

**Case No. 2019-00080**  
**City of Pikeville Wholesale Water Service Rates**  
**Corrected Response to Commission Staff's Third Request For Information**

5. In its response to Item 5.c of the Commission's June 10, 2019, Order, Pikeville explained that its United States Department of Agriculture (USDA) Series 2016A Bonds were used to construct water and sewer services. According to Bond Ordinance 0- 2015-16 at page 2, the total principal amount of the USDA Series 2016A Bonds was \$3,166,000.

a. Provide a breakdown of the USDA 2016A bonds between the amounts used to fund the sewer capital projects and the water capital projects.

b. Provide an amortization schedule for the debt used to fund the water capital project(s), if different from the amortization schedule that was provided in response to Item 5.b. of the Commission's June 10, 2019 Order.

c. Provide a detailed explanation of how the annual debt service payments are allocated between the water and sewer divisions.

d. Provide a detailed explanation of how the construction of the water service to the Kentucky Enterprise Industrial Park improved or impacted Pikeville's ability to provide wholesale water service to Mountain District.

Response:

a. See chart below.

| <b>MARION'S BRANCH WATER SEWER INITIAL CONTRACT AMOUNT</b> |  |        | <b>ROUNDED</b> |
|--|--|--------|----------------|
| WATER CONTRACTS AMOUNT                                     | 3,813,633.00   | 80.40% | 80.00%         |
| SEWER CONTRACT AMOUNT                                      | 929,862.69   | 19.60% | 20.00%         |
| <b>TOTAL</b>   | <hr style="width: 25%; margin-left: auto; margin-right: 0;"/> 4,743,495.69 |        |                |

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- b. See attached amortization schedule.
- c. Annual debt service is split 80% water and 20% sewer based upon initial contract amounts for construction. Refer to Item 5a above.
- d. Mountain Water District's demands on the southern section of Pikeville's distribution system were taken into account during the design and construction of the project. The project provided for a master meter vault, regulator station, pump station, and storage tank to supplement MWD's water requirements in the Shelby Valley area in Pike County. The system was utilized (on 08/07/18 through 08/15/18, approximately 1,687,900 gallons), to assist Mountain Water District in keeping their customers in service when MWD had a river crossing go out of service in the Indian Hills area.

WITNESS: Tonya Taylor; Grondall Potter

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# PSC 3-5b

## Amortization Schedule

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**Corrected Response to Commission Staff’s Third Request For Information**

| Project Name              | Marion’s Branch Water Sewer           |                     |                   |          |                   |                     |                   |                     |  |  |  |  |
|---------------------------|---------------------------------------|---------------------|-------------------|----------|-------------------|---------------------|-------------------|---------------------|--|--|--|--|
| Funding Source            | Fund 335 80% 210-Water, 20% 310-Sewer |                     |                   |          |                   |                     |                   |                     |  |  |  |  |
| Date of Bond              | 04/21/16                              |                     |                   |          |                   |                     |                   |                     |  |  |  |  |
| Original Principal        | 3,166,000                             |                     |                   |          |                   |                     |                   |                     |  |  |  |  |
| Reserve Account           | \$135,600 \$13,560/year,              |                     |                   |          |                   |                     |                   |                     |  |  |  |  |
| Short Lived Asset Reserve | \$46,200 (3,850/month)                |                     |                   |          |                   |                     |                   |                     |  |  |  |  |
| Payment Amount            | Interest                              | Principal           | Principal Balance | Due Date | Principal         |                     | Interest          |                     |  |  |  |  |
|                           |                                       |                     |                   |          | Sewer             | Water               | Sewer             | Water               |  |  |  |  |
| 13,856.67                 | 13,856.67                             | 0.00                | 3,166,000.00      | 7/1/2016 | 2,771.33          | 11,085.34           | 0.00              | 0.00                |  |  |  |  |
| 35,617.50                 | 35,617.50                             | 0.00                | 3,166,000.00      | 1/1/2017 | 7,123.50          | 28,494.00           | 0.00              | 0.00                |  |  |  |  |
| 35,617.50                 | 35,617.50                             | 0.00                | 3,166,000.00      | 7/1/2017 | 7,123.50          | 28,494.00           | 0.00              | 0.00                |  |  |  |  |
| 84,117.50                 | 35,617.50                             | 48,500.00           | 3,117,500.00      | 1/1/2018 | 7,123.50          | 28,494.00           | 9,700.00          | 38,800.00           |  |  |  |  |
| 35,071.88                 | 35,071.88                             | 0.00                | 3,117,500.00      | 7/1/2018 | 7,014.38          | 28,057.50           | 0.00              | 0.00                |  |  |  |  |
| 84,571.88                 | 35,071.88                             | 49,500.00           | 3,068,000.00      | 1/1/2019 | 7,014.38          | 28,057.50           | 9,900.00          | 39,600.00           |  |  |  |  |
| 34,515.00                 | 34,515.00                             | 0.00                | 3,068,000.00      | 7/1/2019 | 6,903.00          | 27,612.00           | 0.00              | 0.00                |  |  |  |  |
| 85,515.00                 | 34,515.00                             | 51,000.00           | 3,017,000.00      | 1/1/2020 | 6,903.00          | 27,612.00           | 10,200.00         | 40,800.00           |  |  |  |  |
| 33,941.25                 | 33,941.25                             | 0.00                | 3,017,000.00      | 7/1/2020 | 6,788.25          | 27,153.00           | 0.00              | 0.00                |  |  |  |  |
| 86,441.25                 | 33,941.25                             | 52,500.00           | 2,964,500.00      | 1/1/2021 | 6,788.25          | 27,153.00           | 10,500.00         | 42,000.00           |  |  |  |  |
| 33,350.63                 | 33,350.63                             | 0.00                | 2,964,500.00      | 7/1/2021 | 6,670.13          | 26,680.50           | 0.00              | 0.00                |  |  |  |  |
| 87,350.63                 | 33,350.63                             | 54,000.00           | 2,910,500.00      | 1/1/2022 | 6,670.13          | 26,680.50           | 10,800.00         | 43,200.00           |  |  |  |  |
| 32,743.13                 | 32,743.13                             | 0.00                | 2,910,500.00      | 7/1/2022 | 6,548.63          | 26,194.50           | 0.00              | 0.00                |  |  |  |  |
| 88,243.13                 | 32,743.13                             | 55,500.00           | 2,855,000.00      | 1/1/2023 | 6,548.63          | 26,194.50           | 11,100.00         | 44,400.00           |  |  |  |  |
| 32,118.75                 | 32,118.75                             | 0.00                | 2,855,000.00      | 7/1/2023 | 6,423.75          | 25,695.00           | 0.00              | 0.00                |  |  |  |  |
| 89,118.75                 | 32,118.75                             | 57,000.00           | 2,798,000.00      | 1/1/2024 | 6,423.75          | 25,695.00           | 11,400.00         | 45,600.00           |  |  |  |  |
| 31,477.50                 | 31,477.50                             | 0.00                | 2,798,000.00      | 7/1/2024 | 6,295.50          | 25,182.00           | 0.00              | 0.00                |  |  |  |  |
| 89,977.50                 | 31,477.50                             | 58,500.00           | 2,739,500.00      | 1/1/2025 | 6,295.50          | 25,182.00           | 11,700.00         | 46,800.00           |  |  |  |  |
| 30,819.38                 | 30,819.38                             | 0.00                | 2,739,500.00      | 7/1/2025 | 6,163.88          | 24,655.50           | 0.00              | 0.00                |  |  |  |  |
| 90,819.38                 | 30,819.38                             | 60,000.00           | 2,679,500.00      | 1/1/2026 | 6,163.88          | 24,655.50           | 12,000.00         | 48,000.00           |  |  |  |  |
| 30,144.38                 | 30,144.38                             | 0.00                | 2,679,500.00      | 7/1/2026 | 6,028.88          | 24,115.50           | 0.00              | 0.00                |  |  |  |  |
| 91,644.38                 | 30,144.38                             | 61,500.00           | 2,618,000.00      | 1/1/2027 | 6,028.88          | 24,115.50           | 12,300.00         | 49,200.00           |  |  |  |  |
| 29,452.50                 | 29,452.50                             | 0.00                | 2,618,000.00      | 7/1/2027 | 5,890.50          | 23,562.00           | 0.00              | 0.00                |  |  |  |  |
| 92,952.50                 | 29,452.50                             | 63,500.00           | 2,554,500.00      | 1/1/2028 | 5,890.50          | 23,562.00           | 12,700.00         | 50,800.00           |  |  |  |  |
| 28,738.13                 | 28,738.13                             | 0.00                | 2,554,500.00      | 7/1/2028 | 5,747.63          | 22,990.50           | 0.00              | 0.00                |  |  |  |  |
| 93,738.13                 | 28,738.13                             | 65,000.00           | 2,489,500.00      | 1/1/2029 | 5,747.63          | 22,990.50           | 13,000.00         | 52,000.00           |  |  |  |  |
| 28,006.88                 | 28,006.88                             | 0.00                | 2,489,500.00      | 7/1/2029 | 5,601.38          | 22,405.50           | 0.00              | 0.00                |  |  |  |  |
| 95,006.88                 | 28,006.88                             | 67,000.00           | 2,422,500.00      | 1/1/2030 | 5,601.38          | 22,405.50           | 13,400.00         | 53,600.00           |  |  |  |  |
| 27,253.13                 | 27,253.13                             | 0.00                | 2,422,500.00      | 7/1/2030 | 5,450.63          | 21,802.50           | 0.00              | 0.00                |  |  |  |  |
| 95,753.13                 | 27,253.13                             | 68,500.00           | 2,354,000.00      | 1/1/2031 | 5,450.63          | 21,802.50           | 13,700.00         | 54,800.00           |  |  |  |  |
| 26,482.50                 | 26,482.50                             | 0.00                | 2,354,000.00      | 7/1/2031 | 5,296.50          | 21,186.00           | 0.00              | 0.00                |  |  |  |  |
| 96,982.50                 | 26,482.50                             | 70,500.00           | 2,283,500.00      | 1/1/2032 | 5,296.50          | 21,186.00           | 14,100.00         | 56,400.00           |  |  |  |  |
| 25,689.38                 | 25,689.38                             | 0.00                | 2,283,500.00      | 7/1/2032 | 5,137.88          | 20,551.50           | 0.00              | 0.00                |  |  |  |  |
| 98,189.38                 | 25,689.38                             | 72,500.00           | 2,211,000.00      | 1/1/2033 | 5,137.88          | 20,551.50           | 14,500.00         | 58,000.00           |  |  |  |  |
| 24,873.75                 | 24,873.75                             | 0.00                | 2,211,000.00      | 7/1/2033 | 4,974.75          | 19,899.00           | 0.00              | 0.00                |  |  |  |  |
| 99,373.75                 | 24,873.75                             | 74,500.00           | 2,136,500.00      | 1/1/2034 | 4,974.75          | 19,899.00           | 14,900.00         | 59,600.00           |  |  |  |  |
| 24,035.63                 | 24,035.63                             | 0.00                | 2,136,500.00      | 7/1/2034 | 4,807.13          | 19,228.50           | 0.00              | 0.00                |  |  |  |  |
| 100,535.63                | 24,035.63                             | 76,500.00           | 2,060,000.00      | 1/1/2035 | 4,807.13          | 19,228.50           | 15,300.00         | 61,200.00           |  |  |  |  |
| 23,175.00                 | 23,175.00                             | 0.00                | 2,060,000.00      | 7/1/2035 | 4,635.00          | 18,540.00           | 0.00              | 0.00                |  |  |  |  |
| 101,675.00                | 23,175.00                             | 78,500.00           | 1,981,500.00      | 1/1/2036 | 4,635.00          | 18,540.00           | 15,700.00         | 62,800.00           |  |  |  |  |
| 22,291.88                 | 22,291.88                             | 0.00                | 1,981,500.00      | 7/1/2036 | 4,458.38          | 17,833.50           | 0.00              | 0.00                |  |  |  |  |
| 103,291.88                | 22,291.88                             | 81,000.00           | 1,900,500.00      | 1/1/2037 | 4,458.38          | 17,833.50           | 16,200.00         | 64,800.00           |  |  |  |  |
| 21,380.63                 | 21,380.63                             | 0.00                | 1,900,500.00      | 7/1/2037 | 4,276.13          | 17,104.50           | 0.00              | 0.00                |  |  |  |  |
| 104,380.63                | 21,380.63                             | 83,000.00           | 1,817,500.00      | 1/1/2038 | 4,276.13          | 17,104.50           | 16,600.00         | 66,400.00           |  |  |  |  |
| 20,446.88                 | 20,446.88                             | 0.00                | 1,817,500.00      | 7/1/2038 | 4,089.38          | 16,357.50           | 0.00              | 0.00                |  |  |  |  |
| 105,946.88                | 20,446.88                             | 85,500.00           | 1,732,000.00      | 1/1/2039 | 4,089.38          | 16,357.50           | 17,100.00         | 68,400.00           |  |  |  |  |
| 19,485.00                 | 19,485.00                             | 0.00                | 1,732,000.00      | 7/1/2039 | 3,897.00          | 15,588.00           | 0.00              | 0.00                |  |  |  |  |
| 106,985.00                | 19,485.00                             | 87,500.00           | 1,644,500.00      | 1/1/2040 | 3,897.00          | 15,588.00           | 17,500.00         | 70,000.00           |  |  |  |  |
| 18,500.63                 | 18,500.63                             | 0.00                | 1,644,500.00      | 7/1/2040 | 3,700.13          | 14,800.50           | 0.00              | 0.00                |  |  |  |  |
| 108,500.63                | 18,500.63                             | 90,000.00           | 1,554,500.00      | 1/1/2041 | 3,700.13          | 14,800.50           | 18,000.00         | 72,000.00           |  |  |  |  |
| 17,488.13                 | 17,488.13                             | 0.00                | 1,554,500.00      | 7/1/2041 | 3,497.63          | 13,990.50           | 0.00              | 0.00                |  |  |  |  |
| 109,988.13                | 17,488.13                             | 92,500.00           | 1,462,000.00      | 1/1/2042 | 3,497.63          | 13,990.50           | 18,500.00         | 74,000.00           |  |  |  |  |
| 16,447.50                 | 16,447.50                             | 0.00                | 1,462,000.00      | 7/1/2042 | 3,289.50          | 13,158.00           | 0.00              | 0.00                |  |  |  |  |
| 111,447.50                | 16,447.50                             | 95,000.00           | 1,367,000.00      | 1/1/2043 | 3,289.50          | 13,158.00           | 19,000.00         | 76,000.00           |  |  |  |  |
| 15,378.75                 | 15,378.75                             | 0.00                | 1,367,000.00      | 7/1/2043 | 3,075.75          | 12,303.00           | 0.00              | 0.00                |  |  |  |  |
| 113,378.75                | 15,378.75                             | 98,000.00           | 1,269,000.00      | 1/1/2044 | 3,075.75          | 12,303.00           | 19,600.00         | 78,400.00           |  |  |  |  |
| 14,276.25                 | 14,276.25                             | 0.00                | 1,269,000.00      | 7/1/2044 | 2,855.25          | 11,421.00           | 0.00              | 0.00                |  |  |  |  |
| 114,776.25                | 14,276.25                             | 100,500.00          | 1,168,500.00      | 1/1/2045 | 2,855.25          | 11,421.00           | 20,100.00         | 80,400.00           |  |  |  |  |
| 13,145.63                 | 13,145.63                             | 0.00                | 1,168,500.00      | 7/1/2045 | 2,629.13          | 10,516.50           | 0.00              | 0.00                |  |  |  |  |
| 116,145.63                | 13,145.63                             | 103,000.00          | 1,065,500.00      | 1/1/2046 | 2,629.13          | 10,516.50           | 20,600.00         | 82,400.00           |  |  |  |  |
| 11,986.88                 | 11,986.88                             | 0.00                | 1,065,500.00      | 7/1/2046 | 2,397.38          | 9,589.50            | 0.00              | 0.00                |  |  |  |  |
| 117,986.88                | 11,986.88                             | 106,000.00          | 959,500.00        | 1/1/2047 | 2,397.38          | 9,589.50            | 21,200.00         | 84,800.00           |  |  |  |  |
| 10,794.38                 | 10,794.38                             | 0.00                | 959,500.00        | 7/1/2047 | 2,158.88          | 8,635.50            | 0.00              | 0.00                |  |  |  |  |
| 119,794.38                | 10,794.38                             | 109,000.00          | 850,500.00        | 1/1/2048 | 2,158.88          | 8,635.50            | 21,800.00         | 87,200.00           |  |  |  |  |
| 9,568.13                  | 9,568.13                              | 0.00                | 850,500.00        | 7/1/2048 | 1,913.63          | 7,654.50            | 0.00              | 0.00                |  |  |  |  |
| 121,568.13                | 9,568.13                              | 112,000.00          | 738,500.00        | 1/1/2049 | 1,913.63          | 7,654.50            | 22,400.00         | 89,600.00           |  |  |  |  |
| 8,308.13                  | 8,308.13                              | 0.00                | 738,500.00        | 7/1/2049 | 1,661.63          | 6,646.50            | 0.00              | 0.00                |  |  |  |  |
| 123,308.13                | 8,308.13                              | 115,000.00          | 623,500.00        | 1/1/2050 | 1,661.63          | 6,646.50            | 23,000.00         | 92,000.00           |  |  |  |  |
| 7,014.38                  | 7,014.38                              | 0.00                | 623,500.00        | 7/1/2050 | 1,402.88          | 5,611.50            | 0.00              | 0.00                |  |  |  |  |
| 125,014.38                | 7,014.38                              | 118,000.00          | 505,500.00        | 1/1/2051 | 1,402.88          | 5,611.50            | 23,600.00         | 94,400.00           |  |  |  |  |
| 5,686.88                  | 5,686.88                              | 0.00                | 505,500.00        | 7/1/2051 | 1,137.38          | 4,549.50            | 0.00              | 0.00                |  |  |  |  |
| 127,186.88                | 5,686.88                              | 121,500.00          | 384,000.00        | 1/1/2052 | 1,137.38          | 4,549.50            | 24,300.00         | 97,200.00           |  |  |  |  |
| 4,320.00                  | 4,320.00                              | 0.00                | 384,000.00        | 7/1/2052 | 864.00            | 3,456.00            | 0.00              | 0.00                |  |  |  |  |
| 129,320.00                | 4,320.00                              | 125,000.00          | 259,000.00        | 1/1/2053 | 864.00            | 3,456.00            | 25,000.00         | 100,000.00          |  |  |  |  |
| 2,913.75                  | 2,913.75                              | 0.00                | 259,000.00        | 7/1/2053 | 582.75            | 2,331.00            | 0.00              | 0.00                |  |  |  |  |
| 130,913.75                | 2,913.75                              | 128,000.00          | 131,000.00        | 1/1/2054 | 582.75            | 2,331.00            | 25,600.00         | 102,400.00          |  |  |  |  |
| 1,473.75                  | 1,473.75                              | 0.00                | 131,000.00        | 7/1/2054 | 294.75            | 1,179.00            | 0.00              | 0.00                |  |  |  |  |
| 132,473.75                | 1,473.75                              | 131,000.00          | 0.00              | 1/1/2055 | 294.75            | 1,179.00            | 26,200.00         | 104,800.00          |  |  |  |  |
| <b>Total</b>              | <b>1,666,301.67</b>                   | <b>3,166,000.00</b> |                   |          | <b>333,260.33</b> | <b>1,333,041.34</b> | <b>633,200.00</b> | <b>2,532,800.00</b> |  |  |  |  |