

Rubin & Hays

ATTORNEYS AT LAW

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

June 17, 2010

RECEIVED

JUN 21 2010

PUBLIC SERVICE
COMMISSION

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

2010-00246

Re: East Daviess County Water Association, Inc. PSC Application

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the East Daviess County Water Association, Inc. for an Order authorizing the Association to issue securities pursuant to KRS 278.300.

This Application requests approval of the issuance of securities for the purpose of refunding certain high interest debt of the Applicant. **Due to the extreme volatility of the financial markets and the fact that this refunding is interest rate sensitive, we request that the Commission process the Application in an expedited manner and issue an Order on or before July 31, 2010 (the closing date).**

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: Ms. Agnes Johnson, East Daviess County Water Association, Inc.
Mr. Derek Hetherington, U.S. Bank

RECEIVED

JUN 21 2010

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

THE APPLICATION OF THE EAST DAVIESS)
COUNTY WATER ASSOCIATION, INC., TO)
ISSUE SECURITIES IN THE APPROX-)
MATE PRINCIPAL AMOUNT OF \$1,741,278)
FOR THE PURPOSE OF REFUNDING CERTAIN)
OUTSTANDING INDEBTEDNESS OF THE)
ASSOCIATION PURSUANT TO THE PROVISIONS)
OF KRS 278.300 AND 807 KAR 5:001)

Case No. 2010 - 00246

** *** **** ***** **** *** **

APPLICATION

The Applicant, East Daviess County Water Association, Inc. (the "Association"), files this Application pursuant to KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") enter an Order authorizing the Association to issue certain securities in the approximate principal sum \$1,741,278 (subject to adjustment of up to 10%), for the purpose of refunding certain outstanding indebtedness of the Association. In support of this Application, and in compliance with the rules and regulations of the Commission, the Association states as follows:

1. The Association is a non-profit water association of Daviess County, created and existing under the provisions of Chapter 273 of the Kentucky Revised Statutes. The Association's Articles of Incorporation are on file with the Commission in **Case No. 2009-00341**. The Association is now, and has been since its inception, regulated by the Commission, and all records and

proceedings of the Commission with reference to the Association are incorporated in this Application by reference.

2. The governing body of the Association is its Board of Directors, 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 the Association is as follows:

East Daviess County Water Association, Inc.
c/o Mr. Jerome Hamilton, President
9210 State Route 144
Knottsville, Kentucky 42366
Telephone: (270) 281-5187

4. A general description of the Association's water system property, together with a statement of the original cost, is contained in the Association's Annual Report for 2009 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The Association proposes to borrow funds from U.S. Bank, National Association ("U.S. Bank") pursuant to an Loan Agreement (the "U.S. Bank Loan"), in the estimated principal amount of \$1,741,278 (subject to adjustment of up to 10%) for the purpose of refunding the outstanding indebtedness of the Association designated as (i) East Daviess County Water Association, Inc. Promissory Note, dated June 22, 1977, in the original principal amount of \$520,000, bearing interest at the rate of 5.00% per annum (the "1977 Note"), currently held by Berkadia and being insured by the U.S. Department of Agriculture ("USDA"); (ii) East Daviess County Water Association, Inc. Promissory Note, dated May 1, 1981, in the original principal amount of \$554,000, bearing interest at the rate of 5.00% per annum (the "1981 Note"), currently held by Berkadia and being insured by USDA; (iii) East Daviess County Water Association, Inc. Promissory Note, dated July 13, 1989, in the original principal amount of \$475,000, bearing interest

at the rate of 7.50% per annum (the "1989 Note"), currently held by USDA, Rural Development ("RD"); (iv) East Daviess County Water Association, Inc. Promissory Note, dated February 16, 1996, in the original principal amount of \$1,254,000, bearing interest at the rate of 5.00% per annum (the "1996 Note"), currently held by RD; and (v) East Daviess County Water Association, Inc. Promissory Note, dated August 27, 1998, in the original principal amount of \$161,000, bearing interest at the rate of 4.75% per annum (the "1998 Note"), currently held by RD (the 1977 Note, 1981 Note, 1989 Note, 1996 Note and 1998 Note being hereinafter collectively referred to as the "Prior Loans").

6. The estimated debt service for the U.S. Bank Loan is shown in **Exhibit A**, which is attached hereto and incorporated herein by reference. The debt service schedule and estimated interest rate are subject to change because of market conditions. The final terms and details of the U.S. Bank Loan may vary from the present assumptions based upon market conditions and other business judgment factors.

7. The U.S. Bank Loan will provide the Association with the funds necessary to (i) refund the Prior Loans; and (iii) pay the costs, fees and expenses incident to the issuance of the U.S. Bank Loan.

8. The Sources and Uses of Funds to be obtained from the issuance of the U.S. Bank Loan are detailed as **Exhibit B**, which is attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed refinancing will generate a net combined present value savings of approximately \$68,743.62. These savings are shown on the Debt Service Comparison, which is attached hereto and incorporated herein by reference as **Exhibit C**.

10. The final principal amount of the U.S. Bank Loan may be adjusted, based upon the final interest rate as of closing of the proposed U.S. Bank Loan. Final financial figures will be

submitted to the Commission in a timely manner. The Association will not issue the securities if interest rates in the financial markets shift to a point where the Association will not achieve any savings.

11. The Debt Service Schedule of the outstanding Prior Loans being refunded is set forth in **Exhibit D**.

12. The Association represents that the U.S. Bank Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of the Association by producing substantial debt service savings. This is a lawful object within the corporate purposes of the Association's utility operations. The U.S. Bank Loan is necessary, appropriate for, and consistent with the proper performance by the Association of its service to the public and will not impair its ability to perform that service.

13. The Association represents that it will, as soon as reasonably possible after the closing of the U.S. Bank Loan, file with the Commission a statement setting forth the date of issuance of the U.S. Bank Loan, the price paid, the costs and expenses incurred in the issuance of the U.S. Bank Loan, and the final terms and interest rates of the U.S. Bank Loan.

14. The detailed Statement of Revenue and Expenses, Balance Sheet and Statement of Cash Flows for the twelve month period ending on December 31, 2009 are attached hereto and incorporated herein by reference as **Exhibit E** respectively.

15. The remaining financial schedules and other information necessary for the Financial Exhibit required by 807 KAR 5:001, Section 6 and Section 11 (2) (a) are contained in the 2009 Annual Report which is on file with the Commission. The Annual Report is incorporated herein by reference.

16. Pursuant to 807 KAR 5:001, the Association hereby responds as follows:

- (a) Section 6(4) Mortgages: The Association does not have any mortgages in effect as of the date hereof.
- (b) Section 6(5) Bonds: The U.S. Bank Loan will be secured by a pledge of the revenues of the Association's System.
- (c) Section 11(2)(b): The Association does not have any trust deeds in effect as of the date hereof.
- (d) Section 11(2)(c): No property is being acquired as the proceeds of the securities are being used for the refunding of the Prior Loans.

17. The Association hereby requests and moves for a deviation, pursuant to 807 KAR 5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, which requires that the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The Association states that there has been no change that is material in nature in the financial condition or operation of the Association since December 31, 2009. The financial data filed with this Application is for the twelve (12) month period ending December 31, 2009. This is the most recent published financial data available. Because of the volatility of the financial markets, the Association cannot run the risk of delaying the closing of the U.S. Bank Loan while more current financial data is compiled.

18. No rate adjustment will be necessary.

WHEREFORE, the Association respectfully requests that the Commission take the following actions:

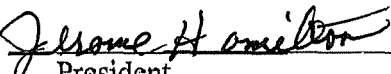
1. Authorize the issuance of the securities requested in the Application prior to the estimated closing date of **July 31, 2010**;

2. Grant the Association a deviation, to the extent necessary, from 807 KAR 5:001, Section 6 to allow the submission of the Association's 2009 Annual Report and 2009 audit in lieu of more recent financial data, there being no material change in the data in 2010 and due to the volatility of the present financial markets; and

3. Process this Application without a formal hearing in order to save time and expense.

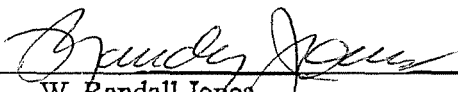
The Association will promptly respond to any information requests by the Commission's staff.

East Daviess County Water Association, Inc.

By 

President
9210 State Route 144
Knottsville, Kentucky 42366
Phone: (270) 281-5187

Rubin & Hays

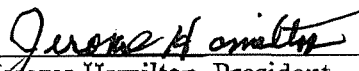
By 

W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
Counsel for East Daviess County
Association, Inc.

STATE OF KENTUCKY)
) SS
COUNTY OF DAVIESS)

The affiant, Jerome Hamilton, being first duly sworn, states: That he is the President of the East Daviess County Water Association, Inc., 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, he believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 16 day of June, 2010.



Jerome Hamilton, President

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Jerome Hamilton, President of the East Daviess County Water Association, Inc., on this the 16 day of June, 2010.

My Commission expires: 9-21-12.



NOTARY PUBLIC

Preliminary

\$1,741,278
East Daviess County Water Association
Consolidation of Current Outstanding Debts
Through Traditional Financing with US Bank

Debt Service Schedule for Consolidation Loan

Date	Principal	APR	Interest	Total P+I	Fiscal total
8/30/2010	\$11,719 69	4 17%	6,050 94	17,770 63	-
9/30/2010	\$11,760 41	-	6,010 22	17,770 63	-
10/30/2010	\$11,801 28	-	5,969 35	17,770 63	-
11/30/2010	\$11,842 29	-	5,928 34	17,770 63	-
12/30/2010	\$11,883 44	-	5,887 19	17,770 63	88,853 15
1/30/2011	\$11,924 74	-	5,845 89	17,770 63	-
2/28/2011	\$11,966 18	-	5,804 45	17,770 63	-
3/30/2011	\$12,007 76	-	5,762 87	17,770 63	-
4/30/2011	\$12,049 49	-	5,721 14	17,770 63	-
5/30/2011	\$12,091 36	-	5,679 27	17,770 63	-
6/30/2011	\$12,133 38	-	5,637 25	17,770 63	-
7/30/2011	\$12,175 54	-	5,595 09	17,770 63	-
8/30/2011	\$12,217 85	-	5,552 78	17,770 63	-
9/30/2011	\$12,260 31	-	5,510 32	17,770 63	-
10/30/2011	\$12,302 91	-	5,467 72	17,770 63	-
11/30/2011	\$12,345 66	-	5,424 97	17,770 63	-
12/30/2011	\$12,388 56	-	5,382 07	17,770 63	213,247 56
1/30/2012	\$12,431 62	-	5,339 01	17,770 63	-
2/29/2012	\$12,474 82	-	5,295 81	17,770 63	-
3/30/2012	\$12,518 17	-	5,252 46	17,770 63	-
4/30/2012	\$12,561 67	-	5,208 96	17,770 63	-
5/30/2012	\$12,605 32	-	5,165 31	17,770 63	-
6/30/2012	\$12,649 12	-	5,121 51	17,770 63	-
7/30/2012	\$12,693 08	-	5,077 55	17,770 63	-
8/30/2012	\$12,737 19	-	5,033 44	17,770 63	-
9/30/2012	\$12,781 45	-	4,989 18	17,770 63	-
10/30/2012	\$12,825 86	-	4,944 77	17,770 63	-
11/30/2012	\$12,870 43	-	4,900 20	17,770 63	-
12/30/2012	\$12,915 16	-	4,855 47	17,770 63	213,247 56
1/30/2013	\$12,960 04	-	4,810 59	17,770 63	-
2/28/2013	\$13,005 07	-	4,765 56	17,770 63	-
3/30/2013	\$13,050 27	-	4,720 36	17,770 63	-
4/30/2013	\$13,095 62	-	4,675 01	17,770 63	-
5/30/2013	\$13,141 12	-	4,629 51	17,770 63	-
6/30/2013	\$13,186 79	-	4,583 84	17,770 63	-
7/30/2013	\$13,232 61	-	4,538 02	17,770 63	-
8/30/2013	\$13,278 60	-	4,492 03	17,770 63	-
9/30/2013	\$13,324 74	-	4,445 89	17,770 63	-
10/30/2013	\$13,371 04	-	4,399 59	17,770 63	-
11/30/2013	\$13,417 51	-	4,353 12	17,770 63	-
12/30/2013	\$13,464 13	-	4,306 50	17,770 63	213,247 56
1/30/2014	\$13,510 92	-	4,259 71	17,770 63	-
2/28/2014	\$13,557 87	-	4,212 76	17,770 63	-
3/30/2014	\$13,604 98	-	4,165 65	17,770 63	-
4/30/2014	\$13,652 26	-	4,118 37	17,770 63	-
5/30/2014	\$13,699 70	-	4,070 93	17,770 63	-
6/30/2014	\$13,747 31	-	4,023 32	17,770 63	-
7/30/2014	\$13,795 08	-	3,975 55	17,770 63	-
8/30/2014	\$13,843 02	-	3,927 61	17,770 63	-
9/30/2014	\$13,891 12	-	3,879 51	17,770 63	-
10/30/2014	\$13,939 40	-	3,831 23	17,770 63	-
11/30/2014	\$13,987 84	-	3,782 79	17,770 63	-
12/30/2014	\$14,036 44	-	3,734 19	17,770 63	213,247 56
1/30/2015	\$14,085 22	-	3,685 41	17,770 63	-
2/28/2015	\$14,134 17	-	3,636 46	17,770 63	-
3/30/2015	\$14,183 28	-	3,587 35	17,770 63	-
4/30/2015	\$14,232 57	-	3,538 06	17,770 63	-
5/30/2015	\$14,282 03	-	3,488 60	17,770 63	-
6/30/2015	\$14,331 66	-	3,438 97	17,770 63	-
7/30/2015	\$14,381 46	-	3,389 17	17,770 63	-
8/30/2015	\$14,431 43	-	3,339 20	17,770 63	-
9/30/2015	\$14,481 58	-	3,289 05	17,770 63	-
10/30/2015	\$14,531 91	-	3,238 72	17,770 63	-

11/30/2015	\$14,582.41	-	3,188.22	17,770.63	-
12/30/2015	\$14,633.08	-	3,137.55	17,770.63	213,247.56
1/30/2016	\$14,683.93	-	3,086.70	17,770.63	-
2/29/2016	\$14,734.96	-	3,035.67	17,770.63	-
3/30/2016	\$14,786.16	-	2,984.47	17,770.63	-
4/30/2016	\$14,837.54	-	2,933.09	17,770.63	-
5/30/2016	\$14,889.10	-	2,881.53	17,770.63	-
6/30/2016	\$14,940.84	-	2,829.79	17,770.63	-
7/30/2016	\$14,992.76	-	2,777.87	17,770.63	-
8/30/2016	\$15,044.86	-	2,725.77	17,770.63	-
9/30/2016	\$15,097.14	-	2,673.49	17,770.63	-
10/30/2016	\$15,149.61	-	2,621.02	17,770.63	-
11/30/2016	\$15,202.25	-	2,568.38	17,770.63	-
12/30/2016	\$15,255.08	-	2,515.55	17,770.63	213,247.56
1/30/2017	\$15,308.09	-	2,462.54	17,770.63	-
2/28/2017	\$15,361.28	-	2,409.35	17,770.63	-
3/30/2017	\$15,414.67	-	2,355.96	17,770.63	-
4/30/2017	\$15,468.23	-	2,302.40	17,770.63	-
5/30/2017	\$15,521.98	-	2,248.65	17,770.63	-
6/30/2017	\$15,575.92	-	2,194.71	17,770.63	-
7/30/2017	\$15,630.05	-	2,140.58	17,770.63	-
8/30/2017	\$15,684.36	-	2,086.27	17,770.63	-
9/30/2017	\$15,738.87	-	2,031.76	17,770.63	-
10/30/2017	\$15,793.56	-	1,977.07	17,770.63	-
11/30/2017	\$15,848.44	-	1,922.19	17,770.63	-
12/30/2017	\$15,903.51	-	1,867.12	17,770.63	213,247.56
1/30/2018	\$15,958.78	-	1,811.85	17,770.63	-
2/28/2018	\$16,014.24	-	1,756.39	17,770.63	-
3/30/2018	\$16,069.89	-	1,700.74	17,770.63	-
4/30/2018	\$16,125.73	-	1,644.90	17,770.63	-
5/30/2018	\$16,181.77	-	1,588.86	17,770.63	-
6/30/2018	\$16,238.00	-	1,532.63	17,770.63	-
7/30/2018	\$16,294.42	-	1,476.21	17,770.63	-
8/30/2018	\$16,351.05	-	1,419.58	17,770.63	-
9/30/2018	\$16,407.87	-	1,362.76	17,770.63	-
10/30/2018	\$16,464.88	-	1,305.75	17,770.63	-
11/30/2018	\$16,522.10	-	1,248.53	17,770.63	-
12/30/2018	\$16,579.51	-	1,191.12	17,770.63	213,247.56
1/30/2019	\$16,637.13	-	1,133.50	17,770.63	-
2/28/2019	\$16,694.94	-	1,075.69	17,770.63	-
3/30/2019	\$16,752.96	-	1,017.67	17,770.63	-
4/30/2019	\$16,811.17	-	959.46	17,770.63	-
5/30/2019	\$16,869.59	-	901.04	17,770.63	-
6/30/2019	\$16,928.21	-	842.42	17,770.63	-
7/30/2019	\$16,987.04	-	783.59	17,770.63	-
8/30/2019	\$17,046.07	-	724.56	17,770.63	-
9/30/2019	\$17,105.30	-	665.33	17,770.63	-
10/30/2019	\$17,164.75	-	605.88	17,770.63	-
11/30/2019	\$17,224.39	-	546.24	17,770.63	-
12/30/2019	\$17,284.25	-	486.38	17,770.63	213,247.56
1/30/2020	\$17,344.31	-	426.32	17,770.63	-
2/29/2020	\$17,404.58	-	366.05	17,770.63	-
3/30/2020	\$17,465.06	-	305.57	17,770.63	-
4/30/2020	\$17,525.75	-	244.88	17,770.63	-
5/30/2020	\$17,586.66	-	183.97	17,770.63	-
6/30/2020	\$17,647.77	-	122.86	17,770.63	-
7/30/2020	\$17,707.63	-	61.53	17,769.17	-
12/31/2020	-	-	-	-	124,392.95
Total	\$1,741,278	-	391,196.14	2,132,474.14	-

New Facility Rate & Terms

Principal Requested	\$1,741,278.00
Annual Percentage Rate	4.17%
Amortization in (Months)	120
Monthly P+I Payments	\$17,769.17



6/15/2010

\$1,741,278
East Daviess County Water Association
Consolidation of Current Outstanding Debts
Through Traditional Financing with US Bank.

Sources & Uses

Dated 6/15/2010 | Delivered 6/15/2010

Sources of Funds

Principal Loan Amount from US Bank	1,741,278.00
Transfer from Prior Debt Reserve Fund CD	212,600.00
Other Contributions	7,500.00

Total Sources **\$1,961,378.00**

Uses of Funds

Payoff Facility #01-0335003 with Berkadia	177,154.00
Payoff Facility #01-0335005 with Berkadia	265,418.00
Payoff Facility #070110 - 06 with USDA Rural Development	380,114.00
Payoff Facility #070110 - 07 with USDA Rural Development	988,856.00
Payoff Facility #070110 - 09 with USDA Rural Development	142,336.00
Loan Closing Cost	5,000.00
Legal Counsel	2,500.00

Total Uses **\$1,961,378.00**

Preliminary

\$1,741,278
East Daviess County Water Association
Consolidation of Current Outstanding Debts
Through Traditional Financing with US Bank.

Debt Service Comparison

Date	New Total P+I Payment	Current P+I Payment	Annual Debt Service Savings	New Interest Expense	Current Interest Expense	Interest Expense Savings
12/30/2010	88,853.15	73,717.73	(15,135.42)	29,846.03	84,443.27	54,597.24
12/30/2011	213,247.58	183,272.00	(29,975.58)	67,383.83	93,042.28	25,658.45
12/30/2012	213,247.58	183,272.00	(29,975.58)	61,183.70	88,484.08	27,300.38
12/30/2013	213,247.58	183,272.00	(29,975.58)	54,720.03	83,695.58	28,975.55
12/30/2014	213,247.58	183,272.00	(29,975.58)	47,981.81	78,665.14	30,683.33
12/30/2015	213,247.58	183,272.00	(29,975.58)	40,956.77	73,380.54	32,423.77
12/30/2016	213,247.58	181,519.21	(31,728.35)	33,633.33	67,828.94	34,195.61
12/30/2017	213,247.58	152,441.00	(60,806.58)	25,988.59	62,084.47	36,095.88
12/30/2018	213,247.58	152,441.00	(60,806.58)	18,039.33	57,503.63	38,464.30
12/30/2019	213,247.58	152,441.00	(60,806.58)	9,741.75	52,890.52	42,848.77
12/30/2020	124,382.85	152,441.00	28,048.05	1,711.18	47,633.36	45,922.18
12/30/2021		121,005.28	121,005.28		43,368.89	43,368.89
12/30/2022		119,788.00	119,788.00		40,821.41	40,821.41
12/30/2023		119,788.00	119,788.00		36,834.84	36,834.84
12/30/2024		113,438.58	113,438.58		32,646.99	32,646.99
12/30/2025		113,438.58	113,438.58		28,864.16	28,864.16
12/30/2026		108,133.76	108,133.76		26,195.92	26,195.92
12/30/2027		88,449.72	88,449.72		23,384.28	23,384.28
12/30/2028		82,229.00	82,229.00		20,452.53	20,452.53
12/30/2029		82,229.00	82,229.00		17,363.70	17,363.70
12/30/2030		82,229.00	82,229.00		14,120.44	14,120.44
12/30/2031		82,229.00	82,229.00		10,715.01	10,715.01
12/30/2032		82,229.00	82,229.00		7,139.31	7,139.31
12/30/2033		19,004.34	19,004.34		3,384.83	3,384.83
12/30/2034		9,145.00	9,145.00		2,603.85	2,603.85
12/30/2035		9,145.00	9,145.00		2,276.79	2,276.79
12/30/2036		9,145.00	9,145.00		1,933.38	1,833.38
12/30/2037		9,145.00	9,145.00		1,572.80	1,572.80
12/30/2038		9,145.00	9,145.00		1,194.18	1,194.18
12/30/2039		9,145.00	9,145.00		798.65	798.65
12/30/2040		7,963.87	7,963.87		379.24	379.24
Total	\$2,132,474.14	\$3,058,380.12	\$826,915.88	\$361,196.14	\$1,105,512.12	\$714,315.88

Gross FV of Debt Service Savings	5926,915.88
Principal Payment from Prior Debt Reserve Fund Deposit	(\$212,800.00)
Total Cash Contribution for Application/Loan Fees	(\$7,500.00)
Net Benefit	\$706,615.88

PV Analysis Summary (Net to Net)	
NPV of Debt Service Savings @ 5.22% Discount Rate (Average Cost of Debt)	\$288,843.62
Principal Payment from Debt Reserve Fund Deposit	(\$212,800.00)
Total Cash Contribution for Application/Loan Fees	(\$7,500.00)
Net Present Value Benefit	\$68,743.62

IRR of Debt Service Savings	12.56%
Net PV Benefit / 1,953,878 Current Debt Principal	3.52%
Net PV Benefit / 1,741,278 Consolidated Debt Principal	3.95%

Consolidation Facility Payoff Information	
Consolidation Payoff Balance Calculation Date	12/31/2009
Consolidation Closing Date (Projected)	7/31/2010

Preliminary

\$1,953,878
East Daviess County Water Association
Consolidation of Current Outstanding Debts
Through Traditional Financing with US Bank.

Current Outstanding Facilities

Facility	Creditor	APR	Maturity Date	Principal Balance	Annual Debt Service	Total Interest Pmts
#1	Berkadia	5.00%	8/22/2018	177,154.00	30,831.00	36,910.21
#2	Berkadia	5.00%	1/31/2021	265,418.00	32,652.00	75,923.28
#3	USDA Rural Development	7.50%	2/13/2024	380,114.00	37,580.00	150,785.33
#4	USDA Rural Development	5.00%	12/28/2033	888,856.00	73,084.00	701,935.34
#5	USDA Rural Development	4.75%	8/27/2040	142,336.00	9,145.00	139,877.97
				\$1,953,878.00	\$183,272.00	\$1,106,512.13

Preliminary

\$177,154

East Daviess County Water Association
 Consolidation of Current Outstanding Debts
 Through Traditional Financing with US Bank.

Debt Service Schedule for Facility #1

Date	Principal	APR	Interest	Total P+I	Fiscal total
6/22/2010	21,973.30	5.00%	6,657.70	30,831.00	-
12/31/2010	-	-	-	-	30,831.00
6/22/2011	23,071.97	-	7,759.04	30,831.00	-
12/31/2011	-	-	-	-	30,831.00
6/22/2012	24,225.56	-	6,605.44	30,831.00	-
12/31/2012	-	-	-	-	30,831.00
6/22/2013	25,436.84	-	5,394.16	30,831.00	-
12/31/2013	-	-	-	-	30,831.00
6/22/2014	26,708.66	-	4,122.32	30,831.00	-
12/31/2014	-	-	-	-	30,831.00
6/22/2015	28,044.12	-	2,786.88	30,831.00	-
12/31/2015	-	-	-	-	30,831.00
6/22/2016	27,693.53	-	1,384.68	29,078.21	-
12/31/2016	-	-	-	-	29,078.21
Total	177,154.00	-	36,910.21	214,064.21	-

Facility #1 Rate & Terms (Berkadia Commercial Mortgage)

Principal Balance (12/31/2009)	\$208,268.00
Annual Percentage Rate	5.00%
Amortization in (Years)	20
Maturity Date	6/22/2016
Annual P+I Payments	\$30,831.00
Total Interest Payments	\$36,910.21

Preliminary

\$265,418
East Davless County Water Association
Consolidation of Current Outstanding Debts
Through Traditional Financing with US Bank.

Debt Service Schedule for Facility #2

Date	Principal	APR	Interest	Total P+I	Fiscal total
8/31/2010	1,615.08	5.00%	1,105.91	2,721.00	-
9/30/2010	1,621.82	-	1,099.18	2,721.00	-
10/31/2010	1,628.56	-	1,092.42	2,721.00	-
11/30/2010	1,635.30	-	1,085.64	2,721.00	-
12/31/2010	1,642.18	-	1,078.82	2,721.00	13,605.00
1/31/2011	1,649.02	-	1,071.98	2,721.00	-
2/28/2011	1,655.89	-	1,065.11	2,721.00	-
3/31/2011	1,662.79	-	1,058.21	2,721.00	-
4/30/2011	1,669.72	-	1,051.28	2,721.00	-
5/31/2011	1,676.68	-	1,044.32	2,721.00	-
6/30/2011	1,683.68	-	1,037.34	2,721.00	-
7/31/2011	1,690.68	-	1,030.32	2,721.00	-
8/31/2011	1,697.72	-	1,023.28	2,721.00	-
9/30/2011	1,704.80	-	1,016.20	2,721.00	-
10/31/2011	1,711.90	-	1,009.10	2,721.00	-
11/30/2011	1,719.03	-	1,001.97	2,721.00	-
12/31/2011	1,726.20	-	994.80	2,721.00	32,652.00
1/31/2012	1,733.39	-	987.61	2,721.00	-
2/29/2012	1,740.61	-	980.39	2,721.00	-
3/31/2012	1,747.86	-	973.14	2,721.00	-
4/30/2012	1,755.15	-	965.85	2,721.00	-
5/31/2012	1,762.46	-	958.54	2,721.00	-
6/30/2012	1,769.80	-	951.20	2,721.00	-
7/31/2012	1,777.18	-	943.82	2,721.00	-
8/31/2012	1,784.58	-	936.42	2,721.00	-
9/30/2012	1,792.02	-	928.98	2,721.00	-
10/31/2012	1,799.48	-	921.52	2,721.00	-
11/30/2012	1,806.98	-	914.02	2,721.00	-
12/31/2012	1,814.51	-	906.49	2,721.00	32,652.00
1/31/2013	1,822.07	-	898.93	2,721.00	-
2/29/2013	1,829.68	-	891.34	2,721.00	-
3/31/2013	1,837.29	-	883.71	2,721.00	-
4/30/2013	1,844.94	-	876.06	2,721.00	-
5/31/2013	1,852.63	-	868.37	2,721.00	-
6/30/2013	1,860.35	-	860.65	2,721.00	-
7/31/2013	1,868.10	-	852.90	2,721.00	-
8/31/2013	1,875.88	-	845.12	2,721.00	-
9/30/2013	1,883.70	-	837.30	2,721.00	-
10/31/2013	1,891.55	-	829.45	2,721.00	-
11/30/2013	1,899.43	-	821.57	2,721.00	-
12/31/2013	1,907.34	-	813.66	2,721.00	32,652.00
1/31/2014	1,915.29	-	805.71	2,721.00	-
2/28/2014	1,923.27	-	797.73	2,721.00	-
3/31/2014	1,931.29	-	789.71	2,721.00	-
4/30/2014	1,939.33	-	781.67	2,721.00	-
5/31/2014	1,947.41	-	773.59	2,721.00	-
6/30/2014	1,955.53	-	765.47	2,721.00	-
7/31/2014	1,963.68	-	757.32	2,721.00	-
8/31/2014	1,971.86	-	749.14	2,721.00	-
9/30/2014	1,980.07	-	740.93	2,721.00	-
10/31/2014	1,988.32	-	732.68	2,721.00	-
11/30/2014	1,996.61	-	724.39	2,721.00	-
12/31/2014	2,004.93	-	716.07	2,721.00	32,652.00
1/31/2015	2,013.28	-	707.72	2,721.00	-
2/28/2015	2,021.67	-	699.33	2,721.00	-
3/31/2015	2,030.09	-	690.91	2,721.00	-
4/30/2015	2,038.55	-	682.45	2,721.00	-
5/31/2015	2,047.05	-	673.95	2,721.00	-
6/30/2015	2,055.58	-	665.42	2,721.00	-
7/31/2015	2,064.14	-	656.86	2,721.00	-
8/31/2015	2,072.74	-	648.28	2,721.00	-
9/30/2015	2,081.38	-	639.62	2,721.00	-
10/31/2015	2,090.05	-	630.95	2,721.00	-
11/30/2015	2,098.78	-	622.24	2,721.00	-
12/31/2015	2,107.50	-	613.50	2,721.00	32,652.00
1/31/2016	2,116.28	-	604.71	2,721.00	-
2/29/2016	2,125.10	-	595.90	2,721.00	-
3/31/2016	2,133.96	-	587.04	2,721.00	-

4/30/2016	2,142.86	-	578.15	2,721.00	-
5/31/2016	2,151.78	-	569.22	2,721.00	-
6/30/2016	2,160.74	-	560.26	2,721.00	-
7/31/2016	2,169.75	-	551.25	2,721.00	-
8/31/2016	2,178.79	-	542.21	2,721.00	-
9/30/2016	2,187.87	-	533.13	2,721.00	-
10/31/2016	2,196.98	-	524.02	2,721.00	-
11/30/2016	2,206.14	-	514.86	2,721.00	-
12/31/2016	2,215.33	-	505.67	2,721.00	32,652.00
1/31/2017	2,224.56	-	496.44	2,721.00	-
2/28/2017	2,233.83	-	487.17	2,721.00	-
3/31/2017	2,243.14	-	477.86	2,721.00	-
4/30/2017	2,252.48	-	468.52	2,721.00	-
5/31/2017	2,261.87	-	459.13	2,721.00	-
6/30/2017	2,271.29	-	449.71	2,721.00	-
7/31/2017	2,280.76	-	440.24	2,721.00	-
8/31/2017	2,290.26	-	430.74	2,721.00	-
9/30/2017	2,299.80	-	421.20	2,721.00	-
10/31/2017	2,309.38	-	411.62	2,721.00	-
11/30/2017	2,318.01	-	401.99	2,721.00	-
12/31/2017	2,326.67	-	392.33	2,721.00	32,652.00
1/31/2018	2,335.37	-	382.63	2,721.00	-
2/28/2018	2,344.11	-	372.89	2,721.00	-
3/31/2018	2,352.90	-	363.10	2,721.00	-
4/30/2018	2,361.72	-	353.28	2,721.00	-
5/31/2018	2,370.59	-	343.41	2,721.00	-
6/30/2018	2,379.49	-	333.51	2,721.00	-
7/31/2018	2,388.44	-	323.56	2,721.00	-
8/31/2018	2,407.43	-	313.57	2,721.00	-
9/30/2018	2,417.46	-	303.54	2,721.00	-
10/31/2018	2,427.54	-	293.48	2,721.00	-
11/30/2018	2,437.65	-	283.35	2,721.00	-
12/31/2018	2,447.81	-	273.19	2,721.00	32,652.00
1/31/2019	2,458.01	-	262.99	2,721.00	-
2/28/2019	2,468.25	-	252.75	2,721.00	-
3/31/2019	2,478.53	-	242.47	2,721.00	-
4/30/2019	2,488.86	-	232.14	2,721.00	-
5/31/2019	2,499.23	-	221.77	2,721.00	-
6/30/2019	2,509.64	-	211.36	2,721.00	-
7/31/2019	2,520.10	-	200.90	2,721.00	-
8/31/2019	2,530.60	-	190.40	2,721.00	-
9/30/2019	2,541.15	-	179.85	2,721.00	-
10/31/2019	2,551.73	-	169.27	2,721.00	-
11/30/2019	2,562.37	-	158.63	2,721.00	-
12/31/2019	2,573.04	-	147.96	2,721.00	32,652.00
1/31/2020	2,583.76	-	137.24	2,721.00	-
2/29/2020	2,594.53	-	126.47	2,721.00	-
3/31/2020	2,605.34	-	115.66	2,721.00	-
4/30/2020	2,616.19	-	104.81	2,721.00	-
5/31/2020	2,627.10	-	93.90	2,721.00	-
6/30/2020	2,638.04	-	82.96	2,721.00	-
7/31/2020	2,649.03	-	71.97	2,721.00	-
8/31/2020	2,660.07	-	60.93	2,721.00	-
9/30/2020	2,671.15	-	49.85	2,721.00	-
10/31/2020	2,682.28	-	38.72	2,721.00	-
11/30/2020	2,693.46	-	27.54	2,721.00	-
12/31/2020	2,704.68	-	16.32	2,721.00	32,652.00
1/31/2021	1,211.23	-	5.05	1,216.28	-
12/31/2021		-			1,216.28
Total	\$265,418	5.00%	75,923.28	341,341.28	341,341.28

Facility #2 Rate & Terms (Berkadia Commercial Mortgage)

Principal Balance (12/31/2009)	\$265,418.00
Annual Percentage Rate	5.00%
Amortization in (Months)	360
Maturity Date	1/31/2021
Monthly P+I Payments	\$2,721.00
Total Interest Payments	\$75,923.28

6/15/2010



3300,114
East Daviea County Water Association
Consolidation of Current Outstanding Debt
Through Traditional Financing with US Bank.

Preliminary

Debt Service Schedule for Facility #3

Date	Principal	APR	Interest	Total Pmt	Fiscal Year
1/13/2010	1,540.18	7.50%	1,383.81	3,130.00	-
2/13/2010	1,552.63	-	1,377.37	3,130.00	-
3/13/2010	1,568.10	-	1,370.90	3,130.00	-
4/13/2010	1,586.80	-	1,364.40	3,130.00	-
5/13/2010	1,572.12	-	1,357.88	3,130.00	-
6/13/2010	1,578.87	-	1,351.33	3,130.00	-
7/13/2010	1,385.28	-	1,344.75	3,130.00	-
8/13/2010	1,381.85	-	1,338.14	3,130.00	-
9/13/2010	1,398.49	-	1,331.51	3,130.00	-
10/13/2010	1,805.15	-	1,324.85	3,130.00	-
11/13/2010	1,811.84	-	1,318.18	3,130.00	-
12/13/2010	1,818.66	-	1,311.46	3,130.00	-
12/31/2010	-	-	-	-	37,560.00
1/13/2011	1,825.30	-	1,304.76	3,130.00	-
2/13/2011	1,832.67	-	1,298.03	3,130.00	-
3/13/2011	1,838.87	-	1,291.13	3,130.00	-
4/13/2011	1,845.70	-	1,284.30	3,130.00	-
5/13/2011	1,852.46	-	1,277.44	3,130.00	-
6/13/2011	1,669.44	-	1,270.58	3,130.00	-
7/13/2011	1,668.28	-	1,263.64	3,130.00	-
8/13/2011	1,673.30	-	1,256.70	3,130.00	-
9/13/2011	1,680.27	-	1,249.73	3,130.00	-
10/13/2011	1,687.27	-	1,242.73	3,130.00	-
11/13/2011	1,694.30	-	1,235.70	3,130.00	-
12/13/2011	1,701.36	-	1,228.64	3,130.00	-
12/31/2011	-	-	-	-	37,560.00
1/13/2012	1,708.45	-	1,221.55	3,130.00	-
2/13/2012	1,715.57	-	1,214.43	3,130.00	-
3/13/2012	1,722.72	-	1,207.28	3,130.00	-
4/13/2012	1,729.90	-	1,200.10	3,130.00	-
5/13/2012	1,737.10	-	1,192.88	3,130.00	-
6/13/2012	1,744.34	-	1,185.60	3,130.00	-
7/13/2012	1,751.61	-	1,178.29	3,130.00	-
8/13/2012	1,758.91	-	1,170.95	3,130.00	-
9/13/2012	1,766.24	-	1,163.56	3,130.00	-
10/13/2012	1,773.60	-	1,156.10	3,130.00	-
11/13/2012	1,780.98	-	1,148.61	3,130.00	-
12/13/2012	1,788.41	-	1,141.08	3,130.00	-
12/31/2012	-	-	-	-	37,560.00
1/13/2013	1,795.86	-	1,133.51	3,130.00	-
2/13/2013	1,803.34	-	1,125.90	3,130.00	-
3/13/2013	1,810.86	-	1,118.14	3,130.00	-
4/13/2013	1,818.40	-	1,110.34	3,130.00	-
5/13/2013	1,825.98	-	1,102.50	3,130.00	-
6/13/2013	1,833.58	-	1,094.61	3,130.00	-
7/13/2013	1,841.23	-	1,086.67	3,130.00	-
8/13/2013	1,848.90	-	1,078.68	3,130.00	-
9/13/2013	1,856.60	-	1,070.64	3,130.00	-
10/13/2013	1,864.34	-	1,062.55	3,130.00	-
11/13/2013	1,872.10	-	1,054.41	3,130.00	-
12/13/2013	1,879.81	-	1,046.22	3,130.00	-
12/31/2013	-	-	-	-	37,560.00
1/13/2014	1,887.74	-	1,038.00	3,130.00	-
2/13/2014	1,895.60	-	1,029.74	3,130.00	-
3/13/2014	1,903.50	-	1,021.43	3,130.00	-
4/13/2014	1,911.43	-	1,013.07	3,130.00	-
5/13/2014	1,919.40	-	1,004.66	3,130.00	-
6/13/2014	1,927.40	-	996.20	3,130.00	-
7/13/2014	1,935.43	-	987.69	3,130.00	-
8/13/2014	1,943.48	-	979.13	3,130.00	-
9/13/2014	1,951.58	-	970.52	3,130.00	-
10/13/2014	1,959.72	-	961.86	3,130.00	-
11/13/2014	1,967.89	-	953.15	3,130.00	-
12/13/2014	1,976.08	-	944.39	3,130.00	-
12/31/2014	-	-	-	-	37,560.00
1/13/2015	1,984.32	-	935.58	3,130.00	-
2/13/2015	1,992.59	-	926.72	3,130.00	-
3/13/2015	2,000.80	-	917.81	3,130.00	-
4/13/2015	2,009.23	-	908.85	3,130.00	-
5/13/2015	2,017.60	-	899.84	3,130.00	-
6/13/2015	2,026.00	-	890.78	3,130.00	-
7/13/2015	2,034.46	-	881.67	3,130.00	-
8/13/2015	2,042.92	-	872.51	3,130.00	-
9/13/2015	2,051.44	-	863.30	3,130.00	-
10/13/2015	2,059.98	-	854.04	3,130.00	-
11/13/2015	2,068.57	-	844.73	3,130.00	-
12/13/2015	2,077.19	-	835.37	3,130.00	-
12/31/2015	-	-	-	-	37,560.00
1/13/2016	2,085.84	-	825.96	3,130.00	-
2/13/2016	2,094.53	-	816.50	3,130.00	-
3/13/2016	2,103.28	-	807.00	3,130.00	-
4/13/2016	2,112.02	-	797.45	3,130.00	-
5/13/2016	2,120.82	-	787.85	3,130.00	-
6/13/2016	2,129.66	-	778.20	3,130.00	-
7/13/2016	2,138.53	-	768.50	3,130.00	-
8/13/2016	2,147.44	-	758.75	3,130.00	-
9/13/2016	2,156.39	-	748.95	3,130.00	-
10/13/2016	2,165.38	-	739.10	3,130.00	-
11/13/2016	2,174.40	-	729.20	3,130.00	-
12/13/2016	2,183.48	-	719.25	3,130.00	-
12/31/2016	-	-	-	-	37,560.00
1/13/2017	2,192.56	-	709.25	3,130.00	-
2/13/2017	2,201.68	-	699.20	3,130.00	-
3/13/2017	2,210.86	-	689.10	3,130.00	-
4/13/2017	2,220.08	-	678.95	3,130.00	-
5/13/2017	2,229.33	-	668.75	3,130.00	-
6/13/2017	2,238.62	-	658.50	3,130.00	-
7/13/2017	2,247.94	-	648.20	3,130.00	-
8/13/2017	2,257.31	-	637.85	3,130.00	-

9/13/2017	2,266.72	-	653.28	3,130.00	-
10/13/2017	2,276.18	-	653.84	3,130.00	-
11/13/2017	2,285.04	-	654.36	3,130.00	-
12/13/2017	2,293.17	-	654.83	3,130.00	-
1/13/2018	-	-	-	-	37,500.00
2/13/2018	2,304.73	-	655.27	3,130.00	-
3/13/2018	2,314.33	-	655.67	3,130.00	-
4/13/2018	2,323.56	-	656.02	3,130.00	-
5/13/2018	2,333.56	-	756.24	3,130.00	-
6/13/2018	2,343.38	-	756.62	3,130.00	-
7/13/2018	2,353.13	-	775.85	3,130.00	-
8/13/2018	2,362.95	-	767.09	3,130.00	-
9/13/2018	2,372.80	-	757.20	3,130.00	-
10/13/2018	2,382.68	-	747.32	3,130.00	-
11/13/2018	2,392.61	-	737.39	3,130.00	-
12/13/2018	2,402.58	-	727.42	3,130.00	-
1/13/2019	2,412.68	-	717.41	3,130.00	-
2/13/2019	-	-	-	-	37,500.00
3/13/2019	2,422.83	-	707.35	3,130.00	-
4/13/2019	2,432.74	-	697.26	3,130.00	-
5/13/2019	2,442.88	-	687.12	3,130.00	-
6/13/2019	2,453.09	-	676.85	3,130.00	-
7/13/2019	2,463.28	-	666.77	3,130.00	-
8/13/2019	2,473.54	-	656.46	3,130.00	-
9/13/2019	2,483.83	-	646.15	3,130.00	-
10/13/2019	2,494.20	-	635.80	3,130.00	-
11/13/2019	2,504.59	-	625.41	3,130.00	-
12/13/2019	2,515.02	-	614.96	3,130.00	-
1/13/2020	2,525.50	-	604.50	3,130.00	-
2/13/2020	2,536.03	-	594.07	3,130.00	-
3/13/2020	-	-	-	-	37,500.00
4/13/2020	2,546.59	-	583.41	3,130.00	-
5/13/2020	2,557.20	-	572.80	3,130.00	-
6/13/2020	2,567.86	-	562.14	3,130.00	-
7/13/2020	2,578.58	-	551.44	3,130.00	-
8/13/2020	2,589.30	-	540.70	3,130.00	-
9/13/2020	2,600.09	-	529.91	3,130.00	-
10/13/2020	2,610.82	-	519.08	3,130.00	-
11/13/2020	2,621.60	-	508.20	3,130.00	-
12/13/2020	2,632.73	-	497.27	3,130.00	-
1/13/2021	2,643.70	-	486.30	3,130.00	-
2/13/2021	2,654.71	-	475.29	3,130.00	-
3/13/2021	2,665.77	-	464.23	3,130.00	-
4/13/2021	-	-	-	-	37,500.00
5/13/2021	2,676.88	-	453.12	3,130.00	-
6/13/2021	2,688.03	-	441.97	3,130.00	-
7/13/2021	2,699.23	-	430.77	3,130.00	-
8/13/2021	2,710.48	-	419.52	3,130.00	-
9/13/2021	2,721.78	-	408.22	3,130.00	-
10/13/2021	2,733.12	-	396.88	3,130.00	-
11/13/2021	2,744.60	-	385.50	3,130.00	-
12/13/2021	2,756.04	-	374.09	3,130.00	-
1/13/2022	2,767.42	-	362.56	3,130.00	-
2/13/2022	2,778.05	-	351.05	3,130.00	-
3/13/2022	2,788.53	-	339.47	3,130.00	-
4/13/2022	2,802.16	-	327.84	3,130.00	-
5/13/2022	-	-	-	-	37,500.00
6/13/2022	2,813.84	-	316.16	3,130.00	-
7/13/2022	2,825.56	-	304.44	3,130.00	-
8/13/2022	2,837.33	-	292.67	3,130.00	-
9/13/2022	2,849.15	-	280.85	3,130.00	-
10/13/2022	2,861.03	-	268.87	3,130.00	-
11/13/2022	2,872.95	-	257.05	3,130.00	-
12/13/2022	2,884.92	-	245.08	3,130.00	-
1/13/2023	2,896.94	-	233.06	3,130.00	-
2/13/2023	2,909.01	-	220.99	3,130.00	-
3/13/2023	2,921.13	-	208.87	3,130.00	-
4/13/2023	2,933.30	-	196.70	3,130.00	-
5/13/2023	2,945.62	-	184.40	3,130.00	-
6/13/2023	-	-	-	-	37,500.00
7/13/2023	2,957.86	-	172.20	3,130.00	-
8/13/2023	2,970.12	-	159.89	3,130.00	-
9/13/2023	2,982.56	-	147.59	3,130.00	-
10/13/2023	2,994.92	-	135.08	3,130.00	-
11/13/2023	3,007.40	-	122.50	3,130.00	-
12/13/2023	3,018.93	-	110.07	3,130.00	-
1/13/2024	3,032.52	-	97.48	3,130.00	-
2/13/2024	3,045.15	-	84.85	3,130.00	-
3/13/2024	3,057.84	-	72.14	3,130.00	-
4/13/2024	3,070.58	-	59.42	3,130.00	-
5/13/2024	3,083.37	-	46.63	3,130.00	-
6/13/2024	3,096.22	-	33.76	3,130.00	-
7/13/2024	-	-	-	-	37,500.00
8/13/2024	3,109.12	-	20.88	3,130.00	-
9/13/2024	1,401.41	-	7.92	1,000.00	-
10/13/2024	-	-	-	-	3,039.33
Total	5280,114	7.50%	150,785.33	430,879.33	530,879.33

Facility #3 Rate & Terms (USDA Rural Development Loan)

Principal Balance (12/31/2009)	3380,114.00
Annual Percentage Rate	7.50%
Amortization In (Months)	380
Maturity Date	2/13/2024
Monthly Pmt Payments	\$2,721.00
Total Interest Payments	\$150,785.33



Preliminary

\$988,856

East Davless County Water Association
Consolidation of Current Outstanding Debts
Through Traditional Financing with US Bank.

Debt Service Schedule for Facility #4

Date	Principal	APR	Interest	Total P+I	Fiscal total
2/16/2010	23,841.20	5.00%	48,442.80	73,084.00	
12/31/2010					73,084.00
2/16/2011	24,823.28		48,260.74	73,084.00	
12/31/2011					73,084.00
2/16/2012	26,064.42		47,019.68	73,084.00	
12/31/2012					73,084.00
2/16/2013	27,367.64		45,718.38	73,084.00	
12/31/2013					73,084.00
2/16/2014	28,736.03		44,347.87	73,084.00	
12/31/2014					73,084.00
2/16/2015	30,172.83		42,911.17	73,084.00	
12/31/2015					73,084.00
2/16/2016	31,681.47		41,402.53	73,084.00	
12/31/2016					73,084.00
2/16/2017	33,265.54		39,818.46	73,084.00	
12/31/2017					73,084.00
2/16/2018	34,928.82		38,155.18	73,084.00	
12/31/2018					73,084.00
2/16/2019	36,675.26		36,408.74	73,084.00	
12/31/2019					73,084.00
2/16/2020	38,509.02		34,574.98	73,084.00	
12/31/2020					73,084.00
2/16/2021	40,434.47		32,649.53	73,084.00	
12/31/2021					73,084.00
2/16/2022	42,456.20		30,627.80	73,084.00	
12/31/2022					73,084.00
2/16/2023	44,579.01		28,504.99	73,084.00	
12/31/2023					73,084.00
2/16/2024	46,807.88		26,276.04	73,084.00	
12/31/2024					73,084.00
2/16/2025	49,148.38		23,935.64	73,084.00	
12/31/2025					73,084.00
2/16/2026	51,605.77		21,478.23	73,084.00	
12/31/2026					73,084.00
2/16/2027	54,186.06		18,897.84	73,084.00	
12/31/2027					73,084.00
2/16/2028	56,895.37		16,188.63	73,084.00	
12/31/2028					73,084.00
2/16/2029	59,740.13		13,343.87	73,084.00	
12/31/2029					73,084.00
2/16/2030	62,727.14		10,358.88	73,084.00	
12/31/2030					73,084.00
2/16/2031	65,863.50		7,220.50	73,084.00	
12/31/2031					73,084.00
2/16/2032	69,158.87		3,927.33	73,084.00	
12/31/2032					73,084.00
2/16/2033	9,389.85		489.49	9,859.34	
12/31/2033					9,859.34
Total	888,866.00	-	701,935.34	1,690,791.34	1,690,791.34

Facility #4 Rate & Terms (USDA Rural Development Loan)

Principal Balance (12/31/2009)	\$988,856.00
Annual Percentage Rate	5.00%
Amortization in (Years)	40
Maturity Date	12/16/2033
Annual P+I Payments	\$73,084.00
Total Interest Payments	\$701,935.34



6/15/2010

Preliminary

\$142,336
East Daviess County Water Association
Consolidation of Current Outstanding Debts
Through Traditional Financing with US Bank.

Debt Service Schedule for Facility #5

Date	Principal	APR	Interest	Total P+I	Fiscal total
8/27/2010	2,028.20	4.75%	7,118.80	9,145.00	-
12/31/2010	-	-	-	-	9,145.00
8/27/2011	2,129.61	-	7,015.39	9,145.00	-
12/31/2011	-	-	-	-	9,145.00
8/27/2012	2,236.09	-	6,908.91	9,145.00	-
12/31/2012	-	-	-	-	9,145.00
8/27/2013	2,347.90	-	6,797.10	9,145.00	-
12/31/2013	-	-	-	-	9,145.00
8/27/2014	2,465.29	-	6,679.71	9,145.00	-
12/31/2014	-	-	-	-	9,145.00
8/27/2015	2,588.55	-	6,556.45	9,145.00	-
12/31/2015	-	-	-	-	9,145.00
8/27/2016	2,717.69	-	6,427.02	9,145.00	-
12/31/2016	-	-	-	-	9,145.00
8/27/2017	2,853.88	-	6,291.12	9,145.00	-
12/31/2017	-	-	-	-	9,145.00
8/27/2018	2,998.58	-	6,148.42	9,145.00	-
12/31/2018	-	-	-	-	9,145.00
8/27/2019	3,146.40	-	5,998.60	9,145.00	-
12/31/2019	-	-	-	-	9,145.00
8/27/2020	3,303.72	-	5,841.28	9,145.00	-
12/31/2020	-	-	-	-	9,145.00
8/27/2021	3,468.91	-	5,676.09	9,145.00	-
12/31/2021	-	-	-	-	9,145.00
8/27/2022	3,642.36	-	5,502.64	9,145.00	-
12/31/2022	-	-	-	-	9,145.00
8/27/2023	3,824.47	-	5,320.53	9,145.00	-
12/31/2023	-	-	-	-	9,145.00
8/27/2024	4,015.70	-	5,128.30	9,145.00	-
12/31/2024	-	-	-	-	9,145.00
8/27/2025	4,216.48	-	4,928.52	9,145.00	-
12/31/2025	-	-	-	-	9,145.00
8/27/2026	4,427.31	-	4,717.69	9,145.00	-
12/31/2026	-	-	-	-	9,145.00
8/27/2027	4,648.67	-	4,498.33	9,145.00	-
12/31/2027	-	-	-	-	9,145.00
8/27/2028	4,881.11	-	4,263.89	9,145.00	-
12/31/2028	-	-	-	-	9,145.00
8/27/2029	5,125.18	-	4,018.84	9,145.00	-
12/31/2029	-	-	-	-	9,145.00
8/27/2030	5,381.42	-	3,763.58	9,145.00	-
12/31/2030	-	-	-	-	9,145.00
8/27/2031	5,650.49	-	3,494.51	9,145.00	-
12/31/2031	-	-	-	-	9,145.00
8/27/2032	5,933.01	-	3,211.99	9,145.00	-
12/31/2032	-	-	-	-	9,145.00
8/27/2033	6,228.66	-	2,815.34	9,145.00	-
12/31/2033	-	-	-	-	9,145.00
8/27/2034	6,541.15	-	2,603.85	9,145.00	-
12/31/2034	-	-	-	-	9,145.00
8/27/2035	6,889.21	-	2,276.79	9,145.00	-
12/31/2035	-	-	-	-	9,145.00
8/27/2036	7,211.82	-	1,933.38	9,145.00	-
12/31/2036	-	-	-	-	9,145.00
8/27/2037	7,572.20	-	1,572.80	9,145.00	-
12/31/2037	-	-	-	-	9,145.00
8/27/2038	7,950.81	-	1,184.19	9,145.00	-
12/31/2038	-	-	-	-	9,145.00
8/27/2039	8,348.35	-	788.65	9,145.00	-
12/31/2039	-	-	-	-	9,145.00
8/27/2040	7,584.73	-	378.24	7,963.87	-
12/31/2040	-	-	-	-	7,963.87
Total	142,336.00	-	139,977.97	282,313.97	282,313.97

Facility #5 Rate & Terms (USDA Rural Development Loan)

Principal Balance (12/31/2009)	\$142,336.00
Annual Percentage Rate	4.75%
Amortization in (Years)	40
Maturity Date	8/27/2040
Annual P+I Payments	\$9,145.00
Total Interest Payments	\$139,977.97



6/15/2010

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.
Balance Sheets
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
UTILITY PLANT		
Water plant in service	\$ 10,234,288	\$ 9,628,798
Construction in progress	1,055,142	529,743
Less: accumulated depreciation	(3,631,191)	(3,422,249)
TOTAL UTILITY PLANT - NET	<u>7,658,239</u>	<u>6,736,292</u>
RESTRICTED FUNDS		
Cash - reserve fund	532,369	498,602
Cash - construction fund	49,263	47,446
Cash - security deposit fund	10,833	12,033
TOTAL RESTRICTED FUNDS	<u>592,465</u>	<u>558,081</u>
CURRENT ASSETS		
Cash	604,462	611,151
Accounts receivable trade	179,254	186,817
Less: allowance for doubtful accounts	(23,084)	(23,634)
Other receivables	859	1,897
Grant receivable	57,250	-
Inventory	51,739	47,134
Prepaid insurance	11,619	18,165
Other current assets	4,038	4,038
TOTAL CURRENT ASSETS	<u>886,137</u>	<u>845,568</u>
DEFERRED EXPENSE		
Unamortized debt expense	3,285	3,360
TOTAL ASSETS	<u><u>\$ 9,140,126</u></u>	<u><u>\$ 8,143,301</u></u>

See independent auditor's report and accompanying notes to financial statements.

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.
Balance Sheets
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Liabilities and Other Credits		
RETAINED DEFICIT	\$ (201,127)	\$ (322,552)
	<u>2,423,727</u>	<u>2,443,653</u>
LONG-TERM DEBT, net of current portion		
	<u>2,423,727</u>	<u>2,443,653</u>
CURRENT LIABILITIES		
Accounts payable - trade	50,341	79,850
Accounts payable - construction	36,859	34,907
Accounts payable - RWRA	19,751	49,782
Current portion of long-term debt	99,107	109,300
Accrued taxes	3,784	3,667
Accrued interest	57,374	61,793
Customer deposits	10,560	7,740
Accrued payroll and payroll taxes	6,652	6,272
	<u>284,428</u>	<u>353,311</u>
TOTAL CURRENT LIABILITIES		
	<u>284,428</u>	<u>353,311</u>
TOTAL LIABILITIES	2,708,155	2,796,964
	<u>2,708,155</u>	<u>2,796,964</u>
CONTRIBUTIONS		
Federal grants	1,807,300	1,807,300
State and local grants	2,226,784	1,290,080
Contributions in aid	2,599,014	2,571,509
	<u>6,633,098</u>	<u>5,668,889</u>
TOTAL CONTRIBUTIONS	6,633,098	5,668,889
	<u>6,633,098</u>	<u>5,668,889</u>
TOTAL LIABILITIES AND OTHER CREDITS	\$ 9,140,126	\$ 8,143,301
	<u>\$ 9,140,126</u>	<u>\$ 8,143,301</u>

See independent auditor's report and accompanying notes to financial statements.

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.
Statements of Income
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
OPERATING REVENUE		
Water sales	\$ 1,452,985	\$ 1,468,547
Miscellaneous service revenue	92,219	50,984
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	1,545,204	1,519,531
	<hr/>	<hr/>
OPERATING EXPENSES		
Bad debts	7,093	(5,773)
Depreciation and amortization	231,961	223,790
Directors' fees	12,750	12,750
Engineering	4,929	967
Insurance	114,800	108,114
Legal and accounting	17,728	16,890
Miscellaneous	28,142	21,113
Office supplies and postage	37,215	33,477
Payroll taxes and fringe benefits	33,902	27,294
PSC assessment	2,337	2,455
Repairs	31,829	154,861
Salaries and wages	323,827	341,016
Supplies	-	1,605
Telephone	6,831	7,048
Transportation	27,274	39,110
Utilities	25,726	25,924
Water purchased	400,666	410,492
Water testing	2,415	4,440
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	1,309,425	1,425,573
	<hr/>	<hr/>
INCOME FROM OPERATIONS	235,779	93,958
	<hr/>	<hr/>
OTHER INCOME (EXPENSE)		
Gain (loss) on disposal of assets	-	(3,065)
Interest earned on investments	18,595	24,573
Interest expense	(132,949)	(135,429)
	<hr/>	<hr/>
TOTAL OTHER INCOME (EXPENSE)	(114,354)	(113,921)
	<hr/>	<hr/>
NET INCOME (LOSS)	\$ 121,425	\$ (19,963)
	<hr/> <hr/>	<hr/> <hr/>

See independent auditor's report and accompanying notes to financial statements.

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.
Statements of Cash Flows
Years Ended December 31, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income(loss)	\$ 121,425	\$ (19,963)
Adjustments to reconcile net income(loss) to net cash provided by operating activities:		
Depreciation and amortization	231,961	223,790
(Gain) loss on disposal of assets	-	3,065
(Increase) decrease in:		
Accounts receivable	7,563	(13,284)
Other receivable	1,038	1,808
Reserve for bad debts	(550)	14,130
Prepaid insurance	6,546	(2,671)
Inventory	(4,605)	34,071
Grant receivables	(57,250)	145,220
Increase (decrease) in:		
Accounts payable	(57,588)	(86,002)
Accrued taxes payable	117	(190)
Accrued interest	(4,419)	(1,471)
Customer deposits	2,820	(3,180)
Accrued payroll taxes	380	2,267
NET CASH PROVIDED BY OPERATING ACTIVITIES	247,438	297,590
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for the purchase of property	(1,153,834)	(424,396)
Funded reserves and restricted funds	(34,384)	(7,041)
NET CASH USED IN INVESTING ACTIVITIES	(1,188,218)	(431,437)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	72,615	29,053
Principal payments on long-term debt	(102,733)	(98,703)
Contribution in aid of construction	964,209	298,338
NET CASH PROVIDED BY FINANCING ACTIVITIES	934,091	228,688
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,689)	94,841
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	611,151	516,310
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 604,462	\$ 611,151

See independent auditor's report and accompanying notes to financial statements.