WORK SESSION MINUTES
OCTOBER 7, 2008

Council Members Present: Mayor James Behunin, Cheryl Searle, James Bruhn, Valerie Shaw, Debbie McKean, and Ken Romeny.

Staff Present: Wendell W. Wild, city administrator, Craig Howe, finance director, Beverly Haslam, city recorder/ secretary.

Visitors Present: Elise Lechenberg (Lewis, Young, Robertson & Burningham)

Called to Order: Mayor James Behunin called the October 7, 2008 Work Session to order at 7:30 p.m.

Elise Lechenberg presented to the Council various studies she had completed on the intended rate increase and explained the American Water Works Association states the following considerations be addressed in a service study.

- Revenue Sufficiency - Service charge must be sufficient to generate revenues required to support operations, maintain and develop capital infrastructure and maintain the financial strength of the utility.
- Equity Among Users - The allocation of costs among user classes must be proportionate to the level of service demanded and reflective of the costs to provide that service.
- Rate Stability - The pay structure should be derived from a sound financial analysis that effectively forecasts annual system revenues and expenses to prevent excessive rate fluctuation that might result from poor financial planning.
- Ease of Implementation - The rate structure should be easy to implement and administer by City staff and /or contractors that assist in the billing process.
- Simplicity of Rates - The rate structure should allow any user to understand the method of calculation used on their monthly bills.
- Business Retention - The rates for commercial and industrial users should be set so that the general user rates are not a disincentive for business and should recognize the tax benefits of commercial utility users.

Elise stated the above principals have been and can be applied to charges for the water utility.
It was pointed out that when dealing with general rate structures there is the scientific portion of the process and the artistic
portion of the study or the policies that will be put in place and be the basis for the selected rate structure. The artistic portion will be the responsibility of the governing body.

Very large capital facility plan rates must be structured to cover the cost but not create a shock to the customers. Rates must be sufficient to cover the responsibility of the bond.

A lengthy discussion ensued as to how to increase the

commercial rate without prohibiting business operations or preventing businesses from coming into the community. Rates for commercial development need to be competitive and recognize that commercial development brings to the city much needed tax revenue as well as other benefits.

Several rate structure options were discussed and described as follows: 1) Decreasing Block
2) Uniform Block
3) Increasing Block
4) Seasonal

Elise presented a chart showing a two year study of water consumption from 1,000 to 125,000 gals. The average (60% of users) being approximately 8,000 gals. per billing. She suggested a possible 15% rate increase with a 8,000 gal minimum use with commercial users being part of a separate structure.

James Bruhn stated he would like to see a larger increase in rates at this time in order to handle the needed infrastructure and then decrease those rates when the bond is paid off.

There was a discussion about residents not having secondary water. If residents do not have secondary water and are only paying for culinary water use they may as well off as those paying for both culinary and secondary water.

There will need to be a different rate for those customers living outside city limits. Wendell Wild feels we need to give those citizens living outside city limits an incentive to annex to the city.

Craig Howe expressed his concern that we stay within the contracted amount of water we are receiving from Weber Basin. If we have to purchase more water the cost will never go down. We pay for the water whether we use it or not.

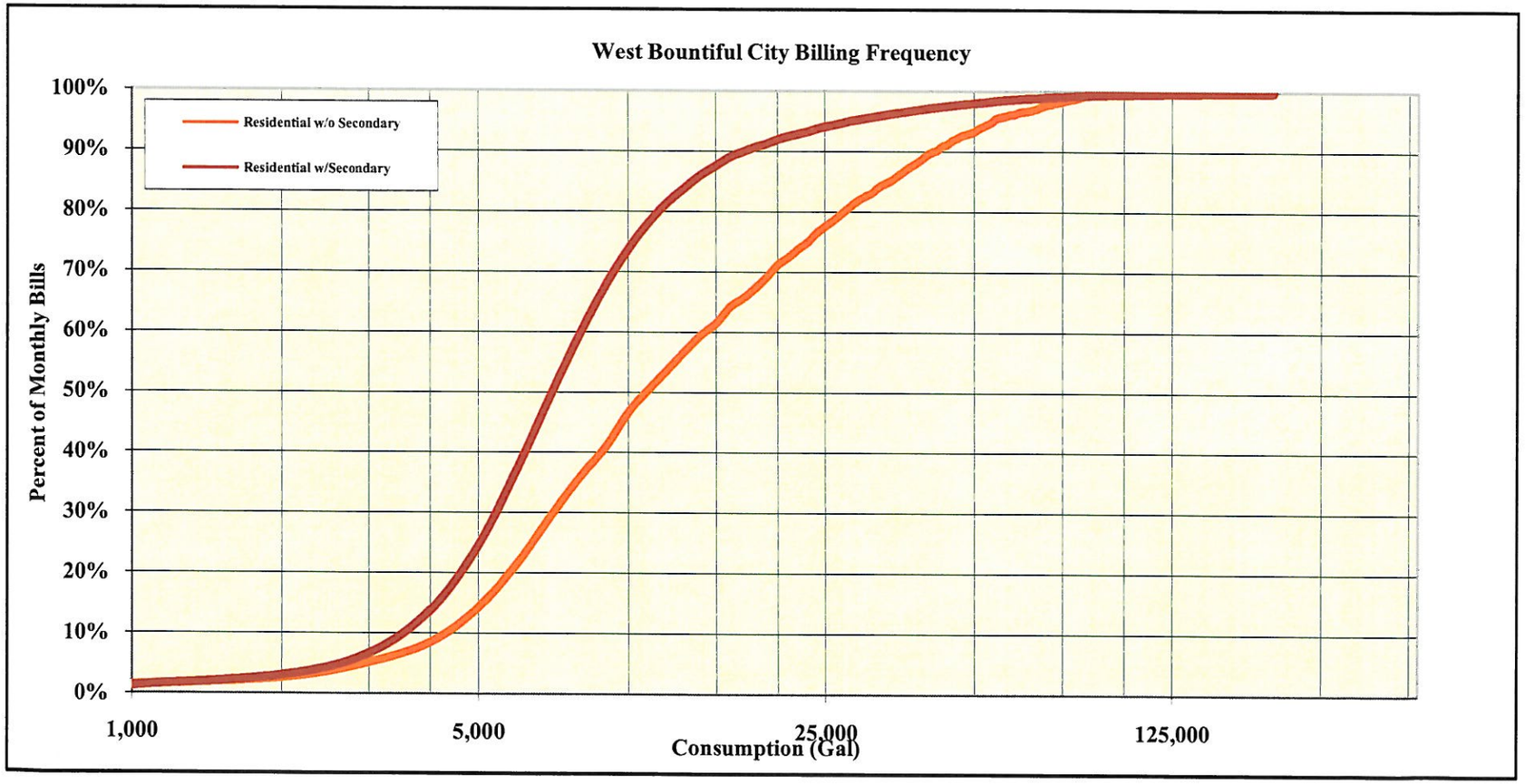
Mayor Behunin requested a conservative rate and stated we will be have more accurate information after the new radio read meters are installed.

Elise will come back with two or three options to deal with issues discussed in this meeting and present them at the next City Council meeting.

Adjournment — Meeting adjourned at 9:10 p.m.

See pertaining documents attached.

Mayor James Behunin


West Bountiful City Billing Frequency
Residential w/o Secondary
Residential w/Secondary
Percent of Monthly Bills
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
1,000
5,000
25,000
125,000
Consumption (Gal)

Scenario 1

Residential Rates		
Base Rates	Inside City	Outside City
8,000 gallons	$ 30.00	$ 40.00
Residential Overage Charges		
8,000 - 12,000	0.75	1.50
13,000 - 30,000	0.85	1.70
31,000 +	1.20	2.40

Commercial Rates	
Base Rates	
3/4"	$ 30.00
1"	42.00
1 1/2"	54.00
2"	87.00
3"	330.00
4"	420.00
Commercial Overage Charges	
13,000 - 399,000	$ 0.75
400,000 +	1.50

***Over 400,000 accounts for the top 6.5% of commercial water users

Scenario 2

Residential Rates		
Base Rates	Inside City	Outside City
8,000 gallons	$ 27.50	$ 37.00
Residential Overage Charges		
8,000 - 12,000	0.80	1.60
13,000 - 30,000	0.90	1.80
31,000 +	1.25	2.50

Commercial Rates	
Base Rates	
3/4"	$ 27.50
1"	38.50
1 1/2"	49.50
2"	79.75
3"	302.50
4"	385.00
Commercial Overage Charges	
13,000 - 399,000	$ 0.80
400,000 +	1.50

Scenario 3

Residential Rates		
Base Rates	Inside City	Outside City
8,000 gallons	$ 30.00	$ 40.00
Residential Overage Charges		
8,000 - 12,000	0.65	1.30
13,000 - 30,000	0.75	1.50
31,000 +	1.20	2.40

Commercial Rates	
Base Rates	
3/4"	$ 30.00
1"	46.20
1 1/2"	59.40
2"	95.70
3"	363.00
4"	420.00
Commercial Overage Charges	
13,000 - 399,000	$ 0.65
400,000 +	1.50

Scenario 4

Residential Rates		
Base Rates	Inside City	Outside City
8,000 gallons	$ 33.00	$ 44.00
Residential Overage Charges		
8,000 - 12,000	0.75	1.50
13,000 - 30,000	0.85	1.70
31,000 +	1.20	2.40

Commercial Rates	
Base Rates	
3/4"	$ 33.00
1"	36.00
1 1/2"	195.00
2"	181.00
3"	214.00
4"	462.00
Commercial Overage Charges	
13,000 - 399,000	$ 0.75
400,000 +	1.50

WEST BOUNTIFUL CITY

WATER DEBT SERVICE COVERAGE

Years Ending June 30

Scenario 1 - Base rate $30; 6% annual increase; 25% increase in 2013

New Connections		20	25	27	30	35	40	50
	HISTORICAL	PRO FORMA						
	2008	2009	2010	2011	2012	2013	2014	2015
ERATING REVENUES								
Charges for Services	$ 511,660	$ 609,010	$ 757,823	$ 815,324	$ 878,019	$ 1,116,655	$ 1,207,314	$ 1,308,415
Other operating revenue	9,000	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Total Operating Revenues	520,660	618,510	767,323	824,824	887,519	1,126,155	1,216,814	1,317,915
OPERATING EXPENSES								
Salaries and Benefits	70,300	95,900	99,736	103,725	107,874	112,189	116,677	121,344
Water Purchases	115,000	118,200	127,656	137,868	148,898	160,810	173,675	187,569
Utilities	4,000	18,250	18,980	19,739	20,529	21,350	22,204	23,092
Repairs & maintenance	15,300	24,875	25,870	26,905	27,981	29,100	30,264	31,475
Material Supplies	58,025	40,150	41,756	43,426	45,163	46,970	48,849	50,803
Depreciation and Amortization	80,000	216,050	224,692	233,680	243,027	252,748	262,858	273,372
Total Operating Expenses	342,625	513,425	538,690	565,344	593,472	623,167	654,526	687,654
Net Operating Income	178,035	105,085	228,633	259,481	294,046	502,988	562,288	630,261
NON-OPERATING REVENUES (EXPENSES)								
Interest Income	29,610	31,597	33,615	108,934	60,884	53,781	29,023	842
Impact Fees	72,020	144,041	151,243	158,805	166,745	175,083	548,939	576,385
Total Non-operating Revenues (Expenses)	101,630	175,638	184,858	267,740	227,629	228,864	577,962	577,227
Add back Depreciation	80,000	216,050	224,692	233,680	243,027	252,748	262,858	273,372
TOTAL REVENUES AVAILABLE FOR DS:	359,665	496,773	638,182	760,900	764,702	984,600	1,403,107	1,480,860
WATER INDEBTEDNESS:								
Series 1993 Water Revenue Bonds								
Total P&I:								
Series 2004 Ref. Bonds								
Total P&I:	103,937	103,976	103,637	102,980				
Series 2008 Water Revenue Bonds								
Principal		-	140,000	160,000	165,000	175,000	180,000	185,000
Interest		129,321	231,148	225,148	218,648	211,848	204,748	197,216
Total P&I:		129,321	371,148	385,148	383,648	386,848	384,748	382,216
Series 2017 Water Revenue Bonds								
TOTAL DEBT SERVICE:								-
TOTAL DEBT SERVICE:	103,937	233,297	474,785	488,127	383,648	386,848	384,748	382,216
Coverage	3.46	2.13	1.34	1.56	1.99	2.55	3.65	3.87
Remaining Revenues for CIP	255,728	263,475	163,398	272,773	381,055	597,752	1,018,360	1,098,644
Bond Proceeds		4,721,563						2,000,000
Developer Contributions								
CAPITAL IMPROVEMENT PROGRAM	-	-	-	-	-	-	-	-
500 S. Water Line Replacement (800 W to I-15)	-	831,635	-	-	-	-	-	-
500 S. Water Line Replacement (I-15 to 500 W)	-	-	-	-	-	-	-	-
Porter Lane Water Line (1100 W to 880 W)	-	785,624	-	-	-	-	-	-
1100 W Water Line (Porter Lane to 1850 W)	-	-	-	-	-	-	-	-
400 N Water Line (1100 W to 500 W)	-	-	2,085,426	-	-	-	-	-
1000 N Water Line (800 W. to 550 W)	-	-	-	556,878	-	-	-	-
1100 West Water Line (400 N to 1070 N.)	-	-	-	-	1,371,380	-	-	-
Drill New Well	-	-	-	-	-	1,678,006	-	-
New Well House	-	-	-	-	-	-	-	1,658,368
800 West Water Line (400 N to 1000 N)	-	-	-	-	-	-	968,793	-
800 West Water Line (1000 N to Pages Lane)	-	-	-	-	-	-	-	-
800 West Water Line (Pages to Porter Lane)	-	-	-	-	-	-	-	-
Pages Lane Water Line (800 W to 550 W)	-	-	-	-	-	-	-	-
Future Legacy Water Line (1200 N to 400 N)	-	-	-	-	-	-	-	-
New Commercial Dist. Water Line (500 S. to Legacy)	-	-	-	-	-	-	-	-
400 N. Water Line (Legacy to 1450 W.)	-	-	-	-	-	-	-	-
Water Line 1450 West and 1070 N	-	-	-	-	-	-	-	-
Pages Lane Water Line (1100 W to Legacy)	-	-	-	-	-	-	-	-
Legacy Frontage Rd. (Pages to 1200 N.)	-	-	-	-	-	-	-	-
500 South Water Line (Main St to 300 East)	-	-	-	-	-	-	-	-
500 South Water Line (500 W to Main St)	-	-	-	-	-	-	-	-
1.0 Million Gallon Storage Reservoir	-	-	-	-	-	-	-	-
800 W and 700 West Water Line (500 S to 400 N)	-	-	-	-	-	-	-	-
Capital Facilities Plan	-	10,000	-	-	-	-	-	-
Impact Fee Analysis	-	5,000	-	-	-	7,000	-	-
Capital Facilities Plan (5 yrs. Out)	-	-	-	-	-	40,000	-	-
Water Rights Study	-	20,000	-	-	-	-	-	-
Water Rate Study	-	20,000	-	-	-	-	-	-
900 W Replace Saddles & reroute water line	125,000	-	-	-	-	-	-	-
'eter Replacement Program - 4 Yr Program	50,000	300,000	-	-	-	-	-	-
Totals:	175,000	1,972,259	2,085,426	556,878	1,371,380	1,725,006	968,793	1,658,368
Beginning Yr. Cash Balance	1,263,870	1,344,598	4,357,378	2,435,349	2,151,244	1,160,919	33,665	83,232
Ending Yr. Cash Balance	1,344,598	4,357,378	2,435,349	2,151,244	1,160,919	33,665	83,232	1,523,507

Debt Service Cash Flow Analysis
WB Rate Info 2008 Water Project_9 16 08.xls

Prepared By:
LEWIS YOUNG
ROBERTSON & BURNINGHAM, ...

WEST BOUNTIFUL CITY

WATER DEBT SERVICE COVERAGE

Years Ending June 30

Scenario 2 - Assumes $27.50 base; 12% annual increase; 20% increase in 2013

	ew Connections	20	25	27	30	35	40	50
	HISTORICAL	PRO FORMA						
	2008	2009	2010	2011	2012	2013	2014	2015
OPERATING REVENUES								
Charges for Services	$ 511,660	$ 583,801	$ 743,565	$ 845,267	$ 961,788	$ 1,174,265	$ 1,341,465	$ 1,536,090
Other operating revenue	9,000	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Total Operating Revenues	520,660	593,301	753,065	854,767	971,288	1,183,765	1,350,965	1,545,590
OPERATING EXPENSES								
Salaries and Benefits	70,300	95,900	99,736	103,725	107,874	112,189	116,677	121,344
Water Purchases	115,000	118,200	127,656	137,868	148,898	160,810	173,675	187,569
Utilities	4,000	18,250	18,980	19,739	20,529	21,350	22,204	23,092
Repairs & maintenance	15,300	24,875	25,870	26,905	27,981	29,100	30,264	31,475
Material Supplies	58,025	40,150	41,756	43,426	45,163	46,970	48,849	50,803
Depreciation and Amortization	80,000	216,050	224,692	233,680	243,027	252,748	262,858	273,372
Total Operating Expenses	342,625	513,425	538,690	565,344	593,472	623,167	654,526	687,654
Net Operating Income	178,035	79,876	214,375	289,423	377,816	560,597	696,439	857,936
NON-OPERATING REVENUES (EXPENSES)								
Interest Income	29,610	31,597	33,615	108,304	59,897	53,527	30,839	4,466
Impact Fees	72,020	144,041	151,243	158,805	166,745	175,083	548,939	576,385
Total Non-operating Revenues (Expenses)	101,630	175,638	184,858	267,109	226,642	228,610	579,777	580,852
Add back Depreciation	80,000	216,050	224,692	233,680	243,027	252,748	262,858	273,372
TOTAL REVENUES AVAILABLE FOR DS:	359,665	471,563	623,925	790,212	847,485	1,041,955	1,539,074	1,712,160
WATER INDEBTEDNESS:								
Series 1993 Water Revenue Bonds								
Total P&I:								
Series 2004 Ref. Bonds								
Total P&I:	103,937	103,976	103,637	102,980				
Series 2008 Water Revenue Bonds								
Principal		-	140,000	160,000	165,000	175,000	180,000	185,000
Interest		129,321	231,148	225,148	218,648	211,848	204,748	197,216
Total P&I:		129,321	371,148	385,148	383,648	386,848	384,748	382,216
Series 2015 Water Revenue Bonds								
Total P&I:								
TOTAL DEBT SERVICE:	103,937	233,297	474,785	488,127	383,648	386,848	384,748	382,216
DS Coverage	3.46	2.02	1.31	1.62	2.21	2.69	4.00	4.48
Remaining Revenues for CIP	255,728	238,266	149,140	302,085	463,838	655,108	1,154,326	1,329,943
Bond Proceeds		4,721,563						2,000,000
Developer Contributions								
CAPITAL IMPROVEMENT PROGRAM	-	-	-	-	-	-	-	-
500 S. Water Line Replacement (800 W to I-15)	-	831,635	-	-	-	-	-	-
500 S. Water Line Replacement (I-15 to 500 W)	-	-	-	-	-	-	-	-
Porter Lane Water Line (1100 W to 880 W)	-	785,624	-	-	-	-	-	-
1100 W Water Line (Porter Lane to 1850 W)	-	-	-	-	-	-	-	-
400 N Water Line (1100 W to 500 W)	-	-	2,085,426	-	-	-	-	-
1000 N Water Line (800 W. to 550 W)	-	-	-	556,878	-	-	-	-
1100 West Water Line (400 N to 1070 N.)	-	-	-	-	1,371,380	-	-	-
Drill New Well	-	-	-	-	-	1,678,006	-	-
New Well House	-	-	-	-	-	-	-	1,658,368
800 West Water Line (400 N to 1000 N)	-	-	-	-	-	-	968,793	-
800 West Water Line (1000 N to Pages Lane)	-	-	-	-	-	-	-	-
800 West Water Line (Pages to Porter Lane)	-	-	-	-	-	-	-	-
Pages Lane Water Line (800 W to 550 W)	-	-	-	-	-	-	-	-
Future Legacy Water Line (1200 N to 400 N)	-	-	-	-	-	-	-	-
New Commercial Dist. Water Line (500 S. to Legacy)	-	-	-	-	-	-	-	-
400 N. Water Line (Legacy to 1450 W.)	-	-	-	-	-	-	-	-
Water Line 1450 West and 1070 N	-	-	-	-	-	-	-	-
Pages Lane Water Line (1100 W to Legacy)	-	-	-	-	-	-	-	-
Legacy Frontage Rd. (Pages to 1200 N.)	-	-	-	-	-	-	-	-
500 South Water Line (Main St to 300 East)	-	-	-	-	-	-	-	-
500 South Water Line (500 W to Main St)	-	-	-	-	-	-	-	-
1.0 Million Gallon Storage Reservoir	-	-	-	-	-	-	-	-
800 W and 700 West Water Line (500 S to 400 N)	-	-	-	-	-	-	-	-
Capital Facilities Plan	-	10,000	-	-	-	-	-	-
Impact Fee Analysis	-	5,000	-	-	-	7,000	-	-
Capital Facilities Plan (5 yrs. Out)	-	-	-	-	-	25,000	-	-
Water Rights Study	-	20,000	-	-	-	-	-	-
Water Rate Study	-	20,000	-	-	-	-	-	-
900 W Replace Saddles & reroute water line	125,000	-	-	-	-	-	-	-
Meter Replacement Program - 4 Yr Program	50,000	300,000	-	-	-	-	-	-
Totals:	175,000	1,972,259	2,085,426	556,878	1,371,380	1,710,006	968,793	1,658,368
Beginning Yr. Cash Balance	1,263,870	1,344,598	4,332,169	2,395,883	2,141,090	1,233,547	178,649	364,182
Ending Yr. Cash Balance	1,344,598	4,332,169	2,395,883	2,141,090	1,233,547	178,649	364,182	2,035,757

Debt Service Cash Flow Anal (2)
WB Rate Info 2008 Water Project_9 16 08.xls

Prepared By

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

WEST BOUNTIFUL CITY

WATER DEBT SERVICE COVERAGE

Years Ending June 30

Scenario 3 - Base rate $30; increase 15% 2010-2015

ew Connections	20	25	27	30	35	40	50

	HISTORICAL	PRO FORMA						
	2008	2009	2010	2011	2012	2013	2014	2015
OPERATING REVENUES								
Charges for Services	$ 511,660	$ 605,797	$ 814,686	$ 950,923	$ 1,110,991	$ 1,299,912	$ 1,524,779	$ 1,792,768
Other operating revenue	9,000	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Total Operating Revenues	520,660	615,297	824,186	960,423	1,120,491	1,309,412	1,534,279	1,802,268
OPERATING EXPENSES								
Salaries and Benefits	70,300	95,900	99,736	103,725	107,874	112,189	116,677	121,344
Water Purchases	115,000	118,200	127,656	137,868	148,898	160,810	173,675	187,569
Utilities	4,000	18,250	18,980	19,739	20,529	21,350	22,204	23,092
Repairs & maintenance	15,300	24,875	25,870	26,905	27,981	29,100	30,264	31,475
Material Supplies	58,025	40,150	41,756	43,426	45,163	46,970	48,849	50,803
Depreciation and Amortization	80,000	216,050	224,692	233,680	243,027	252,748	262,858	273,372
Total Operating Expenses	342,625	513,425	538,690	565,344	593,472	623,167	654,526	687,654
Net Operating Income	178,035	101,872	285,496	395,079	527,019	686,245	879,753	1,114,614
NON-OPERATING REVENUES (EXPENSES)		297,375	(2,050)					
Interest Income	29,610	31,597	128,115	87,125	44,556	42,920	26,123	5,226
Impact Fees	72,020	144,041	151,243	158,805	166,745	175,083	207,473	245,855
Total Non-operating Revenues (Expenses)	101,630	175,638	279,358	245,930	211,302	218,003	233,596	251,081
Add back Depreciation	80,000	216,050	224,692	233,680	243,027	252,748	262,858	273,372
TOTAL REVENUES AVAILABLE FOR DS:	359,665	493,560	789,546	874,689	981,348	1,156,995	1,376,207	1,639,067
WATER INDEBTEDNESS:								
Series 1993 Water Revenue Bonds								
Total P&I:								
Series 2004 Ref. Bonds								
Total P&I:	103,937	103,976	103,637	102,980				
Series 2008 Water Revenue Bonds								
Principal		-	155,000	135,000	140,000	145,000	150,000	155,000
Interest		56,937	148,220	145,273	141,851	137,887	133,467	128,576
Total P&I:		56,937	303,220	280,273	281,851	282,887	283,467	283,576
Series 2012 Water Revenue Bonds								
Principal								
Interest								
Total P&I:								
TOTAL DEBT SERVICE:	103,937	160,913	406,857	383,252	281,851	282,887	283,467	283,576
DS Coverage	3.46	3.07	1.94	2.28	3.48	4.09	4.85	5.78
Remaining Revenues for CIP	255,728	332,647	382,689	491,436	699,497	874,108	1,092,740	1,355,491
Bond Proceeds	3,780,000							
Developer Contributions								
CAPITAL IMPROVEMENT PROGRAM	-	-	-	-	-	-	-	-
500 S. Water Line Replacement (800 W to I-15)	-	831,635	-	-	-	-	-	-
500 S. Water Line Replacement (I-15 to 500 W)	-	-	-	-	-	-	-	-
Porter Lane Water Line (1100 W to 880 W)	-	785,624	-	-	-	-	-	-
1100 W Water Line (Porter Lane to 1850 W)	-	-	-	-	-	-	-	-
400 N Water Line (1100 W to 500 W)	-	-	2,085,426	-	-	-	-	-
1000 N Water Line (800 W. to 550 W)	-	-	-	556,878	-	-	-	-
1100 West Water Line (400 N to 1070 N.)	-	-	-	-	1,371,380	-	-	-
Drill New Well	-	-	-	-	-	1,678,006	-	-
New Well House	-	-	-	-	-	-	-	1,658,368
800 West Water Line (400 N to 1000 N)	-	-	-	-	-	-	968,793	-
800 West Water Line (1000 N to Pages Lane)	-	-	-	-	-	-	-	-
800 West Water Line (Pages to Porter Lane)	-	-	-	-	-	-	-	-
Pages Lane Water Line (800 W to 550 W)	-	-	-	-	-	-	-	-
Future Legacy Water Line (1200 N to 400 N)	-	-	-	-	-	-	-	-
New Commercial Dist. Water Line (500 S. to Legacy)	-	-	-	-	-	-	-	-
400 N. Water Line (Legacy to 1450 W.)	-	-	-	-	-	-	-	-
Water Line 1450 West and 1070 N	-	-	-	-	-	-	-	-
Pages Lane Water Line (1100 W to Legacy)	-	-	-	-	-	-	-	-
Legacy Frontage Rd. (Pages to 1200 N.)	-	-	-	-	-	-	-	-
500 South Water Line (Main St to 300 East)	-	-	-	-	-	-	-	-
500 South Water Line (500 W to Main St)	-	-	-	-	-	-	-	-
1.0 Million Gallon Storage Reservoir	-	-	-	-	-	-	-	-
800 W and 700 West Water Line (500 S to 400 N)	-	-	-	-	-	-	-	-
Capital Facilities Plan	-	10,000	-	-	-	-	-	-
Impact Fee Analysis	-	5,000	-	-	-	7,000	-	-
Capital Facilities Plan (5 yrs. Out)	-	-	-	-	-	25,000	-	-
Water Rights Study		20,000	-	-	-	-	-	-
Water Rate Study		20,000	-	-	-	-	-	-
900 W Replace Saddles & reroute water line	125,000	-	-	-	-	-	-	-
Meter Replacement Program - 4 Yr Program	50,000	300,000	-	-	-	-	-	-
Totals:	175,000	1,972,259	2,085,426	556,878	1,371,380	1,710,006	968,793	1,658,368
Beginning Yr. Cash Balance	1,263,870	5,124,598	3,484,986	1,782,249	1,716,807	1,044,924	209,026	332,974
Ending Yr. Cash Balance	5,124,598	3,484,986	1,782,249	1,716,807	1,044,924	209,026	332,974	30,097

Debt Service Cash Flow Anal (3)
WB Rate Info 2008 Water Project_9 16 08 xls

Prepared By

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

WEST BOUNTIFUL CITY

WATER DEBT SERVICE COVERAGE

Years Ending June 30

Scenario 4 - Base rate $33; 5% annual increase; issue deb

New Connections	20	25	27	30	35	40	50

	HISTORICAL	PRO FORMA						
	2008	2009	2010	2011	2012	2013	2014	2015
OPERATING REVENUES								
Charges for Services	$ 511,660	$ 649,906	$ 811,504	$ 864,843	$ 922,558	$ 985,572	$ 1,055,536	$ 1,133,135
Base Rate Increase for Series 2008 Bonds								
% Increase over 2008 Base Rate		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating revenue	9,000	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Total Operating Revenues	520,660	659,406	821,004	874,343	932,058	995,072	1,065,036	1,142,635
OPERATING EXPENSES								
Salaries and Benefits	70,300	95,900	99,736	103,725	107,874	112,189	116,677	121,344
Water Purchases	115,000	118,200	127,656	137,868	148,898	160,810	173,675	187,569
Utilities	4,000	18,250	18,980	19,739	20,529	21,350	22,204	23,092
Repairs & maintenance	15,300	24,875	25,870	26,905	27,981	29,100	30,264	31,475
Material Supplies	58,025	40,150	41,756	43,426	45,163	46,970	48,849	50,803
Depreciation and Amortization	80,000	216,050	224,692	233,680	243,027	252,748	262,858	273,372
Total Operating Expenses	342,625	513,425	538,690	565,344	593,472	623,167	654,526	687,654
Net Operating Income	178,035	145,981	282,314	308,999	338,586	371,905	410,510	454,981
NON-OPERATING REVENUES (EXPENSES)		297,375	(2,050)					
Interest Income	29,610	38,292	33,615	110,124	63,416	57,581	33,999	2,636
Impact Fees	72,020	144,041	151,243	158,805	166,745	175,083	548,939	576,385
Total Non-operating Revenues (Expenses)	101,630	182,333	184,858	268,929	230,161	232,663	582,938	579,021
Add back Depreciation	80,000	216,050	224,692	233,680	243,027	252,748	262,858	273,372
TOTAL REVENUES AVAILABLE FOR DS:	359,665	544,363	691,864	811,608	811,774	857,316	1,256,305	1,307,374
WATER INDEBTEDNESS:								
Series 1993 Water Revenue Bonds								
Total P&I:								
Series 2004 Ref. Bonds								
Total P&I:	103,937	103,976	103,637	102,980				
Series 2008 Water Revenue Bonds								
Principal		-	140,000	160,000	165,000	175,000	180,000	185,000
Interest		129,321	231,148	225,148	218,648	211,848	204,748	197,216
Total P&I:		129,321	371,148	385,148	383,648	386,848	384,748	382,216
es 2017 Water Revenue Bonds								
Total P&I:								
TOTAL DEBT SERVICE:	103,937	233,297	474,785	488,127	383,648	386,848	384,748	382,216
DS Coverage	3.46	2.33	1.46	1.66	2.12	2.22	3.27	3.42
Remaining Revenues for CIP	255,728	311,066	217,079	323,480	428,126	470,469	871,558	925,158
Bond Proceeds		4,721,563						
Developer Contributions								
CAPITAL IMPROVEMENT PROGRAM	-	-	-	-	-	-	-	-
500 S. Water Line Replacement (800 W to I-15)	-	831,635	-	-	-	-	-	-
500 S. Water Line Replacement (I-15 to 500 W)	-	-	-	-	-	-	-	-
Porter Lane Water Line (1100 W to 880 W)	-	785,624	-	-	-	-	-	-
1100 W Water Line (Porter Lane to 1850 W)	-	-	-	-	-	-	-	-
400 N Water Line (1100 W to 500 W)	-	-	2,085,426	-	-	-	-	-
1000 N Water Line (800 W. to 550 W)	-	-	-	556,878	-	-	-	-
1100 West Water Line (400 N to 1070 N.)	-	-	-	-	1,371,380	-	-	-
Drill New Well	-	-	-	-	-	1,678,006	-	-
New Well House	-	-	-	-	-	-	-	1,658,368
800 West Water Line (400 N to 1000 N)	-	-	-	-	-	-	968,793	-
800 West Water Line (1000 N to Pages Lane)	-	-	-	-	-	-	-	-
800 West Water Line (Pages to Porter Lane)	-	-	-	-	-	-	-	-
Pages Lane Water Line (800 W to 550 W)	-	-	-	-	-	-	-	-
Future Legacy Water Line (1200 N to 400 N)	-	-	-	-	-	-	-	-
New Commercial Dist. Water Line (500 S. to Legacy)	-	-	-	-	-	-	-	-
400 N. Water Line (Legacy to 1450 W.)	-	-	-	-	-	-	-	-
Water Line 1450 West and 1070 N	-	-	-	-	-	-	-	-
Pages Lane Water Line (1100 W to Legacy)	-	-	-	-	-	-	-	-
Legacy Frontage Rd. (Pages to 1200 N.)	-	-	-	-	-	-	-	-
500 South Water Line (Main St to 300 East)	-	-	-	-	-	-	-	-
500 South Water Line (500 W to Main St)	-	-	-	-	-	-	-	-
1.0 Million Gallon Storage Reservoir	-	-	-	-	-	-	-	-
800 W and 700 West Water Line (500 S to 400 N)	-	-	-	-	-	-	-	-
Capital Facilities Plan	-	10,000	-	-	-	-	-	-
Impact Fee Analysis	-	5,000	-	-	-	7,000	-	-
Capital Facilities Plan (5 yrs. Out)	-	-	-	-	-	40,000	-	-
er Rights Study	-	20,000	-	-	-	-	-	-
ater Rate Study	-	20,000	-	-	-	-	-	-
900 W Replace Saddles & reroute water line	125,000	-	-	-	-	-	-	-
Meter Replacement Program - 4 Yr Program	50,000	300,000	-	-	-	-	-	-
Totals:	175,000	1,972,259	2,085,426	556,878	1,371,380	1,725,006	968,793	1,658,368
Beginning Yr. Cash Balance	1,263,870	1,344,598	4,404,969	2,536,622	2,303,224	1,359,970	105,433	8,197
Ending Yr. Cash Balance	1,344,598	4,404,969	2,536,622	2,303,224	1,359,970	105,433	8,197	(7

Debt Service Cash Flow (4)

WB Rate Info 2008 Water Project_9.16.08.xls

Prepared By

LEWIS YOUNG ROBERTSON & BURNINGHAM

BASE RATES				
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
2009	30.00	27.50	30.00	33.00
2010	34.50	30.80	31.80	34.32
2011	39.68	34.50	33.71	35.69
2012	45.63	38.64	35.73	37.12
2013	52.47	46.36	44.66	38.61
2014	60.34	51.93	47.34	40.15
2015	69.39	58.16	50.18	41.76