

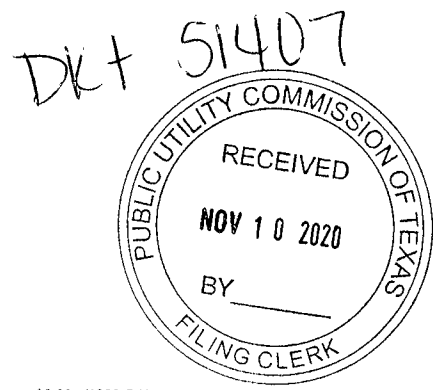


Control Number: 51407



Item Number: 7

Addendum StartPage: 0



**FINANCIAL ASSUMPTIONS AND DATA
FOR TCEQ WATER CCN APPLICATION
FOR REPUBLIC GRAND RANCH SUBDIVISION
BY DOS AGUAS LLC**

INCOME AND EXPENSE

Development Rate, New Connections/Month =	8 0				
Maximum Number of Connections =	2,200				
AVERAGE ANNUAL WATER USE/EQUIV CONN =	225	GAL/DAY			
AVERAGE ANNUAL WATER USE/EQUIV CONN =	6,750	GAL/MONTH			
BASE WATER RATE =	\$55 00	Gal Included	-	Plus	\$3 00 /1000 GAL
WATER CONSERVATION RATE =	\$4 50	Gal In Excess of		10,000	Gal/Month
SEWER RATE =		Gal Included	-		
EXCESS SEWER USE RATE =		/Gal in Excess of	-		Gal/Month
AVERAGE MONTHLY WATER/SEWER BILL/CONN =	\$75 25				
Water Tap Fee =	\$1,250 00				
Sewer Tap Fee =					
BAD DEBTS =	1.00%	OF SALES			
CAPITAL INVESTMENT SCHEDULE (CUMMULATIVE)					
	FY1	FY2	FY3	FY4	FY5
WATER PLANT CONSTRUCTION COST =	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280
WWTP CONSTRUCTION COST =					
WATER DISTRIBUTION SYSTEM CONSTRUCTION COST =	\$0	\$0	\$0	\$0	\$0 (Distnbution Lines Paid for by Home Builders)
SEWAGE COLLECTION SYSTEM CONSTRUCTION COST =					
TOTAL SYSTEM CONSTRUCTION COST =	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280
CONTRIBUTIONS IN AID OF CONSTRUCTION =	\$0	\$0	\$0	\$0	\$0
NET SYSTEM CAPITAL COST TO UTILITY =	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280
SALVAGE VALUE =	\$0	\$0	\$0	\$0	\$0
AVG LIFE, YEARS =	48	48	48	48	48
DEPRECIATION/MONTH =	\$2,495	\$2,495	\$2,495	\$2,495	\$2,495

VARIABLE OPERATING COSTS

EMPLOYEE SALARIES =	\$2,500	/Mo Plus	\$2 00 /CONNECTION
OFFICE EXPENSE COST =	\$500	/Mo Plus	\$1 00 /CONNECTION
CUSTOMER BILLING/COLLECTION COST =	\$250	/Mo Plus	\$3 00 /CONNECTION
OPERATOR COST =	\$1,000	/Mo Plus	\$2 00 /CONNECTION
VEHICLE & EQUIPMENT COST =	\$250	/Mo Plus	\$3 00 /CONNECTION
ELEC COST =	\$600	/Mo Plus	\$3 00 /CONNECTION
CHEMICAL COST =	\$200	/Mo Plus	\$1 00 /CONNECTION
SLUDGE DISPOSAL COST =		/Mo Plus	/CONNECTION
TCEQ FEES =	\$100	/Mo Plus	\$1.00 /CONNECTION
REPAIR COST/MO , % CAP =	0 10%	Of Invested Capital	
RESERVE ACCT DEPOSIT/MO , % CAP =	0 10%	Of Invested Capital	

FIXED OPERATING COSTS

LABORATORY COST =	\$50	/Mo Plus	\$0 50 /CONNECTION
PROFESSIONAL FEES =	\$250	/Mo Plus	\$0 50 /CONNECTION
EFFECTIVE LOCAL TAX RATE =	\$0 75	/S100	
LIAB/PROP INSURANCE =	\$0 75	/S100	

Fiscal Year	Seasonal Use Multiplier	Projected Use Gal/Day	Projected Monthly Cost for Water/Sewer	Projected Monthly Bill (*)
1 JAN	0 65	146	\$ 68.60	\$69 29
2 FEB	0 65	146	\$ 67.29	\$67 96
3 MAR	0 75	169	\$ 70 69	\$71 40
4 APR	1 00	225	\$ 75 25	\$76 00
5 MAY	1 20	270	\$ 80 11	\$80 91
6 JUN	1 35	304	\$ 82.34	\$83 16
7 JUL	1 35	304	\$ 83 25	\$84 08
8 AUG	1 35	304	\$ 83 25	\$84 08
9 SEP	1 20	270	\$ 79 30	\$80 09
10 OCT	1 10	248	\$ 78.02	\$78 80
11 NOV	0 75	169	\$ 70 19	\$70 89
12 DEC	0 65	146	\$ 68.60	\$69 29
SUMMATION	12 00	225 00	\$906.88	\$915.95

(*) Including 1% TCEQ Regulatory Assessment (Sales Tax)

7

**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER CCN APPLICATION
FOR REPUBLIC GRAND RANCH SUBDIVISION
BY DOS AGUAS LLC**

FISCAL YEAR 1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE CONNECTIONS	8 0	16 0	24 0	32 0	40 0	48 0	56 0	64 0	72 0	80 0	88 0	96 0	624
Seasonal Multiplier, mo avg/ annual avg	0 65	0 65	0 75	1 00	1 20	1 35	1 35	1 35	1 20	1 10	0 75	0 65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Water Charge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Income Per Customer, \$	\$ 68 60	\$ 67 29	\$ 70 69	\$ 75 25	\$ 80 11	\$ 82 34	\$ 83 25	\$ 83 25	\$ 79 30	\$ 78 02	\$ 70 19	\$ 68 60	\$ 906.88
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Water Bill, \$	\$ 68 60	\$ 67 29	\$ 70 69	\$ 75 25	\$ 80 11	\$ 82 34	\$ 83 25	\$ 83 25	\$ 79 30	\$ 78 02	\$ 70 19	\$ 68 60	\$ 906.88
Total Monthly Water Pumped, Gal	36,270	65,520	125,550	216,000	334,800	437,400	527,310	602,640	583,200	613,800	445,500	435,240	4,423,230
GROSS WATER/SEWER USE INCOME	\$549	\$1,077	\$1,697	\$2,408	\$3,204	\$3,952	\$4,662	\$5,328	\$5,710	\$6,241	\$6,177	\$6,586	\$47,590
RESERVE FOR BAD DEBTS	\$5	\$11	\$17	\$24	\$32	\$40	\$47	\$53	\$57	\$62	\$62	\$66	\$476
WATER/SEWER INCOME (ADJUSTED)	\$543	\$1,066	\$1,680	\$2,384	\$3,172	\$3,913	\$4,615	\$5,275	\$5,653	\$6,179	\$6,115	\$6,520	\$47,114
TAP FEE INCOME	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
TOTAL MONTHLY INCOME	\$10,543	\$11,066	\$11,680	\$12,384	\$13,172	\$13,913	\$14,615	\$15,275	\$15,653	\$16,179	\$16,115	\$16,520	\$167,114
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$508	\$516	\$524	\$532	\$540	\$548	\$556	\$564	\$572	\$580	\$588	\$596	\$6,624
EMPLOYEE SALARIES	\$2,516	\$2,532	\$2,548	\$2,564	\$2,580	\$2,596	\$2,612	\$2,628	\$2,644	\$2,660	\$2,676	\$2,692	\$31,248
PROFESSIONAL FEES	\$254	\$258	\$262	\$266	\$270	\$274	\$278	\$282	\$286	\$290	\$294	\$298	\$3,312
INSURANCE	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$10,780
ADVALOREM TAXES	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$10,780
TCEQ PERMIT FEES	\$108	\$116	\$124	\$132	\$140	\$148	\$156	\$164	\$172	\$180	\$188	\$196	\$1,824
MONTHLY G&A	\$5,183	\$5,219	\$5,255	\$5,291	\$5,327	\$5,363	\$5,399	\$5,435	\$5,471	\$5,507	\$5,543	\$5,579	\$64,567
OPERATIONS													
OPERATOR COST	\$1,016	\$1,032	\$1,048	\$1,064	\$1,080	\$1,096	\$1,112	\$1,128	\$1,144	\$1,160	\$1,176	\$1,192	\$13,248
VEHICLE & EQUIPMENT COST	\$274	\$298	\$322	\$346	\$370	\$394	\$418	\$442	\$466	\$490	\$514	\$538	\$4,872
CUSTOMER BILLING COST	\$274	\$298	\$322	\$346	\$370	\$394	\$418	\$442	\$466	\$490	\$514	\$538	\$4,872
ELECTRICITY	\$624	\$648	\$672	\$696	\$720	\$744	\$768	\$792	\$816	\$840	\$864	\$888	\$9,072
CHEMICAL COST	\$208	\$216	\$224	\$232	\$240	\$248	\$256	\$264	\$272	\$280	\$288	\$296	\$3,024
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$102,000
REPAIR COSTS	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$17,247
CONTRIBUTION TO RESERVE ACCT	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$17,247
MONTHLY O & M COST	\$13,771	\$13,867	\$13,963	\$14,059	\$14,155	\$14,251	\$14,347	\$14,443	\$14,539	\$14,635	\$14,731	\$14,827	\$171,583
TOTAL MONTHLY EXPENSE	\$18,953	\$19,085	\$19,217	\$19,349	\$19,481	\$19,613	\$19,745	\$19,877	\$20,009	\$20,141	\$20,273	\$20,405	\$236,150
NET INCOME OR EXPENSE/MONTH	(\$8,410)	(\$8,019)	(\$7,537)	(\$6,965)	(\$6,309)	(\$5,700)	(\$5,130)	(\$4,603)	(\$4,357)	(\$3,962)	(\$4,158)	(\$3,885)	(\$69,036)

**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER CCN APPLICATION
FOR REPUBLIC GRAND RANCH SUBDIVISION
BY DOS AGUAS LLC**

FISCAL YEAR 2

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN	104	112	120	128	136	144	152	160	168	176	184	192	1,776
Seasonal Multiplier, mo avg/ annual avg	0 65	0 65	0 75	1 00	1 20	1 35	1 35	1 35	1 20	1 10	0 75	0 65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Income Per Customer, \$	\$ 68 60	\$ 67 29	\$ 70 69	\$ 75 25	\$ 80 11	\$ 82 34	\$ 83 25	\$ 83 25	\$ 79 30	\$ 78 02	\$ 70 19	\$ 68 60	\$ 906 88
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Water Bill, \$	\$ 68 60	\$ 67 29	\$ 70 69	\$ 75 25	\$ 80 11	\$ 82 34	\$ 83 25	\$ 83 25	\$ 79 30	\$ 78 02	\$ 70 19	\$ 68 60	\$ 906 88
Total Monthly Water Pumped, Gal	471,510	458,640	627,750	864,000	1,138,320	1,312,200	1,431,270	1,506,600	1,360,800	1,350,360	931,500	870,480	12,323,430
GROSS WATER/SEWER USE INCOME	\$7,135	\$7,536	\$8,483	\$9,632	\$10,895	\$11,857	\$12,654	\$13,320	\$13,322	\$13,731	\$12,915	\$13,171	\$134,650
RESERVE FOR BAD DEBTS	\$71	\$75	\$85	\$96	\$109	\$119	\$127	\$133	\$133	\$137	\$129	\$132	\$1,347
WATER/SEWER INCOME (ADJUSTED)	\$7,063	\$7,461	\$8,398	\$9,536	\$10,786	\$11,738	\$12,527	\$13,187	\$13,189	\$13,594	\$12,785	\$13,040	\$133,304
TAP FEE INCOME	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
TOTAL MONTHLY INCOME	\$17,063	\$17,461	\$18,398	\$19,536	\$20,786	\$21,738	\$22,527	\$23,187	\$23,189	\$23,594	\$22,785	\$23,040	\$253,304
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$604	\$612	\$620	\$628	\$636	\$644	\$652	\$660	\$668	\$676	\$684	\$692	\$7,776
EMPLOYEE SALARIES	\$2,708	\$2,724	\$2,740	\$2,756	\$2,772	\$2,788	\$2,804	\$2,820	\$2,836	\$2,852	\$2,868	\$2,884	\$33,552
PROFESSIONAL FEES	\$302	\$306	\$310	\$314	\$318	\$322	\$326	\$330	\$334	\$338	\$342	\$346	\$3,888
INSURANCE	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$10,780
ADVALOREM TAXES	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$10,780
TCEQ PERMIT FEES	\$204	\$212	\$220	\$228	\$236	\$244	\$252	\$260	\$268	\$276	\$284	\$292	\$2,976
TOTAL G&A	\$5,615	\$5,651	\$5,687	\$5,723	\$5,759	\$5,795	\$5,831	\$5,867	\$5,903	\$5,939	\$5,975	\$6,011	\$69,751
OPERATIONS													
OPERATOR COST	\$1,208	\$1,224	\$1,240	\$1,256	\$1,272	\$1,288	\$1,304	\$1,320	\$1,336	\$1,352	\$1,368	\$1,384	\$15,552
VEHICLE & EQUIPMENT COST	\$562	\$586	\$610	\$634	\$658	\$682	\$706	\$730	\$754	\$778	\$802	\$826	\$8,328
CUSTOMER BILLING COST	\$562	\$586	\$610	\$634	\$658	\$682	\$706	\$730	\$754	\$778	\$802	\$826	\$8,328
ELECTRICITY	\$912	\$936	\$960	\$984	\$1,008	\$1,032	\$1,056	\$1,080	\$1,104	\$1,128	\$1,152	\$1,176	\$12,528
CHEMICAL COST	\$304	\$312	\$320	\$328	\$336	\$344	\$352	\$360	\$368	\$376	\$384	\$392	\$4,176
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$102,000
REPAIR COSTS	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$17,247
CONTRIBUTION TO RESERVE ACCT	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$17,247
MONTHLY O & M COST	\$14,923	\$15,019	\$15,115	\$15,211	\$15,307	\$15,403	\$15,499	\$15,595	\$15,691	\$15,787	\$15,883	\$15,979	\$185,407
TOTAL MONTHLY EXPENSE	\$20,537	\$20,669	\$20,801	\$20,933	\$21,065	\$21,197	\$21,329	\$21,461	\$21,593	\$21,725	\$21,857	\$21,989	\$255,158
NET INCOME OR EXPENSE/MONTH	(\$3,474)	(\$3,209)	(\$2,403)	(\$1,397)	(\$279)	\$541	\$1,198	\$1,725	\$1,596	\$1,869	\$928	\$1,051	(\$1,854)

**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER CCN APPLICATION
FOR REPUBLIC GRAND RANCH SUBDIVISION
BY DOS AGUAS LLC**

FISCAL YEAR 3

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN	200	208	216	224	232	240	248	256	264	272	280	288	2,928
Seasonal Multiplier, mo avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Income Per Customer, \$	\$ 68.60	\$ 67.29	\$ 70.69	\$ 75.25	\$ 80.11	\$ 82.34	\$ 83.25	\$ 83.25	\$ 79.30	\$ 78.02	\$ 70.19	\$ 68.60	\$ 906.88
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Water Bill, \$	\$ 68.60	\$ 67.29	\$ 70.69	\$ 75.25	\$ 80.11	\$ 82.34	\$ 83.25	\$ 83.25	\$ 79.30	\$ 78.02	\$ 70.19	\$ 68.60	\$ 906.88
Total Monthly Water Pumped, Gal	906,750	851,760	1,129,950	1,512,000	1,941,840	2,187,000	2,335,230	2,410,560	2,138,400	2,086,920	1,417,500	1,305,720	20,223,630
GROSS WATER/SEWER USE INCOME	\$13,720	\$13,995	\$15,270	\$16,856	\$18,586	\$19,761	\$20,646	\$21,312	\$20,935	\$21,221	\$19,653	\$19,757	\$221,711
RESERVE FOR BAD DEBTS	\$137	\$140	\$153	\$169	\$186	\$198	\$206	\$213	\$209	\$212	\$197	\$198	\$2,217
WATER/SEWER INCOME (ADJUSTED)	\$13,583	\$13,855	\$15,117	\$16,687	\$18,400	\$19,563	\$20,439	\$21,099	\$20,726	\$21,009	\$19,456	\$19,560	\$219,494
TAP FEE INCOME	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
TOTAL MONTHLY INCOME	\$23,583	\$23,855	\$25,117	\$26,687	\$28,400	\$29,563	\$30,439	\$31,099	\$30,726	\$31,009	\$29,456	\$29,560	\$339,494
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$700	\$708	\$716	\$724	\$732	\$740	\$748	\$756	\$764	\$772	\$780	\$788	\$8,928
EMPLOYEE SALARIES	\$2,900	\$2,916	\$2,932	\$2,948	\$2,964	\$2,980	\$2,996	\$3,012	\$3,028	\$3,044	\$3,060	\$3,076	\$35,856
PROFESSIONAL FEES	\$350	\$354	\$358	\$362	\$366	\$370	\$374	\$378	\$382	\$386	\$390	\$394	\$4,464
INSURANCE	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$10,780
AD VALOREM TAXES	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$10,780
TCEQ PERMIT FEES	\$300	\$308	\$316	\$324	\$332	\$340	\$348	\$356	\$364	\$372	\$380	\$388	\$4,128
TOTAL G&A	\$6,047	\$6,083	\$6,119	\$6,155	\$6,191	\$6,227	\$6,263	\$6,299	\$6,335	\$6,371	\$6,407	\$6,443	\$74,935
OPERATIONS													
OPERATOR COST	\$1,400	\$1,416	\$1,432	\$1,448	\$1,464	\$1,480	\$1,496	\$1,512	\$1,528	\$1,544	\$1,560	\$1,576	\$17,856
VEHICLE & EQUIPMENT COST	\$850	\$874	\$898	\$922	\$946	\$970	\$994	\$1,018	\$1,042	\$1,066	\$1,090	\$1,114	\$11,784
CUSTOMER BILLING COST	\$850	\$874	\$898	\$922	\$946	\$970	\$994	\$1,018	\$1,042	\$1,066	\$1,090	\$1,114	\$11,784
ELECTRICITY	\$1,200	\$1,224	\$1,248	\$1,272	\$1,296	\$1,320	\$1,344	\$1,368	\$1,392	\$1,416	\$1,440	\$1,464	\$15,984
CHEMICAL COST	\$400	\$408	\$416	\$424	\$432	\$440	\$448	\$456	\$464	\$472	\$480	\$488	\$5,328
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$102,000
REPAIR COSTS	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$17,247
CONTRIBUTION TO RESERVE ACCT	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$17,247
MONTHLY O & M COST	\$16,075	\$16,171	\$16,267	\$16,363	\$16,459	\$16,555	\$16,651	\$16,747	\$16,843	\$16,939	\$17,035	\$17,131	\$199,231
TOTAL MONTHLY EXPENSE	\$22,121	\$22,253	\$22,385	\$22,517	\$22,649	\$22,781	\$22,913	\$23,045	\$23,177	\$23,309	\$23,441	\$23,573	\$274,166
NET INCOME OR EXPENSE/MONTH	\$1,462	\$1,602	\$2,732	\$4,170	\$5,751	\$6,782	\$7,526	\$8,053	\$7,549	\$7,699	\$6,015	\$5,986	\$65,328

**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER CCN APPLICATION
FOR REPUBLIC GRAND RANCH SUBDIVISION
BY DOS AGUAS LLC**

FISCAL YEAR 4

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN	296	304	312	320	328	336	344	352	360	368	376	384	4,080
Seasonal Multiplier, mo avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, G.	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Income Per Customer, \$	\$ 68.60	\$ 67.29	\$ 70.69	\$ 75.25	\$ 80.11	\$ 82.34	\$ 83.25	\$ 83.25	\$ 79.30	\$ 78.02	\$ 70.19	\$ 68.60	\$ 906.88
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Water Bill, \$	\$ 68.60	\$ 67.29	\$ 70.69	\$ 75.25	\$ 80.11	\$ 82.34	\$ 83.25	\$ 83.25	\$ 79.30	\$ 78.02	\$ 70.19	\$ 68.60	\$ 906.88
Total Monthly Water Pumped, Gal	1,341,990	1,244,880	1,632,150	2,160,000	2,745,360	3,061,800	3,239,190	3,314,520	2,916,000	2,823,480	1,903,500	1,740,960	28,123,830
GROSS WATER/SEWER USE INCOME	\$20,306	\$20,455	\$22,056	\$24,080	\$26,276	\$27,665	\$28,638	\$29,304	\$28,548	\$28,710	\$26,391	\$26,343	\$308,771
RESERVE FOR BAD DEBTS	\$203	\$205	\$221	\$241	\$263	\$277	\$286	\$293	\$285	\$287	\$264	\$263	\$3,088
WATER/SEWER INCOME (ADJUSTED)	\$20,103	\$20,250	\$21,836	\$23,839	\$26,013	\$27,389	\$28,351	\$29,011	\$28,263	\$28,423	\$26,127	\$26,079	\$305,684
TAP FEE INCOME	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
TOTAL MONTHLY INCOME	\$30,103	\$30,250	\$31,836	\$33,839	\$36,013	\$37,389	\$38,351	\$39,011	\$38,263	\$38,423	\$36,127	\$36,079	\$425,684
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$796	\$804	\$812	\$820	\$828	\$836	\$844	\$852	\$860	\$868	\$876	\$884	\$10,080
EMPLOYEE SALARIES	\$3,092	\$3,108	\$3,124	\$3,140	\$3,156	\$3,172	\$3,188	\$3,204	\$3,220	\$3,236	\$3,252	\$3,268	\$38,160
PROFESSIONAL FEES	\$398	\$402	\$406	\$410	\$414	\$418	\$422	\$426	\$430	\$434	\$438	\$442	\$5,040
INSURANCE	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$10,780
ADVA LOREM TAXES	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$10,780
TCEQ PERMIT FEES	\$396	\$404	\$412	\$420	\$428	\$436	\$444	\$452	\$460	\$468	\$476	\$484	\$5,280
TOTAL G&A	\$6,479	\$6,515	\$6,551	\$6,587	\$6,623	\$6,659	\$6,695	\$6,731	\$6,767	\$6,803	\$6,839	\$6,875	\$80,119
OPERATIONS													
OPERATOR COST	\$1,592	\$1,608	\$1,624	\$1,640	\$1,656	\$1,672	\$1,688	\$1,704	\$1,720	\$1,736	\$1,752	\$1,768	\$20,160
VEHICLE & EQUIPMENT COST	\$1,138	\$1,162	\$1,186	\$1,210	\$1,234	\$1,258	\$1,282	\$1,306	\$1,330	\$1,354	\$1,378	\$1,402	\$15,240
CUSTOMER BILLING COST	\$1,138	\$1,162	\$1,186	\$1,210	\$1,234	\$1,258	\$1,282	\$1,306	\$1,330	\$1,354	\$1,378	\$1,402	\$15,240
ELECTRICITY	\$1,488	\$1,512	\$1,536	\$1,560	\$1,584	\$1,608	\$1,632	\$1,656	\$1,680	\$1,704	\$1,728	\$1,752	\$19,440
CHEMICAL COST	\$496	\$504	\$512	\$520	\$528	\$536	\$544	\$552	\$560	\$568	\$576	\$584	\$6,480
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$102,000
REPAIR COSTS	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$17,247
CONTRIBUTION TO RESERVE ACCT	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$17,247
MONTHLY O & M COST	\$17,227	\$17,323	\$17,419	\$17,515	\$17,611	\$17,707	\$17,803	\$17,899	\$17,995	\$18,091	\$18,187	\$18,283	\$213,055
TOTAL MONTHLY EXPENSE	\$23,705	\$23,837	\$23,969	\$24,101	\$24,233	\$24,365	\$24,497	\$24,629	\$24,761	\$24,893	\$25,025	\$25,157	\$293,174
NET INCOME OR EXPENSE/MONTH	\$6,398	\$6,413	\$7,867	\$9,738	\$11,780	\$13,024	\$13,854	\$14,381	\$13,501	\$13,530	\$11,101	\$10,922	\$132,510

**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER CCN APPLICATION
FOR REPUBLIC GRAND RANCH SUBDIVISION
BY DOS AGUAS LLC**

FISCAL YEAR 5

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN	392	400	408	416	424	432	440	448	456	464	472	480	5,232
Seasonal Multiplier, mo avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, G	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Income Per Customer, \$	\$ 68.60	\$ 67.29	\$ 70.69	\$ 75.25	\$ 80.11	\$ 82.34	\$ 83.25	\$ 83.25	\$ 79.30	\$ 78.02	\$ 70.19	\$ 68.60	\$ 906.88
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Water Bill, \$	\$ 68.60	\$ 67.29	\$ 70.69	\$ 75.25	\$ 80.11	\$ 82.34	\$ 83.25	\$ 83.25	\$ 79.30	\$ 78.02	\$ 70.19	\$ 68.60	\$ 906.88
Total Monthly Water Pumped, Gal	1,777,230	1,638,000	2,134,350	2,808,000	3,548,880	3,936,600	4,143,150	4,218,480	3,693,600	3,560,040	2,389,500	2,176,200	36,024,030
GROSS WATER/SEWER USE INCOME	\$26,892	\$26,914	\$28,843	\$31,304	\$33,967	\$35,570	\$36,629	\$37,295	\$36,161	\$36,200	\$33,129	\$32,929	\$395,832
RESERVE FOR BAD DEBTS	\$269	\$269	\$288	\$313	\$340	\$356	\$366	\$373	\$362	\$362	\$331	\$329	\$3,958
WATER/SEWER INCOME (ADJUSTED)	\$26,623	\$26,645	\$28,555	\$30,991	\$33,627	\$35,214	\$36,263	\$36,922	\$35,799	\$35,838	\$32,797	\$32,599	\$391,874
TAP FEE INCOME	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
TOTAL MONTHLY INCOME	\$36,623	\$36,645	\$38,555	\$40,991	\$43,627	\$45,214	\$46,263	\$46,922	\$45,799	\$45,838	\$42,797	\$42,599	\$511,874
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$892	\$900	\$908	\$916	\$924	\$932	\$940	\$948	\$956	\$964	\$972	\$980	\$11,232
EMPLOYEE SALARIES	\$3,284	\$3,300	\$3,316	\$3,332	\$3,348	\$3,364	\$3,380	\$3,396	\$3,412	\$3,428	\$3,444	\$3,460	\$40,464
PROFESSIONAL FEES	\$446	\$450	\$454	\$458	\$462	\$466	\$470	\$474	\$478	\$482	\$486	\$490	\$5,616
INSURANCE	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$10,780
ADVALOREM TAXES	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$898	\$10,780
TCEQ PERMIT FEES	\$492	\$500	\$508	\$516	\$524	\$532	\$540	\$548	\$556	\$564	\$572	\$580	\$6,432
TOTAL G&A	\$6,911	\$6,947	\$6,983	\$7,019	\$7,055	\$7,091	\$7,127	\$7,163	\$7,199	\$7,235	\$7,271	\$7,307	\$85,303
OPERATIONS													
OPERATOR COST	\$1,784	\$1,800	\$1,816	\$1,832	\$1,848	\$1,864	\$1,880	\$1,896	\$1,912	\$1,928	\$1,944	\$1,960	\$22,464
VEHICLE & EQUIPMENT COST	\$1,426	\$1,450	\$1,474	\$1,498	\$1,522	\$1,546	\$1,570	\$1,594	\$1,618	\$1,642	\$1,666	\$1,690	\$18,696
CUSTOMER BILLING COST	\$1,426	\$1,450	\$1,474	\$1,498	\$1,522	\$1,546	\$1,570	\$1,594	\$1,618	\$1,642	\$1,666	\$1,690	\$18,696
ELECTRICITY	\$1,776	\$1,800	\$1,824	\$1,848	\$1,872	\$1,896	\$1,920	\$1,944	\$1,968	\$1,992	\$2,016	\$2,040	\$22,896
CHEMICAL COST	\$592	\$600	\$608	\$616	\$624	\$632	\$640	\$648	\$656	\$664	\$672	\$680	\$7,632
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$102,000
REPAIR COSTS	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$17,247
CONTRIBUTION TO RESERVE ACCT	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$1,437	\$17,247
MONTHLY O & M COST	\$18,379	\$18,475	\$18,571	\$18,667	\$18,763	\$18,859	\$18,955	\$19,051	\$19,147	\$19,243	\$19,339	\$19,435	\$226,879
TOTAL MONTHLY EXPENSE	\$25,289	\$25,421	\$25,553	\$25,685	\$25,817	\$25,949	\$26,081	\$26,213	\$26,345	\$26,477	\$26,609	\$26,741	\$312,182
NET INCOME OR EXPENSE/MONTH	\$11,334	\$11,224	\$13,001	\$15,306	\$17,810	\$19,265	\$20,182	\$20,709	\$19,454	\$19,361	\$16,188	\$15,858	\$199,692

**SUMMARY OF INCOME & EXPENSE
FOR TCEQ WATER CCN APPLICATION
FOR REPUBLIC GRAND RANCH SUBDIVISION
BY DOS AGUAS LLC**

PROJECTED INCOME & EXPENSE PROJECTIONS

	DECEMBER 31					
	FY 0	FY 1	FY 2	FY 3	FY 4	FY 5
AVERAGE NUMBER OF CUSTOMERS	0	52	148	244	340	436
TOTAL ANNUAL WATER USE, 1000 GAL	0	4,423,230	12,323,430	20,223,630	28,123,830	36,024,030
WATER/SEWER USE INCOME (ADJUSTED)	\$0	\$47,114	\$133,304	\$219,494	\$305,684	\$391,874
TAP FEE INCOME	\$0	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
TOTAL ANNUAL INCOME	\$0	\$167,114	\$253,304	\$339,494	\$425,684	\$511,874
EXPENSE						
GENERAL & ADMINISTRATIVE						
OFFICE EXPENSE	\$0	\$6,624	\$7,776	\$8,928	\$10,080	\$11,232
EMPLOYEE SALARIES	\$0	\$31,248	\$33,552	\$35,856	\$38,160	\$40,464
PROFESSIONAL FEES	\$0	\$3,312	\$3,888	\$4,464	\$5,040	\$5,616
INSURANCE	\$0	\$10,780	\$10,780	\$10,780	\$10,780	\$10,780
ADVALOREM TAXES	\$0	\$10,780	\$10,780	\$10,780	\$10,780	\$10,780
TCEQ PERMIT FEES	\$0	\$1,824	\$2,976	\$4,128	\$5,280	\$6,432
TOTAL G&A	\$0	\$64,567	\$69,751	\$74,935	\$80,119	\$85,303
OPERATIONS						
OPERATOR COST	\$0	\$13,248	\$15,552	\$17,856	\$20,160	\$22,464
VEHICLE & EQUIPMENT COST	\$0	\$4,872	\$8,328	\$11,784	\$15,240	\$18,696
CUSTOMER BILLING COST	\$0	\$4,872	\$8,328	\$11,784	\$15,240	\$18,696
ELECTRICITY	\$0	\$9,072	\$12,528	\$15,984	\$19,440	\$22,896
CHEMICAL COST	\$0	\$3,024	\$4,176	\$5,328	\$6,480	\$7,632
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$0	\$102,000	\$102,000	\$102,000	\$102,000	\$102,000
REPAIR COSTS	\$0	\$17,247	\$17,247	\$17,247	\$17,247	\$17,247
CONTRIBUTION TO RESERVE ACCT	\$0	\$17,247	\$17,247	\$17,247	\$17,247	\$17,247
TOTAL OPERATING COST	\$0	\$171,583	\$185,407	\$199,231	\$213,055	\$226,879
TOTAL MONTHLY EXPENSE	\$0	\$236,150	\$255,158	\$274,166	\$293,174	\$312,182
INCOME (LOSS) BEFORE DEPRECIATION	\$0	(\$69,036)	(\$1,854)	\$65,328	\$132,510	\$199,692
DEPRECIATION	\$0	\$29,943	\$29,943	\$29,943	\$29,943	\$29,943
NET INCOME (LOSS)	\$0	(\$98,979)	(\$31,797)	\$35,385	\$102,567	\$169,749

PROJECTED BALANCE SHEET

	FY 0	FY 1	FY 2	FY 3	FY 4	FY 5
ASSETS						
CASH (CHECKING)	\$75,000	\$5,964	\$29,110	\$49,438	\$126,947	\$326,639
RESERVE ACCOUNT	\$0	\$17,247	\$34,495	\$51,742	\$68,989	\$86,237
ACCOUNTS RECEIVABLE	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CURRENT ASSETS	\$75,000	\$23,211	\$63,604	\$101,180	\$195,937	\$412,876
PROPERTY AND EQUIPMENT						
WATER PLANT	\$0	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280
WASTEWATER PLANT	\$0	\$0	\$0	\$0	\$0	\$0
WATER DISTRIBUTION LINES	\$0	\$0	\$0	\$0	\$0	\$0
SEWAGE COLLECTION LINES	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROPERTY AND EQUIPMENT	\$0	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280
LESS ACCUMULATED DEPRECIATION	\$0	\$29,943	\$59,887	\$89,830	\$119,773	\$149,717
TOTAL PROPERTY & EQUIPMENT, NET	\$0	\$1,407,337	\$1,377,393	\$1,347,450	\$1,317,507	\$1,287,563
TOTAL ASSETS	\$75,000	\$1,430,548	\$1,440,998	\$1,448,630	\$1,513,444	\$1,700,439
RETURN ON INVESTED CAPITAL ASSETS, %		-7.03%	-2.31%	2.63%	7.78%	13.18%
LIABILITIES AND CAPITAL						
LIABILITIES						
ACCOUNTS PAYABLE	\$0	\$0	\$0	\$0	\$0	\$0
SHORT TERM DEBT	\$75,000	\$75,000	\$100,000	\$55,000	\$0	\$0
ACCRUED RESERVES	\$0	\$17,247	\$34,495	\$51,742	\$68,989	\$86,237
LONG TERM DEBT	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL LIABILITIES	\$75,000	\$92,247	\$134,495	\$106,742	\$68,989	\$86,237
OWNER/STOCKHOLDER EQUITY						
COMMON STOCK	\$0	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280	\$1,437,280
RETAINED EARNINGS (CUMMULATIVE)	\$0	\$0	(\$98,979)	(\$130,777)	(\$95,392)	\$7,174
NET INCOME	\$0	(\$98,979)	(\$31,797)	\$35,385	\$102,567	\$169,749
TOTAL CAPITAL	\$0	\$1,338,301	\$1,306,503	\$1,341,888	\$1,444,454	\$1,614,203
TOTAL LIABILITIES + CAPITAL	\$75,000	\$1,430,548	\$1,440,998	\$1,448,630	\$1,513,444	\$1,700,439