

Rubin & Hays

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CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

March 23, 2015

RECEIVED

MAR 26 2015

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Martin County Water District PSC Application Case No. 2015-00095

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the Martin County Water District for an Order authorizing the District to issue securities pursuant to KRS 278.300.

Please be advised that the District is requesting the Commission to expedite this Application and issue the approving Order on or before April 30, 2015 due to the fact that an upward shift in the current interest rate market could negate any interest cost savings to the District.

Thank you for your assistance and if you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:ilm
Enclosures

cc: Mr. William Harvey, Martin County Water District
Ms. Kristen Millard, Raymond James and Associates

RECEIVED

MAR 26 2015

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

THE APPLICATION OF MARTIN COUNTY)
 WATER DISTRICT TO ISSUE SECURITIES IN)
 THE APPROXIMATE PRINCIPAL AMOUNT OF)
 \$2,000,000 FOR THE PURPOSE OF REFUNDING) CASE NO. 2015 - 00095
 CERTAIN OUTSTANDING REVENUE BONDS OF)
 THE DISTRICT PURSUANT TO THE PROVISIONS)
 OF KRS 278.300 AND 807 KAR 5:001)

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

APPLICATION

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

1. The 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 Martin County, which Order is on file in the County Court Order Books in the office of the Clerk of Martin County, Kentucky. The District is now, and has been since its inception, regulated by the Commission, and

all records and proceedings of the Commission with reference to the District are incorporated in this Application by reference. The District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

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

Martin County Water District
c/o Mr. William Harvey, Chairman
387 East Main Street, Suite 140
Inez, Kentucky 41224
Telephone: (606) 298-3885
Fax: (606) 298-4913
Email: harveybk@suddenlink.net

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Report for 2013 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The 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 \$2,000,000 (subject to adjustment of up to 10%) for the purpose of refunding the outstanding revenue bonds designated as (i) Martin County Water District No. 1 Waterworks Revenue Bonds, Series 1996, dated December 5, 1996, in the original principal amount of \$554,000, bearing interest at the rate of 4.50% per annum (the "1996 Bonds"); (ii) Martin County Water District No. 1 Waterworks Revenue Bonds, Series 2000, dated July 12, 2000, in the original principal amount of \$600,000, bearing interest at the rate of 4.50% per annum (the "2000 Bonds");

(iii) Martin County Water District Waterworks Revenue Bonds, Series 2007A, dated June 26, 2008, in the original principal amount of \$910,000, bearing interest at the rate of 4.375% per annum (the "2007A Bonds"); and (iv) Martin County Water District Waterworks Revenue Bonds, Series 2007B, dated June 26, 2008, in the original principal amount of \$241,000, bearing interest at the rate of 4.125% per annum (the "2007B Bonds")(hereinafter, the 1996 Bonds, the 2000 Bonds, the 2007A Bonds and the 2007B Bonds shall be collectively referred to as the "Prior Bonds"). The Prior Bonds are held by the U.S. Department of Agriculture, acting through 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 may vary from the present assumptions based upon market conditions and other business judgment factors.

7. The KRWFC Loan will provide the District with the funds necessary to (i) refund the Prior Bonds; and (iii) 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 will result in a net present value cashflow savings of approximately \$228,425.87. These savings are shown on the 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. The Applicant will not

issue the securities if interest rates in the bond market shift to a point where the Applicant will not achieve any debt service savings.

11. The Debt Service Schedule of the outstanding Prior Bonds being refunded is set forth in **Exhibit D**.

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

13. The 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 and Statement of Net Assets for the twelve month period ending on December 31, 2013 are attached hereto and incorporated herein by reference as **Exhibit E** respectively.

15. Pursuant to 807 KAR 5:001, Section 12 - Financial Exhibit; the District hereby responds as follows:

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

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

- (ii) Section 12(2)(a), (b) and (c) Stock: The District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: The 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 the District is contained in the 2013 Annual Report on file with this Commission.
- (v) Section 12(2)(h) Dividends: The 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, the District hereby responds as follows:

- (i) Section 18(1)(a): The District has complied with the requirements of 807 KAR 5:001, Section 14.
- (ii) Section 18(1)(b): A general description of the District's property, its field of operation and a statement of original cost of said property and the cost to the District is contained in the District's 2013 Annual Report on file with this Commission.
- (iii) Section 18(1)(c): The 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 the District's water system.

- (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refund 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 refunding of the Prior Bonds 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.
- (viii) Section 18(2)(a): See paragraph #15 above.
- (ix) Section 18(2)(b): The 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.

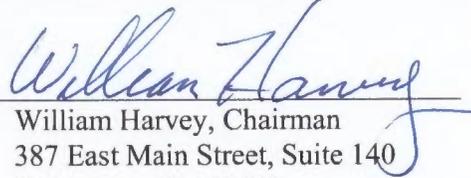
17. No rate adjustment will be necessary.

WHEREFORE, the District respectfully requests that the Commission take the following actions:

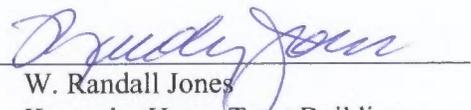
1. Authorize the issuance of the securities requested in the Application;
2. Due to the volatility of the present bond market and in order to achieve substantial interest cost savings to the District by taking full advantage of current low interest rates, the District requests that the Commission issued its Order on or before April 30, 2015; and
3. Process this Application without a formal hearing in order to save time and expense.

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

Martin County Water District

By 
William Harvey, Chairman
387 East Main Street, Suite 140
Inez, Kentucky 41224
Telephone: (606) 298-3885
Fax: (606) 298-4913
Email: harveybk@suddenlink.net

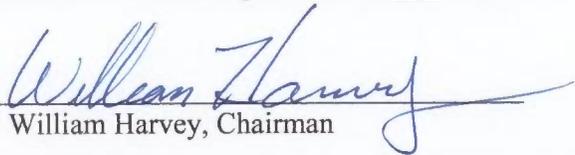
Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
Counsel for Martin County Water District
wrijones@rubinhays.com

STATE OF KENTUCKY)
) SS
COUNTY OF MARTIN)

The affiant, William Harvey, being first duly sworn, states: That he is the Chairman of the Martin 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 the 2nd day of March, 2015.


William Harvey, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by William Harvey, Chairman of the Martin County Water District, on this the 2nd day of March, 2015.

My Commission expires: 02/05/18.


NOTARY PUBLIC



Preliminary

\$2,000,000

Martin County Water District

Potential Refunding through the Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/26/2015	-	-	-	-	-
08/01/2015	-	-	22,319.62	22,319.62	-
12/31/2015	-	-	-	-	22,319.62
02/01/2016	55,000.00	2.150%	32,140.25	87,140.25	-
08/01/2016	-	-	31,549.00	31,549.00	-
12/31/2016	-	-	-	-	118,689.25
02/01/2017	55,000.00	2.400%	31,549.00	86,549.00	-
08/01/2017	-	-	30,889.00	30,889.00	-
12/31/2017	-	-	-	-	117,438.00
02/01/2018	55,000.00	2.500%	30,889.00	85,889.00	-
08/01/2018	-	-	30,201.50	30,201.50	-
12/31/2018	-	-	-	-	116,090.50
02/01/2019	55,000.00	2.700%	30,201.50	85,201.50	-
08/01/2019	-	-	29,459.00	29,459.00	-
12/31/2019	-	-	-	-	114,660.50
02/01/2020	55,000.00	2.700%	29,459.00	84,459.00	-
08/01/2020	-	-	28,716.50	28,716.50	-
12/31/2020	-	-	-	-	113,175.50
02/01/2021	55,000.00	2.850%	28,716.50	83,716.50	-
08/01/2021	-	-	27,932.75	27,932.75	-
12/31/2021	-	-	-	-	111,649.25
02/01/2022	55,000.00	3.450%	27,932.75	82,932.75	-
08/01/2022	-	-	26,984.00	26,984.00	-
12/31/2022	-	-	-	-	109,916.75
02/01/2023	65,000.00	3.400%	26,984.00	91,984.00	-
08/01/2023	-	-	25,879.00	25,879.00	-
12/31/2023	-	-	-	-	117,863.00
02/01/2024	65,000.00	3.300%	25,879.00	90,879.00	-
08/01/2024	-	-	24,806.50	24,806.50	-
12/31/2024	-	-	-	-	115,685.50
02/01/2025	70,000.00	3.150%	24,806.50	94,806.50	-
08/01/2025	-	-	23,704.00	23,704.00	-
12/31/2025	-	-	-	-	118,510.50
02/01/2026	70,000.00	3.100%	23,704.00	93,704.00	-
08/01/2026	-	-	22,619.00	22,619.00	-
12/31/2026	-	-	-	-	116,323.00
02/01/2027	70,000.00	3.100%	22,619.00	92,619.00	-
08/01/2027	-	-	21,534.00	21,534.00	-
12/31/2027	-	-	-	-	114,153.00
02/01/2028	75,000.00	3.150%	21,534.00	96,534.00	-
08/01/2028	-	-	20,352.75	20,352.75	-
12/31/2028	-	-	-	-	116,886.75
02/01/2029	80,000.00	3.150%	20,352.75	100,352.75	-
08/01/2029	-	-	19,092.75	19,092.75	-
12/31/2029	-	-	-	-	119,445.50
02/01/2030	80,000.00	3.100%	19,092.75	99,092.75	-
08/01/2030	-	-	17,852.75	17,852.75	-
12/31/2030	-	-	-	-	116,945.50
02/01/2031	80,000.00	3.100%	17,852.75	97,852.75	-
08/01/2031	-	-	16,612.75	16,612.75	-
12/31/2031	-	-	-	-	114,465.50
02/01/2032	85,000.00	3.200%	16,612.75	101,612.75	-
08/01/2032	-	-	15,252.75	15,252.75	-
12/31/2032	-	-	-	-	116,865.50
02/01/2033	90,000.00	3.320%	15,252.75	105,252.75	-
08/01/2033	-	-	13,758.75	13,758.75	-
12/31/2033	-	-	-	-	119,011.50
02/01/2034	90,000.00	3.250%	13,758.75	103,758.75	-
08/01/2034	-	-	12,296.25	12,296.25	-
12/31/2034	-	-	-	-	116,055.00
02/01/2035	95,000.00	3.300%	12,296.25	107,296.25	-
08/01/2035	-	-	10,728.75	10,728.75	-
12/31/2035	-	-	-	-	118,025.00
02/01/2036	95,000.00	3.400%	10,728.75	105,728.75	-
08/01/2036	-	-	9,113.75	9,113.75	-
12/31/2036	-	-	-	-	114,842.50
02/01/2037	70,000.00	3.500%	9,113.75	79,113.75	-
08/01/2037	-	-	7,888.75	7,888.75	-
12/31/2037	-	-	-	-	87,002.50
02/01/2038	70,000.00	3.500%	7,888.75	77,888.75	-
08/01/2038	-	-	6,663.75	6,663.75	-
12/31/2038	-	-	-	-	84,552.50
02/01/2039	75,000.00	3.550%	6,663.75	81,663.75	-
08/01/2039	-	-	5,332.50	5,332.50	-
12/31/2039	-	-	-	-	86,996.25
02/01/2040	80,000.00	3.650%	5,332.50	85,332.50	-
08/01/2040	-	-	3,872.50	3,872.50	-
12/31/2040	-	-	-	-	89,205.00
02/01/2041	50,000.00	3.650%	3,872.50	53,872.50	-
08/01/2041	-	-	2,960.00	2,960.00	-
12/31/2041	-	-	-	-	56,832.50
02/01/2042	50,000.00	3.700%	2,960.00	52,960.00	-
08/01/2042	-	-	2,035.00	2,035.00	-
12/31/2042	-	-	-	-	54,995.00
02/01/2043	55,000.00	3.700%	2,035.00	57,035.00	-
08/01/2043	-	-	1,017.50	1,017.50	-
12/31/2043	-	-	-	-	58,052.50
02/01/2044	55,000.00	3.700%	1,017.50	56,017.50	-
12/31/2044	-	-	-	-	56,017.50
Total	\$2,000,000.00	-	\$1,032,670.87	\$3,032,670.87	-

Yield Statistics

Bond Year Dollars	\$30,629.44
Average Life	15.315 Years
Average Coupon	3.3714972%
Net Interest Cost (NIC)	3.3473793%
True Interest Cost (TIC)	3.3175604%
Bond Yield for Arbitrage Purposes	3.3175604%
All Inclusive Cost (AIC)	3.5002553%
IRS Form 8038	
Net Interest Cost	3.3682703%
Weighted Average Maturity	15.164 Years

Raymond James

Public Finance

Preliminary

\$2,000,000

Martin County Water District

Potential Refunding through the Kentucky Rural Water Finance Corporation

Total Issue Sources And Uses

Dated 03/26/2015 | Delivered 03/26/2015

	Series 1995	Series1999	Series 2007	Series 2007 B	Issue Summary
Sources Of Funds					
Par Amount of Bonds	\$415,000.00	\$500,000.00	\$225,000.00	\$860,000.00	\$2,000,000.00
Reoffering Premium	4,512.55	2,432.60	-	604.10	7,549.25
Transfers from Prior Issue Debt Service Funds	5,165.83	5,530.83	2,033.13	8,320.84	21,050.63
Total Sources	\$424,678.38	\$507,963.43	\$227,033.13	\$868,924.94	\$2,028,599.88
Uses Of Funds					
Original Issue Discount (OID)	-	-	162.05	-	162.05
Costs of Issuance	6,743.75	8,125.00	3,656.25	13,975.00	32,500.00
Deposit to Current Refunding Fund	415,366.88	498,238.13	225,171.93	852,718.40	1,991,495.34
Rounding Amount	2,567.75	1,600.30	(1,957.10)	2,231.54	4,442.49
Total Uses	\$424,678.38	\$507,963.43	\$227,033.13	\$868,924.94	\$2,028,599.88

Preliminary

\$2,000,000

Martin County Water District

Potential Refunding through the Kentucky Rural Water Finance Corporation

Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/31/2015	22,319.62	-	22,319.62	43,401.88	21,082.26
12/31/2016	118,689.25	450.00	119,139.25	125,428.76	6,289.51
12/31/2017	117,438.00	450.00	117,888.00	125,244.63	7,356.63
12/31/2018	116,090.50	450.00	116,540.50	125,773.00	9,232.50
12/31/2019	114,660.50	450.00	115,110.50	124,923.25	9,812.75
12/31/2020	113,175.50	450.00	113,625.50	125,002.13	11,376.63
12/31/2021	111,649.25	450.00	112,099.25	124,987.76	12,888.51
12/31/2022	109,916.75	450.00	110,366.75	124,390.76	14,024.01
12/31/2023	117,863.00	450.00	118,313.00	125,190.51	6,877.51
12/31/2024	115,685.50	450.00	116,135.50	125,462.88	9,327.38
12/31/2025	118,510.50	450.00	118,960.50	125,126.26	6,165.76
12/31/2026	116,323.00	450.00	116,773.00	124,300.26	7,527.26
12/31/2027	114,153.00	450.00	114,603.00	124,273.63	9,670.63
12/31/2028	116,886.75	450.00	117,336.75	124,812.89	7,476.14
12/31/2029	119,445.50	450.00	119,895.50	124,615.77	4,720.27
12/31/2030	116,945.50	450.00	117,395.50	124,391.64	6,996.14
12/31/2031	114,465.50	450.00	114,915.50	124,038.26	9,122.76
12/31/2032	116,865.50	450.00	117,315.50	124,632.76	7,317.26
12/31/2033	119,011.50	450.00	119,461.50	124,463.89	5,002.39
12/31/2034	116,055.00	450.00	116,505.00	123,850.01	7,345.01
12/31/2035	118,025.00	450.00	118,475.00	123,097.88	4,622.88
12/31/2036	114,842.50	450.00	115,292.50	123,774.01	8,481.51
12/31/2037	87,002.50	450.00	87,452.50	93,842.14	6,389.64
12/31/2038	84,552.50	450.00	85,002.50	93,153.77	8,151.27
12/31/2039	86,996.25	450.00	87,446.25	94,320.64	6,874.39
12/31/2040	89,205.00	450.00	89,655.00	93,929.26	4,274.26
12/31/2041	56,832.50	450.00	57,282.50	60,956.26	3,673.76
12/31/2042	54,995.00	450.00	55,445.00	60,923.76	5,478.76
12/31/2043	58,052.50	450.00	58,502.50	60,805.01	2,302.51
12/31/2044	56,017.50	450.00	56,467.50	61,578.14	5,110.64
12/31/2045	-	-	-	61,243.14	61,243.14
12/31/2046	-	-	-	61,800.01	61,800.01
12/31/2047	-	-	-	60,273.13	60,273.13
Total	\$3,032,670.87	\$14,400.00	\$3,047,070.87	\$3,464,008.08	\$416,937.21

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	416,937.21
Gross PV Debt Service Savings	237,017.50
Effects of changes in Expenses	(8,591.63)
Net PV Cashflow Savings @ 3.500%(AIC)	228,425.87
Transfers from Prior Issue Debt Service Fund	(21,050.63)
Contingency or Rounding Amount	4,442.49
Net Present Value Benefit	\$211,817.73
Net PV Benefit / \$1,971,000 Refunded Principal	10.747%
Net Future Value Benefit	\$400,329.07
Net PV Benefit / \$2,000,000 Refunding Principal	10.591%
Average Annual Cash Flow Savings	13,029.29

Refunding Bond Information

Refunding Dated Date	3/26/2015
Refunding Delivery Date	3/26/2015

Raymond James

Preliminary

\$422,500

Martin County Water District

Series 1995 (Loan 01)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	-	-	9,247.50	9,247.50
12/31/2016	12,500.00	-	18,213.75	30,713.75
12/31/2017	12,500.00	-	17,651.25	30,151.25
12/31/2018	13,500.00	-	17,066.25	30,566.25
12/31/2019	14,000.00	-	16,447.50	30,447.50
12/31/2020	14,500.00	-	15,806.25	30,306.25
12/31/2021	15,000.00	-	15,142.50	30,142.50
12/31/2022	16,000.00	-	14,445.00	30,445.00
12/31/2023	16,500.00	-	13,713.75	30,213.75
12/31/2024	17,500.00	-	12,948.75	30,448.75
12/31/2025	18,000.00	-	12,150.00	30,150.00
12/31/2026	19,000.00	-	11,317.50	30,317.50
12/31/2027	20,000.00	-	10,440.00	30,440.00
12/31/2028	20,500.00	-	9,528.75	30,028.75
12/31/2029	21,500.00	-	8,583.75	30,083.75
12/31/2030	22,500.00	-	7,593.75	30,093.75
12/31/2031	23,500.00	-	6,558.75	30,058.75
12/31/2032	24,500.00	-	5,478.75	29,978.75
12/31/2033	26,000.00	-	4,342.50	30,342.50
12/31/2034	27,000.00	-	3,150.00	30,150.00
12/31/2035	28,000.00	-	1,912.50	29,912.50
12/31/2036	28,500.00	4.500%	641.25	29,141.25
Total	\$411,000.00	-	\$232,380.00	\$643,380.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	3/26/2015
Average Life	12.328 Years
Average Coupon	4.500000%
Weighted Average Maturity (Par Basis)	12.328 Years

Refunding Bond Information

Refunding Dated Date	3/26/2015
Refunding Delivery Date	3/26/2015

Preliminary

\$503,600

Martin County Water District

Series 1999 (Loan 05)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	-	-	11,092.50	11,092.50
12/31/2016	11,000.00	-	21,937.50	32,937.50
12/31/2017	11,600.00	-	21,429.00	33,029.00
12/31/2018	12,000.00	-	20,898.00	32,898.00
12/31/2019	12,600.00	-	20,344.50	32,944.50
12/31/2020	13,200.00	-	19,764.00	32,964.00
12/31/2021	13,800.00	-	19,156.50	32,956.50
12/31/2022	14,400.00	-	18,522.00	32,922.00
12/31/2023	15,000.00	-	17,860.50	32,860.50
12/31/2024	15,700.00	-	17,169.75	32,869.75
12/31/2025	16,400.00	-	16,447.50	32,847.50
12/31/2026	17,200.00	-	15,691.50	32,891.50
12/31/2027	17,900.00	-	14,901.75	32,801.75
12/31/2028	18,800.00	-	14,076.00	32,876.00
12/31/2029	19,600.00	-	13,212.00	32,812.00
12/31/2030	20,500.00	-	12,309.75	32,809.75
12/31/2031	21,400.00	-	11,367.00	32,767.00
12/31/2032	22,400.00	-	10,381.50	32,781.50
12/31/2033	23,300.00	-	9,353.25	32,653.25
12/31/2034	24,400.00	-	8,280.00	32,680.00
12/31/2035	25,500.00	-	7,157.25	32,657.25
12/31/2036	26,700.00	-	5,982.75	32,682.75
12/31/2037	27,800.00	-	4,756.50	32,556.50
12/31/2038	29,100.00	-	3,476.25	32,576.25
12/31/2039	30,400.00	-	2,137.50	32,537.50
12/31/2040	32,300.00	4.500%	726.75	33,026.75
Total	\$493,000.00	-	\$338,431.50	\$831,431.50

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	3/26/2015
Average Life	15.019 Years
Average Coupon	4.5000000%
Weighted Average Maturity (Par Basis)	15.019 Years

Refunding Bond Information

Refunding Dated Date	3/26/2015
Refunding Delivery Date	3/26/2015

Preliminary

\$856,000

Martin County Water District

Series 2007 (Loan 08)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	-	-	18,462.50	18,462.50
12/31/2016	13,000.00	-	36,640.63	49,640.63
12/31/2017	13,000.00	-	36,071.88	49,071.88
12/31/2018	14,000.00	-	35,481.25	49,481.25
12/31/2019	14,000.00	-	34,868.75	48,868.75
12/31/2020	15,000.00	-	34,234.38	49,234.38
12/31/2021	16,000.00	-	33,556.26	49,556.26
12/31/2022	16,000.00	-	32,856.26	48,856.26
12/31/2023	17,000.00	-	32,134.38	49,134.38
12/31/2024	18,000.00	-	31,368.75	49,368.75
12/31/2025	19,000.00	-	30,559.38	49,559.38
12/31/2026	19,000.00	-	29,728.13	48,728.13
12/31/2027	20,000.00	-	28,875.00	48,875.00
12/31/2028	21,000.00	-	27,978.13	48,978.13
12/31/2029	22,000.00	-	27,037.51	49,037.51
12/31/2030	23,000.00	-	26,053.13	49,053.13
12/31/2031	24,000.00	-	25,025.00	49,025.00
12/31/2032	25,000.00	-	23,953.13	48,953.13
12/31/2033	26,000.00	-	22,837.51	48,837.51
12/31/2034	27,000.00	-	21,678.13	48,678.13
12/31/2035	28,000.00	-	20,475.00	48,475.00
12/31/2036	30,000.00	-	19,206.25	49,206.25
12/31/2037	31,000.00	-	17,871.88	48,871.88
12/31/2038	32,000.00	-	16,493.76	48,493.76
12/31/2039	34,000.00	-	15,050.01	49,050.01
12/31/2040	35,000.00	-	13,540.63	48,540.63
12/31/2041	37,000.00	-	11,965.63	48,965.63
12/31/2042	38,000.00	-	10,325.01	48,325.01
12/31/2043	40,000.00	-	8,618.76	48,618.76
12/31/2044	42,000.00	-	6,825.01	48,825.01
12/31/2045	44,000.00	-	4,943.76	48,943.76
12/31/2046	46,000.00	-	2,975.01	48,975.01
12/31/2047	45,000.00	4.375%	984.38	45,984.38
Total	\$844,000.00	-	\$738,675.18	\$1,582,675.18

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	3/26/2015
Average Life	19.769 Years
Average Coupon	4.3750011%
Weighted Average Maturity (Par Basis)	19.769 Years

Refunding Bond Information

Refunding Dated Date	3/26/2015
Refunding Delivery Date	3/26/2015

Preliminary

\$226,000

Martin County Water District

Series 2007 (Loan 10)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	-	-	4,599.38	4,599.38
12/31/2016	3,000.00	-	9,136.88	12,136.88
12/31/2017	4,000.00	-	8,992.50	12,992.50
12/31/2018	4,000.00	-	8,827.50	12,827.50
12/31/2019	4,000.00	-	8,662.50	12,662.50
12/31/2020	4,000.00	-	8,497.50	12,497.50
12/31/2021	4,000.00	-	8,332.50	12,332.50
12/31/2022	4,000.00	-	8,167.50	12,167.50
12/31/2023	5,000.00	-	7,981.88	12,981.88
12/31/2024	5,000.00	-	7,775.63	12,775.63
12/31/2025	5,000.00	-	7,569.38	12,569.38
12/31/2026	5,000.00	-	7,363.13	12,363.13
12/31/2027	5,000.00	-	7,156.88	12,156.88
12/31/2028	6,000.00	-	6,930.01	12,930.01
12/31/2029	6,000.00	-	6,682.51	12,682.51
12/31/2030	6,000.00	-	6,435.01	12,435.01
12/31/2031	6,000.00	-	6,187.51	12,187.51
12/31/2032	7,000.00	-	5,919.38	12,919.38
12/31/2033	7,000.00	-	5,630.63	12,630.63
12/31/2034	7,000.00	-	5,341.88	12,341.88
12/31/2035	7,000.00	-	5,053.13	12,053.13
12/31/2036	8,000.00	-	4,743.76	12,743.76
12/31/2037	8,000.00	-	4,413.76	12,413.76
12/31/2038	8,000.00	-	4,083.76	12,083.76
12/31/2039	9,000.00	-	3,733.13	12,733.13
12/31/2040	9,000.00	-	3,361.88	12,361.88
12/31/2041	9,000.00	-	2,990.63	11,990.63
12/31/2042	10,000.00	-	2,598.75	12,598.75
12/31/2043	10,000.00	-	2,186.25	12,186.25
12/31/2044	11,000.00	-	1,753.13	12,753.13
12/31/2045	11,000.00	-	1,299.38	12,299.38
12/31/2046	12,000.00	-	825.00	12,825.00
12/31/2047	14,000.00	4.125%	288.75	14,288.75
Total	\$223,000.00	-	\$183,521.40	\$406,521.40

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	3/26/2015
Average Life	19.715 Years
Average Coupon	4.1250034%
Weighted Average Maturity (Par Basis)	19.715 Years

Refunding Bond Information

Refunding Dated Date	3/26/2015
Refunding Delivery Date	3/26/2015

**MARTIN COUNTY WATER DISTRICT
STATEMENTS OF NET ASSETS
December 31, 2013**

ASSETS

Current assets

Cash and cash equivalents	\$ 100,010
Customer accounts receivable, net	292,103
Accounts receivable, other	7,366
Supplies	25,819
Prepayments	22,649
Accrued utility revenues	263,723
Total current assets	<u>711,670</u>

Restricted assets

Cash restricted	<u>202,473</u>
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Capital assets

Land	214,714
Property, plant and equipment, net	21,084,894
Construction-in-progress	57,500
Total capital assets	<u>21,357,108</u>

TOTAL ASSETS	<u>\$ 22,271,251</u>
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LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	\$ 537,111
Taxes payable	16,376
Other accrued liabilities	65,550
Customer deposits payable	126,506
Accrued interest payable	51,809
Current portion of long-term debt	140,331
Total current liabilities	<u>937,683</u>

Long-term obligations

Long-term obligations, net of current portion	<u>2,879,644</u>
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Total liabilities	<u>3,817,327</u>
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NET POSITION

Invested in capital assets	27,727,891
Restricted for reserves	202,473
Unrestricted	<u>(7,629,325)</u>

Total Net Assets	<u>18,453,924</u>
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TOTAL LIABILITIES AND NET POSITION	<u>\$ 22,271,251</u>
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See accompanying accountant's compilation report.

**MARTIN COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2013**

OPERATING INCOME	
Water revenues	\$ 2,285,688
Other water revenues	2,909
Late charges	<u>79,303</u>
Total operating income	<u>2,367,900</u>
OPERATING EXPENSES	
Salaries	568,421
Employee benefits	280,614
Taxes	43,025
Purchased water	24,002
Power	319,390
Chemicals	121,022
Materials and supplies	287,660
Contractual services	152,687
Rent	5,575
Equipment rental	227,985
Transportation expense	64,015
Insurance	59,147
Bad debt expense	61,999
Utility regulatory assessment	4,050
Miscellaneous expense	<u>45,508</u>
Total operating expense	<u>2,265,100</u>
Operating income before depreciation	102,800
Depreciation expense	<u>(781,395)</u>
OPERATING INCOME	(678,595)
Non-operating income (expenses)	
Interest income	246
Interest expense	<u>(119,033)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	(797,382)
Capital Contributions	
Grants received	612,102
Tap fees	<u>19,780</u>
Change in net position	(165,500)
Net position, beginning of year	<u>18,619,424</u>
NET POSITION END OF YEAR	\$ <u>18,453,924</u>

See accompanying accountant's compilation report.