

Rubin & Hays

ATTORNEYS AT LAW

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

October 25, 2017

RECEIVED

OCT 27 2017

PUBLIC SERVICE
COMMISSION

Ms. Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Bracken County Water District PSC Case No. 2017-00378

Dear Ms. Pinson:

Enclosed please find the original and six (6) copies of the Response of Bracken County Water District to the Commission Staff's First Request for Information.

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:jl
Enclosures

cc: Mr. Anthony Habermehl, Bracken County Water District
Ms. Kristen Millard, Raymond James and Associates

RECEIVED

OCT 27 2017

COMMONWEALTH OF KENTUCKY

PUBLIC SERVICE COMMISSION

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

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)

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

RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION

The Applicant, Bracken County Water District (the "District"), by Counsel, files this Response to the October 18, 2017 Commission Staff's First Request for Information as follows:

Request No. 1. The Bracken County Water District Waterworks Revenue Bonds, Series 2004 (the "2004 Bonds") have an outstanding principal balance of \$830,000. The Kentucky Rural Water Finance Corporation ("KRWFC") Series 2017B refunding will pay off the 2004 Bonds. The difference between the new principal amount and the outstanding principal amount is a combination of the prepaid monthly sinking funds that will be on hand at closing (under the 2004 Bond documents, the District is required to fund in advance 1/6th of the next interest payment and 1/12th of the next principal payment, which funds must be used to reduce the amount of the new loan) and

the estimated original issue premium. The KRWFC Bond issue will likely be priced with a premium because of its shorter maturity.

Request No. 2(a). The District has not locked in an interest rate because the KRWFC Bonds which fund the KRWFC Loan to the District have not been sold. Once the authorizing PSC Order has been issued, a date and time will be set for a competitive KRWFC Bond sale and rates will be locked in at that time.

Request No. 2(b). A typical standard used to estimate interest rates is a spread off the Municipal Market Data Scale ("MMD"). The MMD is compiled based on the interest rates of the top AAA rated bonds sold each day. Raymond James & Associates, Inc. ("Raymond James"), has averaged the spread to the MMD from the last few years of the KRWFC bond sales and used that average to estimate the interest rates and thus the potential savings to the District.

Request No. 2(c). The front page of the Official Statement from the last KRWFC Bond sale is attached hereto as **Exhibit "A"**.

Request No. 3. An estimated cost of issuance breakdown is listed below. The underwriter's discount will be part of the underwriter's bid on the sale date and has been estimated.

<u>2004 Refunding</u>	
Raymond James	1,449.00
Rubin & Hays	1,325.25
Rubin & Hays PSC filing	1,000.00
KRWFC	1,207.50
Trustee	250.00
POS Posting	750.00
Rating	6,000.00
Miscellaneous	93.50
 <u>2007 Reamortization</u>	
Raymond James	10,000.00
Rubin & Hays	7,500.00

Rubin & Hays PSC filing	1,000.00
KRWFC	4,500.00
Trustee	250.00
POS Posting	750.00
Rating	6,000.00
Miscellaneous	0.00

Request No. 4(a)(1). The District's proposed refunding is a single bond issue/note that has a series of principal maturities with ascending rates.

Request No. 4(a)(2). Virtually all bonds sold and bought in the public market are sold with ascending interest rates. Bonds are sold to the public. An investor that buys a bond maturing in the year 2027 expects to earn a higher rate of interest than an investor buying a 2019 maturity to compensate them for the greater risk they are incurring.

Request No. 4(b)(1). The difference is the principal that has been paid by the District.

Request No. 4(b)(2). The District's proposed reamortization is a single bond issue/note that has a series of principal maturities with ascending rates.

Request No. 4(b)(3). The answer to this Request is identical to the answer to Request No. 4(a)(2) above.

Request No. 5(a)(1). Net Present Value ("NPV") is a method of determining the current value of all future cash flows generated by a project after accounting for the initial capital investment. The NPV calculation is based on the All In Cost ("AIC"), which is a combination of the estimated interest rates, costs of issuance and underwriting discount, and any reoffering premium or original issue discount. The proof of AIC relating to the 2004 Bonds with all fees and expenses is attached hereto as **Exhibit "B"**. The proof of AIC relating to the 2004 Bonds without fees and expenses is attached hereto as **Exhibit "C"**.

Request No. 5(a)(2). The NPV calculation relating to the 2004 Bonds with all fees and expenses is attached hereto as **Exhibit "D"**.

Request No. 5(a)(3). The NPV calculation relating to the 2004 Bonds without fees and expenses is attached hereto as **Exhibit "E"**. These reports are generated using a specialized software program called Munex which does not show the formulas used for the calculations. The Munex software is used nationwide by most financial advisory firms.

Request No. 5(b)(1). The answer to this Request is identical to the answer to Request No. 5(a)(1) above. The proof of AIC relating to the 2007D Bonds with all fees and expenses is attached hereto as **Exhibit "F"**. The proof of AIC relating to the 2007D Bonds without fees and expenses is attached hereto as **Exhibit "G"**.

Request No. 5(b)(2). The NPV calculation relating to the 2007D Bonds with all fees and expenses is attached hereto as **Exhibit "H"**.

Request No. 5(b)(3). The NPV calculation relating to the 2007D Bonds without fees and expenses is attached hereto as **Exhibit "I"**. These reports are generated using a specialized software program called Munex which does not show the formulas used for the calculations. The Munex software is used nationwide by most financial advisory firms.

Request No. 6. The Board Resolutions (separate one for each loan) approving the KRWFC Loan Series 2017B refunding is attached hereto as **Exhibit "J"**.

Request No. 7. The District would need to obtain the Commission's approval by November 8, 2017. Any delay in obtaining the Commission's approval jeopardizes the potential interest cost savings to the District due to the possibility of rising interest rates in the future.

Respectfully Submitted,

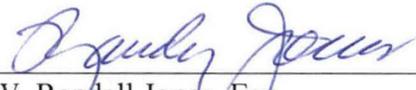
Rubin & Hays

By 

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Louisville, Kentucky 40202
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Fax: (502) 569-7555
Counsel for Bracken County Water District
wrjones@rubinhays.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Response was duly mailed by first class United States Postal Service mail to all parties of record in this proceeding on this 25th day of October, 2017.



W. Randall Jones, Esq.
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

OFFICIAL STATEMENT

**NEW ISSUE
NOT BANK QUALIFIED**

RATING: Standard & Poor's Rating Services: "A+"
See "BOND RATING" herein.

In the opinion of Bond Counsel, based upon laws, regulations, rulings and decisions, and assuming continuing compliance with certain covenants made by the Corporation, interest on the Series 2017A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, upon the conditions and subject to the limitations set forth herein under the caption "TAX MATTERS." Receipt of interest on the Series 2017A Bonds may result in other federal income tax consequences to certain holders of the Series 2017A Bonds. In the opinion of Bond Counsel, interest on the Series 2017A Bonds is also exempt from income tax by the Commonwealth of Kentucky, and the Series 2017A Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

\$7,010,000
KENTUCKY RURAL WATER FINANCE CORPORATION
PUBLIC PROJECTS REFUNDING AND IMPROVEMENT REVENUE BONDS
(FLEXIBLE TERM PROGRAM), SERIES 2017A

Dated Date: Date of Issuance

Due: February 1, as set forth below

The Series 2017A Bonds will bear interest payable on each February 1 and August 1, beginning February 1, 2018, as determined in accordance with the Trust Indenture dated as of April 4, 2001, and the Supplemental Trust Indenture No. 68, dated as of July 11, 2017 between the Kentucky Rural Water Finance Corporation (the "Issuer") and Regions Bank, Nashville, Tennessee, as trustee (the "Trustee"). Interest is payable by check or draft mailed to the registered owners of the Bonds at their addresses appearing on the registration books kept by the Trustee as of the applicable record date preceding each interest payment date. The Series 2017A Bonds are to be delivered in fully registered form in the authorized denominations described in the Indenture.

The Bonds are issued initially under a book-entry only system, registered in the name of CEDE & CO., as registered bondowner and nominee for The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchasers of Book-entry Interests in the Bonds will not receive certificates representing their interest in the Bonds.

THE SERIES 2017A BONDS ARE SUBJECT TO OPTIONAL AND EXTRAORDINARY OPTIONAL REDEMPTION PRIOR TO MATURITY AS DESCRIBED HEREIN. THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND ARE PAYABLE SOLELY OUT OF REVENUES, FUNDS AND ASSETS PLEDGED UNDER THE INDENTURE. THIS OFFICIAL STATEMENT AND THE APPENDICES ATTACHED HERETO SHOULD BE READ IN THEIR ENTIRETY.

NEITHER THE COMMONWEALTH OF KENTUCKY, KENTUCKY RURAL WATER FINANCE CORPORATION, NOR ANY OTHER MUNICIPAL CORPORATION, QUASIMUNICIPAL CORPORATION, SUBDIVISION, OR AGENCY OF THE COMMONWEALTH OF KENTUCKY IS OBLIGATED TO PAY THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. NO TAX FUNDS OR GOVERNMENTAL REVENUE MAY BE USED TO PAY THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. NEITHER ANY OR ALL OF THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF KENTUCKY, KENTUCKY RURAL WATER FINANCE CORPORATION, OR ANY OTHER MUNICIPAL CORPORATION, QUASI MUNICIPAL CORPORATION, SUBDIVISION, OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS.

\$2,150,000 Serial Bonds

<u>CUSIP #</u>	<u>February 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or</u>	<u>CUSIP #</u>	<u>February 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or</u>
<u>49140M</u>	<u>Maturity</u>			<u>Yield</u>	<u>49140M</u>	<u>Maturity</u>			<u>Yield</u>
4H9	2018	\$ 80,000	4.000%	1.100%	4P1	2024	\$210,000	4.000%	2.200%
4J5	2019	170,000	4.000%	1.250%	4Q9	2025	215,000	4.000%	2.400%
4K2	2020	180,000	4.000%	1.400%	4R7	2026	230,000	4.000%	2.600%
4L0	2021	185,000	4.000%	1.600%	4S5	2027	240,000	4.000%	2.800%
4M8	2022	195,000	4.000%	1.800%	4U0	2030	240,000	3.000%	3.100%
4N6	2023	205,000	4.000%	2.000%					

\$4,860,000 Term Bonds

\$475,000	3.000%	- Term Bond Due February 1, 2029 - Yield 3.000%	CUSIP# 49140M 4T3
\$495,000	3.125%	- Term Bond Due February 1, 2032 - Yield 3.250%	CUSIP# 49140M 4V8
\$730,000	3.250%	- Term Bond Due February 1, 2035 - Yield 3.350%	CUSIP# 49140M 4W6
\$730,000	3.250%	- Term Bond Due February 1, 2038 - Yield 3.450%	CUSIP# 49140M 4X4
\$500,000	3.500%	- Term Bond Due February 1, 2040 - Yield 3.500%	CUSIP# 49140M 4Y2
\$585,000	3.500%	- Term Bond Due February 1, 2043 - Yield 3.550%	CUSIP# 49140M 4Z9
\$1,345,000	3.500%	- Term Bond Due February 1, 2047 - Yield 3.600%	CUSIP# 49140M 5A3

The Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the approval of legality and tax exemption by Rubin & Hays, Bond Counsel, Louisville, Kentucky. Certain legal matters will be passed upon for the Issuer by its counsel, Stoll Keenon & Ogden PLLC, Hodgenville, Kentucky. This Official Statement is deemed final for the purposes of SEC Rule 15c2-12(b)(1). Delivery of the Bonds is expected on or about July 11, 2017.

J.J.B. HILLIARD, W.L. LYONS, LLC

Tribal Capital Markets, LLC

Northland Securities, Inc.

Benchmark Securities, LLC

Dated: June 20, 2016

Preliminary

\$805,000

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

Proof Of All In Cost (AIC) @ 2.7526097%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
09/20/2017	-	1.0000000x	-	-
02/01/2018	8,897.99	0.9901012x	8,809.91	8,809.91
08/01/2018	22,226.25	0.9766594x	21,707.48	30,517.39
02/01/2019	12,106.25	0.9634000x	11,663.16	42,180.55
08/01/2019	87,106.25	0.9503207x	82,778.88	124,959.42
02/01/2020	11,206.25	0.9374190x	10,504.95	135,464.37
08/01/2020	96,206.25	0.9246924x	88,961.19	224,425.56
02/01/2021	10,080.00	0.9121386x	9,194.36	233,619.92
08/01/2021	95,080.00	0.8997552x	85,548.73	319,168.65
02/01/2022	8,932.50	0.8875400x	7,927.95	327,096.60
08/01/2022	93,932.50	0.8754906x	82,237.02	409,333.61
02/01/2023	7,785.00	0.8636047x	6,723.16	416,056.78
08/01/2023	92,785.00	0.8518802x	79,041.71	495,098.49
02/01/2024	6,595.00	0.8403150x	5,541.88	500,640.36
08/01/2024	96,595.00	0.8289067x	80,068.24	580,708.60
02/01/2025	4,997.50	0.8176533x	4,086.22	584,794.83
08/01/2025	94,997.50	0.8065526x	76,620.48	661,415.31
02/01/2026	3,400.00	0.7956027x	2,705.05	664,120.36
08/01/2026	103,400.00	0.7848015x	81,148.47	745,268.83
02/01/2027	1,700.00	0.7741468x	1,316.05	746,584.88
08/01/2027	101,700.00	0.7636369x	77,661.87	824,246.75
Total	\$959,729.24	-	\$824,246.75	-

Derivation Of Target Amount

Par Amount of Bonds	\$805,000.00
Reoffering Premium or (Discount)	31,321.75
Costs of Issuance	(12,075.00)
Net Issue Proceeds	\$824,246.75

Preliminary

\$795,000

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

Proof Of All In Cost (AIC) @ 2.4827738%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
09/20/2017	-	1.0000000x	-	-
02/01/2018	8,787.92	0.9910613x	8,709.37	8,709.37
08/01/2018	22,075.00	0.9789092x	21,609.42	30,318.79
02/01/2019	11,955.00	0.9669062x	11,559.36	41,878.15
08/01/2019	86,955.00	0.9550503x	83,046.40	124,924.55
02/01/2020	11,055.00	0.9433398x	10,428.62	135,353.17
08/01/2020	91,055.00	0.9317729x	84,842.58	220,195.75
02/01/2021	9,995.00	0.9203478x	9,198.88	229,394.63
08/01/2021	94,995.00	0.9090628x	86,356.42	315,751.05
02/01/2022	8,847.50	0.8979162x	7,944.31	323,695.37
08/01/2022	93,847.50	0.8869063x	83,233.94	406,929.31
02/01/2023	7,700.00	0.8760313x	6,745.44	413,674.75
08/01/2023	92,700.00	0.8652898x	80,212.36	493,887.11
02/01/2024	6,510.00	0.8546799x	5,563.97	499,451.07
08/01/2024	96,510.00	0.8442001x	81,473.75	580,924.82
02/01/2025	4,912.50	0.8338488x	4,096.28	585,021.10
08/01/2025	94,912.50	0.8236244x	78,172.25	663,193.36
02/01/2026	3,315.00	0.8135254x	2,696.84	665,890.19
08/01/2026	98,315.00	0.8035503x	79,001.04	744,891.24
02/01/2027	1,700.00	0.7936974x	1,349.29	746,240.52
08/01/2027	101,700.00	0.7839654x	79,729.28	825,969.80
Total	\$947,842.92	-	\$825,969.80	-

Derivation Of Target Amount

Par Amount of Bonds	\$795,000.00
Reoffering Premium or (Discount)	30,969.80
Net Issue Proceeds	\$825,969.80

Preliminary

\$805,000

Bracken County Water District - RD

Potential Refunding through the

Kentucky Rural Water Finance Corporation

PROOF OF GROSS D/S SAVINGS @ 2.7526097%

Date	NEW GROSS D/S	OLD GROSS D/S	SAVINGS	PV Factor	Present Value
12/31/2017	-	-	-	1.0000000x	-
12/31/2018	31,124.24	52,012.50	20,888.26	0.9766594x	20,850.66
12/31/2019	99,212.50	51,337.50	(47,875.00)	0.9503207x	(45,106.65)
12/31/2020	107,412.50	55,550.00	(51,862.50)	0.9246924x	(47,497.61)
12/31/2021	105,160.00	54,650.00	(50,510.00)	0.8997552x	(44,993.25)
12/31/2022	102,865.00	53,750.00	(49,115.00)	0.8754906x	(42,551.97)
12/31/2023	100,570.00	52,850.00	(47,720.00)	0.8518802x	(40,209.63)
12/31/2024	103,190.00	51,950.00	(51,240.00)	0.8289067x	(42,036.28)
12/31/2025	99,995.00	51,050.00	(48,945.00)	0.8065526x	(39,040.53)
12/31/2026	106,800.00	55,037.50	(51,762.50)	0.7848015x	(40,125.21)
12/31/2027	103,400.00	53,912.50	(49,487.50)	0.7636369x	(37,295.85)
12/31/2028	-	52,787.50	52,787.50	0.7447378x	39,714.38
12/31/2029	-	51,662.50	51,662.50	0.7246536x	37,822.52
12/31/2030	-	55,425.00	55,425.00	0.7051111x	39,498.56
12/31/2031	-	54,075.00	54,075.00	0.6860956x	37,500.76
12/31/2032	-	52,725.00	52,725.00	0.6675929x	35,581.98
12/31/2033	-	51,375.00	51,375.00	0.6495892x	33,739.42
12/31/2034	-	54,912.50	54,912.50	0.6320710x	35,103.11
12/31/2035	-	53,337.50	53,337.50	0.6150253x	33,181.12
12/31/2036	-	51,762.50	51,762.50	0.5984392x	31,337.26
12/31/2037	-	55,075.00	55,075.00	0.5823005x	32,454.78
12/31/2038	-	53,275.00	53,275.00	0.5665970x	30,552.65
12/31/2039	-	51,475.00	51,475.00	0.5513169x	28,729.50
12/31/2040	-	54,562.50	54,562.50	0.5364490x	29,641.28
12/31/2041	-	52,537.50	52,537.50	0.5219820x	27,777.62
12/31/2042	-	50,512.50	50,512.50	0.5079051x	25,992.93
12/31/2043	-	53,375.00	53,375.00	0.4942079x	26,733.74
12/31/2044	-	51,125.00	51,125.00	0.4874984x	24,923.36
Total	\$959,729.24	\$1,432,100.00	\$472,370.76	-	\$192,278.63

Preliminary

\$795,000

Bracken County Water District - RD

Potential Refunding through the

Kentucky Rural Water Finance Corporation

PROOF OF GROSS D/S SAVINGS @ 2.4827738%

Date	NEW GROSS D/S	OLD GROSS D/S	SAVINGS	PV Factor	Present Value
12/31/2017	-	-	-	1.0000000x	-
12/31/2018	30,862.92	52,012.50	21,149.58	0.9789092x	21,111.59
12/31/2019	98,910.00	51,337.50	(47,572.50)	0.9550503x	(45,078.89)
12/31/2020	102,110.00	55,550.00	(46,560.00)	0.9317729x	(42,964.23)
12/31/2021	104,990.00	54,650.00	(50,340.00)	0.9090628x	(45,348.13)
12/31/2022	102,695.00	53,750.00	(48,945.00)	0.8869063x	(42,999.60)
12/31/2023	100,400.00	52,850.00	(47,550.00)	0.8652898x	(40,738.62)
12/31/2024	103,020.00	51,950.00	(51,070.00)	0.8442001x	(42,711.10)
12/31/2025	99,825.00	51,050.00	(48,775.00)	0.8236244x	(39,769.69)
12/31/2026	101,630.00	55,037.50	(46,592.50)	0.8035503x	(36,978.62)
12/31/2027	103,400.00	53,912.50	(49,487.50)	0.7839654x	(38,338.51)
12/31/2028	-	52,787.50	52,787.50	0.7664322x	40,830.76
12/31/2029	-	51,662.50	51,662.50	0.7477519x	38,989.15
12/31/2030	-	55,425.00	55,425.00	0.7295270x	40,823.91
12/31/2031	-	54,075.00	54,075.00	0.7117463x	38,862.08
12/31/2032	-	52,725.00	52,725.00	0.6943989x	36,971.64
12/31/2033	-	51,375.00	51,375.00	0.6774743x	35,150.27
12/31/2034	-	54,912.50	54,912.50	0.6609623x	36,667.19
12/31/2035	-	53,337.50	53,337.50	0.6448527x	34,751.56
12/31/2036	-	51,762.50	51,762.50	0.6291357x	32,907.52
12/31/2037	-	55,075.00	55,075.00	0.6138018x	34,170.78
12/31/2038	-	53,275.00	53,275.00	0.5988416x	32,253.33
12/31/2039	-	51,475.00	51,475.00	0.5842461x	30,409.05
12/31/2040	-	54,562.50	54,562.50	0.5700063x	31,456.80
12/31/2041	-	52,537.50	52,537.50	0.5561136x	29,556.99
12/31/2042	-	50,512.50	50,512.50	0.5425594x	27,731.09
12/31/2043	-	53,375.00	53,375.00	0.5293356x	28,596.63
12/31/2044	-	51,125.00	51,125.00	0.5228451x	26,730.46
Total	\$947,842.92	\$1,432,100.00	\$484,257.08	-	\$223,043.43

Preliminary

\$2,000,000

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

Proof Of All In Cost (AIC) @ 3.0612911%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
09/20/2017	-	1.0000000x	-	-
02/01/2018	21,741.45	0.9890056x	21,502.42	21,502.42
08/01/2018	209,873.75	0.9740956x	204,437.10	225,939.52
02/01/2019	27,713.75	0.9594105x	26,588.86	252,528.38
08/01/2019	207,713.75	0.9449467x	196,278.42	448,806.80
02/01/2020	25,553.75	0.9307009x	23,782.90	472,589.70
08/01/2020	210,553.75	0.9166700x	193,008.30	665,598.00
02/01/2021	23,102.50	0.9028505x	20,858.10	686,456.10
08/01/2021	213,102.50	0.8892394x	189,499.15	875,955.25
02/01/2022	20,537.50	0.8758335x	17,987.43	893,942.68
08/01/2022	215,537.50	0.8626297x	185,929.05	1,079,871.73
02/01/2023	17,905.00	0.8496250x	15,212.54	1,095,084.26
08/01/2023	217,905.00	0.8368163x	182,346.45	1,277,430.72
02/01/2024	15,105.00	0.8242007x	12,449.55	1,289,880.27
08/01/2024	220,105.00	0.8117753x	178,675.80	1,468,556.07
02/01/2025	11,466.25	0.7995372x	9,167.69	1,477,723.76
08/01/2025	226,466.25	0.7874836x	178,338.46	1,656,062.22
02/01/2026	7,650.00	0.7756118x	5,933.43	1,661,995.65
08/01/2026	227,650.00	0.7639189x	173,906.13	1,835,901.78
02/01/2027	3,910.00	0.7524023x	2,941.89	1,838,843.68
08/01/2027	233,910.00	0.7410593x	173,341.17	2,012,184.85
Total	\$2,357,502.70	-	\$2,012,184.85	-

Derivation Of Target Amount

Par Amount of Bonds	\$2,000,000.00
Reoffering Premium or (Discount)	73,184.85
Total Underwriter's Discount (1.550%)	\$(31,000.00)
Costs of Issuance	(30,000.00)
Net Issue Proceeds	\$2,012,184.85

KRWFC refundings 2 | Bracken | 10/23/2017 | 10:38 AM

Raymond James & Associates, Inc.

Public Finance

Preliminary

\$1,945,000

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

Proof Of All In Cost (AIC) @ 2.4664248%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
09/20/2017	-	1.0000000x	-	-
02/01/2018	21,121.02	0.9911195x	20,933.46	20,933.46
08/01/2018	209,021.25	0.9790458x	204,641.38	225,574.83
02/01/2019	26,861.25	0.9671192x	25,978.03	251,552.86
08/01/2019	201,861.25	0.9553378x	192,845.69	444,398.55
02/01/2020	24,761.25	0.9437000x	23,367.19	467,765.74
08/01/2020	204,761.25	0.9322039x	190,879.24	658,644.98
02/01/2021	22,376.25	0.9208479x	20,605.12	679,250.11
08/01/2021	207,376.25	0.9096303x	188,635.71	867,885.82
02/01/2022	19,878.75	0.8985492x	17,862.04	885,747.85
08/01/2022	209,878.75	0.8876032x	186,289.05	1,072,036.90
02/01/2023	17,313.75	0.8767905x	15,180.53	1,087,217.43
08/01/2023	212,313.75	0.8661095x	183,886.96	1,271,104.40
02/01/2024	14,583.75	0.8555587x	12,477.25	1,283,581.65
08/01/2024	214,583.75	0.8451364x	181,352.53	1,464,934.18
02/01/2025	11,033.75	0.8348410x	9,211.43	1,474,145.61
08/01/2025	216,033.75	0.8246711x	178,156.78	1,652,302.39
02/01/2026	7,395.00	0.8146250x	6,024.15	1,658,326.54
08/01/2026	222,395.00	0.8047013x	178,961.55	1,837,288.09
02/01/2027	3,740.00	0.7948985x	2,972.92	1,840,261.01
08/01/2027	223,740.00	0.7852152x	175,684.04	2,015,945.05
Total	\$2,291,029.77	-	\$2,015,945.05	-

Derivation Of Target Amount

Par Amount of Bonds	\$1,945,000.00
Reoffering Premium or (Discount)	70,945.05
Net Issue Proceeds	\$2,015,945.05

KRWFC refundings 2 no fee | Bracken | 10/23/2017 | 10:38 AM

Raymond James & Associates, Inc.

Public Finance

Preliminary

\$2,000,000

Bracken County Water District - KRWFC

Potential Refunding through the

Kentucky Rural Water Finance Corporation

PROOF OF GROSS D/S SAVINGS @ 3.0612911%

Date	NEW GROSS D/S	OLD GROSS D/S	SAVINGS	PV Factor	Present Value
12/31/2017	-	-	-	1.0000000x	-
12/31/2018	231,615.20	256,060.00	24,444.80	0.9740956x	24,166.26
12/31/2019	235,427.50	253,965.00	18,537.50	0.9449467x	17,723.33
12/31/2020	236,107.50	256,442.50	20,335.00	0.9166700x	18,818.22
12/31/2021	236,205.00	253,477.50	17,272.50	0.8892394x	15,510.96
12/31/2022	236,075.00	255,060.00	18,985.00	0.8626297x	16,502.36
12/31/2023	235,810.00	256,187.50	20,377.50	0.8368163x	17,150.71
12/31/2024	235,210.00	256,860.00	21,650.00	0.8117753x	17,647.31
12/31/2025	237,932.50	257,077.50	19,145.00	0.7874836x	15,131.49
12/31/2026	235,300.00	256,840.00	21,540.00	0.7639189x	16,493.05
12/31/2027	237,820.00	256,147.50	18,327.50	0.7410593x	13,600.64
Total	\$2,357,502.70	\$2,558,117.50	\$200,614.80	-	\$172,744.33

KRWFC refundings 2 | Bracken | 10/23/2017 | 10:38 AM

Raymond James & Associates, Inc.

Public Finance

Preliminary

\$1,945,000

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

PROOF OF GROSS D/S SAVINGS @ 2.4664248%

Date	NEW GROSS D/S	OLD GROSS D/S	SAVINGS	PV Factor	Present Value
12/31/2017	-	-	-	1.0000000x	-
12/31/2018	230,142.27	256,060.00	25,917.73	0.9790458x	25,669.35
12/31/2019	228,722.50	253,965.00	25,242.50	0.9553378x	24,293.26
12/31/2020	229,522.50	256,442.50	26,920.00	0.9322039x	25,249.67
12/31/2021	229,752.50	253,477.50	23,725.00	0.9096303x	21,714.05
12/31/2022	229,757.50	255,060.00	25,302.50	0.8876032x	22,569.70
12/31/2023	229,627.50	256,187.50	26,560.00	0.8661095x	23,092.31
12/31/2024	229,167.50	256,860.00	27,692.50	0.8451364x	23,470.08
12/31/2025	227,067.50	257,077.50	30,010.00	0.8246711x	24,799.28
12/31/2026	229,790.00	256,840.00	27,050.00	0.8047013x	21,802.15
12/31/2027	227,480.00	256,147.50	28,667.50	0.7852152x	22,527.91
Total	\$2,291,029.77	\$2,558,117.50	\$267,087.73	-	\$235,187.76

KRWFC refundings 2 no fee | Bracken | 10/23/2017 | 10:38 AM

Raymond James & Associates, Inc.

Public Finance

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN AMENDED ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF AMENDING A LOAN TO THE DISTRICT.

WHEREAS, the Board of Commissioners of the Bracken County Water District (the "District") previously obtained a loan dated July 30, 2007, in the original principal amount of \$3,350,000 (the "Series 2007D Loan") from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2007D (the "Series 2007D Bonds"), the proceeds of which Series 2007D Loan were used to refinance two short-term notes secured by the District's municipal water system (the "System"), the proceeds of which notes were used to finance the cost to (1) construct approximately 20,900 linear feet of water line, with appurtenances, and (2) construct and equip a new storage facility and offices; and

WHEREAS, the Kentucky Rural Water Finance Corporation (the "Corporation") has determined that if the Corporation refunds the outstanding Series 2007D Bonds, then the District can obtain debt service savings on its Series 2007D Loan; and

WHEREAS, the Board of Commissioners has determined that it is in the public interest to amend the outstanding Series 2007D Loan, in order for the District to obtain debt service savings; and

WHEREAS, the District desires the Corporation to act as its agency and instrumentality to issue the bonds that will refund the Series 2007D Bonds for the purpose of amending the outstanding Series 2007D Loan and has made an application to the Corporation therefore; and

WHEREAS, in order to obtain such debt service savings, the District is required to enter into an Amended Assistance Agreement with the Corporation;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Bracken County Water District as follows:

1. Authorization of Amended Assistance Agreement and the Series 2007D Loan Thereunder. The District hereby authorizes and approves an Amended Assistance Agreement for the Series 2007D Loan for the purpose of achieving debt service savings on its Series 2007D Loan all as agreed upon by the District and the Corporation.

2. Approval and Authorization of Execution of Amended Assistance Agreement. The Amended Assistance Agreement by and between the District and the Corporation in such form as may be approved by the Chairman, is hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the

Chairman, such approval to be conclusively evidenced by the execution of said Amended Assistance Agreement, in order to effectuate the purposes of this Resolution; and the Chairman, or any other officer of the District, is hereby authorized to execute and acknowledge same for and on behalf of the District; and the Secretary is authorized to attest same and to affix thereto the corporate seal of the District. The Amended Assistance Agreement is hereby ordered to be filed in the office of the Secretary with this Resolution in the official records of the District.

3. Disbursement of Proceeds of Series 2007D Loan. The District's officers, employees and agents are authorized to carry out the procedures specified in the Amended Assistance Agreement for the amendment of the Series 2007D Loan and for the payment from time to time of the costs and related expenses associated therewith.

4. Revenues of the System. The revenues of the System are determined to be sufficient to pay the principal of and interest on the Series 2007D Loan, as the same become due and payable; and said revenues, pursuant to the terms of the Amended Assistance Agreement, are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Amended Assistance Agreement.

5. Chairman and Other District Officials to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, Treasurer, Secretary and all other appropriate officials of the District are hereby authorized and directed to file any and all applications necessary to obtain approval for the amendment of the Series 2007D Loan from the Kentucky Public Service Commission and to take any and all further action and to execute and deliver all other documents as may be reasonably necessary to effect the issuance and delivery of the Amended Assistance Agreement.

6. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

7. Captions of Clauses. The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

8. Provisions in Conflict Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

9. Effective Date of Resolution. This Resolution shall take effect from and after its adoption and approval.

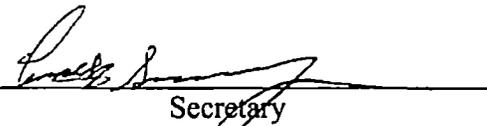
[Signature Page Follows]

Adopted on June 21, 2017.

BRACKEN COUNTY WATER DISTRICT

By  _____
Chairman

Attest:

By  _____
Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Commissioners of the District at a meeting duly held on June 21, 2017; that said official action appears as a matter of public record in the official records or Journal of the Board of Commissioners; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this June 21, 2017.

 _____
Secretary

RESOLUTION

RESOLUTION OF THE BRACKEN COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF REFUNDING CERTAIN OBLIGATIONS OF THE DISTRICT.

WHEREAS, the Board of Commissioners of the Bracken County Water District (the "District") has determined that it is in the public interest to currently refund the following outstanding bonds (the "Prior Bonds"), in order for the District to obtain substantial interest cost savings: Bracken County Water District Waterworks Revenue Bonds, Series 2004, dated October 7, 2004, in the original principal amount of \$980,000; and

WHEREAS, the District desires the Kentucky Rural Water Finance Corporation (the "Corporation") to act as its agency and instrumentality for the purpose of providing monies to currently refund the outstanding Prior Bonds and has made an application to the Corporation therefore; and

WHEREAS, in order to obtain such monies, the District is required to enter into an Assistance Agreement with the Corporation;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Bracken County Water District as follows:

1. Authorization of Assistance Agreement and the Obligations Thereunder. For the purpose of paying the costs, not otherwise provided, of the current refunding of the Prior Bonds, the District hereby authorizes and approves the issuance of its obligations pursuant to an Assistance Agreement in the aggregate principal amount of \$805,000 (subject to adjustment of up to 10%) (which aggregate principal amount may be adjusted downward in the event that the Chairman determines it is in the District's best interest to not refund one or more of the Prior Bonds) [the "Obligations"], which amount as adjusted shall be the maximum amount of such Obligations to be outstanding at any one time under the Assistance Agreement, issued as fully registered Obligations, in said maturities and terms as more fully provided for in the Assistance Agreement. The Obligations shall bear interest at such rates and shall be payable in such amounts and at such times as specified in the Assistance Agreement, all as agreed upon by the District and the Corporation.

2. Approval and Authorization of Execution of Assistance Agreement. The Assistance Agreement by and between the District and the Corporation in the respective form attached to this Resolution, is hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the Chairman, such approval to be conclusively evidenced by the execution of said Assistance Agreement, in order to effectuate the purposes of this Resolution; and the Chairman, or any other officer of the District, is hereby authorized to execute and acknowledge same for and on behalf of the District; and the Secretary is authorized

to attest same and to affix thereto the corporate seal of the District. The Assistance Agreement is hereby ordered to be filed in the office of the Secretary with this Resolution in the official records of the District.

3. Disbursement of Proceeds of Obligations. The District's officers, employees and agents are authorized to carry out the procedures specified in the Assistance Agreement for the current refunding of the Prior Bonds and for the payment from time to time of the costs and related expenses associated therewith.

4. Revenues of the System. The revenues of the District's water system (the "System") are determined to be sufficient to pay the principal of and interest on the Obligations, as the same become due and payable; and said revenues, pursuant to the terms of the Assistance Agreement, are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Assistance Agreement.

5. Chairman and Other District Officials to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, Treasurer, Secretary and all other appropriate officials of the District are hereby authorized and directed to file any and all applications necessary to obtain approval of the issuance of the Obligations from the Kentucky Public Service Commission and to take any and all further action and to execute and deliver all other documents as may be reasonably necessary to effect the issuance and delivery of the Obligations and the Assistance Agreement.

6. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

7. Captions of Clauses. The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

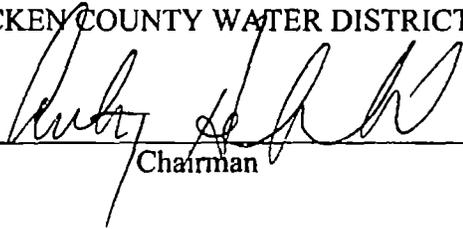
8. Provisions in Conflict Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

9. Effective Date of Resolution. This Resolution shall take effect from and after its adoption and approval.

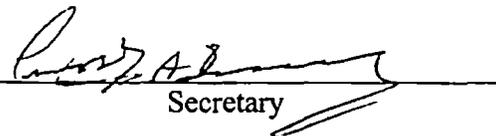
[Signature Page Follows]

Adopted on August 22, 2017.

BRACKEN COUNTY WATER DISTRICT

By  Chairman

Attest:

By  Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Commissioners of the District at a meeting duly held on August 22, 2017; that said official action appears as a matter of public record in the official records or Journal of the Board of Commissioners; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this August 22, 2017.

 Secretary