

Hampstead Area Water Company

SNHRWIP Financing

Major Assumptions

HAWC participates in The Southern NH Regional Water Interconnection Project with NHDES, Derry, MWW, Plaistow, Salem, Windham and Pennichuck East.

NHDES provides HAWC with grant of \$3,283,750. HAWC treats grant as CIAC.

Under new tax law, CIAC treated as income for federal and state tax purposes. As such, owner incurs 27.24 % federal and state tax on NHDES grant.

NHDES lends \$894,494 (27.24% of \$3,283,750) to HAWC in order for HAWC to pay the federal and state tax. The debt financing assumes 2.97% interest rate over 25 years.

HAWC incurs \$892,500 of MSDC Fees

HAWC's owner contributes \$500,000 of additional paid in capital.

HAWC borrows \$392,500 from bank at assumed 5.00% interest rate over 20 years.

HAWC constructs chloramines conversion facility (\$1,240,000), Main St. pressure reducing station (\$575,000), Shannon Road water main (\$258,750) and Westside Drive booster station & treatment facility (\$1,210,000).

Upon completion of construction and connect to the water system, HAWC submits actual costs and recovers such costs as part of a planned 2020 rate case based on a 2019 proforma test year.

HAWC estimated that the revenue requirement associated with construction, CIAC & MSDC fee will amount to an increase in annual revenues of \$415,967 or 20.17%.

HAWC proposed to maintain customer charges per meter size and increase consumption charges.

HAWC estimates that the consumption charge will increase from an adjusted \$6.51 to \$8.19 per ccf.

SPSt. Cyr
9/3/2019

SNHRWIP Financing

F-1 BALANCE SHEET
Assets and Other Debits

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	DW 18-138 Adjustments (d)	Adjusted Year End Balance (e)	DW 19-xxx Adjustments (f)	Adjusted Year End Balance (g)
UTILITY PLANT						
1	Utility Plant (101-106)	\$ 17,673,198	\$ 2,146,346	\$ 19,819,544	\$ 5,070,744	\$ 24,890,288
2	Less: Accumulated Depr. and Amort. (108-110)	6,976,995	\$ 23,848	7,000,843	113,749	7,114,592
3	Net Plant	\$ 10,696,203	\$ 2,122,498	\$ 12,818,701	\$ 4,956,995	\$ 17,775,696
4	Utility Plant Acquisition Adj. (Net) (114-115)	1,472				
5	Total Net Utility Plant	\$ 10,697,675	\$ 2,122,498	\$ 12,820,173	\$ 4,956,995	\$ 17,777,168
OTHER PROPERTY AND INVESTMENTS						
6	Nonutility Property (121)					
7	Less: Accumulated Depr. and Amort. (122)					
8	Net Nonutility Property					
9	Investment in Associated Companies (123)					
11	Utility Investments (124)					
12	Other Investments					
13	Special Funds(126-128)					
14	Total Other Property & Investments					
CURRENT AND ACCRUED ASSETS						
16	Cash (131)	\$ 269,128	\$ (9,897)	\$ 259,231	\$ 70,265	\$ 329,496
17	Special Deposits (132)					
18	Other Special Deposits (133)					
19	Working Funds (134)					
20	Temporary Cash Investments (135)					
21	Accounts and Notes Receivable-Net (141-144)	223,980		223,980		223,980
22	Accounts Receivable from Assoc. Co. (145)					
23	Notes Receivable from Assoc. Co. (146)					
24	Materials and Supplies (151-153)	82,646		82,646		82,646
25	Stores Expense (161)					
26	Prepayments-Other (162)	23,262		23,262		23,262
27	Prepaid Taxes (163)	38,641		38,641		38,641
28	Interest and Dividends Receivable (171)					
29	Rents Receivable (172)					
30	Accrued Utility Revenues (173)	137,399		137,399		137,399
31	Misc. Current and Accrued Assets (174)					
32	Total Current and Accrued Assets	\$ 775,056	\$ (9,897)	\$ 765,159	\$ 70,265	\$ 835,424
DEFERRED DEBITS						
32	Unamortized Debt Discount & Expense (181)	\$ 35,179	\$ 11,875	\$ 47,054	\$ 14,585	\$ 61,639
33	Extraordinary Property Losses (182)					
34	Prelim. Survey & Investigation Charges (183)					
35	Clearing Accounts (184)					
36	Temporary Facilities (185)					
37	Miscellaneous Deferred Debits (186)	451,495		451,495		451,495
38	Research & Development Expenditures (187)					
39	Accumulated Deferred Income Taxes (190)	12,004		12,004		12,004
40	Total Deferred Debits	\$ 498,678	\$ 11,875	\$ 510,553	\$ 14,585	\$ 525,138
TOTAL ASSETS AND OTHER DEBITS		\$ 11,971,409	\$ 2,124,476	\$ 14,095,885	\$ 5,041,845	\$ 19,137,730

SNHRWIP Financing

F-1 BALANCE SHEET
Equity Capital and Liabilities

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	DW 18-138 Adjustments (d)	Adjusted Year End Balance (e)	DW 19-xxx Adjustments (f)	Adjusted Year End Balance (g)
EQUITY CAPITAL						
1	Common Stock Issued (201)	\$ 16,767		\$ 16,767		\$ 16,767
2	Preferred Stock Issued (204)					
3	Capital Stock Subscribed (202,205)					
4	Stock Liability for Conversion (203, 206)					
5	Premium on Capital Stock (207)					
6	Installments Received On Capital Stock (208)					
7	Other Paid-In Capital (209,211)	3,554,354		3,554,354	500,000	4,054,354
8	Discount on Capital Stock (212)					
9	Capital Stock Expense(213)					
10	Retained Earnings (214-215)	(897,056)	10,595	(886,461)	85,148	(801,313)
11	Reacquired Capital Stock (216)					
12	Total Equity Capital	\$ 2,674,065	\$ 10,595	\$ 2,684,660	\$ 585,148	\$ 3,269,808
LONG TERM DEBT						
13	Bonds (221)					
14	Reacquired Bonds (222)					
15	Advances from Associated Companies (223)					
16	Other Long-Term Debt (224)	\$ 3,658,170	\$ 996,777	\$ 4,654,947	1,250,770	\$ 5,905,717
17	Total Long-Term Debt	\$ 3,658,170	\$ 996,777	\$ 4,654,947	\$ 1,250,770	\$ 5,905,717
CURRENT AND ACCRUED LIABILITIES						
18	Accounts Payable (231)	\$ 30,042		\$ 30,042		\$ 30,042
19	Notes Payable (232)					
20	Accounts Payable to Associated Co. (233)	44,093		44,093		44,093
21	Notes Payable to Associated Co. (234)					
22	Customer Deposits (235)	7,636		7,636		7,636
23	Accrued Taxes (236)	5,486		5,486		5,486
24	Accrued Interest (237)					
25	Accrued Dividends (238)					
26	Matured Long-Term Debt (239)					
27	Matured Interest (240)					
28	Misc. Current and Accrued Liabilities (241)	28,226		28,226		28,226
29	Total Current and Accrued Liabilities	\$ 115,483	\$ -	\$ 115,483		\$ 115,483
DEFERRED CREDITS						
30	Unamortized Premium on Debt (251)					
31	Advances for Construction (252)					
32	Other Deferred Credits (253)					
33	Accumulated Deferred Investment Tax Credits (255)					
34	Accumulated Deferred Income Taxes:					
35	Accelerated Amortization (281)					
36	Liberalized Depreciation (282)	56,578		56,578		56,578
37	Other (283)					
38	Total Deferred Credits	\$ 56,578		\$ 56,578		\$ 56,578
OPERATING RESERVES						
39	Property Insurance Reserve (261)					
40	Injuries and Damages Reserve (262)					
41	Pensions and Benefits Reserves (263)	16,451		16,451		16,451
42	Miscellaneous Operating Reserves (265)					
43	Total Operating Reserves	\$ 16,451	\$ -	\$ 16,451		\$ 16,451
CONTRIBUTIONS IN AID OF CONSTRUCTION						
44	Contributions In Aid of Construction (271)	\$ 9,109,850	\$ 1,117,104	\$ 10,226,954	3,283,750	\$ 13,510,704
45	Accumulated Amortization of C.I.A.C. (272)	3,659,188		3,659,188	77,823	3,737,011
46	Total Net C.I.A.C.	\$ 5,450,662	\$ 1,117,104	\$ 6,567,766	\$ 3,205,927	\$ 9,773,693
46	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 11,971,409	\$ 2,124,476	\$ 14,095,885	\$ 5,041,845	\$ 19,137,730

SNHRWIP Financing

F-2 STATEMENT OF INCOME

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	DW 18-138 Adjustments (d)	Adjusted Year End Balance (e)	DW 19-xxx Adjustments (f)	Adjusted Year End Balance (g)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 2,043,478	\$ 97,003	\$ 2,140,481	\$ 415,967	\$ 2,556,448
2	Operating Expenses:					
3	Operating and Maintenance Expense (401)	1,582,686		1,582,686	200,000	1,782,686
4	Depreciation Expense (403)	525,662	23,848	549,510	113,749	663,259
5	Amortization of Contribution in Aid of Construction (405)	(221,212)	(12,552)	(233,764)	(77,823)	(311,587)
6	Amortization of Utility Plant Acquisition Adjustment (406)					
7	Amortization Expense-Other (407)	31		3,616		3,616
8	Taxes Other Than Income (408.1-408.13)	154,064	40,184	194,248	48,884	243,132
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	12,601	245	12,846	-	12,846
10	Total Operating Expenses	\$ 2,057,448	\$ 51,725	\$ 2,109,142	\$ 284,809	\$ 2,393,951
11	Net Operating Income (Loss)	\$ (13,970)	\$ 45,278	\$ 31,339	\$ 131,157	\$ 162,496
12	Income From Utility Plant Leased to Others (413)					
13	Gains(Losses) From Disposition of Utility Property (414)					
14	Net Water Utility Operating Income	\$ (13,970)	\$ 45,278	\$ 31,339	\$ 131,157	\$ 162,496
OTHER INCOME AND DEDUCTIONS						
15	Revenues From Merchandising, Jobbing and Contract Work (415)					
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)					
17	Equity in Earnings of Subsidiary Companies (418)					
18	Interest and Dividend Income (419)	1,076		1,076		1,076
19	Allow. for funds Used During Construction (420)					
20	Nonutility Income (421)	(209)		(209)		(209)
21	Gains (Losses) Form Disposition Nonutility Property (422)					
22	Miscellaneous Nonutility Expenses (426)					
23	Total Other Income and Deductions	\$ 867	\$ -	867	\$ -	867
TAXES APPLICABLE TO OTHER INCOME						
24	Taxes Other Than Income (408.2)					
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)					
26	Total Taxes Applicable To Other Income					
INTEREST EXPENSE						
27	Interest Expense (427)	\$ 121,214	\$ 34,058	\$ 155,272	\$ 45,594	\$ 200,866
28	Amortization of Debt Discount & Expense (428)	2,765	625	3,390	415	3,805
29	Amortization of Premium on Debt (429)					
30	Total Interest Expense	\$ 123,979	\$ 34,683	\$ 158,662	\$ 46,009	\$ 204,671
31	Income Before Extraordinary Items	\$ (137,082)	\$ 10,595	\$ (126,456)	\$ 85,148	\$ (41,308)
EXTRAORDINARY ITEMS						
32	Extraordinary Income (433)					
33	Extraordinary Deductions (434)					
34	Income Taxes, Extraordinary Items (409.3)					
35	Net Extraordinary Items					
NET INCOME (LOSS)						
		\$ (137,082)	\$ 10,595	\$ (126,456)	\$ 85,148	\$ (41,308)

SNHRWIP Financing

F-1 BALANCE SHEET
Capital Structure

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	DW 18-138 Adjustments (d)	Adjusted Year End Balance (e)	DW 19-xxx Adjustments (f)	Adjusted Year End Balance (g)
EQUITY CAPITAL						
1	Common Stock Issued (201)	\$ 16,767		\$ 16,767		\$ 16,767
2	Other Paid-In Capital (209,211)	3,554,354		3,554,354	500,000	4,054,354
3	Retained Earnings (214-215)	(897,056)	10,595	(886,461)	85,148	(801,313)
4	Total Equity Capital	\$ 2,674,065	\$ 10,595	\$ 2,684,660	\$ 585,148	\$ 3,269,808
LONG TERM DEBT						
5	Other Long-Term Debt (224)	\$ 3,658,170	\$ 996,777	\$ 4,654,947	\$ 1,250,770	\$ 5,905,717
6	Total Long-Term Debt	\$ 3,658,170	\$ 996,777	\$ 4,654,947	\$ 1,250,770	\$ 5,905,717
7	Total Capital Structure	\$ 6,332,235	\$ 1,007,372	\$ 7,339,607	\$ 1,835,918	\$ 9,175,525

Line No. (a)	Account Title (Number) (b)	Current Year End Balance (c)	DW 18-138 Adjustments (d)	Adjusted Year End Balance (e)	DW 18-138 Adjustments (f)	Adjusted Year End Balance (g)
EQUITY CAPITAL						
1	Common Stock Issued (201)	0.26%	0.00%	0.23%	0.00%	0.18%
2	Other Paid-In Capital (209,211)	56.13%	0.00%	48.43%	27.23%	44.19%
3	Retained Earnings (214-215)	-14.17%	1.05%	-12.08%	4.64%	-8.73%
4	Total Equity Capital	42.23%	1.05%	36.58%	31.87%	35.64%
LONG TERM DEBT						
5	Other Long-Term Debt (224)	57.77%	98.95%	63.42%	68.13%	64.36%
6	Total Long-Term Debt	57.77%	98.95%	63.42%	68.13%	64.36%
7	Total Capital Structure	100.00%	100.00%	100.00%	100.00%	100.00%

SPSt. Cyr
9/3/2019

Hampstead Area Water Company

SPS-4

SNHRWIP Financing

Journal Entries

						<u>Impact on Net Income</u>
1	Dr.	181	Unamortized Debt Expense	15,000		
	Cr.	131	Cash		15,000	
To record estimated debt expense associated with obtaining PUC approval of of 2019 / 2020 State of NH Grant / Debt Financing						
2	Dr.	131	Cash	5,070,744		
	Cr.	271	State of NH CIAC		3,283,750	
	Cr.	224	State of NH loan for CIAC Tax		894,494	
	Cr.	224	Bank loan for MSDC Fees		392,500	
	Cr.	211	Additional Paid in Capital		500,000	
To record receipt of cash and State of NH grant / loans						
3	Dr.	101	Plant in Service	5,070,744		
	Cr.	131	Cash		5,070,744	
To record 2020 plant additions						
4	Dr.	403	Depreciation Expense	113,749		(113,749)
	Cr.	108	Accumulated Depreciation		113,749	
To record 1/2 year depreciation and related accumulated depreciation for year 1						
5	Dr.	272	Accumulated Amortization of CIAC	77,823		
	Cr.	405	Amortization of CIAC		77,823	77,823
To record 1/2 year amortization of CIAC and related accumulated amortization for year 1						
6	Dr.	224	Other Long Term Debt - State of NH loan	24,499		
	Dr.	224	Other Long Term Debt - Bank loan	11,725		
	Cr.	427	Interest Expense - State of NH loan	26,235		(26,235)
	Cr.	427	Interest Expense - Bank loan	19,359		(19,359)
	Dr.	131	Cash		81,818	
To record the projected 1st year payments (principle and interest) on State of NH loan						
7	Dr.	428	Amortization of Debt Expense	415		(415)
	Cr.	181	Unamortized Debt Expense		415	
To record annual amortization of debt expense						
8	Dr.	131	Cash	415,967		
	Cr.	400	Operating Revenue		415,967	415,967
To record projected increase in revenues						
9	Dr.	401	Operating Expenses	200,000		(200,000)
	Dr.	408	Taxes other than Income	48,884		(48,884)
	Dr.	409	Federal Income taxes	-		
	Dr.	409	State Business Taxes	-		
	Cr.	131	Cash		248,884	
To record projected increase in expenses						
Impact on Net Income						<u>85,148</u>
Impact on Cash				5,486,711	5,416,446	
Net Impact on Cash						<u>70,265</u>

Hampstead Area Water Company

SPS-5

SNHRWIP Financing

Revenue Requirement - Step Increase for 2019 / 2020 Additions to Plant and related CIAC associated with SNHRWIP

RATE BASE		Amount
2019 Plant in Service		\$5,070,744
Less: Accumulated Depreciation		<u>113,749</u>
NET PLANT IN SERVICE		\$4,956,995
Contribution in Aid of Construction		(3,283,750)
Plus: Accumulated Amortization of CIAC		<u>77,823</u>
NET PLANT IN RATE BASE		\$1,751,068
Cash Working Capital	\$ 200,000 12.33%	<u>24,660</u>
TOTAL RATE BASE		<u>\$1,775,728</u>
Return on Additional Plant @	5.363%	<u>\$95,232</u>
O&M Expenses		\$ 200,000
Depreciation Expense		227,497
Amortization of CIAC		(155,647)
State Utility and Local Property Taxes		48,884
Federal Income Taxes		
State Business Taxes		
Operating Expenses		<u>\$ 320,735</u>
Additional Revenue Requirement		<u>\$ 415,967</u>
Revenues from General Metered Customers		<u>\$ 2,061,860</u>
% Increase associated with Step Increase		<u>20.17%</u>

SPSt. Cyr
9/3/2019

Hampstead Area Water Company

SPS 6

SNHRWIP Financing

Weighted Average Cost of Capital

<u>Financing</u>	<u>Amount</u>	<u>Percent</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>Amort of Fin Costs</u>	<u>Total Interest</u>	<u>Cost Rate</u>	<u>Weighted Average Cost of Capital</u>
State of NH	\$ 894,494	50.06%	2.97%	\$26,312	\$250	\$26,562	2.97%	1.49%
Bank Loan	392,500	21.96%	5.00%	19,359	165	19,524	4.97%	1.09%
Total Debt	<u>\$ 1,286,994</u>	<u>72.02%</u>		<u>\$ 45,671</u>	<u>\$ 415</u>	<u>\$ 46,086</u>		<u>2.58%</u>
Owner's APIC	<u>\$ 500,000</u>	<u>27.98%</u>					9.95%	<u>2.78%</u>
Total Capitalization	<u>\$ 1,786,994</u>	<u>100.00%</u>						<u>5.36%</u>

SPSt. Cyr
9/3/2019

Hampstead Area Water Company

Attachment B

SPS-7

SNHRWIP Financing

Schedule 6a

DW 17-118
STEP II ADJUSTMENT
CALCULATION OF RATES

Total Annual Water Revenues Proposed per Settlement (Sch 1)			\$ 2,006,193	\$ 97,003	\$ 2,103,196	\$ 415,967	\$ 2,519,163		
Less: Fire Protection Revenues									
Municipal			\$41,336						
Private			-	41,336	-	41,336			
Revenues from General Metered Customers			\$ 1,964,857	\$ 97,003	\$ 2,061,860	\$ 415,967	\$ 2,477,827		
Customer Charge Revenues:									
Meter Size	Proposed Perm Rate	Percent Increase	Proposed Step Rate	Pro-forma # of Customers	Annual Revenues				
5/8" Meter	\$ 120	0.00%	\$ 120	3,550	\$426,000				
3/4" Meter	240	0.00%	240	-	-				
1" Meter	360	0.00%	360	65	23,400				
1 1/2" Meter	720	0.00%	720	2	1,440				
2" Meter	1,200	0.00%	1,200	4	4,800				
			(a)	3,621	\$455,640	(455,640)	(455,640)		
Consumption Charge Revenues:									
					\$ 1,509,217	97,003	\$ 1,606,220	415,967	\$ 2,022,187
Consumption Charge Revenues				\$ 1,509,217					
Total Pro-forma Annual Consumption (ccf) (b)	+			246,870					
Consumption Rate per Customer (per ccf)				\$ 6.11		\$ 6.51		\$ 8.19	
Total Pro-forma Annual Consumption (ccf)	x			246,870	\$ (1,509,217)	\$ (1,606,220)		\$ (2,022,187)	
Unallocated Water Revenues					\$ -	\$ -		\$ -	

(a) Pro-forma # of Cus 3,578 actual customers @ 12/31/16 + 43 customers from New System acquired in 2017 = 3,621

(b) Pro-forma Consum 2016 Actual Water Sales:

Gallons		182,243,771	
Conversion to Cubic Feet	+	7.48	
Cubic Feet		24,362,449	
Conversion to CCF	+	100	243,624
2017 Estimated New System Sales:			
Estimated Usage of New System: (ccf)		3,245.50	
To annualize 2017 usage (12 months / 12 months) (ccf), x		1	3,246
Total Pro-forma Consumption (ccf)			246,870

Hampstead Area Water Company

SPS-8

SNHRWIP Financing

Plant / Accumulated Depreciation / Depreciation Expense

PUC Acct. No.	Description	Costs	CIAC Gross Up Rate of 27.24%	Total Costs	Depr. Rate	Depreciation Expense	Accum Depr.	Net Plant
<u>Chloramines Conversion Facility</u>								
304	Structures	\$ 473,333	\$ 128,936	\$ 602,269	2.50%	\$ 15,057	\$ 7,528	\$ 594,741
311	Pumping Equipment	246,667	67,192	313,859	10.00%	31,386	15,693	298,166
320	Treatment Equipment	396,667	108,052	504,719	3.60%	18,170	9,085	495,634
331	T&D Mains	123,333	33,596	156,929	2.00%	3,139	1,569	155,360
	Total	\$ 1,240,000	\$ 337,776	\$ 1,577,776		\$ 67,751	\$ 33,876	\$ 1,543,900
<u>Main St. Pressure Reducing Station</u>								
304	Structures	\$ 310,000	\$ 84,444	\$ 394,444	2.50%	\$ 9,861	\$ 4,931	\$ 389,513
311	Pumping Equipment	250,000	68,100	318,100	10.00%	31,810	15,905	302,195
331	T&D Mains	15,000	4,086	19,086	2.00%	382	191	18,895
	Total	\$ 575,000	\$ 156,630	\$ 731,630		\$ 42,053	\$ 21,026	\$ 710,604
<u>Shannon Road Water Main</u>								
331	T&D Mains	\$ 258,750	\$ 70,484	\$ 329,234	2.00%	\$ 6,585	\$ 3,292	\$ 325,941
	Total	\$ 258,750	\$ 70,484	\$ 329,234		\$ 6,585	\$ 3,292	\$ 325,941
<u>Westside Drive Booster Station & Treatment Facility</u>								
303	Easement Dees	\$ 20,000	\$ 5,448	\$ 25,448	5.00%	\$ 1,272	\$ 636	\$ 24,812
304	Structures	475,000	129,390	604,390	2.50%	15,110	7,555	596,835
311	Pumping Equipment	390,000	106,236	496,236	10.00%	49,624	24,812	471,424
320	Treatment Equipment	250,000	68,100	318,100	3.60%	11,452	5,726	312,374
331	T&D Mains	15,000	4,086	19,086	2.00%	382	191	18,895
339	Miscellaneous*	60,000	16,344	76,344	5.00%	3,817	1,909	74,435
	Total	\$ 1,210,000	\$ 329,604	\$ 1,539,604		\$ 81,656	\$ 40,828	\$ 1,498,776
<u>Manchester Water Works - MSDC fees</u>								
307	Wells	\$ 892,500		\$ 892,500	3.30%	\$ 29,453	\$ 14,726	\$ 877,774
	Total	\$ 892,500		\$ 892,500		\$ 29,453	\$ 14,726	\$ 877,774
	Total	\$ 4,176,250	\$ 894,494	\$ 5,070,744		\$ 227,497	\$ 113,749	\$ 4,956,995

SPSt. Cyr
9/3/2019

Hampstead Area Water Company

SPS-9

SNHRWIP Financing

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC

PUC Acct. No.	Description	Costs	Amort. Rate	Amort. of CIAC	Accum Amort.	Net CIAC
<u>Chloramines Conversion Facility</u>						
304	Structures	\$ 473,333	2.50%	\$ 11,833	\$ 5,917	\$ 467,416
311	Pumping Equipment	246,667	10.00%	24,667	12,333	234,334
320	Treatment Equipment	396,667	3.60%	14,280	7,140	389,527
331	T&D Mains	123,333	2.00%	2,467	1,233	122,100
	Total	\$ 1,240,000		\$ 53,247	\$ 26,623	\$ 1,213,377
<u>Main St. Pressure Reducing Station</u>						
304	Structures	\$ 310,000	2.50%	\$ 7,750	\$ 3,875	\$ 306,125
311	Pumping Equipment	250,000	10.00%	25,000	12,500	237,500
331	T&D Mains	15,000	2.00%	300	150	14,850
	Total	\$ 575,000		\$ 33,050	\$ 16,525	\$ 558,475
<u>Shannon Road Water Main</u>						
331	T&D Mains	\$ 258,750	2.00%	\$ 5,175	\$ 2,588	\$ 256,163
	Total	\$ 258,750		\$ 5,175	\$ 2,588	\$ 256,163
<u>Westside Drive Booster Station & Treatment Facility</u>						
303	Easement Dees	\$ 20,000	5.00%	\$ 1,000	\$ 500	\$ 19,500
304	Structures	475,000	2.50%	11,875	5,938	469,063
311	Pumping Equipment	390,000	10.00%	39,000	19,500	370,500
320	Treatment Equipment	250,000	3.60%	9,000	4,500	245,500
331	T&D Mains	15,000	2.00%	300	150	14,850
339	Miscellaneous*	60,000	5.00%	3,000	1,500	58,500
	Total	\$ 1,210,000		\$ 64,175	\$ 32,088	\$ 1,177,913
	Total	\$ 3,283,750		\$ 155,647	\$ 77,823	\$ 3,205,927

SPSt. Cyr
9/3/2019

Hampstead Area Water Company

SPS-10

SNHRWIP Financing

Property Taxes

	Chloramines Conversion Facility	Main St. Pressure Reducing Station	Shannon Rd. Main	Westside Booster Treatment Facility	MWW MSDC fees	Total Projected Costs
Total Project Costs	\$ 1,577,776	\$ 731,630	\$ 329,234	\$ 1,539,604	\$ 892,500	\$ 5,070,744
Accumulated Depreciation	33,876	21,026	3,292	40,828	14,726	113,749
Net Plant	<u>\$ 1,543,900</u>	<u>\$ 710,604</u>	<u>\$ 325,941</u>	<u>\$ 1,498,776</u>	<u>\$ 877,774</u>	<u>\$ 4,956,995</u>
Thousand Dollars of Assessed Value	\$ 1,544	\$ 711	\$ 326	\$ 1,499	\$ 878	\$ 4,957
Tax Value as % of Net Book Value	43.52%	43.52%	43.52%	43.52%	43.52%	43.52%
Combined State and Local Property Tax Rate	<u>\$ 22.66</u>	<u>\$ 22.66</u>	<u>\$ 22.66</u>	<u>\$ 22.66</u>	<u>\$ 22.66</u>	<u>\$ 22.66</u>
State and Local Property Taxes	<u>\$ 15,225</u>	<u>\$ 7,008</u>	<u>\$ 3,214</u>	<u>\$ 14,780</u>	<u>\$ 8,656</u>	<u>\$ 48,884</u>

Combined State and Local Property Tax Rate:

State	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60
Local	<u>16.06</u>	<u>16.06</u>	<u>16.06</u>	<u>16.06</u>	<u>16.06</u>	<u>16.06</u>
Total	<u>\$ 22.66</u>	<u>\$ 22.66</u>	<u>\$ 22.66</u>	<u>\$ 22.66</u>	<u>\$ 22.66</u>	<u>\$ 22.66</u>

SPSt. Cyr
9/3/2019

Hampstead Area Water Company

SPS-11

SNHRWIP Financing

Source and Use of Funds

Source of Funds

2019

State of NH Grant	\$ 3,283,750
State of NH Loan for tax on State of NH CIAC	894,494
Bank Loan for MSDC fees	392,500
Owner's Additional Paid in Capital	<u>500,000</u>
Total Source of Funds	<u>\$ 5,070,744</u>

Use of Funds

SNHRW infrastructure	\$ 3,283,750
Tax on State of NH CIAC	894,494
MWW MSDC fees	<u>892,500</u>
Total Use of Funds	<u>\$ 5,070,744</u>

SPSt. Cyr
9/3/2019

Hampstead Area Water Company

SPS-12

SNHRWIP Financing

Estimated Cost of Financing

2019 Financing Costs

State of NH Grant	\$ -
State of NH Loan	-
Bank Loan Fees	5,000
St. Cyr & Associates	4,000
Lewis Builders Development	<u>6,000</u>
Total Estimated Financing Costs	<u>\$ 15,000</u>

SPSt. Cyr
9/3/2019