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March 8, 2019

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PUBLIC SERVICE
COMMISSION

Via Federal Express

Gwen R. Pinson
Executive Director
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

Application of Green-Taylor Water District for Approval to Enter into a Lease Agreement with the Kentucky Association Of Counties Leasing Trust, in an Approximate Principal Amount of \$2,530,000 for the Purpose of Refinancing Certain Outstanding Obligations of the Green-Taylor Water District, Case No. 2019-[00071_____].

Dear Director Pinson:

Please accept this response to your March 6, 2019 letter identifying deficiencies with the application filed by the Green-Taylor Water District (the "District") in the above referenced case. Please find below the deficiencies identified and District's responses.

(1) Deficiency: Pursuant to 807 KAR 5:001, Section 12(2)(e) - Bonds: Amount Authorized, Description of Each Class Issued, Date of Maturity.

Response:

Bonds:

The District is seeking authorization for a \$2,530,000 lease obligation. Please note, the District is seeking approval to enter into a lease obligation. The District is not issuing bonds. Bonds will be issued by a Kentucky Association of Counties entity for the benefit of several of its members, including various counties, and the District. The District is seeking authorization to enter into a lease obligation to repay its share of the bond issue that will be loaned to the District. The District re-attaches to this letter as Exhibit J, the Exhibit F from its initial application. This Exhibit J is the statement to the Kentucky Department of Local Government's State and Local Debt Office. Section B, "Terms of Financial Obligation," contains descriptive information on the proposed lease agreement. This section is reproduced below for your convenience. Please note, the information is in draft form and will need to be updated upon approval. The Department for

Local Government requires this form to be filed after the closing of the financial obligations, and will be re-submitted to the Commission at that time.

Section B - Terms of Financial Obligation

Please provide all relevant information. Fields in bold are mandatory.

Principal Amount: \$2,530,000	Date of Issue: April 1, 2019
Maturity Date(s): 02/01/2037	Payment Schedule: (must attach schedule)
Term: 17 years	Number of Renewal Periods: N/A
Interest Rate(s): 3.250-5.000%	Type of Interest (fixed or variable): Fixed
Retirement Method: Lease payments	
Lender's Name: N/A	
Lender's Address: N/A	
Right of Termination: N/A	
Termination Penalties: N/A	
Prepayment Provisions: Bonds maturing on and after February 1, 2030 are subject to optional redemption on any date on and after February 1, 2029	
Trustee or Paying Agent: U.S. Bank National Association	
AOC Funding Percentage: 0%	

Amount Authorized:

The District is seeking approval for a lease in the amount of \$2,530,000, and has authorized borrowing up to that amount to refund its existing obligations for debt service savings.

Description of Each Class Issued:

The District seeks approval to enter into a \$2,530,000 lease obligation. There are not classes of lease obligations in the same manner that other securities have classes. The lease agreement simply functions as a loan agreement repaying the \$2,530,000 that the Kentucky Association of Counties will lend to the District in order to refund the District's outstanding obligations for debt savings.

Date of Maturity:

The lease will mature on February 1, 2037.

(2) Deficiency: Notes Outstanding: Date of Issue, Amount

Response:

The four obligations, as stated in Section 5 of the original application, are as follows, with additional information included regarding when the obligations were issued and in what amount. Please note, the remaining maturities to be refunded, their interest rates, and other information, were included in Exhibit E to the initial application of the District.

- (i) Series 1995 USDA Loan #91-10, of which \$287,000 remains outstanding (issued on March 9, 1995, in the initial amount of \$466,000);

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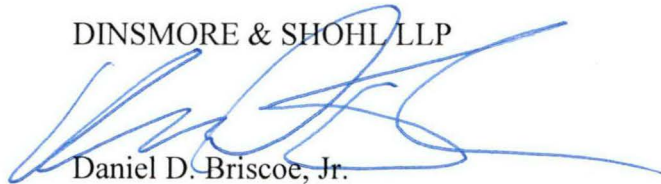
- (ii) Series 1996 USDA Loan #91-12, of which \$439,000 remains outstanding (issued on June 28, 1996, in the initial amount of \$675,000);
- (iii) Series 2004 USDA Loan #91-16, of which \$544,000 remains outstanding (issued on December 16, 2004 in the original amount of \$673,000); and
- (iv) Series 2004 Kentucky Rural Water Association Bonds, of which \$1,241,000 remains outstanding (issued on April 27, 2004 in the initial amount of 2,610,000).

We ask that the enclosed documents be included as part District's application. Please return a file stamped copy in the enclosed self-addressed prepaid envelope.

Thank you and if you have any questions with respect to this matter, please call me.

Regards,

DINSMORE & SHOHL LLP



Daniel D. Briscoe, Jr.

bmt/kwi

Exhibit J

**DRAFT STATEMENT OF NOTIFICATION OF INTENT TO FINANCE AND
APPLICATION OF DEBT APPROVAL WITH THE STATE AND LOCAL DEBT
OFFICE**

Page 1	NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL Form # SLDO-1 Revised 1/1/2011	For DLG staff use only: File # _____ Received _____
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Completion and delivery of this form to the address below shall satisfy the requirements of KRS 65.117, which prohibits any city, county, urban-county, consolidated local government, charter county, special district, or taxing district from entering into any financing obligation of any nature, except leases under \$200,000, without first notifying the state local debt officer in writing. This form shall also serve as application for approval of debt issuance when applicable. An electronic version of the form is available at www.dlg.ky.gov.

<input checked="" type="checkbox"/> Type of debt to be issued (must check one):	SLDO Approval Required	Complete Sections
<input type="checkbox"/> Short Term Borrowing – KRS 65.7701 et. seq.	No	A,B,C
<input type="checkbox"/> Lease from \$200,000 - \$500,000 – KRS 65.940 et. seq.	No	A,B,D
<input checked="" type="checkbox"/> Lease exceeding \$500,000 – KRS 65.940 et. seq.	Yes (Counties only)	A,B,D
<input type="checkbox"/> General Obligation Bond – KRS Chapter 66	Yes (Counties only)	A,B,E
<input type="checkbox"/> Public Project Rev. Bond – KRS Chapter 58	No	A,B,E
<input type="checkbox"/> Public Project Rev. Bonds w/Lease - KRS 65.310(2)	Yes (Counties only)	A,B,D,E
<input type="checkbox"/> Industrial Revenue Bond – KRS Chapter 103	Yes (All Borrowers)	A,B,F
<input type="checkbox"/> Other Bonds (True Revenue, Utility Assessment, TIF)	No	A,B,E

Section A – Borrower Information

Agency Name: Green-Taylor Water District	
Governing Body: Special District	
Street Address: 250 Industrial Park Road	
PO Box	City: Greensburg
County: Green County	Zip: 42743
Authorized Official: General Manager	

Section B – Terms of Financial Obligation

Please provide all relevant information. Fields in bold are mandatory.

Principal Amount: \$2,530,000	Date of Issue: April 1, 2019
Maturity Date(s): 02/01/2037	Payment Schedule: (must attach schedule)
Term: 17 years	Number of Renewal Periods: N/A
Interest Rate(s): 3.250-5.000%	Type of Interest (fixed or variable): Fixed
Retirement Method: Lease payments	
Lender's Name: N/A	
Lender's Address: N/A	
Right of Termination: N/A	
Termination Penalties: N/A	
Prepayment Provisions: Bonds maturing on and after February 1, 2030 are subject to optional redemption on any date on and after February 1, 2029	
Trustee or Paying Agent: U.S. Bank National Association	
AOC Funding Percentage: 0%	

Page 2	<p style="text-align: center;">NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL Form # SLDO-1 Revised 1/1/2011</p>
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Section C – Note (Loan) Information/Documentation

Purpose – Briefly explain the documented need that necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary):

Pledge of Taxes/Description:

Pledge of Revenue/Description:

Pledge of Project Revenues (Attach documentation which substantiates the revenue projections):

Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal? Yes No

If No, explain what steps were taken to ensure adequate competition.

Required Attachments

1. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the note and statement as to taxes and revenues to be collected during the term of the note.

Section D – Lease Information/Documentation

Describe the real or personal property to be acquired or constructed:

N/A, Refunding.

Type of Lease: General Obligation Revenue

Is Lease Annually Renewable? Yes No

Does Agency seek approval without a hearing? Yes No Jurisdiction: Revenue Refunding

If yes, please state the name, date and principal amount of original issue(s) being refunded:

- \$287,000 Series 1995 USDA Loan #91-10
- \$439,000 Series 1996 USDA Loan #91-12
- \$544,000 Series 2004 USDA Loan #91-16
- \$1,241,000 Series 2004 KRWA Bonds

Required Attachments (If lease requires SLDO approval)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing (if hearing is required) and newspaper advertisement tear sheet
3. Copy of lease
4. Executed copy of ordinance/resolution of fiscal court authorizing the lease
5. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the lease and statement as to taxes and revenues to be collected during the term of the lease

Page 3	<p>NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL</p> <p>Form # SLDO-1 Revised 1/1/2011</p>
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Section E – Bond Information/Documentation

Please provide all relevant information. Fields in bold are mandatory.

Describe the purpose of the bond:

The bond is being issued to refinance all of the District’s outstanding obligations for debt service savings.

Bond Counsel: Dinsmore & Shohl LLP

Counsel Address: 50 East RiverCenter Boulevard, Suite 1150, Covington, KY

Financial Advisor: Compass Municipal Advisors, LLC

Advisor Address: 333 West Vine Street, Suite 1610, Lexington, Kentucky 40509

Bond Series: Financing Program Revenue Bonds 2019 First Series A

Call Date: Bonds maturing on and after February 1, 2030 are subject to optional redemption on any date on and after February 1, 2029

Does this bond refund a prior bond? Yes

If yes, please state the name, date and principal amount of original issue(s) being refunded:

- \$287,000 Series 1995 USDA Loan #91-10
- \$439,000 Series 1996 USDA Loan #91-12
- \$544,000 Series 2004 USDA Loan #91-16; and
- \$1,241,000 Series 2004 KRWA Bonds

Required Attachments (If SLDO Approval is Required)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing and newspaper advertisement tear sheet
3. Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
4. Proposed plan of financing
5. Preliminary official statement (if applicable)

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6. Sources and uses table

Additional Required Attachments for KRS Chapter 103 Bonds

1. Documentation in an appropriate form substantiating the project's eligibility under KRS 103.2101(1)(a)-(e).
2. If the project requires approval of the reduction in property taxes, attach any documentation provided to agency responsible for approval.

By signing below, the Authorized Official certifies that the foregoing is true and accurate to the best of his or her knowledge.

Name (please print): Daniel D. Briscoe, Jr., Esq.	Date: 2/20/2019
Title: Bond Counsel	Signature: