

Offering Circular for The Woodlands Mutual Water Company Of San Luis Obispo

December 8, 2005

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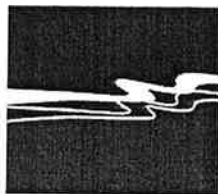
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Prepared by:



WALLACE GROUP

4115 Broad Street, Suite B-5, San Luis Obispo, CA 93401

Company Summary

SUMMARY OF THE COMPANY AND ITS OPERATIONS

What is the Company and what area does it serve?

The Woodlands Mutual Water Company of San Luis Obispo County (“Company”), is a corporation organized under the laws of California for the purpose of providing water and sewer service to property owners within a geographical service area which is defined as approximately 957 acres situated on the Nipomo Mesa in San Luis Obispo County, California, commonly known as “The Woodlands”.

The Company is a special type of corporation known as a “mutual water company”. A mutual water company is formed for the purpose of serving water to its shareholders at cost. The purpose of a “mutual water company” is not to make a profit, but to charge such fees and rates for the services it provides as are necessary to acquire water and to build, operate and maintain a water system in a defined geographical area. In addition to water service, the Company is also providing these functions in The Woodlands with respect to sewer service and maintenance of the local fire protection system.

The Company is governed by two documents, its Articles of Incorporation and its Bylaws. The Articles of Incorporation set forth the basic purpose of the Company and its service area. A copy of the Second Amended and Restated Articles of Incorporation of the Company filed with the California Secretary of State on May 9, 2005, is attached to this Offering Circular as Exhibit “A”. The Bylaws of the Company provide the rules by which the Company is managed and operated and set forth the various rights and obligations of the shareholders. A copy of the Bylaws of the Company adopted on May 4, 2005, is attached to this Offering Circular as Exhibit “B”.

Who manages the Company?

The Company is managed a Board of Directors which is elected each year in April at the annual meeting of the shareholders. The Board of Directors is responsible for the management and operation of the Company, it approves the rules and regulations for providing water and sewer service and sets the fees, charges and rates for such service. There are currently four members of the Board of Directors, all of whom were appointed by Woodlands Ventures, LLC, the developer of The Woodlands (“Developer”). The Developer shall retain voting control over the Company and thereby the ability to appoint the Board of Directors until such time as 75% of the lots or parcels within the Company’s service area have been transferred to new owners other than the Developer.

The Company also has corporate officers (President, Vice President, Treasurer and Secretary) who are appointed by the Board of Directors. These officers serve a corporate function, but are not actively involved in the operation of the Company. The current Board of Directors has engaged the services of Fluid Resource Management, Inc., a corporation that specializes in the operation of water systems, to operate and maintain the facilities and equipment of the Company and to provide the Company with certain administrative services.

What resources does the Company have to provide water and sewer service?

The Developer has transferred to the Company all of the distribution and treatment facilities and infrastructure that are described in the Executive Summary of the Engineer's Report which is attached to this Offering Circular as Exhibit "C" ("Engineer's Summary"). A full copy of the Engineer's Report with all maps, diagrams and attachments ("Engineer's Report") is available to prospective shareholders upon request at the sales office for The Woodlands.

The water distribution system will include 15.7 miles of water distribution mains, three 510,000 gallon reservoirs, a booster pump station, and three wells. The Engineer's Report contains a detailed discussion of the distribution system, as well as maps depicting the service area. Fluid Resource Management, as the operating contractor for the Company, shall maintain and repair such infrastructure.

As described in the Engineer's Summary, the Company will extract groundwater from the Nipomo Mesa unit of the Santa Maria Groundwater Basin, which underlies The Woodlands. The Company does not own water rights, but shall pump and distribute water to its shareholders pursuant to the water rights which are appurtenant to the land within the service area of the Company.

The Company has further entered into a Memorandum of Understanding with the Nipomo Community Services District ("NCSD") for the safe and efficient use of water on the Nipomo Mesa, as well as the sharing of certain costs associated therewith. The NCSD has proposed the use of some supplemental water for its existing and future users and the Company has agreed to participate in the costs thereof, provided, however, that the terms are fair and reasonable to the Company and that a portion of the supplemental water would be made available to The Woodlands in the case of emergency.

Recycled water generated by the sewage treatment facility shall also be provided by the Company to irrigate the golf course, common areas and a potential future elementary school.

Is the Company regulated as a utility?

Although the purpose of the Company is to provide water and sewer service to its shareholders in a manner very similar to that of public or private utilities, the Company is not a public or private utility and is not currently regulated by the California Public Utilities Commission.

Who are the shareholders?

Each owner of a "lot" or "parcel" of land within the geographical service area of the Company is entitled to be a shareholder. This includes residential, commercial, recreational and governmental properties, although the majority of shareholders will be the owners of residential homes built in The Woodlands. For more information, see Article

IV of the Bylaws.

What kind of shares are issued and can they be transferred?

The Company has a single class of common stock authorized by the Articles of Incorporation which is issued to the shareholders. This common stock is unique from the stock of other corporations in that it is issued with a lot or parcel designation and is “appurtenant” to the land. Appurtenant is a legal term that means that the stock becomes inseparable from the land. For practical purposes, this means that the share of stock issued to the owner of a lot or parcel *cannot* be transferred, sold or assigned to any party other than a party who acquires that lot or parcel.

How will the shares be issued?

As the Company commences operations within The Woodlands, one share of the common stock of the Company shall be issued in the name of the owner of each “lot” or “parcel” of land. Upon presenting evidence of ownership of a lot or parcel of land within the Company’s service area, typically in connection with signing up for water and sewer service, an owner shall be entitled to become a shareholder of the Company and the Company shall issue a single share of stock to such owner. If there is more than one owner of a lot or parcel, then the share of stock in the Company shall be jointly owned by such multiple owners. In no event can less than one share of stock be transferred or assigned because fractional shares of stock are not allowed in the Company. If there is joint ownership of a share of stock, then the Company will require the consent of each owner to any action taken by the shareholder unless such joint owners have appointed one individual to act on their behalf and provided a written copy of such appointment to the Company.

The Bylaws of the Company provide for several sub-classes of common stock based upon the underlying use of the lot or parcel for which a share is being issued. These sub-classes are for residential (single family home and condominium), commercial, recreational and governmental uses. All sub-classes of common stock have the same rights and obligations, however, the rates charged for water and sewer service may vary depending on the sub-class of a shareholder’s stock.

The name and address of all shareholders shall be kept on the stock register of the Company. A copy of the form of stock certificate that will be issued to each shareholder is attached to this Offering Circular as Exhibit “D”. For more information, see Article V of the Bylaws.

What are the rights and obligations of shareholders?

A. Water Service

First and foremost, being a shareholder of the Company entitles the shareholder to apply for and receive water and sewer service pursuant to the terms set forth in the

Bylaws. The Bylaws authorize the Board of Directors to condition water and sewer service on the timely payment of all amounts charged for water and sewer service and compliance with any rules and regulations of the Company. The Board is further authorized to set fees, charges and rates based upon the character of the shareholder's use of water and sewer service, with different rate structures for residential, commercial, recreational and governmental uses. If a shareholder does not make timely payment of fees, charges and rates for water and sewer service or does not abide by the rules and regulations, then the Company may suspend water and/or sewer service.

B. Assessments and Forfeiture of Rights

In addition to payment of regular fees, charges and rates for water service, the Board of Directors has the authority to make assessments on the share held by each shareholder to pay for items, such as capital improvements or major repairs, which are not covered by the regular rate structure of the Company. If a shareholder fails to pay an assessment when due, then the Company may suspend water and sewer service to the shareholder and the shareholder's rights as a shareholder may be forfeit. The procedures for notifying a shareholder of that an assessment is delinquent, that service will be suspended or that a shareholder's right are forfeit is set forth in Article IX of the Bylaws. Notwithstanding the forfeiture of a shareholder's rights for non-payment, such rights can always be reinstated upon the payment of all sums that are due and owing to the Company. In no circumstance will a share of common stock which is tied to a particular lot or parcel be sold or transferred separate from that lot or parcel.

C. Voting and Access to Records

Each shareholder of the Company has the following rights:

(i) to attend the annual meeting and any special meetings of the shareholders of the Company (the annual shareholder's meeting is held in April and special meetings of the shareholders may be called by the president of the Company, the Board of Directors or 10% of the shareholders upon no less than 35 days notice);

(ii) to vote on matters placed before the shareholder by the Board of Directors (the Board may from time to time seek the approval of the shareholders before undertaking major action such as a capital improvement or an expansion of the service area of the Company);

(iii) to vote at the annual meeting for the election of the Board of Directors of the Company; and

(iv) to view the financial statements and stock register of the Company at the request of a shareholder during normal business hours, together with such other books and records as a shareholder may be entitled to review pursuant to the Corporations Code of the State of California.

D. Golf Course Shareholders

Pursuant to the Dedication Agreement between the Developer and the Company, the Developer and Company have agreed that the golf course(s) within the Company's service area who are Sub-class "G" shareholders of the Company will take all recycled water produced by the sewage treatment plant operated by the Company, except for recycled water used for the common areas of The Woodlands. At no charge to the Company, the golf courses shall further maintain the infrastructure necessary to take, store and use recycled water delivered from the Company in accordance with all applicable laws. In consideration of these obligations, the Company has agreed (i) that recycled water shall be provided at no charge to the golf course(s); (ii) that the Company shall provide untreated well water to meet golf course irrigation needs in excess of recycled water at a special wholesale rate equal to the actual cost of utilities and regular maintenance for the well from which the water is being pumped, provided, however, that the golf course shall use reasonable efforts to first obtain such irrigation water from its own dedicated well; (iii) that each golf course will be treated as a single shareholder with the same obligations as the holder of a single share of common stock of the Company and subject to the same charges and assessments; and (iii) that each golf course shall have the right to regular domestic water service for the any clubhouse facilities on the same terms as residential shareholders.

Who maintains the fire protection system for The Woodlands?

The water distribution system operated by the Company includes a fire protection system. The San Luis Obispo County Fire Department required The Woodlands fire hydrants to be spaced no more than 300 feet apart in residential zones, with no building more than 250 feet away from any fire hydrant, and that hydrants be spaced no more than 500 feet apart in commercial and industrial zones, with no building more than 150 feet from any fire hydrant. The Woodlands will have 183 fire hydrants upon build-out.

Did the Company receive an expert opinion with respect to its water system?

Yes, the opinion of the engineer of the water system, the Wallace Group of San Luis Obispo, is contained in the Engineer's Summary and the Engineer's Report and is summarized therein as follows:

"The water supply, distribution, and fire protection system of the Woodlands Mutual Water Company of San Luis Obispo (Company) System will adequately, dependably, and safely meet the total requirements for all water consumers under maximum consumption as defined by County of San Luis Obispo standards, County Health requirements, and California Division of Forestry (CDF) requirements, and will meet the requirements of Section 14314."

Has the State Director of Health Services issued a certificate certifying that the water is fit for domestic use?

Yes. The State of California Department of Health Services issued on September

27, 2005, a Certificate of Issuance, for Water Supply Permit No. 05-06-04P-006, to the Company. A copy of this certificate can be found in the Engineer's Report.

Is there a limitation imposed on salaries to be paid to personnel operating, or employed by, the Company, including officers and directors?

Yes. Article VIII, Section 6, of the Bylaws of the Company, provides that the Board of Directors may fix, to the extent advisable in their judgment, the compensation of officers, agents and employees of the Company. This provision states further that:

“Salaries paid to the persons operating, or employed by, the Company, including officers and directors, shall be limited to a reasonable amount as determined by the Board of Directors in its reasonable discretion in light of salaries and compensation paid in the market in which the area to be served is located to persons with comparable skills, experiences and responsibilities.”

Does the Company have a financial track record and a budget for its operations?

As the Company is commencing operations, it does not have a financial track record or historical financial statements, however, the Company has prepared a detailed budget for its operations going forward. A copy of this budget is attached to this Offering Circular as Exhibit “E”. A detailed financial analysis with respect to the operation of the Company is contained in Chapter 8 of the Engineer's Report.

Has the operating, repair, and replacement fund been established and will it be maintained?

The operating, repair and replacement reserve funds shall be established and maintained in accordance with the budget which is attached hereto as Exhibit “E”.

What are the Developer's duties with respect to maintenance and repair or replacement of the water supply, distribution, or fire protection system?

Developer has agreed to loan funds to the Company to cover its budgeted operating deficits during years 2005, 2006 and 2007 in order to ensure that the Company has sufficient resources to operate and maintain the water, sewer and fire protection systems. Such loans shall be repaid to Developer out of subsequent budgeted surpluses, with all loans payable to Developer in the year 2012. This financial commitment exceeds the statutory obligation of Developer pursuant to the California Corporations Code, Section 14312(a)(6), to pay monthly a proportional part of the repair and replacement fund for the mutual according to a ratio of the number of lots owned or controlled by the Developer to the total number of lots in The Woodlands.

**Exhibit A:
Second Amended and Restated Articles of
Incorporation**

A0627834

State of California
Secretary of State



A handwritten signature in black ink, appearing to read "Bruce McPherson".

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 5 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAY 10 2005

A handwritten signature in black ink, appearing to read "Bruce McPherson".

BRUCE McPHERSON
Secretary of State

A0627834

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

MAY - 9 2005

**SECOND AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
THE WOODLANDS MUTUAL WATER COMPANY
OF SAN LUIS OBISPO COUNTY**

The undersigned certify that:

1. They are the president and the secretary, respectively, of The Woodlands Mutual Water Company of San Luis Obispo County.
2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

First: The name of this corporation shall be:

The Woodlands Mutual Water Company of
San Luis Obispo County.

Second: The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by California Corporations Code. Without limiting the foregoing, the specific purpose of the corporation is to develop, distribute, supply and deliver water for irrigation, domestic, municipal or commercial use, at cost plus necessary expenses, only to the land area consisting of approximately 957 acres of portions of the standard Eucalyptus and Los Berros Tracts situated in San Luis Obispo County, California, commonly known as The Woodlands and legally described as follows:

PARCEL 1:

Lot D of the standard Eucalyptus Tract, in the County of San Luis Obispo, State of California, as per map filed in Book 1, Page 12 of Maps, in the Office of the County Recorder of said County.

PARCEL 2:

Lot 20 of the subdivisions of Lot E of the standard Eucalyptus Tract, in the County of San Luis Obispo, State of California, as per map filed in Book 1, Page 17 of Maps, in the Office of the County Recorder of said County.

PARCEL 3:

Those portions of Lots C, I, J, G and H of the Los Berros Tract of the Ranchos Nipomo, in the County of San Luis Obispo, State of California, as per map filed in Book A, Page 108 of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at Post No. 4 in the Southerly line of Lot C of the Los Berros Tract, according to a map thereof filed in the office of the County Recorder of said County, on November 24, 1888, said stake being at the East corner of the Rancho Bolsa de Chemical and the Southwest corner of a tract of land conveyed by the County Bank of San Luis Obispo and A. E. Pomeroy to E. T. Hargraves, by Deed dated October, 1907 and recorded in Volume 74, Page 66 of Deeds, San Luis Obispo County records, and from said stake running North $20\ 1/4^\circ$ East, 15.46 chains to a stake; thence North 19.55 chains to a stake; thence West 11.77 chains; thence North 60 chains to post marked 74; thence North 27.94 chains to a post marked 64; thence West 81.20 chains to post marked W.H.B.2; thence South 45° East, 45.00 chains to a post marked W.H.B.1; thence South 42.96 chains to a post marked W.H.B. standing in the Southerly line of Lot J of the Los Berros Tract; thence along the Southerly line of Lots J, I and C of said Tract, South $49\ 3/4^\circ$ East, 72.72 chains to the place of beginning.

Except therefrom that portion of said land lying Westerly of courses numbered (1), (2) and (3) in Parcel 3357 I of the deed to the State of California, recorded October 22, 1974 in Book 1802, Page 742 of Official Records, in the Office of the County Recorder of said County.

Also except therefrom that portion of said land conveyed to the State of California by deed recorded January 8, 1997 as document number 1176 of Official Records of said County.

PARCEL 4:

That portion of Lots C and I of the Los Berros Tract of the Rancho Nipomo, in the County of San Luis Obispo, State of California, according to the map filed in Book A, Page 108 of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at a point which is North $20\ 1/4^\circ$ East, 15.01 chains and North 19.55 chains from Post No. 4 on the Southerly line of said Lot C, said Point of Beginning, being the Northwest corner of the property conveyed to E. T. Hargraves by deed dated October 9, 1906 and recorded in Book 74, Page 66 of Deeds, records of said County; thence North $89\ 1/2^\circ$ East along the North line of the property so conveyed, 40 chains to the East line of said Lot C; thence North along said East line, 59.80 chains to Post B9; thence West 51.77 chains to Post 74 in the East line of the property conveyed to the Flintkote Company, a Massachusetts Corporation, by Executor's Deed dated November 23, 1943 and recorded in Book 350, Page 332 of Official Records of said County; thence South $8^\circ\ 30'$ West along

the East line of the property so conveyed, 60 chains; thence North 89 1/2° East, 11.77 chains to the Point of Beginning.

In addition to the delivery of water, the Board of Directors may, in its discretion, develop and offer to shareholders residing within the Woodlands additional related services such as sewer service, wastewater treatment and delivery of reclaimed water.

Third: The number of directors will be as prescribed in the bylaws of the corporation.

Fourth: The corporation is authorized to issue 10,000 shares of capital stock, all of one class, no par value, to be designated "common stock." Shares of capital stock may be transferred only to, and held only by, owners of real property within the land area described above in San Luis Obispo County, California. All shares of common stock shall be appurtenant to the parcel of real property with respect to which they are originally issued and may be transferred only in connection with a transfer of such parcel of real property.

Fifth: The Board of Directors may, in its discretion, levy and collect from the shareholder assessments, rates and charges (collectively, "assessments") for the performance of its lawful activities as a mutual water company. Such assessments shall be a lien upon the shares assessed from the time of the levy. The levies of assessments shall be in conformity with Corporations Code sections 423 and 14303. The Board of Directors may make assessments a lien against a shareholder's shares; withhold delivery of water and/or other related services from any shareholder while any such assessments against such shareholder are delinquent; and withhold transfer of any shares while subject to the lien of any unpaid assessments. In the event of non-payment of any assessment, the corporation may sell or forfeit the shares against which the assessment was levied, in the manner now or as may be hereafter provided by Corporations Code section 14303 or any successor statute under the laws of the State of California or in the Bylaws of the corporation; except that shares may not be sold without the lands to which they are appurtenant and shares forfeited to the corporation may not be sold or transferred without the lands to which they are appurtenant.

Sixth: The corporation shall deliver to its shareholders water owned by the shareholders; the water shall not be owned by the corporation, which shall serve as agent or trustee for the shareholders. The purpose of this restriction is to ensure that the corporation is not deemed an appropriator of water underlying the lands owned by the shareholders of the corporation.

Seventh: The Board of Directors may adopt, repeal, modify, from time to time change, and enforce all rules and regulations which it may deem advisable for carrying out any or all of the foregoing purposes and powers, including without limitation the right to provide and determine when, where and in what manner delivery of water and/or other related services is to be made, the right to provide for and enforce the imposition of penalties for violation of such rules and regulations, and the right to discontinue the delivery of water and/or other related services for such violation or for failure to pay any assessments.

Eighth: The foregoing purposes and powers are subject to the express limitation and condition that the corporation shall carry on its business without the distribution of any gains, profits or dividends to its shareholders except upon dissolution.

Ninth: Notwithstanding any other provision in these Articles, twenty percent (20%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders.

Tenth: The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

Eleventh: The corporation is authorized to provide indemnification of agents (as defined in Corporations Code section 317) for breach of duty to the corporation and its shareholders through by-law provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Corporations Code section 317, subject to the limits on such excess indemnification set forth in Corporations Code section 204."

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by unanimous written consent of the board of directors.

4. No shares of capital stock have been issued.

We further declare under penalty of perjury under the laws of the state of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: May 4, 2005



Name: Damian M. Varni

Title: President

Name: John Scardino

Title: Secretary

Ninth: Notwithstanding any other provision in these Articles, twenty percent (20%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders.

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Dated: May 4, 2005

Name: Damian M. Varni
Title: President



Name: John Scardino
Title: Secretary



**Exhibit B:
Bylaws of the Company**

WRITTEN CONSENT OF THE DIRECTORS
OF
THE WOODLANDS MUTUAL WATER COMPANY OF SAN LUIS OBISPO COUNTY

Actions as of May 4, 2005

The undersigned, constituting all of the directors of The Woodlands Mutual Water Company of San Luis Obispo County, a California corporation (the "Corporation"), consent to the adoption of the following resolutions:

Amendment of Bylaws

Resolved that the Bylaws of the Corporation are amended and restated to read as set forth in the form attached as Exhibit A to this unanimous written consent, and the Secretary of the Corporation is authorized to certify those Bylaws as the Bylaws of the Corporation.

Resolved further that the Secretary of the Corporation is directed to keep the original or a copy of the Bylaws as amended to date at the principal office of the Corporation.

This Written Consent of The Woodlands Mutual Water Company of San Luis Obispo County is signed as of the date set forth below.

Dated: May 4, 2005



Damian M. Varni

Bryan P. Troxler

John Scardino

**WRITTEN CONSENT OF THE DIRECTORS
OF
THE WOODLANDS MUTUAL WATER COMPANY OF SAN LUIS OBISPO COUNTY**

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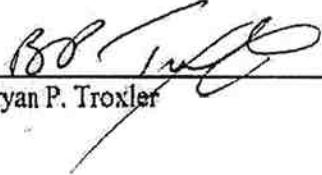
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This Written Consent of The Woodlands Mutual Water Company of San Luis Obispo County is signed as of the date set forth below.

Dated: May 4, 2005

Damian M. Varni



Bryan P. Troxler

John Scardino

WRITTEN CONSENT OF THE DIRECTORS

OF

THE WOODLANDS MUTUAL WATER COMPANY OF SAN LUIS OBISPO COUNTY

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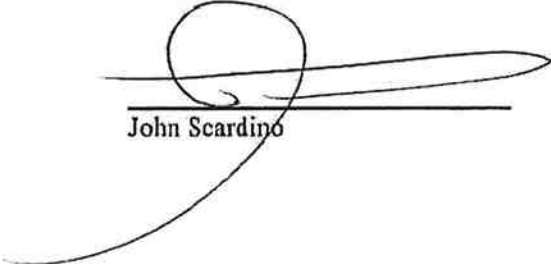
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Dated: May 4, 2005

Damian M. Varni

Bryan P. Troxler



John Scardino

**Exhibit B:
Bylaws of the Company**

BYLAWS
OF
THE WOODLANDS MUTUAL WATER COMPANY
OF SAN LUIS OBISPO COUNTY

ARTICLE I
Name

The name of the corporation is and shall be "The Woodlands Mutual Water Company of San Luis Obispo County" and for convenience shall be referred to hereinafter as the "Company."

ARTICLE II
Objects and Purposes

Section 1. The Company is intended to operate as a mutual water company. The objects and purposes of the Company shall be to develop, distribute, supply and deliver water for irrigation, domestic, municipal or commercial use, at cost plus necessary expenses, to the land area consisting of approximately 957 acres situated in San Luis Obispo County, California, commonly known as The Woodlands and more particularly described on Exhibit A, as agent or trustee for the owners of such land.

Section 2. The Company shall be authorized to do whatever may be deemed necessary, conducive, incidental or advisable to accomplish and promote these objects or purposes, including but not limited to:

- (a) constructing, leasing, maintaining and operating water system facilities at The Woodlands;
- (b) acquiring, leasing or developing water, water rights or water bearing lands as a contingent source of supply if the water belonging to the owners of the land described above should be insufficient for the reasonable needs of such land;
- (c) purchasing, acquiring, owning, leasing or developing lands, or any interest therein, for the present or future water system facilities;
- (d) paying all taxes, utilities, charges, assessments and other levies upon property owned or managed by the Company;
- (e) making and collecting assessments, rates and charges by which to further the foregoing objects and purposes; and to do any other act or thing in any way connected with the foregoing or related to the objects and purposes of the Company;
- (f) entering into one or more management contracts or other contracts with a third party or third parties, including PH Property Development Company and any successor or assignee of PH Property Development Company as developer of The Woodlands (the "Developer"), for the performance of any of the Company's objects or purposes.

Section 3. Notwithstanding any other provision of the Bylaws, the Company is not authorized to take any action that would cause the Company to be deemed an appropriator of the water

underlying the land described above or that would otherwise sever the ownership of such water and related water rights from ownership of such land.

Section 4. The Company shall be a separate corporation formed and organized for the purpose described in Section 14311 of the California Corporations Code.

Section 5. The Company may, at the discretion of the Board of Directors, offer to the shareholders of the Company other services which are related to the delivery of water, including without limitation, sewer service, wastewater treatment, and the delivery of reclaimed water. In connection with any such service, the Board of Directors shall have the right to exercise the same authority and powers granted pursuant to these Bylaws with respect to the furnishing of water, including without limitation, adopting rules and regulations for the delivery of the service and setting the assessments, rates and charges applicable to same. Furthermore, the Company shall have the benefit of a lien upon each share of stock as described in Article III, Section 3, with respect to all assessments, rates and charges charged in connection with a service offered to the shareholders pursuant to this Section. Notwithstanding the foregoing, the Company shall not provide any service which is prohibited by any law or regulation applicable to the Company as a Mutual Water Company.

ARTICLE III Furnishing of Water

Section 1. Water shall be distributed, supplied or delivered only to the shareholders of the Company. If the subdivision has a homeowners' association, the Company shall also provide water to the common areas. Shares of the Company shall be appurtenant to those lands as described in Article II, Section 1 above. Notwithstanding the foregoing, pursuant to Corporations Code section 14300, the Company may sell water to the state, or any department or agency thereof, or to any school district, or to any public agency, or to any other mutual water company or, during any emergency resulting from fire or other disaster involving danger to public health or safety, to any person at the same rates as to holders of shares of the Company; and provided further, that the Company may enter into a contract with a county fire protection district to furnish water to fire hydrants and for fire suppression or fire prevention purposes at a flat rate per hydrant or other connection; provided, however, the Company shall not sell water to any entity if doing so would cause the Company to be deemed an appropriator so as to jeopardize any water rights of the shareholders as owners of the overlying land. If the sale of water to any third party other than the shareholders of the Company is otherwise permitted by these Bylaws, the Company shall obtain from any such purchaser a waiver of all rights to receive water from the Company as from a public utility.

Section 2. Representatives of the Company may enter upon the land of shareholders for the purpose of inspecting, repairing and replacing the Company's water delivery system or reading, connecting or disconnecting the Company's meters.

Section 3. There shall be a lien in favor of the Company upon each share of stock for all assessments, rates and charges of any nature imposed by the Company upon either such share(s) or the holder thereof, and all such assessments, rates and charges may be enforced by any remedy provided in these Bylaws or by law. The Board of Directors may cause a notice of such lien to be recorded in the County Recorder's Office.

ARTICLE IV Shareholders

Section 1. Only persons owning at least one lot within The Woodlands shall be eligible to own shares of the Company's common stock. However, the Developer shall not become a shareholder.

A "lot" or "lots" shall mean those lots described and set forth in subdivision maps from time to time filed in the Office of the County Recorder of San Luis Obispo County, California, relating to The Woodlands and lots resulting from the further subdivision of any lots set forth and described in any of said subdivision maps initially filed or in any additional area later annexed to the subdivision. Any owner of a lot held as community property, or as a partnership, or as a company, or as a corporation, or as an association for fraternity, shall nevertheless be deemed only one owner.

Section 2. All owners of lots shall, by reason of such ownership, become shareholders of the Company and be issued one share of the Company's common stock for each such lot so owned. Any share certificate shall make reference to the lot with respect to which it was issued. Each share of the Company's common stock entitles the shareholder to receive from the Company that quantity of water that can be reasonably and beneficially used on the lot with respect to which the share was issued.

Section 3. Upon the issuance of shares of common stock, each share shall be appurtenant to the lot with respect to which it was issued, and such share shall only be transferred with such lot except upon the forfeiture to the Company for delinquent assessments thereon as provided in Corporations Code section 14303. No transfer of a share or shares shall be made until any established transfer fee is paid to the Company and until all unpaid assessments, rates and charges owed to the Company by the holder thereof have been paid.

Section 4. The Company shall prepare and deliver to each shareholder, within 105 days of the close of the fiscal year, financial statements showing the financial condition of the Company as of the last day of the fiscal year and results of operations of the Company for the year then ended.

Section 5. Shareholders shall have the right to inspect the books and records of the Company as provided in the Corporations Code.

Section 6. Upon dissolution of the Company, funds retained by the Company after satisfaction of or provision for all indebtedness will be distributed to shareholders on the basis of their shares.

ARTICLE V Share Certificates and Transfers

Section 1. Share certificates of the Company shall be in such form as the Board of Directors shall designate and shall be issued over the signature of the president and secretary.

Section 2. There shall be only one class of shares. However, the Board of Directors may, designate shares by subclass for purposes of identification, as follows:

- Subclass A - Representing owners of unimproved lots.
- Subclass B - Representing owners of lots improved by single family residences.
- Subclass C - Representing owners of lots improved by multi-family residences (where permitted), apartments and cooperative dwelling units.
- Subclass D - Representing owners of lots improved by condominiums.
- Subclass E - Representing owners of lots improved by commercial structures.

- Subclass F - Representing lots owned and occupied by governmental structures.
- Subclass G - Representing lots improved with golf courses and similar recreational facilities.
- Subclass H - Representing owners of lots not falling into any of the above subclasses.

The Board of Directors may, by amendment to these Bylaws or by resolution, designate other subclasses of lot ownership, including subcategories of the above, to indicate the nature, extent and degree of services requested or provided, or to facilitate the assessment of assessments, rates and charges, as provided in Article IX.

Section 3. A certificate book shall be maintained which shall reflect for each certificate issued, the owner, date of issue, number of shares, designation of appurtenant lots and subclass.

Section 4. One share shall be issued for each lot in the subdivision. A share certificate shall be issued for each lot purchased. Shareholders shall be entitled to exercise all of the rights and privileges of such, and they shall be subject to all of the obligations and liabilities of such, even without the actual issuance of a share certificate.

Section 5. Shares of the Company are not transferable or assignable except as specifically provided in these Bylaws.

Section 6. Except as otherwise provided, transfers of shares shall be subject to a transfer fee and to the payment of all indebtedness to the Company of the shareholder whose share is transferred.

Section 7. The Company shall not issue any fractional shares.

ARTICLE VI Meeting of Shareholders; Voting Agreement

Section 1. The annual meeting of shareholders of the Company shall be held at such hour and such day during the month of April each year or such later date as the Board of Directors may determine, and at such place in San Luis Obispo County, California, as shall be determined by the Board of Directors. The secretary shall mail or deliver to each shareholder written notice of the time and place of such meeting not less than 10 nor more than 60 days prior to the time appointed therefor. Notice mailed to the last address given the secretary of the Company by any shareholder shall be sufficient.

Section 2. Special meetings of shareholders may be called at any time by the president, a majority of the Board of Directors, or not less than ten percent (10%) of the shareholders of the Company, in good standing, at a convenient place in San Luis Obispo County, California. Upon receipt of a request in writing setting forth the purpose of such proposed special meeting, signed by the president, a majority of the Board of Directors or holders of not less than ten percent (10%) of the outstanding shares of the Company in good standing, the secretary shall fix a time and place for such meeting, which shall be not less than thirty-five (35) nor more than sixty (60) days after the receipt of such request, and shall cause written notice thereof, setting forth the time and place and purpose of the meeting, to be given each shareholder by personal delivery or by mailing to the last address given the secretary of the Company at least twenty (20) days prior to the time fixed for such meeting; and if the secretary shall neglect or refuse to issue such call, the president, directors or shareholders making the request may do so. An annual or special meeting of the shareholders may be held at any time without notice when all of the shareholders

are present in person or by proxy or when all of the shareholders waive notice and consent in writing to the holding thereof.

Section 3. All shareholders shall be entitled to one vote per share on all shareholder matters. In addition, the Developer shall be entitled to three votes for each lot owned by the Developer on all shareholder matters; provided, that the Developer's voting rights shall be reduced to one vote for each lot owned by the Developer from and after the date (the "Cut Over Date") on which the total number of shareholder votes equals or exceeds the number of Developer votes (before giving effect to such reduction). This Section 3 shall be deemed a voting agreement of all of the shareholders of the Company. Any person agreeing in writing to purchase a lot and the appurtenant share shall be deemed to have agreed to this voting agreement. If applicable law does not permit the Developer to cast a vote not represented by an actual share, each shareholder authorizes the Developer to vote the shares of the shareholder, or agrees to vote his or her own shares as directed by the Developer, in each case in such a manner as to reflect the relative weighting of voting power of the shareholders and the Developer described in this Section 3. The preceding sentence shall give the Developer the right to vote, or shall require the shareholders to vote as directed by the Developer, a percentage of all shares equal to a fraction, (a) the numerator of which is the number of lots owned by the Developer multiplied by three (before the Cut Over Date) or one (on and after the Cut Over Date), and (b) the denominator of which is the sum of the number of shares outstanding plus the numerator. The inspector of elections on any shareholder matter is authorized and directed to recognize the votes of or directed by the Developer in accordance with this Section 3. This voting agreement may permit the Developer to vote, or to direct the vote of, a fraction of each share.

Section 4. Voting shall be conducted in person or by proxy. The presence in person or by proxy of holders of twenty percent (20%) of the total number of votes eligible to be cast at the time of a meeting shall constitute a quorum for the transaction of business at any meeting of the shareholders. Shares that the Developer may vote or that are to be voted at the direction of the Developer under the voting agreement in Section 3 above shall be deemed present if the Developer is present.

Section 5. The Board of Directors shall appoint one or more inspectors of election and alternates for any annual or special meeting.

ARTICLE VII Directors

Section 1. The business, property and affairs of the Company shall be managed by a Board of Directors, composed of not fewer than three (3) and not more than five (5) persons. The exact number within this range shall be fixed from time to time by resolutions of the Board of Directors. Directors shall be elected annually by shareholders in good standing at the annual meeting for a term of one year and shall serve until their successors are qualified and elected.

Section 2. The Board of Directors shall have the general management and control of the business and affairs of the Company and shall exercise any and all of the powers that may be exercised or performed by the Company under the law, the Articles of Incorporation and these Bylaws; provided, this provision shall not impair the terms of any management agreement between the Company and the Developer or other third party. The Board of Directors may make and enforce such rules and regulations as they deem necessary, conducive, incidental or advisable to accomplish or promote the objects and purposes of the Company and the uses of its property, assets and facilities. The Board of Directors in its discretion may establish committees and the scope of their authority. All committee members shall serve at the discretion of the Board of Directors.

Section 3. Regular meetings of the Board of Directors shall be held immediately after the annual meeting of shareholders and at such other regular times and places as may be established by the Board. The Board of Directors shall appoint one of the directors as a chair who shall preside at all meetings of the Board of Directors. The Board of Directors may appoint a new chair or vice-chair at any time. Meetings may be held by conference telephone or similar communication equipment if directors participating in the meeting can hear one another. Special meetings may be called at any time by the chair of the board, president, or any two directors at such times and places as shall be set forth in the notice thereof. At least 24 hours notice of such meeting shall be given to each director, which notice may be given by telephone. The transactions of any such meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though it had been a meeting duly held after regular call and notice, if a quorum is present.

Section 4. A majority of the directors shall constitute a quorum of a meeting for the transaction of business, and a majority of such quorum shall determine any question except as otherwise provided by law, the Articles of Incorporation or these Bylaws; provided however, that if a quorum is not present, the majority of those directors present may adjourn to such future time and place as they shall determine, notice of such adjournment to be given to each director as herein provided for meetings of the Board of Directors.

Section 5. If an action of the Board of Directors is required or permitted to take place, it may be taken without a meeting if all directors consent in writing to that action. Such action by unanimous written consent shall have the same force and effect as any other validly approved action of the Board of Directors. Such consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 6. All vacancies of the Board of Directors, whether caused by resignation, incompetency, death or otherwise, shall be filled by unanimous written consent of the remaining directors or by a resolution adopted by a majority of the remaining directors at a regular or special meeting of the Board of Directors even though less than a quorum, or by the shareholders of the Company at any meeting thereof, held prior to the filling of such vacancy by the Board of Directors. Directors thus elected to fill any vacancy shall hold office for the unexpired term of predecessors.

Section 7. Subject to limitations of the Articles of Incorporation, these Bylaws and the General Corporation Law of California, the directors shall have the following powers:

- (a) to change the principal office for the transaction of the business of the Company from one location to another;
- (b) to prescribe the form of share certificates and to alter the form of the Company's share certificates from time to time as in their judgment they may deem best, provided such certificates shall at all times comply with the provisions of law;
- (c) to authorize the issue of shares of the Company from time to time upon such terms as may be lawful, but consistent with the requirement that each share shall be appurtenant to a parcel of land within The Woodlands;
- (d) to borrow money and incur indebtedness for the purposes of the Company, and to cause to be executed and delivered therefor, in the Company's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefor; and

- (e) to utilize the committees authorized in Article VII for the preservation and enhancement of the Company.

ARTICLE VIII Officers

Section 1. The officers of the Company shall be a president, one or more vice presidents, a secretary, and a treasurer and such other officers as the Board of Directors may appoint or designate. Such officers shall be appointed by the Board of Directors.

Section 2. The president shall be the executive head of the Company and shall preside at all meetings of the shareholders. The president, together with the secretary shall sign all share certificates, contracts, deeds, bonds and other obligations of the Company and other instruments authorized by the Board of Directors. This provision shall not preclude the Board of Directors from authorizing any individual officer or a different combination of officers to sign any such document on behalf of the Company.

Section 3. A vice president shall perform, in the absence of the president or in the event of the president's inability to act, the same duties and functions as are provided to be performed by the president.

Section 4. The secretary shall be the custodian of all records and documents pertaining to the Company and its property and shall keep fair and correct minutes and records of all meetings of shareholders and of the Board of Directors. The secretary shall give notice of all meetings of shareholders of the Company and of the Board of Directors as set forth in these Bylaws.

Section 5. The treasurer, subject to such limitations, controls and delegations as may be imposed by the Board, shall:

- (a) receive or cause to be received, for the Company's account all moneys, securities, valuable papers and other assets belonging to the Company for safe keeping.
- (b) disburse or cause to be disbursed all checks, drafts, and other orders for the disbursement of its funds, including any notes, as directed by the Board of Directors of the Company, in compliance with established budgets.
- (c) maintain or cause to be maintained full and complete records of all the assets, liabilities, income and expenses of the Company in accordance with forms and procedures prescribed in the Corporations Code.
- (d) perform such other duties as customarily pertain to the office of treasurer or as may be directed to perform by resolution of the Board.

Section 6. The Board of Directors may appoint, employ, terminate, discharge, fix the compensation and provide for the duties and powers of such officers, agents and employees, as in the judgment of the directors shall be advisable, and two or more of any officers, agents or employees may be combined in one person, except the office of the president and secretary. Any officer of the Company shall perform and discharge such duties, other than those enumerated in this Article VIII, as the Board of Directors may from time to time require. Salaries paid to the persons operating, or employed by, the Company, including officers and directors, shall be limited to a reasonable amount as determined by the

Board of Directors in its reasonable discretion in light of salaries and compensation paid in the market in which the area to be served is located to persons with comparable skills, experience and responsibilities.

Section 7. Any officer may be removed as such by the Board of Directors at a properly called meeting for any reason they deem sufficient.

ARTICLE IX Assessments, Rates & Charges

Section 1. The actual costs of management and operation of the business of the Company shall be met by assessments, rates and charges to the shareholders of the Company pursuant to Corporations Code sections 14303 and 14312 and as provided herein.

Section 2. The Board of Directors shall from time to time fix the assessments, rates and charges by equitably prorating the costs of management and operations, for such period as the Board may select, which costs shall include, but are not limited to, the costs of furnishing water, the costs of acquisition, construction, repair and replacement of the water supply, distribution and fire protection system, the costs of improvements, additions, and replacements to the water supply, distribution and fire protection system, and the costs of funding, accumulating and maintaining capital reserves for the repair, replacement, improvement, and expansion of the water supply, distribution and fire protection system. The assessments, rates and charges shall bear a reasonable relationship to the costs described above. If the Company should purchase water for distribution from a public utility, municipal water company or water district, it shall charge each shareholder a pro rata amount of the cost of water supplied to an entity providing fire protection service.

Section 3. The Board of Directors shall adopt, and may amend from time to time, an equitable system of assessments, rates and charges on all shareholders, including those owning unimproved lots, for the purpose of meeting the expenses of the Company and bearing a proportionate share of the cost of repair and replacement of the water supply, distribution, and fire protection system, as well as a proportionate share of the cost of maintaining the reserve fund.

Section 4. All assessments, rates and charges shall be fixed in the manner required by law to preserve the private ownership of the shareholders' water rights by the shareholders, or by the Company as agent or trustee for the shareholders, and the delivery of underlying water by a mutual water company to its shareholders. Assessments, rates and charges shall represent the Company's actual costs, determined in a manner to ensure that the Company is not subject to regulation as a public utility under California Public Utilities Code section 2705.

Section 5. The Company shall have the power to enforce its assessments and the payment of all rates and charges assessed by the Company and shall not be required to transfer delinquent shares on its books or to furnish water to any shareholder or to any person claiming under the shareholder, or to the land to which any shares are appurtenant, unless and until all assessments, rates and charges to which the same are related shall be paid.

Section 6. The Board of Directors in each levy of an assessment shall specify the amount of such assessment, rate or charge made and levied and to whom and where payable. The Board shall set the date(s) on which the assessment, rate or charge is payable. The Board shall set the date(s) on which the assessment, rate or charge is delinquent, which date shall not be less than 30 days nor more than 60 days from the date on which it is payable. The Board shall set the date(s), time and place for the forfeiture of delinquent shares to the Company, which date shall not be less than 15 days not more than 60 days from the date on which the unpaid assessment becomes delinquent. The Company shall acquire a delinquent

share in the manner provided in the Corporations Code and shall not in any manner sell a delinquent share separate and apart from the lot to which it is appurtenant. Assessments not paid on or before the date made delinquent may be subject to a penalty in such amount as the Board of Directors may determine in its reasonable discretion in addition to the assessment. The levy of the assessment shall also set and specify any interest and costs of collection to be charged and the manner in which the same will be incurred.

Section 7. The secretary of the Company shall give notice of the levy of the assessment, in writing by mail to each shareholder addressed to the last address of the shareholder appearing on the records of the Company at least ten (10) days prior to the date such assessment becomes due and payable. The notice shall specify the date of the levy by the Board, the amount of the assessment, rate or charge made and levied, the designation of the class or subclass of stock assessed, the date(s) payable, and the manner of payment. The notice shall further specify the date(s) on which the assessment shall become delinquent if unpaid and the date(s) on which the delinquent share will be forfeited to the company if unpaid. The notice shall further provide notice of the imposition of the five (5) percent penalty charge and any other interest or costs set by the Board and the manner in which the same shall be incurred. The notice provided for in this Section may be served in any other manner provided for by law.

Section 8. Upon the giving of notice to the shareholders of the levy of an assessment or of the establishment of rates and charges as provided above, the Company may establish and set procedures for the billing of shareholders for the collection of assessments, rates or charges, or any part thereof, in the form and manner as may from time to time be authorized and adopted by the Board of Directors.

Section 9. Once assessments, rates or charges become delinquent, the Company may deny the delinquent shareholder the right to receive water and may suspend and physically shut off water service and the share may be removed from good standing and rights and privileges pertaining to the share suspended. A forfeited share may be subject to assessments, rates and charges levied during the period in which it is forfeited.

Section 10. If the Company takes action to collect assessments, rates and charges delinquent and not timely paid, the company shall be entitled to interest, costs of collection, and reasonable attorney's fees.

Section 11. A share forfeited to the Company for the collection of a delinquent assessment shall be subject to a right of redemption in the owner of the lot to which the share is appurtenant. A shareholder shall redeem the share forfeited to the Company upon application to the Company in the form and manner as may be established by the Company from time to time and upon payment to the Company of:

- (a) the charge which may be established by the Company for the application for redemption of forfeited shares;
- (b) the delinquent assessments, rates and charges including as applicable the penalty charge, interest and costs of collection due at the time of the forfeiture of the subject share;
- (c) the applicable assessments, rates and charges against the subject share levied or accrued between the date of forfeiture of the share and the date of redemption; and

- (d) the applicable interest and costs of collection accruing between the date of forfeiture and the date of redemption.

Upon redemption of a forfeited share, the share shall be returned to good standing, water service shall be restored, and all rights and privileges shall be reinstated.

Section 12. In accordance with Corporations Code section 14300, in the event lands to which any share is appurtenant are owned or purchased by the state, or any department or agency thereof, or any school district, or public agency, the share shall be canceled by the secretary, but shall be reissued to any person later acquiring title to the land from the state department, agency, or school district, or public agency.

ARTICLE X Notice

Any notice required to be given pursuant to these Bylaws shall be by written notice, unless otherwise specifically provided herein. Written notice may be given by depositing it in the United States mail in an envelope, postage prepaid, addressed to the recipient at his last known address, and the time when the notice is mailed shall be deemed the time of giving such notice. A written waiver of any notice, signed before or after the time stated in such waiver for holding a meeting, or attendance at a meeting, shall be equivalent to notice thereof required to be given by these Bylaws.

ARTICLE XI Indemnification

Section 1. To the fullest extent permitted by law, this Company shall indemnify its directors, officers, employees, and other persons described in the Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Company by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in this By-Law, shall have the same meaning as in Section 317 of the Corporations Code.

Section 2. On written request to the Board of Directors by any person seeking indemnification under Corporations Code Section 317(b) or Section 317(c), the Board of Directors shall promptly determine under Section 317(e) whether the applicable standard of conduct set forth in Section 317(b) or Section 317(c) has been met and, if so, the Board of Directors shall authorize indemnification. If the Board of Directors cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the Board of Directors may seek an independent legal opinion or call a meeting of shareholders to seek approval of indemnification.

Section 3. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Company before final disposition of the proceeding, on receipt by the Company of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Company for those expenses.

Section 4. The Company may purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted

against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, or agent's status as such.

ARTICLE XII
Amending or Repealing Bylaws

Bylaws may be adopted, amended or repealed by the shareholders and, except as provided in the Articles and Bylaws and the California Corporations Code, by the Board of Directors.

CERTIFICATION OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of The Woodlands Mutual Water Company of San Luis Obispo, a California corporation.

2. That the foregoing Bylaws, comprising twelve (12) pages, excluding this page, constitute the Bylaws of said corporation as duly amended and adopted by unanimous written consent of the directors on or as of May 4, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 4th day of May, 2005.

John Scardino
Secretary

**Exhibit C:
Engineer's Executive Summary**



THE WOODLANDS DEVELOPMENT

Tract 2341



ENGINEER'S REPORT



NOVEMBER 2005

Prepared for: J.H. Land Development Co.

Prepared by:



WALLACE GROUP

4115 Broad Street, Suite B-5, San Luis Obispo, CA 93401

The Woodlands Mutual Water Company of San Luis Obispo

Engineer's Statement

The water supply, distribution, and fire protection system for the Woodlands Mutual Water Company of San Luis Obispo (Company) System will adequately, dependably, and safely meet the total requirements for all water consumers under maximum consumption as defined by County of San Luis Obispo standards, County Health requirements, and California Division of Forestry (CDF) requirements, and will meet the requirements of Section 14314.

Consent of Expert

I, Robert S. Miller, R.C.E. 57474, hereby consent to the inclusion of, or reference to the Engineer's Report and to the inclusion of my name in the prospectus or offering circular for the Woodlands Mutual Water Company of San Luis Obispo.



EXECUTIVE SUMMARY

The Woodlands Development is a new housing and commercial development located on the Nipomo Mesa. The Woodlands Development must plan water services to meet Phase 1A development as well as full build-out development. This water master plan is tool used to analyze and determine the required facilities to provide an adequate distribution system for the customers. The following is a summary of the subsequent chapters.

WATER DEMANDS

The water demand forecasts will form the basis for assessing water supply requirements and identifying distribution system requirements. The Woodlands Development is a planned community to be built over the next twenty years. The water demands have been projected in the Environmental Impact Report, dated September 1998, for each land use, and were confirmed and updated by JLWA. The potable water users and their demands are listed in Table ES-1. The total demand at build-out for the Woodlands Development is 540 gpm (871 afy).

Table ES-1. Water Demand Factors for Potable Use

User	Units	Type of Unit	Demand, gpm	Total Usage, gpm (afy)
Residential Single Family	1,220	D.U.	0.3	366.00 (590.4)
Residential Multi-Family	100	D.U.	0.137	13.70 (22.1)
Village: Mixed Use	10.46	acres	1.3	13.60 (21.9)
Resort: Hotel	500	rooms	0.093	46.50 (75.0)
Resort: Mixed Use	23.67	acres	1.3	30.77 (49.6)
Business Park	20.29	acres	1	20.29 (32.7)
Golf Clubhouse	2	facilities	3.97	7.94 (12.8)
School	600	students	0.019	11.40 (18.4)
Maintenance/WWTP	1	lump	4.53	4.53 (7.3)
Parks	16.64	acre	1.55	25.79 (41.6)
Total				540.48 (871.8)

Water system demands are important characteristics of water systems, as these parameters are used to size pumping, storage, and distribution system facilities. Table ES-2 summarizes the hydraulic demand parameters that will be used as the basis for evaluation of the Woodlands system.

Table ES-2. Hydraulic Demand Parameters

Demand Condition	Build-out gpm (afy)	Comments
Average Day Demand	540 (871)	Based on industry standards
Night Time Demand	216 (349)	Based on ADD x 0.4
Maximum Day Demand	1,080 (1,742)	Based on ADD x 2.0
Peak Hour Demand	1,890 (3,049)	Based on ADD x 3.5

WATER SUPPLY AND QUALITY

The Woodlands Development will extract groundwater from the Nipomo Mesa unit of the Santa Maria Groundwater Basin, which underlies the Development. Four potable water wells and one monitoring well were drilled between 1993 and 1994 to be tested and monitored to determine the available capacity, the water quality, and the impact to the groundwater basin. The wells are: No. 1 - Highway 1 Production and Monitoring, No. 2 - Homestead, No. 3 - Mesa Road, and No. 4 - Dawn Road.

Water Quality

The water quality data provided for the four wells was from the original drill date. The results indicate the Woodlands Development water supplies meet primary and secondary standards, except for Dawn Rd Well. Dawn Rd Well exceeds the secondary MCL for iron.

Water Supply

The Woodlands Development has a build-out maximum day demand of 1,080 gpm (1,742 AFY). To ensure adequate water supply, it is recommended that the wells be capable of supplying the maximum day demand with the largest well out of service. The Highway 1 well is located in the design thoroughfare for the proposed golf course. The well will need to be placed in a vault and therefore, the Highway 1 well will be used solely as a non-potable irrigation well, to be used by

the golf course. The Woodlands Development will utilize the Homestead well as the primary well, capable of meeting maximum day demand at build-out on its own. The Mesa well will be the back-up well to the Homestead well. The Mesa well is unable to meet build-out maximum day demand on its own and therefore, it is recommended to develop the Dawn well as a third back-up well in the event the Homestead well is taken out of service. The three wells will have a combined capacity of 2,800 gpm. It is also recommended to stub-out piping to the Highway 1 well (approximately 1,300 feet) under Phase 1A to allow for the potential of using this well or a newly drilled well within the same vicinity for potable use. This recommendation is due to the potential impact the Dawn well and the Mesa well have on the NCSD and neighboring wells. In the future, the Dawn and Mesa wells may be limited in production or unable to be used.

Water Treatment

The groundwater water will be centrally disinfected with Chlorination at the water storage site.

RECYCLED WATER USE FEASIBILITY STUDY

The recycled water element focuses on two major potential customers of recycled water in The Woodlands community, the golf course and a future elementary school.

Golf Course

The golf course is spread out between the housing tracts. The golf course in Phase 1A consists of a total area of 156 acres. Approximately 130 acres will be irrigated with the recycled water in Phase 1A. There is a total area of 389 acres for the golf courses at build-out, including the total area for Phase 1A. For each phase, the recycled water will be delivered to a single pond and the golf course irrigation system will distribute the water from the pond.

Elementary School

The elementary school is part of Phase 1B of the Woodlands development. It is located on the east side of the property. The total area of the elementary school site is approximately 12 acres. There are about 4 acres for the school buildings and an estimated 8 acres of land available to irrigate.

Water and Recycled Water Quality

The chemical make-up of water used for irrigation purposes is very important in ensuring maintenance of the quality of the landscaping being irrigated. Irrigation water quality parameters for the Woodland's water supply are summarized in Table ES-3. Since actual treatment plant effluent quality data is not available, actual recycled water effluent quality could not be determined. However, in general, mineral quality of treated wastewater, as compared to source

Table ES-3. Summary of Potable Water Quality, Woodlands Area Wells

	Well					
	MCL	Hwy 1	Dawn Rd	Mesa Rd	Homestead	Average:
Boron, mg/L	none	<0.1	0.44	0.38	0.75	0.39
Chlorides, mg/L	500	42	68	56	58	56
TDS, mg/L	1,000	442	700	616	840	649.5
EC, μ mhos/cm	1,600	610	1185	1060	1425	1070
pH	none	6.9	7.7	7.6	7.2	7.35
Magnesium, mg/L	none	21	38	29	43	32.75
Sodium, mg/L	none	43	48	41	53	46.25
Calcium, mg/L	none	54	120	115	150	109.75

Notes: 1. All water quality data extracted from USI Water Resources Management Study, April 1996.

drinking water, can degrade by several hundred mg/L (or higher) TDS. Table ES-4 also shows the limitations that the recycled water will not exceed as stated in the waste discharge requirements (WDR's).

Recycled Water Demand Projection Criteria

Recycled water demands must be projected on the basis of sound engineering judgment and established duty factors for the various uses. Turf and landscape irrigation projections are usually estimated by a combination of actual water use records, consideration of climate and evapotranspiration for the geographic area, peaking factors and others.

Given that no use data is available, an estimated 2.5 acre-ft per acre per year was assumed for the average demand for irrigation of the golf course and the elementary school. Peak demand was based on the difference in irrigation between summer and winter months and the evaporation data. Demand projections are summarized in Table ES-5.

The WWTP flow for Phase 1A is 32.2 acre-ft/month. The WWTP flow for Build-Out is 64.5 acre-ft/mo. The demand for recycled water is less than the WWTP flow during Phase 1A so the irrigation water will have to be stored in the ponds during the winter months during Phase 1A. As the phases are being developed, however, the recycled water will need to be supplemented with potable water from the irrigation supply well. The demand for recycled water is more than the WWTP flow at Build-Out so the recycled water will have to be supplemented with potable water during periods of intensive irrigation.

Table ES-4. Woodlands Recycled Water Quality and WDR Limitations

Parameter	Woodlands Recycled Water Quality ¹	WDR Limitations	
		Mean	Maximum
BOD ₅ , mg/L		10	30
Suspended Solids, mg/L		10	30
TDS, mg/L	949.5		710
Settleable Solids, mg/L		0.1	0.3
Turbidity, mg/L		2 ²	5 ²
pH	7.35	Within the range of 6.5-8.4	
Boron, mg/L	0.57		
Chlorides, mg/L	81.9		
EC, μmhos/cm	1564.3		
Magnesium, mg/L	47.9		
Sodium, mg/L	67.6		
Calcium, mg/L	160.4		

¹ Estimated on proportion of TDS increase.

² Shall not exceed a daily average of 2 NTU or 5 NTU for more than 5% of the time over a 24 hour period.

Table ES-5. Recycled Water Demand

Demand	Average Monthly Demand (acre-ft/mo)		Peak Monthly Demand (acre-ft/mo)	
	Phase 1A	Build-Out	Phase 1A	Build-Out
Golf Course	27.1	67.7	41.5	103.4
School	0	2.0	0	3.6
Total Demand	27.1	69.7	41.5	107
WWTP Flow	32.2	64.5	32.2	64.5

Recycled Water Quantity/Availability

For reuse projects which involve predominantly landscape irrigation of public landscaped areas, the irrigation demand is typically high during the night-time, and low to zero during the daytime. The available flow of recycled water from treatment plants, however, is opposite the demand of recycled water. Typical wastewater flows are high during morning hours, and evening hours, and very low during the night-time hours (when recycled water demands are highest). The recycled water will be continually pumped to the golf course ponds for storage. Projected flow characteristics (at build-out) are as follows:

- Average dry weather flow (ADWF), 0.700 mgd (486.1 gpm)
- Peak hourly flow (summer ADWF), 2.07 mgd (1437.5 gpm)
- Peak Daily Flow (PDF), 1.05 mgd (730.0 gpm)

WATER STORAGE

There are three types of storage commonly evaluated in a storage analysis: emergency, fire and operational. The sum of these three are recommended to be the total storage volume available for the system. The total storage recommended is the sum of the emergency, fire, and operational storage. Table ES-6 summarizes each component's recommendations for the Woodlands Development to meet storage demands for each phase. The total recommended storage for build-out is 1.53 mg.

WATER DISTRIBUTION SYSTEM

At build-out of the Woodlands Development, the water distribution system will include 15.7 miles of water distribution mains, three 510,000 gal reservoirs, a booster pump station, and three wells.

The design requirements for the water distribution system relate primarily to the flow and pressure delivered by the system to the residences. Pressures below 20 psi are not acceptable in a municipal water system. Ideally, normal operating (static) pressures will be within the range of 40 to 80 psi. This is the range that most people find comfortable and will serve most fire sprinkler systems. Pressures higher than 80 psi are acceptable within the distribution system, but should be reduced to 80 psi at the service connection to prevent water hammer effects or leakage through rapidly-weakening washers and seats. The hydraulic design parameters and criteria for the Woodlands Development water distribution system evaluation are summarized in Table ES-7. To evaluate the performance of the water distribution system, identify adequate pipe sizes and booster pumps, a computer model was developed using Haestad's WaterCAD computer program.

Table ES-6. Total Storage Recommendations

Phase	Storage Component, gallons			Total Recommended Storage, gallons
	Emergency	Fire	Operational	
IA	256,800	270,000	69,840	600,000
IA & IB	370,350	720,000	128,160	1,220,000
IA, IB, & IIA	543,150	720,000	176,040	1,440,000
IA, IIA, IB, & IIB	619,500	720,000	194,400	1,530,000
EIR Recommendation				1,415,000 ¹
Final Storage Recommendation				1,530,000²

- ¹ Normal Daily Use: 1,100,000 gal
 Fire Storage: 270,000 gal
 Business Park & Commercial: 45,000 gal
 Total: 1,415,000 gal

- ² Three reservoirs at 510,000 gal each.

The performance of the Development's distribution system was evaluated based on all 8-inch water distribution mains. The distribution system was re-evaluated using the design requirements stated previously to up-size the water distribution mains that were unable to meet these design requirements. Additional pipes were up-sized based on looping, consistency, and land use. In addition, the pumping head was adjusted to determine the lowest required head to also meet these design requirements. Table ES-8 provides a detailed list, by phase, of the sizes and length of pipes recommended.

Table ES-7. Summary of Hydraulic Parameters and Design Criteria

Hydraulic Parameters and Design Criteria	Value
Fire Flow Requirements	Residential – 1,000 gpm (<3,600 s.f) Residential – 1,500 gpm (>3,600 s.f) Commercial/Industrial – 1,500 gpm Resort - 3,000 gpm
Maximum Day Demand Factor	2.0 times ADD
Peak Hour Demand Factor	3.5 times ADD
Minimum Service Pressure @ ADD, MDD, PHD	40 psi
Minimum Residual Pressure @ MDD and fire flow	20 psi
Pipeline Velocity @ ADD	< 5 ft/s
Pipeline Velocity @ Fire Flow plus MDD conditions	< 10 ft/s (< 15 fps near source of fire)
Minimum Pipe Diameter	all new water mains must be 8-inch or greater
Fire Hydrant Spacing	At every intersection, at intervals not more than 300 feet in commercial and industrial zones, and not more than 500 feet in residential zones.

Table ES-8. Water Main Distribution System Breakdown

Phase	IA	IB	IIA	IIB	Total, feet	Total, miles
	Length, feet					
8-inch	35,560	17,040	11,060	8,520	72,180	13.7
12-inch	7,880	0	2,410	0	10,290	1.9
18-inch	570	0	0	0	570	0.1
Total	44,010	17,040	13,470	8,520	83,040	15.7

STATE OF CALIFORNIA
DEPARTMENT OF HEALTH SERVICES

Certificate of Issuance

OF A

Water Supply Permit

TO

WOODLANDS MUTUAL WATER COMPANY

This is to certify that a water supply permit (Permit # 05-06-04P-006) has been issued to the Woodlands Mutual Water Company on September 27, 2005, to supply water for domestic purposes, serving Nipomo Mesa bluff area of San Luis Obispo County. The permit was issued by the California Department of Health Services, pursuant to the provisions of Division 104, Part 12, Chapter 4, Article 7, of the California Health and Safety Code. The permit is subject to the requirements of Title 22, California Code of Regulations, and to the conditions provided in the water supply permit.



A copy of the water supply permit is on file with the County of San Luis Obispo or may be obtained by contacting the Santa Barbara District Office of the Department of Health Services, Drinking Water Field Operations Branch, 118 Eugenia Place, Suite 200, Carpinteria, CA 93013-2000.

A handwritten signature in black ink, appearing to read 'Kurt Souza'.

Kurt Souza, P.E., Regional Engineer, Santa Barbara District

EXECUTIVE SUMMARY

(Full Report on File With the Water Company)

**Exhibit D:
Specimen Stock Certificate**

INCORPORATED UNDER THE LAWS

OF THE STATE OF CALIFORNIA

NUMBER

SHARES



**THE WOODLANDS MUTUAL WATER COMPANY
OF SAN LUIS OBISPO COUNTY**

CAPITAL STOCK: 10,000 SHARES COMMON STOCK @ NO PAR VALUE

Shares appurtenant to Lot _____ as recorded in Book _____ of Maps Page _____ Official Records of San Luis Obispo County

This Certifies that _____ is the

registered holder of _____ Shares,

of the Capital Stock of **THE WOODLANDS MUTUAL WATER COMPANY
OF SAN LUIS OBISPO COUNTY**

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed
this _____ day _____ A. D. 20 _____

President _____

Secretary _____

**Exhibit E:
Budget**

BUDGET

A budget was completed for the Woodlands Development as part of the Technical, Managerial, and Financial Capacity Assessment (TMF). The entire TMF is on file with the Board. The following tables provide the financial analysis for the Woodlands Development.

A description of the contents of relevant financial tables follows:

Table 1

Table 1 presents a summary of the established water and sewer charges as of November 2005. The supplemental water charges were derived from anticipated costs as indicated in Table 5. In the event that the Company begins to generate excessive reserves starting in 2009, the rates may be reduced subject to the approval of the Board of Directors.

Table 2

Table 2 summarized the anticipated schedule for various components of the development. The Company will need to be subsidized for at least the first two years based on the schedule of occupancies.

Table 3

Table 3 describes the anticipated revenues and expenses by calendar year for the Company.

Table 4

Table 4 lists the proposed monthly water charge as a function of water consumption.

Table 5

Table 5 describes the estimated annual cost of supplemental water. It should be noted that the Company intends to collect revenue for supplemental water starting in 2006 in anticipation of future expenses. The final costs will not be known until the Board executes an agreement with Nipomo Community Services District and construction is completed.

Table 6

Table 6 lists the cost and useful life of various system components for the purpose of estimating reserve requirements.

Table 7

Table 7 presents an approximate cash flow analysis for the accumulation and expenditure of reserves. The reserve contribution required should be set annually by the Board of Directors to keep pace with inflation.

Table 1

Water Use Factors:	
Min. water use for base rate	9 ccf per month
Minimum base rate charge	\$16.65 per metered connection per month
Water rate (1st tier - 0 to 40 ccf)	\$2.35 per ccf
Water rate (2nd tier - 41 ccf and over)	\$4.11 per ccf (applicable only to RSF, RMF, VC, and BP users)
Average water use estimates per month:	
RSF per lot	18 ccf per month
RMF per unit	12 ccf per month
Resort	1067.43 ccf per month
Golf	300 ccf per month
Tour center	20 ccf per month
Trilogy center	900 ccf per month
Average RSF water rate at average use	
Base rate + water use	\$37.80
Supplemental water charge	\$24.34
Total average monthly bill	\$62.14
Sewer Factors:	
RSF per lot	\$67.00 per month
RMF per unit	\$67.00 per month
Commercial per connection	\$100.00 per month
Resort	\$4,000.00 per month (based on use compared to RSF)
Golf	\$1,120.00 per month (based on use compared to RSF)
Tour center	\$67.00 per month
Trilogy center	\$2,000.00 per month (est. based on use, loading)

Table 2

Development Schedule	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
RSF (lots)	10	160	160	130	130	130	130	130	120	120	80
RMF (units)		40	40								
Commercial - Village (SF)				20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Commercial - BP (SF)				50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Resort (units)				250							
Golf	X										
Tour Center	X										
Trilogy Center (SF)			31,000								
Common area irrigation											
\$ Residential		12,000	30,000	47,400	63,000	78,600	94,200	109,800	124,800	146,400	146,400
Estimated use at \$1.87/ccf		6,417	16,043	25,348	33,690	42,032	50,374	58,717	66,738	78,289	78,289
\$ Commercial				753	2,000	3,746	5,987	8,723	11,897	16,266	16,266
Estimated use at \$1.87/ccf				403	1,070	2,003	3,202	4,665	6,362	8,698	8,698
Total common area use		6,417	16,043	25,750	34,759	44,035	53,576	63,381	73,100	86,987	86,987
LS charge at new rate		15,080	37,701	60,513	81,684	103,483	125,903	148,946	171,785	204,420	204,420
Average cumulative develop. and water data (taken at mid-year)											
RSF (lots)	N/A	90	250	395	525	655	785	915	1,040	1,160	1,260
RMF (units)		20	60	80	80	80	80	80	80	80	80
Commercial - Village - 10 lots (SF)				10,000	30,000	50,000	70,000	90,000	110,000	130,000	140,000
Commercial - BP - 19 lots (SF)				25,000	75,000	125,000	175,000	225,000	275,000	325,000	350,000
Resort (0/1)		0	0	0	1	1	1	1	1	1	1
Golf		1	1	1	1	1	1	1	1	1	1
Tour Center		1	1	1	1	1	1	1	1	1	1
Trilogy Center (SF)		0	1	1	1	1	1	1	1	1	1
Total commercial (V, BP, excludes Trilogy)			0	35,000	105,000	175,000	245,000	315,000	385,000	455,000	490,000
Total commercial meters (est V, BP)			0	3	8	12	16	20	24	28	29
Estimated comm. use in CCF (V, BP)			0	142	427	712	996	1,281	1,566	1,850	1,993
(demand factor 0.10 gpd/SF)											
Chargeable water units above base use:			0	115	355	604	852	1,101	1,350	1,598	1,732
Minimum NCSD supplemental water delivery			600	685	770	855	940	1,025	1,072	1,119	1,166
Minimum Woodlands supplemental water			80	91	103	114	125	137	143	149	155
Normal delivery based on cost allocation			87	129	179	216	255	293	330	370	392

Table 3

	Calendar Year for Budget											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Water system expenses												
Contract services												
Routine operations	\$6,000	\$23,400	\$29,200	\$34,900	\$40,600	\$48,540	\$56,480	\$64,420	\$72,360	\$80,300	\$80,300	\$80,300
System maintenance	\$1,000	\$4,000	\$4,500	\$5,000	\$5,400	\$6,060	\$6,720	\$7,380	\$8,040	\$8,700	\$8,700	\$8,700
Facility maintenance	\$3,000	\$7,800	\$8,400	\$8,900	\$9,400	\$10,960	\$12,520	\$14,080	\$15,640	\$17,200	\$17,200	\$17,200
Call outs / emergencies	\$3,000	\$12,000	\$7,000	\$8,000	\$9,000	\$10,600	\$12,200	\$13,900	\$15,500	\$17,100	\$18,700	\$18,700
Administration (mgmt, bookkeeping, billing)	\$3,000	\$12,000	\$15,000	\$18,000	\$20,000	\$22,000	\$24,000	\$26,000	\$27,000	\$27,000	\$27,000	\$27,000
Engineering	\$1,000	\$2,000	\$3,000	\$3,000	\$3,000	\$5,000	\$5,000	\$7,000	\$7,000	\$10,000	\$10,000	\$10,000
Groundwater reports / supply consulting	\$2,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Legal services	\$1,000	\$4,000	\$4,000	\$4,000	\$4,000	\$6,000	\$6,000	\$6,000	\$8,000	\$8,000	\$8,000	\$8,000
Accountant / taxes	\$1,000	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000
Lab testing	\$450	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Landscape maintenance	\$1,500	\$500	\$1,000	\$1,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Communications / SCADA												
Cross connection control												
Utilities												
Electrical power	\$5,000	\$40,000	\$70,000	\$100,000	\$140,000	\$170,000	\$200,000	\$220,000	\$240,000	\$260,000	\$260,000	\$260,000
Telephone service	\$150	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Alarm service	\$120	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Chemicals and Materials												
Sodium hypochlorite	\$1,500	\$6,000	\$8,000	\$11,000	\$14,200	\$17,400	\$20,600	\$23,800	\$26,000	\$30,000	\$30,000	\$30,000
Misc. oils, diesel fuel	\$500	\$500	\$700	\$900	\$1,000	\$1,100	\$1,100	\$1,300	\$1,500	\$1,500	\$1,500	\$1,500
Maintenance materials (parts, coatings etc)	\$500	\$1,500	\$2,500	\$3,700	\$4,800	\$5,900	\$7,100	\$8,200	\$9,300	\$10,400	\$10,400	\$10,400
Other expenses												
Permits and fees	\$0	\$1,000	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Insurance (D&O, liability, facility)	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Subtotal - Operations and Administration	\$47,720	\$149,100	\$191,200	\$237,300	\$293,300	\$345,960	\$397,120	\$437,480	\$476,740	\$516,600	\$496,700	\$496,700
10.0% Operating contingency	\$4,772	\$14,910	\$19,120	\$23,730	\$29,330	\$34,596	\$39,712	\$43,748	\$47,674	\$51,660	\$49,670	\$49,670
Reserve account	\$0	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$35,000	\$100,000	\$139,345	\$143,525	\$147,831	\$147,831
Total Water System Expenses	\$52,492	\$169,010	\$220,320	\$276,030	\$342,630	\$405,556	\$471,832	\$581,228	\$663,759	\$711,785	\$694,201	\$694,201
Total Water System Revenues	\$0	\$70,508	\$202,407	\$300,531	\$418,475	\$507,052	\$596,252	\$686,073	\$773,423	\$868,301	\$917,621	\$917,621
Loss (-) or gain (+)	-\$52,492	-\$98,502	-\$17,913	\$24,501	\$75,845	\$101,496	\$124,420	\$104,845	\$109,665	\$156,516	\$223,420	\$223,420
Supplemental water expenses												
Water purchases from NCS	\$0	\$0	\$108,347	\$161,306	\$223,203	\$270,539	\$318,181	\$366,132	\$412,727	\$462,909	\$489,969	\$489,969
Bond P&I for transmission	\$0	\$0	\$62,449	\$62,449	\$62,449	\$62,449	\$62,449	\$62,449	\$62,449	\$62,449	\$62,449	\$62,449
OM&R for transmission	\$0	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Total Supplemental Water Expenses	\$0	\$0	\$190,796	\$243,755	\$305,652	\$352,988	\$400,631	\$448,581	\$495,177	\$545,358	\$572,418	\$572,418
Total Supplemental Water Revenue	\$0	\$44,058	\$126,213	\$187,905	\$260,009	\$315,150	\$370,649	\$426,506	\$480,786	\$539,242	\$570,764	\$570,764
Loss (-) or gain (+)	\$0	\$44,058	-\$64,583	-\$55,850	-\$45,643	-\$37,838	-\$29,982	-\$22,075	-\$14,391	-\$6,116	-\$1,654	-\$1,654
Water + Supplemental loss or gain	-\$52,492	-\$54,443	-\$82,497	-\$31,350	\$30,201	\$63,658	\$94,438	\$82,771	\$95,274	\$150,400	\$221,766	\$221,766
Sewer system expenses												
Contract services												
Routine operations	\$20,000	\$54,600	\$74,900	\$95,200	\$110,000	\$124,300	\$138,900	\$153,400	\$168,000	\$182,500	\$182,500	\$182,500
System maintenance	\$1,500	\$9,000	\$10,450	\$11,900	\$13,300	\$14,700	\$16,100	\$17,500	\$18,900	\$20,200	\$20,200	\$20,200
Facility maintenance	\$1,000	\$17,200	\$19,550	\$21,900	\$24,800	\$27,600	\$30,500	\$33,300	\$36,200	\$39,000	\$39,000	\$39,000
Administration (shared w/ water)	\$3,000	\$12,000	\$15,000	\$18,000	\$20,000	\$22,000	\$24,000	\$26,000	\$27,000	\$27,000	\$27,000	\$27,000
Call outs / emergencies	\$3,000	\$7,000	\$10,000	\$14,000	\$15,000	\$16,000	\$17,000	\$17,500	\$18,000	\$18,000	\$18,000	\$18,000
Engineering	\$1,500	\$1,500	\$2,000	\$3,000	\$3,000	\$5,000	\$5,000	\$7,000	\$7,000	\$9,000	\$9,000	\$9,000
Groundwater monitoring	\$3,000	\$3,000	\$3,000	\$3,000	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Lab testing	\$2,500	\$9,300	\$14,000	\$18,800	\$23,500	\$23,500	\$25,000	\$25,000	\$27,000	\$30,000	\$30,000	\$30,000
Landscape maintenance	\$450	\$1,800	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Communications / SCADA	\$0	\$500	\$2,000	\$3,000	\$3,000	\$3,500	\$4,000	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Sewer cleaning / jet rodder	\$0	\$0	\$3,000	\$3,000	\$3,000	\$5,000	\$7,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000
Commercial / industrial discharge program	\$0	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Utilities												
Electrical power	\$6,450	\$28,400	\$50,400	\$72,300	\$94,300	\$115,440	\$136,580	\$157,720	\$178,860	\$200,000	\$200,000	\$200,000
Telephone service	\$150	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Alarm service	\$120	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Gas service	\$300	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Chemicals and Materials												
Sodium hypochlorite	\$1,500	\$5,000	\$7,000	\$10,000	\$13,000	\$15,600	\$18,200	\$20,800	\$23,400	\$26,000	\$26,000	\$26,000
Pail system chemicals	\$1,500	\$1,500	\$2,000	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000
Misc. oils, diesel fuel	\$500	\$700	\$9,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,300	\$1,300	\$1,300
Maintenance materials (parts, coatings etc)	\$500	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000
Lab materials and equipment	\$5,000	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Other expenses												
Permits and fees	\$0	\$1,000	\$1,000	\$2,000	\$2,000	\$5,000	\$5,000	\$7,000	\$7,000	\$9,000	\$9,000	\$9,000
Insurance (D&O, liability, facility)	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Subtotal - Operations and Administration	\$71,970	\$177,800	\$252,000	\$299,800	\$363,100	\$417,840	\$468,580	\$521,020	\$570,960	\$622,400	\$622,400	\$622,400
10.0% Operating contingency	\$7,197	\$17,780	\$25,200	\$29,980	\$36,310	\$41,784	\$46,858	\$52,102	\$57,096	\$62,240	\$62,240	\$62,240
Sludge disposal reserve account	\$0	\$3,000	\$5,000	\$12,000	\$12,000	\$12,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Reserve account	\$0	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$35,000	\$100,000	\$139,345	\$143,525	\$147,831	\$147,831
Total Wastewater System Expenses	\$79,167	\$203,580	\$292,200	\$356,780	\$431,410	\$496,624	\$565,438	\$688,122	\$782,401	\$843,165	\$847,471	\$847,471
Total Wastewater System Revenues	\$0	\$102,684	\$287,484	\$423,744	\$582,264	\$691,584	\$800,904	\$910,224	\$1,015,524	\$1,116,804	\$1,198,404	\$1,198,404
Loss (-) or gain (+)	-\$79,167	-\$100,896	-\$4,716	\$66,964	\$150,854	\$194,960	\$235,466	\$222,102	\$233,123	\$273,639	\$350,933	\$350,933
Total Water Company Expenses	\$131,659	\$372,590	\$703,316	\$876,565	\$1,079,692	\$1,255,168	\$1,437,901	\$1,717,931	\$1,941,336	\$2,100,308	\$2,114,090	\$2,114,090
Total Water Company Revenues	\$0	\$217,251	\$616,104	\$912,180	\$1,260,747	\$1,513,786	\$1,767,805	\$2,022,804	\$2,269,733	\$2,524,347	\$2,686,789	\$2,686,789
Estimated total net income or loss	-\$131,659	-\$155,339	-\$87,213	\$35,614	\$181,055	\$258,618	\$329,904	\$304,873	\$328,397	\$424,039	\$572,699	\$572,699

Table 4

Water charges as a function of use for RSF, RMF, and small commercial users

1st Tier Rates (0 to 40 ccf)				2nd Tier Rates (> 40 ccf)			
Monthly water use in ccf	Fixed charge (incl. 9 ccf/mo)	Additional water charge	Monthly cost	Monthly water use in ccf	Fixed charge (incl. 9 ccf/mo)	Additional water charge	Monthly cost
0	\$16.65	\$0.00	\$16.65	41	\$16.65	\$76.96	\$93.61
1	\$16.65	\$0.00	\$16.65	42	\$16.65	\$81.08	\$97.73
2	\$16.65	\$0.00	\$16.65	43	\$16.65	\$85.19	\$101.84
3	\$16.65	\$0.00	\$16.65	44	\$16.65	\$89.30	\$105.95
4	\$16.65	\$0.00	\$16.65	45	\$16.65	\$93.41	\$110.06
5	\$16.65	\$0.00	\$16.65	46	\$16.65	\$97.53	\$114.18
6	\$16.65	\$0.00	\$16.65	47	\$16.65	\$101.64	\$118.29
7	\$16.65	\$0.00	\$16.65	48	\$16.65	\$105.75	\$122.40
8	\$16.65	\$0.00	\$16.65	49	\$16.65	\$109.86	\$126.51
9	\$16.65	\$0.00	\$16.65	50	\$16.65	\$113.98	\$130.63
10	\$16.65	\$2.35	\$19.00	51	\$16.65	\$118.09	\$134.74
11	\$16.65	\$4.70	\$21.35	52	\$16.65	\$122.20	\$138.85
12	\$16.65	\$7.05	\$23.70	53	\$16.65	\$126.31	\$142.96
13	\$16.65	\$9.40	\$26.05	54	\$16.65	\$130.43	\$147.08
14	\$16.65	\$11.75	\$28.40	55	\$16.65	\$134.54	\$151.19
15	\$16.65	\$14.10	\$30.75	56	\$16.65	\$138.65	\$155.30
16	\$16.65	\$16.45	\$33.10	57	\$16.65	\$142.76	\$159.41
17	\$16.65	\$18.80	\$35.45	58	\$16.65	\$146.88	\$163.53
18	\$16.65	\$21.15	\$37.80	59	\$16.65	\$150.99	\$167.64
19	\$16.65	\$23.50	\$40.15	60	\$16.65	\$155.10	\$171.75
20	\$16.65	\$25.85	\$42.50	61	\$16.65	\$159.21	\$175.86
21	\$16.65	\$28.20	\$44.85	62	\$16.65	\$163.33	\$179.98
22	\$16.65	\$30.55	\$47.20	63	\$16.65	\$167.44	\$184.09
23	\$16.65	\$32.90	\$49.55	64	\$16.65	\$171.55	\$188.20
24	\$16.65	\$35.25	\$51.90	65	\$16.65	\$175.66	\$192.31
25	\$16.65	\$37.60	\$54.25	66	\$16.65	\$179.78	\$196.43
26	\$16.65	\$39.95	\$56.60	67	\$16.65	\$183.89	\$200.54
27	\$16.65	\$42.30	\$58.95	68	\$16.65	\$188.00	\$204.65
28	\$16.65	\$44.65	\$61.30	69	\$16.65	\$192.11	\$208.76
29	\$16.65	\$47.00	\$63.65	70	\$16.65	\$196.23	\$212.88
30	\$16.65	\$49.35	\$66.00	71	\$16.65	\$200.34	\$216.99
31	\$16.65	\$51.70	\$68.35	72	\$16.65	\$204.45	\$221.10
32	\$16.65	\$54.05	\$70.70	73	\$16.65	\$208.56	\$225.21
33	\$16.65	\$56.40	\$73.05	74	\$16.65	\$212.68	\$229.33
34	\$16.65	\$58.75	\$75.40	75	\$16.65	\$216.79	\$233.44
35	\$16.65	\$61.10	\$77.75	76	\$16.65	\$220.90	\$237.55
36	\$16.65	\$63.45	\$80.10	77	\$16.65	\$225.01	\$241.66
37	\$16.65	\$65.80	\$82.45	78	\$16.65	\$229.13	\$245.78
38	\$16.65	\$68.15	\$84.80	79	\$16.65	\$233.24	\$249.89
39	\$16.65	\$70.50	\$87.15	80	\$16.65	\$237.35	\$254.00
40	\$16.65	\$72.85	\$89.50	81	\$16.65	\$241.46	\$258.11

Table 5

Woodlands supplemental water allocation	400 AFY
Total NCSD supplemental water allocation	3000 AFY
Woodlands share of Capital, OM&R	13.33%
Estimated cost of supplemental water	\$1,250.00 per AF

Allocation of supplemental water cost at build-out											
Land Use Type	Quantity	Units	Use Factor	Units	Total Gross AFY	Supplemental Water Allocation to Category	Supp. Water Vol. to Category	Monthly Supp. water cost per Unit	Monthly pipeline Capital, OM&R per Unit	Total supplemental water cost per unit/mo.	Unit
RSF	1300	Units	18	ccf per month	644.6	65.20%	260.8	\$20.90	\$3.45	\$24.34	per RSF dwelling
RMF	80	Units	12	ccf per month	26.4	2.67%	10.7	\$13.93	\$2.30	\$16.23	per RMF dwelling
Commercial (VC, BP)	490000	SF	0.1	gpd per SF	54.9	5.55%	22.2	\$4.72	\$0.78	\$5.50	per 1,000 SF
Resort	1		1067.429813	ccf per month	29.4	2.97%	11.9	\$1,239.28	\$204.36	\$1,443.63	
Golf clubhouse	1		300	ccf per month	8.3	0.84%	3.3	\$348.30	\$57.43	\$405.73	
Tour center	1		20	ccf per month	0.6	0.06%	0.2	\$23.22	\$3.83	\$27.05	
Trilogy Center	1		900	ccf per month	24.8	2.51%	10.0	\$1,044.89	\$172.30	\$1,217.19	
Common area LS (per client)			86987	ccf per year	199.7	20.20%	80.8	\$96.75	\$15.95	\$112.70	per 1,000 ccf used
Total Gross Water Use					988.7	100.00%	400.0				

Cost of Transmission Pipeline Capital, OM&R		
Total project cost (at mid-point)	\$6,000,000	
Total bond cost (incl. closing costs)	\$7,200,000	
Annual interest rate	5.00%	
Bond term	30 years	
Amortization	Compounded annually	
Annual P&I	\$468,370.33	
Allocation to Woodlands	\$62,449.38	
Annual pipeline OM&R	\$150,000	Rough estimate
Allocation to Woodlands	\$20,000	
Total capital, OM&R to Woodlands	\$82,449.38	per year

Annual water purchase:
Pipeline P&I, OMR
Check total

Table 6

Water System Equipment Replacement Costs

Item	Units	Quantity (Phase 1A)	Quantity (Buildout)	Estimated Life Span	Estimated Unit Cost	Total Base Cost		Replacement Cost	
						Phase 1A	Build-Out	Phase 1A	Build-Out
Water Storage Reservoir	ea	2	3	50	\$ 240,000.00	\$ 480,000.00	\$ 720,000.00	\$ 9,600.00	\$ 14,400.00
Well Pumps									
800 gpm-125 Hp	ea	2	2	15	\$ 12,000.00	\$ 24,000.00	\$ 24,000.00	\$ 1,600.00	\$ 1,600.00
1200 gpm - 200 Hp	ea	1	1	15	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 1,000.00	\$ 1,000.00
Fire Hydrant Assemblies	ea	86	183	50	\$ 3,500.00	\$ 301,000.00	\$ 640,500.00	\$ 6,020.00	\$ 12,810.00
Booster Station									
Structure	sf	1	1	50	\$ 186,000.00	\$ 186,000.00	\$ 186,000.00	\$ 3,720.00	\$ 3,720.00
Scada, controls, electrical	ls	1	1	20	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 6,250.00	\$ 6,250.00
Mechanical	ls	1	1	20	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 3,000.00	\$ 3,000.00
Booster Station Pumps	ls	1	1	15	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 1,333.33	\$ 1,333.33
Hypochlorite System									
Pumps	ea	1	1	10	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 180.00	\$ 180.00
Distribution System	ls	1	2	70	\$ 2,901,105.00	\$ 2,901,105.00	\$ 5,802,210.00	\$ 41,444.36	\$ 82,888.71
On Site Distribution									
Piping - 10"	ls	1	1	70	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 214.29	\$ 214.29
Piping - 12"	ls	1	1	70	\$ 20,500.00	\$ 20,500.00	\$ 20,500.00	\$ 292.86	\$ 292.86
Piping - 16"	ls	1	1	70	\$ 32,000.00	\$ 32,000.00	\$ 32,000.00	\$ 457.14	\$ 457.14
Piping - 18"	ls	1	1	70	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 114.29	\$ 114.29
Concrete Vault	ls	1	1	50	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 240.00	\$ 240.00
12" Static Mixer	ls	1	1	20	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 550.00	\$ 550.00
Storm Drain Piping									
12"	ls	1	1	70	\$ 6,800.00	\$ 6,800.00	\$ 6,800.00	\$ 97.14	\$ 97.14
15"	ls	1	1	70	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 64.29	\$ 64.29
18"	ls	1	1	70	\$ 7,900.00	\$ 7,900.00	\$ 7,900.00	\$ 112.86	\$ 112.86
Manhole	ls	1	1	50	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 72.00	\$ 72.00
Sewer Piping	ls	1	1	50	\$ 810.00	\$ 810.00	\$ 810.00	\$ 16.20	\$ 16.20
Generators									
Booster Station - 300 KW, permanent	ea	1	1	20	\$ 59,000.00	\$ 59,000.00	\$ 59,000.00	\$ 2,950.00	\$ 2,950.00
Wells - portable	ea	1	1	20	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 1,500.00	\$ 1,500.00
SUBTOTAL					\$ 4,325,015.00	\$ 7,805,620.00	\$ 80,828.75	\$ 133,863.10	\$ 133,863.10

Table 6, Continued

Wastewater System Equipment Replacement Costs

Item	Units	Quantity		Estimated Life Span	Estimated Unit Cost	Total Base Cost		Replacement Cost	
		Phase 1A	Build-Out			Phase 1A	Build-Out	Phase 1A	Build-Out
WWTP Building									
Structure	sf	3,400	3,400	50	\$ 150.00	\$ 510,000.00	\$ 510,000.00	\$ 10,200.00	\$ 10,200.00
Electrical, Controls, Scada	ls	1	1	20	\$ 453,850.00	\$ 453,850.00	\$ 453,850.00	\$ 22,692.50	\$ 22,692.50
Headworks Facility (not including below)	ls	1	1	50	\$ 162,113.00	\$ 162,113.00	\$ 162,113.00	\$ 3,242.26	\$ 3,242.26
Auger Monster	ea	1	1	15	\$ 98,440.00	\$ 98,440.00	\$ 98,440.00	\$ 6,562.67	\$ 6,562.67
Flume	ea	1	1	20	\$ 10,095.00	\$ 10,095.00	\$ 10,095.00	\$ 504.75	\$ 504.75
Secondary Control Structure	ea	2	4	50	\$ 41,865.00	\$ 83,730.00	\$ 167,460.00	\$ 1,674.60	\$ 3,349.20
Influent Control Structure	ea	1	1	50	\$ 18,773.00	\$ 18,773.00	\$ 18,773.00	\$ 375.46	\$ 375.46
Ponds									
Structure (w/o liner)	ls	3	5	50	\$ 5,861.00	\$ 17,583.00	\$ 29,305.00	\$ 351.66	\$ 586.10
Liner	sf	16,790	33,580	20	\$ 9.00	\$ 151,110.00	\$ 302,220.00	\$ 7,555.50	\$ 15,111.00
DO Sensor & Controls	ea	2	4	10	\$ 5,250.00	\$ 10,500.00	\$ 21,000.00	\$ 1,050.00	\$ 2,100.00
Aerators									
7.5 HP	ea	4	8	15	\$ 20,000.00	\$ 80,000.00	\$ 160,000.00	\$ 5,333.33	\$ 10,666.67
10 HP	ea	2	4	15	\$ 23,000.00	\$ 46,000.00	\$ 92,000.00	\$ 3,066.67	\$ 6,133.33
Recirculation Pump Station	ls	1	1	20	\$ 15,242.00	\$ 15,242.00	\$ 15,242.00	\$ 762.10	\$ 762.10
Pump - 1.5 HP	ea	1	2	15	\$ 6,850.00	\$ 6,850.00	\$ 13,700.00	\$ 456.67	\$ 913.33
Effluent Pump Station									
Pump - 25HP	ea	2	3	15	\$ 7,750.00	\$ 15,500.00	\$ 23,250.00	\$ 1,033.33	\$ 1,550.00
Tertiary Filter System									
Aria AP-4 Filter Unit	ea	1	2	20	\$ 300,000.00	\$ 300,000.00	\$ 600,000.00	\$ 15,000.00	\$ 30,000.00
Chemical Supply Skid	ea	1	1	20	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 250.00	\$ 250.00
Hypochlorite System									
Metering Pumps	ea	2	2	10	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00	\$ 200.00	\$ 200.00
Neutralization Tank System	ls	1	1	20	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 1,250.00	\$ 1,250.00
Pumps - 10 Hp	ea	1	1	10	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 500.00	\$ 500.00
Tank - 3000 gallon w/ double containment	ea	1	1	10	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 600.00	\$ 600.00
Collection System									
8" pipe	ls	5	15	70	\$ 50.00	\$ 1,201,200.00	\$ 3,960,000.00	\$ 17,160.00	\$ 56,571.43
Lift Station									
Pumps-30 HP	ea	2	3	15	\$ 7,000.00	\$ 14,000.00	\$ 21,000.00	\$ 933.33	\$ 1,400.00
Intermediate Lift Station	ea	1	1	20	\$ 3,058.00	\$ 3,058.00	\$ 3,058.00	\$ 152.90	\$ 152.90
Pumps - 5HP	ea	2	3	15	\$ 8,250.00	\$ 16,500.00	\$ 24,750.00	\$ 1,100.00	\$ 1,650.00
Generators									
Lift Station 125KW - permanent	ea	1	1	20	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 1,500.00	\$ 1,500.00
WWTF - permanent	ea	1	1	20	\$ 59,000.00	\$ 59,000.00	\$ 59,000.00	\$ 2,950.00	\$ 2,950.00
Mechanical Piping	ls	1	1	50	\$ 14,200.00	\$ 14,200.00	\$ 14,200.00	\$ 284.00	\$ 284.00
Flow Meter	ea	1	1	10	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 200.00	\$ 200.00
SUBTOTAL						\$ 3,362,744.00	\$ 6,834,456.00	\$ 106,941.73	\$ 182,257.70

Table 7

Replacement Year Number	Callender Year	Replacement Cost	Inflated Cost	Reserve Cont.	Cum Reserves	Life Span	Phase IA	Build out
						10	\$ 27,300.00	\$ 37,800.00
						15	\$ 336,290.00	\$ 492,140.00
						20	\$ 1,337,355.00	\$ 1,788,465.00
						50	\$ 1,789,809.00	\$ 2,464,761.00
						70	\$ 4,197,005.00	\$ 9,856,910.00
						Check total	\$ 7,687,759.00	\$ 14,640,076.00
							\$	\$
	2006			\$10,000	\$10,000			
	2007			\$20,000	\$30,500			
	2008			\$30,000	\$62,025			
	2009			\$40,000	\$105,126			
	2010			\$50,000	\$160,383			
	2011			\$70,000	\$238,402			
	2012			\$200,000	\$450,322			
	2013			\$278,689	\$751,527			
	2014			\$287,050	\$1,076,154			
	2015	\$ 37,800.00	\$ 50,800.04	\$295,662	\$1,374,823			
	2016			\$304,531	\$1,748,096			
	2017			\$313,667	\$2,149,168			
	2018			\$323,077	\$2,579,704			
	2019			\$332,770	\$3,041,458			
	2020	\$ 492,140.00	\$ 766,738.08	\$342,753	\$2,769,546			
	2021			\$353,035	\$3,261,059			
	2022			\$363,626	\$3,787,738			
	2023			\$374,535	\$4,351,661			
	2024			\$385,771	\$4,955,015			
	2025	\$ 1,826,265.00	\$ 3,298,437.73	\$397,344	\$2,301,672			
	2026			\$409,265	\$2,826,021			
	2027			\$421,543	\$3,388,865			
	2028			\$434,189	\$3,992,497			
	2029			\$447,215	\$4,639,336			
	2030			\$460,631	\$5,331,934			
	2031			\$474,450	\$6,072,981			
	2032			\$488,684	\$6,865,314			
	2033			\$503,344	\$7,711,924			
	2034			\$518,444	\$8,615,964			
	2035	\$ 529,940.00	\$ 1,286,303.47	\$533,998	\$8,294,457			
	2036			\$550,018	\$9,259,197			
	2037			\$566,518	\$10,288,675			
	2038			\$583,514	\$11,386,623			
	2039			\$601,019	\$12,556,973			
	2040			\$619,050	\$13,803,871			
	2041			\$637,621	\$15,131,686			
	2042			\$656,750	\$16,545,020			
	2043			\$676,452	\$18,048,724			
	2044			\$696,746	\$19,647,906			
	2045	\$ 1,826,265.00	\$ 5,957,345.45	\$717,648	\$15,390,604			
	2046			\$739,178	\$16,899,312			
	2047			\$761,353	\$18,505,631			
	2048			\$784,194	\$20,215,106			
	2049			\$807,720	\$22,033,581			
	2050	\$ 492,140.00	\$ 1,861,074.58	\$831,951	\$22,106,136			
	2051			\$856,910	\$24,068,353			
	2052			\$882,617	\$26,154,387			
	2053			\$909,095	\$28,371,202			
	2054			\$936,368	\$30,726,130			
	2055	\$ 2,502,561.00	\$ 10,970,992.23	\$964,459	\$22,255,904			
	2056			\$993,393	\$24,362,092			
	2057			\$1,023,195	\$26,603,392			
	2058			\$1,053,891	\$28,987,452			
	2059			\$1,085,507	\$31,522,332			
	2060			\$1,118,073	\$34,216,521			
	2061			\$1,151,615	\$37,078,962			
	2062			\$1,186,163	\$40,119,074			
	2063			\$1,221,748	\$43,346,776			
	2064			\$1,258,401	\$46,772,515			
	2065	\$ 2,318,405.00	\$ 13,659,122.09	\$1,296,153	\$36,748,172			
	2066			\$1,335,037	\$39,920,617			
	2067			\$1,375,088	\$43,291,737			
	2068			\$1,416,341	\$46,872,665			
	2069			\$1,458,831	\$50,675,129			
	2070			\$1,502,596	\$54,711,482			
	2071			\$1,547,674	\$58,994,730			
	2072			\$1,594,104	\$63,538,571			
	2073			\$1,641,927	\$68,357,427			
	2074			\$1,691,185	\$73,466,483			
	2075	\$ 9,894,710.00	\$ 78,344,551.65	\$1,741,921	\$537,177			
	2076			\$1,794,178	\$2,358,214			
	2077			\$1,848,004	\$4,324,128			
	2078			\$1,903,444	\$6,443,779			
	2079			\$1,960,547	\$8,726,515			
	2080	\$ 492,140.00	\$ 4,517,316.48	\$2,019,364	\$6,664,888			
	2081			\$2,079,945	\$9,078,077			
	2082			\$2,142,343	\$11,674,323			
	2083			\$2,206,613	\$14,464,653			
	2084			\$2,272,812	\$17,460,697			
	2085	\$ 1,826,265.00	\$ 19,433,085.99	\$2,340,996	\$1,241,642			