

Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

January 14, 2010

RECEIVED

JAN 19 2010

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Mountain Water District - Public Service Commission Application for the Shelby
Sewer Project - **Case No. 2009-00541**

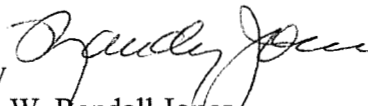
Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of (i) the amortization schedules for the present and proposed sewer indebtedness of Mountain Water District; and (ii) an explanation of the relationship between the water and sewer divisions of said District.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jlm
Enclosures

cc: Mr. Bob Meyer, UMG, LLC
Jody Hunt, P.E., Summit Engineering

Mountain Water District

PO Box 3157
Pikeville, KY 41501
(606) 631-9162 fax (606) 631-3087

LOAN DATA

Lender Name	KIA
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Basic Loan Information

Amount	\$359,250.00	Annual Interest Rate	1.00%
Beginning of Loan	6/1/2010	Length of Loan, Years	20
		Payments Per Year	2

Payment Information

Total Payments	40	Calculated Payment	\$9,931.65
		Entered Payment	

Summary Information

Total Paid	(\$397,266.10)	Interest Paid	(\$38,016.10)
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**Mountain Water District
KIA**

Shelby Waste Water III -Sect.2

LOAN AMORTIZATION TABLE

Date		Lender Name						
1/14/2010		Kentucky Infrastructure Auth.						
Pmnt #	Start of Period	Annual Interest Rate	Scheduled Balance	Actual Balance	Scheduled Payment	Interest Portion	Principal Portion	Additional Principal
1	06/10	1.00%	359,250.00	359,250.00	(9,931.65)	(1,796.25)	(8,135.40)	
2	12/10	1.00%	351,114.60	351,114.60	(9,931.65)	(1,755.57)	(8,176.08)	
3	06/11	1.00%	342,938.52	342,938.52	(9,931.65)	(1,714.69)	(8,216.96)	
4	12/11	1.00%	334,721.56	334,721.56	(9,931.65)	(1,673.61)	(8,258.04)	
5	06/12	1.00%	326,463.51	326,463.51	(9,931.65)	(1,632.32)	(8,299.34)	
6	12/12	1.00%	318,164.18	318,164.18	(9,931.65)	(1,590.82)	(8,340.83)	
7	06/13	1.00%	309,823.35	309,823.35	(9,931.65)	(1,549.12)	(8,382.54)	
8	12/13	1.00%	301,440.81	301,440.81	(9,931.65)	(1,507.20)	(8,424.45)	
9	06/14	1.00%	293,016.36	293,016.36	(9,931.65)	(1,465.08)	(8,466.57)	
10	12/14	1.00%	284,549.79	284,549.79	(9,931.65)	(1,422.75)	(8,508.90)	
11	06/15	1.00%	276,040.89	276,040.89	(9,931.65)	(1,380.20)	(8,551.45)	
12	12/15	1.00%	267,489.44	267,489.44	(9,931.65)	(1,337.45)	(8,594.21)	
13	06/16	1.00%	258,895.23	258,895.23	(9,931.65)	(1,294.48)	(8,637.18)	
14	12/16	1.00%	250,258.06	250,258.06	(9,931.65)	(1,251.29)	(8,680.36)	
15	06/17	1.00%	241,577.70	241,577.70	(9,931.65)	(1,207.89)	(8,723.76)	
16	12/17	1.00%	232,853.93	232,853.93	(9,931.65)	(1,164.27)	(8,767.38)	
17	06/18	1.00%	224,086.55	224,086.55	(9,931.65)	(1,120.43)	(8,811.22)	
18	12/18	1.00%	215,275.33	215,275.33	(9,931.65)	(1,076.38)	(8,855.28)	
19	06/19	1.00%	206,420.05	206,420.05	(9,931.65)	(1,032.10)	(8,899.55)	
20	12/19	1.00%	197,520.50	197,520.50	(9,931.65)	(987.60)	(8,944.05)	
21	06/20	1.00%	188,576.45	188,576.45	(9,931.65)	(942.88)	(8,988.77)	
22	12/20	1.00%	179,587.68	179,587.68	(9,931.65)	(897.94)	(9,033.71)	
23	06/21	1.00%	170,553.97	170,553.97	(9,931.65)	(852.77)	(9,078.88)	
24	12/21	1.00%	161,475.08	161,475.08	(9,931.65)	(807.38)	(9,124.28)	
25	06/22	1.00%	152,350.81	152,350.81	(9,931.65)	(761.75)	(9,169.90)	
26	12/22	1.00%	143,180.91	143,180.91	(9,931.65)	(715.90)	(9,215.75)	
27	06/23	1.00%	133,965.16	133,965.16	(9,931.65)	(669.83)	(9,261.83)	
28	12/23	1.00%	124,703.33	124,703.33	(9,931.65)	(623.52)	(9,308.14)	
29	06/24	1.00%	115,395.20	115,395.20	(9,931.65)	(576.98)	(9,354.68)	
30	12/24	1.00%	106,040.52	106,040.52	(9,931.65)	(530.20)	(9,401.45)	
31	06/25	1.00%	96,639.07	96,639.07	(9,931.65)	(483.20)	(9,448.46)	
32	12/25	1.00%	87,190.61	87,190.61	(9,931.65)	(435.95)	(9,495.70)	
33	06/26	1.00%	77,694.91	77,694.91	(9,931.65)	(388.47)	(9,543.18)	
34	12/26	1.00%	68,151.74	68,151.73	(9,931.65)	(340.76)	(9,590.89)	
35	06/27	1.00%	58,560.84	58,560.84	(9,931.65)	(292.80)	(9,638.85)	
36	12/27	1.00%	48,921.99	48,921.99	(9,931.65)	(244.61)	(9,687.04)	
37	06/28	1.00%	39,234.95	39,234.95	(9,931.65)	(196.17)	(9,735.48)	
38	12/28	1.00%	29,499.47	29,499.47	(9,931.65)	(147.50)	(9,784.16)	
39	06/29	1.00%	19,715.32	19,715.32	(9,931.65)	(98.58)	(9,833.08)	
40	12/29	1.00%	9,882.24	9,882.24	(9,931.65)	(49.41)	(9,882.24)	
41			-	-	-	-	-	
42			-	-	-	-	-	
43			-	-	-	-	-	
44			-	-	-	-	-	
45			-	-	-	-	-	
46			-	-	-	-	-	
47			-	-	-	-	-	
48			-	-	-	-	-	
49			-	-	-	-	-	
50			-	-	-	-	-	
51			-	-	-	-	-	
52			-	-	-	-	-	
53			-	-	-	-	-	
54			-	-	-	-	-	
55			-	-	-	-	-	
56			-	-	-	-	-	
57			-	-	-	-	-	
58			-	-	-	-	-	
59			-	-	-	-	-	
60			-	-	-	-	-	

South Williamson

Interest Rate 1.00%

Loan Number

Due Date	Principal Payment	Interest Payment	Total Principal & Interest	Servicing Fee	Total Payment	Principal Balance to Date
6/1/2004	\$ -	\$ -	\$ -	\$ -	\$ -	\$184,695.00
12/1/2004	\$ -	\$ 1,034.41	\$ 1,034.41	\$ -	\$ 1,034.41	\$184,695.00
6/1/2005	\$ 4,182.52	\$ 923.48	\$ 5,105.99	\$ 184.70	\$ 5,290.69	\$180,512.49
12/1/2005	\$ 4,203.43	\$ 902.56	\$ 5,105.99	\$ 180.51	\$ 5,286.50	\$176,309.06
6/1/2006	\$ 4,224.44	\$ 881.55	\$ 5,105.99	\$ 176.31	\$ 5,282.30	\$172,084.61
12/1/2006	\$ 4,245.57	\$ 860.42	\$ 5,105.99	\$ 172.08	\$ 5,278.07	\$167,839.05
6/1/2007	\$ 4,266.79	\$ 839.20	\$ 5,105.99	\$ 167.84	\$ 5,273.83	\$163,572.25
12/1/2007	\$ 4,288.13	\$ 817.86	\$ 5,105.99	\$ 163.57	\$ 5,269.56	\$159,284.12
6/1/2008	\$ 4,309.57	\$ 796.42	\$ 5,105.99	\$ 159.28	\$ 5,265.27	\$154,974.55
12/1/2008	\$ 4,331.12	\$ 774.87	\$ 5,105.99	\$ 154.97	\$ 5,260.96	\$150,643.44
6/1/2009	\$ 4,352.77	\$ 753.22	\$ 5,105.99	\$ 150.64	\$ 5,256.63	\$146,290.66
12/1/2009	\$ 4,374.54	\$ 731.45	\$ 5,105.99	\$ 146.29	\$ 5,252.28	\$141,916.13
6/1/2010	\$ 4,396.41	\$ 709.58	\$ 5,105.99	\$ 141.92	\$ 5,247.91	\$137,519.72
12/1/2010	\$ 4,418.39	\$ 687.60	\$ 5,105.99	\$ 137.52	\$ 5,243.51	\$133,101.33
6/1/2011	\$ 4,440.48	\$ 665.51	\$ 5,105.99	\$ 133.10	\$ 5,239.09	\$128,660.84
12/1/2011	\$ 4,462.69	\$ 643.30	\$ 5,105.99	\$ 128.66	\$ 5,234.65	\$124,198.16
6/1/2012	\$ 4,485.00	\$ 620.99	\$ 5,105.99	\$ 124.20	\$ 5,230.19	\$119,713.16
12/1/2012	\$ 4,507.42	\$ 598.57	\$ 5,105.99	\$ 119.71	\$ 5,225.70	\$115,205.73
6/1/2013	\$ 4,529.96	\$ 576.03	\$ 5,105.99	\$ 115.21	\$ 5,221.20	\$110,675.77
12/1/2013	\$ 4,552.61	\$ 553.38	\$ 5,105.99	\$ 110.68	\$ 5,216.67	\$106,123.16
6/1/2014	\$ 4,575.37	\$ 530.62	\$ 5,105.99	\$ 106.12	\$ 5,212.11	\$101,547.79
12/1/2014	\$ 4,598.25	\$ 507.74	\$ 5,105.99	\$ 101.55	\$ 5,207.54	\$96,949.53
6/1/2015	\$ 4,621.24	\$ 484.75	\$ 5,105.99	\$ 96.95	\$ 5,202.94	\$92,328.29
12/1/2015	\$ 4,644.35	\$ 461.64	\$ 5,105.99	\$ 92.33	\$ 5,198.32	\$87,683.94
6/1/2016	\$ 4,667.57	\$ 438.42	\$ 5,105.99	\$ 87.68	\$ 5,193.67	\$83,016.37
12/1/2016	\$ 4,690.91	\$ 415.08	\$ 5,105.99	\$ 83.02	\$ 5,189.01	\$78,325.47
6/1/2017	\$ 4,714.36	\$ 391.63	\$ 5,105.99	\$ 78.33	\$ 5,184.32	\$73,611.10
12/1/2017	\$ 4,737.93	\$ 368.06	\$ 5,105.99	\$ 73.61	\$ 5,179.60	\$68,873.17
6/1/2018	\$ 4,761.62	\$ 344.37	\$ 5,105.99	\$ 68.87	\$ 5,174.86	\$64,111.54
12/1/2018	\$ 4,785.43	\$ 320.56	\$ 5,105.99	\$ 64.11	\$ 5,170.10	\$59,326.11
6/1/2019	\$ 4,809.36	\$ 296.63	\$ 5,105.99	\$ 59.33	\$ 5,165.32	\$54,516.75
12/1/2019	\$ 4,833.41	\$ 272.58	\$ 5,105.99	\$ 54.52	\$ 5,160.51	\$49,683.35
6/1/2020	\$ 4,857.57	\$ 248.42	\$ 5,105.99	\$ 49.68	\$ 5,155.67	\$44,825.77
12/1/2020	\$ 4,881.86	\$ 224.13	\$ 5,105.99	\$ 44.83	\$ 5,150.82	\$39,943.91
6/1/2021	\$ 4,906.27	\$ 199.72	\$ 5,105.99	\$ 39.94	\$ 5,145.93	\$35,037.64
12/1/2021	\$ 4,930.80	\$ 175.19	\$ 5,105.99	\$ 35.04	\$ 5,141.03	\$30,106.84
6/1/2022	\$ 4,955.46	\$ 150.53	\$ 5,105.99	\$ 30.11	\$ 5,136.10	\$25,151.38
12/1/2022	\$ 4,980.23	\$ 125.76	\$ 5,105.99	\$ 25.15	\$ 5,131.14	\$20,171.15
6/1/2023	\$ 5,005.13	\$ 100.86	\$ 5,105.99	\$ 20.17	\$ 5,126.16	\$15,166.02
12/1/2023	\$ 5,030.16	\$ 75.83	\$ 5,105.99	\$ 15.17	\$ 5,121.16	\$10,135.86
6/1/2024	\$ 5,055.31	\$ 50.68	\$ 5,105.99	\$ 10.14	\$ 5,116.13	\$5,080.55
12/1/2024	\$ 5,080.55	\$ 25.40	\$ 5,105.99	\$ 5.08	\$ 5,111.07	\$(0.00)

Total \$ 184,695.00 \$20,427.06 \$ 205,122.06 \$ 3,878.53 \$ 193,834.57 # Payments

KIA A03-06

Principal Paid
to Date

\$ -			
\$ -	Total Payment	5105.99	(\$6,845.69)
\$ 4,182.52	Interest Rate	1.00%	
\$ 8,385.94	Principal	\$ 184,695.00	
\$ 12,610.39			
\$ 16,855.95			
\$ 21,122.75			
\$ 25,410.88			
\$ 29,720.45			
\$ 34,051.56			
\$ 38,404.34			
\$ 42,778.87			
\$ 47,175.28			
\$ 51,593.67			
\$ 56,034.16			
\$ 60,496.84			
\$ 64,981.84			
\$ 69,489.27			
\$ 74,019.23			
\$ 78,571.84			
\$ 83,147.21			
\$ 87,745.47			
\$ 92,366.71			
\$ 97,011.06			
\$ 101,678.63			
\$ 106,369.53			
\$ 111,083.90			
\$ 115,821.83			
\$ 120,583.46			
\$ 125,368.89			
\$ 130,178.25			
\$ 135,011.65			
\$ 139,869.23			
\$ 144,751.09			
\$ 149,657.36			
\$ 154,588.16			
\$ 159,543.62			
\$ 164,523.85			
\$ 169,528.98			
\$ 174,559.14			
\$ 179,614.45			
\$ 184,695.00			

MWD-RD 92-20

Bond Issue Date 10/23/2003

Due Date	Principal Payment	Interest Payment	Total Payment	Principal Balance to Date	Principal Paid to Date
7/1/2003	\$ -	\$ -	\$ -	\$ 426,000.00	\$ -
7/1/2004	\$ -	\$ 9,585.00	\$ 9,585.00	\$ 426,000.00	\$ -
7/1/2005	\$ -	\$ 9,585.00	\$ 9,585.00	\$ 426,000.00	\$ -
7/1/2006	\$ -	\$ 9,483.75	\$ 9,483.75	\$ 421,500.00	\$ 4,500.00
7/1/2007	\$ -	\$ 9,382.50	\$ 9,382.50	\$ 417,000.00	\$ 9,000.00
7/1/2008	\$ -	\$ 9,270.00	\$ 9,270.00	\$ 412,000.00	\$ 14,000.00
7/1/2009	\$ -	\$ 9,157.50	\$ 9,157.50	\$ 407,000.00	\$ 19,000.00
7/1/2010	\$ -	\$ 9,033.75	\$ 9,033.75	\$ 401,500.00	\$ 24,500.00
7/1/2011	\$ -	\$ 8,910.00	\$ 8,910.00	\$ 396,000.00	\$ 30,000.00
7/1/2012	\$ -	\$ 8,775.00	\$ 8,775.00	\$ 390,000.00	\$ 36,000.00
7/1/2013	\$ -	\$ 8,640.00	\$ 8,640.00	\$ 384,000.00	\$ 42,000.00
7/1/2014	\$ -	\$ 8,493.75	\$ 8,493.75	\$ 377,500.00	\$ 48,500.00
7/1/2015	\$ -	\$ 8,347.50	\$ 8,347.50	\$ 371,000.00	\$ 55,000.00
7/1/2016	\$ -	\$ 8,190.00	\$ 8,190.00	\$ 364,000.00	\$ 62,000.00
7/1/2017	\$ -	\$ 8,032.50	\$ 8,032.50	\$ 357,000.00	\$ 69,000.00
7/1/2018	\$ -	\$ 7,863.75	\$ 7,863.75	\$ 349,500.00	\$ 76,500.00
7/1/2019	\$ -	\$ 7,683.75	\$ 7,683.75	\$ 341,500.00	\$ 84,500.00
7/1/2020	\$ -	\$ 7,503.75	\$ 7,503.75	\$ 333,500.00	\$ 92,500.00
7/1/2021	\$ -	\$ 7,312.50	\$ 7,312.50	\$ 325,000.00	\$ 101,000.00
7/1/2022	\$ -	\$ 7,110.00	\$ 7,110.00	\$ 316,000.00	\$ 110,000.00
7/1/2023	\$ -	\$ 6,896.25	\$ 6,896.25	\$ 306,500.00	\$ 119,500.00
7/1/2024	\$ -	\$ 6,671.25	\$ 6,671.25	\$ 296,500.00	\$ 129,500.00
7/1/2025	\$ -	\$ 6,435.00	\$ 6,435.00	\$ 286,000.00	\$ 140,000.00
7/1/2026	\$ -	\$ 6,198.75	\$ 6,198.75	\$ 275,500.00	\$ 150,500.00

7/1/2027	\$ -	\$ 5,951.25	\$ 5,951.25	\$ 264,500.00	\$ 161,500.00
7/1/2028	\$ -	\$ 5,692.50	\$ 5,692.50	\$ 253,000.00	\$ 173,000.00
7/1/2029	\$ -	\$ 5,422.50	\$ 5,422.50	\$ 241,000.00	\$ 185,000.00
7/1/2030	\$ -	\$ 5,130.00	\$ 5,130.00	\$ 228,000.00	\$ 198,000.00
7/1/2031	\$ -	\$ 4,826.25	\$ 4,826.25	\$ 214,500.00	\$ 211,500.00
7/1/2032	\$ -	\$ 4,511.25	\$ 4,511.25	\$ 200,500.00	\$ 225,500.00
7/1/2033	\$ -	\$ 4,185.00	\$ 4,185.00	\$ 186,000.00	\$ 240,000.00
7/1/2034	\$ -	\$ 3,847.50	\$ 3,847.50	\$ 171,000.00	\$ 255,000.00
7/1/2035	\$ -	\$ 3,487.50	\$ 3,487.50	\$ 155,000.00	\$ 271,000.00
7/1/2036	\$ -	\$ 3,116.25	\$ 3,116.25	\$ 138,500.00	\$ 287,500.00
7/1/2037	\$ -	\$ 2,722.50	\$ 2,722.50	\$ 121,000.00	\$ 305,000.00
7/1/2038	\$ -	\$ 2,317.50	\$ 2,317.50	\$ 103,000.00	\$ 323,000.00
7/1/2039	\$ -	\$ 1,890.00	\$ 1,890.00	\$ 84,000.00	\$ 342,000.00
7/1/2040	\$ -	\$ 1,440.00	\$ 1,440.00	\$ 64,000.00	\$ 362,000.00
7/1/2041	\$ -	\$ 978.75	\$ 978.75	\$ 43,500.00	\$ 382,500.00
7/1/2042	\$ -	\$ 495.00	\$ 495.00	\$ 22,000.00	\$ 404,000.00

Total \$ 426,000.00 \$ 492,826.44 \$ 918,826.44 # Payments 79

# Days - First Pmt F	70
Interest Rate	4.50%
Principal	426000

MWD-RD 92-35

Bond Issue Date 7/22/2005

Due Date	Principal Payment	Interest Payment	Total Payment	Principal Balance to Date	Principal Paid to Date
7/1/2006		\$ 15,262.50	\$ 15,262.50	\$ 740,000.00	\$ -
7/1/2007		\$ 15,107.81	\$ 15,107.81	\$ 732,500.00	\$ 7,500.00
7/1/2008		\$ 14,942.81	\$ 14,942.81	\$ 724,500.00	\$ 15,500.00
7/1/2009		\$ 14,767.50	\$ 14,767.50	\$ 716,000.00	\$ 24,000.00
7/1/2010		\$ 14,581.88	\$ 14,581.88	\$ 707,000.00	\$ 33,000.00
7/1/2011		\$ 14,396.25	\$ 14,396.25	\$ 698,000.00	\$ 42,000.00
7/1/2012		\$ 14,200.31	\$ 14,200.31	\$ 688,500.00	\$ 51,500.00
7/1/2013		\$ 13,994.06	\$ 13,994.06	\$ 678,500.00	\$ 61,500.00
7/1/2014		\$ 13,777.50	\$ 13,777.50	\$ 668,000.00	\$ 72,000.00
7/1/2015		\$ 13,550.63	\$ 13,550.63	\$ 657,000.00	\$ 83,000.00
7/1/2016		\$ 13,313.44	\$ 13,313.44	\$ 645,500.00	\$ 94,500.00
7/1/2017		\$ 13,065.94	\$ 13,065.94	\$ 633,500.00	\$ 106,500.00
7/1/2018		\$ 12,808.13	\$ 12,808.13	\$ 621,000.00	\$ 119,000.00
7/1/2019		\$ 12,540.00	\$ 12,540.00	\$ 608,000.00	\$ 132,000.00
7/1/2020		\$ 12,261.56	\$ 12,261.56	\$ 594,500.00	\$ 145,500.00
7/1/2021		\$ 11,962.50	\$ 11,962.50	\$ 580,000.00	\$ 160,000.00
7/1/2022		\$ 11,653.13	\$ 11,653.13	\$ 565,000.00	\$ 175,000.00
7/1/2023		\$ 11,333.44	\$ 11,333.44	\$ 549,500.00	\$ 190,500.00
7/1/2024		\$ 10,993.13	\$ 10,993.13	\$ 533,000.00	\$ 207,000.00
7/1/2025		\$ 10,642.50	\$ 10,642.50	\$ 516,000.00	\$ 224,000.00
7/1/2026		\$ 10,271.25	\$ 10,271.25	\$ 498,000.00	\$ 242,000.00
7/1/2027		\$ 9,889.69	\$ 9,889.69	\$ 479,500.00	\$ 260,500.00
7/1/2028		\$ 9,487.50	\$ 9,487.50	\$ 460,000.00	\$ 280,000.00
7/1/2029		\$ 9,064.69	\$ 9,064.69	\$ 439,500.00	\$ 300,500.00

7/1/2030		\$ 8,631.56	\$ 8,631.56	\$ 418,500.00	\$ 321,500.00
7/1/2031		\$ 8,177.81	\$ 8,177.81	\$ 396,500.00	\$ 343,500.00
7/1/2032		\$ 7,703.44	\$ 7,703.44	\$ 373,500.00	\$ 366,500.00
7/1/2033		\$ 7,208.44	\$ 7,208.44	\$ 349,500.00	\$ 390,500.00
7/1/2034		\$ 6,682.50	\$ 6,682.50	\$ 324,000.00	\$ 416,000.00
7/1/2035		\$ 6,135.94	\$ 6,135.94	\$ 297,500.00	\$ 442,500.00
7/1/2036		\$ 5,568.75	\$ 5,568.75	\$ 270,000.00	\$ 470,000.00
7/1/2037		\$ 4,970.63	\$ 4,970.63	\$ 241,000.00	\$ 499,000.00
7/1/2038		\$ 4,351.88	\$ 4,351.88	\$ 211,000.00	\$ 529,000.00
7/1/2039		\$ 3,702.19	\$ 3,702.19	\$ 179,500.00	\$ 560,500.00
7/1/2040		\$ 3,021.56	\$ 3,021.56	\$ 146,500.00	\$ 593,500.00
7/1/2041		\$ 2,310.00	\$ 2,310.00	\$ 112,000.00	\$ 628,000.00
7/1/2042		\$ 1,567.50	\$ 1,567.50	\$ 76,000.00	\$ 664,000.00
7/1/2043		\$ 794.06	\$ 794.06	\$ 38,500.00	\$ 701,500.00

Total \$ 740,000.00 \$ 763,020.46 \$ 1,503,020.46

Total Paid to Date
\$ 28,894.21
\$ 66,764.52
\$ 104,815.15
\$ 143,025.46
\$ 181,374.84
\$ 219,352.96
\$ 257,449.52
\$ 295,643.90
\$ 333,915.46
\$ 372,243.59
\$ 410,607.65
\$ 448,987.02
\$ 487,361.09
\$ 525,709.21
\$ 564,010.77
\$ 602,734.84
\$ 641,350.46
\$ 679,837.02
\$ 718,663.59
\$ 757,299.21
\$ 796,212.96
\$ 834,873.90
\$ 873,751.09
\$ 912,803.27

# Days - First Pmt Period	163
Interest Rate	4.125%
Principal	740000

\$ 951,499.52
\$ 990,308.90
\$ 1,029,190.15
\$ 1,068,102.02
\$ 1,107,492.96
\$ 1,146,811.40
\$ 1,186,016.09
\$ 1,225,555.46
\$ 1,264,877.96
\$ 1,304,432.02
\$ 1,344,155.77
\$ 1,383,987.34
\$ 1,423,864.84
\$ 1,463,726.40

MOUNTAIN WATER DISTRICT

RELATIONSHIP OF WATER & SEWER DIVISIONS:

Mountain Water District presently provides public water service to 17,600 customers and sewer service to approximately 2,300 customers. Separate tariffs for water and sewer services have been submitted to and approved by the Kentucky Public Service Commission; the District's customers are billed monthly pursuant to those approved tariffs.

Operationally, Mountain Water District is managed by Utility Management Group, LLC (UMG), pursuant to an Operations and Management Agreement between the two parties. All of Mountain Water District's operational expenses (personnel, vehicles & equipment, parts and supplies, chemicals, administrative costs, etc.) are paid by UMG who invoices Mountain Water District a lump sum amount semi-monthly, pursuant to the Agreement. UMG accounts for all operational expenses associated with the Mountain Water District contract by specific departments (ie: Water Treatment Plant Operations, Distribution System, Wastewater Treatment Plant Operations, Sewer Collection System, Customer Services Department, etc.). Based on cost information received from UMG (ie: costs of water services / costs of sewer services), and customer revenues received by the District (which are segregated by the District between water and sewer), the District submits annual reports to the Public Service Commission for both its water and sewer divisions.

In summary, Mountain Water District recognizes the requirement for maintaining separate financial and administrative records related to revenues and expenses associated with its water and sewer divisions and maintains its records accordingly.