

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

September 13, 2017

RECEIVED

SEP 18 2017

PUBLIC SERVICE  
COMMISSION

Mr. John S. Lyons  
Acting Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Case No. 2017-00378

Re: Bracken County Water District PSC Application

Dear Mr. Lyons:

Enclosed please find the original and ten (10) copies of the Application of the Bracken 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 as soon as possible 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:jlm  
Enclosures

cc: Ms. Diana Moran, Bracken County Water District  
Ms. Kristen Millard, Raymond James and Associates

RECEIVED

SEP 18 2017

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**THE APPLICATION OF BRACKEN COUNTY )**  
**WATER DISTRICT TO ISSUE SECURITIES IN )**  
**THE APPROXIMATE PRINCIPAL AMOUNT OF )**  
**\$805,000 FOR THE PURPOSE OF REFUNDING ) CASE NO. 2017 - 00378**  
**AND REAMORTIZING CERTAIN OUTSTANDING )**  
**OBLIGATIONS OF THE DISTRICT PURSUANT )**  
**TO THE PROVISIONS OF KRS 278.300 AND )**  
**807 KAR 5:001 )**

\*\*      \*\*\*      \*\*\*\*\*      \*\*\*\*\*      \*\*\*      \*\*

APPLICATION

The Applicant, Bracken 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 \$805,000 (subject to adjustment of up to 10%), for the purpose of refunding and reamortizing certain outstanding waterworks revenue obligations 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 Bracken County, which Order is on file in the County Court Order Books in the office of the Clerk of Bracken 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:

Bracken County Water District  
c/o Ms. Diana Moran, Manager  
P.O. Box 201  
Brooksville, Kentucky 41004  
Telephone: (606) 735-3513  
Fax: (606) 735-3017  
Email: [d.moran@brackencountywaterdistrict.com](mailto:d.moran@brackencountywaterdistrict.com)

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 2016 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 \$805,000 (subject to adjustment of up to 10%) for the purpose of (i) refunding the outstanding revenue bonds designated as Bracken County Water District Waterworks Revenue Bonds, Series 2004 in the original principal amount of \$980,000, dated October 7, 2004 and bearing interest at the rate of 4.50% per annum (the "2004 Bonds"); and (ii) reamortizing the outstanding Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2007D, in the original principal amount of \$3,350,000, dated July 30, 2007

and bearing interest at various interest rates (the "2007 KRWFC Loan"); (hereinafter, the 2004 Bonds and the 2007 KRWFC Loan shall be collectively referred to as the "Prior Bonds"). The 2004 Bonds are currently held by the U.S. Department of Agriculture, acting through Rural Development ("RD").

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 refund the 2004 Bonds; and (ii) 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 refunding of the 2004 Bonds will result in a net present value cashflow savings of approximately \$192,278.63 and the proposed reamortization of the 2007 KRWFC Loan will result in a net present value cashflow savings of approximately \$172,744.33. 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, Statement of Cash Flows and Statement of Net Position for the twelve month period ending on December 31, 2015 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 2016 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 2016 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 and reamortize 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 and reamortization 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 (see **Exhibit "F"** attached hereto).
- (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 as soon as possible; 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.

Bracken County Water District

By 

Anthony Habermehl, Chairman

P.O. Box 201

Brooksville, Kentucky 41004

Telephone: (606) 735-3513

Fax: (606) 735-3017

Email: [d.moran@brackencountywaterdistrict.com](mailto:d.moran@brackencountywaterdistrict.com)

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

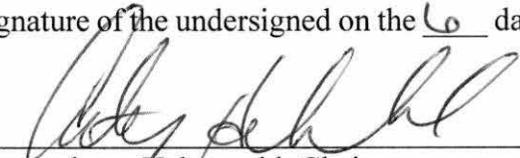
Counsel for Bracken County Water District

[wrijones@rubinhays.com](mailto:wrijones@rubinhays.com)

STATE OF KENTUCKY            )  
  ) SS  
COUNTY OF BRACKEN        )

The affiant, Anthony Habermehl, being first duly sworn, states: That he is the Chairman of the Bracken 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 6 day of September, 2017.

  
\_\_\_\_\_  
Anthony Habermehl, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Anthony Habermehl, Chairman of the Bracken County Water District, on this the 6 day of September, 2017.

My Commission expires: 4/3/18\_\_\_\_\_.

  
\_\_\_\_\_  
NOTARY PUBLIC

507232  
\_\_\_\_\_  
NOTARY PUBLIC ID Number

Preliminary

**\$805,000**

Bracken County Water District - RD  
Potential Refunding through the  
Kentucky Rural Water Finance Corporation

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/20/2017	-	-	-	-	-
02/01/2018	-	-	8,897.99	8,897.99	-
08/01/2018	10,000.00	2.400%	12,226.25	22,226.25	-
12/31/2018	-	-	-	-	31,124.24
02/01/2019	-	-	12,106.25	12,106.25	-
08/01/2019	75,000.00	2.400%	12,106.25	87,106.25	-
12/31/2019	-	-	-	-	99,212.50
02/01/2020	-	-	11,206.25	11,206.25	-
08/01/2020	85,000.00	2.650%	11,206.25	96,206.25	-
12/31/2020	-	-	-	-	107,412.50
02/01/2021	-	-	10,080.00	10,080.00	-
08/01/2021	85,000.00	2.700%	10,080.00	95,080.00	-
12/31/2021	-	-	-	-	105,160.00
02/01/2022	-	-	8,932.50	8,932.50	-
08/01/2022	85,000.00	2.700%	8,932.50	93,932.50	-
12/31/2022	-	-	-	-	102,865.00
02/01/2023	-	-	7,785.00	7,785.00	-
08/01/2023	85,000.00	2.800%	7,785.00	92,785.00	-
12/31/2023	-	-	-	-	100,570.00
02/01/2024	-	-	6,595.00	6,595.00	-
08/01/2024	90,000.00	3.550%	6,595.00	96,595.00	-
12/31/2024	-	-	-	-	103,190.00
02/01/2025	-	-	4,997.50	4,997.50	-
08/01/2025	90,000.00	3.550%	4,997.50	94,997.50	-
12/31/2025	-	-	-	-	99,995.00
02/01/2026	-	-	3,400.00	3,400.00	-
08/01/2026	100,000.00	3.400%	3,400.00	103,400.00	-
12/31/2026	-	-	-	-	106,800.00
02/01/2027	-	-	1,700.00	1,700.00	-
08/01/2027	100,000.00	3.400%	1,700.00	101,700.00	-
12/31/2027	-	-	-	-	103,400.00
<b>Total</b>	<b>\$805,000.00</b>	<b>-</b>	<b>\$154,729.24</b>	<b>\$959,729.24</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$4,830.43
Average Life	6.001 Years
Average Coupon	3.2032184%
Net Interest Cost (NIC)	2.5547928%
True Interest Cost (TIC)	2.4835259%
Bond Yield for Arbitrage Purposes	2.4835259%
All Inclusive Cost (AIC)	2.7526097%

### IRS Form 8038

Net Interest Cost	2.4476540%
Weighted Average Maturity	6.029 Years

Bracken Co WD 2 | Bracken | 8/9/2017 | 2:28 PM

**Raymond James & Associates, Inc.**

Public Finance

Preliminary

**\$2,000,000**

Bracken County Water District - KRWFC

Potential Refunding through the

Kentucky Rural Water Finance Corporation

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/20/2017	-	-	-	-	-
02/01/2018	-	-	21,741.45	21,741.45	-
08/01/2018	180,000.00	2.400%	29,873.75	209,873.75	-
12/31/2018	-	-	-	-	231,615.20
02/01/2019	-	-	27,713.75	27,713.75	-
08/01/2019	180,000.00	2.400%	27,713.75	207,713.75	-
12/31/2019	-	-	-	-	235,427.50
02/01/2020	-	-	25,553.75	25,553.75	-
08/01/2020	185,000.00	2.650%	25,553.75	210,553.75	-
12/31/2020	-	-	-	-	236,107.50
02/01/2021	-	-	23,102.50	23,102.50	-
08/01/2021	190,000.00	2.700%	23,102.50	213,102.50	-
12/31/2021	-	-	-	-	236,205.00
02/01/2022	-	-	20,537.50	20,537.50	-
08/01/2022	195,000.00	2.700%	20,537.50	215,537.50	-
12/31/2022	-	-	-	-	236,075.00
02/01/2023	-	-	17,905.00	17,905.00	-
08/01/2023	200,000.00	2.800%	17,905.00	217,905.00	-
12/31/2023	-	-	-	-	235,810.00
02/01/2024	-	-	15,105.00	15,105.00	-
08/01/2024	205,000.00	3.550%	15,105.00	220,105.00	-
12/31/2024	-	-	-	-	235,210.00
02/01/2025	-	-	11,466.25	11,466.25	-
08/01/2025	215,000.00	3.550%	11,466.25	226,466.25	-
12/31/2025	-	-	-	-	237,932.50
02/01/2026	-	-	7,650.00	7,650.00	-
08/01/2026	220,000.00	3.400%	7,650.00	227,650.00	-
12/31/2026	-	-	-	-	235,300.00
02/01/2027	-	-	3,910.00	3,910.00	-
08/01/2027	230,000.00	3.400%	3,910.00	233,910.00	-
12/31/2027	-	-	-	-	237,820.00
<b>Total</b>	<b>\$2,000,000.00</b>	<b>-</b>	<b>\$357,502.70</b>	<b>\$2,357,502.70</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$11,192.78
Average Life	5.596 Years
Average Coupon	3.1940480%
Net Interest Cost (NIC)	2.8171546%
True Interest Cost (TIC)	2.7668193%
Bond Yield for Arbitrage Purposes	2.4696570%
All Inclusive Cost (AIC)	3.0612911%

### IRS Form 8038

Net Interest Cost	2.4344623%
Weighted Average Maturity	5.633 Years

KRWFC refundings 2 | Bracken | 8/ 9/2017 | 2:27 PM

**Raymond James & Associates, Inc.**

Public Finance

Preliminary

**\$805,000**

Bracken County Water District - RD  
Potential Refunding through the  
Kentucky Rural Water Finance Corporation

## Sources & Uses

Dated 09/20/2017 | Delivered 09/20/2017

### Sources Of Funds

Par Amount of Bonds	\$805,000.00
Reoffering Premium	31,321.75
Transfers from Prior Issue Debt Service Funds	16,225.00

**Total Sources** **\$852,546.75**

### Uses Of Funds

Costs of Issuance	12,075.00
Deposit to Current Refunding Fund	838,196.25
Rounding Amount	2,275.50

**Total Uses** **\$852,546.75**

Preliminary

**\$2,000,000**

Bracken County Water District - KRWFC  
Potential Refunding through the  
Kentucky Rural Water Finance Corporation

## Sources & Uses

Dated 09/20/2017 | Delivered 09/20/2017

### Sources Of Funds

Par Amount of Bonds	\$2,000,000.00
Reoffering Premium	73,184.85
Transfers from Prior Issue Debt Service Funds	21,338.33

**Total Sources** **\$2,094,523.18**

### Uses Of Funds

Total Underwriter's Discount (1.550%)	31,000.00
Costs of Issuance	30,000.00
Deposit to Current Refunding Fund	2,032,394.28
Rounding Amount	1,128.90

**Total Uses** **\$2,094,523.18**

Preliminary

**\$805,000**

Bracken County Water District - RD  
Potential Refunding through the  
Kentucky Rural Water Finance Corporation

### Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2017	-	-	-	-
12/31/2018	31,124.24	31,124.24	52,012.50	20,888.26
12/31/2019	99,212.50	99,212.50	51,337.50	(47,875.00)
12/31/2020	107,412.50	107,412.50	55,550.00	(51,862.50)
12/31/2021	105,160.00	105,160.00	54,650.00	(50,510.00)
12/31/2022	102,865.00	102,865.00	53,750.00	(49,115.00)
12/31/2023	100,570.00	100,570.00	52,850.00	(47,720.00)
12/31/2024	103,190.00	103,190.00	51,950.00	(51,240.00)
12/31/2025	99,995.00	99,995.00	51,050.00	(48,945.00)
12/31/2026	106,800.00	106,800.00	55,037.50	(51,762.50)
12/31/2027	103,400.00	103,400.00	53,912.50	(49,487.50)
12/31/2028	-	-	52,787.50	52,787.50
12/31/2029	-	-	51,662.50	51,662.50
12/31/2030	-	-	55,425.00	55,425.00
12/31/2031	-	-	54,075.00	54,075.00
12/31/2032	-	-	52,725.00	52,725.00
12/31/2033	-	-	51,375.00	51,375.00
12/31/2034	-	-	54,912.50	54,912.50
12/31/2035	-	-	53,337.50	53,337.50
12/31/2036	-	-	51,762.50	51,762.50
12/31/2037	-	-	55,075.00	55,075.00
12/31/2038	-	-	53,275.00	53,275.00
12/31/2039	-	-	51,475.00	51,475.00
12/31/2040	-	-	54,562.50	54,562.50
12/31/2041	-	-	52,537.50	52,537.50
12/31/2042	-	-	50,512.50	50,512.50
12/31/2043	-	-	53,375.00	53,375.00
12/31/2044	-	-	51,125.00	51,125.00
<b>TOTAL</b>	<b>\$959,729.24</b>	<b>\$959,729.24</b>	<b>\$1,432,100.00</b>	<b>\$472,370.76</b>

#### PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	192,278.63
Net PV Cashflow Savings @ 2.753%(AIC)	192,278.63
Transfers from Prior Issue Debt Service Fund	(16,225.00)
Contingency or Rounding Amount	2,275.50
<b>Net Benefit</b>	<b>458,421.26</b>
<b>Net Present Value Benefit</b>	<b>\$178,329.13</b>
Net PV Benefit / \$830,000 Refunded Principal	21.485%
Net PV Benefit / \$805,000 Refunding Principal	22.153%
Average Annual Cash Flow Savings	17,495.21

#### Refunding Bond Information

Refunding Dated Date	9/20/2017
Refunding Delivery Date	9/20/2017

Preliminary

**\$2,000,000**

Bracken County Water District - KRWFC  
Potential Refunding through the  
Kentucky Rural Water Finance Corporation

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2017	-	-	-	-
12/31/2018	231,615.20	231,615.20	256,060.00	24,444.80
12/31/2019	235,427.50	235,427.50	253,965.00	18,537.50
12/31/2020	236,107.50	236,107.50	256,442.50	20,335.00
12/31/2021	236,205.00	236,205.00	253,477.50	17,272.50
12/31/2022	236,075.00	236,075.00	255,060.00	18,985.00
12/31/2023	235,810.00	235,810.00	256,187.50	20,377.50
12/31/2024	235,210.00	235,210.00	256,860.00	21,650.00
12/31/2025	237,932.50	237,932.50	257,077.50	19,145.00
12/31/2026	235,300.00	235,300.00	256,840.00	21,540.00
12/31/2027	237,820.00	237,820.00	256,147.50	18,327.50
<b>TOTAL</b>	<b>\$2,357,502.70</b>	<b>\$2,357,502.70</b>	<b>\$2,558,117.50</b>	<b>\$200,614.80</b>

### PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	172,744.33
Net PV Cashflow Savings @ 3.061%(AIC)	172,744.33
Transfers from Prior Issue Debt Service Fund	(21,338.33)
Contingency or Rounding Amount	1,128.90

**Net Benefit** 180,405.37

Net Present Value Benefit	\$152,534.90
Net PV Benefit / \$2,020,000 Refunded Principal	7.551%
Net PV Benefit / \$2,000,000 Refunding Principal	7.627%
Average Annual Cash Flow Savings	20,061.48

### Refunding Bond Information

Refunding Dated Date	9/20/2017
Refunding Delivery Date	9/20/2017

Preliminary

**\$980,000**

Brackn Co WD

USDA-RD Series 2004

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
09/20/2017	830,000.00	8,196.25	838,196.25	-	-	-	-
01/01/2018	-	-	-	15,000.00	4.500%	18,675.00	33,675.00
07/01/2018	-	-	-	-	-	18,337.50	18,337.50
01/01/2019	-	-	-	15,000.00	4.500%	18,337.50	33,337.50
07/01/2019	-	-	-	-	-	18,000.00	18,000.00
01/01/2020	-	-	-	20,000.00	4.500%	18,000.00	38,000.00
07/01/2020	-	-	-	-	-	17,550.00	17,550.00
01/01/2021	-	-	-	20,000.00	4.500%	17,550.00	37,550.00
07/01/2021	-	-	-	-	-	17,100.00	17,100.00
01/01/2022	-	-	-	20,000.00	4.500%	17,100.00	37,100.00
07/01/2022	-	-	-	-	-	16,650.00	16,650.00
01/01/2023	-	-	-	20,000.00	4.500%	16,650.00	36,650.00
07/01/2023	-	-	-	-	-	16,200.00	16,200.00
01/01/2024	-	-	-	20,000.00	4.500%	16,200.00	36,200.00
07/01/2024	-	-	-	-	-	15,750.00	15,750.00
01/01/2025	-	-	-	20,000.00	4.500%	15,750.00	35,750.00
07/01/2025	-	-	-	-	-	15,300.00	15,300.00
01/01/2026	-	-	-	25,000.00	4.500%	15,300.00	40,300.00
07/01/2026	-	-	-	-	-	14,737.50	14,737.50
01/01/2027	-	-	-	25,000.00	4.500%	14,737.50	39,737.50
07/01/2027	-	-	-	-	-	14,175.00	14,175.00
01/01/2028	-	-	-	25,000.00	4.500%	14,175.00	39,175.00
07/01/2028	-	-	-	-	-	13,612.50	13,612.50
01/01/2029	-	-	-	25,000.00	4.500%	13,612.50	38,612.50
07/01/2029	-	-	-	-	-	13,050.00	13,050.00
01/01/2030	-	-	-	30,000.00	4.500%	13,050.00	43,050.00
07/01/2030	-	-	-	-	-	12,375.00	12,375.00
01/01/2031	-	-	-	30,000.00	4.500%	12,375.00	42,375.00
07/01/2031	-	-	-	-	-	11,700.00	11,700.00
01/01/2032	-	-	-	30,000.00	4.500%	11,700.00	41,700.00
07/01/2032	-	-	-	-	-	11,025.00	11,025.00
01/01/2033	-	-	-	30,000.00	4.500%	11,025.00	41,025.00
07/01/2033	-	-	-	-	-	10,350.00	10,350.00
01/01/2034	-	-	-	35,000.00	4.500%	10,350.00	45,350.00
07/01/2034	-	-	-	-	-	9,562.50	9,562.50
01/01/2035	-	-	-	35,000.00	4.500%	9,562.50	44,562.50
07/01/2035	-	-	-	-	-	8,775.00	8,775.00
01/01/2036	-	-	-	35,000.00	4.500%	8,775.00	43,775.00
07/01/2036	-	-	-	-	-	7,987.50	7,987.50
01/01/2037	-	-	-	40,000.00	4.500%	7,987.50	47,987.50
07/01/2037	-	-	-	-	-	7,087.50	7,087.50
01/01/2038	-	-	-	40,000.00	4.500%	7,087.50	47,087.50
07/01/2038	-	-	-	-	-	6,187.50	6,187.50
01/01/2039	-	-	-	40,000.00	4.500%	6,187.50	46,187.50
07/01/2039	-	-	-	-	-	5,287.50	5,287.50
01/01/2040	-	-	-	45,000.00	4.500%	5,287.50	50,287.50
07/01/2040	-	-	-	-	-	4,275.00	4,275.00
01/01/2041	-	-	-	45,000.00	4.500%	4,275.00	49,275.00
07/01/2041	-	-	-	-	-	3,262.50	3,262.50
01/01/2042	-	-	-	45,000.00	4.500%	3,262.50	48,262.50
07/01/2042	-	-	-	-	-	2,250.00	2,250.00
01/01/2043	-	-	-	50,000.00	4.500%	2,250.00	52,250.00
07/01/2043	-	-	-	-	-	1,125.00	1,125.00
01/01/2044	-	-	-	50,000.00	4.500%	1,125.00	51,125.00
<b>Total</b>	<b>\$830,000.00</b>	<b>\$8,196.25</b>	<b>\$838,196.25</b>	<b>\$830,000.00</b>	<b>-</b>	<b>\$602,100.00</b>	<b>\$1,432,100.00</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	9/20/2017
Average Life	15.901 Years
Average Coupon	4.5000000%
Weighted Average Maturity (Par Basis)	15.901 Years

### Refunding Bond Information

Refunding Dated Date	9/20/2017
Refunding Delivery Date	9/20/2017
Brackn Series 2004   SINGLE PURPOSE   & 9/2017   2 28 PM	

**Raymond James & Associates, Inc.**

Preliminary

**\$3,350,000**

Bracken County Water District  
Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program, Series 2007 D

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
09/20/2017	2,020,000.00	12,394.28	2,032,394.28	-	-	-	-
02/01/2018	-	-	-	-	-	45,530.00	45,530.00
08/01/2018	-	-	-	165,000.00	4.300%	45,530.00	210,530.00
02/01/2019	-	-	-	-	-	41,982.50	41,982.50
08/01/2019	-	-	-	170,000.00	4.425%	41,982.50	211,982.50
02/01/2020	-	-	-	-	-	38,221.25	38,221.25
08/01/2020	-	-	-	180,000.00	4.425%	38,221.25	218,221.25
02/01/2021	-	-	-	-	-	34,238.75	34,238.75
08/01/2021	-	-	-	185,000.00	4.550%	34,238.75	219,238.75
02/01/2022	-	-	-	-	-	30,030.00	30,030.00
08/01/2022	-	-	-	195,000.00	4.550%	30,030.00	225,030.00
02/01/2023	-	-	-	-	-	25,593.75	25,593.75
08/01/2023	-	-	-	205,000.00	4.550%	25,593.75	230,593.75
02/01/2024	-	-	-	-	-	20,930.00	20,930.00
08/01/2024	-	-	-	215,000.00	4.550%	20,930.00	235,930.00
02/01/2025	-	-	-	-	-	16,038.75	16,038.75
08/01/2025	-	-	-	225,000.00	4.550%	16,038.75	241,038.75
02/01/2026	-	-	-	-	-	10,920.00	10,920.00
08/01/2026	-	-	-	235,000.00	4.550%	10,920.00	245,920.00
02/01/2027	-	-	-	-	-	5,573.75	5,573.75
08/01/2027	-	-	-	245,000.00	4.550%	5,573.75	250,573.75
<b>Total</b>	<b>\$2,020,000.00</b>	<b>\$12,394.28</b>	<b>\$2,032,394.28</b>	<b>\$2,020,000.00</b>	<b>-</b>	<b>\$538,117.50</b>	<b>\$2,558,117.50</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	9/20/2017
Average Life	5.735 Years
Average Coupon	4.5379430%
Weighted Average Maturity (Par Basis)	5.735 Years

### Refunding Bond Information

Refunding Dated Date	9/20/2017
Refunding Delivery Date	9/20/2017

Series 2007 D w bps | Bracken | 8/ 9/2017 | 2:27 PM

**Raymond James & Associates, Inc.**

Public Finance

**BRACKEN COUNTY WATER DISTRICT**  
**STATEMENTS OF NET POSITION**  
**PROPRIETARY FUND**  
**December 31, 2015 and 2014**

	2015	2014
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents - Unrestricted	\$ 828,040	\$ 735,868
Unbilled Revenue	75,391	75,391
Accounts Receivable - Customers, Net of Allowance for Uncollectible (\$17,837)	133,810	140,922
Inventory	52,413	51,316
Prepaid Insurance	18,774	17,923
Total Current Assets	1,108,428	1,021,420
Noncurrent assets:		
Cash and Cash Equivalents - Restricted	236,080	228,995
KRWFC Sinking Fund	133,503	134,121
Bond Issue Costs	-	95,528
Nondepreciable Capital Assets:		
Land	14,491	14,491
Construction in Progress	300,744	-
Depreciable Capital Assets:		
Property, Plant and Equipment	16,634,333	16,526,993
Less: Accumulated depreciation	(5,314,902)	(5,019,055)
Total Noncurrent Assets	12,004,249	11,981,073
<b>TOTAL ASSETS</b>	<b>\$ 13,112,677</b>	<b>\$ 13,002,493</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts Payable	\$ 98,981	\$ 89,447
Customer Deposits	66,700	62,200
Accrued Wages and Vacation Pay	31,912	26,425
Taxes Payable	4,716	10,375
Accrued Interest	71,523	74,978
Current Portion of Long-Term Debt	248,675	233,922
Total Current Liabilities	522,507	497,347
Noncurrent Liabilities:		
Notes Payable, Net of Current Portion	4,378,450	4,331,623
<b>TOTAL LIABILITIES</b>	<b>4,900,957</b>	<b>4,828,970</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	7,007,541	6,956,884
Restricted for:		
Debt Service	197,114	196,580
Capital Projects and Replacement	104,252	100,629
Customer Deposits	68,217	65,907
Unrestricted	834,596	853,523
<b>TOTAL NET POSITION</b>	<b>\$ 8,211,720</b>	<b>\$ 8,173,523</b>

The notes to the financial statements are an integral part of this statement.

**BRACKEN COUNTY WATER DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**

**For The Years Ended December 31, 2015 and 2014**

	2015	2014
<b>OPERATING REVENUES:</b>		
Water Sales	\$ 1,451,141	\$ 1,502,896
Service Charges and Other Revenue	52,866	52,478
<b>TOTAL OPERATING REVENUES</b>	<b>1,504,007</b>	<b>1,555,374</b>
 <b>OPERATING EXPENSES:</b>		
Water Purchased	366,766	389,452
Salaries	239,292	233,033
Employee Pensions and Benefits	37,023	37,529
Electricity	44,428	46,055
Maintenance	21,762	26,356
Materials and Supplies	47,699	84,531
Insurance	38,385	39,853
Advertising	184	956
Accounting and Legal Fees	77,307	9,210
Transportation	13,787	16,828
Water Analysis Fee	2,813	3,162
Regulatory Commission Expense	3,006	2,926
Depreciation and Amortization	299,612	310,432
Payroll Taxes	17,534	17,425
<b>TOTAL OPERATING EXPENSES</b>	<b>1,209,598</b>	<b>1,217,748</b>
 <b>OPERATING INCOME</b>	 <b>294,409</b>	 <b>337,626</b>
 <b>NONOPERATING REVENUES (EXPENSES)</b>		
Customer Tap Fees	25,500	26,050
Gain/Loss on Sale of Assets	(2,510)	-
DOT Project Flow Through Income	20,959	-
DOT Project Flow Through Expense	(20,959)	-
Interest Income	1,005	582
Interest Expense	(184,679)	(194,295)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(160,684)</b>	<b>(167,663)</b>
 <b>Net Income Before Capital Contribution</b>	 <b>133,725</b>	 <b>169,963</b>
 Capital Contribution	 -	 -
 <b>CHANGE IN NET POSITION</b>	 <b>133,725</b>	 <b>169,963</b>
 NET POSITION- Beginning of year	 8,173,523	 8,023,540
Prior Period Adjustment	(95,528)	(19,980)
 <b>NET POSITION- End of year</b>	 <b>\$ 8,211,720</b>	 <b>\$ 8,173,523</b>

The notes to the financial statements are an integral part of this statement.

**BRACKEN COUNTY WATER DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUND**  
**For The Years Ended December 31, 2015 and 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Receipts from Customers	\$ 1,462,753	\$ 1,485,455
Cash Payments to Suppliers for Goods and Services	(614,210)	(597,691)
Cash Payments for Salaries and Benefits	(288,361)	(283,009)
Other Receipts (Payments)	52,866	52,478
	<b>613,048</b>	<b>657,233</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
KRWFC Sinking Fund	618	510
Interest Income	1,005	582
	<b>1,623</b>	<b>1,092</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds From Capital Debt	295,502	-
Principal Paid on Capital Debt	(233,922)	(225,748)
Purchases of Capital Assets	(414,359)	(147,571)
State Grants Received	-	-
Contributed Capital - Tap Fees	25,500	26,050
Interest Paid on Capital Debt	(188,135)	(194,295)
	<b>(515,414)</b>	<b>(541,564)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>99,257</b>	<b>116,761</b>
Cash and Cash Equivalents - Beginning of Year	964,863	848,102
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,064,120</b>	<b>\$ 964,863</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 294,409	\$ 337,626
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:		
Depreciation Expense	299,612	307,335
Amortization Expense	-	3,097
Change in Assets and Liabilities:		
Accounts Receivable	7,112	(20,691)
Inventories	(1,097)	5,894
Prepaid Expense	(851)	257
Accounts Payable and Other Payables	3,875	15,487
Customer Deposits	4,500	3,250
Accrued Wages and Vacation	5,488	4,978
	<b>613,048</b>	<b>657,233</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 613,048</b>	<b>\$ 657,233</b>

The notes to the financial statements are an integral part of this statement.

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

September 13, 2017

Honorable Sandra K. Dunahoo  
Commissioner and State Local Debt Officer  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky 40601

Re: Bracken County Water District  
Notice of Intent to Issue Securities

Dear Ms. Dunahoo:

Pursuant to the regulations of the Kentucky Public Service Commission, specifically 807 KAR 5:001: Section 18(1)(g), please be advised that the Bracken County Water District (the "District") hereby notifies the State Local Debt Officer that the District intends on issuing securities in the form of a loan from the Kentucky Rural Water Finance Corporation ("KRWFC") for the purpose of refinancing certain outstanding indebtedness of the District in order to achieve substantial interest cost savings for the District.

We will file the appropriate documents with your office in accordance with the requirements of KRS 65.117, once the securities are issued.

Very truly yours,

Rubin & Hays

By



W. Randall Jones

WRJ:jl  
Enclosures  
cc: Distribution List