

FY 2009 Estimated Water Cost Comparisons @ 3,859,014 Units

* City Amount of Actual Units Purchased = 3,859,014 from DWSD

* City Sold 3,399,812 Units or 11% Water Loss

| Scenario #1: FY 2009 Approximate Water Purchase Costs | | |
|---|---------------------|--------------------|
| DWSD Commodity Rate: | \$ 2.360 | per unit |
| DWSD Estimated Demand (Mcf) | 3,859,014 | units purchased |
| DWSD Commodity Component | \$ 9,107,273 | Annual Cost |
| Total DWSD FY 2009 Approximate | \$ 9,107,273 | Status Quo |

* \$8,898,509 = Actual

| Scenario #2: FY 2009 Approx. Water Purchase Costs With Reservoir | | |
|--|---------------------|-----------------------|
| DWSD Commodity Rate: | \$ 1.396 | per unit |
| DWSD Estimated Demand (Mcf) | 3,859,014 | units |
| DWSD Commodity Component | \$ 5,387,184 | Annual Cost |
| Total DWSD FY 2009 Estimated | \$ 5,387,184 | With Reservoir |

| Difference in Water Purchase Costs: Reservoir - Status Quo | | |
|--|-----------------------|--------------------------------|
| DWSD Commodity Rate: | \$ (0.96) | per unit difference |
| DWSD Estimated Demand (Mcf) | 3,859,014 | units |
| DWSD Commodity Component | \$ (3,720,089) | Annual Cost Difference |
| Total DWSD FY 2009 Estimated Difference | \$ (3,720,089) | Annual Reservoir Impact |

| Annual Cost Impact of Reservoir on Water Division | | |
|---|-------------------|-------------------------------|
| Annual Debt Service (Repayment) | \$ 600,000 | \$5M @ ave 2% 10-year Loan |
| Annual Operations | \$ 70,000 | Operations & Maintenance |
| Annual Depreciation | \$ 231,000 | \$11.55M Over 50-years |
| Annual Cost of Reservoir | \$ 901,000 | Annual Cost Difference |

| "Bottom Line" Reservoir Impact to Water Division | | |
|--|-----------------------|--------------------------------|
| Bottom Line Annual Impact | \$ (2,819,089) | Annual Reservoir Impact |