

2011/2012 Proposed Water Budget

| REVENUE | | |
|--|--|---|
| | <i>Active Connections – 340</i> | <i>Stand-by Connections - 50</i> |
| Capital Costs | \$ 25 | \$ 25 |
| Reserves | 7 | 7 |
| Base Fee | 4 | 4 |
| Water Usage (Average) | 9 | 0 |
| With financing | | |
| Monthly per connection | \$ 45 | \$ 36 |
| Annually per connection | \$ 540 | \$ 432 |
| <i>Annual HMC Debt Payment \$ 117,000. Paid by 390 connections at \$ 25 per month.</i> | | |
| Without financing | | |
| Monthly per connection | \$ 20 | \$ 11 |
| Annually per connection | \$ 240 | \$ 132 |
| TOTAL Annual Revenue all connections | \$ 81,600 | \$ 6,600 |
| <i>TOTAL Combined Annual Revenue: \$81,600 + \$6,600 = \$88,200</i> | | |
| EXPENSES | | |
| Operations & Maintenance | | |
| Contracted Services | \$ 24,000 | |
| Repairs & Maintenance | 12,000 | |
| Cross Connection Control Program | 2,500 | |
| Utilities | 4,000 | |
| Supplies & Parts | 3,000 | |
| Pump house monitoring (Scott Schultz) | 2,500 | |
| Miscellaneous | 1,000 | |
| Administration | 4,000 | |
| Legal | 1,000 | |
| Engineering | 1,000 | |
| Fees & permits | 1,000 | |
| Excise Tax | 1,000 | |
| TOTAL Operations & Maintenance | \$ 57,000 | |
| TOTAL Annual Reserves | \$ 31,200 | |
| TOTAL Annual Budget | \$ 88,200 | |
| Notes: | | |
| <i>\$2,500,000 used to calculate capital cost and debt payment USDA financed 40 years at 3.375%. Actual number could be less.</i> | | |
| <i>Number of connections could be more or less.</i> | | |
| <i>Connections choosing the full pre-payment option will decrease the amount HMC will need to finance.</i> | | |
| <i>For the purposes of this proposal capital costs and annual HMC debt payment assume USDA financing. Commercial financing would require 20% down with a higher interest rate over a shorter term.</i> | | |
| <i>With the new water system – the cost of managing the system will increase for meter reading currently at \$ 1.60 per connection per reading and \$2.70 per customer for account maintenance which includes customer service, billing and payment processing. For example: to read 340 meters once a month will cost \$544. To send out a monthly bill will cost \$ 1, 053 each month or each time we decide to bill. How we will bill has not been determined and is still being discussed.</i> | | |

PROPOSED