

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| THE APPLICATION OF THE CRITTENDEN- |) | |
| LIVINGSTON COUNTY WATER DISTRICT, A WATER |) | |
| DISTRICT ORGANIZED PURSUANT TO CHAPTER 74 |) | |
| OF THE KENTUCKY REVISED STATUTES, OF |) | |
| CRITTENDEN AND LIVINGSTON COUNTIES, |) | CASE NO. |
| KENTUCKY, FOR APPROVAL OF THE PROPOSED |) | 89-131 |
| PLAN OF REFINANCING AND REFUNDING CERTAIN |) | |
| OUTSTANDING WATERWORKS REVENUE BONDS OF |) | |
| THE DISTRICT THROUGH THE ISSUANCE OF |) | |
| \$1,201,000 OF WATERWORKS REFUNDING REVENUE) |) | |
| BONDS |) | |

O R D E R

On May 16, 1989 Crittenden-Livingston County Water District ("District") filed an application for authority to refinance and refund certain outstanding Revenue Bonds of 1985, Series A, ("1985 Series A Bonds"), through the issuance of \$1,201,000 Refunding Revenue Bonds of 1989 ("1989 Bonds").

The Commission, having considered the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. The District intends to use the proceeds of the proposed bond issuance to refund the 1985 Series A Bonds.
2. The District is currently in default in the payment of both principal and interest of the 1985 Series A Bonds in the total amount of approximately \$150,000. The Farmers Home Administration ("FmHA") currently holds all outstanding 1985 Series A Bonds.

3. If the sale of 1989 Bonds fails to attract a purchaser other than the FmHA, the FmHA has agreed to exchange all outstanding 1985 Series A Bonds for all of the 1989 Bonds.

4. The interest rate of the proposed 1989 Bonds will be 7 percent per annum, the same interest rate as the 1985 Series A Bonds.

5. The proposed 1989 Bonds will rank on a parity as to security and source of payment with the District's other outstanding bonds.

6. The proposed bond issuance will not require a change in the District's schedule of water rates and charges at this time.

7. The issuance and sale of the 1989 Bonds are for lawful objects within the corporate purposes of the District, are necessary and appropriate for and consistent with the proper performance of its service to the public and will not impair the District's ability to perform that service, and are reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED that:

1. The District be and it hereby is authorized to issue, and sell the 1989 Bonds as described in the application.

2. After the issuance of the securities authorized herein, the District shall promptly inform the Commission in writing of the date of the securities' issuance, price, interest rate and purchasers, and all fees and expenses, including underwriting discounts, commissions, or other compensation, involved in the issuance and distribution.


3. The proceeds from the issuance and sale of the 1989 Bonds shall be used only for the lawful purposes as set out in the District's application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 30th day of May, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director