

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

**IN THE MATTER OF:**

**ELECTRONIC JOINT APPLICATION )  
OF HARDIN COUNTY WATER )  
DISTRICT No. 1 AND THE CITY OF )  
WEST POINT, KENTUCKY, FOR )  
APPROVAL OF ACQUISITION AND )  
TRANSFER OF CONTROL OF )  
WATER AND WASTEWATER )  
FACILITIES SERVING THE CITY OF )  
WEST POINT IN HARDIN COUNTY, )  
KENTUCKY )**

**Case No. 2023-00143**

**RESPONSE OF HARDIN COUNTY WATER DISTRICT, No. 1 AND THE  
CITY OF WEST POINT**

**TO**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

**DATED JULY 3, 2023**

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KENTUCKY )**

**Case No. 2023-00143**

**RESPONSE OF JOINT APPLICANTS TO COMMISSION STAFF'S SECOND  
REQUEST FOR INFORMATION**

Come the Joint Applicants, Hardin County Water District No. 1 ("Hardin District") and the City of West Point ("City"), by and through counsel, for their Response to the Commission Staff's Second Request for Information, and state as shown on the following pages.



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Richard B. Shufelt, Attorney at Law  
SKEETERS, BENNETT, WILSON & HUMPHREY  
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270-351-4404  
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*Attorney for Hardin County Water District No. 1*

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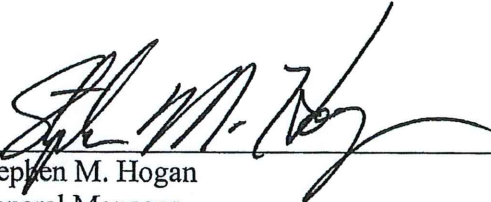
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**Case No. 2023-00143**

**CERTIFICATION OF RESPONSE OF JOINT APPLICANTS TO  
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of the Joint Applicants' Response to the Commission Staff's Second Request for Information. The responses submitted on behalf of the Joint Applicants are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

  
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Stephen M. Hogan  
General Manager  
Hardin County Water District No. 1

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Richard Ciresi  
Mayor  
City of West Point

**JOINT APPLICANTS**

**CASE NO. 2023-00143**

**Response to Commission Staff's Second Request for Information**

Question No. 1

Responding Witness: Scott Schmuck, CGFM, Finance and Accounting Manager

**Q-1. Refer to Hardin District No. 1's amended application filed on May 31, 2023. Hardin District No. 1 stated that "the proposed perpetual line of credit is to be used for short term financing needs of the District, including certain costs involved in this application." Provide a brief explanation for the costs that are involved in this application and how Hardin District No. 1 will use the proposed line of credit to complete the acquisition.**

A-1. Exhibit 8 of data request 1 of Case No. 2023-00143 dated June 9, 2023 spells out the financing for the acquisition of the City of West Point water and sewer systems. As part of this agreement, if approved by the PSC, the District will be required to disburse approximately \$435,000 at day of closing to pay off the City of West Point's two debts of a Rural Development Loan and KIA Loan. Additionally, there will be an estimated total of \$515,000 to be paid out in quarterly installments over a three year period. The total \$950,000 will be paid out of the County Water System and Radcliff Sewer system funds either by utilizing the Line of Credit or cash reserves. This can be seen on the Required Journal Entry portion of the Exhibit.

Further, Please see Hardin County Water District No. 1 Application in Case No 2023-00144 dated May 4, 2023 paragraph 16 and 17 on page 4. The Line of Credit is used to obtain funds quickly and efficiently for temporary shortfalls in cash, especially when waiting for disbursements of grant or KIA monies. Paragraph 17 of this application spells out the grant dollars to be allocated for various projects totaling \$8,688,288. The District has to pay the contractor or engineering firm, show proof of payment such as a cleared check from our bank or wire transfer, then seek reimbursement from the corresponding grant. Therefore, the District utilizes the Line of Credit with The Cecilian Bank as a means to finance these projects via short term financing as it generally takes between 30 – 60 days or longer for reimbursement from the grant.

Finally, the District is also seeking additional funding through KIA to help facilitate the City of West Point purchase.

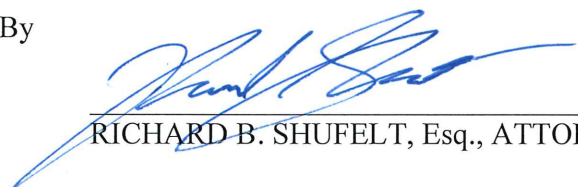


## CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Commission's Order of July 22, 2021, in Case No. 2020-00085, I certify that the Joint Applicants' electronic filing was electronically submitted to the Public Service Commission on July 3, 2023, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

SKEETERS, BENNETT, WILSON & HUMPHREY

By



RICHARD B. SHUFELT, Esq., ATTORNEY