

COTTONWOOD IMPROVEMENT DISTRICT

2026

Tentative Budget
October 15, 2025

**COTTONWOOD IMPROVEMENT DISTRICT
2026 BUDGET**



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COTTONWOOD IMPROVEMENT DISTRICT 2026 BUDGET



Background

Cottonwood Improvement District (the District or CID) operates approximately 340 miles of sewer collection system serving areas of Sandy, Cottonwood Heights, Holladay, Midvale, Murray and Millcreek. Primary activities of the District are to clean, inspect, repair, replace, construct sewer pipes and pumping stations and fund sewage treatment. On an average day, the District delivers approximately seven million gallons of sewage to the Central Valley Water Reclamation Facility (CVWRF) for treatment.

Sewage enters the District's collection system through the drains and toilets of the 25,000 homes and businesses of the District. As a result, there is no practical way to shut off sewer flows. Sewage contains harmful bacteria, viruses, parasitic organisms, and inhaled molds and fungi. These pathogens can cause life-threatening ailments such as cholera, dysentery, infections, hepatitis, and severe gastroenteritis. The activities of the District are vital to protect public health by keeping sewage out of rivers, roadways, basements, and playgrounds.

Budget Calendar

The District prepares an annual budget as required by Utah law. The usual schedule is as follows:

July - September - District management prepares a draft budget based on anticipated needs.

October - Tentative budget presented to the Board at the monthly board meeting. The Board discusses, asks questions, and proposes changes. Then, pursuant to state law, the Board will "tentatively adopt the tentative budget" that is then made available for public inspection (after any requested changes are made) and sets the date and time for the public hearing.

November – Public hearing on tentatively adopted tentative budget planned for **Tuesday, November 18, 2025 at 6:00 pm**. After the public hearing, the Board can 1) adopt the final budget, 2) continue to review the tentative budget, 3) insert any new items, or 4) increase or decrease expenditures that were the proper subject of consideration at the public hearing. Typically, the Board adopts the final budget immediately after the public hearing or uses the time between the November and December meetings to consider public input received at the public hearing before adopting the final budget in December.

December – Adopt final budget (if not done in the November meeting). State law requires the budget be adopted no later than December 31 and submitted to the Utah State Auditor within 30 days of adoption.

Budget Basis

The District's budget is presented on the accrual basis of accounting. However, the District does not budget for the following non-cash items: 1) the actuarial calculated pension expense, which is an annual adjustment received from Utah Retirement Systems, 2) contributed lines from developers, 3) the gain/loss on investment in Central Valley Water Reclamation Facility (CVWRF), and 4) depreciation. These amounts, however, are recognized for financial reporting purposes and are presented in the District's annual audited financial statements and related notes.

COTTONWOOD IMPROVEMENT DISTRICT
Operating and Capital Budget
Tentative as of October 15, 2025

	Tentative Budget 2026	Adopted Budget 2025	\$ Change	% Chge	Est. Annual Sep 30 2025	Actual 2024
Revenue						
Service Charges	\$ 12,271,616	\$ 11,832,832	\$ 438,784	3.7%	\$ 11,785,931	\$ 11,123,619
Property Taxes	4,090,000	4,007,057	82,943	2.1%	4,115,620	2,413,021
Impact Fees	100,000	100,000	-	0.0%	115,736	409,264
Interest Income	892,500	780,000	112,500	14.4%	1,145,779	1,292,914
Gain(Loss) on Sale of Assets	150,000	450,000	(300,000)	-66.7%	462,714	83,335
Other Income - Operating	81,500	81,500	-	0.0%	91,149	89,805
Other Income - Non Op.	5,000	5,000	-	0.0%	1,866	1,775
Total Revenue	17,590,616	17,256,389	334,227	1.9%	17,718,796	15,413,733
Expenditures						
Collection System Expenses:						
Salaries & Wages	3,064,724	2,922,653	142,071	4.9%	2,837,534	2,649,677
Employee Benefits	1,581,526	1,539,403	42,123	2.7%	1,248,288	1,224,951
Payroll Taxes & WC Ins.	312,847	301,978	10,869	3.6%	224,347	200,862
Board Costs	19,900	154,900	(135,000)	-87.2%	41,666	15,849
Property and Liability Ins.	113,000	113,000	-	0.0%	93,361	94,507
Office & Postage	253,000	253,000	-	0.0%	128,753	115,622
Outside Services	175,300	156,100	19,200	12.3%	150,566	131,668
Professional Fees	90,000	90,000	-	0.0%	35,169	53,814
Materials & Supplies	287,000	312,000	(25,000)	-8.0%	131,303	196,084
Repairs and Maintenance	835,000	835,000	-	0.0%	302,979	210,687
Professional Development	50,000	50,000	-	0.0%	30,243	26,598
Subscriptions & Dues	20,000	20,000	-	0.0%	21,148	15,970
Telephone	45,700	45,700	-	0.0%	34,630	34,778
Utilities	124,060	125,000	(940)	-0.8%	86,487	104,841
Miscellaneous	1,500	1,500	-	0.0%	786	1,402
Total Collection System	6,973,557	6,920,234	53,323	0.8%	5,367,260	5,077,310
Treatment Expenses (paid to CVWRF):						
CVWRF Operations Expense	4,800,120	4,603,385	196,735	4.3%	3,910,674	3,577,595
CVWRF Debt Service	4,710,925	4,770,444	(59,518)	-1.2%	4,519,595	3,894,376
CVWRF Capital Contribution	1,231,983	1,232,869	(887)	-0.1%	1,008,318	1,016,275
Total Treatment	10,743,028	10,606,698	136,330	1.3%	9,438,587	8,488,246
Capital Expenditures:						
Collection System	2,650,000	8,050,000	(5,400,000)	-67%	5,903,162	975,628
Facilities	335,000	780,000	(445,000)	-57%	532,020	22,214
Vehicles and Equipment	565,000	1,575,000	(1,010,000)	-64%	1,514,876	592,546
Total Capital Expenditures:	3,550,000	10,405,000	(6,855,000)	-66%	7,950,058	1,590,388
Total Expenditures	21,266,585	27,931,932	(6,665,347)		22,755,905	15,155,944
Net (Use of)/Contribution to Reserves	\$ (3,675,969)	\$ (10,675,543)	\$ 6,999,574		\$ (5,037,110)	\$ 257,789



COTTONWOOD IMPROVEMENT DISTRICT 2026 BUDGET

BUDGET DISCUSSION

This section contains an overview of the primary areas of the budget and explanation of significant changes from the prior year adopted budget. Attachments A through D contain ledger account level budget information.

Revenues and Operating Expenses

Service Charges – No change to monthly fee for sewer service. The fee is \$24.00 per residential equivalent unit (RE). Increase in revenue is due primarily to the pro-rata share of the 2025 Project 4 costs to be billed to the Big Cottonwood Canyon Improvement District, Snowbird and Town of Alta. The canyon entities are billed a portion of the District expenses for the previous year based on their metered flows as a percentage of total District flow.

Property Taxes – No changes to property taxes are anticipated in the 2026 budget.

Interest Income – Increase is due to under budgeting in prior year as interest rates did not drop as much as anticipated.

Gain on Sale of Assets – Decrease is due to fewer asset disposals expected in 2026. Disposals in 2025 budget are higher than usual due to the replacement of two flusher/vacuum trucks.

Salary and Wages - The District has 28 full-time positions, which is the same as the prior year budget.

Wage adjustments are as follows:

- Cost of living (COLA) adjustment of 3.0%. The COLA is based on a three-year running average of the change in the Consumer Price Index, West Region, published by the Bureau of Labor Statistics. *Note: due to shutdown of the federal government, the September 2025 CPI value was unavailable when tentative budget was prepared. August CPI value used instead. COLA will be updated with September CPI value prior to adoption of final budget assuming shutdown ends in time.*

	CPI	% Change	3 Year Average
Sept 2022	315.094		
Sept 2023	327.491	3.9%	
Sept 2024	334.265	2.1%	
Aug 2025	344.096	2.9%	3.0%

- Merit adjustments (based on results of performance evaluations) of: 1) 0%-2% for employees above their respective pay band midpoint, 2) 0%-4% for those below midpoint, or 3) merit bonuses in lieu of pay increase of 0%-2% for employees not eligible for merit raises under the District's current pay plan.
- Increase of the stipend for employees in the Utah Retirement Systems (URS) Tier II system from 1% to 1.4% effective July 1, 2026. URS is increasing the required employee after tax contribution for Tier II DB plan participants from .85% to 1.30% on July 1, 2026. The cost for this stipend is offset by the one percentage point reduction of the employer contribution rate of the Tier I and Tier II plans (described in the next section). URS began the Tier II DB plan required employee contribution on July 1, 2024, which was the first time an employee contribution was required since the Tier II plan began in July 2011. There is no required employee contribution in the Tier I Noncontributory System.

The total increase to the salaries and wages budget is 4.9%.



COTTONWOOD IMPROVEMENT DISTRICT 2026 BUDGET

Employee Benefits – The primary components of this category are retirement contributions and health insurance.

The District participates in the Utah Retirement Systems (URS) Public Employees Noncontributory Retirement Systems Tier I and Tier II plans. The District is statutorily required to contribute a percentage of salary and wages of eligible employees to URS. Contribution rates are determined annually by the Utah State Retirement Board and take effect each July 1. State law prohibits participating employers from withdrawing from URS.

The preliminary URS contribution rate beginning July 1, 2026, decreased one percentage point for both the Tier I and Tier II plans. The preliminary employer contribution rate for Tier I is 14.97% and Tier II is 13.19%. URS will finalize rates in early 2026. Employees that entered the URS system before July 1, 2011, are in the Tier I system and those that entered thereafter are part of the Tier II system.

Health insurance rates renew annually on July 1 and are not determined until mid-March 2026. National forecasts by the Society for Human Resource Management and AON estimate increases for 2026 in the range of 9% to 10%. For planning purposes, a 10% increase has been budgeted.

Payroll Taxes and Workers Compensation Insurance – The District is subject to social security and Medicare payroll employer taxes of 7.65%.

Workers compensation insurance annual renewal is July 1, 2026. Final rates will not be received from Utah Local Governments Trust prior to budget adoption. There was a modest increase in the current year renewal due to claims and performance history; however, no increase has been budgeted as the prior year budget amount is expected to be sufficient.

Board Costs – The decrease is due to no trustee election in 2026. Elections are held in odd numbered years in conjunction with the municipal elections. Trustee terms start January 1 of the following year. The District board consists of three members elected to four-year terms with at least one board member up for election every two years.

Outside Services – Increase is due to credit card merchant and online payment provider fees. Merchant fee increases are attributable to two primary causes: increasing use of credit cards to pay sewer service fees and increasing use of credit cards not eligible for the lower utility interchange rate. Most credit card payments receive the utility interchange rate which is a flat fee of \$0.65 to \$0.75 per transaction. However, certain business cards and high reward cards are not eligible for the utility rate and instead charge a fee based on a percentage of the transaction amount, up to 2.95%. Options for avoiding and recouping this fee are limited. Card brand rules prohibit refusing to accept payment by a valid card in the brand and severely limit the types of fees that can be passed on to the card holder.

Online payment provider fees increase is due to price increases by the District's internet payment processing gateway, Xpress Bill Pay (XBP). XBP provides the online payment portal through which customers make credit card and e-check payments and related services. XBP also aggregates bank bill pay transactions, which originate outside of the XBP system, eliminating the need to manually input or separately upload these transactions. Approximately 85% of the District's payment transactions come through XBP with the remainder received through the mail or in person.

Materials and Supplies – Decrease is due to a decrease in the fuel budget. Fuel is budgeted at \$4.50 per gallon, versus \$5.00 per gallon in the prior year budget. Also, the District changed fuel card providers in late 2024 to one with no transaction fees and a \$0.03 per gallon rebate. Average price in 2025 January through August was \$2.83 per gallon. There has been volatility in fuel prices in recent years with 2022

COTTONWOOD IMPROVEMENT DISTRICT 2026 BUDGET



experiencing prices over \$5.00 per gallon. The District is exempt from state fuel excise tax and federal gasoline and diesel tax.

Repairs and Maintenance – This category includes \$400,000 for spot repairs contingency. These repairs are either urgent repairs that arise when failure occurs or when deficiencies are identified during routine television or physical inspection or are lower priority areas that can be addressed on a sooner-than-later basis as time and resources allow. The repairs are performed in-house by District employees or by outside contractors.

Capital Expenditures

Capital expenditures are listed on attachment D.

Collection System Betterments - Project 4 is a project to increase capacity on a main trunk line near Fort Union Blvd and I-215. Phase 1 is currently in progress and is anticipated to be completed by the end of 2025. Phase 2 costs in the 2026 budget consist of preconstruction planning work such as engineering fees, site testing, permits and any other necessary work to prepare project specifications so the project can be put out for bid.

Pipe lining and miscellaneous system renewal projects are budgeted. Pipe lining is a cost-effective way to extend the life of existing pipe, especially in concrete pipe which is susceptible to deterioration from hydrogen sulfide gas produced by sewage.

Facilities – The Murray metal building has been carried forward from the prior year budget. The metal building is needed at the Murray shop location to secure equipment, supplies and to shelter emergency sewer pipe from UV light found in sunlight.

The Murry shop roof replacement has been carried forward from the prior year budget. The existing roof is original to the building and is nearly 25 years old.

The shop equipment wash bay systems for both the Sandy and Murray shops are wearing out and are budgeted to be replaced. The wash systems are similar to a commercial self-serve car wash and are used to clean District equipment and vehicles and are especially vital for cleaning sewer debris from the combination flusher/vacuum trucks.

Vehicles – The dump truck is replacing the District's current dump truck which was acquired in 2002. The dump truck is used in District in-house repair projects and is used to tow other large pieces of District equipment.

The manhole utility truck is to replace one of the District's four medium duty trucks ranging in age of 9 to 18 years old that are used in the rehabilitation and raising of manholes and in-house repair projects. These trucks are fitted with specialized equipment such as compressors or short dump beds and are large enough to pull the District's hot asphalt recycler trailer.

The Lowboy trailer is replacing an existing slightly smaller trailer. The Lowboy trailer is better suited to transporting the District's 323 excavator and other large pieces of equipment.

Central Valley Water Reclamation Facility (CVWRF)

The CVWRF treatment plant treats the sewage of the District. The District is one of seven member entities that own the CVWRF treatment plant. Member entities pay their share of CVWRF operating and capital expenditures monthly.

Operating expenses are allocated to member entities based on each entity's 12-month average volume and strength of the sewage as of the prior month. Capital costs are allocated based on each entity's 12-month average volume and strength of sewage as of August of the preceding year. The District's share of CVWRF operating costs as of August 2025 was 15.1%.



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On January 1, 2015 the Utah Department of Environmental Quality (DEQ) adopted The Technology-Based Phosphorus Effluent Limits Rule (R317-1-3.3) which limits the phosphorus discharge of sewer treatment plants. The CVWRF treatment plant, like many treatment plants in Utah, was not designed to remove phosphorus. The current deadline for compliance is mid-2026.

In late 2017 CVWRF began a complete rebuild of the treatment plant to meet the DEQ requirement. CVWRF is funding the rebuild with a combination of cash contributions from member entities, issuance of bonds, and a low interest loan obtained from the Utah Department of Water Quality (DWQ).

CVWRF requires member entities to pay a portion of their capital cost allocation monthly as pay-as-you-go (pay-go) capital contributions. The remaining allocation can be paid either as 1) non pay-go cash capital contributions and/or 2) proceeds from CVWRF issued bonds and the DWQ loan. The District has used proceeds from CVWRF issued bonds and the DWQ loan to satisfy its non-pay-go capital obligations and is therefore obligated to pay CVWRF the District's share of the related debt service over the life of the bonds.

Rebuild capital costs at CVWRF from 2017 through August 2025 total approximately \$458 million. The District's portion of these costs for this period total \$74.4 million, of which \$7.3 million has been funded through pay-go contributions and \$67.1 million funded through CVWRF issued bonds. The estimated remaining capital costs through completion in 2026 total approximately \$84 million. The District's portion of this amount is approximately \$12.7 million.

CVWRF issued a bond in late 2024 for \$85.8 million, which is the final bond issued for the facility rebuild. The District's portion of the bond at issuance was approximately \$14.7 million.

Detail relating to the CVWRF portion of the District's budget is on attachment C.

Treatment Expense (CVWRF Operations) – The District's portion of CVWRF operating and related expense budget increased 4.3% from the prior year. The change is made up of the following: 6.1% increase due to increased costs at CVWRF, 1.8% decrease due to the decrease of the District's contingency, and no increase or decrease due to the change in the District's contribution percent. The contingency is for potential differences in the allocation percentage, which is estimated for budgeting purposes but is recomputed and billed monthly based on the District's actual strength and flow.

CVWRF Capital – Capital costs in the tentative CVWRF 2026 budget total \$58,976,750. The District's portion is \$8,924,008. This will be funded through cash (pay-go) contributions of \$1,207,826 and CVWRF 2024A bond proceeds of \$7,716,182. The 2024A bond was issued late in 2024 and is the final bond issued to fund the treatment plant rebuild.

Summary of CID debt service obligation to CVWRF for bonds issued by CVWRF to fund treatment plant reconstruction:

	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Estimate 2025	Budget 2026*
2017A Bond	\$ 720,310	\$ 545,977	\$ 645,873	\$ 627,539	\$ 588,525	\$ 609,651	\$ 626,559
2019A Bond	940,539	632,061	705,586	679,978	557,495	727,533	676,811
2020A DWQ	-	139,870	307,680	590,327	585,913	583,744	600,382
2021A BoU	-	172,294	234,697	221,166	209,549	216,340	228,379
2021B Bond	-	188,018	255,216	245,327	226,220	242,882	244,872
2021C Bond	-	498,531	1,263,182	1,266,274	1,201,011	1,271,106	1,286,064
2024A Bond	-	-	-	-	525,663	868,339	955,487
	\$ 1,660,849	\$ 2,176,751	\$ 3,412,234	\$ 3,630,611	\$ 3,894,376	\$ 4,519,595	\$ 4,618,554

* Excludes CID contingency

**Cottonwood Improvement District
Attachment A - Revenue Budget Detail
2026**

	Tentative Budget 2026	Adopted Budget 2025		Est. Annual Sep 30 2025	Actual 2024
Service Charges					
410 Service Charges					
38957 RE's @ \$24/mo x 12mos	11,219,616	11,228,832			10,427,123
Canyon Billings	1,080,000	632,000			723,568
Total	12,299,616	11,860,832	4%	11,813,003	11,150,691
416 Paid to Other Entities	(28,000)	(28,000)		(27,072)	(27,072)
Total Service Charges	12,271,616	11,832,832	4%	11,785,931	11,123,619
Other Operating Income					
415 Finance Charge Income	20,000	20,000	0%	21,690	21,634
417 Collection Admin Cost Fee	40,000	40,000	0%	43,467	43,520
430 Inspections - Laterals	10,000	10,000	0%	14,432	12,485
431 Tee-On Fee	-	-	0%	533	560
432 Inspection Fees-Main Line	1,500	1,500	0%	5,167	5,430
450 Outside Party Repair	5,000	5,000	0%	948	1,704
451 Dump Station Revenue	5,000	5,000	0%	4,912	4,472
455 Lease Income	-	-	0%	-	-
Total Other Operating Income	81,500	81,500	0%	91,149	89,805
Property Taxes					
420 Property Tax - Ad Valorem					
Property Tax - Current years collection	4,000,000	3,917,057		4,000,000	2,265,894
Property Tax - Prior years collection	-	-		-	39,530
Total	4,000,000	3,917,057	2%	4,000,000	2,305,424
422 Fee In Lieu Of Taxes-Vehicle	90,000	90,000	0%	115,620	107,597
Total Property Taxes	4,090,000	4,007,057	2%	4,115,620	2,413,021
Other Non-Operating Income					
440 Impact Fees	100,000	100,000	0%	115,736	409,264
460 Interest Income	577,500	540,000	7%	763,902	941,987
461 Investment Income	315,000	240,000	31%	381,878	350,927
480 Other Income	5,000	5,000	0%	1,866	1,775
470 Gain (Loss) On Sale Of Assets	150,000	450,000	-67%	462,714	83,335

Cottonwood Improvement District
Attachment B - Operations & Maintenance Expense Budget Detail
2026

	Tentative Budget 2026	Adopted Budget 2025		Est. Annual Sep 30 2025	Actual 2024
Salaries & Wages					
501 Salaries & Wages	3,064,724	2,922,653	4.9%	2,837,534	2,649,677
Employee Benefits					
502 Retirement Plan Contribution	443,792	460,846	-3.7%	415,926	412,036
505 Health & Life Insurance	1,088,609	1,029,432	5.7%	811,101	782,924
507 Other Employee Benefits	27,000	27,000	0.0%	11,394	16,903
555 Uniforms	22,125	22,125	0.0%	9,866	13,088
Total Employee Benefits	1,581,526	1,539,403	2.7%	1,248,288	1,224,951
Payroll Taxes and Workers Compensation Insurance					
503 Payroll Taxes	262,847	251,978	4.3%	196,825	181,552
504 Workers Comp. Insurance	50,000	50,000	0.0%	27,522	19,310
Total Payroll Taxes & Workers Comp Ins.	312,847	301,978	3.6%	224,347	200,862
Board Costs					
520 Board Costs	19,900	19,900	0.0%	15,000	15,849
521 Election Expense	-	135,000	-100.0%	26,667	-
Total Board Costs	19,900	154,900	-87.2%	41,666	15,849
Insurance					
523 Insurance					
General Liability	50,000	80,000			46,640
Property Insurance	15,000	15,000			10,987
Auto	48,000	18,000			36,880
Total Insurance	113,000	113,000	0.0%	93,361	94,507
Office and Postage Expense					
527 Office Expense	49,000	49,000	0.0%	21,764	28,383
554 Postage	59,000	59,000	0.0%	45,653	49,286
549 Software Services And Licenses					
Caselle license	13,200	13,200			11,250
MS Office 365	1,100	-			868
TV inspection software (POSM)	7,500	7,500			7,500
Blue stakes (Locator Logix))	4,000	4,000			3,079
Offsite data storage (Opentext)	6,100	6,100			3,927
Firewall (Sonicwall)	8,500	5,500			1,257
Flow modeling license (Innovyze/XP Swimm)	3,700	3,700			3,510
GIS/CAD, engineering, map. (DLT)	3,700	9,000			-
Mapping software (Esri ArcGIS)	2,000	2,000			1,617
Maintenance tracking software (Intergraph/MP2)	1,000	1,000			876
Traffic Control Rapidplan annual license (Invarion)	600	375			425
Misc.	5,600	4,625			651
Total	57,000	57,000	0.0%	41,417	34,960
557 Office and Computer Equip. \$500-\$15000	88,000	88,000	0.0%	19,920	2,993
Total Office Expense	253,000	253,000	0.0%	128,753	115,622
Outside Services					
526 Outside Services					
Garbage	2,880	2,640			2,488
CVWRF Lab	2,200	2,200			1,410
Alarm	1,240	1,240			720
Truck GPS monitoring	4,380	4,200			3,892
Answering Service (Apello)	2,160	2,160			2,075
Cafeteria plan administration	960	900			1,124
HSA plan administration	270	270			205
Other (Drug testing, SLCO, website, etc.)	11,910	12,390			1,496
Total	26,000	26,000	0.0%	14,557	13,409

Cottonwood Improvement District
Attachment B - Operations & Maintenance Expense Budget Detail
2026

	Tentative Budget 2026	Adopted Budget 2025		Est. Annual Sep 30 2025	Actual 2024
551 Blue Stakes	17,100	17,100	0.0%	12,305	10,299
552 Billings	17,000	17,000	0.0%	12,410	15,418
553 Bank And Merchant Fees					
Merchant fees	44,400	39,600			39,780
Online payment provider	63,600	49,200			49,494
Bank fees	7,200	7,200			3,268
Total	115,200	96,000	20.0%	111,295	92,542
Total Outside Services	175,300	156,100	12.3%	150,566	131,668
Professional Fees					
529 Professional Fees					
Audit	14,000	14,000			12,000
Legal	50,000	50,000			16,910
Engineering	10,000	10,000			24,904
Other/contingency	16,000	16,000			-
Total Professional Fees	90,000	90,000	0.0%	35,169	53,814
Materials and Supplies					
525 Materials & Supplies	65,000	77,000	-15.6%	32,600	38,062
556 Small Tools And Equipment	60,000	55,000	9.1%	5,283	58,506
550 Fuel	162,000	180,000	-10.0%	93,419	99,516
Total Materials and Supplies	287,000	312,000	-8.0%	131,303	196,084
Repairs and Maintenance					
530 R & M - Facilities					
Landscaping service - Sandy office/shop/Pepcon	16,000	12,000			15,252
Janitorial	14,400	14,400			13,536
Parking lot crack seal	20,000	20,000			-
HVAC related	20,000	15,000			2,039
Misc. repair/maint.	49,600	58,600			23,705
Total	120,000	120,000	0.0%	55,786	54,532
535 R & M - Facilities Projects					
Misc office/shop projects	45,000	45,000			24,699
Total	45,000	45,000	0.0%	-	24,699
531 R & M - Equipment					
Nozzles	20,000	20,000			7,801
Flusher hoses - 800 ft main (2)	9,000	9,000			-
Camera maintenance and parts	15,000	15,000			26,938
Misc. repair/maint.	46,000	46,000			25,075
Total	90,000	90,000	0.0%	28,275	59,814
532 R & M - System					
Root control supplies	18,500	18,500			5,549
Rings and lids	15,000	15,000			8,756
Misc. repair/maint.	21,500	21,500			19,101
Total	55,000	55,000	0.0%	56,963	33,406
534 R & M - System Contracted	60,000	60,000	0.0%	-	-
536 R & M - System Project In-house/contingency	400,000	400,000	0.0%	123,393	12,806
533 R & M - Vehicles	65,000	65,000	0.0%	38,562	25,430
Total Repairs and Maintenance	835,000	835,000	0.0%	302,979	210,687

Cottonwood Improvement District
Attachment B - Operations & Maintenance Expense Budget Detail
2026

	Tentative Budget 2026	Adopted Budget 2025		Est. Annual Sep 30 2025	Actual 2024
Subscription and Dues					
538 Subscription & Dues	20,000	20,000	0.0%	21,148	15,970
Telephone					
540 Telephone	45,700	45,700	0.0%	34,630	34,778
Professional Development					
528 Professional Development	16,000	16,000	0.0%	12,424	10,087
541 Transportation and Lodging	34,000	34,000	0.0%	17,819	16,511
Total Professional Development	50,000	50,000	0.0%	30,243	26,598
Utilities					
544 Electricity	37,820	39,760	(0)	30,530	32,982
545 Natural Gas	54,000	53,000		23,479	43,302
546 Water	32,240	32,240	0.0%	32,478	28,557
Total Utilities	124,060	125,000	-0.8%	86,487	104,841
Miscellaneous					
524 Miscellaneous	1,500	1,500	0.0%	786	1,402

**Cottonwood Improvement District
Attachment C - CVWRF Budget Detail
2026**

	Tentative Budget 2026	Adopted Budget 2025		Est. Annual Sep 30 2025	Actual 2024
CVWRF Operations					
Facility Operations	4,414,476	4,161,568		3,664,912	3,349,142
Pretreatment	71,539	49,982		61,215	43,787
Laboratory	219,985	214,782		184,547	184,666
Total Before Contingency	4,706,000	4,426,332	6.3%		
CID Contingency Factor	1.020	1.040			
Total CVWRF Operations	4,800,120	4,603,385	4.3%	3,910,674	3,577,595
CVWRF Debt Service					
2017A Bond:					
Principal	370,396	347,901			
Interest	255,288	270,088			
Trustee Fees	875	700			
	626,559	618,689	1.3%	609,651	588,525
2019A Bond:					
Principal	360,366	347,892			
Interest	315,570	327,907			
Trustee Fees	875	875			
	676,811	676,674	0.0%	727,533	557,495
2020A State Loan:					
Principal	465,667	461,068			
Interest	134,132	141,726			
Trustee Fees	583	583			
	600,382	603,377	-0.5%	583,744	585,913
2021A Bond:					
Principal	173,255	172,088			
Interest	54,624	56,424			
Trustee Fees	500	500			
	228,379	229,012	-0.3%	216,340	209,549
2021B Bond:					
Principal	142,992	136,578			
Interest	101,380	108,572			
Trustee Fees	500	500			
	244,872	245,650	-0.3%	242,882	226,220
2021C Bond:					
Principal	514,856	492,068			
Interest	770,624	799,737			
Trustee Fees	584	584			
	1,286,064	1,292,389	-0.5%	1,271,106	1,201,011
2024A Bond:					
Principal	322,138	309,711			
Interest	631,253	609,367			
Trustee Fees	2,096	2,096			
	955,487	921,174		868,339	525,663
Total Before Contingency	4,618,554	4,586,965	0.7%		
CID Contingency Factor	1.020	1.040			
Total CVWRF Debt Service	4,710,925	4,770,444	-1.2%	4,519,595	3,894,376
Capital Contribution					
Pay-go	1,207,826	1,185,451		1,008,318	1,016,275
Total Before Contingency	1,207,826	1,185,451	1.9%		
CID Contingency Factor	1.020	1.040			
Total Capital	1,231,983	1,232,869	-0.1%	1,008,318	1,016,275
Total CVWRF w/contingency	10,743,028	10,606,698	1.3%	9,438,587	8,488,246
Total CVWRF w/o contingency	10,532,380	10,198,748	3.3%		

**Cottonwood Improvement District
Attachment D - Capital Expenditures
2026**

	Tentative Budget 2026
Collection System Betterments	
Capital Facilities Plan (CFP) Projects:	
Project 4 Phase II (I-215 900 E Upsize)	1,000,000
Non-CFP Projects	600,000
Pipe Lining	1,000,000
Contingency	50,000
Total	2,650,000
Facilities	
Roof - Murray shop (Carried forward frm 2025)	65,000
Murray metal building (Carried forward frm 2025)	250,000
Shop equipment wash system replacements (both shops)	20,000
Total	335,000
Vehicles and Equipment (Gross)	
Pickups (replace unit 96 & P2)	120,000
Dump truck (replacing unit 57)	200,000
Manhole utility truck	150,000
Lowboy trailer	95,000
Total	565,000
Total Capital Related	3,550,000

Cottonwood Improvement District
Rate and Fee Schedule
Effective January 1, 2026

	2026	2025
Sewer Service - Monthly per Residential Equivalent Unit (RE)	\$ 24.00	\$ 24.00
Impact Fee - per Residential Equivalent	\$ 3,703.00	\$ 3,674.00
Inspection Fee	\$ 50.00	\$ 50.00
Inspection Fee - Canyons	\$ 75.00	\$ 75.00
Inspection Fee - Mainline (% of estimated construction costs)	3%	3%
Nose on Fee	\$ 350.00	\$ 350.00
TV Inspection Fee	\$ 150.00	\$ 150.00
Additional charge for after hours inspections	\$ 128.00	\$ 128.00
Late Fee - Per Billing Cycle (three months)	3.75%	3.75%
Returned Paper Check	\$ 12.00	\$ 10.00
Returned EFT - (Invalid Account Number or Unable to Locate Account)	\$ 7.00	\$ 6.00
Returned EFT - NSF, Closed or Frozen Account	\$ 14.00	\$ 12.00
Returned EFT - Customer Stop Payment	\$ 30.00	\$ 30.00
Property Lien (Certification) Administration Fee - Per Occurrence	\$ 20.00	\$ 20.00
Wastewater Discharge Permit (Pool or Other)	\$ 75.00	\$ 75.00
Additional for discharge in excess of 15,000 gallons - per gallon	\$ 0.003	\$ 0.003
Additional for discharge rate over 20 gallons per minute	\$ 25.00	\$ 25.00
Additional for laboratory analysis and treatment cost	Actual cost	Actual cost
BOD Surcharge Rate - per lb.	\$ 0.19	\$ 0.17
TSS Surcharge Rate - per lb.	\$ 0.31	\$ 0.27
GRAMA Request - copy cost per page	\$ 0.10	\$ 0.10
GRAMA Request - actual costs in accordance with Utah Code 63G-2-203	Actual cost	Actual cost
Dump Station (no charge for residents within CID boundaries)	\$ 5.00	\$ 5.00