



**TENTATIVE FINANCIAL PLAN
FOR THE
2026/2027 BUDGET**

July 1, 2026 through June 30, 2027



PARAMETERS FOR 2026/2027 BUDGET PREPARATION

Preparation of the fiscal year 2026/2027 budget will be based upon the following budget parameters, derived from the document Level of Service Parameters Memorandum for the fiscal year 2026/2027 budget and preliminary assumptions from the 10-year Financial Projections.

WATER DELIVERIES

Budgeted water deliveries do not include an adjustment for minimum purchase contracts either missed or carried over, as historically those adjustments have been immaterial.

BUDGETED WATER DELIVERIES (acre-feet)	2025/2026	Preliminary 2026/2027	Final 2026/2027
Wholesale water deliveries	98,600	102,500	100,600
Retail water deliveries	7,900	8,000	7,900
Total budgeted water deliveries	106,500	110,500	108,500

WATER RATE ADJUSTMENTS

A water rate study update will be completed by HDR Engineering, including the calculated revenue requirement and any needed water rate adjustment. Transfers from the Short-Term Operating Reserve and Revenue Stabilization Funds may be included in the budget, at the desired amount, to offset the water rate adjustment. Proposed updated water rates for wholesale member agencies and retail customers will be calculated by HDR Engineering. The Board may approve these rates on a tentative basis during the April board meeting, when approving the tentative budget. Final water rates will be approved at the June board meeting.

BUDGETED WATER RATE ADJUSTMENT	2025/2026	Preliminary 2026/2027	Final 2026/2027
Average water rate adjustment	4.9%	4.5% - 5.5% *	4.70%

* range includes use of funds available from the Short-Term Operating Reserve and Revenue Stabilization Funds

SHORT-TERM OPERATING RESERVE AND REVENUE STABILIZATION FUNDS

The Short-Term Operating Reserve and Revenue Stabilization Funds are funded by year-end annual transfers of PayGo Capital from operations. The District intends to use amounts in those funds, when available, as a source of funds when budgeting and calculating water rates.

BUDGETED USE OF RESERVE FUNDS	Balance as of 11/30/2025	Preliminary reserves to use 2026/2027	Final reserves to use 2026/2027
Short-Term Operating Reserve Fund	\$ 2,282,387	\$ 2,282,387	\$ 2,282,387
Revenue Stabilization Fund	9,076,345	3.0 – 5.0 M	3,898,455

PROPERTY TAX RATE AND TAX REVENUE

By State statute, the District may levy a maximum property tax rate of 0.0004 for operation and maintenance expenses. The District has sought to maintain its tax rate at or near the maximum, holding Truth in Taxation public hearings when needed.

The District will reserve the date of its August 2026 Board meeting for a possible hearing, pending receipt of the actual certified tax rate, and decision by the Board. The current version of the 10-year Financial Projections does not include a tax rate increase for this fiscal year.

BUDGETED TAX RATE AND TAX REVENUE	2025/2026		Preliminary 2026/2027		Final 2026/2027	
	Tax Rate	Tax Revenue	Tax Rate	Tax Revenue	Tax Rate	Tax Revenue
Certified tax rate	0.000306	\$ 28,178,470	0.000323	\$ 31,900,000	Tax rates are not released until June	
Adopted tax rate	0.000340	31,309,411	0.000323	31,900,000		
Tax rate increase	11.1%	3,130,941	0.0%	0		

Note: Net of RDA outlays; includes new growth; excludes vehicle flat tax, redemptions, interest



PARAMETERS FOR 2026/2027 BUDGET PREPARATION

OTHER RESERVE FUND BALANCES

OTHER RESERVE FUND BALANCES TO BE MAINTAINED	Balance as of 11/30/2025	Preliminary 2026/2027	Final 2026/2027
Operation & Maintenance Fund minimum balance of three-months working capital (required by bond covenants)	\$ 8,200,000	\$ 8,700,000	\$ 8,700,000
Revenue Fund minimum balance of 25% of annual debt service amount (required by bond covenants)	7,759,838	8,106,500	8,106,500
Emergency Reserve/Self-Insurance Fund (proposed to be increased over the next several years)	6,185,992	6,130,000	6,130,000

OPERATION AND MAINTENANCE EXPENSES

Budgeted Operation and Maintenance expenses will be based on level of service with inflationary increases and cost variations related to changing water demands.

BUDGETED OPERATION AND MAINTENANCE EXPENSES	2025/2026	Preliminary 2026/2027	Final 2026/2027
Total Operation & Maint.	7.0%	5.0% - 7.0%	6.3%
Personnel compensation adj.	5.0%	3.5% - 4.5%	4% or step increase
New personnel positions	3 full-time	3-4 full-time	4
	Elec. & Instr. Tech III Meter Service Technician Corrosion Control Tech II	Senior Treatment Plant Opr. Maintenance Technician I Education Programs Coord. Automation Engineer	Senior Treatment Plant Opr. Maintenance Technician I Education Programs Coord. Automation Engineer

CAPITAL PROJECT EXPENDITURES

BUDGETED CAPITAL PROJECT EXPENDITURES (BY CATEGORY)	2025/2026	Preliminary 2026/2027	Final 2026/2027
CP1: Major rehabilitation or replacement of existing facilities	\$ 12,820,373	\$ 13,080,000	\$ 14,988,000
CP2: New facilities needed for compliance or functional upgrades (no new capacity)	10,175,028	13,260,000	15,557,017
CP3: New water supply, treatment, conveyance, or storage facilities (new capacity)	58,337,919	64,060,000	61,234,982
CP4: Projects to serve lands currently outside current boundaries	1,122,500	1,146,000	1,146,125
CP5: Landscape conversion projects	540,450	570,000	1,426,396
Total budgeted net capital project expenditures	\$ 82,996,270	\$ 92,116,000	\$ 94,352,520

Major projects include: JWTP expansion and seismic upgrades, Southwest Aqueduct extension, two new storage reservoirs, four new wells, transmission facilities and distribution pipeline replacements.

Note: CP1 and CP5 projects are funded by the Replacement Reserve Fund through annual PayGo Capital transfers (see below). All other capital projects are funded by either new bonds issued or fund balances available in the Capital Projects Fund.

PAYGO CAPITAL FROM OPERATIONS

BUDGETED PAYGO CAPITAL TRANSFERS FROM OPERATIONS	2025/2026	Preliminary 2026/2027	Final 2026/2027
Amount generated from operations for PayGo Capital to be budgeted as a year-end funding transfer.	\$ 21,322,682	\$ 23,000,000	\$ 25,926,364

Funds to receive budgeted PayGo Capital funding transfer:

- Replacement Reserve Fund
- Development Fee Fund
- General Equipment Fund
- Emergency Reserve/Self-Insurance Fund
- Operation & Maintenance and Revenue Funds minimum reserve requirements



OVERVIEW - 2026/2027 BUDGET

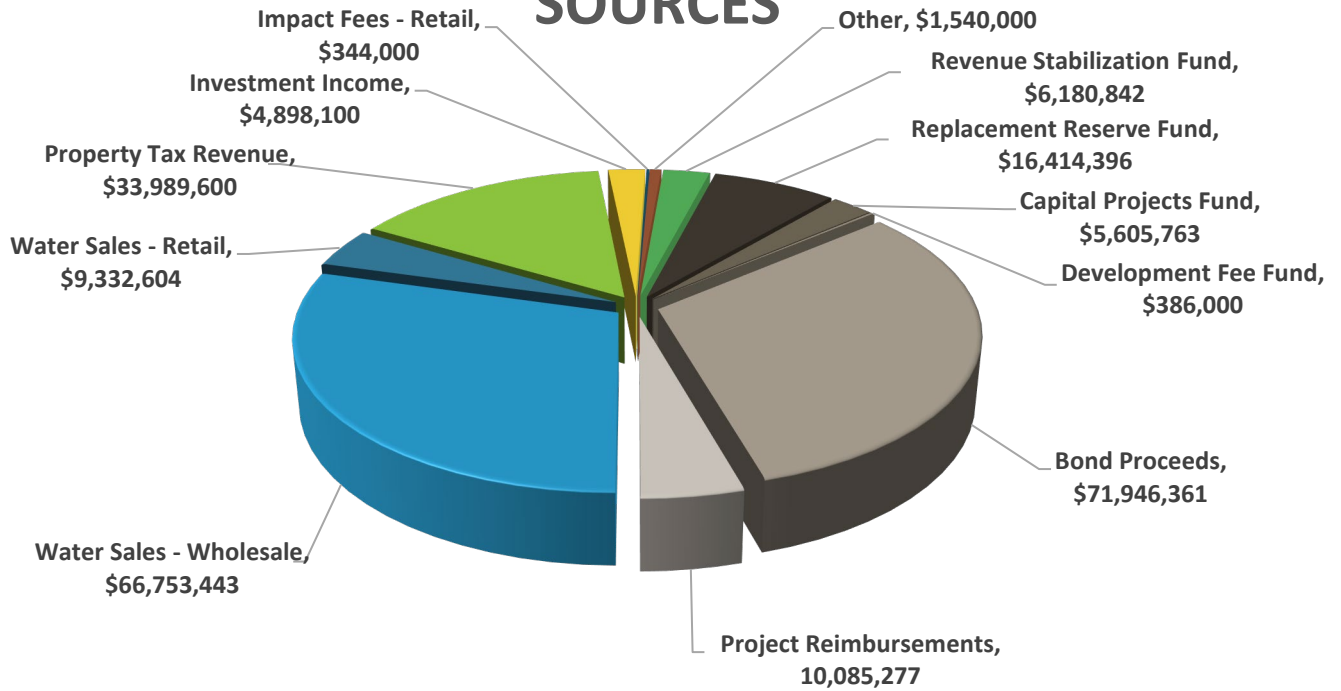
SOURCES OF FUNDS	2024/2025	2025/2026		2026/2027	Budget to Budget	
	Actual	Projected	Budget	Budget	\$ Variance	% Var.
Water Sales - Wholesale	\$ 65,757,153	\$ 64,678,697	\$ 62,757,782	\$ 66,753,443	\$ 3,995,661	6.4%
Water Sales - Retail	8,305,850	8,748,803	8,718,976	9,332,604	613,628	7.0%
Property Tax Revenue	29,912,867	33,491,741	33,279,411	33,989,600	710,189	2.1%
Investment Income	8,190,479	5,810,865	4,563,000	4,898,100	335,100	7.3%
Impact Fees - Retail	264,111	222,738	386,000	344,000	(42,000)	-10.9%
Other	2,930,843	1,995,100	1,520,000	1,540,000	20,000	1.3%
Subtotal	115,361,303	114,947,944	111,225,169	116,857,747	5,632,578	5.1%
Short-Term Operating Res	3,386,936	4,062,666	4,062,666	2,282,387	(1,780,279)	-43.8%
Revenue Stabiliz. Fund	1,800,748	1,692,565	1,692,565	3,898,455	2,205,890	130.3%
Capital Projects Fd. (net)	42,753,782	72,175,897	82,996,270	94,352,520	11,356,250	13.7%
Capital Projects (reimb.)	2,176,814	4,294,624	7,614,538	10,085,277	2,470,739	32.4%
TOTAL SOURCES	\$ 165,479,583	\$ 197,173,696	\$ 207,591,208	\$ 227,476,386	\$ 19,885,178	9.6%
USES OF FUNDS						
Operation and Maintenance	\$ 57,969,094	\$ 61,919,986	\$ 64,618,368	\$ 68,686,225	\$ 4,067,857	6.3%
Bond Principal and Interest	28,631,157	30,814,944	31,039,350	28,426,000	(2,613,350)	-8.4%
Transfers to Reserve Funds:						
Replacement Reserve Fd.	13,703,323	15,659,882	15,659,882	19,754,364	4,094,482	26.1%
Capital Projects Fund	1,509,111	539,755	-	-	-	N/A
Development Fee Fund	264,111	222,738	386,000	344,000	(42,000)	-10.9%
General Equipment Fund	700,000	1,000,000	1,000,000	1,400,000	400,000	40.0%
Emergency Reserve Fund	200,000	200,000	200,000	300,000	100,000	50.0%
Interest Allocated to Funds	6,506,918	4,139,135	2,976,800	3,428,000	451,200	15.2%
Short-Term Operating Res.	2,282,387	2,922,788	-	-	-	N/A
Revenue Stabilization Fd.	7,782,886	2,183,947	-	-	-	N/A
Revenue Fund	700,000	600,000	600,000	300,000	(300,000)	-50.0%
Operation & Maint. Fund	300,000	500,000	500,000	400,000	(100,000)	-20.0%
Total Transfers	33,948,736	27,968,245	21,322,682	25,926,364	4,603,682	21.6%
Subtotal	120,548,987	120,703,175	116,980,400	123,038,589	6,058,189	5.2%
Capital Projects (gross)	44,930,596	76,470,521	90,610,808	104,437,797	13,826,989	15.3%
TOTAL USES	\$ 165,479,583	\$ 197,173,696	\$ 207,591,208	\$ 227,476,386	\$ 19,885,178	9.6%
Non-Operating and Non-Cash Expenses and Accruals*						
Depreciation & Amortiz.	\$ 10,634,037	\$ 10,200,000	\$ 10,200,000	\$ 11,000,000	\$ 800,000	7.8%
Net Pension Expense	683,903	(800,000)	(800,000)	(810,000)	(10,000)	1.3%
OPEB Expense	554,334	450,000	450,000	460,000	10,000	2.2%
Self Insurance Claims	91,372	440,000	100,000	100,000	-	0.0%
Bond Issuance Costs	273,461	-	-	900,000	900,000	N/A
	\$ 12,237,107	\$ 10,290,000	\$ 9,950,000	\$ 11,650,000	\$ 1,700,000	17.1%

* These are non-operating and non-cash expenses and accruals, not included in the operating budget, but disclosed here for reference. The operating budget is prepared on a modified accrual basis.

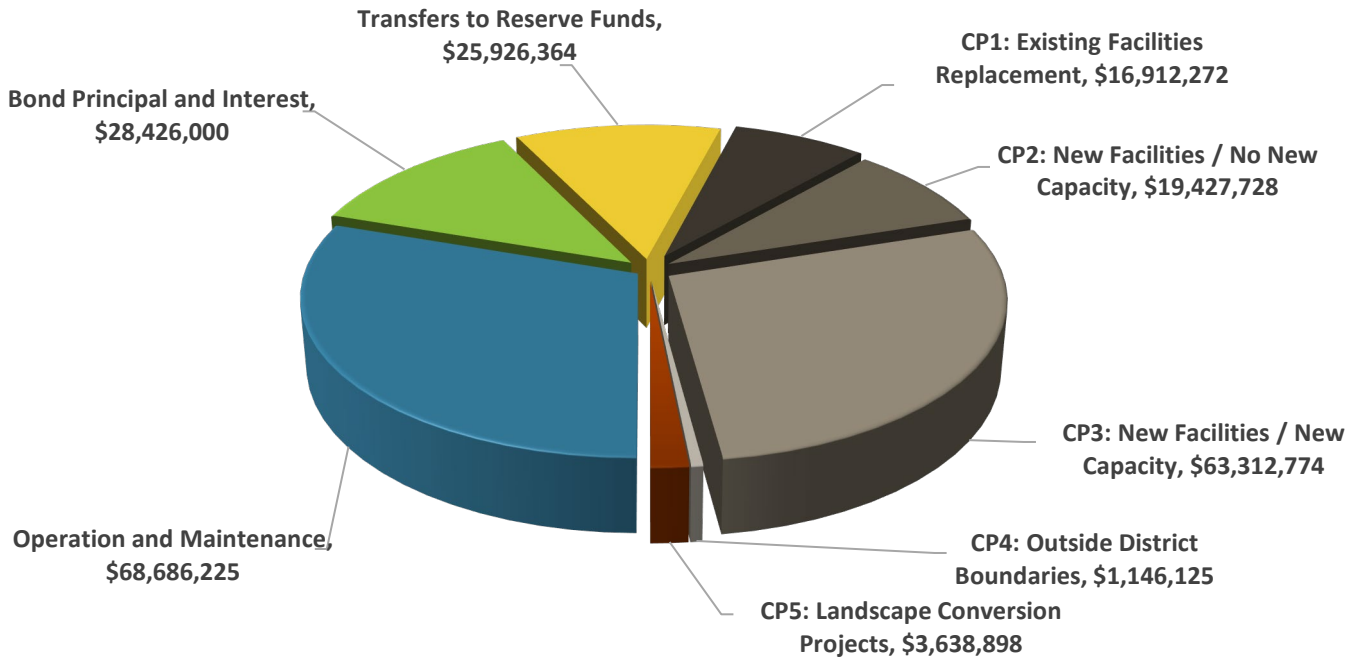


OVERVIEW - 2026/2027 BUDGET (SOURCES & USES)

SOURCES



USES





REVENUE DETAIL - 2026/2027 BUDGET

	<u>Deliveries AF</u>	<u>Rate per AF</u>	<u>Budgeted Revenues</u>	<u>Total</u>
WATER SALES - WHOLESALE				
Wholesale Deliveries	100,600	\$661.38	\$ 66,534,828	
Meter Base Charges			218,615	\$ 66,753,443
WATER SALES - RETAIL				
Retail Deliveries	7,900	1,116.16	8,817,664	
Meter Base Charges			389,968	
Other Fees			28,000	
Fire Line Charges			96,972	9,332,604
PROPERTY TAX REVENUE (S.L. & Utah Co.)				
	<u>Prop. Valuation</u>			
2025 Certified Tax Rate Value	\$94,460,990,486			
x Collection Rate (97.52%)	92,118,357,922			
x 2025 Tax Rate (0.000340)			\$31,320,200	
2026 New Growth x Collection Rate	1,979,688,288			
New Growth x 2026 Certified Tax Rate (0.000323)			639,400	
<u>Truth In Taxation (CTR of 0.000323 to 0.000323)</u>				
No planned tax rate increase			\$0	
+ Vehicles Flat Tax (2025=\$1,488,642)			1,500,000	
+ Redemptions (2025=\$428,371)			430,000	
+ Interest (2025=\$109,253)			100,000	33,989,600
INVESTMENT INCOME				
	<u>Average Bal.</u>			
Revenue Fund	\$20,435,000	3.49%	\$713,000	
Operation & Maintenance Fund	16,500,000	3.45%	570,000	
General Equipment Fund	800,000	3.50%	28,000	
Emg. Reserve/Self Insurance Fund	6,100,000	3.78%	230,300	
Other Maintenance Reserve Funds	462,000	3.50%	16,200	
Revenue Stabilization Fund	7,000,000	3.50%	245,000	
Capital Projects and R&R Funds	45,100,000	3.50%	1,578,500	
Bond Projects Fund	38,000,000	3.50%	1,330,000	
Bond Debt Service Reserve Funds	5,345,000	3.50%	187,100	4,898,100
RETAIL IMPACT FEES				
Retail Impact Fees (3/4" to 8" size) - Restricted to Development Fee Fund				
5-Year Average Impact Fee Revenue				344,000
OTHER				
Operation & Maintenance Cost Sharing			\$750,000	
Site Leases (Cell Towers)			230,000	
Land Leases/Home Rentals/Conserv. Bldg Rental/Easements			170,000	
Sale of Assets/Scrap/Surplus			110,000	
Grant Revenue			100,000	
Board Service/Other			75,000	
Miscellaneous Water Sales			65,000	
Lab Services			40,000	1,540,000
TOTAL REVENUES				\$ 116,857,747



REVENUE DETAIL

REVENUE SOURCE	2024/2025 Actual	2025/2026 Projected	2025/2026 Budget	2026/2027 Budget	Budget to Budget \$ Variance	% Var.
Water Sales						
Wholesale Deliveries	\$ 65,542,485	\$ 64,462,733	\$ 62,537,050	\$ 66,534,828	\$ 3,997,778	6.4%
Wholesale Meter Charges	214,668	215,964	220,732	218,615	(2,117)	-1.0%
Retail Deliveries	7,850,182	8,279,756	8,247,442	8,817,664	570,222	6.9%
Retail Meter Charges	387,552	387,492	388,572	389,968	1,396	0.4%
Other Fees	23,789	26,105	26,300	28,000	1,700	6.5%
Fire Line Charges	44,327	55,450	56,662	96,972	40,310	71.1%
	<u>74,063,003</u>	<u>73,427,500</u>	<u>71,476,758</u>	76,086,047	4,609,289	6.4%
Property Tax Revenue	29,912,867	33,491,741	33,279,411	33,989,600	710,189	2.1%
Interest Income	8,190,479	5,810,865	4,563,000	4,898,100	335,100	7.3%
Impact Fees - Retail	264,111	222,738	386,000	344,000	(42,000)	-10.9%
Miscellaneous Revenue						
O&M Cost Sharing	727,704	746,195	750,000	750,000	-	0.0%
Grant Revenue	201,528	90,775	110,000	100,000	(10,000)	-9.1%
Other Revenues	2,001,611	1,158,130	660,000	690,000	30,000	4.5%
	<u>2,930,843</u>	<u>1,995,100</u>	<u>1,520,000</u>	1,540,000	20,000	1.3%
Total Revenues	<u>\$115,361,303</u>	<u>\$114,947,944</u>	<u>\$111,225,169</u>	<u>\$116,857,747</u>	<u>\$ 5,632,578</u>	<u>5.1%</u>
Short-Term Operating Res	3,386,936	4,062,666	4,062,666	2,282,387	(1,780,279)	-43.8%
Revenue Stabiliz. Fund	1,800,748	1,692,565	1,692,565	3,898,455	2,205,890	130.3%
Total Revenues and Reserves	<u>\$120,548,987</u>	<u>\$120,703,175</u>	<u>\$116,980,400</u>	<u>\$123,038,589</u>		

Water Sales Revenue (% of Total Revenues and Reserves) 61.8%

Property Tax Revenue (% of Total Revenues and Reserves) 27.6%



OPERATION AND MAINTENANCE DETAIL

Obj No.	Description	2024/2025 Actual	2025/2026 Projected	2025/2026 Budget	2026/2027 Budget	Budget to Budget \$ Variance	% Var.
5110	Emp. Wages & Benefits	\$ 20,594,012	\$ 22,865,584	\$ 23,437,454	\$ 24,757,066	\$ 1,319,612	5.6%
5170	Gen. Admin. & Uniforms	364,061	353,298	358,260	333,590	(24,670)	-6.9%
5180	Tuition Assistance	14,185	27,417	40,000	32,500	(7,500)	-18.8%
5210	Insurance	1,338,990	1,428,709	1,430,636	1,520,761	90,125	6.3%
5220	Office Supplies	40,661	43,852	51,336	48,156	(3,180)	-6.2%
5230	Computer Equipment	902,463	1,008,170	1,022,941	1,199,647	176,706	17.3%
5250	Mailing	99,422	115,335	110,900	132,405	21,505	19.4%
5260	Safety	111,140	118,956	130,665	141,372	10,707	8.2%
5270	Public Relations	201,458	255,858	240,900	322,700	81,800	34.0%
5280	Prof Consulting	248,813	404,766	506,072	493,369	(12,703)	-2.5%
5282	Prof Consulting - Audit	18,900	21,580	34,500	37,000	2,500	7.2%
5284	Prof Consulting - Legal	427,628	460,025	478,300	517,500	39,200	8.2%
5286	Bond and Bank Fees	419,543	393,748	399,200	410,200	11,000	2.8%
5290	Training & Education	260,172	287,855	396,919	386,409	(10,510)	-2.6%
5310	Tools & Equipment	278,442	314,689	361,494	600,356	238,862	66.1%
5330	Parts - General Equip.	148,560	194,558	159,690	173,967	14,277	8.9%
5340	Fuel	154,943	140,823	180,300	146,350	(33,950)	-18.8%
5350	Bldg. & Grounds Maint.	411,896	418,617	468,030	495,980	27,950	6.0%
5360	Scheduled Maint.	552,142	580,423	758,817	850,772	91,955	12.1%
5380	Repair & Replacement	2,034,297	1,918,883	2,059,566	2,836,155	776,589	37.7%
5390	Utility Location	28,657	32,743	41,300	35,050	(6,250)	-15.1%
5400	General Property	41,836	71,914	155,270	154,270	(1,000)	-0.6%
5410	Electrical Power	4,756,784	5,011,134	5,609,502	5,926,273	316,771	5.6%
5420	Heat	137,022	158,453	200,793	197,426	(3,367)	-1.7%
5430	Sewer	43,355	45,499	41,663	63,121	21,458	51.5%
5440	Water	72,939	56,466	61,559	68,092	6,533	10.6%
5450	Phone & Telemetry	103,576	80,126	31,104	32,244	1,140	3.7%
5530	Lease	37,755	45,386	46,576	78,804	32,228	69.2%
5670	Conservation Programs	340,236	398,364	544,613	554,567	9,954	1.8%
5710	Chemicals	3,314,009	2,998,833	3,493,571	3,332,958	(160,613)	-4.6%
5720	Lab	174,362	213,938	218,900	249,528	30,628	14.0%
5750	Water Qual. - Field	5,197	12,389	13,970	19,750	5,780	41.4%
5770	Water Qual. - Analysis	283,188	303,069	457,624	434,279	(23,345)	-5.1%
5810	Water Purchases	18,450,294	19,250,600	19,262,920	20,090,483	827,563	4.3%
5820	Water stock assess.	1,558,156	1,887,926	1,813,023	2,013,125	200,102	11.0%
Total Expenses		\$ 57,969,094	\$ 61,919,986	\$ 64,618,368	\$ 68,686,225	\$ 4,067,857	6.3%



OPERATING FUNDS - CASH FLOW PROJECTIONS

	Revenue Fund	Operation & Maintenance Fund	General Equipment Fund
Beginning Balance July 1, 2026	\$18,500,000	\$14,800,000	\$400,000
SOURCES OF FUNDS:			
Water Sales	76,086,047		
Property Tax Receipts		33,989,600	
Transfer from Short-Term Oper Res Fd	2,282,387		
Transfer from Revenue Stabilization Fd	3,898,455		900,000
Transfer from DSRF's (Interest Income)	187,100		
Transfer from Revenue Fund		29,500,000	
2025/2026 PayGo Capital Transfer			1,000,000
Connection Fees / Miscellaneous	1,884,000		
Interest Income	713,000	570,000	28,000
Total Sources	85,050,989	64,059,600	1,928,000
USES OF FUNDS:			
Debt Service Payments	(28,426,000)		
Operation and Maintenance Expenses		(68,686,225)	
General Equipment Fund Purchases			(2,234,203)
Transfer to O&M Fund	(29,000,000)		
Transfer to O&M Reserve	(500,000)		
Transfer to Replacement Reserve Fund	(15,659,882)		
Transfer to Development Fee Fund	(386,000)		
Transfer to General Equipment Fund	(1,000,000)		
Transfer to Self Ins./ Emer. Reserve Fd	(200,000)		
Transfer to Short-Term Oper Res Fd	(2,922,788)		
Transfer to Revenue Stabilization Fund	(2,183,947)		
Total Uses	(80,278,617)	(68,686,225)	(2,234,203)
Ending Balance June 30, 2027	\$23,272,372	\$10,173,375	\$93,797



CAPITAL FUNDS - CASH FLOW PROJECTIONS

	Capital Projects Fund	Replacement Reserve Fund	Development Fee Fund
Beginning Balance July 1, 2026	\$61,600,000	\$14,500,000	\$0
SOURCES OF FUNDS:			
2025/2026 PayGo Capital Transfer		15,659,882	386,000
Transfer from Bond Project Fund	60,000,000		
Transfer from Capital Projects Fund			
Transfer from Bond DSR Funds	0		
Reimbursement - from other agencies	4,081,612	3,532,926	
Interest Income	947,100	615,615	15,785
Total Sources	65,028,712	19,808,423	401,785
USES OF FUNDS:			
Transfer to Replacement Reserve Fund			
CP1 Capital Projects (gross)		(16,912,272)	
CP2 Capital Projects (gross)	(19,427,728)		
CP3 Capital Projects (gross)	(62,910,989)		
CP4 Capital Projects (gross)	(1,146,125)		
CP5 Capital Projects (gross)		(3,638,898)	
Development Fee Fund expenditures			(401,785)
Total Uses	(83,484,842)	(20,551,170)	(401,785)
Ending Balance June 30, 2027	\$43,143,870	\$13,757,253	\$0



RESERVE FUNDS - CASH FLOW PROJECTIONS

	Emg. Reserve/ Self Insurance Fund	Maintenance Reserve Funds	Short-Term Operating Reserve Fund	Revenue Stabilization Fund
Beginning Balance July 1, 2026	\$6,130,000	\$454,817	\$2,282,387	\$9,364,615

SOURCES OF FUNDS:

2025/2026 PayGo Capital Transfer	200,000		2,922,788	2,183,947
Interest Income	230,300	16,200		245,000
Total Sources	430,300	16,200	2,922,788	2,428,947

USES OF FUNDS:

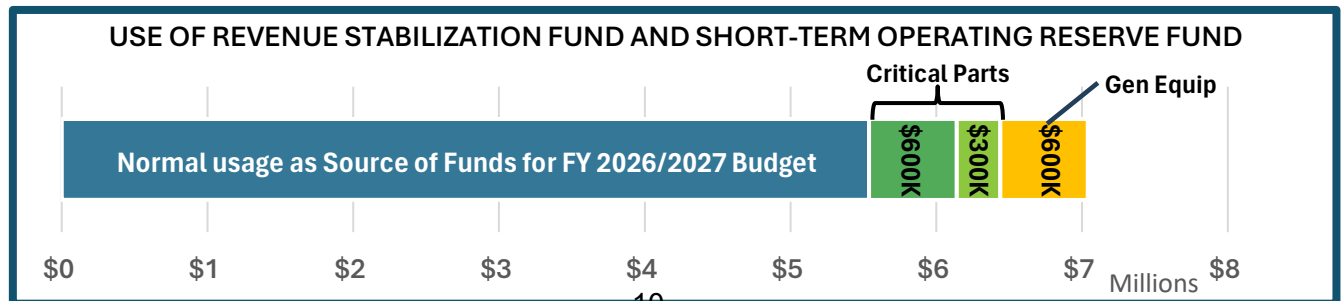
Self Insurance claims	(100,000)			
Transfer to Revenue Fund			(2,282,387)	(3,898,455)
Transfer to Capital Projects Fund				
Transfer to General Equipment Fund				(900,000)
Other expenditures				
Total Uses	(100,000)	0	(2,282,387)	(4,798,455)

Ending Balance June 30, 2027	\$6,460,300	\$471,017	\$2,922,788	\$6,995,107
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REVENUE STABILIZATION FUND TRANSFER FOR JULY 1, 2026

Transfer to Revenue Fund - Prior Year Unspent O&M Funds ¹	\$2,282,387	\$0
Transfer to Revenue Fund - Additional Funding Transfer ¹	0	3,898,455
Transfer to Capital Projects Fund ²	0	0
Transfer to General Equipment Fund ³	0	900,000
	\$2,282,387	\$4,798,455

1. Transfer amount determined by the Board to be used as an operating source to reduce the water rate adjustment
2. Transfer amount determined by the Board to be used as an additional source to fund the Capital Projects Fund or Replacement Reserve Fund
3. Transfer any additional amount needed to fund general equipment items





RESTRICTED FUNDS - CASH FLOW PROJECTIONS

	2008 B-1 DSR Fund	2009C DSR Fund	2027A Bond Project Fund
Beginning Balance July 1, 2026	\$5,200,000	\$146,000	\$0
SOURCES OF FUNDS:			
New Money Bond Issue			120,000,000
Transfer from Other Fund			
Interest Income	182,000	5,100	560,000
Total Sources	182,000	5,100	120,560,000
USES OF FUNDS:			
Bond Issuance Costs			(900,000)
Transfer to Capital Projects Fund			(60,000,000)
Transfer Interest to Revenue Fund	(182,000)	(5,100)	
Transfer to Bond Fund			
Total Uses	(182,000)	(5,100)	(60,900,000)
Ending Balance June 30, 2027	\$5,200,000	\$146,000	\$59,660,000



SUMMARY OF FUND PURPOSES

OPERATING FUNDS

REVENUE FUND

<i>Purpose</i>	<i>Balance</i>
Established by bond covenants in 1982. All cash receipts, except property tax receipts and O&M reimbursements, are deposited into this fund. Money is transferred from this fund to the Principal and Interest Funds to make debt service payments and to the O&M Fund to pay operating expenses. At year-end, PayGo Capital from operations may be transferred to the Capital Projects Fund and other reserve funds, or used for other purposes as authorized by the Board.	Bond covenants require that a minimum balance of 25% of total annual debt service (currently defined in the 2026/2027 budget as \$7,759,838) be maintained in the fund at all times. (Master Resolution 6.12(ii))

OPERATION & MAINTENANCE FUND

<i>Purpose</i>	<i>Balance</i>
Established by bond covenants in 1982. All operation and maintenance expenses are paid from this fund. Property tax receipts, O&M reimbursements, and transfers from the Revenue Fund are the sources of funding.	Bond covenants require that a minimum balance of three months working capital (currently defined as \$8,200,000) be maintained in the fund at all times. (Master Resolution 5.05e)

In accordance with Utah law, including but not limited to Utah Code Ann. (1953) § 17B-1-642, and with the internal policies and practices of the District, all expenditures exceeding \$75,000 shall be brought to the Board for approval, with the exception of routine and budgeted expenditures exceeding that dollar amount that involve payroll, payroll-related expenses, insurance premiums, utilities, debt service and related bond expenses, supplies, materials, chemicals, water purchases, and software maintenance.

GENERAL EQUIPMENT FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Board in 1993, this fund facilitates the budgeting and funding of vehicles and other depreciable assets over \$10,000. Items under \$10,000 are budgeted and expensed from the O&M Fund. Expenditures from the fund are approved according to the procurement policy.	The maximum balance will be determined by the cost of designated general equipment purchases approved by the Board in the 2026/2027 budget.

CAPITAL PROJECTS FUND

<i>Purpose</i>	<i>Balance</i>
Established in 1989 in conjunction with the 1990 budget. Capital projects authorized by the Board are paid from this fund. Bond proceeds and capital reimbursements are transferred into the fund as projects are completed. At year-end, PayGo Capital from operations may be transferred from the Revenue Fund, when approved by the Board.	The maximum balance will be determined by the cost of designated projects approved by the Board. This fund has a target balance of approximately one to two years future project costs. Interest earnings accrue in the fund.

CAPITAL FUNDS

REPLACEMENT RESERVE FUND

<i>Purpose</i>	<i>Balance</i>
Established in 2016 to ensure a sustainable ongoing source of funding to rehabilitate and replace capital assets, as required by a new Utah Legislature enacted policy. The goal is to fund all replacements of qualified capital assets.	Upon Board approval, PayGo Capital from operations may be transferred from the Revenue Fund or Revenue Stabilization Fund at the end of each fiscal year.

DEVELOPMENT FEE FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Board in 1992 to receive retail impact fees that will be used to fund expansion or improvements of the retail system. For example, the 5600 West Pipeline Project loan from the Board of Water Resources was repaid from this fund, also well development and other new water sources.	The balance in this fund is determined by impact and development fees collected. Fees collected in the 2026/2027 budget period will be transferred to this fund from the Revenue Fund, upon Board approval.



SUMMARY OF FUND PURPOSES

RESERVE FUNDS

EMERGENCY RESERVE / SELF-INSURANCE FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Board in 1987. All self-insured claims and deductibles are paid from this fund. In addition, this fund will be used to begin repairs in the case of catastrophic events.	Interest will be allowed to accumulate, when possible. Additional funding may be budgeted as needed.

BOND RENEWAL AND REPLACEMENT FUND

<i>Purpose</i>	<i>Balance</i>
Established by bond covenants in 1982. Separate funds are maintained for bond issues and the Jordan Aqueduct Repayment Contract. This fund is used in the case of extraordinary O&M expenses or major repairs not covered by insurance.	Bond covenants require a balance of \$100,000, subject to the periodic revision by a qualified engineer. Interest earnings have continued to accrue in the fund.

JORDAN AQUEDUCT MAINTENANCE FUND

<i>Purpose</i>	<i>Balance</i>
Established by contract with the U.S. Bureau of Reclamation in 1986. Separate funds are maintained for bond issues and the Jordan Aqueduct Repayment Contract. This fund is used in the case of extraordinary O&M expenses or major repairs not covered by insurance.	The current balance for the Jordan Aqueduct Repayment contract portion is approximately \$144,000. Interest earnings continue to accrue in the fund.

JVWTP MAINTENANCE FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Operation and Maintenance Agreement for the JVWTP and Terminal Reservoir in 1993, through a contract between JVWCD, MWDSL&S, and CUWCD. This fund is used to cover unforeseen extraordinary O&M expenses and repair & maintenance costs at the treatment plant.	The District added \$10,000 annually to its portion of the fund until the fund reached a balance of \$50,000. Interest earnings have continued to accrue in the fund.

SHORT-TERM OPERATING RESERVE FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Board in 2023. Uses PayGo Capital generated by unspent budgeted expenditures from the prior year, to be used as a source of funds for the subsequent year.	Upon Board approval, funds may be transferred into this fund at the end of the fiscal year, and then transferred out at the beginning of the next fiscal year.

REVENUE STABILIZATION FUND

<i>Purpose</i>	<i>Balance</i>
Established by the Board in 2019. Used to fund the Replacement Reserve Fund and Capital Projects Fund, General Equipment Fund, to reduce water rate adjustments, pay off debt, or other purpose approved by the Board.	Upon Board approval, PayGo Capital from operations (in excess of budgeted) may be transferred from the Revenue Fund at the end of the fiscal year.

RESTRICTED FUNDS

PRINCIPAL AND INTEREST FUNDS

<i>Purpose</i>	<i>Balance</i>
Established by bond covenant in 1982. Semiannual debt service payments are paid from these funds after money is transferred from the Revenue Fund.	The balance is generally \$0. Funds are deposited and dispersed on April 1st and October 1st.

DEBT SERVICE RESERVE FUNDS

<i>Purpose</i>	<i>Balance</i>
Established by bond covenants for each applicable bond issue. Maintained as a reserve, in case revenues are not sufficient to meet debt service payments.	The balance must equal the average aggregate debt service payment.

BOND PROJECT CONSTRUCTION FUNDS

<i>Purpose</i>	<i>Balance</i>
Established through the issuance of bonds. The fund holds the bond proceeds until transferred to the Capital Projects Fund for payment of project costs.	The balance in the fund is the remaining amount of bond proceeds from the bond issue.

SUMMARY OF FEES

Approved fees charged by the District are included and described in the District's Administrative Policy and Procedures Manual, Rules and Regulations for Wholesale Water Service, and Rules and Regulations for Retail Water Service documents. The following is a summary of those fees.

	2025/2026 Fees	2026/2027 Fees
GRAMA REQUEST FEES		
Copies:		
Paper (per sheet)	\$ 0.25	\$ 0.25
Personnel time (charged in 15 minute increments):		
First 15 minutes	No fee	No fee
Administrative Assistant (per hour)	40.00	40.00
Records Manager (per hour)	40.00	40.00
Consultant	Actual cost	Actual cost
Conversion and mailing costs	Actual cost	Actual cost
COMMUTING VALUATION FEE		
Employees assigned District vehicles to commute to and from work have a "Commuting Valuation" fee added to their semi-monthly paycheck (set by I.R.S.)		
Commuting valuation fee (each one-way)	1.50	1.50
ENCROACHMENT FEES		
Processing fee for the following easement encroachment applications:	300.00	300.00
Southwest Aqueduct Reaches 1 & 2		
150th South Pipeline		
134th South Pipeline		
5600 West Pipeline		
Central Pipeline		
Wasatch Front Regional Pipeline right-of-way		
JORDAN AQUEDUCT LICENSE AGREEMENT FEES		
Processing fee for all Jordan Aqueduct easement encroachments:		
District fee	150.00	150.00
U.S. Bureau of Reclamation fee	100.00	100.00
IN-LIEU OF FEE		
Enables JVVCD to acquire water in-lieu of water interest conveyance	Calculated when paid	Calculated when paid

SUMMARY OF FEES (CONTINUED)

WHOLESALE AND RETAIL WATER RATES AND FIRE LINES

WHOLESALE AND RETAIL WATER RATES

Wholesale and retail water rates are reviewed and updated annually by a water rate consultant performing a comprehensive water rate study. The updated wholesale and retail water rates for this proposed budget and financial plan are included in a separate accompanying document.

METER BASE CHARGE/FLAT FEES

Meter base charges/flat fees are based on meter capacity and charged monthly to wholesale member agencies and retail customers for each active meter, regardless of the actual volume of water taken through the meter. Meter base charges/flat fees for this proposed budget and financial plan are included in a separate accompanying document.

FEE IN LIEU OF TAX

A fee approximating property tax is charged to customers outside the District's boundaries.

RETAIL IMPACT AND CONNECTION FEES

Meter Size	FISCAL YEAR 2025/2026				FISCAL YEAR 2026/2027			
	Impact Fee	Meter Fee	Install. Fee	Inspec. Fee	Impact Fee	Meter Fee	Install. Fee	Inspec. Fee
5/8"	\$ 2,907	\$ 370	\$ 200	\$ 200	\$ 2,907	\$ 418	\$ 250	\$ 250
3/4"	4,153	370	200	200	4,153	418	250	250
1"	8,305	456	200	200	8,305	522	250	250
1-1/2"	16,611	781	200	200	16,611	1,468	250	250
2"	26,577	841	200	200	26,577	1,507/1,676(b)	250	250
3"	64,782	(a)	(a)	200	64,782	(a)	(a)	250
4"	118,767	(a)	(a)	200	118,767	(a)	(a)	250
6"	237,533	(a)	(a)	200	237,533	(a)	(a)	250
8"	472,575	(a)	(a)	200	472,575	(a)	(a)	250

Note: An impact fee for non-standard use can be calculated by the District using the following formula:

$$\text{Estimated Peak Usage (gpm)} \times \$4,153 = \text{Impact Fee}$$

a) Meters larger than 2" are purchased independently by, and installed by, a contractor.

b) 10" lay length vs. 17" lay length

UPGRADING CONNECTION SIZE

(Refer to Connection Fees above for amounts)

New connection fee is based on meter size

Existing meter credit and impact fee are based on meter size

SUMMARY OF FEES (CONTINUED)

OTHER RETAIL CUSTOMER FEES

	2025/2026 Fees	2026/2027 Fees
TEMPORARY CONNECTIONS		
Temporary connection fee:		
Actual charges for services rendered, cost of District's labor and materials, plus ten percent - first month	\$ 202.00	\$ 217.00
Monthly charge for meter reading - after first month	0.00	70.00
Deposit (if meter provided by customer)	300.00	300.00
Deposit (if meter provided by District)	1,500.00	1,500.00
LINE EXTENSION		
Cost of extending facilities	Applicant pays all exp.	Applicant pays all exp.
Deposit from applicant	2% of cost	2% of cost
FIRE HYDRANTS, FIRE LINES, AND DETECTOR CHECK SYSTEMS		
Installation and materials cost	Actual cost paid by cust.	Actual cost paid by cust.
Inspecting and maintaining fire lines:		
Initial installation inspection fee	200.00	500.00
Annual fire line charges by meter size		
2"	7.50	12.76
4"	46.40	79.01
6"	134.78	229.50
8"	287.21	489.07
10"	516.51	879.51
RETAIL CUSTOMER ACCOUNT FEES		
Past due interest fee	18%	18%
Collection charge for past due service fee	20.00	20.00
Service charge for dishonored checks	20.00	20.00
Service restoration fee	75.00	70.00
Damage to existing connection (fee plus cost of labor and materials)	75.00	120.00
Unauthorized use of services charge (fee plus water usage)	200.00	217.00
Water-efficient landscaping performance bond (per sq. foot)	2.00	10.00



GENERAL EQUIPMENT FUND OVERVIEW

Beginning Balance July 1, 2026 **\$ 400,000**

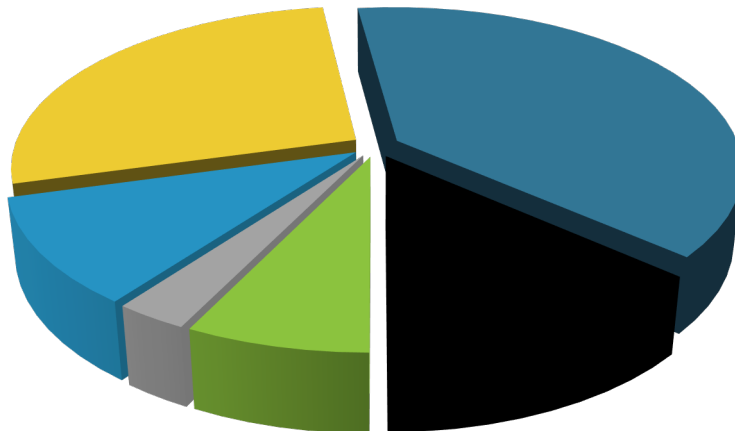
SOURCES OF FUNDS:

Transfer from Revenue Stabilization Fund	900,000
Budgeted 2025/2026 PayGo Capital Transfer	1,000,000
Interest Income	28,000
Total Sources	\$ 1,928,000

USES OF FUNDS:

Account	Description	Budgeted 2025/2026	Budgeted 2026/2027	Budget to Budget	
				\$ Variance	% Var.
190 6010	IT Equipment	\$ 162,000	\$ 162,000	\$ -	0.0%
192 6010	Office Equipment	46,000	65,000	19,000	41.3%
194 6010	Telemetry Equipment	100,200	234,612	134,412	134.1%
196 6010	General Equipment	330,478	611,041	280,563	84.9%
198 6010	New Vehicles	678,000	860,000	182,000	26.8%
196 6010	Critical Parts	0	301,550	301,550	N/A
Total Uses		\$ 1,316,678	\$ 2,234,203	\$ 615,975	69.7%

Ending Balance June 30, 2027 **\$ 93,797**





GENERAL EQUIPMENT FUND DETAIL

Account	Description	Qty	Unit	Unit Price	Total Amount
<u>190 6010</u>	<u>IT Equipment</u>				
	Network servers	2	EA	\$ 31,000	\$ 62,000
	Storage server	1	EA	50,000	50,000
	Security video server	1	EA	50,000	50,000
					\$ 162,000
<u>192 6010</u>	<u>Office Equipment</u>				
	Mezzanine office furniture (ADMIN)	4	EA	\$ 5,000	\$ 20,000
	Mezzanine cubicle furniture (ADMIN)	6	EA	7,500	45,000
					\$ 65,000
<u>194 6010</u>	<u>Telemetry Equipment</u>				
	Thermal imaging gun	1	EA	\$ 20,000	\$ 20,000
	Motor protector "SEL" replacement	1	LS	15,000	15,000
	UPS replacement for Operations	1	EA	28,389	28,389
	UPS replacement for Lab	1	EA	86,023	86,023
	Size 6 starter P3 at 5700 W 10200 S	1	EA	35,200	35,200
	Variable Frequency Drive (VFD) at 200 E 11400 S	1	EA	50,000	50,000
					\$ 234,612
<u>196 6010</u>	<u>General Equipment</u>				
	Security camera system upgrade (JVWTP)	1	LS	\$ 35,041	\$ 35,041
	Genie Lift GS3232 (JVWTP)	1	EA	32,000	32,000
	Online TOC Analyzer (JVWTP)	1	EA	45,000	45,000
	Injection mixer shaft w/hub (SERWTP)	1	EA	35,000	35,000
	Sand pump w/VFD replacement (SERWTP)	1	EA	45,000	45,000
	AMI Base Station (Term Res)	1	EA	47,000	47,000
	TOC Analyzer (Lab)	1	EA	70,000	70,000
	Quanti-Tray Sealer (Lab)	1	EA	17,000	17,000
	THM Auto Sampler/Purge and Trap (Lab)	1	EA	72,000	72,000
	Scissor lift (Asset Rel & Mgmt)	1	EA	31,000	31,000
	Towable manlift (Asset Rel & Mgmt)	1	EA	35,000	35,000
	Six post lift (Fleet/Equip Maint)	1	EA	87,000	87,000
	Lightweight shoring panel system (Pipeline Maint)	1	EA	10,000	10,000
	Forklift for North Campus (Pipeline Maint)	1	EA	50,000	50,000
					\$ 611,041
<u>198 6010</u>	<u>New Vehicles</u>				
	Light duty pickup truck (Fleet/Equip Maint)	2	EA	\$ 55,000	\$ 110,000
	New Vactor truck (Fleet/Equip Maint)	1	EA	750,000	750,000
					\$ 860,000
<u>196 6010</u>	<u>Critical Parts</u>				
	Critical parts > \$10,000 (19 items)	1	LS	\$ 301,550	\$ 301,550
					\$ 301,550
Total General Equipment Fund Purchases					\$ 2,234,203



GENERAL EQUIPMENT FUND DETAIL (Continued)

<u>Account</u>	<u>Description</u>	<u>Qty</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total Amount</u>
196 6010	<u>Critical Parts Detail</u>				
	Sand Pump Motor - SERWTP	1	EA	\$ 11,000	\$ 11,000
	Floc Mixer Gear Box - JWVTP	2	EA	13,500	27,000
	Sludge Pump - JWVTP	1	EA	15,000	15,000
	Rapid Mix Pump - JWVTP	1	EA	15,000	15,000
	16" Check Valve	1	EA	25,000	25,000
	20" Booster Station Valve	1	EA	20,000	20,000
	24" Booster Station Valve	2	EA	18,000	36,000
	Well Actuator FTW	1	EA	10,000	10,000
	BV 87 & 88 Actuators - JWVTP	2	EA	12,000	24,000
	Reclaim Flow Meter - JWVTP	1	EA	12,000	12,000
	Sleeve valve actuator - JA	1	EA	20,000	20,000
	10" Combo Air Valve - JA	1	EA	10,000	10,000
	12" Combo Air Valve - JA	1	EA	15,400	15,400
	78" x 48" Pipeline Spool - JA	1	EA	21,500	21,500
	66" x 15" Pipeline Spool - JA	1	EA	14,750	14,750
	48"x 18" Pipeline Spool - JA	1	EA	24,900	24,900
					<u>\$ 301,550</u>



DEBT SERVICE SCHEDULE & LONG-TERM DEBT SUMMARY

Debt Service Payment Due:				October 1, 2026		April 1, 2027		Total
	<u>Orig. Issue Amount</u>	<u>Maturity Date</u>	<u>Outstanding Bal. 7/1/2026</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2008 B1 Ref. Bonds*	\$64,665,000	10/1/37	\$41,065,000	\$ 4,200,000	\$ 660,000	\$ -	\$ 660,000	\$ 5,520,000
2009C Bonds (Utah Brd of Wtr Res)	3,600,000	10/1/34	1,400,000	157,000	-	-	-	157,000
2016A&B Bonds & Refunding Bonds	63,920,000	10/1/46	31,595,000	755,000	789,875	-	771,000	2,315,875
2017A Ref. Bonds	9,880,000	10/1/28	3,180,000	1,010,000	79,500	-	54,250	1,143,750
2017B Ref. Bonds	77,140,000	10/1/41	58,380,000	2,705,000	1,263,500	-	1,195,875	5,164,375
2019A Bonds	29,030,000	10/1/49	26,060,000	575,000	651,500	-	637,125	1,863,625
2021A Bonds & Refunding Bonds	61,855,000	10/1/51	49,395,000	1,880,000	1,051,375	-	1,004,375	3,935,750
2024A Bonds	90,865,000	10/1/54	89,525,000	1,405,000	2,238,125	-	2,203,000	5,846,125
2025A Ref. Bonds	22,590,000	10/1/44	22,590,000	-	564,750	-	564,750	1,129,500
2027A Bonds (new bond issue)	108,000,000			-	-	-	1,350,000	1,350,000
TOTAL			\$323,190,000	\$ 12,687,000	\$ 7,298,625	\$ -	\$ 8,440,375	\$ 28,426,000
				\$19,985,625		\$8,440,375		

* Variable rate debt, interest paid monthly

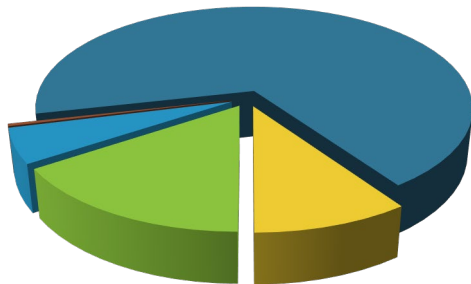
Note: The 2016A&B, 2017A, and 2019A bonds are being monitored for possible refunding combined with the new bond issue.



SUMMARY OF CAPITAL PROJECT EXPENDITURES BUDGET

CP1 Category: Major rehabilitation or replacement of existing facilities	\$ 16,912,272
Example Projects: JWWT filter media replacement, distribution pipeline replacement, rehabilitation and replacement on transmission system vaults, pump stations, treatment plants, and wells.	(1,924,272) *
	\$ 14,988,000
CP2 Category: New facilities needed for compliance or functional upgrades, but provide no new system capacity	19,427,728
Example Projects: North Campus facility improvements, generator installations, JWWT filter and chemical feed upgrades, system evaluation plans, and landscape improvements.	(3,870,711) *
	15,557,017
CP3 Category: New water supply, treatment, conveyance, or storage facilities which provide new system capacity	63,312,774
Example Projects: Four new wells, JWWT filter and chemical feed upgrades, Southwest Aqueduct Reach 2, transmission pipeline capacity upgrade, new storage reservoir, and booster station capacity upgrade.	(2,077,792) *
	61,234,982
CP4 Category: Projects to serve lands currently outside current District boundaries	1,146,125
Example Projects: Water rights and WFRP right-of-way acquisition.	- *
	1,146,125
CP5 Category: Landscape conversion projects	3,638,898
Example Projects: Landscape conversion to water-wise.	(2,212,502) *
	1,426,396
TOTAL OF ALL CATEGORIES (GROSS)	\$ 104,437,797
<i>*amounts shown in red are reimbursements (MWDSLs, grants, etc.)</i>	(10,085,277)
TOTAL OF ALL CATEGORIES (NET)	\$ 94,352,520

PROJECTED CAPITAL PROJECTS FUNDING



Replacement Reserve Fund	\$ 16,414,396	15.7%
Capital Projects Fund	5,605,763	5.4%
Development Fee Fund	\$386,000	0.4%
Bond Proceeds	71,946,361	68.9%
Project Reimbursements	10,085,277	9.7%
	\$ 104,437,797	100.0%



SUMMARY OF CAPITAL PROJECT EXPENDITURES BUDGET

CAPITAL PROJECT EXPENDITURES

Gross Total \$104,437,797

