

**BOROUGH OF SHARPSVILLE
WATER TREATMENT FACILITY
FEASIBILITY STUDY**

ALTERNATE NO. 2 - CONSTRUCT NEW WATER TREATMENT FACILITY

POTENTIAL FUNDING OPTIONS AND USER FEES

	PENNVEST (20 Year)	PENNVEST (30 Year)	PENNVEST (30 Year)	Conventional Bond	PENNVEST (30 Year w/ Grant)
Interest Rate ¹	2.427	2.427	1	6	2.427
Term (Yrs)	20	30	30	30	30
Total Estimated Capital Costs	\$5,550,000	\$5,550,000	\$5,550,000	\$5,550,000	\$5,550,000
Grant	\$0	\$0	\$0	\$0	\$1,000,000
Loan (Amount to be Financed)	\$5,550,000	\$5,550,000	\$5,550,000	\$5,550,000	\$4,550,000
Annual Debt Service	\$353,566	\$262,592	\$215,052	\$403,201	\$215,278
Annual Operation and Maintenance Expenses ²	\$706,237	\$706,237	\$706,237	\$706,237	\$706,237
Annual Total Expenditures	\$1,059,803	\$968,829	\$921,289	\$1,109,438	\$921,515
Current Annual Revenue	\$680,676	\$680,676	\$680,676	\$680,676	\$680,676
Required Additional Revenue	\$379,127	\$288,153	\$240,613	\$428,762	\$240,839
Percent Increase	55.70%	42.33%	35.35%	62.99%	35.38%
Current Residential Rate ³	\$25.64	\$25.64	\$25.64	\$25.64	\$25.64
Project Residential User Fee³	\$39.92	\$36.49	\$34.70	\$41.79	\$34.71

¹ PENNVEST Interest Rate based on 1.387% for first five years and 2.774% for the remaining years

² Includes annual allocation of \$125,000 for distribution system improvements

³ Based on average consumption of 5,000 gallons per month

**BOROUGH OF SHARPSVILLE
WATER TREATMENT FACILITY
FEASIBILITY STUDY**

ALTERNATE NO. 2 - CONSTRUCT NEW WATER TREATMENT FACILITY REVISED PER COST OVERRUN

POTENTIAL FUNDING OPTIONS AND USER FEES

	PENNVEST (20 Year)	PENNVEST (30 Year)	PENNVEST (30 Year)	Conventional Bond	PENNVEST (30 Year w/ Grant)
Interest Rate ¹	2.427	2.427	1	6	2.427
Term (Yrs)	20	30	30	30	30
Total Estimated Capital Costs	\$9,320,000	\$9,320,000	\$9,320,000	\$9,320,000	\$9,320,000
Grant	\$0	\$0	\$0	\$0	\$1,000,000
Loan (Amount to be Financed)	\$9,320,000	\$9,320,000	\$9,320,000	\$9,320,000	\$8,320,000
Annual Debt Service	\$593,736	\$440,965	\$361,132	\$677,088	\$393,651
Annual Operation and Maintenance Expenses ²	\$706,237	\$706,237	\$706,237	\$706,237	\$706,237
Annual Total Expenditures	\$1,299,973	\$1,147,202	\$1,067,369	\$1,383,325	\$1,099,888
Current Annual Revenue	\$680,676	\$680,676	\$680,676	\$680,676	\$680,676
Required Additional Revenue	\$619,297	\$466,526	\$386,693	\$702,649	\$419,212
Percent Increase	90.98%	68.54%	56.81%	103.23%	61.59%
Current Residential Rate ³	\$25.64	\$25.64	\$25.64	\$25.64	\$25.64
Project Residential User Fee³	\$48.97	\$43.21	\$40.21	\$52.11	\$41.43

¹ PENNVEST Interest Rate based on 1.387% for first five years and 2.774% for the remaining years

² Includes annual allocation of \$125,000 for distribution system improvements

³ Based on average consumption of 5,000 gallons per month

Note: These user rate estimate reflects the November 21, 2007 revised construction costs.