



Daniel D. Briscoe, Jr.  
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July 13, 2018

RECEIVED

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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 Whitley County Water District for Approval to Enter into a Lease Agreement with the Kentucky Association Of Counties Leasing Trust, in an Approximate Principal Amount of \$2,715,000 for the Purpose of Refinancing Certain Outstanding Obligations of the Whitley County Water District, Case No. 2018-0211.*

Dear Director Pinson:

Please accept this response to your June 29, 2018 letter identifying deficiencies with the application filed by the Whitley County Water District #1 (“Whitley Water”) in the above referenced case. Please find below the deficiencies identified and Whitley Water’s responses.

**(1) Deficiency:** Pursuant to 807 KAR 5:001, Section 18(1)(g) - If the applicant is a water district, a copy of the applicant’s written notification to the state local debt officer regarding the proposed issuance; Notice should be provided before the issuance of the financing a not after the issuance.

**Response:** The information requested can be found attached as Exhibit F with Whitley Water’s application. A new Exhibit I, attached to this letter and incorporated by reference into Whitley Water’s application, contains evidence of notification to the State and Local Debt Office prior to the issuance of the financing.

**(2) Deficiency:** Pursuant to 807 KAR 5:001, Section 12(2)(e) – Brief description of mortgage: Description of Each Class Issued; Date of Issue; Date of Maturity; How Secured; Interest Paid in Last Fiscal Year

**Response:** Please find enclosed as Exhibit J information on the obligations to be refunded as part of the proposed financing. After discussions with Staff, this information was determined to be most responsive to the Commission’s request. As stated in the original

Gwen R. Pinson

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April 12, 2018

Application, Whitley Water is seeking to refund three separate "Assistance Agreements" with the U.S. Department of Agriculture's Rural Development ("Rural Development") department. These are loan agreements secured by a pledge of the water district's revenue. Finally, the district also seeks to refund an issue of revenue bonds, which are secured only by the water district's revenue (meaning there is no mortgage on the water district's property for these obligations) and which were purchased by Rural Development. All four of these obligations function as loans secured against the water district's revenue, and all are in various stages of retirement, having been issued in 1993, 1998, 2000, and 2002, respectively.

The four obligations, as stated in Section 5 of the original application, are as follows, and further identifying information, for example, a year by year debt breakdown by maturity and interest rate, is attached as Exhibit J.

- (a) USDA Loan 1 - \$750,000 Assistance Agreement with the U.S. Department of Agriculture's Rural Development, approved by the Commission on November 23, 1993 in Case No. 93-398;
- (b) USDA Loan 4 - \$600,000 Assistance Agreement with the U.S. Department of Agriculture's Rural Development, approved by the Commission on May 13, 1998 in Case No. 98-253;
- (c) USDA Loan 7 - \$377,000 Assistance Agreement with the U.S. Department of Agriculture's Rural Development, approved by the Commission on October 9, 2000 in Case No. 2000-433; and
- (d) USDA Loan 10 - \$1,860,000 Water District Revenue Bonds, purchased by the U.S. Department of Agriculture's Rural Development, approved by the Commission on December 3, 2002 in Case No. 2002-00380.

We ask that the enclosed documents be included as part Whitley Water'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.

DDB/kwi

# Exhibit I

Evidence of Filing with  
the State and Local  
Debt Office

## **Briscoe, Daniel**

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**From:** Briscoe, Daniel  
**Sent:** Friday, July 13, 2018 1:32 PM  
**To:** 'RobertO.Brown@ky.gov'  
**Subject:** Whitley County Water District  
**Attachments:** Whitley Water SLDO for PSC application.DOCX

Good afternoon Mr. Brown,

Attached please find the draft SLDO form associated with Whitley County Water District's proposed refinancing of approximately \$2,715,000 worth of outstanding obligations. The Kentucky Public Service Commission has asked, in conjunction with the Commission's potential approval of the financing, that Whitley County Water District submit a draft notice of this financing to you before the closing. Dinsmore plans to submit the final SLDO to your office, after closing, which will be some time in August.

Thank you very much. If you have any questions, please do not hesitate to call.

Daniel Briscoe

# Dinsmore

**Daniel D. Briscoe, Jr.**

Associate



helping Kentucky  
Accomplish more.

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# Exhibit J

Additional information  
on Whitley Water's  
outstanding obligations  
intended to be  
refinanced as part of the  
proposed financing.

**Whitley County Water District, Kentucky**

Water Revenue Bonds, Series 1994

( USDA Loan # 1 )

**Total Refunded Debt Service**

Date	Principal	Coupon	Interest	Total P+I
01/01/2019	22,000.00	4.500%	10,435.07	32,435.07
07/01/2019	-	-	9,774.00	9,774.00
01/01/2020	23,000.00	4.500%	9,936.00	32,936.00
07/01/2020	-	-	9,311.92	9,311.92
01/01/2021	24,000.00	4.500%	9,414.25	33,414.25
07/01/2021	-	-	8,725.19	8,725.19
01/01/2022	25,000.00	4.500%	8,869.81	33,869.81
07/01/2022	-	-	8,167.32	8,167.32
01/01/2023	26,500.00	4.500%	8,302.68	34,802.68
07/01/2023	-	-	7,575.97	7,575.97
01/01/2024	27,500.00	4.500%	7,701.53	35,201.53
07/01/2024	-	-	7,000.77	7,000.77
01/01/2025	29,000.00	4.500%	7,077.70	36,077.70
07/01/2025	-	-	6,315.16	6,315.16
01/01/2026	30,000.00	4.500%	6,419.84	36,419.84
07/01/2026	-	-	5,645.71	5,645.71
01/01/2027	31,500.00	4.500%	5,739.29	37,239.29
07/01/2027	-	-	4,942.79	4,942.79
01/01/2028	33,000.00	4.500%	5,024.71	38,024.71
07/01/2028	-	-	4,229.63	4,229.63
01/01/2029	34,500.00	4.500%	4,276.11	38,776.11
07/01/2029	-	-	3,436.52	3,436.52
01/01/2030	36,000.00	4.500%	3,493.48	39,493.48
07/01/2030	-	-	2,633.18	2,633.18
01/01/2031	37,500.00	4.500%	2,676.82	40,176.82
07/01/2031	-	-	1,796.36	1,796.36
01/01/2032	39,500.00	4.500%	1,826.14	41,326.14
07/01/2032	-	-	919.97	919.97
01/01/2033	41,000.00	4.500%	930.08	41,930.08
<b>Total</b>	<b>\$460,000.00</b>	<b>-</b>	<b>\$172,598.00</b>	<b>\$632,598.00</b>

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation	8/02/2018
Average Life	8.242 Years
Average Coupon	4.5045023%
Weighted Average Maturity (Par Basis)	8.242 Years
Weighted Average Maturity (Original Price Basis)	8.242 Years

**Refunding Bond Information**

Refunding Dated Date	8/02/2018
Refunding Delivery Date	8/02/2018

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Compass Municipal Advisors, LLC  
Public Finance - KBrock

**Whitley County Water District, Kentucky**

**Water Revenue Bonds, Series 1998**

( USDA Loan # 4 )

**Total Refunded Debt Service**

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
01/01/2019	14,000.00	4.500%	9,799.89	23,799.89
07/01/2019	-	-	9,327.70	9,327.70
01/01/2020	14,000.00	4.500%	9,482.30	23,482.30
07/01/2020	-	-	9,065.10	9,065.10
01/01/2021	15,000.00	4.500%	9,164.71	24,164.71
07/01/2021	-	-	8,680.56	8,680.56
01/01/2022	16,000.00	4.500%	8,824.44	24,824.44
07/01/2022	-	-	8,323.52	8,323.52
01/01/2023	16,000.00	4.500%	8,461.48	24,461.48
07/01/2023	-	-	7,966.48	7,966.48
01/01/2024	17,000.00	4.500%	8,098.52	25,098.52
07/01/2024	-	-	7,629.04	7,629.04
01/01/2025	18,000.00	4.500%	7,712.88	25,712.88
07/01/2025	-	-	7,185.45	7,185.45
01/01/2026	19,000.00	4.500%	7,304.55	26,304.55
07/01/2026	-	-	6,761.47	6,761.47
01/01/2027	20,000.00	4.500%	6,873.53	26,873.53
07/01/2027	-	-	6,315.16	6,315.16
01/01/2028	20,000.00	4.500%	6,419.84	26,419.84
07/01/2028	-	-	5,901.29	5,901.29
01/01/2029	21,000.00	4.500%	5,966.14	26,966.14
07/01/2029	-	-	5,400.25	5,400.25
01/01/2030	22,000.00	4.500%	5,489.75	27,489.75
07/01/2030	-	-	4,909.32	4,909.32
01/01/2031	23,000.00	4.500%	4,990.68	27,990.68
07/01/2031	-	-	4,396.07	4,396.07
01/01/2032	24,000.00	4.500%	4,468.93	28,468.93
07/01/2032	-	-	3,881.84	3,881.84
01/01/2033	26,000.00	4.500%	3,924.49	29,924.49
07/01/2033	-	-	3,280.32	3,280.32
01/01/2034	27,000.00	4.500%	3,334.68	30,334.68
07/01/2034	-	-	2,677.81	2,677.81
01/01/2035	28,000.00	4.500%	2,722.19	30,722.19
07/01/2035	-	-	2,052.99	2,052.99
01/01/2036	29,000.00	4.500%	2,087.01	31,087.01
07/01/2036	-	-	1,413.62	1,413.62
01/01/2037	31,000.00	4.500%	1,429.15	32,429.15
07/01/2037	-	-	714.08	714.08
01/01/2038	32,000.00	4.500%	725.92	32,725.92
<b>Total</b>	<b>\$432,000.00</b>	<b>-</b>	<b>\$223,163.15</b>	<b>\$655,163.15</b>

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**Compass Municipal Advisors, LLC**  
Public Finance - KBrock

**Whitley County Water District, Kentucky**

Water Revenue Bonds, Series 1998

( USDA Loan # 4 )

**Total Refunded Debt Service**

Part 2 of 2

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation	8/02/2018
Average Life	11.381 Years
Average Coupon	4.5041250%
Weighted Average Maturity (Par Basis)	11.381 Years
Weighted Average Maturity (Original Price Basis)	11.381 Years

**Refunding Bond Information**

Refunding Dated Date	8/02/2018
Refunding Delivery Date	8/02/2018

**Whitley County Water District, Kentucky****Water Revenue Bonds, Series 2001**

( USDA Loan # 7 )

**Total Refunded Debt Service**

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
01/01/2019	8,000.00	4.500%	6,510.58	14,510.58
07/01/2019	-	-	6,225.90	6,225.90
01/01/2020	8,000.00	4.500%	6,329.10	14,329.10
07/01/2020	-	-	6,080.79	6,080.79
01/01/2021	9,000.00	4.500%	6,147.62	15,147.62
07/01/2021	-	-	5,846.55	5,846.55
01/01/2022	9,000.00	4.500%	5,943.45	14,943.45
07/01/2022	-	-	5,645.71	5,645.71
01/01/2023	9,000.00	4.500%	5,739.29	14,739.29
07/01/2023	-	-	5,444.88	5,444.88
01/01/2024	10,000.00	4.500%	5,535.12	15,535.12
07/01/2024	-	-	5,250.58	5,250.58
01/01/2025	10,000.00	4.500%	5,308.27	15,308.27
07/01/2025	-	-	4,998.58	4,998.58
01/01/2026	11,000.00	4.500%	5,081.42	16,081.42
07/01/2026	-	-	4,753.11	4,753.11
01/01/2027	11,000.00	4.500%	4,831.89	15,831.89
07/01/2027	-	-	4,507.64	4,507.64
01/01/2028	12,000.00	4.500%	4,582.36	16,582.36
07/01/2028	-	-	4,263.29	4,263.29
01/01/2029	12,000.00	4.500%	4,310.14	16,310.14
07/01/2029	-	-	3,972.08	3,972.08
01/01/2030	13,000.00	4.500%	4,037.92	17,037.92
07/01/2030	-	-	3,681.99	3,681.99
01/01/2031	13,000.00	4.500%	3,743.01	16,743.01
07/01/2031	-	-	3,391.89	3,391.89
01/01/2032	14,000.00	4.500%	3,448.11	17,448.11
07/01/2032	-	-	3,096.49	3,096.49
01/01/2033	15,000.00	4.500%	3,130.52	18,130.52
07/01/2033	-	-	2,744.75	2,744.75
01/01/2034	15,000.00	4.500%	2,790.25	17,790.25
07/01/2034	-	-	2,410.03	2,410.03
01/01/2035	16,000.00	4.500%	2,449.97	18,449.97
07/01/2035	-	-	2,052.99	2,052.99
01/01/2036	17,000.00	4.500%	2,087.01	19,087.01
07/01/2036	-	-	1,682.88	1,682.88
01/01/2037	18,000.00	4.500%	1,701.37	19,701.37
07/01/2037	-	-	1,271.96	1,271.96
01/01/2038	18,000.00	4.500%	1,293.04	19,293.04
07/01/2038	-	-	870.29	870.29
01/01/2039	19,000.00	4.500%	884.71	19,884.71
07/01/2039	-	-	446.30	446.30
01/01/2040	20,000.00	4.500%	453.70	20,453.70
<b>Total</b>	<b>\$287,000.00</b>	<b>-</b>	<b>\$164,977.53</b>	<b>\$451,977.53</b>

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**Whitley County Water District, Kentucky**

Water Revenue Bonds, Series 2001

( USDA Loan # 7 )

**Total Refunded Debt Service**

Part 2 of 2

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation	8/02/2018
Average Life	12.675 Years
Average Coupon	4.5039825%
Weighted Average Maturity (Par Basis)	12.675 Years
Weighted Average Maturity (Original Price Basis)	12.675 Years

**Refunding Bond Information**

Refunding Dated Date	8/02/2018
Refunding Delivery Date	8/02/2018

**Whitley County Water District, Kentucky**

Water Revenue Bonds, Series 2003

( USDA Loan # 10 )

**Total Refunded Debt Service**

Part 1 of 2

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P+I</b>
01/01/2019	35,000.00	4.500%	33,959.34	68,959.34
07/01/2019	-	-	32,624.63	32,624.63
01/01/2020	37,000.00	4.500%	33,165.37	70,165.37
07/01/2020	-	-	31,974.66	31,974.66
01/01/2021	39,000.00	4.500%	32,326.03	71,326.03
07/01/2021	-	-	30,928.68	30,928.68
01/01/2022	41,000.00	4.500%	31,441.32	72,441.32
07/01/2022	-	-	30,013.77	30,013.77
01/01/2023	42,000.00	4.500%	30,511.23	72,511.23
07/01/2023	-	-	29,076.53	29,076.53
01/01/2024	44,000.00	4.500%	29,558.47	73,558.47
07/01/2024	-	-	28,249.89	28,249.89
01/01/2025	46,000.00	4.500%	28,560.33	74,560.33
07/01/2025	-	-	27,068.18	27,068.18
01/01/2026	49,000.00	4.500%	27,516.82	76,516.82
07/01/2026	-	-	25,974.74	25,974.74
01/01/2027	51,000.00	4.500%	26,405.26	77,405.26
07/01/2027	-	-	24,836.67	24,836.67
01/01/2028	53,000.00	4.500%	25,248.33	78,248.33
07/01/2028	-	-	23,784.66	23,784.66
01/01/2029	56,000.00	4.500%	24,046.03	80,046.03
07/01/2029	-	-	22,404.33	22,404.33
01/01/2030	58,000.00	4.500%	22,775.67	80,775.67
07/01/2030	-	-	21,110.05	21,110.05
01/01/2031	61,000.00	4.500%	21,459.95	82,459.95
07/01/2031	-	-	19,748.84	19,748.84
01/01/2032	63,000.00	4.500%	20,076.16	83,076.16
07/01/2032	-	-	18,444.33	18,444.33
01/01/2033	67,000.00	4.500%	18,647.01	85,647.01
07/01/2033	-	-	16,847.88	16,847.88
01/01/2034	70,000.00	4.500%	17,127.12	87,127.12
07/01/2034	-	-	15,285.82	15,285.82
01/01/2035	73,000.00	4.500%	15,539.18	88,539.18
07/01/2035	-	-	13,656.82	13,656.82
01/01/2036	76,000.00	4.500%	13,883.18	89,883.18
07/01/2036	-	-	12,026.96	12,026.96
01/01/2037	80,000.00	4.500%	12,159.12	92,159.12
07/01/2037	-	-	10,175.67	10,175.67
01/01/2038	83,000.00	4.500%	10,344.33	93,344.33
07/01/2038	-	-	8,323.52	8,323.52
01/01/2039	87,000.00	4.500%	8,461.48	95,461.48
07/01/2039	-	-	6,382.11	6,382.11
01/01/2040	91,000.00	4.500%	6,487.89	97,487.89
07/01/2040	-	-	4,375.48	4,375.48

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**Whitley County Water District, Kentucky**

Water Revenue Bonds, Series 2003

( USDA Loan # 10 )

**Total Refunded Debt Service**

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I
01/01/2041	95,000.00	4.500%	4,423.56	99,423.56
07/01/2041	-	-	2,231.51	2,231.51
01/01/2042	100,000.00	4.500%	2,268.49	102,268.49
<b>Total</b>	<b>\$1,497,000.00</b>	<b>-</b>	<b>\$951,937.40</b>	<b>\$2,448,937.40</b>

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation	8/02/2018
Average Life	14.031 Years
Average Coupon	4.5039268%
Weighted Average Maturity (Par Basis)	14.031 Years
Weighted Average Maturity (Original Price Basis)	14.031 Years

**Refunding Bond Information**

Refunding Dated Date	8/02/2018
Refunding Delivery Date	8/02/2018

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