

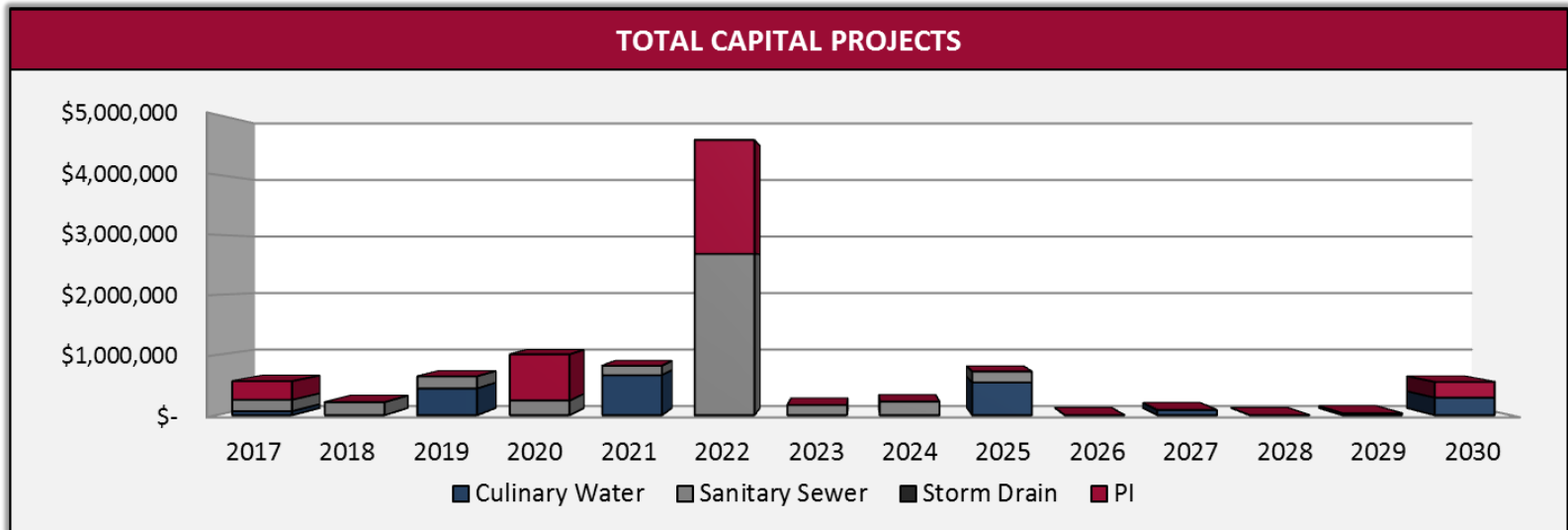
User Rate Analyses: Culinary Water, Secondary Water, Sewer, Storm

May 3, 2016



Future Capital Projects

Future Capital Projects



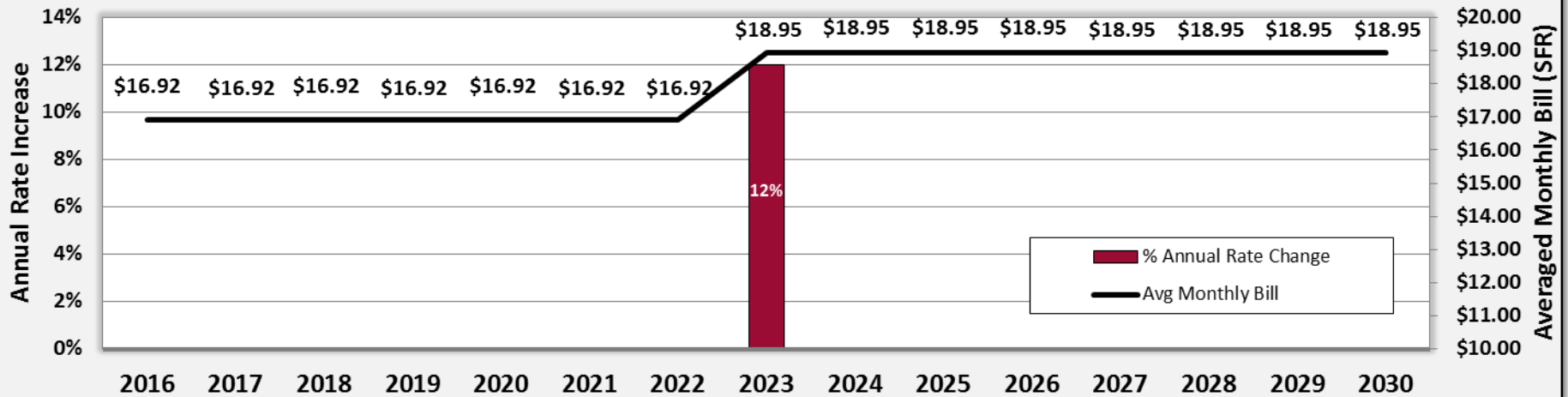
CAPITAL PROJECTS BY UTILITY															Total
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Water	\$67,275	\$ -	\$ 443,487	\$ -	\$ 665,104	\$ -	\$ -	\$ -	\$ 545,159	\$ -	\$ 87,598	\$ -	\$ -	\$ 291,365	\$2,099,988
Sewer	188,370	216,066	201,787	244,862	156,775	2,683,464	167,941	226,623	179,902	-	-	-	33,625	-	4,299,415
Storm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PI	\$310,500	-	-	768,285	-	1,892,913	-	-	-	-	-	-	-	262,229	\$3,233,926
Total	\$566,145	\$ 216,066	\$ 645,274	\$ 1,013,147	\$ 821,879	\$ 4,576,377	\$ 167,941	\$ 226,623	\$ 725,061	\$ -	\$ 87,598	\$ -	\$ 33,625	\$ 553,594	\$ 9,633,329

Rate Setting Parameters

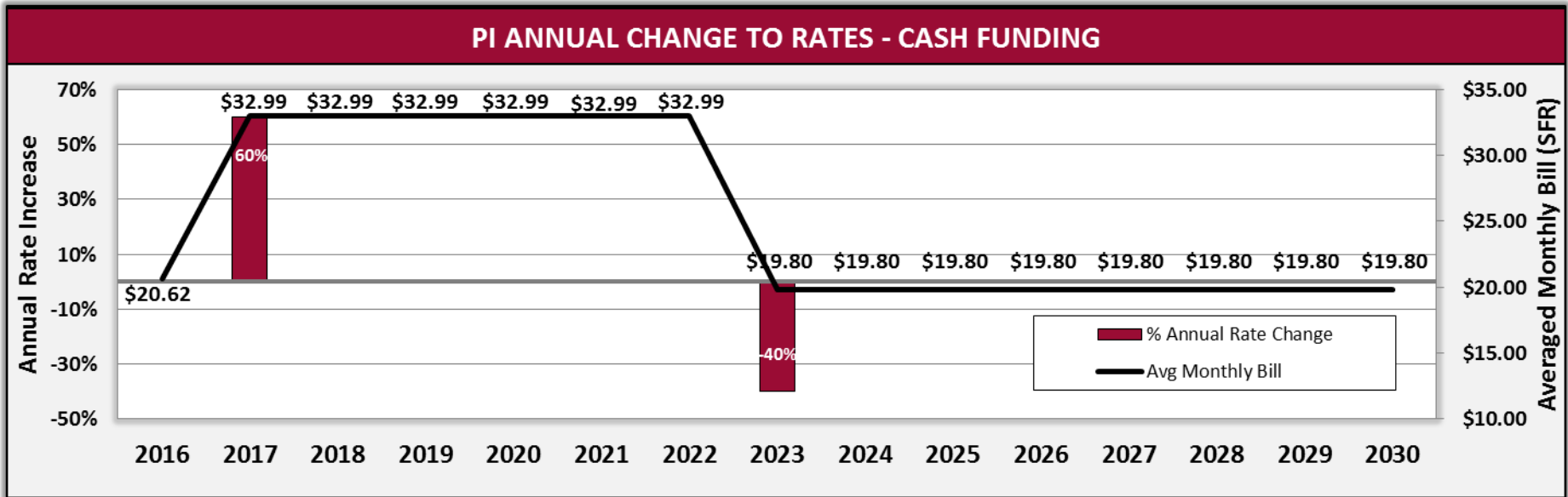
- Prepared and reviewed coverage tables with input and data from City staff
- Important considerations such as changes in staffing and funding capital projects
- Rates should maintain at least 1.25X coverage for outstanding bonds
- Rates should maintain at least 180 days operations expense on hand in cash with a max of about 360 days; should strive to achieve roughly 275 days
- The City should strive to maintain a strong financial position that would allow for minimum coverage ratios even if debt is not issued just in case the need to bond does arise

Culinary Water Rate Change

WATER ANNUAL CHANGE TO RATES - CASH FUNDING

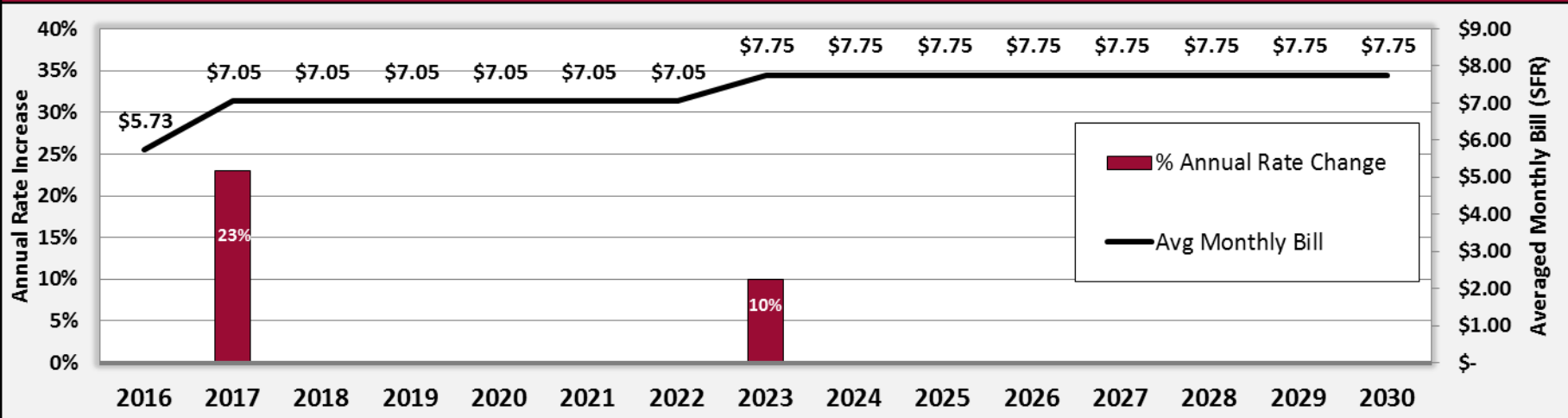


PI Rate Change



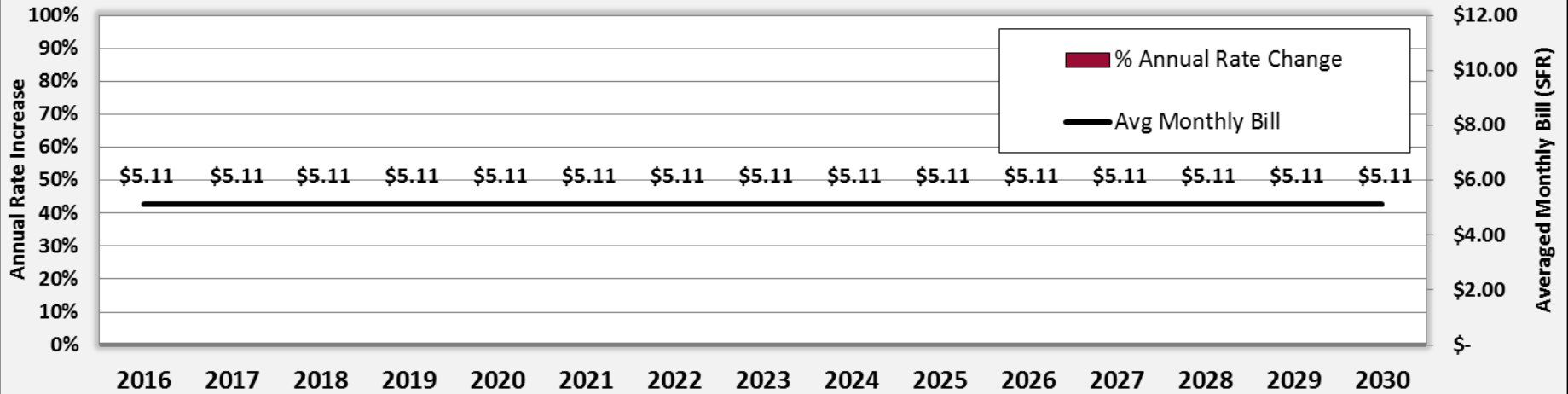
Storm Rate Change

STORM ANNUAL CHANGE TO RATES - CASH FUNDING

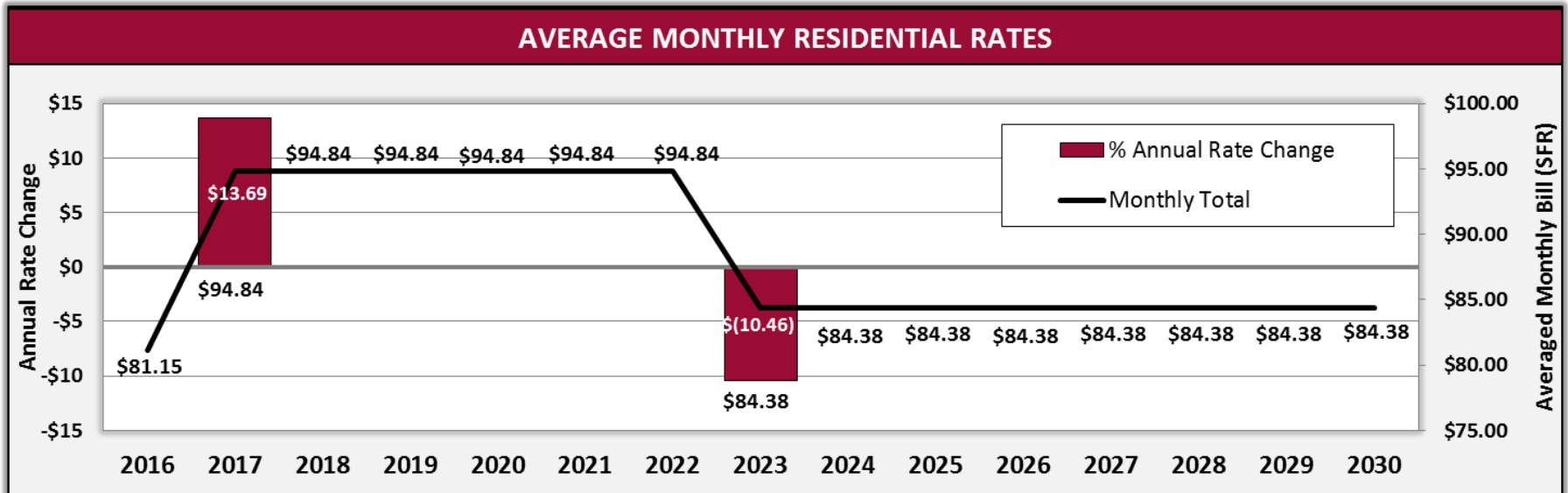


Sewer Rate Change

SEWER ANNUAL CHANGE TO RATES - CASH FUNDING

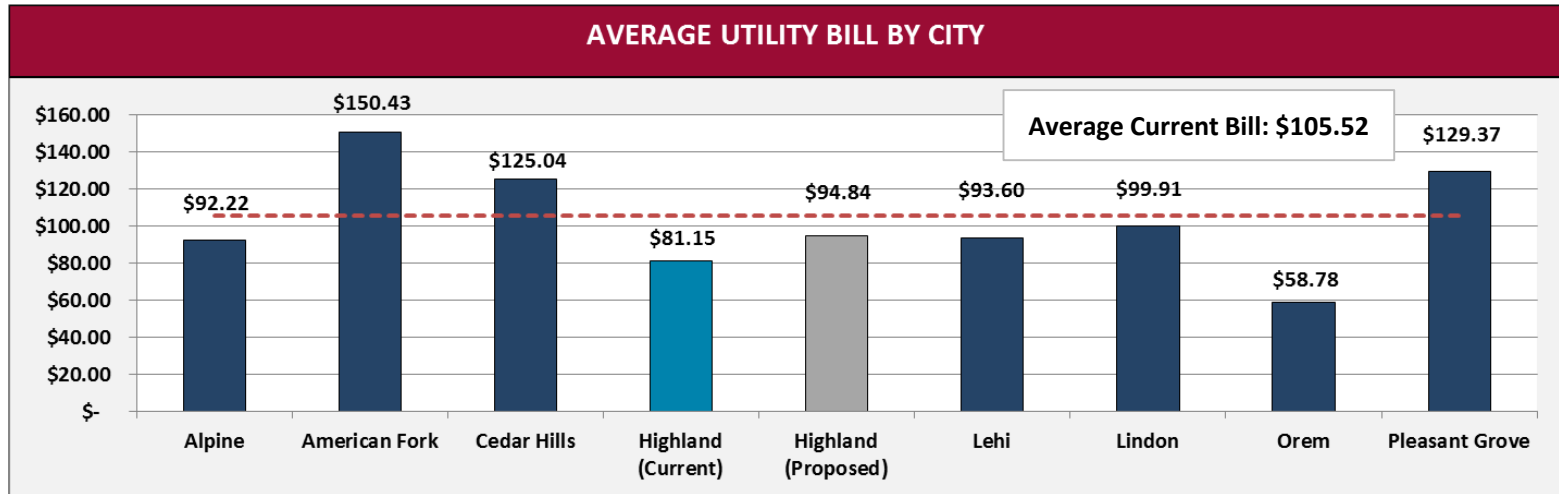


Combined Rate Changes



CHANGE TO MONTHLY RATES	CASH FUNDED															
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Sewer (City)	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	\$ 5.11	
Sewer (TSSD)	32.77	32.77	32.77	32.77	32.77	32.77	32.77	32.77	32.77	32.77	32.77	32.77	32.77	32.77	32.77	
Water	16.92	16.92	16.92	16.92	16.92	16.92	16.92	18.95	18.95	18.95	18.95	18.95	18.95	18.95	18.95	
PI	20.62	32.99	32.99	32.99	32.99	32.99	32.99	19.80	19.80	19.80	19.80	19.80	19.80	19.80	19.80	
Storm	5.73	7.05	7.05	7.05	7.05	7.05	7.05	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	
Monthly Total	\$ 81.15	\$ 94.84	\$ 94.84	\$ 94.84	\$ 94.84	\$ 94.84	\$ 94.84	\$ 84.38	\$ 84.38	\$ 84.38	\$ 84.38	\$ 84.38	\$ 84.38	\$ 84.38	\$ 84.38	
Year to Year Change		\$ 13.69	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10.46)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Comparison to Other Communities



	Stormwater	Culinary	PI	Sewer	Total	Average
Alpine	5	23	22.24	41.98	\$ 92.22	\$ 105.52
American Fork	6	44.48	51.8	48.15	\$150.43	\$ 105.52
Cedar Hills	9.27	30.45	41.9	43.42	\$125.04	\$ 105.52
Highland (Current)	5.73	16.92	20.62	37.88	\$ 81.15	\$ 105.52
Highland (Proposed)	7.05	16.92	32.99	37.88	\$ 94.84	\$ 105.52
Lehi	3	25.33	22.3	43	\$ 93.60	\$ 105.52
Lindon	6.18	37.55	10	46.18	\$ 99.91	\$ 105.52
Orem	6.25	30.43	--	22.1	\$ 58.78	\$ 105.52
Pleasant Grove	13.88	35.3	36.05	44.14	\$129.37	\$ 105.52

Assumed 12,000 gallons used Assumed 16,000 gallons used Assumed 9,000 gallons used
Assumed 20,000 square foot lot