

SUMMARY ADDENDUM  
TO  
PRELIMINARY ENGINEERING REPORT

DATED June 2022

FOR

Sandy Hook Water District – New Treatment Plant and System Improvements  
(Name of Project)

APPLICANT CONTACT PERSON Bridgette Howard, Manager

APPLICANT PHONE NUMBER (606) 738-6282

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 61-6016689

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 proposed project is to build a new water treatment plant with a capacity of 300,000 GPD. This structure will contain an office as well as new high service pumps, chlorine equipment, filter tanks, drying beds and other general site work. Included in this construction will be a new above ground clear well with a capacity of 50,000 gallons.

The project will also cover the resealing of the Wrigley Water Tank located at the 11-mile marker of KY 7. This tank is in poor condition and repairs are necessary for its continued use. VFD's will be added at the Wrigley Pump Station located at the 3-mile marker of KY 7 to augment the repairs on the water tank. This will allow the District to keep adequate pressure in the lines while the tank is undergoing repairs. The installation of VFD's will also improve the overall performance of the pump station and reduce energy costs.

Lastly, the project will replace approximately 17,800 feet of problematic 4" PVC waterline on KY 755 from mile point 3.7 to mile point 6.5 and along KY 556 from mile point 5.6 to mile point 6.2. This area affects approximately 50 residences and has been continuously problematic and costly to maintain. The new line will be installed adjacent to the existing line and all customer meters will be reconnected to the new line.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM **N/A**

A. **Sewage Treatment:**

1. **Type** \_\_\_\_\_
2. **Method of Sludge Disposal** \_\_\_\_\_
3. **Cost per 1,000 gallons if sewage treatment is contracted:**  
\$ \_\_\_\_\_
4. **Date Constructed** \_\_\_\_\_

B. **Treatment Capacity of Sewage Treatment Plant** \_\_\_\_\_

C. **Type of Sewage Collector System (Describe)**

D. **Number and Capacity of Sewage Lift Stations**

E. **Sewage Collection System:**

**Lineal Feet of Collector Lines, by size** 6" \_\_\_\_\_ 8" \_\_\_\_\_

10" \_\_\_\_\_ 12" \_\_\_\_\_, Larger \_\_\_\_\_

Date(s) Constructed \_\_\_\_\_

**F. Conditions of Existing System: Briefly describe the conditions 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.**

**III. 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.

The District currently operates a water treatment plant with capacity of .374 MGD and currently produces an average of .200 MGD. The water source consists of eight total wells, of which three are currently used, located along Howard's Creek in Elliott County. Additionally, the District has purchase water contracts with Rattlesnake Ridge Water District and Rowan Water Inc. to ensure multiples sources of water for their customers.

If the applicant purchases water:

Seller(s):

1. Rattlesnake Ridge Water District

Price/1,000 gallons:

1. \$2.90

Seller(s):

2. Rowan Water Inc.

Price/1,000 gallons:

2. \$1.75

Present Estimated Market Value of Existing System: \$ 6,470,401.00

B. Water Storage:

Type: Ground Storage Tank 2 Elevated Tank 1

Standpipe 2 Other \_\_\_\_\_

Number of Storage Structures 5

Total Storage Volume Capacity 550,000 Gallons

Date Storage Tank(s) Constructed 1988, 1992, and 2002

C. Water Distribution System:

Pipe Material AC, PVC, DI

Lineal Feet of Pipe: 2" & 3" Diameter 226,500 4" 189,350

6" 217,100 8" 4,400

10" \_\_\_\_\_ 12" \_\_\_\_\_

All pipe footage is an estimate only.

Date(s) Water Lines Constructed 1990 – present

Number and Capacity of Pump Station(s) 5; 750 gpm

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 Sandy Hook Water District's system is currently in fair condition. Renovations/upgrades over the next five to ten years will continue to improve the older, undersized sections of the system and provide a safe, reliable source of drinking water to the customers.

E. Percentage of Water Loss Existing System 24%

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Principal Balance</u>	<u>Payment Date</u>	<u>Bond Type Water/Sewer*</u>	<u>Amount on Deposit in Reserve Account</u>
<u>1988 Issue</u>	<u>USDA RD</u>	<u>\$237,000</u>	<u>Semi-Annual</u>	<u>100 % 6.25 %</u>	<u>    \$</u>
<u>1991 Issue</u>	<u>USDA RD</u>	<u>\$316,000</u>	<u>Semi-Annual</u>	<u>100 % 5.00 %</u>	<u>    \$</u>
<u>1995 Issue</u>	<u>USDA RD</u>	<u>\$259,000</u>	<u>Semi-Annual</u>	<u>100 % 4.50 %</u>	<u>    \$</u>
<u>2001 Issue</u>	<u>USDA RD</u>	<u>\$495,000</u>	<u>Semi-Annual</u>	<u>100 % 4.50 %</u>	<u>    \$</u>
<u>2014 Issue</u>	<u>USDA RD</u>	<u>\$504,000</u>	<u>Semi-Annual</u>	<u>100 % 2.75 %</u>	<u>    \$</u>

\* If a combined issue, show attributable portion to each system.

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

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Payment Year 2019</u>		<u>Payment Year 2020</u>		<u>Payment Year 2021</u>	
		<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
1988 Issue	USRD	9,000	8,000	10,000	7,438	11,000	6,812
1991 Issue	USRD	10,000	8,200	11,000	7,700	11,000	7,150
1995 Issue	USRD	7,000	7,402	7,500	7,088	8,000	6,750
2001 Issue	USRD	10,000	17,482	10,500	17,032	11,000	16,560
2014 Issue	USRD	8,500	13,097	8,500	12,863	9,000	12,622
Total		<u>\$44,500</u>	<u>54,181</u>	<u>47,500</u>	<u>52,121</u>	<u>50,000</u>	<u>49,894</u>

V. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: (Do Not Show Any Debt Listed in Paragraph IV Above)

<u>Lender or Lessor</u>	<u>Date of Issue (Month &amp; Year)</u>	<u>Principal Balance</u>	<u>Purpose (Water and/ or Sewer)</u>	<u>Payment Date</u>	<u>Principal &amp; Interest Payment (P&amp;I)</u>	<u>Date to Be Paid In Full</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites:	Water	_____	Sewer	_____	<b>N/A</b>
Number of Storage Tank Sites	Water	4	Sewer	_____	<b>N/A</b>
Number of Pump Stations:	Water	5	Sewer	_____	<b>N/A</b>
Total Acreage:	Water	15 Acres	Sewer	_____	<b>N/A Acres</b>
Purchase Price:	Water	\$ _____	Sewer	\$ _____	<b>N/A</b>

VII. NUMBER OF EXISTING USERS

	Water	Sewer
Residential (In Town) *	_____	_____.
Residential (Out of Town) *	1,102	_____.
Non-Residential (In Town)	_____	_____.
Non-Residential (Out of Town)	108	_____.
Total	1,210	_____.
Number to Total Potential Users Living in the Service Area	350	_____.

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

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
5/8" x 3/4"	\$ 800.00 (Residential)	\$ <b>N/A</b>
_____	\$ _____	\$ <b>N/A</b>

IX. SEWER RATES - EXISTING SYSTEM **N/A**

**Percentage of Water Bill** \_\_\_\_\_ % **Minimum Charge \$** \_\_\_\_\_  
**Other: (If Charge Not Based on Water Bill)** \_\_\_\_\_  
**Date This Rate Went Into Effect** \_\_\_\_\_

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule:

<u>5/8" Meters</u>		
First 2,000	28.57	Minimum
Next 8,000	11.19	Per 1,000 gallons
Next 40,000	10.00	Per 1,000 gallons
Over 50,000	8.81	Per 1,000 gallons
<u>1" Meters</u>		
First 5,000	62.14	Minimum
Next 5,000	11.19	Per 1,000 gallons
Next 40,000	10.00	Per 1,000 gallons
Over 50,000	8.81	Per 1,000 gallons
<u>1 1/2" Meters</u>		
First 10,000	118.09	Minimum
Next 40,000	10.00	Per 1,000 gallons
Over 50,000	8.81	Per 1,000 gallons
<u>2" Meters</u>		
First 20,000	218.09	Minimum
Next 30,000	10.00	Per 1,000 gallons
Over 50,000	8.81	Per 1,000 gallons
<u>3" Meters</u>		
First 30,000	318.09	Minimum
Next 20,000	10.00	Per 1,000 gallons
Over 50,000	8.81	Per 1,000 gallons

Date This Rate Went Into Effect March 21, 2017

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

For Period 01/01/2018 to 12/31/2018.

ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM												
MONTHLY WATER USAGE	Residential			Commercial			Wholesale			Bulk		
	Average	No. of Users	Usage 1,000	Average	No. of Users	Usage 1,000	Average	No. of Users	Usage 1,000	Average	No. of Users	Usage 1,000
<i>5/8 x 3/4 meter</i>												
0 - 2,000 Gal.	725	297	215	875	57	50						
2,000 - 10,000 Gal.	2,650	750	1,988	2,050	24	49						0
10,000 - 50,000 Gal.	10,678	55	587	10,015	1	10						0
50,000 & Over Gal.	50,111	10	501	50,489	1	50						0
<i>1" meter</i>												
0 - 5,000 Gal.	1,050	3	3	1,650	1	2						
5,000 - 10,000 Gal.	5,578	2	11	5,000	1	5						
10,000 - 50,000 Gal.	10,785	1	11	10,000	1	10						
50,000 & Over Gal.												
<i>1 &amp; 1/2" meter</i>												
0 - 10,000 Gal.												
10,000 - 50,000 Gal.				10,041	1	10						
50,000 & Over Gal.												
<i>2" meter</i>												
0 - 20,000 Gal.				17,500	3	53						
20,000 - 50,000 Gal.				49,500	2	99						
50,000 & Over Gal.												
<i>3" meter</i>												
0 - 30,000 Gal.												
30,000 - 50,000 Gal.												
50,000 & Over Gal.												
	<i>Subtotal</i>	<i>1118</i>	<i>3,316</i>		<i>92</i>	<i>338</i>		<i>0</i>	<i>0</i>		<i>0</i>	<i>0</i>
Average Monthly Usage			2,966			3,671		#DIV/0!				#DIV/0!
	<b>Totals</b>	<b>1118</b>	<b>3316.3</b>		<b>92</b>	<b>337.77</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
	Total Water Purchased and/or Produced					74,397						
	Total Water Sold (Gallons)					52,410		43,848,000 (water) + 8,562,000 (sewer)				



XV. 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.

Water Supply described in Section III-A.

B. Water Storage:

Type: Ground Storage Tank 2 Elevated Tank 1  
Standpipe 2 Other \_\_\_\_\_  
Number of Storage Structures 5  
Total Storage Volume Capacity 550,000

C. Water Distribution System:

Pipe Material PVC, AC, DI  
Lineal Feet of Pipe: 3" Diameter 226,500 4" 189,350  
6" 217,100 8" 4,400  
10" \_\_\_\_\_ 12" \_\_\_\_\_  
Number and Capacity of Pump Station(s) 5; 750 gpm

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites	<u>0</u>
Number of Pump Sites	<u>0</u>
Number of Other Sites	<u>0</u>
Total Acreage	<u>0</u> Acres
Purchase Price	<u>\$ 0</u>

XIX. NUMBER OF NEW WATER USERS

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

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

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

<u>Meter Size</u>	<u>Connection Fee</u>
<u>5/8" x 3/4"</u>	<u>\$ 800.00</u>
<u>1 - Inch</u>	<u>\$ Actual Cost</u>
<u>1-1/2 Inch</u>	<u>\$ Actual Cost</u>
<u>2 - Inch</u>	<u>\$ Actual Cost</u>
<u>3 - Inch</u>	<u>\$</u>
<u>4 - Inch</u>	<u>\$</u>
<u>5 - Inch</u>	<u>\$</u>
<u>6 - Inch</u>	<u>\$</u>

## XXII. WATER RATES - PROPOSED

### A. Proposed Rate Schedule without additional RUS Grant:

<u>5/8" Meter</u>		
First 2,000	39.71	Minimum
Next 8,000	15.55	Per 1,000 gallons
Next 40,000	13.90	Per 1,000 gallons
Over 50,000	12.25	Per 1,000 gallons
<u>1" Meter</u>		
First 5,000	86.37	Minimum
Next 5,000	15.55	Per 1,000 gallons
Next 40,000	13.90	Per 1,000 gallons
Over 50,000	12.25	Per 1,000 gallons
<u>1 &amp; 1/2" Meter</u>		
First 10,000	164.15	Minimum
Next 40,000	13.90	Per 1,000 gallons
Over 50,000	12.25	Per 1,000 gallons
<u>2" Meter</u>		
First 20,000	303.15	Minimum
Next 30,000	13.90	Per 1,000 gallons
Over 50,000	12.25	Per 1,000 gallons
<u>3" Meter</u>		
First 30,000	442.15	Minimum
Next 20,000	13.90	Per 1,000 gallons
Over 50,000	12.25	Per 1,000 gallons

B. Recommended Rate Schedule with RUS Grant:

<u>5/8" Meter</u>		
First 2,000	37.14	Minimum
Next 8,000	14.55	Per 1,000 gallons
Next 40,000	13.00	Per 1,000 gallons
Over 50,000	11.45	Per 1,000 gallons
<u>1" Meter</u>		
First 5,000	80.78	Minimum
Next 5,000	14.55	Per 1,000 gallons
Next 40,000	13.00	Per 1,000 gallons
Over 50,000	11.45	Per 1,000 gallons
<u>1 &amp; 1/2" Meter</u>		
First 10,000	153.52	Minimum
Next 40,000	13.00	Per 1,000 gallons
Over 50,000	11.45	Per 1,000 gallons
<u>2" Meter</u>		
First 20,000	283.52	Minimum
Next 30,000	13.00	Per 1,000 gallons
Over 50,000	11.45	Per 1,000 gallons
<u>3" Meter</u>		
First 30,000	413.52	Minimum
Next 20,000	13.00	Per 1,000 gallons
Over 50,000	11.45	Per 1,000 gallons

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

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM														
MONTHLY WATER USAGE														
	AVERAGE				RATE				Residential			Commercial		
	Residential	Commercial	Wholesale	Bulk	Residential	Commercial	Wholesale	Bulk	No. of Users	Usage 1,000	Income	No. of Users	Usage 1,000	Income
<i>5/8 x 3/4 meter</i>														
0 - 2,000 Gal.	725	875			\$ 37.14	\$ 37.14			297	215	11,031	57	50	2,117
2,000 - 10,000 Gal.	2,650	2,050			\$ 46.60	\$ 39.30			750	1,988	34,948	24	49	943
10,000 - 50,000 Gal.	10,678	10,015			\$ 162.35	\$ 159.65			55	587	8,929	1	10	160
50,000 & Over Gal.	50,111	50,489			\$ 674.81	\$ 705.05			10	501	6,748	1	50	705
<i>1" meter</i>														
0 - 5,000 Gal.	1,050	1,650			\$ 80.78	\$ 80.78			3	3	242	1	2	81
5,000 - 10,000 Gal.	5,578	5,000			\$ 89.19	\$ 83.89			2	11	178	1	5	84
10,000 - 50,000 Gal.	10,785	10,000			\$ 163.74	\$ 159.44			1	11	164	1	10	159
50,000 & Over Gal.														
<i>1 &amp; 1/2" meter</i>														
0 - 10,000 Gal.		0			\$ 153.52									
10,000 - 50,000 Gal.		10,041			\$ 674.05				0	0	0	1	10	674
50,000 & Over Gal.		0												
<i>2" meter</i>														
0 - 20,000 Gal.		17,500			\$ 283.52				0	0	0	3	53	851
20,000 - 50,000 Gal.		49,500			\$ 667.02				0	0	0	2	99	1,334
50,000 & Over Gal.		0												
<i>3" meter</i>														
0 - 30,000 Gal.														
30,000 - 50,000 Gal.														
50,000 & Over Gal.														
	<i>Sub-Total</i>								1,118	3,316	\$62,241	92	338	\$7,108
Average Monthly Rate									\$ 51.20					
Average Monthly Usage												2,966		
												3,671		
	<b>Totals</b>								<b>1,118</b>	<b>3,316</b>	<b>\$62,241</b>	<b>92</b>	<b>338</b>	<b>\$7,108</b>

XXXVI. CURRENT OPERATING BUDGET - (WATER SYSTEM) -				Year Ending 2018
A.	Operating Income:			
	Water Sales			\$ 639,828
	Disconnect/Reconnect/Late Charge Fees/Customer Tap			\$ 18,545
	Other (Describe) Misc. Revenues			\$ 15,007
	Sewer Collection Revenue			\$ 128,854
	Less Allowances and Deductions			
	Total Operating Income			\$ 802,234
B.	Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)			
	Operation Expense			\$ 497,579
	Maintenance Expense			\$ 85,141
	Customer Accounts Expense			\$ 18,756
	Administrative and General Expense			\$ 26,198
	Total Operating Expenses			\$ 627,674
	Net Operating Income			\$ 174,560
C.	Non-Operating Income:			
	Interest on Deposits			\$ 1,180
	Other (Identify) Gain (loss) on Sales			\$ (1,079)
	Total Non-Operating Income			\$ 101
D.	Net Income			\$ 174,661
E.	Debt Repayment:			
	RUS Interest			\$ 56,000
	RUS Principal			\$ 42,000
	Non-RUS Interest			\$ -
	Non-RUS Principal			\$ -
	Total Debt Repayment			\$ 98,000
F.	Balance Available for Coverage			\$ 76,661
	Short Lived Assets			\$ 13,000
	Debt Reserve			
	Balance Available			\$ 63,661
	Coverage Ratio			1.78

<b>XXXVII. PROPOSED OPERATING BUDGET - (WATER SYSTEM)</b>					
	(1st Full Year of Operation)			Year Ending 2023	
A.	Operating Income:				
	Water Sales			\$	832,176
	Disconnect/Reconnect/Late Charge Fees			\$	22,000
	Other (Describe)	Misc. Revenues		\$	17,500
		Sewer Collection Revenue			130,000
	Less Allowances and Deductions				
	Total Operating Income			\$	1,001,676
B.	Operation and Maintenance Expenses:				
	(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)				
	Operation Expense			\$	550,233
	Maintenance Expense			\$	94,149
	Customer Accounts Expense			\$	20,740
	Administrative and General Expense			\$	28,970
	Total Operating Expenses			\$	694,092
	Net Operating Income			\$	307,584
C.	Non-Operating Income:				
	Interest on Deposits			\$	1,000
	Other (Identify)	Gain (loss) on Sales			
	Total Non-Operating Income			\$	1,000
D.	Net Income			\$	308,584
E.	Debt Repayment:				
	RUS Interest			\$	100,000
	RUS Principal			\$	110,000
	Non-RUS Interest			\$	-
	Non-RUS Principal			\$	-
	Total Debt Repayment			\$	210,000
F.	Balance Available for Coverage			\$	98,584
	Short Lived Assets			\$	13,000
	Debt Reserve			\$	7,000
	Balance Available			\$	78,584
	Coverage Ratio				1.47

XV. ESTIMATED PROJECT COST – WATER

Development	<u>\$ 7,048,429</u>
Land and Rights	<u>72,000</u>
Legal	<u>40,000</u>
Engineering	<u>501,300</u>
Interest	<u>35,000</u>
Contingencies	<u>283,271</u>
Initial Operating and Maintenance	<u>0</u>
Other (Refinance existing loan)	<u>0</u>
TOTAL	<u>7,980,000</u>

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	\$ <u>0</u>
Other Applicant Contribution	<u>0</u>
RUS Loan	<u>2,901,000</u>
RUS Grant	<u>3,579,000</u>
ARC Grant (If applicable)	<u>1,500,000</u>
CDBG (If applicable)	<u>0</u>
Other (Specify)	<u>0</u>
Other (Specify)	<u>0</u>
TOTAL	<u>\$ 7,980,000</u>



**SHWD Water System Improvements**

Revised 6/30/22

**Summary Addendum**

**Funding Option 1 - 40 year Payback Schedule with Grant**

**First Year of Operation - Year Ending in 2023**

<b>Total Project Cost</b>					\$7,980,000
<b>Proposed Funding</b>					
ARC Grant Funds Committed					\$1,500,000
RD Grant Funds Committed			\$2,000,000		
RD Grant Funds - <b>Additional</b>			\$1,579,000		
Total RD Grant Funds					\$3,579,000
Proposed Bond Amount - Committed			\$1,180,000		
Proposed Bond Amount - <b>Additional</b>			\$1,721,000		
Total RD Proposed Bond Amount					\$2,901,000
<b>Proposed Debt Service</b>					
RD Loan Annual Debt Service					\$97,000
40 years @ 1.500%					
RD Loan Debt Service Coverage (10% of Annual Debt Service)					\$9,700
<i>Total New Project Debt Service</i>					\$106,700
<b>Additional Expenses &amp; Anticipated Debt Service</b>					
Estimated Annual O & M Increase					\$66,274
Short-Lived Assets					\$13,000
Debt Reserve					
					+
<i>Total Additional Expenses &amp; Anticipated Debt Service</i>					\$79,274
Total Annual Increase (Total New Project Debt Service + Total Additional Expenses)					\$185,974
Balance Available for Coverage (For Planned & Ongoing Immediate Projects)					-
					\$78,584
<b>Total Additional Annual Revenue Required</b>					<b>\$107,390</b>
Total Additional Annual Revenue Required					\$174,882
Total 2021 Billed Water Revenue					÷
					\$602,104
<i>Percentage Rate Increase</i>					<b>30.00%</b>

<i>In Gallons</i>	<b>2018 Existing Rates</b>	<b>Proposed Rates</b>
<i>5/8" Meter</i>		
First 2,000	\$28.57	<b>\$37.14</b>
Next 8,000	\$11.19	<b>\$14.55</b>
Next 40,000	\$10.00	<b>\$13.00</b>
Over 50,000	\$8.81	<b>\$11.45</b>
<i>1" Meter</i>		
First 5,000	\$62.14	<b>\$80.78</b>
Next 5,000	\$11.19	<b>\$14.55</b>
Next 40,000	\$10.00	<b>\$13.00</b>
Over 50,000	\$8.81	<b>\$11.45</b>
<i>1 &amp; 1/2" Meter</i>		
First 10,000	\$118.09	<b>\$153.52</b>
Next 40,000	\$10.00	<b>\$13.00</b>
Over 50,000	\$8.81	<b>\$11.45</b>
<i>2" Meter</i>		
First 20,000	\$218.09	<b>\$283.52</b>
Next 30,000	\$10.00	<b>\$13.00</b>
Over 50,000	\$8.81	<b>\$11.45</b>
<i>3" Meter</i>		
First 30,000	\$318.09	<b>\$413.52</b>
Next 20,000	\$10.00	<b>\$13.00</b>
Over 50,000	\$8.81	<b>\$11.45</b>

**SHWD Water System Improvements**

Revised 6/30/22

**Summary Addendum**

**Funding Option 2 - 40 year Payback Schedule with no Additional Grant**

**First Year of Operation - Year Ending in 2023**

<b>Total Project Cost</b>						\$7,980,000
<b>Proposed Funding</b>						
ARC Grant Funds Committed						\$1,500,000
RD Grant Funds Committed						\$2,000,000
Proposed Bond Amount - Committed				\$1,180,000		
Proposed Bond Amount - <b>Additional</b>				\$3,300,000		
Total RD Proposed Bond Amount						\$4,480,000
<b>Proposed Debt Service</b>						
RD Loan Annual Debt Service						\$149,760
40 years @						1.500%
RD Loan Debt Service Coverage (10% of Annual Debt Service)						\$14,980
					<i>Total New Project Debt Service</i>	\$164,740
<b>Additional Expenses &amp; Anticipated Debt Service</b>						
Estimated Annual O & M Increase						\$66,274
Short-Lived Assets						\$13,000
Debt Reserve						+
					<i>Total Additional Expenses &amp; Anticipated Debt Service</i>	\$79,274
Total Annual Increase (Total New Project Debt Service + Total Additional Expenses)						\$244,014
Balance Available for Coverage (For Planned & Ongoing Immediate Projects)					-	\$78,584
					<b>Total Additional Annual Revenue Required</b>	<b>\$165,430</b>
Total Additional Annual Revenue Required						\$232,922
Total 2021 Billed Water Revenue					÷	\$602,104
					<b>Percentage Rate Increase</b>	<b>39.00%</b>

<i>In Gallons</i>	<b>2018 Existing Rates</b>	<b>Proposed Rates</b>
<i>5/8" Meter</i>		
First 2,000	\$28.57	<b>\$39.71</b>
Next 8,000	\$11.19	<b>\$15.55</b>
Next 40,000	\$10.00	<b>\$13.90</b>
Over 50,000	\$8.81	<b>\$12.25</b>
<i>1" Meter</i>		
First 5,000	\$62.14	<b>\$86.37</b>
Next 5,000	\$11.19	<b>\$15.55</b>
Next 40,000	\$10.00	<b>\$13.90</b>
Over 50,000	\$8.81	<b>\$12.25</b>
<i>1 &amp; 1/2" Meter</i>		
First 10,000	\$118.09	<b>\$164.15</b>
Next 40,000	\$10.00	<b>\$13.90</b>
Over 50,000	\$8.81	<b>\$12.25</b>
<i>2" Meter</i>		
First 20,000	\$218.09	<b>\$303.15</b>
Next 30,000	\$10.00	<b>\$13.90</b>
Over 50,000	\$8.81	<b>\$12.25</b>
<i>3" Meter</i>		
First 30,000	\$318.09	<b>\$442.15</b>
Next 20,000	\$10.00	<b>\$13.90</b>
Over 50,000	\$8.81	<b>\$12.25</b>