

Frederick Regional WTE Facility  
Bond Size Estimate

<b>Sources of Funds</b>	<b>Frederick</b>	<b>Carroll</b>	<b>Total</b>
Bond Proceeds Tax Exempt Bonds	\$ 284,410,881	\$ 189,607,254	\$ 474,018,135
Bond Proceeds Taxable Bonds	\$ 31,900,119	\$ 21,266,746	\$ 53,166,865
<b>Total Bond Proceeds</b>	<b>\$ 316,311,000</b>	<b>\$ 210,874,000</b>	<b>\$ 527,185,000</b>

<b>Uses of Funds</b>	<b>Frederick</b>	<b>Carroll</b>	<b>Total</b>
Underwriter Discount Tax Exempt Bonds	\$ 2,133,082	\$ 1,422,054	\$ 3,555,136
Underwriter Discount Taxable Bonds	\$ 239,251	\$ 159,500	\$ 398,751
Cost of Issuance Tax Exempt Bonds	\$ 2,844,109	\$ 1,896,072	\$ 4,740,181
Cost of Issuance Taxable Bonds	\$ 319,001	\$ 212,668	\$ 531,669
Construction Fund Tax Exempt <sup>(1)</sup>	\$ 216,573,321	\$ 144,382,214	\$ 360,955,535
Construction Fund Taxable <sup>(1)</sup>	\$ 24,513,376	\$ 16,342,251	\$ 40,855,627
Capitalized Interest Tax Exempt	\$ 38,922,032	\$ 25,948,021	\$ 64,870,053
Capitalized Interest Taxable	\$ 5,867,714	\$ 3,911,810	\$ 9,779,524
Debt Service Reserve Fund Tax Exempt <sup>(2)</sup>	\$ 22,315,301	\$ 14,876,867	\$ 37,192,168
Debt Service Reserve Fund Taxable	\$ -	\$ -	\$ -
Construction QA/QC Engineer Tax Exempt	\$ 1,624,300	\$ 1,082,867	\$ 2,707,167
Construction QA/QC Engineer Taxable	\$ 239,251	\$ 159,500	\$ 398,751
Bond Insurance	\$ 722,431	\$ 481,621	\$ 1,204,052
Rounding	\$ (2,169)	\$ (1,445)	\$ (3,614)
<b>Total Uses of Funds</b>	<b>\$ 316,311,000</b>	<b>\$ 210,874,000</b>	<b>\$ 527,185,000</b>

<sup>(1)</sup> Includes estimate inflation in construction price from November, 2008

<sup>(2)</sup> Draw down and applied to Debt Service each year

Note: *Total Uses of Funds* includes all escalation and contingencies in project costs as well as cost to finance the project. Money is borrowed to establish required Debt Service Reserve Fund (\$37.19 M).

Frederick Regional WTE Facility Capital Cost and Bond Size

<b>Source</b>	<b>Item</b>	<b>Frederick</b>	<b>Carroll</b>	<b>Total</b>
Low Bid	Wheelabrator's Guaranteed Maximum Price on December, 2008	\$ 197,700,000	\$ 131,800,000	\$ 329,500,000
Low Bid	Wheelabrator's Guaranteed Maximum Price for Sludge Handling on December, 2008	\$ 1,500,000	\$ -	\$ 1,500,000
Low Bid	Refuse Tipper at Facility for Carroll County	\$ -	\$ 750,000	\$ 750,000
Estimate	Conduit for wastewater to be recycled	\$ 900,000	\$ 600,000	\$ 1,500,000
Estimate	Interconnection/Gas Line	\$ 2,100,000	\$ 1,400,000	\$ 3,500,000
Contingency	Control Technology Contingency	\$ 9,000,000	\$ 6,000,000	\$ 15,000,000
Escalation	Escalation of Interconnection/Gas Line/Effluent/SCR Lines - 30 months (from Oct 1, 2008 to Apr 2011)	\$ 1,718,682	\$ 1,145,788	\$ 2,864,470
Escalation	Escalation until Construction NTP of Tipper - 28 months (from Dec 1, 2008 to Apr 2011)	\$ 59,880	\$ 39,920	\$ 99,800
Escalation	Escalation until Construction NTP of Sludge Component - 28 months (from Dec 1, 2008 to Apr 2011)	\$ 199,601	\$ 133,067	\$ 332,668
Escalation	Escalation until Construction NTP - 28 months (from Dec 1, 2008 to Apr 2011)	\$ 26,307,422	\$ 17,538,281	\$ 43,845,703
Contingency	Site Work Contingency	\$ 600,000	\$ 400,000	\$ 1,000,000
Contingency	Project Contingency	\$ 9,000,000	\$ 6,000,000	\$ 15,000,000
Contingency	Major Frederick County Building Permit	\$ 60,000	\$ 40,000	\$ 100,000
Contingency	Land Purchase	\$ 372,000	\$ 248,000	\$ 620,000
Estimate	Nox ERC's Note with SCR Addition ERC's are anticipated to be a minor cost	\$ 180,000	\$ 120,000	\$ 300,000
		<b>\$ 50,497,585</b>	<b>\$ 33,665,056</b>	<b>\$ 84,162,641</b>
	<b>Total</b>	<b>\$ 249,697,585</b>	<b>\$ 166,215,056</b>	<b>\$ 415,912,641</b>
	<b>Less Interest Earned During Construction</b>	<b>\$ (9,060,889)</b>	<b>\$ (6,040,592)</b>	<b>\$ (15,101,481)</b>
	<b>Total Construction Cost Financed</b>	<b>\$ 240,636,696</b>	<b>\$ 160,174,464</b>	<b>\$ 400,811,160</b>
	Construction Fund Tax Exempt <sup>(1)</sup>	\$ 216,573,321	\$ 144,382,214	\$ 360,955,535
	Construction Fund Taxable <sup>(1)</sup>	\$ 24,513,376	\$ 16,342,251	\$ 40,855,627
	<b>Total Construction Cost Financed in 2011 Dollars</b>	<b>\$ 241,086,697</b>	<b>\$ 160,724,465</b>	<b>\$ 401,811,162</b>

<sup>(1)</sup> Includes estimate inflation in construction price from November, 2008 (See the Bond Size Estimate)

**Note:** These specific *estimate*, *contingency* and *escalation* items were added by the MWDA/DUSWM to address other work needed, such as waterline and gasline extensions, escalations in construction costs between the date the proposal (bid) was received and when the project may go to construction (2011), and contingent items for additional pollution control system, site work, etc.