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PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of

THE APPLICATION OF EDMONSON COUNTY WATER)
DISTRICT, EDMONSON, WARREN, GRAYSON AND)
HART COUNTIES, KENTUCKY, (1) FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY) CASE
AUTHORIZING CONSTRUCTION OF MAJOR ADDITIONS) NO.
AND IMPROVEMENTS TO ITS WATER SYSTEM, (2)) 2009-00055
SEEKING APPROVAL OF REVISED WATER SERVICE)
RATES AND CHARGES AND (3) SEEKING APPROVAL)
OF THE ISSUANCE OF CERTAIN SECURITIES.)

The Applicant, Edmonson County Water District, Edmonson, Warren, Grayson and Hart Counties, Kentucky (the "District"), acting by and through its Commission, respectfully tenders this Application and requests that the Public Service Commission of Kentucky enter its Order pursuant to KRS 278.023 and 807 KAR 5:069 issuing a Certificate of Public Convenience and Necessity authorizing the District to construct major additions and improvements to its water system (the "System") for the purpose of furnishing an adequate supply of pure and potable water for domestic, agricultural and commercial use in the District, approving the adjustment of the District's water rates and charges and approving the issuance of certain securities by the District. In support of this Application and in conformity with the rules of the Public Service Commission, the District states as follows:

1. The District was created by an Order entered by the County Court of Edmonson County, Kentucky, on March 20, 1967, as a consolidation and merger of the North Edmonson County Water District and South Edmonson County Water District. In addition to the District's service area in Edmonson County, areas of Hart, Warren and Grayson Counties have been annexed to the District. The District is now, and has been since its creation, regulated by the

Public Service Commission of Kentucky, and all records and proceedings of the Public Service Commission with reference to the District are incorporated in this Application by reference.

2. The governing body of the District is its Commission, which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purposes as provided in KRS 74.070. In conformity with KRS 74.020(1)(a) the County Judge/Executive of Edmonson County, Kentucky, with the approval of the Fiscal Court, has entered appropriate orders from time to time appointing and reappointing Commissioners who were and are residents of the District. The present District Commissioners and officers are Jimmy Mills, Chairman, Barry Rich, Secretary-Treasurer and Roy McDougal. The mailing address of the District is 1128 Highway 259 North, P. O. Box 208, Brownsville, Kentucky 42210, Attention: Nelson Sanders, Manager.

3. In order to finance water service facilities and improvements, the District has previously issued, and there are presently outstanding, the following revenue bonds and obligations payable from the revenues of the System:

- (a) Water System Revenue Bonds, 1994 Series A and B;
- (b) Water System Revenue Bonds, 1994 Series C;
- (c) Water System Refunding Revenue Bonds, Series 1996A;
- (d) Water System Revenue Bonds, Series 1997;
- (e) Water System Revenue Bonds, 2001 Series A and B;
- (f) Water System Revenue Bonds, Series 2003;
- (g) Assistance Agreement with Kentucky Rural Water Finance Corporation dated April 27, 2004
- (h) Loan from Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Project), Series 2008C; and
- (i) Water System Revenue Bonds, Series 2007A and 2007B.

There are also outstanding certain subordinate obligations of the District (Kentucky Infrastructure Authority loans) which are payable from and secured by a pledge of the revenues

of the System subject to the priorities of the bonds described above.

4. The District's consulting engineers, GRW Engineers, Inc., Nashville, Tennessee (the "Engineers"), have prepared a Preliminary Engineering Report and a Final Engineering Report as well as detailed plans and specifications for the construction and installation of proposed major additional water facilities and improvements (the "Project") to serve the District. The Preliminary Engineering Report dated August 2007, and the Final Engineering Report dated December 2008, are appended hereto as Exhibit A and Exhibit B, respectively. These Exhibits contain, among other things, descriptions of the Project, cost figures, proposed water rate adjustments and other pertinent data.

It is the opinion of the Commissioners of the District that the public health, safety and general welfare of the citizens and inhabitants of the District will be promoted and served by the construction of the Project and the financing thereof as herein described.

5. The District has caused public advertising to be made according to law soliciting competitive bids for the construction and installation of the Project; has received, opened and considered the construction bids; and has filed with the United States Department of Agriculture, Rural Development ("USDA"), the data prepared by the Engineers showing the bids received and the recommendations of the Engineers with respect thereto. USDA has approved the District's proposed award of the best bids as evidenced by the USDA letter of concurrence in the bid awards appended hereto as Exhibit C.

The District hereby states, through its undersigned Chairman, that the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4), Section 5 (1), Sections 6

and 7, Section 8(1) through (3), Section 9 (1) and Section 10; that all other state approvals or permits for the Project have been obtained; that the proposed water rates of the District will produce total revenue requirements as set out in Exhibit A; and that construction of the Project is expected to begin on or about March 1, 2009, and to end on or about December 15, 2009.

6. The proposed adjusted water rates and charges of the District are set out in a Notice of Adjustment of Water Rates, which is appended hereto as Exhibit D and is being published in the legal newspapers in Edmonson, Warren, Grayson and Hart Counties. Newspaper clippings evidencing such publication in those newspapers are also appended hereto as a part of Exhibit D. The proposed water rates and charges have been approved by USDA, as shown in Exhibit E hereinafter described.

The District further represents that, based upon the projections of the engineers and the financial studies of USDA, the proposed schedule of water service rates and charges will be adequate to amortize the proposed Bonds identified in Section 8 below and to cover other annual debt service and other costs.

7. The estimated costs of and sources of funds for the Project are set out in Exhibit B and in Exhibit E identified below.

8. As shown in Exhibit B and in Exhibit E identified below, the District proposes to finance, in part, the construction and installation of the Project by the issuance of its bonds, to be styled "Water System Revenue Bonds, Series 2009" (the "Bonds"), in the total principal amount of \$1,511,000. The Bonds will be issued on a parity with the outstanding water system revenue bonds described in Section 3 of this Application.

The District has entered into a loan agreement with USDA pursuant to which USDA will make a loan to the District in the amount of \$1,511,000, to be represented by the Bonds. The Bonds, in the principal amount of \$1,511,000, are expected to bear interest at the single rate of 4.375% per annum. Appended hereto as Exhibit E are copies of letters from USDA to the District setting forth terms, conditions and understandings relating to the loan, together with related USDA correspondence regarding the principal maturities of and interest rates on the respective series of Bonds.

With reference to the proposed issuance of the Bonds to USDA, the proceedings relating thereto will provide for the public advertisement of competitive bids for the Bonds according to Kentucky law; and in the event a bid or bids are received for the Bonds at an interest cost basis to the District more advantageous to the District than the loan commitment of USDA, the Bonds will be sold to such other bidder; however, it is not expected any more favorable bids will be received in view of the interest rate to be stipulated by USDA. The Bonds will not be delivered to USDA until such time as approximately the amount of the Bonds has been spent on the Project. This procedure is in accord with USDA rules requiring interim financing of USDA projects to the amount of the USDA loan. Accordingly, construction of the Project will be instituted and funded initially from the proceeds of an interim financing loan to be obtained from the Kentucky Rural Water Finance Corporation (“KRWFC”) at a rate not expected to exceed 4.50% per annum. The interim loan will be secured by (i) the undisbursed proceeds of the interim financing loan and (ii) the proceeds of the Bonds when delivered to USDA according to USDA practices and procedures.

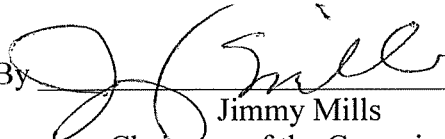
Interim financing is also available to the District from USDA in the event other interim financing sources are not available or are unreasonable.


9. The Commission of the District respectfully represents to the Public Service Commission that there is a genuine need and demand for the Project and that the Commission should enter herein its Order, in compliance with KRS 278.023 and KAR 5:069, (a) issuing its Certificate of Public Convenience and Necessity pursuant to KRS 278.020 authorizing construction and installation of the Project, (b) approving the proposed schedule of water rates and charges and (c) authorizing pursuant to KRS 278.300 the issuance of \$1,511,000 principal amount of Water System Revenue Bonds, Series 2009, by the District as described herein.

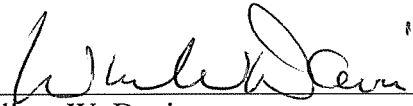
WHEREFORE, the Applicant, Edmonson County Water District, respectfully requests that such Order be issued.

Respectfully submitted,

EDMONSON COUNTY WATER DISTRICT

By 
Jimmy Mills
Chairman of the Commission

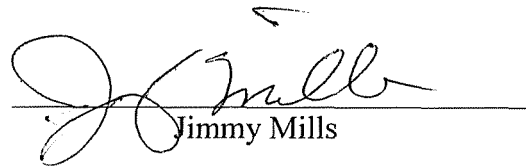

Robert D. Meredith, PSC
100 East White Oak
Leitchfield, Kentucky 42754
Telephone: (270) 259-4068
Counsel for the District


William W. Davis
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 560-4257
Bond Counsel for the District

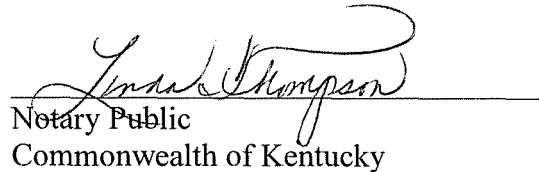
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF EDMONSON)

I, Jimmy Mills, being first duly sworn according to law, state that I am Chairman of the Commission of Edmonson County Water District, Edmonson County, Kentucky, that I have read the foregoing Application, and that the statements of fact set forth therein are true and accurate to the best of my knowledge and belief.

WITNESS my signature this 4 day of Feb., 2009.


Jimmy Mills

Subscribed and sworn to before me this 4 day of Feb., 2009. My
commission expires 12-7-2010.


Notary Public
Commonwealth of Kentucky

PRELIMINARY ENGINEERING REPORT

FOR

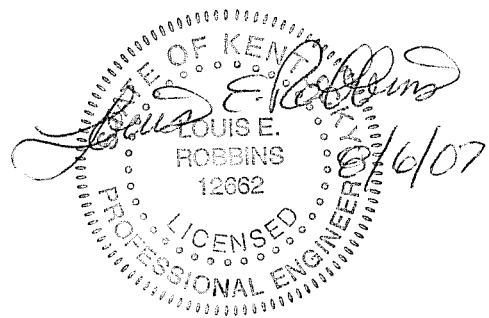
EDMONSON COUNTY WATER DISTRICT

EDMONSON COUNTY, KENTUCKY

2007 KIA/RD
WATER SYSTEM IMPROVEMENTS
AND
WATER LINE EXTENSIONS

PROJECT NO. 3621

August 2007



GRW ENGINEERS, INC.
404 BNA DRIVE, SUITE 201
NASHVILLE, TN 37217
(615) 366-1600
FAX (615) 366-0406

Exhibit A

OFFICIALS
FOR THE
EDMONSON COUNTY WATER DISTRICT

COMMISSIONERS

Jimmy Mills, Chairman

Jackie McCombs

Harold S. Stewart

MANAGER

Nelson Sanders

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APPENDICES

A. RD Summary Addendum

I. INTRODUCTION

A. Purpose

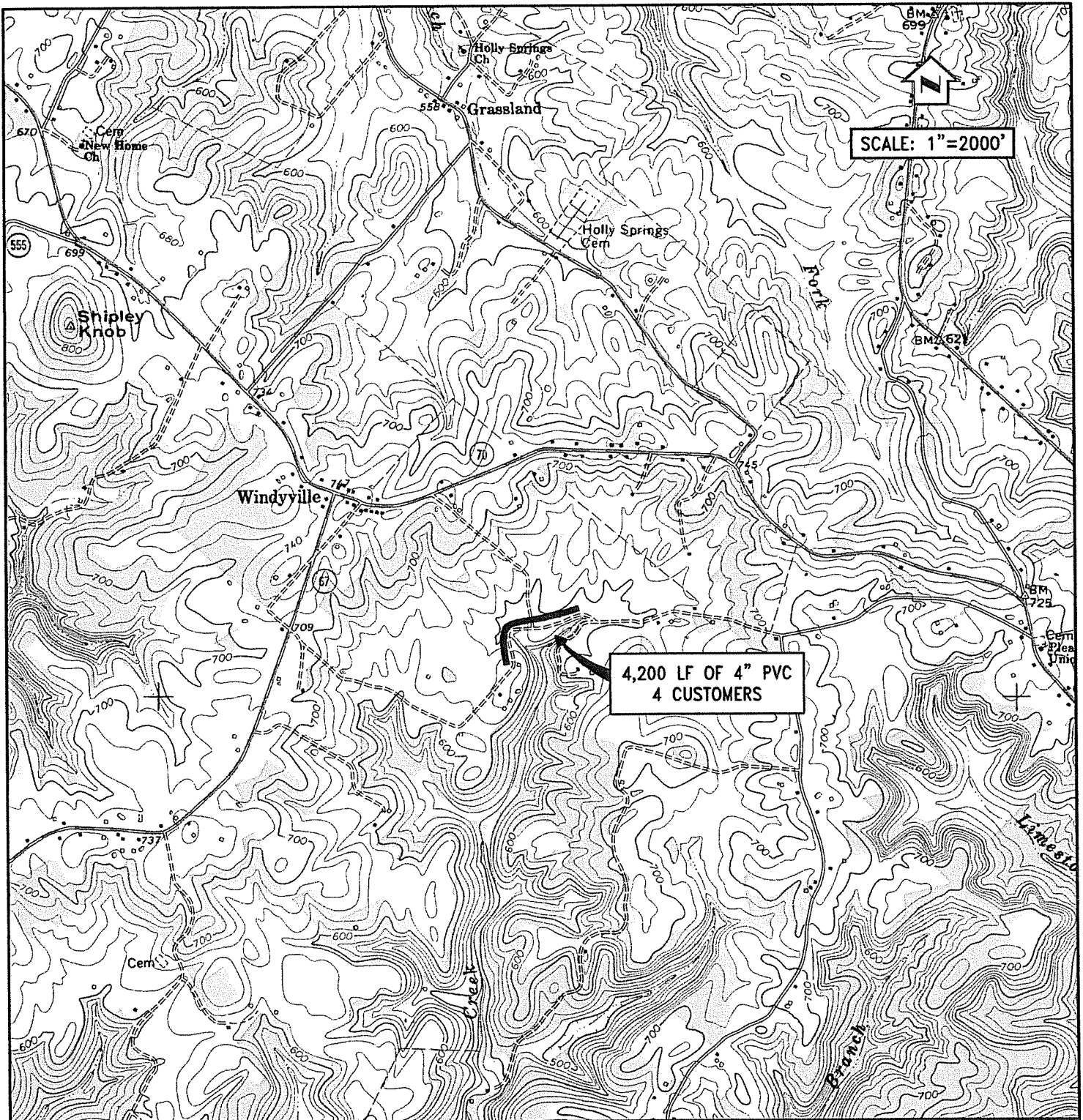
The purpose of this Preliminary Engineering Report is to investigate and present the feasibility of extending water lines of the Edmonson County Water District into previously unserved areas and to evaluate the ability of the existing facilities to continue meeting the needs of the system's customers. Since its formation in 1966, the District has experienced steady growth and has seen increased requests for water service extensions from area residents due to the unreliable and often contaminated private well systems required without a public water system. Because of the continued growth, some of the existing facilities are in need of upgrading for increased efficiency and capacity.

B. Project Area

The Edmonson County Water District was formed to serve all areas in Edmonson County, except areas inside the Mammoth Cave National Park, and also to serve parts of Warren, Grayson and Hart Counties.

The attached maps (17 sheets) show portions of the existing water system and the proposed water line extensions and improvements as follows:

1. Honey Creek Road (Fig. 1)
2. Hardin Lane (Fig. 2)
3. K. Wilson Road (Fig. 3)
4. Denham Road (Fig. 4)
5. Beaver Dam Chapel Road (Fig. 5)
6. Lawler Bend Road (Fig. 6)
7. Macon-Kessinger Road (Fig. 7)
8. KY 1140 (Fig. 8)
9. Dale Sovern Rd., Snap Rd., Kramer Rd. (Fig. 9)
10. Skags-Johnson Road (Fig. 10)
11. End of Hwy. 1777 (Fig. 11)
12. Water Tank-KY 88 (Fig. 12)
13. Arthur Road (Fig. 13)
14. Noah Bledsoe Road (Fig. 14)
15. KY 743 to New 101 (Fig. 15)
16. Lindseyville Tank #2 (Fig. 16)
17. Forks Pump Station Upgrade, including Hwy 728 Master Meter (Fig. 17)



Edmonson County Water District

Figure 1
Honey Creek Road
 U.S.G.S. 7.5 minute quad map:
 Brownsville, KY

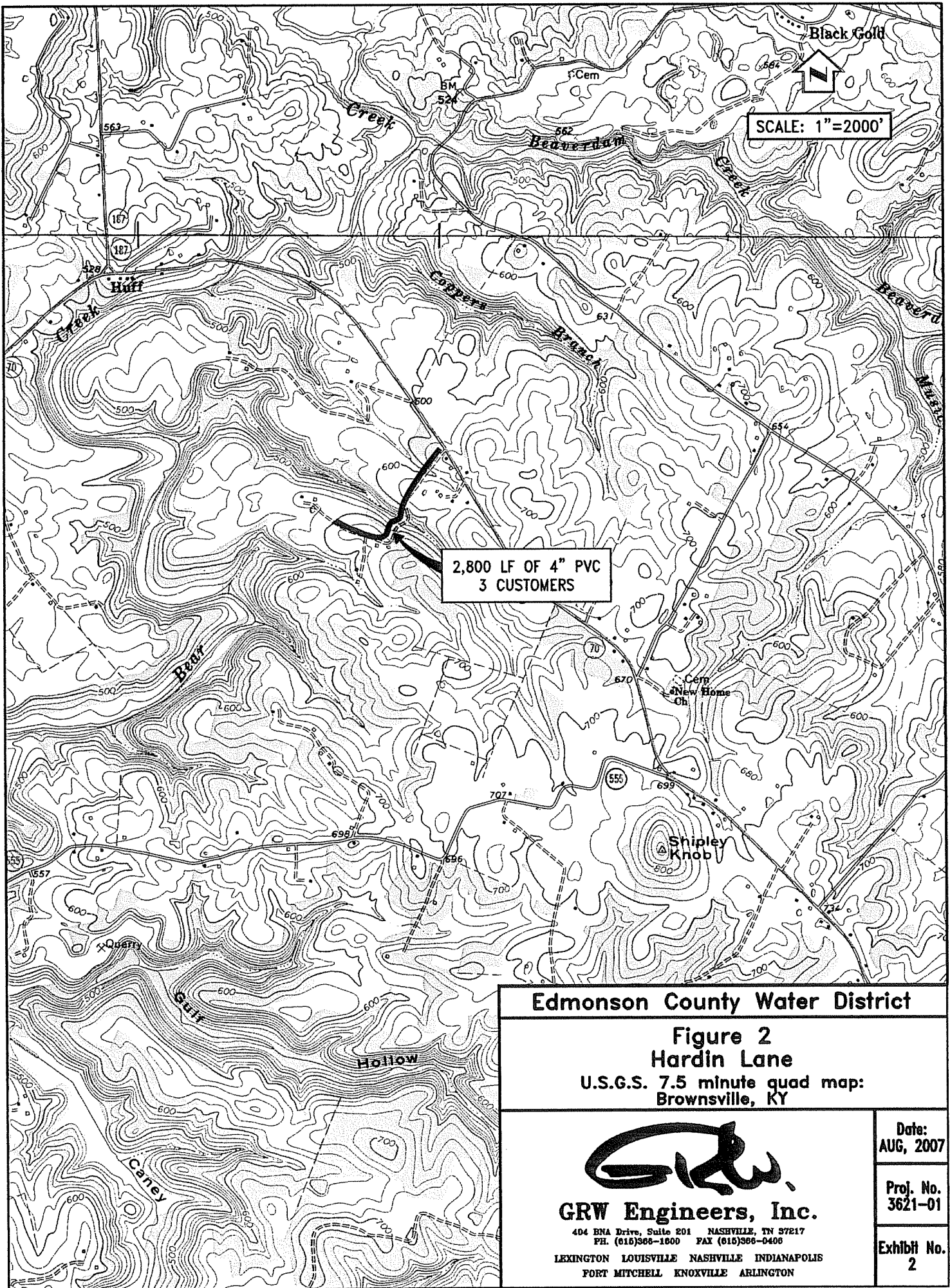
GRW
GRW Engineers, Inc.

404 BNA Drive, Suite 201 NASHVILLE, TN 37217
 PH. (615)366-1800 FAX (615)366-0406
 LEXINGTON LOUISVILLE NASHVILLE INDIANAPOLIS
 FORT MITCHELL KNOXVILLE ARLINGTON

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Exhibit No.
 1



Edmonson County Water District

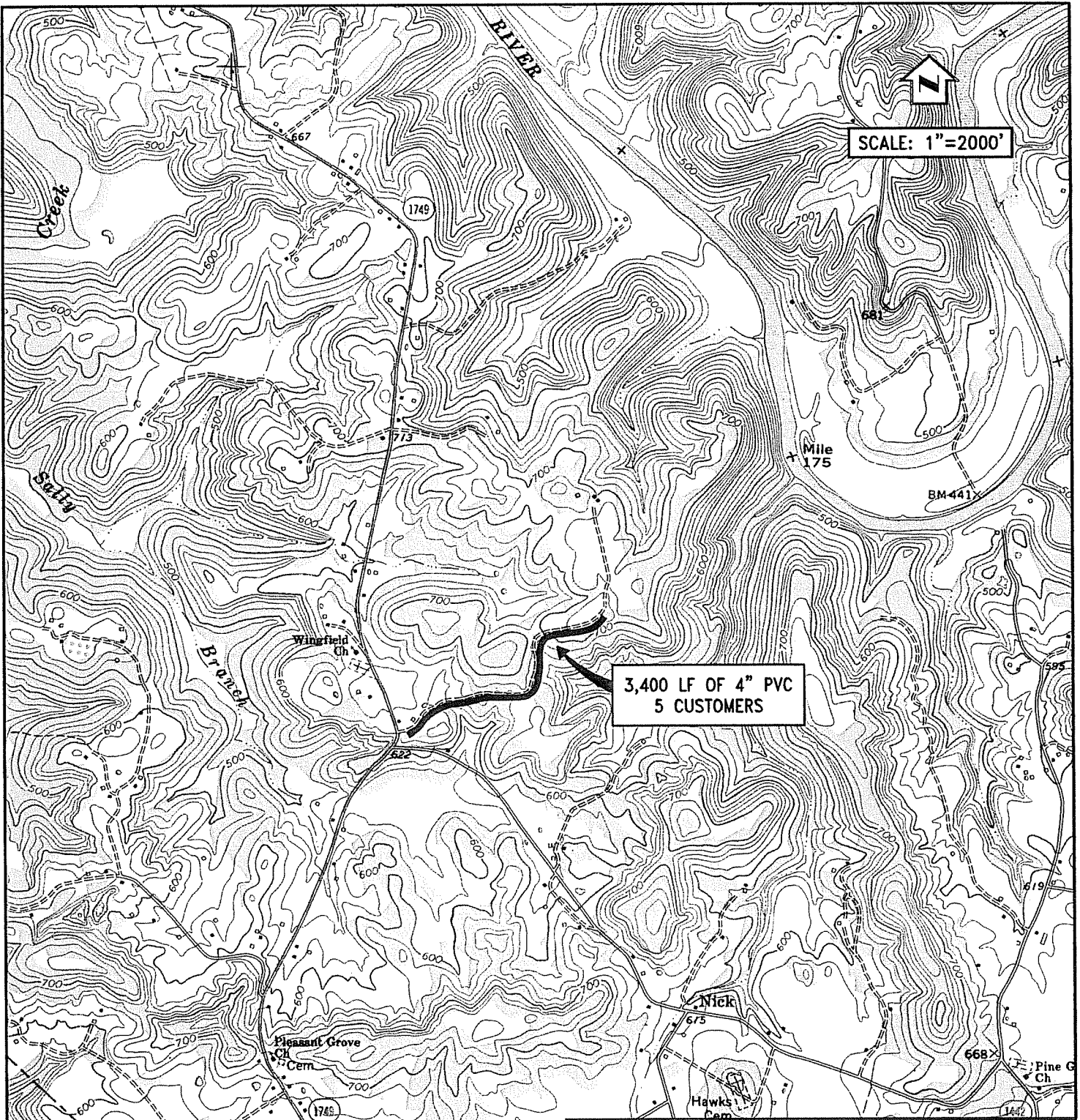
Figure 2
Hardin Lane
 U.S.G.S. 7.5 minute quad map:
 Brownsville, KY

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GRW Engineers, Inc.
 404 BNA Drive, Suite 201 NASHVILLE, TN 37217
 PH. (615)366-1800 FAX (615)366-0400
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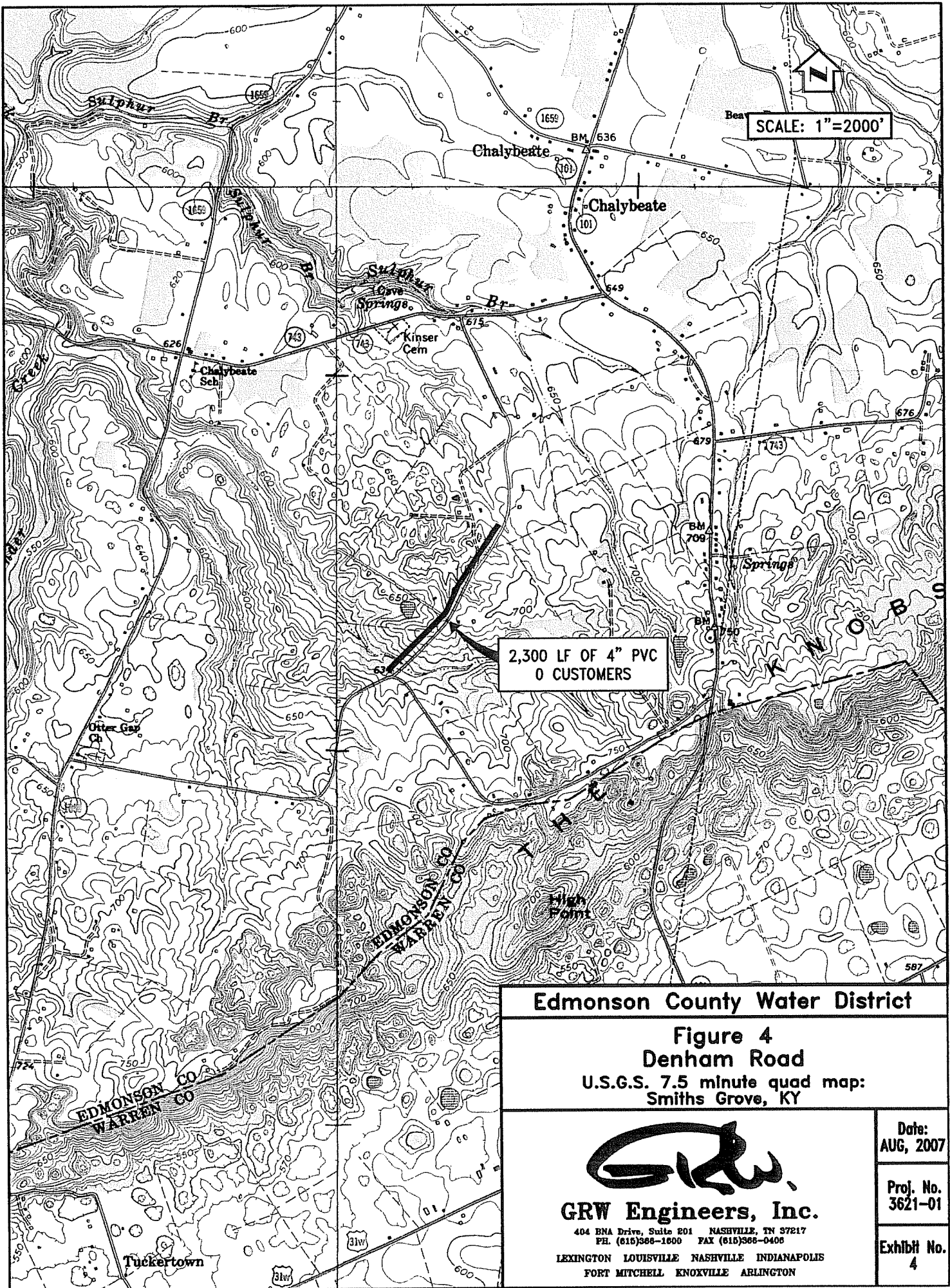
Figure 3
K. Wilson Road
 U.S.G.S. 7.5 minute quad map:
 Brownsville, KY

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GRW Engineers, Inc.
 404 BNA Drive, Suite 201 NASHVILLE, TN 37217
 PH. (615)366-1800 FAX (615)366-0408
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Exhibit No.
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SCALE: 1"=2000'

2,300 LF OF 4" PVC
O CUSTOMERS

Edmonson County Water District

Figure 4
Denham Road
U.S.G.S. 7.5 minute quad map:
Smiths Grove, KY



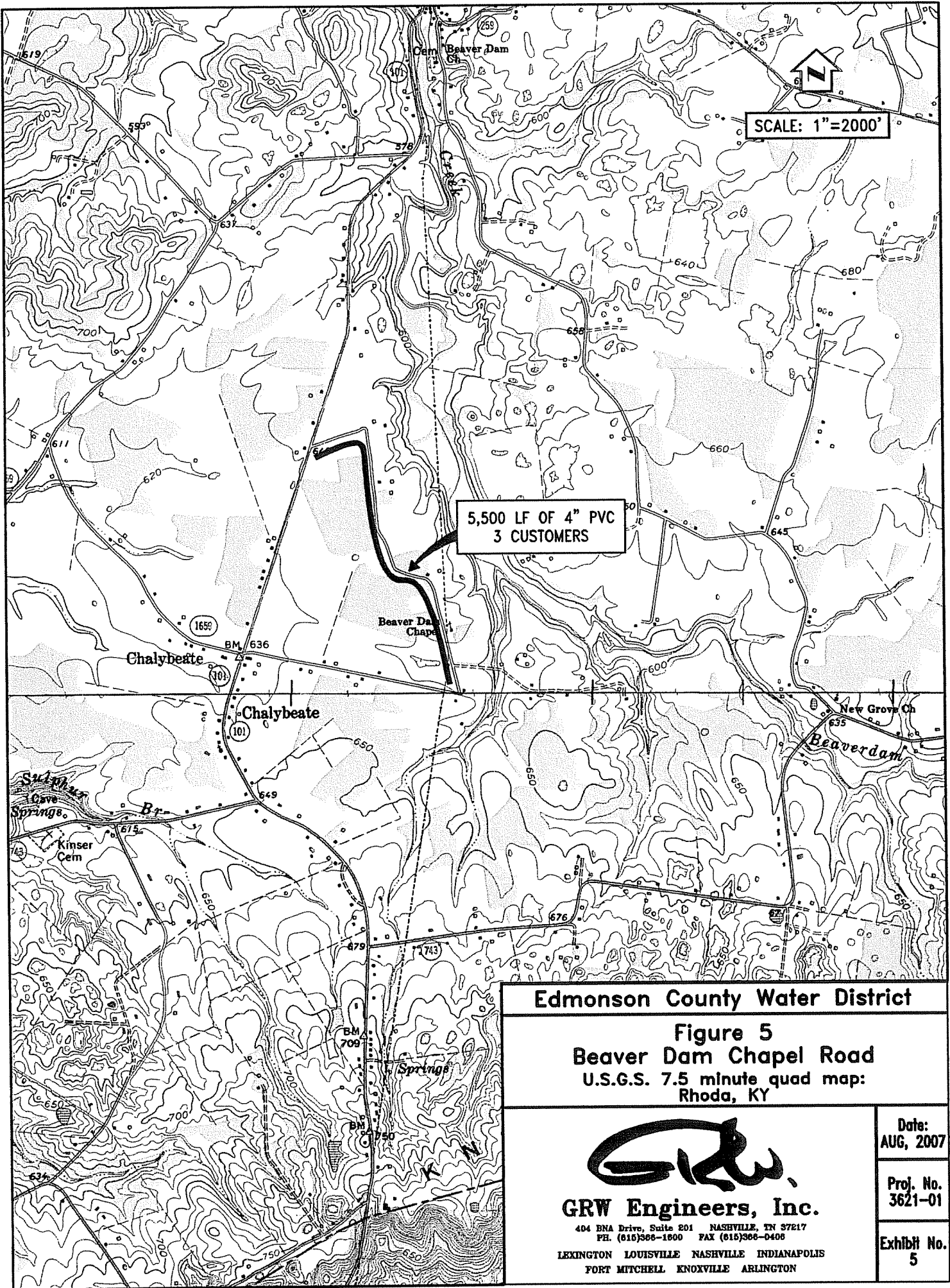
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404 BNA Drive, Suite 201 NASHVILLE, TN 37217
PH. (615)366-1600 FAX (615)366-0406
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Exhibit No.
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SCALE: 1"=2000'

5,500 LF OF 4" PVC
3 CUSTOMERS

Edmonson County Water District

Figure 5
Beaver Dam Chapel Road
 U.S.G.S. 7.5 minute quad map:
 Rhoda, KY

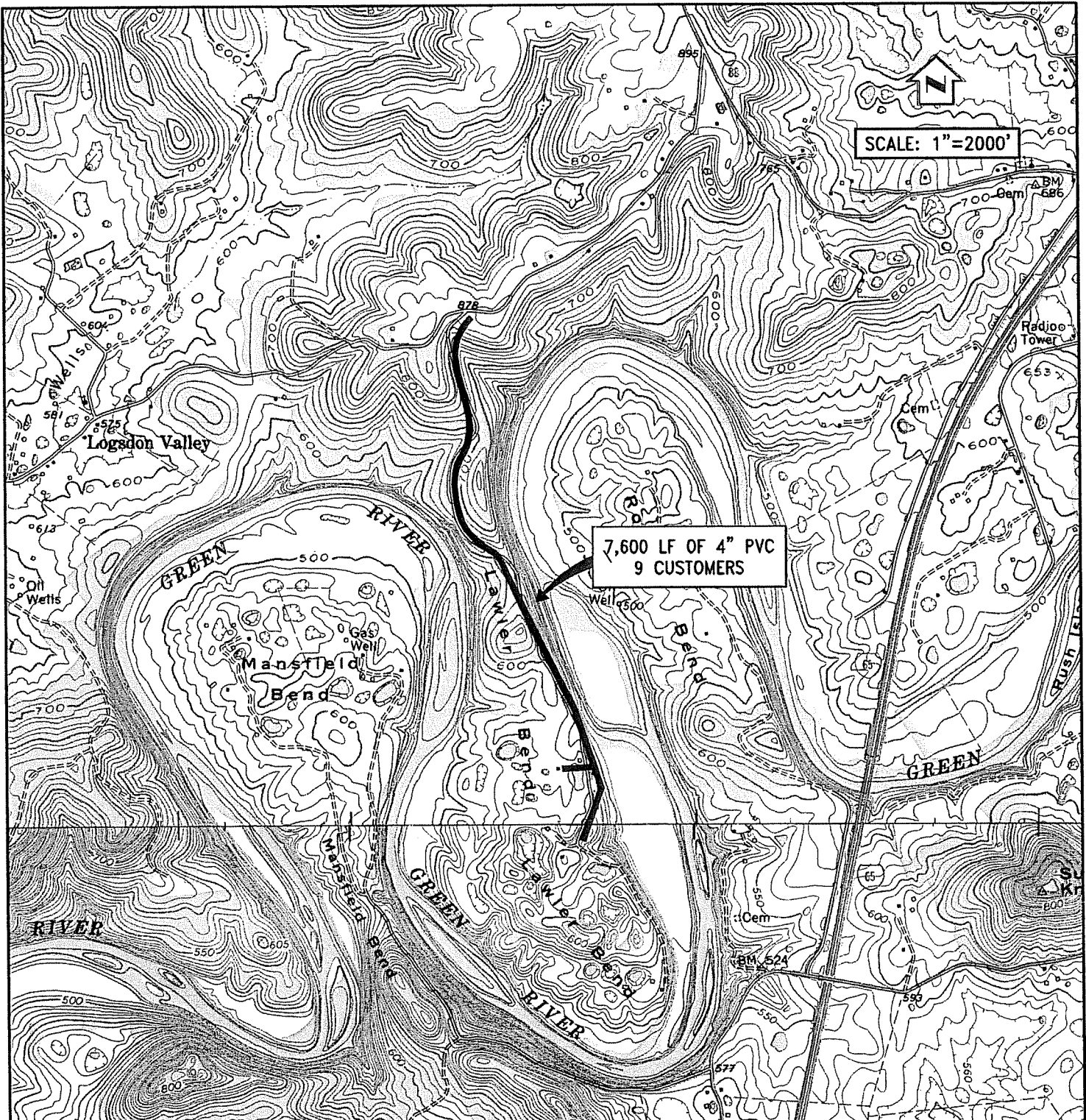


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Exhibit No.
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SCALE: 1"=2000'

7,600 LF OF 4" PVC
9 CUSTOMERS

Edmonson County Water District

Figure 6
Lawler Bend Road
 U.S.G.S. 7.5 minute quad map:
 Munfordville, KY



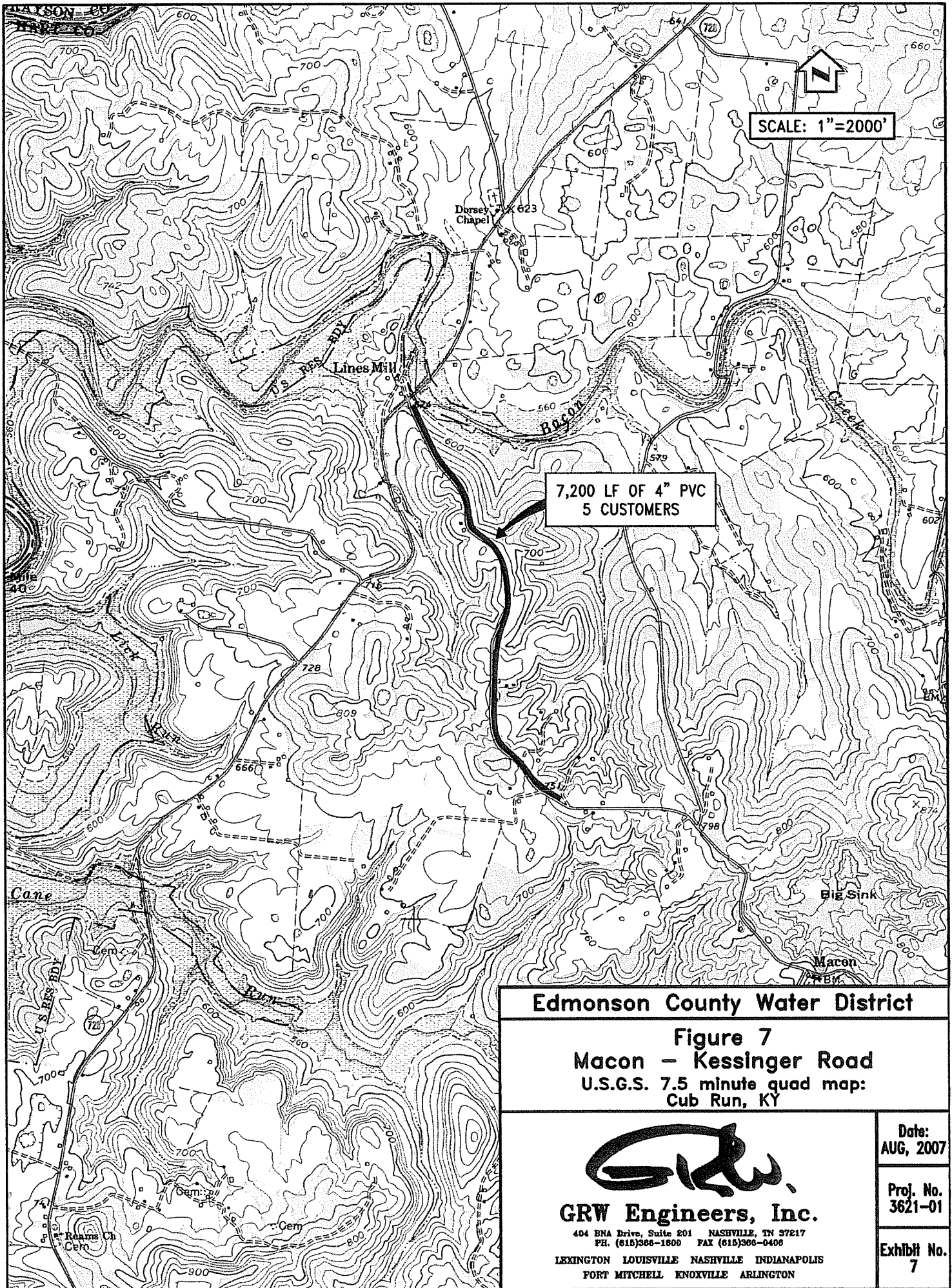
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Exhibit No.
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SCALE: 1"=2000'

7,200 LF OF 4" PVC
5 CUSTOMERS

Edmonson County Water District

Figure 7
Macon - Kessinger Road
 U.S.G.S. 7.5 minute quad map:
 Cub Run, KY

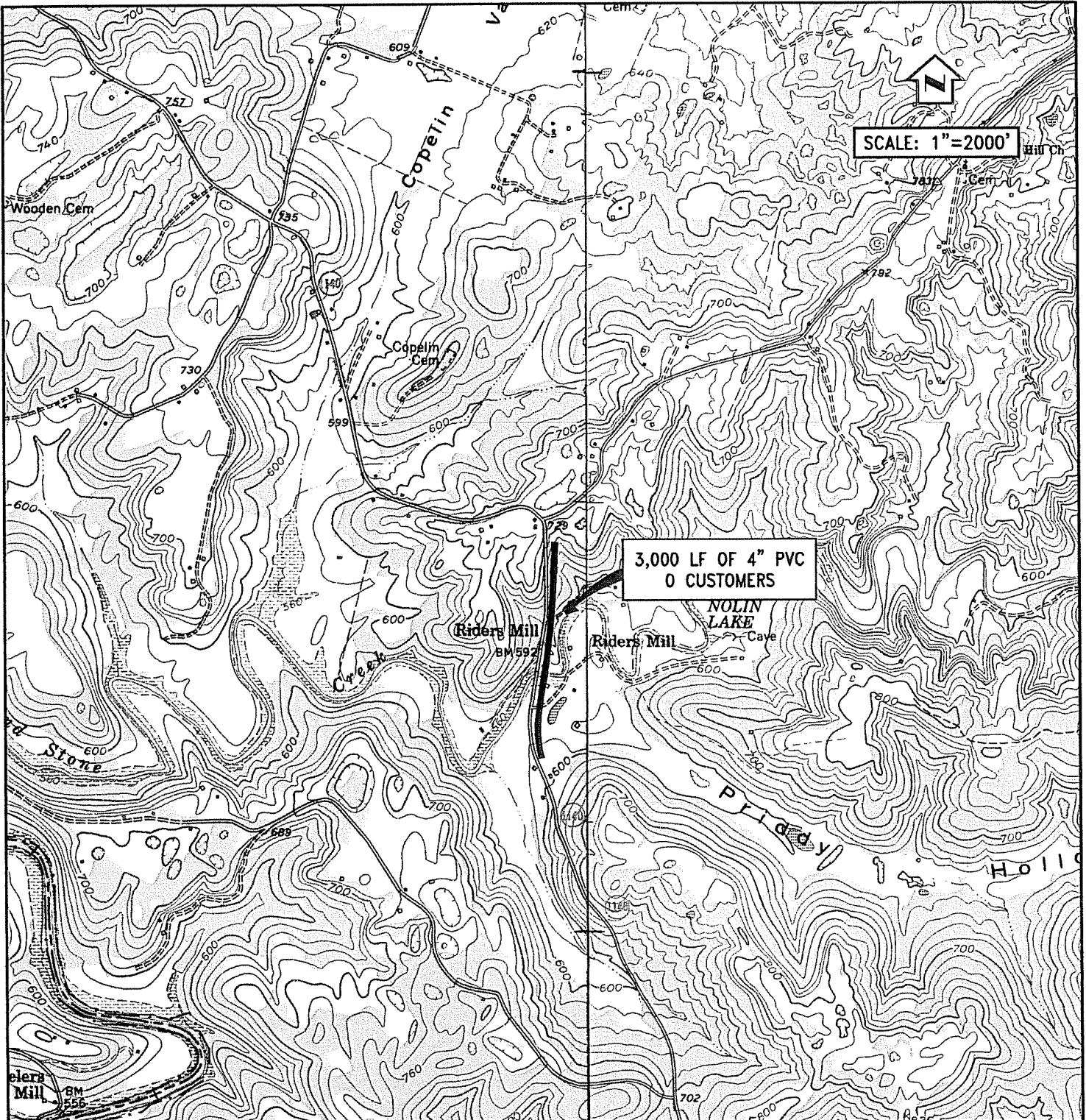


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Exhibit No.
7



SCALE: 1"=2000'

3,000 LF OF 4" PVC
0 CUSTOMERS

Edmonson County Water District

**Figure 8
KY 1140**

U.S.G.S. 7.5 minute quad map:
Millerstown, KY



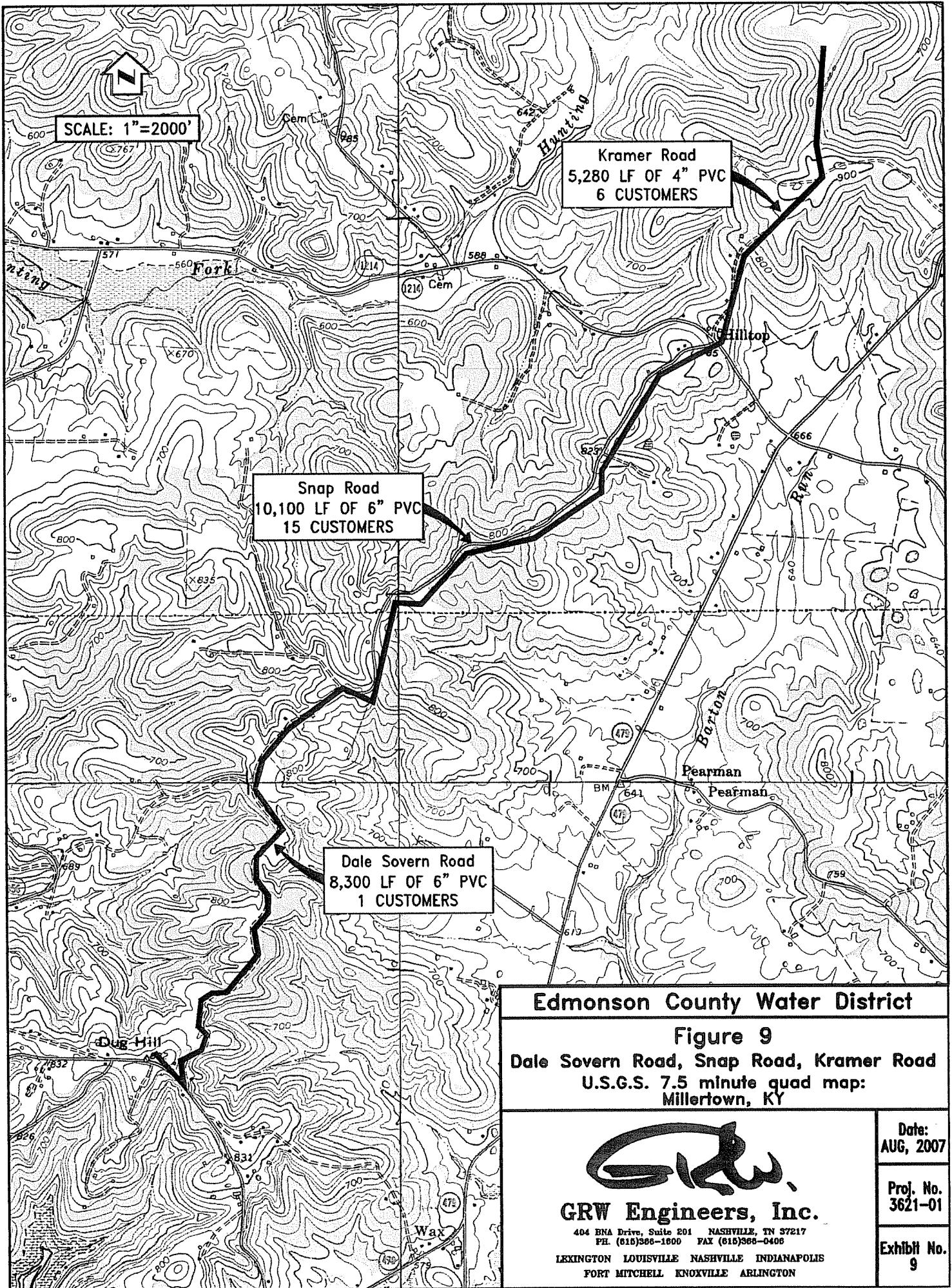
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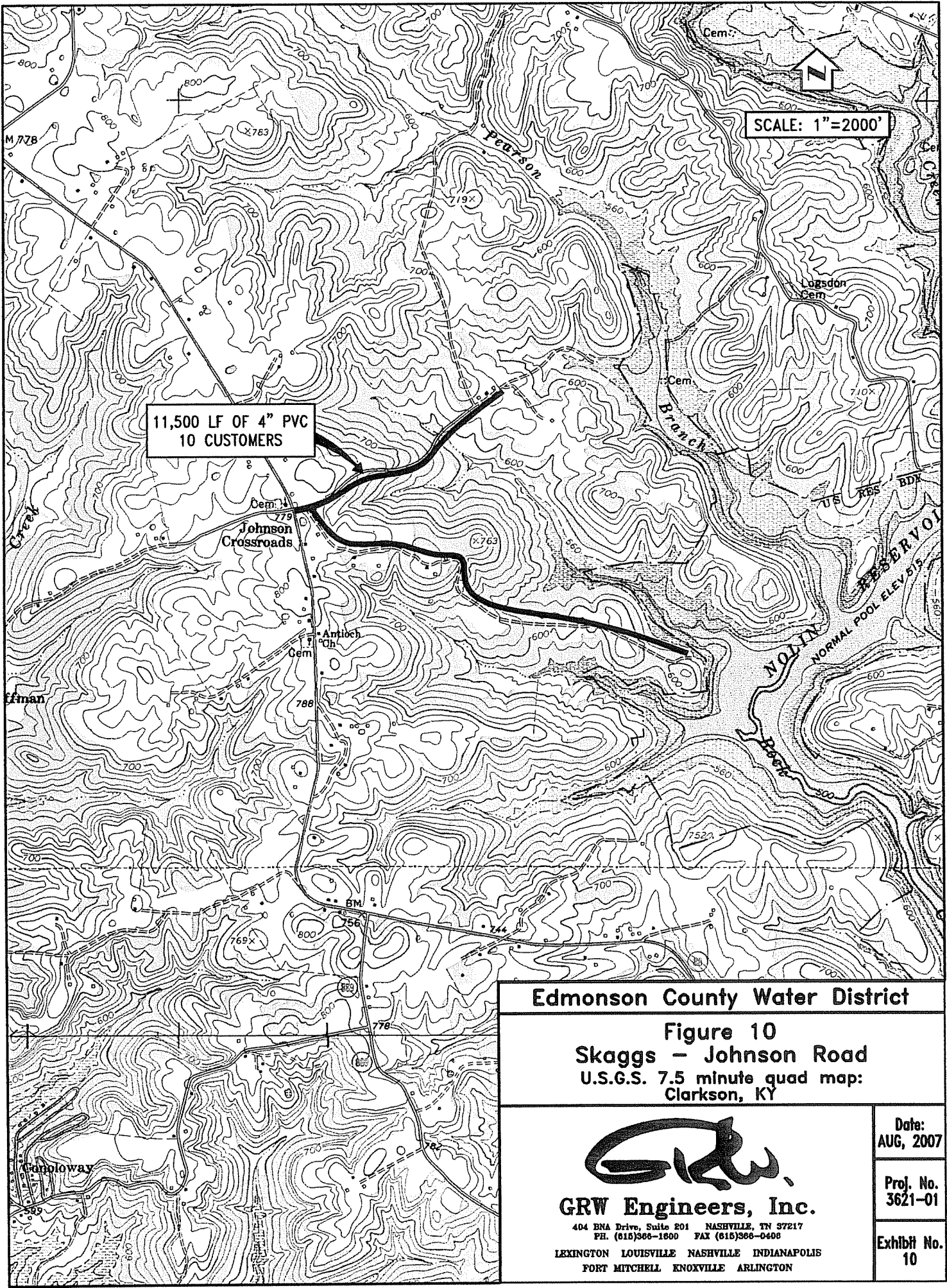
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PH. (615)366-1600 FAX (615)366-0406
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SCALE: 1"=2000'

11,500 LF OF 4" PVC
10 CUSTOMERS

Edmonson County Water District

Figure 10
Skaggs - Johnson Road
 U.S.G.S. 7.5 minute quad map:
 Clarkson, KY



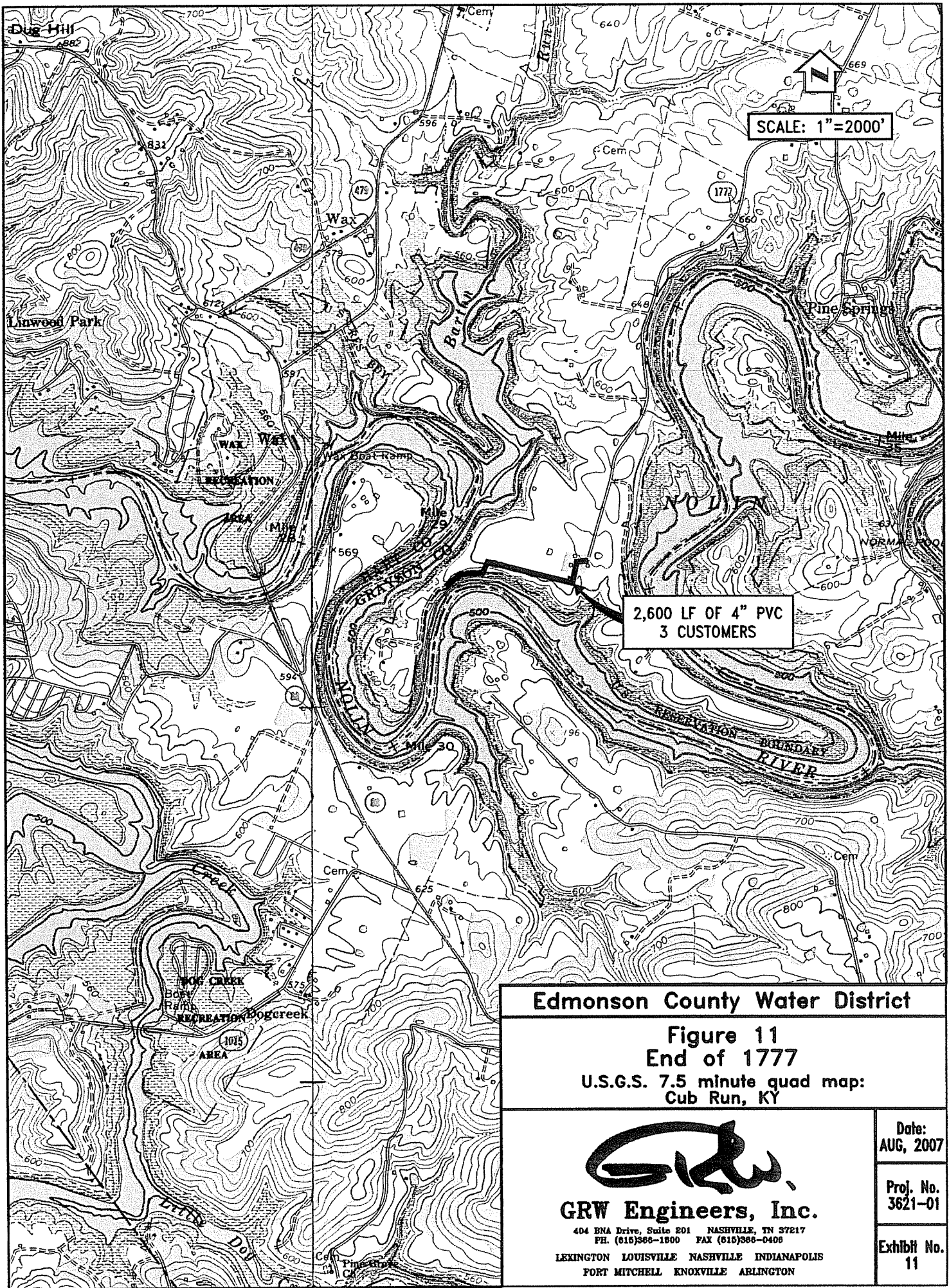
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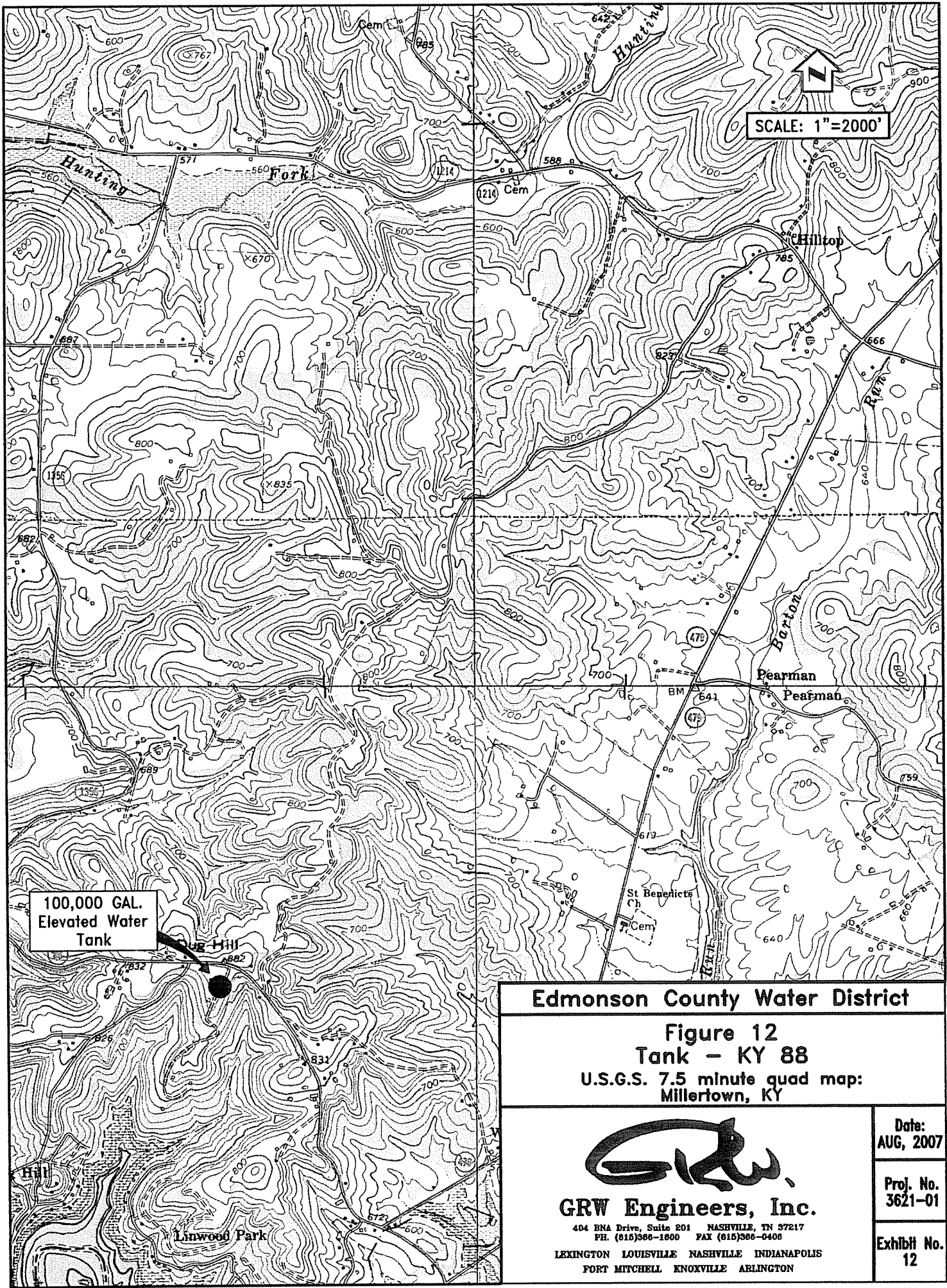


Edmonson County Water District

Figure 11
End of 1777
 U.S.G.S. 7.5 minute quad map:
 Cub Run, KY

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GRW Engineers, Inc.
 404 BRA Drive, Suite 201 NASHVILLE, TN 37217
 PH. (615)366-1600 FAX (615)366-0406
 LEXINGTON LOUISVILLE NASHVILLE INDIANAPOLIS
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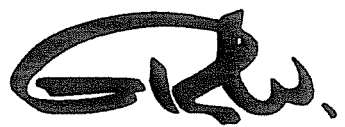


SCALE: 1"=2000'

100,000 GAL.
Elevated Water
Tank

Edmonson County Water District

Figure 12
Tank - KY 88
U.S.G.S. 7.5 minute quad map:
Millertown, KY



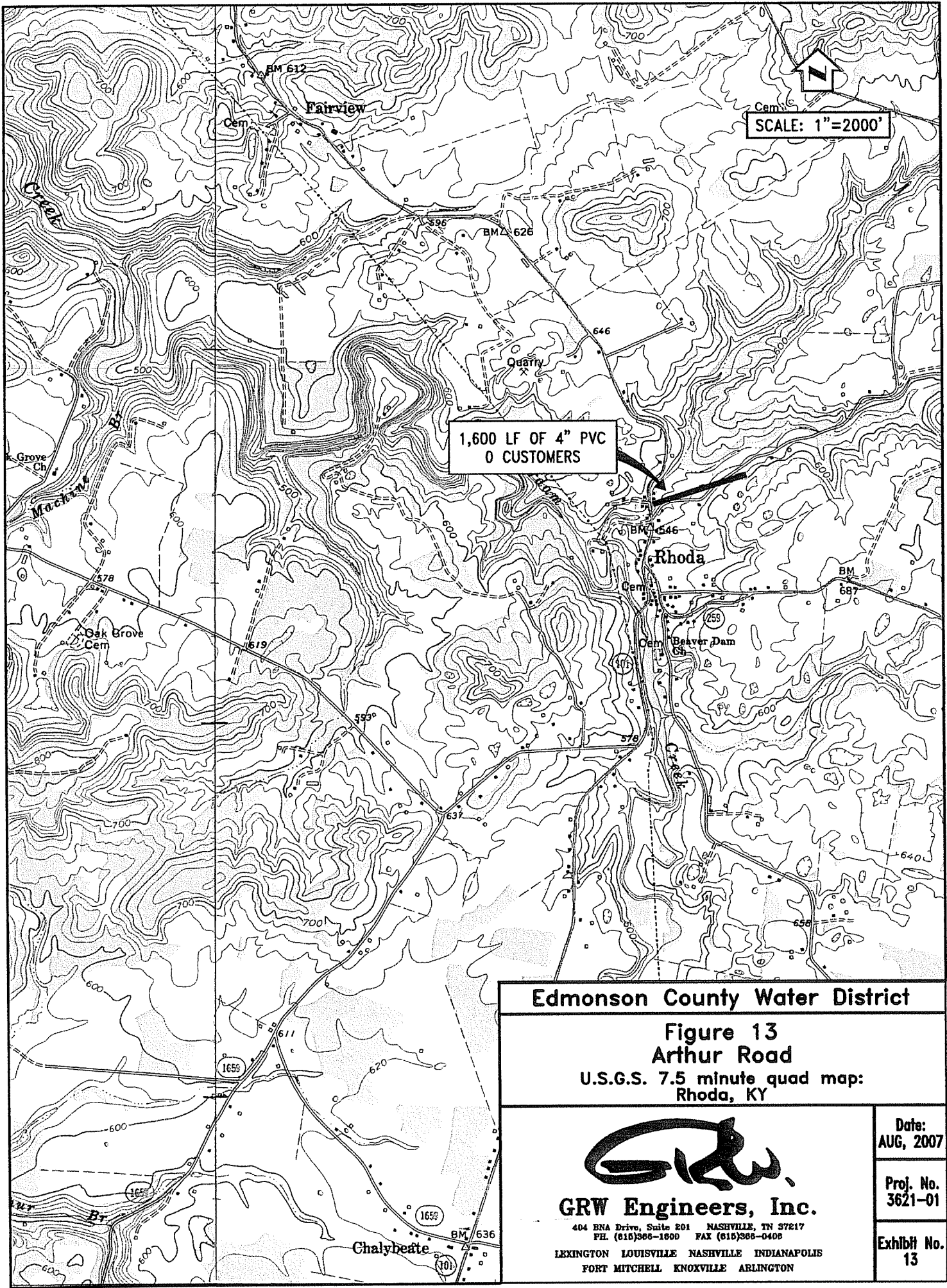
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404 BNA Drive, Suite 201 NASHVILLE, TN 37217
PH. (615)366-1600 FAX (615)366-0400
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Edmonson County Water District

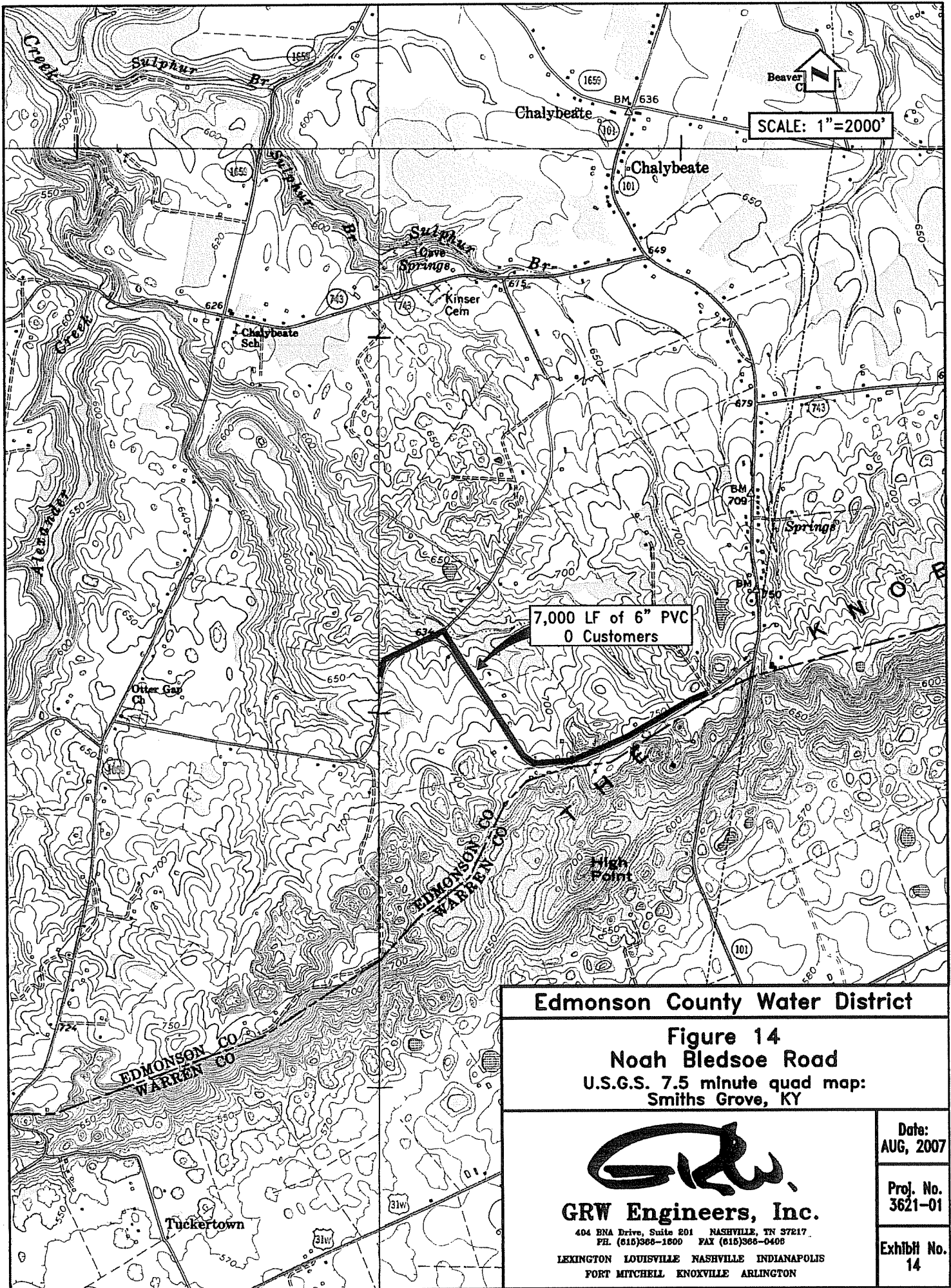
Figure 13
Arthur Road
 U.S.G.S. 7.5 minute quad map:
 Rhoda, KY

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GRW Engineers, Inc.
 404 BNA Drive, Suite 201 NASHVILLE, TN 37217
 PH. (615)366-1600 FAX (615)366-0406
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Edmonson County Water District

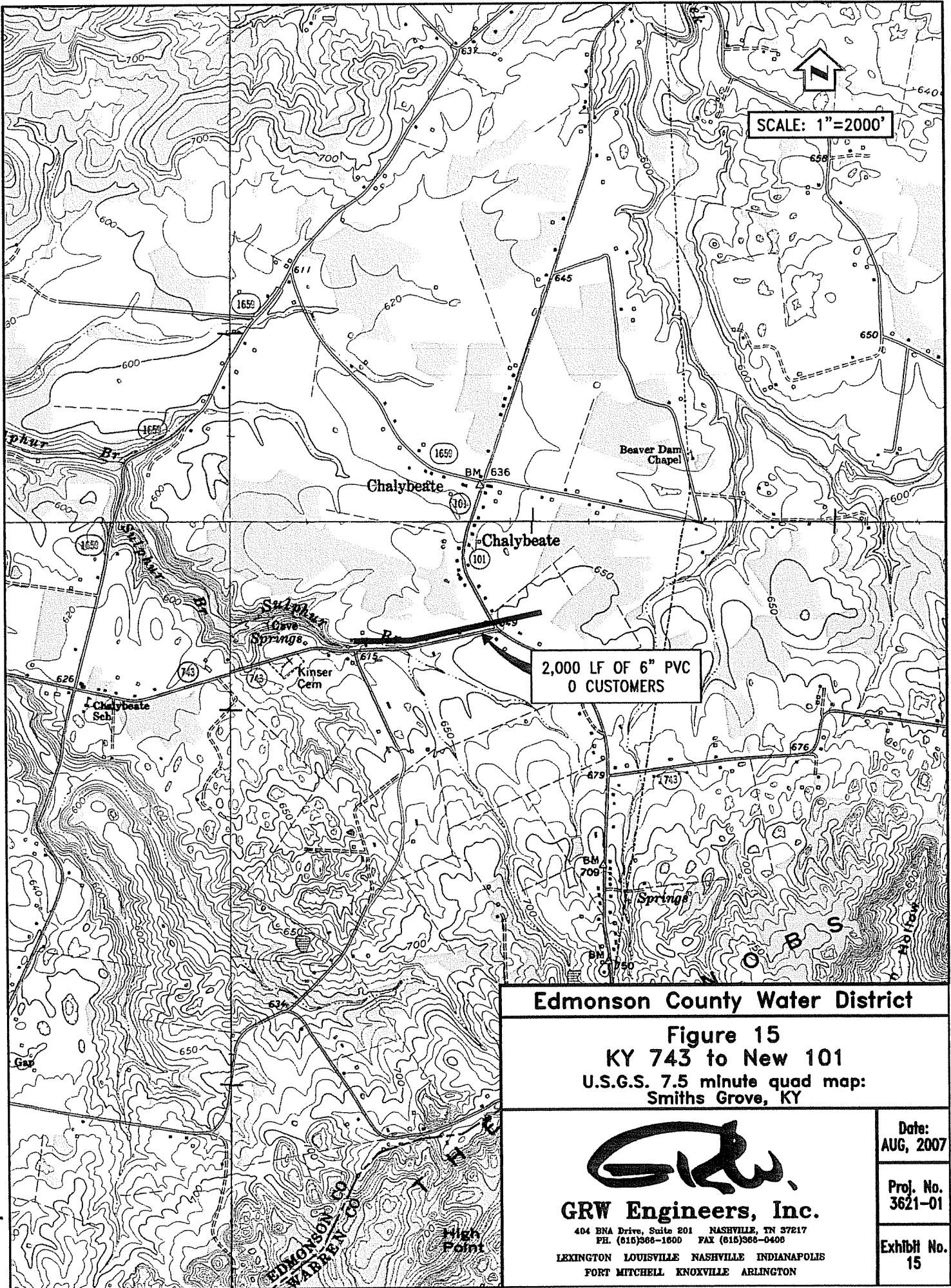
Figure 14
Noah Bledsoe Road
 U.S.G.S. 7.5 minute quad map:
 Smiths Grove, KY

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 PH. (615)368-1600 FAX (615)368-0408
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Exhibit No.
 14



SCALE: 1"=2000'

2,000 LF OF 6" PVC
0 CUSTOMERS

Edmonson County Water District

Figure 15
KY 743 to New 101
 U.S.G.S. 7.5 minute quad map:
 Smiths Grove, KY



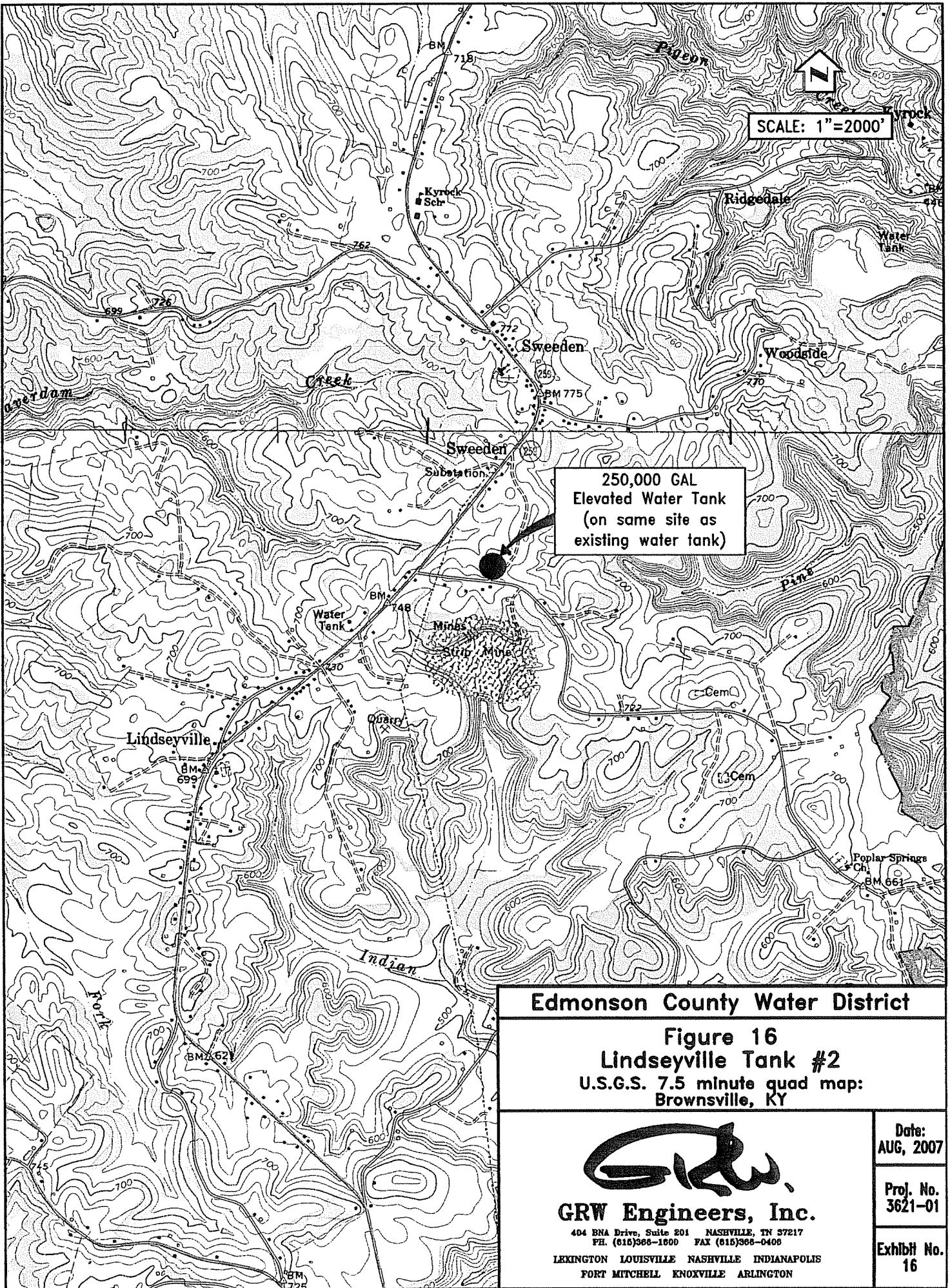
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404 BNA Drive, Suite 201 NASHVILLE, TN 37217
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Exhibit No.
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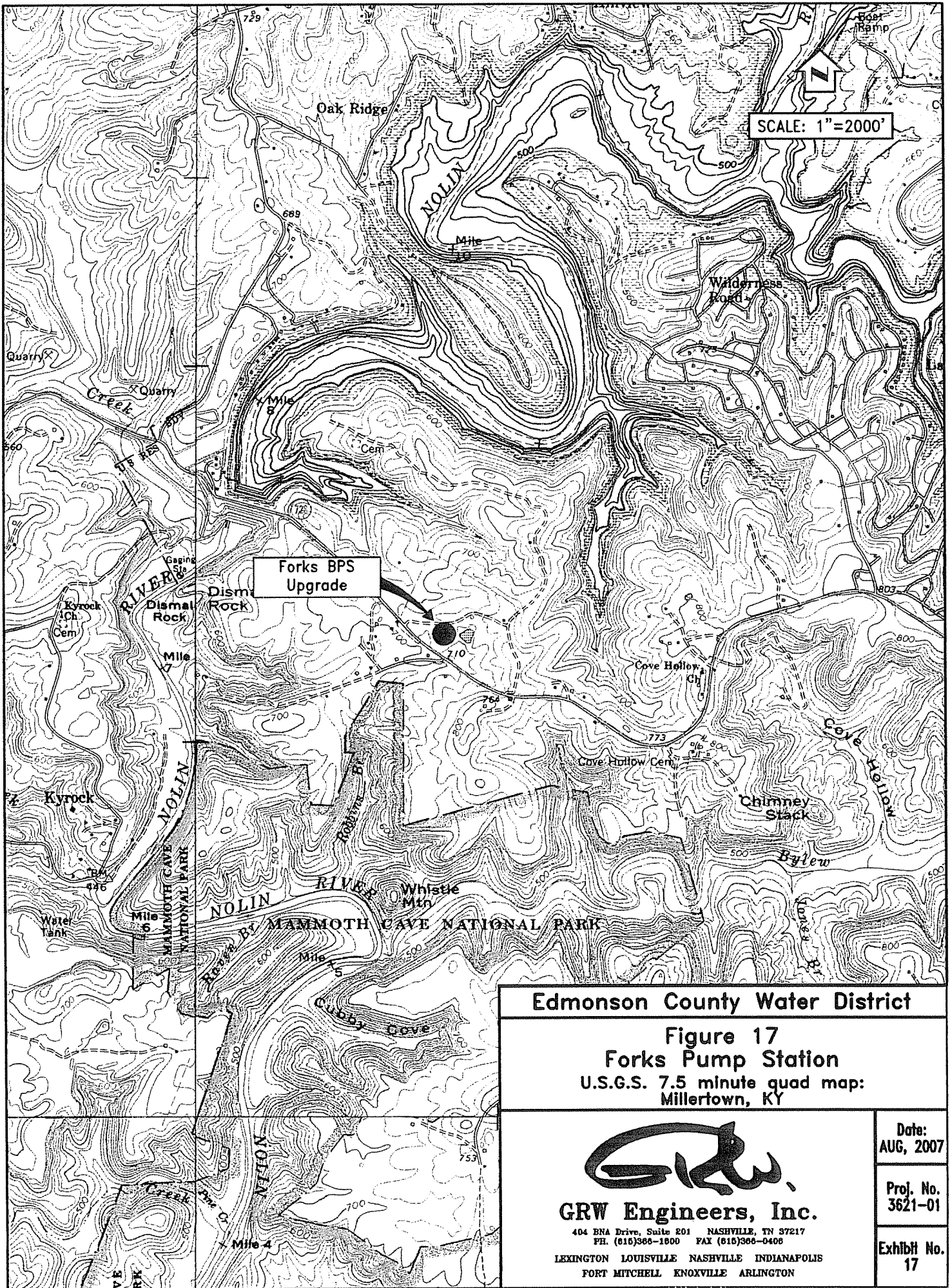


Edmonson County Water District

Figure 16
Lindseyville Tank #2
 U.S.G.S. 7.5 minute quad map:
 Brownsville, KY

GRW
GRW Engineers, Inc.
 404 BNA Drive, Suite 201 NASHVILLE, TN 37217
 PH. (615)366-1600 FAX (615)366-0406
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Proj. No. 3621-01
Exhibit No. 16




SCALE: 1"=2000'

Forks BPS Upgrade

Edmonson County Water District

Figure 17
Forks Pump Station
 U.S.G.S. 7.5 minute quad map:
 Millertown, KY



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 404 BNA Drive, Suite 201 NASHVILLE, TN 37217
 PH. (615)368-1600 FAX (615)368-0406
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Proj. No.
3621-01

Exhibit No.
17

The need for a safe and reliable water supply is commonly recognized as being highly desirable in almost any area. The extension of water lines into these areas is recommended as being beneficial for the residents by removing a potential health hazard which is either known to exist or can become a problem at any time.

II. EXISTING FACILITIES

A. General

The Edmonson County Water District began operation of its initial facilities in 1970 and has been constantly expanding since that time. Most of the existing facilities are in relatively good condition and are suitable for continued use. The District has seen constant growth of its customer base and has been managed in a well organized and financially sound manner. Because of this continued growth, some of the facilities are in need of upgrading for increased capacity and efficiency.

B. Water Supply and Treatment

The Edmonson County Water District has two separate water treatment facilities. The Brownsville Water Treatment Plant (WTP) was constructed as a 0.5 MGD conventional treatment facility and placed into operation in 1970. This plant was expanded to approximately 1.3 MGD in 1980 and expanded to 2.92 MGD in 2002. The water supply is from the Green River which is adequate for the existing and projected demand.

The Wax WTP was constructed and placed into operation in 1990 as a 0.5 MGD facility. The plant was originally sized and designed as a 1 MGD facility, but was downsized due to budget limitations; the Wax plant was expanded to 1.0 MGD in 1994/1995.

The source of supply for the Wax facility is Nolin Lake which at winter pool El.490 has 63,840 acre-feet of storage and at summer pool El.515 has 170,160 acre-feet of storage. The sustained low flow (7Q10) is 40 cfs (or 26 MGD). According to U.S. Corps of Engineers personnel, the withdrawal for this water supply is negligible in comparison to the total available storage.

C. Distribution System

The existing distribution system (including project starting construction in August 2007) consists of approximately 590 miles of water main ranging in size from 3" to 16". Table 1 shows the approximate mileage of pipe according to size. The system has been placed into operation beginning in 1970 and consists entirely of A.C. and P.V.C. pipe materials. According to system personnel, the original A.C. pipe installed in 1970 appears to be in good condition.

TABLE 1
DISTRIBUTION SYSTEM

<u>Pipe Size</u>	<u>Installed Quantity</u>
16"	2.3 miles
12"	8.3 miles
10"	1.4 miles
8"	30 miles
6"	175 miles
4"	310 miles
3"and smaller	64 miles

D. Storage Facilities

Existing water storage facilities consist of eighteen storage tanks with a total capacity of 3,560,000 gallons. Although total storage volume would appear to be adequate at this time, the distribution of the storage is limited in some areas. The District will need to continue monitoring tank volume especially as relates to the most efficient operation of existing treatment and pumping facilities and for demands in specific localized areas.

E. Customers

Edmonson County Water District began operation in 1970 with an initial customer base of approximately 450. Since that time, the District has experienced rapid growth with a customer base of approximately 9500 in mid 2007. The City of Brownsville is the only wholesale purchaser of water and accounts for about 8% of the total water sold by the District.

A breakdown of user categories, annual operating costs and income, and rate schedule is included in Appendix A – RD Summary Addendum.

III. PROPOSED FACILITIES

A. General

A constant demand exists for extension of water lines into areas previously unserved. Due to this increasing demand for potable water, some of the existing lines need to be upsized. This increasing demand also requires examination of the water storage capabilities and booster pumping capacities in localized areas.

B. Water Supply and Treatment

The water supply and treatment capabilities of the existing facilities are adequate at this time.

C. Distribution System

The Edmonson County Water District proposes to extend and/or parallel approximately 16 miles of water lines to serve 64 new customers in Edmonson, Grayson and Hart Counties. Several thousand customers will also benefit from the project by having the lines serving their areas upsized to reinforce the hydraulic capabilities of the system. Table 2 shows a breakdown of the line extensions with the number of customers, size and length of line indicated. The line locations have been previously shown in Figures 1 through 17.

One new booster pumping station (BPS) will be constructed and two existing BPS's will be upgraded for increased capacity. The Dale Sovern Rd., Snap Rd., Kramer Rd. water lines and the Hwy. 88 water tank are being proposed to upgrade the water supply to the high elevation area currently served by the Dug Hill water tank. A new BPS will be required due to the hydraulic characteristics of this area. In addition, the capacities of the existing Forks and Cub Run BPS's will be increased to account for the increasing demands in these portions of the system. The proposed master meter on KY 728 will allow the District to closely monitor the volume of water flowing through this portion of the system.

The breakdown of construction and project costs are presented later in this report.

TABLE 2
PROPOSED WATER LINES
LIST OF ROADS
EDMONSON COUNTY WATER DISTRICT
AUGUST 2007

<u>Road</u>	<u>Approximate Length & Size</u>	<u>No. Customers</u>
1. Honey Creek Rd. (Fig. 1)	4,200 LF 4"	4 + loop
2. Hardin Lane (Fig. 2)	2,800 LF 4"	3
3. K. Wilson Rd. (Fig. 3)	3,400 LF 4"	5
4. Denham Rd. (Fig. 4)	2,300 LF 4"	loop
5. Beaver Dam Chapel Rd. (Fig. 5)	5,500 LF 4"	3 + loop
6. Lawler Bend Rd. (Fig. 6)	7,600 LF 4"	9
7. Macon-Kessinger Rd. (Fig. 7)	7,200 LF 4"	5 + loop
8. KY 1140 (Fig. 8)	3,000 LF 4"	connection to Hardin Co.
9. Kramer Rd. (Fig. 9)	5,280 LF 4"	6
10. Snap Rd. (Fig. 9)	11,100 LF 4" and 6"	15
11. Dale Sovern Rd. (Fig. 9)	8,300 LF 6"	1
12. Skaggs-Johnson Rd. (Fig. 10)	11,500 LF 4"	10
13. KY 1777 (Fig. 11)	2,600 LF 4"	3
14. Arthur Rd. (Fig. 13)	1,600 LF 4"	loop
15. Noah Bledsoe Rd. (Fig. 14)	7,000 LF 6"	increase size + loop
16. KY 743 to New KY 101 (Fig. 15)	<u>2,000 LF 6"</u>	<u>loop</u>
Totals:	85,380 LF	64

D. Storage Facilities

Two new tanks are being proposed in this project. A 250,000 gallon elevated water tank adjacent to the existing 50,000 gallon Lindseyville tank is needed to supplement the storage in this high demand area of the system and to allow for more reliable operation of the system.

A 100,000 gallon tank is proposed for the Hwy 88 (Dug Hill/Hilltop) area of the system. This tank in conjunction with the proposed lines on Dale Sovern Rd., Snap Rd., and Kramer Rd. will serve a high elevation segment of the District's service area. A new booster pump station (BPS) will be required to fill this tank from the existing Dug Hill tank, but this BPS and tank will allow for the abandonment of two existing pumping stations and the use of a "closed" pumping system to supply pressure to some customers at the higher elevations.

IV. PROJECT COSTS

Itemized estimates of construction and project costs are presented in Tables 3 and 4 as follows:

TABLE 3
OPINION OF PROBABLE CONSTRUCTION COSTS
EDMONSON COUNTY WATER DISTRICT
2007 RD/KIA WATER SYSTEM IMPROVEMENTS
AUGUST 2007

27,400 L.F. 6" Water Lines @\$12.00/L.F.:	\$ 328,800
57,980 L.F. 4" Water Lines @ \$10.50/L.F.:	\$ 608,790
85,380 L.F. Locator Wire @ \$0.15/L.F.:	\$ 12,807
11 – 6" Gate Valves @ \$800 Each:	\$ 8,800
16 – 4" Gate Valves @ \$6000 Each:	\$ 9,600
25 – Connections to Existing Lines @ \$1,500 Each:	\$ 37,500
17 – Blowoff Assemblies @\$1,000 Each:	\$ 17,000
13 – Air Release Valves @\$650 Each:	\$ 8,450
64 Service Connections @\$500 Each:	\$ 32,000
630 L.F. Bore & Jack @ \$140/L.F.:	\$ 88,200
5 Creek Crossings @ \$3,500 Each:	\$ 17,500
Repaint Exterior of Ex. Cedar Springs Tank:	\$ 60,000
Repaint Exterior of Existing Peary Tank:	\$ 50,000
250,000 Gallon Elevated Water Tank (Lindseyville):	\$ 650,000
100,000 Gallon Elevated Water Tank (Hwy. 88):	\$ 450,000
Control Valve near Nolin Tank:	\$ 15,000
Forks Booster Station Upgrade:	\$ 80,000
Cub Run Booster Station Upgrade:	\$ 40,000
Master Meter on KY 728:	\$ 15,000
Hwy. 88 Booster Station (possible upgrade & 3 ph. power):	<u>\$ 120,000</u>

TOTAL CONSTRUCTION COSTS: \$2,649,447

TABLE 4
OPINION OF PROBABLE PROJECT COSTS
EDMONSON COUNTY WATER DISTRICT
2007 RD/KIA WATER SYSTEM IMPROVEMENTS
AUGUST 2007

Total Construction:		\$ 2,649,447
Land and Rights:		\$ 25,000
Legal and Administrative:		\$ 36,000
KIA Administration Fee:	\$ 6,100	
Advertising, etc.:	\$ 3,900	
Bond Counsel:	\$17,000	
Local Counsel:	\$ 9,000	
Engineering:		\$ 326,000
Preliminary:	\$ 5,000	
Easement /Property Owners Identification:	\$ 4,000	
PSC Related:	\$ 4,000	
Hydraulic Analysis Update:	\$ 6,000	
Design:	\$195,500	
Inspection:	\$111,500	
Geotechnical Investigations:		\$ 10,000
Environmental Survey (if required):		\$ 6,000
Interest During Construction:		\$ 60,000
Contingencies:		<u>\$ 267,553</u>
TOTAL PROJECT COSTS:		\$3,380,000
Financing:		
RUS Loan & Grant:	\$2,154,265	
KIA(\$667,535 + \$543,000):	\$1,210,535	
Applicant Contribution:	<u>\$ 15,200</u>	
	\$3,380,000	

V. FINANCING

Edmonson County Water District has filed application with Rural Development (RD) for financing assistance to match funds already committed by the Kentucky legislature through KIA. The total funding required is \$3,380,000 of which \$2,154,265 is requested as Federal assistance, \$1,210,535 has been committed from KIA, and \$15,200 will be the local contribution from tap fees.

The existing water rates were approved in July 2007, and appear to be adequate to operate and maintain the system, retire the debt service and fund the required special accounts for the existing system and proposed project with the anticipated level of grant participation by the funding agencies. Not receiving RD grant funding will require reevaluation and a possible rate increase. The proposed water rates, existing and proposed operating budgets are shown in RD Summary Addendum attached as Appendix A. The 2007 water rate increase represented an approximately 12% average increase to the customers. Revenue from this increase will not be reflected in any of the available audit reports.

VI. CONCLUSIONS AND RECOMMENDATIONS

The Edmonson County Water District was formed to serve the residents of several rural counties and to work towards furnishing a safe and reliable water supply to those individuals living within the District boundaries. In order to accomplish this, the District must continually be looking for ways to expand the system while still maintaining a safe, reliable and cost-effective supply of treated water.

The water line extensions, water transmission mains, BPS's and water tanks described in this report are feasible and are recommended for construction. The District should proceed to secure matching funds from RD and move toward construction.

APPENDIX A

RD Summary Addendum

SUMMARY ADDENDUM

TO

PRELIMINARY ENGINEERING REPORT

DATED August 2007

FOR

Edmonson County Water District
(Name of Project)

APPLICANT CONTACT PERSON Nelson Sanders

APPLICANT PHONE NUMBER 502-597-2165

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 61-0712517

ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary report in accordance with this Guide.

Please complete the applicable sections of the Summary Addendum. ***Please note, if water and sewer revenue will both be taken as security for the loan, all user information and characteristics of both utility systems will be needed even though the project will benefit only one utility.***

Feasibility reviews and grant determinations may be processed more accurately and more rapidly if the Summary/Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

I. GENERAL

- A. Proposed Project: Provide a brief description of the proposed project. In addition to this summary, the applicant/engineer should submit a project map of the service area.

The proposed project consists of improvements to the distribution system and water line extensions to serve approximately 64 new customers and improve service to several thousand existing customers. Upgrades will be made to increase the capacity of the Forks BPS. A new 100,000 gallon elevated water tank and BPS will be constructed to serve the Dug Hill and Hilltop areas off of Hwy 88 and Hwy 1214. A new 250,000 gallon elevated water tank will be constructed adjacent to the existing 50,000 gallon Lindseyville tank to reinforce the storage requirements in this portion of the service area.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM N/A

A. *Sewage Treatment:*

1. *Type* _____

2. *Method of Sludge Disposal* _____

3. *Cost per 1,000 gallons if sewage treatment is contracted:*
\$ _____

4. *Date Constructed* _____

B. *Treatment Capacity of Sewage Treatment Plant* _____

C. *Type of Sewage Collector System (Describe)* _____

D. *Number and Capacity of Sewage Lift Stations* _____

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size 6" _____ 8" _____
10" _____ 12" _____, *Larger* _____
Date(s) Constructed _____

F. Conditions of Existing System: Briefly describe the conditions and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

III. FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

ECWD has 2 WTP's – 2.92 MGD Brownsville WTP which operate 8-16 hrs/day to meet peak demands and the 1 MGD Wax WTP which currently operates 12-23 hrs/day depending on seasonal demands. The sources for both plants (Green River and Nolin Lake) are more than adequate.

If the applicant purchases water:

Seller(s):

1. N/A
2. _____
3. _____

Price/1,000 gallons:

1. _____
2. _____
3. _____

Present Estimated Market Value of Existing System: \$ 23,000,000

B. Water Storage:

Type: Ground Storage Tank 7 Elevated Tank 9
Standpipe 2 Other _____
Number of Storage Structures 18
Total Storage Volume Capacity 3,770,000
Date Storage Tank(s) Constructed 1970-2007

C. Water Distribution System:

Pipe Material AC, PVC (App. 590 mi. total)(incl. project starting constr. in 2007)
Lineal Feet of Pipe: 3" Diameter 64 mi. 4" 310 mi.
6" 175 mi. 8" 30 mi.
10" 1.4 mi. 12" 8.3 mi. 16" 2.3 mi.
Date(s) Water Lines Constructed 1968 to 2007
Number and Capacity of Pump Station(s) 12 stations with capacities from 100 gpm to 1150 gpm

D. Condition of Existing Water System:

Briefly describe the condition and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

The existing facilities, with proper maintenance, appear to be in good condition and suitable for continued use

E. Percentage of Water Loss Existing System Approx. 10%

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Principal Balance</u>	<u>Payment Date</u>	<u>Bond Type Water/Sewer*</u>	<u>Amount on Deposit in Reserve Account</u>
SEE ATTACHED SHEET					
19__ Issue	_____	\$ _____	_____	% _____%	
19__ Issue	_____	\$ _____	_____	% _____%	
19__ Issue	_____	\$ _____	_____	% _____%	
19__ Issue	_____	\$ _____	_____	% _____%	
19__ Issue	_____	\$ _____	_____	% _____%	

* If a combined issue, show attributable portion to each system.

B. Principal and Interest Payments: (Begin with Next Fiscal Year Payment)

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Payment Year 19__</u>		<u>Payment Year 19__</u>		<u>Payment Year 19__</u>	
		<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
SEE ATTACHED SHEET							
19__ Issue	_____	_____	_____	_____	_____	_____	_____
19__ Issue	_____	_____	_____	_____	_____	_____	_____
19__ Issue	_____	_____	_____	_____	_____	_____	_____
19__ Issue	_____	_____	_____	_____	_____	_____	_____
19__ Issue	_____	_____	_____	_____	_____	_____	_____
19__ Issue	_____	_____	_____	_____	_____	_____	_____

V. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: (Do Not Show Any Debt Listed in Paragraph IV Above)

<u>Lender or Lessor</u>	<u>Date of Issue (Month & Year)</u>	<u>Principal Balance</u>	<u>Purpose (Water and/ or Sewer)</u>	<u>Payment Date</u>	<u>Principal & Interest Payment (P&I)</u>	<u>Date to Be Paid In Full</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites: Water 2 Sewer _____

Number of Storage Tank Sites Water 18 Sewer _____

Number of Pump Stations: Water 12 Sewer _____

Total Acreage: Water _____ Acres Sewer _____ Acres

Purchase Price: Water \$ 194,000 Sewer \$ _____

VII. NUMBER OF EXISTING USERS

	<u>Water</u>	<u>Sewer</u>
Residential (In Town) *	_____	_____
Residential (Out of Town) *	<u>9444</u>	_____
Non-Residential (In Town)	<u>1</u>	_____
Non-Residential (Out of Town)	<u>55</u>	_____
Total	<u>9500</u>	_____
Number to Total Potential Users Living in the Service Area	_____	_____

*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
<u>5/8" x 3/4"</u>	\$ <u>475</u>	\$
<u>1 - Inch</u>	\$ <u>500</u>	\$

IX. SEWER RATES - EXISTING SYSTEM *N/A*

Percentage of Water Bill _____ % *Minimum Charge \$* _____
Other: (If Charge Not Based on Water Bill) _____

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule:

First	<u>1,500</u>	Gallons @ \$	<u>11.50</u>	Minimum.
Next	<u>6,500</u>	Gallons @ \$	<u>4.35</u>	per 1,000 Gallons.
Next	<u>12,000</u>	Gallons @ \$	<u>4.35</u>	per 1,000 Gallons.
Next	<u>5,000</u>	Gallons @ \$	<u>4.35</u>	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
All Over	<u>25,000</u>	Gallons @ \$	<u>3.45</u>	per 1,000 Gallons.
<u>Wholesale to City of Brownsville:</u>			<u>\$2.70</u>	per 1000 gallons.
<u>Date This Rate Went Into Effect</u>			<u>AUG. 2007</u>	

If More Than One Rate Schedule, Please Include All Schedules.

XI. ANALYSIS OF ACTUAL SEWER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

N/A

For Period _____ to _____ .

All Meter

<u>Sizes</u>	<u>Monthly Sewer Usage</u>	<u>Average</u>	<u>Residential</u>		<u>Non-Residential</u>	
			<u>No. of Users</u>	<u>Usage (1000)</u>	<u>No. of Users</u>	<u>Usage (1000)</u>
0 - 2,000	Gallons	1,000	_____	_____	_____	_____
2,000 - 3,000	Gallons	2,500	_____	_____	_____	_____
3,000 - 4,000	Gallons	3,500	_____	_____	_____	_____
4,000 - 5,000	Gallons	4,500	_____	_____	_____	_____
5,000 - 6,000	Gallons	5,500	_____	_____	_____	_____
6,000 - 7,000	Gallons	6,500	_____	_____	_____	_____
7,000 - 8,000	Gallons	7,500	_____	_____	_____	_____
8,000 - 9,000	Gallons	8,500	_____	_____	_____	_____
9,000 - 10,000	Gallons	9,500	_____	_____	_____	_____
10,000 - 11,000	Gallons	10,500	_____	_____	_____	_____
11,000 - 12,000	Gallons	11,500	_____	_____	_____	_____
12,000 - 13,000	Gallons	12,500	_____	_____	_____	_____
13,000 - 14,000	Gallons	13,500	_____	_____	_____	_____
14,000 - 15,000	Gallons	14,500	_____	_____	_____	_____
15,000 - 16,000	Gallons	15,500	_____	_____	_____	_____
16,000 - 17,000	Gallons	16,500	_____	_____	_____	_____
17,000 - 18,000	Gallons	17,500	_____	_____	_____	_____
18,000 - 19,000	Gallons	18,500	_____	_____	_____	_____
19,000 - 20,000	Gallons	19,500	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
		Total	(_____)	(_____)	(_____)	(_____)
		Average Usage		(_____)		(_____)

XII. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

SEE ATTACHED SPREADSHEET FOR INFORMATION

For Period Jan. 2007 to Dec. 2007 .

All Meter

<u>Sizes</u>	<u>Monthly Water Usage</u>	<u>Average</u>	<u>Residential</u>		<u>Non-Residential</u>	
			<u>No. of Users</u>	<u>Usage (1000)</u>	<u>No. of Users</u>	<u>Usage (1000)</u>
0 - 2,000	Gallons	1,000	_____	_____	_____	_____
2,000 - 3,000	Gallons	2,500	_____	_____	_____	_____
3,000 - 4,000	Gallons	3,500	_____	_____	_____	_____
4,000 - 5,000	Gallons	4,500	_____	_____	_____	_____
5,000 - 6,000	Gallons	5,500	_____	_____	_____	_____
6,000 - 7,000	Gallons	6,500	_____	_____	_____	_____
7,000 - 8,000	Gallons	7,500	_____	_____	_____	_____
8,000 - 9,000	Gallons	8,500	_____	_____	_____	_____
9,000 - 10,000	Gallons	9,500	_____	_____	_____	_____
10,000 - 11,000	Gallons	10,500	_____	_____	_____	_____
11,000 - 12,000	Gallons	11,500	_____	_____	_____	_____
12,000 - 13,000	Gallons	12,500	_____	_____	_____	_____
13,000 - 14,000	Gallons	13,500	_____	_____	_____	_____
14,000 - 15,000	Gallons	14,500	_____	_____	_____	_____
15,000 - 16,000	Gallons	15,500	_____	_____	_____	_____
16,000 - 17,000	Gallons	16,500	_____	_____	_____	_____
17,000 - 18,000	Gallons	17,500	_____	_____	_____	_____
18,000 - 19,000	Gallons	18,500	_____	_____	_____	_____
19,000 - 20,000	Gallons	19,500	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
_____ - _____	Gallons	_____	_____	_____	_____	_____
		Total	()	()	()	()
		Average Usage		()		()

Total Water Purchased and/or Produced _____
 Total Water Sold _____

Existing Rate Schedule

Water Rate	Min. (1500 gal.)@	\$11.50
	Next 6500 gals.@	\$4.35 per 1000
	Next 12000 gals.@	\$4.35 per 1000
	Next 5,000 gals.@	\$4.35 per 1000
	All Over 25,000 gals.@	\$3.45 per 1000
	Wholesale to Brownsville@	\$2.70 per 1000

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS(2007)

Meter Size	Monthly Water Usage	Average	Average Rate	No. of Users	Residential		Non-Residential		
					Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 1,500 Gallons	750	\$11.50	3560	2670	\$40,940.00	0	0	\$0.00
	1,500 - 2,000 Gallons	1,750	\$12.59	600	1050	\$7,552.50	0	0	\$0.00
	2,000 - 3,000 Gallons	2,500	\$15.85	1260	3150	\$19,971.00	0	0	\$0.00
	3,000 - 4,000 Gallons	3,500	\$20.20	1375	4812.5	\$27,775.00	1	3.5	\$20.20
	4,000 - 5,000 Gallons	4,500	\$24.55	810	3645	\$19,885.50	15	67.5	\$368.25
	5,000 - 6,000 Gallons	5,500	\$28.90	585	3217.5	\$16,906.50	1	5.5	\$28.90
	6,000 - 7,000 Gallons	6,500	\$33.25	390	2535	\$12,967.50	0	0	\$0.00
	7,000 - 8,000 Gallons	7,500	\$37.60	245	1837.5	\$9,212.00	0	0	\$0.00
	8,000 - 9,000 Gallons	8,500	\$41.95	162	1377	\$6,795.90	0	0	\$0.00
	9,000 - 10,000 Gallons	9,500	\$46.30	114	1083	\$5,278.20	0	0	\$0.00
5/8	10,000 - 11,000 Gallons	10,500	\$50.65	76	798	\$3,849.40	0	0	\$0.00
x	11,000 - 12,000 Gallons	11,500	\$55.00	50	575	\$2,750.00	4	46	\$220.00
3/4	12,000 - 13,000 Gallons	12,500	\$59.35	39	487.5	\$2,314.65	1	12.5	\$59.35
Inch	13,000 - 14,000 Gallons	13,500	\$63.70	30	405	\$1,911.00	1	13.5	\$63.70
	14,000 - 15,000 Gallons	14,500	\$68.05	18	261	\$1,224.90	5	72.5	\$340.25
	15,000 - 16,000 Gallons	15,500	\$72.40	17	263.5	\$1,230.80	1	15.5	\$72.40
	16,000 - 17,000 Gallons	16,500	\$76.75	15	247.5	\$1,151.25	0	0	\$0.00
	17,000 - 18,000 Gallons	17,500	\$81.10	16	280	\$1,297.60	0	0	\$0.00
	18,000 - 19,000 Gallons	18,500	\$85.45	10	185	\$854.50	0	0	\$0.00
	19,000 - 20,000 Gallons	19,500	\$89.80	18	351	\$1,616.40	0	0	\$0.00
	20,000 - 25,000 Gallons	22,500	\$102.85	15	337.5	\$1,542.75	0	0	\$0.00
	25,000 - 30,000 Gallons	27,500	\$122.35	12	330	\$1,468.20	3	82.5	\$367.05
	30,000 - 40,000 Gallons	35,000	\$148.23	12	420	\$1,778.70	3	105	\$444.68
	40,000 - 50,000 Gallons	44,000	\$179.28	9	396	\$1,613.48	0	0	\$0.00
	50,000 - 75,000 Gallons	60,000	\$234.48	7	420	\$1,641.33	5	300	\$1,172.38
	75,000 - 1,000,000 Gallons	275,000	\$976.23	0	0	\$0.00	14	3850	\$13,667.15
	Sub-Total			9445	31,135	\$193,529.05	54	4574	\$16,824.30
	Average Monthly Rate		\$22.14						
	Average Monthly Usage				3.30			84.70	
4-inch	City of Brownsville	Gallons	3,000,000	\$8,100.00			1	3000	\$8,100.00
	Sub-Total			9445	31,135	\$193,529.05	55	7574	\$24,924.30
	Total monthly Income					\$218,453.35			
	Total yearly Income					\$2,621,440.20			
	Total customers			9500					

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XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM N/A

A. Sewage Treatment:

1. Type _____

2. Method of Sludge Disposal _____

3. Cost per 1,000 gallons if sewage treatment is contracted:
\$ _____

B. Treatment Capacity of Sewage Treatment Plant _____

C. Type of Sewage Collector System (Describe) _____

D. Number and Capacity of Sewage Lift Stations _____

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size 6" _____ 8" _____
10" _____ 12" _____, Larger _____

XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM N/A

Number of Treatment Plant Sites _____

Number of Pump Sites _____

Number of Other Sites _____

Total Acreage _____ Acres

Purchase Price \$ _____

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

The water sources will remain the same; the Brownsville WTP has a capacity of 2.92 MGD; the Wax WTP has a capacity of 1.0 MGD. Capacity is adequate to meet seasonal demands.

B. Water Storage:

Type: Ground Storage Tank _____ Elevated Tank 100,000 and 250,000 gallon
Standpipe _____ Other _____

Number of Storage Structures 2

Total Storage Volume Capacity 100,000 and 250,000 gallon

C. Water Distribution System:

Pipe Material PVC

Lineal Feet of Pipe: 3" Diameter _____ 4" 57,980

6" 27,400 8" _____

10" _____ 12" _____

Number and Capacity of Pump Station(s) 2 upgrades and 1 new (capacity to be determined during detailed design)(note: will allow abandonment of 2 existing)

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites _____

Number of Pump Sites to be constructed on existing sites

Number of Other Sites 2 tank sites

Total Acreage 1 Acres

Purchase Price \$ 24,000

XVII. NUMBER OF NEW SEWER USERS N/A

<i>Residential (In Town) *</i>	_____
<i>Residential (Out of Town) *</i>	_____
<i>Non-Residential (In Town)</i>	_____
<i>Non-Residential (Out of Town)</i>	_____
<i>Total</i>	_____
<i>Number to Total Potential Users Living in the Service Area</i>	_____

**Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.*

XVIII. PROPOSED SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Connection Fee</u>
<u>5/8" x 3/4"</u>	\$
<u>1 - Inch</u>	\$
<u>1-1/2 Inch</u>	\$
<u>2 - Inch</u>	\$
<u>3 - Inch</u>	\$
<u>4 - Inch</u>	\$
<u>5 - Inch</u>	\$
<u>6 - Inch</u>	\$

XIX. NUMBER OF NEW WATER USERS

Residential (In Town) *	_____
Residential (Out of Town) *	<u>64</u>
Non-Residential (In Town)	_____
Non-Residential (Out of Town)	_____
Total	<u>64</u>
Number to Total Potential Users Living in the Service Area	_____

*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.

XX. PROPOSED WATER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION:

<u>Meter Size</u>	<u>Connection Fee</u>
<u>5/8" x 3/4"</u>	<u>\$ 237.50*</u>
<u>1 - Inch</u>	<u>\$ _____</u>
<u>1-1/2 Inch</u>	<u>\$ _____</u>
<u>2 - Inch</u>	<u>\$ _____</u>
<u>3 - Inch</u>	<u>\$ _____</u>
<u>4 - Inch</u>	<u>\$ _____</u>
<u>5 - Inch</u>	<u>\$ _____</u>
<u>6 - Inch</u>	<u>\$ _____</u>

* regular connection fee is 475.00; fee is reduced to \$237.50 if commitment is made prior to project construction.

XXI. SEWER RATES – PROPOSED N/A

A. Proposed Rate Schedule without RUS Grant:

Percentage of Water Bill _____ % Minimum Charge \$ _____

Other: (If Charge Not Based on Water Bill) _____

Proposed Rate Schedule: (Without RUS Grant)

First _____ Gallons @ \$ _____ Minimum.
Next _____ Gallons @ \$ _____ per 1,000 Gallons.
Next _____ Gallons @ \$ _____ per 1,000 Gallons.
Next _____ Gallons @ \$ _____ per 1,000 Gallons.
Next _____ Gallons @ \$ _____ per 1,000 Gallons.
Next _____ Gallons @ \$ _____ per 1,000 Gallons.
All Over _____ Gallons @ \$ _____ per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant:

Percentage of Water Bill _____ % Minimum Charge \$ _____

Other: (If Charge Not Based on Water Bill) _____

Recommended Rate Schedule: (With RUS Grant)

First _____ Gallons @ \$ _____ Minimum.
Next _____ Gallons @ \$ _____ per 1,000 Gallons.
Next _____ Gallons @ \$ _____ per 1,000 Gallons.
Next _____ Gallons @ \$ _____ per 1,000 Gallons.
Next _____ Gallons @ \$ _____ per 1,000 Gallons.
Next _____ Gallons @ \$ _____ per 1,000 Gallons.
All Over _____ Gallons @ \$ _____ per 1,000 Gallons.

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule without RUS Grant:

First	<u>1,500</u>	Gallons @ \$	<u>11.80</u>	Minimum.
Next	<u>23,500</u>	Gallons @ \$	<u>4.50</u>	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
All Over	<u>25,000</u>	Gallons @ \$	<u>3.55</u>	per 1,000 Gallons.
Wholesale to City of Brownsville:		@ \$	<u>2.80</u>	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant: w/ 44% grant of \$950,000 based on total requested RUS funding (28% of total project funding)

First	<u>1,500</u>	Gallons @ \$	<u>11.50</u>	Minimum.
Next	<u>23,500</u>	Gallons @ \$	<u>4.35</u>	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
Next	_____	Gallons @ \$	_____	per 1,000 Gallons.
All Over	<u>25,000</u>	Gallons @ \$	<u>3.45</u>	per 1,000 Gallons.
Wholesale to City of Brownsville:		@ \$	<u>2.70</u>	per 1,000 Gallons.

If more than one rate, use additional sheets.

**XXIII. FORECAST OF SEWER USAGE - INCOME - EXISTING SYSTEM - EXISTING
USERS**

N/A

<i>Meter Size*</i>	<i>Monthly Sewer Usage</i>	<i>Average Rate</i>	<i>Residential</i>			<i>Non-Residential</i>		
			<i>No. of Users**</i>	<i>Usage (1000)</i>	<i>Income</i>	<i>No. of Users</i>	<i>Usage (1000)</i>	<i>Income</i>
	0 - 2,000 Gallons	1,000						
	2,000 - 3,000 Gallons	2,500						
	3,000 - 4,000 Gallons	3,500						
	4,000 - 5,000 Gallons	4,500						
	5,000 - 6,000 Gallons	5,500						
	6,000 - 7,000 Gallons	6,500						
	7,000 - 8,000 Gallons	7,500						
	8,000 - 9,000 Gallons	8,500						
	9,000 - 10,000 Gallons	9,500						
5/8	10,000 - 11,000 Gallons	10,500						
x	11,000 - 12,000 Gallons	11,500						
3/4	12,000 - 13,000 Gallons	12,500						
Inch	13,000 - 14,000 Gallons	13,500						
	14,000 - 15,000 Gallons	14,500						
	15,000 - 16,000 Gallons	15,500						
	16,000 - 17,000 Gallons	16,500						
	17,000 - 18,000 Gallons	17,500						
	18,000 - 19,000 Gallons	18,500						
	19,000 - 20,000 Gallons	19,500						
	- Gallons							
	- Gallons							
	- Gallons							
	<i>Sub-Total</i>		()	()	()	()	()	()
	<i>Average Monthly Rate</i>	()						
	<i>Average Monthly Usage</i>		()			()		

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
1-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()
	-	Gallons						
	-	Gallons						
1-1/2	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()
	-	Gallons						
	-	Gallons						
2-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()
	-	Gallons						
	-	Gallons						
3-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()
	-	Gallons						
	-	Gallons						
4-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
5-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<i>Sub-Total</i>		()	()	()	()	()
	-	Gallons						
	-	Gallons						
6-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		<i>Sub-Total</i>		()	()	()	()	()
		<i>TOTALS</i>		()	()	()	()	()

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

XXIV. FORECAST OF SEWER USAGE - INCOME - NEW USERS - EXTENSION ONLY

N/A

<i>Meter Size*</i>	<i>Monthly Sewer Usage</i>	<i>Average Rate</i>	<i>Residential</i>			<i>Non-Residential</i>		
			<i>No. of Users** (1000)</i>	<i>Usage (1000)</i>	<i>Income</i>	<i>No. of Users (1000)</i>	<i>Usage (1000)</i>	<i>Income</i>
	0 - 2,000 Gallons	1,000						
	2,000 - 3,000 Gallons	2,500						
	3,000 - 4,000 Gallons	3,500						
	4,000 - 5,000 Gallons	4,500						
	5,000 - 6,000 Gallons	5,500						
	6,000 - 7,000 Gallons	6,500						
	7,000 - 8,000 Gallons	7,500						
	8,000 - 9,000 Gallons	8,500						
	9,000 - 10,000 Gallons	9,500						
5/8	10,000 - 11,000 Gallons	10,500						
x	11,000 - 12,000 Gallons	11,500						
3/4	12,000 - 13,000 Gallons	12,500						
Inch	13,000 - 14,000 Gallons	13,500						
	14,000 - 15,000 Gallons	14,500						
	15,000 - 16,000 Gallons	15,500						
	16,000 - 17,000 Gallons	16,500						
	17,000 - 18,000 Gallons	17,500						
	18,000 - 19,000 Gallons	18,500						
	19,000 - 20,000 Gallons	19,500						
	- Gallons							
	- Gallons							
	- Gallons							
	<i>Sub-Total</i>		()	()	()	()	()	()
	<i>Average Monthly Rate</i> ()							
	<i>Average Monthly Usage</i>				()		()	

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
1- Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
1-1/2 Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
2- Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
3- Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
4- Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
5-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()
	-	Gallons						
	-	Gallons						
6-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()
		TOTALS		()	()	()	()	()

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

**XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS
SEE ATTACHED SHEET FOR SPREADSHEET**

Meter Size*	Monthly Sewer Usage	Average Rate	Residential		Non-Residential	
			No. of Users** (1000)	Usage Income (1000)	No. of Users (1000)	Usage Income (1000)
	0 - 2,000 Gallons	1,000				
	2,000 - 3,000 Gallons	2,500				
	3,000 - 4,000 Gallons	3,500				
	4,000 - 5,000 Gallons	4,500				
	5,000 - 6,000 Gallons	5,500				
	6,000 - 7,000 Gallons	6,500				
	7,000 - 8,000 Gallons	7,500				
	8,000 - 9,000 Gallons	8,500				
	9,000 - 10,000 Gallons	9,500				
5/8	10,000 - 11,000 Gallons	10,500				
x	11,000 - 12,000 Gallons	11,500				
3/4	12,000 - 13,000 Gallons	12,500				
Inch	13,000 - 14,000 Gallons	13,500				
	14,000 - 15,000 Gallons	14,500				
	15,000 - 16,000 Gallons	15,500				
	16,000 - 17,000 Gallons	16,500				
	17,000 - 18,000 Gallons	17,500				
	18,000 - 19,000 Gallons	18,500				
	19,000 - 20,000 Gallons	19,500				
	- Gallons					
	- Gallons					
	- Gallons					
		Sub-Total	()	()	()	()
		Average Monthly Rate ()				
		Average Monthly Usage		()		()

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

Existing Rate Schedule	
Water Rate	Min. (1500 gal.)@ \$11.50
	Next 6500 gals.@ \$4.35 per 1000
	Next 12000 gals.@ \$4.35 per 1000
	Next 5,000 gals @ \$4.35 per 1000
	All Over 25,000 gals @ \$3.45 per 1000
	Wholesale to Brownsville@ \$2.70 per 1000

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS(2007)

Meter Size	Monthly Water Usage	Average	Average Rate	Residential			Non-Residential		
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 1,500 Gallons	750	\$11.50	3560	2670	\$40,940.00	0	0	\$0.00
	1,500 - 2,000 Gallons	1,750	\$12.59	600	1050	\$7,552.50	0	0	\$0.00
	2,000 - 3,000 Gallons	2,500	\$15.85	1260	3150	\$19,971.00	0	0	\$0.00
	3,000 - 4,000 Gallons	3,500	\$20.20	1375	4812.5	\$27,775.00	1	3.5	\$20.20
	4,000 - 5,000 Gallons	4,500	\$24.55	810	3645	\$19,885.50	15	67.5	\$368.25
	5,000 - 6,000 Gallons	5,500	\$28.90	585	3217.5	\$16,906.50	1	5.5	\$28.90
	6,000 - 7,000 Gallons	6,500	\$33.25	390	2535	\$12,967.50	0	0	\$0.00
	7,000 - 8,000 Gallons	7,500	\$37.60	245	1837.5	\$9,212.00	0	0	\$0.00
	8,000 - 9,000 Gallons	8,500	\$41.95	162	1377	\$6,795.90	0	0	\$0.00
	9,000 - 10,000 Gallons	9,500	\$46.30	114	1083	\$5,278.20	0	0	\$0.00
5/8	10,000 - 11,000 Gallons	10,500	\$50.65	76	798	\$3,849.40	0	0	\$0.00
x	11,000 - 12,000 Gallons	11,500	\$55.00	50	575	\$2,750.00	4	46	\$220.00
3/4	12,000 - 13,000 Gallons	12,500	\$59.35	39	487.5	\$2,314.65	1	12.5	\$59.35
Inch	13,000 - 14,000 Gallons	13,500	\$63.70	30	405	\$1,911.00	1	13.5	\$63.70
	14,000 - 15,000 Gallons	14,500	\$68.05	18	261	\$1,224.90	5	72.5	\$340.25
	15,000 - 16,000 Gallons	15,500	\$72.40	17	263.5	\$1,230.80	1	15.5	\$72.40
	16,000 - 17,000 Gallons	16,500	\$76.75	15	247.5	\$1,151.25	0	0	\$0.00
	17,000 - 18,000 Gallons	17,500	\$81.10	16	280	\$1,297.60	0	0	\$0.00
	18,000 - 19,000 Gallons	18,500	\$85.45	10	185	\$854.50	0	0	\$0.00
	19,000 - 20,000 Gallons	19,500	\$89.80	18	351	\$1,616.40	0	0	\$0.00
	20,000 - 25,000 Gallons	22,500	\$102.85	15	337.5	\$1,542.75	0	0	\$0.00
	25,000 - 30,000 Gallons	27,500	\$122.35	12	330	\$1,468.20	3	82.5	\$367.05
	30,000 - 40,000 Gallons	35,000	\$148.23	12	420	\$1,778.70	3	105	\$444.68
	40,000 - 50,000 Gallons	44,000	\$179.28	9	396	\$1,613.48	0	0	\$0.00
	50,000 - 75,000 Gallons	60,000	\$234.48	7	420	\$1,641.33	5	300	\$1,172.38
	75,000 - 1,000,000 Gallons	275,000	\$976.23	0	0	\$0.00	14	3850	\$13,667.15
	Sub-Total			9445	31,135	\$193,529.05	54	4574	\$16,824.30
	Average Monthly Rate		\$22.14						
	Average Monthly Usage				3.30			84.70	
4-inch	City of Brownsville	Gallons	3,000,000	\$8,100.00			1	3000	\$8,100.00
	Sub-Total			9445	31,135	\$193,529.05	55	7574	\$24,924.30
	Total monthly Income					\$218,453.35			
	Total yearly Income					\$2,621,440.20			
	Total customers			9500					

Existing Rate Schedule		
Water Rate	Min. (1500 gal.)@	\$11.50
	Next 6500 gals.@	\$4.35 per 1000
	Next 12000 gals.@	\$4.35 per 1000
	Next 5,000 gals.@	\$4.35 per 1000
	All Over 25,000 gals.@	\$3.45 per 1000
	Wholesale to Brownsville@	\$2.70 per 1000

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING & NEW SYSTEM - EXISTING & NEW USERS(2008)

Meter Size	Monthly Water Usage	Average	Average Rate	Residential			Non-Residential			
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income	
	0 -	1,500 Gallons	750	\$11.50	3560	2670	\$40,940.00	0	0	\$0.00
	1,500 -	2,000 Gallons	1,750	\$12.59	600	1050	\$7,552.50	0	0	\$0.00
	2,000 -	3,000 Gallons	2,500	\$15.85	1274	3185	\$20,192.90	0	0	\$0.00
	3,000 -	4,000 Gallons	3,500	\$20.20	1425	4987.5	\$28,785.00	1	3.5	\$20.20
	4,000 -	5,000 Gallons	4,500	\$24.55	810	3645	\$19,885.50	15	67.5	\$368.25
	5,000 -	6,000 Gallons	5,500	\$28.90	585	3217.5	\$16,906.50	1	5.5	\$28.90
	6,000 -	7,000 Gallons	6,500	\$33.25	390	2535	\$12,967.50	0	0	\$0.00
	7,000 -	8,000 Gallons	7,500	\$37.60	245	1837.5	\$9,212.00	0	0	\$0.00
	8,000 -	9,000 Gallons	8,500	\$41.95	162	1377	\$6,795.90	0	0	\$0.00
	9,000 -	10,000 Gallons	9,500	\$46.30	114	1083	\$5,278.20	0	0	\$0.00
5/8	10,000 -	11,000 Gallons	10,500	\$50.65	76	798	\$3,849.40	0	0	\$0.00
x	11,000 -	12,000 Gallons	11,500	\$55.00	50	575	\$2,750.00	4	46	\$220.00
3/4	12,000 -	13,000 Gallons	12,500	\$59.35	39	487.5	\$2,314.65	1	12.5	\$59.35
Inch	13,000 -	14,000 Gallons	13,500	\$63.70	30	405	\$1,911.00	1	13.5	\$63.70
	14,000 -	15,000 Gallons	14,500	\$68.05	18	261	\$1,224.90	5	72.5	\$340.25
	15,000 -	16,000 Gallons	15,500	\$72.40	17	263.5	\$1,230.80	1	15.5	\$72.40
	16,000 -	17,000 Gallons	16,500	\$76.75	15	247.5	\$1,151.25	0	0	\$0.00
	17,000 -	18,000 Gallons	17,500	\$81.10	16	280	\$1,297.60	0	0	\$0.00
	18,000 -	19,000 Gallons	18,500	\$85.45	10	185	\$854.50	0	0	\$0.00
	19,000 -	20,000 Gallons	19,500	\$89.80	18	351	\$1,616.40	0	0	\$0.00
	20,000 -	25,000 Gallons	22,500	\$102.85	15	337.5	\$1,542.75	0	0	\$0.00
	25,000 -	30,000 Gallons	27,500	\$122.35	12	330	\$1,468.20	3	82.5	\$367.05
	30,000 -	40,000 Gallons	35,000	\$148.23	12	420	\$1,778.70	3	105	\$444.68
	40,000 -	50,000 Gallons	44,000	\$179.28	9	396	\$1,613.48	0	0	\$0.00
	50,000 -	75,000 Gallons	60,000	\$234.48	7	420	\$1,641.33	5	300	\$1,172.38
	75,000 -	1,000,000 Gallons	275,000	\$976.23	0	0	\$0.00	14	3850	\$13,667.15
		Sub-Total			9509	31,345	\$194,760.95	54	4574	\$16,824.30
		Average Monthly Rate		\$22.13						
		Average Monthly Usage				3.30			84.70	
4-inch	City of Brownsville	Gallons	3,000,000	\$8,100.00				1	3000	\$8,100.00
		Sub-Total			9509	31,345	\$194,760.95	55	7574	\$24,924.30
		Total monthly Income					\$219,685.25			
		Total yearly income					\$2,636,223.00			
		Total customers			9564					

	-	Gallons						
	-	Gallons						
1-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
1-1/2	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
2-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
3-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
4-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
5-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()
	-	Gallons						
	-	Gallons						
6-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()
		TOTALS		()	()	()	()	()

MULTI-FAMILY AND APARTMENT USER ANALYSIS N/A

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

XXVI. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY

Meter Size*	Monthly Sewer Usage	Average Rate	Residential			Non-Residential		
			No. of Users**	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 2,000 Gallons	1,000						
	2,000 - 3,000 Gallons	2,500						
	3,000 - 4,000 Gallons	3,500	<u>64</u>	<u>224.0</u>	<u>1293</u>			
	4,000 - 5,000 Gallons	4,500						
	5,000 - 6,000 Gallons	5,500						
	6,000 - 7,000 Gallons	6,500						
	7,000 - 8,000 Gallons	7,500						
	8,000 - 9,000 Gallons	8,500						
	9,000 - 10,000 Gallons	9,500						
5/8	10,000 - 11,000 Gallons	10,500						
x	11,000 - 12,000 Gallons	11,500						
3/4	12,000 - 13,000 Gallons	12,500						
Inch	13,000 - 14,000 Gallons	13,500						
	14,000 - 15,000 Gallons	14,500						
	15,000 - 16,000 Gallons	15,500						
	16,000 - 17,000 Gallons	16,500						
	17,000 - 18,000 Gallons	17,500						
	18,000 - 19,000 Gallons	18,500						
	19,000 - 20,000 Gallons	19,500						
	- Gallons							
	- Gallons							
	- Gallons							
	Sub-Total		<u>(64)</u>	<u>(224.0)</u>	<u>(1293)</u>	<u>()</u>	<u>()</u>	<u>()</u>
	Average Monthly Rate (<u>20.20</u>)							
	Average Monthly Usage			<u>(3500)</u>			<u>()</u>	

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

Existing Rate Schedule	
Water Rate	Min. (1500 gal.)@ \$11.50
	Next 6500 gals.@ \$4.35 per 1000
	Next 12000 gals.@ \$4.35 per 1000
	Next 5,000 gals.@ \$4.35 per 1000
	All Over 25,000 gals @ \$3.45 per 1000
	Wholesale to Brownsville@ \$2.70 per 1000

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS(2007)

Meter Size	Monthly Water Usage	Average	Average Rate	Residential			Non-Residential		
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 1,500 Gallons	750	\$11.50	0	0	\$0.00	0	0	\$0.00
	1,500 - 2,000 Gallons	1,750	\$12.59	0	0	\$0.00	0	0	\$0.00
	2,000 - 3,000 Gallons	2,500	\$15.85	0	0	\$0.00	0	0	\$0.00
	3,000 - 4,000 Gallons	3,500	\$20.20	64	224	\$1,292.80	0	0	\$0.00
	4,000 - 5,000 Gallons	4,500	\$24.55	0	0	\$0.00	0	0	\$0.00
	5,000 - 6,000 Gallons	5,500	\$28.90	0	0	\$0.00	0	0	\$0.00
	6,000 - 7,000 Gallons	6,500	\$33.25	0	0	\$0.00	0	0	\$0.00
	7,000 - 8,000 Gallons	7,500	\$37.60	0	0	\$0.00	0	0	\$0.00
	8,000 - 9,000 Gallons	8,500	\$41.95	0	0	\$0.00	0	0	\$0.00
	9,000 - 10,000 Gallons	9,500	\$46.30	0	0	\$0.00	0	0	\$0.00
5/8	10,000 - 11,000 Gallons	10,500	\$50.65	0	0	\$0.00	0	0	\$0.00
x	11,000 - 12,000 Gallons	11,500	\$55.00	0	0	\$0.00	0	0	\$0.00
3/4	12,000 - 13,000 Gallons	12,500	\$59.35	0	0	\$0.00	0	0	\$0.00
Inch	13,000 - 14,000 Gallons	13,500	\$63.70	0	0	\$0.00	0	0	\$0.00
	14,000 - 15,000 Gallons	14,500	\$68.05	0	0	\$0.00	0	0	\$0.00
	15,000 - 16,000 Gallons	15,500	\$72.40	0	0	\$0.00	0	0	\$0.00
	16,000 - 17,000 Gallons	16,500	\$76.75	0	0	\$0.00	0	0	\$0.00
	17,000 - 18,000 Gallons	17,500	\$81.10	0	0	\$0.00	0	0	\$0.00
	18,000 - 19,000 Gallons	18,500	\$85.45	0	0	\$0.00	0	0	\$0.00
	19,000 - 20,000 Gallons	19,500	\$89.80	0	0	\$0.00	0	0	\$0.00
	20,000 - 25,000 Gallons	22,500	\$102.85	0	0	\$0.00	0	0	\$0.00
	25,000 - 30,000 Gallons	27,500	\$122.35	0	0	\$0.00	0	0	\$0.00
	30,000 - 40,000 Gallons	35,000	\$148.23	0	0	\$0.00	0	0	\$0.00
	40,000 - 50,000 Gallons	44,000	\$179.28	0	0	\$0.00	0	0	\$0.00
	50,000 - 75,000 Gallons	60,000	\$234.48	0	0	\$0.00	0	0	\$0.00
	75,000 - 1,000,000 Gallons	275,000	\$976.23	0	0	\$0.00	0	0	\$0.00
	Sub-Total			64	224	\$1,292.80	0	0	\$0.00
	Average Monthly Rate		\$20.20						
	Average Monthly Usage				3.50			#DIV/0!	
4-inch	City of Brownsville	Gallons	3,000,000				0	0	\$0.00
	Sub-Total			64	224	\$1,292.80	0	0	\$0.00
	Total monthly Income					\$1,292.80			
	Total yearly Income					\$15,513.60			
	Total customers			64					

~~(22)~~ (25)

	-	Gallons						
	-	Gallons						
1-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
1-1/2	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
2-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
3-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()

	-	Gallons						
	-	Gallons						
4-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
	-	Sub-Total		()	()	()	()	()

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	-	Gallons						
	-	Gallons						
5-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()
	-	Gallons						
	-	Gallons						
6-	-	Gallons						
Inch	-	Gallons						
	-	Gallons						
	-	Gallons						
		Sub-Total		()	()	()	()	()
		TOTALS		()	()	()	()	()

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

XXVII. CURRENT OPERATING BUDGET - (SEWER SYSTEM) N/A
(As of the last full operating year.)

A. Operating Income:

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
Total Operating Income	\$ _____

B. Operation and Maintenance Expenses:

*(Based on Uniform System of Accounts prescribed by National Association of
Regulatory Utility Commissioners)*

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
Total Operating and Maintenance Expenses	\$ _____
Net Operating Income	\$ _____

C. Non-Operating Income:

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
Total Non-Operating Income	\$ _____

D. Net Income \$ _____

E. Debt Repayment:

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
Total Debt Repayment	\$ _____

F. Balance Available for Coverage \$ _____

**XXVIII. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - EXISTING SYSTEM
AND NEW USERS (1st Full Year of Operation) Year Ending** _____

N/A

A. Operating Income:

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
<i>Total Operating Income</i>	\$ _____

B. Operation and Maintenance Expenses:

*(Based on Uniform System of Accounts prescribed by National Association of
Regulatory Utility Commissioners)*

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
<i>Total Operating and Maintenance Expenses</i>	\$ _____
<i>Net Operating Income</i>	\$ _____

C. Non-Operating Income:

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
<i>Total Non-Operating Income</i>	\$ _____

D. Net Income \$ _____

E. Debt Repayment:

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
<i>Total Debt Repayment</i>	\$ _____

F. Balance Available for Coverage \$ _____

XXIX. PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - NEW USERS - N/A
EXTENSION ONLY (1st Full Year of Operation) Year Ending _____

A. Operating Income:

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
<i>Total Operating Income</i>	\$ _____

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
<i>Total Operating and Maintenance Expenses</i>	\$ _____
<i>Net Operating Income</i>	\$ _____

C. Non-Operating Income:

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
<i>Total Non-Operating Income</i>	\$ _____

D. Net Income

\$ _____

E. Debt Repayment:

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
<i>Total Debt Repayment</i>	\$ _____

F. Balance Available for Coverage

\$ _____

XXX. CURRENT OPERATING BUDGET - (WATER SYSTEM)
 (As of the last full operating year.) Based on 2006 Audit Report

A. Operating Income:

Water Sales	\$ <u>2,256,126</u>
Disconnect/Reconnect/Late Charge Fees	<u>49,971</u>
Other (Describe)-Service Fees	<u>31,196</u>
Less Allowances and Deductions - Taxes	(<u>52,576</u>)
Total Operating Income	\$ <u>2,284,717</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	\$ <u>2,000</u>
Pumping Expense	<u> </u>
Water Treatment Expense	<u>435,716</u>
Transmission and Distribution Expense	<u>337,828</u>
Customer Accounts Expense	<u>278,596</u>
Administrative and General Expense	<u>263,952</u>
Total Operating Expenses	\$ <u>1,318,092</u>
Net Operating Income	\$ <u>966,625</u>

C. Non-Operating Income:

Interest on Deposits	\$ <u>119,108</u>
Other (Identify)	<u> </u>
Total Non-Operating Income	\$ <u>119,108</u>

D. Net Income \$ 1,085,733

E. Debt Repayment:

RUS Interest	\$ <u>294,814</u>
RUS Principal	<u>123,300</u>
Non-RUS Interest	<u>202,352</u>
Non-RUS Principal	<u>157,300</u>
Total Debt Repayment	\$ <u>777,766</u>

F. Balance Available for Coverage \$ 307,967

XXXI. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING SYSTEM AND NEW USERS (1st Full Year of Operation) Year Ending 2008

A. Operating Income:

Water Sales	\$ <u>2,636,223</u>
Disconnect/Reconnect/Late Charge Fees	<u>60,000</u>
Other (Describe) – Installation Fees	<u>10,000</u>
Less Allowances and Deductions - Taxes	(<u>70,000</u>)
Total Operating Income	\$ <u>2,636,223</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	\$ <u>2,000</u>
Pumping Expense	<u> </u>
Water Treatment Expense	<u>480,000</u>
Transmission and Distribution Expense	<u>380,000</u>
Customer Accounts Expense	<u>313,000</u>
Administrative and General Expense	<u>314,000</u>
Total Operating Expenses	\$ <u>1,489,000</u>
Net Operating Income	\$ <u>1,147,223</u>

C. Non-Operating Income:

Interest on Deposits	\$ <u>50,000</u>
Other (Identify)	<u> </u>
Total Non-Operating Income	\$ <u>50,000</u>

D. Net Income

\$ 1,197,223

E. Debt Repayment: **(Note: includes RUS interest payment on assumed \$1,204,265 loan for proposed project)**

RUS Interest	\$ <u>416,800</u>
RUS Principal	<u>149,400</u>
Non-RUS Interest	<u>188,800</u>
Non-RUS Principal	<u>242,000</u>
Total Debt Repayment	\$ <u>997,000</u>

F. Balance Available for Coverage

\$ 200,223

XXXII. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - NEW USERS -
EXTENSION ONLY (1st Full Year of Operation) Year Ending 2008

A. Operating Income:

Water Sales	\$ <u>15,514</u>
Disconnect/Reconnect/Late Charge Fees	<u> </u>
Other (Describe)	<u> </u>
Less Allowances and Deductions	<u>()</u>
Total Operating Income	\$ <u>15,514</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of
Regulatory Utility Commissioners)

Source of Supply Expense	\$ <u> </u>
Pumping Expense	<u> </u>
Water Treatment Expense	<u>3,400</u>
Transmission and Distribution Expense	<u>1,000</u>
Customer Accounts Expense	<u>600</u>
Administrative and General Expense	<u>600</u>
Total Operating Expenses	\$ <u>5,600</u>
Net Operating Income	\$ <u>9,914</u>

C. Non-Operating Income:

Interest on Deposits	\$ <u> </u>
Other (Identify)	<u> </u>
Total Non-Operating Income	\$ <u> </u>

D. Net Income

\$ 9,914

E. Debt Repayment: Based on \$1,204,265 loan

RUS Interest	\$ <u>54,192</u>
RUS Principal	<u>0 (2 years)</u>
Non-RUS Interest	<u> </u>
Non-RUS Principal	<u> </u>
Total Debt Repayment	\$ <u>54,192</u>

F. Balance Available for Coverage

\$ (-44,278)

XXXIII. ESTIMATED PROJECT COST – SEWER N/A
(Round to nearest \$100)

	<u>Collection</u>	<u>Treatment</u>	<u>Total</u>
<i>Development</i>	_____	_____	_____
<i>Land and Rights</i>	_____	_____	_____
<i>Legal</i>	_____	_____	_____
<i>Engineering</i>	_____	_____	_____
<i>Interest</i>	_____	_____	_____
<i>Contingencies</i>	_____	_____	_____
<i>Initial Operating and Maintenance</i>	_____	_____	_____
<i>Other</i>	_____	_____	_____
TOTAL	_____	_____	_____

XXXIV. PROPOSED PROJECT FUNDING – SEWER N/A

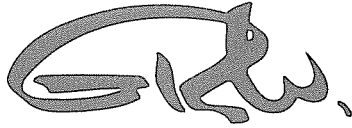
	<u>Collection</u>	<u>Treatment</u>	<u>Total</u>
<i>Applicant - User Contribution Fees</i>	_____	_____	_____
<i>Other - Applicant Contribution</i>	_____	_____	_____
<i>RUS Loan</i>	_____	_____	_____
<i>RUS Grant</i>	_____	_____	_____
<i>ARC Grant (If applicable)</i>	_____	_____	_____
<i>CDBG (If applicable)</i>	_____	_____	_____
<i>Other (Specify)</i>	_____	_____	_____
<i>Other (Specify)</i>	_____	_____	_____

XXXV. ESTIMATED PROJECT COST - WATER

Development	\$ <u>2,649,447</u>
Land and Rights	<u>25,000</u>
Legal and Administrative	<u>36,000</u>
Engineering	<u>326,000</u>
Interest	<u>60,000</u>
Contingencies	<u>267,553</u>
Initial Operating and Maintenance	<u> </u>
Other – Geotechnical & Environmental Surveys (if required)	<u>16,000</u>
TOTAL	\$ <u>3,380,000</u>

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	\$ <u>15,200</u>
Other Applicant Contribution	<u> </u>
RUS Loan	<u>1,204,265</u>
RUS Grant	<u>950,000</u>
ARC Grant (If applicable)	<u> </u>
CDBG (If applicable)	<u> </u>
Other (Specify) KIA (KY State Legislature)	<u>1,210,535</u>
Other (Specify)	<u> </u>
TOTAL	\$ <u>3,380,000</u>



404 BNA Drive
 Suite 201
 Nashville, TN 37217
 Tel 615 / 366-1600
 Fax 615 / 366-0406

Engineering
 Architecture
 Planning
 GIS
 Aviation Consultants

Arlington, TX
 Chattanooga, TN
 Cincinnati, OH
 Columbus, OH
 Indianapolis, IN
 Knoxville, TN
 Lexington, KY
 Louisville, KY

GRW Engineers, Inc.

FINAL ENGINEERING REPORT
EDMONSON COUNTY WATER DISTRICT
2007 RD/KIA WATER SYSTEM IMPROVEMENTS
DECEMBER 2008

Total Construction - Bids Received 12/18/08:	\$2,369,005
Contract W08-01 (Lines): \$892,005.30	
Contract W08-02 (250,000 Gallon Tank): \$836,000.00	
Contract W08-03 (100,000 Gallon Tank): \$641,000.00	
Repaint Exterior of Ex. Cedar Springs Tank:	\$120,000
Repaint Exterior of Ex. Peary Tank:	\$75,000
Electrical Service (payments to Power Company):	\$25,000
Telemetry Upgrade to Existing Equipment):	\$120,000
Land & Rights:	\$25,000
KIA Grant Administration Fee:	\$6,100
Legal & Administrative:	\$30,000
Advertising, etc.: \$4,000	
Bond Counsel: \$17,000	
Local Counsel: \$9,000	
Engineering:	\$320,338
Preliminary Engineering: \$5,000	
Easement/Property Owners Identification: \$4,000	
PSC Related: \$4,000	
Hydraulic Analysis Update: \$6,000	
Design: \$177,439	
Inspection: \$123,899	
Geotechnical Investigation:	\$8,000
Interest During Construction:	\$60,000
Contingencies:	<u>\$221,557</u>
TOTAL PROJECT COSTS:	\$3,380,000

Financing:	
RUS Loan:	\$1,511,000
RUS Grant:	\$644,000
KIA:	\$1,209,800
Applicant Contribution:	<u>\$15,200</u>
TOTAL:	\$3,380,000

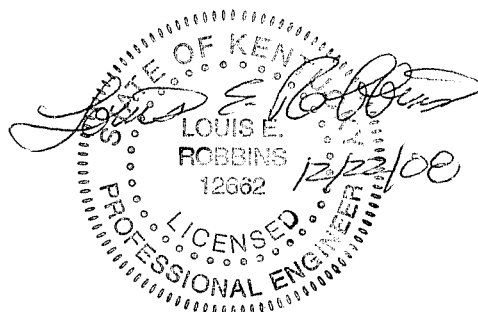


Exhibit B



**United States Department of Agriculture
Rural Development
Kentucky State Office**

December 30, 2008

SUBJECT: Edmonson Co. Water District
2007 Water System Improvements
Contract Award Concurrence

TO: Area Director
Bowling Green, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract to the low bidder on Contract 1, Horsley Construction, Inc., in the amount of \$892,005.30; the low bidder on Contract 2, Caldwell Tanks, in the amount of 836,000.00; and the low bidder on Contract 3, Caldwell Tanks, in the amount of \$641,000.00.

If you have any questions, please contact Julie Anderson, State Engineer, at (859) 224-7348.


KENNETH SLONE
State Director
Rural Development

cc: Stoll, Keenon & Ogden, PLLC
Louisville, Kentucky

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7300 • Fax: (859) 224-7425 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

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"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

Exhibit C

NOTICE OF ADJUSTMENT OF WATER RATES

Edmonson County Water District
Edmonson, Warren, Grayson and Hart Counties, Kentucky

Notice is hereby given that, pursuant to an application filed or to be filed with the Public Service Commission of Kentucky under KRS 278.023 by the Edmonson County Water District (the "District"), the District proposes to adjust its monthly water service rates and charges as follows:

<u>Present Rates</u>		<u>Proposed Rates</u>	
First 1,500 gallons	\$ 11.50 minimum	First 1,500 gallons	\$ 12.00 minimum
Next 23,500 gallons	4.35 per 1,000 gallons	All over 1,500 gallons	\$ 4.50 per 1,000 gallons
All over 25,000 gallons	3.45 per 1,000 gallons		
Wholesale to City of Brownsville	2.70 per 1,000 gallons	Wholesale to City of Brownsville	2.70 per 1,000 gallons (no change)

By use of federal loan and grant proceeds and local funds, the District plans to construct and install new water lines and facilities to improve service to existing customers and serve approximately 64 new customers, including approximately 86,000 linear feet of water lines and associated improvements, two new elevated water storage tanks and replacement or upgrade of four water booster pump stations.

EDMONSON COUNTY WATER DISTRICT
Nelson Sanders, Manager
Edmonson County Water District
1128 Highway 259 North
Brownsville, Kentucky 42210
(270) 597-2165

THE GULET
~~LEADER~~
EDMONSON NEWS

Member: Kentucky Press Association
National Newspaper Association

P.O. Box 69
BROWNSVILLE, KENTUCKY 42210
270-597-3115
Fax 270-597-3115

AFFIDAVIT

I, Catherine Canty, of the Edmonson News, published in Brownsville, Kentucky
do hereby certify that the advertisement pertaining to Notice of Adjustment of Water Rates
was run in the Edmonson News on the following dates: 1-15-09

Signed: Catherine Canty

Publisher

Subscribed and sworn before me by Charlotte Stice, this the
16th day of Jan., 2009.

Notary Public:

My commission expires: May 4, 2011

NOTICE OF ADJUSTMENT OF WATER RATES

Edmonson County Water District Edmonson, Warren, Grayson and Hart Counties, Kentucky

Notice is hereby given that, pursuant to an application filed or to be filed with the Public Service Commission of Kentucky under KRS 278.023 by the Edmonson County Water District (the "District"), the District proposes to adjust its monthly water service rates and charges as follows:

Present Rates		Proposed Rates	
First 1,500 gallons	\$ 11.50 minimum	First 1,500 gallons	\$ 12.00 minimum
Next 23, 500 gallons	4.35 per 1,000 gallons	All over 1,500 gallons	\$ 4.50 per 1,000 gallons
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EDMONSON COUNTY WATER DISTRICT
Nelson Sanders, Manager
Edmonson County Water District
1128 Highway 259 North
Brownsville, Kentucky 42210
(270) 597-2165

The Record
209 C West White Oak Street
Leitchfield, KY 42754
270-259-6061

**AFFIDAVIT
PROOF OF PUBLICATION**

I, Michelle Chino do hereby certify that I hold
the position of Bookkeeper with
The Record, 209 C West White Oak Street, Leitchfield,
KY 42754, and in such position have the responsibility
of publication of display advertising in said newspaper
and that the attached advertisement has been published
in all editions of said newspaper on 1/08/09.

Public Notice
(Title)

Subscribed and sworn before me in my presence, this
the 20th day of January 2009.

DeAnna J. Lesley
(Notary Public)

My commission expires October 31st 2009.

The Record, Grayson County, Kentucky

Thursday, January 15, 2009

NOTICE OF ADJUSTMENT OF WATER RATES

Edmonson County Water District

Edmonson, Warren, Grayson and Hart Counties, Kentucky

Notice is hereby given that, pursuant to an application filed or to be filed with the Public Service Commission of Kentucky under KRS 278.023 by the Edmonson County Water District (the "District"), the District proposes to adjust its monthly water service rates and charges as follows:

PRESENT RATES

First 1,500 gallons.....\$11.50 minimum
Next 23,500 gallons.....\$4.35 per 1,000 gallons
All over 25,000 gallons.....\$3.45 per 1,000 gallons
Wholesale to City of Brownsville.....\$2.70 per 1,000 gallons

PROPOSED RATES

First 1,500 gallons.....\$12.00 minimum
All over 1,500 gallons.....\$4.50 per 1,000 gallons
Wholesale to City of Brownsville.....\$2.70 per 1,000 gallons
(no change)

By use of federal loan and grant proceeds and local funds, the District plans to construct and install new water lines and facilities to improve service to existing customers and serve approximately 64 new customers, including approximately 86,000 linear feet of water lines and associated improvements, two new elevated water storage tanks and replacement or upgrade of four water booster pump stations.

EDMONSON COUNTY WATER DISTRICT

Nelson Sanders, Manager

Edmonson County Water District

1128 Highway 259 North

Brownsville, Kentucky 42210

(270) 597-2165

AFFIDAVIT

This is to certify that the 15 day of January,
2009 an ad for Edmonson Co Water
District

was published in the regular edition of the Hart Co News
Herald, a newspaper published for general
circulation in the City of Hertie Cave Hart
County and adjoining counties.

Pam Wright

COMMONWEALTH OF KENTUCKY

County of Hart

The foregoing was subscribed and sworn to before me by _____
Pam Wright on this 16 day of January
_____ in 2009.

Kevin Logan
Notary Public, Kentucky, State-At-Large
My commission expires: 02-09-11

THE HART COUNTY
NEWS-HERALD

January 15, 2009

**NOTICE OF ADJUSTMENT
OF WATER RATES**

**Edmonson County Water District
Edmonson, Warren, Grayson and Hart
Counties, Kentucky**

Notice is hereby given that, pursuant to an application filed or to be filed with the Public Service Commission of Kentucky under KRS 278.023 by the Edmonson County Water District (the "District"), the District proposes to adjust its monthly water service rates and charges as follows:

Present Rates

First 1,500 gallons	\$	11.50 minimum
Next 23,500 gallons		4.35 per 1,000 gallons
All over 25,000 gallons		3.45 per 1,000 gallons
Wholesale to City of Brownsville		2.70 per 1,000 gallons

Proposed Rates

First 1,500 gallons	\$	12.00 minimum
All over 1,500 gallons	\$	4.50 per 1,000 gallons
Wholesale to City of Brownsville		2.70 per 1,000 gallons (no change)

By use of federal loan and grant proceeds and local funds, the District plans to construct and install new water lines and facilities to improve service to existing customers and serve approximately 64 new customers, including approximately 86,000 linear feet of water lines and associated improvements, two new elevated water storage tanks and replacement or upgrade of four water booster pump stations.

**EDMONSON COUNTY
WATER DISTRICT**

Nelson Sanders, Manager
Edmonson County Water District
1128 Highway 259 North
Brownsville, Kentucky 42210
(270) 597-2165

DAILY NEWS



813 College St.

P.O. Box 90012

Bowling Green, KY 42102-9012

AFFIDAVIT OF PUBLICATION

Stoll Keenon Ogden LLC.
Attn: Bill Davis
2000 PNC Plaza
500 W. Jefferson St.
Louisville, KY 40202

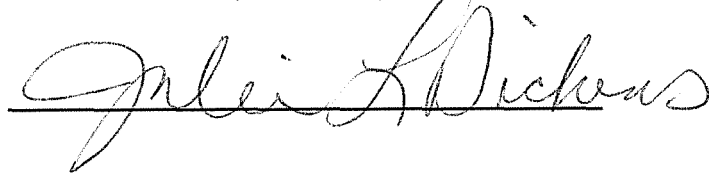
Re: VERIFICATION OF INSERTION

To Whom It May Concern:

This is to certify that on Thursday, January 15, 2009, a legal publication for a **NOTICE OF ADJUSTMENT OF WATER RATES** ran in the Daily News, a newspaper in and for the county of Warren, city of Bowling Green, state of Kentucky.

I further certify that all of the foregoing facts are true on such date aforesaid.

Dated this 15th day of January, 2009.



Subscribed and sworn to before me this 15th day of January, 2009.
My Commission Expires: June 14, 2011


Notary Public, KY State-At-Large

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The Number One Radio Voices of the Daily News

NOTICE OF ADJUSTMENT OF WATER RATES

Edmonson County Water District Edmonson, Warren, Grayson & Hart Counties, Kentucky

Notice is hereby given that, pursuant to an application filed or to be filed with the Public Service Commission of Kentucky under KRS 278.023 by the Edmonson County Water District (the "District"), the District proposes to adjust its monthly water service rates and charges as follows.

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All over 25,000 gallons	\$3.45 per 1,000 gallons		
Wholesale to		Wholesale to	
City of Brownsville	\$2.70 per 1,000 gallons	City of Brownsville	\$2.70 per 1,000 gallons (no change)

By use of federal loan and grant proceeds and local funds, the District plans to construct and install new water lines and facilities to improve service to existing customers and serve approximately 64 new customers, including approximately 86,000 linear feet of water lines and associated improvements, two new elevated water storage tanks and replacement or upgrade of four water booster pump stations.

EDMONSON COUNTY WATER DISTRICT
Nelson Sanders, Manager
Edmonson County Water District
1128 Highway 259 North
Brownsville, Kentucky 42210
(270) 597-2165

Stoll, Keenan, Ogden



**United States Department of Agriculture
Rural Development
Kentucky State Office**

March 13, 2008

Mr. Jimmy Mills, Chairman
Edmonson County Water District
P.O. Box 208
Brownsville, Kentucky 42210

Dear Mr. Mills:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area office staff of USDA Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. It should also be understood that Rural Development is under no obligation to provide additional funds to meet an overrun in construction costs.

This letter is not to be considered as loan and grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$1,511,000; a RUS grant not to exceed \$644,000; and a Kentucky Infrastructure Authority (KIA) grant in the amount of \$1,209,800.

If Rural Development makes the loan, the interest rate will be the lower of the rate in effect at the time of loan approval or the rate in effect at the time of loan closing, unless the applicant otherwise chooses. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application.

The "Letter of Intent to Meet Conditions" must be executed within three weeks from the date of this letter or it becomes invalid unless a time extension is granted by Rural Development.

If the conditions set forth in this letter are not met within 240 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

In signing Form RD 1942-46, "Letter of Intent to Meet Conditions," you are agreeing to complete the following as expeditiously as possible:

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7336 • Fax: (859) 224-7444 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights,
1400 Independence Avenue, SW, Washington, DC 20250-9410
or call (800) 795-3272 (voice) or (202) 720-6382 (TDD)

Exhibit E

1. Number of Users and Their Contribution:

There shall be 9,563 water users, of which 9,499 are existing users and 64 are new users contributing \$15,200 in connection fees toward the cost of the project. The connection fees will be collected prior to advertising for construction bids and will be placed in the construction account at loan pre-closing, unless spent for authorized purposes prior to loan pre-closing. The Area Director will review and authenticate the number of users and amount of connection fees prior to advertising for construction bids.

2. Grant Agreement:

Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," for your review. You will be required to execute a completed form at the time of grant closing.

3. Drug-Free Work Place:

Prior to grant closing, the District will be required to execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals."

4. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the Bond. Principal payment will not be deferred for a period in excess of two years from the date of the Bond. Payments will be in accordance with applicable KRS, which requires interest to be paid semi-annually (January 1st and July 1st) and principal will be due on or before the first of January. Rural Development may require the District to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the bond is held or insured by RUS. Monthly payments will be approximate amortized installments.

5. Recommended Repayment Method:

Payments on this loan shall be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form SF 5510, "Authorization Agreement for Preauthorized Payments," should be signed by the District to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Area Director will furnish the necessary forms and further guidance on the PAD procedure.

6. Reserve Accounts:

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance, pay for repairs, and assist with debt service should the need arise.

The District will be required to deposit \$690 per month into a "Funded Depreciation Reserve Account" until the account reaches \$82,800. The deposits are to be resumed any time the account falls below the \$82,800.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the District's prior bond resolutions.

The monthly deposits to the Reserve Account are required to commence with the first month of the first full fiscal year after the facility becomes operational.

The District also needs to fund an account for short-lived assets by depositing a sum of \$680 monthly into the account. The funds in the short-lived asset account may be used by the District as needed to replace or add short-lived assets in the District's water system.

7. Security Requirements:

A pledge of gross water revenue will be provided in the Bond Resolution. Bonds shall rank on a parity with existing bonds, if possible.

If this is not possible, the bond will be subordinate and junior to the existing bonds, in which case the District will be required to abrogate its right to issue additional bonds ranking on a parity with the existing bonds, so long as any unpaid indebtedness remains on this bond issue.

8. Land Rights and Real Property:

The District will be required to furnish satisfactory title, easements, etc., necessary to install, maintain and operate the facility to serve the intended users. The pipelines will be on private rights-of-way where feasible. Easements and options are to be secured prior to advertising for construction bids.

9. Organization:

The District will be legally organized under applicable KRS which will permit them to perform this service, borrow and repay money.

10. Business Operations:

The District will be required to operate the system under a well-established set of resolutions, rules and regulations. A budget must be established annually and adopted by the District after review by Rural Development. At no later than loan pre-closing, the District will be required to furnish a prior approved management plan to include, as a minimum, provisions for management, maintenance, meter reading, miscellaneous services, billing, collecting, delayed payment penalties, disconnect/reconnect fees, bookkeeping, making and delivering required reports and audits.

11. Accounts, Records and Audits:

The District will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits) in accordance with subsection 1780.47 of RUS Instruction 1780.

The enclosed audit booklet will be used as a guide for preparation of audits. The District shall be required to submit a copy of its audit agreement for review and concurrence by Rural Development prior to pre-closing the loan.

12. Accomplish Audits for Years in Which Federal Financial Assistance is Received:

The District will accomplish audits in accordance with OMB Circular A-133, during the years in which federal funds are received. The District will provide copies of the audits to the Area Office and the appropriate Federal cognizant agency as designated by OMB Circular A-133.

13. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the District. The District should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The District will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$599,000.
- D. Real Property Insurance - The District will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the District from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The District will obtain and maintain adequate coverage on any facilities located in a special flood and mudslide prone areas.

14. Planning and Performing Development:

- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "24" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 days from this date, and prepare bid documents. The Area Director is prepared to furnish the necessary guide to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.

B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:

1. Final plans, specifications and bid documents.
2. Applicant's letter on efforts to encourage small business and minority-owned business participation.
3. Legal Service Agreements.
4. Engineering Agreements.

Revision in these documents will be subject to Rural Development concurrence. Any agreements, contracts, etc. not reviewed and approved by Rural Development will not be eligible for payment from project funds or revenues from facilities financed by this Agency.

Prior to receipt of an authorization to advertise for construction bids, the District will obtain advance clearance from Bond Counsel regarding compliance with KRS 424 pertaining to publishing of the advertisement for construction bids in local newspapers and the period of time the notice is required to be published.

15. Civil Rights & Equal Opportunity:

You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

A. Section 504 of the Rehabilitation Act of 1973:

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

B. Civil Rights Act of 1964:

All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this Title.

C. The Americans with Disabilities Act (ADA) of 1990:

This Act (42 U.S.C. 12101 *et seq.*) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

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

Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

16. Closing Instructions:

The Office of General Counsel, our Regional Attorney, will be required to write closing instructions in connection with this loan. Conditions listed therein must be met by the District.

17. Compliance with Special Laws and Regulations:

The District will be required to conform to any and all state and local laws and regulations affecting this type project.

18. Treatment Plant and System Operator:

The District is reminded that the treatment plant and system operator must have an Operator's Certificate issued by the State.

19. Prior to Pre-Closing the Loan, the District Will Be Required to Adopt:

- A. Form RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)."
- B. Form RD 400-1, "Equal Opportunity Agreement."
- C. Form RD 400-4, "Assurance Agreement."
- D. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- E. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- F. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."
- G. RUS Bulletin 1780-22, "Eligibility Certification."

20. Refinancing and Graduation Requirements:

The District is reminded that if at any time it shall appear to the Government that the District is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the request of the Government, the District will apply for and accept such loan in sufficient amount to repay the Government.

21. Commercial Interim Financing:

The District will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the District will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

22. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the District prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

For each "construction account" as established, if the amount of RUS loan and grant funds plus any applicant contributions or funds from other sources to be deposited into the account are expected to exceed \$100,000 at any time, the financial institution will secure the amount in excess of \$100,000 by pledging collateral with the Federal Reserve Bank in an amount not less than the excess in accordance with 7 CFR, 1902.7(a).

During construction, the District shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the District, the Board of Directors shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the District.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing _____," will be prepared by the District and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

Borrowers receiving federal loan and/or grant funds by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

Monthly audits of the District's construction account records shall be made by Rural Development.

23. Disbursement of Grant Funds:

The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of obligations due and payable by the District. Grant funds, upon receipt, must be deposited in an interest bearing account in accordance with 7 CFR part 3016 (as applicable). Interest earned on grant funds in excess of \$100 (as applicable) per year will be submitted to RUS at least quarterly.

24. Cost of Facility:

Breakdown of Costs:

Development	\$ 2,652,000
Land and Rights	25,000
Legal and Administrative	36,000
Engineering	326,000
Interest	60,000
Environmental Tests/Surveys	16,000
Contingencies	<u>265,000</u>
TOTAL	\$ 3,380,000

Financing:

RUS Loan	\$ 1,511,000
RUS Grant	644,000
KIA Grant	1,209,800
Connection Fees	<u>15,200</u>
TOTAL	\$ 3,380,000

25. Commitment of Other Project Funds:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the KIA grant in the amount of 1,209,800.

26. Use of Remaining Project Funds:

The connection fees shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS/KIA grant funds and refunded in proportion to participation in the project. If the amount of unused project funds exceeds the grants, that part would be RUS loan funds.

27. Proposed Operating Budget:

You will be required to submit to Rural Development a copy of your proposed annual operating budget that supports the proposed loan repayment prior to this agency giving you written authorization to proceed with the bidding phase. The operating budget should be based on a typical year cash flow, subject to completion of this project in the first full year of operation. Form RD 442-7, "Operating Budget," or similar form may be utilized for this purpose.

28. Rates and Charges:

Rates and charges for facilities and services rendered by the District must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

First	1,500 gallons @ \$	12.00 - Minimum Bill.
All Over	1,500 gallons @ \$	4.50 - per 1,000 gallons.

29. Compliance with the Bioterrorism Act:

Prior to pre-closing the loan, the District will provide a certification they have completed a Vulnerability Assessment (VA) and prepared an emergency response plan (ERP) as required by the Safe Drinking Water Act (SDWA).

30. Floodplain Construction:

The District will be required to pass and adopt a Resolution or amend its By-Laws whereby the District will deny any water service to any future customer wishing to build on or develop property located within a designated floodplain. If a customer or developer requests service for construction in a designated floodplain, the customer or developer must provide evidence and a justification for approval by the District and Rural Development officials that there are no other alternatives to construction or development within the designated floodplain. The community must be a participant in the National Flood Insurance Program (NFIP) and the customer or developer must obtain the required permits prior to the tap on restrictions being waived.

31. Water Withdrawal Permit:

The District will be required to obtain satisfactory evidence that a revised water withdrawal permit has been secured from the Division of Water. The permit must be obtained prior to the commencement of construction on the water project.

32. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Governor's Office for Local Development letter dated August 29, 2007, from Ms. Lee Nalley.
- B. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without effect after construction is complete. The *Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.*
- C. Any excavation by Contractor that uncovers a historical or archaeological artifact shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the State Historic Preservation Officer (SHPO).

- D. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.

33. Final Approval Conditions:

Final approval of this assistance will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

If you desire to proceed with your application, the Area Director will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,


KENNETH SLONE
State Director

Enclosures

cc: Area Director - Columbia Kentucky
Barren River ADD – Bowling Green, Kentucky
✓ Stoll, Keenon, Ogden - Louisville, Kentucky
Robert D. Meredith - Leitchfield, Kentucky
GRW Engineers, Inc. - Nashville, Tennessee
PSC - ATTN: Bob Amato - Frankfort, Kentucky



United States Department of Agriculture
Rural Development
Kentucky State Office

May 27, 2008

Attn: William W. Davis
Stoll Keenon Ogden
1700 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202-2874

Re: Edmonson County Water District
\$1,511,000 Bond Issue

Dear Mr. Davis:

We are enclosing the Maturity Schedule for the referenced Bond Issue. The required deposits to the Funded Depreciation Reserve Account are \$690 per month with a required level of \$82,800. The Rural Development loan of \$1,511,000 was approved at an interest rate of 4.375%.

We are attempting to obtain the Regional Attorney's Closing Instructions at an earlier date in an effort to avoid delays in scheduling bond sales and pre-closing. Hopefully, you will be able to draft the bond authorizing documents at such a time to coincide with the Advertisement for Construction Bids. We plan to request Closing Instructions at the same time we authorize the District to advertise for construction bids.

Please provide this office with one copy of the proposed documents and forward one copy to the Rural Development Area Office.

Please let us know if you have any questions.

Sincerely,


KENNETH SLONE
State Director

Enclosure

cc: Area Director - Columbia, Kentucky
GRW Engineers – Nashville, Tennessee

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7336 • Fax: (859) 224-7444 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities

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1400 Independence Avenue, SW, Washington, DC 20250-9410
or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).



BOND SCHEDULE, 5/27/2008

Name of Borrower: Edmonson County Water District			
Amount of Loan	1511000	Annual Interest Rate	0.04375
Number of Initial Interest Only Payments	2	Number of principal and/or Interest Payments	40
Payment Frequency	Annual	This is a split payment bond.	false
Principal Payment Units	500	Interest Payment Units	1

YEAR	PERIOD	NUMBER	PAYMENT	INTEREST	PRINCIPAL	BALANCE
2009	1	1	66107	66107	0	1511000
2010	1	2	66107	66107	0	1511000
2011	1	3	82107	66107	16000	1495000
2012	1	4	82407	65407	17000	1478000
2013	1	5	82163	64663	17500	1460500
2014	1	6	82397	63897	18500	1442000
2015	1	7	82088	63088	19000	1423000
2016	1	8	82257	62257	20000	1403000
2017	1	9	82382	61382	21000	1382000
2018	1	10	82463	60463	22000	1360000
2019	1	11	82500	59500	23000	1337000
2020	1	12	82494	58494	24000	1313000
2021	1	13	82444	57444	25000	1288000
2022	1	14	82350	56350	26000	1262000
2023	1	15	82213	55213	27000	1235000
2024	1	16	82032	54032	28000	1207000
2025	1	17	82307	52807	29500	1177500
2026	1	18	82516	51516	31000	1146500
2027	1	19	82160	50160	32000	1114500
2028	1	20	82260	48760	33500	1081000
2029	1	21	82294	47294	35000	1046000
2030	1	22	82263	45763	36500	1009500
2031	1	23	82166	44166	38000	971500
2032	1	24	82504	42504	40000	931500
2033	1	25	82254	40754	41500	890000
2034	1	26	82438	38938	43500	846500
2035	1	27	82035	37035	45000	801500
2036	1	28	82066	35066	47000	754500
2037	1	29	82510	33010	49500	705000
2038	1	30	82344	30844	51500	653500
2039	1	31	82091	28591	53500	600000
2040	1	32	82250	26250	56000	544000
2041	1	33	82300	23800	58500	485500
2042	1	34	82241	21241	61000	424500
2043	1	35	82072	18572	63500	361000
2044	1	36	82294	15794	66500	294500
2045	1	37	82385	12885	69500	225000
2046	1	38	82344	9844	72500	152500
2047	1	39	82172	6672	75500	77000
2048	1	40	80369	3369	77000	0
TOTALS			3257146	1746146	1511000	

Warning: This schedule is an estimate of payments. Rural Development calculates interest amounts and principle reduction as of the date the payment is processed. Because over the life of the loan payments will be processed on dates other than the due date, the actual interest amounts and principle reduction will not match the schedule provided here.