

APR 29 2014

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Subject: PSC Case No. 2013-00346
From: "Faulkner, Linda (PSC)" <Linda.Faulkner@ky.gov>
Date: Tue, April 22, 2014 10:38 am
To: "grvwd@scrtc.com" <grvwd@scrtc.com>
Priority: Normal

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Good Morning Mr. Paige.

The final order in PSC Case No. 2013-00346 authorized the financing and construction needed for repairs to the Rio Verde Dam. One of the ordering paragraphs in that order states the following:

8. Within 30 days of executing its proposed Assistance Agreement with KIA, Green River District shall file a copy of the executed Assistance Agreement and any documents referenced in the Assistance Agreement that Green River District has not previously filed with the Commission.

Enclosed you will find the Assistance Agreement with KIA. If you need anything else please let me know

Can you please mail me a copy of this agreement and reference the case number so that I can put it in the case file?

Thank you for your attention to this matter.

Linda Faulkner
Filings Director
Kentucky Public Service Commission
502-564-3940

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GREEN RIVER VALLEY WATER DISTRICT

85 E. Les Turner Rd.
P.O. Box 399
Cave City, KY 42127
(270) 773-2135
David Paige, Manager

TTY1-800-648-6056

DISTRICT COMMISSIONERS
Jack London, Chairman
John Bunnell, Secretary/Treasurer
Ray Branstetter
Phillip Doyle
Pat Tucker
Pat Ross, Attorney

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APR 29 2014

**PUBLIC SERVICE
COMMISSION**


April 23, 2014

Linda Faulkner
Filings Director
Kentucky Public Service Commission

Ms. Linda Faulkner,

Enclosed you will find the Assistance Agreement with KIA. If you need anything else, please let me know.

Sincerely,



David Paige, General Manager
Green River Valley Water District

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**PUBLIC SERVICE
COMMISSION**

**ASSISTANCE AGREEMENT
BETWEEN THE KENTUCKY INFRASTRUCTURE AUTHORITY
AND
GREEN RIVER VALLEY WATER DISTRICT**

TRANSCRIPT OF PROCEEDINGS

**Peck, Shaffer & Williams LLP
Covington, Kentucky**

INDEX TO TRANSCRIPT OF PROCEEDINGS

In re: Assistance Agreement between Kentucky Infrastructure Authority (the "Authority") and Green River Valley Water District (the "Governmental Agency"), dated as of December 1, 2013

- 1. Opinion of Counsel to the Governmental Agency.**
- 2. General Closing Certificate of the Governmental Agency.**
- 3. Assistance Agreement.**
- 4. Resolution of the Governmental Agency authorizing the Assistance Agreement.**
- 5. Extract of Minutes of the Meeting of the District adopting Resolution authorizing Assistance Agreement.**
- 6. Extract of Minutes of the Authority authorizing the Assistance Agreement.**
- 7. Commitment Letter, including Credit Analysis.**

DISTRIBUTION LIST

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December 19, 2013

Kentucky Infrastructure Authority
1024 Capital Center Drive
Suite 340
Frankfort, Kentucky 40601

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and
Green River Valley Water District dated as of December 1, 2013

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Green River Valley Water District, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the infrastructure project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

- 1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.
- 2) The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted

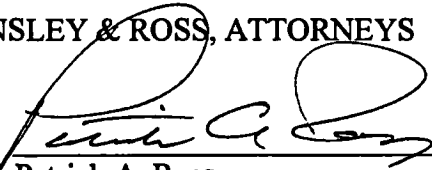
relating to or affecting the enforcement of creditors' rights or remedies generally.

- 3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.
- 4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.
- 5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.
- 6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.
- 7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.
- 8) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

HENSLEY & ROSS, ATTORNEYS

By:


Patrick A. Ross

Re: Assistance Agreement between the Kentucky Infrastructure Authority ("KIA") and Green River Valley Water District (the "Governmental Agency")

GENERAL CLOSING CERTIFICATE OF GOVERNMENTAL AGENCY

In connection with the above-captioned Assistance Agreement (the "Assistance Agreement"), the Governmental Agency, through its undersigned duly authorized officer hereby certifies, represents, warrants and covenants as follows:

1. No event of default exists, or with the passage of time will exist, under the Assistance Agreement and the representations and warranties set forth in the Assistance Agreement are true and correct as of the date hereof.

2. The Governmental Agency has examined and is familiar with proceedings of the governing body of the Governmental Agency approving the Assistance Agreement and authorizing its negotiation, execution and delivery and such proceedings were duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such proceedings are in full force and effect and have not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

3. The Governmental Agency is a duly organized and validly existing political subdivision of the Commonwealth of Kentucky with full power to own its properties, conduct its affairs, enter into the Assistance Agreement and consummate the transactions contemplated thereby.

4. The negotiation, execution and delivery of the Assistance Agreement by the Governmental Agency and the consummation of the transactions contemplated thereby by the Governmental Agency have been duly authorized by all requisite action of the governing body of the Governmental Agency.

5. The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

6. There is no controversy or litigation of any nature pending, or to the knowledge of the Governmental Agency after diligent inquiry, threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under the Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of the Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of the Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of the

Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with the Assistance Agreement.

7. The authorization and delivery of the Assistance Agreement and the consummation of the transactions contemplated thereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

8. All actions taken by the Governmental Agency in connection with the Assistance Agreement and the loan described therein and the Project, as defined in the Assistance Agreement, have been in full compliance with the provisions of the Kentucky Open Meetings Law, KRS 61.805 to 61.850.

9. The Governmental Agency has all licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project and to enter into the Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Governmental Agency Project, and has full right, power and authority to perform the acts and things as provided for in the Assistance Agreement.

10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Governmental Agency indicated after their respective names and the signatures subscribed above their names are their genuine signatures.

WITNESS our signatures, this 19th day of December, 2013.

GOVERNMENTAL AGENCY:

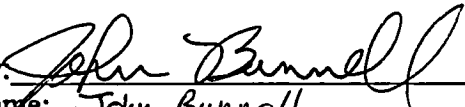
GREEN RIVER VALLEY WATER DISTRICT

By: 

Name: Jack London

Title: Chairman

ATTEST:

By: 

Name: John Bunnell

Title: Secretary

82462v1

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND B

PROJECT NUMBER B13-006
BORROWER: Green River Valley Water District
BORROWER'S ADDRESS PO Box 99
Cave City, Kentucky 42127
DATE OF ASSISTANCE AGREEMENT: December 1, 2013

2014 JUN 28 PM 2 01

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KENTUCKY INFRASTRUCTURE
AUTHORITY

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AUTHORITY

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ASSISTANCE AGREEMENT

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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "Assistance Agreement") by and between the KENTUCKY INFRASTRUCTURE AUTHORITY, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of the Kentucky (the "Authority") and the Governmental Agency identified on the cover of this Assistance Agreement (the "Governmental Agency"):

W I T N E S S E T H

WHEREAS, the General Assembly of the Commonwealth of Kentucky, being the duly and legally constituted legislature of Kentucky at its 1988 Regular Session, enacted House Bill 217 amending Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority has established its Program as hereinafter defined, for the purpose of providing financial assistance to Governmental Agencies, as defined in the Act, in connection with the acquisition and construction of Projects, as defined in the Act, in order to preserve, protect, upgrade, conserve, develop, utilize and manage the resources of the Commonwealth of Kentucky (the "Commonwealth") for the protection and preservation of the health, safety, convenience, and welfare of the Commonwealth and its citizens, and in that respect to assist and cooperate with Governmental Agencies in achieving such purposes; and

WHEREAS, the Authority has issued, and will issue from time to time, its revenue bonds pursuant to a General Trust Indenture dated as of September 1, 1989 (the "Indenture") between the Authority and U.S. Bank National Association (successor in interest to F/K/A First Kentucky Trust Company) (the "Trustee") in order to provide funding for its Program; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable to acquire, construct, and finance the Project, as hereinafter defined, and the Authority has determined that the Project is a Project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Authority; and

WHEREAS, the Governmental Agency desires to enter into this Assistance Agreement with the Authority for the purpose of securing from the Authority the repayable Loan hereinafter identified; and

WHEREAS, the Authority is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained to levy, collect, and enforce and remit adequate Service Charges, as hereinafter defined, for the services provided by the Governmental Agency's System, as hereinafter defined, and to apply the necessary portion of said Service Charges to the repayment of the Loan and the interest thereon, as hereinafter specifically provided; and

WHEREAS, the Authority and the Governmental Agency have determined to enter into this Assistance Agreement pursuant to the terms of the Act and the Indenture and to set forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction, and financing of the Project and the repayment of the Loan and the interest thereon;

NOW, THEREFORE, FOR AN IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

ARTICLE I

DEFINITIONS

All of the terms utilized in this Assistance Agreement will have the same definitions and meaning as ascribed to them in the Act and the Indenture, which Act and Indenture are hereby incorporated in this Assistance Agreement by reference, the same as if set forth hereby verbatim; provided, however, that those definitions utilized in the Act and the Indenture having general application are hereby modified in certain instances to apply specifically to the Governmental Agency and its Project.

"Act" shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

"Administrative Fee" means the charge of the Authority for the servicing of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Project Specifics.

"Assistance Agreement" shall mean this agreement made and entered into by and between a Governmental Agency and the Authority, as authorized by the Act, providing for a Loan to the Governmental Agency by the Authority, and for the repayment thereof to the Authority by the Governmental Agency.

"Authority" shall mean the Kentucky Infrastructure Authority created by the Act, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected by future amendments to the Act.

"Bond" or "Bonds" or "Revenue Bonds" shall mean any Kentucky Infrastructure Authority Bond or Bonds, or the issue of such Bonds, as the case may be, authenticated and delivered under the Indenture.

"Business Day" shall mean any day other than a Saturday, Sunday or other legal holiday on which the general offices of the Commonwealth are closed.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and shall include the Regulations of the United States Department of the Treasury promulgated thereunder.

"Commonwealth" shall mean the Commonwealth of Kentucky.

"Construction" shall mean construction as defined in the Act.

"Debt Obligations" shall mean those outstanding obligations of the Governmental Agency identified in the Project Specifics outstanding as of the date of this Assistance Agreement or issued in the future in accordance with the terms hereof, payable from the revenues of the Project.

"Engineers" means the firm of consulting engineers employed by the Governmental Agency in connection with the Project identified in the Project Specifics.

"Governmental Agency" shall mean any agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate a Project, including specifically but not by way of limitation, incorporated cities, counties, sanitation districts, water districts, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another pursuant to any regional or area compact, or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such described powers; and for the purposes of this Assistance Agreement shall mean the Governmental Agency identified in the Project Specifics.

"Indenture" shall mean the General Trust Indenture dated as of September 1, 1989 between the Authority and the Trustee.

"Loan" shall mean the loan effected under this Assistance Agreement from the Authority to the Governmental Agency in the principal amount set forth in the Project Specifics, for the purpose of defraying the costs incidental to the Construction of the Project.

"Loan Rate" means the rate of interest identified in the Schedule of Payments.

"Person" shall mean any individual, firm, partnership, association, corporation or Governmental Agency.

"Program" shall mean the program authorized by KRS 224A.112 and the Indenture as the "infrastructure revolving fund" for financing Projects through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

"Project" shall mean, when used generally, an infrastructure project as defined in the Act, and when used in specific reference to the Governmental Agency, the Project described in the Project Specifics.

"Project Specifics" means those specific details of the Project identified in Exhibit A hereto, all of which are incorporated by reference in this Assistance Agreement.

"Requisition for Funds" means the form attached hereto as Exhibit B to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Authority as construction of the Project progresses.

"Schedule of Payments" means the principal and interest requirements of the Loan as set forth in Exhibit F hereto, to be established and agreed to upon or prior to the completion of the Project.

"Schedule of Service Charges" shall mean those revenues identified in Exhibit C from which the Loan is to be repaid, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority prior to the disbursement of any portion of the Loan hereunder.

"Service Charges" shall mean any monthly, quarterly, semi-annual, or annual charges, surcharges or improvement benefit assessments to be imposed by a Governmental Agency, or by

the Authority, in respect of the Project which Service Charges arise by reason of the existence of, and requirement of, any Assistance Agreement and for the purposes of this Assistance Agreement said Service Charge shall be no less than those set forth in the Schedule of Service Charges.

"System" shall mean the utility system of which the Project shall become a part.

[End of Article I]

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Authority. The Authority represents and warrants for the benefit of the Governmental Agency as follows:

(A) The Authority is a body corporate and politic constituting a governmental agency and instrumentality of the Commonwealth, has all necessary power and Authority to enter into, and perform its obligations under, this Assistance Agreement, and has duly authorized the execution and delivery of this Assistance Agreement.

(B) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(C) To the knowledge of the Authority, there is no litigation or proceeding pending or threatened against the Authority or any other person affecting the right of the Authority to execute or deliver this Assistance Agreement or to comply with its obligations under this Assistance Agreement. Neither the execution and delivery of this Assistance Agreement by the Authority, nor compliance by the Authority with its obligations under this Assistance Agreement, require the approval of any regulatory body, or any other entity, which approval has not been obtained.

(D) The authorization, execution and delivery of this Assistance Agreement and all actions of the Authority with respect thereto, are in compliance with the Act and any regulations issued thereunder.

Section 2.2. Representations and Warranties of the Governmental Agency. The Governmental Agency hereby represents and warrants for the benefit of the Authority as follows:

(A) The Governmental Agency is a duly organized and validly existing Governmental Agency, as described in the Act, with full power to own its properties, conduct its affairs, enter into this Assistance Agreement and consummate the transactions contemplated hereby.

(B) The negotiation, execution and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of the governing body of the Governmental Agency.

(C) This Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(D) There is no controversy or litigation of any nature pending or threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the

authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of this Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

(F) Attached hereto as Exhibit D is a true, accurate and complete copy of the resolution or ordinance of the governing body of the Governmental Agency approving and authorizing the execution and delivery of this Assistance Agreement. Such resolution or ordinance was duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such resolution or ordinance is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

(G) All actions taken by the Governmental Agency in connection with this Assistance Agreement and the Loan described herein and the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, KRS 61.805 to 61.850.

(H) The Governmental Agency has all licenses, permits and other governmental approvals (including but not limited to all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate and maintain the Project, to charge and collect the Service Charges and to enter into this Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project, and has full right, power and authority to perform the acts and things as provided for in this Assistance Agreement.

(I) Legal counsel to the Governmental Agency has duly executed and delivered the opinion of legal counsel substantially in the form set forth in Exhibit E hereto.

[End of Article II]

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1. Determination of Eligibility. Pursuant to the terms of the Act and the Indenture, the Authority has determined that the Governmental Agency's Project is a Project under the Act and the Governmental Agency is entitled to financial assistance from the Authority in connection with financing the Construction of the Project.

Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds. The principal amount of the Loan shall be the Loan Amount as identified in the Project Specifics, subject to such adjustments as may be set forth in the Schedule of Payments. Principal payments shall be made semiannually in the amounts and on the dates to be established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the Repayment Term set forth in the Project Specifics, commencing with the Amortization Commencement Date set forth in the Project Specifics.

The Loan shall bear interest, payable on the Interest Payment Dates set forth in the Project Specifics, at the Loan Rate identified in the Project Specifics, and after the Amortization Commencement Date, in the amounts (based on such Loan Rate) and on the dates set forth in the Schedule of Payments; provided that, should an Event of Default occur, such payments of interest shall be made on the first day of each month during the continuation of such Event of Default.

The Authority shall advance the proceeds of the Loan as Construction of the Project progresses upon the submission by the Governmental Agency of a Requisition for Funds in substantially the same form as Exhibit B hereto. Each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement; subject to the requirements set forth in Article IV hereof.

Payments of principal and interest on the Loan shall be made at the principal office of the Authority or the Trustee, as designated by the Authority.

Section 3.3. Governmental Agency's Right to Repay Loan. The Governmental Agency shall have the right to prepay and retire the entire amount of the Loan at any time without penalty upon written notice to the Authority no less than five (5) Business Days in advance of said prepayment.

Notwithstanding the foregoing, upon the determination by the Authority that it intends to issue revenue bonds secured by a pledge of the payments on the Loan, the Authority shall advise the Governmental Agency (i) of its intention to proceed with the authorization of such bonds (ii) of the limitation on prepayments after such bonds are issued and (iii) that the Governmental Agency has thirty (30) days from its receipt of said notice to exercise its option to prepay the Loan. Upon the expiration of said thirty day period the Governmental Agency's right to prepay the Loan shall be limited to the terms described in such notice.

Section 3.4. Subordination of Loan. The Authority hereby agrees that the security interest and source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable

ARTICLE V

CERTAIN COVENANTS OF THE GOVERNMENTAL AGENCY; PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY

Section 5.1. Imposition of Service Charges. The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which the Loan is to be made by the Authority to the Governmental Agency as specified herein and in the Act and the Indenture. The Governmental Agency hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose the Service Charges set forth in Exhibit C annexed hereto. If so required, such Service Charges shall be in addition to all other rates, rentals and service charges of a similar nature of the Governmental Agency now or hereafter authorized by law, and now or hereafter being levied and collected by the Governmental Agency and shall be levied and collected solely for the purpose of repaying to the Authority all sums received from the Authority as representing the Loan in respect of the Project.

Section 5.2. Governmental Agency's Obligation to Repay Loan. The obligation of the Governmental Agency to repay to the Authority the amount of the Loan from the Service Charges shall not be revocable, and in the event that services supplied by the Project shall cease, or be suspended for any reason, the Governmental Agency shall continue to be obligated to repay the Loan from the Services Charges. In the event the Governmental Agency defaults in the payment of any Service Charges to the Authority, the amount of such default shall bear interest at the per annum rate equal to the Default Rate set forth in the Project Specifics, from the date of the default until the date of the payment thereof.

Section 5.3. Covenant to Adjust Service Charges. In the event, for any reason, the Schedule of Service Charges shall prove to be insufficient to provide to the Authority the minimum sums set forth in the Schedule of Payments, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and state, immediately adjust and increase such Schedule of Service Charges, so as to provide funds sufficient to pay to the Authority the minimum sums set forth in the Schedule of Payments.

Section 5.4. Adequacy of Service Charges. The Service Charges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the Schedule set forth in Exhibit C hereto so qualifies), as shall be at least adequate to make the payments at the times and in the amounts set forth in the Schedule of Payments, subject to necessary governmental and regulatory approvals.

The Service Charges imposed by the Governmental Agency shall be paid not less frequently than the Service Charge Payment period set forth in the Project Specifics, and shall be remitted to the Authority by the Governmental Agency with a report showing collections and any delinquencies. A report of all collections and delinquencies shall be made at least semi-annually on or before each Payment Date identified in the Schedule of Payments.

Section 5.5. Covenant to Establish Maintenance and Replacement Reserve. The Governmental Agency shall establish a special account identified as a "Maintenance and Replacement Reserve". On or before each payment date identified in the Schedule of Payments,

the Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to ten percent (10%) of the amount of such Loan payment until the amount on deposit in such fund is equal to five percent (5%) of the original principal amount of the Loan (the "Required Balance"). Amounts in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the Project or for the costs of replacing worn or obsolete portions of the Project. If amounts are withdrawn from such fund, the Governmental Agency shall again make the periodic deposits hereinabove required until the Required Balance is reinstated.

Section 5.6. Covenant to Charge Sufficient Rates; Reports; Inspection. The Governmental Agency hereby irrevocably covenants and agrees with the Authority:

(A) That, as aforesaid, it will at all times impose, prescribe, charge and collect the Service Charges set forth in Exhibit C hereto as shall result in net revenues to the Governmental Agency at least adequate to provide for the payments to the Authority required by this Assistance Agreement.

(B) That it will furnish to the Authority not less than annually reports of the operations and income and revenues of the Project, and will permit authorized agents of the Authority to inspect all records, accounts and data of the Project at all reasonable times.

(C) That it will collect, account for and promptly remit to the Authority those specific revenues, funds, income and proceeds derived from Service Charges incident to this Assistance Agreement.

(D) That it will notify the Authority in writing of its intention to issue bonds or notes payable from the revenues of the Project not less than thirty (30) days prior to the sale of said obligations.

Section 5.7. Segregation of Funds. The Governmental Agency shall at all times account for the income and revenues of the System and distinguish same from all other revenues, moneys and funds of the Governmental Agency, if any.

Section 5.8. Mandatory Sewer Connection. In the event that the Project consists of sanitary sewer facilities, the Governmental Agency hereby irrevocably covenants and agrees with the Authority that it will, to the maximum extent permitted by Kentucky law, and by means of ordinance, or other appropriate legislative order or action, mandatorily require the connection to and use of, the sanitary sewers constituting the Project by all persons owning, renting or ~~occupying premises generating~~ pollutants where such sanitary sewers are reasonably available to such premises, and to exhaust, at the expense of the Governmental Agency, all remedies for the collection of Service Charges, including, either directly or indirectly, pursuant to authority granted by Sections 96.930 to 96.943, inclusive, of the Kentucky Revised Statutes, and the Act, causing termination of water services to any premises where the bill for sewer services is delinquent and foreclosure and decretal sale in respect of improvement benefit assessments which are delinquent.

Section 5.9. Termination of Water Services to Delinquent Users. In the event the Project consists of water facilities the Governmental Agency covenants and agrees that it shall, pursuant to applicable provisions of law, to the maximum extent authorized by law, enforce and collect

the Service Charges imposed, and will promptly cause water service to be discontinued to any premises where any billing for such facilities and services shall not be paid in a timely manner.

[End of Article V]

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

Section 6.1. Further Assurance. At any time and all times the Governmental Agency shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues herein pledged or assigned, or intended so to be, or which the Governmental Agency may hereafter become bound to pledge or assign.

Section 6.2. Completion of Project. The Governmental Agency hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs and specifications prepared by the Engineers for the Governmental Agency.

Section 6.3. Establishment of Completion Date. The completion date for the Project shall be evidenced to the Authority by a certificate signed by the Engineer and an authorized representative of the Governmental Agency stating that, except for amounts retained by the Authority for costs of the Project not then due and payable, (i) the Construction has been completed and all labor, services, materials, supplies, machinery and equipment used in such Construction have been paid for, (ii) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed and all costs and expenses incurred in connection therewith have been paid, (iii) the Project and all other facilities in connection therewith have been acquired, constructed, equipped and installed to his satisfaction.

Section 6.4. Commitment to Operate. The Governmental Agency hereby covenants and agrees to commence operation of the Project immediately on completion of construction and not to discontinue operations or dispose of such Project without the approval of the Authority.

Section 6.5. Continue to Operate. The Governmental Agency hereby covenants and agrees to continuously operate and maintain the Project in accordance with applicable provisions of federal and state law and to maintain adequate records relating to said operation; said records to be made available to the Authority upon its request at all reasonable times.

Section 6.6. Tax Covenant. In the event the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Governmental Agency shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority in order to accomplish the foregoing. The Governmental Agency shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of the System or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Authority. The Governmental Agency will not acquire or pledge any obligations which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 6.7. Accounts and Reports. The Governmental Agency shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries

shall be made of all its transactions relating to the System, which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Financial Statements. Within ninety (90) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principals on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity.

Section 6.9. General Compliance With All Duties. The Governmental Agency shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of the this Assistance Agreement and any other Debt Obligations.

Section 6.10. Project Not to Be Disposed Of. The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities constituting the Project or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 6.11. General. The Governmental Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Governmental Agency under the provisions of the Act and this Assistance Agreement in accordance with the terms of such provisions including the Additional Covenants and Agreements, if any, set forth in Exhibit G hereto.

[End of Article VI]

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 7.1. Maintain Project. The Governmental Agency agrees that during the entire term of this Assistance Agreement, it will keep the Project, including all appurtenances thereto, and the equipment and machinery therein, in good and sound repair and good operating condition at its own cost so that the completed Project will continue to provide the services for which it is designed.

Section 7.2. Additions and Improvements. The Governmental Agency shall have the privilege of making additions, modifications and improvements to the sites of the Project, and to the Project itself from time to time provided that said additions, modifications and improvements do not impair the operation or objectives of the Project. The Cost of such additions, modifications and improvements shall be paid by the Governmental Agency, and the same shall be the property of the Governmental Agency and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Governmental Agency from entering into one or more supplementary Assistance Agreements providing for an additional Loan or Loans in respect of additional Projects undertaken by the Governmental Agency.

Section 7.3. Compliance with State and Federal Standards. The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards, if any, established by any state or federal agency. The Governmental Agency agrees that qualified operating personnel properly certified by the Commonwealth will be retained to operate the Project during the entire term of this Assistance Agreement.

Section 7.4. Access to Records. The Governmental Agency agrees that it will permit the Authority and any state or federal agency and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project, and commencement of operations thereof.

Section 7.5. Covenant to Insure - Casualty. The Governmental Agency agrees to insure the Project facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

Section 7.6. Authority as Named Insured. Any insurance policy issued pursuant to Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency, and to the Authority, as their interests may appear.

Section 7.7. Covenant to Insure - Liability. The Governmental Agency agrees that it will carry public liability insurance with reference to the Project with one or more reputable insurance companies duly qualified to do business in the Commonwealth, insuring against such risks (including but not limited to personal injury, death and property damage) and in such amounts as are set forth in the Project Specifics, and naming the Authority as an additional insured.

Section 7.8. Covenant Regarding Worker's Compensation. Throughout the entire term of this Assistance Agreement, the Governmental Agency shall maintain worker's compensation coverage, or cause the same to be maintained.

Section 7.9. Application of Casualty Insurance Proceeds. If, prior to the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm or other casualty, there shall be no abatement or reduction in the amount payable by the Governmental Agency pursuant to the terms of this Assistance Agreement, and the Governmental Agency will (1) promptly repair, rebuild or restore the Project damaged or destroyed; and (2) apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Governmental Agency necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Governmental Agency, and shall be promptly applied as herein provided.

Section 7.10. Eminent Domain. In the event that title to, or the temporary use of, the Project, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sole discretion:

(A) The restoration of the improvements located on the Project sites to substantially the same condition as prior to the exercise of said power of eminent domain; or

(B) The acquisition of additional property, if necessary, and the acquisition of additional facilities by construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities so taken by eminent domain, without the payment of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 7.10, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by an authorized officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of such certificate by an authorized officer of the Authority. In no event will the Governmental Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

[End of Article VII]

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The following will be "Events of Default" under this Assistance Agreement and the term "Event of Default" or "Default" will mean, whenever it is used in this Assistance Agreement, any one or more of the following events:

(A) Failure by the Governmental Agency to pay any payments at the times specified herein.

(B) Failure by the Governmental Agency to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Governmental Agency by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until such failure is corrected.

(C) The dissolution or liquidation of the Governmental Agency, or the voluntary initiation by the Governmental Agency of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Governmental Agency of any such proceeding which will remain undismissed for sixty (60) days, or the entry by the Governmental Agency into an agreement of composition with creditors or the failure generally by the Governmental Agency to pay its debts as they become due.

(D) A default by the Governmental Agency under the provisions of any agreements relating to its Debt Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 has occurred and is continuing, the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare all payments due hereunder, as set forth in the Schedule of Payments to be immediately due and payable.

(B) Exercise all the rights and remedies of the Authority set forth in the Act.

(C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Assistance Agreement.

Section 8.3. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Authority under this Assistance Agreement, the Authority shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer;

provided, however, that the Authority may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 8.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.5. Consent to Powers of Authority Under Act. The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Governmental Agency hereby covenants and agrees that if the Authority should in the future have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Assistance Agreement.

Section 8.6. Waivers. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.7. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto will default under any of the provisions hereof and the nondefaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party.

[End of Article VIII]

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Approval not to be Unreasonably Withheld. Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth (30th) day following the submission of any matter requiring approval to the Authority, unless disapproved in writing prior to such thirtieth (30th) day. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of the Authority granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 9.2. Approval. This Agreement is made subject to, and conditioned upon, the approval of this Assistance Agreement by the Secretary of the Finance and Administration Cabinet.

Section 9.3. Effective Date. This Assistance Agreement shall become effective as of the date first set forth hereinabove and shall continue to full force and effect until the date the obligations of the Governmental Agency pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 9.4. Binding Effect. This Assistance Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, nor assignable by either parties without the written consent of the other party.

Section 9.5. Severability. In the event that any provision of this Assistance Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 9.6. Execution in Counterparts. This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 9.7. Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

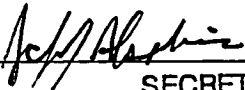
Section 9.8. Venue. The parties hereto agree that in the event of a default by the Governmental Agency pursuant to the provisions of Article 8 of this Agreement, the Authority shall, to the extent permitted under the laws of the Commonwealth, have the right to file any necessary actions with respect thereto in Franklin Circuit Court.

Section 9.9. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Assistance Agreement.

[End of Article IX]

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the day and year above written.

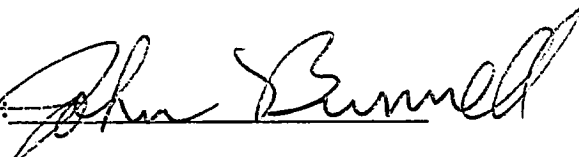
ATTEST:


SECRETARY
Title: _____

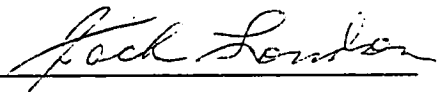
**KENTUCKY INFRASTRUCTURE
AUTHORITY**

By: 
EXECUTIVE DIRECTOR
Title: _____

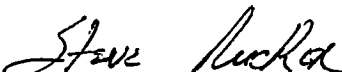
ATTEST:

By: 
Title: Secretary

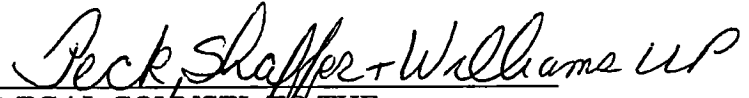
**GOVERNMENTAL AGENCY:
GREEN RIVER VALLEY WATER
DISTRICT**

By: 
Title: Chairman

APPROVED:


SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

EXAMINED:


LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

APPROVED AS TO FORM AND LEGALITY


APPROVED

FINANCE AND ADMINISTRATION CABINET

EXHIBIT A
GREEN RIVER VALLEY WATER DISTRICT
PROJECT SPECIFICS
B13-006

GOVERNMENTAL AGENCY:

Name: Green River Valley Water District
85 E. Les Turner Road
Cave City, KY 42127

Contact
Person: Jack London
Chairman

SYSTEM: Infrastructure

PROJECT:

This project involves a geotechnical evaluation and the subsequent reconstruction of a twenty foot section of the Rio Verde Dam due to severe seepage through the dam's foundation. It will include surface repairs of the concrete buttress dam and address erosion problems at the dam's foundation. The impoundment is the primary source of raw water for the District.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 5,000
Planning	10,000
Engineering Fees - Design	72,000
Engineering Fees - Const / Inspection	47,000
Construction	780,000
Contingency	156,000
Other	105,000
Total	\$ 1,175,000

FUNDING SOURCES:

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 1,175,000	100%
Total	\$ 1,175,000	100%

KIA DEBT SERVICE:

Construction Loan	\$ 1,175,000
Interest Rate	0.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 63,376
Administrative Fee (0.20%)	2,350
Total Estimated Annual Debt Service	\$ 65,726

P.S.C. KY. NO. 1

CANCELLING P.S.C. KY. NO. _____

GREEN RIVER VALLEY WATER DISTRICT

85 EAST LES TURNER ROAD

PO BOX 399

CAVE CITY, KENTUCKY, 42127

RATES & CHARGES
AND
RULES & REGULATIONS
FOR FURNISHING
WATER SERVICE
AT

HART, BARREN, LARUE, GREEN, AND METCALFE COUNTIES
KENTUCKY

FILED WITH THE
PUBLIC SERVICE COMMISSION
OF
KENTUCKY

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY *Daniel Davis*
(Signature of Officer)

TITLE *Manager*

JAN 24 2002

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: *Stephan Bue*
SECRETARY OF THE COMMISSION

FOR Hart, Barren, Lame, Green & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

Green River Valley Water District
(Name of Utility)

CONTENTS

I. RATES AND CHARGES

- A. Monthly Rates
- B. Deposits
- C. Meter Connection/Tap-on Charges
- D. Special Non-recurring Charges
- E. Purchased Water Rates
- F. Leak Adjustment Rate
- G. Wholesale Water Rates
- H. Fire Sprinkler Rates

II. RULES AND REGULATIONS

- A. Service Information
- B. Special Rules or Requirements
- C. Billings, Meter Readings, and Related Information
- D. Deposits
- E. Special Nonrecurring Charges
- F. Customer Complaints to the Utility
- G. Bill Adjustments

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____

ISSUED BY David A. [Signature] _____
Month / Date / Year
(Signature of Officer)

TITLE Manager _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 24, 2002

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
BY: Stephan O. Bell _____
SECRETARY OF THE COMMISSION

FOR Hart, Barren, Larue, Green & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

Original SHEET NO. 2

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

Green River Valley Water District
(Name of Utility)

CONTENTS

- H. Status of Customer Accounts during Billing Disputes
- I. Customer Request for Termination of Service
- J. Customer Relations
- K. Refusal or Termination of Service
- L. Meter Testing
- M. Meter Test Records
- N. Customer Requested Meter Tests
- O. Access to Property
- P. Location of Records
- Q. Safety Program
- R. System Inspections
- S. Reporting of Accidents, Property Damage, or Loss of Service
- T. Continuity of Service
- U. Pressures
- V. Service Lines and Connections
- W. Leak Adjustments
- X. Ownership of Mains, Services, and Appurtenances
- Y. Notification of System Problems

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____

ISSUED BY David Stipe _____
Month / Date / Year
(Signature of Officer)

TITLE Manager _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 24 2002

PURSUANT TO 807 KAR 5011,
SECTION 9(1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

FOR Hart, Barron, Larue, Green & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

Original SHEET NO. 3

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Green River Valley Water District
(Name of Utility)

CONTENTS

- Z. Legal Disclaimers
- AA. Fire Departments
- AB. Fire Hydrants
- AC. Fire Sprinkler Systems
- AD. Requirements for New Connections
- AE. Water Main Extensions
- AF. Extension Policy for Developers and New Subdivisions and Developments

III. ATTACHMENTS

- A. Sample Bill
- B. Water Shortage Plan

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____

ISSUED BY David Paige _____
Month / Date / Year
(Signature of Officer)

TITLE Manager _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 24 2002

PURSUANT TO 807 KAR-5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

FOR Hart, Barren, Larue, Green, & Metcalfe
County, Kentucky

P S C KY NO _____

SHEET NO. _____

CANCELLING P S C KY NO. _____

Original SHEET NO. 1

Green River Valley Water District
(Name of Utility)

RATES AND CHARGES

Monthly Water Rates

5/8" x 3/4" Meter

First	2,000 gallons	\$ 17.21	Minimum bill
Next	8,000 gallons	4.71	per 1,000 gallons
Next	10,000 gallons	3.93	per 1,000 gallons
Next	30,000 gallons	3.39	per 1,000 gallons
Next	50,000 gallons	3.06	per 1,000 gallons
All Over	100,000 gallons	2.96	per 1,000 gallons

1" Meter

First	5,000 gallons	\$ 31.34	Minimum bill
Next	5,000 gallons	4.71	per 1,000 gallons
Next	10,000 gallons	3.93	per 1,000 gallons
Next	30,000 gallons	3.39	per 1,000 gallons
Next	50,000 gallons	3.06	per 1,000 gallons
All Over	100,000 gallons	2.96	per 1,000 gallons

1.5" Meter

First	10,000 gallons	\$ 54.89	Minimum bill
Next	10,000 gallons	3.93	per 1,000 gallons
Next	30,000 gallons	3.39	per 1,000 gallons
Next	50,000 gallons	3.06	per 1,000 gallons
All Over	100,000 gallons	2.96	per 1,000 gallons

2" Meter

First	16,000 gallons	\$ 78.47	Minimum bill
Next	4,000 gallons	3.93	per 1,000 gallons
Next	30,000 gallons	3.39	per 1,000 gallons
Next	50,000 gallons	3.06	per 1,000 gallons
All Over	100,000 gallons	2.96	per 1,000 gallons

Wholesale Rate

2.14 per 1,000 gallons
KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Burt Kirtley</i>
EFFECTIVE 11/5/2010
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

DATE OF ISSUE 11/05/2010
Month / Date / Year

DATE EFFECTIVE 11/05/2010
Month / Date / Year

ISSUED BY *David Paige*
(Signature of Officer)

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2010-00354 DATED 11-5-2010

FOR Hart, Barren, Larue, Green, & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

Original SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Green River Valley Water District
(Name of Utility)

RATES AND CHARGES

B. DEPOSITS:

All Meters

\$62.00

DATE OF ISSUE 11/18/2010
Month / Date / Year

DATE EFFECTIVE 11/18/2010
Month / Date / Year

ISSUED BY *David Papp*
(Signature of Officer)

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00455 DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 11/18/2010 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Hart, Barren, Larue, Green, & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

Original SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Green River Valley Water District
(Name of Utility)

RATES AND CHARGES

C. METER CONNECTION/TAP-ON CHARGES:

5/8 Inch X 3/4 Inch \$750.00

All Larger Meters Actual Cost

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE Nov. 18, 2010
Month / Date / Year

ISSUED BY David Page
(Signature of Officer)

TITLE Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00455 DATED 11-18-2010

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <u>Brent Kintley</u>
EFFECTIVE 11/18/2010 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Hart, Barren, Larue, Green, & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

Original SHEET NO. 8

Green River Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

D. SPECIAL NON-RECURRING CHARGES:

Connection/Turn-on Charge	20.00
Connection/Turn-on Charge (After Hours)	30.00*
Late Payment Penalty	10%
Meter Relocation Charge	Actual Cost
Meter Re-read Charge	25.00
Meter Test Charge	50.00
Re-connection Charge	50.00
Re-connection Charge (After Hours)	75.00*
Returned Check Charge	20.00
Service Call/Investigation	25.00
Service Call/Investigation (After Hours)	50.00*
Credit/Debit card and for ACH Bank Draft payments	Actual Cost

*NOTE—Regular working hours for the utility's Maintenance Staff is 7:00 a.m. to 3:30 p.m. Monday through Friday, excluding holidays. Upon customer request, and subject to availability of Maintenance Staff, services may be performed outside regular working hours at the after hours rate.

DATE OF ISSUE _____
Month / Date / Year
DATE EFFECTIVE NOV. 18, 2010
Month / Date / Year
ISSUED BY David Prige
(Signature of Officer)
TITLE Manager
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00455 DATED 11-18-2010

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <u>Burt Kelley</u> EFFECTIVE
11/18/2010 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Hart, Barren, Larue, Green, & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

Original SHEET NO. _____

Green River Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

NONRECURRING CHARGES

Credit or Debit Card Fees

All customers may pay bills with cash, check or credit/debit cards. If, on the bill due date, an attempt to pay with a credit card or debit card is made and the card is declined for any reason, payment is still due in full on that date and will be considered late after that date. All late charges and penalties will be applies. If a customer is paying on the disconnect date and the card is denied, the same rules apply in addition to being disconnected.

When a customer makes a payment by credit card, the utility will assess a fee equal to that charged to the utility by the credit or debit card processing company to process the transaction. This fee is generally calculated using a formula applied to the balance of the amount charged to the debit or credit account, but may be a flat fee per transaction. Prior to processing the transaction, the customer will be informed of the fee amount and, upon request by the customer, the formula employed to arrive at the fee amount.

ACH and Bank Draft Fees

All customers may pay their bills by ACH or Bank Draft. The charge for using this method of payment will be the actual cost charged to the utility.

DATE OF ISSUE 11/18/2010

Month / Date / Year

DATE EFFECTIVE 11/18/2010

Month / Date / Year

ISSUED BY *David Page*

(Signature of Officer)

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00455 DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kitley</i>
EFFECTIVE 11/18/2010 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Hart, Barren, Larue, Green, & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

4th Revised SHEET NO. 9

Green River Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

3rd Revised SHEET NO. 9

RATES AND CHARGES

E. PURCHASED WATER RATES:

Glasgow Water Company	Rate
July 1, 2008	\$1.75 per 1,000 Gallons
July 1, 2009	\$1.95 per 1,000 Gallons

DATE OF ISSUE _____

Month / Date / Year

DATE EFFECTIVE 7 / 01 / 2008

Month / Date / Year

ISSUED BY *John London*
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 7/1/2008 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Hart, Barren, Lame, Green, & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

Original SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Green River Valley Water District
(Name of Utility)

RATES AND CHARGES

F. LEAK ADJUSTMENT RATE:

Based on cost of production per 1,000 Gallons

rate \$1.30 per 1000 gals.

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE NOV. 18, 2010
Month / Date / Year

ISSUED BY David Papp
(Signature of Officer)

TITLE Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00455 DATED 11-18-2010

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <u>Brent Kirtley</u>
EFFECTIVE 11/18/2010 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Hart, Barren, Larue, Green, & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

1st Revised SHEET NO. 10

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 10

Green River Valley Water District
(Name of Utility)

RATES AND CHARGES

Cancelled
November 18,
2010.

~~F. LEAK ADJUSTMENT RATE:~~

~~\$1.58 per 1,000 Gallons~~

G. WHOLESALE WATER RATES:

Cancelled
November 5,
2010.

~~City of Horse Cave~~

~~\$1.58 per 1,000 Gallons~~

~~City of Cave City~~

~~\$1.58 per 1,000 Gallons~~

~~City of Munfordville~~

~~\$1.58 per 1,000 Gallons~~

~~City of Bonnieville~~

~~\$1.58 per 1,000 Gallons~~

~~Green Taylor Water District~~

~~\$1.58 per 1,000 Gallons~~

~~Larue County Water District~~

~~\$1.58 per 1,000 Gallons~~

Maintenance and billing charge per customer for the cities:

Horse Cave

\$3.70 per month

Cave City

\$3.70 per month

DATE OF ISSUE _____
Month / Date / Year
DATE EFFECTIVE 08 / 23 / 2004
Month / Date / Year
ISSUED BY David Nagp
(Signature of Officer)
TITLE Manager
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2004-00285 DATED 08 / 23 / 2004

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kintley</i>
EFFECTIVE 8/23/2004 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Hart, Barren, Larcie, Green, & Metcalfe
County, Kentucky

P.S.C. KY. NO. 1

Original SHEET NO. 11

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

Green River Valley Water District
(Name of Utility)

RATES AND CHARGES

H. FIRE SPRINKLER SYSTEM RATES:

Meter Size

Monthly Charge

Not Applicable

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY David Dege
(Signature of Officer)

TITLE Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 26 2002

PURSUANT TO KRS 807.011,
SECTION 8(1)

BY: Stephan B. Burt
SECRETARY OF THE COMMISSION

EXHIBIT D

RESOLUTION

RESOLUTION OF THE GREEN RIVER VALLEY WATER DISTRICT
APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT
BETWEEN THE GREEN RIVER VALLEY WATER DISTRICT AND THE
KENTUCKY INFRASTRUCTURE AUTHORITY

WHEREAS, the Board of Commissioners, ("governing authority") of the Green River Valley Water District, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Water System being maintained and operated by the Governmental Agency (the "Project"); and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement with the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Green River Valley Water District, as follows:

SECTION 1. That the governing authority hereby approves and authorizes of the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the Project.

SECTION 2. That any officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on _____, 2013.

Chairman

Attest:

Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Green River Valley Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said District at a meeting duly held on _____, 2013; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this _____ day of _____, 2013.

Secretary

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

Kentucky Infrastructure Authority
1024 Capital Center Drive
Suite 340
Frankfort, Kentucky 40601

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and the Green River Valley Water District, dated as of December 1, 2013

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Green River Valley Water District, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the infrastructure project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

EXHIBIT F

TO ASSISTANCE AGREEMENT BETWEEN
THE GREEN RIVER VALLEY WATER DISTRICT
("GOVERNMENTAL AGENCY") AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY

Total Loan to be Repaid by
Governmental Agency to
Kentucky Infrastructure Authority \$ _____

Principal and Interest Payable
on Each _____ and

It is understood and agreed by the parties to this Assistance Agreement that this Exhibit F is an integral part of the Assistance Agreement between the Governmental Agency and the Kentucky Infrastructure Authority.

IN WITNESS WHEREOF, the parties have caused this Exhibit F to Assistance Agreement to be executed by their respective duly authorized officers as of the date of said Assistance Agreement.

KENTUCKY INFRASTRUCTURE AUTHORITY

By: _____

Title: _____

GREEN RIVER VALLEY WATER DISTRICT,
GOVERNMENTAL AGENCY

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

NONE

82457v1

RESOLUTION

RESOLUTION OF THE GREEN RIVER VALLEY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE GREEN RIVER VALLEY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners, ("governing authority") of the Green River Valley Water District, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Water System being maintained and operated by the Governmental Agency (the "Project"); and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement with the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Green River Valley Water District, as follows:

SECTION 1. That the governing authority hereby approves and authorizes of the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the Project.


SECTION 2. That any officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on December 19th, 2013.


Chairman

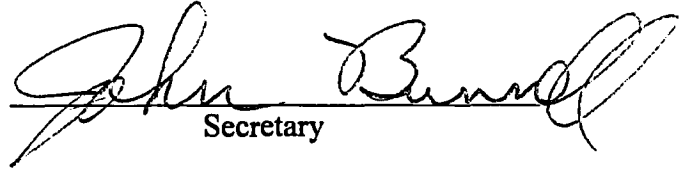
Attest:


Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Green River Valley Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said District at a meeting duly held on December 19th, 2013; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 19th day of Dec.,
2013.


Secretary

82459v1

DECEMBER 19, 2013

The Board of the Commissioners of the Green River Valley Water District met on December 19, 2013 at 2:00 p.m. at the office of the District. Those present were Chairman Jack London, Commissioners Ray Branstetter, Pat Tucker, Phillip Doyle, and John Bunnell. Manager David Paige, Assistant Manager Adrian Gossett, John Rutledge, and Attorney Pat Ross were also present.

Robert Campbell of Groundbreaking by Design appeared and made a presentation to the Board about scaling back on the construction costs for the new office building. A general discussion occurred as to how to keep the expenses below that of the current estimate.

Motion was made by Commissioner Tucker, seconded by Commissioner Branstetter, to approve the minutes of the regular meeting of November 21, 2013. The motion carried.

The monthly bills were reviewed and discussed. Commissioner Bunnell made a motion, seconded by Commissioner Doyle, to approve the payment of the November bills in the amount of \$217,490.03. The motion carried and a computer printout of the bills available as of the date of this meeting is attached hereto.

John Rutledge informed the Board of the need for the water treatment plant expansion and a new clear well. Manager Paige discussed the financing of this project through Rural Development and KIA. The initial step would be to make an application for the entire project through Rural Development with the estimated cost to be \$12,000,000. After a discussion, Commissioner Tucker made a motion, seconded by Commissioner Branstetter, to authorize Manager Paige to apply for financing of the water treatment plant expansion with USDA/Rural Development in the appropriate amount. The motion carried.

The Rio Verde Dam Improvement Project is nearing completion, and to process the payment, the Board needs to adopt the resolution authorizing the assistance agreement with the District. After a discussion, Commissioner Branstetter made a motion, seconded by Commissioner Bunnell, to adopt the resolution, a copy of which is attached hereto and incorporated herein by reference. The motion carried.

Manager Paige told the Board that the District needs a computer upgrade, with an estimated cost of \$11,000. After a discussion, Commissioner Bunnell made a motion, seconded by Commissioner Branstetter, to authorize Manager Paige to purchase the upgrade in his discretion. The motion carried.

Campbell, Myers & Rutledge sent a proposal for the annual audit for a fee of \$19,800. Commissioner Doyle made a motion, seconded by Commissioner Bunnell, to enter into this professional service agreement. The motion carried.

Commissioner Bunnell made a motion, seconded by Commissioner Doyle, to give each of the employees a one-time pay increase on the same basis as 2012. The motion carried.

Manager Paige gave his manager's report.

With there being no further business to come before the Board, a motion was made by Commissioner Bunnell and seconded by Commissioner Doyle to adjourn the meeting. The motion carried.

GREEN RIVER VALLEY WATER DISTRICT

BY: _____
JACK LONDON, Chairman

BY: _____
Secretary

**KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board**

**Meeting Date/Location: April 4, 2013 – 1:00 p.m.
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340, Frankfort**

Members present:

Mr. Sam Ruth, Finance and Administration Cabinet
(proxy for Secretary Lori H. Flanery, FAC)
Mr. Robert Aldridge, Economic Development Cabinet
(proxy for Secretary Larry Hayes, EDC)
Ms. Lona Brewer, Energy and Environment Cabinet
(permanent proxy for Secretary Leonard K. Peters, EEC)
Mr. Jerry Wuetcher, Public Service Commission
(permanent proxy for Executive Director Jeff Derouen, PSC)
Mr. C. Ronald Lovan, representing the American Water Works Association
Mr. Damon Talley, representing the Kentucky Rural Water Association
Mr. Marty T. Ivy, representing the Kentucky Municipal Utilities Association

Members absent:

Mr. Tony Wilder, Commissioner, Department for Local Government
Mr. Jody Jenkins, Union County Judge/Executive, representing the Kentucky
Association of Counties
Ms. Linda C. Bridwell, representing for-profit private water companies
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities

Guests:

Mr. Shafiq Amawi, Division of Water
Ms. Jennifer Kantner, Office of Financial Management
Mr. Josh Nacey, Legislative Research Commission
Mr. Bill Bunch, City of Pineville
Mr. Corey Napier, Vaughn and Melton Consulting Engineers
Mr. Mitch Brunsma, Vaughn and Melton Consulting Engineers
Mr. Gary Larimore, Kentucky Rural Water Association
Mr. Vaughn Williams, Kenvirons, Inc.
Mr. David Paige, Green River Valley Water District
Mr. Jack London, Green River Valley Water District
Mr. Mike Young

PROCEEDINGS

Vice Chair Damon Talley called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Vice Chair Talley asked board members and guests to introduce themselves. He noted that a quorum was present and the press had been notified regarding the meeting.

Mr. Rusty Anderson, KIA, made maps available for viewing via the Water Resource Information System (WRIS) which showed an overview of the water and sewer projects that were to be considered at this board meeting.

I. BUSINESS (Board Action Required)

A. 1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of March 7, 2013

Mr. Ron Lovan moved to approve the minutes of the March 7, 2013 regular board meeting. Mr. Robert Aldridge seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS

1. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A11-051) IN THE AMOUNT OF \$533,485 TO THE CITY OF PINEVILLE ON BEHALF OF PINEVILLE UTILITY COMMISSION, BELL COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Ms. Sandy Williams, presented the project to the Board. The City of Pineville on behalf of the Pineville Utility Commission requested a \$533,485 Fund A loan for Phase I of the Virginia Avenue Utility Replacement project. The City operates a combined sewer system (CSS) that contains two permitted combined sewer overflows (CSO) which discharge to the Cumberland River. In 2007, the City entered into a Consent Judgment with the Commonwealth of Kentucky's Environmental and Public Protection Cabinet to reduce and eliminate these CSO's. Phased construction better matches the City's ability to fund the City-wide project which is estimated to cost \$8.2 million. Phase I includes construction of two sewage lift stations and associated force main along with approximately 4,100 LF of sanitary/storm sewer separation in the Virginia Avenue area. A second phase will complete the sewer separation in this area and later project phases will address all other areas in the community. Ms. Williams stated this loan will be combined with a previously KIA Board approved Fund A1 Planning and Design loan originally approved in May 2011 in the amount of \$500,000, which will be reduced to \$200,000 as a result of this loan. Under the 2010 Capitalization Grant Equivalencies the project did not qualify for Green Project Reserve funding. The project did qualify for additional subsidization in the amount of \$160,046 or 30% which was the loan subsidization percent for the capitalization grant year that was applicable to the original approval of the planning and design project. The unforgiven balance of the loan is \$373,439 to be repaid in 20 years with an interest rate of 0.75% and a total estimated annual debt service payment of \$20,889. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

Mr. Ron Lovan moved to approve the Fund A (A11-051) resolution with the standard conditions. Mr. Marty Ivy seconded, and the motion carried unanimously.

2. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B13-003) LOAN IN THE AMOUNT OF \$1,380,000 TO THE CITY OF PINEVILLE ON BEHALF OF PINEVILLE UTILITY COMMISSION, BELL COUNTY, KENTUCKY

Ms. Sandy Williams, KIA, presented the project to the Board. The City of Pineville on behalf of Pineville Utility Commission requested a Fund B loan in the amount of \$1,380,000 for the Radio Read Metering System project. The project involves the replacement of approximately 5,500 water meters with a radio read system. It will reduce the amount spent on meter reading by approximately half, or \$85,000, and improve water usage accuracy. The utility provides sewer service to the City of Pineville and water service to the City of Pineville, Black Mountain Utility District (Green Hills), Cawood Utility District, and Knox County Utility Commission. The term of the loan is 20 years with a 0.75% interest rate and an estimated annual debt service payment of \$77,193. KIA staff recommended approval of the loan with the standard conditions.

Ms. Lona Brewer moved to approve the Fund B (B13-003) Resolution with the standard conditions. Mr. Ron Lovan seconded, and the motion carried unanimously.

3. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR ASSUMPTION OF THE INFRASTRUCTURE REVOLVING FUND (B96-04) LOAN BY THE GRAVES COUNTY WATER DISTRICT, GRAVES COUNTY, KENTUCKY

Mr. John LeFevre, KIA, presented the assumption request to the Board. The Graves County Water District (District) requested to assume \$247,667.58 in outstanding Infrastructure Revolving debt (B96-04) of the Hickory Water District (Hickory) as a result of the merger of Hickory with the District. The merger was effective January 1, 2013. The original assistance agreement dated June 1, 1999 in the amount of \$528,000 was utilized to construct a 500,000 gallon water storage tank on an industrial park property. The District was created in 2008 by the merger of four water districts formerly known as Consumers, Fancy Farm, South Graves and Hardeman under Chapter 74 of the Kentucky Revised Statutes. The Public Service Commission approved the merger on May 21, 2008 and it was finalized on September 8, 2008. The General Assembly, in KRS 74.361(1), has determined the "reduction of the number of operating water districts in the Commonwealth...[is] in the public interest, in that mergers of such districts will tend to eliminate wasteful duplication of costs and efforts, result in a sounder and more businesslike degree of management, and ultimately result in greater economies, less cost, and a higher degree of service to the general public; and that the public policy favors the merger of water districts wherever feasible." The term of the loan will remain the same as originally approved which was 20 years and a 1.80% interest rate. The total estimated annual debt service payment is \$32,610. KIA staff recommended approval of the loan assumption with the standard conditions.

Mr. Sam Ruth moved to approve the Fund B (B96-04) Assumption Resolution with the standard conditions. Ms. Lona Brewer seconded, and the motion carried unanimously, with Mr. Marty Ivy abstaining due to the involvement of the City of Mayfield.

4. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B13-006) LOAN IN THE AMOUNT OF \$1,175,000 TO THE GREEN RIVER VALLEY WATER DISTRICT, HART COUNTY, KENTUCKY

Mr. John LeFevre, KIA, presented the project to the Board. The Green River Valley Water District (District) requested a Fund B loan in the amount of \$1,175,000 for the Rio Verde Dam Improvement project. This project involves a geotechnical evaluation and the subsequent reconstruction of a twenty foot section of the Rio Verde Dam due to severe seepage through the dam's foundation. It will include surface repairs of the concrete buttress dam and address erosion problems at the dam's foundation. The geotechnical evaluation (included in other costs) of the dam wall and support structure will be conducted to ensure that there are no other structural issues and that the planned corrective measures will be successful. The reservoir is the primary source of raw water for the District. The District serves portions of Barren, Green, Hart, Larue and Metcalf counties and is regulated by the Public Service Commission. Wholesale service is provided to the Horse Cave Water System, Cave City Water System, Munfordville Water Works, Larue County Water District #1, Bonnieville Water District, Green-Taylor Water District, and the Caveland Environmental Authority. The term of the loan is 20 years with an interest rate of 0.75% and an estimated annual debt service payment of \$65,726. KIA staff recommended approval of the loan with the standard conditions.

Mr. Ron Lovan moved to approve the Fund B (B13-006) Resolution with the standard conditions. Mr. Robert Aldridge seconded, and the motion carried unanimously, with Mr. Jerry Wuetcher abstaining because the loan and the project will have to go before the PSC for approval.

5. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND (F13-004) LOAN IN THE AMOUNT OF \$885,738 TO THE CITY OF SEBREE, WEBSTER COUNTY, KENTUCKY

Mr. Shafiq Amawi, DOW, and Mr. John LeFevre, KIA, presented the project to the Board. The City of Sebree requested an \$885,738 Fund F loan for the Scattered Waterline Rehabilitation project. The project will replace approximately 36,000 linear feet of four and six inch cast iron water mains that were primarily installed in the 1930s and are prone to frequent breaks. Additionally, there are 160 customers that will have service interruptions during the project and will have to be reconnected with new lines. Average water loss has ranged from 20% to 30% over the past three years. The City purchased approximately 45 million gallons of water from the Henderson Water Utility in 2012 at an average rate of

\$3.12 per thousand gallons. The 2012 Drinking Water Capitalization Grant did not contain a "green" requirement. The project qualified for additional subsidization in the amount of 10% or \$88,074. The unforgiven balance of the loan is \$797,164 to be repaid in 30 years with an interest rate of 0.75% and an estimated annual debt service payment of \$31,716. Both DOW and KIA staff recommended approval of the loan with the standard conditions, and the following special conditions: 1) A water increase sufficient to generate an additional \$37,000 (approximately 13%) per year in revenue will be implemented to be effective by July 1, 2013, or earlier; and 2) The water rate ordinance will be modified to include the following: "Within 30 days of any rate adjustment to purchased water costs the city will increase the water rate structure by an equal amount per thousand gallons."

Mr. Jerry Wuetcher moved to approve the Fund F (F13-004) resolution with the standard conditions and the special conditions indicated in the staff recommendations. Mr. Marty Ivy seconded, and the motion carried unanimously.

6. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

This is a routine resolution allowing KIA to reimburse expenses that are paid out of the Authority's funds with bond proceeds. The projects listed below are covered under this resolution:

APPLICANT	FUND	AMOUNT
City of Pineville on behalf of Pineville Utility Commission	A11-051	\$ 533,485
City of Pineville on behalf of Pineville Utility Commission	B13-003	\$ 1,380,000
Green River Valley Water District	B13-006	\$ 1,175,000
City of Sebree	F13-004	\$ 885,738

Ms. Lona Brewer moved to approve the resolution. Mr. Jerry Wuetcher seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR'S REPORT

Mr. John Covington, KIA, reported on the following items to the Board:

- A. Representatives from EPA Region IV visited the offices of KIA and DOW during the week of March 18, 2013, and conducted their annual review of files and documentation. KIA and DOW received good reports and all went well.

- B. The 2014 draft IUP Public Meeting is scheduled for Tuesday, April 9, 2013. Based on comments from EPA during their visit, no capitalization grants will be approved until some of the financial issues are resolved in Washington, D.C. The priority list was received and will be inserted into the 2014 draft IUP document that is on the website. It will replace the alphabetical list of projects that was initially included. The public comment period will probably be extended for review.
- C. The firm, Public Financial Management, Inc. (PFM), was selected to be the financial advisor for KIA, and the primary contact will be Lisa Daniels from their Memphis Office.
- D. There have been no further notifications on funding for the second half of the 2013 budget year. KIA had received one-half year funding in the current Continuing Resolution.
- E. Mr. Ron Lovan asked if KIA staff had heard any new information regarding the WIFIA (Water Infrastructure Finance and Innovation Authority) proposal. Mr. Covington answered he had not heard anything new, but mentioned that KIA staff will be attending a CIFA Conference in Washington, D.C. at the end of May and expected the topic will be heavily discussed at that time. The last thing he had heard was that WIFIA was to be included in the Corps of Engineers funding bill and that it was a test program.

III. STATUS REPORT FOR FUNDS A, A2, B, B1, C, F, F2

IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:
Tentatively scheduled for
Thursday, May 2, 2013
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky

There being no further business Mr. Jerry Wuetcher moved to adjourn. Mr. Marty Ivy seconded and the motion carried unanimously. The April 4, 2013, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:



Sandy Williams, Secretary
Kentucky Infrastructure Authority

4-26-13
Date

December 17, 2013

Mr. Dirk Bedarff
Peck, Shaffer & Williams
50 East River Center Boulevard, Suite 1150
Covington, Kentucky 41011

VIA EMAIL

RE: Green River Valley Water District
Infrastructure Revolving Fund Loan B13-006

Dear Dirk:

Enclosed please find the following information with regard to the above-mentioned project:

Distribution List
Exhibit A
Executed copy of commitment letter
Minutes approving the project

All conditions contained within the commitment letter have been met. Please prepare the appropriate Assistance Agreement for execution and forward to Chairman Jack London.

Sincerely,

Tammy J. McCall
Financial Analyst

Attachments



KENTUCKY INFRASTRUCTURE AUTHORITY

1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
Phone (502) 573-0260
Fax (502) 573-0157
<http://kia.ky.gov>

Steven L. Beshear
Governor

John E. Covington III
Executive Director

April 5, 2013

Mr. Jack London, Chairman
Green River Valley Water District
85 E. Les Turner Road
Cave City, KY 42127

2013 APR 15 AM 11:27
KENTUCKY INFRASTRUCTURE AUTHORITY

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (B13-006)**

Dear Mr. London:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On April 4, 2013, the Authority approved your loan for the Rio Verde Dam Improvement project subject to the conditions stated below. The total cost of the project shall not exceed \$1,175,000 of which the Authority loan shall provide \$1,175,000 of the funding. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Green River Valley Water District upon satisfactory performance of the conditions set forth in this letter. A period of twelve months from the date of this letter (4/5/2014) will be allowed for you to meet the conditions set forth in this letter and enter into an Assistance Agreement. A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

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

1. The Authority project loan shall not exceed \$1,175,000.

2. The loan shall bear interest at the rate of 0.75% per annum commencing with the first draw of funds.
3. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on June 1 or December 1 immediately succeeding the date of the last draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the last draw of funds, then the first principal payment date shall be the June 1 or December 1 which is at least six months from the date of the last draw of funds. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.20% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
7. Loan funds will be disbursed after execution of the Assistance Agreement as project costs are incurred.
8. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. Upon completion of final design of the facilities in the attached project description, favorable approval shall be obtained of such design by all appropriate parties as required by Kentucky statute or administrative regulation.

2. Applicant must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.
3. Documentation of final funding commitments from all parties other than the Authority as reflected in the Attachment A description shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding or any new sources of funding not reflected in Attachment A shall be immediately reported and may cause this loan to be subject to further consideration.
4. Upon receipt of construction bids a tabulation of such bids and engineer's recommendations on compliance with bid specifications and recommendation for award, shall be forwarded to the Authority for final approval and sizing of this loan and the project.
5. Based on the final "as bid" project budget, the community must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by your consultant engineer
6. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
7. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Authority.
8. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The committee meets monthly on the third

Mr. Jack London
April 5, 2013
Page 4

Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.

9. Documentation of Clearinghouse Endorsement and Clearinghouse Comments.
10. The Borrower must complete and return to the Authority the attached "Authorization For Electronic Deposit of Vendor Payment" Form.
11. Implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
12. Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North, South or Single) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). If there is a significant deviation from the Final Design Plan during construction, As-built plans shall also be provided to the Authority in the same format.

Any special conditions listed below and/or stated in Attachment A must be resolved.

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

Sincerely,



John LeFevre
Financial Analyst

Attachments

cc: David Paige, Manager, Green River Valley Water District
R. Vaughn Williams, P.E., Kenvirons, Inc.
Dirk Bedarff, Peck, Shaffer & Williams LLP
State and Local Debt Office, DLG
Borrower File - Green River Valley Water District - B13-006

Mr. Jack London
April 5, 2013
Page 5

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also attach the completed "Authorization For Electronic Deposit of Vendor Payment" Form.

 _____
Accepted

_____ 4-12-13
Date

ATTACHMENT A

**Green River Valley Water District
B13-006**

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND B, INFRASTRUCTURE REVOLVING LOAN FUND	Reviewer Date KIA Loan Number WRIS Number	John LeFevre April 4, 2013 B13-006 WX21099037
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BORROWER	GREEN RIVER VALLEY WATER DISTRICT HART COUNTY
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BRIEF DESCRIPTION

This project involves a geotechnical evaluation and the subsequent reconstruction of a twenty foot section of the Rio Verde Dam due to severe seepage through the dam's foundation. It will include surface repairs of the concrete buttress dam and address erosion problems at the dam's foundation. The Impoundment is the primary source of raw water for the District.

PROJECT FINANCING	PROJECT BUDGET	RD Fee %	Actual %
Fund B Loan	\$1,175,000		
	Administrative Expenses		\$5,000
	Planning		10,000
	Eng - Design	8.9%	7.7%
	Eng - Inspection	5.7%	5.0%
	Construction		780,000
	Contingency		156,000
	Other		105,000
TOTAL	\$1,175,000		\$1,175,000

REPAYMENT	Rate Term	0.75% 20 Years	Est. Annual Payment 1st Payment	\$65,726 6 Mo. after first draw
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PROFESSIONAL SERVICES	Engineer Bond Counsel	Kenvirons, Inc. Peck, Shaffer, & Williams
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PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Jun-13 Jul-13 Aug-13
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DEBT PER CUSTOMER	Existing Proposed	\$2,046 \$2,039
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OTHER DEBT See Attached

OTHER STATE-FUNDED PROJECTS LAST 5 YRS See Attached

RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	6,791	\$26.63 (for 4,000 gallons)
	Additional	0	\$26.63 (for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2010	875,967	1,275,904	(399,937)	0.7
Audited 2011	1,397,261	1,060,872	336,389	1.3
Audited 2012	1,735,212	1,087,794	647,418	1.6
Projected 2013	1,670,908	1,097,210	573,698	1.5
Projected 2014	1,629,623	1,186,634	432,989	1.4
Projected 2015	1,590,255	1,155,983	434,272	1.4
Projected 2016	1,549,885	1,131,726	418,159	1.4
Projected 2017	1,508,492	1,105,726	402,766	1.4

Reviewer: John LeFevre
Date: April 4, 2013
Loan Number: B13-006

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND "B")
GREEN RIVER VALLEY WATER DISTRICT, HART COUNTY
PROJECT REVIEW
WX21099037**

I. PROJECT DESCRIPTION

The Green River Valley Water District ("District") is requesting a Fund B loan in the amount of \$1,175,000 for the Rio Verde Dam Improvement project. This project involves a geotechnical evaluation and the subsequent reconstruction of a twenty foot section of the Rio Verde Dam due to severe seepage through the dam's foundation. It will include surface repairs of the concrete buttress dam and address erosion problems at the dam's foundation. The geotechnical evaluation (included in other costs) of the dam wall and support structure will be conducted to ensure that there are no other structural issues and that the planned corrective measures will be successful. The reservoir is the primary source of raw water for the District.

The District serves portions of Barren, Green, Hart, Larue and Metcalf counties and is regulated by the Public Service Commission. Wholesale service is provided to the Horse Cave Water System, Cave City Water System, Munfordville Water Works, Larue County Water District #1, Bonnleville Water District, Green-Taylor Water District, and the Caveland Environmental Authority.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 5,000
Planning	10,000
Engineering Fees - Design	72,000
Engineering Fees - Inspection	47,000
Construction	780,000
Contingency	156,000
Other	105,000
Total	\$ 1,175,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 1,175,000	100%
Total	\$ 1,175,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 1,175,000
Interest Rate	0.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 63,376
Administrative Fee (0.20%)	2,350
Total Estimated Annual Debt Service	\$ 65,726

V. PROJECT SCHEDULE

Bid Opening	June 2013
Construction Start	July 2013
Construction Stop	August 2013

VI. RATE STRUCTURE

A. Customers

<u>Customers</u>	<u>Current</u>
Residential	6,337
Commercial	454
Total	6,791

B. Rates

	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	11/05/10	08/23/04
Minimum (2,000 gallons)	\$17.21	\$14.34
Next 8,000 Gallons	4.71	3.62
Next 10,000 Gallons	3.93	3.02
Next 20,000 Gallons	3.39	2.61
Next 50,000 Gallons	3.06	2.35
All Over 100,000 Gallons	2.96	2.28
Cost for 4,000 gallons	\$26.63	\$21.58
Increase %	23.4%	
Affordability Index (Rate/MHI)	1.0%	

The wholesale rate is \$2.14 per thousand gallons.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the County's population was 18,201 with a Median Household Income (MHI) of \$30,969. The median household income for the Commonwealth is \$41,576. The project will qualify for a .75% interest rate.

VIII. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information was obtained from the audited financial statements for the years ended June 30, 2010 through 2012.

HISTORY

Revenues increased \$1 million, or 31%, from \$3.2 million in 2010 to \$4.2 million in 2012 with substantially all of the increase being attributed to rate increases. Wholesale revenues were 31% of total revenues in 2012. Operating expenses increased 6% from \$2.4 million to \$2.5 million during the same time period. Cash available for debt service increased from \$876 thousand in 2010 to \$1.7 million in 2012 while the debt coverage ratio improved from .7 (-\$400 thousand income after debt service) to 1.6 (\$647 thousand income after debt service) during the same period. The debt coverage improvement is due to increased cash flow from the rate increases and a decrease in debt service of about \$190 thousand from 2010 to 2012.

The balance sheet reflects a current ratio of 5.6 and a debt to equity ratio of 1.1. The number of months of operating expenses in unrestricted cash is 5.8. The District's bond ordinances require maintenance of a bond and interest sinking fund and a depreciation fund. The depreciation fund may be used for capital improvements, expansions and extraordinary repairs. Both accounts were properly funded at the end of 2012.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase .3% annually for growth
- 2) Expenses will increase 2% annually for inflation
- 3) Debt service coverage is 1.4 in 2014 when principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund B loan.

REPLACEMENT RESERVE

The annual replacement cost is \$2,900. This amount should be added to the replacement account each December 1 until the balance reaches \$29,000 and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 1996-A Water Revenue Bonds	\$ 824,000	April 2035
Series 1996-B Water Revenue Bonds	509,500	April 2035
Series 1996-C Water Revenue Bonds	200,000	April 2036
Series 2001 Public Projects Revenue Bonds	242,000	July 2018
Series 2003 Revenue Refunding Bonds	1,118,600	January 2019
Series 2004B Revenue Refunding Bonds	2,128,000	January 2028
Series 2004D Revenue Refunding Bonds	1,073,000	January 2019
Series 2004A Revenue Refunding Bonds	4,651,000	April 2044
Series 2010 Revenue Bonds (Build America)	3,148,500	April 2049
Total	\$ 13,894,600	

X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Water Lines and Clearwell	EPA	956,000	Grant
Water Improvement	HB608	500,000	Grant
Jones Schoolhouse Road Extensions	HB608	40,000	Grant
Hardy Valley Road Extension	HB608	60,000	Grant
Maxey Knob Road Pump Station	HB608	40,000	Grant
Various Water Line Extensions	HB608	140,000	Grant
Magnolia Gas Storage Road Extension	HB608	20,000	Grant
Barren County Water Line Improvements	HB608	210,000	Grant

XI. CONTACTS

Legal Applicant	
Name	Green River Valley Water District
Address	85 E. Les Turner Road Cave City, KY 42127
County	Hart
Authorized Official	David Paige (Manager)
Phone	(270) 773-2135
Email	grvwd@scrtc.com

Consulting Engineer

Name	R. Vaughn Williams, P.E.
Firm	Kenvirons, Inc.
Address	452 Versailles Road Frankfort, KY 40601
Phone	(502) 695-4357
Email	vwilliams@kenvirons.com

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

**GREEN RIVER VALLEY WATER DISTRICT
BALANCE SHEETS (JUNE YEAR END)**

	<u>Audited 2010</u>	<u>Audited 2011</u>	<u>Audited 2012</u>	<u>Upon Completion 2014</u>
ASSETS				
Current Assets				
Cash	325,985	759,904	1,215,915	2,222,600
Accounts Receivable	267,902	351,967	352,432	354,600
Grant Receivable	76,552	0	0	0
Accrued Interest	2,967	2,967	2,967	2,967
Inventory	177,246	164,064	202,015	200,000
Prepaid and Other	78,480	107,681	96,352	100,000
Total Current Assets	929,132	1,386,583	1,869,681	2,880,167
Restricted Assets				
Depreciation Fund	831,900	719,816	755,774	775,000
Bond and Interest Fund	651,503	639,049	664,524	675,000
Construction	1,054,289	113,415	43,409	50,000
Total Restricted Assets	2,537,692	1,472,280	1,463,707	1,500,000
Utility Plant				
Land, System, Building and Equipment	36,009,841	37,317,879	37,595,924	38,770,924
Less Accumulated Depreciation ()	(11,903,074)	(12,739,137)	(13,621,211)	(15,621,211)
Net Fixed Assets	24,106,767	24,578,742	23,974,713	23,149,713
Total Assets	27,573,591	27,437,605	27,308,101	27,529,880
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	219,465	272,367	279,644	296,600
Customer Deposits	64,646	46,991	53,021	53,500
Total Current Liabilities	284,111	319,358	332,665	350,100
Liabilities Payable - Restricted Assets				
Construction Accounts Payable	424,662	75,000	0	0
C.P. LTD	5,611,900	563,500	580,700	626,900
Accrued Interest Payable	216,016	192,422	183,893	170,000
Total Liabilities Payable - Restricted Assets	6,252,578	830,922	764,593	796,900
Long Term Liabilities				
Long Term Debt	11,256,600	13,895,600	13,313,900	12,048,200
Proposed KIA Loan	0	0	0	1,175,000
Total Long Term Liabilities	11,256,600	13,895,600	13,313,900	13,223,200
Total Liabilities	17,793,289	15,045,880	14,411,158	14,370,200
Retained Earnings:				
Invested in Capital Assets Net of Related Debt	6,813,605	10,044,642	10,079,913	9,299,613
Restricted	2,537,692	1,472,280	1,463,707	1,500,000
Unrestricted	429,005	874,803	1,353,323	2,360,067
Total Retained Earnings	9,780,302	12,391,725	12,896,943	13,159,680
Total Liabilities and Equities	27,573,591	27,437,605	27,308,101	27,529,880
Balance Sheet Analysis				
Current Ratio	3.3	4.3	5.6	8.2
Debt to Equity	1.8	1.2	1.1	1.1
Days Sales in Accounts Receivable	30.5	32.0	30.7	30.7
Months Operating Expenses in Unrestricted Cash	1.7	3.5	5.8	10.3

**EXHIBIT 1
GREEN RIVER VALLEY WATER DISTRICT
CASH FLOW ANALYSIS (JUNE YEAR END)**

	Audited 2010	% Change	Audited 2011	% Change	Audited 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017
Operating Revenues										
Residential	1,887,483	18%	2,233,634	4%	2,332,767	2,339,765	2,346,784	2,353,824	2,360,885	2,367,968
Commercial	277,979	24%	343,322	7%	365,975	367,073	368,174	369,279	370,387	371,498
Wholesale	814,427	44%	1,175,642	10%	1,292,000	1,295,876	1,299,764	1,303,663	1,307,574	1,311,497
Other	222,793	16%	258,508	-21%	203,357	203,967	204,579	205,193	205,809	206,426
Total Revenues	3,202,682	25%	4,011,106	5%	4,194,099	4,206,681	4,219,301	4,231,959	4,244,655	4,257,389
Operating Expenses										
Operating Expenses	2,357,037	12%	2,635,850	-5%	2,500,268	2,550,273	2,601,278	2,653,304	2,706,370	2,760,497
Depreciation	682,375	23%	840,081	18%	991,706	1,000,000	1,000,000	1,039,000	1,039,000	1,039,000
Replacement Reserve	0		0		0	0	2,900	2,900	2,900	2,900
Total Expenses	3,039,412	14%	3,475,931	0%	3,491,974	3,550,273	3,604,178	3,695,204	3,748,270	3,802,397
Net Operating Income	163,270	228%	535,175	31%	702,125	656,408	615,123	536,755	496,385	454,992
Non-Operating Income and Expenses										
Interest Income	30,322	-27%	22,005	-33%	14,796	14,500	14,500	14,500	14,500	14,500
Other	0		0		26,585	0	0	0	0	0
Total Non-Operating Income & Expenses	30,322	-27%	22,005	88%	41,381	14,500	14,500	14,500	14,500	14,500
Add Non-Cash Expenses										
Depreciation	682,375	23%	840,081	18%	991,706	1,000,000	1,000,000	1,039,000	1,039,000	1,039,000
Cash Available for Debt Service	875,967	60%	1,397,261	24%	1,735,212	1,670,908	1,629,623	1,590,255	1,549,885	1,508,492
Debt Service (enter as positive #s)										
Existing Principal	772,000		529,400		562,000	580,700	638,800	626,900	630,000	630,000
Existing Interest	503,904		531,472		525,794	516,510	492,108	463,357	436,000	410,000
Proposed KIA Loan	0		0		0	0	65,726	65,726	65,726	65,726
Total Debt Service	1,275,904		1,060,872		1,087,794	1,097,210	1,196,634	1,155,983	1,131,726	1,105,726
Income After Debt Service	(399,937)		336,389		647,418	573,698	432,989	434,272	418,159	402,766
Debt Coverage Ratio	0.7		1.3		1.6	1.5	1.4	1.4	1.4	1.4