

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OHIO COUNTY)	
WATER DISTRICT TO ISSUE SECURITIES IN)	
THE APPROXIMATE PRINCIPAL AMOUNT OF)	
\$965,000 FOR THE PURPOSE OF REFUNDING)	CASE NO. 2015-00044
CERTAIN OUTSTANDING REVENUE BONDS OF)	
THE DISTRICT PURSUANT TO THE PROVISIONS)	
OF KRS 278.300 AND 807 KAR 5:001)	

ORDER

On February 6, 2015, Ohio County Water District ("Ohio County") applied to the Commission for approval to issue revenue bonds in the approximate principal amount of \$965,000, subject to an adjustment of up to 10 percent, to refund existing revenue bonds.

Having considered the record and being otherwise sufficiently advised, the Commission finds that:

1. Ohio County proposes to issue the Refunding Revenue Bonds, Series 2015 ("2015 Refunding Bonds") in the principal amount of \$965,000, subject to an adjustment of up to 10 percent. The bonds will mature over a nine-year period and be subject to interest rates of up to 2.25 percent.¹

¹ Application, Exhibit A.

2. Ohio County proposes to use the proceeds from the 2015 Refunding Bonds to fully refund the outstanding Waterworks Revenue Bonds Series 2003 ("2003 Revenue Bonds") dated November 18, 2003, in the amount of \$1 million.²

3. Ohio County will require cash proceeds in the amount of \$1,151,849 to refund the 2003 Revenue Bonds.³

4. Ohio County estimates that the proposed refunding will produce gross savings and net present value savings of \$78,432 and \$66,193, respectively.⁴

5. Ohio County's issuance of the 2015 Refunding Bonds is for a lawful object within its corporate purpose, is reasonably necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair Ohio County's ability to perform that service, and is reasonably necessary and appropriate for such purpose.

² Application, Exhibit D.

³ Application, Exhibit B. \$1,003,258 (Deposit to Refunding Escrow) + \$96,500 (Deposit to New Debt Service Reserve Fund) + \$34,500 (Cost of Issuance) + \$12,063 (Underwriter's Discount) + \$3,142 (Gross Bond Insurance Premium) + \$2,386 (Additional Proceeds/Rounding) = \$1,151,849. The Sources of the Funds are \$965,000 (Par Amount of Bonds) + \$186,849 (Existing Debt Service Reserve Fund and Debt Sinking Fund) = \$1,151,849.

⁴ Application, Exhibit C.

	Gross Savings	Present Value
Savings from Decrease to Bond Payments	\$ 166,395	\$ 154,156
Less: Cash Reserves Necessary to Refund	<u>(87,963)</u>	<u>(87,963)</u>
Net Savings	<u>\$ 78,432</u>	<u>\$ 66,193</u>

IT IS THEREFORE ORDERED that:

1. Ohio County is authorized to issue the proposed 2015 Refunding Bonds in the principal amount not to exceed \$1,061,500⁵ for the purpose of refunding the 2003 Revenue Bonds, but only under such terms and conditions as will produce both positive gross savings and net present value savings.

2. If the actual terms and conditions of the 2015 Refunding Bonds differ from those set forth in its application, Ohio County shall, within 30 days of issuing the bonds, file with the Commission amortization schedules and work papers showing the actual net present value savings that will result from the refinancing.

3. Within 30 days of the sale and delivery of the 2015 Refunding Bonds, Ohio County shall file a copy of the Official Statement of the 2015 Refunding Bonds bond resolution, any documents referenced in the Bond Resolution that Ohio County has not previously filed with the Commission, and any approval from the State Local Debt Officer.

4. The proceeds from the proposed bond issuance shall be used only for the lawful purposes specified in Ohio County's application.

5. Any documents filed pursuant to ordering paragraphs 2 and 3 of this Order shall reference the number of this case and shall be retained in the utility's general correspondence file.

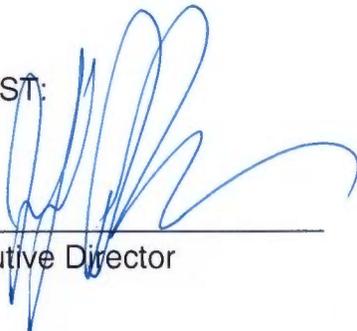
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

⁵ \$965,000 x 110% = \$1,061,500.

By the Commission

ENTERED
FEB 24 2015
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

*Walt Beasley
General Manager
Ohio County Water District
124 E Washington Street
P. O. Box 207
Hartford, KY 42347

*Honorable W. Randall Jones
Attorney at Law
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KENTUCKY 40202

*Ohio County Water District
124 E Washington Street
P. O. Box 207
Hartford, KY 42347