



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda K. Breathitt
Commissioner

April 4, 2013

Mr. James Lee Mudd
Marion County Water District
P. O. Box 528
Lebanon, Kentucky 40033

Joseph H. Mattingly III, Esq.
Mattingly & Nally-Martin, PLLC
P.O. Box 678
Lebanon, Kentucky 40033

Re: Case No. 2013-00093
Marion County Water District

Gentlemen:

The enclosed documents have been filed in the record of the above-referenced case. Any objections to this action should be submitted to the Commission within five days of receipt of this letter.

Sincerely,

A handwritten signature in black ink that reads "Jeff Derouen".

Jeff Derouen
Executive Director

gw
Enclosure

From: [Joe Mattingly](#)
To: [Wuetcher, Jerry \(PSC\)](#)
Cc: mcwdh2o@yahoo.com
Subject: Re: Case No. 2013-00093: Marion County Water District
Date: Thursday, April 04, 2013 9:43:14 AM
Attachments: [Ltr - CNB and Present Value Calculation.pdf](#)

Jerry:

Please find attached the present value calculation you requested. Please advise if further information is needed.

Regards,

Joseph H. Mattingly III
MATTINGLY & NALLY-MARTIN, PLLC
Attorneys at Law

P.O. Box 678 - 104 West Main Street
Lebanon, Kentucky 40033
Telephone: (270) 692-1718
Telefax: (270) 692-1249

From: [Wuetcher, Jerry \(PSC\)](#)
Sent: Wednesday, March 27, 2013 3:15 PM
To: 'Joe Mattingly'
Cc: mcwdh2o@yahoo.com
Subject: RE: Case No. 2013-00093: Marion County Water District

Mr. Mattingly:

If you wish to submit the information by e-mail to speed up the process, the materials can be sent directly to my e-mail address. I will ensure that they are filed in the case record.

Thank you.

Sincerely,

Gerald E. Wuetcher
Executive Advisor/Attorney
Public Service Commission of Kentucky
gerald.wuetcher@ky.gov
Office: (502) 564-3940
Direct: (502) 782-2590
Cell: (502) 229-6500

From: Joe Mattingly [mailto:jhmlaw@windstream.net]
Sent: Wednesday, March 27, 2013 3:13 PM
To: Wuetcher, Jerry (PSC)
Cc: mcwdh2o@yahoo.com
Subject: Re: Case No. 2013-00093: Marion County Water District

Jerry:

Thanks for the note. The request has been placed to the lender to prepare this schedule. I spoke with him yesterday and we hope to have that schedule to supplement the Application next week.

Regards,

Joseph H. Mattingly III
MATTINGLY & NALLY-MARTIN, PLLC
Attorneys at Law

P.O. Box 678 - 104 West Main Street
Lebanon, Kentucky 40033
Telephone: (270) 692-1718
Telefax: (270) 692-1249

From: [Wuetcher, Jerry \(PSC\)](mailto:Wuetcher, Jerry (PSC))
Sent: Thursday, March 21, 2013 4:22 PM
To: 'jhmlaw@windstream.net'
Cc: 'mcwdh2o@yahoo.com'
Subject: Case No. 2013-00093: Marion County Water District

Mr. Mattingly:

Commission Staff is reviewing Marion County Water District's application for authorization to enter a loan agreement with Citizens National Bank to borrow \$820,000. In support of its application, Marion County Water District has stated that the proposed refinancing of certain bonds currently held by Rural Development will result in a gross savings of \$236,818. Has the water district or its proposed creditor performed a present value analysis of the proposed transaction to determine the net present value savings of the proposed refinancing? If yes, please advise as to the net present value savings that will result and provide a copy of the calculations of the net present value savings. With this information, the Commission can proceed to make a decision on Marion County Water District's application.

If you have any questions, please contact me.

Respectfully,

Gerald E. Wuetcher
Executive Advisor/Attorney
Public Service Commission of Kentucky
gerald.wuetcher@ky.gov

Office: (502) 564-3940

Direct: (502) 782-2590

Cell: (502) 229-6500

Citizens National Bank

149 West Main Street | Lebanon, Kentucky 40033

Phone: 270-692-2113 | Fax: 270-692-0344 | Web Address: www.cnboflebanon.com

February 10, 2013

Marion County Water District
P.O. Box 528
Lebanon, KY 40033
Attention: Jimmy Mudd

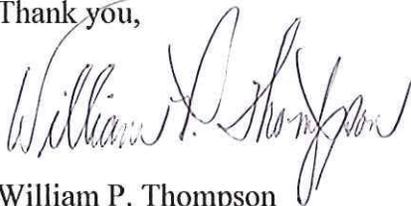
Dear Jimmy:

Please find enclosed a calculation of the Present Value savings that would result from the refinancing of the three outstanding bond issues for the Marion County Water District. I have used a Discount Rate of 2.50% that shows approximately \$122,276.85 in Present Value Savings.

Also, the only closing fee on this loan through Citizens National Bank is \$750. Further please note that this loan will pay out in 17.5 years (2030) which is almost 9 years sooner than your longest bond issue (2039).

I would welcome the opportunity to be of service to the Marion County Water District regarding this refinancing. The total loan would be \$820,000.00 with a fixed rate of 3.50% amortized over 17.5 years on either monthly or quarterly payments with a closing fee of \$750 and documents would be signed by the same officials who signed the three different bond issues that are being refinanced. Citizens National Bank would be simply stepping into the shoes of the bondholders of these three issues being consolidated into the new loan.

Thank you,



William P. Thompson
President & CEO
Citizens National Bank
Lebanon, KY 40033

William P. Thompson
President and Chief Executive Officer
Phone: 270-692-2113
Fax: 270-692-0344
Email Address: cnbank@kyol.net

2.50%

4/1/2013	CNB \$820,000		Total Existing		Gross Savings	PV Savings (@2.50%)
	Loan		Bond Payments			
12/1/2013	47,046.88				(47,046.88)	(46,278.75)
12/1/2014	62,729.17	\$62,925.00			195.83	187.93
12/1/2015	62,729.17	62,792.50			63.33	59.29
12/1/2016	62,729.17	62,613.75			(115.42)	(105.43)
12/1/2017	62,729.17	63,385.00			655.83	584.45
12/1/2018	62,729.17	62,560.00			(169.17)	(147.08)
12/1/2019	62,729.17	62,712.50			(16.67)	(14.14)
12/1/2020	62,729.17	63,291.25			562.08	465.14
12/1/2021	62,729.17	62,773.75			44.58	35.99
12/1/2022	62,729.17	63,210.00			480.83	378.73
12/1/2023	62,729.17	63,046.25			317.08	243.66
12/1/2024	62,729.17	62,813.75			84.58	63.41
12/1/2025	62,729.17	63,007.50			278.33	203.57
12/1/2026	62,729.17	63,105.00			375.83	268.18
12/1/2027	62,729.17	62,606.25			(122.92)	(85.57)
12/1/2028	62,729.17	62,533.75			(195.42)	(132.73)
12/1/2029	62,729.17	63,365.00			635.83	421.32
12/1/2030	47,046.88	62,050.00			15,003.12	9,698.99
12/1/2031		63,188.75			63,188.75	39,852.99
12/1/2032		61,657.50			61,657.50	37,938.77
12/1/2033		20,081.25			20,081.25	12,054.92
12/1/2034		19,892.50			19,892.50	11,650.35
12/1/2035		20,180.00			20,180.00	11,530.47
12/1/2036		19,920.00			19,920.00	11,104.30
12/1/2037		20,136.25			20,136.25	10,951.07
12/1/2038		20,305.00			20,305.00	10,773.51
12/1/2039		20,426.25			20,426.25	10,573.50
	1,097,760.48	1,334,578.75			236,818.27	122,276.85

Year	\$357,000 Bond Pmt.#1	\$296,000 Bond Pmt.#2	\$167,000 Bond Pmt.#3	Total Bond Pmts.	Year	CNB \$820,000 Loan Monthly Pmts. of \$5,227.43	
2013	\$ 29,850.00	\$ 20,060.00	\$ 13,015.00	\$62,925.00	2013	\$47,046.88 (Annual Sum)	April 1 - Dec. 1
2014	29,250.00	20,275.00	13,267.50	62,792.50	2014	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2015	29,650.00	19,966.25	12,997.50	62,613.75	2015	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2016	30,000.00	20,157.50	13,227.50	63,385.00	2016	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2017	29,300.00	19,825.00	13,435.00	62,560.00	2017	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2018	29,600.00	19,992.50	13,120.00	62,712.50	2018	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2019	29,850.00	20,136.25	13,305.00	63,291.25	2019	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2020	29,050.00	20,256.25	13,467.50	62,773.75	2020	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2021	30,250.00	19,852.50	13,107.50	63,210.00	2021	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2022	29,350.00	19,948.75	13,747.50	63,046.25	2022	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2023	29,450.00	20,021.25	13,342.50	62,813.75	2023	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2024	29,500.00	20,070.00	13,437.50	63,007.50	2024	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2025	29,500.00	20,095.00	13,510.00	63,105.00	2025	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2026	29,450.00	20,096.25	13,060.00	62,606.25	2026	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2027	29,350.00	20,073.75	13,110.00	62,533.75	2027	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2028	30,200.00	20,027.50	13,137.50	63,365.00	2028	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2029	28,950.00	19,957.50	13,142.50	62,050.00	2029	62,729.17 (Annual Sum)	Jan. 1 - Dec 1
2030	29,700.00	20,363.75	13,125.00	63,188.75	2030	47,046.88 (Annual Sum)	Jan. 1 - Sept. 1
2031	28,350.00	19,722.50	13,585.00	61,657.50			
2032		20,081.25		20,081.25		\$1,097,760.48	
2033		19,892.50		19,892.50			
2034		20,180.00		20,180.00			
2035		19,920.00		19,920.00			
2036		20,136.25		20,136.25			
2037		20,305.00		20,305.00			
2038		20,426.25		20,426.25			
2039							

Savings \$236,818.27

\$ 1,334,578.75