

Rubin & Hays

ATTORNEYS AT LAW

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

PARALEGAL
MARY M. EMBRY

June 19, 2006

RECEIVED

JUN 20 2006

PUBLIC SERVICE
COMMISSION

Ms. Beth O'Donnell, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Warren County Water District PSC Case No. 2006-00070

Dear Ms. O'Donnell:

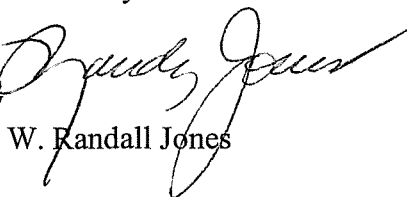
In accordance with the Order in the above case, enclosed please find the final financial schedules of the Kentucky Rural Water Finance Corporation loan which include the gross and net present value savings and the Bond Debt Service.

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: Warren County Water District
Ms. Kristen Curtis, Morgan Keegan

\$3,098,000

*Warren County Water District
Kentucky Rural Water Finance Corporation
Flexible Term Program, Series 2006 B*

Sources & Uses

Dated 04/11/2006 | Delivered 04/11/2006

Sources Of Funds

Par Amount of Bonds.....	\$3,098,000.00
Transfers from Prior Issue Debt Service Funds.....	41,449.69
Transfers from Prior Issue DSR Funds.....	216,420.00
Total Sources.....	\$3,355,869.69

Uses Of Funds

Original Issue Discount (OID).....	30,149.45
Total Underwriter's Discount (0.843%).....	26,129.77
Costs of Issuance.....	37,450.00
Gross Bond Insurance Premium (29.9 bp).....	15,198.09
Deposit to Net Cash Escrow Fund.....	3,245,674.29
Rounding Amount.....	1,268.09
Total Uses.....	\$3,355,869.69

\$3,098,000

*Warren County Water District
Kentucky Rural Water Finance Corporation
Flexible Term Program, Series 2006 B*

Gross Debt Service Comparison

Year End	Principal	Interest	Trustee	New D/S	OLD D/S	Savings
12/30/2006	-	-			41,449.69	41,449.69 ⁽¹⁾
12/30/2007	-	168,600.10	450.00	169,050.10	165,798.76	(3,251.34)
12/30/2008	14,000.00	128,860.50	450.00	143,310.50	165,798.76	22,488.26
12/30/2009	14,000.00	128,300.50	450.00	142,750.50	165,798.76	23,048.26
12/30/2010	94,000.00	126,140.50	450.00	220,590.50	243,818.76	23,228.26
12/30/2011	94,000.00	122,380.50	450.00	216,830.50	244,713.76	27,883.26
12/30/2012	104,000.00	118,420.50	450.00	222,870.50	245,338.76	22,468.26
12/30/2013	104,000.00	114,260.50	450.00	218,710.50	245,666.26	26,955.76
12/30/2014	115,000.00	109,880.50	450.00	225,330.50	245,668.76	20,338.26
12/30/2015	111,000.00	105,360.50	450.00	216,810.50	245,271.88	28,461.38
12/30/2016	123,000.00	100,680.50	450.00	224,130.50	244,493.75	20,363.25
12/30/2017	121,000.00	95,800.50	450.00	217,250.50	243,446.88	26,196.38
12/30/2018	133,000.00	90,654.00	450.00	224,104.00	246,996.88	22,892.88
12/30/2019	131,000.00	85,225.63	450.00	216,675.63	245,143.75	28,468.12
12/30/2020	145,000.00	79,533.13	450.00	224,983.13	247,800.00	22,816.87
12/30/2021	145,000.00	73,497.50	450.00	218,947.50	244,962.50	26,015.00
12/30/2022	155,000.00	67,197.50	450.00	222,647.50	246,712.50	24,065.00
12/30/2023	164,000.00	60,457.50	450.00	224,907.50	247,912.50	23,005.00
12/30/2024	167,000.00	53,423.75	450.00	220,873.75	243,700.00	22,826.25
12/30/2025	172,000.00	46,220.00	450.00	218,670.00	244,075.00	25,405.00
12/30/2026	182,000.00	38,697.50	450.00	221,147.50	243,900.00	22,752.50
12/30/2027	190,000.00	30,745.00	450.00	221,195.00	248,037.50	26,842.50
12/30/2028	200,000.00	22,360.00	450.00	222,810.00	246,487.50	23,677.50
12/30/2029	205,000.00	13,652.50	450.00	219,102.50	244,387.50	25,285.00
12/30/2030	215,000.00	4,622.50	450.00	220,072.50	246,600.00	26,527.50
Total	\$3,098,000.00	\$1,984,971.61	\$10,800.00	\$5,093,771.61	\$5,693,980.41	\$600,208.80

PV Analysis Summary

Gross PV Debt Service Savings.....	422,280.99
Transfers from Prior Issue Debt Service Fund.....	(41,449.69)
Transfers from Prior Issue DSR Fund.....	(216,420.00)
Contingency or Rounding Amount.....	1,268.09
Net Present Value Benefit.....	\$165,679.39
Net PV Benefit / \$3,065,000 Refunded Principal.....	5.406%
Net PV Benefit / \$3,098,000 Refunding Principal.....	5.348%

Gross Analysis Summary

Gross Debt Service Savings.....	600,208.80
Transfers from Prior Issue DSR Fund.....	(216,420.00)
Contingency or Rounding Amount.....	1,268.09
Net Benefit.....	\$385,056.89

Refunding Bond Information

Refunding Dated Date.....	4/11/2006
Refunding Delivery Date.....	4/11/2006

⁽¹⁾ The \$41,449.69 represents the \$88,996.38 interest payment on 7/1/106 less the sinking fund payment (months Feb. - April) of \$41,499.69

\$3,098,000

*Warren County Water District
Kentucky Rural Water Finance Corporation
Flexible Term Program, Series 2006 B*

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/11/2006	-	-	-	-	-
01/01/2007	-	-	104,029.85	104,029.85	-
07/01/2007	-	-	64,570.25	64,570.25	-
12/30/2007	-	-	-	-	168,600.10
01/01/2008	14,000.00	4.000%	64,570.25	78,570.25	-
07/01/2008	-	-	64,290.25	64,290.25	-
12/30/2008	-	-	-	-	142,860.50
01/01/2009	14,000.00	4.000%	64,290.25	78,290.25	-
07/01/2009	-	-	64,010.25	64,010.25	-
12/30/2009	-	-	-	-	142,300.50
01/01/2010	94,000.00	4.000%	64,010.25	158,010.25	-
07/01/2010	-	-	62,130.25	62,130.25	-
12/30/2010	-	-	-	-	220,140.50
01/01/2011	94,000.00	4.000%	62,130.25	156,130.25	-
07/01/2011	-	-	60,250.25	60,250.25	-
12/30/2011	-	-	-	-	216,380.50
01/01/2012	104,000.00	4.000%	60,250.25	164,250.25	-
07/01/2012	-	-	58,170.25	58,170.25	-
12/30/2012	-	-	-	-	222,420.50
01/01/2013	104,000.00	4.000%	58,170.25	162,170.25	-
07/01/2013	-	-	56,090.25	56,090.25	-
12/30/2013	-	-	-	-	218,260.50
01/01/2014	115,000.00	4.000%	56,090.25	171,090.25	-
07/01/2014	-	-	53,790.25	53,790.25	-
12/30/2014	-	-	-	-	224,880.50
01/01/2015	111,000.00	4.000%	53,790.25	164,790.25	-
07/01/2015	-	-	51,570.25	51,570.25	-
12/30/2015	-	-	-	-	216,360.50
01/01/2016	123,000.00	4.000%	51,570.25	174,570.25	-
07/01/2016	-	-	49,110.25	49,110.25	-
12/30/2016	-	-	-	-	223,680.50
01/01/2017	121,000.00	4.000%	49,110.25	170,110.25	-
07/01/2017	-	-	46,690.25	46,690.25	-
12/30/2017	-	-	-	-	216,800.50
01/01/2018	133,000.00	4.100%	46,690.25	179,690.25	-
07/01/2018	-	-	43,963.75	43,963.75	-
12/30/2018	-	-	-	-	223,654.00
01/01/2019	131,000.00	4.125%	43,963.75	174,963.75	-
07/01/2019	-	-	41,261.88	41,261.88	-
12/30/2019	-	-	-	-	216,225.63
01/01/2020	145,000.00	4.125%	41,261.88	186,261.88	-
07/01/2020	-	-	38,271.25	38,271.25	-
12/30/2020	-	-	-	-	224,533.13
01/01/2021	145,000.00	4.200%	38,271.25	183,271.25	-
07/01/2021	-	-	35,226.25	35,226.25	-

\$3,098,000

*Warren County Water District
Kentucky Rural Water Finance Corporation
Flexible Term Program, Series 2006 B*

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021	-	-	-	-	218,497.50
01/01/2022	155,000.00	4.200%	35,226.25	190,226.25	-
07/01/2022	-	-	31,971.25	31,971.25	-
12/30/2022	-	-	-	-	222,197.50
01/01/2023	164,000.00	4.250%	31,971.25	195,971.25	-
07/01/2023	-	-	28,486.25	28,486.25	-
12/30/2023	-	-	-	-	224,457.50
01/01/2024	167,000.00	4.250%	28,486.25	195,486.25	-
07/01/2024	-	-	24,937.50	24,937.50	-
12/30/2024	-	-	-	-	220,423.75
01/01/2025	172,000.00	4.250%	24,937.50	196,937.50	-
07/01/2025	-	-	21,282.50	21,282.50	-
12/30/2025	-	-	-	-	218,220.00
01/01/2026	182,000.00	4.250%	21,282.50	203,282.50	-
07/01/2026	-	-	17,415.00	17,415.00	-
12/30/2026	-	-	-	-	220,697.50
01/01/2027	190,000.00	4.300%	17,415.00	207,415.00	-
07/01/2027	-	-	13,330.00	13,330.00	-
12/30/2027	-	-	-	-	220,745.00
01/01/2028	200,000.00	4.300%	13,330.00	213,330.00	-
07/01/2028	-	-	9,030.00	9,030.00	-
12/30/2028	-	-	-	-	222,360.00
01/01/2029	205,000.00	4.300%	9,030.00	214,030.00	-
07/01/2029	-	-	4,622.50	4,622.50	-
12/30/2029	-	-	-	-	218,652.50
01/01/1930	215,000.00	4.300%	4,622.50	219,622.50	-
12/30/2030	-	-	-	-	219,622.50
Total	\$3,098,000.00	-	\$1,984,971.61	\$5,082,971.61	-

Yield Statistics

Bond Year Dollars.....	\$47,096.61
Average Life.....	15.202 Years
Average Coupon.....	4.2146803%
Net Interest Cost (NIC).....	4.3341777%
True Interest Cost (TIC).....	4.3738956%
Bond Yield for Arbitrage Purposes.....	4.2874144%
All Inclusive Cost (AIC).....	4.5378703%

IRS Form 8038

Net Interest Cost.....	4.3452470%
Weighted Average Maturity.....	15.117 Years

\$3,098,000

*Warren County Water District
Kentucky Rural Water Finance Corporation
Flexible Term Program, Series 2006 B*

Net Debt Service Schedule

Year End	Principal	Coupon	Interest	Total P+I	Existing D/S	Trustee	Net New D/S
12/30/2006	-	-	-	-	5,388.75		5,388.75
12/30/2007	-	-	168,600.10	168,600.10	79,150.00	450.00	248,200.10
12/30/2008	14,000.00	4.000%	128,860.50	142,860.50	80,741.25	450.00	224,051.75
12/30/2009	14,000.00	4.000%	128,300.50	142,300.50	81,980.00	450.00	224,730.50
12/30/2010	94,000.00	4.000%	126,140.50	220,140.50	-	450.00	220,590.50
12/30/2011	94,000.00	4.000%	122,380.50	216,380.50	-	450.00	216,830.50
12/30/2012	104,000.00	4.000%	118,420.50	222,420.50	-	450.00	222,870.50
12/30/2013	104,000.00	4.000%	114,260.50	218,260.50	-	450.00	218,710.50
12/30/2014	115,000.00	4.000%	109,880.50	224,880.50	-	450.00	225,330.50
12/30/2015	111,000.00	4.000%	105,360.50	216,360.50	-	450.00	216,810.50
12/30/2016	123,000.00	4.000%	100,680.50	223,680.50	-	450.00	224,130.50
12/30/2017	121,000.00	4.000%	95,800.50	216,800.50	-	450.00	217,250.50
12/30/2018	133,000.00	4.100%	90,654.00	223,654.00	-	450.00	224,104.00
12/30/2019	131,000.00	4.125%	85,225.63	216,225.63	-	450.00	216,675.63
12/30/2020	145,000.00	4.125%	79,533.13	224,533.13	-	450.00	224,983.13
12/30/2021	145,000.00	4.200%	73,497.50	218,497.50	-	450.00	218,947.50
12/30/2022	155,000.00	4.200%	67,197.50	222,197.50	-	450.00	222,647.50
12/30/2023	164,000.00	4.250%	60,457.50	224,457.50	-	450.00	224,907.50
12/30/2024	167,000.00	4.250%	53,423.75	220,423.75	-	450.00	220,873.75
12/30/2025	172,000.00	4.250%	46,220.00	218,220.00	-	450.00	218,670.00
12/30/2026	182,000.00	4.250%	38,697.50	220,697.50	-	450.00	221,147.50
12/30/2027	190,000.00	4.300%	30,745.00	220,745.00	-	450.00	221,195.00
12/30/2028	200,000.00	4.300%	22,360.00	222,360.00	-	450.00	222,810.00
12/30/2029	205,000.00	4.300%	13,652.50	218,652.50	-	450.00	219,102.50
12/30/2030	215,000.00	4.300%	4,622.50	219,622.50	-	450.00	220,072.50
Total	\$3,098,000.00	-	\$1,984,971.61	\$5,082,971.61	\$247,260.00	\$10,800.00	\$5,341,031.61

\$225,000

*Warren County Water District
Water Revenue Bonds, Series 1999 B*

Debt Service Schedule (Unrefunded Maturities)

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/01/2006	-	-	-	-	-
07/01/2006	-	-	5,388.75	5,388.75	-
12/30/2006	-	-	-	-	5,388.75
01/01/2007	70,000.00	4.650%	5,388.75	75,388.75	-
07/01/2007	-	-	3,761.25	3,761.25	-
12/30/2007	-	-	-	-	79,150.00
01/01/2008	75,000.00	4.750%	3,761.25	78,761.25	-
07/01/2008	-	-	1,980.00	1,980.00	-
12/30/2008	-	-	-	-	80,741.25
01/01/2009	80,000.00	4.950%	1,980.00	81,980.00	-
12/30/2009	-	-	-	-	81,980.00
Total	\$225,000.00	-	\$22,260.00	\$247,260.00	-

Yield Statistics

Bond Year Dollars.....	\$460.00
Average Life.....	2.044 Years
Average Coupon.....	4.8391304%
Net Interest Cost (NIC).....	4.8391304%
True Interest Cost (TIC).....	4.8370864%
Bond Yield for Arbitrage Purposes.....	4.8370864%
All Inclusive Cost (AIC).....	4.8370864%

IRS Form 8038

Net Interest Cost.....	4.8391304%
Weighted Average Maturity.....	2.044 Years

\$3,650,000
Warren County Water District
Water Revenue Bonds, Series 1999 B

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/30/2006	-	-	82,899.38	82,899.38
12/30/2007	-	-	165,798.76	165,798.76
12/30/2008	-	-	165,798.76	165,798.76
12/30/2009	-	-	165,798.76	165,798.76
12/30/2010	80,000.00	-	163,818.76	243,818.76
12/30/2011	85,000.00	-	159,713.76	244,713.76
12/30/2012	90,000.00	-	155,338.76	245,338.76
12/30/2013	95,000.00	-	150,666.26	245,666.26
12/30/2014	100,000.00	-	145,668.76	245,668.76
12/30/2015	105,000.00	-	140,271.88	245,271.88
12/30/2016	110,000.00	-	134,493.75	244,493.75
12/30/2017	115,000.00	-	128,446.88	243,446.88
12/30/2018	125,000.00	-	121,996.88	246,996.88
12/30/2019	130,000.00	-	115,143.75	245,143.75
12/30/2020	140,000.00	-	107,800.00	247,800.00
12/30/2021	145,000.00	-	99,962.50	244,962.50
12/30/2022	155,000.00	-	91,712.50	246,712.50
12/30/2023	165,000.00	-	82,912.50	247,912.50
12/30/2024	170,000.00	-	73,700.00	243,700.00
12/30/2025	180,000.00	-	64,075.00	244,075.00
12/30/2026	190,000.00	-	53,900.00	243,900.00
12/30/2027	205,000.00	-	43,037.50	248,037.50
12/30/2028	215,000.00	-	31,487.50	246,487.50
12/30/2029	225,000.00	-	19,387.50	244,387.50
12/30/2030	240,000.00	5.500%	6,600.00	246,600.00
Total	\$3,065,000.00	-	\$2,670,430.10	\$5,735,430.10

Yield Statistics

Average Life.....	15.683 Years
Weighted Average Maturity (Par Basis).....	15.683 Years
Average Coupon.....	5.4596437%

Refunding Bond Information

Refunding Dated Date.....	4/11/2006
Refunding Delivery Date.....	4/11/2006

\$3,650,000

*Warren County Water District
Water Revenue Bonds, Series 1999 B*

Debt Service To Maturity And To Call

Date	Refunded Bonds	Premium	Interest to Call	D/S To Call	Principal	Coupon	Interest	Refunded D/S
12/30/2006	-	-	82,899.38	82,899.38	-	-	82,899.38	82,899.38
12/30/2007	-	-	165,798.76	165,798.76	-	-	165,798.76	165,798.76
12/30/2008	-	-	165,798.76	165,798.76	-	-	165,798.76	165,798.76
12/30/2009	3,065,000.00	30,650.00	193,431.89	3,289,081.89	-	-	165,798.76	165,798.76
12/30/2010	-	-	-	-	80,000.00	-	163,818.76	243,818.76
12/30/2011	-	-	-	-	85,000.00	-	159,713.76	244,713.76
12/30/2012	-	-	-	-	90,000.00	-	155,338.76	245,338.76
12/30/2013	-	-	-	-	95,000.00	-	150,666.26	245,666.26
12/30/2014	-	-	-	-	100,000.00	-	145,668.76	245,668.76
12/30/2015	-	-	-	-	105,000.00	-	140,271.88	245,271.88
12/30/2016	-	-	-	-	110,000.00	-	134,493.75	244,493.75
12/30/2017	-	-	-	-	115,000.00	-	128,446.88	243,446.88
12/30/2018	-	-	-	-	125,000.00	-	121,996.88	246,996.88
12/30/2019	-	-	-	-	130,000.00	-	115,143.75	245,143.75
12/30/2020	-	-	-	-	140,000.00	-	107,800.00	247,800.00
12/30/2021	-	-	-	-	145,000.00	-	99,962.50	244,962.50
12/30/2022	-	-	-	-	155,000.00	-	91,712.50	246,712.50
12/30/2023	-	-	-	-	165,000.00	-	82,912.50	247,912.50
12/30/2024	-	-	-	-	170,000.00	-	73,700.00	243,700.00
12/30/2025	-	-	-	-	180,000.00	-	64,075.00	244,075.00
12/30/2026	-	-	-	-	190,000.00	-	53,900.00	243,900.00
12/30/2027	-	-	-	-	205,000.00	-	43,037.50	248,037.50
12/30/2028	-	-	-	-	215,000.00	-	31,487.50	246,487.50
12/30/2029	-	-	-	-	225,000.00	-	19,387.50	244,387.50
12/30/2030	-	-	-	-	240,000.00	5.500%	6,600.00	246,600.00
Total	\$3,065,000.00	\$30,650.00	\$607,928.79	\$3,703,578.79	\$3,065,000.00	-	\$2,670,430.10	\$5,735,430.10

Yield Statistics

Average Life.....	15.683 Years
Weighted Average Maturity (Par Basis).....	15.683 Years
Average Coupon.....	5.4596437%

Refunding Bond Information

Refunding Dated Date.....	4/11/2006
Refunding Delivery Date.....	4/11/2006