

RECEIVED
AUG 10 2015
PUBLIC SERVICE
COMMISSION

August 6, 2015

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

RE: ARF Application
South 641 Water District

Case No. 2015-00278

Dear Mr. Derouen:

Enclosed for filing are the original and five (5) copies of the South 641 Water District's ARF Application for an adjustment to its sewer rates. The ARF Application is being filed pursuant to 807 KAR 5:076.

The ARF Application uses calendar year 2014 as the Test Year, with appropriate adjustments to normalize revenues and expenses.

A copy of the ARF Application has been provided to the Office of Rate Intervention in the Attorney General's Office.

My electronic mail address is so641@wk.net.

Yours truly,

John Paschall
Chairman of the Board
South 641 Water District
P. O. Box 126, Hazel, Kentucky 42049

Enclosures

cc: Office of the Attorney General, Rate Intervention

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

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

RECEIVED
AUG 10 2015
PUBLIC SERVICE
COMMISSION

South 641 Water District
(Name of Utility)

207 Main Street, P.O. Box 126
(Business Mailing Address - Number and Street, or P.O. Box)

Hazel, KY 42049
(Business Mailing Address - City, State, and Zip)

(270) 492-8857
(Telephone Number)

BASIC INFORMATION

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

Amy Fadden
(Name)

P.O. Box 126
(Address - Number and Street or P.O. Box)

Hazel, KY 42049
(Address - City, State, Zip)

(270)492-8857
(Telephone Number)

so641@wk.net
(Email Address)

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

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

YES NO N/A

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

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2014.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 87,025.79 and total revenues from service rates of \$ 128,921.20. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had 220 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

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

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

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

Signed *John Paschall*
 Officer of the Company/Authorized Representative
 Title Chairman

Date June 22, 2015

COMMONWEALTH OF KENTUCKY

COUNTY OF Falloway

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

Julie Carson
 Notary Public
 My commission expires: June 25, 2019
 ID # 534556

EXHIBIT LIST

South 641 Water District

1. Customer Notice
2. Reasons for Rate Increase
3. Current and Proposed Rates
4. Statement of Adjusted Operations
5. Revenue Requirement Calculation
6. Billing Analysis (Current and Proposed Rates)
7. Depreciation Schedule
8. Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
9. Statement of Disclosure of Related Party Transactions
10. Resolution

CUSTOMER NOTICE

Notice is hereby given that the South 641 Water District expects to file an application on or about August 6, 2015 with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its sewer rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY SEWER RATES

	Current Rates	Proposed Rates –Phase 1	Dollar Increase	Percent Increase
All over 0 gallons	\$8.99 Minimum Bill	\$18.33 Minimum Bill	\$9.34	103.89%
	2.14 per 1,000 gallons	4.37 per 1,000 gallons	2.23	104.21%

Monthly Sewer Rate for Sewer Customers Only

Flat Rate Bill	\$19.69 Per Month	\$35.81 Per Month	\$16.12	81.87%
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	Proposed Rates –Phase 1	Proposed Rates – Phase 2	Dollar Increase	Percent Increase
All over 0 gallons	\$18.33 Minimum Bill	\$27.66 Minimum Bill	\$9.33	50.90%
	4.37 per 1,000 gallons	6.59 per 1,000 gallons	2.22	50.80%

Monthly Sewer Rate for Sewer Customers Only

(To be implemented one year after the effective date of Phase 1 rates)

Flat Rate Bill	\$35.81 Per Month	\$54.02 Per Month	\$18.21	50.85%
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If the Public Service Commission approves the proposed rates, then the Phase 1 monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$17.55 to \$35.81. This is an increase of \$18.26 or 103.86%. The Flat Rate average monthly bill will increase from \$19.69 to \$35.81. This is an increase of \$16.12 or 81.87%.

The Phase 2 monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$35.81 to \$54.02. This is an increase of \$18.21 or 50.85%. The Flat Rate average monthly bill will increase from \$35.81 to \$54.02. This is an increase of \$18.21 or 50.85%. (Phase 2 is to be implemented one year after the effective date of Phase 1.)

The rates contained in this notice are the rates proposed by the South 641 Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice. South 641 Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at the South 641 Water District's office located at 207 Main Street, Hazel, KY 42049. You may contact the office at 270-492-8857.

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

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

Reasons for Rate Increase

South 641 Water District (the “District”) is requesting a 207.72% rate increase for its retail customers. To avoid rate shock and to promote gradualism, the District proposes that the rates be adjusted in two equal phases (103.86% from the existing rate to Phase 1 and a 50.95% change from Phase 1 to Phase 2). The District needs the rate increase for the following reasons:

1. To enable the District to pay its annual principal payments on its existing long term debts from sewer revenues rather than from depreciation reserves;
2. To enable the District to meet the coverage requirements set forth in its existing debt instruments;
3. To restore the District to a sound financial condition; and
4. To enable the District to enhance its financial capacity so it can continue to operate its system in compliance with federal and state laws and regulations.

CURRENT AND PROPOSED SEWER RATES
South 641 Water District

Current Rates

Monthly Sewer Rate

Customer Charge	\$8.99	Minimum Bill
All over zero gallons	2.14	Per 1,000 Gallons

Monthly Sewer Rate for Sewer Customers Only

Flat Rate Bill	\$19.69	Per Month
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Proposed Rates - Phase 1

Monthly Sewer Rate

Customer Charge	\$18.33	Minimum Bill
All over zero gallons	4.37	Per 1,000 Gallons

Monthly Sewer Rate for Sewer Customers Only

Flat Rate Bill	\$35.81	Per Month
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Proposed Rates - Phase 2

(To be implemented one year after the effective date of Phase 1 rates.)

Monthly Sewer Rate

Customer Charge	\$27.66	Minimum Bill
All over zero gallons	6.59	Per 1,000 Gallons

Monthly Sewer Rate for Sewer Customers Only

Flat Rate Bill *	\$54.02	Per Month
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* To result in more equitable charges, the District requested that the Flat Rate Bill be established as the amount equal to the proposed bill for all other residential customers using 4,000 gallons per month.

SCHEDULE OF ADJUSTED OPERATIONS - SEWER UTILITY

TYE 12/31/20 14

	Test Year	Adjustment	Ref.	Pro Forma
Operating Revenues				
Sewage Service Revenues				
Flat Rate Revenues				0.00
Measured Revenues	40,322.13	1,573.28	a.	41,895.41
Revenue from Public Authorities				0.00
Revenue from Other Systems				0.00
Miscellaneous Sewage Revenues				0.00
Total Sewage Service Revenues	40,322.13	1,573.28		41,895.41
Other Operating Revenues				
Forfeited Discounts	1,132.10			1,132.10
Miscellaneous Operating Revenues	502.83			502.83
Total Other Operating Revenues	1,634.93	0.00		1,634.93
Total Operating Revenues	41,957.06	1,573.28		43,530.34
Operating Expenses				
Total Operation and Maintenance Expenses*	93,794.66	-23,960.51	b.	69,834.15
Depreciation Expense	42,208.30	-3,403.29	c.	38,805.01
Amortization Expense				0.00
Taxes Other Than Income	4,456.44	2,572.76	d.	7,029.20
Income Tax Expense				0.00
Total Operating Expenses	140,459.40	-24,791.04		115,668.36
Utility Operating Income	-98,502.34	26,364.32		-72,138.02

* Total Operation and Maintenance Expenses should be calculated using the worksheet titled "Sewer Operations and Maintenance Expenses".

References

- a. Sales revenue from Tennessee customers not reported in Kentucky PSC Annual Report.
- b. From Attachment OME-1.
- c. Correction for South 641 internal depreciation spreadsheet formula error and adjustment of asset service lifetimes. See attached spreadsheet for revisions.
- d. Amount required to equal total tax expenses shown in the District's internal financial statements. The figure reported by the District for Salaries and Wages is a net amount after employee withholdings. Employee withholdings are listed internally by the District as tax expenses and must be added to accurately reflect the actual salary and wage expense incurred.

REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD

(This method is used commonly by non-profits that have long-term debts outstanding.)

Pro forma Operating Expenses	\$115,668.36
Plus: Average Annual Debt Principal and Interest Payments*	12,637.50
Debt Coverage Requirement**	<u>2,527.50</u>
Total Revenue Requirement	130,833.36
Less: Other Operating Revenue	-1,634.93
Non-operating Revenue	0.00
Interest Income	<u>-277.23</u>
Revenue Required from Rates	128,921.20
Less: Revenue from Sales at Present Rates	<u>-41,895.41</u>
Required Revenue Increase	<u><u>\$87,025.79</u></u>

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	<u><u>207.72%</u></u>
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* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

** This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.

BILLING ANALYSIS WITH CURRENT RATES - SEWER

South 641 Water District

SUMMARY

Rate Code	Gallons Sold	Billings
KY residential	7,013,330	34,687.64
KY commercial	1,008,220	4,917.52
KY tax exempt	335,440	1,661.79
TN residential	115,250	1,506.41
TN commercial	710	55.46
Totals	8,472,950	\$ 42,828.81
Less Sewer Adjustments *		<u>1,136.46</u>
Total Revenue from Billing Analysis		\$ 41,692.35
Sales Revenue from Schedule of Adjusted Operations		\$ 41,895.41
Difference		\$ (203.06) -0.48% OK

* The District provides adjustments to sewer bills for water service leaks, filling of swimming pools, and lawn/garden watering.

KY Residential

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
Cust. Charge	0	2,189	0	\$ 8.99	\$19,679.11
All Over	0		7,013,330	2.14	15,008.53
TOTAL		<u>2,189</u>	<u>7,013,330</u>		<u>\$34,687.64</u>

KY Commercial

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
Cust. Charge	0	307	0	\$ 8.99	\$2,759.93
All Over	0		1,008,220	2.14	2,157.59
TOTAL		<u>307</u>	<u>1,008,220</u>		<u>\$4,917.52</u>

KY Tax Exempt

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
Cust. Charge	0	105	0	\$ 8.99	\$943.95
All Over	0		335,440	2.14	717.84
TOTAL		105	335,440		\$1,661.79

TN Residential

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
Cust. Charge	0	35	0	\$ 8.99	\$314.65
All Over	0		115,250	2.14	246.64
Flat Rate Custs.		48		19.69	945.12
TOTAL		35	115,250		\$1,506.41

TN Commercial

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
Cust. Charge	0	6	0	\$ 8.99	\$53.94
All Over	0		710	2.14	1.52
TOTAL		6	710		\$55.46

**BILLING ANALYSIS WITH PROPOSED RATES - SEWER
PHASE 2**

South 641 Water District

SUMMARY

Rate Code	Gallons Sold	Billings
KY residential	7,013,330	106,765.58
KY commercial	1,008,220	15,135.79
KY tax exempt	335,440	5,114.85
TN residential	115,250	4,320.56
TN commercial	710	170.64
Totals	8,472,950	\$ 131,507.42
		3,496.89
Less Sewer Adjustments *		<u>3,496.89</u>
Total Revenue from Billing Analysis		\$ 128,010.53
Sales Revenue Needed per Revenue Requirement Calculation		\$ 128,921.20
Difference		\$ (910.67) -0.71% OK

* Sewer adjustments are increased in accordance with the increase in rates.

KY Residential

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
Cust. Charge	0	2,189	0	\$ 27.66	\$ 60,547.74
All Over	0		7,013,330	6.59	46,217.84
TOTAL		2,189	7,013,330		\$ 106,765.58

KY Commercial

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
Cust. Charge	0	307	0	\$ 27.66	\$ 8,491.62
All Over	0		1,008,220	6.59	6,644.17
TOTAL		307	1,008,220		\$ 15,135.79

KY Tax Exempt

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
Cust. Charge	0	105	0	\$ 27.66	\$ 2,904.30
All Over	0		335,440	6.59	2,210.55
TOTAL		105	335,440		\$ 5,114.85

TN Residential

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
Cust. Charge	0	35	0	\$ 27.66	\$ 968.10
All Over	0		115,250	6.59	759.50
Flat Rate Custs.		48		54.02	2,592.96
TOTAL		35	115,250		\$ 4,320.56

TN Commercial

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
Cust. Charge	0	6	0	\$ 27.66	\$ 165.96
All Over	0		710	6.59	4.68
TOTAL		6	710		\$ 170.64

SEWER SOUTH 641 WATER DISTRICT STRAIGHT-LINE DEPRECIATION WORKSHEET

REVISED FOR RATE STUDY

ACCT	NAME	DATE	COST	ORIGINAL LIFE	REVISED LIFE	ACCUM DEPR 12/31/2011	2012	ACCUM DEPR 12/31/2012	2013	ACCUM DEPR 12/31/2013	Reported 2014 Depreciation Expense	ACCUM DEPR 12/31/2014	BALANCE TO DEPRECIATE	Revised Depreciation Expense	Change (revised - reported)
301	Organization Costs		46,500.00	40		34,884.00	1,162.50	36,046.50	1,162.50	37,209.00	1,162.50	38,371.50	8,128.50		
	TOTAL		46,500.00			34,884.00	1,162.50	36,046.50	1,162.50	37,209.00	1,162.50				
303	Misc Intangible														
	Regional Plan	10/17/2003	8,100.00	20		3,324.38	405.00	3,729.38	405.00	4,134.38	405.00	4,539.38	3,560.62		
	Engineering Costs	7/1/2008	92,900.00	20	35	16,257.50	4,645.00	20,902.50	4,645.00	25,547.50	4,645.00	30,192.50	62,707.50		
	Project Admin Costs	7/7/2009	32,515.00	20	35	4,065.38	1,625.75	5,691.13	1,625.75	7,316.88	1,625.75	8,942.63	23,572.37		
	Engineering Costs	7/1/2010	43,083.00	20	35	3,231.00	2,154.15	5,385.15	2,154.15	7,539.30	2,154.15	9,693.45	33,389.55		
	TOTAL		176,598.00			26,878.26	8,829.90	35,708.16	8,829.90	44,538.06	8,829.90			2,654.29	(1,990.71)
352	Collection Sewers		75,450.00	40		56,583.00	1,886.25	58,469.25	1,886.25	60,355.50	1,886.25	62,241.75	13,208.25		
	Collection Sewers		83,000.00	40		83,000.00									
	Sewer Lines - Rehab	7/1/2012	144,847.89	40		1,810.59	3,621.20	5,431.79	3,621.20	9,052.98	3,621.20	12,674.18	132,173.71		
	TOTAL		303,297.89			141,393.59	5,507.45	63,901.04	5,507.45	69,408.48	5,507.45				
353	Other Collection Plant		10,400.00	40		7,800.00	260.00	8,060.00	260.00	8,320.00	260.00	8,580.00	1,820.00		
	Automatic Samplers	1/17/2014	7,911.69	5							1,582.34	1,582.34	6,329.35		
	500# Hoist	4/8/2014	1,500.00	20							50.00	50.00	1,450.00		
	TOTAL		10,400.00			7,800.00	260.00	8,060.00	260.00	8,320.00	1,892.34				
354	Services		4,725.00	40		2,750.00	118.13	2,868.13	118.13	2,986.25	118.13	3,104.38	1,620.63		
	Services	7/1/1998	1,760.00	40		594.00	44.00	638.00	44.00	682.00	44.00	726.00	1,034.00		
	Services	7/1/2001	2,100.00	40		551.25	52.50	603.75	52.50	656.25	52.50	708.75	1,391.25		
	Capacity Analysis	4/18/2003	2,900.00	40		637.38	72.50	709.88	72.50	782.38	72.50	854.88	2,045.12		
	Tap On	7/1/2004	350.00	5	40	350.00	70.00			350.00		350.00	-	8.75	8.75
	Tap On	7/1/2008	912.26	5	40	638.58	182.45	821.03	91.23	912.26		912.26		22.81	22.81
	TOTAL		12,747.26			5,521.21	539.58	5,640.79	378.36	6,369.14	287.13				
362	Rec Wells & Pump Pits		20,000.00	5	35	20,000.00				20,000.00		20,000.00		571.43	571.43
	New pumping station	8/13/2010	146,404.32	35		6,274.47	4,182.98	10,457.45	4,182.98	14,640.43	4,182.98	18,823.41	127,580.91		
	TOTAL		166,404.32			26,274.47	4,182.98	10,457.45	4,182.98	34,640.43	4,182.98				
363	Pumping Equipment														
	Pumping Equipment	5/10/2007	3,550.00	10	7	3,195.00	355.00	3,550.00		3,550.00		3,550.00		507.14	507.14
	Pump (unreimbursed Portion)	3/31/2009	625.00	5	7	312.50	125.00	437.50	125.00	562.50	62.50	625.00	-	89.29	26.79
	Pump	4/21/2009	4,076.51	5	7	2,038.25	815.30	2,853.55	815.30	3,668.85	407.66	4,076.51		582.36	174.70
	Pump	5/14/2009	3,577.44	5	7	1,788.71	715.49	2,504.20	715.49	3,219.69	357.75	3,577.44		511.06	153.31
	Pump	2/14/2013	2,848.00	5	7				474.66	474.66	569.60	1,044.26	1,803.74	406.86	(162.74)
	Impellers	4/17/2014	4,234.00	5	7						564.53	564.53	3,669.47	403.24	(161.30)
	Stenner Pump	12/16/2014	452.12	5	7						7.54	7.54	444.58	5.38	(2.15)
	TOTAL		5.00			7,334.46	2,010.79	9,345.25	2,130.45	11,475.70	1,969.58				
372	Oxidation Lagoon		30,000.00	40	25	22,500.00	750.00	23,250.00	750.00	24,000.00	750.00	24,750.00	5,250.00	1,200.00	450.00
	Oxidation Lagoon		22,900.00	31.5	25	15,631.00	726.98	16,357.98	726.98	17,084.97	726.98	17,811.95	5,088.05	916.00	189.02
	Bldg. and feed equip.	8/13/2010	188,305.15	35		8,070.24	5,380.15	13,450.39	5,380.15	18,830.53	5,380.15	24,210.68	164,094.47		
	Cl contact chamber	10/17/2011	260,828.13	35		3,726.12	7,452.23	11,178.35	7,452.23	18,630.58	7,452.23	26,082.82	234,745.31		
	TOTAL		502,033.28			49,927.36	14,309.36	64,236.72	14,309.36	78,546.09	14,309.36				
391	Computer		2,444.00	5		2,444.00				2,444.00		2,444.00			
	Computer Program		216.00	5		216.00				216.00		216.00			
	Filing Cabinet		79.00	10	20	79.00				79.00		79.00		3.95	3.95
	Air Conditioner	7/14/1995	243.00	5	15	243.00				243.00		243.00		16.20	16.20
	Software	7/18/1995	194.00	5		194.00				194.00		194.00			
	Office Equipment	7/1/1997	162.00	5	20	162.00				162.00		162.00		8.10	8.10
	Software	8/1/1999	1,008.00	5		1,008.00				1,008.00		1,008.00			
	Fax Machine	4/15/2000	67.48	5		67.48				67.48		67.48			
	Office Equipment	1/3/2003	251.55	5	20	251.55				251.55		251.55		12.58	12.58
	Copy Machine	6/16/2005	445.00	5		445.00				445.00		445.00			
	Software	1/1/2013	1,000.00	5						-	200.00	200.00	800.00		
	Heater	2/1/2013	1,089.00	15					60.05	60.05	72.60	132.65	956.35		
	TOTAL		7,199.03			5,110.03	0.00	0.00	60.05	5,180.08	272.60	334,100.82			
393	Generator for Pumps	4/1/2013	32,749.00	15						-	2,183.27	2,183.27	30,565.73		
	TOTAL		32,749.00								2,183.27	2,183.27			
	SEWER TOTAL DEPRECIATION								36,821.05		40,597.10				(1,792.09)

Sum of 2014 Reported Depr. Expense with correction for formula error

42,208.30	Total Expense Reported
(1,611.20)	Correction for formula error
(1,792.09)	Adjustment for change in asset lives
(3,403.29)	Total Depr. Expense Adjustment

From MIDWEST BANK NOTE COMPANY, 16580 Northville Road, P.O. Box 89, Plymouth, Mich. 48170
Date Submitted 7 1981 Area Code 313 348-1510

Gentlemen: Attached are your proofs for approval. Telephone approvals are always welcome.
Nate Whiteside III, Pres., Skip Mather, V.P.

Orig. to: Joe Rubin

Copies to:

MATURITY SCHEDULE

JOB # 2938

ISSUER South 641 Water District, Calloway Co., Kentucky

PURPOSE Water and Sewer Revenue Bond of 1981

QUANTITY AND DENOMINATION 9 \$472,000

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTY OF CALLOWAY

South 641 Water District

WATER AND SEWER REVENUE BOND OF 1981

KNOW ALL MEN BY THESE PRESENTS: That the South 641 Water District, acting by and through its Commission, a public body corporate, organized and existing pursuant to Chapter 74 of the Kentucky Revised Statutes, in Calloway County, Kentucky, for value received, hereby promises to pay to the registered owner hereof, solely from the special fund hereinafter identified, the sum of

FOUR HUNDRED SEVENTY-TWO THOUSAND DOLLARS (\$472,000)

UNITED STATES OF AMERICA
COMMONWEALTH OF
KENTUCKY
COUNTY OF CALLOWAY

South 641
Water District

472,000

5%
Water and Sewer
Revenue Bond of 1981

Dated _____

Interest Payable semi-annually
on January 1 and July 1
in each year

Principal and Interest Payable at the
address of the registered
owner shown on the
registration book of the District

PROVISION FOR REGISTRATION

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

REGISTRATION

Date of Registration	Name and Address of Registered Owner	Signature of Secretary of the South 641 Water District, Bond Registrar
	United States of America — Farmers Home Administration 1520 Market Street St. Louis, Missouri 63103	

APPROVING LEGAL OPINION

LAW OFFICE

Rubin & Hays

Suite 300 Fireside Building

209 South Fifth Street

Louisville, Kentucky 40202

Telephone (502) 585-2153

In re: South 641 Water District (Calloway County, Kentucky) Water and Sewer Revenue Bonds of 1981, in the amount of \$472,000.

We hereby certify that we have examined a transcript of the proceedings of the Commission of the South 641 Water District of Calloway County, Kentucky, in connection with the issuance by said District of the above-styled Bonds (the "Bonds") in the amount of \$472,000, dated as of the date of this legal opinion, bearing interest from that date at the rate of 5% per annum, payable semi-annually on January 1 and July 1 of each year, and due serially in numerical order on January 1 in each of the respective years, as follows: 1984, \$4,000; 1985-88, \$5,000; 1989-92, \$6,000; 1993-95, \$7,000; 1996-97, \$8,000; 1998-99, \$9,000; 2000-01, \$10,000; 2002-03, \$11,000; 2004-05, \$12,000; 2006-07, \$13,000; 2008, \$14,000; 2009, \$15,000; 2010-11, \$16,000; 2012, \$17,000; 2013, \$18,000; 2014, \$19,000; 2015, \$20,000; 2016, \$21,000; 2017, \$22,000; 2018, \$23,000; 2019, \$24,000; 2020, \$25,000; and in 2021, \$27,000; provided, however, that Bonds of said issue maturing on or after January 1, 1992, are optional for redemption prior to maturity on any interest payment date falling on or after January 1, 1991, in the manner and upon the terms provided in said Bonds. Said Bonds are issued pursuant to a Bond Resolution (the "Bond Resolution"), duly adopted by the Commission of the District, for the purpose of defraying the cost of acquiring and constructing a new waterworks and sewer system (the "System") for the District.

We are of the opinion that such proceedings show lawful authority for said issue under the laws of the Commonwealth of Kentucky and the proceedings of said Water District now in force; provided, however, that said Bonds have been initially issued in the form of a single, Fully Registered Installment Bond, payable to the registered owner (initially the Farmers Home Administration), numbered R-1, bearing interest at the rate of 5% per annum, payable semi-annually on January 1 and July 1 of each year, with annual installments being payable on January 1 in each of the respective years 1984 through 2021, inclusive, as set out above, and with the further provision that said Fully Registered Bond is exchangeable at the expense of the Registered Owner, at any time, upon ninety days' written notice, for negotiable Coupon Bonds, payable to bearer, registrable as to principal only, in an amount or amounts not exceeding \$10,000 per Coupon Bond, or a lesser denomination in a multiple of \$1,000, consistent with the maturities of such Bonds, in an aggregate principal amount equal to and maturing in conformity with the unpaid principal amount of said Fully Registered Bond.

We have examined the organizational documents of the District and we are of the opinion that the District was duly created by Order of the County Judge/Executive of Calloway County, Kentucky, on May 7, 1979, which Order is on file in the office of the Calloway County Clerk, in County Order Book No. 10, page 13.

We further certify that we have examined said executed single, Fully Registered Installment Bond, numbered R-1, in the amount of \$472,000, as issued and delivered, and an executed counterpart of the Bond Resolution. Based on such examination, it is our opinion that said Bond is in conformity with the aforesaid proceedings of the District, that said issue, in the amount stated, is valid and legally binding upon the District according to the import thereof, is secured by a statutory mortgage lien against the System, and is payable from the gross revenues of the System, a sufficient portion of said revenues having been ordered set aside and pledged to the payment of the interest on and principal installments of the Bonds as the same become due. We express no opinion concerning the sufficiency of such revenues for that purpose.

The District has reserved the right to issue additional Bonds ranking on a parity as to security and source of payment with said \$472,000 Bond if necessary in order to complete the aforesaid construction. The District has also reserved the right to issue additional parity bonds to finance future extensions, additions, and/or improvements to the System, provided the necessary showings as to the earnings coverage required by the Bond Resolution are in existence and properly certified.

We are of the opinion that in the event such single, Fully Registered Bond is exchanged for Coupon Bonds in the denomination(s) permitted and provided for in the Bond Resolution and in said Fully Registered Bond, said Coupon Bonds, without priority or distinction of one over the other, shall be secured in the same manner and by the same covenants and shall constitute the identical obligations of said District as the aforesaid Fully Registered Bond exchanged therefor. Principal of and interest on such Coupon Bonds will be payable at the Dees Bank of Hazel, Hazel, Kentucky, and principal of said Coupon Bonds will be registrable on the registration book of the Secretary of the Water District.

It is our opinion, based on current rulings and official interpretations, that interest on said Bonds is exempt from present Federal and Kentucky income taxes and that the principal of said Bonds is exempt from ad valorem taxation by the Commonwealth of Kentucky or by any political subdivision of Kentucky; provided, however, that it is provided in the Consolidated Farm and Rural Development Act that if said Bonds are sold out of the Agricultural Credit Insurance Fund or out of the Rural Development Insurance Fund as an insured loan, the interest thereon paid to an insured holder shall be included in taxable income of such holder.

JRR:lmh

and operated by the District as a revenue-producing undertaking within the meaning of the aforesaid Statutes, for the security and source of payment of this Bond, and that the District will fix and revise such rates and charges for the services and facilities of the System and collect and account for the income and revenues therefrom sufficient to pay the principal of and interest on this Bond promptly as the same become due, and to pay the cost of operation and maintenance of the System, and to provide for the depreciation thereof.

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

As provided in the Bond Resolution, this Bond is exchangeable at the expense of the registered owner hereof at any time, upon ninety days' written notice, at the request of such registered owner and upon surrender of this Bond to the District, for negotiable coupon bonds, payable to bearer, registrable as to principal only, in an amount or amounts not exceeding \$10,000 per coupon bond, or a lesser denomination in a multiple of \$1,000, consistent with the maturities hereof, in an aggregate principal amount equal to and maturing in conformity with the unpaid principal amount of this Bond, and in the form of such coupon bonds as provided in the Bond Resolution, with semi-annual coupons annexed representing the accrual of interest corresponding to the rate herein provided.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 1991, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Thousand Dollars (\$1,000), as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered owner of this Bond or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

So long as the registered owner of this Bond is the United States Government, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$1,000, may be prepaid at any time in inverse chronological order of the installments due.

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

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

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

IN WITNESS WHEREOF, said South 641 Water District, in the Commonwealth of Kentucky, by its Commission, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is

SOUTH 641 WATER DISTRICT
Calloway County, Kentucky

By _____
Chairman

Year	Principal	Year	Principal	Year	Principal
1984	\$4,000	1997	\$ 8,000	2010	\$16,000
1985	5,000	1998	9,000	2011	16,000
1986	5,000	1999	9,000	2012	17,000
1987	5,000	2000	10,000	2013	18,000
1988	5,000	2001	10,000	2014	19,000
1989	6,000	2002	11,000	2015	20,000
1990	6,000	2003	11,000	2016	21,000
1991	6,000	2004	12,000	2017	22,000
1992	6,000	2005	12,000	2018	23,000
1993	7,000	2006	13,000	2019	24,000
1994	7,000	2007	13,000	2020	25,000
1995	7,000	2008	14,000	2021	27,000
1996	8,000	2009	15,000		

and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the rate of five percent (5%) per annum, semi-annually on the first days of January and July in each year hereafter until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the registered owner shown on the registration book of the District.

This Bond is issued by the District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 74 and 106 of the Kentucky Revised Statutes, and pursuant to a duly adopted Bond Resolution of the District, to which Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the holder or registered owner of this Bond, and the rights, obligations, and duties of the District, for the purpose of financing the cost (not otherwise provided) of the acquisition and construction of a new District waterworks system and a new sewer system, consisting of the acquisition of the existing waterworks and sewer systems of the City of Hazel, Hazel, Kentucky, and the construction of replacements, extensions, additions, and improvements thereto; which waterworks and sewer systems have been ordered, in said Bond Resolution, to be combined and consolidated into and operated as a single, combined and consolidated, revenue-producing project or system (the "System").

This Bond, with the interest hereon, is payable from and secured by a pledge of the gross revenues to be derived from the operation of the System, a sufficient portion of which gross revenues has been ordered set aside as a special fund and pledge for that purpose and identified as the "South 641 Water District Water and Sewer Bond and Interest Sinking Fund."

A statutory mortgage lien upon said System of the District is created by Section 106.080 of the Kentucky Revised Statutes and by the aforesaid Bond Resolution, to and in favor of the registered owner of this Bond; and said System, all appurtenances thereof, and all extensions, additions, and improvements thereto shall remain subject to said statutory mortgage lien until payment in full of the principal of and interest on this Bond.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond, to finance future extensions, additions, and/or improvements to the System, provided the necessary showings as to the earnings coverage required by the Bond Resolution are in existence and properly certified.

This Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Bond or the interest hereon except from said special fund. The District, acting by and through its

Attest:

Secretary

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between South 44 Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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

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

John Paschall
(Print Name)

John Paschall
(Signed)

CHAIRMAN
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Calloway

Subscribed and sworn to before me by John Paschall
(Name)

this 23RD day of June, 2015.

Julie Carson
NOTARY PUBLIC
State-at-Large
10# 534556



**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between South Mt Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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

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Hank Stanfield
(Print Name)

Hank Stanfield
(Signed)

Operator
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Calloway

Subscribed and sworn to before me by Hank Stanfield
(Name)

this 13th day of July, 2015.

Cathy J Stockdale
NOTARY PUBLIC
State-at-Large
exp 1-10-16



**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between South 641 Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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

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Nancy Mieuve
(Print Name)

AL
(Signed)

Treasurer
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Calloway

Subscribed and sworn to before me by Nancy Miere
(Name)

this 10th day of July, 20 15.

Cathy J Stockdale
NOTARY PUBLIC
State-at-Large
EX 1-10-16

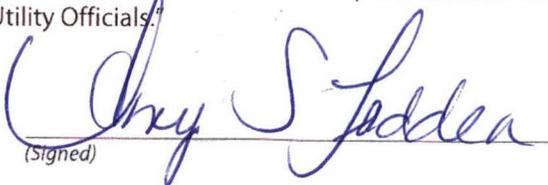
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between South 641 Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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

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Amy S. Fadden
(Print Name)


(Signed)

Administrator
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Calloway

Subscribed and sworn to before me by Amy S. Fadden
(Name)

this 13th day of July, 2015.

Stephanie L. Hyatt
NOTARY PUBLIC

State-at-Large

My Commission Expires
4-21-2018

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between South Hill Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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

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Kari Averill
(Print Name)

Kari Averill
(Signed)

Asst Manager
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Calloway

Subscribed and sworn to before me by Kari Averill
(Name)

this 10th day of July, 20 15.

Jenni Carson
NOTARY PUBLIC
State-at-Large
ID# 534556
com. exp - June 25, 2019

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between South WAI Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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

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

Allison Hillard Robertson
(Print Name)


(Signed)

Commissioner
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Calhoun

Subscribed and sworn to before me by Allison Hillard Roberts
(Name)

this 13th day of July, 2015.

[Signature]
NOTARY PUBLIC
State-at-Large
My Commission Exp
July 18, 2016

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between South Hill Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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

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- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Carolyn Ray
(Print Name)

Carolyn Ray
(Signed)

Assistant Manager
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Calloway

Subscribed and sworn to before me by Carolyn Ray
(Name)

this 13th day of July, 20 15.

Jill Carson
NOTARY PUBLIC
State-at-Large

Com. exp. June 25, 2019
ID # 534556

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE SOUTH 641 WATER DISTRICT PROPOSING ADJUSTMENTS TO ITS WATER AND SEWER RATES AND CHARGES AND AUTHORIZING ITS CHAIRMAN TO FILE AN APPLICATION WITH THE PSC SEEKING APPROVAL OF THE PROPOSED RATE ADJUSTMENT

WHEREAS, the South 641 Water District (“District”) is a water district created and organized under the provisions of KRS Chapter 74. The District is subject to the jurisdiction of the Kentucky Public Service Commission (“PSC”);

WHEREAS, prudent financial management dictates that the District take appropriate action to adjust its water and sewer rates and charges; and

WHEREAS, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the District to propose adjustments to its water and sewer rates and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF SOUTH 641 WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The District proposes to adjust its monthly water and sewer rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

Section 3. The Chairman is hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing (“ARF”) Application, Tariff Sheets, and all other documents that may be required by the PSC.

Section 4. The Chairman, General Manager, and all other appropriate District Staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement this Resolution.

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

ADOPTED BY THE COMMISSION OF SOUTH 641 WATER DISTRICT at a meeting held on March 3, 2015, signed by the Chairman, and attested by the Secretary.

ATTEST:



CHAIRMAN



SECRETARY

CERTIFICATION

I, Secretary of the South 641 Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on February 16, 2015, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 3rd day of March, 2015.



SECRETARY