

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF WEST LAUREL)
WATER ASSOCIATION, INCORPORATED TO)
ISSUE SECURITIES IN THE APPROXIMATE)
PRINCIPAL AMOUNT OF \$1,875,000 FOR)
THE PURPOSE OF REFUNDING CERTAIN) Case No. 2021 - 00097
OUTSTANDING INDEBTEDNESS OF THE)
ASSOCIATION PURSUANT TO THE PROVISIONS)
OF KRS 278.300 AND 807 KAR 5:001)**

**** *** **** ***** **** *** ****

APPLICATION

The Applicant, West Laurel Water Association, Incorporated ("West Laurel Water"), 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 West Laurel Water to issue certain securities in the approximate principal amount \$1,875,000 (subject to adjustment of up to 10%), for the purpose of refunding certain outstanding indebtedness. In support of this Application, and in compliance with the rules and regulations of the Commission, West Laurel Water states as follows:

1. West Laurel Water is a non-profit water association of Laurel County, created and existing under the provisions of Chapter 273 of the Kentucky Revised Statutes. West Laurel Water's Articles of Incorporation were filed with the Kentucky Secretary of State on February 25, 1970, a copy of which is attached hereto as **Exhibit A**. West Laurel Water is currently in good standing

with the Kentucky Secretary of State. West Laurel Water is now, and has been since its inception, regulated by the Commission, and all records and proceedings of the Commission with reference to West Laurel Water are incorporated in this Application by reference.

2. The governing body of West Laurel Water is its Board of Directors, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS Chapter 273 and all applicable law and regulations.

3. The mailing address of West Laurel Water is as follows:

West Laurel Water Association, Incorporated
c/o Mr. Dewayne Lewis, Manager
P.O. Box 726
London, Kentucky 40743
Telephone: (606) 878-9420
Fax: (606) 878-9425
Email: dewaynelewis@woodcreekwater.org

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

5. West Laurel Water proposes to borrow funds from the Kentucky Rural Water Finance Corporation ("KRWFC") pursuant to an Assistance Agreement in the estimated principal amount of \$1,875,000 (subject to adjustment of up to 10%) (the "KRWFC Loan"), for the purpose of refunding the outstanding indebtedness of West Laurel Water designated as (i) Promissory Note, dated September 26, 1988, in the original principal amount of \$500,000, bearing interest at the rate of 5.00% per annum (the "1988A Note"), currently held by the United States Department of Agriculture, acting through Rural Development ("RD"); (ii) Promissory Note, dated September 26, 1988, in the original principal amount of \$153,000, bearing interest at the rate of 5.00% per annum

(the "1988B Note"), currently held by RD; (iii) Promissory Note, dated November 10, 1995, in the original principal amount of \$516,000, bearing interest at the rate of 5.25% per annum (the "1995 Note"), currently held by RD; and (iv) Promissory Note, dated July 23, 2002, in the original principal amount of \$1,536,000, bearing interest at the rate of 4.75% per annum (the "2002 Note"), currently held by RD; (hereinafter, the 1988A Note, the 1988B Note, the 1995 Note and the 2002 Note shall be collectively referred to as the "Prior Loans").

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

7. The KRWFC Loan will provide West Laurel Water with the funds necessary to (i) refund the Prior Loans; and (iii) pay the costs, fees and expenses incident to the 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 C**, which is attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed refinancing will generate a net present value cashflow savings of approximately \$350,011.30. These savings are shown on the Debt Service Comparison, which is attached hereto and incorporated herein by reference as **Exhibit D**.

10. The final principal amount of the KRWFC Loan may be adjusted, based upon the final interest rate as of closing of the proposed KRWFC Loan. Final financial figures will be submitted to the Commission in a timely manner. West Laurel Water will not issue the securities

if interest rates in the financial markets shift to a point where West Laurel Water will not achieve any savings.

11. The Total Refunded Debt Schedule of the outstanding Prior Loans being refunded is set forth in **Exhibit E**.

12. West Laurel Water represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of West Laurel Water by producing substantial debt service savings. This is a lawful object within the corporate purposes of the West Laurel Water's utility operations. The KRWFC Loan is necessary, appropriate for, and consistent with the proper performance by West Laurel Water of its service to the public and will not impair its ability to perform that service.

13. West Laurel Water 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 costs and expenses incurred in the issuance of the KRWFC Loan, and the final terms and interest rates of the KRWFC Loan.

14. The detailed Financial Statements for the twelve month period ending on December 31, 2019 are attached hereto and incorporated herein by reference as **Exhibit F** respectively.

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

- (i) Section 12(1)(b): West Laurel Water 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 West Laurel Water's financial condition have occurred

since the end of the twelve (12) month period contained in West Laurel Water's most recent annual report on file with the Commission.

- (ii) Section 12(2)(a), (b) and (c) Stock: West Laurel Water does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: West Laurel Water's mortgages are attached hereto as **Exhibit G** and are incorporated herein by reference.
- (iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of West Laurel Water is contained in the 2019 Annual Report on file with this Commission.
- (v) Section 12(2)(h) Dividends: West Laurel Water 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, West Laurel Water hereby responds as follows:

- (i) Section 18(1)(a): West Laurel Water has complied with the requirements of 807 KAR 5:001, Section 14.
- (ii) Section 18(1)(b): A general description of West Laurel Water's property, its field of operation and a statement of original cost of said property and the cost to West Laurel Water is contained in West Laurel Water's 2019 Annual Report on file with this Commission.
- (iii) Section 18(1)(c): West Laurel Water 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 West Laurel Water's system.

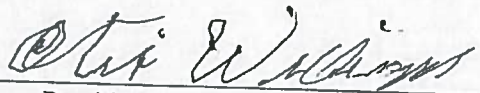
- (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refund the outstanding Prior Loans.
- (v) Section 18(1)(e): No property is being acquired with the proceeds of the KRWFC Loan.
- (vi) Section 18(1)(f): The details of the refunding of the Prior Loans are contained in this Application 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 H** attached hereto).
- (viii) Section 18(2)(a): See paragraph #15 above.
- (ix) Section 18(2)(b): West Laurel Water does not have any outstanding trust deeds. Copies of West Laurel Water's outstanding mortgages are attached hereto as **Exhibit G** and are incorporated herein by reference.
- (x) Section 18(2)(c): No property is being acquired with the proceeds of the KRWFC Loan.

18. No rate adjustment is being requested in connection with this Application.

WHEREFORE, West Laurel Water 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 West Laurel Water by taking full advantage of current low interest rates, West Laurel Water 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.
- West Laurel Water will promptly respond to any information requests by the Commission's staff.

West Laurel Water Association, Incorporated

By 

President

P.O. Box 726

London, Kentucky 40726

Phone: (606) 878-9420

Fax: (606) 878-9425

dewaynelewis@woodcreekwater.org

Rubin & Hays

By 

W. Randall Jones

Kentucky Home Trust Building

450 South Third Street

Louisville, Kentucky 40202

Phone: (502) 569-7525

Fax: (502) 569-7555

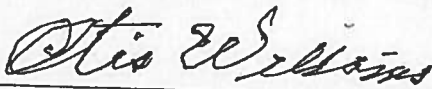
wrjones@rubinhays.com

Counsel for Applicant

STATE OF KENTUCKY)
) SS
COUNTY OF LAUREL)

The affiant, Otis Williams, being first duly sworn, states: That he is the President of the West Laurel Water Association, Incorporated, 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 this February 12, 2021.



Otis Williams, President

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Otis Williams, President of the West Laurel Water Association, Incorporated, on this February 12, 2021.

My Commission expires: 10-20-2023.



NOTARY PUBLIC

632497

NOTARY PUBLIC ID Number

EXHIBIT A

Articles of Incorporation

ARTICLES OF INCORPORATION
OF
WEST LAUREL WATER ASSOCIATION
LONDON, KENTUCKY

We, whose names are hereto subscribed, acting as incorporators for the purpose of forming a nonprofit corporation under the provisions of Chapter 273 of the KRS, assuming and claiming all powers, rights, privileges and immunities granted or permitted bodies corporate under said laws, and do hereby adopt the following Articles of Incorporation:

ARTICLE I

NAME

The name of this corporation shall be West Laurel Water Association, Incorporated.

ARTICLE II

REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be at London, County of Laurel, State of Kentucky; the registered agent at such address is J. T. Patton.

ARTICLE III

PURPOSE

The purpose of the said corporation shall be to establish,

purchase, development, or otherwise to construct reservoirs or water towers, erect pumping machinery, lay water mains, pipes and hydrants; to furnish and sell water to members of the corporation, public bodies and local businesses, for fire protection, drinking and general farm and domestic use and collect payment for rental or sale of same and doing all things necessary, convenient and incidental thereto, and a complete sanitary and/or storm sewer collection system and treatment facilities by purchase, development, or otherwise to construct mains, submains, and laterals, treatment plant, lagoons, to furnish sewer service to members of the corporation, public bodies and local businesses, for sanitary and health protection and collect service payment for rental of same and doing all things necessary, convenient and incidental thereto.

ARTICLE IV

SEAL

This corporation shall have a seal, which seal shall contain the corporate name, Kentucky, and the words "corporate seal."

ARTICLE V

POWERS

The corporation shall have all powers provided by law.

ARTICLE VI

MEMBERSHIP

Persons may become members of the corporation as

ARTICLE VII

The corporation shall have perpetual duration.

ARTICLE VIII

BOARD OF DIRECTORS

1. The affairs of this corporation shall be managed by a Board of Three (3) Directors to be elected by and from the members thereof and shall serve for three years and until their successors are elected. The size of the Board may not be changed except by amendment to these articles. At the first annual election, one director shall be elected for a term of one year; one Director shall be elected for a term of two year; one Director shall be elected for a term of three years. Thereafter Directors shall be elected for terms of three years.

2. The Board of Directors shall fill vacancies occurring in its own membership by appointment of qualified members to hold office until the next annual meeting of the membership at which meeting a member shall be elected to fill the unexpired term.

3. A majority of the Directors must be present at a meeting to conduct the business of the corporation.

4. Until the first annual election, the following persons shall be Directors:

Name	Address
J. T. Patton	Route 1, Box 739, London, Kentucky
Shively Pope	Route 6, London, Kentucky
Otis Williams	Keavy, Kentucky

and the following persons shall be officers:

President:	J. T. Patton	Route 1, Box 739 London, Kentucky
Vice President:	Otis Williams	Keavy, Kentucky
Secretary- Treasurer	Shively Pope	Route 6, London, Kentucky

5. The Board of Directors shall have their annual meeting after the annual meeting of members hereinafter provided for, at a time and place to be designated by the President, and will elect from their own number a President, Vice President, Secretary and Treasurer. However, the offices of Secretary and Treasurer may be combined into one office.

6. The Board of Directors shall have other meetings as provided in the By-Laws.

ARTICLE IX

MEETINGS

1. The annual meeting of the members of this corporation for the purpose of electing directors and transacting such other business as may properly come before it at such time, shall be held on the 10th in January of each year at the time and place specified by the Board of Directors.

2. Special meetings of the members of this corporation may be called by the President at any time or place within the county upon giving to each of the members a notice in writing mailed to his postal

prior to such meeting; and such meetings shall be called by him at any time upon written demand of the majority of the directors, and in case of his neglect or refusal to call such meetings, such directors or members shall unite in calling such meetings, which shall be the same as though called by the President. If the purpose of the meeting is to amend the articles, then the notice of meetings signed by the Secretary shall set forth the proposed amendment in substance. Articles may be amended by a two-thirds vote of the members present at such a meeting or voting by proxy.

ARTICLE X

INCORPORATORS

The names and addresses of the incorporators are:

Name	Address
J. T. Patton	Route 1, Box 739 London, Kentucky
Shively Pope	Route 6, London, Kentucky
Otis Williams	Keavy, Kentucky

ARTICLE XI

BY-LAWS

The corporation may make and amend By-Laws at its pleasure through its Board of Directors.

IN WITNESS WHEREOF, we have hereunto subscribed
our names this 17th day of February, 1970.

J. T. Patton
J. T. PATTON

Shively Pope
SHIVELY POPE

Otis Williams
OTIS WILLIAMS

STATE OF KENTUCKY
SCT.
COUNTY OF LAUREL

On this 17th day of February, 1970, before me
JERRY L. DOTSON, A Notary Public in and for said County,
personally appeared, J. T. Patton, Shively Pope, and Otis Williams, to
me known to be the person(s) named in and who executed the foregoing
instrument, and acknowledged that they executed the same as their
voluntary act and deed.

(SEAL)

Jerry L. Dotson
Notary Public in and for Said County and State

My Commission expires:

5-14-73

ORIGINAL COPY
FILED AND RECORDED

Commonwealth of Kentucky

Department of State



Office of Secretary of State

ELMER BEGLEY, SECRETARY
DOMESTIC CORPORATION DEPARTMENT

NON-STOCK CORPORATION

I, *ELMER BEGLEY*, Secretary of the State of Kentucky, hereby certify that Articles of Incorporation of the

WEST LAUREL WATER ASSOCIATION, INCORPORATED (London, Kentucky)

has this day been filed in my office.

It appearing from said Articles of Incorporation that the said Corporation has no capital stock, and no private pecuniary profit is to be derived therefrom, the said Corporation is not required by law to pay a tax on organization; and it further appearing that the aforesaid Corporation has complied with all the requirements of the law, this certificate is issued as evidence of the fact that the said Corporation is now authorized and empowered to do business in this State under its charter, subject to the restrictions imposed by the statutes of Kentucky.



Given under my hand as Secretary of State,
this 25th day of February 1967

By *Elmer Begley*
Secretary of State

Assistant Secretary of State

EXHIBIT B

Estimated Debt Service Schedule

Preliminary

\$1,875,000

West Laurel Water Association

Kentucky Rural Water Finance Corporation

Potential Taxable Refunding

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/18/2021	-	-	-	-	-
02/01/2022	55,000.00	3.250%	55,249.20	110,249.20	-
08/01/2022	-	-	28,100.00	28,100.00	-
12/31/2022	-	-	-	-	138,349.20
02/01/2023	80,000.00	3.250%	28,100.00	108,100.00	-
08/01/2023	-	-	26,800.00	26,800.00	-
12/31/2023	-	-	-	-	134,900.00
02/01/2024	85,000.00	3.250%	26,800.00	111,800.00	-
08/01/2024	-	-	25,418.75	25,418.75	-
12/31/2024	-	-	-	-	137,218.75
02/01/2025	85,000.00	3.250%	25,418.75	110,418.75	-
08/01/2025	-	-	24,037.50	24,037.50	-
12/31/2025	-	-	-	-	134,456.25
02/01/2026	90,000.00	3.250%	24,037.50	114,037.50	-
08/01/2026	-	-	22,575.00	22,575.00	-
12/31/2026	-	-	-	-	136,612.50
02/01/2027	95,000.00	3.250%	22,575.00	117,575.00	-
08/01/2027	-	-	21,031.25	21,031.25	-
12/31/2027	-	-	-	-	138,606.25
02/01/2028	95,000.00	3.250%	21,031.25	116,031.25	-
08/01/2028	-	-	19,487.50	19,487.50	-
12/31/2028	-	-	-	-	135,518.75
02/01/2029	100,000.00	3.250%	19,487.50	119,487.50	-
08/01/2029	-	-	17,862.50	17,862.50	-
12/31/2029	-	-	-	-	137,350.00
02/01/2030	100,000.00	3.250%	17,862.50	117,862.50	-
08/01/2030	-	-	16,237.50	16,237.50	-
12/31/2030	-	-	-	-	134,100.00
02/01/2031	105,000.00	3.250%	16,237.50	121,237.50	-
08/01/2031	-	-	14,531.25	14,531.25	-
12/31/2031	-	-	-	-	135,768.75
02/01/2032	110,000.00	3.250%	14,531.25	124,531.25	-
08/01/2032	-	-	12,743.75	12,743.75	-
12/31/2032	-	-	-	-	137,275.00
02/01/2033	110,000.00	2.750%	12,743.75	122,743.75	-
08/01/2033	-	-	11,231.25	11,231.25	-
12/31/2033	-	-	-	-	133,975.00
02/01/2034	115,000.00	2.750%	11,231.25	126,231.25	-
08/01/2034	-	-	9,650.00	9,650.00	-
12/31/2034	-	-	-	-	135,881.25
02/01/2035	120,000.00	2.750%	9,650.00	129,650.00	-
08/01/2035	-	-	8,000.00	8,000.00	-
12/31/2035	-	-	-	-	137,650.00
02/01/2036	90,000.00	2.750%	8,000.00	98,000.00	-
08/01/2036	-	-	6,762.50	6,762.50	-
12/31/2036	-	-	-	-	104,762.50
02/01/2037	95,000.00	3.000%	6,762.50	101,762.50	-
08/01/2037	-	-	5,337.50	5,337.50	-
12/31/2037	-	-	-	-	107,100.00
02/01/2038	95,000.00	3.000%	5,337.50	100,337.50	-
08/01/2038	-	-	3,912.50	3,912.50	-
12/31/2038	-	-	-	-	104,250.00
02/01/2039	60,000.00	3.000%	3,912.50	63,912.50	-
08/01/2039	-	-	3,012.50	3,012.50	-
12/31/2039	-	-	-	-	66,925.00
02/01/2040	60,000.00	3.000%	3,012.50	63,012.50	-
08/01/2040	-	-	2,112.50	2,112.50	-

12/31/2040	-	-	-	-	65,125.00
02/01/2041	65,000.00	3.250%	2,112.50	67,112.50	-
08/01/2041	-	-	1,056.25	1,056.25	-
12/31/2041	-	-	-	-	68,168.75
02/01/2042	65,000.00	3.250%	1,056.25	66,056.25	-
12/31/2042	-	-	-	-	66,056.25
Total	\$1,875,000.00	-	\$615,049.20	\$2,490,049.20	-

Yield Statistics

Bond Year Dollars	\$20,231.46
Average Life	10.790 Years
Average Coupon	3.0400636%
Net Interest Cost (NIC)	2.6770243%
True Interest Cost (TIC)	2.6085260%
Bond Yield for Arbitrage Purposes	2.5708518%
All Inclusive Cost (AIC)	2.8445051%

IRS Form 8038

Net Interest Cost	2.4224083%
Weighted Average Maturity	10.601 Years

KRWFC Taxable Refunding | West Laurel Water Associa | 2/ 5/2021 | 4:43 PM

Raymond James

EXHIBIT C

Estimated Sources and Uses of Funds

Preliminary

\$1,875,000

West Laurel Water Association

Kentucky Rural Water Finance Corporation

Potential Taxable Refunding

Sources & Uses

Dated 02/18/2021 | Delivered 02/18/2021

Sources Of Funds

Par Amount of Bonds	\$1,875,000.00
Reoffering Premium	106,260.65

Total Sources **\$1,981,260.65**

Uses Of Funds

Total Underwriter's Discount (1.750%)	32,812.50
Costs of Issuance	33,500.00
Deposit to Current Refunding Fund	1,910,426.40
Rounding Amount	4,521.75

Total Uses **\$1,981,260.65**

Raymond James

EXHIBIT D

Debt Service Comparison

Preliminary

\$1,875,000

West Laurel Water Association
Kentucky Rural Water Finance Corporation
Potential Taxable Refunding

Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/31/2021	-	-	-	46,399.45	46,399.45
12/31/2022	138,349.20	450.00	138,799.20	156,727.53	17,928.33
12/31/2023	134,900.00	450.00	135,350.00	156,646.96	21,296.96
12/31/2024	137,218.75	450.00	137,668.75	156,563.72	18,894.97
12/31/2025	134,456.25	450.00	134,906.25	156,475.69	21,569.44
12/31/2026	136,612.50	450.00	137,062.50	156,383.40	19,320.90
12/31/2027	138,606.25	450.00	139,056.25	156,287.88	17,231.63
12/31/2028	135,518.75	450.00	135,968.75	156,183.84	20,215.09
12/31/2029	137,350.00	450.00	137,800.00	156,077.46	18,277.46
12/31/2030	134,100.00	450.00	134,550.00	155,967.30	21,417.30
12/31/2031	135,768.75	450.00	136,218.75	155,848.58	19,629.83
12/31/2032	137,275.00	450.00	137,725.00	155,725.00	18,000.00
12/31/2033	133,975.00	450.00	134,425.00	155,595.59	21,170.59
12/31/2034	135,881.25	450.00	136,331.25	155,459.80	19,128.55
12/31/2035	137,650.00	450.00	138,100.00	155,318.48	17,218.48
12/31/2036	104,762.50	450.00	105,212.50	124,422.67	19,210.17
12/31/2037	107,100.00	450.00	107,550.00	124,309.41	16,759.41
12/31/2038	104,250.00	450.00	104,700.00	124,191.43	19,491.43
12/31/2039	66,925.00	450.00	67,375.00	86,320.33	18,945.33
12/31/2040	65,125.00	450.00	65,575.00	86,238.69	20,663.69
12/31/2041	68,168.75	450.00	68,618.75	86,152.09	17,533.34
12/31/2042	66,056.25	450.00	66,506.25	86,061.54	19,555.29
TOTAL	\$2,490,049.20	\$9,450.00	\$2,499,499.20	\$2,949,356.84	\$449,857.64

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	357,048.71
Effects of changes in Expenses	(7,037.41)
Net PV Cashflow Savings @ 2.845%(AIC)	350,011.30
Contingency or Rounding Amount	4,521.75
Net Present Value Benefit	\$354,533.05
Net PV Benefit / \$1,898,311 Refunded Principal	18.676%
Net PV Benefit / \$1,875,000 Refunding Principal	18.908%

Refunding Bond Information

Refunding Dated Date	2/18/2021
Refunding Delivery Date	2/18/2021

Raymond James

EXHIBIT E

Prior Bonds Debt Service

Preliminary

\$153,000

West Laurel Water Association

Loan closed 9/26/88

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
02/18/2021	102,259.00	667.52	102,926.52	-	-	-	-
07/01/2021	-	-	-	-	-	2,556.48	2,556.48
01/01/2022	-	-	-	3,957.00	5.000%	2,556.48	6,513.48
07/01/2022	-	-	-	-	-	2,457.55	2,457.55
01/01/2023	-	-	-	4,155.00	5.000%	2,457.55	6,612.55
07/01/2023	-	-	-	-	-	2,353.68	2,353.68
01/01/2024	-	-	-	4,363.00	5.000%	2,353.68	6,716.68
07/01/2024	-	-	-	-	-	2,244.60	2,244.60
01/01/2025	-	-	-	4,581.00	5.000%	2,244.60	6,825.60
07/01/2025	-	-	-	-	-	2,130.08	2,130.08
01/01/2026	-	-	-	4,810.00	5.000%	2,130.08	6,940.08
07/01/2026	-	-	-	-	-	2,009.83	2,009.83
01/01/2027	-	-	-	5,051.00	5.000%	2,009.83	7,060.83
07/01/2027	-	-	-	-	-	1,883.55	1,883.55
01/01/2028	-	-	-	5,303.00	5.000%	1,883.55	7,186.55
07/01/2028	-	-	-	-	-	1,750.98	1,750.98
01/01/2029	-	-	-	5,568.00	5.000%	1,750.98	7,318.98
07/01/2029	-	-	-	-	-	1,611.78	1,611.78
01/01/2030	-	-	-	5,847.00	5.000%	1,611.78	7,458.78
07/01/2030	-	-	-	-	-	1,465.60	1,465.60
01/01/2031	-	-	-	6,139.00	5.000%	1,465.60	7,604.60
07/01/2031	-	-	-	-	-	1,312.13	1,312.13
01/01/2032	-	-	-	6,446.00	5.000%	1,312.13	7,758.13
07/01/2032	-	-	-	-	-	1,150.98	1,150.98
01/01/2033	-	-	-	6,769.00	5.000%	1,150.98	7,919.98
07/01/2033	-	-	-	-	-	981.75	981.75
01/01/2034	-	-	-	7,107.00	5.000%	981.75	8,088.75
07/01/2034	-	-	-	-	-	804.08	804.08
01/01/2035	-	-	-	7,462.00	5.000%	804.08	8,266.08
07/01/2035	-	-	-	-	-	617.53	617.53
01/01/2036	-	-	-	7,835.00	5.000%	617.53	8,452.53
07/01/2036	-	-	-	-	-	421.65	421.65
01/01/2037	-	-	-	8,227.00	5.000%	421.65	8,648.65
07/01/2037	-	-	-	-	-	215.98	215.98
01/01/2038	-	-	-	8,639.00	5.000%	215.98	8,854.98
Total	\$102,259.00	\$667.52	\$102,926.52	\$102,259.00	-	\$51,936.46	\$154,195.46

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/18/2021
Average Life	10.027 Years
Average Coupon	5.0000101%
Weighted Average Maturity (Par Basis)	10.027 Years
Weighted Average Maturity (Original Price Basis)	10.027 Years

Refunding Bond Information

Refunding Dated Date	2/18/2021
Refunding Delivery Date	2/18/2021

West Laurel Water Asso. 1 | SINGLE PURPOSE | 2/ 5/2021 | 4:43 PM

Raymond James

Preliminary

\$516,000

West Laurel Water Association

Loan closed 11/10/1995

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
02/18/2021	307,599.00	2,108.33	309,707.33	-	-	-	-
07/01/2021	-	-	-	-	-	8,074.47	8,074.47
01/01/2022	-	-	-	15,425.00	5.250%	8,074.47	23,499.47
07/01/2022	-	-	-	-	-	7,669.57	7,669.57
01/01/2023	-	-	-	16,234.00	5.250%	7,669.57	23,903.57
07/01/2023	-	-	-	-	-	7,243.43	7,243.43
01/01/2024	-	-	-	17,087.00	5.250%	7,243.43	24,330.43
07/01/2024	-	-	-	-	-	6,794.89	6,794.89
01/01/2025	-	-	-	17,984.00	5.250%	6,794.89	24,778.89
07/01/2025	-	-	-	-	-	6,322.81	6,322.81
01/01/2026	-	-	-	18,928.00	5.250%	6,322.81	25,250.81
07/01/2026	-	-	-	-	-	5,825.95	5,825.95
01/01/2027	-	-	-	19,922.00	5.250%	5,825.95	25,747.95
07/01/2027	-	-	-	-	-	5,303.00	5,303.00
01/01/2028	-	-	-	20,967.00	5.250%	5,303.00	26,270.00
07/01/2028	-	-	-	-	-	4,752.62	4,752.62
01/01/2029	-	-	-	22,068.00	5.250%	4,752.62	26,820.62
07/01/2029	-	-	-	-	-	4,173.33	4,173.33
01/01/2030	-	-	-	23,227.00	5.250%	4,173.33	27,400.33
07/01/2030	-	-	-	-	-	3,563.62	3,563.62
01/01/2031	-	-	-	24,446.00	5.250%	3,563.62	28,009.62
07/01/2031	-	-	-	-	-	2,921.91	2,921.91
01/01/2032	-	-	-	25,730.00	5.250%	2,921.91	28,651.91
07/01/2032	-	-	-	-	-	2,246.50	2,246.50
01/01/2033	-	-	-	27,080.00	5.250%	2,246.50	29,326.50
07/01/2033	-	-	-	-	-	1,535.65	1,535.65
01/01/2034	-	-	-	28,502.00	5.250%	1,535.65	30,037.65
07/01/2034	-	-	-	-	-	787.47	787.47
01/01/2035	-	-	-	29,999.00	5.250%	787.47	30,786.47
Total	\$307,599.00	\$2,108.33	\$309,707.33	\$307,599.00	-	\$134,430.44	\$442,029.44

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/18/2021
Average Life	8.194 Years
Average Coupon	5.2499998%
Weighted Average Maturity (Par Basis)	8.194 Years
Weighted Average Maturity (Original Price Basis)	8.194 Years

Refunding Bond Information

Refunding Dated Date	2/18/2021
Refunding Delivery Date	2/18/2021

Preliminary

\$1,536,000

West Laurel Water Association

Loan closed 7/26/2002

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
02/18/2021	1,154,266.00	7,158.05	1,161,424.05	-	-	-	-
07/01/2021	-	-	-	-	-	27,413.82	27,413.82
01/01/2022	-	-	-	33,230.00	4.750%	27,413.82	60,643.82
07/01/2022	-	-	-	-	-	26,624.61	26,624.61
01/01/2023	-	-	-	34,809.00	4.750%	26,624.61	61,433.61
07/01/2023	-	-	-	-	-	25,797.89	25,797.89
01/01/2024	-	-	-	36,462.00	4.750%	25,797.89	62,259.89
07/01/2024	-	-	-	-	-	24,931.92	24,931.92
01/01/2025	-	-	-	38,194.00	4.750%	24,931.92	63,125.92
07/01/2025	-	-	-	-	-	24,024.81	24,024.81
01/01/2026	-	-	-	40,008.00	4.750%	24,024.81	64,032.81
07/01/2026	-	-	-	-	-	23,074.62	23,074.62
01/01/2027	-	-	-	41,909.00	4.750%	23,074.62	64,983.62
07/01/2027	-	-	-	-	-	22,079.28	22,079.28
01/01/2028	-	-	-	43,899.00	4.750%	22,079.28	65,978.28
07/01/2028	-	-	-	-	-	21,036.68	21,036.68
01/01/2029	-	-	-	45,984.00	4.750%	21,036.68	67,020.68
07/01/2029	-	-	-	-	-	19,944.56	19,944.56
01/01/2030	-	-	-	48,169.00	4.750%	19,944.56	68,113.56
07/01/2030	-	-	-	-	-	18,800.55	18,800.55
01/01/2031	-	-	-	50,457.00	4.750%	18,800.55	69,257.55
07/01/2031	-	-	-	-	-	17,602.19	17,602.19
01/01/2032	-	-	-	52,853.00	4.750%	17,602.19	70,455.19
07/01/2032	-	-	-	-	-	16,346.94	16,346.94
01/01/2033	-	-	-	55,364.00	4.750%	16,346.94	71,710.94
07/01/2033	-	-	-	-	-	15,032.04	15,032.04
01/01/2034	-	-	-	57,994.00	4.750%	15,032.04	73,026.04
07/01/2034	-	-	-	-	-	13,654.68	13,654.68
01/01/2035	-	-	-	60,749.00	4.750%	13,654.68	74,403.68
07/01/2035	-	-	-	-	-	12,211.89	12,211.89
01/01/2036	-	-	-	63,634.00	4.750%	12,211.89	75,845.89
07/01/2036	-	-	-	-	-	10,700.59	10,700.59
01/01/2037	-	-	-	66,657.00	4.750%	10,700.59	77,357.59
07/01/2037	-	-	-	-	-	9,117.48	9,117.48
01/01/2038	-	-	-	69,823.00	4.750%	9,117.48	78,940.48
07/01/2038	-	-	-	-	-	7,459.19	7,459.19
01/01/2039	-	-	-	73,139.00	4.750%	7,459.19	80,598.19
07/01/2039	-	-	-	-	-	5,722.14	5,722.14
01/01/2040	-	-	-	76,614.00	4.750%	5,722.14	82,336.14
07/01/2040	-	-	-	-	-	3,902.55	3,902.55
01/01/2041	-	-	-	80,253.00	4.750%	3,902.55	84,155.55
07/01/2041	-	-	-	-	-	1,996.54	1,996.54
01/01/2042	-	-	-	84,065.00	4.750%	1,996.54	86,061.54
Total	\$1,154,266.00	\$7,158.05	\$1,161,424.05	\$1,154,266.00	-	\$694,949.94	\$1,849,215.94

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/18/2021
Average Life	12.545 Years
Average Coupon	4.7500000%
Weighted Average Maturity (Par Basis)	12.545 Years
Weighted Average Maturity (Original Price Basis)	12.545 Years

Refunding Bond Information

Refunding Dated Date	2/18/2021
Refunding Delivery Date	2/18/2021

Preliminary

\$500,000

West Laurel Water Association

Loan closed 9/26/88 (#2)

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
02/18/2021	334,187.00	2,181.50	336,368.50	-	-	-	-
07/01/2021	-	-	-	-	-	8,354.68	8,354.68
01/01/2022	-	-	-	12,933.00	5.000%	8,354.68	21,287.68
07/01/2022	-	-	-	-	-	8,031.35	8,031.35
01/01/2023	-	-	-	13,579.00	5.000%	8,031.35	21,610.35
07/01/2023	-	-	-	-	-	7,691.88	7,691.88
01/01/2024	-	-	-	14,258.00	5.000%	7,691.88	21,949.88
07/01/2024	-	-	-	-	-	7,335.43	7,335.43
01/01/2025	-	-	-	14,971.00	5.000%	7,335.43	22,306.43
07/01/2025	-	-	-	-	-	6,961.15	6,961.15
01/01/2026	-	-	-	15,720.00	5.000%	6,961.15	22,681.15
07/01/2026	-	-	-	-	-	6,568.15	6,568.15
01/01/2027	-	-	-	16,506.00	5.000%	6,568.15	23,074.15
07/01/2027	-	-	-	-	-	6,155.50	6,155.50
01/01/2028	-	-	-	17,331.00	5.000%	6,155.50	23,486.50
07/01/2028	-	-	-	-	-	5,722.23	5,722.23
01/01/2029	-	-	-	18,198.00	5.000%	5,722.23	23,920.23
07/01/2029	-	-	-	-	-	5,267.28	5,267.28
01/01/2030	-	-	-	19,108.00	5.000%	5,267.28	24,375.28
07/01/2030	-	-	-	-	-	4,789.58	4,789.58
01/01/2031	-	-	-	20,063.00	5.000%	4,789.58	24,852.58
07/01/2031	-	-	-	-	-	4,288.00	4,288.00
01/01/2032	-	-	-	21,066.00	5.000%	4,288.00	25,354.00
07/01/2032	-	-	-	-	-	3,761.35	3,761.35
01/01/2033	-	-	-	22,119.00	5.000%	3,761.35	25,880.35
07/01/2033	-	-	-	-	-	3,208.38	3,208.38
01/01/2034	-	-	-	23,225.00	5.000%	3,208.38	26,433.38
07/01/2034	-	-	-	-	-	2,627.75	2,627.75
01/01/2035	-	-	-	24,387.00	5.000%	2,627.75	27,014.75
07/01/2035	-	-	-	-	-	2,018.08	2,018.08
01/01/2036	-	-	-	25,606.00	5.000%	2,018.08	27,624.08
07/01/2036	-	-	-	-	-	1,377.93	1,377.93
01/01/2037	-	-	-	26,886.00	5.000%	1,377.93	28,263.93
07/01/2037	-	-	-	-	-	705.78	705.78
01/01/2038	-	-	-	28,231.00	5.000%	705.78	28,936.78
Total	\$334,187.00	\$2,181.50	\$336,368.50	\$334,187.00	-	\$169,729.00	\$503,916.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/18/2021
Average Life	10.027 Years
Average Coupon	5.0000029%
Weighted Average Maturity (Par Basis)	10.027 Years
Weighted Average Maturity (Original Price Basis)	10.027 Years

Refunding Bond Information

Refunding Dated Date	2/18/2021
Refunding Delivery Date	2/18/2021

West Laurel Water Asso. 1 | SINGLE PURPOSE | 2/ 5/2021 | 4:43 PM

Raymond James

EXHIBIT F

Financial Statements

WEST LAUREL WATER ASSOCIATION, INCORPORATED
STATEMENTS OF NET POSITION
December 31, 2019 and 2018

ASSETS	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 456,428	\$ 366,433
Accounts receivable, less allowance for doubtful accounts	329,802	233,015
Unbilled accounts receivable	153,669	153,669
Interest receivable	433	195
Prepaid expense	<u>875</u>	<u>875</u>
Total current assets	<u>941,207</u>	<u>754,187</u>
Noncurrent assets		
Restricted assets		
Restricted cash and cash equivalents	<u>238,553</u>	<u>234,269</u>
Capital assets		
Nondepreciable capital assets		
Construction in progress	-	599,135
Land and land structures	<u>67,727</u>	<u>67,727</u>
Total nondepreciable capital assets	<u>67,727</u>	<u>666,862</u>
Depreciable capital assets		
Source of supply and pumping	16,899	16,899
Intangible	7,677	7,677
Pumping plant	651,262	626,350
Transmission and distribution	10,877,808	10,210,422
General plant	45,455	45,455
Less accumulated depreciation	<u>(5,249,200)</u>	<u>(4,955,996)</u>
Total depreciable capital assets	<u>6,349,901</u>	<u>5,950,807</u>
Total capital assets (net of depreciation)	<u>6,417,628</u>	<u>6,617,669</u>
Total noncurrent assets	<u>6,656,181</u>	<u>6,851,938</u>
Total assets	<u>\$ 7,597,388</u>	<u>\$ 7,606,125</u>

The accompanying notes are an integral part of the financial statements.

WEST LAUREL WATER ASSOCIATION, INCORPORATED
STATEMENTS OF NET POSITION
December 31, 2019 and 2018

LIABILITIES	<u>2019</u>	<u>2018</u>
Current liabilities		
Accounts payable	\$ 174,364	\$ 150,059
Accrued expenses	27,353	24,183
Accrued interest	62,414	55,387
Current portion of long-term debt	<u>91,971</u>	<u>109,665</u>
Total current liabilities	<u>356,102</u>	<u>339,294</u>
Noncurrent liabilities		
Customer deposits	10,680	11,070
Long-term debt	<u>2,978,342</u>	<u>3,078,719</u>
Total noncurrent liabilities	<u>2,989,022</u>	<u>3,089,789</u>
 Total liabilities	 <u>3,345,124</u>	 <u>3,429,083</u>
NET POSITION		
Invested in capital assets net of related debt	3,347,315	3,429,285
Restricted for:		
Debt service	218,440	213,160
Other purposes	20,113	21,109
Unrestricted	<u>666,396</u>	<u>513,488</u>
Total net position	<u>\$ 4,252,264</u>	<u>\$ 4,177,042</u>

The accompanying notes are an integral part of the financial statements.

WEST LAUREL WATER ASSOCIATION, INCORPORATED
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues		
Water sales	\$ 2,561,236	\$ 2,441,318
Tap-on fees	35,020	27,310
Other	116,287	125,823
	<hr/>	<hr/>
Total operating revenues	2,712,543	2,594,451
	<hr/>	<hr/>
Operating expenses		
Purchased water and power	1,174,899	1,170,231
Water treatment	45,764	33,474
Transmission and distribution	552,070	501,126
Administration of customer accounts	318,253	305,387
Administration and general	161,343	163,700
Depreciation	293,204	239,752
	<hr/>	<hr/>
Total operating expenses	2,545,533	2,413,670
	<hr/>	<hr/>
Operating income (loss)	167,010	180,781
	<hr/>	<hr/>
Nonoperating revenues (expenses)		
Interest income	6,036	3,029
Grant income	35,404	504,596
Miscellaneous	(7,139)	(6,348)
Interest expense		
Interest on long-term debt	(126,089)	(116,215)
Interest on customer deposits	-	(23)
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	(91,788)	385,039
	<hr/>	<hr/>
Change in net position	75,222	565,820
Net position, January 1	4,177,042	3,611,222
	<hr/>	<hr/>
Net position, December 31	\$ 4,252,264	\$ 4,177,042
	<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.

WEST LAUREL WATER ASSOCIATION, INCORPORATED
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	\$ 2,615,994	\$ 2,562,249
Payment for goods and service	<u>(2,218,217)</u>	<u>(2,196,796)</u>
Net cash used in operating activities	<u>397,777</u>	<u>365,453</u>
Cash flows from capital and related activities		
Additions to capital assets	(93,161)	(1,791,870)
Note payable proceeds	-	1,260,000
Principal payments on debt	(118,071)	(86,331)
Grant proceeds	35,404	504,596
Interest paid on debt	(125,851)	(98,461)
Miscellaneous nonoperating expense	<u>(1,819)</u>	<u>(6,348)</u>
Cash provided (used) in capital and related activities	<u>(303,498)</u>	<u>(218,414)</u>
Cash flows from investing activities		
Interest received on investments	6,036	3,029
Transfer in/(out)	<u>-</u>	<u>(26,969)</u>
Cash provided (used) in investing activities	<u>6,036</u>	<u>(23,940)</u>
Net increase in cash and cash equivalents	94,279	120,070
Cash and cash equivalents, January 1	<u>600,702</u>	<u>480,632</u>
Cash and cash equivalents, December 31	<u>\$ 694,981</u>	<u>\$ 600,702</u>
Reconciliation of change in net position to net cash used in operating activities		
Adjustments to reconcile change in net position to net cash used in operating activities:		
Operating income	\$ 167,010	\$ 180,781
Depreciation	293,204	239,752
Changes in assets and liabilities:		
(Increase) Decrease in accounts receivable	(96,787)	(32,202)
(Increase) Decrease in interest receivable	238	-
(Decrease) Increase in accounts payable	24,305	(21,904)
(Decrease) Increase in accrued expenses	10,197	971
(Decrease) Increase in customer deposits	<u>(390)</u>	<u>(1,945)</u>
Net cash provided by operating activities	<u>397,777</u>	<u>365,453</u>
Supplemental disclosures		
Interest paid	<u>126,089</u>	<u>116,215</u>
Reconciliation of cash at end of year		
Cash and cash equivalents	456,428	366,433
Restricted cash and cash equivalents	<u>238,553</u>	<u>234,269</u>
Total cash at end of year	<u>\$ 694,981</u>	<u>\$ 600,702</u>

The accompanying notes are an integral part of the financial statements.

EXHIBIT G

Outstanding Mortgages

541521
MOR



Position 5

USDA
Fonn RD 1927-1 KY
(Rev. 1-97)

REAL ESTATE MORTGAGE FOR .KENTUCKY

THIS MORTGAGE is made and entered into by _____

West Laurel Water Association

residing in _____ Laurel _____ County, Kentucky, whose post office
address is _____ P.O. Box 726, London _____, Kentucky 40743
herein called "Borrower," and:

WHEREAS Borrower is indebted to the United States of America, acting through the United States Department of Agriculture, herein called the "Government," as evidenced by one or more promissory notes or assumption agreements or any shared appreciation or recapture agreement, herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

<i>Date of Instrument</i>	<i>Principal Amount</i>	<i>Annual Rate of Interest</i>	<i>Due Date of Final Installment</i>
10/11/95	\$ 516,000.00	5.25%	10/11/2035
09/06/88	\$ 153,000.00	5.0 %	09/26/2028
09/26/88	\$ 500,000.00	5.0 %	09/26/2028
03/01/79	\$ 448,000.00	5.0 %	03/01/2019
05/19/72	\$ 500,000.00	5.0 %	01/01/2012
07/23/02	\$1,536,000.00	4.75 %	07/23/2042
02/23/18	\$1,260,000.00	2.75 %	02/23/2058

(The interest rate for limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in the Government regulations or the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note pursuant to the Consolidated Farm and Rural Development Act, Title V of the Housing Act of 1949 or any other statute administered by the Government;

And it is the purpose and intention of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument, this instrument shall secure payment of the note;

And this instrument also secures the recapture of any interest credit or subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §1490a, or any amounts due under any Shared Appreciation Agreement/Recapture Agreement entered into pursuant to 7 U.S.C. §2001.

NOW, THEREFORE, in consideration of the loans and (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision and (b) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby sell, convey, and assign, with general warranty, unto the Government the following property situated in the State of Kentucky,

County or Counties of _____ Laurel _____

SEE ATTACHED DESCRIPTIONS

Being the same (or part of the same) land conveyed* together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues and profits thereof and revenues and income therefrom, all improvements, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof for interest there in all of which are herein called "the property"; All rents, profits and income from the property covered by this mortgagee are hereby assigned to the mortgagee for the purpose of discharging the debt hereby secured. Permission is hereby given to the mortgagor, so long as no default exists hereunder, to collect such rents, profits and income for use in accordance with regulations. *

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

- (1) To pay promptly when due any indebtedness to the Government hereby secured less the Government against any loss under its insurance of payment of the note by reason of any default by Borrower.
- (2) To pay to the Government such fees and other charges as may now or hereafter be required by Government regulations.
- (3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.
- (4) The Government, may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.
- (5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.
- (6) To use the loan evidenced by the note solely for purposes authorized by the Government.
- (7) To pay when due all taxes, liens, judgments encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.
- (8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.
- (9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe, and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.
- (10) To comply with all laws, ordinances, and regulations affecting the property.
- (11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property. Upon termination of this mortgage, after payment in full, the mortgagee, at the mortgagor's expense, shall execute and file or record such instruments of release, satisfaction and termination in proper form pursuant to the requirements contained in KRS 382.365.
- (12) Except as otherwise provided by Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold transferred, or encumbered voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or the lien or any benefits hereof.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or for the debt from liability to the Government, (e) release portions of the property and subordinate its lien and (f) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government-whether once or often-in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate, or under any personal property, or other security instrument held by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to the Government, in the order prescribed above.

(19) Borrower agrees that the Government will not be bound by any present or future State laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State law. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, and curtesy.

(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, handicap, familial status, age or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, handicap, familial status, age or national origin.

(21) Borrower further agrees that the loans secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as prohibited by 7 C.F.R. part 1940, subpart G.

(22) This instrument shall be subject to the present Government regulations and to its future regulations not inconsistent with the express provisions hereof.

(23) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until some other address is designated in a notice so given, in the case of the Government to,

_____ and in the case of Borrower to the address shown in the Government's Finance Office records (which normally will be the same as the post office shown above).

(24) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

ATTACHMENT SHEET

TRACT 1: Being the property West Laurel Water Association, Inc., acquired by deed dated October 30, 1971 from Robert Bruner, Jr., and Lena Bruner, husband and wife, of record in Deed Book 208, at page 509, records of the Laurel County Court Clerk's Office, and being more particularly described as follows:

Beginning at the southwest corner of Robert Bruner property at Highway 80 right-of-way and fence corner with Laddle Cottingim and running southerly 40 feet with fence to a point; thence easterly and parallel to Highway Kentucky No. 80 right-of-way 40 feet to a point; thence northerly parallel to fence with Cottingim 40 feet to Highway 80 right-of-way; thence with said right-of-way 40 feet to the point of beginning, containing 0.037 acres.

(1) There is an unreleased mortgage dated May 19, 1972 of record in Mortgage Book 67, at page 23 from West Laurel Water Association, Inc. to Farmers Home Administration in the amount of \$500,000.00 due May 10, 2012.

(2) There is an unreleased mortgage dated September 26, 1988 of record in Mortgage Book 190, at page 53 from West Laurel Water Association, Inc. to Farmers Home Administration securing four notes as follows:

5-19-72	\$500,000.00 due 5-19-2012
3-01-79	\$448,000.00 due 3-01-2019
9-26-88	\$153,000.00 due 9-26-2028
9-26-88	\$500,000.00 due 9-26-2028

(3) There is an unreleased mortgage dated October 11, 1995 of record in Mortgage Book 305, at page 10 from West Laurel Water Association, Inc. to Farmers Home Administration securing five notes as follows:

10-11-95	\$516,000.00 due 10-11-2035
5-19-72	\$500,000.00 due 5-19-2012
3-01-79	\$448,000.00 due 3-01-2019
9-26-88	\$153,000.00 due 9-26-2028
9-26-88	\$500,000.00 due 9-26-2028

TRACT 2: Being the property West Laurel Water Association, Inc., acquired by deed dated June 29, 1978 from Ronald Bales and Beatrice Bales, husband and wife, of record in Deed Book 273, at page 646, records of the Laurel County Court Clerk's Office, and being more particularly described as follows:

Beginning at an iron pin in the southwest corner of the property of Ronald Bales, said pin being 20 feet, more or less, from the centerline of Kentucky State Highway No. 363; thence, northeasterly 50.00 feet to an iron pin, 20 feet, more or less, from the centerline of the aforesaid highway; thence, northwesterly and at 90 degrees to the above described line, 50.00 feet to an iron pin; thence southwesterly and at 90 degrees to the above described line, 65.82 feet to an iron pin in the westerly line of Ronald Bales; thence southeasterly 52.44 feet along the westerly line of Ronald Bales to the point of beginning, containing 2.946 square feet or 0.068 acres, more or less.

(1) There is an unreleased mortgage dated March 1, 1979 of record in Mortgage Book 114, at page 635 from West Laurel Water Association to Farmers Home Administration in the amount of \$448,000.00 due March 1, 2019.

(2) There is an unreleased mortgage dated September 26, 1988 of record in Mortgage Book 190, at page 53 from West Laurel Water Association, Inc. to Farmers Home Administration securing four notes as follows:

5-19-72	\$500,000.00	due 5-19-2012
3-01-79	\$448,000.00	due 3-01-2019
9-26-88	\$153,000.00	due 9-26-2028
9-26-88	\$500,000.00	due 9-26-2028

(3) There is an unreleased mortgage dated October 11, 1995 of record in Mortgage Book 305, at page 10 from West Laurel Water Association, Inc. to Farmers Home Administration securing five notes as follows:

10-11-95	\$516,000.00	due 10-11-2035
5-19-72	\$500,000.00	due 5-19-2012
3-01-79	\$448,000.00	due 3-01-2019
9-26-88	\$153,000.00	due 9-26-2028
9-26-88	\$500,000.00	due 9-26-2028

TRACT 3: Being the property West Laurel Water Association, Inc., acquired by Deed of Correction dated April 2, 2002 from Charlie W. Johnson and Rowena Johnson, husband and wife, of record in Deed Book 539, at page 316 and by Deed dated October 3, 2001 from Charlie W. Johnson and Rowena Johnson, husband and wife, of record in Deed Book 533, at page 123, records of the Laurel County Court Clerk's Office, and being more particularly described as follows:

Certain tract or parcel of land lying and being on the waters of Mill Creek, a tributary of Laurel River (Vox U.S.G.S. Quadrangle), located approximately 1150.0' feet southeast from the centerline of State Route #3430 (Level Green Road) and more particularly described as follows;

All bearings are referenced from the magnetic meridian as observed August 15, 2001, all steel rebar (set) being a 5/8" steel rebar set this survey with a yellow plastic cap stamped "KEN WILSON, PLS # 2834".

BEGINNING at an 1/2 inch diameter conduit pipe (found and a corner to the parent tract), located at a southern corner of Gregory Johnson (Deed Book 353 Page 149) and a western corner to Bradley Fredrick (Deed Book 117 Page 333) located approximately 1220.0 feet southeast from the centerline of said road and witnessed by an stone (found) located on the southeast side of State Route #3430 which bears NORTH 39 DEGREES 53 MINUTES 30 SECONDS WEST 1210.11 FEET;

Thence, leaving said Johnson and Fredrick line and severing the parent tract, SOUTH 49 DEGREES 18 MINUTES 28 SECONDS WEST 208.71 FEET to an steel rebar (set), located in the east line of an 40.00 foot easement;

Thence, running with the said easement, NORTH 40 DEGREES 41 MINUTES 32 SECONDS WEST 208.71 FEET to an steel rebar (set), located in the east line of an 40.00 foot easement described herein;

Thence, leaving said easement and severing with the parent tract NORTH 49 DEGREES 18 MINUTES 28 SECONDS EAST 208.71 FEET to an steel rebar (set), located in the fence and running with the southwestern property boundary line of said Gregory Johnson tract;

Thence, with said Gregory Johnson line SOUTH 40 DEGREES 41 MINUTES 32 SECONDS EAST 208.71 FEET to the point of the beginning containing 1.00 ACRE, more or less, as described by a property boundary survey completed, August 15, 2001, by Wm. Kenneth Wilson, LPS #2834, and being a part of the same tract of land conveyed by deed to Charlie Johnson, from W. G. Eaton et al, duly recorded in Deed Book 200, Page 153, in the records of the Laurel County Court Clerk's Office, London, Kentucky.

EASEMENT DESCRIPTION

Beginning at an steel rebar (set), located 18.0 feet south of the centerline of State Route #3430 and witnessed by an stone (found) located on the southeast side of State Route #3430 which bears NORTH 58 DEGREES 03 MINUTES 35 SECONDS EAST 174.44 FEET;

Thence, running with said road, NORTH 58 DEGREES 03 MINUTES 35 SECONDS EAST 40.44 FEET to an steel rebar (set), located in the south right-of-way of said road;

Thence, leaving said right-of-way, SOUTH 41 DEGREES 11 MINUTES 54 SECONDS EAST 788.00 FEET to an steel rebar (set);

Thence, SOUTH 17 DEGREES 32 MINUTES 48 SECONDS EAST 254.20 FEET to an steel rebar (set), also the westernmost corner to the 1.00 acre tract previously described herein;

Thence, with said 1.00 acre tract SOUTH 40 DEGREES 41 MINUTES 32 SECONDS EAST 208.71 FEET to an steel rebar (set), also the southernmost corner of said 1.00 acre tract;

Thence, leaving said 1.00 acre tract SOUTH 40 DEGREES 41 MINUTES 32 SECONDS EAST 165.00 FEET to an steel rebar (set);

Thence, SOUTH 49 DEGREES 18 MINUTES 28 SECONDS WEST 40.00 FEET to an steel rebar (set);

Thence, NORTH 40 DEGREES 41 MINUTES 32 SECONDS WEST 381.90 FEET to an steel rebar (set);

Thence, NORTH 17 DEGREES 32 MINUTES 48 SECONDS WEST 254.24 FEET to an steel rebar (set);

Thence, NORTH 41 DEGREES 11 MINUTES 54 SECONDS WEST 785.92 FEET to the point of the beginning, as described by a property boundary survey completed, August 15, 2001, by Wm. Kenneth Wilson, LPS #2834, and being a part of the same tract of land conveyed by deed to Charlie Johnson, from W. G. Eaton et al, duly recorded in Deed Book 200, Page 153, in the records of the Laurel County Court Clerk's Office, London, Kentucky.

Given under the hands and seals of Borrower this 23rd day of February, 2018.

WEST LAUREL WATER ASSOCIATION, INC.

By: Otis Williams (SEAL)

Otis Williams, President (SEAL)

Monty Turner
Monty Turner, Secretary/Treasurer

STATE OF KENTUCKY

COUNTY OF Laurel } ss:

Before me, Marcy & Benny Laurel, a Notary Public in and for the County of Laurel personally appeared Otis Williams

and Monty Turner, his wife, who acknowledged that they executed the foregoing instrument on the 23rd

day of February, 2018, as their free act and deed.

WITNESS my hand and official seal this 23rd day of February, 2018.

Marcy & Benny
Notary Public

(SEAL)
My commission expires: 12-8-21

PREPARER'S STATEMENT

The form of this instrument was drafted by the Office of the General Counsel of the United States Department of Agriculture, and the material in the blank spaces in the form was inserted by or under the direction of

Larry G. Bryson (name),
318 West Dixie Street, London, KY 40741 (address)
Larry G. Bryson (Signature)

RECORDER'S SIGNATURE

STATE OF KENTUCKY } ss:
COUNTY OF _____

I, _____, Clerk of the County Court

that the foregoing mortgage was on the _____ day of _____, 20____, lodged for record at _____ o'clock __M., whereupon the same, with the foregoing and this certificate, have been duly recorded in my office.

Given under my hand this _____ day of _____, 20____

Clerk of _____ County Court
BY _____

Filed: 02/23/2018 12:01:55 PM
Dean Johnson, County Clerk
Laurel County, KY
Connie Young
Recorded By: CONNIE YOUNG

EXHIBIT H

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

February 23, 2021

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

Re: West Laurel Water Association, Incorporated
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 West Laurel Water Association, Incorporated (the "Association") hereby notifies the State Local Debt Officer that the Association 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 Association in order to achieve substantial interest cost savings for the Association.

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:jlm
Enclosures