

DRAFT SUBJECT TO CHANGE

Puck's Point Sewer Project - Optional Financial Structures

Option [1]	Customer Status [2]	CAPITAL FEE: Non-Ad Valorem [3]	CAPITAL FEE: Ad Valorem [4]	O&M Fee: Fixed [5]	O&M Fee: Variable [6]	TOTAL ANNUAL COST	TOTAL MONTHLY COST	Estimated Connection Fee [7]	
		\$ per REU per year	\$ per \$1000 Taxable Value per year	\$ per REU	\$ per 1000 gal	\$ per REU per year	\$ per REU per month	\$ per REU one- time	
1	Non-Ad Valorem Fee Collected via annual assessments	Connected, Active	516.24	-	693.82	-	1,210.06	100.84	n/a
		Connected, Inactive	516.24	-	421.91	-	938.15	78.18	n/a
		Unconnected	-	-	-	-	-	-	15,640.30
2	Combination Non-Ad Valorem and Ad Valorem Fees [2]	Connected, Active	261.80	1.60	693.82	-	Varies by parcel	Varies by parcel	n/a
		Connected, Inactive	261.80	1.60	150.00	-	Varies by parcel	Varies by parcel	n/a
		Unconnected	-	1.60	-	-	Varies by parcel	Varies by parcel	10,577.01
3	Fixed Non-Ad Valorem and Metered O&M Fees	Connected, Active	516.24	-	421.91	2.78	1,210.03	100.84	n/a
		Connected, Inactive	516.24	-	421.91	-	938.15	78.18	n/a
		Unconnected	-	-	-	-	-	-	15,640.30
4	Combination Non-Ad Valorem, Ad Valorem and Metered O&M Fees	Connected, Active	261.80	1.60	421.91	2.78	Varies by parcel	Varies by parcel	n/a
		Connected, Inactive	261.80	1.60	421.91	-	Varies by parcel	Varies by parcel	n/a
		Unconnected	-	1.60	-	-	Varies by parcel	Varies by parcel	10,577.01
How will these fees change over time?		Fixed for 30 years	Fixed for 30 years	Increase with inflation, regulations and system age	Increase with inflation, regulations and system age			Increase with inflation and regulatory requirements	

1 Options were defined to provide both non ad-valorem (per REU) and ad-valorem (per \$1000 taxable value) capital fees

Ad valorem capital fees were defined to recover the annual debt payments on the treatment system sized to serve the entire SSD.

Non-ad valorem capital fees were defined to recover the annual debt payments on the STEP collection system and individual connections.

ALL OPTIONS ASSUME \$130,000 GRANT FROM IRRRB AND \$130,000 GRANT FROM OTHER SOURCES

2 Active, connected customers are assumed to pay all capital and O&M fees. Inactive, connected customers are assumed to pay all capital fees and fixed O&M fees.

3 Non-ad valorem capital fees assume 60 REUs will connect to the system at the onset, subject to Township verification.

4 Ad valorem capital fees assume total SSD taxable value of \$9,550,000 based on 2010 St. Louis County tax records. This fee is used to pay for "backbone" treatment system facilities.

5 Based on O&M cost estimates prepared by SEH. Includes \$4,000 provision for asset renewal & replacement and \$5,000 for operating contingency.

6 Assumes 21,926 gallons per day of metered flow over a 120 day summer season. Recommended that metered O&M fees begin after 12 months of validated flow records are available.

7 Connection fees are payable by customers who connect to the system after its initial start-up. Connection fees are subject to change based on the actual cost of install additional STEP system facilities and physical connections.