

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

May 11, 2012

RECEIVED

MAY 15 2012

PUBLIC SERVICE  
COMMISSION

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

**Re: Jessamine-South Elkhorn Water District PSC Case No. 2012-00067**

Dear Mr. Derouen:

In accordance with paragraphs No. 2 and 3 of the PSC Order dated March 22, 2012 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 2, 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:jl  
Enclosures

Preliminary

**\$1,710,000**

Ketucky Rural Water Finance Corporation  
Public Projects Refunding Bonds, Series 2012 C  
Jessamine South-Elkhorn Water and Sewer District

## Sources & Uses

Dated 05/02/2012 | Delivered 05/02/2012

### Sources Of Funds

Par Amount of Bonds	\$1,710,000.00
Reoffering Premium	7,148.95
Transfers from Prior Issue Debt Service Funds	38,734.17
<b>Total Sources</b>	<b>\$1,755,883.12</b>

### Uses Of Funds

Total Underwriter's Discount (1.828%)	31,260.76
Costs of Issuance	30,650.00
Deposit to Current Refunding Fund	1,690,386.06
Rounding Amount	3,586.30
<b>Total Uses</b>	<b>\$1,755,883.12</b>

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Preliminary

**\$1,710,000**

Ketucky Rural Water Finance Corporation

Public Projects Refunding Bonds, Series 2012 C

Jessamine South-Elkhorn Water and Sewer District

## Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/30/2012	-	-	-	43,601.25	43,601.25
12/30/2013	104,974.80	450.00	105,424.80	115,441.25	10,016.45
12/30/2014	104,243.25	450.00	104,693.25	115,866.25	11,173.00
12/30/2015	103,275.75	450.00	103,725.75	115,212.50	11,486.75
12/30/2016	102,308.25	450.00	102,758.25	115,480.00	12,721.75
12/30/2017	101,340.75	450.00	101,790.75	115,642.50	13,851.75
12/30/2018	105,069.50	450.00	105,519.50	115,700.00	10,180.50
12/30/2019	103,494.50	450.00	103,944.50	115,652.50	11,708.00
12/30/2020	101,919.50	450.00	102,369.50	115,500.00	13,130.50
12/30/2021	100,344.50	450.00	100,794.50	115,242.50	14,448.00
12/30/2022	103,690.75	450.00	104,140.75	114,880.00	10,739.25
12/30/2023	101,958.25	450.00	102,408.25	115,386.25	12,978.00
12/30/2024	100,190.00	450.00	100,640.00	114,761.25	14,121.25
12/30/2025	103,268.00	450.00	103,718.00	115,005.00	11,287.00
12/30/2026	101,189.00	450.00	101,639.00	115,091.25	13,452.25
12/30/2027	99,035.00	450.00	99,485.00	115,020.00	15,535.00
12/30/2028	101,591.25	450.00	102,041.25	114,791.25	12,750.00
12/30/2029	98,893.75	450.00	99,343.75	114,405.00	15,061.25
12/30/2030	101,180.00	450.00	101,630.00	114,835.00	13,205.00
12/30/2031	98,450.00	450.00	98,900.00	114,081.25	15,181.25
12/30/2032	100,622.50	450.00	101,072.50	115,117.50	14,045.00
12/30/2033	97,697.50	450.00	98,147.50	113,943.75	15,796.25
12/30/2034	99,675.00	450.00	100,125.00	114,560.00	14,435.00
12/30/2035	101,457.50	450.00	101,907.50	113,940.00	12,032.50
12/30/2036	98,100.00	450.00	98,550.00	114,083.75	15,533.75
12/30/2037	99,600.00	450.00	100,050.00	113,965.00	13,915.00
12/30/2038	100,900.00	450.00	101,350.00	113,583.75	12,233.75
12/30/2039	102,000.00	450.00	102,450.00	113,913.75	11,463.75
<b>Total</b>	<b>\$2,736,469.30</b>	<b>\$12,150.00</b>	<b>\$2,748,619.30</b>	<b>\$3,144,702.50</b>	<b>\$396,083.20</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	396,083.20
Gross PV Debt Service Savings	272,879.77
Effects of changes in Expenses	(7,672.72)
<b>Net PV Cashflow Savings @ 3.666%(Bond Yield)</b>	<b>265,207.05</b>
Transfers from Prior Issue Debt Service Fund	(38,734.17)
Contingency or Rounding Amount	3,178.17
Net Future Value Benefit	\$360,527.20
Net Present Value Benefit	\$229,651.05
Net PV Benefit / \$1,661,000 Refunded Principal	13.826%
Net PV Benefit / \$1,710,000 Refunding Principal	13.430%

### Refunding Bond Information

Refunding Dated Date	5/02/2012
Refunding Delivery Date	5/02/2012
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**Morgan Keegan & Company, Inc.**

Preliminary

**\$1,710,000**

Kentucky Rural Water Finance Corporation  
 Public Projects Refunding Bonds, Series 2012 C  
 Jessamine South-Elkhorn Water and Sewer District

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/02/2012	-	-	-	-	-
02/01/2013	30,000.00	2.150%	45,111.30	75,111.30	-
08/01/2013	-	-	29,863.50	29,863.50	-
12/30/2013	-	-	-	-	104,974.80
02/01/2014	45,000.00	2.150%	29,863.50	74,863.50	-
08/01/2014	-	-	29,379.75	29,379.75	-
12/30/2014	-	-	-	-	104,243.25
02/01/2015	45,000.00	2.150%	29,379.75	74,379.75	-
08/01/2015	-	-	28,896.00	28,896.00	-
12/30/2015	-	-	-	-	103,275.75
02/01/2016	45,000.00	2.150%	28,896.00	73,896.00	-
08/01/2016	-	-	28,412.25	28,412.25	-
12/30/2016	-	-	-	-	102,308.25
02/01/2017	45,000.00	2.150%	28,412.25	73,412.25	-
08/01/2017	-	-	27,928.50	27,928.50	-
12/30/2017	-	-	-	-	101,340.75
02/01/2018	50,000.00	3.150%	27,928.50	77,928.50	-
08/01/2018	-	-	27,141.00	27,141.00	-
12/30/2018	-	-	-	-	105,069.50
02/01/2019	50,000.00	3.150%	27,141.00	77,141.00	-
08/01/2019	-	-	26,353.50	26,353.50	-
12/30/2019	-	-	-	-	103,494.50
02/01/2020	50,000.00	3.150%	26,353.50	76,353.50	-
08/01/2020	-	-	25,566.00	25,566.00	-
12/30/2020	-	-	-	-	101,919.50
02/01/2021	50,000.00	3.150%	25,566.00	75,566.00	-
08/01/2021	-	-	24,778.50	24,778.50	-
12/30/2021	-	-	-	-	100,344.50
02/01/2022	55,000.00	3.150%	24,778.50	79,778.50	-
08/01/2022	-	-	23,912.25	23,912.25	-
12/30/2022	-	-	-	-	103,690.75
02/01/2023	55,000.00	3.150%	23,912.25	78,912.25	-
08/01/2023	-	-	23,046.00	23,046.00	-
12/30/2023	-	-	-	-	101,958.25
02/01/2024	55,000.00	3.280%	23,046.00	78,046.00	-
08/01/2024	-	-	22,144.00	22,144.00	-
12/30/2024	-	-	-	-	100,190.00
02/01/2025	60,000.00	3.400%	22,144.00	82,144.00	-
08/01/2025	-	-	21,124.00	21,124.00	-
12/30/2025	-	-	-	-	103,268.00
02/01/2026	60,000.00	3.530%	21,124.00	81,124.00	-
08/01/2026	-	-	20,065.00	20,065.00	-
12/30/2026	-	-	-	-	101,189.00
02/01/2027	60,000.00	3.650%	20,065.00	80,065.00	-
08/01/2027	-	-	18,970.00	18,970.00	-
12/30/2027	-	-	-	-	99,035.00
02/01/2028	65,000.00	4.150%	18,970.00	83,970.00	-
08/01/2028	-	-	17,621.25	17,621.25	-
12/30/2028	-	-	-	-	101,591.25
02/01/2029	65,000.00	4.150%	17,621.25	82,621.25	-
08/01/2029	-	-	16,272.50	16,272.50	-
12/30/2029	-	-	-	-	98,893.75
02/01/2030	70,000.00	3.900%	16,272.50	86,272.50	-
08/01/2030	-	-	14,907.50	14,907.50	-
12/30/2030	-	-	-	-	101,180.00
02/01/2031	70,000.00	3.900%	14,907.50	84,907.50	-
08/01/2031	-	-	13,542.50	13,542.50	-
12/30/2031	-	-	-	-	98,450.00
02/01/2032	75,000.00	3.900%	13,542.50	88,542.50	-
08/01/2032	-	-	12,080.00	12,080.00	-
12/30/2032	-	-	-	-	100,622.50
02/01/2033	75,000.00	3.900%	12,080.00	87,080.00	-
08/01/2033	-	-	10,617.50	10,617.50	-
12/30/2033	-	-	-	-	97,697.50
02/01/2034	80,000.00	3.900%	10,617.50	90,617.50	-
08/01/2034	-	-	9,057.50	9,057.50	-
12/30/2034	-	-	-	-	99,675.00
02/01/2035	85,000.00	3.900%	9,057.50	94,057.50	-
08/01/2035	-	-	7,400.00	7,400.00	-
12/30/2035	-	-	-	-	101,457.50
02/01/2036	85,000.00	4.000%	7,400.00	92,400.00	-
08/01/2036	-	-	5,700.00	5,700.00	-
12/30/2036	-	-	-	-	98,100.00
02/01/2037	90,000.00	4.000%	5,700.00	95,700.00	-
08/01/2037	-	-	3,900.00	3,900.00	-
12/30/2037	-	-	-	-	99,600.00
02/01/2038	95,000.00	4.000%	3,900.00	98,900.00	-
08/01/2038	-	-	2,000.00	2,000.00	-
12/30/2038	-	-	-	-	100,900.00
02/01/2039	100,000.00	4.000%	2,000.00	102,000.00	-
12/30/2039	-	-	-	-	102,000.00
<b>Total</b>	<b>\$1,710,000.00</b>	<b>-</b>	<b>\$1,026,469.30</b>	<b>\$2,736,469.30</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$27,047.75
Average Life	15.817 Years
Average Coupon	3.7950266%
Net Interest Cost (NIC)	3.8841719%
True Interest Cost (TIC)	3.8862201%
Bond Yield for Arbitrage Purposes	3.6656761%
All Inclusive Cost (AIC)	4.0899947%
<b>IRS Form 8038</b>	
Net Interest Cost	3.7767446%
Weighted Average Maturity	15.718 Years
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Preliminary

**\$1,710,000**

Ketucky Rural Water Finance Corporation

Public Projects Refunding Bonds, Series 2012 C

Jessamine South-Elkhorn Water and Sewer District

## Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
12/30/2012	-	-	-	-	-	-
12/30/2013	30,000.00	2.150%	74,974.80	104,974.80	450.00	105,424.80
12/30/2014	45,000.00	2.150%	59,243.25	104,243.25	450.00	104,693.25
12/30/2015	45,000.00	2.150%	58,275.75	103,275.75	450.00	103,725.75
12/30/2016	45,000.00	2.150%	57,308.25	102,308.25	450.00	102,758.25
12/30/2017	45,000.00	2.150%	56,340.75	101,340.75	450.00	101,790.75
12/30/2018	50,000.00	3.150%	55,069.50	105,069.50	450.00	105,519.50
12/30/2019	50,000.00	3.150%	53,494.50	103,494.50	450.00	103,944.50
12/30/2020	50,000.00	3.150%	51,919.50	101,919.50	450.00	102,369.50
12/30/2021	50,000.00	3.150%	50,344.50	100,344.50	450.00	100,794.50
12/30/2022	55,000.00	3.150%	48,690.75	103,690.75	450.00	104,140.75
12/30/2023	55,000.00	3.150%	46,958.25	101,958.25	450.00	102,408.25
12/30/2024	55,000.00	3.280%	45,190.00	100,190.00	450.00	100,640.00
12/30/2025	60,000.00	3.400%	43,268.00	103,268.00	450.00	103,718.00
12/30/2026	60,000.00	3.530%	41,189.00	101,189.00	450.00	101,639.00
12/30/2027	60,000.00	3.650%	39,035.00	99,035.00	450.00	99,485.00
12/30/2028	65,000.00	4.150%	36,591.25	101,591.25	450.00	102,041.25
12/30/2029	65,000.00	4.150%	33,893.75	98,893.75	450.00	99,343.75
12/30/2030	70,000.00	3.900%	31,180.00	101,180.00	450.00	101,630.00
12/30/2031	70,000.00	3.900%	28,450.00	98,450.00	450.00	98,900.00
12/30/2032	75,000.00	3.900%	25,622.50	100,622.50	450.00	101,072.50
12/30/2033	75,000.00	3.900%	22,697.50	97,697.50	450.00	98,147.50
12/30/2034	80,000.00	3.900%	19,675.00	99,675.00	450.00	100,125.00
12/30/2035	85,000.00	3.900%	16,457.50	101,457.50	450.00	101,907.50
12/30/2036	85,000.00	4.000%	13,100.00	98,100.00	450.00	98,550.00
12/30/2037	90,000.00	4.000%	9,600.00	99,600.00	450.00	100,050.00
12/30/2038	95,000.00	4.000%	5,900.00	100,900.00	450.00	101,350.00
12/30/2039	100,000.00	4.000%	2,000.00	102,000.00	450.00	102,450.00
<b>Total</b>	<b>\$1,710,000.00</b>	<b>-</b>	<b>\$1,026,469.30</b>	<b>\$2,736,469.30</b>	<b>\$12,150.00</b>	<b>\$2,748,619.30</b>

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**Morgan Keegan & Company, Inc.**

Public Finance