

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

RECEIVED

AUG 07 2019

PUBLIC SERVICE
COMMISSION

August 7, 2019

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

Re: Big Sandy County Water District PSC Application - KRS 278.300

Dear Director Pinson:

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

This Application requests approval of the issuance of securities for the purpose of refunding and reamortizing certain high interest indebtedness of the Applicant.

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. Teresa Brown, Big Sandy Water District
Ms. Kristen Millard, Raymond James

RECEIVED

AUG 07 2019

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

THE APPLICATION OF THE BIG SANDY)
 WATER DISTRICT TO ISSUE SECURITIES IN)
 THE APPROXIMATE PRINCIPAL AMOUNT OF)
 \$1,875,000 FOR THE PURPOSE OF REFUNDING) CASE NO. 2019 - 00276
 AND REAMORTIZING CERTAIN OUTSTANDING)
 OBLIGATIONS OF THE DISTRICT PURSUANT)
 TO THE PROVISIONS OF KRS 278.300)
 AND 807 KAR 5:001)

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

APPLICATION

The Applicant, Big Sandy 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 \$1,875,000 (subject to adjustment of up to 10%), for the purpose of (i) refunding certain outstanding waterworks revenue bonds of the District; and (ii) reamortizing an outstanding loan from the Kentucky Rural Water Finance Corporation ("KRWFC"). 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 Lawrence County, which Order is on file in the County Court Order Books in the office of the Clerk of

Lawrence 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 and email address of the District is as follows:

Big Sandy Water District
c/o Mr. Paul E. Thomas, Chairman
18200 State Route 3
Catlettsburg, Kentucky 41129
Telephone: (606) 928-2075
Fax: (606) 928-8454
email: bdistrict@windstream.net

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Report for 2018 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The District proposes to borrow funds from KRWFC pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$1,875,000 (subject to adjustment of up to 10%) for the purpose of (a) refunding certain outstanding revenue bonds of the District designated as (i) Big Sandy Water District Waterworks Revenue Bonds, Series 1993, dated December 13, 1994, in the original principal amount of \$1,214,000, bearing interest at the rate of 4.50% per annum (the "1993 Bonds") currently held by the United States Department of Agriculture, acting through Rural Development ("RD"); (ii) Big Sandy Water District Waterworks Revenue

Bonds, Series 2000, dated September 26, 2000, in the original principal amount of \$495,000, bearing interest at the rate of 4.50% per annum (the "2000 Bonds") currently held by RD; and (iii) Big Sandy Water District Waterworks Revenue Bonds, Series 2001, dated December 18, 2001, in the original principal amount of \$527,000, bearing interest at the rate of 4.50% per annum (the "2001 Bonds") currently held by RD (hereinafter, the 1993 Bonds, the 2000 Bonds and the 2001 Bonds are collectively referred to as the "Prior RD Bonds"); and (b) reamortizing an outstanding loan from KRWFC designated as Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2007A, dated January 30, 2007, in the original principal amount of \$931,000 (the "Prior KRWFC Loan"). The Prior KRWFC Loan is currently held in the open market.

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 vary from the present assumptions based upon market conditions and other business judgment factors.

7. The KRWFC Loan will provide the District with the funds necessary to (i) refund the Prior RD Bonds; (ii) reamortize the Prior KRWFC Loan; and (iii) pay the fees and expenses incident to the issuance of the KRWFC Loan.

8. The Sources and Uses of Funds to be obtained from the issuance of the KRWFC Loan are detailed as **Exhibit "B"**, which is attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed refunding of the Prior RD Bonds will result in a net present value benefit of approximately \$142,958.68 and the proposed reamortization of the Prior

KRWFC Loan will result in a net present value benefit of \$33,141.72. These savings are shown on the Debt Service Comparisons, which are 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 Schedules of the outstanding Prior RD Bonds and the outstanding Prior KRWFC Loan are 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 Net Position, and Statement of Cash Flows for the twelve month period ending on

December 31, 2018 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 2018 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 2018 Annual Report on file with this Commission.
- (iii) Section 18(1)(c): The District is not issuing any stock as part of this financing. The information concerning the proposed KRWFC Loan is contained in this Application. The KRWFC Loan will be secured by and payable from the gross revenues of the District's water system.
- (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refund the outstanding Prior RD Bonds and reamortize the outstanding Prior KRWFC Loan.
- (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 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.

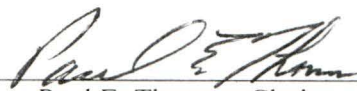
17. No rate adjustment will be necessary.

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.

Big Sandy Water District

By 
Paul E. Thomas, Chairman
18200 State Route 3
Catlettsburg, Kentucky 41129
Phone: (606) 928-2075
Fax: (606) 928-8454
Email: bdistrict@windstream.net

Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7534
Email: wjones@rubinhays.com
Counsel for Big Sandy Water District

STATE OF KENTUCKY)
) SS
COUNTY OF BOYD)

The affiant, Paul E. Thomas, being first duly sworn, states: That he is the Chairman of the Big Sandy 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 1st day of August, 2019.



Paul E. Thomas, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Paul E. Thomas, Chairman of the Big Sandy Water District, on this the 1st day of August, 2019.

My Commission expires: 3/14/20.



NOTARY PUBLIC 552902

Preliminary

\$1,455,000

Big Sandy Water District - refunding of RD Bonds
 Potential Refunding through the
 Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/15/2019	-	-	-	-	-
02/01/2020	25,000.00	3.000%	21,873.96	46,873.96	-
08/01/2020	-	-	23,343.75	23,343.75	-
12/31/2020	-	-	-	-	70,217.71
02/01/2021	70,000.00	3.000%	23,343.75	93,343.75	-
08/01/2021	-	-	22,293.75	22,293.75	-
12/31/2021	-	-	-	-	115,637.50
02/01/2022	75,000.00	3.150%	22,293.75	97,293.75	-
08/01/2022	-	-	21,112.50	21,112.50	-
12/31/2022	-	-	-	-	118,406.25
02/01/2023	75,000.00	3.150%	21,112.50	96,112.50	-
08/01/2023	-	-	19,931.25	19,931.25	-
12/31/2023	-	-	-	-	116,043.75
02/01/2024	80,000.00	3.900%	19,931.25	99,931.25	-
08/01/2024	-	-	18,371.25	18,371.25	-
12/31/2024	-	-	-	-	118,302.50
02/01/2025	80,000.00	3.900%	18,371.25	98,371.25	-
08/01/2025	-	-	16,811.25	16,811.25	-
12/31/2025	-	-	-	-	115,182.50
02/01/2026	80,000.00	3.500%	16,811.25	96,811.25	-
08/01/2026	-	-	15,411.25	15,411.25	-
12/31/2026	-	-	-	-	112,222.50
02/01/2027	90,000.00	3.500%	15,411.25	105,411.25	-
08/01/2027	-	-	13,836.25	13,836.25	-
12/31/2027	-	-	-	-	119,247.50
02/01/2028	90,000.00	3.300%	13,836.25	103,836.25	-
08/01/2028	-	-	12,351.25	12,351.25	-
12/31/2028	-	-	-	-	116,187.50
02/01/2029	95,000.00	3.200%	12,351.25	107,351.25	-
08/01/2029	-	-	10,831.25	10,831.25	-
12/31/2029	-	-	-	-	118,182.50
02/01/2030	100,000.00	3.200%	10,831.25	110,831.25	-
08/01/2030	-	-	9,231.25	9,231.25	-
12/31/2030	-	-	-	-	120,062.50
02/01/2031	105,000.00	3.200%	9,231.25	114,231.25	-
08/01/2031	-	-	7,551.25	7,551.25	-
12/31/2031	-	-	-	-	121,782.50
02/01/2032	105,000.00	3.050%	7,551.25	112,551.25	-
08/01/2032	-	-	5,950.00	5,950.00	-
12/31/2032	-	-	-	-	118,501.25
02/01/2033	105,000.00	3.050%	5,950.00	110,950.00	-
08/01/2033	-	-	4,348.75	4,348.75	-
12/31/2033	-	-	-	-	115,298.75
02/01/2034	40,000.00	3.000%	4,348.75	44,348.75	-
08/01/2034	-	-	3,748.75	3,748.75	-
12/31/2034	-	-	-	-	48,097.50
02/01/2035	45,000.00	3.000%	3,748.75	48,748.75	-
08/01/2035	-	-	3,073.75	3,073.75	-
12/31/2035	-	-	-	-	51,822.50
02/01/2036	45,000.00	3.050%	3,073.75	48,073.75	-
08/01/2036	-	-	2,387.50	2,387.50	-
12/31/2036	-	-	-	-	50,461.25
02/01/2037	50,000.00	3.100%	2,387.50	52,387.50	-
08/01/2037	-	-	1,612.50	1,612.50	-
12/31/2037	-	-	-	-	54,000.00
02/01/2038	25,000.00	3.150%	1,612.50	26,612.50	-
08/01/2038	-	-	1,218.75	1,218.75	-
12/31/2038	-	-	-	-	27,831.25
02/01/2039	25,000.00	3.200%	1,218.75	26,218.75	-
08/01/2039	-	-	818.75	818.75	-
12/31/2039	-	-	-	-	27,037.50
02/01/2040	25,000.00	3.250%	818.75	25,818.75	-
08/01/2040	-	-	412.50	412.50	-
12/31/2040	-	-	-	-	26,231.25
02/01/2041	25,000.00	3.300%	412.50	25,412.50	-
12/31/2041	-	-	-	-	25,412.50
Total	\$1,455,000.00	-	\$451,168.96	\$1,906,168.96	-

Yield Statistics

Bond Year Dollars	\$14,055.92
Average Life	9.660 Years
Average Coupon	3.2098153%
Net Interest Cost (NIC)	3.0782678%
True Interest Cost (TIC)	3.0587278%
Bond Yield for Arbitrage Purposes	2.8746164%
All Inclusive Cost (AIC)	3.2686671%

IRS Form 8038

Net Interest Cost	2.8744116%
Weighted Average Maturity	9.559 Years

Big Sandy - RD | Issue Summary | 7/18/2019 | 6:14 PM

Raymond James & Associates, Inc.

Preliminary

\$420,000

Big Sandy Water District - reamortization of KRWFC Loan
Potential Refunding through the
Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/02/2019	-	-	-	-	-
02/01/2020	30,000.00	3.000%	7,156.27	37,156.27	-
08/01/2020	-	-	6,746.25	6,746.25	-
12/31/2020	-	-	-	-	43,902.52
02/01/2021	50,000.00	3.000%	6,746.25	56,746.25	-
08/01/2021	-	-	5,996.25	5,996.25	-
12/31/2021	-	-	-	-	62,742.50
02/01/2022	50,000.00	3.150%	5,996.25	55,996.25	-
08/01/2022	-	-	5,208.75	5,208.75	-
12/31/2022	-	-	-	-	61,205.00
02/01/2023	55,000.00	3.150%	5,208.75	60,208.75	-
08/01/2023	-	-	4,342.50	4,342.50	-
12/31/2023	-	-	-	-	64,551.25
02/01/2024	55,000.00	3.900%	4,342.50	59,342.50	-
08/01/2024	-	-	3,270.00	3,270.00	-
12/31/2024	-	-	-	-	62,612.50
02/01/2025	60,000.00	3.900%	3,270.00	63,270.00	-
08/01/2025	-	-	2,100.00	2,100.00	-
12/31/2025	-	-	-	-	65,370.00
02/01/2026	60,000.00	3.500%	2,100.00	62,100.00	-
08/01/2026	-	-	1,050.00	1,050.00	-
12/31/2026	-	-	-	-	63,150.00
02/01/2027	60,000.00	3.500%	1,050.00	61,050.00	-
12/31/2027	-	-	-	-	61,050.00
Total	\$420,000.00	-	\$64,583.77	\$484,583.77	-

Yield Statistics

Bond Year Dollars	\$1,823.83
Average Life	4.342 Years
Average Coupon	3.5411004%
Net Interest Cost (NIC)	2.7533091%
True Interest Cost (TIC)	2.6866686%
Bond Yield for Arbitrage Purposes	2.3260661%
All Inclusive Cost (AIC)	3.5760058%

IRS Form 8038

Net Interest Cost	2.2717978%
Weighted Average Maturity	4.387 Years

Big Sandy | SINGLE PURPOSE | 7/18/2019 | 6:23 PM

Raymond James & Associates, Inc.

Public Finance

Preliminary

\$1,455,000

Big Sandy Water District - refunding of RD Bonds
Potential Refunding through the
Kentucky Rural Water Finance Corporation

Total Issue Sources And Uses

Dated 08/15/2019 | Delivered 08/15/2019

	Net of Series 1993	Net of Series 2000	Net of Series 2001	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$720,000.00	\$330,000.00	\$405,000.00	\$1,455,000.00
Reoffering Premium	27,201.95	7,616.70	5,496.55	40,315.20
Transfers from Prior Issue Debt Service Funds	24,066.67	8,559.17	7,927.92	40,553.76
Total Sources	\$771,268.62	\$346,175.87	\$418,424.47	\$1,535,868.96
Uses Of Funds				
Total Underwriter's Discount (1.500%)	10,800.00	4,950.00	6,075.00	21,825.00
Costs of Issuance	12,037.11	5,517.01	6,770.88	24,325.00
Deposit to Current Refunding Fund	744,070.00	339,859.00	405,216.50	1,489,145.50
Rounding Amount	4,361.51	(4,150.14)	362.09	573.46
Total Uses	\$771,268.62	\$346,175.87	\$418,424.47	\$1,535,868.96

Preliminary

\$420,000

Big Sandy Water District - reamortization of KRWFC Loan

Potential Refunding through the

Kentucky Rural Water Finance Corporation

Sources & Uses

Dated 08/02/2019 | Delivered 08/02/2019

Sources Of Funds

Par Amount of Bonds	\$420,000.00
Reoffering Premium	20,668.00
Transfers from Prior Issue Debt Service Funds	25,000.00
Funds in Regions Account	19,088.70

Total Sources **\$484,756.70**

Uses Of Funds

Total Underwriter's Discount (1.500%)	6,300.00
Costs of Issuance	15,000.00
Deposit to Current Refunding Fund	463,053.61
Rounding Amount	403.09

Total Uses **\$484,756.70**

Big Sandy | SINGLE PURPOSE | 7/18/2019 | 6:23 PM

Public Finance

Raymond James & Associates, Inc.

Preliminary

\$1,455,000

Big Sandy Water District - refunding of RD Bonds
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
12/31/2019	-	-	-	-
12/31/2020	70,217.71	70,217.71	125,295.00	55,077.29
12/31/2021	115,637.50	115,637.50	125,038.75	9,401.25
12/31/2022	118,406.25	118,406.25	125,158.75	6,752.50
12/31/2023	116,043.75	116,043.75	127,587.50	11,543.75
12/31/2024	118,302.50	118,302.50	127,813.75	9,511.25
12/31/2025	115,182.50	115,182.50	127,882.50	12,700.00
12/31/2026	112,222.50	112,222.50	128,282.50	16,060.00
12/31/2027	119,247.50	119,247.50	128,013.75	8,766.25
12/31/2028	116,187.50	116,187.50	128,565.00	12,377.50
12/31/2029	118,182.50	118,182.50	128,425.00	10,242.50
12/31/2030	120,062.50	120,062.50	128,593.75	8,531.25
12/31/2031	121,782.50	121,782.50	129,537.50	7,755.00
12/31/2032	118,501.25	118,501.25	129,745.00	11,243.75
12/31/2033	115,298.75	115,298.75	127,772.50	12,473.75
12/31/2034	48,097.50	48,097.50	56,262.50	8,165.00
12/31/2035	51,822.50	51,822.50	56,726.25	4,903.75
12/31/2036	50,461.25	50,461.25	56,100.00	5,638.75
12/31/2037	54,000.00	54,000.00	55,895.00	1,895.00
12/31/2038	27,831.25	27,831.25	29,207.50	1,376.25
12/31/2039	27,037.50	27,037.50	29,060.00	2,022.50
12/31/2040	26,231.25	26,231.25	28,867.50	2,636.25
12/31/2041	25,412.50	25,412.50	28,630.00	3,217.50
TOTAL	\$1,906,168.96	\$1,906,168.96	\$2,128,460.00	\$222,291.04

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	182,938.98
Net PV Cashflow Savings @ 3.269%(AIC)	182,938.98
Transfers from Prior Issue Debt Service Fund	(40,553.76)
Contingency or Rounding Amount	573.46

Net Benefit 182,310.74

Net Present Value Benefit	\$142,958.68
Net PV Benefit / \$1,481,000 Refunded Principal	9.653%
Net PV Benefit / \$1,455,000 Refunding Principal	9.825%
Average Annual Cash Flow Savings	10,104.14

Refunding Bond Information

Refunding Dated Date	8/15/2019
Refunding Delivery Date	8/15/2019

Preliminary

\$420,000

Big Sandy Water District - reamortization of KRWFC Loan
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
12/31/2019	-	-	-	-
12/31/2020	43,902.52	43,902.52	68,651.26	24,748.74
12/31/2021	62,742.50	62,742.50	68,611.26	5,868.76
12/31/2022	61,205.00	61,205.00	68,491.26	7,286.26
12/31/2023	64,551.25	64,551.25	68,256.26	3,705.01
12/31/2024	62,612.50	62,612.50	68,847.51	6,235.01
12/31/2025	65,370.00	65,370.00	68,297.51	2,927.51
12/31/2026	63,150.00	63,150.00	68,641.26	5,491.26
12/31/2027	61,050.00	61,050.00	68,815.63	7,765.63
TOTAL	\$484,583.77	\$484,583.77	\$548,611.95	\$64,028.18

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	55,300.49
Effects of changes in Expenses	2,438.14
Net PV Cashflow Savings @ 3.576%(AIC)	57,738.63
Transfers from Prior Issue Debt Service Fund	(25,000.00)
Contingency or Rounding Amount	403.09
Net Present Value Benefit	\$33,141.72
Net PV Benefit / \$463,000 Refunded Principal	7.158%
Net PV Benefit / \$420,000 Refunding Principal	7.891%
Average Annual Cash Flow Savings	8,003.52

Refunding Bond Information

Refunding Dated Date	8/02/2019
Refunding Delivery Date	8/02/2019

Big Sandy Water District
 USDA-RD Bonds - Series 1993

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/01/2020	36,500.00	4.500%	16,650.00	53,150.00	-
07/01/2020	-	-	15,828.75	15,828.75	-
12/31/2020	-	-	-	-	68,978.75
01/01/2021	38,000.00	4.500%	15,828.75	53,828.75	-
07/01/2021	-	-	14,973.75	14,973.75	-
12/31/2021	-	-	-	-	68,802.50
01/01/2022	40,000.00	4.500%	14,973.75	54,973.75	-
07/01/2022	-	-	14,073.75	14,073.75	-
12/31/2022	-	-	-	-	69,047.50
01/01/2023	44,000.00	4.500%	14,073.75	58,073.75	-
07/01/2023	-	-	13,083.75	13,083.75	-
12/31/2023	-	-	-	-	71,157.50
01/01/2024	46,500.00	4.500%	13,083.75	59,583.75	-
07/01/2024	-	-	12,037.50	12,037.50	-
12/31/2024	-	-	-	-	71,621.25
01/01/2025	48,500.00	4.500%	12,037.50	60,537.50	-
07/01/2025	-	-	10,946.25	10,946.25	-
12/31/2025	-	-	-	-	71,483.75
01/01/2026	51,000.00	4.500%	10,946.25	61,946.25	-
07/01/2026	-	-	9,798.75	9,798.75	-
12/31/2026	-	-	-	-	71,745.00
01/01/2027	53,500.00	4.500%	9,798.75	63,298.75	-
07/01/2027	-	-	8,595.00	8,595.00	-
12/31/2027	-	-	-	-	71,893.75
01/01/2028	56,500.00	4.500%	8,595.00	65,095.00	-
07/01/2028	-	-	7,323.75	7,323.75	-
12/31/2028	-	-	-	-	72,418.75
01/01/2029	59,000.00	4.500%	7,323.75	66,323.75	-
07/01/2029	-	-	5,996.25	5,996.25	-
12/31/2029	-	-	-	-	72,320.00
01/01/2030	62,000.00	4.500%	5,996.25	67,996.25	-
07/01/2030	-	-	4,601.25	4,601.25	-
12/31/2030	-	-	-	-	72,597.50
01/01/2031	65,500.00	4.500%	4,601.25	70,101.25	-
07/01/2031	-	-	3,127.50	3,127.50	-
12/31/2031	-	-	-	-	73,228.75
01/01/2032	69,500.00	4.500%	3,127.50	72,627.50	-
07/01/2032	-	-	1,563.75	1,563.75	-
12/31/2032	-	-	-	-	74,191.25
01/01/2033	69,500.00	4.500%	1,563.75	71,063.75	-
12/31/2033	-	-	-	-	71,063.75
Total	\$740,000.00	-	\$260,550.00	\$1,000,550.00	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	8/15/2019
Average Life	7.702 Years
Average Coupon	4.5000000%
Weighted Average Maturity (Par Basis)	7.702 Years

Refunding Bond Information

Refunding Dated Date	8/15/2019
Refunding Delivery Date	8/15/2019

BSWD RD Series 1993 | SINGLE PURPOSE | 7/31/2019 | 11:03 AM

Raymond James & Associates, Inc.

Preliminary

Big Sandy Water District
 USDA-RD Bonds - Series 2000

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/01/2020	12,500.00	4.500%	7,605.00	20,105.00	-
07/01/2020	-	-	7,323.75	7,323.75	-
12/31/2020	-	-	-	-	27,428.75
01/01/2021	13,000.00	4.500%	7,323.75	20,323.75	-
07/01/2021	-	-	7,031.25	7,031.25	-
12/31/2021	-	-	-	-	27,355.00
01/01/2022	13,500.00	4.500%	7,031.25	20,531.25	-
07/01/2022	-	-	6,727.50	6,727.50	-
12/31/2022	-	-	-	-	27,258.75
01/01/2023	14,500.00	4.500%	6,727.50	21,227.50	-
07/01/2023	-	-	6,401.25	6,401.25	-
12/31/2023	-	-	-	-	27,628.75
01/01/2024	15,000.00	4.500%	6,401.25	21,401.25	-
07/01/2024	-	-	6,063.75	6,063.75	-
12/31/2024	-	-	-	-	27,465.00
01/01/2025	15,500.00	4.500%	6,063.75	21,563.75	-
07/01/2025	-	-	5,715.00	5,715.00	-
12/31/2025	-	-	-	-	27,278.75
01/01/2026	16,500.00	4.500%	5,715.00	22,215.00	-
07/01/2026	-	-	5,343.75	5,343.75	-
12/31/2026	-	-	-	-	27,558.75
01/01/2027	17,000.00	4.500%	5,343.75	22,343.75	-
07/01/2027	-	-	4,961.25	4,961.25	-
12/31/2027	-	-	-	-	27,305.00
01/01/2028	18,000.00	4.500%	4,961.25	22,961.25	-
07/01/2028	-	-	4,556.25	4,556.25	-
12/31/2028	-	-	-	-	27,517.50
01/01/2029	18,500.00	4.500%	4,556.25	23,056.25	-
07/01/2029	-	-	4,140.00	4,140.00	-
12/31/2029	-	-	-	-	27,196.25
01/01/2030	19,500.00	4.500%	4,140.00	23,640.00	-
07/01/2030	-	-	3,701.25	3,701.25	-
12/31/2030	-	-	-	-	27,341.25
01/01/2031	20,500.00	4.500%	3,701.25	24,201.25	-
07/01/2031	-	-	3,240.00	3,240.00	-
12/31/2031	-	-	-	-	27,441.25
01/01/2032	21,000.00	4.500%	3,240.00	24,240.00	-
07/01/2032	-	-	2,767.50	2,767.50	-
12/31/2032	-	-	-	-	27,007.50
01/01/2033	23,000.00	4.500%	2,767.50	25,767.50	-
07/01/2033	-	-	2,250.00	2,250.00	-
12/31/2033	-	-	-	-	28,017.50
01/01/2034	23,500.00	4.500%	2,250.00	25,750.00	-
07/01/2034	-	-	1,721.25	1,721.25	-
12/31/2034	-	-	-	-	27,471.25
01/01/2035	25,000.00	4.500%	1,721.25	26,721.25	-
07/01/2035	-	-	1,158.75	1,158.75	-
12/31/2035	-	-	-	-	27,880.00
01/01/2036	25,500.00	4.500%	1,158.75	26,658.75	-
07/01/2036	-	-	585.00	585.00	-
12/31/2036	-	-	-	-	27,243.75
01/01/2037	26,000.00	4.500%	585.00	26,585.00	-
12/31/2037	-	-	-	-	26,585.00
Total	\$338,000.00	-	\$154,980.00	\$492,980.00	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	8/15/2019
Average Life	10.067 Years
Average Coupon	4.5000000%
Weighted Average Maturity (Par Basis)	10.067 Years

Refunding Bond Information

Refunding Dated Date	8/15/2019
Refunding Delivery Date	8/15/2019
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Raymond James & Associates, Inc.

Public Finance

Preliminary

Big Sandy Water District
 USDA-RD Bonds - Series 2001

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/01/2020	11,000.00	4.500%	9,067.50	20,067.50	-
07/01/2020	-	-	8,820.00	8,820.00	-
12/31/2020	-	-	-	-	28,887.50
01/01/2021	11,500.00	4.500%	8,820.00	20,320.00	-
07/01/2021	-	-	8,561.25	8,561.25	-
12/31/2021	-	-	-	-	28,881.25
01/01/2022	12,000.00	4.500%	8,561.25	20,561.25	-
07/01/2022	-	-	8,291.25	8,291.25	-
12/31/2022	-	-	-	-	28,852.50
01/01/2023	12,500.00	4.500%	8,291.25	20,791.25	-
07/01/2023	-	-	8,010.00	8,010.00	-
12/31/2023	-	-	-	-	28,801.25
01/01/2024	13,000.00	4.500%	8,010.00	21,010.00	-
07/01/2024	-	-	7,717.50	7,717.50	-
12/31/2024	-	-	-	-	28,727.50
01/01/2025	14,000.00	4.500%	7,717.50	21,717.50	-
07/01/2025	-	-	7,402.50	7,402.50	-
12/31/2025	-	-	-	-	29,120.00
01/01/2026	14,500.00	4.500%	7,402.50	21,902.50	-
07/01/2026	-	-	7,076.25	7,076.25	-
12/31/2026	-	-	-	-	28,978.75
01/01/2027	15,000.00	4.500%	7,076.25	22,076.25	-
07/01/2027	-	-	6,738.75	6,738.75	-
12/31/2027	-	-	-	-	28,815.00
01/01/2028	15,500.00	4.500%	6,738.75	22,238.75	-
07/01/2028	-	-	6,390.00	6,390.00	-
12/31/2028	-	-	-	-	28,628.75
01/01/2029	16,500.00	4.500%	6,390.00	22,890.00	-
07/01/2029	-	-	6,018.75	6,018.75	-
12/31/2029	-	-	-	-	28,908.75
01/01/2030	17,000.00	4.500%	6,018.75	23,018.75	-
07/01/2030	-	-	5,636.25	5,636.25	-
12/31/2030	-	-	-	-	28,655.00
01/01/2031	18,000.00	4.500%	5,636.25	23,636.25	-
07/01/2031	-	-	5,231.25	5,231.25	-
12/31/2031	-	-	-	-	28,867.50
01/01/2032	18,500.00	4.500%	5,231.25	23,731.25	-
07/01/2032	-	-	4,815.00	4,815.00	-
12/31/2032	-	-	-	-	28,546.25
01/01/2033	19,500.00	4.500%	4,815.00	24,315.00	-
07/01/2033	-	-	4,376.25	4,376.25	-
12/31/2033	-	-	-	-	28,691.25
01/01/2034	20,500.00	4.500%	4,376.25	24,876.25	-
07/01/2034	-	-	3,915.00	3,915.00	-
12/31/2034	-	-	-	-	28,791.25
01/01/2035	21,500.00	4.500%	3,915.00	25,415.00	-
07/01/2035	-	-	3,431.25	3,431.25	-
12/31/2035	-	-	-	-	28,846.25
01/01/2036	22,500.00	4.500%	3,431.25	25,931.25	-
07/01/2036	-	-	2,925.00	2,925.00	-
12/31/2036	-	-	-	-	28,856.25
01/01/2037	24,000.00	4.500%	2,925.00	26,925.00	-
07/01/2037	-	-	2,385.00	2,385.00	-
12/31/2037	-	-	-	-	29,310.00
01/01/2038	25,000.00	4.500%	2,385.00	27,385.00	-
07/01/2038	-	-	1,822.50	1,822.50	-
12/31/2038	-	-	-	-	29,207.50
01/01/2039	26,000.00	4.500%	1,822.50	27,822.50	-
07/01/2039	-	-	1,237.50	1,237.50	-
12/31/2039	-	-	-	-	29,060.00
01/01/2040	27,000.00	4.500%	1,237.50	28,237.50	-
07/01/2040	-	-	630.00	630.00	-
12/31/2040	-	-	-	-	28,867.50
01/01/2041	28,000.00	4.500%	630.00	28,630.00	-
12/31/2041	-	-	-	-	28,630.00
Total	\$403,000.00	-	\$231,930.00	\$634,930.00	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	8/15/2019
Average Life	12.667 Years
Average Coupon	4.5000000%
Weighted Average Maturity (Par Basis)	12.667 Years

Refunding Bond Information

Refunding Dated Date	8/15/2019
Refunding Delivery Date	8/15/2019

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Big Sandy Water District
 Loan through the
 Kentucky Rural Water Finance Corporation

Total Refunded Debt Service KRWFC Loan

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/01/2020	50,000.00	4.000%	9,650.63	59,650.63	-
08/01/2020	-	-	8,650.63	8,650.63	-
12/31/2020	-	-	-	-	68,301.26
02/01/2021	52,000.00	4.000%	8,650.63	60,650.63	-
08/01/2021	-	-	7,610.63	7,610.63	-
12/31/2021	-	-	-	-	68,261.26
02/01/2022	54,000.00	4.000%	7,610.63	61,610.63	-
08/01/2022	-	-	6,530.63	6,530.63	-
12/31/2022	-	-	-	-	68,141.26
02/01/2023	56,000.00	4.125%	6,530.63	62,530.63	-
08/01/2023	-	-	5,375.63	5,375.63	-
12/31/2023	-	-	-	-	67,906.26
02/01/2024	59,000.00	4.250%	5,375.63	64,375.63	-
08/01/2024	-	-	4,121.88	4,121.88	-
12/31/2024	-	-	-	-	68,497.51
02/01/2025	61,000.00	4.250%	4,121.88	65,121.88	-
08/01/2025	-	-	2,825.63	2,825.63	-
12/31/2025	-	-	-	-	67,947.51
02/01/2026	64,000.00	4.250%	2,825.63	66,825.63	-
08/01/2026	-	-	1,465.63	1,465.63	-
12/31/2026	-	-	-	-	68,291.26
02/01/2027	67,000.00	4.375%	1,465.63	68,465.63	-
12/31/2027	-	-	-	-	68,465.63
Total	\$463,000.00	-	\$82,811.95	\$545,811.95	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	8/02/2019
Average Life	4.216 Years
Average Coupon	4.2392043%
Weighted Average Maturity (Par Basis)	4.216 Years

Refunding Bond Information

Refunding Dated Date	8/02/2019
Refunding Delivery Date	8/02/2019

Big Sandy Water District
Statement of Net Position
Proprietary Fund Type
December 31, 2018

ASSETS

Current Assets	
Cash and cash equivalents - unrestricted	\$ 594,626
Cash and cash equivalents - restricted (note 6)	520,078
Accounts receivable - net of allowance for doubtful accounts (note 1)	249,314
Inventory	67,817
Prepaid expenses	<u>11,819</u>
Total Current Assets	<u>1,443,654</u>
Noncurrent Assets	
Capital assets: (note 1)	
Land	99,529
Construction in process	168,130
Plant, equipment and lines	20,358,460
Less accumulated depreciation	<u>(8,900,680)</u>
Total Noncurrent Assets	<u>11,725,439</u>
Deferred outflow of resources	<u>158,266</u>
Total Assets & Deferred Outflow of Resources	<u><u>\$ 13,327,359</u></u>

LIABILITIES

Current Liabilities	
Accrued expenses	\$ 174,816
Notes/Bonds payable (note 2)	212,992
Payable from restricted assets	<u>127,817</u>
Total Current Liabilities	<u>515,625</u>
Noncurrent Liabilities	
Notes/Bonds payable (note 2)	3,552,866
Accrued pension & OPEB liabilities	<u>686,030</u>
Total Noncurrent Liabilities	<u>4,238,896</u>
Deferred Inflows of Resources	<u>321,671</u>
Total Liabilities & Deferred Inflow of Resources	<u>5,076,192</u>

Net Position

Net investment in capital assets	7,959,581
Restricted	392,261
Unrestricted	<u>(100,675)</u>
Total Net Position	<u><u>\$ 8,251,167</u></u>

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

Big Sandy Water District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund Type
For the year ended December 31, 2018

Revenues	
User fees	\$ 2,541,195
Other water revenue	<u>28,349</u>
Total Revenues	<u>2,569,544</u>
Expenses	
Wages	391,115
Commissioners expense	2,224
Taxes & benefits	91,026
Purchased water & power	1,274,534
Materials & supplies	175,824
Contractual services	63,665
Trasnportation expense	37,060
Equipment expense	12,190
Insurance	25,044
Postage	21,189
Bad debt	18,737
Other expense	19,523
Telephone	7,159
Depreciation	<u>526,389</u>
Total Operating Expenses	<u>2,665,679</u>
Operating Income (Loss)	<u>(96,135)</u>
Nonoperating Revenues (Expenses)	
Tap fees	32,175
Interest income	2,806
Grant income	3,084
Other nonoperating revenues	5,035
Interest expense	<u>(140,200)</u>
Net Nonoperating Revenues (Expenses)	<u>(97,100)</u>
Net Income (Loss)	(193,235)
Total Net Position - beginning as restated	<u>8,444,402</u>
Total Net Position - ending	<u><u>\$ 8,251,167</u></u>

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

Big Sandy Water District
Statement of Cash Flows
Proprietary Fund Type
December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating revenues	\$ 2,567,799
Cash paid to employees	(391,115)
Cash paid for general and administrative expenses	<u>(1,753,878)</u>
Net Cash provided by operating activities	<u>422,806</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earned	2,806
Customer deposits	<u>2,067</u>
Net Cash provided by investing activities	<u>4,873</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:	
Note/bond payments	(207,993)
Note/bond proceeds	-
Tap fees	32,175
Purchase of assets	(222,724)
Grant income	3,084
Other nonoperating revenues	5,035
Interest paid	<u>(147,502)</u>
Net Cash used in capital and financing activities	<u>(537,925)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(110,246)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,224,950</u>
CASH AND CASH EQUIVALENTS - END OF THE YEAR	<u><u>\$ 1,114,704</u></u>
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Net Operating Income	\$ (96,135)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
(Increase)/Decrease in inventory	(10,578)
Depreciation	526,389
Pension & OPEB expense	(48,690)
(Increase)/Decrease in accounts receivable	(1,745)
Increase/(Decrease) in accounts payable	<u>53,565</u>
Net cash provided by operating activities	<u><u>\$ 422,806</u></u>

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