

# Rubin & Hays

ATTORNEYS AT LAW

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CHARLES S. MUSSON  
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June 18, 2012

RECEIVED

JUN 20 2012

PUBLIC SERVICE  
COMMISSION

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

Re: Grayson County Water District **PSC Case No. 2012-00147**

Dear Mr. Derouen:

In accordance with paragraphs No. 2 and 3 of the PSC Order dated May 21, 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 30, 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:ilm  
Enclosures

Final

**\$3,680,000**

Grayson County Water District  
Kentucky Rural Water Finance Corporation  
Public Projects Refunding Revenue Bonds, Series 2012 D

## Sources & Uses

Dated 05/30/2012 | Delivered 05/30/2012

### Sources Of Funds

Par Amount of Bonds	\$3,680,000.00
Reoffering Premium	14,573.80
Transfers from Prior Issue Debt Service Funds	83,138.34
<b>Total Sources</b>	<b>\$3,777,712.14</b>

### Uses Of Funds

Total Underwriter's Discount (1.680%)	61,827.58
Costs of Issuance	60,200.00
Deposit to Current Refunding Fund	3,653,519.88
Rounding Amount	2,164.68
<b>Total Uses</b>	<b>\$3,777,712.14</b>

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Final

**\$3,680,000**

Grayson County Water District  
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## Debt Service Comparison

Date	Total P+i	Expenses	Net New D/S	Old Net D/S	Savings
12/30/2012	-	-	-	80,707.50	80,707.50
12/30/2013	244,255.11	450.00	244,705.11	247,435.00	2,729.89
12/30/2014	243,563.76	450.00	244,013.76	246,407.50	2,393.74
12/30/2015	248,363.76	450.00	248,813.76	248,177.50	(636.26)
12/30/2016	243,638.76	450.00	244,088.76	246,745.00	2,656.24
12/30/2017	245,213.76	450.00	245,663.76	246,155.00	491.24
12/30/2018	246,638.76	450.00	247,088.76	247,340.00	251.24
12/30/2019	247,213.76	450.00	247,663.76	247,277.50	(386.26)
12/30/2020	242,713.76	450.00	243,163.76	246,012.50	2,848.74
12/30/2021	243,332.51	450.00	243,782.51	246,522.50	2,739.99
12/30/2022	243,801.26	450.00	244,251.26	246,762.50	2,511.24
12/30/2023	243,843.76	450.00	244,293.76	245,755.00	1,461.24
12/30/2024	243,566.26	450.00	244,016.26	246,477.50	2,461.24
12/30/2025	242,827.51	450.00	243,277.51	245,907.50	2,629.99
12/30/2026	246,617.51	450.00	247,067.51	246,045.00	(1,022.51)
12/30/2027	245,053.76	450.00	245,503.76	245,867.50	363.74
12/30/2028	243,220.01	450.00	243,670.01	246,352.50	2,682.49
12/30/2029	241,208.76	450.00	241,658.76	244,522.50	2,863.74
12/30/2030	243,800.01	450.00	244,250.01	245,355.00	1,104.99
12/30/2031	240,990.63	450.00	241,440.63	244,805.00	3,364.37
12/30/2032	242,765.00	450.00	243,215.00	244,872.50	1,657.50
12/30/2033	244,025.00	450.00	244,475.00	245,512.50	1,037.50
12/30/2034	122,280.00	450.00	122,730.00	237,882.50	115,152.50
12/30/2035	-	-	-	136,322.50	136,322.50
12/30/2036	-	-	-	135,765.00	135,765.00
12/30/2037	-	-	-	55,805.00	55,805.00
12/30/2038	-	-	-	54,532.50	54,532.50
12/30/2039	-	-	-	54,192.50	54,192.50
<b>Total</b>	<b>\$5,248,933.41</b>	<b>\$9,900.00</b>	<b>\$5,259,283.41</b>	<b>\$5,925,515.00</b>	<b>\$666,681.59</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	666,681.59
Gross PV Debt Service Savings	350,384.36
Effects of changes in Expenses	(6,945.54)
<b>Net PV Cashflow Savings @ 3.705%(Bond Yield)</b>	<b>343,438.81</b>
Transfers from Prior Issue Debt Service Fund	(83,138.34)
Contingency or Rounding Amount	1,876.68
Net Future Value Benefit	\$585,419.93
Net Present Value Benefit	\$262,177.15
Net PV Benefit / \$3,587,000 Refunded Principal	7.309%
Net PV Benefit / \$3,680,000 Refunding Principal	7.124%

### Refunding Bond Information

Refunding Dated Date	5/30/2012
Refunding Delivery Date	5/30/2012
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**Morgan Keegan & Company, Inc.**

Final

**\$3,680,000**

Grayson County Water District

Kentucky Rural Water Finance Corporation

Public Projects Refunding Revenue Bonds, Series 2012 D

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/30/2012	-	-	-	-	-
02/01/2013	100,000.00	4.000%	83,723.23	183,723.23	-
08/01/2013	-	-	60,531.88	60,531.88	-
12/30/2013	-	-	-	-	244,255.11
02/01/2014	125,000.00	4.000%	60,531.88	185,531.88	-
08/01/2014	-	-	58,031.88	58,031.88	-
12/30/2014	-	-	-	-	243,563.76
02/01/2015	135,000.00	4.000%	58,031.88	193,031.88	-
08/01/2015	-	-	55,331.88	55,331.88	-
12/30/2015	-	-	-	-	248,363.76
02/01/2016	135,000.00	3.000%	55,331.88	190,331.88	-
08/01/2016	-	-	53,306.88	53,306.88	-
12/30/2016	-	-	-	-	243,638.76
02/01/2017	140,000.00	2.000%	53,306.88	193,306.88	-
08/01/2017	-	-	51,906.88	51,906.88	-
12/30/2017	-	-	-	-	245,213.76
02/01/2018	145,000.00	3.000%	51,906.88	196,906.88	-
08/01/2018	-	-	49,731.88	49,731.88	-
12/30/2018	-	-	-	-	246,638.76
02/01/2019	150,000.00	3.000%	49,731.88	199,731.88	-
08/01/2019	-	-	47,481.88	47,481.88	-
12/30/2019	-	-	-	-	247,213.76
02/01/2020	150,000.00	3.000%	47,481.88	197,481.88	-
08/01/2020	-	-	45,231.88	45,231.88	-
12/30/2020	-	-	-	-	242,713.76
02/01/2021	155,000.00	2.750%	45,231.88	200,231.88	-
08/01/2021	-	-	43,100.63	43,100.63	-
12/30/2021	-	-	-	-	243,332.51
02/01/2022	160,000.00	3.000%	43,100.63	203,100.63	-
08/01/2022	-	-	40,700.63	40,700.63	-
12/30/2022	-	-	-	-	243,801.26
02/01/2023	165,000.00	3.100%	40,700.63	205,700.63	-
08/01/2023	-	-	38,143.13	38,143.13	-
12/30/2023	-	-	-	-	243,843.76
02/01/2024	170,000.00	3.200%	38,143.13	208,143.13	-
08/01/2024	-	-	35,423.13	35,423.13	-
12/30/2024	-	-	-	-	243,566.26
02/01/2025	175,000.00	3.450%	35,423.13	210,423.13	-
08/01/2025	-	-	32,404.38	32,404.38	-
12/30/2025	-	-	-	-	242,827.51
02/01/2026	185,000.00	3.450%	32,404.38	217,404.38	-
08/01/2026	-	-	29,213.13	29,213.13	-
12/30/2026	-	-	-	-	246,617.51
02/01/2027	190,000.00	3.550%	29,213.13	219,213.13	-
08/01/2027	-	-	25,840.63	25,840.63	-
12/30/2027	-	-	-	-	245,053.76
02/01/2028	195,000.00	3.550%	25,840.63	220,840.63	-
08/01/2028	-	-	22,379.38	22,379.38	-
12/30/2028	-	-	-	-	243,220.01
02/01/2029	200,000.00	3.550%	22,379.38	222,379.38	-
08/01/2029	-	-	18,829.38	18,829.38	-
12/30/2029	-	-	-	-	241,208.76
02/01/2030	210,000.00	3.675%	18,829.38	228,829.38	-
08/01/2030	-	-	14,970.63	14,970.63	-
12/30/2030	-	-	-	-	243,800.01
02/01/2031	215,000.00	3.675%	14,970.63	229,970.63	-
08/01/2031	-	-	11,020.00	11,020.00	-
12/30/2031	-	-	-	-	240,990.63
02/01/2032	225,000.00	3.800%	11,020.00	236,020.00	-
08/01/2032	-	-	6,745.00	6,745.00	-
12/30/2032	-	-	-	-	242,765.00
02/01/2033	235,000.00	3.800%	6,745.00	241,745.00	-
08/01/2033	-	-	2,280.00	2,280.00	-
12/30/2033	-	-	-	-	244,025.00
02/01/2034	120,000.00	3.800%	2,280.00	122,280.00	-
12/30/2034	-	-	-	-	122,280.00
<b>Total</b>	<b>\$3,680,000.00</b>	<b>-</b>	<b>\$1,568,933.41</b>	<b>\$5,248,933.41</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$44,923.56
Average Life	12.207 Years
Average Coupon	3.4924515%
Net Interest Cost (NIC)	3.5976386%
True Interest Cost (TIC)	3.6059166%
Bond Yield for Arbitrage Purposes	3.7046392%
All Inclusive Cost (AIC)	3.8038336%
<b>IRS Form 8038</b>	
Net Interest Cost	3.4825759%
Weighted Average Maturity	12.081 Years

**Morgan Keegan & Company, Inc.**

Public Finance