

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF MORGAN)
COUNTY WATER DISTRICT TO ISSUE)
SECURITIES IN THE APPROXIMATE PRINCIPAL)
AMOUNT OF \$2,080,000 FOR THE PURPOSE OF) Case No. 2021-00476
REFINANCING CERTAIN OUTSTANDING)
OBLIGATIONS OF THE DISTRICT PURSUANT)
TO THE PROVISIONS OF KRS 278.300 AND)
807 KAR 5:001)**

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

APPLICATION

The Applicant, Morgan County Water District ("Morgan 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 Morgan District to issue certain securities in the approximate principal amount of \$2,080,000 (subject to adjustment of up to 10%), for the purpose of refinancing certain outstanding indebtedness of Morgan District. In support of this Application, and in compliance with the rules and regulations of the Commission, Morgan District states as follows:

1. Morgan 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 Morgan County, Kentucky which Order is on file in the County Court Order Books in the office of the Clerk of Morgan County, Kentucky. Morgan District is now, and has been since its inception, regulated by the Commission, and all records and proceedings of the Commission with reference to Morgan

District are incorporated in this Application by reference. Morgan District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

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

Morgan County Water District
c/o Mr. Shannon W. Elam, General Manager
1009 Highway 172
West Liberty, Kentucky 41472
Phone: (606) 743-1204
Fax: (606) 743-9585
email address: mcwdshannon@gmail.com

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

5. Morgan District proposes to borrow funds from the Kentucky Rural Water Finance Corporation ("KRWFC") pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$2,080,000 (subject to adjustment of up to 10%) for the purpose of refinancing certain outstanding indebtedness as follows: (i) Morgan County Water District Waterworks Revenue Bonds, Series 2006, dated January 18, 2007, in the original principal amount of \$1,000,000, bearing interest at the rate of 4.125% per annum (the "2006 Bonds"); and (ii) Morgan County Water District Waterworks Revenue Bonds, Series 2008, dated February 2, 2009, in the original principal amount of \$1,446,000, bearing interest at the rate of 4.125% per annum (the "2008

Bonds"); (hereinafter, the 2006 Bonds and the 2008 Bonds shall be collectively referred to as the "Prior Bonds"). The Prior Bonds are currently held by USDA, Rural Development.

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 Morgan District with the funds necessary to (i) refinance the Prior Bonds; 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 Bonds will result in a net present value cashflow savings of approximately \$354,339.60. 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. Morgan District will not issue the securities if interest rates in the bond market shift to a point where Morgan District will not achieve any debt service savings.

11. The Debt Service Schedules of the outstanding Prior Bonds are set forth in **Exhibit "D"**.

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

13. Morgan 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; Morgan District hereby responds as follows:

- (i) Section 12(1)(b): Morgan 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 Morgan District's financial condition have occurred since the end

of the twelve (12) month period contained in Morgan District's most recent annual report on file with the Commission.

- (ii) Section 12(2)(a), (b) and (c) Stock: Morgan District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: Morgan 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 Morgan District is contained in the 2020 Annual Report on file with this Commission and the December 31, 2020 and 2019 Audit Report on file with this Commission.
- (v) Section 12(2)(h) Dividends: Morgan 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, Morgan District hereby responds as follows:

- (i) Section 18(1)(a): Morgan District has complied with the requirements of 807 KAR 5:001, Section 14.
- (ii) Section 18(1)(b): A general description of Morgan District's property, its field of operation and a statement of original cost of said property and the cost to Morgan District is contained in Morgan District's 2020 Annual Report on file with this Commission.
- (iii) Section 18(1)(c): Morgan 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 Morgan District's water system.

- (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refinance the outstanding Prior Bonds.
- (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): Morgan 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 is being requested in this Application.

WHEREFORE, Morgan 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 Morgan District by taking full advantage of current low interest rates, Morgan District requests that the Commission issued its Order as no later than **February 4, 2022**;
and
3. Process this Application without a formal hearing in order to save time and expense.

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

Morgan County Water District

By 
Brian Wells, Chairman
1009 Highway 172
West Liberty, Kentucky 41472
Phone: (606) 743-1204
Fax: (606) 743-9585
Email: mcwdshannon@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 Morgan County Water District

STATE OF KENTUCKY)
) SS
COUNTY OF MORGAN)

The affiant, Brian Wells, being first duly sworn, states: That he is the Chairman of the Morgan 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 December 22, 2021.

Brian A. Wells
Brian Wells, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Brian Wells, Chairman of the Morgan County Water District on this December 22, 2021.

My Commission expires: 2/24/22.

Cherrill McHugh
NOTARY PUBLIC

594952
NOTARY PUBLIC ID Number

EXHIBIT A

Estimated Debt Service Schedule

\$2,080,000

Morgan County Water District
Refunding of RD Loans

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/22/2022	-	-	-	-	-
08/01/2022	-	-	23,332.14	23,332.14	-
12/31/2022	-	-	-	-	23,332.14
02/01/2023	60,000.00	3.000%	26,413.75	86,413.75	-
08/01/2023	-	-	25,513.75	25,513.75	-
12/31/2023	-	-	-	-	111,927.50
02/01/2024	60,000.00	3.000%	25,513.75	85,513.75	-
08/01/2024	-	-	24,613.75	24,613.75	-
12/31/2024	-	-	-	-	110,127.50
02/01/2025	60,000.00	3.000%	24,613.75	84,613.75	-
08/01/2025	-	-	23,713.75	23,713.75	-
12/31/2025	-	-	-	-	108,327.50
02/01/2026	60,000.00	2.500%	23,713.75	83,713.75	-
08/01/2026	-	-	22,963.75	22,963.75	-
12/31/2026	-	-	-	-	106,677.50
02/01/2027	60,000.00	2.500%	22,963.75	82,963.75	-
08/01/2027	-	-	22,213.75	22,213.75	-
12/31/2027	-	-	-	-	105,177.50
02/01/2028	60,000.00	2.500%	22,213.75	82,213.75	-
08/01/2028	-	-	21,463.75	21,463.75	-
12/31/2028	-	-	-	-	103,677.50
02/01/2029	70,000.00	3.000%	21,463.75	91,463.75	-
08/01/2029	-	-	20,413.75	20,413.75	-
12/31/2029	-	-	-	-	111,877.50
02/01/2030	70,000.00	3.000%	20,413.75	90,413.75	-
08/01/2030	-	-	19,363.75	19,363.75	-
12/31/2030	-	-	-	-	109,777.50
02/01/2031	70,000.00	3.000%	19,363.75	89,363.75	-
08/01/2031	-	-	18,313.75	18,313.75	-
12/31/2031	-	-	-	-	107,677.50
02/01/2032	70,000.00	2.650%	18,313.75	88,313.75	-
08/01/2032	-	-	17,386.25	17,386.25	-
12/31/2032	-	-	-	-	105,700.00
02/01/2033	75,000.00	2.650%	17,386.25	92,386.25	-
08/01/2033	-	-	16,392.50	16,392.50	-
12/31/2033	-	-	-	-	108,778.75
02/01/2034	80,000.00	2.550%	16,392.50	96,392.50	-

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\$2,080,000

Morgan County Water District
Refunding of RD Loans

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2034	-	-	15,372.50	15,372.50	-
12/31/2034	-	-	-	-	111,765.00
02/01/2035	80,000.00	2.350%	15,372.50	95,372.50	-
08/01/2035	-	-	14,432.50	14,432.50	-
12/31/2035	-	-	-	-	109,805.00
02/01/2036	80,000.00	2.350%	14,432.50	94,432.50	-
08/01/2036	-	-	13,492.50	13,492.50	-
12/31/2036	-	-	-	-	107,925.00
02/01/2037	80,000.00	2.250%	13,492.50	93,492.50	-
08/01/2037	-	-	12,592.50	12,592.50	-
12/31/2037	-	-	-	-	106,085.00
02/01/2038	85,000.00	2.250%	12,592.50	97,592.50	-
08/01/2038	-	-	11,636.25	11,636.25	-
12/31/2038	-	-	-	-	109,228.75
02/01/2039	85,000.00	2.250%	11,636.25	96,636.25	-
08/01/2039	-	-	10,680.00	10,680.00	-
12/31/2039	-	-	-	-	107,316.25
02/01/2040	85,000.00	2.300%	10,680.00	95,680.00	-
08/01/2040	-	-	9,702.50	9,702.50	-
12/31/2040	-	-	-	-	105,382.50
02/01/2041	90,000.00	2.300%	9,702.50	99,702.50	-
08/01/2041	-	-	8,667.50	8,667.50	-
12/31/2041	-	-	-	-	108,370.00
02/01/2042	90,000.00	2.350%	8,667.50	98,667.50	-
08/01/2042	-	-	7,610.00	7,610.00	-
12/31/2042	-	-	-	-	106,277.50
02/01/2043	95,000.00	2.400%	7,610.00	102,610.00	-
08/01/2043	-	-	6,470.00	6,470.00	-
12/31/2043	-	-	-	-	109,080.00
02/01/2044	95,000.00	2.450%	6,470.00	101,470.00	-
08/01/2044	-	-	5,306.25	5,306.25	-
12/31/2044	-	-	-	-	106,776.25
02/01/2045	95,000.00	2.500%	5,306.25	100,306.25	-
08/01/2045	-	-	4,118.75	4,118.75	-
12/31/2045	-	-	-	-	104,425.00
02/01/2046	100,000.00	2.500%	4,118.75	104,118.75	-
08/01/2046	-	-	2,868.75	2,868.75	-

\$2,080,000

Morgan County Water District
Refunding of RD Loans

Debt Service Schedule

Part 3 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/31/2046	-	-	-	-	106,987.50
02/01/2047	105,000.00	2.550%	2,868.75	107,868.75	-
08/01/2047	-	-	1,530.00	1,530.00	-
12/31/2047	-	-	-	-	109,398.75
02/01/2048	60,000.00	2.550%	1,530.00	61,530.00	-
08/01/2048	-	-	765.00	765.00	-
12/31/2048	-	-	-	-	62,295.00
02/01/2049	60,000.00	2.550%	765.00	60,765.00	-
12/31/2049	-	-	-	-	60,765.00
Total	\$2,080,000.00	-	\$764,940.89	\$2,844,940.89	-

Yield Statistics

Bond Year Dollars	\$30,983.67
Average Life	14.896 Years
Average Coupon	2.4688521%
Net Interest Cost (NIC)	2.5176457%
True Interest Cost (TIC)	2.5340441%
Bond Yield for Arbitrage Purposes	2.3886020%
All Inclusive Cost (AIC)	2.7202619%

IRS Form 8038

Net Interest Cost	2.4205406%
Weighted Average Maturity	14.704 Years

Raymond James

EXHIBIT B

Sources and Uses

\$2,080,000

Morgan County Water District
Refunding of RD Loans

Total Issue Sources And Uses

Dated 02/22/2022 | Delivered 02/22/2022

	Ref of 2007	Ref of 2009	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$830,000.00	\$1,250,000.00	\$2,080,000.00
Reoffering Premium	8,616.80	9,545.15	18,161.95
Total Sources	\$838,616.80	\$1,259,545.15	\$2,098,161.95
Uses Of Funds			
Total Underwriter's Discount (1.600%)	13,280.00	20,000.00	33,280.00
Costs of Issuance	14,676.63	22,103.37	36,780.00
Deposit to Current Refunding Fund	806,686.69	1,217,070.94	2,023,757.63
Rounding Amount	3,973.48	370.84	4,344.32
Total Uses	\$838,616.80	\$1,259,545.15	\$2,098,161.95

EXHIBIT C

Debt Service Comparison

\$2,080,000

Morgan County Water District
Refunding of RD Loans

Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/31/2022	23,332.14	-	23,332.14	41,497.50	18,165.36
12/31/2023	111,927.50	450.00	112,377.50	126,087.51	13,710.01
12/31/2024	110,127.50	450.00	110,577.50	126,231.27	15,653.77
12/31/2025	108,327.50	450.00	108,777.50	126,292.51	17,515.01
12/31/2026	106,677.50	450.00	107,127.50	126,271.26	19,143.76
12/31/2027	105,177.50	450.00	105,627.50	126,167.52	20,540.02
12/31/2028	103,677.50	450.00	104,127.50	125,981.26	21,853.76
12/31/2029	111,877.50	450.00	112,327.50	125,712.50	13,385.00
12/31/2030	109,777.50	450.00	110,227.50	126,340.63	16,113.13
12/31/2031	107,677.50	450.00	108,127.50	125,865.64	17,738.14
12/31/2032	105,700.00	450.00	106,150.00	125,308.14	19,158.14
12/31/2033	108,778.75	450.00	109,228.75	125,647.51	16,418.76
12/31/2034	111,765.00	450.00	112,215.00	125,863.13	13,648.13
12/31/2035	109,805.00	450.00	110,255.00	125,955.01	15,700.01
12/31/2036	107,925.00	450.00	108,375.00	125,923.14	17,548.14
12/31/2037	106,085.00	450.00	106,535.00	125,767.51	19,232.51
12/31/2038	109,228.75	450.00	109,678.75	125,488.14	15,809.39
12/31/2039	107,316.25	450.00	107,766.25	125,085.02	17,318.77
12/31/2040	105,382.50	450.00	105,832.50	125,537.52	19,705.02
12/31/2041	108,370.00	450.00	108,820.00	124,845.64	16,025.64
12/31/2042	106,277.50	450.00	106,727.50	125,009.39	18,281.89
12/31/2043	109,080.00	450.00	109,530.00	125,987.51	16,457.51
12/31/2044	106,776.25	450.00	107,226.25	124,800.63	17,574.38
12/31/2045	104,425.00	450.00	104,875.00	124,469.38	19,594.38
12/31/2046	106,987.50	450.00	107,437.50	124,952.50	17,515.00
12/31/2047	109,398.75	450.00	109,848.75	125,229.38	15,380.63
12/31/2048	62,295.00	450.00	62,295.00	73,393.13	11,098.13
12/31/2049	60,765.00	450.00	60,765.00	73,485.00	12,720.00
	-	-	-	-	-
Sub Totals	2,844,940.89	11,250.00	2,856,190.89	3,329,195.28	473,004.39
Accrued Interest	-	-	-	-	-
Rounding Amount	-	-	-	-	4,344.32
TOTALS	2,844,940.89	11,250.00	2,856,190.89	3,329,195.28	477,348.71

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	362,751.68
Effects of changes in Expenses	(8,412.08)
Net PV Cashflow Savings @ 2.389%(Bond Yield)	354,339.60
Contingency or Rounding Amount	4,344.32
Net Present Value Benefit	\$358,683.92
Net PV Benefit / \$2,012,000 Refunded Principal	17.827%
Net PV Benefit / \$2,080,000 Refunding Principal	17.244%
Average Annual Cash Flow Savings	17,679.58

Refunding Bond Information

Refunding Dated Date	2/22/2022
Refunding Delivery Date	2/22/2022

Morgan County Water Distr | Issue Summary | 12/ 1/2021 | 11:12 AM

Raymond James

EXHIBIT D

Prior Bonds Debt Service

\$1,000,000

Morgan County Water District
RD - 2007
(Bonds to be Refunded)

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
02/22/2022	802,000.00	4,686.69	806,686.69	-	-	-	-
07/01/2022	-	-	-	-	-	16,541.25	16,541.25
01/01/2023	-	-	-	19,000.00	4.125%	16,541.25	35,541.25
07/01/2023	-	-	-	-	-	16,149.38	16,149.38
01/01/2024	-	-	-	20,000.00	4.125%	16,149.38	36,149.38
07/01/2024	-	-	-	-	-	15,736.88	15,736.88
01/01/2025	-	-	-	21,000.00	4.125%	15,736.88	36,736.88
07/01/2025	-	-	-	-	-	15,303.75	15,303.75
01/01/2026	-	-	-	21,000.00	4.125%	15,303.75	36,303.75
07/01/2026	-	-	-	-	-	14,870.63	14,870.63
01/01/2027	-	-	-	22,000.00	4.125%	14,870.63	36,870.63
07/01/2027	-	-	-	-	-	14,416.88	14,416.88
01/01/2028	-	-	-	23,000.00	4.125%	14,416.88	37,416.88
07/01/2028	-	-	-	-	-	13,942.50	13,942.50
01/01/2029	-	-	-	24,000.00	4.125%	13,942.50	37,942.50
07/01/2029	-	-	-	-	-	13,447.50	13,447.50
01/01/2030	-	-	-	25,000.00	4.125%	13,447.50	38,447.50
07/01/2030	-	-	-	-	-	12,931.88	12,931.88
01/01/2031	-	-	-	26,000.00	4.125%	12,931.88	38,931.88
07/01/2031	-	-	-	-	-	12,395.63	12,395.63
01/01/2032	-	-	-	27,000.00	4.125%	12,395.63	39,395.63
07/01/2032	-	-	-	-	-	11,838.75	11,838.75
01/01/2033	-	-	-	28,000.00	4.125%	11,838.75	39,838.75
07/01/2033	-	-	-	-	-	11,261.25	11,261.25
01/01/2034	-	-	-	30,000.00	4.125%	11,261.25	41,261.25
07/01/2034	-	-	-	-	-	10,642.50	10,642.50
01/01/2035	-	-	-	31,000.00	4.125%	10,642.50	41,642.50
07/01/2035	-	-	-	-	-	10,003.13	10,003.13
01/01/2036	-	-	-	32,000.00	4.125%	10,003.13	42,003.13
07/01/2036	-	-	-	-	-	9,343.13	9,343.13
01/01/2037	-	-	-	33,000.00	4.125%	9,343.13	42,343.13
07/01/2037	-	-	-	-	-	8,662.50	8,662.50
01/01/2038	-	-	-	35,000.00	4.125%	8,662.50	43,662.50
07/01/2038	-	-	-	-	-	7,940.63	7,940.63
01/01/2039	-	-	-	36,000.00	4.125%	7,940.63	43,940.63
07/01/2039	-	-	-	-	-	7,198.13	7,198.13
01/01/2040	-	-	-	38,000.00	4.125%	7,198.13	45,198.13
07/01/2040	-	-	-	-	-	6,414.38	6,414.38
01/01/2041	-	-	-	39,000.00	4.125%	6,414.38	45,414.38
07/01/2041	-	-	-	-	-	5,610.00	5,610.00
01/01/2042	-	-	-	41,000.00	4.125%	5,610.00	46,610.00
07/01/2042	-	-	-	-	-	4,764.38	4,764.38
01/01/2043	-	-	-	43,000.00	4.125%	4,764.38	47,764.38
07/01/2043	-	-	-	-	-	3,877.50	3,877.50
01/01/2044	-	-	-	44,000.00	4.125%	3,877.50	47,877.50
07/01/2044	-	-	-	-	-	2,970.00	2,970.00
01/01/2045	-	-	-	46,000.00	4.125%	2,970.00	48,970.00
07/01/2045	-	-	-	-	-	2,021.25	2,021.25
01/01/2046	-	-	-	48,000.00	4.125%	2,021.25	50,021.25
07/01/2046	-	-	-	-	-	1,031.25	1,031.25
01/01/2047	-	-	-	50,000.00	4.125%	1,031.25	51,031.25
Total	\$802,000.00	\$4,686.69	\$806,686.69	\$802,000.00	-	\$498,630.12	\$1,300,630.12

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/22/2022
Average Life	14.931 Years
Average Coupon	4.1250010%
Weighted Average Maturity (Par Basis)	14.931 Years
Weighted Average Maturity (Original Price Basis)	14.931 Years

Refunding Bond Information

Refunding Dated Date	2/22/2022
Refunding Delivery Date	2/22/2022

Morgan County Water Distr | SINGLE PURPOSE | 12/ 1/2021 | 11:12 AM

Raymond James

\$1,446,000

Morgan County Water District
RD - 2009
(Bonds to be Refunded)

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
02/22/2022	1,210,000.00	7,070.94	1,217,070.94	-	-	-	-
07/01/2022	-	-	-	-	-	24,956.25	24,956.25
01/01/2023	-	-	-	25,000.00	4.125%	24,956.25	49,956.25
07/01/2023	-	-	-	-	-	24,440.63	24,440.63
01/01/2024	-	-	-	26,000.00	4.125%	24,440.63	50,440.63
07/01/2024	-	-	-	-	-	23,904.38	23,904.38
01/01/2025	-	-	-	27,000.00	4.125%	23,904.38	50,904.38
07/01/2025	-	-	-	-	-	23,347.50	23,347.50
01/01/2026	-	-	-	29,000.00	4.125%	23,347.50	52,347.50
07/01/2026	-	-	-	-	-	22,749.38	22,749.38
01/01/2027	-	-	-	30,000.00	4.125%	22,749.38	52,749.38
07/01/2027	-	-	-	-	-	22,130.63	22,130.63
01/01/2028	-	-	-	31,000.00	4.125%	22,130.63	53,130.63
07/01/2028	-	-	-	-	-	21,491.25	21,491.25
01/01/2029	-	-	-	32,000.00	4.125%	21,491.25	53,491.25
07/01/2029	-	-	-	-	-	20,831.25	20,831.25
01/01/2030	-	-	-	34,000.00	4.125%	20,831.25	54,831.25
07/01/2030	-	-	-	-	-	20,130.00	20,130.00
01/01/2031	-	-	-	35,000.00	4.125%	20,130.00	55,130.00
07/01/2031	-	-	-	-	-	19,408.13	19,408.13
01/01/2032	-	-	-	36,000.00	4.125%	19,408.13	55,408.13
07/01/2032	-	-	-	-	-	18,665.63	18,665.63
01/01/2033	-	-	-	38,000.00	4.125%	18,665.63	56,665.63
07/01/2033	-	-	-	-	-	17,881.88	17,881.88
01/01/2034	-	-	-	39,000.00	4.125%	17,881.88	56,881.88
07/01/2034	-	-	-	-	-	17,077.50	17,077.50
01/01/2035	-	-	-	41,000.00	4.125%	17,077.50	58,077.50
07/01/2035	-	-	-	-	-	16,231.88	16,231.88
01/01/2036	-	-	-	43,000.00	4.125%	16,231.88	59,231.88
07/01/2036	-	-	-	-	-	15,345.00	15,345.00
01/01/2037	-	-	-	45,000.00	4.125%	15,345.00	60,345.00
07/01/2037	-	-	-	-	-	14,416.88	14,416.88
01/01/2038	-	-	-	46,000.00	4.125%	14,416.88	60,416.88
07/01/2038	-	-	-	-	-	13,468.13	13,468.13
01/01/2039	-	-	-	48,000.00	4.125%	13,468.13	61,468.13
07/01/2039	-	-	-	-	-	12,478.13	12,478.13
01/01/2040	-	-	-	50,000.00	4.125%	12,478.13	62,478.13
07/01/2040	-	-	-	-	-	11,446.88	11,446.88
01/01/2041	-	-	-	52,000.00	4.125%	11,446.88	63,446.88
07/01/2041	-	-	-	-	-	10,374.38	10,374.38
01/01/2042	-	-	-	54,000.00	4.125%	10,374.38	64,374.38
07/01/2042	-	-	-	-	-	9,260.63	9,260.63
01/01/2043	-	-	-	57,000.00	4.125%	9,260.63	66,260.63
07/01/2043	-	-	-	-	-	8,085.00	8,085.00
01/01/2044	-	-	-	59,000.00	4.125%	8,085.00	67,085.00
07/01/2044	-	-	-	-	-	6,868.13	6,868.13
01/01/2045	-	-	-	61,000.00	4.125%	6,868.13	67,868.13
07/01/2045	-	-	-	-	-	5,610.00	5,610.00
01/01/2046	-	-	-	64,000.00	4.125%	5,610.00	69,610.00
07/01/2046	-	-	-	-	-	4,290.00	4,290.00
01/01/2047	-	-	-	67,000.00	4.125%	4,290.00	71,290.00
07/01/2047	-	-	-	-	-	2,908.13	2,908.13
01/01/2048	-	-	-	69,000.00	4.125%	2,908.13	71,908.13
07/01/2048	-	-	-	-	-	1,485.00	1,485.00
01/01/2049	-	-	-	72,000.00	4.125%	1,485.00	73,485.00
Total	\$1,210,000.00	\$7,070.94	\$1,217,070.94	\$1,210,000.00	-	\$818,565.16	\$2,028,565.16

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/22/2022
Average Life	16.258 Years
Average Coupon	4.1250008%
Weighted Average Maturity (Par Basis)	16.258 Years
Weighted Average Maturity (Original Price Basis)	16.258 Years

Refunding Bond Information

Refunding Dated Date	2/22/2022
Refunding Delivery Date	2/22/2022

Morgan County Water Distr | SINGLE PURPOSE | 12/1/2021 | 11:12 AM

Raymond James

EXHIBIT E

Financial Statements

**MORGAN COUNTY WATER DISTRICT
STATEMENTS OF NET POSITION
December 31, 2020 and 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash - Unrestricted	\$	\$ 792
Cash - Restricted	157,611	173,742
Accounts Receivable	122,810	109,430
Unbilled Receivables	59,672	59,672
Allowance for Doubtful Accts.	(13,595)	(13,595)
Prepaid Insurance	7,412	7,412
	333,910	337,453
Total Current Assets		
NONCURRENT ASSETS		
Prepaid Capital Lease (Net of Accumulated Amortization of \$38,488 and \$34,211)	384,877	389,153
Cash - Restricted	39,262	25,336
	424,139	414,489
Total Noncurrent Assets		
PROPERTY AND EQUIPMENT		
Water Lines	22,525,857	22,525,857
Accum. Depr. Water Lines	(6,629,375)	(6,179,278)
Office Equipment	24,430	1,099
Accum. Depr. Office Equipment	(1,655)	(1,099)
Equipment and Vehicles (Restated)	507,445	487,108
Accum. Depr. Equipment and Vehicles (Restated)	(434,374)	(391,625)
Land	71,076	71,076
	16,063,404	16,513,138
Total Property and Equipment		
TOTAL ASSETS	16,821,453	17,265,080
DEFERRED OUTFLOWS OF RESOURCES		
Pension Liabilities	125,047	90,415
OPEB Liabilities	98,264	44,310

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

MORGAN COUNTY WATER DISTRICT
STATEMENTS OF NET POSITION
December 31, 2020 and 2019

	2020	2019
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Cash - Unrestricted	10,564	
Accrued Interest	66,874	75,296
Accrued Expenses	268,840	129,969
Accrued Salaries	3,819	8,627
Accounts Payable-Water Purchases	54,123	42,010
Accounts Payable-Retirement	5,220	5,220
Lease Payable	26,661	19,717
Loan Payable	30,460	30,000
Bonds Payable	101,520	99,550
Total Current Liabilities	568,081	410,389
LONG-TERM LIABILITIES		
Compensated Absences	13,566	8,245
Net Pension Liability	605,923	485,843
OPEB Liability	190,713	116,290
Lease Payable	47,901	54,688
Bonds Payable	3,380,820	3,482,340
	4,238,923	4,147,406
OTHER LIABILITIES		
Customer Deposits	31,690	21,049
TOTAL LIABILITIES	4,838,694	4,578,844
DEFERRED INFLOWS OF RESOURCES		
Refunding Bond Premium		
(Net of Accumulated Amortization of \$10,420 and \$8,336)	41,681	43,765
Pension Liabilities	19,175	33,050
OPEB Liabilities	40,891	47,335
NET POSITION:		
Invested in Capital Assets, Net of Related Debt	12,849,698	13,202,231
Restricted for Debt Service	157,611	173,742
Restricted for Depreciation Reserve	2,503	501
Restricted for Construction	4,245	881
Unrestricted	(909,734)	(680,544)
TOTAL NET POSITION	\$ 12,104,323	\$ 12,696,811

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

**MORGAN COUNTY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
For The Years Ended December 31, 2020 and 2019**

	2020	2019
OPERATING REVENUES		
Water Collection	\$ 1,453,863	\$ 1,450,309
Sales Tax	(4,188)	(3,835)
Utility And Local Tax	(42,258)	(38,636)
State Reimb. Relocation Projects		1,403
Tap-On Fees	50,890	39,715
Miscellaneous	16,931	19,263
	1,475,238	1,468,219
OPERATING EXPENSES		
Advertising		1,286
Bank Charges	736	599
Collection Expense	1,626	
Depreciation	493,403	508,422
Fuel	15,945	16,601
Insurance	70,130	66,912
Miscellaneous	6,258	8,226
Office Supplies	7,622	5,275
Outside Services	64,981	32,431
Payroll Taxes	18,119	14,433
Postage	11,855	13,224
Repairs & Maintenance	3,565	2,163
Leasing and Maintenance Fees		4,640
Retirement	114,782	84,573
OPEB	29,191	12,078
Salaries	237,350	189,310
Supplies & Testing	84,435	59,931
Travel	832	1,029
Uniforms	2,030	469
Unemployment Insurance	277	256
Utilities and Telephone	41,104	44,766
Water Purchased	719,008	770,593
Worker's Compensation	4,344	2,694
	1,927,593	1,839,911
NET OPERATING INCOME	(452,355)	(371,692)

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

**MORGAN COUNTY WATER DISTRICT
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION
 For The Years Ended December 31, 2020 and 2019**

	2020	2019
NON OPERATING REVENUES (EXPENSES)		
Interest and Amortization Expense	(143,466)	(147,208)
Interest Income	56	75
Grant Proceeds	3,277	6,575
Total Non Operating Revenues (Expenses)	(140,133)	(140,558)
Change in Net Position	(592,488)	(512,250)
Total Net Position - Beginning (Restated)	12,696,811	13,209,061
Total Net Position - Ending	\$ 12,104,323	\$ 12,696,811

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

**MORGAN COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS
December 31, 2020 and 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments from Customers	\$ 1,490,973	\$ 1,490,311
State Reimb. Relocation Projects		1,403
Miscellaneous Income	16,931	19,263
Payments to Vendors	(873,312)	(1,009,709)
Payments for Payroll and Related Expenses	(370,230)	(289,014)
Net Cash Provided/(Used) by Operating Activities:	264,362	212,254
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Net (Deposits)/Withdrawals Customer Deposit Account	(8,560)	(3,948)
Net Customer Deposits (Returned)/Collected	10,641	2,599
Net Cash Provided/(Used) by Noncapital Financing Activities	2,081	(1,349)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Interest Expense	(149,295)	(145,016)
Net (Deposits)/Withdrawals into or from Bond Sinking Fund	16,131	(5,703)
Net (Deposits)/Withdrawals into or from Dep. Reserve Fund	(2,002)	19,729
Net (Deposits)/Withdrawals into or from Cash - Construction	(3,364)	
Grant Proceeds	3,277	6,575
Purchase of Fixed Assets	(43,668)	
Proceeds from Borrowed Money	30,460	30,000
Increase in Lease Payable	18,661	
Reduction in Lease Payable	(18,505)	(25,832)
Reduction in Bonds Payable	(99,550)	(93,120)
Reduction in Loan Payable	(30,000)	
Net Cash Provided/(Used) by Capital and Related Financing Activities	(277,855)	(213,367)

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

**MORGAN COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS
December 31, 2020 and 2019**

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Received from Interest	56	75
Net Cash Provided/(Used) by Investing Activities	56	75
INCREASE/(DECREASE) IN CASH	(11,356)	(2,387)
CASH AT BEGINNING OF YEAR	792	3,179
CASH AT END OF YEAR	\$ (10,564)	\$ 792
 Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:		
Net Operating Income	\$ (452,355)	\$ (371,692)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	493,403	508,422
Changes in Assets/Liabilities:		
Accounts Payable Retirement		2,022
Accounts Receivable	(13,780)	
Net OBEB Liability	74,423	(13,071)
Net Pension Liability	120,080	42,042
Deferred Outflows	(88,587)	10,451
Deferred Inflows	(20,319)	21,640
Accrued Expenses		287
Accounts Payable	138,871	5,008
Accounts Payable - Water Purchases	12,113	6,502
Accrued Salaries	(4,808)	5,627
Compensated Absences	5,321	(2,709)
Payroll Tax Liability		(2,275)
Net Cash Provided/Used by Operating Activities	\$ 264,362	\$ 212,254
 <u>Supplementary Information</u>		
	2020	2019
Interest and Amortization Expense	\$ 143,466	\$ 145,016
Amortization of Bond Premium	(2,084)	(2,084)
Total Interest Charged to Expense	\$ 141,382	\$ 142,932

The accompanying notes are an integral part of the 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

December 22, 2021

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

Re: Morgan 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 Morgan 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:ilm
Enclosures