

ANTICIPATED WATER PROJECT PLAN

If HMC retains ownership of the Water System these are the next steps expected for accomplishing the Water System Project

- HMC establishes HMC Water Utility accounting system
- HMC gets bid ready specs for the Project
- HMC goes out for construction bids - RFP
- HMC acquires loan for capital improvement costs – commercial or USDA
- HMC establishes line of credit (construction loan)
- Construction begins (estimated 90 days from start to completion)
- HMC secures capital cost loan amount at end of construction

Once construction is complete, HMC members will choose one of the two options available to pay their portion of capital costs	
<i>Option One</i> <i>One-time only opportunity</i> <i>Full “up-front” Payment</i>	<i>Option Two</i> <i>Financed Payments</i> <i>per connection</i>
Paid to HMC with CASH, CHECK or CREDIT CARD w/fee. <i>(Estimated cost of \$6,000 per connection)</i> Upon receipt of full “up-front” payment, a recordable document will be issued showing PAID-IN-FULL for Water System Project 2011/12	Member obligated to pay financed payments amortized <u>over length of the loan</u> <i>Early HMC loan payoff with approval vote of financing members. Early payoff not available to individual members</i>

Beginning with the first budget cycle following construction your HMC Water bill will cover reserves, operations and maintenance	
<i>For Full “up-front” Payment Account</i>	<i>For Financed Payment Account</i>
Water bill will include a Base Fee + Reserves contribution + Water Usage fee for Active Connections	Water bill will include a Base Fee + Reserves contribution + Water Usage fee for Active Connections + Loan Repayment Amount

NOTE: YELLOW HIGHLIGHTED TEXT INDICATES CHANGES 3//6/11