



DEBT SERVICE FUND (23)

This Fund is utilized to the repayment of debt incurred by Middlesex for capital purchases and infrastructure improvements. At the time of the Funds' inception, Middlesex assumed a \$1 million General Obligation (GO) Note. At that time, the GO Note was 20 year term and a variable rate. According to the GO agreement, the variable rate could reach double-digit percentages, at month-to-month intervals, with a cap not to exceed 16%.

In the spring of 2006, Middlesex assumed another GO Note in order to refinance the 2003 Note. However, the conditions of this Note were changed to a 15-year term and a fixed rate of 4.25%. The GO Note was issued by PNC Bank and will mature in 2021. Middlesex will save \$300,000 over the life of this Note due to the refinancing.