

PUBLIC UTILITIES ANNUAL PROPOSED 2018-19 FISCAL BUDGET



Public
Utilities



April 4,
2018

WATER.— SEWER — STORMWATER — STREET LIGHTING
ENTERPRISE FUNDS

"SERVING OUR COMMUNITY, PROTECTING OUR ENVIRONMENT"

**SALT LAKE CITY DEPARTMENT OF PUBLIC UTILITIES
RECOMMENDED BUDGET FOR FISCAL YEAR 2019**



Salt Lake City Department of Public Utilities

I recommend for approval, rates, operations, personnel changes and the capital program as herein presented as the Salt Lake City Department of Public Utilities FY2019 Proposed Budget:

Laura Briefer, Director _____

A handwritten signature in black ink, appearing to be "LB", written over a horizontal line.

Public Utilities Advisory Committee (PUAC)

The PUAC concurs with and supports the Salt Lake City Department of Public Utilities FY2019 Proposed Budget presentation:

Dr. Colleen Kuhn, Chair _____

A handwritten signature in blue ink, appearing to be "Colleen Kuhn, PhD", written over a horizontal line.

Dated March 26, 2018

Executive Summary

Salt Lake City Department of Public Utilities (Department) is pleased to present its recommended budget for fiscal year 2018-2019 (FY2019). The Department is proposing numerous large capital projects spanning the next five years in the Water, Sewer, and Stormwater Utilities to address aging infrastructure, regulatory requirements, and growth. The largest projects are in the Sewer Utility to (1) construct a new Water Reclamation Facility (WRF) by 2025; and (2) upgrade sewer collection system capacity to support growth, primarily in the Northwest Quadrant of Salt Lake City.

The following items are the major budget issues for each of the Department's Utility funds:

- Projected Water and Sewer rate increases to address capital infrastructure are as previously forecasted, including a water rate increase of 4% and a sewer rate increase of 15% for Fy2019.
- A Stormwater Utility rate increase is proposed in order to complete needed drainage collection projects and update the 1993 Stormwater Master Plan. Stormwater Utility rates have not increased since the riparian corridor fee was added in FY2010. Prior to that, rates have not increased in the Stormwater Utility since 1990.
- No rate adjustments are proposed for the Street Lighting Utility.
- Short term borrowing of \$5.3 million is proposed to delay expensive bonding by another year for the Water, Sewer and Stormwater Utilities.
- Proposed personnel increase of 14 full-time equivalent (FTE) employees to manage capital projects and to provide for succession of key positions. The 14 proposed additional FTE's account for \$1.2 million in operational expenditures distributed across all funds.
- Operational costs account for insurance increases of 7% and a cost of living adjustment of 2.5%.
- A draft Public Utilities Rate Study and Impact Fee Analysis proposes structural adjustments that update the cost of service for each customer class, and addresses affordability in the Water and Sewer Utilities including a secondary water rate. The Rate Study is anticipated to be finalized in May. The Department is not presenting structural rate changes at this time given the timing and need for additional evaluation of the rate study recommendations. The Department may request an additional work session with the Council to discuss the rate study and effect of possible structural changes to water and sewer rates

Summary of proposed Utility budgets:

| Utility Funds 2019 Fiscal Year | Operations | Capital | Debt | Fund Totals |
|-----------------------------------|----------------------|-----------------------|---------------------|-----------------------|
| Water | \$ 62,888,877 | \$ 40,186,900 | \$ 1,117,000 | \$ 104,192,777 |
| Sewer | 18,522,059 | 86,356,500 | 6,058,000 | 110,936,559 |
| Storm | 6,913,232 | 5,649,068 | 1,014,000 | 13,576,300 |
| Lighting | 2,860,117 | 2,605,000 | 103,000 | 5,568,117 |
| Totals | \$ 91,184,285 | \$ 134,797,468 | \$ 8,292,000 | \$ 234,273,753 |

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

Water, Sewer, and Stormwater Utilities Bonds and Rates for the Next Five Years:

| | | Water | Sewer | Storm |
|--------------------|------|-------------------|---------------------|---------------------|
| Bond Issues/ Rates | | | | |
| Budget | 2019 | \$0 / 4% | \$4 million / 15% | \$1.3 million / 10% |
| | 2020 | \$68 million / 4% | \$160 million / 15% | \$5 million / 6% |
| | 2021 | \$0 / 4% | \$0 / 10% | \$0 / 4% |
| | 2022 | \$26 million / 4% | \$188 million / 8% | \$0 / 4% |
| | 2023 | \$0 / 4% | \$0 / 10% | \$0 / 0% |

Water Utility Summary

- Proposed rate increase of 4% for FY2019; annual 4% rate increases through 2023 is forecasted.
- Impact to the average monthly residential water bills will be \$1.79 for City residents and \$2.41 for County customers for FY2019.
- The Department is proposing to allocate 10.24 FTEs out of the 14 proposed new positions to various programs in the Water Utility.
- Metropolitan Water District of Salt Lake and Sandy (MWDSL) charges the Department a flat fee for water. The proposed FY2019 budget accounts for a 3% increase in the flat fee, or a \$466,000 increase.
- Bonding is anticipated in FY2020 for \$68 million. This proposed bonding will be allocated primarily to two large water treatment plant upgrade projects for the Big Cottonwood Water Treatment Plant and the City Creek Water Treatment Plant.

Sewer Utility Summary

- Proposed rate increase of 15% for FY2019; forecasting annual 15% increase in FY2020, 10% in FY2021, 8% in FY2022, and 10% in FY2023. These rate increase projections are unchanged from last year's five-year projections.
- Impact to average monthly residential sewer bill will be about \$3.18 per month in FY2019, from \$21.20 to \$24.38 per month.
- Bonds are anticipated in FY2020 for the following major projects:
 - Construction of a new Water Reclamation Facility by FY2025. The new facility will maintain the same capacity of the existing facility with the option to expand capacity in the longer term if needed. The new facility will meet all federal and state water quality effluent requirements including new and future anticipated nutrient discharge regulations. Preliminary cost estimates for the new facility range from \$325 million to \$510 million. Costs will continue to be refined while the facility is under design this year.
 - Collection system lines are impacted by condition, age, and capacity. The airport expansion and Northwest Quadrant development will result in funding about \$44 million for FY2019 and average \$16.5 million from FY2020-22 in master planned collection system upgrades. The Department will be investing approximately \$94 million in sewer collection system capacity upgrades over the next four years.

Stormwater Utility

- Proposed 10% rate increase for FY2019. Impact to average residential monthly stormwater bills is 45¢ per month.
- Projected 4% to 6% rate increase for future years as capital projects double for two years.
- Short term borrowing is possible for FY2019 and is shown, plus a regular revenue bond of \$5.3 million is anticipated in FY2020 if projects continue as shown.
- Capital projects are driving projected rate increases. A drainage improvement project is proposed to reduce flood risk from 1700 South to Emigration Canyon. The estimated cost for this project is \$2 million. Red Butte and Gladiola drainage systems make up the bulk of other major projects.
- A stormwater quality audit was recently conducted by the US EPA and Utah DEQ. As a result of that audit, the Department is requesting to allocate 2.73 new FTEs for additional technical, compliance, and engineering needs.
- Personnel service costs are proposed to increase by \$330,000 due to insurance, COLA, and proposed personnel changes

Street Lighting Utility

- No rate increase for FY2019 or projected for the next several years
- Bonds issued in FY2017 for \$2.5 million for Enhanced Street Lighting Tiers 2 and 3 continue to help upgrade enhanced lighting zones.
- Energy efficiency lighting is also reducing power costs by 10-15% however the FY2019 utility budget was not reduced since energy costs were underestimated in prior year budgets.

BUDGET SUMMARY

- Total Department Budget (Capital and Operations) is \$234,273,753, or a 12.35% increase from the FY2018 adopted budget of \$208,519,913.
- The Department's total proposed operating budget is \$91,184,285, an increase of 3% or \$2,657,189. This includes a \$1 million decrease in technical services. Personnel costs are projected to increase \$2.4 million which includes 14 new FTEs, a 2.5% COLA, and a 7% increase in insurance for medical premiums. Water purchases from Metropolitan Water District will increase 3% over last year. Other Department operating expenses increased \$237,576 or 1.3%.
- The Department's total proposed capital budget is \$134,797,468 and debt service is \$8.3 million. Capital purchases budgeted at \$11 million is \$2.5 million more than budgeted last year for purchases.
- The Department's total debt service for FY2019 is \$8.3 million. Debt service (bond expenses) is projected to increase 9.9% or \$745k from last year as new Sewer Revenue Bonds sold in 2017 will impact debt service in FY2018. The forecasted bonds for FY2019 can be delayed 12 months to FY2020.
- The Department's total revenues for FY2019 are projected to be \$139,481,997; this is a nearly \$13.9 million increase compared to FY2018 because of rate increases and \$8.5 million was recently received in FY2018 as no-interest State loan that will assist with Northwest Quadrant development. This loan and the 2017 bond issue helps delay bonding until FY2020.
- A \$ 5.3 million short term gap financing option is included for the Sewer Utility and Stormwater Utility in FY2019. The FY2020 planned revenue bond is \$233 million with a 30 year or longer issue period coinciding with the life of the new WRF and the customers who will most benefit during the repayment life of the bonds.
- Bonded debt service expenses for the Sewer Utility are expected to increase to \$19 million by FY2022. This cost is \$8 million less than predicted in the FY2018 budget as rates will help pay a larger portion of the new plant than previously anticipated.
- Total FY2019 Department revenues are projected at \$139,481,997 million. The Department plans on balancing the budget with \$94,791,756 million of reserves in all Utility funds, reserves include the remaining \$60 million from the 2017 bond issue, and possible short term borrowing if needed.
- As noted in the executive summary, a rate study is currently in draft that proposes changes to the water and sewer rate structures, possible changes to base lighting fees and a new secondary water rate. Included in the study is fee increases for services and some suggested new fees. These are not impacting the budget, and rate structure changes whether adopted July 1 or not has no impact on this budget as the rates are revenue neutral.

- **Special Programs**

- < Assistance of low income affordability program for County abatement (includes water, sewer and refuse discounts).
- < The Department has dedicated \$3.5 million for the next 6 years to replace the old radio and foot method of reading water meters. The automated meter instrumentation (AMI) or tower system is a move to real time data from meter to computer. AMI will reduce costs of meter reading, allow customers to access water consumption information in real time, assist with water conservation programs and allow customers to identify property-side water leaks immediately.
- < Rain Barrel Sales Program continues.
- < UTA Partnership with Utility customer service and City Transportation for HIVE Trax passes.
- < HomeServe Water and Sewer Lateral Warranty Program for City customer's private insurance as contract expires in early FY2019.
- < Renewable Energy - Hydro-electric generation gravity fed in pipe turbines ready but is in negotiation with Rocky Mountain. The Parley's system is scheduled to generate renewable power in FY2021.
- < Mountain Accord/Central Wasatch Commission contribution of \$200,000.
- < Enhanced lighting efficiency and wiring upgrades from bond proceeds began in FY2017 and will continue through FY2019.
- < Private Lighting \$20,000 from General Fund to assist special neighborhoods

Revenue Forecast and Water Availability

Department revenues are generally predictable for all funds except water which is based on changes in seasonal use due to weather. A cooler, wetter summer and spring will reduce water demand and sales. Last year was one of the warmer seasons on record and revenues were higher than budgeted. The Department's water conservation rate structure and conservation education have and continue to be effective as customer's sensitivity to water usage has been proactive. The current water availability and storage reservoirs will still have adequate coverage for FY2019 despite the much lower than normal snow pack. Water revenues are forecasted on a normal or average expected usage.

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

DEPARTMENT BUDGET HIGHLIGHTS

Below is a summary of the Department's overall proposed budget. As shown, this overall budget is proposed to increase 12.35% or \$25.7 million from the FY2018 adopted budget of \$208 million. The increase over last year's budget is largely due to upcoming capital projects that increased \$21.9 million.

| UTILITY BUDGET EXPENSES | | | | | |
|-------------------------|--------------|--------------|---------------|---------------|------------------------|
| 2018/19 | OPERATIONS | DEBT SERVICE | CAPITAL | TOTAL | ADOPTED PERCENT CHANGE |
| Water Utility | \$62,888,877 | \$1,117,000 | \$40,186,900 | \$104,192,777 | 24.20% |
| Sewer Utility | 18,522,059 | 6,058,000 | \$86,356,500 | \$110,936,559 | 3.95% |
| Stormwater Utility | 6,913,232 | 1,014,000 | \$5,649,068 | \$13,576,300 | 6.05% |
| Street Lighting | 2,860,117 | 103,000 | 2,605,000 | \$5,568,117 | 9.21% |
| Total | \$91,184,285 | \$8,292,000 | \$134,797,468 | \$234,273,753 | 12.35% |

The Department's schedule of proposed rate increases through FY2023 is shown below. The proposed rate increases help maintain a reasonable level of cash reserves and prepares the Department for planned future capital and operational needs. The Department is recommending rate increases in FY2019 for the Water, Sewer and Stormwater Utilities because of the capital infrastructure needs. No rate increase is proposed for Street Lighting Utilities in FY2019.

| Projected Rate Increases | | | | |
|--------------------------|-------|-------|------------|---------------|
| | Water | Sewer | Stormwater | Street Lights |
| 2018-19 | 4% | 15% | 10% | 0% |
| 2019-20 | 4% | 15% | 6% | 0% |
| 2020-21 | 4% | 10% | 4% | 0% |
| 2021-22 | 4% | 8% | 4% | 0% |
| 2022-23 | 4% | 10% | 0% | 0% |

Additional Personnel

The Department has identified needed positions to accomplish large capital projects and for succession planning. The current number of FTE positions for the Department is 408.5. The Department is proposing to add the following 14 positions:

- Four engineering support positions to accomplish infrastructure projects.
- One watershed position to help with increased source water protection tasks due to additional management requirements in the Wasatch watersheds.
- One water rights assistant to assist with the Utah Lake/Jordan River water right adjudication and to plan for succession.
- Three maintenance positions to handle old lines connected to new meter change outs.
- Two Stormwater technicians

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- One stormwater compliance position
- One pre-treatment inspection writer
- One payroll office facilitator vacated by human resource transfer

Metropolitan Water District Water Purchase Impact to Budget

The Metropolitan Water District of Salt Lake and Sandy (MWDSLS) uses a flat rate structure. The chart below shows the projected MWDSLS cost increases and the approximate corresponding impact to water rates for budget purposes. This year water purchases from MWDSLS will cost \$15.9 million. MWDSLS' ongoing capital repayment continues to be \$7.5 million. Annual payments/purchases to MWDSLS are 36% of the water's operational budget.

| Three year Planned Metropolitan Rate Increases | | | |
|------------------------------------------------|---------------|--------------------|------------------------------------|
| | Rate Increase | Cost to Department | Percent of Revenue to Offset Metro |
| 2018-19 | 3% | \$465,868 | 0.70% |
| 2019-20 | 3% | \$479,845 | 0.70% |
| 2020-21 | 3% | \$494,240 | 0.70% |

Capital Improvements

The Department's CAP (Capital Asset Program) program and Asset Management Program has greatly improved the prioritization of the Department's capital needs. All infrastructure needs are assessed on criticality and condition. A condition rating of "1" is new, with the "5" rating indicating a more urgent condition. Criticality is a consequence of the effect that infrastructure failure may have, including harming customers and property. A "5" criticality rating indicates there is a higher risk of service disruption or impact to the customers. Projects of high criticality and condition ratings receive funding priority. Listed below are the Department's major projects for the proposed FY2019 budget:

- Water line replacements are budgeted at \$12,708,000.
- Reservoirs are budgeted at approximately \$4,304,000.
- Water service connections that include meters, new connections and meter replacements have a nearly fixed annual budget of \$3.3 million with \$1.4 million for replacing older radio drive-byes with automated meters. This is a multi-year program to address the Department's approximately 92,000 meters.
- Water treatment plants have 12 total projects totaling \$5.2 million. These include continuation of Supervisory Control & Data Acquisition (SCADA) system upgrades, sedimentation basins projects over four years, laboratory upgrade, sludge collection system retrofit, and drying bed pipelines.
- The Department re-evaluated the original scope of the new WRF, and has consolidated the delivery into a single methodology as proposed within the FY2019 budget. This package consolidation was considered necessary to facilitate the aggressive schedule required to meet the FY2025 nutrient regulatory deadline,

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

manage simultaneous construction packages, facilitate design standardization and operability, implement facility wide cost controls, and to manage the critical path schedule. The Department has chosen the CM-GC (Construction Manager-General Contractor) delivery model. The FY2019 budget pinpoints several key delivery contracts that facilitate construction of the new WRF. It is anticipated that the design of the new WRF and the construction of the Bio-Mechanical Dewatering Facility will be initiated in FY2019 as outlined within the proposed budget. The estimated cost for the new WRF facility is currently at \$390.9 million.

- Master planned sewer collection line replacements, collection system upgrades and development are \$56 million. Orange Street 500 South Interceptor, 700 south capacity upgrades, 500 south diversion pump station and 700 South lift station including North Beck Street to the treatment plant account for \$42 million of the budget. There are 50 smaller projects that make up the other \$12 million.
- Stormwater State, City and County driven projects total \$2 million that include Gladiola 500 south to 900 south, 1300 East, and Indiana Avenue to 3400 West.
- The newest flood mitigation project is for 1700 South to Emigration Storm Drain that will be \$2.8 million for FY2019 and FY2020.
- Stormwater also proposes \$532,000 for four Riparian Corridor projects along Emigration Creek and near the 10th North Lift Station.
- Street lighting efficiency projects for base lighting comprise \$1 million. Enhanced lighting improvements and high efficiency lighting and renovations financed in part by the \$2.5 million 2017 bond issue will assist in paying for \$1.3 million planned for this fiscal year.

WATER UTILITY ENTERPRISE FUND

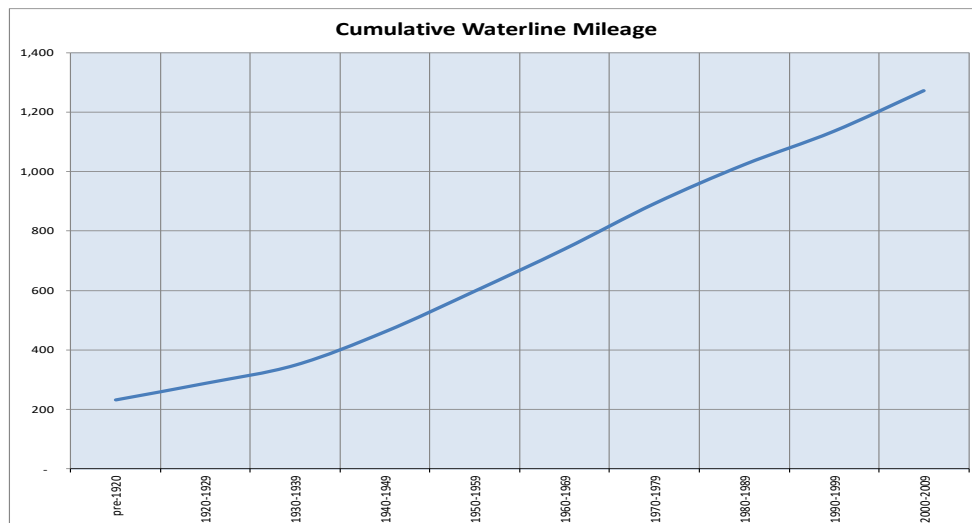
Major Budget Issues for FY2019

- A 4% rate increase—approximately \$1.79 per average residence per month—increases budgeted revenue by \$2.8 million to help the Department meet its capital and operations objectives. Rates are projected to increase 4% annually through FY2023. The Department anticipates bonding of \$94 million for the next five years, maintaining adequate cash reserves and a strong debt service ratio.
- The Department plans to invest \$35.6 million in capital improvements for Water Utility infrastructure in FY2019. The capital improvement program continues with consistency in supporting a water system that reliably delivers quality water to customers and replaces worn out infrastructure.
- The Department expects a \$465,868 or 3% increase in the price of water from Metropolitan District of Salt Lake and Sandy for FY2019.

Water Infrastructure Background

The Salt Lake City Water Distribution System is one of the oldest and largest systems west of the Mississippi River with 1,119 miles of 12” or smaller distribution lines, and 180 miles of large transmission mains for a total asset inventory of 1,299 miles of pipe with over fifty pressure zones. The service area covers the Salt Lake City corporate boundaries as well as the east side of the Salt Lake Valley to the mouth of Little Cottonwood Canyon—a total of 134 square miles. The graph below shows the historical age of the system water lines. There is a continual need to repair and replace pipe segments to maintain service and reduce emergency break repair costs and impacts to the public.

The Department’s asset management program has included investments over the past few years in use of new technology to assess the condition of the large water transmission mains to assure repair and replacement is completed with minimal impact to the public.



Pipeline Age for the Salt Lake City Water Distribution System

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

Analysis of Estimated Revenue

An analysis of the estimated revenue contained in the Department's recommended FY2019 Budget for the Water Utility is as follows:

| Revenue (Water) | Amended Budget 2017-2018 | Proposed Budget 2018-2019 | Difference | Percent |
|---------------------|--------------------------------|---------------------------------|--------------------|--------------|
| Water Services Fees | \$70,470,525 | \$73,289,346 | \$2,818,821 | 4.00% |
| Interest | 553,382 | 375,000 | (178,382) | -32.23% |
| Interfund charges | 2,814,186 | 3,037,985 | 223,799 | 7.95% |
| Other gains | 50,000 | 50,000 | 0 | 0.00% |
| Impact fees | 500,000 | 500,000 | 0 | 0.00% |
| Contributions | 1,205,000 | 1,205,000 | 0 | 0.00% |
| From (To) Reserves | 20,694,880 | 25,735,446 | 5,040,566 | 24.36% |
| TOTAL | \$96,287,973 | \$104,192,777 | \$7,904,804 | 8.21% |

Budgeted total revenues increase by \$7,904,804 or 8.21% with \$5.0 million needed from cash reserves for operations and capital improvements. Water fees are adjusted based on the proposed rate increase of 4%.

Water Sales and Services: The proposed revenue for water sales and services includes a proposed 4% rate increase—approximately \$1.79 per average residence per month-- to generate an additional \$2,818,821 in metered sales.

Interest Income: The Department anticipates interest income to decrease <\$178,382> as reserve funds are invested in capital improvements.

Interfund Charges: The Water Utility is reimbursed by Sewer, Stormwater, Street Lighting Sustainability, and Hive program for services related to billing. The Water Utility is increasing the amount of the reimbursements \$223,799 based primarily on increased IMS charges and increased banking fees. Actual FY2017 costs incurred are allocated based on the number of bills and budgeted for reimbursement if FY2019.

Other gains: No Change.

Impact Fees: No Change.

Contributions by Developers: No change is budgeted.

Reserve Funds: The Department plans to use \$25.7 million of reserve funds to balance the capital improvement needs. Budgeted use of reserve funds is \$5,040,566 more than the FY2018 budget or an increase of 24.36%.

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

Analysis of Estimated Expenditures

The expenditure budget for the Department is proposed to increase \$7,904,804 or 8.21% from the FY2018 budget. The proposed budget for FY2019 by major category is as follows:

| Major Expenditure Category (Water) | Amended Budget 2017-2018 | Proposed Budget 2018-2019 | Difference | Percent |
|------------------------------------|--------------------------|---------------------------|------------------|--------------|
| Personnel services | \$20,585,385 | \$22,069,746 | \$1,484,361 | 7.21% |
| Materials and supplies | 3,900,830 | 4,218,280 | 317,450 | 8.14% |
| Charges for services | 36,105,858 | 36,600,851 | 494,993 | 1.37% |
| Debt service | 918,809 | 1,117,000 | 198,191 | 21.57% |
| Capital outlay | 5,630,091 | 4,614,400 | (1,015,691) | -18.04% |
| Capital improvements | 29,147,000 | 35,572,500 | 6,425,500 | 22.05% |
| TOTAL | \$96,287,973 | \$104,192,777 | 7,904,804 | 8.21% |

Personnel Services: Employee costs are estimated to increase \$1,484,361 or 7.21%. The water utility budget anticipates an increase of 10.24 FTE's for Water Utility's portion of 14 new employees across the Department. The FY2019 budget includes 2.5% COLA and a 7% increase in costs of employee insurance premiums.

Materials & Supplies: The proposed budget for materials and supplies of \$4,218,280 increases \$317,450 or 8.14% from FY2018's amended budget of \$3,900,830 for the following reasons:

- Small tools and equipment increases \$86,200
- Repair materials \$176,000
- Laboratory, building, and grounds supplies \$42,100
- Thirteen other items netting an increase of \$13,150

Charges for Services: The proposed budget for charges and services will increase 494,993 as explained below:

- Water Purchases from Metropolitan Water District increase \$465,868
- Data processing IMS increases \$192,348
- Utilities increase \$108,999
- Payments in lieu of tax increase \$77,515
- Technical services decrease <\$273,680>
- Several other charges decrease a net amount of <\$76,057>

Debt Service: - In compliance with the outstanding bond, Series 2017 Refunding Bond, budgeted debt service payments increase \$198,191.

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

Capital Outlay: The proposed Water Utility budget for capital outlay for FY2019 is \$4,614,400. The budget includes \$1,500,000 for Watershed Land, \$30,000 for water rights, \$1,029,500 for 18 vehicle replacements and 3 new vehicle purchases, \$927,300 for field equipment, \$240,000 for pumping equipment, \$462,000 for treatment plant equipment, \$170,000 for telemetry, \$44,000 for office furniture & equipment, and \$211,000 for other non-motive equipment.

Capital Improvement Program: The Department's proposed CIP budget for FY2018 is \$35,572,500. Capital project summary by facility types are as follows:

| Proposed Water Capital Improvement Program Budget for Fiscal Year 2018-2019 | |
|----------------------------------------------------------------------------------------|----------------------|
| Type of Project | Budget Amount |
| Treatment plants | 7,245,000 |
| Water Service Connections | 6,050,000 |
| Pumping Plant Upgrades | 890,000 |
| Reservoirs | 4,304,000 |
| Water Mains & Hydrants | 12,708,000 |
| Wells | 3,700,000 |
| Culverts, flumes & bridges | 400,500 |
| Landscaping | 275,000 |
| Maintenance buildings | 0 |
| Total 2018-2019 Capital Improvement Program | \$35,572,500 |

SEWER UTILITY ENTERPRISE FUND

Major budget issues for FY2019

- A new Water Reclamation Facility is planned to be constructed by 2025 and will start major design in FY2019. The total cost for the new WRF is estimated between \$350 million and \$450 million; costs will be refined during the design process.
- Sewer collection system capacity upgrades that are anticipated at nearly \$100 million over the next few years.
- Planned revenue bonds of \$433 million in the next five years begins again in FY2019-2020 for the new WRF and sewer collection lines. A short term bond anticipation note is planned for the FY2018 budget as gap financing if the 2017 bond proceeds are used prior to FY2020.
- Sewer rates will remain as previously projected at 15% in FY2019, 15% in FY2020, 10% in FY2021, 8% in FY2022, and 10% in FY2023.
- Continued capital replacement and improvement of sewer lines remains at about \$10 million per year for the next 5 years.

New Water Reclamation Facility by 2025

The FY2019 sewer budget continues to address federal and state water quality standards, including the nutrient removal standard, effective in FY2025. The Department is anticipating investing between \$325 million and \$510 million for the new WRF.

The proposed sewer budget for FY2019 has \$23.3 million planned projects at the WRF, of which \$18.4 million is directly for the new facility and the remaining to keep the existing plant functioning. Department preparation for a new facility includes \$2.0 million for an influent screening building.

| Forecast Future Rate Increases | |
|--------------------------------|-----|
| 2018/19 | 15% |
| 2019/20 | 15% |
| 2020/21 | 10% |
| 2021/22 | 8% |
| 2022/23 | 10% |

Bond Issues Anticipated

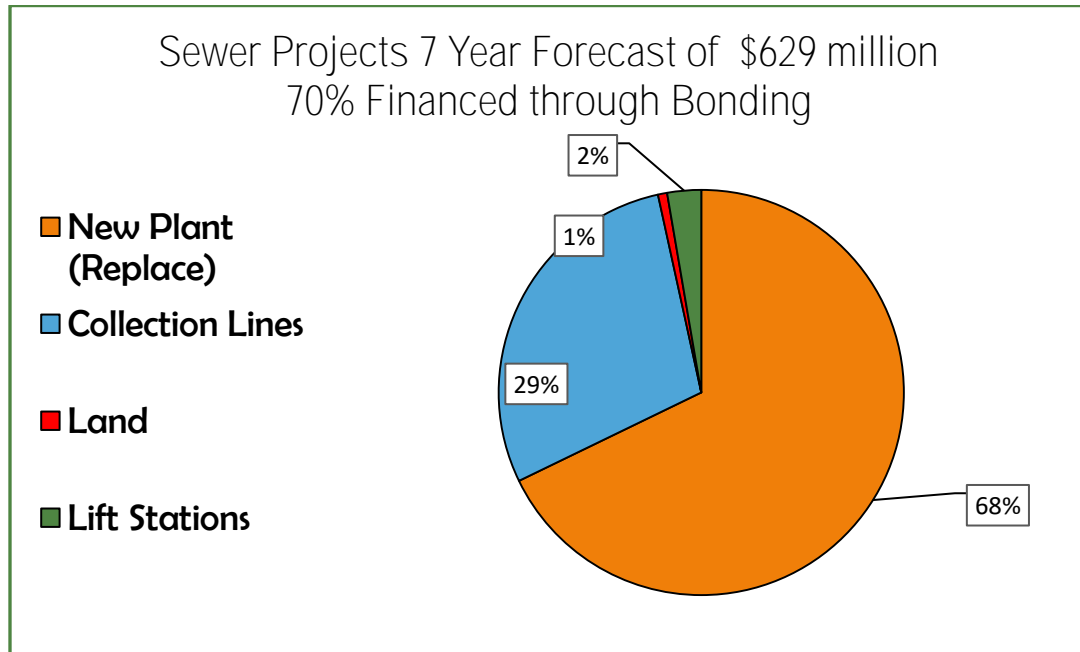
The Department has forecasted budgeting bond issues of \$433 million through FY2025 to minimize rate increases as a blend of pay-as-you-go and borrowing. This incorporates a 30 year payback on bonds for intergenerational equity payback on the new WRF Facility. The investment strategy makes use of the City's professional financial advisors for measuring rising debt service and debt service ratios that also fit

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

standards required by external rating agencies. The Department intends to maintain its triple AAA rating to limit the costs of borrowing. The anticipated bond issuances in the next six years are as follows:

| Planned Bond Issues | |
|--------------------------------|---------------|
| 2018/19 <i>short term note</i> | \$4,000,000 |
| 2019/20 | \$160,000,000 |
| 2021/22 | \$188,000,000 |
| 2023/24 | \$85,000,000 |

The Illustration below show the percentage of projects in the four main categories in the Sewer Fund. The Department forecasts that it will issue \$437 million in revenue bonds (Three main issues) to finance a total of \$629 million for all Sewer projects in the chart. This figure includes the new WRF and improvements in the collection system through FY2025.



The \$437 million in bonds plus rate increases will go toward financing the budgeted plan of \$426.5 million in a new WRF Facility, \$180.8 million in collection system capacity upgrades and other worn out lines and lift stations that will also assist the needs for the Northwest Quadrant and Airport and others areas of restricted capacity flows through and from the west side to the treatment plant. Bond funds will also go toward Lift station projects of \$17 million and a required land purchase of \$4.6 million.

Sewer Collection Line Rehabilitation

The FY2019 budget includes \$39.8 million for collection line improvements. An investment of \$32.4 million is budgeted for a master plan improvements such as the \$12.5 million for the 700 South capacity upgrades, other regular line improvements of \$1.5 million, County, State, and City related projects are \$1.9 million and other projects of \$4 million make up the \$39.8 million planned for FY2019.

Lift Station Rehabilitation

The FY2019 budget includes a total of \$17 million for lift station projects. Lift station rehabilitation will include three significant lift stations: \$1.9 million is budgeted for the 4000 West lift station, \$2.6 million is budgeted for the 750 North 5600 West lift (Amazon) station, and \$12 million is budgeted for the 700 South master plan lift station project. The FY2019 budget also includes \$500,000 for completion of three smaller lift station projects.

Closure of the Northwest Oil Drain Canal Remediation

The Northwest Oil Drain Canal near the Water Reclamation Facility has continuing work to close the remediation site. The Department in cooperation with Utah DEQ, US EPA, BP, and Chevron is budgeting \$300k in the Sewer Utility and \$200k in the Stormwater Utility. The budget reflects the full costs including the 2/3 reimbursement from Chevron and British Petroleum.

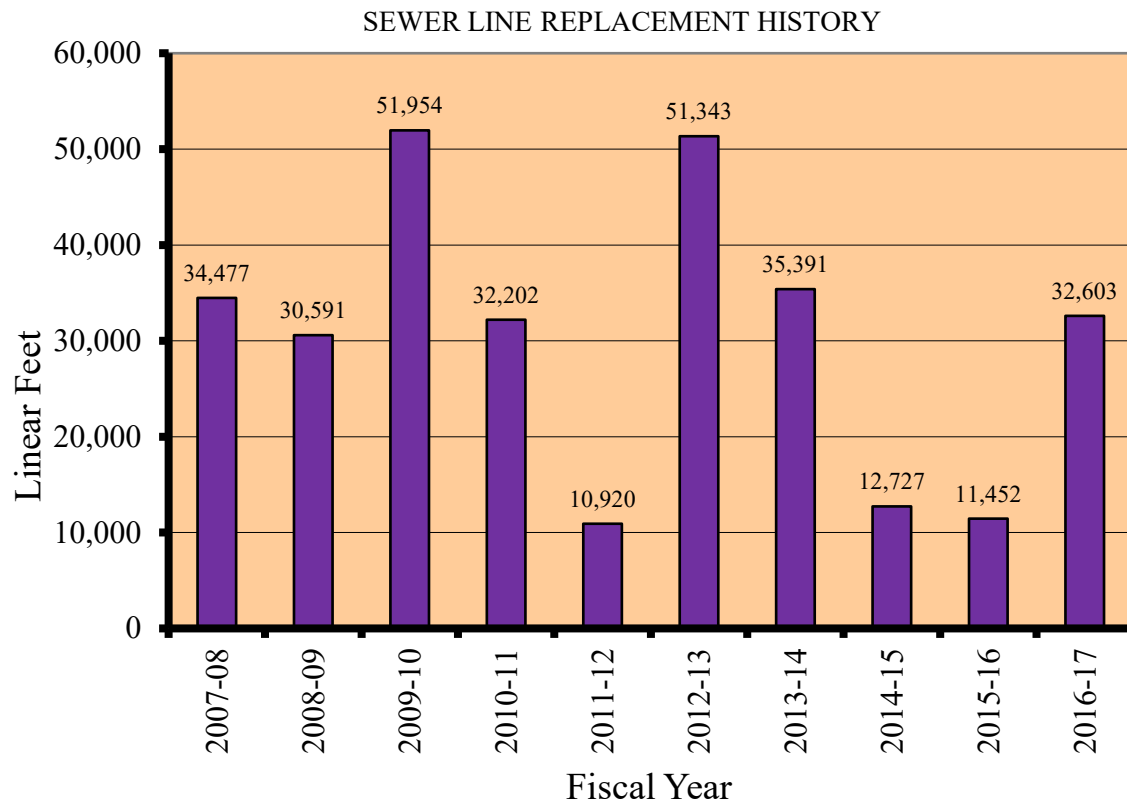
Sewer Infrastructure Background

The sewer collection system (658 miles in 2016) is a very challenging environment; hydrogen sulfide gases, sediment, roots and other factors affect the competency of the collection lines. Because of the environment of the collection system there is a continual need to repair and replace bad pipe segments. More than 50% of the sewer collection system is more than 85 years old (see chart below). Sewer Utility Capital Improvement Program's goal is to rehabilitate at least 1% of the aged collection system every year (see line replacement chart).

Pipeline Age & miles for the Salt Lake City Sewer Collection System



FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET



. Sewer System Restoration Program in linear feet

Analysis of Estimated Revenue

The FY2019 budget shows a revenue decrease of <\$30,584,598> million or <21.61%> to \$110,936,559 from the \$141,521,157 in the FY2018 amended budget. The decrease is caused by a reduction in the budgeted use of reserve funds. An analysis of the estimated revenue contained in the Department's Recommended Budget is as follows:

| Revenue (Sewer) | Amended Budget 2017-2018 | Proposed Budget 2018-2019 | Difference | Percent |
|----------------------|-----------------------------|------------------------------|-----------------------|----------------|
| Sewer Services Fees | \$32,712,188 | \$37,677,666 | \$4,965,478 | 15.18% |
| Interest | 1,263,356 | 1,052,000 | (211,356) | -16.73% |
| Permits | 70,000 | 70,000 | 0 | 0.00% |
| Other | 165,000 | 165,000 | 0 | 0.00% |
| Bond / Note Proceeds | 0 | 3,985,000 | 3,985,000 | 0.00% |
| Impact Fees | 700,000 | 700,000 | 0 | 0.00% |
| Contributions | 2,020,000 | 2,020,000 | 0 | 0.00% |
| Sale of Property | 20,000 | 20,000 | 0 | 0.00% |
| From (To) Reserves | 104,570,613 | 65,246,893 | (39,323,720) | -37.60% |
| TOTAL | \$ 141,521,157 | \$ 110,936,559 | (\$30,584,598) | -21.61% |

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

Explanation of Revenue

Sewer service fees: Sewer service fees are expected to increase \$4,965,478, 15%, or approximately \$3.18 per month for the average residential with the proposed rate increase. The rate increase is needed to finance the capital improvement program and debt service of future related bond issues.

Interest Income: Interest income is expected to decrease \$<\$211,356> as cash balances are invested in capital improvement projects.

Permit fees: Permits are expected to remain constant with no change.

Other income: Other income is expected to remain constant with no change.

Bond / Note Proceeds: The department anticipates the possibility of ensuring the continuation of capital projects by raising \$3,985,000 from short-term financing, such as bond anticipation notes, as cash held by a trustee from the 2017 bond issue is applied to projects. The Department estimates that the short term financing arrangement will allow the Sewer Utility to postpone a bond issuance until FY2020 and to avoid or defer approximately \$2.5 million in bond interest expense.

Impact Fees: No change is budgeted.

Contribution by developers: No change is budgeted.

Reserve Funds: Reserve funds of \$65,246,893 mostly from the 2017 Bond issue will provide the additional financing gap needed to finance the Sewer Utility's budgeted capital projects in FY2019. Budgeted use of reserve funds decreases \$39.3 million from the FY2018 budget.

Analysis of Estimated Expenditures

The FY2019 budget proposes a decrease of <\$30,584,598> million or <21.61%> to \$110,936,559 from the \$141,521,157 in expenditures in the FY2018 amended budget. The proposed budget for FY2019 by major category is as follows:

| Major Expenditure Category (Sewer) | Amended Budget 2017-2018 | Proposed Budget 2018-2019 | Difference | Percent |
|------------------------------------|--------------------------|---------------------------|-----------------------|----------------|
| Personnel services | \$9,717,084 | \$10,375,345 | \$658,261 | 6.77% |
| Materials and supplies | 1,892,620 | 1,934,720 | 42,100 | 2.22% |
| Charges for services | 7,128,365 | 6,211,994 | (916,371) | -12.86% |
| Debt services | 5,532,045 | 6,058,000 | 525,955 | 9.51% |
| Capital improvements | 115,637,743 | 80,410,000 | (35,227,743) | -30.46% |
| Capital outlay | 1,613,300 | 5,946,500 | 4,333,200 | 268.59% |
| TOTAL | \$141,521,157 | \$110,936,559 | (\$30,584,598) | -21.61% |

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

Explanation of Expenditures

Personnel Services: Budgeted employee costs will increase \$658,261 or 6.77%. The sewer utility budget anticipates 2.95 additional FTEs for Sewer Utility's portion of 14 new employees across the Department. The FY2019 budget includes 2% COLA and a 7% increase in costs of employee insurance premiums.

Materials & Supplies: The Sewer Utility's budget for this category increases \$42,100. These changes are:

- Small tools and equipment increase \$10,800
- Laboratory supplies increase \$10,300
- Computer supplies increase \$7,000
- City building supplies increase \$5,000
- Permits increase \$4,000
- Eleven other items net increase \$5,000

Charges for Services: The budget for charges and services decreases <\$916,317>reflected in the following areas:

- Data processing increases \$75,000
- Payment in lieu of tax increases \$61,725
- Fleet maintenance increases \$25,000
- Travel and training increases \$15,700
- Utilities decrease <\$4,839>
- Other charges and services decrease <\$25,262>
- Administrative service fee decreases <\$50,000>
- Risk management decreases <\$175,000>
- Technical services decrease <\$840,000>

Debt Service: - The annual debt service budget increased \$525,955 in FY2019 in accordance with the debt service schedules of outstanding bond issues. Future bonds will increase debt service payments when they are issued.

Capital Outlay: - The proposed capital outlay budget for the FY2019 budget is \$5,946,500. The FY2019 capital outlay budget includes \$4.6 million for land, \$222,500 for a vehicles and trucks, \$517,000 for field maintenance equipment, \$370,000 treatment plant equipment, \$10,000 for telemetry, \$34,000 for office furniture and equipment, and \$193,000 for other non-motive equipment.

Capital Improvements: The proposed capital improvement program for FY2019 includes line upgrades and expansion, initial projects associated with the new WRF and maintaining

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

the old plant, lift stations improvements related to collection line redistribution, and the proposed finalization of environmental requirements in the Northwest Oil Drain. General project types budgeted for FY2019 are listed below:

| Proposed Sewer CIP Budget for Fiscal Year 2018-2019 | |
|------------------------------------------------------------|----------------------|
| Type of Project | Budget Amount |
| Treatment Plant | \$23,310,000 |
| Collection Lines | 39,775,000 |
| Lift Stations | 17,025,000 |
| Maintenance and repair shops | 0 |
| Landscaping | 300,000 |
| Total 2018-2019 Capital Improvement Program | \$80,410,000 |

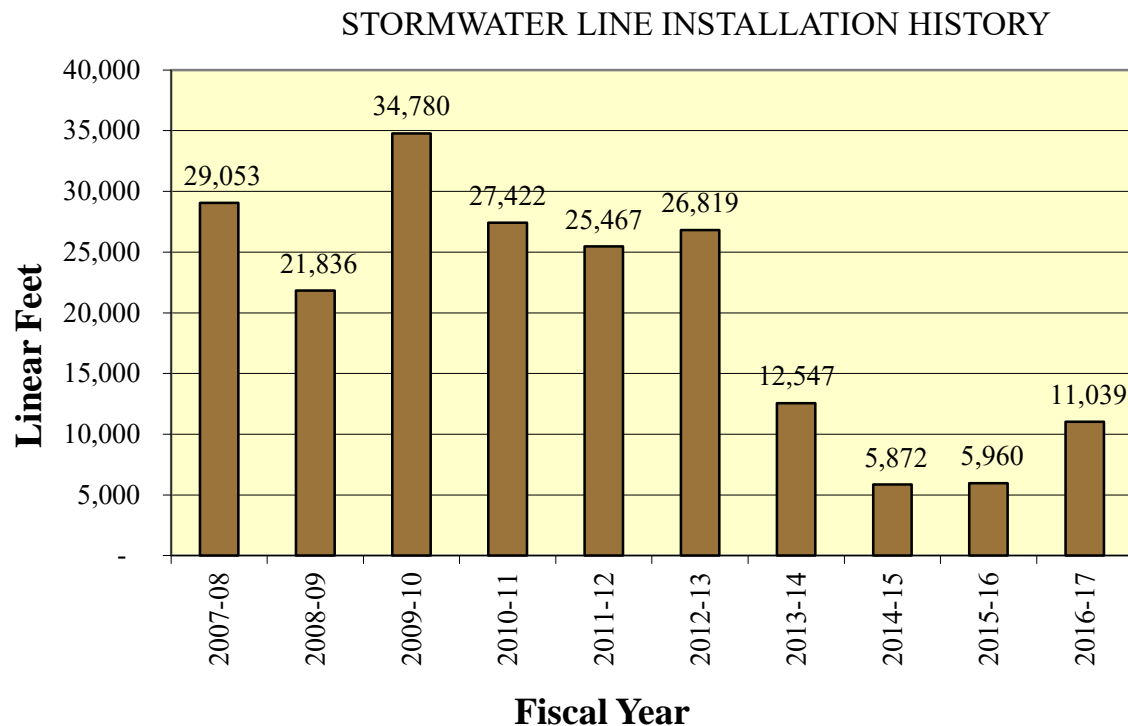
STORMWATER UTILITY ENTERPRISE FUND

Major Budget Issues for FY2019

- A proposed rate increase of 10% or approximately \$0.45 per equivalent residential unit (ERU) per month. Dwindling cash reserves, stronger regulatory requirements and infrastructure needs are drivers for the proposed rate increase. Additional rate increases between 4% and 6% are projected through FY2022.
- The Stormwater capital improvement budget includes \$750,000 for lift stations and \$3,683,500 for 16 collection line improvement projects including drainage improvements on 1700 South, Gladiola Avenue, and 1300 East.
- The amount budgeted for riparian corridor projects is \$500,000 along Emigration creek and near the 10th North Lift Station.
- The Northwest Oil Drain Canal near the Water Reclamation Facility has continuing work to close the remediation site. The Department in cooperation with Utah DEQ, US EPA, BP, and Chevron is budgeting \$300,000 in the Sewer Utility and \$200,000 in the Stormwater Utility. The budget reflects the full costs including the 2/3 reimbursement from Chevron and British Petroleum.
- The Stormwater Utility in participation with the Sewer Utility may utilize some short term financing to raise an additional \$1.3 million for FY2019 to be paid back with the issuance of bonds in FY2020.
- Possible Bonding in FY2020 of \$5.3 million for flooding mitigation projects of 1700 South and 1300 East that continue from FY2019.

Stormwater Infrastructure Background

The Drainage Master Plan was completed in 1993. The projects identified in the Master Plan provide direction and areas that may or have already been completed. In the last ten years 40.1 miles of storm drain pipe has been installed (see graph next page). Some of the major projects that have been completed in the last 15 years are also shown on the table in the next page. The Fiscal Year 2019 budget includes \$700k to begin an update of the Drainage Master Plan to plan for changing climate conditions and green infrastructure.



New Drainage Pipe Installed in the Last 10 Years

| | | |
|------|-----------------------------------|------------------|
| 2006 | 900 South Storm Drain..... | \$16m |
| 2007 | CWA #2 Pump Station..... | \$1.2m |
| 2008 | City Creek Diversion | .. \$4m |
| 2009 | Upgrade Oil Drain Station..... | \$700k |
| 2012 | Folsom Storm drain | \$8m |
| 2013 | 500 South pump station | \$1m |
| 2017 | 2100 East 2200East Storm Drain... | \$1.2 m |
| — | Westside Drainage Channels..... | (yearly program) |
| — | Replace Cross Drains in Ave..... | (yearly program) |

Major Drainage Projects in past 10 Years

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

Analysis of Estimated Revenue

An analysis of the estimated revenue anticipated in the budget for the Stormwater Utility is as follows:

| Revenue (Storm) | Amended Budget 2017-2018 | Proposed Budget 2018-2019 | Difference | Percent |
|--------------------|--------------------------------|---------------------------------|--------------------|---------------|
| Operating Sales | \$8,050,000 | \$8,855,000 | \$805,000 | 10.00% |
| Interest | 65,820 | 33,000 | (32,820) | -49.86% |
| Impact fees | 200,000 | 200,000 | 0 | 0.00% |
| Contributions | 516,000 | 650,000 | 134,000 | 25.97% |
| Other | 1,000 | 1,000 | 0 | 0.00% |
| Bond / Note | 0 | 1,345,000 | 1,345,000 | |
| From (To) Reserves | 5,169,421 | 2,492,300 | (2,677,121) | -51.79% |
| TOTAL | \$14,002,241 | \$13,576,300 | (\$425,941) | -3.04% |

Explanation of revenue

Operating Sales: A rate increase of 10% or about \$0.45 per ERU per month is proposed raise \$805,000 to cover capital improvements, debt service in future years and operational needs.

Interest Income: Interest earned will decrease <\$32,820> as amounts from reserves continues to decrease cash balance.

Impact Fees: No change.

Contributions by Developers: Increase of \$134,000 for reimbursed cost sharing from oil companies related to Northwest Oil Drain remediation.

Other Fees: No change.

Bond / Note Proceeds: The department anticipates the possibility of needing to raise \$1,345,000 from short-term financing, such as bond anticipation notes, as cash reserves are applied to projects. The Department estimates that the short term financing arrangement will allow the Stormwater Utility to postpone a bond issuance until FY2020 and to avoid or defer approximately \$83,000 in bond interest expense.

Reserve Funds: Reserve funds of \$2,492,300 will be required to provide financing needed for the Utility's capital improvement program. These reserve funds from prior years' earnings directly reduce the Utility's cash reserves. FY2019 budgeted use of reserve funds is down <51.79%> or <\$2,677,121> from the FY2018 budget.

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

Analysis of Estimated Expenditures

The expenditure budget for the Stormwater Utility is proposed to decrease <\$425,941> or <3.04%> from the FY2018 budget. The proposed budget for fiscal year FY2019 by major expenditure category is as follows:

| Major Expenditure Category (Storm) | Amended Budget 2017-2018 | Proposed Budget 2018-2019 | Difference | Percent |
|------------------------------------|--------------------------|---------------------------|--------------------|---------------|
| Personnel services | 2,540,766 | 2,872,608 | \$331,842 | 13.06% |
| Materials and supplies | 179,350 | 186,450 | 7,100 | 3.96% |
| Charges for services | 3,828,344 | 3,854,174 | 25,830 | 0.67% |
| Debt Service | 1,010,724 | 1,014,000 | 3,276 | 0.32% |
| Capital improvements | 6,132,667 | 5,133,500 | (999,167) | -16.29% |
| Capital outlay | 310,390 | 515,568 | 205,178 | 66.10% |
| TOTAL | \$14,002,241 | \$13,576,300 | (\$425,941) | -3.04% |

Explanation of Expenditures

Personnel Services: The proposed budget increases employee costs \$331,842 or 13.06%. The Stormwater Utility budget anticipates an increase of 1.68 FTEs for the Stormwater Utility's distribution of 14 new employees across the Department. The FY2019 budget includes 2.5% COLA and a 7% increase in costs of employee insurance premiums..

Materials & Supplies: Materials and Supplies increase \$7,100:

- Computer supplies increase \$3,500
- Motive parts and accessories increase \$1,000
- Non motive parts increase \$2,100
- Laundry and linen supplies increase \$500

Charges & Services: This category increases \$25,830. The increase is related to the following charges and services:

- Billing services increase \$149,137
- Utilities increase \$39,024
- Payment in lieu of tax increases \$16,157
- Data processing charges increase \$4,700
- Other charges and services increase \$2,649
- Travel and training decreases <\$250>

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

- Technical services decrease <\$185,587>

Debt Service: No change expected in debt service payments even with short term borrowing.

Capital Outlay: The proposed capital outlay budget increases \$205,178 to \$515,568. The capital outlay budget includes \$85,500 for vehicles, \$379,068 field maintenance equipment, \$46,000 for telemetry for the lift stations, and \$5,000 for other non-motive equipment.

Capital Improvements: The proposed capital improvement budget of \$5,133,500 is comparable to FY2018 budget and includes \$800,000 to begin improvements on 100 South and \$986,000 to begin improvement on 1300 East. The capital improvement budget for FY2019 includes major categories of projects as follows:

| Proposed Storm CIP Budget for Fiscal Year 2018-2019 | |
|------------------------------------------------------------|----------------------|
| Type of Project | Budget Amount |
| Collection Lines | \$3,683,500 |
| Riparian Corridor Improvements | 500,000 |
| Lift Stations | 750,000 |
| Landscaping | 200,000 |
| Total 2018-2019 Capital Improvement Program | \$5,133,500 |

STREET LIGHTING UTILITY ENTERPRISE FUND

Major Budget Issues for FY2019

- No rate changes are proposed for FY2019 or the next few years. the base lighting rates were established the beginning of January 2013 for \$3.73 per month for an average residential customer, or Equivalent Residential Unit (ERU), and are expected to remain unchanged and sufficient for this fiscal year. Rates for enhanced tiers are \$5.67, Tier 2 \$15.94, Tier 3 \$43.82.
- Private lights program will be implemented. This \$20,000 transfer from the General Fund expresses the on-going desire of the City Council to provide a matching support to reduce the capital costs to neighborhoods installing private street lighting. Public Utilities administers this program.
- The Street Lighting Capital Program focuses on replacing aging light poles with energy efficient upgrades. Street Lighting capital improvements totaling \$2,605,000 are planned in the FY2019 including energy efficiency upgrades, wattage upgrades, system upgrades, and the replacement of poles, bulbs, fixtures, and wiring.

Street Lighting Infrastructure Background

Of the 15,581 lights that the city maintains, about 8,250, or 53%, are now considered to be energy efficient. We are in the fifth year of a ten year goal to convert all of the lights to high energy efficiency lamps. Another 1,500 lights are expected to be converted to energy efficient lamps in FY2019. The Street Lighting Utility is saving energy that has approximately \$300,000 favorable effect on the FY2018 budget and a similar effect in future years. There have been and may still be energy saving rebates available as the conversion continues.

Analysis of Estimated Revenue

An analysis of the estimated revenue anticipated in the budget for the Street Lighting Utility is as follows.

| Revenue (Lights) | Amended Budget 2017-2018 | Proposed Budget 2018-2019 | Difference | Percent |
|--------------------|-----------------------------|------------------------------|----------------|---------|
| Operating Sales | \$4,152,371 | \$4,170,000 | 17,629 | 0.42% |
| Interest | 30,000 | 52,000 | 22,000 | 73.33% |
| Other | 2,000 | 2,000 | 0 | 0.00% |
| General Fund Cont. | 20,000 | 20,000 | 0 | 0.00% |
| From (To) Reserves | 914,171 | 1,324,117 | 409,946 | 44.84% |
| TOTAL | \$5,118,542 | \$5,568,117 | 449,575 | 8.78% |

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

Explanation of Revenue

Operating Sales: Operating sales are expected to remain unchanged from the prior year amended budget. (The difference is round rounding in the estimated budget for FY2019.)

Interest Income: Interest income increases. Historically approximately 1.5% of beginning cash is earned in interest. Interest is increasing because of unspent bond proceeds.

Other Fees: Other fees are budgeted to remain unchanged.

General Fund Contributions: No change. Public Utilities anticipates the general fund to continue contributing \$20,000 for private light options in FY2019.

Bonds: No additional bonding is anticipated.

Reserve Funds: The FY2019 budget anticipates using \$1,324,117 from the utility's reserve funds—mostly unspent bond proceeds from the 2017 bond issue.

Analysis of Estimated Expenditures

The Department proposes an expenditure budget of \$5,568,117 for the Street Lighting Utility an increase of \$449,575 or 8.78% from the FY2018 amended budget. The proposed budget for fiscal year FY2019 by major expenditure category follows:

| Major Expenditure Category (Lights) | Amended Budget 2017-2018 | Proposed Budget 2018-2019 | Difference | Percent |
|-------------------------------------|--------------------------|---------------------------|----------------|--------------|
| Personnel services | \$259,424 | \$198,307 | (61,117) | -23.56% |
| Materials and supplies | 7,300 | 7,300 | 0 | 0.00% |
| Charges for services | 2,381,770 | 2,654,510 | 272,740 | 11.45% |
| Debt Service | 85,048 | 103,000 | 17,952 | 21.11% |
| Capital improvements | 2,385,000 | 2,605,000 | 220,000 | 9.22% |
| Capital equipment | 0 | 0 | 0 | 0.00% |
| TOTAL | \$ 5,118,542 | \$ 5,568,117 | 449,575 | 8.78% |

Explanation of expenditures

Personnel Services: The proposed budget decreases employee costs <\$61,117> or <23.56%>. The Street Lighting Utility budget anticipates a decrease of<0.92> FTEs because some employees were redistributed based on how they work with the various utilities within the department. The FY2019 budget includes 2% COLA and a 7% increase in costs of employee insurance premiums.

Materials & Supplies: No change.

FY2019 PUBLIC UTILITIES RECOMMENDED BUDGET

Charges & Services: The proposed budget for charges and services increases \$272,740 or 11.45% in FY2019. The changes are as follows:

- Technical services increase \$279,708
- Electricity costs are budgeted to decrease <\$7,768>
- Other charges and services increase \$800

Debt Service: In compliance with the outstanding bond, Series 2017 Bond, budgeted debt service payments increase \$17,952.

Capital Equipment: No expenditures for capital equipment are planned.

Capital Improvements: The proposed capital improvement budget is \$2,605,000 with an increase of \$220,000 or 9.22% from the FY2018 amended budget. The capital improvement budget for FY2019 is as follows for base lighting and all enhanced tiers:

| Proposed Street Lighting CIP for Fiscal Year 2018-2019 | |
|---------------------------------------------------------------|----------------------|
| Type of Project | Budget Amount |
| System upgrade for high efficiency and uniformity | \$2,215,000 |
| Rewiring of street lights | 365,000 |
| Capital replacement | 25,000 |
| Total 2018-2019 Capital Improvement Program | \$2,605,000 |

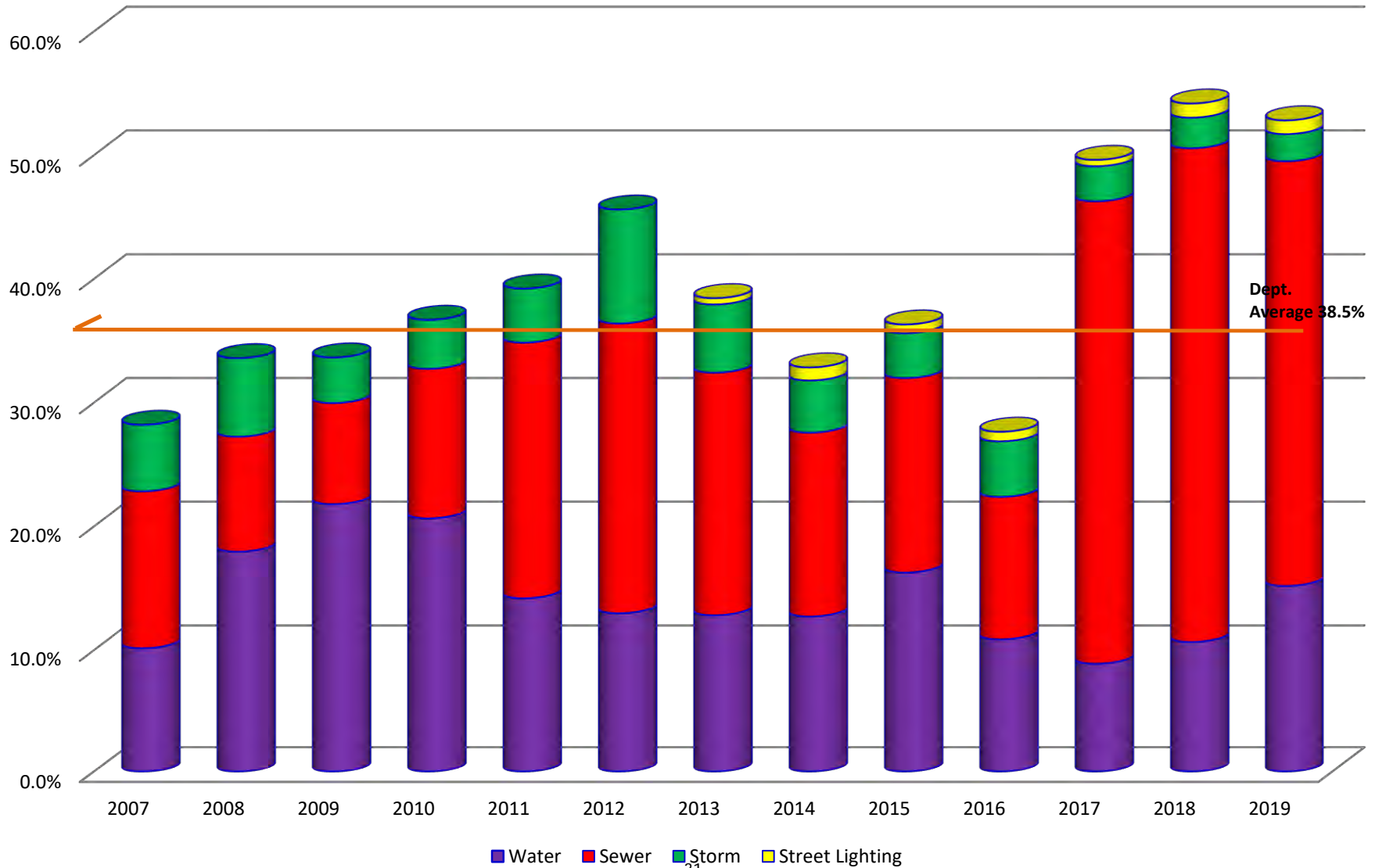
FY 2019 Department Budget Summary

- **Rate increases are as projected in the FY18 Budget Forecast for Water and Sewer, \$6.04 per month for the average residence with Water, Sewer and Stormwater rates changes.**
 - Water 4% or \$2.41 per average residence in the City
 - Sewer 15% or \$3.18 per average residence
 - Stormwater 10% or \$0.45 per ERU
- **No Bonds FY2019, but a possible \$5.3 million short term, low Interest note if needed.**
- **Major construction projects increase capital budget \$21.9 million to \$134.8 million.**
 - Sewer capital budget of \$86.3 million
 - Includes \$18.4 million for the New WRF Plant, \$5 million for Lift Stations, and \$52.8 million in other collection system projects, \$4.9 million in reclamation projects, and \$5.9 million equipment
 - Water capital budget of \$40.2 million
 - Includes \$7.2 million for treatment plants, \$18.7 million for water mains, hydrants and connections, \$4.3 million for reservoirs, \$3.7 million for wells, and \$1.7 million for pump stations, culverts, flumes, bridges, and landscaping, and \$4.6 million for land and equipment
 - Stormwater capital budget of \$5.6 million
 - Includes \$3.7 for collections system, \$750k for lift stations, \$500,000 for the riparian corridor, \$200k for landscaping, and \$516k for equipment.
 - Streetlighting capital budget of \$2.6 million
 - Includes \$2.2 for system / high efficiency upgrades, \$365k for rewiring, and \$25k for replacement
- **Operating budget increases \$4.5 million to \$91.2**
 - Includes increase of \$1.2 million for 14 new FTEs, 2.5% Cola, 7% increase in health premiums, 3% increase in metropolitan water costs, and a new stormwater master plan
 - New FTEs anticipates succession planning, regulatory compliance, engineering support and water right adjudication
- **Debt services spending budget increases \$800k to \$8.3 million**
 - Scheduled capital spending facilitates delaying bonds previously planned for FY2019 until FY2020
 - Short-term financing shown to balance the FY2019-need will depend on spending 2017 sewer bonds.

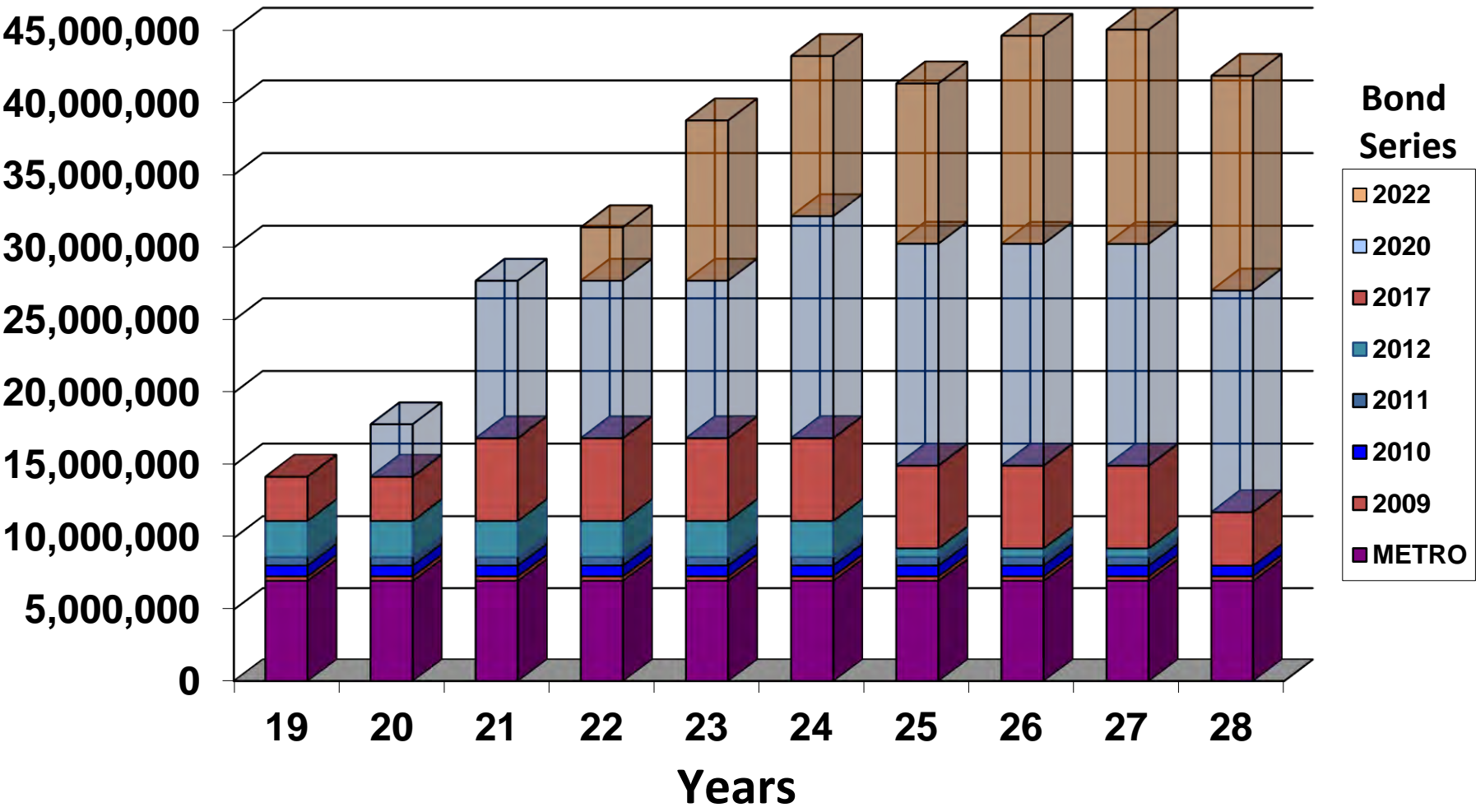
Proposed & Projected 5 Year Rate Increases

| Year | Water | Sewer | Stormwater | Street Lighting |
|---------------------|-------|-------|------------|-----------------|
| 2018-19 PROPOSED | 4% | 15% | 10% | 0% |
| 2019-20 | 4% | 15% | 6% | 0% |
| 2020-21 | 4% | 10% | 4% | 0% |
| 2021-22 | 4% | 8% | 4% | 0% |
| 2022-23 | 4% | 10% | 0% | 0% |

Public Utilities CIP Budget as a Percent of Department Requested Budget



Public Utilities Proposed Debt Service Schedule and Metropolitan Water Assessment

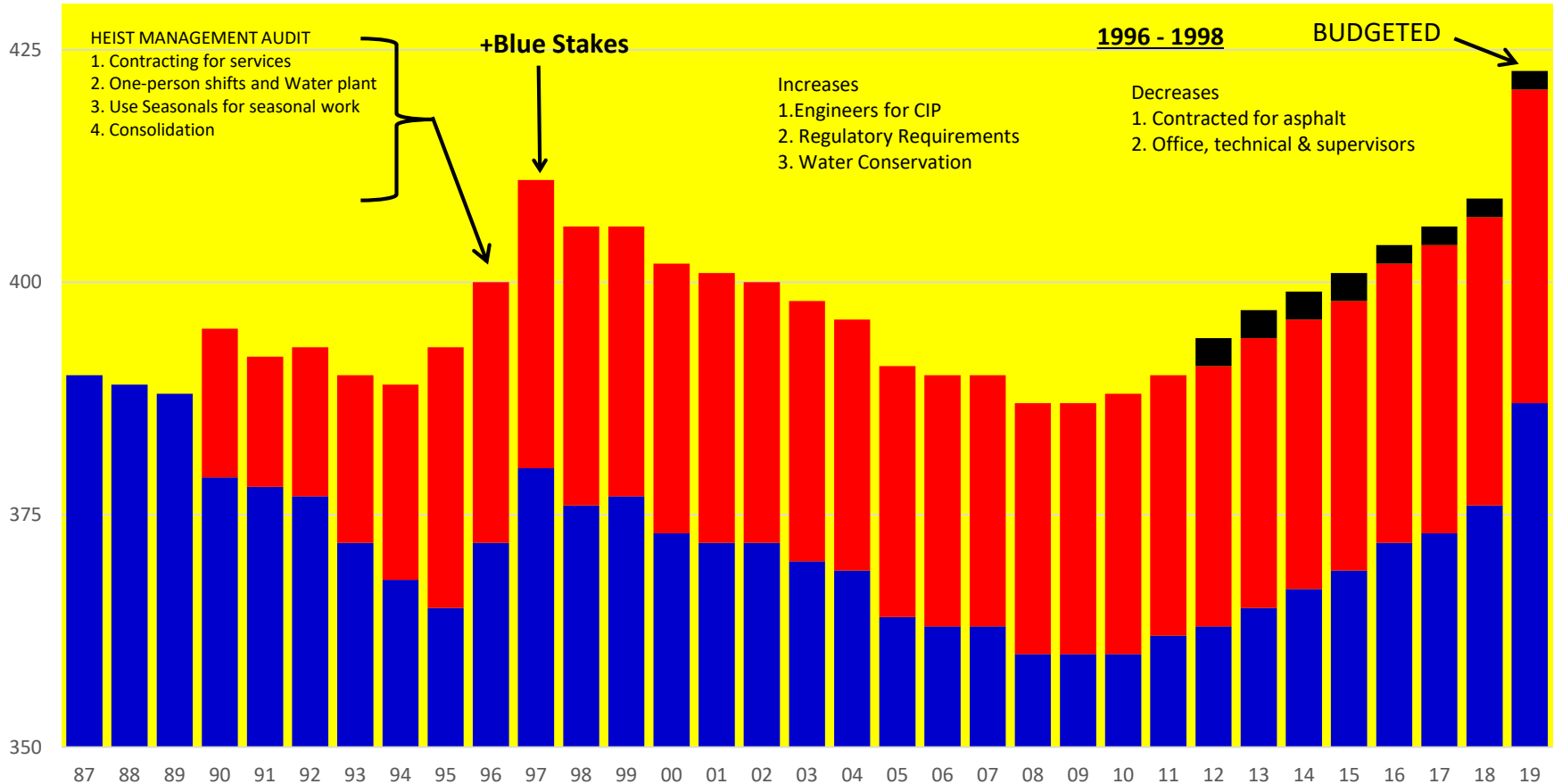


Proposed Personnel Adjustments FY 2018/19

| <u>NEW JOBS REQUESTED FOR FY 18/19</u> | <u>Total FTEs</u> | <u>WATER</u> | <u>SEWER</u> | <u>STORM WATER</u> | <u>STREET LIGHTING</u> |
|------------------------------------------------------------------------|-------------------|---------------|---------------|------------------------|----------------------------|
| Prior Year 2018 Beginning Balance | 408.50 | 262.53 | 112.43 | 31.12 | 2.42 |
| 1) PROJECT CONTROL SPECIALIST | 1.00 | 0.50 | 0.38 | 0.10 | 0.02 |
| 2) DOCUMENT CONTROLS SPECIALIST | 1.00 | 0.50 | 0.38 | 0.10 | 0.02 |
| 3) ENGINEERING TECHNICIAN III | 1.00 | 0.50 | 0.38 | 0.10 | 0.02 |
| 4) ENGINNERING TECHNICIAN III | 1.00 | 0.50 | 0.38 | 0.10 | 0.02 |
| 5) WATER RIGHTS ASSISTANT | 1.00 | 0.50 | 0.25 | 0.25 | |
| 6) WATERSHED RANGER | 1.00 | 1.00 | | | |
| 7) WATER PLANT OPERATOR II | 1.00 | 1.00 | | | |
| 8) STORMWATER COMPLIANCE SPECIALIST | 1.00 | | | 1.00 | |
| 9) STORMWATER TECHNICIAN | 1.00 | | | 1.00 | |
| 10) PRETREATMENT INSPEC / PERMIT WRITER | 1.00 | | 1.00 | | |
| 11) SENIOR WATER SYSTEM MAINTENANCE LEAD | 1.00 | 1.00 | | | |
| 12) WATER SYSTEM MAINTENANCE OPERATOR II | 1.00 | 1.00 | | | |
| 13) WATER SYSTEM MAINTENANCE OPERATOR I | 1.00 | 1.00 | | | |
| 14) OFFICE FACILITATOR I - SHOPS PAYROLL (REPLACING VACATED BY HR) | 1.00 | 0.74 | 0.18 | 0.08 | |
| TOTAL NEW FTE'S | 14.00 | 8.24 | 2.95 | 2.73 | 0.08 |
| | | | | | |
| <u>CHANGES DUE TO PAY REDISTRIBUTION:</u> | 1.00 | 2.00 | 0.05 | -1.05 | -1.00 |
| TOTAL CHANGES TO FTE'S | 14.00 | 10.24 | 3.00 | 1.68 | -0.92 |
| | 33 | | | | |
| Projected Agency Total FTEs for 2019 | 422.50 | 272.77 | 115.43 | 32.80 | 1.50 |

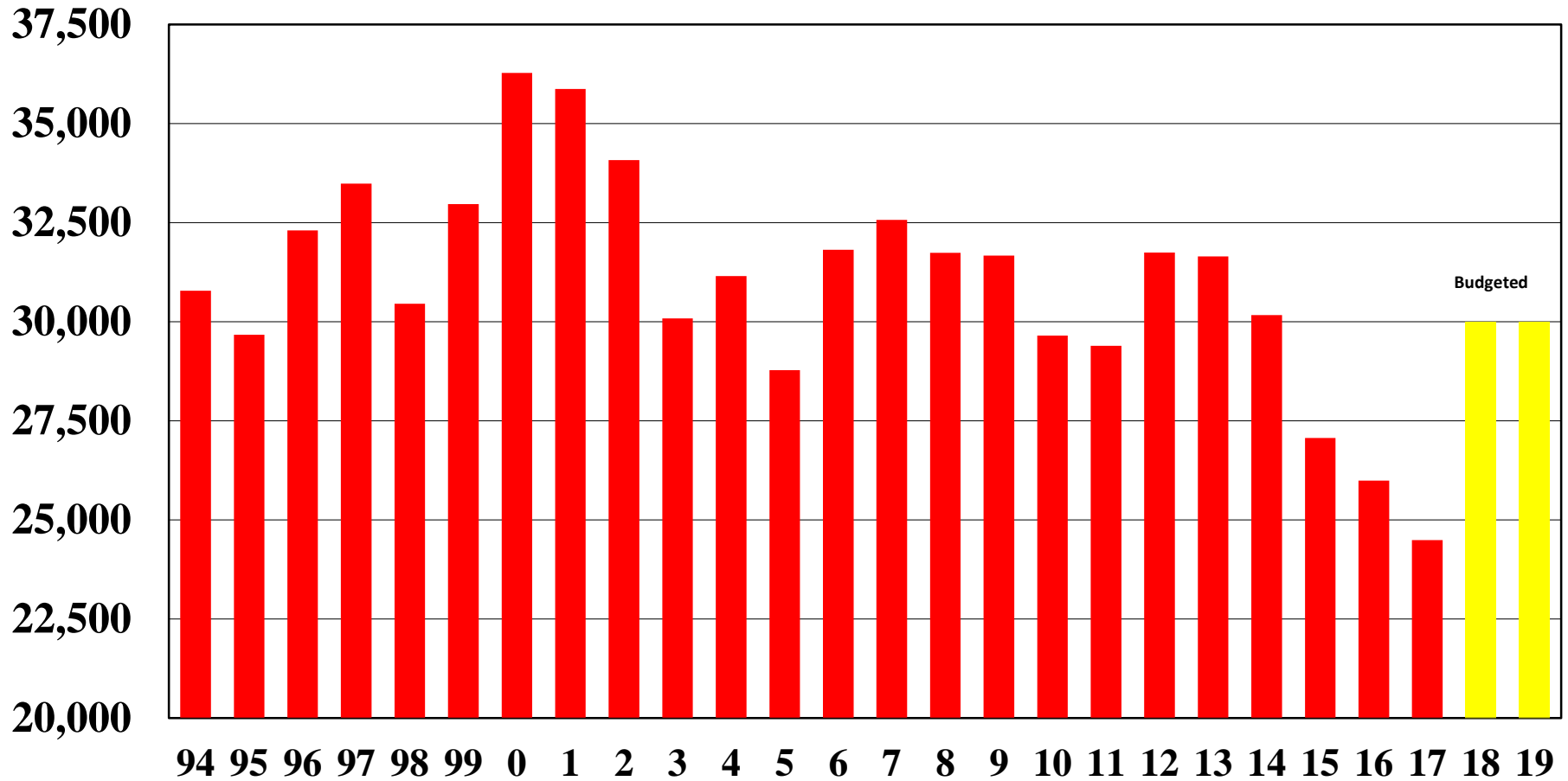
PUBLIC UTILITIES

NUMBER OF EMPLOYEES BY FISCAL YEAR



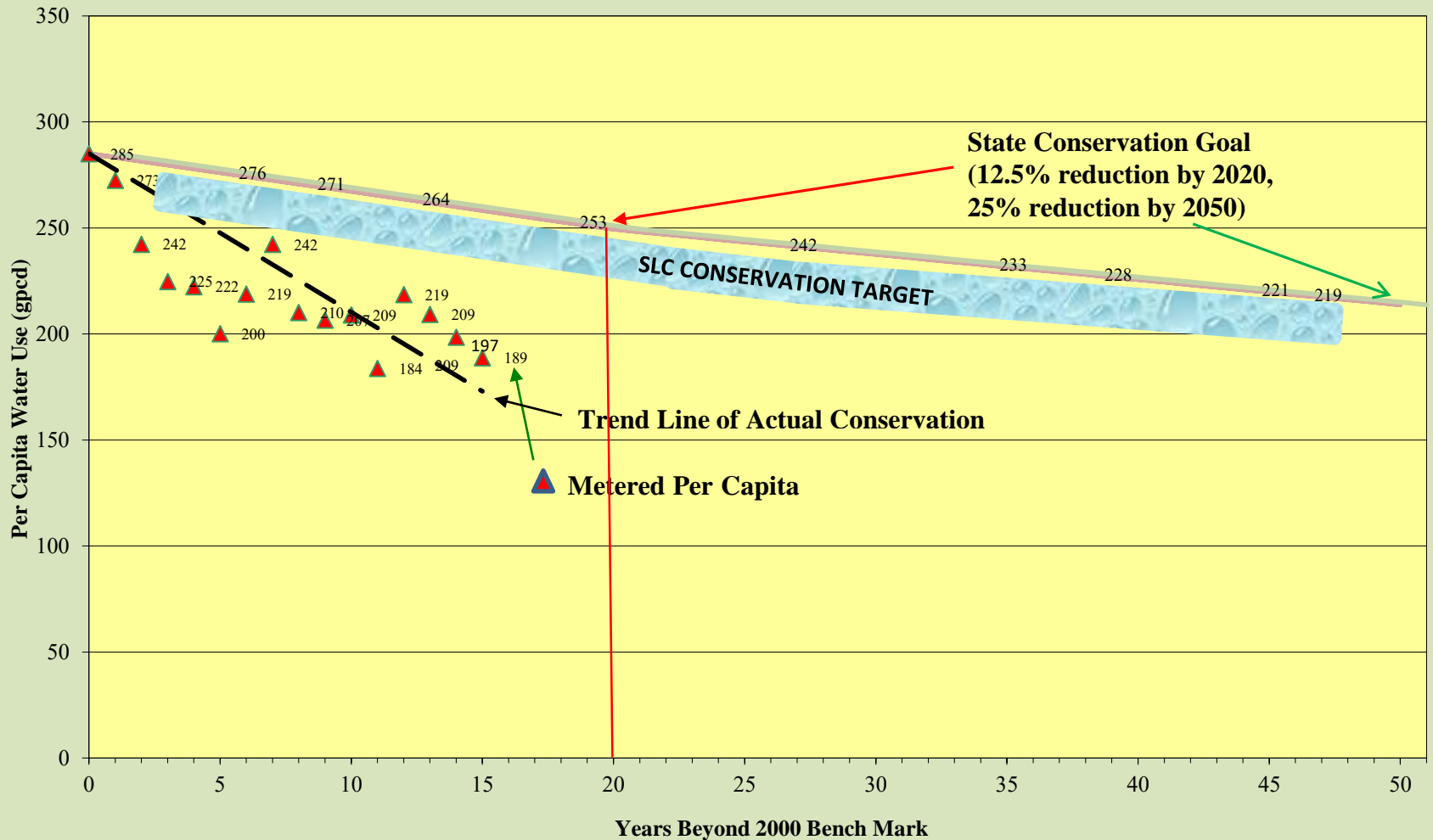
| | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 00 | 01 | 02 | 03 | 04 | 05 | 06 | 07 | 08 | 09 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----|-----|
| Water & Sewer | 390 | 389 | 388 | 379 | 378 | 377 | 372 | 368 | 365 | 372 | 380 | 376 | 377 | 373 | 372 | 372 | 370 | 369 | 364 | 363 | 363 | 360 | 360 | 360 | 362 | 363 | 365 | 367 | 369 | 372 | 373 | 376 | 387 |
| Storm Water | | | | 16 | 14 | 16 | 18 | 21 | 28 | 28 | 31 | 30 | 29 | 29 | 29 | 28 | 28 | 27 | 27 | 27 | 27 | 27 | 27 | 28 | 28 | 28 | 29 | 29 | 29 | 30 | 31 | 31 | 34 |
| Street Lighting | | | | | | | | | | | | | | | | | | | | | | | | | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 |
| # of Water Connections | 80,860 | 82,640 | 83,129 | 84,098 | 84,526 | 85,921 | 86,360 | 86,665 | 87,233 | 85,514 | 89,191 | 90,393 | 89,776 | 80,218 | 90,766 | 91,283 | 81,751 | 92,955 | 92,344 | 90,748 | 90,912 | 90,920 | 90,976 | 90,958 | 90,624 | 90,251 | 90,349 | 90,435 | 90,451 | 91,467 | 91,545 | ??? | ??? |

MILLION GALLONS DELIVERED BY YEAR

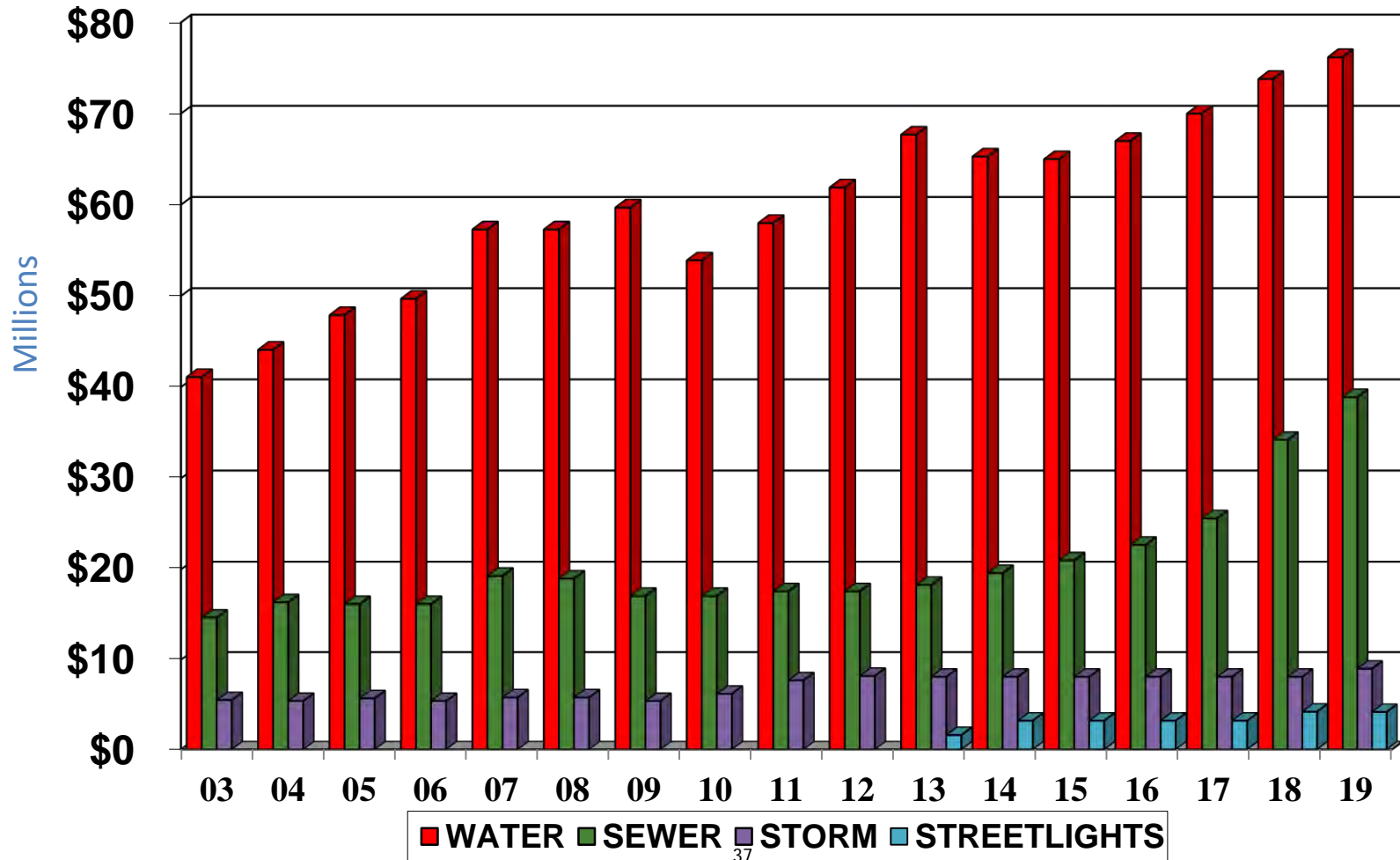


Salt Lake City Conservation Trend

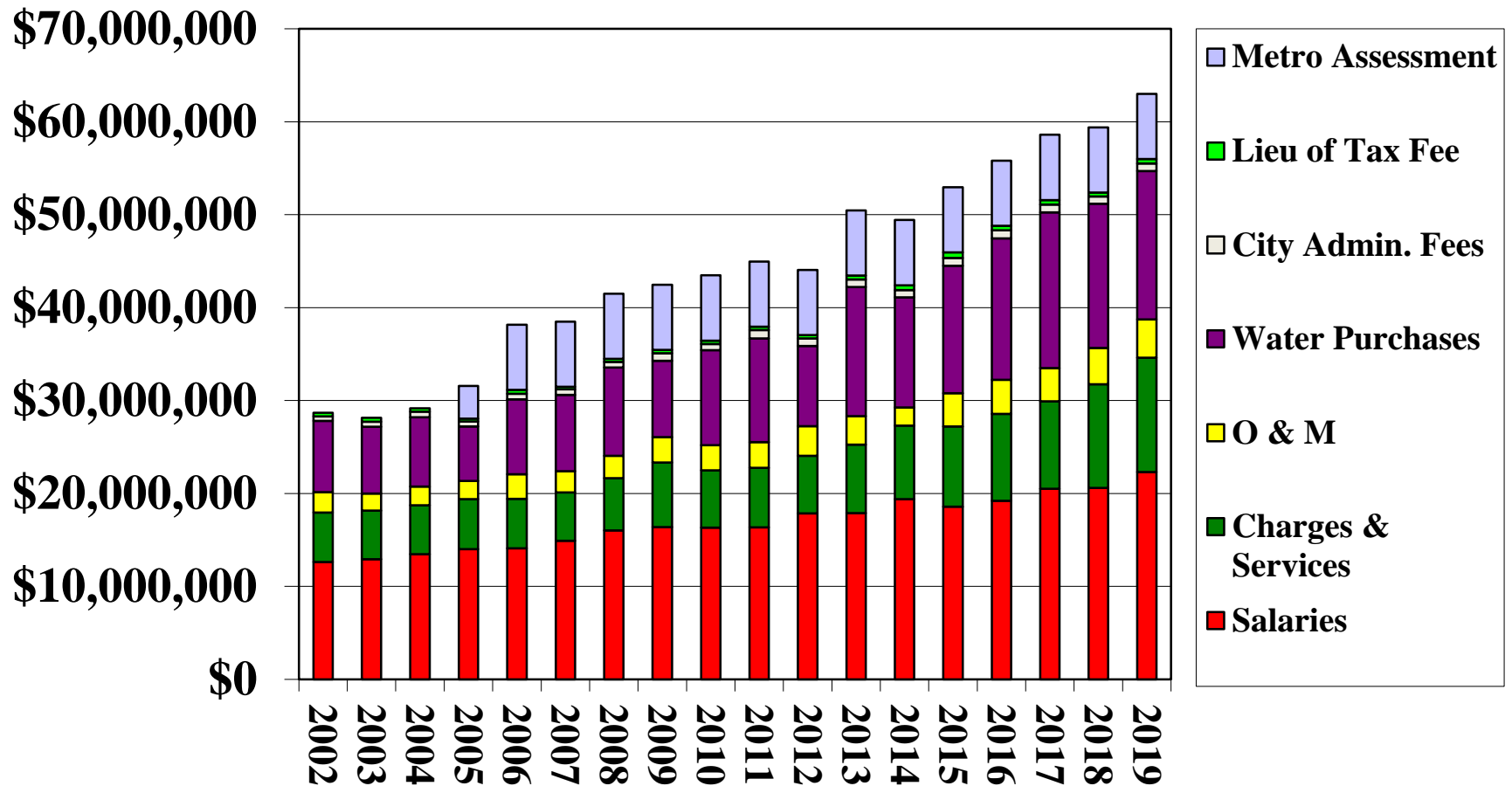
Documentation of Conservation Performance



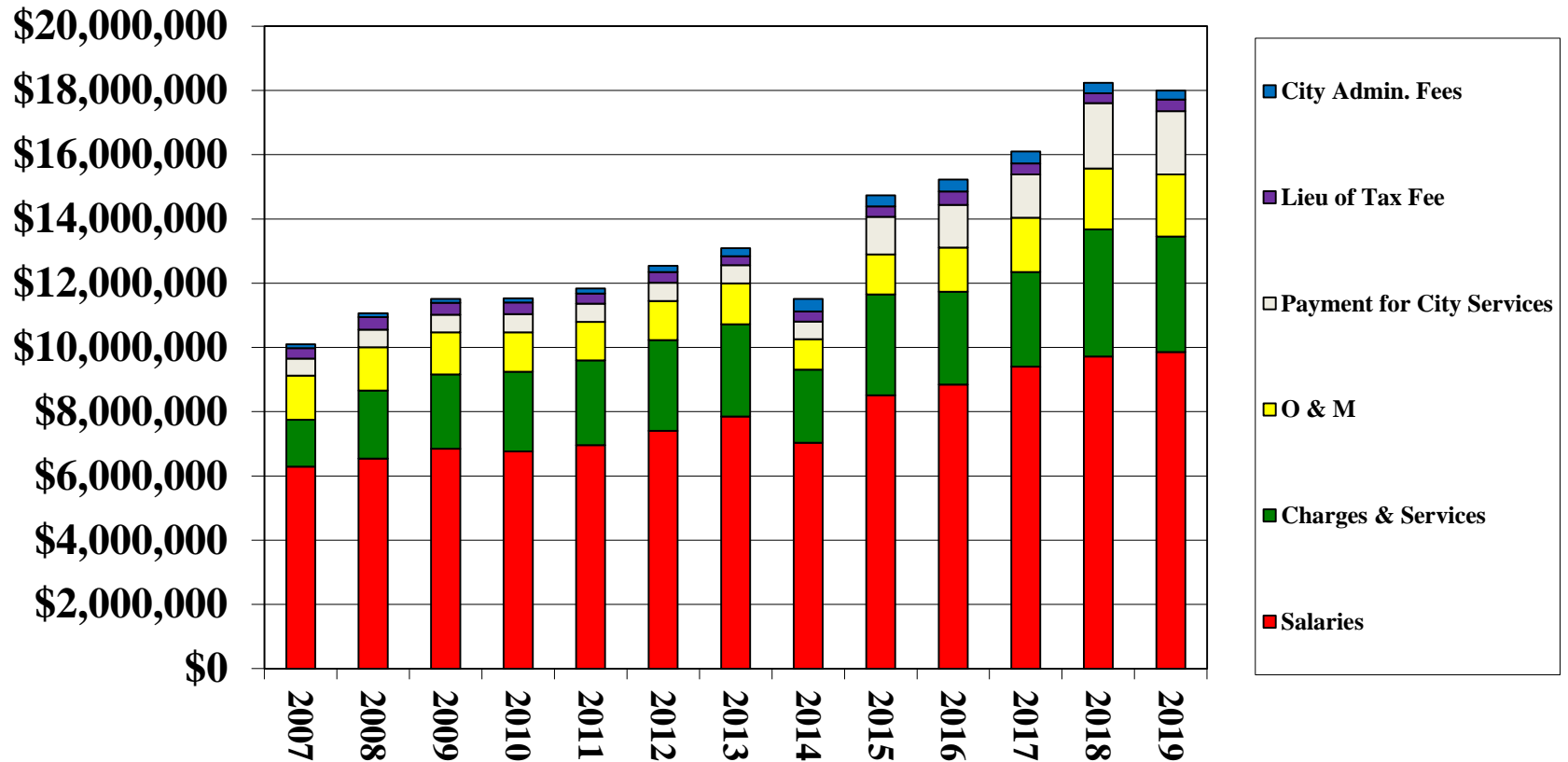
Public Utilities Operating Revenue



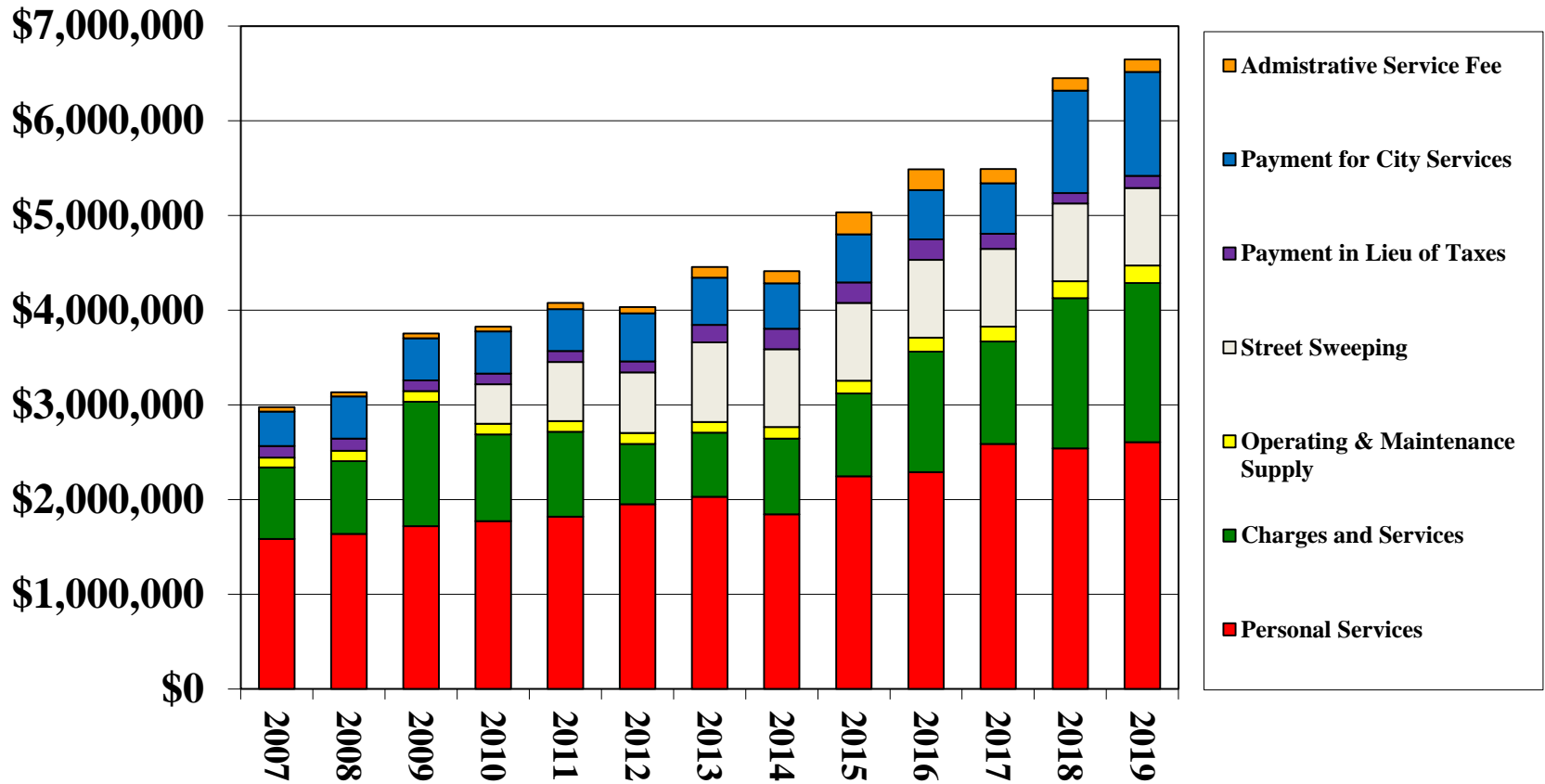
WATER UTILITY OPERATING COSTS



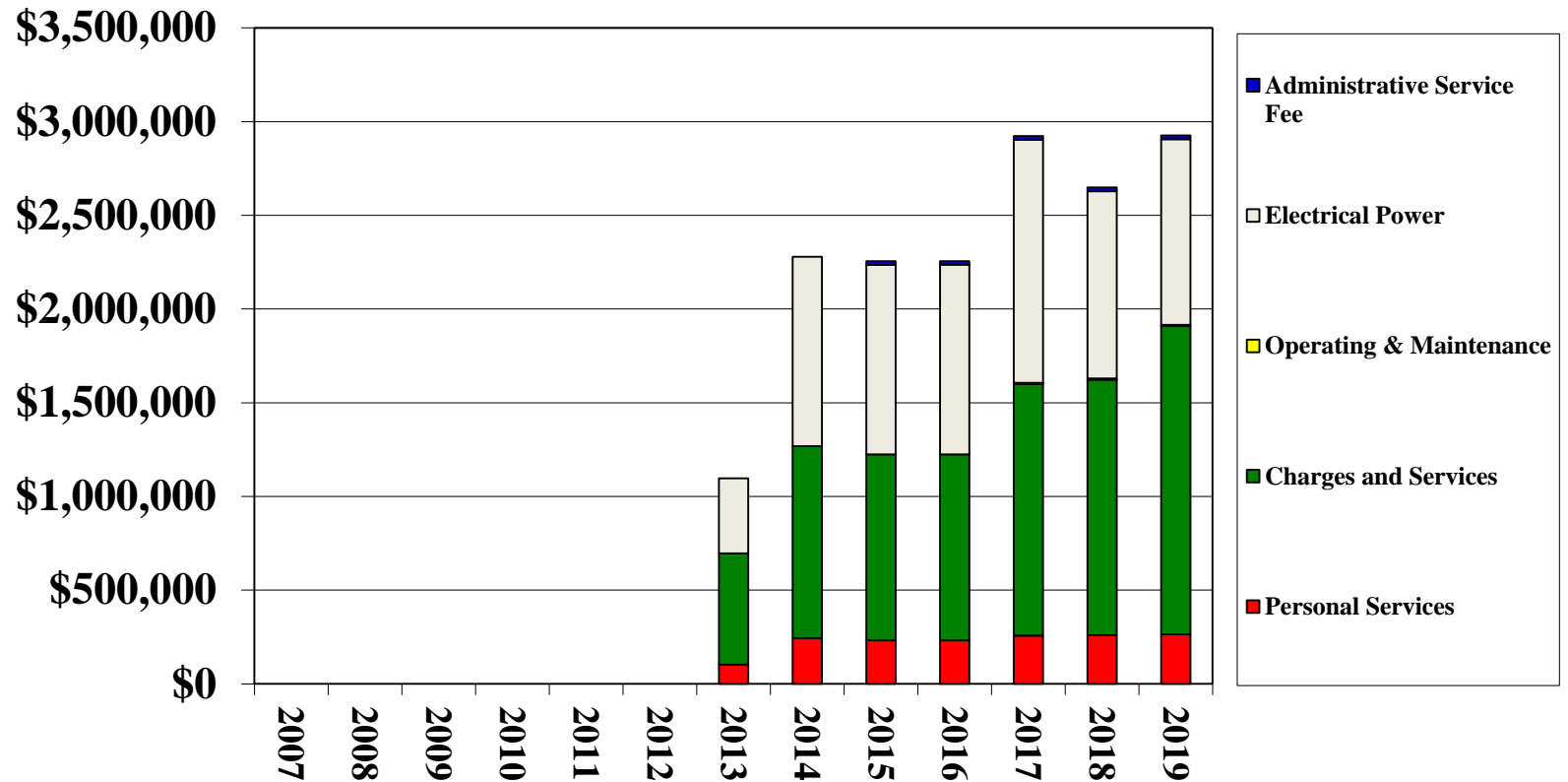
SEWER UTILITY OPERATING COSTS



STORM WATER UTILITY OPERATING COSTS



STREET LIGHTING UTILITY OPERATING COSTS



Water Operating Budget Differences from Prior Year to FY 2018-19

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Salaries: Cola, Insurance, Step Upgrades, FTE 8.24 | \$ 1,484,361 |
| Operations & Maintenance: Computer Supplies, Repair Work, Bldg. Supplies, Lab Supplies, Small Tools, Safety, Culvert Material, Other Supplies | \$ 317,450 |
| Travel & Training: In City Conventions & Workshops, Out of Town Travel | \$ 21,260 |
| Utilities Cost: Electric, Gas, Sewer, Street Lighting Fund Fees | \$ 108,999 |
| Professional and Technical Services: Public Relations, Counseling Services, Chemical Analysis, Water Filing Fees | \$ <273,680> |
| Data Processing: City Data Processing Service, Computer Equip. Maint., Communication Contract, Preventive Maint. Contract, Micro-Computer Discretionary | \$ 192,348 |
| Fleet Maintenance: Preventive Maintenance | \$ <20,000> |
| Payment in Lieu of Taxes | \$ 77,515 |
| Metro Water Purchase & Treatment | \$ 465,868 |
| Bonding Note Expense | \$ <5,000> |
| Risk Management | \$ <50,000> |
| Other Charges and Services | \$ <27,317> |
| Total Increase | \$ 2,291,804 |

Sewer Operating Budget Differences from Prior Year to FY 2018-19

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Salaries: Cola, Insurance, Step Upgrades, FTE 2.95 | \$ 658,261 |
| Operations and Maintenance: Computer Supplies, Bldg. Supplies, Lab Supplies, Small Tools, Parts and Accessories, Other Supplies | \$ 42,100 |
| Travel & Training: In City Conventions & Workshops, Out of Town Travel | \$ 15,700 |
| Utilities Cost: Electric, Gas, Sewer, Duct Rental, Monthly Telephone Fee | \$ <4,839> |
| Professional and Technical Services: Auditor Fees, Special Consultant, Other Professional Services | \$ <840,000> |
| Date Processing: City Data Processing Service, Micro Computer Maintenance Contract | \$ 75,000 |
| Fleet Maintenance: Maintenance Repair, Preventive Maintenance | \$ 25,000 |
| Administrative Services | \$ <50,000> |
| Payment in Lieu of Taxes | \$ 61,725 |
| Risk Management | \$ <173,695> |
| Other Charges and Services | \$ <25,262> |
| Total Decrease | <hr/> \$ <216,010> |

Stormwater Operating Budget Differences from Prior Year to FY 2018-19

| | |
|---------------------------------------------------------------------------------------------------------------|------------------|
| Salaries: Cola, Insurance, Step Upgrades, Incease 1.68 FTEs | \$ 331,842 |
| Operations & Maintenance: Computer Supplies, Parts Non-Motive, Parts and Supplies | \$ 7,100 |
| Travel & Training: Out of Town and In City Training | \$ <250> |
| Utilities Cost: Increase in Electrical Power | \$ 39,024 |
| Professional and Technical Services: Public Relations and Other Professional and Technical Services | \$ <185,587> |
| Data Processing: City Data Processing Service, Computer Equipment Maintenance | \$ 4,700 |
| Payment in Lieu of Taxes | \$ 16,157 |
| Billing Costs | \$ 149,137 |
| Other Charges and Services | \$ 2,649 |
| Total Increase | <hr/> \$ 364,772 |

Street Lights Operating Budget Differences from Prior Year to FY 2018-19

| | |
|------------------------------------------------------------------------------------------------------------|------------------|
| Salaries: Cola, Insurance, Step Upgrades, FTE decrease of 0.92 | \$ <61,117> |
| Travel and Training: Out of Town Travel and in City Training | \$ 300 |
| Utilities | \$ <7,768> |
| Professional and Technical Services: Special Consultant, Other Professional & Technical Services | \$ 279,708 |
| Other Charges and Service | \$ 500 |
| Total Increase | <hr/> \$ 211,623 |

**PUBLIC UTILITIES
FEES AND CHARGES PAID TO THE GENERAL FUND
FOR SERVICES RENDERED
OR COLLECTED BY CITY ORDINANCE**

| DESCRIPTION OF SERVICES | June 30, 2017 ACTUALS WATER | June 30, 2017 ACTUALS SEWER | June 30, 2017 ACTUALS STORM | June 30, 2017 ACTUALS STREET LIGHT | ACTUAL Public Utilities June 30, 2017 TOTALS | FY 2017/2018 BUDGET | FY PROPOSED 2018/2019 BUDGET |
|------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------------|-------------------------------------------------------|------------------------|------------------------------------|
| Administrative Service Fees (General Fund) | | | | | | | |
| Human Resources | \$ 160,182 | \$ 118,690 | \$ 51,791 | \$ 409 | \$ 331,072 | \$ 350,660 | \$ 358,450 |
| City Attorney | 124,489 | 15,530 | 5,916 | 8,628 | 154,563 | 158,640 | 167,350 |
| Accounting/Finance | 139,249 | 91,842 | 17,434 | 2,960 | 251,485 | 178,450 | 272,280 |
| Purchasing & Contracts | 61,631 | 22,066 | 2,357 | 2,732 | 88,786 | 124,300 | 96,130 |
| City Recorders | 52,625 | 15,485 | 10,718 | 839 | 79,667 | 108,030 | 86,260 |
| Property Management | 4,635 | 2,089 | 425 | 31 | 7,180 | 5,500 | 7,770 |
| Budget and Policy | 27,001 | 11,580 | 3,502 | 203 | 42,286 | 26,450 | 45,780 |
| Non-discretionary IMS Costs | 102,440 | 52,288 | 27,325 | 338 | 182,391 | 194,700 | 197,480 |
| Treasurer's Office (cash mgt.) | 9,725 | 1,749 | 1,354 | 75 | 12,903 | 17,500 | 13,970 |
| City Council | 25,597 | 12,798 | 4,541 | 4,129 | 47,065 | 91,420 | 50,960 |
| Mayor | 631 | 1,262 | 631 | 315 | 2,839 | 15,430 | 3,070 |
| Community Affairs | 472 | 264 | 94 | 94 | 924 | 3,920 | 1,000 |
| Total Admin Fees | \$ 708,677 | \$ 345,643 | \$ 126,088 | \$ 20,753 | \$ 1,201,161 | \$ 1,275,000 | \$ 1,300,500 |
| Tax of Fee Authorized | | | | | | | - |
| Payment in Lieu-of-Taxes (General Fund) | \$ 475,281 | \$ 345,994 | \$ 160,102 | \$ - | \$ 981,377 | \$ 814,795 | 970,192 |
| Franchise Fees (General Fund) | 2,648,700 | 884,634 | 368,353 | - | 3,901,687 | 5,029,151 | 5,507,794 |
| Sub Total | \$ 3,123,981 | \$ 1,230,628 | \$ 528,455 | \$ - | \$ 4,883,064 | \$ 5,843,946 | \$ 6,477,986 |
| Internal Service Fund Services | | | | | | | |
| Fleet Mgt. Services | \$ 983,193 | \$ 467,758 | \$ 182,975 | \$ - | \$ 1,633,927 | \$ 2,002,000 | \$ 2,007,000 |
| City Data Processing (IMS) | 583,476 | 249,464 | 212,506 | - | 1,045,445 | 915,000 | 1,154,700 |
| Telephone Charges | 61,476 | 40,068 | 8,226 | - | 109,770 | 92,400 | 92,400 |
| Risk Mgt. Administrative Fees (Gov. Immunity) | 116,735 | 16,366 | 2,478 | - | 135,579 | 241,550 | 206,550 |
| Risk Management Premiums & Charges | 773,106 | 242,268 | 68 | 7,551 | 1,022,993 | 1,466,178 | 1,277,483 |
| Sub Total | \$ 2,517,986 | \$ 1,015,924 | \$ 406,254 | \$ 7,551 | \$ 3,947,714 | \$ 4,717,128 | 4,738,133 |
| Special Associated Charges (indirect benefit) | | | | | | | |
| OneSolution Maintenance (network financial system) | \$ 82,822 | \$ 17,540 | \$ 2,769 | \$ - | \$ 103,131 | \$ 109,000 | 109,000 |
| Street Sweeping | - | - | 819,605 | - | 819,605 | 819,605 | 819,605 |
| Neighborhood Clean-up | - | - | - | - | - | 118,000 | 118,000 |
| Emergency Management | - | - | - | - | - | 30,000 | 30,000 |
| Tracy Aviary Stormwater Education Cost | - | - | 150,000 | - | 150,000 | 150,000 | 75,000 |
| Sub Total | \$ 82,822 | \$ 17,540 | \$ 972,374 | \$ - | \$ 1,072,736 | \$ 1,226,605 | \$ 1,151,605 |
| TOTAL FEES, TAXES AND CHARGES | \$ 6,433,466 | \$ 2,609,735 | \$ 2,033,171 | \$ 28,304 | \$ 11,104,675 | \$ 13,062,679 | \$ 13,668,224 |

WATER RATES COMPARED WITH NEARBY STATES

| RANKING | <i>Comparison of Recognizable Cities in Western States</i> City, State | AVERAGE MONTHLY CHARGES |
|---------|--------------------------------------------------------------------------------------|----------------------------------------|
| 1 | FLAGSTAFF, ARIZONA | \$116.77 |
| 2 | CHEYENNE, WYOMING | 66.66 |
| 3 | DENVER, COLORADO | 55.79 |
| 4 | RENO, NEVADA | 49.64 |
| 5 | PHOENIX, ARIZONA | 48.27 |
| 6 | BOISE, IDAHO | 44.38 |
| 7 | LAS VEGAS, NEVADA | 41.44 |
| 8 | SALT LAKE CITY, UTAH (Proposed) 4% | 37.44 |
| 8 | SALT LAKE CITY, UTAH (Current) | 36.02 |
| 9 | HENDERSEN, NEVADA | 26.06 |

Cities compared with 7,480 gallons per month and 24,000 gallons summer usage
 Based on eight months Winter and four months Summer usage

Public Utilities Department

Local Area Water Rate Comparison - November 2017

(Highest to Lowest Ranking)

| RANKING | CITY OR DISTRICT NAME | MONTHLY MINIMUM CHARGE | MINIMUM ALLOWANCE IN GALLONS | RATE OVER MINIMUM ALLOWANCE | PER GALLONS | MONTHLY FLOURIDE CHARGE | WINTER @ 7,480 GAL PER MONTH | SUMMER @ 23,936 GAL PER MONTH | TOTAL WINTER CHARGES* | TOTAL SUMMER CHARGES* | YEARLY TAX ON \$200,000 PROPERTY | TOTAL CHARGES |
|---------|---------------------------------------------|------------------------------|------------------------------------|-----------------------------------|----------------|-------------------------------|------------------------------------|-------------------------------------|-----------------------------|-----------------------------|----------------------------------------|------------------|
| 1 | PARK CITY - GRADUATED RATES (1) | 47.65 | 0 | 5.94 - 10.01 | 1,000 | | 100.96 | 262.00 | 807.68 | 1048.00 | | 1855.67 |
| 2 | AMERICAN FORK - GRADUATED RATES (2) | 28.18 | 6,000 | 3.49 - 4.96 | 1,000 | | 33.35 | 112.73 | 266.76 | 450.93 | | 717.69 |
| 3 | DRAPER CITY - GRADUATED RATES (3) | 20.25 | 0 | 2.05 - 3.71 | 1,000 | | 39.08 | 97.00 | 312.65 | 388.01 | | 700.66 |
| 4 | SOUTH JORDAN CITY - GRADUATED RATES (4) | 34.88 | 0 | 1.64 - 1.84 | 1,000 | | 47.15 | 76.92 | 377.18 | 307.69 | | 684.87 |
| 5 | RIVERTON CITY | 2.50 | 0 | 3.91 | 1,000 | | 31.75 | 96.09 | 253.97 | 384.36 | | 638.33 |
| | SALT LAKE CITY - OUTSIDE OF CITY (Proposed) | 13.35 | 0 | 1.82 - 3.47 | 7.48 | | 31.55 | 88.49 | 252.40 | 353.96 | | 606.36 |
| 6 | KEARNS IMPROVEMENT DIST-GRADUATED RATES (5) | 11.60 | 0 | 2.33 - 2.92 | 1,000 | | 29.03 | 75.59 | 232.23 | 302.37 | 56.41 | 591.01 |
| 7 | OGDEN CITY - GRADUATED RATES (6) | 20.27 | 0 | 1.74 - 2.66 | 1,000 | | 34.65 | 78.42 | 277.17 | 313.68 | | 590.85 |
| 8 | SALT LAKE CITY - OUTSIDE OF CITY | 12.84 | 0 | 1.75 - 3.34 | 748 | | 30.34 | 85.02 | 242.72 | 340.08 | | 582.80 |
| 9 | WEST JORDAN CITY (7) | 26.58 | 0 | 1.50 - 1.98 | 1,000 | | 37.91 | 67.36 | 303.28 | 269.45 | | 572.74 |
| 10 | SANDY CITY - OUTSIDE OF CITY (8) | 19.00 | 0 | 1.71 - 2.62 | 1,000 | | 33.14 | 76.25 | 265.10 | 305.01 | | 570.11 |
| 11 | MAGNA - GRADUATED RATES (9) | 16.74 | 6,000 | 1.73 - 1.95 | 1,000 | 0.94 | 20.24 | 50.02 | 161.92 | 200.06 | 196.31 | 558.29 |
| 12 | SANDY CITY - INSIDE OF CITY (10) & (11) | 13.74 | 0 | 1.56 - 2.41 | 1,000 | | 26.67 | 66.33 | 213.33 | 265.30 | 38.17 | 516.81 |
| 13 | PLEASANT GROVE - GRADUATED RATES (12) | 20.81 | 5,000 | 2.52 - 2.95 | 1,000 | | 27.06 | 73.47 | 216.48 | 293.88 | | 510.36 |
| | SALT LAKE CITY - INSIDE OF CITY (Proposed) | 9.89 | 0 | 1.35 - 2.57 | 7.48 | | 23.39 | 65.53 | 187.12 | 262.12 | 35.75 | 484.99 |
| 14 | BOUNTIFUL CITY - RESIDENTIAL HIGH ELEVATION | 23.57 | 5,000 | 1.98 | 1,000 | | 28.48 | 61.06 | 227.84 | 244.25 | | 472.10 |
| 15 | SALT LAKE CITY - INSIDE OF CITY (10) | 9.51 | 0 | 1.30 - 2.47 | 748 | | 22.51 | 63.05 | 180.08 | 252.20 | 35.75 | 468.03 |
| 16 | CITY OF SOUTH SALT LAKE | 19.00 | 5,000 | 2.25 | 1,000 | 2.00 | 26.58 | 63.61 | 212.64 | 254.42 | | 467.06 |
| 17 | GRANGER - HUNTER IMPROVEMENT DISTRICT | 13.00 | 0 | 1.57 | 1,000 | | 24.74 | 50.58 | 197.95 | 202.32 | 30.91 | 431.18 |
| 18 | BOUNTIFUL CITY - RESIDENTIAL LOW ELEVATION | 21.39 | 5,000 | 1.79 | 1,000 | | 25.83 | 55.29 | 206.63 | 221.14 | | 427.78 |
| 19 | JVWCD | 3.00 | 0 | 1.87 - 2.34 | 1,000 | | 16.99 | 59.01 | 135.90 | 236.04 | 44.00 | 415.94 |
| 20 | PROVO | 15.29 | 0 | 0.87 - 1.44 | 1,000 | | 21.80 | 49.76 | 174.38 | 199.03 | | 373.41 |
| 21 | TAYLORSVILLE/BENNION IMPROVEMENT DISTRICT | 5.00 | 0 | 1.87 | 1,000 | | 18.99 | 49.76 | 151.90 | 199.04 | 7.48 | 358.42 |
| 22 | OREM - GRADUATED RATES (13) | 17.16 | 0 | 0.79 - 0.99 | 1,000 | | 23.07 | 38.66 | 184.55 | 154.63 | | 339.18 |
| 23 | MURRAY CITY | 7.21 | 0 | 0.89 - 1.28 | 748 | | 16.11 | 48.17 | 128.88 | 192.68 | | 321.56 |

* BASED ON EIGHT MONTHS WINTER AND FOUR MONTHS SUMMER

(1) RATES ARE \$5.94/THOUSAND FOR 0-5,000 GALLONS, \$9.52/THOUSAND FOR 5,001-15,000 GAL, & \$10.01/THOUSAND FOR 15,001-25,000 GAL.

(2) RATES ARE \$28.18 FOR 0-6,000 GALLONS, \$3.49/THOUSAND FOR 6,001-9,000 GAL, & \$4.96/THOUSAND OVER 9,000 GAL.

(3) RATES ARE \$2.05/THOUSAND FOR 0-5,000 GALLONS, \$3.46/THOUSAND FOR 5,001-20,000 GAL, & \$3.71/THOUSAND FOR 20,001-50,000 GAL.

(4) RATES ARE \$1.64/THOUSAND FOR 0-10,000 GALLONS AND \$1.84/THOUSAND FOR 10,001-28,000 GAL.

(5) RATES ARE \$2.33/THOUSAND FOR 0-10,000 GALLONS & \$2.92/THOUSAND FOR 10,001-25,000 GALLONS

(6) RATES ARE \$1.74/THOUSAND FOR 0-6,000 GALLONS & \$2.66/THOUSAND FOR 6,001-42,000 GAL.

(7) RATES ARE \$1.50/THOUSAND FOR 0-7,000 GALLONS, \$1.73/THOUSAND FOR 7,001-20,000 GAL & \$1.98/THOUSAND FOR OVER 20,000 GAL.

(8) RATES ARE \$1.71/THOUSAND FOR 0-6,000 GALLONS & \$2.62/THOUSAND FOR 6,001-40,000 GAL.

(9) RATES ARE \$16.74 FOR 0-6,000 GALLONS, \$1.73/THOUSAND FOR 6,001-18,000 GALLONS, & \$1.95/THOUSAND FOR 18,001-35,000 GALLONS

(10) INCLUDES METROPOLITAN WATER PROPERTY TAX

(11) RATES ARE \$1.56/THOUSAND FOR 0-6,000 GALLONS & \$2.41/THOUSAND FOR 6,001-40,000 GAL.

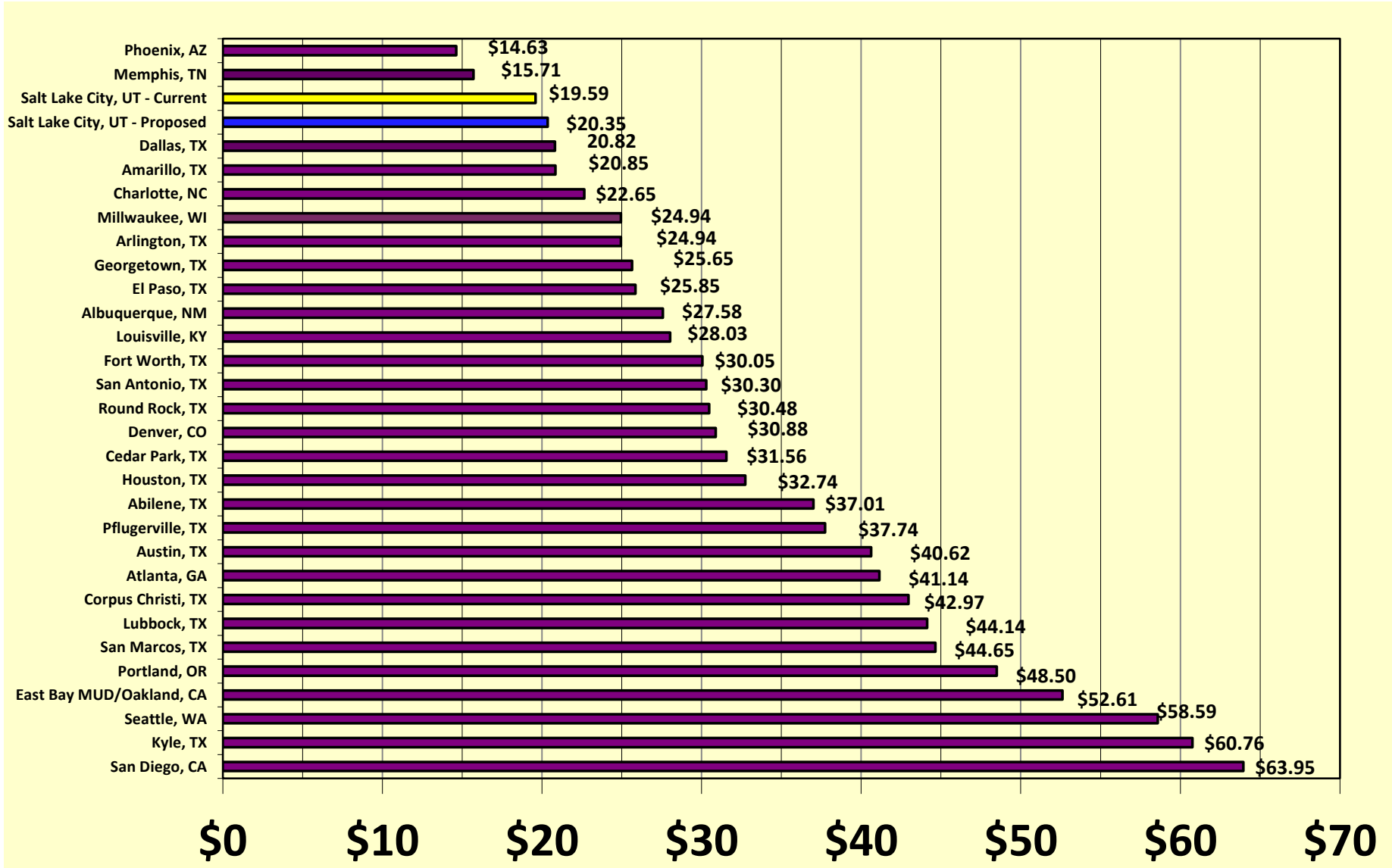
(12) RATES ARE \$20.81 FOR 0-5,000 GALLONS, \$2.52/THOUSAND FOR 5,001-10,000 GALLONS, \$2.74/THOUSAND FOR 10,001-15,000 GALLONS, & \$2.95/THOUSAND FOR 15,001-50,000 GALLONS

(13) RATES ARE \$0.79/THOUSAND FOR 0-11,000 GALLONS & \$0.99/THOUSAND FOR 11,001-34,000 GAL.

AVERAGE MONTHLY BILL COMPARISON-WATER

RESIDENTIAL CLASS

SLC Rates Current – Other City as of March 2018 (Average of 5,800 gallons a month)



Comparison of Water Rates for City Residential Customers

| Block | Current Rates | Proposed Rates | Changes |
|------------------------------------------------|----------------------------|----------------|---------|
| Winter Period (Nov - Mar) | Block 1 Rate for All Usage | | |
| (Nov - Mar) | | | |
| Summer Rate Structure (Apr - Oct) | | | |
| Block 1 1 - 10 ccf | \$1.30 | \$1.35 | \$0.05 |
| | | | 4% |
| Block 2 11 - 30 ccf | \$1.78 | \$1.85 | \$0.07 |
| | | | 4% |
| Block 3 31 - 70 ccf | \$2.47 | \$2.57 | \$0.10 |
| | | | 4% |
| Block 4 >70 ccf | \$2.63 | \$2.74 | \$0.11 |
| | | | 4% |
| County volume rates are 1.35 times City rates. | | | |

Comparison of Water Rates for County Residential Customers

| Block | Current Rates | Proposed Rates | Changes |
|------------------------------------------------|----------------------------|----------------|---------|
| Winter Period (Nov - Mar) | Block 1 Rate for All Usage | | |
| (Nov - Mar) | | | |
| Summer Rate Structure (Apr - Oct) | | | |
| Block 1 1 - 10 ccf | \$1.75 | \$1.82 | \$0.07 |
| | | | 4% |
| Block 2 11 - 30 ccf | \$2.40 | \$2.50 | \$0.10 |
| | | | 4% |
| Block 3 31 - 70 ccf | \$3.34 | \$3.47 | \$0.13 |
| | | | 4% |
| Block 4 >70 ccf | \$3.55 | \$3.70 | \$0.15 |
| | | | 4% |
| County volume rates are 1.35 times City rates. | | | |

Water Rate Change

Monthly Impact on Select City Customers

| Account Type | Avg Monthly Usage | FY 18 Current Rate | Current Increase 4% | Difference | |
|--------------------------------------|-------------------------|--------------------------|---------------------------|------------|----|
| | | | | Amount | % |
| Small Residential Meter SZ 3/4" | 8 ccf | \$ 19.91 | \$ 20.71 | \$ 0.80 | 4% |
| Average Residential Meter SZ 3/4" | 21 ccf | \$ 44.83 | \$ 46.62 | \$ 1.79 | 4% |
| Large Residential Meter SZ 1" | 70 ccf | \$ 157.47 | \$ 163.77 | \$ 6.30 | 4% |
| Industrial Meter SZ 2" | 8,040 ccf | \$ 11,379 | \$ 11,834 | \$ 455.16 | 4% |
| Commercial Meter SZ 2" | 966 ccf | \$ 1,313 | \$ 1,366 | \$ 52.52 | 4% |

Water Rate Change

Annual Impact on Select City Customers

| Account Type | Annual Usage | FY 18 Current Rate | Current Increase 4% | Difference | |
|--------------------------------------|--------------|--------------------|---------------------|------------|----|
| | | | | Amount | % |
| Small Residential Meter SZ 3/4" | 96 ccf | \$ 238.92 | \$ 248.48 | \$ 9.56 | 4% |
| Average Residential Meter SZ 3/4" | 255 ccf | \$ 537.96 | \$ 559.48 | \$ 21.52 | 4% |
| Large Residential Meter SZ 1" | 838 ccf | \$1,889.64 | \$1,965.23 | \$ 75.59 | 4% |
| Industrial Meter SZ 2" | 96,476 ccf | \$ 136,546 | \$ 142,008 | \$5,461.84 | 4% |
| Commercial Meter SZ 2" | 11,597 ccf | \$ 15,758 | \$ 16,388 | \$ 630.32 | 4% |

Water Rate Change

Monthly Impact on Select County Customers

| Account Type | Avg Monthly Usage | FY 18 Current Rate | Current Increase 4% | Difference | |
|--------------------------------------|-------------------------|--------------------------|---------------------------|------------|----|
| | | | | Amount | % |
| Small Residential Meter SZ 3/4" | 8 ccf | \$ 26.54 | \$ 27.60 | \$ 1.06 | 4% |
| Average Residential Meter SZ 3/4" | 21 ccf | \$ 60.13 | \$ 62.54 | \$ 2.41 | 4% |
| Large Residential Meter SZ 1" | 70 ccf | \$ 212.02 | \$ 220.50 | \$ 8.48 | 4% |
| Industrial Meter SZ 2" | 8,040 ccf | \$ 15,484 | \$ 16,103 | \$ 619.36 | 4% |
| Commercial Meter SZ 2" | 966 ccf | \$ 1,768 | \$ 1,839 | \$ 70.72 | 4% |

Water Rate Change

Annual Impact on Select County Customers

| Account Type | Annual Usage | FY 18 Current Rate | Current Increase 4% | Difference | |
|--------------------------------------|--------------|--------------------|---------------------|------------|----|
| | | | | Amount | % |
| Small Residential Meter SZ 3/4" | 96 ccf | \$ 318.48 | \$ 331.22 | \$ 12.74 | 4% |
| Average Residential Meter SZ 3/4" | 255 ccf | \$ 721.56 | \$ 750.42 | \$ 28.86 | 4% |
| Large Residential Meter SZ 1" | 838 ccf | \$2,544.24 | \$2,646.01 | \$ 101.77 | 4% |
| Industrial Meter SZ 2" | 96,476 ccf | \$ 185,808 | \$ 193,240 | \$7,432.32 | 4% |
| Commercial Meter SZ 2" | 11,597 ccf | \$ 21,216 | \$ 22,065 | \$ 848.64 | 4% |

Comparison of Monthly Base Rate for City Customers

| Meter Size (inches) | Existing | Proposed Rate | Changes | |
|---------------------------------------------------------------|----------|------------------|---------|----|
| | | | \$ | % |
| 3/4 | 9.51 | 9.89 | 0.38 | 4% |
| 1 | 9.51 | 9.89 | 0.38 | 4% |
| "1 1/2" | 11.23 | 11.68 | 0.45 | 4% |
| 2 | 12.19 | 12.68 | 0.49 | 4% |
| 3 | 20.46 | 21.28 | 0.82 | 4% |
| 4 | 21.9 | 22.78 | 0.88 | 4% |
| 6 | 31.62 | 32.88 | 1.26 | 4% |
| 8 | 56.84 | 59.11 | 2.27 | 4% |
| 10 | 105.41 | 109.63 | 4.22 | 4% |
| <i>County fixed charges are 1.35 times City fixed charges</i> | | | | |

Comparison of Monthly Base Rate for County Customers

| Meter Size (inches) | Existing | Proposed Rate | Changes | |
|---------------------------------------------------------------|----------|------------------|---------|----|
| | | | \$ | % |
| 3/4 | 12.84 | 13.35 | 0.51 | 4% |
| 1 | 12.84 | 13.35 | 0.51 | 4% |
| "1 1/2" | 15.16 | 15.77 | 0.61 | 4% |
| 2 | 16.46 | 17.11 | 0.66 | 4% |
| 3 | 27.62 | 28.73 | 1.10 | 4% |
| 4 | 29.57 | 30.75 | 1.18 | 4% |
| 6 | 42.69 | 44.39 | 1.71 | 4% |
| 8 | 76.73 | 79.80 | 3.07 | 4% |
| 10 | 142.30 | 148.00 | 5.69 | 4% |
| <i>County fixed charges are 1.35 times City fixed charges</i> | | | | |

SEWER RATES COMPARED WITH NEARBY STATES

| RANKING | Comparison of Recognizable Cities in Western States | AVERAGE MONTHLY CHARGES |
|---------|--------------------------------------------------------|-------------------------------|
| | City, State | |
| 1 | RENO, NEVADA | \$45.50 |
| 2 | BOISE, IDAHO ** | 39.70 |
| 3 | CHEYENNE, WYOMING ** | 33.32 |
| 4 | FLAGSTAFF, ARIZONA | 27.95 |
| 5 | DENVER, COLORADO | 25.78 |
| 6 | HENDERSON, NEVADA | 25.97 |
| 7 | SALT LAKE CITY, UTAH (Proposed) 15% | 24.38 |
| 8 | SALT LAKE CITY, UTAH (Current) | 21.18 |
| 9 | PHOENIX, ARIZONA | 20.81 |
| 10 | LAS VEGAS, NEVADA | 19.76 |

Annual costs based on 12 months @ 5,984 gallons per month average winter water consumption

** includes Monthly base rate

LOCAL SEWER RATE COMPARISONS

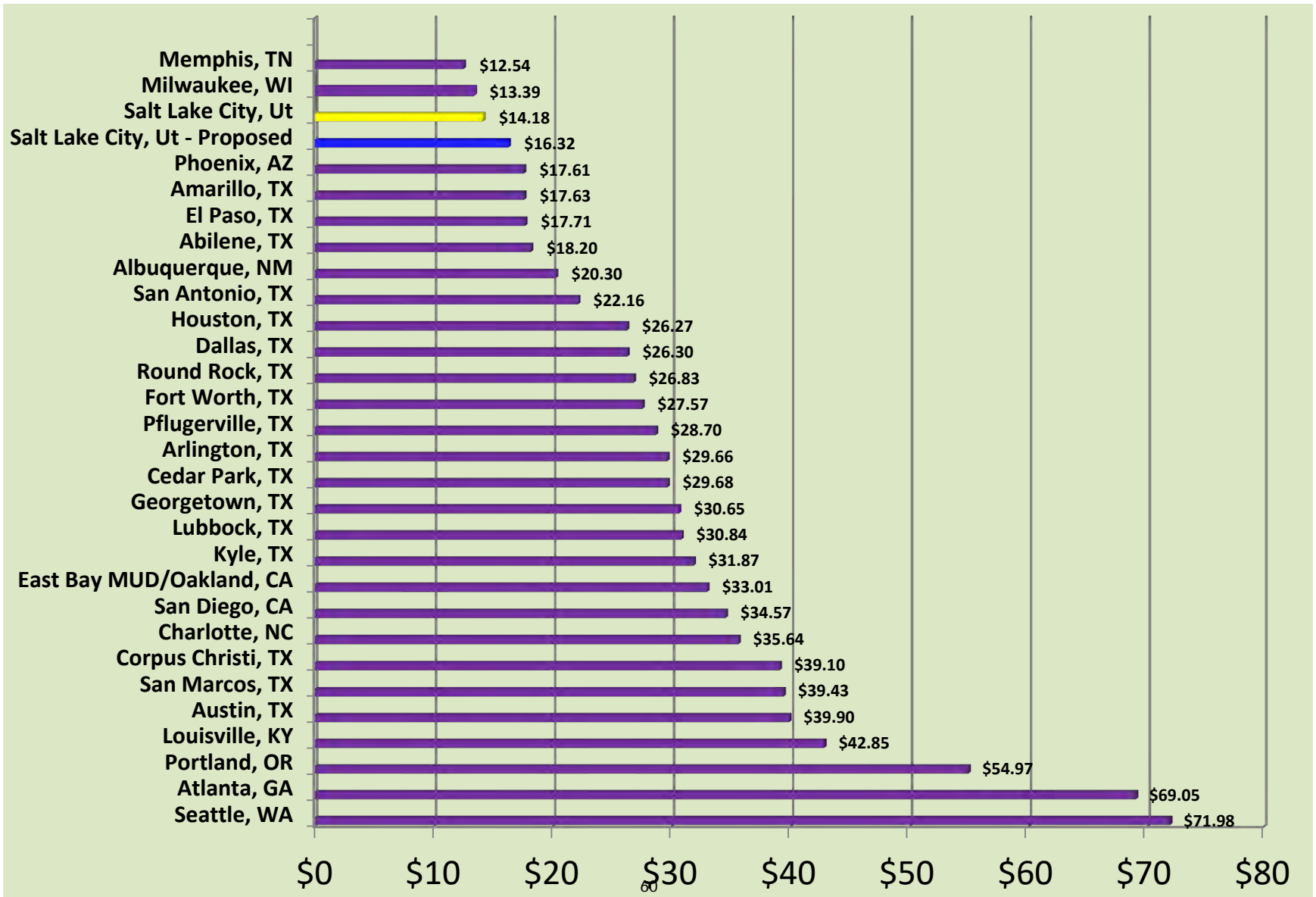
| | | ANNUAL |
|---------|------------------------------------------------|---------------|
| RANKING | CITY OR DISTRICT NAME | CHARGE * |
| 1 | KEARNS IMPROVEMENT DISTRICT ** | \$426.68 |
| 2 | MAGNA CITY | 362.09 |
| 3 | CITY OF SOUTH SALT LAKE | 359.04 |
| 4 | OGDEN CITY | 353.64 |
| 5 | SOUTH VALLEY SEWER DISTRICT | 334.76 |
| 6 | GRANGER – HUNTER IMPROVEMENT DISTRICT | 324.91 |
| 7 | WEST JORDAN CITY ** | 323.09 |
| 8 | MURRAY CITY ** | 308.30 |
| 9 | MIDVALLEY IMPROVEMENT DISTRICT | 303.43 |
| | SALT LAKE CITY (Proposed) | 292.56 |
| 10 | SANDY SUBURBAN IMPROVEMENT DISTRICT | 263.86 |
| 11 | TAYLORSVILLE – BENNION IMPROVEMENT DISTRICT ** | 261.76 |
| 12 | COTTONWOOD IMPROVEMENT DISTRICT | 260.79 |
| 13 | SALT LAKE CITY (Current) | 254.40 |
| 14 | MT OLYMPUS IMPROVEMENT DISTRICT | 212.67 |
| 15 | SOUTH DAVIS SEWER DISTRICT | 89.04 |

* Annual cost based on 12 months @5,984 gallons per month average winter consumption. Flat rate based on monthly rate multiplied by 12.

** Includes monthly base rate`

Average Monthly Bill Comparison – Wastewater Residential

SLC Rates Current – Other City as of March 2018 (Average of 4,000 Gallons of Flow)



Five-Year Projection of Customer Monthly Sewer Rates

| RATES | | | | | | | |
|---------------------------------------------------------------------------------------------|----------|-------------------------|-------------------|-------------------|-------------------|-------------------|---------------|
| Proposed Budget and Forecast | | Proposed Budget 2018/19 | Projected 2019/20 | Projected 2020/21 | Projected 2021/22 | Projected 2022/23 | 5 Year Impact |
| Customer Class | Current | 15% | 15% | 10% | 8% | 10% | |
| Small Residential | \$ 10.60 | 12.19 | 14.02 | 15.42 | 16.65 | 18.32 | 73% |
| Average Residential | \$ 21.20 | 24.38 | 28.04 | 30.84 | 33.31 | 36.64 | 73% |
| Large Residential | \$ 39.75 | 45.71 | 52.57 | 57.83 | 62.45 | 68.70 | 73% |
| Industrial 2,4 | \$ 8,821 | 10,145 | 11,666 | 12,833 | 13,859 | 15,245 | 73% |
| Commercial 2,1 | \$ 105 | 120.43 | 138.49 | 152.34 | 164.53 | 180.98 | 73% |
| <i>*Industrial & Commercial charges are calculated based on flow rate, BOD and TSS.</i> | | | | | | | |

Sewer Rate Increase

Monthly Impact on Selected Customers

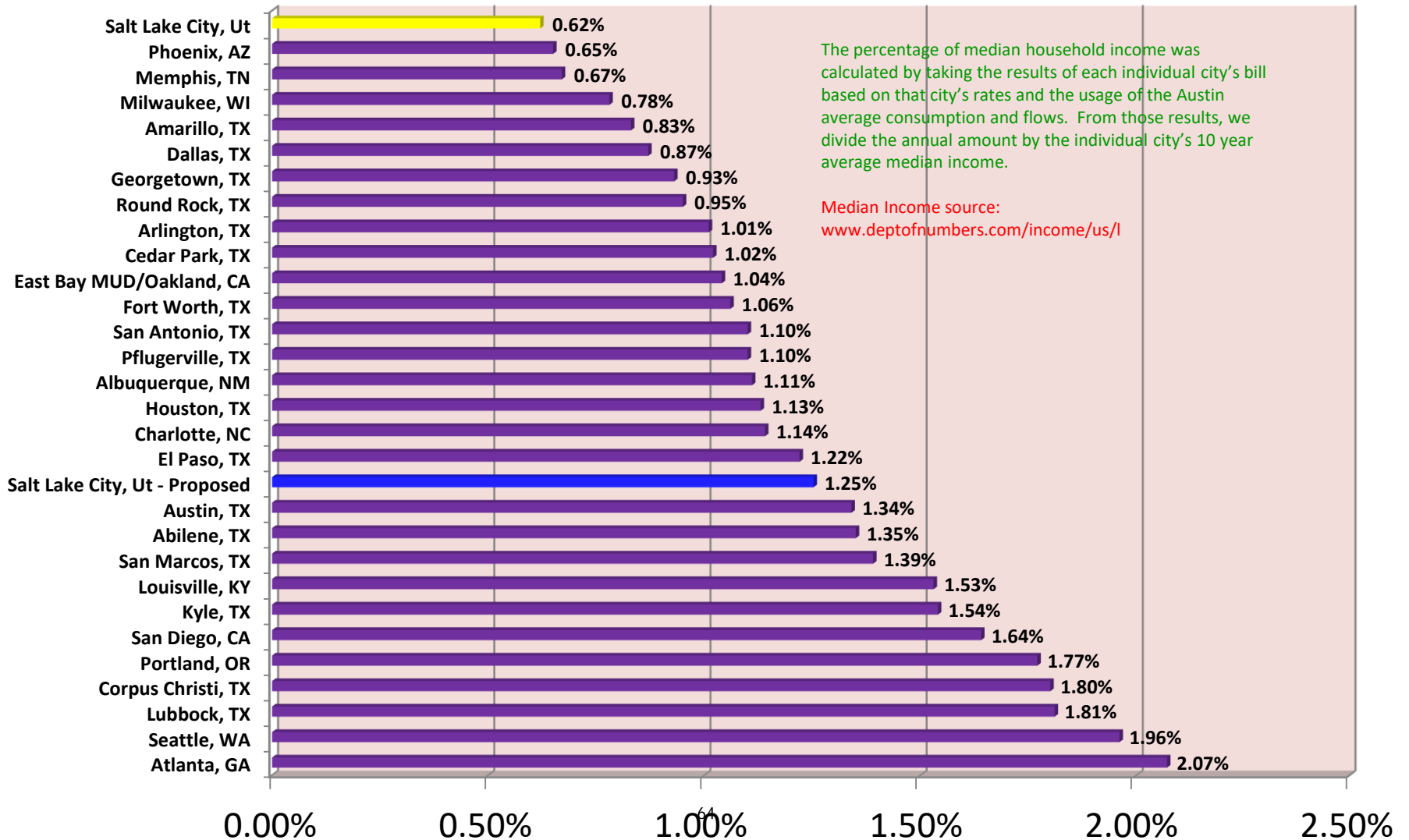
| Account Type | Annualized Average Winter Water Usage (CCF) | Current Rates | Proposed Rates | Changes % |
|--------------------------------------------------------------------------------------------|---------------------------------------------|---------------|----------------|----------------|
| Small Residential | 4 ccf | \$ 10.60 | \$ 12.19 | \$1.59 15% |
| Average Residential | 8 ccf | \$ 21.20 | \$ 24.38 | \$3.18 15% |
| Large Residential | 15 ccf | \$ 39.75 | \$ 45.71 | \$5.96 15% |
| Industrial 2,4 | 2014 ccf | \$ 8,821 | \$ 10,145 | \$1,323 15% |
| Commercial 2,1 | 34 ccf | \$ 104.72 | \$ 120.43 | \$15.71 15% |
| <i>*Industrial & Commercial charges are calculated based on flow rate, BOD and TSS</i> | | | | |

Sewer Rate Increase Annual Impact on Selected Customers

| Account Type | Annualized Average Winter Water Usage (CCF) | Current Rates | Proposed Rates | Changes % |
|---------------------------------------------------------------------------------------------|---------------------------------------------|---------------|----------------|-----------------|
| Small Residential | 4 ccf | \$ 127.20 | \$ 146.28 | \$19.08 15% |
| Average Residential | 8 ccf | \$ 254.40 | \$ 292.56 | \$38.16 15% |
| Large Residential | 15 ccf | \$ 477.00 | \$ 548.52 | \$71.52 15% |
| Industrial 2,4 | 2014 ccf | \$105,856 | \$ 121,740 | \$15,884 15% |
| Commercial 2,1 | 34 ccf | \$ 1,257 | \$ 1,445 | \$188.52 15% |
| <i>*Industrial & Commercial charges are calculated based on flow rate, BOD and TSS.</i> | | | | |

Residential Water & Wastewater Bill Percent of Median Household Income

(Austin Average Consumption & Flows)



STORMWATER RATES COMPARED WITH LOCAL CITIES

| RANKING | <i>Comparison of Local Utah Cities</i> | AVERAGE MONTHLY CHARGES |
|----------------|---------------------------------------------------|----------------------------------------|
| 1 | OGDEN | 7.38 |
| 2 | FARMINGTON | 7.00 |
| 3 | SANDY | 6.00 |
| 4 | LOGAN | 5.50 |
| 5 | SALT LAKE CITY, UTAH (Proposed) 10% | 4.94 |
| 6 | OREM | 4.75 |
| 7 | PROVO | 4.63 |
| 8 | LAYTON | 4.60 |
| 8 | SALT LAKE CITY, UTAH (Current) | 4.49 |
| 9 | MURRAY | 4.05 |
| 10 | WEST JORDAN | 4.02 |
| 11 | DRAPER CITY | 4.00 |
| 12 | TAYLORSVILLE | 4.00 |
| 13 | WEST VALLEY CITY | 4.00 |

Stormwater Rate Increase

Monthly Impact on Select Customers

| Account Type | ERUs | Current Rates | Proposed Rates | Changes % |
|---------------------|--------|---------------|----------------|----------------|
| Average Residential | 1 ERU | \$ 4.49 | \$ 4.94 | \$ 0.45 10% |
| Large Residential | 2 ERU | \$ 8.98 | \$ 9.88 | \$ 0.90 10% |
| Industrial * | 25 ERU | \$ 71.84 | \$ 79.02 | \$ 7.18 10% |
| Commercial | 10 ERU | \$ 44.90 | \$ 49.39 | \$ 4.49 10% |

* Industrial impact includes a 64% discount for detainage

Stormwater Rate Increase

Annual Impact on Select Customers

| Account Type | ERUs | Current Rates | Proposed Rates | Changes % |
|---------------------|--------|---------------|----------------|-----------------|
| Average Residential | 1 ERU | \$ 53.88 | \$ 59.28 | \$ 5.40 10% |
| Large Residential | 2 ERU | \$ 107.76 | \$ 118.56 | \$ 10.80 10% |
| Industrial * | 25 ERU | \$ 862.08 | \$ 948.24 | \$ 86.16 10% |
| Commercial | 10 ERU | \$ 538.80 | \$ 592.68 | \$ 53.88 10% |

* Industrial impact includes a 64% discount for detainage



Public
Utilities

New Water Reclamation Facility Biological Nutrient Removal (BNR) or BIO P

New WRF Facility:

- Regulatory
 - Nutrient Rule: (Phosphorous) by 2025
 - Future: Nitrogen, Ammonia
 - Future emerging contaminants, metal
- Odor Control
- New plant by 2023 @ 56 mgd (expandable to 82 mgd)
 - Operational, Condition, Seismic, at cost of \$390 to \$429 million estimated
- Energy & Greenhouse gas
 - Efficiency, Clean/Renewable by 2032
- Sustainable Design & Resource Recovery
- Public Engagement, Site Access





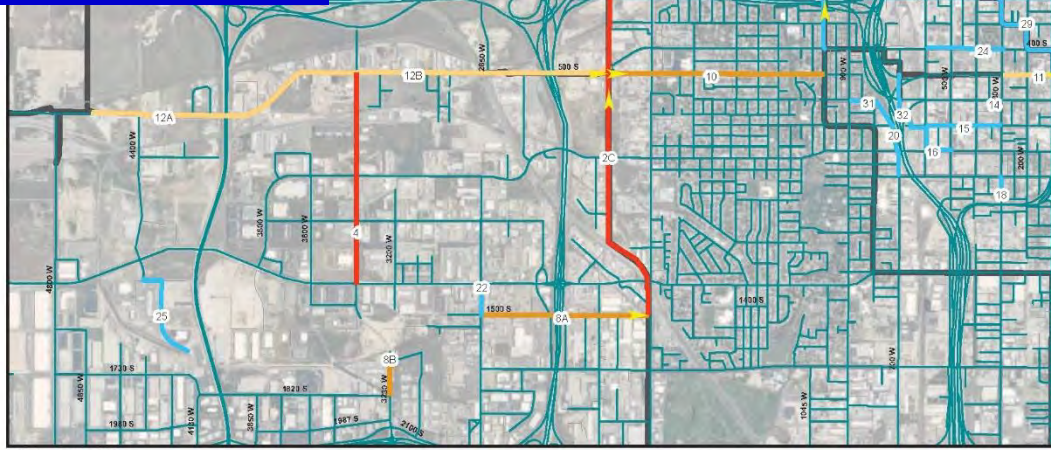
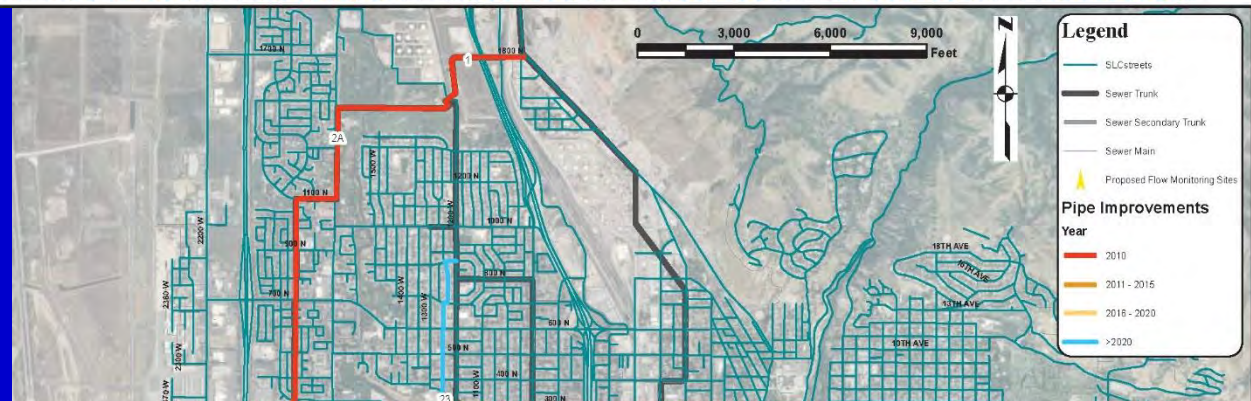
Sewer Collection Master Plan Implementation

Program Addresses:

- Existing capacity & condition issues
- Growth related infrastructure
- I&I assessment and mitigation

Program Magnitude:

- +/- \$150M in capital infrastructure through 2025

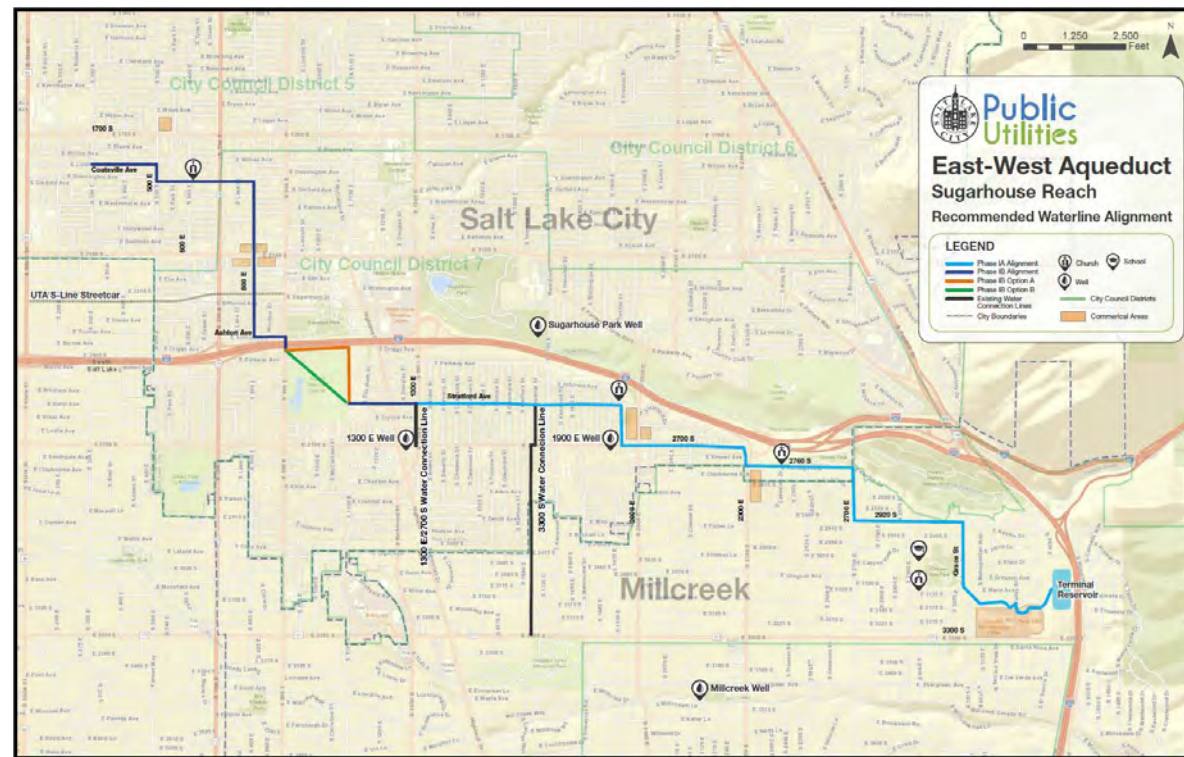




Public
Utilities

Water Fund

- East West Aqueduct Phase I (\$5.5 million)
- 13th East & 9th South Water Line (CAN) (\$1.0 million)
- Big Cottonwood SCADA (\$2.5 million)
- Water Main Replacements (\$16 million, next five years)
- Mountain Dell Rehabilitation (\$2.1 Million)





Public
Utilities

Water — Parley's Bypass



Project Benefits

Resiliency
Flexibility
Water Management
Sustainability

Potential Renewable
Energy

\$126,600/year Revenue
7% Return per Year



Public
Utilities

Stormwater Fund



New Master Plan

\$700,000 for FY2019

Riparian Corridor

\$500,000 in Projects
for FY 2019

Water Quality/ Flood
Mitigation

1300 East Drain

Gladiola Ave Phase 1

1700 South to Emigration
Canyon (Flood Mitigation)

Swede Town Lift Station

10th North Lift Station



Public Utilities Proposed Consulting Studies for FY2018-19

Object Code 2324

| Proposed Consulting Studies | Cost Center | Water | Sewer | Stormwater | Lighting | Total | Administrator |
|------------------------------------------|-------------|------------------|----------------|----------------|---------------|------------------|---------------|
| Street Lighting Master Plant Update | 48-48000 | | | | 90,000 | 90,000 | Jesse Stewart |
| Well Siting Study | 51-00200 | 20,000 | | | | 20,000 | Jesse Stewart |
| Central Wasatch | 51-00200 | 200,000 | | | | 200,000 | Jesse Stewart |
| CII Phase IV - Reporting Tools and Data | 51-03600 | 40,000 | | | | 40,000 | Jesse Stewart |
| Customer Survey Data Sharing (USU) | 51-03600 | 30,000 | | | | 30,000 | Jesse Stewart |
| Water Conservation Master Plan Update | 51-03600 | 75,000 | | | | 75,000 | Jesse Stewart |
| Watershed Plan - Extra Funds | 51-00600 | 50,000 | | | | 50,000 | Marian Rice |
| Miscellaneous Needs | 51-00600 | 15,000 | | | | 15,000 | Marian Rice |
| Process Controls for Treatment Plants | 51-01800 | 35,000 | | | | 35,000 | Marian Rice |
| Regulatory/Compliance Specialty Services | 51-01800 | 25,000 | | | | 25,000 | Marian Rice |
| Source Water Protection Plan Update | 51-01800 | 40,000 | | | | 40,000 | Marian Rice |
| TMDL Expert | 53-10700 | | | 25,000 | | 25,000 | Marian Rice |
| RSI Workshop | 53-10700 | | | 2,000 | | 2,000 | Marian Rice |
| Consultant for Audit | 53-10700 | | | 50,000 | | 50,000 | Marian Rice |
| CH/Jacobs Project Delivery | 51-01300 | 202,000 | | | | 202,000 | Jason Brown |
| Water System Master Plan | 51-01300 | 500,000 | | | | 500,000 | Jason Brown |
| Storage Reservoirs Asset Management | 51-01300 | 250,000 | | | | 250,000 | Jason Brown |
| Red Butte Dam Capacity Study | 51-01300 | 50,000 | | | | 50,000 | Jason Brown |
| Gladiola Waterline Inspection | 51-01300 | 200,000 | | | | 200,000 | Jason Brown |
| CH2 Task 1 Program Management | 52-10400 | | 230,000 | | | 230,000 | Jason Brown |
| CH2 Task 5 WRF Treatment Training | 52-10400 | | 100,000 | | | 100,000 | Jason Brown |
| Stormwater Master Plan | 53-10300 | | | 700,000 | | 700,000 | Jason Brown |
| CH/Jacobs Program Management | 53-10300 | | | 170,000 | | 170,000 | Jason Brown |
| CH/Jacobs Task 3 | 53-10300 | | | 50,000 | | 50,000 | Jason Brown |
| Total: | | 1,732,000 | 330,000 | 997,000 | 90,000 | 3,149,000 | |

**PUBLIC UTILITIES
WATER, SEWER, STORMWATER, AND STREET LIGHTING ENTERPRISE FUNDS
COMBINED BUDGET SUMMARY
2019-2021 BUDGET**

| Combined Annual Rate Increase | | | | 7.5% | 7.4% | 5.8% |
|-----------------------------------------------------------|----------------------|--------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| SOURCES | ACTUAL 2016-2017 | AMENDED BUDGET 2017-2018 | PROJECTED ACTUAL 2017-2018 | PROPOSED BUDGET 2018-2019 | FORECAST BUDGET 2019-2020 | FORECAST BUDGET 2020-2021 |
| REVENUES | | | | | | |
| METERED SALES | \$104,664,388 | \$111,232,713 | \$111,232,713 | \$119,822,012 | \$128,936,536 | 136,693,757 |
| INTEREST INCOME | 1,084,990 | 1,912,558 | 1,912,558 | 1,512,000 | 206,000 | 1,341,000 |
| OTHER REVENUES | 4,186,991 | 3,052,186 | 3,052,186 | 3,282,985 | 3,282,985 | 3,282,985 |
| STREET LIGHTING FEES | 4,216,132 | 4,152,371 | 4,152,371 | 4,170,000 | 4,170,000 | 4,170,000 |
| TOTAL REVENUES | \$114,152,501 | \$120,349,828 | \$120,349,828 | \$128,786,997 | \$136,595,521 | 145,487,742 |
| OTHER SOURCES | | | | | | |
| GRANTS & OTHER RELATED REVENUES | \$10,255,753 | \$3,741,000 | \$3,741,000 | \$3,875,000 | \$3,741,000 | 2,441,000 |
| IMPACT FEES | 5,365,335 | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 | 1,424,500 |
| TRANSFERS FROM GENERAL FUND | 0 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| BOND PROCEEDS | 74,617,791 | 0 | 0 | 0 | 233,300,000 | - |
| STATE LOAN (NWQ) | 0 | 0 | 8,500,000 | 0 | 0 | - |
| SHORT-TERM FINANCING | 0 | 0 | 0 | 5,330,000 | 0 | - |
| COUNTY FLOOD CONTROL | 0 | 0 | 0 | 0 | 0 | - |
| OTHER SOURCES | 10,145 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| TOTAL OTHER SOURCES | \$90,249,024 | \$5,231,000 | \$13,731,000 | \$10,695,000 | \$238,531,000 | 3,955,500 |
| TOTAL SOURCES | \$204,401,525 | \$125,580,828 | \$134,080,828 | \$139,481,997 | \$375,126,521 | 149,443,242 |
| EXPENSES & OTHER USES | | | | | | |
| EXPENDITURES | | | | | | |
| PERSONNEL SERVICES | \$30,252,639 | \$33,102,659 | \$33,102,659 | \$35,516,006 | \$36,226,328 | 36,950,855 |
| OPERATING & MAINTENANCE | \$4,589,212 | 5,980,100 | \$5,980,100 | \$6,346,750 | 6,405,885 | 6,533,975 |
| TRAVEL & TRAINING | \$106,952 | 212,048 | \$212,048 | 249,058 | 254,041 | 259,118 |
| UTILITIES | \$4,617,794 | 4,934,246 | \$4,934,246 | 5,069,662 | 5,110,274 | 5,159,864 |
| TECHNICAL SERVICES | \$5,883,738 | 12,717,000 | \$12,717,000 | 11,697,441 | 10,572,631 | 10,465,204 |
| DATA PROCESSING | \$1,315,068 | 1,214,999 | \$1,214,999 | 1,487,047 | 1,516,789 | 1,547,123 |
| PUBLIC SERVICES / STREET SWEEPING | \$819,605 | 819,605 | \$819,605 | 819,605 | 835,997 | 852,717 |
| FLEET MAINTENANCE | 1,649,615 | 2,002,000 | \$2,002,000 | 2,007,000 | 2,047,140 | 2,088,082 |
| ADMINISTRATIVE SERVICE FEE | 1,201,161 | 1,275,000 | \$1,275,000 | 1,225,000 | 1,249,500 | 1,274,490 |
| PAYMENT IN LIEU OF TAXES | 981,377 | 814,795 | \$814,795 | 970,192 | 989,596 | 1,009,387 |
| RISK MANAGEMENT | 1,158,573 | 1,707,728 | \$1,707,728 | 1,484,033 | 1,513,714 | 1,543,985 |
| TRANSFERS TO GENERAL FUND | 103,131 | 109,000 | \$109,000 | 109,000 | 111,180 | 113,404 |
| BILLING COST | 1,237,745 | 1,218,876 | \$1,218,876 | 1,368,013 | 1,379,095 | 1,390,399 |
| BONDING NOTE EXPENSE | 422,054 | 5,000 | \$5,000 | - | - | - |
| METRO. WATER PURCH & TREAT | 14,789,476 | 15,528,950 | \$15,528,950 | 15,994,818 | 16,474,663 | 16,968,903 |
| METRO ASSESSMENT (CAPITAL) | 7,021,892 | 7,021,892 | \$7,021,892 | 7,021,892 | 7,021,892 | 7,021,892 |
| OTHER CHARGES AND SERVICES | (1,039,795) | (131,802) | (\$131,802) | (181,232) | (187,567) | (191,324) |
| TOTAL EXPENDITURES | \$75,110,237 | \$88,532,096 | \$88,532,096 | \$91,184,285 | \$91,521,158 | 92,988,074 |
| OTHER USES | | | | | | |
| CAPITAL OUTLAY | \$3,130,580 | \$7,553,781 | \$6,990,591 | \$11,076,468 | \$5,584,000 | 4,678,000 |
| CAPITAL IMPROVEMENT BUDGET | 35,700,379 | 153,302,410 | 67,793,190 | 123,721,000 | 146,892,000 | 140,331,909 |
| DEBT SERVICES | 7,308,562 | 7,546,626 | 8,102,071 | 8,292,000 | 17,539,000 | 28,096,000 |
| TOTAL OTHER USES | \$46,139,521 | | \$82,885,852 | \$143,089,468 | \$170,015,000 | 173,105,909 |
| TOTAL USES | \$121,249,758 | \$256,934,913 | \$171,417,948 | \$234,273,753 | \$261,536,158 | 266,093,983 |
| EXCESS REVENUE AND OTHER SOURCES OVER (UNDER) USES | | | | | | |
| | \$83,151,767 | (\$131,354,085) | (\$37,337,120) | (\$94,791,756) | \$113,590,363 | (116,650,741) |
| OPERATING CASH BALANCES | | | | | | |
| BEGINNING JULY 1 | \$69,495,960 | \$152,647,727 | \$152,647,727 | \$115,310,607 | \$20,518,851 | 134,109,214 |
| ENDING JUNE 30 | \$152,647,727 | \$21,293,642 | \$115,310,607 | \$20,518,851 | \$134,109,214 | 17,458,473 |
| Cash Reserve Ratio | 203% | 24% | 130% | 23% | 147% | 19% |
| Cash reserve goal above 10% | | | | | | |

PUBLIC UTILITIES
Water, Sewer, Stormwater and Street Lighting Enterprise Funds
Combined Cash Flow
FY 2019 Budget and FY 2020-2023 Forecast

| | ACTUAL YEAR 2016-2017 | PROJECTED YEAR 2017-2018 | BUDGET YEAR 2018-2019 | BUDGET YEAR 2019-2020 | BUDGET YEAR 2020-2021 | BUDGET YEAR 2021-2022 | BUDGET YEAR 2022-2023 |
|-----------------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| WATER SALES | 71,572,921 | 70,470,525 | 73,289,346 | 76,220,920 | 79,269,757 | 82,440,547 | 85,738,169 |
| SEWER CHARGES | 24,670,395 | 32,712,188 | 37,677,666 | 43,329,316 | 47,662,248 | 51,475,228 | 56,622,751 |
| STORMWATER FEES | 8,421,072 | 8,050,000 | 8,855,000 | 9,386,300 | 9,761,752 | 10,152,222 | 10,152,222 |
| STREET LIGHTING FEES | 4,216,132 | 4,152,371 | 4,170,000 | 4,170,000 | 4,170,000 | 4,170,000 | 4,170,000 |
| TOTAL SERVICES FEES AND CHARGES | 108,880,520 | 115,385,084 | 123,992,012 | 133,106,536 | 140,863,757 | 148,237,997 | 156,683,142 |
| OTHER INCOME | 4,197,136 | 3,072,186 | 3,352,985 | 3,352,985 | 3,352,985 | 3,352,985 | 3,352,985 |
| INTEREST INCOME | 1,084,990 | 1,912,558 | 1,512,000 | 206,000 | 1,341,000 | 175,000 | 1,392,000 |
| OPERATING INCOME | 114,162,646 | 120,369,828 | 128,856,997 | 136,665,521 | 145,557,742 | 151,765,982 | 161,428,127 |
| OPERATING EXPENDITURES | (75,110,237) | (88,532,096) | (91,184,285) | (91,521,158) | (92,988,074) | (94,598,120) | (95,950,371) |
| NET INCOME EXCLUDING DEP. | 39,052,409 | 31,837,732 | 37,672,712 | 45,144,363 | 52,569,668 | 57,167,862 | 65,477,756 |
| NET BOND PROCEEDS | 74,617,791 | 0 | 0 | 233,300,000 | 0 | 214,000,000 | 0 |
| SHORT TERM FINANCING | 0 | 0 | 5,330,000 | 0 | 0 | 0 | 0 |
| STATE LOAN | 0 | 8,500,000 | 0 | 0 | 0 | 0 | 0 |
| IMPACT FEES | 5,365,335 | 1,400,000 | 1,400,000 | 1,400,000 | 1,424,500 | 1,449,858 | 1,476,103 |
| OTHER CONTRIBUTIONS | 10,255,753 | 3,811,000 | 3,895,000 | 3,761,000 | 2,461,000 | 2,261,000 | 2,261,000 |
| CAPITAL OUTLAY | (3,130,580) | (5,490,591) | (9,576,468) | (4,084,000) | (3,178,000) | (2,525,000) | (2,390,000) |
| WATERSHED PURCHASES | 0 | (1,500,000) | (1,500,000) | (1,500,000) | (1,500,000) | (1,500,000) | (1,500,000) |
| STATE LOAN DEBT SERVICE | 0 | 0 | 0 | 0 | (6,375,000) | (2,125,000) | 0 |
| SHORT TERM FINANCING DEBT SERVICE | 0 | 0 | 0 | (5,623,000) | 0 | 0 | 0 |
| DEBT SERVICE | (7,308,562) | (7,162,944) | (8,292,000) | (8,297,000) | (10,869,000) | (10,857,000) | (10,094,000) |
| NEW DEBT SERVICE | 0 | (939,127) | 0 | (3,619,000) | (10,852,000) | (14,529,000) | (21,881,000) |
| OTHER INCOME & EXPENSE | 79,799,737 | (1,381,662) | (8,743,468) | 215,338,000 | (28,888,500) | 186,174,858 | (32,127,897) |
| AVAILABLE FOR CAPITAL | 118,852,146 | 30,456,070 | 28,929,244 | 260,482,363 | 23,681,168 | 243,342,720 | 33,349,859 |
| CAPITAL IMPROVEMENTS | (35,700,379) | (67,793,190) | (123,721,000) | (146,892,000) | (140,331,909) | (121,480,000) | (150,518,000) |
| BEGINING CASH BALANCE | 69,495,960 | 152,647,727 | 115,310,607 | 20,518,851 | 134,109,214 | 17,458,473 | 139,321,193 |
| CASH INCREASE/(DECREASE) | 83,151,767 | (37,337,120) | (94,791,756) | 113,590,363 | (116,650,741) | 121,862,720 | (117,168,141) |
| ENDING BALANCES | 152,647,727 | 115,310,607 | 20,518,851 | 134,109,214 | 17,458,473 | 139,321,193 | 22,153,052 |
| REVENUE CHANGE | | | | | | | |
| DEBT SERVICE COVERAGE | 5.34 | 3.93 | 4.54 | 2.57 | 2.42 | 2.25 | 2.05 |
| CASH RESERVE RATIO | 203.2% | | 22.5% | 146.5% | 18.8% | 147.3% | 23.1% |

**WATER UTILITY
ENTERPRISE FUND
BUDGET SUMMARY
Fiscal Years 2019-21**

| | | | | Rate Increase 4% | Rate Increase 4% | Rate Increase 4% |
|---------------------------------------------------------------|---------------------|------------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|
| SOURCES | ACTUAL 2016-17 | AMENDED BUDGET 2017-18 | PROJECTED ACTUAL 2017-18 | PROPOSED BUDGET 2018-19 | FORECAST BUDGET 2019-20 | FORECAST BUDGET 2020-21 |
| REVENUES | | | | | | |
| METERED SALES | \$71,572,921 | \$70,470,525 | \$70,470,525 | \$73,289,346 | \$76,220,920 | 79,269,757 |
| INTEREST INCOME | 519,192 | 553,382 | 553,382 | 375,000 | 119,000 | 460,000 |
| OTHER REVENUES | 3,906,688 | 2,814,186 | 2,814,186 | 3,037,985 | 3,037,985 | 3,037,985 |
| TOTAL REVENUES | \$75,998,801 | \$73,838,093 | \$73,838,093 | \$76,702,331 | \$79,377,905 | 82,767,742 |
| OTHER SOURCES | | | | | | |
| GRANTS & OTHER RELATED REVENUES | \$6,215,096 | \$1,205,000 | \$1,205,000 | \$1,205,000 | \$1,205,000 | 1,205,000 |
| IMPACT FEES | 2,916,854 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| OTHER SOURCES | (16,011) | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| BOND PROCEEDS | - | - | - | - | 68,000,000 | - |
| TOTAL OTHER SOURCES | \$9,115,939 | \$1,755,000 | \$1,755,000 | \$1,755,000 | \$69,755,000 | 1,755,000 |
| TOTAL SOURCES | \$85,114,740 | \$75,593,093 | \$75,593,093 | \$78,457,331 | \$149,132,905 | 84,522,742 |
| EXPENSES & OTHER USES | | | | | | |
| EXPENDITURES | | | | | | |
| PERSONNEL SERVICES | \$19,764,621 | \$20,585,385 | \$20,585,385 | 22,069,746 | \$22,511,142 | \$22,961,365 |
| OPERATING & MAINTENANCE | 3,112,503 | 3,900,830 | 3,900,830 | 4,218,280 | 4,235,446 | 4,320,134 |
| TRAVEL & TRAINING | 49,951 | 125,148 | 125,148 | 146,408 | 149,338 | 152,322 |
| UTILITIES | 2,586,682 | 2,745,648 | 2,745,648 | 2,854,647 | 2,911,739 | 2,969,968 |
| TECHNICAL SERVICES | 2,913,339 | 6,549,680 | 6,549,680 | 6,276,000 | 5,542,386 | 5,383,232 |
| DATA PROCESSING | 816,162 | 774,999 | 774,999 | 967,347 | 986,695 | 1,006,427 |
| FLEET MAINTENANCE | 998,883 | 1,270,000 | 1,270,000 | 1,250,000 | 1,275,000 | 1,300,500 |
| ADMINISTRATIVE SERVICE FEE | 708,677 | 800,000 | 800,000 | 800,000 | 816,000 | 832,320 |
| PAYMENT IN LIEU OF TAXES | 475,281 | 398,485 | 398,485 | 476,000 | 485,520 | 495,230 |
| METRO. WATER PURCH & TREAT | 14,789,476 | 15,528,950 | 15,528,950 | 15,994,818 | 16,474,663 | 16,968,903 |
| METRO ASSESSMENT (CAPITAL) | 7,021,892 | 7,021,892 | 7,021,892 | 7,021,892 | 7,021,892 | 7,021,892 |
| BONDING NOTE EXPENSE | 47,558 | 5,000 | 5,000 | - | - | - |
| RISK MANAGEMENT | 889,841 | 1,138,550 | 1,138,550 | 1,088,550 | 1,110,321 | 1,132,526 |
| TRANSFERS TO GENERAL FUND | 82,822 | 85,000 | 85,000 | 85,000 | 86,700 | 88,434 |
| OTHER CHARGES AND SERVICES | (1,114,878) | (332,494) | (332,494) | (359,811) | (369,303) | (376,689) |
| TOTAL EXPENDITURES | \$53,142,810 | \$60,597,073 | \$60,597,073 | \$62,888,877 | \$63,237,539 | 64,256,564 |
| OTHER USES | | | | | | |
| CAPITAL OUTLAY | \$1,633,858 | \$5,630,091 | \$6,488,901 | \$4,614,400 | \$3,350,000 | \$3,300,000 |
| CAPITAL IMPROVEMENT BUDGET | 20,180,588 | 29,147,000 | 17,148,052 | 35,572,500 | 46,246,000 | 46,655,000 |
| DEBT SERVICES | 3,134,226 | 918,809 | 939,127 | 1,117,000 | 2,182,000 | 4,248,000 |
| TOTAL OTHER USES | \$24,948,672 | \$35,695,900 | \$24,576,080 | \$41,303,900 | \$51,778,000 | 54,203,000 |
| TOTAL USES | \$78,091,482 | \$96,292,973 | \$85,173,153 | \$104,192,777 | \$115,015,539 | 118,459,564 |
| EXCESS REVENUE AND OTHER SOURCES OVER (UNDER) USES | \$7,023,258 | (\$20,699,880) | (\$9,580,060) | (\$25,735,446) | \$34,117,366 | (33,936,822) |
| OPERATING CASH BALANCES | | | | | | |
| BEGINNING JULY 1 | \$40,024,797 | \$47,048,055 | \$47,048,055 | \$37,467,995 | \$11,732,549 | 45,849,915 |
| | \$0 | \$0 | \$0 | | - | - |
| ENDING JUNE 30 | \$47,048,055 | \$26,348,175 | \$37,467,995 | \$11,732,549 | \$45,849,915 | 11,913,093 |
| Cash Reserve Ratio | 89% | 43% | 62% | 19% | 73% | 19% |
| Cash reserve goal above 10% | | | | | | |

WATER UTILITY
Cash Flow
FY 2019 Budget
and FY 2020-2023 Forecast

| | ACTUAL YEAR 2016-2017 | PROJECTED YEAR 2017-2018 | BUDGET YEAR 2018-2019 | BUDGET YEAR 2019-2020 | BUDGET YEAR 2020-2021 | BUDGET YEAR 2021-2022 | BUDGET YEAR 2022-2023 |
|-------------------------------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| WATER SALES | 71,572,921 | 70,470,525 | 73,289,346 | 76,220,920 | 79,269,757 | 82,440,547 | 85,738,169 |
| OTHER INCOME | 3,890,677 | 2,814,186 | 3,087,985 | 3,087,985 | 3,087,985 | 3,087,985 | 3,087,985 |
| INTEREST INCOME | 519,192 | 553,382 | 375,000 | 119,000 | 460,000 | 121,000 | 264,000 |
| OPERATING INCOME | 75,982,790 | 73,838,093 | 76,752,331 | 79,427,905 | 82,817,742 | 85,649,532 | 89,090,154 |
| METROPOLITAN WATER ACCESSMENT | (7,021,892) | (7,021,892) | (7,021,892) | (7,021,892) | (7,021,892) | (7,021,892) | (7,021,892) |
| METROPOLITAN WATER PURCHASES | (14,789,476) | (15,528,950) | (15,994,818) | (16,474,663) | (16,968,903) | (17,477,971) | (18,002,310) |
| OPERATING EXPENDITURES | (31,331,442) | (38,046,231) | (39,872,167) | (39,740,984) | (40,265,769) | (40,806,112) | (41,612,197) |
| NET INCOME EXCLUDING DEP. | 22,839,980 | 13,241,020 | 13,863,454 | 16,190,366 | 18,561,178 | 20,343,557 | 22,453,755 |
| NET BOND PROCEEDS | | 0 | | 68,000,000 | | 26,000,000 | 0 |
| BIC Borrowed | | | 0 | 380,000 | 0 | 146,000 | 0 |
| BIC Paid | | | 0 | (380,000) | 0 | (146,000) | 0 |
| SHORT TERM FINANCING | | | | | | | |
| IMPACT FEES | 2,916,854 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| OTHER CONTRIBUTIONS | 6,215,096 | 1,255,000 | 1,205,000 | 1,205,000 | 1,205,000 | 1,205,000 | 1,205,000 |
| CAPITAL OUTLAY | (1,633,858) | (4,988,901) | (3,114,400) | (1,850,000) | (1,800,000) | (1,200,000) | (1,200,000) |
| WATERSHED PURCHASES | 0 | (1,500,000) | (1,500,000) | (1,500,000) | (1,500,000) | (1,500,000) | (1,500,000) |
| DEBT SERVICE | (3,134,226) | 0 | (1,117,000) | (1,127,000) | (1,085,000) | (1,090,000) | (1,091,000) |
| NEW DEBT SERVICE | 0 | (939,127) | 0 | (1,055,000) | (3,163,000) | (3,610,000) | (4,503,000) |
| OTHER INCOME & EXPENSE | 4,363,866 | (5,673,028) | (4,026,400) | 64,173,000 | (5,843,000) | 20,305,000 | (6,589,000) |
| AVAILABLE FOR CAPITAL | 27,203,846 | 7,567,992 | 9,837,054 | 80,363,366 | 12,718,178 | 40,648,557 | 15,864,755 |
| CAPITAL IMPROVEMENTS | (20,180,588) | (17,148,052) | (35,572,500) | (46,246,000) | (46,655,000) | (26,373,000) | (29,090,000) |
| BEGINING CASH BALANCE | 40,024,797 | 47,048,055 | 37,467,995 | 11,732,549 | 45,849,915 | 11,913,093 | 26,188,650 |
| CASH INCREASE/(DECREASE) | 7,023,258 | (9,580,060) | (25,735,446) | 34,117,366 | (33,936,822) | 14,275,557 | (13,225,245) |
| ENDING BALANCES | 47,048,055 | 37,467,995 | 11,732,549 | 45,849,915 | 11,913,093 | 26,188,650 | 12,963,405 |
| DEBT SERVICE COVERAGE | 7.29 | 14.10 | 12.41 | 7.42 | 4.37 | 4.33 | 4.01 |
| RATE CHANGE | 4% | 5% | 4% | 4% | 4% | 4% | 4% |
| Cash Reserve Ratio | 89% | 62% | 19% | 73% | 19% | 40% | 19% |
| Reserve Fund Requirement 10% of operating expen | 5,314,281 | 6,059,707 | 6,288,888 | 6,323,754 | 6,425,656 | 6,530,598 | 6,663,640 |
| Reserves available for capital | 41,733,774 | 31,408,288 | 5,443,661 | 39,526,161 | 5,487,437 | 19,658,053 | 6,299,765 |

**SEWER UTILITY
ENTERPRISE FUND
BUDGET SUMMARY
FY 2019-21**

| SOURCES | ACTUAL | AMENDED | PROJECTED | PROPOSED | FORECAST | FORECAST |
|----------------------------------------------------|----------------|------------------|-----------------|-----------------|----------------|-----------------|
| | 2016-17 | BUDGET | ACTUAL | BUDGET | BUDGET | BUDGET |
| | 2016-17 | 2017-18 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| REVENUES | | | | | | |
| METERED SALES | \$ 24,670,395 | \$ 32,712,188 | \$ 32,712,188 | \$ 37,677,666 | \$ 43,329,316 | \$ 47,662,248 |
| INTEREST INCOME | 423,004 | 1,263,356 | 1,263,356 | 1,052,000 | 49,000 | 839,000 |
| OTHER REVENUES | 237,446 | 235,000 | 235,000 | 235,000 | 235,000 | 235,000 |
| TOTAL REVENUES | \$ 25,330,845 | \$ 34,210,544 | \$ 34,210,544 | \$ 38,964,666 | \$ 43,613,316 | \$ 48,736,248 |
| OTHER SOURCES | | | | | | |
| IMPACT FEES | 2,065,696 | 700,000 | 700,000 | 700,000 | 700,000 | 724,500 |
| GRANTS & OTHER RELATED REVENUES | 3,522,331 | 2,020,000 | 2,020,000 | 2,020,000 | 2,020,000 | 720,000 |
| OTHER SOURCES | 26,156 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| STATE LOAN (NWQ) | - | - | 8,500,000 | - | - | - |
| SHORT-TERM FINANCING | - | - | - | 3,985,000 | - | - |
| BOND PROCEEDS | 72,117,791 | - | - | - | 160,000,000 | - |
| TOTAL OTHER SOURCES | \$ 77,731,974 | \$ 2,740,000 | \$ 11,240,000 | \$ 6,725,000 | \$ 162,740,000 | \$ 1,464,500 |
| TOTAL SOURCES | \$ 103,062,819 | \$ 36,950,544 | \$ 45,450,544 | \$ 45,689,666 | \$ 206,353,316 | \$ 50,200,748 |
| EXPENSES & OTHER USES | | | | | | |
| EXPENDITURES | | | | | | |
| PERSONNEL SERVICES | \$ 8,054,504 | \$ 9,717,084 | \$ 9,717,084 | \$ 10,375,345 | \$ 10,582,852 | \$ 10,794,509 |
| OPERATING & MAINTENANCE | 1,359,830 | 1,892,620 | 1,892,620 | 1,934,720 | 1,973,014 | 2,012,471 |
| TRAVEL & TRAINING | 48,067 | 71,200 | 71,200 | 86,900 | 88,638 | 90,411 |
| UTILITIES | 904,210 | 984,909 | 984,909 | 980,070 | 999,671 | 1,019,663 |
| TECHNICAL SERVICES | 1,096,358 | 3,228,104 | 3,228,104 | 2,388,104 | 2,321,644 | 2,384,355 |
| DATA PROCESSING | 249,464 | 205,000 | 205,000 | 280,000 | 285,600 | 291,312 |
| FLEET MAINTENANCE | 467,758 | 518,000 | 518,000 | 543,000 | 553,860 | 564,937 |
| ADMINISTRATIVE SERVICE FEE | 345,643 | 325,000 | 325,000 | 275,000 | 280,500 | 286,110 |
| PAYMENT IN LIEU OF TAXES | 345,994 | 306,525 | 306,525 | 368,250 | 375,615 | 383,127 |
| BILLING COST | 813,896 | 813,896 | 813,896 | 813,896 | 813,896 | 813,896 |
| BONDING NOTE EXPENSE | 372,315 | - | - | - | - | - |
| RISK MANAGEMENT | 258,635 | 482,195 | 482,195 | 308,500 | 314,670 | 320,963 |
| TRANSFERS TO GENERAL FUND | 17,540 | 20,000 | 20,000 | 20,000 | 20,400 | 20,808 |
| OTHER CHARGES AND SERVICES | (21,268) | 173,536 | 173,536 | 148,274 | 151,265 | 154,288 |
| TOTAL EXPENDITURES | \$ 14,312,946 | \$ 18,738,069 | \$ 18,738,069 | \$ 18,522,059 | \$ 18,761,625 | \$ 19,136,850 |
| OTHER USES | | | | | | |
| CAPITAL OUTLAY | 1,333,593 | 1,613,300 | 291,300 | 5,946,500 | 1,918,000 | 918,000 |
| CAPITAL IMPROVEMENT BUDGET | 10,537,309 | 115,637,743 | 45,127,637 | 80,410,000 | 93,970,000 | 89,419,909 |
| DEBT SERVICES | 3,134,226 | 5,532,045 | 6,050,603 | 6,058,000 | 12,736,000 | 22,391,000 |
| TOTAL OTHER USES | \$ 15,005,128 | \$ 122,783,088 | \$ 51,469,540 | \$ 92,414,500 | \$ 108,624,000 | \$ 112,728,909 |
| TOTAL USES | \$ 29,318,074 | \$ 141,521,157 | | \$ 110,936,559 | \$ 127,385,625 | \$ 131,865,759 |
| EXCESS REVENUE AND OTHER SOURCES OVER (UNDER) USES | | | | | | |
| | \$ 73,744,745 | \$ (104,570,613) | \$ (24,757,065) | \$ (65,246,893) | \$ 78,967,691 | \$ (81,665,011) |
| OPERATING CASH BALANCES | | | | | | |
| BEGINNING JULY 1 | \$ 21,171,500 | \$ 94,916,245 | \$ 94,916,245 | \$ 70,159,180 | \$ 4,912,287 | \$ 83,879,978 |
| Restricted Bond Proceeds | | \$ - | \$ - | \$ - | \$ - | \$ - |
| ENDING JUNE 30 | \$ 94,916,245 | \$ (9,654,368) | \$ 70,159,180 | \$ 4,912,287 | \$ 83,879,978 | \$ 2,214,967 |
| Cash Reserve Ratio | 663% | -52% | 374% | 27% | 447% | 12% |
| Cash reserve goal above 10% | | | | | | |

SEWER UTILITY
Cash Flow
FY19 Budget
and FY2020-2023 Forecast

| | ACTUAL YEAR 2015-2016 | ACTUAL YEAR 2016-2017 | PROJECTED YEAR 2017-2018 | BUDGET YEAR 2018-2019 | BUDGET YEAR 2019-2020 | BUDGET YEAR 2020-2021 | BUDGET YEAR 2021-2022 | BUDGET YEAR 2022-23 |
|-------------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| SEWER SALES | \$21,709,585 | \$24,670,395 | \$32,712,188 | \$37,677,666 | \$43,329,316 | \$47,662,248 | \$51,475,228 | \$56,622,751 |
| OTHER INCOME | 243,421 | 263,602 | 255,000 | 255,000 | 255,000 | 255,000 | 255,000 | 255,000 |
| INTEREST INCOME | 172,185 | 423,004 | 1,263,356 | 1,052,000 | 49,000 | 839,000 | 22,000 | 1,090,000 |
| OPERATING INCOME | 22,125,191 | 25,357,001 | 34,230,544 | 38,984,666 | 43,633,316 | 48,756,248 | 51,752,228 | 57,967,751 |
| NEW PLANT O&M COSTS | | | | 0 | 0 | | (250,000) | (252,500) |
| OPERATING EXPENSES | (13,738,294) | (14,312,946) | (18,738,069) | (18,522,059) | (18,761,625) | (19,136,850) | (19,269,587) | (19,657,465) |
| NET INCOME EXCLUDING DEP. | 8,386,897 | 11,044,055 | 15,492,475 | 20,462,607 | 24,871,691 | 29,619,398 | 32,232,641 | 38,057,786 |
| IMPACT FEES | 1,229,395 | 2,065,696 | 700,000 | 700,000 | 700,000 | 724,500 | 749,858 | 776,103 |
| STATE LOAN (NWQ) | 0 | 0 | 8,500,000 | | | | | |
| SHORT TERM FINANCING PROCEEDS | | | | 3,985,000 | | | | |
| NET BOND PROCEEDS | 0 | 72,117,791 | | | 160,000,000 | | 188,000,000 | |
| ISSUE COSTS (PROCEEDS) | 0 | | | 15,000 | 893,000 | 0 | 1,049,000 | 0 |
| ISSUE COSTS (EXP) | | | | (15,000) | (893,000) | 0 | (1,049,000) | 0 |
| OTHER CONTRIBUTIONS | 217,888 | 3,522,331 | 2,020,000 | 2,020,000 | 2,020,000 | 720,000 | 520,000 | 520,000 |
| CAPITAL OUTLAY | (601,325) | (1,333,593) | (291,300) | (5,946,500) | (1,918,000) | (918,000) | (930,000) | (930,000) |
| STATE LOAN DEBT REPAYMENT | | | | | | (6,375,000) | (2,125,000) | |
| SHORT TERM FINANCING DEBT REPAYMENT | | | | | (4,200,000) | | | |
| ADDITIONAL DEBT SERVICE | 0 | | 0 | 0 | (2,481,000) | (7,442,000) | (10,672,000) | (17,131,000) |
| DEBT SERVICE | (3,133,776) | (3,134,226) | (6,050,603) | (6,058,000) | (6,055,000) | (8,574,000) | (8,560,000) | (8,560,000) |
| OTHER INCOME & EXPENSE | (2,287,818) | 73,237,999 | 4,878,097 | (5,299,500) | 148,066,000 | (21,864,500) | 166,982,858 | (25,324,897) |
| NET FOR CAPITAL | 6,099,079 | 84,282,054 | 20,370,572 | 15,163,107 | 172,937,691 | 7,754,898 | 199,215,499 | 12,732,889 |
| CAPITAL IMPROVEMENTS | (10,316,412) | \$ (10,537,309) | \$ (45,127,637) | \$ (80,410,000) | (93,970,000) | (89,419,909) | (92,511,000) | (119,080,000) |
| CASH INCREASE/(DECREASE) | (4,217,333) | 73,744,745 | (24,757,065) | (65,246,893) | 78,967,691 | (81,665,011) | 106,704,499 | (106,347,111) |
| BEGINING CASH BALANCE | 25,388,833 | 21,171,500 | 94,916,245 | 70,159,180 | 4,912,287 | 83,879,978 | 2,214,967 | 108,919,466 |
| CASH INCREASE/(DECREASE) | (4,217,333) | 73,744,745 | (24,757,065) | (65,246,893) | 78,967,691 | (81,665,011) | 106,704,499 | (106,347,111) |
| ENDING BALANCES | 21,171,500 | 94,916,245 | 70,159,180 | 4,912,287 | \$83,879,978 | \$2,214,967 | \$108,919,466 | \$2,572,355 |
| RATE CHANGE | 8.00% | 12% | 30% | 15% | 15% | 10% | 8% | 10% |
| Cash Reserve Ratio | 154% | 663% | 374% | 27% | 447% | 12% | 558% | 13% |
| Debt Service Coverage | 2.68 | 3.52 | 2.56 | 3.38 | 1.95 | 1.32 | 1.51 | 1.48 |

**STORMWATER UTILITY
ENTERPRISE FUND
BUDGET SUMMARY
FY 2019-2021**

| SOURCES | ACTUAL 2016-17 | AMENDED BUDGET 2017-18 | PROJECTED ACTUAL 2017-18 | Rate increase 10% | Rate increase 6% | Rate increase 4% |
|----------------------------------------------------|-------------------|------------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | | | PROPOSED BUDGET 2018-19 | FORECAST BUDGET 2019-20 | FORECAST BUDGET 2020-21 |
| REVENUES | | | | | | |
| METERED SALES | \$ 8,421,072 | \$ 8,050,000 | \$ 8,050,000 | \$ 8,855,000 | \$ 9,386,300 | \$ 9,761,752 |
| INTEREST INCOME | 79,151 | 65,820 | 65,820 | 33,000 | 8,000 | 13,000 |
| OTHER REVENUES | 23,800 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| TOTAL REVENUES | \$ 8,524,023 | \$ 8,116,820 | \$ 8,116,820 | \$ 8,889,000 | \$ 9,395,300 | \$ 9,775,752 |
| OTHER SOURCES | | | | | | |
| GRANTS & OTHER RELATED REVENUES | 511,240 | 516,000 | 516,000 | 650,000 | 516,000 | 516,000 |
| COUNTY FLOOD CONTROL | - | - | - | - | - | - |
| IMPACT FEES | 382,785 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| SHORT-TERM FINANCING | - | - | - | 1,345,000 | - | - |
| BOND PROCEEDS | - | - | - | - | 5,300,000 | - |
| TOTAL OTHER SOURCES | \$ 894,025 | \$ 716,000 | \$ 716,000 | \$ 2,195,000 | \$ 6,016,000 | \$ 716,000 |
| TOTAL SOURCES | \$ 9,418,048 | \$ 8,832,820 | \$ 8,832,820 | \$ 11,084,000 | \$ 15,411,300 | \$ 10,491,752 |
| EXPENSES & OTHER USES | | | | | | |
| EXPENDITURES | | | | | | |
| PERSONNEL SERVICES | \$ 2,325,324 | \$ 2,540,766 | \$ 2,540,766 | 2,872,608 | \$ 2,930,061 | \$ 2,988,662 |
| OPERATING & MAINTENANCE | 112,974 | 179,350 | 179,350 | 186,450 | 189,979 | 193,774 |
| TRAVEL & TRAINING | 6,074 | 13,000 | 13,000 | 12,750 | 13,005 | 13,264 |
| UTILITIES | 180,298 | 205,021 | 205,021 | 244,045 | 248,925 | 253,902 |
| TECHNICAL SERVICES | 600,761 | 1,580,720 | 1,580,720 | 1,395,133 | 1,184,636 | 1,194,329 |
| PUBLIC SERVICES / STREET SWEEPING | 819,605 | 819,605 | 819,605 | 819,605 | 835,997 | 852,717 |
| DATA PROCESSING | 249,442 | 235,000 | 235,000 | 239,700 | 244,494 | 249,384 |
| FLEET MAINTENANCE | 182,974 | 214,000 | 214,000 | 214,000 | 218,280 | 222,645 |
| ADMINISTRATIVE SERVICE FEE | 126,088 | 130,000 | 130,000 | 130,000 | 132,600 | 135,252 |
| PAYMENT IN LIEU OF TAXES | 160,102 | 109,785 | 109,785 | 125,942 | 128,461 | 131,030 |
| BILLING COST | 423,849 | 404,980 | 404,980 | 554,117 | 565,199 | 576,503 |
| BONDING NOTE EXPENSE | 2,181 | - | - | - | - | - |
| RISK MANAGEMENT | 2,546 | 86,983 | 86,983 | 86,983 | 88,723 | 90,496 |
| TRANSFERS TO GENERAL FUND | 2,769 | 4,000 | 4,000 | 4,000 | 4,080 | 4,162 |
| OTHER CHARGES AND SERVICES | 69,701 | 25,250 | 25,250 | 27,899 | 28,066 | 28,623 |
| TOTAL EXPENDITURES | \$ 5,264,688 | \$ 6,548,460 | \$ 6,548,460 | \$ 6,913,232 | \$ 6,812,506 | \$ 6,934,743 |
| OTHER USES | | | | | | |
| CAPITAL OUTLAY | 163,129 | 310,390 | 210,390 | 515,568 | 316,000 | 460,000 |
| CAPITAL IMPROVEMENT BUDGET | 3,714,981 | 6,132,667 | 3,101,548 | 5,133,500 | 5,301,000 | 2,847,000 |
| DEBT SERVICES | 1,017,890 | 1,010,724 | 1,010,180 | 1,014,000 | 2,518,000 | 1,258,000 |
| TOTAL OTHER USES | \$ 4,896,000 | \$ 7,453,781 | \$ 4,322,118 | \$ 6,663,068 | \$ 8,135,000 | \$ 4,565,000 |
| TOTAL USES | \$ 10,160,688 | \$ 14,002,241 | \$ 10,870,578 | \$ 13,576,300 | \$ 14,947,506 | \$ 11,499,743 |
| EXCESS REVENUE AND OTHER SOURCES OVER (UNDER) USES | | | | | | |
| | | | | \$ (742,640) | \$ (5,169,421) | \$ (2,037,758) |
| | | | | \$ (2,492,300) | \$ 463,794 | \$ (1,007,991) |
| OPERATING CASH BALANCES | | | | | | |
| BEGINNING JULY 1 | \$ 6,058,717 | \$ 5,316,077 | \$ 5,316,077 | \$ 3,278,319 | \$ 786,019 | \$ 1,249,813 |
| ENDING JUNE 30 | \$ 5,316,077 | \$ 146,656 | \$ 3,278,319 | \$ 786,019 | \$ 1,249,813 | \$ 241,822 |
| Cash Reserve Ratio | 101% | 2% | 50% | 11% | 18% | 3% |
| Cash reserve goal above 10% | | | | | | |

**STORMWATER UTILITY
CASH FLOW
FY 2019 BUDGET
AND FY 2020-2023 FORECAST**

| | ACTUAL YEAR 2015-2016 | ACTUAL YEAR 2016-2017 | PROJECTED YEAR 2017-2018 | BUDGET YEAR 2018-2019 | BUDGET YEAR 2019-2020 | BUDGET YEAR 2020-2021 | BUDGET YEAR 2021-2022 | BUDGET YEAR 2022-2023 |
|--------------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| STORMWATER CHARGES | 8,216,974 | 8,421,072 | 8,050,000 | 8,855,000 | 9,386,300 | 9,761,752 | 10,152,222 | 10,152,222 |
| OTHER INCOME | 24,304 | 23,800 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| INTEREST INCOME | 45,010 | 79,151 | 65,820 | 33,000 | 8,000 | 13,000 | 3,000 | 9,000 |
| OPERATING INCOME | 8,286,288 | 8,524,023 | 8,116,820 | 8,889,000 | 9,395,300 | 9,775,752 | 10,156,222 | 10,162,222 |
| OPERATING EXPENDITURES | (5,087,502) | (5,264,688) | (6,548,460) | (6,913,232) | (6,812,506) | (6,934,743) | (7,059,445) | (6,636,629) |
| NET INCOME EXCLUDING DEP. | 3,198,786 | 3,259,335 | 1,568,360 | 1,975,768 | 2,582,794 | 2,841,009 | 3,096,777 | 3,525,593 |
| IMPACT FEES | 133,624 | 382,785 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| SHORT-TERM FINANCING | | | | 1,345,000 | | | | |
| NET BOND PROCEEDS | 0 | 0 | | | 5,300,000 | | | |
| COST OF ISSUANCE (PROCEEDS) | | | | 10,000 | 30,000 | 0 | 0 | 0 |
| COST OF ISSUANCE (EXP.) | | | | (10,000) | (30,000) | 0 | 0 | 0 |
| OTHER CONTRIBUTIONS | 423,185 | 511,240 | 516,000 | 650,000 | 516,000 | 516,000 | 516,000 | 516,000 |
| CAPITAL OUTLAY | (38,978) | (163,129) | (210,390) | (515,568) | (316,000) | (460,000) | (395,000) | (260,000) |
| SHORT-TERM DEBT | | | | | (1,423,000) | | | |
| DEBT SERVICE (NEW) | 0 | | 0 | 0 | (83,000) | (247,000) | (247,000) | (247,000) |
| DEBT SERVICE | (1,011,772) | (1,017,890) | (1,010,180) | (1,014,000) | (1,012,000) | (1,011,000) | (1,014,000) | (163,000) |
| OTHER INCOME & EXPENSE | (493,941) | (286,994) | (504,570) | 665,432 | 3,182,000 | (1,002,000) | (940,000) | 46,000 |
| FOR CAPITAL | 2,704,845 | 2,972,341 | 1,063,790 | 2,641,200 | 5,764,794 | 1,839,009 | 2,156,777 | 3,571,593 |
| CAPITAL IMPROVEMENTS | (3,452,581) | (3,714,981) | (3,101,548) | (5,133,500) | (5,301,000) | (2,847,000) | (1,521,000) | (1,273,000) |
| BEGINING CASH BALANCE | 6,806,453 | 6,058,717 | 5,316,077 | 3,278,319 | 786,019 | 1,249,813 | 241,822 | 877,599 |
| CASH INCREASE/(DECREASE) | (747,736) | (742,640) | (2,037,758) | (2,492,300) | 463,794 | (1,007,991) | 635,777 | 2,298,593 |
| ENDING BALANCES | 6,058,717 | 5,316,077 | 3,278,319 | 786,019 | 1,249,813 | 241,822 | 877,599 | 3,176,192 |
| DEBT SERVICE COVERAGE | 3.16 | 3.20 | 1.55 | 1.95 | 1.03 | 2.26 | 2.46 | 8.60 |
| RATE CHANGE | 0% | 0% | 0% | 10% | 6% | 4% | 4% | 0% |
| Cash Reserve Ratio | 119% | 101% | 50% | 11% | 18% | 3% | 12% | 48% |
| Minimum Reserve | 508,750 | 526,469 | 654,846 | 691,323 | 681,251 | 693,474 | 705,945 | 663,663 |
| Ending Reserve Available for Capital | 5,549,967 | 4,789,608 | 2,623,473 | 94,696 | 568,562 | (451,652) | 171,654 | 2,512,529 |

**BASE LIGHTING FUND
STREET LIGHTING ENTERPRISE FUNDS
BUDGET SUMMARY
FY 2019-2021**

| SOURCES | ACTUAL 2016-17 | AMENDED BUDGET 2017-18 | PROJECTED ACTUAL 2017-18 | PROPOSED BUDGET 2018-19 | FORECAST BUDGET 2019-20 | FORECAST BUDGET 2020-21 |
|---------------------------------------------------------------|---------------------------|---------------------------------------|-----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| REVENUES | | | | | | |
| STREET LIGHTING FEES | \$ 3,247,143 | \$ 3,200,000 | \$ 3,200,000 | \$ 3,200,000 | \$ 3,200,000 | \$ 3,200,000 |
| INTEREST INCOME | 29,806 | 30,000 | 30,000 | 24,000 | 16,000 | 10,000 |
| OTHER REVENUES | 7,131 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| TOTAL REVENUES | \$ 3,284,080 | \$ 3,232,000 | \$ 3,232,000 | \$ 3,226,000 | \$ 3,218,000 | \$ 3,212,000 |
| OTHER SOURCES | | | | | | |
| GRANTS & OTHER RELATED REVENUES | 7,086 | - | - | - | - | - |
| TRANSFERS FROM GENERAL FUND | - | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| IMPACT FEES | - | - | - | - | - | - |
| BOND PROCEEDS | - | - | - | - | - | - |
| TOTAL OTHER SOURCES | 7,086 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| TOTAL SOURCES | \$ 3,291,166 | \$ 3,252,000 | \$ 3,252,000 | \$ 3,246,000 | \$ 3,238,000 | \$ 3,232,000 |
| EXPENSES & OTHER USES | | | | | | |
| EXPENDITURES | | | | | | |
| PERSONNEL SERVICES | \$ 108,190 | \$ 259,424 | \$ 259,424 | \$ 198,307 | \$ 202,273 | \$ 206,319 |
| OPERATING & MAINTENANCE | 1,725 | 5,800 | 5,800 | 5,800 | 5,916 | 6,035 |
| TRAVEL & TRAINING | 2,860 | 2,700 | 2,700 | 3,000 | 3,060 | 3,121 |
| UTILITIES | 719,288 | 700,000 | 700,000 | 700,000 | 714,000 | 728,280 |
| TECHNICAL SERVICES | 1,124,075 | 1,040,204 | 1,040,204 | 1,320,204 | 1,254,808 | 1,279,904 |
| DATA PROCESSING | - | - | - | - | - | - |
| FLEET MAINTENANCE | - | - | - | - | - | - |
| ADMINISTRATIVE SERVICE FEE | 20,753 | 20,000 | 20,000 | 20,000 | 20,400 | 20,808 |
| PAYMENT IN LIEU OF TAXES | - | - | - | - | - | - |
| RISK MANAGEMENT | 7,551 | - | - | - | - | - |
| TRANSFERS TO GENERAL FUND | - | - | - | - | - | - |
| OTHER CHARGES AND SERVICES | 13,546 | 1,906 | 1,906 | 2,406 | 2,405 | 2,454 |
| TOTAL EXPENDITURES | 1,997,988 | 2,030,034 | 2,030,034 | 2,249,717 | 2,202,862 | 2,246,921 |
| OTHER USES | | | | | | |
| CAPITAL OUTLAY | - | - | - | - | - | - |
| CAPITAL IMPROVEMENT BUDGET | 1,189,499 | 1,070,000 | 1,100,953 | 1,350,000 | 1,350,000 | 1,050,000 |
| DEBT SERVICES | - | - | - | - | - | - |
| TOTAL OTHER USES | \$ 1,189,499 | \$ 1,070,000 | \$ 1,100,953 | \$ 1,350,000 | \$ 1,350,000 | \$ 1,050,000 |
| TOTAL USES | \$ 3,187,487 | \$ 3,100,034 | \$ 3,130,987 | \$ 3,599,717 | \$ 3,552,862 | \$ 3,296,921 |
| EXCESS REVENUE AND OTHER SOURCES OVER (UNDER) USES | \$ 103,679 | \$ 151,966 | \$ 121,013 | \$ (353,717) | \$ (314,862) | \$ (64,921) |
| OPERATING CASH BALANCES | | | | | | |
| BEGINNING JULY 1 | \$ 2,240,946 | \$ 2,344,625 | \$ 2,344,625 | \$ 2,465,638 | \$ 2,111,921 | \$ 1,797,059 |
| ENDING JUNE 30 | \$ 2,344,625 | \$ 2,496,591 | \$ 2,465,638 | \$ 2,111,921 | \$ 1,797,059 | \$ 1,732,138 |
| Cash Reserve Ratio | 117% | 123% | 121% | 93.9% | 81.6% | 77.1% |
| Cash reserve goal above 10% | | | | | | |

**BASE LIGHTING FUND
PRELIMINARY CASH FLOW**

| | Actual YEAR 2015-2016 | Actual YEAR 2016-2017 | Projected YEAR 2017-2018 | BUDGET YEAR 2018-2019 | BUDGET YEAR 2019-2020 | BUDGET YEAR 2020-2021 | BUDGET YEAR 2021-2022 | BUDGET YEAR 2022-2023 |
|---------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| STREET LIGHTING SALES | 3,249,937 | 3,247,143 | 3,200,000 | 3,200,000 | 3,200,000 | 3,200,000 | 3,200,000 | 3,200,000 |
| OTHER INCOME | 29,797 | 7,131 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| INTEREST INCOME | 14,753 | 29,806 | 30,000 | 24,000 | 16,000 | 10,000 | 8,000 | 4,000 |
| OPERATING INCOME | 3,294,487 | 3,284,080 | 3,232,000 | 3,226,000 | 3,218,000 | 3,212,000 | 3,210,000 | 3,206,000 |
| OPERATING EXPENSES | (1,801,019) | (1,997,988) | (2,030,034) | (2,249,717) | (2,202,862) | (2,246,921) | (2,291,858) | (2,337,697) |
| | | | | | | | | |
| NET INCOME EXCLUDING DEP. | 1,493,468 | 1,286,092 | 1,201,966 | 976,283 | 1,015,138 | 965,079 | 918,142 | 868,303 |
| | | | | | | | | |
| BOND PROCEEDS | - | | - | - | - | - | - | - |
| GENERAL FUND CONTRIBUTION | | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| ELECTRICITY REBATES | 32,402 | 7,086 | - | - | - | - | - | - |
| CAPITAL OUTLAY | - | | - | - | - | - | - | - |
| DEBT SERVICE | - | | - | - | - | - | - | - |
| OTHER INCOME & EXPENSE | 32,402 | 7,086 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| | | | | | | | | |
| GENERATED FOR CAPITAL | 1,525,870 | 1,293,178 | 1,221,966 | 996,283 | 1,035,138 | 985,079 | 938,142 | 888,303 |
| | | | | | | | | |
| CAPITAL IMPROVEMENTS | (662,161) | (1,189,499) | (1,100,953) | (1,350,000) | (1,350,000) | (1,050,000) | (1,050,000) | (1,050,000) |
| | | | | | | | | |
| | | | | | | | | |
| BEGINING CASH BALANCE | 1,377,237 | 2,240,946 | 2,344,625 | 2,465,638 | 2,111,921 | 1,797,059 | 1,732,138 | 1,620,280 |
| CASH INCREASE/(DECREASE) | 863,709 | 103,679 | 121,013 | (353,717) | (314,862) | (64,921) | (111,858) | (161,697) |
| ENDING BALANCE | 2,240,946 | 2,344,625 | | 2,111,921 | 1,797,059 | 1,732,138 | 1,620,280 | 1,458,583 |
| | | | | | | | | |
| RATE CHANGE | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| | | | | | | | | |
| Annual Bill | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 |
| Cash Reserve Ratio | 124.4% | 117.3% | 121.5% | 93.9% | 81.6% | 77.1% | 70.7% | 62.4% |

**TIER 1 LIGHTING FUND
STREET LIGHTING ENTERPRISE FUNDS
BUDGET SUMMARY
FY 2019-2021**

| | | | | | Rate increase 0% | Rate increase 0% |
|---------------------------------------------------------------|---------------------------|---------------------------------------|-----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| SOURCES | ACTUAL 2016-17 | AMENDED BUDGET 2017-18 | PROJECTED ACTUAL 2017-18 | PROPOSED BUDGET 2018-19 | FORECAST BUDGET 2019-20 | FORECAST BUDGET 2020-21 |
| REVENUES | | | | | | |
| STREET LIGHTING FEES | \$ 176,032 | \$ 169,964 | \$ 169,964 | \$ 170,000 | \$ 170,000 | \$ 170,000 |
| INTEREST INCOME | 490 | - | - | 2,000 | 4,000 | 5,000 |
| OTHER REVENUES | - | - | - | - | - | - |
| TOTAL REVENUES | \$ 176,522 | \$ 169,964 | \$ 169,964 | \$ 172,000 | \$ 174,000 | \$ 175,000 |
| OTHER SOURCES | | | | | | |
| GRANTS & OTHER RELATED REVENUES | - | - | - | - | - | - |
| SPECIAL ASSESSMENTS | - | - | - | - | - | - |
| IMPACT FEES | - | - | - | - | - | - |
| BOND PROCEEDS | - | - | - | - | - | - |
| TOTAL OTHER SOURCES | - | - | - | - | - | - |
| TOTAL SOURCES | \$ 176,522 | \$ 169,964 | \$ 169,964 | \$ 172,000 | \$ 174,000 | \$ 175,000 |
| EXPENSES & OTHER USES | | | | | | |
| EXPENDITURES | | | | | | |
| PERSONNEL SERVICES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| OPERATING & MAINTENANCE | 1,199 | 1,500 | 1,500 | 1,500 | 1,530 | 1,561 |
| TRAVEL & TRAINING | - | - | - | - | - | - |
| UTILITIES | 21,883 | 24,430 | 24,430 | 24,430 | 24,917 | 25,416 |
| TECHNICAL SERVICES | 26,977 | 42,064 | 42,064 | 42,100 | 42,943 | 43,802 |
| DATA PROCESSING | - | - | - | - | - | - |
| FLEET MAINTENANCE | - | - | - | - | - | - |
| ADMINISTRATIVE SERVICE FEE | - | - | - | - | - | - |
| PAYMENT IN LIEU OF TAXES | - | - | - | - | - | - |
| RISK MANAGEMENT | - | - | - | - | - | - |
| TRANSFERS TO GENERAL FUND | - | - | - | - | - | - |
| OTHER CHARGES AND SERVICES | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 50,059 | 67,994 | 67,994 | 68,030 | 69,390 | 70,779 |
| OTHER USES | | | | | | |
| CAPITAL OUTLAY | - | - | - | - | - | - |
| CAPITAL IMPROVEMENT BUDGET | 6,865 | 75,000 | 75,000 | 5,000 | 5,000 | 195,000 |
| DEBT SERVICES | - | - | - | - | - | - |
| TOTAL OTHER USES | 6,865 | 75,000 | 75,000 | 5,000 | 5,000 | 195,000 |
| TOTAL USES | 56,924 | 142,994 | 142,994 | 73,030 | 74,390 | 265,779 |
| EXCESS REVENUE AND OTHER SOURCES OVER (UNDER) USES | \$ 119,598 | \$ 26,970 | \$ 26,970 | \$ 98,970 | \$ 99,610 | \$ (90,779) |
| OPERATING CASH BALANCES | | | | | | |
| BEGINNING JULY 1 | \$ - | \$ 119,598 | \$ 119,598 | \$ 146,568 | \$ 245,538 | \$ 345,148 |
| ENDING JUNE 30 | \$ 119,598 | \$ 146,568 | \$ 146,568 | \$ 245,538 | \$ 345,148 | \$ 254,369 |
| Cash Reserve Ratio | 239% | 216% | 216% | 361% | 497% | 359% |
| Cash reserve goal above 10% | | | | | | |

**TIER 1 LIGHTING FUND
CASH FLOW**

| | Actual YEAR 2016-2017 | Projected YEAR 2017-2018 | BUDGET YEAR 2018-2019 | BUDGET YEAR 2019-2020 | BUDGET YEAR 2020-2021 | BUDGET YEAR 2021-2022 | BUDGET YEAR 2022-2023 |
|---------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| STREET LIGHTING SALES | 176,032 | 169,964 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 |
| OTHER INCOME | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INTEREST INCOME | 490 | 0 | 2,000 | 4,000 | 5,000 | 4,000 | 5,000 |
| OPERATING INCOME | 176,522 | 169,964 | 172,000 | 174,000 | 175,000 | 174,000 | 175,000 |
| OPERATING EXPENSES | (50,059) | (67,994) | (68,030) | (69,390) | (70,779) | (72,194) | (73,639) |
| | | | | | | | |
| NET INCOME EXCLUDING DEP. | 126,463 | 101,970 | 103,970 | 104,610 | 104,221 | 101,806 | 101,361 |
| | | | | | | | |
| BOND PROCEEDS | 0 | 0 | 0 | 0 | | 0 | 0 |
| CAPITAL OUTLAY | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEBT SERVICE | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER INCOME & EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| AVAILABLE FOR CAPITAL | 126,463 | 101,970 | 103,970 | 104,610 | 104,221 | 101,806 | 101,361 |
| | | | | | | | |
| CAPITAL IMPROVEMENTS | (6,865) | (75,000) | (5,000) | (5,000) | (195,000) | (5,000) | (5,000) |
| | | | | | | | |
| | | | | | | | |
| BEGINING CASH BALANCE | 0 | 119,598 | 146,568 | 245,538 | 345,148 | 254,369 | 351,175 |
| CASH INCREASE/(DECREASE) | 119,598 | 26,970 | 98,970 | 99,610 | (90,779) | 96,806 | 96,361 |
| ENDING BALANCES | 119,598 | 146,568 | 245,538 | 345,148 | 254,369 | 351,175 | 447,536 |
| | | | | | | | |
| | | | | | | | |
| RATE CHANGE | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| | | | | | | | |
| Annual Bill | 68.04 | 68.04 | 68.04 | 68.04 | 68.04 | 68.04 | 68.04 |
| Cash Reserve Ratio | 239% | 216% | 361% | 497% | 359% | 486% | 608% |

**TIER 2 LIGHTING FUND
STREET LIGHTING ENTERPRISE FUNDS
BUDGET SUMMARY
FY 2019-2021**

| | | | | | Rate increase 0% | Rate increase 0% |
|---------------------------------------------------------------|---------------------------|---------------------------------------|-----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| SOURCES | ACTUAL 2016-17 | AMENDED BUDGET 2017-18 | PROJECTED ACTUAL 2017-18 | PROPOSED BUDGET 2018-19 | FORECAST BUDGET 2019-20 | FORECAST BUDGET 2020-21 |
| REVENUES | | | | | | |
| STREET LIGHTING FEES | \$ 167,840 | \$ 177,291 | \$ 177,291 | \$ 175,000 | \$ 175,000 | \$ 175,000 |
| INTEREST INCOME | 12,833 | - | - | 9,000 | 3,000 | 4,000 |
| OTHER REVENUES | 4,637 | - | - | 2,000 | 2,000 | 2,000 |
| TOTAL REVENUES | \$ 185,310 | \$ 177,291 | \$ 177,291 | \$ 186,000 | \$ 180,000 | \$ 181,000 |
| OTHER SOURCES | | | | | | |
| GRANTS & OTHER RELATED REVENUES | - | - | - | - | - | - |
| SPECIAL ASSESSMENTS | - | - | - | - | - | - |
| IMPACT FEES | - | - | - | - | - | - |
| BOND PROCEEDS | 972,000 | - | - | - | - | - |
| TOTAL OTHER SOURCES | 972,000 | - | - | - | - | - |
| TOTAL SOURCES | \$ 1,157,310 | \$ 177,291 | \$ 177,291 | \$ 186,000 | \$ 180,000 | \$ 181,000 |
| EXPENSES & OTHER USES | | | | | | |
| EXPENDITURES | | | | | | |
| PERSONNEL SERVICES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| OPERATING & MAINTENANCE | 567 | - | - | - | - | - |
| TRAVEL & TRAINING | - | - | - | - | - | - |
| UTILITIES | 24,661 | 26,463 | 26,463 | 26,470 | 20,414 | 15,749 |
| TECHNICAL SERVICES | 27,311 | 69,895 | 69,895 | 69,900 | 57,182 | 45,827 |
| DATA PROCESSING | - | - | - | - | - | - |
| FLEET MAINTENANCE | - | - | - | - | - | - |
| ADMINISTRATIVE SERVICE FEE | - | - | - | - | - | - |
| PAYMENT IN LIEU OF TAXES | - | - | - | - | - | - |
| RISK MANAGEMENT | - | - | - | - | - | - |
| TRANSFERS TO GENERAL FUND | - | - | - | - | - | - |
| OTHER CHARGES AND SERVICES | 5,010 | - | - | - | - | - |
| TOTAL EXPENDITURES | 57,549 | 96,358 | 96,358 | 96,370 | 77,596 | 61,576 |
| OTHER USES | | | | | | |
| CAPITAL OUTLAY | - | - | - | - | - | - |
| CAPITAL IMPROVEMENT BUDGET | 30,795 | 470,000 | 470,000 | 470,000 | 5,000 | 5,000 |
| DEBT SERVICES | 8,666 | 32,518 | 39,717 | 40,000 | 40,000 | 75,000 |
| TOTAL OTHER USES | \$ 39,461 | \$ 502,518 | \$ 509,717 | \$ 510,000 | \$ 45,000 | \$ 80,000 |
| TOTAL USES | \$ 97,010 | \$ 598,876 | \$ 606,075 | \$ 606,370 | \$ 122,596 | \$ 141,576 |
| EXCESS REVENUE AND OTHER SOURCES OVER (UNDER) USES | \$ 1,060,300 | \$ (421,585) | \$ (428,784) | \$ (420,370) | \$ 57,404 | \$ 39,424 |
| OPERATING CASH BALANCES | | | | | | |
| BEGINNING JULY 1 | \$ - | \$ 1,060,300 | \$ 1,060,300 | \$ 631,516 | \$ 211,146 | \$ 268,550 |
| ENDING JUNE 30 | \$ 1,060,300 | \$ 638,715 | \$ 631,516 | \$ 211,146 | \$ 268,550 | \$ 307,974 |
| Cash Reserve Ratio | 1842% | 663% | 655% | 219% | 346% | 500% |
| Cash reserve goal above 10% | | | | | | |

**TIER 2 LIGHTING FUND
CASH FLOW**

| | Actual YEAR 2016-2017 | Projected YEAR 2017-2018 | BUDGET YEAR 2018-2019 | BUDGET YEAR 2019-2020 | BUDGET YEAR 2020-2021 | BUDGET YEAR 2021-2022 | BUDGET YEAR 2021-2022 |
|---------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| STREET LIGHTING SALES | 167,840 | 177,291 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 |
| OTHER INCOME | 4,637 | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| INTEREST INCOME | 12,833 | 0 | 9,000 | 3,000 | 4,000 | 5,000 | 5,000 |
| OPERATING INCOME | 185,310 | 177,291 | 186,000 | 180,000 | 181,000 | 182,000 | 182,000 |
| OPERATING EXPENSES | (57,549) | (96,358) | (96,370) | (77,596) | (61,576) | (62,807) | (64,064) |
| | | | | | | | |
| NET INCOME EXCLUDING DEP. | 127,761 | 80,933 | 89,630 | 102,404 | 119,424 | 119,193 | 117,936 |
| | | | | | | | |
| NET BOND PROCEEDS | 972,000 | | | | | | |
| CAPITAL OUTLAY | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEBT SERVICE | (8,666) | (39,717) | (40,000) | (40,000) | (75,000) | (73,000) | (128,000) |
| OTHER INCOME & EXPENSE | 963,334 | (39,717) | (40,000) | (40,000) | (75,000) | (73,000) | (128,000) |
| | | | | | | | |
| AVAILABLE FOR CAPITAL | 1,091,095 | 41,216 | 49,630 | 62,404 | 44,424 | 46,193 | (10,064) |
| | | | | | | | |
| CAPITAL IMPROVEMENTS | (30,795) | (470,000) | (470,000) | (5,000) | (5,000) | (5,000) | (5,000) |
| | | | | | | | |
| | | | | | | | |
| BEGINING CASH BALANCE | 0 | 1,060,300 | 631,516 | 211,146 | 268,550 | 307,974 | 349,167 |
| CASH INCREASE/(DECREASE) | 1,060,300 | (428,784) | (420,370) | 57,404 | 39,424 | 41,193 | (15,064) |
| ENDING BALANCES | \$1,060,300 | \$631,516 | \$ 211,146.18 | \$268,550 | \$307,974 | \$349,167 | \$334,103 |
| | | | | | | | |
| | | | | | | | |
| RATE CHANGE | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| | | | | | | | |
| Annual Bill | 191.28 | 191.28 | 191.28 | 191.28 | 191.28 | 191.28 | 191.28 |
| Debt Service Coverage | 14.74 | | 2.24 | 2.56 | 1.59 | 1.63 | 0.92 |
| Cash Reserve Ratio | 1842% | 655% | 219% | 346% | 500% | 556% | 522% |

**TIER 3 LIGHTING FUND
STREET LIGHTING ENTERPRISE FUNDS
BUDGET SUMMARY
FY 2019-2021**

| | | | | | Rate increase 0% | Rate increase 0% |
|---------------------------------------------------------------|---------------------------|---------------------------------------|-----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| SOURCES | ACTUAL 2016-17 | AMENDED BUDGET 2017-18 | PROJECTED ACTUAL 2017-18 | PROPOSED BUDGET 2018-19 | FORECAST BUDGET 2019-20 | FORECAST BUDGET 2020-21 |
| REVENUES | | | | | | |
| STREET LIGHTING FEES | \$ 625,117 | \$ 605,116 | \$ 605,116 | \$ 625,000 | \$ 625,000 | \$ 625,000 |
| INTEREST INCOME | 20,514 | - | - | 17,000 | 7,000 | 10,000 |
| OTHER REVENUES | 7,289 | - | - | 5,000 | 5,000 | 5,000 |
| TOTAL REVENUES | \$ 652,920 | \$ 605,116 | \$ 605,116 | \$ 647,000 | \$ 637,000 | \$ 640,000 |
| OTHER SOURCES | | | | | | |
| GRANTS & OTHER RELATED REVENUES | - | - | - | - | - | - |
| SPECIAL ASSESSMENTS | - | - | - | - | - | - |
| IMPACT FEES | - | - | - | - | - | - |
| BOND PROCEEDS | 1,528,000 | - | - | - | - | - |
| TOTAL OTHER SOURCES | 1,528,000 | - | - | - | - | - |
| TOTAL SOURCES | \$ 2,180,920 | \$ 605,116 | \$ 605,116 | \$ 647,000 | \$ 637,000 | \$ 640,000 |
| EXPENSES & OTHER USES | | | | | | |
| EXPENDITURES | | | | | | |
| PERSONNEL SERVICES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| OPERATING & MAINTENANCE | 414 | - | - | - | - | - |
| TRAVEL & TRAINING | - | - | - | - | - | - |
| UTILITIES | 180,772 | 247,775 | 247,775 | 240,000 | 190,608 | 146,886 |
| TECHNICAL SERVICES | 94,917 | 206,333 | 206,333 | 206,000 | 169,032 | 133,755 |
| DATA PROCESSING | - | - | - | - | - | - |
| FLEET MAINTENANCE | - | - | - | - | - | - |
| ADMINISTRATIVE SERVICE FEE | - | - | - | - | - | - |
| PAYMENT IN LIEU OF TAXES | - | - | - | - | - | - |
| RISK MANAGEMENT | - | - | - | - | - | - |
| TRANSFERS TO GENERAL FUND | - | - | - | - | - | - |
| OTHER CHARGES AND SERVICES | 8,094 | - | - | - | - | - |
| TOTAL EXPENDITURES | 284,197 | 454,108 | 454,108 | 446,000 | 359,640 | 280,641 |
| OTHER USES | | | | | | |
| CAPITAL OUTLAY | - | - | - | - | - | - |
| CAPITAL IMPROVEMENT BUDGET | 40,342 | 770,000 | 770,000 | 780,000 | 15,000 | 160,000 |
| DEBT SERVICES | 13,554 | 52,530 | 62,444 | 63,000 | 63,000 | 124,000 |
| TOTAL OTHER USES | \$ 53,896 | \$ 822,530 | \$ 832,444 | \$ 843,000 | \$ 78,000 | \$ 284,000 |
| TOTAL USES | \$ 338,093 | \$ 1,276,638 | \$ 1,286,552 | \$ 1,289,000 | \$ 437,640 | \$ 564,641 |
| EXCESS REVENUE AND OTHER SOURCES OVER (UNDER) USES | \$ 1,842,827 | \$ (671,522) | \$ (681,436) | \$ (642,000) | \$ 199,360 | \$ 75,359 |
| OPERATING CASH BALANCES | | | | | | |
| BEGINNING JULY 1 | \$ - | \$ 1,842,827 | \$ 1,842,827 | \$ 1,161,391 | \$ 519,391 | \$ 718,751 |
| ENDING JUNE 30 | \$ 1,842,827 | \$ 1,171,305 | \$ 1,161,391 | \$ 519,391 | \$ 718,751 | \$ 794,110 |
| Cash Reserve Ratio | 648% | 258% | 256% | 116% | 200% | 283% |
| Cash reserve goal above 10% | | | | | | |

**TIER 3 LIGHTING FUND
CASH FLOW**

| | Actual YEAR 2016-2017 | Projected YEAR 2017-2018 | BUDGET YEAR 2018-2019 | BUDGET YEAR 2019-2020 | BUDGET YEAR 2020-2021 | BUDGET YEAR 2021-2022 | BUDGET YEAR 2021-2022 |
|---------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| STREET LIGHTING SALES | 625,117 | 605,116 | 625,000 | 625,000 | 625,000 | 625,000 | 625,000 |
| OTHER INCOME | 7,289 | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| INTEREST INCOME | 20,514 | 0 | 17,000 | 7,000 | 10,000 | 12,000 | 15,000 |
| OPERATING INCOME | 652,920 | 605,116 | 647,000 | 637,000 | 640,000 | 642,000 | 645,000 |
| OPERATING EXPENSES | (284,197) | (454,108) | (446,000) | (359,640) | (280,641) | (286,254) | (291,978) |
| | | | | | | | |
| NET INCOME EXCLUDING DEP. | 368,723 | 151,008 | 201,000 | 277,360 | 359,359 | 355,746 | 353,022 |
| | | | | | | | |
| NET BOND PROCEEDS | 1,528,000 | | | | | | |
| CAPITAL OUTLAY | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEBT SERVICE | (13,554) | (62,444) | (63,000) | (63,000) | (124,000) | (120,000) | (152,000) |
| OTHER INCOME & EXPENSE | 1,514,446 | (62,444) | (63,000) | (63,000) | (124,000) | (120,000) | (152,000) |
| | | | | | | | |
| AVAILABLE FOR CAPITAL | 1,883,169 | 88,564 | 138,000 | 214,360 | 235,359 | 235,746 | 201,022 |
| | | | | | | | |
| CAPITAL IMPROVEMENTS | (40,342) | (770,000) | (780,000) | (15,000) | (160,000) | (15,000) | (15,000) |
| | | | | | | | |
| | | | | | | | |
| BEGINING CASH BALANCE | 0 | 1,842,827 | 1,161,391 | 519,391 | 718,751 | 794,110 | 1,014,856 |
| CASH INCREASE/(DECREASE) | 1,842,827 | (681,436) | (642,000) | 199,360 | 75,359 | 220,746 | 186,022 |
| ENDING BALANCES | \$1,842,827 | \$1,161,391 | 519,391 | \$718,751 | \$794,110 | \$1,014,856 | \$1,200,878 |
| | | | | | | | |
| | | | | | | | |
| RATE CHANGE | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| | | | | | | | |
| Annual Bill | 525.84 | 525.84 | 525.84 | 525.84 | 525.84 | 525.84 | 525.84 |
| Debt Service Coverage | | 2.42 | 3.19 | 4.40 | 2.90 | 2.96 | 2.32 |
| Cash Reserve Ratio | 648% | 256% | 116% | 200% | 283% | 355% | 411% |