Hildale / Colorado City Utility Advisory Board

Thursday, March 07, 2024 at 6:00 PM

320 East Newel Avenue, Hildale City, Utah 84784

Agenda

Notice is hereby given to the members of the Hildale/Colorado City Utility Advisory Board and the public, that the Board will hold a public meeting on **Thursday, March 7, 2024,** at 6:00 p.m. (MDT), at 320 East Newel Avenue, Hildale City, Utah 84784.

Board members may be participating electronically by video or telephone conference. The meeting will be broadcast to the public on Facebook Live under Hildale's City page. Members of the public may also watch the City of Hildale through the scheduled Zoom meeting.

https://www.facebook.com/hildalecity/live/

Join Zoom Meeting
https://zoom.us/j/95770171318?pwd=aUVSU0hRSFFHcGQvcUlPT3ZYK0p5UT09

Meeting ID: 957 7017 1318
Passcode: 993804
One tap mobile
+16699006833,,95770171318#,,,,*993804# US (San Jose)
+12532158782,,95770171318#,,,,*993804# US (Tacoma)

Dial by your location
+1 669 900 6833 US (San Jose) +1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston) +1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC) +1 312 626 6799 US (Chicago)

Comments during the public comment or public hearing portions of the meeting may be emailed to athenac@hildalecity.com or privately messaged to Hildale City's Facebook page. All comments sent before the meeting may be read during the meeting and messages or emails sent during the meeting may be read at the Board Chair's discretion.

Welcome, Introduction and Preliminary Matters: Presiding Officer

Roll Call of Board Attendees: Utility Administrative Assistant

Pledge of Allegiance: By Invitation of Presiding Officer

Conflict of Interest Disclosures: Board Members

Public Comments: (3 minutes each - Discretion of Presiding Officer)

New Board Business:

1. Presentation of the Hildale-Colorado City Utilities Proposed Water Rates. (Matthew Kennedy, Rural Community Assistance Corporation (RCAC))

Board Comments: (10 minutes total)

Board members comments of issues not previously discussed in the meeting.

Adjournment: Presiding Officer

Agenda items and any variables there to are set for consideration, discussion, approval or other action. The Utility Advisory Board may, by motion, recess into executive session, which is not open to the public, to receive legal

advice from their attorney(s) on any agenda item, or regarding sensitive personnel issues, or concerning negotiations for the purchase, sale, or lease of real property. Board Members may attend by telephone. The Agenda may be subject to change up to 24 hours prior to the meeting. Individuals needing special accommodations should notify the City Recorder at 435 874-2323 at least three days prior to the meeting.

Hildale-Colorado City Utility: Water Rate Analysis

3/7/2024

What is RCAC?

- Rural Community Assistance Corporation
- Federally funded to help rural communities like Hildale and Colorado City…
- …stay in compliance with the rules and regulations and build system capacity

Why do a Rate Study?

- Stay solvent
- Often required for grants and loans
- Prepare for asset replacement
- Ensure system covers debt service
- Maintain system for future generations

Consequences of not raising rates enough

1. Increased reliance on loans
2. Reduction in reserves
3. Inability to pay bills
4. Inability to maintain system=Violations

Board Responsibilities

- Fiduciary responsibility to keep the system running…
- ..in the short run and the long run.
- Provide resources for staff to do their job.

Guiding Principles of this Rate Study

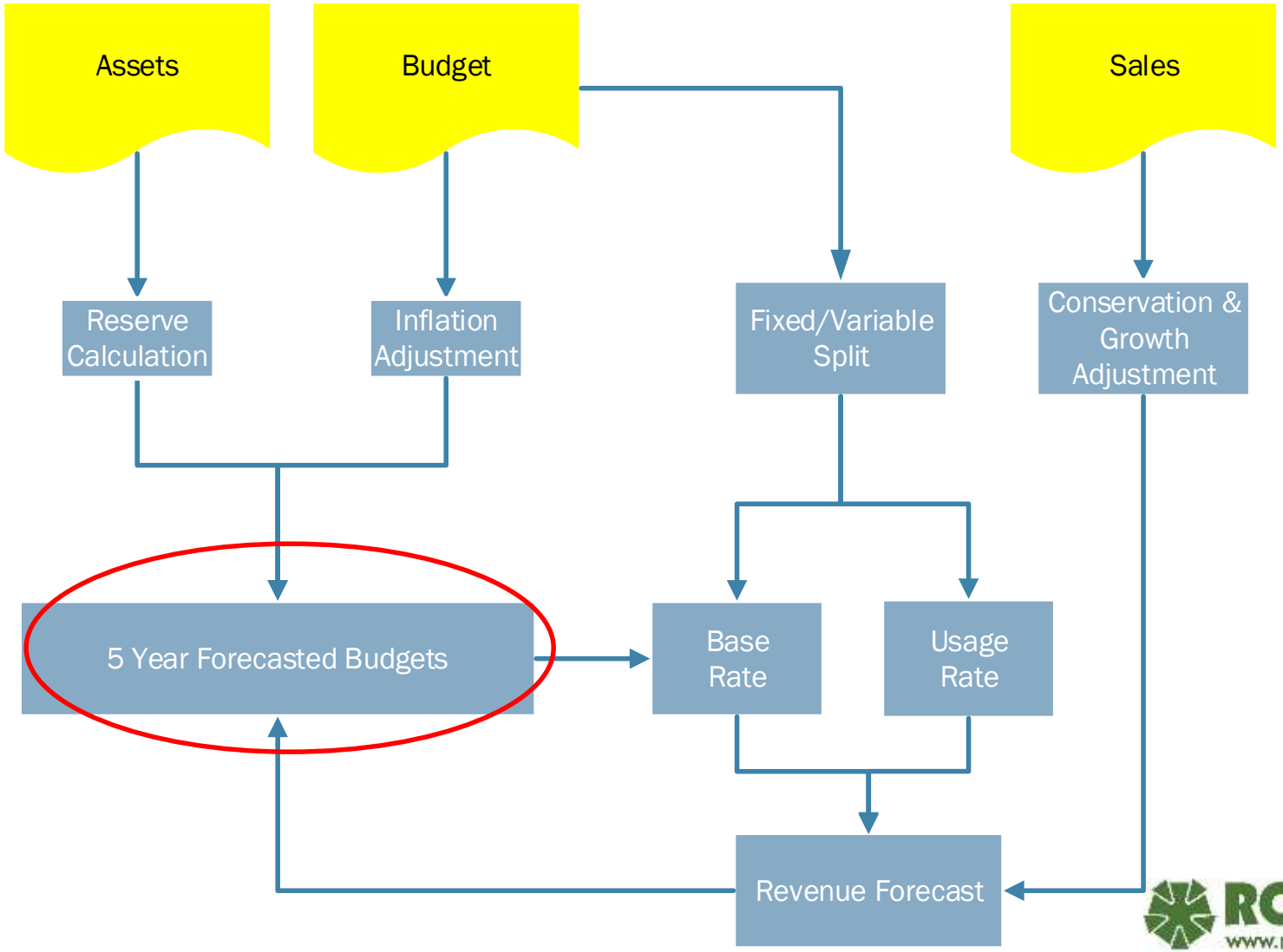
- Sustainable
- Equitable
- Justifiable

Rate Model

- AWWA Standards
  (American Water Works Association)
- Reviewed by staff and board members
- Staff requests direction from Board to proceed with final Rate Study documents

Rate Setting with Water Meters

Current



New

RCAC
www.rcac.org

Reserves

Reserve	Target	Existing
Debt Reserve	$14,758	$0
Operating	$174,360	$174,360
Emergency	$20,000	$20,000
Capital Replacement	To be calculated	$468,680
Future Capital Assets		$300,000

- Total existing reserves available based on Water Fund Balance Sheet June 30, 2023
- $1,167,138 in 81-11900 Cash-Combined Fund, less the $204,098 in 81-21350 Customer Deposits

RCAC
www.rcac.org

Capital Replacement Program

- Inventory of all assets
  - Exclude those that will not be replaced
- Those that will be replaced
  - When
  - How much it will cost
  - How to pay for it (cash, grant or loan)
- → Calculate how much we must set aside each year to have enough cash when needed

Existing Asset Reserve

Quantity	Asset	Year Acquired	Unit Cost (Historic, Current or Future)	Cost Type (H, C, F)	% Belonging to Water	Estimated Remaining Life	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required
	Replacement of Existing Capital Assets											
	Wells				100%			0%	0%	100%	0	0
1	Well 4 - 140' 8" 190gpm	2021	200,000	H	100%	49	1,162,194	2%	40%	58%	1,845	357
1	Well 4B - 140' 6"	1985	200,000	C	100%	13	312,791	10%	40%	50%	8,565	1,641
5146	Jans Canyon Spring Transmission Line - 2"	2015	3	C	100%	68	160,153	25%	0%	75%	1,653	429
1	Maxwell Canyon Spring Collection - 4" 64gpm	1980	100,000	C	100%	58	735,428	5%	40%	55%	2,141	471
1	Maxwell Canyon Spring Box	1910	10,000	C	100%	20	19,898	100%	0%	0%	4,283	712
1	800k gallon tank	1998	1550000	C	100%	31	4,502,799	2%	40%	58%	13,276	2,163
1	600k gallon tank	1970	1150000	C	100%	15	1,926,651	2%	40%	58%	9,850	1,780
1	Elm Street Tank (Concrete) - 1MG	2000	1825000	C	100%	58	13,421,565	2%	40%	58%	15,632	3,442
1	*Treatment Plant Building*	1975	75000	C	100%	3	83,154	25%	0%	75%	8,030	4,201
3	Pressure Tanks (West Side) (Recoated in 2021)	2001	110000	C	100%	9	449,756	10%	40%	50%	14,133	3,279
3	Pressure Tanks (East Side) (Recoated in 2004)	1975	110,000	C	100%	15	552,865	5%	40%	55%	7,066	1,277
8	Treatment Plant Pumps (40hp)	2005	7,500	H	100%	3	106,347	25%	0%	75%	10,270	5,373

- On average, save $127,240 a year for replacement of existing assets

RCAC
www.rcac.org

Funded Asset Replacement

- Fencing, raw water transmission line, and 2 new wells at treatment plan
  - Assume $1,780,000 to be completed in 2024
  - Assume 30 to 50-year lifespans
  - Save $3,897 a year for future replacement

Future Asset Reserve

Quantity	Asset	Year to be Purchased	Unit Cost (Current or Future)	Cost Type (C, F)	% Belonging to Water	Years to save	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required
	Reserves for Additional Capital Assets											
1	Fire Hydrants	2027	1,785,505	F	100%	3	1,785,505	2%	40%	58%	19,232	5,404
1	Trailhead Well 1	2027	1,700,000	F	100%	3	1,700,000	2%	40%	58%	18,311	5,145
1	Sandhill Tank and Jessop Ave Line	2028	5,236,534	F	100%	4	5,236,534	2%	40%	58%	54,429	12,283
1	Trailhead Well 2, Trailhead Tank (1MG), and Canyon S	2030	2,500,000	F	100%	6	2,500,000	2%	40%	58%	24,198	4,145
1	University Ave Line	2030	406,633	F	100%	6	406,633	5%	40%	55%	9,840	1,686
1	Water Canyon Wells	2032	4,999,729	F	100%	8	4,999,729	2%	40%	58%	45,065	6,542
1	Maxwell Canyon Well	2036	4,872,243	F	100%	12	4,872,243	2%	40%	58%	38,083	4,617
1	Annexation Trunklines	2040	3,930,543	F	100%	16	3,930,543	2%	40%	58%	26,642	2,978
1	New Annexation Area Tank - 1MG	2042	4,169,914	F	100%	18	4,169,914	2%	40%	58%	26,321	2,883
1	SCADA Upgrades	2025	250,000	F	100%	1	250,000	5%	40%	55%	7,229	5,271
1	Well #8 Enhancements	2025	500,000	F	100%	1	500,000	5%	40%	55%	14,458	10,542
1	Booster Station	2025	650,000	F	100%	1	650,000	2%	40%	58%	7,518	5,482
1	Other FY24 Projects (Well rehab, clear well tank, plant	2025	300,000	F	100%	1	300,000	5%	40%	55%	8,675	6,325
1	Backup Generator	2025	175,000	F	100%	1	175,000	10%	0%	90%	10,121	7,379
	Subtotal Reserves for Additional Capital Assets						31,301,101	2%	40%	58%	300,000	80,681

- On average, save $46,006 a year for initial costs of future assets
- $80,681 in first year, decreasing to $22,850 in later years

RCAC
www.rcac.org

Budget

- Based on current budget with planned increases
- Adjustments for inflation
- Includes reserve requirements
- Includes other water revenue
  - Interest Income
  - Connection Fees
  - Planned Impact fees

Budget Considerations

Expenses

- Equipment Supplies and Maintenance costs increase in base year from previous years ($3,000 to $50,000)
- Maintenance & Supply – System costs increase in base year from previous years ($90,043 to $177,700)
- Power costs increase in base year from previous years ($135,000 to $200,000)
- Laboratory costs are increasing due to additional sampling needs.
- System construction services expenses are increasing due to planned projects over the next 5 years.

Revenue

- Sales Revenue is calculated from actual usage data, will vary based on proposals.
- Current revenue under existing rates and usage - $955,016
- Additional revenue from new connections based on system growth.
- Interest income increased in base year from previous years ($4,174 to $22,000)
  - Increasing interest from PTIF rates

Allocation of Existing Reserves

- With many planned projects in the near future, it is recommended that HCC internally restrict $300,000 of existing reserves for these planned projects
- This will temper the rate increase needed compared to raising funds needed for these projects only from sales revenue

Fixed vs Variable Expenses

Fixed

- Do not change with the volume of water sold
- Examples
  - Insurance
  - Most personnel
  - Debt service
  - Future capital replacement and purchases
- 89%

Variable

- Vary with the volume of water sold
- Examples
  - Electricity
  - Chemicals
- 11%

Water Rate Components

- Fixed Expenses
- → Base Rate
- Variable Expenses
- → Usage Charge

Sales Forecast

- Conservation Adjustment
  - Dependent on rate scenario
- Community Growth
  - 2% each year
- Conservation Factor
  - Variable, .5% to 3%
  - As usage rates increase, customers will likely conserve water

No Change

- Do Nothing
- Drawing on reserves to cover expenses
- **Not Recommended**

With No Rate Changes

Results of the current rates	2024	2025	2026	2027	2028	5 Years
TOTAL EXPENSES	$1,833,173	$1,835,846	$1,978,571	$1,786,673	$1,925,447	$9,359,710
TOTAL REVENUE	$1,098,305	$1,129,748	$1,177,372	$1,257,188	$1,273,192	$5,935,805
NET LOSS OR GAIN: (Short/Over to Reserves)	-$734,868	-$706,098	-$801,199	-$529,484	-$652,256	-$3,423,905
NET CASH FLOW (Contribution to Reserves)	-$451,261	-$502,278	-$613,544	-$374,812	-$506,870	-$2,448,766
Affordability assuming MHI of $62857 for residential meters.	1.15%	1.17%	1.18%	1.19%	1.21%	
Are you putting enough money in reserves?	No	No	No	No	No	
Positive Annual Cash Flow?	No	No	No	No	No	

Alternatives to Consider

- Originally, 3 possible scenarios were presented to HCC staff, of these, scenario 3 was determined to be best option.
- The next two scenarios are those that have already incorporated input from HCC staff. The other scenarios can be seen in the handout.

Alternative 3.1

- Smaller initial base rate increase, tighten tiers, increase usage rates
- Annual increases over five years
- Results in net gain over $34,000 over five years
  - This is the amount saved above the recommended amount in the model

New Rates – Alternative 3.1

Customer Class	Rate Structure	Base Rate	Usage Rates
¾" Meter	Tiered Block	$38.50	0 – 10,000 - $1.75/1,000 10,001-30,000 - $1.90/1,000 30,001+ - $2.50/1,000
1" Meter	Tiered Block	$64.00	0 – 10,000 - $1.75/1,000 10,001-30,000 - $1.90/1,000 30,001+ - $2.50/1,000
1.5" Meter	Tiered Block	$128.50	0 – 30,000 - $2.50/1,000 30,001-80,000 - $2.80/1,000 80,001+ - $3.10/1,000
2" Meter	Tiered Block	$205.50	0 – 35,000 - $2.50/1,000 35,001 – 90,000 - $2.80/1,000 90,001-200,000 - $3.50/1,000 200,001+ - $4.50/1,000
Hydrant Meter	Tiered Block	$150.00	Any amount - $10.00/1,000

Growth Factor of Rates		Year 2	Year 3	Year 4	Year 5
	Base	15.00%	5.00%	2.00%	2.00%
	Usage	10.00%	5.00%	2.00%	2.00%

RCAC www.rcac.org

Impact of New Rates – Alt. 3.1

Growth Factor of Rates			Year 2	Year 3	Year 4	Year 5	
	Base		15.00%	5.00%	2.00%	2.00%	
	Usage		10.00%	5.00%	2.00%	2.00%	
Results of the new rates		**2024**	**2025**	**2026**	**2027**	**2028**	**5 Years**
TOTAL EXPENSES		$1,790,316	$1,827,096	$1,980,889	$1,880,722	$2,067,892	$9,546,914
TOTAL REVENUE		$1,594,343	$1,795,937	$1,950,394	$2,085,999	$2,154,398	$9,581,072
NET LOSS OR GAIN: (Short/Over to Reserves)		-$195,972	-$31,158	-$30,495	$205,277	$86,505	$34,157
NET CASH FLOW (Contribution to Reserves)		$44,777	$162,515	$158,082	$350,155	$219,101	$934,630
Affordability assuming MHI of $62857 for residential meters.		1.62%	1.83%	1.96%	2.03%	2.10%	
Are you putting enough money in reserves?		No	No	No	Yes	Yes	
Positive Annual Cash Flow?		Yes	Yes	Yes	Yes	Yes	

RCAC
www.rcac.org

Average Bill Increase – Alt 3.1

Average Bill Every M by Meter Size								
Meter Size	Count	Meter Size	Current	Year 1	Year 2	Year 3	Year 4	Year 5
0.750	845	3/4"	$59.10	$84.01	$94.61	$101.37	$105.18	$108.80
1.000	118	1"	$103.25	$141.69	$159.52	$170.91	$177.31	$183.40
1.500	28	1.5"	$144.00	$261.32	$294.65	$315.08	$326.38	$337.16
2.000	34	2"	$244.85	$537.12	$603.11	$648.01	$673.89	$698.38

RCAC
www.rcac.org

Alternative 3.2

- Compared to 3.1, same base rates, additional usage tiers, more variance in usage rates
- Annual increases over five years
- Results in net gain over $17,520 over five years

New Rates – Alternative 3.2

Customer Class	Rate Structure	Base Rate	Usage Rates	
¾" Meter	Tiered Block	$38.50	0 – 15,000	- $1.50/1,000
			15,001-30,000	-$1.85/1,000
			30,001-50,000	- $2.00/1,000
			50,001+	- $2.75/1,000
1" Meter	Tiered Block	$64.00	0 – 10,000	- $1.50/1,000
			10,001-45,000	- $2.00/1,000
			45,001-100,000	- $2.75/1,000
			100,001+	- $3.50/1,000
1.5" Meter	Tiered Block	$128.50	0 – 35,000	- $1.50/1,000
			35,001-55,000	- $2.00/1,000
			55,001-125,000	- $2.75/1,000
			125,001+	- $3.50/1,000
2" Meter	Tiered Block	$205.50	0 – 55,000	- $2.50/1,000
			55,001-90,000	- $2.80/1,000
			90,001-200,000	-$3.50/1,000
			200,001+	- $5.50/1,000
Hydrant Meter	Tiered Block	$150.00+$200.00 Deposit	Any amount	- $10.00/1,000

Growth Factor of Rates			Year 2	Year 3	Year 4	Year 5
	Base		18.00%	5.00%	2.00%	2.00%
	Usage		10.00%	5.00%	2.00%	2.00%

RCAC
www.rcac.org

Impact of New Rates – Alt. 3.2

Growth Factor of Rates			Year 2	Year 3	Year 4	Year 5	
	Base		18.00%	5.00%	2.00%	2.00%	
	Usage		10.00%	5.00%	2.00%	2.00%	
Results of the new rates		**2024**	**2025**	**2026**	**2027**	**2028**	**5 Years**
TOTAL EXPENSES		$1,790,316	$1,827,096	$1,980,889	$1,880,722	$2,067,892	$9,546,914
TOTAL REVENUE		$1,575,789	$1,794,465	$1,950,273	$2,087,162	$2,156,745	$9,564,434
NET LOSS OR GAIN: (Short/Over to Reserves)		-$214,527	-$32,630	-$30,616	$206,440	$88,853	$17,520
NET CASH FLOW (Contribution to Reserves)		$26,223	$161,043	$157,960	$351,318	$221,448	$917,992
Affordability assuming MHI of $62857 for residential meters.		1.56%	1.78%	1.91%	1.98%	2.05%	
Are you putting enough money in reserves?		No	No	No	Yes	Yes	
Positive Annual Cash Flow?		Yes	Yes	Yes	Yes	Yes	

RCAC
www.rcac.org

Average Bill Increase – Alt 3.2

Average Bill Every M by Meter Size								
Meter Size	Count	Meter Size	Current	Year 1	Year 2	Year 3	Year 4	Year 5
0.750	845	3/4"	$59.10	$80.71	$92.13	$98.74	$102.47	$106.02
1.000	118	1"	$103.25	$148.35	$168.86	$181.38	$188.58	$195.42
1.500	28	1.5"	$144.00	$233.81	$268.21	$287.09	$297.64	$307.71
2.000	34	2"	$244.85	$573.11	$649.15	$698.46	$727.19	$754.33

RCAC
www.rcac.org

Comparison

- Both 3.1 and 3.2 take a similar approach
- 3.2 allows for more water available at the most affordable tier and sends greater price signals for highest use tier
- 3.2 may need a greater increase in year 2
- 3.2 may result in lower average bills in five years for all customers, other than largest users (2”)

Recommendations

- Water rates for HCC need to increase substantially to cover the anticipated upcoming expenses, asset replacement, and O&M costs
- HCC can consider delaying capital projects, if possible, to reduce immediate customer burden
- Optimal funding packages should be sought on capital projects to reduce customer burden
- A delay in rate increases ultimately results in a greater rate increase later

Future Considerations

- Rates should be reviewed annually to ensure they are adequate in covering annual expenses
- A more thorough rate analysis should be done when additional debt is taken on and/or every five years

Discussion and HCC Utility Board Input

- Live review of selected rate model(s)
- Input from board on direction of rates, changes to consider
- Next steps

Capital Replacement Program **AWWA Cash-Needs Approach** **Exhibit 1**

Hildale-Colorado City

Date: 3/7/24
System Number: UT27006
Service Connections: 1,035

Quantity	Asset	Year Acquired	Unit Cost (Historic, Current or Future)	Cost Type (H, C, F)	% Belonging to Water	Current Age	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required
	Replacement of Existing Capital Assets											
	Wells				100%			0%	0%	100%	0	0
1	Well 4 - 140' 8" 190gpm	2021	200,000	H	100%	3	1,162,194	2%	40%	58%	1,845	357
1	Well 4B - 140' 6"	1985	200,000	C	100%	39	312,791	10%	40%	50%	8,565	1,641
1	Well 4 Pump (15 horsepower)	2021	200,000	H	100%	3	584,079	5%	40%	55%	4,612	746
1	Well 4B Pump (5hp)	2018	5,000	C	100%	6	12,230	100%	0%	0%	2,141	345
1	Well 8 - 140' 8" 60gpm	1995	200,000	C	100%	29	441,223	10%	40%	50%	8,565	1,392
1	Well 8 Pump (15 horsepower)	1995	20,000	C	100%	29	22,174	100%	0%	0%	8,565	4,481
1	Well 10 - 100' 8" 85gpm	1995	200,000	C	100%	29	441,223	10%	40%	50%	8,565	1,392
1	Well 10 Pump (15 horsepower)	1995	20,000	C	100%	29	22,174	100%	0%	0%	8,565	4,481
1	Well 17 600 feet	2023	435,000	C	100%	1	2,429,443	2%	40%	58%	3,726	730
1	Well 11 - 140' 8" 130 gpm	1995	200,000	C	100%	29	441,223	10%	40%	50%	8,565	1,392
1	Well 11 Pump (15 horsepower)	1995	20,000	C	100%	29	22,174	100%	0%	0%	8,565	4,481
-	Well 15 - 65' 10"SS	2022	30,000	C	100%	2	0	100%	0%	0%	0	0
-	Well 15 Pump (15 horsepower)	2022	20,000	C	100%	2	0	100%	0%	0%	0	0
1	Well 19 - 580' 8" 145gpm	1980	300,000	C	100%	44	395,043	10%	40%	50%	12,848	3,204
1	Well 19 Pump (40 horsepower)	2019	12,000	C	100%	5	30,379	100%	0%	0%	5,139	829
1	Well 21 - 600' 12" 210gpm	1985	300,000	C	100%	39	469,187	10%	40%	50%	12,848	2,461
1	Well 21 Pump (60 horsepower)	2022	14,000	C	100%	2	39,295	100%	0%	0%	5,996	973
1	Well 22 - 600' 14" 120gpm	2021	300,000	H	100%	3	1,743,291	2%	40%	58%	2,767	535
1	Well 22 Pump (75 horsepower) (Will replace with smaller	2021	12,000	C	100%	3	32,543	100%	0%	0%	5,139	832
1	Well 24 - 140' 8" 80gpm	1995	200,000	C	100%	29	441,223	10%	40%	50%	8,565	1,392
1	Well 24 Pump (15 horsepower)	1995	20,000	C	100%	29	22,174	100%	0%	0%	8,565	4,481
1	Academy Well - 600' 12" 265gpm	2018	250,000	H	100%	6	1,411,040	2%	40%	58%	2,483	462
1	Academy Well Pump (60 horsepower)	2016	14,000	C	100%	8	31,967	100%	0%	0%	5,996	971
	Power Plant Well - 6" 244gpm Out of Service?	1996	???		100%	28		0%	0%	100%	0	0
	Power Plant Well Pump (60 hp)	2022			100%	2		0%	0%	100%	0	0
	Springs				100%			0%	0%	100%	0	0
1	*Jans Canyon Spring Collection - 2" 16gpm*	1980	50,000	C	100%	44	367,714	10%	40%	50%	2,141	471
5146	Jans Canyon Spring Transmission Line - 2"	2015	3	C	100%	9	160,153	25%	0%	75%	1,653	429
1	Maxwell Canyon Spring Collection - 4" 64gpm	1980	100,000	C	100%	44	735,428	5%	40%	55%	2,141	471
1	Maxwell Canyon Spring Box	1910	10,000	C	100%	114	19,898	100%	0%	0%	4,283	712
7960	Maxwell Canyon Spring Transmission Line - 4"	2015	13	C	100%	9	1,073,495	2%	40%	58%	886	230

	Storage				100%			0%	0%	100%	0	0
0	*Saddle Tank - 60k gallons*	1960 ish?			100%	#VALUE!		0%	0%	100%	0	0
1	800k gallon tank	1998	1550000	C	100%	26	4,502,799	2%	40%	58%	13,276	2,163
1	600k gallon tank	1970	1150000	C	100%	54	1,926,651	2%	40%	58%	9,850	1,780
1	Elm Street Tank (Concrete) - 1MG	2000	1825000	C	100%	24	13,421,565	2%	40%	58%	15,632	3,442
	Treatment				100%			0%	0%	100%	0	0
1	*Treatment Plant Building*	1975	75000	C	100%	49	83,154	25%	0%	75%	8,030	4,201
3	Pressure Tanks (West Side) (Recoated in 2021)	2001	110000	C	100%	23	449,756	10%	40%	50%	14,133	3,279
3	Pressure Tanks (East Side) (Recoated in 2004)	1975	110,000	C	100%	49	552,865	5%	40%	55%	7,066	1,277
8	Treatment Plant Pumps (40hp)	2005	7,500	H	100%	19	106,347	25%	0%	75%	10,270	5,373
	Distribution System				100%			0%	0%	100%	0	0
14232	*2" Pipe*	1995	3	C	100%	29	526,057	5%	40%	55%	914	259
5029	4" Pipe	1995	13	C	100%	29	805,509	5%	40%	55%	1,400	397
73286	6" Pipe	1995	46	C	100%	29	41,536,199	2%	40%	58%	28,875	8,193
107290	8" Pipe	1995	50	C	100%	29	66,095,694	2%	40%	58%	45,948	13,038
5280	12" Pipe	1995	65	C	100%	29	4,228,563	2%	40%	58%	2,940	834
16	2" Valve	1995	200	C	100%	29	5,005	100%	0%	0%	1,370	263
5	4" Valve	1995	750	C	100%	29	3,750	100%	0%	0%	1,606	0
159	6" Valve	1995	1,250	C	100%	29	310,836	10%	40%	50%	8,512	1,631
155	8" Valve	1995	2,900	C	100%	29	702,998	5%	40%	55%	9,625	1,844
4	12" Valve	1995	6,750	C	100%	29	42,227	25%	0%	75%	2,891	554
173	Hydrants	1995	7,000	C	100%	29	2,671,605	2%	40%	58%	10,373	1,686
12	Hydrants	1970	7,000	C	100%	54	99,766	25%	0%	75%	8,994	3,115
	Vehicles and Equipment				100%			0%	0%	100%	0	0
1	Dump Truck (Replace with used)	1985	80,000	C	100%	39	95,015	25%	0%	75%	8,565	2,967
1	Mini Trackhoe	2020	80,000	C	30%	4	37,535	100%	0%	0%	10,278	1,969
0	Backhoe	2014			30%	10		0%	0%	100%	0	0
1	Skidder	2012	90,000	C	30%	12	32,068	100%	0%	0%	11,563	4,005
1	Utility Trucks	2010	80,000	C	30%	14	24,840	100%	0%	0%	10,278	14,562
1	Utility Trucks	2014	80,000	C	30%	10	25,709	100%	0%	0%	10,278	7,667
1	Utility Trucks	2015	80,000	C	30%	9	26,609	100%	0%	0%	10,278	5,377
1	Utility Trucks	2015	80,000	C	30%	9	26,609	100%	0%	0%	10,278	5,377
1	Utility Trucks	2022	89,000	H	30%	2	39,570	100%	0%	0%	12,014	2,624
0	Utility Trucks (Lease)	2022			30%	2		0%	0%	100%	0	0
1	Side by Side	2014	16,000	H	30%	10	6,582	100%	0%	0%	2,631	0
1	Utility Truck	2013	80,000	C	30%	11	29,502	100%	0%	0%	10,278	9,557
2	Utility Truck	2017	55,000	H	30%	7	39,227	100%	0%	0%	16,799	3,616
								0%	0%	100%	0	0
					100%			0%	0%	100%	0	0
					100%			0%	0%	100%	0	0
	Subtotal Replacement of Existing Capital Assets						151,318,371	3%	40%	58%	468,680	150,946

Quantity	Asset	Year Acquired	Unit Cost (Current or Future)	Cost Type (C, F)	% Belonging to Water	Time to Complete	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required
	Replacement of Funded Project Assets											
	Mohave County ARPA Project							0%	0%	0%	0	0
1000	Treatment Yard Fencing	2024	30	C	100%	0	90,201	25%	0%	75%	0	626
1	12" Raw Water Transmission Line	2024	750,000	C	100%	0	4,335,299	2%	40%	58%	0	1,402
1	2 New Well at Treatment Plant	2024	1,000,000	C	100%	0	5,780,399	2%	40%	58%	0	1,869
	Subtotal Replacement of Funded Project Assets						10,205,900	2%	40%	58%		3,897

Enter Existing Reserves for Replacement of Funded Project Assets

Quantity	Asset	Year to be Purchased	Unit Cost (Current or Future)	Cost Type (C, F)	% Belonging to Water	Years to save	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required
	Reserves for Additional Capital Assets											
1	Fire Hydrants	2027	1,785,505	F	100%	3	1,785,505	2%	40%	58%	19,232	5,404
1	Trailhead Well 1	2027	1,700,000	F	100%	3	1,700,000	2%	40%	58%	18,311	5,145
1	Sandhill Tank and Jessop Ave Line	2028	5,236,534	F	100%	4	5,236,534	2%	40%	58%	54,429	12,283
1	Trailhead Well 2, Trailhead Tank (1MG), and Canyon St	2030	2,500,000	F	100%	6	2,500,000	2%	40%	58%	24,198	4,145
1	University Ave Line	2030	406,633	F	100%	6	406,633	5%	40%	55%	9,840	1,686
1	Water Canyon Wells	2032	4,999,729	F	100%	8	4,999,729	2%	40%	58%	45,065	6,542
1	Maxwell Canyon Well	2036	4,872,243	F	100%	12	4,872,243	2%	40%	58%	38,083	4,617
1	Annexation Trunklines	2040	3,930,543	F	100%	16	3,930,543	2%	40%	58%	26,642	2,978
1	New Annexation Area Tank - 1MG	2042	4,169,914	F	100%	18	4,169,914	2%	40%	58%	26,321	2,883
1	SCADA Upgrades	2025	250,000	F	100%	1	250,000	5%	40%	55%	7,229	5,271
1	Well #8 Enhancements	2025	500,000	F	100%	1	500,000	5%	40%	55%	14,458	10,542
1	Booster Station	2025	650,000	F	100%	1	650,000	2%	40%	58%	7,518	5,482
1	Other FY24 Projects (Well rehab, clear well tank, plant up	2025	300,000	F	100%	1	300,000	5%	40%	55%	8,675	6,325
1	Backup Generator	2025	175,000	F	100%	1	175,000	10%	0%	90%	10,121	7,379
	Subtotal Reserves for Additional Capital Assets						31,301,101	2%	40%	58%	300,000	80,681

Enter Existing Reserves for Additional Capital Assets

	Total Capital Reserves						192,825,372	3%	40%	58%	768,680	235,524

Budget
Hildale-Colorado City

Date: 03/07/24 **Exhibit 2**
Inflation Factor (%): 3.50
Loan Interest Rate (%) 4.50
System Number: UT27006

EXPENSES AND SOURCES OF FUNDS	2021	2022	2023	% Belonging to Water	2024	2025	2026	2027	2028
OPERATIONS & MAINTENANCE EXPENSES									
EQUIPMENT SUPPLIES & MAINT	333	3,096	50,000	100%	53,000	54,855	56,775	58,762	60,819
FUEL	121	0	400	100%	424	439	454	470	487
TOOLS & EQUIPMENT-NON CAPITAL	119	10,855	10,000	100%	10,600	10,971	11,355	11,752	12,164
MAINT & SUPPLY - SYSTEM	143,261	90,043	177,700	100%	188,362	194,955	201,778	208,840	216,150
POWER	139,469	134,979	200,800	100%	212,848	220,298	228,008	235,988	244,248
LABORATORY & TESTING	2,382	9,460	12,500	100%	13,250	13,714	14,194	14,691	15,205
SYSTEM CONSTRUCTION SERVICES	4,581	8,128	33,830	100%	35,860	37,115	38,414	39,758	41,150
CONST-CUSTOMER'S INSTALLATION	0	0	5,000	100%	5,300	5,486	5,677	5,876	6,082
SPECIAL DEPT SUPPLIES	10,284	15,879	23,000	100%	24,380	25,233	26,116	27,031	27,977
IMPROVEMENTS OTHER THAN BLDGS	0	357	7,000	100%	7,420	7,680	7,948	8,227	8,515
EQUIPMENT - FIELD	0	0	1,000	100%	1,060	1,097	1,135	1,175	1,216
Transfers to Joint Admin Fund	448,628	407,959	717,270	100%	742,374	768,358	795,250	823,084	851,892
Total Refurbishing and Rebuilding Cost					100,000	100,000	250,000	0	0
Additional Operating Costs - New Wells						20,000	20,000	50,000	50,000
Total Operation and Maintenance Expenses:	749,178	680,756	1,238,500		1,394,878	1,460,199	1,657,106	1,485,655	1,535,903
GENERAL & ADMINISTRATIVE EXPENSES	2021	2022	2023	%	2024	2025	2026	2027	2028
Operating Reserve Funding					0	0	0	0	0
Emergency Reserve Funding					0	0	0	0	0
Debt Reserve Funding					4,919	4,919	4,919	0	0
Replacement of Existing Capital Assets					151,252	139,174	134,078	105,848	105,848
Replacement of Funded Project Assets					3,897	3,897	3,897	3,897	3,897
Reserves for Additional Capital Assets					80,681	45,682	45,682	35,133	22,850
Debt Service					56,058	71,422	30,122	141,706	295,394
BOOKS, SUBSCR, & MEMBERSHIPS	1,874	1,431	3,000	100%	3,180	3,291	3,406	3,526	3,649
TRAVEL	568	0	5,000	100%	5,300	5,486	5,677	5,876	6,082
FOOD & REFRESHMENT	816	0	1,000	100%	1,060	1,097	1,135	1,175	1,216
ENGINEER	44,779	20,150	45,000	100%	47,700	49,370	51,097	52,886	54,737
LEGAL - GENERAL			20,000	100%	21,200	21,942	22,710	23,505	24,327
EDUCATION	645	405	3,500	100%	3,710	3,840	3,974	4,113	4,257
BAD DEBT EXPENSE	7,114	14,064	8,000	100%	8,480	8,777	9,084	9,402	9,731
TRANSFERS TO 2017 JMT RES FUND			8,000		8,000	8,000	8,000	8,000	0
Total General and Administrative Expenses:	55,795	36,050	93,500		395,437	366,897	323,783	395,067	531,990
TOTAL EXPENSES	804,973	716,806	1,332,000		1,790,316	1,827,096	1,980,889	1,880,722	2,067,892
SOURCE OF FUNDS / REVENUES RECEIVED									
Sales Revenue (Base + Usage)	770,031	841,544	955,800		1,433,457	1,632,008	1,751,375	1,819,556	1,884,255
New connections	40,060	28,004	40,000	100%	41,400	42,849	44,349	45,901	47,507
Interest income	3,143	4,174	22,000	100%	22,770	23,567	24,392	25,246	26,129
Uncollectable Receivables					-2,867	-3,264	-3,503	-3,639	-3,769
Construction Revenue			5,000	100%	5,175	5,356	5,544	5,738	5,938
Construction and Repair	4,581	8,128	33,830	100%	35,014	36,240	37,508	38,821	40,179
Sundry Operating Revenue	0	184,568	0	100%	0	0	0	0	0
Penalties	49,212	15,382	60,000	40%	24,840	25,709	26,609	27,541	28,504
Impact Fees (Yet to be adopted, $16k per ERU)					16,000	32,000	64,000	128,000	128,000
TOTAL REVENUE	867,028	1,081,800	1,116,630		1,575,789	1,794,465	1,950,273	2,087,162	2,156,745
NET LOSS OR GAIN:	62,055	364,994	-215,370		-214,527	-32,630	-30,616	206,440	88,853
NET CASH FLOW (Contribution to Reserves)	62,055	364,994	-215,370		26,223	161,043	157,960	351,318	221,448
Affordability assuming MHI of $62857 for residential meters.					1.56%	1.78%	1.91%	1.98%	2.05%
Does the Budget Balance?					No	No	No	Yes	Yes
Positive Annual Cash Flow?					Yes	Yes	Yes	Yes	Yes