

TOPAZ SUBSCRIBER UNITS, OPERATIONS AND MAINTENANCE, CAPITAL, SPECIAL ASSESSMENTS AND REVENUE ESTIMATES AND CASH FLOW
 FISCAL YEAR 2010 - 2011
 AND FORECAST YEARS

Fulton February 22, 2010

SUMMARY	TRWC FY 09/10	TRWC FY 10/11	TRWC FY 11/12	TRWC FY 12/13	TRWC FY 13/14	TRWC FY 14/15	TRWC FY 15/16	TRWC FY 16/17	TRWC FY 17/18	TRWC FY 18/19
TOPAZ OPERATIONS AND MAINTENANCE COSTS	\$1,467,506	\$1,766,246	\$1,798,782	\$1,833,448	\$1,870,056	\$1,906,782	\$1,945,630	\$1,988,795	\$2,032,966	\$2,078,168
Total O&M	\$1,467,506	\$1,766,246	\$1,798,782	\$1,833,448	\$1,870,056	\$1,906,782	\$1,945,630	\$1,988,795	\$2,032,966	\$2,078,168
SUBSCRIBER UNITS [AS ON JANUARY 4, 2010]										
MESA	2,770	2,663	2,796	2,936	3,083	3,237	3,399	3,569	3,747	3,934
TOWN OF GILBERT	741	763	801	841	883	927	974	1,022	1,074	1,127
APACHE JUNCTION FIRE DISTRICT	74	90	95	99	104	109	115	121	127	133
CITY OF APACHE JUNCTION	164	145	152	160	168	176	185	194	204	214
TOWN OF QUEEN CREEK	26	38	40	42	44	46	48	51	53	56
Total Units	3,775	3,699	3,884	4,078	4,282	4,496	4,721	4,957	5,205	5,465
ANNUAL FEE PER SUBSCRIBER UNIT - TOPAZ OPERATIONS AND MAINTENANCE COSTS	\$389	\$477	\$463	\$450	\$437	\$424	\$412	\$401	\$391	\$380
MONTHLY FEE PER SUBSCRIBER UNIT - TOPAZ OPERATIONS AND MAINTENANCE COSTS	\$32	\$40	\$39	\$37	\$36	\$35	\$34	\$33	\$33	\$32
ANNUAL REVENUE FROM SUBSCRIBER UNITS - OPERATING AND MAINTENANCE										
MESA	\$1,076,819	\$1,271,564	\$1,294,987	\$1,319,944	\$1,346,298	\$1,372,739	\$1,400,706	\$1,431,782	\$1,463,582	\$1,496,124
TOWN OF GILBERT	\$288,059	\$364,327	\$371,038	\$378,189	\$385,740	\$393,316	\$401,329	\$410,233	\$419,344	\$428,668
APACHE JUNCTION FIRE DISTRICT	\$28,767	\$42,974	\$43,766	\$44,609	\$45,500	\$46,394	\$47,339	\$48,389	\$49,464	\$50,564
CITY OF APACHE JUNCTION	\$63,754	\$69,236	\$70,512	\$71,871	\$73,306	\$74,745	\$76,268	\$77,960	\$79,692	\$81,464
TOWN OF QUEEN CREEK	\$10,107	\$18,145	\$18,479	\$18,835	\$19,211	\$19,588	\$19,988	\$20,431	\$20,885	\$21,349
O&M Rev	\$1,467,506	\$1,766,246	\$1,798,782	\$1,833,448	\$1,870,056	\$1,906,782	\$1,945,630	\$1,988,795	\$2,032,966	\$2,078,168
TRWC CAPITAL NETWORK RELIABILITY IMPROVEMENTS										
1. Reconfiguration	\$721,000									
2. White Tanks	\$566,500									
3. Replace batteries and DC power plant equipment, reached end of useful life		\$150,000	\$153,180	\$156,519	\$159,978	\$163,546	\$167,209	\$171,724	\$176,361	\$181,122
4. Replace Spread Spectrum MW Radios (AJ area reliability improvement)		\$75,000	\$76,590							
5. Thompson Peak Radio Site Improvement		\$400,000								
6. Twin Knolls Second Tower			\$306,360							
7. Replace antennas and transmission lines, reached end of useful life			\$153,180	\$156,519						
8. Replace Network Backbone MW radio equipment, reached end of useful life							\$200,345	\$205,754	\$211,309	\$216,864
9. Various Facility Upgrades				\$102,180	\$255,525	\$261,223	\$267,075	\$85,862	\$88,180	\$90,561
TOTAL TRWC CAPITAL NETWORK RELIABILITY IMPROVEMENTS	\$1,287,500	\$625,000	\$689,310	\$415,219	\$415,503	\$424,769	\$434,284	\$457,931	\$470,295	\$482,993
ANNUAL FEE PER SUBSCRIBER UNIT - TOPAZ CAPITAL IMPROVEMENTS	\$341	\$169	\$177	\$102	\$97	\$94	\$92	\$92	\$90	\$88
MONTHLY FEE PER SUBSCRIBER UNIT - TOPAZ CAPITAL IMPROVEMENTS	\$28	\$14	\$15	\$8	\$8	\$8	\$8	\$8	\$8	\$7
ANNUAL REVENUE FROM SUBSCRIBER UNITS - CAPITAL IMPROVEMENTS										
MESA	\$944,735	\$449,953	\$496,251	\$298,926	\$299,131	\$305,802	\$312,652	\$329,675	\$338,577	\$347,718
TOWN OF GILBERT	\$252,725	\$128,920	\$142,185	\$85,648	\$85,707	\$87,618	\$89,581	\$94,458	\$97,009	\$99,628
APACHE JUNCTION FIRE DISTRICT	\$25,238	\$15,207	\$16,772	\$10,103	\$10,110	\$10,335	\$10,567	\$11,142	\$11,443	\$11,752
CITY OF APACHE JUNCTION	\$55,934	\$24,500	\$27,021	\$16,276	\$16,288	\$16,651	\$17,024	\$17,951	\$18,435	\$18,933
TOWN OF QUEEN CREEK	\$8,868	\$6,421	\$7,081	\$4,266	\$4,268	\$4,364	\$4,461	\$4,704	\$4,831	\$4,962
Capital Rev	\$1,287,500	\$625,000	\$689,310	\$415,219	\$415,503	\$424,769	\$434,284	\$457,931	\$470,295	\$482,993
TOTAL OPERATING & MAINTENANCE AND CAPITAL NETWORK RELIABILITY IMPROVEMENTS	\$2,755,006	\$2,391,246	\$2,488,092	\$2,248,667	\$2,285,559	\$2,331,551	\$2,379,914	\$2,446,726	\$2,503,261	\$2,561,161
SPECIAL ASSESSMENT PROJECTS TO BE DISCUSSED BY BOARD OF DIRECTORS										
A. FAR SOUTHEAST MESA TRANSMITTER SITE				\$1,815,624						
B. MICROWAVE CONNECTIVITY TO FAR SOUTHEAST MESA TRANSMITTER SITE				\$78,260						
C. UPGRADE ALL 9 SITES TO GTR8000							\$14,491,477			
D. UPGRADE THOMPSON PEAK TO GTR8000								\$858,620		
E. FAR NORTHEAST MESA TRANSMITTER SITE										\$2,045,782
F. MICROWAVE CONNECTIVITY TO FAR NORTHEAST MESA TRANSMITTER SITE										\$88,180
TOTAL SPECIAL ASSESSMENT PROJECTS TO BE DISCUSSED BY BOARD OF DIRECTORS				\$1,893,884			\$14,491,477	\$858,620		\$2,133,963

TOPAZ SUBSCRIBER UNITS, OPERATIONS AND MAINTENANCE, CAPITAL, SPECIAL ASSESSMENTS AND REVENUE ESTIMATES AND CASH FLOW
 FISCAL YEAR 2010 - 2011
 AND FORECAST YEARS

Fulton February 22, 2010

CASH FLOW DETERMINATION:

	<u>OPERATING & MAINTENANCE</u>					TOTAL	<u>CAPITAL</u>			TQC	TOTAL	<u>TOTAL O&M AND CAPITAL</u>					TOTAL	
	COM	TOG	AJFD	CAJ	TQC		COM	TOG	AJFD			CAJ	TQC	COM	TOG	AJFD		CAJ
JUL	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
AUG	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
SEP	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
OCT	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
NOV	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
DEC	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
JAN	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
FEB	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
MAR	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
APR	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
MAY	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
JUN	\$105,964	\$30,361	\$3,581	\$5,770	\$1,512		37,496	10,743	1,267	2,042	535	\$143,460	\$41,104	\$4,848	\$7,811	\$2,047		
TOTAL	\$1,271,564	\$364,327	\$42,974	\$69,236	\$18,145	\$1,766,246	\$449,953	\$128,920	\$15,207	\$24,500	\$6,421	\$625,000	\$1,721,516	\$493,247	\$58,181	\$93,736	\$24,565	\$2,391,246
	\$1,271,564	\$364,327	\$42,974	\$69,236	\$18,145	\$1,766,246	\$449,953	\$128,920	\$15,207	\$24,500	\$6,421	\$625,000						

**TRWC Operating & Maintenance Budget And Capital Improvement Costs
RECONCILIATION BETWEEN FY 09/10 BUDGET AND 10/11 BUDGET**

	FY 09/10	FY 10/11	Change
1. LABOR			
Positions	18	18	0
Cost	\$897,616	\$861,147	-\$36,469
2. NON LABOR	<u>\$569,890</u>	<u>\$905,099</u>	<u>\$335,209</u>
3. TOTAL OPERATING & MAINTENANCE BUDGET	<u><u>\$1,467,506</u></u>	<u><u>\$1,766,246</u></u>	<u><u>\$298,740</u></u>
4. SUBSCRIBER UNITS	3,775	\$3,699	-76
5. RECONCILIATION OF BUDGET INCREASE:			
a. Wage reduction and no merit/COLA increase			-\$36,469
b. Change from SSA to UAP (Motorola)	\$378,255	\$660,000	\$281,745
c. Full Costing Allocation			<u>\$53,464</u>
TOTAL RECONCILIATION			<u><u>\$298,740</u></u>
6. Cost Per Subscriber Unit	\$32	\$40	\$8
a. Impact of UAP [(\$281,745/3,671)/12]			\$7
b. Full Costing Allocation Impact			\$1
7. Capital Network Reliability Improvements [Changes in mix of improvements]	<u>\$1,287,500</u>	<u>\$625,000</u>	<u>-\$662,500</u>
8. Capital Network Reliability Improvements Cost Per Subscriber	<u><u>\$28</u></u>	<u><u>\$14</u></u>	<u><u>-\$14</u></u>

February 22, 2010