GRANTSVILLE CITY
ORDINANCE NO. 2026-12

AN ORDINANCE OF GRANTSVILLE CITY APPROVING A SEWER RATE INCREASE SCHEDULE

Be it enacted and ordained by the City Council of Grantsville City, Utah as follows:

WHEREAS, The City Council of Grantsville City, Utah (the "City"), has determined that it is necessary to adjust sewer rates to ensure the continued financial stability, maintenance, operation, and long-term sustainability of the City's wastewater utility system; and

WHEREAS, The City Council has authority pursuant to Utah Code § 10-8 and applicable municipal powers to establish and amend sewer service rates and fees by ordinance; and

WHEREAS, The City Council has reviewed the proposed sewer rate increase schedule attached hereto as Exhibit A, which outlines the residential base fees, non-residential base fees, usage fees per 1,000 gallons, and annual increases for Fiscal Years 2025 through 2035; and

WHEREAS, The City Council finds that the proposed sewer rate schedule is reasonable, necessary, and in the best interest of the residents and utility customers of Grantsville City.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF GRANTSVILLE CITY, STATE OF UTAH, AS FOLLOWS:

Section 1. Approval of Sewer Rate Schedule: The City Council hereby approves the sewer rate schedule as set forth in Exhibit A, which is attached hereto and incorporated herein by this reference. The rates shall become effective in accordance with the fiscal year schedule outlined in Exhibit A.

Section 2. Effective Date: This Ordinance shall take effect immediately upon its passage and approval as provided by law.

Section 3. Severability clause: If any part or provision of this Ordinance is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Ordinance and all provisions, clauses and words of this Ordinance shall be severable.

ADOPTED AND PASSED BY THE CITY COUNCIL OF GRANTSVILLE CITY, THIS 1ST DAY OF APRIL, 2026.

BY THE ORDER OF THE GRANTSVILLE CITY COUNCIL:

GRANTSVILLE
INCORPORATED 1867

DocuSigned by:
7F855CAE5F32437...

By Mayor Heidi Hammond

ATTEST

Alicia Fairbourne, City Recorder

GRANTSVILLE CITY INCORPORATED JAN 12 1867 SEAL

Approved as to Form:

Signed by:
Tysen Barker
F6489758F096404...

Tysen J. Barker, Grantsville City Attorney

EXHIBIT "A"

(Sewage Rate Increase Schedule)

ENSIGN

THE STANDARD IN ENGINEERING

PROJECT:

2026 SEWER RATE STUDY FINAL DRAFT

PREPARED FOR:

Grantsville City
429 East Main Street
Grantsville, Utah 84029

DATE:

March 2026

PREPARED BY:

Conor Dunkel, PE and Robert Rousselle, PE

REVIEWED BY:

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ACKNOWLEDGMENTS

A special thanks to all who contributed to the development of this study. Its completion was made possible by the effort, support, and collaboration from each person involved. The participation of the following individuals is greatly appreciated.

GRANTSVILLE CITY COUNCIL

Mayor Heidi Hammond
Rhett Butler
Jake Thomas
Jeff Williams
Derek Dalton
Brittany Skinner

GRANTSVILLE CITY STAFF

Micheal Resare (City Manager)
Bill Cobabe (Community Development Director)
Aspen Clegg (Finance Director)
Christy Montierth (Public Works Director)
Markus Seat (Deputy Public Works Director)
Shelby Moore (Planning and Zoning Administrator)
Alicia Fairbourne (City Recorder)
Tae-Eun Ko (GIS Analyst / City Planner)
Barry Bunderson (City Engineer)

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GLOSSARY OF TECHNICAL TERMS

Average Daily or Day Flow

The average yearly flow volume expressed as a flow rate. Term typically used in wastewater terminology.

Bonds

Fixed-income instrument representing a loan made by an investor to a borrower (typically corporate or governmental). Bonds are used by companies, municipalities, states, and sovereign governments to finance projects and operations.

Capital Contributions

A capital contribution is a contribution to a municipality, State, or County such as a street, water line, or sewer line which is dedicated for public use from a developer, landowner, or other public entity.

Capital Facilities Plan

A plan to assist a jurisdiction to use its funding wisely and efficiently to maximize funding opportunities. A capital facilities plan will assist in determining needs, prioritizing projects, coordinating related projects, and applying for load, bonds, and grant opportunities.

Cash on Hand

End of year cash divided by operating expenses by number of days in a year (365 days).

Collection System

Wastewater system consisting of manholes, gravity pipes, force mains, interceptors, trunk lines, lift stations, and appurtenances.

Cost Estimate

Typically an Engineer's Estimate of Probably Costs for a project improvement based on recently bid projects and current construction climate. A cost estimate may include design fees, permitting, administrative costs, and contingency.

Debt Service

Money required to cover the payment of interest and principal on a loan or other debt for a particular time period.

Debt Service Coverage Ratio

Debt service coverage ratio is measured by comparing the operating cash (revenues less operating expenses) to annual debt service obligations before capital costs.

Demographics

Characteristics of human population and population segments.

Dwelling Unit(s)

Dwelling Unit (DU) is a structure or the part of a structure used as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household.

Equivalent Residential Connection(s), Dwelling Unit(s) or Residential Unit(s)

An ERC, EDU, or ERU is a unit of measurement used to compare water demand from non-residential connections to residential connections. Water use criteria from source (wells and springs) and metered data are established based on average demand or consumption by residential connections. This is compared with non-residential uses.

Expense

A financial burden or cost (example operating expense such as fuel or equipment purchase).

Grant

A grant is a quantity of money, i.e. financial assistance, given by a government, organization, or person for a specific purpose which is typically not paid back, but may have requirements associated with the grant.

Impact Fee

Payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure.

Impact Fee Analysis

The written analysis of each impact fee required by Utah Code Section 11-36a-303.

Impact Fee Facilities Plan

Plan required by Utah Code Section 11-36a-301.

Inflation

Rate at which prices for goods and services increases.

Interceptor Lines

Major sanitary sewer line that receives flow from trunk sanitary sewer lines.

Interest

Amount paid to borrow money or the cost charged to lend money. Interest is most often reflected as an annual percentage of the amount of a loan.

Interest Expense

Interest paid on loans or bonds.

Investment Earnings

Refers to earnings generated from various types of investments.

Level of Service

Defined performance standard or unit of demand for each capital component of a public facility within a service area.

Master Plan

Dynamic long-term planning document providing a conceptual layout to guide future growth and development.

Multi-Unit

Typically a dwelling unit with multiple units such as an apartment building or a duplex.

Non-Residential

A non-residential use such as a warehouse, commercial building, or business.

Other Residential

Encompasses other residential not defined specifically in the plan or study.

Peak Day Flow

Amount of wastewater utilized by a wastewater supplier on the day of highest consumption, generally expressed in gallons per day (gpd) or millions of gallons per day (MGD).

Peaking Factors

Ratio of a peak day or instantaneous flow/demand to the average day or daily flow/demand.

Peak Inflow

Highest inflow of wastewater into a wastewater treatment facility.

Peak Instantaneous Flow

Calculated or estimated highest flowrate which can be expected through any wastewater collection system at any instant in time, generally expressed in gpm or cfs.

Planning Period

The period of time, typically in years, used in a plan. A planning period of 10-years is typically used in Impact Fee Facilities Plans. Master or General Plans may use planning periods from 20 to 50 years.

Professional Expenses

Expenses of a professional consultant. An example is engineering design and construction administrative fees from an engineering company.

Proportionate Share

Cost of public facility improvements which are roughly proportionate and reasonably related to the service demands and needs of any development activity.

Rate

A charge, payment, or price fixed according to a ratio, scale, or standard such as a water rate or sewer rate.

Revenue

The yield of sources of income, such as taxes or user rates, that a political unit, such as a municipality or State, collects and receives into the treasury or a fund for public use.

Service Area

Geographic area designated by an entity which a facility, or a defined set of facilities, provides service within the area.

Sewage Generation

Wastewater generated by various uses such as residential, commercial, and industrial.

Single Family

Residence used by a single private family which serves no other purpose.

Trunk Line

Sewer line which receives wastewater flow from the collector sanitary sewer lines and conveys this wastewater either to an interceptor line or a wastewater treatment or reclamation facility.

ABBREVIATIONS AND UNITS

CFP	Capital Facilities Plan
DSCR	Debt Service Coverage Ratio
DU	Dwelling Unit(s)
EDU	Equivalent Dwelling Unit(s)
Ensign	Ensign Engineering and Land Surveying
ERC	Equivalent Residential Connection(s)
gal	gallons [volume unit of measurement]
gpd	gallons per day [flow rate unit of measurement]
gpm	gallons per minute [flow rate unit of measurement]
IFFP	Impact Fee Facilities Plan
in.	inch [length unit of measurement]
LOS	Level of Service
MG	million gallons [volume unit of measurement]
MGD	millions of gallons per day [flow rate unit of measurement]
min	minute [time unit of measurement]
MP	Master Plan
PF	Peaking Factor
SF	Safety Factor
SR	State Route
UAC	Utah Administrative Code
WW	Wastewater
WWTF	Wastewater Treatment Facility
WWRF	Wastewater Reclamation Facility
yr	year [time unit of measurement]

SECTION 1: INTRODUCTION

This Sewer Rate Study was completed for Grantsville City in order to ensure the City has sufficient revenue to cover the annual expenses associated with the City's wastewater system. A study period of 10 years (2026-2035) was utilized to project growth, expenses, and revenues to determine the rate structure required to meet the following objectives, which were set to allow the City to obtain a strong bond rating:

- Ensure sufficient revenues to cover all operating costs and maintain a debt service coverage ratio of at least 1.25;
- Maintain at least 180 days cash on hand;
- Balance minimizing rates with minimizing new debt obligations when debt obligations are considered; and
- Proposed rates should be easy to implement and administer.

SECTION 2: DEMOGRAPHICS

An analysis of Grantsville's demographics and sewer system was completed in the Grantsville Capital Facilities Plan (CFP), Impact Fee Facilities Plan (IFFP), and Impact Fee Analysis (IFA) 2026 Amendments which will be amended in 2026. The analysis will be utilized in this study to determine existing and future sewage generation of the wastewater system.

2.1 PLANNING UNITS

The Equivalent Residential Connection (ERC) is the recognized standard planning unit when planning for future utility infrastructure needs. One ERC represents a single family dwelling with known demand characteristics or requirements. Other types of uses are typically factored based upon comparison of their demand versus the residential single family unit.

2.2 EXISTING CONDITIONS

The existing number of customers, sewer units, and ERCs at the end of June 2025 or end of fiscal year (FY) 2025 were determined in the Grantsville CFP, IFFP, and IFA and calculated for sewer customers and units only for this study as shown in the following table.

Table 2-1: Existing Conditions (End of June 2025)

Service Connection Type	Number of Customers	Sewer Units	ERC / Unit	ERCs
Single Family	4,251	4,253	1.00	4,253
Multi-Unit	43	298	0.52	155
Trailer	8	206	1.12	231
Commercial	91	123	7.34	903
Church	9	9	4.57	41
School	6	6	5.09	31
Total	**4,408**	**4,895**		**5,614**

2.3 GROWTH PROJECTIONS

Growth projections over the study period as determined in the Grantsville CFP, IFFP, and IFA and calculated for sewer units in this study are given in Table 2-2 below.

Table 2-2: Growth Projections

Year:		**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Projected Population:		**16,056**	**16,592**	**17,148**	**17,803**	**18,486**	**19,193**	**19,934**	**20,705**	**21,501**	**22,332**	**23,192**
Residential Growth Rate:		**2.93%**	**3.5%**	**3.5%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Commercial Growth Rate:		**0.73%**	**0.88%**	**0.88%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**
Service Connection Type	**ERC / Unit**	**Sewer Units**	**Sewer Units**	**Sewer Units**	**Sewer Units**	**Sewer Units**	**Sewer Units**	**Sewer Units**	**Sewer Units**	**Sewer Units**	**Sewer Units**	**Sewer Units**
Single Family	1.00	4,253	4,402	4,556	4,738	4,928	5,125	5,330	5,543	5,765	5,996	6,236
Multi-Unit	0.52	298	308	319	332	345	359	373	388	404	420	437
Trailer [1]	1.12	206	206	206	206	206	206	206	206	206	206	206
Commercial	7.34	123	124	125	126	127	128	129	130	131	132	133
Church [2]	4.57	9	9	9	10	10	11	11	12	12	13	13
School [3]	5.09	6	6	6	7	7	8	8	9	10	10	11
Total		**4,895**	**5,055**	**5,221**	**5,419**	**5,623**	**5,837**	**6,057**	**6,288**	**6,528**	**6,777**	**7,036**
Increase from 2025		*-*	*160*	*326*	*524*	*728*	*942*	*1,162*	*1,393*	*1,633*	*1,882*	*2,141*

[1] Trailer units are not expected to increase.
[2] Church growth rate is 1 church per 1,460 population.
[3] School growth rate is 1 school per 1,340 population.
[4] City Rate growth rate is based on anticipated City projects.

2.4 LEVEL OF SERVICE

The required levels of service for wastewater facilities were established in the Grantsville CFP, IFFP, and IFA as follows:

Table 2-3: Wastewater Level of Service

Component	Parameter	Level of Service	
Collection System	Average Day Flow	150 gpd/ERC	
	Peaking Factors	*Miles From WWTF*	*Factor*
		<1	1.85
		>1 and <1.6	2.25
		>1.6	4
Lift Stations	Peak Inflow	0.35 gpm/ERC	
Wastewater Treatment Facility	Average Day Flow	150 gpd/ERC	
	Peak Day Flow	175 gpd/ERC	
	Peak Instantaneous Flow	0.4 gpm/ERC	

This level of service was calculated to gpd per sewer unit for this study and equates to 200 ***gpd/sewer unit*** for the average day flow which equates to 6,000 gallons per month. The 6,000 gallons per month is based on actual sewer flow data for Grantsville.

Based on winter water metered water usage from 2019 to 2025 for November through March, single family units use on average 5,345 gallons per month with a range from 4,386 to 8,016 gallons per month, multi-family units use on average 3,032 gallons per month with a range from 2,254 to 4,390 gallons per month, trailer units use on average 7,607 gallons per month with a range from 5,361 to 11,147 gallons per month, and non-residential (commercial) use on average 20,688 gallons per month with a range from 13,759 to 46,423 gallons per month.

2.5 FUTURE SEWAGE GENERATION

The growth projections from Section 2.3 were multiplied by the average day flow level of service requirements to arrive at the projected annual sewage generation for the City as a whole throughout the study period. The results are summarized in the table below.

Table 2-4: Projected Sewage Generation

Service Connection Type	Annual Wastewater Generation (Million Gallons per Year)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Single Family	310	321	333	346	360	374	389	405	421	438	455
Multi-Unit	21.75	22.48	23.29	24.2	25.2	26.2	27.2	28.3	29.5	30.7	31.9
Trailer	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Commercial	9.0	9.1	9.1	9.2	9.3	9.3	9.4	9.5	9.6	9.6	10
Church	0.66	0.66	0.66	0.73	0.73	0.80	0.80	0.88	0.88	0.95	0.95
School	0.44	0.44	0.44	0.51	0.51	0.58	0.58	0.66	0.73	0.73	0.80
Total	**357**	**369**	**381**	**396**	**410**	**426**	**442**	**459**	**477**	**495**	**514**

SECTION 3: FINANCIAL ANALYSIS

An evaluation of the Grantsville City Corporation's Actual Operating Expenses from FY 2016 to FY 2025 including 6 months (July 2025 through December 2025) or half of FY 2026 was provided. The FY 2025 Basic Financial Statements Together with Independent Auditor's Report was conducted by Gilbert & Stewart for the fiscal year ending in 2025 (See Appendix B). This auditor's report along with actual operating expenses was used for the financial analysis presented to estimate sewer revenues and expenses.

3.1 OPERATING EXPENSES

3.1.1 Historic

The City's operating expenses for the wastewater system include salaries and wages, employee benefits, professional services, materials and supplies, depreciation, and utilities. From July 2025 through December 2025 the actual operating expenses for the wastewater system was $1,277,397.36 with a projection of $2,554,794.72. The historic, actual sewer operating expenses from fiscal year 2016 to present are shown in the table below along with the percent increase each year.

Table 3-1: Historic Operating Expenses

Fiscal Year Ended	Total Operating Expenses	Percent Increase
2016	$1,149,372	-
2017	$1,090,813	-5.09%
2018	$1,264,873	16.0%
2019	$1,383,289	9.36%
2020	$1,307,252	-5.50%
2021	$1,673,389	28.0%
2022	$1,803,769	7.79%
2023	$2,044,319	13.3%
2024	$2,353,734	15.14%
2025	$2,347,756	-0.25%
Average		**8.75%**
3-Year Average (2023-2025)		**9.4%**

3.1.2 Projected

It can be seen from Table 3-1 the average annual increase in the City's sewer operating expenses since 2016 is 8.75%. The average increase over the last three years (2023-2025) is

9.4%, and higher rates are expected to continue in the future due to the increasing growth projected for the City as well as higher inflation rates of recent. Therefore, the sewer operating expenses are projected to increase at a rate of 9.5% annually throughout the study period, as shown in Table 3-2.

Table 3-2: Projected Operating Expenses

Fiscal Year	Projected Operating Expenses
2025	$2,347,756.22
2026	$2,554,794.72
2027	$2,797,500.22
2028	$3,461,262.74
2029	$3,790,082.70
2030	$4,150,140.56
2031	$4,544,403.91
2032	$4,976,122.28
2033	$5,448,853.90
2034	$5,966,495.02
2035	$6,533,312.04

3.2 CAPITAL IMPROVEMENT PROJECTS

The Grantsville CFP/IFA determined the wastewater capital improvement projects required to meet the demands of anticipated growth over the next 10 years. These projects are shown in Table 3-3 with the estimated project costs which were inflated at a 3.5% rate to the projected construction year, as well as the portion of each project which will be funded by impact fees. Projects that are expected to be constructed by developers were excluded from this analysis, but if it is determined the City will pay for any portion of the project as the development agreements are finalized then this study should be reevaluated.

Table 3-3: Proposed Capital Improvement Projects

Project	Construction Year	Current Year (2025) Cost Estimate	Construction Year Cost Estimate	Proportionate Share	Impact Fee Eligible Cost
SR112 Interceptor	2027	$2,988,835.56	$3,201,715.37	0% [2]	$0.00
West Bank Interceptor Segment 1	2027	$376,287.40	$403,088.47	8.8% [4]	$35,294.63
West Bank Interceptor Segment 2	2027	$39,832.00	$42,669.03	13.5% [4]	$5,756.82
West Bank Interceptor Segment 3	2027	$3,927,403.66	$4,207,132.99	0.0% [4]	$0.00
Southeast Sewer Line	2027	$1,564,982.00	$1,676,447.84	0.0%	$0.00
Vegas Street Collector	2035	$5,790,294.14	$8,167,781.74	0.0%	$0.00
Northwest Lift Station - Upsize Force Main	2028	$194,363.06	$215,493.80	11%	$23,988.34
Proposed Wastewater Treatment Facility	2026	$48,402,175.15 [3]	$48,402,175.15	12.8%	$6,205,158.85
Public Works Improvements	2035	$1,318,982.50 [1]	$1,860,555.08	27.6%	$512,953.03
Total		**$64,603,155.47**	**$68,177,059.48**		**$6,783,151.67**

[1] The cost shown for the Public Works Improvements project is half of the total cost estimate because this project cost will be split evenly between the wastewater and drinking water utilities.
[2] The proportionate share is 0% because the project is expected be constructed by developers.
[3] Proposed WWTF is 2026 Cost Estimate.
[4] The proportionate share within the planning period for Segment 1 is calculated by dividing planning period ERCs (1,544 ERCs) by upsize capacity [36-inch capacity (26,682 ERCs) - Deseret minimum diameter (9,050 ERCs)]=17,632 ERCs.
The proportionate share within the planning period for Segment 2 is calculated by dividing planning period ERCs (1,544 ERCs) by upsize capacity [36-inch capacity (15,008 ERCs) - Deseret minimum diameter (3,565 ERCs)]=11,443 ERCs. The costs shown for West Bank Interceptor Segment 1 and 2 in the table are upsize costs only.

3.3 DEBT SERVICE

3.3.1 Outstanding

The City's outstanding debt service associated with wastewater facilities consists of the Sewer Revenue Bond issued in 2018 in order to finance improvements to the sewer collection system.

Table 3-4: Outstanding Debt Service

Date of Issue	Interest Rate	Final Maturity Date	Original Bond, Note Issue	Principal Outstanding at June 30, 2025	Total Interest Payments (2025-2035)
December, 2018	1.75%	August, 2049	$4,880,000.00	$4,232,000.00	$704,462.00

3.3.2 Projected

The projected debt service anticipated for the study period was determined in the Grantsville CFP, IFFP, and IFA as shown in Table 3-5. The City received a $16,000,000 Utah Water Quality Board 30-year loan with a 0.75% interest rate and $160,000 loan origination fee. The City is also anticipating obtaining a private bond in the amount of $25,152,175.15 assumed to be a 30-year bond with a 5.052% interest rate, 1.5% cost of issuance, 0.5% bond insurance, and a $20,000 surety policy. This study should be updated with the actual terms of the private bond are confirmed. A portion of the interest payments for this bond can be funded through impact fees which is also shown in the following table. Additionally, a portion of the engineering cost of the Wastewater Treatment Facility project will be funded through a $1 million bond with a 0% interest rate. This is a 20-year bond with a $10,000 loan origination fee and $33,000 cost of issuance.

Table 3-5: Projected Debt Service

Project - Loan or Bond	Proceeds	Par Amount [1]	Debt Service (Interest)	Debt Service (Principal + Interest)	Proportionate Share	Impact Fee Eligible Debt Service (Interest)
Proposed WWTF - Private Bond	$25,152,175.15	$25,675,218.65	$15,711,571.94	$41,386,790.59	12.8%	$2,014,223.52
Proposed WWTF - Engineering Loan	$1,000,000.00	$1,043,000.00	$0.00	$1,043,000.00	12.8%	$0.00
Proposed WWTF - Utah Water Quality Board Loan	$16,000,000.00	$16,160,000.00	$1,946,388.33	$18,106,388.33	12.8%	$249,526.98

[1] *Includes cost of issuance, bond insurance, loan origination fee, and surety policy (if applicable).*

3.4 SUMMARY OF EXPENSES

Table 3-6 totals the sewer expenses projected over the study period as discussed in the sections above.

Table 3-6: Summary of Projected Expenses

Fiscal Year	Operating Expenses	Capital Improvement Projects	Debt Service Payments	Total Expenses
2025	$2,347,756.22	$0.00	$210,405.00	**$2,558,161.22**
2026	$2,554,794.72	$2,825,898.90	$260,060.00	**$5,640,753.62**
2027	$2,797,500.22	$30,008,749.47	$1,940,803.15	**$34,747,052.84**
2028	$3,461,262.74	$15,347,726.64	$2,537,940.72	**$21,346,930.10**
2029	$3,790,082.70	$0.00	$2,538,473.72	**$6,328,556.42**
2030	$4,150,140.56	$0.00	$2,537,953.72	**$6,688,094.28**
2031	$4,544,403.91	$0.00	$2,538,398.72	**$7,082,802.63**
2032	$4,976,122.28	$0.00	$2,537,791.72	**$7,513,914.00**
2033	$5,448,853.90	$0.00	$2,538,148.72	**$7,987,002.62**
2034	$5,966,495.02	$0.00	$2,538,453.72	**$8,504,948.74**
2035	$6,533,312.04	$1,860,555.08	$2,537,705.72	**$10,931,572.85**

3.5 REVENUES

The City's sewer revenues include service charges (user rates), capital contributions, grants, investment earnings, and impact fees. For the 2025 fiscal year, the sewer revenues totaled $1,623,931. In order to determine rates for future sewer service charges, all other revenue sources must be projected over the study period (2026-2035). It is assumed there will be no future capital contributions over the study period because any capital contributions for projects identified in this study would then result in a reduction in the City's impact fee revenues proportional to the cost of the contribution. It is assumed there will be no other grants received to fund sewer projects in the study period. Future investment earnings and impact fees were projected in the Grantsville CFP, IFFP, and IFA based on proposed impact fee rates and the demographic projections shown in Table 2-2. The projected sewer revenues over the study period, excluding service charges, are shown in the table below.

Table 3-7: Projected Revenues

Fiscal Year	Capital Contributions	Grants	Investment Earnings	Impact Fees	Total Revenues
2026	$0.00	$0.00	$10,568.88	$1,044,241.25	**$1,054,810.13**
2027	$0.00	$0.00	$0.00	$1,080,249.57	**$1,080,249.57**
2028	$0.00	$0.00	$10,115.32	$1,374,317.50	**$1,384,432.82**
2029	$0.00	$0.00	$26,679.74	$1,368,316.12	**$1,394,995.86**
2030	$0.00	$0.00	$44,336.63	$1,458,336.91	**$1,502,673.55**
2031	$0.00	$0.00	$64,229.98	$1,476,341.07	**$1,540,571.06**
2032	$0.00	$0.00	$85,053.13	$1,590,367.42	**$1,675,420.54**
2033	$0.00	$0.00	$108,664.80	$1,602,370.19	**$1,711,034.99**
2034	$0.00	$0.00	$133,202.63	$1,674,386.83	**$1,807,589.46**
2035	$0.00	$0.00	$159,838.52	$1,734,400.69	**$1,894,239.22**

SECTION 4: RATE STRUCTURE ANALYSIS

4.1 EXISTING RATES

The existing sewer rate structure per the City's utility fee schedule is shown in the table below. The current fee structure proposes a 7% annual increase each July to the utility fees.

Table 4-1: Existing Rates (2026)

Land Use	Base Fee (per month)	Usage Fee (per 1,000 gal) [1]
Residential	$53.60	N/A
Non-Residential	$47.87	$3.31

[1] Usage is based on average actual sewer flow from years 2023 to 2025 into the WWTF.

The existing rate structure was multiplied by the growth projections from Section 2.3 in order to determine projected service charge revenues over the study period if no changes were made to the rates. These service charge revenues along with the projected expenses and revenues discussed in Section 3 were analyzed to determine debt service coverage ratios and days cash on hand, as shown in Table 4-2.

Table 4-2: Existing Rate Analysis

Fiscal Year:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning of Year Cash Balance	$5,444,513.00	$29,366,783.12	$6,523,576.49	($443,262.37)	($813,321.67)	($979,863.90)	($1,005,921.83)	($920,425.91)	($835,239.25)	($701,825.95)
Residential Units	4,916	5,081	5,276	5,479	5,690	5,909	6,137	6,375	6,622	6,879
Non-Residential Units [1]	139	140	143	144	147	148	151	153	155	157
Service Charge Revenues	$3,356,038.46	$3,705,829.47	$4,113,425.58	$4,563,501.27	$5,018,878.50	$5,516,173.65	$5,923,989.38	$6,361,154.29	$6,830,772.58	$7,335,235.85
Other Revenues	$1,054,810.13	$1,080,249.57	$1,384,432.82	$1,394,995.86	$1,502,673.55	$1,540,571.06	$1,675,420.54	$1,711,034.99	$1,807,589.46	$1,894,239.22
Operating Expenses	($2,554,794.72)	($2,797,500.22)	($3,461,262.74)	($3,790,082.70)	($4,150,140.56)	($4,544,403.91)	($4,976,122.28)	($5,448,853.90)	($5,966,495.02)	($6,533,312.04)
Net Revenues Available for Debt Service [2]	$1,856,053.87	$1,988,578.82	$2,036,595.67	$2,168,414.43	$2,371,411.49	$2,512,340.80	$2,623,287.64	$2,623,335.38	$2,671,867.03	$2,696,163.02
Debt Service	($260,060.00)	($1,940,803.15)	($2,537,940.72)	($2,538,473.72)	($2,537,953.72)	($2,538,398.72)	($2,537,791.72)	($2,538,148.72)	($2,538,453.72)	($2,537,705.72)
Debt Service Coverage Ratio	**7.14**	**1.02**	**0.80**	**0.85**	**0.93**	**0.99**	**1.03**	**1.03**	**1.05**	**1.06**
Capital Improvement Projects	($2,825,898.90)	($30,008,749.47)	($15,347,726.64)	-	-	-	-	-	-	($1,860,555.08)
Bond Proceeds	$25,152,175.15	$7,117,767.16	$8,882,232.84	-	-	-	-	-	-	-
End of Year Cash Balance	$29,366,783.12	$6,523,576.49	($443,262.37)	($813,321.67)	($979,863.90)	($1,005,921.83)	($920,425.91)	($835,239.25)	($701,825.95)	($2,403,923.73)
Days Cash on Hand [3]	**4,196**	**851**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

[1] Commercial, non-residential, church, and school sewer flows are estimated at 20,900 gal per month based on actual sewer flows into the WWTF from 2023 to 2025.

[2] All revenues minus operating expenses.

[3] (end of year cash balance) / (operating expenses / 365)

As discussed in Section 1, the goals of the sewer rate are to maintain a debt service coverage ratio of at least 1.25 and at least 180 days cash on hand. It can be seen in Table 4-2 the existing rate structure is insufficient to meet these objectives over the study period due to the increased estimated cost of the new wastewater treatment facility.

4.2 PROPOSED RATES

An increase to the existing rate structure for each year in the study period is proposed as shown in Table 4-3. In addition to the increase in sewer rates, an increase in the assumed indoor water usage to calculate commercial usage fees is also proposed. Winter indoor water metered usage from January 2019 through December 2025 for the winter months of November through March was analyzed and it was determined the average indoor winter usage per unit for development types being charged the commercial rate (commercial, non-residential, church, and school) is 20,688 gallons per month. This assumed indoor winter water usage was utilized to calculate the projected service charge revenues for both the existing and proposed rates (Table 4-2 and Table 4-4).

Table 4-3: Proposed Rates

	Residential			Non-Residential		
Fiscal Year	**Base Fee (per month)**	**Usage Fee (per 1,000 gal) [1]**	**Residential Annual Increase**	**Base Fee (per month) [2]**	**Usage Fee (per 1,000 gal) [2]**	**Commercial Annual Increase**
2025	$40.30	N/A	**33.0%**	$35.99	$2.49	**33.0%**
2026	$53.60	N/A	**33.0%**	$47.87	$3.31	**33.0%**
2027	$40.00	$5.56	**29.66%**	$51.42	$3.56	**7.42%**
2028	$48.00	$6.67	**20.00%**	$61.70	$4.27	**20.00%**
2029	$48.96	$6.80	**2.00%**	$62.93	$4.36	**2.00%**
2030	$49.94	$6.94	**2.00%**	$64.19	$4.45	**2.00%**
2031	$50.94	$7.08	**2.00%**	$65.47	$4.54	**2.00%**
2032	$51.96	$7.22	**2.00%**	$66.78	$4.63	**2.00%**
2033	$53.00	$7.36	**2.00%**	$68.12	$4.72	**2.00%**
2034	$54.06	$7.51	**2.00%**	$69.48	$4.81	**2.00%**
2035	$55.14	$7.66	**2.00%**	$70.87	$4.91	**2.00%**

Note: Users served outside of Grantsville City limits are charged 1.5 times the applicable rate.

[1] Residential (Single Family, Multi-Family, and Trailer weighted water usage average is 5,306 gallons per month based on Grantsville City actual November 2019 to December 2025 water usage data for the winter months of November through March. Average Monthly Residential Rate increases 29.66% in FY2027.

[2] Non-residential (commercial, church, and school) water usage average is 20,688 gallons per month based on Grantsville City actual November 2019 to December 2025 water usage data for the winter months of November through March. Base fee and usage rate increases 7.42% in FY 2027 for Non-Residential, but usage rate increases in 10 year period to match to match residential usage fee in FY2035.

An analysis of the proposed sewer rates over the study period was conducted with the same methodology described in Section 4.1, as shown in Table 4-4. A debt service coverage ratio of at least 1.25 and at least 180 days cash on hand are maintained throughout the entire study period.

Table 4-4: Proposed Rate Analysis

Fiscal Year:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning of Year Cash Balance	$5,444,513.00	$29,366,782.54	$7,265,416.19	$1,722,164.95	$2,644,365.07	$3,658,677.00	$4,675,222.41	$5,778,960.66	$6,849,193.80	$7,928,318.05
Residential Units	4,916	5,081	5,276	5,479	5,690	5,909	6,137	6,375	6,622	6,879
Non-Residential Units [1]	139	140	143	144	147	148	151	153	155	157
Service Charge Revenues	$3,356,037.88	$4,447,669.76	$5,537,013.20	$5,855,760.68	$6,199,732.67	$6,558,776.99	$6,942,231.71	$7,346,200.77	$7,776,483.53	$8,231,511.20
Other Revenues	$1,054,810.13	$1,080,249.57	$1,384,432.82	$1,394,995.86	$1,502,673.55	$1,540,571.06	$1,675,420.54	$1,711,034.99	$1,807,589.46	$1,894,239.22
Operating Expenses	($2,554,794.72)	($2,797,500.22)	($3,461,262.74)	($3,790,082.70)	($4,150,140.56)	($4,544,403.91)	($4,976,122.28)	($5,448,853.90)	($5,966,495.02)	($6,533,312.04)
Net Revenues Available for Debt Service [2]	$1,856,053.29	$2,730,419.11	$3,460,183.29	$3,460,673.84	$3,552,265.66	$3,554,944.13	$3,641,529.97	$3,608,381.86	$3,617,577.98	$3,592,438.37
Debt Service	($260,060.00)	($1,940,803.15)	($2,537,940.72)	($2,538,473.72)	($2,537,953.72)	($2,538,398.72)	($2,537,791.72)	($2,538,148.72)	($2,538,453.72)	($2,537,705.72)
Debt Service Coverage Ratio	**7.14**	**1.41**	**1.36**	**1.36**	**1.40**	**1.40**	**1.43**	**1.42**	**1.43**	**1.42**
Capital Improvement Projects	($2,825,898.90)	($30,008,749.47)	($15,347,726.64)	-	-	-	-	-	-	($1,860,555.08)
Bond Proceeds	$25,152,175.15	$7,117,767.16	$8,882,232.84	-	-	-	-	-	-	-
End of Year Cash Balance	$29,366,782.54	$7,265,416.19	$1,722,164.95	$2,644,365.07	$3,658,677.00	$4,675,222.41	$5,778,960.66	$6,849,193.80	$7,928,318.05	$7,122,495.62
Days Cash on Hand [3]	**4,196**	**948**	**182**	**255**	**322**	**376**	**424**	**459**	**485**	**398**

[1] Non-residential (commercial, church, and school) water usage average is 20,688 gallons per month based on Grantsville City actual November 2019 to December 2025 water usage data for the winter months of November through March.

[2] All revenues minus operating expenses.

[3] (end of year cash balance) / (operating expenses / 365)

Appendix A: References

1. Grantsville City Capital Facilities Plan, Impact Fee Facilities Plan, and Impact Fee Analysis 2026 Amendments. Ensign Engineering and Land Surveying, 2026.
2. Grantsville City Corporation's Basic Financial Statements. Gilbert & Stewart, dated for the fiscal year ending in 2025.

Appendix B: Pages From Grantsville City Corporation's Basic Financial Statements – Fiscal Year 2025

GRANTSVILLE CITY CORPORATION
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Totals
Assets:				
Current assets:				
Cash and cash equivalents	$ 7,437,381	$ 5,444,513	$ 583,029	$ 13,464,923
Accounts receivable, net	255,543	207,813	113,024	576,380
Inventory of supplies	128,694	7,664	29,405	165,763
Total current assets	7,821,618	5,659,990	725,458	14,207,066
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	1,913,539	533,092	-	2,446,631
Capital assets not being depreciated:				
Water rights	45,707,386	-	-	45,707,386
Rights of way and easements	27,000	-	-	27,000
Construction in progress	1,100,249	1,114,089	-	2,214,338
Capital assets, net of accumulated depreciation:				
Utility distribution and collection systems	19,619,888	22,057,873	5,626	41,683,387
Buildings	201,776	225,014	88,308	515,098
Equipment	773,724	274,665	37,508	1,085,897
Total noncurrent assets	69,343,562	24,204,733	131,442	93,679,737
Total assets	77,165,180	29,864,723	856,900	107,886,803
Deferred outlfows of resources				
Deferred outflows of resources relating to pensions	162,610	128,437	29,773	320,820
Total assets and deferred outflows of resources	$ 77,327,790	$ 29,993,160	$ 886,673	$ 108,207,623
Liabilities:				
Current liabilities:				
Accounts payable	$ 533,348	$ 132,483	$ 90,823	$ 756,654
Accrued liabilities	85,004	34,610	8,723	128,337
Interest payable	54,323	70,976	-	125,299
Retention payable - from restricted assets	49,426	-	-	49,426
Unearned revenue	352,386	-	-	352,386
Compensated absences	77,920	59,760	7,040	144,720
Lease payable	37,218	37,218	-	74,436
Bonds payable	163,000	186,000	-	349,000
Total current liabilities	1,352,625	521,047	106,586	1,980,258
Noncurrent liabilities:				
Compensated absences	19,480	14,940	1,760	36,180
Bonds payable	5,818,060	4,718,875	-	10,536,935
Net pension liability	134,507	104,166	27,410	266,083
Total noncurrent liabilities	5,972,047	4,837,981	29,170	10,839,198
Total liabilities	7,324,672	5,359,028	135,756	12,819,456
Deferred inflows of resources				
Deferred inflows of resources relating to pensions	-	4,256	-	4,256
Net position:				
Net investment in capital assets	65,139,955	18,729,548	131,442	84,000,945
Restricted for capital projects	1,128,848	311,186	-	1,440,034
Restricted for debt service	735,265	221,906	-	957,171
Unrestricted	2,999,050	5,367,236	619,475	8,985,761
Total net position	70,003,118	24,629,876	750,917	95,383,911
Total liabilities deferred inflows of resources, and net position	$ 77,327,790	$ 29,993,160	$ 886,673	$ 108,207,623

The accompanying notes are an integral part of the financial statements.

GRANTSVILLE CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
For The Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Totals
Operating revenues:				
Charges for services	$ 2,505,087	$ 2,379,621	$ 1,290,931	$ 6,175,639
Intergovernmental revenue	897,180	-	-	897,180
Connection fees	376,557	-	-	376,557
Other	137,727	-	-	137,727
Total operating revenues	3,916,551	2,379,621	1,290,931	7,587,103
Operating expenses:				
Salaries and wages	666,684	582,391	124,036	1,373,111
Employee benefits	313,650	290,585	52,786	657,021
Professional services	197,426	180,264	27,027	404,717
Materials and supplies	520,166	177,438	45,811	743,415
Depreciation	787,066	863,752	16,047	1,666,865
Utilities	306,625	169,315	9,608	485,548
Waste collection and disposal	-	-	963,869	963,869
Other operating expenses	9,809	-	-	9,809
Total operating expenses	2,801,426	2,263,745	1,239,184	6,304,355
Operating income (loss)	1,115,125	115,876	51,747	1,282,748
Other nonoperating revenues (expenses):				
Capital contributions	8,870,898	1,396,731	-	10,267,629
Grants	-	249,275	-	249,275
Investment earnings	328,876	211,268	17,262	557,406
Impact fees	529,670	489,537	-	1,019,207
Interest expense	(56,593)	(76,012)	-	(132,605)
Total other nonoperating revenues (expenses)	9,672,851	2,270,799	17,262	11,960,912
Increase (decrease) in fund net position	10,787,976	2,386,675	69,009	13,243,660
Fund net position - beginning of period	59,237,342	22,264,601	684,208	82,186,151
Adjustment for GASB 101 (note 15)	(22,200)	(21,400)	(2,300)	(45,900)
Fund net position - end of period	$ 70,003,118	$ 24,629,876	$ 750,917	$ 95,383,911

The accompanying notes are an integral part of the financial statements.

GRANTSVILLE CITY CORPORATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For The Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Totals
Cash flows from operating activities:				
Receipts from customers and users	$ 3,886,358	$ 2,323,911	$ 1,283,744	$ 7,494,013
Payments to suppliers	(587,207)	(770,277)	(1,097,055)	(2,454,539)
Payments to employees and related benefits	(923,210)	(852,670)	(168,010)	(1,943,890)
Net cash flows from operating activities	2,375,941	700,964	18,679	3,095,584
Cash flows from capital and related Financing activities:				
Grants	(449,643)	-	-	(449,643)
Impact fees	529,670	489,537	-	1,019,207
Bond proceeds	3,261,060	422,875		3,683,935
Principal paid on bonds	(161,000)	(134,000)	-	(295,000)
Principal paid on leases	(31,618)	(31,616)	-	(63,234)
Interest paid	(42,537)	(75,727)	-	(118,264)
Purchases of capital assets	(2,858,956)	(1,682,147)	-	(4,541,103)
Net cash flows from (used by) capital and related financing activities	246,976	(1,011,078)	-	(764,102)
Cash flows from investing activities:				
Interest on investments	328,876	211,268	17,262	557,406
Net cash flows from investing activities	328,876	211,268	17,262	557,406
Net increase (decrease) in cash	2,951,793	(98,846)	35,941	2,888,888
Cash at beginning of year	6,399,127	6,076,451	547,088	13,022,666
Cash at end of year	$ 9,350,920	$ 5,977,605	$ 583,029	$ 15,911,554
As reported on the statement of net position				
Cash and cash equivalents	$ 7,437,381	$ 5,444,513	$ 583,029	$ 13,464,923
Restricted cash and cash equivalents	1,913,539	533,092	-	2,446,631
	$ 9,350,920	$ 5,977,605	$ 583,029	$ 15,911,554
Reconciliation of operating income to net cash flows from operating activities:				
Operating income (loss)	$ 1,115,125	$ 115,876	$ 51,747	$ 1,282,748
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation expense	787,066	863,752	16,047	1,666,865
Pension expense adjustment	29,282	21,298	6,894	57,474
(Increase) Decrease in assets and deferred outlfows				
Accounts receivable	(30,193)	(55,710)	(7,187)	(93,090)
Inventory	(21,295)	420	(5,281)	(26,156)
Increase (Decrease) in liablities and deferred inflows				
Accounts payable	418,688	(172,614)	(45,459)	200,615
Accrued liabilities	13,042	4,108	1,718	18,868
Retention payable	49,426	(71,066)	-	(21,640)
Compensated absences	14,800	(5,100)	200	9,900
Net cash flows from operating activities	$ 2,375,941	$ 700,964	$ 18,679	$ 3,095,584
Value of assets contributed from developers or gov't funds	$ 8,870,898	$ 1,396,731	$ -	$ 10,267,629

The accompanying notes are an integral part of the financial statements.