

2011/12 Proposed Water Budget "Transitional Year"		Proposed Water Budget Beginning First Full Budget Year Following Construction	
REVENUE		REVENUE	
390 Active Connections		390 Active Connections	
Monthly transitional year flat rate – covers O&M, water usage and reserves	\$ 17.50	Total monthly water bill (average)	\$ 20
		Includes (\$7) reserves and (\$4) base fee	\$ 11
		Includes water usage (average)	\$ 9
Billed quarterly per connection	\$ 52.50	Billed quarterly per connection	\$ 60
Or ...with financing (+ estimated \$25 per connection)		Or ...with financing (+ estimated \$25 per connection)	
Monthly per connection	\$ 42.50	Monthly per connection	\$ 45
Billed quarterly per connection	\$ 127.50	Billed quarterly per connection	\$ 135
Annually per connection	\$ 510.00	Annually per connection	\$ 540
<i>Annual HMC debt payment \$ 117,000. Paid by 390 connections at \$ 25 per month.</i>			
EXPENSES		EXPENSES	
Operations & Maintenance		Operations & Maintenance	
Contracted Services	\$ 22,450	Contracted Services	\$ 30,000
Repairs & Maintenance	6,000	Repairs & Maintenance	6,000
Cross Connection Control Program	2,450	Cross Connection Control Program	2,500
Utilities	4,000	Utilities	4,000
Supplies & Parts	2,700	Supplies & Parts	3,000
Pump house monitoring	2,500	Pump house monitoring	2,500
Miscellaneous	1,000	Miscellaneous	1,000
Administration	4,000	Administration	5,800
Legal	1,000	Legal	2,000
Engineering	1,000	Engineering	2,000
Fees & permits	1,000	Fees & permits	1,000
Excise Tax	1,000	Excise Tax	1,000
TOTAL Operations & Maintenance	\$ 49,100	TOTAL Operations & Maintenance	\$ 60,800
TOTAL Annual Reserves	\$ 32,800	TOTAL Annual Reserves	\$ 32,800
TOTAL Annual Budget	\$ 81,900	TOTAL Annual Budget	\$ 93,600

Notes: 2011/12 budget is projected to be the year of construction or the "transitional" year, therefore costs of operation and maintenance are projected to be less and a flat rate fee will be charged per assessment/connection. The budget on the right is the proposed water budget for the first full year with the new water system and usage rates in place following construction.

The above budgets are preliminary. The final budget amounts will depend on actual costs for both the capital costs, operation costs and maintenance expenses.

Actual Connections could be more than 390 identified above

Connections choosing the full pre-payment "up-front" option will decrease the amount HMC will need to finance.

\$2,500,000 used to calculate capital cost and debt payment USDA financed 40 years at 3.375%. Actual number could be less.

For the purposes of this proposal capital costs and annual HMC debt payment assume USDA financing.

Commercial financing would require 20% down with a higher interest rate over a shorter term.

Account billing and processing will be quarterly.

Note: Yellow highlighting indicates changes as of 3/12/11. This budget indicates removal of "stand-by" connections and includes proposed budget projections for water following project completion.