

APPENDIX H

Pro Forma Income Statement

(Culinary System Rate Model)

	Historic			Projected		
	Year			Year		
	2019	2020	2021	2022	2023	2024
Total Accounts	7,949	7,957	7,965	7,973	7,981	7,989
% Growth from Previous Year	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Expenditures						
O&M	\$4,195,225	\$4,293,387	\$4,357,329	\$4,539,317	\$4,723,159	\$4,914,447
Debt Service	\$386,666	\$373,449	\$360,897	\$347,514	\$1,013,411	\$1,000,186
Total Capital Expenditures	\$1,762,000	\$1,436,313	\$1,809,450	\$5,228,679	\$7,437,405	\$8,853,607
<i>Total Expenditures</i>	\$6,343,891	\$6,103,149	\$6,527,676	\$10,115,509	\$13,173,975	\$14,768,241
Expenditures from Grant/Loan Proceeds	\$72,000	\$72,000	\$72,000	\$2,462,876	\$5,446,009	\$6,100,718
Capital Expenditures Net of Loans/Grants	\$1,690,000	\$1,364,313	\$1,737,450	\$2,765,803	\$1,991,397	\$2,752,889
Income						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Impact Fees	\$454,833	\$456,897	\$729,067	\$456,321	\$456,777	\$457,234
Other Non-Rate	\$411,628	\$191,130	\$215,691	\$217,004	\$218,364	\$219,772
Sales - Existing Rates	\$5,906,962	\$6,861,738	\$6,570,109	\$6,576,679	\$6,583,256	\$6,589,839
<i>Projected Income - Existing Rates</i>	\$6,773,423	\$7,509,765	\$7,514,867	\$7,250,004	\$7,258,397	\$7,266,845
Recommended Rate Increases	-	-	0.0%	5.0%	5.0%	5.0%
Sales Revenue With Increase	-	-	\$6,570,109	\$6,905,513	\$7,258,040	\$7,628,562
Projected Income - Recommended Rates	\$6,773,423	\$7,509,765	\$7,514,867	\$7,578,838	\$7,933,181	\$8,305,568
Cash Flow - Projected Income Ex. Rates	\$501,532	\$1,478,616	\$1,059,191	(\$402,629)	(\$469,569)	(\$1,400,678)
Cash Flow - Projected Income Rec. Rates	\$501,532	\$1,478,616	\$1,059,191	(\$73,795)	\$205,214	(\$361,955)

Table 17
WaterPro - Master Plan - Culinary
Impact Fee Revenue

Size of Meter	Impact Fee	Past	Past	Past	Projected	Projected	Projected
		2019	2020	2021	2022	2023	2024
Non-Utility Income		\$454,833	\$456,897	\$729,067	\$456,321	\$456,777	\$457,234
Total Impact Fee Revenue		\$454,833	\$456,897	\$729,067	\$456,321	\$456,777	\$457,234

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

Assumed Inflation Rate = 4.0%

Item	Past	Past	Past	Projected	Projected	Projected
	2019	2020	2021	2022	2023	2024
<i>Operations</i>						
Fire Protection Customers	\$14,728	\$11,858	\$16,443	\$17,117	\$17,819	\$18,550
Miscellaneous Service Revenue	\$11,400	\$11,750	\$11,000	\$11,451	\$11,920	\$12,409
Total Operations Non-Rate Revenue	\$26,128	\$23,608	\$27,443	\$28,568	\$29,739	\$30,959
<i>Expansion and Replacement</i>						
Impact Fees	\$454,833	\$456,897	\$729,067	\$456,321	\$456,777	\$457,234
Other Miscellaneous Water Revenues	\$385,500	\$167,522	\$188,248	\$188,436	\$188,625	\$188,813
Total Expansion Non-Rate Revenue	\$840,333	\$624,419	\$917,315	\$644,757	\$645,402	\$646,047
Total Non-Rate Revenue	\$866,461	\$648,027	\$944,758	\$673,325	\$675,141	\$677,006

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

Item	Past 2019	Past 2020	Past 2021	Projected 2022	Projected 2023	Projected 2024
<i>O&M</i>						
Salaries & Wages - Office Employees	\$1,616,906	\$1,597,434	\$1,713,599	\$1,783,000	\$1,855,211	\$1,930,347
Salaries & Wages - Officers, Directors & Stockholders	\$12,338	\$7,575	\$11,540	\$12,007	\$12,494	\$13,000
Employee Pensions & Benefits	\$309,111	\$336,492	\$349,094	\$363,232	\$377,943	\$393,250
Purchased Water	\$1,055,407	\$1,186,401	\$1,032,662	\$1,074,485	\$1,118,001	\$1,163,281
Chemicals	\$57,253	\$56,798	\$104,683	\$59,335	\$61,738	\$64,238
Materials and Supplies	\$74,834	\$82,767	\$156,203	\$108,838	\$113,246	\$117,832
Contractual Services - Engineering	\$95,223	\$83,390	\$132,109	\$137,459	\$143,027	\$148,819
Contractual Services - Accounting	\$27,521	\$29,626	\$30,685	\$31,928	\$33,221	\$34,566
Contractual Services - Legal	\$44,611	\$27,610	\$18,034	\$31,303	\$32,571	\$33,890
Contractual Services - Management Fees (System Depreciation)	\$534,960	\$133,740	\$0	\$0	\$0	\$0
System Replacement (Due to System Depreciation)	(\$534,960)	(\$133,740)	\$0	\$0	\$0	\$0
Contractual Services - Testing & Lab Fees	\$48,307	\$23,568	\$24,804	\$25,809	\$26,854	\$27,941
Contractual Services - Water System Maintenance	\$382,045	\$423,648	\$289,865	\$379,976	\$395,365	\$411,377
Contractual Services - Other	\$27,176	\$25,113	\$28,088	\$29,226	\$30,409	\$31,641
Rental of Equipment	\$14,442	\$8,903	\$2,571	\$8,989	\$9,353	\$9,731
Transportation Expense	\$118,687	\$96,109	\$103,076	\$107,251	\$111,594	\$116,114
Insurance - General Liability	\$158,385	\$169,845	\$189,130	\$196,790	\$204,760	\$213,053
Advertising Expenses	\$431	\$1,873	\$1,434	\$1,492	\$1,553	\$1,615
Regulatory Commission Expense - Other	\$14,770	\$13,679	\$15,878	\$16,521	\$17,190	\$17,886
Water Resource Conservation Expense	\$11,121	\$0	\$0	\$11,571	\$12,040	\$12,528
Miscellaneous Expense	\$126,657	\$122,556	\$153,874	\$160,106	\$166,590	\$173,337
Bad Debt Expense	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M	\$4,195,225	\$4,293,387	\$4,357,329	\$4,539,317	\$4,723,159	\$4,914,447

Debt Service

Culinary Well and Waterline Loan (Banner Loan)	\$386,666	\$373,449	\$360,897	\$347,514	\$334,131	\$320,906
DNR-BWR Loan For Reuse Project	\$0	\$0	\$0	\$0	\$679,280	\$679,280
Total Debt Service	\$386,666	\$373,449	\$360,897	\$347,514	\$1,013,411	\$1,000,186

Capital Improvements

	2019	2020	2021	2022	2023	2024
Well Repair/Maintenance - Valle Di Villa and Hidden Valley	\$0	\$527,313	\$66,303	\$50,000	\$50,000	\$50,000
Meter Replacement & WaterSmart Grant	\$342,000	\$342,000	\$342,000	\$342,000	\$342,000	\$0
Purchase Water Rights - 500 AF Deep Well	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
13800 South Project	\$1,200,000	\$0	\$0	\$0	\$0	\$0
12000 South Project	\$160,000	\$0	\$0	\$0	\$0	\$0
11950 S from Minuteman to 115 E	\$60,000	\$0	\$0	\$0	\$0	\$0
Disconnect, Cap and Abandon 6" Line at 1162 E and Rancho Dr	\$0	\$0	\$0	\$23,622	\$0	\$0
Replace Existing 8" PRV with 10" PRV into Walmart Zone	\$0	\$158,000	\$0	\$0	\$0	\$0
New 6" Meter/PRV Connection to Sandy City	\$0	\$209,000	\$0	\$0	\$0	\$0
New 2" Line and Booster Pump in Existing Vault	\$0	\$0	\$0	\$59,055	\$0	\$0
Pioneer Rd - Replace 10 " Line from 1745 E to 1840 E	\$0	\$0	\$0	\$0	\$223,609	\$0
1300 E - Replace 10" Line from 13400 S to 13800 S	\$0	\$0	\$0	\$533,816	\$0	\$0
800 E - Replace 8" Line from 12300 S to 12000 S	\$0	\$0	\$0	\$582,239	\$0	\$0
12100 S - Upsize 6" to 8" Line from 700 E to 500 E	\$0	\$0	\$0	\$0	\$0	\$426,292
1840 E - Replace 10" Line from Pioneer Rd to 12200 S. Downsize Deadend 10" to 8" L	\$0	\$0	\$0	\$0	\$299,433	\$0
Fort St - Upsize 6" to 8" Line from 13800 S to Stokes Ave & Canyon Breeze - Upsize 4'	\$0	\$0	\$724,513	\$0	\$0	\$0
980 E - Replace 8" Line from Pioneer Rd to 12300 S	\$0	\$0	\$476,634	\$0	\$0	\$0
13400 S - Upsize 4" and 6" to 8" Line from 1100 E to End of Cutler Cove	\$0	\$0	\$0	\$699,999	\$0	\$0
Misc. System Rehabilitation and Replacement Projects	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Reuse Pipeline Construction	\$0	\$0	\$0	\$1,688,999	\$2,425,380	\$0
Reuse Shallow Wells Construction	\$0	\$0	\$0	\$709,161	\$709,161	\$709,161
Reuse Pump Station Construction	\$0	\$0	\$0	\$0	\$2,915,690	\$2,915,690
Reuse Fort St. Pump Station Construction	\$0	\$0	\$0	\$0	\$0	\$3,401,639
Reuse Pipeline Engineering Design	\$0	\$0	\$0	\$52,620	\$0	\$0
Reuse Shallow Wells Engineering	\$0	\$0	\$0	\$20,000	\$10,826	\$10,826
Reuse Pump Station Engineering Design	\$0	\$0	\$0	\$224,476	\$0	\$0
Reuse Fort St. Pump Station Engineering Design	\$0	\$0	\$0	\$0	\$120,000	\$0
Reuse Engineering Construction Management	\$0	\$0	\$0	\$42,693	\$141,307	\$140,000

Loan/Grant Revenue

DNR-BWR Loan for Reuse Project	\$0	\$0	\$0	(\$2,390,876)	(\$5,374,009)	(\$6,100,718)
Culinary Metering WaterSMART Grant	(\$72,000)	(\$72,000)	(\$72,000)	(\$72,000)	(\$72,000)	
Total Capital Outlays	\$ 1,690,000	\$ 1,364,313	\$ 1,737,450	\$ 2,765,803	\$ 1,991,397	\$ 2,752,889

	2019	2020	2021	2022	2023	2024
Total All Revenue Requirements	\$ 6,271,891	\$ 6,031,149	\$ 6,455,676	\$ 7,652,633	\$ 7,727,967	\$ 8,667,523
LESS:						
Operations Non-Rate Revenue	\$26,128	\$23,608	\$27,443	\$28,568	\$29,739	\$30,959
Expansion Non-Rate Revenue	\$840,333	\$624,419	\$917,315	\$644,757	\$645,402	\$646,047
Net Revenue Requirements	\$ 5,405,430	\$ 5,383,122	\$ 5,510,918	\$ 6,979,308	\$ 7,052,825	\$ 7,990,517

Figure 1
3-Year Revenue and Expenditures
for Culinary System

