

# Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410  
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CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT

April 13, 2012

RECEIVED  
APR 16 2012  
PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

**Re: Simpson County Water District PSC Case No. 2011-00445**

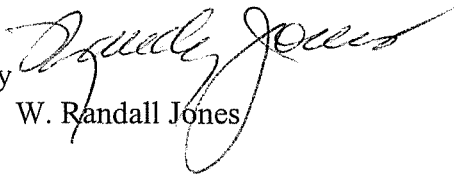
Dear Mr. Derouen:

In accordance with paragraphs No. 3 and 4 of the PSC Order dated December 6, 2011 relating to the above case, enclosed please find the final refunding schedules which include the actual gross and net present value savings and the final loan debt service, including the final principal amount and the interest rates. The Kentucky Rural Water Finance Corporation loan to the District was dated March 28, 2012.

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: Mr. Alan Vilines, Simpson County Water District

Final

**\$1,575,000**

Simpson County Water District

Refunding through the Kentucky Rural Water Finance Corporation

Public Projects Refunding Revenue Bonds, Series 2012 B

## Sources & Uses

Dated 03/28/2012 | Delivered 03/28/2012

### Sources Of Funds

Par Amount of Bonds	\$1,575,000.00
Reoffering Premium	7,296.45
Transfers from Prior Issue Debt Service Funds	19,658.33
<b>Total Sources</b>	<b>\$1,601,954.78</b>

### Uses Of Funds

Total Underwriter's Discount (1.940%)	30,548.79
Costs of Issuance	31,125.00
Deposit to Current Refunding Fund	1,537,721.77
Rounding Amount	2,559.22
<b>Total Uses</b>	<b>\$1,601,954.78</b>

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Final

**\$1,575,000**

Simpson County Water District

Refunding through the Kentucky Rural Water Finance Corporation

Public Projects Refunding Revenue Bonds, Series 2012 B

## Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/30/2012	17,486.93	-	17,486.93	37,975.00	20,488.07
12/30/2013	105,576.26	450.00	106,026.26	116,900.00	10,873.74
12/30/2014	109,311.26	450.00	109,761.26	117,725.00	7,963.74
12/30/2015	107,991.26	450.00	108,441.26	117,425.00	8,983.74
12/30/2016	106,671.26	450.00	107,121.26	117,025.00	9,903.74
12/30/2017	105,351.26	450.00	105,801.26	117,500.00	11,698.74
12/30/2018	108,651.26	450.00	109,101.26	116,850.00	7,748.74
12/30/2019	106,571.26	450.00	107,021.26	117,075.00	10,053.74
12/30/2020	104,491.26	450.00	104,941.26	117,150.00	12,208.74
12/30/2021	107,331.26	450.00	107,781.26	117,075.00	9,293.74
12/30/2022	105,091.26	450.00	105,541.26	116,850.00	11,308.74
12/30/2023	107,771.26	450.00	108,221.26	116,475.00	8,253.74
12/30/2024	105,371.26	450.00	105,821.26	116,925.00	11,103.74
12/30/2025	102,971.26	450.00	103,421.26	116,200.00	12,778.74
12/30/2026	105,441.26	450.00	105,891.26	116,300.00	10,408.74
12/30/2027	102,731.26	450.00	103,181.26	116,200.00	13,018.74
12/30/2028	104,831.88	450.00	105,281.88	116,875.00	11,593.12
12/30/2029	106,647.50	450.00	107,097.50	116,325.00	9,227.50
12/30/2030	103,317.50	450.00	103,767.50	115,575.00	11,807.50
12/30/2031	104,776.25	450.00	105,226.25	115,600.00	10,373.75
12/30/2032	105,925.00	450.00	106,375.00	116,350.00	9,975.00
12/30/2033	101,975.00	450.00	102,425.00	115,825.00	13,400.00
<b>Total</b>	<b>\$2,236,283.96</b>	<b>\$9,450.00</b>	<b>\$2,245,733.96</b>	<b>\$2,488,200.00</b>	<b>\$242,466.04</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	242,466.04
Gross PV Debt Service Savings	181,029.83
Effects of changes in Expenses	(6,517.39)
Net PV Cashflow Savings @ 3.685%(Bond Yield)	174,512.44
Transfers from Prior Issue Debt Service Fund	(19,658.33)
Contingency or Rounding Amount	2,504.46
Net Future Value Benefit	\$225,312.17
Net Present Value Benefit	\$157,358.57
Net PV Benefit / \$1,519,000 Refunded Principal	10.359%
Net PV Benefit / \$1,575,000 Refunding Principal	9.991%

### Refunding Bond Information

Refunding Dated Date	3/28/2012
Refunding Delivery Date	3/28/2012

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**Morgan Keegan & Company, Inc.**

Public Finance

Final

**\$1,575,000**

Simpson County Water District  
 Refunding through the Kentucky Rural Water Finance Corporation  
 Public Projects Refunding Revenue Bonds, Series 2012 B

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/28/2012	-	-	-	-	-
08/01/2012	-	-	17,486.93	17,486.93	-
12/30/2012	-	-	-	-	17,486.93
02/01/2013	55,000.00	2.200%	25,590.63	80,590.63	-
08/01/2013	-	-	24,985.63	24,985.63	-
12/30/2013	-	-	-	-	105,576.26
02/01/2014	60,000.00	2.200%	24,985.63	84,985.63	-
08/01/2014	-	-	24,325.63	24,325.63	-
12/30/2014	-	-	-	-	109,311.26
02/01/2015	60,000.00	2.200%	24,325.63	84,325.63	-
08/01/2015	-	-	23,665.63	23,665.63	-
12/30/2015	-	-	-	-	107,991.26
02/01/2016	60,000.00	2.200%	23,665.63	83,665.63	-
08/01/2016	-	-	23,005.63	23,005.63	-
12/30/2016	-	-	-	-	106,671.26
02/01/2017	60,000.00	2.200%	23,005.63	83,005.63	-
08/01/2017	-	-	22,345.63	22,345.63	-
12/30/2017	-	-	-	-	105,351.26
02/01/2018	65,000.00	3.200%	22,345.63	87,345.63	-
08/01/2018	-	-	21,305.63	21,305.63	-
12/30/2018	-	-	-	-	108,651.26
02/01/2019	65,000.00	3.200%	21,305.63	86,305.63	-
08/01/2019	-	-	20,265.63	20,265.63	-
12/30/2019	-	-	-	-	106,571.26
02/01/2020	65,000.00	3.200%	20,265.63	85,265.63	-
08/01/2020	-	-	19,225.63	19,225.63	-
12/30/2020	-	-	-	-	104,491.26
02/01/2021	70,000.00	3.200%	19,225.63	89,225.63	-
08/01/2021	-	-	18,105.63	18,105.63	-
12/30/2021	-	-	-	-	107,331.26
02/01/2022	70,000.00	3.200%	18,105.63	88,105.63	-
08/01/2022	-	-	16,985.63	16,985.63	-
12/30/2022	-	-	-	-	105,091.26
02/01/2023	75,000.00	3.200%	16,985.63	91,985.63	-
08/01/2023	-	-	15,785.63	15,785.63	-
12/30/2023	-	-	-	-	107,771.26
02/01/2024	75,000.00	3.200%	15,785.63	90,785.63	-
08/01/2024	-	-	14,585.63	14,585.63	-
12/30/2024	-	-	-	-	105,371.26
02/01/2025	75,000.00	3.200%	14,585.63	89,585.63	-
08/01/2025	-	-	13,385.63	13,385.63	-
12/30/2025	-	-	-	-	102,971.26
02/01/2026	80,000.00	3.325%	13,385.63	93,385.63	-
08/01/2026	-	-	12,055.63	12,055.63	-
12/30/2026	-	-	-	-	105,441.26
02/01/2027	80,000.00	3.450%	12,055.63	92,055.63	-
08/01/2027	-	-	10,675.63	10,675.63	-
12/30/2027	-	-	-	-	102,731.26
02/01/2028	85,000.00	3.575%	10,675.63	95,675.63	-
08/01/2028	-	-	9,156.25	9,156.25	-
12/30/2028	-	-	-	-	104,831.88
02/01/2029	90,000.00	3.700%	9,156.25	99,156.25	-
08/01/2029	-	-	7,491.25	7,491.25	-
12/30/2029	-	-	-	-	106,647.50
02/01/2030	90,000.00	3.700%	7,491.25	97,491.25	-
08/01/2030	-	-	5,826.25	5,826.25	-
12/30/2030	-	-	-	-	103,317.50
02/01/2031	95,000.00	3.950%	5,826.25	100,826.25	-
08/01/2031	-	-	3,950.00	3,950.00	-
12/30/2031	-	-	-	-	104,776.25
02/01/2032	100,000.00	3.950%	3,950.00	103,950.00	-
08/01/2032	-	-	1,975.00	1,975.00	-
12/30/2032	-	-	-	-	105,925.00
02/01/2033	100,000.00	3.950%	1,975.00	101,975.00	-
12/30/2033	-	-	-	-	101,975.00
<b>Total</b>	<b>\$1,575,000.00</b>	<b>-</b>	<b>\$661,283.96</b>	<b>\$2,236,283.96</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$18,775.63
Average Life	11.921 Years
Average Coupon	3.5220343%

Net Interest Cost (NIC)	3.6458776%
True Interest Cost (TIC)	3.6512138%
Bond Yield for Arbitrage Purposes	3.6848501%
All Inclusive Cost (AIC)	3.9164883%

**IRS Form 8038**

Net Interest Cost	3.5053106%
Weighted Average Maturity	11.791 Years

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**Morgan Keegan & Company, Inc.**

Public Finance

Final

**\$1,575,000**

Simpson County Water District

Refunding through the Kentucky Rural Water Finance Corporation

Public Projects Refunding Revenue Bonds, Series 2012 B

## Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
12/30/2012	-	-	17,486.93	17,486.93	-	17,486.93
12/30/2013	55,000.00	2.200%	50,576.26	105,576.26	450.00	106,026.26
12/30/2014	60,000.00	2.200%	49,311.26	109,311.26	450.00	109,761.26
12/30/2015	60,000.00	2.200%	47,991.26	107,991.26	450.00	108,441.26
12/30/2016	60,000.00	2.200%	46,671.26	106,671.26	450.00	107,121.26
12/30/2017	60,000.00	2.200%	45,351.26	105,351.26	450.00	105,801.26
12/30/2018	65,000.00	3.200%	43,651.26	108,651.26	450.00	109,101.26
12/30/2019	65,000.00	3.200%	41,571.26	106,571.26	450.00	107,021.26
12/30/2020	65,000.00	3.200%	39,491.26	104,491.26	450.00	104,941.26
12/30/2021	70,000.00	3.200%	37,331.26	107,331.26	450.00	107,781.26
12/30/2022	70,000.00	3.200%	35,091.26	105,091.26	450.00	105,541.26
12/30/2023	75,000.00	3.200%	32,771.26	107,771.26	450.00	108,221.26
12/30/2024	75,000.00	3.200%	30,371.26	105,371.26	450.00	105,821.26
12/30/2025	75,000.00	3.200%	27,971.26	102,971.26	450.00	103,421.26
12/30/2026	80,000.00	3.325%	25,441.26	105,441.26	450.00	105,891.26
12/30/2027	80,000.00	3.450%	22,731.26	102,731.26	450.00	103,181.26
12/30/2028	85,000.00	3.575%	19,831.88	104,831.88	450.00	105,281.88
12/30/2029	90,000.00	3.700%	16,647.50	106,647.50	450.00	107,097.50
12/30/2030	90,000.00	3.700%	13,317.50	103,317.50	450.00	103,767.50
12/30/2031	95,000.00	3.950%	9,776.25	104,776.25	450.00	105,226.25
12/30/2032	100,000.00	3.950%	5,925.00	105,925.00	450.00	106,375.00
12/30/2033	100,000.00	3.950%	1,975.00	101,975.00	450.00	102,425.00
<b>Total</b>	<b>\$1,575,000.00</b>	<b>-</b>	<b>\$661,283.96</b>	<b>\$2,236,283.96</b>	<b>\$9,450.00</b>	<b>\$2,245,733.96</b>

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**Morgan Keegan & Company, Inc.**

Public Finance

Final

**\$1,575,000**

Simpson County Water District

Refunding through the Kentucky Rural Water Finance Corporation

Public Projects Refunding Revenue Bonds, Series 2012 B

## Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/01/2013	Serial Coupon	2.200%	0.648%	55,000.00	101.300%	55,715.00
02/01/2014	Serial Coupon	2.200%	1.198%	60,000.00	101.819%	61,091.40
02/01/2015	Serial Coupon	2.200%	1.347%	60,000.00	102.369%	61,421.40
02/01/2016	Serial Coupon	2.200%	1.447%	60,000.00	102.803%	61,681.80
02/01/2017	Serial Coupon	2.200%	1.597%	60,000.00	102.798%	61,678.80
02/01/2018	Serial Coupon	3.200%	1.892%	65,000.00	107.198%	69,678.70
02/01/2019	Serial Coupon	3.200%	2.193%	65,000.00	106.362%	69,135.30
02/01/2020	Serial Coupon	3.200%	2.495%	65,000.00	104.994%	68,246.10
02/01/2021	Serial Coupon	3.200%	2.746%	70,000.00	103.539%	72,477.30
02/01/2022	Serial Coupon	3.200%	2.948%	70,000.00	101.948% c	71,363.60
02/01/2023	Serial Coupon	3.200%	3.200%	75,000.00	100.000%	75,000.00
02/01/2024	Serial Coupon	3.200%	3.301%	75,000.00	99.012%	74,259.00
02/01/2025	Serial Coupon	3.200%	3.403%	75,000.00	97.904%	73,428.00
02/01/2026	Serial Coupon	3.325%	3.502%	80,000.00	98.065%	78,452.00
02/01/2027	Serial Coupon	3.450%	3.602%	80,000.00	98.260%	78,608.00
02/01/2028	Serial Coupon	3.575%	3.702%	85,000.00	98.486%	83,713.10
02/01/2029	Serial Coupon	3.700%	3.802%	90,000.00	98.741%	88,866.90
02/01/2030	Serial Coupon	3.700%	3.903%	90,000.00	97.401%	87,660.90
02/01/2032	Term 1 Coupon	3.950%	4.052%	195,000.00	98.617%	192,303.15
02/01/2034	Term 2 Coupon	3.950%	4.123%	100,000.00	97.516%	97,516.00
<b>Total</b>	-	-	-	<b>\$1,575,000.00</b>	-	<b>\$1,582,296.45</b>

### Bid Information

Par Amount of Bonds	\$1,575,000.00
Reoffering Premium or (Discount)	7,296.45
Gross Production	\$1,582,296.45
Total Underwriter's Discount (1.940%)	\$(30,548.79)
Bid (98.524%)	1,551,747.66
Total Purchase Price	\$1,551,747.66
Bond Year Dollars	\$18,775.63
Average Life	11.921 Years
Average Coupon	3.5220343%
Net Interest Cost (NIC)	3.6458776%
True Interest Cost (TIC)	3.6512138%

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**Morgan Keegan & Company, Inc.**

Public Finance

Final

**\$1,998,000**

Simpson County Water District

USDA-RD Loan

Series 1994

## Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/30/2012	-	-	37,975.00	37,975.00
12/30/2013	42,000.00	-	74,900.00	116,900.00
12/30/2014	45,000.00	-	72,725.00	117,725.00
12/30/2015	47,000.00	-	70,425.00	117,425.00
12/30/2016	49,000.00	-	68,025.00	117,025.00
12/30/2017	52,000.00	-	65,500.00	117,500.00
12/30/2018	54,000.00	-	62,850.00	116,850.00
12/30/2019	57,000.00	-	60,075.00	117,075.00
12/30/2020	60,000.00	-	57,150.00	117,150.00
12/30/2021	63,000.00	-	54,075.00	117,075.00
12/30/2022	66,000.00	-	50,850.00	116,850.00
12/30/2023	69,000.00	-	47,475.00	116,475.00
12/30/2024	73,000.00	-	43,925.00	116,925.00
12/30/2025	76,000.00	-	40,200.00	116,200.00
12/30/2026	80,000.00	-	36,300.00	116,300.00
12/30/2027	84,000.00	-	32,200.00	116,200.00
12/30/2028	89,000.00	-	27,875.00	116,875.00
12/30/2029	93,000.00	-	23,325.00	116,325.00
12/30/2030	97,000.00	-	18,575.00	115,575.00
12/30/2031	102,000.00	-	13,600.00	115,600.00
12/30/2032	108,000.00	-	8,350.00	116,350.00
12/30/2033	113,000.00	5.000%	2,825.00	115,825.00
<b>Total</b>	<b>\$1,519,000.00</b>	<b>-</b>	<b>\$969,200.00</b>	<b>\$2,488,200.00</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	3/28/2012
Average Life	12.519 Years
Average Coupon	5.000000%
Weighted Average Maturity (Par Basis)	12.519 Years

### Refunding Bond Information

Refunding Dated Date	3/28/2012
Refunding Delivery Date	3/28/2012

3/6/2012 | 2:18 PM

**Morgan Keegan & Company, Inc.**

Public Finance

Final

**\$1,998,000**

Simpson County Water District

USDA-RD Loan

Series 1994

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
12/30/2012	1,519,000.00	18,721.77	1,537,721.77	-	-	37,975.00	37,975.00
12/30/2013	-	-	-	42,000.00	-	74,900.00	116,900.00
12/30/2014	-	-	-	45,000.00	-	72,725.00	117,725.00
12/30/2015	-	-	-	47,000.00	-	70,425.00	117,425.00
12/30/2016	-	-	-	49,000.00	-	68,025.00	117,025.00
12/30/2017	-	-	-	52,000.00	-	65,500.00	117,500.00
12/30/2018	-	-	-	54,000.00	-	62,850.00	116,850.00
12/30/2019	-	-	-	57,000.00	-	60,075.00	117,075.00
12/30/2020	-	-	-	60,000.00	-	57,150.00	117,150.00
12/30/2021	-	-	-	63,000.00	-	54,075.00	117,075.00
12/30/2022	-	-	-	66,000.00	-	50,850.00	116,850.00
12/30/2023	-	-	-	69,000.00	-	47,475.00	116,475.00
12/30/2024	-	-	-	73,000.00	-	43,925.00	116,925.00
12/30/2025	-	-	-	76,000.00	-	40,200.00	116,200.00
12/30/2026	-	-	-	80,000.00	-	36,300.00	116,300.00
12/30/2027	-	-	-	84,000.00	-	32,200.00	116,200.00
12/30/2028	-	-	-	89,000.00	-	27,875.00	116,875.00
12/30/2029	-	-	-	93,000.00	-	23,325.00	116,325.00
12/30/2030	-	-	-	97,000.00	-	18,575.00	115,575.00
12/30/2031	-	-	-	102,000.00	-	13,600.00	115,600.00
12/30/2032	-	-	-	108,000.00	-	8,350.00	116,350.00
12/30/2033	-	-	-	113,000.00	5.000%	2,825.00	115,825.00
<b>Total</b>	<b>\$1,519,000.00</b>	<b>\$18,721.77</b>	<b>\$1,537,721.77</b>	<b>\$1,519,000.00</b>	<b>-</b>	<b>\$969,200.00</b>	<b>\$2,488,200.00</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	3/28/2012
Average Life	12.519 Years
Average Coupon	5.0000000%
Weighted Average Maturity (Par Basis)	12.519 Years

### Refunding Bond Information

Refunding Dated Date	3/28/2012
Refunding Delivery Date	3/28/2012

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**Morgan Keegan & Company, Inc.**

Public Finance