Capital, 30 Year O&M and Interest of Debt Service Costs for VOC Treatment Improvements at Plants 4 and 6	
	Total Costs
Capital Costs - Plant 4	
Construction - Phase 1 - AST Foundation and Clearwell	$520,000.00
Construction - Phase 2 - GAC Foundation	$390,000.00
Construction - Phase 3 - GAC Vessels	$875,800.00
Construction - Phase 4 - GAC and Site Piping	$274,900.00
Construction - Phase 5 - AST Treatment System and Building	$4,289,830.00
Engineering Study, Report, Preliminary Design and Final Design	$384,856.51
Environmental Abatement Monitoring	$7,956.04
Site Survey During Design and Construction	$25,824.17
Soil Borings	$3,592.00
Construction Administration - All Phases	$126,806.36
Construction Inspection - All Phases	$239,572.44
Additional O&M Costs - Plant 4	
Present Value of 30 Year Annual O&M Costs	$5,625,000.00
Capital Costs - Plant 6	
Construction - GAC Building	$615,000.00
Construction - GAC System	$867,800.00
Construction - Treatment Building Improvements	$1,200,000.00
Engineering Study, Report, Preliminary Design and Final Design	$198,075.79
Environmental Abatement Monitoring	$2,089.36
Site Survey During Design and Construction	$13,873.31
Soil Borings	$3,950.00
Construction Administration - All Phases	$45,000.00
Construction Inspection - All Phases	$135,000.00
Additional O&M Costs - Plant 6	
Present Value of 30 Year Annual O&M Costs	$3,763,000.00
Public Bonding Costs	
Interest on Debt Through 12/31/11 (approximate)	$475,000.00
Total	**$20,082,925.98**

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SUMMARY OF ADDITIONAL ANNUAL OPERATING COSTS

VOC TREATMENT SYSTEM IMPROVEMENTS AT PLANT 4

INCREASE IN ANNUAL ELECTRICAL POWER COSTS

Electric Utility Provider: LIPA
Electrical Rate Code: 285
Increase in Plant Electrical Demand: 70 KW

Consumption Charges:

Demand	Operating Hours[1]	Annual Demand	Rate Charge[2]	Annual Costs
70 KW	2,080 Hrs	145,600 KW Hrs	$0.185 / KW Hr	$26,900

Increase in Annual Electrical Operating Costs = $11,800 + $28,300 = **$26,900**

(1) Based on average Annual Pumpage over the last five years of 350 MGY.
(2) Includes fuel surcharge

ANNUAL FILTER REPLACEMENT OPERATING COSTS

Pre-Filters Must Be Replaced Every Month of Operation
Filters Must Be Replaced Twice per Year
Cost of Replacing Pre-Filters: $200
Cost of Replacing Filters: $400

Annual Filter Replacement Operating Costs = ($200 x 12) + ($400 x 2) = **$3,200**

ANNUAL GAC REPLACEMENT COSTS

Quantity of Vessels: 6
GAC per Vessel: 20,000 lbs
Frequency of GAC Change-Outs: Every 5 Years
Cost of GAC Change-Out: $2.00 per lb

Annual Cost of GAC Change-Out = (6 x 20,000 x $2.00) / 5 years = **$48,000**

INCREASE IN ANNUAL PLANT MONITORING LABOR COSTS

Required Additional Plant Monitoring = 1 Hrs / Day
Required Additional Man-hours = 1 Hrs / Day x 365 Days / year = 365 Hrs

Increase in Annual Plant Monitoring Labor Costs = $50 / Hr* x 365 Hrs = **$18,250**

* - Estimated hourly rate for plant operator – includes associated benefit costs.

INCREASE IN ANNUAL LAB MONITORING OPERATING COSTS

Monthly VOC Water Samples Required Post GAC
VOC Sample Rate Charge = $165 / Sample

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SUMMARY OF ADDITIONAL ANNUAL OPERATING COSTS

VOC TREATMENT SYSTEM IMPROVEMENTS AT PLANT 4

Annual Number of Samples Required = 4 Samples / Month x 12 Months = 48 Samples

Increase in Annual Lab Monitoring Operating Costs = $165 x 48 Samples = **$7,920**

SUM OF INCREASE IN ANNUAL DISTRICT OPERATING COSTS

1. Increase in Annual Electrical Operating Costs:	$26,900
2. Annual Filter Replacement Costs:	$ 3,200
3. Annual GAC Replacement Costs:	$48,000
4. Increase in Plant Monitoring Operating Costs:	$18,250
5. Increase in Laboratory Monitoring Costs:	$ 7,920
SUM OF INCREASE IN ANNUAL DISTRICT OPERATING COSTS:	**$104,270**

PRESENT WORTH VALUE

Additional Annual Operating Costs:	$104,270
Treatment System Life:	30 Years
Operating Cost Inflation Rate	5.0%
Investment Interest Rate	1.5%
PRESENT WORTH VALUE:	**$5,625,000**

With savings deposit of $5,625,000 settlement at Year 0

Year	Savings Account Value at 1.5% Interest Rate	Additional Annual Operating Cost at 5.0% Inflation Rate	Savings Account Balance
0	$5,625,000	$104,270	$5,520,730
1	$5,603,541	$109,484	$5,494,057
2	$5,576,468	$114,958	$5,461,511
3	$5,543,433	$120,706	$5,422,728
4	$5,504,069	$126,741	$5,377,328
5	$5,457,988	$133,078	$5,324,910
6	$5,404,784	$139,732	$5,265,052
7	$5,344,028	$146,718	$5,197,309
8	$5,275,269	$154,054	$5,121,215
9	$5,198,033	$161,757	$5,036,276
10	$5,111,820	$169,845	$4,941,975
11	$5,016,105	$178,337	$4,837,768
12	$4,910,334	$187,254	$4,723,080
13	$4,793,926	$196,617	$4,597,310
14	$4,666,269	$206,447	$4,459,822
15	$4,526,719	$216,770	$4,309,949
16	$4,374,599	$227,608	$4,146,990
17	$4,209,195	$238,989	$3,970,206
18	$4,029,759	$250,938	$3,778,821
19	$3,835,504	$263,485	$3,572,019
20	$3,625,599	$276,659	$3,348,939
21	$3,399,174	$290,492	$3,108,681
22	$3,155,311	$305,017	$2,850,294
23	$2,893,049	$320,268	$2,572,781
24	$2,611,373	$336,281	$2,275,092
25	$2,309,218	$353,095	$1,956,123
26	$1,985,465	$370,750	$1,614,715
27	$1,638,935	$389,287	$1,249,648
28	$1,268,393	$408,752	$859,641
29	$872,535	$429,189	$443,346
30	$449,996	$450,649	-$653

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SUMMARY OF ADDITIONAL ANNUAL OPERATING COSTS

VOC TREATMENT SYSTEM IMPROVEMENTS AT PLANT 6

INCREASE IN ANNUAL ELECTRICAL POWER COSTS

Electric Utility Provider: LIPA
Electrical Rate Code: 285
Increase in Plant Electrical Demand: 35 KW

Consumption Charges:

Demand	Operating Hours[1]	Annual Demand	Rate Charge[2]	Annual Costs
35 KW	1,785 Hrs	62,500 KW Hrs	$0.185 / KW Hr	$11,560

Increase in Annual Electrical Operating Costs = $11,800 + $28,300 = **$11,560**

(1) Based on average Annual Pumpage over the last five years of 300 MGY.
(2) Includes fuel surcharge

ANNUAL GAC REPLACEMENT COSTS

Quantity of Vessels: 4
GAC per Vessel: 20,000 lbs
Frequency of GAC Change-Outs: Every 5 Years
Cost of GAC Change-Out: $2.00 per lb

Annual Cost of GAC Change-Out = (4 x 20,000 x $2.00) / 5 years = **$32,000**

INCREASE IN ANNUAL PLANT MONITORING LABOR COSTS

Required Additional Plant Monitoring = 1 Hrs / Day
Required Additional Man-hours = 1 Hrs / Day x 365 Days / year = 365 Hrs

Increase in Annual Plant Monitoring Labor Costs = $50 / Hr* x 365 Hrs = **$18,250**

* - Estimated hourly rate for plant operator – includes associated benefit costs.

INCREASE IN ANNUAL LAB MONITORING OPERATING COSTS

Monthly VOC Water Samples Required Post GAC
VOC Sample Rate Charge = $165 / Sample
Annual Number of Samples Required = 4 Samples / Month x 12 Months = 48 Samples

Increase in Annual Lab Monitoring Operating Costs = $165 x 48 Samples = **$7,920**

SUM OF INCREASE IN ANNUAL DISTRICT OPERATING COSTS

1. Increase in Annual Electrical Operating Costs: $11,560
2. Annual GAC Replacement Costs: $32,000
3. Increase in Plant Monitoring Operating Costs: $18,250

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SUMMARY OF ADDITIONAL ANNUAL OPERATING COSTS

VOC TREATMENT SYSTEM IMPROVEMENTS AT PLANT 6

4. Increase in Laboratory Monitoring Costs:	$ 7,920
SUM OF INCREASE IN ANNUAL DISTRICT OPERATING COSTS:	**$69,730**

PRESENT WORTH VALUE

Additional Annual Operating Costs:	$69,730
Treatment System Life:	30 Years
Operating Cost Inflation Rate	5.0%
Investment Interest Rate	1.5%

PRESENT WORTH VALUE: **$3,763,000**

With savings deposit of $3,763,000 settlement at Year 0

Year	Savings Account Value at 1.5% Interest Rate	Additional Annual Operating Cost at 5.0% Inflation Rate	Savings Account Balance
0	$3,763,000	$69,730	$3,693,270
1	$3,748,669	$73,217	$3,675,453
2	$3,730,584	$76,877	$3,653,707
3	$3,708,513	$80,721	$3,627,791
4	$3,682,208	$84,757	$3,597,451
5	$3,651,413	$88,995	$3,562,418
6	$3,615,854	$93,445	$3,522,409
7	$3,575,245	$98,117	$3,477,128
8	$3,529,285	$103,023	$3,426,262
9	$3,477,656	$108,174	$3,369,482
10	$3,420,024	$113,583	$3,306,441
11	$3,356,038	$119,262	$3,236,776
12	$3,285,328	$125,225	$3,160,103
13	$3,207,504	$131,486	$3,076,018
14	$3,122,158	$138,061	$2,984,097
15	$3,028,859	$144,964	$2,883,895
16	$2,927,154	$152,212	$2,774,942
17	$2,816,566	$159,822	$2,656,743
18	$2,696,595	$167,814	$2,528,781
19	$2,566,713	$176,204	$2,390,509
20	$2,426,366	$185,014	$2,241,352
21	$2,274,972	$194,265	$2,080,707
22	$2,111,917	$203,978	$1,907,939
23	$1,936,558	$214,177	$1,722,381
24	$1,748,216	$224,886	$1,523,330
25	$1,546,180	$236,131	$1,310,050
26	$1,329,700	$247,937	$1,081,763
27	$1,097,990	$260,334	$837,656
28	$850,221	$273,351	$576,870
29	$585,523	$287,018	$298,505
30	$302,983	$301,369	$1,614