

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

OPTION 2: REDUCED PROJECT SIZE - PRELIMINARY RATE PROJECTION

	<u>DB + TC</u>	<u>Dollar Bay</u>	
	<u>Combined</u>	<u>Subtotal</u>	<u>Tamarack City Subtotal</u>
<u>DISTRIBUTION</u>	Project Total - Distribution	\$4,175,000	\$1,575,000
<u>WATER SOURCE</u>	Project Total - Source/ Storage	\$480,000	\$280,000
	Construction Total	\$4,655,000	\$1,855,000
	Contingency	\$467,000	\$187,000
	Engineering Design (7%)	\$332,000	\$132,000
	Construction Admin., Engineering, Inspection (6%)	\$283,000	\$113,000
	Attorney/Legal	\$63,000	\$26,000
	Total	\$5,800,000	\$2,313,000
	Assume 75% Grant:	\$4,350,000	
	Loan: 25%	\$1,450,000	\$578,250
	Loan Payment/Year (1.875%, 30 years)	\$63,635	\$25,377
	Customers	500	330
	Addnl. Base Rate increase/ mo.		\$6.41
	Current Base Rate/ mo.		\$36.50*
	New Total Base Rate/ mo.		\$42.91*
			\$18.75
			\$37.00
			\$55.75
			\$18.75 + \$37.00 = \$55.75
			Base Rate for Debt
			Service and Admin. Only
			Includes 0 gallons
			\$1.00
Per Gallon Rate			\$1.00
Per Gallon Overage			\$4.50/1000 gal.
Total Rate with proposed reduced project, 3,000 gallons/mo.			\$1.00/1000 gal.
			See attached Osceola Township Usage Calculation
			Proposed Project/Rates
			\$42.91
			\$58.75
			\$57.98
			@ T.C. water use 3,000 gal/mo.
			@ average T.C. water use 2,230 gal/mo.
			No Project/ Current Rates
			\$36.50
			\$61.90**
			@ T.C. water use 3,000 gal/mo.
			@ average T.C. water use 2,230 gal/mo.

**assumes T.C. will continue to receive water from Upper