

# Rubin & Hays

ATTORNEYS AT LAW

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

November 23, 2009

RECEIVED  
NOV 25 2009  
PUBLIC SERVICE  
COMMISSION

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

**Re: Grayson County Water District - Case No. 2009-00238**

Dear Mr. Derouen:

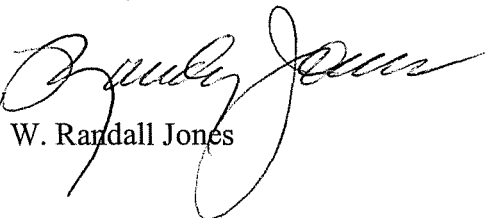
Enclosed please find the final loan number runs from Morgan Keegan & Company relating to the Kentucky Rural Water Finance Corporation loan to Grayson County Water District. The loan proceeds are being held for Grayson County Water District pending the issuance of the PSC's Order.

If you need any additional information or have any questions, please let us know. Thank you for your consideration.

Sincerely,

Rubin & Hays

By

  
W. Randall Jones

WRJ:jl  
Enclosures

cc: Mr. Kevin Shaw, Grayson County Water District

Final

**\$380,000**

Grayson County Water District  
Proposed Long Term Funding through the  
Kentucky Rural Water Finance Corporation

## Sources & Uses

Dated 08/04/2009 | Delivered 08/04/2009

### Sources Of Funds

Par Amount of Bonds	\$380,000.00
Reoffering Premium	2,967.25

**Total Sources** **\$382,967.25**

### Uses Of Funds

Total Underwriter's Discount (0.695%)	2,641.59
Costs of Issuance	11,400.00
Deposit to Project Construction Fund	369,000.00
Rounding Amount	(74.34)

**Total Uses** **\$382,967.25**

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**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/04/2009	-	-	-	-	-
02/01/2010	-	-	6,355.04	6,355.04	-
08/01/2010	30,000.00	3.100%	6,462.75	36,462.75	-
12/30/2010	-	-	-	-	42,817.79
02/01/2011	-	-	5,997.75	5,997.75	-
08/01/2011	25,000.00	3.100%	5,997.75	30,997.75	-
12/30/2011	-	-	-	-	36,995.50
02/01/2012	-	-	5,610.25	5,610.25	-
08/01/2012	30,000.00	3.100%	5,610.25	35,610.25	-
12/30/2012	-	-	-	-	41,220.50
02/01/2013	-	-	5,145.25	5,145.25	-
08/01/2013	25,000.00	3.100%	5,145.25	30,145.25	-
12/30/2013	-	-	-	-	35,290.50
02/01/2014	-	-	4,757.75	4,757.75	-
08/01/2014	30,000.00	3.100%	4,757.75	34,757.75	-
12/30/2014	-	-	-	-	39,515.50
02/01/2015	-	-	4,292.75	4,292.75	-
08/01/2015	30,000.00	3.100%	4,292.75	34,292.75	-
12/30/2015	-	-	-	-	38,585.50
02/01/2016	-	-	3,827.75	3,827.75	-
08/01/2016	30,000.00	3.100%	3,827.75	33,827.75	-
12/30/2016	-	-	-	-	37,655.50
02/01/2017	-	-	3,362.75	3,362.75	-
08/01/2017	35,000.00	3.350%	3,362.75	38,362.75	-
12/30/2017	-	-	-	-	41,725.50
02/01/2018	-	-	2,776.50	2,776.50	-
08/01/2018	35,000.00	3.600%	2,776.50	37,776.50	-
12/30/2018	-	-	-	-	40,553.00
02/01/2019	-	-	2,146.50	2,146.50	-
08/01/2019	35,000.00	3.730%	2,146.50	37,146.50	-
12/30/2019	-	-	-	-	39,293.00
02/01/2020	-	-	1,493.75	1,493.75	-
08/01/2020	35,000.00	3.850%	1,493.75	36,493.75	-
12/30/2020	-	-	-	-	37,987.50
02/01/2021	-	-	820.00	820.00	-
08/01/2021	40,000.00	4.100%	820.00	40,820.00	-
12/30/2021	-	-	-	-	41,640.00
<b>Total</b>	<b>\$380,000.00</b>	<b>-</b>	<b>\$93,279.79</b>	<b>\$473,279.79</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$2,616.83
Average Life	6.886 Years
Average Coupon	3.5646057%
Net Interest Cost (NIC)	3.5521609%
True Interest Cost (TIC)	3.5335078%
Bond Yield for Arbitrage Purposes	2.4455185%
All Inclusive Cost (AIC)	4.1608426%

**IRS Form 8038**

Net Interest Cost	3.4489802%
Weighted Average Maturity	6.837 Years

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## Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
12/30/2009	-	-	-	-	-	-
12/30/2010	30,000.00	3.100%	12,817.79	42,817.79	250.00	43,067.79
12/30/2011	25,000.00	3.100%	11,995.50	36,995.50	250.00	37,245.50
12/30/2012	30,000.00	3.100%	11,220.50	41,220.50	250.00	41,470.50
12/30/2013	25,000.00	3.100%	10,290.50	35,290.50	250.00	35,540.50
12/30/2014	30,000.00	3.100%	9,515.50	39,515.50	250.00	39,765.50
12/30/2015	30,000.00	3.100%	8,585.50	38,585.50	250.00	38,835.50
12/30/2016	30,000.00	3.100%	7,655.50	37,655.50	250.00	37,905.50
12/30/2017	35,000.00	3.350%	6,725.50	41,725.50	250.00	41,975.50
12/30/2018	35,000.00	3.600%	5,553.00	40,553.00	250.00	40,803.00
12/30/2019	35,000.00	3.730%	4,293.00	39,293.00	250.00	39,543.00
12/30/2020	35,000.00	3.850%	2,987.50	37,987.50	250.00	38,237.50
12/30/2021	40,000.00	4.100%	1,640.00	41,640.00	250.00	41,890.00
<b>Total</b>	<b>\$380,000.00</b>	<b>-</b>	<b>\$93,279.79</b>	<b>\$473,279.79</b>	<b>\$3,000.00</b>	<b>\$476,279.79</b>

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## Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
08/01/2010	Serial Coupon	3.100%	1.350%	30,000.00	101.719%	30,515.70
08/01/2011	Serial Coupon	3.100%	1.600%	25,000.00	102.932%	25,733.00
08/01/2012	Serial Coupon	3.100%	1.800%	30,000.00	103.776%	31,132.80
08/01/2013	Serial Coupon	3.100%	2.200%	25,000.00	103.428%	25,857.00
08/01/2014	Serial Coupon	3.100%	2.600%	30,000.00	102.332%	30,699.60
08/01/2015	Serial Coupon	3.100%	2.900%	30,000.00	101.096%	30,328.80
08/01/2016	Serial Coupon	3.100%	3.150%	30,000.00	99.687%	29,906.10
08/01/2017	Serial Coupon	3.350%	3.450%	35,000.00	99.303%	34,756.05
08/01/2018	Serial Coupon	3.600%	3.650%	35,000.00	99.617%	34,865.95
08/01/2019	Serial Coupon	3.730%	3.850%	35,000.00	98.966%	34,638.10
08/01/2020	Serial Coupon	3.850%	4.000%	35,000.00	98.669%	34,534.15
08/01/2021	Serial Coupon	4.100%	4.100%	40,000.00	100.000%	40,000.00
<b>Total</b>	-	-	-	<b>\$380,000.00</b>	-	<b>\$382,967.25</b>

### Bid Information

Par Amount of Bonds	\$380,000.00
Reoffering Premium or (Discount)	2,967.25
Gross Production	\$382,967.25
Total Underwriter's Discount (0.695%)	\$(2,641.59)
Bid (100.086%)	380,325.66
Total Purchase Price	\$380,325.66
Bond Year Dollars	\$2,616.83
Average Life	6.886 Years
Average Coupon	3.5646057%
Net Interest Cost (NIC)	3.5521609%
True Interest Cost (TIC)	3.5335078%

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