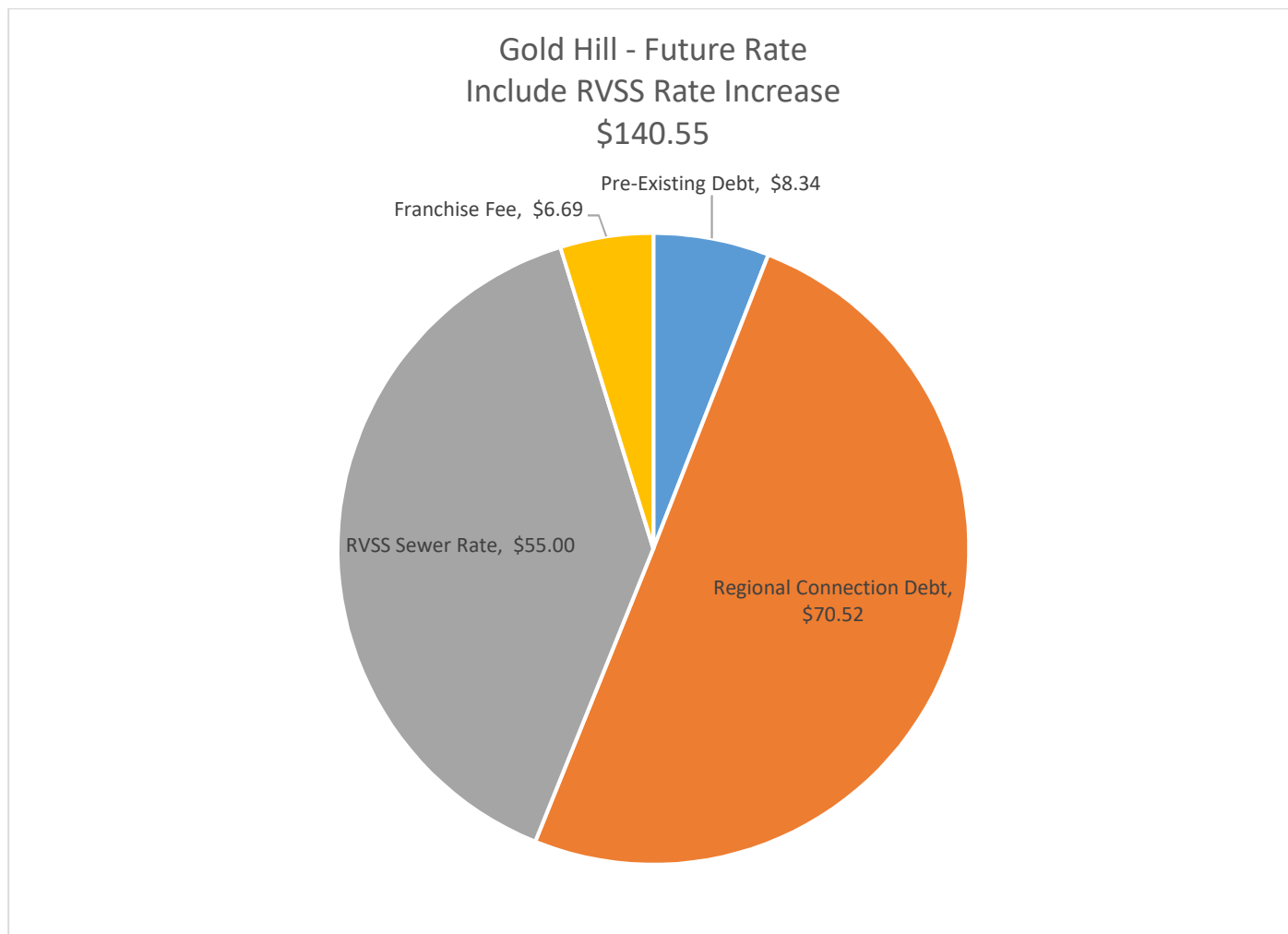


How will the Regional Connection affect my sewer bill?



Upon completion of the Regional Connection the Gold Hill sewer rate will have four main components: Operations, Pre-Existing Debt Service, Regional Connection Debt Service and a Franchise Fee.

Operations will cover the cost of all collection system and treatment operations. Gold Hill will have the same rate as the rest of the RVSS system that is served by the regional treatment plant. The current rate is \$25.50 per month for a single family home. However, new permit requirements will require major upgrades to the regional treatment plant with an estimated cost of up to \$300 million. To cover that expense we anticipate that sewer rates would increase to \$55 over the next 10 years.

Pre-Existing Debt Service covers the principal and interest payments for the City's two outstanding loans that are paid through sewer rates. The City has an outstanding loan balance of approximately \$1.2 million with annual payments of \$57,000. The first of these loans is scheduled to be paid in full in 2041.

Regional Connection Debt Service: The Regional Connection has an estimated cost of \$15 million. This will be paid for by a combination of loans and grants. Debt service on the loans are estimated at XXXX

The Franchise Fee is a fee charged by Gold Hill. This amounts to 5% of the total bill and is generally used to support road maintenance activities.