



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



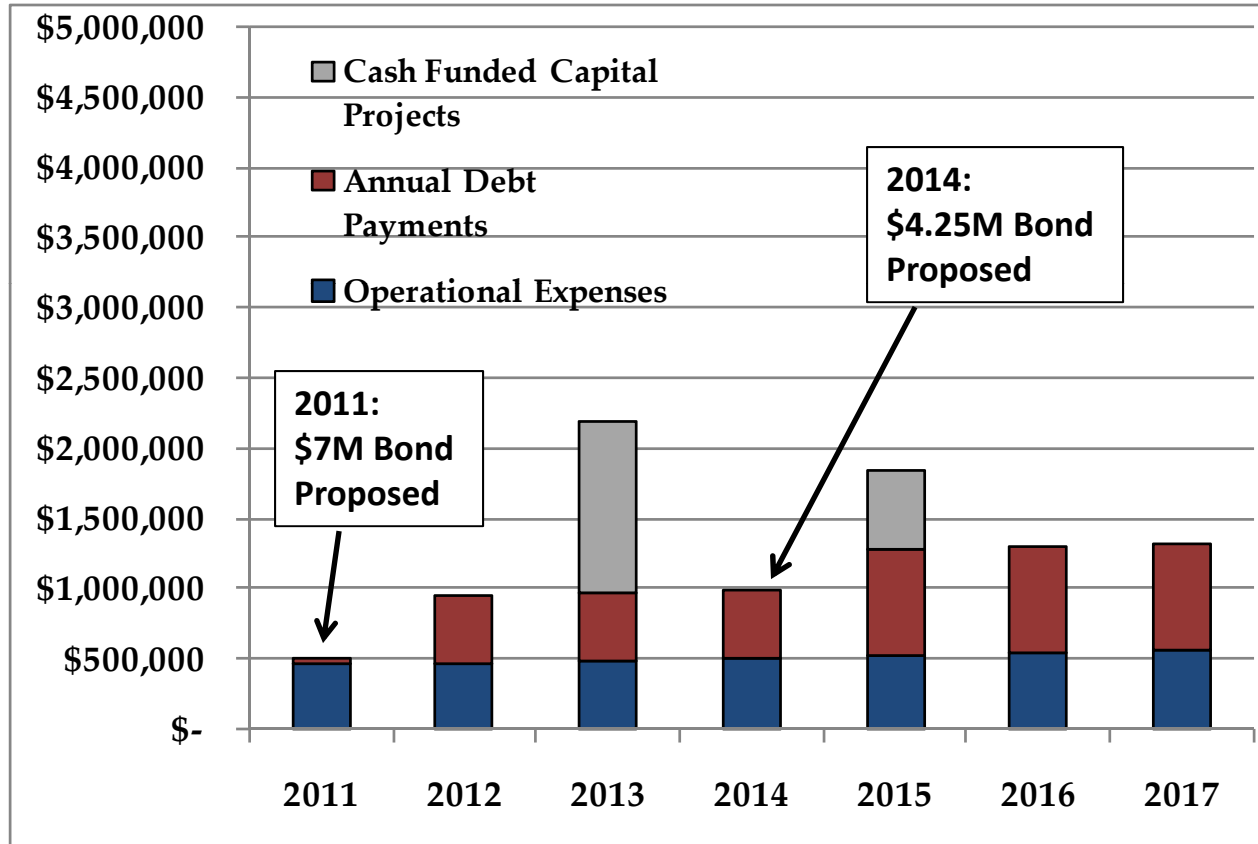
STORM WATER

- 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

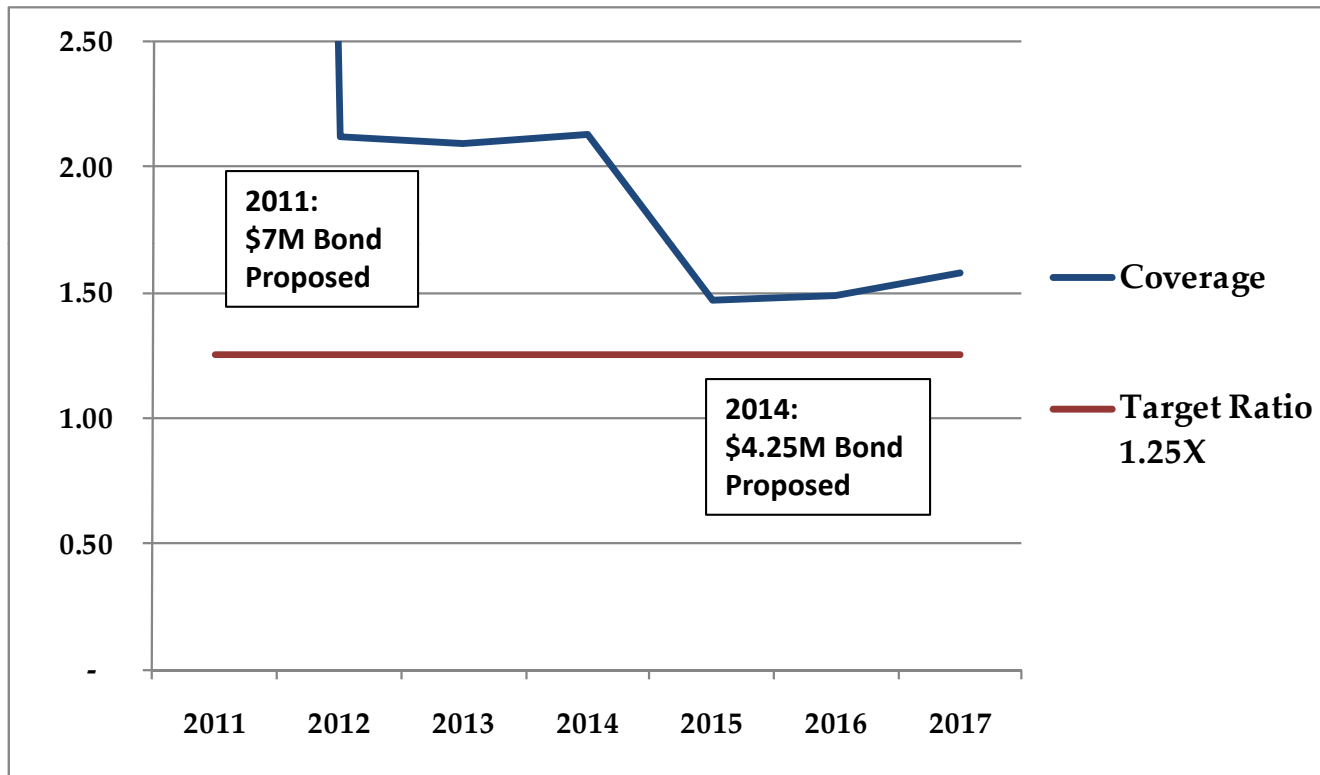


Annual Storm Water Operating and Capital Expenses





Graph of Storm Water Coverage Ratio





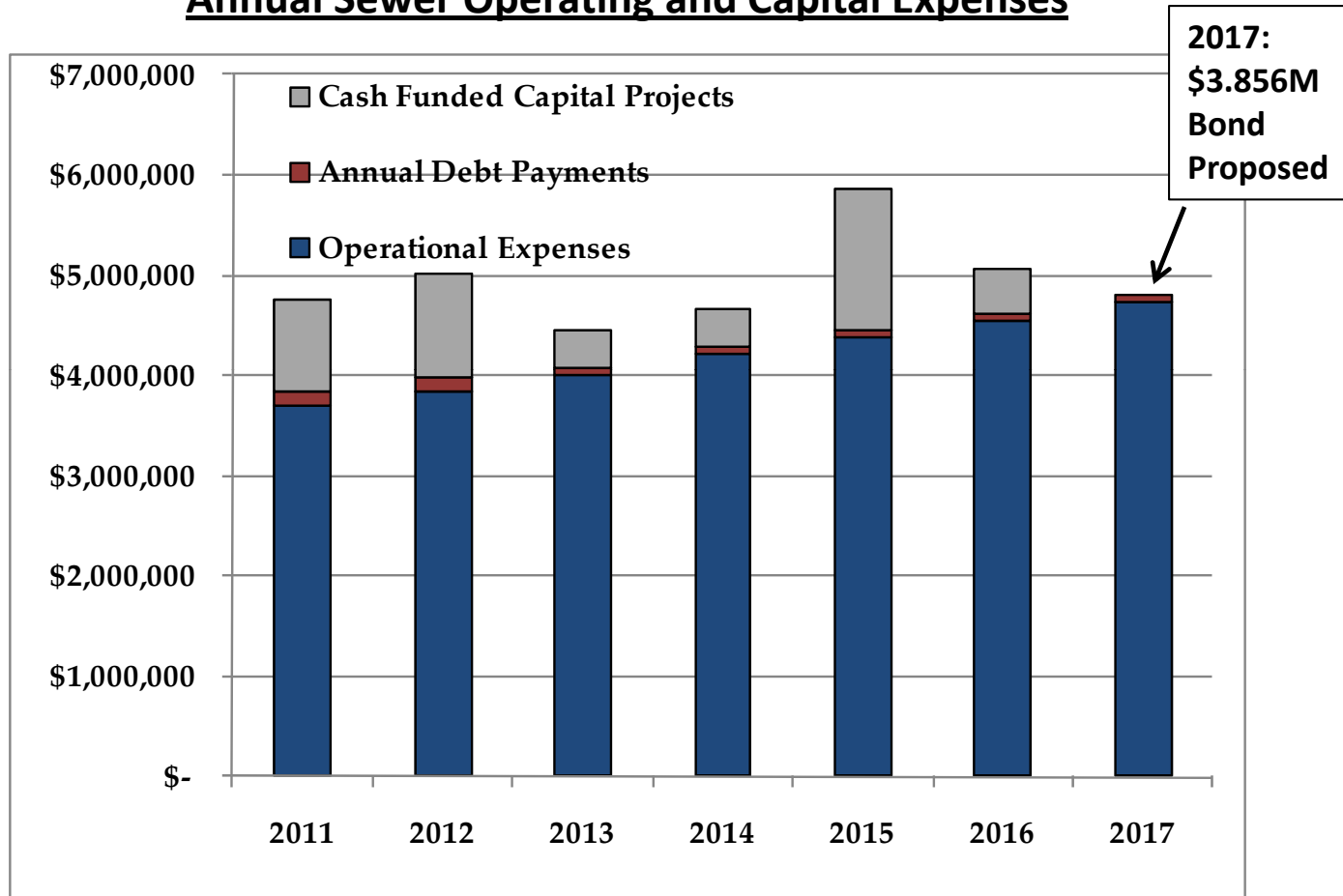
SEWER

- 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

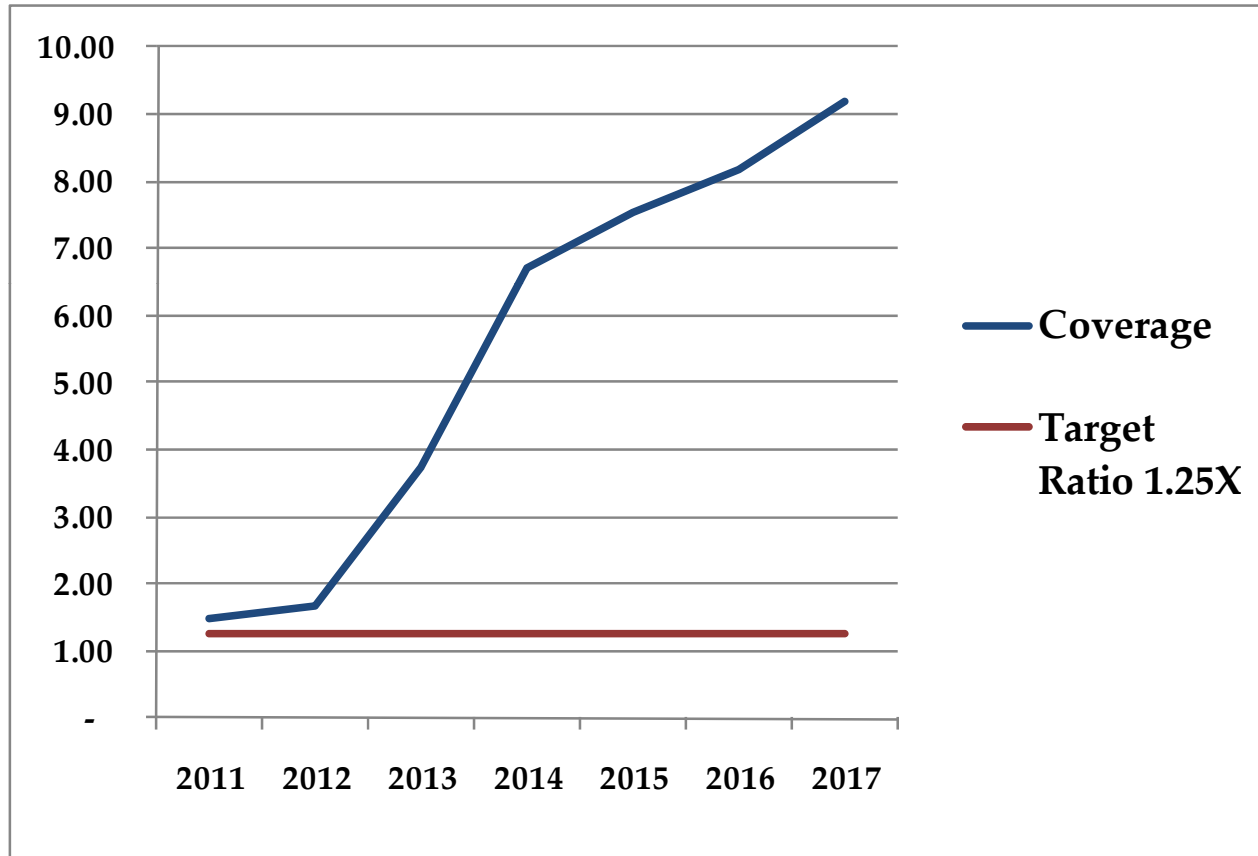


Annual Sewer Operating and Capital Expenses





Graph of Sewer Coverage Ratio





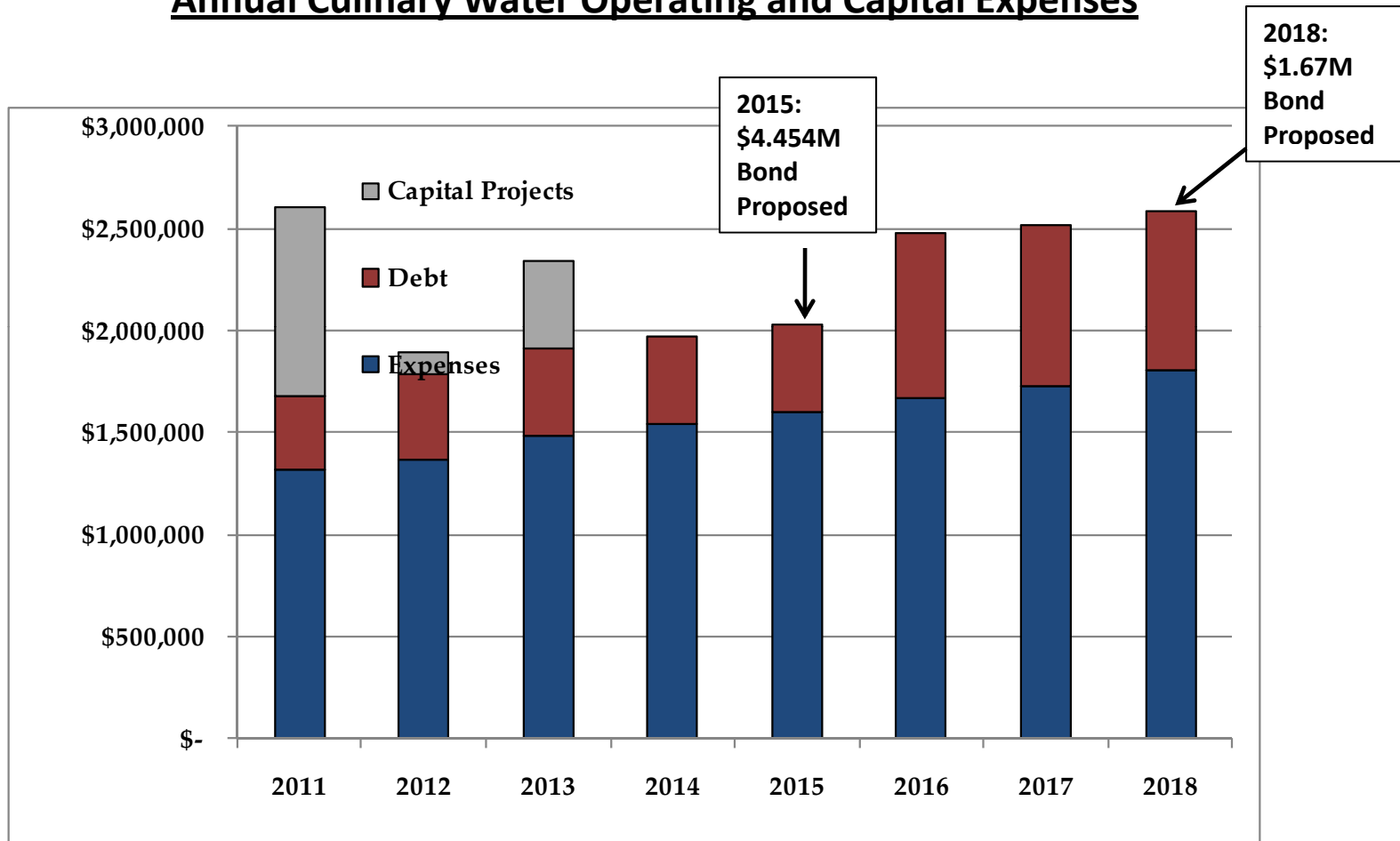
CULINARY WATER

- 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

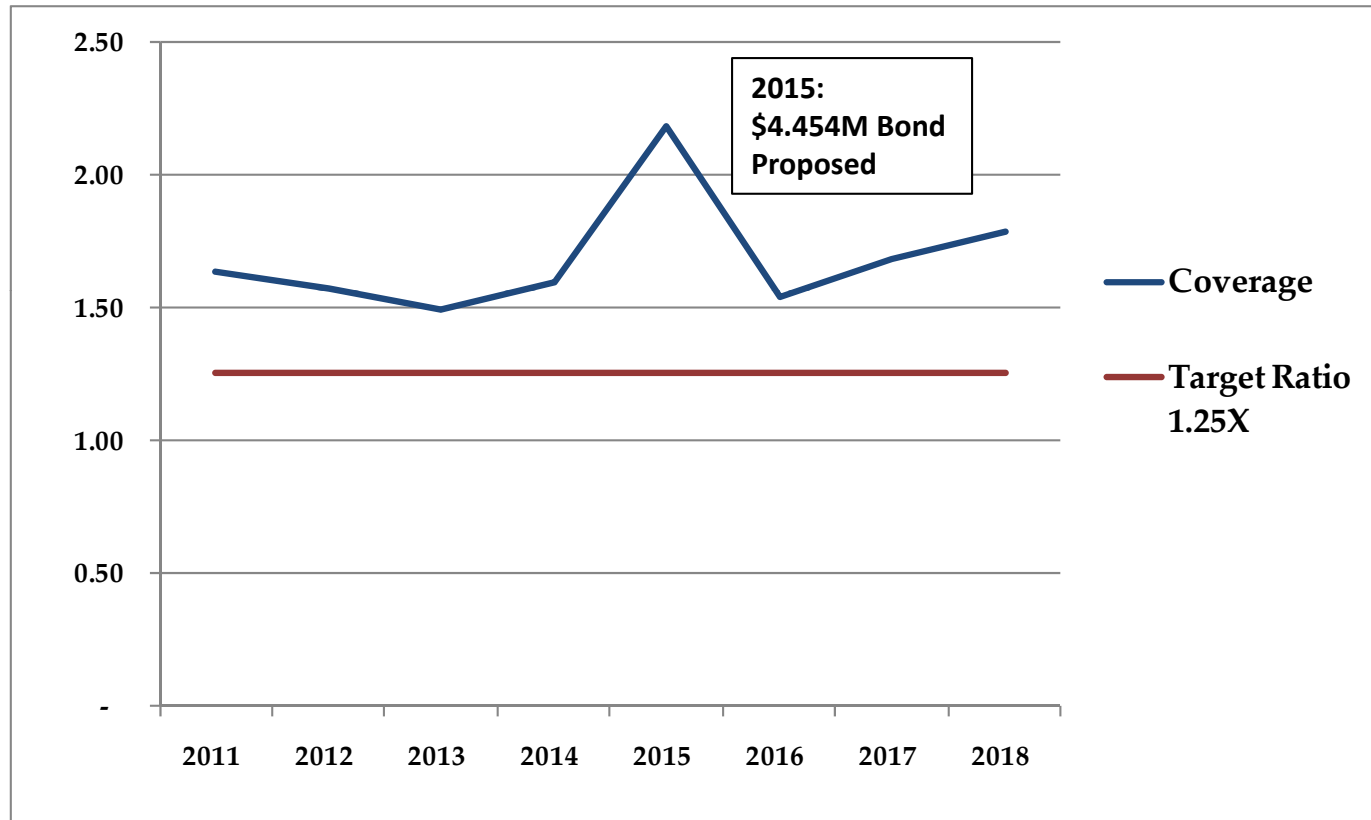


Annual Culinary Water Operating and Capital Expenses





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

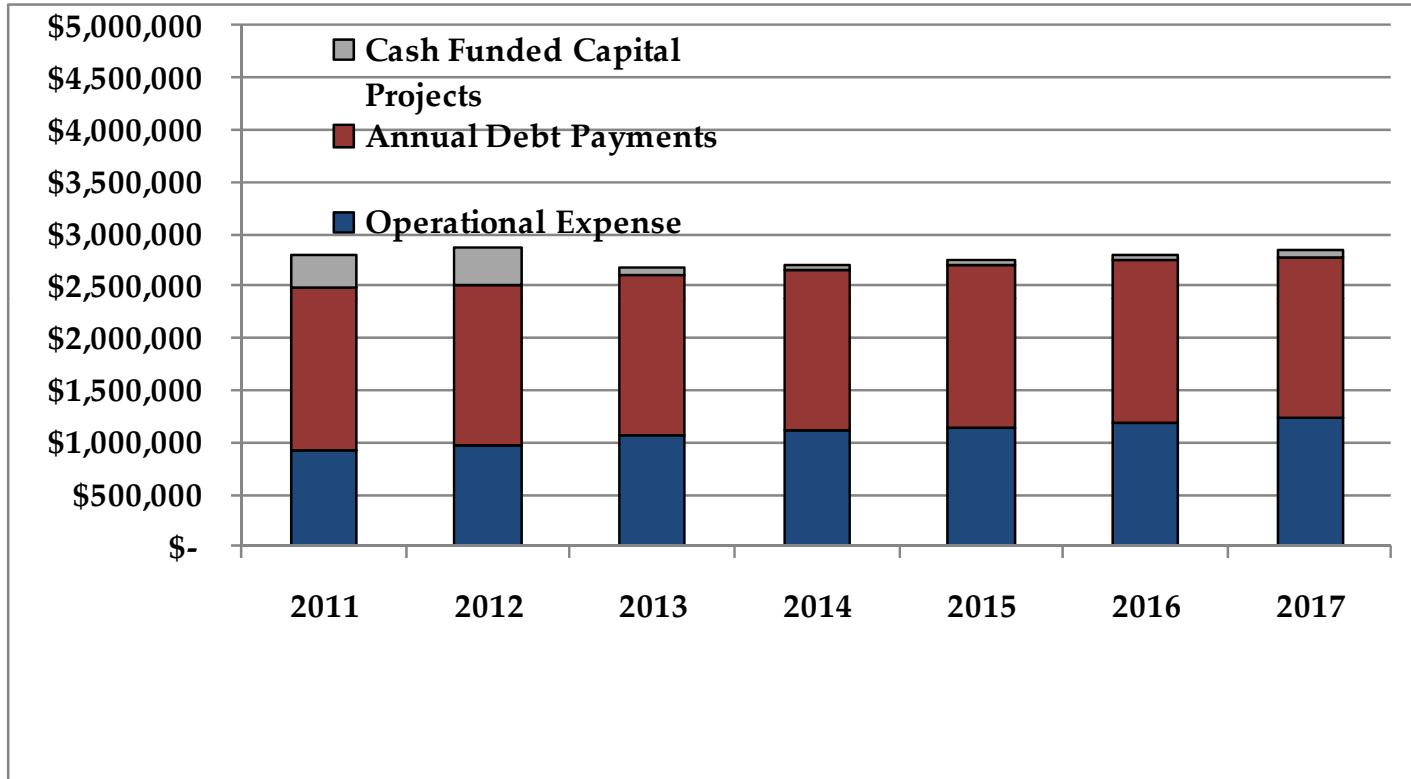


WHY DOES SECONDARY WATER REQUIRE SUCH A LARGE INCREASE?

- 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

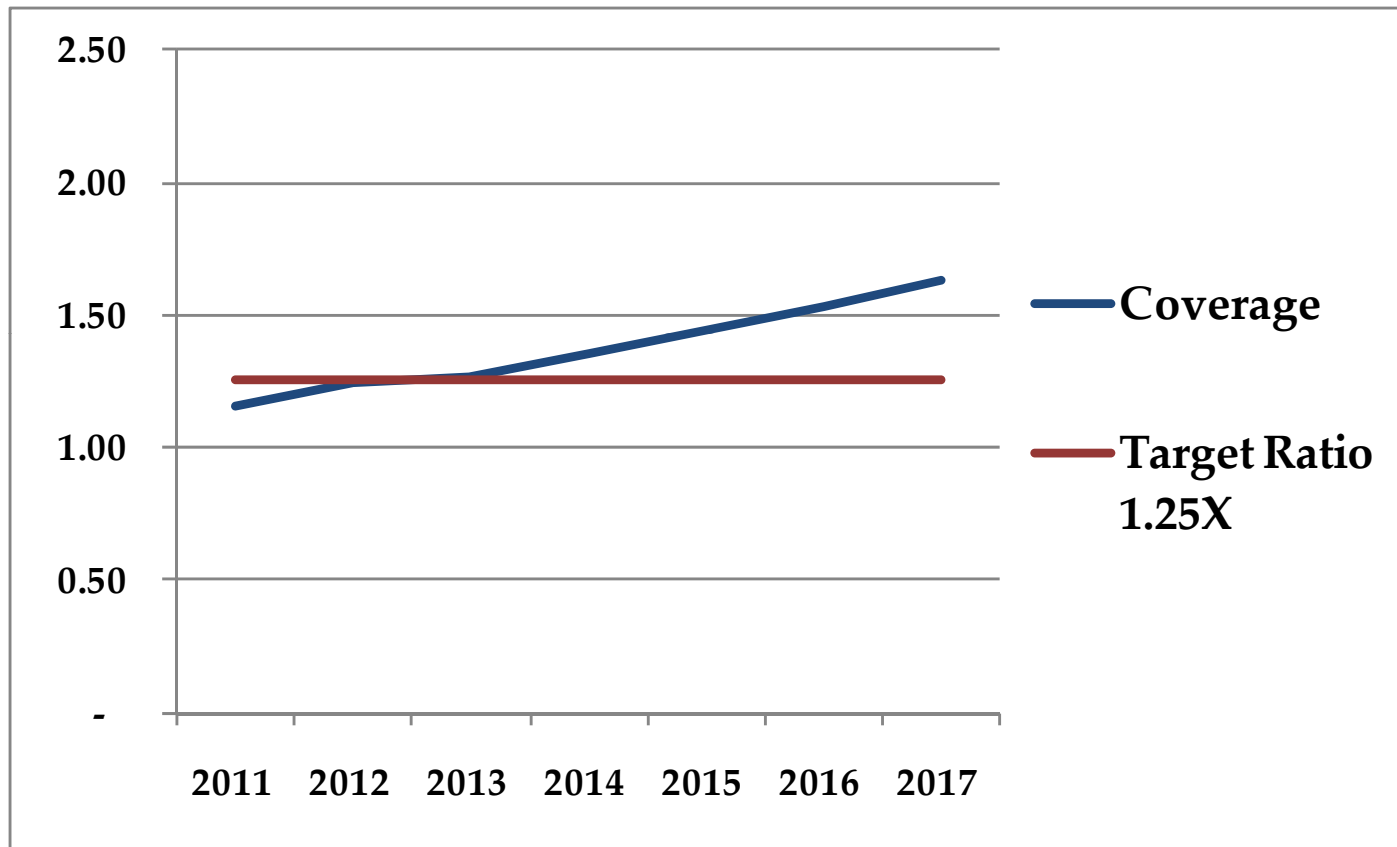


Annual Secondary Water Operating and Capital Expenses



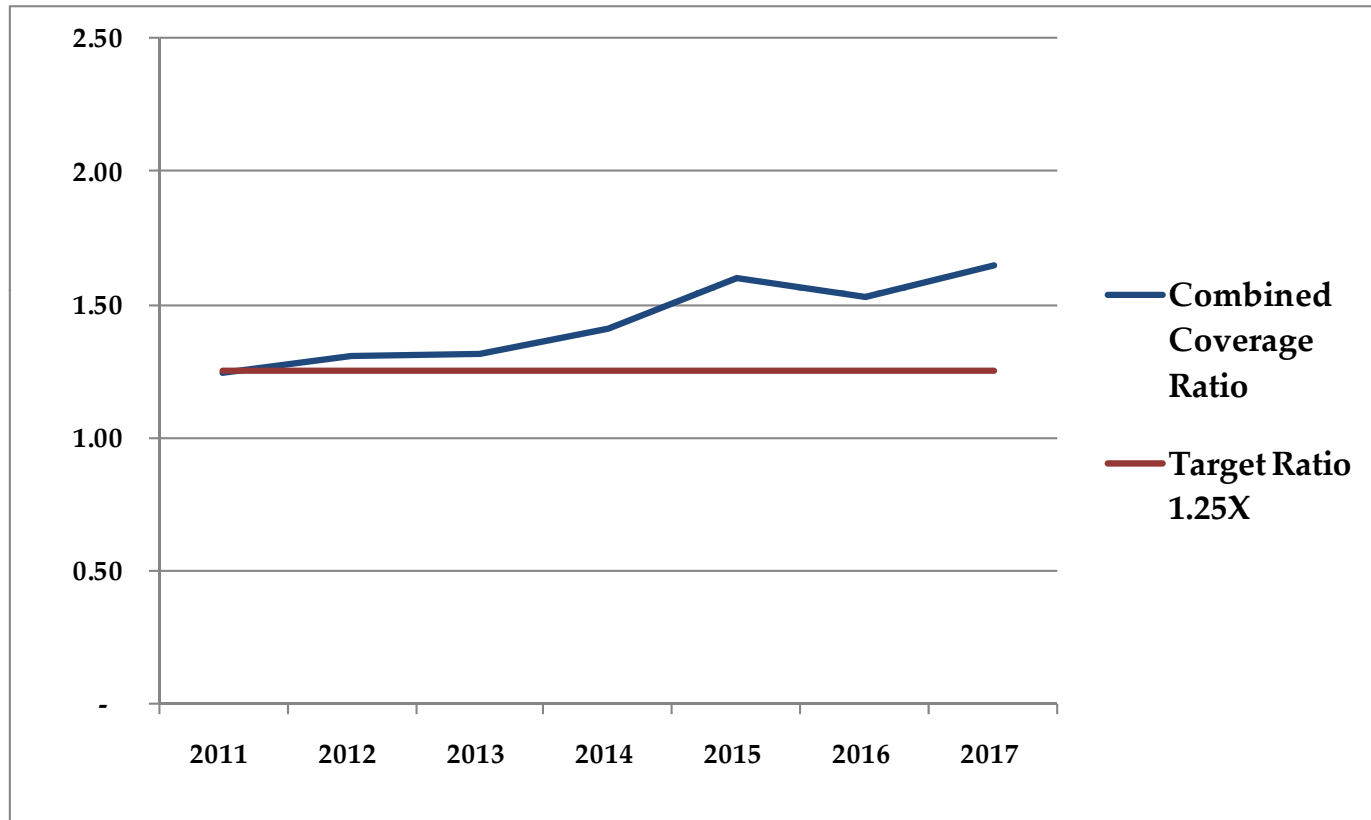


Graph of Secondary Water Coverage Ratio





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
Total Average Monthly Rate	\$ 72.41	\$ 107.34	\$ 113.17	\$ 118.83	\$ 126.94	\$ 136.03	\$ 145.99	\$ 153.29	\$ 160.96
Annual Increase		\$ 34.93	\$ 5.83	\$ 5.66	\$ 8.11	\$ 9.09	\$ 9.96	\$ 7.30	\$ 7.66

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	
OPERATIONS BEGINNING FUND BALANCE																					
		\$	-	\$	-	\$	866,708	\$	3,182,492	\$	2,934,115	\$	3,797,650	\$	4,268,220	\$	4,391,513	\$	4,253,079	\$	3,841,433
Operational Reserve Targets																					
	50%		-		-		-		-		-		-		-		-		-		-
REVENUES AND EXPENSES																					
REVENUES																					
			Rate Increases				37.04%		6.80%		6.36%		6.05%		5.00%		5.00%		5.00%		5.00%
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
TOTAL OPERATING REVENUES		\$	1,977,497	\$	1,703,674	\$	2,324,911	\$	2,482,426	\$	2,639,850	\$	2,799,189	\$	2,939,148	\$	3,086,105	\$	3,240,411	\$	3,402,431
EXPENDITURES																					
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)		(5,588)		(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)		(8,697)
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)
SUBTOTAL EXPENDITURES		\$	(1,867,077)	\$	(1,159,634)	\$	(1,030,761)	\$	(1,081,514)	\$	(1,263,013)	\$	(1,478,956)	\$	(1,538,114)	\$	(1,599,639)	\$	(1,663,625)	\$	(1,730,170)
NON-OPERATING REVENUES																					
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		-		-		-		-		-		-		-		-		-
SUBTOTAL NON-OPERATING REVENUES		\$	637,606	\$	146,667	\$	475,000	\$	75,000	\$	75,000	\$	75,000	\$	75,000	\$	75,000	\$	75,000	\$	75,000
TOTAL NET REVENUES AVAILABLE FOR DS		5%	\$ 748,026	\$ 690,707	\$ 1,769,150	\$ 1,475,912	\$ 1,451,837	\$ 1,395,232	\$ 1,476,034	\$ 1,561,466	\$ 1,651,786	\$ 1,747,262	\$ 1,844,093	\$ 1,941,411	\$ 2,044,093	\$ 2,152,599	\$ 2,266,399	\$ 2,384,911	\$ 2,508,911	\$ 2,637,411	\$ 2,771,411
DEBT SERVICE																					
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)		(24,137)		(24,006)		(23,875)
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)		(21,097)		(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			-		-		-		-		-		-		-		-		-		-
TOTAL DEBT SERVICE		\$	-	\$	-	\$	(356,125)	\$	(416,592)	\$	(430,428)	\$	(429,860)	\$	(430,686)	\$	(430,849)	\$	(406,192)	\$	(407,851)
COVERAGE RATIO																					
							4.97		3.54		3.37		3.25		3.43		3.62		4.07		4.28
SURPLUS REVENUES																					
		\$	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)
Combined Monthly Rate Increase	\$ 13.01	\$ 4.93	\$ 4.88	\$ 4.85	\$ 3.16	\$ 3.29	\$ 3.42
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
Combined Coverage Ratio	1.54	1.29	1.31	1.32	1.39	1.46	1.56
*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)
Combined Water Fund Balance	\$ 3,343,910	\$ 2,266,472	\$ 2,673,510	\$ 2,756,072	\$ 2,545,371	\$ 2,128,855	\$ 1,506,884

APPENDIX C: PROJECTED SANITARY SEWER REVENUE REQUIREMENTS

PLEASANT GROVE CITY

Table 1, Appendix C: Sanitary Sewer

Coverage Analysis

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	

APPENDIX C: PROJECTED STORM DRAIN REVENUE REQUIREMENTS

PLEASANT GROVE CITY

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
Storm Drain Revenue Requirement														
	HISTORIC					BUDGET			PROJECTED					
FISCAL YEAR		2006	2007	2008	2009	2010		2011	2012	2013	2014	2015	2016	2017
OPERATIONS BEGINNING FUND BALANCE								\$ 67,198	\$ 6,923,110	\$ 2,430,798	\$ 183,293	\$ 2,801,450	\$ 150,457	\$ 717,316
Operational Reserve Targets	50%			157,632	152,112	175,558		235,080	231,484	240,743	250,373	260,387	270,803	281,635
REVENUES AND EXPENSES														
REVENUES			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		-	-	-	-	-		-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	\$	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
EXPENDITURES														
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.		-	-	-	-	-		-	-	-	-	-	-	-
SUBTOTAL EXPENDITURES	\$	(276,777)	\$ (239,821)	\$ (315,265)	\$ (304,224)	\$ (351,116)	\$	(470,161)	\$ (462,967)	\$ (481,486)	\$ (500,745)	\$ (520,775)	\$ (541,606)	\$ (563,270)
NON-OPERATING REVENUES														
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
SUBTOTAL NON-OPERATING REVENUES	\$	270,910	\$ 233,104	\$ 138,397	\$ 7,452	\$ 40,000	\$	41,008	\$ 143,847	\$ 76,462	\$ 42,749	\$ 82,022	\$ 42,257	\$ 50,760
TOTAL NET REVENUES AVAILABLE FOR DS	\$	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
DEBT SERVICE														
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)
TOTAL DEBT SERVICE	\$	-	\$ -	\$ -	\$ -	\$ -	\$	(32,352)	\$ (487,591)	\$ (487,717)	\$ (487,500)	\$ (781,559)	\$ (781,817)	\$ (781,707)
COVERAGE RATIO		-	-	-	-	-		14.78	1.74	2.09	2.50	1.69	1.73	1.83
SURPLUS REVENUES	\$	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			
CAPITAL NEEDS & DEPRECIATION														
City Depreciation		-	-	-	-	-		-	-	-	-	-	-	-
STORMWATER COLLECTION IMPROVEMENTS														
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)	-	-
CAPITAL NEEDS & DEPRECIATION	\$	-	\$ -	\$ -	\$ -	\$ -	\$	6,410,067	\$ (4,851,000)	\$ (2,778,300)	\$ 1,887,441	\$ (3,190,704)	\$ -	\$ -
OPERATIONS ENDING FUND BALANCE	\$	-	\$ -	\$ -	\$ -	\$ -	\$	6,923,110	\$ 2,430,798	\$ 183,293	\$ 2,801,450	\$ 150,457	\$ 717,316	\$ 1,363,524