

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF CHRISTIAN )  
COUNTY WATER DISTRICT TO ISSUE )  
SECURITIES IN THE APPROXIMATE PRINCIPAL )  
AMOUNT OF \$1,634,000 FOR THE PURPOSE )  
OF REFUNDING CERTAIN OUTSTANDING ) CASE NO. 2020 - 00239  
OBLIGATIONS OF THE DISTRICT PURSUANT )  
TO THE PROVISIONS OF KRS 278.300 AND )  
807 KAR 5:001 )**

**\*\*      \*\*\*      \*\*\*\*      \*\*\*\*\*      \*\*\*\*      \*\*\*      \*\***

**APPLICATION**

The Applicant, Christian County Water District (the "District"), 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 issue certain securities in the approximate principal amount of \$1,634,000 (subject to adjustment of up to 10%), for the purpose of refunding certain outstanding revenue bonds of the District. In support of this Application, and in compliance with the rules and regulations of the Commission, the District states as follows:

1. The District was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the County Judge/Executive of Christian County, which Order is on file in the County Court Order Books in the office of the Clerk of Christian County, Kentucky. The District is now, and has been since its inception, regulated by the

Commission, and 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.

2. The governing body of the District is its Board of Commissioners which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.

3. The mailing address and email address of the District is as follows:

Christian County Water District  
c/o Mr. James Owen, General Manager  
1940 Dawson Springs Road  
P.O. Box 7  
Hopkinsville, Kentucky 42241  
Telephone: (270) 886-3696  
Fax: (270) 886-0708  
email: [jameso@ccwd.net](mailto:jameso@ccwd.net)

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Report for 2019 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The District proposes to borrow funds from the Kentucky Rural Water Finance Corporation ("KRWFC") pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$1,634,000 (subject to adjustment of up to 10%) for the purpose of refunding certain outstanding revenue bonds of the District designated as Christian County Water District Waterworks Revenue Bonds, Series 2008, dated October 7, 2009, in the original principal amount of \$1,850,000, bearing interest at the rate of 4.375% per annum (the "Prior Bonds") currently held by the United States Department of Agriculture, acting through Rural Development ("RD"); and (b) paying the costs of issuance of the KRWFC Loan.

6. The estimated debt service for the KRWFC Loan is shown in **Exhibit "A"**, which is attached hereto and incorporated herein by reference. The debt service schedule and estimated interest rates are subject to change because of market conditions. The final terms of the KRWFC Loan vary from the present assumptions based upon market conditions and other judgment factors.

7. The KRWFC Loan will provide the District with the funds necessary to (i) refund the Prior Bonds; and (ii) pay the costs of issuance of the KRWFC Loan.

8. The Sources and Uses of Funds to be obtained from the issuance of the KRWFC Loan are detailed as **Exhibit "B"**, which is attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed refunding of the Prior Bonds will result in a net present value cash flow savings of approximately \$358,495.66. These savings are shown on the Debt Service Comparison which is attached hereto and incorporated herein by reference as **Exhibit "C"**.

10. The final principal amount of the KRWFC Loan will be adjusted based upon final interest rates which will be known on or about the date of sale of the proposed KRWFC Loan. Final financial figures will be submitted to the Commission in a timely manner. The Applicant will not issue the securities if interest rates in the bond market shift to a point where the Applicant will not achieve any debt service savings.

11. The Debt Service Schedules of the outstanding Prior Bonds are set forth in **Exhibit "D"**.

12. The District represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of the District by producing substantial debt service savings. This is a lawful object within the corporate purposes of the

District's utility operations. The KRWFC 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.

13. The District represents that it will, as soon as reasonably possible after the closing of the KRWFC Loan, file with the Commission a statement setting forth the date of issuance of the KRWFC Loan, the price paid, the fees and expenses incurred in the issuance of the KRWFC Loan, and the terms and interest rates of the KRWFC Loan.

14. The detailed Statements of Revenues, Expenses and Changes in Fund Net Position, Statements of Net Position, and Statements of Cash Flows for the twelve month periods ending on December 31, 2018 and 2019 are attached hereto and incorporated herein by reference as **Exhibit "E"** respectively.

15. Pursuant to 807 KAR 5:001, Section 12 - Financial Exhibit; the District hereby responds as follows:

- (i) Section 12(1)(b): The District states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes to the District's financial condition have occurred since the end of the twelve (12) month period contained in the District's most recent annual report on file with the Commission.
- (ii) Section 12(2)(a), (b) and (c) Stock: The District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: The District does not have any outstanding mortgages as of the date hereof.

- (iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of the District is contained in the 2019 Annual Report on file with this Commission.
  - (v) Section 12(2)(h) Dividends: The District has no outstanding stock and therefore pays no dividends.
  - (vi) Section 12(2)(i) Financial Statements: See paragraph #14 above.
16. Pursuant to 807 KAR 5:001, Section 18, the District hereby responds as follows:
- (i) Section 18(1)(a): The District has complied with the requirements of 807 KAR 5:001, Section 14.
  - (ii) Section 18(1)(b): A general description of the District's property, its field of operation and a statement of original cost of said property and the cost to the District is contained in the District's 2019 Annual Report on file with this Commission.
  - (iii) Section 18(1)(c): The District is not issuing any stock as part of this financing. The information concerning the proposed KRWFC Loan is contained in this Application. The KRWFC Loan will be secured by and payable from the gross revenues of the District's water system.
  - (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refund the outstanding Prior Bonds and pay the costs of issuance thereof.
  - (v) Section 18(1)(e): No property is being acquired with the proceeds of the KRWFC Loan.

- (vi) Section 18(1)(f): The details of the refunding are contained in this Application and the Exhibits hereto.
- (vii) Section 18(1)(g): Written notification of the proposed issuance of the KRWFC Loan is being provided to the State Local Debt Officer (see **Exhibit "F"** attached hereto).
- (viii) Section 18(2)(a): See paragraph #15 above.
- (ix) Section 18(2)(b): The District does not have any outstanding trust deeds or mortgages.
- (x) Section 18(2)(c): No property is being acquired with the proceeds of the KRWFC Loan.

17. No rate adjustment will be necessary.

**WHEREFORE**, the District respectfully requests that the Commission take the following actions:

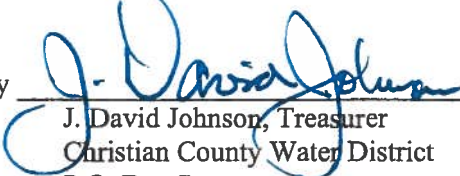
1. Authorize the issuance of the securities requested in the Application;

2. Due to the volatility of the present bond market and in order to achieve substantial interest cost savings to the District by taking full advantage of current low interest rates, the District requests that the Commission issued its Order as soon as possible; and

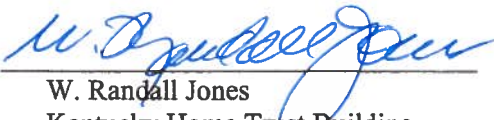
3. Process this Application without a formal hearing in order to save time and expense.

The District will promptly respond to any information requests by the Commission's staff.

Christian County Water District

By   
J. David Johnson, Treasurer  
Christian County Water District  
P.O. Box 7  
1940 Dawson Springs Road  
Hopkinsville, Kentucky 42241  
Phone: (270) 886-3696  
Fax: (270) 886-0708  
Email: [jameso@ccwd.net](mailto:jameso@ccwd.net)

Rubin & Hays

By   
W. Randall Jones  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
Phone: (502) 569-7534  
Email: [wrjones@rubinhays.com](mailto:wrjones@rubinhays.com)  
Counsel for Applicant

STATE OF KENTUCKY            )  
  ) SS  
COUNTY OF CHRISTIAN        )


The affiant, J. David Johnson, being first duly sworn, states: That he is the Treasurer of the Christian County Water District, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, he believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 6 day of August, 2020.

  
\_\_\_\_\_  
J. David Johnson, Treasurer

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by J. David Johnson, Treasurer, of the Christian County Water District, on this the 6 day of August, 2020.

My Commission expires: October 10, 2021.

  
\_\_\_\_\_  
NOTARY PUBLIC  
588462  
\_\_\_\_\_  
Notary Public ID Number



# **EXHIBIT A**

## Debt Service Schedule

Preliminary

**\$1,634,000**

Christian County Water District

Potential Refunding through the Kentucky Rural Water Finance Corporation

Refunding of Series 2008/2009

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/02/2020	-	-	-	-	-
02/01/2021	15,000.00	2.200%	16,863.28	31,863.28	-
08/01/2021	-	-	20,206.75	20,206.75	-
12/31/2021	-	-	-	-	52,070.03
02/01/2022	43,000.00	2.200%	20,206.75	63,206.75	-
08/01/2022	-	-	19,733.75	19,733.75	-
12/31/2022	-	-	-	-	82,940.50
02/01/2023	44,000.00	2.200%	19,733.75	63,733.75	-
08/01/2023	-	-	19,249.75	19,249.75	-
12/31/2023	-	-	-	-	82,983.50
02/01/2024	45,000.00	2.200%	19,249.75	64,249.75	-
08/01/2024	-	-	18,754.75	18,754.75	-
12/31/2024	-	-	-	-	83,004.50
02/01/2025	46,000.00	2.200%	18,754.75	64,754.75	-
08/01/2025	-	-	18,248.75	18,248.75	-
12/31/2025	-	-	-	-	83,003.50
02/01/2026	47,000.00	2.200%	18,248.75	65,248.75	-
08/01/2026	-	-	17,731.75	17,731.75	-
12/31/2026	-	-	-	-	82,980.50
02/01/2027	48,000.00	2.750%	17,731.75	65,731.75	-
08/01/2027	-	-	17,071.75	17,071.75	-
12/31/2027	-	-	-	-	82,803.50
02/01/2028	50,000.00	2.750%	17,071.75	67,071.75	-
08/01/2028	-	-	16,384.25	16,384.25	-
12/31/2028	-	-	-	-	83,456.00
02/01/2029	51,000.00	2.500%	16,384.25	67,384.25	-
08/01/2029	-	-	15,746.75	15,746.75	-
12/31/2029	-	-	-	-	83,131.00
02/01/2030	52,000.00	2.450%	15,746.75	67,746.75	-
08/01/2030	-	-	15,109.75	15,109.75	-
12/31/2030	-	-	-	-	82,856.50
02/01/2031	54,000.00	2.450%	15,109.75	69,109.75	-
08/01/2031	-	-	14,448.25	14,448.25	-
12/31/2031	-	-	-	-	83,558.00
02/01/2032	55,000.00	2.450%	14,448.25	69,448.25	-
08/01/2032	-	-	13,774.50	13,774.50	-
12/31/2032	-	-	-	-	83,222.75
02/01/2033	56,000.00	2.400%	13,774.50	69,774.50	-
08/01/2033	-	-	13,102.50	13,102.50	-
12/31/2033	-	-	-	-	82,877.00
02/01/2034	58,000.00	2.400%	13,102.50	71,102.50	-
08/01/2034	-	-	12,406.50	12,406.50	-
12/31/2034	-	-	-	-	83,509.00
02/01/2035	59,000.00	2.300%	12,406.50	71,406.50	-
08/01/2035	-	-	11,728.00	11,728.00	-
12/31/2035	-	-	-	-	83,134.50
02/01/2036	60,000.00	2.300%	11,728.00	71,728.00	-
08/01/2036	-	-	11,038.00	11,038.00	-
12/31/2036	-	-	-	-	82,766.00
02/01/2037	61,000.00	2.350%	11,038.00	72,038.00	-
08/01/2037	-	-	10,321.25	10,321.25	-
12/31/2037	-	-	-	-	82,359.25
02/01/2038	63,000.00	2.400%	10,321.25	73,321.25	-
08/01/2038	-	-	9,565.25	9,565.25	-
12/31/2038	-	-	-	-	82,886.50
02/01/2039	64,000.00	2.450%	9,565.25	73,565.25	-
08/01/2039	-	-	8,781.25	8,781.25	-

12/31/2039	-	-	-	-	82,346.50
02/01/2040	66,000.00	2.500%	8,781.25	74,781.25	-
08/01/2040	-	-	7,956.25	7,956.25	-
12/31/2040	-	-	-	-	82,737.50
02/01/2041	68,000.00	2.550%	7,956.25	75,956.25	-
08/01/2041	-	-	7,089.25	7,089.25	-
12/31/2041	-	-	-	-	83,045.50
02/01/2042	69,000.00	2.600%	7,089.25	76,089.25	-
08/01/2042	-	-	6,192.25	6,192.25	-
12/31/2042	-	-	-	-	82,281.50
02/01/2043	71,000.00	2.650%	6,192.25	77,192.25	-
08/01/2043	-	-	5,251.50	5,251.50	-
12/31/2043	-	-	-	-	82,443.75
02/01/2044	73,000.00	2.700%	5,251.50	78,251.50	-
08/01/2044	-	-	4,266.00	4,266.00	-
12/31/2044	-	-	-	-	82,517.50
02/01/2045	75,000.00	2.700%	4,266.00	79,266.00	-
08/01/2045	-	-	3,253.50	3,253.50	-
12/31/2045	-	-	-	-	82,519.50
02/01/2046	77,000.00	2.700%	3,253.50	80,253.50	-
08/01/2046	-	-	2,214.00	2,214.00	-
12/31/2046	-	-	-	-	82,467.50
02/01/2047	79,000.00	2.700%	2,214.00	81,214.00	-
08/01/2047	-	-	1,147.50	1,147.50	-
12/31/2047	-	-	-	-	82,361.50
02/01/2048	85,000.00	2.700%	1,147.50	86,147.50	-
12/31/2048	-	-	-	-	86,147.50
<b>Total</b>	<b>\$1,634,000.00</b>	<b>-</b>	<b>\$658,410.78</b>	<b>\$2,292,410.78</b>	<b>-</b>

#### Yield Statistics

Bond Year Dollars	\$25,749.29
Average Life	15.758 Years
Average Coupon	2.5570051%
Net Interest Cost (NIC)	2.6297709%
True Interest Cost (TIC)	2.6417138%
Bond Yield for Arbitrage Purposes	2.5207246%
All Inclusive Cost (AIC)	2.8216880%

#### IRS Form 8038

Net Interest Cost	2.5517550%
Weighted Average Maturity	15.597 Years

Christian County Water Di | SINGLE PURPOSE | 7/7/2020 | 11:32 AM

Raymond James

# **EXHIBIT B**

## **Total Sources and Uses**

Preliminary

**\$1,634,000**

Christian County Water District

Potential Refunding through the Kentucky Rural Water Finance Corporation

Refunding of Series 2008/2009

## Sources & Uses

Dated 09/02/2020 | Delivered 09/02/2020

### Sources Of Funds

Par Amount of Bonds	\$1,634,000.00
Reoffering Premium	5,773.33
Transfers from Prior Issue Debt Service Funds	32,061.98

**Total Sources** **\$1,671,835.31**

### Uses Of Funds

Total Underwriter's Discount (1.500%)	24,510.00
Costs of Issuance	26,610.25
Deposit to Current Refunding Fund	1,620,424.12
Rounding Amount	290.94

**Total Uses** **\$1,671,835.31**

# **EXHIBIT C**

## Debt Service Comparison

Preliminary

**\$1,634,000**

Christian County Water District

Potential Refunding through the Kentucky Rural Water Finance Corporation

Refunding of Series 2008/2009

## Debt Service Comparison

Date	Total P+I	Trustee	Net New D/S	Old Net D/S	Savings
12/31/2020	-	-	-	-	-
12/31/2021	52,070.03	450.00	52,520.03	100,204.69	47,684.66
12/31/2022	82,940.50	450.00	83,390.50	99,848.44	16,457.94
12/31/2023	82,983.50	450.00	83,433.50	99,937.50	16,504.00
12/31/2024	83,004.50	450.00	83,454.50	99,960.94	16,506.44
12/31/2025	83,003.50	450.00	83,453.50	99,918.76	16,465.26
12/31/2026	82,980.50	450.00	83,430.50	99,810.94	16,380.44
12/31/2027	82,803.50	450.00	83,253.50	99,637.50	16,384.00
12/31/2028	83,456.00	450.00	83,906.00	99,887.50	15,981.50
12/31/2029	83,131.00	450.00	83,581.00	99,560.94	15,979.94
12/31/2030	82,856.50	450.00	83,306.50	99,657.82	16,351.32
12/31/2031	83,558.00	450.00	84,008.00	99,667.19	15,659.19
12/31/2032	83,222.75	450.00	83,672.75	99,589.06	15,916.31
12/31/2033	82,877.00	450.00	83,327.00	99,423.44	16,096.44
12/31/2034	83,509.00	450.00	83,959.00	99,659.38	15,700.38
12/31/2035	83,134.50	450.00	83,584.50	99,296.88	15,712.38
12/31/2036	82,766.00	450.00	83,216.00	99,335.94	16,119.94
12/31/2037	82,359.25	450.00	82,809.25	99,265.62	16,456.37
12/31/2038	82,886.50	450.00	83,336.50	99,575.00	16,238.50
12/31/2039	82,346.50	450.00	82,796.50	99,264.07	16,467.57
12/31/2040	82,737.50	450.00	83,187.50	99,332.82	16,145.32
12/31/2041	83,045.50	450.00	83,495.50	99,270.32	15,774.82
12/31/2042	82,281.50	450.00	82,731.50	99,076.57	16,345.07
12/31/2043	82,443.75	450.00	82,893.75	99,240.63	16,346.88
12/31/2044	82,517.50	450.00	82,967.50	98,762.50	15,795.00
12/31/2045	82,519.50	450.00	82,969.50	98,642.19	15,672.69
12/31/2046	82,467.50	450.00	82,917.50	98,857.82	15,940.32
12/31/2047	82,361.50	450.00	82,811.50	98,898.44	16,086.94
12/31/2048	86,147.50	450.00	86,597.50	102,187.50	15,590.00
	-	-	-	-	-
Sub Totals	2,292,410.78	12,600.00	2,305,010.78	2,787,770.40	482,759.62
Accrued Interest	-	-	-	-	-
D/S Fund	-	-	-	-	(32,061.98)
Equity Contribution	-	-	-	-	-
Rounding Amount	-	-	-	-	290.94
Net Savings	2,292,410.78	12,600.00	2,305,010.78	2,787,770.40	450,988.58

### PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	367,570.87
Effects of changes in Expenses	(9,075.21)
Net PV Cashflow Savings @ 2.521%(Bond Yield)	358,495.66
Transfers from Prior Issue Debt Service Fund	(32,061.98)
Contingency or Rounding Amount	290.94
Net Present Value Benefit	\$326,724.62
Net PV Benefit / \$1,608,500 Refunded Principal	20.312%
Net PV Benefit / \$1,634,000 Refunding Principal	19.995%

### Refunding Bond Information

Refunding Dated Date	9/02/2020
Refunding Delivery Date	9/02/2020

# **EXHIBIT D**

Prior Bonds Debt Service



Preliminary

**\$1,850,000**

Christian County Water District  
RD - 2009

## Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+i
01/01/2021	30,500.00	4.375%	35,185.94	65,685.94
07/01/2021	-	-	34,518.75	34,518.75
01/01/2022	31,500.00	4.375%	34,518.75	66,018.75
07/01/2022	-	-	33,829.69	33,829.69
01/01/2023	33,000.00	4.375%	33,829.69	66,829.69
07/01/2023	-	-	33,107.81	33,107.81
01/01/2024	34,500.00	4.375%	33,107.81	67,607.81
07/01/2024	-	-	32,353.13	32,353.13
01/01/2025	36,000.00	4.375%	32,353.13	68,353.13
07/01/2025	-	-	31,565.63	31,565.63
01/01/2026	37,500.00	4.375%	31,565.63	69,065.63
07/01/2026	-	-	30,745.31	30,745.31
01/01/2027	39,000.00	4.375%	30,745.31	69,745.31
07/01/2027	-	-	29,892.19	29,892.19
01/01/2028	41,000.00	4.375%	29,892.19	70,892.19
07/01/2028	-	-	28,995.31	28,995.31
01/01/2029	42,500.00	4.375%	28,995.31	71,495.31
07/01/2029	-	-	28,065.63	28,065.63
01/01/2030	44,500.00	4.375%	28,065.63	72,565.63
07/01/2030	-	-	27,092.19	27,092.19
01/01/2031	46,500.00	4.375%	27,092.19	73,592.19
07/01/2031	-	-	26,075.00	26,075.00
01/01/2032	48,500.00	4.375%	26,075.00	74,575.00
07/01/2032	-	-	25,014.06	25,014.06
01/01/2033	50,500.00	4.375%	25,014.06	75,514.06
07/01/2033	-	-	23,909.38	23,909.38
01/01/2034	53,000.00	4.375%	23,909.38	76,909.38
07/01/2034	-	-	22,750.00	22,750.00
01/01/2035	55,000.00	4.375%	22,750.00	77,750.00
07/01/2035	-	-	21,546.88	21,546.88
01/01/2036	57,500.00	4.375%	21,546.88	79,046.88
07/01/2036	-	-	20,289.06	20,289.06
01/01/2037	60,000.00	4.375%	20,289.06	80,289.06
07/01/2037	-	-	18,976.56	18,976.56
01/01/2038	63,000.00	4.375%	18,976.56	81,976.56
07/01/2038	-	-	17,598.44	17,598.44
01/01/2039	65,500.00	4.375%	17,598.44	83,098.44
07/01/2039	-	-	16,165.63	16,165.63
01/01/2040	68,500.00	4.375%	16,165.63	84,665.63
07/01/2040	-	-	14,667.19	14,667.19
01/01/2041	71,500.00	4.375%	14,667.19	86,167.19
07/01/2041	-	-	13,103.13	13,103.13
01/01/2042	74,500.00	4.375%	13,103.13	87,603.13
07/01/2042	-	-	11,473.44	11,473.44
01/01/2043	78,000.00	4.375%	11,473.44	89,473.44
07/01/2043	-	-	9,767.19	9,767.19
01/01/2044	81,000.00	4.375%	9,767.19	90,767.19
07/01/2044	-	-	7,995.31	7,995.31
01/01/2045	84,500.00	4.375%	7,995.31	92,495.31
07/01/2045	-	-	6,146.88	6,146.88
01/01/2046	88,500.00	4.375%	6,146.88	94,646.88
07/01/2046	-	-	4,210.94	4,210.94
01/01/2047	92,500.00	4.375%	4,210.94	96,710.94
07/01/2047	-	-	2,187.50	2,187.50
01/01/2048	100,000.00	4.375%	2,187.50	102,187.50
<b>Total</b>	<b>\$1,608,500.00</b>	<b>-</b>	<b>\$1,179,270.40</b>	<b>\$2,787,770.40</b>

**Yield Statistics**

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Base date for Avg. Life & Avg. Coupon Calculation	9/02/2020
Average Life	16.588 Years
Average Coupon	4.3750003%
Weighted Average Maturity (Par Basis)	16.588 Years
Weighted Average Maturity (Original Price Basis)	16.588 Years

**Refunding Bond Information**

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Refunding Dated Date	9/02/2020
Refunding Delivery Date	9/02/2020

Christian County Water Di | SINGLE PURPOSE | 7/7/2020 | 11:32 AM

**Raymond James**

# **EXHIBIT E**

## Financial Statements

**CHRISTIAN COUNTY WATER DISTRICT  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2019 AND 2018**

<b>ASSETS</b>	2019	2018
Current assets:		
Cash and cash equivalents	\$ 626,704	\$ 652,350
Accounts receivable and unbilled revenues	757,965	750,810
Allowance for uncollectible accounts	(232,389)	(222,681)
Inventory	211,101	165,326
Prepaid expenses	6,639	7,599
Total current assets	1,370,020	1,353,404
Restricted assets:		
Cash - customers' deposits	67,337	64,040
Cash - bond and interest redemption account	1,033,473	940,552
Cash - depreciation reserve account	1,034,396	1,158,492
Cash - bond reserve account	152,406	147,014
Investments - depreciation reserve	861,177	800,980
Total restricted assets	3,148,789	3,111,078
Capital assets not being depreciated:		
Land and land rights	118,491	118,491
Construction in progress	2,990,290	2,940,667
Capital assets being depreciated:		
Water supply and distribution system	13,250,967	13,558,522
Total capital assets	16,359,748	16,617,680
Other assets:		
Deposits	115	115
Deferred charges:		
Unamortized bond issuance costs	147,319	158,454
Total assets	21,025,991	21,240,731
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts from pension and other postemployment benefits	431,426	430,745

See accompanying notes to the financial statements

**CHRISTIAN COUNTY WATER DISTRICT  
STATEMENTS OF NET POSITION, continued  
DECEMBER 31, 2019 AND 2018**

<b>LIABILITIES</b>	<u>2019</u>	<u>2018</u>
Current liabilities:		
Accounts payable and accrued expenses	<u>186,149</u>	<u>226,361</u>
Total current liabilities	<u>186,149</u>	<u>226,361</u>
Current liabilities payable from restricted assets:		
Customers' deposits	67,337	64,040
Interest payable	158,919	158,774
Notes payable - current	7,500	7,500
Long-term debt - current portion	<u>412,000</u>	<u>400,500</u>
Total payable from restricted assets	<u>645,756</u>	<u>630,814</u>
Noncurrent liabilities:		
Long-term debt (net of unamortized discounts and premiums)	8,429,427	8,846,408
Notes payable	315,000	322,500
Net pension and other postemployment benefit liabilities	1,834,685	1,683,278
Compensated absences	<u>7,586</u>	<u>7,586</u>
Total noncurrent liabilities	<u>10,586,698</u>	<u>10,859,772</u>
Total liabilities	<u>11,418,603</u>	<u>11,716,947</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts from pension and other postemployment benefits	<u>220,414</u>	<u>222,164</u>
<b>NET POSITION</b>		
Net investment in capital assets	7,195,821	7,040,772
Restricted for debt service	1,185,879	1,087,566
Restricted for capital projects	1,895,573	1,959,472
Unrestricted	<u>(458,873)</u>	<u>(355,445)</u>
Total net position	<u>\$ 9,818,400</u>	<u>\$ 9,732,365</u>

See accompanying notes to the financial statements

**CHRISTIAN COUNTY WATER DISTRICT  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Operating revenues:		
Water sales	\$ 3,601,132	\$ 3,537,593
Other revenues	92,416	98,348
	3,693,548	3,635,941
Operating expenses:		
Water purchased	1,342,740	1,272,092
Depreciation	586,575	580,969
Salaries	510,423	593,025
Maintenance and repairs	151,264	128,480
Insurance	196,158	178,753
Rental expense	726	444
Electricity for pumping	92,272	93,443
Professional services	35,953	44,988
Office supplies and expense	174,679	162,469
Operating materials and supplies	68,743	88,360
Payroll taxes and fringe benefits	323,296	221,975
Transportation expenses	30,413	63,414
	3,513,242	3,428,412
Operating income	180,306	207,529
Nonoperating revenue (expense):		
Interest and dividend income	46,876	51,312
Interest expense	(317,342)	(336,400)
Amortization of bond issuance costs	(11,135)	(11,135)
Unrealized gain (loss) on investments	24,421	(11,313)
	(257,180)	(307,536)
Income (loss) before grants and capital contributions	(76,874)	(100,007)
Grants and capital contributions	162,909	534,620
Change in net position, carried forward	86,035	434,613

See accompanying notes to the financial statements

**CHRISTIAN COUNTY WATER DISTRICT  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Change in net position, brought forward	86,035	434,613
Net position, beginning of year	9,732,365	9,701,489
Implementation of GASB 75 (Note 11)	<u>-</u>	<u>(403,737)</u>
Net position, beginning of year, restated	<u>9,732,365</u>	<u>9,297,752</u>
Net position, end of year	<u>\$ 9,818,400</u>	<u>\$ 9,732,365</u>

See accompanying notes to the financial statements

**CHRISTIAN COUNTY WATER DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Receipts from customers and users	\$ 3,696,619	\$ 3,658,191
Cash payments to suppliers for goods and services	(2,176,467)	(1,983,931)
Cash payments to employees	<u>(686,768)</u>	<u>(744,780)</u>
Net cash provided by operating activities	<u>833,384</u>	<u>929,480</u>
Cash flows from capital and related financing activities		
Proceeds from grants	77,783	474,061
Purchases and construction of property and equipment	(328,643)	(1,065,610)
Proceeds from issuance of debt	-	2,197,016
Principal paid on debt	(408,000)	(2,071,966)
Tap-on fees	72,178	54,100
Contributed lines	12,948	6,459
Customer deposits	3,297	1,349
Interest expense	<u>(317,197)</u>	<u>(333,616)</u>
Net cash used in capital and related financing activities	<u>(887,634)</u>	<u>(738,207)</u>
Cash flows from investing activities		
Interest income	<u>6,118</u>	<u>21,331</u>
Net cash used by investing activities	<u>6,118</u>	<u>21,331</u>
Net increase (decrease) in cash and cash equivalents	(48,132)	212,604
Cash at beginning of year	<u>2,962,448</u>	<u>2,749,844</u>
Cash at end of year	<u>2,914,316</u>	<u>2,962,448</u>
Less restricted cash		
Cash - customer deposits	(67,337)	(64,040)
Cash - bond and interest redemption	(1,033,473)	(940,552)
Cash - depreciation reserve	(1,034,396)	(1,158,492)
Cash - bond reserve	<u>(152,406)</u>	<u>(147,014)</u>
Total restricted cash	<u>(2,287,612)</u>	<u>(2,310,098)</u>
Cash and cash equivalents per statement of net position	<u>\$ 626,704</u>	<u>\$ 652,350</u>

See accompanying notes to the financial statements



**CHRISTIAN COUNTY WATER DISTRICT  
STATEMENTS OF CASH FLOWS, continued  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Cash flows from operating activities		
Operating income	\$ 180,306	\$ 207,529
Adjustment to reconcile revenue to net cash provided by operating activities:		
Depreciation	586,575	580,969
(Increase) decrease in:		
Accounts receivable and unbilled revenues	2,553	22,429
Inventory	(45,775)	39,132
Prepaid expenses	960	(1)
Increase (decrease) in:		
Accounts payable	(40,211)	13,951
Compensated absences	-	(18,093)
Deferred pension and postemployment benefits amounts	148,976	83,564
	\$ 833,384	\$ 929,480
Net cash provided by operating activities	\$ 833,384	\$ 929,480

See accompanying notes to the financial statements

# **EXHIBIT F**

Notification to State Local Debt Officer

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410  
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT  
NICHOLAS J. LOCOCO

August 7, 2020

Honorable Dennis Keene  
Commissioner and State Local Debt Officer  
100 Airport Road, Third Floor  
Frankfort, Kentucky 40601

Re: Christian County Water District  
Notice of Intent to Issue Securities

Dear Commissioner Keene:

Pursuant to the regulations of the Kentucky Public Service Commission, specifically 807 KAR 5:001: Section 18(1)(g), please be advised that the Christian County Water District (the "District") hereby notifies the State Local Debt Officer that the District intends on issuing securities in the form of a loan from the Kentucky Rural Water Finance Corporation ("KRWFC") for the purpose of refinancing certain outstanding indebtedness of the District in order to achieve substantial interest cost savings for the District.

We will file the appropriate documents with your office in accordance with the requirements of KRS 65.117 once the securities are issued.

Very truly yours,

Rubin & Hays

By   
W. Randall Jones

WRJ:jl  
Enclosures