

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF CHRISTIAN)
COUNTY WATER DISTRICT TO ISSUE)
SECURITIES IN THE APPROXIMATE PRINCIPAL)
AMOUNT OF \$895,000 FOR THE PURPOSE OF) Case No. 2021-00322
REFINANCING CERTAIN OUTSTANDING)
OBLIGATIONS OF THE DISTRICT PURSUANT)
TO THE PROVISIONS OF KRS 278.300 AND)
807 KAR 5:001)**

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

APPLICATION

The Applicant, Christian County Water District ("Christian 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 Christian District to issue certain securities in the approximate principal amount of \$895,000 (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, Christian District states as follows:

1. Christian District was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the County Judge/Executive of Christian County, which Order is on file in the County Court Order Books in the office of the Clerk of

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

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

Christian County Water District
c/o Mr. James Owen, District Manager
1960 Dawson Springs Road
Hopkinsville, Kentucky 42240
Phone: (270) 886-3696
Fax: (270) 886-0708
email address: jameso@ccwd.net

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

5. Christian District proposes to borrow funds from KRWFC pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$895,000 (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 2012C, dated May 2, 2012, in the original principal amount of \$2,990,000 (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 Christian 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 \$127,237.71. 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. Christian District represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of Christian District by producing substantial debt service savings. This is a lawful object within the corporate purposes of Christian District's utility operations. The KRWFC Loan is necessary, appropriate for, and consistent with the proper performance by Christian District of its service to the public and will not impair its ability to perform that service.

13. Christian 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; Christian District hereby responds as follows:

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

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

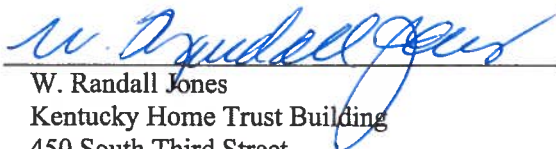
1. Authorize the issuance of the securities requested in the Application;
2. Due to the volatility of the present bond market and in order to achieve substantial interest cost savings to Christian District by taking full advantage of current low interest rates, Christian District requests that the Commission issued its Order no later than **September 20, 2021**;
and
3. Process this Application without a formal hearing in order to save time and expense.

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

Christian County Water District

By 
Ashbel Brunson, III, Chairman
1960 Dawson Springs Road
Hopkinsville, Kentucky 42240
Phone: (270) 886-3696
Fax: (270) 886-0708
Email: jameso@ccwd.net

Rubin & Hays

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

STATE OF KENTUCKY)
) SS
COUNTY OF CHRISTIAN)

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

IN TESTIMONY WHEREOF, witness the signature of the undersigned on August 16, 2021.


Ashbel Brunson, III, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Ashbel Brunson, III, Chairman of the Christian County Water District, on this August 16, 2021.

My Commission expires: October 10, 2021.


NOTARY PUBLIC

588462
NOTARY PUBLIC ID Number

EXHIBIT A

Estimated Debt Service Schedule

Preliminary

\$895,000

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

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/15/2021	-	-	-	-	-
02/01/2022	-	-	7,513.06	7,513.06	-
08/01/2022	25,000.00	2.000%	9,943.75	34,943.75	-
12/31/2022	-	-	-	-	42,456.81
02/01/2023	-	-	9,693.75	9,693.75	-
08/01/2023	50,000.00	2.000%	9,693.75	59,693.75	-
12/31/2023	-	-	-	-	69,387.50
02/01/2024	-	-	9,193.75	9,193.75	-
08/01/2024	55,000.00	2.000%	9,193.75	64,193.75	-
12/31/2024	-	-	-	-	73,387.50
02/01/2025	-	-	8,643.75	8,643.75	-
08/01/2025	55,000.00	2.000%	8,643.75	63,643.75	-
12/31/2025	-	-	-	-	72,287.50
02/01/2026	-	-	8,093.75	8,093.75	-
08/01/2026	55,000.00	2.000%	8,093.75	63,093.75	-
12/31/2026	-	-	-	-	71,187.50
02/01/2027	-	-	7,543.75	7,543.75	-
08/01/2027	60,000.00	2.000%	7,543.75	67,543.75	-
12/31/2027	-	-	-	-	75,087.50
02/01/2028	-	-	6,943.75	6,943.75	-
08/01/2028	55,000.00	2.600%	6,943.75	61,943.75	-
12/31/2028	-	-	-	-	68,887.50
02/01/2029	-	-	6,228.75	6,228.75	-
08/01/2029	60,000.00	2.600%	6,228.75	66,228.75	-
12/31/2029	-	-	-	-	72,457.50
02/01/2030	-	-	5,448.75	5,448.75	-
08/01/2030	60,000.00	2.600%	5,448.75	65,448.75	-
12/31/2030	-	-	-	-	70,897.50
02/01/2031	-	-	4,668.75	4,668.75	-
08/01/2031	65,000.00	2.300%	4,668.75	69,668.75	-
12/31/2031	-	-	-	-	74,337.50
02/01/2032	-	-	3,921.25	3,921.25	-
08/01/2032	70,000.00	2.300%	3,921.25	73,921.25	-
12/31/2032	-	-	-	-	77,842.50
02/01/2033	-	-	3,116.25	3,116.25	-
08/01/2033	70,000.00	2.250%	3,116.25	73,116.25	-
12/31/2033	-	-	-	-	76,232.50
02/01/2034	-	-	2,328.75	2,328.75	-
08/01/2034	70,000.00	2.200%	2,328.75	72,328.75	-
12/31/2034	-	-	-	-	74,657.50
02/01/2035	-	-	1,558.75	1,558.75	-
08/01/2035	70,000.00	2.150%	1,558.75	71,558.75	-
12/31/2035	-	-	-	-	73,117.50
02/01/2036	-	-	806.25	806.25	-
08/01/2036	75,000.00	2.150%	806.25	75,806.25	-
12/31/2036	-	-	-	-	76,612.50
Total	\$895,000.00	-	\$173,836.81	\$1,068,836.81	-

Yield Statistics

Bond Year Dollars	\$7,715.61
Average Life	8.621 Years
Average Coupon	2.2530530%
Net Interest Cost (NIC)	2.1614453%
True Interest Cost (TIC)	2.1508028%

Bond Yield for Arbitrage Purposes	1.8534887%
All Inclusive Cost (AIC)	2.4124203%

IRS Form 8038

Net Interest Cost	1.9185613%
Weighted Average Maturity	8.582 Years

Refunding 2021 | Christian County Water Di | 7/13/2021 | 12:46 PM

Raymond James

EXHIBIT B

Sources and Uses

Preliminary

\$895,000

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

Sources & Uses

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

Sources Of Funds

Par Amount of Bonds	\$895,000.00
Reoffering Premium	22,730.60
Transfers from Prior Issue Debt Service Funds	29,091.67

Total Sources **\$946,822.27**

Uses Of Funds

Total Underwriter's Discount (1.750%)	15,662.50
Costs of Issuance	17,820.00
Deposit to Current Refunding Fund	909,167.78
Rounding Amount	4,171.99

Total Uses **\$946,822.27**

EXHIBIT C

Debt Service Comparison

Preliminary

\$895,000

Potential Refunding through the
Kentucky Rural Water Finance Corporation
Christian 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	42,456.81	42,456.81	78,841.25	36,384.44
12/31/2023	69,387.50	69,387.50	77,423.75	8,036.25
12/31/2024	73,387.50	73,387.50	80,896.25	7,508.75
12/31/2025	72,287.50	72,287.50	79,227.50	6,940.00
12/31/2026	71,187.50	71,187.50	77,496.25	6,308.75
12/31/2027	75,087.50	75,087.50	80,611.25	5,523.75
12/31/2028	68,887.50	68,887.50	78,466.25	9,578.75
12/31/2029	72,457.50	72,457.50	81,080.00	8,622.50
12/31/2030	70,897.50	70,897.50	78,665.00	7,767.50
12/31/2031	74,337.50	74,337.50	81,227.50	6,890.00
12/31/2032	77,842.50	77,842.50	83,595.00	5,752.50
12/31/2033	76,232.50	76,232.50	80,865.00	4,632.50
12/31/2034	74,657.50	74,657.50	83,037.50	8,380.00
12/31/2035	73,117.50	73,117.50	80,112.50	6,995.00
12/31/2036	76,612.50	76,612.50	82,050.00	5,437.50
TOTAL	\$1,068,836.81	\$1,068,836.81	\$1,204,495.00	\$135,658.19

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	120,936.77
Effects of changes in Expenses	6,300.94
Net PV Cashflow Savings @ 2.412%(AIC)	127,237.71
Transfers from Prior Issue Debt Service Fund	(29,091.67)
Contingency or Rounding Amount	4,171.99
Net Benefit	110,738.51
Net Present Value Benefit	\$102,318.03
Net PV Benefit / \$905,000 Refunded Principal	11.306%
Net PV Benefit / \$895,000 Refunding Principal	11.432%
Average Annual Cash Flow Savings	7,979.89

Refunding Bond Information

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

EXHIBIT D

Prior Bonds Debt Service

Preliminary

\$1,260,000

City of Augusta

Possible Savings if refunded through the
Kentucky Rural Water Finance Corporation, Series 2012 C

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	905,000.00	4,167.78	909,167.78	-	-	-	-
02/01/2022	-	-	-	45,000.00	3.150%	17,050.00	62,050.00
08/01/2022	-	-	-	-	-	16,341.25	16,341.25
02/01/2023	-	-	-	45,000.00	3.150%	16,341.25	61,341.25
08/01/2023	-	-	-	-	-	15,632.50	15,632.50
02/01/2024	-	-	-	50,000.00	3.275%	15,632.50	65,632.50
08/01/2024	-	-	-	-	-	14,813.75	14,813.75
02/01/2025	-	-	-	50,000.00	3.400%	14,813.75	64,813.75
08/01/2025	-	-	-	-	-	13,963.75	13,963.75
02/01/2026	-	-	-	50,000.00	3.525%	13,963.75	63,963.75
08/01/2026	-	-	-	-	-	13,082.50	13,082.50
02/01/2027	-	-	-	55,000.00	3.650%	13,082.50	68,082.50
08/01/2027	-	-	-	-	-	12,078.75	12,078.75
02/01/2028	-	-	-	55,000.00	4.150%	12,078.75	67,078.75
08/01/2028	-	-	-	-	-	10,937.50	10,937.50
02/01/2029	-	-	-	60,000.00	4.150%	10,937.50	70,937.50
08/01/2029	-	-	-	-	-	9,692.50	9,692.50
02/01/2030	-	-	-	60,000.00	3.900%	9,692.50	69,692.50
08/01/2030	-	-	-	-	-	8,522.50	8,522.50
02/01/2031	-	-	-	65,000.00	3.900%	8,522.50	73,522.50
08/01/2031	-	-	-	-	-	7,255.00	7,255.00
02/01/2032	-	-	-	70,000.00	3.900%	7,255.00	77,255.00
08/01/2032	-	-	-	-	-	5,890.00	5,890.00
02/01/2033	-	-	-	70,000.00	3.900%	5,890.00	75,890.00
08/01/2033	-	-	-	-	-	4,525.00	4,525.00
02/01/2034	-	-	-	75,000.00	3.900%	4,525.00	79,525.00
08/01/2034	-	-	-	-	-	3,062.50	3,062.50
02/01/2035	-	-	-	75,000.00	3.900%	3,062.50	78,062.50
08/01/2035	-	-	-	-	-	1,600.00	1,600.00
02/01/2036	-	-	-	80,000.00	4.000%	1,600.00	81,600.00
Total	\$905,000.00	\$4,167.78	\$909,167.78	\$905,000.00	-	\$291,845.00	\$1,196,845.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	9/15/2021
Average Life	8.168 Years
Average Coupon	3.8917958%
Weighted Average Maturity (Par Basis)	8.168 Years
Weighted Average Maturity (Original Price Basis)	8.143 Years

Refunding Bond Information

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

Raymond James

EXHIBIT E

Financial Statements

**CHRISTIAN COUNTY WATER DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2020 AND 2019**

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 983,388	\$ 626,704
Accounts receivable and unbilled revenues	714,725	757,965
Allowance for uncollectible accounts	(238,686)	(232,389)
Inventory	205,172	211,101
Prepaid expenses	4,452	6,639
Total current assets	1,669,051	1,370,020
Restricted assets		
Cash - customers' deposits	69,337	67,337
Cash - bond and interest redemption account	1,080,347	1,033,473
Cash - depreciation reserve account	1,082,360	1,034,396
Cash - bond reserve account	156,292	152,406
Investments - depreciation reserve	917,873	861,177
Total restricted assets	3,306,209	3,148,789
Capital assets not being depreciated		
Land and land rights	118,491	118,491
Construction in progress	3,009,188	2,990,290
Capital assets being depreciated		
Water supply and distribution system	12,824,156	13,250,967
Total capital assets	15,951,835	16,359,748
Other assets		
Deposits	115	115
Deferred charges		
Unamortized bond issuance costs	193,572	147,319
Total assets	21,120,782	21,025,991
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts from pension and other postemployment benefits	566,433	431,426

See accompanying notes to the financial statements

**CHRISTIAN COUNTY WATER DISTRICT
STATEMENTS OF NET POSITION, continued
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	<u>179,635</u>	<u>186,149</u>
Total current liabilities	<u>179,635</u>	<u>186,149</u>
Current liabilities payable from restricted assets		
Customers' deposits	69,337	67,337
Interest payable	108,979	158,919
Notes payable - current	8,000	7,500
Long-term debt - current portion	<u>414,000</u>	<u>412,000</u>
Total payable from restricted assets	<u>600,316</u>	<u>645,756</u>
Noncurrent liabilities		
Long-term debt (net of unamortized discounts and premiums)	8,048,989	8,429,427
Notes payable	307,000	315,000
Net pension and other postemployment benefit liabilities	2,255,961	1,834,685
Compensated absences	<u>10,501</u>	<u>7,586</u>
Total noncurrent liabilities	<u>10,622,451</u>	<u>10,586,698</u>
Total liabilities	<u>11,402,402</u>	<u>11,418,603</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts from pension and other postemployment benefits	<u>145,377</u>	<u>220,414</u>
NET POSITION		
Net investment in capital assets	7,173,846	7,195,821
Restricted for debt service	1,236,639	1,185,879
Restricted for capital projects	2,000,233	1,895,573
Unrestricted	<u>(271,282)</u>	<u>(458,873)</u>
Total net position	<u><u>\$ 10,139,436</u></u>	<u><u>\$ 9,818,400</u></u>

See accompanying notes to the financial statements

**CHRISTIAN COUNTY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
OPERATING REVENUES		
Water sales	\$ 3,601,759	\$ 3,601,132
Other revenues	41,133	92,416
	3,642,892	3,693,548
OPERATING EXPENSES		
Water purchased	1,219,214	1,234,862
Depreciation	589,269	586,575
Salaries	643,563	618,301
Maintenance and repairs	131,515	151,264
Insurance	196,086	196,158
Rental expense	1,085	726
Electricity for pumping	84,400	92,272
Professional services	42,831	35,953
Office supplies and expense	159,311	174,679
Operating materials and supplies	79,740	68,743
Payroll taxes and fringe benefits	405,695	323,296
Transportation expenses	19,531	30,413
	3,572,240	3,513,242
Total operating expenses		
	70,652	180,306
NON-OPERATING REVENUES (EXPENSES)		
Interest and dividend income	39,070	46,876
Interest expense	(255,997)	(317,342)
Amortization of bond issuance costs	(33,231)	(11,135)
Unrealized gain (loss) on investments	22,556	24,421
	(227,602)	(257,180)
Total nonoperating revenue (expense)		
	(156,950)	(76,874)
Income (loss) before grants and capital contributions		
	477,986	162,909
Grants and capital contributions		
	321,036	86,035
Change in net position, carried forward		

See accompanying notes to the financial statements

**CHRISTIAN COUNTY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Change in net position, brought forward	321,036	86,035
Net position, beginning of year	<u>9,818,400</u>	<u>9,732,365</u>
Net position, end of year	<u><u>\$ 10,139,436</u></u>	<u><u>\$ 9,818,400</u></u>

See accompanying notes to the financial statements

**CHRISTIAN COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
Cash flows from operating activities		
Receipts from customers and users	\$ 3,692,457	\$ 3,696,619
Cash payments to suppliers for goods and services	(1,939,256)	(2,176,467)
Cash payments to employees	(827,994)	(686,768)
Net cash provided by operating activities	925,207	833,384
Cash flows from capital and related financing activities		
Proceeds from grants	405,389	77,783
Purchases and construction of property and equipment	(181,356)	(328,643)
Proceeds from issuance of debt	1,568,032	-
Principal paid on debt	(2,028,000)	(408,000)
Tap-on fees	68,218	72,178
Contributed lines	4,379	12,948
Customer deposits	2,000	3,297
Interest expense	(305,937)	(317,197)
Net cash used in capital and related financing activities	(467,275)	(887,634)
Cash flows from investing activities		
Interest income (expense)	(524)	6,118
Net cash used by investing activities	(524)	6,118
Net increase (decrease) in cash and cash equivalents	457,408	(48,132)
Cash, beginning of year	2,914,316	2,962,448
Cash, end of year	3,371,724	2,914,316
Less restricted cash		
Cash - customer deposits	(69,337)	(67,337)
Cash - bond and interest redemption	(1,080,347)	(1,033,473)
Cash - depreciation reserve	(1,082,360)	(1,034,396)
Cash - bond reserve	(156,292)	(152,406)
Total restricted cash	(2,388,336)	(2,287,612)
Cash and cash equivalents per statement of net position	\$ 983,388	\$ 626,704

See accompanying notes to the financial statements

**CHRISTIAN COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS, continued
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Operating income	\$ 70,652	\$ 180,306
Adjustment to reconcile revenue to net cash provided by operating activities		
Depreciation	589,269	586,575
(Increase) decrease in		
Accounts receivable and unbilled revenues	49,537	2,553
Inventory	5,929	(45,775)
Prepaid expenses	2,187	960
Increase (decrease) in		
Accounts payable	(6,514)	(40,211)
Compensated absences	2,915	-
Deferred pension and postemployment benefits amounts	<u>211,232</u>	<u>148,976</u>
Net cash provided by operating activities	<u>\$ 925,207</u>	<u>\$ 833,384</u>

See accompanying notes to the financial statements

EXHIBIT F

Notification to State Local Debt Officer

Rubin & Hays

ATTORNEYS AT LAW

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 17, 2021

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

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

Dear Commissioner Keene:


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

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

Very truly yours,

Rubin & Hays

By



W. Randall Jones

WRJ:jlm
Enclosures