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PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In Re Matter of: APPLICATION OF SOUTHERN WATER AND SEWER  
DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT

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MOTION FOR KY PUBLIC SERVICE COMMISSION APPROVAL OF LOAN

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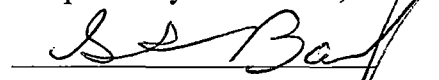
Comes Southern Water and Sewer District "Southern", by and through counsel,  
and for its motion for approval of a proposed loan states as follows;

As you may be aware, Southern has recently received a loan from the Floyd Fiscal  
Court in the amount of \$150,000. Said loan was needed due to the dire financial  
condition Southern found itself in when Southern's current board took over in early 2019.

Southern hereby requests PSC approval for Southern to take on a loan from a bank  
in order to re-pay the \$150,000 back to the Floyd Fiscal Court. Please find the attached  
terms, conditions and requirements of said bank loan.

Wherefore, Southern hereby requests PSC approval of the attached loan and  
approval to use the proceeds of said loan to re-pay the Floyd Fiscal Court.

Respectfully Submitted,



Steven P Bailey, JD/MBA

Counsel for Southern Water & Sewer District

Bailey Law Office, PSC

181 E Court Street

Prestonsburg, KY 4153

(606) 263-4913

161 South Lake Drive  
Prestonsburg, Kentucky 41653  
606-886-2382

Date: June 28, 2019

Southern Water & Sewer District  
PO Box 610  
245 Ky Rt. 680  
McDowell Ky. 41647

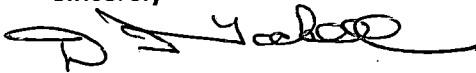
Dear Mr. Prater

Community Trust Bank is pleased to inform you that your application for your loan request of \$150,000.00 has been approved subject to the following terms, conditions, and requirements:

- 1) Borrower will be Southern Water & Sewer District
- 2) Loan amount \$150,000.00
- 3) Term 48 months
- 4) Rate shall be wall street journal prime minus 0.50% (currently 5.00%)
- 5) Repayment shall consist of principal and interest payment in the approximate amount of \$3,500.00 per month.
- 6) The loan shall have a processing fee of \$250.00
- 7) Collateral shall be a first lien on a money market account [REDACTED] in the amount of \$150,000.00 in the name of the Floyd County Fiscal Court.
- 8) Written approval for the extension of credit from the Public Service Commission.
- 9) This commitment will expire on July 30<sup>th</sup>, 2019

Thank you for considering Community Trust Bank for your financing needs. If you have any questions please don't hesitate to give me a call.

Sincerely



David Tackett  
Market President  
Community Trust Bank, Inc.