

DSH & Associates, LLC Engineering/Construction/Utility Services

November 3, 2011

filed electronically in docket office on 11/04/11

Sharla Dillon Dockets and Records Manager Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505 Sharla.Dillon@tn.gov 615-741-2904 ext 136

SUBJECT: REVISED PETITION PAGES FOR DSH & ASSOCIATES, LLC REQUEST TO AMEND ITS RATES AND CHARGES

Docket Number 11-00162

Dear Ms. Dillon,

Please find attached:

- Revised petition pages for rates and charges:
 - o Exhibit 1-A
 - o Exhibit 1-B
- Revised DSH tariff pages.

Jouglas S. Hodge

Let me know if you require additional information.

Sincerely,

Douglas S. Hodge, Ph.D., PMP

Manager

DSH & Associates, LLC 4028 Taliluna Avenue Knoxville, TN 37919 Operations Manager

P: 865-755-8066/F: 866-480-5943

Hodge.DSH@gmail.com



DSH & Associates, LLC Engineering/Construction/Utility Services

Exhibit 1-A Revised Pages

Replaces all pages in Exhibit 1-A

Estimated Costs and Revenues For	Year	2012					
Assumptions:	2012	2013	20	14	2015	2016	Total
Total number of lots in subdivision	200	200		00	200	200	10001
Number of non-resident/devloper property owners	4	4		4	4	4	
Number of resident property owners	3	4		6	8	10	
Commercial Overnight Rental property owners	27	29		32	34	36	
Number of property owners not attached to System	6	6		6	6	6	
Unsold lots	164	161	1:	56	152	148	
Annual residents providing tap fee	1	3		5	4	4	17
Estimated Expenses							
	Units	# of Units	Unit Ra	ite	Monthly Cost	early Cost	Comments
Routine Maintenance							
Maintenance Operator Cost (Non-resident)	Lots	4	\$	5	\$ 20	\$	Cost based on the amount DSH & Associates will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident & rental)	Homes	30	\$ 16.	71 :	\$ 501	\$	Cost based on the amount DSH & Associates will charge to maintain the wastewater system wastewater components for residence service. This is based on conversations with Jeff Brownfield (Braeburn) and Eddy Troxell (LaFollette) and their experience with the system todate.
Accounting, tax preparation books setup	Hours	2	\$	50	\$ 100	\$ 1,200	Amount furnished by DSH's CPA - Roger Goins and book keeper.
Tax Cost (Franchise - Excise and Federal)	Homes	30	\$ 1.	92	\$ 58	\$	Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$ 4	33	\$ 433	\$	Based on pricing provided by our operator for monthly and quarterly sampling and testing requirements per our SOP. Based on subcontractor quote for services.
Performance Bond	Event	1	\$ 1,2	80	\$ 107	\$ 1,280	Based on actual incurred costs from BB&T Insurance Services, Inc.
Insurance	Coverage	12	\$ 2	77	\$ 277	\$ 3,319	Based actual insurance costs from P&C Risk Services, LLC
Office telephone Line	Line	12	\$	55	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$	55	\$ 55	\$	The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phone company.
Local Managaement Fee	Month	30	\$ 2.	00	\$ 60	\$ 720	Based on experience hours and hourly rates on similar projects.
Corporate Management Fee	Month	30	\$ 2.	80	\$ 84	\$ 1,008	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$ 2	50	\$ 21	\$ 250	Based on TRA published rates.

					ı	Monthly			
	Units	# of Units	ι	Jnit Rate		Cost	Ye	early Cost	Comments
Subtotal					\$	1,770	\$	21,240	
Non Routine Maintenance									
Septic tank pumping	Pumping Events	4	\$	240	\$	80	\$	960	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event. Verbal quote from Jeff Brownfield (Braeburn)
Replacing pump & alarm systems	Replacement	2	\$	1,949	\$	325	\$	2 000	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$1949. Based on Orenco experience with similar installed systems - pump and alarm goute were obtained.
	·								
Normal wear/tear items, hoses, float switches, lights UV lamps	Replacement	10	\$	350	\$ \$	17			Based on experience hours and hourly rates on similar projects. Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350 based on verbal quote from Jeff Brownfield (Braeburn)
Subtotal		14	· ·		*		\$	6,458	<u></u>
Anticipated Electrical Usage & Costs									
Treatment Pumps						37	\$		Based on 18 hours/day of operation, 365 days per year, \$0.09433 per kWatthr. Based on actual bill and phone conversation with Lafollette electrical utility.
Effluent Pumps						4	\$	42	Based on 4 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
UV Lamps & Solenoids						3	\$	32	Based on 2 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Misc.						3	\$	32	Based on 6 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Subtotal						46	\$	554	
Anticipated Annual Billing Cost									
Postage	postage	34	\$	0.64		21.76		261	
Printing Paper	page	136 136	\$	0.10	\$	13.60 6.80	\$	163 82	
Labor	page page	136	\$	0.50	\$	68.00			Based on experience hours and hourly rates on similar projects.
Misc.	page	136	\$	0.05	\$	6.80	\$	82	
Subtotal							\$	1,404	
TOTAL ESTIMATED EXPENSES							\$	29,656	
10002 200000000000000000000000000000000							_		
Estimated Revenue									
Fees Charged to Customers									
Non Resident Customer Access Fee	Access Fee	4	\$	-	\$	-	\$	-	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.

	Units	# of Units	Unit Rate	Monthly Cost		Yearly Cost	Commonto
	Units	# OI UIIIIS	Unit Rate	Cost	1		These are billings for resident customers billed monthly. Based on
Resident Customer Monthly Fee	Monthly Fee	3	\$ 54.48	\$ 163	\$		\$45 per month per resident customer.
Commercial Overnight Rental property owners	Monthly Fee	27	\$ 54.48	\$ 1,471	\$	17,652	These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer. A one time tap fee required at purchase of property. This fee is
Tap Fees Collected and escrowed	Tap Fee	1	\$ 3,750.00	\$ 313	\$	3,750	transferable to subsequent property owners. \$ are in an Escrow
Tap fees that will be collected from unpaid lot owners	Tap Fee		\$ 3,750.00	 -	\$	-	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners.
Return Check Fee	Returned check	2	\$ 25.00	3	\$		Estimate based on experience
Late Fees and Back Payment	Late fee	2	\$ 2.00	\$ 0	\$	3	Estimate based on experience
Disconnect Fees	Disconnect	1	\$ 40.00	\$ 3	\$	40	Estimate based on experience
Reconnect Fees	Reconnect	1	\$ 35.00	\$ 3	\$	35	Estimate based on experience
Subtotal				\$ 1,957	\$	23,478	
Estimated Escrow Requirements							
Escrow Calculations							
Number of years included in calculation						1	
Number of customers						30	
Estimated Annual Non Routine Maintenance					\$	6,458	
Annual Escrow \$ per customer					\$	215	
Montly Escrow \$ per customer			-		\$	17.94	
Estimated Yearly Income	2012				\$	(6,177)	

Estimated Costs and Revenues For	Voor	2013	_						
Estimated Costs and Revenues For	1 cai	2013							
Accumptions	2042	2014		2045		2046			
Assumptions: Total number of lots in subdivision	<u>2013</u>	2014 200		<u>2015</u>		2016 200	_		
Number of non-resident/devloper property owners	200	4		200		200 4	-		
Number of resident property owners	4	6		8		10	_		
Commercial Overnight Rental property owners	29	32		34		36	_		
Number of property owners not attached to System	6	6		6		6	_		
Unsold lots	161	156		152		148	_		
Annual residents providing tap fee	3	5		4		4	+		
, amount consume promaining tap too	3					1	J		
Estimated Expenses									
						Monthly	,		
	Units	# of Units		Unit Rate		Cost		Yearly Cost	Comments
Routine Maintenance									
							T		Cost based on the amount DSH & Associates will charge to
									maintain the wastewater system wastewater components for non-
Maintenance Operator Cost (Non-resident)	Lots	4	\$	5.00	\$	20		\$ 240	resident services.
									Cost based on the amount DSH & Associates will charge to
									maintain the wastewater system wastewater components for
									residence service. This is based on conversations with Jeff
Maintenance Operator Cost (resident & rental)	Homes	33	\$	16.71	\$	551		\$ 6,617	Brownfield (Braeburn) and Eddy Troxell (LaFollette) and their experience with the system todate.
mamonarios operator cost (rociacità a roma)	Tiomoo		Ψ	10.71	Ψ	001	H	Ψ 0,017	experience with the eyelem tedate.
Accounting, tax preparation books setup	Hours	2	\$	50.00	\$	100		\$ 1,200	Amount furnished by DSH's CPA - Roger Goins and book keeper.
Accounting, tax preparation books setup	110013		Ψ	30.00	Ψ	100	+	Ψ 1,200	
Tax Cost (Franchise - Excise and Federal)	Homes	33	\$	1.92	\$	63		\$ 760	Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Tax Cost (Franchise - Excise and Federal)	Tionies	- 33	Ψ	1.32	Ψ	- 00	+	Ψ 700	
	Sampling and								Based on pricing provided by our operator for monthly and quarterly sampling and testing requirements per our SOP. Based on
Plant operator salary and testing	Testing	12	\$	433.00	\$	433		\$ 5,196	subcontractor quote for services.
. ,	3								•
Performance Bond	Event	1	\$	1,280.00	\$	107		\$ 1,280	Based on actual incurred costs from BB&T Insurance Services, Inc.
Insurance	Coverage	12	\$	276.58	\$	277		\$ 3,319	Based actual insurance costs from P&C Risk Services, LLC
Office telephone Line	Line	12				55	H		Office phone line based on experience.
			*	22.50		30	H	, 300	The telephone line is necessary for the computer (PLC) automation
									to call in and report any problem. Based on estimate by local phone
Plant Control System phone line	Line	12	\$	55.00	\$	55	1	\$ 660	company.
				_					
Local Managaement Fee	Month	33	\$	2.00	\$	66		\$ 792	Based on experience hours and hourly rates on similar projects.
Corporate Management Fee	Month	33	\$	2.80	\$	92		\$ 1,109	Based on experience hours and hourly rates on similar projects.

					Monthly					
	Units	# of Units	ı	Unit Rate		Cost	Υ	early Cost	Comments	
TRA Inspection Fee	Inspection	1	\$	250.00	\$	21	\$	250	Based on TRA published rates.	
Subtotal					\$	1,840	\$	22,083		
Non Routine Maintenance										
									Pumping of holding tanks associated with centralized treatment	
Septic tank pumping	Pumping Events	4	\$	240.00	\$	80	\$		system. Based on \$240 per pumping event. Verbal quote from Jeff Brownfield (Braeburn)	
									Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$1949. Based on Orenco experience with similar installed systems - pump	
Replacing pump & alarm systems	Replacement	2	\$	1,949.00	\$	325	\$	3,898	and alarm qoute were obtained.	
Normal wear/tear items, hoses, float switches, lights	Replacement	10	\$	20.00	\$	17	\$	200	Based on experience hours and hourly rates on similar projects.	
			•	252.22	•	4.47	•		Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350 based on verbal	
UV lamps Subtotal	Lamp	4 14	\$	350.00	\$	117	\$ \$	1,400 6.458	quote from Jeff Brownfield (Braeburn)	
								-,		
Anticipated Electrical Usage & Costs									per kWatthr. Based on actual bill and phone conversation with	
Treatment Pumps						39	\$		Lafollette electrical utility.	
Effluent Pumps						4	\$		Based on 4 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.	
UV Lamps & Solenoids						3	\$		Based on 2 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.	
Misc.						3	\$		Based on 6 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.	
Subtotal						48	\$	580		
Anticipated Annual Billing Cost										
Postage	postage	37	\$	0.64	\$	23.68	\$	284	0	
Printing Paper	page	148 148	\$	0.10 0.05	\$	14.80 7.40	\$	178 89	0	
гарег	page	148	Ψ	0.03	\$	74.00	\$	888	0	
Labor	page		\$	0.50					Based on experience hours and hourly rates on similar projects.	
Misc. Subtotal	page	148	\$	0.05	\$	7.40	\$ \$	89 1,527	0	
Subiotal							Ą	1,327		
TOTAL ESTIMATED EXPENSES							\$	30,649		
Estimated Revenue										
Face Charged to Customore										
Fees Charged to Customers										

					Monthly			
	Units	# of Units	Unit Rate		Cost	Ye	early Cost	Comments
								These are billings for non-resident customers billed yearly. Based
Non Resident Customer Access Fee	Access Fee	4	\$ -	\$	-	\$		on \$120 per year per non-resident property owner.
								These are billings for resident customers billed monthly. Based on
Resident Customer Monthly Fee	Monthly Fee	4	\$ 54.48	\$	218	\$		\$45 per month per resident customer.
Commercial Overnight Rental property owners	Monthly Fee	29	\$ 54.48	\$	1,580	\$		These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer.
Sommerous Svorright Homes property Similar			Ψ σπισ	Ť	.,000	*		A one time tap fee required at purchase of property. This fee is
Tap Fees Collected and escrowed	Tap Fee	3	\$ 3,750.00	\$	938	\$		transferable to subsequent property owners.
Tap fees that will be collected from unpaid lot owners	Tap Fee	0	\$ 3,750.00	\$	-	\$	-	Estimate based on experience
Return Check Fee	Returned check		\$ 25.00			\$		Estimate based on experience
Late Fees and Back Payment	Late fee		\$ 2.00		0	\$	4	Estimate based on experience
Disconnect Fees	Disconnect		\$ 40.00					
Reconnect Fees	Reconnect	1	\$ 35.00	\$	3	\$	35	Estimate based on experience
			1		-		1	
Subtotal				\$	2,743	\$	32,913	
				1				
Estimated Escrow Requirements								
Escrow Calculations								
Number of years included in calculation							1	
							00	
Number of customers							33	
Estimated Annual Non Routine Maintenance						Φ.	0.450	
Estimated Annual Non Routine Maintenance						\$	6,458	
Annual Escrow \$ per customer						\$	196	
/ windar Estrow & per customer				1		Ψ	130	
Montly Escrow \$ per customer						\$	16.31	
, and production of			<u>!</u>	-				
Estimated Vearly Income	2013					¢	2 265	
Estimated Yearly Income	2013					\$	2,265	

Estimated Costs and Revenues For	Year	2014							
Assumptions:	2014	2015		2016			Ī		
Total number of lots in subdivision	200	200		200					
Number of non-resident/devloper property owners	4	4		4					
Number of resident property owners	6	8		10					
Commercial Overnight Rental property owners	32	34		36					
Number of property owners not attached to System	6	6		6					
Unsold lots	156	152		148					
Annual residents providing tap fee	5	4		4					
Estimated Expenses									
Estimated Expenses							H		
	Units	# of Units	ı	Unit Rate		Monthly Cost		Yearly Cost	Comments
Routine Maintenance									
									Cost based on the amount DSH & Associates will charge to
									maintain the wastewater system wastewater components for non-
Maintenance Operator Cost (Non-resident)	Lots	4	\$	5.00	\$	20)	\$ 240	resident services.
									Cost based on the amount DSH & Associates will charge to
									maintain the wastewater system wastewater components for residence service. This is based on conversations with Jeff
									Brownfield (Braeburn) and Eddy Troxell (LaFollette) and their
Maintenance Operator Cost (resident & rental)	Homes	38	\$	16.71	\$	635	;	\$ 7,620	experience with the system todate.
							T		
Accounting, tax preparation books setup	Hours	2	\$	50.00	\$	100)	\$ 1,200	Amount furnished by DSH's CPA - Roger Goins and book keeper.
									Cost projection includes property tax and income tax. Based on
Tax Cost (Franchise - Excise and Federal)	Homes	38	\$	1.92	\$	73	;	\$ 876	project income, property value, and operating costs
									Based on pricing provided by our operator for monthly and quarterly
	Sampling and								sampling and testing requirements per our SOP. Based on
Plant operator salary and testing	Testing	12	\$	433.00	\$	433	L	\$ 5,196	subcontractor quote for services.
Performance Bond	Event	1	\$	1,280.00	\$	107		\$ 1,280	Based on actual incurred costs from BB&T Insurance Services, Inc.
	_								
Insurance	Coverage	12	\$	276.58	\$	277	-	\$ 3,319	Based actual insurance costs from P&C Risk Services, LLC
Office telephone Line	Line	12	\$	55.00	\$	55		\$ 660	Office phone line based on experience.
									The telephone line is necessary for the computer (PLC) automation
Plant Ocated Ocates also a Page	1.5	40	•	55.00	Φ.			Ф 000	to call in and report any problem. Based on estimate by local phone
Plant Control System phone line	Line	12	\$	55.00	\$	55	1	\$ 660	company.
Local Managaement Fee	Month	38	\$	2.00	\$	76		\$ 912	Based on experience hours and hourly rates on similar projects.
Corporate Management Fee	Month	38	\$	2.80	\$	106	Ì	\$ 1.277	Based on experience hours and hourly rates on similar projects.
Corporate Management 1 66	WOTH	30	Ψ	2.00	Ψ	100	1	Ψ 1,411	bassa on expension hours and hourly rates on similar projects.

						Monthly		
	Units	# of Units		Unit Rate		Cost	early Cost	Comments
TRA Inspection Fee	Inspection	1	\$	250.00	\$	21	\$ 250	Based on TRA published rates.
Subtotal					\$	1,957	\$ 23,489	
Non Routine Maintenance								
Septic tank pumping	Pumping Events	4	\$	240.00	\$	80	\$ 960	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event. Verbal quote from Jeff Brownfield (Braeburn)
Replacing pump & alarm systems	Replacement	2	\$	1,949.00	\$	325	\$	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$1949. Based on Orenco experience with similar installed systems - pump and alarm qoute were obtained.
Normal wear/tear items, hoses, float switches, lights	Replacement	10	\$	20.00	\$	17	\$ 200	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	4	\$	350.00	\$	117	\$	Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350 based on verbal quote from Jeff Brownfield (Braeburn)
Subtotal		14	*		<u> </u>		\$ 6,458	<u> </u>
Anticipated Electrical Usage & Costs								
Treatment Pumps						42	\$	Based on 18 hours/day of operation, 365 days per year, \$0.09433 per kWatthr. Based on actual bill and phone conversation with Lafollette electrical utility.
Effluent Pumps						4	\$	Based on 4 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
UV Lamps & Solenoids						3	\$	Based on 2 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Misc.						3	\$	Based on 6 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Subtotal						52	\$ 622	
Anticipated Annual Billing Cost								
Postage	postage	42	\$	0.64	\$	26.88	\$ 323	0
Printing	page	168 168	\$	0.10 0.05	\$	16.80 8.40	\$ 202 101	0
Paper	page page	168	Ф	0.05	\$	84.00	 1,008	0
Labor			\$	0.50			·	Based on experience hours and hourly rates on similar projects.
Misc.	page	168	\$	0.05	\$	8.40	\$ 101	0
Subtotal							\$ 1,734	
TOTAL ESTIMATED EXPENSES							\$ 32,303	
Estimated Revenue								
Fees Charged to Customers								

					Monthly			
	Units	# of Units	Unit Ra	te	Cost	١,	Yearly Cost	Comments
								These are billings for non-resident customers billed yearly. Based
Non Resident Customer Access Fee	Access Fee	4	\$	- \$	-	\$	-	on \$120 per year per non-resident property owner.
								These are billings for resident customers billed monthly. Based on
Resident Customer Monthly Fee	Monthly Fee	6	\$ 54.4	18 \$	327	\$	3,923	\$45 per month per resident customer.
Commonwell Overwellship Boardel arranger over a sure	Manathly Can	20	ф г 4	۰ ۴	4 740	φ.	20,020	These are billings for commercial customers billed monthly. Based
Commercial Overnight Rental property owners	Monthly Fee	32	\$ 54.4	18 \$	1,743	\$		on \$102.53 per month per resident customer. A one time tap fee required at purchase of property. This fee is
Tap Fees Collected and escrowed	Tap Fee	5	\$ 3,750.0	200	1,563	\$		transferable to subsequent property owners.
Tap fees that will be collected from unpaid lot owners	Tap Fee		\$ 3,750.0			\$	· ·	Estimate based on experience
Return Check Fee			. ,					•
	Returned check			00 \$				Estimate based on experience
Late Fees and Back Payment	Late fee	-		00 \$	1	\$	6	Estimate based on experience
Disconnect Fees	Disconnect		\$ 40.0					
Reconnect Fees	Reconnect	1	\$ 35.0	00 \$	3	\$	35	Estimate based on experience
Subtotal				\$	3,642	\$	43,709	
Estimated Escrow Requirements								
Estimated Estrow Requirements								
		ı				1		
Escrow Calculations								
Number of years included in calculation							1	
Number of customers							38	
Estimated Annual Non Routine Maintenance						\$	6,458	
Annual Escrow \$ per customer						\$	170	
						-		
						Ι.		
Montly Escrow \$ per customer						\$	14.16	
Estimated Yearly Income	2014					\$	11,406	
							, , , , ,	

Estimated Costs and Revenues For	Year	2015						
25timated doses and neverages 151		2010						
Assumptions:	2015	2016						
Total number of lots in subdivision	200	200						
Number of non-resident/devloper property owners	4	4						
Number of resident property owners	8	10						
Commercial Overnight Rental property owners	34	36						
Number of property owners not attached to System	6	6						
Unsold lots	152	148						
Annual residents providing tap fee	4	4			•			
Estimated Expenses								
	Units	# of Units	Unit Rate		Monthly Cost		Yearly Cost	Comments
	Units	# OI UIIILS	Unit Kate		COSI		rearry Cost	Confinents
Routine Maintenance								
								Cost based on the amount DSH & Associates will charge to
Maintanana On antan Onat (Non annistra)	Lata	4	Ф 500		00	_		maintain the wastewater system wastewater components for non-
Maintenance Operator Cost (Non-resident)	Lots	4	\$ 5.00) \$	20	\$	240	resident services.
								Cost based on the amount DSH & Associates will charge to
								maintain the wastewater system wastewater components for residence service. This is based on conversations with Jeff
								Brownfield (Braeburn) and Eddy Troxell (LaFollette) and their
Maintenance Operator Cost (resident & rental)	Homes	42	\$ 16.71	\$	702	\$		experience with the system todate.
Accounting, tax preparation books setup	Hours	2	\$ 50.00	\$	100	\$	1,200	Amount furnished by DSH's CPA - Roger Goins and book keeper.
·								Cost projection includes property tax and income tax. Based on
Tax Cost (Franchise - Excise and Federal)	Homes	42	\$ 1.92	\$	81	\$		project income, property value, and operating costs
								Based on pricing provided by our operator for monthly and quarterly
	Sampling and							sampling and testing requirements per our SOP. Based on
Plant operator salary and testing	Testing	12	\$ 433.00	\$	433	\$		subcontractor quote for services.
Derference Devel	Front	4	Ф. 4.000.00		407		4 000	Donald an actual in comment acts from DD0T learning Occident learning
Performance Bond	Event	1	\$ 1,280.00	\$	107	\$	1,280	Based on actual incurred costs from BB&T Insurance Services, Inc
	0	40	¢ 070.50		077	\$	0.040	Paged actual incurance costs from DCC Dials Comises 11.0
Insurance	Coverage	12	\$ 276.58	\$	277	*	3,319	Based actual insurance costs from P&C Risk Services, LLC
Office telephone Line	Line	12	\$ 55.00	\$	55	\$	660	Office phone line based on experience.
								The telephone line is necessary for the computer (PLC) automation
				1.	_			to call in and report any problem. Based on estimate by local phone
Plant Control System phone line	Line	12	\$ 55.00	\$	55	\$	660	company.
Local Managaement Fee	Month	42	\$ 2.00	s	84	\$	1 008	Based on experience hours and hourly rates on similar projects.
<u>-</u>				 		<u> </u>	,	
Corporate Management Fee	Month	42	\$ 2.80	\$	118	\$	5 1,411	Based on experience hours and hourly rates on similar projects.

					ı	Monthly			
	Units	# of Units	ι	Jnit Rate		Cost	١	Yearly Cost	Comments
TRA Inspection Fee	Inspection	1	\$	250.00	\$	21	\$	250	Based on TRA published rates.
Subtotal					\$	2,051	\$	24,614	
Non Routine Maintenance									
Septic tank pumping	Pumping Events	4	\$	240.00	\$	80	\$		Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event. Verbal quote from Jeff Brownfield (Braeburn)
Replacing pump & alarm systems	Replacement	2	\$	1,949.00	\$	325	\$		Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$1949. Based on Orenco experience with similar installed systems - pump and alarm qoute were obtained.
Normal wear/tear items, hoses, float switches, lights	Replacement	10	\$	20.00	\$	17	\$	200	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	4	\$	350.00	\$	117	\$		Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350 based on verbal quote from Jeff Brownfield (Braeburn)
Subtotal		14					\$	6,458	
Anticipated Electrical Usage & Costs									
Treatment Pumps						44	\$		Based on 18 hours/day of operation, 365 days per year, \$0.09433 per kWatthr. Based on actual bill and phone conversation with Lafollette electrical utility.
Effluent Pumps						4	\$		Based on 4 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
UV Lamps & Solenoids						3	\$		Based on 2 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Misc.						3	\$		Based on 6 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Subtotal						55	\$	656	
Anticipated Annual Billing Cost									
Postage	postage	46	\$	0.64	\$	29.44	\$	353	0
Printing	page	184	\$	0.10	\$	18.40	\$		0
Paper	page page	184 184	\$	0.05	\$	9.20 92.00	\$ \$		0
Labor	page		\$	0.50	,		·		Based on experience hours and hourly rates on similar projects.
Misc.	page	184	\$	0.05	\$	9.20	٠	110	0
Subtotal							\$	1,899	
TOTAL ESTIMATED EXPENSES							\$	33,627	
Estimated Revenue									
Fees Charged to Customers									
i cos onal geu to oustolliers									

					Monthly		
	Units	# of Units	Unit Rate	•	Cost	Yearly Cost	Comments
Non Resident Customer Access Fee	Access Fee	4	\$	- \$		\$	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.
Resident Customer Monthly Fee	Monthly Fee	8	\$ 54.48	3 \$	436	\$ 5,230	These are billings for resident customers billed monthly. Based or \$45 per month per resident customer.
Commercial Overnight Rental property owners	Monthly Fee	34	\$ 54.48	\$	1,852	\$ 22,228	These are billings for commercial customers billed monthly. Base on \$102.53 per month per resident customer.
Tap Fees Collected and escrowed	Tap Fee		\$ 3,750.00		1,250		A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners.
Tap fees that will be collected from unpaid lot owners	Tap Fee		\$ 3,750.00		-	\$ -	Estimate based on experience
Return Check Fee	Returned check		\$ 25.00		8	\$	Estimate based on experience
Late Fees and Back Payment	Late fee		\$ 2.00		1	\$ 8	Estimate based on experience
Disconnect Fees	Disconnect		\$ 40.00				
Reconnect Fees	Reconnect	1	\$ 35.00	\$	3	\$ 35	Estimate based on experience
_							
Subtotal				\$	3,550	\$ 42,601	
Estimated Escrow Requirements							
Escrow Calculations							
Number of years included in calculation						1	
Number of customers						42	
Estimated Annual Non Routine Maintenance						\$ 6,458	
Annual Escrow \$ per customer						\$ 154	
Montly Escrow \$ per customer						\$ 12.81	
Estimated Yearly Income	2015					\$ 8,974	

Estimated Costs and Revenues For	Year	2016					
Assumptions:	2016						
Total number of lots in subdivision	200						
Number of non-resident/devloper property owners	4						
Number of resident property owners	10						
Commercial Overnight Rental property owners	36						
Number of property owners not attached to System	6						
Unsold lots	148						
Annual residents providing tap fee	4		•				
Estimated Expenses							
	Units	# of Units	J	Unit Rate	Monthly Cost	Yearly Cost	Comments
Routine Maintenance							
Maintenance Operator Cost (Non-resident)	Lots	4	\$	5.00	\$ 20		Cost based on the amount DSH & Associates will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident & rental)	Homes	46	\$	16.71	\$ 769		Cost based on the amount DSH & Associates will charge to maintain the wastewater system wastewater components for residence service. This is based on conversations with Jeff Brownfield (Braeburn) and Eddy Troxell (LaFollette) and their experience with the system todate.
Accounting, tax preparation books setup	Hours	2	\$	50.00	\$ 100	\$ 1,200	Amount furnished by DSH's CPA - Roger Goins and book keeper.
Tax Cost (Franchise - Excise and Federal)	Homes	46	\$	1.92	\$ 88		Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$	433.00	\$ 433		Based on pricing provided by our operator for monthly and quarterly sampling and testing requirements per our SOP. Based on subcontractor quote for services.
Performance Bond	Event	1	\$	1,280.00	\$ 107	\$ 1,280	Based on actual incurred costs from BB&T Insurance Services, Inc
Insurance	Coverage	12	\$	276.58	\$ 277	\$ 3,319	Based actual insurance costs from P&C Risk Services, LLC
Office telephone Line	Line	12	\$	55.00	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$	55.00	\$ 55		The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phonocompany.
Local Managaement Fee	Month	46	\$	2.00	\$ 92	\$ 1,104	Based on experience hours and hourly rates on similar projects.

	Units	# of Units	U	Jnit Rate	Monthly Cost	early Cost	Comments
Corporate Management Fee	Month	46	\$	2.80	\$ 129	\$ 1,546	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$	250.00	\$ 21	\$ 250	Based on TRA published rates.
Subtotal					\$ 2,145	\$ 25,738	
Non Routine Maintenance							
Septic tank pumping	Pumping Events	4	\$	240.00	\$ 80	\$ 960	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event. Verbal quote from Jeff Brownfield (Braeburn)
Replacing pump & alarm systems	Replacement	2	\$	1,949.00	\$ 325	\$ 3,898	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$1949. Based on Orenco experience with similar installed systems - pump and alarm qoute were obtained.
Normal wear/tear items, hoses, float switches, lights	Replacement	10	\$	20.00	\$ 17	\$ 200	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	4	\$	350.00	\$ 117		Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350 based on verbal quote from Jeff Brownfield (Braeburn)
Subtotal		14				\$ 6,458	
Anticipated Electrical Usage & Costs							
Treatment Pumps					47	\$ 558	Based on 18 hours/day of operation, 365 days per year, \$0.09433 per kWatthr. Based on actual bill and phone conversation with Lafollette electrical utility.
Effluent Pumps					4	\$ 53	Based on 4 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
UV Lamps & Solenoids					3	\$ 40	Based on 2 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Misc.					3	\$ 40	Based on 6 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Subtotal					58	\$ 690	
Anticipated Annual Billing Cost							
Postage	postage	50	\$	0.64	32.00	384	0
Printing	page	200	\$	0.10	\$ 20.00	\$ 240	0
Paper	page	200	\$	0.05	 10.00	120	0
Labor	page	200	\$	0.50	\$ 100.00	1,200	Based on experience hours and hourly rates on similar projects.
Misc.	page	200	\$	0.05	\$ 10.00	120	0
Subtotal						\$ 2,064	
TOTAL ESTIMATED EXPENSES						\$ 34,951	

	Units	# of Units	Unit Rate	Monthly Cost		Yearly Cost	Comments
Estimated Revenue	Office	# Of Office	Onit itale	- 0031		rearry Cost	Comments
Estimated Nevenue							
Fees Charged to Customers							
Non Resident Customer Access Fee	Access Fee	4	\$ -	\$ -	\$	-	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.
Resident Customer Monthly Fee	Monthly Fee	10	\$ 54.48	\$ 545	\$	6,538	These are billings for resident customers billed monthly. Based on \$45 per month per resident customer.
Commercial Overnight Rental property owners	Monthly Fee	36	\$ 54.48	\$ 1,961	\$		These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer. A one time tap fee required at purchase of property. This fee is
Tap Fees Collected and escrowed	Tap Fee	4	\$ 3,750.00	\$ 1,250	\$		transferable to subsequent property owners.
Tap fees that will be collected from unpaid lot owners	Tap Fee	0	\$ 3,750.00	\$ -	\$		Estimate based on experience
Return Check Fee	Returned check	5	\$ 25.00	\$ 10	\$	125	Estimate based on experience
Late Fees and Back Payment	Late fee	5	\$ 2.00	\$ 1	\$	10	Estimate based on experience
Disconnect Fees	Disconnect		\$ 40.00				
Reconnect Fees	Reconnect	1	\$ 35.00	\$ 3	\$	35	Estimate based on experience
Subtotal				\$ 3,770	\$	45,243	
Estimated Escrow Requirements							
Escrow Calculations							
Number of years included in calculation						1	
Number of customers						46	
Estimated Annual Non Routine Maintenance					9	\$ 6,458	
Annual Escrow \$ per customer					9	\$ 140	
Montly Escrow \$ per customer					\$	\$ 11.70	
Estimated Yearly Income	2016				\$	5 10,292	

Estimated Costs and Revenues For 5 Years

	ļ ,	<u> 2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
Revenue: Monthly Fees	\$	19,728	\$ 21,663	\$ 24,959	\$ 27,601	\$ 30,243	\$ 124,194
Revenue: Placed in Escrow for							
Future Treatment System							
Expansion	\$	3,750	\$ 11,250	\$ 18,750	\$ 15,000	\$ 15,000	\$ 63,750
Estimated Expenses	\$	29,656	\$ 30,649	\$ 32,303	\$ 33,627	\$ 34,951	\$ 161,185

Estimate Profit	\$	(9,927)	\$	(8,985)	\$	(7,344)	\$	(6,026)	\$	(4,708)	\$	(36,991)
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Exhibit 1-B Revised Pages

Replaces all pages in Exhibit 1-B

Estimated Costs and Revenues For	Year	2012					
Assumptions:	2012	2013	20	14	2015	2016	Total
Total number of lots in subdivision	200	200		00	200	200	10001
Number of non-resident/devloper property owners	4	4		4	4	4	
Number of resident property owners	3	4		6	8	10	
Commercial Overnight Rental property owners	27	29		32	34	36	
Number of property owners not attached to System	6	6		6	6	6	
Unsold lots	164	161	1:	56	152	148	
Annual residents providing tap fee	1	3		5	4	4	17
Estimated Expenses							
	Units	# of Units	Unit Ra	ite	Monthly Cost	early Cost	Comments
Routine Maintenance							
Maintenance Operator Cost (Non-resident)	Lots	4	\$	5	\$ 20	\$	Cost based on the amount DSH & Associates will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident & rental)	Homes	30	\$ 16.	71 :	\$ 501	\$	Cost based on the amount DSH & Associates will charge to maintain the wastewater system wastewater components for residence service. This is based on conversations with Jeff Brownfield (Braeburn) and Eddy Troxell (LaFollette) and their experience with the system todate.
Accounting, tax preparation books setup	Hours	2	\$	50	\$ 100	\$ 1,200	Amount furnished by DSH's CPA - Roger Goins and book keeper.
Tax Cost (Franchise - Excise and Federal)	Homes	30	\$ 1.	92	\$ 58	\$	Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$ 4	33	\$ 433	\$	Based on pricing provided by our operator for monthly and quarterly sampling and testing requirements per our SOP. Based on subcontractor quote for services.
Performance Bond	Event	1	\$ 1,2	80	\$ 107	\$ 1,280	Based on actual incurred costs from BB&T Insurance Services, Inc.
Insurance	Coverage	12	\$ 2	77	\$ 277	\$ 3,319	Based actual insurance costs from P&C Risk Services, LLC
Office telephone Line	Line	12	\$	55	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$	55	\$ 55	\$	The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phone company.
Local Managaement Fee	Month	30	\$ 2.	00	\$ 60	\$ 720	Based on experience hours and hourly rates on similar projects.
Corporate Management Fee	Month	30	\$ 2.	80	\$ 84	\$ 1,008	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$ 2	50	\$ 21	\$ 250	Based on TRA published rates.

					ı	Monthly			
	Units	# of Units	ι	Jnit Rate		Cost	Y	early Cost	Comments
Subtotal					\$	1,770	\$	21,240	
Non Routine Maintenance									
Septic tank pumping	Pumping Events	4	\$	240	\$	80	\$	960	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event. Verbal quote from Jeff Brownfield (Braeburn)
Replacing pump & alarm systems	Replacement	2	\$	1,949	\$	325	\$		Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$1949. Based on Orenco experience with similar installed systems - pump and alarm goute were obtained.
Normal wear/tear items, hoses, float switches, lights	Replacement	10	\$	20	\$	17			Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	4	\$	350	\$	117			Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350 based on verbal quote from Jeff Brownfield (Braeburn)
Subtotal		14					\$	6,458	
Anticipated Electrical Usage & Costs									
Treatment Pumps						37	\$		Based on 18 hours/day of operation, 365 days per year, \$0.09433 per kWatthr. Based on actual bill and phone conversation with Lafollette electrical utility.
Effluent Pumps						4	\$		Based on 4 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
UV Lamps & Solenoids						3	\$		Based on 2 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Misc.						3	\$		Based on 6 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Subtotal						46	\$	554	
Anticipated Annual Billing Cost									
Postage	postage	34	\$	0.64		21.76		261	
Printing	page	136 136	\$	0.10	\$	13.60 6.80	\$	163 82	
Paper Labor	page page	136	\$	0.50		68.00	•		Based on experience hours and hourly rates on similar projects.
Misc.	page	136	\$	0.05	\$	6.80	\$	82	
Subtotal							\$	1,404	
TOTAL ESTIMATED EXPENSES							\$	29,656	
TOTAL ESTIMATED EXPENSES							Ψ	29,030	
Estimated Revenue									
Fees Charged to Customers									
Non Resident Customer Access Fee	Access Fee	4	\$	10.00	\$	40	\$	480	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.

Resident Customer Monthly Fee Monthly Fee 3 \$ 4.4.53 \$ 134 \$ 1.003 \$45 per month per resident customers billed monthly. Based on Commercial Overnight Rental property owners Monthly Fee 27 \$ 9.0.83 \$ 2.453 \$ 2.9.430 on \$10.2.53 per month per resident customers. These are billings for commercial customers billed monthly. Based on Stroke Property owners are property owners. Tap Fee 1 \$ 3.750.00 \$ 3.13 \$ 3.750.00 \$ 3.13 \$ 3.750 transferable to subsequent property owners. Sare in an Escrow Tap Fee 1 \$ 3.750.00 \$ \$. \$. \$. \$. \$. \$. \$. \$. \$		Units	# of Units	Unit Rate		Monthly Cost	Vo	arly Cost	Commente
Resident Customer Monthly Fee Monthly Fee Monthly Fee S S 9.83 \$ 3.45.3 \$ 13.4 \$ 1,603 \$ 45 per month per resident customer. These are billings for commercial customers billed monthly. Based Commercial Overnight Rental property owners Monthly Fee 27 \$ 9.08.3 \$ 2,453 \$ 29,430 \$ 102.53 per month per resident customer. These are billings for commercial customers billed monthly. Based Commercial Discontinuous property owners. Tap Fee 1 \$ 3,750.00 \$ 313 \$ 3,750 transferable to subsequent property owners. Sare in an Escrow Tap Fee 1 \$ 3,750.00 \$ - \$ 5 transferable to subsequent property owners. Sare in an Escrow Return Check Fee Search Back Payment Late fee 2 \$ 2.00 \$ 0 \$ 3 \$ 3 \$ 8 \$ 8 \$ 8 \$ 8 \$ 8 \$ 8 \$ 8 \$ 8		Office	# Of Offics	Offic Nate		Cost	16	-	
Commercial Overnight Rental property owners Monthly Fee 27 \$ 90.83 \$ 2,453 \$ 29.430 no \$102.52 per month per resident customers. Dilled monthly. Based on \$102.52 per month per resident customers. Tap Fee 1 \$ 3,750.00 \$ 313 \$ 3,750 no \$10.25 per month per resident customers. Tap Fee 1 \$ 3,750.00 \$ 313 \$ 3,750 no \$10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ 133 \$ 3,750 no \$10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 3,750 no \$10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 3,750 no \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 3,750 no \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 3,750 no \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 3,750 no \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ - \$ 133 \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ - \$ 10.25 per month per resident customers. Tap Fee 0 \$ 3,750.00 \$ 10	Resident Customer Monthly Fee	Monthly Fee	3	\$ 44.53	\$	134	\$,
Commercial Overnight Rental property owners Monthly Fee 27 \$ 90.83 \$ 2,453 \$ 29,430 on \$102.53 per month per resident customer. Tap Fees Collected and escrowed Tap Fee 1 \$ 3,750.00 \$ 313 \$ 3,750 Iransferable to subsequent property owners. \$ are in an Escrow Tap Fees that will be collected from unpaid lot owners Tap Fee 0 \$ 3,750.00 \$ - \$ - Iransferable to subsequent property owners. \$ are in an Escrow Return Check Fee Returned check 2 \$ 25.00 \$ 3 \$ 3 \$ 38 Estimate based on experience Returned Check Fee Returned Check 2 \$ 25.00 \$ 3 \$ 3 \$ 38 Estimate based on experience Late Fees and Back Payment Late fee 2 \$ 2.00 \$ 3 \$ \$ 3 \$ Estimate based on experience Disconnect Fees Disconnect 1 \$ 40.00 \$ 3 \$ 4 \$ 5 50 Estimate based on experience Reconnect Fees Reconnect 1 \$ 50.00 \$ 4 \$ 5 50 Estimate based on experience Subtotal \$ \$ 2,949 \$ 35,394 Estimated Escrow Requirements Escrow Calculations Number of years included in calculation Number of customers \$ 30 Estimated Annual Non Routine Maintenance \$ 6,458 Annual Escrow \$ per customer \$ \$ 2.15	Trooldoni Guotomor Monthly i Go	monany i co		Ψ 11.00	Ψ	101	Ψ		
Tap Fees Collected and escrowed Tap Fee 1 \$ 3,750.00 \$ 313 \$ 3.750 transferable to subsequent property owners. Sare in an Escrow A Tap fees that will be collected from unpaid to owners Tap fees that will be collected from unpaid to owners Return Check Fee Returned check 2 \$ 2.50.00 \$ 3 \$ 3 \$ 38 Estimate based on experience Late Fees and Back Payment Late fee 2 \$ 2.00 \$ 0 \$ 3 \$ Estimate based on experience Disconnect Fees Disconnect 1 \$ 40.00 \$ 3 \$ 4 \$ 50 \$ Estimate based on experience Reconnect Fees Reconnect 1 \$ 50.00 \$ 4 \$ 50 \$ Estimate based on experience Subtotal \$ 2,949 \$ 35,394 Estimated Escrow Requirements Escrow Calculations Number of years included in calculation Number of customers Annual Escrow \$ per customer Montly Escrow \$ per customer Montly Escrow \$ per customer Tap Fee 1 \$ 3,750.00 \$ \$. \$. \$. transferable to subsequent property owners. The service is transferable to subsequent property owners. Tap Fee 10 \$ 3,750.00 \$. \$. \$. \$. \$. \$. \$. \$. \$.	Commercial Overnight Rental property owners	Monthly Fee	27	\$ 90.83	\$	2,453	\$	29.430	on \$102.53 per month per resident customer.
Tap fees that will be collected from unpaid lot owners Return Check Fee R		<u> </u>							
Tap fees that will be collected from unpaid lot owners Return Check Fee Returned check 2 \$ 2.50.0 \$ 3 \$ 38 Estimate based on experience Late Fees and Back Payment Late fee 2 \$ 2.00 \$ 0 \$ 3 \$ Estimate based on experience Disconnect Fees Disconnect 1 \$ 40.00 \$ 3 \$ 4 \$ 50 Estimate based on experience Reconnect Fees Reconnect 1 \$ 50.00 \$ 4 \$ 50 Estimate based on experience Subtotal Sub	Tap Fees Collected and escrowed	Tap Fee	1	\$ 3,750.00	\$	313	\$		
Return Check Fee							_		
Late Fees and Back Payment Disconnect Fees Disconnect 1 \$ 40.00 \$ 3 \$ 40 Estimate based on experience Reconnect Fees Reconnect 1 \$ 50.00 \$ 4 \$ 50 Estimate based on experience Reconnect Fees Reconnect 1 \$ 50.00 \$ 4 \$ 50 Estimate based on experience Subtotal \$ 2,949 \$ 35,394 Estimated Escrow Requirements Escrow Calculations Number of years included in calculation Number of customers Annual Escrow \$ per customer Montly Escrow \$ per customer Number of sper customer Number of sper customer S 17,94	·								
Disconnect Fees Disconnect 1 \$ 40.00 \$ 3 \$ 40 Estimate based on experience Reconnect Fees Reconnect 1 \$ 50.00 \$ 4 \$ 50 Estimate based on experience Subtotal \$ 2,949 \$ 35,394 Estimated Escrow Requirements Escrow Calculations Number of years included in calculation Number of customers Estimated Annual Non Routine Maintenance \$ 6,458 Annual Escrow \$ per customer \$ \$ 17.94									•
Reconnect Fees Reconnect 1 \$ 50.00 \$ 4 \$ 50 Estimate based on experience Subtotal \$ 2,949 \$ 35,394 Estimated Escrow Requirements Escrow Calculations Number of years included in calculation Number of customers Stimated Annual Non Routine Maintenance Annual Escrow \$ per customer Montly Escrow \$ per customer \$ 17.94	,	Late fee	2		<u> </u>	0	\$	3	Estimate based on experience
Subtotal \$ 2,949 \$ 35,394 Estimated Escrow Requirements Escrow Calculations Number of years included in calculation 1 Number of customers 30 Estimated Annual Non Routine Maintenance \$ 6,458 Annual Escrow \$ per customer \$ 215	Disconnect Fees	Disconnect	1	\$ 40.00	\$	3	\$	40	Estimate based on experience
Escrow Calculations Number of years included in calculation 1	Reconnect Fees	Reconnect	1	\$ 50.00	\$	4	\$	50	Estimate based on experience
Escrow Calculations Number of years included in calculation 1									
Escrow Calculations Number of years included in calculation Number of customers Sestimated Annual Non Routine Maintenance Annual Escrow \$ per customer Montly Escrow \$ per customer \$ 17.94	Subtotal				\$	2,949	\$	35,394	
Escrow Calculations Number of years included in calculation Number of customers Sestimated Annual Non Routine Maintenance Annual Escrow \$ per customer Montly Escrow \$ per customer \$ 17.94									
Escrow Calculations Number of years included in calculation Number of customers Sestimated Annual Non Routine Maintenance Annual Escrow \$ per customer Montly Escrow \$ per customer \$ 17.94	Estimated Escrow Requirements								
Number of years included in calculation Number of customers Substituted Annual Non Routine Maintenance Estimated Annual Non Routine Maintenance Annual Escrow \$ per customer Montly Escrow \$ per customer \$ 17.94	•								
Number of years included in calculation Number of customers Substituted Annual Non Routine Maintenance Estimated Annual Non Routine Maintenance Annual Escrow \$ per customer Montly Escrow \$ per customer \$ 17.94									
Number of customers	Escrow Calculations								
Number of customers									
Number of customers	Number of years included in calculation							1	
Estimated Annual Non Routine Maintenance \$ 6,458 Annual Escrow \$ per customer \$ 215 Montly Escrow \$ per customer \$ 17.94	Transor of yours moladed in calculation				1				
Estimated Annual Non Routine Maintenance \$ 6,458 Annual Escrow \$ per customer \$ 215 Montly Escrow \$ per customer \$ 17.94	Number of customers							30	
Annual Escrow \$ per customer \$ 215 Montly Escrow \$ per customer \$ 17.94	Number of customers				-			30	
Annual Escrow \$ per customer \$ 215 Montly Escrow \$ per customer \$ 17.94	Fatimated Annual Nan Pauting Maintanana						r.	6 450	
Montly Escrow \$ per customer \$ 17.94	Estimated Annual Non Routine Maintenance						Ф	0,436	
Montly Escrow \$ per customer \$ 17.94	Annual Factors & and australia						Φ.	245	
	Annual Escrow \$ per customer						Ф	215	
	Months Economic Programs				1		•	47.04	
Estimated Yearly Income 2012 \$ 5,738	Monthly Escrow \$ per customer						Þ	17.94	
Estimated Yearly Income 2012 \$ 5,738									
	Estimated Yearly Income	2012					\$	5,738	

Estimated Costs and Revenues For	Year	2013							
Assumptions:	2013	2014		2015		2016			
Total number of lots in subdivision	200	200		200		200			
Number of non-resident/devloper property owners	4	4		4		4			
Number of resident property owners	4	6		8		10			
Commercial Overnight Rental property owners	29	32		34		36			
Number of property owners not attached to System	6	6		6		6			
Unsold lots	161	156		152		148			
Annual residents providing tap fee	3	5		4		4			
Estimated Expenses									
Estimatea Expenses						Manthh	<u>. </u>		
	Units	# of Units	ι	Jnit Rate		Monthly Cost		Yearly Cost	Comments
Routine Maintenance									
									Cost based on the amount DSH & Associates will charge to
									maintain the wastewater system wastewater components for non-
Maintenance Operator Cost (Non-resident)	Lots	4	\$	5.00	\$	20		\$ 240	resident services.
									Cost based on the amount DSH & Associates will charge to
									maintain the wastewater system wastewater components for
									residence service. This is based on conversations with Jeff Brownfield (Braeburn) and Eddy Troxell (LaFollette) and their
Maintenance Operator Cost (resident & rental)	Homes	33	\$	16.71	\$	551			experience with the system todate.
,									,
Accounting, tax preparation books setup	Hours	2	\$	50.00	\$	100		\$ 1,200	Amount furnished by DSH's CPA - Roger Goins and book keeper.
g, p p			_		_				Cost projection includes property tax and income tax. Based on
Tax Cost (Franchise - Excise and Federal)	Homes	33	\$	1.92	\$	63			project income, property value, and operating costs
			Ť		_	30	H	, .00	Based on pricing provided by our operator for monthly and quarterly
	Sampling and								sampling and testing requirements per our SOP. Based on
Plant operator salary and testing	Testing	12	\$	433.00	\$	433			subcontractor quote for services.
Performance Bond	Event	1	\$	1,280.00	\$	107		\$ 1,280	Based on actual incurred costs from BB&T Insurance Services, Inc.
							l	•	,
Insurance	Coverage	12	\$	276.58	\$	277		\$ 3,319	Based actual insurance costs from P&C Risk Services, LLC
Office telephone Line	Line	12	\$	55.00	\$	55		\$ 660	Office phone line based on experience.
									The telephone line is necessary for the computer (PLC) automation
-		. =							to call in and report any problem. Based on estimate by local phone
Plant Control System phone line	Line	12	\$	55.00	\$	55	1	\$ 660	company.
Local Managaement Fee	Month	33	\$	2.00	\$	66		\$ 792	Based on experience hours and hourly rates on similar projects.
Corporate Management Fee	Month	33		2.80		92	t		Based on experience hours and hourly rates on similar projects.
Corporate Management Fee	iviorith	33	Ф	2.00	Φ	92	1	φ 1,109	based on experience nodis and nodiny rates on similar projects.

					-	Monthly			
	Units	# of Units	ı	Unit Rate		Cost	Υ	early Cost	Comments
TRA Inspection Fee	Inspection	1	\$	250.00	\$	21	\$	250	Based on TRA published rates.
Subtotal					\$	1,840	\$	22,083	
Non Routine Maintenance									
									Pumping of holding tanks associated with centralized treatment
Septic tank pumping	Pumping Events	4	\$	240.00	\$	80	\$		system. Based on \$240 per pumping event. Verbal quote from Jeff Brownfield (Braeburn)
									Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$1949. Based on Orenco experience with similar installed systems - pump
Replacing pump & alarm systems	Replacement	2	\$	1,949.00	\$	325	\$	3,898	and alarm qoute were obtained.
Normal wear/tear items, hoses, float switches, lights	Replacement	10	\$	20.00	\$	17	\$	200	Based on experience hours and hourly rates on similar projects.
			•	252.22	•	4.47	•		Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350 based on verbal
UV lamps Subtotal	Lamp	4 14	\$	350.00	\$	117	\$ \$	1,400 6.458	quote from Jeff Brownfield (Braeburn)
								-,	
Anticipated Electrical Usage & Costs									per kWatthr. Based on actual bill and phone conversation with
Treatment Pumps						39	\$		Lafollette electrical utility.
Effluent Pumps						4	\$		Based on 4 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
UV Lamps & Solenoids						3	\$		Based on 2 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Misc.						3	\$		Based on 6 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Subtotal						48	\$	580	
Anticipated Annual Billing Cost									
Postage	postage	37	\$	0.64	\$	23.68	\$	284	0
Printing Paper	page	148 148	\$	0.10 0.05	\$	14.80 7.40	\$	178 89	0
гарег	page	148	Ψ	0.03	\$	74.00	\$	888	0
Labor	page		\$	0.50					Based on experience hours and hourly rates on similar projects.
Misc. Subtotal	page	148	\$	0.05	\$	7.40	\$ \$	89 1,527	0
Subiotal							Ą	1,327	
TOTAL ESTIMATED EXPENSES							\$	30,649	
Estimated Revenue									
Face Charged to Customore									
Fees Charged to Customers									

	Units	# of Units	Unit Rate		Monthly Cost		Yearly Cost	Comments
	Office	# Of Offics	Offic Nate		CUSI		rearry Cost	Comments
								These are billings for non-resident customers billed yearly. Based
Non Resident Customer Access Fee	Access Fee	4	\$ 10.00	\$	40	\$	480	on \$120 per year per non-resident property owner.
								These are billings for resident customers billed monthly. Based on
Resident Customer Monthly Fee	Monthly Fee	4	\$ 44.53	\$	178	\$	2,137	\$45 per month per resident customer.
Commercial Overnight Rental property owners	Monthly Fee	29	\$ 90.83	\$ 8	2,634	\$	31 610	These are billings for commercial customers billed monthly. Basec on \$102.53 per month per resident customer.
Commercial Overnight Northal property Owners	Monthly 1 cc	25	Ψ 30.00	Ψ	2,004	Ψ		A one time tap fee required at purchase of property. This fee is
Tap Fees Collected and escrowed	Tap Fee	3	\$ 3,750.00	\$	938	\$		transferable to subsequent property owners.
Tap fees that will be collected from unpaid lot owners	Tap Fee	0	\$ 3,750.00	\$	-	\$	-	Estimate based on experience
Return Check Fee	Returned check	2	\$ 25.00	\$	4	\$	50	Estimate based on experience
Late Fees and Back Payment	Late fee	2	\$ 2.00	\$	0	\$	4	Estimate based on experience
Disconnect Fees	Disconnect	1	\$ 40.00)				
Reconnect Fees	Reconnect	1	\$ 50.00	\$	4	\$	50	Estimate based on experience
Subtotal				\$	3,798	\$	45,581	
<u> </u>								
Estimated Escrow Requirements								
Escrow Calculations								
Number of years included in calculation							1	
Number of customers							33	
Estimated Annual Non Routine Maintenance						\$	6,458	
Annual Escrow \$ per customer						\$	196	
Montly Escrow \$ per customer						\$	16.31	
				-				
Estimated Yearly Income	2013					φ	14.022	
Estimated Tearly Income	2013					\$	14,933	

Estimated Costs and Revenues For	Year	2014							
Assumptions:	2014	2015		2016			Ī		
Total number of lots in subdivision	200	200		200					
Number of non-resident/devloper property owners	4	4		4					
Number of resident property owners	6	8		10					
Commercial Overnight Rental property owners	32	34		36					
Number of property owners not attached to System	6	6		6					
Unsold lots	156	152		148					
Annual residents providing tap fee	5	4		4					
Estimated Expenses									
Estimated Expenses							H		
	Units	# of Units	ı	Unit Rate		Monthly Cost		Yearly Cost	Comments
Routine Maintenance									
									Cost based on the amount DSH & Associates will charge to
									maintain the wastewater system wastewater components for non-
Maintenance Operator Cost (Non-resident)	Lots	4	\$	5.00	\$	20)	\$ 240	resident services.
									Cost based on the amount DSH & Associates will charge to
									maintain the wastewater system wastewater components for residence service. This is based on conversations with Jeff
									Brownfield (Braeburn) and Eddy Troxell (LaFollette) and their
Maintenance Operator Cost (resident & rental)	Homes	38	\$	16.71	\$	635	;	\$ 7,620	experience with the system todate.
							T		
Accounting, tax preparation books setup	Hours	2	\$	50.00	\$	100)	\$ 1,200	Amount furnished by DSH's CPA - Roger Goins and book keeper.
									Cost projection includes property tax and income tax. Based on
Tax Cost (Franchise - Excise and Federal)	Homes	38	\$	1.92	\$	73	;	\$ 876	project income, property value, and operating costs
									Based on pricing provided by our operator for monthly and quarterly
	Sampling and								sampling and testing requirements per our SOP. Based on
Plant operator salary and testing	Testing	12	\$	433.00	\$	433	L	\$ 5,196	subcontractor quote for services.
Performance Bond	Event	1	\$	1,280.00	\$	107		\$ 1,280	Based on actual incurred costs from BB&T Insurance Services, Inc.
	_								
Insurance	Coverage	12	\$	276.58	\$	277	-	\$ 3,319	Based actual insurance costs from P&C Risk Services, LLC
Office telephone Line	Line	12	\$	55.00	\$	55		\$ 660	Office phone line based on experience.
									The telephone line is necessary for the computer (PLC) automation
Plant Ocated Ocates also a Page	1 to a	40	•	55.00	Φ.			Ф 000	to call in and report any problem. Based on estimate by local phone
Plant Control System phone line	Line	12	\$	55.00	\$	55	1	\$ 660	company.
Local Managaement Fee	Month	38	\$	2.00	\$	76		\$ 912	Based on experience hours and hourly rates on similar projects.
Corporate Management Fee	Month	38	\$	2.80	\$	106	Ì	\$ 1.277	Based on experience hours and hourly rates on similar projects.
Corporate Management 1 66	WOTH	30	Ψ	2.00	Ψ	100	1	Ψ 1,411	bassa on expension hours and hourly rates on similar projects.

						Monthly		
	Units	# of Units		Unit Rate		Cost	early Cost	Comments
TRA Inspection Fee	Inspection	1	\$	250.00	\$	21	\$ 250	Based on TRA published rates.
Subtotal					\$	1,957	\$ 23,489	
Non Routine Maintenance								
Septic tank pumping	Pumping Events	4	\$	240.00	\$	80	\$ 960	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event. Verbal quote from Jeff Brownfield (Braeburn)
Replacing pump & alarm systems	Replacement	2	\$	1,949.00	\$	325	\$	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$1949. Based on Orenco experience with similar installed systems - pump and alarm qoute were obtained.
Normal wear/tear items, hoses, float switches, lights	Replacement	10	\$	20.00	\$	17	\$ 200	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	4	\$	350.00	\$	117	\$	Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350 based on verbal quote from Jeff Brownfield (Braeburn)
Subtotal		14	*		<u> </u>		\$ 6,458	<u> </u>
Anticipated Electrical Usage & Costs								
Treatment Pumps						42	\$	Based on 18 hours/day of operation, 365 days per year, \$0.09433 per kWatthr. Based on actual bill and phone conversation with Lafollette electrical utility.
Effluent Pumps						4	\$	Based on 4 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
UV Lamps & Solenoids						3	\$	Based on 2 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Misc.						3	\$	Based on 6 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Subtotal						52	\$ 622	
Anticipated Annual Billing Cost								
Postage	postage	42	\$	0.64	\$	26.88	\$ 323	0
Printing	page	168 168	\$	0.10 0.05	\$	16.80 8.40	\$ 202 101	0
Paper	page page	168	Ф	0.05	\$	84.00	 1,008	0
Labor			\$	0.50			·	Based on experience hours and hourly rates on similar projects.
Misc.	page	168	\$	0.05	\$	8.40	\$ 101	0
Subtotal							\$ 1,734	
TOTAL ESTIMATED EXPENSES							\$ 32,303	
Estimated Revenue								
Fees Charged to Customers								

					Monthly	y		
	Units	# of Units	Unit F	Rate	Cos	t	Yearly Cost	Comments
								These are billings for non-resident customers billed yearly. Based
Non Resident Customer Access Fee	Access Fee	4	\$ 1	0.00	\$ 40	\$	480	on \$120 per year per non-resident property owner.
								These are billings for resident customers billed monthly. Based on
Resident Customer Monthly Fee	Monthly Fee	6	\$ 4	4.53	\$ 267	\$	3,206	\$45 per month per resident customer.
Common annial Ovarrainht Boartal arrangety average	Manthly	20	Φ 0	0 00	ф 0.00 7		24.000	These are billings for commercial customers billed monthly. Based
Commercial Overnight Rental property owners	Monthly Fee	32	\$ 9	0.83	\$ 2,907	\$		on \$102.53 per month per resident customer. A one time tap fee required at purchase of property. This fee is
Tap Fees Collected and escrowed	Tap Fee	5	\$ 3,75	0.00	\$ 1,563	\$ \$		transferable to subsequent property owners.
Tap fees that will be collected from unpaid lot owners	Tap Fee		\$ 3,75		. ,	\$		Estimate based on experience
Return Check Fee			· /					•
	Returned check		•	5.00		,		Estimate based on experience
Late Fees and Back Payment	Late fee	-	•	2.00	\$ 1	\$	6	Estimate based on experience
Disconnect Fees	Disconnect			0.00				
Reconnect Fees	Reconnect	1	\$ 5	0.00	\$ 4	\$	50	Estimate based on experience
Subtotal					\$ 4,787	7	\$ 57,447	
Estimated Escrow Requirements								
Estimated Estrow Requirements								
		ı						
Escrow Calculations								
Number of years included in calculation							1	
Number of customers							38	
Estimated Annual Non Routine Maintenance							\$ 6,458	
Annual Escrow \$ per customer							\$ 170	
				1		-	<u> </u>	
						T		
Montly Escrow \$ per customer							\$ 14.16	
				_				
Estimated Yearly Income	2014					9	\$ 25,144	
							,	

Estimated Costs and Revenues For	Year	2015						
25timated doses and neverages 151		2010						
Assumptions:	2015	2016						
Total number of lots in subdivision	200	200						
Number of non-resident/devloper property owners	4	4						
Number of resident property owners	8	10						
Commercial Overnight Rental property owners	34	36						
Number of property owners not attached to System	6	6						
Unsold lots	152	148						
Annual residents providing tap fee	4	4						
Estimated Expenses								
	Units	# of Units	Unit Rate		Monthly Cost		Yearly Cost	Comments
	Units	# OI UIIILS	Unit Kate		COSI		rearry Cost	Confinents
Routine Maintenance								
								Cost based on the amount DSH & Associates will charge to
Maintanana On antan Onat (Non annistra)	Lata	4	Ф 500		00	_		maintain the wastewater system wastewater components for non-
Maintenance Operator Cost (Non-resident)	Lots	4	\$ 5.00) \$	20	\$	240	resident services.
								Cost based on the amount DSH & Associates will charge to
								maintain the wastewater system wastewater components for residence service. This is based on conversations with Jeff
								Brownfield (Braeburn) and Eddy Troxell (LaFollette) and their
Maintenance Operator Cost (resident & rental)	Homes	42	\$ 16.71	\$	702	\$		experience with the system todate.
Accounting, tax preparation books setup	Hours	2	\$ 50.00	\$	100	\$	1,200	Amount furnished by DSH's CPA - Roger Goins and book keeper.
·								Cost projection includes property tax and income tax. Based on
Tax Cost (Franchise - Excise and Federal)	Homes	42	\$ 1.92	\$	81	\$		project income, property value, and operating costs
								Based on pricing provided by our operator for monthly and quarterly
	Sampling and							sampling and testing requirements per our SOP. Based on
Plant operator salary and testing	Testing	12	\$ 433.00	\$	433	\$		subcontractor quote for services.
Derference Devel	Front	4	Ф. 4.000.00		407		4 000	Donald an actual in comment acts from DD0T learning Occident learning
Performance Bond	Event	1	\$ 1,280.00	\$	107	\$	1,280	Based on actual incurred costs from BB&T Insurance Services, Inc
	0	40	¢ 070.50		077	\$	0.040	Paged actual incurance costs from DCC Dials Comises 11.0
Insurance	Coverage	12	\$ 276.58	\$	277	*	3,319	Based actual insurance costs from P&C Risk Services, LLC
Office telephone Line	Line	12	\$ 55.00	\$	55	\$	660	Office phone line based on experience.
								The telephone line is necessary for the computer (PLC) automation
				1.	_			to call in and report any problem. Based on estimate by local phone
Plant Control System phone line	Line	12	\$ 55.00	\$	55	\$	660	company.
Local Managaement Fee	Month	42	\$ 2.00	s	84	\$	1 008	Based on experience hours and hourly rates on similar projects.
<u>-</u>				 		<u> </u>	,	
Corporate Management Fee	Month	42	\$ 2.80	\$	118	\$	5 1,411	Based on experience hours and hourly rates on similar projects.

					ı	Monthly			
	Units	# of Units	ι	Jnit Rate		Cost	١	Yearly Cost	Comments
TRA Inspection Fee	Inspection	1	\$	250.00	\$	21	\$	250	Based on TRA published rates.
Subtotal					\$	2,051	\$	24,614	
Non Routine Maintenance									
Septic tank pumping	Pumping Events	4	\$	240.00	\$	80	\$		Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event. Verbal quote from Jeff Brownfield (Braeburn)
Replacing pump & alarm systems	Replacement	2	\$	1,949.00	\$	325	\$		Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$1949. Based on Orenco experience with similar installed systems - pump and alarm qoute were obtained.
Normal wear/tear items, hoses, float switches, lights	Replacement	10	\$	20.00	\$	17	\$	200	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	4	\$	350.00	\$	117	\$		Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350 based on verbal quote from Jeff Brownfield (Braeburn)
Subtotal		14					\$	6,458	
Anticipated Electrical Usage & Costs									
Treatment Pumps						44	\$		Based on 18 hours/day of operation, 365 days per year, \$0.09433 per kWatthr. Based on actual bill and phone conversation with Lafollette electrical utility.
Effluent Pumps						4	\$		Based on 4 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
UV Lamps & Solenoids						3	\$		Based on 2 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Misc.						3	\$		Based on 6 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Subtotal						55	\$	656	
Anticipated Annual Billing Cost									
Postage	postage	46	\$	0.64	\$	29.44	\$	353	0
Printing	page	184	\$	0.10	\$	18.40	\$		0
Paper	page page	184 184	\$	0.05	\$	9.20 92.00	\$ \$		0
Labor	page		\$	0.50	,		·		Based on experience hours and hourly rates on similar projects.
Misc.	page	184	\$	0.05	\$	9.20	٠	110	0
Subtotal							\$	1,899	
TOTAL ESTIMATED EXPENSES							\$	33,627	
Estimated Revenue									
Fees Charged to Customers									
i cos onal geu to oustolliers									

					Monthly			
	Units	# of Units	Unit Ra	te	Cost	Yearly	Cost	Comments
								These are billings for non-resident customers billed yearly. Based
Non Resident Customer Access Fee	Access Fee	4	\$ 10.	00 \$	40	\$	480	on \$120 per year per non-resident property owner.
B :1 .0		•		- 0	050		075	These are billings for resident customers billed monthly. Based on
Resident Customer Monthly Fee	Monthly Fee	8	\$ 44.	53 \$	356	\$ 4	,275	\$45 per month per resident customer.
Commercial Overnight Rental property owners	Monthly Fee	24	\$ 90.	83 \$	3,088	¢ 27	060	These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer.
Commercial Overnight Nental property owners	Monthly i ee	34	φ 90.	υυ ψ	3,000	φ 57	,000	A one time tap fee required at purchase of property. This fee is
Tap Fees Collected and escrowed	Tap Fee	4	\$ 3,750.	2 00	1,250	\$ 15	000	transferable to subsequent property owners.
Tap fees that will be collected from unpaid lot owners	Tap Fee		\$ 3,750.			\$		Estimate based on experience
Return Check Fee	Returned check			00 \$		\$		Estimate based on experience
Late Fees and Back Payment	Late fee			00 \$		\$		Estimate based on experience
Disconnect Fees	Disconnect		\$ 40.			Φ	0	Estimate based on experience
					4	r.		Cating to be and an approximate
Reconnect Fees	Reconnect	1	\$ 50.	00 \$	4	\$	50	Estimate based on experience
		ı						
Subtotal				9	4,748	\$ 5	6,973	
						ı		
Estimated Escrow Requirements								
Escrow Calculations								
Number of years included in calculation							1	
realistic of years included in calculation				_				
Number of customers							42	
Number of customers							42	
Estimated Annual Non Routine Maintenance						\$	C 450	
Estimated Annual Non Routine Maintenance						Ъ	6,458	
A 5 0 0						\$	454	
Annual Escrow \$ per customer						Ф	154	
						ı		
Montly Escrow \$ per customer						\$	12.81	
Estimated Yearly Income	2015					\$ 23	,346	
Estimated Tearly Income	2013					J 43	,340	

Estimated Costs and Revenues For	Year	2016					
Assumptions:	2016						
Total number of lots in subdivision	200						
Number of non-resident/devloper property owners	4						
Number of resident property owners	10						
Commercial Overnight Rental property owners	36						
Number of property owners not attached to System	6						
Unsold lots	148						
Annual residents providing tap fee	4		•				
Estimated Expenses							
	Units	# of Units	J	Unit Rate	Monthly Cost	Yearly Cost	Comments
Routine Maintenance							
Maintenance Operator Cost (Non-resident)	Lots	4	\$	5.00	\$ 20		Cost based on the amount DSH & Associates will charge to maintain the wastewater system wastewater components for non-resident services.
Maintenance Operator Cost (resident & rental)	Homes	46	\$	16.71	\$ 769		Cost based on the amount DSH & Associates will charge to maintain the wastewater system wastewater components for residence service. This is based on conversations with Jeff Brownfield (Braeburn) and Eddy Troxell (LaFollette) and their experience with the system todate.
Accounting, tax preparation books setup	Hours	2	\$	50.00	\$ 100	\$ 1,200	Amount furnished by DSH's CPA - Roger Goins and book keeper.
Tax Cost (Franchise - Excise and Federal)	Homes	46	\$	1.92	\$ 88		Cost projection includes property tax and income tax. Based on project income, property value, and operating costs
Plant operator salary and testing	Sampling and Testing	12	\$	433.00	\$ 433		Based on pricing provided by our operator for monthly and quarterly sampling and testing requirements per our SOP. Based on subcontractor quote for services.
Performance Bond	Event	1	\$	1,280.00	\$ 107	\$ 1,280	Based on actual incurred costs from BB&T Insurance Services, Inc
Insurance	Coverage	12	\$	276.58	\$ 277	\$ 3,319	Based actual insurance costs from P&C Risk Services, LLC
Office telephone Line	Line	12	\$	55.00	\$ 55	\$ 660	Office phone line based on experience.
Plant Control System phone line	Line	12	\$	55.00	\$ 55		The telephone line is necessary for the computer (PLC) automation to call in and report any problem. Based on estimate by local phonocompany.
Local Managaement Fee	Month	46	\$	2.00	\$ 92	\$ 1,104	Based on experience hours and hourly rates on similar projects.

	Units	# of Units	U	Jnit Rate	Monthly Cost	early Cost	Comments
Corporate Management Fee	Month	46	\$	2.80	\$ 129	\$ 1,546	Based on experience hours and hourly rates on similar projects.
TRA Inspection Fee	Inspection	1	\$	250.00	\$ 21	\$ 250	Based on TRA published rates.
Subtotal					\$ 2,145	\$ 25,738	
Non Routine Maintenance							
Septic tank pumping	Pumping Events	4	\$	240.00	\$ 80	\$ 960	Pumping of holding tanks associated with centralized treatment system. Based on \$240 per pumping event. Verbal quote from Jeff Brownfield (Braeburn)
Replacing pump & alarm systems	Replacement	2	\$	1,949.00	\$ 325	\$ 3,898	Replacement cost for pumps and alarms associated with centralized treatment system. Assume 1 pump and alarm system will have to be replace once a year for a total event cost of \$1949. Based on Orenco experience with similar installed systems - pump and alarm qoute were obtained.
Normal wear/tear items, hoses, float switches, lights	Replacement	10	\$	20.00	\$ 17	\$ 200	Based on experience hours and hourly rates on similar projects.
UV lamps	Lamp	4	\$	350.00	\$ 117		Replacement cost for UV lamps associated with the system. The system utilizes 4 lamps. Assume each lamp required replacement once every year. Lamp and labor is approx. \$350 based on verbal quote from Jeff Brownfield (Braeburn)
Subtotal		14				\$ 6,458	
Anticipated Electrical Usage & Costs							
Treatment Pumps					47	\$ 558	Based on 18 hours/day of operation, 365 days per year, \$0.09433 per kWatthr. Based on actual bill and phone conversation with Lafollette electrical utility.
Effluent Pumps					4	\$ 53	Based on 4 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
UV Lamps & Solenoids					3	\$ 40	Based on 2 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Misc.					3	\$ 40	Based on 6 hours/day of operation, 365 days per year, \$0.09433 per kWatthr.
Subtotal					58	\$ 690	
Anticipated Annual Billing Cost							
Postage	postage	50	\$	0.64	32.00	384	0
Printing	page	200	\$	0.10	\$ 20.00	\$ 240	0
Paper	page	200	\$	0.05	 10.00	120	0
Labor	page	200	\$	0.50	\$ 100.00	1,200	Based on experience hours and hourly rates on similar projects.
Misc.	page	200	\$	0.05	\$ 10.00	120	0
Subtotal						\$ 2,064	
TOTAL ESTIMATED EXPENSES						\$ 34,951	

	Units	# of Units	Unit Rate		Monthly Cost		Yearly Cost	Comments
Estimated Revenue	Onits	# Of Office	Oint itate		0031		rearry cost	Comments
Estimated Nevenue								
Fees Charged to Customers								
Non Resident Customer Access Fee	Access Fee	4	\$ 10.00	\$	40	\$	480	These are billings for non-resident customers billed yearly. Based on \$120 per year per non-resident property owner.
Resident Customer Monthly Fee	Monthly Fee	10	\$ 44.53	\$	445	\$	5,344	These are billings for resident customers billed monthly. Based on \$45 per month per resident customer.
Commercial Overnight Rental property owners	Monthly Fee	36	\$ 90.83	\$	3,270	\$		These are billings for commercial customers billed monthly. Based on \$102.53 per month per resident customer.
Tap Fees Collected and escrowed	Tap Fee		\$ 3,750.00		1,250		15,000	A one time tap fee required at purchase of property. This fee is transferable to subsequent property owners.
Tap fees that will be collected from unpaid lot owners	Tap Fee		\$ 3,750.00		-	\$		Estimate based on experience
Return Check Fee	Returned check		\$ 25.00		10			Estimate based on experience
Late Fees and Back Payment	Late fee		\$ 2.00		1	\$	10	Estimate based on experience
Disconnect Fees	Disconnect		\$ 40.00					
Reconnect Fees	Reconnect	1	\$ 50.00	\$	4	\$	50	Estimate based on experience
Subtotal				\$	5,021	\$	60,249	
Subtotal				Ψ	3,021	4	00,249	
Estimated Escrow Requirements								
Estimated Escrow Requirements								
Escrow Calculations								
Number of years included in calculation							1	
Number of customers							46	
Estimated Annual Non Routine Maintenance						\$	6,458	
Annual Escrow \$ per customer						\$	5 140	
Montly Escrow \$ per customer						\$	11.70	
Estimated Yearly Income	2016					\$	25,298	

Estimated Costs and Revenues For 5 Years

		2012	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>		<u>Total</u>
Revenue: Monthly Fees	\$	31,644	\$ 34,331	\$ 38,697	\$ 41,973	\$ 45,249	\$	191,894
Revenue: Placed in Escrow for								
Future Treatment System								
Expansion	\$	3,750	\$ 11,250	\$ 18,750	\$ 15,000	\$ 15,000	\$	63,750
Estimated Expenses	\$	29,656	\$ 30,649	\$ 32,303	\$ 33,627	\$ 34,951	\$	161,185
•								
Estimate Profit	Ś	1.988	\$ 3.683	\$ 6.394	\$ 8.346	\$ 10.298	Ś	30.709

REVISED TARIFF PAGES

DSH & Associates, LLC Effective Date: 11/21/11 T.R.A. No. 1
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CHECK SHEET

Sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as the date on the bottom of this sheet.

SECTION	SHEET	REVISION	SECTION	SHEET	REVISION
1	1	Original			
1	2	1st Revised			
1	3	Original			
1	4	Original			
1	5	Original			
1	6	Original			
2	1	Original			
2	2	1 st Revised			
2	3	Original			
2	4	Original			
3	1	Original			
3	2	1st Revised			
4	1	Original			
4	2	1st Revised			
4	3	Original			

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notice will be sent to the customer. If payment is not received within 30 days, service will be turned off from the customer's property as per the Sewer Service Contract Agreement (Attachment 14) executed by the customer with no additional notice being sent. No service shall be reconnected if disconnected for non-payment (or any other valid reason) until all charges have been paid, including disconnection and reconnection fees. The disconnection fee is \$40. The reconnection fee is \$50 plus all back payments.

Returned Checks

A check returned by the bank will incur a fee of \$25.

Changes in Ownership, Tenancy of Service

A new application and contract must be made and approved by the Company on any change in ownership of property, or tenancy, or in the service as described in the application. In the event of a failure of a new owner or tenant to make such application, the Company shall have the right to discontinue service until such new application is made an approved.

Sewer System Access Fee

The owner of each property parcel, which is provided a service connection when the sewer system is built, will be required to pay a sewer access fee of \$120.00 per year. This fee will be payable each July 1st. As each Customer attaches to the Service Connection and signs up for service, they will pay a pro-rated access fee for that year and thereafter the fee will not be charged.

Engineering, Material and Construction Standards

General: This specification covers the type of sewer system required for various design conditions of sewers constructed by developers.

- The requirements called for are a minimum in all cases. Bedding conditions, material specifications, sealing
 requirements and installation methods are the responsibility of the design engineer and must be approved by
 the Company Engineer.
- Design and construction of sewer lines shall meet the requirements of the State of Tennessee Department of Environment. Any conflicts between company and state requirements shall be resolved so that the more restrictive shall govern.
- 3. All sewage collection system components are to be watertight. This includes Building Outfall lines, all tanks, Collector Lines, Service Lines and Main Lines.
- 4. Collector Lines and Main Lines are to be tested to 100 pounds per square inch of water pressure. Risers and lids are to be watertight.
- 5. Septic Pump and Septic Gravity Tanks are to be installed near the customer's building to be served. The tanks are to be set in a level condition and tested for water tightness before backfilling.
- STEP septic tanks must meet the specifications outlined in this document. Size of STEP tanks must be
 approved by DSH and will be based on the number of bedrooms in the home and the intended use of the
 home.
- All pipe is to be PVC. Classes and sizes will be per Engineer's design and in all cases Schedule 40 will be the minimum allowable.
- Only wastewater drains are to be connected to the sewer system. No water sources such as roof drains, sump pumps, condensate lines and swimming pools shall be connected to the sewer system.

Special Pretreatment Sewage Requirements

For all sewage connections the Company reserves the right to require any non-residential user to provide special pretreatment for any high strength effluent before discharge into its sewage system. The Company may, upon the basis of recognized engineering standards and treatment costs, increase the rate charged to cover the cost of treatment of high strength effluent or industrial waste, and may impose recognized engineering standards as to the maximum size of solids and constituents in such waste discharged into its sewage system.

Additionally, if excessive volumes of sewage are received, the Company may require the Customer to monitor flow volume and increase surge holding capacity at the Customer's expense. All customers will be required to follow the Owners User Manual for an effluent collection system supplied to them by the Company (Attachment 1). These requirements prohibit the dumping of any toxic chemicals that kill tank bacteria and disposal of an excessive amount of grease, among other things. All requirements (and notification of repair costs associated with the system abuse) are established in the Customer's Sewer Subscription Contract with the Company.

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RESIDENTIAL RATE SHEET/EXPLANATION

The monthly sewer charge per customer is	\$ 44.53
FEES:	<u>TOTAL</u>
Non-Payment	5%
STEP System Installation	\$6,000
Tap Fee	3,750/lot
Disconnection	\$ 40.00
Reconnection	\$ 50.00
Returned Check	\$ 25.00
Access Fee	\$120/yr
*Escrow amount is included in total	\$17.94
** Tap fee is for homes with 3 bedrooms or less	

Explanation

FFR.D:	Rate Class I: Standard Base RSF/Fixed Film Reactor Treatment Rate	\$ 23.03
E1:	RSF Escrow Rate	\$ 17.94
<u>B1:</u>	Standard bonding charge of	\$ 3.56
	Total	\$ 44.53
Estimate Ta	p Fees	
Tap Fees fo	r each new unit will be derived based on the number of	
Bedrooms a	as listed in the table below:	
Daily		Estimated
Flowrate	Number of Bedrooms	Tap Fee
300	3	\$ 3,750
400	4	\$ 5,000
500	5	\$ 6,250
600	6	\$ 7,500
700	7	\$ 8,750
800	8	\$ 10,000
900	9	\$ 11,250
1000	10	\$ 12,500

STEP System Installation:

• For a 3 bedroom unit/300 gallons per day, STEP systems will be installed for \$6,000. If larger STEP systems are required, they will be quoted on an individual basis. The installation of the STEP systems includes a 15% markup by the utility.

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COMMERICAL RATE SHEET Overnight Rental Units

DSH & Associates, LLC

Issue Date: 9/9/11

The monthly sewer charge per customer is based on the monthly average daily flow monitored from the unit being served. A minimum of \$69.53 per month will be charged for up to the first 300 gallons per day of average daily flow. (I) For each additional 100 gallons per day of average daily flow, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For average daily flows over 1,000 gallons per day, an additional monthly charge of \$157.95 per 1,000 gallons of average daily flow will apply.

COMMERCIAL W/O FOOD	FLOWRATE BETWEEN (GPD)		TOTAL**	ESCROW***	
Tier 1	0	300	\$ 69.53	\$	15.95
Tier 2.1	301	400	\$ 84.53	\$	19.49
Tier 2.2	401	500	\$ 99.53	\$	23.02
Tier 2.3	501	600	\$ 114.53	\$	26.56
Tier 2.4	601	700	\$ 129.53	\$	30.10
Tier 2.5	701	800	\$ 144.53	\$	33.63
Tier 2.6	801	900	\$ 159.53	\$	37.17
Tier 2.7	901	1000	\$ 174.53	\$	40.71
Tier 3.1	1001	2000	\$ 332.48	\$	77.95
Tier 3.2	2001	3000	\$ 490.43	\$	115.19
Tier 3.3	3001	4000	\$ 648.38	\$	152.43
Each additional tier			\$ 157.95	\$	37.24

Each customer will be billed the minimum monthly charge unless DSH determines that the customer's measured usage exceeds an average of 300 gallons per day over a thirty day period. Unless otherwise stated in this tariff, measured usage will be based on a customer's actual or estimated usage, averaged over a thirty-day period.

Actual usage may be measured in any of the following ways:

- Effluent flow meter.
- STEP pump. Usage will be measured by multiplying the period of elapsed pumping time shown on the pump times the capacity of the pump.
- In the absence of an effluent flow meter or a STEP pump, usage will be assumed to be equal to the customer's usage of potable water as shown on the customer's potable water meter.

If a customer is charged in excess of the minimum monthly fee, DSH will measure the customer's actual usage at least once every ninety days using one of the methods described above and display on the customer's statement the usage and measurement method used. In any month in which DSH does not measure the company's actual usage, the customer's monthly bill will be based on the customer's estimated monthly usage. No less than once every ninety days DSH will bill (or credit) the customer for any differences between an estimated bill and actual measured usage.

If a customer's usage exceeds the average daily design flow for three consecutive months, the customer may be required to pay any capital costs associated with increasing the capacity of that portion of the system designed and dedicated to serve that customer. For purposes of this section, DSH must measure actual usage for three consecutive months using one of the methods described above.

If DSH determines that a customer's usage meets the criteria described above, DSH will notify the

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cost to the customer. The notice will also state that if the customer believes that his usage does not meet the criteria described above or that the charge to the customer is unjust and unreasonable, the customer may file a written complaint with the Tennessee Regulatory Authority, located at 460 James Robertson Parkway, Nashville, TN, 37243. Unless the TRA orders otherwise, the filing of a complaint will not delay the proposed construction work but may initiate a proceeding in which the TRA will determine whether, under the terms of this tariff, the customer is responsible for the cost of the construction work.

- ** Bonding amount of \$3.56 included
- *** Escrow amount is included

STEP System Installation:

• For a 3 bedroom unit/300 gallons per day, STEP systems will be installed for \$6,000. If larger STEP systems are required, they will be quoted on an individual basis. The installation of the STEP systems includes a 15% markup by the utility.

includes a 15% markup by the utility.							
Estimate 7	Гар Fees:						
Daily	Number of	Estimate					
1	Bedrooms	Tap Fee					
300	3	\$3,750.00					
400	4	\$5,000.00					
500	5	\$6,250.00					
600	6	\$7,500.00					
700	7	\$8,750.00					
800	8	\$10,000.00					
900	9	\$11,250.00					
1000	10	\$12,500.00					