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

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

\_\_\_\_\_  
(Name of Utility)

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

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

\_\_\_\_\_  
(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:

\_\_\_\_\_  
(Name)

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

\_\_\_\_\_  
(Address - City, State, Zip)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(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.
- 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.
2. a. Applicant has filed an annual report with the Public Service Commission for the past year.
- b. Applicant has filed an annual report with the Public Service Commission for the two previous years.
3. Applicant's records are kept separate from other commonly-owned enterprises.

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,\_\_\_\_\_.
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 \$ \_\_\_\_\_ and total revenues from service rates of \$ \_\_\_\_\_. 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 \_\_\_\_\_ 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 \_\_\_\_\_<sup>0</sup> (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. ☐ ☒
18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form. ☒ ☐

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

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

Signed   
Officer of the Company/Authorized Representative

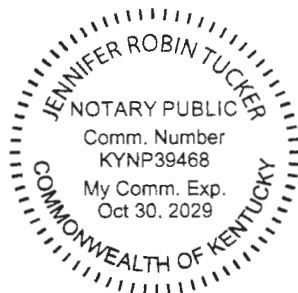
Title President

Date 1/22/26

COMMONWEALTH OF KENTUCKY

COUNTY OF Pulaski

Before me appeared Eric Keith, 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.



Jennifer Tucker  
Notary Public

My commission expires: 10/30/2029

## Bronston Water Association

### List of Exhibits

<u>Exhibit</u>	<u>Reference No.</u>
Published Notice to Customers of Proposed Rates	Exhibit 1
Reason for Application	Exhibit 2
Schedule Comparing Current and Proposed Rates	Exhibit 1 and Exhibit 3 - Schedule D
Statement of Adjusted Operations	Exhibit 3 - Schedule A
Revenue Requirement Calculation	Exhibit 3 - Schedule B
Billing Analysis:	
Current Rates	Exhibit 3 – Schedule A – Pages 5 and 6
Proposed Rates	Exhibit 4
Depreciation Schedule	Exhibit 5
Evidence of Indebtedness and Debt Amortization Schedules	Exhibit 6
Related Party Disclosure Statements	Exhibit 7
Board Resolution Authorizing Filing of Application	Exhibit 8

# **Exhibit 1**

## **Exhibit 1**

### **Customer Notice**

In accordance with 807 KAR 5:076, Section 5, Bronston Water Association, Inc., has caused the notice appearing below to be published in a prominent manner in The Commonwealth Journal, a newspaper of general circulation in Bronston Water Association's service area. The notice will be published once per week for three consecutive weeks. The first publication was made on January 29, 2026.

A copy of the notice has been posted at Bronston Water Association's office and on its website along with a hyperlink to the Public Service Commission's website where the case documents are located.

# BRONSTON WATER ASSOCIATION, INC.

## CUSTOMER NOTICE

Notice is hereby given that Bronston Water Association, Inc., expects to file an application with the Kentucky Public Service Commission on or about January 30, 2026, seeking approval of a proposed adjustment to its water rates. The application will be filed pursuant to procedures set forth in 807 KAR 5:076. Under those procedures, the proposed rates may not be placed into effect until the Kentucky Public Service Commission has issued an order approving the proposed rates or six months from the date of the filing of the application, whichever occurs first.

CURRENT AND PROPOSED RATES BRONSTON WATER ASSOCIATION, INC.							
				Rates		Difference	
				Current	Proposed	Dollars	Percent
5/8 x 3/4-Inch Meter							
First	1,500	gallons	\$ 25.81	Minimum Bill	\$ 33.87	\$ 8.06	31.21%
Over	1,500	gallons	0.00904	Per Gallon	0.01186	0.00282	31.21%
1-Inch Meter							
First	5,000	gallons	55.27	Minimum Bill	72.52	17.25	31.21%
Over	5,000	gallons	0.00904	Per Gallon	0.01186	0.00282	31.21%
2-Inch Meter							
First	20,000	gallons	152.50	Minimum Bill	200.09	47.59	31.21%
Over	20,000	gallons	0.00904	Per Gallon	0.01186	0.00282	31.21%
4-Inch Meter							
First	50,000	gallons	356.26	Minimum Bill	467.45	111.19	31.21%
Over	50,000	gallons	0.00904	Per Gallon	0.01186	0.00282	31.21%

If the Kentucky Public Service Commission approves the proposed water rates, the average monthly bill for each meter size will increase as follows:

Meter Size	Average Monthly Usage	Bill At		Difference	
		Current Rate	New Rate	Dollars	Percent
5/8 x 3/4-Inch Meter	2,910	\$ 38.55	\$ 50.59	\$ 12.03	31.21%
1-Inch Meter	10,367	103.78	136.17	32.39	31.21%
2-Inch Meter	43,742	367.12	481.70	114.58	31.21%
4-Inch Meter	646,350	5,747.26	7,540.93	1,793.66	31.21%



The rates contained in this notice are the rates proposed by Bronston Water Association. However, the Kentucky 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.

Bronston Water Association has available for inspection at its office the application which it submitted to the Kentucky Public Service Commission. A person may examine this application at the Association's office located at 2013 HWY 90, Bronston, Kentucky 42518. You may contact the office at (606) 561-5209.

A person may also examine the application at the Kentucky 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 Kentucky Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Kentucky Public Service Commission through its website or by mail to Kentucky Public Service Commission, PO Box 615, Frankfort, Kentucky, 40602. You may contact the Kentucky Public Service Commission at 502-564-3940.

A person may submit a timely written request for intervention to the Kentucky 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 Kentucky Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Kentucky Public Service Commission may take final action on the application.

# **Exhibit 2**

## Exhibit 2

### Reason for Application

The proposed rate adjustment is necessary to produce revenue equal to Bronston Water Association's pro forma revenue requirement.

# **Exhibit 3**

**Schedule A**  
**STATEMENT OF ADJUSTED OPERATIONS**  
**Bronston Water Association, Test Year Ended December 31, 2024**

	Test Year	Adjustment	Ref.	Pro Forma
Operating Revenues				
Water Sales Revenue	\$ 1,123,190	\$ (86,554)	(A)	
		(4,685)	(B)	
		(23,506)	(C)	
		(1,760)	(D)	
		(19,949)	(E)	
		(3,573)	(F)	
		69,426	(G)	
		(27,390)	(H)	
		1,296	(I)	\$ 1,026,495
Total Water Sales	1,123,190	(96,695)		1,026,495
Other Operating Water Revenue				
Forfeited Discounts		19,949	(E)	19,949
Miscellaneous Income		3,573	(F)	3,573
Total Other Water	-	23,522		23,522
Total Operating Revenue	1,123,190	(73,173)		1,050,017
Operating Expenses				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	147,559	5,076	(J)	152,635
Salaries and Wages - Officers	15,828			15,828
Employee Pensions and Benefits	40,415	12,735	(K)	53,150
Purchased Water	364,983	(26,213)	(L)	338,770
Purchased Power	11,673			11,673
Materials and Supplies	94,299	(19,980)	(M)	
		(17,025)	(N)	57,294
Contracted Services - Accounting	5,055			5,055
Contractual Services - Water Testing	6,270			6,270
Transportation Expenses	551			551
Rate Case Amortization		4,033	(O)	4,033
Insurance - Other	26,440			26,440
Misc. and General Expenses	112,327	(3,200)	(M)	
		(17,025)	(N)	
		(7,898)	(P)	
		(3,449)	(Q)	80,756
Total Oper. and Maint. Exps.	825,400	(72,945)		752,455
Depreciation Expense	155,205	1,240	(M)	
		757	(N)	
		57,372	(R)	214,574
Amortization Expense	870			870
Taxes Other Than Income	10,803	874	(S)	11,677
Total Operating Expenses	992,278	(12,703)		979,575
Net Operating Income	130,912	(60,470)		70,442
Plus: Interest Income	40,254			40,254
Non-Utility Income	20,777	4,685	(B)	
		(16,592)	(C)	
		(480)	(D)	8,390
Income Available to Service Debt	\$ 191,943	\$ (72,857)		\$ 119,086

(A) Thirteen Months of Sales to Customers. Bronston's test-year Water Sales Revenue includes water billed to customers during December 2023 as well as all 12 months of 2024. The December 2023 customer billings in the amount of \$86,554 were removed from test-year operations.

(B) Revenue from Sewer Billing Services. Bronston provides sewer billing services to Woodson Bend Sewer System in return for a billing fee. This sewer billing service and collection of billing fees is not part of Bronston's water operations that is regulated by the KPSC.

During the test year, Bronston reported all sewer billing service revenue in the amount of \$4,685 as part of regulated Water Sales Revenue. For rate-making purposes, this amount was reclassified to Non-Utility Income.

(C) Tap-on Fees. During the test year, Bronston recorded the collection of tap-on fees totaling \$40,098.30. Bronston split this amount for reporting purposes between Water Sales Revenue, \$23,505.90, and Non-Utility Income, \$16,592.40. Proper accounting requires tap-on fees to be reported as Contributions in Aid of Construction. Accordingly, test-year tap-on fees were removed from Water Sales Revenue and Non-Utility Income.

(D) Membership Fees. Bronston is a nonprofit corporation formed pursuant to the provisions of KRS Chapter 273. A person may become a member of Bronston as provided by Bronston's By-Laws, which state that Bronston shall not have capital stock, but its capital shall be represented by membership certificates. Bronston currently charges \$20 for a membership certificate as provided in its tariff filed with the KPSC.

During the test year, Bronston collected \$2,240 for membership fees. It recognized \$1,760 as part of test-year Water Sales Revenue and \$480 as part of Non-Utility Income. Proper accounting requires that the sale of membership certificates be recorded directly to an equity, or paid in capital, account as though it were the sale of capital stock. Accordingly, the test-year membership fees were

reclassified in pro forma operations to Donated Capital – Other, a Retained Earnings subsidiary account.

(E) Late Payment Fees. Bronston collected late payment penalties in the amount of \$19,949 on 3,897 delinquent accounts during the test year. This revenue was reported as part of Water Sales Revenue during the test year but was reclassified to Other Operating Water Revenue in pro forma operations.

(F) Revenue from Non-Recurring Charges. Bronston collected the following revenue from the assessment of nonrecurring charges during the test year. This revenue was reported as part of Water Sales Revenue during the test year but was reclassified to Other Operating Water Revenue in pro forma operations.

	Number of Occurrences	Total Revenue
Reconnection Fees	76	\$ 1,596
Connection Turn-on Fees	2	36
Meter Reset	19	494
Meter Relocation	1	511
Returned Check Fee	23	460
Service Call/Investigation	2	36
Reimbursements for Property Damage (Locks)	6	440
		<u>\$ 3,573</u>

(G) Reverse Audit Adjustments to Water Sales Revenue. As part of Bronston's 2024 financial audit, Adjusting Journal Entry ("AJE") 16, as shown below, was made to decrease the year-end Customer Accounts Receivable balance by \$103,327 and to record Unbilled Revenue in the amount of \$33,901. The net effect of this adjustment was a \$69,426 decrease to test-year general ledger account 40003, Services, which is included as a part of Water Sales Revenue shown in Bronston's 2024 Annual Report.

**AJE 16**

To adjust accounts receivable			
10200	Accounts Receivable	0.00	103,327.00
40003	Services	103,327.00	0.00
10202	Unbilled Accounts Receivable	33,901.00	0.00
40003	Services	0.00	33,901.00
<b>Total</b>		<b>137,228.00</b>	<b>137,228.00</b>

As explained below, test-year Water Sales Revenue was increased by \$69,426 (\$103,327 - \$33,901) to remove the effects of AJE 16 for rate-making purposes.

Accounts Receivable. AJE 16 was made as part of the audit process to reduce Customer Accounts Receivable to the appropriate balance as of the end of the test year. Water Sales Revenue was also reduced to balance the entry. As a result, Water Sales Revenue is understated for the test year. Water Sales Revenue was increased by \$103,327 to properly restate Water Sales Revenue to the appropriate balance in pro forma operations.

Unbilled Revenue. As part of AJE 16, unbilled water revenue in the amount of \$33,901 was accrued to report estimated water sales that occurred after the last water billing date in December 2024. This accrual was removed from test-year operations for rate-making purposes to restate test-year Water Sales Revenue on a billed basis. This adjustment is necessary to match Water Sales Revenue to the test-year billing analysis provided below in Reference Item (I).

(H) Billing Adjustments. During the test year, Bronston decreased customer bills by a total of \$27,389.96 to remove metering errors, \$18,649.27, and leak allowances, \$8,740.69. Bronston did not adjust test-year Water Sales Revenue to account for these billing adjustments for accounting purposes. The billing adjustments were removed from test-year Water Sales Revenue for rate-making purposes.

(I) Test-Year Billing Analysis Adjustment. A billing analysis was prepared as part of this rate study. Following the KPSC's generally accepted practice, water sales revenue reported for



the test year was increased by \$1,296 to match test-year Water Sales Revenue with the results of the billing analysis. The adjustment is detail below.

	Sales	
	Billing Analysis	
Meter Size:	<u>Gallons</u>	<u>\$\$\$</u>
5/8x3/4 Inch	67,867,028	\$ 982,970
1 Inch	1,700,130	20,061
2 Inch	3,893,000	39,360
4 Inch	1,292,700	11,495
Less: Adjustments to Customer Accounts		(27,390)
Total Billing Analysis	<u>74,752,858</u>	1,026,495
Less: Adjusted Test-Year Billed Basis		<u>(1,025,200)</u>
Billing Analysis Adjustment \$		<u>\$ 1,296</u>
Billing Analysis Adjustment %		<u>0.1262%</u>

Details of the billing analysis are shown below.

		Bills	Gallons	First 1500	Over 1500	
<b>5/8x3/4 Inch Meters</b>						
First	1,500	9,389	4,821,046	4,821,046		4,821,046
Over	1,500	13,935	63,045,982	20,902,500	42,143,482	63,045,982
Totals		23,324	67,867,028	25,723,546	42,143,482	67,867,028
		Bills	Gallons	Rate	Revenue	
Revenue by Rate Increment						
First	1,500	23,324	25,723,546	25.81	\$ 601,992.44	
Over	1,500		42,143,482	0.00904	\$ 380,977.08	
Totals		23,324	67,867,028		\$ 982,969.52	

		Bills	Gallons	First 5000	Over 5000	
<b>1-Inch Meters</b>						
First	5,000	98	153,630	153,630		153,630
Over	5,000	66	1,546,500	330,000	1,216,500	1,546,500
Totals		164	1,700,130	483,630	1,216,500	1,700,130
		Bills	Gallons	Rate	Revenue	
Revenue by Rate Increment						
First	5,000	164	483,630	55.27	\$ 9,064.28	
Over	5,000		1,216,500	0.00904	\$ 10,997.16	
Totals		164	1,700,130		\$ 20,061.44	

		Bills	Gallons	First 20000	Over 20000	
<b>2-Inch Meters</b>						
First	20,000	50	260,400	260,400		260,400
Over	20,000	39	3,632,600	780,000	2,852,600	3,632,600
		89	3,893,000	1,040,400	2,852,600	3,893,000
		Bills	Gallons	Rate	Revenue	
Revenue by Rate Increment						
First	20,000	89	1,040,400	152.50	\$ 13,572.50	
Over	20,000		2,852,600	0.00904	\$ 25,787.50	
Totals		89	3,893,000		\$ 39,360.00	

		Bills	Gallons	First 50000	Over 50000	
<b>4-Inch Meters</b>						
First	50,000					-
Over	50,000	2	1,292,700	100,000	1,192,700	1,292,700
		2	1,292,700	100,000	1,192,700	1,292,700
		Bills	Gallons	Rate	Revenue	
Revenue by Rate Increment						
First	50,000	2	100,000	356.26	\$ 712.52	
Over	50,000		1,192,700	0.00904	\$ 10,782.01	
Totals		2	1,292,700		\$ 11,494.53	

(J) Salaries and Wages – Employees. Bronston employs three full-time salaried employees and one part-time hourly employee. Bronston reported \$147,559 for test-year Salaries and Wages – Employees expense. As discussed below, this amount was increased by \$5,076 to \$152,635 in pro forma operations.

Pro forma wages were calculated using salary and wage rates authorized by Bronston’s Board of Directors to become effective on March 1, 2025. Part-time pro forma wages were determined using the number of hours worked during the test-year. Pro forma wages also include annual incentive pay in the amount of \$1,000 for each employee. The incentive pay was provided in 2023, the test year and 2025 and is a recurring expense.

			Pro forma Regular Wages	Annual Incentive Pay	Pro forma Wages
Salaried Employees					
Superintendent			\$ 46,002	\$ 1,000	\$ 47,002
Field Employee			44,112	1,000	45,112
Office Manager			36,870	1,000	37,870
Hourly Employee	<u>Wage Rate</u>	<u>Test-Year Hours</u>			
Part-Time Customer Service	\$ 16.54	1,309	21,651	1,000	22,651
Pro forma			<u>\$ 148,635</u>	<u>\$ 4,000</u>	152,635
Less: Test Year					<u>(147,559)</u>
Adjustment					<u>\$ 5,076</u>

(K) Employee Benefits. Bronston’s full-time employees are eligible to receive full health insurance benefits. Two employees currently receive those benedtis. One employee receives single health care coverage while the other receives family coverage. Bronston also provides short-term disability and supplemental insurance to all employees. Test-year

employee insurance expense was increased by \$12,735 in pro forma operations as shown below.

	Current Monthly Premium
Health Care Insurance:	
1 Single Plan	\$ 967.46
1 Family Plan	2,805.64
Monthly Health Insurance Paid by Bronston	3,773.10
Short-Term Disability and Supplemental Health Insurance	656.10
Total Monthly Insurance Premiums	4,429.20
Times: 12 Months	12
Pro forma	53,150
Less: Test Year	(40,415)
Adjustment	\$ 12,735

(L) Purchased Water. Bronston purchases wholesale water from Monticello Utility Commission through three separate metering locations. It reported test-year purchased water expense in the amount of \$364,983. This amount was decreased by \$26,213 (\$23,598 + \$2,615) in pro forma operations as explained below.

December 2023 Water Purchases. The test-year expense includes \$23,598 for water purchased during December 2023 resulting in 13 months of purchased water expense reported for the test-year. The December 2023 purchases were removed to determined pro forma operations.

Posting Errors for Payroll Activity. During July of the test-year, Bronston switched accounting software programs from Sage Intacct Finance Software (“Sage”) to Intuit

QuickBooks (“Quickbooks”). Payroll debit entries totaling \$2,615 were improperly posted to the Purchased Water expense account during the software transition. These entries were removed in pro forma operations.

(M) Building Improvements. During the test year, Bronston reported \$19,980 as Materials and Supplies Expense and \$3,200 as Miscellaneous Expenses that were incurred to construct capital improvements to its office facility. These costs were removed from test-year expenses and capitalized to be depreciated over their estimated useful lives in pro forma operations as shown below.

Vendor	Description	Remove Cost From Expenses	Estimated Useful Life	Annual Depreciation
Materials and Supplies Expense:				
Browns Installation	Construct customer service station and bathroom cabinet	\$ (11,420)	22.5	\$ 508
Larry Todd Plumbing	Water Heater	(1,125)	7	161
Rodney Emerson	Flooring and Installation	(6,435)	22.5	286
MJK Seal Coating	Seal Parking Lot	<u>(1,000)</u>	5	200
Cost Removed from Materials and Supplies Expenses		(19,980)		
Miscellaneous Expenses:				
Lee's Seamless Gutters	Construct awning over drive-up window	<u>(3,200)</u>	37.5	<u>85</u>
Total		<u>\$ (23,180)</u>		<u>\$ 1,240</u>

(N) New Meter Installations. During the test year, Bronston constructed 29 new 5/8-inch meter connections. Only the cost of the 29 meters, \$6,048, was capitalized and depreciated for accounting purposes. The costs were estimated to be \$40,098 for ratemaking purposes determined by multiplying the number of connections by Bronston’s cost-based meter tap-on fee, \$1,382.70. Accordingly, an additional \$34,050 (\$40,098 total cost - \$6,048 amount

capitalized per books) was capitalized and depreciated over its estimated useful life in proforma operations.

The additional ratemaking capitalized costs include administrative wages, labor overheads, materials and supplies, equipment costs and contractual services. For convenience, instead of reducing each of these test-year expense accounts, Materials Supplies and Miscellaneous Expenses, which includes meter installation contractual services, were reduced by one half, \$17,025 ( $\$34,050 / 2$ ) of the total expense reduction. The adjustment to test-year operations is shown below.

	Remove Cost From Expenses	Estimated Useful Life	Annual Depreciation
Tap-On Fee	\$ 1,382.70		
Times: 29 Meter Installations	<u>29</u>		
Total Estimated Installation Costs	40,098		
Less: Amount Capitalized Audit Adjustment	<u>(6,048)</u>		
Additional to Capitalize for Rate-Making Purposes	<u>\$ 34,050</u>	45	<u>\$ 757</u>
Remove Evenly From: Materials and Supplies	<u>\$ (17,025)</u>		
Contractual Services	<u>\$ (17,025)</u>		

(O) Rate Case Expense. Bronston estimates the cost of this rate proceeding will total \$12,100. It requests that this amount be amortized over the anticipated three-year life of the rates calculated in this analysis.

Consulting Fees	\$ 11,200
Publication	<u>900</u>
Estimated Rate Case Expense	12,100
Divide by: 3 Years	<u>3</u>
Adjustment	<u><u>\$ 4,033</u></u>

(P) Remove Audit Adjustment Nos. 1 and 5 from Miscellaneous Expenses. Test-year Miscellaneous Expenses were increased by \$15,290 as part of Audit Adjusting Journal Entry No. 1 that was necessary to correct the beginning balance of certain balance sheet accounts. This expense did not generate a benefit to Bronston's ratepayers and was, therefore, removed from test-year operations.

Test-year Miscellaneous Expenses were decreased by \$7,392 as part of Audit Adjusting Journal Entry No. 5 to correct various test-year Accrued Payroll accounts. All wage related expenses are properly accounted for in pro forma operations through performance of the ratemaking adjustments shown in Reference Items (J) and (S). If the effect of Audit Adjustment No. 5 remains in Miscellaneous Expenses, wage related expenses will be understated in pro forma operations. The audit adjustment was removed to allow proper rate recovery of all wage related expenses.

Removing Audit Adjustment Nos. 1 and 5 results in a net decrease to test-year Miscellaneous Expenses of \$7,898 (\$7,392 - \$15,290).

(Q) Employee Health Insurance Premium. As a result of the adjustment made in Reference Item (K), Bronston's annual cost of employee health care is included in pro forma operations. Employee health care costs in the amount of \$3,449 were mistakenly reported

as part of test-year Miscellaneous Expenses. This amount was removed from Miscellaneous Expenses in pro forma operations to prevent excess rate recovery of health care expenses.

(R) Depreciation – Construction Project Authorized by KPSC in Case No. 2024-00076. By Order dated June 9, 2024, the KPSC authorized Bronston to construct and finance a water system improvement project with a total cost of \$3,368,420. The project is expected to be placed into service in April 2026. Depreciation that will accrue on the project's costs has been included in pro forma Depreciation Expenses as follows:

Water Plant Account	Construction Cost	Percent of Construction Costs	Allocated Overhead Costs	Depreciable Cost	Estimated Useful Life	Annual Depreciation Accrual
Transmission and Distribution Mains	\$ 2,898,670	95.2%	\$ 309,015	\$ 3,207,685	62.5	\$ 51,323
Meters Reconnections, Settings	72,750	2.4%	7,756	80,506	45	1,789
Hydrants	42,500	1.4%	4,531	47,031	50	941
Communication - Telemetry	30,000	1.0%	3,198	33,198	10	3,320
Total Construction Costs	3,043,920	100%	<u>324,500</u>	<u>3,368,420</u>		<u>\$ 57,372</u>
Overhead: Engineering and Legal	<u>324,500</u>					
Total Cost	<u>\$ 3,368,420</u>					

(S) Taxes Other Than Income. Test-year payroll taxes were adjusted to reflect the level of taxes that will accrue on pro forma wages that are shown in Reference Item (J). The adjustment to payroll taxes is shown below:

Employee Wages	\$ 152,635
Times: FICA Tax Rate	<u>7.65%</u>
Pro forma FICA Taxes	11,677
Less: Test Year	<u>(10,803)</u>
Adjustment	<u>\$ 874</u>



**Schedule B**  
**CALCULATION OF OVERALL REVENUE REQUIREMENT**  
**AND REQUIRED REVENUE INCREASE**  
**Bronston Water Association, Test Year Ended December 31, 2024**

Pro Forma Operating Expenses	\$ 979,575
Plus: Three-Year Average Debt Principal and Interest, Sch. C	365,315
20 Percent Debt Service Coverage	73,063
Interest on Customer Deposits	<u>1,067</u>
Overall Revenue Requirement	1,419,020
Less: Other Operating Revenues	(23,522)
Non-Operating Income	(8,390)
Interest Income	<u>(40,254)</u>
Revenue Required from Water Sales	1,346,854
Less: Pro Forma Present Rate Water Sales	<u>(1,026,495)</u>
Required Revenue Increase \$	<u>320,359</u>
Required Revenue Increase %	<u>31.21%</u>

**Schedule C**  
**DEBT SERVICE SCHEDULE**  
**Bronston Water Association, Test Year Ended December 31, 2024**

Long-Term Debts		Year of Payment						Three-Year Average Payment
		2027		2028		2029		
USDA Bonds		Interest	Principal	Interest	Principal	Interest	Principal	
Origination	Original Principal							
2003	\$ 418,000	\$ 11,342	\$ 11,022	\$ 10,874	\$ 11,490	\$ 10,385	\$ 11,979	\$ 22,364
2008	850,000	26,318	18,361	25,561	19,118	24,772	19,907	44,679
2010	462,000	8,484	10,490	8,222	10,753	7,953	11,022	18,975
2014	787,000	11,819	17,324	11,495	17,649	11,164	17,980	29,144
2017	1,380,000	22,372	28,731	21,833	29,269	21,284	29,818	51,102
2021	555,000	9,157	10,962	8,965	11,154	8,770	11,349	20,119
KIA Loan B22-005		Interest and Service Fee	Principal	Interest and Service Fee	Principal	Interest and Service Fee	Principal	
2026	3,368,420	14,603	164,659	13,862	165,071	13,118	165,484	178,932
Total All Debts		\$ 104,095	\$261,549	\$ 100,812	\$264,504	\$ 97,446	\$267,539	\$ 365,315

**Schedule D**  
**CALCULATION OF WATER SERVICE RATES**  
**Bronston Water Association, Test Year Ended December 31, 2024**

			<u>Current Rates</u>		<u>Increase Percentage</u>	<u>New Rates</u>	
<b>5/8 x 3/4-Inch Meter</b>							
First	1,500	gallons	\$ 25.81	Minimum Bill	31.21%	\$ 33.87	Minimum Bill
Over	1,500	gallons	0.00904	Per Gallon	31.21%	0.01186	Per Gallon
<b>1-Inch Meter</b>							
First	5,000	gallons	55.27	Minimum Bill	31.21%	72.52	Minimum Bill
Over	5,000	gallons	0.00904	Per Gallon	31.21%	0.01186	Per Gallon
<b>2-Inch Meter</b>							
First	20,000	gallons	152.50	Minimum Bill	31.21%	200.09	Minimum Bill
Over	20,000	gallons	0.00904	Per Gallon	31.21%	0.01186	Per Gallon
<b>4-Inch Meter</b>							
First	50,000	gallons	356.26	Minimum Bill	31.21%	467.45	Minimum Bill
Over	50,000	gallons	0.00904	Per Gallon	31.21%	0.01186	Per Gallon

# **Exhibit 4**

### Proposed Rate Billing Analysis

Sales		
Billing Analysis		
Meter Size:	Gallons	\$\$\$
5/8x3/4 Inch	67,867,028	\$ 1,289,744
1 Inch	1,700,130	26,322
2 Inch	3,893,000	51,644
4 Inch	1,292,700	15,082
Less: Adjustments to Customer Accounts		(35,938)
Total Billing Analysis	74,752,858	1,346,854

		Bills	Gallons	First 1500	Over 1500	
<b>5/8x3/4 Inch Meters</b>						
First	1,500	9,389	4,821,046	4,821,046		4,821,046
Over	1,500	13,935	63,045,982	20,902,500	42,143,482	63,045,982
Totals		23,324	67,867,028	25,723,546	42,143,482	67,867,028
		Bills	Gallons	Rate	Revenue	
Revenue by Rate Increment						
First	1,500	23,324	25,723,546	33.87	\$ 789,868.21	
Over	1,500		42,143,482	0.01186	\$ 499,876.18	
Totals		23,324	67,867,028		\$ 1,289,744.39	

		Bills	Gallons	First 5000	Over 5000	
<b>1-Inch Meters</b>						
First	5,000	98	153,630	153,630		153,630
Over	5,000	66	1,546,500	330,000	1,216,500	1,546,500
Totals		164	1,700,130	483,630	1,216,500	1,700,130
		Bills	Gallons	Rate	Revenue	
Revenue by Rate Increment						
First	5,000	164	483,630	72.52	\$ 11,893.15	
Over	5,000		1,216,500	0.01186	\$ 14,429.26	
Totals		164	1,700,130		\$ 26,322.41	

		<u>Bills</u>	<u>Gallons</u>	<u>First 20000</u>	<u>Over 20000</u>	
<b>2-Inch Meters</b>						
First	20,000	50	260,400	260,400		260,400
Over	20,000	39	3,632,600	780,000	2,852,600	3,632,600
		89	3,893,000	1,040,400	2,852,600	3,893,000
		<u>Bills</u>	<u>Gallons</u>	<u>Rate</u>	<u>Revenue</u>	
Revenue by Rate Increment						
First	20,000	89	1,040,400	200.09	\$ 17,808.34	
Over	20,000		<u>2,852,600</u>	0.01186	<u>\$ 33,835.52</u>	
Totals		89	<u>3,893,000</u>		<u>\$ 51,643.86</u>	

		<u>Bills</u>	<u>Gallons</u>	<u>First 50000</u>	<u>Over 50000</u>	
<b>4-Inch Meters</b>						
First	50,000					-
Over	50,000	2	1,292,700	100,000	1,192,700	1,292,700
		2	1,292,700	100,000	1,192,700	1,292,700
		<u>Bills</u>	<u>Gallons</u>	<u>Rate</u>	<u>Revenue</u>	
Revenue by Rate Increment						
First	50,000	2	100,000	467.45	\$ 934.89	
Over	50,000		<u>1,192,700</u>	0.01186	<u>\$ 14,146.96</u>	
Totals		2	<u>1,292,700</u>		<u>\$ 15,081.85</u>	

# **Exhibit 5**

## Book Asset Detail 1/01/24 - 12/31/24

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
<b>Group: Construction Period Int</b>												
79		Construction Period Int	6/30/15	17,402.00	0.00	0.00	9,135.00	870.10	10,005.10	7,396.90	Amort	20.00
		<b>Construction Period Int</b>		<u>17,402.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>9,135.00</u>	<u>870.10</u>	<u>10,005.10</u>	<u>7,396.90</u>		
<b>Group: Equipment &amp; Vehicles</b>												
80		Panasonic Notebook	2/16/16	4,078.00	0.00	0.00	4,078.00	0.00	4,078.00	0.00	200DB	10.0
89		Ford Truck	7/01/19	29,220.00	0.00	0.00	26,298.00	2,922.00	29,220.00	0.00	S/L	7.00
91		Office Equipment	6/30/20	4,750.00	0.00	0.00	3,325.00	211.11	3,536.11	1,213.89	S/L	22.50
94		Vehicle	6/30/21	28,727.00	0.00	0.00	14,363.00	4,103.86	18,466.86	10,260.14	S/L	7.00
95		Tractor	6/30/22	25,332.00	0.00	0.00	7,599.00	3,618.86	11,217.86	14,114.14	S/L	7.00
96		Trailer	6/30/22	4,663.00	0.00	0.00	1,399.00	666.14	2,065.14	2,597.86	S/L	7.00
98		Lawn Mower	3/11/24	3,599.00	0.00c	0.00	0.00	199.94	199.94	3,399.06	S/L	15.00
100		Truck Materials Rack	9/27/24	4,027.00	0.00c	0.00	0.00	143.82	143.82	3,883.18	S/L	7.00
		<b>Equipment &amp; Vehicles</b>		<u>104,396.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>57,062.00</u>	<u>11,865.73</u>	<u>68,927.73</u>	<u>35,468.27</u>		
<b>Group: Furnishings &amp; Fixtures</b>												
7		Office Furniture	1/01/86	2,321.00	0.00	0.00	2,321.00	0.00	2,321.00	0.00	S/L	22.50
33		Office Computer & Equipment	6/30/97	11,499.00	0.00	0.00	11,499.00	0.00	11,499.00	0.00	S/L	10.00
44		Office Equipment	6/30/03	2,877.00	0.00	0.00	2,877.00	0.00	2,877.00	0.00	S/L	22.50
50		Office Equipment	6/30/05	2,390.00	0.00	0.00	2,390.00	0.00	2,390.00	0.00	S/L	22.50
55		Office Equipment	6/30/06	2,248.00	0.00	0.00	2,248.00	0.00	2,248.00	0.00	S/L	22.50
62		Office Equipment	6/30/09	12,786.00	0.00	0.00	12,786.00	0.00	12,786.00	0.00	S/L	22.50
66		Fence	6/30/10	2,539.00	0.00	0.00	2,282.00	67.71	2,349.71	189.29	S/L	37.50
70		Office Computer	6/30/10	2,398.00	0.00	0.00	2,398.00	0.00	2,398.00	0.00	S/L	10.00
		<b>Furnishings &amp; Fixtures</b>		<u>39,058.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>38,801.00</u>	<u>67.71</u>	<u>38,868.71</u>	<u>189.29</u>		
<b>Group: Land &amp; Land Rights</b>												
2		Land	1/01/80	5,500.00	0.00	0.00	0.00	0.00	0.00	5,500.00	Land	0.00
51		Land	6/30/05	127,000.00	0.00	0.00	0.00	0.00	0.00	127,000.00	Land	0.00
		<b>Land &amp; Land Rights</b>		<u>132,500.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>132,500.00</u>		
<b>Group: Meters &amp; Installations</b>												
11		Meters & Installation	6/30/87	13,638.00	0.00	0.00	13,638.00	0.00	13,638.00	0.00	S/L	45.00
12		Hydrants	1/01/88	13,362.00	0.00	0.00	13,362.00	0.00	13,362.00	0.00	S/L	50.00
13		Meters & Installation	1/01/88	155,852.00	0.00	0.00	155,852.00	0.00	155,852.00	0.00	S/L	45.00
15		Hydrants	1/01/89	1,155.00	0.00	0.00	1,155.00	0.00	1,155.00	0.00	S/L	50.00
16		Meters & Installation	1/01/89	9,185.00	0.00	0.00	9,185.00	0.00	9,185.00	0.00	S/L	45.00
17		Meters & Installation	1/01/90	13,107.00	0.00	0.00	13,107.00	0.00	13,107.00	0.00	S/L	45.00
20		Meters & Installation	1/01/91	9,759.00	0.00	0.00	9,759.00	0.00	9,759.00	0.00	S/L	45.00
22		Meters & Installation	1/01/92	10,716.00	0.00	0.00	10,716.00	0.00	10,716.00	0.00	S/L	45.00
24		Meters & Installation	1/01/93	12,442.00	0.00	0.00	12,442.00	0.00	12,442.00	0.00	S/L	45.00
26		Meters & Installation	1/01/94	11,552.00	0.00	0.00	11,552.00	0.00	11,552.00	0.00	S/L	45.00
28		Meters & Installation	1/01/95	12,480.00	0.00	0.00	12,480.00	0.00	12,480.00	0.00	S/L	45.00



**Book Asset Detail 1/01/24 - 12/31/24**

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: Meters & Installations (continued)												
29		Meters & Installation	1/01/96	10,130.00	0.00	0.00	10,130.00	0.00	10,130.00	0.00	S/L	45.00
32		Meters 1997	6/30/97	11,105.00	0.00	0.00	11,105.00	0.00	11,105.00	0.00	S/L	45.00
36		Meters 1998	6/30/98	15,841.00	0.00	0.00	15,841.00	0.00	15,841.00	0.00	S/L	45.00
37		Meters 1999	6/30/99	14,230.00	0.00	0.00	13,942.00	288.00	14,230.00	0.00	S/L	45.00
38		Meters 2000	6/30/00	11,370.00	0.00	0.00	6,198.00	252.67	6,450.67	4,919.33	S/L	45.00
41		Meters 2001	6/30/01	8,119.00	0.00	0.00	7,311.00	180.42	7,491.42	627.58	S/L	45.00
42		Meters 2002	6/30/02	8,650.00	0.00	0.00	7,439.00	192.22	7,631.22	1,018.78	S/L	45.00
43		Meters 2003	6/30/03	8,662.00	0.00	0.00	7,094.00	192.49	7,286.49	1,375.51	S/L	45.00
47		Meters 2004	6/30/04	3,190.00	0.00	0.00	2,495.00	70.89	2,565.89	624.11	S/L	45.00
49		Meters 2005	6/30/05	15,180.00	0.00	0.00	8,788.00	337.33	9,125.33	6,054.67	S/L	45.00
56		Meters 2007	6/30/07	11,607.00	0.00	0.00	7,666.00	257.93	7,923.93	3,683.07	S/L	45.00
60		Meters 2008	6/30/08	7,885.00	0.00	0.00	7,885.00	0.00	7,885.00	0.00	S/L	45.00
61		Meters 2009	6/30/09	26,523.00	0.00	0.00	9,889.00	589.40	10,478.40	16,044.60	S/L	45.00
68		Meters 2010	6/30/10	18,114.00	0.00	0.00	8,891.00	402.53	9,293.53	8,820.47	S/L	45.00
71		Fire Hydrant	10/27/10	2,278.00	0.00	0.00	2,074.00	6.12	2,080.12	197.88	150DB	50.00
72		Meters 2011	6/30/11	28,128.00	0.00	0.00	12,527.00	625.07	13,152.07	14,975.93	S/L	45.00
75		Meters 2012	6/30/12	17,865.00	0.00	0.00	7,148.00	397.00	7,545.00	10,320.00	S/L	45.00
76		Meters 2013	6/30/13	14,440.00	0.00	0.00	5,118.00	320.89	5,438.89	9,001.11	S/L	45.00
77		Meters 2014	6/30/14	11,126.00	0.00	0.00	3,439.00	247.24	3,686.24	7,439.76	S/L	45.00
81		Meters 2016	6/30/16	6,750.00	0.00	0.00	1,315.00	150.00	1,465.00	5,285.00	S/L	45.00
82		Meters 2017	6/30/17	10,223.00	0.00	0.00	1,678.00	227.18	1,905.18	8,317.82	S/L	45.00
84		Meters 2018	6/30/18	301,318.00	0.00	0.00	39,708.00	6,695.96	46,403.96	254,914.04	S/L	45.00
88		Meters 2019	6/30/19	121,755.00	0.00	0.00	13,825.00	2,705.67	16,530.67	105,224.33	S/L	45.00
90		Meters 2020	6/30/20	31,637.00	0.00	0.00	4,429.00	703.04	5,132.04	26,504.96	S/L	45.00
93		2021 Meters	6/30/21	11,953.00	0.00	0.00	1,195.00	265.62	1,460.62	10,492.38	S/L	45.00
99		Meters	3/20/24	6,048.00	0.00c	0.00	0.00	113.40	113.40	5,934.60	S/L	40.00
Meters & Installations				997,375.00	0.00c	0.00	480,378.00	15,221.07	495,599.07	501,775.93		
Group: Office Building												
6		Alarm System	10/10/85	550.00	0.00	0.00	550.00	0.00	550.00	0.00	S/L	22.50
52		Office Building	11/30/05	5,509.00	0.00	0.00	4,758.00	146.91	4,904.91	604.09	S/L	37.50
53		Office Parking Lot	12/01/05	4,200.00	0.00	0.00	4,200.00	0.00	4,200.00	0.00	S/L	37.50
85		Office Addition	6/30/19	6,888.00	0.00	0.00	2,067.00	306.13	2,373.13	4,514.87	S/L	22.50
97		Pole Barn	1/20/23	19,300.00	0.00	0.00	643.00	514.67	1,157.67	18,142.33	S/L	37.50
Office Building				36,447.00	0.00c	0.00	12,218.00	967.71	13,185.71	23,261.29		
Group: Transmission & Distrib												
1		Distribution Reservoir	1/01/80	24,108.00	0.00	0.00	19,848.00	535.73	20,383.73	3,724.27	S/L	45.00
3	d	From Old Schedule	1/01/80	942,508.00	0.00	0.00	49,077.00	0.00	49,077.00	893,431.00	S/L	62.50
4		Pumping Structure	1/01/82	5,754.00	0.00	0.00	5,754.00	0.00	5,754.00	0.00	S/L	20.00
5		Quinton Water Tank	1/01/83	172,883.00	0.00	0.00	172,883.00	0.00	172,883.00	0.00	S/L	45.00
8		Line Extension	1/01/86	131,153.00	0.00	0.00	131,153.00	0.00	131,153.00	0.00	S/L	62.50
9		Service Lines	1/01/87	56,178.00	0.00	0.00	56,178.00	0.00	56,178.00	0.00	S/L	62.50
10		Transmission Mains	1/01/87	243,473.00	0.00	0.00	243,473.00	0.00	243,473.00	0.00	S/L	62.50
14		Service Lines	1/01/89	6,125.00	0.00	0.00	5,311.00	102.08	5,413.08	711.92	S/L	60.00
18		Pump + Tank	1/01/91	3,251.00	0.00	0.00	3,251.00	0.00	3,251.00	0.00	S/L	20.00

**Book Asset Detail 1/01/24 - 12/31/24**

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
<b>Group: Transmission &amp; Distrib (continued)</b>												
19		Line Extension - 1991	1/01/91	2,467.00	0.00	0.00	2,467.00	0.00	2,467.00	0.00	S/L	62.50
21		Line Extension - 1992	1/01/92	8,958.00	0.00	0.00	8,958.00	0.00	8,958.00	0.00	S/L	62.50
23		Service Lines	1/01/93	787.00	0.00	0.00	606.00	15.74	621.74	165.26	S/L	50.00
25		Service Lines	1/01/94	432.00	0.00	0.00	322.00	10.80	332.80	99.20	S/L	40.00
27		Service Lines	1/01/95	6,105.00	0.00	0.00	4,357.00	152.63	4,509.63	1,595.37	S/L	40.00
30		Service Lines	6/30/97	5,471.00	0.00	0.00	5,310.00	136.78	5,446.78	24.22	S/L	40.00
31		1997 Line Extension	6/30/97	25,546.00	0.00	0.00	25,546.00	0.00	25,546.00	0.00	S/L	62.50
34		Distribution Reservoir	6/30/98	32,000.00	0.00	0.00	32,000.00	0.00	32,000.00	0.00	S/L	45.00
35		1998 Line Extensions	6/30/98	12,051.00	0.00	0.00	12,051.00	0.00	12,051.00	0.00	S/L	62.50
39		Line Extensions 2000	10/31/00	946,629.00	0.00	0.00	496,978.00	15,146.06	512,124.06	434,504.94	S/L	62.50
40		Line Extensions 2001	3/31/01	50,805.00	0.00	0.00	45,721.00	812.88	46,533.88	4,271.12	S/L	62.50
45		Line Extensions 2004	1/01/04	646,335.00	0.00	0.00	317,743.00	10,341.36	328,084.36	318,250.64	S/L	62.50
46		Line Extensions Echo Point	6/30/04	306,208.00	0.00	0.00	149,273.00	4,899.33	154,172.33	152,035.67	S/L	62.50
48		Line Extensions 2004	6/30/05	38,090.00	0.00	0.00	17,765.00	609.44	18,374.44	19,715.56	S/L	62.50
54		Telemetry System	2/15/06	12,374.00	0.00	0.00	12,374.00	0.00	12,374.00	0.00	S/L	10.00
57		Pump Station Horizon	6/30/08	7,650.00	0.00	0.00	5,932.00	382.50	6,314.50	1,335.50	S/L	20.00
58		90/790 Project	6/30/08	899,236.00	0.00	0.00	696,911.00	14,387.78	711,298.78	187,937.22	S/L	62.50
59		Wolf Gap Project	6/30/08	147,000.00	0.00	0.00	113,925.00	2,352.00	116,277.00	30,723.00	S/L	62.50
63		2 Tanks 500k and 100k	12/15/09	540,535.00	0.00	0.00	381,756.00	12,011.89	393,767.89	146,767.11	S/L	45.00
64		Log Haven/Flynn Rd	12/15/09	119,346.00	0.00	0.00	42,968.00	1,909.54	44,877.54	74,468.46	S/L	62.50
65		90/790 Project	12/31/09	367,264.00	0.00	0.00	132,231.00	5,876.22	138,107.22	229,156.78	S/L	62.50
67		Line Extensions 2010	6/30/10	161,488.00	0.00	0.00	55,556.00	2,583.81	58,139.81	103,348.19	S/L	62.50
69		Telemetry System	6/30/10	36,580.00	0.00	0.00	36,580.00	0.00	36,580.00	0.00	S/L	10.00
73		Twin Rivers Project	12/15/11	525,424.00	0.00	0.00	163,527.00	8,406.78	171,933.78	353,490.22	S/L	62.50
74		Echo Point Tank	6/30/12	58,393.00	0.00	0.00	33,580.00	1,297.62	34,877.62	23,515.38	S/L	45.00
78		Line Extensions 2015	6/30/15	51,052.00	0.00	0.00	10,542.00	816.83	11,358.83	39,693.17	S/L	62.50
83		Twin Rivers Project	6/30/18	1,820,001.00	0.00	0.00	292,986.00	29,120.02	322,106.02	1,497,894.98	S/L	62.50
86		790 Extension	6/30/19	172,561.00	0.00	0.00	20,100.00	2,760.98	22,860.98	149,700.02	S/L	62.50
87		Twin Rivers Extension	6/30/19	167,306.00	0.00	0.00	19,487.00	2,676.90	22,163.90	145,142.10	S/L	62.50
92		2021 Line Extensions	6/30/21	608,585.00	0.00	0.00	38,038.00	9,737.36	47,775.36	560,809.64	S/L	62.50
<b>Transmission &amp; Distrib</b>				9,362,112.00	0.00c	0.00	3,862,518.00	127,083.06	3,989,601.06	5,372,510.94		
<b>*Less: Dispositions and Transfers</b>				942,508.00	0.00	0.00	49,077.00	0.00	49,077.00	893,431.00		
<b>Net Transmission &amp; Distrib</b>				<u>8,419,604.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>3,813,441.00</u>	<u>127,083.06</u>	<u>3,940,524.06</u>	<u>4,479,079.94</u>		
<b>Grand Total</b>				10,689,290.00	0.00c	0.00	4,460,112.00	156,075.38	4,616,187.38	6,073,102.62		
<b>Less: Dispositions and Transfers</b>				942,508.00	0.00	0.00	49,077.00	0.00	49,077.00	893,431.00		
<b>Net Grand Total</b>				<u>9,746,782.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>4,411,035.00</u>	<u>156,075.38</u>	<u>4,567,110.38</u>	<u>5,179,671.62</u>		

# **Exhibit 6**

# USDA BOND SCHEDULE

## 2003 ISSUE LOAN

Interest - Month

Principal - Month 1

Annual Payment	\$22,364	Principal	\$418,000
		Term	40
		Interest Rate	4.25%

YEAR	PMT. NO	TOTAL	INTEREST	PRINCIPAL	BALANCE
2004	1	\$17,765	\$17,765	\$0	\$418,000
2005	2	17,765	17,765	0	418,000
2006	3	22,364	17,765	4,599	413,401
2007	4	22,364	17,570	4,794	408,607
2008	5	22,364	17,366	4,998	403,609
2009	6	22,364	17,153	5,211	398,398
2010	7	22,364	16,932	5,432	392,966
2011	8	22,364	16,701	5,663	387,303
2012	9	22,364	16,460	5,904	381,399
2013	10	22,364	16,209	6,154	375,245
2014	11	22,364	15,948	6,416	368,829
2015	12	22,364	15,675	6,689	362,140
2016	13	22,364	15,391	6,973	355,167
2017	14	22,364	15,095	7,269	347,898
2018	15	22,364	14,786	7,578	340,320
2019	16	22,364	14,464	7,900	332,419
2020	17	22,364	14,128	8,236	324,183
2021	18	22,364	13,778	8,586	315,597
2022	19	22,364	13,413	8,951	306,646
2023	20	22,364	13,032	9,331	297,314
2024	21	22,364	12,636	9,728	287,586
2025	22	22,364	12,222	10,142	277,445
2026	23	22,364	11,791	10,573	266,872
2027	24	22,364	11,342	11,022	255,850
2028	25	22,364	10,874	11,490	244,360
2029	26	22,364	10,385	11,979	232,381
2030	27	22,364	9,876	12,488	219,894
2031	28	22,364	9,345	13,018	206,875
2032	29	22,364	8,792	13,572	193,304
2033	30	22,364	8,215	14,149	179,155
2034	31	22,364	7,614	14,750	164,405
2035	32	22,364	6,987	15,377	149,028
2036	33	22,364	6,334	16,030	132,998
2037	34	22,364	5,652	16,712	116,287
2038	35	22,364	4,942	17,422	98,865
2039	36	22,364	4,202	18,162	80,703
2040	37	22,364	3,430	18,934	61,769
2041	38	22,364	2,625	19,739	42,030
2042	39	22,364	1,786	20,578	21,452
2043	40	22,364	912	21,452	0
TOTALS		\$885,359.80	\$467,359.80	\$418,000.00	

**PROMISSORY NOTE**  
(ASSOCIATION OR ORGANIZATION)

State <b>KENTUCKY</b>			
County <b>PULASKI</b>			
Case No. <b>21-000-610847213</b>			
<b>FINANCE OFFICE USE ONLY</b>			
F	LN	LC	IA

KIND OF LOAN:  
☒ ASSOCIATION- ORGANIZATION  
☐ HOUSING-ORGANIZATION  
☐ PUBLIC BODY  
☐ OTHER

Date JULY 30, 2003

FOR VALUE RECEIVED, BRONSTON WATER ASSOCIATION, INC.  
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in 95 SOUTH LAUREL ROAD, SUITE A, LONDON, KY 40744, or at such other place as the Government may hereafter designate in writing, the principal amount of FOUR HUNDRED EIGHTEEN THOUSAND AND NO/100 dollars (\$ 418,000.00), plus interest on the unused principal balance at the rate of FOUR AND ONE percent (4.2500 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ INTEREST ONLY on JULY 28, 2004,  
\$ INTEREST ONLY on JULY 28, 2005,  
\$                      on                     ,  
\$ 22,368.00 on JULY 28, 2006, and  
\$ 22,368.00 thereafter on the 28TH DAY of each JULY

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable FORTY (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

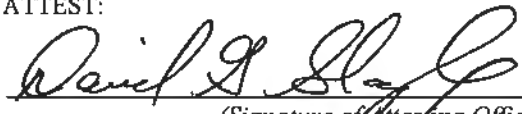
Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

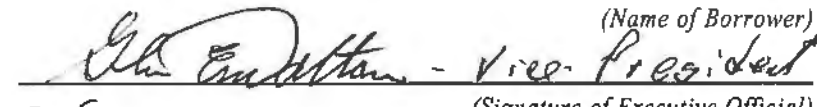
Presentment, protest, and notice are hereby waived.

(CORPORATE SEAL)

ATTEST:

  
(Signature of Attesting Official)  
DAVID G. SLAGLE  
SECRETARY  
(Title of Attesting Official)

BRONSTON WATER ASSOCIATION, INC.

 (Name of Borrower)  
J. C. GIBSON, PRESIDENT (Signature of Executive Official)  
P O BOX 243 (Title of Executive Official)  
BRONSTON, KY 42518 (Post Office Box No. or Street Address)  
(City, State, and Zip Code)

#### RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 108,000.00	09 / 08 / 03	(6) \$	/ /
(2) \$ 128,800.00	10 / 16 / 03	(7) \$	/ /
(3) \$ 64,650.00	11 / 14 / 03	(8) \$	/ /
(4) \$ 101,550.00	12 / 18 / 03	(9) \$	/ /
(5) \$ 15,000.00	07 / 20 / 04	(10) \$	/ /
TOTAL		\$418,000.00	

PAY TO THE ORDER OF

UNITED STATES OF AMERICA

(Name of Agency)

BY

# USDA BOND SCHEDULE

## 2008 ISSUE LOAN

Interest - Month

Principal - Month 1

Principal	\$850,000
Term	40
Interest Rate	4.125%
Annual Payment	\$44,679

YEAR	PMT. NO	TOTAL	INTEREST	PRINCIPAL	BALANCE
2009	1	\$35,063	\$35,063	\$0	\$850,000
2010	2	35,063	35,063	0	850,000
2011	3	44,679	35,063	9,616	840,384
2012	4	44,679	34,666	10,013	830,371
2013	5	44,679	34,253	10,426	819,944
2014	6	44,679	33,823	10,856	809,088
2015	7	44,679	33,375	11,304	797,784
2016	8	44,679	32,909	11,770	786,014
2017	9	44,679	32,423	12,256	773,758
2018	10	44,679	31,918	12,761	760,997
2019	11	44,679	31,391	13,288	747,709
2020	12	44,679	30,843	13,836	733,873
2021	13	44,679	30,272	14,407	719,467
2022	14	44,679	29,678	15,001	704,466
2023	15	44,679	29,059	15,620	688,846
2024	16	44,679	28,415	16,264	672,582
2025	17	44,679	27,744	16,935	655,647
2026	18	44,679	27,045	17,633	638,014
2027	19	44,679	26,318	18,361	619,653
2028	20	44,679	25,561	19,118	600,535
2029	21	44,679	24,772	19,907	580,628
2030	22	44,679	23,951	20,728	559,900
2031	23	44,679	23,096	21,583	538,317
2032	24	44,679	22,206	22,473	515,844
2033	25	44,679	21,279	23,400	492,443
2034	26	44,679	20,313	24,366	468,078
2035	27	44,679	19,308	25,371	442,707
2036	28	44,679	18,262	26,417	416,290
2037	29	44,679	17,172	27,507	388,783
2038	30	44,679	16,037	28,642	360,141
2039	31	44,679	14,856	29,823	330,318
2040	32	44,679	13,626	31,053	299,265
2041	33	44,679	12,345	32,334	266,931
2042	34	44,679	11,011	33,668	233,263
2043	35	44,679	9,622	35,057	198,206
2044	36	44,679	8,176	36,503	161,703
2045	37	44,679	6,670	38,009	123,694
2046	38	44,679	5,102	39,576	84,118
2047	39	44,679	3,470	41,209	42,909
2048	40	44,679	1,770	42,909	0
TOTALS		\$1,767,922.56	\$917,922.56	\$850,000.00	

USDA  
Form RD 440-22  
(Rev. 6-06)

**PROMISSORY NOTE**  
(ASSOCIATION OR ORGANIZATION)

KIND OF LOAN:

- ☒ ASSOCIATION- ORGANIZATION  
☐ HOUSING-ORGANIZATION  
☐ PUBLIC BODY  
☐ OTHER

State Kentucky			
County Pulaski			
Case No. 21-000-610847213			
FINANCE OFFICE USE ONLY			
F	LN	LC	IA

Date 02-20-2008

FOR VALUE RECEIVED, Bronston Water Association  
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in 100 Nami Plaza  
Suite 3, London, KY 40741, or at such other place as the Government may hereafter designate in writing, the principal amount of Eight Hundred Fifty Thousand dollars  
(\$ 850,000.00), plus interest on the unpaid principal balance at the rate of Four and 1/8th percent  
( 4.125 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ Interest Only on 02-20-2009,  
\$ Interest Only on 02-20-2010,  
\$ 44,685.00 on 02-20-2011,  
\$ 44,685.00 on 02-20-2012, and  
\$ 44,685.00 thereafter on the 20th of each February

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable Forty (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.



Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.


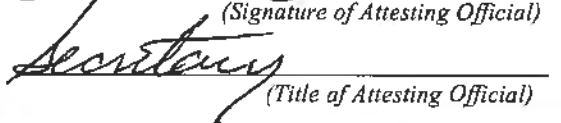
Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

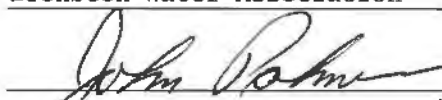
(CORPORATE SEAL)

ATTEST:

  
(Signature of Attesting Official)  
  
(Title of Attesting Official)

Bronston Water Association

(Name of Borrower)



(Signature of Executive Official)

President

(Title of Executive Official)

P.O. Box 243

(Post Office Box No. or Street Address)

Bronston, KY 42518

(City, State, and Zip Code)

# RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1)\$ 204,570.81	03/13/08	(6)\$ 49,899.19	07/23/2008
(2)\$ 181,806.63	04/01/08	(7)\$ 35,570.86	08/25/2008
(3)\$ 158,205.33	05/02/2008	(8)\$ 51,091.18	09/26/2008
(4)\$ 91,144.04	06/02/2008	(9)\$ 28,000.00	01/27/2009
(5)\$ 49,711.96	06/27/2008	(10)\$	
	TOTAL	\$ 850,000.00	\$0.00

PAY TO THE ORDER OF

UNITED STATES OF AMERICA

(Name of Agency)

BY

# USDA BOND SCHEDULE

## 2010 ISSUE LOAN

Interest - Month

Principal - Month 1

Annual Payment	\$18,974	Principal	\$462,000
		Term	40
		Interest Rate	2.500%

YEAR	PMT. NO	TOTAL	INTEREST	PRINCIPAL	BALANCE
2011	1	\$11,550	\$11,550	\$0	\$462,000
2012	2	11,550	11,550	0	462,000
2013	3	18,974	11,550	7,424	454,576
2014	4	18,974	11,364	7,610	446,966
2015	5	18,974	11,174	7,800	439,165
2016	6	18,974	10,979	7,995	431,170
2017	7	18,974	10,779	8,195	422,975
2018	8	18,974	10,574	8,400	414,575
2019	9	18,974	10,364	8,610	405,965
2020	10	18,974	10,149	8,825	397,140
2021	11	18,974	9,928	9,046	388,094
2022	12	18,974	9,702	9,272	378,822
2023	13	18,974	9,471	9,504	369,318
2024	14	18,974	9,233	9,741	359,576
2025	15	18,974	8,989	9,985	349,591
2026	16	18,974	8,740	10,235	339,357
2027	17	18,974	8,484	10,490	328,866
2028	18	18,974	8,222	10,753	318,114
2029	19	18,974	7,953	11,022	307,092
2030	20	18,974	7,677	11,297	295,795
2031	21	18,974	7,395	11,580	284,215
2032	22	18,974	7,105	11,869	272,346
2033	23	18,974	6,809	12,166	260,181
2034	24	18,974	6,505	12,470	247,711
2035	25	18,974	6,193	12,782	234,929
2036	26	18,974	5,873	13,101	221,828
2037	27	18,974	5,546	13,429	208,399
2038	28	18,974	5,210	13,764	194,635
2039	29	18,974	4,866	14,109	180,526
2040	30	18,974	4,513	14,461	166,065
2041	31	18,974	4,152	14,823	151,242
2042	32	18,974	3,781	15,193	136,049
2043	33	18,974	3,401	15,573	120,476
2044	34	18,974	3,012	15,962	104,513
2045	35	18,974	2,613	16,362	88,152
2046	36	18,974	2,204	16,771	71,381
2047	37	18,974	1,785	17,190	54,191
2048	38	18,974	1,355	17,620	36,572
2049	39	18,974	914	18,060	18,512
2050	40	18,974	463	18,512	0
TOTALS		\$744,126.99	\$282,126.99	\$462,000.00	

**PROMISSORY NOTE**  
(ASSOCIATION OR ORGANIZATION)

KIND OF LOAN:

- ☒ ASSOCIATION- ORGANIZATION  
☐ HOUSING-ORGANIZATION  
☐ PUBLIC BODY  
☐ OTHER

State Kentucky			
County Pulaski			
Case No 21-000-610847213			
<b>FINANCE OFFICE USE ONLY</b>			
F	LN	LC	IA

Date 10-29-2010

FOR VALUE RECEIVED, BRONSTON WATER ASSOCIATION  
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in 100 Nami Plaza,  
Suite #3, London, KY 40741, or at such other place as the Government may hereafter designate in writing, the principal amount of FOUR HUNDRED SIXTY TWO THOUSAND dollars (\$ 462,000.00), plus interest on the unpaid principal balance at the rate of TWO AND ONE HALF percent (2.50 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ INTEREST ONLY on 10-28-2011,  
\$ INTEREST ONLY on 10-28-2012,  
\$ \_\_\_\_\_ on \_\_\_\_\_,  
\$ \_\_\_\_\_ on \_\_\_\_\_, and  
\$ 18,979.00 thereafter on the 28TH of each YEAR

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable FORTY (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

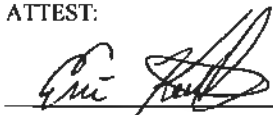
Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

(CORPORATE SEAL)

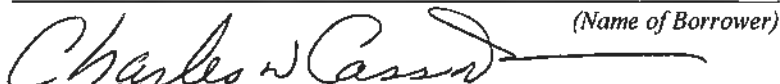
ATTEST:



(Signature of Attesting Official)

(Title of Attesting Official)

BRONSTON WATER ASSOCIATION

 (Name of Borrower)

CHARLES CASSADA

(Signature of Executive Official)

PRESIDENT

(Title of Executive Official)

P.O. BOX 243

(Post Office Box No. or Street Address)

BRONSTON, KY 42518

(City, State, and Zip Code)

#### RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
11 (1) \$ 32,508.71	08/15/2011	\$	
12 (2) \$ 42.00	08/16/2011	\$	
13 (3) \$ 56,938.68	09/08/2011	\$	
(4) \$ 20,000.00	10/14/2011	\$	
(5) \$		\$	
TOTAL		\$ 462,000.00	

PAY TO THE ORDER OF

UNITED STATES OF AMERICA

(Name of Agency)

BY

# USDA BOND SCHEDULE

## 2014 ISSUE LOAN

Interest - Month

Principal - Month 1

Principal	\$787,000
Term	40
Interest Rate	1.875%
Annual Payment	\$29,143

YEAR	PMT. NO	TOTAL	INTEREST	PRINCIPAL	BALANCE
2015	1	\$14,756	\$14,756	\$0	\$787,000
2016	2	14,756	14,756	0	787,000
2017	3	29,143	14,756	14,387	772,613
2018	4	29,143	14,486	14,657	757,956
2019	5	29,143	14,212	14,931	743,025
2020	6	29,143	13,932	15,211	727,814
2021	7	29,143	13,647	15,497	712,317
2022	8	29,143	13,356	15,787	696,530
2023	9	29,143	13,060	16,083	680,447
2024	10	29,143	12,758	16,385	664,062
2025	11	29,143	12,451	16,692	647,370
2026	12	29,143	12,138	17,005	630,365
2027	13	29,143	11,819	17,324	613,041
2028	14	29,143	11,495	17,649	595,393
2029	15	29,143	11,164	17,980	577,413
2030	16	29,143	10,826	18,317	559,096
2031	17	29,143	10,483	18,660	540,436
2032	18	29,143	10,133	19,010	521,426
2033	19	29,143	9,777	19,366	502,060
2034	20	29,143	9,414	19,730	482,331
2035	21	29,143	9,044	20,099	462,231
2036	22	29,143	8,667	20,476	441,755
2037	23	29,143	8,283	20,860	420,895
2038	24	29,143	7,892	21,251	399,643
2039	25	29,143	7,493	21,650	377,993
2040	26	29,143	7,087	22,056	355,938
2041	27	29,143	6,674	22,469	333,468
2042	28	29,143	6,253	22,891	310,578
2043	29	29,143	5,823	23,320	287,258
2044	30	29,143	5,386	23,757	263,501
2045	31	29,143	4,941	24,202	239,299
2046	32	29,143	4,487	24,656	214,642
2047	33	29,143	4,025	25,119	189,524
2048	34	29,143	3,554	25,590	163,934
2049	35	29,143	3,074	26,069	137,865
2050	36	29,143	2,585	26,558	111,307
2051	37	29,143	2,087	27,056	84,250
2052	38	29,143	1,580	27,563	56,687
2053	39	29,143	1,063	28,080	28,607
2054	40	29,143	536	28,607	0
TOTALS		\$1,136,951.31	\$349,951.31	\$787,000.00	

**PROMISSORY NOTE**  
(ASSOCIATION OR ORGANIZATION)

KIND OF LOAN:

- ☒ ASSOCIATION- ORGANIZATION  
☐ HOUSING-ORGANIZATION  
☐ PUBLIC BODY  
☐ OTHER

State Kentucky			
County Pulaski			
Case No. 21-000-*****7213			
FINANCE OFFICE USE ONLY			
F	LN	LC	IA

Date 03-13-2014

FOR VALUE RECEIVED, Bronston Water Association, Inc.

(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their

successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in \_\_\_\_\_

London, KY 40741, or at such other place as the Government may hereafter designate in

writing, the principal amount of Seven Hundred Eighty-Seven Thousand dollars

(\$ 787,000.00), plus interest on the unpaid principal balance at the rate of ONE & SEVEN EIGHT percent

(1.875 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ INTEREST ONLY on 03-13-2015,

\$ INTEREST ONLY on 03-13-2016,

\$ \_\_\_\_\_ on \_\_\_\_\_,

\$ \_\_\_\_\_ on \_\_\_\_\_, and

\$ 29,151 thereafter on the 13TH DAY OF MAR of each YEAR

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable FORTY (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

Bronston Water Association, Inc.

(Name of Borrower)

(CORPORATE SEAL)

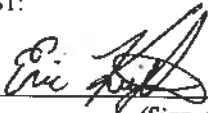


(Signature of Executive Official)

ATTEST:

Charles Cassada, President

(Title of Executive Official)



(Signature of Attesting Official)

P. O. Box 243

(Post Office Box No. or Street Address)

Eric Keith, Secretary

(Title of Attesting Official)

Bronston, KY 42518-0243

(City, State, and Zip Code)

#### RECORD OF ADVANCES

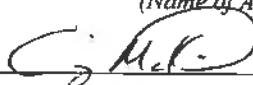
AMOUNT	DATE	AMOUNT	DATE
(1)\$ 91,700.22	04/14/2014	(6)\$	
(2)\$ 382,414.02	05/20/2014	(7)\$	
(3)\$ 173,575.41	06/23/14	(8)\$	
(4)\$ 139,310.35	07/21/14	(9)\$	
(5)\$		(10)\$	
TOTAL		\$ 787,000.00	\$0.00

PAY TO THE ORDER OF

UNITED STATES OF AMERICA  
USDA Rural Development

(Name of Agency)

BY



# USDA BOND SCHEDULE

## 2017 ISSUE LOAN

Interest - Month

Principal - Month 1

Principal \$1,380,000  
Term 40  
Annual Payment \$51,102 Interest Rate 1.875%

YEAR	PMT. NO	TOTAL	INTEREST	PRINCIPAL	BALANCE
2018	1	\$25,875	\$25,875	\$0	\$1,380,000
2019	2	25,875	25,875	0	1,380,000
2020	3	51,102	25,875	25,227	1,354,773
2021	4	51,102	25,402	25,700	1,329,072
2022	5	51,102	24,920	26,182	1,302,890
2023	6	51,102	24,429	26,673	1,276,217
2024	7	51,102	23,929	27,173	1,249,044
2025	8	51,102	23,420	27,683	1,221,361
2026	9	51,102	22,901	28,202	1,193,159
2027	10	51,102	22,372	28,731	1,164,429
2028	11	51,102	21,833	29,269	1,135,159
2029	12	51,102	21,284	29,818	1,105,341
2030	13	51,102	20,725	30,377	1,074,964
2031	14	51,102	20,156	30,947	1,044,018
2032	15	51,102	19,575	31,527	1,012,491
2033	16	51,102	18,984	32,118	980,372
2034	17	51,102	18,382	32,720	947,652
2035	18	51,102	17,768	33,334	914,318
2036	19	51,102	17,143	33,959	880,359
2037	20	51,102	16,507	34,596	845,764
2038	21	51,102	15,858	35,244	810,520
2039	22	51,102	15,197	35,905	774,615
2040	23	51,102	14,524	36,578	738,036
2041	24	51,102	13,838	37,264	700,772
2042	25	51,102	13,139	37,963	662,809
2043	26	51,102	12,428	38,675	624,135
2044	27	51,102	11,703	39,400	584,735
2045	28	51,102	10,964	40,139	544,596
2046	29	51,102	10,211	40,891	503,705
2047	30	51,102	9,444	41,658	462,047
2048	31	51,102	8,663	42,439	419,609
2049	32	51,102	7,868	43,235	376,374
2050	33	51,102	7,057	44,045	332,329
2051	34	51,102	6,231	44,871	287,457
2052	35	51,102	5,390	45,712	241,745
2053	36	51,102	4,533	46,570	195,175
2054	37	51,102	3,660	47,443	147,733
2055	38	51,102	2,770	48,332	99,400
2056	39	51,102	1,864	49,239	50,162
2057	40	51,102	941	50,162	0
TOTALS		\$1,993,637.61	\$613,637.61	\$1,380,000.00	



USDA  
Form RD 440-22  
(Rev. 6-06)

**PROMISSORY NOTE**  
(ASSOCIATION OR ORGANIZATION)

KIND OF LOAN:

- ☒ ASSOCIATION- ORGANIZATION  
☐ HOUSING-ORGANIZATION  
☐ PUBLIC BODY  
☐ OTHER

State <b>Kentucky</b>			
County <b>Pulaski</b>			
Case No <b>21-000-*****7213</b>			
<b>FINANCE OFFICE USE ONLY</b>			
<b>F</b>	<b>LN</b>	<b>LC</b>	<b>IA</b>

Date 05-04-2017

FOR VALUE RECEIVED, Bronston Water Association, Inc.  
 (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in \_\_\_\_\_

London, KY 40741, or at such other place as the Government may hereafter designate in writing, the principal amount of One Million Three Hundred Eighty Thousand & 00/100 dollars (\$ 1,380,000), plus interest on the unpaid principal balance at the rate of One & Seven Eight percent (1.875 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ Interest Only on 05-04-2018  
 \$ Interest Only on 05-04-2019  
 \$ \_\_\_\_\_ on \_\_\_\_\_  
 \$ \_\_\_\_\_ on \_\_\_\_\_ and  
 \$ 51,116 thereafter on the May 4th of each Year

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable 40 (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

Bronston Water Association, Inc.

(Name of Borrower)

(CORPORATE SEAL)

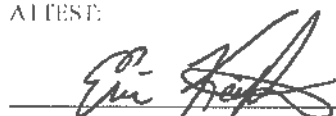


(Signature of Executive Official)

ATTEST:

Carter Stewart, President

(Title of Executive Official)



(Signature of Attesting Official)

P. O. Box 243

(Post Office Box No. or Street Address)

Eric Keith, Secretary

(Title of Attesting Official)

Bronston, KY 42518

(City, State, and Zip Code)

#### RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1)\$ 124,690.93	05/17/17	(6)\$ 242,231.40	10/16/17
(2)\$ 203,401.46	06/26/17	(7)\$ 250,457.49	11/20/17
(3)\$ 69,024.38	07/17/17	(8)\$ 41,516.45	12/18/17
(4)\$ 276,805.94	08/14/17	(9)\$ 40,704.50	01/16/18
(5)\$ 131,167.45	09/18/17	(10)\$	
<u>242,231.40</u>	<u>10/16/17</u>	<b>TOTAL</b>	
		\$ 1,380,000.00	<del>\$0.00</del>

PAY TO THE ORDER OF \_\_\_\_\_

UNITED STATES OF AMERICA  
USDA Rural Development

(Name of Agency)

BY \_\_\_\_\_

# USDA BOND SCHEDULE

## 2021 ISSUE LOAN

Interest - Month

Principal - Month 1

Annual Payment                      \$20,119                      Principal                      \$555,000  
 Term                      40  
 Interest Rate                      1.750%

YEAR	PMT. NO	TOTAL	INTEREST	PRINCIPAL	BALANCE
2022	1	\$9,713	\$9,713	\$0	\$555,000
2023	2	9,713	9,713	0	555,000
2024	3	20,119	9,713	10,406	544,594
2025	4	20,119	9,530	10,588	534,006
2026	5	20,119	9,345	10,774	523,232
2027	6	20,119	9,157	10,962	512,270
2028	7	20,119	8,965	11,154	501,116
2029	8	20,119	8,770	11,349	489,767
2030	9	20,119	8,571	11,548	478,219
2031	10	20,119	8,369	11,750	466,469
2032	11	20,119	8,163	11,955	454,514
2033	12	20,119	7,954	12,165	442,349
2034	13	20,119	7,741	12,378	429,971
2035	14	20,119	7,524	12,594	417,377
2036	15	20,119	7,304	12,815	404,562
2037	16	20,119	7,080	13,039	391,524
2038	17	20,119	6,852	13,267	378,257
2039	18	20,119	6,619	13,499	364,757
2040	19	20,119	6,383	13,735	351,022
2041	20	20,119	6,143	13,976	337,046
2042	21	20,119	5,898	14,220	322,826
2043	22	20,119	5,649	14,469	308,356
2044	23	20,119	5,396	14,722	293,634
2045	24	20,119	5,139	14,980	278,654
2046	25	20,119	4,876	15,242	263,412
2047	26	20,119	4,610	15,509	247,903
2048	27	20,119	4,338	15,780	232,122
2049	28	20,119	4,062	16,057	216,066
2050	29	20,119	3,781	16,338	199,728
2051	30	20,119	3,495	16,623	183,105
2052	31	20,119	3,204	16,914	166,190
2053	32	20,119	2,908	17,210	148,980
2054	33	20,119	2,607	17,512	131,468
2055	34	20,119	2,301	17,818	113,650
2056	35	20,119	1,989	18,130	95,521
2057	36	20,119	1,672	18,447	77,074
2058	37	20,119	1,349	18,770	58,304
2059	38	20,119	1,020	19,098	39,205
2060	39	20,119	686	19,433	19,773
2061	40	20,119	346	19,773	0
TOTALS		\$783,935.35	\$228,935.35	\$555,000.00	

**PROMISSORY NOTE**  
(ASSOCIATION OR ORGANIZATION)

State Kentucky			
County Pulaski			
Case No 21-000-610847213			
<b>FINANCE OFFICE USE ONLY</b>			
F	LN	LC	IA

**KIND OF LOAN:**

- ☒ ASSOCIATION- ORGANIZATION  
☐ HOUSING-ORGANIZATION  
☐ PUBLIC BODY  
☐ OTHER

Date 03-17-2021

FOR VALUE RECEIVED, Bronston Water Association

(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their

successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in 100 Fortress

Properties Street, Suite 3, London, KY 40741, or at such other place as the Government may hereafter designate in

writing, the principal amount of five hundred and fifty five thousand dollars and 00/100 dollars

(\$ 555,000.00), plus interest on the unpaid principal balance at the rate of One & one quarter percent

(1.25 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ 17,722.00 on 03-17-2022,

\$ \_\_\_\_\_ on \_\_\_\_\_,

\$ \_\_\_\_\_ on \_\_\_\_\_,

\$ \_\_\_\_\_ on \_\_\_\_\_, and

\$ 17,722.00 thereafter on the 17th of each March

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable Forty (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

(CORPORATE SEAL)

ATTEST:

  
(Signature of Attesting Official)

  
(Title of Attesting Official)

\_\_\_\_\_  
(Name of Borrower)

  
(Signature of Executive Official)

  
(Title of Executive Official)

\_\_\_\_\_  
(Post Office Box No. or Street Address)

\_\_\_\_\_  
(City, State, and Zip Code)

#### RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1)\$		(6)\$	
(2)\$		(7)\$	
(3)\$		(8)\$	
(4)\$		(9)\$	
(5)\$		(10)\$	
		TOTAL	

PAY TO THE ORDER OF \_\_\_\_\_

UNITED STATES OF AMERICA

\_\_\_\_\_  
(Name of Agency)

BY \_\_\_\_\_

Kentucky Infrastructure Authority

Loan B22-005

\$3,368,420

.25 Percent Annual Rate of Interest

20-Year Term

In Case No. 2024-00076, the Kentucky Public Service Commission authorized Bronston Water Association to borrow \$3,368,420 from the Kentucky Infrastructure Authority to finance the cost of a construction improvement project. The project is approximately 80 percent complete with an anticipated in-service date in April 2026. The final loan documents will not be executed until the KIA loan is closed upon the project's completion. In lieu of the final loan documents, the KIA Letter of Conditions and amortization schedule for Loan B22-005 that were previously provided in Case No. 2024-00076 are included as part of this application to satisfy the statutory filing requirements of 807 KAR 5:076.



**KENTUCKY INFRASTRUCTURE AUTHORITY**

**Andy Beshear**  
Governor

100 Airport Road  
Frankfort, Kentucky 40601  
(502) 573-0260  
kia.ky.gov

**Sandy Williams**  
Executive Director

March 8, 2024

Eric Keith, President  
Bronston Water Association Inc  
PO Box 243 2013 Hwy 90  
Bronston, KY 42518

**KENTUCKY INFRASTRUCTURE AUTHORITY  
INFRASTRUCTURE REVOLVING LOAN FUND  
CONDITIONAL COMMITMENT LETTER (B22-005 (Increase))**

Dear President Keith:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On March 7, 2024, the Authority approved your request for a loan increase in the amount of \$625,420, subject to the conditions stated in Attachment A to this letter. The total cost of the project shall not exceed \$3,368,420, without prior authorization, of which the Authority is the sole source of the funding. The final loan amount will be equal to the amount of funds disbursed for the project. Attachment B incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Bronston Water Association Inc upon satisfactory performance of the conditions set forth in Attachment A. You must meet the conditions set forth in Attachment A and enter into an Assistance Agreement by September 8, 2025 (six months from the date of this letter). A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

**TEAM  
KENTUCKY™**

An Equal Opportunity Employer M/F/D

President Keith  
March 8, 2024  
Page 2

Please inform the Authority of any changes in your financing plan as soon as possible. We wish you every success for this project which will benefit both your community and the Commonwealth as a whole.

Sincerely,

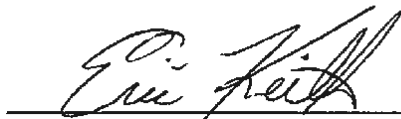


Milward Dedman  
Deputy Executive Director

Attachments

cc: Deron Byrne, Monarch Engineering, Inc  
Monarch Engineering, Inc, David Bowles

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also included in Attachment C of this letter is the "Statement of Approval of Projections of Revenue and Expenses" for you to complete after bid opening.



Accepted

03/20/24

Date



## ATTACHMENT A

### Conditions

Bronston Water Association Inc  
B22-005 (Increase)

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The Authority project loan shall not exceed \$3,368,420.
2. The loan shall bear interest at the rate of 0.25% per annum commencing with the first draw of funds.
3. The loan shall be repaid over a period not to exceed 20 years from the date of the last draw of funds.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1, or December 1, immediately succeeding the date of the initial draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1, or December 1, which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day.
5. Full principal payments will commence on June 1, or December 1, immediately succeeding the date of the last draw of funds, provided that if such June 1, or December 1, shall be less than three months since the date of the last draw of funds, then the first principal payment date shall be the June 1, or December 1, which is at least six months from the date of the last draw of funds. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.20% of the outstanding loan balance shall be payable to the Authority as a part of each interest payment.
7. Loan funds will only be disbursed after execution of the Assistance Agreement as project costs are incurred.

8. The Authority loan funds must be expended within six months of the official date of initiation of operation.
9. The Authority requires that an annual financial audit be provided for the life of the loan.
10. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
11. The borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review for compliance.

**All standard conditions set forth in the original Conditional Commitment Letter dated July 8, 2022, must be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement.**

**KENTUCKY INFRASTRUCTURE AUTHORITY  
REPAYMENT SCHEDULE  
FUND B LOAN B22-005  
BRONSTON WATER ASSOCIATION**

Loan Amount	\$3,368,420
Interest Rate	0.25%
Term	20
Payment	\$86,385.92

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Total Payment	Principal Balance	R&M Reserve	Total Reserve
12/01/26	\$82,175.39	\$4,210.53	0.25%	\$86,385.92	\$3,368.42	\$89,754.34	\$3,368,420.00	\$8,421.05	\$8,421.05
06/01/27	\$82,278.11	\$4,107.81	0.25%	\$86,385.92	\$3,286.24	\$89,672.16	\$3,286,244.61	\$0.00	\$8,421.05
12/01/27	\$82,380.96	\$4,004.96	0.25%	\$86,385.92	\$3,203.97	\$89,589.88	\$3,203,966.50	\$8,421.05	\$16,842.10
06/01/28	\$82,483.93	\$3,901.98	0.25%	\$86,385.92	\$3,121.59	\$89,507.50	\$3,121,585.54	\$0.00	\$16,842.10
12/01/28	\$82,587.04	\$3,798.88	0.25%	\$86,385.92	\$3,039.10	\$89,425.02	\$3,039,101.61	\$8,421.05	\$25,263.15
06/01/29	\$82,690.27	\$3,695.64	0.25%	\$86,385.92	\$2,956.51	\$89,342.43	\$2,956,514.57	\$0.00	\$25,263.15
12/01/29	\$82,793.63	\$3,592.28	0.25%	\$86,385.92	\$2,873.82	\$89,259.74	\$2,873,824.30	\$8,421.05	\$33,684.20
06/01/30	\$82,897.13	\$3,488.79	0.25%	\$86,385.92	\$2,791.03	\$89,176.95	\$2,791,030.66	\$0.00	\$33,684.20
12/01/30	\$83,000.75	\$3,385.17	0.25%	\$86,385.92	\$2,708.13	\$89,094.05	\$2,708,133.54	\$8,421.05	\$42,105.25
06/01/31	\$83,104.50	\$3,281.42	0.25%	\$86,385.92	\$2,625.13	\$89,011.05	\$2,625,132.79	\$0.00	\$42,105.25
12/01/31	\$83,208.38	\$3,177.54	0.25%	\$86,385.92	\$2,542.03	\$88,927.94	\$2,542,028.29	\$8,421.05	\$50,526.30
06/01/32	\$83,312.39	\$3,073.52	0.25%	\$86,385.92	\$2,458.82	\$88,844.74	\$2,458,819.91	\$0.00	\$50,526.30
12/01/32	\$83,416.53	\$2,969.38	0.25%	\$86,385.92	\$2,375.51	\$88,761.42	\$2,375,507.52	\$8,421.05	\$58,947.35
06/01/33	\$83,520.80	\$2,865.11	0.25%	\$86,385.92	\$2,292.09	\$88,678.01	\$2,292,090.99	\$0.00	\$58,947.35
12/01/33	\$83,625.20	\$2,760.71	0.25%	\$86,385.92	\$2,208.57	\$88,594.49	\$2,208,570.19	\$8,421.05	\$67,368.40
06/01/34	\$83,729.73	\$2,656.18	0.25%	\$86,385.92	\$2,124.94	\$88,510.86	\$2,124,944.98	\$0.00	\$67,368.40
12/01/34	\$83,834.40	\$2,551.52	0.25%	\$86,385.92	\$2,041.22	\$88,427.13	\$2,041,215.25	\$8,421.05	\$75,789.45
06/01/35	\$83,939.19	\$2,446.73	0.25%	\$86,385.92	\$1,957.38	\$88,343.30	\$1,957,380.85	\$0.00	\$75,789.45
12/01/35	\$84,044.11	\$2,341.80	0.25%	\$86,385.92	\$1,873.44	\$88,259.36	\$1,873,441.67	\$8,421.05	\$84,210.50
06/01/36	\$84,149.17	\$2,236.75	0.25%	\$86,385.92	\$1,789.40	\$88,175.31	\$1,789,397.55	\$0.00	\$84,210.50
12/01/36	\$84,254.35	\$2,131.56	0.25%	\$86,385.92	\$1,705.25	\$88,091.16	\$1,705,248.38	\$0.00	\$84,210.50
06/01/37	\$84,359.67	\$2,026.24	0.25%	\$86,385.92	\$1,620.99	\$88,006.91	\$1,620,994.03	\$0.00	\$84,210.50
12/01/37	\$84,465.12	\$1,920.79	0.25%	\$86,385.92	\$1,536.63	\$87,922.55	\$1,536,634.36	\$0.00	\$84,210.50
06/01/38	\$84,570.70	\$1,815.21	0.25%	\$86,385.92	\$1,452.17	\$87,838.08	\$1,452,169.23	\$0.00	\$84,210.50
12/01/38	\$84,676.42	\$1,709.50	0.25%	\$86,385.92	\$1,367.60	\$87,753.51	\$1,367,598.53	\$0.00	\$84,210.50
06/01/39	\$84,782.26	\$1,603.65	0.25%	\$86,385.92	\$1,282.92	\$87,668.84	\$1,282,922.11	\$0.00	\$84,210.50
12/01/39	\$84,888.24	\$1,497.67	0.25%	\$86,385.92	\$1,198.14	\$87,584.06	\$1,198,139.85	\$0.00	\$84,210.50
06/01/40	\$84,994.35	\$1,391.56	0.25%	\$86,385.92	\$1,113.25	\$87,499.17	\$1,113,251.61	\$0.00	\$84,210.50
12/01/40	\$85,100.59	\$1,285.32	0.25%	\$86,385.92	\$1,028.26	\$87,414.17	\$1,028,257.26	\$0.00	\$84,210.50
06/01/41	\$85,206.97	\$1,178.95	0.25%	\$86,385.92	\$943.16	\$87,329.07	\$943,156.67	\$0.00	\$84,210.50
12/01/41	\$85,313.48	\$1,072.44	0.25%	\$86,385.92	\$857.95	\$87,243.86	\$857,949.70	\$0.00	\$84,210.50
06/01/42	\$85,420.12	\$965.80	0.25%	\$86,385.92	\$772.64	\$87,158.55	\$772,636.22	\$0.00	\$84,210.50
12/01/42	\$85,526.90	\$859.02	0.25%	\$86,385.92	\$687.22	\$87,073.13	\$687,216.10	\$0.00	\$84,210.50
06/01/43	\$85,633.80	\$752.11	0.25%	\$86,385.92	\$601.69	\$86,987.60	\$601,689.20	\$0.00	\$84,210.50
12/01/43	\$85,740.85	\$645.07	0.25%	\$86,385.92	\$516.06	\$86,901.97	\$516,055.40	\$0.00	\$84,210.50
06/01/44	\$85,848.02	\$537.89	0.25%	\$86,385.92	\$430.31	\$86,816.23	\$430,314.55	\$0.00	\$84,210.50
12/01/44	\$85,955.33	\$430.58	0.25%	\$86,385.92	\$344.47	\$86,730.38	\$344,466.53	\$0.00	\$84,210.50
06/01/45	\$86,062.78	\$323.14	0.25%	\$86,385.92	\$258.51	\$86,644.43	\$258,511.20	\$0.00	\$84,210.50
12/01/45	\$86,170.35	\$215.56	0.25%	\$86,385.92	\$172.45	\$86,558.36	\$172,448.42	\$0.00	\$84,210.50
06/01/46	\$86,278.07	\$107.85	0.25%	\$86,385.92	\$86.28	\$86,472.19	\$86,278.07	\$0.00	\$84,210.50
<b>Totals</b>	<b>\$3,368,420.00</b>	<b>\$87,016.61</b>		<b>\$3,455,436.61</b>	<b>\$69,613.29</b>	<b>\$3,525,049.90</b>		<b>\$84,210.50</b>	

# **Exhibit 7**

**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 Bronston Water Association ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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

- ☒ Check this box if the Utility has no related party transactions.
- ☐ Check box if additional transactions are listed on the supplemental page.
- ☐ Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Eric Keith  
(Print Name)

  
(Signed)

President  
(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.

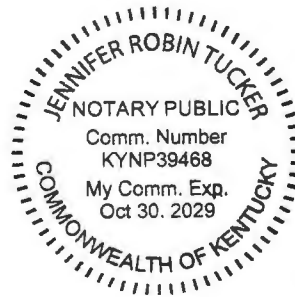
COMMONWEALTH OF KENTUCKY

COUNTY OF Pulaski

Subscribed and sworn to before me by Eric Keith  
(Name)

this 22<sup>nd</sup> day of January, 2026.

Jennifer Tucker  
NOTARY PUBLIC  
State-at-Large




**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

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

Matthew Tucker  
(Print Name)

  
(Signed)

Secretary  
(Position/Office)

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

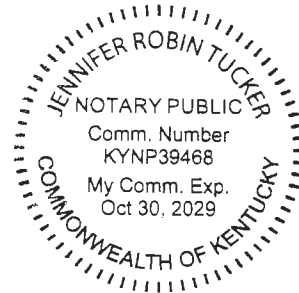
COMMONWEALTH OF KENTUCKY

COUNTY OF Dulaski

Subscribed and sworn to before me by Matthew Tucker  
(Name)

this 22<sup>nd</sup> day of January, 20 20.

Jennifer Tucker  
NOTARY PUBLIC  
State-at-Large






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Clint Keith  
(Print Name)

  
(Signed)

Board Member  
(Position/Office)

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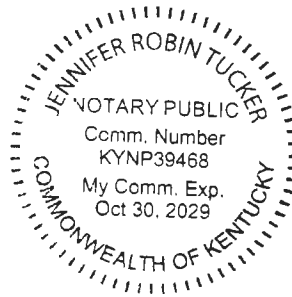
COMMONWEALTH OF KENTUCKY

COUNTY OF Putaski

Subscribed and sworn to before me by Clint Keith  
(Name)

this 22<sup>nd</sup> day of January, 20 20.

Jennifer Tucker  
NOTARY PUBLIC  
State-at-Large



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Samie Davis  
(Print Name)

Samie Davis  
(Signed)

Board Member  
(Position/Office)

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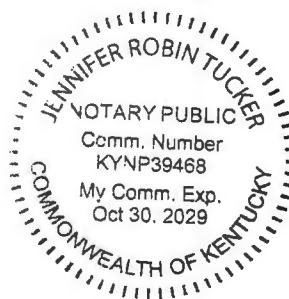
COMMONWEALTH OF KENTUCKY

COUNTY OF Pulaski

Subscribed and sworn to before me by Janire Davis  
(Name)

this 22nd day of January, 20 20.

Jennifer Tucker  
NOTARY PUBLIC  
State-at-Large



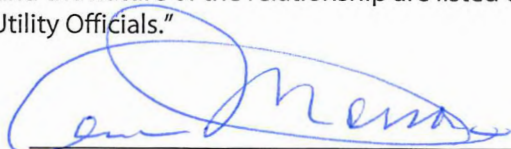
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ALVIN MORROW  
(Print Name)

  
(Signed)

Board member  
(Position/Office)

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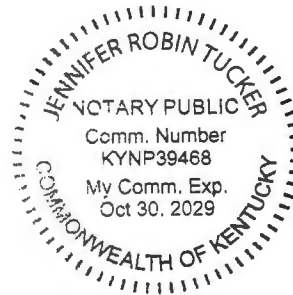
COMMONWEALTH OF KENTUCKY

COUNTY OF Pulaski

Subscribed and sworn to before me by Alvin Morrow  
(Name)

this 22nd day of January, 20 26.

Jennifer Tucker  
NOTARY PUBLIC  
State-at-Large



# **Exhibit 8**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
THE BRONSTON WATER ASSOCIATION 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**, Bronston Water Association (“Association”) is a water association created and organized under the provisions of KRS Chapter 273. The Association is subject to the jurisdiction of the Kentucky Public Service Commission (“PSC”);

**WHEREAS**, prudent financial management dictates that the Association 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 Association to propose adjustments to its water rates and charges;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF BRONSTON WATER ASSOCIATION 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 Association proposes to adjust its monthly water rates and charges as set forth in the attached schedule, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in the attached schedule 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,

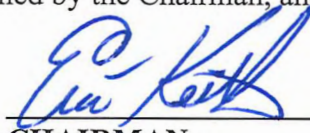


execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing ("ARF") Application, Tariff Sheets, and all other documents that may be required by the PSC.


**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 BRONSTON WATER ASSOCIATION** at a meeting held on January 22, 2026, signed by the Chairman, and attested by the Secretary.


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

ATTEST:

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

I, Secretary of the Bronston Water Association (the "Association"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Association at a meeting properly held on January 22, 2026, signed by the Chairman of the Association, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 22nd day of January 2026.

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

			<u>Current Rates</u>		<u>Increase Percentage</u>	<u>New Rates</u>	
5/8 x 3/4-Inch Meter							
First	1,500	gallons	\$ 25.81	Minimum Bill	31.21%	\$ 33.87	Minimum Bill
Over	1,500	gallons	0.00904	Per Gallon	31.21%	0.01186	Per Gallon
1-Inch Meter							
First	5,000	gallons	55.27	Minimum Bill	31.21%	72.52	Minimum Bill
Over	5,000	gallons	0.00904	Per Gallon	31.21%	0.01186	Per Gallon
2-Inch Meter							
First	20,000	gallons	152.50	Minimum Bill	31.21%	200.09	Minimum Bill
Over	20,000	gallons	0.00904	Per Gallon	31.21%	0.01186	Per Gallon
4-Inch Meter							
First	50,000	gallons	356.26	Minimum Bill	31.21%	467.45	Minimum Bill
Over	50,000	gallons	0.00904	Per Gallon	31.21%	0.01186	Per Gallon