



JORDAN VALLEY WATER
CONSERVANCY DISTRICT

ADOPTED FINANCIAL PLAN FOR THE 2022/2023 BUDGET

July 1, 2022 through June 30, 2023



PARAMETERS FOR 2022/2023 BUDGET PREPARATION

Preparation of the fiscal year 2022/2023 budget will be based upon the following budget parameters, derived from the document Establishing a Level of Service for Preparation of Fiscal Year 2022/2023 Budget, and updated for the tentative budget preparation.

WATER DELIVERIES

Budgeted water deliveries do not include an adjustment for minimum purchase contracts either missed or carried over, as historically those adjustments have been immaterial.

Budgeted Water Deliveries (acre-feet)	2021/2022	2022/2023
Wholesale water deliveries	95,500	93,500
Retail water deliveries	8,500	8,500
Total budgeted water deliveries	104,000	102,000

WATER RATE ADJUSTMENTS

A water rate study update will be completed by HDR Engineering, including the calculated revenue requirement and any needed water rate adjustment. A transfer from the Revenue Stabilization Fund can be included in the budget, at the desired amount, to offset the water rate adjustment. Proposed updated water rates for wholesale member agencies and retail customers will be calculated by HDR Engineering. The Board may approve these rates on a tentative basis during the April board meeting, when approving the tentative budget.

Estimated average water rate adjustment needed (including use of funds available from the Revenue Stabilization Fund) **2.0% - 3.5%**

REVENUE STABILIZATION FUND

The Revenue Stabilization Fund is funded by year-end annual transfers of PayGo Capital from operations, which exceeded what was budgeted. The District intends to use the Revenue Stabilization Fund, when available, as a source of funds when budgeting and calculating water rates.

Revenue Stabilization Fund balance as of 1/31/2022 **\$13.1 million**
 Estimated need from the Revenue Stabilization Fund **\$1.7 – \$8.0 million**

PROPERTY TAX RATE

By State statute, the District may levy a maximum property tax rate of 0.0004 for operation and maintenance expenses. The District has sought to maintain its tax rate at or near the maximum, holding Truth in Taxation public hearings when needed.

The District will reserve the date of its August 2022 Board meeting for a possible hearing, pending receipt of the actual certified tax rate, and decision by the Board.

	2021 Certified Tax Rate	2021 Adopted Tax Rate	Estimated 2022 Certified Tax Rate	Estimated Property Tax Revenue for FY 2022/2023
Projected property tax rate and revenue *	0.000337	0.000369	0.000340	\$23.8 million *

* Net of RDA outlays and including new growth (without tax rate increase)



PARAMETERS FOR 2022/2023 BUDGET PREPARATION

RESERVE FUND BALANCES

Reserve fund balances to be maintained	Reserve as of 1/31/2022
Operation & Maintenance Fund minimum balance of three-months working capital (required by bond covenants)	\$7.2 million
Revenue Fund minimum balance of 25% of annual debt service amount (required by bond covenants)	\$5.6 million
Emergency Reserve/Self-Insurance Fund to be maintained at \$5 million (set by Board resolution)	\$4.9 million

OPERATION AND MAINTENANCE EXPENSES

Budgeted Operation and Maintenance expenses will be based on level of service with inflationary increases and cost variations related to changing water demands.

Preliminary personnel compensation adjustment estimate **6% - 8%**

Three proposed new personnel positions:

- Conservation Supervisor
- Aqueduct Easement Specialist
- Meter Section Supervisor

CAPITAL PROJECT EXPENDITURES

Capital Project Categories	Tentative Budget Amount
CP1: Major rehabilitation or replacement of existing facilities	\$19.9 million
CP2: New facilities needed for compliance or functional upgrades (no new capacity)	\$7.1 million
CP3: New water supply, treatment, conveyance, or storage facilities (new capacity)	\$23.9 million
CP4: Projects to serve lands currently outside current boundaries	\$0.6 million
Total tentative net capital project expenditures budget estimate	\$51.5 million

Major projects include: new booster pump station, new storage reservoir, JWWT expansion, new wells and groundwater development, JWCD floc/sed basins seismic upgrade and increase capacity, transmission facilities rehabilitation, and distribution pipeline replacements.

Note: CP1 projects are funded by the Replacement Reserve Fund through annual PayGo Capital transfers (see below). All other capital projects are funded by either new bonds issued or fund balances available in the Capital Projects Fund.

PAYGO CAPITAL FROM OPERATIONS

Tentative amount of generated surplus from operations of PayGo Capital to be budgeted for a year-end funding transfer. **\$18.5 million**

Funds to receive budgeted PayGo Capital funding transfer:

- Replacement Reserve Fund
- Development Fee Fund
- General Equipment Fund
- Emergency Reserve/Self-Insurance Fund
- Operation & Maintenance and Revenue Funds minimum reserve requirements



OVERVIEW - 2022/2023 BUDGET (TENTATIVE VS. FINAL)

SOURCES OF FUNDS	2022/2023	2022/2023	\$ Variance	% Var.
	Tentative Budget	Final Budget		
Water Sales - Wholesale	\$ 52,554,723	\$ 52,554,723	\$ -	0.0%
Water Sales - Retail	6,758,349	6,758,349	-	0.0%
Property Tax Revenue	25,563,200	25,650,346	87,146	0.3%
Investment Income	1,087,300	1,087,300	-	0.0%
Connection Fees	512,000	512,000	-	0.0%
Other	1,560,000	1,560,000	-	0.0%
Subtotal	88,035,572	88,122,718	87,146	0.1%
Revenue Stabilization Fund (rates)	8,489,254	8,402,108	(87,146)	-1.0%
Capital Projects (net)	51,445,090	51,445,090	-	0.0%
Capital Projects (reimb.)	2,849,431	2,849,431	-	0.0%
JVCGF Contributions	-	-	-	0.0%
Total Sources	\$ 150,819,347	\$ 150,819,347	\$ -	0.0%
USES OF FUNDS				
Operation and Maintenance	\$ 54,869,891	\$ 54,869,891	\$ -	0.0%
Bond Principal and Interest	23,164,500	23,164,500	-	0.0%
Transfers to Reserve Funds:				
• Replacement Reserve Fund	15,880,435	15,880,435	-	0.0%
• Development Fee Fund	512,000	512,000	-	0.0%
• General Equipment Fund	900,000	900,000	-	0.0%
• Emergency Reserve Fund	100,000	100,000	-	0.0%
• Interest Allocated to Funds	698,000	698,000	-	0.0%
• Revenue Stabilization Fund	-	-	-	N/A
• Revenue Fund	200,000	200,000	-	0.0%
• Operation & Maint. Fund	200,000	200,000	-	0.0%
Total Transfers	18,490,435	18,490,435	-	0.0%
Subtotal	96,524,826	96,524,826	-	0.0%
Capital Projects (gross)	54,294,521	54,294,521	-	0.0%
JVCGF Contributions Projects	-	-	-	0.0%
Total Uses	\$ 150,819,347	\$ 150,819,347	\$ -	0.0%



OVERVIEW - 2022/2023 BUDGET

SOURCES OF FUNDS	2020/2021	2021/2022	2022/2023	Budget to Budget	
	Actual	Budget	Budget	\$ Variance	% Var.
Water Sales - Wholesale	\$ 53,008,777	\$ 51,303,595	\$ 52,554,723	\$ 1,251,128	2.4%
Water Sales - Retail	7,548,576	7,514,783	6,758,349	(756,434)	-10.1%
Property Tax Revenue	21,133,800	23,230,051	25,650,346	2,420,295	10.4%
Investment Income	638,942	548,900	1,087,300	538,400	98.1%
Connection Fees	567,778	407,000	512,000	105,000	25.8%
Other	2,530,587	1,605,000	1,560,000	(45,000)	-2.8%
Subtotal	85,428,460	84,609,329	88,122,718	3,513,389	4.2%
Revenue Stabiliz. Fund (rates)	4,699,127	5,590,263	8,402,108	2,811,845	50.3%
Capital Projects Fund (net)	10,963,411	28,234,690	51,445,090	23,210,400	82.2%
Capital Projects (reimb.)	780,137	2,281,758	2,849,431	567,673	24.9%
JVCGF Contributions	46,976	-	-	-	N/A
Total Sources	\$ 101,918,111	\$ 120,716,040	\$ 150,819,347	\$ 30,103,307	24.9%
USES OF FUNDS					
Operation and Maintenance	\$ 46,870,156	\$ 51,175,368	\$ 54,869,891	\$ 3,694,523	7.2%
Bond Principal and Interest	22,040,296	22,357,783	23,164,500	806,717	3.6%
Transfers to Reserve Funds:					
• Replacement Reserve Fund	10,810,901	14,540,541	15,880,435	1,339,894	9.2%
• Capital Projects Fund	649,160	-	-	-	
• Development Fee Fund	567,778	407,000	512,000	105,000	25.8%
• General Equipment Fund	700,000	700,000	900,000	200,000	28.6%
• Emergency Reserve Fund	200,000	200,000	100,000	(100,000)	-50.0%
• Interest Allocated to Funds	434,238	318,900	698,000	379,100	118.9%
• Revenue Stabilization Fund	7,655,058	-	-	-	N/A
• Revenue Fund	-	300,000	200,000	(100,000)	-33.3%
• Operation & Maint. Fund	200,000	200,000	200,000	-	0.0%
Total Transfers	21,217,135	16,666,441	18,490,435	1,823,994	10.9%
Subtotal	90,127,587	90,199,592	96,524,826	6,325,234	7.0%
Capital Projects (gross)	11,743,548	30,516,448	54,294,521	23,778,073	77.9%
JVCGF Contrib. Projects	46,976	-	-	-	N/A
Total Uses	\$ 101,918,111	\$ 120,716,040	\$ 150,819,347	\$ 30,103,307	24.9%

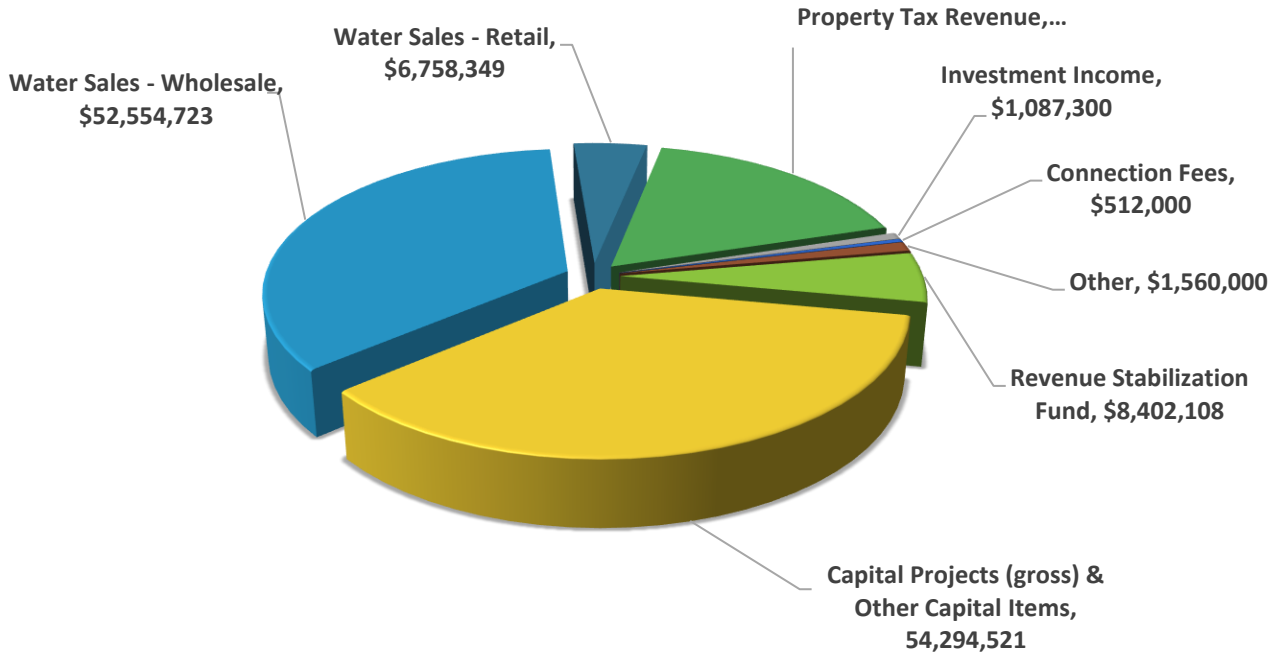
Non-Operating and Non-Cash Expenses and Accruals*					
Depreciation & amortization	\$ 9,112,995	\$ 8,800,000	\$ 9,000,000	\$ 200,000	2.3%
Net pension expense	(1,330,499)	88,000	(327,000)	(415,000)	-471.6%
OPEB expense	479,359	384,000	420,000	36,000	9.4%
Self Insurance Claims	124,272	100,000	100,000	-	0.0%
Bond Issuance Costs	-	350,000	250,000	(100,000)	-28.6%
	\$ 8,386,127	\$ 9,722,000	\$ 9,443,000	\$ (279,000)	-2.9%

* These are non-operating and non-cash expenses and accruals, not included in the operating budget, but disclosed here for reference. The operating budget is prepared on a modified accrual basis.

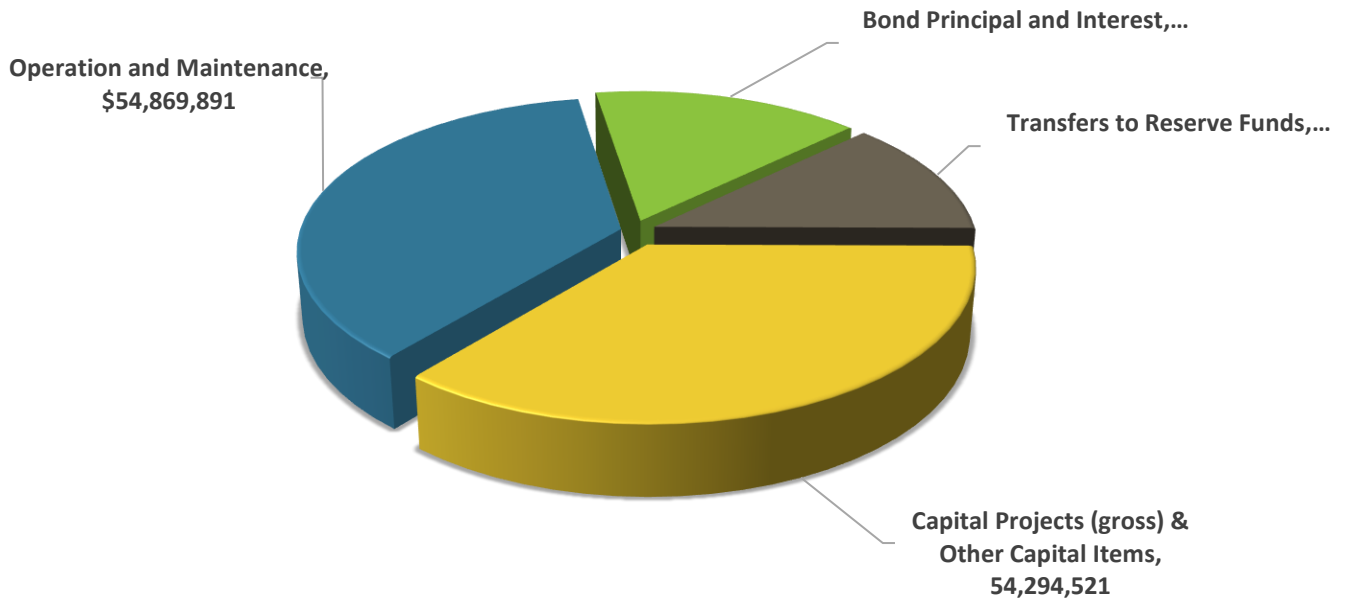


OVERVIEW - 2022/2023 BUDGET (SOURCES & USES)

SOURCES



USES





REVENUE DETAIL - 2022/2023 BUDGET

	<u>Deliveries AF</u>	<u>Rate per AF</u>	Budgeted Revenues	Total
WATER SALES - WHOLESALE				
Wholesale Deliveries	94,400	\$554.66	\$ 52,359,904	
Meter Base Charges			194,819	\$ 52,554,723
WATER SALES - RETAIL				
Retail Deliveries	7,600	830.81	6,314,156	
Meter Base Charges			386,000	
Other Fees			23,997	
Fire Line Charges			34,196	6,758,349
PROPERTY TAX REVENUE (S.L. & Utah Co.)	<u>Prop. Valuation</u>			
2022 Certified Tax Rate Value	\$74,704,200,414			
x Collection Rate (97.67%)	72,963,592,544			
x 2022 Certified Tax Rate (0.000296)			\$21,597,223	
2022 New Growth x Collection Rate	2,288,278,473			
New Growth x 2022 Certified Tax Rate (0.000296)			\$677,330	
<u>Truth In Taxation (CTR of 0.000296 to 0.000319)</u>				
Tax Increase on 2022 Certified Tax Rate Value x Collection Rate			\$1,730,793	
+ Vehicles Flat Tax (2021=\$1,263,497)			1,270,000	
+ Redemptions (2021=\$339,748)			350,000	
+ Interest (2021=\$18,027)			25,000	25,650,346
INVESTMENT INCOME	<u>Average Bal.</u>			
Revenue Fund	\$14,170,000	1.15%	\$162,600	
Operation & Maintenance Fund	15,000,000	1.22%	182,500	
General Equipment Fund	600,000	1.25%	7,500	
Emg. Reserve/Self Insurance Fund	4,900,000	1.25%	61,300	
Other Maintenance Reserve Funds	380,000	1.25%	4,800	
Revenue Stabilization Fund	9,000,000	1.25%	112,500	
Capital Projects and R&R Funds	18,950,000	1.25%	236,900	
Bond Projects Fund	22,000,000	1.25%	275,000	
Bond Debt Service Reserve Funds	5,897,000	0.75%	44,200	1,087,300
RETAIL CONNECTION FEES				
Retail Connection Fees (3/4" to 8" size) - Restricted to Development Fee Fund				
3-Year Average Connection Fee Revenue				512,000
OTHER				
Operation & Maintenance Cost Sharing			\$810,000	
Land Leases/Home Rentals/Conserv. Bldg Rental/Easements			250,000	
Site Leases (Cell Towers)			210,000	
Sale of Assets/Scrap/Surplus			50,000	
Lab Services			35,000	
Grant Revenue			30,000	
Miscellaneous Water Sales			25,000	
Board Service/Other			150,000	1,560,000
TOTAL REVENUES				\$ 88,122,718



REVENUE DETAIL

REVENUE SOURCE	2020/2021	2021/2022	2022/2023	Budget to Budget	
	Actual	Budget	Budget	\$ Variance	% Var.
Water Sales					
Wholesale Deliveries	\$ 52,815,331	\$ 51,115,498	\$ 52,359,904	\$ 1,244,406	2.4%
Wholesale Meter Base Charges	193,446	188,097	194,819	6,722	3.6%
Retail Deliveries	7,110,078	7,064,961	6,314,156	(750,805)	-10.6%
Retail Meter Charges	382,968	387,000	386,000	(1,000)	-0.3%
Other Fees	17,927	25,022	23,997	(1,025)	-4.1%
Fire Line Charges	37,603	37,800	34,196	(3,604)	-9.5%
	60,557,353	58,818,378	59,313,072	494,694	0.8%
Property Tax Revenue	21,133,800	23,230,051	25,650,346	2,420,295	10.4%
Interest Income	638,942	548,900	1,087,300	538,400	98.1%
Connection Fees - Retail System	567,778	407,000	512,000	105,000	25.8%
Miscellaneous Revenue					
O&M Cost Sharing	832,479	750,000	810,000	60,000	8.0%
Other Revenues	1,698,108	855,000	750,000	(105,000)	-12.3%
	2,530,587	1,605,000	1,560,000	(45,000)	-2.8%
Total Revenues	\$ 85,428,460	\$ 84,609,329	\$ 88,122,718	\$ 3,513,389	4.2%



OPERATION AND MAINTENANCE DETAIL

Obj No.	Description	2020/2021	2021/2022	2022/2023	Budget to Budget	
		Actual	Budget	Budget	\$ Variance	% Var.
5110	Employee Salaries & Benefits	\$16,638,239	\$17,949,637	\$19,501,611	\$ 1,551,974	8.6%
5170	General Admin & Uniforms	200,039	192,955	211,950	18,995	9.8%
5180	Tuition Reimbursement	35,906	45,000	45,000	-	0.0%
5210	Insurance	819,409	876,114	1,031,351	155,237	17.7%
5220	Office Supplies	30,773	45,096	47,811	2,715	6.0%
5230	Computer Equipment	716,745	828,026	822,775	(5,251)	-0.6%
5250	Mailing	84,436	104,500	107,950	3,450	3.3%
5260	Safety	74,027	85,274	97,449	12,175	14.3%
5270	Public Relations	132,955	194,635	162,925	(31,710)	-16.3%
5280	Prof Consulting	250,980	276,000	316,350	40,350	14.6%
5282	Prof Consulting - Audit	13,400	39,900	38,900	(1,000)	-2.5%
5284	Prof Consulting - Legal	304,167	442,750	442,750	-	0.0%
5286	Bond and Bank Fees	396,357	409,500	424,000	14,500	3.5%
5290	Training & Education	97,184	342,723	356,609	13,886	4.1%
5310	Tools & Equipment	241,010	257,794	338,911	81,117	31.5%
5320	Lubricants	7,185	8,744	8,940	196	2.2%
5330	Parts - General Equip	86,583	86,145	107,050	20,905	24.3%
5340	Fuel	126,174	143,690	180,060	36,370	25.3%
5350	Buildings & Grounds Maint	460,514	398,254	389,512	(8,742)	-2.2%
5360	Scheduled Maintenance	297,745	557,766	552,539	(5,227)	-0.9%
5380	Repair & Replacement	1,104,808	1,200,680	1,230,499	29,819	2.5%
5390	Utility Location	26,738	28,050	28,050	-	0.0%
5400	General Property	48,306	153,406	164,906	11,500	7.5%
5410	Electrical Power	4,280,099	4,930,260	4,930,697	437	0.0%
5420	Heat	169,903	166,970	169,611	2,641	1.6%
5430	Sewer	31,823	36,821	35,951	(870)	-2.4%
5440	Water	54,679	41,120	51,198	10,078	24.5%
5450	Phone & Telemetry	19,168	21,816	24,648	2,832	13.0%
5530	Lease	37,186	53,326	45,576	(7,750)	-14.5%
5670	Conservation Programs	576,199	970,200	1,000,860	30,660	3.2%
5710	Chemicals	1,859,354	2,028,470	2,780,169	751,699	37.1%
5720	Lab	149,176	160,966	174,961	13,995	8.7%
5750	Water Quality - Field	7,762	17,670	15,670	(2,000)	-11.3%
5770	Water Quality - Analysis	268,720	408,559	416,868	8,309	2.0%
5810	Water Purchases	16,212,766	16,656,830	17,402,067	745,237	4.5%
5820	Water Stock Assessments	1,009,641	1,015,721	1,213,717	197,996	19.5%
Total Expenses		\$46,870,156	\$51,175,368	\$54,869,891	\$ 3,694,523	7.2%



OPERATING FUNDS - CASH FLOW PROJECTIONS

	Revenue Fund	Operation & Maintenance Fund	General Equipment Fund
Beginning Balance July 1, 2022	\$12,000,000	\$12,900,000	\$300,000
SOURCES OF FUNDS:			
Water Sales	59,313,072		
Property Tax Receipts		25,650,346	
Transfer from Revenue Stabilization Fd	8,402,108		
Transfer from DSRF's (Interest Income)	44,200		
Transfer from Revenue Fund		28,200,000	
PayGo Capital Transfer from 2021/2022			700,000
Conservation Garden Park Fundraising			0
Connection Fees / Miscellaneous	2,072,000		
Interest Income	162,600	182,500	7,500
Total Sources	69,993,980	54,032,846	707,500
USES OF FUNDS:			
Debt Service Payments	(23,164,500)		
Operation and Maintenance Expenses		(54,869,891)	
General Equipment Fund Purchases			(903,100)
Transfer to O&M Fund	(28,000,000)		
Transfer to O&M Reserve	(200,000)		
Transfer to Replacement Reserve Fund	(14,540,541)		
Transfer to Development Fee Fund	(407,000)		
Transfer to General Equipment Fund	(700,000)		
Transfer to Self Ins./ Emer. Reserve Fd	(200,000)		
Transfer to Revenue Stabilization Fund	(2,000,000)		
Total Uses	(69,212,041)	(54,869,891)	(903,100)
Ending Balance June 30, 2023	\$12,781,939	\$12,062,955	\$104,400



CAPITAL FUNDS - CASH FLOW PROJECTIONS

	Capital Projects Fund	Replacement Reserve Fund	Development Fee Fund
Beginning Balance July 1, 2022	\$9,668,188	\$5,378,518	\$570,000
SOURCES OF FUNDS:			
PayGo Capital Transfer from 2021/2022		14,540,541	407,000
Transfer from Bond Project Fund	32,000,000		
Transfer from Capital Projects Fund		4,000,000	
Transfer from Bond DSR Funds	0		
Reimbursement - from other agencies	546,429	1,735,329	
Interest Income	151,616	78,177	7,107
Total Sources	32,698,045	20,354,047	414,107
USES OF FUNDS:			
Transfer to Replacement Reserve Fund	(4,000,000)		
CP1 Capital Projects (gross)		(21,837,862)	
CP2 Capital Projects (gross)	(7,954,658)		
CP3 Capital Projects (gross)	(22,912,894)		
CP4 Capital Projects (gross)	(605,000)		
Development Fee Fund expenditures			(984,107)
Total Uses	(35,472,552)	(21,837,862)	(984,107)
Ending Balance June 30, 2023	\$6,893,681	\$3,894,703	\$0



RESERVE FUNDS - CASH FLOW PROJECTIONS

	Emg. Reserve/ Self Insurance Fund	Maintenance Reserve Funds	Revenue Stabilization Fund
Beginning Balance July 1, 2022	\$4,830,000	\$378,000	\$13,106,760
SOURCES OF FUNDS:			
PayGo Capital Transfer from 2021/2022	200,000		2,000,000
Interest Income	61,300	4,800	112,500
Total Sources	261,300	4,800	2,112,500
USES OF FUNDS:			
Self Insurance claims	(100,000)		
Transfer to Revenue Fund			(8,402,108)
Transfer to Capital Projects Fund			
Transfer to General Equipment Fund			
Other expenditures			
Total Uses	(100,000)	0	(8,402,108)
Ending Balance June 30, 2023	\$4,991,300	\$382,800	\$6,817,152

REVENUE STABILIZATION FUND TRANSFER FOR JULY 1, 2022

Transfer to Revenue Fund - Prior Year Unspent O&M Funds ¹	\$1,674,574
Transfer to Revenue Fund - Additional Transfer for CP1 Projects ¹	6,727,534
Transfer to Capital Projects Fund ²	0
Transfer to General Equipment Fund ³	0
	\$8,402,108

¹Transfer amount determined by the Board to be used as an operating source to reduce the water rate adjustment

²Transfer amount determined by the Board to be used as an additional source to fund the Capital Projects Fund or Replacement Reserve Fund

³Transfer any additional amount needed to fund general equipment items



RESTRICTED FUNDS - CASH FLOW PROJECTIONS

	2008 B-1 DSR Fund	2009C DSR Fund	2013A DSR Fund	2021A Bond Project Fund
Beginning Balance July 1, 2022	\$4,875,000	\$162,000	\$860,000	\$37,935,000
SOURCES OF FUNDS:				
New Money Bond Issue				
Transfer from Other Fund				
Interest Income	36,600	1,200	6,400	275,000
Total Sources	36,600	1,200	6,400	275,000
USES OF FUNDS:				
Bond Issuance Costs				
Transfer to Capital Projects Fund				(32,000,000)
Transfer Interest to Revenue Fund	(36,600)	(1,200)	(6,400)	
Transfer to Bond Fund				
Total Uses	(36,600)	(1,200)	(6,400)	(32,000,000)
Ending Balance June 30, 2023	\$4,875,000	\$162,000	\$860,000	\$6,210,000



SUMMARY OF FUND PURPOSES

OPERATING FUNDS

REVENUE FUND

<i>Purpose</i>	<i>Balance</i>
Established by bond covenants in 1982. All cash receipts, except property tax receipts and O&M reimbursements, are deposited into this fund. Money is transferred from this fund to the Principal and Interest Funds to make debt service payments and to the O&M Fund to pay operating expenses. At year-end, PayGo Capital from operations may be transferred to the Capital Projects Fund and other reserve funds, or used for other purposes as authorized by the Board.	Bond covenants require that a minimum balance of 25% of total annual debt service (currently defined in the 2022/2023 budget as \$5,791,125) be maintained in the fund at all times. (Master Resolution 6.12(ii))

OPERATION & MAINTENANCE FUND

<i>Purpose</i>	<i>Balance</i>
Established by bond covenants in 1982. All operation and maintenance expenses are paid from this fund. Property tax receipts, O&M reimbursements, and transfers from the Revenue Fund are the sources of funding.	Bond covenants require that a minimum balance of three months working capital (currently defined as \$7,200,000) be maintained in the fund at all times. (Master Resolution 5.05e)
In accordance with Utah law, including but not limited to Utah Code Ann. (1953) § 17B-1-642, and with the internal policies and practices of the District, all expenditures exceeding \$50,000 shall be brought to the Board for approval, with the exception of routine and budgeted expenditures exceeding that dollar amount that involve payroll, payroll-related expenses, insurance premiums, utilities, debt service and related bond expenses, supplies, materials, chemicals, water purchases, and software maintenance.	

GENERAL EQUIPMENT FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Board in 1993, this fund facilitates the budgeting and funding of vehicles and other depreciable assets over \$10,000. Items under \$10,000 are budgeted and expensed from the O&M Fund. Expenditures from the fund are approved according to the procurement policy.	The maximum balance will be determined by the cost of designated general equipment purchases approved by the Board in the 2022/2023 budget.

CAPITAL FUNDS

CAPITAL PROJECTS FUND

<i>Purpose</i>	<i>Balance</i>
Established in 1989 in conjunction with the 1990 budget. Capital projects authorized by the Board are paid from this fund. Bond proceeds and capital reimbursements are transferred into the fund as projects are completed. At year-end, PayGo Capital from operations may be transferred from the Revenue Fund, when approved by the Board.	The maximum balance will be determined by the cost of designated projects approved by the Board. This fund has a target balance of approximately one to two years future project costs. Interest earnings accrue in the fund.

REPLACEMENT RESERVE FUND

<i>Purpose</i>	<i>Balance</i>
Established in 2016 to ensure a sustainable ongoing source of funding to rehabilitate and replace capital assets, as required by a new Utah Legislature enacted policy. The goal is to fund all replacements of qualified capital assets.	Upon Board approval, PayGo Capital from operations may be transferred from the Revenue Fund or Revenue Stabilization Fund at the end of each fiscal year.

DEVELOPMENT FEE FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Board in 1992 to receive retail impact fees that will be used to fund expansion or improvements of the retail system. For example, the 5600 West Pipeline Project loan from the Board of Water Resources was repaid from this fund, also well development and other new water sources.	The balance in this fund is determined by impact and development fees collected. Fees collected in the 2022/2023 budget period will be transferred to this fund from the Revenue Fund, upon Board approval.



SUMMARY OF FUND PURPOSES

RESERVE FUNDS

EMERGENCY RESERVE / SELF-INSURANCE FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Board in 1987. All self-insured claims and deductibles are paid from this fund. In addition, this fund will be used to begin repairs in the case of catastrophic events.	Interest will be allowed to accumulate, when possible, to a maximum balance of \$5,000,000.

BOND RENEWAL AND REPLACEMENT FUND

<i>Purpose</i>	<i>Balance</i>
Established by bond covenants in 1982. Separate funds are maintained for bond issues and the Jordan Aqueduct Repayment Contract. This fund is used in the case of extraordinary O&M expenses or major repairs not covered by insurance.	Bond covenants require a balance of \$100,000, subject to the periodic revision by a qualified engineer. Interest earnings have continued to accrue in the fund.

JORDAN AQUEDUCT MAINTENANCE FUND

<i>Purpose</i>	<i>Balance</i>
Established by contract with the U.S. Bureau of Reclamation in 1986. Separate funds are maintained for bond issues and the Jordan Aqueduct Repayment Contract. This fund is used in the case of extraordinary O&M expenses or major repairs not covered by insurance.	The current balance for the Jordan Aqueduct Repayment contract portion is approximately \$120,000. Interest earnings continue to accrue in the fund.

JVWTP MAINTENANCE FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Operation and Maintenance Agreement for the JVWTP and Terminal Reservoir in 1993, through a contract between JVWCD, MWDSL&S, and CUWCD. This fund is used to cover unforeseen extraordinary O&M expenses and repair & maintenance costs at the treatment plant.	The District added \$10,000 annually to its portion of the fund until the fund reached a balance of \$50,000. Interest earnings have continued to accrue in the fund.

REVENUE STABILIZATION FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Board in 2019. Used to fund the Replacement Reserve Fund and Capital Projects Fund, General Equipment Fund, to reduce water rate adjustments, pay off debt, or other purpose approved by the Board.	Upon Board approval, PayGo Capital from operations (in excess of budgeted) may be transferred from the Revenue Fund at the end of the fiscal year.

PRINCIPAL AND INTEREST FUNDS

<i>Purpose</i>	<i>Balance</i>
Established by bond covenant in 1982. Semiannual debt service payments are paid from these funds after money is transferred from the Revenue Fund.	The balance is generally \$0. Funds are deposited and dispersed on April 1st and October 1st.

DEBT SERVICE RESERVE FUNDS

<i>Purpose</i>	<i>Balance</i>
Established by bond covenants for each applicable bond issue. Maintained as a reserve, in case revenues are not sufficient to meet debt service payments.	The balance must equal the average aggregate debt service payment.

BOND PROJECT CONSTRUCTION FUNDS

<i>Purpose</i>	<i>Balance</i>
Established through the issuance of bonds. The fund holds the bond proceeds until they are transferred to the Capital Projects Fund for payment of project costs.	The balance in the fund is the remaining amount of bond proceeds from the bond issue.

RESTRICTED FUNDS

SUMMARY OF FEES

Approved fees charged by the District are included and described in the District's Administrative Policy and Procedures Manual, Rules and Regulations for Wholesale Water Service, and Rules and Regulations for Retail Water Service documents. The following is a summary of those fees.

GRAMMA REQUEST FEES

Copies:	Paper	\$0.25 per sheet
	Audio Tape	\$20 per tape
	Compact Disc	\$10 per disc
Personnel time:		
First 15 minutes		No fee
Charged in 15 minute increments	Secretary	\$15 per hour
	Records Manager	\$20 per hour
	Consultant	Actual cost
Conversion and mailing costs		Actual cost

COMMUTING VALUATION FEE

Employees assigned District vehicles to commute to and from work have a "Commuting Valuation" fee added to their semi-monthly paycheck (set by I.R.S.)	\$1.50 each one-way
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ENCROACHMENT FEES

Processing fee for the following easement encroachment applications:	\$300
Southwest Aqueduct Reaches 1 & 2	
150th South Pipeline	
134th South Pipeline	
5600 West Pipeline	
Central Pipeline	
Wasatch Front Regional Pipeline right-of-way	

JORDAN AQUEDUCT LICENSE AGREEMENT FEES

Processing fee for all Jordan Aqueduct easement encroachments:	
District fee	\$150
U.S. Bureau of Reclamation fee	\$100

SUMMARY OF FEES (CONTINUED)

WHOLESALE AND RETAIL WATER RATES AND FIRE LINES

WHOLESALE AND RETAIL WATER RATES

Wholesale and retail water rates are reviewed and updated annually by a water rate consultant performing a comprehensive water rate study. The updated wholesale and retail water rates for the budgeted fiscal year proposed in this financial plan are included in a separate accompanying document.

METER BASE CHARGE/FLAT FEES

Meter base charges/flat fees are based on meter capacity and charged monthly to wholesale member agencies and retail customers for each active meter, regardless of the actual volume of water taken through the meter. Meter base charges/flat fees for the budgeted fiscal year proposed in this financial plan are included in a separate

FEE IN LIEU OF TAX

A fee approximating property tax is charged to customers outside the District's boundaries

FIRE HYDRANTS, FIRE LINES, AND DETECTOR CHECK SYSTEMS

Installation and materials cost	Actual cost paid by customer	
Inspecting and maintaining fire lines:		
Initial installation inspection fee		\$100.00
Annual fire line charges	2"	5.00
	4"	30.94
	6"	89.89
	8"	191.55
	10"	344.48

RETAIL CONNECTION FEES

Meter Size	Impact Fee	Meter Fee	Installation Fee	Inspection Fee
5/8"	\$2,907	\$311	\$100	\$100
3/4"	4,153	311	100	100
1"	8,305	379	100	100
1-1/2"	16,611	673	100	100
2"	26,577	881	100	100
3"	64,782	(a)	(a)	100
4"	118,767	(a)	(a)	100
6"	237,533	(a)	(a)	100
8"	472,575	(a)	(a)	100

Note: An impact fee for non-standard use can be calculated by the District using the following formula:

$$\text{Estimated Peak Usage (gpm)} \times \$4,153 = \text{Impact Fee}$$
 a) Meters larger than 2" are purchased independently by, and installed by, a contractor.

SUMMARY OF FEES (CONTINUED)

OTHER RETAIL CUSTOMER FEES

TEMPORARY CONNECTIONS

Temporary Connection Fee	Actual charge for services rendered, cost of District's labor and materials, plus ten percent
Current fee calculation	\$217
Deposit (if meter provided by customer)	\$300
Deposit (if meter provided by District)	\$1,500

LINE EXTENSION

Cost of extending facilities	Applicant pays for all expenses
Deposit from applicant	2% of the cost

UPGRADING CONNECTION SIZE

(Refer to Connection Fees listing for amounts)

New connection fee	Based on size of meter
Existing meter credit	Impact fee based on size of meter

PAST DUE INTEREST FEES

18% on past due balance

COLLECTION CHARGE FOR PAST DUE SERVICE FEES \$20

SERVICE CHARGE FOR DISHONORED CHECKS \$20

SERVICE RESTORATION FEE \$50

DAMAGE TO EXISTING CONNECTION \$50 plus cost of labor and materials to replace

THEFT OF SERVICES \$100 plus usage



GENERAL EQUIPMENT FUND OVERVIEW

Beginning Balance July 1, 2022 **\$ 300,000**

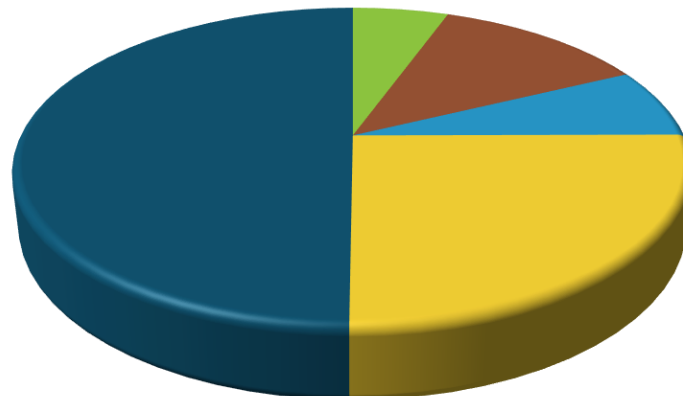
SOURCES OF FUNDS:

PayGo Capital Transfer from 2021/2022	700,000
Conservation Garden Park fundraising	0
Interest Income	7,500
Total Sources	\$ 707,500

USES OF FUNDS:

Account	Description	Budgeted 2021/2022	Budgeted 2022/2023	Budget to Budget	
				\$ Variance	% Var.
140 6010	Conservation Assets	\$ 110,000	\$ 50,000	\$ (60,000)	-54.5%
190 6010	IS Equipment	112,000	111,000	(1,000)	-0.9%
192 6010	Office Equipment	0	0	0	N/A
194 6010	Telemetry Equipment	0	64,000	64,000	N/A
196 6010	General Equipment	215,510	227,800	12,290	5.7%
198 6010	New Vehicles	290,000	450,300	160,300	55.3%
Total Uses		\$ 727,510	\$ 903,100	\$ 175,590	24.1%

Ending Balance June 30, 2023 **\$ 104,400**





GENERAL EQUIPMENT FUND DETAIL

<u>Account</u>	<u>Description</u>	<u>Qty</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total Amount</u>
<u>140 6010</u>	<u>Conservation Assets</u>				
	Conservation Garden Park frontage design	1	LS	\$ 50,000	\$ 50,000
					<u>\$ 50,000</u> *
<u>190 6010</u>	<u>IS Equipment</u>				
	Network servers	2	EA	\$ 24,000	\$ 48,000
	Storage server	1	LS	49,000	49,000
	Admin west copier replacement	1	LS	14,000	14,000
					<u>\$ 111,000</u>
<u>192 6010</u>	<u>Office Equipment</u>				
					\$ -
					<u>\$ -</u>
<u>194 6010</u>	<u>Telemetry Equipment</u>				
	Circuit board replacement on drive at pump station	1	LS	34,000	34,000
	SWGWTP variable frequency drive upgrade for P1	1	LS	30,000	30,000
					<u>\$ 64,000</u>
<u>196 6010</u>	<u>General Equipment</u>				
	TOC analyzer (SERWTP)	1	LS	\$ 50,000	\$ 50,000
	SDI meter (silt density index) (SWGWTP)	1	LS	20,000	20,000
	Large portable fans (SWGWTP)	1	LS	10,000	10,000
	Control desk cubicals and furniture (Dist Ops)	1	LS	30,000	30,000
	Gas chromatography sys for haloacetic acids (Lab)	1	LS	65,000	65,000
	Salt spreader for vehicle (PROJ & FLEET)	1	EA	10,000	10,000
	Trimble R12i GPS unit (PROJ & FLEET)	1	EA	32,000	32,000
	Vibration tester/analyzer (PROJ & FLEET)	1	EA	10,800	10,800
					<u>\$ 227,800</u>
<u>198 6010</u>	<u>New Vehicles</u>				
	Light duty pickup truck (PROJ & FLEET)	5	EA	\$ 41,500	\$ 207,500
	Utility truck and attachments (PROJ & FLEET)	1	EA	55,800	55,800
	Valve turning/vactor truck (PROJ & FLEET)	1	EA	187,000	187,000
					<u>\$ 450,300</u>
Total General Equipment Fund Purchases					<u>\$ 903,100</u>

* Fundraising donations will be applied to garden exhibits.



DEBT SERVICE SCHEDULE & LONG-TERM DEBT SUMMARY

Debt Service Payment Due:				October 1, 2022		April 1, 2023		Total
	<u>Orig. Issue Amount</u>	<u>Maturity Date</u>	<u>Outstanding Bal. 7/1/2022</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2008 B1 Ref. Bonds*	64,665,000	10/1/37	54,865,000	\$ 2,400,000	\$ 750,000	\$ -	\$ 750,000	\$ 3,900,000
2009C Bonds (Utah Brd of Wtr Res)	3,600,000	10/1/34	2,028,000	157,000	-	-	-	157,000
2013A Ref. Bonds	6,700,000	10/1/22	1,745,000	880,000	34,900	-	-	914,900
2014A Bonds & Refunding Bonds	50,000,000	10/1/44	24,745,000	-	580,400	-	580,400	1,160,800
2016A&B Bonds & Refunding Bonds	63,920,000	10/1/46	34,820,000	1,190,000	870,500	-	840,750	2,901,250
2017A Ref. Bonds	9,880,000	10/1/28	6,790,000	860,000	156,550	-	135,050	1,151,600
2017B Ref. Bonds	77,140,000	10/1/41	74,025,000	2,735,000	1,595,900	-	1,527,525	5,858,425
2019A Bonds	29,030,000	10/1/49	28,130,000	480,000	697,700	-	685,700	1,863,400
2021A Bonds & Refunding Bonds	61,855,000	10/1/51	60,515,000	2,665,000	1,329,375	-	1,262,750	5,257,125
								-
TOTAL			\$287,663,000	\$ 11,367,000	\$ 6,015,325	\$ -	\$ 5,782,175	\$ 23,164,500
				\$17,382,325		\$5,782,175		

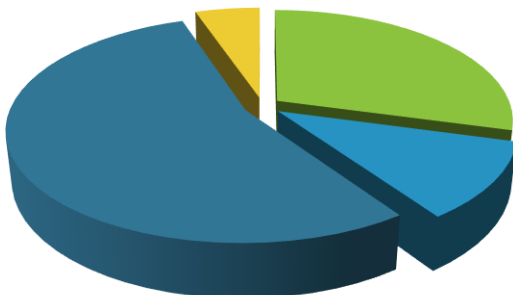
* Variable rate debt, interest paid monthly



SUMMARY OF CAPITAL PROJECT EXPENDITURES BUDGET

<p>CP1 Category: Major rehabilitation or replacement of existing facilities.</p> <p>Example Projects: Distribution pipeline replacement, transmission vault restoration, JWVTP sedimentation basins equipment replacement, storage reservoir rehabilitation, well improvements, and normal extraordinary replacement activities.</p>	<p>\$ 21,837,862</p> <p>(1,957,427) *</p> <hr/> <p>\$ 19,880,435</p>
<p>CP2 Category: New facilities needed for compliance or functional upgrades, but provide no new system capacity.</p> <p>Example Projects: Zone D chemical feed facility, JWVTP floc/sed basins seismic upgrade and increase capacity and upgrades, vehicle/water trailer storage buildings, and site modifications.</p>	<p>7,954,658</p> <p>(892,004) *</p> <hr/> <p>7,062,654</p>
<p>CP3 Category: New water supply, treatment, conveyance, or storage facilities which provide new system capacity.</p> <p>Example Projects: 10200 S. 3600 W. new booster pump station, 5200 W. 6200 S. new storage reservoir, JWVTP expansion from 180MGD to 255MGD, new wells and groundwater development.</p>	<p>23,897,001</p> <p>- *</p> <hr/> <p>23,897,001</p>
<p>CP4 Category: Projects to serve lands currently outside current District boundaries.</p> <p>Example Projects: WFRP right-of-way acquisition</p>	<p>605,000</p> <p>- *</p> <hr/> <p>605,000</p>
<p>TOTAL OF ALL CATEGORIES (GROSS)</p>	<p>\$ 54,294,521</p>
<p><i>*amounts shown in red are reimbursements (MWDSLs, grants, etc.)</i></p>	<p>\$ (2,849,431)</p>
<p>TOTAL OF ALL CATEGORIES (NET)</p>	<p>\$ 51,445,090</p>

PROJECTED CAPITAL PROJECTS FUNDING



Replacement Reserve Fund	\$ 15,880,435	29.3%
Capital Projects Fund	6,010,950	11.1%
Bond Proceeds	29,553,705	54.4%
Project Reimbursements	2,849,431	5.3%
	\$ 54,294,521	100.0%



SUMMARY OF CAPITAL PROJECT EXPENDITURES BUDGET

CAPITAL PROJECT EXPENDITURES

Gross Total \$54,294,521

