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August 18, 2014

RECEIVED

AUG 20 2014

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
PUBLIC SERVICE COMMISSION
211 Sower Blvd.
Frankfort, KY 40601

Re: Water District#3 located in Calloway County, Kentucky

Dear Mr. Derouen:

Please find enclosed, an original and ten (10) copies of the Application for Water District #3 acquisition by the City of Murray, Kentucky. A copy of the unexecuted Asset Acquisition Agreement is attached thereto. Said Agreement will be executed upon authorization.

The Resolutions from WD3 and the Calloway County Fiscal Court have been attached to the front of the Application. The Resolution from the City of Murray is attached as Exhibit "A" to the Asset Acquisition Agreement.

If you have any questions regarding this matter, or if you need additional information, please do not hesitate to contact my office.

Very truly yours,



Warren K. Hopkins
Attorney at Law

WKH/clm

cc: Client

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AUG 20 2014

RESOLUTION 2014-_____

PUBLIC SERVICE
COMMISSION

A RESOLUTION OF WATER DISTRICT #3 TO APPROVE AND EXECUTE THE APPLICATION TO THE PUBLIC SERVICE COMMISSION AND THE ASSET ACQUISITION AGREEMENT WITH THE CITY OF MURRAY.

WHEREAS, WD3 has been in the business of providing potable water to its customers for several years;

WHEREAS, since the establishment of WD3, numerous changes have occurred, which have benefitted the customers of WD3 and it is recognized that future improvements will be necessary to maintain said benefits to WD3's customers;

WHEREAS, the aforementioned improvements will be necessary for WD3 in the future to maintain its present state, which costs may be problematic for WD3 to cover alone;

WHEREAS, as an alternative to WD3 undertaking future costly improvements, it is in the best interest of WD3 and the customers of WD3 to be acquired by the City of Murray, who currently provides WD3 with its potable water;

WHEREAS, a Public Hearing was held on the 15th day of April, 2014 for the purpose of discussing the acquisition of WD3 by the City of Murray.

NOW THEREFORE, Be it hereby resolved, that WD3 has reviewed the Application to the Public Service Commission (attached hereto and incorporated by reference as if fully stated herein and marked Exhibit "A") and the Asset Acquisition Agreement (attached hereto and incorporated by reference as if fully stated herein and marked Exhibit "B") and does hereby approve same, subject to the approval of the Calloway Fiscal Court, and further authorizes the Chairman of WD3 to execute any and all necessary documents to further the transfer of all assets of WD3 to the City of Murray, Kentucky.

ADOPTED by Water District #3 on this the 15th day of April, 2014.

WATER DISTRICT #3

Max Morris
MAX MORRIS, CHAIRMAN

ATTEST:

David Roberts

RESOLUTION 2014-0622-A

A RESOLUTION AUTHORIZING THE JUDGE EXECUTIVE, ON BEHALF OF THE CALLOWAY FISCAL COURT, TO EXECUTE ANY AND ALL NECESSARY DOCUMENTS TO APPROVE THE CITY OF MURRAY'S ACQUISITION OF THE WD3 WATER SYSTEM.

WHEREAS, the Calloway County Fiscal Court met on the 17 day of June 2014 to discuss the City of Murray's acquisition of the WD3 Water System;

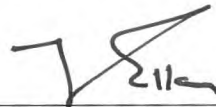
WHEREAS, the City of Murray has agreed to acquire the assets of WD3 pursuant to an Asset Acquisition Agreement, a copy of which is attached hereto and incorporated by reference as if fully stated herein and marked Exhibit "A"

WHEREAS, WD3 has agreed to convey to the City of Murray all assets owned by WD3, pursuant to the Asset Acquisition Agreement referenced above.

NOW THEREFORE, Be it hereby resolved, the Fiscal Court of Calloway County approves the acquisition of WD3 by the City of Murray pursuant to the terms and conditions of the Asset Purchase Agreement as attached hereto and further empowers the Judge Executive, on behalf of the Calloway County Fiscal Court, to execute any and all necessary documents to further the transfer of all assets of WD3 to the City of Murray, including, but not limited to the Asset Acquisition Agreement referenced above.

ADOPTED by the Fiscal Court on this the 17 day of June, 2014.

CALLOWAY COUNTY FISCAL COURT



LARRY ELKINS, JUDGE EXECUTIVE

ATTEST:

Antonia D. Faulkner

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

AUG 20 2014

PUBLIC SERVICE
COMMISSION

IN MATTER OF:

APPLICATION OF WD3 WATER SYSTEM)
FOR AN ORDER APPROVING A TRANSFER)
OF OWNERSHIP AND CONTROL,)

CASE NO. _____

APPLICATION

Applicant WATER DISTRICT #3 ("WD3") hereby applies to the Kentucky Public Service Commission ("Commission") for (a) approval pursuant to KRS 278.020(4) of a transfer of ownership and control of a jurisdictional utility, and (b) any other approval necessary relating to a proposed transaction with The City of Murray, Kentucky ("MURRAY"). In support of its request, WD3 states as follows:

THE APPLICANT

1. WD3 is a water district established pursuant to Chapter 74 of the Kentucky Revised Statutes, with its mailing address being Post Office Box 643, Murray, Kentucky 42071.
2. WD3 is authorized by the Commission to provide distribution of water for the public for compensation within the Commonwealth. Its facilities constitute a water distribution facility and appurtenant collection and transmission system located in a county containing a city of the third class and are not subject to regulation by a metropolitan water district. Specifically, WD3 provides potable water in an unincorporated area of Calloway County with the water being supplied by Murray.
3. A copy of WD3's Resolution of Existence by the Calloway County Fiscal Court is on file with the Commission.
4. Copies of all orders, pleadings, and other communications regarding this Application should be directed to:

Authorized Representative of WD3:

Max Morris, Chairman
Post Office Box 643
Murray, KY 42071

Authorized Representative of MURRAY:

J.L. Barnett
Post Office Box 1236
Murray, KY 42071

THE PROPOSED TRANSACTION

5. WD3 proposes to transfer to Murray, and Murray proposes to acquire, all the utility assets and liabilities of WD3 pursuant to an agreement between WD3 and Murray (hereinafter, "the Proposed Transaction").

6. Murray was created as a third class city organized pursuant to the laws of the Commonwealth of Kentucky. It has complete control, possession, and supervision of the potable water system within the City of Murray and within large portions of Calloway County that it has annexed into its service area. KRS Chapter 76 authorizes Murray to construct facilities within its service area and to recover the cost of its services in accordance with rate schedules adopted by its governing Board.

7. The terms and conditions of the Proposed Transaction are set out in the Asset Acquisition Agreement ("the Agreement") attached as Exhibit "A".

8. By unanimous vote, Murray has authorized the Mayor of the City to execute the Agreement, subject to approval by this Commission. See resolution dated the 10th day of April, 2014, attached as Exhibit "N" of the Asset Acquisition Agreement (Exhibit "A").

9. By unanimous vote, WD3 has authorized the Chairman of WD3 to execute the Agreement, subject to the approval by this Commission. See Resolution of WD3 dated the 15th day of May, 2013, attached as Exhibit "A" of the Asset Acquisition Agreement (Exhibit "A").

10. If all necessary regulatory approvals are secured, the Agreement will be executed on behalf of WD3 and Murray. WD3 will provide a fully-executed copy of the Agreement to the Commission within 21 days after its signing.

11. As is proposed in the Asset Acquisition Agreement, WD3 will transfer to Murray, on September 1, 2014, all properties owned and operated by WD3 that are used in the operation of the WD3 potable

water distribution system. The properties to be transferred include all assets as stated in the Asset Acquisition Agreement (Exhibit "A") and noted on Exhibit "B" of the Asset Acquisition Agreement..

12. On and after the date that the Public Service Commission (PSC) approves the Acquisition Agreement, Murray will operate the WD# potable water facilities, receive all income, and pay all expenses relating to that operation, and otherwise bear all responsibility for the operation and maintenance of the facilities. To assist in the transition, in particular the operation and maintenance, Murray has on staff a full time construction crew that is comprised of an equipment operator, a crew chief, and two laborers/drivers that assists in new construction as well as distribution maintenance. Murray also has a full time maintenance crew that consists of an equipment operator, crew chief, and two laborers/drivers. Two of the above mentioned personnel have current Environmental Protection Cabinet as water distribution system operators. There is also a certified class III water distribution system operator employed in the Planning/Engineering Department. Two other personnel are scheduled to be certified in December, 2013. Murray's Director of Field Operations and Murray's Field Supervisor have numerous years of combined experience in the Water Department.

KRS 278.020(4) Transfer Requirements

13. The Commission should approve the transfer by WD3 pursuant to KRS 278.020(4). Murray has the financial, technical, and managerial abilities to continue to provide reasonable service following the Proposed Transaction.

14. Murray is in the process of bringing its facilities and services to the area currently served by WD3. WD3 contemplates eventually discontinuing and dissolving its water district. The Proposed Transaction thus will serve the public's interest by enabling the continued expansion and integration of the Murray system and ensuring continued provision of quality potable water services to existing WD3 customers and to future customers in the existing WD3 service area.

15. Prior to the proposed transfer on September 1, 2014 WD3 will continue to operate the utility and otherwise bear all responsibility for the operation and maintenance of the facilities. Murray has been providing potable water to WD3 for 44 years and recently has enhanced the system in order to deliver

increased pressure to WD3 customers. The transfer of the assets pursuant to the agreement will not interrupt the water service to WD3 customers.

16. On and after September 1, 2014, Murray will operate the WD3 potable water facilities, receive all income, and pay all expenses relating to that operation, and otherwise bear all responsibility for the operation and maintenance of the facilities. To assist in the transition, Murray has a demonstrated capability of resources, experience, and past service to the WD#3. Murray will provide administrative services and facilities as needed in the process of the Acquisition.

17. Before September 1, 2014, WD3 customers will be charged in accordance with the rates, classifications, and administrative regulations in the tariff currently on file with the Commission. A rate change is part of the proposed transaction. For service on and after September 1, 2014, WD3 customers will be subject to all applicable Murray rules and regulations, including its regular schedule of rates, rentals, and charges. See Agreement, ("Exhibit "P" of the Asset Acquisition Agreement). Murray is to hold any security deposits or other such customer funds under the same terms as WD3 for the benefit, use, or credit of the customers, however, WD3 does not hold any amounts required to be deposited by patrons to secure utility service.

18. WD3 acknowledges that, until the proposed transfer takes place, the Commission retains jurisdiction over WD3 and the WD3 facilities, and agrees to continue to comply with all Commission regulations, including those which require the timely filing of any information, notice or reports.

19. As demonstrated by its Comprehensive Annual Financial Report for the Fiscal Year Ended 2013, attached as Exhibit "B" to this Application, and its control and operation of the potable water system within the City of Murray and portions of Calloway County for more than 45 years, Murray has the financial, managerial, and technical abilities to provide reasonable service to the persons currently served by WD3.

OTHER REQUIREMENTS

20. The Proposed Transaction does not include an acquisition within the meaning of KRS 278.020(4) or an acquisition of control as defined by KRS 278.020(5), because Murray is not subject to the jurisdiction of the Commission.

21. If the Commission nonetheless applies KRS 278.020(5) to the Proposed Transaction, the Commission should approve the acquisition by Murray of control of the utility assets of WD3. As demonstrated by this Application, the Proposed Transaction is in accordance with law, for a property purpose, and is consistent with the public interest. Therefore, the Commission should approve the acquisition by Murray of the utility assets of WD3.

22. WD3 proposes to transfer all of its utility assets in the Proposed Transaction and to cease providing utility service on and after September 1, 2014. However, it is not abandoning the utility or its assets within the meaning of KRS 278.020(4), because the transfer is to Murray, an entity with the capability to provide reasonable service and which is agreeing to take on the responsibility of providing service to customers in the WD3 service area. If the Commission nonetheless applies the KRS 278.020(4) provisions relating to abandonment of ownership or control to the Proposed Transaction, the Commission should approve WD3's transfer of all of its utility assets and cessation of providing utility service.

CONCLUSION

WHEREFORE, Applicant WD3 requests an Order of the Commission within 60 days of the filing of the Application which:

- a. Grants approval pursuant to KRS 278.020(4) for the transfer to Murray by WD3 of ownership and control of the WD3 utility assets in the Proposed Transaction; and
- b. Declares that KRS 278.020(5) is inapplicable or, in the alternative, grants approval pursuant to KRS 278.020(5) for the acquisition by Murray of control of the WD3 utility assets in the Proposed Transaction; and
- c. Declares that no other Commission approvals are necessary for the Proposed Transaction or, in the alternative, grants any other approvals necessary.

Respectfully submitted,


WARREN K. HOPKINS

Attorney at Law
405 Maple Street, Suite B
Murray, KY 42071

Telephone: (270) 759-9504
Facsimile: (270) 759-9821

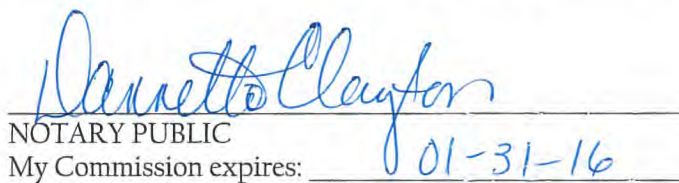
VERIFICATION

I, MAX MORRIS, do hereby swear or affirm that the contents of the foregoing Application are true and accurate to the best of my knowledge.


MAX MORRIS

COMMONWEALTH OF KENTUCKY
COUNTY OF CALLOWAY

Signed and sworn to before me on the 6th day of August, 2014 by Max Morris, Authorized Representative of WD3, who is personally known to me or proved to me on the basis of satisfactory evidence, as his duly authorized act.


NOTARY PUBLIC
My Commission expires: 01-31-16

**TABLE OF EXHIBITS
TO APPLICATION**

ASSET ACQUISITION AGREEMENT

This Asset Acquisition Agreement, hereafter "Asset Acquisition Agreement" or "Agreement" is entered into this ____ day of _____, 20 ____, by and between

WATER DISTRICT #3
Post Office Box 643
Murray, Kentucky 42071

"WD3"

AND

CITY OF MURRAY

A Municipality
City Hall
104 North Fifth Street
Murray, Kentucky 42071,

"MURRAY"

RECITALS

WHEREAS WD3 executed a certain Resolution dated May 15, 2013 _____ governing MURRAY's proposed acquisition of WD3 water system (Exhibit "A" and "A1");

WHEREAS, WD3 and MURRAY have in place a Water Purchase Agreement (Exhibit "G") dated June 12, 1969, whereby MURRAY has sold water at wholesale to WD3;

WHEREAS, MURRAY has the managerial, technical and financial ability to support the acquisition as described herein and to provide reasonable utility service.

WHEREAS, WD3 and MURRAY now desire to enter into this Asset Acquisition Agreement anticipated by and described in the Resolution of WD3.

NOW, THEREFORE, the parties agree as follows:

SECTION ONE - DEFINITIONS FOR THIS ASSET ACQUISITION AGREEMENT

As used in this Asset Acquisition Agreement, the following terms have the following meanings:

"Assets" shall mean all of WD3's water system property, real and personal, tangible and intangible, including, but not limited to the distribution system, pump stations, storage tanks, equipment, materials, cellular communication leases, real and personal property, easements, lien rights, developer contracts, tapping fee contracts, leases, contracts, grants, pending grants, construction reserve funds, operating reserve

funds, all accounts, including, but not limited to accounts receivable, licenses, rights to serve, if any, and promissory notes to be owned by MURRAY in this Asset Acquisition Agreement, a complete inventory of which has been reviewed and agreed to by the parties and included at Exhibit "B" and incorporated herein by reference.

"Excluded Assets" shall mean all of WD3's water system property, real and personal, tangible and intangible, including, but not limited to the distribution system, pump stations, storage tanks, equipment, materials, cellular communication leases, real and personal property, easements, lien rights, developer contracts, tapping fee contracts, leases, contracts, grants, pending grants, construction reserve funds, operating reserve funds, accounts receivable, licenses, rights to serve, if any, and promissory notes NOT to be owned by MURRAY in this Asset Acquisition Agreement, a complete list of which is included at Exhibit "B1" and incorporated herein by reference.

"Liabilities" shall mean all of WD3's water system liabilities, known, unknown or contingent, including but not limited to debt and the contractual obligations of WD3, to be assumed by MURRAY in this Asset Acquisition Agreement, a complete list of which known liabilities has been reviewed and agreed to by the parties and is included at Exhibit "C" and incorporated herein by reference.

"Closing Date" shall mean the date at which MURRAY takes possession of the assets and responsibility for operation of WD3's water system, no later than 60 calendar days after approved by the PSC of this Asset Acquisition Agreement; this Closing Date and the date of execution of the Asset Acquisition Agreement may be extended in writing by mutual agreement of the parties.

"Employees" shall mean those persons employed full-time at WD3 at the time of execution of the Resolution (Exhibit "A"), plus any additional person(s) hired after that date but before the Closing Date, if any such additional person(s) were hired with the approval of MURRAY; names of those employees are included at Exhibit "D" and incorporated herein by reference.

"Resolution" shall mean that document executed by WD3 on May 15, 2013 on the subject of acquisition of the assets of WD3's water system, and any amendments to that Resolution, which are

included in this Asset Acquisition Agreement at Exhibit "A" (Statement) and Exhibit "A1" (Amendments), respectively.

SECTION TWO – ASSET ACQUISITION

Upon the terms and conditions contained in this Asset Acquisition Agreement and for good and valuable consideration as outlined in this Asset Acquisition Agreement, the sufficiency of which is acknowledged by the parties through their assent to this Asset Acquisition Agreement and evidenced by their signatures hereinbelow, MURRAY and WD3 agree that MURRAY is to acquire the assets listed at Exhibit "B" (excluding the excluded assets listed at Exhibit "B1"), and the liabilities (including, but not limited to, the known liabilities listed at Exhibit "C") of the WD3 water system.

A. Terms.

This Asset Acquisition Agreement includes the conveyance to MURRAY of all assets owned by WD3, as the term "assets" is defined for this Asset Acquisition Agreement and as those assets are listed in Exhibit "B", excluding the "excluded assets" as that term is defined for this Asset Acquisition Agreement and as those assets are listed in Exhibit "B1", as well as the assumption of all liabilities from MURRAY as the term "liabilities" is defined for this Asset Acquisition Agreement and as those liabilities are listed in Exhibit "C". As a result of this acquisition and after the Closing Date, MURRAY shall be responsible for water service, management, administration and ownership of the following:

- WD3 water service areas, as shown in Exhibit "E";
- WD3 Assets including those Assets shown in Exhibit "B" and excluding those Excluded Assets shown in Exhibit "B1";
- WD3 customer accounts as shown in Exhibit "J"; and
- WD3 liabilities, including, but not limited to, those liabilities shown in Exhibit "C".

B. Consideration.

In consideration for the asset acquisition, MURRAY agrees to install, pursuant to the tentative schedule of system improvements and system development improvements, certain improvements within the WD3 water service area in Calloway County. The improvements shall be known collectively as the Water District #3 Improvement Program and shall include the following:

Exhibit "F": System Improvements and additional System Development Improvements. Exhibit "F" is incorporated by reference as if fully stated herein.

MURRAY agrees to install water system capital improvements in WD3's water system to bring that water system up to MURRAY's standards, as described in Exhibit "F".

MURRAY further agrees to provide water system development improvements as described in Exhibit "F", with those improvements to be funded by a system development charge to be assessed, collected and administered in a manner consistent with MURRAY's assessment, collection and administration of the system development charge in the rest of MURRAY's service area. The parties acknowledge that MURRAY reviews that system development charge from time to time for consistency and accuracy.

C. Employment of Personnel. Upon closing of this asset purchase agreement, the employees of WD3 shall not be retained as employees by MURRAY. However, this does not prevent the employees of WD3 from making application to the City of Murray when and if employment opportunities arise.

SECTION THREE –WD3s ASSETS AND LIABILITIES.

Pursuant to the terms of this Asset Acquisition Agreement, on the Closing Date, WD3 shall convey, assign and deliver to MURRAY and MURRAY agrees to accept from WD3 any and all assets including those listed in Exhibit "B" and excluding those listed as Excluded Assets in Exhibit "BI" and WD3 shall convey, assign and deliver to MURRAY and MURRAY agrees to accept any and all liabilities including those listed in Exhibit "C".

A. Title and Possession.

WD3 shall deliver title and possession of assets to MURRAY on the Closing Date. In addition, WD3 through its authorized representative(s) shall execute instruments of transfer of all or any portion of the assets, such as deeds, bills of sale, and other instruments in writing as may be reasonably requested by MURRAY and MURRAY to prepare said instruments of transfer of all or any portion of the assets.

WD3 further agrees to cooperate with preparation and execution of any additional written instruments of transfer as may be reasonably requested after the Closing Date with respect to specific assets being acquired by MURRAY hereunder, where the need for such instrument may later appear (for example,

an overlooked water line easement of record later discovered or an assignment of a specific contract right deemed desirable at a later date in order to enforce same.) WD3 and MURRAY agree that MURRAY will prepare any such additional written instruments of transfer and that WD3's authorized representative(s) shall sign any such additional instruments.

B. Audited Financial Statements.

WD3 has furnished, and MURRAY has reviewed and found satisfactory 2011-2012 Independent Accountants Review Audit for WD3 water system, prepared in conformity with generally accepted accounting principles. Copies of the 2011-2012 Independent Accountants Review Audit are Exhibit "I" and incorporated herein by reference; WD3 represents and warrants those 2011-2012 Independent Accountants Review Audit to be complete and prepared from WD3's water system books and records.

C. Schedule of Assets.

WD3 has furnished, and MURRAY has reviewed and found satisfactory a schedule of assets, a copy of which is Exhibit B and incorporated herein by reference. WD3 has also furnished, and MURRAY has reviewed and found satisfactory a schedule of excluded assets, a copy of which is Exhibit "BI" and incorporated herein by reference.

D. Liabilities.

WD3 has furnished, and MURRAY has reviewed and found satisfactory a list of known liabilities, which is Exhibit "C" and incorporated herein by reference as if fully stated herein.

E. Customer List.

WD3 has furnished, and MURRAY has reviewed the WD3 list of customers, which is Exhibit "J" and incorporated herein by reference.

SECTION FOUR—TAXES

Any federal, state or local taxes or assessments of any kind or description assessed against the assets or WD3's operation of those assets and attributable to the period prior to the Closing Date are and will remain the sole responsibility and obligation of WD3 to be paid out of the WD3 Water Reserve. Sales, use, transfer, purchase and documentary taxes, if any, payable by reason of the transactions required to fulfill the

terms of this Asset Acquisition Agreement and due at the Closing Date shall be the responsibility and obligation of WD3, to be paid out to the WD3 Water Reserve. Any and all taxes, sales, use or otherwise, assessed on the assets or the operation thereof, upon or after the Closing Date shall be the sole responsibility and obligation of WD3 to be paid out of the WD3 Water Reserve.

SECTION FIVE – EXECUTION OF THE ASSET ACQUISITION AGREEMENT AND CLOSING DATE

Execution of the Asset Acquisition Agreement shall take place on or before the _____ day of _____, _____. The Closing shall take place at _____ on a date fixed by agreement of the parties. The Closing Date may be extended in writing by mutual agreement of the parties.

SECTION SIX – WD3's REPRESENTATIONS AND WARRANTIES

A. Authority.

WD3 represents and warrants that it owns the municipal water system, validly existing and in good standing under the laws of the Commonwealth of Kentucky, having full power and authority to own the assets and to conduct the water distribution business as and where such business has and is now being conducted. WD3 must, at its sole cost and expense, seek fiscal court approval and PSC approval with MURRAY providing assistance when needed.

B. Title and Authority to Convey.

WD3 represents and warrants that it has good and marketable title to all of its assets (listed at Exhibit "B" to this Asset Acquisition Agreement and incorporated herein by reference), and, upon conveyance of same to MURRAY, each of the assets listed at Exhibit "B" will be free and clear of all claims, mortgages, security interests, equities, restrictions, liens, encroachments, pledges, options, purchase rights, charges or encumbrances of any kind, except those already disclosed to MURRAY; that it has the right to sell and convey the assets, make any necessary assignments, and convey the right to deliver water in WD3 water system without referendum or further approval of any other governmental agency or entity; and that it has the full right, power, authority and capacity to execute, deliver and perform this Asset Acquisition Agreement in accord with its terms, which approval is evidenced by Resolution of WD3 at Exhibit "A" and incorporated

herein by reference. This Asset Acquisition Agreement constitutes a legal, valid and binding obligation on WD3.

C. Operating System.

WD3 represents and warrants that all the assets (listed at Exhibit "B" to this Asset Acquisition Agreement and incorporated herein by reference) are in working order, ordinary wear and tear excepted, sufficient to enable MURRAY to provide water service to WD3's customers without interruption in service.

D. Environmental Matters.

WD3 represents and warrants that to the best of its knowledge there are no toxic, hazardous or carcinogenic substances or wastes disposed, stored or present on, in or under any of the assets to be transferred to MURRAY under the terms of this Asset Acquisition Agreement. WD3 further represents that it has not arranged for the shipment of any toxic substances and/or wastes, hazardous substances and/or carcinogenic substances and/or wastes, other than those WD3 lists at Exhibit "L". WD3 also represents that it has not arranged for the processing, recycling, reclamation, reprocessing, storage or disposal at any site listed on the National Priorities List, any Kentucky State Superfund Site, or any facility not duly authorized and permitted to accept and treat, process, recycle, reclaim, reprocess, store or dispose of such substances and wastes.

E. Financial Statements.

WD3 has furnished, and MURRAY has reviewed and found satisfactory 2011-2012 Independent Accountant's review report for WD3 prepared in conformity with generally accepted accounting principles (GAAP), which Statements WD3 represents and warrants to be true, correct and complete and prepared from WD3's water system books and records all of which are Exhibit "I" and incorporated herein by reference.

F. Litigation (Pending and Anticipated).

WD3 represents and warrants that there are no claims, actions, suits, arbitrations, mediations, proceedings or investigations, administrative, judicial or otherwise, pending, or, to the best of WD3's knowledge, threatened, administrative, judicial or otherwise, affecting the WD3 water distribution system

operations or WD3's ownership or possession of the asset, that have not been disclosed to MURRAY. See Exhibit "O" as incorporated by reference.

G. Customer List and Metering.

WD3 represents and warrants that all users of water connected to the WD3 distribution system, are listed as WD3 customers on the customer list at Exhibit "J", incorporated herein by reference, and, further, that those customers, including all governmental facilities, are metered, with the exception of the list of unmetered customers, at Exhibit "M". After the Asset Acquisition Agreement is executed, MURRAY will install meters for water usage including, but not limited to, meters for fire services, for any unmetered customers.

SECTION SEVEN –MURRAY's REPRESENTATIONS AND WARRANTIES

A. Valid Existence.

MURRAY represents and warrants that it is a municipality, city of the third class,

B. Authority.

MURRAY has full right, power and authority to execute this Asset Acquisition Agreement and to perform the terms and conditions contained herein without further approval of any governmental agency or entity, other than the approval of its own City Council, which approval is evidenced by Resolution at Exhibit "N" and incorporated herein by reference. This Asset Acquisition Agreement constitutes a legal, valid and binding obligation for MURRAY.

SECTION EIGHT - DUE AT CLOSING

A. Due from WD3 to MURRAY.

Unless MURRAY produces a written waiver of any item listed herein, WD3 shall deliver to MURRAY at closing the following:

1. A document evidencing in writing to MURRAY the exclusive authority if there be any such exclusive authority granted to WD3, to provide water service to the properties and residents of WD3.

2. A general warranty deed for any real property owned by WD3 (and listed in the schedule of assets at Exhibit B) to be prepared by MURRAY, said deed to be duly executed, acknowledged and delivered by WD3 conveying to MURRAY marketable fee simple title to such real property at the closing;

3. All of WD3's title and ownership interest (and any other interest in real property held by WD3 and listed in the schedule of assets at Exhibit B). The parties agree that any deed or deeds transferring to MURRAY all of WD3's title and ownership interest in and to easements of record, used and/or acquired by WD3 to install and/or maintain water distribution facilities (which facilities are among the assets transferred to MURRAY in this Asset Acquisition Agreement) shall be prepared by MURRAY and signed by WD3's authorized representative within thirty (30) days of the Closing Date;

4. All of WD3's title and ownership interest and any other interest in personal property, tangible or intangible. The parties agree that any bill of sale for personal property (tangible or intangible) which personal property is among the assets transferred to MURRAY shall be signed by WD3's authorized representative within forty-five (45) days of the Closing Date;

5. An inventory, taken by MURRAY in the presence of a WD3 representative no later than 30 days in advance of the Closing Date, detailing all materials and supplies on hand and to be included within the assets in the Schedule of Assets (except to the extent those materials and supplies on hand are installed or consumed in the ordinary course of WD3's business prior to the Closing Date) which is Exhibit "B" to this Asset Acquisition Agreement and incorporated herein by reference;

6. All customer records (including the customer list described in Section Three, Paragraph E and set out in Exhibit "J"), and engineering and supplier records relating to WD3 water system, including but not limited to a list of all WD3 customers, wholesale and retail, current as of the date of the closing and in a form satisfactory to MURRAY;

7. Possession of the assets detailed in the Schedule of Assets at Exhibit "B";

8. Written affirmation of WD3's representations and warranties;

9. A certified copy of WD3's resolution authorizing WD3 to enter into and perform the terms of this Asset Acquisition Agreement and further authorizing its authorized representative to execute this Asset Acquisition Agreement on behalf of WD3;

10. An opinion from WD3's counsel, satisfactory in form to MURRAY, as to matters set forth in Section Six of this Asset Acquisition Agreement - WD3's Representations and Warranties;

11. A list of all pending legal actions, including administrative, regulatory, civil, criminal and any other legal actions to which WD3's water system is a party (Exhibit "H"), as well as a list of all agreements, including but not limited to contracts, to which WD3s water system is a party;

12. Any such other documentation, at the closing or later if requested, as may be reasonably necessary to effect consummation of the transactions contemplated by and/or required by this Asset Acquisition Agreement, including, but not limited to, transfer from WD3 to MURRAY of title to and ownership of the water distribution facilities and appurtenances thereto.

B. Due from MURRAY to WD3.

Unless WD3 produces a written waiver of any item listed herein, MURRAY shall deliver to WD3 at closing the following:

1. A certified copy of MURRAY's resolution authorizing MURRAY's Mayor to enter into and perform the terms of this Asset Acquisition Agreement, including acceptance of assets and liabilities listed in Exhibits B and C, respectively, pursuant to the terms of this Asset Acquisition Agreement;

2. An opinion from MURRAY's counsel, satisfactory in form to WD3, as to matters set forth in Section Seven of this Asset Acquisition Agreement - MURRAY's Representations and Warranties.

3. Written affirmation of MURRAY's representations and warranties.

SECTION NINE - DEFAULTS

A. Default by Either MURRAY or WD3 or Both.

If the Asset Acquisition Agreement is not executed at the request of either of the parties or by mutual agreement of the parties, each party shall be solely responsible for its own expenses.

SECTION TEN - MISCELLANEOUS MATTERS

A. Risk of Loss.

After the Closing Date when MURRAY receives the assets and accepts any and all liabilities described at Exhibits B and C, the risk of loss shall shift from WD3 to MURRAY; WD3 having borne exclusively the risk of loss during negotiation of the Asset Acquisition Agreement.

B. Transfer of Customer Accounts.

WD3 shall conduct its final reading of all of its customers' meters prior to closing on the terms of the Asset Acquisition Agreement; MURRAY agrees to accept WD3's final reading on the consumption of each account as MURRAY's beginning reading. The parties agree to work together on meter reading to assure a smooth transition of this process. Any payment for service rendered prior to the Closing Date and received after the Closing Date shall be deposited with MURRAY.

C. Applications for Service Connections.

MURRAY will effect any water service connections after the Closing Date which WD3 has approved in the ordinary course of business and for which WD3 has been paid its usual and customary fees and/or deposits prior to the Closing Date; WD3 agrees to surrender to MURRAY any deposit paid by the customer, and MURRAY agrees to make no further charge to the customer therefor.

D. Other Payments to WD3 and Invoices Owed by WD3.

Any other payments due to WD3 prior to the Closing Date and received after the Closing Date shall be deposited with MURRAY; any invoices owed by WD3 in the ordinary and regular course of its business prior to the Closing Date and received within 120 days after the Closing Date shall be paid by the City of Murray.

E. Notices.

Any notices, requests, waivers or other communications required or permitted to be given under this Asset Acquisition Agreement shall be in writing, and shall be delivered by hand or courier or US mail, postage pre-paid, and addressed to each party as set forth in this Asset Acquisition Agreement with copies to parties' counsels at their then-current addresses.

F. Entire Agreement.

This Asset Acquisition Agreement, including the Resolution previously incorporated herein by reference, supersedes all prior discussions and agreements between WD3 and MURRAY, with respect to this asset acquisition. All promises, inducements, offers, solicitations, agreements, commitments, representations, and warranties heretofore made between the parties are merged into this Asset Acquisition Agreement. This Asset Acquisition Agreement shall not be modified or amended except in a writing executed by both parties. Covenants, representations and warranties made in this Asset Acquisition Agreement remain in full force and effect, surviving the closing.

G. Headings and Captions.

All headings, captions, sections and section numbers and letters are solely for the purpose of facilitating reference to this Asset Acquisition Agreement and shall not supplement, limit, or otherwise vary in any respect the text of this Asset Acquisition Agreement.

H. Successors and Assigns.

This Asset Acquisition Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns. Nothing in this Asset Acquisition Agreement shall be construed to create any rights or obligations except among and between the parties thereto, and no person or entity shall be regarded as a third party beneficiary of this Asset Acquisition Agreement.

I. Indemnifications.

Each party agrees to indemnify and hold the other party harmless from claims made against it and expenses incurred in defense of same, resulting from one or more breaches of the representations, warranties, and covenants contained in this Asset Acquisition Agreement. The parties agree that the indemnifications by WD3 under the terms of this Asset Acquisition Agreement, including the cost of legal representation, shall be drawn from the WD3 Water Reserve if such costs are occasioned by WD3's breach(es) of the representations, warranties and covenants contained in this Asset Acquisition Agreement. The parties acknowledge that WD3's actions and decisions regarding indemnifications will be made on behalf of the WD3 ratepayers and with the best interest of those ratepayers in mind.

J. Defense of Territory.

To the extent that, at the time of execution of this Asset Acquisition Agreement, there exists any exclusive authority granted to WD3 to provide water service to the properties and residents of WD3 water system, MURRAY agrees to take reasonable steps necessary to preserve that exclusive authority, in MURRAY's discretion.

K. Rates for former WD3 Customers.

MURRAY shall charge rates for the former WD3 customers as set out in the schedule of rates at Exhibit "P" (the parties acknowledge that MURRAY shall charge its fees, and not the fees set out in the WD3 rate schedule, from the date of closing on this Agreement); rate equalizations with other MURRAY customers shall occur when the conditions listed in this Asset Acquisition Agreement are finalized.

L. Service to Former WD3 Customers.

MURRAY reaffirms and reiterates its commitment to serve customers of the former WD3 water system equally with similarly situated MURRAY customers under MURRAY Service Rules and Regulations except that customers of the former WD3 water system will be subject to the rates and fees set out in this Asset Acquisition Agreement and the Resolution.

M. Rate Equalization and Water Rates.

WD3 and MURRAY reiterate and reaffirm their agreement on water rates and their commitment to rate equalization; the parties acknowledge that after rate equalization occurs, customers of the former WD3 water system will be billed at the then-current MURRAY rates.

N. Funding and Interim Funding for WD3.

In addition to provisions of Section Ten paragraphs B and D, WD3 and MURRAY agree that any balances in any WD3 accounts at the Closing Date shall be transferred to the MURRAY accounts at the Closing Date.

O. Supplemental Representations.

The parties agree that both parties may supplement their representations and warranties and exhibits to this Asset Acquisition Agreement, during the time period between execution of this Asset Acquisition Agreement and the Closing Date.

P. Notice of Significant Actions During Interim Period.

The parties acknowledge that there may be a period of time between the execution of this Asset Acquisition Agreement and the Closing Date, and both parties agree to provide notice to the other party of any action or event which may impair the value of any asset (by \$10,000.00 or more) or increase a liability (by \$10,000.00 or more) subject to this Asset Acquisition Agreement, including but not limited to those assets and liabilities listed at Exhibits B and C. The parties agree that any such notice shall be provided within forty-eight (48) hours of the party's knowledge of that action or event.

Q. Cooperation for Preparation of Consumer Confidence Report.

The parties recognize that after the closing on this Agreement, MURRAY will become responsible for preparation and dissemination of the WD3 water system's Consumer Confidence Report (CCR) for the year 20__, and that the WD3 has within its possession and/or within its care, custody and control the data necessary for preparation of the CCR. WD3 agrees to provide all of that data to MURRAY within thirty (30) days after the execution and closing on this Agreement.

WHEREFORE, the parties to this Asset Acquisition Agreement affix their signatures as of the date first hereinabove written.

WATER DISTRICT #3

CITY OF MURRAY

COMMONWEALTH OF KENTUCKY
COUNTY OF CALLOWAY

I, the undersigned Notary Public, do hereby certify that the foregoing instrument was duly subscribed, acknowledged and sworn to before me by _____ as **authorized agent for WD3 Water District**, who is personally known to me (or proved to me on the basis of satisfactory evidence), as his duly authorized act, on this the _____ day of _____, 2014.

NOTARY PUBLIC State at Large

MY COMMISSION EXPIRES: _____

COMMONWEALTH OF KENTUCKY
COUNTY OF CALLOWAY

I, the undersigned Notary Public, do hereby certify that the foregoing instrument was duly subscribed, acknowledged and sworn to before me by _____ as **authorized agent for the CITY OF MURRAY, KENTUCKY**, who is personally known to me (or proved to me on the basis of satisfactory evidence), as his duly authorized act, on this the _____ day of _____, 2014.

NOTARY PUBLIC State at Large

MY COMMISSION EXPIRES: _____

EXHIBIT "A"

RESOLUTION BY WATER DISTRICT No. 3

- 1) See Attachment- RESOLUTION by Water District No. 3

RESOLUTION

WHEREAS, the City of Murray (City) has expanded its water distributions system; and

WHEREAS, the Murray Water District #3 (District) is a wholesale customer of the City; and

WHEREAS, the District has elected to transfer its operations to the City under a plan that upon approval by the Public Service Commission will provide for the District's customers to be served by the City under a rate structure that will be reasonable, and permit the City to discharge the balance of the District's financial obligations in a manner that will comply with all provisions of the law; and provide for a plan for dissolution of the District; and

WHEREAS, the City and the District are required to submit a Petition to the Public Service Commission for approval of the proposed transfer, and

WHEREAS, the Chairman and Secretary shall be required to sign said Petition on behalf of the District.

NOW THEREFORE BE IT RESOLVED THAT, the Chairman and Secretary be and they are hereby authorized to file a Petition with the Public Service Commissioner for approval of a transfer of the water distribution system of the Murray Water District #3 to the City of Murray, that if approved will provide the following:

- (a) The customers of the District will become customers of the City's water distribution system
- (b) The rates and charges for the water service to be provided by the City to the District's customers upon transfer shall be:

	<u>Gallons per Month</u>	<u>Rate per1000 gallons</u>
For the first	2,000	\$6.38 (\$12.76 minimum bill)
For the next	4,000	\$3.59
For the next	4,000	\$3.03
For the next	50,000	\$2.50
All Over	60,000	\$2.33

Estimated Residential Cost for 5,000 gallons

\$23.53

(c) The rates and charges for the water service currently provided by the District are:

	<u>Gallons per Month</u>	
Minimum rate		
For the first	1,500	\$6.75 Minimum Bill
For the next	3,500	\$3.75 per 1,000 gallons
For the next	5,000	\$1.50 per 1,000 gallons
For the next	10,000	\$1.25 per 1,000 gallons
For the next	30,000	\$1.05 per 1,000 gallons
For the next	50,000	\$0.80 per 1,000 gallons
Over	100,000	\$0.60 per 1,000 gallons

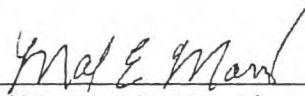
Estimated Residential Cost for 5,000 gallons

\$19.88


(d) The City shall be permitted to surcharge the customers for any extra ordinary cost and expenses it may be required to incur within one year of the date of the Public Service Commission approved transfer of the District customers.

(e) Any other provision that may be required for the planned transfer to meet any requirement imposed by law.

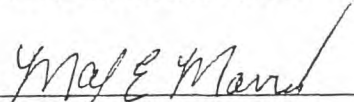
Passed this the 15 day of May, 2013


(CHAIRMAN-Max Morris)

ATTEST:


(SECRETARY-Max Rogers)

APPROVED FOR ADOPTION BY


MEMBER OF BOARD


MEMBER OF BOARD

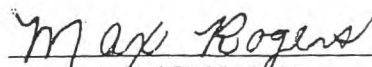

MEMBER OF BOARD

EXHIBIT A1
AMENDMENTS TO RESOLUTION OF WD3, if any

NONE

EXHIBIT "B"

ASSETS of WATER DISTRICT No. 3

- 1) Real property as described in Deed Book 143 Page 101 and as described in Deed Book 143 Page 102 as filed in the office of the Clerk of Calloway County, Kentucky.
- 2) The water distribution system including an inventory of all equipment and materials on hand at the time the Agreement becomes effective.
- 3) All easements, deeds, and applicable permits of the district to be transferred to the city at the effective date of the Agreement. (See Attached list).
- 4) Developer contracts, leases, contracts, grants, pending grants, construction reserve funds, operating reserve funds, all accounts, including, but not limited to accounts receivable, licenses, rights to serve, if an, and promissory notes under the ownership of WD3.
- 5) WD3 agrees to not expend any monies, enter into financial agreements, dissolve any assets or enter into any agreements that would be construed as an encumbrance upon WD3 from the beginning of the AGREEMENT until the date of transfer to Murray.

GENERAL WARRANTY DEED

THIS INDENTURE, this day made and entered into by and between Thurston Furches and wife Elizabeth Furches, Grantors and Murra. No 3 Water District, an Independent Water District and agency organized and existing under Chapter 74 of the Kentucky Revised Statutes, Grantee.

THURSTON

FURCHES

ET UX

TO DEED

MURRAY NO 3
District

Witnesseth: That for and in consideration of Three Thousand Five Hundred (\$3,500.00) dollars, cash in hand paid, the receipt of which is hereby acknowledged, Grantors have this day bargained, sold and herein convey unto the said Grantee, the following described tract or parcel of land lying and being in Calloway County, Kentucky, to wit:-

Beginning at an iron pipe in the northern right of way line of Kentucky Highway No. 94, said point being the southeastern most property corner of Reginald Butterworth thence, from the point of beginning N 3° 00' W for a distance of 165.00' to an iron pipe in the Eastern property line of Reginald Butterworth, thence, S 75° 30' E and with the Thurston Furches south line for a distance of 362.28' to an iron pipe in the northern right of way line of Kentucky Highway 94, thence, S 77° 47' W and with the northern right of way line of Kentucky Highway 94 for a distance of 350.00' to the point of beginning.

2

TO HAVE AND TO HOLD unto the said Grantee, Murray No 3 Water District to its assigns or successors in office, by deed with "Covenants of General Warranty" This is a part of the same property which Grantors obtained title to by deed as shown in deed book 110 page 413 in the office of the Clerk of the Calloway County Court.

Thurston Furches and wife, Elizabeth Furches, each join the other herein relinquishing their respective rights to homestead, dower and curtesy in and to the land herein conveyed.

IN WITNESS of all of which Grantors have hereunto set their hands on this 28th day of Jan 1970

STATE OF KENTUCKY SCT COUNTY OF CALLOWAY

I Fred C Wilhite, Notary Public of the State and county aforesaid, do hereby

THURSTON FURCHES
ELIZABETH FURCHES

certify that the above and foregoing deed was duly acknowledged before me in said county by Thurston Furches and wife Elizabeth Furches, to be their act and deed all of which is certified to the proper office for record. Given under my hand this the 28th day of January 1970 FRED C WILHITE, NOTARY PUBLIC COUNTY OF CALLOWAY (NOTARIAL SEAL) MY COM. EXPIRES Mar 4 1971 STATE OF KENTUCKY

I Marvin Harris, Clerk of the Court of the County aforesaid, do hereby

certify that the above and foregoing deed was on the 3rd day of Feby 1970, lodged in my office for record, whereupon the same, the foregoing and this certificate have duly been recorded in this office.

Given under my hand, this the 3rd day of Feby 1970

Marvin Harris Clerk

Prepared by Wm Donald Overbey, Atty at law,

Murray, Kentucky

Stamped \$3.50

MRS. GRACE COOK

TO DEED

WATER DIST NO 3

THIS INDENTURE this day made and entered into by and between Mrs. Grace Cook, a widow, Grantor and, Murray No 3, Water District an Independent Water District and Agency organized and existing under Chapter 74 of the Kentucky Revised Statutes, Grantee.

WITNESSETH: That for and in consideration of Five Hundred (\$500.00) dollars cash in hand paid, the receipt of which is hereby acknowledged, Grantor has this day bargained, sold and herein conveys unto the said Grantee the following described tract or parcel of land lying and being in Calloway County, Kentucky to wit:-

Beginning at an iron pipe in the Western Right of way line of Kentucky Highway 893 said point being the southeastern most corner of the James Fain property, thence, with the James Fain south line S 88° 20' W for a distance of 506.72' to an iron pipe, said point being the northeastern most corner of the Max Boyd property, thence S 01° 40' E with the Max Boyd East line for a distance of 165.00' to an iron pipe thence, N 88° 20' E for a distance of 100.00' to an iron pipe in the west line of the Grace Cook property, thence, N 01° 40' W for a distance of 145.00' to an iron pipe, said point being the Northwestern most corner of the Grace Cook Property thence N 88° 20' E for a distance of 498.80' to an iron pipe in the Western right of way line of Kentucky Highway 893 said point also being the Northeastern most corner of the Grace Cook property thence N 82° 25' W along the Western Right of way line of Kentucky Highway 893 for a distance of 21.61' to the point of beginning.

TO HAVE AND TO HOLD unto the said Grantee, Murray No 3 Water District to it, its assigns or successors in office, forever, by deed with Covenants of General Warranty. This is a part of the same property which Grantor obtained title to by deed as shown indeed book 111 page 261 262 in the office of the Clerk of the Calloway County Court.

IN WITNESS of all of which Grantor has hereunto set her hand on this 28th day of July 1970

MRS GRACE COOK
A WIDOW

STATE OF KENTUCKY
SCT
COUNTY OF CALLOWAY

I, Fred C Wilhite, Notary Public of the State and County aforesaid, do hereby certify that the above and foregoing deed was duly acknowledged before me in said county by Mrs Grace Cook a widow, to be her act and deed, all of which is certified to the proper office for record.

Given under my hand, this the 28th day of January 1970.
FRED C WILHITE, NOTARY PUBLIC, STATE OF KY
COUNTY OF CALLOWAY, KY COM EXPIRES March 4 1970

State of Kentucky
SCT
County of Calloway

I, Margin Harris, Clerk of the Court of the County aforesaid, do hereby certify that the above and foregoing deed was on the 3rd day of Feb'y 1970; lodged in my office for record, hereupon the same, the foregoing and this certificate have been duly recorded in this office.

Given under my hand, this the 3rd day of Feb'y 1970.
Margin Harris Ck

Stamped 3.50 cents

Prepared by Wm Donald Overton, Atty at law,

3

Del
2-12-70

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
032-F-0000	McReynolds & Hurt (Hunters Pointe)	629/186	State Route 94 West	1002 Country Cork	minor plat		
032-0-0034-A	Charles & Rebecca Reed	745/149	2260 State Route 94 West	2260 State Route 94 West	136/451		103
032-0-0028	Robert Merlin Washer & Patty Lee Washer Suiter	888/518	State Route 94 West	2267 Provo Dr., Clarksville, TN 37040	144/443 144/441		
032-0-0029	Patty Lee Washer Suiter (Polly Washer)	889/270	2448 State Route 94 West	2267 Provo Dr., Clarksville, TN 37040	144/440 144/452		224
032-0-0027	Jerry B. & Karen Duncan	534/808	2620 State Route 94 West	2620 State Route 94 West	144/311		321
032-0-0026-A	Mary Frances Latham	176/954	2782 State Route 94 West	2782 State Route 94 West	136/453		139
032-0-0026-B	Hal & Chantal Orr	144/631	2814 State Route 94 West	5930 Maryille St. NW, Apt F-1, Canton, OH 44718	136/454		88
032-0-0026	Melba Sharp (w/26-B)	179/1084	State Route 94 West	5930 Maryille St. NW, Apt F-1, Canton, OH 44718	136/455		
032-B-0001	Michael & Laura Bradley	549/68	2842 State Route 94 West	2842 State Route 94 West	136/456		84
032-B-0011	William Edwards	159/1274	25 Gregory Lane	25 Gregory Lane	136/456		91
032-0-0010	Mildred Robertson	119/260	3029 State Route 94 West	3029 State Route 94 West	136/457		154
032-0-0009-A	Mary Elizabeth Furches	210/49	3222 State Route 94 West	3222 State Route 94 West	136/447	76+15 to 97+50	160
032-0-0003	Harry Thurston Furches III	210/50	3182 State Route 94 West	3182 State Route 94 West	136/447	76+15 to 97+50	236
032-0-0059-A	District 3 Water Works		State Route 94 West				
032-0-0059	Harry T. III & Sharon W. Furches	882/324	State Route 94 West	3182 State Route 94 West	136/430	97+50 to 100+25	
032-0-0005-A	Harry T. III & Sharon W. Furches	882/327	State Route 94 West	Rob Mason Road	136/445	100+25 to 103+30	
032-0-0005	Margaret Taylor	157/1625	3618 State Route 94 West	3618 State Route 94 West	136/445	100+25 to 103+30	
024-0-0017	Joe & John Parker		State Route 94 West	701 Main Street	136/450	103+80 to 128+78	
024-0-0018	Madge P. Parker	237/205	3996 State Route 94 West	3996 State Route 94 West	136/449	103+80 to 128+78	
024-0-0065	Charlotte R. & James David Parker	498/31	4054 State Route 94 West	4054 State Route 94 West	136/449	103+80 to 128+78	83
024-0-0016	Victor M. Olazabal	821/401	35 Crawford Trail	1301 Main Street	144/319	129+10 to 130+10	346
024-0-0015	Earnest R. Turner	154/1340	97 Crawford Trail	97 Crawford Trail	144/286 144/295	130+10 to 131+18 131+18 to 134+30	
024-0-0015-A	Jean G. Crawford (Heather Ball)	219/37	4176 State Route 94 West	1306 High Contente Court, Mayfield KY 42066	144/295	131+13 to 134+30	277
024-0-0013	Jackie Butterworth (Annette Wilson)	223/33	4244 State Route 94 West	4497 State Route 94 West	144/291	134+30 to 135+20	165
024-0-0012	Jackie Butterworth (with 23-68)(Billy Potts-horses)	153-1397	State Route 94 West	4497 State Route 94 West	136/474	135+20 to 159+45	128
024-0-0059	Sherry Heeke	719/302	4376 State Route 94 West	4376 State Route 94 West	136/473	141+00 to 142+30	26
024-0-0012-B	Joe Pat Butterworth	223/34	4566 State Route 94 West	4566 State Route 94 West	136/474	135+20 to 159+45	
024-0-0011	Workman Farms	572/92	State Route 94 West	7046 State Route 94 West	136/474	135+20 to 159+45	
024-D-0001	Workman Farms	626/749	State Route 94 West	7046 State Route 94 West	136/448	154+45 to 182+60	
024-D-0002	Workman Farms	626/749	State Route 94 West	7046 State Route 94 West	136/448	154+45 to 182+60	

MAP #	PROPEY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
024-D-0003	Workman Farms	626/749	State Route 94 West	7046 State Route 94 West	136/448	154+45 to 182+60	
024-D-0004	Workman Farms	626/749	State Route 94 West	7046 State Route 94 West	136/448	154+45 to 182+60	
024-D-0008	Workman Farms	626/749	State Route 94 West	7046 State Route 94 West	136/448	154+45 to 182+60	
024-D-0009	Ricky A. Lamkin	201/214	4968 State Route 94 West	4968 State Route 94 West	136/448	154+45 to 182+60	260
024-0-0010	Donald Robertson	202/132	5062 State Route 94 West	5062 State Route 94 West	136/448	154+45 to 182+60	
024-0-0007	Susan Fisher & Nancy Lovett	259-608	State Route 94 West	1308 Doran Road	144/307	183+20 to 198+50	
024-0-0007-A	Charles H. Williams II	259/608	5380 State Route 94 West	5380 State Route 94 West	144/307	183+20 to 198+50	73
024-0-0006	Mildred Robertson (RC Olive/Darla Tedder)	178/791	5548 State Route 94 West	3029 State Route 94 West	172/1518	198+50 to 212+00	90
024-0-0005	Sally R. Dodson & Matthew W. Barnes	583/567	5716 State Route 94 West	5716 State Route 94 West	136/472	212+00 to 220+30	57
024-0-0005-A	Ricky & Jill Butterworth	947/455	State Route 94 West	1116 Butterworth Road	136/472	212+00 to 220+30	
024-0-0003-C	Rick & Belinda McGee	769/608	George Key Road	6060 State Route 94 West	144/288	220+90 to 228+90	
024-0-0004-C	Richard D. & Belinda H. McGee (Bill Armbrus	900/497	6022 State Route 94 West	6060 State Route 94 West	144/298	229+20 to 240+00	11
024-0-0004-D	Richard Daniel McGee	187/49	6060 State Route 94 West	6060 State Route 94 West	144/298	229+20 to 240+00	141
024-0-0004-A	Thomas Murdock	188/44	State Route 94 West	198 JW Williams Lane	144/298	229+20 to 240+00	
024-0-0066	Thomas Murdock (with 24-4A)	188/44	State Route 94 West	198 JW Williams Lane	144/298	229+20 to 240+00	
015-0-0049	Dwaine E. & Nanetta S. Rogers	581/366	State Route 94 West	887 Ory Road	144/442	240+30 to 250+90	
015-0-0052	Dwaine E. & Nanetta S. Rogers	581/366	State Route 94 West	887 Ory Road	144/445	250+90 to 268+10	
015-0-0057-G	Abel Venture Covarrubias	783/302	6738 State Route 94 West	6738 State Route 94 West	144/285	268+10 to 271+50	89
015-0-0057-A	Charles & Martha Windsor (Wade Dunn)	562/5	6776 State Route 94 West	166 Honeysuckle Lane	144/285	268+10 to 271+50	79
015-0-0058-C	Thomas Chase Futrell	755/336	6804 State Route 94 West	6804 State Route 94 East	144/293	271+50 to 227+60	19
015-0-0058	Jimmy Harris Ford (with 15-40)	190/328	State Route 94 West	1507 Oxford Drive	144/293	271+50 to 227+60	
015-0-0059	Devin Perkins	408/557	6946 State Route 94 West	6946 State Route 94 West	144/293	271+50 to 227+60	51
015-A-0001-0001A	Terry Workman (Star Construction)	201/442	6980 State Route 94 West	7046 State Route 94 West & PO Box 6297, Knoxville TN 37914	136/471	280+80 to 285+10	268
015-A-0001-00001	Kenneth R. & Melinda S. Mohler (Family Affair Haircare)	202/416	6986 State Route 94 West	329 Turkey Lane, Almo KY 42020	136/471	280+80 to 285+10	234
015-0-0028	Charles R. Bowen (with 15-27)	176/1689	State Route 94 West	1516 Howard Rd, Farmington KY 42040	136/471	280+80 to 285+10	71
015-0-0027	Charles R. Bowen	176/1689	State Route 94 West	1516 Howard Rd, Farmington KY 42040	136/471	280+80 to 285+10	71
015-0-0025	Larry Buchanan (w/15-21)	176/847	State Route 94 West	548 Waterway Trail, New Concord KY 42076	136/442	285+85 to 287+60	
015-0-0026-A	Larry Buchanan (w/15-21)	176/847	State Route 94 West	548 Waterway Trail, New Concord KY 42076	136/442	285+85 to 287+60	
015-0-0026	Terry Workman (w/15-24)	180-1839	State Route 94 West	7046 State Route 94 West	136/436	287+60 to 289+35	334
015-0-0024	Terry Workman	180-1839	State Route 94 West	7046 State Route 94 West	136/436	287+60 to 289+35	334

MAP #	PROPEY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
015-0-0023	Larry Buchanan (w/15-21)	176/847	State Route 94 West	548 Waterway Trail, New Concord KY 42076	136/439	289+35 to 290+60	
015-0-0022	Larry Buchanan (w/15-21)	176/847	State Route 94 West	548 Waterway Trail, New Concord KY 42076	136/439	289+35 to 290+60	
015-0-0021	Larry Buchanan	176/847	State Route 94 West	548 Waterway Trail, New Concord KY 42076	136/439	289+35 to 290+60	162
015-0-0020	Rand G. & Cindy M. Adams (John Casteels)	161/1722	7079 State Route 94 West	7079 State Route 94 West	136/437	290+60 to 293+00	168
015-0-0019	Larry D. Callihan	177/046	7116 State Route 94 West	7116 State Route 94 West	136/437	290+60 to 293+00	13
015-0-0018	Donna Lovett (Patterson)	304/457	7152 State Route 94 West	7152 State Route 94 West	136/467	293+00 to 294+30	74
015-0-0017	Kenny Lynn Bridges - OFF	171/2213	7184 State Route 94 West	703 Howard Road	136/466	294+30 to 295+80	31
015-0-0015	Jimmy Joe & Lisha R. Key	572/565	7245 State Route 94 West	751 JW Williams Lane	136/438	295+80 to 300+00	
015-0-0015-A	Jimmy Joe & Lisha R. Key (w/15-15)	572/565	State Route 94 West	751 JW Williams Lane	136/438	295+80 to 300+00	
015-0-0014-A	Jeremy Sorrels	807/342	7296 State Route 94 West	7296 State Route 94 West	136/465	300+00 to 301+40	41
015-0-0112	Pat Dale Orr	125/493	7322 State Route 94 West	7322 State Route 94 West	136/464	301+40 to 302+75	50
015-0-0014	Donald N. Crawford & Et. Al.	434/267	State Route 94 West	7079 State Route 94 West	144/294	302+75 to 312+30	
015-0-0013	Gene Jourden	203/426	7524 State Route 94 West	7524 State Route 94 West	144/305	312+30 to 314+05	114
015-0-0012-A	Gene Jourden	162/2741	State Route 94 West	7524 State Route 94 West	136/463	314+05 to 315+25	
015-0-0012	Billy Coleman & Et. Al.	175/2013	State Route 94 West	108 N. 12th Street	136/460	315+25 to 326+30	
015-0-0012-C	David L. Snellen (Pam Cline)	187/486	7668 State Route 94 West	7668 State Route 94 West	136/460	315+25 to 326+30	52
032-0-0004	Patrick J. & Elizabeth A. Abanathy	768/523	108 Rob Mason Road	108 Rob Mason Road	144/287	4+40 to 9+20	310
032-0-0003-A	Carol Turner (Oscar Turner)	152/1443	578 Rob Mason Road	578 Rob Mason Road	136/446	9+20 to 31+25	125
032-0-0002	(Steve Towery 993-24)(Cindy Towery 993-3)	180/1282	730 Rob Mason Road	730 Rob Mason Road	136/443	31+25 to 54+27	186
032-0-0001-A	Stacy Darnell	801/393	1156 Rob Mason Road	1156 Rob Mason Road	136/444	54+80 to 130+95	342
032-0-0001	Vinlou, Inc. (Rudolph, Inc.)	950/128	2021 Rob Mason Road	PO Box 69	136/444	54+80 to 103+95	311
015-0-0063	Donald & Margaret Key Crawford & Victoria James	719/466	Rayburn Road/ 94 West	7079 State Route 94 West	144/303	0+00 to 1+40	9
015-0-0064-A	Virginia E. Smith	571/644	57 Rayburn Road	57 Rayburn Road	136/469	1+40 to 4+40	10
015-0-0064	Donald Crawford & Et. Al (w/15-14)	434/267	Rayburn Road	7079 State Route 94 West	136/469 136/424	1+40 to 4+40 4+46 to 5+52	
015-0-0083	Jimmy Paschall	164/1924	139 Rayburn Road	139 Rayburn Road	136/423	5+52 to 7+05	166
015-0-0084	Jimmy Paschall (with 15-83)	164/1924	Rayburn Road	139 Rayburn Road	136/423 144/307	5+52 to 7+05 7+05 to 8+15	
015-0-0085-A	Idelee Hutchens - OFF	130/349	179 Rayburn Road	179 Rayburn Road	144/297	8+15 to 10+07	22
015-0-0086	Trecia J. & Gary E. Ray	933/517	197 Rayburn Road	197 Rayburn Road	144/297 144/447	8+15 to 10+07 10+07 to 11+80	
015-0-0087	Tom Jones	170/2347	221 Rayburn Road	221 Rayburn Road	144/447 136/426	10+07 to 11+80 11+80 to 14+68	77
015-0-0085	Mike Anderson	300/559	253 Rayburn Road	253 Rayburn Road	136/426	11+80 to 14+65	303

EXHIBIT B1
EXCLUDED ASSETS OF WD3

NONE

EXHIBIT "C"

ASSUMED LIABILITIES

- 1) (See enclosed Financial Review by Alexander Thompson Arnold)
- 2) (See enclosed AGREEMENT between Murray #3 Water District, the "Utility" and Bethel Richardson, Tommy Miller, Lena Jones, Udell Erwin, and Frank Ellis, the "Subdividers" dated April 19, 1988.)
- 3) Plans for water lines extensions referenced above in the AGREEMENT in Item No. 2 above as Appendix 1 and II prepared by Art Travis dated September 19, 1987 and by Ted Billington dated October 8, 1987.

01/15/12

MURRAY NO. 3 WATER DISTRICT
REVIEWED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

MURRAY NO. 3 WATER DISTRICT
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Board of Trustees

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Statements of Revenues, Expenses and Changes in Net Position	7
Statements of Cash Flows	8
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INTRODUCTORY SECTION

MURRAY NO. 3 WATER DISTRICT

December 31, 2012

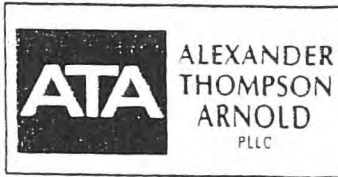
BOARD OF TRUSTEES

Max Morris, Chairman
Max Rogers, Secretary
Darrell Beane, Treasurer

FINANCIAL SECTION

Members of:

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Certified Public Accountants
Offices in Tennessee & Kentucky

301 Maple St.
Murray, KY 42071

Phone 270.753.2424
Fax 270.753.3878
www.atacpa.net

Independent Accountant's Review Report

Board of Trustees
Murray No. 3 Water District
Murray, Kentucky

We have reviewed the accompanying financial statements of the business-type activities of Murray No. 3 Water District as of and for the years ended December 31, 2012 and 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Murray No. 3 Water District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Murray No. 3 Water District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis information on pages 3 through 5 is presented for purposes of additional analysis. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is

the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Alexander Thompson Arnold PLLC

Murray, Kentucky
February 28, 2013

MURRAY NO. 3 WATER DISTRICT
P.O. BOX 643
MURRAY, KY 42071

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the Murray No. 3 Water District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Water District for the years ended December 31, 2012 and 2011. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The beginning cash balances for 2012 and 2011, for the Water District were \$6,618 and \$9,152, respectively, in the operating account and \$22,589 and \$26,476, respectively, in certificates of deposit.
- The Water District's revenues are derived from water purchased by commercial and residential customers. There was no significant change in water revenue during the years ended December 31, 2012 and 2011 as the Water District has not increased its rates in several years.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Water District's basic financial statements. The Water District's basic financial statements are comprised of 1) Statement of Net Position, 2) Statement of Revenues, Expenses, and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to Financial Statements. This report also contains an introductory section and other supplementary information in addition to the basic financial statements themselves.

The statement of net position presents information on all of the Water District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Water District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Water District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The Statement of Cash Flows presents the changes in cash and the events giving rise to the changes during the year.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The basic financial statements can be found on pages 6 through 7 of this report.

THE WATER DISTRICT AS A WHOLE

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of financial position. In the case of the Water District, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$106,164 as of December 31, 2012.

A portion of the District's net position reflects its unrestricted net position. The unrestricted portion can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2012 and 2011, the District had \$233,746 invested in land, buildings, and equipment. Capital assets (net of depreciation) for 2012 and 2011 were \$54,144 and \$58,693 respectively.

FINANCIAL ANALYSIS

Net Position as of December 31,

	<u>2012</u>	<u>2011</u>
Assets		
Current assets	\$ 55,270	\$ 38,194
Capital assets	<u>54,144</u>	<u>58,693</u>
Total assets	<u>109,414</u>	<u>96,887</u>
Liabilities and Net Assets		
Current liabilities	<u>3,250</u>	<u>3,343</u>
Investment in capital assets	54,143	58,693
Unrestricted	<u>52,021</u>	<u>34,851</u>
Total net position	<u>\$ 106,164</u>	<u>\$ 93,544</u>

Revenues and Expenses for the period ending December 31,

	<u>2012</u>	<u>2011</u>
Revenues		
Operating Revenues:		
Charges for services	\$ 71,872	\$ 71,452
Non Operating Revenues:		
Grant funds	25,728	-
Interest income	35	113
Total revenues	<u>97,635</u>	<u>71,565</u>
Expenses		
Operating Expenses:		
Water purchases	37,248	33,505
Salaries	25,554	24,810
Office Supplies	3,036	3,078
Insurance	4,438	4,180
Sales tax	186	172
School tax	2,151	2,105
Miscellaneous	250	265
Legal and accounting	2,700	2,700
Repairs and maintenance	980	1,639
Contract labor	1,775	1,350
Water testing	38	768
Depreciation	4,549	4,549
Payroll tax	1,985	2,089
Other tax and licenses	125	108
Total operating expenses	<u>85,015</u>	<u>81,318</u>
Net income (loss)	12,620	(9,753)
Net position, beginning of year	<u>93,544</u>	<u>103,297</u>
Net position, end of year	<u>\$ 106,164</u>	<u>\$ 93,544</u>

BUDGETS

No budgetary information is presented in this report as the Water District is not legally required to adopt a budget.

Questions regarding this report should be directed to Darrell Beane, Treasurer (270) 435-4420 or to Dana Beane, Office Manager, (270) 435-4420 or by mail at P.O. Box 643, Murray, Kentucky, 42071

BASIC FINANCIAL STATEMENTS

MURRAY NO. 3 WATER DISTRICT
STATEMENT OF NET POSITION
December 31, 2012 and 2011

	2012	2011
Assets		
Current assets		
Cash and cash equivalents	\$ 4,255	\$ 6,618
Certificates of deposit	16,599	22,589
Accounts receivable	6,473	6,778
Material and supplies	25,728	-
Prepaid expenses	2,215	2,209
Total current assets	55,270	38,194
Noncurrent assets		
Water plant in service	229,083	229,083
Land and land rights	4,663	4,663
Accumulated depreciation	(179,602)	(175,053)
Total noncurrent assets	54,144	58,693
Total assets	109,414	96,887
Liabilities		
Current liabilities		
Accounts payable	2,476	2,474
Accrued liabilities	774	869
Total current liabilities	3,250	3,343
Total liabilities	3,250	3,343
Net Position		
Invested in capital assets	54,144	58,693
Unrestricted	52,020	34,851
Total net position	\$ 106,164	\$ 93,544

See accompanying notes and accountant's review report.

MURRAY NO. 3 WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues		
Charges for services	\$ 71,872	\$ 71,452
 Operating Expenses		
Water purchased	37,248	33,505
Salaries	25,554	24,810
Office supplies	3,036	3,078
Insurance	4,438	4,180
Sales tax	186	172
School tax	2,151	2,105
Miscellaneous	250	265
Legal and accounting	2,700	2,700
Repairs and maintenance	980	1,639
Contract labor	1,775	1,350
Water testing	38	768
Payroll tax	1,985	2,089
Depreciation	4,549	4,549
Other tax and license	125	108
Total operating expenses	<u>85,015</u>	<u>81,318</u>
 Operating loss	<u>(13,143)</u>	<u>(9,866)</u>
 Non-Operating Revenues		
Interest income	<u>35</u>	<u>113</u>
 Capital Contributions		
Grant funds	<u>25,728</u>	<u>-</u>
 Change in net position	12,620	(9,753)
 Total net position, beginning of year	<u>93,544</u>	<u>103,297</u>
 Total net position, end of year	<u>\$ 106,164</u>	<u>\$ 93,544</u>

See accompanying notes and accountant's review report.

MURRAY NO. 3 WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Cash received from customers	\$ 69,827	\$ 68,340
Cash paid to suppliers	(76,296)	(47,961)
Cash paid to employees	(27,622)	(26,913)
Net cash used by operating activities	(34,091)	(6,534)
Cash Flows from Investing Activities		
Proceeds from maturities of certificates of deposit	6,000	4,000
Cash Flows from Investing Activities		
Grant funds received	25,728	-
Net decrease in cash and cash equivalents	(2,363)	(2,534)
Cash and cash equivalents, beginning of year	6,618	9,152
Cash and cash equivalents, end of year	\$ 4,255	\$ 6,618
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating loss	\$ (13,143)	\$ (9,866)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	4,549	4,549
Noncash penalty	25	-
(Increase) decrease in certain assets:		
Accounts receivable	305	(827)
Materials and supplies	(25,728)	
Prepaid expenses	(6)	(264)
Increase (decrease) in certain liabilities:		
Accounts payable	2	(103)
Accrued expenses	(95)	(23)
Net cash used by operating activities	\$ (34,091)	\$ (6,534)

DISCLOSURE OF ACCOUNTING POLICY

For purposes of the statement of cash flows, the Water District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

MURRAY NO. 3 WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Murray No. 3 Water District was created in 1965 under the provision of Chapter 74 of the Kentucky Revised Statutes for the purpose of providing water services to the general public on a continuing basis with operations being financed primarily through user charges. The District is governed by a Board of Commissioners who are appointed by the Calloway County Fiscal Court and reports to the Public Service Commission of the Commonwealth of Kentucky. The District is exempt from Federal income taxes under Internal Revenue Code Section 115.

B. Basis of Accounting

The District is presented as an enterprise fund. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

The District applies all GASB pronouncements to proprietary funds as well as the FASB pronouncements issued on or after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for water services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Use of Restricted/Unrestricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the District's policy is to apply restricted resources first. The District had no restricted balances at December 31, 2012 and 2011.

D. Material and Supplies

The District received a grant from the Kentucky Infrastructure Authority, \$25,698 and the City of Murray, \$30 to purchase new water meters. The meters are included in inventory before installation. Inventories consist of materials and supplies and are stated at cost which is determined by the first-in, first-out method. Inventory at December 31, 2012 and 2011 totaled \$25,728 and 0, respectively.

E. Water Plant in Service

Water plant in service is stated on the basis of cost. The District maintains a capitalization threshold of \$1,000. The provision for depreciation is computed by the straight-line method, using the

MURRAY NO. 3 WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

applicable useful life. The cost of maintenance and repairs is charged to income as incurred; significant betterments are capitalized.

Capital assets are depreciated over the following useful lives:

Buildings	50 years
Furniture and equipment	5 to 10 years

F. Land and Land Rights

Land and land rights are stated on the basis of cost.

G. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Deferred Outflows and Inflows of Resources

During the year ended December 31, 2012 the District adopted the provisions of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The objective of the statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The District has no deferred outflows or inflows of resources at December 31, 2012.

I. Subsequent Events

Management has evaluated subsequent events through February 28, 2013, the date on which the financial statements were available to be issued.

NOTE 2 – DETAILED NOTES ON ACCOUNTS

A. Capital Assets

Capital assets are summarized below:

Asset Description	Balance December 31, 2012	Balance December 31, 2011
Non-depreciable:		
Land and land rights	\$ 4,663	\$ 4,663
Depreciable:		
Structures and improvement	6,633	6,633
Pumping equipment	8,485	8,485
Distribution reservoirs and standpipes	47,837	47,837
Transmission and distribution mains	138,622	138,622

MURRAY NO. 3 WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

<u>Asset Description</u>	<u>Balance December 31, 2012</u>	<u>Balance December 31, 2011</u>
Services	7,447	7,447
Meter and meter installations	14,917	14,917
Hydrants	3,507	3,507
Other plant and miscellaneous equipment	<u>1,635</u>	<u>1,635</u>
Total	229,083	229,083
Less allowance for depreciation	<u>179,602</u>	<u>175,053</u>
Total	<u>49,481</u>	<u>54,030</u>
Capital Assets, net	<u>\$ 54,144</u>	<u>\$ 58,693</u>

There were no additions or retirements for 2012 and 2011, respectively. Depreciation charged to income was \$4,549 at December 31, 2012 and 2011.

B. Concentrations of Credit Risk

Financial instruments that potentially subject the District to concentrations of credit risk consist principally of temporary cash investments and trade accounts receivables.

The District maintains its cash balances in one financial institution located in Kentucky. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2012 and 2011, the District had no uninsured cash balances.

Concentrations of credit with respect to trade receivables are limited due to the large number of customers comprising the District's customer base and their dispersion across different industries and geographic locations. As of December 31, 2012 and 2011 the District had no significant concentrations of credit risk with respect to trade receivables.

C. Water Purchases

The District purchases all of its water from Murray Municipal Utilities, a component of the City of Murray, Kentucky. The District pays Murray Municipal Utilities a rate based on water usage each month.

D. Budget

The District is not legally required to adopt a budget. Consequently, no budgetary information is presented.

AGREEMENT

THIS AGREEMENT made this the 19 day of April, 1988, by and between MURRAY #3 WATER DISTRICT, hereinafter called the "Utility," and BETHEL RICHARDSON, TOMMY MILLER, LENA JONES, UDELL ERWIN and FRANK ELLIS, hereinafter called the "Subdividers."

WHEREAS, the Subdividers, in order to provide water to the real estate owned and improved by the Subdividers, have laid and paid for an extension of the water line running from the existing water distribution system of the Utility on Kentucky Highway #94 in a southerly direction along and in the proximity of the Oaks Country Club Road to a point at the north property line of Tommy Miller and into Misty Meadows Subdivision.

NOW, THEREFORE, this agreement is made between the Utility and the Subdividers as follows:

1. Extension of Line.

(a) The Subdividers agree to and have as of this date at their sole expenses extended a six-inch water line from the existing line of the utility at Kentucky Highway #94 in a southerly direction along and in the proximity of the Oaks Country Club Road to a point ending at the north property line of Tommy Miller and into Misty Meadows Subdivision, as shown by plat of Murray No. 3 Water District, Oaks Road Extension,

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 20 1988

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

BY: George Ellis
PUBLIC SERVICE COMMISSION MANAGER

prepared by Art Travis, Engineer, dated September 19, 1987, and by Plan-Details and Specifications, Water Line Extension, Misty Meadows Subdivision, prepared by Ted Billington, Engineer, dated the 8th day of October, 1987, attached hereto as Appendix I and II.

(b) For the extension of the line, the Subdividers have been and shall be in the future responsible for obtaining approval from the Public Service Commission, the Department for Environmental Protection and all other governmental agencies which are necessary for the use of said lines by the Utility and by the general public.

(c) Before the water is furnished to users, the Utility shall be responsible for the testing of the water for fitness as required by governmental regulations.

(d) The Utility shall not be responsible for any of the expense incidental to said extension of line, whether or not specifically set forth herein.

2. Ownership of Lines.

(a) Upon the execution of this agreement of the parties hereto, the Subdividers do dedicate all ownership of said lines, service connections and the attachments incidental to the furnishing of water to users to the Utility, and, after all approvals necessary for furnishing water are obtained, the Utility will accept the responsibility for maintaining and repairing said lines and equipment in accordance with the Utility's customary practices and procedures.

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EFFECTIVE
JUN 20 1988
PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
BY: *Sharon Stille*
PUBLIC SERVICE COMMISSION MANAGER

3. Easements.

(a) The Subdividers agree and do hereby give, grant and dedicate unto the Utility an easement where said water line is or shall be laid over and upon the land owned by the Subdividers or the land to be subdivided by them and conveyed to others, and said utility easement shall be set forth on subdivision plats and be recorded in the Office of the Clerk of Calloway County.

(b) The Subdividers shall obtain a certification by their engineer that said lines are laid with the area designated therefor on the plats of subdivision, and said certification shall be delivered to the Utility.

(c) The Utility shall have the right to use said utility easement for the purpose of maintaining, servicing, repairing or other purposes incidental and necessary to the furnishing of water to users of the line, and the Utility will in going upon said land exercise reasonable care under the circumstances for the land upon which the Utility traverses. The Utility will be responsible for the repairing and restoring land where the easements exist only to the condition in which it was when the Utility entered thereon taking into consideration the use of the easement which was reasonably necessary by the Utility.

(d) The Utility shall have the sole discretion as to when and upon what circumstances it shall enter upon said

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JUN 20 1988

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

BY: John H. Hill
PUBLIC SERVICE COMMISSION MANAGER

land for the purpose of repairing, maintaining or servicing said line, and in the event the Utility determines that an excessive amount of damage might be caused to the land over which the easement passes by entry thereon, it shall be the responsibility of the owner of the land to repair damage in excess of that which would have occurred under normal circumstances.

4. Fee.

(a) The Subdividers agree that each user of water from the line shall pay the sum of \$600.00 to the Utility and, said sum will in turn be delivered to the Subdividers to be divided among them in accordance with their separate agreement. The Subdividers shall notify the Utility at such time as a tap-on is desired, and the Utility shall in turn select the contractor and notify him to do the necessary work. The Subdividers shall be responsible for the payment of the contractor selected by the Utility to make the tap-on, extend the service line, and set the meter yoke, box and meter, and all other expenses incidental to the providing of water to the user. The Utility assumes no responsibility for the shares of the money received by the subdividers.

(b) The Utility will in its normal manner make the customary charge to the users of the water.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

(c) Except for major extensions as set forth in paragraph 5, any person or entity who connects to the water

JUN 20 1988
PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: George S. Latta
PUBLIC SERVICE COMMISSION MANAGER

line which is the subject matter of this agreement other than those who derive title to their land from the Subdividers shall also pay the \$600.00 tap-on fee to the Utility to be delivered to the Subdividers and divided among them in accordance with their separate agreement.

5. Major Extensions.

(a) No extension other than those set forth in paragraph 1(a) shall be made to the six-inch water line which is the subject matter of this agreement without the approval of the Utility and the other regulatory authorities. The Subdividers shall have no control over whether or not any said major extensions shall be made to the line. Expressly excluded from this agreement is the right of any other person or entity to connect onto said lines for the purpose of subdividing or developing land for multiple owners.

(b) All users of water from the line which is the subject matter of this agreement shall be subject to any and all rules and regulations of the Utility.

This agreement shall inure to the benefit of and be binding upon the heirs, executors, administrators, devisees, legatees, and assigns of the parties hereto.

The spouses of the Subdividers join herein relinquishing the rights to dower or curtesy or the right or title to the property herein referred to

PUBLIC SERVICE COMMISSION
OF KENTUCKY
OFFICER

JUN 20 1988

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

BY: Sharon L. Hill
PUBLIC SERVICE COMMISSION MANAGER

IN WITNESS WHEREOF, we have hereunto affixed our signatures the day first above written.

MURRAY #3 WATER DISTRICT

By Glen Windsor
Glen Windsor, Chairman

Bethel Richardson
Bethel Richardson

Sina Richardson
Sina Richardson

Tommy Miller
Tommy Miller

Rosemary Miller
Rosemary Miller

Lena Jones
Lena Jones, single

Udell Erwin
Udell Erwin

Dorothy Erwin
Dorothy Erwin

Frank Ellis
Frank Ellis

Hazel Ellis
Hazel Ellis

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 20 1988

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

BY: George Ellis
PUBLIC SERVICE COMMISSION MANAGER

STATE OF KENTUCKY
COUNTY OF CALLOWAY

I, Freida Coel, a Notary Public of the
County and State aforesaid, do hereby certify that the
foregoing Agreement was duly acknowledged before me in said
County by Glen Windsor, Chairman of Murray #3 Water District
party thereto, to be the act and deed of said district by him
as its Chairman thereunto duly authorized.

Given under my hand this 19 day of April,
1988.

Freida Coel
NOTARY PUBLIC, State-at-Large, KY
My Commission expires 7-19-90

STATE OF KENTUCKY
COUNTY OF CALLOWAY

I, Patsy A. James, a Notary Public for the
State and County aforesaid, do hereby certify that the
foregoing Agreement was duly acknowledged before me in said
County by Bethel Richardson and Sina Richardson to be their act
and deed.

Given under my hand this 26th day of March,
1988.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
Patsy A. James EFFECTIVE
NOTARY PUBLIC, State-at-Large, KY
My commission expires JUN 20 1988 2-91

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: George S. Miller
PUBLIC SERVICE COMMISSION MANAGER

STATE OF KENTUCKY
COUNTY OF CALLOWAY

I, Debby Kimbro, a Notary Public for the
State and County aforesaid, do hereby certify that the
foregoing Agreement was duly acknowledged before me in said
County by Tommy Miller and Rosemary Miller to be their act
and deed.

Given under my hand this 20th day of March,
1988.

Debby Kimbro
NOTARY PUBLIC, State-at-Large, KY
My commission expires 9-20-88

STATE OF KENTUCKY
COUNTY OF CALLOWAY

I, Debby Kimbro, a Notary Public for the
State and County aforesaid, do hereby certify that the
foregoing Agreement was duly acknowledged before me in said
County by Lena Jones, single, to be her act and deed.

Given under my hand this 20th day of March,
1988.

Debby Kimbro
PUBLIC SERVICE COMMISSION
NOTARY PUBLIC, State-at-Large, KY
My commission expires 9-20-88

JUN 20 1988

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

BY: Thomas Miller
PUBLIC SERVICE COMMISSION MANAGER

STATE OF KENTUCKY
COUNTY OF CALLOWAY

I, Debby Kimbro, a Notary Public for the
State and County aforesaid, do hereby certify that the
foregoing Agreement was duly acknowledged before me in said
County by Udell Erwin and Dorothy Erwin to be their act and
deed.

Given under my hand this 29th day of March,
1988.

Debby Kimbro
NOTARY PUBLIC, State-at-Large, KY
My commission expires 9-20-88

STATE OF VIRGINIA
COUNTY OF Accomack

I, Alison L Meadows, a Notary Public for the
State and County aforesaid, do hereby certify that the
foregoing Agreement was duly acknowledged before me in said
County by Frank Ellis and Hazel Ellis to be their act and deed.

Given under my hand this 4th day of April,
1988.

Alison L Meadows
NOTARY PUBLIC, State-at-Large, ~~KY~~ VA
My commission expires 9/17/90

THIS INSTRUMENT PREPARED BY

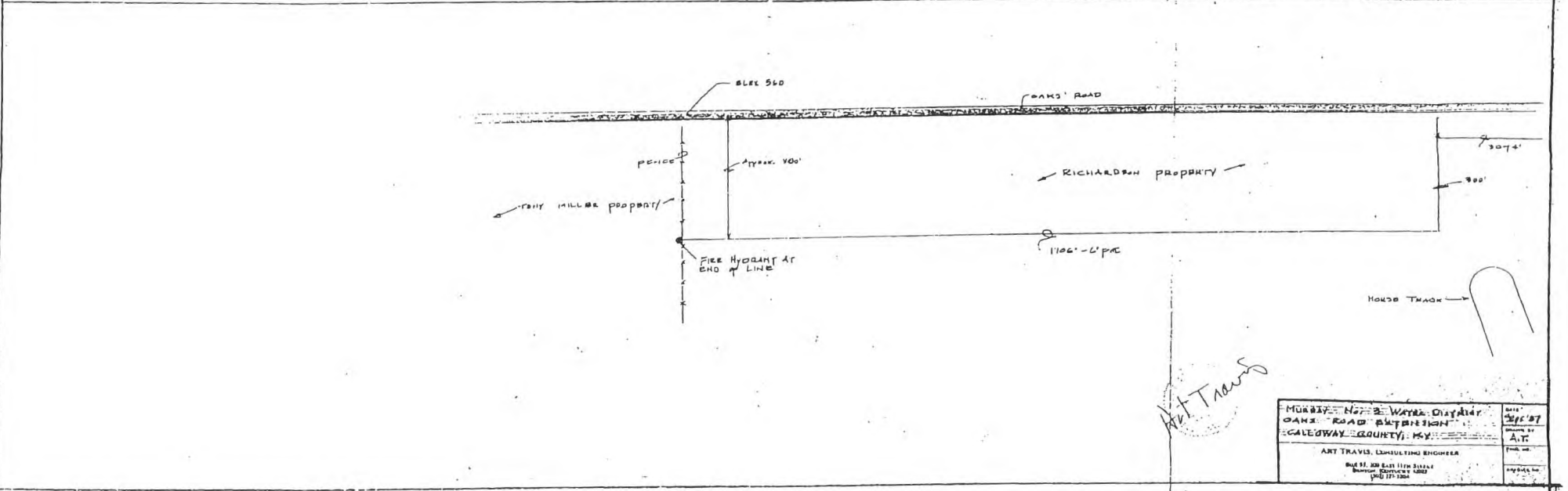
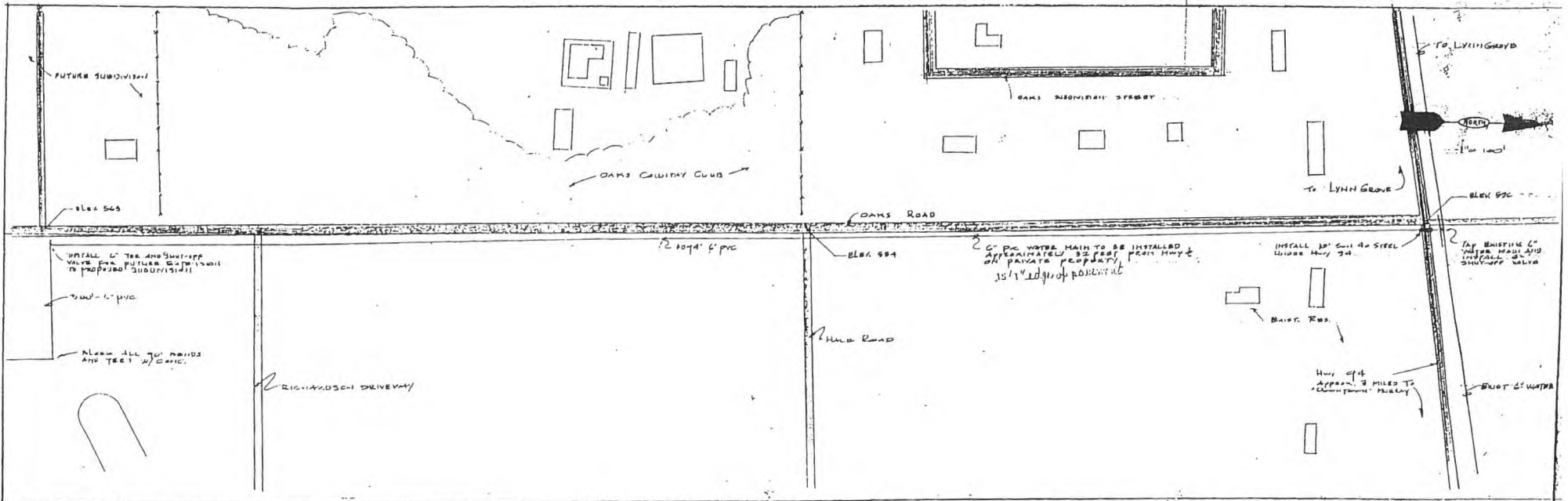
J. A. Gregory, Jr.
John A. Gregory, Jr.
Attorney at Law
204 South Sixth Street
Murray, Kentucky 42071

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 20 1988

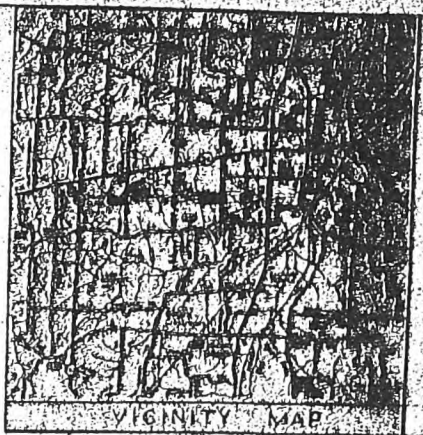
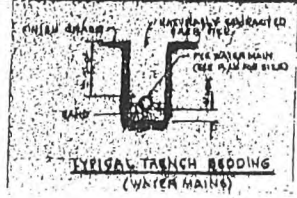
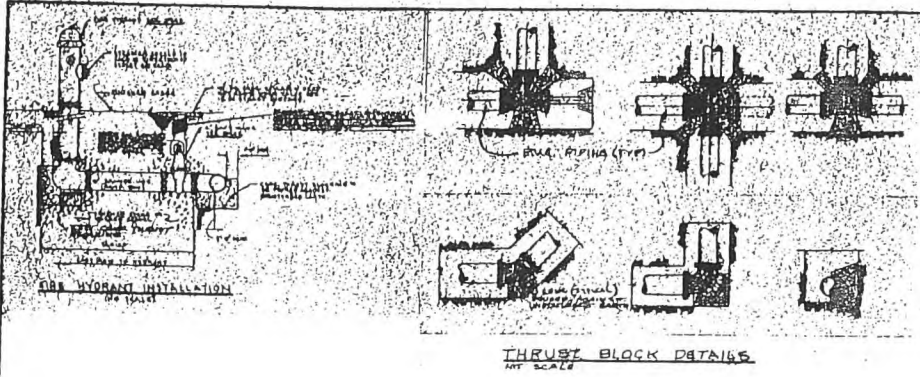
PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Sharon Felice
PUBLIC SERVICE COMMISSION MANAGER



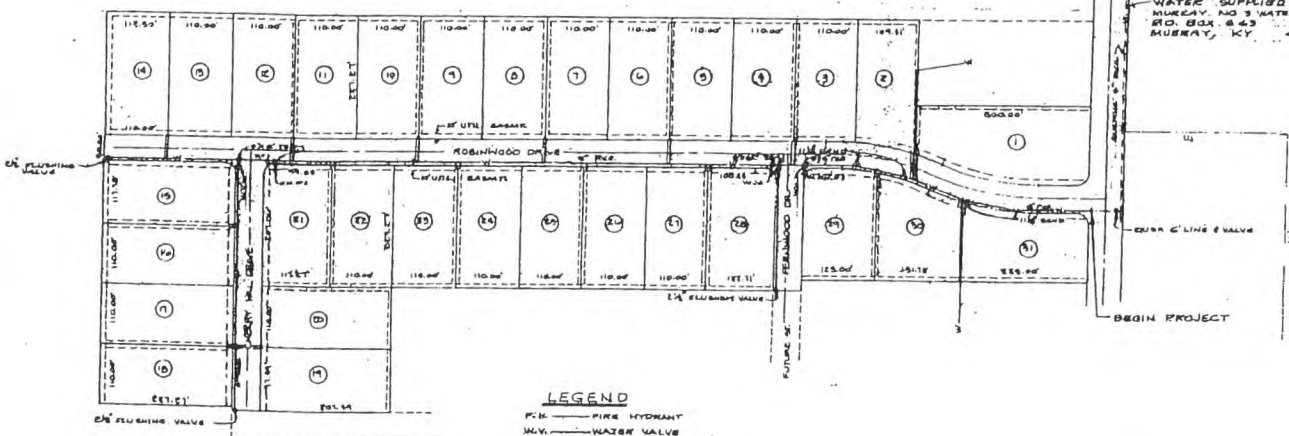
Art Travis

MURRAY, NORTON & WATKINS, DISTRICT ENGINEERS OAKS ROAD EXTENSION SCALEWAY COUNTY, KY.	DATE 5/21/67 DRAWN BY A.T.
ART TRAVIS, CONSULTING ENGINEER ONE ST. JOE EAST 11TH STREET BOWLING GREEN, KY 40302 PH 372-1200	



SERVICE LAYOUT
 SHOWS SERVICE LAYOUTS, WATER MAIN AND ALTERNATELY ACCESSIBLE TO EACH LOT AS INDICATED HEREON. MATERIALS SHALL BE SOUL TO THE FOLLOWING:
 12\"/>

NOTE:
 WATER SUPPLIED BY
 MURRAY AND 3 WATER DISTRICT
 P.O. BOX 843
 MURRAY, KY 40271



LEGEND
 F.H. — FIRE HYDRANT
 W.V. — WATER VALVE

Misty Meadows

- NOTES:**
1. ALL WATER MAINS SHALL BE INSTALLED AT A DEPTH OF 2'-0" BELOW FINISHED GRADE AT THE STREET LINE. THE WATER MAIN SHALL BE INSTALLED AT A DEPTH OF 1'-0" BELOW FINISHED GRADE AT THE LOT LINE.
 2. ALL WATER MAINS SHALL BE INSTALLED IN A TRENCH WITH A MINIMUM WIDTH OF 2'-0" AND A MINIMUM DEPTH OF 2'-0". THE TRENCH SHALL BE BACKFILLED WITH 3/4" GRANULAR FILL COMPACTED TO 95% RELATIVE DENSITY.
 3. ALL WATER MAINS SHALL BE INSTALLED WITH A MINIMUM COVER OF 1'-0" BELOW FINISHED GRADE AT THE STREET LINE.
 4. ALL WATER MAINS SHALL BE INSTALLED WITH A MINIMUM COVER OF 1'-0" BELOW FINISHED GRADE AT THE LOT LINE.
 5. ALL WATER MAINS SHALL BE INSTALLED WITH A MINIMUM COVER OF 1'-0" BELOW FINISHED GRADE AT THE LOT LINE.
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 31. ALL WATER MAINS SHALL BE INSTALLED WITH A MINIMUM COVER OF 1'-0" BELOW FINISHED GRADE AT THE LOT LINE.

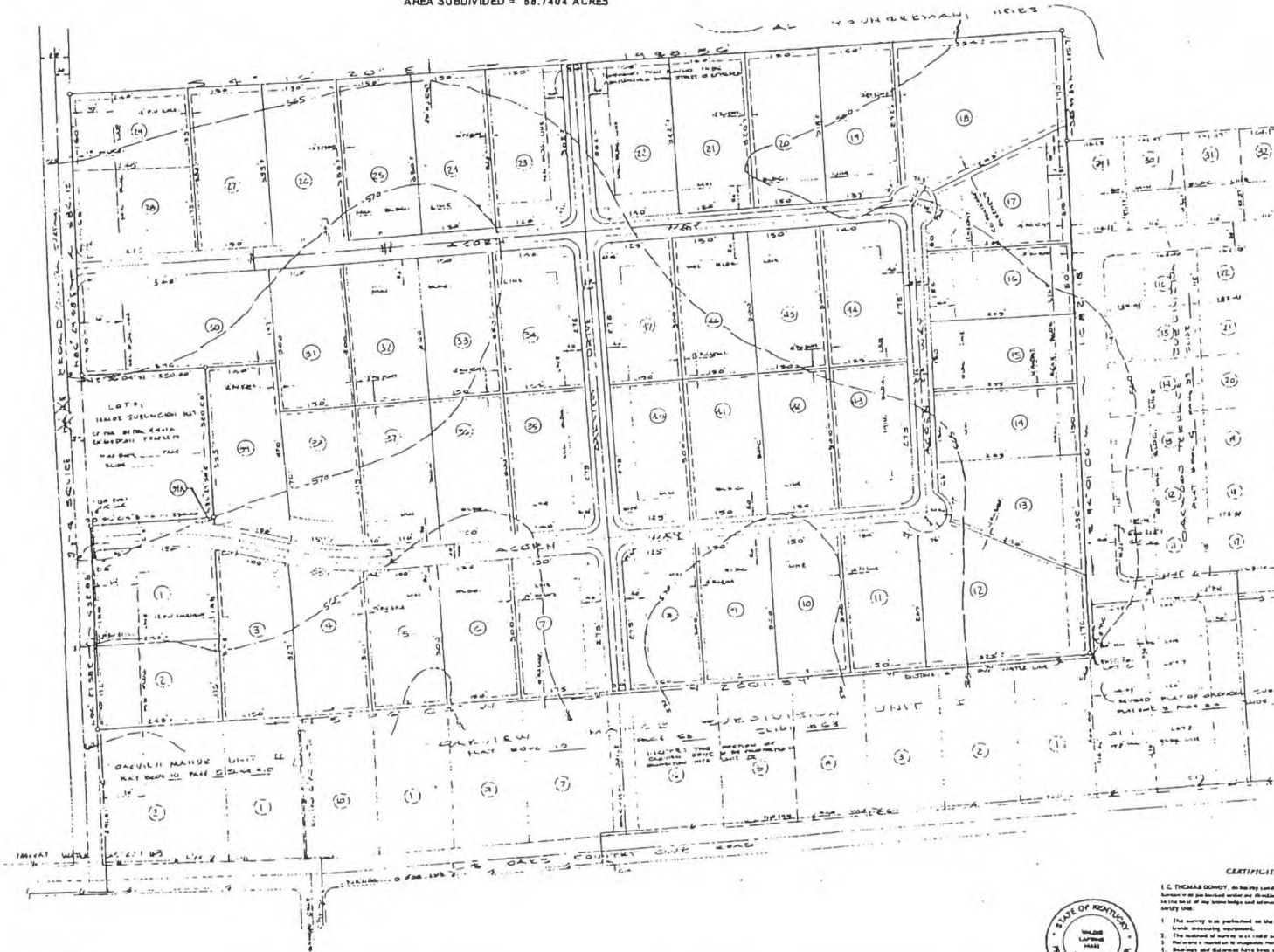
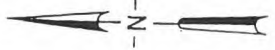
AS-BUILT - JAN. 8, 1981

	TED F. WILKINSON CONSULTING ENGINEER 1000 S. 10TH ST. SUITE 100 MURRAY, KY 40271 (502) 338-1111	PROJECT NO. DATE SCALE BY CHECKED APPROVED
	PLAN DETAILS & SPECIFICATIONS DATE SCALE BY CHECKED APPROVED	PROJECT NO. DATE SCALE BY CHECKED APPROVED

PRELIMINARY PLAT
OAKVIEW MANOR UNIT III

A RESIDENTIAL SUBDIVISION
 MURRAY, CALLOWAY COUNTY, KENTUCKY

DEVELOPED BY: BETHEL RICHARDSON AND SINA RICHARDSON
 ROUTE 7, MURRAY, KENTUCKY 42071
 AREA SUBDIVIDED = 68.7404 ACRES



CERTIFICATION OF APPROVAL OF SEWERAGE SYSTEM
 I HEREBY CERTIFY THAT THE PROPOSED SEWERAGE SYSTEM SHOWN ON THIS PLAT IS IN ACCORDANCE WITH THE REQUIREMENTS OF THE SEWERAGE AND SANITATION ACT OF 1940 AND THE REGULATIONS OF THE KENTUCKY DEPARTMENT OF HEALTH AND WELFARE AS APPLICABLE TO SEWERAGE SYSTEMS.

CERTIFICATION OF AVAILABILITY OF WATER SERVICE
 I HEREBY CERTIFY THAT WATER SERVICE IS AVAILABLE TO THE PROPOSED LOTS SHOWN ON THIS PLAT AND THAT THE PROPOSED LOTS ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE WATER SUPPLY ACT OF 1940 AND THE REGULATIONS OF THE KENTUCKY DEPARTMENT OF HEALTH AND WELFARE AS APPLICABLE TO WATER SERVICE.

RECEIVED BY
 OCT 18 1994
 MURRAY UTILITIES
 ENGINEERING DEPT

APPROVED BY
 MURRAY PLANNING
 COMMISSION
 DATE 10/18/94

APPROVED BY
 COUNTY PLANNING
 COMMISSION
 DATE 10/18/94

APPROVED BY
 STATE ENGINEER
 DATE 10/18/94



CERTIFICATE
 I, THE CLERK OF COURT, do hereby certify that the survey shown on this plat was performed in accordance with the laws and regulations of the State of Kentucky and that the same is correct and true to the best of my knowledge and information and belief.

PRELIMINARY PLAT OF SUBDIVISION OAKVIEW MANOR UNIT III MURRAY, CALLOWAY COUNTY, KENTUCKY DEVELOPED BY: BETHEL RICHARDSON AND SINA RICHARDSON ROUTE 7, MURRAY, KENTUCKY 42071 AREA SUBDIVIDED = 68.7404 ACRES DATE: 10/18/94 SHEET NO. 1 OF 1	RECEIVED BY OCT 18 1994 MURRAY UTILITIES ENGINEERING DEPT	APPROVED BY MURRAY PLANNING COMMISSION DATE 10/18/94	APPROVED BY COUNTY PLANNING COMMISSION DATE 10/18/94	APPROVED BY STATE ENGINEER DATE 10/18/94
--	--	---	---	--

THIS PROPERTY IS NOT IN A FLOOD PLAIN AND IS NOT SUBJECT TO FLOODABLE FLOODING.

EXHIBIT "D"

WATER DISTRICT No. 3 EMPLOYEES

- 1) Dana Beane-----Office Secretary
- 2) Glen Windsor----- Water District No. 3 Manager

EXHIBIT "E"

WATER DISTRICT No. 3 WATER SERVICE AREAS

- 1) See Attachment- Legal description of boundary as described in ...ORDER ESTABLISHING MURRY NO 3 WATER DISTRICT dated January 30, 1965.
- 2) See Attachment- An ORDER for the enlargement of WD3 territorial limits dated April 12, 1988.
- 3) See Attachment- Map of Water District No 3 boundaries.

ORDERS

CALLOWAY COUNTY

COURT

Special Term, First

Day, 18th

Day of Feby 1965

196

FORM O.7.1

No 121 to a point 2,000 feet west of the centerline of Kentucky Highway No 299, said point being near the inter section of Kentucky Highway No 299 with Kentucky Highway No 121 at Stella, thence turning and running in a northerly direction parallel to and 2,000 feet west of Kentucky Highway No 299, for a distance of approximately 26,000 feet to a point, said point being 2,000 feet north of the centerline of Hickory Grove, Locust Grove Church Road, if extended, thence turning and running in an easterly direction parallel to and 2,000 feet north of said road to a point 2,000 feet east of the centerline of the Penny Wadesboro road, thence turning and running in a southerly direction parallel to and 2,000 feet east of said road to a point 2,000 feet north of Kentucky Highway No 121, thence turning and running in an easterly direction parallel to and 2,000 feet north of the centerline of Kentucky Highway No 121 to a point, said point being 2,000 feet east of the centerline of the Johnnie Robinson Road, if extended, thence turning and running in a southerly direction parallel to and 2,000 feet east of said Johnnie Robinson road to the point of beginning.

And it further appearing that said petition has been duly advertised in conformity with the provisions of Chapter 74 of the Kentucky Revised Statutes, and that same has laid over for a period of thirty (30) days, and that no objections have been filed thereto, and that the establishment of such a district is reasonably necessary for the public health, convenience, fire protection, and comfort of the residents, the court doth order and direct as follows:-

THE The above described area be, and it is hereby declared a water district under the provisions of the Kentucky Revised Statutes aforesaid, and that said district shall be hereafter designated and known as the Murray No 3 Water District and said district is hereby vested with such powers as may accrue to it under the provisions of Chapter 74 of the Kentucky Revised Statutes
Given under my hand as Judge of the Calloway County Court, on this the 30th day of January 1965.,

ROBERT O MILLER, JUDGE CALLOWAY COUNTY COURT, MURRAY
KENTUCKY.

CALLOWAY COUNTY COURT

IN THE MATTER OF

MURRAY NO 3 Water District

ORDER APPOINTING WATER DISTRICT
COMMISSIONERS AND FIXING THEIR TERMS

The courts having heretofore entered an order establishing the Murray No 3 Water District, the Court doth now order and direct as follows:-

(1) That the following named persons be, and they are hereby designated as Water District Commissioners for the Murray No 3 Water District and their respective terms of appointment shall be as follows, subject to the pleasure of the court, to wit:-

- (a) William E Dodson, for a period of four (4) years,
- (b) William E Bazzell, for a period of three (3) years,
- (c) Noble H Cox, for a period of two (2) years.

(2) That such of said commissioners shall appear before this court and each shall execute bond in the amount of One Hundred (\$100.00) dollars each of said bonds to be increased or decreased at the discretion of the court.

Feb 18th 1965

IN THE MATTER OF THE FORMATION OF MURRAY NO 3 Water District.

Calloway County Court

IN THE MATTER OF

THE FORMATION OF MURRAY NO 3 Water District.

ORDER ESTABLISHING MURRAY NO 3, Water District.

It appearing to the court that more than seventy five (75) citizens within the following described area, same being freeholders, have petitioned the court for the formation of a water district to be known as the Murray No 3 Water District which district is described as follows:-

Beginning at a point 2,000 feet east of the intersection of the centerline of the Johnnie Robinson road with the centerline of Kentucky Highway No 94, thence 2,000 feet in a southerly direction parallel to the center line of the Johnnie Robinson Road to a point, thence turning and running in a westerly direction parallel to Kentucky Highway No 94, to a point, said point being 2,000 feet east of the LynnGrove, Harris Grove Road, thence turning and running in a southerly direction parallel to said road for a distance of 2,000 feet to a point, thence turning and running perpendicular to said road in a westerly direction for a distance of 4,000 feet to a point, thence turning and running in a northerly direction parallel to said road to a point, said point being 2,000 feet south of the center line of Kentucky Highway No 94, thence turning and running in a westerly direction parallel to the centerline of Kentucky Highway No 94, to a point 2,000 feet south of the intersection of the centerline of said Highway with the Graves County, Calloway County line, thence turning and running in a northerly direction with said county line to a point, said point being 2,000 feet north of the intersection of said county line, with the centerline of Kentucky Highway No 121, thence turning and running in an easterly direction and parallel to Kentucky Highway

COMMONWEALTH OF KENTUCKY

BEFORE CALLOWAY COUNTY COURT
MURRAY, KENTUCKY

IN RE: PETITION OF MURRAY NO. 3 WATER DISTRICT FOR
 APPROVAL OF ENLARGED BOUNDARIES OF DISTRICT

O R D E R

The Murray No. 3 Water District having heretofore filed a petition for the enlargement of its territorial limits, and there having been an advertisement heretofore placed in the local newspaper in conformity with the provisions of chapter 74 of the Kentucky Revised Statutes, and same having laid over for sufficient time without objection having been filed thereto, and it further appearing that the enlargement of the territorial limits as requested are reasonably necessary and for the public interest,

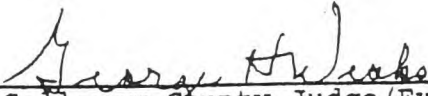
IT IS HEREBY ORDERED AND DIRECTED that Murray No. 3 Water District enlarge its territorial limits in accordance with the boundaries hereinafter set forth:

Beginning at a point 2000 feet south of the centerline of Kentucky Highway No. 94 and 2000 feet west of the centerline of Johnny Robertson Road; thence in a southerly direction parallel to and 2000 feet west of the centerline of the Johnny Robertson Road to a point; said point being 2000 feet south of the centerline of Kentucky Highway No. 1550; thence in a westerly direction parallel to and 2000 feet south of the centerline of Kentucky Highway No. 1550 to a point; said point being 2000 feet west of the centerline of Kentucky Highway No. 783; thence in a

northerly direction parallel to and 2000 feet west of the centerline of Kentucky Highway No. 783 to a point; said point being 2000 feet south of the centerline of Kentucky Highway No. 94; thence in an easterly direction parallel to and 2000 feet south of the centerline of Kentucky Highway No. 94, to the point of beginning.

APPROVED FOR ENTRY on this the 12th day of April

1988.



Calloway County Judge/Executive

Teresa Rushing, Clerk of the Calloway County do hereby certify that the above order is a true and correct copy as found of record in my office in Book 165-161 this the 18 day of Apr 1988.

TERESA RUSHING, Calloway County Clerk
BY: Teresa Rushing - D.C.

COMMONWEALTH OF KENTUCKY

BEFORE CALLOWAY COUNTY COURT
MURRAY, KENTUCKY

IN RE: PETITION OF MURRAY NO. 3 WATER DISTRICT FOR APPROVAL OF ENLARGED BOUNDARIES OF DISTRICT

ORDER

It appearing to the court that a petition has been filed by the Murray No. 3 Water District for the extension or enlargement of its territorial limits pursuant to KRS 74.110, and the court being sufficiently advised,

IT IS HEREBY ORDERED as follows:

1. That the filing of said petition by Murray No. 3 Water District for the enlargement of its territorial limits as having been properly filed and considered by the court;
2. That there shall be advertised in the Murray Ledger & Times of the filing of said petition setting forth the description of the boundaries of the area to be enlarged, and the notice shall set forth that the public may file objections and exceptions to the granting by the court of the extension of the boundaries within thirty (30) days of the date of the filing of the notice and the date and place of the hearing to be held by this court thereon;

OF KENTUCKY
EFFECTIVE

JUN 2 1988

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

BY: David L. Miller
PUBLIC SERVICE COMMISSION MANAGER

3. That a hearing will be held by this court in the office of the Calloway County Judge/Executive on the 12th day of April, 1988, at 1:30 .m. o'clock to determine if the extension or enlargement of said boundary is reasonably necessary.

APPROVED FOR ENTRY on this the 13th day of April, 1988.

George H. Cook
Calloway County Judge/Executive

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 20 1988

-2-

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1),
BY: George H. Cook
PUBLIC SERVICE COMMISSION MANAGER

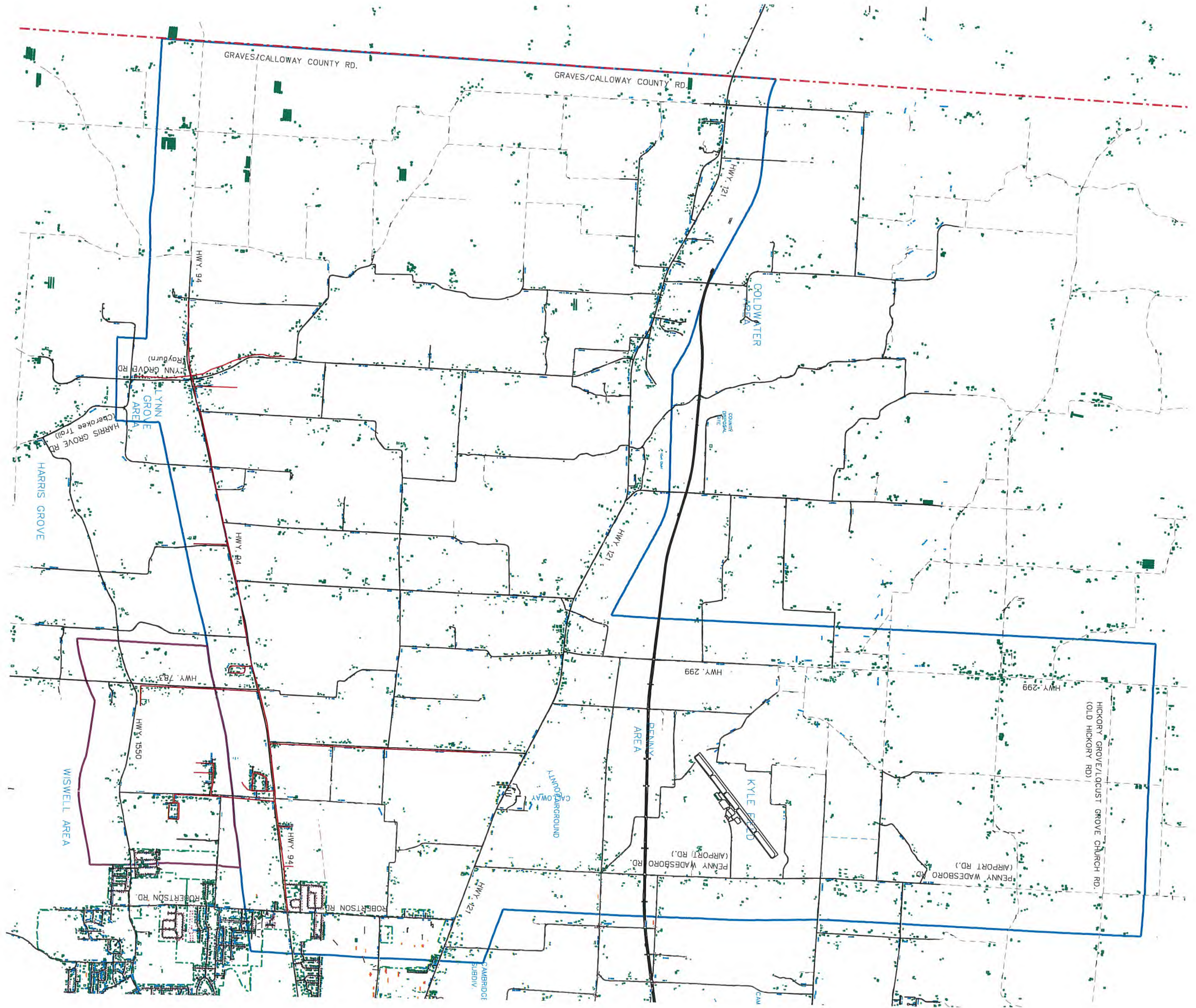


EXHIBIT "F"

SYSTEM IMPROVEMENTS AGREED TO BE PROVIDED BY MURRAY WATER SYSTEM

&

ADDITIONAL SYSTEM DEVELOPMENTS AGREED TO BE PROVIDED BY MURRAY WATER SYSTEM

- 1) Murray Water System has installed approximately 6000 lineal feet of 12 inch ductile iron pipe along Hudson Road, KY HWY 94 East and Robertson Road South, a booster pump station, a 200,000 gallon standpipe on Hudson Road, telemetry, and other appurtenances that provides additional water pressure and capacity to a new pressure zone in the Murray Water System that includes Murray Water District #3. Pressure recordings indicate an increase from less than 30 psi to over 60 psi throughout the system.
- 2) The City of Murray provides all of the water to the district. The City has full time maintenance personnel that are available twenty-four hours a day for emergencies. Murray Water System currently provides maintenance of District 3 lines by contract. Murray Water System will assume responsibility of all water mains and meters for maintenance.
- 3) Murray Water System will continue to seek funding sources to provide system improvements and expansion to the District 3 area. Murray currently has on file with the Purchase Area Development District Water Council located at Mayfield, Kentucky projects listed with the Water Information Resource System, WX20135027, WX20135008, and WX21035017 for areas along Wiswell Road (KY HWY 1550), Oaks Country Club Road, and Squire Road.

EXHIBIT "G"

WATER PURCHASE AGREEMENT

- 1) See Attachment – WD3 and City of Murray Water Purchase Agreement date June 12, 1969.

CITY OF MURRAY
MINUTES OF THE COMMON COUNCIL

MURRAY, KY. June 12th 19 69

The Common Council of the City of Murray, Kentucky, met in regular session at 7:30 p.m., at City Hall with Mayor Holmes Ellis presiding and the following members present:

James R. Allbritten, Alfred Lindsey, Macon Blankenship, C. W. Jones, Prentice Lassiter, Preston Ordway, Roy Starks, Richard Tuck, Leonard Vaughn, Max Weaver and Haron West.

Absent: Raymond T. Hewitt.

Minutes of the May 22nd meeting were read and on motion by Mr. Allbritten, seconded by Mr. Blankenship and unanimous vote, the minutes were approved as read.

Bills payable from the General Fund and the Water and Gas Systems were presented and Mr. Vaughn made a motion to approve the bills for payment, seconded by Mr. Lassiter, the result of the vote is as follows:

YEAS: James R. Allbritten, Alfred Lindsey, Macon Blankenship, C. W. Jones, Prentice Lassiter, Preston Ordway, Roy Starks, Richard Tuck, Leonard Vaughn, Max Weaver and Haron West.

NAYS: None.

The following Water Sale Agreement was read:

THIS AGREEMENT this day made and entered into by and between the City of Murray, a city and municipality of the third class duly organized and existing under the statutes of the Commonwealth of Kentucky, and hereinafter referred to as the CITY; and Murray No. 3 Water District, an independent Water District and agency authorized, organized and now existing as provided by Chapter 74 of the Kentucky Revised Statutes, here acting by and through their duly appointed, qualified and acting Commissioners, said agency being hereinafter referred to as the WATER DISTRICT; wherein it is agreed as follows, to-wit:

WITNESSETH:

That, WHEREAS, the CITY now owns, operates and maintains a water system which provides water service for domestic and commercial use, as well as fire protection, for residents and property owners of the City of Murray; and that the present and anticipated future capacity of said water system is and will continue to be sufficient to furnish, in addition, similar needs of water service for residents and customers of the WATER DISTRICT; and,

WHEREAS, the WATER DISTRICT has secured certain loans and grants from the Federal Government to finance the construction of a waterworks and water distribution system to residents and other prospective customers of the WATER DISTRICT, the location of such WATER DISTRICT and its prospective customers being shown generally by the legal description of the WATER DISTRICT which is on file in the office of the Clerk of the Calloway county Court, same being attached hereto and identified as Appendix "A"; and,

WHEREAS, it is the desire of the WATER DISTRICT to purchase from the CITY their present and future supply of pure and potable water upon the terms, rates and conditions as hereinafter set forth;

NOW, THEREFORE, the parties to this instrument have agreed and do hereby agree as follows:

1. The WATER DISTRICT agrees to install, wholly financed from the funds of the WATER DISTRICT, the water mains and other water distribution facilities, through and along such roads, streets and public ways in the WATER DISTRICT as they feel to be advisable, the size and length of such mains and pipes to be substantially in accordance with plans and specifications attached hereto and identified as Appendix "B"; which plans and specifications have heretofore been examined by the CITY and its Water Superintendent and found to be acceptable for the purposes of this agreement.

2. The WATER DISTRICT agrees to install, wholly financed from their own funds, fire hydrants connected to the above water mains; said fire hydrants to be placed and installed substantially in accordance with the plans and specifications attached hereto and identified as Appendix "B".

3. The WATER DISTRICT agrees to install, wholly financed from their own funds, service pipes, water vaults and meters for each separate customer in the WATER DISTRICT in accordance with standard practices and standard materials for such installation. Except as noted in the following paragraph, no service pipe will be installed for a consumer unless his property abuts on a street or roadway along which the WATER DISTRICT has installed a water main. Consumers whose property abuts on the opposite side of the street or roadway from that along which the water main is installed shall receive service from a connection to be extended perpendicularly across the roadway from the water main to the consumer's property line, at which point the meter vault and meter will be installed.

A private individual service may be extended to a resident or business which does not abut a water main, or a street or roadway within the WATER DISTRICT, only with the written approval of the consulting engineer to the WATER DISTRICT or the Chairman of the Board of Commissioners of the WATER DISTRICT and the Superintendent of the water system for the CITY.

4. The CITY agrees to extend the necessary water main from its existing termination point located at the intersection of Doran Road and Kentucky Highway No. 94 in a westerly direction along Kentucky Highway No. 94 to the northeast intersection of the Johnny Robertson Road and Kentucky Highway No. 94. Such constructed extension will be not less than a six (6) inch water main, and will be available for the entire distance along the proposed extension; this latter point being the service connection point to be established to serve the WATER DISTRICT.

5. The WATER DISTRICT agrees to install the necessary meters and meter vault to accurately measure the water furnished by the CITY to the distribution system owned and to be operated by the WATER DISTRICT; this metering device to be installed at the service connection mentioned in Paragraph 4 above.

6. If during the period of this contract further extensions of water mains or new water mains are desired to be installed by the WATER DISTRICT within or without the present limits of the WATER DISTRICT, such extensions will be installed in the same manner and under the same conditions as set out in Paragraphs 1, 2 and 3 of this agreement.

7. The WATER DISTRICT agrees, during the period of this agreement, to maintain all of its mains, pipes, services and facilities in as good condition as possible, and to keep the same in at least as comparable condition of repair and operation as is presently accomplished by the CITY in the operation and functioning of its own plant and equipment.

8. The WATER DISTRICT, through its Board of Commissioners, and upon request of the CITY acting by and through its Water System Superintendent, will provide and supply to the CITY a complete and detailed map of their water distribution facilities showing the length, size and location of all water main fittings, and gate valves and other facilities.

9. All things to be done or agreed to be done by the WATER DISTRICT in any specified section of its District must be completed before the CITY will start to supply water to the WATER DISTRICT'S distribution system for regular service.

MINUTES OF THE COMMON COUNCIL

MURRAY, KY. June 12th (continued) 19 69

10. The CITY agrees to furnish a supply of pure and potable water to the WATER DISTRICT through the meters and service connection described in Paragraph 5, at rates and time of payment to be established and/or from time to time changed by agreement; provided, however, that such rates and time of payment shall never be more unfavorable for the WATER DISTRICT than those fixed for comparable county customers of the CITY for such water. If, at any time during the term of this agreement, the WATER DISTRICT shall fail or refuse to pay the water rent as herein set forth or as may be hereafter changed by agreement, or to comply with any other provision of this agreement, within ten (10) days after the same shall be due or after notice of such breach, the CITY at its option may refuse to furnish any further supply of water to the WATER DISTRICT until all back rents or bills are paid, together with any and all costs or expense which the CITY shall necessarily incur in turning off and/or turning on said water supply, or until such breach is remedied.

11. If, at any time during the period of this agreement, the CITY may consider that it is unable to furnish water to consumers in the WATER DISTRICT due to an emergency or unusual water demand in the City of Murray, it may discontinue service during such temporary periods. The CITY does, however, agree that in such event or events that it will re-establish water service to the WATER DISTRICT as quickly as possible within the limits of its legal and physical abilities.

12. The following rate schedule shall be in effect for water furnished by the CITY to the WATER DISTRICT, subject only to the provision for change by agreement in such rates as above provided:

- (a) For the first 300,000 gallons per month minimum @ \$.26 per thousand gallons (\$78.00);
- (b) All water in excess of 300,000 gallons per month @ \$.21 per thousand gallons.

The WATER DISTRICT agrees that during the terms of this contract, or any extension or renewal thereof, that it will not sell water to any of its customers at a rate which is lower than that being then charged by the CITY to comparable customers from its own system.

13. The CITY will make available to the WATER DISTRICT pure and potable water in such quantity and at such pressure as it may have in its main at the service connection at the time of use, it being anticipated that under normal operating conditions a flow of at least 225 gallons per minute will be available at the service connection.

14. Should the whole or any part of the WATER DISTRICT be annexed to and become a part of the City of Murray, Kentucky, all such water mains, equipment and facilities of the WATER DISTRICT in the area so annexed shall thereby become the property of the City of Murray if, but only if:

(a) If the whole of the WATER DISTRICT is annexed to the City of Murray, there is a valid and binding assumption by the CITY of all outstanding debts of the WATER DISTRICT, including all of its outstanding revenue bonds;

(b) If only a portion or part of the WATER DISTRICT is annexed, there is a valid and binding assumption by the CITY of that percentage of the outstanding debts of the WATER DISTRICT, including its outstanding and unpaid revenue bonds, which is the same percentage as the average of the gross revenues for the preceding year from the water customers of the WATER DISTRICT in that part of the WATER DISTRICT which is annexed bears to the total gross of the entire WATER DISTRICT for the same period of time; with the CITY to install, at its own expense, any facilities which may be necessary in order for the WATER DISTRICT to serve its remaining area and its remaining customers upon terms and conditions not less favorable than those which prevailed prior to such partial annexation.

15. The CITY recognizes and understands that the water mains, installations and facilities of the WATER DISTRICT will necessarily be financed by the WATER DISTRICT through a system of loans and grants from an agency of the Federal Government and which will be payable solely from the revenues of its water operations. In order to give proper assurance to the Federal Government and holders of any and all such revenue bonds concerning the furnishing of water under this agreement, the CITY agrees that it will continue to supply pure and potable water to the WATER DISTRICT under the terms and provisions as stated herein for so long as any such loan or bond issue may remain outstanding and unpaid, subject only to temporary discontinuance by reason of the existence of an emergency or of a temporary unusual water demand in the City of Murray as stated above.

IN WITNESS WHEREOF, the parties to this agreement have hereunto set their hands by virtue of authority granted by the Common Council of the City of Murray, and by Resolution of the Board of Water Commissioners of Murray No. 3 Water District, on this 12th day of June, 1969.

Whereupon the following Resolution was read:

BE IT RESOLVED by the Common Council of the City of Murray, Kentucky, duly assembled in regular session on the 12th day of June, 1969, that a contract by and between Murray No. 3 Water District, an independent Water District and Agency authorized, organized and now existing as provided by Chapter 74 of the Kentucky Revised Statutes and the City of Murray, Kentucky, be and the same is hereby ratified and approved.

BE IT FURTHER RESOLVED that Honorable Holmes Ellis, Mayor of the City of Murray, Kentucky, be and he is hereby authorized, empowered and directed to sign, execute, and deliver said contract for and on behalf of the City of Murray, Kentucky. When said contract is so signed by the Mayor of the City of Murray, Kentucky, it shall have the same force and effect as if actually signed by each and every member of the Common Council of the City of Murray, Kentucky.

Dated this, the 12th day of June, 1969.

Mr. Vaughn made a motion to approve the resolution, seconded by Mr. West, the vote taken resulted in the following:

YEAS: James R. Allbritten, Alfred Lindsey, Macon Blankenship, C. W. Jones, Prentice Lassiter, Preston Ordway, Roy Starks, Richard Tuck, Leonard Vaughn, Max Weaver and Haron West.
NAYS: None.

The following bids were opened to purchase a 3/4 ton truck for the Water System:

Taylor Chevrolet	- 2,322.69
Parker Ford	- 2,222.52
Taylor Motors	- 2,398.42, Dodge 2,372.85, International.

Mr. Vaughn made a motion to authorize the Superintendent of the Water System to determine if the Parker Ford bid meets the specifications and to accept the bid, seconded by Mr. Jones, the vote taken resulted in the following:

YEAS: James R. Allbritten, Alfred Lindsey, Macon Blankenship, C. W. Jones, Prentice Lassiter, Preston Ordway, Roy Starks, Richard Tuck, Leonard Vaughn, Max Weaver and Haron West.
NAYS: None.

EXHIBIT "H"

PENDING LEGAL ACTIONS

NONE

EXHIBIT "I"

AUDITED FINANCIAL STATEMENTS OF WATER DISTRICT No 3

- 1) See Attachment- Financial Review of WD3 by Alexander Thompson Arnold

MURRAY NO. 3 WATER DISTRICT

REVIEWED FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

**MURRAY NO. 3 WATER DISTRICT
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INTRODUCTORY SECTION

MURRAY NO. 3 WATER DISTRICT

December 31, 2012

BOARD OF TRUSTEES

Max Morris, Chairman

Max Rogers, Secretary

Darrell Beane, Treasurer

FINANCIAL SECTION

Members of:

*American Institute of Certified Public Accountants
AICPA Center for Public Company Audit Firms
AICPA Governmental Audit Quality Center
AICPA Employee Benefit Plan Audit Quality Center
Tennessee Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants*



Certified Public Accountants
Offices in Tennessee & Kentucky

301 Maple St.
Murray, KY 42071

Phone 270.753.2424
Fax 270.753.3878
www.atacpa.net

Independent Accountant's Review Report

Board of Trustees
Murray No. 3 Water District
Murray, Kentucky

We have reviewed the accompanying financial statements of the business-type activities of Murray No. 3 Water District as of and for the years ended December 31, 2012 and 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Murray No. 3 Water District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Murray No. 3 Water District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis information on pages 3 through 5 is presented for purposes of additional analysis. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is

the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Alexander Thompson Arnold PLLC

Murray, Kentucky
February 28, 2013

MURRAY NO. 3 WATER DISTRICT
P.O. BOX 643
MURRAY, KY 42071

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the Murray No. 3 Water District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Water District for the years ended December 31, 2012 and 2011. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The beginning cash balances for 2012 and 2011, for the Water District were \$6,618 and \$9,152, respectively, in the operating account and \$22,589 and \$26,476, respectively, in certificates of deposit.
- The Water District's revenues are derived from water purchased by commercial and residential customers. There was no significant change in water revenue during the years ended December 31, 2012 and 2011 as the Water District has not increased its rates in several years.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Water District's basic financial statements. The Water District's basic financial statements are comprised of 1) Statement of Net Position, 2) Statement of Revenues, Expenses, and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to Financial Statements. This report also contains an introductory section and other supplementary information in addition to the basic financial statements themselves.

The statement of net position presents information on all of the Water District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Water District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Water District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The Statement of Cash Flows presents the changes in cash and the events giving rise to the changes during the year.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The basic financial statements can be found on pages 6 through 7 of this report.

THE WATER DISTRICT AS A WHOLE

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of financial position. In the case of the Water District, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$106,164 as of December 31, 2012.

A portion of the District's net position reflects its unrestricted net position. The unrestricted portion can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2012 and 2011, the District had \$233,746 invested in land, buildings, and equipment. Capital assets (net of depreciation) for 2012 and 2011 were \$54,144 and \$58,693 respectively.

FINANCIAL ANALYSIS

Net Position as of December 31,

	<u>2012</u>	<u>2011</u>
Assets		
Current assets	\$ 55,270	\$ 38,194
Capital assets	<u>54,144</u>	<u>58,693</u>
Total assets	<u>109,414</u>	<u>96,887</u>
Liabilities and Net Assets		
Current liabilities	<u>3,250</u>	<u>3,343</u>
Investment in capital assets	54,143	58,693
Unrestricted	<u>52,021</u>	<u>34,851</u>
Total net position	<u>\$ 106,164</u>	<u>\$ 93,544</u>

Revenues and Expenses for the period ending December 31,

	<u>2012</u>	<u>2011</u>
Revenues		
Operating Revenues:		
Charges for services	\$ 71,872	\$ 71,452
Non Operating Revenues:		
Grant funds	25,728	-
Interest income	35	113
Total revenues	<u>97,635</u>	<u>71,565</u>
Expenses		
Operating Expenses:		
Water purchases	37,248	33,505
Salaries	25,554	24,810
Office Supplies	3,036	3,078
Insurance	4,438	4,180
Sales tax	186	172
School tax	2,151	2,105
Miscellaneous	250	265
Legal and accounting	2,700	2,700
Repairs and maintenance	980	1,639
Contract labor	1,775	1,350
Water testing	38	768
Depreciation	4,549	4,549
Payroll tax	1,985	2,089
Other tax and licenses	125	108
Total operating expenses	<u>85,015</u>	<u>81,318</u>
Net income (loss)	12,620	(9,753)
Net position, beginning of year	<u>93,544</u>	<u>103,297</u>
Net position, end of year	<u>\$ 106,164</u>	<u>\$ 93,544</u>

BUDGETS

No budgetary information is presented in this report as the Water District is not legally required to adopt a budget.

Questions regarding this report should be directed to Darrell Beane, Treasurer (270) 435-4420 or to Dana Beane, Office Manager, (270) 435-4420 or by mail at P.O. Box 643, Murray, Kentucky, 42071

BASIC FINANCIAL STATEMENTS

MURRAY NO. 3 WATER DISTRICT
STATEMENT OF NET POSITION
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 4,255	\$ 6,618
Certificates of deposit	16,599	22,589
Accounts receivable	6,473	6,778
Material and supplies	25,728	-
Prepaid expenses	<u>2,215</u>	<u>2,209</u>
Total current assets	<u>55,270</u>	<u>38,194</u>
Noncurrent assets		
Water plant in service	229,083	229,083
Land and land rights	4,663	4,663
Accumulated depreciation	<u>(179,602)</u>	<u>(175,053)</u>
Total noncurrent assets	<u>54,144</u>	<u>58,693</u>
 Total assets	 <u>109,414</u>	 <u>96,887</u>
Liabilities		
Current liabilities		
Accounts payable	2,476	2,474
Accrued liabilities	<u>774</u>	<u>869</u>
Total current liabilities	<u>3,250</u>	<u>3,343</u>
 Total liabilities	 <u>3,250</u>	 <u>3,343</u>
Net Position		
Invested in capital assets	54,144	58,693
Unrestricted	<u>52,020</u>	<u>34,851</u>
Total net position	<u>\$ 106,164</u>	<u>\$ 93,544</u>

See accompanying notes and accountant's review report.

MURRAY NO. 3 WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Revenues		
Charges for services	\$ 71,872	\$ 71,452
Operating Expenses		
Water purchased	37,248	33,505
Salaries	25,554	24,810
Office supplies	3,036	3,078
Insurance	4,438	4,180
Sales tax	186	172
School tax	2,151	2,105
Miscellaneous	250	265
Legal and accounting	2,700	2,700
Repairs and maintenance	980	1,639
Contract labor	1,775	1,350
Water testing	38	768
Payroll tax	1,985	2,089
Depreciation	4,549	4,549
Other tax and license	125	108
Total operating expenses	<u>85,015</u>	<u>81,318</u>
Operating loss	<u>(13,143)</u>	<u>(9,866)</u>
Non-Operating Revenues		
Interest income	<u>35</u>	<u>113</u>
Capital Contributions		
Grant funds	<u>25,728</u>	<u>-</u>
Change in net position	12,620	(9,753)
Total net position, beginning of year	<u>93,544</u>	<u>103,297</u>
Total net position, end of year	<u>\$ 106,164</u>	<u>\$ 93,544</u>

See accompanying notes and accountant's review report.

MURRAY NO. 3 WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Cash received from customers	\$ 69,827	\$ 68,340
Cash paid to suppliers	(76,296)	(47,961)
Cash paid to employees	(27,622)	(26,913)
Net cash used by operating activities	(34,091)	(6,534)
 Cash Flows from Investing Activities		
Proceeds from maturities of certificates of deposit	6,000	4,000
 Cash Flows from Investing Activities		
Grant funds received	25,728	-
 Net decrease in cash and cash equivalents	(2,363)	(2,534)
Cash and cash equivalents, beginning of year	6,618	9,152
 Cash and cash equivalents, end of year	\$ 4,255	\$ 6,618
 Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating loss	\$ (13,143)	\$ (9,866)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	4,549	4,549
Noncash penalty	25	-
(Increase) decrease in certain assets:		
Accounts receivable	305	(827)
Materials and supplies	(25,728)	
Prepaid expenses	(6)	(264)
Increase (decrease) in certain liabilities:		
Accounts payable	2	(103)
Accrued expenses	(95)	(23)
Net cash used by operating activities	\$ (34,091)	\$ (6,534)

DISCLOSURE OF ACCOUNTING POLICY

For purposes of the statement of cash flows, the Water District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

MURRAY NO. 3 WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Murray No. 3 Water District was created in 1965 under the provision of Chapter 74 of the Kentucky Revised Statutes for the purpose of providing water services to the general public on a continuing basis with operations being financed primarily through user charges. The District is governed by a Board of Commissioners who are appointed by the Calloway County Fiscal Court and reports to the Public Service Commission of the Commonwealth of Kentucky. The District is exempt from Federal income taxes under Internal Revenue Code Section 115.

B. Basis of Accounting

The District is presented as an enterprise fund. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

The District applies all GASB pronouncements to proprietary funds as well as the FASB pronouncements issued on or after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for water services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Use of Restricted/Unrestricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the District's policy is to apply restricted resources first. The District had no restricted balances at December 31, 2012 and 2011.

D. Material and Supplies

The District received a grant from the Kentucky Infrastructure Authority, \$25,698 and the City of Murray, \$30 to purchase new water meters. The meters are included in inventory before installation. Inventories consist of materials and supplies and are stated at cost which is determined by the first-in, first-out method. Inventory at December 31, 2012 and 2011 totaled \$25,728 and 0, respectively.

E. Water Plant in Service

Water plant in service is stated on the basis of cost. The District maintains a capitalization threshold of \$1,000. The provision for depreciation is computed by the straight-line method, using the

MURRAY NO. 3 WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

applicable useful life. The cost of maintenance and repairs is charged to income as incurred; significant betterments are capitalized.

Capital assets are depreciated over the following useful lives:

Buildings	50 years
Furniture and equipment	5 to 10 years

F. Land and Land Rights

Land and land rights are stated on the basis of cost.

G. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Deferred Outflows and Inflows of Resources

During the year ended December 31, 2012 the District adopted the provisions of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The objective of the statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The District has no deferred outflows or inflows of resources at December 31, 2012.

I. Subsequent Events

Management has evaluated subsequent events through February 28, 2013, the date on which the financial statements were available to be issued.

NOTE 2 – DETAILED NOTES ON ACCOUNTS

A. Capital Assets

Capital assets are summarized below:

Asset Description	Balance December 31, 2012	Balance December 31, 2011
Non-depreciable:		
Land and land rights	\$ <u>4,663</u>	\$ <u>4,663</u>
Depreciable:		
Structures and improvement	6,633	6,633
Pumping equipment	8,485	8,485
Distribution reservoirs and standpipes	47,837	47,837
Transmission and distribution mains	138,622	138,622

MURRAY NO. 3 WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

<u>Asset Description</u>	<u>Balance December 31, 2012</u>	<u>Balance December 31, 2011</u>
Services	7,447	7,447
Meter and meter installations	14,917	14,917
Hydrants	3,507	3,507
Other plant and miscellaneous equipment	<u>1,635</u>	<u>1,635</u>
Total	229,083	229,083
Less allowance for depreciation	<u>179,602</u>	<u>175,053</u>
Total	<u>49,481</u>	<u>54,030</u>
Capital Assets, net	\$ <u>54,144</u>	\$ <u>58,693</u>

There were no additions or retirements for 2012 and 2011, respectively. Depreciation charged to income was \$4,549 at December 31, 2012 and 2011.

B. Concentrations of Credit Risk

Financial instruments that potentially subject the District to concentrations of credit risk consist principally of temporary cash investments and trade accounts receivables.

The District maintains its cash balances in one financial institution located in Kentucky. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2012 and 2011, the District had no uninsured cash balances.

Concentrations of credit with respect to trade receivables are limited due to the large number of customers comprising the District's customer base and their dispersion across different industries and geographic locations. As of December 31, 2012 and 2011 the District had no significant concentrations of credit risk with respect to trade receivables.

C. Water Purchases

The District purchases all of its water from Murray Municipal Utilities, a component of the City of Murray, Kentucky. The District pays Murray Municipal Utilities a rate based on water usage each month.

D. Budget

The District is not legally required to adopt a budget. Consequently, no budgetary information is presented.

EXHIBIT "J"

CUSTOMER ACCOUNTS OF WATER DISTRICT 3

Water District 3 has previously delivered to Murray a complete and accurate list of its customers. (See Attachment). WD3 will at the date of the closing of the AGREEMENT review said list and provide the most current list to Murray.

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
015-0-0062-A	John Oliver Hughes & Rachael Taylor	700/193	6871 State Route 94 West	6871 State Route 94 West			1
015-0-0062-B	Clifton Coleman (James Dowland)	796/132	6889 State Route 94 West	108 North 12th Street			2
024-0-0030	Micheala Toews	798/227	4243 State Route 94 West	4243 State Route 94 West			3
015-0-0093-A	Rick White II	941/545	399 Rayburn Road	399 Rayburn Road	136/429	21+90 to 23+10	4
015-0-0078	George V. Nichols	176/565	State Route 94 West	1504 Cardinal Drive			5
015-0-0091	Dusty Burkeen - OFF	253/223	359 Rayburn Road	291 Rayburn Road	136/428	19+40 to 21+00	6
032-0-0033	Phillip Bryan	153/2095	2149 State Route 94 West	2149 State Route 94 West			7
015-0-0065	Donald & Margaret Key Crawford & Victoria James	719/466	7079 State Route 94 West	7079 State Route 94 West			8
015-0-0063	Donald & Margaret Key Crawford & Victoria James	719/466	Rayburn Road/ 94 West	7079 State Route 94 West	144/303	0+00 to 1+40	9
015-0-0064-A	Virginia E. Smith	571/644	57 Rayburn Road	57 Rayburn Road	136/469	1+40 to 4+40	10
024-0-0004-C	Richard D. & Belinda H. McGee (Bill Armbruster)	900/497	6022 State Route 94 West	6060 State Route 94 West	144/298	229+20 to 240+00	11
015-0-0061	Keith Wayne Crouch	868/92	6851 State Route 94 West	6851 State Route 94 West			12
015-0-0019	Larry D. Callihan	177/046	7116 State Route 94 West	7116 State Route 94 West	136/437	290+60 to 293+00	13
015-0-0066	GT&M Properties, LLC (Mitch Ryan)	856/592	7121 State Route 94 West	204 South 6th Street			14
	OFF						15
015-0-0030	Wildie, Barbara, Scott Coleman	759/30	155 Browns Grove Road	625 Browns Grove Road	144/292 144/310	1+95 to 6+45 6+45 to 7+45	16
015-0-0090	Andrea G. Hoffman (Jason Hoffman)	477/452	331 Rayburn Road	331 Rayburn Road	136/427	18+20 to 19+40	17
015-0-0031	Noah S. & Jessica French	799/308	181 Browns Grove Road	181 Browns Grove Road	144/299 136/459	7+45 to 8+85 8+85 to 12+30	18
015-0-0058-C	Thomas Chase Futrell	755/336	6804 State Route 94 West	6804 State Route 94 West	144/293	271+50 to 227+60	19
015-0-0060	Fred & Joy Thomas	755/585	6829 State Route 94 West	6829 State Route 94 West			20
015-0-0041-A	Rickie D. & Christi A. Spann (Vicky Knight)	575/204	850 Browns Grove Road	122 Saratoga Drive			21
015-0-0085-A	Idelee Hutchens - OFF	130/349	179 Rayburn Road	179 Rayburn Road	144/297	8+15 to 10+07	22
015-0-0071	Thomas P. & Mary Deal	618/269	7219 State Route 94 West	7219 State Route 94 West			23
015-0-0070	Ronald Kelso	132/256	7199 State Route 94 West	7199 State Route 94 West			24
015-0-0029	Lynn Grove Methodist Church		111 Browns Grove Road	111 Browns Grove Road	144/292	1+95 to 6+45	25
024-0-0059	Sherry Heeke	719/302	4376 State Route 94 West	4376 State Route 94 West	136/473	141+00 to 142+30	26
015-0-0097	Donald G. Tinsley	850/624	501 Rayburn Road	501 Rayburn Road	136/458	27+50 to 28+40	27
024-0-0038-D	Mike Dixon	472/352	311 Furches Trail	2663 Furches Trail			28
015-A-0001-00007	Kathryn Miller (Matt & Wendy Imes)	292/576	156 Brown Groves Road	1092 Romich Ave., Richland WA 99352			29
015-0-0089	Dusty R. Burkeen	840/249	291 Rayburn Road	291 Rayburn Road	136/440	16+10 to 18+20	30

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
015-0-0017	Kenny Lynn Bridges - OFF	171/2213	7184 State Route 94 West	703 Howard Road	136/466	294+30 to 295+80	31
015-0-0033	Dwight D. & Charissa Unruh	977/688	198 Browns Grove Road	198 Browns Grove Road			32
015-0-0038-C	Darrell Beane	173/2274	599 Browns Grove Road	599 Browns Grove Road			33
015-0-0036	Cyntha Lynn & Billy Ray Willis (w/15-35A)	830/268	303 Browns Grove Road	303 Browns Grove Road	144/289	12+60 to 15+20	34
032-A-0032	Don Robertson	189/109	16 Wildwood Drive	16 Wildwood Drive			35
015-0-0094-A	Clint & Ruth Todd	609/133	423 Rayburn Road	423 Rayburn Road	136/462	23+10 to 24+40	36
015-0-0099-A	Bradford Ray	697/181	82 Raymond Lane	82 Raymond Lane			37
015-0-0102	Angie Hanks	933/584	166 Rayburn Road	166 Rayburn Road			38
024-A-0004-00001	Elwood Brown	196/470	4295 State Route 94 West	4295 State Route 94 West			39
015-0-0038-A	Norma Jean Miller	906/540	493 Browns Grove Road	493 Browns Grove Road			40
015-0-0014-A	Jeremy Sorrels (House for sale)	807/342	7296 State Route 94 West	7296 State Route 94 West	136/465	300+00 to 301+40	41
015-0-0099	Tonia S. Williams	902/462	545 Rayburn Road	545 Rayburn Road	136/421	30+70 to 32+60	42
015-0-0092	Dusty R. Burkeen - OFF	547/719	385 Rayburn Road	291 Rayburn Road	144/309	21+00 to 21+90	43
015-0-0034	Gary Miller Et. Al.	983-447	251 Browns Grove Road	251 Browns Grove Road	136/459 136/441 144/289	8+85 to 12+30 12+30 to 12+60 12+60 to 15+20	44
015-0-0106	Richard & Sharlisa Smotherman	359/748	438 Rayburn Road	438 Rayburn Road			45
015-0-0076	Randy G. Adams	185/159	7607 State Route 94 West	7607 State Route 94 West			46
032-A-0022	Bob & Olene Poor	633/159	131 Haynes Creek Drive	131 Haynes Creek Drive			47
015-0-0099-B	Danny Todd - OFF	163/2287	100 Raymond Lane	1544 Ezell Road			48
016-0-0004/0047	Myles W. Todd - OFF	281/648	69 Cherokee Trail	PO Box 883			49
015-0-0112	Pat Dale Orr	125/493	7322 State Route 94 West	7322 State Route 94 West	136/464	301+40 to 302+75	50
015-0-0059	Devin Perkins - OFF	408/557	6946 State Route 94 West	6946 State Route 94 West	144/293	271+50 to 227+60	51
015-0-0012-C	David L. Snellen (Pam Cline) Sister-in-law	187/486	7668 State Route 94 West	7668 State Route 94 West	136/460	315+25 to 326+30	52
015-0-0007-A	Larry D. & Rosemary A. Sanders	678/428	861 Browns Grove Road	861 Browns Grove Road			53
032-A-0004	John R. Thompson	971/420	97 Wildwood	97 Wildwood			54
015-0-0111	Joseph W. Peck	343/244	7245 State Route 94 West	7245 State Route 94 West			55
015-0-0078-A	Peggy June Miller	170/1064	7707 State Route 94 West	7707 State Route 94 West			56
024-0-0005	Sally R. Dodson & Matthew W. Barnes	583/567	5716 State Route 94 West	5716 State Route 94 West	136/472	212+00 to 220+30	57
016-0-0003-A	Mike Rogers	691/447	585 Rayburn Road	585 Rayburn Road	136/432	32+60 to 34+73	58
032-0-0061	Mary K. Watson	146/416	2125 State Route 94 West	PO Box 631			59
015-0-0104-A	Linda Sue Murdock	555/167	258 Rayburn Road	258 Rayburn Road			60
015-0-0069	Larry & Martha Loretta Miller	342/88	7187 State Route 94 West	7187 State Route 94 West			61
015-0-0054	Ricky L. Starks	225/381	6499 State Route 94 West	6499 State Route 94 West			62

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
015-0-0004	Salem Baptist Church		1034 Browns Grove Road	1034 Browns Grove Road			63
015-A-0002-00008	Randy D. Dick	157/936	6931 State Route 94 West	6931 State Route 94 West			64
015-0-0056	Phyllis Underwood Gibbs	173/246	6793 State Route 94 West	6793 State Route 94 West			65
032-A-0019	Donald B. & Kathleen K. Fleming	980-141	80 Haynes Creek Drive	1585 Hammond Road, Farmington			66
015-0-0098	Walter & Paulene B. Baum	579/95	519 Rayburn Road	519 Rayburn Road	144/306	28+40 to 29+45	67
015-0-0106	Richard & Sharlisa Smotherman - BARN	359/748	438 Rayburn Road	438 Rayburn Road			68
015-0-0095-A	Bruce W. Lennox	205/85	485 Rayburn Road	485 Rayburn Road	136/468	25+40 to 26+40	69
015-0-0068	Joe Anna Thomason	138/300	7167 State Route 94 West	7167 State Route 94 West			70
015-0-0027,28	Charles R. Bowen - Lynn Grove Store - OFF	176/1689	7010 State Route 94 West	1516 Howard Road, Farmington KY 42040			71
015-0-0113	J. D. Elkins	174/2037	7375 State Route 94 West	7375 State Route 94 West			72
024-0-0007-A	Charles H. Williams II	259/608	5380 State Route 94 West	5380 State Route 94 West	144/307	183+20 to 198+50	73
015-0-0018	Donna Lovett (Donna Patterson)	304/457	7152 State Route 94 West	7152 State Route 94 West	136/467	293+00 to 294+30	74
015-0-0081	Williams Chapel Church		7793 State Route 94 West	7793 State Route 94 West			75
	OFF						76
015-0-0087	Tom Jones	170/2347	221 Rayburn Road	221 Rayburn Road	144/447 136/426	10+07 to 11+80 11+80 to 14+68	77
015-0-0057-H	Keith & Cathy Manning (Chris Manning)	572/278	39 Old Lynn Grove Road	71 Old Lynn Grove Road			78
015-0-0057-A	Windsor, Charles & Martha (Wade Dunn)	562/5	6776 State Route 94 West	166 Honeysuckle Lane	144/285	268+10 to 271+50	79
024-A-0001-00008	Jerry Burkeen	173/81	163 West Grove Drive	163 West Grove Drive			80
024-A-0001-00009	James E. Stroud & Mary C. White	168/886	187 West Grove Drive	187 West Grove Drive			81
032-A-0017	Dan B. Edwards	158/441	134 Haynes Creek Drive	134 Haynes Creek Drive			82
024-0-0065	Charlotte R. & James David Parker	498/31	4054 State Route 94 West	4054 State Route 94 West	136/449	103+80 to 128+78	83
032-B-0001	Michael & Laura Bradley	549/68	2842 State Route 94 West	2842 State Route 94 West	136/456		84
032-B-0009	Jeremy C. & Karin Price	933/323	79 Gregory Lane	79 Gregory Lane			85
033-0-0019	Laurel P'Pool	160/1569	2451 State Route 94 West	2451 State Route 94 West			86
033-0-0017	Byron Furgerson, Jr.	151/2193	2739 State Route 94 West	2739 State Route 94 West			87
032-0-0026-B	Hal & Chantal Orr	895-637	2814 State Route 94 West	2814 State Route 94 West	136/454		88
015-0-0057-G	Abel Ventura Covarrubias	783/302	6738 State Route 94 West	6738 State Route 94 West	144/285	268+10 to 271+50	89
024-0-0006	Mildred Robertson (R. C. Oliver/Darla Tedder)	178/791	5548 State Route 94 West	3029 State Route 94 West	172/1518	198+50 to 212+00	90
032-B-0011	William Edwards	159/1274	25 Gregory Lane	25 Gregory Lane	136/456		91
032-0-0058-B	Wanda L. Cohoon (Tom Cohoon)	166/81	105 Oaks Country Club Rd	105 Oaks Country Club Rd			92
024-0-0037-C	Timothy A. Lemons	327/74	5173 State Route 94 West	PO Box 1606			93

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
024-A-0004-00016	Debbie McClure & Nick McClure & Et. Al.	986-647	273 West Grove Drive	593 Charley Miller Road, Almo 42020			94
015-0-0055-A	Dottie R. Sagar (Michael Sagar)	191/123	6731 State Route 94 West	6731 State Route 94 West			95
032-A-0028	Modco of Kentucky (Keath Conklin)	654/333	108 Wildwood Drive	155 Wildwood Drive			96
024-A-0001-00002	Elizabeth K. Gilliam (Marshall Gilliam)	151/63	47 West Grove Drive	47 West Grove Road 22315 Hoffman St., Saint Clair Shores, MI 48082			97
024-A-0001-00004	Jerry Lee Eldridge (Derek Foster)		83 West Grove Drive				98
024-0-00038-B	Guinn Jones	170/1533	5453 State Route 94 West	5453 State Route 94 West			99
	OFF						100
032-0-0032-A	John A. Gregory	122/304	2227 State Route 94 West	2227 State Route 94 West			101
033-0-0002	Murray Recreation Assoc - Oaks Country Club	133/439	363 Oaks Country Club Rd	PO Box 1101			102
032-0-0034-A	Charles & Rebecca B. Reed	745/149	2260 State Route 94 West	2260 State Route 94 West	136/451		103
024-0-0072	Ray Karraker	275/622	1014 Crossland Road	1014 Crossland Road			104
015-0-0042 & 42-A	Steven Neil Welter	170/954 223/486	990 Browns Grove Road	990 Browns Grove Road			105
015-0-0077	Randal G. Adams (Kelly Irvin)	225/354	7647 State Route 94 West	7607 State Route 94 West			106
	OFF						107
015-0-0067	Glen Windsor		7145 State Route 94 West	7145 State Route 94 West			108
024-A-0004-00011	Mary Jacquilyn Cassity (James Cassity)	157/1975	369 West Grove Drive	369 West Grove Drive			109
024-A-0004-00013	Thomas L. & Angela L. Atkins	838/555	333 West Grove Drive	333 West Grove Drive			110
015-0-0057-C	Keith Manning	180/1957	71 Old Lynn Grove Road	71 Old Lynn Grove Road			111
032-0-0006	Murray Recreation Assoc - Oaks Country Club	133/439	363 Oaks Country Club Rd	PO Box 1101			112
024-A-0005-00006	Sylvia J. Hinkelman	343/358	80 West Grove Drive	80 West Grove Drive			113
015-0-0013	Gene Jourden	203/426	7524 State Route 94 West	7524 State Route 94 West	144/305	312+30 to 314+05	114
024-A-0001-00006	Jana Barnett	222/158	123 West Grove Drive	123 West Grove Drive			115
032-B-0003	Sue Darnell Life Estate (Ralph Darnell)	599/727	112 Gregory Lane	112 Gregory Lane			116
015-0-0110	Wildie Coleman - OFF	157/1005	625 Browns Grove Road	625 Browns Grove Road			117
024-0-0036	Fred W. Wells	133/296	4879 State Route 94 West	4879 State Route 94 West			118
032-A-0009	Alan D. Gibbs	314/86	300 Haynes Creek Drive	300 Haynes Creek Drive			119
032-A-0031	Michael & Jennifer Johnson	584/49	40 Wildwood Drive	40 Wildwood Drive			120
032-0-0053	Morris N. Bilbrey - OFF	475/523	191 Oaks Country Club Rd.	1818 Chincoteague Way, Round Rock, TX 78681			121
032-A-0001	Bruno W. Zubko	898/240	11 Wildwood Drive	11 Wildwood Drive			122
032-0-0060	William R. Wilson MD Trust	833/134	2321 State Route 94 West	PO Box 928			123
024-A-0005-00013	Alesia Irvin (Jon Brown)	767/255	194 West Grove Drive	3637 Locust Grove Road			124

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
032-0-0003-A	Carol Turner (Oscar Turner)	152/1443	578 Rob Mason Road	578 Rob Mason Road	136/446	9+20 to 31+25	125
032-A-0003	David L. Eldridge	155/2324	63 Wildwood Drive	63 Wildwood Drive			126
032-A-0011	Thomas J. Timmons	162/1287	256 Haynes Creek Drive	256 Haynes Creek Drive			127
024-0-0012	Jackie Butterworth w/23-68(Billy Potts/Horses)	153/1397	State Route 94 West	915 Cherokee Trail & 4497 State Route 94 West	136/474	135+20 to 159+45	128
024-0-0071	Calloway County Board of Ed - Southwest	152/601	3426 Wiswell Road	PO Box 800			129
	Furches Farms - OFF			3182 State Route 94 West			130
015-0-0075	Douglas E. Lambert	157/778	7541 State Route 94 West	7541 State Route 94 West			131
015-0-0004	Salem Parsonage - Scott English		44 Coopertown Road	44 Coopertown Road			132
032-A-0002	Eric S. & Shannon L. Crawford	972/115	33 Wildwood Drive	33 Wildwood Drive			133
024-0-0072-A	Larry Cherry	166/2448	1062 Crossland Road	1062 Crossland Road			134
032-0-0007	Mason Billington - Farm/Tool Shed		State Route 94 West	1701 Parklane Drive			135
032-A-0016	Cori E. & Eric S. Frantz	542/162	156 Haynes Creek Drive	156 Haynes Creek Drive			136
024-0-0035-C	Scott A. & Paula Marvin	167/2766	4803 State Route 94 West	4803 State Route 94 West			137
032-A-0024	Ronald P. Wright	157/574	161 Haynes Creek Drive	161 Haynes Creek Drive			138
032-0-0026-A	Mary Frances Latham	176/954	2782 State Route 94 West	2782 State Route 94 West	136/453		139
023-0-0018	Ronnie Walker	155/571	1581 Rob Mason Road	1581 Rob Mason Road			140
024-0-0004-D	Richard Daniel McGee	187/49	6060 State Route 94 West	6060 State Route 94 West	144/298	229+20 to 240+00	141
024-A-0004-00009	George Holland	156/2849	387 West Grove Drive	387 West Grove Drive			142
032-A-0006	Jerry L. & Karen L. Veach	344/466	155 Wildwood Drive	155 Wildwood Drive			143
032-A-0014	Lynn Darnall	265/117	200 Haynes Creek Drive	200 Haynes Creek Drive			144
032-0-0058-A	Rodney T. & Jana H. Tidwell	878/678	139 Oaks Country Club Rd	139 Oaks Country Club Rd			145
023-0-0075-C	Todd Contri (Tammy Contri)	281/802	655 Rob Mason Road	655 Rob Mason Road			146
024-0-0035-B	Joanie Rushing	838/307	4777 State Route 94 West	4777 State Route 94 West			147
032-A-0008	Anna Beth Ingle	969-302	217 Wildwood Drive	217 Wildwood Drive			148
032-A-0005	Thomas E. & Jennifer M. Hoffacker	793/275	121 Wildwood Drive	121 Wildwood Drive			149
032-A-0030	Chelsea J. & Jason A. Van Rooy	949/238	660 Wildwood Drive	660 Wildwood Drive			150
015-A-0001-00011	H. L. Ford		111 Honeysuckle Road	111 Honeysuckle Road			151
015-0-0053	Max Gene & Ruth Rogers	179/980	6321 State Route 94 West	6321 State Route 94 West			152
015-0-0059-A	Randy E. Windsor	165/1761	116 Honeysuckle Lane	116 Honeysuckle Lane			153
032-0-0010	Mildred Robertson (Mildred Newton)	119/260	3029 State Route 94 West	3029 State Route 94 West			154
032-0-0010-A	Richard W. Jones	158/1495	3091 State Route 94 West	3091 State Route 94 West	172/1517		155

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
015-0-0088	Marshall & Doris Larkins Trust (Bryan Parker)	612/693	265 Rayburn Road	c/o W KY Prop, 515 Depot St, Mayfield KY 42066			156
032-A-0018	Patty Edwards & Deborah Chavis(Joan Bennet)	915/187	108 Haynes Creek Drive	53 Cherry Hill Lane			157
032-B-0007	Kenny Stubblefield	167/1093	131 Gregory Lane	107 Gregory Lane			158
032-A-0026	Mark James	164/266	251 Haynes Creek Drive	251 Haynes Creek Drive			159
032-0-0009-A	Mary Elizabeth Furches	210/49	3222 State Route 94 West	3182 State Route 94 West	136/447	76+15 to 97+50	160
015-0-0080	Harold F. Elkins	330/130	7759 State Route 94 West	7759 State Route 94 West			161
015-0-0021	Larry Buchanan	176/847	State Route 94 West	548 Waterway Trail, New Concord KY 42076	136/439	289+35 to 290+60	162
024-0-0061-E	Kathleen L. Farley	216/281	1321 Crossland Road	1321 Crossland Road			163
033-0-0016	Brandon & Heather Molle	830/573	2797 State Route 94 West	2797 State Route 94 West			164
024-0-0013	Jackie Butterworth (Annette Wilson)	223/33	4244 State Route 94 West	4497 State Route 94 West	144/291	134+30 to 135+20	165
015-0-0083	Jimmy Paschall	164/1924	139 Rayburn Road	139 Rayburn Road	136/423	5+52 to 7+05	166
015-0-0079	Randy G. & Cindy M. Adams (Karen Gordan)	718/108	7733 State Route 94 West	7606 State Route 94 West			167
015-0-0020	Randy G. & Cindy M. Adams (John Casteels)	969-121	7079 State Route 94 West	7606 State Route 94 West	136/437	290+60 to 293+00	168
033-0-0016	Tommy D. Hill	233/280	2835 State Route 94 West	PO Box 263			169
	Max Rogers - OFF						170
023-0-0018-B	Benjamin S. Williams	791/378	1553 Rob Mason Road	1553 Rob Mason Road			171
023-0-0076	Kevin A. McIntosh	374/445	437 Rob Mason Road	437 Rob Mason Road			172
015-0-0010-A	Mark Collins	325/59	77 Squire Miller Road	77 Squire Miller Road			173
024-0-0070	Roy Williams	279/145	165 Crossland Road	165 Crossland Road			174
	OFF						175
023-0-0075-A	Darren Howard	180/229	507 Rob Mason Road	PO Box 1134			176
032-A-0025	Timothy Allen Thurmond	167/1830	215 Haynes Creek Drive	215 Haynes Creek Drive			177
032-A-0010	Fred N. & Janet N. Ashby	570/226	280 Haynes Creek Drive	280 Haynes Creek Drive			178
032-A-0012	Michael S. & Kacey L. Puricelli	826/475	230 Haynes Creek Drive	230 Haynes Creek Drive			179
024-0-0022	Jimmy Fain (Cody Coles)	203/357	850 Crossland Road	127 Tom Taylor Trail			180
015-0-0095	Bethany P. Clark	794/263	445 Rayburn Road	445 Rayburn Road	136/461	24+40 to 25+40	181
032-A-0021	Roy H. & Julia A. Keller	849/360	97 Haynes Creek Drive	97 Haynes Creek Drive			182
033-B-0012-A	Timothy E. Robinson	812/465	187 Oakwood Circle	187 Oakwood Circle			183
023-0-0075-D	Nile Errol & Sylvia D. Sanert	743/306	687 Rob Mason Road	687 Rob Mason Road			184
033-0-0042	Emily W. Watson	782/105	545 Oaks Country Club Rd.	545 Oaks Country Club Rd.			185
032-0-0002	(Steve Towery 993-24) (Cindy Towery 993-3)	180/1282	730 Rob Mason Road	730 Rob Mason Road	136/443	31+25 to 54+27	186

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
032-0-0052	Randall Kuykendall	222/204	76 Oaks Country Club Rd.	76 Oaks Country Club Rd.			187
024-0-0022-D	Jesse & Mary Vincent Life Estate	741/238	880 Crossland Road	880 Crossland Road			188
024-0-0022-C	Amber Howard (J.D. Howard)	173/782	898 Crossland Road	898 Crossland Road			189
024-0-0022-G	Ross B. Meloan (Brandon Patrick)	348/88	918 Crossland Road	938 Crossland Road			190
033-F-0002-00001	Sina Richardson Revocable Trust (Bethel Rich)	799/75	991 Squire Road	991 Squire Road			191
015-0-0040	Jimmy Harris Ford - OFF	190/328	950 Browns Grove Road	1507 Oxford Drive			192
023-0-0017	David J. Ryan	190-391	1739 Rob Mason Road	1739 Rob Mason Road			193
033-F-0001-00003	Harold Eugene & Lori Ann Barnett	545/5	806 Oaks Country Club Rd	806 Oaks Country Club Rd.			194
024-A-0005-00011	Timothy P. & Carol R. Zeiss	863/648	135 West Grove Drive	135 West Grove Drive			195
033-E-0007	Robert H. & Allison Howorka	925/379	176 Ironwood Drive	176 Ironwood Drive			196
024-0-0038-A	Glen Grogan	170/556 472/379	108 Furches Trail	108 Furches Trail			197
024-0-0026-B	Abby & Ida Finley Trust	220/435	931 Crossland Road	931 Crossland Road			198
024-0-0026-C	David & Sally Foley	814/378	963 Crossland Road	963 Crossland Road			199
024-0-0022-F	Reid & Barbara Parrish	755/16	968 Crossland Road	968 Crossland Road			200
033-E-0014	William J. Abbott	171/967	320 Ironwood Drive	320 Ironwood Drive			201
033-E-0006	Darren & Kelly Hack	952-326	158 Ironwood Drive	158 Ironwood Drive			202
032-B-0004	Jean Johnston Life Estate	650/505	130 Gregory Lane	130 Gregory Lane			203
015-A-0002-00006	Wayne E. Joyce	174/1963	6911 State Route 94 West	6911 State Route 94 West			204
015-0-0072	J. D. Elkins	153/1372	7345 State Route 94 West	7345 State Route 94 West			205
015-0-0052-B	Darren Yates	618/120	6639 State Route 94 West	6639 State Route 94 West			206
024-0-0026-A	Michael J. Ryan	172/1196	885 Crossland Road	885 Crossland Road			207
033-E-0010	Kevin D. D'Angelo	427/390	240 Ironwood Drive	240 Ironwood Drive			208
033-E-0020	Ardath Beale Canon	180/1879	56 Cherry Hill Lane	56 Cherry Hill Lane			209
033-E-0025	Ronald L. Fox	184/708	181 Ironwood Drive	181 Ironwood Drive			210
033-E-0018	Alvin Joel Fisher	175/2772	81 Cherry Hill Lane	81 Cherry Hill Lane			211
033-B-0029	Sandra Mason & Benny Smith	166/2318	274 Oakwood Circle	274 Oakwood Circle			212
033-B-0015	Richard L. Lowe	169/2385	227 Oakwood Circle	227 Oakwood Circle			213
033-B-0001	Tommy Heath	962-733	886 Oaks Country Clud Rd.	886 Oaks Country Club Rd.			214
033-B-0002	David W. Collins	209/271	904 Oaks Country Club Rd.	904 Oaks Country Club Rd.			215
033-B-0003	Nancy Alderdice	460/425	940 Oaks Country Club Rd.	940 Oaks Country Club Rd.			216
033-B-0005	Michael E. Young	185/481	984 Oaks Country Club Rd.	984 Oaks Country Club Rd.			217

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
033-B-0023	Steven Allen Carrol	586/524	464 Oakwood Circle	464 Oakwood Circle			218
033-B-0011	Michael G. Skinner	216/369	145 Oakwood Circle	145 Oakwood Circle			219
033-B-0018	Salome Allen	191/191	435 Oakwood Circle	435 Oakwood Circle			220
023-0-0075-E	Bruce Skaggs	221/6	619 Rob Mason Road	619 Rob Mason Road			221
033-E-0019	David Earl Wooten	227/259	76 Cherry Hill Lane	76 Cherry Hill Lane			222
024-A-0005-00001	Gregory Bogard (Burned - OFF)		248 West Grove Lane	1626 Farmer Ave.			223
032-0-0029	Patty Lee Washer Suiter (Polly Washer)	889/270	2448 State Route 94 West	2267 Provo Dr., Clarksville TN 37040	144/440 144/452		224
033-F-0001-00010	Willie Jackson	176/1866	578 Oaks Country Club Rd.	578 Oaks Country Club Rd.			225
015-0-0052-A	Neal D. & Rebecca Sullivan	593/188	6611 State Route 94 West	6611 State Route 94 West			226
015-0-0059-B	Charles E. & Martha Windsor	178/164	166 Honeysuckle Lane	166 Honeysuckle Lane			227
033-E-0012	Tim & Jeanne Hilbrecht	716/3	286 Ironwood Drive	286 Ironwood Drive			228
033-F-0001-00004	Marvin T. & Sheila Walker	593/403	774 Oaks Country Club Rd.	774 Oaks Country Club Rd.			229
015-0-0052-C	Clifton Coleman & Et. Al. (Charles Ellis)	441/118	6669 State Route 94 West	108 North 12th Street			230
032-B-0008	Charles K. Stubblefield	175/1651	107 Gregory Lane	107 Gregory Lane			231
015-A-0001-00003	Terry Workman (Star Construction)	201/442	Browns Grove Road	PO Box 6297, Knoxville TN 37914 & 7046 State Route 94 West			232
024-0-0021-B	David A. & Laura Ann Burris - OFF	351/330	684 Crossland Road	684 Crossland Road			233
015-A-0001-00001	Kenneth R. & Melinda S. Mohler (Family Affair Haircare)	202/416	6986 State Route 94 West	c/o Melinda Mohler, 329 Turkey Lane, Almo 42020	136/471	280+80 to 285+10	234
023-0-0075	Frank Towery	113/375	589 Rob Mason Road	589 Rob Mason Road			235
032-0-0003	Harry Thurston Furches III (Farm)	210-50	3182 State Route 94 West	3182 State Route 94 West	136/447	76+15 to 97+50	236
033-E-0024	Jacqueline Oliver Trust (Louis Oliver)	239/691	207 Ironwood Drive	207 Ironwood Drive			237
015-A-0001-00010	David K. & Tammy E. Stom	366/243	131 Honeysuckle Road	131 Honeysuckle Road			238
TR015-0-0112	Pat Dale Orr	125/493	7312 State Route 94 West	7322 State Route 94 West			239
015-0-0052-D	John Shubert & Marilyn Meyer	782/424	6585 State Route 94 West	6585 State Route 94 West			240
033-F-0001-00007	Joseph Wayne Williams	178/1555	670 Oaks Country Club Rd.	670 Oaks Country Club Rd.			241
	Doug Lambert - OFF						242
024-A-0005-00010	Ruth Vaughan	180/684	118 West Grove Drive	118 West Grove Drive			243
033-E-0011	Allan L. & Linda G. Beane	379/299	262 Ironwood Drive	262 Ironwood Drive			244
032-A-0007	Joe Dick	177/27	177 Wildwood Drive	177 Wildwood Drive			245
024-0-0027	Billy E. Redden Life Estate (Alice Redden)	296/607	815 Crossland	815 Crossland			246
032-A-0007	Joe Dick	177/27	177 Wildwood Drive	177 Wildwood Drive			247

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
033-B-0010	Albert E. Lencki	183/798	23 Oakwood Lane	23 Oakwood Lane			248
033-E-0009	Gary W. & Frances B. Graue	591/209	222 Ironwood Drive	21748 King John, Lessburg, FL 34748			249
015-0-0041	Terry Don Pachall (Courtney Nugent)	183/839	918 Browns Grove Road	1234 Crawford Trail			250
033-F-0001-00009	Gil S. & Janine C. Ochoa Trust	529/156	610 Oaks Country Club Rd.	610 Oaks Country Club Rd.			251
033-F-0001-00008	Marcus A. & Courtney C. Hamilton	897/574	636 Oaks Country Club Rd.	636 Oaks Country Club Rd.			252
033-B-0017	William R. Settle	185/321	469 Oakwood Circle	469 Oakwood Circle			253
033-B-0006	William D. & Amber Ryan	658/134	122 Oakwood Circle	122 Oakwood Circle			254
024-0-0025	Ricky R. & Rachel A. Johnson	700/636	1145 Crossland Road	1145 Crossland Road			255
015-0-0037	Cynthia Lynn & Billy Ray Barnett	993/511	365 Browns Grove Road	365 Browns Grove Road			256
015-0-0054-B	Norma Jean Miller (Tabitha Barnett)	906/540	6541 State Route 94 West	493 Browns Grove Road			257
024-A-0005-00002	David A. & Sandra L. Estes (Tracy Slammer) David moved/don't know where	586/251	300 West Grove Drive	300 West Grove Drive			258
033-F-0001-00005	Trent B. & Ashley L. Gibson	942/210	746 Oaks Country Club Rd.	746 Oaks Country Club Rd.			259
024-D-0009	Ricky A. Lamkin	201/214	4968 State Route 94 West	4968 State Route 94 West	136/448	154+45 to 182+60	260
024-0-0025-B	Robert F. Dunn	278/715	1067 Crossland Road	1067 Crossland Road			261
	OFF						262
024-A-0005-00005	Edwin D. Harris (Darrell Harris)	310/588	352 West Grove Drive	352 West Grove Drive			263
024-0-0028	H.E. Treas (Jackie Treas)	135/433	531 Crossland Road	531 Crossland Road			264
033-E-0029	Calvin A. D'Elia	200/366	30 Fernwood Lane	30 Fernwood Lane			265
033-B-0007	William Thomas, Deborah Ann, (Logan Chavis)	844/690	102 Oakwood Circle	486 State Route 97, Mayfield KY 42066			266
033-E-0017	Bradley D. Edwards	187/195	53 Cherry Hill Lane	53 Cherry Hill Lane			267
015-A-0001-0001A	Terry Workman (Star Construction)	201/442	6980 State Route 94 West	PO Box 6297, Knoxville TN 37914 & 7046 State Route 94 West	136/471	280+80 to 285+10	268
024-A-0003-00001	Cheryl Marie Hicks	212/324	261 West Grove Drive	261 West Grove Drive			269
033-B-0016	Frank Maraco Family Trust	926/514	255 Oakwood Circle	255 Oakwood Circle			270
024-0-0037-A	Stanley & Valerie Waller	753/159	5137 State Route 94 West	5137 State Route 94 West			271
015-0-0041-B	Rickie D. & Christi A. Spann (Karin Hardison)	575/204	820 Browns Grove Road	122 Saratoga Drive			272
033-B-0008	Levi A. & Mindy N. Weatherford	503/629	496 Oakwood Circle	496 Oakwood Circle			273
015-A-0002-00001	Timothy L. Bazzell	623/12	40 Rayburn Road	40 Rayburn Road			274
015-A-0001-00005	Jonathan & Angelique Hutching	347/813	110 Browns Grove Road	110 Browns Grove Road			275
024-A-0004-0003A	Ben J. & Leah N. Wright	758/148	4341 State Route 94 West	4341 State Route 94 West			276
024-0-0015-A	Jean G. Crawford (Heather Ball)	219/37	4176 State Route 94 West	1306 High Contente Ct, Mayfield KY 42066	144/295	131+13 to 134+30	277

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
033-B-0033	Mark A. Ferguson	213/446	340 Oakwood Circle	340 Oakwood Circle			278
024-0-0021-B	David A. & Laura Ann Burris	351/330	684 Crossland Road	684 Crossland Road			279
	Tripp Furches (house)			3182 State Route 94 West			280
024-0-0020-B	Danita Walker Harris	651/622	4195 State Route 94 West	4195 State Route 94 West			281
033-E-0001	James W. Byars	202/341	571 Oaks Country Club Rd.	571 Oaks Country Club Rd.			282
032-B-0010	Michael Shay Kondratko	204/65	53 Gregory Lane	53 Gregory Lane			283
015-A-0001-00004	Paul & Bridgett Straw	295/229	94 Browns Grove Road	94 Browns Grove Road			284
024-A-0002-00001	Jon A. Brown	657/186	239 West Grove Drive	239 West Grove Drive			285
033-E-0026	Patricia Mora	601/310	163 Ironwood Drive	163 Ironwood Drive			286
TR033-0-0004-B	Alan Wyane Paschall - OFF	897/293	Wiswell Road	3569 Wiswell Road			287
015-A-0001-00013	Linda Jane Beach	368/569	71 Honeysuckle Lane	71 Honeysuckle Lane			288
024-0-0037-D	Todd & Jana Hakathorn	875/487	5083 State Route 94 West	5083 State Route 94 West			289
015-A-0002-00003	Mark A. & Debbie M. Belva	601/373	6973 State Route 94 West	6973 State Route 94 West			290
033-0-0018-A	Charles W. Adams (Don Fincher)	425/505	2551 State Route 94 West	PO Box 1505			291
015-A-0001-00008	Mitchell & Tammy Tucker	520/747	180 Browns Grove Road	180 Browns Grove Road			292
032-0-0008	Harold L. & Alice L. Romaine (Jack Romaine)	855/101	3157 State Route 94 West	3157 State Route 94 West			293
033-E-0023, 22	Thomas & Donna F. Allen	881/186	227 Ironwood Drive	227 Ironwood Drive			294
033-E-0004	Clarence F. & Harriet J. Chambers	967/699	114 Ironwood Drive	114 Ironwood Drive			295
033-B-0022	Debbie Amaro (Alex Amaro)	499/34	353 Oakwood Circle	353 Oakwood Circle			296
033-F-0001-00002	Terry Allen	286/785	828 Oaks Country Club Rd.	828 Oaks Country Club Rd.			297
023-0-0075-F	Jimmy D. Herndon & Et. Al. Living Trust	344/452	717 Rob Mason Road	211 Fiesta Way, Sebring FL 33872			298
015-A-0001-00006	Jennifer L. Dugger (Jennifer Holiday)	302/857	136 Browns Grove Road	136 Browns Grove Road			299
024-0-0020-D	Katherine E. Whitesell & Arthur Jason Boston	826/283	312 Crossland Road	312 Crossland Road			300
024-0-0074	Dwain Ross & Sheri Latimer	612/338	820 Crossland Road	820 Crossland Road			301
024-0-0038-C	Mitchell D. Grogan	297/669	166 Furches Trail	166 Furches Trail			302
015-0-0085	Mike Anderson	300/559	253 Rayburn Road	253 Rayburn Road			303
033-F-0001-00006	Jim Lamb	316/296	714 Oaks Country Club Rd.	714 Oaks Country Club Rd.			304
033-F-0001-00001	Wayne Jackson (Franklin Jackson)	328/63	860 Oaks Country Club Rd.	860 Oaks Country Club Rd.			305
024-0-0026	Charles E. Glisson	191/366	999 Crossland Road	999 Crossland Road			306
033-0-0004-C	Cherry Ann Wyant	827/581	3647 Wiswell Road	3647 Wiswell Road			307
032-A-0005	Thomas E. & Jennifer M. Hoffacker - Sprinkler	798/275	121 Wildwood Drive	121 Wildwood Drive			308

MAP #	PROPERTY OWNER	DEED REF	PROPERTY ADDRESS	MAILING ADDRESS	EASEMENT	STATION	ACCT #
024-0-0023	Peter F. O'Rourke (Valeria Wendling)	197/22	3578 Wiswell Road	2200 Gatesborough			309
032-0-0004	Patrick J. & Elizabeth A. Abanathy	768/523	108 Rob Mason Road	108 Rob Mason Road			310
032-0-0001	Vinlou, Inc. (Rudolph, Inc.)	950/128	2021 Rob Mason Road	PO Box 69			311
024-0-0037	Troy & Janet Brown (Mike Brown)	415/197	5017 State Route 94 West	5017 State Route 94 West			312
033-E-0027	Edward A. Wrye	315/502	147 Ironwood Drive	147 Ironwood Drive			313
024-0-0020-C	Ray & Rita Cummings	924/381	286 Crossland	286 Crossland			314
015-A-0002-00002	Scott Coleman	898/361	6999 State Route 94 West	6999 State Route 94 West			315
032-0-0010-C	D L J Mortgage Cap Inc. (Trey Morris)	985/239	234 Oaks Country Club Rd.	9990 Richamond, Suite 400F, Houston TX 77042			316
015-A-0001-00014	Mitchell T. & Julie Ryan	787/690	87 Honeysuckle Lane	87 Honeysuckle Lane			317
033-B-0024	Kenneth & Misty Mickleto	812/349	440 Oakwood Circle	440 Oakwood Circle			318
024-A-0005-00004	Lauren & Brian A. Couch	917/653	336 West Grove Drive	336 West Grove Drive			319
033-0-0018-A	Charlie W. Adams	425/505	2551 State Route 94 West	PO Box 1505			320
032-0-0027	Jerry B. & Karen Duncan	534/808	2620 State Route 94 West	2620 State Route 94 West	144/311		321
033-B-0004	Robert & Joy Navan	599/534	964 Oaks Country Club Rd.	PO Box 244			322
032-0-0010-E	Dale B. & Shauna L. Mullins	549/672	110 Oaks Country Club Rd.	110 Oaks Country Club Rd.			323
023-0-0075-H	Gary W. & Phyllis G. Price	597/248	539 Rob Mason Road	539 Rob Mason Road			324
015-A-0002-00005	Max E. & Shirley G. Morris	705/468	63 Ken Lane	63 Ken Lane			325
033-0-0012-B	Bruce W. & JoAnn Puschnig	539/440	1066 Oaks Country Club Rd.	1066 Oaks Country Club Rd.			326
015-A-0002-00005	Max E. & Shirley G. Morris - Farm	705/468	Rayburn Road	63 Ken Lane	136/462	23+10 to 24+40	327
033-E-0008	Greenfield, Louie & Carolyn (Charles Cooper)	789/2	192 Ironwood Drive	192 Ironwood Drive			328
033-0-0012-D	J.L. & Barbara J. Barnett	565/155	1022 Oaks Country Club Rd	1022 Oaks Country Club Rd.	587/499		329
024-0-0026-D	Daren Pingel	856/189	1021 Crossland Road	1021 Crossland Road			330
015-0-0007	Ronnie L. & Valarie J. Morris (Joshua Morris)	678/463	Browns Grove Road	719 Robertson Road			331
032-A-0027	Randy L. & Jill L. Herndon	678/142	132 Wildwood Drive	132 Wildwood Drive			332
032-A-0029	Michael & Whitney Cooper	696/721	84 Wildwood Drive	84 Wildwood Drive			333
015-0-0024,26	Terry Workman	180/1839	State Route 94 West	7046 State Route 94 West			334
033-E-0020	Elizabeth Blodgett	724/190	57 Ironwood Drive	57 Ironwood			335
033-E-0015	Jerry Wade	174/2469	27 Cherry Hill Lane	27 Cherry Hill Lane			336
024-0-0060	Bobby Potts	848/357	4223 State Route 94 West	4223 State Route 94 West			337
015-0-0059	Devin M. Perkins	408/557	6946 State Route 94 West	6946 State Route 94 West			338
024-0-0038-H	Joe D. & Elizabeth K. Ward	690/349	212 Furches Trail	212 Furches Trail			339

EXHIBIT "K"

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EXHIBIT "L"
ENVIRONMENTAL MATTERS

List all toxic substances; hazardous substances; carcinogenic substances.

NONE

EXHIBIT "M"
UNMETERED CUSTOMERS OF WD3

NONE

EXHIBIT "N"

RESOLUTION OF CITY OF MURRAY

AUTHORITY TO EXECUTE ASSET ACQUISITION AGREEMENT

RESOLUTION 2014-005

A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF MURRAY, KENTUCKY TO EXECUTE ANY AND ALL NECESSARY DOCUMENTS TO COMPLETE MURRAY'S ACQUISITION OF THE WD3 WATER SYSTEM.

WHEREAS, the Public Works Committee met on April 10, 2014 to discuss the City's acquisition of the WD3 Water System;

WHEREAS, the City of Murray has agreed to acquire the assets of WD3 pursuant to an Asset Purchase Agreement, which is attached and incorporated by reference as if fully stated herein.

WHEREAS, WD3 has agreed to convey to the City of Murray all assets owned by WD3, pursuant to the Asset Purchase Agreement referenced above.

NOW THEREFORE, Be it hereby resolved, that the Murray City Council does hereby authorize the Mayor of the City of Murray, Kentucky to execute any and all necessary documents to further the transfer of all assets of WD3 to the City of Murray, Kentucky, including, but not limited to, the Asset Purchase Agreement referenced above.

ADOPTED by the City Council on this the 10 day of April, 2014.

CITY OF MURRAY, KENTUCKY



BILL WELLS, MAYOR

ATTEST:

EXHIBIT "O"

LITIGATION

EXHIBIT "P"

EXISTING WATER RATES AND NEW RATES

- (a) The rates and charges for the water service to be provided by the City to the District's customers upon transfer shall be:

	<u>Gallons per Month</u>	<u>Rate per 1000 gallons</u>
For the first	2,000	\$6.38 (\$12.76 Minimum bill)
For the next	4,000	\$3.59
For the next	4,000	\$3.03
For the next	50,000	\$2.50
All Over	60,000	\$2.33
Estimated Residential Cost for 5,000 gallons		\$23.53

- (b) The rates and charges for the water service currently provided by the District are:

	<u>Gallons per Month</u>	<u>Rate per 1000 gallons</u>
Minimum rate		
For the first	1,500	\$6.75
For the next	3,500	\$3.75
For the next	5,000	\$1.50
For the next	10,000	\$1.25
For the next	30,000	\$1.05
For the next	50,000	\$0.80
Over	100,000	\$0.60
Estimated Residential Cost for 5,000 gallons		\$19.88

- (c) The City shall be permitted to surcharge the customers for any extra ordinary cost and expenses it may be required to incur within one year of the date of the Public Service Commission approved transfer of the District customers.
- (d) Any other provision that may be required for the planned transfer to meet any requirement imposed by law.