payable on Out of Gross Revenues.** The Current Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be payable solely on a first lien basis out of the gross revenues of the System, on a parity with the Prior Bonds.

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

**ARTICLE 2. THE BONDS; BOND FORM; PREPAYMENT.**

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

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

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

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

**Section 204. Provisions as to Prepayment.** Except when all of the Current Bonds are held by the Government, principal maturities falling due prior to January 1, 2005, shall not be subject to prepayment. Principal maturities falling due on and after January 1, 2005, shall be subject to prepayment by the District on any interest payment date falling on and after January 1, 2004, at par plus accrued interest, without any prepayment penalty.

So long as all of the Current Bonds are owned by the Government, all or any of the Current Bonds, or in a multiple of \$100, may be prepaid at any time in inverse chronological order of the principal maturities due, at par plus accrued interest without any prepayment penalty.

Notice of such prepayment shall be given by certified mail to the Bondowner or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the Bondowner.

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

**Section 301. Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits.** The Treasurer, or such other District official as shall be designated by the Commission, shall be the custodian of all funds belonging to and associated with the System. All moneys in excess of the amount insured by the FDIC in the Construction Account shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The officials of the District entrusted with the receipt and disbursement of revenues of the System and the custody of valuable property shall be covered by a fidelity bond in the amount of not less than \$230,000 (the "Fidelity Bond"), or such larger amount as the RECD may require, which Fidelity Bond shall be effective and secured by a surety company approved by the RECD so long as it is owner of any of the Current Bonds. The RECD and the District shall be named co-obligees in such Fidelity Bond and the amount thereof shall not be reduced without the written consent of the RECD. Whenever sums in the Funds shall exceed \$230,000, the Fidelity Bond shall be increased accordingly as requested by and with the approval of the RECD.

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

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

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

**(2) Construction Account.** If and to the extent that the proceeds of the Current Bonds shall be in excess of the amount necessary to pay the interest, principal and costs referred to in subparagraph B(1) of this Section, such excess amount shall immediately be deposited in the "Crittenden-Livingston County Water District Construction Account" hereby created, which shall be established at the Depository Bank. There shall also be deposited in said Construction Account the Grant Proceeds, as and when received, or said Grant Proceeds may be applied, to the extent necessary, to liquidate or reduce any interim financing owed by the District at the time of receipt of



Grant Proceeds. Simultaneously with or prior to the delivery of the Current Bonds, there shall also be deposited in the Construction Account the proceeds of the District contribution in the minimum amount of \$43,400 (less any amounts theretofore used for authorized purposes), to supplement the proceeds of the Current Bonds and Grant Proceeds in order to assure completion of the Project.

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

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

During construction, the District shall disburse Construction Account funds in a manner consistent with RECD Instruction 1942-A.

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

**(4) Transfer of Capitalized Interest to Sinking Fund.** There shall be transferred from the Construction Account an amount sufficient to provide for capitalized interest (initially estimated at \$42,000) during the construction of the Project, as approved by the Engineers and by the RECD. If and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project, such amount so transferred from the Construction Account shall be deposited in the Sinking Fund.

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

cause the total deposits of the District in said Depository Bank to exceed the amount insured by the FDIC, the same shall be continuously secured by a valid pledge of U.S. Obligations, having an equivalent market value, in conformity with Section 66.480 of the Kentucky Revised Statutes. Investments in Certificates of Deposit may be made only if a separate RECD Form 402-4 Agreement is executed, if the RECD has purchased any of the Bonds, and investments in Certificates of Deposit or savings accounts may be made only in such Certificates or accounts of an FDIC bank. Any such investments will be a part of the Construction Account, and income from such investments will be credited to the Construction Account. All such investments shall be subject to the limitations set out in Section 303 hereof.

**(6) Statements of Contractors, Engineers and Attorneys as to Payment.** Prior to the delivery of the Current Bonds, if the RECD is the Purchaser of the Current Bonds, the District will be required to provide the RECD with statements from the Contractors, Engineers and attorneys for the District that they have been paid to date in accordance with their contract or other agreements and, in the case of any Contractor, that he has paid his suppliers and subcontractors. Any exceptions must be authorized under RECD Instruction 1942-A.

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

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

### **Section 302. Interim Financing Authorization.**

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

The borrowing of up to the aggregate sum of \$984,000 from the Interim Lender is hereby authorized; and the Chairman is hereby authorized to execute the Note in the name and on behalf of the District. Each advance under the Note shall evidence a loan by the Interim

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

Interim financing shall be disbursed as follows:

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

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

The aggregate of the principal amount of all Notes shall not exceed \$984,000. Each Note which is renewed or superseded shall be simultaneously cancelled by the Interim Lender and transmitted to the Treasurer. The rate of interest applicable to each Note shall not exceed a reasonable rate, which rate is subject to the approval of the RECD.

The total authorized interim financing of \$984,000 shall be the maximum indebtedness which the District may owe at any one time to the Interim Lender for the purpose of providing temporary construction financing for the Project; provided, however, that the District may reduce the amount owed by the District to the Interim Lender from time to time as and when funds are available to the District, whether derived from the proceeds of the Grant Proceeds, the proceeds of the sale of the Current Bonds or otherwise, and may reborrow from the Interim Lender additional amounts in anticipation of the further receipt by the District of additional proceeds from the Current Bonds and/or Grant Proceeds.

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

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

**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 District's annual budget.

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

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

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

If the RECD has purchased any of the Outstanding Bonds, investments in Certificates of Deposit may be made only if a separate RECD Form 402-4 Agreement is executed. Any such investments will be a part of the respective Funds from which the proceeds invested are derived, and income from such investments will be credited to such respective Funds. All investments of funds derived from proceeds of the Outstanding Bonds shall be subject to the applicable limitations set out in Section 303 hereof.

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

All monies held in any of the Funds shall be kept apart from all other District funds and shall be deposited in the Depository Bank, and all such deposits which cause the aggregate of all deposits of the District therein to be in excess of the amount secured by FDIC,

shall (unless invested as herein authorized) be secured by a surety bond or bonds or by a pledge of U.S. Obligations, having a market value equivalent to such deposit.

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

**Section 403. Current Bonds on a Parity with Prior Bonds.** It is hereby certified and declared that prior to the issuance of any of the Current Bonds, there will have been procured and filed with the District (i) a letter from the RECD to the effect that the RECD agrees to the issuance of the Current Bonds ranking on a parity as to security and source of payment with the Prior Bonds, all of which are owned by the RECD, together with (ii) a certification signed by the RECD to the effect that a legend has been typed, stamped or otherwise affixed on each of the Prior Bonds held by the RECD, evidencing the agreement of the RECD as the then Owner of the Prior Bonds, to the issuance of the Current Bonds so as to rank on a parity with the Prior Bonds, such legend to be in substantially the following form:

The holder of this Bond has consented to the issuance of \$984,000 of Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 1995 ranking on a parity as to security and source of payment with this Bond.

Accordingly, it is hereby found and declared that the Current Bonds shall rank and be payable on a parity with said outstanding Prior Bonds from the gross income and revenues of the System.

**EXHIBIT A-2**

**Schedule of Principal Payments for Series B Bonds**

<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>	<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>
1998	900	2017	2,300
1999	900	2018	2,500
2000	1,000	2019	2,500
2001	1,000	2020	2,700
2002	1,100	2021	2,800
2003	1,100	2022	3,000
2004	1,200	2023	3,100
2005	1,300	2024	3,300
2006	1,300	2025	3,500
2007	1,400	2026	3,700
2008	1,500	2027	3,800
2009	1,500	2028	4,100
2010	1,600	2029	4,300
2011	1,700	2030	4,500
2012	1,800	2031	4,700
2013	1,900	2032	5,000
2014	2,000	2033	5,300
2015	2,100	2034	5,600
2016	2,200	2035	5,800

EXHIBIT B

(FORM OF FULLY REGISTERED BOND)

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
COUNTIES OF CRITTENDEN AND LIVINGSTON  
CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT  
WATERWORKS REVENUE BONDS, SERIES 1995

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

KNOW ALL MEN BY THESE PRESENTS:

That the Crittenden-Livingston County Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Crittenden and Livingston Counties, Kentucky, for value received, hereby promises to pay to

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

\_\_\_\_\_ DOLLARS (\$\_\_\_\_\_ ),

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

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
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[Here the printer of the Current Bond will print the maturities of the Current Bonds purchased by the registered Owner]

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

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky

Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Bond is issued on a parity as to security and source of payment with the outstanding Crittenden-Livingston County Water District Waterworks System Revenue Bonds of 1985, Series B, dated December 2, 1985 (the "Bonds of 1985"), authorized by an Resolution enacted by the Commission of the District on March 25, 1985 (the "1985 Bond Resolution"); the outstanding Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1988, dated May 30, 1989 (the "Bonds of 1988"), authorized by an Resolution enacted by the Commission of the District on November 14, 1988 (the "1988 Bond Resolution"); the outstanding Crittenden-Livingston County Water District Waterworks Refunding Revenue Bonds of 1989, dated May 30, 1989 (the "Bonds of 1989"), authorized by an Resolution enacted by the Commission of the District on May 22, 1989 (the "1989 Bond Resolution"); and the outstanding Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1991, dated November 7, 1991 (the "Bonds of 1991"), authorized by an Resolution enacted by the Commission of the District on February 18, 1991 (the "1991 Bond Resolution") [hereinafter the Bonds of 1985, Bonds of 1988, Bonds of 1989 and Bonds of 1991 shall be collectively referred to as the "Prior Bonds", and the 1985 Bond Resolution, the 1988 Bond Resolution, the 1989 Bond Resolution and the 1991 Bond Resolution shall be collectively referred to as the "Prior Bond Resolution"]. Accordingly, this Bond, together with any bonds ranking on a parity herewith, is payable from and secured on a second lien basis by a pledge of the gross revenues to be derived from the operation of the System, after providing for the requirements of the Prior Bonds and the requirements of the Prior Bond Resolution.

This Bond has been issued in full compliance with the Current Bond Resolution and the Prior Bond Resolution; and this Bond, and any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Resolution and the Prior Bond Resolution, are and will continue to be payable from revenues which shall be set aside in a fund for that purpose and identified as the "Crittenden-Livingston County Water District Waterworks Bond and Interest Sinking Fund", created in the 1985 Bond Resolution.

This Bond does not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations and is payable solely out of the revenues of the System. As provided in the Current Bond Resolution, the District covenants that so long as any of the Prior Bonds and/or this Bond, are outstanding, the System will be continuously owned and operated by the District as a revenue producing public undertaking within the meaning of the aforesaid Act for the security and source of payment of the Prior Bonds and of this Bond, and that the District will fix, and if necessary adjust, from time to time, such rates for the services and facilities of the System and will collect and account for the revenues therefrom sufficient to pay promptly the principal of and interest on the Prior Bonds, this Bond and all



other bonds ranking on a parity therewith as may be outstanding from time to time, to pay the cost of operation and maintenance of the System and to provide for the depreciation thereof.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond in order to complete the Project, and to finance future extensions, additions and improvements to the System, provided the necessary requirements of the Current Bond Resolution have been complied with by the District.

This Bond shall be registered as to principal and interest in the name of the owner hereof, after which it shall be transferable only upon presentation to the Secretary of the District as the Bond Registrar, with a written transfer duly acknowledged by the registered owner or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the book 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, 2004, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Hundred Dollars (\$100), as the 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 owner of this Bond or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

So long as the registered owner of this Bond is the United States of America, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$100, may be prepaid at any time in inverse chronological order of the installments due.

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 provision of this Bond or with any provision of the Current Bond Resolution, the registered owner may, at his option, institute all rights and remedies provided by law or by said Current Bond Resolution.


It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Crittenden-Livingston County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is

CRITTENDEN-LIVINGSTON COUNTY  
WATER DISTRICT, Crittenden and Livingston  
Counties, Kentucky

By   
Chairman

Attest:

  
Secretary

(Seal of District)

#### PROVISION FOR REGISTRATION

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

#### ASSIGNMENT

Date of Registration	Name of Registered Owner	Signature of Bond Registrar

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

By: \_\_\_\_\_

EXHIBIT C

REQUISITION CERTIFICATE

Re: Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 1995

The undersigned hereby certify as follows:

1. That they are the signatories required for construction and/or administrative draws pursuant to the Bond Resolution adopted by the Crittenden-Livingston County Water District (the "District") of Crittenden and Livingston Counties, Kentucky.

2. That the named firms and/or persons set forth on Exhibit A attached hereto are now entitled to the aggregate sum of \$\_\_\_\_\_, itemized as set forth in said Exhibit A and as per approved invoices attached hereto:

3. That upon said amount being lent to said District and/or obtained by said District from the proceeds of the Current Bonds and/or other sources, the undersigned approve such expenditure and the payment of said amounts to said firms and/or persons, either directly or from amounts deposit in the "Crittenden-Livingston County Water District Construction Account", at The Salem Bank, Inc., Salem, Kentucky.

4. That we hereby certify that we have carefully inspected the work and, as a result of our inspection and to the best of our knowledge and belief, the amounts shown in this Requisition Certificate are correct and the work has been performed in accordance with the agreements between the District and the parties requesting payment.

IN TESTIMONY WHEREOF, witness the signature of the undersigned, this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT

By [Signature]  
Chairman

GRW ENGINEERS, INC.

By \_\_\_\_\_  
Registered Professional Engineer  
State of Kentucky No. \_\_\_\_\_

Approved on \_\_\_\_\_

Approved on \_\_\_\_\_

RURAL ECONOMIC AND COMMUNITY DEVELOPMENT Amount expended heretofore \$ \_\_\_\_\_

By \_\_\_\_\_  
Authorized RECD Official

Amount approved herein \_\_\_\_\_

Approved on \_\_\_\_\_

Total \_\_\_\_\_

## ARTICLE 5. COVENANTS OF DISTRICT

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

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

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

Monthly operating reports shall be furnished to the RECD and to any Bondowner requesting same, during the first two (2) years of operation after completion of the Project, and whenever and so long as the District is delinquent in any of the covenants set out in the Prior Bond Resolution or this Current Bond Resolution. Thereafter, quarterly operating reports shall be furnished at all other times to the RECD and to any Bondowner requesting the same.

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

Not later than sixty (60) days before the end of each Fiscal Year, the District agrees to cause to be prepared a proposed annual budget of operating expenses (the "Proposed Budget") of the System for the then ensuing Fiscal Year, itemized on the basis of monthly requirements. A copy of said Proposed Budget shall be mailed to any Bondowner who may request in writing a copy of such Proposed Budget and to the RECD without request, if the Government is the Owner of any of the Bonds.

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

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

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

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

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

- (1) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky;
- (2) It will make and collect reasonable and sufficient rates and charges for services and facilities rendered by the System;
- (3) It will segregate the revenues and income from the System and make application thereof consistent with and as provided by this Resolution;
- (4) Unless the written consent of the Owners of a majority of the principal amount of the Outstanding Bonds has been obtained, the District agrees not to sell, lease, mortgage or in any manner dispose of any integral part of the System, including any and all appurtenances thereto and extensions,

additions and improvements that may be made thereto, until all of the Outstanding Bonds shall have been paid or provided for in full, as provided herein; subject to the provisions of Section 607 hereof;

- (5) It will maintain in good condition and continuously operate the System and appurtenances thereto and will charge such rates and charges for the services rendered thereby so that the gross income and revenues will be sufficient at all times (i) to pay the interest on and principal of the Outstanding Bonds as same become due; (ii) to pay the cost of operating and maintaining the System; and (iii) to provide for an adequate depreciation account; and
- (6) It will carry and maintain insurance on properties of the System subject to loss or damage in amounts and against hazards substantially in accordance with the practices of other districts, cities or corporations which own and maintain waterworks systems under similar conditions; and so long as the Government is the Owner of any of the Outstanding Bonds, the Government will be listed as co-beneficiary on any such policy; and the District shall further comply with the insurance requirements of Section 506 hereof (involving insurance on motors, tanks and structures).

**Section 505. Other Covenants Applicable So Long as RECD Owns Any Bonds.** So long as the RECD shall own any of the Bonds, the District shall comply with such RECD regulations, requirements and requests as shall be made by the RECD, including the furnishing of operating and other financial statements, in such form and substance and for such periods as may be requested by the RECD, the carrying of insurance of such types and in such amounts as the RECD may specify, with insurance carriers acceptable to the RECD and compliance with all of the terms and conditions of the Loan Resolution (RECD Form 1942-47) adopted and executed by the District, which is hereby authorized, approved, ratified and confirmed.

**Section 506. Insurance on Motors, Tanks and Structures.** The District shall (a) immediately after the adoption of this Resolution and (b) at the time of final acceptance of the Project, insure all electric motors, elevated water storage tanks, pumping stations and major structures of the System in an amount recommended by the Engineers and approved by the RECD, so long as the RECD is the Owner of any of the Bonds, for the hazards usually covered in such area, and shall similarly insure same in an amount recommended by the Engineers, without the necessity of approval by the RECD if and whenever the District has Outstanding Bonds against the System and none of such Outstanding Bonds are owned by the RECD.

## ARTICLE 6. INFERIOR BONDS AND PARITY BONDS

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

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

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

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

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

The District further reserves the right to add new waterworks facilities and/or to finance future extensions, additions and improvements to the System by the issuance of one or more additional series of Parity Bonds to be secured by a parity lien on and ratably payable on a parity with the Current Bonds, from the revenues of the System, provided:

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

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

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

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

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

(2) any increase in the annual net revenues to be realized from the proposed extensions, additions and improvements being financed (in whole or in part) by such additional Parity Bonds;

provided all such adjustments shall be based upon and included in a certification of an Independent Consulting Engineer.

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

**Section 604. Covenants to be Complied with at Time of Issuance of Parity Bonds.**

The District hereby covenants and agrees that in the event any Parity Bonds are issued, the District shall:

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



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

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

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

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

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

- (a) The District is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds, and the required reserves for such Outstanding Bonds will have been accumulated;
- (b) The District will, in the event of any such sale, apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing prepayment of bonds in advance of maturity; or (2) replacement of the facility so disposed of by another facility, the revenues of which shall be incorporated into the System, as hereinbefore provided;
- (c) The District certifies, in good faith, prior to any abandonment of use, that the facilities to be abandoned are no longer economically feasible of producing net revenues; and

- (d) The District certifies, in good faith, that the estimated net revenues of the remaining facilities of the System for the then next succeeding Fiscal Year, plus the estimated net revenues of the facilities, if any, to be added to the System, comply with the earnings requirements hereinbefore provided in the provisions and conditions governing the issuance of Parity Bonds.

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

## **ARTICLE 7. DEFAULT AND CONSEQUENCES**

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

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

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

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

1995  
USDA A Bonds

**BOND RESOLUTION**

**CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT**

**AUTHORIZING**

---

**CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT  
WATERWORKS REVENUE BONDS, SERIES 1995**

**IN THE AGGREGATE AMOUNT OF**

**\$984,000**

**CONSISTING OF  
\$884,000 OF SERIES A BONDS**

**AND**

**\$100,000 OF SERIES B BONDS**

13-33

TABLE OF CONTENTS

ARTICLE 1. DEFINITIONS; PURPOSE; AUTHORIZATION OF BONDS; SECURITY. . . . . 3

Section 101. Definitions . . . . . 3

Section 102. Purpose . . . . . 7

Section 103. Construction Award Approved; Work Authorized . . . . . 7

Section 104. Declaration of Period of Usefulness . . . . . 7

Section 105. Authorization of Bonds . . . . . 7

Section 106. Recognition of Prior Bonds . . . . . 8

Section 107. Current Bonds Shall be Payable on Out of Gross Revenues . . . . . 8

Section 108. Lien on Contracts . . . . . 8

ARTICLE 2. THE BONDS; BOND FORM; PREPAYMENT. . . . . 9

Section 201. Principal Payments . . . . . 9

Section 202. Issuance of Current Bonds; Bond Form . . . . . 9

---

Section 203. Place of Payment and Manner of Execution . . . . . 9

Section 204. Provisions as to Prepayment . . . . . 9

ARTICLE 3. CONSTRUCTION ACCOUNT; INTERIM FINANCING; APPLICATION OF PROCEEDS; ARBITRAGE LIMITATIONS. . . . . 10

↓ Section 301. Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits . . . . . 10

    A. Covenants Applicable if RECD Purchases Current Bonds . . . . . 10

    B. Application of Proceeds of Current Bonds . . . . . 10

Section 302. Interim Financing Authorization . . . . . 12

    A. Interim Financing . . . . . 12

    B. Multiple Advances by RECD . . . . . 14

Section 303. Arbitrage Limitations on Investment of Proceeds . . . . . 14

ARTICLE 4. FLOW OF FUNDS . . . . . 16

Section 401. Funds . . . . . 16

Section 402. Flow of Funds . . . . . 16

    A. Revenue Fund . . . . . 16

    B. Sinking Fund . . . . . 16

    C. Depreciation Fund . . . . . 17

D.	Operation and Maintenance Fund .....	18
E.	Monthly Principal and Interest Payments if Requested by the RECD .....	18
F.	Surplus Funds .....	18
G.	Investment and Miscellaneous Provisions .....	18
Section 403.	Current Bonds on a Parity with Prior Bonds .....	19
ARTICLE 5.	COVENANTS OF DISTRICT .....	20
Section 501.	Rates and Charges .....	20
Section 502.	Books and Accounts; Audit .....	20
Section 503.	System to Continue to be Operated on Fiscal Year Basis; Annual Budget .....	20
Section 504.	General Covenants .....	21
Section 505.	Other Covenants Applicable So Long as RECD Owns Any Bonds .....	22
Section 506.	Insurance on Motors, Tanks and Structures .....	22
ARTICLE 6.	INFERIOR BONDS AND PARITY BONDS .....	23
Section 601.	Inferior Bonds .....	23
Section 602.	Parity Bonds to Complete the Project .....	23
Section 603.	Parity Bonds to Finance Future Improvements .....	23
Section 604.	Covenants to be Complied with at Time of Issuance of Parity Bonds .....	24
Section 605.	Prepayment Provisions Applicable to Parity Bonds .....	25
Section 606.	Consent of the RECD Regarding Future Bonds .....	25
Section 607.	Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities .....	25
ARTICLE 7.	DEFAULT AND CONSEQUENCES .....	27
Section 701.	Events of Default .....	27
Section 702.	Consequences of Event of Default .....	27
ARTICLE 8.	CONTRACTUAL PROVISIONS; GRANT APPROVAL; MISCELLANEOUS PROVISIONS. ....	28
Section 801.	Resolution Contractual with Bondowners .....	28
Section 802.	All Current Bonds are Equal .....	28
Section 803.	District Obligated to Refund Current Bonds Owned by Government Whenever Feasible; Defeasement Prohibited .....	28
Section 804.	Approval and Acceptance of RECD Grant Agreement .....	29
Section 805.	Authorization, Ratification and Confirmation of Approval and Execution of Various Documents .....	29
Section 806.	Authorization of Condemnation to Acquire Easements and/or Sites .....	29

ARTICLE 9.	SALE OF CURRENT BONDS .....	31
Section 901.	Sale of Current Bonds .....	31
Section 902.	Adjustment in Maturities, Prepayment Provisions and Other Dates, with Consent of Purchaser if Delivery is Delayed .....	31
ARTICLE 10.	CONCLUDING PROVISIONS .....	32
Section 1001.	Covenant of District to Take All Necessary Action To Assure Compliance with the Code .....	32
Section 1002.	Severability Clause .....	33
Section 1003.	All Provisions in Conflict Repealed .....	33
Section 1004.	Effective Immediately Upon Adoption .....	33

- EXHIBIT A - Schedule of Principal Payments**  
**EXHIBIT B - Form of Fully Registered Bond**  
**EXHIBIT C - Requisition Certificate**

## BOND RESOLUTION

**RESOLUTION OF THE CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT OF CRITTENDEN AND LIVINGSTON COUNTIES, KENTUCKY, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF \$984,000 PRINCIPAL AMOUNT OF CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT WATERWORKS REVENUE BONDS, SERIES 1995, CONSISTING OF \$884,000 OF SERIES A BONDS AND \$100,000 OF SERIES B BONDS FOR THE PURPOSE OF FINANCING THE COST (NOT OTHERWISE PROVIDED) OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF SAID DISTRICT; SETTING FORTH TERMS AND CONDITIONS UPON WHICH SAID BONDS MAY BE ISSUED AND OUTSTANDING; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SAID WATERWORKS SYSTEM; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF SAID BONDS.**

---

WHEREAS, the waterworks system (the "System") of the Crittenden-Livingston County Water District (the "District") is owned and operated by said District pursuant to Chapters 58 and 74 of the Kentucky Revised Statutes (the "Act"), and

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

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

WHEREAS, it is the desire and intent of the District at this time to authorize and provide for the issuance of revenue bonds in the aggregate principal amount of \$984,000 (the "Current Bonds"), for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the System of the District, in accordance with plans and specifications prepared by GRW Engineers, Inc. and to prescribe the covenants of the District, the rights of Bondowners and the details of the issuance and sale of the proposed Current Bonds, and

WHEREAS, the District desires and intends that the Current Bonds be issued so as to rank on a parity basis with the Prior Bonds, and



WHEREAS, the Prior Bonds were issued to and are now held by the Rural Economic and Community Development of the Department of Agriculture of the United States of America (the "RECD"), as successor agency of the Farmers Home Administration, and

WHEREAS, the RECD, as the Owner of the Prior Bonds, has consented to the issuance by the District of the Current Bonds, and

WHEREAS, the Public Service Commission of Kentucky has granted to the District a Certificate of Public Convenience and Necessity, authorizing the construction of said extensions, additions and improvements, and

WHEREAS, the proceeds of the Current Bonds will be supplemented by Grant Proceeds (as hereinafter defined) in the amount of approximately \$295,600, and by connection charges in the amount of at least \$43,400, to provide the total cost of such construction,

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT OF CRITTENDEN AND LIVINGSTON COUNTIES, KENTUCKY, AS FOLLOWS:

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

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

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

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

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

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

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

*"Bonds of 1985" or "Series 1985 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks System Revenue Bonds of 1985, Series B, dated December 2, 1985, in the original authorized principal amount of \$171,000.

*"Bonds of 1988" or "Series 1988 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1988, dated May 30, 1989, in the original authorized principal amount of \$634,000.

*"Bonds of 1989" or "Series 1989 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks Refunding Revenue Bonds of 1989, dated May 30, 1989, in the original authorized principal amount of \$1,201,000.

*"Bonds of 1991" or "Series 1991 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1991, dated November 7, 1991, in the original authorized principal amount of \$358,000.

*"Bond Resolution of 1985" or "1985 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1985, duly adopted by the Board of Commissioners of the District on March 25, 1985.

*"Bond Resolution of 1988" or "1988 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1988, duly adopted by the Board of Commissioners of the District on November 14, 1988.

*"Bond Resolution of 1989"* or *"1989 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1989, duly adopted by the Board of Commissioners of the District on May 22, 1989.

*"Bond Resolution of 1991"* or *"1991 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1991, duly adopted by the Board of Commissioners of the District on February 18, 1991.

*"Chairman"* refers to the elected or appointed Chairman or Chairperson of the Commission.

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

*"Commission"* refers to the Board of Commissioners of the District, or such other body as shall be the governing body of said District under the laws of Kentucky at any given time.

*"Construction Account"* refers to the Crittenden-Livingston County Water District Construction Account, created in Section 301(B) of this Current Bond Resolution.

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

*"Current Bond Resolution"* or *"Resolution"* refer to this Resolution authorizing the Current Bonds.

*"Current Bonds"* refers to the \$984,000 of Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 1995, consisting of \$884,000 of Series A Bonds and \$100,000 of Series B Bonds authorized by this Resolution, to be dated as of the date of issuance thereof.

*"Depository Bank"* refers to the bank, which shall be a member of the FDIC, which bank is The Salem Bank, Inc., Salem, Kentucky, or its successor.

*"Depreciation Fund"* refers to the Crittenden-Livingston County Water District Waterworks Depreciation Reserve Fund, described in Section 402 of this Resolution.

*"District"* refers to the Crittenden-Livingston County Water District of Crittenden and Livingston Counties, Kentucky.

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

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

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

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

"*Funds*" refers to the Construction Account, the Revenue Fund, the Sinking Fund, the Depreciation Fund and the Operation and Maintenance Fund.

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

"*Grant Proceeds*" refers to the proceeds of the RECD Grant.

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

"*Interim Lender*" refers to RECD, Lexington, Kentucky, its successors or assigns; or any other financial institution or governmental agency approved by the District.

"*Local Counsel*" refers to Alan C. Stout, Marion, Kentucky, or any other attorney or firm of attorneys designated by the District.

"*Multiple Advances*" refers to the advance of loan funds from the RECD as described in Section 302 of this Resolution.

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

"*Operation and Maintenance Fund*" refers to the Crittenden-Livingston County Water District Waterworks Operation and Maintenance Fund, described in Section 401 of this Resolution.

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

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

*"Prior Bonds"* refers collectively to the Series 1985 Bonds, the Series 1988 Bonds, the Series 1989 Bonds and the Series 1991 Bonds.

*"Prior Bond Resolution"* refers collectively to the 1985 Bond Resolution, the 1988 Bond Resolution, the 1989 Bond Resolution and the 1991 Bond Resolution.

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

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

*"RECD"* refers to the Rural Economic and Community Development of the Department of Agriculture of the United States Department of Agriculture.

*"RECD Grant"* refers to the RECD grant described in Section 804 of this Resolution.

*"Required Signatures"* refers to the signatures necessary to be obtained with reference to the approval of the expenditures to be made from the Construction Account, which required signatures shall consist of the signatures of (1) the Chairman; (2) the Engineers; and (3) the Purchaser; provided, however, any expenditures for issuance and administrative costs and the costs of any equipment which is not permanently affixed to the real estate shall not require the signature or the approval of the Engineers.

*"Revenue Fund"* refers to the Crittenden-Livingston County Water District Waterworks Revenue Fund, described in Section 401 of this Resolution.

*"Secretary"* refers to the elected or appointed Secretary of the Commission.

*"Sinking Fund"* refers to the Crittenden-Livingston County Water District Waterworks Bond and Interest Sinking Fund, described in Section 401 of this Resolution.

*"System"* refers to the existing waterworks system of the District, together with all extensions, additions and improvements to said System.

*"Treasurer"* refers to the elected or appointed Treasurer of the Commission.

*"U.S. Obligations"* refers to bonds or notes which are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

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

**Section 102. Purpose.** The Current Bonds shall be issued for the purpose of financing the cost (not otherwise provided) of the Project, as set out in the plans and specifications prepared by the Engineers. The Commission hereby declares the System of the District, including the extensions, additions and improvements to be constructed, to constitute a revenue producing public project, and said System shall continue to be owned, controlled, operated and maintained by the District as a revenue producing public project pursuant to the Act, so long as any Bonds remain outstanding.

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

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

**Section 105. Authorization of Bonds.** The District has heretofore determined that the total cost of the Project, including preliminary expenses, land and rights-of-way, engineering expense, capitalized interest during construction, legal and administrative costs, publication costs, initial deposits required and all incidental expenses, will not exceed \$1,323,000. Therefore, it is hereby determined to be necessary in order for the District to finance the cost (not otherwise provided) of the Project that the District issue a total of \$984,000 of Current Bonds, based on the following calculation:

Total cost of Project		\$1,323,000
Less:		
RECD Grant	\$295,600	
Connection Charges	<u>43,400</u>	
Total Non-Bond Funds:		<u>(339,000)</u>
Balance to be financed by Current Bonds		\$984,000

Accordingly, for the purpose of financing the cost (not otherwise provided) of the Project, under the provisions of the Act, there is hereby authorized to be issued and sold \$984,000

principal amount of Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 1995, consisting of \$884,000 of Series A Bonds and \$100,000 of Series B Bonds.

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

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

**Section 106. Recognition of Prior Bonds.** The District hereby expressly recognizes and acknowledges that the District has previously created for the benefit and protection of the owners of the Prior Bonds, a certain lien and pledge and certain security rights relating to the System, all as set forth in the Prior Bonds and in the Prior Bond Resolution.

**Section 107. Current Bonds Shall be Payable on Out of Gross Revenues.** The Current Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be payable solely on a first lien basis out of the gross revenues of the System, on a parity with the Prior Bonds.

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

## **ARTICLE 2. THE BONDS; BOND FORM; PREPAYMENT.**

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

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

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

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

**Section 204. Provisions as to Prepayment.** Except when all of the Current Bonds are held by the Government, principal maturities falling due prior to January 1, 2005, shall not be subject to prepayment. Principal maturities falling due on and after January 1, 2005, shall be subject to prepayment by the District on any interest payment date falling on and after January 1, 2004, at par plus accrued interest, without any prepayment penalty.

So long as all of the Current Bonds are owned by the Government, all or any of the Current Bonds, or in a multiple of \$100, may be prepaid at any time in inverse chronological order of the principal maturities due, at par plus accrued interest without any prepayment penalty.

Notice of such prepayment shall be given by certified mail to the Bondowner or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the Bondowner.



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

**Section 301. Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits.** The Treasurer, or such other District official as shall be designated by the Commission, shall be the custodian of all funds belonging to and associated with the System. All moneys in excess of the amount insured by the FDIC in the Construction Account shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The officials of the District entrusted with the receipt and disbursement of revenues of the System and the custody of valuable property shall be covered by a fidelity bond in the amount of not less than \$230,000 (the "Fidelity Bond"), or such larger amount as the RECD may require, which Fidelity Bond shall be effective and secured by a surety company approved by the RECD so long as it is owner of any of the Current Bonds. The RECD and the District shall be named co-obligees in such Fidelity Bond and the amount thereof shall not be reduced without the written consent of the RECD. Whenever sums in the Funds shall exceed \$230,000, the Fidelity Bond shall be increased accordingly as requested by and with the approval of the RECD.

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

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

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

**(2) Construction Account.** If and to the extent that the proceeds of the Current Bonds shall be in excess of the amount necessary to pay the interest, principal and costs referred to in subparagraph B(1) of this Section, such excess amount shall immediately be deposited in the "Crittenden-Livingston County Water District Construction Account" hereby created, which shall be established at the Depository Bank. There shall also be deposited in said Construction Account the Grant Proceeds, as and when received, or said Grant Proceeds may be applied, to the extent necessary, to liquidate or reduce any interim financing owed by the District at the time of receipt of

Grant Proceeds. Simultaneously with or prior to the delivery of the Current Bonds, there shall also be deposited in the Construction Account the proceeds of the District contribution in the minimum amount of \$43,400 (less any amounts theretofore used for authorized purposes), to supplement the proceeds of the Current Bonds and Grant Proceeds in order to assure completion of the Project.

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

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

During construction, the District shall disburse Construction Account funds in a manner consistent with RECD Instruction 1942-A.

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

**(4) Transfer of Capitalized Interest to Sinking Fund.** There shall be transferred from the Construction Account an amount sufficient to provide for capitalized interest (initially estimated at \$42,000) during the construction of the Project, as approved by the Engineers and by the RECD. If and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project, such amount so transferred from the Construction Account shall be deposited in the Sinking Fund.

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

cause the total deposits of the District in said Depository Bank to exceed the amount insured by the FDIC, the same shall be continuously secured by a valid pledge of U.S. Obligations, having an equivalent market value, in conformity with Section 66.480 of the Kentucky Revised Statutes. Investments in Certificates of Deposit may be made only if a separate RECD Form 402-4 Agreement is executed, if the RECD has purchased any of the Bonds, and investments in Certificates of Deposit or savings accounts may be made only in such Certificates or accounts of an FDIC bank. Any such investments will be a part of the Construction Account, and income from such investments will be credited to the Construction Account. All such investments shall be subject to the limitations set out in Section 303 hereof.

(6) **Statements of Contractors, Engineers and Attorneys as to Payment.** Prior to the delivery of the Current Bonds, if the RECD is the Purchaser of the Current Bonds, the District will be required to provide the RECD with statements from the Contractors, Engineers and attorneys for the District that they have been paid to date in accordance with their contract or other agreements and, in the case of any Contractor, that he has paid his suppliers and subcontractors. Any exceptions must be authorized under RECD Instruction 1942-A.

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

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

**Section 302. Interim Financing Authorization.**

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

The borrowing of up to the aggregate sum of \$984,000 from the Interim Lender is hereby authorized; and the Chairman is hereby authorized to execute the Note in the name and on behalf of the District. Each advance under the Note shall evidence a loan by the Interim

USDA <sup>2000</sup> A Bonds

BOND RESOLUTION

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT

AUTHORIZING

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT  
WATERWORKS REVENUE BONDS, SERIES 2000

IN THE AMOUNT OF

\$4,425,000

CONSISTING OF

\$2,000,000 OF SERIES A BONDS

\$1,725,000 OF SERIES B BONDS

AND

\$700,000 OF SERIES C BONDS

**TABLE OF CONTENTS**

ARTICLE 1.	DEFINITIONS; PURPOSE; AUTHORIZATION OF BONDS; SECURITY. ....	3
Section 101.	Definitions .....	3
Section 102.	Purpose .....	7
Section 103.	Construction Award Approved; Work Authorized .....	7
Section 104.	Declaration of Period of Usefulness .....	7
Section 105.	Authorization of Bonds .....	7
Section 106.	Recognition of Prior Bonds .....	8
Section 107.	Current Bonds Shall be Payable on Second Lien Basis Out of Gross Revenues .....	8
Section 108.	Lien on Contracts .....	8
ARTICLE 2.	THE BONDS; BOND FORM; PREPAYMENT. ....	9
Section 201.	Principal Payments .....	9
Section 202.	Issuance of Current Bonds; Bond Form .....	9
Section 203.	Place of Payment and Manner of Execution .....	9
Section 204.	Provisions as to Prepayment .....	9
ARTICLE 3.	CONSTRUCTION ACCOUNT; INTERIM FINANCING; APPLICATION OF PROCEEDS; ARBITRAGE LIMITATIONS. ....	10
Section 301.	Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits .....	10
A.	Covenants Applicable if RD Purchases Current Bonds .....	10
B.	Application of Proceeds of Current Bonds .....	10
Section 302.	Interim Financing Authorization .....	12
A.	Interim Financing .....	12
B.	Multiple Advances by RD .....	14
Section 303.	Arbitrage Limitations on Investment of Proceeds .....	14

ARTICLE 4.	FLOW OF FUNDS .....	16
Section 401.	Funds .....	16
Section 402.	Flow of Funds .....	16
A.	Revenue Fund .....	16
B.	Prior Sinking Fund .....	16
C.	Current Sinking Fund .....	17
D.	Depreciation Fund .....	17
E.	Operation and Maintenance Fund .....	18
F.	Monthly Principal and Interest Payments if Requested by the RD .....	18
G.	Surplus Funds .....	18
H.	Investment and Miscellaneous Provisions .....	18
Section 403.	Current Bonds are Subordinate to the Prior Bonds .....	19
ARTICLE 5.	COVENANTS OF DISTRICT .....	20
Section 501.	Rates and Charges .....	20
Section 502.	Books and Accounts; Audit .....	20
Section 503.	System to Continue to be Operated on Fiscal Year Basis; Annual Budget .....	20
Section 504.	General Covenants .....	21
Section 505.	Other Covenants Applicable So Long as RD Owns Any Bonds .....	22
Section 506.	Insurance on Motors, Tanks and Structures .....	22
ARTICLE 6.	INFERIOR BONDS AND PARITY BONDS .....	23
Section 601.	Inferior Bonds .....	23
Section 602.	Parity Bonds to Complete the Project .....	23
Section 603.	Parity Bonds to Finance Future Improvements .....	23
Section 604.	Covenants to be Complied with at Time of Issuance of Parity Bonds .....	24
Section 605.	Prepayment Provisions Applicable to Parity Bonds .....	25
Section 606.	Consent of the RD Regarding Future Bonds .....	25
Section 607.	Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities .....	25
ARTICLE 7.	DEFAULT AND CONSEQUENCES .....	27
Section 701.	Events of Default .....	27

Section 702. Consequences of Event of Default ..... 27

ARTICLE 8. CONTRACTUAL PROVISIONS; GRANT APPROVAL;  
MISCELLANEOUS PROVISIONS. .... 28

Section 801. Resolution Contractual with Bondowners ..... 28

Section 802. All Current Bonds are Equal ..... 28

Section 803. District Obligated to Refund Current Bonds Owned by  
Government Whenever Feasible; Defeasement Prohibited ..... 28

Section 804. Approval and Acceptance of RD Grant Agreement ..... 29

Section 805. Authorization, Ratification and Confirmation of Approval and  
Execution of Various Documents ..... 29

Section 806. Authorization of Condemnation to Acquire Easements and/or  
Sites ..... 29

ARTICLE 9. SALE OF CURRENT BONDS ..... 31

Section 901. Sale of Current Bonds ..... 31

Section 902. Adjustment in Maturities, Prepayment Provisions and Other  
Dates, with Consent of Purchaser if Delivery is Delayed ..... 31

ARTICLE 10. CONCLUDING PROVISIONS ..... 32

Section 1001. Covenant of District to Take All Necessary Action To Assure  
Compliance with the Code ..... 32

Section 1002. Severability Clause ..... 33

Section 1003. All Provisions in Conflict Repealed ..... 33

Section 1004. Effective Immediately Upon Adoption ..... 33

EXHIBIT A - Schedule of Principal Payments

EXHIBIT B - Form of Fully Registered Bond

EXHIBIT C - Requisition Certificate

## BOND RESOLUTION

**RESOLUTION OF THE CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT OF CRITTENDEN AND LIVINGSTON COUNTIES, KENTUCKY, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF \$4,425,000 PRINCIPAL AMOUNT OF CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT WATERWORKS REVENUE BONDS, SERIES 2000, CONSISTING OF \$2,000,000 OF SERIES A BONDS, \$1,725,000 OF SERIES B BONDS AND \$700,000 OF SERIES C BONDS, FOR THE PURPOSE OF FINANCING THE COST (NOT OTHERWISE PROVIDED) OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF SAID DISTRICT; SETTING FORTH TERMS AND CONDITIONS UPON WHICH SAID BONDS MAY BE ISSUED AND OUTSTANDING; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SAID WATERWORKS SYSTEM; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF SAID BONDS.**

WHEREAS, the waterworks system (the "System") of the Crittenden-Livingston County Water District (the "District") is owned and operated by said District pursuant to Chapters 58 and 74 of the Kentucky Revised Statutes (the "Act"), and

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

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

WHEREAS, it is the desire and intent of the District at this time to authorize and provide for the issuance of revenue bonds in the principal amount of \$4,425,000 (the "Current Bonds"), for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the System of the District, in accordance with plans and specifications prepared by Stigall Engineering Associates, Inc. and to prescribe the covenants of the District, the rights of Bondowners and the details of the issuance and sale of the proposed Current Bonds, and

WHEREAS, the District desires and intends that the Current Bonds be issued as second lien bonds, subject to the vested rights and priorities in favor of the owners of the outstanding Prior Bonds, and



WHEREAS, the Public Service Commission of Kentucky has granted to the District a Certificate of Public Convenience and Necessity, authorizing the construction of said extensions, additions and improvements, and

WHEREAS, the proceeds of the Current Bonds will be supplemented by Grant Proceeds (as hereinafter defined) in the amount of approximately \$1,800,000, to provide the total cost of such construction,

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT OF CRITTENDEN AND LIVINGSTON COUNTIES, KENTUCKY, AS FOLLOWS:

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

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

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

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

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

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

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

*"Bonds of 1988" or "Series 1988 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1988, dated May 30, 1989, in the original authorized principal amount of \$634,000.

*"Bonds of 1991" or "Series 1991 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1991, dated November 7, 1991, in the original authorized principal amount of \$358,000.

*"Bonds of 1994" or "Series 1994 Bonds"* refer to the outstanding Crittenden-Livingston Water District Waterworks Revenue Bonds, Series 1994, dated February 11, 1994, in the original authorized principal amount of \$190,000.

*"Bonds of 1995" or "Series 1995 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 1995 A and B, dated August 8, 1995, in the original authorized principal amount of \$984,000.

*"Bonds of 1996" or "Series 1996 Bonds"* refer to the outstanding Crittenden-Livingston County Water District Waterworks Refunding Revenue Bonds, Series 1996, dated October 15, 1996, in the original authorized principal amount of \$1,460,000.

*"Bond Resolution of 1988" or "1988 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1988, duly adopted by the Board of Commissioners of the District on November 14, 1988.

*"Bond Resolution of 1991" or "1991 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1991, duly adopted by the Board of Commissioners of the District on February 18, 1991.

*"Bond Resolution of 1994" or "1994 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1994, duly adopted by the Board of Commissioners of the District on January 24, 1994.

*"Bond Resolution of 1995" or "1995 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1995, duly adopted by the Board of Commissioners of the District on April 13, 1995.

*"Bond Resolution of 1996" or "1996 Bond Resolution"* refer to the Resolution authorizing the Bonds of 1996, duly adopted by the Board of Commissioners of the District on October 14, 1996.

*"Chairman"* refers to the elected or appointed Chairman or Chairperson of the Commission.

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

*"Commission"* refers to the Board of Commissioners of the District, or such other body as shall be the governing body of said District under the laws of Kentucky at any given time.

*"Construction Account"* refers to the Crittenden-Livingston County Water District Construction Account, created in Section 301(B) of this Current Bond Resolution.

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

*"Current Bond Resolution" or "Resolution"* refer to this Resolution authorizing the Current Bonds.

*"Current Bonds"* refers to the \$4,425,000 of Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 2000, consisting of \$2,000,000 of Series A Bonds, \$1,725,000 of Series B Bonds and \$700,000 of Series C Bonds, authorized by this Resolution, to be dated as of the date of issuance thereof.

*"Current Sinking Fund"* refers to the Crittenden-Livingston County Water District Sinking Fund of 2000, created in Section 401 of this Resolution.

*"Depository Bank"* refers to the bank, which shall be a member of the FDIC, which bank is The Salem Bank, Inc., Salem, Kentucky, or its successor.

*"Depreciation Fund"* refers to the Crittenden-Livingston County Water District Waterworks Depreciation Fund, described in Section 402 of this Resolution.

*"District"* refers to the Crittenden-Livingston County Water District of Crittenden and Livingston Counties, Kentucky.

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

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

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

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

*"Funds"* refers to the Construction Account, the Revenue Fund, the Sinking Fund, the Depreciation Fund and the Operation and Maintenance Fund.

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

*"Grant Proceeds"* refers to the proceeds of the RD Grant.

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

*"Interim Lender"* refers to Kentucky Rural Water Finance Corporation, Bowling Green, Kentucky, its successors or assigns; or any other financial institution or governmental agency approved by the District.

*"Local Counsel"* refers to Alan C. Stout, Esq., Marion, Kentucky, or any other attorney or firm of attorneys designated by the District.

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

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

*"Operation and Maintenance Fund"* refers to the Crittenden-Livingston County Water District Waterworks Operation and Maintenance Fund described in Section 401 of this Resolution.

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

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

*"Prior Bonds"* refers collectively to the Series 1988 Bonds, the Series 1991 Bonds, the Series 1994 Bonds, the Series 1995 Bonds and the Series 1996 Bonds.

*"Prior Bond Resolution"* refers collectively to the 1988 Bond Resolution, the 1991 Bond Resolution, the 1994 Bond Resolution, the 1995 Bond Resolution and the 1996 Bond Resolution.

*"Prior Sinking Fund"* refers to the Crittenden-Livingston County Water District Waterworks Sinking Fund, described in Section 401 of this Resolution.

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

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

*"RD"* refers to the Rural Development of the Department of Agriculture of the United States of America.

*"RD Grant"* refers to the RD grant described in Section 804 of this Resolution.

*"Required Signatures"* refers to the signatures necessary to be obtained with reference to the approval of the expenditures to be made from the Construction Account, which required signatures shall consist of the signatures of (1) the Chairman; (2) the Engineers; and (3) the Purchaser; provided, however, any expenditures for issuance and administrative costs and the costs of any equipment which is not permanently affixed to the real estate shall not require the signature or the approval of the Engineers.

*"Revenue Fund"* refers to the Crittenden-Livingston County Water District Waterworks Revenue Fund, described in Section 401 of this Resolution.

*"Secretary"* refers to the elected or appointed Secretary of the Commission.

*"System"* refers to the existing waterworks system of the District, together with all extensions, additions and improvements to said System.

*"Treasurer"* refers to the elected or appointed Treasurer of the Commission.

*"U.S. Obligations"* refers to bonds or notes which are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

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

**Section 102. Purpose.** The Current Bonds shall be issued for the purpose of financing the cost (not otherwise provided) of the Project, as set out in the plans and specifications prepared by the Engineers. The Commission hereby declares the System of the District, including the extensions, additions and improvements to be constructed, to constitute a revenue producing public project, and said System shall continue to be owned, controlled, operated and maintained by the District as a revenue producing public project pursuant to the Act, so long as any Bonds remain outstanding.

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

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

**Section 105. Authorization of Bonds.** The District has heretofore determined that the total cost of the Project, including preliminary expenses, land and rights-of-way, engineering expense, capitalized interest during construction, legal and administrative costs, publication costs, initial deposits required and all incidental expenses, will not exceed \$6,255,000. Therefore, it is hereby determined to be necessary in order for the District to finance the cost (not otherwise provided) of the Project that the District issue a total of \$4,425,000 of Current Bonds, based on the following calculation:

Total cost of Project		\$6,255,000
Less: RD Grant	\$1,800,000	
Connection Fees	<u>30,000</u>	
Total Non-Bond Funds:		<u>(1,830,000)</u>
Balance to be financed by Current Bonds		\$4,425,000

Accordingly, for the purpose of financing the cost (not otherwise provided) of the Project, under the provisions of the Act, there is hereby authorized to be issued and sold \$4,425,000 principal amount of Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 2000, consisting of \$2,000,000 of Series A Bonds, \$1,725,000 of Series B Bonds and \$700,000 of Series C Bonds.

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

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

**Section 106. Recognition of Prior Bonds.** The District hereby expressly recognizes and acknowledges that the District has previously created for the benefit and protection of the owners of the Prior Bonds, a certain lien and pledge and certain security rights relating to the System, all as set forth in the Prior Bonds and in the Prior Bond Resolution.

**Section 107. Current Bonds Shall be Payable on Second Lien Basis Out of Gross Revenues.** The Current Bonds, and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be secured by and payable on a second lien basis out of the gross revenues of the System, after providing for all of the principal and interest requirements of the outstanding Prior Bonds.

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

## **ARTICLE 2. THE BONDS; BOND FORM; PREPAYMENT.**

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

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

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

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

**Section 204. Provisions as to Prepayment.** Except when all of the Current Bonds are held by the Government, principal maturities falling due prior to January 1, 2010, shall not be subject to prepayment. Principal maturities falling due on and after January 1, 2010, shall be subject to prepayment by the District on any interest payment date falling on and after January 1, 2009, at par plus accrued interest, without any prepayment penalty.

So long as all of the Current Bonds are owned by the Government, all or any of the Current Bonds, or in a multiple of \$100, may be prepaid at any time in inverse chronological order of the principal maturities due, at par plus accrued interest without any prepayment penalty.

Notice of such prepayment shall be given by certified mail to the Bondowner or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the Bondowner.



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

**Section 301. Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits.** The Treasurer, or such other District official as shall be designated by the Commission, shall be the custodian of all funds belonging to and associated with the System. All moneys in excess of the amount insured by the FDIC in the Construction Account shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The officials of the District entrusted with the receipt and disbursement of revenues of the System and the custody of valuable property shall be covered by a fidelity bond in the amount of not less than \$376,000 (the "Fidelity Bond"), or such larger amount as the RD may require, which Fidelity Bond shall be effective and secured by a surety company approved by the RD so long as it is owner of any of the Current Bonds. The RD and the District shall be named co-obligees in such Fidelity Bond and the amount thereof shall not be reduced without the written consent of the RD. Whenever sums in the Funds shall exceed \$376,000, the Fidelity Bond shall be increased accordingly as requested by and with the approval of the RD.

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

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

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

**(2) Construction Account.** If and to the extent that the proceeds of the Current Bonds shall be in excess of the amount necessary to pay the interest, principal and costs referred to in subparagraph B(1) of this Section, such excess amount shall immediately be deposited in the "Crittenden-Livingston County Water District Construction Account" hereby created, which shall be established at the Depository Bank. There shall also be deposited in said Construction Account the Grant Proceeds, as and when received, or said

Grant Proceeds may be applied, to the extent necessary, to liquidate or reduce any interim financing owed by the District at the time of receipt of Grant Proceeds.

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

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

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

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

**(4) Transfer of Capitalized Interest to Current Sinking Fund.** There shall be transferred from the Construction Account an amount sufficient to provide for capitalized interest (initially estimated at \$85,000) during the construction of the Project, as approved by the Engineers and by the RD. If and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project, such amount so transferred from the Construction Account shall be deposited in the Current Sinking Fund.

**(5) Investment of Funds in Construction Account.** Pending disbursement of amounts on deposit in the Construction Account, all such funds, or such portion of said amounts on deposit in said Construction Account as is designated by the Commission, shall be invested for the benefit of such Construction Account in Certificates of Deposit, savings accounts or U.S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for costs of the Project (as determined by the Engineers, the Chairman and the RD), provided that to the extent that any amounts on deposit in said Depository Bank shall cause the total deposits of the District in said Depository Bank to exceed the amount insured by the FDIC, the same shall be continuously secured by a valid pledge of U.S. Obligations, having an equivalent

market value, in conformity with Section 66.480 of the Kentucky Revised Statutes. Investments in Certificates of Deposit may be made only if a separate RD Form 402-4 Agreement is executed, if the RD has purchased any of the Bonds, and investments in Certificates of Deposit or savings accounts may be made only in such Certificates or accounts of an FDIC bank. Any such investments will be a part of the Construction Account, and income from such investments will be credited to the Construction Account. All such investments shall be subject to the limitations set out in Section 303 hereof.

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

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

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

### **Section 302. Interim Financing Authorization.**

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

The borrowing of up to the aggregate sum of \$4,425,000 from the Interim Lender is hereby authorized; and the Chairman is hereby authorized to execute the Note in the name and on behalf of the District. Each advance under the Note shall evidence a loan by the Interim Lender to

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

Interim financing shall be disbursed as follows:

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

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

The aggregate of the principal amount of all Notes shall not exceed \$4,425,000. Each Note which is renewed or superseded shall be simultaneously cancelled by the Interim Lender and transmitted to the Treasurer. The rate of interest applicable to each Note shall not exceed a reasonable rate, which rate is subject to the approval of the RD.

The total authorized interim financing of \$4,425,000 shall be the maximum indebtedness which the District may owe at any one time to the Interim Lender for the purpose of providing temporary construction financing for the Project; provided, however, that the District may reduce the amount owed by the District to the Interim Lender from time to time as and when funds are available to the District, whether derived from the proceeds of the Grant Proceeds, the proceeds of the sale of the Current Bonds or otherwise, and may reborrow from the Interim Lender additional amounts in anticipation of the further receipt by the District of additional proceeds from the Current Bonds and/or Grant Proceeds.

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

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

financing, subject to the vested rights and priorities of the pledges securing the Outstanding Bonds.

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

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

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

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

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

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

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

or constitute "arbitrage bonds" and that the interest on the Bonds shall be excludable from gross income for federal income tax purposes.

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

#### **ARTICLE 4. FLOW OF FUNDS.**

**Section 401. Funds.** There was heretofore created in the Prior Bond Resolution the following funds and accounts:

- (a) Crittenden-Livingston County Water District Waterworks Revenue Fund
- (b) Crittenden-Livingston County Water District Waterworks Prior Sinking Fund
- (c) Crittenden-Livingston County Water District Waterworks Depreciation Fund
- (d) Crittenden-Livingston County Water District Waterworks Operation and Maintenance Fund

There is hereby created the Crittenden-Livingston County Water District Waterworks Sinking Fund of 2000.

All of the Funds shall be maintained with the Depository Bank so long as any Bonds remain outstanding.

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

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

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

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

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

**C. Current Sinking Fund.** At or after the time that the Current Bonds have been delivered, there shall be transferred from the Construction Account into the Current Sinking Fund an amount sufficient (currently estimated at \$85,000) to provide for capitalized interest during the construction of the Project, if and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project.

After the monthly transfers required in the preceding paragraphs have been paid from the Revenue Fund, there shall next be transferred monthly from said Revenue Fund and deposited into the Current Sinking Fund on or before the 20th day of each month, for payment of interest on and principal of the Current Bonds, a sum equal to the total of the following:

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

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

**D. Depreciation Fund.** Pursuant to the provisions of the Prior Bond Resolution which requires that an adjustment be made in the Depreciation Fund upon the issuance of bonds ranking on a parity with the Prior Bonds, it is hereby determined that upon the issuance of the Current Bonds, and upon completion of the Project, as certified by the Engineers and by the RD, there shall next be transferred from the Revenue Fund the sum of at least \$2,115 each month (in addition to the deposits required by the Prior Bond Resolution) which shall be deposited into the Depreciation Fund until the Current Bonds are paid in full.

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

Moneys in the Depreciation Fund may be withdrawn and used by the District, upon appropriate certification of the Commission, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals and replacements not included in the annual budget of current expenses and/or of paying the costs of constructing future extensions, additions and



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

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

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

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

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

If the RD has purchased any of the Outstanding Bonds, investments in Certificates of Deposit may be made only if a separate RD Form 402-4 Agreement is executed. Any such investments will be a part of the respective Funds from which the proceeds invested are derived, and income from such investments will be credited to such respective Funds. All investments of funds derived from proceeds of the Outstanding Bonds shall be subject to the applicable limitations set out in Section 303 hereof.

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

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

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

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

## **ARTICLE 5. COVENANTS OF DISTRICT**

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

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

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

Monthly operating reports shall be furnished to the RD and to any Bondowner requesting same, during the first two (2) years of operation after completion of the Project, and whenever and so long as the District is delinquent in any of the covenants set out in the Prior Bond Resolution or this Current Bond Resolution. Thereafter, quarterly operating reports shall be furnished at all other times to the RD and to any Bondowner requesting the same.

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

Not later than sixty (60) days before the end of each Fiscal Year, the District agrees to cause to be prepared a proposed annual budget of operating expenses (the "Proposed Budget") of the System for the then ensuing Fiscal Year, itemized on the basis of monthly requirements. A copy of said Proposed Budget shall be mailed to any Bondowner who may request in writing a copy of such Proposed Budget and to the RD without request, if the Government is the Owner of any of the Bonds.

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

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

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

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

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

- (1) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky;
- (2) It will make and collect reasonable and sufficient rates and charges for services and facilities rendered by the System;
- (3) It will segregate the revenues and income from the System and make application thereof consistent with and as provided by this Resolution;
- (4) Unless the written consent of the Owners of a majority of the principal amount of the Outstanding Bonds has been obtained, the District agrees not to sell, lease, mortgage or in any manner dispose of any integral part of the System, including any and all appurtenances thereto and extensions, additions

and improvements that may be made thereto, until all of the Outstanding Bonds shall have been paid or provided for in full, as provided herein; subject to the provisions of Section 607 hereof;

- (5) It will maintain in good condition and continuously operate the System and appurtenances thereto and will charge such rates and charges for the services rendered thereby so that the gross income and revenues will be sufficient at all times (i) to pay the interest on and principal of the Outstanding Bonds as same become due; (ii) to pay the cost of operating and maintaining the System; and (iii) to provide for an adequate depreciation account; and
- (6) It will carry and maintain insurance on properties of the System subject to loss or damage in amounts and against hazards substantially in accordance with the practices of other districts, cities or corporations which own and maintain waterworks systems under similar conditions; and so long as the Government is the Owner of any of the Outstanding Bonds, the Government will be listed as co-beneficiary on any such policy; and the District shall further comply with the insurance requirements of Section 506 hereof (involving insurance on motors, tanks and structures).

**Section 505. Other Covenants Applicable So Long as RD Owns Any Bonds.** So long as the RD shall own any of the Bonds, the District shall comply with such RD regulations, requirements and requests as shall be made by the RD, including the furnishing of operating and other financial statements, in such form and substance and for such periods as may be requested by the RD, the carrying of insurance of such types and in such amounts as the RD may specify, with insurance carriers acceptable to the RD and compliance with all of the terms and conditions of the Loan Resolution (RD Form 1942-47) adopted and executed by the District, which is hereby authorized, approved, ratified and confirmed.

**Section 506. Insurance on Motors, Tanks and Structures.** The District shall (a) immediately after the adoption of this Resolution and (b) at the time of final acceptance of the Project, insure all electric motors, elevated water storage tanks, pumping stations and major structures of the System in an amount recommended by the Engineers and approved by the RD, so long as the RD is the Owner of any of the Bonds, for the hazards usually covered in such area, and shall similarly insure same in an amount recommended by the Engineers, without the necessity of approval by the RD if and whenever the District has Outstanding Bonds against the System and none of such Outstanding Bonds are owned by the RD.

## ARTICLE 6. INFERIOR BONDS AND PARITY BONDS

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

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

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

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

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

The District further reserves the right to add new waterworks facilities and/or to finance future extensions, additions and improvements to the System by the issuance of one or more additional series of Parity Bonds to be secured by a parity lien on and ratably payable on a parity with the Current Bonds, from the revenues of the System, provided:

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

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

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

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

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

(2) any increase in the annual net revenues to be realized from the proposed extensions, additions and improvements being financed (in whole or in part) by such additional Parity Bonds;

provided all such adjustments shall be based upon and included in a certification of an Independent Consulting Engineer.

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

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

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

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

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

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

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

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

- (a) The District is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds, and the required reserves for such Outstanding Bonds will have been accumulated;
- (b) The District will, in the event of any such sale, apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing prepayment of bonds in advance of maturity; or (2) replacement of the facility so disposed of by another facility, the revenues of which shall be incorporated into the System, as hereinbefore provided;



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

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

## **ARTICLE 7. DEFAULT AND CONSEQUENCES**

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

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

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

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

**ARTICLE 8. CONTRACTUAL PROVISIONS; GRANT APPROVAL;  
MISCELLANEOUS PROVISIONS.**

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

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

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

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

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

**Section 804. Approval and Acceptance of RD Grant Agreement.** The RD has agreed to make a grant to the District in the amount of \$1,800,000 (the "RD Grant") to supplement the proceeds of the Current Bonds in order to provide the total cost of the Project, and the RD has requested the District to approve, accept and execute RD Form 1942-31 (the "RD Grant Agreement"), setting out the terms and conditions upon which said RD Grant will be made. Said RD Grant Agreement is hereby approved, and the Chairman and the Secretary are authorized to execute said RD Grant Agreement on behalf of the District. The Chairman and Secretary are also authorized on behalf of the District to accept any and all other RD Grants offered to the District in connection with the Project and to execute any and all RD Grant Agreements and any other documents as may be requested by the RD in connection with RD Grants which have been and/or which may hereafter be approved for such Project.

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

- (a) Legal Services Agreement with Bond Counsel.
- (b) Legal Services Agreement with Local Counsel.
- (c) Letter of Intent to Meet Conditions of RD Letter of Conditions (RD Form 1942-46).
- (d) Loan Resolution (RD Form 1942-47).
- (e) Agreement for Engineering Services with the Engineers.

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

The District further approves the payment from the funds available therefor allocated to the costs of the Project to pay any judgment award, or compromise, determined by Local Counsel with the acquiescence of the Commission, toward the costs of such easements, rights-of-way and/or sites; provided, in each instance, that the payment of such funds to satisfy any judgment, award or compromise must first be approved by the RD; and the Commission further determines that if and to whatever extent the funds available from the proceeds of the financing contemplated by this Resolution shall be inadequate to pay any judgment, award or compromise amount for such easements, rights-of-way and/or sites, or if the District is unable to obtain the approval of the RD for any such payment, the Commission shall take all reasonably necessary actions, within the powers and authority of the Commission, to make such additional amount available from all other available District resources.

## **ARTICLE 9. SALE OF CURRENT BONDS**

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

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

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

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

## ARTICLE 10. CONCLUDING PROVISIONS

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

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

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

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

(d) The District covenants and agrees to comply with the rebate requirements on certain excess earnings imposed by Section 148 of the Code, and in the event it is determined by the District, upon the advice of Bond Counsel, that the Construction Account, or any other Fund established hereunder, is subject to said rebate requirements and does in fact generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Current Bonds, plus any income attributable to such excess, there shall be established a separate and special fund with the Depository Bank, which fund shall be designated the "Excess Earnings and Rebate Fund", which shall be utilized for the collection and payment of any excess generated from investments and the remittance thereof to the United States of America on or before the anniversary of the fifth (5th) year from the date of the Current Bonds, and once every five (5) years thereafter until the final retirement of the Current Bonds; the last installment, to the extent required, to be made no later than sixty (60) days following the date on which funds sufficient for the complete retirement of the Current Bonds are deposited with any escrow agent. The District further covenants to file any and all reports, if any, as may be required to be filed with the Government with regard to the liability or non-liability of the District as

to any such rebate requirements and to maintain records in regard thereto for the period of time required by applicable Treasury regulations.


**Section 1002. Severability Clause.** If any section, paragraph, clause or provision of this 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, which shall continue in full force and effect.

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

**Section 1004. Effective Immediately Upon Adoption.** This Resolution shall take effect and be effective immediately upon its adoption.


Adopted this August 14, 2000.

CRITTENDEN-LIVINGSTON COUNTY  
WATER DISTRICT

  
\_\_\_\_\_  
Vice Chairman

(Seal of District)

Attest:

  
\_\_\_\_\_  
Secretary

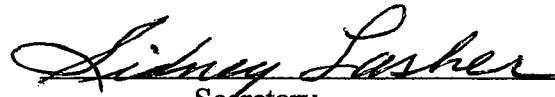


CERTIFICATION

I, Sidney Lasher, hereby certify that I am the duly qualified and acting Secretary of the Crittenden-Livingston County Water District of Crittenden and Livingston Counties, Kentucky, and that the foregoing Resolution is a true copy of a Resolution duly adopted by the Board of Commissioners of said District, signed by the Chairman of said District and attested under Seal by me as Secretary, at a properly convened meeting of said Board of Commissioners held on August 14, 2000, as shown by the official records of said District in my custody and under my control.

I further certify that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825, that a quorum was present at said meeting, that said Resolution has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as Secretary and the official Seal of the District this August 14, 2000.

  
Secretary

(Seal of District)

**EXHIBIT A-1**

**Schedule of Principal Payments on Series A Bonds**

<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>	<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>
2003	\$21,000	2022	\$48,000
2004	22,000	2023	50,000
2005	23,000	2024	53,000
2006	24,000	2025	55,000
2007	25,000	2026	57,000
2008	26,000	2027	60,000
2009	27,000	2028	63,000
2010	28,000	2029	65,000
2011	30,000	2030	69,000
2012	31,000	2031	71,000
2013	32,000	2032	75,000
2014	34,000	2033	78,000
2015	35,000	2034	82,000
2016	37,000	2035	84,000
2017	39,000	2036	88,000
2018	40,000	2037	92,000
2019	42,000	2038	96,000
2020	44,000	2039	101,000
2021	46,000	2040	107,000

**EXHIBIT A-2**

**Schedule of Principal Payments on Series B Bonds**

<u>Payment Due January 1,</u>	<u>Principal Payment</u>	<u>Payment Due January 1,</u>	<u>Principal Payment</u>
2003	\$17,000	2022	\$41,000
2004	18,000	2023	43,000
2005	18,000	2024	45,000
2006	20,000	2025	47,000
2007	20,000	2026	49,000
2008	22,000	2027	52,000
2009	22,000	2028	54,000
2010	24,000	2029	57,000
2011	24,000	2030	59,000
2012	26,000	2031	62,000
2013	27,000	2032	65,000
2014	28,000	2033	68,000
2015	30,000	2034	72,000
2016	31,000	2035	75,000
2017	32,000	2036	78,000
2018	34,000	2037	82,000
2019	36,000	2038	86,000
2020	37,000	2039	90,000
2021	39,000	2040	95,000

**EXHIBIT A-3**

**Schedule of Principal Payments on Series C Bonds**

<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>	<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>
2003	\$ 7,000	2022	\$17,000
2004	8,000	2023	17,000
2005	8,000	2024	19,000
2006	8,000	2025	19,000
2007	9,000	2026	20,000
2008	9,000	2027	21,000
2009	10,000	2028	22,000
2010	10,000	2029	23,000
2011	10,000	2030	24,000
2012	11,000	2031	25,000
2013	11,000	2032	26,000
2014	12,000	2033	27,000
2015	12,000	2034	29,000
2016	13,000	2035	30,000
2017	13,000	2036	31,000
2018	14,000	2037	33,000
2019	15,000	2038	34,000
2020	15,000	2039	36,000
2021	16,000	2040	36,000

EXHIBIT B

(FORM OF FULLY REGISTERED BOND)

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
COUNTIES OF CRITTENDEN AND LIVINGSTON  
CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT  
WATERWORKS REVENUE BONDS, SERIES 2000

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

KNOW ALL MEN BY THESE PRESENTS:

That the Crittenden-Livingston County Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Crittenden and Livingston Counties, Kentucky, for value received, hereby promises to pay to

\_\_\_\_\_

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

\_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_ ),

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

Year      Principal      Year      Principal      Year      Principal

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

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

This Series \_\_\_\_\_ Bond is issued by the District as part of an issue in the aggregate principal amount of \$4,425,000, consisting of \$2,000,000 of Series A Bonds, \$1,725,000 of Series B Bonds and \$700,000 of Series C Bonds, under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Bond is issued subject to the vested rights and priorities in favor of the owners of the outstanding (i) Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1988, dated May 30, 1989 (the "Bonds of 1988"), authorized by a Resolution adopted by the Commission of the District on November 14, 1988 (the "1988 Bond Resolution"); (ii) Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1991, dated November 7, 1991 (the "Bonds of 1991"), authorized by a Resolution adopted by the Commission of the District on February 18, 1991 (the "1991 Bond Resolution"); (iii) Crittenden-Livingston Water District Waterworks Revenue Bonds, Series 1994, dated February 11, 1994 (the "Bonds of 1994"), authorized by a Resolution adopted by the Commission of the District on January 24, 1994 (the "1994 Bond Resolution"); (iv) Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 1995 A and B, dated August 8, 1995 (the "Bonds of 1995"), authorized by a Resolution adopted by the Commission of the District on April 13, 1995 (the "1995 Bond Resolution"); and (v) Crittenden-Livingston County Water District Waterworks Refunding Revenue Bonds, Series 1996, dated October 15, 1996 (the "Bonds of 1996"), authorized by a Resolution adopted by the Commission of the District on October 14, 1996 (the "1996 Bond Resolution") [hereinafter the Bonds of 1988, Bonds of 1991, Bonds of 1994, Bonds of 1995 and Bonds of 1996 shall be collectively referred to as the "Prior Bonds", and the 1988 Bond Resolution, the 1991 Bond Resolution, the 1994 Bond Resolution, the 1995 Bond Resolution and the 1996 Bond Resolution shall be collectively referred to as the "Prior Bond Resolution"]. Accordingly, this Bond, together with any bonds ranking on a parity herewith, is payable from and secured on a second lien basis by a pledge of the revenues to be derived from the operation of the System, after providing for the requirements of the Prior Bonds and the requirements of the Prior Bond Resolution.

This Bond has been issued in full compliance with the Current Bond Resolution; and this Bond, and any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Resolution, are and will continue to be payable from revenues which shall be set aside in a fund for that purpose and identified as the "Crittenden-Livingston County Water District Waterworks Sinking Fund of 2000", created in the Current Bond Resolution.

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

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond in order to complete the Project, and to finance future extensions, additions and improvements to the System, provided the necessary requirements of the Current Bond Resolution have been complied with by the District.

This Bond shall be registered as to principal and interest in the name of the owner hereof, after which it shall be transferable only upon presentation to the Secretary of the District as the Bond Registrar, with a written transfer duly acknowledged by the registered owner or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the book 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, 2010, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Hundred Dollars (\$100), as the 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 owner of this Bond or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

So long as the registered owner of this Bond is the United States of America, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$100, may be prepaid at any time in inverse chronological order of the installments due.

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 provision of this Bond or with any provision of the Current Bond Resolution, the registered owner may, at his option, institute all rights and remedies provided by law or by said Current Bond Resolution.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and

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

IN WITNESS WHEREOF said Crittenden-Livingston County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is

CRITTENDEN-LIVINGSTON COUNTY  
WATER DISTRICT  
Crittenden and Livingston Counties, Kentucky

By J. W. Clarke  
Vice Chairman

Attest:

Sidney Fisher  
Secretary

(Seal of District)

PROVISION FOR REGISTRATION

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



ASSIGNMENT

Date of Registration	Name of Registered Owner	Signature of Bond Registrar

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

By: \_\_\_\_\_

EXHIBIT C

REQUISITION CERTIFICATE

Re: Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 2000, in the amount of \$4,425,000

The undersigned hereby certify as follows:

1. That they are the signatories required for construction and/or administrative draws pursuant to the Bond Resolution adopted by the Crittenden-Livingston County Water District (the "District") of Crittenden and Livingston Counties, Kentucky.

2. That the named firms and/or persons set forth on Exhibit A attached hereto are now entitled to the aggregate sum of \$ \_\_\_\_\_, itemized as set forth in said Exhibit A and as per approved invoices attached hereto:

3. That upon said amount being lent to said District and/or obtained by said District from the proceeds of the Current Bonds and/or other sources, the undersigned approve such expenditure and the payment of said amounts to said firms and/or persons, either directly or from amounts deposit in the "Crittenden-Livingston County Water District Construction Account", at The Salem Bank, Inc., Salem, Kentucky.

4. That we hereby certify that we have carefully inspected the work and, as a result of our inspection and to the best of our knowledge and belief, the amounts shown in this Requisition Certificate are correct and the work has been performed in accordance with the agreements between the District and the parties requesting payment.

IN TESTIMONY WHEREOF, witness the signature of the undersigned, this \_\_\_\_ day of \_\_\_\_\_, 2000.

CRITTENDEN-LIVINGSTON COUNTY  
WATER DISTRICT

STIGALL ENGINEERING ASSOCIATES,  
INC.

By \_\_\_\_\_

By \_\_\_\_\_

Registered Professional Engineer  
State of Kentucky No. \_\_\_\_\_

Approved on \_\_\_\_\_

Approved on \_\_\_\_\_

Rural Development

Amount expended heretofore \$ \_\_\_\_\_

By \_\_\_\_\_  
Authorized RD Official

Amount approved herein \_\_\_\_\_

Total \_\_\_\_\_

Approved on \_\_\_\_\_

**EXHIBIT A TO REQUISITION CERTIFICATE**

Name of Entity/Person

Amount

**Attachment 9**  
**Amortization Schedules**

Crittenden-Livingston Water District

Bonds	2008 Bonds (2500.12)			2013 C (2500.15)			2013C (2500.15)			Total		
	Principal	Interest		Principal	Interest		Principal	Interest		Principal	Interest	
Balance 12/31/2015			<b>1,260,000</b>			<b>3,300,000</b>			<b>2,030,000</b>			<b>6,590,000</b>
2016	110,000	50,190	1,150,000	200,000	127,038	3,100,000	50,000	77,396	1,980,000	360,000	254,624	6,230,000
2017	110,000	46,010	1,040,000	195,000	119,545	2,905,000	55,000	75,389	1,925,000	360,000	240,944	5,870,000
2018	115,000	41,454	925,000	200,000	111,053	2,705,000	55,000	73,024	1,870,000	370,000	225,530	5,500,000
2019	120,000	36,695	805,000	185,000	102,775	2,520,000	55,000	70,659	1,815,000	360,000	210,129	5,140,000
2020	130,000	31,633	675,000	185,000	94,820	2,335,000	60,000	68,186	1,755,000	375,000	194,639	4,765,000
2021	130,000	26,368	545,000	200,000	86,543	2,135,000	60,000	65,606	1,695,000	390,000	178,516	4,375,000
2022	135,000	20,917	410,000	235,000	77,190	1,900,000	65,000	62,919	1,630,000	435,000	161,026	3,940,000
2023	145,000	15,072	265,000	245,000	66,258	1,655,000	65,000	59,961	1,565,000	455,000	141,291	3,485,000
2024	45,000	11,078	220,000	250,000	54,378	1,405,000	70,000	56,721	1,495,000	365,000	122,176	3,120,000
2025	45,000	9,143	175,000	270,000	42,573	1,135,000	75,000	53,429	1,420,000	390,000	105,144	2,730,000
2026	45,000	7,208	130,000	275,000	32,574	860,000	75,000	50,673	1,345,000	395,000	90,454	2,335,000
2027	50,000	5,134	80,000	285,000	23,678	575,000	75,000	48,291	1,270,000	410,000	77,103	1,925,000
2028	50,000	2,921	30,000	280,000	14,355	295,000	80,000	45,734	1,190,000	410,000	63,010	1,515,000
2029	15,000	1,474	15,000	295,000	4,868	-	85,000	43,011	1,105,000	395,000	49,353	1,120,000
2030	15,000	341	-	-	-	-	85,000	40,100	1,020,000	100,000	40,441	1,020,000
2031	-	-	-	-	-	-	85,000	37,083	935,000	85,000	37,083	935,000
2032	-	-	-	-	-	-	90,000	33,976	845,000	90,000	33,976	845,000
2033	-	-	-	-	-	-	95,000	30,693	750,000	95,000	30,693	750,000
2034	-	-	-	-	-	-	95,000	27,320	655,000	95,000	27,320	655,000
2035	-	-	-	-	-	-	100,000	23,734	555,000	100,000	23,734	555,000
2036	-	-	-	-	-	-	105,000	19,839	450,000	105,000	19,839	450,000
2037	-	-	-	-	-	-	105,000	15,849	345,000	105,000	15,849	345,000
2038	-	-	-	-	-	-	110,000	11,764	235,000	110,000	11,764	235,000
2039	-	-	-	-	-	-	115,000	7,417	120,000	115,000	7,417	120,000
2040	-	-	-	-	-	-	120,000	2,805	-	120,000	2,805	-
2041	-	-	-	-	-	-	-	-	-	-	-	-
	<u>1,150,000</u>	<u>255,445</u>		<u>3,100,000</u>	<u>830,606</u>		<u>1,980,000</u>	<u>1,024,181</u>		<u>6,230,000</u>	<u>2,110,232</u>	

Loans	KIA		KIA Radio-Read (2600.02)			KIA - Moore Hill Water Tower (2500.16)			KIA - Meters (2600.03)		
	Principal	Interest	Principal	Interest		Principal	Interest	Principal	Interest		
<b>Balance 12/31/2015</b>			<b>643,776</b>			<b>268,697</b>			<b>960,486</b>		<b>307,433.00</b>
2016	75,516	11,250	568,260	12,964	5,840	255,733					
2017	76,882	9,884	491,378	13,224	5,554	242,509	-	-	-		
2018	78,272	8,494	413,106	13,490	5,261	229,018	41,723	18,930	918,762		
2019	79,687	7,079	333,419	13,761	4,963	215,257	42,457	18,164	876,306		
2020	81,128	5,638	252,291	14,038	4,659	201,219	43,203	17,311	833,103		
2021	82,595	4,171	169,696	14,320	4,348	186,899	43,962	16,443	789,141		
2022	84,088	2,678	85,608	14,608	4,032	172,290	44,735	15,560	744,406	11,712.81	8,984.00
2023	85,609	1,157	(0)	14,902	3,709	157,389	45,521	14,662	698,884	12,037.13	8,635.57
<b>2024</b>				<b>15,201</b>	<b>3,379</b>	<b>142,188</b>	<b>46,321</b>	<b>13,747</b>	<b>652,563</b>	<b>12,370.42</b>	<b>8,278.04</b>
2025				15,507	3,043	126,681	47,136	12,817	605,427	12,712.95	7,910.60
2026				15,818	2,700	110,862	47,964	11,870	557,463	13,064.95	7,533.00
2027				16,136	2,351	94,726	48,807	10,906	508,656	13,426.72	7,144.92
2028				16,461	1,994	78,265	49,665	9,926	458,991	13,798.48	6,746.13
2029				16,792	1,630	61,474	50,538	8,928	408,453	14,180.55	6,336.27
2030				17,129	1,259	44,344	51,426	7,913	357,027	14,573.20	5,915.06
2031				17,473	880	26,871	52,330	6,880	304,697	14,976.72	5,482.20
2032				17,825	494	9,046	53,250	5,829	251,447	15,391.41	5,037.35
2033				9,046	99	0	54,186	4,759	197,261	15,817.58	4,580.18
2034							55,138	3,671	142,123	16,255.56	4,110.35
2035							56,107	2,563	86,016	16,705.66	3,627.51
2036							57,094	1,436	28,922	17,168.22	3,131.31
2037							28,922	289	(0)	17,643.59	2,621.37
2038										18,132.13	2,097.30
2039										18,634.19	1,558.72
2040										19,150.16	1,005.23
2041										19,680.57	446.26
2042										-	-
	<u>568,260</u>	<u>39,102</u>		<u>255,733</u>	<u>50,355</u>		<u>960,486</u>	<u>202,604</u>		<u>307,433</u>	<u>101,181</u>

Leases (monthly)	2018 KACo (2500.17)		2017 KACo (2500.13)			2023 KACo			Total		
	Principal	Interest	Principal	Interest		Principal	Interest	Principal	Interest		
<b>Balance 12/31/2017</b>						<b>2,375,000</b>			<b>310,000</b>		<b>4,775,000</b>
2018			<b>2,090,000</b>	68,750.00	84,258.24	2,306,250			68,750.00	84,258.24	4,706,250
2019	70,000.00	82,968.76	2,020,000	75,000.00	88,583.76	2,231,250			145,000.00	171,552.52	4,561,250
2020	70,000.00	80,168.76	1,950,000	79,583.37	85,084.63	2,151,667			149,583.37	165,253.39	4,411,667
2021	70,000.00	77,368.76	1,880,000	80,000.00	80,918.00	2,071,667			150,000.00	158,286.76	4,261,667
2022	75,000.00	75,968.76	1,805,000	84,583.37	76,718.00	1,987,083			159,583.37	152,686.76	4,102,083
2023	75,000.00	71,468.76	1,730,000	89,583.26	72,277.32	1,897,500			164,583.26	143,746.08	3,937,500
<b>2024</b>	<b>80,000.00</b>	<b>67,968.76</b>	<b>1,650,000</b>	<b>94,583.37</b>	<b>67,574.25</b>	<b>1,802,917</b>	<b>2,917</b>	<b>8,106</b>	<b>307,083</b>	<b>177,500.06</b>	<b>143,648.58</b>
2025	85,000.00	63,843.76	1,565,000	99,583.37	62,608.68	1,703,333	5,000	16,032	302,083	189,583.29	142,484.41
2026	90,000.00	59,468.76	1,475,000	104,583.26	57,380.50	1,598,750	5,000	14,589	297,083	199,583.18	131,438.59
2027	95,000.00	54,843.76	1,380,000	109,583.37	51,889.82	1,489,167	5,000	14,539	292,084	209,583.29	121,272.91
2028	100,000.00	49,968.76	1,280,000	114,583.37	48,909.63	1,374,583	5,000	14,219	287,084	219,583.29	113,097.75
2029	105,000.00	45,368.76	1,175,000	119,583.26	45,781.67	1,255,000	5,000	13,899	282,084	229,583.18	105,049.68
2030	110,000.00	41,634.38	1,065,000	120,000.00	42,218.00	1,135,000	5,000	13,579	277,084	234,999.92	77,431.63
2031	110,000.00	38,343.00	955,000	124,583.37	38,343.00	1,010,417	5,000	13,259	272,084	239,583.29	89,945.28
2032	115,000.00	34,293.95	840,000	125,000.00	34,293.95	885,417	5,000	12,939	267,084	244,999.92	81,527.15
2033	120,000.00	30,231.56	720,000	129,583.37	30,231.56	755,833	7,500	12,619	259,584	257,083.37	73,082.35
2034	125,000.00	26,020.12	595,000	139,166.63	26,020.12	616,667	10,000	12,189	249,584	274,166.59	64,229.47

2035	130,000.00	21,497.13	465,000	140,000.00	21,497.13	476,667	10,000	11,649	239,584	279,999.96	54,643.57	1,181,251
2036	85,000.00	16,786.86	380,000	149,166.63	16,786.86	327,500	10,000	11,159	229,584	244,166.59	44,732.92	937,084
2037	90,000.00	11,932.50	290,000	150,000.00	11,932.50	177,500	10,000	10,719	219,584	249,999.96	34,584.31	687,084
2038	95,000.00	3,634.08	195,000	163,750.00	3,634.08	13,750	10,000	10,279	209,584	268,749.96	17,547.43	418,334
2039	95,000.00	242.89	100,000	13,750.00	242.89	0	10,000	9,839	199,584	118,749.96	10,324.98	299,584
2040	100,000.00						10,000	9,399	189,584	109,999.96	9,399.31	189,584
2041							10,000	8,959	179,584	9,999.96	8,959.27	179,584
2042							10,000	8,519	169,584	9,999.96	8,519.20	169,584
2043							10,000	8,079	159,584	9,999.96	8,079.31	159,584
2044							10,000	7,639	149,584	9,999.96	7,639.21	149,584
2045							12,500	7,199	137,084	12,499.98	7,199.21	137,084
2046							15,000	6,649	122,084	15,000.00	6,649.26	122,084
2047							15,000	5,989	107,084	15,000.00	5,989.26	107,084
2048							15,000	5,329	92,084	15,000.00	5,329.26	92,084
2049							15,000	4,660	77,084	15,000.00	4,659.90	77,084
2050							15,000	3,981	62,084	15,000.00	3,981.14	62,084
2051							15,000	3,302	47,084	15,000.00	3,302.40	47,084
2052							17,500	2,614	29,584	17,499.96	2,614.25	29,584
2053							20,000	1,801	9,585	19,999.92	1,800.52	9,585
2054							9,585	1,083	(0)	9,585.00	1,082.71	(0)
	<u>2,090,000</u>	<u>934,023</u>		<u>2,306,250</u>	<u>962,926</u>		<u>310,000</u>	<u>284,822</u>		<u>4,775,000</u>	<u>2,266,029</u>	

**Attachment 10**  
**Statements of Disclosure of**  
**Related Party Transactions**



**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Crittenden-Livingston 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."

Glen Hughes  
(Print Name)

[Signature]  
(Signed)

Secretary CLWD  
(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 Livingston

Subscribed and sworn to before me by Glenn Hughes  
(Name)

this 17<sup>th</sup> day of September, 2024.

[Signature]  
NOTARY PUBLIC  
State-at-Large  
Kynp 87193  
April 3rd, 2028

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

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

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Darrell Simpson  
(Print Name)

[Signature]  
(Signed)

Board Member  
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Livingston

Subscribed and sworn to before me by Darrell Simpson  
(Name)

this 17<sup>th</sup> day of September, 20 24

Glenn Craft  
NOTARY PUBLIC  
State-at-Large  
April 3<sup>rd</sup>, 2024  
KMP8719

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

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

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TL MADDUX

(Print Name)

TL Maddux

(Signed)

Board 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 Livingston

Subscribed and sworn to before me by T.L Maddux  
(Name)

this 17<sup>th</sup> day of September, 2024.

[Signature]  
NOTARY PUBLIC  
State-at-Large  
Kynp 87193  
April 3<sup>rd</sup> 2028

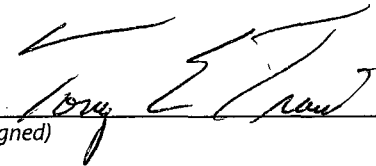
**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

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 Crittenden-Livingston 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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Tony F Travis  
(Print Name)

  
(Signed)

(Acting) Superintendent  
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Livingston

Subscribed and sworn to before me by Tony E Travis  
(Name)

this 17<sup>th</sup> day of September, 2021.

  
NOTARY PUBLIC  
State-at-Large  
Kynp07193  
April 3<sup>rd</sup> 2028



**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 Crittenden-Livingston 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.

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Alan Hunt  
(Print Name)

Alan Hunt  
(Signed)

Board Member  
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Livingston

Subscribed and sworn to before me by Alan Hunt  
(Name)

this 17<sup>th</sup> day of September, 2004.

  
NOTARY PUBLIC  
State-at-Large  
Kynp 8719E  
April 3rd, 2028

**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 Crittenden-Livingston 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.

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Tim Capps  
(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 Livingston

Subscribed and sworn to before me by Tim Capps  
(Name)

this 22<sup>nd</sup> day of October, 2024

  
NOTARY PUBLIC  
State-at-Large  
April 3, 2028  
kynp 87193

**Attachment 11**  
**Board Resolution**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CRITTENDEN LIVINGSTON 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 Crittenden Livingston 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 CRITTENDEN LIVINGSTON 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.

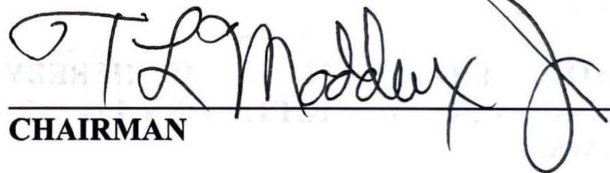
**Section 2.** The District proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments 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 Manager are hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing (“ARF”) Application, Tariff Sheets, and all other documents that may be required by the PSC.

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

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

**ADOPTED BY THE COMMISSION OF CRITTENDEN LIVINGSTON COUNTY WATER DISTRICT** at a meeting held on June 26, 2024, signed by the Chairman, and attested by the Secretary.

  
\_\_\_\_\_  
**CHAIRMAN**

ATTEST:

  
\_\_\_\_\_  
**SECRETARY**

**CERTIFICATION**

I, Secretary of the Crittenden Livingston 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 June 26, 2024, signed by the Chairman of the District, attested by me as Secretary, and now in full force and effect.

JUN 22nd 2024

WITNESS my hand this 26th day of June 2024.

  
\_\_\_\_\_  
**SECRETARY**