



JORDAN VALLEY WATER
CONSERVANCY DISTRICT

TENTATIVE FINANCIAL PLAN FOR THE 2023/2024 BUDGET

July 1, 2023 through June 30, 2024



PARAMETERS FOR 2023/2024 BUDGET PREPARATION

Preparation of the fiscal year 2023/2024 budget will be based upon the following budget parameters, derived from the document Establishing a Level of Service for Preparation of Fiscal Year 2023/2024 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)	2022/2023	2023/2024
Wholesale water deliveries	93,500	93,500
Retail water deliveries	8,500	8,500
Total budgeted water deliveries	102,000	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)	4.0% - 6.0%
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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 1/31/2023	\$8.5 million
Estimated need from the Revenue Stabilization Fund	\$5.0 – \$7.0 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 2023 Board meeting for a possible hearing, pending receipt of the actual certified tax rate, and decision by the Board.

	2022 Certified Tax Rate	2022 Adopted Tax Rate	Estimated 2023 Certified Tax Rate	Estimated Property Tax Revenue for FY 2023/2024
Projected property tax rate and revenue *	0.000296	0.000319	0.000345	\$26.1 million *

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



PARAMETERS FOR 2023/2024 BUDGET PREPARATION

RESERVE FUND BALANCES

Reserve fund balances to be maintained	Reserve as of 1/31/2023
Operation & Maintenance Fund minimum balance of three-months working capital (required by bond covenants)	\$7.4 million
Revenue Fund minimum balance of 25% of annual debt service amount (required by bond covenants)	\$5.8 million
Emergency Reserve/Self-Insurance Fund to be increased to \$10 million (proposed) over the next 10 years (set by Board res.)	\$5.1 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% - 9%**
- Four proposed new personnel positions (2 full-time, 2 part-time):
 - Maintenance Worker - Facilities & Grounds
 - Treatment Plant Operator - JVVWTP
 - Water Quality Technician (part-time)
 - System Operator (part-time)

CAPITAL PROJECT EXPENDITURES

Capital Project Categories	Tentative Budget Amount
CP1: Major rehabilitation or replacement of existing facilities	\$18.3 million
CP2: New facilities needed for compliance or functional upgrades (no new capacity)	\$10.4 million
CP3: New water supply, treatment, conveyance, or storage facilities (new capacity)	\$31.8 million
CP4: Projects to serve lands currently outside current boundaries	\$0.7 million
Total tentative net capital project expenditures budget estimate	\$61.2 million

Major projects include: two new storage reservoirs, four new wells, JVVWTP expansion, JVVWCD floc/sed basins seismic upgrade and increase capacity, storage reservoir repainting, 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. **\$19.2 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 - 2023/2024 BUDGET

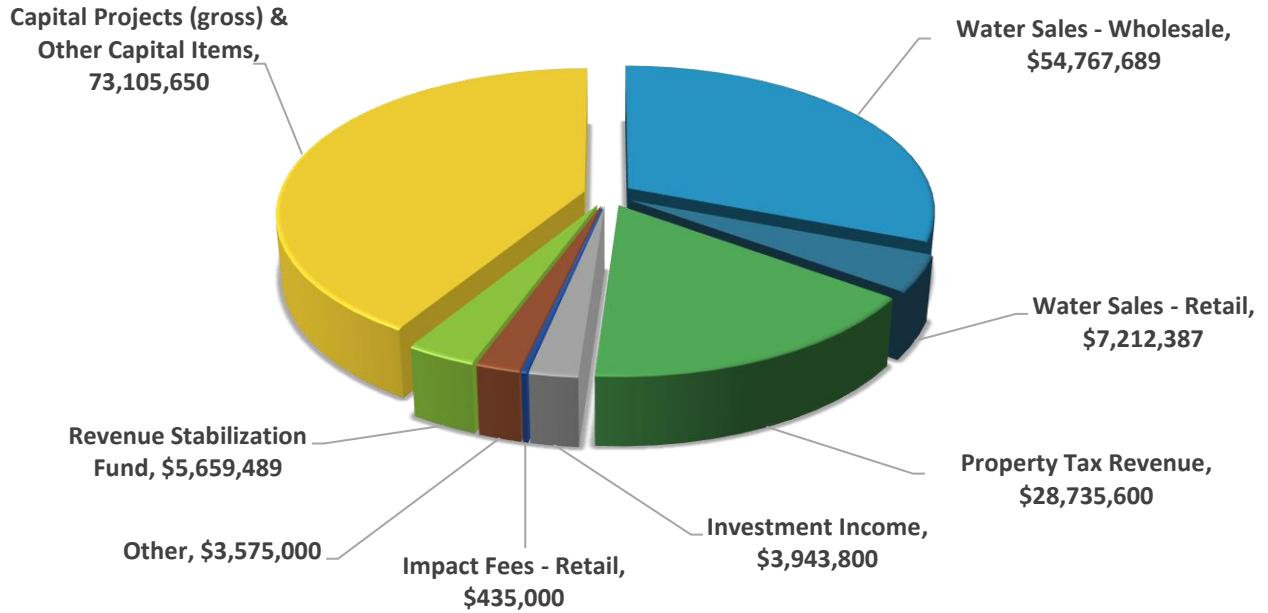
SOURCES OF FUNDS	2021/2022	2022/2023		2023/2024	Budget to Budget	
	Actual	Projected	Budget	Budget	\$ Variance	% Var.
Water Sales - Wholesale	\$ 48,200,098	\$ 52,418,862	\$ 52,554,723	\$ 54,767,689	\$ 2,212,966	4.2%
Water Sales - Retail	6,052,698	6,493,911	6,758,349	7,212,387	454,038	6.7%
Property Tax Revenue	24,204,336	26,302,824	25,650,346	28,735,600	3,085,254	12.0%
Investment Income	584,237	2,628,715	1,087,300	3,943,800	2,856,500	262.7%
Impact Fees - Retail	336,820	231,432	512,000	435,000	(77,000)	-15.0%
Other	1,587,432	2,239,982	2,243,093	3,575,000	1,331,907	59.4%
Subtotal	80,965,621	90,315,726	88,805,811	98,669,476	9,863,665	11.1%
Revenue Stabiliz. Fd. (rates)	5,590,263	8,402,108	8,402,108	5,659,489	(2,742,619)	-32.6%
Capital Projects Fd. (net)	13,970,831	41,445,089	51,445,090	61,216,008	9,770,918	19.0%
Capital Projects (reimb.)	971,104	2,575,428	2,849,431	11,889,642	9,040,211	317.3%
JVCGF Contributions	-	-	-	-	-	N/A
Total Sources	\$ 101,497,819	\$ 142,738,351	\$ 151,502,440	\$ 177,434,615	\$ 25,932,175	17.1%
USES OF FUNDS						
Operation and Maintenance	\$ 47,998,982	\$ 53,225,066	\$ 55,552,984	\$ 59,725,718	\$ 4,172,734	7.5%
Bond Principal and Interest	21,891,591	23,265,239	23,164,500	25,405,675	2,241,175	9.7%
Transfers to Reserve Funds:						
Replacement Reserve Fd.	10,898,744	15,880,435	15,880,435	14,328,572	(1,551,863)	-9.8%
Capital Projects Fund	-	-	-	-	-	N/A
Development Fee Fund	336,820	231,432	512,000	435,000	(77,000)	-15.0%
General Equipment Fund	700,000	900,000	900,000	900,000	-	0.0%
Emergency Reserve Fund	200,000	100,000	100,000	300,000	200,000	200.0%
Interest Allocated to Funds	387,169	1,800,000	698,000	2,734,000	2,036,000	291.7%
Short-Term Operating Res.	-	2,227,179	-	-	-	N/A
Revenue Stabilization Fd.	3,648,578	688,483	-	-	-	N/A
Revenue Fund	300,000	200,000	200,000	200,000	-	0.0%
Operation & Maint. Fund	200,000	200,000	200,000	300,000	100,000	50.0%
Total Transfers	16,671,311	22,227,529	18,490,435	19,197,572	707,137	3.8%
Subtotal	86,561,884	98,717,834	97,207,919	104,328,965	7,121,046	7.3%
Capital Projects (gross)	14,941,935	44,020,517	54,294,521	73,105,650	18,811,129	34.6%
JVCGF Contrib. Projects	-	-	-	-	-	N/A
Total Uses	\$ 101,503,819	\$ 142,738,351	\$ 151,502,440	\$ 177,434,615	\$ 25,932,175	17.1%
Non-Operating and Non-Cash Expenses and Accruals*						
Depreciation & Amortiz.	\$ 8,632,413	\$ 9,000,000	\$ 9,000,000	\$ 9,200,000	\$ 200,000	2.2%
Net Pension Expense	(2,661,432)	(327,000)	(327,000)	(960,000)	(633,000)	193.6%
OPEB Expense	419,205	420,000	420,000	430,000	10,000	2.4%
Self Insurance Claims	122,513	75,000	100,000	100,000	-	0.0%
Bond Issuance Costs	-	-	250,000	700,000	450,000	180.0%
	\$ 6,512,699	\$ 9,168,000	\$ 9,443,000	\$ 9,470,000	\$ 27,000	0.3%

* 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.

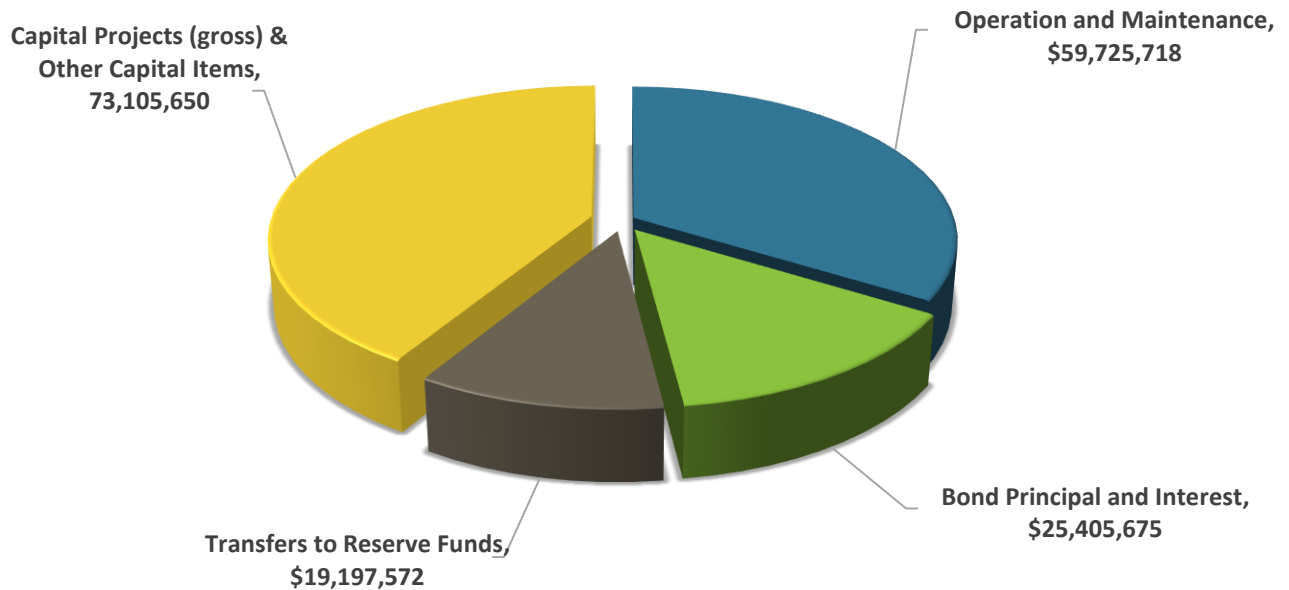


OVERVIEW - 2023/2024 BUDGET (SOURCES & USES)

SOURCES



USES





REVENUE DETAIL - 2023/2024 BUDGET

	<u>Deliveries AF</u>	<u>Rate per AF</u>	<u>Budgeted Revenues</u>	<u>Total</u>
WATER SALES - WHOLESALE				
Wholesale Deliveries	94,350	\$578.36	\$ 54,568,266	
Meter Base Charges			199,423	\$ 54,767,689
WATER SALES - RETAIL				
Retail Deliveries	7,650	883.50	6,758,775	
Meter Base Charges			386,000	
Other Fees			24,820	
Fire Line Charges			42,792	7,212,387
PROPERTY TAX REVENUE (S.L. & Utah Co.)	<u>Prop. Valuation</u>			
2022 Certified Tax Rate Value	\$77,075,437,321			
x Collection Rate (97.67%)	75,279,579,631			
x 2022 Adopted Tax Rate (0.000319)			\$24,014,200	
New Growth x Collection Rate (4-year avg.)	1,821,394,585			
New Growth x 2023 Estimated Certified Tax Rate (0.000345)			\$628,400	
<u>Truth In Taxation (CTR of 0.000345 to 0.000375)</u>				
Estimated Tax Increase on 2023 Taxable Value			\$2,313,000	
+ Vehicles Flat Tax (2022=\$1,381,035)			1,390,000	
+ Redemptions (2022=\$359,112)			370,000	
+ Interest (2022=\$15,863)			20,000	28,735,600
INVESTMENT INCOME	<u>Average Bal.</u>			
Revenue Fund	\$14,170,000	3.60%	\$509,600	
Operation & Maintenance Fund	15,500,000	3.73%	578,800	
General Equipment Fund	600,000	3.75%	22,500	
Emg. Reserve/Self Insurance Fund	5,100,000	3.75%	191,300	
Other Maintenance Reserve Funds	402,000	3.75%	15,100	
Revenue Stabilization Fund	5,500,000	3.75%	206,300	
Capital Projects and R&R Funds	21,300,000	3.75%	798,800	
Bond Projects Fund	40,000,000	3.75%	1,500,000	
Bond Debt Service Reserve Funds	4,855,000	2.50%	121,400	3,943,800
RETAIL IMPACT FEES				
Retail Impact Fees (3/4" to 8" size) - Restricted to Development Fee Fund				
5-Year Average Impact Fee Revenue				435,000
OTHER				
Grant Revenue			\$2,240,000	
Operation & Maintenance Cost Sharing			700,000	
Site Leases (Cell Towers)			250,000	
Land Leases/Home Rentals/Conserv. Bldg Rental/Easements			200,000	
Miscellaneous Water Sales			50,000	
Sale of Assets/Scrap/Surplus			50,000	
Board Service/Other			50,000	
Lab Services			35,000	3,575,000
TOTAL REVENUES				\$ 98,669,476



REVENUE DETAIL

REVENUE SOURCE	2021/2022	2022/2023		2023/2024	Budget to Budget	
	Actual	Projected	Budget	Budget	\$ Variance	% Var.
Water Sales						
Wholesale Deliveries	\$ 48,000,902	\$ 52,224,101	\$ 52,359,904	\$ 54,568,266	\$ 2,208,362	4.2%
Wholesale Meter Charges	199,196	194,761	194,819	199,423	4,604	2.4%
Retail Deliveries	5,610,046	6,047,193	6,314,156	6,758,775	444,619	7.0%
Retail Meter Charges	384,864	385,591	386,000	386,000	-	0.0%
Other Fees	21,024	24,541	23,997	24,820	823	3.4%
Fire Line Charges	36,764	36,586	34,196	42,792	8,596	25.1%
	<u>54,252,796</u>	<u>58,912,773</u>	<u>59,313,072</u>	61,980,076	2,667,004	4.5%
Property Tax Revenue	24,204,336	26,302,824	25,650,346	28,735,600	3,085,254	12.0%
Interest Income	584,237	2,628,715	1,087,300	3,943,800	2,856,500	262.7%
Impact Fees - Retail	336,820	231,432	512,000	435,000	(77,000)	-15.0%
Miscellaneous Revenue						
O&M Cost Sharing	576,343	805,030	810,000	700,000	(110,000)	-13.6%
Grant Revenue	234,671	708,093	713,093	2,240,000	1,526,907	214.1%
Other Revenues	776,418	726,859	720,000	635,000	(85,000)	-11.8%
	<u>1,587,432</u>	<u>2,239,982</u>	<u>2,243,093</u>	3,575,000	1,331,907	59.4%
Total Revenues	\$ 80,965,621	\$ 90,315,726	\$ 88,805,811	\$ 98,669,476	\$ 9,863,665	11.1%



OPERATION AND MAINTENANCE DETAIL

Obj No.	Description	2021/2022 Actual	2022/2023 Projected	2022/2023 Budget	2023/2024 Budget	Budget to Budget \$ Variance	% Var.
5110	Emp. Wages & Benefits	\$ 17,393,807	\$ 19,013,737	\$ 19,587,691	\$ 20,467,172	\$ 879,481	4.5%
5170	Gen. Admin. & Uniforms	198,917	213,126	211,950	236,910	24,960	11.8%
5180	Tuition Assistance	25,475	31,800	45,000	45,000	-	0.0%
5210	Insurance	964,879	1,114,143	1,031,351	1,206,021	174,670	16.9%
5220	Office Supplies	38,863	42,291	47,811	53,171	5,360	11.2%
5230	Computer Equipment	767,481	802,671	822,775	844,080	21,305	2.6%
5250	Mailing	97,531	93,612	107,950	100,300	(7,650)	-7.1%
5260	Safety	82,075	91,654	97,449	104,379	6,930	7.1%
5270	Public Relations	158,808	143,016	192,925	202,964	10,039	5.2%
5280	Prof Consulting	274,763	291,910	316,350	429,371	113,021	35.7%
5282	Prof Consulting - Audit	29,600	30,908	38,900	38,900	-	0.0%
5284	Prof Consulting - Legal	395,744	401,398	442,750	452,750	10,000	2.3%
5286	Bond and Bank Fees	380,207	418,979	424,000	396,400	(27,600)	-6.5%
5290	Training & Education	195,445	209,435	356,609	357,597	988	0.3%
5310	Tools & Equipment	253,265	294,210	338,911	338,269	(642)	-0.2%
5320	Lubricants	6,717	6,186	8,940	9,540	600	6.7%
5330	Parts - General Equip.	84,518	88,975	107,050	112,450	5,400	5.0%
5340	Fuel	182,896	220,465	180,060	200,660	20,600	11.4%
5350	Bldg. & Grounds Maint.	314,241	373,392	389,512	409,420	19,908	5.1%
5360	Scheduled Maint.	408,397	436,797	552,539	667,427	114,888	20.8%
5380	Repair & Replacement	907,548	1,106,681	1,230,499	1,427,198	196,699	16.0%
5390	Utility Location	26,627	33,867	28,050	37,050	9,000	32.1%
5400	General Property	42,227	85,696	164,906	164,270	(636)	-0.4%
5410	Electrical Power	3,943,125	4,340,039	4,930,697	4,725,415	(205,282)	-4.2%
5420	Heat	185,336	175,269	169,611	178,823	9,212	5.4%
5430	Sewer	30,555	34,641	35,951	35,467	(484)	-1.3%
5440	Water	35,916	46,492	51,198	51,678	480	0.9%
5450	Phone & Telemetry	26,600	23,691	24,648	25,080	432	1.8%
5530	Lease	49,933	44,060	45,576	40,326	(5,250)	-11.5%
5670	Conservation Programs	1,104,592	1,552,803	1,567,873	3,060,030	1,492,157	95.2%
5710	Chemicals	1,452,843	2,273,183	2,780,169	3,171,672	391,503	14.1%
5720	Lab	133,956	141,622	174,961	190,180	15,219	8.7%
5750	Water Qual. - Field	1,892	3,074	15,670	15,120	(550)	-3.5%
5770	Water Qual. - Analysis	232,240	437,495	416,868	480,741	63,873	15.3%
5810	Water Purchases	16,390,693	17,396,814	17,402,067	18,194,022	791,955	4.6%
5820	Water stock assess.	1,181,270	1,210,934	1,213,717	1,255,865	42,148	3.5%
Total Expenses		\$ 47,998,982	\$ 53,225,066	\$ 55,552,984	\$ 59,725,718	\$ 4,172,734	7.5%



OPERATING FUNDS - CASH FLOW PROJECTIONS

	Revenue Fund	Operation & Maintenance Fund	General Equipment Fund
Beginning Balance July 1, 2023	\$13,000,000	\$13,500,000	\$350,000
SOURCES OF FUNDS:			
Water Sales	61,980,076		
Property Tax Receipts		28,735,600	
Transfer from Revenue Stabilization Fd	5,659,489		200,000
Transfer from DSRF's (Interest Income)	121,400		
Transfer from Revenue Fund		28,200,000	
PayGo Capital Transfer from 2022/2023			900,000
Conservation Garden Park Fundraising			0
Connection Fees / Miscellaneous	4,010,000		
Interest Income	509,600	578,800	22,500
Total Sources	72,280,565	57,514,400	1,122,500
USES OF FUNDS:			
Debt Service Payments	(25,405,675)		
Operation and Maintenance Expenses		(59,725,718)	
General Equipment Fund Purchases			(1,423,000)
Transfer to O&M Fund	(28,000,000)		
Transfer to O&M Reserve	(200,000)		
Transfer to Replacement Reserve Fund	(15,880,435)		
Transfer to Development Fee Fund	(512,000)		
Transfer to General Equipment Fund	(900,000)		
Transfer to Self Ins./ Emer. Reserve Fd	(100,000)		
Transfer to Revenue Stabilization Fund	(3,000,000)		
Total Uses	(73,998,110)	(59,725,718)	(1,423,000)
Ending Balance June 30, 2024	\$11,282,455	\$11,288,682	\$49,500



CAPITAL FUNDS - CASH FLOW PROJECTIONS

	Capital Projects Fund	Replacement Reserve Fund	Development Fee Fund
Beginning Balance July 1, 2023	\$11,000,000	\$10,600,000	\$200,000
SOURCES OF FUNDS:			
PayGo Capital Transfer from 2022/2023		15,880,435	512,000
Transfer from Bond Project Fund	51,472,500		
Transfer from Capital Projects Fund			
Transfer from Bond DSR Funds	0		
Reimbursement - from other agencies	892,004	1,957,427	
Interest Income	407,388	375,436	15,976
Total Sources	52,771,892	18,213,298	527,976
USES OF FUNDS:			
Transfer to Replacement Reserve Fund			
CP1 Capital Projects (gross)		(19,600,000)	
CP2 Capital Projects (gross)	(19,663,300)		
CP3 Capital Projects (gross)	(32,464,374)		
CP4 Capital Projects (gross)	(650,000)		
Development Fee Fund expenditures			(727,976)
Total Uses	(52,777,674)	(19,600,000)	(727,976)
Ending Balance June 30, 2024	\$10,994,218	\$9,213,298	\$0



RESERVE FUNDS - CASH FLOW PROJECTIONS

	Emg. Reserve/ Self Insurance Fund	Maintenance Reserve Funds	Revenue Stabilization Fund
Beginning Balance July 1, 2023	\$5,150,000	\$392,000	\$8,676,083
SOURCES OF FUNDS:			
PayGo Capital Transfer from 2022/2023	100,000		3,000,000
Interest Income	191,300	15,100	206,300
Total Sources	291,300	15,100	3,206,300
USES OF FUNDS:			
Self Insurance claims	(100,000)		
Transfer to Revenue Fund			(5,659,489)
Transfer to Capital Projects Fund			
Transfer to General Equipment Fund			(200,000)
Other expenditures			
Total Uses	(100,000)	0	(5,859,489)
Ending Balance June 30, 2024	\$5,341,300	\$407,100	\$6,022,894

REVENUE STABILIZATION FUND TRANSFER FOR JULY 1, 2023

Transfer to Revenue Fund - Prior Year Unspent O&M Funds ¹	\$2,982,386
Transfer to Revenue Fund - Additional Transfer for CP1 Projects ¹	2,677,103
Transfer to Capital Projects Fund ²	0
Transfer to General Equipment Fund ³	200,000
	\$5,859,489

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, and deduct from amount available from prior year unspent O&M funds



RESTRICTED FUNDS - CASH FLOW PROJECTIONS

	2008 B-1 DSR Fund	2009C DSR Fund	2021A Bond Project Fund	2024A Bond Project Fund
Beginning Balance July 1, 2023	\$4,700,000	\$155,000	\$7,435,000	\$0
SOURCES OF FUNDS:				
New Money Bond Issue				100,700,000
Transfer from Other Fund				
Interest Income	117,500	3,900	37,500	1,462,500
Total Sources	117,500	3,900	37,500	102,162,500
USES OF FUNDS:				
Bond Issuance Costs				(700,000)
Transfer to Capital Projects Fund			(7,472,500)	(44,000,000)
Transfer Interest to Revenue Fund	(117,500)	(3,900)		
Transfer to Bond Fund				
Total Uses	(117,500)	(3,900)	(7,472,500)	(44,700,000)
Ending Balance June 30, 2024	\$4,700,000	\$155,000	\$0	\$57,462,500



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 2023/2024 budget as \$5,968,919) 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 \$7,400,000) 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 2023/2024 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 2023/2024 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 \$123,000. 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.

RESTRICTED FUNDS

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.

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.

	2022/2023 Fees	2023/2024 Fees
GRAMA REQUEST FEES		
Copies:		
Paper (per sheet)	\$ 0.25	\$ 0.25
Audio tape (per tape)	20.00	Remove
Compact Disc (per disc)	10.00	Remove
Personnel time (charged in 15 minute increments):		
First 15 minutes	No fee	No fee
Administrative Assistant (per hour)	15.00	40.00
Records Manager (per hour)	20.00	40.00
Consultant	Actual cost	Actual cost
Conversion and mailing costs	Actual cost	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.)		
Commuting valuation fee (each one-way)	1.50	1.50
ENCROACHMENT FEES		
Processing fee for the following easement encroachment applications:	300.00	300.00
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	150.00	150.00
U.S. Bureau of Reclamation fee	100.00	100.00

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

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 accompanying document.

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

	Meter Size	2022/2023 Fees	2023/2024 Fees
Installation and materials cost		Actual cost paid by cust.	Actual cost paid by cust.
Inspecting and maintaining fire lines:			
Initial installation inspection fee		\$ 100.00	\$ 200.00
Annual fire line charges	2"	5.00	Annual fire line charges will be updated by water rate consultant as part of the water rate update.
	4"	30.94	
	6"	89.89	
	8"	191.55	
	10"	344.48	

RETAIL IMPACT AND CONNECTION FEES

Meter Size	FISCAL YEAR 2022/2023				FISCAL YEAR 2023/2024			
	Impact Fee	Meter Fee	Install. Fee	Inspec. Fee	Impact Fee	Meter Fee	Install. Fee	Inspec. Fee
5/8"	\$ 2,907	\$ 311	\$ 100	\$ 100	\$ 2,907	\$ 370	\$ 200	\$ 200
3/4"	4,153	311	100	100	4,153	370	200	200
1"	8,305	379	100	100	8,305	456	200	200
1-1/2"	16,611	673	100	100	16,611	781	200	200
2"	26,577	881	100	100	26,577	841	200	200
3"	64,782	(a)	(a)	100	64,782	(a)	(a)	200
4"	118,767	(a)	(a)	100	118,767	(a)	(a)	200
6"	237,533	(a)	(a)	100	237,533	(a)	(a)	200
8"	472,575	(a)	(a)	100	472,575	(a)	(a)	200

Note: An impact fee for non-standard use can be calculated by the District using the following formula:
Estimated Peak Usage (gpm) x \$4,153 = Impact Fee

a) Meters larger than 2" are purchased independently by, and installed by, a contractor.

SUMMARY OF FEES (CONTINUED)

OTHER RETAIL CUSTOMER FEES

	2022/2023 Fees	2023/2024 Fees
TEMPORARY CONNECTIONS		
Temporary connection fee:		
Actual charges for services rendered, cost of District's labor and materials, plus ten percent	\$ 217.00	\$ 202.00
Deposit (if meter provided by customer)	300.00	300.00
Deposit (if meter provided by District)	1,500.00	1,500.00
LINE EXTENSION		
Cost of extending facilities	Applicant pays all exp.	Applicant pays all exp.
Deposit from applicant	2% of cost	2% of cost
UPGRADING CONNECTION SIZE		
(Refer to Connection Fees listing for amounts)		
New connection fee	Based on meter size	Based on meter size
Existing meter credit	Impact fee based on meter size	Impact fee based on meter size
PAST DUE INTEREST FEES		
Interest charged on past due balance	18%	18%
COLLECTION CHARGE FOR PAST DUE SERVICE FEES		
	20.00	20.00
SERVICE CHARGE FOR DISHONORED CHECKS		
	20.00	20.00
SERVICE RESTORATION FEE		
	50.00	75.00
DAMAGE TO EXISTING CONNECTION		
Fee plus cost of labor and materials to replace	50.00	75.00
UNAUTHORIZED USE OF SERVICES CHARGE		
Fee plus water usage	100.00	200.00
WATER-EFFICIENT LANDSCAPING PERFORMANCE BOND		
For new water service connections after 7/1/2021		
Charge per square foot of the total landscaped area, reimbursed if landscaping meets requirements	2.00	2.00



GENERAL EQUIPMENT FUND OVERVIEW

Beginning Balance July 1, 2023 **\$ 350,000**

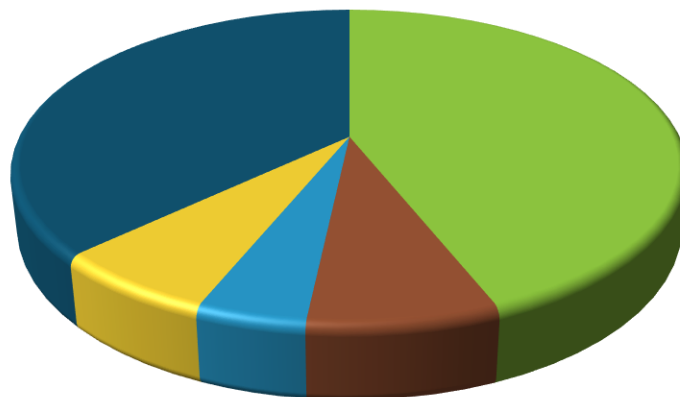
SOURCES OF FUNDS:

Transfer from Revenue Stabilization Fund	200,000
Budgeted PayGo Capital Transfer from 2022/2023	900,000
Conservation Garden Park fundraising	0
Interest Income	22,500
Total Sources	\$ 1,122,500

USES OF FUNDS:

Account	Description	Budgeted 2022/2023	Budgeted 2023/2024	Budget to Budget	
				\$ Variance	% Var.
140 6010	Conservation Assets	\$ 50,000	\$ 625,000	\$ 575,000	1150.0%
190 6010	IS Equipment	111,000	111,000	0	0.0%
192 6010	Office Equipment	0	0	0	N/A
194 6010	Telemetry Equipment	64,000	64,000	0	0.0%
196 6010	General Equipment	227,800	97,000	(130,800)	-57.4%
198 6010	New Vehicles	450,300	526,000	75,700	16.8%
Total Uses		\$ 903,100	\$ 1,423,000	\$ 519,900	57.6%

Ending Balance June 30, 2024 **\$ 49,500**





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>				
	Garden Park schematic design - phases 2, 3	1	LS	\$ 75,000	\$ 75,000
	Garden Park frontage project - phase 1	1	LS	\$ 500,000	500,000
	Garden Park interpretive master plan	1	LS	\$ 50,000	50,000
					<u>\$ 625,000</u> *
<u>190 6010</u>	<u>IS Equipment</u>				
	Network servers	2	EA	\$ 31,000	\$ 62,000
	Storage server	1	LS	49,000	49,000
					<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 for P2 and P3	2	EA	17,000	34,000
	SWGWTP variable frequency drive upgrade for P2	1	LS	30,000	30,000
					<u>\$ 64,000</u>
<u>196 6010</u>	<u>General Equipment</u>				
	Trimble R12i GPS unit (FLEET & EQUIP)	1	EA	\$ 37,000	\$ 37,000
	Utility tractor and rotary cutter (FLEET & EQUIP)	1	EA	60,000	60,000
					<u>\$ 97,000</u>
<u>198 6010</u>	<u>New Vehicles</u>				
	Light duty pickup truck (FLEET & EQUIP)	4	EA	\$ 51,500	\$ 206,000
	Utility truck and attachments (FLEET & EQUIP)	1	EA	75,000	75,000
	One ton dump body (FLEET & EQUIP)	1	EA	90,000	90,000
	Valve turning/vactor service body (FLEET & EQUIP)	1	EA	155,000	155,000
					<u>\$ 526,000</u>
Total General Equipment Fund Purchases					<u>\$ 1,423,000</u>

* Fundraising donations will be applied to garden exhibits.



DEBT SERVICE SCHEDULE & LONG-TERM DEBT SUMMARY

Debt Service Payment Due:				October 1, 2023		April 1, 2024		Total
	<u>Orig. Issue Amount</u>	<u>Maturity Date</u>	<u>Outstanding Bal. 7/1/2023</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2008 B1 Ref. Bonds*	\$64,665,000	10/1/37	\$52,465,000	\$ 3,600,000	\$ 850,000	\$ -	\$ 850,000	\$ 5,300,000
2009C Bonds (Utah Brd of Wtr Res)	3,600,000	10/1/34	1,871,000	157,000	-	-	-	157,000
2014A Bonds	37,750,000	10/1/44	24,745,000	-	580,400	-	580,400	1,160,800
2016A&B Bonds & Refunding Bonds	63,920,000	10/1/46	33,630,000	645,000	840,750	-	824,625	2,310,375
2017A Ref. Bonds	9,880,000	10/1/28	5,930,000	880,000	135,050	-	126,250	1,141,300
2017B Ref. Bonds	77,140,000	10/1/41	71,290,000	3,865,000	1,527,525	-	1,430,900	6,823,425
2019A Bonds	29,030,000	10/1/49	27,650,000	505,000	685,700	-	673,075	1,863,775
2021A Bonds & Refunding Bonds	61,855,000	10/1/51	57,850,000	2,660,000	1,262,750	-	1,196,250	5,119,000
2024A Bonds (new bond issue)	85,000,000	10/1/54	-	-	-	-	1,530,000	1,530,000
								-
TOTAL			\$275,431,000	\$ 12,312,000	\$ 5,882,175	\$ -	\$ 7,211,500	\$ 25,405,675
				\$18,194,175		\$7,211,500		

* Variable rate debt, interest paid monthly

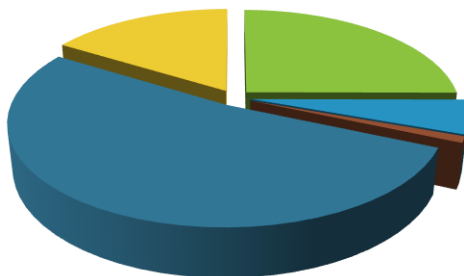
Note: The 2014A bonds are being monitored for possible refunding combined with the new bond issue.



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, storage reservoir rehabilitation, JWWT sedimentation basins equip. replacement, flocculator equip. replacement, and normal extraordinary replacement activities.</p>	<p>\$ 19,600,000</p> <p>(1,271,428) *</p> <hr/> <p>\$ 18,328,572</p>
<p>CP2 Category: New facilities needed for compliance or functional upgrades, but provide no new system capacity.</p> <p>Example Projects: JWWT floc/sed basins seismic upgrade and increase capacity and upgrades, vehicle/water trailer storage buildings, Willowcreek retail storage/booster/transmission upgrades, and site modifications.</p>	<p>19,663,300</p> <p>(9,218,214) *</p> <hr/> <p>10,445,086</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. and U-111 12200 S. new storage reservoirs, JWWT expansion from 180MGD to 255MGD, new wells and groundwater development.</p>	<p>33,192,350</p> <p>(1,400,000) *</p> <hr/> <p>31,792,350</p>
<p>CP4 Category: Projects to serve lands currently outside current District boundaries.</p> <p>Example Projects: WFRP right-of-way acquisition</p>	<p>650,000</p> <p>- *</p> <hr/> <p>650,000</p>
<p>TOTAL OF ALL CATEGORIES (GROSS)</p>	<p>\$ 73,105,650</p>
<p><i>*amounts shown in red are reimbursements (MWDSLs, grants, etc.)</i></p>	<p>\$(11,889,642)</p>
<p>TOTAL OF ALL CATEGORIES (NET)</p>	<p>\$ 61,216,008</p>

PROJECTED CAPITAL PROJECTS FUNDING



Replacement Reserve Fund	\$ 18,328,572	25.1%
Capital Projects Fund	3,954,650	5.4%
Impact Fees	\$727,976	1.0%
Bond Proceeds	38,204,810	52.3%
Project Reimbursements	11,889,642	16.3%
	\$ 73,105,650	100.0%



SUMMARY OF CAPITAL PROJECT EXPENDITURES BUDGET

CAPITAL PROJECT EXPENDITURES

Gross Total \$73,105,650

