

CRAWFORD & BAXTER, P.S.C.

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March 26, 2014

RECEIVED

MAR 31 2014

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen, Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: West Carroll Water District

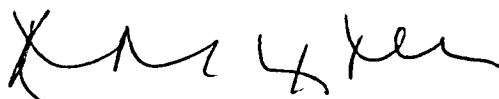
Dear Mr. Derouen:

Please find enclosed the original and eleven (11) copies of "West Carroll Water District's Amended Application Application for Approval of Interlocal Agreements and for Authority to Authorizing the Execution of a Note for This Project". Please stamp date one copy of the Application and return to my office in the enclosed stamped self-addressed envelope.

Please contact me at (502) 732-6688 or Terry Roach at (502) 732-7055 with any questions regarding this filing. Thank you for your courtesy in this matter.

Sincerely,

CRAWFORD & BAXTER, P.S.C.



Ruth H. Baxter
Counsel for West Carroll Water District

RHB/dmp

Enclosures

cc: Ms. Vickie Edwards, Chairperson, WCWD
Mr. Terry Roach, Carrollton Utilities

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR 31 2014

PUBLIC SERVICE
COMMISSION

In the Matter of:

AMENDED APPLICATION FOR APPROVAL
OF INTERLOCAL AGREEMENTS AND)
FOR AUTHORITY TO AUTHORIZING)
THE EXECUTION OF A NOTE)
FOR THIS PROJECT)
)
)

CASE NO. 2014-00053

Comes now West Carroll Water District (WCWD), and requests the Public Service Commission of Kentucky ("PSC") to approve the Intergovernmental Agreements between the City of Carrollton, Carrollton Utilities, and the West Carroll Water District, in conjunction with a regional project to be funded by the Kentucky Infrastructure Authority ("KIA"), and for authority to incur indebtedness for its proportionate share of construction costs required for this project not to exceed \$76,302.00, and for its Amended Application, states that it reaffirms as though stated herein verbatim all of those statements contained in numerical paragraphs one (1), two (2), three (3) and four (4) of the original Application for Approval of Interlocal Agreements and for Authority to Authorizing the Execution of a Note for This Project filed in this action with the PSC on or about February 19, 2014.

WCWD amends numerical paragraph five (5) of the original Application for Approval of Interlocal Agreements and for Authority to Authorizing the Execution of a Note for This Project filed in this action with the PSC on or about February 19, 2014, to correct an inconsistency in the terms of financing in the original Intergovernmental Agreements between the City and WCWD, and financing approved by KIA:

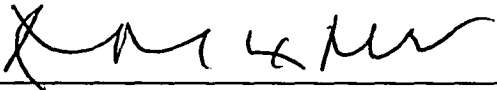
5. **FINANCING OF THE PROJECT:** By Amended and Restated Intergovernmental Agreement dated March 10, 2014, attached hereto as Exhibit 6, which has been approved by the Office of the Attorney General (OAG), the City has applied for and will be responsible to receive KIA funding on a thirty (30) year amortization at the rate of 0.75% interest with a twenty- five percent (25%) principal forgiveness in an amount estimated at \$1,538,817.00. Funding is being allocated between multiple construction contracts in accordance with actual expenses incurred for each contract pro rata. A similar percentage will be assigned to each entity for the cost of the engineering services which costs is also to be divided between them pro rata. The WCWD pro rata share is estimated to be \$76,302.00. In the event bids for the project exceed this sum, WCWD is allowed to reduce the scope of the project to achieve a pro rata share that is acceptable to WCWD. WCWD will pay to the City a semi-annual payment for the period equal to the years of debt incurred by the City to cover its proportionate share of the final debt service for its portion of the project with said payments to begin on the same year as City is required to pay the debt following completion of construction.

WCWD will not be seeking a rate increase for its portion of the project, but will utilize more efficient operations and continued aggressive reduction of water loss to cover any additional costs. The projected financials, taking into consideration the twenty-five percent (25%) principal forgiveness and the 0.75% interest rate, make it favorable for WCWD to finance its respective portion of the debt over the thirty (30) year period. WCWD will sign an unsecured promissory note to the City for payment of its proportionate share of the funding and expenses. No collateral is being required to secure payment of the note by the City. The City's Resolution amending and restating the Interlocal Agreement is attached as Exhibit 7, and WCWD's Resolution amending and restating the Interlocal Agreement is attached as Exhibit 8.

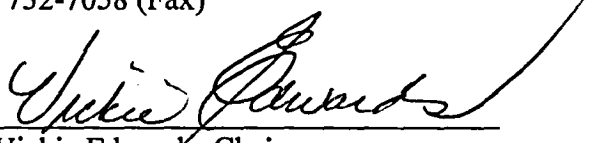
WHEREFORE, the West Carroll Water District respectfully requests that the Kentucky Public Service Commission approve the Intergovernmental Agreement by and between The City of Carrollton, Carrollton Utilities, and the WCWD, and to authorize it to incur debt for its proportionate share of the project as stated herein.

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Attorneys for West Carroll Water District

By: 
Ruth H. Baxter

WEST CARROLL WATER DISTRICT
Post Office Box 54
Carrollton, Kentucky 41008
(502) 732-1216 (Direct Line)
(502) 732-7055 (Main Line)
(502) 732-7058 (Fax)

BY: 
Vickie Edwards, Chairperson

VERIFICATION

I, Vickie Edwards, Chairperson of the West Carroll Water District, state that the statements contained in this Application are true to the best of my information and belief.

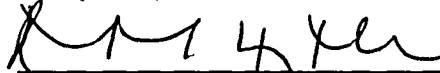

Vickie Edwards, Chairperson

STATE OF KENTUCKY)

COUNTY OF CARROLL)

Subscribed and sworn to before me by Vickie Edwards, Chairperson of the West
Carroll Water District, on this the 25th day of March, 2014.

My commission expires: 12/04/14



Notary Public, Kentucky State at Large



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COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL

JACK CONWAY
ATTORNEY GENERAL

CAPITOL BUILDING, SUITE 118
700 CAPITAL AVENUE
FRANKFORT, KENTUCKY 40601
(502) 696-5300
FAX: (502) 564-2894

March 20, 2014

G. Edward James, Esq., P.S.C.
James & Wells, P.S.C.
P.O. Box 373
Carrollton, Kentucky 41008-0373


Re: Intergovernmental Agreements between the City of Carrollton and the West Carroll Water District and the City of Carrollton and the Carroll County Water District for interconnect projects for the improvement of their respective public water systems.

Dear Ed:

This office reviewed the above-referenced Agreements and determined, pursuant to KRS 65.260 (2), that the Agreements are in the proper form and compatible with the laws of the Commonwealth. We wish the parties every success in implementing the projects for improving the water systems for the citizens of Carrollton and Carroll County.

Sincerely,

JACK CONWAY
ATTORNEY GENERAL


Ryan Halloran
Assistant Attorney General



AN EQUAL OPPORTUNITY EMPLOYER M/F/D



INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF CARROLLTON, KENTUCKY,
A CITY OF THE FOURTH CLASS,
AND THE WEST CARROLL WATER DISTRICT
AMENDED AND RESTATED

INTERCONNECT PROJECT

WHEREAS, the City of Carrollton, Kentucky, by and through Carrollton Utilities (“CU”), is a public utility that provides water to customers in Carroll County, Kentucky; and,

WHEREAS, the West Carroll Water District is organized under the provisions of KRS Chapter 74, as a provider of water to customers within its service territory in Carroll, Trimble and Henry Counties.

WHEREAS, for the benefit of customers served by the City of Carrollton, the West Carroll Water District (“WCWD”) and the Carroll County Water District (“CCWD”), these public water systems are undertaking projects for the improvements to their respective water systems which are warranted; and,

WHEREAS, the City of Carrollton, Kentucky, and WCWD have previously entered into an interlocal agreement for the Interconnect Project dated May 14, 2013 and now desire to amend said interlocal agreement;

NOW THEREFORE, it is hereby agreed between the City of Carrollton, Kentucky, hereinafter referred to as "City", and the WCWD that the interlocal agreement dated May 14, 2013 is amended and restated as follows:

1. The City and WCWD shall proceed to apply for the regional project with funding through KIA, and shall cooperate to provide all information required for said application;

2. The construction of the project shall likely be divided into multiple contracts

with the City, the WCWD and the CCWD each determining the nature and scope of the project as it affects their respective water system operations. Engineering for the project shall be handled by one engineering firm to be selected jointly by the City, WCWD, and the CCWD.

3. To finance the project, the City shall be responsible to apply for and receive the KIA funding on a thirty (30) year amortization at the rate of 0.75% interest with twenty-five percent (25%) principal forgiveness in an amount estimated at \$1,538,817 including construction, engineering, inspection, geotechnical engineering for wells and contingency. Funding obtained by the City shall be utilized to fund the project, with the funding being allocated between multiple construction contracts in accordance with actual expenses incurred for construction on each contract pro rata, with a similar percentage assigned to each entity for the cost of engineering services which cost is also to be divided between them pro rata. The pro rata share of each public water system is estimated as follows:

City	\$ 1,237,830
WCWD	\$ 76,302
CCWD	\$ 224,685

The above amount shall not be exceeded without approval of the affected system. If bids for the project result in a pro rata in excess of the amount stated above, the affected public water system may reduce the scope of project to achieve a pro rata share that is acceptable to the affected public water system. Nothing shall restrict the public water system from utilizing other funding sources to meet shortfall in KIA funding or to reduce the KIA pro rata share.

4. WCWD will pay to the City a semi-annual payment for a period equal to the years of the debt incurred by the City to cover its proportionate share of the final debt service for its portion of the project with said payments to begin on the same year as the City is required to

begin paying the debt following construction of the project. CU shall provide WCWD a notice of payment due semiannually 30 days prior to due date.

5. WCWD will retain sole authority to identify the nature and scope of its portion of the project, and shall be allowed to reject any contract proposals, and/or resubmit the project for bid and/or restructure the project as it sees fit.

6. The City will retain sole authority to identify the nature and scope of its portion of the project, and shall be allowed to reject any contract proposals, and/or resubmit the project for bid and/or restructure the project as it sees fit.

7. Both parties acknowledge that in the event either party withdraws from the project, then it understands that KIA may withdraw its funding of the project;

8. This Intergovernmental Agreement is subject to the review and approval of the Kentucky Public Service Commission, and its approval of the project and debt service obligation to the city, and if required by PSC a certificate of convenience and necessity to go forward with the project.

9. The City and WCWD agree to sign such documents as may be required to effectuate the terms and conditions of this Agreement.

10. In the event that funding from KIA is not received on the rates and terms set forth herein, then this Agreement will be rendered null and void.

11. The parties hereto will not own any property jointly and no provision need be made for disposition of property upon termination hereof.

12. The term of this agreement is thirty years or until the WCWD portion of the indebtedness is paid in full, whichever is sooner. WCWD may pay CU their portion of the debt in full at any time without any penalties.

DONE THIS THE 10th DAY OF March 2014.

Gene Mennard
MAYOR
CITY OF CARROLLTON, KENTUCKY

ATTEST:

Leatha S. Gurnes
CITY CLERK

WEST CARROLL WATER DISTRICT

BY: *John Edwards*
CHAIRPERSON

ATTEST:

Secretary
Approved by the Office of Attorney General

By: *Ryan Halloran Assistant Attorney General*

Date: *March 20, 2014*

Approved by the Kentucky Public Service Commission

By: _____

Date:

RESOLUTION 2014-08

**A RESOLUTION AMENDING AND RESTATING AN INTERGOVERNMENTAL
AGREEMENT BETWEEN
THE CITY OF CARROLLTON, KENTUCKY,
A CITY OF THE FOURTH CLASS,
AND THE WEST CARROLL WATER DISTRICT**

INTERCONNECT PROJECT

WHEREAS, the City of Carrollton, Kentucky, by and through Carrollton Utilities (“CU”), is a public utility that provides water to customers in Carroll County, Kentucky; and,

WHEREAS, for the benefit of customers served by the City of Carrollton, the West Carroll Water District (“WCWD”) and the Carroll County Water District (“CCWD”), these public water systems are undertaking projects for the improvements to their respective water systems which are warranted; and,

WHEREAS, the City of Carrollton, Kentucky, and WCWD have previously entered into an interlocal agreement for the Interconnect Project dated May 14, 2013 and now desire to amend said interlocal agreement;

NOW THEREFORE, BE IT RESOLVED by the City of Carrollton that the amendment to the interlocal agreement with WCWD is unanimously approved on motion by MR. LOUDEN and seconded by MR. ADAMS .

DONE THIS THE 10TH DAY OF MARCH, 2014.


MAYOR
CITY OF CARROLLTON, KENTUCKY

ATTEST:


CITY CLERK

RESOLUTION 2014-01

A RESOLUTION AMENDING AND RESTATING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF CARROLLTON, KENTUCKY, A CITY OF THE FOURTH CLASS, AND THE WEST CARROLL WATER DISTRICT

INTERCONNECT PROJECT

WHEREAS, for the benefit of customers served by the City of Carrollton, the West Carroll Water District ("WCWD") and the Carroll County Water District ("CCWD"), these public water systems are undertaking projects for the improvements to their respective water systems which are warranted; and,

WHEREAS, the City of Carrollton, Kentucky, and WCWD have previously entered into an interlocal agreement for the Interconnect Project dated May 14, 2013 and now desire to amend said interlocal agreement;

NOW THEREFORE, BE IT RESOLVED by the West Carroll Water District that the amendment to the interlocal agreement with the City of Carrollton is unanimously approved on motion by Mr. Bob Linsner and seconded by Mr. Dave Riddle

DONE THIS THE 10th DAY OF March 2014.

Vickie Edwards
VICKIE EDWARDS
CHAIR

ATTEST:
[Signature]
SECRETARY

