

Rate Schedule with Initial Operating Budget  
Northampton County



Wastewater System - Phase 1 - Nassawadox & Hospital Community

Updated: Wednesday, January 12, 2011

Service Start: 7/1/2011

Operational Year # Fiscal Year	1 FY 11	2 FY 12	3 FY 13	4 FY 14	5 FY 15	6 FY 16	7 FY 17	8 FY 18	9 FY 19	10 FY 20	
<b>Residential Water Rate and Sales Information</b>											
1	Minimum Monthly Residential Service Charge	\$42.00	\$43.26	\$44.56	\$45.89	\$47.27	\$48.69	\$50.15	\$51.65	\$53.20	\$54.80
2	Average Monthly Commercial Service Charge	\$100.00	\$103.00	\$106.09	\$109.27	\$112.55	\$115.93	\$119.41	\$122.99	\$126.68	\$130.48
2a	Hospital Campus Service Charge	\$7,500.00	\$7,725.00	\$7,956.75	\$8,195.45	\$8,441.32	\$8,694.56	\$8,955.39	\$9,224.05	\$9,500.78	\$9,785.80
3	Projected Total Initial Residential Connections (ERC)	228									
4	Projected New Residential Connections per year (ERC)	1	1	1	1	1	1	1	1	1	
5	Total Residential Connections	229	230	231	232	233	234	235	236	237	
6	Projected Total Initial Commercial Connections	37									
7	Projected New Commercial Connections per year (ERC)	0	0	0	0	1	0	0	1	0	
8	Total Commercial Connections	37	37	37	37	38	38	38	39	39	
9	Availability Charge = \$2,500 (Res) for new connections	\$0	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039	\$3,191	\$3,350	\$3,518	\$3,694
10	Availability Charge = \$3,500 (Comm) for new connections	\$0	\$3,500	\$3,675	\$3,859	\$4,052	\$4,254	\$4,467	\$4,690	\$4,925	\$5,171
11	Connection Charge = \$1,000 (Res) and (Comm)	\$0	\$1,000	\$1,025	\$1,051	\$1,077	\$1,104	\$1,131	\$1,160	\$1,189	\$1,218
12	Inspection and Accounting Fee for new connections	\$50	\$50	\$50	\$50	\$100	\$50	\$50	\$100	\$50	\$50
<b>Annual Revenues</b>											
13	Existing and New Residential Service Charges	\$115,416	\$119,398	\$123,514	\$127,770	\$132,171	\$136,720	\$141,424	\$146,286	\$151,313	\$156,510
14	Existing and New Commercial Service Charges	\$44,400	\$45,732	\$47,104	\$48,517	\$51,323	\$52,863	\$54,449	\$57,558	\$59,285	\$61,063
14a	Hospital Campus Service Charges	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430
15	Availability Fee (New connections - Residential)	\$0	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039	\$3,191	\$3,350	\$3,518	\$3,694
16	Availability Fee (New connections - Commercial)	\$0	\$0	\$0	\$0	\$4,052	\$0	\$0	\$4,690	\$0	\$0
17	Connection Fee (New connections - Residential)	\$0	\$1,000	\$1,025	\$1,051	\$1,077	\$1,104	\$1,131	\$1,160	\$1,189	\$1,218
18	Connection Fee (New connections - Commercial)	\$0	\$0	\$0	\$0	\$1,077	\$0	\$0	\$1,160	\$0	\$0
19	New Inspection & Account Fee (New connections)	\$50	\$50	\$50	\$50	\$200	\$50	\$50	\$200	\$50	\$50
	Septage Receiving Fees	\$60,000	\$60,600	\$61,206	\$61,818	\$62,436	\$63,061	\$63,691	\$64,328	\$64,971	\$65,621
20	<b>TOTAL REVENUES</b>	<b>\$309,866</b>	<b>\$321,980</b>	<b>\$331,005</b>	<b>\$340,308</b>	<b>\$356,526</b>	<b>\$361,171</b>	<b>\$371,400</b>	<b>\$389,421</b>	<b>\$394,335</b>	<b>\$405,586</b>
<b>Annual Operation Expenses</b>											
21	Total O&M Vacuum Collection System	\$33,910	\$34,927	\$35,975	\$37,054	\$38,166	\$39,311	\$40,490	\$41,705	\$42,956	\$44,245
22	Total O&M Treatment Facility	\$133,484	\$135,486	\$137,519	\$139,581	\$141,675	\$143,800	\$145,957	\$148,147	\$150,369	\$152,624
24	<b>SUBTOTAL OPERATION EXPENSES</b>	<b>\$167,394</b>	<b>\$170,414</b>	<b>\$173,494</b>	<b>\$176,636</b>	<b>\$179,841</b>	<b>\$183,111</b>	<b>\$186,447</b>	<b>\$189,852</b>	<b>\$193,325</b>	<b>\$196,869</b>
<b>New Debt</b>											
25	Level Debt Payment for Loan Amount	\$126,786	\$126,786	\$126,786	\$126,786	\$126,786	\$126,786	\$126,786	\$126,786	\$126,786	\$126,786
26	<b>SUBTOTAL NEW DEBT</b>	<b>\$126,786</b>									
27	<b>TOTAL EXPENSE</b>	<b>\$294,180</b>	<b>\$297,200</b>	<b>\$300,280</b>	<b>\$303,422</b>	<b>\$306,627</b>	<b>\$309,897</b>	<b>\$313,233</b>	<b>\$316,638</b>	<b>\$320,111</b>	<b>\$323,655</b>
<b>Net Profit/Loss</b>		<b>\$15,686</b>	<b>\$24,780</b>	<b>\$30,726</b>	<b>\$36,886</b>	<b>\$49,898</b>	<b>\$51,274</b>	<b>\$58,167</b>	<b>\$72,783</b>	<b>\$74,224</b>	<b>\$81,931</b>
<b>Accumulated Cash Flow Balance</b>		<b>\$15,686</b>	<b>\$40,466</b>	<b>\$71,192</b>	<b>\$108,078</b>	<b>\$157,976</b>	<b>\$209,250</b>	<b>\$267,417</b>	<b>\$340,200</b>	<b>\$414,424</b>	<b>\$496,356</b>

Assumptions

- Monthly Service Charge is a flat rate and increases at a rate of 3% per year starting in FY 11.
- Availability and Connection fee is not charged for initial customer base (residential) for first year. For the purposes of the model, commercial connection fees are assumed to be part of the grants and community contributions (67% of project costs).
- Availability Charge is \$2,500 for new Residential and \$3,500 for new Commercial connections made after the project is awarded and escalates at 5% per year.
- Connection Charge fee is \$1,000 for new Residential and new Commercial connections made after the project is awarded and escalates at 2.5% per year.
- Inspection and Accounting fee for new accounts remains constant through 2040.
- Interest rate on the financed amount for the project = 0 %
- Term of the amount financed = 30 years
- Total initial customer base is 100% of existing occupied residential + commercial within the Nassawadox town limits.
- Any hospital or community contributions will be subtracted from the total project cost prior to determining grant/loan amounts & residential/commercial monthly rates.
- Total grants and community contributions assumed to be 67% of project costs.
- Total loan amount assumed is 33% of project costs.
- Initial annual equipment renewal and replacement cost is \$47,020 and escalates at approximately 2% per year.
- Septage receiving fees are based on an estimated 600,000 gallons annually at \$0.10/gallon with a 1% increase in revenue each year.
- The financial model, project cost, and proposed components are based on current regulations.

Wastewater System

Updated: Wednesday, January 12, 2011

Service Start: 7/1/2011

Operational Year # Fiscal Year	1 FY 11	2 FY 12	3 FY 13	4 FY 14	5 FY 15	6 FY 16	7 FY 17	8 FY 18	9 FY 19	10 FY 20
<b>Annual Revenue</b>	\$309,866	\$321,980	\$331,005	\$340,308	\$356,526	\$361,171	\$371,400	\$389,421	\$394,335	\$405,586
<b>Annual Expenses</b>	\$294,180	\$297,200	\$300,280	\$303,422	\$306,627	\$309,897	\$313,233	\$316,638	\$320,111	\$323,655
<b>Yearly Cashflow Reserve</b>	<b>\$15,686</b>	<b>\$24,780</b>	<b>\$30,726</b>	<b>\$36,886</b>	<b>\$49,898</b>	<b>\$51,274</b>	<b>\$58,167</b>	<b>\$72,783</b>	<b>\$74,224</b>	<b>\$81,931</b>
<b>Percentage of Expenses (Revenue/Expense ratio)</b>	<b>105.33%</b>	<b>108.34%</b>	<b>110.23%</b>	<b>112.16%</b>	<b>116.27%</b>	<b>116.55%</b>	<b>118.57%</b>	<b>122.99%</b>	<b>123.19%</b>	<b>125.31%</b>