



Carroll County Water District  
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Item 12 - PSC Request of information as to the debts owed to both Carrollton Utilities and Kentucky Infrastructure Authority including the basis for the debt and expected pay-off of the debt.

CCWD Response:

Carroll County Water District #1 entered into inner-local agreements under which it was the sub recipient of loan proceeds from the Kentucky Infrastructure Authority funding the Focus on Core Mission and Infrastructure Project and the Carroll County Interconnect Project. This KIA loan qualified for 25% principal forgiveness (grant) up front and based on a **30** year amortization rate of 0.75% interest. The City of Carrollton f/b/o Carrollton Utilities was the recipient of the loan proceeds. It was also the entity overseeing the engineering and construction contracts, and other general costs associated with the project. Carroll County Water District, under inner local agreements with the City of Carrollton/Carrollton Utilities agreed to pay Carrollton Utilities for the portion of the debt associated with improvements made to its distribution system. The District chose to repay the total debt associated with the Focus on Core Mission and Infrastructure Project in December, 2016 on a similar project that involved SCADA improvements that involved KIA but being a greater upfront savings of 50%.

The payoff is schedule to be paid in full on December 1, 2045. The scope of the project was to create two emergency connections between Carrollton Utilities and install a pipeline to eventually connect to another public water supplier and create a distribution loop line in the existing grid.

On November 30, 2017, the Public Service Commission approved the refinancing of the Kentucky Infrastructure Authority existing loan. KIA wanted to free up monies in a different fund for future investors and CCWD was awarded a lower interest rate by moving this into KIA Fund C type. The interest rate dropped from 3% to 2.25%. The principal balance and payment schedule remained unchanged. The refinancing will save the District \$25,371 over the life of the loan. The net present value of the interest savings is \$23,396.

The payoff is schedule to be paid in full on December 01, 2024. The scope of the original project was a pipeline extension that allowed to provide service to rural residents that did not have a potable water supply and to supply another public water supplier who then was Tri-Village Water District which is now own and operated by Kentucky American Water Company.