TOWN OF CAMP VERDE

NOTICE OF INTENT – PROPOSED INCREASE
WATER AND WASTEWATER RATES, FEES, OR SERVICE CHARGES

Pursuant to A.R.S. § 9-511.01, the Town of Camp Verde provides Notice of Intent to adopt utility rate adjustments as outlined in the Town's Water and Wastewater Rate Study/Analysis prepared by Economists.com (the "Report"). The increased water/wastewater rates, rate components, fees, or services charges are generally related to capital investments.

This Notice of Intent is scheduled to be heard by the Town Council at its meeting on August 16th, 2023 at 6:30 p.m. The Town Council will also hold a public hearing at least sixty days after adoption of the notice of intent on November 1st, 2023, at 6:00 p.m., in which the public may comment on the rates, fees, or service charges. The Camp Verde Town Council will consider adoption of the new rates by resolution after the public hearing on November 1st, 2023. All meetings will be held at 473 S. Main Street, Suite 106, Camp Verde, Arizona.

A copy of this Notice of Intent will be posted on the Town's website with a copy of the Report, data supporting changes to the Town's rates, and cash flow projections at least thirty days prior to the public hearing.

IF APPROVED BY COUNCIL, THE RATES WILL BECOME EFFECTIVE ON JANUARY 1ST, 2024 AND ANNUALLY ADJUST THEREAFTER FOR THE NEXT 3 YEARS WITHOUT FURTHER ACTION OF COUNCIL AS SPECIFIED IN THE FEE SCHEDULE.

A copy of the Report, data supporting changes to the Town's rates, and cash flow projections may be reviewed at the office of the Town Clerk of the Town of Camp Verde, at 473 S. Main St. during normal office hours, Monday through Thursday, 7:00 a.m. – 5:00 p.m. and Friday, 7:00 a.m. – 11:00 a.m.

Persons wishing to comment on the proposed changes may do so, in writing, prior to the meeting listed above or may testify in person at the meeting. The Town Council may adopt any of the water and wastewater rates, fees, or service charges at its meeting.

Dated this 16th day of August, 2023.

TOWN OF CAMP VERDE

Cindy Pemberton

Cindy Pemberton, Town Clerk

DATE POSTED ON TOWN WEBSITE: 8-23-2023 2023.

Town of Camp Verde

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

August 2023 -- FINAL

Economists.com
5500 Democracy Drive, Suite 130 • Plano, Texas 75024 • Tel 972.378.6588 • Fax 972.378.6988 • www.economists.com

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

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-Tern 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: WIFA 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		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 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

1 **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

1 **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	**Residential**		
1"		50.00	Minimum Charge	$	-
2"		175.00	Fixture Charge per Unit		2.90
3"		185.00			
4"		225.00			
6"		350.00			
8"		600.00	**Commercial**		
			Minimum Charge	$	-
Volume Rate (per 1,000 Gallons)			Fixture Charge per Unit		4.51
1	50,000	3.35			
50,001	Above	5.70			

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

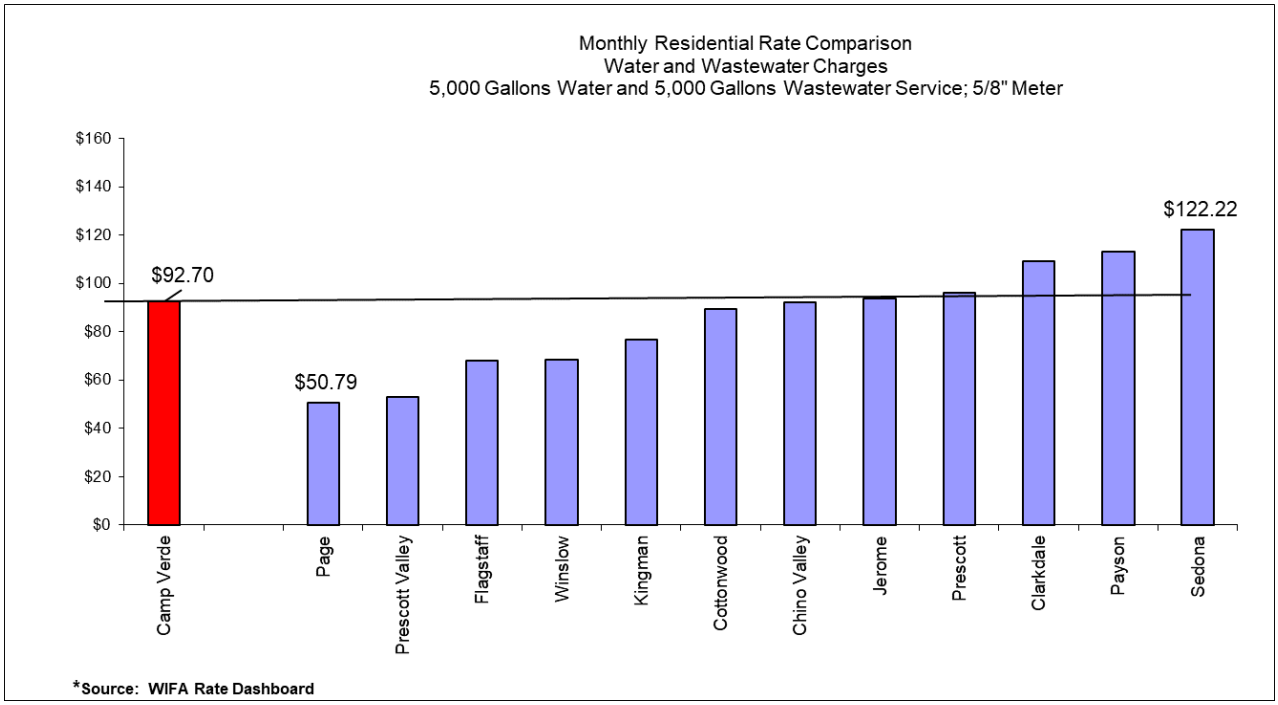
	Water	Wastewater	Total
Camp Verde	**$ 40.50**	**$ 52.20**	**$ 92.70**
Prescott	41.24	54.97	$ 96.21
Prescott Valley	25.05	27.77	52.82
Cottonwood	40.45	48.75	89.20
Clarkdale	55.12	54.00	109.12
Jerome	41.05	52.67	93.72
Sedona	61.11	61.11	122.22
Chino Valley	32.11	60.00	92.11
Flagstaff	41.26	26.75	68.01
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

Residential	
Total	29,216
Per Connection	32
Commercial	
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

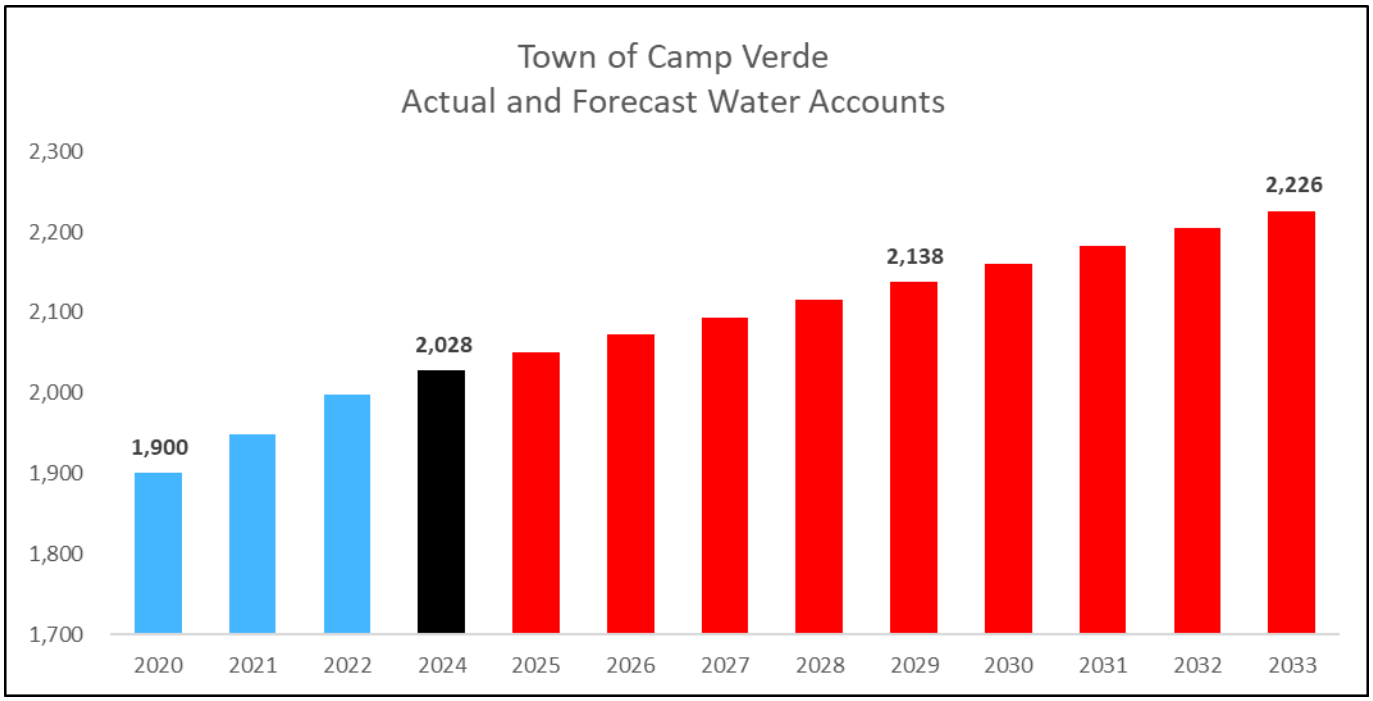


Table II-4 presents the project team's ten-year forecast of wastewater account growth. It reveals that the wastewater customer base is forecast to increase by an average of 114 accounts per year for the forecast period. Wastewater accounts are forecast to increase from 1,092 in the test year to 2,120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

Table II-4

TOWN OF CAMP VERDE

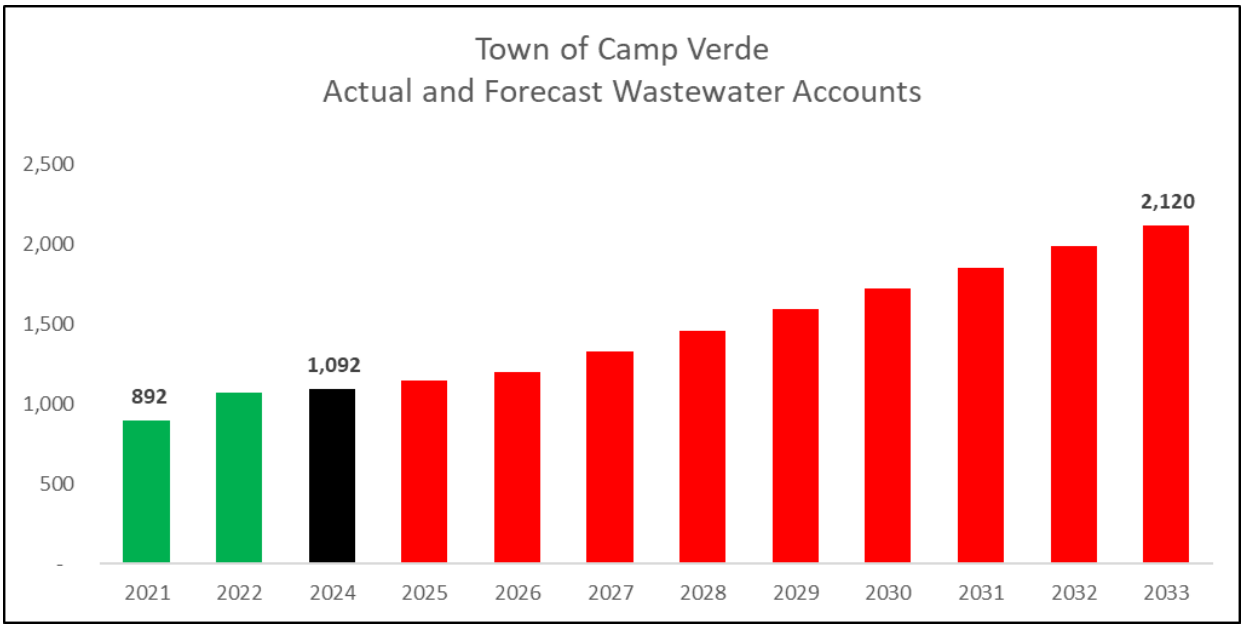
FORECAST TOTAL CUSTOMERS

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

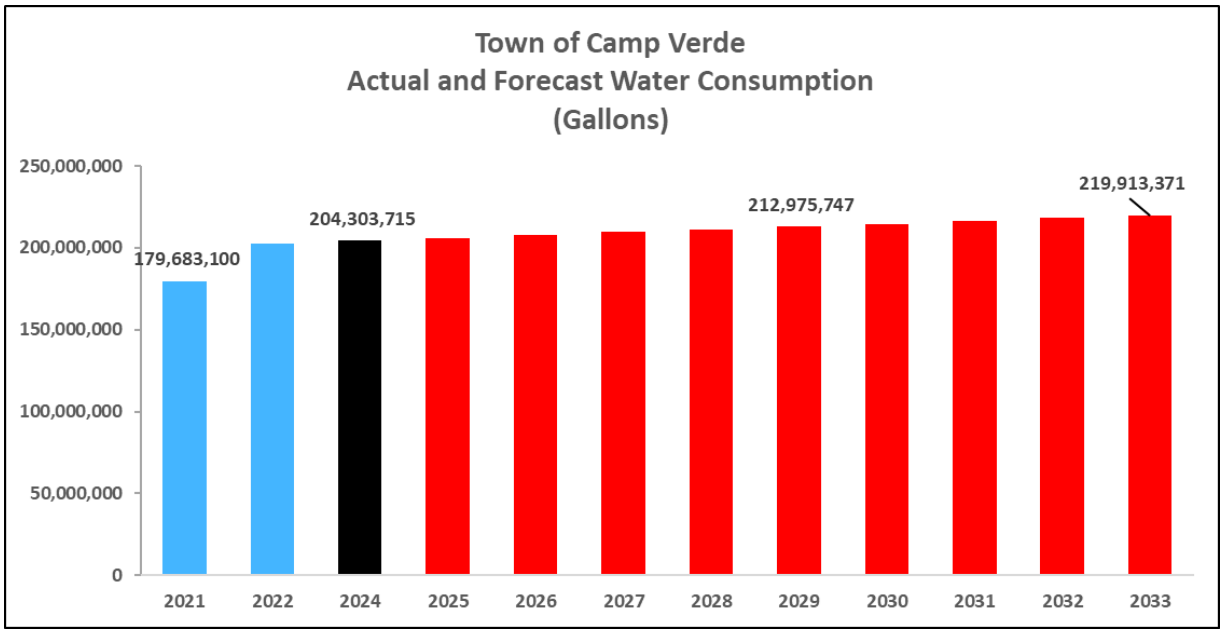
TOWN OF CAMP VERDE

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



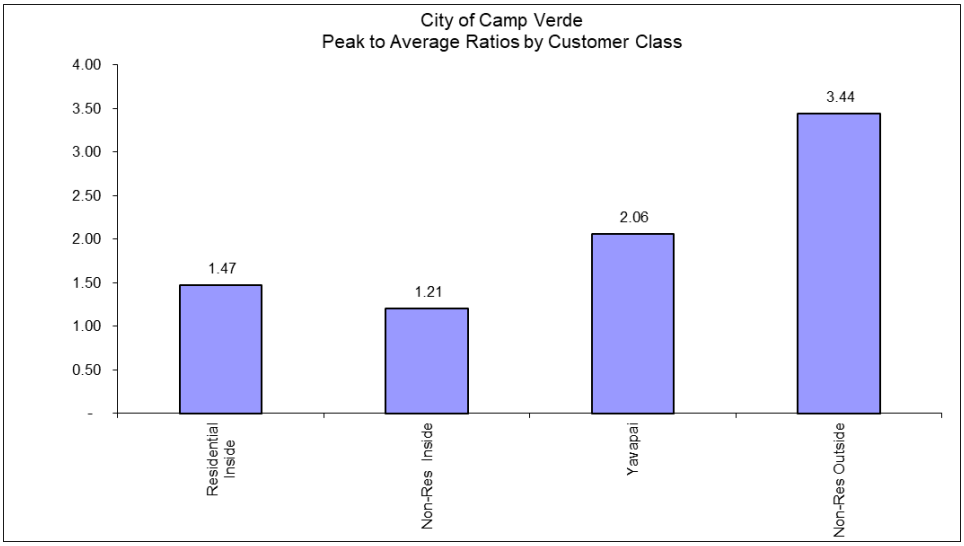
Peaking Factors

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 Expanses, Transfers and Capital Outlays

SCENARIO: 2023 06 27 -- Scenario I -- Status Quo

		Water Budget Line Item				
		Net Budget	Supply/ Treatment	Distribution	Admin	Customer Billing
Expense Category Code						
	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 Expanses, 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 Series WIFA Wastewater Improvements	2 Series WIFA Water Company Purchase	Total Debt 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

	Water		Wastewater		
Year	Current	Forecast	Current	Forecast	Total
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

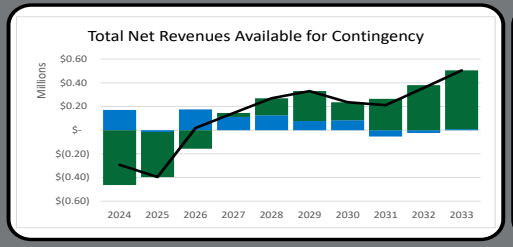
WILLDAN

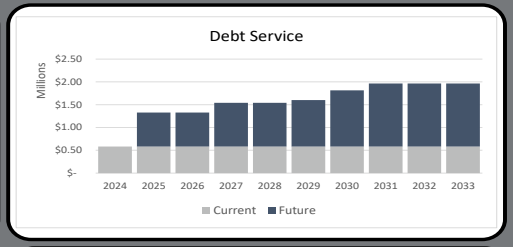
Utility System
Water
Sewer
Combined

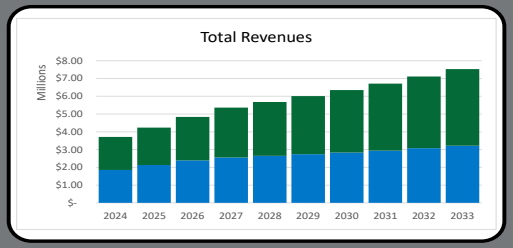
Dashboard
Projections
Bill Comparison
Comparable Utilities

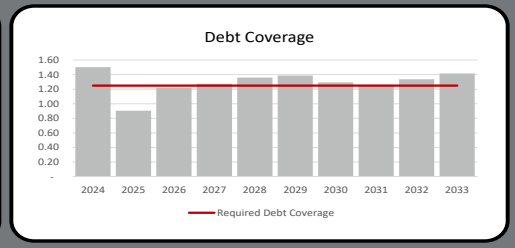
Customer Class
All Classes

Years
10
5









Water Sewer **Combined Projections**

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%
	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

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

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

Forecast Summary
Scenario: ***2023 08 02 -- Scenario I -- Status Quo***

			Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

Forecast Summary
Scenario: ***2023 08 02 -- Scenario I -- Status Quo***

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

Forecast Summary
Scenario: ***2023 08 02 -- Scenario I -- Status Quo***

		Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

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

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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 Reveues		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
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
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**
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**
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

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

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

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

		Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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**
	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

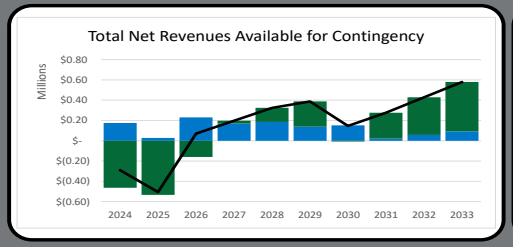
WILLDAN

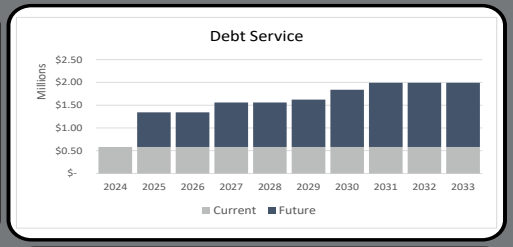
Utility System
Water
Sewer
Combined

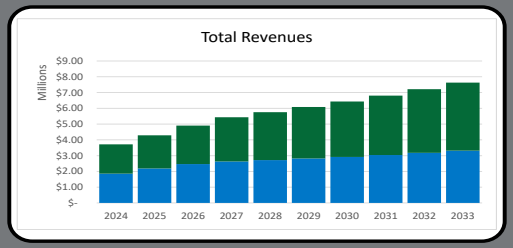
Dashboard
Projections
Bill Comparison
Comparable Utilities

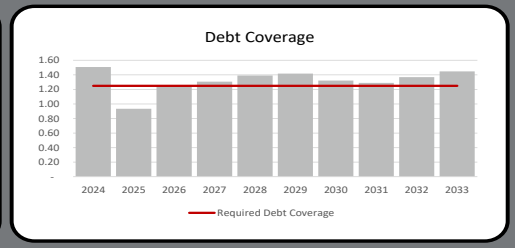
Customer Class
All Classes

Years
10
5









Water Sewer **Combined Projections**

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%
	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

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

		Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

Forecast Summary
Scenario: ***2023 08 02 -- Scenario II -- Conservation***

			Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

Forecast Summary
Scenario: ***2023 08 02 -- Scenario II -- Conservation***

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

Forecast Summary
Scenario: ***2023 08 02 -- Scenario II -- Conservation***

		Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

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

		Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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 Reveues		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
	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
	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**
	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**
	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

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

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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

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

		Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
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**
	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