



Support your local merchants

**AGENDA
TOWN OF CAMP VERDE
REGULAR SESSION
MAYOR AND COUNCIL
473 S. MAIN STREET, SUITE 106
WEDNESDAY, AUGUST 2, 2023 at 6:30 P.M.**

ZOOM MEETING LINK:

<https://us02web.zoom.us/j/87816455977?pwd=eFhQMENtL2RrbnlwUURlYmVVCU3Ardz09>

One Tap Mobile: 1-719-359-4580 or 1-253-205-0468

Meeting ID: 878 1645 5977

Passcode: 443817

Note: Council member(s) may attend Council Sessions either in person, by telephone, or internet/video conferencing.

1. **Call to Order**
2. **Roll Call.** Council Members: Jackie Baker, Wendy Escoffier, Robin Godwin, Cris McPhail, Jessie Murdock, Vice Mayor Marie Moore, and Mayor Dee Jenkins.
3. **Pledge of Allegiance**
4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
 - a) **Approval of the Minutes:**
 - 1) No minutes to approve
 - b) **Set Next Meeting, Date and Time:**
 - 1) Work Session – Wednesday August 9, 2023 at 5:30 p.m.
 - 2) Regular Session – Wednesday August 16, 2023 at 6:30 p.m.
 - 3) Work Session – Wednesday August 23, 2023 at 5:30 p.m.
5. **Call to the Public or items not on the Agenda. (Please complete Request to Speak Card and turn in to the Clerk.)** Residents are encouraged to comment about any matter NOT included on the agenda. State law prevents the Council from taking any action on items not on the agenda. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. (Pursuant to ARS §38-431.01(H))

6. Special Announcements and Presentations:

- **None**

- 7. Summary of Current Events.** The Town Council and the Town Manager may provide brief summaries of current events and activities. These summaries are strictly for informing the public of such events and activities. The Council will not propose, discuss, deliberate or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda. Summaries may include committee meetings that Council members attend. The Committees are: Copper Canyon Fire & Medical District, Yavapai College Governing Board, Yavapai-Apache Nation, Intergovernmental Association, NACOG Regional Council, Verde Valley Regional Economic Organization (VVREO), League Resolutions Committee, Arizona Municipal Risk Retention Pool, Verde Valley Transportation Org, Verde Valley Transit Committee, Verde Valley Water Users, Verde Valley Homeless Coalition, Verde Front, Verde Valley Steering Committee of MAT Force, Public Safety Personnel Retirement Board, Phillip England Center for the Performing Arts Foundation.
- 8. Discussion, Consideration and Possible Direction to the Town Manager to purchase soccer goal posts for placement at the Sports Complex.** Staff Resource: Ken Krebbs
- 9. Discussion, Consideration and Possible Direction to staff relating to the implementation of Utility Rate Adjustments as outlined in the Town's Water and Wastewater Rate Study/Analysis prepared by Economists.com.** Staff Resource: Mike Showers Page 5
- 10. Discussion, Consideration, and Possible Approval of Contract No. 23-177 for Engineering services for the 7th Street sidewalk CBDG Improvement Project in and amount not to exceed \$60,000.** Staff Resource: Martin Smith Page 113
- 11. Discussion, Consideration, and Possible Approval of Resolution 2023-1117; A Resolution of the Mayor and Town Council of the Town of Camp Verde, Arizona, authorizing the acquisition of certain real property in the Town located near west Head Street and south First Street, Yavapai County Parcel Nos. 404-28-055N, 404-28-062C, and 404-28-062B, for the purpose of providing municipal services, and authorizing and directing the Mayor, Town Manager, and Town Attorney to acquire title to certain parcels of real property on behalf of the Town by donation, eminent domain or purchase for an amount not to exceed the fair market value of the property, plus acquisition and closing costs.** Staff Resource: Barbara Goodrich Page 115
- 12. Discussion, Consideration, and Possible Approval of a real estate purchase contract between the Town of Camp Verde, Arizona and Brock and Kate Blevins for the purchase by the Town of certain real property in the Town located near west Head Street and south First Street, Yavapai County Parcel Nos. 404-28-055N, 404-28-062C, and 404-28-062B for an amount not to exceed**

13. Adjournment

Note: Upon a public majority vote of a quorum of the Town Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the purpose of discussion or consultation for legal advice with the Town Attorney as permitted by A.R.S. § 38-431.03(A)(3). Any other executive sessions will be separately included on the agenda above if an executive session will be held at the meeting.

Pursuant to A.R.S. §38-431.01 Meetings shall be open to the public - All meetings of any public body shall be public meetings and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings. All legal action of public bodies shall occur during a public meeting. Pursuant to Town Code, Section 2-3-7.1 the Mayor shall call for a vote of the Council to allow the meeting to continue past the deadline of 10:00 p.m. The Town of Camp Verde Council Chambers is accessible to persons with disabilities. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk at 928-554-0021.

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at the Town of Camp Verde and Bshas on 07-27-2023 at 5:00 p.m.

Cindy Pemberton

Cindy Pemberton, Town Clerk

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Agenda Item Submission Form – Section I

Meeting Date: August 2nd, 2023

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Finance **Staff Resource/Contact Person:** Mike Showers

Agenda Title (be exact): Discussion, consideration & possible direction to staff relating to the implementation of Utility Rate Adjustments as outlined in the Town’s Water and Wastewater Rate Study/Analysis prepared by Economists.com.

List Attached Documents: 1) Water & Wastewater Rate Study/Analysis Presentation

Estimated Presentation Time: 10 mins

Estimated Discussion Time: 5 mins

Reviews and Comments Completed by:

Town Manager: _____ **Department Head:** Utilities Director Jeff Low

Town Attorney Comments: _____

Risk Management: _____

Finance Department
Fiscal Impact:
Budget Code: _____ **Amount Remaining:** _____
Comments:

Background Information: At the Council meeting on May 24th, 2023, Council directed staff to move forward with the recommended scenarios for Water and Wastewater as presented. Discussion after this meeting led to additional review by Town staff and Dan Jackson. As this discussion moved forward, it was decided that the proposed rate increase during FY24 on Wastewater customers was going to be significant and was restructured to reduce the impact in FY24. During this time, it also came to light that a new well with storage, arsenic removal and pump is needed immediately for the Town’s water system. The Town has reworked the requested projects and updated the funding requests. This new proposal is attached for Council’s consideration. If approved, staff will post the rate increases with the required documentation online starting the 60-day review period and bring back to council for final approval most probably on October 4th, 2023 with the first rate increase effective January 1st, 2024.

Along with these proposed rate increases, staff is recommending that Council increase the current maximum rate cap of \$75 to \$85 for Wastewater rates. This would be included with the posted rate schedule.

Recommended Action (Motion): Direct staff to post a Notice of Intent to increase Water & Wastewater utility rates based on the recommended scenarios.

Instructions to the Clerk: None.



Town of Camp Verde

Water and Wastewater Rate Study/Analysis

And Long-Term Financial Plan

Council Presentation

economists.com

Council Regular Session

Updated: July 20 2023

August 2, 2023

August 2 2023

Page 6 of 139

Facts about Water and Wastewater Rates in the 21st Century



Town of Camp Verde Current Rate Structure



WATER Rates

Monthly Charge			
5/8" & 3/4"		\$	23.75
1"			50.00
2"			175.00
3"			185.00
4"			225.00
6"			350.00
8"			600.00
Volume Rate (per 1,000 Gallons)			
1	50,000		3.35
50,001	Above		5.70

Wastewater Rates

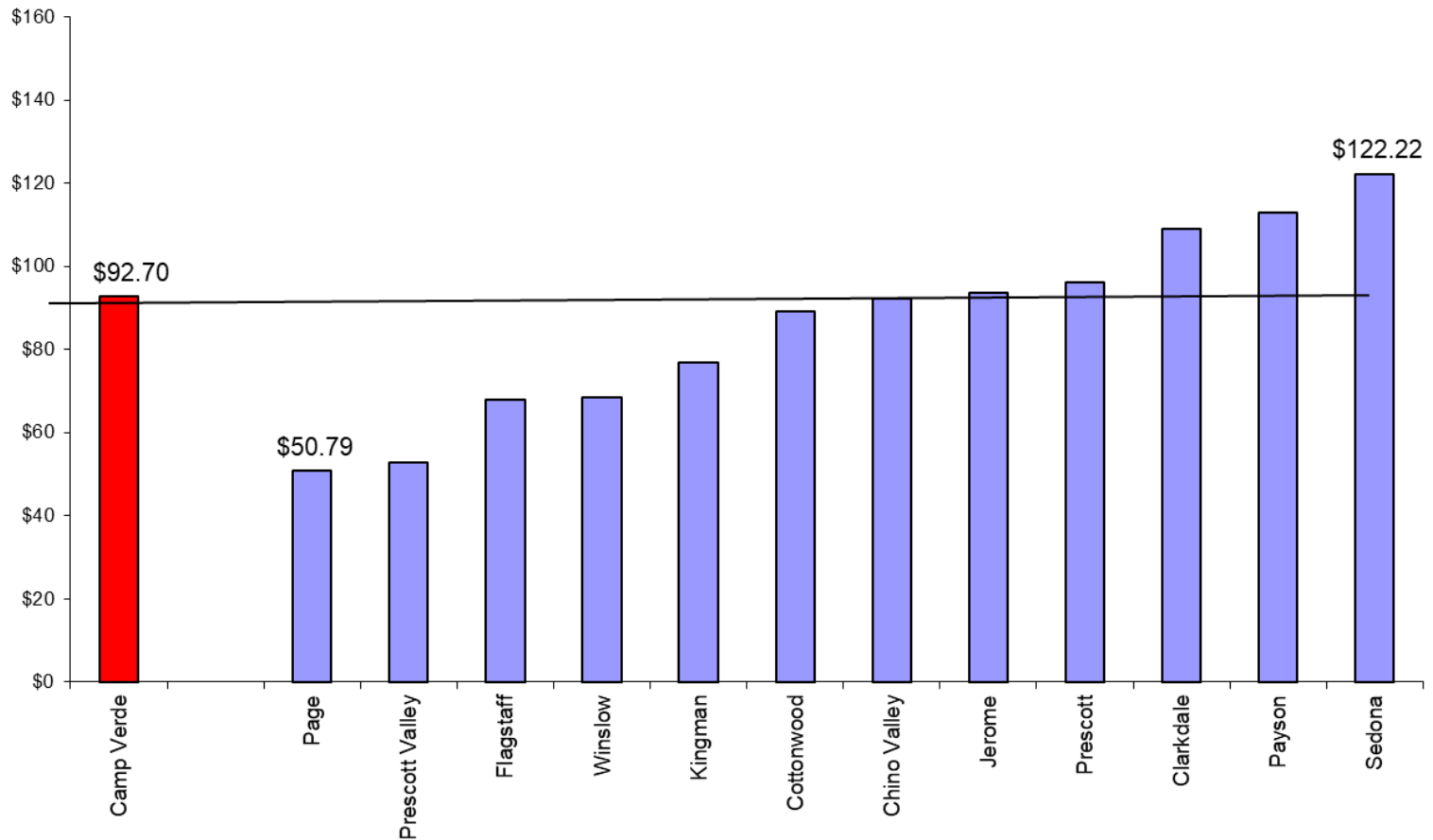
Residential

Minimum Charge	\$	-
Fixture Charge per Unit		2.90

Commercial

Minimum Charge	\$	-
Fixture Charge per Unit		4.51

Comparison of Monthly Charges 5,000 Gallons Water and Wastewater



*Source: WIFA Rate Dashboard

Water and Wastewater Active Accounts Fiscal Year 2023



WATER Accounts

Residential Inside	1,740
Non-Res Inside	243
Yavapai	5
Residential Outside	-
Non-Res Outside	3
Fire	37
Total	2,028

WASTEWATER Accounts

Residential Inside	921
Non-Res Inside	170
Yavapai	1
Residential Outside	-
Total	1,092

Fixture Units

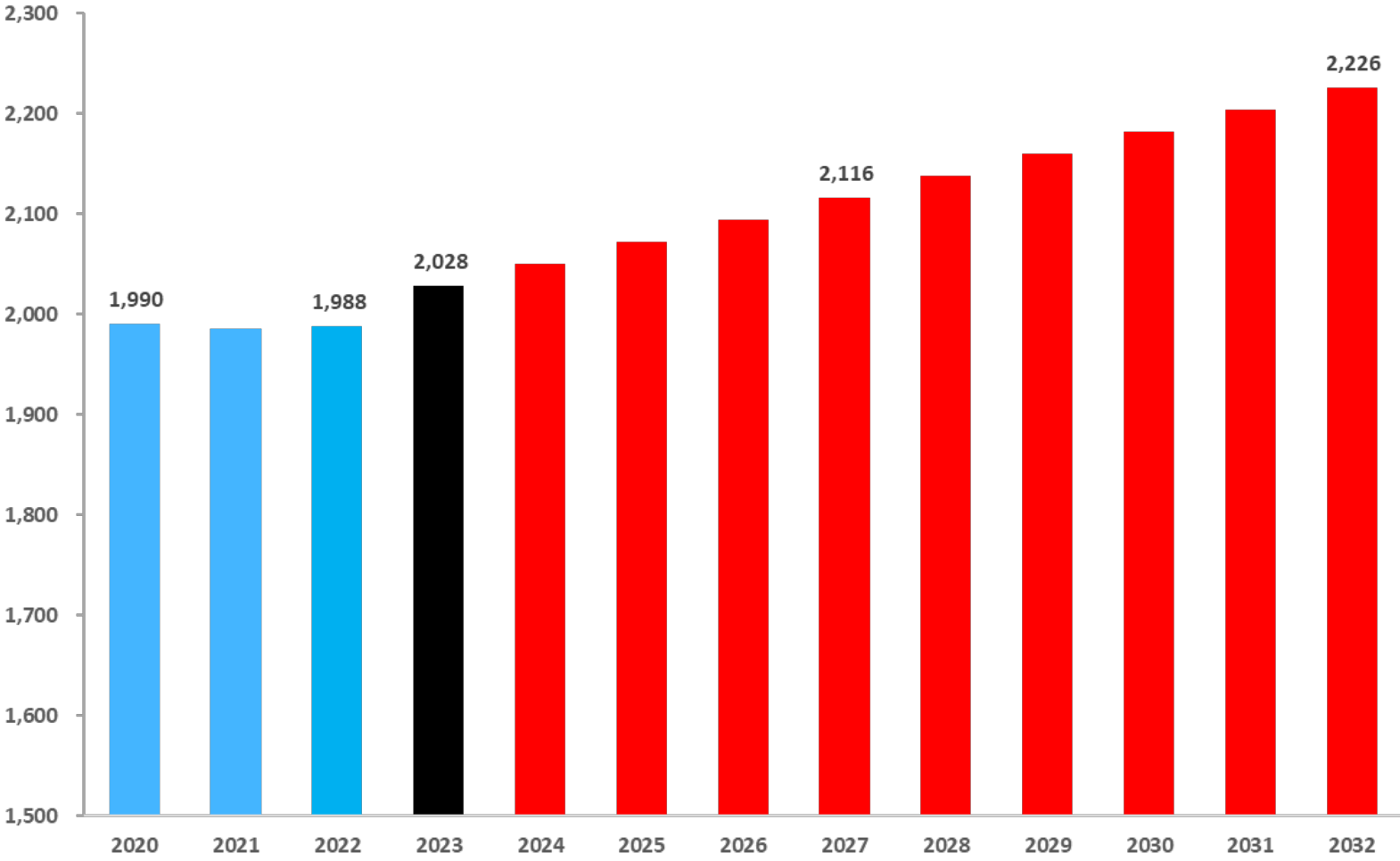
Residential

Total	29,216
Per Connection	32

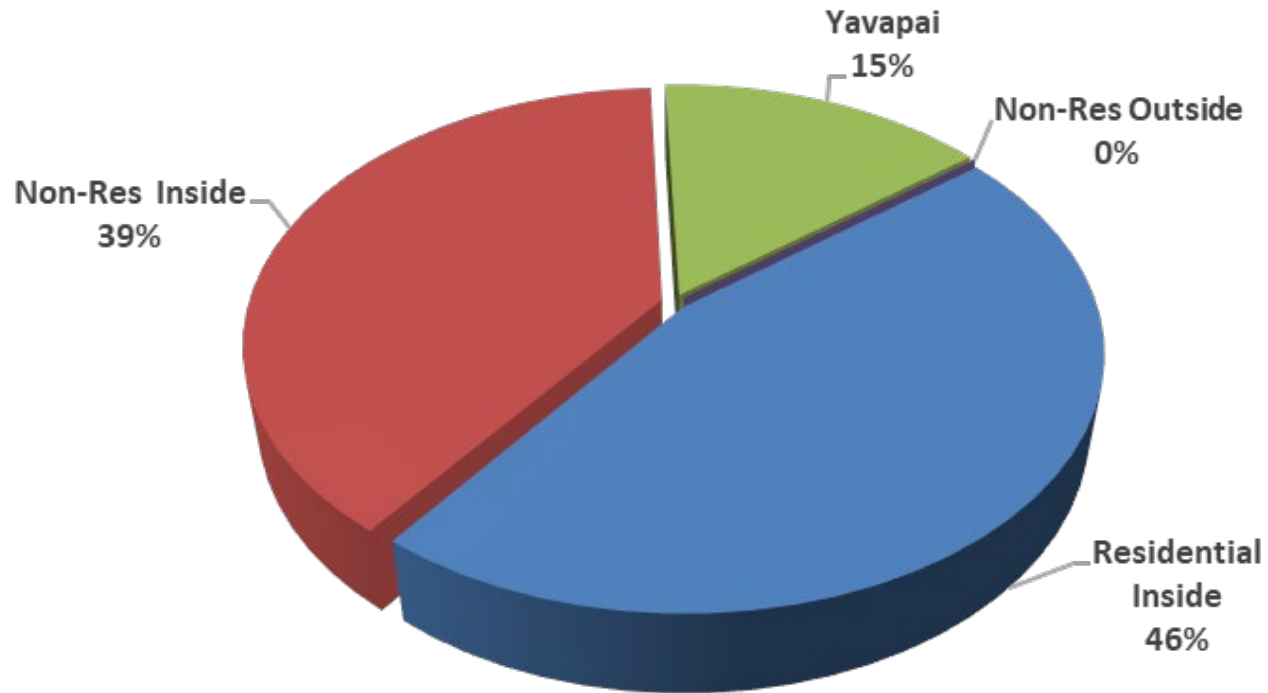
Commercial

Total	5,714
Per Connection	34

Actual and Forecast Total Water Accounts



Test Year 2023 Consumed Water



Water and Wastewater Utility 10 Year Cost of Service Forecast



- Most expenses expected to increase 4.0-6.0% 2023-2025, 3.0% afterwards; some expenses increase at higher rates
- Biggest impact on rate plan: **\$24,050,429** in long term capital improvement needs over next decade
 - Forecast to require **\$23,500,000** in long-term debt, 25 years, 3.5% interest
 - \$16,500,000 of this total to be issued in 2024-2026



Town of Camp Verde Water and Wastewater CIP



WATER

Water Treatment

Design/Construction Mongini Well Arsenic Removal	\$	2,300,000
Verde River Estates Arsenic Removal Program		<u>700,000</u>
		3,000,000

Water Distribution

Water Master Plan		183,200
SCADA/Communication Tower Relocation		68,720
2024 Water Main Replacement Program		5,060,000
Additional Well Pump Station		2,000,000
Additional 2M Gallons Storage Facilities		1,500,000
Well Storage Arsenic Pump Station No. 1		<u>2,000,000</u>
Total		12,911,920

Total Water CIP **15,911,920**

WASTEWATER

Wastewater Treatment

Treatment Plan Admin Office	\$	-
Plant Blower Building Addition		207,259
WWTP Control Panel Upgrade		206,250
Admin Building		200,000
Highway 260 Sewer Extension		2,000,000
WWTP Equalization Basin		<u>4,000,000</u>
Total WW Treatment		6,613,509

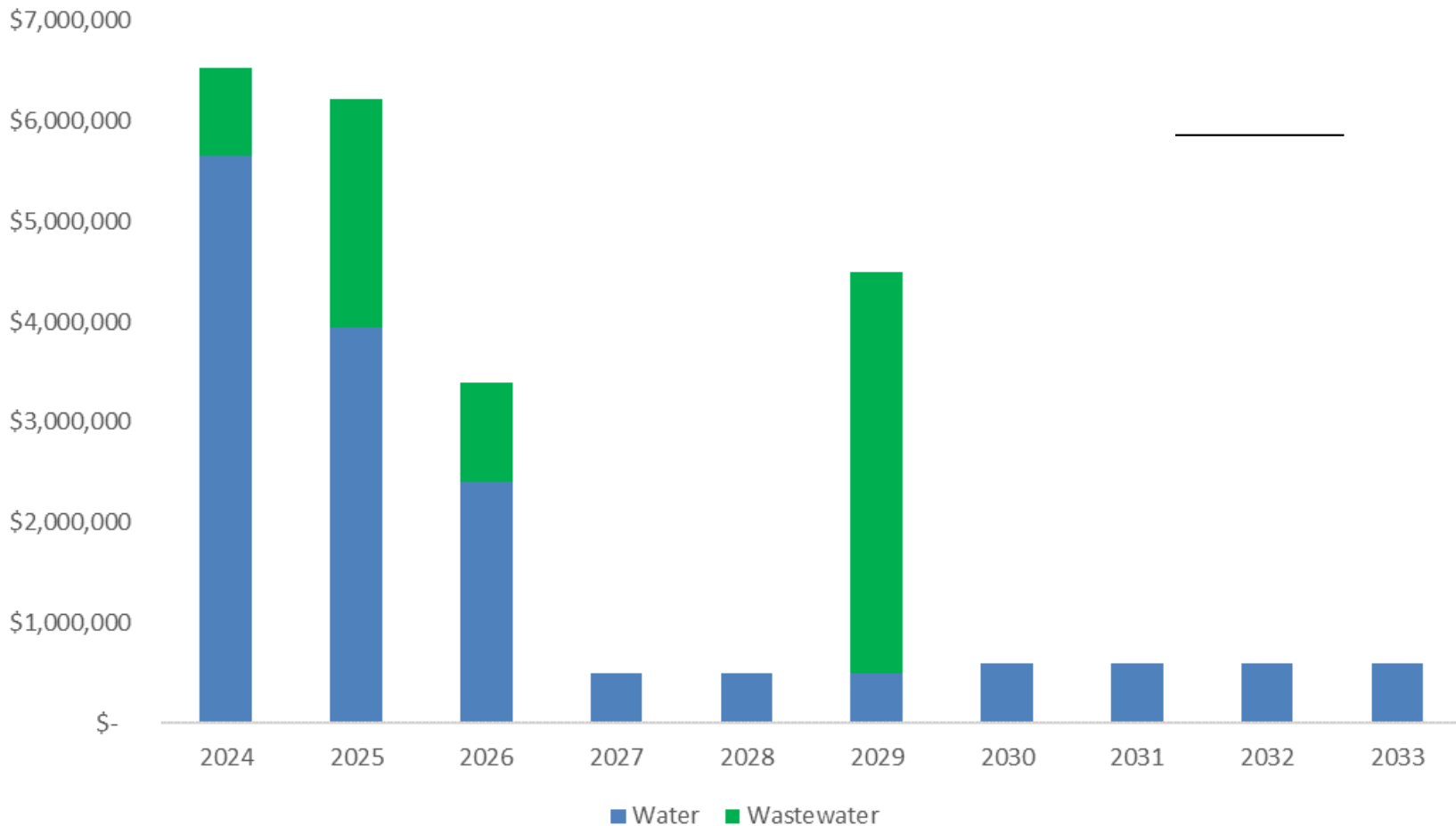
Wastewater Collection

Wastewater Master Plan		250,000
Sewer Lines -- Black Bridge Loop Area		575,000
Lift Station at Rezzonico Park		<u>700,000</u>
Total WW Collection		1,525,000

Total Wastewater CIP **8,138,509**

Total Water and Wastewater CIP **24,050,429**

Town of Camp Verde Water and Wastewater CIP

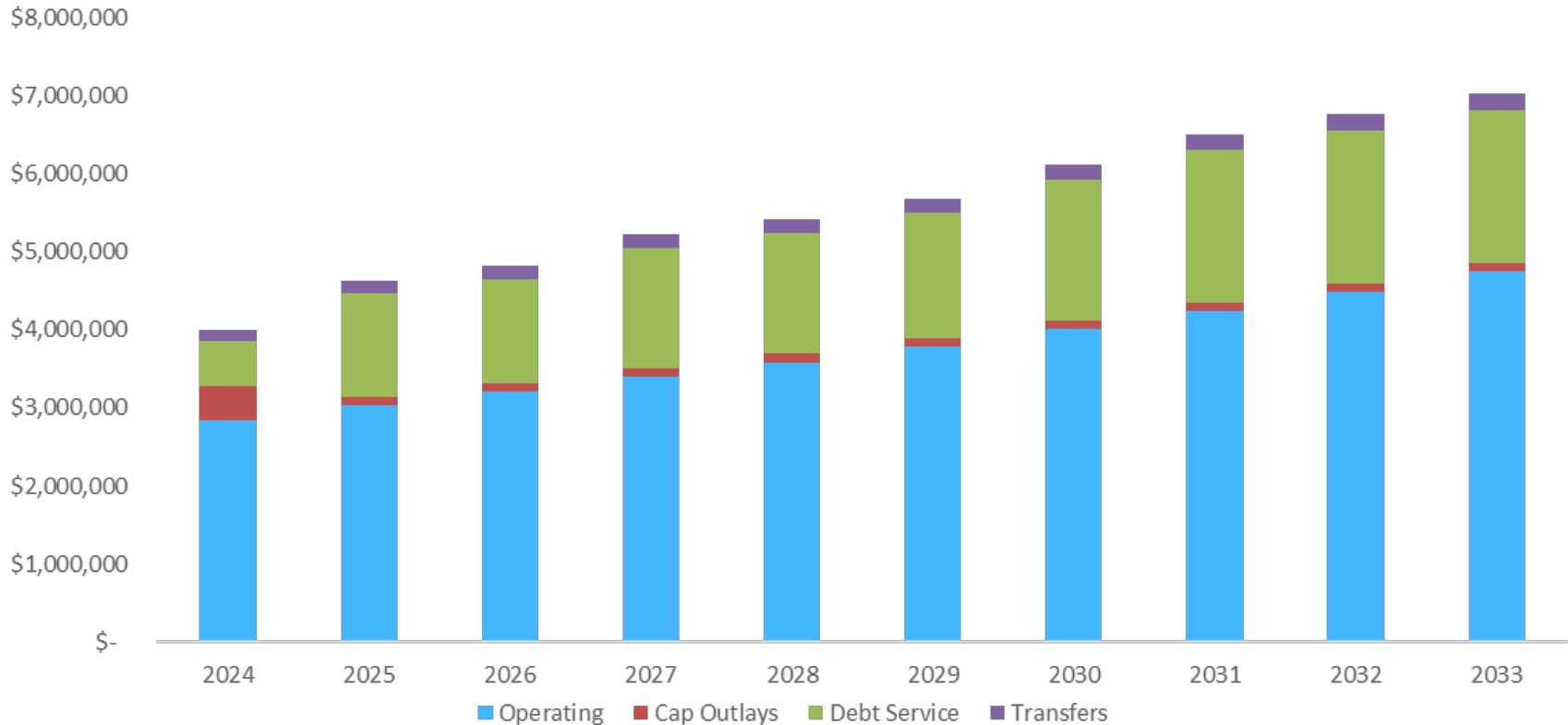


Town of Camp Verde Forecast Water/Wastewater Debt Issues



	Water	Wastewater	Total
FY 2024	\$ 10,000,000	\$ 3,000,000	\$ 13,000,000
FY 2025	-	-	-
FY 2026	2,500,000	1,000,000	3,500,000
FY 2027	-	-	-
FY 2028	1,000,000	-	1,000,000
FY 2029	-	3,500,000	3,500,000
FY 2030	2,500,000	-	2,500,000
FY 2031	-	-	-
FY 2032	-	-	-
FY 2033	-	-	-
Total	\$ 16,000,000	\$ 7,500,000	\$ 23,500,000

Forecast Water/WW Cost of Service FY 2023 – FY 2032



Rate Plan Scenarios



□ Water Rate Plan

- Scenario I – Status Quo
- Scenario II – Conservation Rates

□ Wastewater Rate Plan

- Scenario I – Status Quo (Fixture Units)



Water Rate Plan

Scenario I – Status Quo

Scenario II -- Conservation



		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Rates							
Monthly Minimum Charge							
5/8" & 3/4"	\$	23.75	\$ 27.55	\$ 31.95	\$ 34.85	\$ 35.90	\$ 37.00
1"		50.00	58.00	67.30	73.35	75.55	77.80
2"		175.00	203.00	235.50	256.70	264.40	272.35
3"		185.00	214.60	248.95	271.35	279.50	287.90
4"		225.00	261.00	302.75	330.00	339.90	350.10
6"		350.00	406.00	470.95	513.35	528.75	544.60
8"		600.00	696.00	807.35	880.00	906.40	933.60
Volume Rate Per 1,000 Gal -- Status Quo							
1	50,000	3.35	3.90	4.50	4.90	5.05	5.20
50,001	Above	5.70	6.60	7.65	8.35	8.60	8.85
Volume Rate Per 1,000 Gal -- Conservation							
1	5,000	3.35	3.35	3.90	4.25	4.40	4.55
5,001	10,000	3.35	4.00	4.65	5.05	5.20	5.35
10,001	50,000	3.35	5.50	6.40	7.00	7.20	7.40
50,001	Above	5.70	7.00	8.10	8.85	9.10	9.35

Water Impact on Monthly Charges

Scenario I – Status Quo



		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Charge -- Status Quo							
Meter = 5/8							
5,000 Gal	Total	\$ 40.50	\$ 47.05	\$ 54.45	\$ 59.35	\$ 61.15	\$ 63.00
	Increase -- \$		6.55	7.40	4.90	1.80	1.85
10,000 Gal	Total	57.25	66.55	76.95	83.85	86.40	89.00
	Increase -- \$		9.30	10.40	6.90	2.55	2.60
Meter = 2"							
50,000	Total	342.50	398.00	460.50	501.70	516.90	532.35
	Increase -- \$		55.50	62.50	41.20	15.20	15.45
100,000	Total	627.50	728.00	843.00	919.20	946.90	974.85
	Increase -- \$		100.50	115.00	76.20	27.70	27.95

Water Impact on Monthly Charges Scenario II – Conservation



		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Charge -- Conservation							
Meter = 5/8							
5,000 Gal	Total	\$ 40.50	\$ 44.30	\$ 51.45	\$ 56.10	\$ 57.90	\$ 59.75
	Increase -- \$		3.80	7.15	4.65	1.80	1.85
10,000 Gal	Total	57.25	64.30	74.70	81.35	83.90	86.50
	Increase -- \$		7.05	10.40	6.65	2.55	2.60
Meter = 2"							
50,000	Total	342.50	459.75	534.25	583.20	600.40	617.85
	Increase -- \$		117.25	74.50	48.95	17.20	17.45
100,000	Total	627.50	809.75	939.25	1,025.70	1,055.40	1,085.35
	Increase -- \$		182.25	129.50	86.45	29.70	29.95

Wastewater Rate Plan

Fixture Units Monthly Charge



	Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Wastewater Rates						
Rate per Fixture Unit						
Residential	\$ 2.90	\$ 3.45	\$ 4.10	\$ 4.75	\$ 4.85	\$ 4.95
Non-Residential	4.51	5.35	6.35	7.35	7.50	7.65

Wastewater Impact on Monthly Charges



		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Wastewater Charge -- Status Quo							
Residential Fixture Units							
12	Total	\$ 34.80	\$ 41.40	\$ 49.20	\$ 57.00	\$ 58.20	\$ 59.40
	Increase -- \$		6.60	7.80	7.80	1.20	1.20
18	Total	52.20	62.10	73.80	85.50	87.30	89.10
	Increase -- \$		9.90	11.70	11.70	1.80	1.80
32	Total	92.80	110.40	131.20	152.00	155.20	158.40
	Increase -- \$		17.60	20.80	20.80	3.20	3.20
Commercial Fixture Units							
34	Total	\$ 153.34	\$ 181.90	\$ 215.90	\$ 249.90	\$ 255.00	\$ 260.10
	Increase -- \$		28.56	34.00	34.00	5.10	5.10
70	Total	315.70	374.50	444.50	514.50	525.00	535.50
	Increase -- \$		58.80	70.00	70.00	10.50	10.50
120	Total	541.20	642.00	762.00	882.00	900.00	918.00
	Increase -- \$		100.80	120.00	120.00	18.00	18.00

Presentation Summary

How Will Rate Plan Benefit Town



- Will enable Town to cover all costs of providing water and wastewater service
- Will ensure financial health of utility
- Will enable Town to make \$24 million investment in the future of the Town of Camp Verde



Presentation Summary

Next Steps



- Town must follow guidelines of ARS 9-511 to implement rate adjustment:
 - Council to adopt “Notice of Intent” to adjust rates
 - 60 days after NOI, public hearing on rate plan
 - Council can adopt proposed or revised rate plan after public hearing
 - Rate plan goes into effect 30 days after adoption





Town of Camp Verde

Water and Wastewater Rate Study/Analysis

And Long-Term Financial Plan

Council Presentation

Facts about Water and Wastewater Rates in the 21st Century



- Average utility has been increasing rates 5-6% every year
- Many reasons for rate increases are beyond a utility's control (inflation, environmental regulations, etc.)
- Cost of repairing and maintaining systems has increased significantly in recent years
- Conclusion: while still affordable, water and wastewater costs are going to be higher in the coming years



Town of Camp Verde Current Rate Structure



WATER Rates

Monthly Charge			
5/8" & 3/4"		\$	23.75
1"			50.00
2"			175.00
3"			185.00
4"			225.00
6"			350.00
8"			600.00
Volume Rate (per 1,000 Gallons)			
1	50,000		3.35
50,001	Above		5.70

Wastewater Rates

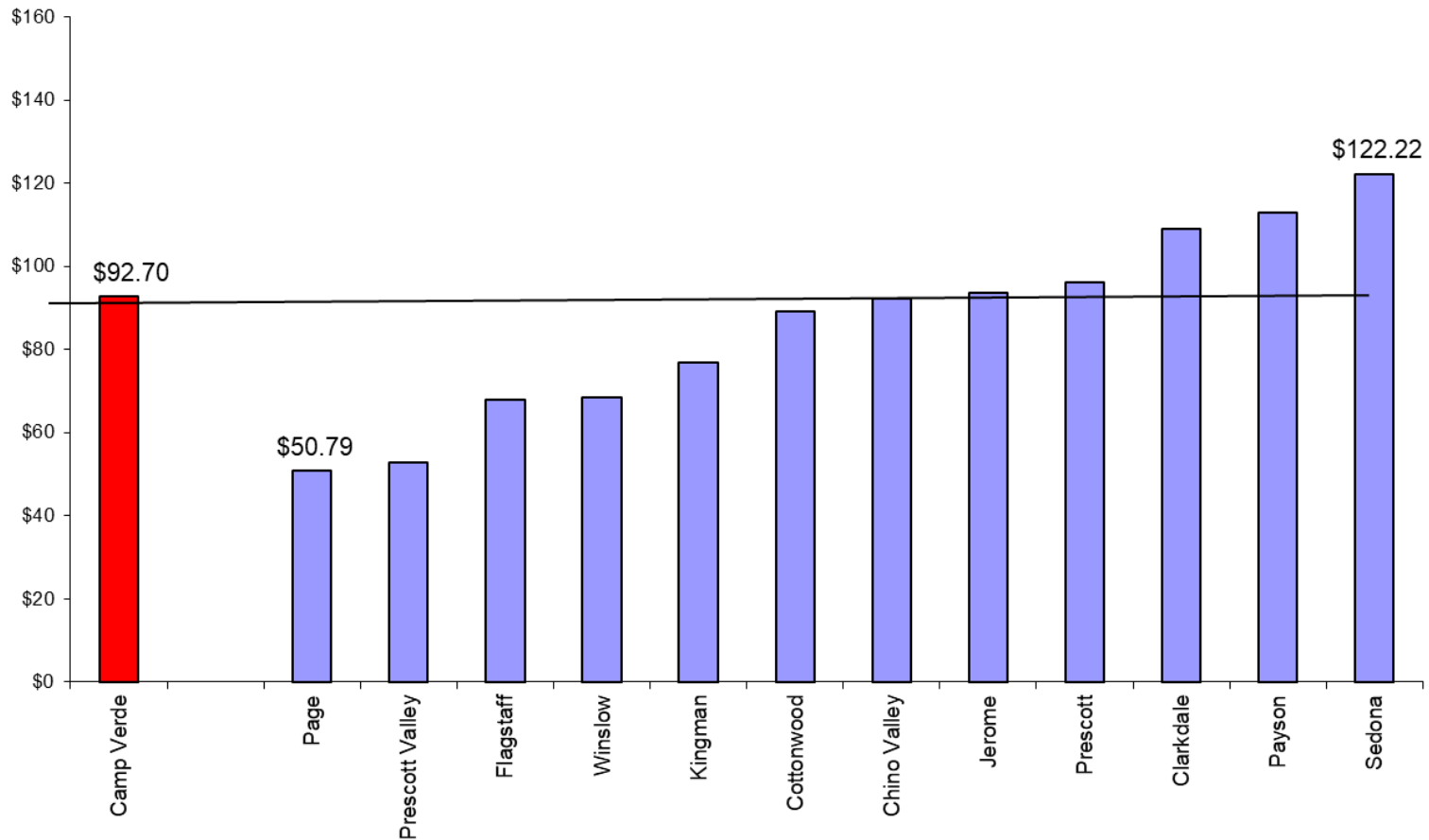
Residential

Minimum Charge	\$	-
Fixture Charge per Unit		2.90

Commercial

Minimum Charge	\$	-
Fixture Charge per Unit		4.51

Comparison of Monthly Charges 5,000 Gallons Water and Wastewater



*Source: WIFA Rate Dashboard

NOTE: CV total assumes 18 WW fixture units

Water and Wastewater Active Accounts Fiscal Year 2023



WATER Accounts

Residential Inside	1,740
Non-Res Inside	243
Yavapai	5
Residential Outside	-
Non-Res Outside	3
Fire	37
Total	2,028

WASTEWATER Accounts

Residential Inside	921
Non-Res Inside	170
Yavapai	1
Residential Outside	-
Total	1,092

Fixture Units

Residential

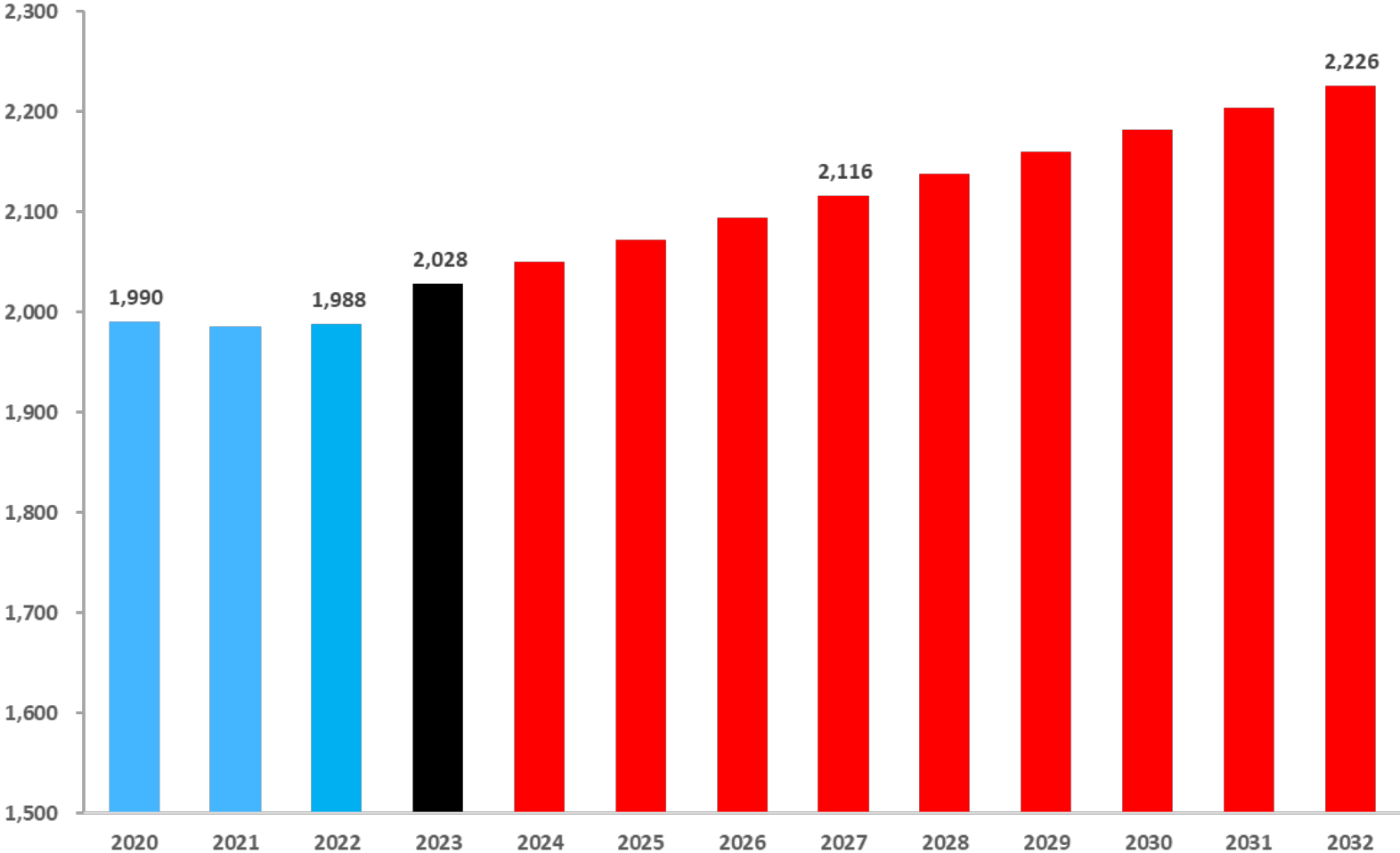
Total	29,216
Per Connection	32

Commercial

Total	5,714
Per Connection	34

NOTE: Town records indicate 18 for residential and 70 for commercial

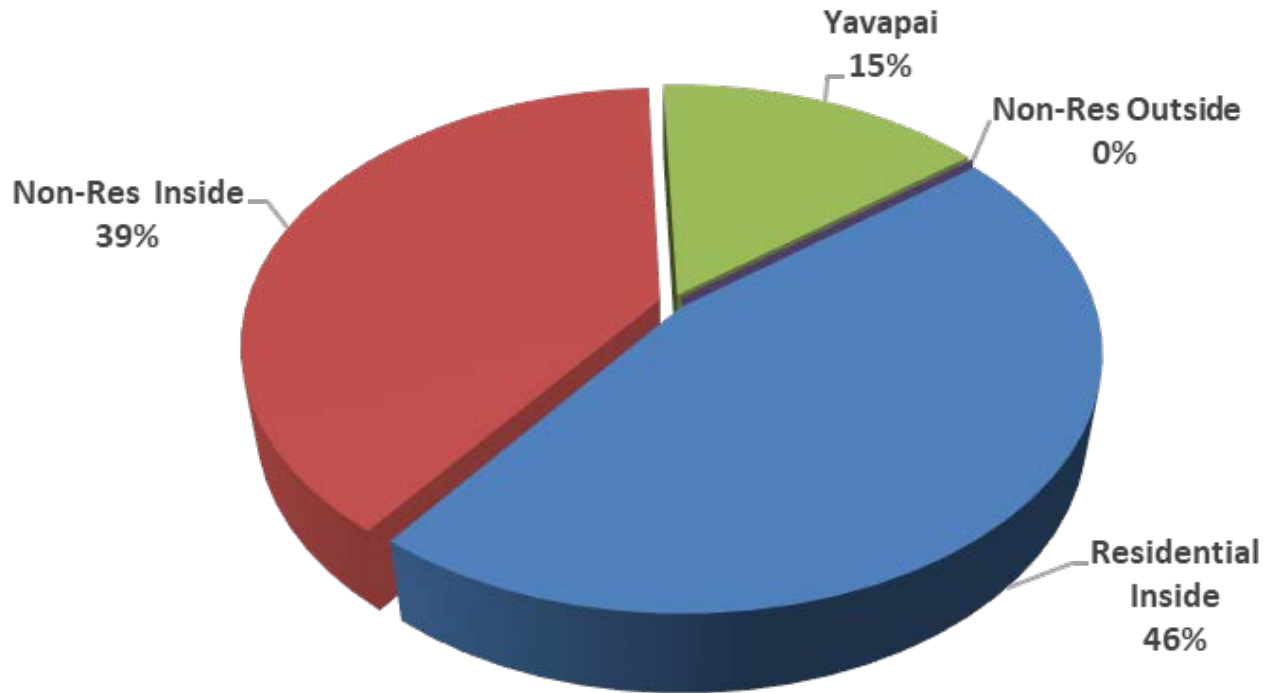
Actual and Forecast Total Water Accounts



Test Year 2023 Consumed Water



Total Gallons = 204,303,715



Water and Wastewater Utility 10 Year Cost of Service Forecast



- Most expenses expected to increase 4.0-6.0% 2023-2025, 3.0% afterwards; some expenses increase at higher rates
- Biggest impact on rate plan: **\$24,050,429** in long term capital improvement needs over next decade
 - Forecast to require **\$23,500,000** in long-term debt, 25 years, 3.5% interest
 - \$16,500,000 of this total to be issued in 2024-2026



Town of Camp Verde Water and Wastewater CIP



WATER

Water Treatment

Design/Construction Mongini Well Arsenic Removal	\$	2,300,000
Verde River Estates Arsenic Removal Program		<u>700,000</u>
		3,000,000

Water Distribution

Water Master Plan		183,200
SCADA/Communication Tower Relocation		68,720
2024 Water Main Replacement Program		5,060,000
Additional Well Pump Station		2,000,000
Additional 2M Gallons Storage Facilities		1,500,000
Well Storage Arsenic Pump Station No. 1		<u>2,000,000</u>
Total		12,911,920

Total Water CIP **15,911,920**

WASTEWATER

Wastewater Treatment

Treatment Plan Admin Office	\$	-
Plant Blower Building Addition		207,259
WWTP Control Panel Upgrade		206,250
Admin Building		200,000
Highway 260 Sewer Extension		2,000,000
WWTP Equalization Basin		<u>4,000,000</u>
Total WW Treatment		6,613,509

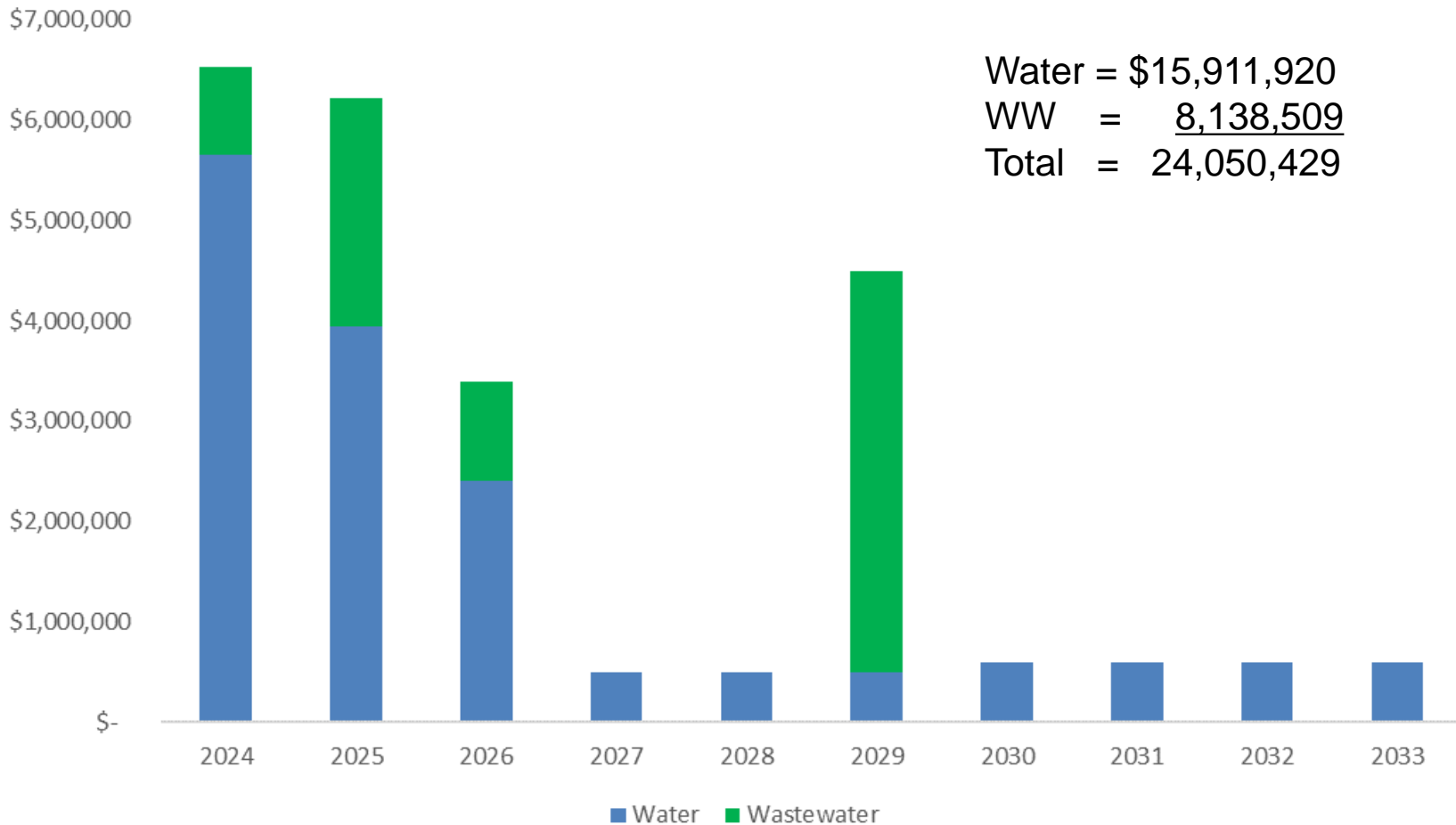
Wastewater Collection

Wastewater Master Plan		250,000
Sewer Lines -- Black Bridge Loop Area		575,000
Lift Station at Rezzonico Park		<u>700,000</u>
Total WW Collection		1,525,000

Total Wastewater CIP **8,138,509**

Total Water and Wastewater CIP **24,050,429**

Town of Camp Verde Water and Wastewater CIP



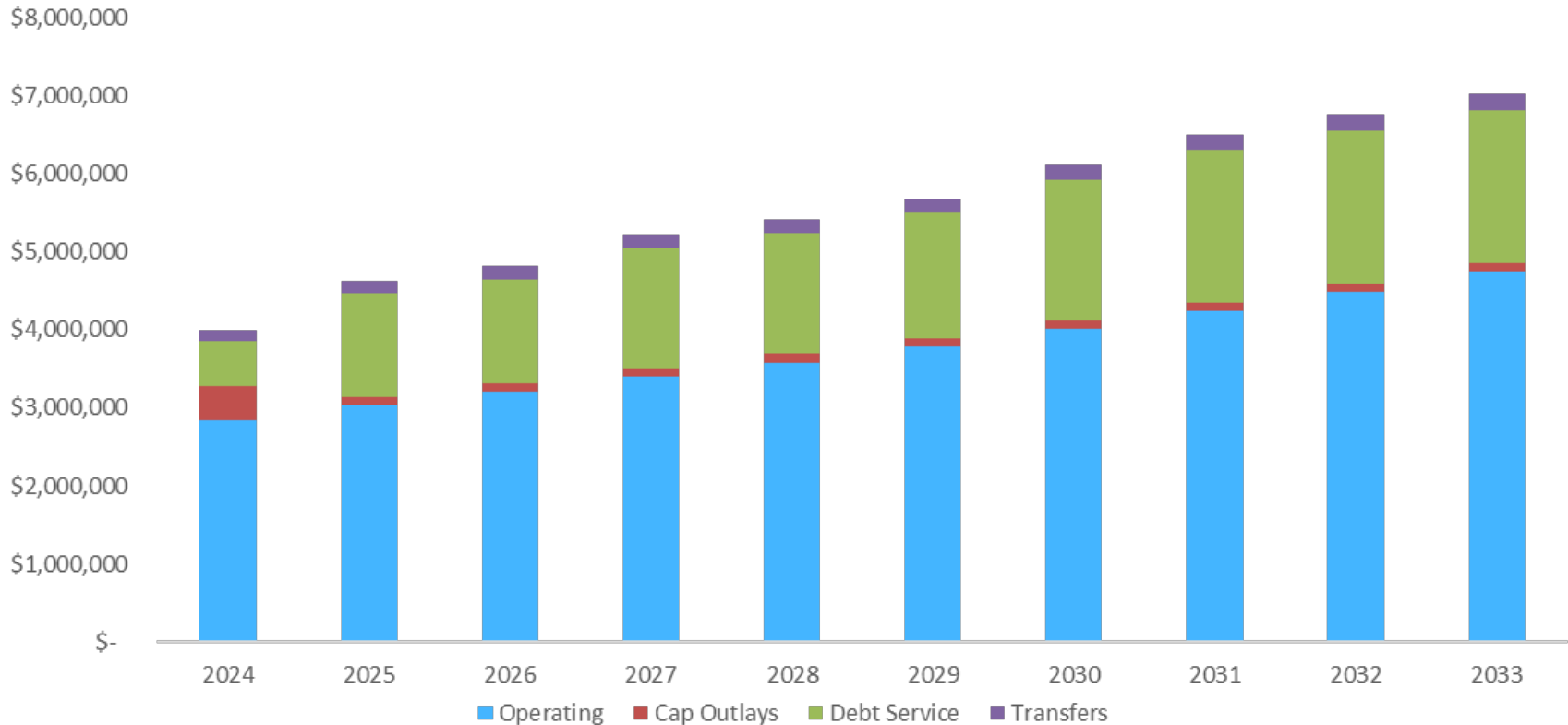
Water = \$15,911,920
 WW = 8,138,509
 Total = 24,050,429

Town of Camp Verde Forecast Water/Wastewater Debt Issues



	Water	Wastewater	Total
FY 2024	\$ 10,000,000	\$ 3,000,000	\$ 13,000,000
FY 2025	-	-	-
FY 2026	2,500,000	1,000,000	3,500,000
FY 2027	-	-	-
FY 2028	1,000,000	-	1,000,000
FY 2029	-	3,500,000	3,500,000
FY 2030	2,500,000	-	2,500,000
FY 2031	-	-	-
FY 2032	-	-	-
FY 2033	-	-	-
Total	\$ 16,000,000	\$ 7,500,000	\$ 23,500,000

Forecast Water/WW Cost of Service FY 2023 – FY 2032



Rate Plan Scenarios



□ Water Rate Plan

- Scenario I – Status Quo
- Scenario II – Conservation Rates

□ Wastewater Rate Plan

- Scenario I – Status Quo (Fixture Units)



Water Rate Plan

Scenario I – Status Quo

Scenario II -- Conservation



Water Rates

	Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Monthly Minimum Charge						
5/8" & 3/4"	\$ 23.75	\$ 27.55	\$ 31.95	\$ 34.85	\$ 35.90	\$ 37.00
1"	50.00	58.00	67.30	73.35	75.55	77.80
2"	175.00	203.00	235.50	256.70	264.40	272.35
3"	185.00	214.60	248.95	271.35	279.50	287.90
4"	225.00	261.00	302.75	330.00	339.90	350.10
6"	350.00	406.00	470.95	513.35	528.75	544.60
8"	600.00	696.00	807.35	880.00	906.40	933.60
Volume Rate Per 1,000 Gal – Status Quo						
1 - 50,000	3.35	3.90	4.50	4.90	5.05	5.20
Above 50,001	5.70	6.60	7.65	8.35	8.60	8.85
Volume Rate Per 1,000 Gal – Conservation						
1 - 5,000	3.35	3.35	3.90	4.25	4.40	4.55
5,001 - 10,000	3.35	4.00	4.65	5.05	5.20	5.35
10,001 - 50,000	3.35	5.50	6.40	7.00	7.20	7.40
Above 50,001	5.70	7.00	8.10	8.85	9.10	9.35

Water Impact on Monthly Charges

Scenario I – Status Quo



		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Charge – Status Quo							
Meter = 5/8							
5,000 Gal	Total	\$ 40.50	\$ 47.05	\$ 54.45	\$ 59.35	\$ 61.15	\$ 63.00
	Increase -- \$		6.55	7.40	4.90	1.80	1.85
10,000 Gal	Total	57.25	66.55	76.95	83.85	86.40	89.00
	Increase -- \$		9.30	10.40	6.90	2.55	2.60
Meter = 2"							
50,000	Total	342.50	398.00	460.50	501.70	516.90	532.35
	Increase -- \$		55.50	62.50	41.20	15.20	15.45
100,000	Total	627.50	728.00	843.00	919.20	946.90	974.85
	Increase -- \$		100.50	115.00	76.20	27.70	27.95

Water Impact on Monthly Charges Scenario II – Conservation



		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Charge -- Conservation							
Meter = 5/8							
5,000 Gal	Total	\$ 40.50	\$ 44.30	\$ 51.45	\$ 56.10	\$ 57.90	\$ 59.75
	Increase -- \$		3.80	7.15	4.65	1.80	1.85
10,000 Gal	Total	57.25	64.30	74.70	81.35	83.90	86.50
	Increase -- \$		7.05	10.40	6.65	2.55	2.60
Meter = 2"							
50,000	Total	342.50	459.75	534.25	583.20	600.40	617.85
	Increase -- \$		117.25	74.50	48.95	17.20	17.45
100,000	Total	627.50	809.75	939.25	1,025.70	1,055.40	1,085.35
	Increase -- \$		182.25	129.50	86.45	29.70	29.95

Wastewater Rate Plan Fixture Units Monthly Charge



Wastewater Rates

Rate per Fixture Unit

	Current		Effective Jan-24		Effective Jan-25		Effective Jan-26		Effective Jan-27		Effective Jan-28	
Residential	\$	2.90	\$	3.45	\$	4.10	\$	4.75	\$	4.85	\$	4.95
Non-Residential		4.51		5.35		6.35		7.35		7.50		7.65

Wastewater Impact on Monthly Charges



		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Wastewater Charge -- Status Quo							
Residential Fixture Units							
12	Total	\$ 34.80	\$ 41.40	\$ 49.20	\$ 57.00	\$ 58.20	\$ 59.40
	Increase -- \$		6.60	7.80	7.80	1.20	1.20
18	Total	52.20	62.10	73.80	85.50	87.30	89.10
	Increase -- \$		9.90	11.70	11.70	1.80	1.80
32	Total	92.80	110.40	131.20	152.00	155.20	158.40
	Increase -- \$		17.60	20.80	20.80	3.20	3.20
Commercial Fixture Units							
34	Total	\$ 153.34	\$ 181.90	\$ 215.90	\$ 249.90	\$ 255.00	\$ 260.10
	Increase -- \$		28.56	34.00	34.00	5.10	5.10
70	Total	315.70	374.50	444.50	514.50	525.00	535.50
	Increase -- \$		58.80	70.00	70.00	10.50	10.50
120	Total	541.20	642.00	762.00	882.00	900.00	918.00
	Increase -- \$		100.80	120.00	120.00	18.00	18.00

Presentation Summary

How Will Rate Plan Benefit Town



- Will enable Town to cover all costs of providing water and wastewater service
- Will ensure financial health of utility
- Will enable Town to make \$24 million investment in the future of the Town of Camp Verde



Presentation Summary

Next Steps



- Town must follow guidelines of ARS 9-511 to implement rate adjustment:
 - Council to adopt “Notice of Intent” to adjust rates
 - 60 days after NOI, public hearing on rate plan
 - Council can adopt proposed or revised rate plan after public hearing
 - Rate plan goes into effect 30 days after adoption





QUESTIONS?

economists.com



Town of Camp Verde

**2023 Water and
Wastewater Rate Study
and Long-Term Financial
Plan**

July 2023

Economists.com

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**TOWN OF CAMP VERDE, ARIZONA
2023 WATER AND WASTEWATER RATE STUDY
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Appendix

- Appendix A – Water and Wastewater Rate Model Scenario I**
- Appendix B – Water and Wastewater Rate Model Scenario II**

Acknowledgements

Throughout the course of this rate study, Town employees expended considerable time and effort in aiding the project team. These employees included Michael Showers, Jeff Low, and Barbara Goodrich. The project team owes a debt of gratitude to the hard work, dedication, and professionalism of these individuals, without whom this project would not have been successfully completed.

The project team has relied upon the extensive data supplied by the Town. Thus, the veracity of the study is principally reliant upon the accuracy of this financial and customer data. Every effort has been made by the project team to validate the information contained herein prior to the preparation of the final study documents. **This report presents no assurance or guarantee that the forecast contained herein will be consistent with actual results or performances.** These represent forecasts based on a series of assumptions about future behavior and are not guarantees. Any changes in assumptions or actual events may result in significant revisions to the forecast and its conclusions. The cash flow projections and debt service coverage calculations are not intended to present overall financial positions, results of operations, and/or cash flows for the periods indicated, in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants.

Executive Summary

Background



In early 2023, the Town of Camp Verde, Arizona (“the Town”) engaged **economists.com** to complete a Water and Wastewater Rate Study and Long-Term Financial Plan. The Town identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the water and wastewater systems’ current cost of service and revenue requirements.
- A forecast of operating expenses over the next decade, taking into consideration salient factors such as cost of water and wastewater treatment, inflation, system growth, and increases in staffing levels.
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period.
- A thorough assessment, review, and update of the water and wastewater system’s known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt.
- An evaluation of the current water and wastewater rate structures and revenue recovered versus the revenue requirement, both overall and for each customer class.
- The development of a rate structure that would recover the Town’s cost of service, ensure equitable, just, and reasonable treatment of identified customer classes, and maintain critical financial ratios.

The analysis and recommendation presented in this study achieve all the objectives outlined.

Water and Wastewater Rate Comparison

Table ES-1 compares the Town’s monthly water and wastewater charges to several cities or utilities located in Arizona. A billing volume of 5,000 gallons of water and 5,000 gallons of wastewater was applied for the residential

comparison, as it represents typical usage levels for an average household on the Town’s system. Camp Verde wastewater comparison assumes 18 wastewater fixture units.

The rate and customer cost data are based on published rates and ordinances posted by each municipality in their rate ordinance. These rates do not include sales tax, activation or other charges beyond the monthly base and volume charges. Additionally, where appropriate, certain cities that charge for service based on cubic feet of water have had their rates converted to an equivalent charge per 1,000 gallons. The table reveals that the Town’s rates are a little higher than the sample average.

Table ES-1

TOWN OF CAMP VERDE			
MONTHLY RESIDENTIAL CHARGES -- 5,000 GALLONS WATER AND WASTEWATER, 5/8" Meter			
	Water	Wastewater	Total
Camp Verde	\$ 40.50	\$ 52.20	\$ 92.70
Prescott	41.24	54.97	\$ 96.21
Prescott Valley	25.05	27.77	52.82
Cottonwood	40.45	48.75	89.20
Clarkdale	55.12	54.00	109.12
Jerome	41.05	52.67	93.72
Sedona	61.11	61.11	122.22
Chino Valley	32.11	60.00	92.11
Flagstaff	41.26	26.75	68.01
Winslow	29.57	38.88	68.45
Kingman	20.66	56.10	76.76
Page	18.83	31.96	50.79
Payson	60.78	52.20	112.98
Sample Average			86.55

Source: WFA Rate Dashboard

Water and Wastewater Customers and Volumes – Test Year & Ten-Year Forecast

Most of the water and wastewater accounts served by the Town are residential accounts. **Table ES-2** presents total water connections (customers) by customer class for the test year and forecast period. As demonstrated, overall water accounts are forecast to increase from **2,028** in the test year to **2,226** in FY 2033. **Table ES-3** presents total wastewater connections by customer class for the test year and the projection period. Similarly, wastewater accounts are forecast to increase from **1,092** in the test year to **2,120** in FY 2033. The addition of these new connections will result in both non-recurring connection fees and increasing monthly water and wastewater revenues.

Table ES-2

TOWN OF CAMP VERDE							
FORECAST TOTAL CUSTOMERS							
WATER Customer Classes							
	Residential Inside	Non-Res Inside	Yavapai	Residential Outside	Non-Res Outside	Fire	Total
WATER Total Customers							
2020	1,561	294	5	-	3	37	1,900
2021	1,634	270	5	-	2	37	1,948
2022	1,720	233	5	-	3	37	1,998
2024	1,740	243	5	-	3	37	2,028
2025	1,760	245	5	-	3	37	2,050
2026	1,780	247	5	-	3	37	2,072
2027	1,800	249	5	-	3	37	2,094
2028	1,820	251	5	-	3	37	2,116
2029	1,840	253	5	-	3	37	2,138
2030	1,860	255	5	-	3	37	2,160
2031	1,880	257	5	-	3	37	2,182
2032	1,900	259	5	-	3	37	2,204
2033	1,920	261	5	-	3	37	2,226
WATER Annual New Customers							
2021	73	(24)	-	-	(1)	-	48
2022	86	(37)	-	-	1	-	50
2024	20	10	-	-	-	-	30
2025	20	2	-	-	-	-	22
2026	20	2	-	-	-	-	22
2027	20	2	-	-	-	-	22
2028	20	2	-	-	-	-	22
2029	20	2	-	-	-	-	22
2030	20	2	-	-	-	-	22
2031	20	2	-	-	-	-	22
2032	20	2	-	-	-	-	22
2033	20	2	-	-	-	-	22

Table ES-3

TOWN OF CAMP VERDE						
FORECAST TOTAL CUSTOMERS						
WASTEWATER Customer Classes						
	Residential Inside	Non-Res Inside	Yavapai	Residential Outside	Non-Res Outside	Total
WASTEWATER Total Customers						
2021	726	165	1	-	-	892
2022	901	169	1	-	-	1,071
2024	921	170	1	-	-	1,092
2025	971	172	1	-	-	1,144
2026	1,021	174	1	-	-	1,196
2027	1,151	176	1	-	-	1,328
2028	1,281	178	1	-	-	1,460
2029	1,411	180	1	-	-	1,592
2030	1,541	182	1	-	-	1,724
2031	1,671	184	1	-	-	1,856
2032	1,801	186	1	-	-	1,988
2033	1,931	188	1	-	-	2,120
WASTEWATER Annual New Customers						
2022	175	4	-	-	-	179
2024	20	1	-	-	-	21
2025	50	2	-	-	-	52
2026	50	2	-	-	-	52
2027	130	2	-	-	-	132
2028	130	2	-	-	-	132
2029	130	2	-	-	-	132
2030	130	2	-	-	-	132
2031	130	2	-	-	-	132
2032	130	2	-	-	-	132
2033	130	2	-	-	-	132

The Town’s water and wastewater volumes are presented in **Table ES-4 and Table ES-5**. Detailed calculations of consumption billing units are presented in Section II of this report and in the rate model presented in **Appendix A**.

Table ES-4

TOWN OF CAMP VERDE							
FORECAST BILLED CONSUMPTION							
WATER Customer Classes							
	Residential Inside	Non-Res Inside	Yavapai	Residential Outside	Non-Res Outside	Fire	Total
WATER Annual Consumption							
2021	89,667,800	74,958,700	15,056,600	-	-	-	179,683,100
2022	92,658,500	79,494,800	30,648,000	-	96,500	-	202,897,800
2024	93,735,924	79,823,291	30,648,000	-	96,500	-	204,303,715
2025	94,813,349	80,480,273	30,648,000	-	96,500	-	206,038,122
2026	95,890,773	81,137,255	30,648,000	-	96,500	-	207,772,528
2027	96,968,198	81,794,236	30,648,000	-	96,500	-	209,506,934
2028	98,045,622	82,451,218	30,648,000	-	96,500	-	211,241,340
2029	99,123,047	83,108,200	30,648,000	-	96,500	-	212,975,747
2030	100,200,471	83,765,182	30,648,000	-	96,500	-	214,710,153
2031	101,277,895	84,422,164	30,648,000	-	96,500	-	216,444,559
2032	102,355,320	85,079,145	30,648,000	-	96,500	-	218,178,965
2033	103,432,744	85,736,127	30,648,000	-	96,500	-	219,913,371

Table ES-5

TOWN OF CAMP VERDE						
FORECAST WASTEWATER BILLING UNITS						
WASTEWATER Customer Classes						
	Residential Inside	Non-Res Inside	Yavapai	Residential Outside	Non-Res Outside	Total
WASTEWATER Billing Units						
2021	39,724,200	42,330,000	3,798,100	-	-	85,852,300
2022	45,896,200	41,143,000	4,092,200	-	-	91,131,400
2024	45,896,200	41,143,000	4,092,200	-	-	91,131,400
2025	48,387,850	41,627,035	4,092,200	-	-	94,107,086
2026	50,879,501	42,111,071	4,092,200	-	-	97,082,771
2027	57,357,792	42,595,106	4,092,200	-	-	104,045,098
2028	63,836,083	43,079,141	4,092,200	-	-	111,007,424
2029	70,314,374	43,563,176	4,092,200	-	-	117,969,750
2030	76,792,665	44,047,212	4,092,200	-	-	124,932,076
2031	83,270,956	44,531,247	4,092,200	-	-	131,894,403
2032	89,749,247	45,015,282	4,092,200	-	-	138,856,729
2033	96,227,538	45,499,318	4,092,200	-	-	145,819,055

Water and Wastewater Capital Improvement Plan

One of the most critical components of a utility’s revenue requirement and rate plan is the forecast Capital Improvements required to repair and maintain the system. Like most municipalities, Camp Verde maintains an extensive and detailed Capital Improvement Plan. Minor capital improvements are contained in the Town’s budget and are funded annually. Major capital improvements have historically been funded primarily through operating revenue, although certain projects have been funded by debt issued by the Town.

Town staff and the project team worked together to develop the Town’s forecast capital improvements needs in FY 2024 - 2033. The forecast CIP is summarized in **Table ES-6**. As the table reveals, the Town is forecast to invest **\$24,050,429** in total capital improvements in the next ten years.

Table ES-6

TOWN OF CAMP VERDE	
CAPITAL IMPROVEMENT PLAN PROJECTS ASSIGNED FUNDING THROUGH AVAILABLE RESOURCES	
SCENARIO:	2023 08 02 – Scenario I – Status Quo
	Total
WATER	
Water Treatment	
Design/Construction Mongini Well Arsenic Removal	\$ 2,300,000
Verde River Estates Arsenic Removal Program	<u>700,000</u>
	3,000,000
Water Distribution	
Water Master Plan	183,200
SCADA/Communication Tower Relocation	68,720
2024 Water Main Replacement Program	5,060,000
Additional Well Pump Station	2,000,000
Additional 2M Gallons Storage Facilities	1,500,000
Well Storage Arsenic Pump Station No. 1	<u>2,000,000</u>
Total	12,911,920
Total Water CIP	15,911,920
WASTEWATER	
Wastewater Treatment	
Treatment Plan Admin Office	\$ -
Plant Blower Building Addition	207,259
WWTP Control Panel Upgrade	206,250
Admin Building	200,000
Highway 260 Sewer Extension	2,000,000
WWTP Equalization Basin	<u>4,000,000</u>
Total WW Treatment	6,613,509
Wastewater Collection	
Wastewater Master Plan	250,000
Sewer Lines -- Black Bridge Loop Area	575,000
Lift Station at Rezzonico Park	<u>700,000</u>
Total WW Collection	1,525,000
Total Wastewater CIP	8,138,509
Total Water and Wastewater CIP	24,050,429

The CIP is forecast to be funded through a combination of Water and Wastewaters Long-Term Debt Issuance. It should be noted that if the Town materially revises its CIP, the rate plan may be subject to potentially significant revision.

Table ES-7 illustrates the annual forecast of long-term debt issuances required to fund CIP projects.

Table ES-7

TOWN OF CAMP VERDE			
WATER/WASTEWATER FUTURE BOND ISSUES			
	Water	Wastewater	Total
FY 2024	\$ 10,000,000	\$ 3,000,000	\$ 13,000,000
FY 2025	-	-	-
FY 2026	2,500,000	1,000,000	3,500,000
FY 2027	-	-	-
FY 2028	1,000,000	-	1,000,000
FY 2029	-	3,500,000	3,500,000
FY 2030	2,500,000	-	2,500,000
FY 2031	-	-	-
FY 2032	-	-	-
FY 2033	-	-	-
Total	\$ 16,000,000	\$ 7,500,000	\$ 23,500,000

Water and Wastewater Test Year and Forecast Net Revenue Requirement

Table ES-8 presents the Town’s forecast Net Revenue Requirement for the ten-year period FY 2024 through FY 2033. The table reveals that the total revenue requirement to be raised from rates is expected to increase from **\$3,235,239** in FY 2024 to **\$6,256,4115** in FY 2033. Detailed calculations are presented in the rate model contained in **Appendix A** of this report.

Table ES-8

TOWN OF CAMP VERDE							
CURRENT AND FORECAST NET REVENUE REQUIREMENT							
SCENARIO:	2023 08 02 -- Scenario I -- Status Quo						
	Operating Expenses	Capital Outlays	Debt Service	Transfers & Contingencies	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WATER Revenue Requirement							
2024	\$ 977,355	\$ 192,500	\$ 447,417	\$ 68,800	\$ 1,686,072	\$ 223,220	\$ 1,462,852
2025	1,047,520	7,500	1,021,697	72,928	2,149,645	223,220	1,926,425
2026	1,115,831	7,500	1,021,695	75,845	2,220,871	223,220	1,997,651
2027	1,185,217	7,500	1,173,382	78,120	2,444,219	223,220	2,220,999
2028	1,259,623	7,500	1,173,382	80,464	2,520,969	223,220	2,297,749
2029	1,339,459	7,500	1,234,059	82,878	2,663,896	223,220	2,440,676
2030	1,425,169	7,500	1,234,056	85,364	2,752,090	223,220	2,528,870
2031	1,517,238	7,500	1,385,740	87,925	2,998,403	223,220	2,775,183
2032	1,616,191	7,500	1,385,722	90,563	3,099,976	223,220	2,876,756
2033	1,722,603	7,500	1,385,722	93,280	3,209,105	223,220	2,985,885
WASTEWATER Revenue Requirement							
2024	\$ 1,858,635	\$ 241,000	\$ 134,242	\$ 82,730	\$ 2,316,607	\$ 544,220	\$ 1,772,387
2025	1,984,275	100,000	306,527	87,694	2,478,496	544,220	1,934,276
2026	2,098,138	100,000	306,525	91,202	2,595,865	544,220	2,051,645
2027	2,208,093	100,000	367,200	93,938	2,769,230	544,220	2,225,010
2028	2,324,618	100,000	367,200	96,756	2,888,574	544,220	2,344,354
2029	2,448,169	100,000	367,200	99,658	3,015,027	544,220	2,470,807
2030	2,579,235	100,000	579,559	102,648	3,361,442	544,220	2,817,222
2031	2,718,345	100,000	579,561	105,728	3,503,633	544,220	2,959,413
2032	2,866,068	100,000	579,558	108,899	3,654,525	544,220	3,110,305
2033	3,023,021	100,000	579,559	112,166	3,814,746	544,220	3,270,526
TOTAL Revenue Requirement							
2024	\$ 2,835,990	\$ 433,500	\$ 581,659	\$ 151,530	\$ 4,002,679	\$ 767,440	\$ 3,235,239
2025	3,031,795	107,500	1,328,223	160,622	4,628,140	767,440	3,860,700
2026	3,213,970	107,500	1,328,219	167,047	4,816,736	767,440	4,049,296
2027	3,393,309	107,500	1,540,581	172,058	5,213,449	767,440	4,446,009
2028	3,584,241	107,500	1,540,581	177,220	5,409,542	767,440	4,642,102
2029	3,787,628	107,500	1,601,258	182,536	5,678,923	767,440	4,911,483
2030	4,004,404	107,500	1,813,615	188,013	6,113,532	767,440	5,346,092
2031	4,235,583	107,500	1,965,301	193,653	6,502,036	767,440	5,734,596
2032	4,482,260	107,500	1,965,280	199,462	6,754,502	767,440	5,987,062
2033	4,745,624	107,500	1,965,281	205,446	7,023,851	767,440	6,256,411

Water and Wastewater Rate Design Scenario I – Status Quo

The status quo rate design maintains the existing rate structure for water and wastewater; and introduces necessary percentage adjustments. It includes higher initial adjustments required wastewater in FY 2024 through FY 2026 to recover its cost of service.

Table ES-9 summarizes the water and wastewater rate recommendations for the five-year period 2024 - 2028. The table reveals that the proposed wastewater rate increases are higher in the years 2024 – 2026.

Table ES-10 calculates the average impact on monthly water bills of the proposed rate design at various usage levels. The average residential monthly water usage in the Town is approximately 4,500 gallons. The results of the analysis are included in Appendix A.

Table ES-11 calculates the average impact on monthly wastewater bills of the proposed rate design at various fixture levels. This rate design assumes that the Town stays with the same method they are currently charging for wastewater service. The results of the analysis are included in **Appendix A**.

Table ES-9

TOWN OF CAMP VERDE		Water and Wastewater Rates					
Scenario: 2023 08 02 -- Scenario I -- Status Quo		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Rates							
Monthly Minimum Charge							
5/8" & 3/4"	\$	23.75	\$ 27.55	\$ 31.95	\$ 34.85	\$ 35.90	\$ 37.00
1"		50.00	58.00	67.30	73.35	75.55	77.80
2"		175.00	203.00	235.50	256.70	264.40	272.35
3"		185.00	214.60	248.95	271.35	279.50	287.90
4"		225.00	261.00	302.75	330.00	339.90	350.10
6"		350.00	406.00	470.95	513.35	528.75	544.60
8"		600.00	696.00	807.35	880.00	906.40	933.60
Volume Rate Per 1,000 Gal -- Status Quo							
1 50,000		3.35	3.90	4.50	4.90	5.05	5.20
50,001 Above		5.70	6.60	7.65	8.35	8.60	8.85
Wastewater Rates							
Rates Per Fixture Unit							
Residential	\$	2.90	\$ 3.45	\$ 4.10	\$ 4.75	\$ 4.85	\$ 4.95
Non-Residential		4.51	5.35	6.35	7.35	7.50	7.65

Table ES-10

TOWN OF CAMP VERDE			IMPACT OF RATE PLAN ON MONTHLY CHARGES					
			Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Charge – Status Quo								
Meter = 5/8								
5,000 Gal	Total	\$ 40.50	\$ 47.05	\$ 54.45	\$ 59.35	\$ 61.15	\$ 63.00	
	Increase -- \$		6.55	7.40	4.90	1.80	1.85	
	Increase -- %		16.2%	15.7%	9.0%	3.0%	3.0%	
10,000 Gal	Total	57.25	66.55	76.95	83.85	86.40	89.00	
	Increase -- \$		9.30	10.40	6.90	2.55	2.60	
	Increase -- %		16.2%	15.6%	9.0%	3.0%	3.0%	
20,000 Gal	Total	90.75	105.55	121.95	132.85	136.90	141.00	
	Increase -- \$		14.80	16.40	10.90	4.05	4.10	
	Increase -- %		16.3%	15.5%	8.9%	3.0%	3.0%	
Meter = 2"								
50,000	Total	342.50	398.00	460.50	501.70	516.90	532.35	
	Increase -- \$		55.50	62.50	41.20	15.20	15.45	
	Increase -- %		16.2%	15.7%	8.9%	3.0%	3.0%	
100,000	Total	627.50	728.00	843.00	919.20	946.90	974.85	
	Increase -- \$		100.50	115.00	76.20	27.70	27.95	
	Increase -- %		16.0%	15.8%	9.0%	3.0%	3.0%	

Table ES-11

TOWN OF CAMP VERDE			IMPACT OF RATE PLAN ON MONTHLY CHARGES					
			Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Wastewater Charge – Status Quo								
Residential Fixture Units								
12	Total	\$ 34.80	\$ 41.40	\$ 49.20	\$ 57.00	\$ 58.20	\$ 59.40	
	Increase -- \$		6.60	7.80	7.80	1.20	1.20	
	Increase -- %		19.0%	18.8%	15.9%	2.1%	2.1%	
18	Total	52.20	62.10	73.80	85.50	87.30	89.10	
	Increase -- \$		9.90	11.70	11.70	1.80	1.80	
	Increase -- %		19.0%	18.8%	15.9%	2.1%	2.1%	
32	Total	92.80	110.40	131.20	152.00	155.20	158.40	
	Increase -- \$		17.60	20.80	20.80	3.20	3.20	
	Increase -- %		19.0%	18.8%	15.9%	2.1%	2.1%	
40	Total	116.00	138.00	164.00	190.00	194.00	198.00	
	Increase -- \$		22.00	26.00	26.00	4.00	4.00	
	Increase -- %		19.0%	18.8%	15.9%	2.1%	2.1%	
Commercial Fixture Units								
34	Total	\$ 153.34	\$ 181.90	\$ 215.90	\$ 249.90	\$ 255.00	\$ 260.10	
	Increase -- \$		28.56	34.00	34.00	5.10	5.10	
	Increase -- %		18.6%	18.7%	15.7%	2.0%	2.0%	
70	Total	\$ 315.70	\$ 374.50	\$ 444.50	\$ 514.50	\$ 525.00	\$ 535.50	
	Increase -- \$		58.80	70.00	70.00	10.50	10.50	
	Increase -- %		18.6%	18.7%	15.7%	2.0%	2.0%	
120	Total	541.20	642.00	762.00	882.00	900.00	918.00	
	Increase -- \$		100.80	120.00	120.00	18.00	18.00	
	Increase -- %		18.6%	18.7%	15.7%	2.0%	2.0%	

Proposed Water Rate Plan – Scenario II – Conservation

A second potential rate design proposed for the Town’s water utility involves the development of a conservation-based rate. Under this rate plan, the Town would create two new inverted block volume tiers, for a total of 4 tiers. The purpose would be to further encourage conservation while to the best extent possible limit the impact of rate adjustments on low volume ratepayers. Under this scenario, wastewater rate adjustments are the same as those presented in Scenario I.

Table ES-12 summarizes the water and wastewater rate recommendations for the five-year period 2024 – 2028 under the Conservation Scenario.

Table ES-13 calculates the average impact on monthly water bills of the proposed rate design at various usage levels. The average residential monthly water usage in the Town is approximately 4,500 gallons.

Table ES-12

TOWN OF CAMP VERDE									
Water and Wastewater Rates									
Scenario: 2023 08 02 -- Scenario II -- Conservation									
		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28		
Water Rates – Conservation									
Monthly Minimum Charge									
	5/8" & 3/4"	\$ 23.75	\$ 27.55	\$ 31.95	\$ 34.85	\$ 35.90	\$ 37.00		
	1"	50.00	58.00	67.30	73.35	75.55	77.80		
	2"	175.00	203.00	235.50	256.70	264.40	272.35		
	3"	185.00	214.60	248.95	271.35	279.50	287.90		
	4"	225.00	261.00	302.75	330.00	339.90	350.10		
	6"	350.00	406.00	470.95	513.35	528.75	544.60		
	8"	600.00	696.00	807.35	880.00	906.40	933.60		
Volume Rate Per 1,000 Gal									
	1	5,000	3.35	3.35	3.90	4.25	4.40	4.55	
	5,001	10,000	3.35	4.00	4.65	5.05	5.20	5.35	
	10,001	50,000	3.35	5.50	6.40	7.00	7.20	7.40	
	50,001	Above	5.70	7.00	8.10	8.85	9.10	9.35	
Wastewater Rates									
Rate per Fixture Unit									
	Residential	\$ 2.90	\$ 3.45	\$ 4.10	\$ 4.75	\$ 4.85	\$ 4.95		
	Non-Residential	4.51	5.35	6.35	7.35	7.50	7.65		

Table ES-13

TOWN OF CAMP VERDE		IMPACT OF RATE PLAN ON MONTHLY CHARGES					
		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Charge – Conservation							
Meter = 5/8							
5,000 Gal	Total	\$ 40.50	\$ 44.30	\$ 51.45	\$ 56.10	\$ 57.90	\$ 59.75
	Increase -- \$		3.80	7.15	4.65	1.80	1.85
10,000 Gal	Total	57.25	64.30	74.70	81.35	83.90	86.50
	Increase -- \$		7.05	10.40	6.65	2.55	2.60
Meter = 2"							
50,000	Total	342.50	459.75	534.25	583.20	600.40	617.85
	Increase -- \$		117.25	74.50	48.95	17.20	17.45
100,000	Total	627.50	809.75	939.25	1,025.70	1,055.40	1,085.35
	Increase -- \$		182.25	129.50	86.45	29.70	29.95

It should be noted that the project team analyzed the potential impact of converting wastewater charges to volume based. However, the Town is still in the process of reconciling water accounts to wastewater accounts, and the data available as of the time of this report completion was not sufficiently reliable to allow for a volume-based rate to be implemented. This is not unexpected, given the significant challenges faced by the Town in integrating the water and wastewater billing systems.

The project team believes that at some point in the future it would be appropriate for the Town to implement a volume-based wastewater rate. However, such a rate depends on a high degree of quality and reliability in the volume-based data.

SECTION I

Introduction

Background



In early 2023, the Town of Camp Verde, Arizona (“the Town”) engaged **economists.com** to conduct a Water and Wastewater Rate Study and Long-Term Financial Plan. The Town identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the water and wastewater systems’ current cost of service and revenue requirements
- A forecast of operating expenses over the next decade, taking into consideration salient factors such as cost of water and wastewater treatment, inflation, system growth, and increases in staffing levels
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period
- A thorough assessment, review, and update of the water and wastewater system’s known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt
- An evaluation of the current water and wastewater rate structures and revenue recovered versus the revenue requirement, both overall and for each customer class
- The development of a rate structure that would recover the Town’s cost of service, ensure equitable, just, and reasonable treatment of identified customer classes, and maintain critical financial ratios

The analysis and recommendations presented in this study achieve all the objectives outlined.

In conjunction with Town staff, the project team evaluated alternative rate structures, which would enable the Town to achieve these objectives while continuing to provide ratepayers with a superior quality of municipal water and wastewater service.

Report Organization

This report is organized into the following sections:

Section I – Introduction - outlines objectives and scope of this rate study and long-term financial plan. Also presents the Town’s current rate structure and a comparison of the Town’s water and wastewater charges with other Arizona cities.

Section II – Water and Wastewater Test Year and Forecast Volumes – analyzes the Town’s customer base, total accounts and current volumes of treated water and wastewater. This section presents totals for the current year and a forecast ten-years into the future.

Section III – Water and Wastewater Test Year and Forecast Revenue Requirement – outlines the process of analyzing the Town’s current water and wastewater utility cost structure. The total current or “test year” revenue requirements are developed, and costs are functionalized. Using the test year as a basis, costs are forecast for a ten-year period.

Section IV – Water and Wastewater Rate Design – Presents the final rate recommendation for the Town, which would enable it to meet its revenue requirements over the next decade. Also presents an analysis of the impact of the rate scenario on each defined customer class.

Appendix A – Water and Wastewater Rate Model

Water and Wastewater Current Rates

Table I-1 summarizes the Town’s current water and wastewater rate structure.

Table I-1

TOWN OF CAMP VERDE			
CURRENT WATER AND WASTEWATER RATES			
WATER Rates		Wastewater Rates	
Monthly Charge			
5/8" & 3/4"	\$	23.75	
1"		50.00	
2"		175.00	
3"		185.00	
4"		225.00	
6"		350.00	
8"		600.00	
Volume Rate (per 1,000 Gallons)			
1	50,000	3.35	
50,001	Above	5.70	
Residential			
Minimum Charge	\$	-	
Fixture Charge per Unit		2.90	
Commercial			
Minimum Charge	\$	-	
Fixture Charge per Unit		4.51	

The monthly service charge for all water accounts includes a monthly minimum charge based on the size and type of meter serving the customer. Water connections with 5/8” meter sizes are currently charged a minimum charge of \$23.75 per month. Customers with a larger meter size are assessed a larger minimum charge based on their respective meter size.

All Town customers are charged a rate dependent on their meter size and volume usage. The Town customers are billed based on a two-tier inclining block rate with rates per 1,000 gallons increasing for each usage tier. This rate structure encourages water conservation.

Table I-1 reflects the rate charged to water customers by meter size and volume rates for each tier and to wastewater by number of fixtures.

Water and Wastewater Rate Comparison

Table I-2 compares Camp Verde’s monthly water and wastewater average bills to several cities and towns located in Arizona. The average residential user in the Town consumes approximately 4,500 gallons monthly. Volumes of 5,000 gallons water and 5,000 gallons wastewater were used for the comparison as they represent typical usage levels for an average household in Camp Verde. Camp Verde wastewater comparison assumes 18 wastewater fixture units.

The rate data is based on published rates and ordinances posted by each municipality on their websites. These rates do not include sales tax, activation or other charges beyond the monthly base and volume charges. Additionally, where appropriate, certain cities that charge for service based on cubic feet of water have had their rates converted to an equivalent charge per 1,000 gallons. The comparison reveals that the Town’s rates are a little higher than the sample average. For 5,000 gallons of water usage and 5,000 gallons of wastewater service, a residential ratepayer in Camp Verde pays approximately \$92.70 (not including taxes).

Table I-2

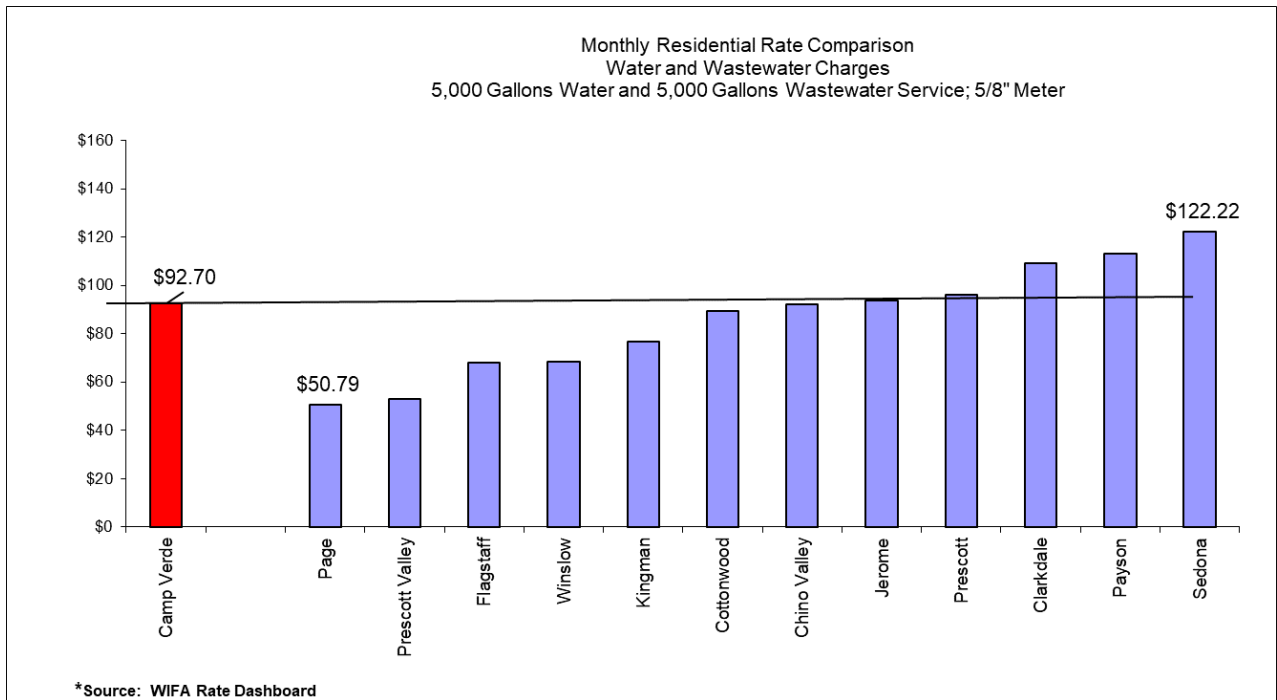
TOWN OF CAMP VERDE			
MONTHLY RESIDENTIAL CHARGES -- 5,000 GALLONS WATER AND WASTEWATER; 5/8" Meter			
	Water	Wastewater	Total
Camp Verde	\$ 40.50	\$ 52.20	\$ 92.70
Prescott	41.24	54.97	\$ 96.21
Prescott Valley	25.05	27.77	52.82
Cottonwood	40.45	48.75	89.20
Clarkdale	55.12	54.00	109.12
Jerome	41.05	52.67	93.72
Sedona	61.11	61.11	122.22
Chino Valley	32.11	60.00	92.11
Flagstaff	41.26	26.75	68.01
Winslow	29.57	38.88	68.45
Kingman	20.66	56.10	76.76
Page	18.83	31.96	50.79
Payson	60.78	52.20	112.98
Sample Average			86.55

Source: WIFA Rate Dashboard

This type of comparison may have the unintended effect of discriminating against communities who choose to finance system expansions through current rates or revenue bonds, which are included in rates, as opposed to those who utilize general obligation bonds, which are funded through taxes. All else being equal, a Town that primarily or exclusively uses general obligation bonds will have a lower water rate per 1,000 gallons but a higher tax rate.

With these caveats in mind, **Chart I-3** presents a graphic comparison of residential water and wastewater monthly charges for 5,000 gallons.

Chart I-3



SECTION II

Water and Wastewater Test Year and Forecast Volumes



To accurately forecast future revenues and expenses, it is necessary to examine current water and wastewater utility conditions. The first step in developing cost of service rates is to analyze patterns of usage, both for the system as a whole and for specified customer classes.

For the Town of Camp Verde, water consumption records maintained by the Town were reviewed for a three-year period dating back to 2020. These records provided information on the monthly water volumes distributed system-wide by account type as well as the number of accounts by meter size for each month and the associated revenues.

According to standard utility ratemaking methodology, to allocate revenue requirements equitably among system users, customers must be classified into relatively homogeneous groups with similar usage characteristics or service demands. Costs are then allocated to the customer classes in proportion to the usage characteristics of each class. For the water system, costs are typically allocated to customers based on their average and peak water demands. For the wastewater system, costs are allocated to customers based on their estimated wastewater flows, and in some cases, based on wastewater strengths.

After thoroughly examining volume and customer data, the project team made no revisions to the Town's rate classifications. The project team finds these customer class distinctions to be reasonable and appropriate for the Town of Camp Verde, meeting the criteria of homogenous groups with similar usage patterns.

In this section, the Town's functional customer classes and test year usage patterns will be thoroughly analyzed. A ten-year projection of customers and usage will also be presented. These forecasts, along with the revenue requirements, will form the basis of the rate design recommendations.

Water and Wastewater Customers and Meters – Test Year & Ten-Year Forecast

The Town's water and wastewater customers are categorized by customer class and are listed in **Table II-1**. The Town has provided the project team with account data for all months from January 2020 through December 2022. The project team has used the December 2022 data as the basis for the test year.

The table lists all water and wastewater accounts by customer class managed by the Town of Camp Verde. Wastewater also lists the number of fixture units since the Town currently charges wastewater by number of fixtures. As of December 2022, the Town maintained 2,028 water accounts and 1,092 wastewater accounts.

Table II-2 details the growth projections used by the project team for the Town’s water customers beginning in the Test Year and continuing through Fiscal Year 2033.

Table II-1

TOWN OF CAMP VERDE			
RATE MODEL CUSTOMER CLASS			
WATER Accounts		WASTEWATER Accounts	
Residential Inside	1,740	Residential Inside	921
Non-Res Inside	243	Non-Res Inside	170
Yavapai	5	Yavapai	1
Residential Outside	-	Residential Outside	-
Non-Res Outside	3		
Fire	37		
Total	2,028	Total	1,092
Fixture Units			
<u>Residential</u>			
		Total	29,216
		Per Connection	32
<u>Commercial</u>			
		Total	5,714
		Per Connection	34

Table II-2

TOWN OF CAMP VERDE							
FORECAST TOTAL CUSTOMERS							
WATER Customer Classes							
	Residential Inside	Non-Res Inside	Yavapai	Residential Outside	Non-Res Outside	Fire	Total
WATER Total Customers							
2020	1,561	294	5	-	3	37	1,900
2021	1,634	270	5	-	2	37	1,948
2022	1,720	233	5	-	3	37	1,998
2024	1,740	243	5	-	3	37	2,028
2025	1,760	245	5	-	3	37	2,050
2026	1,780	247	5	-	3	37	2,072
2027	1,800	249	5	-	3	37	2,094
2028	1,820	251	5	-	3	37	2,116
2029	1,840	253	5	-	3	37	2,138
2030	1,860	255	5	-	3	37	2,160
2031	1,880	257	5	-	3	37	2,182
2032	1,900	259	5	-	3	37	2,204
2033	1,920	261	5	-	3	37	2,226
WATER Annual New Customers							
2021	73	(24)	-	-	(1)	-	48
2022	86	(37)	-	-	1	-	50
2024	20	10	-	-	-	-	30
2025	20	2	-	-	-	-	22
2026	20	2	-	-	-	-	22
2027	20	2	-	-	-	-	22
2028	20	2	-	-	-	-	22
2029	20	2	-	-	-	-	22
2030	20	2	-	-	-	-	22
2031	20	2	-	-	-	-	22
2032	20	2	-	-	-	-	22
2033	20	2	-	-	-	-	22

Table II-2 reveals that water accounts are forecast to increase an average of 22 new accounts annually through the study period. This translates to an increase in water accounts from 2,028 in the test year to 2,226 in FY 2033, an average annual increase of **1.09%**. This overall growth is illustrated further in **Chart II-3**.

Chart II-3

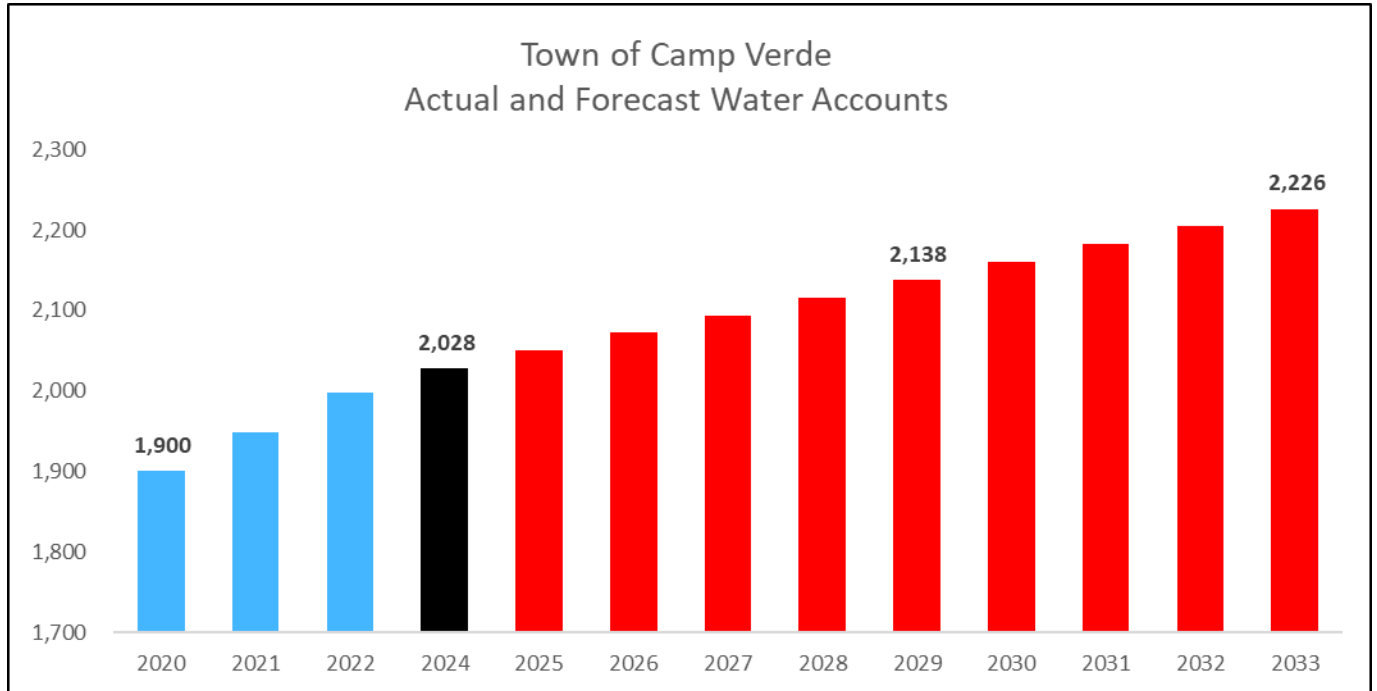


Table II-4 presents the project team’s ten-year forecast of wastewater account growth. It reveals that the wastewater customer base is forecast to increase by an average of 114 accounts per year for the forecast period. Wastewater accounts are forecast to increase from 1,092 in the test year to 2,120 in FY 2033, for an average annual increase of **7.65%**.

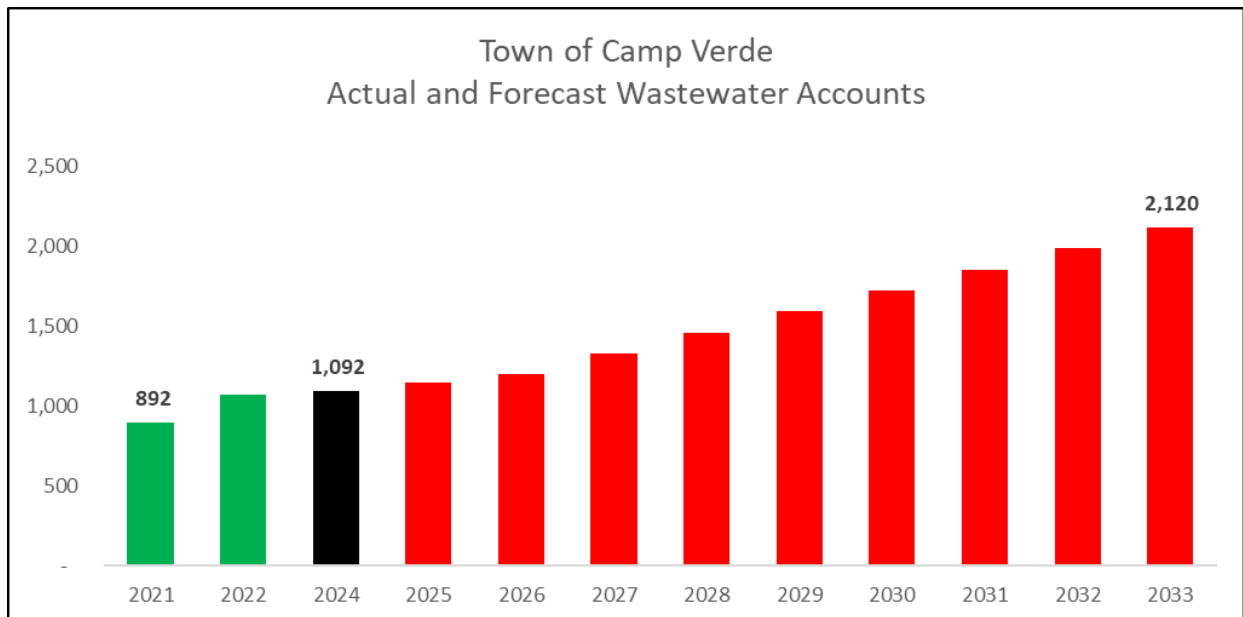


Table II-4

TOWN OF CAMP VERDE						
FORECAST TOTAL CUSTOMERS						
WASTEWATER Customer Classes						
	Residential Inside	Non-Res Inside	Yavapai	Residential Outside	Non-Res Outside	Total
WASTEWATER Total Customers						
2021	726	165	1	-	-	892
2022	901	169	1	-	-	1,071
2024	921	170	1	-	-	1,092
2025	971	172	1	-	-	1,144
2026	1,021	174	1	-	-	1,196
2027	1,151	176	1	-	-	1,328
2028	1,281	178	1	-	-	1,460
2029	1,411	180	1	-	-	1,592
2030	1,541	182	1	-	-	1,724
2031	1,671	184	1	-	-	1,856
2032	1,801	186	1	-	-	1,988
2033	1,931	188	1	-	-	2,120
WASTEWATER Annual New Customers						
2022	175	4	-	-	-	179
2024	20	1	-	-	-	21
2025	50	2	-	-	-	52
2026	50	2	-	-	-	52
2027	130	2	-	-	-	132
2028	130	2	-	-	-	132
2029	130	2	-	-	-	132
2030	130	2	-	-	-	132
2031	130	2	-	-	-	132
2032	130	2	-	-	-	132
2033	130	2	-	-	-	132

Chart II-5 illustrates the overall growth of wastewater accounts.

Chart II-5



Water Billed Consumption – Ten-Year Forecast

Table II-6 and Chart II-7 present the project team’s ten-year forecast of water consumption in gallons for the Town. Consistent with the growth of accounts presented above, the project team has tracked the increase in consumption for the customer classes impacted and grouped the other classes for which growth is not projected.

Despite account growth, consumption levels often decrease when rainfall levels are higher since a portion of water consumption is used for irrigation. Factors such as account growth, existing rate structure and rainfall totals each exercise various degrees of influence over the ultimate level of water consumption. Therefore, the development of the test year for the volume forecast requires that each of these factors be analyzed.

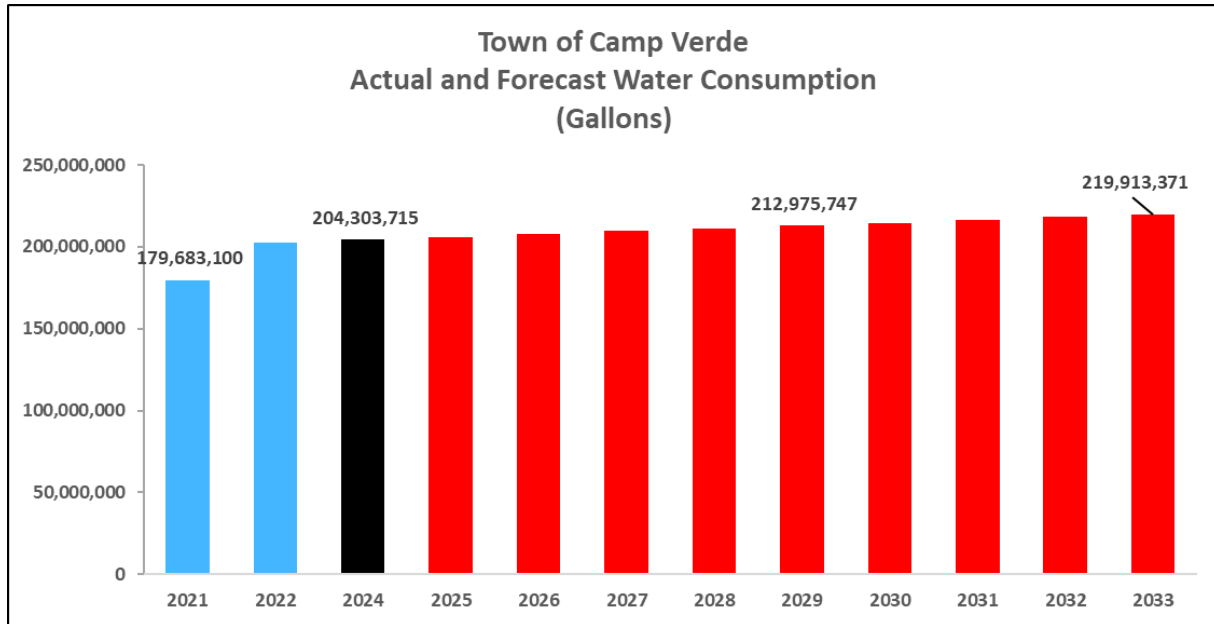
The project team’s forecast is based on the following factors:

- Camp Verde’s account growth is forecast to continue to increase by approximately 1.09% per year. Projections contained in this report include adjustments based on the impacts of normal customer growth and no drought restrictions and designed to forecast usage under normal conditions.

Table II-6

TOWN OF CAMP VERDE							
FORECAST BILLED CONSUMPTION							
WATER Customer Classes							
	Residential Inside	Non-Res Inside	Yavapai	Residential Outside	Non-Res Outside	Fire	Total
WATER Annual Consumption							
2021	89,667,800	74,958,700	15,056,600	-	-	-	179,683,100
2022	92,658,500	79,494,800	30,648,000	-	96,500	-	202,897,800
2024	93,735,924	79,823,291	30,648,000	-	96,500	-	204,303,715
2025	94,813,349	80,480,273	30,648,000	-	96,500	-	206,038,122
2026	95,890,773	81,137,255	30,648,000	-	96,500	-	207,772,528
2027	96,968,198	81,794,236	30,648,000	-	96,500	-	209,506,934
2028	98,045,622	82,451,218	30,648,000	-	96,500	-	211,241,340
2029	99,123,047	83,108,200	30,648,000	-	96,500	-	212,975,747
2030	100,200,471	83,765,182	30,648,000	-	96,500	-	214,710,153
2031	101,277,895	84,422,164	30,648,000	-	96,500	-	216,444,559
2032	102,355,320	85,079,145	30,648,000	-	96,500	-	218,178,965
2033	103,432,744	85,736,127	30,648,000	-	96,500	-	219,913,371

Chart II-7



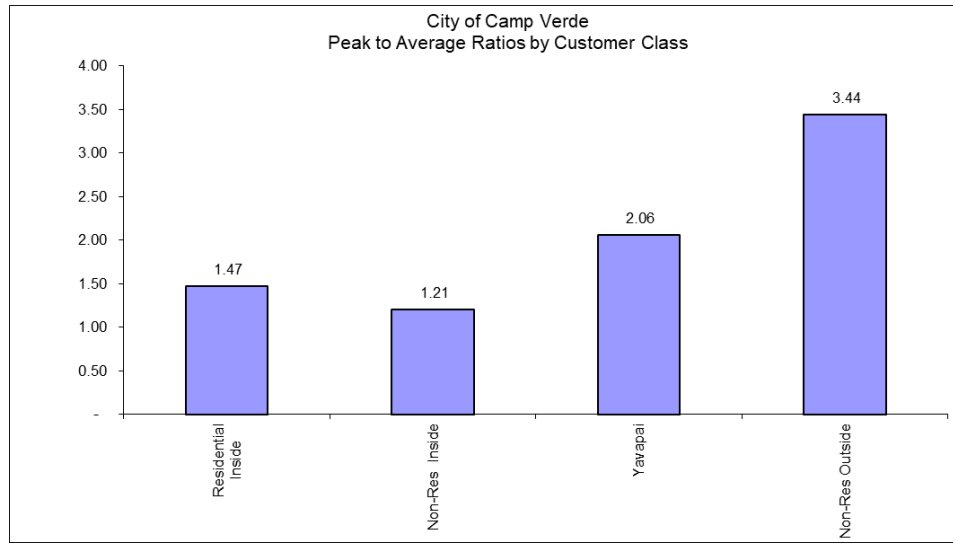
Peaking Factors

The cost of providing water to customers depends not only on the amount of water each class uses, but also on how that usage occurs over time. The maximum-day peaking requirements of a water utility’s customers are an important influence on the utility’s costs. Because water utilities attempt to meet all the demands of their customers, water systems are sized to meet customers’ peak requirements. Therefore, during off-peak periods, there are costs associated with the unused capacity of the system. Ratemaking guidelines direct that these costs must be allocated to customers in proportion to the contribution of each customer class to the system peak. Thus, it is necessary to determine the peak rate of use relative to the average rate of use for each class. This ratio is called a **Peaking Factor**.

The calculation of peaking factors for individual classes relies on available pumping and consumption information as well as professional judgment. If customer meters could record daily flow rates for each customer, more refined information could be obtained on peaking factors. This is not feasible because of the enormous cost that would be imposed on the utility. Therefore, it is accepted practice in the water industry to develop peaking factor estimates based on standard formulas using system peak day information and monthly customer class use records. This is a conservative methodology, since customer class peaking factors based on peak months will inevitably be lower than the system-wide peaking factor, which is based on the peak day.

Based on AWWA guidelines, the customer class peaking factors calculated in this study are for non-coincidental peaks. The peaking factors developed for this analysis are based on actual monthly water consumption by customer class for the recent twelve-month period, January 2022 – December 2022. The calculations of the monthly peaking factors by meter size are shown in **Chart II-8**. The combined peak day to average ratio used in the rate model is **1.46**.

Chart II-8



Wastewater Flows – Test Year and Forecast

The forecast for billing units is derived using anticipated growth in accounts as depicted in **Table II-4**. The results of the forecast are presented in **Table II-9**.

Two points are notable about this table. First, many water accounts do not return wastewater to the system, particularly if they are using a septic system. Second, wastewater usage is not subject to the significant fluctuations experienced by water accounts. This is because the water volume fluctuation is due to outdoor usage that is not returned to the wastewater system.

Table II-9

TOWN OF CAMP VERDE						
FORECAST WASTEWATER BILLING UNITS						
WASTEWATER Customer Classes						
	Residential Inside	Non-Res Inside	Yavapai	Residential Outside	Non-Res Outside	Total
WASTEWATER Billing Units						
2021	39,724,200	42,330,000	3,798,100	-	-	85,852,300
2022	45,896,200	41,143,000	4,092,200	-	-	91,131,400
2024	45,896,200	41,143,000	4,092,200	-	-	91,131,400
2025	48,387,850	41,627,035	4,092,200	-	-	94,107,086
2026	50,879,501	42,111,071	4,092,200	-	-	97,082,771
2027	57,357,792	42,595,106	4,092,200	-	-	104,045,098
2028	63,836,083	43,079,141	4,092,200	-	-	111,007,424
2029	70,314,374	43,563,176	4,092,200	-	-	117,969,750
2030	76,792,665	44,047,212	4,092,200	-	-	124,932,076
2031	83,270,956	44,531,247	4,092,200	-	-	131,894,403
2032	89,749,247	45,015,282	4,092,200	-	-	138,856,729
2033	96,227,538	45,499,318	4,092,200	-	-	145,819,055

SECTION III

Water & Wastewater Forecast Revenue Requirement



In this section of the rate study and long-term financial plan, the Town of Camp Verde's test year and a 10-year forecast water and wastewater utility revenue requirements are developed. As noted in Section I, the test year consists of the Town's current fiscal year, July 1, 2023, through June 30, 2024.

The estimates presented in this section are based on the Town's Council-adopted budget for FY 2024, as well as a forecast of the Town's future capital improvements.

The calculation of a revenue requirement differs from a utility's budget in that it represents only that amount that must be raised through the Town's user rates. This means that non-rate revenue (such as

connection fees, late payment charges and interest) must be subtracted from the budgeted operating and capital expenditures to determine the net revenue requirement to be raised from rates.

As is typical for publicly owned utilities, Camp Verde's system revenue requirements were developed using the cash basis of ratemaking. Under the cash basis, as defined by the AWWA Manual M-1, system revenue requirements consist of cash expenditures and other financial commitments (such as debt service coverage or reserves) that must be met through system operating revenues and other revenue sources.

The following specific items are included in the Town's revenue requirements raised from rates:

O&M expenses

Operating Transfers

Capital Outlays Funded from Rates

Debt service -- Current

Debt Service – Forecast

All data used in the development of the revenue requirements was obtained from the financial statements, budgets and other information provided by Town staff.

Operating Expenses – Test Year

Table III-1 summarizes the test year FY 2024 Operating Costs by departmental category for water and wastewater for the Town.

Table III-1

TOWN OF CAMP VERDE		TEST YEAR OPERATING EXPENSES	
SCENARIO: 2023 06 27 -- Scenario I -- Status Quo		2024 Budget	
Budget Code			
WATER OPERATING EXPENDITURES & CAPITAL OUTLAYS			
P	Personnel	\$	630,155
SU	Supplies		110,000
MR	Maintenance & Repairs		146,400
A	Administrative Expense		90,800
	SUB-TOTAL	\$	977,355
WASTEWATER OPERATING EXPENDITURES			
P	Personnel	\$	882,895
SU	Supplies		297,860
MR	Maintenance & Repairs		534,080
A	Administrative Expense		143,800
	SUB-TOTAL	\$	1,858,635
Total Operating Expenses		\$	2,835,990

As shown in Table III-1, the Town’s operating expenses (net of Transfers, Capital outlays and Debt Service) for its water utility are forecast to be **\$977,355** in the test year, and **\$1,858,635** for the wastewater utility. **Table III-2** and **Table III-3** present the FY 2024 operating budget, transfers, and capital outlays in detail allocated by functional category. These totals are derived from the Town’s FY 2024 budget. Capital outlays and debt service are examined in detail separately later in this section.

Table III-2

TOWN OF CAMP VERDE		WATER Operating Expenses, Transfers and Capital Outlays				
SCENARIO: 2023 06 27 -- Scenario I -- Status Quo		Water Budget Line Item				
Expense Category Code		Net Budget	Supply/ Treatment	Distribution	Admin	Customer Billing
Operating & Maintenance						
P	Personnel	\$ 630,155	\$ 220,554	\$ 220,554	\$ 126,031	\$ 63,016
SU	Supplies	110,000	60,000	50,000	-	-
MR	Maintenance & Repairs	146,400	69,450	69,450	7,500	-
A	Administrative Expense	90,800	5,150	5,150	67,550	12,950
	Total Operating & Maintenance	977,355	355,154	345,154	201,081	75,966
	Transfers	68,800	-	-	68,800	-
	Capital Outlays	192,500	10,000	182,500	-	-
	Total WATER Operating Expenses, Transfers and Capital Outlays	1,238,655	365,154	527,654	269,881	75,966



Table III-3

TOWN OF CAMP VERDE						
WASTEWATER Operating Expenses, Transfers and Capital Outlays						
SCENARIO: 2023 06 27 -- Scenario I -- Status Quo						
Water Budget Line Item						
		Net Budget	Treatment	Collection	Admin	Customer Billing
Expense Category Code						
Operating & Maintenance						
P	Personnel	\$ 882,895	\$ 308,313	\$ 308,313	\$ 178,179	\$ 88,090
SU	Supplies	297,860	206,680	91,180	-	-
MR	Maintenance & Repairs	534,080	324,890	169,190	40,000	-
A	Administrative Expense	143,800	27,650	27,650	69,263	19,238
Total Operating & Maintenance		1,858,635	867,533	596,333	287,442	107,327
Transfers		82,730	-	-	82,730	-
Capital Outlays		241,000	241,000	-	-	-
Total WASTEWATER O&M Exp., Transfers and Capital Outlays		2,182,365	1,108,533	596,333	370,172	107,327

Operating Expenses and Capital Outlays – Ten Year Forecast

Table III-4 presents the water and wastewater utility operating expense and capital outlays forecast for the ten-year period FY 2024 – FY 2033. Details behind these calculations can be found in the rate model contained in Appendix A. This forecast is based on the following set of assumptions:

- For FY 2025 and FY 2026, the water and wastewater operating expenses are assumed to increase at a 6% and 4% rate of inflation accordingly, returning to 3.0% per year after 2026.
- In addition to anticipated inflationary increases, there are other factors that are considered when forecasting various expense items. One such factor is that certain expense categories are expected to increase at rates greater than the average inflation rate. Account growth and volume growth will also affect certain expense categories, and some of the expense items are vulnerable to a combination of these greater than average increases. Items that are affected by general inflation, premium escalation, and account growth are primarily energy related items such as gas and electric expenses, fuels, and lubricants.
- Certain personnel related expenses such as insurance are projected to increase at a higher rate annually.
- Certain water and wastewater expenses are forecast to increase at a rate which reflects both inflation and the growth of new accounts.

Table III-4

TOWN OF CAMP VERDE									
FORECAST OPERATING EXPENSES AND CAPITAL OUTLAYS									
SCENARIO: 2023 08 02 -- Scenario I -- Status Quo									
Water			Wastewater			Total Water & Wastewater			
Operating Expense	Capital Outlays	Total	Operating Expense	Capital Outlays	Total	Operating Expense	Capital Outlays	Total	
2024	\$ 977,355	\$ 192,500	\$ 1,169,855	\$ 1,858,635	\$ 241,000	\$ 2,099,635	\$ 2,835,990	\$ 433,500	\$ 3,269,490
2025	1,047,520	7,500	1,055,020	1,984,275	100,000	2,084,275	3,031,795	107,500	3,139,295
2026	1,115,831	7,500	1,123,331	2,098,138	100,000	2,198,138	3,213,970	107,500	3,321,470
2027	1,185,217	7,500	1,192,717	2,208,093	100,000	2,308,093	3,393,309	107,500	3,500,809
2028	1,259,623	7,500	1,267,123	2,324,618	100,000	2,424,618	3,584,241	107,500	3,691,741
2029	1,339,459	7,500	1,346,959	2,448,169	100,000	2,548,169	3,787,628	107,500	3,895,128
2030	1,425,169	7,500	1,432,669	2,579,235	100,000	2,679,235	4,004,404	107,500	4,111,904
2031	1,517,238	7,500	1,524,738	2,718,345	100,000	2,818,345	4,235,583	107,500	4,343,083
2032	1,616,191	7,500	1,623,691	2,866,068	100,000	2,966,068	4,482,260	107,500	4,589,760
2033	1,722,603	7,500	1,730,103	3,023,021	100,000	3,123,021	4,745,624	107,500	4,853,124

Existing Debt Service

Like most utilities, the Town funds a portion of its capital requirements with its current system rates and fees. These capital outlays are typically for minor assets such as trucks and computers, as opposed to major capital expenditures such as treatment plants.

The Town currently maintains two series of bonds issued: WIFA Wastewater Improvements and WIFA Water Company Purchase.

Table III-5 presents debt service for the debt currently outstanding.

Table III-5

TOWN OF CAMP VERDE				
CURRENT DEBT SERVICE				
SCENARIO: 2023 08 02 – Scenario I – Status Quo				
Debt Service				
	1		2	
	Series		Series	
	WIFA		WIFA Water	
	Wastewater		Company	Total Debt
	Improvements		Purchase	Service
WATER Debt Service				
2024	\$ -		\$ 447,417	\$ 447,417
2025	-		447,418	447,418
2026	-		447,416	447,416
2027	-		447,418	447,418
2028	-		447,418	447,418
2029	-		447,421	447,421
2030	-		447,418	447,418
2031	-		447,417	447,417
2032	-		447,399	447,399
2033	-		447,399	447,399
WASTEWATER Debt Service				
2024	\$ 134,242		\$ -	\$ 134,242
2025	134,243		-	134,243
2026	134,241		-	134,241
2027	134,242		-	134,242
2028	134,242		-	134,242
2029	134,242		-	134,242
2030	134,242		-	134,242
2031	134,244		-	134,244
2032	134,241		-	134,241
2033	134,242		-	134,242
TOTAL Debt Service				
2024	\$ 134,242		\$ 447,417	\$ 581,659
2025	134,243		447,418	581,661
2026	134,241		447,416	581,657
2027	134,242		447,418	581,660
2028	134,242		447,418	581,660
2029	134,242		447,421	581,663
2030	134,242		447,418	581,660
2031	134,244		447,417	581,661
2032	134,241		447,399	581,640
2033	134,242		447,399	581,641

Capital Improvement Plan

Like most towns, Camp Verde maintains an extensive and detailed capital improvement program to repair, maintain and expand its water and wastewater system. Minor capital improvements are contained in the Town’s budget. Major capital improvements are funded through a series of debt issued by the Town.

Town staff and the project team worked together to develop the Town’s forecast capital improvements needs in FY 2024 – FY 2033. The forecast CIP is presented in **Table III-6**. As the table reveals, the Town is forecast to spend **\$24,050,429** in total capital improvements in the next ten years.

Table III-6

TOWN OF CAMP VERDE		CAPITAL IMPROVEMENT PLAN PROJECTS ASSIGNED FUNDING THROUGH AVAILABLE RESOURCES	
SCENARIO: 2023 08 02 -- Scenario I -- Status Quo		Total	
WATER			
Water Treatment			
Design/Construction Mongini Well Arsenic Removal	\$	2,300,000	
Verde River Estates Arsenic Removal Program		700,000	
			3,000,000
Water Distribution			
Water Master Plan		183,200	
SCADA/Communication Tower Relocation		68,720	
2024 Water Main Replacement Program		5,060,000	
Additional Well Pump Station		2,000,000	
Additional 2M Gallons Storage Facilities		1,500,000	
Well Storage Arsenic Pump Station No. 1		2,000,000	
Total			12,911,920
Total Water CIP			15,911,920
WASTEWATER			
Wastewater Treatment			
Treatment Plan Admin Office	\$	-	
Plant Blower Building Addition		207,259	
WWTP Control Panel Upgrade		206,250	
Admin Building		200,000	
Highway 260 Sewer Extension		2,000,000	
WWTP Equalization Basin		4,000,000	
Total WW Treatment			6,613,509
Wastewater Collection			
Wastewater Master Plan		250,000	
Sewer Lines -- Black Bridge Loop Area		575,000	
Lift Station at Rezzonico Park		700,000	
Total WW Collection			1,525,000
Total Wastewater CIP			8,138,509
Total Water and Wastewater CIP			24,050,429

The Town is forecast to issue revenue bonds totaling \$23,500,000 for the currently identified water and wastewater capital improvement projects (\$16,000,000 in water-related debt and \$7,500,000 in wastewater-related debt). Annual forecast debt issuances are presented in **Table III-7**.

Table III-7

TOWN OF CAMP VERDE			
WATER/WASTEWATER FUTURE BOND ISSUES			
	Water	Wastewater	Total
FY 2024	\$ 10,000,000	\$ 3,000,000	\$ 13,000,000
FY 2025	-	-	-
FY 2026	2,500,000	1,000,000	3,500,000
FY 2027	-	-	-
FY 2028	1,000,000	-	1,000,000
FY 2029	-	3,500,000	3,500,000
FY 2030	2,500,000	-	2,500,000
FY 2031	-	-	-
FY 2032	-	-	-
FY 2033	-	-	-
Total	\$ 16,000,000	\$ 7,500,000	\$ 23,500,000

Debt Service – Forecast

Table III-8 presents current and forecast debt service, assuming that the Town issues new water and wastewater debt in FY 2024-2033 to fund the CIP projects according to the schedule presented in Table III-7. It is projected that newly-issued bond will be repaid entirely with Utility System Revenues. Future revenue debt is assumed to have a 25-year term, 3.5% interest rate and level principal and interest payments.

These assumptions are preliminary in nature and subject to change. Should the Town Council choose to issue more or less revenue debt than assumed in this study, or should different finance terms be available at the time the debt is issued, then the rate plans contained in this study may require revision.

Table III-8

TOWN OF CAMP VERDE						
CURRENT AND FORECAST DEBT SERVICE						
SCENARIO: 2023 08 02 -- Scenario I -- Status Quo						
Year	Water		Wastewater		Total	
	Current	Forecast	Current	Forecast		
2024	\$ 447,417	\$ -	\$ 134,242	\$ -	\$ 581,659	
2025	447,418	574,279	134,243	172,284	1,328,223	
2026	447,416	574,279	134,241	172,284	1,328,219	
2027	447,418	725,964	134,242	232,958	1,540,581	
2028	447,418	725,964	134,242	232,958	1,540,581	
2029	447,421	786,638	134,242	232,958	1,601,258	
2030	447,418	786,638	134,242	445,317	1,813,615	
2031	447,417	938,323	134,244	445,317	1,965,301	
2032	447,399	938,323	134,241	445,317	1,965,280	
2033	447,399	938,323	134,242	445,317	1,965,281	

Non-Rate Revenues

Although sales revenues constitute most of the revenue received by the Town for water and wastewater service, a certain amount of revenue is accrued from non-rate sources. These revenues include other general revenues, surcharges, penalty charges, and miscellaneous revenues. These non-rate revenues are subtracted from the overall budget to determine the revenue requirement to be raised from rates. Non-rate revenues are presented in Table III-9.

Table III-9

TOWN OF CAMP VERDE				
FORECAST NON-RATE REVENUES				
SCENARIO:				
2023 08 02 -- Scenario I -- Status Quo				
	Water	Wastewater	Total Water & WW	
2024	\$ 223,220	\$ 544,220	\$ 767,440	
2025	223,220	544,220	767,440	
2026	223,220	544,220	767,440	
2027	223,220	544,220	767,440	
2028	223,220	544,220	767,440	
2029	223,220	544,220	767,440	
2030	223,220	544,220	767,440	
2031	223,220	544,220	767,440	
2032	223,220	544,220	767,440	
2033	223,220	544,220	767,440	



Net Revenue Requirement

Table III-10 presents the test year and ten-year forecast for the Town’s net revenue requirement to be raised from rates. Detailed calculations are presented in the rate model contained in **Appendix A** of this report.

Table III-10

TOWN OF CAMP VERDE							
CURRENT AND FORECAST NET REVENUE REQUIREMENT							
SCENARIO:	2023 08 02 -- Scenario I -- Status Quo						
	Operating Expenses	Capital Outlays	Debt Service	Transfers & Contingencies	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WATER Revenue Requirement							
2024	\$ 977,355	\$ 192,500	\$ 447,417	\$ 68,800	\$ 1,686,072	\$ 223,220	\$ 1,462,852
2025	1,047,520	7,500	1,021,697	72,928	2,149,645	223,220	1,926,425
2026	1,115,831	7,500	1,021,695	75,845	2,220,871	223,220	1,997,651
2027	1,185,217	7,500	1,173,382	78,120	2,444,219	223,220	2,220,999
2028	1,259,623	7,500	1,173,382	80,464	2,520,969	223,220	2,297,749
2029	1,339,459	7,500	1,234,059	82,878	2,663,896	223,220	2,440,676
2030	1,425,169	7,500	1,234,056	85,364	2,752,090	223,220	2,528,870
2031	1,517,238	7,500	1,385,740	87,925	2,998,403	223,220	2,775,183
2032	1,616,191	7,500	1,385,722	90,563	3,099,976	223,220	2,876,756
2033	1,722,603	7,500	1,385,722	93,280	3,209,105	223,220	2,985,885
WASTEWATER Revenue Requirement							
2024	\$ 1,858,635	\$ 241,000	\$ 134,242	\$ 82,730	\$ 2,316,607	\$ 544,220	\$ 1,772,387
2025	1,984,275	100,000	306,527	87,694	2,478,496	544,220	1,934,276
2026	2,098,138	100,000	306,525	91,202	2,595,865	544,220	2,051,645
2027	2,208,093	100,000	367,200	93,938	2,769,230	544,220	2,225,010
2028	2,324,618	100,000	367,200	96,756	2,888,574	544,220	2,344,354
2029	2,448,169	100,000	367,200	99,658	3,015,027	544,220	2,470,807
2030	2,579,235	100,000	579,559	102,648	3,361,442	544,220	2,817,222
2031	2,718,345	100,000	579,561	105,728	3,503,633	544,220	2,959,413
2032	2,866,068	100,000	579,558	108,899	3,654,525	544,220	3,110,305
2033	3,023,021	100,000	579,559	112,166	3,814,746	544,220	3,270,526
TOTAL Revenue Requirement							
2024	\$ 2,835,990	\$ 433,500	\$ 581,659	\$ 151,530	\$ 4,002,679	\$ 767,440	\$ 3,235,239
2025	3,031,795	107,500	1,328,223	160,622	4,628,140	767,440	3,860,700
2026	3,213,970	107,500	1,328,219	167,047	4,816,736	767,440	4,049,296
2027	3,393,309	107,500	1,540,581	172,058	5,213,449	767,440	4,446,009
2028	3,584,241	107,500	1,540,581	177,220	5,409,542	767,440	4,642,102
2029	3,787,628	107,500	1,601,258	182,536	5,678,923	767,440	4,911,483
2030	4,004,404	107,500	1,813,615	188,013	6,113,532	767,440	5,346,092
2031	4,235,583	107,500	1,965,301	193,653	6,502,036	767,440	5,734,596
2032	4,482,260	107,500	1,965,280	199,462	6,754,502	767,440	5,987,062
2033	4,745,624	107,500	1,965,281	205,446	7,023,851	767,440	6,256,411

Water Utility Cost Functionalization

Once the total water and wastewater system costs have been identified, the next step in the rate development process is to isolate the costs associated with each system function. Some of these expenditures are a function of base water demand; others are based on the peak demands placed on the system. Certain costs are associated

with serving customers regardless of the volume of water use or wastewater discharge. The basic steps used to allocate the Town’s water revenue requirements include the following:

1. Each system’s costs (revenue requirements) are categorized by utility function (i.e., treatment, distribution, administrative, customer). This process is known as *functionalization*.
2. Functionalized costs are classified based on the service characteristics or the types of demand served by the utility (base and maximum day). This process is known as *classification*.
3. Costs by service characteristic are allocated to customer classes in proportion to the service demands demonstrated by each class.

This three-step process allows for the allocation of system costs in the same terms as customer classes. The approaches described in this section follow standard industry practices. Water system costs are allocated to the following functions:

Treatment – the process by which raw water is converted to potable water

Distribution – the lines that carry water to individual customers’ properties

Administration – miscellaneous overhead and other non-operating costs

Customer Billing – the processes involved in billing and providing other services to customers

The project team allocated operating budget line-item expenses individually to system functions based on general guidelines, specific research, and input from Town staff. The results of the allocation process for the test year are presented in **Table III-11**. The rate model presented in Appendix A includes a detailed listing of the allocations by line item.

Table III-11

TOWN OF CAMP VERDE			
TEST YEAR WATER COST FUNCTIONALIZATION			
SCENARIO: 2023 08 02 – Scenario I -- Status Quo			
Function	Revenue Requirement	Percent	
Treatment	\$ 510,903	34.9%	
Distribution	651,889	44.6%	
Administration	234,151	16.0%	
Customer	65,908	4.5%	
Total	1,462,852	100.0%	

Water Utility Cost Classification

The allocation of functionalized water system costs to service characteristics follows the base-extra capacity cost allocation method recommended by AWWA. Using this method, costs are segregated into the following categories:

Base costs – capital costs and O&M expenses associated with service to customers under average demand conditions. This category does not include any costs attributable to variations in water use resulting from peaks in demand. Base costs tend to vary directly with the total quantity of water used.

Maximum Day/Extra Capacity costs – costs attributable to facilities that are designed to meet peaking requirements. These costs include capital and operating charges for additional plant and system capacity beyond that required for average usage.

Customer Billing costs – costs associated with any aspect of customer service, including billing, accounting, and meter services. These costs are independent of the amount of water used and the size of the customer’s meter and are not subject to peaking factors.

Limitations in the availability of information resulted in the decision not to attempt to allocate costs further to the maximum hour component.

According to AWWA Manual M-1 (p. 12), in the base-extra capacity method, care must be taken in separating costs between those devoted to base capacity and those devoted to extra capacity. Based on general industry standards, the Town’s peak to average capacity factor is assumed to be 1.5. The peak to average factor is calculated by dividing the volume on the peak day of the year by the average daily volume. This means that facilities designed to meet maximum-day requirements, such as the treatment and distribution functions, are allocated 50.00% to base, and 50.00% to extra capacity.

All customer service-related costs are allocated 100% to customer billing. Administration costs are generally not directly assignable to individual classifications. Therefore, it is standard rate-making practice to allocate these costs on an indirect basis to service characteristics.

The rate model in Appendix A provides the detailed allocations of costs to service characteristics. The system-wide costs by service characteristic are shown in **Table III-12**. As with cost functionalization, these percentages are not expected to change significantly in the forecast period.

Table III-12

TOWN OF CAMP VERDE			
TEST YEAR WATER COST CLASSIFICATION			
SCENARIO: 2023 08 02 -- Scenario I -- Status Quo			
Function	2024 Revenue Requirement	Percent	
Base	\$ 922,176	63.04%	
Maximum Day	461,088	31.52%	
Customer	79,588	5.44%	
Total	1,462,852	100.0%	

Water Utility Cost Allocation

Allocation of costs by service characteristic to customer classes is based on the proportionate use levels of each characteristic by each class. The water utility costs for Test Year 2024 by customer class are presented in **Table**

III-13. Total water utility costs by customer class for the entire term of the study are summarized in **Table III-14**. Overall cost calculations are presented in detail in the rate model contained in **Appendix A**.

Table III-13

TOWN OF CAMP VERDE		
TEST YEAR WATER COST ALLOCATION		
SCENARIO: 2023 08 02 -- Scenario I -- Status Quo		
Function	2024 Revenue Requirement	Percent
Residential Inside	\$ 710,039	48.5%
Non-Res Inside	451,385	30.9%
Yavapai	298,263	20.4%
Residential Outside	-	0.0%
Non-Res Outside	1,712	0.1%
Fire	1,452	0.1%
Total	1,462,852	100.0%

Table III-14

TOWN OF CAMP VERDE							
FORECAST WATER COST ALLOCATION							
SCENARIO: 2023 08 02 -- Scenario I -- Status Quo							
Year	Residential Inside	Non-Res Inside	Yavapai	Residential Outside	Non-Res Outside	Fire	Total
2024	\$ 710,039	\$ 451,385	\$ 298,263	\$ -	\$ 1,712	\$ 1,452	\$ 1,462,852
2025	938,078	594,414	389,803	-	2,238	1,892	1,926,425
2026	975,855	616,379	401,173	-	2,303	1,941	1,997,651
2027	1,088,347	685,280	442,695	-	2,541	2,135	2,220,999
2028	1,129,406	708,948	454,598	-	2,610	2,186	2,297,749
2029	1,203,268	753,034	479,323	-	2,752	2,298	2,440,676
2030	1,250,432	780,233	493,017	-	2,831	2,357	2,528,870
2031	1,376,207	856,215	537,116	-	3,084	2,560	2,775,183
2032	1,430,645	887,541	552,769	-	3,174	2,628	2,876,756
2033	1,489,075	921,198	569,640	-	3,272	2,700	2,985,885

Wastewater Utility Cost Functionalization and Classification

Wastewater system costs are allocated to the following functions:

Treatment -- Volume – the costs associated with treating wastewater volume discharges

Treatment -- BOD – the costs associated with treating wastewater BOD discharges

Treatment -- TSS – the costs associated with treating wastewater suspended solids (TSS) discharges

Collection – the lines that transport wastewater from customers’ properties to the wastewater treatment plant

Administration – miscellaneous overhead and other non-operating costs

Customer Billing – the processes involved in billing and other services to customers

As was the case for the water system, wastewater utility operating budget line-item expenses are allocated individually to functions. The results of the allocation process are presented in **Table III-15**. The rate model in **Appendix A** presents a detailed listing of the cost allocations by line item. As with the water utility, these percentages are not forecast to change significantly during the next ten years.

Table III-15

TOWN OF CAMP VERDE			
TEST YEAR WASTEWATER COST FUNCTIONALIZATION			
SCENARIO: 2023 08 02 -- Scenario I -- Status Quo			
Function	2024 Revenue Requirement	Percent	
Treatment	\$ 848,115	47.9%	
Collection	558,948	31.5%	
Administration	283,210	16.0%	
Customer	82,114	4.6%	
Total	1,772,387	100.0%	

Wastewater Utility Cost Allocation

Allocation of wastewater utility costs by service characteristic to customer classes is performed in the same manner as described for the water utility. The wastewater utility costs for Test Year 20234 by customer class are presented in **Table III-16**. Total wastewater utility costs by customer class are summarized in **Table III-17**. The rate model in **Appendix A** presents a detailed listing of the cost calculations by line item.

Table III-16

TOWN OF CAMP VERDE		
TEST YEAR WASTEWATER COST ALLOCATION		
SCENARIO: 2023 08 02 -- Scenario I -- Status Quo		
Function	2024 Revenue Requirement	Percent
Residential Inside	\$ 925,828	52.2%
Non-Res Inside	771,270	43.5%
Yavapai	75,289	4.2%
Residential Outside	-	0.0%
Total	1,772,387	100.0%

Table III-17

TOWN OF CAMP VERDE						
FORECAST WASTEWATER COST ALLOCATION						
SCENARIO: 2023 08 02 -- Scenario I -- Status Quo						
Year	Residential Inside	Non-Res Inside	Yavapai	Residential Outside	Non-Res Outside	Total
2024	\$ 925,828	\$ 771,270	\$ 75,289	\$ -	\$ -	\$ 1,772,387
2025	1,030,149	824,548	79,579	-	-	1,934,276
2026	1,112,812	857,063	81,770	-	-	2,051,645
2027	1,264,945	877,243	82,822	-	-	2,225,010
2028	1,387,264	875,348	81,742	-	-	2,344,354
2029	1,512,662	877,127	81,019	-	-	2,470,807
2030	1,772,636	957,027	87,559	-	-	2,817,222
2031	1,910,378	961,972	87,063	-	-	2,959,413
2032	2,053,400	970,049	86,856	-	-	3,110,305
2033	2,202,540	981,073	86,913	-	-	3,270,526

SECTION IV

Water and Wastewater Rate Design



Rate design involves determining charges for each class of customers that will generate a desired level of revenue. Over the course of the engagement, the project team has participated in numerous conversations and meetings with Town staff at which alternative rate plans were discussed. As a result of these conversations and work sessions, the project team has developed the alternative long-term rate plan presented in this section.

The plan is designed to allow the Town to recover sufficient revenues to meet all operating and capital obligations, including the debt service required to fund the Town's forecast capital improvements.

Proposed Rate Plan – Scenario I – Status Quo

The rate design proposed for the Town maintains the existing rate structure for water and wastewater; and introduces necessary percentage adjustments. It includes higher initial adjustments required wastewater in FY 2024 through FY 2026 to recover its cost of service. Some of the advantages of this scenario are:

- Consistent and easy to understand,
- Fair treatment of all customer classes,

Table IV-1 summarizes the water and wastewater rate recommendations for the five-year period 2024 - 2028. The table reveals that the proposed wastewater rate increases are higher in the years 2024 – 2026.

Table IV-2 calculates the average impact on monthly water bills of the proposed rate design at various usage levels. The average residential monthly water usage in the Town is approximately 4,500 gallons. The results of the analysis are included in **Appendix A**.

Table IV-3 calculates the average impact on monthly wastewater bills of the proposed rate design at various fixture levels. The results of the analysis are included in **Appendix A**.

Table IV-1

TOWN OF CAMP VERDE		Water and Wastewater Rates					
Scenario: 2023 08 02 -- Scenario I -- Status Quo		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Rates							
Monthly Minimum Charge							
5/8" & 3/4"		\$ 23.75	\$ 27.55	\$ 31.95	\$ 34.85	\$ 35.90	\$ 37.00
1"		50.00	58.00	67.30	73.35	75.55	77.80
2"		175.00	203.00	235.50	256.70	264.40	272.35
3"		185.00	214.60	248.95	271.35	279.50	287.90
4"		225.00	261.00	302.75	330.00	339.90	350.10
6"		350.00	406.00	470.95	513.35	528.75	544.60
8"		600.00	696.00	807.35	880.00	906.40	933.60
Volume Rate Per 1,000 Gal – Status Quo							
1	50,000	3.35	3.90	4.50	4.90	5.05	5.20
50,001	Above	5.70	6.60	7.65	8.35	8.60	8.85
Wastewater Rates							
Rates Per Fixture Unit							
Residential		\$ 2.90	\$ 3.45	\$ 4.10	\$ 4.75	\$ 4.85	\$ 4.95
Non-Residential		4.51	5.35	6.35	7.35	7.50	7.65

Table IV-2

TOWN OF CAMP VERDE			IMPACT OF RATE PLAN ON MONTHLY CHARGES					
			Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Charge – Status Quo								
Meter = 5/8								
5,000 Gal	Total	\$	40.50	\$ 47.05	\$ 54.45	\$ 59.35	\$ 61.15	\$ 63.00
	Increase -- \$			6.55	7.40	4.90	1.80	1.85
10,000 Gal	Total		57.25	66.55	76.95	83.85	86.40	89.00
	Increase -- \$			9.30	10.40	6.90	2.55	2.60
20,000 Gal	Total		90.75	105.55	121.95	132.85	136.90	141.00
	Increase -- \$			14.80	16.40	10.90	4.05	4.10
	Increase -- %			16.3%	15.5%	8.9%	3.0%	3.0%
Meter = 2"								
50,000	Total		342.50	398.00	460.50	501.70	516.90	532.35
	Increase -- \$			55.50	62.50	41.20	15.20	15.45
100,000	Total		627.50	728.00	843.00	919.20	946.90	974.85
	Increase -- \$			100.50	115.00	76.20	27.70	27.95
	Increase -- %			16.0%	15.8%	9.0%	3.0%	3.0%

Table IV-3

TOWN OF CAMP VERDE			IMPACT OF RATE PLAN ON MONTHLY CHARGES					
			Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Wastewater Charge – Status Quo								
Residential Fixture Units								
12	Total	\$	34.80	\$ 41.40	\$ 49.20	\$ 57.00	\$ 58.20	\$ 59.40
	Increase -- \$			6.60	7.80	7.80	1.20	1.20
	Increase -- %			19.0%	18.8%	15.9%	2.1%	2.1%
18	Total		52.20	62.10	73.80	85.50	87.30	89.10
	Increase -- \$			9.90	11.70	11.70	1.80	1.80
	Increase -- %			19.0%	18.8%	15.9%	2.1%	2.1%
32	Total		92.80	110.40	131.20	152.00	155.20	158.40
	Increase -- \$			17.60	20.80	20.80	3.20	3.20
	Increase -- %			19.0%	18.8%	15.9%	2.1%	2.1%
40	Total		116.00	138.00	164.00	190.00	194.00	198.00
	Increase -- \$			22.00	26.00	26.00	4.00	4.00
	Increase -- %			19.0%	18.8%	15.9%	2.1%	2.1%
Commercial Fixture Units								
34	Total	\$	153.34	\$ 181.90	\$ 215.90	\$ 249.90	\$ 255.00	\$ 260.10
	Increase -- \$			28.56	34.00	34.00	5.10	5.10
	Increase -- %			18.6%	18.7%	15.7%	2.0%	2.0%
70	Total	\$	315.70	\$ 374.50	\$ 444.50	\$ 514.50	\$ 525.00	\$ 535.50
	Increase -- \$			58.80	70.00	70.00	10.50	10.50
	Increase -- %			18.6%	18.7%	15.7%	2.0%	2.0%
120	Total		541.20	642.00	762.00	882.00	900.00	918.00
	Increase -- \$			100.80	120.00	120.00	18.00	18.00
	Increase -- %			18.6%	18.7%	15.7%	2.0%	2.0%

Proposed Water Rate Plan – Scenario II – Conservation

A second potential rate design proposed for the Town’s water utility involves the development of a conservation-based rate. Under this rate plan, the Town would create two new inverted block volume tiers, for a total of 4 tiers. The purpose would be to further encourage conservation while to the best extent possible limit the impact of rate adjustments on low volume ratepayers. Under this scenario, wastewater rate adjustments are the same as those presented in Scenario I.

Table IV-4 summarizes the water and wastewater rate recommendations for the five-year period 2024 – 2028 under the Conservation Scenario.

Table IV-5 calculates the average impact on monthly water bills of the proposed rate design at various usage levels. The average residential monthly water usage in the Town is approximately 4,500 gallons.

Table IV-4

TOWN OF CAMP VERDE		Water and Wastewater Rates					
Scenario: 2023 08 02 -- Scenario II -- Conservation		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Rates – Conservation							
Monthly Minimum Charge							
5/8" & 3/4"		\$ 23.75	\$ 27.55	\$ 31.95	\$ 34.85	\$ 35.90	\$ 37.00
1"		50.00	58.00	67.30	73.35	75.55	77.80
2"		175.00	203.00	235.50	256.70	264.40	272.35
3"		185.00	214.60	248.95	271.35	279.50	287.90
4"		225.00	261.00	302.75	330.00	339.90	350.10
6"		350.00	406.00	470.95	513.35	528.75	544.60
8"		600.00	696.00	807.35	880.00	906.40	933.60
Volume Rate Per 1,000 Gal							
1	5,000	3.35	3.35	3.90	4.25	4.40	4.55
5,001	10,000	3.35	4.00	4.65	5.05	5.20	5.35
10,001	50,000	3.35	5.50	6.40	7.00	7.20	7.40
50,001	Above	5.70	7.00	8.10	8.85	9.10	9.35
Wastewater Rates							
Rate per Fixture Unit							
Residential		\$ 2.90	\$ 3.45	\$ 4.10	\$ 4.75	\$ 4.85	\$ 4.95
Non-Residential		4.51	5.35	6.35	7.35	7.50	7.65

Table IV-5

TOWN OF CAMP VERDE		IMPACT OF RATE PLAN ON MONTHLY CHARGES					
		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Charge – Conservation							
Meter = 5/8							
5,000 Gal	Total	\$ 40.50	\$ 44.30	\$ 51.45	\$ 56.10	\$ 57.90	\$ 59.75
	Increase -- \$		3.80	7.15	4.65	1.80	1.85
10,000 Gal	Total	57.25	64.30	74.70	81.35	83.90	86.50
	Increase -- \$		7.05	10.40	6.65	2.55	2.60
Meter = 2"							
50,000	Total	342.50	459.75	534.25	583.20	600.40	617.85
	Increase -- \$		117.25	74.50	48.95	17.20	17.45
100,000	Total	627.50	809.75	939.25	1,025.70	1,055.40	1,085.35
	Increase -- \$		182.25	129.50	86.45	29.70	29.95

Wastewater Volume-based Rate

It should be noted that the project team analyzed the potential impact of converting wastewater charges to volume based. However, the Town is still in the process of reconciling water accounts to wastewater accounts, and the data available as of the time of this report completion was not sufficiently reliable to allow for a volume-based rate to be implemented. This is not unexpected, given the significant challenges faced by the Town in integrating the water and wastewater billing systems.

The project team believes that at some point in the future it would be appropriate for the Town to implement a volume-based wastewater rate. However, such a rate depends on a high degree of quality and reliability in the volume-based data.

Notes on Rate Recommendations

The forecast and recommendations presented in this study represent a combination of the best information available from the Town and the project team's expertise. However, this forecast relies in part on assumptions about future events and events beyond the control of the project team (such as account growth rates within the Town). The forecast and recommendations contained in this study may be subject to revision if any of the following events occurs:

- Actual growth in accounts and consumed volumes is less than (or significantly greater than) forecast
- Capital improvement plan funding costs increase significantly due to the rising cost of materials or other factors
- An unforeseen event impacts the Town, such as an extended recession, natural catastrophe, or terrorist attack
- Town budget levels or priorities change significantly from those forecast in this study

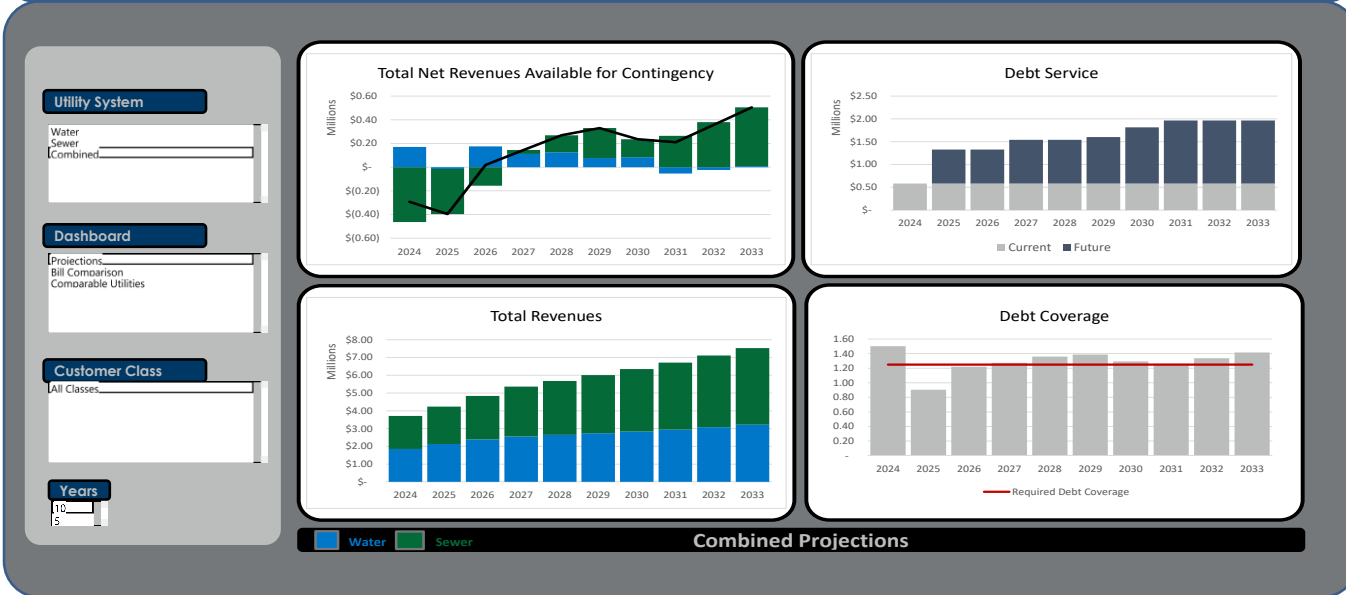
It should be noted that none of these events are foreseen by the project team or the Town at this time.

If any of these events occur, the Town may be compelled to consider further adjustments to its water and wastewater rates.

APPENDIX A

Town of Camp Verde

Ten Year Rate Analysis and Pro Forma Fiscal Years 2024 - 2033



Future Debt Term 20

Water Future Bond Issues	
Proposed	
2024	\$ 10,000,000
2025	\$ -
2026	\$ 2,500,000
2027	\$ -
2028	\$ 1,000,000
2029	\$ -
2030	\$ 2,500,000
2031	\$ -
2032	\$ -
2033	\$ -

Sewer Future Bond Issues	
Proposed	
2024	\$ 3,000,000
2025	\$ -
2026	\$ 1,000,000
2027	\$ -
2028	\$ -
2029	\$ 3,500,000
2030	\$ -
2031	\$ -
2032	\$ -
2033	\$ -

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water Rate Adjustments										
Meter Charge	16.00%	16.00%	9.00%	3.00%	3.00%	3.00%	3.00%	4.00%	4.00%	4.00%
Volume Charge	16.00%	16.00%	9.00%	3.00%	3.00%	3.00%	3.00%	4.00%	4.00%	4.00%
Sewer Rate Adjustments										
Base Charge	19.00%	19.00%	16.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Volume Charge Residential	19.00%	19.00%	16.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Volume Charge Non-Residential	19.00%	19.00%	16.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Water Summary

Scen: 2023 08 02 -- Scenario I -- Status Quo

1 Water Monthly Rates and Charges

CITY Water Rate and Charges

W1 Residential Inside

Monthly Minimum Charge

5/8" & 3/4"	\$	23.75	\$	27.55	\$	31.95	\$	34.85	\$	35.90	\$	37.00	\$	38.10	\$	39.25	\$	40.80	\$	42.45	\$	44.15
1"		50.00		58.00		67.30		73.35		75.55		77.80		80.15		82.55		85.85		89.30		92.85
1 1/2"		-		-		-		-		-		-		-		-		-		-		-
2"		175.00		203.00		235.50		256.70		264.40		272.35		280.50		288.90		300.45		312.45		324.95
3"		185.00		214.60		248.95		271.35		279.50		287.90		296.55		305.45		317.65		330.35		343.55
4"		225.00		261.00		302.75		330.00		339.90		350.10		360.60		371.40		386.25		401.70		417.75
6"		350.00		406.00		470.95		513.35		528.75		544.60		560.95		577.80		600.90		624.95		649.95
8"		600.00		696.00		807.35		880.00		906.40		933.60		961.60		990.45		1,030.05		1,071.25		1,114.10

Volume Rate/1,000 Gal

1	50,000	3.35	3.90	4.50	4.90	5.05	5.20	5.35	5.50	5.70	5.95	6.20
50,001	Above	5.70	6.60	7.65	8.35	8.60	8.85	9.10	9.35	9.70	10.10	10.50

W2 Non-Res Inside

Monthly Minimum Charge

5/8" & 3/4"	\$	23.75	\$	27.55	\$	31.95	\$	34.85	\$	35.90	\$	37.00	\$	38.10	\$	39.25	\$	40.80	\$	42.45	\$	44.15
1"		50.00		58.00		67.30		73.35		75.55		77.80		80.15		82.55		85.85		89.30		92.85
1 1/2"		-		-		-		-		-		-		-		-		-		-		-
2"		175.00		203.00		235.50		256.70		264.40		272.35		280.50		288.90		300.45		312.45		324.95
3"		185.00		214.60		248.95		271.35		279.50		287.90		296.55		305.45		317.65		330.35		343.55
4"		225.00		261.00		302.75		330.00		339.90		350.10		360.60		371.40		386.25		401.70		417.75
6"		350.00		406.00		470.95		513.35		528.75		544.60		560.95		577.80		600.90		624.95		649.95
8"		600.00		696.00		807.35		880.00		906.40		933.60		961.60		990.45		1,030.05		1,071.25		1,114.10

Volume Rate/1,000 Gal

1	50,000	3.35	3.90	4.50	4.90	5.05	5.20	5.35	5.50	5.70	5.95	6.20
50,001	Above	5.70	6.60	7.65	8.35	8.60	8.85	9.10	9.35	9.70	10.10	10.50

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario I -- Status Quo

1 Water and Wastewater Rates

Water Rates -- Residential (All)

Monthly Minimum Charge --All Meters \$ 23.75 \$ 27.55 \$ 31.95 \$ 34.85 \$ 35.90 \$ 37.00 \$ 38.10 \$ 39.25 \$ 40.80 \$ 42.45 \$ 44.15

Volume Rate Per 1,000 Gal

1	50,000	3.35	3.90	4.50	4.90	5.05	5.20	5.35	5.50	5.70	5.95	6.20
50,001	Above	5.70	6.60	7.65	8.35	8.60	8.85	9.10	9.35	9.70	10.10	10.50

Water Rates -- Commercial

Monthly Minimum Charge -- 5/8" \$ 175.00 \$ 203.00 \$ 235.50 \$ 256.70 \$ 264.40 \$ 272.35 \$ 280.50 \$ 288.90 \$ 300.45 \$ 312.45 \$ 324.95

Volume Rate Per 1,000 Gal

1	50,000	3.35	3.90	4.50	4.90	5.05	5.20	5.35	5.50	5.70	5.95	6.20
50,001	Above	5.70	6.60	7.65	8.35	8.60	8.85	9.10	9.35	9.70	10.10	10.50

Wastewater Rates - Residential

Monthly Minimum Charge	\$	53.50	\$	60.00	\$	71.40	\$	82.80	\$	84.45	\$	86.15	\$	87.85	\$	89.60	\$	91.40	\$	93.25	\$	95.10
Volume Rate/1,000 Gal		8.50		9.25		11.00		12.75		13.00		13.25		13.50		13.75		14.05		14.35		14.65

Wastewater Rates - Commercial

Monthly Minimum Charge	\$	53.50	\$	60.00	\$	71.40	\$	82.80	\$	84.45	\$	86.15	\$	87.85	\$	89.60	\$	91.40	\$	93.25	\$	95.10
Volume Rate/1,000 Gal		8.50		9.25		11.00		12.75		13.00		13.25		13.50		13.75		14.05		14.35		14.65

2 Residential Standard Monthly Bill -- 1" Meter

5,000 Gal	Total	5/5	\$	136.50	\$	153.30	\$	180.85	\$	205.90	\$	210.60	\$	215.40	\$	220.20	\$	225.10	\$	230.95	\$	237.20	\$	243.50
Water & WW	Increase -- \$					16.80		27.55		25.05		4.70		4.80		4.80		4.90		5.85		6.25		6.30
	Increase -- %					12.3%		18.0%		13.9%		2.3%		2.3%		2.2%		2.2%		2.6%		2.7%		2.7%

7,000 Gal	Total	7/5		143.20		161.10		189.85		215.70		220.70		225.80		230.90		236.10		242.35		249.10		255.90
Water; 5K WW	Increase -- \$					17.90		28.75		25.85		5.00		5.10		5.10		5.20		6.25		6.75		6.80
	Increase -- %					12.5%		17.8%		13.6%		2.3%		2.3%		2.3%		2.3%		2.6%		2.8%		2.7%

15,000 Gal	Total	15/10		212.50		238.55		280.85		318.65		326.10		333.65		341.20		348.85		358.20		368.45		378.75
Water; 10K W	Increase -- \$					26.05		42.30		37.80		7.45		7.55		7.55		7.65		9.35		10.25		10.30
	Increase -- %					12.3%		17.7%		13.5%		2.3%		2.3%		2.3%		2.2%		2.7%		2.9%		2.8%

Commercial Monthly Bill -- All Meters

25,000 Gal	Total		\$	524.75	\$	591.75	\$	694.40	\$	780.75	\$	800.10	\$	819.75	\$	839.60	\$	859.75	\$	885.60	\$	913.20	\$	941.30
Water & WW	Increase -- \$					67.00		102.65		86.35		19.35		19.65		19.85		20.15		25.85		27.60		28.10
	Increase -- %					12.8%		17.3%		12.4%		2.5%		2.5%		2.4%		2.4%		3.0%		3.1%		3.1%

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario I -- Status Quo

3 Fund Balance, Revenues and Expenses											
Beginning of TY Fund Balance	\$	-									
TY Transfer/Use		-									
Revised Beginning Fund Balance	\$	-	\$ (293,075)	\$ (688,891)	\$ (670,048)	\$ (525,217)	\$ (256,030)	\$ 74,117	\$ 309,682	\$ 520,362	\$ 876,762
Revenues and Expenses											
Water Rate Revenues		1,633,472	1,910,874	2,173,208	2,332,658	2,423,826	2,517,136	2,612,420	2,721,014	2,852,658	2,994,940
WW Rate Revenues		1,308,691	1,554,010	1,894,931	2,258,182	2,487,464	2,724,493	2,969,237	3,224,262	3,490,804	3,766,133
Non-Rate Revenues		767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440
Total Revenues		3,709,604	4,232,324	4,835,579	5,358,280	5,678,730	6,009,069	6,349,097	6,712,716	7,110,902	7,528,513
Operating Expenses		2,835,990	3,031,795	3,213,970	3,393,309	3,584,241	3,787,628	4,004,404	4,235,583	4,482,260	4,745,624
Net Revenues for Transfers, Capital Outlays and Debt S		873,614	1,200,529	1,621,609	1,964,970	2,094,489	2,221,441	2,344,692	2,477,133	2,628,643	2,782,889
Capital Outlays .		433,500	107,500	107,500	107,500	107,500	107,500	107,500	107,500	107,500	107,500
Net Revenues Available for Debt Service		440,114	1,093,029	1,514,109	1,857,470	1,986,989	2,113,941	2,237,192	2,369,633	2,521,143	2,675,389
Current Debt Service		581,659	581,661	581,657	581,660	581,660	581,663	581,660	581,661	581,640	581,641
Future Debt Service		-	746,562	746,562	958,921	958,921	1,019,595	1,231,955	1,383,640	1,383,640	1,383,640
Total Debt Service		581,659	1,328,223	1,328,219	1,540,581	1,540,581	1,601,258	1,813,615	1,965,301	1,965,280	1,965,281
Net Revenues for Contingencies and Transfers		(141,545)	(235,194)	185,890	316,889	446,408	512,683	423,578	404,333	555,863	710,109
Transfers											
Total Contingencies & Transfers		151,530	160,622	167,047	172,058	177,220	182,536	188,013	193,653	199,462	205,446
Total Cost of Service		4,002,679	4,628,140	4,816,736	5,213,449	5,409,542	5,678,923	6,113,532	6,502,036	6,754,502	7,023,851
Net Revenues		(293,075)	(395,816)	18,843	144,831	269,188	330,146	235,565	210,680	356,400	504,662
Percent of COS		-7.3%	-8.6%	0.4%	2.8%	5.0%	5.8%	3.9%	3.2%	5.3%	7.2%
Ending Water & Sewer Combined Fund Balance	\$	(293,075)	\$ (688,891)	\$ (670,048)	\$ (525,217)	\$ (256,030)	\$ 74,117	\$ 309,682	\$ 520,362	\$ 876,762	\$ 1,381,424
Revenue Adequacy Tests											
Total Exp (Budgetary Basis)		3,851,149	4,467,519	4,649,689	5,041,391	5,232,323	5,496,386	5,925,519	6,308,383	6,555,039	6,818,405
Expenses per Day		10,551	12,240	12,739	13,812	14,335	15,059	16,234	17,283	17,959	18,681
Working Capital as % of Tot Exp.		-8%	-15%	-14%	-10%	-5%	1%	5%	8%	13%	20%
Number of Working Capital Days		(28)	(56)	(53)	(38)	(18)	5	19	30	49	74
Debt Coverage (excludes Capital Outlays and G/F Trans Goal is 1.60 and Minimum is 1.20)		1.50	0.90	1.22	1.28	1.36	1.39	1.29	1.26	1.34	1.42
Water & WW Repair & Repl. Fund Balance		-	-	-	-	-	-	-	-	-	-

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario I -- Status Quo

5 Total Accounts

Water Accounts

Total Accounts	2,028	2,050	2,072	2,094	2,116	2,138	2,160	2,182	2,204	2,226
New Accounts	-	22	22	22	22	22	22	22	22	22
Avg. Annual Growth Rate		1.08%	1.07%	1.06%	1.05%	1.04%	1.03%	1.02%	1.01%	1.00%

Wastewater Accounts

Total Accounts	1,092	1,144	1,196	1,328	1,460	1,592	1,724	1,856	1,988	2,120
New Accounts	-	52	52	132	132	132	132	132	132	132
Avg. Annual Growth Rate		4.76%	4.55%	11.04%	9.94%	9.04%	8.29%	7.66%	7.11%	6.64%

6 Annual Volume

Water Volume

Residential Inside	93,735,924	94,813,349	95,890,773	96,968,198	98,045,622	99,123,047	100,200,471	101,277,895	102,355,320	103,432,744
Non-Res Inside	79,823,291	80,480,273	81,137,255	81,794,236	82,451,218	83,108,200	83,765,182	84,422,164	85,079,145	85,736,127
Yavapai	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000
Residential Outside	-	-	-	-	-	-	-	-	-	-
Non-Res Outside	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500
Total System	204,303,715	206,038,122	207,772,528	209,506,934	211,241,340	212,975,747	214,710,153	216,444,559	218,178,965	219,913,371

Wastewater Billing Units

Residential Inside	45,896,200	48,387,850	50,879,501	57,357,792	63,836,083	70,314,374	76,792,665	83,270,956	89,749,247	96,227,538
Non-Res Inside	41,143,000	41,627,035	42,111,071	42,595,106	43,079,141	43,563,176	44,047,212	44,531,247	45,015,282	45,499,318
Yavapai	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200
Residential Outside	-	-	-	-	-	-	-	-	-	-
Non-Res Outside	-	-	-	-	-	-	-	-	-	-
Total System	91,131,400	94,107,086	97,082,771	104,045,098	111,007,424	117,969,750	124,932,076	131,894,403	138,856,729	145,819,055

**TOWN OF CAMP VERDE
FORECAST REVENUES, EXPENSES AND CASH FLOW**

		Fiscal Year									
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Scenario:		2023 08 02 -- Scenario I -- Status Quo									
1	Fund Balance, Revenues and Expenses										
2	Revised Beginning Fund Balance	\$ 316,000	\$ 22,925	\$ (372,891)	\$ (354,048)	\$ (209,217)	\$ 59,970	\$ 390,117	\$ 625,682	\$ 836,362	\$ 1,192,762
3	Revenues and Cost of Service										
4	Revenues										
5	Water Rate Revenues										
6	Residential Inside	\$ 880,913	\$ 1,033,326	\$ 1,177,829	\$ 1,267,197	\$ 1,320,065	\$ 1,374,438	\$ 1,430,152	\$ 1,493,416	\$ 1,569,293	\$ 1,651,283
7	Non-Res Inside	550,601	643,563	731,348	784,412	814,389	844,981	876,185	911,751	955,156	1,002,147
8	Yavapai	186,241	215,753	243,462	259,169	266,836	274,505	282,176	291,123	302,496	314,767
9	Residential Outside	-	-	-	-	-	-	-	-	-	-
10	Non-Res Outside	15,717	18,232	20,569	21,880	22,536	23,212	23,908	24,724	25,713	26,743
11	Total	1,633,472	1,910,874	2,173,208	2,332,658	2,423,826	2,517,136	2,612,420	2,721,014	2,852,658	2,994,940
12	Wastewater Rate Revenue										
13	Residential Inside	830,883	1,004,783	1,242,352	1,535,332	1,742,698	1,957,450	2,179,570	2,410,640	2,651,491	2,900,715
14	Non-Res Inside	441,283	507,853	603,948	669,554	690,433	711,674	733,260	756,092	780,540	805,402
15	Yavapai	36,526	41,374	48,630	53,295	54,332	55,370	56,407	57,530	58,773	60,015
16	Total	1,308,691	1,554,010	1,894,931	2,258,182	2,487,464	2,724,493	2,969,237	3,224,262	3,490,804	3,766,133
17	Non-Rate Revenues	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440
18	Total Revenues	3,709,604	4,232,324	4,835,579	5,358,280	5,678,730	6,009,069	6,349,097	6,712,716	7,110,902	7,528,513
19	Cost of Service										
20	Operating Expenses										
21	Personnel	1,513,050	1,605,420	1,704,036	1,809,397	1,922,045	2,042,547	2,171,517	2,309,623	2,457,590	2,616,209
22	Supplies	407,860	448,833	485,151	519,777	557,113	597,381	640,823	687,702	738,303	792,935
23	Maintenance & Repairs	680,480	726,402	760,865	789,325	818,820	849,388	881,067	913,898	947,924	983,188
24	Administrative Expense	234,600	251,140	263,918	274,810	286,263	298,313	310,998	324,360	338,442	353,293
25	Total	2,835,990	3,031,795	3,213,970	3,393,309	3,584,241	3,787,628	4,004,404	4,235,583	4,482,260	4,745,624
26	Net Revenues for Debt Service, Capital Outlays and Transfers	873,614	1,200,529	1,621,609	1,964,970	2,094,489	2,221,441	2,344,692	2,477,133	2,628,643	2,782,889
27	Debt Service										
28	Current	581,659	581,661	581,657	581,660	581,660	581,663	581,660	581,661	581,640	581,641
29	Future	-	746,562	746,562	958,921	958,921	1,019,595	1,231,955	1,383,640	1,383,640	1,383,640
30	Total	581,659	1,328,223	1,328,219	1,540,581	1,540,581	1,601,258	1,813,615	1,965,301	1,965,280	1,965,281
31	Net Revenues for Capital Outlays and Transfers	291,955	(127,694)	293,390	424,389	553,908	620,183	531,078	511,833	663,363	817,609
32	Debt Coverage (20/21)	1.50	0.90	1.22	1.28	1.36	1.39	1.29	1.26	1.34	1.42
33	Capital Outlays	433,500	107,500	107,500	107,500	107,500	107,500	107,500	107,500	107,500	107,500
34	Transfers	151,530	160,622	167,047	172,058	177,220	182,536	188,013	193,653	199,462	205,446
35	Total Cost of Service	4,002,679	4,628,140	4,816,736	5,213,449	5,409,542	5,678,923	6,113,532	6,502,036	6,754,502	7,023,851
36	Net Revenues	(293,075)	(395,816)	18,843	144,831	269,188	330,146	235,565	210,680	356,400	504,662
37	Percent of COS	-7.3%	-8.6%	0.4%	2.8%	5.0%	5.8%	3.9%	3.2%	5.3%	7.2%
38	Ending Water Fund Balance	\$ 22,925	\$ (372,891)	\$ (354,048)	\$ (209,217)	\$ 59,970	\$ 390,117	\$ 625,682	\$ 836,362	\$ 1,192,762	\$ 1,697,424
39	Revenue Adequacy Tests										
40	Fund Balance as a percentage of revenues	0.6%	-8.8%	-7.3%	-3.9%	1.1%	6.5%	9.9%	12.5%	16.8%	22.5%
41	One Day Operating Expenditures	\$ 7,770	\$ 8,306	\$ 8,805	\$ 9,297	\$ 9,820	\$ 10,377	\$ 10,971	\$ 11,604	\$ 12,280	\$ 13,002
42	Days of Operating Expenditures	3	(45)	(40)	(23)	6	38	57	72	97	131
43	Required Rate Adjustments										
44	Percent Annual Rate Adjustment	16.00%	16.00%	9.00%	3.00%	3.00%	3.00%	3.00%	4.00%	4.00%	4.00%

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario I -- Status Quo

1 WATER and WASTEWATER Utility Revenues and Expenses

Beginning of TY Fund Balance	\$ 316,000										
TY Transfer/Use	-										
Revised Beginning Fund Balance	\$ 316,000	\$ 22,925	\$ (372,891)	\$ (354,048)	\$ (209,217)	\$ 59,970	\$ 390,117	\$ 625,682	\$ 836,362	\$ 1,192,762	

Revenues

Water Rate Revenues	1,633,472	1,910,874	2,173,208	2,332,658	2,423,826	2,517,136	2,612,420	2,721,014	2,852,658	2,994,940
Wastewater Rate Revenues	1,308,691	1,554,010	1,894,931	2,258,182	2,487,464	2,724,493	2,969,237	3,224,262	3,490,804	3,766,133
	2,942,164	3,464,884	4,068,139	4,590,840	4,911,290	5,241,629	5,581,657	5,945,276	6,343,462	6,761,073
Non-Rate Revenues	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440
Total Revenues	3,709,604	4,232,324	4,835,579	5,358,280	5,678,730	6,009,069	6,349,097	6,712,716	7,110,902	7,528,513

Cost of Service

Operating Expenses:

Personnel	1,513,050	1,605,420	1,704,036	1,809,397	1,922,045	2,042,547	2,171,517	2,309,623	2,457,590	2,616,209
Supplies	407,860	448,833	485,151	519,777	557,113	597,381	640,823	687,702	738,303	792,935
Maintenance & Repairs	680,480	726,402	760,865	789,325	818,820	849,388	881,067	913,898	947,924	983,188
Administrative Expense	234,600	251,140	263,918	274,810	286,263	298,313	310,998	324,360	338,442	353,293
Total	2,835,990	3,031,795	3,213,970	3,393,309	3,584,241	3,787,628	4,004,404	4,235,583	4,482,260	4,745,624

Net Revenues for Debt Service, Capital Outlays and Transfers	873,614	1,200,529	1,621,609	1,964,970	2,094,489	2,221,441	2,344,692	2,477,133	2,628,643	2,782,889
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Current Debt Service	581,659	581,661	581,657	581,660	581,660	581,663	581,660	581,661	581,640	581,641
Future Debt Service	-	746,562	746,562	958,921	958,921	1,019,595	1,231,955	1,383,640	1,383,640	1,383,640
Total Debt Service	581,659	1,328,223	1,328,219	1,540,581	1,540,581	1,601,258	1,813,615	1,965,301	1,965,280	1,965,281

Net Revenues for Capital Outlays, Contingencies and Transfers	291,955	(127,694)	293,390	424,389	553,908	620,183	531,078	511,833	663,363	817,609
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Capital Outlays	433,500	107,500	107,500	107,500	107,500	107,500	107,500	107,500	107,500	107,500
Transfers	151,530	160,622	167,047	172,058	177,220	182,536	188,013	193,653	199,462	205,446

Total Cost of Service	4,002,679	4,628,140	4,816,736	5,213,449	5,409,542	5,678,923	6,113,532	6,502,036	6,754,502	7,023,851
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Net Revenues	(293,075)	(395,816)	18,843	144,831	269,188	330,146	235,565	210,680	356,400	504,662
Percent of Revenues	-7.9%	-9.4%	0.4%	2.7%	4.7%	5.5%	3.7%	3.1%	5.0%	6.7%

Ending Water & WW Combined Fund Balance	\$ 22,925	\$ (372,891)	\$ (354,048)	\$ (209,217)	\$ 59,970	\$ 390,117	\$ 625,682	\$ 836,362	\$ 1,192,762	\$ 1,697,424
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Revenue Adequacy Tests

Total Expenses less Transfers	3,851,149	4,467,519	4,649,689	5,041,391	5,232,323	5,496,386	5,925,519	6,308,383	6,555,039	6,818,405
Expenses per Day	10,551	12,240	12,739	13,812	14,335	15,059	16,234	17,283	17,959	18,681
Working Capital as % of Tot Exp.	1%	-8%	-8%	-4%	1%	7%	11%	13%	18%	25%
Number of Working Capital Days	2	(30)	(28)	(15)	4	26	39	48	66	91
Debt Coverage (excludes Capital Outlays and G/F Transfers)	1.50	0.90	1.22	1.28	1.36	1.39	1.29	1.26	1.34	1.42

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario I -- Status Quo

2 WATER Utility Revenues and Expenses

Beginning of TY Fund Balance	\$	-																		
TY Transfer/Use	-																			
Revised Beginning Fund Balance	\$	-	\$	170,620	\$	155,069	\$	330,627	\$	442,286	\$	568,363	\$	644,823	\$	728,374	\$	674,205	\$	650,107

Revenues

Water Rate Revenues																				
W.1 Residential Inside		880,913	1,033,326	1,177,829	1,267,197	1,320,065	1,374,438	1,430,152	1,493,416	1,569,293	1,651,283									
W.2 Non-Res Inside		550,601	643,563	731,348	784,412	814,389	844,981	876,185	911,751	955,156	1,002,147									
W.3 Yavapai		186,241	215,753	243,462	259,169	266,836	274,505	282,176	291,123	302,496	314,767									
W.4 Residential Outside		-	-	-	-	-	-	-	-	-	-									
W.5 Non-Res Outside		15,717	18,232	20,569	21,880	22,536	23,212	23,908	24,724	25,713	26,743									
Sub-Total		1,633,472	1,910,874	2,173,208	2,332,658	2,423,826	2,517,136	2,612,420	2,721,014	2,852,658	2,994,940									
Non-Rate Revenues		223,220	223,220	223,220	223,220	223,220	223,220	223,220	223,220	223,220	223,220									
Total Revenues		1,856,692	2,134,094	2,396,428	2,555,878	2,647,046	2,740,356	2,835,640	2,944,234	3,075,878	3,218,160									

Cost of Service

Operating Expenses:

Personnel		630,155	671,616	716,144	763,994	815,441	870,785	930,353	994,503	1,063,623	1,138,139
Supplies		110,000	123,034	135,143	147,082	160,066	174,186	189,539	206,233	224,385	244,119
Maintenance & Repairs		146,400	155,927	162,951	168,658	174,560	180,664	186,978	193,507	200,260	207,243
Administrative Expense		90,800	96,944	101,594	105,483	109,556	113,824	118,299	122,995	127,924	133,102
Total		977,355	1,047,520	1,115,831	1,185,217	1,259,623	1,339,459	1,425,169	1,517,238	1,616,191	1,722,603
Net Revenues for Debt Service, Capital Outlays and Transfers		879,337	1,086,574	1,280,597	1,370,661	1,387,423	1,400,897	1,410,471	1,426,996	1,459,687	1,495,557
Current Debt Service		447,417	447,418	447,416	447,418	447,418	447,421	447,418	447,417	447,399	447,399
Future Debt Service		-	574,279	574,279	725,964	725,964	786,638	786,638	938,323	938,323	938,323
Total Debt Service		447,417	1,021,697	1,021,695	1,173,382	1,173,382	1,234,059	1,234,056	1,385,740	1,385,722	1,385,722
Net Revenues for Capital Outlays, Contingencies and Transfers		431,920	64,877	258,902	197,279	214,042	166,838	176,415	41,256	73,965	109,835
Capital Outlays		192,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Transfers		68,800	72,928	75,845	78,120	80,464	82,878	85,364	87,925	90,563	93,280
Total Cost of Service		1,686,072	2,149,645	2,220,871	2,444,219	2,520,969	2,663,896	2,752,090	2,998,403	3,099,976	3,209,105

Net Revenues		170,620	(15,551)	175,557	111,659	126,078	76,460	83,551	(54,169)	(24,098)	9,055									
Percent of Revenues		9.2%	-0.7%	7.3%	4.4%	4.8%	2.8%	2.9%	-1.8%	-0.8%	0.3%									
Scen I		220,178	286,621	132,098	178,181	(84,374)	6,187	104,076	61,411	48,427	30,965									
Ending Water Fund Balance	\$	170,620	\$	155,069	\$	330,627	\$	442,286	\$	568,363	\$	644,823	\$	728,374	\$	674,205	\$	650,107	\$	659,162

Revenue Adequacy Tests

Total Expenses less Transfers		1,617,272	2,076,717	2,145,026	2,366,098	2,440,505	2,581,018	2,666,725	2,910,478	3,009,413	3,115,825
Expenses per Day		4,431	5,690	5,877	6,482	6,686	7,071	7,306	7,974	8,245	8,537
Working Capital as % of Tot Exp.		11%	7%	15%	19%	23%	25%	27%	23%	22%	21%
Number of Working Capital Days		39	27	56	68	85	91	100	85	79	77
Debt Coverage (excludes Capital Outlays and G/F Transfers)		1.97	1.06	1.25	1.17	1.18	1.14	1.14	1.03	1.05	1.08

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario I -- Status Quo

3 WASTEWATER Utility Revenues and Expenses

Beginning of TY Fund Balance	\$ 316,000										
TY Transfer/Use	-										
Revised Beginning Fund Balance	\$ 316,000	\$ (147,696)	\$ (527,961)	\$ (684,675)	\$ (651,503)	\$ (508,393)	\$ (254,706)	\$ (102,692)	\$ 162,157	\$ 542,656	

Revenues

Wastewater Rate Revenues											
WW.1 Residential Inside	830,883	1,004,783	1,242,352	1,535,332	1,742,698	1,957,450	2,179,570	2,410,640	2,651,491	2,900,715	
WW.2 Non-Res Inside	441,283	507,853	603,948	669,554	690,433	711,674	733,260	756,092	780,540	805,402	
WW.5 Yavapai	36,526	41,374	48,630	53,295	54,332	55,370	56,407	57,530	58,773	60,015	
WW.6 Residential Outside	-	-	-	-	-	-	-	-	-	-	
WW.5 Non-Res Outside	-	-	-	-	-	-	-	-	-	-	
Total	1,308,691	1,554,010	1,894,931	2,258,182	2,487,464	2,724,493	2,969,237	3,224,262	3,490,804	3,766,133	
Non-Rate Revenues	544,220	544,220	544,220	544,220	544,220	544,220	544,220	544,220	544,220	544,220	
Total Revenues	1,852,911	2,098,230	2,439,151	2,802,402	3,031,684	3,268,713	3,513,457	3,768,482	4,035,024	4,310,353	

Cost of Service

Operating Expenses:											
Personnel	882,895	933,804	987,892	1,045,403	1,106,604	1,171,762	1,241,163	1,315,120	1,393,967	1,478,070	
Supplies	297,860	325,800	350,008	372,695	397,047	423,195	451,284	481,469	513,918	548,816	
Maintenance & Repairs	534,080	570,475	597,914	620,668	644,260	668,723	694,089	720,391	747,664	775,944	
Administrative Expense	143,800	154,197	162,325	169,327	176,707	184,489	192,699	201,365	210,518	220,191	
Total	1,858,635	1,984,275	2,098,138	2,208,093	2,324,618	2,448,169	2,579,235	2,718,345	2,866,068	3,023,021	

Net Revenues for Debt Service, Capital Outlays and Transfers	(5,724)	113,955	341,012	594,309	707,066	820,544	934,222	1,050,137	1,168,956	1,287,332
Current Debt Service	134,242	134,243	134,241	134,242	134,242	134,242	134,242	134,244	134,241	134,242
Future Debt Service	-	172,284	172,284	232,958	232,958	232,958	445,317	445,317	445,317	445,317
Total Debt Service	134,242	306,527	306,525	367,200	367,200	367,200	579,559	579,561	579,558	579,559
Net Revenues for Capital Outlays, Contingencies and Transfers	(139,966)	(192,572)	34,488	227,109	339,866	453,345	354,663	470,576	589,398	707,773
Capital Outlays .	241,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Transfers	82,730	87,694	91,202	93,938	96,756	99,658	102,648	105,728	108,899	112,166
Total Cost of Service	2,316,607	2,478,496	2,595,865	2,769,230	2,888,574	3,015,027	3,361,442	3,503,633	3,654,525	3,814,746

Net Revenues	(463,696)	(380,265)	(156,714)	33,172	143,110	253,686	152,015	264,849	380,499	495,607
Percent of Revenues	-25.0%	-18.1%	-6.4%	1.2%	4.7%	7.8%	4.3%	7.0%	9.4%	11.5%

Ending Wastewater Fund Balance	\$ (147,696)	\$ (527,961)	\$ (684,675)	\$ (651,503)	\$ (508,393)	\$ (254,706)	\$ (102,692)	\$ 162,157	\$ 542,656	\$ 1,038,262
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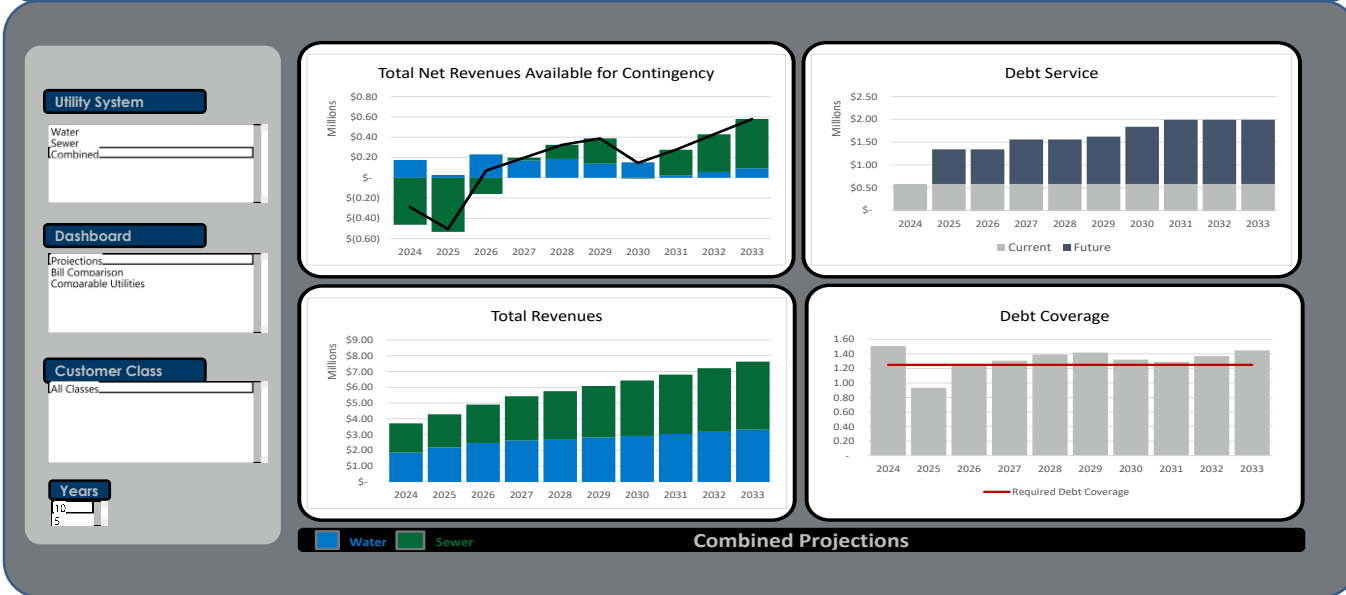
Revenue Adequacy Tests

Total Expenses less Transfers	2,233,877	2,390,802	2,504,663	2,675,292	2,791,818	2,915,369	3,258,794	3,397,906	3,545,626	3,702,580
Expenses per Day	6,120	6,550	6,862	7,330	7,649	7,987	8,928	9,309	9,714	10,144
Working Capital as % of Tot Exp.	-7%	-22%	-27%	-24%	-18%	-9%	-3%	5%	15%	28%
Number of Working Capital Days	(24)	(81)	(100)	(89)	(66)	(32)	(12)	17	56	102
Debt Coverage (excludes Capital Outlays and G/F Transfers)	(0.04)	0.37	1.11	1.62	1.93	2.23	1.61	1.81	2.02	2.22

APPENDIX B

Town of Camp Verde

Ten Year Rate Analysis and Pro Forma Fiscal Years 2024 - 2033



Future Debt Term

Water Future Bond Issues	
Proposed	
2024	\$ 10,000,000
2025	\$ -
2026	\$ 2,500,000
2027	\$ -
2028	\$ 1,000,000
2029	\$ -
2030	\$ 2,500,000
2031	\$ -
2032	\$ -
2033	\$ -

Sewer Future Bond Issues	
Proposed	
2024	\$ 3,000,000
2025	\$ -
2026	\$ 1,000,000
2027	\$ -
2028	\$ -
2029	\$ 3,500,000
2030	\$ -
2031	\$ -
2032	\$ -
2033	\$ -

		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water Rate Adjustments											
Meter Charge		16.00%	16.00%	9.00%	3.00%	3.00%	3.00%	3.00%	4.00%	4.00%	4.00%
Volume Charge		16.00%	16.00%	9.00%	3.00%	3.00%	3.00%	3.00%	4.00%	4.00%	4.00%
Sewer Rate Adjustments											
Base Charge		19.00%	19.00%	16.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Volume Charge	Residential	19.00%	19.00%	16.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	Non-Residential	19.00%	19.00%	16.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Water Summary

Scen: 2023 08 02 -- Scenario II -- Conservation

1 Water Monthly Rates and Charges

CITY Water Rate and Charges

W1 Residential Inside

Monthly Minimum Charge

5/8" & 3/4"	\$	23.75	\$	27.55	\$	31.95	\$	34.85	\$	35.90	\$	37.00	\$	38.10	\$	39.25	\$	40.80	\$	42.45	\$	44.15
1"		50.00		58.00		67.30		73.35		75.55		77.80		80.15		82.55		85.85		89.30		92.85
1 1/2"		-		-		-		-		-		-		-		-		-		-		-
2"		175.00		203.00		235.50		256.70		264.40		272.35		280.50		288.90		300.45		312.45		324.95
3"		185.00		214.60		248.95		271.35		279.50		287.90		296.55		305.45		317.65		330.35		343.55
4"		225.00		261.00		302.75		330.00		339.90		350.10		360.60		371.40		386.25		401.70		417.75
6"		350.00		406.00		470.95		513.35		528.75		544.60		560.95		577.80		600.90		624.95		649.95
8"		600.00		696.00		807.35		880.00		906.40		933.60		961.60		990.45		1,030.05		1,071.25		1,114.10

Volume Rate/1,000 Gal

1	5,000	3.35	3.35	3.90	4.25	4.40	4.55	4.70	4.85	5.05	5.25	5.45
5,001	10,000	3.35	4.00	4.65	5.05	5.20	5.35	5.50	5.65	5.90	6.15	6.40

W2 Non-Res Inside

Monthly Minimum Charge

5/8" & 3/4"	\$	23.75	\$	27.55	\$	31.95	\$	34.85	\$	35.90	\$	37.00	\$	38.10	\$	39.25	\$	40.80	\$	42.45	\$	44.15
1"		50.00		58.00		67.30		73.35		75.55		77.80		80.15		82.55		85.85		89.30		92.85
1 1/2"		-		-		-		-		-		-		-		-		-		-		-
2"		175.00		203.00		235.50		256.70		264.40		272.35		280.50		288.90		300.45		312.45		324.95
3"		185.00		214.60		248.95		271.35		279.50		287.90		296.55		305.45		317.65		330.35		343.55
4"		225.00		261.00		302.75		330.00		339.90		350.10		360.60		371.40		386.25		401.70		417.75
6"		350.00		406.00		470.95		513.35		528.75		544.60		560.95		577.80		600.90		624.95		649.95
8"		600.00		696.00		807.35		880.00		906.40		933.60		961.60		990.45		1,030.05		1,071.25		1,114.10

Volume Rate/1,000 Gal

1	5,000	3.35	3.35	3.90	4.25	4.40	4.55	4.70	4.85	5.05	5.25	5.45
5,001	10,000	3.35	4.00	4.65	5.05	5.20	5.35	5.50	5.65	5.90	6.15	6.40

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario II -- Conservation

1 Water and Wastewater Rates

Water Rates -- Residential (All)

Monthly Minimum Charge --All Meters \$ 23.75 \$ 27.55 \$ 31.95 \$ 34.85 \$ 35.90 \$ 37.00 \$ 38.10 \$ 39.25 \$ 40.80 \$ 42.45 \$ 44.15

Volume Rate Per 1,000 Gal

1	5,000	3.35	3.35	3.90	4.25	4.40	4.55	4.70	4.85	5.05	5.25	5.45
5,001	10,000	3.35	4.00	4.65	5.05	5.20	5.35	5.50	5.65	5.90	6.15	6.40

Water Rates -- Commercial

Monthly Minimum Charge -- 5/8" \$ 175.00 \$ 203.00 \$ 235.50 \$ 256.70 \$ 264.40 \$ 272.35 \$ 280.50 \$ 288.90 \$ 300.45 \$ 312.45 \$ 324.95

Volume Rate Per 1,000 Gal

1	5,000	3.35	3.35	3.90	4.25	4.40	4.55	4.70	4.85	5.05	5.25	5.45
5,001	10,000	3.35	4.00	4.65	5.05	5.20	5.35	5.50	5.65	5.90	6.15	6.40

Wastewater Rates - Residential

Monthly Minimum Charge \$ 53.50 \$ 60.00 \$ 71.40 \$ 82.80 \$ 84.45 \$ 86.15 \$ 87.85 \$ 89.60 \$ 91.40 \$ 93.25 \$ 95.10
 Volume Rate/1,000 Gal 8.50 9.25 11.00 12.75 13.00 13.25 13.50 13.75 14.05 14.35 14.65

Wastewater Rates - Commercial

Monthly Minimum Charge \$ 53.50 \$ 60.00 \$ 71.40 \$ 82.80 \$ 84.45 \$ 86.15 \$ 87.85 \$ 89.60 \$ 91.40 \$ 93.25 \$ 95.10
 Volume Rate/1,000 Gal 8.50 9.25 11.00 12.75 13.00 13.25 13.50 13.75 14.05 14.35 14.65

2 Residential Standard Monthly Bill -- 1" Meter

5,000 Gal	Total	5/5	\$ 136.50	\$ 150.55	\$ 177.85	\$ 202.65	\$ 207.35	\$ 212.15	\$ 216.95	\$ 221.85	\$ 227.70	\$ 233.70	\$ 239.75
Water & WW	Increase -- \$			14.05	27.30	24.80	4.70	4.80	4.80	4.90	5.85	6.00	6.05
	Increase -- %			10.3%	18.1%	13.9%	2.3%	2.3%	2.3%	2.3%	2.6%	2.6%	2.6%

7,000 Gal	Total	7/5	143.20	157.25	185.65	211.15	216.15	221.25	226.35	231.55	237.80	244.20	250.65
Water; 5K WW	Increase -- \$			14.05	28.40	25.50	5.00	5.10	5.10	5.20	6.25	6.40	6.45
	Increase -- %			9.8%	18.1%	13.7%	2.4%	2.4%	2.3%	2.3%	2.7%	2.7%	2.6%

15,000 Gal	Total	15/10	212.50	230.30	271.85	308.90	316.35	323.90	331.45	339.10	348.45	357.95	367.50
Water; 10K W	Increase -- \$			17.80	41.55	37.05	7.45	7.55	7.55	7.65	9.35	9.50	9.55
	Increase -- %			8.4%	18.0%	13.6%	2.4%	2.4%	2.3%	2.3%	2.8%	2.7%	2.7%

Commercial Monthly Bill -- All Meters

25,000 Gal	Total	\$ 524.75	\$ 578.00	\$ 679.40	\$ 764.50	\$ 783.85	\$ 803.50	\$ 823.35	\$ 843.50	\$ 869.35	\$ 895.70	\$ 922.55
Water & WW	Increase -- \$		53.25	101.40	85.10	19.35	19.65	19.85	20.15	25.85	26.35	26.85
	Increase -- %		10.1%	17.5%	12.5%	2.5%	2.5%	2.5%	2.4%	3.1%	3.0%	3.0%

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario II -- Conservation

3 Fund Balance, Revenues and Expenses											
Beginning of TY Fund Balance	\$	-									
TY Transfer/Use		-									
Revised Beginning Fund Balance	\$	-	\$ (289,321)	\$ (794,998)	\$ (724,723)	\$ (526,906)	\$ (202,317)	\$ 185,641	\$ 331,361	\$ 607,979	\$ 1,036,502
Revenues and Expenses											
Water Rate Revenues		1,637,226	1,965,944	2,239,571	2,404,823	2,498,406	2,595,339	2,697,213	2,814,625	2,952,453	3,097,600
WW Rate Revenues		1,308,691	1,554,010	1,894,931	2,258,182	2,487,464	2,724,493	2,969,237	3,224,262	3,490,804	3,766,133
Non-Rate Revenues		767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440
Total Revenues		3,713,358	4,287,395	4,901,942	5,430,445	5,753,310	6,087,273	6,433,890	6,806,327	7,210,697	7,631,173
Operating Expenses		2,835,990	3,031,795	3,213,970	3,393,309	3,584,241	3,787,628	4,004,404	4,235,583	4,482,260	4,745,624
Net Revenues for Transfers, Capital Outlays and Debt S		877,368	1,255,599	1,687,972	2,037,135	2,169,069	2,299,645	2,429,486	2,570,745	2,728,438	2,885,549
Capital Outlays .		433,500	257,500	107,500	107,500	107,500	107,500	257,500	107,500	107,500	107,500
Net Revenues Available for Debt Service		443,868	998,099	1,580,472	1,929,635	2,061,569	2,192,145	2,171,986	2,463,245	2,620,938	2,778,049
Current Debt Service		581,659	581,661	581,657	581,660	581,660	581,663	581,660	581,661	581,640	581,641
Future Debt Service		-	761,494	761,494	978,100	978,100	1,039,987	1,256,594	1,411,312	1,411,312	1,411,312
Total Debt Service		581,659	1,343,155	1,343,151	1,559,760	1,559,760	1,621,650	1,838,254	1,992,973	1,992,952	1,992,953
Net Revenues for Contingencies and Transfers		(137,791)	(345,055)	237,322	369,876	501,809	570,494	333,732	470,271	627,985	785,095
Transfers											
Total Contingencies & Transfers		151,530	160,622	167,047	172,058	177,220	182,536	188,013	193,653	199,462	205,446
Total Cost of Service		4,002,679	4,793,072	4,831,667	5,232,627	5,428,721	5,699,315	6,288,171	6,529,709	6,782,174	7,051,524
Net Revenues		(289,321)	(505,677)	70,275	197,818	324,589	387,958	145,719	276,618	428,523	579,649
Percent of COS		-7.2%	-10.6%	1.5%	3.8%	6.0%	6.8%	2.3%	4.2%	6.3%	8.2%
Ending Water & Sewer Combined Fund Balance	\$	(289,321)	\$ (794,998)	\$ (724,723)	\$ (526,906)	\$ (202,317)	\$ 185,641	\$ 331,361	\$ 607,979	\$ 1,036,502	\$ 1,616,151
Revenue Adequacy Tests											
Total Exp (Budgetary Basis)		3,851,149	4,632,450	4,664,620	5,060,569	5,251,501	5,516,778	6,100,158	6,336,056	6,582,712	6,846,077
Expenses per Day		10,551	12,692	12,780	13,865	14,388	15,114	16,713	17,359	18,035	18,756
Working Capital as % of Tot Exp.		-8%	-17%	-16%	-10%	-4%	3%	5%	10%	16%	24%
Number of Working Capital Days		(27)	(63)	(57)	(38)	(14)	12	20	35	57	86
Debt Coverage (excludes Capital Outlays and G/F Trans Goal is 1.60 and Minimum is 1.20)		1.51	0.93	1.26	1.31	1.39	1.42	1.32	1.29	1.37	1.45
Water& WW Repair & Repl. Fund Balance		-	-	-	-	-	-	-	-	-	-

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario II -- Conservation

5 Total Accounts

Water Accounts

Total Accounts	2,028	2,050	2,072	2,094	2,116	2,138	2,160	2,182	2,204	2,226
New Accounts	-	22	22	22	22	22	22	22	22	22
Avg. Annual Growth Rate		1.08%	1.07%	1.06%	1.05%	1.04%	1.03%	1.02%	1.01%	1.00%

Wastewater Accounts

Total Accounts	1,092	1,144	1,196	1,328	1,460	1,592	1,724	1,856	1,988	2,120
New Accounts	-	52	52	132	132	132	132	132	132	132
Avg. Annual Growth Rate		4.76%	4.55%	11.04%	9.94%	9.04%	8.29%	7.66%	7.11%	6.64%

6 Annual Volume

Water Volume

Residential Inside	93,735,924	94,813,349	95,890,773	96,968,198	98,045,622	99,123,047	100,200,471	101,277,895	102,355,320	103,432,744
Non-Res Inside	79,823,291	80,480,273	81,137,255	81,794,236	82,451,218	83,108,200	83,765,182	84,422,164	85,079,145	85,736,127
Yavapai	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000	30,648,000
Residential Outside	-	-	-	-	-	-	-	-	-	-
Non-Res Outside	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500
Total System	204,303,715	206,038,122	207,772,528	209,506,934	211,241,340	212,975,747	214,710,153	216,444,559	218,178,965	219,913,371

Wastewater Billing Units

Residential Inside	45,896,200	48,387,850	50,879,501	57,357,792	63,836,083	70,314,374	76,792,665	83,270,956	89,749,247	96,227,538
Non-Res Inside	41,143,000	41,627,035	42,111,071	42,595,106	43,079,141	43,563,176	44,047,212	44,531,247	45,015,282	45,499,318
Yavapai	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200	4,092,200
Residential Outside	-	-	-	-	-	-	-	-	-	-
Non-Res Outside	-	-	-	-	-	-	-	-	-	-
Total System	91,131,400	94,107,086	97,082,771	104,045,098	111,007,424	117,969,750	124,932,076	131,894,403	138,856,729	145,819,055

**TOWN OF CAMP VERDE
FORECAST REVENUES, EXPENSES AND CASH FLOW**

		Fiscal Year									
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Scenario:		2023 08 02 -- Scenario II -- Conservation									
1	Fund Balance, Revenues and Expenses										
2	Revised Beginning Fund Balance	\$ 316,000	\$ 26,679	\$ (478,998)	\$ (408,723)	\$ (210,906)	\$ 113,683	\$ 501,641	\$ 647,361	\$ 923,979	\$ 1,352,502
3	Revenues and Cost of Service										
4	Revenues										
5	Water Rate Revenues										
6	Residential Inside	\$ 878,960	\$ 1,029,671	\$ 1,175,771	\$ 1,265,560	\$ 1,319,146	\$ 1,374,355	\$ 1,431,384	\$ 1,496,855	\$ 1,573,771	\$ 1,654,365
7	Non-Res Inside	575,712	709,021	807,178	866,070	898,352	931,968	967,907	1,009,434	1,058,067	1,109,567
8	Yavapai	166,722	208,844	235,853	251,098	258,152	265,578	273,781	283,368	294,649	306,662
9	Residential Outside	-	-	-	-	-	-	-	-	-	-
10	Non-Res Outside	15,832	18,408	20,770	22,094	22,756	23,438	24,141	24,968	25,967	27,006
11	Total	1,637,226	1,965,944	2,239,571	2,404,823	2,498,406	2,595,339	2,697,213	2,814,625	2,952,453	3,097,600
12	Wastewater Rate Revenue										
13	Residential Inside	830,883	1,004,783	1,242,352	1,535,332	1,742,698	1,957,450	2,179,570	2,410,640	2,651,491	2,900,715
14	Non-Res Inside	441,283	507,853	603,948	669,554	690,433	711,674	733,260	756,092	780,540	805,402
15	Yavapai	36,526	41,374	48,630	53,295	54,332	55,370	56,407	57,530	58,773	60,015
16	Total	1,308,691	1,554,010	1,894,931	2,258,182	2,487,464	2,724,493	2,969,237	3,224,262	3,490,804	3,766,133
17	Non-Rate Revenues	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440
18	Total Revenues	3,713,358	4,287,395	4,901,942	5,430,445	5,753,310	6,087,273	6,433,890	6,806,327	7,210,697	7,631,173
19	Cost of Service										
20	Operating Expenses										
21	Personnel	1,513,050	1,605,420	1,704,036	1,809,397	1,922,045	2,042,547	2,171,517	2,309,623	2,457,590	2,616,209
22	Supplies	407,860	448,833	485,151	519,777	557,113	597,381	640,823	687,702	738,303	792,935
23	Maintenance & Repairs	680,480	726,402	760,865	789,325	818,820	849,388	881,067	913,898	947,924	983,188
24	Administrative Expense	234,600	251,140	263,918	274,810	286,263	298,313	310,998	324,360	338,442	353,293
25	Total	2,835,990	3,031,795	3,213,970	3,393,309	3,584,241	3,787,628	4,004,404	4,235,583	4,482,260	4,745,624
26	Net Revenues for Debt Service, Capital Outlays and Transfers	877,368	1,255,599	1,687,972	2,037,135	2,169,069	2,299,645	2,429,486	2,570,745	2,728,438	2,885,549
27	Debt Service										
28	Current	581,659	581,661	581,657	581,660	581,660	581,663	581,660	581,661	581,640	581,641
29	Future	-	761,494	761,494	978,100	978,100	1,039,987	1,256,594	1,411,312	1,411,312	1,411,312
30	Total	581,659	1,343,155	1,343,151	1,559,760	1,559,760	1,621,650	1,838,254	1,992,973	1,992,952	1,992,953
31	Net Revenues for Capital Outlays and Transfers	295,709	(87,555)	344,822	477,376	609,309	677,994	591,232	577,771	735,485	892,595
32	Debt Coverage (20/21)	1.51	0.93	1.26	1.31	1.39	1.42	1.32	1.29	1.37	1.45
33	Capital Outlays	433,500	257,500	107,500	107,500	107,500	107,500	257,500	107,500	107,500	107,500
34	Transfers	151,530	160,622	167,047	172,058	177,220	182,536	188,013	193,653	199,462	205,446
35	Total Cost of Service	4,002,679	4,793,072	4,831,667	5,232,627	5,428,721	5,699,315	6,288,171	6,529,709	6,782,174	7,051,524
36	Net Revenues	(289,321)	(505,677)	70,275	197,818	324,589	387,958	145,719	276,618	428,523	579,649
37	Percent of COS	-7.2%	-10.6%	1.5%	3.8%	6.0%	6.8%	2.3%	4.2%	6.3%	8.2%
38	Ending Water Fund Balance	\$ 26,679	\$ (478,998)	\$ (408,723)	\$ (210,906)	\$ 113,683	\$ 501,641	\$ 647,361	\$ 923,979	\$ 1,352,502	\$ 1,932,151
39	Revenue Adequacy Tests										
40	Fund Balance as a percentage of revenues	0.7%	-11.2%	-8.3%	-3.9%	2.0%	8.2%	10.1%	13.6%	18.8%	25.3%
41	One Day Operating Expenditures	\$ 7,770	\$ 8,306	\$ 8,805	\$ 9,297	\$ 9,820	\$ 10,377	\$ 10,971	\$ 11,604	\$ 12,280	\$ 13,002
42	Days of Operating Expenditures	3	(58)	(46)	(23)	12	48	59	80	110	149
43	Required Rate Adjustments										
44	Percent Annual Rate Adjustment	16.00%	16.00%	9.00%	3.00%	3.00%	3.00%	3.00%	4.00%	4.00%	4.00%

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario II -- Conservation

1 WATER and WASTEWATER Utility Revenues and Expenses

Beginning of TY Fund Balance	\$ 316,000										
TY Transfer/Use	-										
Revised Beginning Fund Balance	\$ 316,000	\$ 26,679	\$ (478,998)	\$ (408,723)	\$ (210,906)	\$ 113,683	\$ 501,641	\$ 647,361	\$ 923,979	\$ 1,352,502	

Revenues

Water Rate Revenues	1,637,226	1,965,944	2,239,571	2,404,823	2,498,406	2,595,339	2,697,213	2,814,625	2,952,453	3,097,600
Wastewater Rate Revenues	1,308,691	1,554,010	1,894,931	2,258,182	2,487,464	2,724,493	2,969,237	3,224,262	3,490,804	3,766,133
	2,945,918	3,519,955	4,134,502	4,663,005	4,985,870	5,319,833	5,666,450	6,038,887	6,443,257	6,863,733
Non-Rate Revenues	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440	767,440
Total Revenues	3,713,358	4,287,395	4,901,942	5,430,445	5,753,310	6,087,273	6,433,890	6,806,327	7,210,697	7,631,173

Cost of Service

Operating Expenses:

Personnel	1,513,050	1,605,420	1,704,036	1,809,397	1,922,045	2,042,547	2,171,517	2,309,623	2,457,590	2,616,209
Supplies	407,860	448,833	485,151	519,777	557,113	597,381	640,823	687,702	738,303	792,935
Maintenance & Repairs	680,480	726,402	760,865	789,325	818,820	849,388	881,067	913,898	947,924	983,188
Administrative Expense	234,600	251,140	263,918	274,810	286,263	298,313	310,998	324,360	338,442	353,293
Total	2,835,990	3,031,795	3,213,970	3,393,309	3,584,241	3,787,628	4,004,404	4,235,583	4,482,260	4,745,624

Net Revenues for Debt Service, Capital Outlays and Transfers	877,368	1,255,599	1,687,972	2,037,135	2,169,069	2,299,645	2,429,486	2,570,745	2,728,438	2,885,549
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Current Debt Service	581,659	581,661	581,657	581,660	581,660	581,663	581,660	581,661	581,640	581,641
Future Debt Service	-	761,494	761,494	978,100	978,100	1,039,987	1,256,594	1,411,312	1,411,312	1,411,312
Total Debt Service	581,659	1,343,155	1,343,151	1,559,760	1,559,760	1,621,650	1,838,254	1,992,973	1,992,952	1,992,953

Net Revenues for Capital Outlays, Contingencies and Transfers	295,709	(87,555)	344,822	477,376	609,309	677,994	591,232	577,771	735,485	892,595
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Capital Outlays	433,500	257,500	107,500	107,500	107,500	107,500	257,500	107,500	107,500	107,500
Transfers	151,530	160,622	167,047	172,058	177,220	182,536	188,013	193,653	199,462	205,446

Total Cost of Service	4,002,679	4,793,072	4,831,667	5,232,627	5,428,721	5,699,315	6,288,171	6,529,709	6,782,174	7,051,524
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Net Revenues	(289,321)	(505,677)	70,275	197,818	324,589	387,958	145,719	276,618	428,523	579,649
Percent of Revenues	-7.8%	-11.8%	1.4%	3.6%	5.6%	6.4%	2.3%	4.1%	5.9%	7.6%

Ending Water & WW Combined Fund Balance	\$ 26,679	\$ (478,998)	\$ (408,723)	\$ (210,906)	\$ 113,683	\$ 501,641	\$ 647,361	\$ 923,979	\$ 1,352,502	\$ 1,932,151
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Revenue Adequacy Tests

Total Expenses less Transfers	3,851,149	4,632,450	4,664,620	5,060,569	5,251,501	5,516,778	6,100,158	6,336,056	6,582,712	6,846,077
Expenses per Day	10,551	12,692	12,780	13,865	14,388	15,114	16,713	17,359	18,035	18,756
Working Capital as % of Tot Exp.	1%	-10%	-9%	-4%	2%	9%	11%	15%	21%	28%
Number of Working Capital Days	3	(38)	(32)	(15)	8	33	39	53	75	103
Debt Coverage (excludes Capital Outlays and G/F Transfers)	1.51	0.93	1.26	1.31	1.39	1.42	1.32	1.29	1.37	1.45

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario II -- Conservation

2 WATER Utility Revenues and Expenses

Beginning of TY Fund Balance	\$	-									
TY Transfer/Use		-									
Revised Beginning Fund Balance	\$	-	\$ 174,374	\$ 202,408	\$ 432,843	\$ 602,148	\$ 788,286	\$ 927,216	\$ 1,079,828	\$ 1,100,503	\$ 1,157,434

Revenues

Water Rate Revenues		-	-	-	-	-	-	-	-	-	-
W.1 Residential Inside		878,960	1,029,671	1,175,771	1,265,560	1,319,146	1,374,355	1,431,384	1,496,855	1,573,771	1,654,365
W.2 Non-Res Inside		575,712	709,021	807,178	866,070	898,352	931,968	967,907	1,009,434	1,058,067	1,109,567
W.3 Yavapai		166,722	208,844	235,853	251,098	258,152	265,578	273,781	283,368	294,649	306,662
W.4 Residential Outside		-	-	-	-	-	-	-	-	-	-
W.5 Non-Res Outside		15,832	18,408	20,770	22,094	22,756	23,438	24,141	24,968	25,967	27,006
Sub-Total		1,637,226	1,965,944	2,239,571	2,404,823	2,498,406	2,595,339	2,697,213	2,814,625	2,952,453	3,097,600
Non-Rate Revenues		223,220	223,220	223,220	223,220	223,220	223,220	223,220	223,220	223,220	223,220
Total Revenues		1,860,446	2,189,164	2,462,791	2,628,043	2,721,626	2,818,559	2,920,433	3,037,845	3,175,673	3,320,820

Cost of Service

Operating Expenses:

Personnel		630,155	671,616	716,144	763,994	815,441	870,785	930,353	994,503	1,063,623	1,138,139
Supplies		110,000	123,034	135,143	147,082	160,066	174,186	189,539	206,233	224,385	244,119
Maintenance & Repairs		146,400	155,927	162,951	168,658	174,560	180,664	186,978	193,507	200,260	207,243
Administrative Expense		90,800	96,944	101,594	105,483	109,556	113,824	118,299	122,995	127,924	133,102
Total		977,355	1,047,520	1,115,831	1,185,217	1,259,623	1,339,459	1,425,169	1,517,238	1,616,191	1,722,603
Net Revenues for Debt Service, Capital Outlays and Transfers		883,091	1,141,644	1,346,960	1,442,826	1,462,003	1,479,100	1,495,264	1,520,607	1,559,482	1,598,217
Current Debt Service		447,417	447,418	447,416	447,418	447,418	447,421	447,418	447,417	447,399	447,399
Future Debt Service		-	585,764	585,764	740,483	740,483	802,371	802,371	957,089	957,089	957,089
Total Debt Service		447,417	1,033,182	1,033,180	1,187,901	1,187,901	1,249,792	1,249,789	1,404,506	1,404,488	1,404,488
Net Revenues for Capital Outlays, Contingencies and Transfers		435,674	108,462	313,780	254,925	274,102	229,309	245,475	116,101	154,994	193,729
Capital Outlays		192,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Transfers		68,800	72,928	75,845	78,120	80,464	82,878	85,364	87,925	90,563	93,280
Total Cost of Service		1,686,072	2,161,130	2,232,357	2,458,738	2,535,488	2,679,629	2,767,822	3,017,170	3,118,743	3,227,871

Net Revenues		174,374	28,034	230,435	169,305	186,138	138,931	152,611	20,676	56,931	92,949
Percent of Revenues		9.4%	1.3%	9.4%	6.4%	6.8%	4.9%	5.2%	0.7%	1.8%	2.8%
Scen I		220,178	286,621	132,098	178,181	(84,374)	6,187	104,076	61,411	48,427	30,965
Ending Water Fund Balance	\$	174,374	\$ 202,408	\$ 432,843	\$ 602,148	\$ 788,286	\$ 927,216	\$ 1,079,828	\$ 1,100,503	\$ 1,157,434	\$ 1,250,383

Revenue Adequacy Tests

Total Expenses less Transfers		1,617,272	2,088,202	2,156,512	2,380,618	2,455,024	2,596,751	2,682,458	2,929,244	3,028,180	3,134,591
Expenses per Day		4,431	5,721	5,908	6,522	6,726	7,114	7,349	8,025	8,296	8,588
Working Capital as % of Tot Exp.		11%	10%	20%	25%	32%	36%	40%	38%	38%	40%
Number of Working Capital Days		39	35	73	92	117	130	147	137	140	146
Debt Coverage (excludes Capital Outlays and G/F Transfers)		1.97	1.10	1.30	1.21	1.23	1.18	1.20	1.08	1.11	1.14

**TOWN OF CAMP VERDE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Forecast Summary

Scenario: 2023 08 02 -- Scenario II -- Conservation

3 WASTEWATER Utility Revenues and Expenses

Beginning of TY Fund Balance	\$ 316,000										
TY Transfer/Use	-										
Revised Beginning Fund Balance	\$ 316,000	\$ (147,696)	\$ (681,407)	\$ (841,566)	\$ (813,053)	\$ (674,602)	\$ (425,575)	\$ (432,467)	\$ (176,524)	\$ 195,068	

Revenues

Wastewater Rate Revenues

WW.1 Residential Inside	830,883	1,004,783	1,242,352	1,535,332	1,742,698	1,957,450	2,179,570	2,410,640	2,651,491	2,900,715
WW.2 Non-Res Inside	441,283	507,853	603,948	669,554	690,433	711,674	733,260	756,092	780,540	805,402
WW.5 Yavapai	36,526	41,374	48,630	53,295	54,332	55,370	56,407	57,530	58,773	60,015
WW.6 Residential Outside	-	-	-	-	-	-	-	-	-	-
WW.5 Non-Res Outside	-	-	-	-	-	-	-	-	-	-
Total	1,308,691	1,554,010	1,894,931	2,258,182	2,487,464	2,724,493	2,969,237	3,224,262	3,490,804	3,766,133
Non-Rate Revenues	544,220	544,220	544,220	544,220	544,220	544,220	544,220	544,220	544,220	544,220
Total Revenues	1,852,911	2,098,230	2,439,151	2,802,402	3,031,684	3,268,713	3,513,457	3,768,482	4,035,024	4,310,353

Cost of Service

Operating Expenses:

Personnel	882,895	933,804	987,892	1,045,403	1,106,604	1,171,762	1,241,163	1,315,120	1,393,967	1,478,070
Supplies	297,860	325,800	350,008	372,695	397,047	423,195	451,284	481,469	513,918	548,816
Maintenance & Repairs	534,080	570,475	597,914	620,668	644,260	668,723	694,089	720,391	747,664	775,944
Administrative Expense	143,800	154,197	162,325	169,327	176,707	184,489	192,699	201,365	210,518	220,191
Total	1,858,635	1,984,275	2,098,138	2,208,093	2,324,618	2,448,169	2,579,235	2,718,345	2,866,068	3,023,021

Net Revenues for Debt Service, Capital Outlays and Transfers	(5,724)	113,955	341,012	594,309	707,066	820,544	934,222	1,050,137	1,168,956	1,287,332
Current Debt Service	134,242	134,243	134,241	134,242	134,242	134,242	134,242	134,244	134,241	134,242
Future Debt Service	-	175,729	175,729	237,617	237,617	237,617	454,223	454,223	454,223	454,223
Total Debt Service	134,242	309,972	309,970	371,859	371,859	371,859	588,465	588,467	588,464	588,465
Net Revenues for Capital Outlays, Contingencies and Transfers	(139,966)	(196,017)	31,042	222,450	335,207	448,686	345,756	461,670	580,492	698,867
Capital Outlays	241,000	250,000	100,000	100,000	100,000	100,000	250,000	100,000	100,000	100,000
Transfers	82,730	87,694	91,202	93,938	96,756	99,658	102,648	105,728	108,899	112,166
Total Cost of Service	2,316,607	2,631,941	2,599,310	2,773,889	2,893,233	3,019,686	3,520,348	3,512,539	3,663,432	3,823,652

Net Revenues	(463,696)	(533,711)	(160,159)	28,513	138,451	249,027	(6,892)	255,943	371,592	486,700
Percent of Revenues	-25.0%	-25.4%	-6.6%	1.0%	4.6%	7.6%	-0.2%	6.8%	9.2%	11.3%

Ending Wastewater Fund Balance	\$ (147,696)	\$ (681,407)	\$ (841,566)	\$ (813,053)	\$ (674,602)	\$ (425,575)	\$ (432,467)	\$ (176,524)	\$ 195,068	\$ 681,768
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Revenue Adequacy Tests

Total Expenses less Transfers	2,233,877	2,544,248	2,508,109	2,679,952	2,796,477	2,920,028	3,417,700	3,406,812	3,554,532	3,711,486
Expenses per Day	6,120	6,971	6,872	7,342	7,662	8,000	9,364	9,334	9,738	10,168
Working Capital as % of Tot Exp.	-7%	-27%	-34%	-30%	-24%	-15%	-13%	-5%	5%	18%
Number of Working Capital Days	(24)	(98)	(122)	(111)	(88)	(53)	(46)	(19)	20	67
Debt Coverage (excludes Capital Outlays and G/F Transfers)	(0.04)	0.37	1.10	1.60	1.90	2.21	1.59	1.78	1.99	2.19



Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: August 2, 2023

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation Special Session

Requesting Department: Public Works Department

Staff Resource/Contact Person: Martin Smith

Agenda Title (be exact): DISCUSSION, CONSIDERATION AND POSSIBLE APPROVAL OF CONTRACT NO. 23-177 FOR ENGINEERING SERVICES FOR THE 7TH STREET SIDEWALK CBDG IMPROVEMENT PROJECT IN AN AMOUNT NOT TO EXCEED \$60,000.

List Attached Documents: Lyon Engineering Scope and Fee with Exhibit dated 7/17/2023 and Town of Camp Verde Consultant Agreement for Contract 2023-177 (Contract)

Estimated Presentation Time: 10 Minutes

Estimated Discussion Time: 5 minutes

Reviews Completed by:

- Department Head: Town Attorney Comments: N/A

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund: Funding is reimbursable from the CBDG Grant.

Fiscal Impact: None

Budget Code: 09-480-20-804000 **Amount Remaining:** \$60,000.00

Comments: *Project is reimbursed from Community Development Block Grant (CBDG)*

Background Information:

The Town has received a CBDG Grant to install sidewalks and drainage improvements on 7th Street from Hollamon Street south to Highway 260. The State of Arizona Department of Housing Agreement No. 102-23 was approved by Town Council Resolution 2022-1085 on February 22, 2022.

Procurement

Town Staff utilized the City of Prescott On-Call Services for Stormwater Drainage. Per the City of Prescott’s Request for Statement of Qualification for FY 24-29 On-Call Profession Services Solicitation, Section IV Evaluation and Selection Process, the Town of Camp Verde utilized the City of Prescott On-Call Contract to select Lyon Engineering.

E. COOPERATIVE USE OF CONTRACT

This contract may be extended for use by other municipalities, school districts and government agencies in the State of Arizona with the approval of the contracted vendor. Any such usage by other entities must be in accordance with the statutes, codes, ordinances,

charter and/or procurement rules and regulations of the respective government agency.

Staff reviewed our engineering selection with NACOG official, prior to contacting Lyon Engineering to verify the State was good with the procurement process. Once approved, staff met with Lyon Engineering to develop the attached scope of work and fee.

The project will complete the sidewalk along 7th Street from Finnie Flat Road south to Highway 260, which will create a safe walking corridor for the community.

Recommended Action (Motion): Move to approve Contract No. 23-177 for Engineering Services for the 7th Street Sidewalk CBDG Improvement Project to Lyon Engineering in an Amount not to exceed \$60,000.

Instructions to the Clerk:



Agenda Report Form – Section I

Meeting Date:

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation Work Session

Requesting Department: *Town Manager*

Staff Resource/Contact Person: *Barbara Goodrich*

Agenda Title (be exact): Discussion, Consideration, and Possible Approval of Resolution 2023-1117; A Resolution of the Mayor and Town Council of the Town of Camp Verde, Arizona, authorizing the acquisition of certain real property in the Town located near west Head Street and south First Street, Yavapai County Parcel Nos. 404-28-055N, 404-28-062C, and 404-28-062B, for the purpose of providing municipal services, and authorizing and directing the Mayor, Town Manager, and Town Attorney to acquire title to certain parcels of real property on behalf of the Town by donation, eminent domain or purchase for an amount not to exceed the fair market value of the property, plus acquisition and closing costs.

List Attached Documents: Resolution 2023-1117 authorizing the acquisition of property.

Estimated Presentation Time: 5

Estimated Discussion Time: 10

Reviews and comments Completed by:

- Town Manager: _____ Department Head: _____
- Town Attorney Comments: _____
- Risk Management: _____
- Finance Department
Fiscal Impact:
Budget Code: _____ Amount Remaining: _____
Comments: _____

Background Information:

The Town of Camp Verde has been interested in acquiring property for a future Town Hall that encompasses the departments and staff currently located on Main St. The intent of vacating the Main St facilities is to offer the property for development to retail or commercial business that is better suited for the town's main thoroughfare. The Town was contacted by the Blevins family in 2021? To see if the Town was interested in their property located on the corner of Head and 1st St. The Town expressed interest as this property is close to downtown, but not on the main

thoroughfare and the land is adjacent to other property the Town already owns (the Mat Force Building and the CVMO station). The Town received a copy of the appraisal, worked with family members to have an Environmental Site Assessment Phases 1 and 2 completed in 2021, as well as an update to the Phase 2 report in 2023.

Recommended Action (Motion): Approval of Resolution 2023-1117; A Resolution of the Mayor and Town Council of the Town of Camp Verde, Arizona, authorizing the acquisition of certain real property in the Town located near west Head Street and south First Street, Yavapai County Parcel Nos. 404-28-055N, 404-28-062C, and 404-28-062B, for the purpose of providing municipal services, and authorizing and directing the Mayor, Town Manager, and Town Attorney to acquire title to certain parcels of real property on behalf of the Town by donation, eminent domain or purchase for an amount not to exceed the fair market value of the property, plus acquisition and closing costs.

Instructions to the Clerk:

RESOLUTION NO. 2023-1117

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, AUTHORIZING THE ACQUISITION OF CERTAIN REAL PROPERTY IN THE TOWN FOR THE PURPOSE OF PROVIDING MUNICIPAL SERVICES, AUTHORIZING AND DIRECTING THE MAYOR, TOWN MANAGER AND TOWN ATTORNEY TO ACQUIRE TITLE TO CERTAIN PARCELS OF REAL PROPERTY ON BEHALF OF THE TOWN BY DONATION, EMINENT DOMAIN OR PURCHASE FOR AN AMOUNT NOT TO EXCEED FAIR MARKET VALUE OF THE PROPERTY, PLUS ACQUISITION AND CLOSING COSTS.

WHEREAS, the continued growth and development of the Town of Camp Verde requires the acquisition of certain real property located near west Head Street and south First Street, Yavapai County Parcel Nos. 404-28-055N-2, 404-28-062C-6, and 404-28-062B-7 as described in **Exhibit A** attached hereto and made a part hereof; and

WHEREAS, the Town Council of the Town of Camp Verde finds that acquisition of the property described is necessary for the purpose of providing municipal services, and it is in the public interest to acquire such property, and

WHEREAS, the Town Council of the Town of Camp Verde has considered alternatives available to it, has balanced the public good and the private injury resulting from the acquisition of the property, and has determined that locating the public improvements on the property results in the greatest public good and the least private injury.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA:

That the Mayor, Town Manager and Town Attorney are hereby authorized and directed to acquire title to, and possession of the real property described in **Exhibit A** by donation, eminent domain, or purchase for an amount not to exceed fair market value, plus acquisition and closing costs; and

BE IT FURTHER RESOLVED, that the Mayor, Town Manager and Town Attorney are authorized to perform all acts necessary to acquire said property for the purposes described in this resolution on behalf of the Town.

PASSED AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA THIS ____ DAY OF _____, 2023.

Dee Jenkins, Mayor

ATTEST:

Cindy Pemberton, Town Clerk

APPROVED AS TO FORM:

Trish Stuhan, Town Attorney

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF YAVAPAI, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

Parcel Nos. 404-28-062B-7, 404-28-062C-6 and 404-28-055N2.

PARCEL 1:

Beginning at a point 150 feet South of the Northeast corner of the Southeast quarter of Section 31, Township 14 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona;

Thence running South 270 feet;

Thence running West 210 feet;

Thence running North 270 feet;

Thence running East 210 feet to the place of beginning.

EXCEPTING THEREFROM the following described parcel:

BEGINNING at the Northeast corner of said Northeast quarter of the Northeast quarter of the Southeast quarter of Section 31;

Run thence South along the Easterly boundary of said Section 31, a distance of 320.00 feet to the TRUE POINT OF BEGINNING;

Run thence South a distance of 100.00 feet to a point;

Run thence West a distance of 210.00 feet to a point;

Run thence North a distance of 100.00 feet to a point;

Run thence East, a distance of 210.00 feet to the TRUE POINT OF BEGINNING.

PARCEL 2:

All that portion of the Northeast quarter of the Northeast quarter of the Southeast quarter of Section 31, Township 14 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described by metes and bounds as follows:

BEGINNING at the Northeast corner of said Northeast quarter of the Northeast quarter of the Southeast quarter of Section 31;

Run thence South, along the Easterly boundary of said Section 31, a distance of 320.00 feet to the TRUE POINT OF BEGINNING;

Run thence South a distance of 100.00 feet to a point;

Run thence West a distance of 210.00 feet to a point;

Run thence North a distance of 100.00 feet to a point;

Run thence East, a distance of 210.00 feet to the TRUE POINT OF BEGINNING.

PARCEL 3:

A tract of land in the Southeast quarter of Section 31, Township 14 North, Range 5 East, Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described by metes and bounds as follows:

BEGINNING at the East one-quarter corner of said Section 31;

Run thence South $0^{\circ} 03'$ East, a distance of 420.00 feet to the TRUE POINT OF BEGINNING;

Run thence South $0^{\circ} 03'$ East, a distance of 24.44 feet to a point;

Run thence North $89^{\circ} 57'$ West, a distance of 449.92 feet to a point;

Run thence North $0^{\circ} 03'$ West, a distance of 282.78 feet to a point;

Run thence North $89^{\circ} 12' 30''$ East, a distance of 240.02 feet to a point;

Run thence South $0^{\circ} 03'$ East, a distance of 261.87 feet to a point;

Run thence South $89^{\circ} 57'$ East, a distance of 210.00 feet to the TRUE POINT OF BEGINNING.

4886-8483-2369, v. 1



Agenda Report Form – Section I

Meeting Date:

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation Work Session

Requesting Department: *Town Manager*

Staff Resource/Contact Person: *Barbara Goodrich*

Agenda Title (be exact): Discussion, Consideration, and Possible Approval of a real estate purchase contract between the Town of Camp Verde, Arizona and Brock and Kate Blevins for the purchase by the Town of certain real property in the Town located near west Head Street and south First Street, Yavapai County Parcel Nos. 404-28-055N, 404-28-062C, and 404-28-062B for an amount not to exceed \$790,000.00 and related closing costs.

List Attached Documents: Purchase Contract, Special Warranty Deed, and Appraisal

Estimated Presentation Time: 5

Estimated Discussion Time: 5

Reviews and comments Completed by:

Town Manager: _____ Department Head: _____

Town Attorney Comments: _____

Risk Management: _____

Finance Department
Fiscal Impact: \$790,000
Budget Code: _____ **Amount Remaining:** \$0.00
Comments: \$780,000 budgeted in the FY24 CIP. The remaining \$10,000 will come from Town reserves.

Background Information:

This is the second of two actions regarding the purchase of property on Head and 1st St. This action authorizes the property purchase and the authority to pay for the property.

Recommended Action (Motion): Approval of a real estate purchase contract between the Town of Camp Verde, Arizona and Brock and Kate Blevins for the purchase by the Town of certain real property in the Town located near west Head Street and south First Street, Yavapai County Parcel Nos. 404-28-055N, 404-28-062C, and 404-28-062B for an amount not to exceed \$790,000.00.

Instructions to the Clerk:

REAL ESTATE PURCHASE CONTRACT

The parties to this Real Estate Purchase Contract (the “Contract”) are Brock and Kate Blevins, husband and wife, and Bart and Kelly Blevins, husband and wife, (hereinafter “Seller”), and the Town of Camp Verde, Arizona, a municipal corporation organized under the laws of the State of Arizona (hereinafter “Buyer”). The Seller agrees to sell, and the Buyer agrees to purchase certain real property under the terms and conditions set forth below:

1. LEGAL DESCRIPTION

The Property to be conveyed by the Seller to the Buyer under this Contract is legally described in Exhibit A, attached hereto and made a part hereof.

2. PURCHASE PRICE

The total purchase price for the Property is \$790,000.00 to be paid by the Buyer to the Seller through Elissa Jewell, Yavapai Title Agency, 123 North Montezuma, Prescott, Arizona 86301 serving as Escrow Agent, upon close of escrow.

3. BROKERAGE COMMISSION

The Seller has represented himself and has not been represented by a real estate broker, agent or agency to market and sell the Property. Seller is solely responsible for compensating costs contained within any agreements, and hereby indemnifies the Buyer against any claim for commission (including all costs and attorneys’ fees expended in defending against such claim) arising from or related to the transaction set forth in this Contract. This indemnity shall survive termination of this Contract.

4. RISK OF LOSS

Except as otherwise provided in this Contract, all risk of loss related to ownership and possession of the Property, including liability to third persons, shall be the responsibility of the Seller until the title and possession of the Property passes to the Buyer at Close of Escrow. Seller shall indemnify and hold Buyer harmless for all such loss, damage, liability, fees or costs of any kind whatsoever, except those caused by the Buyer. This indemnity shall survive termination of this Contract.

5. TITLE INSURANCE; CLOSING COSTS AND PRORATIONS

5.1 Buyer will pay all escrow fees related to the sale of the Property. Escrow Agent shall issue or cause to be issued a standard coverage owner’s policy of title insurance in the amount of the purchase price and naming Buyer as the insured. Buyer shall bear the cost of such title policy. The Seller shall be responsible for all property taxes and assessments levied and due

against the Property prior to closing. The Buyer shall be responsible for all taxes and assessments levied against the Property after the closing date.

5.2 All of the above-referenced costs that are the responsibility of the Buyer shall be paid into escrow on or before the Close of Escrow in addition to the purchase price. All costs that are the responsibility of the Seller as referenced above shall be paid from the proceeds of the sale price to which the Seller is entitled.

6. TITLE WARRANTY

Fee Simple absolute title to the Property shall be transferred by the Seller to the Buyer at the Close of Escrow by General Warranty Deed, which shall include conveyance of all surface and ground water rights related to the Property. Buyer is only obligated to accept title to the Property at Close of Escrow if (1) the Property shall be free and clear of all defects, exceptions, easements, covenants, conditions, restrictions, mining claims, liens and encumbrances; and (2) the Buyer, at its sole discretion, is otherwise satisfied with the condition of title as reflected in the above-referenced title report and policy and any investigation made by Buyer pursuant to Paragraph 7. Buyer shall have until Close of Escrow to file its objections to the condition of title.

7. INVESTIGATIONS

Buyer shall have until ten days prior to Close of Escrow to make such investigations of the Property as Buyer deems necessary to assure Buyer that the Property is suitable for Buyer's intended purposes and that no hazardous wastes or substances are located on or under the Property.

8. SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS

Seller warrants, represents, and covenants (with the understanding that Buyer is relying on these warranties, representations, and covenants) that:

8.1. Except as reflected in the preliminary title report at the time of execution of the Contract, there are no claims, actions, suits, or other proceedings pending or threatened by any governmental department or agency or any other corporation, partnership, entity, or person whomsoever, nor any voluntary actions or proceedings contemplated by Seller, which in any manner or to any extent may detrimentally affect Buyer's right, title, or interest in and to the Property or the value of the Property or Seller's ability to perform Seller's obligations under this Contract.

8.2. Seller owns the Property in fee simple absolute, subject only to the matters reflected in the preliminary title report.

8.3. There is no pending or threatened condemnation or similar proceeding affecting any part of the Property, and Seller has not received any notice of any such proceeding and has no knowledge that any such proceeding is contemplated.

8.4. No work has been performed or is in progress at the Property and no materials have been furnished to the Property that might give rise to mechanic's, materialman's, or other liens against any part of the Property.

8.5. Seller is not prohibited from consummating the transactions contemplated by this Contract or any law, regulation, agreement, instrument, restriction, order or judgment.

8.6. There are no parties in adverse possession of the Property; there are no parties in possession of the Property except Seller; and no party has been granted any license, lease, or other right relating to the use of possession of the Property.

8.7. There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other laws for relief of debtors contemplated or filed by Seller or pending against Seller or affecting or involving the Property.

8.8. There is no default, nor has any event occurred which with the passage of time or the giving of notice or both would constitute a default in any contract, mortgage, deed of trust, lease, or other instrument which relates to the Property or which affects the Property in any manner whatsoever.

8.9. There are no contracts or other obligations outstanding for the sale, exchange, or transfer of all or any part of the Property.

8.10. There are no violations of laws, rules, regulations, ordinances, codes, covenants, conditions, restrictions, instructions, or agreements applicable to the Property. Seller has not received notices from any insurance companies, governmental agencies, or any other person with respect to violations concerning the Property. If any notices of violations are received prior to Close of Escrow, Seller shall immediately submit copies to Buyer and Buyer's review and acceptance shall be a condition precedent to Close of Escrow.

8.11. Seller will not at any time prior to Close of Escrow grant to any person an interest in the Property.

9. CLOSE OF ESCROW

Close of Escrow shall occur not more than 20 days from opening of Escrow. Close of Escrow will be at the offices of the Escrow Agent set forth in Paragraph 2 herein. At the Close of Escrow, both the title to and possession of the Property shall be transferred from the Seller to

the Buyer. Any monetary encumbrances existing against the Property at the Close of Escrow shall be satisfied from the proceeds of the sale price.

10. EMINENT DOMAIN/CONDEMNATION

Should, for any reason, all or any portion of the Property be purchased prior to Close of Escrow by any government entity by eminent domain or condemnation, any proceeds from such transaction shall belong solely to the Seller. Upon condemnation of all or any portion of the Property, Seller shall be responsible to pay all escrow costs and fees related to this Contract and all rights and obligations of the parties under this Contract shall terminate.

11. USE OF SUBJECT PROPERTY

Seller shall have the exclusive right to use the Property until Close of Escrow. Seller agrees to maintain the Property through Close of Escrow in the same condition the Property exists at the execution of this Contract. Seller shall not remove any fixtures or improvements from the Property unless otherwise agreed to by the Buyer in writing. The Buyer does not have any right to use or enter upon the Property until completion of the Close of Escrow and transfer of title, unless otherwise agreed to by the Seller.

12. RIGHT TO ENCUMBER

As referenced above, the Property is to be free and clear of all liens and encumbrances at the time of transfer of title from the Seller to the Buyer. The Seller shall not voluntarily encumber the Property after execution of this Contract. Seller agrees that all encumbrances existing against the Property at Close of Escrow shall be satisfied from the proceeds of the sale.

13. ENVIRONMENTAL LIABILITY

13.1 Neither Seller nor, to the Seller's knowledge, any other person ever caused or permitted any Hazardous Material to be placed, held, located, or disposed of on, under, or at the Property or any part thereof or from the Property or any part thereof into the atmosphere or any watercourse, body of water, or wetlands and neither the Property nor any part thereof has ever been used (by Seller or, to the best of Seller's knowledge, by Seller's predecessors, or by any other person) as a treatment, storage, or disposal (whether permanent or temporary) site for any Hazardous Material. For purposes of this Contract, "Hazardous Material" means and includes any petroleum product and any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act; any so-called "Superfund" or "Superlien" law; the Toxic Substances Control Act; or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, or material, as now or at any time hereafter in effect; and asbestos or any substance or compound containing asbestos, PCB's, or any other hazardous,

toxic, or dangerous waste, substance, or material. Seller has not, nor to Seller's knowledge have Seller's predecessors or any other person installed any underground tanks.

13.2 Seller hereby indemnifies Buyer and agrees to pay, defend, and hold Buyer harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses, and claims of any and every kind whatsoever, including reasonable attorneys' fees paid, incurred or suffered by, or asserted against, Buyer for, with respect to, or as a direct or indirect result of, the placement of any Hazardous Material on the Property by Seller, or an agent or employee of Seller, or the escape, seepage, leakage, spillage, discharge, emission, or release from the Property into or upon any land, the atmosphere, or any watercourse, body of water, or wetland of any Hazardous Material placed on the Property by Seller or an agent or employee of Seller, including, without limitation, any losses, liabilities, damages, injuries, costs, expenses, or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Material which occurred because of the actions of Seller or any agent or employee of Seller while Seller owned the Property.

13.3 If the Property is found to contain hazardous wastes or substances in quantities unacceptable to the Buyer, or underground storage tanks requiring removal or abatement as may be determined by subsequent reports or inspection by independent experts hired by the Buyer, the Buyer has the right to terminate or rescind this Contract. However, all indemnifications shall survive termination or rescission of the Contract.

14. ASSIGNABILITY

Neither the Seller nor the Buyer may assign any of its rights or obligations under this Contract without the other party's advance written consent. This Contract shall be binding upon Seller and Buyer and their respective successors and assigns.

15. DEFAULT

15.1 Default by Seller: All provisions of this Contract are hereby deemed to be material. The Buyer shall have all rights and remedies available to it under Arizona law. Should the Seller breach any of the provisions under this Contract, Buyer shall immediately be entitled to the return of all amounts it paid pursuant to the Contract, to terminate the Contract, and to damages and to specific performance by Seller. Should Seller breach any provision of this Contract, the terms of this Contract shall not in any way be construed as a waiver of the Buyer's rights, as a municipal corporation, to obtain the Property by condemnation or eminent domain should the Seller fail to perform their obligations under this Contract.

15.2 Default by Buyer: All provisions of this Contract are hereby deemed to be material. The parties agree that Seller's remedies for Buyer's breach of this Contract shall be such rights and remedies available to them under Arizona law.

15.3 The breaching party shall be responsible to pay all escrow costs and fees related to this Contract.

15.4 The prevailing party shall be entitled to an award of all costs and attorneys' fees incurred should legal action be necessary by either party to enforce the terms of this Contract.

16. SUPERSEDING AGREEMENT

This Contract constitutes the entire contract of the parties relating to the Property and the parties agree that the terms of this Contract shall supersede all previous oral and written Contracts between them.

17. MODIFICATION

The terms of this Contract may only be modified upon written approval of all parties to this Contract.

18. SEVERABILITY

In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

19. ARIZONA LAW

Seller and Buyer both acknowledge that this Contract is executed in Maricopa County, Arizona, and relates to property located in Maricopa County, Arizona. Should legal action be necessary to enforce the terms of this Contract, all parties agree that the laws of the State of Arizona shall apply. All parties agree that the proper venue for any lawsuit shall be Maricopa County, Arizona.

20. AMBIGUITY

This Contract was drafted by the Town with the assistance of their attorneys. Neither the Town nor its attorneys at the law firm of Pierce Coleman PLLC, have rendered legal or other advice to Seller regarding sale of the subject property or the specific terms of this Purchase Contract. Seller is aware of its right to obtain independent professional and/or legal assistance with this Contract and, upon signing of the Contract, represents that they have taken all steps they deem necessary (including but not limited to, seeking the advice of professionals and/or attorneys) to assist them with this transaction. Consequently, the ambiguity in this Contract shall not be construed against either party.

21. EXPIRATION OF OFFER

This Contract, when executed by the Buyer (but not yet executed by the Seller) constitutes an Offer to Purchase by the Buyer under the terms and conditions set forth herein. The Offer shall automatically expire by its own terms at 5:00 p.m. on August 3, 2023, unless by that time the Town has received this Contract originally executed by the Seller.

22. CONFLICT OF INTEREST

The Seller recognizes that the Buyer is a political subdivision of the State of Arizona. Pursuant to A.R.S. § 38-511, the Buyer may cancel this Agreement within three (3) years after its execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating this Contract on behalf of the Buyer is, at any time while the Contract or any extension thereof is in effect, an employee or agent of the Seller in any capacity or a consultant to the Seller with respect to the subject matter of this Contract. Notice of any such cancellation shall be given by the Buyer to the Seller with respect to the subject matter of this Contract. Notice of any such cancellation shall be given by the Buyer to the Seller pursuant to the terms of A.R.S. § 38-511. Should cancellation occur under this provision, the Seller shall return to the Buyer all moneys paid by the Buyer under this Contract. Should cancellation occur under this provision, Seller shall return to Buyer all monies paid by Buyer under this Contract and Seller shall be responsible for payment of all escrow fees. Buyer shall convey back the Property to the Seller.

23. AUTHORITY TO EXECUTE

The Seller and Buyer both acknowledge that the persons whose signatures appear below have appropriate authority to execute this Contract on behalf of the Seller and Buyer. This Contract may be executed in several counterparts which together shall constitute an original.

24. NOTICES

Notices required or permitted by this Contract shall be given in writing and personally delivered or sent by first class mail, postage prepaid to:

Seller:

Brock and Kate Blevins
Post Office Box 592
Rimrock, Arizona 86335-0592

Bart and Kelly Blevins
Post Office Box 592
Rimrock, Arizona 86335-0592

Buyer:

Town Manager
Town of Camp Verde
473 South Main Street
Camp Verde, Arizona 86322

With a copy to:

Trish Stuhan, Town Attorney
Pierce Coleman PLLC

7730 East Greenway Road, Suite 105
Scottsdale, Arizona 85260

ACCEPTED BY:

DATE: _____, 2023.

SELLER:

Brock Blevins

Kate Blevins

[ADDITIONAL SIGNATURES ON FOLLOWING PAGE.]

Bart Blevins

Kelly Blevins

ACCEPTED BY:

DATE: _____, 2023.

BUYER:
TOWN OF CAMP VERDE, ARIZONA
a municipal corporation

By _____
Town Manager

PURCHASE PRICE APPROVED:

Town Engineer

APPROVED AS TO FORM:

By _____
Trish Stuhan, Town Attorney
Pierce Coleman PLLC

EXHIBIT A

LEGAL DESCRIPTION

[Entire Parcel(s).]

See following page.

HAMMES SURVEYING LLC
2100 VIA SILVERADO
CAMP VERDE, ARIZONA 86322
(928) 567-2833

Remaining Parcel

Description for a parcel of land being a portion of that certain parcel of land recorded in Instrument #2022-0050426, being a tract of land in the Southeast quarter of Section 31, T 14 North, R 5 East, G.&S.R.&M., Yavapai County, Arizona, being more particularly described as follows;

To find the TRUE POINT OF BEGINNING, begin at the Northeast corner of the Southeast quarter of Section 31, being a found aluminum cap in hand hole, from which the Southeast corner of said Section 31 lies South (R,M & Basis of Bearings for this description), a distance of 2643.11 ft. (M), being a found brass cap in hand hole;

Thence South (R&M) from said Northeast corner of the Southeast quarter, along the East line of said Section 31, a distance of 150.00 ft. (R&M), to a found magnetic nail, being the Northeast corner of Parcel 1 as recorded in Inst. #2022-0050426;

Thence continuing South(R&M), along the East line of said Section 31, a distance of 3.62 ft. (M), to a found nail with tag stamped "L.S. 29263", being the TRUE PLACE OF BEGINNING;

Thence South 88 degrees 51 minutes 46 seconds West (M), a distance of 209.03 ft. (M), to a ½ inch rebar with a plastic cap stamped "L.S. 29263";

Thence South 89 degrees 26 minutes 37 seconds West (M), a distance of 240.02 ft. (R&M), to a set ½ inch rebar with plastic cap stamped "L.S. 29263" being a point on the West line of Parcel 3 as recorded in Inst. #2022-0050426;

Thence South 00 degrees 11 minutes 05 seconds West (M), South 00 degrees 03 minutes 00 seconds East (R), along said West line of Parcel 3 as recorded Inst. #2022-0050426, a distance of 282.78 ft. (R&M), to a ½ inch rebar with a plastic cap stamped "L.S. 29263";

Thence South 89 degrees 42 minutes 53 seconds East (M), South 89 degrees 57 minutes 00 seconds East (R), a distance of 449.92 feet (R&M) to the Southeast corner of said Parcel 3, being a set nail in the pavement with tag stamped "L.S" 29263";

Thence North (R&M) a distance of 291.50 feet (M) along the East line of said Parcel 3, Parcel 2, and Parcel 1 as recorded in Inst. #2022-0050426 to the place of beginning.

(R)=Instrument #2022-0050426, (C)=Calculated (M)=Measured



07/11/2023

When Recorded Return to:

Town of Camp Verde
473 South Main Street
Camp Verde, Arizona 86322

SPECIAL WARRANTY DEED

*Exempt pursuant to
A.R.S. §§ 11-1134(A)(3)
& 42-11102(A)*

For the consideration of Ten Dollars, and other valuable considerations, BROCK BLEVINS and KATE BLEVINS, husband and wife, and BART BLEVINS and KELLY BLEVINS, husband and wife, (“Grantors”), do hereby convey to the TOWN OF CAMP VERDE, an Arizona municipal corporation, 473 South Main Street, Camp Verde, Arizona 86322, the following real property situated in the County of Maricopa, State of Arizona, together with all rights and privileges appurtenant thereto, to wit:

SEE EXHIBIT A

And including all groundwater and surface water rights appurtenant to said real property.

SUBJECT TO: Current taxes, assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, and restrictions as may appear of record.

And Grantors hereby bind themselves to warrant and defend the title, as against all acts of the Grantors herein and no other, subject to the matters above set forth.

[SIGNATURE(S) ON FOLLOWING PAGE]

GRANTORS:

Brock Blevins

Kate Blevins

ACKNOWLEDGEMENT

STATE OF ARIZONA)
) ss.
County of Yavapai)

On this ____ day of _____, 2023, before me, the undersigned Notary Public, personally appeared Brock Blevins and Kate Blevins, whose identity was proven to me on the basis of satisfactory evidence to be the persons who they claim to be and acknowledged that they signed the Special Warranty Deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

[ADDITIONAL SIGNATURES ON FOLLOWING PAGES.]

Bart Blevins

Kelly Blevins

ACKNOWLEDGEMENT

STATE OF ARIZONA)
) ss.
County of Yavapai)

On this ____ day of _____, 2023, before me, the undersigned Notary Public, personally appeared Bart Blevins and Kelly Blevins, whose identity was proven to me on the basis of satisfactory evidence to be the persons who they claim to be and acknowledged that they signed the Special Warranty Deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

[ADDITIONAL SIGNATURE ON FOLLOWING PAGES.]

ACCEPTED BY THE TOWN OF CAMP VERDE, ARIZONA

Town Manager

Date: _____

EXHIBIT A

Legal Description

[Entire Parcel(s)]

See following page.

HAMMES SURVEYING LLC
2100 VIA SILVERADO
CAMP VERDE, ARIZONA 86322
(928) 567-2833

Remaining Parcel

Description for a parcel of land being a portion of that certain parcel of land recorded in Instrument #2022-0050426, being a tract of land in the Southeast quarter of Section 31, T 14 North, R 5 East, G.&S.R.&M., Yavapai County, Arizona, being more particularly described as follows;

To find the TRUE POINT OF BEGINNING, begin at the Northeast corner of the Southeast quarter of Section 31, being a found aluminum cap in hand hole, from which the Southeast corner of said Section 31 lies South (R,M & Basis of Bearings for this description), a distance of 2643.11 ft. (M), being a found brass cap in hand hole;

Thence South (R&M) from said Northeast corner of the Southeast quarter, along the East line of said Section 31, a distance of 150.00 ft. (R&M), to a found magnetic nail, being the Northeast corner of Parcel 1 as recorded in Inst. #2022-0050426;

Thence continuing South(R&M), along the East line of said Section 31, a distance of 3.62 ft. (M), to a found nail with tag stamped "L.S. 29263", being the TRUE PLACE OF BEGINNING;

Thence South 88 degrees 51 minutes 46 seconds West (M), a distance of 209.03 ft. (M), to a ½ inch rebar with a plastic cap stamped "L.S. 29263";

Thence South 89 degrees 26 minutes 37 seconds West (M), a distance of 240.02 ft. (R&M), to a set ½ inch rebar with plastic cap stamped "L.S. 29263" being a point on the West line of Parcel 3 as recorded in Inst. #2022-0050426;

Thence South 00 degrees 11 minutes 05 seconds West (M), South 00 degrees 03 minutes 00 seconds East (R), along said West line of Parcel 3 as recorded Inst. #2022-0050426, a distance of 282.78 ft. (R&M), to a ½ inch rebar with a plastic cap stamped "L.S. 29263";

Thence South 89 degrees 42 minutes 53 seconds East (M), South 89 degrees 57 minutes 00 seconds East (R), a distance of 449.92 feet (R&M) to the Southeast corner of said Parcel 3, being a set nail in the pavement with tag stamped "L.S" 29263";

Thence North (R&M) a distance of 291.50 feet (M) along the East line of said Parcel 3, Parcel 2, and Parcel 1 as recorded in Inst. #2022-0050426 to the place of beginning.

(R)=Instrument #2022-0050426, (C)=Calculated (M)=Measured



07/11/2023