

# APPENDIX D

**Anna Meadows Water  
Feasibility Study**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Revenues (at current rates)	\$42,770	\$52,170	\$61,570
Less Expenses:			
Costs of Goods Sold	13,313	16,914	20,792
Labor & Benefits	0	0	0
Other O&M Costs	6,391	9,296	11,228
Property Taxes	1,912	1,913	1,862
Bad Debts Expense	428	522	616
Depreciation Expense	4,908	5,003	5,051
Contributions Amortization	0	0	0
Total Expenses	26,951	33,648	39,550
<b>Net Income Before Interest and Taxes</b>	<b>\$15,819</b>	<b>\$18,522</b>	<b>\$22,020</b>

**Assumptions:**

- 71 sewer customers in 2014
- 20 new customers per year thereafter
- Use current Anna Meadows rate (combined flat rate, \$70 per month + \$100 per year), split equilly between water & sewer
- Bad debts expense assumed to be 1% of sewer revenues
- Property tax rate assumed to be 1% of net book value of plant

**Anna Meadows Sewer  
Feasibility Study**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Revenues (at current rates)	\$42,770	\$52,170	\$61,570
Less Expenses:			
Costs of Goods Sold	14,470	18,385	22,600
Labor & Benefits	0	0	0
Other O&M Costs	2,427	3,131	3,643
Property Taxes	3,406	3,354	3,251
Bad Debts Expense	428	522	616
Depreciation Expense	10,178	10,273	10,321
Contributions Amortization	0	0	0
Total Expenses	30,908	35,665	40,430
<b>Net Income Before Interest and Taxes</b>	<b>\$11,862</b>	<b>\$16,505</b>	<b>\$21,140</b>

**Assumptions:**

- 71 sewer customers in 2014
- 20 new customers per year thereafter
- Use current Anna Meadows rate (combined flat rate, \$70 per month + \$100 per year), split equally between water & sewer
- Bad debts expense assumed to be 1% of sewer revenues
- Property tax rate assumed to be 1% of net book value of plant