

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GREEN RIVER VALLEY WATER )	
DISTRICT TO ISSUE SECURITIES IN THE )	
APPROXIMATE PRINCIPAL AMOUNT OF )	
\$5,845,000 FOR THE PURPOSE OF REFUNDING )	CASE NO.
CERTAIN OUTSTANDING REVENUE BONDS OF )	2016-00376
THE DISTRICT PURSUANT TO THE PROVISIONS )	
OF KRS 278.300 AND 807 KAR 5:001 )	

ORDER

On October 25, 2016, Green River Valley Water District (“Green River Valley”) applied to the Commission for approval to enter into an assistance agreement with the Kentucky Rural Water Finance Corporation (“KRWFC”) to issue securities in the approximate principal amount of \$5,845,000 for the purpose of refunding certain outstanding revenue bonds. Finding that it met the minimum filing requirements, the application was accepted for filing as of October 25, 2016. Having considered the record, and being otherwise sufficiently advised, the Commission finds that:

1. Green River Valley proposes to execute an assistance agreement with KRWFC to borrow \$5,845,000, subject to an adjustment of up to 10 percent. The proposed loan will have a 30-year term subject to interest rates that range from 2.20 percent to 3.325 percent.<sup>1</sup>

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<sup>1</sup> Application, Exhibit A.

2. Green River Valley proposes to use the proceeds from the assistance agreement to refund the outstanding revenue bonds herein designated as Revenue Bonds, Series 1996A, Series 1996B, Series 1996C, and Series 2004A.<sup>2</sup>

3. Green River Valley estimates that its proposed refinancing will result in total gross savings and net present value savings of \$1,059,259 and \$695,791, respectively.<sup>3</sup>

4. Green River Valley will expend \$6,051,078 to refund the outstanding bonds and to pay bond issuance costs.<sup>4</sup>

5. Green River Valley's proposed loan is for a lawful object within its corporate purposes, is reasonably necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair Green River Valley's ability to perform that service, and is reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED that:

1. Green River Valley is authorized to enter into an agreement with KRWFC to borrow no more than \$6,429,500<sup>5</sup> for the purpose of refunding the outstanding indebtedness, but only under such terms and conditions as will produce both positive gross savings and net present value savings.

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<sup>2</sup> *Id.*, at 2 and 3.

<sup>3</sup> *Id.*, Exhibit C. The utility identifies "gross savings" and "net present value savings" as "net benefit" and "net present value benefit," respectively.

<sup>4</sup> *Id.*, Exhibit B. \$6,715 (Original Issue Discount) + \$73,063 (Total Underwriter's Discount) + \$64,295 (Cost of Issuance) + \$5,906,282 (Deposit to Current Refunding Fund) + \$723 (Rounding) = \$6,051,078. The Sources of the Funds are \$5,845,000 (Par Amount of Bonds) + \$22,010 (Reoffering Premium) + \$184,068 (Transfers from Prior Issue Debt Service Funds) = \$6,051,078.

<sup>5</sup> \$5,845,000 x 110% = \$6,429,500.

2. If the actual terms and conditions of the agreement with KRWFC differ from those set forth in its amended application, Green River Valley shall, within 30 days of executing the loan agreement, file with the Commission amortization schedules and work papers showing the actual gross savings and net present value savings that will result from the refinancing.

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

4. The proceeds from the Assistance Agreement shall be used only for the lawful purposes specified in Green River Valley's application.

5. Any documents filed pursuant to ordering paragraphs 2 and 3 of this Order shall reference the number of this case and shall be retained in the utility's general correspondence file.

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.

By the Commission

ENTERED  
NOV 30 2016  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2016-00376

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