

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF THE BRACKEN)
COUNTY WATER DISTRICT TO ISSUE)
SECURITIES IN THE APPROXIMATE PRINCIPAL)
AMOUNT OF \$2,300,000 FOR THE PURPOSE OF) CASE NO. 2020 -00199
REFUNDING 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 \$2,300,000 (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 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 and email address of the District is as follows:

Bracken County Water District
c/o Ms. Diana Moran, Office Manager
P.O. Box 201
Brooksville, Kentucky 41004
Telephone: (606) 735-3513
Fax: (606) 735-3017
email: 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 2019 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 \$2,300,000 (subject to adjustment of up to 10%) for the purpose of (a) refunding certain outstanding revenue bonds of the District designated as Bracken County Water District Waterworks Revenue Bonds, Series 2004, dated October 7, 2004, in the original principal amount of \$980,000, bearing interest at the rate of 4.50% per annum (the "Prior RD Bonds") currently held by the United States Department of Agriculture, acting through Rural Development ("RD"); and (b) reamortizing an outstanding loan

from KRWFC designated as Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2007D, dated July 30, 2007, in the original principal amount of \$3,350,000 (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 and the reamortization of the Prior KRWFC Loan will result in a net present value cashflow savings of approximately \$421,580.38. 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 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 2019 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 2019 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. The District previously filed Case No. 2017-00378 requesting an Order authorizing the issuance of securities to refund the Prior RD Bonds and reamortize the Prior KRWFC Loan. The Commission issued its Order on November 8, 2017 however the District never issued the securities due to a change in the interest rate market.

18. No rate adjustment will be necessary.

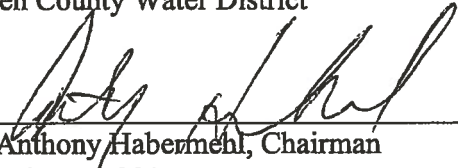
WHEREFORE, the District respectfully requests that the Commission take the following actions:

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

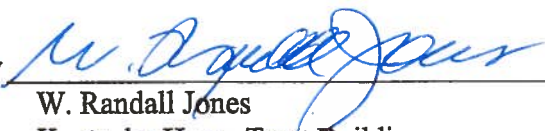
Phone: (606) 735-3513

Fax: (606) 735-3017

Email: d.moran@brackencountywaterdistrict.com

Rubin & Hays

By



W. Randall Jones

Kentucky Home Trust Building

450 South Third Street

Louisville, Kentucky 40202

Phone: (502) 569-7534

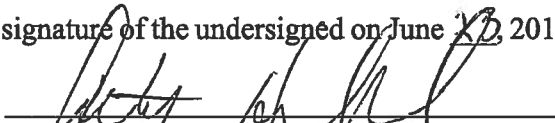
Email: wrjones@rubinhays.com

Counsel for Bracken County Water District

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.

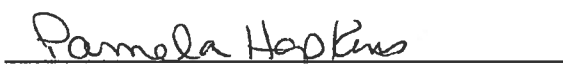
IN TESTIMONY WHEREOF, witness the signature of the undersigned on June ~~20~~²³, 2019.



Anthony Habermehl, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Anthony Habermehl, Chairman of the Bracken County Water District, on this June 23, 2019.

My Commission expires: March 10, 2022.



NOTARY PUBLIC

507310

NOTARY PUBLIC ID Number

EXHIBIT A

Debt Service Schedule

Preliminary

\$2,300,000

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

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/02/2020	-	-	-	-	-
02/01/2021	225,000.00	1.700%	18,290.57	243,290.57	-
08/01/2021	-	-	16,480.25	16,480.25	-
12/31/2021	-	-	-	-	259,770.82
02/01/2022	230,000.00	1.700%	16,480.25	246,480.25	-
08/01/2022	-	-	14,525.25	14,525.25	-
12/31/2022	-	-	-	-	261,005.50
02/01/2023	245,000.00	1.600%	14,525.25	259,525.25	-
08/01/2023	-	-	12,565.25	12,565.25	-
12/31/2023	-	-	-	-	272,090.50
02/01/2024	245,000.00	1.500%	12,565.25	257,565.25	-
08/01/2024	-	-	10,727.75	10,727.75	-
12/31/2024	-	-	-	-	268,293.00
02/01/2025	245,000.00	1.340%	10,727.75	255,727.75	-
08/01/2025	-	-	9,086.25	9,086.25	-
12/31/2025	-	-	-	-	264,814.00
02/01/2026	255,000.00	1.500%	9,086.25	264,086.25	-
08/01/2026	-	-	7,173.75	7,173.75	-
12/31/2026	-	-	-	-	271,260.00
02/01/2027	255,000.00	1.700%	7,173.75	262,173.75	-
08/01/2027	-	-	5,006.25	5,006.25	-
12/31/2027	-	-	-	-	267,180.00
02/01/2028	30,000.00	1.800%	5,006.25	35,006.25	-
08/01/2028	-	-	4,736.25	4,736.25	-
12/31/2028	-	-	-	-	39,742.50
02/01/2029	30,000.00	1.800%	4,736.25	34,736.25	-
08/01/2029	-	-	4,466.25	4,466.25	-
12/31/2029	-	-	-	-	39,202.50
02/01/2030	35,000.00	1.600%	4,466.25	39,466.25	-
08/01/2030	-	-	4,186.25	4,186.25	-
12/31/2030	-	-	-	-	43,652.50
02/01/2031	35,000.00	1.600%	4,186.25	39,186.25	-
08/01/2031	-	-	3,906.25	3,906.25	-
12/31/2031	-	-	-	-	43,092.50
02/01/2032	35,000.00	1.600%	3,906.25	38,906.25	-
08/01/2032	-	-	3,626.25	3,626.25	-
12/31/2032	-	-	-	-	42,532.50
02/01/2033	30,000.00	1.550%	3,626.25	33,626.25	-
08/01/2033	-	-	3,393.75	3,393.75	-
12/31/2033	-	-	-	-	37,020.00
02/01/2034	35,000.00	1.550%	3,393.75	38,393.75	-
08/01/2034	-	-	3,122.50	3,122.50	-
12/31/2034	-	-	-	-	41,516.25
02/01/2035	35,000.00	1.550%	3,122.50	38,122.50	-
08/01/2035	-	-	2,851.25	2,851.25	-
12/31/2035	-	-	-	-	40,973.75
02/01/2036	35,000.00	1.550%	2,851.25	37,851.25	-
08/01/2036	-	-	2,580.00	2,580.00	-
12/31/2036	-	-	-	-	40,431.25
02/01/2037	40,000.00	1.600%	2,580.00	42,580.00	-
08/01/2037	-	-	2,260.00	2,260.00	-
12/31/2037	-	-	-	-	44,840.00
02/01/2038	35,000.00	1.600%	2,260.00	37,260.00	-
08/01/2038	-	-	1,980.00	1,980.00	-
12/31/2038	-	-	-	-	39,240.00
02/01/2039	35,000.00	1.650%	1,980.00	36,980.00	-
08/01/2039	-	-	1,691.25	1,691.25	-

12/31/2039	-	-	-	-	38,671.25
02/01/2040	40,000.00	1.700%	1,691.25	41,691.25	-
08/01/2040	-	-	1,351.25	1,351.25	-
12/31/2040	-	-	-	-	43,042.50
02/01/2041	35,000.00	1.750%	1,351.25	36,351.25	-
08/01/2041	-	-	1,045.00	1,045.00	-
12/31/2041	-	-	-	-	37,396.25
02/01/2042	35,000.00	1.800%	1,045.00	36,045.00	-
08/01/2042	-	-	730.00	730.00	-
12/31/2042	-	-	-	-	36,775.00
02/01/2043	40,000.00	1.800%	730.00	40,730.00	-
08/01/2043	-	-	370.00	370.00	-
12/31/2043	-	-	-	-	41,100.00
02/01/2044	40,000.00	1.850%	370.00	40,370.00	-
12/31/2044	-	-	-	-	40,370.00
Total	\$2,300,000.00	-	\$254,012.57	\$2,554,012.57	-

Yield Statistics

Bond Year Dollars	\$15,573.61
Average Life	6.771 Years
Average Coupon	1.6310448%
Net Interest Cost (NIC)	1.5281884%
True Interest Cost (TIC)	1.5137570%
Bond Yield for Arbitrage Purposes	1.2605270%
All Inclusive Cost (AIC)	1.8528642%

IRS Form 8038

Net Interest Cost	1.2753369%
Weighted Average Maturity	6.705 Years

Bracken Co WD 6.3.20 | Issue Summary | 6/ 3/2020 | 11:06 AM

Raymond James

EXHIBIT B

Total Sources and Uses

Preliminary

\$2,300,000

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

Total Issue Sources And Uses

Dated 08/02/2020 | Delivered 08/02/2020

	Ref of KRWFC 2007 D	Ref of RD 2004	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$1,515,000.00	\$785,000.00	\$2,300,000.00
Reoffering Premium	45,069.65	7,748.80	52,818.45
Transfers from Prior Issue Debt Service Funds	-	14,591.67	14,591.67
Total Sources	\$1,560,069.65	\$807,340.47	\$2,367,410.12
Uses Of Funds			
Total Underwriter's Discount (1.600%)	24,240.00	12,560.00	36,800.00
Costs of Issuance	27,533.48	14,266.52	41,800.00
Deposit to Current Refunding Fund	1,505,190.22	783,022.50	2,288,212.72
Rounding Amount	3,105.95	(2,508.55)	597.40
Total Uses	\$1,560,069.65	\$807,340.47	\$2,367,410.12

EXHIBIT C

Debt Service Comparison

Preliminary

\$2,300,000

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

Debt Service Comparison

Date	Total P+I	Trustee	Net New D/S	Old Net D/S	Savings
12/31/2020	-	-	-	-	-
12/31/2021	259,770.82	-	259,770.82	308,127.50	48,356.68
12/31/2022	261,005.50	-	261,005.50	308,810.00	47,804.50
12/31/2023	272,090.50	-	272,090.50	309,037.50	36,947.00
12/31/2024	268,293.00	-	268,293.00	308,810.00	40,517.00
12/31/2025	264,814.00	-	264,814.00	308,127.50	43,313.50
12/31/2026	271,260.00	-	271,260.00	311,877.50	40,617.50
12/31/2027	267,180.00	-	267,180.00	310,060.00	42,880.00
12/31/2028	39,742.50	450.00	40,192.50	52,787.50	12,595.00
12/31/2029	39,202.50	450.00	39,652.50	51,662.50	12,010.00
12/31/2030	43,652.50	450.00	44,102.50	55,425.00	11,322.50
12/31/2031	43,092.50	450.00	43,542.50	54,075.00	10,532.50
12/31/2032	42,532.50	450.00	42,982.50	52,725.00	9,742.50
12/31/2033	37,020.00	450.00	37,470.00	51,375.00	13,905.00
12/31/2034	41,516.25	450.00	41,966.25	54,912.50	12,946.25
12/31/2035	40,973.75	450.00	41,423.75	53,337.50	11,913.75
12/31/2036	40,431.25	450.00	40,881.25	51,762.50	10,881.25
12/31/2037	44,840.00	450.00	45,290.00	55,075.00	9,785.00
12/31/2038	39,240.00	450.00	39,690.00	53,275.00	13,585.00
12/31/2039	38,671.25	450.00	39,121.25	51,475.00	12,353.75
12/31/2040	43,042.50	450.00	43,492.50	54,562.50	11,070.00
12/31/2041	37,396.25	450.00	37,846.25	52,537.50	14,691.25
12/31/2042	36,775.00	450.00	37,225.00	50,512.50	13,287.50
12/31/2043	41,100.00	450.00	41,550.00	53,375.00	11,825.00
12/31/2044	40,370.00	450.00	40,820.00	51,125.00	10,305.00
TOTAL	\$2,554,012.57	\$7,650.00	\$2,561,662.57	\$3,064,850.00	\$503,187.43

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	427,352.06
Effects of changes in Expenses	(5,771.68)
Net PV Cashflow Savings @ 1.853%(AIC)	421,580.38
Transfers from Prior Issue Debt Service Fund	(14,591.67)
Contingency or Rounding Amount	597.40
Net Benefit	489,193.16
Net Present Value Benefit	\$407,586.11
Net PV Benefit / \$2,285,000 Refunded Principal	17.837%
Net PV Benefit / \$2,300,000 Refunding Principal	17.721%

Refunding Bond Information

Refunding Dated Date	8/02/2020
Refunding Delivery Date	8/02/2020

EXHIBIT D

Prior Bonds Debt Service

Preliminary

\$980,000

Bracekn 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
08/02/2020	780,000.00	3,022.50	783,022.50	-	-	-	-
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
Total	\$780,000.00	\$3,022.50	\$783,022.50	\$780,000.00	-	\$493,200.00	\$1,273,200.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	8/02/2020
Average Life	13.965 Years
Average Coupon	4.5000000%
Weighted Average Maturity (Par Basis)	13.965 Years

Weighted Average Maturity (Original Price Basis)

13.965 Years

Refunding Bond Information

Refunding Dated Date

8/02/2020

Refunding Delivery Date

8/02/2020

Bracken Series 2004 | SINGLE PURPOSE | 6/ 3/2020 | 11:06 AM

Raymond James

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
08/02/2020	1,505,000.00	190.22	1,505,190.22	-	-	-	-
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
Total	\$1,505,000.00	\$190.22	\$1,505,190.22	\$1,505,000.00	-	\$286,650.00	\$1,791,650.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	8/02/2020
Average Life	4.183 Years
Average Coupon	4.5499999%
Weighted Average Maturity (Par Basis)	4.183 Years
Weighted Average Maturity (Original Price Basis)	4.171 Years

Refunding Bond Information

Refunding Dated Date	8/02/2020
Refunding Delivery Date	8/02/2020

Raymond James

EXHIBIT E

Financial Statements

**BRACKEN COUNTY WATER DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

ASSETS	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash and Cash Equivalents-Unrestricted	\$ 1,244,101	\$ 1,129,257
Unbilled Revenue	17,950	85,501
Accounts Receivable (net of allowance for doubtful accounts of \$6,830 and \$9,002 at December 31, 2018 and 2017.)	198,128	151,188
Inventory	121,917	52,946
Prepaid Insurance	17,117	16,654
Total Current Assets	<u>1,599,212</u>	<u>1,435,546</u>
Restricted Assets		
Cash and Cash Equivalents-Restricted	256,832	246,642
KRWFC Sinking Fund	136,594	134,338
Total Restricted Assets	<u>393,426</u>	<u>380,980</u>
Noncurrent assets:		
Nondepreciable Capital Assets:		
Land	17,990	17,990
Construction in Progress	611,915	8,568
Depreciable Capital Assets:		
Property, Plant and Equipment	17,263,855	17,170,086
Less: Accumulated depreciation	(6,203,813)	(5,890,827)
Total Noncurrent Assets	<u>11,689,947</u>	<u>11,305,816</u>
 TOTAL ASSETS	 <u>\$ 13,682,585</u>	 <u>\$ 13,122,343</u>
 LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts Payable	\$ 37,641	\$ 56,706
Customer Deposits	70,301	64,800
Accrued Wages and Vacation Pay	36,963	34,495
Taxes Payable	4,038	5,042
Accrued Interest Payable	60,230	64,160
Current Portion of Long-term Debt	287,058	278,337
Total Current Liabilities	<u>496,230</u>	<u>503,540</u>
Noncurrent Liabilities:		
KRWFC Interium Financing	568,900	-
Notes Payable, Net of Current Portion	3,605,860	3,892,917
Total NonCurrent Liabilities	<u>4,174,760</u>	<u>3,892,917</u>
 TOTAL LIABILITIES	 <u>4,670,990</u>	 <u>4,396,457</u>
 NET POSITION		
Net Investment in Capital Assets	6,616,213	7,134,563
Restricted for:		
Debt Service	205,539	201,655
Capital Projects and Replacement	117,237	111,198
Customer Deposits	70,650	66,623
Unrestricted	2,001,956	1,211,847
TOTAL NET POSITION	<u>\$ 9,011,595</u>	<u>\$ 8,725,886</u>

See accompanying notes to the financial statements.

**BRACKEN COUNTY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
OPERATING REVENUES:		
Water Sales	\$ 1,440,587	\$ 1,511,147
Service Charges and Other Revenue	45,517	48,912
TOTAL OPERATING REVENUES	1,486,104	1,560,059
OPERATING EXPENSES:		
Water Purchased	333,513	362,101
Salaries	227,290	220,841
Employee Pensions and Benefits	54,081	50,620
Electricity	37,648	40,545
Maintenance	18,483	17,134
Materials and Supplies	56,931	76,814
Insurance	31,973	34,774
Advertising	583	260
Accounting and Legal Fees	17,813	9,475
Transportation	10,629	9,847
Water Analysis Fee	3,069	4,211
Regulatory Commission Expense	3,147	3,155
Depreciation and Amortization	312,986	299,606
Payroll Taxes	17,015	16,492
TOTAL OPERATING EXPENSES	1,125,161	1,145,875
OPERATING INCOME (LOSS)	360,942	414,184
NONOPERATING REVENUES (EXPENSES):		
Customer Tap Fees	30,162	13,500
Gain(Loss) Sale of Assets	5,000	-
DOT project flow through income	13,882	-
DOT project flow through expense	(13,882)	-
Interest Income	7,645	4,146
Interest Expense	(161,491)	(172,101)
TOTAL NONOPERATING REVENUES (EXPENSES)	(118,683)	(154,455)
Net Income Before Capital Contribution	242,259	259,729
Capital Contribution	43,451	-
CHANGE IN NET POSITION	285,710	259,729
NET POSITION - Beginning of year	8,725,886	8,466,157
NET POSITION - End of year	\$ 9,011,595	\$ 8,725,886

See accompanying notes to the financial statements.

**BRACKEN COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Receipts from Customers	1,440,587	1,511,147
Cash Payments to Suppliers for Goods and Services	(652,686)	(635,375)
Cash Payments for Salaries and Benefits	(298,387)	(223,996)
Other Receipts (Payments)	45,517	48,912
Net Cash Provided (Used) by Operating Activities	535,031	700,688
CASH FLOWS FROM INVESTING ACTIVITIES		
KRWFC Sinking Fund	(940)	940
Interest Income	7,645	4,146
Net Cash Provided (Used) by Investing Activities	7,645	5,086
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds From Capital Debt	568,900	-
Principal Paid on Capital Debt	(278,336)	(269,693)
Purchases of Capital Assets	(697,116)	(90,475)
Contributed Capital - Tap Fees	30,162	13,500
Interest Paid on Capital Debt	(161,491)	(172,101)
Net Cash Provided (Used) by Financing Activities	(537,881)	(518,769)
NET INCREASE (DECREASE) IN CASH	4,796	187,005
Cash and Cash Equivalents - Beginning of Year	1,375,899	1,188,894
Cash and Cash Equivalents - End of Year	\$ 1,380,695	\$ 1,375,899
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	360,942	414,184
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:		
Depreciation Expense	312,986	299,606
Amortization Expense	-	-
Change in Assets and Liabilities:		
Accounts Receivable	20,611	(13,691)
Inventories	(68,971)	(836)
Prepaid Expense	(463)	606
Accounts Payable and Other Payables	(98,042)	1,938
Customer Deposits	5,501	(1,119)
Accrued Wages and Vacation	2,468	-
Net Cash Provided (Used) by Operating Activities	\$ 535,031	\$ 700,688

Supplemental Disclosures:

Interest paid was \$161,491 and \$ 172,101 in 2018 and 2017 respectively.

See accompanying notes to the financial statements.

EXHIBIT F

Notification to State Local Debt Officer

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
NICHOLAS J. LOCOCO

June 25, 2020

Honorable Dennis Keene
Commissioner and State Local Debt Officer
100 Airport Road, Third Floor
Frankfort, Kentucky 40601

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

Dear Commissioner Keene:

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:jlm
Enclosures