



## To the Board of Trustees Granger-Hunter Improvement District

The 2018 budget for Granger-Hunter Improvement District (District) has been prepared in accordance with the District's mission: *Stewards of water: delivered clean and safe for daily use and collected responsibly to protect public health and the environment.* This budget narrative will provide an overview of the framework we believe will help the District to meet its objective.

### Budget Process

The annual budget is created by the District's management. Directors each have a responsibility to submit their department budgets for consideration and review by management. The needs of a department are weighed against the needs of the other departments, and priorities are established. Budgets for personnel and capital projects are also prepared, and input is received from management and directors. The budget is then organized and presented to the Board for comment, input, additional prioritization of needs, and approval. Once the budget is adopted, it becomes the framework for applying District resources in the best manner to meet the needs of the customers.

Prior to adoption of the budget, the following steps need to or have occurred:

- The tentative budget was prepared and given to the Board on or before the first scheduled meeting in November (was handed out on October 24<sup>th</sup>). The tentative budget (amended for any Board input) was then adopted at the November 14<sup>th</sup> (2:30 p.m.) Board meeting.
- When the tentative budget was adopted, the Board established the time and place of the public hearing to consider adoption of the final budget. The time and place, which is immediately following the regularly scheduled meeting in December, was set as December 12<sup>th</sup> at 6:00 p.m.
- If no fee, rate or tax increases are considered, the District must publish notice of the public hearing in the newspaper at least seven days prior to the hearing. If tax, rate or fee increases are to be considered, a quarter page ad must be placed in the paper two times in the two weeks prior to the meeting. Because a water rate increase is proposed, an ad was properly published prior to the hearing.
- The Board, by resolution, may adopt the budget following the public hearing. The budget must be adopted before the beginning of the New Year.

### Economic Conditions and Budget Changes

The Utah economy has been relatively consistent for several years now with most

economic indicators being slow but steady in their improvement. Job growth has been good in Utah, with a very low unemployment rate at this time. Home starts have also done well, and the prices of existing houses have seen dramatic increases. However, in spite of all these positive indicators, the Utah economy still has grown only very slightly and is not expected to change a lot in the upcoming year. The Consumer Price Index (CPI-U) inflation rate for each of the past seven years, with a small exception in 2011, reflects this trend as follows:

2010 = 1.6%  
2011 = 3.2%  
2012 = 2.1%  
2013 = 1.5%  
2014 = 1.6%  
2015 = 0.1%  
2016 = 1.3%

The price of oil has remained unusually low, which is both a blessing and a challenge. It is very difficult to forecast whether or not prices will soon rebound. As a result, the District continues to have a challenge in knowing how much to budget for fuel, oil, PVC pipe, asphalt, and other petroleum-based products which we regularly use. Utility rates for power and natural gas have remained relatively stable, but our total operating costs related to these resources fluctuate according to weather and demand and also according to recent experimentation with timing and extent of utilizing wells, all of which affect the amount of pumping we must do.

Central Valley Water Reclamation Facility (CVW) continues its very aggressive asset review and repair/replacement program, resulting in the identification of a number of critical infrastructure issues that must be addressed in the very near future. A significant portion of the facility will need to be largely refurbished or even totally replaced over the next several years, as those components have reached the end of their useful life. This is driving up the budget items related to CVW, potentially by approximately 22% this year, for our share of the CVW operating costs and those capital costs related to keeping the infrastructure in operating condition. Also, the Environmental Protection Agency and the Utah Division of Environmental Quality have caused new legislation requiring the removal of phosphates from wastewater, with nitrogen and similar nutrient removal expected to follow soon thereafter. Refurbishing the CVW facility and adding the required nutrient removal infrastructure is expected to cost more than \$250 million over the next 20 years. The first of several bonds was issued this past year by CVW, and the District's share of 2018 bond payments is anticipated to be nearly \$890,000.

The District's proposed total revenues for 2018 reflect an increase of approximately 4.2% (\$1,497,500) over the 2017 budget. This is due almost entirely to the proposed 7.5% overall increase in water revenues. The District did not increase water rates last year, yet Jordan Valley Water raised our cost for purchasing water nearly 5% last year and is anticipated to do so again this next year. Therefore, it is necessary for us to increase our rate to allow us to continue to purchase the needed water for our customers. There is a small increase (\$100,000 or 3.1%) in the property tax revenues for projected growth. We are anticipating a continuing steady but minimal level of new construction, consistent with

that of the past two or three years. Therefore, budgeted Water and Sewer Impact Fees are proposed at the same amounts as the prior year.

In spite of the significant infrastructure projects anticipated for the District and CVW, we do not expect to spend down our accumulated project funds as dramatically as we anticipated for 2017. However, there are significant and sizeable projects on the horizon, so the District is closely monitoring its funds for these projects and also evaluating other funding mechanisms such as bonding. Although interest rates are expected to increase slightly over the next year, we anticipate beginning the year with slightly smaller reserves, and thereby experiencing interest income similar to that of last year. Virtually all other revenues are anticipated to remain very close to the levels experienced in 2017. This is again a reflection of the slow but steady economy and anticipated minimal construction.

Overall operating expenses are projected to increase 7.7% or slightly less than \$2.1 million in 2018. The largest single increase (33% or \$707,452 of the total operating expense increase) will be for the CVW Facility Operations. This is largely the result of a change in the way CVW categorizes costs previously charged to capital outlays. Due to the aforementioned refurbishing at the CVW plant, there will also be a budget increase of \$375,872 (nearly 18% of total operating expense increase) in CVW debt service to cover the District's share of payments for CVW bonds. As previously noted, we expect a rate increase of approximately 5% (budgeted increase of \$485,625) from Jordan Valley Water (JVW) for the purchase of potable water, contracted to be 18,500 acre feet as in the past several years. The combined impact of the CVW operating expense and debt service increases and the JVW rate increase is nearly \$1,569,000, nearly 75% of the total increase in Operating Expenses. The remaining change between years is attributable to the cumulative increases and decreases in all other accounts, with most of the increase coming from Operations & Maintenance, Health/Dental Insurance, Consulting, and the other line items within the CVW expenses.

In the Non-Operating section of the budget, an approximately \$325,000 increase is attributable to new vehicles and equipment, primarily the result of a new CCTV camera truck. However, offsetting this and some of the increase in operating expenses is a \$773,000 decrease in Debt Service expense (66% decrease from prior year's Debt Service budget), primarily the result of paying off the 2014 refunding bonds.

Consistent with last year, payroll related costs are anticipated to decrease by approximately \$21,000 or .4% due to more of the higher paid longtime employees retiring, offset partially by the proposed addition of a new Water Quality position and combining two part-time positions into one full-time benefitted position. While expenses for benefits relating to retirement contributions and Medicare will also decrease relative to the above changes, health and dental insurance is anticipated to increase by approximately \$73,872 or 5%. This is due to the combination of a rate increase (10% for dental and .6% for medical) and adding the two aforementioned full-time positions. Net increase in total Payroll Benefits is \$68,517 or 2.2% above the prior year.

### **Consideration of Rates**

In 2017 the District implemented the \$5 per Residential Equivalent Unit/month CVW Assessment to help cover the costs of the renovation and the 20-year capital program

being undertaken there. Other than that assessment, there were no rate increases in water or sewer services nor other fees.

As you are aware, to facilitate and expedite conservation efforts, the State of Utah has mandated a tiered rate or “inclining block” structure for water retail sales. In the 2016 budget discussion, we considered the implementation of a tiered rate structure. As noted then, most utility companies (electricity, natural gas, water, etc) already have moved to or are considering moving to a tiered rate structure. This is an attempt to pass along the increased costs associated with peak demand to those customers who cause the peaking. We pay more to JVW for water we take during certain seasons (summer) and high demand times or “peaks”. We also pump more during certain seasons to meet those peaks, thereby incurring more cost. Yet our fixed rate structure (\$1.57 per 1,000 gallons in 2017) does not reflect, nor pass along to the responsible parties, such cost fluctuations. Although Granger-Hunter Improvement District already has pretty much met its mandated 25% reduction of per capita water consumption, we still must comply with the new State regulations.

We are very mindful of the need to keep our rates as affordable as possible. We also want to be careful to implement a tiered structure that would encourage conservation without charging a higher rate than is necessary, but also would not leave the District short of the resources needed to meet its costs of service. As you are aware, we have been obtaining consumption data and working on models for many months in an effort to set our rates at just the right spot to accomplish all of the above. We have gathered and organized consumption data for six full years (2011 – 2016) in order to eliminate anomalies caused by weather or other circumstances. Using that data we have determined average consumption needed for daily living and also where natural steps or tiers occur in water consumption. We have then attempted to predict consumption for all customer types and within all tiers in the upcoming year, and then have attempted to set our rates at levels we believe will encourage conservation while still providing that level of revenue required to cover the District’s cost of service.

As you will recall, we analyzed a number of scenarios, and at the November Board meeting provided nine scenarios for billing water customers. For three of those scenarios, we have also presented average customer winter and summer bills, at 2017 rates vs the new scenario structures, to help you evaluate what billing structure would be most appropriate. All scenarios attempted to meet our target revenue needed to cover cost of service, though some fell a little short. Our 2018 targeted water revenue is approximately 7.5% higher than the 2017 budget, attempting to cover the past two years’ JVW increases and overall inflation. After reviewing the scenarios and discussing options, the Board tentatively approved scenario 9, which is as follows:

For all customers other than Multi-Unit

<u>Tier</u>	<u>Monthly Consumption</u>	<u>Rate per 1,000 Gals</u>
Tier 1	0 – 7,000	\$1.61
Tier 2	7,001 – 15,000	\$1.73
Tier 3	> 15,000	\$1.86

For Multi-Unit customers

Fixed rate of \$1.73 (middle tier rate) for all consumption

Based upon your direction, we implemented that structure in our final budget to be presented in December, with the new rates and tiers to be effective on the first billings in January 2018. We are not proposing any other increases to water or sewer rates, assessments, or availability fees at this time.

**A broad summary of the bottom line impact of the 2018 proposed budget, as compared to the 2017 budget, is as follows:**

Increase in Total Revenues	\$ 1,497,500	4.2%
Increase in combined Payroll and Benefits	(47,117)	0.6%
Increase in combined CVW and O&M	(1,907,678)	10.9%
Increase in General & Administrative	(141,710)	7.3%
Increase in Vehicles & Equipment	(325,300)	765.4%
Decrease in Debt Service (excluding CVW)	<u>773,320</u>	(66.1%)
 Decrease in Net Revenues	 \$ <u>(150,985)</u>	 (2.3%)

This change from prior year's budgeted \$1.923M Increase in Net Revenues is primarily the result of the significant reconstruction occurring at CVWRF, as expected.

### Summary

As always, there are many variables that can cause actual results to be different than budgeted expectations. However, we believe the 2018 proposed budget is very realistic considering the above-noted conditions and our best estimates of what lies ahead.

The District continues to have a fiscally sound budget, enabling us to meet ongoing obligations and provide for capital projects. Although there are significant capital items on the horizon, at both GHID and the CVW facility, we believe the District continues to be in strong financial health, and the long-term outlook continues to be positive. We continue to exercise care in our stewardship over District resources and customer trust, and we vigorously search for ways to control budgets while meeting customer needs.

If you have questions about any part of the proposed budget, please contact Kim, Clint, Louie, or Jason.

Respectfully Submitted,

Clint Jensen, CPA  
*General Manager*

Jason Helm, PE  
*Assistant General Manager*

Louie Fuell  
*Assistant General Manager*

Kim J. Coleman, CPA  
*CFO/Controller*

## PARAMETERS DETAILS FOR 2018 BUDGET PREPARATION

### REVENUES

- **Metered Water Sales:** Water sales are budgeted to increase by \$1,245,000 or 7.5% to cover two years' of JVW increases and inflation. Our last increase, prior to this, was in 2016 when we increased the Availability charge from \$12 to \$13 (for standard residential ¾" & 1" meter) and increased the rate by 8.33% (from \$1.45/1,000 gals to \$1.57. While May and June 2017 were again quite wet months, July and August were again dry and very hot. But overall, we've seen reduced consumption in 2017, apparently the result of conservation by customers. See Attachment A and explanation above regarding 2018 revenues.
- **Sewer Service Charges:** Sewer revenues are budgeted to increase by \$157,000 or 1.5% in 2018, reflecting very minimal anticipated growth.
- **Central Valley Assessment:** No increase is anticipated this year or for quite some time into the future. This assessment was originally designed to remain unchanged for approximately 22 years, though actual capital needs at CVW may dictate otherwise as time passes.
- **Engineering/Connection/Inspection/Turn-on Fees:** A decrease of \$9,500 or 7.6% is proposed for the engineering, connection and inspection fees. Since the building climate appears to be relatively flat, with only very modest growth anticipated, at best, we expect fees will be collected at a rate similar to the past two or three years. Inspection fees, the biggest of these three fee types, has consistently seen revenues lower than budgeted, so we propose a reduction therein of \$15,000, which we expect will be only partially offset by a \$5,000 increase in Connection fees.
- **Property Tax Revenue:** Collections for property tax revenue as a whole are anticipated to be by \$105,000 or 2.6%. As already noted, there has been a modest amount of growth within the District, which we believe will result in the above increase. We desire to keep our property tax revenue stream consistent while allowing the certified rate to drop, as it functions inversely to growth. This provides a stronger position in the event we may need more property tax revenues in the future and/or need to bond (as bonding agencies view this available revenue in a positive light). The District's property tax collections could further increase in the future when RDA's expire and that revenue returns to the District. **No tax rate increase is budgeted for 2018**, and in fact, the rate will decrease very slightly (from .000606 to .000562).
- **Impact Fees:** Impact fees were adjusted in 2015, per the Lewis Young fee study, resulting in a slight increase in Water Impact fees and a slight decrease in Sewer Impact fees that year. Netted together, the change was nearly neutral. No fee change has occurred since that time, and due to the nearly flat economy, we are conservatively budgeting for no change to total impact fees for 2018.
- **Interest Income:** The combined interest/earnings rates on the District's accounts have increased slightly this past year, and indications are that they will continue to increase some in 2018. However, we anticipate significant capital outlays for both the District and CVW, so we expect our investments to decrease slightly. The combined effect is expected to produce interest income very comparable to that of 2017.

- **Other Income:** Other income is comprised of the sale of surplus non-capital property, scrap metal, hydrant meter rentals, and other miscellaneous income. It is anticipated that 2018's revenues will be very similar to 2017 revenues.

## EXPENSES

### • **Payroll Wages**

- **Salaries & Wages:** It is proposed that **two** full-time Water positions be added in 2018. One would be a water quality person to help deal with complaints, test chemical levels, and log/monitor backflow information. The other position would be for operations or maintenance and would be a trade-off for two existing part-time positions. We are finding it extremely difficult, in this time of low unemployment, to attract quality part-time candidates, so we feel this trade is warranted. Base salaries have also been budgeted to increase by approximately 3% overall, though total salaries and wages will actually decrease .4% because several long-time higher paid employees recently retired.
- **Overtime Wages:** Last year we changed the way we staff on-call shifts, and our overtime budget decreased \$50,000 with a slight increase in on-call. This year there is no anticipated change in overtime wages.
- **On-call Pay:** There is no proposed change to on-call pay for 2018.
- **Vehicle Allowance:** No change from prior year's budget.
- **Clothing Allowance:** A \$550 increase is proposed due to the new positions proposed.
- **Other/OPEB:** We are proposing no change in our 2018 budget for retirement buyouts. Unused excess, if any, is typically moved to the reserve account for future buyouts.

### • **Payroll Benefits**

- **State Retirement & 401K Plans:** These two are interrelated, as the contribution to the 401K plan fluctuates inversely to the Utah Retirement Systems (URS) contribution. This facilitates keeping the total retirement contribution relatively constant. Because the District does not participate in the Social Security system, we are able to contribute more toward the 401K plan. URS does not intend to increase the retirement contribution rate for 2018, so the current URS rate of 18.47% and the 401K rate of 11.53% will remain unchanged for 2018. The slight decreases in State Retirement and 401K from 2017 (-0.35% combined) are the result of retirements noted above.
- **Health & Dental Insurance:** Health and dental insurance rates will increase by .6% and 10%, respectively, which is minimal in today's environment.
- **Medicare:** The proposed 0.6% decrease is due to the retirement of longtime employees who were replaced with lower paid employees.
- **Workers Compensation Insurance:** This continues to be stable as the District has experienced a very favorable claims experience rating (aka "e-mod") for a number of years. No change is anticipated for 2018.

- **Life/LTD/LTC Insurance:** There will be only a very small increase in rates for life, long-term disability, and long-term care insurance. Because coverage is based on employee wage, and we've had several higher paid employees retire, overall wages are lower, and therefore so is insurance cost. Any rate increase is expected to be absorbed by a wage decrease. Therefore, no budget change is proposed for 2018.
- **State Unemployment:** The District typically has experienced very few unemployment claims over the years, and our budget for this is very small. No change is proposed in the 2018 state unemployment budget.
  
- **Operations & Maintenance**
  - **Repair & Replacement:** The 2018 budget is up \$96,750 (15.2%). This is the result of a vibration monitoring system for wells/pumps (\$15,000), East Rec exhaust fan system to reduce corrosion (\$20,000), replacement of channel grinders now considered O&M rather than capital (\$40,000), asphalt maintenance (\$15,000), and cathodic protection (\$5,000).
  - **Building & Grounds:** This budget has increased by 18.1% or \$15,420 for a new gate motor at Building B and bird control at Building D, net of decrease of \$8,000 on continued light/faucet replacement at Building A.
  - **Vehicles Maintenance & Fuel:** Another decrease, this year at \$25,500 (11.3%), is proposed as a result of leasing new vehicles and including most maintenance in the lease. We anticipate some fuel price increase during 2018, as we fear petroleum prices can't continue this low indefinitely. But present forecasts are expecting those increases to be minimal and not in the immediate future.
  - **Vehicle Lease:** An increase of \$22,000 (13.8%) is proposed, as we added some larger pieces of equipment in mid to late 2017 (skid steer, backhoe, etc.) and replaced one of our super-duty trucks. However, the continued reduction in maintenance costs seems to indicate the program is working as desired. We also continue to have lower vehicle capital outlay, with the exception of the camera truck proposed for this year.
  - **Tools & Supplies:** There is an increase of \$3 (0%) in this budget, as we now appear to have our trucks stocked about the way we want in order to reduce trips back and forth between the work site and the main office.
  - **Water Purchases:** Our water purchase commitment with Jordan Valley will again be 18,500 acre feet for 2018. We have been told the anticipated rate increase will again be somewhere between 4% and 5%. This equates to an increase of just over \$485,000 (assuming the 5% to be a safe estimate).
  - **Treatment Chemicals:** Budgeted decrease is \$991 (1.3%) as we now have the sequestering agent and set-up for wells 1 and 12 and new well 17 established. Operations should be fairly constant in the coming year.
  - **Water Lab Testing Fees:** This budget has been increased by \$42,750 (65.3%) due primarily to doubling our planned high-pressure pipe cleaning (\$20,000 increase) and the addition of required UCMR4 testing (\$30,000), netted against an \$8,000 reduction in BART testing.
  - **Utilities:** An increase of \$61,008 (6.6%) is proposed as a result of new well 17, increased pumping from wells, and slightly increased sewage flows (requiring more utilities at lift stations).



- **CVWRF**

Overall, the CVWRF budget will be \$1,210,613 (22%) higher than the previous year's budget. The largest single increase (\$707,452) is for Facility Operations and primarily the result of CVW shifting items traditionally considered capital to this account and also increasing operations costs associated with expanding infrastructure maintenance. As a result, one would expect a similar reduction in the Betterments line. But that reduction/shifting was almost entirely offset by increased capital outlays (betterments) as the 20-year refurbishing plan is now underway. As a result of that refurbishing, CVW issued new bonds in 2017, resulting in a \$375,872 increase in "CVW Debt Service", which represents the GHID share of bond payments. Pretreatment Field expenses continue to increase (nearly \$87,000 in 2018) as CVW emphasizes efforts to control content before sewage reaches the plant. The CVWRF budget, especially large capital items, will continue to see fairly significant increases in the foreseeable future. Other changes in CVW expenses are minimal, netting to a \$40,342 increase in budget.

- **General & Administrative**

- **Office Supplies/Printing:** \$16,300 (58.8%) increase over 2017, half of which is due to desks/furnishings relating to the Building A remodel and part due to increasing cost of office supplies (paper, toner, etc.).
- **Postage & Mailing:** Decrease of \$11,500 (6.5%). Paper bills decreased approximately 600 (2.5%) over the past year. Some of the savings has been offset by postage increases during the past few years, but overall we have seen a fairly steady budget amount. Hence the decrease.
- **General Administrative:** This budget has decreased \$56,450 for 2017 primarily because it is a non-election year.
- **Computer Supplies/Equipment:** This budget has increased \$14,890 (4.1%) as a result of new hosted exchange hardware.
- **General Insurance:** We are projecting an increase of \$14,500 (3.7%) in this line item (liability, O&M, etc) due to general trends in the insurance industry and continued overall increase in District property values.
- **Utilities:** Increase of \$3,560 (3.5%) due to new well 17 being active all year and additional pumping at nearly all wells and lift stations.
- **Telephone:** The 10.2% (\$7,900) increase is primarily the result of the continued trend of using more pads, tablets, and cell phones (most with data plans) in the field to facilitate updating our Cityworks data and improving overall efficiency.
- **Training & Education:** Budgeted increase of 9.9% represents \$11,750. We have reduced 2018 tuition reimbursement by \$10,500, as fewer employees are currently enrolled in higher education programs. Conversely, due to hiring a more "professional level" employees, and due to the need to keep our employees trained on new and improved technology, we have added several courses and conferences (eg. Engineers conference, Cityworks, APWA, Sensus equipment, fusible pipe), resulting in new training costs of approximately \$22,000. The District is requiring degrees for higher grade positions, so more employees have utilized the tuition reimbursement program in recent years. Now we have more educated and qualified

employees, but we also have more certifications, continuing education, and compliance regulations every year. We continue to strive for significant savings on airline tickets and related travel as we utilize credit card points to pay for the expenses.

- **Safety:** \$10 increase in budget.
- **Legal Fees:** No change in budget.
- **Auditing Fees:** No change in budget, and fee is locked in through 2020.
- **Professional Consulting:** Increase of \$74,100 (113.7%). New 2018 items include \$10,000 for SCADA system consulting, \$100,000 for well water quality treatment study, \$10,000 for 3D laser scanning of facilities to help with maintenance and upgrades, and \$4,000 for easement related support, for a total of \$124,000 new items. Included in 2017 but eliminated for 2018 were \$10,000 for wage survey update and \$40,000 for SCADA system consulting, a total of \$50,000 that will not be budgeted in 2018. The 2017 SCADA budget was not spent, but instead is proposed to be re-budgeted at \$10,000 in 2018 due to doing more in-house.
- **Public Relations/Conservation:** Decrease of \$4,000 (11.8%) due to elimination of the FOGS pamphlets which we now seldom use.
- **Banking and Bonding:** This budget increase (\$70,650 or 33.6%) reflects continued significant increase in the utilization of credit cards by our customers. They expect the convenience of paying with a card, but it comes at a cost to us. On the other hand, it gets our money to us more quickly with fewer returned items and keeps customers happy because they can pay without coming to the office. We are beginning the process of researching alternative processors, including State contracted vendors, in an effort to reduce costs relating to credit cards.
- **Administrative Contingency:** No change proposed from prior year. This budget amount is set aside for significant unexpected costs that may arise during the year. It can only be used following Board approval.
- **Equipment Purchases**  
As noted previously, we are leasing many of our vehicles and some of our construction equipment in an effort to reduce maintenance and capital outlay costs. Therefore, we budgeted less for these types of purchases in both 2017 and 2018, as compared to years prior to that time. However, we are proposing the \$270,000 purchase of a CCTV camera truck in 2018, which skews the budget when compared to prior years.

The following represent the office furniture, vehicles, and equipment we propose to purchase in 2018:

- Water Sampling Stations – 20 (ongoing) (\$14,500)
- Fire Hydrant Meters - 3 (\$6,000)
- Printer/Scanner/Copier for Engineering Dept (\$8,800)
- Refurbish Transport Trailer (\$11,000)
- Mini Excavator Transport Trailer (\$7,500)
- Vibration Analysis Tool (\$19,000)
- Closed Circuit TV Camera Truck/Lateral Launch (\$270,000)
- Replace Dump Bed – Unit 24 (\$16,000)

- **Debt Service:** Overall decrease of \$773,320 (66.1%). This is almost entirely the result of paying off the 2014 Refunding Bonds. We also are gradually paying down the 2012 DEQ Bonds, which continue through 2032 unless refunded early. Bond interest decreases \$19,320 (13.6%) from 2017 due to the items noted above, but 2012 DEQ Bond principal increases \$6,000 as principal payments are scheduled to increase in size in the latter years of the bonds' life.

### **INFRASTRUCTURE IMPROVEMENTS**

Included in your 2018 budget is a detailed listing of proposed infrastructure projects, including priority ranking of those projects. Please see that list for details.

### **RESERVE FUNDS**

The following reserve funds have been established and the funding of these accounts continues.

- **Operating Reserve:** The operating reserve target is 10% of the total District budget for the coming year. The minimum balance in the operating account should provide a "rainy day" fund for budget shortfalls or cost overruns. The desired balance, per the 2018 budget, is approximately \$3,683,950. Current account balances are down due to very high demand of summer water purchases, but typically recover in the fall and early winter and should be adequate to cover this reserve. We also have Capital projects reserves that could be accessed in an emergency.
- **Repair and Replacement Reserve:** A total of \$5,200,000 is our goal, and we plan to fund this over the next three years. The balance in this account at 10/23/17 was \$4, 343,470. Additional funding is proposed as funds are available from operations.
- **Impact Fee Reserve:** The required amount fluctuates as construction projects are assessed for the cost of their added demand on our system capacity, and as we use the collected fees to complete projects to satisfy that added demand. The reserve is equal to the unspent amount we have collected from construction projects, and the balance as of 10/23/17 is \$4,394,801.
- **Insurance Reserve Funds:** No funding level has been established for this reserve account. Each year the District budgets approximately \$100,000 to pay deductibles and claims not covered by insurance. If the entire amount is not used during the year, the balance is transferred to the reserve fund to provide for emergencies and extreme claims that may arise. Current balance in this reserve account (at 10/23/17) is \$1,033,545.
- **Post-Employment Benefit Reserve:** In 2008, the District established this reserve fund to help offset the cost of benefits paid for retired employees, including health insurance and state retirement buyout. The balance in this fund is \$1,304,472 as of 10/23/17. The liability currently on the books is \$1,268,161. Several recent retirements reduced this liability by over \$48,000 from the prior year. Accounting rules do not require full funding of the liability. However, the District has attempted to fund the liability as fully as possible, in order to decrease the negative impacts of falling behind, and additional funding is proposed as funds are available.



**REVENUES**

	Actual 2015	Actual 2016	Projected 2017 as of 12/04/2017	Budget 2017	<b>FINAL</b> Budget 2018	% Change
<b>REVENUES</b>						
<b>Operating Revenues:</b>						
Water Sales	\$14,907,556	\$17,043,556	\$16,750,000	\$16,600,000	<b>\$17,845,000</b>	7.5%
Sewer Service Charges	\$9,765,800	\$10,697,462	\$10,625,000	\$10,500,000	<b>\$10,657,000</b>	1.5%
Central Valley Assessmt	\$0	\$0	\$2,535,599	\$2,700,000	<b>\$2,700,000</b>	0.0%
Engineering Fees	\$6,375	\$6,550	\$14,268	\$5,000	<b>\$5,500</b>	10.0%
Connection Fees	\$43,065	\$42,719	\$52,148	\$40,000	<b>\$45,000</b>	12.5%
Inspection	\$90,375	\$73,644	\$65,558	\$80,000	<b>\$65,000</b>	-18.8%
Delinquent/Turn-on Fees	\$42,137	\$35,820	\$35,740	\$33,000	<b>\$33,000</b>	0.0%
<b>Total Operating Revenue</b>	<b>\$24,855,308</b>	<b>\$27,899,751</b>	<b>\$30,078,313</b>	<b>\$29,958,000</b>	<b>\$31,350,500</b>	<b>4.6%</b>
<b>Property Tax Revenue:</b>						
Property Tax	\$3,084,164	\$3,147,285	\$3,102,510	\$3,200,000	<b>\$3,300,000</b>	3.1%
Motor Vehicle	\$260,122	\$262,800	\$255,841	\$265,000	<b>\$265,000</b>	0.0%
Personal Property	\$322,274	\$328,292	\$305,832	\$325,000	<b>\$325,000</b>	0.0%
Delinquent Tax/Interest	\$86,691	\$82,182	\$79,255	\$75,000	<b>\$80,000</b>	6.7%
Tax Increment for RDA	\$234,565	\$205,325	\$239,000	\$239,000	<b>\$239,000</b>	0.0%
<b>Total Property Tax Revenue</b>	<b>\$3,987,816</b>	<b>\$4,025,884</b>	<b>\$3,982,438</b>	<b>\$4,104,000</b>	<b>\$4,209,000</b>	<b>2.6%</b>
<b>Non-Operating Revenue:</b>						
Impact Fees - Water	\$628,312	\$690,261	\$694,852	\$500,000	<b>\$500,000</b>	0.0%
Impact Fees - Sewer	\$368,245	\$317,295	\$431,337	\$250,000	<b>\$250,000</b>	0.0%
Interest	\$400,064	\$474,221	\$485,000	\$400,000	<b>\$400,000</b>	0.0%
Sale of Surplus Equipment	\$107,748	\$42,779	\$117,901	\$30,000	<b>\$30,000</b>	0.0%
Other	\$170,883	\$114,667	\$160,250	\$100,000	<b>\$100,000</b>	0.0%
<b>Total Non-Operating Revenue</b>	<b>\$1,675,252</b>	<b>\$1,639,223</b>	<b>\$1,889,340</b>	<b>\$1,280,000</b>	<b>\$1,280,000</b>	<b>0.0%</b>
<b>Total Revenues</b>	<b>\$30,518,376</b>	<b>\$33,564,858</b>	<b>\$35,950,091</b>	<b>\$35,342,000</b>	<b>\$36,839,500</b>	<b>4.2%</b>



**EXPENSES**

	Actual 2015	Actual 2016	Projected 2017 as of 12/04/2017	Budget 2017	<b>FINAL</b> Budget 2018	% Change
<b>OPERATING EXPENSES</b>						
<b>Payroll Wages:</b>						
Salaries & Wages	\$3,927,510	\$3,463,510	\$4,059,400	\$4,359,950	\$4,338,000	-0.5%
Overtime Wages	\$135,303	\$139,290	\$167,890	\$200,000	\$200,000	0.0%
On-Call Pay	\$29,180	\$29,554	\$51,366	\$56,280	\$56,280	0.0%
Incentive Pay	\$53,650	\$55,107	\$14,120	\$15,000	\$15,000	0.0%
Vehicle Allowance	\$43,319	\$40,334	\$39,107	\$43,200	\$43,200	0.0%
Clothing Allowance	\$19,250	\$19,800	\$19,525	\$20,350	\$20,900	2.7%
Other/OPEB	\$219,916	\$651,100	\$189,306	\$250,000	\$250,000	0.0%
<i>Total Payroll Wages</i>	<u>\$4,428,128</u>	<u>\$4,398,695</u>	<u>\$4,540,714</u>	<u>\$4,944,780</u>	<u>\$4,923,380</u>	<u>-0.4%</u>
<b>Payroll Benefits:</b>						
State Retirement Plan	\$757,690	\$763,386	\$761,200	\$858,815	\$855,000	-0.4%
401(k) Plan	\$498,820	\$509,827	\$502,170	\$536,119	\$535,000	-0.2%
Health/Dental Insurance	\$1,301,403	\$1,822,262	\$1,443,035	\$1,477,440	\$1,551,312	5.0%
Medicare	\$60,119	\$63,061	\$61,664	\$67,421	\$67,000	-0.6%
Workers Compensation Ins	\$36,831	\$33,386	\$34,382	\$50,000	\$50,000	0.0%
Life/LTD/LTC Insurance	\$69,854	\$74,636	\$74,200	\$80,000	\$80,000	0.0%
State Unemployment	\$0	\$247	\$0	\$5,000	\$5,000	0.0%
<i>Total Payroll Benefits</i>	<u>\$2,724,717</u>	<u>\$3,266,805</u>	<u>\$2,876,651</u>	<u>\$3,074,795</u>	<u>\$3,143,312</u>	<u>2.2%</u>
<b>Operations &amp; Maintenance:</b>						
Repair & Replacement	\$615,703	\$335,239	\$618,517	\$637,060	\$733,810	15.2%
Building & Grounds	\$81,297	\$72,149	\$75,606	\$85,180	\$100,600	18.1%
Vehicles Maintenance & Fuel	\$241,971	\$196,096	\$226,191	\$226,500	\$201,000	-11.3%
Vehicle Lease	\$0	\$36,824	\$137,530	\$160,000	\$182,000	13.8%
Tools & Supplies	\$18,458	\$30,112	\$53,766	\$46,350	\$46,353	0.0%
Water Purchases	\$8,921,690	\$9,759,459	\$9,192,981	\$9,712,500	\$10,198,125	5.0%
Treatment Chemicals	\$21,466	\$39,983	\$52,824	\$75,000	\$74,009	-1.3%
Water Lab Testing Fees	\$25,918	\$39,584	\$64,775	\$65,500	\$108,250	65.3%
Utilities	\$966,825	\$894,963	\$926,562	\$926,500	\$987,508	6.6%
<i>Total O&amp;M</i>	<u>\$10,893,328</u>	<u>\$11,404,409</u>	<u>\$11,348,752</u>	<u>\$11,934,590</u>	<u>\$12,631,655</u>	<u>5.8%</u>
<b>CVWRF:</b>						
Facility Operations	\$2,833,450	\$2,707,762	\$3,387,561	\$3,394,319	\$4,101,771	20.8%
Project Betterments	\$942,365	\$1,352,103	\$1,050,135	\$1,185,056	\$1,177,050	-0.7%
Interceptor Monitoring	\$3,576	\$4,950	\$6,377	\$4,775	\$1,375	-71.2%
Pretreatment Field	\$168,966	\$161,250	\$191,153	\$193,706	\$280,653	44.9%
Laboratory	\$183,680	\$192,092	\$203,901	\$203,941	\$255,689	25.4%
CVW Debt Service	\$0	\$0	\$514,038	\$514,038	\$889,910	73.1%
<i>Total CVWRF</i>	<u>\$4,132,037</u>	<u>\$4,418,157</u>	<u>\$5,353,165</u>	<u>\$5,495,835</u>	<u>\$6,706,448</u>	<u>22.0%</u>



**EXPENSES**

	Actual 2015	Actual 2016	Projected 2017 as of 12/04/2017	Budget 2017	<b>FINAL</b> Budget 2018	% Change
<b>General &amp; Administrative:</b>						
Office Supplies/Printing	\$27,970	\$27,281	\$27,491	\$27,700	\$44,000	58.8%
Postage & Mailing	\$161,693	\$164,394	\$153,531	\$176,000	\$164,500	-6.5%
General Administrative	\$115,933	\$50,996	\$52,861	\$107,800	\$51,350	-52.4%
Computer Supplies/Equipment	\$163,281	\$188,541	\$338,966	\$360,570	\$375,460	4.1%
General Insurance	\$271,257	\$319,165	\$312,067	\$392,100	\$406,600	3.7%
Utilities	\$96,712	\$94,415	\$89,705	\$101,940	\$105,500	3.5%
Telephone	\$66,410	\$70,348	\$76,140	\$77,100	\$85,000	10.2%
Training & Education	\$97,641	\$106,232	\$92,725	\$118,225	\$129,975	9.9%
Safety	\$29,272	\$31,752	\$32,790	\$35,960	\$35,970	0.0%
Legal fees	\$20,358	\$13,318	\$11,960	\$51,000	\$51,000	0.0%
Auditing Fees	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	0.0%
Professional Consulting	\$179,758	\$50,188	\$34,564	\$65,200	\$139,300	113.7%
Public Relations/Conservation	\$33,709	\$10,917	\$29,750	\$34,000	\$30,000	-11.8%
Banking & Bonding	\$205,199	\$247,169	\$315,037	\$210,150	\$280,800	33.6%
Administrative Contingency	\$0	\$0	\$0	\$180,000	\$180,000	0.0%
<i>Total General Administrative</i>	<u>\$1,480,193</u>	<u>\$1,385,716</u>	<u>\$1,578,587</u>	<u>\$1,948,745</u>	<u>\$2,090,455</u>	<u>7.3%</u>
<b>Total Operating Expenses</b>	<b><u>\$23,658,403</u></b>	<b><u>\$24,873,782</u></b>	<b><u>\$25,697,869</u></b>	<b><u>\$27,398,745</u></b>	<b><u>\$29,495,250</u></b>	<b><u>7.7%</u></b>
<b>Net Operating Revenues</b>	<b><u>\$6,859,973</u></b>	<b><u>\$8,691,076</u></b>	<b><u>\$10,252,222</u></b>	<b><u>\$7,943,255</u></b>	<b><u>\$7,344,250</u></b>	<b><u>-7.5%</u></b>
<b>Indirect Operating Expenses:</b>						
Depreciation	\$6,544,711	\$6,747,082	\$6,650,000	\$6,650,000	\$6,800,000	2.3%
RDA Pass-Through	\$234,565	\$205,325	\$239,000	\$239,000	\$239,000	0.0%
<i>Total Indirect Operating Expense</i>	<u>\$6,779,276</u>	<u>\$6,952,407</u>	<u>\$6,889,000</u>	<u>\$6,889,000</u>	<u>\$7,039,000</u>	<u>100.0%</u>
<b>Equipment Purchases:</b>						
New Vehicles & Equipment	\$209,174	\$485,520	\$61,364	\$42,500	\$367,800	765.4%
<i>Total Equipment</i>	<u>\$209,174</u>	<u>\$485,520</u>	<u>\$61,364</u>	<u>\$42,500</u>	<u>\$367,800</u>	<u>765.4%</u>
<b>Debt Service:</b>						
Bond Interest	\$195,333	\$147,267	\$142,500	\$142,520	\$123,200	-13.6%
Bond Princ Pmt - 2014 Rfnd Bond	\$735,000	\$755,000	\$760,000	\$760,000	\$0	-100.0%
Bond Princ Pmt - 2012 DEQ	\$255,000	\$261,000	\$268,000	\$268,000	\$274,000	2.2%
<i>Total Debt Service</i>	<u>\$1,185,333</u>	<u>\$1,163,267</u>	<u>\$1,170,500</u>	<u>\$1,170,520</u>	<u>\$397,200</u>	<u>-66.1%</u>
<b>Total Equipment &amp; Debt Service</b>	<b><u>\$1,394,507</u></b>	<b><u>\$1,648,787</u></b>	<b><u>\$1,231,864</u></b>	<b><u>\$1,213,020</u></b>	<b><u>\$765,000</u></b>	<b><u>-36.9%</u></b>
<b>Net Revenues with Depreciation</b>	<b><u>-\$1,313,810</u></b>	<b><u>\$89,882</u></b>	<b><u>\$2,131,358</u></b>	<b><u>-\$158,765</u></b>	<b><u>-\$459,750</u></b>	<b><u>189.6%</u></b>
Add Back Depreciation	\$6,544,711	\$6,747,082	\$6,650,000	\$6,650,000	\$6,800,000	2.3%
<b>Net Revenues</b>	<b><u>\$5,230,901</u></b>	<b><u>\$6,836,964</u></b>	<b><u>\$8,781,358</u></b>	<b><u>\$6,491,235</u></b>	<b><u>\$6,340,250</u></b>	<b><u>-2.3%</u></b>



**GRANGER-HUNTER**  
IMPROVEMENT DISTRICT

**Capital Outlay Budget Summary**

<b>BUDGET SUMMARY</b>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Budget Available at 11/30/17</b> (Unexpended 2017 capital budget carryover)			<b>\$4,233,316</b>
 <b>Purchases</b>			
Work in Progress at 11/30/17 (pg C-5)		\$2,695,000	
Proposed New Projects for 2018 (pg C-5)		\$7,222,500	
		<hr/>	
<i>Subtotal Purchases</i>		<b><u>\$9,917,500</u></b>	
 <b>Budgeted Revenue</b>			
Budgeted Transfer for 2017 (Budgeted Net Rev from PY available to new yr)	\$6,491,235		
DEQ Bond Proceeds	<u>\$0</u>		
<i>Subtotal Revenue</i>	<b><u>\$6,491,235</u></b>		
 <b>Ending Budget Balance</b>			 <b><u><u>\$807,051</u></u></b>

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Note: For the very first tentative draft of the budget, the Work in Progress and the amounts (above) are pulled directly from the Engineering Dept's preliminary schedule to be considered, and represent the "Priority A Projects". They are not tied directly as they typically would be, as those Capital Detail schedules include ALL projects whereas those above represent only projects deemed priority and highly likely to be included in the budget (typically 1.0 - 1.25 projects). Once the Capital Detail schedules are reduced to those projects to actually be included, then the WIP and New Projects numbers will



the Proposed New Projects  
Schedule of Capital Projects  
directly to totals on page C-5,  
items being considered,  
to be included in the 2018  
reduced down to only  
will tie directly to C-5.



**GRANGER-HUNTER**  
IMPROVEMENT DISTRICT

## Capital Project Detail - 2018

### \* Priority

1=Needed next year  
2=Needed 1-3 years  
3=Needed 3-5+ years

\* Priority is based on the average of the rankings by the District Engineer & Directors

The grayed out items will be considered in 2019

Project Description	2018 Amount	2017 Carryover	Priority	Comments
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Water - Horizontal Projects				
PRV Station & Lrg Meter Vault Upgrades (2017 Budget \$500,000) (17E)	\$0	\$500,000	1.00	In Progress.
Meter 60 Piping Modifications (2017 Budget \$125,000)	\$0	\$125,000	1.00	With 2017 PRV Upgrades Project.
WVC Cost Sharing Project (2016 Carryover \$100,000) (2017 Budget \$100,000)	\$200,000	\$100,000	1.00	Raise/lower MH on WVC overlay projects. 2018 will be paid in 2019.
4100 S Waterline from 5400 - 6000 W Mtn View Corridor (15E) (2017 Budget \$150,000)	\$0	\$100,000	1.00	UDOT MVC Relocate Utility Betterment.
Tank Farm Piping (17F) Reconfiguration for New Tank (2017 Budget \$75,000)(Consider in 2019)	\$30,000	\$0	1.50	Reconfigure existing piping for energy efficiency upgrades.
Thorup Circle (New Item)(2017 Budget \$0)	\$37,500	\$0	1.00	GHID Project – 300 ft (8" PVC)
Meter Infrastructure (3/4" - 1") (2017 Budget \$75,000)	\$100,000	\$0	1.00	Register change outs & new meters.
New MXU's for Meters (2016 Carryover \$100,000) (2017 Budget \$1,210,000)	\$900,000	\$0	1.00	Update existing vaults & meters (that can't be reprogrammed), new projects.
Large Meter Infrastructure (1 1/2" - 10") (2017 Budget \$80,000)	\$700,000	\$0	1.00	Replace older meters - lg commercial meters, including any vault repairs.
Water Innovation Center (2017 Budget \$50,000)	\$0	\$25,000	1.00	Provide training space for operations & maintenance.
Pipe Replacement Under 3970 S 6400 W Canal Crossing (New Item)	\$125,000		1.00	Replace existing 12-inch CIP with new PVC as part of WVC bridge replacement project.
Meter 80 Piping Modifications (New Item) (RMP Incentive: \$119,000)	\$525,000		1.00	Improve energy efficiency. Rebate from Rocky Mtn Power for \$119,000.
3270 W Waterline (17C) (2017 Budget \$1,100,000)	\$0	\$250,000	1.00	From Parkway Blvd to SR 201.
Printers Row (2320 S) Waterline (New Item)(2017 Budget \$0)	\$75,000		1.00	Replace existing 12-inch CIP with new 12-inch PVC prior to 2019 WVC project. Design fees for 2018.
4100 S Waterline from 2700 - 3600 W (New Item) (2017 Budget \$0)	\$800,000		1.00	Replace existing 10-inch CIP with new 12-inch PVC prior to 2018 WVC project. Design & construction.



**GRANGER-HUNTER**  
IMPROVEMENT DISTRICT

## Capital Project Detail - 2018

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\* Priority is based on the average of the rankings by the District Engineer & Directors

The grayed out items will be considered in 2019

Project Description	2018 Amount	2017 Carryover	Priority	Comments
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### Water - Horizontal Projects - Continued

4100 S Waterline from 4000 - 5200 W <b>(New Item)</b>	\$250,000		1.00	Replace existing 8-inch CIP with new 12-inch PVC prior to 2019 WVC project. Design fees for 2018.
4800 W from 4100 S to 4400 S (17J) <b>(2017 Budget \$500,000)</b>	\$50,000	\$250,000	1.00	New 8-inch PVC.
4700 S Waterline from 2700 - 3600 W <b>(New Item)</b> <b>(Consider in 2019) (2017 Budget \$0)</b>	\$0		1.75	Replace existing 12-inch steel with new 12-inch PVC prior to 2020 WVC project. (Budget amount was \$845,000)
Cherrywood Ln (4800 W to Wormwood) <b>(2017 Budget \$260,000)</b>	\$0	\$0	1.00	GHID Project. (2017 Carryover was \$260,000)
Early Duke St (Peggy Ln to 4554 S) <b>(2017 Budget \$310,000)</b> <b>(Consider in 2019)</b>	\$0		1.50	GHID Project. Funds used for Acord/Volta. Need to re-budget. (Budget amount was \$310,000)
4700 S Waterline from 2700 - 3600 W <b>(New Item)</b> <b>(Consider in 2019) (2017 Budget \$0)</b>	\$0		1.75	Replace existing 12-inch steel with new 12-inch PVC prior to 2020 WVC project. (Budget amount was \$845,000)
Well 4 - 3600 W Pipeline <b>(Was new Item 2016&amp;2017)(2017 - \$0)</b> <b>(New Item) (Consider in 2019)</b>	\$0		2.50	Replace existing 8-inch with 12-inch PVC. (Budget amount was \$1,650,000)
Redwood Rd Waterline from 3100 - 3500 S <b>(New Item) (Consider in 2019)</b>	\$0		1.75	Replace CI pipeline. (Budget amount was \$1,600,000)
Redwood Rd Waterline from 3500 - 4100 S <b>(New Item) (Consider in 2019)</b>	\$0		1.75	Replace CI pipeline. (Budget amount was \$1,750,000)
Replace Valley Fair Mall Feedlines <b>(New Item) (Consider in 2019)</b>	\$0		1.50	Replace (2) 10-inch pipelines. (Budget amount was \$150,000)

### Water - Vertical Projects

Wells 14 & 12 Chemical Treatment & New Motors <b>(New Item)</b> (Heat/Vibration Sensors)	\$450,000		1.25	Rehab of (2) wells.
Wells 8 & 15 Chemical Treatment (17I) <b>(2017 Budget \$351,000)</b>	\$100,000	\$50,000	1.25	Well 15 complete. Add additional repairs to Well 8.
Tank Farm Booster Replacement <b>(Was a New Item in 2016 &amp; 2017)</b> <b>(New Item) (Consider in 2019)</b>	\$0		1.75	Replacement of Booster. (Budget amount was \$1,750,000)
Well 12 Tank Recoating & Repairs <b>(New Item) (Wait for 2020)</b>	\$0		1.50	Budget amount was not included.



**GRANGER-HUNTER**  
IMPROVEMENT DISTRICT

## Capital Project Detail - 2018

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\* Priority is based on the average of the rankings by the District Engineer & Directors

The grayed out items will be considered in 2019

Project Description	2018 Amount	2017 Carryover	Priority	Comments
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### Wastewater - Horizontal Projects

Sewer Lining Rehabilitation <b>(2016 Carryover \$450,000) (16C)</b> <b>(2017 Budget \$750,000) (17A)</b>	\$750,000	\$200,000	1.00	Continual need for maintenance on infrastructure.
Warner WWPS Improvements <b>(16F)</b> <b>(2016 Carryover \$750,000)</b> <b>(2017 Budget \$100,000)</b>	\$0	\$50,000	1.00	Update existing facility, including electrical components.
24-in Concrete Forcemain CIPP <b>(16H)</b> <b>(2016 Carryover \$100,000)</b>	\$0	\$100,000	1.00	Repair existing pipeline. With East Rec force main project.
Westlake Access from Lift Station <b>(17H)</b> <b>(2016 Carryover \$100,000)</b> <b>(2017 Budget \$50,000)</b>	\$0	\$150,000	1.00	Improve maintenance access to lift station.
East Rec Force Main <b>(17D)</b> <b>(2017 Budget \$500,000)</b>	\$0	\$500,000	1.00	Upsize 8" to 12"
4100 S Sewerline <b>(New Item)</b>	\$0		1.25	6000 W to 6250 W, upsize for capacity. <b>Impact Fee Project.</b> (Budget amount was \$650,000)
4100 S Sewerline <b>(New Item) (Consider in 2019)</b>	\$0		1.75	6250 W to 6400 W, upsize for capacity. <b>Impact Fee Project.</b> (Budget amount was \$450,000)

### Wastewater - Vertical Projects

Generator Platform at Decker Main <b>(New Item)</b>	\$30,000		1.00	Increase safety & access for generator at Decker Main.
Pioneer WWPS Replacement <b>(New Item)</b>	\$200,000		1.00	Replace Pioneer WWPS at new site. 2018 land acquisition & design. Total - \$1,250,000
Hillsdale WWPS Removal & Pipeline <b>New Item)</b>	\$200,000		1.00	2018 design & land acquisition. Total - \$825,000
Decker North VFD Install <b>(New Item)</b>	\$50,000		1.00	Upgrade SSDs to VFDs.
Decker Main Pump Replacement <b>(New Item) (Consider in 2019)</b>	\$0		2.00	Budget amount was not included.
Breeze Sump Sewer Line <b>(New Item)(2017 Budget \$0)</b> <b>(Consider in 2019)</b>	\$0		2.00	Connect drain to sewer line. (Budget amount was \$200,000)



### Capital Project Detail - 2018

* Priority
1=Needed next year
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3=Needed 3-5+ years

\* Priority is based on the average of the rankings by the District Engineer & Directors  
 The grayed out items will be considered in 2019

Project Description	2018 Amount	2017 Carryover	Priority	Comments
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Facilities				
Parking Lot Overlay from Fence to 3600 W <b>(2016 Carryover \$135,000) (16G)</b>	\$550,000	\$110,000	1.00	Continuation of existing project. Repair & replace asphalt, new RV dump access road.
Well 12 Site Landscaping & Asphalt <b>(2017 Budget \$50,000)</b>	\$150,000	\$50,000	1.20	Consulting, new fence, asphalt & landscape improvements.
Well No. 12 Generator <b>(17L)</b> <b>(2016 Carryover \$150,000)</b>	\$50,000	\$135,000	1.00	Replacement/upsized generator.
Building A Remodel <b>(New Item)</b>	\$850,000		1.00	Remodel of lobby, additional offices.
Security Improvements at Soil Disposal Site. <b>(New Item)</b>	\$50,000		1.20	New fence.
Building A & B Fire Sprinkler Piping Seismic Upgrades <b>(New Item)</b> <b>(Consider in 2019)</b>	\$0		2.00	Insurance recommendation (Budget amount was \$100,000)
Building E Extension <b>(New Item) (Consider in 2019)</b>	\$0		1.70	Additional storage for supplies & equipment. (Budget amount was \$900,000)
Tank Farm Storage Purchase (5MG) <b>(Was a New Item in 2016 &amp; 2017)(2017-\$0)</b> <b>(New Item) (Consider in 2019)</b>	\$0		1.50	Purchase needed storage. (Budget amount was \$850,000)
Headquarters Landscaping <b>(New Item) (Consider in 2019)</b>	\$0		1.50	New waterwise landscaping & small demonstration area. (Budget amount was \$650,000)
<b>Total All Capital Infrastructure Projects...</b>	<b>\$7,222,500</b>	<b>\$2,695,000</b>		

# Rates and Fees – Effective on billings 1/1/2018-

<b>Water Rates and Fees</b>	<b>Rate</b>
Water Rate per 1,000 gallons – all customers except Multi-Unit	
0 - 7,000 gallons per month	\$1.61
7,001 - 15,000 gallons per month	\$1.73
All > 15,000 gallons per month	\$1.86
Rate per 1,000 gallons - Multi-Unit customers	\$1.73
Monthly availability fee – ¾" meter	13.00 (no change from prior rate)
Monthly availability fee – 1" meter	13.00 " " "
Monthly availability fee – 1 ½" meter	41.17 " " "
Monthly availability fee – 2" meter	65.00 " " "
Monthly availability fee – 3" meter	119.17 " " "
Monthly availability fee – 4" meter	199.33 " " "
Monthly availability fee – 6" meter	394.33 " " "
Monthly availability fee – 8" meter	628.33 " " "
Monthly availability fee – 10" meter	910.00 " " "
Fireline – 4" (monthly)	8.12 " " "
Fireline – 6" (monthly)	10.83 " " "
Fireline – 8" (monthly)	13.81 " " "
Fireline – 10" (monthly)	17.06 " " "
Fireline – 12" (monthly)	20.04 " " "
Fireline – 14" (monthly)	22.75 " " "

<b>Sewer Rates and Fees</b>	<b>Rate</b>
Monthly sewer charge – residential	\$19.50 (no change from prior rate)
Monthly sewer charge – commercial REU	\$19.50 " " "
Monthly sewer charge – multi-unit residential	\$16.79 " " "
Sewer surcharge rate #1 per 1,000 gallons	\$1.91 " " "
Sewer surcharge rate #2 per 1,000 gallons	\$2.30 " " "
Sewer surcharge rate #3 per 1,000 gallons	\$2.62 " " "
Sewer surcharge rate #4 per 1,000 gallons	\$2.70 " " "
Sewer surcharge rate #5 per 1,000 gallons	\$2.84 " " "
Sewer surcharge rate #6 per 1,000 gallons	\$3.07 " " "
Sewer surcharge rate #7 per 1,000 gallons	\$3.41 " " "
Sewer surcharge rate #8 per 1,000 gallons	\$3.48 " " "
Sewer surcharge rate #9 per 1,000 gallons	\$3.54 " " "
Sewer surcharge rate #10 per 1,000 gallons	\$3.73 " " "
Sewer surcharge rate #11 per 1,000 gallons	\$3.77 " " "
Sewer surcharge rate #12 per 1,000 gallons	\$4.38 " " "
Sewer surcharge rate #13 per 1,000 gallons	\$4.73 " " "
Sewer surcharge rate #14 per 1,000 gallons	\$4.76 " " "
Sewer surcharge rate #15 per 1,000 gallons	\$4.85 " " "
Sewer surcharge rate #16 per 1,000 gallons	\$4.92 " " "
Sewer surcharge rate #17 per 1,000 gallons	\$5.54 " " "
Sewer surcharge rate #18 per 1,000 gallons	\$5.72 " " "
Sewer surcharge rate #19 per 1,000 gallons	\$5.95 " " "
Sewer surcharge rate #20 per 1,000 gallons	\$7.19 " " "
Sewer surcharge rate #21 per 1,000 gallons	\$7.57 " " "
Sewer surcharge rate #22 per 1,000 gallons	\$8.01 " " "
Sewer surcharge rate #23 per 1,000 gallons	\$8.14 " " "
Sewer surcharge rate #24 per 1,000 gallons	\$9.06 " " "
Sewer surcharge rate #25 per 1,000 gallons	\$12.89 " " "
Per REU charge for Central Valley Water rehab/upgrade (per REU, not per account)	\$5.00 (no change from prior rate)

<b>Penalty Fees</b>	<b>Rate</b>
Returned check fee	25.00 (no change from prior rate)
Turn-on fee (Change name to Late Fee or Turn-off Fee) – Amount based on statutory maximum	20.00 " " "
Tamper fee (Change to Tamper Damage Fee) – Statutory maximum is \$100	50.00 " " "
Pre-litigation collection letter	50.00 " " "