

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

ELECTRONIC APPLICATION OF CORINTH)	CASE NO.
WATER DISTRICT FOR AUTHORIZATION)	
TO ENTER INTO A FINANCIAL OBLIGATION)	2021-00465

**CORINTH WATER DISTRICT'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Corinth Water District hereby files its responses to Commission Staff's First Request for Information to Corinth Water District, issued in the above-captioned case on February 2, 2022.

FILED: February 11, 2022

CORINTH WATER DISTRICT
ELECTRONIC APPLICATION OF CORINTH
WATER DISTRICT FOR AUTHORIZATION TO
ENTER INTO A FINANCIAL OBLIGATION
CASE NO. 2021-00465

Response to Commission Staff's
First Request for Information
Dated February 2, 2022

February 11, 2022

1 **Item 1) Confirm that Corinth District consulted an attorney before committing to the Lease**
2 **Agreement, and explain ultimately who approved the commitment.**

3

4 **Response)** The Corinth Water District confirms that it consulted with an attorney before
5 committing to the Lease Agreement. In conjunction with the Lease Agreement, the Corinth Water
6 District obtained an Opinion of Lessee's Counsel, which provided as follows in Paragraph 3: "All
7 consents, approvals or authorizations of any governmental entity and all filings and notices
8 required on the part of the Lessee in conjunction with the authorization, execution and delivery of
9 the Lease and the consummation of the transactions contemplated thereby have been obtained and
10 are in full force and effect." A copy of the Opinion of Lessee's Counsel is provided as an
11 attachment to this response.

12 The Corinth Water District Board of Commissioners ultimately approved the commitment,
13 which approval took into account consultation with counsel.

14

15 **Witness)** Tara Wright

EXHIBIT D
OPINION OF LESSEE'S COUNSEL

July 23, 2021

The Bank of New York Mellon Trust Company, N.A., Trustee
Corporate Trust Services
614 West Main Street, Suite 2600
Louisville, Kentucky 40202

Kentucky Bond Corporation
100 East Vine Street, Suite 800
Lexington,, Kentucky 40507-3500

Re: Lease Agreement between Kentucky Bond Corporation, as lessor, and Corinth Water District, as lessee

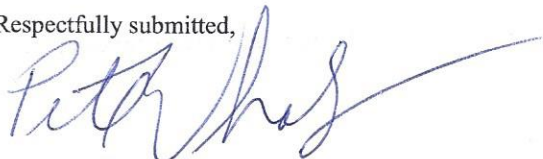
Ladies and Gentlemen:

We have acted as counsel to the lessee identified above (the "Lessee") in connection with the authorization, execution, and delivery by the Lessee of the Lease Agreement identified above, (the "Lease"), between the Lessee and Kentucky Bond Corporation (the "Lessor"). We have reviewed (i) the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), (ii) certain proceedings taken by the Governing Body of the Lessee, (iii) an executed copy of the Lease, and (iv) such other information and documents as we have deemed necessary or appropriate in order to render this opinion.

Based on the foregoing, we are of the opinion that:

1. The Lessee is a body politic and corporate, validly organized and existing in good standing under the laws of the Commonwealth and has full power and authority to enter into and to perform its obligations under the Lease.
2. The Lease has been duly authorized, executed and delivered by the Lessee and (assuming the due authorization, execution and delivery thereof by the other parties thereto) constitute legal, valid and binding obligations of the Lessee, enforceable against the Lessee in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.
3. All consents, approvals or authorizations of any governmental entity and all filings and notices required on the part of the Lessee in connection with the authorization, execution and delivery of the Lease and the consummation of the transactions contemplated thereby have been obtained and are in full force and effect.
4. Neither the execution and delivery of the Lease nor the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions of the Lease conflict with or constitute a violation of any provision of any law or regulation applicable to the Lessee or, to the best of our knowledge after reasonable investigation, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound.
5. To the best of our knowledge, after reasonable investigation, there is no action, suit, proceeding or governmental investigation at law or in equity before or by any court, public board or body, pending of which the Lessee has been served with a summons, summons and complaint or other notice of commencement, or threatened against or affecting the Lessee, challenging the validity of the Lease or contesting the power and authority of the Lessee to execute and deliver the Lease or to consummate the transactions contemplated by the Lease.

Respectfully submitted,



CORINTH WATER DISTRICT

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1 **Item 2) Explain the circumstances that led Corinth District to determine that the financing**
2 **was not subject to Commission approval.**

3

4 **Response)** Due to low interest rates, Corinth Water District sought to refinance existing
5 obligations to achieve cost savings to the Corinth Water District. At the time Corinth Water District
6 explored these options, interest rates in the bond market were very low and Corinth Water District
7 sought to take advantage of these low rates through a bond issuance with the Kentucky Bond
8 Corporation. Corinth Water District's Lease Agreement was combined with other lease
9 agreements between the Kentucky Bond Corporation and other governmental lessees to create an
10 issue of bonds. As part of this bond transaction, no legal counsel involved ever advised Corinth
11 Water District that the refinancing of the existing debt was subject to prior Commission approval.
12 As is set forth in Response to Item 1, the Corinth Water District received a legal opinion from its
13 counsel that no additional governmental approvals or filings were necessary to enter into the Lease
14 Agreement.

15

16 **Witness)** Tara Wright

CORINTH WATER DISTRICT

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1 **Item 3) Refer to the Application, page 2. Explain what steps Corinth District intends to take**
2 **or has taken to prevent violations of KRS 278.300 in the future.**

3

4 **Response)** To ensure that Corinth Water District seeks prior approval for issuances of
5 indebtedness subject to KRS 278.300 in the future, Tara Wright, the General Manager of Corinth
6 Water District, plans to attend management training conducted by the Commission; the Corinth
7 Water District Board of Commissioners will attend training sessions conducted by the
8 Commission; Corinth Water District will seek detailed analysis from its legal counsel regarding
9 the applicability of KRS 278.300 to any future debt issuance; and if Corinth Water District has any
10 questions or concerns regarding the need for prior approval in the future, the Corinth Water District
11 will seek consultation from Commission staff prior to entering in the debt obligation.

12

13 **Witness)** Tara Wright

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1 **Item 4) Refer to the Application, page 6, paragraph 17. Explain specifically to which**
2 **regulation and to what extent Corinth District is seeking a deviation.**

3
4 **Response)** Paragraph 17 of the Application was prepared by prior counsel and requests a deviation
5 only “if necessary.” Current counsel and Corinth Water District believe that the January 18, 2022
6 Application provided the Commission with all information required by the Commission’s
7 regulations applicable to the financing at issue. Accordingly, Corinth Water District clarifies that,
8 with the exception of seeking retroactive approval of the financing, no deviation is sought in this
9 proceeding.

10
11 **Witness) Tara Wright**

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1 **Item 5) For each member of the Corinth District Board of Commissioners, provide the date**
2 **the commissioner last attended training conducted by the Commission; state whether the**
3 **training was in person or virtual.**

4

5 **Response)** Commissioner Ashley Lauderman last attended virtual training conducted by the
6 Commission on January 13-14, 2021. Commissioners Dan Field and Cherish Kennedy last
7 attended virtual training conducted by the Commission on September 7, 2021.

8

9 **Witness)** Tara Wright

CORINTH WATER DISTRICT

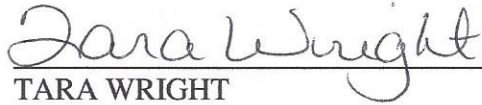
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VERIFICATION

I, Tara Wright, verify, state, and affirm that the information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

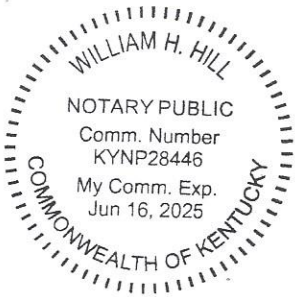


TARA WRIGHT

COMMONWEALTH OF KENTUCKY)
) ss:
COUNTY OF GRANT)

SUBSCRIBED AND SWORN TO before me by Tara Wright on this the 10TH day of February, 2022.

My commission expires: 06/16/2025





Notary Public