

Rubin & Hays

ATTORNEYS AT LAW

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

March 14, 2008

CASE NO: 2008-00097

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

RECEIVED

MAR 17 2008

PUBLIC SERVICE
COMMISSION

Re: Barkley Lake Water District - Kentucky Public Service Commission Application for
Certificate of Public Convenience and Necessity and Approval of Financing

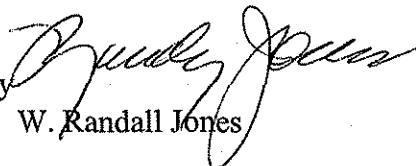
Dear Ms. O'Donnell:

Enclosed please find the original and ten (10) copies of the Application of the Barkley Lake Water District for (i) a Certificate of Public Convenience and Necessity to construct a waterworks improvement project; and (ii) an Order authorizing the issuance of securities.

The Engineer, GRW Engineers, Inc., will forward the Plans and Specifications to you in the near future. 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:jlm
Enclosures

cc: Ms. Penny Wright, Barkley Lake Water District
Ricky Oakley, P.E., GRW Engineers, Inc.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
MAR 17 2008
PUBLIC SERVICE
COMMISSION

In the matter of:

**APPLICATION OF THE BARKLEY LAKE)
WATER DISTRICT FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT AND FINANCE A WATER)
IMPROVEMENTS PROJECT PURSUANT TO)
KRS 278.020 AND 278.300)**

Case No. 2008

00097

APPLICATION

The Barkley Lake Water District (the "District"), by counsel, pursuant to KRS 278.020, petitions the Commission for a certificate of public convenience and necessity to construct a waterworks improvement project and finance said project. The following information is filed in accordance with the Commission's regulations:

1. The District's office address is 1420 Canton Road, P.O. Box 308, Cadiz, Kentucky 42211. Its principal officers are listed in its 2007 Annual Report, which is on file with the Commission;
2. The District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws;
3. A description of the District's water system and its property stated at original cost by accounts is contained in its 2007 Annual Report, which is incorporated by reference pursuant to 807 KAR 5:001 Section (5)(5). All required normal financial schedules and other data are in the Annual Report;
4. The water improvements project (the "Project") consists of the construction and installation of a 1.0 million gallon water composite elevated water storage tank and appurtenances;

5. The Project is in the public interest and will improve the District's storage capacity and pressure;
6. The total construction project cost is approximately \$1,935,400, as forth in the Final Project Budget attached hereto as **Exhibit "A"**;
7. There are no easements needed for the Project;
8. This service will not compete with any other utility in the area;
9. Based on these facts, the District believes that it is in the public interest that this certificate be granted and that the plan of financing be authorized;
10. Copies of the certified bid tabulations are attached hereto as **Exhibit "B"**;
11. The following information is provided in response to 807 KAR 5:001 Section (8)(3);
 - a. Articles of Incorporation - None, the District is a statutorily created water district under KRS Chapter 74;
12. The following information is supplied to 807 KAR 5:001 Section (9)(2);
 - a. Facts relied upon to show that the Project is in the public interest: The Project will provide increased storage capacity and increased water pressure to the customers;
 - b. No new franchises are required. Copies of the permits are attached hereto as **Exhibit "C"**;
 - c. Diagrams of the proposed construction and construction specifications are contained in the Plans and Specifications on file with the Commission;
 - d. Three (3) maps of suitable scale showing location of the proposed facilities are attached hereto;

e. The construction costs will be funded from the proceeds of (i) a 2003 KIA grant in the amount of \$489,000; (ii) a contribution from the District in the amount of \$81,400; and (iii) a loan in the approximate amount of \$1,365,000 from the Kentucky Rural Water Finance Corporation ("KRWFC") through its Flexible Term Program (see preliminary schedules of Morgan Keegan attached as **Exhibit "D"**);

f. The estimated cost of operation of the system after Project completion is attached hereto as **Exhibit "E"**;

13. The following information is provided as required by 807 KAR 5:001 Section (11)(1);

a. A general description of the property is contained in the 2007 Annual Report;

b. Financial information relating to the KRWFC Loan is contained in the Schedules referred to in paragraph 12(e) above;

c. All funds are to be used in accordance with the Final Project Budget, see **Exhibit "A"**;

d. No real property is being acquired in connection with this Project as the District currently holds fee simple title to the tank site;

e. The District is requesting approval of an additional KRWFC loan in the amount of \$1,670,000 (the "KRWFC Refunding Loan") for the purpose of refunding and redeeming the outstanding Barkley Lake Water District Water System Refunding Revenue Bonds, Series of 1998, dated February 1, 1998, in the original principal amount of \$2,150,000 (the "1998 Bonds"). The preliminary refunding number schedules of Morgan Keegan are attached hereto as **"Exhibit "F"** and show a net present value benefit to the District of approximately \$59,000.

f. The KRWFC Loan and the KRWFC Refunding Loan will be secured by and paid out of the revenues of the District's system.

14. The following exhibits are provided pursuant to 807 KAR 5:001 section (11)(2);

a. Financial Exhibit - 807 KAR 5:001 Section 6 - (1) no stock is being authorized; (2) no stock is outstanding; (3) no preferred stock is outstanding; (4) no mortgages are outstanding; (5) bonds being authorized and issued - see attached **Exhibits "D", "F" and "G"**; (6) no notes are outstanding; (7) no other indebtedness is outstanding; (8) no dividends are payable; and (9) detailed income statement and balance sheet for a twelve (12) month period ending within ninety (90) days of the filing of this application are attached hereto as **Exhibit "G"**;

b. There are no trust deeds or mortgages applicable;

c. Maps and detailed plans are on file with the Commission. Detailed estimate of property acquired by USOA number is account #330 (distribution reservoirs and standpipes) - \$1,553,000.

15. The District also files herewith as **Exhibit "H"** a combined schedule of the financing numbers for the KRWFC Loan and the KRWFC Refunding Loan as prepared by Morgan Keegan.

WHEREFORE, the Applicant, Barkley Lake Water District requests that the Public Service Commission of Kentucky grant to the Applicant the following:

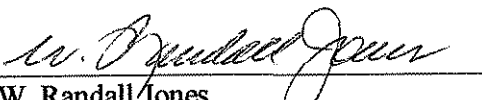
A. A certificate of public convenience and necessity permitting the Applicant to construct a water system improvement project;

B. An order approving the financing arrangements, including (i) the loan to finance a portion of the construction Project from the Kentucky Rural Water Finance Corporation in the approximate principal amount of \$1,365,000, and (ii) the loan from the Kentucky Rural Water Finance Corporation to refund and redeem the outstanding Barkley Lake Water District Water System Refunding Revenue Bonds, Series of 1998, dated February 1, 1998.

Barkley Lake Water District

By 
Chairman

Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525

Barkley Lake Water District
Final Project Budget

Construction Cost	\$1,553,000
Design	\$80,000
Engineering During Construction	\$33,700
Inspection	\$68,500
Legal and Administration	\$47,200
Contingency	<u>\$153,000</u>
Total Project Cost	\$1,935,400
Project Funding	
KRWA Loan	\$1,365,000
KIA (2003 Grant)	\$489,000
Contribution From District	<u>\$81,400</u>
Total Funding	\$1,935,400



404 BNA Drive
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Chattanooga, TN
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Knoxville, TN
Lexington, KY
Louisville, KY

GRW Engineers, Inc.

March 10, 2008

Mr. Terry Lee McNichols, Chairman
Barkley Lake Water District
1420 Canton Rd., P.O. Box 308
Cadiz, KY 42211

Dear Chairman McNichols:

Subject: Recommendation of Award: Alternate No. 1 - 1.0 MG Elevated Tank
GRW No. 3448A

GRW Engineers, Inc. recommends award of construction of the subject project to the low and responsive bidder for the 1.0 MG Elevated Water Tank – Caldwell Tanks, Inc. in the amount of \$1,553,000.00, subject to approval from PSC and KRWA. We believe Caldwell Tanks is certainly capable of performing the work required of this project.

Alternate No. 1 is a reduced tank size from 1.5 MG to 1.0 MG. The number of High Service Pump “start-stops” will be more frequent with the smaller tank. That being said, GRW Engineers believes that a 1.0 MG Elevated Tank will be a significant benefit to BLWD’s infrastructure. The tank will provide much needed useful storage to the District. It will not restrict the District’s ability to produce or sell water in the future. GRW recognizes the District’s desire to save construction dollars whenever possible – thus the recommendation to construction Alternate No. 1.

Four (4) bids were received for the subject project on January 31, 2008. They are summarized as follows. Bids are deemed competitive. *A copy of the Bid Tabulation is enclosed.*

<u>Rank</u>	<u>Bidder</u>	<u>Amount</u>	<u>Rank</u>	<u>Bidder</u>	<u>Amount</u>
1	Caldwell Tanks 4000 Tower Road Louisville, KY 40219	1,553,000.00	3	CB&I Company 3600 Mansell Rd, Ste.230 Alpharetta, GA 30022	1,852,000.00
2	Phoenix Fabricators 182 S. County Rd., 900 East Avon, IN 46123	1,675,432.00	4	Landmark Structures 1665 Harmon Road Fort Worth, TX 76177	2,075,000.00

Call me if you have any questions.

Sincerely,
GRW Engineers, Inc.

Ricky Oakley, P.E.

Enclosures: Bid Tabulations

Copy: Gary Larimore, Kentucky Rural Water Association (w/enclosure)
Randy Jones, Rubin and Hays (w/enclosure)
File



CERTIFIED BID TABULATION
 BARKLEY LAKE WATER DISTRICT
 1.5 MG ELEVATED WATER STORAGE TANK

GRW PROJECT NO. 3448				CB&I Company 3600 Mansell Road, Ste.230 Alpharetta, GA 30022		Phoenix Frabicators 182 S. County Rd., 900 East Avon, IN 46123		Caldwell Tanks 4000 Tower Road Louisville, KY 40219		Landmark Structures 1665 Harmon Road Fort Worth, TX 76177	
Item No.	Approx. Quantity	Unit	Description	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	1	LS	1.5 Elevated Water Tank								
			Multi-Legged		No Bid		2,247,410.00		2,366,000.00		No Bid
			Composite		2,219,000.00		2,629,100.00		No Bid		2,424,000.00
Alternate No. 1 - 1.0 MG Elevated Water Tank											
			Multi-Legged		No Bid		1,675,432.00		1,553,000.00		No Bid
			Composite		1,852,000.00		2,044,900.00		No Bid		2,075,000.00
Alternate No. 2a - Exterior Coating System											
			Multi-Legged Tank								
			Base Bid: Zinc-Fluoropolymer Polyurethane				335,000.00		246,980.00		
			Alternate Bid: Zinc Acrylic Polyurethane w/UV Inhibitor				253,000.00		180,980.00		
			Alternate No. 2a: Adjustment Amount for Multi-legged Tank:				82,000.00		66,000.00		
			Composite Tank								
			Base Bid: Zinc-Fluoropolymer Polyurethane		86,000.00		105,000.00				
			Alternate Bid: Zinc Acrylic Polyurethane w/UV Inhibitor		62,000.00		87,000.00				
			Alternate No. 2b: Adjustment Amount for the Composit Tanl:		24,000.00		18,000.00				10,000.00
TOTAL BASE BID PRICE					\$2,219,000.00		\$2,247,410.00		\$2,366,000.00		\$2,424,000.00
Type					C		ML		ML		C

I do hereby certify that the above is a true and correct copy of the bids received.

Richard G. Oakley, P.E.
 GRW Engineers, Inc.
 Kentucky License No. 17265

C = Composite
 ML = Multi-legged





3448A

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Ernie Fletcher
Governor

Division of Water
14 Reilly Road
Frankfort, Kentucky 40601-1190
www.kentucky.gov

Teresa J. Hill
Secretary

November 7, 2007

Mr. Terry Goins, General Manager
Barkley Lake Water District
1420 Canton Rd
Cadiz, KY 42211

RE: Barkley Lake Water District, AI--4031
PWSID #1110019-07-002
1.5 MG Elevated Water Tank Contr. W07-01
Activity ID # APE20070002
Trigg County, KY

Dear Mr. Goins :

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 591 feet of 20-inch DI water line and a 1.5 million gallon elevated water storage tank. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the enclosed waterline extension construction permit.

This tank will initially operate at 215,000 gallons to achieve a 72-hour turnover. Once the water treatment plant expansion is complete it can be operated at the full capacity, provided a 72-hour turnover can be achieved.

If you have any questions regarding this decision, please contact Sarah Tucker at 502/564-8158, extension 482.

Sincerely,

for: Donna Marlin
Donna Marlin, Branch Manager
Drinking Water Branch
Division of Water

DSM: SAT

C: GRW Engineers, Inc.
Trigg County H.D.
Public Service Commission

\$1,365,000

*Barkley Lake Water District
Twenty-Five Year Term Water Tank Loan
Kentucky Rural Water Finance Corporation*

Sources & Uses

Dated 04/24/2008 | Delivered 04/24/2008

Sources Of Funds

Par Amount of Bonds.....	\$1,365,000.00
Total Sources.....	\$1,365,000.00

Uses Of Funds

Original Issue Discount (OID).....	4,899.65
Total Underwriter's Discount (1.141%).....	15,575.35
Costs of Issuance.....	26,387.50
Deposit to Project Construction Fund.....	1,317,800.00
Rounding Amount.....	337.50
Total Uses.....	\$1,365,000.00

\$1,365,000
Barkley Lake Water District
Twenty-Five Year Term Water Tank Loan
Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
#####	-	-	-	-	-
#####	-	-	11,038.72	11,038.72	-
#####	-	-	-	-	11,038.72
#####	35,000.00	3.000%	29,656.25	64,656.25	-
#####	-	-	29,131.25	29,131.25	-
#####	-	-	-	-	93,787.50
#####	35,000.00	3.000%	29,131.25	64,131.25	-
#####	-	-	28,606.25	28,606.25	-
#####	-	-	-	-	92,737.50
#####	40,000.00	3.000%	28,606.25	68,606.25	-
#####	-	-	28,006.25	28,006.25	-
#####	-	-	-	-	96,612.50
#####	40,000.00	3.250%	28,006.25	68,006.25	-
#####	-	-	27,356.25	27,356.25	-
#####	-	-	-	-	93,362.50
#####	40,000.00	3.500%	27,356.25	67,356.25	-
#####	-	-	26,656.25	26,656.25	-
#####	-	-	-	-	94,012.50
#####	40,000.00	3.500%	26,656.25	66,656.25	-
#####	-	-	25,956.25	25,956.25	-
#####	-	-	-	-	92,612.50
#####	45,000.00	3.500%	25,956.25	70,956.25	-
#####	-	-	25,168.75	25,168.75	-
#####	-	-	-	-	96,125.00
#####	45,000.00	3.750%	25,168.75	70,168.75	-
#####	-	-	24,325.00	24,325.00	-
#####	-	-	-	-	94,493.75
#####	45,000.00	3.875%	24,325.00	69,325.00	-
#####	-	-	23,453.13	23,453.13	-
#####	-	-	-	-	92,778.13
#####	50,000.00	4.000%	23,453.13	73,453.13	-
#####	-	-	22,453.13	22,453.13	-
#####	-	-	-	-	95,906.26
#####	50,000.00	4.125%	22,453.13	72,453.13	-
#####	-	-	21,421.88	21,421.88	-
#####	-	-	-	-	93,875.01
#####	50,000.00	4.250%	21,421.88	71,421.88	-
#####	-	-	20,359.38	20,359.38	-
#####	-	-	-	-	91,781.26
#####	55,000.00	4.500%	20,359.38	75,359.38	-
#####	-	-	19,121.88	19,121.88	-
#####	-	-	-	-	94,481.26
#####	55,000.00	4.500%	19,121.88	74,121.88	-
#####	-	-	17,884.38	17,884.38	-
#####	-	-	-	-	92,006.26
#####	60,000.00	4.625%	17,884.38	77,884.38	-
#####	-	-	16,496.88	16,496.88	-
#####	-	-	-	-	94,381.26
#####	60,000.00	4.625%	16,496.88	76,496.88	-
#####	-	-	15,109.38	15,109.38	-
#####	-	-	-	-	91,606.26
#####	65,000.00	4.625%	15,109.38	80,109.38	-
#####	-	-	13,606.25	13,606.25	-
#####	-	-	-	-	93,715.63
#####	70,000.00	4.750%	13,606.25	83,606.25	-
#####	-	-	11,943.75	11,943.75	-
#####	-	-	-	-	95,550.00
#####	70,000.00	4.750%	11,943.75	81,943.75	-
#####	-	-	10,281.25	10,281.25	-
#####	-	-	-	-	92,225.00
#####	75,000.00	4.750%	10,281.25	85,281.25	-
#####	-	-	8,500.00	8,500.00	-
#####	-	-	-	-	93,781.25
#####	80,000.00	5.000%	8,500.00	88,500.00	-
#####	-	-	6,500.00	6,500.00	-
#####	-	-	-	-	95,000.00
#####	85,000.00	5.000%	6,500.00	91,500.00	-
#####	-	-	4,375.00	4,375.00	-
#####	-	-	-	-	95,875.00
#####	85,000.00	5.000%	4,375.00	89,375.00	-
#####	-	-	2,250.00	2,250.00	-
#####	-	-	-	-	91,625.00
#####	90,000.00	5.000%	2,250.00	92,250.00	-
#####	-	-	-	-	92,250.00
Total	\$1,365,000.00	-	\$898,620.05	\$2,263,620.05	-

Yield Statistics

Bond Year Dollars.....	\$19,331.54
Average Life.....	14.162 Years
Average Coupon.....	4.6484655%
Net Interest Cost (NIC).....	4.7543805%
True Interest Cost (TIC).....	4.753637%
Bond Yield for Arbitrage Purposes.....	4.5194616%
All Inclusive Cost (AIC).....	5.0039883%
IRS Form 8038	
Net Interest Cost.....	4.6947887%
Weighted Average Maturity.....	14.150 Years

\$1,365,000

*Barkley Lake Water District
Twenty-Five Year Term Water Tank Loan
Kentucky Rural Water Finance Corporation*

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
12/31/2008	-	-	11,038.72	11,038.72	-	11,038.72
12/31/2009	35,000.00	3.000%	58,787.50	93,787.50	450.00	94,237.50
12/31/2010	35,000.00	3.000%	57,737.50	92,737.50	450.00	93,187.50
12/31/2011	40,000.00	3.000%	56,612.50	96,612.50	450.00	97,062.50
12/31/2012	40,000.00	3.250%	55,362.50	95,362.50	450.00	95,812.50
12/31/2013	40,000.00	3.500%	54,012.50	94,012.50	450.00	94,462.50
12/31/2014	40,000.00	3.500%	52,612.50	92,612.50	450.00	93,062.50
12/31/2015	45,000.00	3.500%	51,125.00	96,125.00	450.00	96,575.00
12/31/2016	45,000.00	3.750%	49,493.75	94,493.75	450.00	94,943.75
12/31/2017	45,000.00	3.875%	47,778.13	92,778.13	450.00	93,228.13
12/31/2018	50,000.00	4.000%	45,906.26	95,906.26	450.00	96,356.26
12/31/2019	50,000.00	4.125%	43,875.01	93,875.01	450.00	94,325.01
12/31/2020	50,000.00	4.250%	41,781.26	91,781.26	450.00	92,231.26
12/31/2021	55,000.00	4.500%	39,481.26	94,481.26	450.00	94,931.26
12/31/2022	55,000.00	4.500%	37,006.26	92,006.26	450.00	92,456.26
12/31/2023	60,000.00	4.625%	34,381.26	94,381.26	450.00	94,831.26
12/31/2024	60,000.00	4.625%	31,606.26	91,606.26	450.00	92,056.26
12/31/2025	65,000.00	4.625%	28,715.63	93,715.63	450.00	94,165.63
12/31/2026	70,000.00	4.750%	25,550.00	95,550.00	450.00	96,000.00
12/31/2027	70,000.00	4.750%	22,225.00	92,225.00	450.00	92,675.00
12/31/2028	75,000.00	4.750%	18,781.25	93,781.25	450.00	94,231.25
12/31/2029	80,000.00	5.000%	15,000.00	95,000.00	-	95,000.00
12/31/2030	85,000.00	5.000%	10,875.00	95,875.00	-	95,875.00
12/31/2031	85,000.00	5.000%	6,625.00	91,625.00	-	91,625.00
12/31/2032	90,000.00	5.000%	2,250.00	92,250.00	-	92,250.00
Total	\$1,365,000.00	-	\$898,620.05	\$2,263,620.05	\$9,000.00	\$2,272,620.05

\$1,365,000

*Barkley Lake Water District
Twenty-Five Year Term Water Tank Loan
Kentucky Rural Water Finance Corporation*

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
01/01/2009	Serial Coupon	3.000%	2.450%	35,000.00	100.369%	35,129.15
01/01/2010	Serial Coupon	3.000%	2.530%	35,000.00	100.768%	35,268.80
01/01/2011	Serial Coupon	3.000%	2.780%	40,000.00	100.563%	40,225.20
01/01/2012	Serial Coupon	3.250%	3.020%	40,000.00	100.793%	40,317.20
01/01/2013	Serial Coupon	3.500%	3.250%	40,000.00	101.075%	40,430.00
01/01/2014	Serial Coupon	3.500%	3.430%	40,000.00	100.355%	40,142.00
01/01/2015	Serial Coupon	3.500%	3.590%	45,000.00	99.465%	44,759.25
01/01/2016	Serial Coupon	3.750%	3.750%	45,000.00	99.995%	44,997.75
01/01/2017	Serial Coupon	3.875%	3.890%	45,000.00	99.885%	44,948.25
01/01/2018	Serial Coupon	4.000%	4.030%	50,000.00	99.756%	49,878.00
01/01/2019	Serial Coupon	4.125%	4.250%	50,000.00	98.930%	49,465.00
01/01/2020	Serial Coupon	4.250%	4.450%	50,000.00	98.187%	49,093.50
01/01/2021	Serial Coupon	4.500%	4.550%	55,000.00	99.516%	54,733.80
01/01/2022	Serial Coupon	4.500%	4.680%	55,000.00	98.189%	54,003.95
01/01/2023	Serial Coupon	4.625%	4.700%	60,000.00	99.204%	59,522.40
01/01/2024	Serial Coupon	4.625%	4.750%	60,000.00	98.622%	59,173.20
01/01/2025	Serial Coupon	4.625%	4.780%	65,000.00	98.225%	63,846.25
01/01/2026	Serial Coupon	4.750%	4.780%	70,000.00	99.638%	69,746.60
01/01/2027	Serial Coupon	4.750%	4.780%	70,000.00	99.625%	69,737.50
01/01/2028	Serial Coupon	4.750%	4.780%	75,000.00	99.613%	74,709.75
01/01/2029	Serial Coupon	5.000%	5.000%	80,000.00	99.992%	79,993.60
01/01/2030	Serial Coupon	5.000%	5.000%	85,000.00	99.992%	84,993.20
01/01/2031	Serial Coupon	5.000%	5.000%	85,000.00	99.992%	84,993.20
01/01/2032	Serial Coupon	5.000%	5.000%	90,000.00	99.992%	89,992.80
Total				\$1,365,000.00		\$1,360,100.35

Bid Information

Par Amount of Bonds.....	\$1,365,000.00
Reoffering Premium or (Discount).....	(4,899.65)
Gross Production.....	\$1,360,100.35
Total Underwriter's Discount (1.141%).....	\$(15,575.35)
Bid (98.500%).....	1,344,525.00
Total Purchase Price.....	\$1,344,525.00
Bond Year Dollars.....	\$19,331.54
Average Life.....	14.162 Years
Average Coupon.....	4.6484655%
Net Interest Cost (NIC).....	4.7543805%
True Interest Cost (TIC).....	4.7553637%

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Barkley Lake Water District

<u>Annual Operating Budget</u>	<u>2007</u>	<u>2008</u>	<u>2008 w/Tank</u>
<u>Operating Revenue</u>			
Charges for Services	\$2,169,595	\$2,234,683	\$2,234,683
Non Operating Revenue	<u>\$106,935</u>	<u>\$110,143</u>	<u>\$110,143</u>
Total Revenue	\$2,276,530	\$2,344,826	\$2,344,826
<u>Operating Expenses</u>			
Source of Supply	\$285,542	\$294,108	\$294,108
WTP Exp	\$375,124	\$386,378	\$386,378
Trans and Dist Exp (1)	\$557,620	\$311,215	\$311,215
Customer Accts	\$255,025	\$262,676	\$262,676
Administrative Exp	<u>\$265,107</u>	<u>\$273,060</u>	<u>\$273,060</u>
Total Operating Expense	\$1,738,418	\$1,527,437	\$1,527,437
<u>Non-Operating Expenses</u>			
Interest Expense	\$221,081	\$219,975	\$219,975
Principal	\$107,000	\$116,000	\$116,000
Taxes	\$47,414	\$48,836	\$48,836
Interest Expense on \$1.365 M KRWA		\$0	\$56,306
Principal on 1.365 M KWRA	<u>\$0</u>	<u>\$0</u>	<u>\$23,834</u>
Total Non-Operating Expenses	\$375,495	\$384,811	\$464,952
<u>Grant Receipts</u>	\$246,405	\$0	\$0
<u>Net Income</u>	\$409,022	\$432,578	\$352,437

(1) Transportation and Distribution Expense in 2007 included materials purchased with Grant Receipts.

\$1,670,000

*Barkley Lake Water District
Proposed Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation*

Sources & Uses

Dated 04/24/2008 | Delivered 04/24/2008

Sources Of Funds

Par Amount of Bonds.....	\$1,670,000.00
Transfers from Prior Issue Debt Service Funds.....	58,958.33
Transfers from Prior Issue DSR Funds.....	145,960.00
Total Sources.....	\$1,874,918.33

Uses Of Funds

Original Issue Discount (OID).....	8,225.45
Total Underwriter's Discount (1.007%).....	16,824.55
Costs of Issuance.....	27,550.00
Deposit to Current Refunding Fund.....	1,820,550.00
Rounding Amount.....	1,768.33
Total Uses.....	\$1,874,918.33

\$1,670,000

*Barkley Lake Water District
Proposed Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation*

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2008	12,692.78	12,692.78	141,500.00	128,807.22
12/31/2009	132,225.00	132,225.00	144,000.00	11,775.00
12/31/2010	125,350.00	125,350.00	141,195.00	15,845.00
12/31/2011	128,475.00	128,475.00	143,390.00	14,915.00
12/31/2012	131,362.50	131,362.50	145,270.00	13,907.50
12/31/2013	129,000.00	129,000.00	141,890.00	12,890.00
12/31/2014	131,462.50	131,462.50	143,477.50	12,015.00
12/31/2015	128,837.50	128,837.50	144,802.50	15,965.00
12/31/2016	126,118.75	126,118.75	140,865.00	14,746.25
12/31/2017	128,162.50	128,162.50	141,927.50	13,765.00
12/31/2018	129,912.50	129,912.50	142,727.50	12,815.00
12/31/2019	131,356.25	131,356.25	143,265.00	11,908.75
12/31/2020	127,587.50	127,587.50	143,495.00	15,907.50
12/31/2021	128,537.50	128,537.50	143,460.00	14,922.50
12/31/2022	129,150.00	129,150.00	143,160.00	14,010.00
12/31/2023	129,471.88	129,471.88	142,595.00	13,123.12
12/31/2024	129,500.01	129,500.01	141,765.00	12,264.99
12/31/2025	129,296.88	129,296.88	145,670.00	16,373.12
12/31/2026	128,787.50	128,787.50	144,045.00	15,257.50
12/31/2027	127,968.75	127,968.75	142,155.00	14,186.25
Total	\$2,465,255.30	\$2,465,255.30	\$2,860,655.00	\$395,399.70

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	395,399.70	
Transfers from Prior Issue Debt Service Fund.....	(58,958.33)	(58,958.33)
Transfers from Prior Issue DSR Fund.....	(145,960.00)	(145,960.00)
Contingency or Rounding Amount.....	1,768.33	1,768.33
Net Benefit.....	\$192,249.70	\$44,509.78
Gross FV Debt Service Savings.....	247,659.78	
Transfers from Prior Issue Debt Service Fund.....	(58,958.33)	
Transfers from Prior Issue DSR Fund.....	(145,960.00)	
Contingency or Rounding Amount.....	1,768.33	
Net Present Value Benefit.....	\$44,509.78	
Net PV Benefit / \$1,740,000 Refunded Principal.....	2.558%	
Net PV Benefit / \$1,670,000 Refunding Principal.....	2.665%	

Refunding Bond Information

Refunding Dated Date.....	4/24/2008
Refunding Delivery Date.....	4/24/2008

\$1,670,000
Barkley Lake Water District
Proposed Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
#####	-	-	-	-	-
#####	-	-	12,692.78	12,692.78	-
#####	-	-	-	-	12,692.78
#####	65,000.00	3.000%	34,100.00	99,100.00	-
#####	-	-	33,125.00	33,125.00	-
#####	-	-	-	-	132,225.00
#####	60,000.00	3.000%	33,125.00	93,125.00	-
#####	-	-	32,225.00	32,225.00	-
#####	-	-	-	-	125,350.00
#####	65,000.00	3.000%	32,225.00	97,225.00	-
#####	-	-	31,250.00	31,250.00	-
#####	-	-	-	-	128,475.00
#####	70,000.00	3.250%	31,250.00	101,250.00	-
#####	-	-	30,112.50	30,112.50	-
#####	-	-	-	-	131,362.50
#####	70,000.00	3.500%	30,112.50	100,112.50	-
#####	-	-	28,887.50	28,887.50	-
#####	-	-	-	-	129,000.00
#####	75,000.00	3.500%	28,887.50	103,887.50	-
#####	-	-	27,575.00	27,575.00	-
#####	-	-	-	-	131,462.50
#####	75,000.00	3.500%	27,575.00	102,575.00	-
#####	-	-	26,262.50	26,262.50	-
#####	-	-	-	-	128,837.50
#####	75,000.00	3.750%	26,262.50	101,262.50	-
#####	-	-	24,856.25	24,856.25	-
#####	-	-	-	-	126,118.75
#####	80,000.00	3.875%	24,856.25	104,856.25	-
#####	-	-	23,306.25	23,306.25	-
#####	-	-	-	-	128,162.50
#####	85,000.00	4.000%	23,306.25	108,306.25	-
#####	-	-	21,606.25	21,606.25	-
#####	-	-	-	-	129,912.50
#####	90,000.00	4.125%	21,606.25	111,606.25	-
#####	-	-	19,750.00	19,750.00	-
#####	-	-	-	-	131,356.25
#####	90,000.00	4.250%	19,750.00	109,750.00	-
#####	-	-	17,837.50	17,837.50	-
#####	-	-	-	-	127,587.50
#####	95,000.00	4.500%	17,837.50	112,837.50	-
#####	-	-	15,700.00	15,700.00	-
#####	-	-	-	-	128,537.50
#####	100,000.00	4.500%	15,700.00	115,700.00	-
#####	-	-	13,450.00	13,450.00	-
#####	-	-	-	-	129,150.00
#####	105,000.00	4.625%	13,450.00	118,450.00	-
#####	-	-	11,021.88	11,021.88	-
#####	-	-	-	-	129,471.88
#####	110,000.00	4.625%	11,021.88	121,021.88	-
#####	-	-	8,478.13	8,478.13	-
#####	-	-	-	-	129,500.01
#####	115,000.00	4.625%	8,478.13	123,478.13	-
#####	-	-	5,818.75	5,818.75	-
#####	-	-	-	-	129,296.88
#####	120,000.00	4.750%	5,818.75	125,818.75	-
#####	-	-	2,968.75	2,968.75	-
#####	-	-	-	-	128,787.50
#####	125,000.00	4.750%	2,968.75	127,968.75	-
#####	-	-	-	-	127,968.75
Total	\$1,670,000.00	-	\$795,255.30	\$2,465,255.30	-

Yield Statistics

Bond Year Dollars.....	\$18,160.81
Average Life.....	10.875 Years
Average Coupon.....	4.3789649%
Net Interest Cost (NIC).....	4.5168993%
True Interest Cost (TIC).....	4.5260688%
Bond Yield for Arbitrage Purposes.....	4.5194616%
All Inclusive Cost (AIC).....	4.7329746%

IRS Form 8038

Net Interest Cost.....	4.4593808%
Weighted Average Maturity.....	10.842 Years

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\$1,670,000

*Barkley Lake Water District
Proposed Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation*

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
12/31/2008	-	-	12,692.78	12,692.78	12,692.78
12/31/2009	65,000.00	3.000%	67,225.00	132,225.00	132,225.00
12/31/2010	60,000.00	3.000%	65,350.00	125,350.00	125,350.00
12/31/2011	65,000.00	3.000%	63,475.00	128,475.00	128,475.00
12/31/2012	70,000.00	3.250%	61,362.50	131,362.50	131,362.50
12/31/2013	70,000.00	3.500%	59,000.00	129,000.00	129,000.00
12/31/2014	75,000.00	3.500%	56,462.50	131,462.50	131,462.50
12/31/2015	75,000.00	3.500%	53,837.50	128,837.50	128,837.50
12/31/2016	75,000.00	3.750%	51,118.75	126,118.75	126,118.75
12/31/2017	80,000.00	3.875%	48,162.50	128,162.50	128,162.50
12/31/2018	85,000.00	4.000%	44,912.50	129,912.50	129,912.50
12/31/2019	90,000.00	4.125%	41,356.25	131,356.25	131,356.25
12/31/2020	90,000.00	4.250%	37,587.50	127,587.50	127,587.50
12/31/2021	95,000.00	4.500%	33,537.50	128,537.50	128,537.50
12/31/2022	100,000.00	4.500%	29,150.00	129,150.00	129,150.00
12/31/2023	105,000.00	4.625%	24,471.88	129,471.88	129,471.88
12/31/2024	110,000.00	4.625%	19,500.01	129,500.01	129,500.01
12/31/2025	115,000.00	4.625%	14,296.88	129,296.88	129,296.88
12/31/2026	120,000.00	4.750%	8,787.50	128,787.50	128,787.50
12/31/2027	125,000.00	4.750%	2,968.75	127,968.75	127,968.75
Total	\$1,670,000.00	-	\$795,255.30	\$2,465,255.30	\$2,465,255.30

\$1,670,000

*Barkley Lake Water District
Proposed Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation*

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
01/01/2009	Serial Coupon	3.000%	2.450%	65,000.00	100.369%	65,239.85
01/01/2010	Serial Coupon	3.000%	2.530%	60,000.00	100.768%	60,460.80
01/01/2011	Serial Coupon	3.000%	2.780%	65,000.00	100.563%	65,365.95
01/01/2012	Serial Coupon	3.250%	3.020%	70,000.00	100.793%	70,555.10
01/01/2013	Serial Coupon	3.500%	3.250%	70,000.00	101.075%	70,752.50
01/01/2014	Serial Coupon	3.500%	3.430%	75,000.00	100.355%	75,266.25
01/01/2015	Serial Coupon	3.500%	3.590%	75,000.00	99.465%	74,598.75
01/01/2016	Serial Coupon	3.750%	3.750%	75,000.00	99.995%	74,996.25
01/01/2017	Serial Coupon	3.875%	3.890%	80,000.00	99.885%	79,908.00
01/01/2018	Serial Coupon	4.000%	4.030%	85,000.00	99.756%	84,792.60
01/01/2019	Serial Coupon	4.125%	4.250%	90,000.00	98.930%	89,037.00
01/01/2020	Serial Coupon	4.250%	4.450%	90,000.00	98.187%	88,368.30
01/01/2021	Serial Coupon	4.500%	4.550%	95,000.00	99.516%	94,540.20
01/01/2022	Serial Coupon	4.500%	4.680%	100,000.00	98.189%	98,189.00
01/01/2023	Serial Coupon	4.625%	4.700%	105,000.00	99.204%	104,164.20
01/01/2024	Serial Coupon	4.625%	4.750%	110,000.00	98.622%	108,484.20
01/01/2025	Serial Coupon	4.625%	4.780%	115,000.00	98.225%	112,958.75
01/01/2026	Serial Coupon	4.750%	4.780%	120,000.00	99.638%	119,565.60
01/01/2027	Serial Coupon	4.750%	4.780%	125,000.00	99.625%	124,531.25
Total	-	-	-	\$1,670,000.00	-	\$1,661,774.55

Bid Information

Par Amount of Bonds.....	\$1,670,000.00
Reoffering Premium or (Discount).....	(8,225.45)
Gross Production.....	\$1,661,774.55
Total Underwriter's Discount (1.007%).....	\$(16,824.55)
Bid (98.500%).....	1,644,950.00
Total Purchase Price.....	\$1,644,950.00
Bond Year Dollars.....	\$18,160.81
Average Life.....	10.875 Years
Average Coupon.....	4.3789649%
Net Interest Cost (NIC).....	4.5168993%
True Interest Cost (TIC).....	4.5260688%

\$2,150,000
Barkley Lake Water District
Series 1998

Debt Service To Maturity And To Call

Date	Refunded Bonds	Premium	Interest to Call	D/S To Call	Principal	Coupon	Interest	Refunded D/S
12/31/2008	1,740,000.00	34,800.00	45,750.00	1,820,550.00	50,000.00	5.000%	91,500.00	141,500.00
12/31/2009	-	-	-	-	55,000.00	5.100%	89,000.00	144,000.00
12/31/2010	-	-	-	-	55,000.00	5.100%	86,195.00	141,195.00
12/31/2011	-	-	-	-	60,000.00	5.200%	83,390.00	143,390.00
12/31/2012	-	-	-	-	65,000.00	5.200%	80,270.00	145,270.00
12/31/2013	-	-	-	-	65,000.00	5.250%	76,890.00	141,890.00
12/31/2014	-	-	-	-	70,000.00	5.250%	73,477.50	143,477.50
12/31/2015	-	-	-	-	75,000.00	5.250%	69,802.50	144,802.50
12/31/2016	-	-	-	-	75,000.00	5.250%	65,865.00	140,865.00
12/31/2017	-	-	-	-	80,000.00	5.250%	61,927.50	141,927.50
12/31/2018	-	-	-	-	85,000.00	5.250%	57,727.50	142,727.50
12/31/2019	-	-	-	-	90,000.00	5.300%	53,265.00	143,265.00
12/31/2020	-	-	-	-	95,000.00	5.300%	48,495.00	143,495.00
12/31/2021	-	-	-	-	100,000.00	5.300%	43,460.00	143,460.00
12/31/2022	-	-	-	-	105,000.00	5.300%	38,160.00	143,160.00
12/31/2023	-	-	-	-	110,000.00	5.300%	32,595.00	142,595.00
12/31/2024	-	-	-	-	115,000.00	5.300%	26,765.00	141,765.00
12/31/2025	-	-	-	-	125,000.00	5.300%	20,670.00	145,670.00
12/31/2026	-	-	-	-	130,000.00	5.300%	14,045.00	144,045.00
12/31/2027	-	-	-	-	135,000.00	5.300%	7,155.00	142,155.00
Total	\$1,740,000.00	\$34,800.00	\$45,750.00	\$1,820,550.00	\$1,740,000.00	-	\$1,120,655.00	\$2,860,655.00

Yield Statistics

Average Life.....	11.706 Years
Weighted Average Maturity (Par Basis).....	11.706 Years
Average Coupon.....	5.2859393%

Refunding Bond Information

Refunding Dated Date.....	4/24/2008
Refunding Delivery Date.....	4/24/2008

\$2,150,000
Barkley Lake Water District
Series 1998

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/31/2008	50,000.00	5.000%	91,500.00	141,500.00
12/31/2009	55,000.00	5.100%	89,000.00	144,000.00
12/31/2010	55,000.00	5.100%	86,195.00	141,195.00
12/31/2011	60,000.00	5.200%	83,390.00	143,390.00
12/31/2012	65,000.00	5.200%	80,270.00	145,270.00
12/31/2013	65,000.00	5.250%	76,890.00	141,890.00
12/31/2014	70,000.00	5.250%	73,477.50	143,477.50
12/31/2015	75,000.00	5.250%	69,802.50	144,802.50
12/31/2016	75,000.00	5.250%	65,865.00	140,865.00
12/31/2017	80,000.00	5.250%	61,927.50	141,927.50
12/31/2018	85,000.00	5.250%	57,727.50	142,727.50
12/31/2019	90,000.00	5.300%	53,265.00	143,265.00
12/31/2020	95,000.00	5.300%	48,495.00	143,495.00
12/31/2021	100,000.00	5.300%	43,460.00	143,460.00
12/31/2022	105,000.00	5.300%	38,160.00	143,160.00
12/31/2023	110,000.00	5.300%	32,595.00	142,595.00
12/31/2024	115,000.00	5.300%	26,765.00	141,765.00
12/31/2025	125,000.00	5.300%	20,670.00	145,670.00
12/31/2026	130,000.00	5.300%	14,045.00	144,045.00
12/31/2027	135,000.00	5.300%	7,155.00	142,155.00
Total	\$1,740,000.00	-	\$1,120,655.00	\$2,860,655.00

Yield Statistics

Average Life.....	11.706 Years
Weighted Average Maturity (Par Basis).....	11.706 Years
Average Coupon.....	5.2859393%

Refunding Bond Information

Refunding Dated Date.....	4/24/2008
Refunding Delivery Date.....	4/24/2008

BARKLEY LAKE WATER DISTRICT
STATEMENT OF NET ASSETS - PROPRIETARY FUND
December 31, 2007

ASSETS

Current assets:		
Cash and cash equivalents	\$	691,394
Accounts receivable		307,178
Other receivables		10,880
Inventory		208,447
Prepaid expenses		26,694
Restricted cash		<u>840,613</u>
Total current assets		2,085,206
Noncurrent assets:		
Restricted cash		942,237
Capital assets:		
Utility plant		13,772,662
Accumulated depreciation		<u>(6,124,369)</u>
Total capital assets		7,648,293
Other assets:		
Bond issue costs		<u>51,583</u>
Total noncurrent assets		<u>8,642,113</u>
Total assets	\$	<u>10,727,319</u>

BARKLEY LAKE WATER DISTRICT
STATEMENT OF NET ASSETS - PROPRIETARY FUND
December 31, 2007

LIABILITIES

Current liabilities:	
Current maturities of long-term debt	\$ 107,000
Accounts payable trade	32,261
Payroll liabilities	23,426
Accrued expenses:	
Taxes	2,796
Interest	35,994
Total current liabilities	<u>201,477</u>
Noncurrent liabilities:	
Tenant deposits	247,417
Bonds payable	4,455,500
Total noncurrent liabilities	<u>4,702,917</u>
Total liabilities	<u>4,904,394</u>

NET ASSETS

Invested in capital assets, net of related debt	3,085,793
Restricted assets:	
Cash in bank-Customer deposit	132,446
Cash in bank-Customer deposit fund CD	306,055
Cash in bank-Sinking fund	59,355
Sinking fund-CD	240,536
Cash in bank-Depreciation fund	131,948
Depreciation fund-CD	810,289
Cash in bank-Construction	2,836
Cash in bank-Debt service reserve	98,514
Cash in bank-KIA funds	871
Total restricted assets	<u>1,782,850</u>
Unrestricted	<u>954,282</u>
Total net assets	<u>\$ 5,822,925</u>

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

BARKLEY LAKE WATER DISTRICT
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS-PROPRIETARY FUND
 Year Ended December 31, 2007

OPERATING REVENUES	
Charges for services	\$ 2,169,595
OPERATING EXPENSES	
Operating expenses	1,738,471
Taxes	47,414
Depreciation and amortization	384,400
Total operating expenses	<u>2,170,285</u>
Operating loss	(690)
NONOPERATING REVENUES	
Interest revenue	78,870
Miscellaneous revenue	<u>28,065</u>
Total nonoperating revenues	106,935
NONOPERATING EXPENSES	
Interest expense	221,081
CAPITAL CONTRIBUTIONS	
Grant receipts	<u>246,405</u>
Change in net assets	131,569
Net assets, beginning of year	<u>5,691,356</u>
Net assets, end of year	<u><u>\$ 5,822,925</u></u>

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

BARKLEY LAKE WATER DISTRICT
 STATEMENTS OF CASH FLOWS
 Years Ended December 31, 2007

Cash flows from operating activities:	
Received from customers	\$ 2,125,312
Paid to suppliers for goods and services	(1,074,189)
Paid to employees	(556,647)
Net cash provided (used) by operating activities	<u>494,476</u>
Cash flows from non-capital activities:	
Miscellaneous receipts	28,065
Contributed capital, net	246,405
Net cash provided by non-capital activities	<u>274,470</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of property, plant and equipment	(195,620)
Principal paid on long-term debt	(107,000)
Interest paid on debt	(221,081)
Repayment of short-term borrowing	(23,500)
Net cash used by capital and related financing activities	<u>(547,201)</u>
Cash flows from investing activities:	
Interest income	78,870
Net cash provided by investing activities	<u>78,870</u>
Net increase (decrease) in cash	300,615
Cash and cash equivalents, beginning of year	<u>2,173,628</u>
Cash and cash equivalents, end of year	<u>\$ 2,474,243</u>
Cash flows from operating activities:	
Operating income (loss)	\$ (690)
Adjustments - operating activities:	
Depreciation and amortization	384,400
(Increase) decrease in:	
Accounts receivable	(52,052)
Other receivable	(614)
Inventory	130,910
Prepaid insurance	31,708
Increase (decrease) in:	
Accounts payable	(15,726)
Payroll liabilities	11,346
Accrued interest	(1,035)
Accrued taxes	(2,154)
Tenant deposits payable	8,383
Net cash provided (used) by operating activities	<u>\$ 494,476</u>

BARKLEY LAKE WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007

The Barkley Lake Water District ("District") offers Management's Discussion and Analysis to provide an overview and analysis of the District's financial activities for the year ended December 31, 2007. To fully understand the entire scope of the District's financial activities, this information should be read in conjunction with the financial statements provided in this document.

FINANCIAL HIGHLIGHTS

The District's 2007 operating revenues increased 14% over the 2006 amount, while operating expenses for 2007 decreased 23% over 2006 amounts due primarily to an decrease in materials and supplies expense. Non-operating income for 2007, including contributed capital and interest income, was \$353,340, a 59% decrease over 2006. These factors resulted in a 2007 change in net assets of \$131,569 which included \$246,405 of grant receipts.

The District's net assets increase of \$131,569 resulted in a December 31, 2007 balance of \$5,822,925. This represents a 2% increase in net assets over the December 31, 2006 balance of \$5,691,355.

The District's unrestricted cash available for operating expenses was \$691,394 at December 31, 2007.

The District's investment in utility plant was \$7,648,293 net of depreciation at December 31, 2007.

OVERVIEW OF FINANCIAL STATEMENTS

Barkley Lake Water District's basic financial statements include a statement of net assets, statement of revenues, expenses and changes in net assets, statement of cash flows and notes to the financial statements. This report also includes other supplementary information.

The District's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB).

Statement of net assets. The statement of net assets presents the financial position of the District. It presents information on the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Statement of revenues, expenses and changes in net assets. The statement of revenues, expenses and changes in net assets presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues are recognized when they are earned, not when they are received. Expenses are recognized when incurred, not when they are paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Statement of cash flows. The statement of cash flows presents information on the effects changes in assets and liabilities have on cash during the course of the fiscal year.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the District-wide financial statements. The notes to the financial statements can be found on pages 10-18 of this report.

OVERVIEW OF THE DISTRICT'S FINANCIAL POSITION AND RESULTS OF OPERATIONS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The District's assets exceeded liabilities by \$5,822,925 at December 31, 2007.

A portion of the District's net assets (\$3,085,793) reflects its investment in net plant, such as water tanks, buildings, equipment, and distribution systems, less any related outstanding debt used to acquire those assets. The district uses these assets to provide services to customers; consequently, these assets are not available for future spending. Resources needed to repay the outstanding debt shown on the balance sheet must come from other sources such as operations, since the assets themselves cannot be used to liquidate these long-term liabilities.

The District's overall financial position and operations for the past two years is summarized as follows:

	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 1,296,176	\$ 1,211,954
Capital assets	7,648,293	7,833,326
Restricted assets	<u>1,782,850</u>	<u>1,680,158</u>
Total assets	10,727,319	10,725,438
Long-term liabilities	4,702,917	4,801,534
Other liabilities	<u>201,477</u>	<u>232,549</u>
Total Liabilities	4,904,394	5,034,083
Net assets:		
Invested in capital assets, net of related debt	3,085,793	3,140,323
Restricted	1,782,850	1,680,158
Unrestricted (Deficit)	<u>954,282</u>	<u>870,874</u>
Total net assets	<u>\$ 5,822,925</u>	<u>\$ 5,691,355</u>
Revenues:		
Operating revenues	\$ 2,169,595	\$ 1,900,741
Expenses:		
Operating expenses	<u>2,170,285</u>	<u>2,221,988</u>
Operating Income	(690)	(321,247)
Non-operating income	353,340	852,269
Non-operating expenses	<u>221,081</u>	<u>196,798</u>
Change in net assets	<u>\$ 131,569</u>	<u>\$ 334,224</u>

Budget

The District budgeted operating revenues of \$1,843,500 and operating expenses of \$1,708,051 for 2007. Actual operating revenues of \$2,169,595 exceeded the budgeted revenue by \$326,095. Actual operating expenses of \$2,170,285 exceeded budgeted expenses by \$462,234. Non-operating revenues, non-operating expenses and capital contributions exceeded the budgeted amounts by \$24,660, \$37,781 and \$35,205 respectively. The budgeted change in net assets (\$245,624) exceeded the actual change in net assets (\$131,569) by a unfavorable \$114,055.

CAPITAL ASSETS

The District's activity investment in capital assets as of December 31, 2007 was as follows:

	<u>Balance</u> <u>January 1, 2007</u>	<u>Additions</u> <u>(Deletions)</u>	<u>Balance</u> <u>December 31, 2007</u>
Nondepreciable assets:			
Land	\$ 41,514	\$ 43,768	\$ 85,282
Depreciable assets (net of depreciation):			
Buildings	1,801,297	(74,510)	1,726,787
Pumping equipment	-		-
Transmission lines	5,399,729	(128,697)	5,271,032
Meters	441,139	(12,685)	428,454
Plant equipment	64,275	4,086	68,361
Office equipment	23,928	(6,237)	17,691
Vehicles	61,444	(10,758)	50,686
Total depreciable assets	<u>7,791,812</u>	<u>(228,801)</u>	<u>7,563,011</u>
Total capital assets	<u>\$ 7,833,326</u>	<u>\$ (185,033)</u>	<u>\$ 7,648,293</u>

This year's major additions totaling \$195,619 included land and new transmission lines and meters.

LONG TERM DEBT

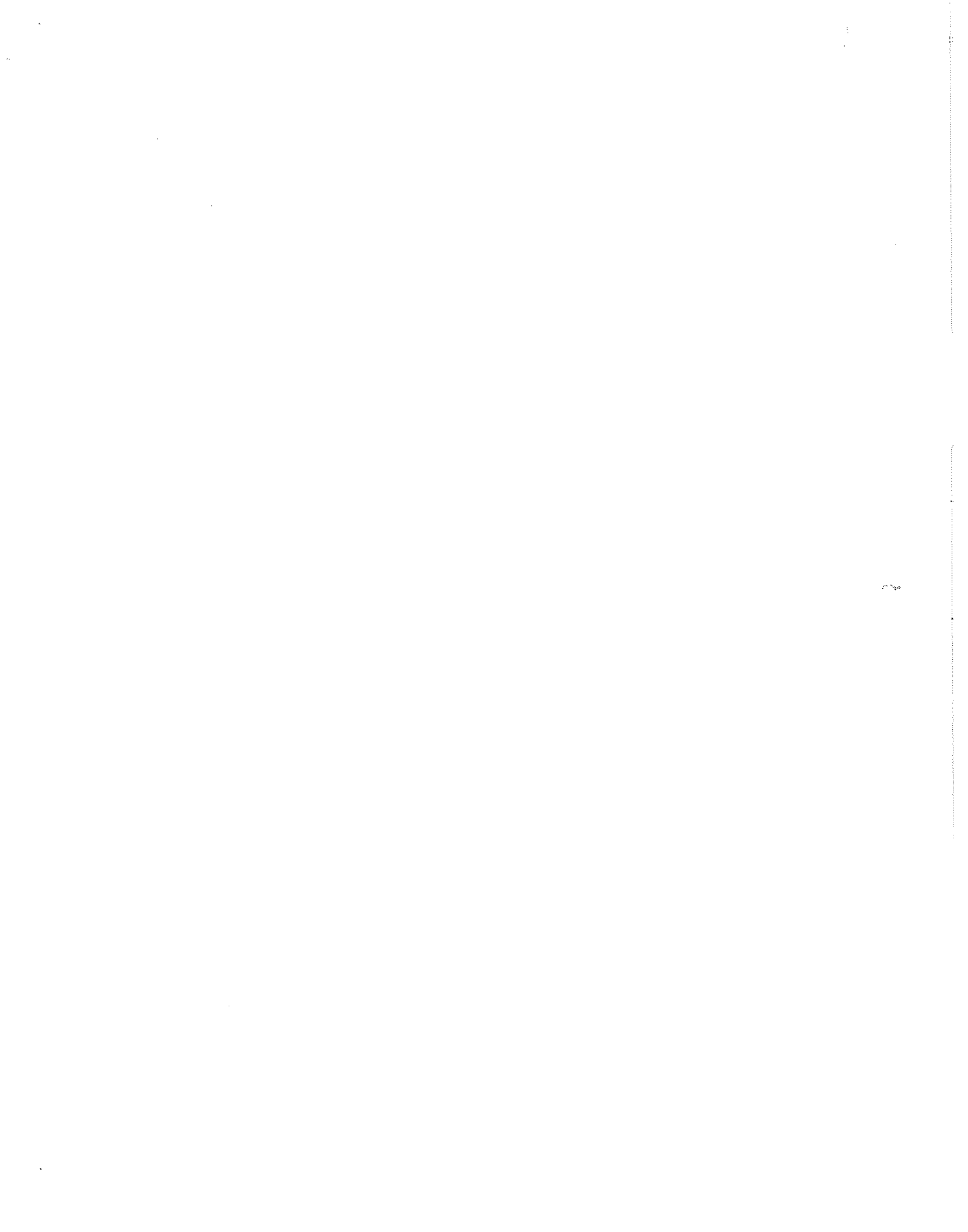
Debt activity for the year ended December 31, 2007, was as follows:

	<u>Balance</u> <u>January 1, 2007</u>	<u>Additions</u> <u>(Payments)</u>	<u>Balance</u> <u>December 31, 2007</u>	<u>Current</u> <u>Maturities</u>
Bond Series 1968	\$ 26,000	\$ (26,000)	\$ -	\$ -
Bond Series 1976	160,000	(14,000)	\$ 146,000	15,000
Bond Series 1993	1,532,000	(28,000)	\$ 1,504,000	29,000
Bond Series 1999	1,790,000	(50,000)	\$ 1,740,000	50,000
Bond Series 2005	1,185,000	(12,500)	\$ 1,172,500	13,000
Total	<u>\$ 4,693,000</u>	<u>\$ (130,500)</u>	<u>\$ 4,562,500</u>	<u>\$ 107,000</u>

Interest expense of \$220,490 was paid during the year ended December 31, 2007.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Barkley Lake Water District's finances for all those with an interest in the government's finances. Questions or requests for additional information may be addressed to Terry Goins, Chairman, Barkley Lake Water District, P. O. Box 308, Cadiz, Kentucky 42211.



\$3,035,000

Barkley Lake Water District
Loan through the Kentucky Rural Water Finance Corporation
Public Projects Revenue Refunding Bonds
Series 2008 C

Total Issue Sources And Uses

Dated 04/24/2008 | Delivered 04/24/2008

	Refunding	Water Tank	Issue Summary
Sources Of Funds			
Par Amount of Bonds.....	\$1,670,000.00	\$1,365,000.00	\$3,035,000.00
Transfers from Prior Issue Debt Service Funds.....	58,958.33	-	58,958.33
Transfers from Prior Issue DSR Funds.....	145,960.00	-	145,960.00
Total Sources.....	\$1,874,918.33	\$1,365,000.00	\$3,239,918.33
Uses Of Funds			
Original Issue Discount (OID).....	8,225.45	4,899.65	13,125.10
Total Underwriter's Discount (1.068%).....	16,824.55	15,575.35	32,399.90
Costs of Issuance.....	27,550.00	26,387.50	53,937.50
Deposit to Project Construction Fund.....	-	1,317,800.00	1,317,800.00
Deposit to Current Refunding Fund.....	1,820,550.00	-	1,820,550.00
Rounding Amount.....	1,768.33	337.50	2,105.83
Total Uses.....	\$1,874,918.33	\$1,365,000.00	\$3,239,918.33

\$3,035,000
Barkley Lake Water District
 Loan through the Kentucky Rural Water Finance Corporation
 Public Projects Revenue Refunding Bonds
 Series 2008 C

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
#####	-	-	-	-	-
#####	-	-	23,731.50	23,731.50	-
#####	-	-	-	-	23,731.50
#####	100,000.00	3.000%	63,756.25	163,756.25	-
#####	-	-	62,256.25	62,256.25	-
#####	-	-	-	-	226,012.50
#####	95,000.00	3.000%	62,256.25	157,256.25	-
#####	-	-	60,831.25	60,831.25	-
#####	-	-	-	-	218,087.50
#####	105,000.00	3.000%	60,831.25	165,831.25	-
#####	-	-	59,256.25	59,256.25	-
#####	-	-	-	-	225,087.50
#####	110,000.00	3.250%	59,256.25	169,256.25	-
#####	-	-	57,468.75	57,468.75	-
#####	-	-	-	-	226,725.00
#####	110,000.00	3.500%	57,468.75	167,468.75	-
#####	-	-	55,543.75	55,543.75	-
#####	-	-	-	-	223,012.50
#####	115,000.00	3.500%	55,543.75	170,543.75	-
#####	-	-	53,531.25	53,531.25	-
#####	-	-	-	-	224,075.00
#####	120,000.00	3.500%	53,531.25	173,531.25	-
#####	-	-	51,431.25	51,431.25	-
#####	-	-	-	-	224,962.50
#####	120,000.00	3.750%	51,431.25	171,431.25	-
#####	-	-	49,181.25	49,181.25	-
#####	-	-	-	-	220,612.50
#####	125,000.00	3.875%	49,181.25	174,181.25	-
#####	-	-	46,759.38	46,759.38	-
#####	-	-	-	-	220,940.63
#####	135,000.00	4.000%	46,759.38	181,759.38	-
#####	-	-	44,059.38	44,059.38	-
#####	-	-	-	-	225,818.76
#####	140,000.00	4.125%	44,059.38	184,059.38	-
#####	-	-	41,171.88	41,171.88	-
#####	-	-	-	-	225,281.26
#####	140,000.00	4.250%	41,171.88	181,171.88	-
#####	-	-	38,196.88	38,196.88	-
#####	-	-	-	-	219,368.76
#####	150,000.00	4.500%	38,196.88	188,196.88	-
#####	-	-	34,821.88	34,821.88	-
#####	-	-	-	-	223,018.76
#####	155,000.00	4.500%	34,821.88	189,821.88	-
#####	-	-	31,334.38	31,334.38	-
#####	-	-	-	-	221,156.26
#####	165,000.00	4.625%	31,334.38	196,334.38	-
#####	-	-	27,518.76	27,518.76	-
#####	-	-	-	-	223,853.14
#####	170,000.00	4.625%	27,518.76	197,518.76	-
#####	-	-	23,587.51	23,587.51	-
#####	-	-	-	-	221,106.27
#####	180,000.00	4.625%	23,587.51	203,587.51	-
#####	-	-	19,425.00	19,425.00	-
#####	-	-	-	-	223,012.51
#####	190,000.00	4.750%	19,425.00	209,425.00	-
#####	-	-	14,912.50	14,912.50	-
#####	-	-	-	-	224,337.50
#####	195,000.00	4.750%	14,912.50	209,912.50	-
#####	-	-	10,281.25	10,281.25	-
#####	-	-	-	-	220,193.75
#####	75,000.00	4.750%	10,281.25	85,281.25	-
#####	-	-	8,500.00	8,500.00	-
#####	-	-	-	-	93,781.25
#####	80,000.00	5.000%	8,500.00	88,500.00	-
#####	-	-	6,500.00	6,500.00	-
#####	-	-	-	-	95,000.00
#####	85,000.00	5.000%	6,500.00	91,500.00	-
#####	-	-	4,375.00	4,375.00	-
#####	-	-	-	-	95,875.00
#####	85,000.00	5.000%	4,375.00	89,375.00	-
#####	-	-	2,250.00	2,250.00	-
#####	-	-	-	-	91,625.00
#####	90,000.00	5.000%	2,250.00	92,250.00	-
#####	-	-	-	-	92,250.00
Total	\$3,035,000.00	-	\$1,698,875.35	\$4,728,875.35	-

Yield Statistics

Bond Year Dollars.....	\$37,492.35
Average Life.....	12.353 Years
Average Coupon.....	4.5179229%
Net Interest Cost (NIC).....	4.6398477%
True Interest Cost (TIC).....	4.6400533%
Bond Yield for Arbitrage Purposes.....	4.5194616%
All Inclusive Cost (AIC).....	4.8673759%
IRS Form 8038	
Net Interest Cost.....	4.5809618%
Weighted Average Maturity.....	12.331 Years

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\$3,035,000
Barkley Lake Water District
Loan through the Kentucky Rural Water Finance Corporation
Public Projects Revenue Refunding Bonds
Series 2008 C

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
12/31/2008	-	-	23,731.50	23,731.50	-	21,625.67
12/31/2009	100,000.00	3.000%	126,012.50	226,012.50	450.00	226,462.50
12/31/2010	95,000.00	3.000%	123,087.50	218,087.50	450.00	218,537.50
12/31/2011	105,000.00	3.000%	120,087.50	225,087.50	450.00	225,537.50
12/31/2012	110,000.00	3.250%	116,725.00	226,725.00	450.00	227,175.00
12/31/2013	110,000.00	3.500%	113,012.50	223,012.50	450.00	223,462.50
12/31/2014	115,000.00	3.500%	109,075.00	224,075.00	450.00	224,525.00
12/31/2015	120,000.00	3.500%	104,962.50	224,962.50	450.00	225,412.50
12/31/2016	120,000.00	3.750%	100,612.50	220,612.50	450.00	221,062.50
12/31/2017	125,000.00	3.875%	95,940.63	220,940.63	450.00	221,390.63
12/31/2018	135,000.00	4.000%	90,818.76	225,818.76	450.00	226,268.76
12/31/2019	140,000.00	4.125%	85,231.26	225,231.26	450.00	225,681.26
12/31/2020	140,000.00	4.250%	79,368.76	219,368.76	450.00	219,818.76
12/31/2021	150,000.00	4.500%	73,018.76	223,018.76	450.00	223,468.76
12/31/2022	155,000.00	4.500%	66,156.26	221,156.26	450.00	221,606.26
12/31/2023	165,000.00	4.625%	58,853.14	223,853.14	450.00	224,303.14
12/31/2024	170,000.00	4.625%	51,106.27	221,106.27	450.00	221,556.27
12/31/2025	180,000.00	4.625%	43,012.51	223,012.51	450.00	223,462.51
12/31/2026	190,000.00	4.750%	34,337.50	224,337.50	450.00	224,787.50
12/31/2027	195,000.00	4.750%	25,193.75	220,193.75	450.00	220,643.75
12/31/2028	75,000.00	4.750%	18,781.25	93,781.25	450.00	94,231.25
12/31/2029	80,000.00	5.000%	15,000.00	95,000.00	-	95,000.00
12/31/2030	85,000.00	5.000%	10,875.00	95,875.00	-	95,875.00
12/31/2031	85,000.00	5.000%	6,625.00	91,625.00	-	91,625.00
12/31/2032	90,000.00	5.000%	2,250.00	92,250.00	-	92,250.00
Total	\$3,035,000.00	-	\$1,693,875.35	\$4,728,875.35	\$9,000.00	\$4,735,769.52

\$3,035,000
Barkley Lake Water District
Loan through the Kentucky Rural Water Finance Corporation
Public Projects Revenue Refunding Bonds
Series 2008 C

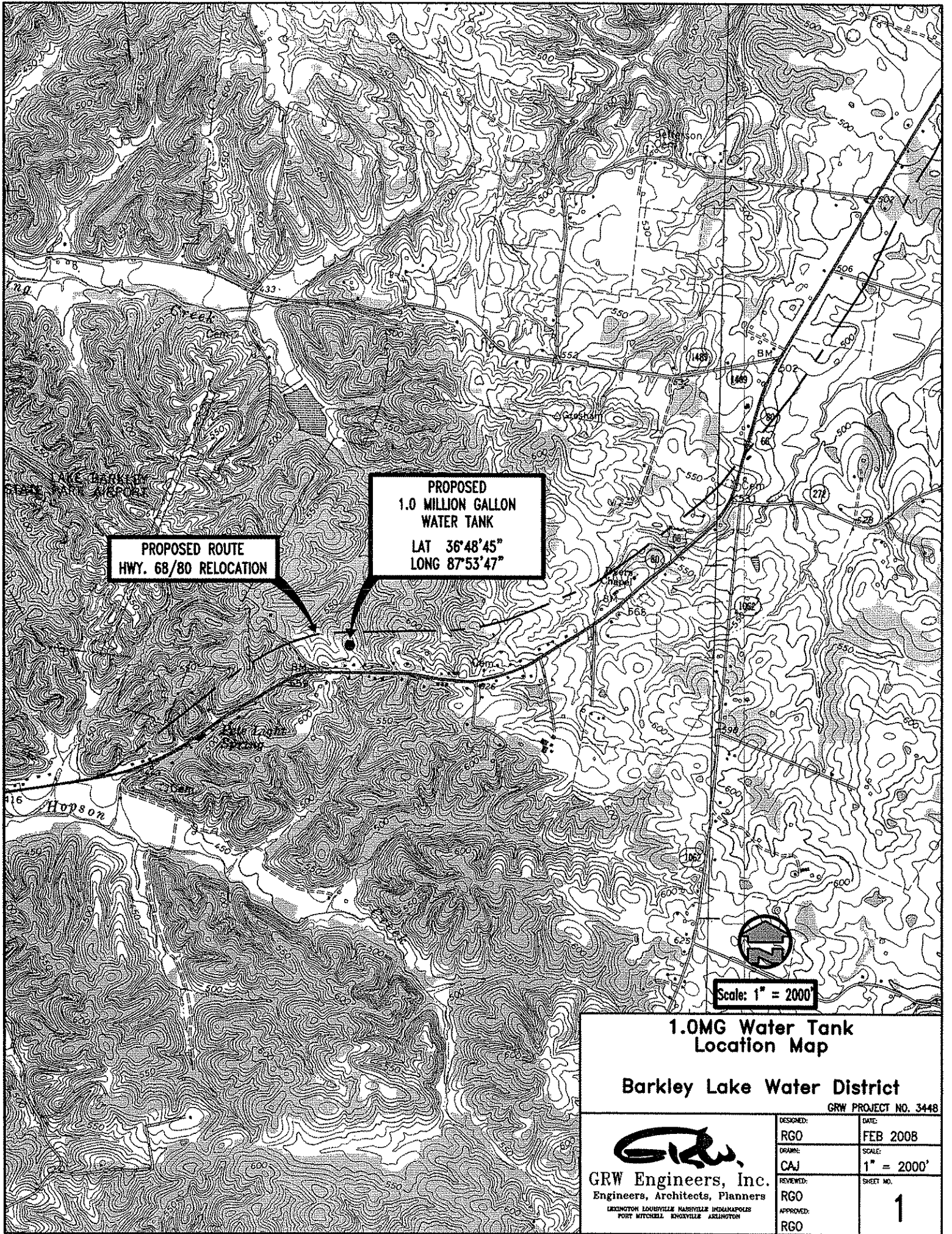
Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
01/01/2009	Serial Coupon	3.000%	2.450%	100,000.00	100.369%	100,369.00
01/01/2010	Serial Coupon	3.000%	2.530%	95,000.00	100.768%	95,729.60
01/01/2011	Serial Coupon	3.000%	2.780%	105,000.00	100.563%	105,591.15
01/01/2012	Serial Coupon	3.250%	3.020%	110,000.00	100.793%	110,872.30
01/01/2013	Serial Coupon	3.500%	3.250%	110,000.00	101.075%	111,182.50
01/01/2014	Serial Coupon	3.500%	3.430%	115,000.00	100.355%	115,408.25
01/01/2015	Serial Coupon	3.500%	3.590%	120,000.00	99.465%	119,358.00
01/01/2016	Serial Coupon	3.750%	3.750%	120,000.00	99.995%	119,994.00
01/01/2017	Serial Coupon	3.875%	3.890%	125,000.00	99.885%	124,856.25
01/01/2018	Serial Coupon	4.000%	4.030%	135,000.00	99.756%	134,670.60
01/01/2019	Serial Coupon	4.125%	4.250%	140,000.00	98.930%	138,502.00
01/01/2020	Serial Coupon	4.250%	4.450%	140,000.00	98.187%	137,461.80
01/01/2021	Serial Coupon	4.500%	4.550%	150,000.00	99.516%	149,274.00
01/01/2022	Serial Coupon	4.500%	4.680%	155,000.00	98.189%	152,192.95
01/01/2023	Serial Coupon	4.625%	4.700%	165,000.00	99.204%	163,686.60
01/01/2024	Serial Coupon	4.625%	4.750%	170,000.00	98.622%	167,657.40
01/01/2025	Serial Coupon	4.625%	4.780%	180,000.00	98.225%	176,805.00
01/01/2026	Serial Coupon	4.750%	4.780%	190,000.00	99.638%	189,312.20
01/01/2027	Serial Coupon	4.750%	4.780%	195,000.00	99.625%	194,268.75
01/01/2028	Serial Coupon	4.750%	4.780%	75,000.00	99.613%	74,709.75
01/01/2029	Serial Coupon	5.000%	5.000%	80,000.00	99.992%	79,993.60
01/01/2030	Serial Coupon	5.000%	5.000%	85,000.00	99.992%	84,993.20
01/01/2031	Serial Coupon	5.000%	5.000%	85,000.00	99.992%	84,993.20
01/01/2032	Serial Coupon	5.000%	5.000%	90,000.00	99.992%	89,992.80
Total				\$3,035,000.00		\$3,021,874.90

Bid Information

Par Amount of Bonds.....	\$3,035,000.00
Reoffering Premium or (Discount).....	(13,125.10)
Gross Production.....	\$3,021,874.90
Total Underwriter's Discount (1.068%).....	\$(32,399.90)
Bid (98.500%).....	2,989,475.00
Total Purchase Price.....	\$2,989,475.00
Bond Year Dollars.....	\$37,492.35
Average Life.....	12.353 Years
Average Coupon.....	4.5179229%
Net Interest Cost (NIC).....	4.6393477%
True Interest Cost (TIC).....	4.6400653%

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**PROPOSED ROUTE
HWY. 68/80 RELOCATION**

**PROPOSED
1.0 MILLION GALLON
WATER TANK
LAT 36°48'45"
LONG 87°53'47"**

Scale: 1" = 2000'

**1.0MG Water Tank
Location Map**

Barkley Lake Water District

GRW PROJECT NO. 3448

 GRW Engineers, Inc. Engineers, Architects, Planners <small>LEXINGTON LOUISVILLE NASHVILLE MEMPHIS PORT MITCHELL EVANSVILLE ARLINGTON</small>	DESIGNED:	DATE:
	RGO	FEB 2008
	DRAWN:	SCALE:
	CAJ	1" = 2000'
REVIEWED:	SHEET NO.	
RGO	1	
APPROVED:		
RGO		