

Calculations for Bond Options to Finance Waterline Extension

<u>General Obligation Bond</u>			<u>Economic Development Bond</u>		
	Bid	\$599,901		Bid	\$646,816
Tax Exempt Interest Rate		4.22%	Taxable Interest Rate		5.80%
Payment Period		20 years	Payment Period		20 years
			Interest Discount		45%

(a)	(b)	(c)	(d)	(e)
Year	GO Payment	ED Net Payment (Column (d) less Column (e))	Payment	45% Tax Credit
2010	\$45,006	\$38,598	\$55,480	\$16,882
2011	\$45,006	\$39,067	\$55,480	\$16,413
2012	\$45,006	\$39,563	\$55,480	\$15,917
2013	\$45,006	\$40,088	\$55,480	\$15,392
2014	\$45,006	\$40,643	\$55,480	\$14,837
2015	\$45,006	\$41,231	\$55,480	\$14,249
2016	\$45,006	\$41,852	\$55,480	\$13,628
2017	\$45,006	\$42,510	\$55,480	\$12,970
2018	\$45,006	\$43,206	\$55,480	\$12,274
2019	\$45,006	\$43,942	\$55,480	\$11,538
2020	\$45,006	\$44,721	\$55,480	\$10,759
2021	\$45,006	\$45,545	\$55,480	\$9,935
2022	\$45,006	\$46,417	\$55,480	\$9,064
2023	\$45,006	\$47,339	\$55,480	\$8,141
2024	\$45,006	\$48,315	\$55,480	\$7,165
2025	\$45,006	\$49,347	\$55,480	\$6,133
2026	\$45,006	\$50,440	\$55,480	\$5,041
2027	\$45,006	\$51,595	\$55,480	\$3,885
2028	\$45,006	\$52,818	\$55,480	\$2,662
2029	\$45,006	\$54,112	\$55,480	\$1,369
	GO Bond	ED Bond	Difference	
Total	\$900,119	\$901,349	(\$1,230)	
Principal	\$599,901	\$646,816	(\$46,914)	
Interest	\$300,218	\$254,534	\$45,684	

(note- interest rate is Bloomberg Quote for Triple A Municipal Bonds + .15%, as of 10/15/09)