

RECEIVED

JAN 07 2019

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

THE APPLICATION OF HYDEN-LESLIE COUNTY)
 WATER DISTRICT TO ISSUE SECURITIES IN)
 THE APPROXIMATE PRINCIPAL AMOUNT OF)
 \$2,720,000 FOR THE PURPOSE OF REFINANCING) CASE NO. 2018 -00411
 A CERTAIN SHORT-TERM OUTSTANDING)
 OBLIGATION OF THE DISTRICT TO)
 LONG-TERM OBLIGATIONS PURSUANT)
 TO THE PROVISIONS OF KRS 278.300 AND)
 807 KAR 5:001)

** *** **** ***** **** *** **

MOTION TO AMEND APPLICATION

The Applicant, Hyden-Leslie County Water District (the "District"), by Counsel, files this Motion to Amend Application pursuant to 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") allows the District to revise certain terms of the requested financing filed in original Application.

1. The District, in its original Application, requested an order from the Commission authorizing the issuance of a 30 year loan with the Kentucky Rural Water Finance Corporation ("KRWFC") for the purpose of refinancing a short term KRWFC note.

2. The District has submitted a letter of intent (see **Exhibit "A"** attached hereto) to borrow money from the Kentucky Infrastructure Authority ("KIA") Fund B/C program at the current poverty interest rate for a term of 30 years to provide permanent financing of the Project referred to in the original Application. The KIA loan interest rate is substantially lower than the

projected KRWFC loan interest rate and accordingly would generate significant interest cost savings for the District.

3. As stated in the original Application, the District's current short term note to KRWFC matures on February 1, 2019 and must be refinanced in order to prevent a default.

4. The District proposes to borrow short term funds from KRWFC (one year maturity) to refinance the outstanding KRFWC note in order to allow sufficient time to complete the KIA loan process; file the appropriate Application with the Commission authorizing the KIA loan; and close such KIA loan.

5. The principal amount of the proposed KRWFC loan must be increased from an estimated \$2,720,000 to an estimated \$2,780,000 to provide for capitalized interest on said KRWFC loan.

6. In the event the KIA loan does not close, the District would apply to KRWFC for permanent financing.

7. The proposed debt service schedule and estimated interest rate of the proposed KRWFC loan are attached hereto as **Exhibit "B"** and the District requests that such **Exhibit "B"** be substituted for the original Exhibit "A" attached to the original Application.

8. The Sources and Uses of Funds to be obtained from the issuance of the KRWFC Loan are detailed as **Exhibit "C"**, which is attached hereto. The District requests that such **Exhibit "C"** be substituted for the original Exhibit "B" attached to the original Application.

WHEREFORE, the District, by Counsel, respectfully requests that the Commission amend the original Application as follows:

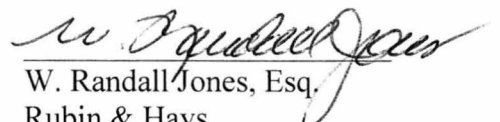
1. Revise the original maturity of the proposed financing from 30 years as set out in the original Application to 1 year as set out herein;
2. Revise the original principal amount from \$2,720,000 to \$2,780,000 (subject to adjustment of up to 10%); and
3. Substitute Exhibits “A” and “B” in the original Application with Exhibits “B” and “C” attached to this Motion.

Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
Counsel for Hyden-Leslie County Water
District
wrjones@rubinhays.com

Certificate of Service and Filing

The undersigned, Counsel to the Hyden-Leslie County Water District, in Case No. 2018-00411, hereby certifies (i) that an original and ten copies of the foregoing were served and filed with Ms. Gwen R. Pinson, Executive Director of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; and (ii) that true and accurate copies of the foregoing were mailed via the United States Postal Service, first class, postage prepaid to all parties of record, all on this January 3, 2019.


W. Randall Jones, Esq.
Rubin & Hays

Letter of Intent KIA Funds B/C

All requests for funding are reviewed and approved case-by-case, based upon project readiness and funding availability. Submit to: kia.loanapplications@ky.gov

Legal Applicant: Hyden-Leslie County Water District

Contact: L.S. Turner Phone: 606-672-2791 Email: HLWater@TDS.net

Address: 356 Wendover Rd Hyden KY 41749

Project Title: _____

WRIS Number: SX/ WX _____

Fund Selection:

Fund B Loan amount requested: 2,700,000.00

Fund C Loan amount requested: _____

Project description: Permanent financing of short term debt. Debt is from a previous construction project.

List the three most current audits (completed):

2017

2016

2015

Other anticipated sources of funding:

Schedule:

Bid Advertisement _____
Bid Opening _____
Contract Award _____
Construction Start _____
Construction End _____

To the best of my knowledge and belief, data contained in this request are true and correct; the document has been duly authorized by the legal applicant.

Augustus Roberts Chairman

Typed Name and Title

[Signature] 11-29-18

Signature of Legal Applicant, Date

Preliminary

\$2,780,000

Hyden-Leslie Water District

Loan through the

Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/27/2019	-	-	-	-	-
08/01/2019	-	-	45,468.44	45,468.44	-
12/31/2019	-	-	-	-	45,468.44
02/01/2020	2,780,000.00	3.200%	44,480.00	2,824,480.00	-
12/31/2020	-	-	-	-	2,824,480.00
Total	\$2,780,000.00	-	\$89,948.44	\$2,869,948.44	-

Yield Statistics

Bond Year Dollars	\$2,810.89
Average Life	1.011 Years
Average Coupon	3.1999998%
Net Interest Cost (NIC)	3.6945053%
True Interest Cost (TIC)	3.7080688%
Bond Yield for Arbitrage Purposes	3.1997117%
All Inclusive Cost (AIC)	5.4793877%

IRS Form 8038

Net Interest Cost	3.1999998%
Weighted Average Maturity	1.011 Years

Series 2019 A with Centra | Hyden Leslie | 1/2/2019 | 3:00 PM

Raymond James & Associates, Inc.

Public Finance

Preliminary

\$2,780,000

Hyden-Leslie Water District
Loan through the
Kentucky Rural Water Finance Corporation

Sources & Uses

Dated 01/27/2019 | Delivered 01/27/2019

Sources Of Funds

Par Amount of Bonds	\$2,780,000.00
---------------------	----------------

Total Sources	\$2,780,000.00
----------------------	-----------------------

Uses Of Funds

Total Underwriter's Discount (0.500%)	13,900.00
---------------------------------------	-----------

Costs of Issuance	47,200.00
-------------------	-----------

Deposit to Capitalized Interest (CIF) Fund	89,948.44
--	-----------

Deposit to Project Construction Fund	2,625,000.00
--------------------------------------	--------------

Rounding Amount	3,951.56
-----------------	----------

Total Uses	\$2,780,000.00
-------------------	-----------------------