

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF THE TODD)
COUNTY WATER DISTRICT TO ISSUE)
SECURITIES IN THE APPROXIMATE PRINCIPAL)
AMOUNT OF \$1,260,000 FOR THE PURPOSE OF)
REFINANCING CERTAIN OUTSTANDING)
OBLIGATIONS OF THE DISTRICT PURSUANT)
TO THE PROVISIONS OF KRS 278.300 AND)
807 KAR 5:001)**

Case No. 2021-00310

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

APPLICATION

The Applicant, Todd County Water District ("Todd District"), files this electronic 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 Todd District to issue certain securities in the approximate principal amount of \$1,260,000 (subject to adjustment of up to 10%), for the purpose of refinancing an outstanding loan from the Kentucky Rural Water Finance Corporation ("KRWFC"). In support of this Application, and in compliance with the rules and regulations of the Commission, Todd District states as follows:

1. Todd 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 Todd County, which Order is on file in the County Court Order Books in the office of the Clerk of Todd County,

Kentucky. Todd District is now, and has been since its inception, regulated by the Commission, and all records and proceedings of the Commission with reference to Todd District are incorporated in this Application by reference. Todd District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

2. The governing body of Todd 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 Todd District is as follows:

Todd County Water District
c/o Ms. Carla Moody, Office Manager
2201 New Highway 68W
Elkton, Kentucky 42220
Phone: (270) 265-2229
Fax: (270) 265-2035
email address: tcwd00@gmail.com

4. A general description of Todd District's water system property, together with a statement of the original cost, is contained in Todd District's Annual Report for 2020 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. Todd District proposes to borrow funds from KRWFC pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$1,260,000 (subject to adjustment of up to 10%) for the purpose of refinancing an outstanding loan from KRWFC designated as Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2012E, dated August 29, 2012, in the original principal amount of \$2,165,000 (the "Prior KRWFC Loan"). The Prior KRWFC Loan is currently held in the open market.

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 and details of the KRWFC Loan vary from the present assumptions based upon market conditions and other business judgment factors.

7. The KRWFC Loan will provide Todd District with the funds necessary to (i) refinance the Prior KRWFC Loan; and (ii) pay the 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 "B"**, which is attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed refinancing of the Prior KRWFC Loan will result in a net present value cashflow savings of approximately \$79,907.60. These savings are shown on the estimated 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 Schedule of the outstanding Prior KRWFC Loan is set forth in **Exhibit "D"**.

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

13. Todd 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 Statement of Revenues, Expenses and Changes in Fund Net Position, Statement of Net Position, and Statement of Cash Flows for the twelve month periods ending on December 31, 2020 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; Todd District hereby responds as follows:

- (i) Section 12(1)(b): Todd 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 Todd District's financial condition have occurred since the end of the twelve (12) month period contained in Todd District's most recent annual report on file with the Commission.

- (ii) Section 12(2)(a), (b) and (c) Stock: Todd District does not have any authorized, issued or outstanding stock as of the date hereof.
 - (iii) Section 12(2)(d) Mortgages: Todd 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 Todd District is contained in the 2020 Annual Report on file with this Commission.
 - (v) Section 12(2)(h) Dividends: Todd 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, Todd District hereby responds as follows:
- (i) Section 18(1)(a): Todd District has complied with the requirements of 807 KAR 5:001, Section 14.
 - (ii) Section 18(1)(b): A general description of Todd District's property, its field of operation and a statement of original cost of said property and the cost to Todd District is contained in Todd District's 2020 Annual Report on file with this Commission.
 - (iii) Section 18(1)(c): Todd 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 Todd District's water system.

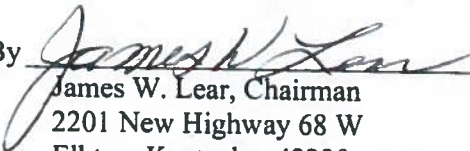
- (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refinance the outstanding Prior KRWFC Loan.
 - (v) Section 18(1)(e): No property is being acquired with the proceeds of the KRWFC Loan.
 - (vi) Section 18(1)(f): The details of the proposed refinancing are contained in this Application 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): Todd 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, Todd District respectfully requests that the Commission take the following actions:

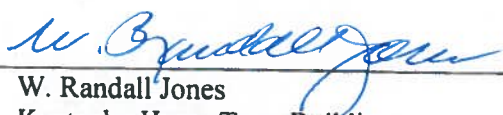
1. Authorize the issuance of the securities requested in the Application;
2. Due to the volatility of the present bond market and in order to achieve substantial interest cost savings to Todd District by taking full advantage of current low interest rates, Todd District requests that the Commission issued its Order no later than **September 15, 2021**; and
3. Process this Application without a formal hearing in order to save time and expense.

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

Todd County Water District

By 
James W. Lear, Chairman
2201 New Highway 68 W
Elkton, Kentucky 42220
Phone: (270) 265-2229
Fax: (270) 265-2035
Email: tcwd00@gmail.com

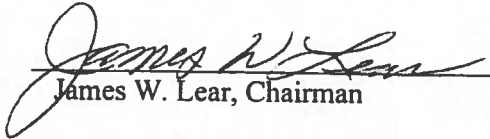
Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7534
Email: wrjones@rubinhays.com
Counsel for Todd County Water District

STATE OF KENTUCKY)
) SS
COUNTY OF TODD)

The affiant, James W. Lear, being first duly sworn, states: That he is the Chairman of the Todd 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 August 5th, 2021.


James W. Lear, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by James W. Lear, Chairman of the Todd County Water District, on this August 5th, 2021.

My Commission expires: October 11, 2021.


NOTARY PUBLIC

588543
NOTARY PUBLIC ID Number

EXHIBIT A

Estimated Debt Service Schedule

Preliminary

\$1,260,000

Potential Refunding through the
Kentucky Rural Water Finance Corporation
Todd County Water District

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/15/2021	-	-	-	-	-
02/01/2022	-	-	10,431.39	10,431.39	-
08/01/2022	110,000.00	2.000%	13,806.25	123,806.25	-
12/31/2022	-	-	-	-	134,237.64
02/01/2023	-	-	12,706.25	12,706.25	-
08/01/2023	125,000.00	2.000%	12,706.25	137,706.25	-
12/31/2023	-	-	-	-	150,412.50
02/01/2024	-	-	11,456.25	11,456.25	-
08/01/2024	130,000.00	2.000%	11,456.25	141,456.25	-
12/31/2024	-	-	-	-	152,912.50
02/01/2025	-	-	10,156.25	10,156.25	-
08/01/2025	135,000.00	2.000%	10,156.25	145,156.25	-
12/31/2025	-	-	-	-	155,312.50
02/01/2026	-	-	8,806.25	8,806.25	-
08/01/2026	140,000.00	2.000%	8,806.25	148,806.25	-
12/31/2026	-	-	-	-	157,612.50
02/01/2027	-	-	7,406.25	7,406.25	-
08/01/2027	140,000.00	2.000%	7,406.25	147,406.25	-
12/31/2027	-	-	-	-	154,812.50
02/01/2028	-	-	6,006.25	6,006.25	-
08/01/2028	105,000.00	2.600%	6,006.25	111,006.25	-
12/31/2028	-	-	-	-	117,012.50
02/01/2029	-	-	4,641.25	4,641.25	-
08/01/2029	110,000.00	2.600%	4,641.25	114,641.25	-
12/31/2029	-	-	-	-	119,282.50
02/01/2030	-	-	3,211.25	3,211.25	-
08/01/2030	110,000.00	2.600%	3,211.25	113,211.25	-
12/31/2030	-	-	-	-	116,422.50
02/01/2031	-	-	1,781.25	1,781.25	-
08/01/2031	75,000.00	2.300%	1,781.25	76,781.25	-
12/31/2031	-	-	-	-	78,562.50
02/01/2032	-	-	918.75	918.75	-
08/01/2032	75,000.00	2.300%	918.75	75,918.75	-
12/31/2032	-	-	-	-	76,837.50
02/01/2033	-	-	56.25	56.25	-
08/01/2033	5,000.00	2.250%	56.25	5,056.25	-
12/31/2033	-	-	-	-	5,112.50
Total	\$1,260,000.00	-	\$158,530.14	\$1,418,530.14	-

Yield Statistics

Bond Year Dollars	\$6,916.00
Average Life	5.489 Years
Average Coupon	2.2922230%
Net Interest Cost (NIC)	1.9913619%
True Interest Cost (TIC)	1.9646010%
Bond Yield for Arbitrage Purposes	1.8534887%
All Inclusive Cost (AIC)	2.3325376%

IRS Form 8038

Net Interest Cost	1.6108454%
Weighted Average Maturity	5.512 Years

EXHIBIT B

Sources and Uses

Preliminary

\$1,260,000

Potential Refunding through the
Kentucky Rural Water Finance Corporation
Todd County Water District

Sources & Uses

Dated 09/15/2021 | Delivered 09/15/2021

Sources Of Funds

Par Amount of Bonds	\$1,260,000.00
Reoffering Premium	42,857.55
Transfers from Prior Issue Debt Service Funds	13,437.08

Total Sources **\$1,316,294.63**

Uses Of Funds

Total Underwriter's Discount (1.750%)	22,050.00
Costs of Issuance	23,660.00
Deposit to Current Refunding Fund	1,270,041.06
Rounding Amount	543.57

Total Uses **\$1,316,294.63**

EXHIBIT C

Debt Service Comparison

Preliminary

\$1,260,000

Potential Refunding through the
Kentucky Rural Water Finance Corporation
Todd County Water District

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2021	-	-	-	-
12/31/2022	134,237.64	134,237.64	161,695.00	27,457.36
12/31/2023	150,412.50	150,412.50	157,855.00	7,442.50
12/31/2024	152,912.50	152,912.50	159,015.00	6,102.50
12/31/2025	155,312.50	155,312.50	160,015.00	4,702.50
12/31/2026	157,612.50	157,612.50	160,855.00	3,242.50
12/31/2027	154,812.50	154,812.50	161,535.00	6,722.50
12/31/2028	117,012.50	117,012.50	122,055.00	5,042.50
12/31/2029	119,282.50	119,282.50	123,695.00	4,412.50
12/31/2030	116,422.50	116,422.50	120,010.00	3,587.50
12/31/2031	78,562.50	78,562.50	86,325.00	7,762.50
12/31/2032	76,837.50	76,837.50	83,565.00	6,727.50
12/31/2033	5,112.50	5,112.50	10,805.00	5,692.50
TOTAL	\$1,418,530.14	\$1,418,530.14	\$1,507,425.00	\$88,894.86

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	75,180.59
Effects of changes in Expenses	4,727.01
Net PV Cashflow Savings @ 2.333%(AIC)	79,907.60
Transfers from Prior Issue Debt Service Fund	(13,437.08)
Contingency or Rounding Amount	543.57
Net Benefit	76,001.35
Net Present Value Benefit	\$67,014.09
Net PV Benefit / \$1,265,000 Refunded Principal	5.298%
Net PV Benefit / \$1,260,000 Refunding Principal	5.319%
Average Annual Cash Flow Savings	7,407.91

Refunding Bond Information

Refunding Dated Date	9/15/2021
Refunding Delivery Date	9/15/2021

EXHIBIT D

Prior Bonds Debt Service

Preliminary

\$2,165,000

Todd County Water District
Kentucky Rural Water Finance Corporation
Public Projects Refunding Bonds, Series 2012 E

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
09/15/2021	1,265,000.00	5,041.06	1,270,041.06	-	-	-	-
02/01/2022	-	-	-	-	-	20,622.50	20,622.50
08/01/2022	-	-	-	120,000.00	3.200%	20,622.50	140,622.50
02/01/2023	-	-	-	-	-	18,702.50	18,702.50
08/01/2023	-	-	-	120,000.00	3.200%	18,702.50	138,702.50
02/01/2024	-	-	-	-	-	16,782.50	16,782.50
08/01/2024	-	-	-	125,000.00	3.200%	16,782.50	141,782.50
02/01/2025	-	-	-	-	-	14,782.50	14,782.50
08/01/2025	-	-	-	130,000.00	3.200%	14,782.50	144,782.50
02/01/2026	-	-	-	-	-	12,702.50	12,702.50
08/01/2026	-	-	-	135,000.00	3.200%	12,702.50	147,702.50
02/01/2027	-	-	-	-	-	10,542.50	10,542.50
08/01/2027	-	-	-	140,000.00	3.200%	10,542.50	150,542.50
02/01/2028	-	-	-	-	-	8,302.50	8,302.50
08/01/2028	-	-	-	105,000.00	3.200%	8,302.50	113,302.50
02/01/2029	-	-	-	-	-	6,622.50	6,622.50
08/01/2029	-	-	-	110,000.00	3.350%	6,622.50	116,622.50
02/01/2030	-	-	-	-	-	4,780.00	4,780.00
08/01/2030	-	-	-	110,000.00	3.350%	4,780.00	114,780.00
02/01/2031	-	-	-	-	-	2,937.50	2,937.50
08/01/2031	-	-	-	80,000.00	3.450%	2,937.50	82,937.50
02/01/2032	-	-	-	-	-	1,557.50	1,557.50
08/01/2032	-	-	-	80,000.00	3.450%	1,557.50	81,557.50
02/01/2033	-	-	-	-	-	177.50	177.50
08/01/2033	-	-	-	10,000.00	3.550%	177.50	10,177.50
Total	\$1,265,000.00	\$5,041.06	\$1,270,041.06	\$1,265,000.00	-	\$237,025.00	\$1,502,025.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	9/15/2021
Average Life	5.550 Years
Average Coupon	3.3044315%
Weighted Average Maturity (Par Basis)	5.550 Years
Weighted Average Maturity (Original Price Basis)	5.496 Years

Refunding Bond Information

Refunding Dated Date	9/15/2021
Refunding Delivery Date	9/15/2021

EXHIBIT E

Financial Statements

**Todd County Water District
A Component Unit of Todd County, Kentucky
Statements of Net Position**

<i>December 31,</i>	2020	2019
Assets		
Current assets		
Cash	\$ 210,660	\$ 264,951
Short-term investments	2,444,577	1,923,129
Accounts receivable — billed	214,470	214,385
Accounts receivable — unbilled	113,178	86,366
Grant receivable	18,576	-
Supplies inventory	82,004	65,022
Prepaid expenses	30,613	51,768
Total current assets	3,114,078	2,605,621
Cash — restricted	972,592	721,463
Utility plant		
Utility plant in service	24,157,930	21,493,269
Less: accumulated depreciation	(9,821,194)	(9,341,832)
Net utility plant	14,336,736	12,151,437
Total assets	18,423,406	15,478,521
Deferred outflows of resources		
Deferred amount on debt refundings	32,563	11,217
Pension related	162,754	176,969
OPEB related	139,570	74,937
Total deferred outflows of resources	334,887	263,123

-Continued-

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

Todd County Water District
A Component Unit of Todd County, Kentucky
Statements of Net Position (Continued)

<i>December 31,</i>	2020	2019
Liabilities		
Current liabilities		
Accounts payable	162,018	122,114
Accrued liabilities	9,571	7,826
Accrued interest payable	105,915	312,777
Short term notes payable	-	3,949,785
Current portion of notes payable	318,000	181,000
Total current liabilities	595,504	4,573,502
Noncurrent liabilities		
Long-term debt, due after one year	10,659,000	4,722,000
Net unamortized bond premium	62,278	-
Net pension liability	990,568	877,935
Net OPEB liability	311,761	209,908
Total noncurrent liabilities	12,023,607	5,809,843
Total liabilities	12,619,111	10,383,345
Deferred Inflows of Resources		
Pension related	52,633	93,828
OPEB related	78,478	98,773
Total deferred inflows of resources	131,111	192,601
Net Position		
Net investment in capital assets	3,279,476	3,392,360
Restricted	451,565	473,824
Unrestricted	2,277,030	1,299,514
Total net position	\$ 6,008,071	\$ 5,165,698

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

Todd County Water District
A Component Unit of Todd County, Kentucky
Statements of Revenues, Expenses and Changes in Net Position

<i>For the years ended December 31,</i>	2020	2019
Operating Revenues		
Water revenue	\$ 2,570,616	\$ 2,444,536
Late charges	15,055	33,732
Other	75,340	48,871
Total operating revenues	2,661,011	2,527,139
Operating Expenses		
Payroll	345,923	322,660
Retirement	183,482	163,585
Health insurance	32,562	26,572
Payroll taxes	25,671	24,532
Purchased water	763,100	850,538
Transmission and distribution	144,868	80,035
Contract services	17,510	13,800
Utilities	16,884	16,176
Telephone	4,579	4,733
Dues and subscriptions	16,649	7,794
Professional fees	22,228	24,034
Insurance	29,946	30,213
Commissioners' fees	17,700	18,000
Taxes and licenses	5,040	4,591
Office supplies and postage	38,699	31,180
Depreciation	503,295	505,064
Travel	15,223	24,111
Debt Issuance Cost	42,380	-
Bad debts	13,300	15,108
Miscellaneous	14,016	3,435
Total operating expenses	2,253,055	2,166,161
Operating income	407,956	360,978

-Continued-

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

Todd County Water District
A Component Unit of Todd County, Kentucky
Statements of Revenues, Expenses and Changes in Net Position City (Continued)

<i>For the years ended December 31,</i>	2020	2019
Nonoperating Revenues (Expenses)		
Interest income	24,310	14,789
Interest expense	(168,668)	(179,986)
Total nonoperating expenses	(144,358)	(165,197)
Income before capital contributions	263,598	195,781
Capital contributions	578,775	35,255
Change in net position	842,373	231,036
Net position — beginning of year	5,165,698	4,934,662
Net position — end of year	6,008,071	5,165,698

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

Todd County Water District
A Component Unit of Todd County, Kentucky
Statements of Cash Flows

<i>Years Ended December 31,</i>	2020	2019
Operating Activities		
Cash received from customers	\$ 2,615,538	\$ 2,502,899
Cash payments to suppliers for goods and services	(1,046,583)	(1,070,527)
Cash paid to employees	(557,672)	(530,384)
Net cash provided by operating activities	1,011,283	901,988
Capital and Related Financing Activities		
Interest paid on debt	(396,876)	(181,861)
Purchase of capital assets	(2,688,596)	(1,744,299)
Proceeds from sale of capital assets	2,897	4,255
Proceeds from short-term debt	2,328,215	1,673,249
Principal payments on short-term debt	(6,278,000)	-
Proceeds from long-term debt	8,708,000	-
Premium on bonds	62,278	-
Principal payments on long-term debt	(2,634,000)	(173,000)
Capital contributions	578,775	35,255
Net cash used in capital and related financing activities	(317,307)	(386,401)
Investing Activities		
Interest income	24,310	14,789
Purchase of investments	(521,448)	(561,408)
Net cash used in investing activities	(497,138)	(546,619)
Net increase (decrease) in cash	196,838	(31,032)
Cash - beginning of year	986,414	1,017,446
Cash - end of year	\$ 1,183,252	\$ 986,414

-Continued-

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

**Todd County Water District
A Component Unit of Todd County, Kentucky
Statements of Cash Flows (Continued)**

<i>Years Ended December 31,</i>	2020	2019
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 407,956	\$ 360,978
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	503,295	505,064
Gain on sale of capital assets	(2,895)	(4,814)
Pension expense in excess of pension contributions	85,653	96,275
OPEB expense variance from contributions	16,925	(350)
Changes in assets, deferred outflows, liabilities, and deferred inflows:		
Net increase in accounts receivable	(45,473)	(24,240)
Net increase in inventory	(16,982)	(2,222)
Net decrease/(increase) in prepaid expenses	21,155	(28,129)
Net increase/(decrease) in accounts payable	39,904	(6,305)
Net increase in accrued liabilities	1,745	5,731
Net cash provided by operating activities	\$ 1,011,283	\$ 901,988

The accompanying notes are an integral part of these 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 6, 2021

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

Re: Todd Lake Water District
Notice of Intent to Issue Securities

Dear Commissioner Keene:

Pursuant to the regulations of the Kentucky Public Service 807 KAR 5:001: Section 18(1)(g), please be advised that the Todd 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:jlm
Enclosures