

Rubin & Hays

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CHARLES S. MUSSON
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RECEIVED

JUN 03 2010

PUBLIC SERVICE
COMMISSION

May 28, 2010

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

Re: Henry County Water District No. 2 PSC Case No. 2010-00132

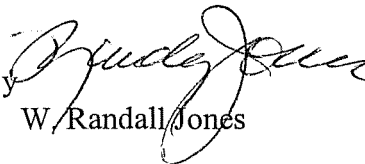
Dear Mr. Derouen:

In accordance with paragraphs No. 2 and 3 of the PSC Order dated April 29, 2010 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 May 13, 2010.

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:jl
Enclosures

cc: Mr. Jimmie Simpson, Henry County Water District No. 2

\$5,663,000

*Henry County Water District #2
Refunding of the Waterworks Refunding Revenue Bonds, Series 1998
through the Kentucky Rural Water Finance Corporation*

Sources & Uses

Dated 05/13/2010 | Delivered 05/13/2010

Sources Of Funds

Par Amount of Bonds.....	\$5,663,000.00
Reoffering Premium.....	6,916.59
Transfers from Prior Issue Debt Service Funds.....	174,269.16
Transfers from Prior Issue DSR Funds.....	525,288.75

Total Sources..... \$6,369,474.50

Uses Of Funds

Total Underwriter's Discount (0.673%).....	38,084.39
Costs of Issuance.....	54,967.00
Deposit to Current Refunding Fund.....	6,274,777.28
Rounding Amount.....	1,645.83

Total Uses..... \$6,369,474.50

\$5,663,000

*Henry County Water District #2
Refunding of the Waterworks Refunding Revenue Bonds, Series 1998
through the Kentucky Rural Water Finance Corporation*

Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
6/30/2010	-	-	-	-	-
6/30/2011	329,166.54	450.00	329,616.54	504,159.74	174,543.20
6/30/2012	462,516.10	450.00	462,966.10	498,232.24	35,266.14
6/30/2013	461,420.10	450.00	461,870.10	497,072.24	35,202.14
6/30/2014	463,100.10	450.00	463,550.10	500,447.24	36,897.14
6/30/2015	459,460.10	450.00	459,910.10	498,124.74	38,214.64
6/30/2016	460,660.10	450.00	461,110.10	500,337.24	39,227.14
6/30/2017	461,540.10	450.00	461,990.10	501,852.24	39,862.14
6/30/2018	462,100.10	450.00	462,550.10	502,669.74	40,119.64
6/30/2019	462,425.10	450.00	462,875.10	502,789.74	39,914.64
6/30/2020	461,733.10	450.00	462,183.10	501,877.24	39,694.14
6/30/2021	465,209.00	450.00	465,659.00	505,252.24	39,593.24
6/30/2022	467,803.00	450.00	468,253.00	507,677.24	39,424.24
6/30/2023	468,683.00	450.00	469,133.00	509,152.24	40,019.24
6/30/2024	469,891.00	450.00	470,341.00	509,677.24	39,336.24
6/30/2025	473,385.00	450.00	473,835.00	514,252.24	40,417.24
6/30/2026	420,039.00	450.00	420,489.00	462,639.74	42,150.74
6/30/2027	417,205.00	450.00	417,655.00	462,452.24	44,797.24
6/30/2028	260,825.00	450.00	261,275.00	303,833.50	42,558.50
TOTAL	\$7,927,161.44	\$8,100.00	\$7,935,261.44	\$8,264,691.57	\$847,237.64

Gross FV Debt Service Savings.....	847,237.64
Transfers from Prior Issue Debt Service Fund.....	(174,269.16)
Transfers from Prior Issue DSR Fund.....	(525,288.75)
Contingency or Rounding Amount.....	1,645.83
Net Benefit.....	\$149,325.56

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	896,280.46
Effects of changes in DSR investments.....	(490,271.12)
Effects of changes in Expenses.....	(5,654.36)
Net PV Cashflow Savings @ 4.194%(AIC).....	400,354.98
Transfers from Prior Issue Debt Service Fund.....	(174,269.16)
Contingency or Rounding Amount.....	1,645.83
Net Present Value Benefit.....	\$227,731.65

Net PV Benefit / \$6,105,000 Refunded Principal.....	3.724%
Net PV Benefit / \$5,663,000 Refunding Principal.....	4.015%

Refunding Bond Information

Refunding Dated Date.....	5/13/2010
Refunding Delivery Date.....	5/13/2010

\$5,663,000

*Henry County Water District #2
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through the Kentucky Rural Water Finance Corporation*

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/13/2010	-	-	-	-	-
08/01/2010	-	-	46,608.49	46,608.49	-
02/01/2011	175,000.00	3.200%	107,558.05	282,558.05	-
06/30/2011	-	-	-	-	329,166.54
08/01/2011	-	-	104,758.05	104,758.05	-
02/01/2012	253,000.00	3.200%	104,758.05	357,758.05	-
06/30/2012	-	-	-	-	462,516.10
08/01/2012	-	-	100,710.05	100,710.05	-
02/01/2013	260,000.00	3.200%	100,710.05	360,710.05	-
06/30/2013	-	-	-	-	461,420.10
08/01/2013	-	-	96,550.05	96,550.05	-
02/01/2014	270,000.00	3.200%	96,550.05	366,550.05	-
06/30/2014	-	-	-	-	463,100.10
08/01/2014	-	-	92,230.05	92,230.05	-
02/01/2015	275,000.00	3.200%	92,230.05	367,230.05	-
06/30/2015	-	-	-	-	459,460.10
08/01/2015	-	-	87,830.05	87,830.05	-
02/01/2016	285,000.00	3.200%	87,830.05	372,830.05	-
06/30/2016	-	-	-	-	460,660.10
08/01/2016	-	-	83,270.05	83,270.05	-
02/01/2017	295,000.00	3.200%	83,270.05	378,270.05	-
06/30/2017	-	-	-	-	461,540.10
08/01/2017	-	-	78,550.05	78,550.05	-
02/01/2018	305,000.00	3.500%	78,550.05	383,550.05	-
06/30/2018	-	-	-	-	462,100.10
08/01/2018	-	-	73,212.55	73,212.55	-
02/01/2019	316,000.00	3.700%	73,212.55	389,212.55	-
06/30/2019	-	-	-	-	462,425.10
08/01/2019	-	-	67,366.55	67,366.55	-
02/01/2020	327,000.00	3.830%	67,366.55	394,366.55	-
06/30/2020	-	-	-	-	461,733.10
08/01/2020	-	-	61,104.50	61,104.50	-
02/01/2021	343,000.00	4.200%	61,104.50	404,104.50	-
06/30/2021	-	-	-	-	465,209.00
08/01/2021	-	-	53,901.50	53,901.50	-
02/01/2022	360,000.00	4.200%	53,901.50	413,901.50	-
06/30/2022	-	-	-	-	467,803.00
08/01/2022	-	-	46,341.50	46,341.50	-
02/01/2023	376,000.00	4.200%	46,341.50	422,341.50	-
06/30/2023	-	-	-	-	468,683.00
08/01/2023	-	-	38,445.50	38,445.50	-
02/01/2024	393,000.00	4.200%	38,445.50	431,445.50	-
06/30/2024	-	-	-	-	469,891.00
08/01/2024	-	-	30,192.50	30,192.50	-
02/01/2025	413,000.00	4.200%	30,192.50	443,192.50	-
06/30/2025	-	-	-	-	473,385.00
08/01/2025	-	-	21,519.50	21,519.50	-
02/01/2026	377,000.00	4.200%	21,519.50	398,519.50	-
06/30/2026	-	-	-	-	420,039.00
08/01/2026	-	-	13,602.50	13,602.50	-
02/01/2027	390,000.00	4.200%	13,602.50	403,602.50	-
06/30/2027	-	-	-	-	417,205.00
08/01/2027	-	-	5,412.50	5,412.50	-
02/01/2028	250,000.00	4.330%	5,412.50	255,412.50	-
06/30/2028	-	-	-	-	260,825.00
Total	\$5,663,000.00	-	\$2,264,161.44	\$7,927,161.44	-

Yield Statistics

Bond Year Dollars.....	\$56,480.48
Average Life.....	9.974 Years
Average Coupon.....	4.0087501%
Net Interest Cost (NIC).....	4.0645735%
True Interest Cost (TIC).....	4.0555641%
Bond Yield for Arbitrage Purposes.....	4.0129326%
All Inclusive Cost (AIC).....	4.1935750%

IRS Form 8038

Net Interest Cost.....	4.0206023%
Weighted Average Maturity.....	9.904 Years

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\$5,663,000

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Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
06/30/2010	-	-	-	-	-	-
06/30/2011	175,000.00	3.200%	154,166.54	329,166.54	450.00	329,616.54
06/30/2012	253,000.00	3.200%	209,516.10	462,516.10	450.00	462,966.10
06/30/2013	260,000.00	3.200%	201,420.10	461,420.10	450.00	461,870.10
06/30/2014	270,000.00	3.200%	193,100.10	463,100.10	450.00	463,550.10
06/30/2015	275,000.00	3.200%	184,460.10	459,460.10	450.00	459,910.10
06/30/2016	285,000.00	3.200%	175,660.10	460,660.10	450.00	461,110.10
06/30/2017	295,000.00	3.200%	166,540.10	461,540.10	450.00	461,990.10
06/30/2018	305,000.00	3.500%	157,100.10	462,100.10	450.00	462,550.10
06/30/2019	316,000.00	3.700%	146,425.10	462,425.10	450.00	462,875.10
06/30/2020	327,000.00	3.830%	134,733.10	461,733.10	450.00	462,183.10
06/30/2021	343,000.00	4.200%	122,209.00	465,209.00	450.00	465,659.00
06/30/2022	360,000.00	4.200%	107,803.00	467,803.00	450.00	468,253.00
06/30/2023	376,000.00	4.200%	92,683.00	468,683.00	450.00	469,133.00
06/30/2024	393,000.00	4.200%	76,891.00	469,891.00	450.00	470,341.00
06/30/2025	413,000.00	4.200%	60,385.00	473,385.00	450.00	473,835.00
06/30/2026	377,000.00	4.200%	43,039.00	420,039.00	450.00	420,489.00
06/30/2027	390,000.00	4.200%	27,205.00	417,205.00	450.00	417,655.00
06/30/2028	250,000.00	4.330%	10,825.00	260,825.00	450.00	261,275.00
Total	\$5,663,000.00	-	\$2,264,161.44	\$7,927,161.44	\$8,100.00	\$7,935,261.44

\$5,663,000

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Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price		Dollar Price
02/01/2011	Serial Coupon	3.200%	1.189%	175,000.00	101.430%		177,502.50
02/01/2012	Serial Coupon	3.200%	1.597%	253,000.00	102.703%		259,838.59
02/01/2013	Serial Coupon	3.200%	1.866%	260,000.00	103.516%		269,141.60
02/01/2014	Serial Coupon	3.200%	2.256%	270,000.00	103.344%		279,028.80
02/01/2015	Serial Coupon	3.200%	2.597%	275,000.00	102.658%		282,309.50
02/01/2016	Serial Coupon	3.200%	3.049%	285,000.00	100.783%		287,231.55
02/01/2017	Serial Coupon	3.200%	3.351%	295,000.00	99.095%		292,330.25
02/01/2018	Serial Coupon	3.500%	3.550%	305,000.00	99.659%		303,959.95
02/01/2019	Serial Coupon	3.700%	3.750%	316,000.00	99.624%		314,811.84
02/01/2020	Serial Coupon	3.830%	3.906%	327,000.00	99.388%		324,998.76
02/01/2021	Serial Coupon	4.200%	4.099%	343,000.00	100.797%	c	345,733.71
02/01/2023	Term 1 Coupon	4.200%	4.199%	736,000.00	100.000%	c	736,000.00
02/01/2024	Serial Coupon	4.200%	4.251%	393,000.00	99.472%		390,924.96
02/01/2025	Serial Coupon	4.200%	4.301%	413,000.00	98.898%		408,448.74
02/01/2026	Serial Coupon	4.200%	4.352%	377,000.00	98.275%		370,496.75
02/01/2027	Serial Coupon	4.200%	4.403%	390,000.00	97.609%		380,675.10
02/01/2028	Serial Coupon	4.330%	4.457%	250,000.00	98.449%		246,122.50
Total	-	-	-	\$5,663,000.00	-	-	\$5,669,555.10

Bid Information

Par Amount of Bonds.....	\$5,663,000.00
Reoffering Premium or (Discount).....	6,916.59
Gross Production.....	\$5,669,916.59
Total Underwriter's Discount (0.673%).....	\$(38,084.39)
Bid (99.443%).....	5,631,832.20
Total Purchase Price.....	\$5,631,832.20
Bond Year Dollars.....	\$56,480.48
Average Life.....	9.974 Years
Average Coupon.....	4.0087501%
Net Interest Cost (NIC).....	4.0645735%
True Interest Cost (TIC).....	4.0555641%