

## Questions on the Utility Rate Increase

### 1. What are the proposed increased utility rates?

**Addendum A at end of the FAQ**

### 2. Who did the rate study? Does the city have to implement all the recommendations of the rate study?

The rate study was done by Lewis Young Robertson and Burningham (LYRB) in conjunction with Pleasant Grove City. The City provided all the projects that needed to be completed in the near future along with our current rates and expenses. LYRB then enters the numbers into their spreadsheet to show us what we need to charge in order to: Make our current bond payments, maintain operations and maintenance levels, and save money for future capital projects.

The City takes the study as a recommendation, but the city is not required to use those recommendations. For example, our latest rate study recommended that we increase our rates 60% immediately to cover all of our needs. The staff took that recommendation and created the 4-Year Smoothing Plan in order to spread those increases over 4 years instead of implementing them all right away.

**Addendum B at end of the FAQ**

### 3. Can we get a second opinion on the LYRB rate study?

The numbers provided to Lewis Young Robertson and Burningham (LYRB) for the study came from the city. LYRB then puts the numbers in a spreadsheet and it “crunches” the numbers to show what the city needs to be charging for their rates over the next 7 years in order to pay for current debt service, maintenance and operations, future debt service, and capital projects. This spreadsheet also accounts for the inflationary cost of future projects.

To have a different entity “crunch” the numbers won’t change the end results of the numbers. The numbers and projects that are entered are not opinions. Therefore, getting a second opinion won’t change the outcome of the reality of covering our costs in our utility funds.

### 4. If the city needs 125% coverage for to cover its debt service obligations, what happens to that extra 25% in revenue?

The extra 25% can be used in various ways. It would likely go directly to the reserve account for a future project. This would help the city to not have to bond (or bond for less) in the future. It’s possible that this could also go towards operations and maintenance if needed. It will stay in the fund it was originally collected for.

## **5. Did we absolutely need the secondary water system?**

In the past, the City used culinary water supplies for residents to water their yards. As the City grew it became more likely that the City would need an alternative to using culinary water for irrigation purposes. The City had two choices: Either build a treatment facility to treat secondary water and make it culinary or build a secondary water system that will allow residents to irrigate with secondary water.

The City chose to build the secondary water system as explained in Question #6. A secondary water system helps insure that the city will have plenty of culinary water for our drinking and household needs. At times, in the past, the irrigation usage of culinary water was “draining the tanks” for household use. In the long term water needs of Pleasant Grove City a secondary water system was essential.

## **6. Timeline of Events on the Secondary Water System**

The secondary water system was first discussed in the late '90's as an alternative to the city's culinary water system being overwhelmed. The city had two options at the time:

- a. Build a large water treatment facility for \$22M with \$500K in yearly operating expenses
- b. Build a secondary water system for \$17M with \$140K in yearly operating expenses

The initial rates for the secondary system were adopted on Feb. 6, 2001. They were a \$100 hook on fee and \$15.00/mo. when you hooked onto the system.

On May 1, 2003 the City was able to obtain roughly \$6M from Central Utah Water Conservancy District in exchange of some water rights. The city also applied for an \$11M grant from the State Drinking Water Board. This grant was denied, but the city received a \$150K low-interest loan at that time. The city also supplied some cash out of reserves for this stage of the project.

On June 6, 2006 the City adopted their Parameters Resolution for an \$11.54M bond for the project. The money was received in October of that year.

On March 18, 2008 the City adopted a Parameters Resolution to bond for \$10.725M for completion of the secondary system. It was decided at that time that the system needed storage to better maintain pressure throughout the system and to maximize the water rights the city owned.

The City had a rate study completed on May 20, 2008. The rate study recommended increasing the secondary water rate from \$15.00/mo. to \$16.20/mo. That new rate was adopted that day.

On July 1, 2008 the City received the money from the \$10.725M bond.

August 31, 2010- City has a work session on the results of their latest rate study

September 14, 2010- City has a second work session on utility rate increases

September 21, 2010- City holds a public hearing on utility rate increase

September 28, 2010- City holds a work session on utility rate increase and takes public comments and questions on the issue

November 16, 2010- City will hold a public hearing on utility rate increases

As the system nears completion it is estimated to cost \$33.4M for the secondary water system. Over \$21M of the capital cost was funded through two water revenue bonds. The secondary water revenue from 2010 was \$1.18M which didn't even cover the debt service on the bonds at \$1.55M. This current deficit also doesn't account for the \$140K in yearly operations costs.

**7. Why don't you meter the secondary water?**

The cost of metering at this time is prohibitive. Almost all cities have secondary water rates associated with the size of lots that people have. Pleasant Grove has done the same thing. However we are looking at our rate structure to see if we can make it more equitable in the charges for water used.

**8. I was told that I can use as much secondary water as I want. Is that true?**

At one time that statement might have been true. When the system was first designed it didn't have a storage component. Therefore if you didn't use all the water then it just "ended up in the lake".

Now we have a storage component in our system. Water we don't use, we can store. There might be times when our storage is full and we have low usage (after a large rainstorm), but for the most part we encourage people to conserve when they use secondary water. It is still a limited natural resource.

**9. Has the city cut back their budget?**

**Addendum C at end of FAQ**

**10. Should the city eliminate "amenities" to help subsidize utility rates?**

This is a question that each city has to answer. What services does the city want to provide and at what cost. It can be debated what is essential and what is an amenity. Often cities choose to fund programs and services that are a benefit and enhancement to the community at a subsidy.

These expenses are generally in the general fund and don't spill over into the enterprise funds. The enterprise funds need to be funded on their own. The service provided needs to be paid for through the fees of the users of that system.

## **11. How come I never heard about these utility rate increases?**

The city is required to post our meeting notices at three locations throughout the city. These three locations are:

PG City Hall

PG Library

PG Community Development Building

We are also required by law to notice our meetings on the state website. The address to that website is: <http://www.utah.gov/pmn/index.html>

The city also sends our notices and agendas to the Daily Herald, but it is up to them if they want to print them or not.

We also notice all of our meetings on the city website at: [www.plgrove.org](http://www.plgrove.org)

For the purposes of our public hearing on Tuesday, Nov. 16<sup>th</sup>, the city is putting in a special mailer in the utility bills to inform people of this hearing.

The city is also implementing new ways to share information electronically. We have created a twitter account at: [www.twitter.com/pleasantgroveut](http://www.twitter.com/pleasantgroveut). The Twitter account also has an RSS feed for whenever the account is updated.

We also are working on a service in which you can give us your email address and any notices for hearings we can send directly to your email.

## **12. What does the Murdock Canal have to do with this and why does that project need to be done?**

The Murdock Canal Enclosure project has been in the works for a long time. This project has a couple of components to it. The first component is the actual enclosure of the canal into a piping system. This is being done by the Provo River Water Users Association. They are also receiving funding from the Central Utah Water Conservancy District.

Each entity that has water rights in the Murdock Canal will pay for a portion of the project. Pleasant Grove City is paying for a portion of this project due to the water rights we hold in the canal water.

The second component of the project is the trail system that will go over the enclosed canal. Utah County is overseeing this project and has received funding from a federal appropriation to pay for a portion of it. The Mountainlands Association of Governments (MAG) is covering the rest of the capital cost of building the trail.

Once the trail is completed, Pleasant Grove City will pay the County a yearly maintenance fee for our portion of the trail. The full impact of the Murdock Canal enclosure is answered in Question #13.

**13. Can we get more information/details on the \$3.5M piping project of the Grove Creek and Battle Creek basins?**

Pleasant Grove City has two debris basins that catch water run-off out of the Grove Creek and Battle Creek Canyons. In the past when these basins had reached capacity, the City was able to run the water into the open Murdock Canal. Now that the canal is going to be piped, the City will need to build a piping system to take the water out of these detention basins and put it into the Murdock Canal piping system.

The cost estimate of this piping project is between \$3M-\$3.5M. The city would need to bond to pay for this project which would show up as an increase in your storm drain rate. This project needs to be completed by next summer. By the Spring of 2012, the canal will be enclosed and our piping system will need to be in place. Therefore we have it on our plan to complete in the Summer of 2011.

**14. What have the storm drain revenues been spent on since the inception of the fund?**

**Addendum D at end of FAQ**

**15. What projects can we push back and what effect will that have on the rates?**

Most of the rate increases are because of two things: Our debt service obligations on the secondary water system and the increased treatment rates from TSSD. These aren't projects that we can push back. These are obligations the city needs to account for now.

We do have some storm drain projects that can be pushed back. The problem with pushing these projects back is that they will end up costing the city more in the future. It could be a matter of paying an extra \$2 a month now or paying an extra \$4 a month later. There are financial advantages to the residents to do these projects now instead of putting them off until later.

Part of the issue with having to raise rates so steeply is because in the past it was decided to push projects back. Eventually the projects need to get done and the sooner you do them the less costly they will be.

**16. What are the long term effects of putting off projects now?**

Utility projects can always be put off. It's a question of whether you want to pay lower prices now or higher prices later. Generally speaking, the quicker you get the project done the more money the city (residents) save in the long run.

The other issue is when our infrastructure starts crumbling due to deferred projects we end up paying to have the infrastructure repaired at a greater cost than if we would have replaced it before it broke down.

**17. Who is TSSD? Why did they increase their rates? Why does the city have to comply?**

The Timpanogos Special Service District (TSSD) handles all of the treatment of Pleasant Grove's sewer. PG is part of the district along with 10 other communities in north Utah County. TSSD is governed by a 13 member board. Each city has one representative on the board to go along with three at-large candidates chosen by the County Commissioners.

TSSD is undergoing a major plant expansion. Part of the expansion is due to growth and part of it is due to EPA regulations. In order to pay for the plant expansion TSSD has increased their treatment rates to the various cities by 25% last year and 27% this year. The City in turn has to increase our sewer rates in order to be able to pay for the treatment of our sewer.

The City can't afford to build its own treatment plant at this time so we don't have another sewer treatment option other than TSSD.

**18. Why is the city increasing the rates while the economy is bad?**

The City understands that the timing of these utility increases is unfortunate. However, continuing to push these increases off will further hurt the city's financial viability. Because of debt service obligations and Timpanogos Special Service District's increase in treatment fees, we are currently making payments where there is no new revenue.

Each month the city does not have the increased revenue takes \$60,000 out of our reserve accounts. Financially, the city needs to act now and not wait until later.

**19. What about residents that are considered "low income"?**

The City is considering a program that will allow those that qualify for a property tax abatement through the County to receive a reduced rate on their utilities. This program is currently being developed and we are hoping to implement it at the same time or soon after the new rates go into effect, if they are adopted.

**20. How did our water rates affect our ability to get other funding i.e. stimulus monies or state funding?**

As the city has pursued certain state grants for utilities, we have been told that our rates need to be raised. These state agencies are not willing to give out grant or low-interest loan monies unless they feel like the municipality has done their part by properly charging rates that keep up with the maintenance and operations of their utilities.

For example, the City has recently been awarded a \$1M low-interest loan for badly needed repairs to our water system. They will not loan the money to the City until they see that the City has raised their rates. This money is pending until the City adopts an increased water rate.

**21. Do increased utility rates affect the City's ability to recruit businesses?**

When businesses look at locating in a city the utility rates aren't that big of a factor. Unless it is an industrial use that would take a lot of water or need a lot of waste water treatment, utility rates don't play a big role in their decisions.

In our estimation, increased utility rates shouldn't hamper our ability to recruit businesses to Pleasant Grove.

**22. Does the city have anything to do with electrical or natural gas rates?**

When Pleasant Grove City refers to utility rates we are talking about culinary water, secondary water, sewer and storm drain. Garbage and curb side recycling are part of your utility bill as well, but the City isn't adjusting those rates.

Your electric bill is handled through Rocky Mountain Power and your natural gas bill is handled through Questar. Any rate increases in those services would be by those entities. Pleasant Grove's rate increases won't affect what you pay for your electricity or natural gas.

**23. Why hasn't the city incrementally raised rates over the last 10 years?**

In the past 10 years the city has had rate increases. Hindsight tells us that more substantial increases would have been helpful today. However those decisions were made under the circumstances of those times. As a City we are focused on our current situation and what we need to do to make sure we can make our payments.

**Addendum E at end of FAQ**

**24. Why doesn't the city come up with some grants or creative solutions?**

The city is working on ways to try to limit the burden on the residents. We are in process of talking to state agencies about funding for some of our projects. If that type of funding comes through then we can always scale back the rate increases.

Part of our creative solution was to roll out the 4 year smoothing plan. Our rate study recommended increasing these rates all in the first year. Our smoothing plan is a creative way to use some reserve funds, scale back some projects, and look at our yearly rate structure to ease that burden over time instead of all at the same time.

**25. How do our rates compare with other cities?**

**Addendum F at end of FAQ**

## **Addendums**

**Addendum A- Document on rate proposal**

**Addendum B- LYRB Rate Study (Power Point Presentation and Excel Sheets on each individual fund)**

**Addendum C- Enter the document on the cutbacks in the general fund**

**Addendum D- Document on storm drain expenses over inception of the fund**

**Addendum E- Kathy's document on rate increases over last 10 years**

**Addendum F- Document on rate comparisons with other cities**

# Addendum A

## Proposed Utility Rates <sup>\*</sup>

	<b>Dollar Increase</b>				
	2010	2011	2012	2013	2014
Culinary Water	\$ 9.45	\$ 12.95	\$ 13.83	\$ 14.71	\$ 15.60
Secondary Water	\$ 16.20	\$ 21.20	\$ 24.18	\$ 27.16	\$ 30.14
Sewer	\$ 24.86	\$ 28.16	\$ 31.34	\$ 34.52	\$ 37.69
Storm Drain	\$ 3.00	\$ 6.75	\$ 8.67	\$ 10.59	\$ 12.47
 Total	 \$ 53.51	 \$ 69.06	 \$ 78.02	 \$ 86.98	 \$ 95.90
 Increase		 \$ 15.55	 \$ 8.96	 \$ 8.96	 \$ 8.92
Annual		\$ 186.58	\$ 107.52	\$ 107.52	\$ 107.01

	<b>Percentage Increase</b>				
	2010	2011	2012	2013	2014
Culinary Water		37.04%	6.80%	6.36%	6.05%
Secondary Water		30.86%	14.06%	12.32%	10.97%
Sewer		13.27%	11.29%	10.15%	9.18%
Storm Drain		125.00%	28.44%	22.15%	17.75%
 Total		 29.06%	 12.97%	 11.48%	 10.25%

<sup>\*</sup>The secondary water and storm drain rates are billed on a flat fee. However, culinary water and sewer are based on usage. While the dollar increases shown will vary based on household, the percentage increases will apply to everyone.

# **Addendum B**

## **LYRB Rate Study**

**(Power Point Presentation and Excel Sheets on each individual fund)**



# PLEASANT GROVE CITY

## OVERVIEW OF RECOMMENDED UTILITY RATE INCREASES

AUGUST 31, 2010





## REVENUE REQUIREMENT ANALYSIS OBJECTIVES

- DETERMINE THE AMOUNT OF REVENUES REQUIRED TO ADEQUATELY SUPPORT EACH UTILITY
- MANDATORY OUTCOMES OF A PROPER REVENUE REQUIREMENT ANALYSIS
  1. COVER OPERATIONAL & MAINTENANCE EXPENSES
  2. PROVIDE A MINIMUM DEBT SERVICE COVERAGE RATIO OF 1.25X NET REVENUES TO ANNUAL DEBT SERVICE
  3. FUND CAPITAL PROJECTS
  4. MAINTAIN POSITIVE CASH RESERVES EACH YEAR
- RECOMMENDED INCREASES IN REVENUES ARE INTENDED TO CORRECT ANY DEFICIENCIES WITHIN A FULL FISCAL YEAR FROM IMPLEMENTATION



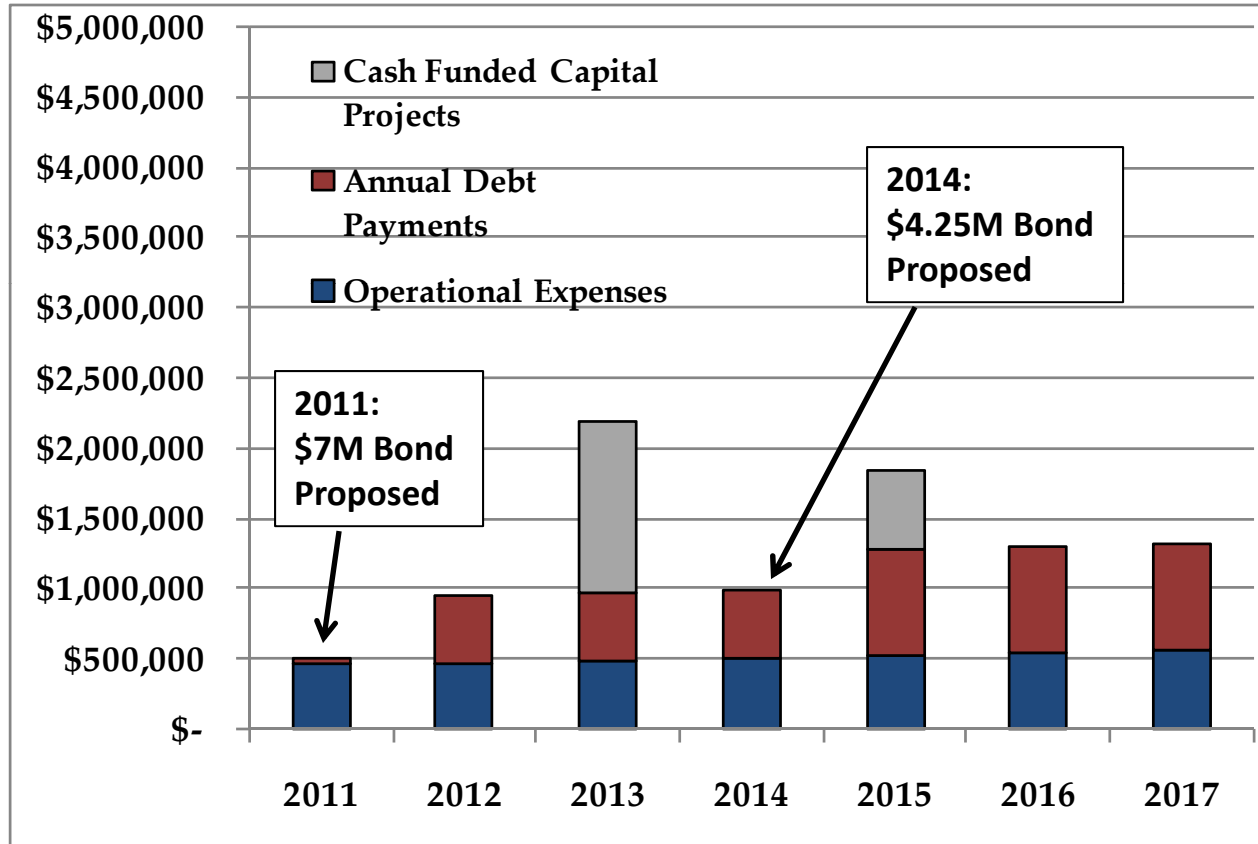
## STORM WATER

- CURRENT RATE IS \$3.00
- THE STORM WATER UTILITY REQUIRES IMMEDIATE CAPITAL INVESTMENT AND BOND FINANCING
- \$14.04M IN CAPITAL PROJECTS NEEDED THROUGH 2017
  - SERIES 2011 BONDS PROPOSED - \$7M
  - SERIES 2014 BONDS PROPOSED - \$4.25M
- PROPOSED SCHEDULE OF RATE INCREASES

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Average Monthly Rate	\$ 3.00	\$ 9.75	\$ 10.24	\$ 10.75	\$ 11.29	\$ 11.85	\$ 12.44	\$ 13.07	\$ 13.72
Annual Increase		\$ 6.75	\$ 0.49	\$ 0.51	\$ 0.54	\$ 0.56	\$ 0.59	\$ 0.62	\$ 0.65

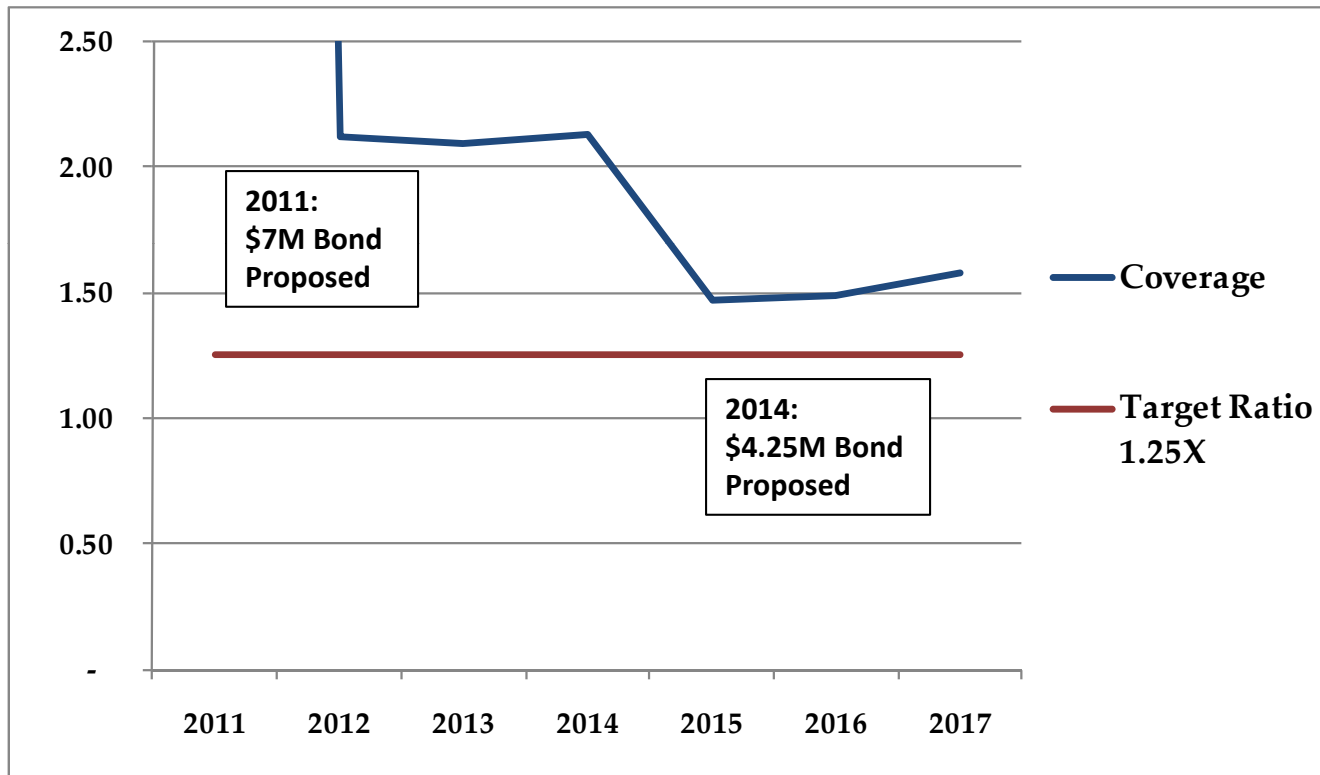


### Annual Storm Water Operating and Capital Expenses





### Graph of Storm Water Coverage Ratio





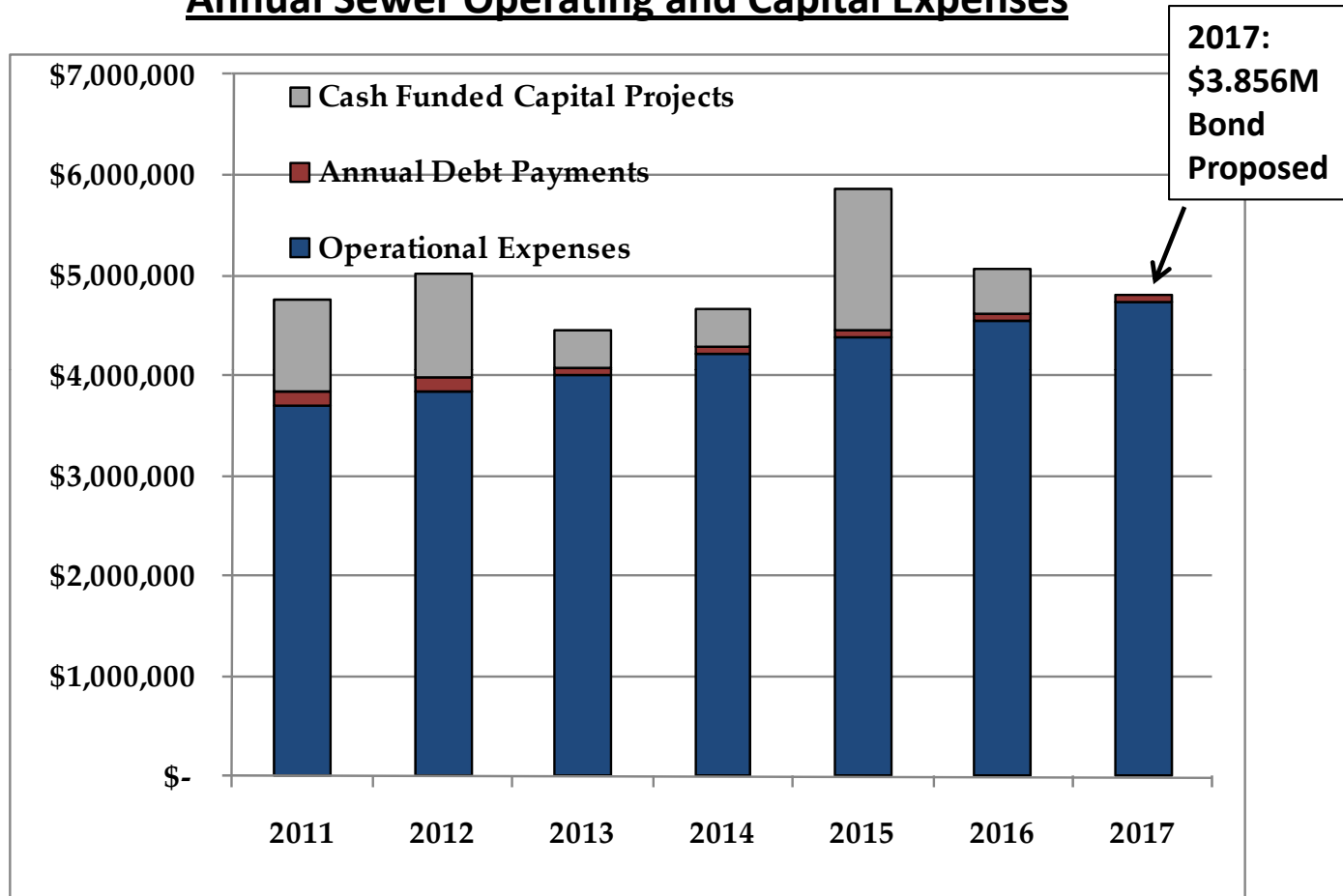
**SEWER**

- CURRENT RATE IS \$31.46
- SEWER HAS A STRONG CASH FUND BALANCE BUT RATES MUST BE INCREASED TO ACCOMMODATE THE TSSD TREATMENT EXPENSE INCREASING BY 27%
- \$8.16M CAPITAL PROJECTS NEEDED THROUGH 2017
  - SERIES 2017 BOND PROPOSED - \$3.856M
- PROPOSED SCHEDULE OF RATE INCREASES

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Average Monthly Rate	\$ 31.46	\$ 39.33	\$ 41.29	\$ 43.36	\$ 47.69	\$ 50.08	\$ 52.58	\$ 55.21	\$ 57.97
Annual Increase		\$ 7.87	\$ 1.97	\$ 2.06	\$ 4.34	\$ 2.38	\$ 2.50	\$ 2.63	\$ 2.76

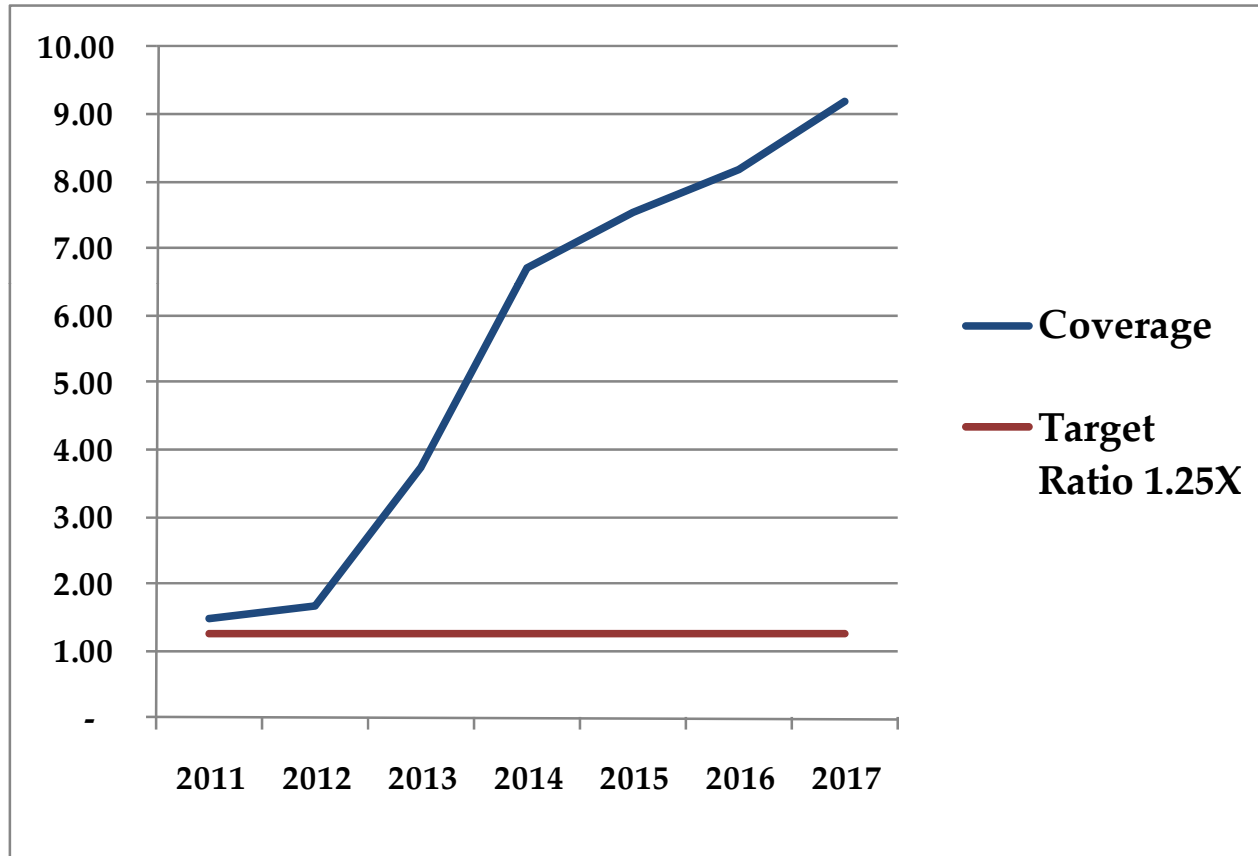


### Annual Sewer Operating and Capital Expenses





### Graph of Sewer Coverage Ratio





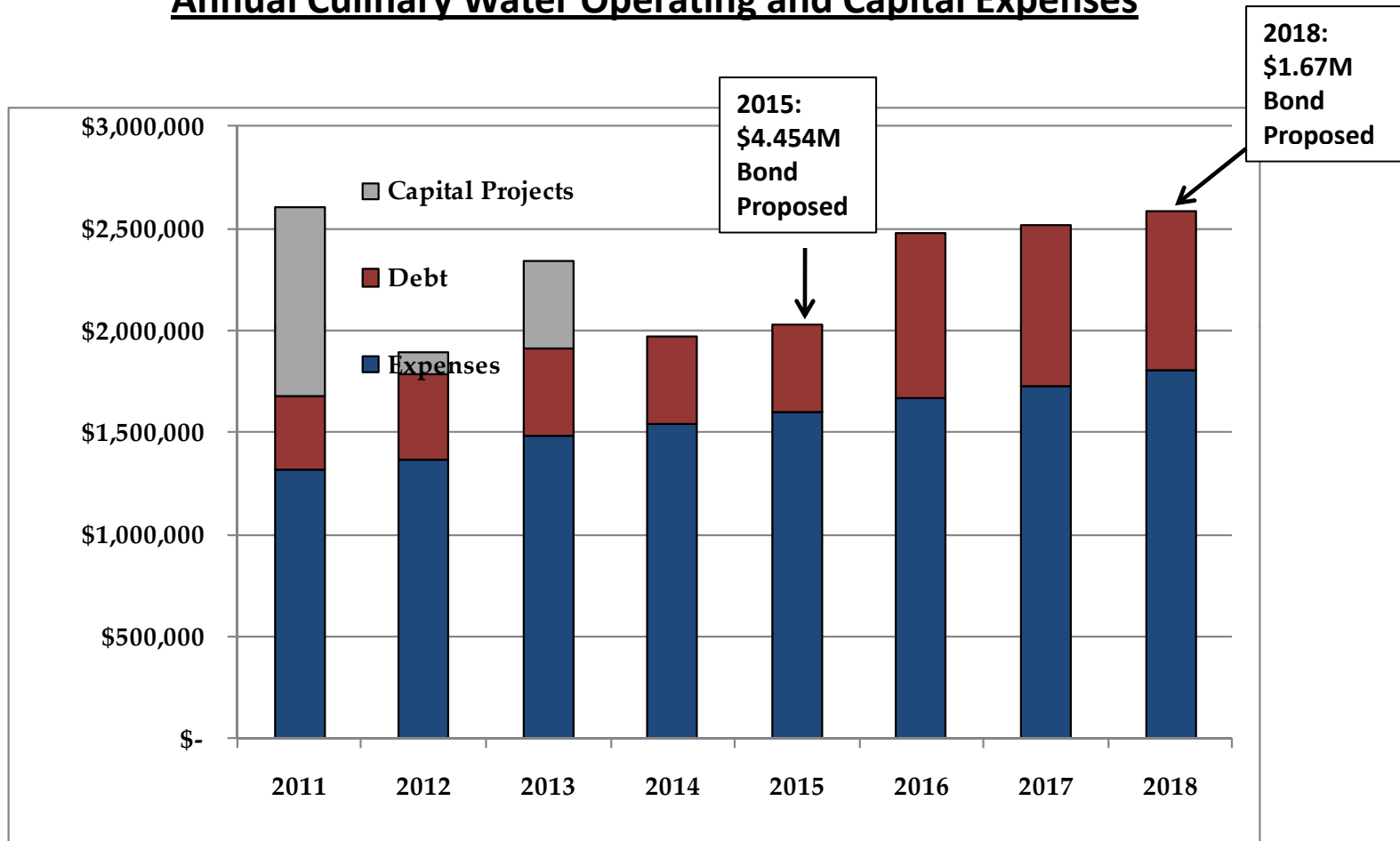
## CULINARY WATER

- CURRENT AVERAGE RATE IS \$21.75
- STRONGEST FUND OF THE FOUR AND MAINTAINS ADEQUATE DSCR
- \$7.586M IN CAPITAL PROJECTS NEEDED THROUGH 2018
  - SERIES 2015 BONDS PROPOSED - \$4.454M
  - SERIES 2018 BONDS PROPOSED - \$1.67M
- PROPOSED SCHEDULE OF RATE INCREASES

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Average Monthly Rate	\$ 21.75	\$ 23.27	\$ 24.90	\$ 26.15	\$ 27.45	\$ 31.57	\$ 36.31	\$ 38.12	\$ 40.03
Annual Increase		\$ 1.52	\$ 1.63	\$ 1.25	\$ 1.31	\$ 4.12	\$ 4.74	\$ 1.82	\$ 1.91

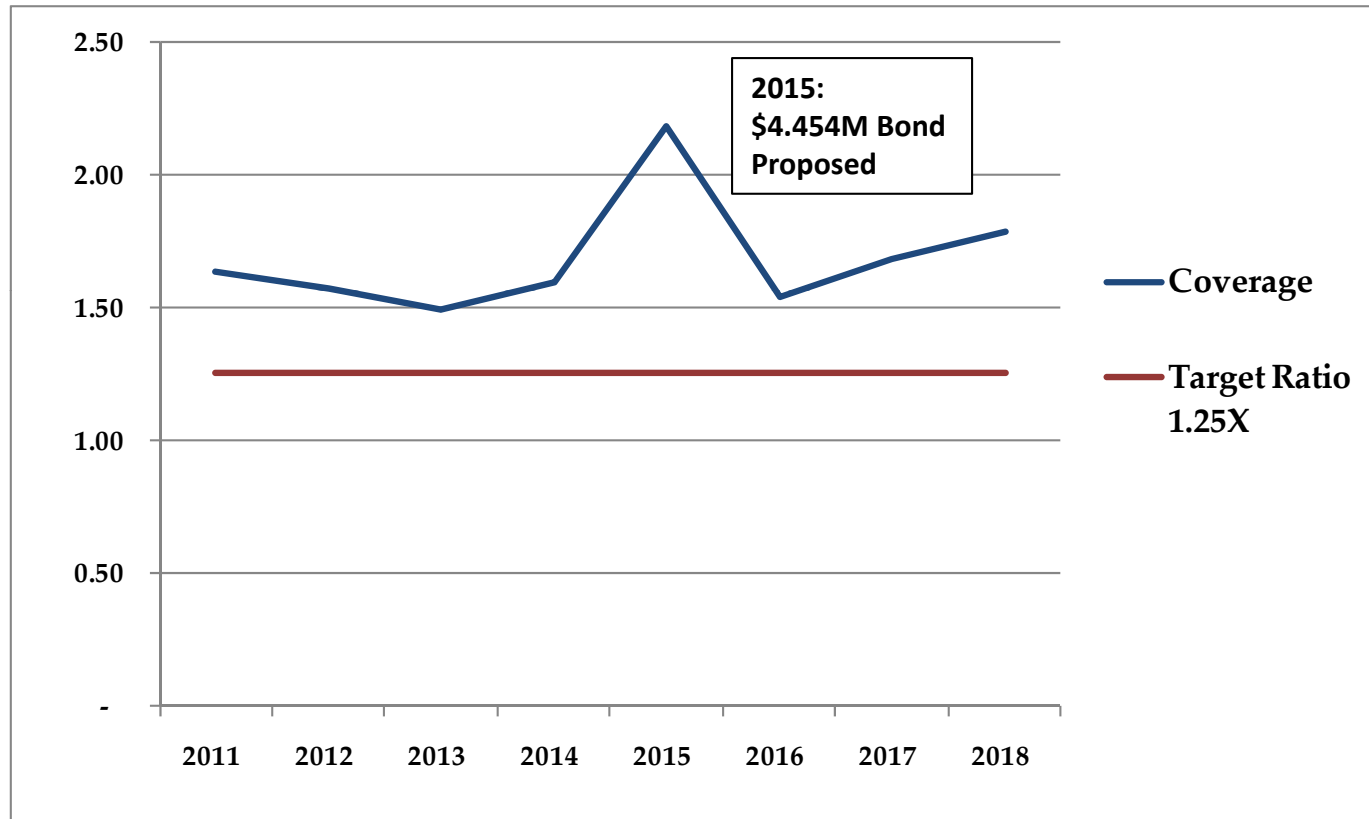


### Annual Culinary Water Operating and Capital Expenses





### Graph of Culinary Water Coverage Ratio





## SECONDARY WATER

- AVERAGE CURRENT RATE IS \$16.20 FOR A ½ ACRE OR SMALLER LOT
- WEAKEST FUND OF THE FOUR AND NEED TO IMPROVE DSCR TO 1.25; CURRENTLY ABOUT 0.24X COVERAGE, WHICH EQUATES TO AN INCREASE IN REVENUES OF \$1.4M
- \$959,946 IN CAPITAL PROJECTS NEEDED THROUGH 2017
  - THERE ARE NO BONDS PROPOSED FOR SECONDARY WATER
- PROPOSED SCHEDULE OF RATE INCREASES

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Average Monthly Rate	\$ 16.20	\$ 34.99	\$ 36.74	\$ 38.58	\$ 40.51	\$ 42.53	\$ 44.66	\$ 46.89	\$ 49.24
Annual Increase		\$ 18.79	\$ 1.75	\$ 1.84	\$ 1.93	\$ 2.03	\$ 2.13	\$ 2.23	\$ 2.34

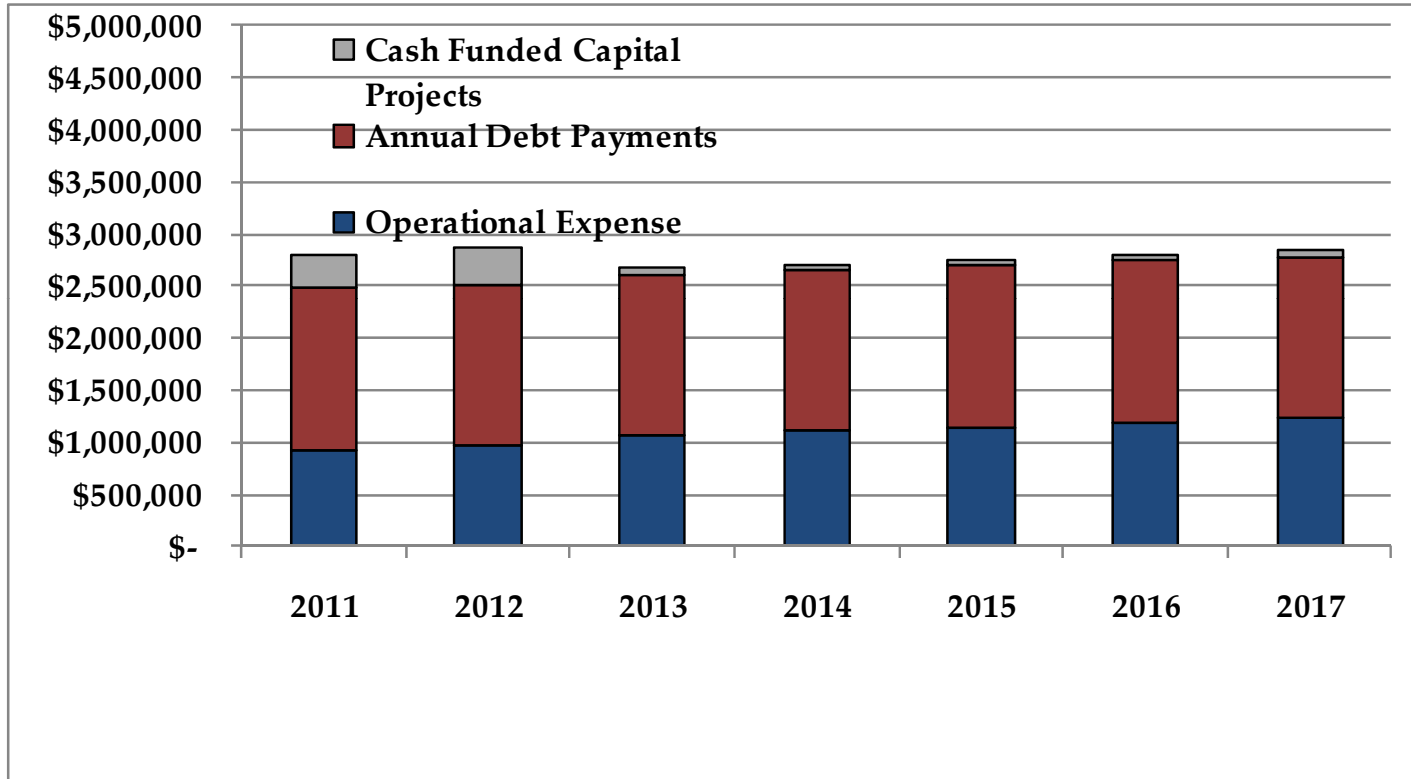


## WHY DOES SECONDARY WATER REQUIRE SUCH A LARGE INCREASE?

- CITY HAS ISSUED DEBT TO CONSTRUCT THE SECONDARY WATER SYSTEM
- THE DEBT COVERAGE OF ALL OUTSTANDING WATER DEBT INCLUDING SECONDARY IS BASED UPON THE COMBINED NET REVENUES OF BOTH THE CULINARY WATER AND SECONDARY WATER SYSTEM
- WHEN BONDS WERE ISSUED IN 2008 A REVENUE INCREASE OF APPROXIMATELY \$1.36M WAS RECOMMENDED BUT NOT IMPLEMENTED
- RATE INCREASES HAVE BEEN DELAYED WHICH HAS PUT THE CITY OUT OF COMPLIANCE WHICH MUST BE RESOLVED IMMEDIATELY
- CURRENT INCREASE IS ESTIMATED TO BE \$1,584,845 WHICH HAS INCREASED DUE TO A COMBINATION OF COST INFLATION, LOWER IMPACT FEE COLLECTIONS, AND THE PROPOSED \$1M STATE LOAN FOR CULINARY WATER

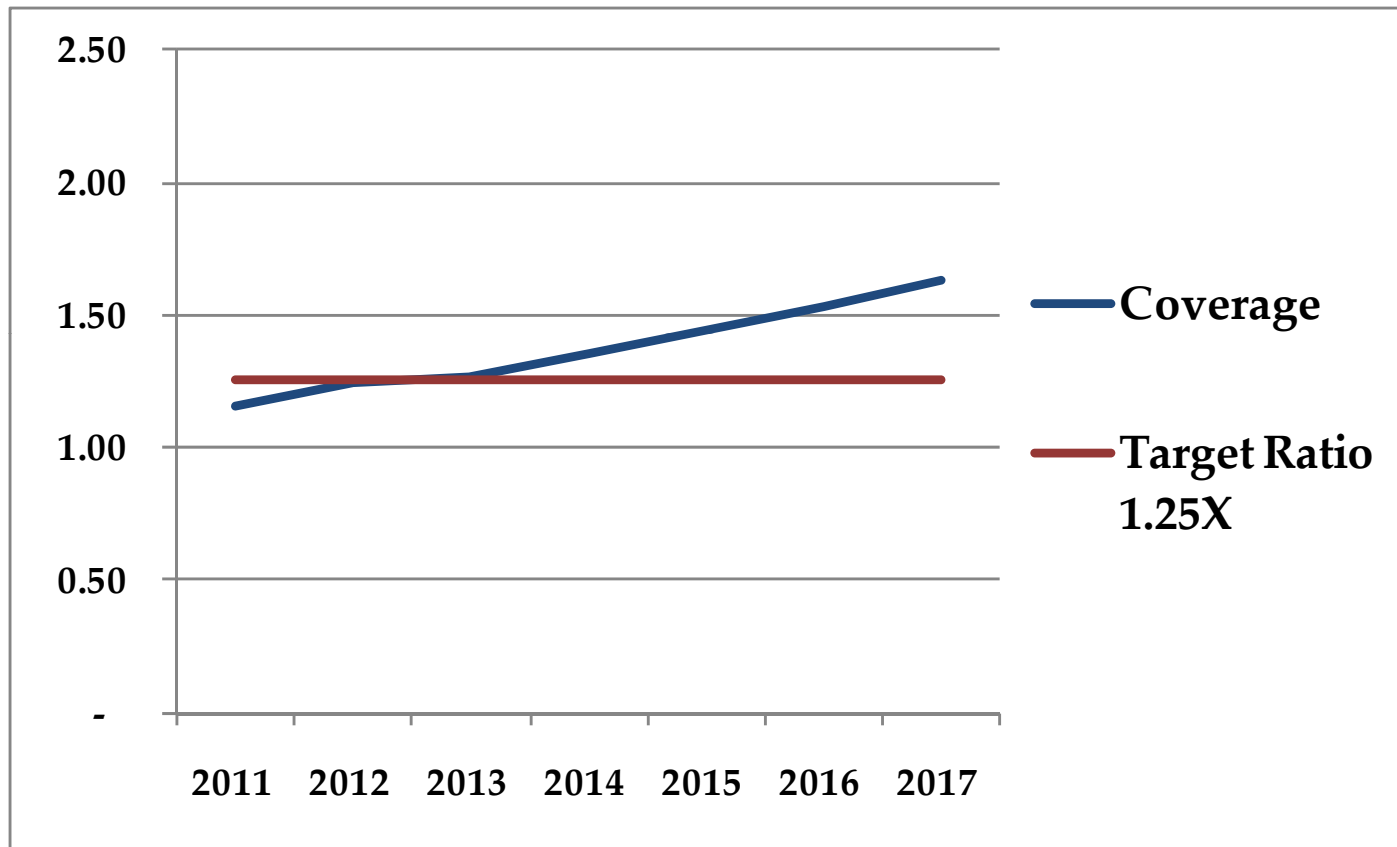


## Annual Secondary Water Operating and Capital Expenses



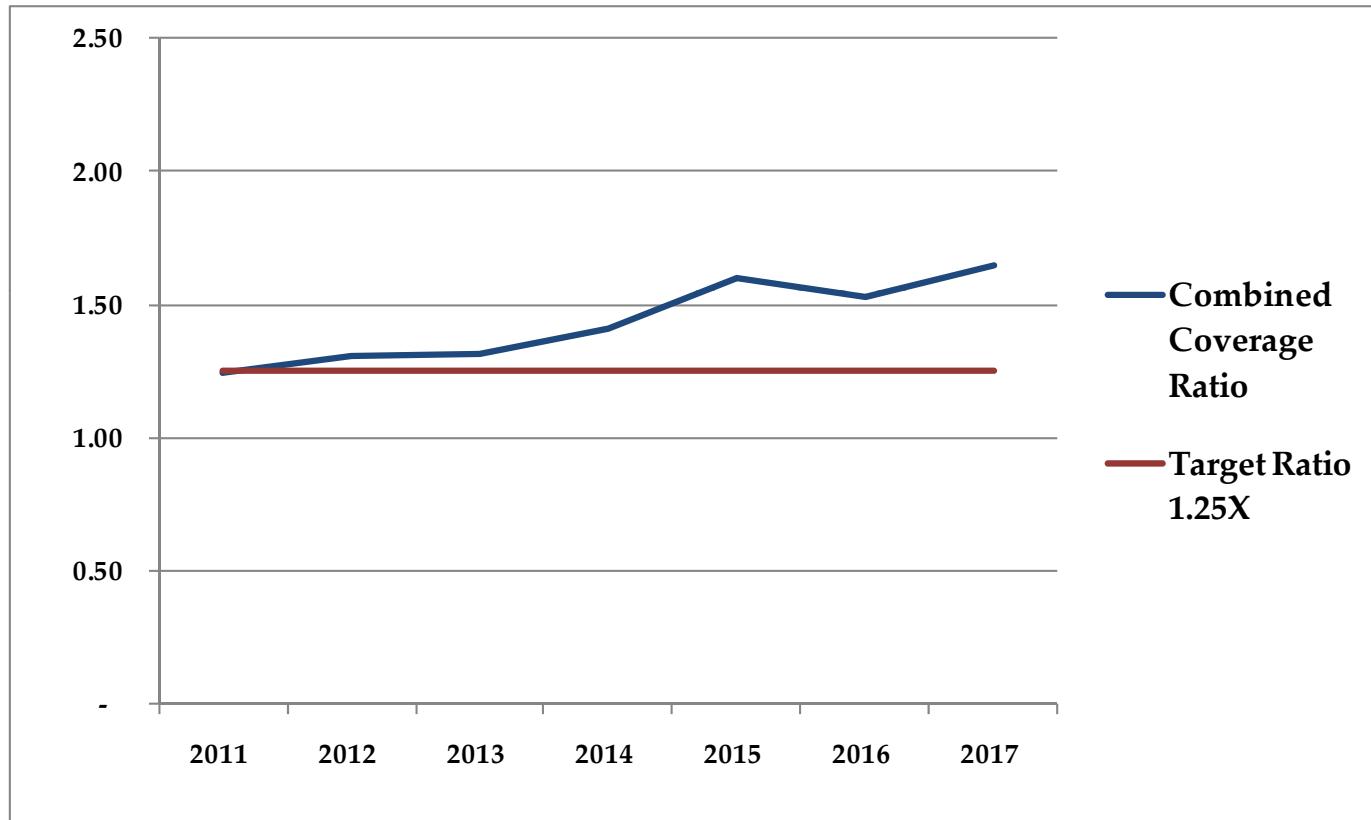


### Graph of Secondary Water Coverage Ratio





### Combined Secondary and Culinary Water Coverage Ratio





## SUMMARY

- EPA Affordability Guidelines Suggest a Threshold of 2% of Average Household Income to be Paid for Utilities
  - Average Household Income = \$77,000
  - Annual Average Utilities= \$1,288
  - Percentage of Income Paid to Utilities= 1.67%
- Although High, Recommended Rates Meet Bond Coverage Covenants and Affordability Thresholds

Average Monthly Rate	2010	2011	2012	2013	2014	2015	2016	2017	2018
Culinary Water	\$ 21.75	\$ 23.27	\$ 24.90	\$ 26.15	\$ 27.45	\$ 31.57	\$ 36.31	\$ 38.12	\$ 40.03
Sewer	31.46	39.33	41.29	43.36	47.69	50.08	52.58	55.21	57.97
Storm	3.00	9.75	10.24	10.75	11.29	11.85	12.44	13.07	13.72
Pressurized Irrigation	16.20	34.99	36.74	38.58	40.51	42.53	44.66	46.89	49.24
<b>Total Average Monthly Rate</b>	<b>\$ 72.41</b>	<b>\$ 107.34</b>	<b>\$ 113.17</b>	<b>\$ 118.83</b>	<b>\$ 126.94</b>	<b>\$ 136.03</b>	<b>\$ 145.99</b>	<b>\$ 153.29</b>	<b>\$ 160.96</b>
<b>Annual Increase</b>		<b>\$ 34.93</b>	<b>\$ 5.83</b>	<b>\$ 5.66</b>	<b>\$ 8.11</b>	<b>\$ 9.09</b>	<b>\$ 9.96</b>	<b>\$ 7.30</b>	<b>\$ 7.66</b>

**APPENDIX C: PROJECTED CULINARY WATER REVENUE REQUIREMENTS**

PLEASANT GROVE CITY

Table 1, Appendix C: Culinary Water

FISCAL YEAR	Rate	2009		2010		2011		2012		2013		2014		2015		2016		2017		2018	
<b>OPERATIONS BEGINNING FUND BALANCE</b>																					
		\$	-	\$	-	\$	866,708	\$	3,182,492	\$	2,934,115	\$	3,797,650	\$	4,268,220	\$	4,391,513	\$	4,253,079	\$	3,841,433
<b>Operational Reserve Targets</b>																					
	50%		-		-		-		-		-		-		-		-		-		-
<b>REVENUES AND EXPENSES</b>																					
<b>REVENUES</b>																					
			<b>Rate Increases</b>				<b>37.04%</b>		<b>6.80%</b>		<b>6.36%</b>		<b>6.05%</b>		<b>5.00%</b>		<b>5.00%</b>		<b>5.00%</b>		<b>5.00%</b>
Charges for Services		\$	1,938,812	\$	1,673,074	\$	2,292,781	\$	2,448,690	\$	2,604,426	\$	2,761,994	\$	2,900,094	\$	3,045,099	\$	3,197,353	\$	3,357,221
Connection Fees			5,520		13,180		13,839		14,531		15,257		16,020		16,821		17,662		18,546		19,473
Other operating revenue			33,165		17,420		18,291		19,206		20,166		21,174		22,233		23,344		24,512		25,737
<b>TOTAL OPERATING REVENUES</b>		<b>\$</b>	<b>1,977,497</b>	<b>\$</b>	<b>1,703,674</b>	<b>\$</b>	<b>2,324,911</b>	<b>\$</b>	<b>2,482,426</b>	<b>\$</b>	<b>2,639,850</b>	<b>\$</b>	<b>2,799,189</b>	<b>\$</b>	<b>2,939,148</b>	<b>\$</b>	<b>3,086,105</b>	<b>\$</b>	<b>3,240,411</b>	<b>\$</b>	<b>3,402,431</b>
<b>EXPENDITURES</b>																					
Wages		\$	(265,061)	\$	(167,226)	\$	(183,566)	\$	(212,346)	\$	(220,840)	\$	(229,673)	\$	(238,860)	\$	(248,415)	\$	(258,351)	\$	(268,685)
Part Time Wages			(7,204)		(5,047)		(5,198)		(5,354)		(5,568)		(5,791)		(6,023)		(6,264)		(6,514)		(6,775)
Retirement			(51,438)		(26,515)		(27,310)		(32,772)		(34,083)		(35,446)		(36,864)		(38,339)		(39,872)		(41,467)
FICA			(19,590)		(15,092)		(15,543)		(17,791)		(18,503)		(19,243)		(20,013)		(20,813)		(21,646)		(22,512)
Health Insurance			(49,279)		(34,265)		(37,349)		(51,510)		(56,146)		(61,199)		(63,647)		(66,193)		(68,841)		(71,594)
Life Insurance			(597)		(395)		(407)		(419)		(436)		(453)		(471)		(490)		(510)		(530)
State Insurance			(6,192)		(4,227)		(4,354)		(4,485)		(4,664)		(4,851)		(5,045)		(5,247)		(5,457)		(5,675)
Meetings & Memberships			(8,915)		(2,923)		(3,040)		(3,152)		(3,288)		(3,420)		(3,557)		(3,699)		(3,847)		(4,001)
Publication Expense			(364)		(364)		(379)		(394)		(410)		(426)		(443)		(461)		(479)		(498)
Office Expense			(20,835)		(10,543)		(10,965)		(11,403)		(11,859)		(12,334)		(12,827)		(13,340)		(13,874)		(14,429)
Vehicle Expense			(17,776)		(11,569)		(11,134)		(11,580)		(12,043)		(12,525)		(13,025)		(13,547)		(14,088)		(14,652)
Power Expense			(187,614)		(119,074)		(123,836)		(128,790)		(133,942)		(139,299)		(144,871)		(150,666)		(156,693)		(162,960)
Telephone Expense			(2,315)		(2,049)		(2,131)		(2,216)		(2,304)		(2,397)		(2,492)		(2,592)		(2,696)		(2,804)
Cellular Services			(2,028)		(2,846)		(2,959)		(3,078)		(3,201)		(3,329)		(3,462)		(3,601)		(3,745)		(3,894)
Audit			(8,500)		(5,667)		(5,893)		(6,129)		(6,374)		(6,629)		(6,894)		(7,170)		(7,457)		(7,755)
Engineering			(37,581)		(19,397)		(20,173)		(20,979)		(21,819)		(22,691)		(23,599)		(24,543)		(25,525)		(26,546)
Street Repairs			(12,341)		(6,103)		(6,341)		(6,601)		(7,140)		(7,425)		(7,722)		(8,031)		(8,353)		(8,696)
Administrative Fee			(547,908)		(541,620)		(352,483)		(352,483)		(450,000)		(633,619)		(658,964)		(685,322)		(712,735)		(741,244)
Lease Payments			(2,132)		(3,938)		(4,095)		(4,259)		(4,429)		(4,606)		(4,791)		(4,982)		(5,181)		(5,389)
Shop Rental			-		-		-		-		-		-		-		-		-		-
Metro Water Lease			(261,586)		-		-		-		-		-		-		-		-		-
Meter Purchases			(12,584)		(884)		(920)		(957)		(995)		(1,035)		(1,076)		(1,119)		(1,164)		(1,210)
Departmental Supplies			(54,516)		(52,000)		(45,000)		(56,243)		(58,493)		(60,832)		(63,266)		(65,796)		(68,428)		(71,165)
Insurance & Bonds			(53,990)		(9,995)		(23,582)		(24,525)		(25,506)		(26,527)		(27,588)		(28,691)		(29,839)		(31,032)
Irrigation Water Assessments			(117,945)		-		-		-		-		-		-		-		-		-
Bond Issuance Costs			(33,643)		(23,550)		-		-		-		-		-		-		-		-
Repair & Maintenance			(37,209)		(65,154)		(65,000)		(70,245)		(73,054)		(75,976)		(79,016)		(82,176)		(85,463)		(88,882)
Miscellaneous Expense			(43,303)		(28,756)		(25,000)		(31,257)		(32,507)		(33,808)		(35,160)		(36,566)		(38,029)		(39,550)
Equipment			(3,427)		(311)		(323)		(336)		(349)		(363)		(378)		(393)		(409)		(425)
Technology			(1,568)		(127)		(132)		(137)		(143)		(148)		(154)		(160)		(167)		(174)
Pump and SCADA Rehab			-		-		(30,000)		(30,000)		(31,200)		(32,448)		(33,746)		(35,096)		(36,500)		(37,960)
Fire Hydrant/Valve Program			-		-		(20,000)		(30,000)		(31,200)		(32,448)		(33,746)		(35,096)		(36,500)		(37,960)
Master Plan Updates			-		-		(3,640)		(3,786)		(3,937)		(4,095)		(4,258)		(4,429)		(4,606)		(4,790)
Employee Benefits			-		-		(41,722)		(8,854)		(6,205)		(6,205)		(6,453)		(6,711)		(6,980)		(7,259)
<b>SUBTOTAL EXPENDITURES</b>		<b>\$</b>	<b>(1,867,077)</b>	<b>\$</b>	<b>(1,159,634)</b>	<b>\$</b>	<b>(1,030,761)</b>	<b>\$</b>	<b>(1,081,514)</b>	<b>\$</b>	<b>(1,263,013)</b>	<b>\$</b>	<b>(1,478,956)</b>	<b>\$</b>	<b>(1,538,114)</b>	<b>\$</b>	<b>(1,599,639)</b>	<b>\$</b>	<b>(1,663,625)</b>	<b>\$</b>	<b>(1,730,170)</b>
<b>NON-OPERATING REVENUES</b>																					
Grant Revenue		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Impact Fees			146,667		146,667		75,000		75,000		75,000		75,000		75,000		75,000		75,000		75,000
Sales of Assets			-		-		-		-		-		-		-		-		-		-
Transfer From Sewer Operating Reserves			-		-		400,000		-		-		-		-		-		-		-
Capital Contribution (builders)			490,939		-		-		-		-		-		-		-		-		-
<b>SUBTOTAL NON-OPERATING REVENUES</b>		<b>\$</b>	<b>637,606</b>	<b>\$</b>	<b>146,667</b>	<b>\$</b>	<b>475,000</b>	<b>\$</b>	<b>75,000</b>	<b>\$</b>	<b>75,000</b>	<b>\$</b>	<b>75,000</b>	<b>\$</b>	<b>75,000</b>	<b>\$</b>	<b>75,000</b>	<b>\$</b>	<b>75,000</b>	<b>\$</b>	<b>75,000</b>
<b>TOTAL NET REVENUES AVAILABLE FOR DS</b>		<b>5%</b>	<b>\$ 748,026</b>	<b>\$ 690,707</b>	<b>\$ 1,769,150</b>	<b>\$ 1,475,912</b>	<b>\$ 1,451,837</b>	<b>\$ 1,395,232</b>	<b>\$ 1,476,034</b>	<b>\$ 1,561,466</b>	<b>\$ 1,651,786</b>	<b>\$ 1,747,262</b>	<b>\$ 1,844,097</b>	<b>\$ 1,941,411</b>	<b>\$ 2,041,411</b>	<b>\$ 2,145,594</b>	<b>\$ 2,253,911</b>	<b>\$ 2,366,911</b>	<b>\$ 2,484,911</b>	<b>\$ 2,607,911</b>	<b>\$ 2,735,911</b>
<b>DEBT SERVICE</b>																					
Provo Reservoir Canal Enclosure		\$	-	\$	-	\$	(32,113)	\$	(33,769)	\$	(47,378)	\$	(47,378)	\$	(47,378)	\$	(47,378)	\$	(47,378)	\$	(47,378)
Series 1994 Water Revenue Bonds			-		-		(23,792)		(23,661)		(23,530)		(23,399)		(23,268)		(23,137)		(23,006)		(22,875)
Series 2002A Water Revenue Bonds			-		-		(9,000)		(9,000)		(9,000)		(9,000)		(9,000)		(9,000)		(9,000)		(9,000)
Series 2002B Water Revenue Bonds			-		-		(114,997)		(114,626)		(115,194)		(114,670)		(115,086)		(114,411)		(114,675)		(114,848)
Series 2002 Sales Tax Revenue Bonds @ 12%			-		-		(64,703)		(64,461)		(64,713)		(64,279)		(64,333)		(64,849)		(64,629)		(64,696)
Series 2004 Water Revenue Bonds			-		-		(90,335)		(90,162)		(89,972)		(90,765)		(90,524)		(90,266)		(89,991)		(90,699)
Series 2006 Water Revenue Bonds			-		-		(21,185)		(20,913)		(20,641)		(20,369)		(20,097)		(20,808)		(20,519)		(21,230)
Proposed State Loan @ \$1M			-		-		-		(60,000)		(60,000)		(60,000)		(60,000)		(60,000)		(60,000)		(60,000)
Proposed Bonds #1			-		-		-		-		-		-		-		-		-		-
<b>TOTAL DEBT SERVICE</b>		<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(356,125)</b>	<b>\$</b>	<b>(416,592)</b>	<b>\$</b>	<b>(430,428)</b>	<b>\$</b>	<b>(429,860)</b>	<b>\$</b>	<b>(430,686)</b>	<b>\$</b>	<b>(430,849)</b>	<b>\$</b>	<b>(406,192)</b>	<b>\$</b>	<b>(407,851)</b>
<b>COVERAGE RATIO</b>																					
							<b>4.97</b>		<b>3.54</b>		<b>3.37</b>		<b>3.25</b>		<b>3.43</b>		<b>3.62</b>		<b>4.07</b>		<b>4.28</b>
<b>SURPLUS REVENUES</b>																					
		\$	748,026	\$	690,707	\$	1,413,025	\$	1,059,320	\$	1,021,409	\$	965,372	\$	1,045,348	\$	1,130,618	\$	1,245,594	\$	1,339,411
Bond Proceeds			-		-		1,000,000		-		-		-		-						



	2011	2012	2013	2014	2015	2016	2017
Water							
Culinary Water Revenue Increases	\$ 619,707	\$ 155,909	\$ 155,737	\$ 157,568	\$ 138,100	\$ 145,005	\$ 152,255
Debt Service	(356,125)	(416,592)	(430,428)	(429,860)	(430,686)	(430,849)	(406,192)
Secondary							
Secondary Water Revenue Increases	\$ 379,825	\$ 226,454	\$ 226,328	\$ 226,356	\$ 114,488	\$ 120,213	\$ 126,223
Debt Service	(1,551,926)	(1,551,726)	(1,556,026)	(1,545,026)	(1,543,469)	(1,546,038)	(1,543,076)
Combined							
Combined Revenue Increases	\$ 999,532	\$ 382,363	\$ 382,065	\$ 383,924	\$ 252,588	\$ 265,217	\$ 278,478
Combined Debt Service	(1,908,051)	(1,968,318)	(1,986,454)	(1,974,886)	(1,974,155)	(1,976,887)	(1,949,267)
<b>Combined Monthly Rate Increase</b>	<b>\$ 13.01</b>	<b>\$ 4.93</b>	<b>\$ 4.88</b>	<b>\$ 4.85</b>	<b>\$ 3.16</b>	<b>\$ 3.29</b>	<b>\$ 3.42</b>
Combined Net Revenues	\$ 2,941,412	\$ 2,539,982	\$ 2,605,445	\$ 2,608,494	\$ 2,744,002	\$ 2,890,255	\$ 3,047,802
Debt Service	1,908,051	1,968,318	1,986,454	1,974,886	1,974,155	1,976,887	1,949,267
<b>Combined Coverage Ratio</b>	<b>1.54</b>	<b>1.29</b>	<b>1.31</b>	<b>1.32</b>	<b>1.39</b>	<b>1.46</b>	<b>1.56</b>
*Assumes 1% Growth							
Culinary Water Fund Balance	\$ 3,182,492	\$ 2,934,115	\$ 3,797,650	\$ 4,268,220	\$ 4,391,513	\$ 4,253,079	\$ 3,841,433
Secondary Water Fund Balance	161,419	(667,643)	(1,124,141)	(1,512,148)	(1,846,142)	(2,124,223)	(2,334,549)
<b>Combined Water Fund Balance</b>	<b>\$ 3,343,910</b>	<b>\$ 2,266,472</b>	<b>\$ 2,673,510</b>	<b>\$ 2,756,072</b>	<b>\$ 2,545,371</b>	<b>\$ 2,128,855</b>	<b>\$ 1,506,884</b>

# APPENDIX C: PROJECTED SANITARY SEWER REVENUE REQUIREMENTS

## PLEASANT GROVE CITY

Table 1, Appendix C: Sanitary Sewer

Coverage Analysis

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FISCAL YEAR	HISTORIC					BUDGET	PROJECTED						
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
OPERATIONS BEGINNING FUND BALANCE						\$ 4,058,384	\$ 2,269,460	\$ 1,087,881	\$ 745,673	\$ 568,907	\$ 569,478	\$ 437,501	
Operational Reserve Targets	50%		1,196,800	1,223,067	1,587,868	1,716,215	1,885,164	1,999,571	2,106,553	2,190,815	2,278,448	2,369,586	
REVENUES AND EXPENSES													
REVENUES													
Charges for Services			Rate Increases			13.27%	11.29%	10.15%	9.18%	5.00%	5.00%	5.00%	
Connection Fees	\$ 1,952,727	\$ 2,129,257	\$ 2,391,241	\$ 2,219,157	\$ 2,954,498	\$ 3,346,560	\$ 3,724,386	\$ 4,102,412	\$ 4,479,013	\$ 4,702,964	\$ 4,938,112	\$ 5,185,018	
Other Operating Revenue	73,293	55,120	24,350	9,955	8,745	9,905	11,024	12,143	13,257	13,920	14,616	15,347	
TOTAL OPERATING REVENUES	\$ 2,353,182	\$ 2,204,265	\$ 2,423,992	\$ 2,231,302	\$ 2,965,433	\$ 3,358,946	\$ 3,738,171	\$ 4,117,595	\$ 4,495,591	\$ 4,720,370	\$ 4,956,389	\$ 5,204,208	
EXPENDITURES													
Subtotal City Salaries and Wages	\$ (230,910)	\$ (269,130)	\$ (358,783)	\$ (380,203)	\$ (341,397)	\$ (355,053)	\$ (369,255)	\$ (384,025)	\$ (453,386)	\$ (471,522)	\$ (490,383)	\$ (509,998)	
Subtotal Admin and Operations	(1,963,316)	(1,944,612)	(2,034,817)	(2,065,931)	(2,834,339)	(3,342,378)	(3,476,073)	(3,615,116)	(3,759,721)	(3,910,109)	(4,066,514)	(4,229,174)	
Subtotal City Misc.	-	-	-	-	-	265,000	75,000	-	-	-	-	-	
SUBTOTAL EXPENDITURES	\$ (2,194,226)	\$ (2,213,742)	\$ (2,393,600)	\$ (2,446,134)	\$ (3,175,736)	\$ (3,432,431)	\$ (3,770,328)	\$ (3,999,141)	\$ (4,213,107)	\$ (4,381,631)	\$ (4,556,896)	\$ (4,739,172)	
NON-OPERATING REVENUES													
Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest	-	-	-	-	-	60,876	34,042	16,318	11,185	8,534	8,542	6,563	
Impact Fees	543,171	493,942	175,906	92,597	92,597	125,000	125,000	125,000	125,000	125,000	125,000	125,000	
SUBTOTAL NON-OPERATING REVENUES	\$ 543,171	\$ 493,942	\$ 175,906	\$ 92,597	\$ 92,597	\$ 185,876	\$ 159,042	\$ 141,318	\$ 136,185	\$ 133,534	\$ 133,542	\$ 131,563	
TOTAL NET REVENUES AVAILABLE FOR DS	5%	\$ 702,127	\$ 484,464	\$ 206,298	\$ (122,235)	\$ (117,706)	\$ 112,391	\$ 126,885	\$ 259,772	\$ 418,669	\$ 472,273	\$ 533,035	\$ 596,598
DEBT SERVICE													
Series 2001 Sewer Revenue Bonds - 100% to Sewer	-	-	-	-	-	\$ (68,120)	\$ (67,400)	\$ -	\$ -	\$ -	\$ -	\$ -	
Series 2007 Sales Tax Bond - 12% to Sewer	-	-	-	-	-	(64,703)	(64,461)	(64,713)	(64,279)	(64,333)	(64,849)	(64,629)	
TOTAL DEBT SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (132,823)	\$ (131,861)	\$ (64,713)	\$ (64,279)	\$ (64,333)	\$ (64,849)	\$ (64,629)	
COVERAGE RATIO						0.85	0.96	4.01	6.51	7.34	8.22	9.23	
SURPLUS REVENUES		\$ 702,127	\$ 484,464	\$ 206,298	\$ (122,235)	\$ (117,706)	\$ (20,432)	\$ (4,976)	\$ 195,059	\$ 354,390	\$ 407,940	\$ 468,186	\$ 531,970
Bond Proceeds												3,576,965	
CAPITAL NEEDS & DEPRECIATION													
City Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers to Water and PI Funds	-	-	-	-	-	(700,000)	-	-	-	-	-	-	
South Side Improvement 10 Inch	-	-	-	-	-	(499,041)	-	-	-	-	-	-	
Nathaniel/Loader Diversion	-	-	-	-	-	-	(57,572)	-	-	-	-	-	
100 West Improvements	-	-	-	-	-	-	(357,944)	-	-	-	-	-	
Garden Drive Improvements	-	-	-	-	-	(199,451)	-	-	-	-	-	-	
200 South Improvements	-	-	-	-	-	-	(382,287)	-	-	-	-	-	
1100 North Improvements	-	-	-	-	-	-	-	(149,315)	-	-	-	-	
1300 West/State Street Upgrade	-	-	-	-	-	-	-	-	(133,686)	-	-	-	
Gateway Improvements	-	-	-	-	-	-	-	-	-	-	-	-	
500 East Improvements	-	-	-	-	-	-	-	-	-	-	(182,499)	-	
700 S - 13th West to 500 W	-	-	-	-	-	-	-	-	-	-	-	(2,031,679)	
State Street - PG BLVD 200 S	-	-	-	-	-	-	-	-	-	-	-	(982,304)	
700 S - West Boundary	-	-	-	-	-	-	-	-	-	-	-	(284,612)	
Insituform	-	-	-	-	-	(220,000)	(228,800)	(237,952)	(247,470)	(257,369)	(267,664)	(278,370)	
SEWER COLLECTION IMPROVEMENTS													
Annual Repair and Replacement Budget	-	-	-	-	-	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	
CAPITAL NEEDS & DEPRECIATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,768,492)	\$ (1,176,603)	\$ (537,267)	\$ (531,156)	\$ (407,369)	\$ (600,162)	\$ (150,000)	
OPERATIONS ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,269,460	\$ 1,087,881	\$ 745,673	\$ 568,907	\$ 569,478	\$ 437,501	\$ 819,471	

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# APPENDIX C: PROJECTED STORM DRAIN REVENUE REQUIREMENTS

PLEASANT GROVE CITY

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
<b>Storm Drain Revenue Requirement</b>														
	<b>HISTORIC</b>					<b>BUDGET</b>			<b>PROJECTED</b>					
<b>FISCAL YEAR</b>		2006	2007	2008	2009	2010		2011	2012	2013	2014	2015	2016	2017
<b>OPERATIONS BEGINNING FUND BALANCE</b>								\$ 67,198	\$ 6,923,110	\$ 2,430,798	\$ 183,293	\$ 2,801,450	\$ 150,457	\$ 717,316
<b>Operational Reserve Targets</b>	50%			157,632	152,112	175,558		235,080	231,484	240,743	250,373	260,387	270,803	281,635
<b>REVENUES AND EXPENSES</b>														
<b>REVENUES</b>			Rate Increases					125.00%	28.44%	22.15%	17.75%	5.00%	5.00%	5.00%
Charges for Services	\$	291,358	\$ 363,056	\$ 399,999	\$ 395,042	\$ 403,266	\$	907,349	\$ 1,165,399	\$ 1,423,535	\$ 1,676,213	\$ 1,760,023	\$ 1,848,024	\$ 1,940,426
Connection Fees		-	-	-	-	-		-	-	-	-	-	-	-
Other operating revenue		-	-	-	-	-		-	-	-	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	\$	291,358	\$ 363,056	\$ 399,999	\$ 395,042	\$ 403,266	\$	907,349	\$ 1,165,399	\$ 1,423,535	\$ 1,676,213	\$ 1,760,023	\$ 1,848,024	\$ 1,940,426
<b>EXPENDITURES</b>														
Subtotal City Salaries and Wages	\$	(69,857)	\$ (101,925)	\$ (115,728)	\$ (122,575)	\$ (126,883)	\$	(186,958)	\$ (194,437)	\$ (202,214)	\$ (210,303)	\$ (218,715)	\$ (227,463)	\$ (236,562)
Subtotal Admin and Operations		(206,920)	(137,896)	(199,537)	(181,649)	(224,233)		(233,202)	(242,530)	(252,232)	(262,321)	(272,814)	(283,726)	(295,075)
MS4 Permit		-	-	-	-	-		(50,000)	(26,000)	(27,040)	(28,122)	(29,246)	(30,416)	(31,633)
Subtotal City Misc.		-	-	-	-	-		-	-	-	-	-	-	-
<b>SUBTOTAL EXPENDITURES</b>	\$	(276,777)	\$ (239,821)	\$ (315,265)	\$ (304,224)	\$ (351,116)	\$	(470,161)	\$ (462,967)	\$ (481,486)	\$ (500,745)	\$ (520,775)	\$ (541,606)	\$ (563,270)
<b>NON-OPERATING REVENUES</b>														
Grant Revenue	\$	-	\$ -	\$ -	\$ -	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact Fees		270,910	233,104	138,397	-	40,000		40,000	40,000	40,000	40,000	40,000	40,000	40,000
Sales of Assets		-	-	-	-	-		-	-	-	-	-	-	-
Interest Income		-	-	-	7,452	-		1,008	103,847	36,462	2,749	42,022	2,257	10,760
<b>SUBTOTAL NON-OPERATING REVENUES</b>	\$	270,910	\$ 233,104	\$ 138,397	\$ 7,452	\$ 40,000	\$	41,008	\$ 143,847	\$ 76,462	\$ 42,749	\$ 82,022	\$ 42,257	\$ 50,760
<b>TOTAL NET REVENUES AVAILABLE FOR DS</b>	\$	285,491	\$ 356,338	\$ 223,132	\$ 98,270	\$ 92,150	\$	478,196	\$ 846,279	\$ 1,018,511	\$ 1,218,217	\$ 1,321,270	\$ 1,348,675	\$ 1,427,915
<b>DEBT SERVICE</b>														
Series 2007 Sales Tax Bond - 6% to Storm	\$	-	\$ -	\$ -	\$ -	\$ -	\$	(32,352)	\$ (32,231)	\$ (32,357)	\$ (32,140)	\$ (32,166)	\$ (32,424)	\$ (32,314)
Proposed Bond #1		-	-	-	-	-		-	(455,360)	(455,360)	(455,360)	(455,360)	(455,360)	(455,360)
<b>TOTAL DEBT SERVICE</b>	\$	-	\$ -	\$ -	\$ -	\$ -	\$	(32,352)	\$ (487,591)	\$ (487,717)	\$ (487,500)	\$ (781,559)	\$ (781,817)	\$ (781,707)
<b>COVERAGE RATIO</b>		-	-	-	-	-		14.78	1.74	2.09	2.50	1.69	1.73	1.83
<b>SURPLUS REVENUES</b>	\$	285,491	\$ 356,338	\$ 223,132	\$ 98,270	\$ 92,150	\$	445,845	\$ 358,688	\$ 530,795	\$ 730,717	\$ 539,711	\$ 566,858	\$ 646,208
Bond Proceeds								7,000,000			4,520,000			
<b>CAPITAL NEEDS &amp; DEPRECIATION</b>														
City Depreciation		-	-	-	-	-		-	-	-	-	-	-	-
<b>STORMWATER COLLECTION IMPROVEMENTS</b>														
Lindon Hollow Down Payment on Land Purchase	\$	-	\$ -	\$ -	\$ -	\$ -	\$	(230,606)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lindon Hollow Construction		-	-	-	-	-		(359,327)	-	-	-	-	-	-
Land Purchase		-	-	-	-	-		-	(1,323,000)	-	-	-	-	-
Battle Creek and Grove Creek Snow Melt Piping		-	-	-	-	-		-	(3,528,000)	-	-	-	-	-
Land Purchase		-	-	-	-	-		-	-	(2,778,300)	-	-	-	-
Land Purchase		-	-	-	-	-		-	-	-	(1,458,608)	-	-	-
Anderson Park Detention and Piping		-	-	-	-	-		-	-	-	(1,173,952)	-	-	-
Land Purchase		-	-	-	-	-		-	-	-	-	(1,531,538)	-	-
400 North Piping and Detention		-	-	-	-	-		-	-	-	-	(1,659,166)	-	-
<b>CAPITAL NEEDS &amp; DEPRECIATION</b>	\$	-	\$ -	\$ -	\$ -	\$ -	\$	6,410,067	\$ (4,851,000)	\$ (2,778,300)	\$ 1,887,441	\$ (3,190,704)	\$ -	\$ -
<b>OPERATIONS ENDING FUND BALANCE</b>	\$	-	\$ -	\$ -	\$ -	\$ -	\$	6,923,110	\$ 2,430,798	\$ 183,293	\$ 2,801,450	\$ 150,457	\$ 717,316	\$ 1,363,524

# Addendum C

## General Fund Cutbacks

### Pleasant Grove City General Fund Expenditures Years 2005 - 2011

	2005	2006	2007	2008	2009	2010	2011
General Government	2,928,839	3,415,331	3,979,915	4,282,951	4,118,171	3,990,407	3,902,500
Public Safety	3,843,065	3,890,073	4,240,469	5,153,549	5,012,604	5,181,430	5,287,659
Public Works	1,633,516	2,137,497	2,043,354	2,237,456	3,897,604	2,996,235	2,606,368
Parks and Recreation	2,208,672	2,436,175	2,409,470	2,719,733	2,966,436	2,847,113	2,815,236
Total	10,614,092	11,879,076	12,673,208	14,393,689	15,994,815	15,015,185	14,611,763

## Addendum D

### Storm Drain Fund (Fiscal Years 2001 - 2010)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Storm Drain Fees	244,223	247,282	256,158	263,653	284,629	291,358	363,056	399,999	395,042	403,266
Less Expenses										
Salaries & Benefits	39,443	51,543	52,583	60,179	80,567	69,857	101,925	115,727	122,575	128,984
Admin Fees	41,518	42,042	43,255	46,521	47,860	49,104	61,719	68,004	67,157	88,055
Other Operating Expenses	120,779	38,755	109,870	69,280	88,451	141,010	61,541	116,209	98,596	127,900
Total Expenses	201,740	132,340	205,708	175,980	216,878	259,971	225,186	299,940	288,328	344,940
Net Income (not including depreciation)	42,483	114,942	50,450	87,673	67,751	31,387	137,870	100,059	106,714	58,326
Other Items										
Interest Expense	(3,621)	(2,667)	(11,526)	(18,114)	(17,262)	(16,806)	(14,026)	(14,715)	(15,284)	(14,663)
Interest Income	1,407	1,070	1,085	3,751	7,068	10,722	25,298	26,610	7,452	1,528
Impact Fees	-	-	-	-	104,638	270,910	233,104	138,397	85,585	14,367
Sale of Assets	-	-	-	-	22,783	-	-	-	-	-
Depreciation	34,999	38,736	46,247	63,434	83,857	107,835	135,367	160,603	172,125	181,090
Capital Expenditures	6,361	38,374	59,738	190,237	278,283	113,562	156,449	69,430	512,554	219,138

# **Addendum E**

## **Rate Increase History**

## UTILITY RATE INCREASES TIMELINE 2010

### TSSD – SEWER

#### JUNE 12, 2001 – RES 2001-07

Increased sixty cents (\$.60) with an increase of \$.06 per 1,000 gallons over the base rate, which represents a 5% increase. \$12.07 to 12.67 per month per unit and from \$1.20 to \$1.26 per month per 1,000 gallons over the base rate.

#### JUNE 6, 2006 – RES 2006-022

Increased by fifty-one cents (\$.51) with an increase of \$.05 per 1,000 gallons over the base rate, which represents a 4% increase. \$12.67 to \$13.18 per month per unit and from \$1.26 to \$1.31 per month per 1,000 gallons over the base rate.

#### JULY 7, 2009 – RES 2009-022

Increased by three dollars and eighteen cents (\$3.43) with an increase of \$.34 per 1,000 gallons over the base rate, which represents a 26% increase. \$13.18 to \$16.61 per month per unit and from \$1.31 to \$1.65 per month per 1,000 gallons over the base rate.

### SECONDARY WATER

#### FEBRUARY 6, 2001 – RES 2001-03

Hook-up Cost	\$100 prior to April 1, 2000
	\$200 after April 1, 2000
Monthly Charge	\$15 for residential use (8,000 to 21,000 sq. ft)
Year Round	\$18 for residential use (21,000 to 28,000 sq. ft.)
	\$20 acre per month

#### MAY 20, 2008 – RES 2008-010

#### RATE INCREASE

Monthly Charge	\$ 16.20	(8,999 – 21,000 sq ft lot)
	\$19.44	(21,000 – 28,000 sq ft lot)
	\$21.60	(Per Acre)

### STORM DRAIN

#### JULY 5, 2006 - RES 2006-031

Single Family Residential - \$3.00 per month (1 ESU = 3,000 sq ft of impervious surface area. )  
Other Developed Parcels – All other developed parcels, including multiple family residential parcels, shall be charged a fee based on the number of ESU's on the parcel. If there is more than one city utility bill for the parcel, the fee shall be divided between the city utility bills covering

the parcel according to a policy established by the Public Works Director. The number of ESU's shall be established by measuring the amount of impervious surface on the parcel, dividing that number by 3,000, and then rounding to the nearest whole number. The actual monthly fee (service charge) shall be computed by multiplying the total ESU's for the parcel by the monthly rate of \$3.00 per ESU. For example, a parcel with 20,000 square feet of impervious surface area shall pay a fee of \$21.00 per month (20,000 divided by 3,000 = 6.7; 6.7 rounded to the nearest whole number = 7; 7x \$3.00 = \$21.00).

## **CULINARY WATER**

### **JUNE 26, 2003 - ORD. 2003-8**

1. Regular Use: Minimum charge per month shall remain at a base rate of \$6.20 with a 3,000 gallons per month allowance. Cost per thousand gallons over the allowance will be \$.95. This rate applies to single family dwellings and each rental unit, apartment, mobile home and other water users. Each applicant shall declare the number of apartments, units, etc., when making application for water service.
2. Beginning July 1, 2004, the cost per each thousand (1,000) gallons over the three thousand (3,000) gallons per month allowance will be increased by twenty cents (\$.20), from ninety-five cents (\$.95) to one dollar fifteen cents (\$1.15).
3. Water rates shall be reviewed on an annual basis thereafter.

### **JUNE 7, 2005 - ORD. 2005-23**

1. Regular Use: Minimum charge per month shall remain at a base rate of \$6.20 with a 3,000 gallons per month allowance. Cost per thousand gallons over the allowance will be \$.95. This rate applies to single family dwellings and each rental unit, apartment, mobile home and other water users. Each applicant shall declare the number of apartments, units, etc., when making application for water service.
2. Beginning July 1, 2005, the cost per each thousand (1,000) gallons over the three thousand (3,000) gallons per month allowance will be increased by twelve (\$.12), from one dollar fifteen cents (\$1.15) to one dollar twenty-seven cents (\$1.27).
3. Water rates shall be reviewed on an annual basis thereafter.

### **OCTOBER 3, 2006 - Ord. 2006-20**

Effective October 3, 2006, water service charges will be established by Resolution of the Municipal Council. Water rates shall be reviewed on an annual basis thereafter. This rate applies Rates will apply to single-family dwellings and each rental unit, apartment, mobile home and other water users. Each applicant shall declare the number of apartments, units, etc., when making application for water service. (Ord. 2005-23, 6-7-2005)

**OCTOBER 3, 2006 - RES 2006-040**

Proposed Culinary Water Rates				
Rate Description	Residential	Commercial	Gallon Included	
<b>Base Rate:</b>	\$ 9.00	\$ 9.00	5,000	
<b>Overage Charges:</b>				
Tier 1	\$ 1.20	\$ 1.20	6-10,000	
Tier 2	1.75	1.30	11-15,000	
Tier 3	2.50	1.40	16-50,000	
Tier 4	3.00	1.50	51-100,000	
Tier 5	3.00	1.60	100,000+	

**MAY 20, 2008 - RES 2008-01**

Proposed Culinary Water Rates				
Rate Description	Residential	Commercial	Gallon Included	
<b>Base Rate</b>	\$ 9.45	\$ 9.45	5,000	
<b>Overage Charges:</b>				
Tier 1	\$ 1.26	\$ 1.26	6-10,000	
Tier 2	1.84	1.37	11-15,000	
Tier 3	2.63	1.47	16-50,000	
Tier 4	3.15	1.58	51-100,000	
Tier 5	3.15	1.68	100,000+	

**MANILA WATER**

**SEPTEMBER 16, 2009 - RES 2009-033**

1. Regular Use: The culinary water rate structure will be as follows:

Rate Description	Residential	Gallon Included
<b>Base Rate</b>	<b>\$ \$10.00</b>	<b>5,000</b>
<b>Overage Charges:</b>		
Tier 1	\$ \$1.26	6,000 - 100,000

**MAY 5, 2010 - RES 2010-020**

**Regular Use:** The culinary water rate structure for those properties that do not have access to the Pressurized Irrigation System will be as follows:

Base rate is \$26.20 for up to 45,000 gallons used  
 The rate after 45,001 gallons used is \$1.26 per 1000 gallons used

Proposed Manila rates for those without secondary			
Base Rate			
Tier 1	46	99999	\$ 1.26 per 1,000 gallons
Tier 2			
Tier 3			
Tier 4			
Tier 5			

**BFI –**

**JULY 2, 2002 – RES 2002-027**

Increased by twenty-six cents (\$.26) for the first can and eighteen cents (\$.18) for the second can pursuant to the terms of the City's contract with BFI.  
 The rate for garbage collection shall be raised from \$8.95 to \$9.21 per month for one can and from \$5.95 to \$6.13 per month for a second can.

**FEBRUARY 2, 2003 – RES 2003-06**

Increased by twenty-one cents (\$.21) for the first can and twenty-one cents (\$.21) for the second can pursuant to the terms of the City's contract with BFI.  
 The rate for garbage collection shall be raised from \$9.21 to \$9.42 per month for one can and from \$6.13 to \$6.34 per month for a second can.

**JUNE 7, 2005 RES 2005-014**

Increased by twenty-eight cents (\$.28) for the first can and twenty-eight cents (\$.28) for the second can pursuant to the terms of the City's contract with BFI Inc.  
 The rate for garbage collection shall be raised from \$9.42 to \$9.70 per month for one can and from \$6.34 to \$6.62 per month for a second can.

**JUNE 6, 2006 – RES 2006-023**

Increased by nineteen cents (\$.19) for the first can and thirteen cents (\$.13) for the second can pursuant to the terms of the City's contract with BFI Inc.  
 The rate for garbage collection shall be raised from \$9.70 to \$9.89 per month for one can and from \$6.62 to \$6.75 per month for a second can.

**JUNE 5, 2007 – RES 2007-027**

Increased by thirty-one cents (\$.31) for the first container and eighty-five cents (\$.85) for the

second container pursuant to the terms of the City's contract with BFI Inc. the rate for garbage collection shall be raised from \$9.89 to \$10.20 per month for one container and from \$6.75 to \$7.60 per month for a second container.

**JULY 1, 2008**

Increased by forty-one cents (\$.41) for the first container and thirty cents (\$.30) for the second container pursuant to the terms of the City's contract with BFI Inc.

The rate for garbage collection shall be raised from \$10.20 to \$10.61 per month for one container and from \$7.60 to \$7.90 per month for a second container.

**CAPITAL FACILITIES PLAN**

**SEPTEMBER 3, 2002 ORD – 2002-13**

**IMPACT FEES CITY WIDE**

WASTEWATER SYSTEM IMPACT FEE PER ERU		
Water Meter Size	Equivalent ERUs	Impact Fee
3/4"	.91	\$1,034
1"	1.00	1,137
1 1/2"	1.27	1,443
2"	1.64	1,864
3"	2.64	3,000
4"	10.00	11,365

**ROADWAYS IMPACT FEE SCHEDULE**

ROADWAYS SYSTEM IMPACT FEE			
Land Use Category	Trip Ends	Adjustment Factor	Impact Fee per 1,000 of Floorspace
Agricultural	3	40%	\$237
General Commercial	50	21%	2,073
Manufacturing Distribution	4	45%	355
Professional Office	11	50%	1,086
Business Park	13	45%	1,155
Mixed Commercial	22	45%	1,955
Shopping Center	50	21%	2,073
Supermarket	43	21%	1,783

Convenience Market with Gas Pumps	846	5%	8,353
Warehousing	5	45%	444
Recreational Center	14	21%	581
Hotel	8	21%	332
Bank with Drive-Up Window	265	10%	5,233
Movie Theater	45	40%	3,554
Specialty Shops	41	21%	1,700
Outlet Stores	27	21%	1,120
Restaurants	90	35%	6,220
Fast Food Restaurants	496	10%	9,795
Low Density Residential	8	50%	790
Medium Density Residential	13	50%	1,284
High Density Residential	26	50%	2,567

**PUBLIC SAFETY IMPACT FEE SCHEDULES**

<b>FIRE FACILITIES IMPACT FEE</b>	
<b>Development Type</b>	<b>Fee</b>
Residential	\$79.40 per Dwelling Unit
Non-Residential Land Use	\$32.86 per 1,000 of Lot Space

<b>POLICE FACILITIES IMPACT FEE</b>	
<b>Development Type</b>	<b>Fee</b>
All Residential Classes	\$80.21 per Dwelling Unit
All Non-Residential Classes	\$33.19 per 1,000 of Lot Space

**PARKS & RECREATION IMPACT FEE SCHEDULE**

<b>PARKS &amp; RECREATION IMPROVEMENTS IMPACT FEE</b>	
<b>Development Type</b>	<b>Fee</b>
Low-Density Residential	\$1,018.53 per Dwelling Unit
Medium-Density Residential	\$879.29 per Dwelling Unit

High-Density Residential	\$879.29 per Dwelling Unit
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**FEBRUARY 4, 2003 ORD- 2003-3**  
**ROADWAYS IMPACT FEE SCHEDULE**

Land Use Categories	Trip Ends	Adjustment Factors	Impact Fee
<b>Non-Residential (per 1k Sq feet of floorspace)</b>			
Agricultural	2.5	40%	\$ 182.78
General Commercial	50.0	21%	1,919.19
Manufacturing Distribution	3.8	45%	312.55
Professional Office	11.4	50%	1,041.85
Business Park	12.8	45%	1,052.81
Mixed Commercial	22.0	45%	1,809.52
Shopping Center	50.0	21%	1,919.19
Convenience Market w/Gas Pumps	845.6	5%	7,727.93
Warehousing	5.0	45%	411.25
Recreational Center	13.6	21%	522.02
Hotel	8.2	21%	314.75
Bank w/drive-up window	265.2	10%	4,847.51
Movie Theater	44.5	40%	3,255.68
Specialty Shops	40.7	21%	1,561.07
Outlets	26.6	21%	1,020.62
Restaurants	90.0	35%	5,754.37
Fast Food Restaurants	496.1	10%	9,068.08
<b>Residential (per Dwelling Unit)</b>			
Low Density Residential	7.0	50%	639.73

**JULY 20, 2004 - ORD 2004-16**  
**STORM WATER CAPITAL FACILITIES PLAN**

**OCTOBER 19, 2004 - ORD 2004-31**  
**STORM WATER CAPITAL FACILITIES PLAN**

**MAY 20, 2008 - ORD 2008-13**  
**CAPITAL FACILITIES PLAN**

**SEPTEMBER 2, 2009 – ORD 2009-12**  
**CAPITAL FACILITIES PLAN IMPACT FEES FOR ROADWAY FACILITIES**

# Addendum F

## Comparative Utility Rates

	2011	2011	2011	2011	2011	2011	2010
	Cedar Hills	Lindon	American Fork	Spanish Fork	Saratoga Springs	Pleasant Grove	Pleasant Grove
Water	6.00	24.19	18.00	19.52	24.20	12.95	9.45
Sewer	36.30	27.63	42.55	22.40	37.83	28.16	24.86
Garbage	10.92	9.58	10.00	8.75	11.02	10.61	10.61
Secondary Water	28.23	10.00	17.31	27.05	14.47	21.20	16.20
Storm Drain	6.25	4.50	6.00	5.00	2.00	6.75	3.00
Paramedic Fee	1.95	0.00	0.00	0.00	0.00	0.00	0.00
CUP	4.95	0.00	6.50	0.00	0.00	0.00	0.00
Street Lighting	0.00	0.00	0.00	0.00	2.83	0.00	0.00
<b>Total</b>	<b>94.60</b>	<b>75.90</b>	<b>100.36</b>	<b>82.72</b>	<b>92.35</b>	<b>79.67</b>	<b>64.12</b>
<b>\$ Variance</b>	<b>14.93</b>	<b>(3.77)</b>	<b>20.69</b>	<b>3.05</b>	<b>12.68</b>	<b>0.00</b>	<b>(15.55)</b>