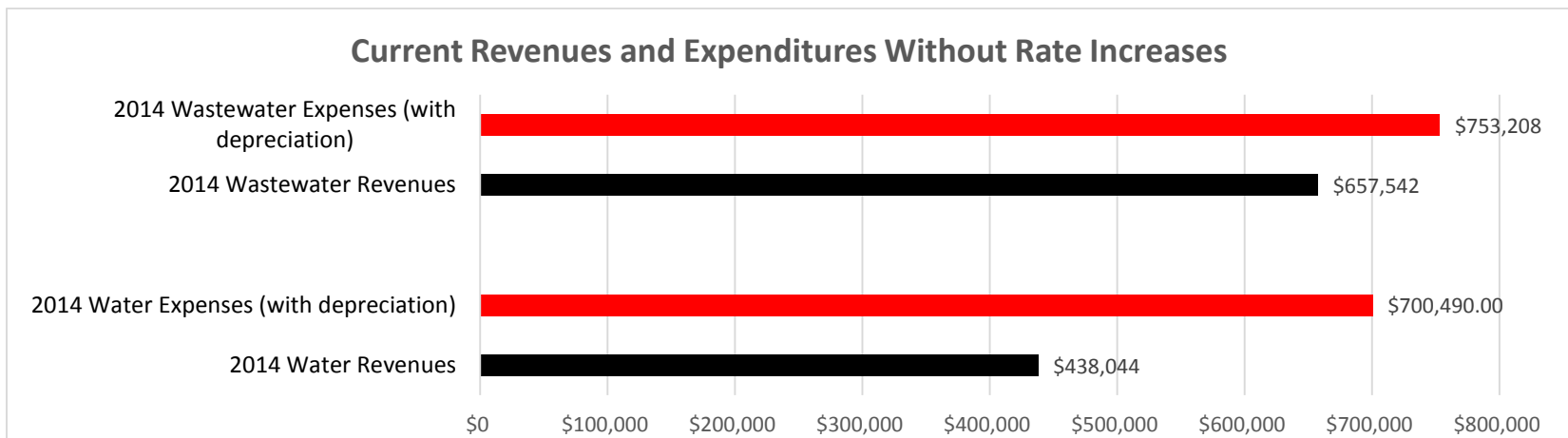


ROCKFORD UTILITY RATE INCREASE ESTIMATES THURSDAY, SEPTEMBER 4TH, 2014

Previous Utility Rate Billing System:

Water was billed at \$3.34 per 1,000 gallons with a mandatory minimum bill of 3,000 gallons. Wastewater was billed at \$5.40 per 1,000 gallons based upon winter averaging, with a base rate of \$4.25 per unit. Use your actual billed winter average on the chart with your actual water gallons used on the chart to calculate your previous bills. The chart below shows the current 2014 Utility Revenues and Expenses without rate increases. The operating expense and bond debt for 2014 is \$536,153 in water, and \$481,532 in wastewater.

| Base Rate | Water Gallons Used | Estimated Bill | Base Rate | Wastewater Gallons Used | Estimated Bill | Monthly Total |
|-----------|--------------------|----------------|-----------|-------------------------|----------------|---------------|
| N/A | 3,000 | \$10.02 | \$4.25 | 3,000 | \$16.20 | |
| N/A | 4,000 | \$13.36 | \$4.25 | 4,000 | \$21.60 | Based |
| N/A | 5,000 | \$16.70 | \$4.25 | 5,000 | \$27 | Upon |
| N/A | 6,000 | \$20.04 | \$4.25 | 6,000 | \$32.40 | Wastewater |
| N/A | 7,000 | \$23.38 | \$4.25 | 7,000 | \$37.80 | Gallons |
| N/A | 8,000 | \$26.72 | \$4.25 | 8,000 | \$43.20 | Used |
| N/A | 9,000 | \$30.06 | \$4.25 | 9,000 | \$48.60 | Average |
| N/A | 10,000 | \$33.40 | \$4.25 | 10,000 | \$54 | |
| N/A | 40,000 | \$133.60 | \$4.25 | 40,000 | \$216.00 | |

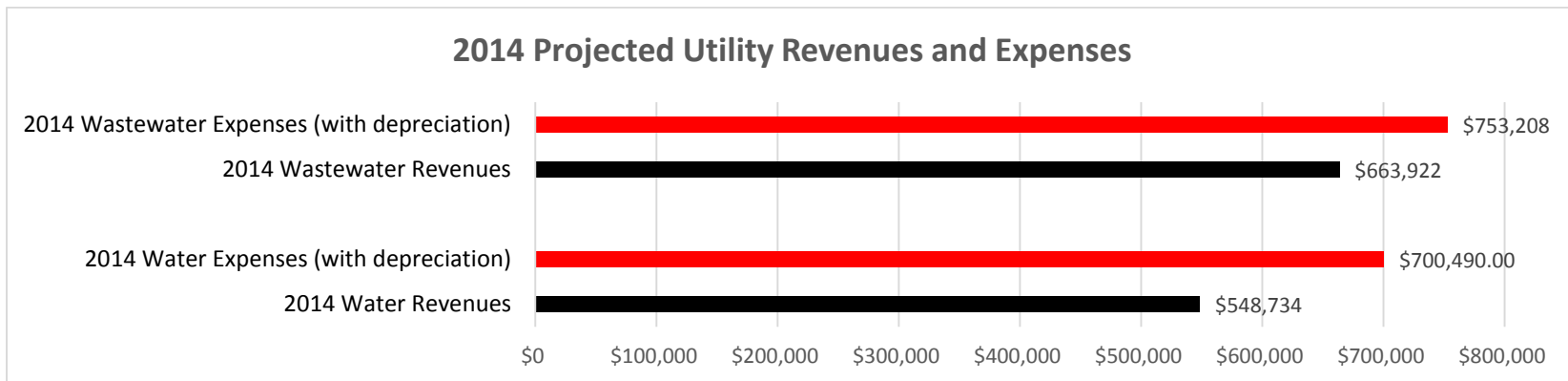


ROCKFORD UTILITY RATE INCREASE ESTIMATES
THURSDAY, SEPTEMBER 4TH, 2014

Retroactive rate change through December 31st, 2014:

Water would be billed at \$4.54 per 1,000 gallons with no mandatory minimum bill. The water base rate would be established at \$4.95 per unit. Wastewater would remain at previous rate, \$5.40 per 1,000 gallons based upon winter averaging. The wastewater base rate would be increased to \$4.95 per unit. Use your actual billed winter average on the chart with your actual water gallons used on the chart to calculate your proposed current bills. The chart below shows the current 2014 Utility Revenues and Expenses with the proposed rate increases. The operating expense and bond debt for 2014 is \$536,153 in water, and \$481,532 in wastewater.

| Base Rate | Water Gallons Used | Estimated Bill | Base Rate | Wastewater Gallons Used | Estimated Bill | Monthly Total |
|-----------|--------------------|----------------|-----------|-------------------------|----------------|---------------|
| \$4.95 | 3,000 | \$13.62 | \$4.95 | 3,000 | \$16.20 | |
| \$4.95 | 4,000 | \$18.16 | \$4.95 | 4,000 | \$21.60 | Based |
| \$4.95 | 5,000 | \$22.7 | \$4.95 | 5,000 | \$27 | Upon |
| \$4.95 | 6,000 | \$27.24 | \$4.95 | 6,000 | \$32.40 | Wastewater |
| \$4.95 | 7,000 | \$31.78 | \$4.95 | 7,000 | \$37.80 | Gallons |
| \$4.95 | 8,000 | \$36.32 | \$4.95 | 8,000 | \$43.20 | Used |
| \$4.95 | 9,000 | \$40.86 | \$4.95 | 9,000 | \$48.60 | Average |
| \$4.95 | 10,000 | \$45.4 | \$4.95 | 10,000 | \$54 | |
| \$4.95 | 40,000 | \$181.6 | \$4.95 | 40,000 | \$216.00 | |

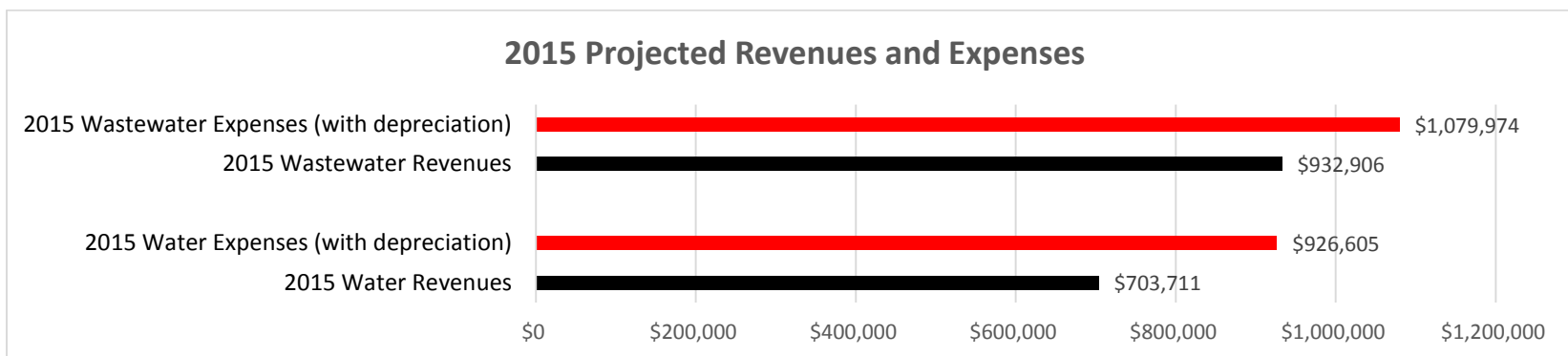


ROCKFORD UTILITY RATE INCREASE ESTIMATES
THURSDAY, SEPTEMBER 4TH, 2014

Proposed Billing as of January 1, 2015 to December 31st, 2015:

Water would remain being billed at \$4.54 per 1,000 gallons with no mandatory minimum bill. The water base rate would remain at \$4.95 per unit. Wastewater would increase to \$6.45 per 1,000 gallons based upon actual usage. Sprinkler deduct meters would subtract the gallons used outside the home from the total gallons used, so you would only pay wastewater charges for water used inside the home. The wastewater base rate would remain at \$4.95 per unit. The average water use per month in Rockford is approximately 6,000 gallons per month. The chart below shows the projected 2015 Utility Revenues and Expenses. The operating expense and bond debt for 2014 is \$683,628 in water, and \$750,940 in wastewater.

| Base Rate | Water Gallons Used | Estimated Bill | Base Rate | Wastewater Gallons Used | Estimated Bill | Monthly Total |
|-----------|--------------------|----------------|-----------|-------------------------|----------------|---------------|
| \$4.95 | 3,000 | \$13.62 | \$4.95 | 3,000 | \$19.35 | \$42.87 |
| \$4.95 | 4,000 | \$18.16 | \$4.95 | 4,000 | \$25.80 | \$53.86 |
| \$4.95 | 5,000 | \$22.70 | \$4.95 | 5,000 | \$32.25 | \$64.85 |
| \$4.95 | 6,000 | \$27.24 | \$4.95 | 6,000 | \$38.70 | \$75.84 |
| \$4.95 | 7,000 | \$31.78 | \$4.95 | 7,000 | \$45.15 | \$86.83 |
| \$4.95 | 8,000 | \$36.32 | \$4.95 | 8,000 | \$51.60 | \$97.82 |
| \$4.95 | 9,000 | \$40.86 | \$4.95 | 9,000 | \$58.05 | \$108.81 |
| \$4.95 | 10,000 | \$45.40 | \$4.95 | 10,000 | \$64.50 | \$119.80 |
| \$4.95 | 40,000 | \$181.60 | \$4.95 | 40,000 | \$258.00 | \$449.50 |



ROCKFORD UTILITY RATE INCREASE ESTIMATES THURSDAY, SEPTEMBER 4TH, 2014

Proposed Billing as of January 1, 2016:

Water would be billed at \$5.54 per 1,000 gallons with no mandatory minimum bill. The water base rate would remain at \$4.95 per unit. Wastewater would increase to \$7.45 per 1,000 gallons based upon actual usage. Sprinkler deduct meters would subtract the gallons used outside the home from the total gallons used, so you would only pay wastewater charges for water used inside the home. The wastewater base rate would remain at \$4.95 per unit. The average water use per month in Rockford is approximately 6,000 gallons per month. The chart below shows the projected 2016 Utility Revenues and Expenses. The operating expense and bond debt for 2014 is \$798,178 in water, and \$759,230 in wastewater.

| Base Rate | Water Gallons Used | Estimated Bill | Base Rate | Wastewater Gallons Used | Estimated Bill | Monthly Total |
|-----------|--------------------|----------------|-----------|-------------------------|----------------|---------------|
| \$4.95 | 3,000 | \$16.62 | \$4.95 | 3,000 | 22.35 | \$48.87 |
| \$4.95 | 4,000 | \$22.16 | \$4.95 | 4,000 | 29.8 | \$61.86 |
| \$4.95 | 5,000 | \$27.70 | \$4.95 | 5,000 | 37.25 | \$74.85 |
| \$4.95 | 6,000 | \$33.24 | \$4.95 | 6,000 | 44.7 | \$87.84 |
| \$4.95 | 7,000 | \$38.78 | \$4.95 | 7,000 | 52.15 | \$100.83 |
| \$4.95 | 8,000 | \$44.32 | \$4.95 | 8,000 | 59.6 | \$113.82 |
| \$4.95 | 9,000 | \$49.86 | \$4.95 | 9,000 | 67.05 | \$126.81 |
| \$4.95 | 10,000 | \$55.40 | \$4.95 | 10,000 | 74.5 | \$139.80 |
| \$4.95 | 40,000 | \$221.60 | \$4.95 | 40,000 | 298 | \$529.50 |

