

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF)
HARDIN COUNTY WATER DISTRICT)
NO. 2 FOR AUTHORIZATION TO)
ISSUE SECURITIES IN THE) CASE NO. 2021-00428
APPROXIMATE AMOUNT OF)
\$2,320,000 FOR THE PURPOSE OF)
REFUNDING CERTAIN)
OUTSTANDING REVENUE BONDS)
PURSUANT TO KRS 278.300 AND 807)
KAR 5:001)**

NOTICE OF FILING OF REVISED EXHIBITS

Hardin County Water District No. 2 (“Hardin District”) hereby files with the Commission three Revised Exhibits to Hardin District’s Application filed in this proceeding on November 23, 2021, which Application the Commission Staff found to be without deficiency and accepted for filing on November 30, 2021. Therefore, Hardin District’s filing of Revised Exhibits 1, 2, and 3 does not address a deficiency, but rather reflects the favorable results of the public, competitive sale of Hardin District’s 2022A Bonds on December 17, 2021.

In support of its filing, Hardin District states:

1. Hardin District conducted a public, competitive sale of its 2022A Bonds on December 17, 2021.

2. Eight (8) bids were received for the 2022A Bonds. The Cecilian Bank submitted the lowest and best bid of 1.45% for each of the bond maturities. This is significantly more favorable to Hardin District than the estimated rate of 1.75% that was included in the Application. **Exhibit 1** (Estimated Debt Service Schedule for the proposed 2022A Bonds) has been revised to reflect the actual interest rates and the lower annual Debt Service expense. Attached hereto and incorporated herein by reference is **Revised Exhibit 1**, which reflects the lower annual Debt Service expense for the 2022A Bonds.

3. Because of the lower interest rate and the lower Cost of Issuance of the 2022A Bonds, the actual principal amount of the 2022A Bonds will be reduced by \$9,600 from an estimated amount of \$2,320,000 to \$2, 310,400. **Exhibit 2** (Sources and Uses of Funds) has been revised to reflect these changes. Attached hereto and incorporated herein by reference is **Revised Exhibit 2**.

4. Unsurprisingly, the lower interest rate and smaller principal amount of the 2022A Bonds has increased the estimated gross savings from \$1,010,329 to \$1,056,359 and the estimated present value (“PV”) savings from \$929,747 to \$985,892. **Exhibit 3** (Gross Debt Service Comparative Schedule) has been revised to reflect these additional savings. Attached hereto and incorporated herein by reference is **Revised Exhibit 3**.

5. None of the other Exhibits to the Application were impacted by the excellent results of the Bond Sale conducted on December 17, 2021.

6. The issuance and delivery (Closing Date) of the 2022A Bonds will be held on Friday, **January 28, 2022** as originally planned.

WHEREFORE, Hardin District requests that the Public Service Commission:

1. Complete its review of and issue a final order on the Application, including Revised Exhibits 1, 2, and 3, without conducting an evidentiary hearing in this matter; and

3. Authorize the issuance of the 2022A Bonds on or before **January 24, 2022** to ensure adequate time to effect the Closing of the issuance.

Dated: December 29, 2021

Respectfully submitted,



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No. 2*

CERTIFICATE OF COMPLIANCE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on December 29, 2021, and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.



Damon R. Talley

**REVISED
EXHIBIT 1**

BOND DEBT SERVICE

Hardin County Water District No. 2
 Refunding of Series 2010 with Bank Loan
 Direct Placement of Water System Refunding Revenue Bonds, Series 2022A
 Cecilian Bank Rate (1.45%)
 Non-Bank Qualified

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2022			14,237.84	14,237.84	
12/31/2022					14,237.84
01/01/2023	239,200	1.450%	16,750.40	255,950.40	
07/01/2023			15,016.20	15,016.20	
12/31/2023					270,966.60
01/01/2024	247,700	1.450%	15,016.20	262,716.20	
07/01/2024			13,220.38	13,220.38	
12/31/2024					275,936.58
01/01/2025	250,400	1.450%	13,220.38	263,620.38	
07/01/2025			11,404.98	11,404.98	
12/31/2025					275,025.36
01/01/2026	252,400	1.450%	11,404.98	263,804.98	
07/01/2026			9,575.08	9,575.08	
12/31/2026					273,380.06
01/01/2027	258,900	1.450%	9,575.08	268,475.08	
07/01/2027			7,698.05	7,698.05	
12/31/2027					276,173.13
01/01/2028	264,500	1.450%	7,698.05	272,198.05	
07/01/2028			5,780.43	5,780.43	
12/31/2028					277,978.48
01/01/2029	259,700	1.450%	5,780.43	265,480.43	
07/01/2029			3,897.60	3,897.60	
12/31/2029					269,378.03
01/01/2030	264,400	1.450%	3,897.60	268,297.60	
07/01/2030			1,980.70	1,980.70	
12/31/2030					270,278.30
01/01/2031	273,200	1.450%	1,980.70	275,180.70	
12/31/2031					275,180.70
	2,310,400		168,135.08	2,478,535.08	2,478,535.08

**REVISED
EXHIBIT 2**

SOURCES AND USES OF FUNDS

Hardin County Water District No. 2
 Refunding of Series 2010 with Bank Loan
 Direct Placement of Water System Refunding Revenue Bonds, Series 2022A
 Cecilian Bank Rate (1.45%)
 Non-Bank Qualified

Dated Date 01/28/2022
 Delivery Date 01/28/2022

Sources:

Bond Proceeds:	
Par Amount	2,310,400.00
Other Sources of Funds:	
Interest SF on Hand	
Principal SF on Hand	
Current DSRF Balance	1,207,393.75
	1,207,393.75
	3,517,793.75

Uses:

Refunding Escrow Deposits:	
Cash Deposit	2,944,857.03
Other Fund Deposits:	
Debt Service Reserve Fund	507,421.55
Cost of Issuance:	
Municipal Advisor (Baird)	25,000.00
Bond Counsel (Dinsmore)	18,500.00
Out-of-Pocket Expenses (Dinsmore)	950.00
Local Counsel (Stoll Keenon Ogden)	18,500.00
Parity Certificate Provider (Heartland CPA)	2,500.00
	65,450.00
Other Uses of Funds:	
Additional Proceeds	65.17
	3,517,793.75

Note: The New DSRF Requirement includes 2012A, 2016B, and 2016C Parity Bonds Outstanding



**REVISED
EXHIBIT 3**

SAVINGS

Hardin County Water District No. 2
 Refunding of Series 2010 with Bank Loan
 Direct Placement of Water System Refunding Revenue Bonds, Series 2022A
 Cecilian Bank Rate (1.45%)
 Non-Bank Qualified

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 01/28/2022 @ 1.4500698%
12/31/2022	56,734.38	14,237.84	42,496.54	42,236.39
12/31/2023	383,656.26	270,966.60	112,689.66	110,931.48
12/31/2024	388,587.51	275,936.58	112,650.93	109,326.78
12/31/2025	387,706.26	275,025.36	112,680.90	107,813.56
12/31/2026	386,075.01	273,380.06	112,694.95	106,308.71
12/31/2027	388,771.88	276,173.13	112,598.75	104,723.80
12/31/2028	390,675.00	277,978.48	112,696.52	103,343.60
12/31/2029	381,975.00	269,378.03	112,596.97	101,803.79
12/31/2030	382,875.00	270,278.30	112,596.70	100,377.14
12/31/2031	387,837.50	275,180.70	112,656.80	99,027.16
	3,534,893.80	2,478,535.08	1,056,358.72	985,892.42

Savings Summary

PV of savings from cash flow	985,892.42
Less: Prior funds on hand	-1,207,393.75
Plus: Refunding funds on hand	507,486.72
	285,985.39
Net PV Savings	285,985.39

