

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BOONE COUNTY)	
WATER DISTRICT TO ISSUE REVENUE)	
BONDS IN A PRINCIPAL AMOUNT NOT)	
TO EXCEED \$2,840,000 FOR THE)	
PURPOSE OF REFUNDING AND)	
DISCHARGING AN OUTSTANDING)	CASE NO. 2001-231
REVENUE BOND ANTICIPATION NOTE)	
OF THE DISTRICT PURSUANT TO THE)	
PROVISIONS OF KRS 278.300 AND 807)	
KAR 5:001, SECTION 11)	
)	

O R D E R

On July 27, 2001, the Boone County Water District ("Boone County") submitted its application for authority to issue certain securities, as required by KRS 278.300, in the principal sum not to exceed \$2,840,000 for the purpose of refunding and discharging an outstanding water revenue bond anticipation note. The application was considered filed on August 14, 2001, when Boone County was granted a motion to deviate from Commission filing requirements. The bond proceeds will be used to refinance Boone County's outstanding \$2,500,000 Water System Revenue Bond Anticipation Note, Series of 2000 ("2000 Note"), to fund a debt service reserve, and to pay costs of issuance of the 2001 Bonds. The Series 2001 Bonds mature in various annual amounts from 2002 through 2021 and will bear interest anticipated to be between 2.65 percent and 5.25 percent. Boone County stated the issuance of the securities is in the public interest and is intended to accomplish the purpose of fixing the aggregate debt service of the District at a time when interest rates are favorable. Boone

County also stated that the final terms and details may vary from present expectations and assumptions based upon market conditions and other judgment factors.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Boone County's proposal to issue these bonds for purposes of refinancing its outstanding bond anticipation notes is for a lawful object within Boone County's corporate purpose, is necessary, appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Boone County is authorized to issue bonds for an amount not to exceed \$2,840,000, at an interest rate between 2.65 percent and 5.25 percent per annum.
2. Boone County shall issue its proposed Series 2001 Bonds only on such terms as are consistent with its application.
3. Boone County shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates of issuance of the securities, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions, or other compensation involved in the issuance and distribution.
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in Boone County's application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 10th day of September, 2001.

By the Commission

ATTEST:


Executive Director