

APPENDIX R – CALCULATION OF INITIAL SURCHARGE RATE

	WATER	SEWER
Identified Needs (Apdx. J)	\$6,849,695	\$3,992,508
Debt (Apdx. J, N & O)	\$131,544	\$653,077

Initial Expenditure Balance Unique to Mantua Village Service Area		
Total Needs and Debt	\$6,981,239	\$4,645,585

Payment Per Month Total*	\$24,991.75	\$16,630.47
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Residential ESU	376.00	330.00
Commercial ESU	287.92	287.92
Total ESU	663.92	617.92

Initial Total Surcharge Rate	\$37.64	\$26.91
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Total Surcharge Rate Water & Sewer:	\$64.56
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*The Payment per Month Total was determined utilizing a Standard Debt Amortization Calculator for a debt amount of \$11,626,824 to be amortized over a 40 year period at an annual interest rate of 3%.

The above calculation is the analysis used for the first year' s surcharge. When all Identified Needs are completed the amortization period shall be reduced five years to provide a pay back margin to guarantee all funds repaid within a total of forty years allowing for infrastructure useful life to not expire during the payback period.