



Board of Commissioners
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April 12, 2021

Ms. Linda Bridwell
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Case No. 2020-00386
Morgan County Water District

Dear Ms. Bridwell:

The Morgan County Water District (the District) submits the following comments concerning the Commission Staff Report dated April 6, 2021:

1. Although the District does not agree with the Staff's removal of certain labor expenses from nonrecurring charges, the District does not wish to contest that adjustment in this case. The District's failure to object to Staff's findings and recommendations concerning the reduction of certain Non-Recurring Charges shall not be construed to be a waiver of the District's right to contest a similar finding or recommendation in a future rate proceeding. The District expressly reserves its right to do so.
2. The District concurs with the remaining findings presented in the Staff Report with one other exception. The debt service and coverage for the new USDA-RD loan which is associated with Case No. 2021-00146 now pending before the Commission, was not included in the Staff's revenue requirement calculation. This loan will be closed before the end of this year and the first principal and interest payment will be due January 1, 2022. The amortization schedule provided by RD is attached. The District requests that principal, interest and coverage for this loan be included in the revenue requirement and the new general service rates revised accordingly.
3. The District waives its right to request an informal conference or hearing in this case.

If you need any additional information from the District to incorporate the change requested in Item 2 or to expedite implementation of the new rates, please contact our office.

Sincerely,

Shannon Elam
General Manager

Enclosure



United States Department of Agriculture
CPAP - Community Program Application Processing



CPAP - Bond Schedule Detail

Name of Borrower: Morgan County Water District			
Amount of Loan	315000.00	Annual Interest Rate	0.01125
Number of Initial Interest Only Payments	0	Number of principal and/or Interest Payments	40
Payment Frequency	Annual	This is a split payment bond.	No
Principal Payment Units	500	Interest Payment Units.	1

Year	Period	Number	Payment	Interest	Principal	Balance
2021	1	1	10043	3543	6500	308500.00
2022	1	2	9970	3470	6500	302000.00
2023	1	3	9897	3397	6500	295500.00
2024	1	4	9824	3324	6500	289000.00
2025	1	5	9751	3251	6500	282500.00
2026	1	6	9678	3178	6500	276000.00
2027	1	7	9605	3105	6500	269500.00
2028	1	8	10031	3031	7000	262500.00
2029	1	9	9953	2953	7000	255500.00
2030	1	10	9874	2874	7000	248500.00
2031	1	11	9795	2795	7000	241500.00
2032	1	12	9716	2716	7000	234500.00
2033	1	13	9638	2638	7000	227500.00
2034	1	14	10059	2559	7500	220000.00
2035	1	15	9975	2475	7500	212500.00
2036	1	16	9890	2390	7500	205000.00
2037	1	17	9806	2306	7500	197500.00
2038	1	18	9721	2221	7500	190000.00
2039	1	19	9637	2137	7500	182500.00
2040	1	20	10053	2053	8000	174500.00
2041	1	21	9963	1963	8000	166500.00
2042	1	22	9873	1873	8000	158500.00
2043	1	23	9783	1783	8000	150500.00
2044	1	24	9693	1693	8000	142500.00
2045	1	25	9603	1603	8000	134500.00
2046	1	26	10013	1513	8500	126000.00
2047	1	27	9917	1417	8500	117500.00
2048	1	28	9821	1321	8500	109000.00
2049	1	29	9726	1226	8500	100500.00
2050	1	30	9630	1130	8500	92000.00
2051	1	31	10035	1035	9000	83000.00
2052	1	32	9933	933	9000	74000.00
2053	1	33	9832	832	9000	65000.00
2054	1	34	9731	731	9000	56000.00
2055	1	35	9630	630	9000	47000.00
2056	1	36	10028	528	9500	37500.00
2057	1	37	9921	421	9500	28000.00
2058	1	38	9815	315	9500	18500.00
2059	1	39	9708	208	9500	9000.00
2060	1	40	9101	101	9000.00	0
TOTALS			\$392,672.00	\$77,672.00	\$315,000.00	

Warning: This schedule is an estimate of payments. Rural Development calculates interest amounts and principle reduction as of the date the payment is processed. Because over the life of the loan payments will be processed on dates other than the due date, the actual interest amounts and principle reduction will not match the schedule provided here.

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