



The PFM Group

Public Financial Management, Inc.
PFM Asset Management, LLC
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San Luis Obispo County, California

Los Osos Wastewater Project
*Required Project Revenue Analysis for
Submission to USDA*



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Prepared by

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San Luis Obispo County, California
Los Osos Wastewater Project
Project Revenue Analysis

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At the request of San Luis Obispo County, California (the “County”), Public Financial Management, Inc. has prepared the following analysis to estimate the wastewater rates required (a) to repay the capital funding anticipated to be raised to design and construct the proposed Los Osos Wastewater Project (the “Project”), and (b) to operate and maintain the Project. The analysis will also include a discussion of the possible capital funding scenarios for the Project and how these scenarios impact the ultimate required wastewater rates.

PROJECT OVERVIEW

The Project will serve an area of the Los Osos community within the County with an existing population of approximately 12,500 and a build-out population estimated at approximately 14,500. The service area is currently served by on-site septic systems, therefore the Project will consist of almost entirely new facilities for wastewater collection, treatment, and reuse to serve 4,769 planned connections. The total capital cost of the Project, including on-lot costs arranged and financed individually by users, is anticipated to be approximately \$190 million.

Table 1: Los Osos Project Costs

Collection System	\$107,570,000
Treatment Process	29,100,000
Solid Process	4,380,000
Effluent Reuse/Disposal	10,100,000
Water Recycling	7,850,000
Water Conservation	5,000,000
Land	<u>2,000,000</u>
Total Construction Related Costs	\$ 166,000,000
Payment of defaulted CSD SRF Loan	6,500,000
Repayment of County Interest	200,000
Capitalized Interest for Interim Financing	455,000
Cost of Issuance for Interim Financing	<u>455,000</u>
SRF and USDA Financed Costs	173,610,000
On-Lot Construction Costs	<u>15,600,000</u>
Aggregate Community Financing Needs	\$189,210,000

The category of users considered for this analysis is comprised of the following seven groups:

Table 2: Project User Groups and Accounts

Single Family Residential	4,289
Multi Family Residential	809
Mobile Homes	542
Low-Load Non Residential	147
Medium-Load Non Residential	5
High-Load Non Residential	17
Special Users (Septage)	<u>749</u>
	6,558



The number of accounts identifies the current developed properties and anticipated wastewater users for the Project. If a second Proposition 218 vote is passed for assessments to be levied on undeveloped properties, another approximate 650 parcel-owners will be making payments to finance the Project.

Determination of Project Rates

The rates outlined in the accompanying wastewater rate analysis are based on several assumptions incorporated into the wastewater rate model. The overall wastewater fees necessary to be generated by the Project will be sufficient to finance the operating, maintenance, and replacement costs (“OM&R”), debt service related costs (“DSR”), and required related reserves and coverage levels. This report relies on the OM&R and related coverage levels provided by the County that have been estimated and calculated by engineers and other qualified professionals. PFM makes no determination related to the sufficiency of these calculations and knows of no reason why these figures may be incorrect or should not be incorporated into the aggregate wastewater rate analysis.

Capital Funding Sources

The long-term capital sources outlined within the accompanying analysis are a \$80 million funding by the United State Department of Agriculture (in the form of a loan and possibly partial grant, “USDA Loan” and “USDA Grant”) and a \$93,610,000 California State Revolving Fund loan (“SRF Loan”). The accompanying wastewater rate calculations reflect some scenarios that have up to 20% of the USDA funding being awarded in the form of a USDA Grant. Predevelopment costs of \$7.45 million have been fronted to date by the County (“County Loan”), and an interim financing is assumed to be necessary to repay the County Loan and to finance additional Project costs prior to when the long-term financing becomes available.

INTERIM AND LONG TERM FINANCING

An initial financing is anticipated to be necessary prior to the availability the USDA Loan, USDA Grant, and the SRF Loan. This interim financing will be used (a) to repay the County for the funds that it has provided to date for the Project’s predevelopment, (b) to fund the acquisition of land for the treatment facility, and (c) to finance additional predevelopment and other Project costs. The financing is conservatively structured to fund cost of issuance and interest payments (each equal to approximately 2% of the financing). Because the County is trying to limit the DSR, costs of the Project not permitted to be repaid by Assessments will be requested by the County to be funded by the USDA Grant. A summary of the Interim Financing’s sources and uses is shown as follows.





Table 3: Sources & Uses of Interim Financing

Sources:	Loan Anticipation Note	\$22,610,000
Uses:	Repay County Loan	\$7,450,000
	Interest on County Loan (assumed)	200,000
	Remaining Predevelopment Costs	12,050,000
	Land Acquisition	2,000,000
	Capitalized Interest	455,000
	Cost of Issuance	<u>455,000</u>
		\$22,610,000

The Project’s long-term financing is currently assumed to be provided by a USDA Loan, a potential USDA Grant, and an SRF Loan. The County will propose that the USDA Loan and USDA Grant be used to (a) takeout the Interim Financing, (b) finance remaining predevelopment costs, and (c) fund specific contracts relating to the Collection System. The County will propose that the SRF Loan be used to finance all remaining construction and related capital costs of the Project. A Summary of the long-term sources and uses is shown in the following table. This table depicts 20% of the USDA award in the form of a grant. If a grant is not awarded, the \$16 million USDA Grant would be deleted and the USDA Loan would change from \$64 million to \$80 million.

Table 4: Sources & Uses of Long-Term Financing

Sources:	USDA Loan	\$ 64,000,000
	USDA Grant	16,000,000
	SRF Loan	<u>93,610,000</u>
		\$173,610,000
Uses:	Interim Financing Payoff	\$ 22,610,000
	Collection System	97,761,548
	Treatment Process	26,447,453
	Solid Process	3,980,612
	Effluent Reuse/Disposal	9,175,647
	CSD defaulted SRF Loan	6,500,000
	Water Recycling	<u>7,134,740</u>
		\$173,610,000

The USDA Loan is structured within these analyses to be repaid solely from Assessments. A significant portion of the SRF Loan will also be repaid by Assessments and the remaining portion of the SRF Loan will be repaid by Project revenues. If the Proposition 218 vote for the undeveloped property is passed a smaller portion of the SRF Loan will need to be repaid by Project revenues. If the USDA awards 20% of its estimated funding in the form of a grant, the amount of SRF Loan required to be repaid by Project revenues will also be reduced.





Assumed Drawdown of Funds

Exhibit C shows the assumed drawdown timing and amounts of the SRF Loan, USDA Loan, and USDA Grant under the different funding scenarios. The drawdown schedule of the USDA Loan assumes an immediate retirement of the Interim Financing, and then 36 level monthly draws for the remaining balance. The drawdown schedule of the SRF Loan assumes an immediate repayment of the Los Osos Community Service District’s (“CSD”) defaulted \$6.5 million SRF Loan, and then 24 level monthly draws for the remaining balance. The SRF Loan is assumed to begin its draw schedule 1 year after the USDA Loan so that both loans’ proceeds are exhausted at the same time (after an overall 36 month project construction schedule). In the financing scenarios that use a USDA Grant, the grant is combined with the USDA Loan to determine monthly draws, but the grant funds are scheduled to be drawn after the loan proceeds.

Sources of Repayment

The USDA Loan and SRF Loan are anticipated to be repaid by Project revenues and assessments collected on properties located in the Los Osos community. In October of 2007, owners of developed properties passed a Proposition 218 vote that resulted in a principal assessment amount of approximately \$127 million (the “Assessment”). Additionally, it is the intention of the County to generate an assessment amount on undeveloped properties in the principal amount of approximately \$28 million through a second Proposition 218 vote. If passed, the aggregate principal assessment amount will exceed \$154 million as follows:

Los Osos Project Assessments

Developed Property Assessment (passed in October 2007)	\$126,722,296
Undeveloped Property Assessment (to be voted on)	<u>27,721,704</u>
	\$154,444,000

DESCRIPTION OF CAPITAL FINANCING SCENARIOS

PFM has calculated DSR under four different financial scenarios. The main differences between these scenarios will be whether (a) the County’s proposed \$28 million Proposition 218 vote on undeveloped properties within the Los Osos community will pass or not, and (b) if the requested \$80 million USDA funding will have a 20% grant component or not. If the second Proposition 218 vote passes, a significantly greater portion of Project’s financing will be able to be repaid by Assessments. If \$16 million of grant funds is received by the County, the estimated DSR for the Project will be reduced. The following chart depicts the four analyzed scenarios.



Table 5: Four DSR Analyzed Scenarios

		USDA GRANT	
2ND ASSESSMENT	Scenario 1 No / No	Scenario 2 No / Yes	
	Scenario 3 Yes / No	Scenario 4 Yes / Yes	

Impact of the USDA Grant and Second Proposition 218 Vote

Assuming that 20% of the \$80 million USDA provided financing is awarded as a grant, the amount of collected Assessments necessary to repay the USDA Loan will be reduced by 25%. If a grant is awarded, and the 218 Proposition vote related to the undeveloped properties passes, a minimal amount of Project Revenues will be required to repay the Project’s capital cost. However, since the repayment of CSD’s defaulted SRF Loan may not be repaid by Assessments, a minimum amount of \$6,500,000 of the capital expenditures is anticipated to be repaid by Project Revenues under any scenario.

Below is a matrix of the Project’s funding sources that would be repaid by Assessments and future Project revenues under each of the four scenarios. The highlighted category represents the portion of the SRF Loan that would be repaid with future Project revenues. The non-highlighted sources of funding for the Project are estimated to be repaid by Assessments.

Table 6: Sources of Funding – Four Scenarios

		\$16MM USDA Grant			
		No			Yes
No	Scenario 1		Scenario 2		
	USDA Loan	\$80,000,000	USDA Loan	\$64,000,000	
	USDA Grant	-	USDA Grant	16,000,000	
	SRF Loan	46,722,296	SRF Loan	62,722,296	
	SRF Loan - DSR	46,887,704	SRF Loan - DSR	30,887,704	
		\$173,610,000		\$173,610,000	
2nd Assessment	Scenario 3		Scenario 4		
Yes	USDA Loan	\$80,000,000	USDA Loan	\$64,000,000	
	USDA Grant	-	USDA Grant	16,000,000	
	SRF Loan	74,444,000	SRF Loan	87,110,000	
	SRF Loan - DSR	19,166,000	SRF Loan - DSR	6,500,000	
		\$173,610,000		\$173,610,000	

The USDA Loan is assumed to have a term of 40 years and to be repaid by Assessments only; however, the USDA Loan’s annual repayment amount will depend on whether or not a grant is awarded. The USDA Loan is assumed to be structured to pay interest only on the amount drawn through a 3-year construction period, and then have 37 years of level annual principal and interest payments until maturity in year 40. The interest rate is estimated to be 4.0%.

The SRF Loan is assumed to have a term of 20 years and its annual repayment amount will remain the same under all scenarios; however, the annual repayment composition between Assessments and Project



Revenues will differ under each scenario based upon the award of the grant and the second Proposition 218 vote. The SRF Loan is assumed to accrue simple interest for a 2-year construction period that starts a year later than the USDA Loan, and then 20 annual level debt payments beginning in year 4 through year 23. The interest rate is estimated to be 3.0%.

The repayment schedules of the USDA Loan and SRF Loan under each of the four scenarios are provided in Exhibit B. It is important to remember that the financing terms of the USDA Loan and SRF Loan are different. Because the SRF Loan is assumed to be repaid over 20 years, annual debt service will be greater on the SRF Loan than on equivalent amounts of principal for the USDA Loan that has a repayment period of 40 years. The following chart reflects a summary matrix of the assumed full annual debt service payments under each of the four scenarios broken down by funding source (SRF Loan and USDA Loan) and by repayment source (Assessments and Project revenues).

Table 7: Assumed Annual Required Debt Payments

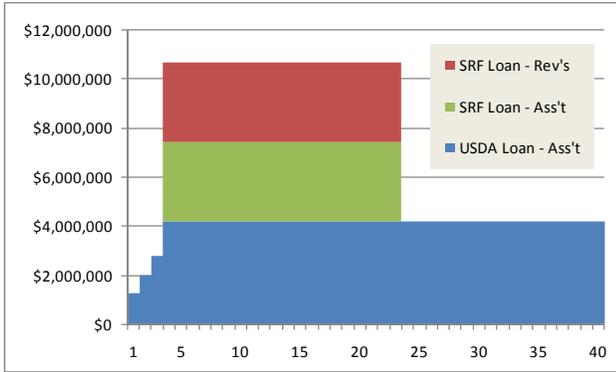
	No USDA Grant \$80 MM USDA Loan	\$16MM USDA Grant \$64 MM USDA Loan	
No Vote <hr/> \$127 MM Assessment	Scenario 1 SRF Loan Rev's 3,249,037 20 yrs Ass't 3,237,575 " <hr/> 6,486,612	Scenario 2 SRF Loan Rev's 2,140,333 20 yrs Ass't 4,346,279 " <hr/> 6,486,612	
	USDA Loan Ass't 4,179,165 40 yrs	USDA Loan Ass't 3,343,332 40 yrs	
	Yes Vote <hr/> \$154 MM Assessment	Scenario 3 SRF Loan Rev's 1,328,089 20 yrs Ass't 5,158,523 " <hr/> 6,486,612	Scenario 4 SRF Loan Rev's 450,411 20 yrs Ass't 6,036,201 " <hr/> 6,486,612
		USDA Loan Ass't 4,179,165 40 yrs	USDA Loan Ass't 3,343,332 40 yrs

It is important to note that the above table reflects only the annual debt service payments and not the required annual payments for reserves related to such debt. *It is assumed in the accompanying analysis that the portion of the SRF Loan repaid by Project revenues will require a debt reserve fund equal to one annual debt service payment and that this requirement will be satisfied by setting aside 10% of the annual payment for each of the first ten years that the Project is generating revenue.* Reserve payments are not anticipated to be made for the USDA Loan or portion of the SRF Loan supported by Assessments due to the County's practice of funding delinquent assessments under the "Teeter Plan".

The following graphs illustrate the estimated annual payments required to repay the Project's long term capital financing. The red and green areas represent the respective annual debt service portion of the 20-year SRF Loan to be repaid by Project revenues and Assessments. The blue areas reflect the estimated annual debt service portion of the USDA Loan to be repaid by Assessments.



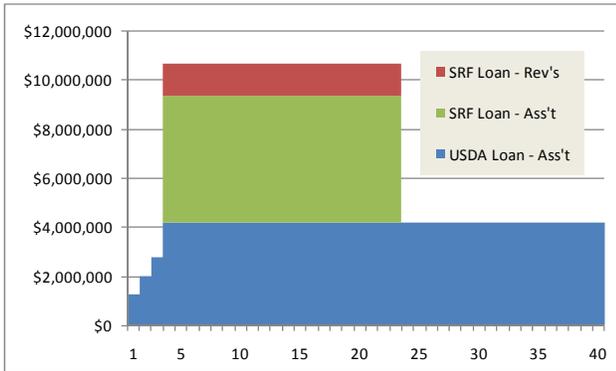
Scenario 1: No USDA Grant /
No 2nd Assessment Vote



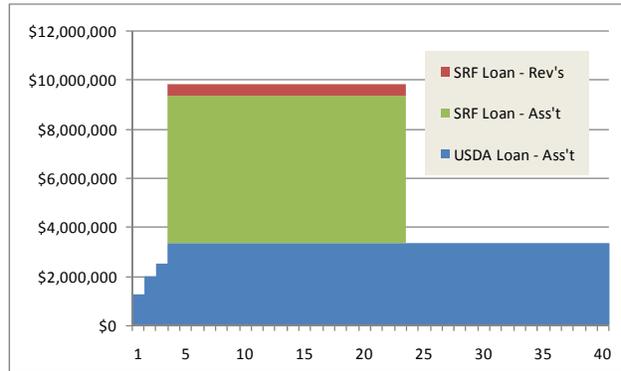
Scenario 2: USDA Grant /
No 2nd Assessment Vote



Scenario 3: No USDA Grant /
2nd Assessment Vote



Scenario 4: USDA Grant /
2nd Assessment Vote





SUMMARY OF RESULTING LOS OSOS WASTEWATER RATES

The Los Osos Project wastewater rates necessary to pay OM&R are assumed to remain constant in our four capital financing scenarios. The chart below summarizes these annual charges in each respective category of the OM&R's fixed portion, variable portion and capital replacement funds.

Table 8: Annual Project OMR Costs

	Fixed Portion	Variable Portion	Cap Rep Fund	Total OMR
Single Family Residential	\$1,416,592	\$446,099	\$158,306	\$2,020,997
Multi Family Residential	200,421	63,115	22,397	285,933
Mobile Homes	89,553	28,201	10,008	127,762
Low-Load Non Residential	53,826	16,950	6,015	76,792
Medium-Load Non Residential	2,462	633	204	3,299
High-Load Non Residential	32,385	8,008	2,521	42,915
Special Users (Septage)	9,759	1,994	549	12,302
	\$1,805,000	\$565,000	\$200,000	\$2,570,000

Wastewater Charges

There will be different wastewater rate charges necessary pursuant to each of the different capital financing scenarios. As previously explained, if the Proposition 218 Vote is passed to assess the undeveloped parcels, there will be more Assessments to repay the capital costs and less Project revenues will be required. Also, if the Project is awarded a USDA Grant, less Project revenues will be required to pay back the capital sources. The following chart reflects the impact of the different scenarios on the wastewater rate charges.

Table 9: Wastewater Revenues under Different Scenarios

	<u>Scenario 1</u> 218 Failed No Grant	<u>Scenario 2</u> 218 Failed Grant	<u>Scenario 3</u> 218 Passed No Grant	<u>Scenario 4</u> 218 Passed Grant
Single Family Residential	\$4,841,181	\$3,878,819	3,173,787	\$2,411,957
Multi Family Residential	684,937	548,781	449,032	341,247
Mobile Homes	306,046	245,208	200,638	152,477
Low-Load Non Residential	183,950	147,383	120,594	91,647
Medium-Load Non Residential	7,386	5,991	4,970	3,865
High-Load Non Residential	94,877	77,146	64,155	50,118
Special Users (Septage)	25,562	21,037	17,722	14,140
	\$6,143,941	\$4,924,366	\$4,030,898	\$3,065,452
Total Accounts	6,558	6,558	6,558	6,558
<i>Annual Charge per Account</i>	936.86	750.89	614.65	467.44
<i>Monthly Charge per Account</i>	78.07	62.57	51.22	38.95

As shown in Table 9, the average monthly charge in Scenario 4 (with the second 218 vote and the USDA Grant) is approximately half of the monthly charge in Scenario 1 that has neither of these benefits. Exhibit D contains a summary of each of the four scenarios as well as the supporting information in detail. Exhibit A contains a higher level summary comparing the four scenarios.





OVERALL WASTEWATER ONGOING COSTS

The overall financial burden of the Los Osos Project to its users in the community is a combination of the costs of the on-lot construction, wastewater fees and charges, and assessments levied. The chart below shows how this aggregate associated annual wastewater cost differs among the four scenarios. While the on-lot construction cost will remain the same under each of the capital financing scenarios, the Project revenues and Assessments will change.

Table 10: Wastewater Associated Costs under Different Scenarios

	<u>Scenario 1</u> 218 Failed No Grant	<u>Scenario 2</u> 218 Failed Grant	<u>Scenario 3</u> 218 Passed No Grant	<u>Scenario 4</u> 218 Passed Grant
On-Lot Construction	\$2,430,793	\$2,430,793	\$2,430,793	\$2,430,793
Project Revenues	6,143,941	4,924,366	4,030,898	3,065,452
Assessments	7,416,741	7,689,612	9,337,689	9,379,533
	<u>\$15,991,475</u>	<u>\$15,044,771</u>	<u>\$15,799,380</u>	<u>\$14,875,779</u>
 Total Accounts	 6,558	 6,558	 7,309	 7,309
 <i>Annual Charge per Account</i>	 2,438.47	 2,294.11	 2,262.87	 2,121.38
<i>Monthly Charge per Account</i>	203.21	191.18	188.57	176.78

Scenarios 3 and 4 of Table 10 reflect the larger number of accounts due to the second Proposition 218 vote passing for the undeveloped properties. While this potential increase in accounts would reflect a source of revenue through the assessments levied on their applicable parcels, it is assumed that they would not yet be paying wastewater charges or incur on-lot construction costs of changing from a septic system to a connection. Exhibit A provides a more detailed breakdown of this summary among the different user categories. The allocation among the user groups is for example purposes only and does not represent the true average cost per user category because of the uncertainty of the specific on-lot construction costs and the classification of all properties towards the specific category for the determined assessments. However, reasonable assumptions were applied to this category breakdown.



Exhibit A – Summary of Wastewater Charges and Overall Costs:

Summary of Required Project Revenues

I

Summary of Wastewater Related Costs

II

COUNTY OF SAN LUIS OBISPO
LOS OSOS WASTEWATER PROJECT

SUMMARY OF REQUIRED WASTEWATER REVENUES

Single Family Residential	Multi Family Residential	Mobile Homes	Low-Load Non Residential	Med-Load Non Residential	High-Load Non Residential	Special Users (Septage)	Aggregate Revenues
4,289	809	542	147	5	17	749	6,558

Funding Scenario 1 - No 2nd Assessment / No USDA Grant

Total Project Revenues	4,841,181	684,937	306,046	183,950	7,386	94,877	25,562	6,143,941
<i>Annual Average per Account</i>	<i>1,128.74</i>	<i>846.65</i>	<i>564.66</i>	<i>1,251.36</i>	<i>1,477.26</i>	<i>5,581.01</i>	<i>34.13</i>	<i>936.86</i>
<i>Monthly Average per Account</i>	<i>94.06</i>	<i>70.55</i>	<i>47.06</i>	<i>104.28</i>	<i>123.10</i>	<i>465.08</i>	<i>2.84</i>	<i>78.07</i>

Funding Scenario 2 - No 2nd Assessment / USDA Grant

Total Project Revenues	3,878,819	548,781	245,208	147,383	5,991	77,146	21,037	4,924,366
<i>Annual Average per Account</i>	<i>904.36</i>	<i>678.34</i>	<i>452.41</i>	<i>1,002.61</i>	<i>1,198.29</i>	<i>4,537.97</i>	<i>28.09</i>	<i>750.89</i>
<i>Monthly Average per Account</i>	<i>75.36</i>	<i>56.53</i>	<i>37.70</i>	<i>83.55</i>	<i>99.86</i>	<i>378.16</i>	<i>2.34</i>	<i>62.57</i>

Funding Scenario 3 - 2nd Assessment / No USDA Grant

Total Project Revenues	3,173,787	449,032	200,638	120,594	4,970	64,155	17,722	4,030,898
<i>Annual Average per Account</i>	<i>739.98</i>	<i>555.05</i>	<i>370.18</i>	<i>820.37</i>	<i>993.91</i>	<i>3,773.83</i>	<i>23.66</i>	<i>614.65</i>
<i>Monthly Average per Account</i>	<i>61.67</i>	<i>46.25</i>	<i>30.85</i>	<i>68.36</i>	<i>82.83</i>	<i>314.49</i>	<i>1.97</i>	<i>51.22</i>

Funding Scenario 4 - 2nd Assessment / USDA Grant

Total Project Revenues	2,411,957	341,247	152,477	91,647	3,865	50,118	14,140	3,065,452
<i>Annual Average per Account</i>	<i>562.36</i>	<i>421.81</i>	<i>281.32</i>	<i>623.45</i>	<i>773.08</i>	<i>2,948.14</i>	<i>18.88</i>	<i>467.44</i>
<i>Monthly Average per Account</i>	<i>46.86</i>	<i>35.15</i>	<i>23.44</i>	<i>51.95</i>	<i>64.42</i>	<i>245.68</i>	<i>1.57</i>	<i>38.95</i>

COUNTY OF SAN LUIS OBISPO
LOS OSOS WASTEWATER PROJECT

ANNUAL WASTEWATER RELATED COSTS

Single Family Residential 4,289	Multi Family Residential 809	Mobile Homes 542	Low-Load Non Residential 147	Med-Load Non Residential 5	High-Load Non Residential 17	Special Users (Septage) 749		Aggregate 6,558
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Funding Scenario 1 - No 2nd Assessment / No USDA Grant

On-Lot Construction	2,264,718	44,950	5,556	81,677	5,556	28,337	-	2,430,793
Project Revenues	4,841,181	684,937	306,046	183,950	7,386	94,877	25,562	6,143,941
Assessments	5,901,264	814,996	202,659	214,583	14,597	268,641	-	7,416,741
Total Annual Wastewater Costs	13,007,163	1,544,883	514,261	480,209	27,540	391,855	25,562	15,991,475
<i>Annual Average per Account</i>	3,032.68	1,909.62	948.82	3,266.73	5,507.99	23,050.31	34.13	2,438.47
<i>Monthly Average per Account</i>	252.72	159.14	79.07	272.23	459.00	1,920.86	2.84	203.21

Funding Scenario 2 - No 2nd Assessment / USDA Grant

On-Lot Construction	2,264,718	44,950	5,556	81,677	5,556	28,337	-	2,430,793
Project Revenues	3,878,819	548,781	245,208	147,383	5,991	77,146	21,037	4,924,366
Assessments	6,118,379	844,981	210,115	222,477	15,135	278,525	-	7,689,612
Total Annual Wastewater Costs	12,261,916	1,438,712	460,880	451,537	26,682	384,007	21,037	15,044,771
<i>Annual Average per Account</i>	2,858.92	1,778.38	850.33	3,071.68	5,336.44	22,588.66	28.09	2,294.11
<i>Monthly Average per Account</i>	238.24	148.20	70.86	255.97	444.70	1,882.39	2.34	191.18

2 nd Assessment passed - adjusted accounts	4,901	924	542	168	6	19	749	7,309
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Funding Scenario 3 - 2nd Assessment / No USDA Grant

On-Lot Construction	2,264,718	44,950	5,556	81,677	5,556	28,337	-	2,430,793
Project Revenues	3,173,787	449,032	200,638	120,594	4,970	64,155	17,722	4,030,898
Assessments	7,772,173	841,907	209,350	221,668	15,079	277,512	-	9,337,689
Total Annual Wastewater Costs	13,210,677	1,335,888	415,545	423,939	25,605	370,003	17,722	15,799,380
<i>Annual Average per Account</i>	2,853.85	1,521.76	766.69	2,695.44	4,618.40	20,046.57	23.66	2,262.87
<i>Monthly Average per Account</i>	237.82	126.81	63.89	224.62	384.87	1,670.55	1.97	188.57

Funding Scenario 4 - 2nd Assessment / USDA Grant

On-Lot Construction	2,264,718	44,950	5,556	81,677	5,556	28,337	-	2,430,793
Project Revenues	2,411,957	341,247	152,477	91,647	3,865	50,118	14,140	3,065,452
Assessments	7,807,002	845,679	210,289	222,661	15,147	278,755	-	9,379,533
Total Annual Wastewater Costs	12,483,677	1,231,876	368,322	395,985	24,569	357,210	14,140	14,875,779
<i>Annual Average per Account</i>	2,683.33	1,392.61	679.56	2,504.44	4,408.83	19,286.33	18.88	2,121.38
<i>Monthly Average per Account</i>	223.61	116.05	56.63	208.70	367.40	1,607.19	1.57	176.78

Exhibit B – Overall Los Osos Wastewater Annual Costs:

Scenario 1 – No 2 nd Assessment / No USDA Grant	I
Scenario 2 – No 2 nd Assessment / USDA Grant	II
Scenario 3 – 2 nd Assessment / No USDA Grant	III
Scenario 4 – 2 nd Assessment / USDA Grant	IV

COUNTY OF SAN LUIS OBISPO
LOS OSOS WASTEWATER PROJECT

ANNUAL WASTEWATER REVENUES AND CHARGES

Funding Scenario 1 - No 2nd Assessment / No USDA Grant

Single Family Residential 4,289	Multi Family Residential 809	Mobile Homes 542	Low-Load Non Residential 147	Med-Load Non Residential 5	High-Load Non Residential 17	Special Users (Septage) 749	Aggregate Accounts 6,558
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PERSONAL FINANCING

	Single Family Residential	Multi Family Residential	Mobile Homes	Low-Load Non Residential	Med-Load Non Residential	High-Load Non Residential	Special Users (Septage)	Aggregate Accounts
On-Site Connections	4,076	40	5	147	5	17	-	
Connection Cost Factor	1.0	2.0	2.0	1.0	2.0	3.0	-	
Connection Equivalents	4,076	81	10	147	10	51	-	
Connection Cost per Goup	14,534,184	288,473	35,658	524,172	35,658	181,856	-	15,600,000
** Annual On-Site Connections Pmts	2,264,718	44,950	5,556	81,677	5,556	28,337	-	2,430,793
<i>Annual Average per Account</i>	<i>528.03</i>	<i>55.56</i>	<i>10.25</i>	<i>555.62</i>	<i>1,111.25</i>	<i>1,666.87</i>	<i>-</i>	<i>370.66</i>
<i>Monthly Average per Account</i>	<i>44.00</i>	<i>4.63</i>	<i>0.85</i>	<i>46.30</i>	<i>92.60</i>	<i>138.91</i>	<i>-</i>	<i>30.89</i>

PROJECT REVENUES

Variable OM&R Costs	446,099	63,115	28,201	16,950	633	8,008	1,994	565,000
Fixed OM&R Costs	1,416,592	200,421	89,553	53,826	2,462	32,385	9,759	1,805,000
Capital Replacement Fund	158,306	22,397	10,008	6,015	204	2,521	549	200,000
Operational/Replacement Costs	2,020,997	285,933	127,762	76,792	3,299	42,915	12,302	2,570,000
SRF Loan Repayment	2,564,837	362,877	162,142	97,456	3,663	46,417	11,645	3,249,037
SRF Debt Reserve Fund	255,347	36,127	16,142	9,702	425	5,545	1,615	324,904
Operations and Debt Service	4,841,181	684,937	306,046	183,950	7,386	94,877	25,562	6,143,941
<i>Annual Average per Account</i>	<i>1,128.74</i>	<i>846.65</i>	<i>564.66</i>	<i>1,251.36</i>	<i>1,477.26</i>	<i>5,581.01</i>	<i>34.13</i>	<i>936.86</i>
<i>Monthly Average per Account</i>	<i>94.06</i>	<i>70.55</i>	<i>47.06</i>	<i>104.28</i>	<i>123.10</i>	<i>465.08</i>	<i>2.84</i>	<i>78.07</i>

ASSESSMENTS

Estimated Assessments Noticed	100,828,892	13,925,011	3,462,626	3,666,355	249,412	4,590,000	-	126,722,296
USDA Loan Repayment	3,325,229	459,232	114,194	120,912	8,225	151,373	-	4,179,165
SRF Loan Repayment	2,576,035	355,764	88,465	93,670	6,372	117,268	-	3,237,575
Total Annual Assessments	5,901,264	814,996	202,659	214,583	14,597	268,641	-	7,416,741
<i>Annual Average per Account</i>	<i>1,375.91</i>	<i>1,007.41</i>	<i>373.91</i>	<i>1,459.75</i>	<i>2,919.49</i>	<i>15,802.43</i>	<i>-</i>	<i>1,130.95</i>
<i>Monthly Average per Account</i>	<i>114.66</i>	<i>83.95</i>	<i>31.16</i>	<i>121.65</i>	<i>243.29</i>	<i>1,316.87</i>	<i>-</i>	<i>94.25</i>

AGGREGATE COSTS	13,007,163	1,544,883	514,261	480,209	27,540	391,855	25,562	15,991,475
<i>Annual Average per Account</i>	<i>3,032.68</i>	<i>1,909.62</i>	<i>948.82</i>	<i>3,266.73</i>	<i>5,507.99</i>	<i>23,050.31</i>	<i>34.13</i>	<i>2,438.47</i>
<i>Monthly Average per Account</i>	<i>252.72</i>	<i>159.14</i>	<i>79.07</i>	<i>272.23</i>	<i>459.00</i>	<i>1,920.86</i>	<i>2.84</i>	<i>203.21</i>

** independent financing for on-site connections is assumed to be available at 9.0% with 10-year level annual amortizing payments

COUNTY OF SAN LUIS OBISPO
LOS OSOS WASTEWATER PROJECT

ANNUAL WASTEWATER REVENUES AND CHARGES

Funding Scenario 2 - No 2nd Assessment / USDA Grant

Single Family Residential 4,289	Multi Family Residential 809	Mobile Homes 542	Low-Load Non Residential 147	Med-Load Non Residential 5	High-Load Non Residential 17	Special Users (Septage) 749	Aggregate 6,558
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PERSONAL FINANCING

	Single Family Residential	Multi Family Residential	Mobile Homes	Low-Load Non Residential	Med-Load Non Residential	High-Load Non Residential	Special Users (Septage)	
On-Site Connections	4,076	40	5	147	5	17	-	
Connection Cost Factor	1.0	2.0	2.0	1.0	2.0	3.0	-	
Connection Equivalents	4,076	81	10	147	10	51	-	
Connection Cost per Goup	14,534,184	288,473	35,658	524,172	35,658	181,856	-	15,600,000
** Annual On-Site Connections Pmnts	2,264,718	44,950	5,556	81,677	5,556	28,337	-	2,430,793
<i>Annual Average per Account</i>	528.03	55.56	10.25	555.62	1,111.25	1,666.87	-	370.66
<i>Monthly Average per Account</i>	44.00	4.63	0.85	46.30	92.60	138.91	-	30.89

PROJECT REVENUES

Variable OM&R Costs	446,099	63,115	28,201	16,950	633	8,008	1,994	565,000
Fixed OM&R Costs	1,416,592	200,421	89,553	53,826	2,462	32,385	9,759	1,805,000
Capital Replacement Fund	158,306	22,397	10,008	6,015	204	2,521	549	200,000
Operational/Replacement Costs	2,020,997	285,933	127,762	76,792	3,299	42,915	12,302	2,570,000
SRF Loan Repayment	1,689,610	239,048	106,813	64,200	2,413	30,578	7,671	2,140,333
SRF Debt Reserve Fund	168,212	23,799	10,634	6,392	280	3,653	1,064	214,033
Operations and Debt Service	3,878,819	548,781	245,208	147,383	5,991	77,146	21,037	4,924,366
<i>Annual Average per Account</i>	904.36	678.34	452.41	1,002.61	1,198.29	4,537.97	28.09	750.89
<i>Monthly Average per Account</i>	75.36	56.53	37.70	83.55	99.86	378.16	2.34	62.57

ASSESSMENTS

Estimated Assessments Noticed	100,828,892	13,925,011	3,462,626	3,666,355	249,412	4,590,000	-	126,722,296
USDA Loan Repayment	2,660,183	367,386	91,355	96,730	6,580	121,099	-	3,343,332
SRF Loan Repayment	3,458,196	477,595	118,760	125,747	8,554	157,426	-	4,346,279
Total Annual Assessments	6,118,379	844,981	210,115	222,477	15,135	278,525	-	7,689,612
<i>Annual Average per Account</i>	1,426.53	1,044.48	387.67	1,513.45	3,026.90	16,383.82	-	1,172.55
<i>Monthly Average per Account</i>	118.88	87.04	32.31	126.12	252.24	1,365.32	-	97.71

AGGREGATE COSTS

	12,261,916	1,438,712	460,880	451,537	26,682	384,007	21,037	15,044,771
<i>Annual Average per Account</i>	2,858.92	1,778.38	850.33	3,071.68	5,336.44	22,588.66	28.09	2,294.11
<i>Monthly Average per Account</i>	238.24	148.20	70.86	255.97	444.70	1,882.39	2.34	191.18

** independent financing for on-site connections is assumed to be available at 9.0% with 10-year level annual amortizing payments

COUNTY OF SAN LUIS OBISPO
LOS OSOS WASTEWATER PROJECT

ANNUAL WASTEWATER REVENUES AND CHARGES

Funding Scenario 3 - 2nd Assessment / No USDA Grant

Single Family Residential 4,289	Multi Family Residential 809	Mobile Homes 542	Low-Load Non Residential 147	Med-Load Non Residential 5	High-Load Non Residential 17	Special Users (Septage) 749	Aggregate 6,558
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PERSONAL FINANCING

On-Site Connections	4,076	40	5	147	5	17	-	
Connection Cost Factor	1.0	2.0	2.0	1.0	2.0	3.0	-	
Connection Equivalents	4,076	81	10	147	10	51	-	
Connection Cost per Goup	14,534,184	288,473	35,658	524,172	35,658	181,856	-	15,600,000
** Annual On-Site Connections Pmts	2,264,718	44,950	5,556	81,677	5,556	28,337	-	2,430,793
<i>Annual Average per Account</i>	528.03	55.56	10.25	555.62	1,111.25	1,666.87	-	370.66
<i>Monthly Average per Account</i>	44.00	4.63	0.85	46.30	92.60	138.91	-	30.89

PROJECT REVENUES

Variable OM&R Costs	446,099	63,115	28,201	16,950	633	8,008	1,994	565,000
Fixed OM&R Costs	1,416,592	200,421	89,553	53,826	2,462	32,385	9,759	1,805,000
Capital Replacement Fund	158,306	22,397	10,008	6,015	204	2,521	549	200,000
Operational/Replacement Costs	2,020,997	285,933	127,762	76,792	3,299	42,915	12,302	2,570,000
SRF Loan Repayment	1,048,413	148,331	66,278	39,837	1,497	18,974	4,760	1,328,089
SRF Debt Reserve Fund	104,377	14,767	6,598	3,966	174	2,267	660	132,809
Operations and Debt Service	3,173,787	449,032	200,638	120,594	4,970	64,155	17,722	4,030,898
<i>Annual Average per Account</i>	739.98	555.05	370.18	820.37	993.91	3,773.83	23.66	614.65
<i>Monthly Average per Account</i>	61.67	46.25	30.85	68.36	82.83	314.49	1.97	51.22

ASSESSMENTS Accounts

Estimated Assessments Noticed	4,901	924	542	168	6	19	749	7,309
USDA Loan Repayment	128,550,596	13,925,011	3,462,626	3,666,355	249,412	4,590,000	-	154,444,000
SRF Loan Repayment	3,478,505	376,803	93,697	99,209	6,749	124,203	-	4,179,165
Total Annual Assessments	4,293,668	465,104	115,654	122,458	8,331	153,309	-	5,158,523
<i>Annual Average per Account</i>	1,585.83	911.15	386.26	1,319.45	2,513.24	14,605.87	-	1,277.56
<i>Monthly Average per Account</i>	132.15	75.93	32.19	109.95	209.44	1,217.16	-	106.46

AGGREGATE COSTS

AGGREGATE COSTS	13,210,677	1,335,888	415,545	423,939	25,605	370,003	17,722	15,799,380
<i>Annual Average per Account</i>	2,853.85	1,521.76	766.69	2,695.44	4,618.40	20,046.57	23.66	2,262.87
<i>Monthly Average per Account</i>	237.82	126.81	63.89	224.62	384.87	1,670.55	1.97	188.57

** independent financing for on-site connections is assumed to be available at 9.0% with 10-year level annual amortizing payments

COUNTY OF SAN LUIS OBISPO
LOS OSOS WASTEWATER PROJECT

ANNUAL WASTEWATER REVENUES AND CHARGES

Funding Scenario 4 - 2nd Assessment / USDA Grant

Single Family Residential 4,289	Multi Family Residential 809	Mobile Homes 542	Low-Load Non Residential 147	Med-Load Non Residential 5	High-Load Non Residential 17	Special Users (Septage) 749	Aggregate 6,558
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PERSONAL FINANCING

On-Site Connections	4,076	40	5	147	5	17	-	
Connection Cost Factor	1.0	2.0	2.0	1.0	2.0	3.0	-	
Connection Equivalents	4,076	81	10	147	10	51	-	
Connection Cost per Goup	14,534,184	288,473	35,658	524,172	35,658	181,856	-	15,600,000
** Annual On-Site Connections Pmnts	2,264,718	44,950	5,556	81,677	5,556	28,337	-	2,430,793
<i>Annual Average per Account</i>	<i>528.03</i>	<i>55.56</i>	<i>10.25</i>	<i>555.62</i>	<i>1,111.25</i>	<i>1,666.87</i>	<i>-</i>	<i>370.66</i>
<i>Monthly Average per Account</i>	<i>44.00</i>	<i>4.63</i>	<i>0.85</i>	<i>46.30</i>	<i>92.60</i>	<i>138.91</i>	<i>-</i>	<i>30.89</i>

PROJECT REVENUES

Variable OM&R Costs	446,099	63,115	28,201	16,950	633	8,008	1,994	565,000
Fixed OM&R Costs	1,416,592	200,421	89,553	53,826	2,462	32,385	9,759	1,805,000
Capital Replacement Fund	158,306	22,397	10,008	6,015	204	2,521	549	200,000
Operational/Replacement Costs	2,020,997	285,933	127,762	76,792	3,299	42,915	12,302	2,570,000
SRF Loan Repayment	355,561	50,305	22,478	13,510	508	6,435	1,614	450,411
SRF Debt Reserve Fund	35,399	5,008	2,238	1,345	59	769	224	45,041
Operations and Debt Service	2,411,957	341,247	152,477	91,647	3,865	50,118	14,140	3,065,452
<i>Annual Average per Account</i>	<i>562.36</i>	<i>421.81</i>	<i>281.32</i>	<i>623.45</i>	<i>773.08</i>	<i>2,948.14</i>	<i>18.88</i>	<i>467.44</i>
<i>Monthly Average per Account</i>	<i>46.86</i>	<i>35.15</i>	<i>23.44</i>	<i>51.95</i>	<i>64.42</i>	<i>245.68</i>	<i>1.57</i>	<i>38.95</i>

ASSESSMENTS Accounts

Estimated Assessments Noticed	4,901	924	542	168	6	19	749	7,309
USDA Loan Repayment	128,550,596	13,925,011	3,462,626	3,666,355	249,412	4,590,000	-	154,444,000
SRF Loan Repayment	2,782,804	301,442	74,957	79,368	5,399	99,362	-	3,343,332
Total Annual Assessments	5,024,198	544,237	135,331	143,294	9,748	179,393	-	6,036,201
<i>Annual Average per Account</i>	<i>1,592.94</i>	<i>915.24</i>	<i>387.99</i>	<i>1,325.36</i>	<i>2,524.50</i>	<i>14,671.32</i>	<i>-</i>	<i>1,283.29</i>
<i>Monthly Average per Account</i>	<i>132.75</i>	<i>76.27</i>	<i>32.33</i>	<i>110.45</i>	<i>210.38</i>	<i>1,222.61</i>	<i>-</i>	<i>106.94</i>

AGGREGATE COSTS

AGGREGATE COSTS	12,483,677	1,231,876	368,322	395,985	24,569	357,210	14,140	14,875,779
<i>Annual Average per Account</i>	<i>2,683.33</i>	<i>1,392.61</i>	<i>679.56</i>	<i>2,504.44</i>	<i>4,408.83</i>	<i>19,286.33</i>	<i>18.88</i>	<i>2,121.38</i>
<i>Monthly Average per Account</i>	<i>223.61</i>	<i>116.05</i>	<i>56.63</i>	<i>208.70</i>	<i>367.40</i>	<i>1,607.19</i>	<i>1.57</i>	<i>176.78</i>

** independent financing for on-site connections is assumed to be available at 9.0% with 10-year level annual amortizing payments

Exhibit C - Loan Drawdown Assumptions

SRF Loan	I
USDA Loan – with no Grant	II
USDA Loan – with 20% Grant	III

new SRF loan	93,610,000	acc'd int	2,894,413
Defaulted SRF repmt	<u>6,500,000</u>	principal	<u>93,610,000</u>
project exp	87,110,000	acc'd balance	96,504,413

SRF Loan

Months	Unused Balance	SRF Draw	Aggregate Draws	3.00% Draws	accrued interest
0.	93,610,000	-	-	-	
1.	93,610,000	-	-	-	
2.	93,610,000	-	-	-	
3.	93,610,000	-	-	-	
4.	93,610,000	-	-	-	
5.	93,610,000	-	-	-	
6.	93,610,000	-	-	-	
7.	93,610,000	-	-	-	
8.	93,610,000	-	-	-	
9.	93,610,000	-	-	-	
10.	93,610,000	-	-	-	
11.	93,610,000	-	-	-	
12.	87,110,000	6,500,000	6,500,000	-	-
13.	83,480,417	3,629,583	10,129,583	16,250	
14.	79,850,833	3,629,583	13,759,167	25,324	
15.	76,221,250	3,629,583	17,388,750	34,398	
16.	72,591,667	3,629,583	21,018,333	43,472	
17.	68,962,083	3,629,583	24,647,917	52,546	
18.	65,332,500	3,629,583	28,277,500	61,620	
19.	61,702,917	3,629,583	31,907,083	70,694	
20.	58,073,333	3,629,583	35,536,667	79,768	
21.	54,443,750	3,629,583	39,166,250	88,842	
22.	50,814,167	3,629,583	42,795,833	97,916	
23.	47,184,583	3,629,583	46,425,417	106,990	
24.	43,555,000	3,629,583	50,055,000	116,064	793,881
25.	39,925,417	3,629,583	53,684,583	125,138	
26.	36,295,833	3,629,583	57,314,167	134,211	
27.	32,666,250	3,629,583	60,943,750	143,285	
28.	29,036,667	3,629,583	64,573,333	152,359	
29.	25,407,083	3,629,583	68,202,917	161,433	
30.	21,777,500	3,629,583	71,832,500	170,507	
31.	18,147,917	3,629,583	75,462,083	179,581	
32.	14,518,333	3,629,583	79,091,667	188,655	
33.	10,888,750	3,629,583	82,721,250	197,729	
34.	7,259,167	3,629,583	86,350,833	206,803	
35.	3,629,583	3,629,583	89,980,417	215,877	
36.	-	3,629,583	93,610,000	224,951	2,100,531
		<u>93,610,000</u>		<u>2,894,413</u>	<u>2,894,413</u>

USDA loan	64,000,000	funding amt	80,000,000
USDA grant	16,000,000	county repmt	22,610,000
USDA funding	80,000,000	rem'g balance	57,390,000

USDA Loan and Grant

Months	Unused Balance	USDA Draw	Aggregate Loan Draws	Aggregate Grant Draws	4.00% Draws	semi-ann. interest	annual interest
0.	57,390,000	22,610,000	22,610,000	-			
1.	55,795,833	1,594,167	24,204,167	-	75,367		
2.	54,201,667	1,594,167	25,798,333	-	80,681		
3.	52,607,500	1,594,167	27,392,500	-	85,994		
4.	51,013,333	1,594,167	28,986,667	-	91,308		
5.	49,419,167	1,594,167	30,580,833	-	96,622		
6.	47,825,000	1,594,167	32,175,000	-	101,936	531,908	
7.	46,230,833	1,594,167	33,769,167	-	107,250		
8.	44,636,667	1,594,167	35,363,333	-	112,564		
9.	43,042,500	1,594,167	36,957,500	-	117,878		
10.	41,448,333	1,594,167	38,551,667	-	123,192		
11.	39,854,167	1,594,167	40,145,833	-	128,506		
12.	38,260,000	1,594,167	41,740,000	-	133,819	723,208	1,255,117
13.	36,665,833	1,594,167	43,334,167	-	139,133		
14.	35,071,667	1,594,167	44,928,333	-	144,447		
15.	33,477,500	1,594,167	46,522,500	-	149,761		
16.	31,883,333	1,594,167	48,116,667	-	155,075		
17.	30,289,167	1,594,167	49,710,833	-	160,389		
18.	28,695,000	1,594,167	51,305,000	-	165,703	914,508	
19.	27,100,833	1,594,167	52,899,167	-	171,017		
20.	25,506,667	1,594,167	54,493,333	-	176,331		
21.	23,912,500	1,594,167	56,087,500	-	181,644		
22.	22,318,333	1,594,167	57,681,667	-	186,958		
23.	20,724,167	1,594,167	59,275,833	-	192,272		
24.	19,130,000	1,594,167	60,870,000	-	197,586	1,105,808	2,020,317
25.	17,535,833	1,594,167	62,464,167	-	202,900		
26.	15,941,667	1,594,167	64,000,000	58,333	208,214		
27.	14,347,500	1,594,167	64,000,000	1,652,500	213,333		
28.	12,753,333	1,594,167	64,000,000	3,246,667	213,333		
29.	11,159,167	1,594,167	64,000,000	4,840,833	213,333		
30.	9,565,000	1,594,167	64,000,000	6,435,000	213,333	1,264,447	
31.	7,970,833	1,594,167	64,000,000	8,029,167	213,333		
32.	6,376,667	1,594,167	64,000,000	9,623,333	213,333		
33.	4,782,500	1,594,167	64,000,000	11,217,500	213,333		
34.	3,188,333	1,594,167	64,000,000	12,811,667	213,333		
35.	1,594,167	1,594,167	64,000,000	14,405,833	213,333		
36.	0	1,594,167	64,000,000	16,000,000	213,333	1,280,000	2,544,447
		80,000,000			5,819,881	5,819,881	5,819,881

USDA loan	80,000,000	funding amt	80,000,000
USDA grant	-	county repmt	22,610,000
USDA funding	80,000,000	rem'g balance	57,390,000

USDA Loan Only

Months	Unused Balance	USDA Draw	Aggregate Loan Draws	4.00% Draws	semi-ann. interest	annual interest
0.	57,390,000	22,610,000	22,610,000			
1.	55,795,833	1,594,167	24,204,167	75,367		
2.	54,201,667	1,594,167	25,798,333	80,681		
3.	52,607,500	1,594,167	27,392,500	85,994		
4.	51,013,333	1,594,167	28,986,667	91,308		
5.	49,419,167	1,594,167	30,580,833	96,622		
6.	47,825,000	1,594,167	32,175,000	101,936	531,908	
7.	46,230,833	1,594,167	33,769,167	107,250		
8.	44,636,667	1,594,167	35,363,333	112,564		
9.	43,042,500	1,594,167	36,957,500	117,878		
10.	41,448,333	1,594,167	38,551,667	123,192		
11.	39,854,167	1,594,167	40,145,833	128,506		
12.	38,260,000	1,594,167	41,740,000	133,819	723,208	1,255,117
13.	36,665,833	1,594,167	43,334,167	139,133		
14.	35,071,667	1,594,167	44,928,333	144,447		
15.	33,477,500	1,594,167	46,522,500	149,761		
16.	31,883,333	1,594,167	48,116,667	155,075		
17.	30,289,167	1,594,167	49,710,833	160,389		
18.	28,695,000	1,594,167	51,305,000	165,703	914,508	
19.	27,100,833	1,594,167	52,899,167	171,017		
20.	25,506,667	1,594,167	54,493,333	176,331		
21.	23,912,500	1,594,167	56,087,500	181,644		
22.	22,318,333	1,594,167	57,681,667	186,958		
23.	20,724,167	1,594,167	59,275,833	192,272		
24.	19,130,000	1,594,167	60,870,000	197,586	1,105,808	2,020,317
25.	17,535,833	1,594,167	62,464,167	202,900		
26.	15,941,667	1,594,167	64,058,333	208,214		
27.	14,347,500	1,594,167	65,652,500	213,528		
28.	12,753,333	1,594,167	67,246,667	218,842		
29.	11,159,167	1,594,167	68,840,833	224,156		
30.	9,565,000	1,594,167	70,435,000	229,469	1,297,108	
31.	7,970,833	1,594,167	72,029,167	234,783		
32.	6,376,667	1,594,167	73,623,333	240,097		
33.	4,782,500	1,594,167	75,217,500	245,411		
34.	3,188,333	1,594,167	76,811,667	250,725		
35.	1,594,167	1,594,167	78,405,833	256,039		
36.	0	1,594,167	80,000,000	261,353	1,488,408	2,785,517
		80,000,000		6,060,950	6,060,950	6,060,950

Exhibit D - Loan Repayment Scenarios:

Scenario 1 – No 2nd Assessment / No USDA Grant

I

SRF Loan			
Amount	93,610,000	Assess'ts	126,722,296
Rate	3.00%	USDA Loan	80,000,000
Const'n - level	24 months		46,722,296
Gross Loan	96,504,413		
Term	20 years	required	6,500,000
Annual Pmt	6,486,612	46,722,296	46,887,704
		49.9%	50.1%

Years	Balance	Principal	Interest	Debt Svc	Ass'ment	Revenues
0.	-					
1.	93,610,000					
2.	94,403,881					
3.	96,504,413					
4.	92,912,933	3,591,480	2,895,132	6,486,612	3,237,575	3,249,037
5.	89,213,708	3,699,224	2,787,388	6,486,612	3,237,575	3,249,037
6.	85,403,507	3,810,201	2,676,411	6,486,612	3,237,575	3,249,037
7.	81,479,000	3,924,507	2,562,105	6,486,612	3,237,575	3,249,037
8.	77,436,757	4,042,242	2,444,370	6,486,612	3,237,575	3,249,037
9.	73,273,248	4,163,510	2,323,103	6,486,612	3,237,575	3,249,037
10.	68,984,833	4,288,415	2,198,197	6,486,612	3,237,575	3,249,037
11.	64,567,765	4,417,067	2,069,545	6,486,612	3,237,575	3,249,037
12.	60,018,186	4,549,579	1,937,033	6,486,612	3,237,575	3,249,037
13.	55,332,119	4,686,067	1,800,546	6,486,612	3,237,575	3,249,037
14.	50,505,470	4,826,649	1,659,964	6,486,612	3,237,575	3,249,037
15.	45,534,022	4,971,448	1,515,164	6,486,612	3,237,575	3,249,037
16.	40,413,431	5,120,592	1,366,021	6,486,612	3,237,575	3,249,037
17.	35,139,221	5,274,209	1,212,403	6,486,612	3,237,575	3,249,037
18.	29,706,785	5,432,436	1,054,177	6,486,612	3,237,575	3,249,037
19.	24,111,376	5,595,409	891,204	6,486,612	3,237,575	3,249,037
20.	18,348,105	5,763,271	723,341	6,486,612	3,237,575	3,249,037
21.	12,411,936	5,936,169	550,443	6,486,612	3,237,575	3,249,037
22.	6,297,682	6,114,254	372,358	6,486,612	3,237,575	3,249,037
23.	(0)	6,297,682	188,930	6,486,612	3,237,575	3,249,037
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		96,504,413	33,227,835	129,732,247	64,751,506	64,980,742

USDA Loan

Amount	80,000,000	
Rate	4.00%	
Term	40 years	
Annual Pmt	4,179,165	
Interest Only	3 years	

USDA Loan Repayment	80,000,000	-
	100%	0%

Years	Balance	Principal	Interest	Debt Svc	Ass'ment	Revenues
0.	80,000,000					
1.	80,000,000	-	1,255,117	1,255,117	1,255,117	-
2.	80,000,000	-	2,020,317	2,020,317	2,020,317	-
3.	80,000,000	-	2,785,517	2,785,517	2,785,517	-
4.	79,020,835	979,165	3,200,000	4,179,165	4,179,165	-
5.	78,002,503	1,018,332	3,160,833	4,179,165	4,179,165	-
6.	76,943,438	1,059,065	3,120,100	4,179,165	4,179,165	-
7.	75,842,010	1,101,428	3,077,738	4,179,165	4,179,165	-
8.	74,696,525	1,145,485	3,033,680	4,179,165	4,179,165	-
9.	73,505,221	1,191,304	2,987,861	4,179,165	4,179,165	-
10.	72,266,265	1,238,956	2,940,209	4,179,165	4,179,165	-
11.	70,977,750	1,288,515	2,890,651	4,179,165	4,179,165	-
12.	69,637,695	1,340,055	2,839,110	4,179,165	4,179,165	-
13.	68,244,037	1,393,657	2,785,508	4,179,165	4,179,165	-
14.	66,794,633	1,449,404	2,729,761	4,179,165	4,179,165	-
15.	65,287,254	1,507,380	2,671,785	4,179,165	4,179,165	-
16.	63,719,578	1,567,675	2,611,490	4,179,165	4,179,165	-
17.	62,089,196	1,630,382	2,548,783	4,179,165	4,179,165	-
18.	60,393,599	1,695,597	2,483,568	4,179,165	4,179,165	-
19.	58,630,178	1,763,421	2,415,744	4,179,165	4,179,165	-
20.	56,796,220	1,833,958	2,345,207	4,179,165	4,179,165	-
21.	54,888,903	1,907,316	2,271,849	4,179,165	4,179,165	-
22.	52,905,294	1,983,609	2,195,556	4,179,165	4,179,165	-
23.	50,842,340	2,062,953	2,116,212	4,179,165	4,179,165	-
24.	48,696,869	2,145,472	2,033,694	4,179,165	4,179,165	-
25.	46,465,578	2,231,290	1,947,875	4,179,165	4,179,165	-
26.	44,145,036	2,320,542	1,858,623	4,179,165	4,179,165	-
27.	41,731,672	2,413,364	1,765,801	4,179,165	4,179,165	-
28.	39,221,774	2,509,898	1,669,267	4,179,165	4,179,165	-
29.	36,611,480	2,610,294	1,568,871	4,179,165	4,179,165	-
30.	33,896,774	2,714,706	1,464,459	4,179,165	4,179,165	-
31.	31,073,479	2,823,294	1,355,871	4,179,165	4,179,165	-
32.	28,137,253	2,936,226	1,242,939	4,179,165	4,179,165	-
33.	25,083,578	3,053,675	1,125,490	4,179,165	4,179,165	-
34.	21,907,756	3,175,822	1,003,343	4,179,165	4,179,165	-
35.	18,604,901	3,302,855	876,310	4,179,165	4,179,165	-
36.	15,169,932	3,434,969	744,196	4,179,165	4,179,165	-
37.	11,597,564	3,572,368	606,797	4,179,165	4,179,165	-
38.	7,882,301	3,715,263	463,903	4,179,165	4,179,165	-
39.	4,018,428	3,863,873	315,292	4,179,165	4,179,165	-
40.	0	4,018,428	160,737	4,179,165	4,179,165	-
		80,000,000	80,690,064	160,690,064	160,690,064	-

Scenario 1 – No 2nd Assessment / No USDA Grant
Annual Debt Service

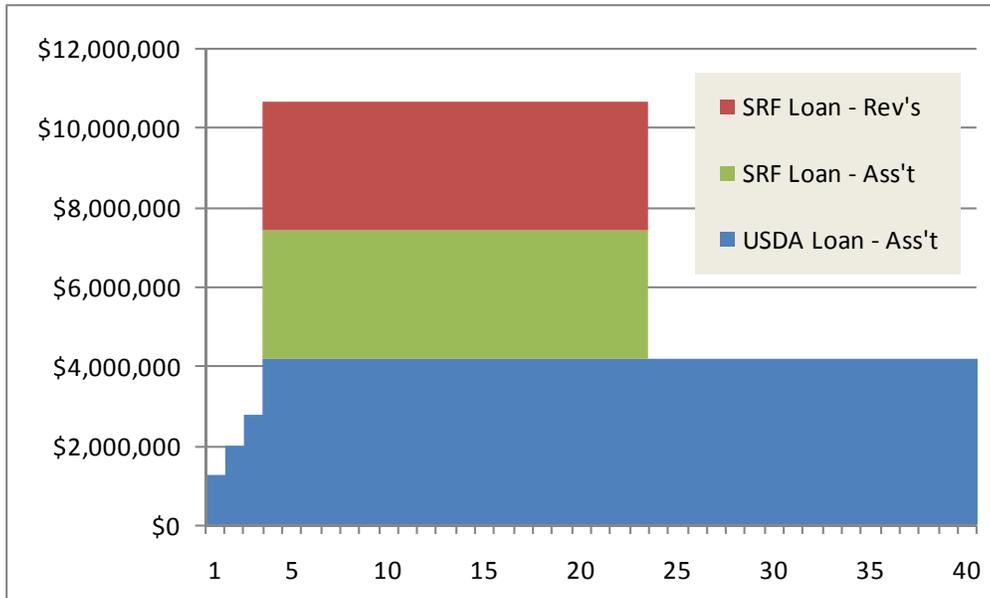


Exhibit D - Loan Repayment Scenarios:

Scenario 2 – No 2nd Assessment / USDA Grant

II

SRF Loan				
Amount	93,610,000	Assess'ts	126,722,296	
Rate	3.00%	USDA Loan	64,000,000	
Const'n - level	24 months		62,722,296	
Gross Loan	96,504,413			
Term	20 years	required	6,500,000	
Annual Pmt	6,486,612	62,722,296	30,887,704	
		67.0%	33.0%	

Years	Balance	Principal	Interest	Debt Svc	Ass'ment	Revenues
0.	-					
1.	93,610,000					
2.	94,403,881					
3.	96,504,413					
4.	92,912,933	3,591,480	2,895,132	6,486,612	4,346,279	2,140,333
5.	89,213,708	3,699,224	2,787,388	6,486,612	4,346,279	2,140,333
6.	85,403,507	3,810,201	2,676,411	6,486,612	4,346,279	2,140,333
7.	81,479,000	3,924,507	2,562,105	6,486,612	4,346,279	2,140,333
8.	77,436,757	4,042,242	2,444,370	6,486,612	4,346,279	2,140,333
9.	73,273,248	4,163,510	2,323,103	6,486,612	4,346,279	2,140,333
10.	68,984,833	4,288,415	2,198,197	6,486,612	4,346,279	2,140,333
11.	64,567,765	4,417,067	2,069,545	6,486,612	4,346,279	2,140,333
12.	60,018,186	4,549,579	1,937,033	6,486,612	4,346,279	2,140,333
13.	55,332,119	4,686,067	1,800,546	6,486,612	4,346,279	2,140,333
14.	50,505,470	4,826,649	1,659,964	6,486,612	4,346,279	2,140,333
15.	45,534,022	4,971,448	1,515,164	6,486,612	4,346,279	2,140,333
16.	40,413,431	5,120,592	1,366,021	6,486,612	4,346,279	2,140,333
17.	35,139,221	5,274,209	1,212,403	6,486,612	4,346,279	2,140,333
18.	29,706,785	5,432,436	1,054,177	6,486,612	4,346,279	2,140,333
19.	24,111,376	5,595,409	891,204	6,486,612	4,346,279	2,140,333
20.	18,348,105	5,763,271	723,341	6,486,612	4,346,279	2,140,333
21.	12,411,936	5,936,169	550,443	6,486,612	4,346,279	2,140,333
22.	6,297,682	6,114,254	372,358	6,486,612	4,346,279	2,140,333
23.	(0)	6,297,682	188,930	6,486,612	4,346,279	2,140,333
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		96,504,413	33,227,835	129,732,247	86,925,589	42,806,658

USDA Loan

Amount 64,000,000
 Rate 4.00%
 Term 40 years
 Annual Pmt 3,343,332
 Interest Only 3 years

USDA Loan Repayment
 64,000,000 -
 100% 0%

Years	Balance	Principal	Interest	Debt Svc	Ass'ment	Revenues
0.	64,000,000					
1.	64,000,000	-	1,255,117	1,255,117	1,255,117	-
2.	64,000,000	-	2,020,317	2,020,317	2,020,317	-
3.	64,000,000	-	2,544,447	2,544,447	2,544,447	-
4.	63,216,668	783,332	2,560,000	3,343,332	3,343,332	-
5.	62,402,002	814,665	2,528,667	3,343,332	3,343,332	-
6.	61,554,750	847,252	2,496,080	3,343,332	3,343,332	-
7.	60,673,608	881,142	2,462,190	3,343,332	3,343,332	-
8.	59,757,220	916,388	2,426,944	3,343,332	3,343,332	-
9.	58,804,177	953,043	2,390,289	3,343,332	3,343,332	-
10.	57,813,012	991,165	2,352,167	3,343,332	3,343,332	-
11.	56,782,200	1,030,812	2,312,520	3,343,332	3,343,332	-
12.	55,710,156	1,072,044	2,271,288	3,343,332	3,343,332	-
13.	54,595,230	1,114,926	2,228,406	3,343,332	3,343,332	-
14.	53,435,707	1,159,523	2,183,809	3,343,332	3,343,332	-
15.	52,229,803	1,205,904	2,137,428	3,343,332	3,343,332	-
16.	50,975,663	1,254,140	2,089,192	3,343,332	3,343,332	-
17.	49,671,357	1,304,306	2,039,027	3,343,332	3,343,332	-
18.	48,314,879	1,356,478	1,986,854	3,343,332	3,343,332	-
19.	46,904,142	1,410,737	1,932,595	3,343,332	3,343,332	-
20.	45,436,976	1,467,167	1,876,166	3,343,332	3,343,332	-
21.	43,911,122	1,525,853	1,817,479	3,343,332	3,343,332	-
22.	42,324,235	1,586,887	1,756,445	3,343,332	3,343,332	-
23.	40,673,872	1,650,363	1,692,969	3,343,332	3,343,332	-
24.	38,957,495	1,716,377	1,626,955	3,343,332	3,343,332	-
25.	37,172,463	1,785,032	1,558,300	3,343,332	3,343,332	-
26.	35,316,029	1,856,434	1,486,899	3,343,332	3,343,332	-
27.	33,385,338	1,930,691	1,412,641	3,343,332	3,343,332	-
28.	31,377,419	2,007,919	1,335,414	3,343,332	3,343,332	-
29.	29,289,184	2,088,235	1,255,097	3,343,332	3,343,332	-
30.	27,117,419	2,171,765	1,171,567	3,343,332	3,343,332	-
31.	24,858,784	2,258,635	1,084,697	3,343,332	3,343,332	-
32.	22,509,803	2,348,981	994,351	3,343,332	3,343,332	-
33.	20,066,863	2,442,940	900,392	3,343,332	3,343,332	-
34.	17,526,205	2,540,658	802,675	3,343,332	3,343,332	-
35.	14,883,921	2,642,284	701,048	3,343,332	3,343,332	-
36.	12,135,946	2,747,975	595,357	3,343,332	3,343,332	-
37.	9,278,051	2,857,894	485,438	3,343,332	3,343,332	-
38.	6,305,841	2,972,210	371,122	3,343,332	3,343,332	-
39.	3,214,742	3,091,099	252,234	3,343,332	3,343,332	-
40.	0	3,214,742	128,590	3,343,332	3,343,332	-
		64,000,000	65,523,172	129,523,172	129,523,172	-

Scenario 2 – No 2nd Assessment / USDA Grant
Annual Debt Service

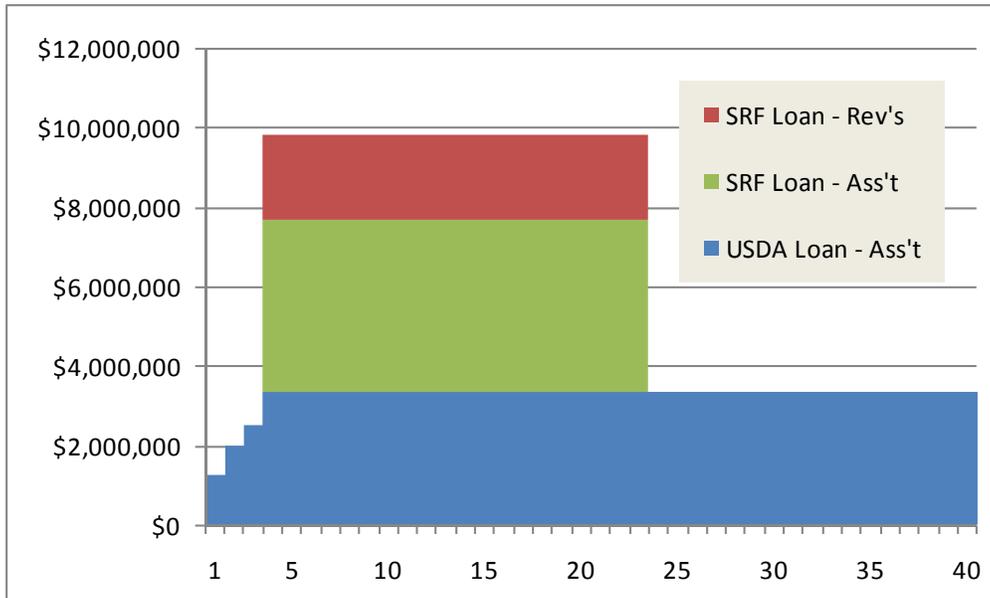


Exhibit D - Loan Repayment Scenarios:

Scenario 3 – 2nd Assessment / No USDA Grant

III

SRF Loan				
Amount	93,610,000	Assess'ts	154,444,000	
Rate	3.00%	USDA Loan	80,000,000	
Const'n - level	24 months		74,444,000	
Gross Loan	96,504,413			
Term	20 years	required	6,500,000	
Annual Pmt	6,486,612	74,444,000	19,166,000	
		79.5%	20.5%	

Years	Balance	Principal	Interest	Debt Svc	Ass'ment	Revenues
0.	-					
1.	93,610,000					
2.	94,403,881					
3.	96,504,413					
4.	92,912,933	3,591,480	2,895,132	6,486,612	5,158,523	1,328,089
5.	89,213,708	3,699,224	2,787,388	6,486,612	5,158,523	1,328,089
6.	85,403,507	3,810,201	2,676,411	6,486,612	5,158,523	1,328,089
7.	81,479,000	3,924,507	2,562,105	6,486,612	5,158,523	1,328,089
8.	77,436,757	4,042,242	2,444,370	6,486,612	5,158,523	1,328,089
9.	73,273,248	4,163,510	2,323,103	6,486,612	5,158,523	1,328,089
10.	68,984,833	4,288,415	2,198,197	6,486,612	5,158,523	1,328,089
11.	64,567,765	4,417,067	2,069,545	6,486,612	5,158,523	1,328,089
12.	60,018,186	4,549,579	1,937,033	6,486,612	5,158,523	1,328,089
13.	55,332,119	4,686,067	1,800,546	6,486,612	5,158,523	1,328,089
14.	50,505,470	4,826,649	1,659,964	6,486,612	5,158,523	1,328,089
15.	45,534,022	4,971,448	1,515,164	6,486,612	5,158,523	1,328,089
16.	40,413,431	5,120,592	1,366,021	6,486,612	5,158,523	1,328,089
17.	35,139,221	5,274,209	1,212,403	6,486,612	5,158,523	1,328,089
18.	29,706,785	5,432,436	1,054,177	6,486,612	5,158,523	1,328,089
19.	24,111,376	5,595,409	891,204	6,486,612	5,158,523	1,328,089
20.	18,348,105	5,763,271	723,341	6,486,612	5,158,523	1,328,089
21.	12,411,936	5,936,169	550,443	6,486,612	5,158,523	1,328,089
22.	6,297,682	6,114,254	372,358	6,486,612	5,158,523	1,328,089
23.	(0)	6,297,682	188,930	6,486,612	5,158,523	1,328,089
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40.						
		96,504,413	33,227,835	129,732,247	103,170,467	26,561,780

USDA Loan

Amount 80,000,000
 Rate 4.00%
 Term 40 years
 Annual Pmt 4,179,165
 Interest Only 3 years

USDA Loan Repayment
 80,000,000 -
 100% 0%

Years	Balance	Principal	Interest	Debt Svc	Ass'ment	Revenues
0.	80,000,000					
1.	80,000,000	-	1,255,117	1,255,117	1,255,117	-
2.	80,000,000	-	2,020,317	2,020,317	2,020,317	-
3.	80,000,000	-	2,785,517	2,785,517	2,785,517	-
4.	79,020,835	979,165	3,200,000	4,179,165	4,179,165	-
5.	78,002,503	1,018,332	3,160,833	4,179,165	4,179,165	-
6.	76,943,438	1,059,065	3,120,100	4,179,165	4,179,165	-
7.	75,842,010	1,101,428	3,077,738	4,179,165	4,179,165	-
8.	74,696,525	1,145,485	3,033,680	4,179,165	4,179,165	-
9.	73,505,221	1,191,304	2,987,861	4,179,165	4,179,165	-
10.	72,266,265	1,238,956	2,940,209	4,179,165	4,179,165	-
11.	70,977,750	1,288,515	2,890,651	4,179,165	4,179,165	-
12.	69,637,695	1,340,055	2,839,110	4,179,165	4,179,165	-
13.	68,244,037	1,393,657	2,785,508	4,179,165	4,179,165	-
14.	66,794,633	1,449,404	2,729,761	4,179,165	4,179,165	-
15.	65,287,254	1,507,380	2,671,785	4,179,165	4,179,165	-
16.	63,719,578	1,567,675	2,611,490	4,179,165	4,179,165	-
17.	62,089,196	1,630,382	2,548,783	4,179,165	4,179,165	-
18.	60,393,599	1,695,597	2,483,568	4,179,165	4,179,165	-
19.	58,630,178	1,763,421	2,415,744	4,179,165	4,179,165	-
20.	56,796,220	1,833,958	2,345,207	4,179,165	4,179,165	-
21.	54,888,903	1,907,316	2,271,849	4,179,165	4,179,165	-
22.	52,905,294	1,983,609	2,195,556	4,179,165	4,179,165	-
23.	50,842,340	2,062,953	2,116,212	4,179,165	4,179,165	-
24.	48,696,869	2,145,472	2,033,694	4,179,165	4,179,165	-
25.	46,465,578	2,231,290	1,947,875	4,179,165	4,179,165	-
26.	44,145,036	2,320,542	1,858,623	4,179,165	4,179,165	-
27.	41,731,672	2,413,364	1,765,801	4,179,165	4,179,165	-
28.	39,221,774	2,509,898	1,669,267	4,179,165	4,179,165	-
29.	36,611,480	2,610,294	1,568,871	4,179,165	4,179,165	-
30.	33,896,774	2,714,706	1,464,459	4,179,165	4,179,165	-
31.	31,073,479	2,823,294	1,355,871	4,179,165	4,179,165	-
32.	28,137,253	2,936,226	1,242,939	4,179,165	4,179,165	-
33.	25,083,578	3,053,675	1,125,490	4,179,165	4,179,165	-
34.	21,907,756	3,175,822	1,003,343	4,179,165	4,179,165	-
35.	18,604,901	3,302,855	876,310	4,179,165	4,179,165	-
36.	15,169,932	3,434,969	744,196	4,179,165	4,179,165	-
37.	11,597,564	3,572,368	606,797	4,179,165	4,179,165	-
38.	7,882,301	3,715,263	463,903	4,179,165	4,179,165	-
39.	4,018,428	3,863,873	315,292	4,179,165	4,179,165	-
40.	0	4,018,428	160,737	4,179,165	4,179,165	-
		80,000,000	80,690,064	160,690,064	160,690,064	-

Scenario 3 – 2nd Assessment / No USDA Grant
Annual Debt Service

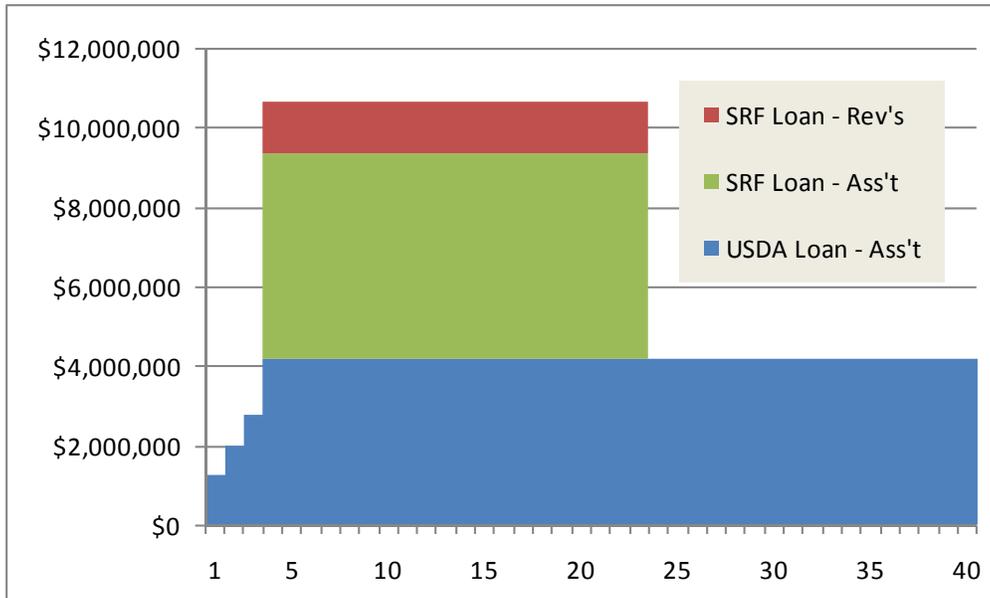


Exhibit D - Loan Repayment Scenarios:

Scenario 4 – 2nd Assessment / USDA Grant

IV

SRF Loan				
Amount	93,610,000	Assess'ts	154,444,000	
Rate	3.00%	USDA Loan	64,000,000	
Const'n - level	24 months		90,444,000	
Gross Loan	96,504,413			
Term	20 years	required	6,500,000	
Annual Pmt	6,486,612	87,110,000	6,500,000	
		93.1%	6.9%	

Years	Balance	Principal	Interest	Debt Svc	Ass'ment	Revenues
0.	-					
1.	93,610,000					
2.	94,403,881					
3.	96,504,413					
4.	92,912,933	3,591,480	2,895,132	6,486,612	6,036,201	450,411
5.	89,213,708	3,699,224	2,787,388	6,486,612	6,036,201	450,411
6.	85,403,507	3,810,201	2,676,411	6,486,612	6,036,201	450,411
7.	81,479,000	3,924,507	2,562,105	6,486,612	6,036,201	450,411
8.	77,436,757	4,042,242	2,444,370	6,486,612	6,036,201	450,411
9.	73,273,248	4,163,510	2,323,103	6,486,612	6,036,201	450,411
10.	68,984,833	4,288,415	2,198,197	6,486,612	6,036,201	450,411
11.	64,567,765	4,417,067	2,069,545	6,486,612	6,036,201	450,411
12.	60,018,186	4,549,579	1,937,033	6,486,612	6,036,201	450,411
13.	55,332,119	4,686,067	1,800,546	6,486,612	6,036,201	450,411
14.	50,505,470	4,826,649	1,659,964	6,486,612	6,036,201	450,411
15.	45,534,022	4,971,448	1,515,164	6,486,612	6,036,201	450,411
16.	40,413,431	5,120,592	1,366,021	6,486,612	6,036,201	450,411
17.	35,139,221	5,274,209	1,212,403	6,486,612	6,036,201	450,411
18.	29,706,785	5,432,436	1,054,177	6,486,612	6,036,201	450,411
19.	24,111,376	5,595,409	891,204	6,486,612	6,036,201	450,411
20.	18,348,105	5,763,271	723,341	6,486,612	6,036,201	450,411
21.	12,411,936	5,936,169	550,443	6,486,612	6,036,201	450,411
22.	6,297,682	6,114,254	372,358	6,486,612	6,036,201	450,411
23.	(0)	6,297,682	188,930	6,486,612	6,036,201	450,411
24.						
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39.						
40.						
		96,504,413	33,227,835	129,732,247	120,724,026	9,008,221

USDA Loan

Amount 64,000,000
 Rate 4.00%
 Term 40 years
 Annual Pmt 3,343,332
 Interest Only 3 years

USDA Loan Repayment
 64,000,000 -
 100% 0%

Years	Balance	Principal	Interest	Debt Svc	Ass'ment	Revenues
0.	64,000,000					
1.	64,000,000	-	1,255,117	1,255,117	1,255,117	-
2.	64,000,000	-	2,020,317	2,020,317	2,020,317	-
3.	64,000,000	-	2,544,447	2,544,447	2,544,447	-
4.	63,216,668	783,332	2,560,000	3,343,332	3,343,332	-
5.	62,402,002	814,665	2,528,667	3,343,332	3,343,332	-
6.	61,554,750	847,252	2,496,080	3,343,332	3,343,332	-
7.	60,673,608	881,142	2,462,190	3,343,332	3,343,332	-
8.	59,757,220	916,388	2,426,944	3,343,332	3,343,332	-
9.	58,804,177	953,043	2,390,289	3,343,332	3,343,332	-
10.	57,813,012	991,165	2,352,167	3,343,332	3,343,332	-
11.	56,782,200	1,030,812	2,312,520	3,343,332	3,343,332	-
12.	55,710,156	1,072,044	2,271,288	3,343,332	3,343,332	-
13.	54,595,230	1,114,926	2,228,406	3,343,332	3,343,332	-
14.	53,435,707	1,159,523	2,183,809	3,343,332	3,343,332	-
15.	52,229,803	1,205,904	2,137,428	3,343,332	3,343,332	-
16.	50,975,663	1,254,140	2,089,192	3,343,332	3,343,332	-
17.	49,671,357	1,304,306	2,039,027	3,343,332	3,343,332	-
18.	48,314,879	1,356,478	1,986,854	3,343,332	3,343,332	-
19.	46,904,142	1,410,737	1,932,595	3,343,332	3,343,332	-
20.	45,436,976	1,467,167	1,876,166	3,343,332	3,343,332	-
21.	43,911,122	1,525,853	1,817,479	3,343,332	3,343,332	-
22.	42,324,235	1,586,887	1,756,445	3,343,332	3,343,332	-
23.	40,673,872	1,650,363	1,692,969	3,343,332	3,343,332	-
24.	38,957,495	1,716,377	1,626,955	3,343,332	3,343,332	-
25.	37,172,463	1,785,032	1,558,300	3,343,332	3,343,332	-
26.	35,316,029	1,856,434	1,486,899	3,343,332	3,343,332	-
27.	33,385,338	1,930,691	1,412,641	3,343,332	3,343,332	-
28.	31,377,419	2,007,919	1,335,414	3,343,332	3,343,332	-
29.	29,289,184	2,088,235	1,255,097	3,343,332	3,343,332	-
30.	27,117,419	2,171,765	1,171,567	3,343,332	3,343,332	-
31.	24,858,784	2,258,635	1,084,697	3,343,332	3,343,332	-
32.	22,509,803	2,348,981	994,351	3,343,332	3,343,332	-
33.	20,066,863	2,442,940	900,392	3,343,332	3,343,332	-
34.	17,526,205	2,540,658	802,675	3,343,332	3,343,332	-
35.	14,883,921	2,642,284	701,048	3,343,332	3,343,332	-
36.	12,135,946	2,747,975	595,357	3,343,332	3,343,332	-
37.	9,278,051	2,857,894	485,438	3,343,332	3,343,332	-
38.	6,305,841	2,972,210	371,122	3,343,332	3,343,332	-
39.	3,214,742	3,091,099	252,234	3,343,332	3,343,332	-
40.	0	3,214,742	128,590	3,343,332	3,343,332	-
		64,000,000	65,523,172	129,523,172	129,523,172	-

Scenario 4 – 2nd Assessment / USDA Grant
Annual Debt Service

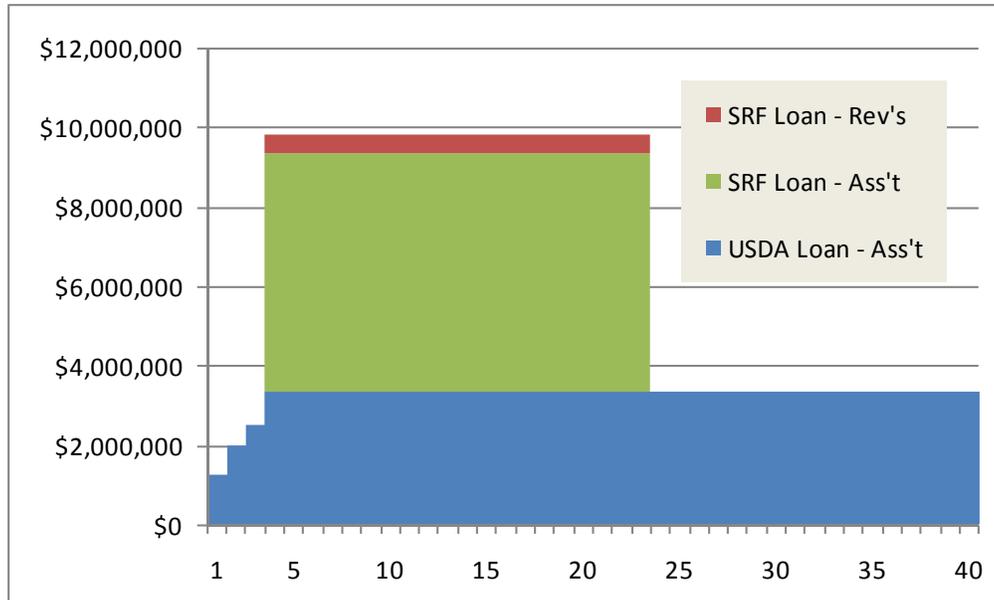


Exhibit E - Required Project Revenue Analysis:

Scenario 1 – No 2nd Assessment / No USDA Grant

I

COUNTY OF SAN LUIS OBISPO
LOS OSOS WASTEWATER PROJECT

REQUIRED ANNUAL WASTEWATER REVENUES

Funding Scenario 1 - No 2nd Assessment / No USDA Grant

Single Family Residential 4,289	Multi Family Residential 809	Mobile Homes 542	Low-Load Non Residential 147	Med-Load Non Residential 5	High-Load Non Residential 17	Special Users (Septage) 749	Aggregate Accounts 6,558
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PROJECT REVENUES

Variable OM&R Costs	446,099	63,115	28,201	16,950	633	8,008	1,994	565,000
Fixed OM&R Costs	1,416,592	200,421	89,553	53,826	2,462	32,385	9,759	1,805,000
Capital Replacement Fund	158,306	22,397	10,008	6,015	204	2,521	549	200,000
Operational/Replacement Costs	<u>2,020,997</u>	<u>285,933</u>	<u>127,762</u>	<u>76,792</u>	<u>3,299</u>	<u>42,915</u>	<u>12,302</u>	<u>2,570,000</u>
SRF Loan Repayment	2,564,837	362,877	162,142	97,456	3,663	46,417	11,645	3,249,037
SRF Debt Reserve Fund	255,347	36,127	16,142	9,702	425	5,545	1,615	324,904
Debt Service Costs	<u>2,820,184</u>	<u>399,004</u>	<u>178,284</u>	<u>107,158</u>	<u>4,088</u>	<u>51,962</u>	<u>13,260</u>	<u>3,573,941</u>
Total Project Revenues	<u>4,841,181</u>	<u>684,937</u>	<u>306,046</u>	<u>183,950</u>	<u>7,386</u>	<u>94,877</u>	<u>25,562</u>	<u>6,143,941</u>
<i>Annual Average per Account</i>	<i>1,128.74</i>	<i>846.65</i>	<i>564.66</i>	<i>1,251.36</i>	<i>1,477.26</i>	<i>5,581.01</i>	<i>34.13</i>	<i>936.86</i>
<i>Monthly Average per Amount</i>	<i>94.06</i>	<i>70.55</i>	<i>47.06</i>	<i>104.28</i>	<i>123.10</i>	<i>465.08</i>	<i>2.84</i>	<i>78.07</i>

FORM 2 Annual O. M. & R. and Non-operating Costs

Agency: **Los Osos - User Charges (O&M and General Benefits)**

FORM 2

Cost Category	Current Annual Costs	First Year Of Full Operation
1. TREATMENT FACILITIES:		
(a) Fixed O & M Costs (labor)	\$0	\$400,000
(b) Variable O & M Costs (energy & hauling)	0	505,000
(c) Replacement Costs (maint, filters, solids)	0	625,000
(d) Subtotal Treatment	\$0	\$1,530,000
2. COLLECTION SYSTEM:		
(e) Fixed O & M Costs (labor)	\$0	\$170,000
(f) Variable O & M Costs (energy)	0	60,000
(g) Replacement Costs	0	200,000
(h) Subtotal Collection	\$0	\$430,000
3. MISCELLANEOUS:		
(i) Overhead/Indirect	\$0	\$300,000
(j) Operating Reserve	0	50,000
(k) Other (allowances, habitat mitigation)	0	60,000
(l) Subtotal Miscellaneous	\$0	\$410,000
4. TOTAL - Variable Costs	\$0	\$565,000
5. TOTAL - Fixed Costs	\$0	\$1,805,000
6. TOTAL O. M. & R. Costs:	\$0	\$2,370,000
7. CAPITAL REPLACEMENT FUND:		\$200,000
8. DEBT SERVICE:		
(m) Collected with User Fees		\$3,249,037
(n) Collected from Other Sources	0	
(o) Total debt service	\$0	\$3,249,037
9. WASTEWATER CAPITAL RESERVE FUND:		\$324,904 *

* collected with User Fees

COST RECOVERY	PARAMETER ALLOCATION PERCENTAGES	ANNUAL COST ALLOCATED TO EACH PARAMETER	TOTAL ANNUAL QUANTITIES EXC. INFILT/INFLOW AND FUTURE FLOW	UNIT COST FOR EACH PARAMETER
1. Variable O&M Costs				
(a) Flow	73.70%	\$416,405	254.735	\$1,634.66
(b) BOD	26.30%	148,595	573.001	\$259.33
(c) SS	0.00%	0	2.126	\$0.00
(d) I/I	0.00%	0		
(e) Other	0.00%	0		
	-	<u>\$565,000</u>		
		-		
2. Fixed O & M Costs				
(f) Flow	56.90%	\$1,027,045	254.735	\$4,031.82
(g) BOD	43.10%	777,955	573.001	\$1,357.68
(h) SS	0.00%	0	2.126	\$0.00
(i) I/I	0.00%	0		
(j) Other	0.00%	0		
	-	<u>\$1,805,000</u>		
		-		
3. Capital Replacement Fund				
(k) Flow	80.70%	\$161,400	254.735	\$633.60
(l) BOD	19.30%	38,600	573.001	\$67.36
(m) SS	0.00%	0	2.126	\$0.00
(n) I/I	0.00%	0		
(o) Other	0.00%	0		
	-	<u>\$200,000</u>		
		-		
4. Wastewater Capital Reserve Fund				
(k) Flow	60.80%	\$197,541	254.735	\$775.48
(l) BOD	39.20%	127,362	573.001	\$222.27
(m) SS	0.00%	0	2.126	\$0.00
(n) I/I	0.00%	0		
(o) Other	0.00%	0		
	-	<u>\$324,904</u>		
		-		
5. Wastewater Capital Reserve Fund				
(p) Flow	73.20%	\$2,378,295	254.735	\$9,336.35
(q) BOD	26.80%	870,742	573.001	\$1,519.62
(r) SS	0.00%	0	2.126	\$0.00
(s) I/I	0.00%	0		
(t) Other	0.00%	0		
	-	<u>\$3,249,037</u>		
		-		

Exhibit E - Required Project Revenue Analysis:

Scenario 2 – No 2nd Assessment / USDA Grant

II

COUNTY OF SAN LUIS OBISPO
LOS OSOS WASTEWATER PROJECT

REQUIRED ANNUAL WASTEWATER REVENUES

Funding Scenario 2 - No 2nd Assessment / USDA Grant

Single Family Residential 4,289	Multi Family Residential 809	Mobile Homes 542	Low-Load Non Residential 147	Med-Load Non Residential 5	High-Load Non Residential 17	Special Users (Septage) 749	Aggregate 6,558
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PROJECT REVENUES

Variable OM&R Costs	446,099	63,115	28,201	16,950	633	8,008	1,994	565,000
Fixed OM&R Costs	1,416,592	200,421	89,553	53,826	2,462	32,385	9,759	1,805,000
Capital Replacement Fund	158,306	22,397	10,008	6,015	204	2,521	549	200,000
Operational/Replacement Costs	<u>2,020,997</u>	<u>285,933</u>	<u>127,762</u>	<u>76,792</u>	<u>3,299</u>	<u>42,915</u>	<u>12,302</u>	<u>2,570,000</u>
SRF Loan Repayment	1,689,610	239,048	106,813	64,200	2,413	30,578	7,671	2,140,333
SRF Debt Reserve Fund	168,212	23,799	10,634	6,392	280	3,653	1,064	214,033
Debt Service Costs	<u>1,857,822</u>	<u>262,847</u>	<u>117,446</u>	<u>70,592</u>	<u>2,693</u>	<u>34,231</u>	<u>8,735</u>	<u>2,354,366</u>
Total Project Revenues	<u>3,878,819</u>	<u>548,781</u>	<u>245,208</u>	<u>147,383</u>	<u>5,991</u>	<u>77,146</u>	<u>21,037</u>	<u>4,924,366</u>
<i>Annual Average per Account</i>	<i>904.36</i>	<i>678.34</i>	<i>452.41</i>	<i>1,002.61</i>	<i>1,198.29</i>	<i>4,537.97</i>	<i>28.09</i>	<i>750.89</i>
<i>Monthly Average per Amount</i>	<i>75.36</i>	<i>56.53</i>	<i>37.70</i>	<i>83.55</i>	<i>99.86</i>	<i>378.16</i>	<i>2.34</i>	<i>62.57</i>

FORM 2 Annual O. M. & R. and Non-operating Costs

Agency: **Los Osos - User Charges (O&M and General Benefits)**

FORM 2

Cost Category	Current Annual Costs	First Year Of Full Operation
1. TREATMENT FACILITIES:		
(a) Fixed O & M Costs (labor)	\$0	\$400,000
(b) Variable O & M Costs (energy & hauling)	0	505,000
(c) Replacement Costs (maint, filters, solids)	0	625,000
(d) Subtotal Treatment	\$0	\$1,530,000
2. COLLECTION SYSTEM:		
(e) Fixed O & M Costs (labor)	\$0	\$170,000
(f) Variable O & M Costs (energy)	0	60,000
(g) Replacement Costs	0	200,000
(h) Subtotal Collection	\$0	\$430,000
3. MISCELLANEOUS:		
(i) Overhead/Indirect	\$0	\$300,000
(j) Operating Reserve	0	50,000
(k) Other (allowances, habitat mitigation)	0	60,000
(l) Subtotal Miscellaneous	\$0	\$410,000
4. TOTAL - Variable Costs	\$0	\$565,000
5. TOTAL - Fixed Costs	\$0	\$1,805,000
6. TOTAL O. M. & R. Costs:	\$0	\$2,370,000
7. CAPITAL REPLACEMENT FUND:	\$0	\$200,000
8. DEBT SERVICE:		
(m) Collected with User Fees	\$0	\$2,140,333
(n) Collected from Other Sources	0	0
(o) Total debt service	\$0	\$2,140,333
9. WASTEWATER CAPITAL RESERVE FUND:	\$0	\$214,033 *

* collected with User Fees

COST RECOVERY	PARAMETER ALLOCATION PERCENTAGES	ANNUAL COST ALLOCATED TO EACH PARAMETER	TOTAL ANNUAL QUANTITIES EXC. INFILT/INFLOW AND FUTURE FLOW	UNIT COST FOR EACH PARAMETER
1. Variable O&M Costs				
(a) Flow	73.70%	\$416,405	254.735	\$1,634.66
(b) BOD	26.30%	148,595	573.001	\$259.33
(c) SS	0.00%	0	2.126	\$0.00
(d) I/I	0.00%	0		
(e) Other	0.00%	0		
	-	<u>\$565,000</u>		
		-		
2. Fixed O & M Costs				
(f) Flow	56.90%	\$1,027,045	254.735	\$4,031.82
(g) BOD	43.10%	777,955	573.001	\$1,357.68
(h) SS	0.00%	0	2.126	\$0.00
(i) I/I	0.00%	0		
(j) Other	0.00%	0		
	-	<u>\$1,805,000</u>		
		-		
3. Capital Replacement Fund				
(k) Flow	80.70%	\$161,400	254.735	\$633.60
(l) BOD	19.30%	38,600	573.001	\$67.36
(m) SS	0.00%	0	2.126	\$0.00
(n) I/I	0.00%	0		
(o) Other	0.00%	0		
	-	<u>\$200,000</u>		
		-		
4. Wastewater Capital Reserve Fund				
(k) Flow	60.80%	\$130,132	254.735	\$510.85
(l) BOD	39.20%	83,901	573.001	\$146.42
(m) SS	0.00%	0	2.126	\$0.00
(n) I/I	0.00%	0		
(o) Other	0.00%	0		
	-	<u>\$214,033</u>		
		-		
5. Wastewater Capital Reserve Fund				
(p) Flow	73.20%	\$1,566,724	254.735	\$6,150.41
(q) BOD	26.80%	573,609	573.001	\$1,001.06
(r) SS	0.00%	0	2.126	\$0.00
(s) I/I	0.00%	0		
(t) Other	0.00%	0		
	-	<u>\$2,140,333</u>		
		-		

Exhibit E - Required Project Revenue Analysis:

Scenario 3 – 2nd Assessment / No USDA Grant

III

COUNTY OF SAN LUIS OBISPO
LOS OSOS WASTEWATER PROJECT

REQUIRED ANNUAL WASTEWATER REVENUES

Funding Scenario 3 - 2nd Assessment / No USDA Grant

Single Family Residential 4,289	Multi Family Residential 809	Mobile Homes 542	Low-Load Non Residential 147	Med-Load Non Residential 5	High-Load Non Residential 17	Special Users (Septage) 749	Aggregate 6,558
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PROJECT REVENUES

Variable OM&R Costs	446,099	63,115	28,201	16,950	633	8,008	1,994	565,000
Fixed OM&R Costs	1,416,592	200,421	89,553	53,826	2,462	32,385	9,759	1,805,000
Capital Replacement Fund	158,306	22,397	10,008	6,015	204	2,521	549	200,000
Operational/Replacement Costs	<u>2,020,997</u>	<u>285,933</u>	<u>127,762</u>	<u>76,792</u>	<u>3,299</u>	<u>42,915</u>	<u>12,302</u>	<u>2,570,000</u>
SRF Loan Repayment	1,048,413	148,331	66,278	39,837	1,497	18,974	4,760	1,328,089
SRF Debt Reserve Fund	104,377	14,767	6,598	3,966	174	2,267	660	132,809
Debt Service Costs	<u>1,152,789</u>	<u>163,098</u>	<u>72,876</u>	<u>43,803</u>	<u>1,671</u>	<u>21,240</u>	<u>5,420</u>	<u>1,460,898</u>
Total Project Revenues	<u>3,173,787</u>	<u>449,032</u>	<u>200,638</u>	<u>120,594</u>	<u>4,970</u>	<u>64,155</u>	<u>17,722</u>	<u>4,030,898</u>
<i>Annual Average per Account</i>	<i>739.98</i>	<i>555.05</i>	<i>370.18</i>	<i>820.37</i>	<i>993.91</i>	<i>3,773.83</i>	<i>23.66</i>	<i>614.65</i>
<i>Monthly Average per Amount</i>	<i>61.67</i>	<i>46.25</i>	<i>30.85</i>	<i>68.36</i>	<i>82.83</i>	<i>314.49</i>	<i>1.97</i>	<i>51.22</i>

FORM 2 Annual O. M. & R. and Non-operating Costs

Agency: **Los Osos - User Charges (O&M and General Benefits)**

FORM 2

Cost Category	Current Annual Costs	First Year Of Full Operation
1. TREATMENT FACILITIES:		
(a) Fixed O & M Costs (labor)	\$0	\$400,000
(b) Variable O & M Costs (energy & hauling)	0	505,000
(c) Replacement Costs (maint, filters, solids)	0	625,000
(d) Subtotal Treatment	\$0	\$1,530,000
2. COLLECTION SYSTEM:		
(e) Fixed O & M Costs (labor)	\$0	\$170,000
(f) Variable O & M Costs (energy)	0	60,000
(g) Replacement Costs	0	200,000
(h) Subtotal Collection	\$0	\$430,000
3. MISCELLANEOUS:		
(i) Overhead/Indirect	\$0	\$300,000
(j) Operating Reserve	0	50,000
(k) Other (allowances, habitat mitigation)	0	60,000
(l) Subtotal Miscellaneous	\$0	\$410,000
4. TOTAL - Variable Costs	\$0	\$565,000
5. TOTAL - Fixed Costs	\$0	\$1,805,000
6. TOTAL O. M. & R. Costs:	\$0	\$2,370,000
7. CAPITAL REPLACEMENT FUND:		\$200,000
8. DEBT SERVICE:		
(m) Collected with User Fees		\$1,328,089
(n) Collected from Other Sources	0	
(o) Total debt service	\$0	\$1,328,089
9. WASTEWATER CAPITAL RESERVE FUND:		\$132,809 *

* collected with User Fees

FORM \$ Unit Cost Determination

Agency: Los Osos - User Charges (O&M and General Benefits)

FORM 4

COST RECOVERY	PARAMETER ALLOCATION PERCENTAGES	ANNUAL COST ALLOCATED TO EACH PARAMETER	TOTAL ANNUAL QUANTITIES EXC. INFILT/INFLOW AND FUTURE FLOW	UNIT COST FOR EACH PARAMETER
1. Variable O&M Costs				
(a) Flow	73.70%	\$416,405	254.735	\$1,634.66
(b) BOD	26.30%	148,595	573.001	\$259.33
(c) SS	0.00%	0	2.126	\$0.00
(d) I/I	0.00%	0		
(e) Other	0.00%	0		
	-	<u>\$565,000</u>		
		-		
2. Fixed O & M Costs				
(f) Flow	56.90%	\$1,027,045	254.735	\$4,031.82
(g) BOD	43.10%	777,955	573.001	\$1,357.68
(h) SS	0.00%	0	2.126	\$0.00
(i) I/I	0.00%	0		
(j) Other	0.00%	0		
	-	<u>\$1,805,000</u>		
		-		
3. Capital Replacement Fund				
(k) Flow	80.70%	\$161,400	254.735	\$633.60
(l) BOD	19.30%	38,600	573.001	\$67.36
(m) SS	0.00%	0	2.126	\$0.00
(n) I/I	0.00%	0		
(o) Other	0.00%	0		
	-	<u>\$200,000</u>		
		-		
4. Wastewater Capital Reserve Fund				
(k) Flow	60.80%	\$80,748	254.735	\$316.99
(l) BOD	39.20%	52,061	573.001	\$90.86
(m) SS	0.00%	0	2.126	\$0.00
(n) I/I	0.00%	0		
(o) Other	0.00%	0		
	-	<u>\$132,809</u>		
		-		
5. Wastewater Capital Reserve Fund				
(p) Flow	73.20%	\$972,161	254.735	\$3,816.36
(q) BOD	26.80%	355,928	573.001	\$621.16
(r) SS	0.00%	0	2.126	\$0.00
(s) I/I	0.00%	0		
(t) Other	0.00%	0		
	-	<u>\$1,328,089</u>		
		-		

Exhibit E - Required Project Revenue Analysis:

Scenario 4 – 2nd Assessment / USDA Grant

IV

COUNTY OF SAN LUIS OBISPO
LOS OSOS WASTEWATER PROJECT

REQUIRED ANNUAL WASTEWATER REVENUES

Funding Scenario 4 - 2nd Assessment / USDA Grant

Single Family Residential 4,289	Multi Family Residential 809	Mobile Homes 542	Low-Load Non Residential 147	Med-Load Non Residential 5	High-Load Non Residential 17	Special Users (Septage) 749	Aggregate 6,558
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PROJECT REVENUES

Variable OM&R Costs	446,099	63,115	28,201	16,950	633	8,008	1,994	565,000
Fixed OM&R Costs	1,416,592	200,421	89,553	53,826	2,462	32,385	9,759	1,805,000
Capital Replacement Fund	158,306	22,397	10,008	6,015	204	2,521	549	200,000
Operational/Replacement Costs	<u>2,020,997</u>	<u>285,933</u>	<u>127,762</u>	<u>76,792</u>	<u>3,299</u>	<u>42,915</u>	<u>12,302</u>	<u>2,570,000</u>
SRF Loan Repayment	355,561	50,305	22,478	13,510	508	6,435	1,614	450,411
SRF Debt Reserve Fund	35,399	5,008	2,238	1,345	59	769	224	45,041
Debt Service Costs	<u>390,960</u>	<u>55,314</u>	<u>24,715</u>	<u>14,855</u>	<u>567</u>	<u>7,203</u>	<u>1,838</u>	<u>495,452</u>
Total Project Revenues	<u>2,411,957</u>	<u>341,247</u>	<u>152,477</u>	<u>91,647</u>	<u>3,865</u>	<u>50,118</u>	<u>14,140</u>	<u>3,065,452</u>
<i>Annual Average per Account</i>	<i>562.36</i>	<i>421.81</i>	<i>281.32</i>	<i>623.45</i>	<i>773.08</i>	<i>2,948.14</i>	<i>18.88</i>	<i>467.44</i>
<i>Monthly Average per Amount</i>	<i>46.86</i>	<i>35.15</i>	<i>23.44</i>	<i>51.95</i>	<i>64.42</i>	<i>245.68</i>	<i>1.57</i>	<i>38.95</i>

FORM 2 Annual O. M. & R. and Non-operating Costs

Agency: **Los Osos - User Charges (O&M and General Benefits)**

FORM 2

Cost Category	Current Annual Costs	First Year Of Full Operation
1. TREATMENT FACILITIES:		
(a) Fixed O & M Costs (labor)	\$0	\$400,000
(b) Variable O & M Costs (energy & hauling)	0	505,000
(c) Replacement Costs (maint, filters, solids)	0	625,000
(d) Subtotal Treatment	\$0	\$1,530,000
2. COLLECTION SYSTEM:		
(e) Fixed O & M Costs (labor)	\$0	\$170,000
(f) Variable O & M Costs (energy)	0	60,000
(g) Replacement Costs	0	200,000
Operational/Replacement Costs	\$0	\$430,000
3. MISCELLANEOUS:		
(i) Overhead/Indirect	\$0	\$300,000
(j) Operating Reserve	0	50,000
(k) Other (allowances, habitat mitigation)	0	60,000
(l) Subtotal Miscellaneous	\$0	\$410,000
4. TOTAL - Variable Costs	\$0	\$565,000
5. TOTAL - Fixed Costs	\$0	\$1,805,000
6. TOTAL O. M. & R. Costs:	\$0	\$2,370,000
7. CAPITAL REPLACEMENT FUND:		\$200,000
8. DEBT SERVICE:		
(m) Collected with User Fees		\$450,411
(n) Collected from Other Sources	0	
(o) Total debt service	\$0	\$450,411
9. WASTEWATER CAPITAL RESERVE FUND:		\$45,041 *

* collected with User Fees

COST RECOVERY	PARAMETER ALLOCATION PERCENTAGES	ANNUAL COST ALLOCATED TO EACH PARAMETER	TOTAL ANNUAL QUANTITIES EXC. INFILT/INFLOW AND FUTURE FLOW	UNIT COST FOR EACH PARAMETER
1. Variable O&M Costs				
(a) Flow	73.70%	\$416,405	254.735	\$1,634.66
(b) BOD	26.30%	148,595	573.001	\$259.33
(c) SS	0.00%	0	2.126	\$0.00
(d) I/I	0.00%	0		
(e) Other	0.00%	0		
	-	<u>\$565,000</u>		
		-		
2. FiOperational/Replacement Costs				
(f) Flow	56.90%	\$1,027,045	254.735	\$4,031.82
(g) BOD	43.10%	777,955	573.001	\$1,357.68
(h) SS	0.00%	0	2.126	\$0.00
(i) I/I	0.00%	0		
(j) Other	0.00%	0		
	-	<u>\$1,805,000</u>		
		-		
3. Capital Replacement Fund				
(k) Flow	80.70%	\$161,400	254.735	\$633.60
(l) BOD	19.30%	38,600	573.001	\$67.36
(m) SS	0.00%	0	2.126	\$0.00
(n) I/I	0.00%	0		
(o) Other	0.00%	0		
	-	<u>\$200,000</u>		
		-		
4. Wastewater Capital Reserve Fund				
(k) Flow	60.80%	\$27,385	254.735	\$107.50
(l) BOD	39.20%	17,656	573.001	\$30.81
(m) SS	0.00%	0	2.126	\$0.00
(n) I/I	0.00%	0		
(o) Other	0.00%	0		
	-	<u>\$45,041</u>		
		-		
5. Wastewater Capital Reserve Fund				
(p) Flow	73.20%	\$329,701	254.735	\$1,294.29
(q) BOD	26.80%	120,710	573.001	\$210.66
(r) SS	0.00%	0	2.126	\$0.00
(s) I/I	0.00%	0		
(t) Other	0.00%	0		
	-	<u>\$450,411</u>		
		-		

