



To the Board of Trustees Granger-Hunter Improvement District

The 2016 budget for Granger-Hunter Improvement District (District) has been prepared in accordance with the District's mission: "Improving quality of life today - creating a better tomorrow". This budget narrative will provide an overview of the framework we believe will help the District to meet the stated objective.

Budget Process

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

Prior to adoption of the budget, the following steps need to occur:

- The tentative budget is prepared and given to the Board on or before the first scheduled meeting in November (will be handed out on October 27th). The tentative budget is then adopted at the November 17th (2:30 p.m.) board meeting.
- When the tentative budget is adopted, the Board will also establish the time and place of the public hearing to consider adoption of the final budget. The time and place can be the same as the regularly scheduled meeting in December. The scheduled meeting will be held on December 8th at 5:00 p.m. The public hearing for the budget will begin at 6:00 p.m.
- If no fee, rate or tax increases are considered, the District must publish notice of the public hearing in the newspaper at least seven days prior to the hearing. If tax, rate or fee increases are to be considered, a quarter page ad must be placed in the paper two times in the two weeks prior to the meeting.
- The Board, by resolution, can adopt the budget following the public hearing. The budget must be adopted before the beginning of the New Year.

Economic Conditions and Budget Changes

The Utah economy suffered, as did that of the entire nation, with the Great Recession of 2009. The impacts of that recession continue to be felt, though most economic indicators have slowly but steadily improved over the past few years, as evidenced by rates of job growth and home starts. The inflation rate, according to the Consumer Price Index (CPI-U), was as follows for the most recent six years:

2009 = -0.4%
2010 = 1.6%
2011 = 3.2%
2012 = 2.1%
2013 = 1.5%
2014 = 1.6%

The price of oil has remained unusually low. As a result, the District continues to have a challenge in knowing how much to budget for fuel, oil, PVC pipe, asphalt, and other products that are petroleum-based. Utility rates for power and natural gas have remained relatively stable, but related costs naturally fluctuate according to weather and demand which affect the amount of pumping we must do.

In recent months, Central Valley Water Reclamation Facility (CVW) has undertaken a very aggressive asset review and repair/replacement program, resulting in the identification of a number of critical infrastructure issues that will need to be addressed in the very near future. This is driving up the budget and, of course, our share of the CVW operating and capital costs, potentially by as much as 25 – 30% or more in the coming year and much more in the subsequent four to five years.

The District's proposed/budgeted total revenues for 2016 are up by approximately 7.5% over the 2015 budget. This is due to proposed increases in both water and sewer rates to cover increased costs incurred by the District and due to adding RDA Tax Increment which has not been reported in prior years. As noted above, CVW will be passing along significant capital costs as well as increased operating expenses. The District has not increased sewer rates since 2009, in spite of inflation nearly every year during that period, as noted above. Our costs to purchase, produce, and deliver water continue to rise as well, with a significant portion of the cost coming via water purchased from Jordan Valley Water. Working with Lewis Young Robertson and Burningham, the District recently updated a water and sewer rate study, which study supports the increases in rates.

Budgeted revenues from several other sources actually reflect a potential decrease in 2016. For example, combined revenues from Engineering, Connection, Inspection, and Delinquent/Turn-on Fees are anticipated to decrease by approximately \$38,000 or just under 18%. This is a reflection of the slow economy and anticipated minimal construction. Motor vehicle sales have also been slow with the sluggish economy, resulting in owners retaining older cars and thereby paying lower motor vehicle taxes.

The budgeted Water Impact Fees reflect an increase while the Sewer Impact Fees reflect an anticipated decrease from the prior year, due to the impact fees study and changes implemented in early 2015. The net change of the two combined is anticipated to be flat.

Finally, we have added "Tax Increment for RDA" revenue to the 2016 budget. This is property tax that could be collected by the District, but currently is being utilized to rehabilitate one or more RDA areas within West Valley. In the past, virtually no governmental agencies, other than those actually receiving the RDA tax increment, have reported this on their budget or income statement. However, the State Auditor's Office is now requiring that the entity that has primary right to the money reports it, regardless of who ultimately receives the funds. You will see an equal expense in the Indirect Operating Expenses section of the budget, and this represents the pass-through to the RDA. The net effect on our budget therefore is more transparency but \$0, as the revenue and expense offset one another.

Overall operating expenses are projected to increase approximately 5.8% in 2016. The largest single increase will be for CVW expenses, as previously noted, which increase is anticipated to be over \$941,000 or approximately 25%. We also expect the usual 5% rate increase from Jordan Valley for the purchase of potable water, which purchase is contracted to be 18,500 acre feet as in 2015.

Payroll related costs are anticipated to increase by approximately \$218,000 or 4.6%, due primarily to the proposed addition of one Wastewater Operations position and one Engineering position. Expenses for benefits and workers' compensation insurance will also increase relative to the above changes.

As noted previously, we have added an expense line for the RDA tax increment which is passed through to West Valley City. We have also added, per State Auditor mandate and generally accepted accounting principles, a budget category for depreciation expense. Most governmental entities endeavor to budget sources and uses, as they need to know from where their money is coming and to where it will be going, rather than focusing so much on a profit or loss purpose. Therefore, we have focused more on budgeting the capital outlay rather than the depreciation, which is simply the systematic expensing of the asset over its useful life. To comply with requirements, we have added the Depreciation Expense to the 2016 budget, thereby giving a picture of operating expenses after inclusion of RDA property taxes and pass through and also depreciation. Then to facilitate our analysis of budget adequacy for the purchase of capital items, we have added back the depreciation near the very end of our expenses section to come to a Net Revenue number which is comparable to the format you have seen in the past.

Finally, the budget for equipment purchases is more than double that of 2015, increasing by approximately \$291,000, due to the proposed replacement of a Vactor truck in the amount of \$380,000 and a Vactor Trailer for the Water department in the amount of \$55,000. We will not have any increase in health or dental insurance rates, reflecting the success of our high-deductible HSA plan and diligent effort on the part of

our employees to manage costs. We also continue to enjoy a very low e-mod rate for workers' compensation insurance, again a result of diligent effort on the part of our employees.

Consideration of Rates

The 2015 budget included the following water and sewer rates and other fees:

- Water rate of \$1.45 per 1,000 gallons for all customer classes.
- Sewer rate of \$18.00 per month.
- Late fees, turn-on fees, tamper fees and other penalty fees remained the same as in prior years.
- Water availability fee of \$12.00 per month for a 3/4" meter, and up to \$840.00 per month for a 10" meter. (We did not increase the standard residential (3/4") availability fee from \$12.00 to \$12.70 as recommended by Lewis Young.)
- The Water Impact Fee increased by 16.5%, from \$2,343.00 to \$2,806.00, for a basic 3/4" connection, and the Sewer Impact Fee decreased by 17.25%, from \$2,324.00 to \$1,923.00.

For 2016, the following items are presented for your consideration in relation to revenues:

- Increase total water sales revenues by approximately 8.4% overall to cover related operating and capital costs. This would be accomplished by increasing both the availability fee and the per gallon rate. We propose increasing the availability fee from \$12.00 per month to \$13.00 (8.33%) and increasing the rate per gallon from \$1.45 to \$1.57 (8.33%). The availability fee increase would account for approximately 25% or \$324,000 of the overall proposed water revenue increase. The remaining 75%, approximately \$960,000, would come from the increase in the water rate.
- Increase the sewer rate by 8.33%, from \$18.00 per month to \$19.50 and all other rates (depending on BOD content) by the same percentage. This would provide approximately \$818,000 additional revenue primarily to cover the CVW increases previously noted.

As we consider increasing the rate for water sales, it would be appropriate to discuss the implementation of a **tiered rate structure**. Most utility companies (electricity, natural gas, water, sewer, etc) have moved to or are considering moving to a tiered rate structure. This is, in part, an attempt to reflect and properly pass along to the consumer the costs associated with peak water demand. A portion of the Lewis Young study actually considers a tiered rate structure and its potential impact on the Districts' total revenues. As we have discussed in the past, we pay more to JVW for water we take during certain seasons (summer) when demand peaks. We also pump more during certain seasons to meet those peaks, thereby incurring higher costs. Yet our current rate structure does not reflect nor pass along such cost fluctuations. A tiered rate structure also is believed to encourage conservation, which is something we desire and have even been mandated to accomplish. One large unknown is whether or not a

tiered rate would encourage changes in water use habits to the point that it would dramatically impact District water sales. Per your instruction, we will review a tiered rate structure in depth and present further information for your consideration in the near future.

A broad summary of the bottom line impact of the 2016 budget, as compared to the 2015 budget, is as follows:

Increase in total revenues	\$ 2,208,500
Increase in payroll, benefits, G&A	(378,339)
Increase in CVW and O&M	(1,034,409)
Increase in vehicles & equipment	(345,780)
Increase due to new RDA Pass-Thru	(239,000)
Decrease in debt service	<u>45,384</u>
 Increase in Net Revenues	 \$ <u>256,356</u>

Summary

As always, and as we have seen during the current year, weather cycles can cause actual results to vary significantly from budgeted expectations. However, we believe the 2016 proposed budget is very realistic considering the above-noted conditions and our best estimates of what lies ahead.

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

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

Respectfully Submitted,

Clint Jensen, CPA
General Manager

Wayne Watts
Assistant General Manager

Louie Fuell
Assistant General Manager

Kim J. Coleman, CPA
Controller

PARAMETERS DETAILS FOR 2016 BUDGET PREPARATION

REVENUES

- **Metered Water Sales:** Water sales are budgeted to increase by \$1.284M or 8.4% in 2016, the result of an 8.33% increase in both the availability fee and the rate as well as a small amount of growth. We do not expect to experience a lot of growth in 2016, but it is estimated that the District will sell more water than in 2015 when we had an exceptionally wet May and June. Availability fee revenue is projected to be approximately \$7.5M and revenue from water sales is expected to be just under \$9M.
- **Sewer Service Charges:** Sewer revenues are budgeted to increase by \$818,000 or 8.7% in 2016, reflecting a rate increase from \$18.00 to \$19.50 (8.33%) and some anticipated growth as well. Also, the 8.33% increase will affect those with heavier BOD content more significantly. So, between growth and effects of those with higher BODs, the total revenue increase is forecasted to be 8.7%, though the rate itself increases only 8.33%. The last time the sewer rate was increased was 2009.
- **Engineering/Connection/Inspection/Turn-on Fees:** No fee increase is proposed for the engineering, connection and inspection fees. Since the building climate appears to be relatively flat, and perhaps even slowing, it is anticipated that slightly fewer fees will be collected in these categories. Delinquent & Turn-on fees are expected to remain relatively flat.
- **Property Tax Revenue:** The estimated collections for property tax revenue will remain relatively flat. There has been a modest amount of growth within the District, but we desire to keep our property tax revenue stream consistent and even allow the rate to drop, as it functions inversely to growth. So we have certified a rate that should provide revenue consistent with 2015. The District's property tax collections could increase in the future when RDA's expire and that revenue returns to the District. **No tax rate increase is budgeted for 2015**, and in fact, the rate will decrease very slightly (from .000692 to .000658). We have added "Tax Increment from RDA" per instruction from the State Auditors Office. This resulted in an increase in the overall tax revenues, but is offset by an equal expense for RDA Pass-Through in the Indirect Operating Expense section of the budget.
- **Impact Fees:** Impact fees were adjusted in 2015, per the Lewis Young fee study, resulting in a slight increase in Water Impact fees and a slight decrease in Sewer Impact fees. Netted together, the change was nearly neutral. No change is proposed for 2016. Consistent with the past four years, we are budgeting for approximately 120 new connections for 2016.

- **Interest Income:** The interest rates on the District's accounts continue to remain at historical lows, in spite of months of speculation by experts that the Fed would increase rates. The current interest rate the District is earning on its combined total investments is hovering around 0.9 to 1.07%. We have budgeted a very small increase in interest income in anticipation of a long awaited rate hike and maintaining approximately our current level of reserves.
- **Other Income:** Other income is comprised of the sale of surplus property, scrap metal and other miscellaneous income. It is anticipated that receipts in this area will be very similar to that of recent years.

EXPENSES

- **Payroll Wages**
 - **Salaries & Wages:** It is proposed that **two** additional staff positions be added in 2016, a wastewater operations position and an Engineering position. Base salaries have also been budgeted to increase by 3% overall.
 - **Overtime Wages:** No change from prior year's budget.
 - **On-call Pay:** No change from prior year's budget.
 - **Vehicle Allowance:** No change from prior year's budget.
 - **Clothing Allowance:** The clothing allowance has also been included in the personnel budget because it is a taxable benefit. An increase of \$1,000 is proposed for the addition of two new employees.
 - **Other/OPEB:** We are anticipating two or three retirees in 2016, and therefore are budgeting \$250,000 for retirement buyouts. Unused excess, if any, is typically moved to the reserve account for future buyouts.
- **Payroll Benefits**
 - **State Retirement & 401K Plans:** These two are interrelated, as the contribution to the 401K plan fluctuates inversely to the Utah Retirement Systems (URS) contribution. This facilitates keeping the total retirement contribution relatively constant. Because the District does not participate in the Social Security system, we are able to contribute toward the 401K plan. URS does not intend to increase the retirement contribution rate for 2016, so the current URS rate of 18.47% and the 401K rate of 11.53% will remain unchanged for 2016. The slight increases in State Retirement and 401K over 2015 (5.5% and 3.4%, respectively) are the result of proposed new positions.
 - **Health & Dental Insurance:** Health and dental insurance rates will not change from 2015, but there is a proposed increase of 5.2% due to new positions and some expense for those retiring and converting sick leave to insurance.
 - **Medicare:** The proposed 5.5% increase over 2015 is due to the increase in overall wages and the addition of two positions.

- **Workers Compensation Insurance:** This continues to be stable as the District has experienced a very favorable claims experience rating (aka “e-mod”) over the last few years. The slight increase proposed (5.5%) again is a function of increased wages and new positions.
- **Life/LTD/LTC Insurance:** No change in rates for life, long-term disability, and long-term care insurance, so no budget change is proposed for 2016.
- **State Unemployment:** The District typically has experienced very few unemployment claims over the years, and no change is proposed in the 2016 state unemployment budget.

- **Operations & Maintenance**
 - **Repair & Replacement:** The repair and replacement budget is down 2.4% largely due to moving the SCADA expenses (nearly \$40,000) to the Computer Supplies/Equipment account in 2016, which decrease was partially offset by an increase of approximately \$27,000 for generator load testing and maintenance.
 - **Building & Grounds:** This budget has increased by 2.1% or \$1,700.
 - **Vehicles Maintenance & Fuel:** A decrease of 10.1% is projected due to oil prices remaining low. While we anticipate some price increases in 2016, forecasts are expecting those increases to be minimal and not in the immediate future. The 2015 budget had anticipated higher oil/fuel costs.
 - **Tools & Supplies:** There is a 38.5% (\$8,260) increase in this budget based on the need in each department. \$6,400 of the increase is due to a trailer for hauling/storing trench shoring equipment and a gas cut-off saw.
 - **Water Purchases:** Our water purchase commitment with Jordan Valley will again be 18,500 acre feet for 2016. We anticipate another rate increase of approximately 5%, though the \$154,375 proposed increase in this account only represents a 1.7% increase overall due to the 2015 budget being higher than actual.
 - **Treatment Chemicals:** No change in budget.
 - **Water Lab Testing Fees:** This budget has been increased by \$1,300 or 3.6% based on increases passed along from testing agencies.
 - **Utilities:** No change in budget.

- **CVWRF**

Overall, the CVWRF budget will be approximately 24% higher than the previous year’s budget, though this is less than CVW initially proposed to us several weeks ago. All of the CVWRF line items increased, but the \$706,055 increase in Betterments represents a more than doubling over 2015. It is anticipated that the CVWRF budget, especially the capital (Betterments), will continue to see significant increases in the foreseeable future.

- **General & Administrative**

- **Office Supplies/Printing:** No change from previous year.
- **Postage & Mailing:** No change from previous year.
- **General Administrative:** This budget has decreased substantially (\$48,919) for 2016 primarily because it is a non-election year.
- **Computer Supplies/Equipment:** This budget has increased approximately 18% (\$30,349) due to moving the SCADA expenses from Repair & Replacement to here.
- **General Insurance:** We are projecting an increase in the general insurance budget due to continued general trends in the insurance industry and an increase in the property values of district assets.
- **Utilities:** Decrease of .6% represents \$600.
- **Telephone:** 2.6% increase is the result of additional data plans for phones and pads, particularly those used by employees in the field as they reference and update Cityworks data.
- **Training & Education:** Budgeted increase of .3% represents \$325. We continue to see significant savings in airline tickets and related travel as we utilize AMEX points to pay for the expenses.
- **Safety:** 3.9% reduction in budget represents \$1,440 which reflects the 2015 purchase of a tripod for confined space safety.
- **Legal Fees:** No change in budget.
- **Auditing Fees:** No change in budget.
- **Professional Consulting:** Decrease is \$5,000 (2.9%) due to the near completion of our rebranding effort.
- **Public Relations/Conservation:** Up \$8,000 (30.8%) from previous year's budget due to increase in participation in Idea House projects and anticipated increase in JVV conservation support.
- **Banking and Bonding:** This budget increase reflects continued utilization of Visa, MasterCard and Discover cards by our customers, but more significantly, it reflects a change in the way we report expenses related to receiving payments via credit card. In the past, some of the remitting companies netted their charges against the revenues collected. We now split out the expenses so we can track what it is really costing us for accepting credit cards.
- **Administrative Contingency:** This budget amount is set aside for unexpected costs that may arise during the year. It can only be used following Board approval. No change proposed from prior year.

- **Equipment Purchases**

- The following represents the office furniture, vehicles, and equipment we propose to purchase in 2016 (the Vector truck accounting for the large increase in budget):
 - Building A (\$20,000)
 - Landscaping Trailer/Equipment (\$6,500)
 - Water Sampling Stations, ongoing - 15 (\$12,000)

- Air Compressors for service trucks – 2 (\$20,000)
 - Combination Vactor Truck (\$380,000)
 - Vactor Trailer (\$55,000)
 - New Vehicles – replace 3 trucks (\$121,000)
 - Fire Hydrant Meters - 3 (\$3,000)
- **Debt Service:** Bond interest decreases from 2015 due to the refunding of the Series 2005 bonds. Principal payments on the 2012 DEQ and 2014 bonds have increased \$26,000 over 2015 as bonds mature and the payments later in the bond life increase in size. The 2014 refunding bonds will be fully paid off in early 2017. The 2012 DEQ bonds are scheduled to continue through 2032.

INFRASTRUCTURE IMPROVEMENTS

Included in your 2016 budget is a detailed listing, including priority ranking, of the capital projects proposed for the coming year. Please see this list for details.

RESERVE FUNDS

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

- **Operating Reserve:** The operating reserve represents 10% of the total District budget for the coming year. The minimum balance in the operating account should provide a “rainy day” fund for budget shortfalls or cost overruns. The desired balance, per the 2016 budget, is \$3,208,800. Current account balances are adequate to cover this reserve.
- **Repair and Replacement Reserve:** A total of \$5,200,000 is our goal, and we plan to fund this with approximately \$308,000 added in each of the next four years. The current balance in this account (at 9/30/15) is \$3,967,099. Additional funding is proposed as funds are available.
- **Impact Fee Reserve:** \$2,820,000 is our target to be maintained in the impact fee fund. However, this amount will change as the construction increases or decreases. The balance as of 09/30/15 is \$3,233,645.
- **Insurance Reserve Funds:** No funding level has been established for this reserve account. Each year the District budgets \$100,000 to pay deductibles and claims not covered by insurance. If the entire amount is not used during the year, the balance is transferred to the reserve fund to provide for emergencies and extreme claims that may arise. Current balance in this reserve account (at 9/30/15) is \$955,456.
- **Post-Employment Benefit Reserve:** In 2008, the District established this reserve fund to help offset the cost of benefits paid for retired employees, including health insurance and state retirement buyout. The

balance in this fund is \$1,268,351 as of 9/30/15. The liability currently on the books is \$1,427,388 and potentially growing as employees age and retire. Accounting rules do not require full funding of the liability. However, additional funding is proposed as funds are available.



GRANGER-HUNTER
IMPROVEMENT DISTRICT

REVENUES

	Actual 2013	Actual 2014	Projected 2015 as of 10/22/2015	Budget 2015	Proposed Budget 2016	% Change
REVENUES						
Operating Revenues:						
Metered Water Sales	\$14,275,795	\$15,119,723	\$14,488,005	\$15,250,000	\$16,534,000	8.4%
Sewer Service Charges	9,265,740	9,463,000	9,767,114	9,350,000	10,168,000	8.7%
Engineering Fees	5,300	6,000	6,200	8,500	6,000	-29.4%
Connection fees	57,011	37,881	39,805	55,000	40,000	-27.3%
Inspection	103,698	70,050	75,190	100,000	85,000	-15.0%
Delinquent/Turn-on Fees	19,729	53,453	38,820	45,000	40,000	-11.1%
Total Operating Revenue	23,727,273	24,750,107	24,415,134	24,808,500	26,873,000	8.3%
Property Tax Revenue:						
Property Tax	3,039,955	2,983,102	3,022,069	3,200,000	3,200,000	0.0%
Motor Vehicle	258,917	250,795	254,526	300,000	265,000	-11.7%
Personal Property	360,381	352,075	321,550	325,000	325,000	0.0%
Delinquent Tax/Interest	124,120	117,459	90,764	135,000	100,000	-25.9%
Tax Increment for RDA		237,595	238,000	0	239,000	100.0%
Total Property Tax Revenue	3,783,373	3,941,026	3,926,909	3,960,000	4,129,000	4.3%
Non-operating Revenue:						
Impact Fees - Water	889,981	430,267	464,257	475,000	525,000	10.5%
Impact Fees - Sewer	774,292	311,836	290,902	325,000	275,000	-15.4%
Interest	328,055	423,442	366,350	370,000	400,000	8.1%
Sale of Surplus Equipment	78,691	46,270	28,655	30,000	30,000	0.0%
Other	127,691	85,357	112,751	95,000	95,000	-36.7%
Total Non-operating Revenue	2,198,710	1,297,171	1,262,915	1,295,000	1,325,000	-1.9%
Total Revenues	\$29,709,356	\$29,988,304	\$29,604,958	\$30,063,500	\$32,327,000	7.3%

**EXPENSES****GRANGER-HUNTER
IMPROVEMENT DISTRICT**

	Actual 2013	Actual 2014	Projected 2015 as of 10/22/2015	Budget 2015	Proposed Budget 2016	% Change
OPERATING EXPENSES						
Payroll Wages:						
Salaries & Wages	3,524,195	4,012,802	3,965,234	4,108,922	4,325,266	5.3%
Overtime Wages	88,573	143,498	125,286	250,000	250,000	0.0%
On-call Pay	28,000	30,580	28,860	29,200	29,200	0.0%
Incentive Pay	58,450	61,400	54,150	49,575	50,575	2.0%
Vehicle Allowance	30,577	37,902	42,844	43,200	43,200	0.0%
Clothing Allowance	18,425	18,975	19,250	19,525	20,075	2.8%
Other/OPEB	293,041	0	219,916	250,000	250,000	0.0%
<i>Total Payroll Wages</i>	<u>4,041,261</u>	<u>4,305,158</u>	<u>4,455,540</u>	<u>4,750,422</u>	<u>4,968,316</u>	<u>4.6%</u>
Payroll Benefits:						
State Retirement Plan	642,219	688,670	749,730	815,000	859,786	5.5%
401K Plan	527,248	515,270	490,592	519,000	536,726	3.4%
Health/Dental Insurance	1,175,670	1,029,784	1,280,793	1,300,000	1,368,000	5.2%
Medicare	56,733	58,230	58,629	64,000	67,498	5.5%
Workers Compensation Ins	40,215	33,843	36,831	50,000	50,000	0.0%
Life/LTD/LTC Insurance	64,996	67,330	70,395	80,000	80,000	0.0%
State Unemployment	0	8,095	0	5,000	5,000	0.0%
<i>Total Payroll Benefits</i>	<u>2,507,081</u>	<u>2,401,224</u>	<u>2,686,970</u>	<u>2,833,000</u>	<u>2,967,010</u>	<u>4.7%</u>
Operations & Maintenance:						
Repair & Replacement	629,325	428,603	671,251	683,455	667,274	-2.4%
Building & Grounds	85,433	77,889	81,468	80,600	82,300	2.1%
Vehicles Maintenance & Fuel	336,437	336,359	251,809	340,500	306,000	-10.1%
Tools & Supplies	18,913	19,608	20,996	21,440	29,700	38.5%
Water Purchases	8,579,801	8,502,125	8,770,410	9,095,625	9,250,000	1.7%
Treatment Chemicals	25,233	21,575	27,021	30,000	30,000	0.0%
Water Lab Testing Fees	21,102	51,326	31,337	35,700	37,000	3.6%
Utilities	910,426	960,211	966,457	926,500	926,500	0.0%
<i>Total O&M</i>	<u>10,606,670</u>	<u>10,397,696</u>	<u>10,820,749</u>	<u>11,213,820</u>	<u>11,328,774</u>	<u>1.0%</u>
CVWRF:						
Facility Operations	2,414,847	2,516,136	2,712,176	2,873,385	3,033,097	5.6%
Project Betterments	536,837	525,696	964,606	642,584	1,348,639	109.9%
Interceptor Monitoring	3,175	3,768	3,340	4,187	5,625	34.3%
Pre-treatment Field	152,883	144,847	173,843	124,562	162,422	30.4%
Laboratory	156,642	169,284	178,527	178,558	192,948	8.1%
<i>Total CVWRF</i>	<u>3,264,384</u>	<u>3,359,731</u>	<u>4,032,492</u>	<u>3,823,276</u>	<u>4,742,731</u>	<u>24.0%</u>



EXPENSES

	Actual 2013	Actual 2014	Projected 2015 as of 10/22/2015	Budget 2015	Proposed Budget 2016	% Change
General & Administrative:						
Office Supplies/Printing	29,674	30,247	27,563	27,700	27,700	0.0%
Postage & Mailing	161,829	168,203	166,349	176,000	176,000	0.0%
General Administrative	81,660	42,698	92,718	94,670	45,751	-51.7%
Computer Supplies/Equipment	113,472	122,636	168,788	168,799	199,148	18.0%
General Insurance	259,359	255,631	275,655	351,450	378,350	7.7%
Utilities	83,021	92,268	92,536	98,540	97,940	-0.6%
Telephone	57,554	59,558	59,532	70,280	72,100	2.6%
Training & Education	80,071	90,804	97,946	106,850	107,175	0.3%
Safety	33,127	32,496	36,179	37,400	35,960	-3.9%
Legal fees	8,390	23,175	18,817	51,000	51,000	0.0%
Auditing Fees	15,000	15,500	11,000	11,000	11,000	0.0%
Professional Consulting	84,354	75,985	167,288	169,700	164,700	-2.9%
Public Relations/Conservation	17,715	12,643	30,692	26,000	34,000	30.8%
Banking & Bonding	170,590	176,395	190,938	169,150	184,150	8.9%
Administrative Contingency	0	0	0	180,000	180,000	0.0%
<i>Total General Administrative</i>	<u>1,195,816</u>	<u>1,198,239</u>	<u>1,436,001</u>	<u>1,738,539</u>	<u>1,764,974</u>	<u>1.5%</u>
Total Operating Expenses	<u>21,615,212</u>	<u>21,662,048</u>	<u>23,431,752</u>	<u>24,359,057</u>	<u>25,771,805</u>	<u>5.8%</u>
Net Operating Revenues	<u>\$8,094,144</u>	<u>\$8,326,256</u>	<u>\$6,173,206</u>	<u>\$5,704,443</u>	<u>\$6,555,195</u>	<u>13.8%</u>
Indirect Operating Expenses:						
Depreciation	5,748,858	6,441,392	6,600,000	0	6,650,000	100.0%
RDA Pass-Through	0	237,595	238,000	0	239,000	100.0%
<i>Total Indirect Operating Expense</i>	<u>\$5,748,858</u>	<u>\$6,678,987</u>	<u>\$6,838,000</u>	<u>\$0</u>	<u>\$6,889,000</u>	<u>100.0%</u>
Equipment Purchases:						
New Vehicles & Equipment	459,127	204,267	216,153	271,720	617,500	
<i>Total Equipment</i>	<u>459,127</u>	<u>204,267</u>	<u>216,153</u>	<u>271,720</u>	<u>617,500</u>	<u>127.3%</u>
Debt Service:						
Bond Interest	235,010	200,166	228,805	219,244	147,860	-32.6%
Bond Princ Pmt ('05 Issue/'14 Rfnd)	660,000	680,000	735,000	735,000	755,000	2.7%
Bond Debt Service - CV/DEQ	242,000	248,000	255,000	255,000	261,000	2.4%
<i>Total Debt Service</i>	<u>1,137,010</u>	<u>1,128,166</u>	<u>1,218,805</u>	<u>1,209,244</u>	<u>1,163,860</u>	<u>-3.8%</u>
Total Equipment & Debt Service	<u>\$1,596,137</u>	<u>\$1,332,433</u>	<u>\$1,434,958</u>	<u>\$1,480,964</u>	<u>\$1,781,360</u>	<u>20.3%</u>
Net Revenues with Depreciation	<u>\$749,149</u>	<u>\$314,836</u>	<u>(\$2,099,752)</u>	<u>\$4,223,479</u>	<u>(\$2,115,165)</u>	<u>-149.4%</u>
Add Back Depreciation	5,748,858	6,441,392	6,600,000	0	6,650,000	
Net Revenues	<u>\$6,498,007</u>	<u>\$6,756,228</u>	<u>\$4,500,248</u>	<u>\$4,223,479</u>	<u>\$4,534,835</u>	<u>6.0%</u>



GRANGER-HUNTER
IMPROVEMENT DISTRICT

Capital Outlay Budget Summary

BUDGET SUMMARY	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Budget Available at 09/24/15			\$10,317,305
 Purchases			
Work in Progress at 09/24/15		5,531,112	
Proposed projects for 2016		7,895,000	
<i>Subtotal Purchases</i>		13,426,112	
 Budgeted Revenue			
Budgeted Transfer for 2015	4,223,479		
DEQ Bond Proceeds		0	
<i>Subtotal Revenue</i>	4,223,479		
 Ending Budget Balance			 \$1,114,672
