

CRAWFORD & BAXTER, P.S.C.

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P.O. Box 353
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Case No. 2017-00409

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September 28, 2017

RECEIVED

OCT 04 2017

**PUBLIC SERVICE
COMMISSION**

Public Service Commission
ATTN: Dr. Talina R. Mathews,
Executive Director
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

RE: Carroll County Water District No. 1

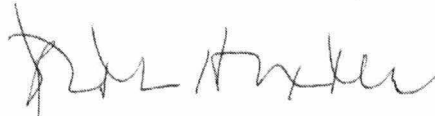
Dear Dr. Mathews:

Please find enclosed the original and eleven (11) copies of the Application for the Carroll County Water District No. 1. Please stamp date one copy of the Application and return to my office in the enclosed stamped self-addressed envelope.

Please contact me at (502) 732-6688 or Obe Cox at (502) 347-9500 with any questions regarding this filing. Thank you for your courtesy in this matter.

Sincerely,

CRAWFORD & BAXTER, P.S.C.



Ruth H. Baxter
Counsel for Carroll County Water District No. 1

RHB/dmp

Enclosures

cc: Mr. Obe Cox, CCWD

RECEIVED

OCT 04 2017

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CARROLL COUNTY)	
WATER DISTRICT NO. 1 FOR APPROVAL)	
TO REFINANCE DEBT TO KENTUCKY)	CASE NO. 2017- <u>00409</u>
INFRASTRUCTURE AUTHORITY)	

** ** * * * * *

APPLICATION

Comes now Carroll County Water District No. 1 (the "District"), by counsel, and files this Application pursuant to KRS 278.300, 807 KAR 5.001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") enter an Order authorizing the District to refinance its debt with the Kentucky Infrastructure Authority ("KIA"). The proceeds of the refinancing will be used by the District to pay a 2002 loan owed to KIA in full, and will provide debt service savings to the District, which results in savings to ratepayers.

In support of this Application, the District states as follows:

1. That it is a water district organized pursuant to KRS Chapter 74, and its full legal name is Carroll County Water District No. 1 (807 KAR 5:001, Section 8(a)).
2. The governing body of the District is its Board of Commissioners, a body corporate with the power to make contracts in the furtherance of its lawful and proper purposes as KRS 74.010 provides. The District is now, and has been since its formation, regulated by the Commission. All records and proceedings of the Commission with reference to the District are incorporated in this Application by reference. The District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

3. The mailing address of the District is:

205 Main Cross Street Phone: (502) 347-9500
Ghent, Kentucky 41045 Fax: (502) 347-9333

4. A description of the District's water system and its property, together with a statement of the original cost, is contained in its current Annual Report which is on file with the Commission. Said Annual Report is incorporated herein by reference.

5. The District entered into an Assistance Agreement with the KIA in order to receive financial assistance under the KIA's Drinking Water Revolving Fund Program ("Fund F Program"). The District proposes to refinance its 2002 loan with KIA from the Fund F Program in the original principal of \$1,908,662.00, secured by water revenues, and bearing interest at the rate of 3% per annum, with a final maturity date of December 1, 2024 ("KIA Loan"). There is currently owed on said KIA Loan the principal balance of \$800,280.00. KIA has agreed to refinance said KIA Loan with a new KIA Loan from its Government Agencies Program ("Fund C Program") at a lower interest rate of 2.25% ("New KIA Loan"). The New KIA Loan will have the same maturity date as the current KIA Loan. The decrease in interest rate with the new KIA Loan will result in a savings of \$23,774.00.

To facilitate the refinancing, the District would make its December 1, 2017, payment as scheduled on the KIA Loan, and the New KIA Loan semi-annual payment will be due June 1, 2018.

6. The estimated debt service for the New KIA Loan is shown in Exhibit "A", which is incorporated by reference. Payments under the New KIA Loan will reduce the annual cost of the District's debt by approximately \$3,400.00 per year. This reduction will assist the District to absorb typical inflation in its operation, and hopefully postpone a rate increase.

7. All proceeds from the refinancing by the New KIA Loan will be used to pay the KIA Loan in full. There are no transaction costs being charged by KIA for the refinancing. The only cost to the District is the legal fees incurred in submitting the Application to the Commission for approval.

8. A copy of the District's most recent financial audit for the period ending December 31, 2016, was filed with the Commission in July, 2017. Said financial audit is incorporated herein by reference. No material changes have taken place since the audit.

9. All of the District's outstanding Long Term Debt by date of issue, amount remaining, maturity date, interest rate and to whom the debt is owed is listed in the Note 8 - Long Term Debt to the District's Financial Statements ending December 31, 2016. A true and correct copy of said Note 8 is attached hereto as Exhibit "B" and incorporated herein by reference.

10. A detailed Income Statement and Balance Statement for the twelve (12) month period ending December 31, 2016, is attached hereto as Exhibit "C", and is incorporated herein by reference. The remaining financial information required is contained in the most recent Annual Report which is on file with the Commission.

11. The District's accountant, Jerilyn Zapp, Certified Public Accountant with Raisor, Zapp & Woods, P.S.C., has opined that the refinancing of its outstanding debt with the KIA is in the best interest of the District and will result in approximately \$24,000.00 in interest over the remaining term of the loan. A Statement from said accountant is attached hereto as Exhibit "D" and is incorporated herein by reference.

12. The District has determined and represents that the refinancing of the KIA Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of this District by producing debt service savings. This is a lawful objective within the

public purposes of the District's utility operations. The refinancing of the KIA Loan is necessary, appropriate for, and consistent with the proper performance by the District of its service to the public and will not impair its ability to perform that service. By Resolution No. 17-09-01 adopted September 14, 2017, the District has approved the application to the KIA for refinancing of the debt in order to obtain the New KIA Loan from its Fund C Program. A true and correct copy of said Resolution is attached hereto as Exhibit "E", and is incorporated herein by reference.

13. No rate adjustment is being proposed.
14. The following information is provided as required by 807 KAR 5:001(11):
 - a. No stock is to be issued. The Prior Obligation to be refinanced and its terms are described in Exhibit "A".
 - b. The proceeds of the New KIA Loan are to refinance the Prior Obligation to provide debt service savings.
15. The following exhibits are provided pursuant to 807 KAR 5:001(11)(2):
 - a. There are no trust deeds. All notes, indebtedness and mortgages are included in Exhibit "B".
 - b. No property is to be acquired.
16. The following information is provided pursuant to 807 KAR 5:001(6):
 - a. No stock is authorized.
 - b. No stock is issued.
 - c. There are no stock preferences.
 - d. Any mortgages are listed in the Annual Report.
 - e. Any bonds are listed in Exhibit "B".
 - f. Any notes are listed in Exhibit "B".

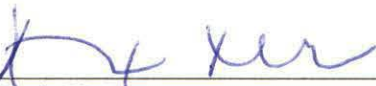
- g. Any other indebtedness is listed in Exhibit "B".
- h. No dividends have been paid.
- i. A current balance sheet and income statement is attached as Exhibit "C".

Due to the availability of the lower interest rate for a limited time period, the District seeks the approval of the Commission at its earliest convenience as the refinancing is being financed through a time sensitive transaction involving KIA.

WHEREFORE, the District requests that it be granted an Order authorizing the refinancing of the KIA Loan in the manner most beneficial to the District as set out herein.

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Email Address: RBaxter@cbkylaw.com

Attorneys for Carroll County Water District
No. 1

By: 
Ruth H. Baxter

CARROLL COUNTY WATER DISTRICT
NO. 1

BY: 
Joe C. Raisor, Chairperson

VERIFICATION

I, Joe C. Raisor, Chairperson of the Carroll County Water District No. 1, state that the statements contained in this Application are true to the best of my information and belief.

Joe C. Raisor
Joe C. Raisor, Chairperson

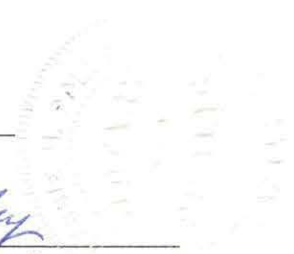
STATE OF KENTUCKY)

COUNTY OF CARROLL)

Subscribed and sworn to before me by Joe C. Raisor, Chairperson of the Carroll County Water District No. 1, on this the 28th day of September, 2017.

My commission expires: 10-13-2017

Dorothy M. Alley
Notary Public, Kentucky State at Large



KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #F03-02
 CARROLL COUNTY WATER DISTRICT
 FINAL

3.00% Rate
 \$63,801.04 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$800,280.77		
06/01/18	\$51,796.83	\$12,004.21	3.00%	\$63,801.04	\$1,000.35	\$0.00	\$64,801.39	\$748,483.94	\$75,000.00	\$75,000.00
12/01/18	\$52,573.78	\$11,227.26	3.00%	\$63,801.04	\$935.60	\$0.00	\$64,736.64	\$695,910.16	\$0.00	\$75,000.00
06/01/19	\$53,362.39	\$10,438.65	3.00%	\$63,801.04	\$869.89	\$0.00	\$64,670.93	\$642,547.78	\$0.00	\$75,000.00
12/01/19	\$54,162.82	\$9,638.22	3.00%	\$63,801.04	\$803.18	\$0.00	\$64,604.22	\$588,384.96	\$0.00	\$75,000.00
06/01/20	\$54,975.27	\$8,825.77	3.00%	\$63,801.04	\$735.48	\$0.00	\$64,536.52	\$533,409.69	\$0.00	\$75,000.00
12/01/20	\$55,799.89	\$8,001.15	3.00%	\$63,801.04	\$666.76	\$0.00	\$64,467.80	\$477,609.80	\$0.00	\$75,000.00
06/01/21	\$56,636.89	\$7,164.15	3.00%	\$63,801.04	\$597.01	\$0.00	\$64,398.05	\$420,972.91	\$0.00	\$75,000.00
12/01/21	\$57,486.45	\$6,314.59	3.00%	\$63,801.04	\$526.22	\$0.00	\$64,327.25	\$363,486.46	\$0.00	\$75,000.00
06/01/22	\$58,348.74	\$5,452.30	3.00%	\$63,801.04	\$454.36	\$0.00	\$64,255.40	\$305,137.72	\$0.00	\$75,000.00
12/01/22	\$59,223.97	\$4,577.07	3.00%	\$63,801.04	\$381.42	\$0.00	\$64,182.46	\$245,913.75	\$0.00	\$75,000.00
06/01/23	\$60,112.33	\$3,688.71	3.00%	\$63,801.04	\$307.39	\$0.00	\$64,108.43	\$185,801.43	\$0.00	\$75,000.00
12/01/23	\$61,014.02	\$2,787.02	3.00%	\$63,801.04	\$232.25	\$0.00	\$64,033.29	\$124,787.41	\$0.00	\$75,000.00
06/01/24	\$61,929.23	\$1,871.81	3.00%	\$63,801.04	\$155.98	\$0.00	\$63,957.02	\$62,858.18	\$0.00	\$75,000.00
12/01/24	\$62,858.18	\$942.86	3.00%	\$63,801.04	\$78.57	\$0.00	\$63,879.61	(\$0.00)	\$0.00	\$75,000.00
Totals	\$800,280.77	\$92,933.77		\$893,214.54	\$7,744.48	\$0.00	\$900,959.02		\$75,000.00	

Blumberg No. 5208
 EXHIBIT
 "A"

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #C
 CARROLL COUNTY WATER DISTRICT #1
 UNOFFICIAL COPY

UNOFFICIAL

2.25% Rate
 \$62,102.89 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$800,280.77		
06/01/18	\$53,099.73	\$9,003.16	2.25%	\$62,102.89	\$800.28	\$0.00	\$62,903.17	\$747,181.04	\$75,000.00	\$75,000.00
12/01/18	\$53,697.10	\$8,405.79	2.25%	\$62,102.89	\$747.18	\$0.00	\$62,850.07	\$693,483.94	\$0.00	\$75,000.00
06/01/19	\$54,301.20	\$7,801.69	2.25%	\$62,102.89	\$693.48	\$0.00	\$62,796.37	\$639,182.74	\$0.00	\$75,000.00
12/01/19	\$54,912.08	\$7,190.81	2.25%	\$62,102.89	\$639.18	\$0.00	\$62,742.07	\$584,270.66	\$0.00	\$75,000.00
06/01/20	\$55,529.85	\$6,573.04	2.25%	\$62,102.89	\$584.27	\$0.00	\$62,687.16	\$528,740.81	\$0.00	\$75,000.00
12/01/20	\$56,154.56	\$5,948.33	2.25%	\$62,102.89	\$528.74	\$0.00	\$62,631.63	\$472,586.25	\$0.00	\$75,000.00
06/01/21	\$56,786.29	\$5,316.60	2.25%	\$62,102.89	\$472.59	\$0.00	\$62,575.48	\$415,799.96	\$0.00	\$75,000.00
12/01/21	\$57,425.14	\$4,677.75	2.25%	\$62,102.89	\$415.80	\$0.00	\$62,518.69	\$358,374.82	\$0.00	\$75,000.00
06/01/22	\$58,071.17	\$4,031.72	2.25%	\$62,102.89	\$358.37	\$0.00	\$62,461.26	\$300,303.65	\$0.00	\$75,000.00
12/01/22	\$58,724.47	\$3,378.42	2.25%	\$62,102.89	\$300.30	\$0.00	\$62,403.19	\$241,579.18	\$0.00	\$75,000.00
06/01/23	\$59,385.12	\$2,717.77	2.25%	\$62,102.89	\$241.58	\$0.00	\$62,344.47	\$182,194.06	\$0.00	\$75,000.00
12/01/23	\$60,053.21	\$2,049.68	2.25%	\$62,102.89	\$182.19	\$0.00	\$62,285.08	\$122,140.85	\$0.00	\$75,000.00
06/01/24	\$60,728.81	\$1,374.08	2.25%	\$62,102.89	\$122.14	\$0.00	\$62,225.03	\$61,412.04	\$0.00	\$75,000.00
12/01/24	\$61,412.04	\$690.85	2.25%	\$62,102.89	\$61.41	\$0.00	\$62,164.30	\$0.00	\$0.00	\$75,000.00
Totals	\$800,280.77	\$69,159.69		\$869,440.46	\$6,147.51	\$0.00	\$875,587.97		\$75,000.00	

Loan	Total Principal	Total Interest	Total Servicing Fee	Total to Repay
F03-02	\$800,280.77	\$92,933.77	\$7,744.48	\$900,959.02
New C Loan	\$800,280.77	\$69,159.69	\$6,147.51	\$875,587.97
Total Savings	\$0.00	\$23,774.08	\$1,596.97	<u><u>\$25,371.05</u></u>

CARROLL COUNTY WATER DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
December 31, 2016 and 2015

NOTE 7 – CAPITAL ASSETS (Continued)

Included under the District's Plant Assets at December 31, 2016 and 2015, respectively, were \$946,932 and \$887,604 of fully depreciated assets. Land and land rights and construction in process are capital assets not being depreciated.

Depreciation expense aggregated \$451,230 and \$447,682 in 2016 and 2015, respectively.

NOTE 8 – LONG-TERM DEBT

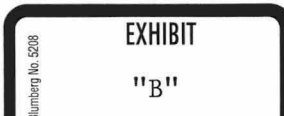
Notes Payable:

The Carroll County Water District No. 1 has entered into interlocal agreements under which it is the subrecipient of loan proceeds from the Kentucky Infrastructure Authority funding the Focus on Core Mission and Infrastructure Project and the Carroll County Interconnect Project. The City of Carrollton f/b/o Carrollton Utilities is the recipient of the loan proceeds. It is also the entity overseeing the engineering and construction contracts, and other general costs associated with the projects. Carroll County Water District No. 1, under interlocal agreements with the City of Carrollton/Carrollton Utilities, has agreed to pay Carrollton Utilities for the portion of the debt associated with improvements made to its distribution system. At December 31, 2015, Carroll County Water District No. 1's portion of the Carroll County Interconnect Project was complete. The Focus on Core Mission and Infrastructure Project was completed in 2016. The District chose to repay the total debt associated with the Focus on Core Mission and Infrastructure Project in December, 2016.

As of December 31, 2016 and 2015, the long-term debt payable consisted of the following:

Notes Payable:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Kentucky Infrastructure Authority represents a 20 year loan, original principal of \$1,908,662, secured by water revenues. Interest is charged at 3% per annum. Payments are made semi-annually. Final maturity is December 1, 2024.	\$ 901,589	\$ 999,926
Carrollton Utilities (Carroll County Interconnect Project) represents a 30 year loan as stipulated in an interlocal agreement. Interest is charged at .75% per annum. In addition, a loan servicing fee of .25% of the annual outstanding loan balance is payable as a part of each interest payment. The original principal balance was \$301,721 before the note was reduced by 25% principal forgiveness of \$75,430. Semi-annual payments with final maturity December 1, 2045.	219,538	226,291
Carrollton Utilities (Focus on Core Mission and Infrastructure Project) represents a 30 year loan as stipulated in an interlocal agreement. Interest is charged at .75% per annum. In addition, a loan servicing fee of .20% of the annual outstanding loan balance is payable as part of each interest payment. The original principal balance was \$123,433 before the note was reduced by 50% principal forgiveness of \$61,716. Semi-annual payments with final maturity December 1, 2045, early payoff occurred in December, 2016.	-	48,862
Total Notes Payable	\$ 1,121,127	\$ 1,275,079
Current Portion	\$ 108,112	\$ 106,547
Noncurrent Portion	1,013,015	1,168,532
Total Notes Payable	\$ 1,121,127	\$ 1,275,079



CARROLL COUNTY WATER DISTRICT NO. 1
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 December 31, 2016 and 2015

NOTE 8 – LONG-TERM DEBT (Continued)

Bonds Payable:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
RECD Revenue Bonds of 2005 Series A, original issue amount of \$592,000, secured by water revenues. Interest is charged at the rate of 4.375% per annum. Final maturity is September 1, 2044.	\$ 514,000	\$ 523,000
RECD Revenue Bonds of 2005 Series B, original issue amount of \$319,000, secured by water revenues. Interest is charged at the rate of 4.125% per annum. Final maturity is September 1, 2044.	275,500	280,500
RECD Revenue Bonds of 2010, (Build America Bonds – Direct Payment), original issue amount of \$1,246,000, secured by water revenues. Interest is charged at the rate of 3% per annum. Final maturity is September 1, 2049.	1,161,000	1,179,000
Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program) Series 2012 (B), original issue (District Share) \$3,785,000, secured by water revenues. Interest is charged at the rates of 2.2% - 4.2% per annum. Final maturity is January 1, 2039.	3,355,000	3,465,000
Total Bonds Payable	<u>\$ 5,305,500</u>	<u>\$ 5,447,500</u>

Bonds Payable:

Current Portion	\$ 144,500	\$ 142,000
Noncurrent Portion	5,161,000	5,305,500
Total Bonds Payable	<u>\$ 5,305,500</u>	<u>\$ 5,447,500</u>

Accrued Compensated Absences:

Current Portion	\$ 40,836	\$ 32,608
Noncurrent Portion	-	-
Total Accrued Compensated Absences	<u>\$ 40,836</u>	<u>\$ 32,608</u>

Bonds Payable – U.S. Department of Agriculture – Rural Development, Series 2010

On November 11, 2010, the Carroll County Water District No. 1 issued \$1,246,000 Taxable Waterworks Revenue Bonds, Series 2010 with an interest rate of 3%. The proceeds were used to finance the 2007 water system improvement project. The first interest payment was due March 1, 2011. The first principal payment was due September 1, 2012. The final payment will be due September 1, 2049. These bonds are taxable Build America Bonds. As such, the District will receive annual federal credit payments toward the debt service of approximately 35% of each interest payment due. The credit will amount to \$319,024 over the life of the issue.

CARROLL COUNTY WATER DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
December 31, 2016 and 2015

NOTE 8 – LONG-TERM DEBT (Continued)

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the years ended December 31, 2016 and 2015.

December 31, 2016

	Balance at January 1, 2016	Additions	Retirements	Balance at December 31, 2016	Current Portion
Notes Payable	\$ 1,275,079	\$ 12,854	\$ (166,806)	\$ 1,121,127	\$ 108,112
Bonds Payable	5,447,500	-	(142,000)	5,305,500	144,500
Accrued Compensated Absences	32,608	19,749	(11,521)	40,836	40,836
Total Enterprise Fund Debt	\$ 6,755,187	\$ 32,603	\$ (320,327)	\$ 6,467,463	\$ 293,448

December 31, 2015

	Balance at January 1, 2015	Additions	Retirements	Balance at December 31, 2015	Current Portion
Notes Payable	\$ 1,095,377	\$ 275,153	\$ (95,451)	\$ 1,275,079	\$ 106,547
Bonds Payable	5,589,500	-	(142,000)	5,447,500	142,000
Accrued Compensated Absences	29,053	3,555	-	32,608	32,608
Total Enterprise Fund Debt	\$ 6,713,930	\$ 278,708	\$ (237,451)	\$ 6,755,187	\$ 281,155

The annual requirements for all long-term debt outstanding at December 31, 2016, are as follows:

Due	Note Payable	Note Payable Interest	Service Fee	Bonds	Bonds Interest	Trustee Fee	Federal Credit Interest Payment	Total Principal, Interest, Trustee Fee & Servicing Fee
2017	\$ 108,112	\$ 27,927	\$ 2,736	\$ 144,500	\$ 175,940	\$ 450	\$ 12,191	\$ 471,856
2018	111,225	24,814	2,464	150,500	171,854	450	11,991	473,298
2019	114,432	21,608	2,183	157,000	166,976	450	11,781	474,430
2020	117,733	18,306	1,895	163,000	161,937	450	11,571	474,892
2021	121,134	14,906	1,599	170,500	156,655	450	11,351	476,595
2022-2026	399,337	25,657	3,722	923,000	698,917	2,250	53,141	2,106,024
2027-2031	37,218	4,970	1,657	1,101,000	530,577	2,250	46,305	1,723,977
2032-2036	38,638	3,550	1,183	1,243,000	311,750	2,250	38,136	1,638,507
2037-2041	40,111	2,076	692	706,500	112,208	1,350	28,382	891,319
2042-2046	33,187	563	187	379,500	36,785	-	16,727	466,949
2047-2050	-	-	-	167,000	6,802	-	3,216	177,018
	\$ 1,121,127	\$ 144,377	\$ 18,318	\$ 5,305,500	\$ 2,530,401	\$ 10,350	\$ 244,792	\$ 9,374,865

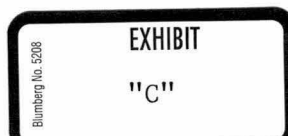
The annual requirements for all long-term debt outstanding at December 31, 2015, are as follows:

Due	Note Payable	Note Payable Interest	Service Fee	Bonds	Bonds Interest	Trustee Fee	Federal Credit Interest Payment	Total Principal, Interest, Trustee Fee & Servicing Fee
2016	\$ 106,547	\$ 31,314	\$ 3,122	\$ 142,000	\$ 179,374	\$ 450	\$ 12,380	\$ 475,187
2017	109,581	28,280	2,853	144,500	175,940	450	12,191	473,795
2018	112,706	25,156	2,577	150,500	171,854	450	11,991	475,234
2019	115,923	21,939	2,294	157,000	166,976	450	11,781	476,363
2020	119,236	18,626	2,002	163,000	161,937	450	11,571	476,822
2021-2025	520,876	40,829	5,410	895,500	727,745	2,250	54,369	2,246,979
2026-2030	44,917	6,380	2,127	1,060,500	568,222	2,250	47,775	1,732,171
2031-2035	46,630	4,667	1,556	1,226,000	358,365	2,250	39,890	1,679,358
2036-2040	48,408	2,888	963	876,500	141,164	1,800	30,471	1,102,194
2041-2045	50,255	1,042	347	412,000	47,107	-	19,226	529,977
2046-2050	-	-	-	220,000	11,092	-	5,528	236,620
	\$ 1,275,079	\$ 181,121	\$ 23,251	\$ 5,447,500	\$ 2,709,776	\$ 10,800	\$ 257,173	\$ 9,904,700

CARROLL COUNTY WATER DISTRICT NO. 1
STATEMENT OF NET POSITION
December 31, 2016 and 2015

	2016	2015
ASSETS		
Current Assets:		
Cash, Including Time Deposits	\$ 1,503,467	\$ 1,533,036
Accounts Receivable (Net)	176,002	156,054
Other Receivables	11,711	121
Inventory	161,430	135,011
Prepaid Expense	39,902	37,991
Total Current Assets	\$ 1,892,512	\$ 1,862,213
Noncurrent Assets:		
Restricted Assets:		
Cash, Including Time Deposits	\$ 1,327,193	\$ 1,308,274
Interest Receivable	96	110
Capital Assets (Net)	9,898,723	10,001,649
Deposits	100	100
Total Noncurrent Assets	\$ 11,226,112	\$ 11,310,133
Total Assets	\$ 13,118,624	\$ 13,172,346
DEFERRED OUTFLOWS OF RESOURCES		
Attributable to Employee Pension Plan	\$ 165,354	\$ 118,265
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 42,088	\$ 37,621
Accounts Payable - Capital Assets	-	50,000
Accrued Compensated Absences	40,836	32,608
Accrued Wages	2,042	-
Accrued Payroll Taxes/Employee Withholding	16,241	12,381
Utility Tax Payable	4,092	4,489
Sales Tax Payable	3,217	3,094
Current Liabilities Payable from Restricted Assets:		
Accrued Interest Payable	71,999	73,415
Revenue Bonds Payable	144,500	142,000
Note Payable	108,112	106,547
Total Current Liabilities	\$ 433,127	\$ 462,155
Noncurrent Liabilities:		
Revenue Bonds Payable	\$ 5,161,000	\$ 5,305,500
Note Payable	1,013,015	1,168,532
Net Pension Liability	811,645	704,435
Noncurrent Liabilities Payable from Restricted Assets:		
Customer Deposits Payable	25,587	22,547
Total Noncurrent Liabilities	\$ 7,011,247	\$ 7,201,014
Total Liabilities	\$ 7,444,374	\$ 7,663,169
DEFERRED INFLOWS OF RESOURCES		
Attributable to Employee Pension Plan	\$ 1,450	\$ 2,410
Unamortized Bond Premiums	2,235	2,337
Total Deferred Inflows of Resources	\$ 3,685	\$ 4,747
NET POSITION		
Net Investment in Capital Assets	\$ 3,469,861	\$ 3,276,733
Restricted for Capital Projects	-	7,001
Restricted for Debt Service	1,229,703	1,205,421
Unrestricted	1,136,355	1,133,540
Total Net Position	\$ 5,835,919	\$ 5,622,695

See accompanying notes to the basic financial statements.



CARROLL COUNTY WATER DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Years Ended December 31, 2016 and 2015

Operating Revenues:	2016	2015
Charges for Services:		
Water Charges (Net)	\$ 1,829,992	\$ 1,758,576
Bulk Water Charges	82	68
Total Charges for Services	\$ 1,830,074	\$ 1,758,644
Other Charges and Miscellaneous:		
Billing Service Charges	\$ 43,390	\$ 43,685
Reconnect and Disconnect Charges	39,020	45,320
Miscellaneous	5,542	5,014
Total Other Charges and Miscellaneous	\$ 87,952	\$ 94,019
Total Operating Revenues	\$ 1,918,026	\$ 1,852,663
Operating Expenses:		
Accounting and Collecting Labor	\$ 103,633	\$ 96,727
Administrative Per Diem	16,200	16,200
Administrative Salaries	121,667	117,681
Depreciation Expense	451,230	447,682
Employee Benefits	53,643	51,149
Employee Licenses	236	-
Insurance	34,900	33,869
Maintenance of Mains/Distribution System	114,488	144,279
Office Supplies and Expense	40,776	41,919
Operating Labor	201,657	193,554
Other Interest Expense	118	72
Payroll Taxes	31,875	31,393
Professional Services	19,478	13,615
Purchased Power	147,636	139,062
Purchased Water	9,842	9,847
Regulatory Fees	4,141	3,559
Repairs & Maintenance	9,539	12,595
Retirement Plan Expense	130,999	100,169
Transportation Expense	25,587	28,028
Uniforms	6,475	9,892
Utilities & Telephone	16,706	12,992
Water Treatment Expense	6,765	6,665
Total Operating Expenses	\$ 1,547,591	\$ 1,510,949
Operating Income	\$ 370,435	\$ 341,714
Nonoperating Revenue (Expense):		
Investment Income	\$ 13,473	\$ 13,142
Interest Expense	(225,238)	(242,666)
Gain (Loss) on Sale/Abandonment of Fixed Assets	877	-
Total Nonoperating Revenue (Expense)	\$ (210,888)	\$ (229,524)
Net Income (Loss) Before Contributions	\$ 159,547	\$ 112,190
Capital Contributions	53,677	160,664
Change in Net Position	\$ 213,224	\$ 272,854
Net Position--Beginning of Year	5,622,695	5,349,841
Net Position--End of Year	\$ 5,835,919	\$ 5,622,695

RAISOR, ZAPP & WOODS, PSC

Certified Public Accountants

P.O. Box 354 • 513 Highland Ave • Carrollton, KY 41008
502-732-6655 • taxes@rzwcpas.com

Dennis S. Raisor, CPA
Jerilyn P. Zapp, CPA
Jeffery C. Woods, CPA
Susan A. Dukes, CPA

September 8, 2017

Public Service Commission
211 Sower Road
Frankfort, KY 40601

RE: Carroll County Water District

Dear Sir or Madam:

Our client, Carroll County Water District, is seeking to refinance its outstanding debt with the Kentucky Infrastructure Authority (KIA) to lower the interest rate charged. According to the offer from KIA, the interest rate would decrease from 3.0% to 2.25%, saving the District approximately \$24,000 in interest over the remaining term of the loan. The maturity date will not change. There will be no closing or administrative charges to refinance the loan.

This is an opportunity for the District to lower its debt service requirements. It will be beneficial to the District.

Sincerely,



Jerilyn Zapp
Certified Public Accountant

Cc: Obe D. Cox, Manager
Carroll County Water District



RESOLUTION NO. 17-09-01

Authorizing Resolution of Legal Applicant for Filing of Loan Application and Appointing Appropriate Local Government Official and Successors-in-Title as Official Project Representative of a Governmental Agencies Program (Fund C Program) Refunding Project.

WHEREAS, **Carroll County Water District #1** has heretofore entered into an Assistance Agreement dated as of **November 01, 2003** (the "Prior Assistance Agreement") with the Kentucky Infrastructure Authority (the "Authority") in order to receive financial assistance under the Authority's Federally Assisted Drinking Water Revolving Fund Program (the "Fund F Program") in connection with a drinking water completed project; and

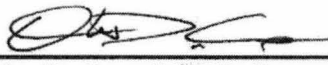
WHEREAS, under the terms of amendments to KRS 224A, the Authority is authorized to render financial assistance to eligible project applicants by way of the Governmental Agencies Program (the "Fund C Program") to finance and refinance eligible projects; and

WHEREAS, **Carroll County Water District #1** desires to refinance and refund the Prior Assistance Agreement and refinance the projects initially funded thereby through a loan from the Authority's Fund C Program; and,

WHEREAS, the improvements proposed for refinancing by **Carroll County Water District #1** are considered eligible for such loan assistance.

NOW THEREFORE, BE IT RESOLVED by **Carroll County Water District #1** that the General Manager, and Successors-in-Title are hereby authorized to execute and submit an application through the Authority with such assurances and required supporting data as is necessary to obtain loan assistance from the Governmental Agencies Program (the "Fund C Program") for the proposed refinancing of the Prior Assistance Agreement, and are hereby authorized as **Carroll County Water District #1** Official Project Representative to carry out necessary negotiations for and administer the loan assistance the applicant may obtain from the Fund C Program.

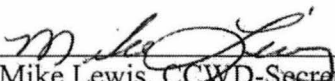
Adopted this 14th day of September, 2017.



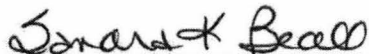
Obe D. Cox, CCWD-General Manager



Joe C. Raisor, CCWD-Chairperson



Mike Lewis, CCWD-Secretary/Treasurer

ATTEST: 

Sandra K. Beall

