

**OSCEOLA TOWNSHIP WATER SYSTEM
PROPOSED EGLE SRF APPLICATION
FOR
WATER SYSTEM IMPROVEMENTS AND EXTENSION TO TAMARACK CITY**

OPTION 1: FULL SCOPE - PRELIMINARY RATE PROJECTION

	DB + TC Combined	Dollar Bay	Tamarack City
Total	\$8,000,000	\$4,513,000	\$3,487,000
Assume 75% Grant:			
Loan: 25%	\$2,000,000	\$1,128,250	\$871,750
Loan Payment/Year (1.875%, 30 years)	\$87,772	\$49,515	\$38,258
Customers	500	330	170
Addnl. Base Rate increase/ mo.		\$12.50	\$18.75
Current Base Rate/ mo.		\$36.50*	\$37.00
New Total Base Rate/ mo.		\$49.00*	\$55.75
		* includes 4,000 gal/mo.	Base Rate for Debt Service and Admin. Only Includes 0 gallons
Per Gallon Rate		-	\$1.00/1000 gal.
Per Gallon Overage		\$4.50/1000 gal.	\$1.00/1000 gal.
Total Rate with proposed full project, 3,000 gallons/mo.		\$49.00	\$58.75
			\$57.98 @ average T.C. water use 2,230 gal/mo.
For Comparison: Current Rates, No Project**		\$36.50	\$61.90**
**assumes use of 3,000/gallons per month			\$55.51 @ average T.C. water use 2,230 gal/mo.
**assumes T.C. will continue to receive water from Upper Michigan Water Co. at \$8.30/1000 gallons			

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OPTION 2: REDUCED PROJECT SIZE - PRELIMINARY RATE PROJECTION

	DB + TC Combined	Dollar Bay	Tamarack City
Total	\$5,800,000	\$2,313,000	\$3,487,000
Assume 75% Grant:			
Loan: 25%	\$1,450,000	\$578,250	\$871,750
Loan Payment/Year (1.875%, 30 years)	\$63,635	\$25,377	\$38,258
Customers	500	330	170
Addnl. Base Rate increase/ mo.		\$6.41	\$18.75
Current Base Rate/ mo.		\$36.50*	\$37.00
New Total Base Rate/ mo.		\$42.91*	\$55.75
		* includes 4,000 gal/mo.	Base Rate for Debt Service and Admin. Only Includes 0 gallons
Per Gallon Rate		-	\$1.00/1000 gal.
Per Gallon Overage		\$4.50/1000 gal.	\$1.00/1000 gal.
Total Rate with proposed reduced project, 3,000 gallons/mo.		\$42.91*	\$58.75
			\$57.98 @ average T.C. water use 2,230 gal/mo.
For Comparison: Current Rates, No Project**		\$36.50	\$61.90**
**assumes use of 3,000/gallons per month			\$55.51 @ average T.C. water use 2,230 gal/mo.
**assumes T.C. will continue to receive water from Upper Michigan Water Co. at \$8.30/1000 gallons			