

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF THE )  
BRACKEN COUNTY WATER DISTRICT )  
FOR THE ISSUANCE OF A CERTIFICATE )  
OF PUBLIC CONVENIENCE AND NECESSITY )  
TO CONSTRUCT A WATER SYSTEM )  
IMPROVEMENTS PROJECT AND AN ORDER ) Case No. 2021 - 00467  
AUTHORIZING THE ISSUANCE OF SECURITIES )  
PURSUANT TO THE PROVISIONS OF )  
KRS 278.020, KRS 278.300 AND 807 KAR 5:001 )**

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

**APPLICATION**

The Applicant, Bracken County Water District ("Bracken District"), files this Application pursuant to KRS 278.020(1), KRS 278.300 and KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") grant Bracken District a Certificate of Public Convenience and Necessity ("CPCN") to construct a water system improvements project (the "Project") and an order authorizing the issuance of securities to finance said Project. In support of this Application, and in compliance with the rules and regulations of the Commission, Bracken District states as follows:

1. Bracken District was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the Bracken County Judge/Executive, which Order is on file in the County Court Order Books in the office of the Bracken County Clerk.

Bracken District is now, and has been since its inception, regulated by the Commission, and all records and proceedings of the Commission with reference to Bracken District are incorporated in this Application by reference. Bracken District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

2. The governing body of Bracken District is its Board of Commissioners which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.

3. The mailing address of Bracken District is as follows:

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

4. A general description of Bracken District's system property, together with a statement of the original cost, is contained in Bracken District's Annual Report for 2020 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. Pursuant to 807 KAR 5:001, Section 15 - Applications for Certificates of Public Convenience and Necessity, Bracken District hereby responds as follows:

(i) Section 15(2)(a): Facts Relied Upon to Show Public Necessity: The proposed Project and the need for the Project is described in **Exhibit "A"** attached hereto. This Project is an extension of a completed project authorized by the Commission in **Case No. 2020-00271** and is being constructed pursuant to Change Order No. 1 to the original contract (attached hereto as **Exhibit "I"**).

- (ii) Section 15(2)(b): Copies of Permits: Required permits are attached hereto as **Exhibit "B"**.
- (iii) Section 15(2)(c): Description of Proposed Location or Route. Construction of the Project is being performed within the boundaries of Bracken District and is detailed in the location map referred to in paragraph 5(iv) below. The proposed Project is being installed entirely on private property within an existing easement (see **Exhibit "C"** attached hereto) will not compete with any other public utilities and will not result in any wasteful duplication.
- (iv) Section 15(2)(d)(1): Maps to Suitable Scale: an electronic storage medium of the map to suitable scale showing the location of the proposed Project, as well as the location of like facilities owned by others located anywhere within the map area are being filed with this Application.
- (v) Section 15(2)(d)(2): Plans and Specifications: The signed, sealed and dated Plans and Specifications in .pdf format on electronic storage medium are being filed with this Application.
- (vi) Section 15(2)(e) Financing: Bracken District is financing the Project with the proceeds of a loan from the Kentucky Rural Water Finance Corporation ("KRWFC") in the estimated principal amount of \$315,000 (subject to adjustment of 10%) (the "KRWFC Loan"). The KRWFC Loan will be evidenced by an Assistance Agreement between Bracken District and KRWFC. A copy of the preliminary number runs of Raymond James & Co., the financial advisor to KRWFC is attached hereto as **Exhibit "D"**. The

Final Project Budget for the original contract, including Change Order No. 1 is attached hereto as **Exhibit “E”**.

- (vii) Section 15(2)(e) Statement of Estimated Annual Cost of Operation: a statement of the estimated annual cost of operation after the Project is placed in service is titled Annual Cost of Operation and is attached hereto as **Exhibit “F”**.

6. The detailed Statement of Net Position; Statement of Revenue, Expenses and Changes in Net Position; and Statement of Cash Flows for the twelve month periods ending on December 31, 2020 and 2019 are attached hereto as **Exhibit “G”** respectively.

7. Pursuant to 807 KAR 5:001, Section 12 - Financial Exhibit, Bracken District hereby responds as follows:

- (i) Section 12(1)(a): Bracken 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 have occurred since December 31, 2020.
- (ii) Section 12(2)(a), (b) and (c) Stock: Bracken District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: Bracken 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 Bracken District is contained in financial statements and Note 3 to financial statements which have been filed with the Commission and are incorporated herein by reference.

- (v) Section 12(2)(h) Dividends: Bracken District has no outstanding stock and therefore pays no dividends.
  - (vi) Section 12(2)(i) Financial Statements: See **Exhibit "G"** attached hereto.
8. Pursuant to 807 KAR 5:001, Section 18, Bracken District hereby responds as follows:
- (i) Section 18(1)(a): Bracken District has complied with the requirements of 807 KAR 5:001, Section 14.
  - (ii) Section 18(1)(b): A general description of Bracken District's property, its field of operation and a statement of original cost of said property and the cost to Bracken District is contained in Bracken District's 2020 Annual Report on file with this Commission.
  - (iii) Section 18(1)(c): Bracken District is not issuing any stock as part of this financing. The information concerning the proposed KRWFC Loan is contained in this Application and the supporting exhibits. The KRWFC Loan will be secured by and payable from the gross revenues of Bracken District's water system.
  - (iv) Section 18(1)(d): Bracken District is not refunding any outstanding obligations in connection with this Project. The proceeds of the KRWFC Loan are being used for the construction of the Project described in **Exhibit "A"**.
  - (v) Section 18(1)(e): See paragraph 5(i) above and paragraph 8(x) below.

- (vi) Section 18(1)(f): Bracken District is not refunding any outstanding obligations in connection with this Project.
  - (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 “H”** attached hereto).
  - (viii) Section 18(2)(a): See paragraph #7 above.
  - (ix) Section 18(2)(b): Bracken District does not have any outstanding trust deeds or mortgages.
  - (x) Section 18(2)(c): A detailed estimate of the acquired property, arranged according to the Uniform System of Accounts for Class A/B Water Districts and Associations is \$268,500 classified as USOA account #331 (transmission and distribution mains).
9. A copy of Change Order No. 1 to the original contract is attached hereto as **Exhibit “I”**.
10. No rate adjustment is being requested in connection with this Application.

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

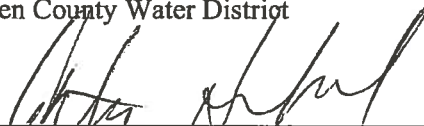
A. Grant Bracken District a Certificate of Public Convenience and Necessity permitting the Bracken District to construct the Project;

B. Authorize the issuance of securities pursuant to the KRWFC Assistance Agreement evidencing of the \$315,000 (subject to adjustment of 10%) KRWFC Loan; and

C. Due to the fact that this Project is an extension of a completed project, Bracken District respectfully requests that the Commission issue its Order on or before **January 24, 2022** in order to allow the contractor on the original project to complete this Project in a timely manner.

Bracken County Water District

By



Anthony Habermehl, Chairman

P.O. Box 201

Brooksville, Kentucky 41004

Phone: (606) 735-3513

Fax: (606) 735-3017

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

Rubin & Hays

By



W. Randall Jones

Kentucky Home Trust Building

450 South Third Street

Louisville, Kentucky 40202

Phone: (502) 569-7534

Fax: (502) 569-7555

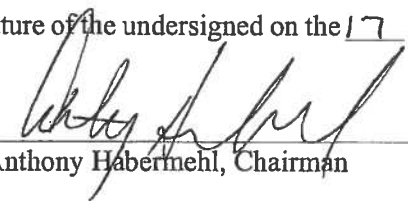
Counsel for Bracken County Water District

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

STATE OF KENTUCKY            )  
  ) SS  
COUNTY OF BRACKEN         )

The affiant, Anthony Habermehl, being first duly sworn, states: That he is the Chairman of the Bracken County Water District, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 17 day of December, 2021.

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

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Anthony Habermehl, Chairman of the Bracken County Water District on this the 17 day of December, 2021.

My Commission expires: 4/3/2022.

  
\_\_\_\_\_  
Notary Public

Notary ID#: 596937



# **EXHIBIT A**

## **Public Necessity and Project Description**

## **Bracken County Water District Augusta Supply Line Project**

### Necessity of Project

Currently the Bracken County Water District purchases over 90% of their potable water from the City of Augusta. The District serves approximately 2,600 households in Bracken, Mason, Pendleton and Robertson counties.

The District purchases potable water from the City of Augusta via one ten (10) inch water main. This water main is of PVC material and is over thirty-five (35) years old. The water main begins at the City's water plant in downtown Augusta and near the banks of the Ohio River. From the treatment plant the water main proceeds in a westerly direction running parallel with the Ohio River and is located in the floodplain of the river. This water main extends approximately 3,200 LF before proceeding along Augusta Berlin Road to the District's main pump station and clear well. The water main is located within the floodplain for approximately another 1,500 LF proceeding along Augusta Berlin Road. Beyond this point there is approximately an additional 2,100 LF of this water main until it reaches the District's main pump station. This portion of the water main is not located in the floodplain but is of the same PVC material and over thirty-five years.

During times of heavy precipitation, the Ohio River floods and areas along the route of the existing water main experience flooding due to the backwaters of the river also flooding. By analyzing USGS river elevation data the District has been able to determine the amount of time that this water main is under flood water and during one recent three-month period the water main was in flood waters approximately 30% of the time or almost thirty (30) days out of ninety (90). This flooding situation has occurred during a worst-case situation for a period of approximately ten (10) consecutive days. In the event of a break on this water main during these conditions the entire District's customers are in jeopardy of losing water service.

It is against this backdrop that the District has reviewed its options and committed to ensure the continued potable water service to its approximate 2,600 households by installing an additional water main from the City of Augusta to serve its system.

### Project Description

The project will involve the installation of approximately 2,100 LF of 12" ductile iron water main from near the intersection of Augusta Berlin Road and Turtle Creek Road to the District's existing main pump station along Augusta Berlin Road. This additional installation of 2,100 LF of water main will ensure that the entire supply line from the City of Augusta to the District is of ductile iron material. The water main will be installed entirely on private property within an existing easement that the District possesses. Installation within these rights-of-way will ensure that the new water main is not within the floodplain and will allow the District to access the main for repairs and/or maintenance. Additional appurtenances will be installed to include gate valves that will give the District the flexibility to use both the new and old water mains to ensure continued service to its customer base.

# **EXHIBIT B**

## Required Permits



ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

November 10, 2021

Anthony Habermehl  
Bracken Co Water District  
1324 Brooksville Germantown Rd  
Brooksville, KY 41004

RE: Augusta Supply Line CO #1  
Bracken County, KY  
Bracken Co Water District  
AI #: 33805, APE20210001  
PWSID #: 0120039-21-001

Dear Mr. Habermehl:

We have reviewed the plans and specifications for the above referenced project. The plans include the construction of approximately 2,000 linear feet of 12-inch DI water line. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

If you have any questions concerning this project, please contact Cassie Campbell at 502-782-6909.

Sincerely,

---

Terry Humphries, P.E.  
Supervisor, Engineering Section  
Water Infrastructure Branch  
Division of Water

TH:CC

Enclosures

c: Bluegrass Engineering PLLC  
Bracken County Health Department  
Division of Plumbing



the study. The authors would like to thank the staff of the National Institute for Occupational Safety and Health for their assistance in the data collection.

Correspondence: Dr S. M. M. Koozekan, National Institute for Occupational Safety and Health, 1015 North 15th Street, Pittsburgh, PA 15205, USA.

E-mail: koozekan@niosh-niosh.org

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## Distribution-Water Line Extension

Bracken Co Water District

Facility Requirements

Activity ID No.:APE20210001

Page 1 of 4

**PORT000000040 (Augusta Supply Line CO #1) 2,000 linear feet of 12 inch water line:**

### Narrative Requirements:

Condition No.	Condition
T-1	Construction of this project shall not result in the water system's inability to supply consistent water service in compliance with 401 KAR 8:010 through 8:600. [401 KAR 8:100 Section 5]
T-2	The public water system shall not implement a change to the approved plans without the prior written approval of the cabinet. [401 KAR 8:100 Section 4(3)]
T-3	A proposed change to the approved plans affecting sanitary features of design shall be submitted to the cabinet for approval in accordance with Section 2 of this administrative regulation. [401 KAR 8:100 Section 4(2)]
T-4	During construction, a set of approved plans and specifications shall be available at the job site. Construction shall be performed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 3(1)]
T-5	Unless construction begins within two (2) years from the date of approval of the final plans and specifications, the approval shall expire. [401 KAR 8:100 Section 3(3)]
T-6	Upon completion of construction, a professional engineer shall certify in writing that the project has been completed in accordance with the approved plans and specifications. [401 KAR 8:100 Section 4(1)]
T-7	The system shall be designed to maintain a minimum pressure of 20 psi at ground level at all points in the distribution system under all conditions of flow. [Recommended Standards for Water Works 8.2.1, Drinking Water General Design Criteria IV.1.a]
T-8	Water lines should be hydraulically capable of a flow velocity of 2.5 ft/s while maintaining a pressure of at least 20 psi. [Drinking Water General Design Criteria IV.1.b]
T-9	The normal working pressure in the distribution system at the service connection shall not be less than 30 psi under peak demand flow conditions. Peak demand is defined as the maximum customer water usage rate, expressed in gallons per minute (gpm), in the pressure zone of interest during a 24 hour (diurnal) time period. [Drinking Water General Design Criteria IV.1.d]
T-10	When static pressure exceeds 150 psi, pressure reducing devices shall be provided on mains or as part of the meter setting on individual service lines in the distribution system. [Drinking Water General Design Criteria IV.1.c]
T-11	The minimum size of water main in the distribution system where fire protection is not to be provided should be a minimum of three (3) inch diameter. Any departure from minimum requirements shall be justified by hydraulic analysis and future water use, and can be considered only in special circumstances. [Recommended Standards for Water Works 8.2.2, Drinking Water General Design Criteria IV.2.b]

## Distribution-Water Line Extension

Bracken Co Water District

Facility Requirements

Activity ID No.:APE20210001

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**PORT0000000040 (Augusta Supply Line CO #1) 2,000 linear feet of 12 inch water line:**

### Narrative Requirements:

Condition No.	Condition
T-12	Water mains not designed to carry fire-flows shall not have fire hydrants connected to them. [Recommended Standards for Water Works 8.4.1.b]
T-13	Flushing devices should be sized to provide flows which will give a velocity of at least 2.5 feet per second in the water main being flushed. [Recommended Standards for Water Works 8.2.4.b, Recommended Standards for Water Works 8.4.1.b]
T-14	No flushing device shall be directly connected to any sewer. [Recommended Standards for Water Works 8.2.4.b, Recommended Standards for Water Works 8.4.1.b]
T-15	Pipe shall be constructed to a depth providing a minimum cover of 30 inches to top of pipe. [Drinking Water General Design Criteria IV.3.a]
T-16	Water mains shall be covered with sufficient earth or other insulation to prevent freezing. [Recommended Standards for Water Works 8.7]
T-17	A continuous and uniform bedding shall be provided in the trench for all buried pipe. Backfill material shall be tamped in layers around the pipe and to a sufficient height above the pipe to adequately support and protect the pipe. Stones found in the trench shall be removed for a depth of at least six inches below the bottom of the pipe. [Recommended Standards for Water Works 8.7]
T-18	Water line installation shall incorporate the provisions of the AWWA standards and/or manufacturer's recommended installation procedures. [Recommended Standards for Water Works 8.7]
T-19	All materials used for the rehabilitation of water mains shall meet ANSI/NSF standards. [Recommended Standards for Water Works 8.1]
T-20	Packing and jointing materials used in the joints of pipe shall meet the standards of AWWA and the reviewing authority. [Recommended Standards for Water Works 8.1]
T-21	All tees, bends, plugs and hydrants shall be provided with reaction blocking, tie rods or joints designed to prevent movement. [Recommended Standards for Water Works 8.7]
T-22	All materials including pipe, fittings, valves and fire hydrants shall conform to the latest standards issued by the ASTM, AWWA and ANSI/NSF, where such standards exist, and be acceptable to the Division of Water. [Recommended Standards for Water Works 8.1]
T-23	Water mains which have been used previously for conveying potable water may be reused provided they meet the above standards and have been restored practically to their original condition. [Recommended Standards for Water Works 8.1]

## Distribution-Water Line Extension

Bracken Co Water District

Facility Requirements

Activity ID No.:APE20210001

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**PORT0000000040 (Augusta Supply Line CO #1) 2,000 linear feet of 12 inch water line:**

### Narrative Requirements:

Condition No.	Condition
T-24	Manufacturer approved transition joints shall be used between dissimilar piping materials. [Recommended Standards for Water Works 8.1]
T-25	The minimum size of water main which provides for fire protection and serving fire hydrants shall be six-inch diameter. [Recommended Standards for Water Works 8.2, Drinking Water General Design Criteria IV.2.a]
T-26	Pipes and pipe fittings containing more than 8% lead shall not be used. All products shall comply with ANSI/NSF standards. [Recommended Standards for Water Works 8.1]
T-27	Gaskets containing lead shall not be used. Repairs to lead-joint pipe shall be made using alternative methods. [Recommended Standards for Water Works 8.1]
T-28	Pipe materials shall be selected to protect against both internal and external pipe corrosion. [Recommended Standards for Water Works 8.1]
T-29	Dead end mains shall be equipped with a means to provide adequate flushing. [Recommended Standards for Water Works 8.2]
T-30	The hydrant lead shall be a minimum of six inches in diameter. Auxiliary valves shall be installed on all hydrant leads. [Recommended Standards for Water Works 8.4.3]
T-31	A sufficient number of valves shall be provided on water mains to minimize inconvenience and sanitary hazards during repairs. [Recommended Standards for Water Works 8.3]
T-32	Wherever possible, chambers, pits or manholes containing valves, blow-offs, meters, or other such appurtenances to a distribution system, shall not be located in areas subject to flooding or in areas of high groundwater. Such chambers or pits should drain to the ground surface, or to absorption pits underground. The chambers, pits and manholes shall not connect directly to any storm drain or sanitary sewer. Blow-offs shall not connect directly to any storm drain or sanitary sewer. [Recommended Standards for Water Works 8.6]
T-33	At high points in water mains where air can accumulate provisions shall be made to remove the air by means of air relief valves. [Recommended Standards for Water Works 8.5.1]
T-34	Automatic air relief valves shall not be used in situations where flooding of the manhole or chamber may occur. [Recommended Standards for Water Works 8.5.1]
T-35	The open end of an air relief pipe from automatic valves shall be extended to at least one foot above grade and provided with a screened, downward-facing elbow. [Recommended Standards for Water Works 8.5.2.c]



**Distribution-Water Line Extension**  
Bracken Co Water District  
Facility Requirements

Activity ID No.:APE20210001

Page 4 of 4

**PORT0000000040 (Augusta Supply Line CO #1) 2,000 linear feet of 12 inch water line:**

**Narrative Requirements:**

Condition No.	Condition
T-36	Discharge piping from air relief valves shall not connect directly to any storm drain, storm sewer, or sanitary sewer. [Recommended Standards for Water Works 8.5.2.d]
T-37	Water pipe shall be constructed with a lateral separation of 10 feet or more from any gravity sanitary or combined sewer measured edge to edge where practical. If not practical a variance may be requested to allow the water pipe to be installed closer to the gravity sanitary or combined sewer provided the water pipe is laid in a separate trench or undisturbed shelf located on one side of the sewer with the bottom of the pipe at least 18 inches above the top of the gravity sanitary or combined sewer pipe. [Drinking Water General Design Criteria IV.3.b]
T-38	Water lines crossing sanitary, combined or storm sewers shall be laid to provide a minimum vertical distance of 18 inches between the outside of the water main and the outside of the sanitary, combined or storm sewer with preference to the water main located above the sanitary, combined or storm sewer. [Drinking Water General Design Criteria IV.3.c]
T-39	At crossings, one full length of water pipe shall be located so both joints will be as far from the sewer as possible. [Recommended Standards for Water Works 8.8.3.b]
T-40	There shall be no connection between the distribution system and any pipes, pumps, hydrants, or tanks whereby unsafe water or other contaminating materials may be discharged or drawn into the system. [Recommended Standards for Water Works 8.10.1]
T-41	Water utilities shall have a cross connection program conforming to 401 KAR 8. [Recommended Standards for Water Works 8.10.1]
T-42	Installed pipe shall be pressure tested and leakage tested in accordance with the appropriate AWWA Standards. [Recommended Standards for Water Works 8.7.6]
T-43	New, cleaned and repaired water mains shall be disinfected in accordance with AWWA Standard C651. The specifications shall include detailed procedures for the adequate flushing, disinfection, and microbiological testing of all water mains. In an emergency or unusual situation, the disinfection procedure shall be discussed with the Division of Water. [Recommended Standards for Water Works 8.7.7]
T-44	A minimum cover of five feet shall be provided over pipe crossing underwater. [Recommended Standards for Water Works 8.9.2]
T-45	Valves shall be provided at both ends of water crossings so that the section can be isolated for testing or repair; the valves shall be easily accessible, and not subject to flooding for pipes crossing underwater. [Recommended Standards for Water Works 8.9.2.b]
T-46	Permanent taps or other provisions to allow insertion of a small meter to determine leakage and obtain water samples on each side of the valve closest to the supply source for pipes crossing. [Recommended Standards for Water Works 8.9.2.c]

# **EXHIBIT C**

Easement

**RIGHT-OF-WAY EASEMENT**

THIS RIGHT-OF-WAY EASEMENT, made and entered into by and between **SELECT RURAL INVESTMENTS LTD**, an Ohio limited liability company acting by and through its member, **MICHAEL PAOLUCCI**, of 400 TECHNE CENTER DR #320, MILFORD, OHIO 45150, GRANTOR, and **BRACKEN COUNTY WATER DISTRICT**, of P.O. Box 201, Brooksville, Kentucky 41004, GRANTEE.\*

WITNESSETH: That GRANTOR, for and in consideration of the sum of One Dollar (\$1.00), and other good and valuable consideration, the receipt of which is hereby acknowledged, does by these presents grant, bargain, sell, transfer, convey, and confirm unto the GRANTEE, its successors and assigns forever, a perpetual easement with the right to erect, construct, install, and lay, thereafter use, operate, inspect, repair, maintain, replace, and remove water lines, meters, and other appurtenances necessary to operate said water lines over, across, and through the land of GRANTOR situated in Bracken County, State of Kentucky and a perpetual easement with the right to lay, maintain, operate, repair, replace or remove lateral lines across property to service property on the opposite side of the road, together with the right of ingress and egress over the adjacent lands of GRANTOR, their heirs, successors and assigns, for the purpose of this easement.

The permanent easement shall be 20 feet in width with an additional 10 feet of construction easement contiguous with and on each side of the permanent easement and opposite the side which abuts any road right-of-way.

SOURCE OF TITLE: Being the same property conveyed to Select Rural Investments Ltd, an Ohio limited liability company, acting by and through its agent, Michael Paolucci, by deed dated the 15th day of March 2018 and of record in Deed Book 214 Page 124 at the Bracken County Clerk's Office, Brooksville, Kentucky.

The consideration hereinabove recited shall constitute payment in full for any damages to the land of GRANTOR, their heirs, and assigns, by reason of the installation, operation, and maintenance of the structures or improvements referred to herein. GRANTEE covenants to maintain the easement in good repair so that no unreasonable damage will result from its use to the adjacent land of GRANTOR, their heirs and assigns.

The grant and other provisions of this easement shall constitute a covenant running with the land for the benefit of the GRANTEE, its successors and assigns.

The parties understand and agree that environmental clearance must be obtained by the District before the proposed water line can be installed and this easement is conditional upon the District obtaining the required environmental clearance.

To HAVE AND HOLD the same, together with all the rights, privileges and appurtenances thereto belonging or in anywise appertaining for the purpose herein recited unto said GRANTEE, its successors and assigns.

IN WITNESS WHEREOF, GRANTOR has executed this instrument on this the 27<sup>th</sup> day of April, 2021.

GRANTOR:




SELECT RURAL INVESTMENTS LTD,  
AN OHIO LIMITED LIABILITY COMPANY  
ACTING BY AND THROUGH ITS MEMBER  
MICHAEL PAOLUCCI

STATE OF OHIO }  
  }  
COUNTY OF Clermont }

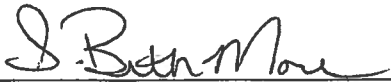
I, the undersigned, hereby certify that the foregoing Right-Of-Way Easement was acknowledged, sworn to and subscribed before me on this 27<sup>th</sup> day of APRIL, 2021, by Michael Paolucci, GRANTOR.



Shawna Newberry  
Notary Public, State of Ohio  
My Comm. Expires Nov. 1, 2021

  
\_\_\_\_\_  
Notary Public  
My commission expires: 11/1/21

Prepared without the benefit of a  
title examination by:



S. Beth Moore  
Bracken County Attorney  
P.O. Box 259  
Brooksville, KY 41004  
(606) 735-2905

DOCUMENT NO: 75920  
RECORDED ON: 5/11/2021 12:42:00 PM  
COUNTY CLERK: RAE JEAN POE  
COUNTY: BRACKEN  
BOOK: D222 PAGE: 397 - 399 ROWE  
Signed: SAM

# **EXHIBIT D**

## Preliminary Numbers

**\$315,000**

Bracken County Water District  
Loan through the Kentucky Rural Water Finance Corporation  
20 year term

## Sources & Uses

Dated 02/22/2022 | Delivered 02/22/2022

### Sources Of Funds

Par Amount of Bonds	\$315,000.00
Reoffering Premium	7,697.80

**Total Sources** **\$322,697.80**

### Uses Of Funds

Total Underwriter's Discount (1.750%)	5,512.50
Costs of Issuance	13,540.00
Deposit to Project Construction Fund	300,000.00
Rounding Amount	3,645.30

**Total Uses** **\$322,697.80**

**\$315,000**

Bracken County Water District  
Loan through the Kentucky Rural Water Finance Corporation  
20 year term

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/22/2022	-	-	-	-	-
08/01/2022	-	-	3,613.94	3,613.94	-
12/31/2022	-	-	-	-	3,613.94
02/01/2023	10,000.00	3.000%	4,091.25	14,091.25	-
08/01/2023	-	-	3,941.25	3,941.25	-
12/31/2023	-	-	-	-	18,032.50
02/01/2024	10,000.00	3.000%	3,941.25	13,941.25	-
08/01/2024	-	-	3,791.25	3,791.25	-
12/31/2024	-	-	-	-	17,732.50
02/01/2025	15,000.00	3.000%	3,791.25	18,791.25	-
08/01/2025	-	-	3,566.25	3,566.25	-
12/31/2025	-	-	-	-	22,357.50
02/01/2026	15,000.00	3.000%	3,566.25	18,566.25	-
08/01/2026	-	-	3,341.25	3,341.25	-
12/31/2026	-	-	-	-	21,907.50
02/01/2027	15,000.00	3.000%	3,341.25	18,341.25	-
08/01/2027	-	-	3,116.25	3,116.25	-
12/31/2027	-	-	-	-	21,457.50
02/01/2028	15,000.00	3.000%	3,116.25	18,116.25	-
08/01/2028	-	-	2,891.25	2,891.25	-
12/31/2028	-	-	-	-	21,007.50
02/01/2029	15,000.00	3.000%	2,891.25	17,891.25	-
08/01/2029	-	-	2,666.25	2,666.25	-
12/31/2029	-	-	-	-	20,557.50
02/01/2030	15,000.00	3.000%	2,666.25	17,666.25	-
08/01/2030	-	-	2,441.25	2,441.25	-
12/31/2030	-	-	-	-	20,107.50
02/01/2031	15,000.00	2.750%	2,441.25	17,441.25	-
08/01/2031	-	-	2,235.00	2,235.00	-
12/31/2031	-	-	-	-	19,676.25
02/01/2032	15,000.00	2.500%	2,235.00	17,235.00	-
08/01/2032	-	-	2,047.50	2,047.50	-
12/31/2032	-	-	-	-	19,282.50
02/01/2033	15,000.00	2.500%	2,047.50	17,047.50	-
08/01/2033	-	-	1,860.00	1,860.00	-
12/31/2033	-	-	-	-	18,907.50
02/01/2034	15,000.00	2.400%	1,860.00	16,860.00	-
08/01/2034	-	-	1,680.00	1,680.00	-
12/31/2034	-	-	-	-	18,540.00
02/01/2035	15,000.00	2.400%	1,680.00	16,680.00	-
08/01/2035	-	-	1,500.00	1,500.00	-
12/31/2035	-	-	-	-	18,180.00
02/01/2036	15,000.00	2.300%	1,500.00	16,500.00	-
08/01/2036	-	-	1,327.50	1,327.50	-
12/31/2036	-	-	-	-	17,827.50
02/01/2037	15,000.00	2.300%	1,327.50	16,327.50	-
08/01/2037	-	-	1,155.00	1,155.00	-
12/31/2037	-	-	-	-	17,482.50
02/01/2038	20,000.00	2.300%	1,155.00	21,155.00	-
08/01/2038	-	-	925.00	925.00	-
12/31/2038	-	-	-	-	22,080.00
02/01/2039	20,000.00	2.300%	925.00	20,925.00	-
08/01/2039	-	-	695.00	695.00	-
12/31/2039	-	-	-	-	21,620.00
02/01/2040	20,000.00	2.300%	695.00	20,695.00	-
08/01/2040	-	-	465.00	465.00	-
12/31/2040	-	-	-	-	21,160.00
02/01/2041	20,000.00	2.300%	465.00	20,465.00	-
08/01/2041	-	-	235.00	235.00	-
12/31/2041	-	-	-	-	20,700.00
02/01/2042	20,000.00	2.350%	235.00	20,235.00	-
12/31/2042	-	-	-	-	20,235.00
<b>Total</b>	<b>\$315,000.00</b>	<b>-</b>	<b>\$87,465.19</b>	<b>\$402,465.19</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	53,566.63
Average Life	11.323 Years
Average Coupon	2.4523237%
Net Interest Cost (NIC)	2.3910529%
True Interest Cost (TIC)	2.3916601%
Bond Yield for Arbitrage Purposes	2.2109740%
All Inclusive Cost (AIC)	3.0928834%

**IRS Form 8038**

Net Interest Cost	2.2142755%
Weighted Average Maturity	11.163 Years

Bracken Co WD 20 year 12 | SINGLE PURPOSE | 12/18/2021 | 12 08 PM

Raymond James



**\$315,000**

Bracken County Water District

Loan through the Kentucky Rural Water Finance Corporation

20 year term

## Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Trustee	Net New D/S
12/31/2022	-	-	3,613.94	3,613.94	-	3,613.94
12/31/2023	10,000.00	3.000%	8,032.50	18,032.50	450.00	18,482.50
12/31/2024	10,000.00	3.000%	7,732.50	17,732.50	450.00	18,182.50
12/31/2025	15,000.00	3.000%	7,357.50	22,357.50	450.00	22,807.50
12/31/2026	15,000.00	3.000%	6,907.50	21,907.50	450.00	22,357.50
12/31/2027	15,000.00	3.000%	6,457.50	21,457.50	450.00	21,907.50
12/31/2028	15,000.00	3.000%	6,007.50	21,007.50	450.00	21,457.50
12/31/2029	15,000.00	3.000%	5,557.50	20,557.50	450.00	21,007.50
12/31/2030	15,000.00	3.000%	5,107.50	20,107.50	450.00	20,557.50
12/31/2031	15,000.00	2.750%	4,676.25	19,676.25	450.00	20,126.25
12/31/2032	15,000.00	2.500%	4,282.50	19,282.50	450.00	19,732.50
12/31/2033	15,000.00	2.500%	3,907.50	18,907.50	450.00	19,357.50
12/31/2034	15,000.00	2.400%	3,540.00	18,540.00	450.00	18,990.00
12/31/2035	15,000.00	2.400%	3,180.00	18,180.00	450.00	18,630.00
12/31/2036	15,000.00	2.300%	2,827.50	17,827.50	450.00	18,277.50
12/31/2037	15,000.00	2.300%	2,482.50	17,482.50	450.00	17,932.50
12/31/2038	20,000.00	2.300%	2,080.00	22,080.00	450.00	22,530.00
12/31/2039	20,000.00	2.300%	1,620.00	21,620.00	450.00	22,070.00
12/31/2040	20,000.00	2.300%	1,160.00	21,160.00	450.00	21,610.00
12/31/2041	20,000.00	2.300%	700.00	20,700.00	450.00	21,150.00
12/31/2042	20,000.00	2.350%	235.00	20,235.00	450.00	20,685.00
<b>Total</b>	<b>\$315,000.00</b>	<b>-</b>	<b>\$87,465.19</b>	<b>\$402,465.19</b>	<b>\$9,000.00</b>	<b>\$411,465.19</b>

**\$315,000**

**Bracken County Water District**

**Loan through the Kentucky Rural Water Finance Corporation**

**20 year term**

## **Pricing Summary**

<b>Maturity</b>	<b>Type of Bond</b>	<b>Coupon</b>	<b>Yield</b>	<b>Maturity Value</b>	<b>Price</b>	<b>Dollar Price</b>
02/01/2023	Serial Coupon	3.000%	0.760%	10,000.00	102.097%	10,209.70
02/01/2024	Serial Coupon	3.000%	0.850%	10,000.00	104.131%	10,413.10
02/01/2025	Serial Coupon	3.000%	1.220%	15,000.00	105.127%	15,769.05
02/01/2026	Serial Coupon	3.000%	1.400%	15,000.00	106.114%	15,917.10
02/01/2027	Serial Coupon	3.000%	1.520%	15,000.00	107.019%	16,052.85
02/01/2028	Serial Coupon	3.000%	1.670%	15,000.00	107.492%	16,123.80
02/01/2029	Serial Coupon	3.000%	1.930%	15,000.00	106.919%	16,037.85
02/01/2030	Serial Coupon	3.000%	2.030%	15,000.00	107.080%	16,062.00
02/01/2031	Serial Coupon	2.750%	2.060%	15,000.00	105.607%	15,841.05
02/01/2032	Serial Coupon	2.500%	2.090%	15,000.00	103.662%	15,549.30
02/01/2033	Serial Coupon	2.500%	2.220%	15,000.00	102.706%	15,405.90
02/01/2034	Serial Coupon	2.400%	2.240%	15,000.00	101.667%	15,250.05
02/01/2035	Serial Coupon	2.400%	2.270%	15,000.00	101.450%	15,217.50
02/01/2036	Serial Coupon	2.300%	2.270%	15,000.00	100.356%	15,053.40
02/01/2037	Serial Coupon	2.300%	2.290%	15,000.00	100.125%	15,018.75
02/01/2038	Serial Coupon	2.300%	2.320%	20,000.00	99.734%	19,946.80
02/01/2039	Serial Coupon	2.300%	2.350%	20,000.00	99.303%	19,860.60
02/01/2040	Serial Coupon	2.300%	2.390%	20,000.00	98.692%	19,738.40
02/01/2041	Serial Coupon	2.300%	2.430%	20,000.00	98.035%	19,607.00
02/01/2042	Serial Coupon	2.350%	2.470%	20,000.00	98.118%	19,623.60
<b>Total</b>	-	-	-	<b>\$315,000.00</b>	-	<b>\$322,697.80</b>

### **Bid Information**

Par Amount of Bonds	\$315,000.00
Reoffering Premium or (Discount)	7,697.80
Gross Production	\$322,697.80
Total Underwriter's Discount (1.750%)	\$(5,512.50)
Bid (100.694%)	317,185.30
Total Purchase Price	\$317,185.30
Bond Year Dollars	\$3,566.63
Average Life	11.323 Years
Average Coupon	2.4523237%
Net Interest Cost (NIC)	2.3910529%
True Interest Cost (TIC)	2.3916601%

**Raymond James**

# **EXHIBIT E**

## Final Project Budget



222 East Main Street, Ste. 1 • Georgetown, KY 40324

Client: Bracken County Water District

Project: Augusta Supply Line Replacement  
w/Additional Footage

Date: 10/2/2021

Construction Costs					
Item #	Description	Quantity	Unit	Unit Cost	Item Cost
1	12" Ductile Iron Class 350	5,583	LF	\$ 147.00	\$ 820,701
2	4" C900 PVC Water Main	295	LF	\$ 30.00	\$ 8,850
3	12" Gate Valve & Box	2	EA	\$ 3,000.00	\$ 6,000
4	10" Gate Valve & Box	3	EA	\$ 2,400.00	\$ 7,200
5	4" Gate Valve & Box	1	EA	\$ 800.00	\$ 800
6	6" Flush Hydrant Assembly	1	EA	\$ 6,000.00	\$ 6,000
7	20" Steel Casing Pipe, Open Cut	20	LF	\$ 200.00	\$ 4,000
8	Connection to Existing W.M.	2	EA	\$ 5,500.00	\$ 11,000
9	Tandem Meter Setter w/customer meter & PRV	1	EA	\$ 2,000.00	\$ 2,000
Alt. #1	Additional Milling & Paving of Augusta Berlin Rd.	1	LS	\$ 5,000.00	\$ 5,000
Change Order No. 1					
1	12" Ductile Iron Class 350	2,100	LF	\$ 125.00	\$ 262,500
2	12" Gate Valve & Box	2	EA	\$ 3,000.00	\$ 6,000
<b>Total - Construction Cost</b>					<b>\$ 1,140,051</b>
Non-Construction Costs					
Contingencies @ 10.0%					
Administrative & Legal Expenses					\$ 4,500
Interest Expenses					
Land, Appraisals, Easements					\$ 5,000
Planning					\$ 10,000
Engineering Fees - Design					\$ 60,300
Engineering Fees - Construction Administration					\$ 16,675
Engineering Fees - Inspection					\$ 55,000
Engineering Fees - Other					\$ 5,000
<b>Total - Non-Construction Costs</b>					<b>\$ 156,475</b>
<b>Total - Project Costs</b>					<b>\$ 1,296,526</b>

# **EXHIBIT F**

## Estimated Annual Cost of Operation

**XXXVII. PROPOSED OPERATING BUDGET - (WATER SYSTEM)**

(1st Full Year of Operation)

Year Ending 2021

Year Ending 2022

Year Ending 2023

**A. Operating Income:**

Water Sales	\$ 1,600,000	\$ 1,632,000	\$ 1,664,640
Disconnect/Reconnect/Late Charge Fees	\$ 58,000	\$ 59,160	\$ 60,343
Other (Describe) customer tap fees	\$ 30,000	\$ 30,600	\$ 31,212

Less Allowances and Deductions

Total Operating Income	<u>\$ 1,688,000</u>	<u>\$ 1,721,760</u>	<u>\$ 1,756,195</u>
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**B. Operation and Maintenance Expenses:**

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Operation Expense	\$ 607,000	\$ 619,140	\$ 631,523
Maintenance Expense	\$ 60,000	\$ 61,200	\$ 62,424
Customer Accounts Expense	\$ 12,000	\$ 12,240	\$ 12,485
Administrative and General Expense	\$ 281,000	\$ 286,620	\$ 292,352

Total Operating Expenses	<u>\$ 960,000</u>	<u>\$ 979,200</u>	<u>\$ 998,784</u>
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Net Operating Income	<u>\$ 728,000</u>	<u>\$ 742,560</u>	<u>\$ 757,411</u>
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**C. Non-Operating Income:**

Interest on Deposits	\$ 4,500	\$ 4,590	\$ 4,682
Other (Identify)			

Total Non-Operating Income	\$ 4,500	\$ 4,590	\$ 4,682
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**D. Net Income**

<u>\$ 732,500</u>	<u>\$ 747,150</u>	<u>\$ 762,093</u>
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**E. Debt Repayment:**

RUS Interest	\$ 73,400	\$ 72,100	\$ 70,800
RUS Principal	\$ 57,400	\$ 58,700	\$ 60,000
Non-RUS Interest	\$ 94,511	\$ 96,287	\$ 86,837
Non-RUS Principal	\$ 324,738	\$ 392,703	\$ 405,753

Total Debt Repayment	\$ 550,049	\$ 619,790	\$ 623,390
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**F. Balance Available for Coverage**

Short Lived Assets	\$ 182,451	\$ 127,361	\$ 138,704
Debt Reserve	\$ 14,240	\$ 14,240	\$ 14,240

Balance Available	<u>\$ 168,211</u>	<u>\$ 113,121</u>	<u>\$ 124,464</u>
Coverage Ratio	1.33	1.21	1.22

# **EXHIBIT G**

## Financial Statements

**BRACKEN COUNTY WATER DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

<b>ASSETS</b>	<u>2020</u>	<u>2019</u>
<b>Current Assets:</b>		
Cash and Cash Equivalents-Unrestricted	\$ 1,375,170	\$ 1,675,137
Unbilled Revenue	90,484	46,973
Accounts Receivable (net of allowance for doubtful accounts of \$8,092 and \$10,286 at December 31, 2020 and 2019.)	147,219	142,921
Inventory	64,563	81,780
Prepaid Insurance	15,445	15,478
<b>Total Current Assets</b>	<u>1,692,880</u>	<u>1,962,290</u>
<b>Restricted Assets</b>		
Cash and Cash Equivalents-Restricted	1,284,472	265,136
KRWFC Sinking Fund	197,765	137,833
<b>Total Restricted Assets</b>	<u>1,482,237</u>	<u>402,968</u>
<b>Noncurrent assets:</b>		
<b>Nondepreciable Capital Assets:</b>		
Land	17,990	17,990
Construction in Progress	4,729,268	3,216,753
<b>Depreciable Capital Assets:</b>		
Property, Plant and Equipment	17,452,866	17,357,929
Less: Accumulated depreciation	<u>(6,822,571)</u>	<u>(6,512,703)</u>
<b>Total Noncurrent Assets</b>	<u>15,377,553</u>	<u>14,079,969</u>
<b>Deferred Charges</b>		
Unamortized bond issuance costs	99,505	-
<b>TOTAL ASSETS</b>	<u>\$ 18,652,176</u>	<u>\$ 16,445,227</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities:</b>		
Accounts Payable	\$ 90,995	\$ 162,414
Customer Deposits	74,850	71,850
Accrued Wages and Vacation Pay	22,975	31,036
Taxes Payable	4,797	5,038
Accrued Interest Payable	29,218	56,064
Current Portion of Long-term Debt	322,738	300,857
<b>Total Current Liabilities</b>	<u>545,573</u>	<u>627,259</u>
<b>Noncurrent Liabilities:</b>		
KRWFC Interium Financing	-	3,194,961
Notes Payable, Net of Current Portion	7,454,334	3,305,004
<b>Total NonCurrent Liabilities</b>	<u>7,454,334</u>	<u>6,499,965</u>
<b>TOTAL LIABILITIES</b>	<u>7,999,907</u>	<u>7,127,223</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	7,600,481	7,279,148
<b>Restricted for:</b>		
Debt Service	324,441	208,322
Capital Projects and Replacement	81,577	121,027
Customer Deposits	75,262	73,619
Unrestricted	2,570,509	1,635,888
<b>TOTAL NET POSITION</b>	<u>\$ 10,652,269</u>	<u>\$ 9,318,004</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES:</b>		
Water Sales	\$ 1,693,099	\$ 1,705,398
Service Charges and Other Revenue	<u>25,218</u>	<u>49,002</u>
<b>TOTAL OPERATING REVENUES</b>	<b>1,718,317</b>	<b>1,754,401</b>
<b>OPERATING EXPENSES:</b>		
Water Purchased	382,290	373,122
Salaries	212,777	219,668
Employee Pensions and Benefits	44,919	59,156
Electricity	45,855	52,138
Maintenance	29,967	33,231
Materials and Supplies	142,010	190,058
Insurance	32,536	31,547
Advertising	299	239
Accounting and Legal Fees	16,316	11,108
Transportation	11,525	19,726
Water Analysis Fee	4,148	5,148
Regulatory Commission Expense	3,546	2,964
Depreciation and Amortization	309,868	308,890
Payroll Taxes	16,759	16,665
<b>TOTAL OPERATING EXPENSES</b>	<u>1,252,815</u>	<u>1,323,661</u>
<b>OPERATING INCOME (LOSS)</b>	<b>465,502</b>	<b>430,740</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Customer Tap Fees	37,572	20,698
Gain(Loss) Sale of Assets	-	-
DOT project flow through income	133,098	18,535
DOT project flow through expense	(133,098)	(18,535)
Amortization Bond Issuance Costs	(4,326)	-
Amortization Bond Premium	10,829	-
Interest Income	39,194	5,434
Interest Expense	<u>(210,394)</u>	<u>(150,463)</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(127,125)</u>	<u>(124,331)</u>
<b>Net Income Before Capital Contribution</b>	<b>338,377</b>	<b>306,409</b>
Capital Contribution	<u>995,885</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<b>1,334,262</b>	<b>306,409</b>
<b>NET POSITION - Beginning of year</b>	<u>9,318,004</u>	<u>9,011,595</u>
<b>NET POSITION - End of year</b>	<u>\$ 10,652,269</u>	<u>\$ 9,318,004</u>

See accompanying notes to the financial statements.

**BRACKEN COUNTY WATER DISTRICT  
STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Cash Receipts from Customers	1,693,099	1,705,398
Cash Payments to Suppliers for Goods and Services	(477,545)	(530,929)
Cash Payments for Salaries and Benefits	(274,456)	(295,489)
Other Receipts (Payments)	25,218	49,002
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>966,316</b>	<b>927,983</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
KRWFC Sinking Fund	(59,932)	(1,239)
Interest Income	39,194	5,434
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(20,738)</b>	<b>4,195</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds From Capital Debt	5,517,000	2,626,061
Principal Paid on Capital Debt	(5,918,223)	(297,286)
Purchases of Capital Assets	(1,607,452)	(2,698,912)
Grant Capital Contributions	995,885	-
Contributed Capital - Tap Fees	37,572	20,698
Interest Paid on Capital Debt	(210,394)	(150,463)
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>(1,185,613)</b>	<b>(499,903)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(240,035)</b>	<b>432,275</b>
Cash and Cash Equivalents - Beginning of Year	1,812,970	1,380,695
Cash and Cash Equivalents - End of Year	<b>\$ 1,572,935</b>	<b>\$ 1,812,970</b>
<b>RECONCILIATION OF OPERATING INCOM (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	465,502	430,740
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:		
Depreciation Expense	309,868	308,890
Amortization Expense	-	-
Change in Assets and Liabilities:		
Accounts Receivable	(47,808)	26,184
Inventories	17,217	40,137
Prepaid Expense	33	1,639
Accounts Payable and Other Payables	226,567	124,773
Customer Deposits	3,000	1,549
Accrued Wages and Vacation	(8,061)	(5,927)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 966,316</b>	<b>\$ 927,983</b>

Supplemental Disclosures:

Interest paid was \$210,394 and \$ 150,463 in 2020 and 2019 respectively.

See accompanying notes to the financial statements.

# **EXHIBIT H**

Notification to the 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

December 17, 2021

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 for the purpose of financing the cost of improvements to the District's waterworks system.

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

Very truly yours,

Rubin & Hays

By

  
W. Randall Jones

WRJ:jl  
Enclosures

# **EXHIBIT I**

Change Order No. 1

Date of Issuance: October 20, 2021 Effective Date: October 20, 2021  
 Owner: Bracken County Water District  
 Contractor: Tifton Excavating, LLC Engineer's Project No.: 19025  
 Engineer: Bluegrass Engineering, PLLC Contract Name: Augusta Supply Line Project  
 Project: Augusta Supply Line

The Contract is modified as follows upon execution of this Change Order:




Description: The contract is amended to install an additional 2,100 LF of 12" ductile iron water main. The water main will be extended from the original point of tie-in near the intersection of Augusta Berlin Road and Turtle Creek to the District's clearwell. This change order will also extend the contract an additional 45 days.

Attachments: *[List documents supporting change]*

Description of Changes (Supplemental Plans and Specifications Attached)	DECREASE	INCREASE
	In Contract Price	In Contract Price
2 100 LF of 12" D1 water main @ \$125 00/LF	\$ -	\$ 262,500.00
2 - 12" Gate Valves @ \$3,000 each	\$ -	\$ 6,000.00
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
TOTALS	\$ -	\$ 268,500.00

NET CHANGE IN CONTRACT PRICE \$ 268,500.00  
 ORIGINAL CONTRACT PRICE \$ 867,650.00  
 CONTRACT PRICE INCORPORATING THIS AND PREVIOUS CHANGE ORDERS \$ 1,136,150.00

ORIGINAL CONTRACT TIME   
 CONTRACT TIME INCORPORATING THIS AND PREVIOUS CHANGE ORDERS

<p style="text-align: center;"><b>RECOMMENDED</b></p> <p>By:  _____              Engineer (if required)              Title: <u>Project Manager</u>              Date: <u>10-20-21</u></p>	<p style="text-align: center;"><b>ACCEPTED</b></p> <p>By:  _____              Owner (Authorized Signature)              Title: <u>Chairman</u>              Date: <u>10-22-21</u></p>	<p style="text-align: center;"><b>ACCEPTED</b></p> <p>By:  _____              Contractor (Authorized Signature)              Title: <u>Member</u>              Date: <u>10/18/21</u></p>
<p>Approved by Funding Agency (if applicable)</p>		
<p>By: _____ Date: _____</p> <p>Title: _____</p>		