

APPENDIX H

Pro Forma Income Statement

(Culinary System Rate Model)

	Historic			Projected		
	Year	Year	Year	Year	Year	Year
	2017	2018	2019	2020	2021	2022
Total Accounts	7,808	7,941	7,949	7,957	7,965	7,973
% Growth from Previous Year	2.08%	1.70%	0.10%	0.10%	0.10%	0.10%
Expenditures						
O&M	\$4,191,124	\$4,534,467	\$4,195,225	\$4,524,183	\$4,662,170	\$4,804,367
Debt Service	\$448,102	\$429,108	\$386,666	\$373,449	\$360,897	\$347,514
Total Capital Expenditures	\$1,874,761	\$1,389,526	\$1,862,000	\$2,105,580	\$2,142,698	\$2,494,998
<i>Total Expenditures</i>	\$6,513,986	\$6,353,101	\$6,443,891	\$7,003,212	\$7,165,765	\$7,646,879
Expenditures from Grant/Loan Proceeds	\$0	\$0	\$72,000	\$72,000	\$72,000	\$0
Capital Expenditures Net of Loans/Grants	\$1,874,761	\$1,389,526	\$1,790,000	\$2,033,580	\$2,070,698	\$2,494,998
Income						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Impact Fees	\$651,063	\$468,544	\$454,833	\$455,288	\$455,743	\$456,199
Other Non-Rate	\$314,531	\$281,303	\$411,628	\$335,619	\$336,763	\$337,933
Sales - Existing Rates	5,883,176	6,394,032	\$5,906,962	\$5,912,869	\$5,918,782	\$5,924,701
<i>Projected Income - Existing Rates</i>	\$6,848,770	\$7,143,879	\$6,773,423	\$6,703,776	\$6,711,288	\$6,718,832
Recommended Rate Increases	-	-	0.0%	0.0%	5.0%	5.0%
Sales Revenue With Increase	-	-	\$5,906,962	\$5,912,869	\$6,214,721	\$6,531,982
Projected Income - Recommended Rates	\$6,848,770	\$7,143,879	\$6,773,423	\$6,703,776	\$7,007,227	\$7,326,114
Cash Flow - Projected Income Ex. Rates	\$334,784	\$790,778	\$401,532	(\$227,436)	(\$382,477)	(\$928,047)
Cash Flow - Projected Income Rec. Rates	\$334,784	\$790,778	\$401,532	(\$227,436)	(\$86,538)	(\$320,765)

Table 17
WaterPro - Master Plan - Culinary
Impact Fee Revenue

Size of Meter	Impact Fee	Past	Past	Past	Projected	Projected	Projected
		2017	2018	2019	2020	2021	2022
Non-Utility Income		\$651,063	\$468,544	\$454,833	\$455,288	\$455,743	\$456,199
Total Impact Fee Revenue		\$651,063	\$468,544	\$454,833	\$455,288	\$455,743	\$456,199

Table 16
WaterPro - Master Plan - Culinary
Non-Rate Revenue (Including Connection Fees)

Assumed Inflation Rate = 3.0%

Item	Past	Past	Past	Projected	Projected	Projected
	2017	2018	2019	2020	2021	2022
<i>Operations</i>						
Fire Protection Customers	\$12,958	\$12,958	\$14,728	\$15,185	\$15,655	\$16,141
Miscellaneous Service Revenue	\$17,700	\$12,600	\$11,400	\$11,753	\$12,118	\$12,493
Total Operations Non-Rate Revenue	\$30,658	\$25,558	\$26,128	\$26,938	\$27,773	\$28,634
<i>Expansion and Replacement</i>						
Impact Fees	\$651,063	\$468,544	\$454,833	\$455,288	\$455,743	\$456,199
Other Miscellaneous Water Revenues	\$283,873	\$255,745	\$385,500	\$308,681	\$308,990	\$309,299
Total Expansion Non-Rate Revenue	\$934,936	\$724,289	\$840,333	\$763,969	\$764,733	\$765,498
Total Non-Rate Revenue	\$965,594	\$749,847	\$866,461	\$790,907	\$792,506	\$794,132

Table 18
WaterPro - Master Plan - Culinary
Revenue Requirements
Cash Basis

Item	Past	Past	Past	Projected	Projected	Projected
	2017	2018	2019	2020	2021	2022
<i>O&M</i>						
Salaries & Wages - Office Employees	\$1,387,610	\$1,549,780	\$1,616,906	\$1,666,222	\$1,717,041	\$1,769,411
Salaries & Wages - Officers, Directors & Stockholders	\$8,289	\$7,915	\$12,338	\$12,714	\$13,102	\$13,502
Employee Pensions & Benefits	\$291,674	\$305,560	\$309,111	\$318,539	\$328,254	\$338,266
Purchased Water	\$1,111,191	\$1,327,722	\$1,055,407	\$1,200,299	\$1,236,908	\$1,274,634
Chemicals	\$76,807	\$56,727	\$57,253	\$58,999	\$60,799	\$62,653
Materials and Supplies	\$179,534	\$201,020	\$74,834	\$156,426	\$161,197	\$166,113
Contractual Services - Engineering	\$135,953	\$104,951	\$95,223	\$98,127	\$101,120	\$104,204
Contractual Services - Accounting	\$27,181	\$29,048	\$27,521	\$28,360	\$29,225	\$30,117
Contractual Services - Legal	\$19,254	\$38,991	\$44,611	\$45,972	\$47,374	\$48,819
Contractual Services - Management Fees (System Depreciation)	\$534,960	\$534,960	\$534,960	\$551,276	\$568,090	\$585,417
System Replacement (Due to System Depreciation)	(\$534,960)	(\$534,960)	(\$534,960)	(\$551,276)	(\$568,090)	(\$585,417)
Contractual Services - Testing & Lab Fees	\$29,008	\$24,483	\$48,307	\$49,780	\$51,299	\$52,863
Contractual Services - Water System Maintenance	\$461,070	\$362,410	\$382,045	\$393,697	\$405,705	\$418,079
Contractual Services - Other	\$34,430	\$26,653	\$27,176	\$28,005	\$28,859	\$29,739
Rental of Equipment	\$12,542	\$42,520	\$14,442	\$23,875	\$24,603	\$25,353
Transportation Expense	\$97,194	\$152,503	\$118,687	\$122,307	\$126,037	\$129,881
Insurance - General Liability	\$148,924	\$149,550	\$158,385	\$163,216	\$168,194	\$173,324
Advertising Expenses	\$2,695	\$917	\$431	\$444	\$458	\$472
Regulatory Commission Expense - Other	\$16,373	\$13,507	\$14,770	\$15,220	\$15,685	\$16,163
Water Resource Conservation Expense	\$14,785	\$17,072	\$11,121	\$11,460	\$11,810	\$12,170
Miscellaneous Expense	\$134,496	\$123,138	\$126,657	\$130,520	\$134,501	\$138,603
Bad Debt Expense	\$2,114	\$0	\$0	\$0	\$0	\$0
Total O&M	\$4,191,124	\$4,534,467	\$4,195,225	\$4,524,183	\$4,662,170	\$4,804,367

Debt Service

Culinary Well and Waterline Loan (Banner Loan)	\$448,102	\$429,108	\$386,666	\$373,449	\$360,897	\$347,514
Total Debt Service	\$448,102	\$429,108	\$386,666	\$373,449	\$360,897	\$347,514

Capital Improvements

	2017	2018	2019	2020	2021	2022
Villa de Villa Well	\$78,383	\$0	\$0	\$0	\$0	\$0
General System Upgrades	\$902,853	\$762,935	\$0	\$0	\$0	\$0
CONT - Line Facilities - CUL	\$882,142	\$245,061	\$0	\$0	\$0	\$0
Well Repair/Maintenance - Valle Di Villa and Hidden Valley	\$0	\$0	\$0	\$400,000	\$500,000	\$50,000
Meter Replacement & WaterSmart Grant	\$0	\$98,697	\$342,000	\$342,000	\$342,000	\$342,000
Purchase Water Rights - 500 AF Deep Well	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000
13800 South Project	\$0	\$0	\$1,200,000	\$0	\$0	\$0
12000 South Project	\$0	\$0	\$160,000	\$0	\$0	\$0
30" on Wasatch Blvd	\$0	\$0	\$100,000	\$0	\$0	\$0
11950 S from Minuteman to 115 E	\$0	\$0	\$60,000	\$0	\$0	\$0
Disconnect, Cap and Abandon 6" Line at 1162 E and Rancho Dr	\$0	\$0	\$0	\$0	\$0	\$22,947
Portable Generator for Pumps	\$0	\$0	\$0	\$0	\$0	\$114,736
Replace Existing 8" PRV with 10" PRV into Walmart Zone	\$0	\$0	\$0	\$108,150	\$0	\$0
New 6" Meter/PRV Connection to Sandy City	\$0	\$0	\$0	\$129,780	\$0	\$0
New 2" Line and Booster Pump in Existing Vault	\$0	\$0	\$0	\$0	\$0	\$57,368
Pioneer Rd - Upsize 8" to 10" Line from Tracks to 1300 E	\$0	\$0	\$0	\$0	\$263,069	\$0
1300 E - Replace 10" Line from 13400 S to 13800 S	\$0	\$0	\$0	\$0	\$309,106	\$0
800 E - Replace 8" Line from 12300 S to 12000 S	\$0	\$0	\$0	\$0	\$0	\$565,604
12100 S - Upsize 6" to 8" Line from 700 E to 500 E	\$0	\$0	\$0	\$0	\$0	\$382,871
1840 E - Replace 10" Line from Pioneer Rd to 12200 S. Downsize Deadend 10" to 8" Lin	\$0	\$0	\$0	\$0	\$0	\$279,690
1700 E - Upsize 6" to 8" Line from Pioneer Rd to 12500 S	\$0	\$0	\$0	\$0	\$0	\$204,488
12500 S - Upsize 6" to 8" Line from 1565 E to 1700 E	\$0	\$0	\$0	\$0	\$0	\$252,347
Fort St - Upsize 6" to 8" Line from 13800 S to Stokes Ave & Canyon Breeze - Upsize 4"	\$0	\$0	\$0	\$780,224	\$0	\$0
980 E - Replace 8" Line from Pioneer Rd to 12300 S	\$0	\$0	\$0	\$0	\$262,405	\$0
12700 S - Upsize 6" to 8" Line from 1565 E to 1700 E	\$0	\$0	\$0	\$0	\$266,117	\$0
13400 S - Upsize 4" and 6" to 8" Line from 1100 E to End of Cutler Cove	\$0	\$0	\$0	\$145,426	\$0	\$0
850 E - Disconnect, Cap and Abandon 4" Line in Backyard. Complete After Project 22	\$0	\$0	\$0	\$0	\$0	\$22,947

Loan/Grant Revenue

Culinary Metering WaterSMART Grant		(\$72,000)	(\$72,000)	(\$72,000)	(\$72,000)	
Total Capital Outlays	\$ 1,874,761	\$ 1,317,526	\$ 1,790,000	\$ 2,033,580	\$ 2,070,698	\$ 2,494,998

	2017	2018	2019	2020	2021	2022
Total All Revenue Requirements	\$ 6,513,986	\$ 6,281,101	\$ 6,371,891	\$ 6,931,212	\$ 7,093,765	\$ 7,646,879
LESS:						
Operations Non-Rate Revenue	\$30,658	\$25,558	\$26,128	\$26,938	\$27,773	\$28,634
Expansion Non-Rate Revenue	\$934,936	\$724,289	\$840,333	\$763,969	\$764,733	\$765,498
Net Revenue Requirements	\$ 5,548,392	\$ 5,531,254	\$ 5,505,430	\$ 6,140,305	\$ 6,301,259	\$ 6,852,747

Figure 1
3-Year Revenue and Expenditures
for Culinary System

