

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
SEP 20 2013  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

The Application of Green River Valley )  
Water District for Approval of ) Case No. 2013-00  
Financing and Issuance of a )  
Certificate of Convenience and Necessity )

**APPLICATION AND REQUEST FOR EXPEDITED REVIEW**

Submitted by:

John N. Hughes  
124 West Todd St.  
Frankfort, KY 40601  
(502) 227 7270  
No fax  
jnhughes@fewpb.net  
Attorney for Green River Valley  
Water District

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**APPLICATION AND REQUEST FOR EXPEDITED REVIEW**

Green River Valley Water District (Green River Valley), by counsel, pursuant to KRS 278.020 and 278.300, petitions the Commission for an order approving the construction of certain water facilities and the financing of the improvements through a loan from the Kentucky Infrastructure Authority.

1. Green River Valley is a regulated water district formed under KRS Chapter 74. It has no articles of incorporation. Its address is Box 399, 85 East Les Turner Road, Cave City, KY 42127. Its contact information and manager are:

David Paige, manager  
85 E. Les Turner Road  
Cave City, KY 42127  
270 773 2135 Ph  
270 773 5261 fax  
[grvwd@scrctc.com](mailto:grvwd@scrctc.com)

2. It currently serves approximately 6790 customers in portions of Barren, Green, Hart, Larue and Metcalf Counties. It serves wholesale water to 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.

3. A description of its water system and its property stated at original cost by accounts is contained in its 2012 Annual Report, which is incorporated by reference.

4. It proposes to construct improvements to the existing Rio Verde Dam to address leakage, which will significantly affect the current water supply. Because of the potential serious threat to the water supply, this project is critical to the security of the supply. The District **requests an expedited review** of the application so that work can begin immediately. The resolution approving the submission of this application is included with Exhibit B.

The project is described in Exhibit A. One paper copy of the Maps, Plans, Specifications are provided as a separate bound document. One electronic copy is also attached.

5. The construction is in the public interest and is required to allow Green River Valley to continue to provide adequate service to residents of the county and to its wholesale customers. The purpose of this project is to stabilize the Dam with the installation of a grout curtain to reduce seepage along with 920 feet of 24 inch HDPE pipe and appurtenances to divert the base flow around the Dam. The project will assure that the raw water supply is preserved. The project, its cost, need and other details are contained in Exhibit A.

6. The total project cost is approximately \$1,175,000. The District is financing the project with a \$1,175,000 loan from the Kentucky Infrastructure Authority. The WRIS Project Number is WX2109903, see Exhibit B.

7. No easements and rights of way are acquired, see Exhibit A.

8. This service will not compete with any other utility in the area.

9. The proposed project, identified in Exhibit A, is scheduled to begin construction upon PSC approval. Construction period is approximately 1 month. Bid information is included with Exhibit C. Bids were opened on September 4, 2013 and are valid for 90 days from that date.

10. No new franchises are required. The DOW Corp of Engineers and other permits are attached as Exhibit D.

11. Construction descriptions are in Exhibit A and Bid Documents, Exhibit D. Facts relied on to justify the public need are included in the project descriptions in Exhibit A.

12. Maps of the area showing location of the proposed facilities are in Exhibit A.

13. The construction costs will be funded as previously described.

14. Estimated operating costs for operation and maintenance, depreciation and debt service after construction to the extent that there are any are shown in Exhibits A and B.

15. A description of the facilities and operation of the system are in Exhibit A.

16. A full description of the route, location of the project, description of construction and related information is in Exhibit A.

17. The start date for construction; proposed in-service date; and total estimated cost of construction at completion are included in Exhibits A and B.

18. CWIP at end of test year is listed in the Annual Report.

19. Plant retirements are listed in the Annual Report. No salvage values are included as booked.

20. The use of the funds and need for the facilities is justified based on a the engineering report included as Exhibit A

21. No rate adjustment is being proposed. A cash flow analysis showing adequate revenues to maintain operations and coverage is included in Exhibit B.

22. The following information is provided in response to 807 KAR 5:001 (14)(2):

a. Articles of Incorporation – None. Green River Valley is a statutorily created water district under KRS Chapter 74;

23. The following information is supplied pursuant to 807 KAR 5:001(15):

a. Facts relied upon to show that the application is in the public interest: See Exhibit A.

24. The following information is provided as required by 807 KAR 5:001 (17):

a. A general description of the property is contained in the Annual Report.

b. No stock is to be issued; No bonds are to be issued in this case.

c. There is no refunding or refinancing.

d. The proceeds of the financing are to construct the property described in Exhibit A.

e. The par value, expenses, use of proceeds, interest rates and other information is not applicable because no bonds are being issued at this time.

25. The following exhibits are provided pursuant to 807 KAR 5:001 (17)(2):

a. There are no trust deeds. All notes, indebtedness and mortgages are included in the financial information provided in Exhibit E, the Independent Audit Report and the Public Service Commission Annual Report.

b. Property is to be constructed is described in Exhibit A.

26. The following information is provided pursuant to 807 KAR 5:001(12):

a. No stock is authorized.

b. No stock is issued.

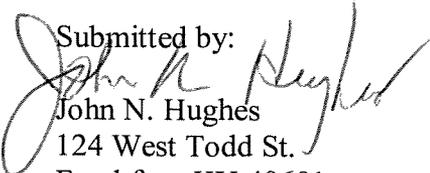
- c. There are no stock preferences.
- d. Mortgages are listed Exhibits E and F.
- e. Bonds are listed in Exhibits E and F.
- f. Notes are listed in Exhibits E and F.
- g. Other indebtedness is listed in Exhibits E and F.
- h. No dividends have been paid.
- i. Current balance sheet; income statement and debt schedule are listed in Exhibit E.

27. Plant additions will be classified according to USoA “Collecting and Impounding Reservoirs”: 305.2.

28. Green River Valley moves for a deviation pursuant to 807 KAR 5:001(21) for use of financial information greater than 90 days old, for incorporation by reference of the financial information contained in the 2012 Annual Report and for any other filing requirement not essential for the review and approval of the application.

29. Green River Valley also requests expedited review and approval of the application due to the threat to the raw water supply and the need to remediate the leakage as quickly as possible.

For these reasons, Green River Valley requests an order approving financing, the certificate and other authorizations that may be required.

Submitted by:  
  
John N. Hughes  
124 West Todd St.  
Frankfort, KY 40601  
(502) 227 7270  
No fax  
jnhughes@fewpb.net  
Attorney for Green River  
Valley Water District

AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF KENTON

Affiant, Jack London, after being first sworn, deposes and says that he is the Chairman of the Green River Valley Water District, that he is authorized to submit this Petition on behalf of the District, and that the information contained in the Petition is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

  
Jack London

This instrument was produced, signed and declared by Jack London to be his act and deed the 19 day of September, 2013.

  
Notary Public

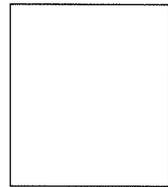
My Commission expires: 3-16-2017

Section 14(2)	<p>Section 14(1) The original and 10 copies of the application with an additional copy for any party named therein as an interested party.</p>	<p>Application</p> <p>yes</p>
Section 14(3)	<p>If applicant is a corporation, a certified copy of the Articles of Incorporation and all amendments thereto <u>or</u> if the articles were filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding.</p>	<p>n/a</p>
Section 15(2)	<p>(a) The facts relied upon to show that the proposed new construction is or will be required by public convenience or necessity.</p>	<p>Exhibit A</p>
	<p>(b) Copies of franchises or permits, if any, from the proper public authority for the proposed new construction or extension, if not previously filed with the commission.</p>	<p>Exhibit D</p>
	<p>(c) A full description of the proposed location, route, or routes of the new construction or extension, including a description of the manner in which same will be constructed, and also the names of all public utilities, corporations, or persons with whom the proposed new construction or extension is likely to compete.</p>	<p>Exhibit A</p>
	<p>(d) Three (3) maps to suitable scale (preferably not more than two (2) miles per inch) showing the location or route of the proposed new construction or extension, as well as the location to scale of any like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of such other facilities.</p>	<p>Exhibit A</p>
	<p>(e) The manner, in detail, in which it is proposed to finance the new construction or extension.</p>	<p>Exhibits A, B</p>
	<p>(f) An estimated cost of operation after the proposed facilities are completed.</p>	<p>Exhibit A</p>

THE FOLLOWING ITEM IS NOT REQUIRED TO BE FILED WITH AN APPLICATION FOR A CERTIFICATE TO CONSTRUCT BUT IDEALLY SHOULD BE FILED WITH THE APPLICATION TO EXPEDITE ITS PROCESSING:

KRS 322.340      Engineering plans, specifications, plats and report for the Exhibit A

proposed construction. The engineering documents prepared by a registered engineer, requires that they be signed, sealed, and dated by an engineer registered in Kentucky.



Section 14(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application
Section 14(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.	yes
Section 14(3)	If applicant is a corporation, a certified copy of the Articles of Incorporation and all amendments thereto <u>or</u> if the articles were filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding.	n/a
KRS 278.300(2)	Every financing application shall be made under oath, and shall be signed and filed on behalf of the utility by its president, or by a vice president, auditor, comptroller or other executive officer having knowledge of the matters set forth and duly designated by the utility.	Application
807 KAR 5:001: Section 17(1)(a)	Description of applicant's property. Statement of original cost of applicant's property and the cost to the applicant, if different.	2012 Annual Report
Section 17(1)(b)	If stock is to be issued: and kinds to be issued.	none
	--Description of amount and kinds to be issued.	
	--If preferred stock, a description of the preferences.	none
	If Bonds or Notes or Other Indebtedness is proposed:	Exhibits E,F
	--Description of the amount(s)	
--Full description of all terms		
--Interest rates(s)		
--Whether the debt is to be secured and if so a description of how it's secured.		

Section 17(1)(c)	Statement of how proceeds are to be used. Should show amounts for each type of use (i.e., property, debt refunding, etc.)	Exhibit A
807 KAR 5:001: Section 17(1)(d)	If proceeds are for property acquisition, give a full description thereof. Supply any contracts.	n/a
Section 17(1)(e)	If proceeds are to refund outstanding obligations, give: --Par value  --Amount for which actually sold  --Expenses and application of proceeds  --Date of obligations  --Total amount  --Time held  --Interest rate  --Payee	n/a
Section 17(2)(a)	Financial Exhibit (see below)	
Section 17(2)(b)	Copies of all trust deeds or mortgages. If previously filed, state case number.	Exhibit E
Section 17(2)(c)	If Property to be acquired:  --Maps and plans of property.	Exhibit A
Section 17(2)(c)	--Detailed estimates by USOA account number.	Application

**ALL INFORMATION BELOW IN SECTIONS 6(1) THROUGH 6(9) SHOULD COVER THE PERIOD ENDING NOT MORE THAN 90 DAYS PRIOR TO DATE ON WHICH APPLICATION WAS FILED:**

807 KAR 5:001 Section 12(1)	Amount and types of stock authorized.	none
Section 12(2)	Amount and types of stock issued and outstanding.	none
Section 12(3)	Detail of preference terms of preferred stock.	none
Section 12(4)	<u>Mortgages:</u>	Exhibits E, F

	--Date of Execution	
	--Name of Mortgagor	
	--Name of Mortgagee or Trustee	
	--Amount of Indebtedness Secured	
	--Sinking Fund Provisions	
Section 12(5)	<u>Bonds</u>	Exhibits E, F
	--Amount Authorized	
	--Amount Issued	
	--Name of Utility Who Issued	
	--Description of Each Class Issued	
	--Date of Issue	
	--Date of Maturity	
	--How Secured	
	--Interest Paid in Last Fiscal Year	
Section 12(6)	<u>Notes Outstanding:</u>	Exhibits E, F
	--Date of Issue	
	--Amount	
	--Maturity Date	
	--Rate of Interest	
	--In Whose Favor	
	--Interest Paid in Last Fiscal Year	
Section 12(7)	<u>Other Indebtedness:</u>	
	--Description of Each Class	
	--How Secured	

	--Description of Any Assumption of Indebtedness by Outside Party (i.e., any transfer)	
	--Interest Paid in Last Fiscal Yr.	none
Section 12(8)	Rate and amount of dividends paid during the five (5) previous fiscal years and the amount of capital stock on which dividends were paid each year.	none
Section 12(9)	Detailed income statement and balance sheet.	Exhibit E

**List of Exhibits**

- A. Plans and Specifications
- B. KIA application and letter of approval
- C. Bid tabs and letter of recommendation
- D. Permits
- E. Audit
- F. Debt schedule from PSC Annual Report

EXHIBIT A

One Paper copy of Plans and Specifications

One CD of Plans and Specifications

EXHIBIT B

RESOLUTION OF THE GREEN RIVER VALLEY WATER DISTRICT

**A Resolution authorizing the Green River Valley Water District to file an application for a certificate of convenience and necessity and related financing of improvements to the Rio Verde Dam with the Kentucky Public Service Commission and to obtain any other necessary orders, approvals or authorizations to complete repairs to the Dam**

At the meeting on September 19, 2013, with a quorum of members present, a majority of the Board of Commissioners of the Green River Valley Water District (District) adopted the following resolution:

WHEREAS, the Rio Verde Dam is the primary raw water source for the District and upon inspection has been found to be leaking through its foundation;

Whereas, the District must act immediately to stabilize the Dam structure to assure continued supply of water;

Whereas, the District has obtained financing from the Kentucky Infrastructure Authority in the amount of \$1,175,000 for financing of the inspection of and improvements to the Dam (the Dam improvement project);

Whereas, bids for the project have been received and recommended to be accepted by the District's engineers;

Whereas, the improvements to the Dam and the related financing are necessary for the security of the District's water supply;

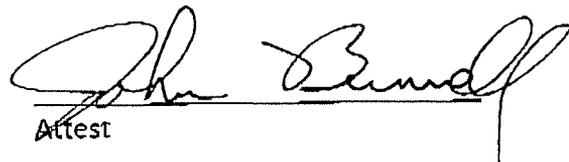
IT IS THEREFORE RESOLVED by the District's Board of Commissioners:

1. That the Chairman of the Board of Commissioners (Chairman) and his successor or his designee are authorized to take any and all actions necessary to obtain approval from the Kentucky Public Service Commission and any other governmental agency for the construction and financing of improvements to the Rio Verde Dam, including retaining legal counsel, engineers, or other professionals to assist in the preparation and filing of the application and submission of any and all information, forms, or other necessary information to complete the project.

2. That the Chairman, his successor or designee are authorized, directed and empowered to execute any necessary documents or agreements and to otherwise act on behalf of the Board to obtain the approval of the Kentucky Public Service Commission for the Dam improvement project.

APPROVED THE 19<sup>th</sup> day of September, 2013 by a vote of 5 in favor of the adoption Resolution and 0 opposed to the adoption of Resolution.

  
Chairman

  
Attest

Authorizing Resolution of Legal Applicant for Filing of Loan Application and Appointing  
Appropriate Local Government Official and Successors-in-Title as Official Project  
Representative of an Infrastructure Revolving Fund (Fund B - State Revolving Loan  
Program) Project.

WHEREAS, Green River Valley Water District proposes to complete a project as identified in the Water Resource Information System (WRIS) as WX 21099034, and

WHEREAS, Hart County endorses said project, and,

WHEREAS, under the terms of amendments to KRS 224A, the State is authorized to render financial assistance to eligible project applicants by way of the Infrastructure Revolving Fund (Fund B - State Revolving Loan Program) established to aid in the construction of eligible infrastructure projects with consideration for approval to be based on applications submitted through the Kentucky Infrastructure Authority, and,

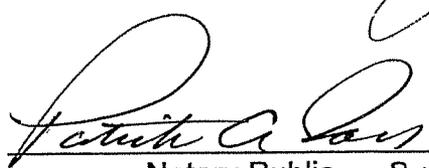
WHEREAS, the improvements proposed for construction by Green River Valley Water District within the Hart County area are considered eligible for such loan assistance.

NOW THEREFORE, BE IT RESOLVED by Green River Valley Water District that the Chairman and Successors-in-Title are hereby authorized to execute and submit an application through the Kentucky Infrastructure Authority with such assurances and required supporting data as is necessary to obtain loan assistance from the Infrastructure Revolving Fund (Fund B - State Revolving Loan Program) for the proposed facilities improvements, and are hereby authorized as Green River Valley Water District Official Project Representative to carry out necessary negotiations for and administer the loan assistance the applicant may obtain from the Infrastructure Revolving Fund (Fund B - State Revolving Loan Program).

Adopted this 21<sup>st</sup> day of February, 2013.

  
\_\_\_\_\_  
Chairman, Green River Valley Water District

ATTEST:

  
\_\_\_\_\_  
Notary Public *State at Large*

*My Commission Expires 3-16-2013*

5/9/2012



**KENTUCKY INFRASTRUCTURE AUTHORITY**

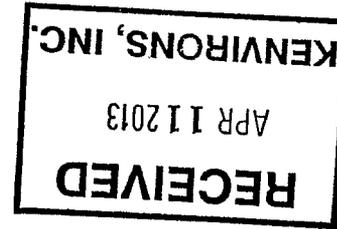
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky 40601  
Phone (502) 573-0260  
Fax (502) 573-0157  
<http://kia.ky.gov>

**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



**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

---

Date

**AUTHORIZATION FOR ELECTRONIC DEPOSIT  
OF BORROWER PAYMENT  
KENTUCKY INFRASTRUCTURE AUTHORITY  
(FUND B13-006)**

**Borrower Information:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: KY Zip: \_\_\_\_\_

Federal I.D. # \_\_\_\_\_

Contact Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

**Financial Institution Information:**

Bank Name: \_\_\_\_\_

Branch: \_\_\_\_\_ Phone No: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Transit / ABA No.: \_\_\_\_\_

Account Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

I, the undersigned, authorize payments directly to the account indicated above and to correct any errors which may occur from the transactions. I also authorize the Financial Institution to post these transactions to that account.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name Printed: \_\_\_\_\_ Job Title: \_\_\_\_\_

Please return completed form to:

**Kentucky Infrastructure Authority  
1024 Capital Center Drive, Suite 340  
Frankfort, KY 40601  
phone: 502-573-0260  
fax: 502-573-0157**

**ATTACHMENT A**

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

<b>EXECUTIVE SUMMARY</b>		Reviewer	John LeFevre
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	April 4, 2013
<b>FUND B, INFRASTRUCTURE</b>		KIA Loan Number	B13-006
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21099037
<b>BORROWER</b>		GREEN RIVER VALLEY WATER DISTRICT HART COUNTY	
<b>BRIEF DESCRIPTION</b>			
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.			
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>	
Fund B Loan	\$1,175,000	RD Fee %	Actual %
		Administrative Expenses	\$5,000
		Planning	10,000
		Eng - Design	72,000
		Eng - Inspection	47,000
		Construction	780,000
		Contingency	156,000
		Other	105,000
<b>TOTAL</b>	<b>\$1,175,000</b>	<b>TOTAL</b>	<b>\$1,175,000</b>
<b>REPAYMENT</b>	Rate	0.75%	Est. Annual Payment
	Term	20 Years	\$65,726
			1st Payment 6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Kenvirons, Inc.	
	Bond Counsel	Peck, Shaffer, & Williams	
<b>PROJECT SCHEDULE</b>	Bid Opening	Jun-13	
	Construction Start	Jul-13	
	Construction Stop	Aug-13	
<b>DEBT PER CUSTOMER</b>	Existing	\$2,046	
	Proposed	\$2,039	
<b>OTHER DEBT</b>	See Attached		
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached		
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>
	Current	6,791	\$26.63 (for 4,000 gallons)
	Additional	0	\$26.63 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.		
<b>CASHFLOW</b>	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	1,196,634	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, Bonnieville 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
<b>Total</b>	<b>\$ 1,175,000</b>

**III. PROJECT FUNDING**

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

#### 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
<b>Total Estimated Annual Debt Service</b>	<b>\$ 65,726</b>

#### 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**

	Outstanding	Maturity
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
<b>Total</b>	<b>\$ 13,894,600</b>	

**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**

<b>Legal Applicant</b>	
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	grwd@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)**

<b>ASSETS</b>	<b>Audited 2010</b>	<b>Audited 2011</b>	<b>Audited 2012</b>	<b>Upon Completion 2014</b>
<b>Current Assets</b>				
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
<b>Total Current Assets</b>	<b>929,132</b>	<b>1,386,583</b>	<b>1,869,681</b>	<b>2,880,167</b>
<b>Restricted Assets</b>				
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
<b>Total Restricted Assets</b>	<b>2,537,692</b>	<b>1,472,280</b>	<b>1,463,707</b>	<b>1,500,000</b>
<b>Utility Plant</b>				
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)
<b>Net Fixed Assets</b>	<b>24,106,767</b>	<b>24,578,742</b>	<b>23,974,713</b>	<b>23,149,713</b>
<b>Total Assets</b>	<b>27,573,591</b>	<b>27,437,605</b>	<b>27,308,101</b>	<b>27,529,880</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable and Accrued Liabilities	219,465	272,367	279,644	296,600
Customer Deposits	64,646	46,991	53,021	53,500
<b>Total Current Liabilities</b>	<b>284,111</b>	<b>319,358</b>	<b>332,665</b>	<b>350,100</b>
<b>Liabilities Payable - Restricted Assets</b>				
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
<b>Total Liabilities Payable - Restricted Assets</b>	<b>6,252,578</b>	<b>830,922</b>	<b>764,593</b>	<b>796,900</b>
<b>Long Term Liabilities</b>				
Long Term Debt	11,256,600	13,895,600	13,313,900	12,048,200
Proposed KIA Loan	0	0	0	1,175,000
<b>Total Long Term Liabilities</b>	<b>11,256,600</b>	<b>13,895,600</b>	<b>13,313,900</b>	<b>13,223,200</b>
<b>Total Liabilities</b>	<b>17,793,289</b>	<b>15,045,880</b>	<b>14,411,158</b>	<b>14,370,200</b>
<b>Retained Earnings:</b>				
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
<b>Total Retained Earnings</b>	<b>9,780,302</b>	<b>12,391,725</b>	<b>12,896,943</b>	<b>13,159,680</b>
<b>Total Liabilities and Equities</b>	<b>27,573,591</b>	<b>27,437,605</b>	<b>27,308,101</b>	<b>27,529,880</b>
<b>Balance Sheet Analysis</b>				
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
<b>Operating Revenues</b>										
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
<b>Total Revenues</b>	<b>3,202,682</b>	<b>25%</b>	<b>4,011,106</b>	<b>5%</b>	<b>4,194,099</b>	<b>4,206,681</b>	<b>4,219,301</b>	<b>4,231,959</b>	<b>4,244,655</b>	<b>4,257,389</b>
<b>Operating Expenses</b>										
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
<b>Total Expenses</b>	<b>3,039,412</b>	<b>14%</b>	<b>3,475,931</b>	<b>0%</b>	<b>3,491,974</b>	<b>3,550,273</b>	<b>3,604,178</b>	<b>3,695,204</b>	<b>3,748,270</b>	<b>3,802,397</b>
<b>Net Operating Income</b>	<b>163,270</b>	<b>228%</b>	<b>535,175</b>	<b>31%</b>	<b>702,125</b>	<b>656,408</b>	<b>615,123</b>	<b>536,755</b>	<b>496,385</b>	<b>454,992</b>
<b>Non-Operating Income and Expenses</b>										
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
<b>Total Non-Operating Income &amp; Expenses</b>	<b>30,322</b>	<b>-27%</b>	<b>22,005</b>	<b>88%</b>	<b>41,381</b>	<b>14,500</b>	<b>14,500</b>	<b>14,500</b>	<b>14,500</b>	<b>14,500</b>
<b>Add Non-Cash Expenses</b>										
Depreciation	682,375	23%	840,081	18%	991,706	1,000,000	1,000,000	1,039,000	1,039,000	1,039,000
<b>Cash Available for Debt Service</b>	<b>875,967</b>	<b>60%</b>	<b>1,397,261</b>	<b>24%</b>	<b>1,735,212</b>	<b>1,670,908</b>	<b>1,629,623</b>	<b>1,590,255</b>	<b>1,549,885</b>	<b>1,508,492</b>
<b>Debt Service</b> (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
<b>Total Debt Service</b>	<b>1,275,904</b>		<b>1,060,872</b>		<b>1,087,794</b>	<b>1,097,210</b>	<b>1,196,634</b>	<b>1,155,983</b>	<b>1,131,726</b>	<b>1,105,726</b>
<b>Income After Debt Service</b>	<b>(399,937)</b>		<b>336,389</b>		<b>647,418</b>	<b>573,698</b>	<b>432,989</b>	<b>434,272</b>	<b>418,159</b>	<b>402,766</b>
<b>Debt Coverage Ratio</b>	<b>0.7</b>		<b>1.3</b>		<b>1.6</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>

**GREEN RIVER VALLEY WATER DISTRICT  
RIO VERDE DAM IMPROVEMENT PROJECT  
B13-006 - \$1,175,000**

**Checklist of Required Documents to Send to KIA**

1. Conditional Commitment Letter:
  - a. Send original signed Conditional Commitment Letter to KIA
  - b. Send original signed Electronic Funds Transfer Form
2. ✓ Send documentation of Eclearinghouse endorsement and comments or waiver.
3. Send copies of documentation of Public Service Commission approval to incur debt and/or Certificate of Public Convenience and Necessity.
4. ✓ Send certification of acquisition of all easements or purchases of land prior to the commencement of construction.
5. ✓ Send Legal Counsel Procurement and Wage Certification - (Certification from legal counsel stating construction specifications have been prepared in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional service that are a part of the project, are in compliance with applicable federal, state and local procurement laws.)
6. ✓ Send documentation of approval of plans and specifications by appropriate party.
7. ✓ Send "As bid" tabulations and Engineer's recommendation on compliance with bid specifications and recommendation for award.
8. ✓ Send "As bid" project budget; must be reviewed and approved by consulting engineer.
9. ✓ Send certification from city/district that revenues and expenses projections (as presented to KIA Board in Cash Flow and Balance Sheets) are still attainable based on existing conditions and "as bid" budget.
10. ✓ Send certification relating to the implementation that rates and charges are cost-based according to the Kentucky Uniform System of Accounting (KUSoA), or a KIA approved alternative.
11. Upon completion of project, send final design plans in an AutoCAD Drawing Fil 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 KIA in the same format.

GREEN RIVER VALLEY WATER DISTRICT  
HART COUNTY, KENTUCKY

RIO VERDE DAM IMPROVEMENTS

KENTUCKY INFRASTRUCTURE AUTHORITY  
FUND B, LOAN NUMBER B13-006  
WRIS NUMBER WX21099037

KIA STANDARD CONDITION ITEM(S):

Kentucky State Clearinghouse Comments



STEVEN L. BESHEAR  
GOVERNOR

DEPARTMENT FOR LOCAL GOVERNMENT  
OFFICE OF THE GOVERNOR  
1024 CAPITAL CENTER DRIVE, SUITE 340  
FRANKFORT, KENTUCKY 40601-8204  
PHONE (502) 573-2382 FAX (502) 573-2939  
TOLL FREE (800) 346-5606  
WWW.DLG.KY.GOV

TONY WILDER  
COMMISSIONER

June 25, 2013

Mr. Matt Waldner  
Kenvirons, Inc.  
452 Versailles Road  
Frankfort, KY 40601

RE: Rio Verde Dam Improvement  
WX21099037  
SAI# KY20130607-0605

Dear Mr. Waldner:

The Kentucky State Clearinghouse, which has been officially designated as the Commonwealth's Single Point of Contact (SPOC) pursuant to Presidential Executive Order 12372, has completed its evaluation of your proposal. The clearinghouse review of this proposal indicates there are no identifiable conflicts with any state or local plan, goal, or objective. Therefore, the State Clearinghouse recommends this project be approved for assistance by the cognizant federal agency.

Although the primary function of the State Single Point of Contact is to coordinate the state and local evaluation of your proposal, the Kentucky State Clearinghouse also utilizes this process to apprise the applicant of statutory and regulatory requirements or other types of information which could prove to be useful in the event the project is approved for assistance. Information of this nature, if any, concerning this particular proposal will be attached to this correspondence.

You should now continue with the application process prescribed by the appropriate funding agency. This process may include a detailed review by state agencies that have authority over specific types of projects.

This letter signifies only that the project has been processed through the State Single Point of Contact. It is neither a commitment of funds from this agency or any other state or federal agency.

**The results of this review are valid for one year from the date of this letter.**  
Continuation or renewal applications must be submitted to the State Clearinghouse annually. An application not submitted to the funding agency, or not approved within one year after completion of this review, must be re-submitted to receive a valid intergovernmental review.

If you have any questions regarding this letter, please feel free to contact my office at 502-573-2382.

Sincerely,

A handwritten signature in cursive script that reads "Lee Nalley". The signature is written in black ink and is positioned below the word "Sincerely,".

Lee Nalley  
Kentucky State Clearinghouse

Attachments

The Heritage Council has made the following advisory comment pertaining to State Application Identifier Number KY201306070605

The applicant must ensure compliance with the Advisory Council on Historic Preservation's Rules and Regulations for the Protection of Historic and Cultural Properties (36CRF, Part 800) pursuant to the National Historic Preservation Act of 1966, the National Environmental Policy Act of 1969, and Executive Order 11593.

**IMPORTANT NOTICE:** Beginning July 8, 2013, the Kentucky Heritage Council/State Historic Preservation Office will be implementing a new Section 106 submission process, including a new cover sheet and new procedures to assist applicants in the identification of known historic resources. Information is available on our website at <http://heritage.ky.gov/siteprotect/>

Our review indicates that the proposed project will not impact any National Register properties or sites. In accordance with 36 CFR Part 800.4(d) of the Advisory Council's revised regulations our finding is that there will be no Historic Properties Affected within the undertaking's area of potential impact. Therefore, we have no further comment, and the Agency Official's responsibility to consult with the State Historic Preservation Officer under the Section 106 review process is fulfilled.

However, should the project plans change, or should additional information become available regarding cultural resources or citizens' concerns regarding impacts to cultural resources, please submit that information to our office as additional consultation may be warranted. In the event that human remains are encountered during project activities, all work should be immediately stopped in the area and the area cordoned off, and in accordance with KRS 72.020 the county coroner and local law enforcement must be contacted immediately. Upon confirmation that the human remains are not of forensic interest, the unanticipated discovery must be reported to the Kentucky Heritage Council and the Kentucky Office of State Archaeology in the Anthropology Department at the University of Kentucky.

If you have any questions, please contact Yvonne Sherrick at the Kentucky Heritage Council (State Historic Preservation Office) at (502)564.7005, ext. 113.

The KY State Fish & Wildlife has made the following advisory comment pertaining to State Application Identifier Number KY201306070605

Based on the information provided, the Kentucky Department of Fish & Wildlife Resources has no comments concerning the proposed project. Please contact Dan Stoelb @ 502-564-7109 ex. 4453 or [Daniel.Stoelb@ky.gov](mailto:Daniel.Stoelb@ky.gov) if you have further questions or require additional information.

The Kentucky Infrastructure Agency has made the following advisory comment pertaining to State Application Identifier Number KY201306070605

Project reviewed in the WRIS Project Profile by KIA staff.

The KY Dept. of Transportation has made the following advisory comment pertaining to State Application Identifier Number KY201306070605

Young (D4), Kevin:

The applicant must obtain approval for required encroachment permit before doing any work on State right of way. Please contact Mr. Kevin Blain in the Permits Section of the Department of Highways, District Four Office in Elizabethtown at 270-766-5066.

Young (D4), Kevin:

The Kentucky Housing Corporation has made the following advisory comment pertaining to State Application Identifier Number KY201306070605

No comments.

The Housing, Building, Construction has made the following advisory comment pertaining to State Application Identifier Number KY201306070605

The Barren River ADD has made the following advisory comment pertaining to State Application Identifier Number KY201306070605

This project represents WX21099037 in the KIA WRITS Portal and was approved by the BRADD Water Management Council (03/06/13). This project is consistent with the WMC goals. No conflicts or duplications.

The Natural Resources has made the following advisory comment pertaining to State Application Identifier Number KY201306070605

This review was based upon the information that was provided by the applicant through the Clearinghouse for this project. An endorsement of this project does not satisfy, or imply, the acceptance or issuance of any permits, certifications or approvals that may be required from this agency under Kentucky Revised Statutes or Kentucky Administrative Regulations. Such endorsement means this agency has found no major concerns from the review of the proposed project as presented other than those stated as conditions or comments.

The proposed project is subject to Division of Water (DOW) jurisdiction because the following are or appear to be involved: water withdrawal. Prior approval must be obtained from the DOW before construction can begin. The applicant must cite the State Application Identifier (SAI #KY201306070605) when submitting plans and specifications.

This project is consistent with the Hart County Water Management Plan. It is approved for water management planning. It is approved for water withdrawal by the Water Quantity Management Section of DOW. A Floodplain Construction Permit is in the process of being issued for this project. Julia Harrod, Watershed Management Branch, (502) 564-3410, Julia.Harrod@ky.gov.

The District's personnel recently observed that the seepage around the gravity dam at the Rio Verde Spring had increased significantly and they are concerned that the water supply is at risk. The project will include the demolition and construction of a 20 foot section of the dam, a new Intake Screen, surface repairs to the existing concrete, and corrective work along the dam's footings. During construction the water from the spring will be diverted around the dam to the water plant with a 24-inch diversion pipe.

The Engineering Section of the Water Infrastructure Branch of the Division of Water does not oppose this project at this time. Plans, specifications, and hydraulic calculations of any drinking water related infrastructure shall be submitted to the Engineering Section for review. Construction shall not begin until written approval is received by the Division of Water. Modifications to the dam may result in submission requirements to the Dam Safety Section. Contact Shane Cook (502-564-3410) if you have any questions regarding dam submittals. Mark Rasche, Water Infrastructure Branch, (502) 564-3410, Mark.Rasche@ky.gov.

The Labor Cabinet has made the following advisory comment pertaining to State Application Identifier Number KY201306070605

PW RATES MAY APPLY TO PROJECTS EXCEEDING \$250K. CONTACT KY LABOR CABINET AT 502 564 3534

EXHIBIT C

GREEN RIVER VALLEY WATER DISTRICT  
HART COUNTY, KENTUCKY

RIO VERDE DAM IMPROVEMENTS

KENTUCKY INFRASTRUCTURE AUTHORITY  
FUND B, LOAN NUMBER B13-006  
WRIS NUMBER WX21099037

KIA STANDARD CONDITION ITEM(S):

Engineer's Letter of Recommendation  
Bid Tabulation  
As-Bid Project Budget



**Kenvirons, Inc.**

452 Versailles Road • Frankfort, KY 40601 • Phone: (502) 695-4357 • Fax: (502) 695-4363  
*Civil & Environmental Engineering and Laboratory Services*

September 9, 2013

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

RE: Rio Verde Dam Improvements

Dear Mr. London:

On September 4, 2013 bids for the above referenced Project were received and read aloud. The low bidder and bid amount was;

Akins Excavating Company, Inc.  
182 Busy Lane  
Corbin, KY 40701  
Total Base Bid – \$610,385.00

Please note that the bid submitted by Akins Excavating Company contained an arithmetic error and the value read aloud at the bid opening was \$597,885.00. The contract document stipulates that errors will be corrected based upon the unit price submitted.

Two (2) other bids were received and read aloud. The bid values were \$695,620.00 from Herrick Company and \$819,055.00 from Free Contracting. The engineer's estimate was \$780,000.00.

Akins Excavating has constructed several projects with Kenvirons and is highly regarded and capable of completing the proposed project. It is hereby recommended that Green River Valley Water District accept Akins Excavating's bid in the amount of \$610,385.00 and award the contract.

Transmitted herewith is the Bid Tabulation and revised Project Budget.

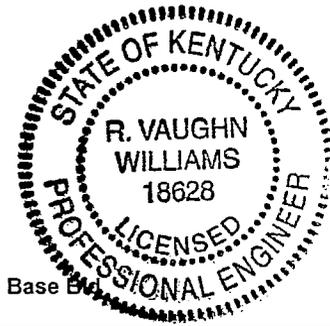
Sincerely,

R. Vaughn Williams, P.E.  
President

attachments

KENVIRONS, INC.  
452 Versailles Road  
Frankfort, Kentucky 40601

Project No. 2012123



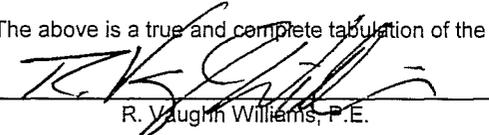
**BID TABULATIONS**

OWNER: GREEN RIVER VALLEY WATER DISTRICT  
PROJECT: Rio Verde Dam Improvements  
LOCATION: Cave City, Kentucky  
BID DATE: September 4, 2013 at 2:00 p.m.

Item No.	Item Description	Unit	Quantity	Akins Excavating Co., Inc. 182 Busy Lane Corbin, KY 40701		Herrick Company, Inc. 1385 Tracy Road Lawrenceburg, KY 40342		Free Contracting, Inc. 1620 Old Frankfort Pike Lexington, KY 40504	
				Unit Cost	Cost	Unit Cost	Cost	Unit Cost	Cost
1	Mobilization/Demobilization	LS	1	\$30,000.00	\$30,000.00	\$70,290.00	\$70,290.00	\$24,400.00	\$24,400.00
2	General Conditions	LS	1	30,000.00	30,000.00	20,000.00	20,000.00	16,300.00	16,300.00
3	Clearing and Grubbing	LS	1	20,000.00	20,000.00	15,000.00	15,000.00	85,000.00	85,000.00
4	Erosion Control	LS	1	8,000.00	8,000.00	15,000.00	15,000.00	35,000.00	35,000.00
5	Demo Outlet Box & Expose Foundations	LS	1	65,000.00	65,000.00	10,000.00	10,000.00	25,000.00	25,000.00
6	24" Intake Screen & Piping	LS	1	32,000.00	32,000.00	40,000.00	40,000.00	31,000.00	31,000.00
7	24" HDPE Stream Diversion Pipe	LF	920	76.00	69,920.00	200.00	184,000.00	225.00	207,000.00
8	Stream Diversion Structure	LS	1	30,000.00	30,000.00	30,000.00	30,000.00	84,000.00	84,000.00
9	Diversion Pipe Connection	LS	1	32,000.00	32,000.00	55,000.00	55,000.00	55,000.00	55,000.00
10	4" Blowoff Assembly	LS	1	4,500.00	4,500.00	5,000.00	5,000.00	6,500.00	6,500.00
11	Concrete Splash-Pad at Toe of Dam	CY	20	750.00	15,000.00	650.00	13,000.00	800.00	16,000.00
12	Rip-Rap Channel Lining	TN	30	85.00	2,550.00	335.00	10,050.00	125.00	3,750.00
13	Pipe Anti-Seep Collar	LS	1	12,000.00	12,000.00	4,000.00	4,000.00	10,000.00	10,000.00
14	Revegetation	LS	1	8,000.00	8,000.00	15,000.00	15,000.00	20,000.00	20,000.00
15	Grout Mix Design Testing	LS	1	12,000.00	12,000.00	10,000.00	10,000.00	10,000.00	10,000.00
16	Drill Setup	EA	38	1,250.00*	47,500.00	745.00	28,310.00	700.00	26,600.00
17	Grout Hole—Overburden Drill. & Standpipe Install	LF	200	105.00	21,000.00	75.00	15,000.00	70.00	14,000.00
18	Grout Hole—Core Drilling	LF	360	130.00	46,800.00	125.00	45,000.00	120.00	43,200.00
19	Grout Hole—Rotary Percussive Drilling	LF	893	35.00	31,255.00	28.00	25,004.00	25.00	22,325.00
20	Grout Hole Washing	HR	12	540.00	6,480.00	523.00	6,276.00	500.00	6,000.00
21	Water Pressure Testing	HR	23	725.00	16,675.00	630.00	14,490.00	600.00	13,800.00
22	Grouting Connections	EA	38	145.00	5,510.00	140.00	5,320.00	130.00	4,940.00
23	Placing Grout	HR	43	865.00	37,195.00	840.00	36,120.00	800.00	34,400.00
24	Cement for Grouting	BAG	1,080	25.00	27,000.00	22.00	23,760.00	23.00	24,840.00
<b>TOTAL BASE BID</b>					<b>* \$610,385.00</b>		<b>\$695,620.00</b>		<b>\$819,055.00</b>

\* - Denotes an arithmetic error was made on the Bids submitted. Values reported in the Bid Tabulation have been corrected based upon the unit price submitted.

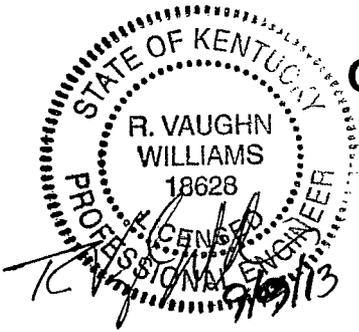
The above is a true and complete tabulation of the Bids received by the Green River Valley Water District until September 4, 2013 at 2:00 p.m. local time.

By:   
R. Vaughn Williams, P.E.

9/9/13  
Date



KENVIRONS



# Green River Valley Water District Rio Verde Dam Improvements

## As-Bid Project Budget

September 9, 2013

Item	Description	Unit	Quantity	Unit Price	Item Price
1	Mobilization/Demobilization	LS	1	\$30,000.00	\$30,000.00
2	General Conditions	LS	1	30,000.00	30,000.00
3	Clearing and Grubbing	LS	1	20,000.00	20,000.00
4	Erosion Control	LS	1	8,000.00	8,000.00
5	Demo Outlet Box & Expose Foundations	LS	1	65,000.00	65,000.00
6	24" Intake Screen & Piping	LS	1	32,000.00	32,000.00
7	24" HDPE Stream Diversion Pipe	LF	920	76.00	69,920.00
8	Stream Diversion Structure	LS	1	30,000.00	30,000.00
9	Diversion Pipe Connection	LS	1	32,000.00	32,000.00
10	4" Blowoff Assembly	LS	1	4,500.00	4,500.00
11	Concrete Splash-Pad at Toe of Dam	CY	20	750.00	15,000.00
12	Rip-Rap Channel Lining	TN	30	85.00	2,550.00
13	Pipe Anti-Seep Collar	LS	1	12,000.00	12,000.00
14	Revegetation	LS	1	8,000.00	8,000.00
15	Grout Mix Design Testing	LS	1	12,000.00	12,000.00
16	Drill Setup	EA	38	1,250.00	47,500.00
17	Grout Hole-Ovrbrd Drill. & Stndp Install	LF	200	105.00	21,000.00
18	Grout Hole-Core Drilling	LF	360	130.00	46,800.00
19	Grout Hole-Rotary Percussive Drilling	LF	893	35.00	31,255.00
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21	Water Pressure Testing	HR	23	725.00	16,675.00
22	Grouting Connections	EA	38	145.00	5,510.00
23	Placing Grout	HR	43	865.00	37,195.00
24	Cement for Grouting	BAG	1,080	25.00	27,000.00
<b>Total Base Bid</b>					<b>\$610,385.00</b>

<b>Total Base Bid</b>	<b>\$610,385.00</b>
Contingency	340,006.00
Engineering @ 9.70%	59,207.00
Inspection @ 6.76%	41,262.00
Preliminary Engineering Report	10,000.00
Geotechnical	82,000.00
Environmental Permitting	27,140.00
Administration	5,000.00

**Total Project Cost** **\$1,175,000.00**

EXHIBIT D



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

ENERGY AND ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

July 30, 2013

Mr. David Paige  
Green River Valley Water District  
P. O. Box 399  
Cave City, KY 42127

RE: Rio Verde Spring Dam Improvements  
Green River Valley Water District  
AI#: 1776, APE20130004  
PWSID # 0500166-13-004  
Hart County, KY

Dear Mr. Paige

We have received the Plans and Specifications for the above referenced project. The project consists of installation of a temporary intake structure consisting of a stream diversion structure (sandbags and plastic liner) and approximately 975 linear feet of 24 inch HDPE with a 24 inch shear gate.

This is to advise that plans and specifications covering the above referenced subject are APPROVED with respect to sanitary features of design as of this date with the following stipulations:

- a) The rated design capacity of the water treatment plant shall remain unchanged.
- b) No discharges shall be made within five miles upstream of any drinking water intake stations (Kentucky Division of Water Five-Mile Policy).
- c) Water Quality Certification shall be obtained prior to the start of construction. Please contact Water Quality Certification staff member James Bicknell of the Division of Water at (502) 564-3410 for more information.
- d) Once other repairs or modifications to the existing intake structure are identified, the plans of these repairs shall be submitted for review.

When this project is completed, the owner shall submit a written certification to the Division of Water that the above referenced water supply facilities have been constructed and tested in accordance with the approved plans and specifications and the above stipulations. Such a certification shall be signed by a licensed professional engineer.

Rio Verde Spring Dam Improvements  
Green River Valley Water District  
AI#: 1776, APE20130004  
PWSID # 0500166-13-004  
Hart County, KY  
July 30, 2013  
Page 2 of 2

This approval has been issued under the provisions of KRS Chapter 224 and regulations promulgated pursuant thereto. Issuance of this approval does not relieve the applicant from the responsibility of obtaining any other permits or licenses required by this Cabinet and other state, federal and local agencies.

If you have any questions concerning this project, please contact Daniel Kulik at 502-564-8158 extension 4828.

Sincerely,



Mark Rasche, P.E.  
Supervisor, Engineering Section  
Water Infrastructure Branch  
Division of Water

MR :DK

Enclosures

C: Kenvirons, Inc. (R. Vaughn Williams, P.E.)  
Hart County Health Department  
Public Service Commission (by e-mail only)  
Division of Plumbing (by e-mail only)



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WATER  
200 FAIR OAKS LANE, 4TH FLOOR  
FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)  
April 12, 2013

Mr. David Paige  
Green River Valley Water District  
85 East Les Turner Road  
Cave City, KY 42127

Re: Nationwide Permit Nos. 3 and 33  
AI No.: 1776  
Green River Valley Water District  
Activity ID: APE20130003  
UT to Green River  
Hart County, Kentucky

Dear Mr. Paige:

This letter transmits to you a copy of our General Water Quality Certifications for Nationwide Permit #3 for Maintenance, as well as Nationwide Permit #33 for Temporary Construction Access and Dewatering. An individual Water Quality Certification (WQC) is not necessary for this activity provided that this project has received the appropriate Nationwide Permit(s) from the U.S. Army Corps of Engineers and all conditions of the attached General Water Quality Certifications are met.

Although an Individual WQC is not needed, other permits from the Division of Water may be required. If this activity occurs within a floodplain, a Permit to Construct Across or Along a Stream may be required. Please contact Todd Powers for more information. If one acre or more of land is to be disturbed, or is part of a larger common plan of development or sale that will ultimately disturb one acre or more of land, a KPDES General Storm Water Permit is required. For more information on the KPDES permit, please contact Cassie Campbell. Both Mr. Powers and Ms. Campbell can be reached at (502) 564-3410.

All future correspondence on this project must reference **AI No. 1776**. If you should have any questions concerning this letter, please contact the WQC Section of the KDOW at (502) 564-3410.

Sincerely,

**Adam Jackson, WQC Project Manager**  
Water Quality Certification Section  
Kentucky Division of Water

BJS: AJ

Attachment

cc: Jane Archer, USACE: Louisville District  
R. Vaughn Williams, P.E., Kenvirons



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

**ENERGY AND ENVIRONMENTAL PROTECTION CABINET**

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

DIVISION OF WATER

200 FAIR OAKS LANE

FRANKFORT, KENTUCKY 40601

[www.kentucky.gov](http://www.kentucky.gov)

**General Certification--Nationwide Permit # 3  
Maintenance**

This General Certification is issued March 19, 2012, in conformity with the requirements of Section 401 of the Clean Water Act of 1977, as amended (33 U.S.C. §1341), as well as Kentucky Statute KRS 224.16-050.

For this and all nationwide permits, the definition of surface water is as per 401 KAR 10:001 Chapter 10, Section 1(80): Surface Waters means those waters having well-defined banks and beds, either constantly or intermittently flowing; lakes and impounded waters; marshes and wetlands; and any subterranean waters flowing in well-defined channels and having a demonstrable hydrologic connection with the surface. Lagoons used for waste treatment and effluent ditches that are situated on property owned, leased, or under valid easement by a permitted discharger are not considered to be surface waters of the commonwealth.

The Commonwealth of Kentucky hereby certifies under Section 401 of the Clean Water Act (CWA) that it has reasonable assurances that applicable water quality standards under Kentucky Administrative Regulations Title 401, Chapter 10, established pursuant to Sections 301, 302, 304, 306 and 307 of the CWA, will not be violated for the activity covered under NATIONWIDE PERMIT 3, namely Maintenance, provided that the following conditions are met:

1. The activity will not occur within surface waters of the Commonwealth identified by the Kentucky Division of Water as Outstanding State or National Resource Water, Cold Water Aquatic Habitat, or Exceptional Waters.
2. The activity will not occur within surface waters of the Commonwealth identified as perpetually-protected (e.g. deed restriction, conservation easement) mitigation sites.
3. The activity will impact less than 1/2 acre of wetland/marsh.
4. The activity will impact less than 300 linear feet of surface waters of the Commonwealth.

**General Certification--Nationwide Permit # 3**  
**Maintenance**  
**Page 2**

5. The Kentucky Division of Water may require submission of a formal application for an individual certification for any project if the project has been determined to likely have a significant adverse effect upon water quality or degrade the waters of the Commonwealth so that existing uses of the water body or downstream waters are precluded.
6. Activities that do not meet the conditions of this General Water Quality Certification require an Individual Section 401 Water Quality Certification.
7. Activities qualifying for coverage under this General Water Quality Certification are subject to the following conditions:
  - Erosion and sedimentation pollution control plans and Best Management Practices must be designed, installed, and maintained in effective operating condition at all times during construction activities so that violations of state water quality standards do not occur.
  - Sediment and erosion control measures, such as check-dams constructed of any material, silt fencing, hay bales, etc., shall not be placed within surface waters of the Commonwealth, either temporarily or permanently, without prior approval by the Kentucky Division of Water's Water Quality Certification Section. If placement of sediment and erosion control measures in surface waters is unavoidable, design and placement of temporary erosion control measures shall not be conducted in such a manner that may result in instability of streams that are adjacent to, upstream, or downstream of the structures. All sediment and erosion control devices shall be removed and the natural grade restored within the completion timeline of the activities.
  - Measures shall be taken to prevent or control spills of fuels, lubricants, or other toxic materials used in construction from entering the watercourse.
  - Removal of riparian vegetation shall be limited to that necessary for equipment access.
  - To the maximum extent practicable, all in-stream work under this certification shall be performed under low-flow conditions.
  - Heavy equipment, e.g. bulldozers, backhoes, draglines, etc., if required for this project, should not be used or operated within the stream channel. In those instances in which such in-stream work is unavoidable, then it shall be performed in such a manner and duration as to minimize turbidity and disturbance to substrates and bank or riparian vegetation.

**General Certification--Nationwide Permit # 3**  
**Maintenance**  
**Page 3**

- Any fill shall be of such composition that it will not adversely affect the biological, chemical, or physical properties of the receiving waters and/or cause violations of water quality standards. If rip-rap is utilized, it should be of such weight and size that bank stress or slump conditions will not be created because of its placement.
- If there are water supply intakes located downstream that may be affected by increased turbidity and suspended solids, the permittee shall notify the operator when such work will be done.
- Should evidence of stream pollution or jurisdictional wetland impairment and/or violations of water quality standards occur as a result of this activity (either from a spill or other forms of water pollution), the Kentucky Division of Water shall be notified immediately by calling (800) 928-2380.

Non-compliance with the conditions of this general certification or violation of Kentucky state water quality standards may result in civil penalties.



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

**ENERGY AND ENVIRONMENTAL PROTECTION CABINET**

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

DIVISION OF WATER

200 FAIR OAKS LANE

FRANKFORT, KENTUCKY 40601

[www.kentucky.gov](http://www.kentucky.gov)

**General Certification--Nationwide Permit # 33  
Temporary Construction Access and Dewatering**

This General Certification is issued March 19, 2012, in conformity with the requirements of Section 401 of the Clean Water Act of 1977, as amended (33 U.S.C. §1341), as well as Kentucky Statute KRS 224.16-050.

For this and all nationwide permits, the definition of surface water is as per 401 KAR 10:001 Chapter 10, Section 1(80): Surface Waters means those waters having well-defined banks and beds, either constantly or intermittently flowing; lakes and impounded waters; marshes and wetlands; and any subterranean waters flowing in well-defined channels and having a demonstrable hydrologic connection with the surface. Lagoons used for waste treatment and effluent ditches that are situated on property owned, leased, or under valid easement by a permitted discharger, are not considered to be surface waters of the commonwealth.

Agricultural operations, as defined by KRS 224.71-100(1) conducting activities pursuant to KRS 224.71-100 (3), (4), (5), (6), or 10 are deemed to have certification if they are implementing an Agriculture Water Quality Plan pursuant to KRS 224.71-145.

The Commonwealth of Kentucky hereby certifies under Section 401 of the Clean Water Act (CWA) that it has reasonable assurances that applicable water quality standards under Kentucky Administrative Regulations Title 401, Chapter 10, established pursuant to Sections 301, 302, 304, 306 and 307 of the CWA, will not be violated for the activity covered under NATIONWIDE PERMIT 33, namely Temporary Construction Access and Dewatering, provided that the following conditions are met:

1. The activity will not occur within surface waters of the Commonwealth identified by the Kentucky Division of Water as Outstanding State or National Resource Water, Cold Water Aquatic Habitat, or Exceptional Waters.
2. The activity will not occur within surface waters of the Commonwealth identified as perpetually-protected (e.g. deed restriction, conservation easement) mitigation sites.
3. The activity will impact less than 1/2 acre of wetland/marsh.
4. The activity will impact less than 300 linear feet of surface waters of the Commonwealth.

**General Certification--Nationwide Permit # 33**  
**Temporary Construction Access and Dewatering**  
**Page 2**

5. The Kentucky Division of Water may require submission of a formal application for an individual certification for any project if the project has been determined to likely have a significant adverse effect upon water quality or degrade the waters of the Commonwealth so that existing uses of the water body or downstream waters are precluded.
6. Stream impacts covered under this General Water Quality Certification and undertaken by those persons defined as an agricultural operation under the Agricultural Water Quality Act must be completed in compliance with the Kentucky Agricultural Water Quality Plan (KWQP).
7. Activities that do not meet the conditions of this General Water Quality Certification require an Individual Section 401 Water Quality Certification.
8. Activities qualifying for coverage under this General Water Quality Certification are subject to the following conditions:
  - Erosion and sedimentation pollution control plans and Best Management Practices must be designed, installed, and maintained in effective operating condition at all times during construction activities so that violations of state water quality standards do not occur.
  - Sediment and erosion control measures, such as check-dams constructed of any material, silt fencing, hay bales, etc., shall not be placed within surface waters of the Commonwealth, either temporarily or permanently, without prior approval by the Kentucky Division of Water's Water Quality Certification Section. If placement of sediment and erosion control measures in surface waters is unavoidable, design and placement of temporary erosion control measures shall not be conducted in such a manner that may result in instability of streams that are adjacent to, upstream, or downstream of the structures. All sediment and erosion control devices shall be removed and the natural grade restored within the completion timeline of the activities.
  - Measures shall be taken to prevent or control spills of fuels, lubricants, or other toxic materials used in construction from entering the watercourse.
  - Removal of riparian vegetation shall be limited to that necessary for equipment access.
  - To the maximum extent practicable, all in-stream work under this certification shall be performed under low-flow conditions.
  - Heavy equipment, e.g. bulldozers, backhoes, draglines, etc., if required for this project, should not be used or operated within the stream channel. In those instances in which such in-stream work is unavoidable, then it shall be performed in such a manner and duration as to minimize turbidity and disturbance to substrates and bank or riparian vegetation.

**General Certification--Nationwide Permit # 33**  
**Temporary Construction Access and Dewatering**  
**Page 3**

- Any fill shall be of such composition that it will not adversely affect the biological, chemical, or physical properties of the receiving waters and/or cause violations of water quality standards. If rip-rap is utilized, it should be of such weight and size that bank stress or slump conditions will not be created because of its placement.
- If there are water supply intakes located downstream that may be affected by increased turbidity and suspended solids, the permittee shall notify the operator when such work will be done.
- Should evidence of stream pollution or jurisdictional wetland impairment and/or violations of water quality standards occur as a result of this activity (either from a spill or other forms of water pollution), the Kentucky Division of Water shall be notified immediately by calling (800) 928-2380.

Non-compliance with the conditions of this general certification or violation of Kentucky state water quality standards may result in civil penalties.



STEVEN L. BESHEAR  
GOVERNOR

ENERGY AND ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
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FRANKFORT, KENTUCKY 40601  
[www.kentucky.gov](http://www.kentucky.gov)

LEONARD K. PETERS  
SECRETARY

## STREAM CONSTRUCTION PERMIT

### For Construction In Or Along A Stream

Issued to: Green River Valley Water Dist  
Address: 85 E. Les Turner Road  
Cave City, KY 42127

Permit expires on  
June 25, 2014

Permit No. 20377

In accordance with KRS 151.250 and KRS 151.260, the Energy and Environment Cabinet approves the application dated February 14, 2013 for removal and reconstruction of a portion of Rio Verde Dam in an unnamed tributary of Green River, with coordinates 37.323889, -85.771667, in Hart County. AI: 1776

There shall be no deviation from the plans and specifications submitted and hereby approved unless the proposed change shall first have been submitted to and approved in writing by the Cabinet. This approval is subject to the attached limitations. Please read these limitations carefully! If you are unable to adhere to these limitations for any reason, please contact this office prior to construction.

This permit is valid from the standpoint of stream obstruction only. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits or licenses required by this Cabinet and other state, federal and local agencies. Specifically if the project involves work in a stream, such as bank stabilization, dredging, relocation, or in designated wetlands, a 401 Water Quality Certification from the Division of Water will be required.

This permit is nontransferable and is not valid unless actual construction of this authorized work is begun prior to the expiration date noted above. Any violation of the Water Resources Act of 1966 as amended is subject to penalties as set forth in KRS 151.990.

If you have any questions regarding this permit, please call Mr: Shane Cook at (502) 564-3410.

Issued June 25, 2013.

Shane Cook

Shane Cook, P.E., Supervisor  
Dam Safety Section  
Water Infrastructure Branch

TAP/SC/nm

pc: Bowling Green Regional Office  
Kenny Isenberg- City of Mumfordsville Floodplain Coordinator  
R. Vaughn Williams, P.E. (by email)  
File

**Stream Construction Permit**

Green River Valley Water District

Facility Requirements

Permit Number:20377

Activity ID No.: APE20130002

**STRC0000000015 (Dam Repairs) Removal and reconstruction of a portion of Rio Verde in-stream concrete weir:**

Submittal/Action Requirements:

---

Condition

No. Condition

---

S-1 Green River Valley Water District must submit final construction report: Due within 90 days after completion of construction Green River Valley Water District must notify in writing that the project has been completed in accordance with the approved plans and specifications. A Final Construction Report Form is enclosed. [401 KAR 4:060 Section 6]

Narrative Requirements:

---

Condition

No. Condition

---

T-1 The issuance of this permit by the cabinet does not convey any property rights of any kind or any exclusive privilege. [KRS 151.250 & 401 KAR 4:060]

T-2 This permit is issued from the standpoint of stream obstruction only and does not constitute certification of any other aspect of the proposed construction. The applicant is liable for any damage resulting from the construction, operation, or maintenance of this project. This permit has been issued under the provisions of KRS Chapter 151.250 and regulations promulgated pursuant thereto. Issuance of this permit does not relieve the permittee from the responsibility of obtaining any other permits or licenses required by this Cabinet and other state, federal and local agencies. [KRS 151.250]

T-3 A copy of this permit must be available at the construction site. [KRS 151.250]

T-4 Any work performed by or for Green River Valley Water District that does not fully conform to the submitted application or drawings and the limitations set forth in this permit, is subject to partial or total removal and enforcement actions pursuant to KRS 151.280 as directed by the Kentucky Department for Environmental Protection. [KRS 151.280]

T-5 Any design changes or amendments to the approved plans must be submitted to the Division of Water and approved in writing prior to implementation. [KRS 151.250]

T-6 Since Hart County participates in the National Flood Insurance Program, a local floodplain permit must be obtained prior to beginning of construction. Upon completion of construction Green River Valley Water District must contact the local permitting agency for final approval of the construction for compliance with the requirements of the local floodplain ordinance. [401 KAR 4:060 Section 9(c)]

T-7 The permittee must obtain a Water Quality Certification (or a determination that none is required) through the Division of Water, Water Quality Branch before beginning construction. Contact the Water Quality Certification Supervisor at (502) 564-3410. [KRS 224.16-050 & Clean Water Act Section 401]

**Stream Construction Permit**

Green River Valley Water District

Facility Requirements

Permit Number:20377

Activity ID No.: APE20130002

**STRC0000000015 (continued):**

Narrative Requirements:

Condition No.	Condition
T-8	Green River Valley Water District or their successor shall maintain the structure/embankment in good condition and keep it free of drift and debris at all times. [KRS 151.250, 401 KAR 4:060 Section 3(1)]
T-9	No fill shall be allowed in the floodway as shown on the Hart County FIRM panel 21099C 0200C dated 7-18-11 and defined in the limits of the study. [401 KAR 4:060 Section 4(1)]
T-10	It is the intent of this permit that no fill be placed within the limits of the designated floodway. The floodway limits are determined by the Federal Insurance Administration of the Federal Emergency Management Agency (FEMA), and shown on the Flood Boundary and Floodway Map included in the Flood Insurance Study for Hart County dated 7-18-11. Copies of the Flood Insurance Study are on file with the Division of Water and the Federal Insurance Administration in Atlanta, Georgia. [401 KAR 4:060 Section 4(1)]
T-11	Erosion prevention measures, sediment control measures, and other site management practices shall be designed, installed, and maintained in an effective operating condition to prevent migration of sediment off site. [KRS 224.70-110]
T-12	To avoid secondary adverse impacts, all materials used shall be stable and inert, free from pollutants and floatable objects, and shall meet all appropriate engineering standards. (Inert here means materials that are not chemically reactive and that will not rot or decompose, such as soil, rock, broken concrete or similar materials.). [401 KAR 4:060 Section 7]
T-13	All debris and excess material shall be removed for disposal outside of the base floodplain. [401 KAR 4:060]
T-14	Upon completion of construction all disturbed areas shall be seeded and mulched or otherwise stabilized to prevent erosion. [401 KAR 4:060]
T-15	The entry of mobile equipment into the stream channel shall be limited as much as reasonably possible to minimize degradation of the waters of the Commonwealth. [401 KAR 4:060]
T-16	Construction other than as authorized by this permit shall require written approval from the Division of Water. [401 KAR 4:060]
T-17	The existing stream flow shall be maintained at all times during construction using standard flow diversion or pump around methods. Cofferdams or other structures placed in the stream shall be removed immediately if adverse flooding conditions result or if a flooding event is imminent. [401 KAR 4:060 Section 4]



**DEPARTMENT OF THE ARMY**  
U.S. ARMY ENGINEER DISTRICT, LOUISVILLE  
CORPS OF ENGINEERS  
P.O. BOX 59  
LOUISVILLE KY 40201-0059  
FAX: (502) 315-6677  
<http://www.lrl.usace.army.mil/>

August 27, 2013

Operations Division  
Regulatory Branch (South)  
ID No. LRL-2013-33-jea

Mr. Vaughn Williams  
Kenvirons, Incorporated  
452 Versailles Road  
Frankfort, Kentucky 40601

Dear Mr. Williams:

This is in response to your request on behalf of the Green River Valley Water District (GRVWD), for authorization to repair the existing Rio Verde Dam in Hart County, Kentucky. The work consists of installing a grout curtain along the west abutment of the Rio Verde Dam and to remove the existing water outlet/intake box and a small section of the access road. The outlet/intake box would be replaced with a 24-inch outlet pipe and tee screen. A temporary diversion berm consisting of sandbags would be placed in the unnamed tributary to the Green River to divert water to allow the repair work to be accomplished in the dry. The stream water would be pumped around through a 24-inch pipe, which would be permanently trenched for 920 feet from the spring and connected to the existing 20-foot raw water supply pipeline. The information supplied by you was reviewed to determine whether a Department of the Army (DA) permit will be required under the provisions of Section 404 of the Clean Water Act.

Your project is considered maintenance of a structure which has been previously authorized, either by DA Permit or by having been constructed prior to current Federal laws. Therefore, the project is authorized under the provisions of 33 CFR 330 Nationwide Permit (NWP) No. 3, Maintenance, and No. 33, Temporary Construction, Access and Dewatering as published in the Federal Register February 21, 2012. Under the provisions of this authorization, you must comply with the enclosed Terms and General Conditions for NWP No. 3 and No. 33, and the following Special Conditions:

1. The permittee shall adhere to the Indiana Bat Conservation Memorandum of Agreement between the U.S. Fish and Wildlife Service Kentucky Field Office and Green River Valley Water District to account for the loss of 0.34 acre of potential Indiana bat habitat.
2. If the dam is damaged, the permittee shall stop work and notify the Corps for further coordination and consultation with the Kentucky State Historic Office.

3. The permittee shall notify the Corps and the Kentucky State Historic Preservation Office if the design or boundaries change to determine the nature and extent of additional documentation that may be needed.

You must also comply with the enclosed Water Quality Certification (WQC) Conditions for Nationwide Permits No. 3 and No. 33 dated March 19, 2012, issued by the Kentucky Division of Water (KDOW). Once you obtain your certification or if no application was required, you may proceed with the project without further contact or verification from us.

This decision is valid until March 18, 2017. The enclosed Compliance Certification should be signed and returned when the project is completed. If your project is not completed by this date or if your project is modified, you must contact us for another permit determination in accordance with the rules and regulations in effect at that time. Please note that we also perform periodic inspections to ensure compliance with our permit conditions and applicable Federal laws. A copy of this letter is being sent to GRVWD and to the coordinating agencies (see enclosure for addresses).

Attached to this verification that the project is authorized by NWP No. 3 and 33 are a preliminary jurisdictional determination (JD), a Notification of Appeal Process (NAP) fact sheet, and Request for Appeal (RFA) form. However, a preliminary JD is not appealable and impacting "waters of the U.S." identified in the preliminary JD will result in you waiving the right to request an approved JD at a later date. An approved JD may be requested (which may be appealed), by contacting me for further instruction.

If you have any questions, please contact this office by writing to the above address, ATTN: CELRL-OP-FS, or by calling me at (502) 315-6682. All correspondence pertaining to this matter should refer to our ID No. LRL-2013-33-jea.

Sincerely,



Jane Archer  
Regulatory Specialist  
Regulatory Branch

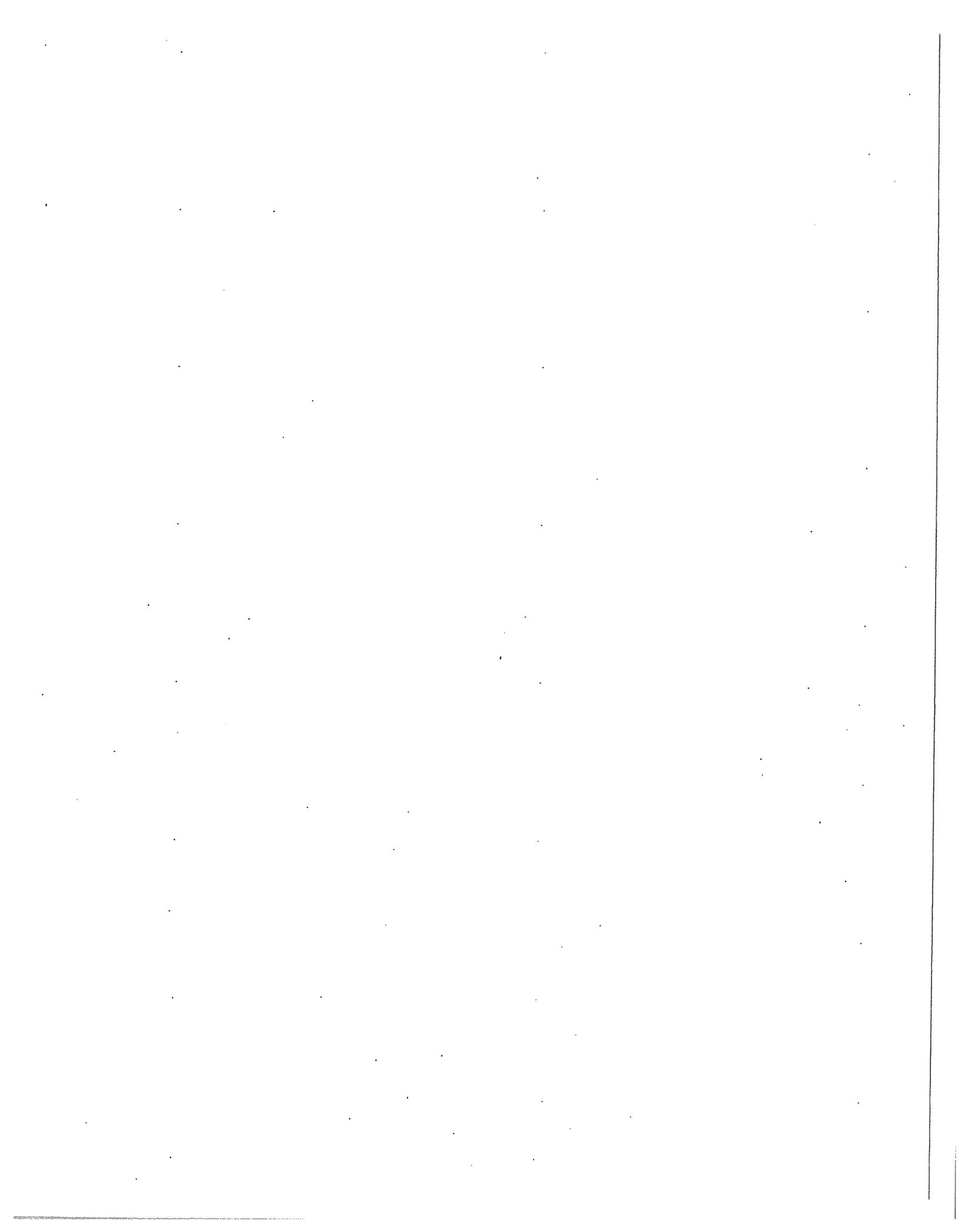
Enclosures

EXHIBIT E

**Green River Valley Water District**

**Financial Statements**

**June 30, 2013 and 2012**



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CAMPBELL, MYERS and RUTLEDGE, LLC

Cindy L. Greer, CPA ▪ L. Joe Rutledge, CPA ▪ Jonathan W. Belcher, CPA ▪ R. Brent Billingsley, CPA  
Skip R. Campbell, CPA ▪ Sammie D. Parsley, CPA ▪ Ryan Mosier, CPA ▪ Jenna B. Pace, CPA ▪ Adam Duvall

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Green River Valley Water District  
Cave City, Kentucky

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Green River Valley Water District as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Green River Valley Water District, as of June 30, 2013 and 2012, and the respective changes in financial position, and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4-6 and be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of operating expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of operating expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of operating expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Green River Valley Water District's internal control over financial reporting and compliance.

*Campbell, Myers & Rutledge, PLLC*

August 15, 2013

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Green River Valley Water District, we offer readers of the District's financial statements this narrative overview of the financial activities of the District for the fiscal years ending June 30, 2013 and 2012. We encourage readers to consider the information presented here in conjunction with the District's financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

### **Financial Highlights**

For the year ending June 30, 2013, total operating and non-operating revenues (including capital contributions) totaled \$4,219,921. This represents a 5% decrease in revenues from the prior year. The decrease was primarily due to decreased capital contributions.

Expenses amounted to \$4,120,859 an increase of 3% from the prior year. This increase was primarily due to an increase in depreciation on new plant.

Total assets decreased by \$471,210 while total liabilities and deferred inflows decreased by \$622,472. These changes resulted in an increase in net position of \$151,262.

At June 30, 2013, Green River Valley Water District had received a loan from the Kentucky Infrastructure Authority (KIA), in the amount of \$1,175,000 to repair The Rio Verde Spring. The GRVWD is also in the process of determining future needs of the district which may include a Water Treatment Plant upgrade with the addition of new filters, a new clear well with pumps, and modification to the river intake to increase the water plant capacity from 6 MGD to 10 MGD. This project is needed in the near future to make sure the district has sufficient water supply to serve our customers now and in the future. This project could cost an estimated \$10,000,000.

### ***Overview of the Financial Statements***

This report consists of this Management's Discussion and Analysis report, the Independent Auditor's Report, Financial Statements and Supplementary Information. The Financial Statements include notes which explain in detail some of the information included in the Financial Statements.

### ***Required Financial Statements***

The financial statements of Green River Valley Water District report information of Green River Valley Water District using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of Green River Valley Water District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Green River Valley Water District creditors (liabilities). It also provides the basis for evaluation the capital structure of Green River Valley Water District and assessing the liquidity and financial flexibility of Green River Valley Water District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of Green River Valley Water District's operations over the past year and can be used to determine whether Green River Valley Water District has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

**Financial Analysis of Green River Valley Water District**

**Green River Valley Water District  
Summary of Net Position  
June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Total Current Assets	\$ 2,458,470	\$ 1,869,681
Total Restricted Assets	1,054,132	1,463,707
Net Capital Assets	<u>23,324,289</u>	<u>23,974,713</u>
Total Assets	<u>\$ 26,836,891</u>	<u>\$ 27,308,101</u>
<b>Liabilities</b>		
Total Current Liabilities	348,078	332,665
Total Liabilities Payable from Restricted Assets	761,141	764,593
Total Long-term Liabilities	<u>12,345,000</u>	<u>13,313,900</u>
Total Liabilities	<u>\$ 13,454,219</u>	<u>\$ 14,411,158</u>
Deferred Inflows of Resources	<u>\$ 334,467</u>	<u>\$ -</u>
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 10,353,789	\$ 10,079,913
Restricted for equipment replacement	623,010	755,774
Restricted for construction projects	-	43,409
Restricted for debt retirement	431,122	664,524
Unrestricted	<u>1,640,284</u>	<u>1,353,323</u>
Total Net Position	<u>\$ 13,048,205</u>	<u>\$ 12,896,943</u>

The largest portion (79%) of the District's net position reflects its investment in capital assets, less any related debt used to acquire those assets still outstanding. This represents a 1% increase from the prior year. This increase is primarily due to construction project that have been completed and reduction of outstanding bonds. The District uses these capital assets to provide services to citizens and consumers; consequently, these assets are not available for future spending.

Restricted net position (8%) represents resources that are subject to external restrictions on how they may be used. There was nominal change from the prior year.

The balance (13%) of unrestricted net position may be used to meet the Company's ongoing obligations to citizens, consumers and creditors. This has increased 17% from the prior year.

**Green River Valley Water District  
Summary of Changes in Net Position  
For the Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Total operating revenues	\$ 4,191,477	\$ 4,194,099
Total operating expenses	<u>3,567,514</u>	<u>3,491,974</u>
Operating Income	623,963	702,125
Total non-operating revenue (expenses)	<u>(524,901)</u>	<u>(484,413)</u>
Income before capital contributions	99,062	217,712
Capital contributions	<u>52,200</u>	<u>287,506</u>
Increase in net position	151,262	505,218
Beginning of year	<u>12,896,943</u>	<u>12,391,725</u>
End of year	<u>\$ 13,048,205</u>	<u>\$ 12,896,943</u>

Net position increased by \$151,262 a decrease from the prior year of \$353,956.

**Capital Asset Changes**

At June 30, 2013, the District had invested \$23.324 million in capital assets net of accumulated depreciation. This amount represents a net decrease of \$650,424. This decrease is the result of depreciation net of construction projects completed during the year.

***Debt Administration***

At June 30, 2013, the District had \$12,970,500 bonds outstanding, a decrease of \$924,100 from the prior year's balance of \$13,894,600. This decrease, resulted from current year scheduled payments and refunding of four outstanding bond issues.

***Request for Information***

This financial report is designed to provide our customers and creditors with a general overview of Green River Valley Water District's finances and to demonstrate Green River Valley Water District's accountability for the funds it receives. If you have any questions about this report or need any additional information, please contact the Green River Valley Water District at P.O. Box 399, Cave City, Kentucky 42127, or by phone (270) 773-2135.

**GREEN RIVER VALLEY WATER DISTRICT**  
**Statements of Net Position**  
**June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 1,724,293	\$ 1,215,915
Accounts receivable	331,621	352,432
Accrued interest	2,967	2,967
Plant materials and supplies, (at replacement cost)	213,655	202,015
Prepaid and other assets	185,934	96,352
Total Current Assets	<u>2,458,470</u>	<u>1,869,681</u>
<b>Non-current Assets</b>		
<b>Restricted Assets</b>		
Cash - Depreciation fund	95,811	71,654
Cash - Bond and interest redemption fund	431,122	664,524
Cash - Construction funds	-	43,409
Investments - Depreciation fund	527,200	684,121
Total Restricted Assets	<u>1,054,133</u>	<u>1,463,708</u>
<b>Capital Assets</b>		
Utility plant in service	37,867,439	37,595,923
Accumulated depreciation	<u>(14,543,151)</u>	<u>(13,621,211)</u>
Net Capital Assets	<u>23,324,288</u>	<u>23,974,712</u>
Total Non-current Assets	<u>24,378,421</u>	<u>25,438,420</u>
Total Assets	<u>26,836,891</u>	<u>27,308,101</u>

The accompanying notes are an integral part of the financial statements.  
Page 7

**GREEN RIVER VALLEY WATER DISTRICT**  
**Statements of Net Position (Continued)**  
**June 30, 2013 and 2012**

<b>Liabilities</b>	<u>2013</u>	<u>2012</u>
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 308,530	\$ 279,644
Customer deposits	39,548	53,021
Total Current Liabilities	<u>348,078</u>	<u>332,665</u>
<b>Liabilities Payable from Restricted Assets</b>		
Current maturities of long-term debt	625,500	580,700
Accrued interest	135,641	183,893
Total Liabilities Payable from Restricted Assets	<u>761,141</u>	<u>764,593</u>
<b>Long-term Liabilities</b>		
Long-term debt, less current maturities	<u>12,345,000</u>	<u>13,313,900</u>
Total Long-term Liabilities	<u>12,345,000</u>	<u>13,313,900</u>
Total Liabilities	<u>13,454,219</u>	<u>14,411,158</u>
<b>Deferred Inflows of Resources</b>		
Unamortized Premium on Bonds	<u>334,467</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	10,353,789	10,079,913
Restricted for debt retirement	431,122	664,524
Restricted for equipment replacement	623,010	755,774
Restricted for construction projects	-	43,409
Unrestricted	<u>1,640,284</u>	<u>1,353,323</u>
<b>Total Net Position</b>	<u>\$ 13,048,205</u>	<u>\$ 12,896,943</u>

The accompanying notes are an integral part of the financial statements.  
Page 8

**GREEN RIVER VALLEY WATER DISTRICT**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Operating revenue:</b>		
Metered water sales:		
Residential	\$ 2,420,131	\$ 2,332,767
Commercial	293,265	365,975
	2,713,396	2,698,742
 Wholesale water sales:		
Horse Cave	482,785	481,578
CEA Cave City	275,990	296,028
Munfordville	197,625	188,563
Larue County	179,141	189,310
Bonnieville	40,416	31,562
Green-Taylor	92,119	81,028
CEA	19,917	23,931
	1,287,993	1,292,000
 Other operating revenues:		
Cash water sales	-	433
Revenues from maintenance and contract work, net of expenses of \$6,590 and \$15,964 respectively	83,244	86,689
Forfeited discounts	72,987	70,721
Miscellaneous	33,857	45,514
	190,088	203,357
 Total operating revenues	4,191,477	4,194,099
 <b>Operating expenses:</b>		
Source of supply and pumping expenses:		
Operations	432,535	406,713
Maintenance	64,479	102,035
Water treatment expenses:		
Operations	336,214	366,183
Transmission and distribution:		
Operations	97,973	84,291
Maintenance	910,088	730,854
Customer accounts expenses	295,282	288,959
Administrative and general expenses	422,626	457,151
Depreciation and amortization	941,832	991,706
Taxes other than income	66,485	64,082
	3,567,514	3,491,974
 Total operating expenses	3,567,514	3,491,974
 Operating income	623,963	702,125

The accompanying notes are an integral part of the financial statements.  
Page 9

**GREEN RIVER VALLEY WATER DISTRICT**  
**Statements of Revenue and Changes in Net Position**  
**For the Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Nonoperating revenue (expenses):</b>		
Gain on sale of equipment	\$ 1,650	\$ 26,585
Interest income	6,792	14,796
Amortization of Premium on Bond Issue	20,002	-
Interest Penalty on Early Retirement of Bonds	(40,701)	-
Interest on long-term debt	<u>(512,644)</u>	<u>(525,794)</u>
Total nonoperating revenue (expenses)	<u>(524,901)</u>	<u>(484,413)</u>
Income (Loss) before capital contributions	<u>99,062</u>	<u>217,712</u>
Capital Contributions	<u>52,200</u>	<u>287,506</u>
Increase (Decrease) in net position	151,262	505,218
<b>Net Position:</b>		
Beginning of year	<u>12,896,943</u>	<u>12,391,725</u>
End of year	<u>\$ 13,048,205</u>	<u>\$ 12,896,943</u>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers	\$ 4,212,287	\$ 4,194,131
Cash payments to suppliers for goods and services	(1,827,273)	(1,688,928)
Cash payments to employees for services	<u>(857,272)</u>	<u>(824,422)</u>
Net cash provided (used) by operating activities	<u>1,527,742</u>	<u>1,680,781</u>
<b>Cash flows from capital and related financing activities:</b>		
Proceeds from issuance of long-term debt	3,795,000	-
Premium on bonds issued	354,459	-
Bond issuance costs	(92,650)	-
Principal paid on long-term debt	(4,719,100)	(562,000)
Interest paid on long-term debt	(553,345)	(525,794)
Cash paid for capital assets	(272,295)	(448,121)
Capital contributions	<u>52,200</u>	<u>287,506</u>
Net cash provided (used) in financing activities	<u>(1,435,731)</u>	<u>(1,248,409)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	-	(21,475)
Disposal of Investments	156,921	-
Investment Income	<u>6,792</u>	<u>14,796</u>
Net cash provided by (used) in investing activities	<u>163,713</u>	<u>(6,679)</u>
Net increase (decrease) in cash and cash equivalents	255,724	425,693
Cash and cash equivalents, beginning of year	<u>1,995,502</u>	<u>1,569,809</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,251,226</u>	<u>\$ 1,995,502</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 623,963	\$ 702,125
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	941,832	991,706
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	20,810	465
(Increase) decrease in prepaid and other assets	(89,582)	11,329
(Increase) decrease in plant materials and supplies	(11,640)	(37,951)
Increase (decrease) in accounts payable	28,886	7,077
Increase (decrease) in customer deposits	<u>13,473</u>	<u>6,030</u>
Net cash provided (used) by operating activities	<u>\$ 1,527,742</u>	<u>\$ 1,680,781</u>

The accompanying notes are an integral part of the financial statements.  
Page 11

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**Note 1 – Description of Entity and Summary of Significant Accounting Policies**

Organization

Green River Valley Water District was organized in 1962 under KRS 74:010 to provide water to sections of Barren, Hart and Larue counties. In addition to the above, the District also wholesales water to certain other cities and water districts. The commissioners are appointed for specified terms by the respective county judges.

Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of a proprietary fund accounting entity. The operations are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fund Balance Disclosure

The District implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASBS No. 54) in 2011, as required. The purpose of GASB No. 54 is to improve the consistency and usefulness of the fund balance information to the financial user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent.

Proprietary Fund Financial Statements

In accordance with GASBS No. 54, the District classifies fund balances as follows:

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**Note 1 – Description of Entity and Summary of Significant Accounting Policies, Continued**

These classifications are defined as follows:

- *Investment in capital assets* - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- *Restricted* - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* - This component of net position consists of assets that do not meet the definition of "restricted" or "investment in capital assets."

Cash and Investments

The District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Investments are reported at fair market value.

Receivables

Accounts Receivable totaled \$331,621 and \$352,482 at June 30, 2013 and 2012 respectively, of which all was due from retail and wholesale customers.

The District uses the direct write-off method to account for bad debts. No allowance for bad debts has been provided, as no material write-offs are expected for receivables as of June 30, 2013. The direct write-off method does not significantly depart from generally accepted accounting principles. As of June 30, 2013 and 2012, bad debts were \$13,404 and \$10,811 respectively.

Capital Assets

The utility plant in service is stated at cost. The cost of additions to the utility plant and major replacements of retired units of property is capitalized. Cost includes direct labor, outside services, materials and transportation, employee fringe benefits, overhead, and interest on funds borrowed to finance construction. The cost and accumulated depreciation of property sold or retired is deducted from capital assets, and any profit or loss resulting from the disposal is credited or charged in the non operating section of the statement of revenues, expenses and changes in net assets. The cost of current repairs, maintenance, and minor replacements is charged to expense as incurred. Depreciation has been provided over estimated useful lives of the assets using the straight-line method. Depreciation expense for the years ended June 30, 2013 and 2012 was \$921,940 and \$987,790 respectively.

The estimated useful lives of capital assets are as follows:

Utility plant	50 years
Equipment	10 years
Other	5 -20 years

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**Note 1 – Description of Entity and Summary of Significant Accounting Policies, Continued**

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected in accrued liabilities.

Long-Term Obligations

Long-term debt and other obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds.

Operating Revenues and Expenses

Operating revenues and expenses consists of those revenues that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from non exchange transactions.

Capital Contributions

Transmission and distribution system assets contributed to the District by installers are capitalized at the installers' costs and recorded as capital contributions when received. Also included in capital contributions are various grants received for infrastructure and payments received from customers for tap fees.

Income Taxes

The District is exempt from federal and state income taxes.

Extraordinary and Special Items

Extraordinary items are transactions or other events that are both unusual in nature and infrequent in occurrence. Special items are significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence. If such items exist during the reporting period, they are reported separately in the statement of revenues, expenses and changes in net assets.

Use of Restricted/Unrestricted Funds

When an expense is incurred for purposes for which both restricted and unrestricted funds are available, the District's policy is to apply restricted funds first.

Subsequent Events

The District has evaluated subsequent events through August 15, 2013, the date which the financial statements were available to be issued.

**Note 2 – Cash and Investments**

Depreciation Fund

The ordinances authorizing the various bond issues of the District require monthly transfers into a depreciation fund. These funds can be used for capital improvements, expansions and extraordinary repairs. The maximum requirement in these funds is \$517,200, and after this balance is reached transfers can cease. At June 30, 2013, the District had a fund balance that exceeded the maximum annual requirement.

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**Note 2 – Cash and Investments, Concluded**

Bond and Interest Redemption Fund

The ordinances authorizing the various bond issues require a monthly deposit of one-twelfth of the annual bond and interest due currently. The District has made all required deposits into these accounts.

Deposits

At year end, the carrying amount of the District's cash deposits was \$2,251,226 and the bank balances were \$2,273,030. The difference between book and bank balances primarily represents checks that have been issued, but have not cleared the bank as of June 30, 2013.

The District's investments included two certificates of deposit totaling \$527,200 with two different financial institutions at rates of approximately 1.0% to 1.5% and maturity dates ranging from one to two years.

Non-interest bearing accounts of the District are insured by the FDIC and up to \$250,000 of interest bearing accounts are insured per financial institution. All of the District's cash and investment accounts were insured by FDIC or by a financial institution. The District had securities pledged for deposits in excess of FDIC limits in the amount of \$1,955,154 at a total of one separate financial institution at June 30, 2013. The District also had \$205,171 of deposits at one financial institution all of which were held as Federal Treasury Bills in trust accounts and insured by the financial institution.

The nature of the District's cash and investments and being restricted or unrestricted is as follows:

As reflected in the Statement of Net Position:

	<u>2013</u>	<u>2012</u>
<u>Unrestricted:</u>		
Cash and cash equivalents	\$ 1,724,293	\$ 1,215,915
Investments	-	-
<u>Restricted:</u>		
Cash and cash equivalents	526,933	779,586
Investments	<u>527,200</u>	<u>684,121</u>
Total Cash and Investments	<u>\$ 2,778,426</u>	<u>\$ 2,679,622</u>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**Note 3 – Capital Assets**

Capital asset activity for the year ended June 30, 2013 and 2012 was as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
<b><i>Non Depreciable Assets:</i></b>				
Construction in Progress	\$ -	\$ 65,116	\$ -	\$ 65,116
Land & Land Rights	149,672	-	-	149,672
L & L Rights Structures & Improvements	66,496	-	-	66,496
L & L Rights Water Treatment	76,386	-	-	76,386
L & L Rights Hydrants	6,900	-	-	6,900
Total Non Depreciable Assets	<u>299,454</u>	<u>65,116</u>	<u>-</u>	<u>364,570</u>
<b><i>Depreciable Assets:</i></b>				
Structures & Improvements	3,557,346	-	-	3,557,346
Structures & Improvements Office Bldg.	125,082	-	-	125,082
Collecting and Impounding Reservoirs	1,781,790	-	-	1,781,790
River Intakes	487,279	8,373	-	495,652
Supply Mains	312,627	-	-	312,627
Electric Pumping Equip	3,087,303	26,400	-	3,113,703
Water Treatment Equip	1,302,689	42,819	-	1,345,508
Distr Reserv & Stand Pipes	3,107,559	1,069	-	3,108,628
T & D Mains	19,303,376	17,120	-	19,320,496
Services	893,028	4,343	-	897,371
Meters	1,517,981	29,912	-	1,547,893
Meter Installation	157,159	-	-	157,159
Hydrants	114,763	1,270	-	116,033
Other Plant	25,564	-	-	25,564
Office Furniture & Equip	281,629	10,837	-	292,466
Trans Equip	586,242	-	-	586,242
Tools Shop & Equip	153,405	3,132	-	156,537
Lab Equip	3,343	-	-	3,343
Power Oper Equip	310,519	61,125	-	371,644
Communication Equip	187,784	-	-	187,784
Total Depreciable Assets	<u>37,296,469</u>	<u>206,400</u>	<u>-</u>	<u>37,502,869</u>
Total Capital Assets	37,595,923	271,516	-	37,867,439
Less: Accumulated Depreciation	<u>(13,621,211)</u>	<u>(921,940)</u>	<u>-</u>	<u>(14,543,151)</u>
	<u>\$ 23,974,712</u>	<u>\$ (650,424)</u>	<u>\$ -</u>	<u>\$ 23,324,288</u>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**Note 3 – Capital Assets, Concluded:**

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<b>Non Depreciable Assets:</b>				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Land & Land Rights	149,672	-	-	149,672
L & L Rights Structures & Improvements	66,496	-	-	66,496
L & L Rights Water Treatment	76,386	-	-	76,386
L & L Rights Hydrants	6,900	-	-	6,900
Total Non Depreciable Assets	<u>299,454</u>	<u>-</u>	<u>-</u>	<u>299,454</u>
<b>Depreciable Assets:</b>				
Structures & Improvements	3,554,396	2,950	-	3,557,346
Structures & Improvements Office Bldg.	125,082	-	-	125,082
Collecting and Impounding Reservoirs	1,781,790	-	-	1,781,790
River Intakes	487,279	-	-	487,279
Supply Mains	312,627	-	-	312,627
Electric Pumping Equip	3,069,107	18,196	-	3,087,303
Water Treatment Equip	1,282,202	20,487	-	1,302,689
Distr Reserv & Stand Pipes	3,107,559	-	-	3,107,559
T & D Mains	19,256,193	47,183	-	19,303,376
Services	888,035	4,993	-	893,028
Meters	1,487,985	29,996	-	1,517,981
Meter Installation	157,159	-	-	157,159
Hydrants	114,763	-	-	114,763
Other Plant	25,564	-	-	25,564
Office Furniture & Equip	281,536	93	-	281,629
Trans Equip	539,149	139,894	(92,801)	586,242
Tools Shop & Equip	145,169	8,651	(415)	153,405
Lab Equip	3,343	-	-	3,343
Power Oper Equip	277,182	45,837	(12,500)	310,519
Communication Equip	122,303	65,481	-	187,784
Total Depreciable Assets	<u>37,018,424</u>	<u>383,761</u>	<u>(105,716)</u>	<u>37,296,469</u>
Total Capital Assets	37,317,878	383,761	(105,716)	37,595,923
Less: Accumulated Depreciation	<u>(12,739,137)</u>	<u>(987,790)</u>	<u>105,716</u>	<u>(13,621,211)</u>
	<u>\$ 24,578,741</u>	<u>\$ (604,029)</u>	<u>\$ -</u>	<u>\$ 23,974,712</u>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**Note 4 – Long-Term Debt**

Long-term debt consists of the following at June 30, 2013:

Series 1996-A Water Revenue Bonds issued in the amount of \$1,050,000; due in annual installments on April 1 ranging from \$14,000 to \$16,000 through April, 2035; interest rate 4.5% due semi-annually on April 1 and October 1.	\$ 804,000
Series 1996-B Water Revenue Bonds issued in the amount of \$650,000; due in annual installments on April 15 ranging from \$9,000 to \$34,500 through April, 2035; interest rate 4.5% due semi-annually on April 1 and October 1.	497,000
Series 1996-C Water Revenue Bonds issued in the amount of \$249,000; due in annual installments on April 15 ranging from \$3,500 to \$12,500 through April, 2036; interest rate 4.5% due semi-annually on April 1 and October 1.	195,500
Series 2004A Revenue Refunding Bonds issued on August 12, 2004 in the amount of \$5,000,000; due in annual installments on April 1 ranging from \$52,000 to \$266,000 through April, 2044; interest rate of 4.5% due semi-annually on April 1 and October 1.	4,583,000
Series 2010 Revenue Bonds(Build America) issued on December 22, 2010 in the amount of \$3,200,000; due in annual installments beginning April 1, 2012 ranging from \$51,500 to \$128,000 through April, 2049; interest rate of 2.25% due semi-annually on April 1 and October 1. Through the Build America bond issuance, the District receives a refund of 35% of each semi-annual interest payment.	3,096,000
Series 2013 B Refunding Bonds issued on March 27, 2013 in the amount of \$3,795,000; due in annual installments on January 1 ranging from \$460,000 to \$10,000 through January, 2028. Interest rates vary from 2.3% to 4.6% due on January and July of each year.	<u>3,795,000</u>
<b>Total bonds</b>	<b><u>\$ 12,970,500</u></b>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**Note 4 – Long-Term Debt, Continued**

Principal and interest maturities of bonded debt are as follows:

<b>Future Maturities</b>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 625,500	\$ 462,742	\$ 1,088,242
2015	615,000	441,422	1,056,422
2016	577,000	419,070	996,070
2017-2021	2,285,500	1,796,827	4,082,327
2022-2026	2,078,500	1,347,700	3,426,200
2027-2031	1,557,000	1,017,138	2,574,138
2032-2036	1,576,500	700,821	2,277,321
2037-2041	1,628,000	410,253	2,038,253
Thereafter	2,027,500	129,927	2,157,427
<b>Total</b>	<b><u>\$ 12,970,500</u></b>	<b><u>\$ 6,725,900</u></b>	<b><u>\$ 19,696,400</u></b>

Bonded debt activities for the year ended June 30, 2013, are as follows:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Debt Payments</u> <u>and Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Amount Due</u> <u>within One Year</u>
Series 1996A	\$ 824,000	\$ -	\$ (20,000)	\$ 804,000	\$ (22,000)
Series 1996B	509,500	-	(12,500)	497,000	(13,500)
Series 1996C	200,000	-	(4,500)	195,500	(5,000)
Series 2001	242,000	-	(242,000)	-	-
Series 2003	1,118,600	-	(1,118,600)	-	-
Series 2004 B	2,128,000	-	(2,128,000)	-	-
Series 2004 D	1,073,000	-	(1,073,000)	-	-
Series 2004 A	4,651,000	-	(68,000)	4,583,000	(71,000)
Series 2010	3,148,500	-	(52,500)	3,096,000	(54,000)
Series 2013 B	-	3,795,000	-	3,795,000	(460,000)
	<b><u>\$ 13,894,600</u></b>	<b><u>\$ 3,795,000</u></b>	<b><u>\$ (4,719,100)</u></b>	<b><u>\$ 12,970,500</u></b>	<b><u>\$ (625,500)</u></b>

**Capitalization of Interest:**

Interest costs incurred during construction are capitalized, net of interest income from proceeds of tax-exempt debt as part of the cost of the related assets of the District. Interest capitalized for the year ended June 30, 2013 and 2012, was \$0 and \$0, respectively.

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**Note 4 – Long-Term Debt, Concluded**

Advance Refunding

On March 27, 2013, the District issued \$3,795,000 of Serial Revenue Bonds, Series 2013C. The bonds consist of serial bonds bearing various fixed rates ranging from 2.3% to 4.8% with annual maturities from January 2014 through January 2028.

The net proceeds of \$4,056,829 (after issuance costs of \$92,640, plus premium of \$354,469) along with existing bond sinking fund accounts were used to advance refund various series of bonds with a total principal amount of \$4,139,800 and an average interest rate of 4.25%.

The advance refunding was done in order to reduce debt payments in the long-term. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$584,000.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the District performed calculations of excess investment earnings on various bonds and financings and at June 30, 2013, does not expect to incur a liability.

**Note 5 - Deferred Outflows/Inflows of Resources**

The District adopted GASB No. 63 during the year, and in addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no item that qualifies for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category. It is the deferred premium on refunding reported in the statement of net position. A deferred premium on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements, Concluded**  
**June 30, 2013 and 2012**

**Note 6 – Pension Plan**

The District contributes to a defined contribution pension plan for employees who meet certain requirements as to age and length of service. Funding is based upon the level of funding method and there are no unfunded prior service costs. The District contributes 10% of employees' salaries and employees contribute nothing to the plan. Contributions by Green River Valley Water District to this plan, included in operations, were approximately \$77,099 and \$65,729 for the years ended June 30, 2013 and 2012, respectively.

**Note 7 –Commitments**

At June 30, 2013, Green River Valley Water District had committed from the Kentucky Infrastructure Authority a .75% loan in the amount of \$1,175,000. The committed funds along with other funding in process will be used to repair the Rio Springs dam, the major source of the District's water source.

**Supplemental Information**

**GREEN RIVER VALLEY WATER DISTRICT**  
**Schedule of Operating Expenses**  
**For the Year Ended June 30, 2013**

	Source of Supply and Pumping Expenses		Water Treatment Expenses		Transmission and Distribution		Customer Accounts Expenses	Administrative and General Expenses	Total (Memorandum Only)
	Operations	Maintenance	Operating	Maintenance	Operating	Maintenance			
Salaries and wages - employees	\$ 138,921	\$ -	\$ 103,923	\$ -	\$ -	\$ 281,926	\$ 121,934	\$ 197,293	\$ 843,997
Salaries and wages - directors	-	-	-	-	-	-	-	13,275	13,275
Employee pensions and benefits	17,233	-	10,296	-	-	26,465	12,244	20,412	86,650
Purchased water	1,923	-	-	-	-	-	-	-	1,923
Purchased power	207,310	-	-	-	97,973	-	-	23,606	328,889
Chemicals	-	-	154,929	-	-	-	-	-	154,929
Materials and supplies	17,880	-	9,393	-	-	101,457	62,441	19,083	210,254
Contractual services - accounting	-	-	-	-	-	-	-	26,997	26,997
Contractual services - legal	-	-	-	-	-	-	-	4,944	4,944
Contractual services - customer accounts	-	-	-	-	-	-	995	-	995
Contractual services - other	-	64,479	20,817	-	-	266,609	-	24,980	376,885
Transportation expense	-	-	-	-	-	129,915	37,200	3,600	170,715
Insurance - vehicle	-	-	-	-	-	3,731	1,748	3,008	8,487
Insurance - workers' compensation	6,046	-	4,523	-	-	12,270	5,307	8,586	36,731
Employee insurance	28,517	-	21,333	-	-	57,873	25,030	40,500	173,254
Employee flex reimbursements	8,391	-	6,277	-	-	17,029	7,365	11,917	50,979
Property and other Insurance	6,314	-	4,723	-	-	12,813	5,542	8,967	38,358
Bad debt expense	-	-	-	-	-	-	13,404	-	13,404
Miscellaneous	-	-	-	-	-	-	2,072	15,459	17,531
<b>Totals</b>	<b>\$ 432,535</b>	<b>\$ 64,479</b>	<b>\$ 336,214</b>	<b>\$ -</b>	<b>\$ 97,973</b>	<b>\$ 910,088</b>	<b>\$ 295,282</b>	<b>\$ 422,626</b>	<b>\$ 2,559,197</b>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Schedule of Operating Expenses**  
**For the Year Ended June 30, 2012**

	Source of Supply and Pumping Expenses		Water Treatment Expenses		Transmission and Distribution		Customer Accounts Expenses	Administrative and General Expenses	Total (Memorandum Only)
	Operations	Maintenance	Operating	Maintenance	Operating	Maintenance			
Salaries and wages - employees	\$ 127,931	\$ -	\$ 101,125	\$ -	\$ -	\$ 267,033	\$ 125,134	\$ 215,249	\$ 836,472
Salaries and wages - directors	-	-	-	-	-	-	-	13,425	13,425
Employee pensions and benefits	18,820	-	8,326	-	-	16,749	8,042	14,092	66,029
Purchased water	1,574	-	-	-	-	-	-	-	1,574
Purchased power	189,664	-	-	-	84,291	-	-	13,337	287,292
Chemicals	-	-	176,562	-	-	-	-	-	176,562
Materials and supplies	21,012	-	12,818	-	-	94,430	59,659	17,278	205,197
Contractual services - accounting	-	-	-	-	-	-	-	24,065	24,065
Contractual services - legal	-	-	-	-	-	-	-	1,798	1,798
Contractual services - customer accounts	-	-	-	-	-	-	-	-	-
Contractual services - other	-	102,035	29,637	-	-	173,385	-	44,546	349,603
Transportation expense	-	-	-	-	-	77,905	37,200	3,600	118,705
Insurance - vehicle	-	-	-	-	-	1,761	825	1,419	4,005
Insurance - workers' compensation	3,765	-	2,976	-	-	7,858	3,682	6,334	24,616
Employee insurance	29,301	-	23,161	-	-	61,160	28,660	49,299	191,581
Employee flex reimburse	5,585	-	4,415	-	-	11,658	5,463	9,397	36,519
Property and other Insur	9,062	-	7,163	-	-	18,914	8,863	15,247	59,249
Bad debt expense	-	-	-	-	-	-	10,813	-	10,813
Miscellaneous	-	-	-	-	-	-	617	28,064	28,681
<b>Totals</b>	<b>\$ 406,713</b>	<b>\$ 102,035</b>	<b>\$ 366,183</b>	<b>\$ -</b>	<b>\$ 84,291</b>	<b>\$ 730,854</b>	<b>\$ 288,959</b>	<b>\$ 457,151</b>	<b>\$ 2,436,186</b>



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Commissioners  
Green River Valley Water District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Green River Valley Water District, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise Green River Valley Water District's basic financial statements, and have issued our report thereon dated August 15, 2013.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Green River Valley Water District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Green River Valley Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Green River Valley Water District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Green River Valley Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Campbell, Myers & Rutledge, PLLC*

August 15, 2013

EXHIBIT F

22200 Green River Valley Water District 01/01/2012 - 12/31/2012

Long Term Debt (Ref Page: 22)

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Total

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22200 Green River Valley Water District 01/01/2012 - 12/31/2012

Bonds - Account 221 (Ref Page: 23)

	Original Contract Amount	Unpaid Contract Amount	Original Contract Amount	Unpaid Contract Amount	Interest During Year	Interest Paid (0)
\$1,000,000.00	\$0.00	\$0.00	\$804,000.00	\$34,725.00	\$37,845.00	
\$700,000.00	\$0.00	\$0.00	\$497,000.00	\$22,809.00	\$23,355.00	
\$249,000.00	\$0.00	\$0.00	\$200,000.00	\$9,152.00	\$9,354.00	
\$519,000.00	\$0.00	\$0.00	\$242,000.00	\$15,830.00	\$15,830.00	
\$2,166,200.00	\$0.00	\$0.00	\$1,118,600.00	\$55,440.00	\$57,445.00	
\$3,567,000.00	\$0.00	\$0.00	\$2,128,000.00	\$91,660.00	\$93,663.00	
\$5,000,000.00	\$0.00	\$0.00	\$4,651,000.00	\$202,941.00	\$121,206.00	
\$280,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$5,080,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
\$3,200,000.00	\$0.00	\$0.00	\$3,148,500.00	\$46,047.00	\$214,313.00	
\$1,598,000.00	\$0.00	\$0.00	\$1,073,000.00	\$47,751.00	\$52,269.00	
<b>Total</b>	<b>\$23,339,200.00</b>	<b>\$0.00</b>	<b>\$13,862,100.00</b>	<b>\$528,355.00</b>	<b>\$625,280.00</b>	

22200 Green River Valley Water District 01/01/2012 - 12/31/2012

Schedule of Bond Maturities (Ref Page: 23)

	Interest Rate (%)	Original Issue (\$)	Amount Paid (\$)	Remaining Bond Outstanding (\$)
SERIES A	4.5000	\$826,000.00	\$22,000.00	\$804,000.00
SERIES B	4.5000	\$510,000.00	\$13,000.00	\$497,000.00
SERIES C	4.5000	\$204,500.00	\$4,500.00	\$200,000.00
2001	0.0000	\$277,000.00	\$35,000.00	\$242,000.00
2003	0.0000	\$1,312,100.00	\$193,500.00	\$1,118,600.00
2004-B	0.0000	\$2,235,000.00	\$107,000.00	\$2,128,000.00
2004-D	0.0000	\$1,146,000.00	\$73,000.00	\$1,073,000.00
2004-A	0.0000	\$4,716,000.00	\$85,000.00	\$4,631,000.00
2010 RD	0.0000	\$3,200,000.00	\$51,500.00	\$3,148,500.00
	0.0000	\$0.00	\$0.00	\$0.00
Total		\$14,426,600.00	\$564,500.00	\$13,862,100.00

(The total of Column 12 must agree with the total of col 4)

22200 Green River Valley Water District 01/01/2012 - 12/31/2012

Notes Payable (Accts 232 and 234) (Ref Page: 24)

	Balance	2012	2013	Principal Paid	Interest
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Account 232 - Notes Payable

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Total Account 232

Account 234 - Notes Payable to Associated Companies

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Total Account 234

**CASE NO: 2013-00346**

**CONTAINS**

**LARGE OR OVERSIZED**

**MAP(S)**

**RECEIVED ON: September 20, 2013**