

Proposed Water Service Rates

Rehabilitation of Existing Water Tank and Waterline Replacement Project

	Annual Amount		Bi-Monthly Rate Increase
USDA Loan & Reserve Requirements	\$ 100,000	\$	22.08

Based on a project cost estimate of \$1,621,000. It is anticipated that the funding for this project would be a low interest loan, with a 40-year repayment schedule from United States Department of Agriculture (USDA). The table above is an estimate of the annual revenue needed to repay the anticipated USDA loan.

Other Capital Improvement Project

	Annual Amount		Bi-Monthly Rate Increase
Preliminary Eng, Design, Right of Way	\$ 60,000	\$	13.25

Rate Increase Calculations

		Water Rates
Current Basic Bi-Monthly Water Service Rate	\$	80.47
Increase to Basic Bi-Monthly Water Service Rate	\$	35.33
Proposed Basic Bi-Monthly Water Service Rate	\$	115.80

The basic bi-monthly increase to water service rate, listed in the table above, was calculated based on 6 water billing cycles per year and a customer base of 755.