

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KIRKSVILLE WATER ASSOCIATION'S PETITION
TO ASSUME INDEBTEDNESS PURSUANT TO KRS 278.300

) CASE NO.
) 2022-00076

KIRKSVILLE WATER ASSOCIATION'S
PETITION FOR PERMISSION TO ASSUME INDEBTEDNESS
FOR OFFICE BUILDING

Comes now, Kirksville Water Association (KWA), through counsel, and for its Petition to assume indebtedness states as follows:

1. KWA has operated under a contract with Madison County Utilities (MCUD) that provided office space for KWA staff and meeting space for its Board as well as staff support for a set price per bill. The contract with MCUD expires in June of 2022 and is not being renewed.
2. KWA had an immediate need for an office that could be used by its staff, provide meeting space for its Board and be a suitable location for customers to pay bills and attend their concerns.
3. On November 22, 2021, a deed was entered transferring the building located at 1613 Foxhaven Drive, Richmond, Kentucky to the KWA. The purchase price was \$237,500.00. KWA financed \$174,250.00 at 4.5% (over 84 months with a balloon payment of \$131,135.16 due November 18, 2028) with 1st Trust Bank in Richmond, Kentucky.
4. The purchase will not require an increase in customers' rates.
5. KWA has sufficient cash assets to purchase the building without indebtedness. KWA's Board believed the low interest rates available made financing the purchase and retaining cash for future capital projects the sounder fiscal choice.
6. KWA considered renting space but could not find any space available that was appropriate for fit-up or less expensive than the building that was purchased.
7. The building that was purchased is the ideal size and location and required very little fit-up to satisfy all KWA's needs.
8. Time was of the essence and KWA Board had to move quickly to secure the building from competing offers.
9. KWA believes the move from MCUD space into their own space will be, at worst, revenue neutral and provides the added benefit of gaining equity in an asset.

WHEREFORE, pursuant to KRS 278.300, KWA respectfully requests permission to assume indebtedness of \$174,500.00 over 7 years at 4.5% interest with 1st Trust bank for the purpose of providing a headquarters for their operations.

Respectfully submitted,

Jud Patterson

Jud Patterson

Counsel for Kirksville Water Association
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MR. WAYNE LONG, signs this petition in his capacity as President of KWA and acknowledges the facts as presented in this petition are true and accurate to his best information and belief.

Wayne Long

WAYNE LONG

PRESIDENT, KIRKSVILLE WATER ASSOCIATION