

## Exhibit 4: Schedule of Projected \$147,000 in Annual Savings

### SUMMARY OF ANNUAL DIRECT SAVINGS

Water G&A Expenses	2005 Fiscal Year-End	Projected Post Merger	Assumptions
Communication Services	\$ 10,965	\$ 9,869	10% savings due to sharing costs
Dues & Subscriptions	\$ 19,972	\$ 17,975	10% savings because of joint Association Memberships
Insurance & Bonding	\$ 33,561	\$ 30,205	10% savings from consolidation of policies
Miscellaneous	\$ 3,331	\$ 1,666	50% savings by elimination of duplicate costs
General Maintenance	\$ 49,898	\$ 24,949	50% savings in maintenance costs due to OTSD move to MWD
General Office Expense	\$ 36,439	\$ 30,973	15% savings from duplicate cost reduction
Postage	\$ 14,533	\$ 7,267	50% savings from joint billing statements
Accounting	\$ 12,636	\$ 10,109	20% savings in accounting from one audit and one financial report
Engineering	\$ 25,386	\$ 20,309	20% savings in non-capital engineering due to reduced commissioner meetings
Legal	\$ 15,261	\$ 7,631	50% of non-capital legal costs reduced with only one firm
Transportation	\$ 21,773	\$ 19,596	10% reduction in transportation costs
<b>Sewer O&amp;M Annual Savings</b>			
Developer Extension Services	\$12,228	\$ 11,617	5% efficiency gain from joint counter work
Miscellaneous	\$ 6,518	\$ 6,192	identify and reduce 5% of cost
Total Transmission & Collection	\$ 30,798	\$ 27,718	10% savings from reduced overtime and outsourcing
Total Mains Maintenance	\$ 29,812	\$ 26,831	10% savings from reduced overtime and outsourcing
Sewer Collection Insurance	\$ 7,000	\$ 6,650	5% savings from single provider, larger asset base
Materials & Supplies	\$ 40,500	\$ 36,450	10% savings by reducing redundant inventory
Sewer Pumping Insurance	\$ 4,200	\$ 3,990	5% savings from single provider, larger asset base
Office & Computer Expenses	\$ 7,800	\$ -	
Sewer Treatment Insurance	\$ 23,900	\$ 22,705	5% savings from single provider, larger asset base
<b>Sewer G&amp;A Annual Savings</b>			
Reduction in Commissioners	\$ 9,354	\$ 8,886	Commissioners will reduce in number over time
Dues & Subscriptions	\$ 14,885	\$ 13,397	10% savings due to joint organizational involvement
Insurance & Bonding	\$ 23,622	\$ 21,260	10% savings from consolidation of liability policies
Miscellaneous	\$ 6,181	\$ 5,563	10% savings
General Repair and Maintenance	\$ 18,103	\$ 9,052	50% savings by closing OTSD office
General Office Expense	\$ 24,633	\$ 20,938	15% savings in sewer office expenses
Postage Printing & Mailing	\$ 20,609	\$ 13,396	35% saved in joint billings and mailings
Accounting	\$ 24,464	\$ 19,571	20% savings in outside accounting and auditing costs
Engineering	\$ 17,496	\$ 13,997	20% non-capital engineering savings
Legal	\$ 44,580	\$ 31,206	30% savings in legal costs; 1 firm; 1/2 the meetings
Other Outside Services	\$ 8,927	\$ 8,034	10% reduction
Utilities	\$ 14,142	\$ 3,253	OTSD utilities saved by move to MWD
Permit fees	\$ 14,100	\$ 11,280	Savings from generating joint water/sewer permits
Education & Travel Expense	\$ 9,000	\$ 7,500	
	<b>\$ 656,607</b>	<b>\$ 510,035</b>	
<b>Total Projected Annual Savings</b>		<b>\$ 146,572</b>	