

SUMMARY ADDENDUM

TO

PRELIMINARY ENGINEERING REPORT

Dated April 30, 2020

FOR THE

**South Logan Water Association**

**Water Office & Russellville Southern Bypass Extension**

(Name of Water Facility Project)

Applicant Contact Person	<u>Chris Wilcutt, P.E.</u>
Applicant Phone Number	<u>(270) 483-9985</u>
Applicant Tax ID Number (TIN)	<u>61-1073892</u>

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

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 showing the following:

The South Logan water system is comprised of over 210 miles of water distribution lines and three water storage tanks with a total capacity of 736,000 gallons, all of which serves approximately 1,735 customers in southern Logan County. As of the end of March 2003, the South Logan Water Association began to purchase all of their treated water from the recently completed water system of the Logan Todd Regional Water Commission (LTRWC). The Commission's water treatment facility is rated at 10 million gallons per day, and their distribution system consists of nearly 85 miles of pipeline and three storage tanks totaling 3,500,000 gallons in capacity. The 2019 average daily LTRWC usage within the South Logan system was approximately 405,000 gallons per day. South Logan has two meter stations with the Commission, one located in Russellville and the other near the Mortimer community. The Association is a relatively large water system covering nearly a third of the Logan County area. Almost all roads within the Association boundary have water service, with only short extensions needed from time to time to accommodate new development. Over the past 25+ years, the main problems that plagued the Association were associated with its long-term supply of treated water, low pressure in certain areas of the system, extending water service to unserved areas, and installing lines for improved hydraulic performance. Going online with the Logan Todd Regional system and multiple USDA funded upgrade projects have resolved the majority of these problems. However, the growth of the community and water system have created two new critical needs for the Association.

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First, the Russellville Southern Bypass opened for traffic in late 2017. This new southern bypass section runs from US Highway 79 to KY Highway 100, crossing KY Highway 96 along the way. It is 4.5 miles long, featuring a two lane roadway with turning lanes at intersections and a truck climbing lane. Cost for the project was \$12,824,639. The proximity of this new roadway to Russellville, with a majority resting in the Association's service territory, created a major unserved corridor. Second, the Association has experienced a customer growth of nearly 50% in the past 25 years (1,160 total customers in 1993). This dramatic growth has created an expanding need in both customer service and system operations. South Logan has outgrown their current office facilities for fulfilling these services, and their present facility has been labeled by USDA as being non-compliant with ADA requirements. To initiate a solution to alleviating these needs, the South Logan Water Association has requested funding assistance to undertake their Water Office & Southern Bypass Extension Project. The proposed project includes construction of over 3 miles of 8-inch waterline along the Russellville Southern Bypass to provide water service to the unserved area. Also, the project will include construction of a new water office to better serve their expanding customer base and provide ample space for meeting, operations, and bathroom facilities; all within ADA compliance. The total cost of the proposed project is estimated to be \$1,065,000.

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.

As of the end of March 2003, the South Logan Water Association began to purchase all of their treated water under an agreement with the recently completed water system of the Logan Todd Regional Water Commission (LTRWC). The Commission's water treatment facility is rated at 10 million gallons per day, and their distribution system consists of nearly 85 miles of pipeline and three storage tanks totaling 3,500,000 gallons in capacity. South Logan has two meter stations with the Commission, one located in Russellville and the other near the Mortimer community. The Commission's plant is rated at 10.0 MGD, and raw water for the plant is obtained in Clarksville, Tennessee from the Cumberland River. At the end of 2019, the plant was operating at approximately 43%, however, the plant's utilization increased significantly this month as the City of Springfield, Tennessee came online with the Commission.

If the applicant purchases water:

Sellers: Logan Todd Regional Water Commission

Price/1,000 gallons: \$3.91 (as of April 1, 2020)

B. Water Storage:

Type: Ground Storage Tank X. Elevated Tank X.  
Standpipe \_\_\_\_\_ Other \_\_\_\_\_

Number of Storage Structures 1 ground, 2 elevated

Total Storage Volume Capacity 736,000 gallons

Date Storage Tank(s) Constructed 1994, 1998, & 2006

C. Water Distribution System:

Pipe Material PVC with minimal DIP amounts

Linear Feet of Pipe: 3" Diameter and smaller: ~301,500; 4": ~443,500; 6": ~269,300;  
8": ~71,300; 10" ~23,800

Date(s) of Major Water Lines Construction 1977, '79, '85, '93, '98, 2003 & 2011

Number, and Capacity of Pump Station(s): 1 - 265 gpm Booster for filling the Schochoh water tank.

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 well managed and generally in good repair. Although isolated areas of substandard pipe may be replaced from time to time, no critical renovations are anticipated in the near future. Over the past several years, the Association has aggressively pursued various extension projects to meet the needs of rural residences using superior materials to insure an adequate working system and leaving primarily no areas unserved.

E. Percentage of Water Loss in the Existing System: 18.90% (Per FYE '19 PSC Report)

Present Estimated Market Value of Existing System \*: \$4,607,962

\* = Based on Depreciated Value of 2019 Financial Statement

III. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes: *per 2019 Financial Statement*

Date of Issue	Bond/Note Holder	Principal Balance	Payment Date	Bond Type	Amount on Deposit in Reserve *
1993 Issue	FmHA	\$ 207,743	2033	Water	\$ 92,477
1998 Issue	FmHA	\$ 408,390	2038	Water	
2005 Issue	USDA-RD	\$ 645,025	2045	Water	
2013 Issue	USDA-RD	\$ 1,123,725	2053	Water	

\*NOTE: Total of Debt Service - Bonds Accounts

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

Date of Issue	Bond/Note Holder	Payment Year 2021		Payment Year 2022		Payment Year 2023	
		Principal Payment	Interest Payment	Principal Payment	Interest Payment	Principal Payment	Interest Payment
1993 Issue	FmHA						
1998 Issue	FmHA						
2005 Issue	USDA-RD						
2013 Issue	USDA-RD						
		\$63,311	\$87,309	\$65,737	\$84,764	\$68,245	\$82,116

\*NOTE: Approximate – No Amortization Chart readily available.

IV. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: *per 2019 Financial Statement*

Lender or Lessor	Date of Issue (Mo. & Year)	Principal Balance	Purpose	Payment Date	Principal & Interest Payment (P&I)	Date to Be Paid In Full
NA	NA	\$ -		NA	\$0	

V. LAND AND RIGHTS - EXISTING SYSTEM:

Number of Treatment Plant Sites	<u>0</u>	
Number of Storage Tank Sites	<u>3</u>	
Number of Pump Stations	<u>1</u>	
Total Acreage	<u>&lt;5 Ac.</u>	
Purchase Price*	<u>\$36,719</u>	*Land & ROW value per 2009 Audit

VI. NUMBER OF EXISTING USERS

A. Water Users (year end totals per 2019 PSC audit):

Residential Size Meters (In Town)*	<u>-</u>
Residential Size Meters/Farmers (Out of Town)*	<u>1,678</u>
Commercial Users & Resellers (In Town)	<u>-</u>
Commercial Users & Resellers (Out of Town)	<u>57</u>
Total	<u>1,735</u>
Number of Total potential Users in the Service Area	<u>&lt;50 (Est.)</u>

\*NOTE: Residential/Farmers Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence size meters and farmers.

VII. CURRENT CONNECTION FEES FOR EACH SIZE METER CONNECTION

Date these charges went into effect: November 5, 2008

Meter Size	Connection Fee	Minimum Water Usage for Each Size Meter	
5/8 x 3/4"	\$ 800.00	2,000	gallons
1 - Inch	\$ 1,100.00	2,000	gallons
1-1/2" Inch	\$ 1,350.00	2,000	gallons
2 - Inch	\$ 1,900.00	2,000	gallons
3 - inch & up	At Cost	2,000	gallons

VIII. WATER RATES - EXISTING RATE SCHEDULE

Date this rate went into effect: March 1, 2014

Meter Size 5/8x3/4 Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 23.89</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

Meter Size 1-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 43.90</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

Meter Size 1 1/2-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 61.88</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

Meter Size 2-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 94.41</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

Meter Size 3-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 126.51</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

Meter Size 4-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 163.21</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

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

For Period January 1, 2019 to December 31, 2019.

Meter Size	MONTHLY MONTHLY WATER USAGE		Residential/ Farmer		Non-Residential/ Commercial	
		Average	No. of Users	Usage Gallons	No. of Users	Usage Gallons
All Sizes	0 Gal.	0	866	0	60	0
	1 - 2,000 Gal.	500	5,748	5,720,130	223	141,950
	2,000 - 3,000 Gal.	1,500	3,477	8,722,740	47	119,390
	3,000 - 4,000 Gal.	2,500	2,969	10,351,270	38	133,230
	4,000 - 5,000 Gal.	3,500	2,279	10,224,100	28	126,000
	5,000 - 6,000 Gal.	4,500	1,461	8,000,580	25	135,420
	6,000 - 7,000 Gal.	5,500	926	5,989,520	16	107,070
	7,000 - 8,000 Gal.	6,500	571	4,265,010	6	45,660
	8,000 - 9,000 Gal.	7,500	358	3,033,390	5	43,000
	9,000 - 10,000 Gal.	8,500	243	2,294,340	5	47,160
	10,000 - 11,000 Gal.	9,500	164	1,723,320	9	94,530
	11,000 - 12,000 Gal.	10,500	120	1,377,650	8	92,760
	12,000 - 13,000 Gal.	11,500	96	1,202,020	6	75,000
	13,000 - 14,000 Gal.	12,500	67	903,190	2	26,390
	14,000 - 15,000 Gal.	13,500	64	926,860	4	57,860
	15,000 - 16,000 Gal.	14,500	58	897,690	3	47,080
	16,000 - 17,000 Gal.	15,500	53	873,200	6	99,180
	17,000 - 18,000 Gal.	16,500	47	824,830	1	17,100
	18,000 - 19,000 Gal.	17,500	36	666,370	4	74,470
	19,000 - 20,000 Gal.	18,500	28	548,770	2	38,800
	20,000 - 50,000 Gal.	19,500	289	8,344,220	91	3,007,920
	50,000 - 100,000 Gal.	35,000	64	4,634,360	39	2,830,600
	100,000 - 200,000 Gal.	75,000	42	5,526,610	28	3,943,600
over 200,000 Gal.	150,000	2	658,720	30	14,105,200	
	Varies					
	Sub-Total		<u>20,028</u>	<u>87,708,890</u>	<u>686</u>	<u>25,409,370</u>
	Average Count (Meter Type)		<u>1,669</u>		<u>57</u>	
	Average Usage (Gallons)			<u>4,379</u>		<u>37,040</u>
	Total		<u>20,028</u>	<u>87,708,890</u>	<u>686</u>	<u>25,409,370</u>

Total Water Purchased per '19 PSC Report 147,932,000 Gallons

Total Water Sold per 12 Month Forecast 113,118,260 Gallons

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.

The recommended project provides water service along a new major thoroughfare in Russellville. Also, the project provides a solution to South Logan's limited operational space for customer service, meetings, material storage, and general maintenance operations. The project involves construction of over 3 miles of water line along an unserved roadway in the Russellville area. The line is being built to provide water service to a prime area for residential and commercial development as well as connecting sections of the

water system that will improve the hydraulic performance of the existing distribution system. The loop will offer alternate feed options and backdoor supply during interruptions in the older, original portions of the South Logan System in southern Russellville. In a further attempt to improve service to customers, South Logan is also proposing to construct a new water office and operational headquarters. Although the final selection of a site is yet to be determined, the Association intends to provide a facility with secure entry for payment transactions with staff, drive-thru window options, expanded meeting space for public participation at monthly board meetings, plus ADA compliant access and restroom facilities. The Association will continue to purchase all of its water from the Logan Todd Regional Water Commission, which has adequate capacity to serve the new customers resulting from the proposed project.

B. Water Storage:

Type: Ground Storage Tank \_\_\_\_\_ Elevated Tank \_\_\_\_\_  
 Standpipe \_\_\_\_ Other \_\_\_\_\_  
 Number of Storage Structures \_\_\_\_\_  
 Total Storage Volume Capacity \_\_\_\_\_

C. Water Distribution System:

Pipe Material PVC  
 Lineal Feet of Pipe: 3" Diameter: \_\_\_\_\_; 4": \_\_\_\_\_; 6": \_\_\_\_\_;  
 8": 16,000; 10": \_\_\_\_\_  
 Number, and Capacity of Pump Station(s): \_\_\_\_\_

XI. LAND AND RIGHTS - PROPOSED WATER SYSTEM(S)

Number of Treatment Plant Sites	0
Number of Pump Sites	_____
Number of Other Sites (Water Office)	1
Total Acreage	~1.7 Ac.
Purchase Price	~\$25,000

XII. NUMBER OF NEW USERS

A. Water Users:

Residential Size Meters (In Town)*	-
Residential Size Meters/Farmers (Out of Town)*	0 Initially
Commercial Users & Resellers (In Town)	-
Commercial Users & Resellers (Out of Town)	0 Initially
Total	0
Number of Total potential Users in the Service Area	50 (Est.)

\*NOTE: Residential/Farmers Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence size meters and farmers.



XIII. PROPOSED CONNECTION FEES FOR EACH SIZE METER CONNECTION

\* NOTE: No connection fee increase is expected as a result of this project.

Meter Size	Connection Fee	Minimum Water Usage for Each Size Meter	
5/8 x 3/4"	\$ 800.00	2,000	gallons
1 - Inch	\$ 1,100.00	2,000	gallons
1-1/2" Inch	\$ 1,350.00	2,000	gallons
2 - Inch	\$ 1,900.00	2,000	gallons
3 - inch & up	At Cost	2,000	gallons

XIV. WATER RATES - PROPOSED

A. Estimated Rate Schedule to account for Upcoming Purchase Water Adjustment:

Meter Size 5/8x3/4 Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 22.45</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 7.80</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 7.53</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.25</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 6.98</u>	per 1,000 Gallons

Meter Size 1-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 42.46</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 7.80</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 7.53</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.25</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 6.98</u>	per 1,000 Gallons

Meter Size 1 1/2-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 60.44</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 7.80</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 7.53</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.25</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 6.98</u>	per 1,000 Gallons

Meter Size 2-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 92.97</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 7.80</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 7.53</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.25</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 6.98</u>	per 1,000 Gallons

Meter Size 3-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 125.07</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 7.80</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 7.53</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.25</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 6.98</u>	per 1,000 Gallons

Meter Size 4-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 161.77</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 7.80</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 7.53</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.25</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 6.98</u>	per 1,000 Gallons

B. Proposed Rate Schedule without RUS Grant:

Meter Size 5/8x3/4 Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 24.25</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.42</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.13</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.83</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.54</u>	per 1,000 Gallons

Meter Size 1-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 45.86</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.42</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.13</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.83</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.54</u>	per 1,000 Gallons

Meter Size 1 1/2-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 65.28</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.42</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.13</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.83</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.54</u>	per 1,000 Gallons

Meter Size 2-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 100.41</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.42</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.13</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.83</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.54</u>	per 1,000 Gallons

Meter Size 3-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 135.08</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.42</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.13</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.83</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.54</u>	per 1,000 Gallons

Meter Size 4-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 174.71</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.42</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.13</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.83</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.54</u>	per 1,000 Gallons

C. Recommended Rate Schedule with RUS Grant:

Meter Size 5/8x3/4 Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 24.02</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.35</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.06</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.76</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.47</u>	per 1,000 Gallons

Meter Size 1-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 45.43</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.35</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.06</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.76</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.47</u>	per 1,000 Gallons

Meter Size 1 1/2-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 64.67</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.35</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.06</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.76</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.47</u>	per 1,000 Gallons

Meter Size 2-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 99.48</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.35</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.06</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.76</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.47</u>	per 1,000 Gallons

Meter Size 3-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 133.82</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.35</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.06</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.76</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.47</u>	per 1,000 Gallons

Meter Size 4-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 173.09</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.35</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.06</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.76</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.47</u>	per 1,000 Gallons

XV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS – EXISTING RATES

For Period January 1, 2019 to December 31, 2019.

Notes: 5/8-inch Meter Rate Block is utilized for Forecast of Water Usage.

Meter Size	MONTHLY WATER USAGE	Residential Customers					Commercial Customers				
		No. of Cust.	Total Usage	Average Usage	Average Bill	Annual Income	No. of Cust.	Total Usage	Average Usage	Average Bill	Annual Income
All	0	866	0	-	\$ 23.89	\$ 20,689	60	0	-	\$ 23.89	\$ 1,433
	1 - 2,000	5,748	5,720,130	995	\$ 23.89	\$ 137,320	223	141,950	637	\$ 23.89	\$ 5,327
	2,000 - 3,000	3,477	8,722,740	2,509	\$ 28.22	\$ 98,135	47	119,390	2,540	\$ 28.49	\$ 1,339
	3,000 - 4,000	2,969	10,351,270	3,486	\$ 36.55	\$ 108,530	38	133,230	3,506	\$ 36.72	\$ 1,395
	4,000 - 5,000	2,279	10,224,100	4,486	\$ 45.07	\$ 102,720	28	126,000	4,500	\$ 45.19	\$ 1,265
	5,000 - 6,000	1,461	8,000,580	5,476	\$ 53.51	\$ 78,173	25	135,420	5,417	\$ 53.00	\$ 1,325
	6,000 - 7,000	926	5,989,520	6,468	\$ 61.96	\$ 57,374	16	107,070	6,692	\$ 63.86	\$ 1,022
	7,000 - 8,000	571	4,265,010	7,469	\$ 70.49	\$ 40,249	6	45,660	7,610	\$ 71.69	\$ 430
	8,000 - 9,000	358	3,033,390	8,473	\$ 79.04	\$ 28,297	5	43,000	8,600	\$ 80.12	\$ 401
	9,000 - 10,000	243	2,294,340	9,442	\$ 87.29	\$ 21,212	5	47,160	9,432	\$ 87.21	\$ 436
	10,000 - 11,000	164	1,723,320	10,508	\$ 98.64	\$ 16,177	9	94,530	10,503	\$ 98.60	\$ 887
	11,000 - 12,000	120	1,377,650	11,480	\$ 106.66	\$ 12,800	8	92,760	11,595	\$ 107.61	\$ 861
	12,000 - 13,000	96	1,202,020	12,521	\$ 115.25	\$ 11,064	6	75,000	12,500	\$ 115.08	\$ 690
	13,000 - 14,000	67	903,190	13,480	\$ 123.16	\$ 8,252	2	26,390	13,195	\$ 120.81	\$ 242
	14,000 - 15,000	64	926,860	14,482	\$ 131.43	\$ 8,411	4	57,860	14,465	\$ 131.29	\$ 525
	15,000 - 16,000	58	897,690	15,477	\$ 139.64	\$ 8,099	3	47,080	15,693	\$ 141.42	\$ 424
	16,000 - 17,000	53	873,200	16,475	\$ 147.87	\$ 7,837	6	99,180	16,530	\$ 148.32	\$ 890
	17,000 - 18,000	47	824,830	17,550	\$ 156.73	\$ 7,366	1	17,100	17,100	\$ 153.03	\$ 153
	18,000 - 19,000	36	666,370	18,510	\$ 164.66	\$ 5,928	4	74,470	18,618	\$ 165.54	\$ 662
	19,000 - 20,000	28	548,770	19,599	\$ 173.64	\$ 4,862	2	38,800	19,400	\$ 172.00	\$ 344
	20,000 - 50,000	289	8,344,220	28,873	\$ 250.15	\$ 72,293	91	3,007,920	33,054	\$ 284.65	\$ 25,903
	50,000-100,000	64	4,634,360	72,412	\$ 600.67	\$ 38,443	39	2,830,600	72,579	\$ 602.01	\$ 23,478
	100,000-200,000	42	5,526,610	131,586	\$ 1,063.76	\$ 44,678	28	3,943,600	140,843	\$ 1,135.04	\$ 31,781
	over - 200,000	2	658,720	329,360	\$ 2,586.62	\$ 5,173	30	14,105,200	470,173	\$ 3,670.88	\$ 110,127
	Sub-totals	20,028	87,708,890			\$ 944,084	686	25,409,370			\$ 211,342

Projected Annual Income with Current 5/8"x3/4" Rate	\$	1,155,426
Additional 1-inch Meter Revenue per Minimum Bills:	11	\$ 2,641
Additional 1-1/2 inch Meter Revenue per Minimum Bills:	6	\$ 2,735
Additional 2-inch Meter Revenue per Minimum Bills:	20	\$ 16,925
Additional 3-inch Meter Revenue per Minimum Bills:	2	\$ 2,463
Additional 4-inch Meter Revenue per Minimum Bills:	2	\$ 3,344
Total Projected <b>12 Month</b> Revenue With Current Rates	\$	<u>1,183,534</u>
Actual Water Sales FY2009 (per Dec. 31, 2019 Audit)	\$	<u>1,221,472</u>

XVI. FORECAST OF WATER USAGE - INCOME - EXISTING USERS – PROPOSED LTRWC-PWA RATES

Meter Size	MONTHLY WATER USAGE	Residential Customers					Commercial Customers				
		No. of Cust.	Total Usage	Average Usage	Average Bill	Annual Income	No. of Cust.	Total Usage	Average Usage	Average Bill	Annual Income
All	0	866	0	-	\$ 22.45	\$ 19,442	60	0	-	\$ 22.45	\$ 1,347
	1 - 2,000	5,748	5,720,130	995	\$ 22.45	\$ 129,043	223	141,950	637	\$ 22.45	\$ 5,006
	2,000 - 3,000	3,477	8,722,740	2,509	\$ 26.42	\$ 91,855	47	119,390	2,540	\$ 26.66	\$ 1,253
	3,000 - 4,000	2,969	10,351,270	3,486	\$ 34.04	\$ 101,078	38	133,230	3,506	\$ 34.20	\$ 1,299
	4,000 - 5,000	2,279	10,224,100	4,486	\$ 41.84	\$ 95,359	28	126,000	4,500	\$ 41.95	\$ 1,175
	5,000 - 6,000	1,461	8,000,580	5,476	\$ 49.56	\$ 72,412	25	135,420	5,417	\$ 49.10	\$ 1,228
	6,000 - 7,000	926	5,989,520	6,468	\$ 57.30	\$ 53,061	16	107,070	6,692	\$ 59.05	\$ 945
	7,000 - 8,000	571	4,265,010	7,469	\$ 65.11	\$ 37,178	6	45,660	7,610	\$ 66.21	\$ 397
	8,000 - 9,000	358	3,033,390	8,473	\$ 72.94	\$ 26,113	5	43,000	8,600	\$ 73.93	\$ 370
	9,000 - 10,000	243	2,294,340	9,442	\$ 80.50	\$ 19,560	5	47,160	9,432	\$ 80.42	\$ 402
	10,000 - 11,000	164	1,723,320	10,508	\$ 88.68	\$ 14,543	9	94,530	10,503	\$ 88.64	\$ 798
	11,000 - 12,000	120	1,377,650	11,480	\$ 96.00	\$ 11,520	8	92,760	11,595	\$ 96.86	\$ 775
	12,000 - 13,000	96	1,202,020	12,521	\$ 103.83	\$ 9,968	6	75,000	12,500	\$ 103.68	\$ 622
	13,000 - 14,000	67	903,190	13,480	\$ 111.06	\$ 7,441	2	26,390	13,195	\$ 108.91	\$ 218
	14,000 - 15,000	64	926,860	14,482	\$ 118.60	\$ 7,590	4	57,860	14,465	\$ 118.47	\$ 474
	15,000 - 16,000	58	897,690	15,477	\$ 126.09	\$ 7,314	3	47,080	15,693	\$ 127.72	\$ 383
	16,000 - 17,000	53	873,200	16,475	\$ 133.61	\$ 7,081	6	99,180	16,530	\$ 134.02	\$ 804
	17,000 - 18,000	47	824,830	17,550	\$ 141.70	\$ 6,660	1	17,100	17,100	\$ 138.31	\$ 138
	18,000 - 19,000	36	666,370	18,510	\$ 148.93	\$ 5,362	4	74,470	18,618	\$ 149.74	\$ 599
	19,000 - 20,000	28	548,770	19,599	\$ 157.13	\$ 4,400	2	38,800	19,400	\$ 155.63	\$ 311
	20,000 - 50,000	289	8,344,220	28,873	\$ 226.96	\$ 65,592	91	3,007,920	33,054	\$ 258.45	\$ 23,519
	50,000-100,000	64	4,634,360	72,412	\$ 548.54	\$ 35,106	39	2,830,600	72,579	\$ 549.75	\$ 21,440
	100,000-200,000	42	5,526,610	131,586	\$ 969.02	\$ 40,699	28	3,943,600	140,843	\$ 1,033.63	\$ 28,942
	over - 200,000	2	658,720	329,360	\$ 2,349.48	\$ 4,699	30	14,105,200	470,173	\$ 3,332.36	\$ 99,971
	Sub-totals	20,028	87,708,890			\$ 873,075	686	25,409,370			\$ 192,416

Projected Annual Income with Current 5/8"x3/4" Rate		\$	1,065,491
Additional 1-inch Meter Revenue per Minimum Bills:	11	\$	2,641
Additional 1-1/2 inch Meter Revenue per Minimum Bills:	6	\$	2,735
Additional 2-inch Meter Revenue per Minimum Bills:	20	\$	16,925
Additional 3-inch Meter Revenue per Minimum Bills:	2	\$	2,463
Additional 4-inch Meter Revenue per Minimum Bills:	2	\$	3,344
Total Projected 12 Month Revenue w/ Estimated LTRWC-PWA Rates		\$	<u>1,093,598</u>

**XVII. FORECAST OF WATER USAGE - INCOME - EXISTING USERS – RECOMMENDED GRANT RATES**

Meter Size	MONTHLY WATER USAGE	Residential Customers					Commercial Customers				
		No. of Cust.	Total Usage	Average Usage	Average Bill	Annual Income	No. of Cust.	Total Usage	Average Usage	Average Bill	Annual Income
All	0	866	0	-	\$ 24.02	\$ 20,801	60	0	-	\$ 24.02	\$ 1,441
	1 - 2,000	5,748	5,720,130	995	\$ 24.02	\$ 138,067	223	141,950	637	\$ 24.02	\$ 5,356
	2,000 - 3,000	3,477	8,722,740	2,509	\$ 28.27	\$ 98,287	47	119,390	2,540	\$ 28.53	\$ 1,341
	3,000 - 4,000	2,969	10,351,270	3,486	\$ 36.43	\$ 108,166	38	133,230	3,506	\$ 36.60	\$ 1,391
	4,000 - 5,000	2,279	10,224,100	4,486	\$ 44.78	\$ 102,054	28	126,000	4,500	\$ 44.90	\$ 1,257
	5,000 - 6,000	1,461	8,000,580	5,476	\$ 53.05	\$ 77,499	25	135,420	5,417	\$ 52.55	\$ 1,314
	6,000 - 7,000	926	5,989,520	6,468	\$ 61.33	\$ 56,791	16	107,070	6,692	\$ 63.20	\$ 1,011
	7,000 - 8,000	571	4,265,010	7,469	\$ 69.69	\$ 39,793	6	45,660	7,610	\$ 70.86	\$ 425
	8,000 - 9,000	358	3,033,390	8,473	\$ 78.07	\$ 27,949	5	43,000	8,600	\$ 79.13	\$ 396
	9,000 - 10,000	243	2,294,340	9,442	\$ 86.16	\$ 20,936	5	47,160	9,432	\$ 86.08	\$ 430
	10,000 - 11,000	164	1,723,320	10,508	\$ 94.91	\$ 15,566	9	94,530	10,503	\$ 94.88	\$ 854
	11,000 - 12,000	120	1,377,650	11,480	\$ 102.75	\$ 12,330	8	92,760	11,595	\$ 103.68	\$ 829
	12,000 - 13,000	96	1,202,020	12,521	\$ 111.14	\$ 10,669	6	75,000	12,500	\$ 110.97	\$ 666
	13,000 - 14,000	67	903,190	13,480	\$ 118.87	\$ 7,964	2	26,390	13,195	\$ 116.57	\$ 233
	14,000 - 15,000	64	926,860	14,482	\$ 126.95	\$ 8,125	4	57,860	14,465	\$ 126.81	\$ 507
	15,000 - 16,000	58	897,690	15,477	\$ 134.97	\$ 7,828	3	47,080	15,693	\$ 136.71	\$ 410
	16,000 - 17,000	53	873,200	16,475	\$ 143.01	\$ 7,580	6	99,180	16,530	\$ 143.45	\$ 861
	17,000 - 18,000	47	824,830	17,550	\$ 151.67	\$ 7,128	1	17,100	17,100	\$ 148.05	\$ 148
	18,000 - 19,000	36	666,370	18,510	\$ 159.41	\$ 5,739	4	74,470	18,618	\$ 160.28	\$ 641
	19,000 - 20,000	28	548,770	19,599	\$ 168.19	\$ 4,709	2	38,800	19,400	\$ 166.58	\$ 333
	20,000 - 50,000	289	8,344,220	28,873	\$ 242.93	\$ 70,208	91	3,007,920	33,054	\$ 276.64	\$ 25,174
	50,000-100,000	64	4,634,360	72,412	\$ 587.14	\$ 37,577	39	2,830,600	72,579	\$ 588.44	\$ 22,949
	100,000-200,000	42	5,526,610	131,586	\$ 1,037.17	\$ 43,561	28	3,943,600	140,843	\$ 1,106.32	\$ 30,977
	over - 200,000	2	658,720	329,360	\$ 2,514.54	\$ 5,029	30	14,105,200	470,173	\$ 3,566.41	\$ 106,992
	Sub-totals	20,028	87,708,890			\$ 934,357	686	25,409,370			\$ 205,937

Projected Annual Income with Current 5/8"x3/4" Rate		\$	1,140,294
Additional 1-inch Meter Revenue per Minimum Bills:	11	\$	2,641
Additional 1-1/2 inch Meter Revenue per Minimum Bills:	6	\$	2,735
Additional 2-inch Meter Revenue per Minimum Bills:	20	\$	16,925
Additional 3-inch Meter Revenue per Minimum Bills:	2	\$	2,463
Additional 4-inch Meter Revenue per Minimum Bills:	2	\$	3,344
<b>Total Projected 12 Month Revenue w/ Recommended Project Rates</b>		<b>\$</b>	<b>1,168,402</b>

XVIII. CURRENT OPERATING BUDGET - (FYE December 31, 2019 – Based on 2019 Audit & PSC Report)

A.	Operating Income	
	Water Sales	<u>\$ 1,221,472.00</u>
	Discount/Reconnect/Late Charge Fees	<u>\$ 19,991.00</u>
	Other (Describe)	<u>\$ 13,355.00</u>
	Less Allowances and Deductions	( \$ - )
	Total Operating Income	. . . . . <u>\$ 1,254,818.00</u>
B.	Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
	Source of Supply Expense	<u>\$ 580,866.00</u>
	Pumping Expense	<u>\$ -</u>
	Water Treatment Expense	<u>\$ -</u>
	Transmission and Distribution Expense	<u>\$ 87,638.00</u>
	Customer Service Expense	<u>\$ 41,420.00</u>
	Administrative and General Expense	<u>\$ 225,906.00</u>
	Total Operating Expenses	. . . . . <u>\$ 935,830.00</u>
	Net Operating Income	. . . . . <u>\$ 318,988.00</u>
C.	Non-Operating Income:	
	Interests on Deposits	<u>\$ 1,419.00</u>
	Other (Identify)	<u>\$ (2,400.00)</u>
	Total Non-Operating Income	. . . . . <u>\$ (981.00)</u>
D.	Net Income	. . . . . <u>\$ 318,007.00</u>
E.	Debt Repayment	
	RUS Interest	<u>\$ 90,237.00</u>
	RUS Principal & Reserve	<u>\$ 60,316.00</u>
	Non-RUS Interest	<u>\$ -</u>
	Non-RUS Principal	<u>\$ -</u>
	Total Debt Repayment	. . . . . <u>\$ 150,553.00</u>
F.	Short Lived Assets	<u>\$ 6,040.00</u>
G.	Balance Available for Coverage & Depreciation	<u>\$ 161,414.00</u>

XIX. PROPOSED OPERATING BUDGET - EXISTING & NEW USERS – RECOMMENDED WATER RATES

(1<sup>st</sup> Full Year of Operation) Year Ending 2021.

A.	Operating Income	
	Water Sales	<u>\$ 1,168,402.00</u> <sup>(1)</sup>
	Discount/Reconnect/Late Charge Fees	<u>\$ 19,991.00</u>
	Other (Describe)	<u>\$ 13,355.00</u>
	Less Allowances and Deductions	( )
	Total Operating Income	<u>\$ 1,201,748.00</u>
B.	Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
	Source of Supply Expense	<u>\$ 492,614.00</u> <sup>(2)</sup>
	Pumping Expense	<u>\$ -</u>
	Water Treatment Expense	<u>\$ -</u>
	Transmission and Distribution Expense	<u>\$ 90,268.00</u> <sup>(3)</sup>
	Customer Service Expense	<u>\$ 42,660.00</u> <sup>(3)</sup>
	Administrative and General Expense	<u>\$ 232,686.00</u> <sup>(3)</sup>
	Total Operating Expenses	<u>\$ 858,228.00</u>
	Net Operating Income	<u>\$ 343,520.00</u>
C.	Non-Operating Income:	
	Interests on Deposits	<u>\$ 1,419.00</u>
	Other (Identify)	<u>\$ (2,400.00)</u>
	Total Non-Operating Income	<u>\$ (981.00)</u>
D.	Net Income	<u>\$ 342,539.00</u>
E.	Debt Repayment	
	RUS Interest (pre - 2020)	<u>\$ 87,309.00</u> <sup>(4)</sup>
	RUS Principal & Reserve (pre - 2020)	<u>\$ 63,311.00</u> <sup>(4)</sup>
	RUS Interest (new)	<u>\$ 15,000.00</u> <sup>(5)</sup>
	RUS Principal & Reserve (new)	<u>\$ 14,625.00</u> <sup>(5)</sup>
	Non-RUS Interest	<u>\$ -</u>
	Non-RUS Principal	<u>\$ -</u>
	Total Debt Repayment	<u>\$ 180,245.00</u> <sup>(6)</sup>
F.	Short Lived Assets	<u>\$ 6,040.00</u>
G.	Balance Available for Coverage & Depreciation	<u>\$ 156,254.00</u>

Notes:

1. Estimated Water Sales per Forecast with Existing Customer Base, 2019 usage & new rates.
2. No new customers expected. Reflects \$0.58/1,000 gallon decrease from LTRWC, passed in 2020
3. Based on 3% nominal increase due to anticipated annual cost increases.
4. Debt Service per Amortization Schedules. 2021 Figures used for Future.
5. Estimated New Debt Service: Based on a \$800,000 RUS Loan at 1.875% and 38 payments.
6. Estimated Debt Service for 2021.



XX. PROPOSED OPERATING BUDGET - NEW USERS - EXTENSION ONLY – EXISTING WATER RATES

(1<sup>st</sup> Full Year of Operation) Year Ending 2021.

A.	Operating Income	
	Water Sales	\$ - <sup>(1)</sup>
	Discount/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	\$ 88,252.00 <sup>(2)</sup>
	Pumping Expense	\$ -
	Water Treatment Expense	\$ -
	Transmission and Distribution Expense	\$ 2,630.00 <sup>(3)</sup>
	Customer Service Expense	\$ 1,240.00 <sup>(3)</sup>
	Administrative and General Expense	\$ 6,780.00 <sup>(3)</sup>
	Total Operating Expenses	\$ 98,902.00
	Net Operating Income	\$ (98,902.00)
C.	Non-Operating Income:	
	Interests on Deposits	\$ -
	Other (Identify)	\$ -
	Total Non-Operating Income	\$ -
D.	Net Income	\$ (98,902.00)
E.	Debt Repayment	
	RUS Interest	\$ 15,000.00 <sup>(4)</sup>
	RUS Principal & Reserve	\$ 14,625.00 <sup>(4)</sup>
	Non-RUS Interest	\$ -
	Non-RUS Principal	\$ -
	Total Debt Repayment	\$ 29,625.00 <sup>(5)</sup>
F.	Short Lived Assets	\$ -
G.	Balance Available for Coverage & Depreciation	\$ (128,527.00)

Notes:

1. Based on 0 new customers.
2. No new customers or added demand resulting from project. Adjusted for 147,932,000 gallons purchased at new lower wholesale rate of \$3.33/1k vs. \$3.91.
3. Based on 3% nominal increase due to anticipated annual cost increases.
4. Estimated New Debt Service: Based on a \$800,000 RUS Loan at 1.875% and 38 payments.

