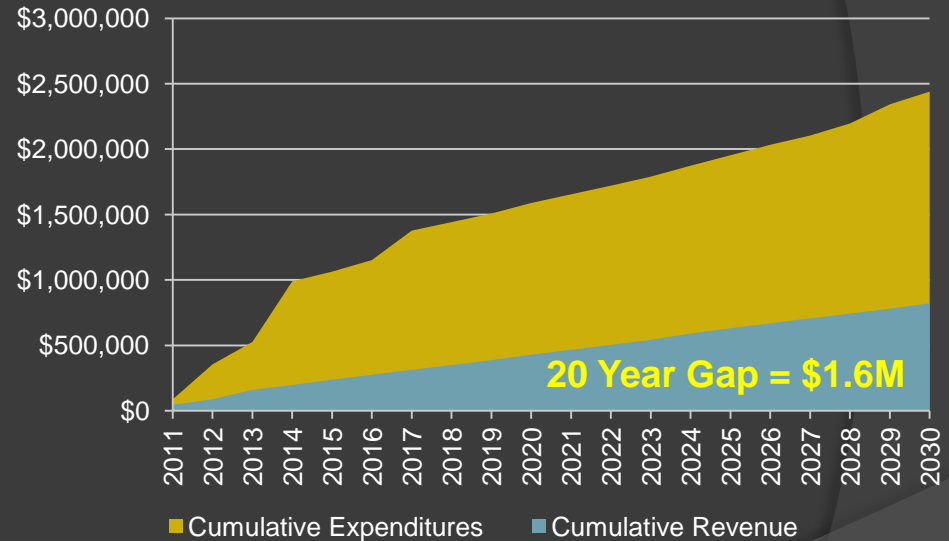


# Falcon Ridge System

20 Year Averages	
System Value	\$1,400,000
Average Annual Renewal (AALCI)	\$31,000
Average Annual Improvements	\$58,000
Average Annual Operations & Maintenance	\$33,000
Existing Annual Debt Servicing	\$0
Results	
Average Annual Costs	\$122,000
Average Annual Revenue	\$41,000
Sustainability Gap	(\$81,000)



# Observations (Falcon Ridge)

- ⦿ Additional revenue or borrowing needed starting in 2012
- ⦿ Based on existing rate revenues
  - Reserves depleted after 2011
  - Borrowing maximized in 2012
- ⦿ \$81,000 Gap = \$1,470 per connection
  - Translates to 225% increase
  - Current rate/fee is \$654