

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 60 Years

1400 Rogersville Road
Radcliff, KY. 40160

October 31, 2016

Ms. Talina R. Mathews
Executive Director - Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

NOV - 4 2016

Public Service
Commission

SUBJECT: Updated Exhibits to PSC Case No. 2016-00362

Dear Director Mathews,

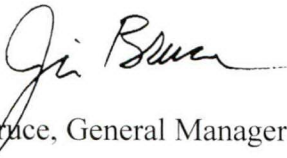
Hardin County Water District No. 1 initially filed an application with the Public Service Commission (Case No. 2016-00362) to issue Securities for the purpose of refunding the Series 2005 Water Revenue Bonds which included several exhibits with estimates.

These bonds were sold on October 22, 2016. As such, we are supplying updated versions of the following Exhibits:

- | | |
|-----------|--|
| Exhibit 1 | Finalized Debt Service Schedule for the 2016 Bond issue with coupon rate |
| Exhibit 2 | Sources and Uses of Funds obtained from the issuance of the 2016 Bonds |
| Exhibit 3 | Refinancing of the 2005 Bonds will result in total gross savings of \$841,736 and a net present value savings of \$458,036 |
| Exhibit 4 | Debt Service Schedule of the 2005 Bonds being refunded |
| Exhibit 5 | Signed copy of Hardin County Water District No. 1 written notification to the state local debt officer |

Please consider this added information as part of and incorporate it into our application. If you have any questions, please do not hesitate to call me or our attorney, Mr. David Wilson II.

Sincerely,



Jim Bruce, General Manager

Cf; Mr. David Wilson II, HCWD1 Attorney

VERIFICATION

The undersigned, Mr. James S. Bruce, General Manager of the Hardin County Water District No.1, hereby verifies that he has personal knowledge of the matters set forth in the enclosed update to application requesting the Commission to approve the issuance of securities in the form of a bond sale and that he is duly designated by the Board of Commissioners of the Hardin County Water District No. 1 to sign and submit this information its behalf.

HARDIN COUNTY WATER DISTRICT No. 1

By


JAMES S. BRUCE, GENERAL MANAGER

CERTIFICATION OF SERVICE

The undersigned, Mr. David T. Wilson II, attorney for the Hardin County Water District No. 1, hereby verifies that the foregoing was served on Ms. Talina R. Mathews, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY. 40601-8204 on this 1st Day of November, 2016



Mr. David T. Wilson II, ESQ.

Attorney for Hardin County Water District No. 1

STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 1st day of November, 2016, personally appeared before me, James S. Bruce and David T. Wilson, II, who being by me first sworn, subscribed to and acknowledged that they both represent the Hardin County Water District No. 1, a Kentucky Corporation, that they have signed the foregoing document as General Manager and Attorney of the Corporation.





NOTARY PUBLIC, STATE OF KENTUCKY

My Commission Expires;

October 12, 2019 CERTIFICATE OF SERVICE

BOND DEBT SERVICE

Hardin County Water District No. 1
Utility System Refunding Revenue Bonds, Series 2016
Exhibit 1

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017			17,606.88	17,606.88	
09/01/2017	455,000	1.400%	32,012.50	487,012.50	
12/31/2017					504,619.38
03/01/2018			28,827.50	28,827.50	
09/01/2018	445,000	1.400%	28,827.50	473,827.50	
12/31/2018					502,655.00
03/01/2019			25,712.50	25,712.50	
09/01/2019	445,000	1.400%	25,712.50	470,712.50	
12/31/2019					496,425.00
03/01/2020			22,597.50	22,597.50	
09/01/2020	455,000	1.400%	22,597.50	477,597.50	
12/31/2020					500,195.00
03/01/2021			19,412.50	19,412.50	
09/01/2021	460,000	1.400%	19,412.50	479,412.50	
12/31/2021					498,825.00
03/01/2022			16,192.50	16,192.50	
09/01/2022	460,000	1.700%	16,192.50	476,192.50	
12/31/2022					492,385.00
03/01/2023			12,282.50	12,282.50	
09/01/2023	475,000	1.700%	12,282.50	487,282.50	
12/31/2023					499,565.00
03/01/2024			8,245.00	8,245.00	
09/01/2024	480,000	1.700%	8,245.00	488,245.00	
12/31/2024					496,490.00
03/01/2025			4,165.00	4,165.00	
09/01/2025	490,000	1.700%	4,165.00	494,165.00	
12/31/2025					498,330.00
	4,165,000		324,489.38	4,489,489.38	4,489,489.38

EXHIBIT 1

BOND SUMMARY STATISTICS

Hardin County Water District No. 1
Utility System Refunding Revenue Bonds, Series 2016
Exhibit 1

Dated Date	11/22/2016
Delivery Date	11/22/2016
Last Maturity	09/01/2025
Arbitrage Yield	1.604697%
True Interest Cost (TIC)	1.604697%
Net Interest Cost (NIC)	1.606552%
All-In TIC	1.965543%
Average Coupon	1.606552%
Average Life (years)	4.849
Weighted Average Maturity (years)	4.849
Duration of Issue (years)	4.640
Par Amount	4,165,000.00
Bond Proceeds	4,165,000.00
Total Interest	324,489.38
Net Interest	324,489.38
Total Debt Service	4,489,489.38
Maximum Annual Debt Service	504,619.38
Average Annual Debt Service	511,622.72
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Term 2021	2,260,000.00	100.000	1.400%	2.784	09/04/2019	1,039.60
Term 2025	1,905,000.00	100.000	1.700%	7.300	03/11/2024	1,562.10
	4,165,000.00			4.849		2,601.70

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,165,000.00	4,165,000.00	4,165,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-68,375.47	
- Other Amounts			
Target Value	4,165,000.00	4,096,624.53	4,165,000.00
Target Date	11/22/2016	11/22/2016	11/22/2016
Yield	1.604697%	1.965543%	1.604697%

SOURCES AND USES OF FUNDS

Hardin County Water District No. 1
Utility System Refunding Revenue Bonds, Series 2016
Exhibit 2

Dated Date 11/22/2016
Delivery Date 11/22/2016

Sources:

Bond Proceeds:	
Par Amount	4,165,000.00
Other Sources of Funds:	
Transfer from Existing DSR	596,131.61
Transfers from Prior Sinking Fund	148,918.75
	<u>745,050.36</u>
	4,910,050.36

Uses:

Refunding Escrow Deposits:	
Cash Deposit	4,421,153.75
Other Fund Deposits:	
Deposit to Debt Service Reserve Fund	416,500.00
Delivery Date Expenses:	
Cost of Issuance	68,375.47
Other Uses of Funds:	
Additional Proceeds	4,021.14
	<u>4,910,050.36</u>

EXHIBIT 2

SAVINGS

Hardin County Water District No. 1
Utility System Refunding Revenue Bonds, Series 2016
Exhibit 3

Date	Prior Debt Service	Refunding Debt Service	Savings
12/31/2017	595,675.00	504,619.38	91,055.62
12/31/2018	593,556.26	502,655.00	90,901.26
12/31/2019	590,818.76	496,425.00	94,393.76
12/31/2020	592,462.50	500,195.00	92,267.50
12/31/2021	593,281.26	498,825.00	94,456.26
12/31/2022	588,275.00	492,385.00	95,890.00
12/31/2023	592,650.00	499,565.00	93,085.00
12/31/2024	590,993.76	496,490.00	94,503.76
12/31/2025	593,512.50	498,330.00	95,182.50
	5,331,225.04	4,489,489.38	841,735.66

Savings Summary

Savings PV date	11/22/2016
Savings PV rate	1.604697%
PV of savings from cash flow	782,564.99
Less: Prior funds on hand	-745,050.36
Plus: Refunding funds on hand	420,521.14
Net PV Savings	458,035.77

EXHIBIT 3

SUMMARY OF REFUNDING RESULTS

Hardin County Water District No. 1
Utility System Refunding Revenue Bonds, Series 2016
Exhibit 3

Dated Date	11/22/2016
Delivery Date	11/22/2016
Arbitrage yield	1.604697%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	4,165,000.00
True Interest Cost	1.604697%
Net Interest Cost	1.606552%
Average Coupon	1.606552%
Average Life	4.849
Par amount of refunded bonds	4,380,000.00
Average coupon of refunded bonds	4.125000%
Average life of refunded bonds	5.040
PV of prior debt to 11/22/2016 @ 1.604697%	4,947,564.99
Net PV Savings	458,035.77
Percentage savings of refunded bonds	10.457438%
Percentage savings of refunding bonds	10.997257%

PRIOR BOND DEBT SERVICE

Hardin County Water District No. 1
Utility System Refunding Revenue Bonds, Series 2016
Exhibit 4

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017			90,337.50	90,337.50	
09/01/2017	415,000	4.125%	90,337.50	505,337.50	
12/31/2017					595,675.00
03/01/2018			81,778.13	81,778.13	
09/01/2018	430,000	4.125%	81,778.13	511,778.13	
12/31/2018					593,556.26
03/01/2019			72,909.38	72,909.38	
09/01/2019	445,000	4.125%	72,909.38	517,909.38	
12/31/2019					590,818.76
03/01/2020			63,731.25	63,731.25	
09/01/2020	465,000	4.125%	63,731.25	528,731.25	
12/31/2020					592,462.50
03/01/2021			54,140.63	54,140.63	
09/01/2021	485,000	4.125%	54,140.63	539,140.63	
12/31/2021					593,281.26
03/01/2022			44,137.50	44,137.50	
09/01/2022	500,000	4.125%	44,137.50	544,137.50	
12/31/2022					588,275.00
03/01/2023			33,825.00	33,825.00	
09/01/2023	525,000	4.125%	33,825.00	558,825.00	
12/31/2023					592,650.00
03/01/2024			22,996.88	22,996.88	
09/01/2024	545,000	4.125%	22,996.88	567,996.88	
12/31/2024					590,993.76
03/01/2025			11,756.25	11,756.25	
09/01/2025	570,000	4.125%	11,756.25	581,756.25	
12/31/2025					593,512.50
	4,380,000		951,225.04	5,331,225.04	5,331,225.04

EXHIBIT 4

Page 1	NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL Form # SLDO-1 Revised 1/1/2011	For DLG staff use only: File # _____ Received _____
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Completion and delivery of this form to the address below shall satisfy the requirements of KRS 65.117, which prohibits any city, county, urban-county, consolidated local government, charter county, special district, or taxing district from entering into any financing obligation of any nature, except leases under \$200,000, without first notifying the state local debt officer in writing. This form shall also serve as application for approval of debt issuance when applicable. An electronic version of the form is available at www.dlg.ky.gov.

√ Type of debt to be issued (must check one):	SLDO Approval Required	Complete Sections
<input type="checkbox"/> Short Term Borrowing – KRS 65.7701 et. seq.	No	A,B,C
<input type="checkbox"/> Lease from \$200,000 - \$500,000 – KRS 65.940 et. seq.	No	A,B,D
<input type="checkbox"/> Lease exceeding \$500,000 – KRS 65.940 et. seq.	Yes (Counties only)	A,B,D
<input type="checkbox"/> General Obligation Bond – KRS Chapter 66	Yes (Counties only)	A,B,E
<input type="checkbox"/> Public Project Rev. Bond – KRS Chapter 58	No	A,B,E
<input type="checkbox"/> Public Project Rev. Bonds w/Lease - KRS 665.310(2)	Yes (Counties only)	A,B,D,E
<input type="checkbox"/> Industrial Revenue Bond – KRS Chapter 103	Yes (All Borrowers)	A,B,F
<input checked="" type="checkbox"/> Other Bonds (True Revenue, Utility Assessment, TIF)	No	A,B,E

Section A – Borrower Information

Agency Name: Hardin County Water District No. 1	
Governing Body: Board of Commissioners	
Street Address: 1400 Rogersville Road	
PO Box #	City: Radcliff
County: Hardin	Zip: 40160
Authorized Official: General Manager and Bond Counsel	

Section B – Terms of Financial Obligation

Please provide all relevant information. Fields in bold are mandatory.

Principal Amount: \$4,165,000	Date of Issue: 11/22/2016
Maturity Date(s): 09/01/2025	Payment Schedule: (must attach schedule)
Term: 9 years	Number of Renewal Periods: N/A
Interest Rate(s): 1.40% -1.70% (see attached)	Type of Interest (fixed or variable): Fixed
Retirement Method: Water Revenue Fund payments	
Lender's Name: To be sold at Advertised, Competitive Sale	
Lender's Address: To be sold at Advertised, Competitive Sale	
Right of Termination: None	
Termination Penalties: None	
Prepayment Provisions: Non-Callable	
Trustee or Paying Agent: The Cecilian Bank	
AOC Funding Percentage: N/A	

NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL

Form # SLDO-1
Revised 1/1/2011

Section C – Note (Loan) Information/Documentation

Purpose – Briefly explain the documented need that necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary):

Pledge of Taxes/Description:

Pledge of Revenue/Description:

Pledge of Project Revenues (Attach documentation which substantiates the revenue projections):

Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal? ☐ Yes ☐ No

If No, explain what steps were taken to ensure adequate competition.

Required Attachments

1. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the note and statement as to taxes and revenues to be collected during the term of the note.

Section D – Lease Information/Documentation

Describe the real or personal property to be acquired or constructed:

Type of Lease: ☐ General Obligation ☐ Revenue

Is Lease Annually Renewable? ☐ Yes ☐ No

Does Agency seek approval without a hearing? ☐ Yes ☐ No Jurisdiction: ☐ Revenue ☐ Refunding

If yes, please state the name, date and principal amount of original issue(s) being refunded:

Required Attachments (If lease requires SLDO approval)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing (if hearing is required) and newspaper advertisement tear sheet
3. Copy of lease
4. Executed copy of ordinance/resolution of fiscal court authorizing the lease
5. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the lease and statement as to taxes and revenues to be collected during the term of the lease

NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL

Form # SLDO-1

Revised 1/1/2011

Section E – Bond Information/Documentation

Please provide all relevant information. Fields in bold are mandatory.

Describe the purpose of the bond:

Currently refunding the following:

Hardin County Water District No. 1 Revenue Refunding Bonds, Series 2005, dated June 15, 2005.

Bond Counsel: Dinsmore & Shohl LLP

Counsel Address: 50 E Rivercenter Blvd, Suite 1150, Covington, KY 41011

Financial Advisor: J.J.B. Hilliard, W.L. Lyons, LLC

Advisor Address: 500 West Jefferson Street, Suite 1610, Louisville, KY 40202

Bond Series: Hardin County Water District No. 1 Utility System Refunding Revenue Bonds, Series 2016

Call Date: Not Callable

Does this bond refund a prior bond? ☒ Yes ☐ No

If yes, please state the name, date and principal amount of original issue(s) being refunded:

\$4,380,000 outstanding principal amount of Waterworks Revenue Refunding Bonds, Series 2005 dated June 15, 2005.

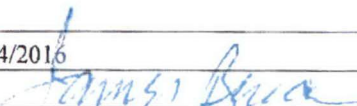
Required Attachments (If SLDO Approval is Required)

- Minutes from the local public hearing
- Affidavit of publication of SLDO hearing and newspaper advertisement tear sheet
- Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
- Proposed plan of financing
- Preliminary official statement (if applicable)
- Sources and uses table

Additional Required Attachments for KRS Chapter 103 Bonds

- Documentation in an appropriate form substantiating the project's eligibility under KRS 103.2101(1)(a)-(e).
- If the project requires approval of the reduction in property taxes, attach any documentation provided to agency responsible for approval.

By signing below, the Authorized Official certifies that the foregoing is true and accurate to the best of his or her knowledge.

Name (please print) Jim Bruce	Date: 10/24/2016
Title: General manager	Signature: 

Mail to:
Department for Local Government
Attn: State Local Debt Officer
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

Fax to: 502-573-3712

DEBT SERVICE SCHEDULE*

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017			17,606.88	17,606.88	
09/01/2017	455,000	1.400%	32,012.50	487,012.50	
12/31/2017					504,619.38
03/01/2018			28,827.50	28,827.50	
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09/01/2020	455,000	1.400%	22,597.50	477,597.50	
12/31/2020					500,195.00
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03/01/2025			4,165.00	4,165.00	
09/01/2025	490,000	1.700%	4,165.00	494,165.00	
12/31/2025					498,330.00
	4,165,000		324,489.38	4,489,489.38	4,489,489.38