

APPENDIX H

Pro Forma Income Statement

(Culinary System Rate Model)

	Historic			Projected		
	Year			Year		
	2020	2021	2022	2023	2024	2025
Total Accounts	8,181	8,235	8,326	8,338	8,345	8,347
% Growth from Previous Year	1.63%	0.66%	1.11%	0.14%	0.08%	0.02%
Expenditures						
O&M	\$4,293,387	\$4,357,329	\$4,905,420	\$5,203,328	\$5,517,895	\$5,849,623
Debt Service	\$373,449	\$360,897	\$347,514	\$334,131	\$408,743	\$660,083
Total Capital Expenditures	\$1,436,313	\$1,809,450	\$2,065,654	\$4,108,705	\$8,345,105	\$10,087,386
<i>Total Expenditures</i>	\$6,103,149	\$6,527,676	\$7,318,587	\$9,646,163	\$14,271,743	\$16,597,092
Expenditures from Grant/Loan Proceeds	\$72,000	\$72,000	\$75,000	\$2,889,019	\$6,478,962	\$6,097,622
Capital Expenditures Net of Loans/Grants	\$1,364,313	\$1,737,450	\$1,990,654	\$1,219,686	\$1,866,143	\$3,989,763
Income						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Impact Fees	\$456,897	\$729,067	\$325,763	\$391,902	\$392,258	\$392,351
Other Non-Rate	\$191,130	\$215,691	\$160,277	\$161,858	\$163,435	\$164,990
Sales - Existing Rates	\$6,861,738	\$6,570,109	\$6,435,612	\$6,845,359	\$6,851,589	\$6,853,214
<i>Projected Income - Existing Rates</i>	\$7,509,765	\$7,514,867	\$6,921,652	\$7,399,118	\$7,407,282	\$7,410,555
Recommended Rate Increases	-	-	-	-	5.4%	5.4%
Sales Revenue With Increase	\$6,861,738	\$6,570,109	\$6,435,612	\$6,845,359	\$7,222,107	\$7,613,905
Projected Income - Recommended Rates	\$7,509,765	\$7,514,867	\$6,921,652	\$7,399,118	\$7,777,800	\$8,171,247
Cash Flow - Projected Income Ex. Rates	\$1,478,616	\$1,059,191	(\$321,935)	\$641,974	(\$385,499)	(\$3,088,915)
Cash Flow - Projected Income Rec. Rates	\$1,478,616	\$1,059,191	(\$321,935)	\$641,974	(\$14,981)	(\$2,328,223)

Table 17
WaterPro - Master Plan - Culinary
Impact Fee Revenue

	Past	Past	Past	Projected	Projected	Projected
Size of Meter	Impact Fee	2020	2021	2022	2023	2024
Non-Utility Income		\$456,897	\$729,067	\$325,763	\$391,902	\$392,258
Total Impact Fee Revenue		\$456,897	\$729,067	\$325,763	\$391,902	\$392,258

Table 16
WaterPro - Master Plan - Culinary
Non-Rate Revenue (Including Connection Fees)
Assumed Inflation Rate = 6.0%

	Past	Past	Past	Projected	Projected	Projected
Item	2020	2021	2022	2023	2024	2025
<i>Operations</i>						
Fire Protection Customers	\$11,858	\$16,443	\$16,345	\$17,350	\$18,406	\$19,515
Miscellaneous Service Revenue	\$11,750	\$11,000	\$6,100	\$6,475	\$6,869	\$7,283
Total Operations Non-Rate Revenue	\$23,608	\$27,443	\$22,445	\$23,824	\$25,276	\$26,798
<i>Expansion and Replacement</i>						
Impact Fees	\$456,897	\$729,067	\$325,763	\$391,902	\$392,258	\$392,351
Other Miscellaneous Water Revenues	\$167,522	\$188,248	\$137,832	\$138,033	\$138,159	\$138,192
Total Expansion Non-Rate Revenue	\$624,419	\$917,315	\$463,595	\$529,935	\$530,417	\$530,543
Total Non-Rate Revenue	\$648,027	\$944,758	\$486,040	\$553,759	\$555,693	\$557,341

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

	Past	Past	Past	Projected	Projected	Projected
Item	2020	2021	2022	2023	2024	2025
<i>O&M</i>						
Salaries & Wages - Office Employees	\$1,597,434	\$1,713,599	\$1,870,868	\$1,984,486	\$2,104,459	\$2,230,976
Salaries & Wages - Officers, Directors & Stockholders	\$7,575	\$11,540	\$10,671	\$11,319	\$12,003	\$12,725
Employee Pensions & Benefits	\$336,492	\$349,094	\$417,823	\$443,198	\$469,991	\$498,246
Purchased Water	\$1,186,401	\$1,032,662	\$1,257,146	\$1,333,493	\$1,414,109	\$1,499,123
Chemicals	\$56,798	\$104,683	\$81,503	\$86,453	\$91,679	\$97,191
Materials and Supplies	\$82,767	\$156,203	\$209,566	\$222,293	\$235,732	\$249,904
Contractual Services - Engineering	\$83,390	\$132,109	\$114,001	\$120,924	\$128,235	\$135,944
Contractual Services - Accounting	\$29,626	\$30,685	\$33,620	\$35,662	\$37,818	\$40,091
Contractual Services - Legal	\$27,610	\$18,034	\$24,114	\$25,578	\$27,125	\$28,756
Contractual Services - Management Fees (System Depreciation)	\$133,740	\$0	\$0	\$0	\$0	\$0
System Replacement (Due to System Depreciation)	(\$133,740)	\$0	\$0	\$0	\$0	\$0
Contractual Services - Testing & Lab Fees	\$23,568	\$24,804	\$27,131	\$28,779	\$30,518	\$32,353
Contractual Services - Water System Maintenance	\$423,648	\$289,865	\$316,307	\$335,516	\$355,800	\$377,190
Contractual Services - Other	\$25,113	\$28,088	\$31,455	\$33,365	\$35,382	\$37,510
Rental of Equipment	\$8,903	\$2,571	\$7,507	\$7,963	\$8,444	\$8,952
Transportation Expense	\$96,109	\$103,076	\$121,489	\$128,867	\$136,658	\$144,873
Insurance - General Liability	\$169,845	\$189,130	\$218,074	\$231,318	\$245,302	\$260,049
Advertising Expenses	\$1,873	\$1,434	\$5,087	\$5,396	\$5,722	\$6,066
Regulatory Commission Expense - Other	\$13,679	\$15,878	\$15,808	\$16,768	\$17,782	\$18,851
Water Resource Conservation Expense	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Expense	\$122,556	\$153,874	\$143,250	\$151,950	\$161,136	\$170,823
Bad Debt Expense	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M	\$4,293,387	\$4,357,329	\$4,905,420	\$5,203,328	\$5,517,895	\$5,849,623

Debt Service

Culinary Well and Waterline Loan (Banner Loan)	\$373,449	\$360,897	\$347,514	\$334,131	\$320,906	\$307,364
DNR-BWR Loan For Reuse Project	\$0	\$0	\$0	\$0	\$87,837	\$352,719
Total Debt Service	\$373,449	\$360,897	\$347,514	\$334,131	\$408,743	\$660,083

Capital Improvements

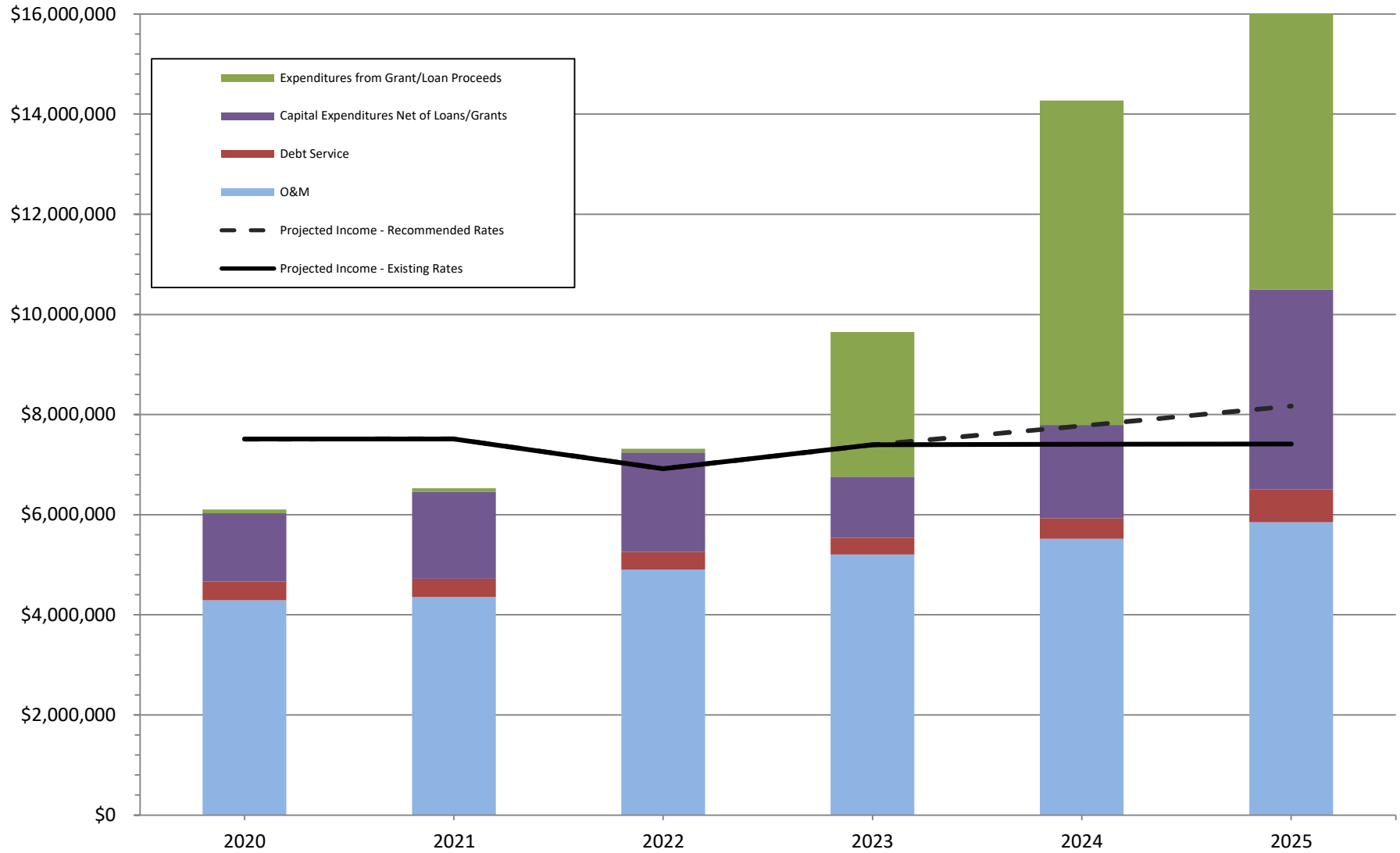
	2020	2021	2022	2023	2024	2025
Well Repair/Maintenance - Valle Di Villa and Hidden Valley	\$527,313	\$66,303	\$70,000	\$70,000	\$70,000	\$70,000
Meter Replacement & WaterSmart Grant	\$342,000	\$342,000	\$342,000	\$342,000	\$342,000	\$342,000
Purchase Water Rights - 500 AF Deep Well	\$200,000	\$200,000	\$100,000	\$100,000	\$100,000	\$100,000
Purchase Water Rights - Little Willow	\$0	\$0	\$0	\$0	\$0	\$100,000
Treatment Plant Well Pump Replacement	\$0	\$0	\$0	\$50,000	\$0	\$0
Water Treatment Plant Membrane Upgrades	\$0	\$0	\$0	\$0	\$0	\$800,000
13191 S. Running Bear Lane PRV Relocation and Line Abandonment	\$0	\$0	\$0	\$259,695	\$0	\$0
Disconnect, Cap and Abandon 6" Line at 1162 E and Ranchero Dr	\$0	\$0	\$23,622	\$0	\$0	\$0
Portable Generator for Pumps	\$0	\$0	\$110,000	\$110,000	\$0	\$0
Replace Existing 8" PRV with 10" PRV into Walmart Zone	\$158,000	\$0	\$0	\$0	\$0	\$0
New 6" Meter/PRV Connection to Sandy City	\$209,000	\$0	\$0	\$0	\$0	\$0
New 2" Line and Booster Pump in Existing Vault (Near So. Mtn. Pump Station in Case	\$0	\$0	\$59,055	\$0	\$0	\$0
Pioneer Rd - Replace 10 " Line from 1745 E to 1840 E	\$0	\$0	\$0	\$351,030	\$0	\$0
1300 E - Replace 10" Line from 13400 S to 13800 S	\$0	\$0	\$533,816	\$0	\$0	\$0
800 E - Replace 8" Line from 12300 S to 12000 S	\$0	\$0	\$0	\$0	\$679,065	\$0
1840 E - Replace 10" Line from Pioneer Rd to 12200 S. Downsize Deadend 10" to 8" L	\$0	\$0	\$0	\$507,038	\$0	\$0
1700 E - Upsize 6" to 8" Line from Pioneer Rd to 12500 S	\$0	\$0	\$0	\$0	\$0	\$420,122
12500 S - Upsize 6" to 8" Line from 1565 E to 1700 E	\$0	\$0	\$0	\$0	\$0	\$518,449
Fort St - Upsize 6" to 8" Line from 13800 S to Stokes Ave & Canyon Breeze - Upsize 4'	\$0	\$724,513	\$0	\$0	\$0	\$0
980 E - Replace 8" Line from Pioneer Rd to 12300 S	\$0	\$476,634	\$0	\$0	\$0	\$0
12700 S - Upsize 6" to 8" Line from 1565 E to 1700 E	\$0	\$0	\$0	\$0	\$0	\$563,142
13400 S - Upsize 4" and 6" to 8" Line from 1100 E to End of Cutler Cove	\$0	\$0	\$649,885	\$0	\$0	\$0
Stokes Ave - Abandon Line from 500 E to 570 E	\$0	\$0	\$0	\$0	\$66,349	\$0
Culinary Valve Exerciser & Flush Truck	\$0	\$0	\$0	\$0	\$224,700	\$0
Lead and Copper Inventory	\$0	\$0	\$0	\$25,971	\$0	\$0
1370 S. Willow Road - Upsize 6" to 8" Line	\$0	\$0	\$0	\$144,147	\$0	\$0
Treatment Plant Valve/Actuator Replacement	\$0	\$0	\$0	\$50,290	\$0	\$0
Reuse Pipeline Construction	\$0	\$0	\$0	\$1,200,000	\$2,914,379	\$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	\$78,929	\$26,310	\$0	\$0
Reuse Shallow Wells Engineering	\$0	\$0	\$30,413	\$10,826	\$10,826	\$0
Reuse Pump Station Engineering Design	\$0	\$0	\$67,933	\$112,238	\$56,119	\$0
Reuse Fort St. Pump Station Engineering Design	\$0	\$0	\$0	\$0	\$120,000	\$0
Reuse Engineering Construction Management	\$0	\$0	\$0	\$40,000	\$136,816	\$147,184

Loan/Grant Revenue

DNR-BWR Loan for Reuse Project	\$0	\$0	\$0	(\$1,934,438)	(\$5,833,542)	(\$6,097,622)
Culinary Metering WaterSMART Grant	(\$72,000)	(\$72,000)	(\$75,000)	\$0	\$0	\$0
USBR Reuse Pipeline & Well Grant	\$0	\$0	\$0	(\$954,580)	(\$645,420)	\$0

Total Capital Outlays	\$	1,364,313	\$	1,737,450	\$	1,990,654	\$	1,219,686	\$	1,866,143	\$	3,989,763
		2020		2021		2022		2023		2024		
Total All Revenue Requirements	\$	6,031,149	\$	6,455,676	\$	7,243,587	\$	6,757,145	\$	7,792,781	\$	10,499,470
LESS:												
Operations Non-Rate Revenue		\$23,608		\$27,443		\$22,445		\$23,824		\$25,276		\$26,798
Expansion Non-Rate Revenue		\$624,419		\$917,315		\$463,595		\$529,935		\$530,417		\$530,543
Net Revenue Requirements	\$	5,383,122	\$	5,510,918	\$	6,757,547	\$	6,203,385	\$	7,237,088	\$	9,942,129

Figure 1
3-Year Revenue and Expenditures
for Culinary System



Revenue Impact from Tier Volume Changes

Water User Per Tier (Existing Tiers) ¹					
Customer	Tier Volumes (kgal)				Total
	1	2	3	4	
Commercial	153,851	114,110	36,393	9,549	313,903
Industry	825	187	120	0	1,132
Institutional	53,468	35,506	17,932	5,440	112,346
Multi	69,282	20,719	4,306	2,082	96,389
Residential	808,043	475,947	160,561	15,777	1,460,328
Totals	1,085,469	646,469	219,312	32,848	1,984,098

¹Based on 2021 water use data with existing 2022 approved rates.

Revenue (Existing Tiers and Rates) ¹						
Customer	Base Fee	Revenue by Tier (\$)				Total
		1	2	3	4	
Commercial	\$ 341,671	\$ 227,833	\$ 259,121	\$ 113,553	\$ 42,016	\$ 984,193
Industry	\$ 1,300	\$ 1,221	\$ 424	\$ 374	\$ -	\$ 3,320
Institutional	\$ 153,460	\$ 81,561	\$ 82,445	\$ 57,213	\$ 24,277	\$ 398,957
Multi	\$ 313,046	\$ 104,643	\$ 48,674	\$ 13,435	\$ 9,161	\$ 488,958
Residential	\$ 2,062,551	\$ 1,225,698	\$ 1,103,062	\$ 508,198	\$ 70,421	\$ 4,969,930
Total	\$ 2,872,028	\$ 1,640,955	\$ 1,493,727	\$ 692,773	\$ 145,874	\$ 6,845,359

Water Use Per Tier (Proposed Tiers) ²					
Customer	Tier Volumes (kgal)				Total
	1	2	3	4	
Commercial	117,950	87,756	79,500	28,697	313,903
Industry	641	263	180	48	1,132
Institutional	41,886	31,158	22,115	17,187	112,346
Multi	62,980	15,581	13,224	4,604	96,389
Residential	660,701	363,816	335,274	100,537	1,460,328
Total	884,158	498,574	450,293	151,073	1,984,098

²Based on 2021 water use data with proposed tier volume changes and proposed tier 2 rates.

Revenue (Proposed Tiers and Rates) ²						
Customer	Base Fee	Revenue by Tier (\$)				Total
		1	2	3	4	
Commercial	\$ 341,671	\$ 174,663	\$ 175,603	\$ 248,083	\$ 126,267	\$ 1,066,287
Industry	\$ 1,300	\$ 949	\$ 526	\$ 562	\$ 211	\$ 3,548
Institutional	\$ 153,460	\$ 63,785	\$ 63,844	\$ 70,367	\$ 76,741	\$ 428,197
Multi	\$ 313,046	\$ 94,912	\$ 32,343	\$ 42,102	\$ 20,258	\$ 502,661
Residential	\$ 2,062,551	\$ 1,000,823	\$ 744,682	\$ 1,060,637	\$ 446,909	\$ 5,315,601
Total	\$ 2,872,028	\$ 1,335,132	\$ 1,016,998	\$ 1,421,750	\$ 670,386	\$ 7,316,295