

AUG 29 2019

COMMONWEALTH OF KENTUCKY

PUBLIC SERVICE COMMISSION

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF BIG SANDY WATER)
DISTRICT FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO)
CONSTRUCT A SYSTEM IMPROVEMENTS) CASE NO. 2019-00275
PROJECT AND AN ORDER APPROVING A)
CHANGE IN RATES AND AUTHORIZING)
THE ISSUANCE OF SECURITIES PURSUANT)
TO KRS 278.023)

** *** **** ***** **

RESPONSE TO STAFF'S SECOND REQUEST FOR INFORMATION

The Applicant, Big Sandy Water District (the "District"), by Counsel, files this Response to the August 27, 2019 Commission Staff's Second Request for Information as follows:

Responding Witness: Joseph F. Sisler, P.E., Sisler-Maggard Engineering, PLLC.

Request No. 1. Refer to the billing analysis (Billing Analysis) filed on August 23, 2019. Provide a copy of the Billing Analysis in Excel spreadsheet format, with formulas intact and unprotected, and all rows and columns fully accessible.

Response No. 1. Attached hereto please find a CD with the requested Excel billing analysis.

Request No. 2(a) and (b). Refer to the Billing Analysis, Table XV, Forecast of Water Usage - Income - Existing System - Existing Users - Residential Only and Non-Residential Only (Table XV). The rates listed in the column titled "rate" are proposed rates and should match those listed in Table XVII, Forecast of Water Usage - Income - New Users - Extension Only Proposed Rate Increase - Residential Only and Non-Residential Only (Table XVII).

- (a) Explain why Table XV has different proposed rates per gallon than Table XVII and indicate which table contains the correct proposed rates in the rate column.
- (b) Refile the response with the corrected tables, in both PDF format and Excel spreadsheet format, as directed in Item 1.

Response No. 2(a). An incorrect formula was used and that has been corrected and now the rates in the tables in question match.

Response No. 2(b). Attached hereto please find a CD with the corrected tables in PDF format and Excel spreadsheet, as directed in Item 1. A corrected copy of the Billing Analysis is attached hereto as **Exhibit "A"**.

Request No. 3. Refer to the Billing Analysis, Table XV and Table XVII. Given that both tables are based on the proposed rates with the same number of customers and usage information, explain how the annual revenue for each table is different.

Response No. 3. An incorrect formula was used and that has been corrected and now the annual revenues in question match (see **Exhibit "A"** attached hereto).

Request No. 4. Refer to the Billing Analysis, Table IX, Analysis of Actual Water Usage - Existing System - 12 Month Period (Table IX). Explain how the rates and current revenue from Division 2, former Overland Development area, are incorporated into the total annual revenue for residential customers. If the Division 2 customer usage and revenue calculation was omitted from Table IX, provide an update to the Billing Analysis in Excel spreadsheet format, as directed in Item 1.

Response No. 4. The rates and current revenues from the Division 2, former Overland Development area users, are included as residential customers in Division 1.

Request No. 5. State whether the revenue from Cannonsburg Water District was included in the Billing Analysis. If included, explain how the rates and current revenue are included in the Billing Analysis. If not, provide the current and proposed revenue from Cannonsburg Water District and provide an update to the Billing Analysis in Excel spreadsheet format, as directed in Item 1.

Response No. 5. The revenue from Cannonsburg Water District was included in the Billing Analysis along with the other commercial users. Please be reminded that Cannonsburg Water District usage over the last 3 years was: 2017 - 16,400 gallons; 2018 - 9,400 gallons; 2019 to date - 0 gallons.

Request No. 6. Confirm that Cannonsburg Water District is served on a 2-inch service line and will be charged both the minimum bill and per-1,000-gallon rate for a 2-inch meter retail customer.

Response No. 6. Cannonsburg Water District is served on a 2-inch meter, not a 2-inch service line. As shown in the Proposed Rate Schedule (revised on 08/22/2019) and the Notice of Proposed Rate Change (revised on 08/23/2019), Cannonsburg Water District will be billed as a wholesale rate customer and will be charged at the new rate of \$5.70 per 1,000 gallons for any usage and will not be charged a minimum bill.

Request No. 7. Explain whether the revisions to the Billing Analysis discussed in Items 2, 3, 4, and 5 will require the rates to be revised. If the rates must be revised, explain what effect this will have on the Application tendered, but not filed, in this case and on the process of obtaining the loan previously approved by the United States Department of Agriculture, Rural Development.

Response No. 7. No revisions will be necessary.

Certification of Response to Commission Staff's Second Request for Information

I hereby certify that I have supervised the preparation of Big Sandy Water District's Response to the Commission Staff's Second Request for Information. This Response is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Joseph F. Sisler, P.E.
Registered Professional Engineer
State of Kentucky No. 6324

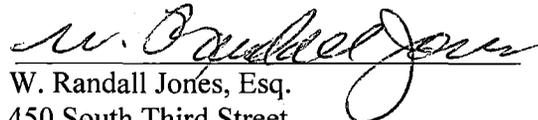
Respectfully Submitted,
Rubin & Hays

By 

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Response was duly mailed by first class United States Postal Service mail to all parties of record in this proceeding on this 29th day of August, 2019.



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Counsel for Big Sandy Water District

IX. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period January 2017 to December 2017**Residential Only**

Gallons	Gallons		of users Residential	of users Non-Residential	x1000 Gal		
0-1K	500		17.02	542	0	271	\$ 9,225
1-2K	1,500		21.36	546	0	819	\$ 11,660
2-3K	2,500		30.03	769	0	1923	\$ 23,089
3-4K	3,500		38.70	763	0	2671	\$ 29,524
4-5K	4,500		47.37	682	0	3069	\$ 32,303
5-6k	5,500		56.04	470	0	2585	\$ 26,336
6-7K	6,500		64.71	325	0	2113	\$ 21,029
7-8K	7,500		73.38	170	0	1275	\$ 12,474
8-9K	8,500		82.05	130	0	1105	\$ 10,666
9-10K	9,500		89.42	90	0	855	\$ 8,047
10-12k	11,000		98.52	70	0	770	\$ 6,886
12-15k	13,500		113.70	50	0	675	\$ 5,685
15-20K	17,500		137.98	40	0	700	\$ 5,519
20-30K	25,000		181.40	20	0	500	\$ 3,628
30-40k	35,000		237.90	6	0	210	\$ 1,427
40-50K	45,000		293.25	2	0	90	\$ 587
50-75K	62,500		388.10	1	0	63	\$ 388
75-100K	87,500		523.60	0	0	0	\$ -
100-150K	125,000		726.85	0	0	0	\$ -
150-200K	175,000		997.85	0	0	0	\$ -
200-300K	250,000		1,404.35	0	0	0	\$ -
300-400K	350,000		1,946.35	0	0	0	\$ -
subtotal				4676	0	19,692	\$ 208,484
average residential rate per month						4676	\$ 44.59
average residential usage per month in Gallons							4,211
annual revenue							\$ 2,501,805
annual flow quantity in gallons sold							236,304,000

IX. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period January 2017 to December 2017

Non – Residential

Gallons	Gallons	of users Residential	of users Non-Residential	x1000Gal	
0-1K	500	17.02	0	31	16 \$ 528
1-2K	1,500	21.36	0	26	39 \$ 555
2-3K	2,500	30.03	0	3	8 \$ 90
3-4K	3,500	38.70	0	4	14 \$ 155
4-5K	4,500	47.37	0	3	14 \$ 142
5-6k	5,500	56.04	0	2	11 \$ 112
6-7K	6,500	64.71	0	1	7 \$ 65
7-8K	7,500	73.38	0	1	8 \$ 73
8-9K	8,500	82.05	0	1	9 \$ 82
9-10K	9,500	89.42	0	1	10 \$ 89
10-12k	11,000	98.52	0	1	11 \$ 99
12-15k	13,500	113.70	0	1	14 \$ 114
15-20K	17,500	137.98	0	0	0 \$ -
20-30K	25,000	181.40	0	1	25 \$ 181
30-40k	35,000	237.90	0	1	35 \$ 238
40-50K	45,000	293.25	0	1	45 \$ 293
50-75K	62,500	388.10	0	0	0 \$ -
75-100K	87,500	523.60	0	0	0 \$ -
100-150K	125,000	726.85	0	0	0 \$ -
150-200K	175,000	997.85	0	0	0 \$ -
200-300K	250,000	1,404.35	0	1	250 \$ 1,404
300-400K	350,000	1,946.35	0	1	350 \$ 1,946
subtotal				0	80 862 \$ 6,167
average residential rate per month					80 \$ 77.09
average residential usage per month in Gallons					10,775
annual revenue					\$ 74,003
annual flow quantity in gallons sold					10,344,000

XV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING
USERS Residential only

usage Gallons		rate	monthly# of users Residential	monthly# of users Non Residential	usage x100Gal	income	
0-1K	500	18.25	52	0	271	\$ 982	
1-2K	1,500	22.95	56	0	819	\$ 12,531	
2-3K	2,500	32.35	79	0	1,923	\$ 24,877	
3-4K	3,500	41.75	73	0	2,671	\$ 31,855	
4-5K	4,500	51.15	62	0	3,069	\$ 34,894	
5-6K	5,500	60.55	40	0	2,355	\$ 28,459	
6-7K	6,500	69.95	35	0	2,113	\$ 22,734	
7-8K	7,500	79.35	17	0	1,275	\$ 13,400	
8-9K	8,500	88.75	13	0	1,105	\$ 11,538	
9-10K	9,500	98.15	9	0	855	\$ 8,834	
10-12k	11,000	102.5	7	0	770	\$ 7,648	
12-15k	13,500	125.25	5	0	675	\$ 6,263	
15-20K	17,500	150.85	4	0	700	\$ 6,034	
20-30K	25,000	196.60	2	0	500	\$ 3,932	
30-40k	35,000	261.0	6	0	210	\$ 1,537	
40-50K	45,000	314.35	2	0	90	\$ 629	
50-75K	62,500	414.10	1	0	63	\$ 414	
75-100K	87,500	566.00	0	0	0	\$ -	
100-150K	125,000	770.35	0	0	0	\$ -	
150-200K	175,000	1,055.35	0	0	0	\$ -	
200-300K	250,000	1,482.85	0	0	0	\$ -	
300-400K	350,000	2,052.85	0	0	0	\$ -	
subtotal				466	0	19,421	\$ 225,547
average residential rate per month					466		\$ 4824
average residential usage per month in Gallons							4153
and revenue							\$ 2,706,555

XV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS Non - Residential only

Galons	Galons			of users Residential	of users NonResidential	x1000Gal		
0-1K	500			1825	0	31	16	\$ 566
1-2K	1,500			2295	0	26	39	\$ 597
2-3K	2,500			3235	0	3	8	\$ 97
3-4K	3,500			4175	0	4	14	\$ 167
4-5K	4,500			5115	0	3	14	\$ 153
5-6k	5,500			6055	0	2	11	\$ 121
6-7K	6,500			6995	0	1	7	\$ 70
7-8K	7,500			7935	0	1	8	\$ 79
8-9K	8,500			8875	0	1	9	\$ 89
9-10K	9,500			9815	0	1	10	\$ 98
10-12k	11,000			10925	0	1	11	\$ 109
12-15k	13,500			12525	0	1	14	\$ 125
15-20K	17,500			15085	0	0	0	\$ -
20-30K	25,000			19660	0	1	25	\$ 197
30-40k	35,000			26610	0	1	35	\$ 266
40-50K	45,000			31435	0	1	45	\$ 314
50-75K	62,500			41410	0	0	0	\$ -
75-100K	87,500			56660	0	0	0	\$ -
100-150K	125,000			77035	0	0	0	\$ -
150-200K	175,000			1,05535	0	0	0	\$ -
200-300K	250,000			1,48285	0	1	250	\$ 1,483
300-400K	350,000			2,05285	0	1	350	\$ 2,053
subtotal						0	80	847 \$ 6,575
averageresidential rateper month							80	\$ 8218
averageresidential usage per month in Galons								10,581
anual revenue								\$ 78,894
anual flow quantity in galons sdd								10,158,000

**XVII. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY
PROPOSED RATE INCREASE – Residential Only**

usage Gals		rate	noth# dusas Feid#	noth# dusas NoFeid#	usage x100G	income
01K	50		135	52	0	27 \$ 982
12K	150		225	56	0	89 \$ 1231
23K	250		325	79	0	123 \$ 2487
34K	350		415	73	0	271 \$ 3185
45K	450		515	62	0	309 \$ 3484
56k	550		605	40	0	285 \$ 2452
67K	650		695	35	0	213 \$ 2274
78K	750		795	10	0	125 \$ 1340
89K	850		875	10	0	115 \$ 1158
90K	950		915	9	0	85 \$ 884
10k	1100		1025	7	0	70 \$ 768
121k	1350		1225	5	0	65 \$ 623
152K	1750		1605	4	0	70 \$ 604
203K	2500		1960	2	0	50 \$ 392
304k	3500		2610	6	0	20 \$ 157
405K	4500		3435	2	0	9 \$ 62
507K	6250		4410	1	0	6 \$ 44
7510K	8750		5660	0	0	0 \$ -
1015K	12500		7035	0	0	0 \$ -
1520K	17500		10535	0	0	0 \$ -
2030K	25000		14235	0	0	0 \$ -
3040K	35000		20235	0	0	0 \$ -
subtd				456	0	1921 \$ 2567
average rate per noth					456	\$ 482
average rate per noth in Gals						413
and revenue						\$ 27065

**XVII. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY
PROPOSED RATE INCREASE – Non - Residential Only**

usage Gallons	Gallons	rate	monthly# of users Residential	monthly# of users NonResidential	usage x1000Gal	income
0-1K	500	18.25	0	31	16	\$ 566
1-2K	1,500	22.95	0	26	39	\$ 597
2-3K	2,500	32.35	0	3	8	\$ 97
3-4K	3,500	41.75	0	4	14	\$ 167
4-5K	4,500	51.15	0	3	14	\$ 153
5-6k	5,500	60.55	0	2	11	\$ 121
6-7K	6,500	69.95	0	1	7	\$ 70
7-8K	7,500	79.35	0	1	8	\$ 79
8-9K	8,500	88.75	0	1	9	\$ 89
9-10K	9,500	98.15	0	1	10	\$ 98
10-12k	11,000	109.25	0	1	11	\$ 109
12-15k	13,500	125.25	0	1	14	\$ 125
15-20K	17,500	150.85	0	0	0	\$ -
20-30K	25,000	196.60	0	1	25	\$ 197
30-40k	35,000	266.10	0	1	35	\$ 266
40-50K	45,000	314.35	0	1	45	\$ 314
50-75K	62,500	414.10	0	0	0	\$ -
75-100K	87,500	556.60	0	0	0	\$ -
100-150K	125,000	770.35	0	0	0	\$ -
150-200K	175,000	1,055.35	0	0	0	\$ -
200-300K	250,000	1,482.85	0	1	250	\$ 1,483
300-400K	350,000	2,052.85	0	1	350	\$ 2,053
subtotal				80	847	\$ 6,575
average residential rate per month					80	\$ 82.18
average residential usage per month in Gallons						10,581
annual revenue						\$ 78,894

KENTUCKY GUIDE 7
August 2018
Revised June 2019

SUMMARY ADDENDUM
TO
FINAL ENGINEERING REPORT

DATED June 2019

FOR

***Big Sandy Water District - Phase V
Water System Improvements***

REVISED AUGUST 28, 2019 PER PSC

APPLICANT CONTACT PERSON., *Teresa Brown, Office Manager*

APPLICANT PHONE NUMBER (606)928-2075

APPLICANT TAX IDENTIFICATION NUMBER (TIN) XXXXXXXXXX

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary report in accordance with this Guide.

Please complete the applicable sections of the Summary Addendum.

Big Sandy Water District receives revenues from WATER SALES only.

Feasibility reviews and grant determinations may be processed more accurately and more rapidly if the Summary/Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

I. GENERAL

A. Proposed Project: Provide a brief description of the proposed project. In addition to this summary, the applicant/engineer should submit a project map of the service area.

The project consists of: Water loss improvement such as service line replacement, stream crossing replacement, leak detection assemblies, in line master meters and valves, pump station upgrades, tank painting and repairs. New Water District office building.

II. FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM

A. Water Source Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable. Water Source Discussion no applicable.

*The Big Sandy Water District does not have it's own water source or Water Treatment Plant. They have (6) six Water Purchase Contracts from separate entities as follows: City of Ashland; City of Kenova, WV; Cannonsburg Water District (**Backup Only**); City of Louisa; Rattlesnake Ridge Water District; City of Paintsville. The Big Sandy Water District averages 1,150,000 GPD in summer. These agreements have capacity to meet any and all District needs, now and for future.*

If the applicant purchases water:

Seller(s):

1. City of Kenova, WV
2. Cannonsburg Water District (**Backup Only**)
3. City of Louisa
4. Rattlesnake Ridge Water District
5. City of Ashland
6. City of Paintsville (backup only)

Price/1,000 gallons:		<u>Month 06/18</u>
1. _____ \$2.55/1000	<u>City of Kenova, WV</u>	34.02%
2. _____ \$4.42/1000	<u>Cannonsburg Water District</u>	13.74%
3. _____ \$3.06/1000	<u>City of Louisa</u>	24.80%
4. _____ \$2.96/1000	<u>Rattlesnake Ridge Water District</u>	1.64%
5. _____ \$2.19/1000	<u>City of Ashland</u>	25.80%
6. _____ -	<u>City of Paintsville</u>	0

Present Estimated Market Value of Existing System: \$ 18,500,000

B. Water Storage:

Type: Ground Storage Tank: 11
 Elevated Tank: 0
 Standpipe: 0
 Other: 0
 Number of Storage Structures: 11
 Total Storage Volume Capacity: *1,412,500 Gallons*

Date Storage Tank(s) Constructed: 1985 - 2004 11 – tanks

C. Water Distribution System:

Pipe Material:

Majority PVC, HDPE Stream Crossings & some lines

Lineal Feet of Pipe:

>3" Diameter + 5 miles

3" Diameter 157.8 miles

4" Diameter 60.0 miles

6" Diameter 104.0 miles

8" Diameter 23.94 miles

10" Diameter 5.8 miles

12" Diameter 2.13 miles

Total Length of all lines 358.67 miles

Date(s) Water Lines Constructed: 1985 - 2010

Number and Capacity of Pump Station(s): 11 total as follows:

State Route 538 – 2 @ 700 gpm each
Whites Creek – 250 gpm each
Burnaugh – 200 gpm each
US 60 (Coalton) – 200 gpm each
Ced Gap – 150 gpm each
Fullers Ridge – 60 gpm each
Cunningham Hill – 60 gpm each
Quarry Branch – 96 gpm each
Point Section – 100 gpm each
Deephole – 20 gpm each
Raven Rock – 40 gpm each

D. Condition of Existing Water System:

Briefly describe the condition and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

The system is five (5) to thirty three (33) years old. It is operated and maintained properly and should meet its life expectancy of:

<u>40 to 60 years</u>	<u>Water lines</u>
<u>40 to 50 years</u>	<u>Tanks</u>
<u>15 to 20 years</u>	<u>Pumps</u>
<u>10 years</u>	<u>Meters</u>

E. Percentage of Water Loss Existing System 20% +
 Recent reports in P.E.R.

III. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

	<i>Date Of Issue</i>	<i>Bond/ Note Holder</i>	<i>Principal Balance</i>	<i>Payment Date</i>	<i>Bond Type</i>	<i>Amount on Deposit in Reserve Account</i>
<i>1</i>	<i>91-7</i>	<i>RD</i>	<i>780,000</i>	<i>1/1</i>	<i>Water</i>	<i>24,500</i>
<i>1</i>	<i>91-10</i>	<i>RD</i>	<i>361,500</i>	<i>1/1</i>	<i>Water</i>	<i>8,500</i>
<i>1</i>	<i>91-11</i>	<i>RD</i>	<i>423,500</i>	<i>1/1</i>	<i>Water</i>	<i>7,500</i>
<i>1</i>	<i>91-16</i>	<i>RD</i>	<i>1,018,500</i>	<i>1/1</i>	<i>Water</i>	<i>13,212</i>
<i>1</i>	<i>91-18</i>	<i>RD</i>	<i>112,000</i>	<i>1/1</i>	<i>Water</i>	<i>7,500</i>
<i>1</i>	<i>2007</i>	<i>KRWFC</i>	<i>557,000</i>	<i>1/1</i>	<i>Water</i>	<i>7,500</i>
<i>1</i>	<i>2013</i>	<i>KRWFC</i>	<i>620,000</i>	<i>1/1</i>	<i>Water</i>	<i>7,500</i>

B. Principal and Interest Payments: (Begin with Next Fiscal Year Payment)

			<i>Payment Year 2018</i>		<i>Payment Year 2019</i>		<i>Payment Year 2020</i>	
			<i>Principal Payment</i>	<i>Interest Payment</i>	<i>Principal Payment</i>	<i>Interest Payment</i>	<i>Principal Payment</i>	<i>Interest Payment</i>
<i>1</i>	<i>91-7</i>	<i>RD</i>	<i>33,000</i>	<i>34,358</i>	<i>Water 33,000</i>	<i>34,358</i>	<i>33,000</i>	<i>34,358</i>
<i>2</i>	<i>91-10</i>	<i>RD</i>	<i>11,500</i>	<i>16,009</i>	<i>Water 11,500</i>	<i>16,009</i>	<i>11,500</i>	<i>16,009</i>
<i>3</i>	<i>91-11</i>	<i>RD</i>	<i>10,000</i>	<i>18,833</i>	<i>Water 10,000</i>	<i>18,833</i>	<i>10,000</i>	<i>18,833</i>
<i>4</i>	<i>91-16</i>	<i>RD</i>	<i>16,000</i>	<i>27,789</i>	<i>Water 16,000</i>	<i>27,789</i>	<i>16,000</i>	<i>27,789</i>
<i>5</i>	<i>91-18</i>	<i>RD</i>	<i>1,500</i>	<i>3,616</i>	<i>Water 1,500</i>	<i>3,616</i>	<i>1,500</i>	<i>3,616</i>
<i>6</i>	<i>2007</i>	<i>KRWFC</i>	<i>47,833</i>	<i>21,632</i>	<i>Water 47,833</i>	<i>21,632</i>	<i>47,833</i>	<i>21,632</i>
<i>7</i>	<i>2013</i>	<i>KRWFC</i>	<i>75,000</i>	<i>22,704</i>	<i>Water 75,000</i>	<i>22,704</i>	<i>75,000</i>	<i>22,704</i>
<i>8</i>	<i>2018</i>	<i>RD</i>						<i>39,662</i>

IV. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: N/A -

Kubota Credit Corporation – Balance of Loan - \$48,726**Rate 0%****Principal – Monthly Payment - \$1,249**V. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites:	<u>Water</u> <u>0</u>
Number of Storage Tank Sites	<u>Water</u> <u>11</u>
Number of Pump Stations:	<u>Water</u> <u>11</u>
Total Acreage:	<u>Water +/-1 Acres each</u>
Purchase Price:	<u>Water \$3,000 to \$5,000 each</u>

VI. NUMBER OF EXISTING USERS

	<i>Water</i>
Non - Residential	<u>80</u>
Residential (Out of Town) *	<u>4,676</u>
Commercial	<u>0</u>
Industrial	<u>0</u>
Total	<u>4,756</u>
Number to Total Potential Users living in the Service Area	<u>4,900</u>

*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence.

VII. CURRENT WATER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<i>Meter Size</i>	<i>Water Connection Fee</i>
<i>5/8 "X 3/4"</i>	<i>\$835</i>
<i>1"</i>	<i>Actual Cost</i>
<i>1 1/2"</i>	<i>Actual Cost</i>
<i>2"</i>	<i>Actual Cost</i>
<i>3"</i>	<i>Actual Cost</i>
<i>> than 3"</i>	<i>Actual Cost</i>

VIII. WATER RATES – RESIDENTIAL EXISTING SYSTEM

Existing Residential Rate Schedule: **EFFECTIVE January 1, 2017**

5/8 inch x 3/4 inch Meter

First 1,000 Gallons @ \$ 17.02 Minimum.

Next 9,000 Gallons @ \$ 8.67 per 1,000 Gallons.

Next 10,000 Gallons @ \$ 6.07 per 1,000 Gallons.

Next 20,000 Gallons @ \$ 5.65 per 1,000 Gallons.

ALL OVER 40,000 Gallons @ \$ 5.42 per 1,000 Gallons.

Meter Size 1" :

First 10,000 Gallons @ \$ 94.97 Minimum.

Next 10,000 Gallons @ \$ 6.07 per 1,000 Gallons.

Next 20,000 Gallons @ \$ 5.65 per 1,000 Gallons.

ALL OVER 40,000 Gallons @ \$ 5.42 per 1,000 Gallons.

Meter Size 1 1/2" :

First 20,000 Gallons @ \$ 155.67 Minimum.

Next 20,000 Gallons @ \$ 5.65 per 1,000 Gallons.

ALL OVER 40,000 Gallons @ \$ 5.42 per 1,000 Gallons.

Meter Size 2" :

First 40,000 Gallons @ \$ 268.67 Minimum.

ALL OVER 40,000 Gallons @ \$ 5.42 per 1,000 Gallons.

Meter Size 3" :

First 100,000 Gallons @ \$ 593.87 Minimum.

ALL OVER 100,000 Gallons @ \$ 5.42 per 1,000 Gallons.

Meter Size 4" :

First 200,000 Gallons @ \$ 1135.87 Minimum.

ALL OVER 200,000 Gallons @ \$ 5.42 per 1,000 Gallons.

Overland Development Customers

Same as above

Cannonsburg Water District

Same as above

IX. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

*For Period January 2017 to December 2017***Residential Only**

Gallons	Gallons				of users Residential	of users Non-Residential	x 1000 Gal	
0-1K	500			17.02	542	0	271	\$ 9,225
1-2K	1,500			21.36	546	0	819	\$ 11,660
2-3K	2,500			30.03	769	0	1923	\$ 23,089
3-4K	3,500			38.70	763	0	2671	\$ 29,524
4-5K	4,500			47.37	682	0	3069	\$ 32,303
5-6k	5,500			56.04	470	0	2585	\$ 26,336
6-7K	6,500			64.71	325	0	2113	\$ 21,029
7-8K	7,500			73.38	170	0	1275	\$ 12,474
8-9K	8,500			82.05	130	0	1105	\$ 10,666
9-10K	9,500			89.42	90	0	855	\$ 8,047
10-12k	11,000			98.52	70	0	770	\$ 6,896
12-15k	13,500			113.70	50	0	675	\$ 5,685
15-20K	17,500			137.98	40	0	700	\$ 5,519
20-30K	25,000			181.40	20	0	500	\$ 3,628
30-40k	35,000			237.90	6	0	210	\$ 1,427
40-50K	45,000			293.25	2	0	90	\$ 587
50-75K	62,500			388.10	1	0	63	\$ 388
75-100K	87,500			523.60	0	0	0	\$ -
100-150K	125,000			726.85	0	0	0	\$ -
150-200K	175,000			997.85	0	0	0	\$ -
200-300K	250,000			1,404.35	0	0	0	\$ -
300-400K	350,000			1,946.35	0	0	0	\$ -
sub total					4676	0	19,692	\$ 208,484
average residential rate per month						4676		\$ 44.59
average residential usage per month in Gallons								4,211
annual revenue								\$ 2,501,805
annual flow quantity in gallons sold								236,304,000

IX. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period January 2017 to December 2017

Non – Residential

Gallons	Gallons		of users Residential	of users Non-Residential	x 1000 Gal		
0-1K	500		17.02	0	31	16	\$ 528
1-2K	1,500		21.36	0	26	39	\$ 555
2-3K	2,500		30.03	0	3	8	\$ 90
3-4K	3,500		38.70	0	4	14	\$ 155
4-5K	4,500		47.37	0	3	14	\$ 142
5-6k	5,500		56.04	0	2	11	\$ 112
6-7K	6,500		64.71	0	1	7	\$ 65
7-8K	7,500		73.38	0	1	8	\$ 73
8-9K	8,500		82.05	0	1	9	\$ 82
9-10K	9,500		89.42	0	1	10	\$ 89
10-12k	11,000		98.52	0	1	11	\$ 99
12-15k	13,500		113.70	0	1	14	\$ 114
15-20K	17,500		137.98	0	0	0	\$ -
20-30K	25,000		181.40	0	1	25	\$ 181
30-40k	35,000		237.90	0	1	35	\$ 238
40-50K	45,000		293.25	0	1	45	\$ 293
50-75K	62,500		388.10	0	0	0	\$ -
75-100K	87,500		523.60	0	0	0	\$ -
100-150K	125,000		726.85	0	0	0	\$ -
150-200K	175,000		997.85	0	0	0	\$ -
200-300K	250,000		1,404.35	0	1	250	\$ 1,404
300-400K	350,000		1,946.35	0	1	350	\$ 1,946
sub total					0	80	\$ 862
average residential rate per month						80	\$ 77.09
average residential usage per month in Gallons							10,775
annual revenue							\$ 74,003
annual flow quantity in gallons sold							10,344,000

X. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

- A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

No new facilities. Only upgrades as outlined herein before.

- B. Water Storage:

Type: Ground Storage Tank: 0

Number of Storage Structures: 0

Total Storage Volume Capacity: 0

- C. Water Distribution System:

Pipe Material: *PVC, and P.E. Stream Crossings* _____

Lineal Feet of Pipe: Total: 600 linear feet of 6" & 4" stream crossings, 40,000 L.F. of ¾" Service line replacement for water loss reduction, misc. valves & Meters for water loss control.

Number and Capacity of Pump Station(s):

Six (6) pump station upgrades from 20 GPM to 100 GPM

Eight (8) water tank repairs & painting

XI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites	_____	0
Number of Pump Sites	_____	1
Number of <i>Tank Sites</i>	_____	0
Total Acreage	_____	<i>+/- 0.1 Acres</i>
Purchase Price	_____	<i>\$0.00</i>

XII. NUMBER OF NEW WATER USERS

Residential (In Town) *	0
Residential (Out of Town) *	0
Non-Residential (In Town)	0
Non-Residential (Out of Town)	0
Total	0
Number to Total Potential Users Living in the Service Area	
4900	

*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.

XIII. PROPOSED WATER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION:

<i>Meter Size</i>	<i>Service Connection Charge</i>
<i>5/8 X 3/4 inch</i>	<i>\$ 835.00</i>
<i>1 inch</i>	<i>Actual Cost</i>
<i>1 1/2 inch</i>	<i>Actual Cost</i>
<i>2 inch</i>	<i>Actual Cost</i>
<i>3 inch</i>	<i>Actual Cost</i>
<i>4 inch</i>	<i>Actual Cost</i>
<i>6 inch</i>	<i>Actual Cost</i>
<i>8 inch</i>	<i>Actual Cost</i>

XIV. WATER RATES – PROPOSED

06/25/2019

A. Proposed Rate Schedule without RUS Grant:

<i>First</i>	<i>1,000</i>	<i>Gallons</i>	<i>@ \$ 18.25</i>	<i>Minimum.</i>
<i>Next</i>	<i>9,000</i>	<i>Gallons</i>	<i>@ \$ 9.40</i>	<i>per 1,000 Gallons.</i>
<i>Next</i>	<i>10,000</i>	<i>Gallons</i>	<i>@ \$ 6.40</i>	<i>per 1,000 Gallons.</i>
<i>Next</i>	<i>20,000</i>	<i>Gallons</i>	<i>@ \$ 5.95</i>	<i>per 1,000 Gallons.</i>
<i>All Over</i>	<i>40,000</i>	<i>Gallons</i>	<i>@ \$ 5.70</i>	<i>per 1,000 Gallons</i>

The above-proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should

remember that the Table (A) above must be completed prior to Table (B).
 B. Recommended Rate Schedule with RUS Grant: 06/25/2019

Meter Size 5/8"

First 1,000 Gallons @ \$ 18.25 *Minimum.*
Next 9,000 Gallons @ \$ 9.40 *per 1,000 Gallons.*
Next 10,000 Gallons @ \$ 6.40 *per 1,000 Gallons.*
Next 20,000 Gallons @ \$ 5.95 *per 1,000 Gallons.*
All Over 40,000 Gallons @ \$ 5.70 *per 1,000 Gallons*

Meter Size 1":

First 10,000 Gallons @ \$ 102.85 *Minimum.*
Next 10,000 Gallons @ \$ 6.40 *per 1,000 Gallons.*
Next 20,000 Gallons @ \$ 5.95 *per 1,000 Gallons.*
ALL OVER 40,000 Gallons @ \$ 5.70 *per 1,000 Gallons.*

Meter Size 1 1/2":

First 20,000 Gallons @ \$ 166.85 *Minimum.*
Next 20,000 Gallons @ \$ 5.95 *per 1,000 Gallons.*
ALL OVER 40,000 Gallons @ \$ 5.70 *per 1,000 Gallons.*

Meter Size 2":

First 40,000 Gallons @ \$ 285.85 *Minimum.*
ALL OVER 40,000 Gallons @ \$ 5.70 *per 1,000 Gallons.*

Meter Size 3":

First 100,000 Gallons @ \$ 627.85 *Minimum.*
ALL OVER 100,000 Gallons @ \$ 5.70 *per 1,000 Gallons.*

Meter Size 4":

06/25/2019

First 200,000 Gallons @ \$ 1,197.85 Minimum.

ALL OVER 200,000 Gallons @ \$ 5.70 per 1,000 Gallons.

Overland Development

Same as above

Cannonsburg Water District

Same as above

- If more than one rate, use additional sheets.

XV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS Residential only

usage Gallons	Gallons	rate	monthly # of users Residential	monthly # of users Non-Residential	usage x 1000 Gal	income
0-1K	500	18.25	542	0	271	\$ 9,892
1-2K	1,500	22.95	546	0	819	\$ 12,531
2-3K	2,500	32.35	769	0	1923	\$ 24,877
3-4K	3,500	41.75	763	0	2671	\$ 31,855
4-5K	4,500	51.15	682	0	3069	\$ 34,884
5-6k	5,500	60.55	470	0	2585	\$ 28,459
6-7K	6,500	69.95	325	0	2113	\$ 22,734
7-8K	7,500	79.35	170	0	1275	\$ 13,490
8-9K	8,500	88.75	130	0	1105	\$ 11,538
9-10K	9,500	98.15	90	0	855	\$ 8,834
10-12k	11,000	109.25	70	0	770	\$ 7,648
12-15k	13,500	125.25	50	0	675	\$ 6,263
15-20K	17,500	150.85	40	0	700	\$ 6,034
20-30K	25,000	196.60	20	0	500	\$ 3,932
30-40k	35,000	256.10	6	0	210	\$ 1,537
40-50K	45,000	314.35	2	0	90	\$ 629
50-75K	62,500	414.10	1	0	63	\$ 414
75-100K	87,500	556.60	0	0	0	\$ -
100-150K	125,000	770.35	0	0	0	\$ -
150-200K	175,000	1,055.35	0	0	0	\$ -
200-300K	250,000	1,482.85	0	0	0	\$ -
300-400K	350,000	2,052.85	0	0	0	\$ -
sub total			4676	0	19,421	\$ 225,547
average residential rate per month				4676		\$ 48.24
average residential usage per month in Gallons						4,153
annual revenue						\$ 2,706,565

XV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS Non - Residential only

Gallons	Gallons			of users Residential	of users Non-Residential	x 1000 Gal	
0-1K	500			18.25	0	31	16 \$ 566
1-2K	1,500			22.95	0	26	39 \$ 597
2-3K	2,500			32.35	0	3	8 \$ 97
3-4K	3,500			41.75	0	4	14 \$ 167
4-5K	4,500			51.15	0	3	14 \$ 153
5-6k	5,500			60.55	0	2	11 \$ 121
6-7K	6,500			69.95	0	1	7 \$ 70
7-8K	7,500			79.35	0	1	8 \$ 79
8-9K	8,500			88.75	0	1	9 \$ 89
9-10K	9,500			98.15	0	1	10 \$ 98
10-12k	11,000			109.25	0	1	11 \$ 109
12-15k	13,500			125.25	0	1	14 \$ 125
15-20K	17,500			150.85	0	0	0 \$ -
20-30K	25,000			196.60	0	1	25 \$ 197
30-40k	35,000			256.10	0	1	35 \$ 256
40-50K	45,000			314.35	0	1	45 \$ 314
50-75K	62,500			414.10	0	0	0 \$ -
75-100K	87,500			556.60	0	0	0 \$ -
100-150K	125,000			770.35	0	0	0 \$ -
150-200K	175,000			1,055.35	0	0	0 \$ -
200-300K	250,000			1,482.85	0	1	250 \$ 1,483
300-400K	350,000			2,052.85	0	1	350 \$ 2,053
sub total						0	80 847 \$ 6,575
average residential rate per month							80 \$ 82.18
average residential usage per month in Gallons							10,581
annual revenue							\$ 78,894
annual flow quantity in gallons sold							10,158,000

XVI. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING
USERS

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above.
If not billed as a typical residential user, please explain below.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

**XVII. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY
PROPOSED RATE INCREASE – Residential Only**

usage Gallons	Gallons	rate	monthly # of users Residential	monthly # of users Non-Residential	usage x 1000 Gal	income
0-1K	500	18.25	542	0	271	\$ 9,892
1-2K	1,500	22.95	546	0	819	\$ 12,531
2-3K	2,500	32.35	769	0	1923	\$ 24,877
3-4K	3,500	41.75	763	0	2671	\$ 31,855
4-5K	4,500	51.15	682	0	3069	\$ 34,884
5-6k	5,500	60.55	470	0	2585	\$ 28,459
6-7K	6,500	69.95	325	0	2113	\$ 22,734
7-8K	7,500	79.35	170	0	1275	\$ 13,490
8-9K	8,500	88.75	130	0	1105	\$ 11,538
9-10K	9,500	98.15	90	0	855	\$ 8,834
10-12k	11,000	109.25	70	0	770	\$ 7,648
12-15k	13,500	125.25	50	0	675	\$ 6,263
15-20K	17,500	150.85	40	0	700	\$ 6,034
20-30K	25,000	196.60	20	0	500	\$ 3,932
30-40k	35,000	256.10	6	0	210	\$ 1,537
40-50K	45,000	314.35	2	0	90	\$ 629
50-75K	62,500	414.10	1	0	63	\$ 414
75-100K	87,500	556.60	0	0	0	\$ -
100-150K	125,000	770.35	0	0	0	\$ -
150-200K	175,000	1,055.35	0	0	0	\$ -
200-300K	250,000	1,482.85	0	0	0	\$ -
300-400K	350,000	2,052.85	0	0	0	\$ -
sub total			4676	0	19,421	\$ 225,547
average residential rate per month				4676		\$ 48.24
average residential usage per month in Gallons						4,153
annual revenue						\$ 2,706,565

XVII. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY
PROPOSED RATE INCREASE – Non - Residential Only

usage Gallons	Gallons	rate	monthly # of users Residential	monthly # of users Non-Residential	usage x 1000 Gal	income
0-1K	500	18.25	0	31	16	\$ 566
1-2K	1,500	22.95	0	26	39	\$ 597
2-3K	2,500	32.35	0	3	8	\$ 97
3-4K	3,500	41.75	0	4	14	\$ 167
4-5K	4,500	51.15	0	3	14	\$ 153
5-6k	5,500	60.55	0	2	11	\$ 121
6-7K	6,500	69.95	0	1	7	\$ 70
7-8K	7,500	79.35	0	1	8	\$ 79
8-9K	8,500	88.75	0	1	9	\$ 89
9-10K	9,500	98.15	0	1	10	\$ 98
10-12k	11,000	109.25	0	1	11	\$ 109
12-15k	13,500	125.25	0	1	14	\$ 125
15-20K	17,500	150.85	0	0	0	\$ -
20-30K	25,000	196.60	0	1	25	\$ 197
30-40k	35,000	256.10	0	1	35	\$ 256
40-50K	45,000	314.35	0	1	45	\$ 314
50-75K	62,500	414.10	0	0	0	\$ -
75-100K	87,500	556.60	0	0	0	\$ -
100-150K	125,000	770.35	0	0	0	\$ -
150-200K	175,000	1,055.35	0	0	0	\$ -
200-300K	250,000	1,482.85	0	1	250	\$ 1,483
300-400K	350,000	2,052.85	0	1	350	\$ 2,053
sub total				0	80	\$ 6,575
average residential rate per month					80	\$ 82.18
average residential usage per month in Gallons						10,581
annual revenue						\$ 78,894

XVIII. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY
PROPOSED RATE INCREASE

Not applicable

XIX. CURRENT OPERATING BUDGET - (WATER SYSTEM)

(As of the last full operating year "2017")

A	Operating Income	
	Water Sales	2,575,375
	Disconnect/ Reconnect Fees	60,400
	Other	33,393
	Tap Fees	20,075
	Total Operating Income	2,689,243
B	O & M Expenses	
	Source of Supply	1,003,000
	Taxes & Benefits	168,185
	Materials & Supply	220,700
	Transmission & Distribution	438,506
	Bad Debt	13,008
	Administrative & General	246,000
	Total Operating Expenses	2,089,399
	Net Operating Income	599,844
C	Non - Operating Income	
	Interest on Deposits	1,100
	Other	-
	Total Non - Operating Income	1,100
D	Net Income	600,944
E	Debt Repayment	
	Rus Interest	100,605
	Rus Principal	72,000
	Debt Reserve	17,200
	Non RUS Interest	44,336
	Non RUS Principal	122,833
	Total Debt Repayment	356,974
F	Balance Available for Coverage	243,970

XX. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING SYSTEM
AND NEW USERS (1st Full Year of Operation) Year Ending **2019**

A. Operating Income:

Water Sales	\$ <u>2,785,459</u>
Disconnect/Reconnect/Late Charge Fees	<u>35,000</u>
Other (Describe) – Tap Fees	<u>20,000</u>
Less Allowances and Deductions	(_____)
Total Operating Income	\$ <u>2,804,459</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense, Pumping Expense,

Water Treatment Expense	\$ <u>1,053,150</u>
Transmission and Distribution Expense	—

705,174

Taxes and Benefits	<u>229,823</u>
Administrative and General Expense	<u>276,202</u>
Total Operating Expenses	\$ <u>2,264,349</u>
Net Operating Income	\$ <u>576,110</u>

C. Non-Operating Income:

Interest on Deposits	\$ <u>1,050</u>
Other (Identify)	_____
Total Non-Operating Income	\$ <u>1,050</u>

D. Net Income \$ 577,160

E. Debt Repayment:

RUS Interest	\$ <u>101,613</u>
RUS Principal	<u>83,340</u>
Debt Reserve	<u>7,038</u>
Non-RUS Interest	<u>35,525</u>
Non-RUS Principal	<u>144,491</u>
Short Lived Asset Reserve	<u>75,300</u>

Total Debt Repayment	\$ <u>447,307</u>
F. Balance Available for Coverage	\$ <u>129,853</u>

XXI. PROPOSED OPERATING BUDGET - (WATER SYSTEM)
EXTENSION ONLY (1st Full Year of Operation) Year Ending **2019**

A. Operating Income:

Water Sales	\$ <u> N/A </u>
Disconnect/Reconnect/Late Charge Fees	_____
Other (Describe)	_____
Less Allowances and Deductions	(_____)
Total Operating Income	\$ _____

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	\$ <u> N/A </u>
Pumping Expense	_____
Water Treatment Expense	_____
Transmission and Distribution Expense	_____
Customer Accounts Expense	_____
Administrative and General Expense	_____
Total Operating Expenses	\$ _____
Net Operating Income	\$ _____

C. Non-Operating Income:

Interest on Deposits	\$ <u> N/A </u>
Other (Identify)	_____
Total Non-Operating Income	\$ _____

D. Net Income \$ N/A

E. Debt Repayment:

RUS Interest	\$ <u> N/A </u>
RUS Principal	_____
Non-RUS Interest	_____
Non-RUS Principal	_____
Total Debt Repayment	\$ _____

F. Balance Available for Coverage \$ N/A

XXII. FINAL PROJECT COST - WATER

(Round to nearest \$100)

	<i>Water System Improvements</i>
<i>Development</i>	\$ 2,412,675
<i>Existing project reimbursements</i>	\$ 0
<i>Land and Rights</i>	\$ 62,500
<i>Legal and admin</i>	\$ 36,000
<i>Engineering</i>	\$ 368,500
<i>Interest</i>	\$ 40,000
<i>Contingencies</i>	\$ 120,325
<i>Sub Total</i>	\$ 3,040,000
<i>Initial O & M</i>	\$ 0
<i>Total</i>	\$ 3,040,000

XXIII. FINAL PROJECT FUNDING – WATER

	<i>TOTAL</i>
<i>Applicant</i>	<i>\$ 88,000</i>
<i>ADDITIONAL Applicant</i>	<i>\$ 42,000</i>
<i>RD Loan</i>	<i>\$ 1,670,000</i>
<i>ADDITIONAL RD Loan</i>	<i>\$ 395,000</i>
<i>ADDITIONAL Grant</i>	<i>\$ 145,000</i>
<i>RD Grant</i>	<i>\$ 700,000</i>
<i>Total</i>	<i>\$ 3,040,000</i>