



SANDY, UTAH

Water Enterprise Fund (Year Ending June 30)

Debt Service Coverage Model and Analysis

Scenario I: \$7M Construction Proceeds; 15 Yr. Amortization

	HISTORICAL					PROJECTED					
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES:											
Charges for Services	21,271,314	21,529,436	20,006,807	18,655,969	20,201,364	21,655,280	22,720,976	23,839,445	24,357,673	25,570,019	26,842,816
Fees from Developers	233,325	306,738	656,908	492,375	689,095	290,000	298,700	307,661	316,891	326,398	336,189
<i>Total Revenues</i>	21,504,639	21,836,174	20,663,715	19,148,344	20,890,459	21,945,280	23,019,676	24,147,106	24,674,564	25,896,417	27,179,005
OPERATION AND MAINTENANCE EXPENSES											
Salaries and Benefits	1,832,393	1,892,266	1,879,107	1,573,789	1,969,217	2,028,670	2,089,530	2,152,216	2,216,782	2,283,286	2,351,785
Materials and Supplies	539,157	593,817	637,108	592,740	415,511	650,900	657,409	663,983	670,623	677,329	684,102
Contracted Services	367,571	402,803	365,434	354,920	382,867	506,500	516,630	526,963	537,502	548,252	559,217
Internal Charges	461,877	536,782	592,735	625,197	652,272	666,032	665,401	678,709	692,283	706,129	720,251
Administrative Charges	850,179	871,033	876,697	920,532	901,252	833,702	795,400	811,308	827,534	844,085	860,967
Cost of Goods Sold	6,532,538	5,824,092	6,299,563	6,148,712	7,319,442	8,076,696	8,488,896	8,808,300	9,155,843	9,519,428	9,899,836
Non-Capital Improvements	4,281,293	4,230,387	4,269,246	4,227,141	4,234,262	4,235,322	4,235,322	4,235,322	4,240,322	4,240,322	4,240,322
<i>Total Operations and Maintenance Expenses</i>	14,865,008	14,351,180	14,919,890	14,443,031	15,874,823	16,997,822	17,448,588	17,876,801	18,340,890	18,818,831	19,316,480
NON-OPERATION REVENUE (EXPENSES)											
Inter-Governmental Revenue	-	-	-	-	282,000	-	-	-	-	-	-
Interest Income	86,204	71,021	61,869	46,052	60,975	60,000	62,000	64,000	66,000	68,000	70,000
Cell Tower Lease	-	140,352	135,019	373,806	338,192	200,000	206,000	212,000	219,000	225,000	232,000
Other Income (Expense)	69,446	282,300	42,874	44,049	27,122	25,000	26,000	27,000	27,000	28,000	29,000
Gain (Loss) on Disposal of Asset	2,083,251	(1,491)	7,013	(312,087)	10,252	20,000	20,000	20,000	20,000	20,000	20,000
<i>Total Non-Operations Revenues (Expenses)</i>	2,238,901	492,182	246,775	151,820	718,541	305,000	314,000	323,000	332,000	341,000	351,000
NET REVENUES AVAILABLE FOR DEBT SERVICE	8,878,532	7,977,176	5,990,600	4,857,133	5,734,177	5,252,458	5,885,088	6,593,305	6,665,674	7,418,586	8,213,526
DEBT SERVICE											
Series 2004 Bonds	466,189	372,521	368,199	372,621	372,483	-	-	-	-	-	-
Series 2012 Ref. Bonds	-	170,299	174,800	174,000	173,200	543,650	545,250	544,475	546,200	542,550	543,525
Ontario Drain Tunnel Contract	958,607	982,859	988,040	1,006,729	1,014,554	1,016,457	1,017,092	1,017,472	1,019,799	1,024,874	1,024,028
Series 2017 Bonds (15-Yr. Amortization model; \$7M Proceeds)	-	-	-	-	-	-	119,018	573,200	571,150	573,950	570,675
Total Aggregated Debt Service	1,424,796	1,525,678	1,531,039	1,553,351	1,560,237	1,560,107	1,681,359	2,135,147	2,137,149	2,141,374	2,138,228
Debt Service Coverage	6.23	5.23	3.91	3.13	3.68	3.37	3.50	3.09	3.12	3.46	3.84
Total Beginning Cash Balance	11,180,656	11,354,156	10,732,204	7,792,400	7,566,791	6,298,851	5,009,475	6,789,693	8,432,636	10,054,646	12,364,980
Net Revenue Available for Debt Service	8,878,532	7,977,176	5,990,600	4,857,133	5,734,177	5,252,458	5,885,088	6,593,305	6,665,674	7,418,586	8,213,526
Debt Service	1,424,796	1,525,678	1,531,039	1,553,351	1,560,237	1,560,107	1,681,359	2,135,147	2,137,149	2,141,374	2,138,228
Net Available for Capital Expenditures	7,453,736	6,451,498	4,459,561	3,303,782	4,173,940	3,692,351	4,203,729	4,458,158	4,528,525	5,277,212	6,075,297
Capital Improvement Plan (Capital Expenditures)	7,280,236	7,073,450	7,399,365	3,529,391	5,441,880	4,981,727	2,423,510	2,815,215	2,906,515	2,966,878	4,185,270
Net Available Less Capital Expenditures	173,500	(621,952)	(2,939,804)	(225,609)	(1,267,940)	(1,289,376)	1,780,219	1,642,943	1,622,010	2,310,334	1,890,028
Total Ending Cash Balance	11,354,156	10,732,204	7,792,400	7,566,791	6,298,851	5,009,475	6,789,693	8,432,636	10,054,646	12,364,980	14,255,008
Days Cash on Hand		279	273	191	191	145	108	142	172	200	240

Notes:

- Wholesale sales to Midvale are removed in FY 2020 because they will begin buying water from Jordan Valley
- Water rate increase of 5% beginning in FY 2018 and continuing forward; will more than cover the increase in water purchases
- Water purchases increase 7% in FY 2018 and 5% thereafter
- New bond proceeds are not included in the schedule
- Non-capital improvements includes the Point of the Mountain Aqueduct (POMA) Project assessment (\$4,210,322)
This is payment for the construction of the infrastructure and the facilities themselves, which Metro has capitalized on the financial statements. Our portion of these construction costs is an expense to us because we do not own the assets being constructed. We have the option to purchase preferential water rights from the increased capacity resulting from the project's construction, but these assessment payments don't buy us the water rights.
- The Ontario Drain Tunnel (ODT) payment is really a purchase of water rights. Metro purchased the ODT rights on our behalf. Our portion of the bond payments is paying for our water rights. Metro is essentially a pass-through for this transaction.

