

# Lake Havasu City, Arizona

## Final Water and Sewer Rate Study

December  
2023





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# Section 1 – Executive Summary

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Lake Havasu City (City)’s water and sewer enterprise funds are self-supporting and fund the operations and maintenance (O&M) associated with the two utilities, capital outlay, repayment of any associated debt, and routine repair and replacement of aging system components for the water and sewer systems. Water and sewer user rate revenue provides a stable secure revenue source for the two utilities, is the primary revenue source for the operations of both utilities and can only be used for each respective utility.

There are two main objectives for this study. The first objective of this study was to develop ten-year financial plans to evaluate the current financial condition for each utility and ensure the water and sewer utilities are generating sufficient revenue over the ten-year period to cover the costs of operating the utilities. To the extent either of the utilities were found not to be generating adequate revenue under current rates, the financial plans include recommended rate revenue adjustments to ensure continued revenue sufficiency and stability. The second was to evaluate and make refinements to the existing water and sewer rate structures to ensure that each customer class was paying their proportionate share of operating the systems. These objectives are discussed in further detail in the body of this report.

## 1.1 Study Overview

The City contracted with Willdan Financial Services and Pat Walker Consulting LLC (“Willdan Team”), to complete a water and sewer rate study comprised of the following objectives:

- **Ten-Year Financial Plan:** Identify the revenues required by each utility to meet the respective annual costs of operation, maintenance, capital projects, debt repayment and accumulation and maintenance of appropriate reserves.
- **Rate Update:** Review and update the City’s existing water and sewer rates and comment on their adequacy to meet projected revenue requirements and meet the City’s objectives, as well as cost-of-service principles whereby the rates and charges are based upon the cost of providing service.

## 1.2 Financial Plans

The ten-year (current year plus nine years) water and sewer financial plans were developed based on the City’s projected revenues and expenditures, system growth and recent consumption and discharge trends. The projections reflect the best available information and assessments developed and refined through numerous meetings and teleconferences between the Willdan Team and City staff. Upon completion of the financial plans, it was determined that projected revenues that would be generated for



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both the water and sewer utilities through anticipated system growth, existing user rates and projected system utilization alone will not be sufficient to meet anticipated system expenditures, and additional rate revenue increases will be required.

## 1.3 Reserve Targets

### 1.3.1 Cash Reserve Target

Through the study process Willdan worked with City staff to identify and recommend a financially prudent cash reserve target for each utility to help ensure the continued financial viability of the water and sewer enterprise funds. The cash reserve target is:

- **Operating Reserve:** Cash reserve equivalent to 15% of a rolling five-year average of revenues.

### 1.3.2 Debt Service Reserve Target

In addition to the self-imposed cash reserve target identified in 1.3.1, the City is required to maintain a debt service reserve as a condition of past debt issuances. Outstanding water debt has a debt service reserve requirement equivalent to 1 year's debt service (approximately \$613,000). The outstanding sewer debt obligations have a reserve requirement of \$4.5 million.

## 1.4 Revenue Increase versus Rate Increase

The terms “*revenue increase*” and “*rate increase*” are often used interchangeably but are not always the same thing. A *revenue increase* represents the additional funding that is required in a given year. A *rate increase* represents the increase in the utility rates paid by an individual customer and in turn how the additional revenue will be recovered. As way of an example the financial plan may indicate the need for 10% more revenue. One option to generate additional revenue would be to raise the utility rates for all customer classes by 10%. In this case the *revenue increase* and the *rate increase* are the same. However, the 10% revenue increase may be achieved by raising the utility rates for the residential class by 6%, the commercial class by 4% and the irrigation class by 9%. In this case the additional revenue generated (*revenue increase*) is equal to 10% more revenue but the percentage *rate increase* by class varies.

## 1.5 User Rates

As suggested in section 1.2, rate revenue increases are projected for both the water and sewer utilities during the ten-year study period to meet the City's obligations. The study also proposes refinements to



the existing water and sewer user rates, to better align with the City’s goals of revenue stability and encouraging conservation. This is discussed in more detail in Sections 5.1 and 5.2.

## 1.6 Findings and Recommendations

It is recommended that the City update the cashflow portion of this study each year to ensure that actual revenues and expenses for that year are tracking closely with projections developed for this study, and that revenue is sufficient to fund projected expenses going forward. This is important as actual operating results may differ from the projections, and assumptions made during this study may change and have a material impact on the analysis. As customer usage and discharge patterns change, or the composition of the City’s customer base changes, the City should conduct an in-depth cost-of-service analysis to ensure appropriate allocation of costs to customer classes. The proposed revenue increases are illustrated in Table 1-1.

<b>Table 1-1</b> Projected Revenue Increases Fiscal Years Ending June 30		
<b>Description</b>	<b>Water Revenue Increases <sup>(1)</sup></b>	<b>Sewer Revenue Increases <sup>(1)</sup></b>
2023-24	15%	6%
2024-25	12%	6%
2025-26	11%	5%
2026-27	11%	5%
2027-28	11%	4%
2028-29	11%	2%
2029-30	10%	0%
2030-31	5%	0%
2031-32	0%	0%
(1) The increase for FY 2023-24 is effective November 1, while the revenue increases for subsequent years are proposed to be effective September 1		

As discussed in Section 1.4, a revenue increase may be different from a rate increase. Through the study revisions to the existing rate structure were proposed in order to achieve the recommended revenue increases.



## Water

The existing water rate structure was updated with two changes based on direction from City Staff and Council. The first refinement was to encourage conservation through the rate structure. This goal is reflected over the 5-year period through a tightening (reduction) in the allotment of water in each tier, while increasing the unit cost of water used in each tier. The second refinement was a goal of treating all residential customers more equitably through water allocations by tier. In this case the tiers were adjusted such that all residential customer classes (single family, multifamily and RV Parks) would receive approximately the same amount of each class’s water use in each tier. As an example, the single family class’s tier 1 captures 26% of the class’s water use. For the multifamily class, 26% of water use is captured in tier 1 and for the RV Parks class 24% of water use is captured in tier 1. While the amount of water consumed by tier is approximately the same for these three classes, the unit cost for water for the tier differs based on the class’s respective cost-of-service allocations.

The proposed base charge and water rates are summarized in Tables 1-2 and 1-3.

<b>Table 1-2</b>						
<b>Proposed Water Rates – Base Charge</b>						
<b>Current Through FY 2027-28</b>						
<b>Monthly Base Charge</b>						
<b>All Customers</b>						
<b>Meter Size</b>	<b>Current</b>	<b>23-24 <sup>(1)</sup></b>	<b>24-25 <sup>(2)</sup></b>	<b>25-26 <sup>(2)</sup></b>	<b>26-27 <sup>(2)</sup></b>	<b>27-28 <sup>(2)</sup></b>
3/4-inch	\$9.02	\$9.02	\$10.10	\$11.21	\$12.45	\$13.82
1-inch	15.06	15.06	16.87	18.72	20.78	23.07
1 ½-inch	30.03	30.03	33.64	37.35	41.45	46.01
2-inch	48.07	48.07	53.85	59.77	66.35	73.65
3-inch	96.14	96.14	107.69	119.53	132.68	147.28
4-inch	150.32	150.32	168.37	186.89	207.45	230.27
6-inch	300.61	300.61	336.72	373.76	414.87	460.50
8-inch	480.99	480.99	538.76	598.03	663.81	736.83
(1) Effective November 1						
(2) Effective September 1						



**Table 1-3**  
Proposed Water Rates - Volume  
Current Through FY 2025-26

Current		Proposed					
Tiers	Rate	Tiers	23-24 <sup>(1)</sup>	24-25 <sup>(2)</sup>	25-26 <sup>(2)</sup>	26-27 <sup>(2)</sup>	27-28 <sup>(2)</sup>
<b>Single Family – Volume Rate (\$/100 CF)</b>							
0 – 500 CF	\$0.00	0 – 300 CF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
501 – 4,000 CF	1.74	301 – 1,500 CF	1.95	2.00	2.22	2.49	2.90
4,001 – 10,000 CF	2.16	1,501 – 5,000 CF	2.44	2.50	2.78	3.11	3.63
Over 10,000 CF	2.70	Over 5,000 CF	3.29	3.38	3.75	4.20	4.89
<b>Multifamily – Volume Rate (\$/100 CF)</b>							
0 – 2,200 CF	\$1.47	0 – 700 CF	\$1.47	\$1.62	\$1.81	\$1.88	\$1.92
2,201 – 20,000 CF	1.84	701 – 12,000 CF	1.84	2.03	2.27	2.35	2.40
20,001 – 200,000 CF	2.30	12,001 – 66,000 CF	2.30	2.53	2.83	2.94	3.01
Over 200,000 CF	2.88	Over 66,000 CF	2.88	3.17	3.55	3.68	3.76
<b>Commercial/Industrial – Volume Rate (\$/100 CF)</b>							
0 – 15,000 CF	\$1.74	0 – 12,000 CF	\$1.95	\$1.98	\$2.05	\$2.11	\$2.18
15,001 – 340,000 CF	2.18	12,001 – 120,000 CF	2.44	2.48	2.56	2.64	2.72
Over 340,000 CF	3.26	Over 120,000 CF	3.66	3.71	3.84	3.96	4.08
<b>Single Family Irrigation – Volume Rate (\$/100 CF)</b>							
0 – 2,900 CF	\$1.67	0 – 300 CF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2,901 – 9,500 CF	2.51	301 – 1,500 CF	1.95	2.00	2.22	2.49	2.90
Over 9,500 CF	5.02	1,501 – 5,000 CF	2.44	2.50	2.78	3.11	3.63
		Over 5,000 CF	3.29	3.38	3.75	4.20	4.89
<b>Other Irrigation – Volume Rate (\$/100 CF)</b>							
0 – 9,000 CF	\$1.87	0 – 1,500 CF	\$1.96	\$2.19	\$2.43	\$2.70	\$3.00
9,001 – 40,000 CF	2.33	1,501 – 3,500 CF	2.45	2.74	3.04	3.38	3.75
Over 40,000 CF	3.50	Over 3,500 CF	3.67	4.11	4.56	5.07	5.62
<b>Hydrants – Volume Rate (\$/100 CF)</b>							
All Use	\$2.24	All Use	\$2.51	\$2.81	\$3.15	\$3.52	\$3.95
<b>RV Parks – Volume Rate (\$/100 CF)</b>							
0 – 1,750 CF	\$1.78	0 – 20,000 CF	\$1.78	\$1.83	\$1.87	\$1.90	\$1.96
1,751 – 20,000 CF	2.23	20,001 – 95,000 CF	2.23	2.29	2.34	2.38	2.45
20,001 – 60,000 CF	2.79	95,001 – 130,000 CF	2.79	2.86	2.93	2.97	3.06
Over 60,000	3.48	Over 130,000	3.48	3.59	3.66	3.72	3.83

(1) Effective November 1

(2) Effective September 1

### Sewer

The existing sewer rate structure was updated to reflect an updated cost-of-service analysis based on changes in sewer discharge and flows since the prior study. Similar to the water rates, City Staff and Council provided guidance on refinements to be made to the sewer rate structure. The identified goal



was to simplify the sewer rate structure such that single family and multifamily customers were no longer assessed a flow-based component to their rates, but rather were assessed a flat monthly charge regardless of the volume of discharge. We also received feedback that single family and multifamily customers should be treated more equitably on a per dwelling unit basis. In other words, if a single family and multifamily dwelling unit both have 2 persons living in the dwelling unit and discharge the same amount of flows with the same domestic strength discharge, the monthly charge should be the same. The existing and proposed sewer rates are shown in Table 1-4.

<b>Table 1-4 Proposed Sewer Rates Current Through FY 2027-28</b>						
	<b>Current</b>	<b>23-24 <sup>(1)</sup></b>	<b>24-25 <sup>(2)</sup></b>	<b>25-26 <sup>(2)</sup></b>	<b>26-27 <sup>(2)</sup></b>	<b>27-28 <sup>(2)</sup></b>
<b>Residential <sup>(3)</sup></b>						
Base (per dwelling unit)	\$52.14	\$52.14	\$52.14	\$52.67	\$55.24	\$56.86
Flow (\$/100 CF)	1.76	n/a	n/a	n/a	n/a	n/a
<b>Multifamily <sup>(4)</sup></b>						
Base (per dwelling unit)	18.67	52.14	52.14	52.67	55.24	56.86
Flow (\$/100 CF)	6.26	n/a	n/a	n/a	n/a	n/a
<b>Commercial</b>						
Base (per unit)	48.67	51.10	53.66	54.73	55.83	56.94
Flow (\$/100 CF)	10.44	10.96	11.51	11.74	11.98	12.09
<b>Hotels</b>						
Base (per room)	17.87	18.76	19.70	20.10	20.50	21.32
Flow (\$/100 CF)	9.37	9.93	10.43	10.64	10.85	11.28
<b>RV Parks</b>						
Base (per spot)	9.34	9.81	10.30	10.81	12.43	14.30
Flow (\$/100 CF)	3.13	3.44	3.79	4.17	4.79	5.51
<b>Septic Hauler</b>						
Base	n/a	n/a	n/a	n/a	n/a	n/a
Flow	61.40	76.53	81.12	85.18	89.43	93.01
(1) Effective November 1						
(2) Effective September 1						
(3) The existing rate includes the first 500 CF of discharge. The maximum monthly charge is \$56.54.						
(4) The existing rate includes the first 500 CF of discharge. The maximum monthly charge is \$39.95.						



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## Section 2 - Introduction

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### 2.1 Introduction

Willdan Financial Services and Pat Walker Consulting LLC (“Willdan Team”) were retained by the City of Lake Havasu City, Arizona (“City”) to conduct a Water and Sewer Rate and Financial Study (“Rate Study”) for the City’s water and sewer utilities (“Utilities”). This report details the results of the Rate Study analysis for the forecast period, where estimated actuals for fiscal year (FY) 2022-23 were used as the starting point for the forecast period FY 2023-24 through FY 2032-33, the results of which are presented in this Rate Study Report.

The results of the Rate Study presented herein are a financial plan with suggested rate adjustments designed to provide revenues sufficient to fund the ongoing operating, maintenance and capital costs necessary to operate the City’s water and sewer utilities. The Rate Study was developed to meet the financial requirements and goals set forth by the City’s for the water and sewer enterprise funds, including maintenance of adequate reserves while adhering to the principles of cost-of-service.

Based on discussions with City staff, this report presents the recommended financial plans and adjustments to meet the City’s objectives.

### 2.2 Goal and Objectives

A primary goal of the Rate Study was to develop financial plans for each of the two utilities that evaluate the adequacy of the current revenue streams to meet ongoing costs (operations & maintenance, debt service and capital), and to maintain industry standard financially prudent cash reserves. More specifically the Rate Study was undertaken to:

- Conduct the analysis in accordance with industry standards consistent with American Water Works (“AWWA”) and Water Environment Federation (“WEF”) guidelines and utilizing City specific revenue and expense, growth and customer billing data;
- Develop financial plans consistent with industry standards and best practices while recognizing the needs specific to the City; and
- Recommend rates that adhere to and meet cost-of-service principles, which requires a matching between the fees being assessed to customers and the cost they place on the systems.

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## 2.3 Organization of this Report

This Rate Study presents an overview of the rate-making concepts employed in the development of the analysis contained here. The analysis is followed by a discussion of the data, assumptions and results associated with each component of the analysis. Finally, appendices with detailed schedules are presented for further insight into the data, assumptions and calculations which drive the results presented in this Rate Study. The report is organized as follows:

- Section 1 – Executive Summary
- Section 2 – Introduction
- Section 3 – Overview of Utility Rate-Making Principles, Processes and Issues
- Section 4 – Rate Study Development and Results
- Section 5 – Rate Design Analysis
- Section 6 – Conclusions and Recommendations
- Appendix A – Water System Financial Plan
- Appendix B – Sewer System Financial Plan
- Appendix C – Water Cost-of-Service Analysis and Rate Design
- Appendix D – Sewer Cost-of-Service Analysis and Rate Design

## 2.4. Reliance on Data

During this project the City (and/or its representatives) provided the Willdan Team with a variety of financial and technical information, including system operating metrics, fund balances, budget data, historical operating results, capital project costs and demographic data. This data was used by the Willdan Team in the process of developing the financial plans and recommended rate adjustments. The Willdan Team did not independently assess or test for the accuracy of such data, historic or projected, but worked with City staff to better understand the data and its sources and believe it to be the best available information at the time of the study.

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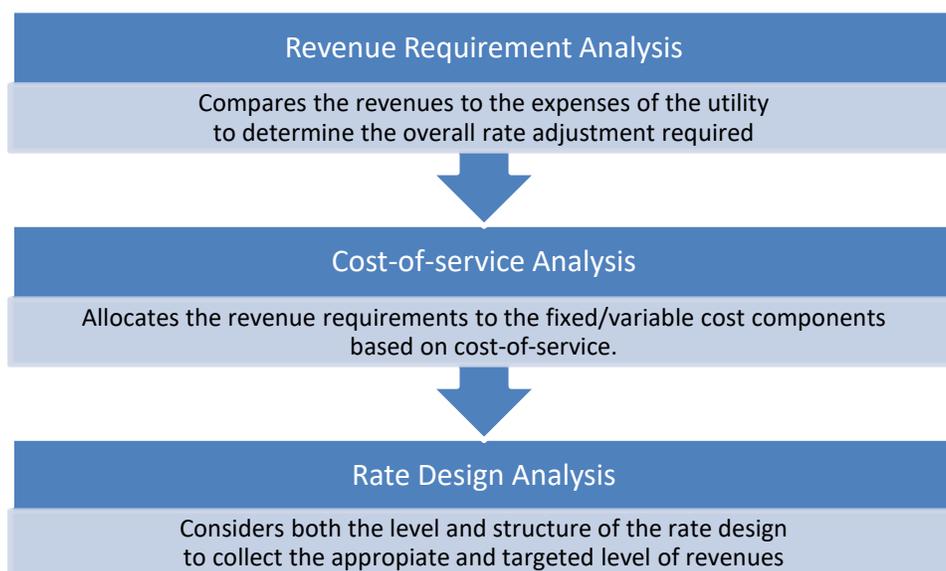
## Section 3 – Overview of Financial Planning Principles, Processes and Issues

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### 3.1 Introduction

The scope of this study included the development of cost-based water and sewer user charges through cost-of-service and rate design analysis using City specific expense and customer billing data and system flow and production data. Utility rates must be set at a level where operating, maintenance and capital expenses are met with the revenues received from customers; and that revenues generated from utility rates are used only for this purpose. In addition, the user rates for customers must be based upon their proportionate share of the costs of operating the systems. This is a significant point, as failure to achieve this level could lead to insufficient funds being available to adequately maintain the system. A comprehensive rate study typically consists of following three interrelated analyses:

- I. **Financial Planning/Revenue Requirement Analysis:** Create a ten-year plan (current plus nine years) to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, and retirement of any outstanding debt. In addition, the long-term plan should fund and maintain appropriate reserve balances to adequate levels based on industry standards and the City of Lake Havasu City's fiscal policies and specific needs.
- II. **Cost-of-Service Analysis:** Identifies and apportions annual revenue requirements to functional cost components based on the demands placed on the utility system based on City specific financial and system performance data.
- III. **Rate Design:** Develops an equitable and proportionate fixed/variable schedule of rates for the City's customer base. The policy objectives are harmonized with cost-of-service objectives to achieve the balance between customer equity and financial stability goals. The balance of fixed and variable charges ensures that the City has a stable revenue source (the fixed charge) to cover fixed operating costs, while the variable component of the rate structure helps to ensure those customers who place higher demands and costs on the system (through higher water and sewer use, particularly during peak periods) incur a higher bill reflective of their system use.



This Rate Study utilized generally accepted rate-making principles and standards established by the industries' governing bodies, American Water Works Association (AWWA) in its "M1 Principles of Water Rates Fees and Charges" manual and by the Water Environment Federation (WEF) in its "Financing and Charges for Sewer Systems, Manual of Practice No. 27 (2004)". While generally accepted industry standards were used as the basis and approach of the cost-of-service and rate design, the analysis was completed using City specific system performance and production data, as well as cost and customer billing data. The principles used resulted in the development of rates and charges which are projected to: 1) generate sufficient revenue to meet the financial requirements of the water and sewer utilities, and 2) address the need to recover costs from users in a manner which is proportionate to the cost of providing service on a fair and equitable basis relative to the service provided, and which does not exceed the cost of providing the service. A discussion of some of the key principles of rate-making, and how the processes employed herein are guided by those principles, is presented below.

## 3.2 Discussion of General Financial Planning Principles

While the individual rates for each of the utilities vary based on a variety of factors, rates should be consistent with general rate-making principles set forth in utility rate-making practice and literature. The principles by which rate practitioners are guided is that rates designed for any utility should strike a reasonable balance between several key factors. In general, rates designed should:

- 
- Generate a stable rate revenue stream which, when combined with other sources of funds, is sufficient to meet the financial requirements and goals of the utility;
  - Be based upon the proportionate cost of providing the service and not exceed the cost of providing the service;
  - Be fair and equitable – that is, they should generate revenue from customer classes which is reasonably in proportion to the cost to provide service to that customer class;
  - Be easy to understand by customers; and
  - Be easy to administer by the utility.

Striking the appropriate balance between the principles of rate-making is the result of a detailed process of evaluation of revenue requirements and cost-of-service, and how those translate into the rate design alternatives which meet legal requirements and the specific objectives of the utility under the circumstances in which it operates. A review of the City's existing rates and their adherence to these principles is discussed in Section 4.2.2 of this report.

### **3.3 The Revenue Sufficiency Process**

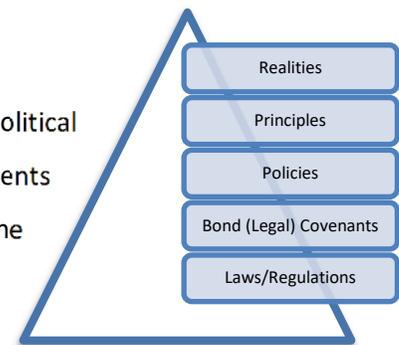
To evaluate whether existing rates and charges which will generate sufficient revenue to meet the fiscal requirements of the water and sewer utilities, a determination of the annual rate revenue required must be completed. The first step in the process is the Revenue Sufficiency Analysis. The Revenue Sufficiency Analysis compares the forecasted revenues of the utility under its existing rates to its expenses associated with forecasted operations and maintenance, capital, debt and reserve costs to determine the adequacy of the existing rates to recover the utility's projected costs.

To the extent that the existing revenue stream is projected to be insufficient to meet the annual revenue requirements of the system during the projection period, a series of recommended rate revenue increases are calculated which if enacted, would provide revenue sufficient to meet those needs.

### 3.3.1 Determination of the Revenue Requirements

#### Considerations in Setting Revenue Requirements

There are a multitude of considerations, ranging from financial to policy, political and legal that must be analyzed or discussed during the revenue requirements process of a rate study. This section provides an overview of the considerations that are reviewed during this process.



#### Capital Budgeting and Financing

Capital needs are identified in the City’s Water and Sewer Capital Improvement Plan which is updated on an annual basis. As part of its budget and planning process, the City identifies capital improvements that are necessary for the continued delivery of clean, safe, drinking water, and collection and treatment of sewer flows. The Capital Improvement Plan is funded by a variety of sources including, utility rates, capital reserves and debt.

#### Capital Funding: Debt vs. PAYGO

The selection of the appropriate funding strategy for capital projects is primarily a policy decision between use of cash (“Pay-as-you-go financing” or PAYGO), the issuance of debt, or a combination. PAYGO is the use or build-up of cash to fund capital improvements. With debt financing, capital improvements are funded with borrowed funds (usually through the issuance of bonds) with the obligation of repayment, typically with interest, in future years. Development of an optimal capital financial plan depends on the definition of optimal. Each funding mechanism has a different impact on water and sewer rates in the short and long run, different net present values, risks, and legal obligations. Due to the borrowing costs associated with debt, cash funding can be cheaper in the end (by not having to incur interest costs on borrowed money). However, debt typically ensures greater generational equity for larger and longer lasting capital projects (by contributing to annual debt payments, new customers who connect to the system help pay for the infrastructure that was installed prior to their arrival, but still benefits them). Also, using cash to fund capital projects typically causes a more significant immediate impact on customers due to the higher rates that are required to provide the funding.

The City, as is typical for a public utility, operates its water and sewer utilities on a “cash basis”. Under the “cash basis” approach, revenues and expenses are recognized at the time physical cash is received or paid out. Revenue requirements are determined for a specified period of time (in the case of the City an annual fiscal year ending June 30), by summing the total anticipated expenses to be paid out during the fiscal

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year. Where cash flows and balances are insufficient, the revenue requirements analysis results in recommendations to ensure the needed additional cash flows are available to meet funding goals. The two primary categories of expenses are as follows:

- Operations and Maintenance (O&M) expenses, such as salaries and benefits of utility personnel, costs associated with plant and system operations and treatment (chemicals, power, etc.), transfers out, existing and anticipated debt service, and reserves; and
- Capital expenses, such as the annual capital improvement program, including water main replacements and UV disinfection replacement.

## **Financial Planning**

The financial models developed for this study consider the City's existing and targeted debt service coverage ratios and operating cash balances (cash on hand). As existing debt is redeemed, additional debt may be utilized to fund additional capital improvements required due to aging infrastructure. At this juncture the City is not anticipating the issuance of additional debt.

## **3.4 Financial Management Goals of the City**

The establishment of specific financial management goals of a utility is a key step in developing financial plans which will ensure the financial health of the utility remains strong. The financial management goals of the City are described below.

### **3.4.1 Reserve Targets**

In order to maintain financially stable and sustainable utilities, the City has identified a cash reserve target for each utility that it will seek to maintain. The reserve target policies are identified in Table 3-1, while Table 3-2 illustrates the projected results for water and sewer. Tables 3-1 and 3-2 show a five-year snapshot while the full ten-year projections can be found in Appendices A and B. There are also debt service reserve policies that are required as identified in the loan documents for the City's outstanding debt issuances.

<b>Table 3-1 Reserve Targets</b>		
<b>Reserve</b>	<b>Purpose</b>	<b>Minimum Balance</b>
Water and Sewer Operating Reserves	Manage timing differences between revenue receipt and expense payments	15% of rolling five-year average of revenues
Debt Service Reserves	Provides assurance to debt holders that obligations will be repaid.	Specific to each loan.

<b>Table 3-2 Operating Reserve and Debt Service Projections Fiscal Years Ending June 30 (\$ thousands)</b>					
	23-24	24-25	25-26	26-27	27-28
<b>Water</b>					
Target Cash Balance	\$1,336	\$1,445	\$1,560	\$1,756	\$1,972
Debt Service Reserve <sup>(1)</sup>	605	605	604	604	598
<b>Sewer</b>					
Target Cash Balance	\$2,947	\$3,130	\$3,324	\$3,533	\$3,735
Debt Service Reserve	4,500	4,500	4,500	4,500	4,500
(1) The debt service reserve is included in the target cash reserve Note: Values are rounded to the nearest \$1,000					

While it is not essential that the City meet their identified operating reserve on annual basis (it is not a legal requirement), prudent financial planning suggests that the City should strive to maintain the operating reserve and should not dip below the minimum balance on a continuous basis.

### 3.4.2 Debt Service Coverage

The City currently has outstanding water and sewer related debt which includes covenants requiring the City to maintain rates and charges such that a debt service coverage ratio, defined as Net Revenues divided by Annual Debt Service, be maintained at a minimum of 1.20x. The coverage requirement of 1.20x is associated with all outstanding debt for each specific year the coverage is being calculated. While the 1.20x coverage is the legal requirement, the City strives to achieve a higher target coverage ratio of 1.50x. Through discussions with the Water Infrastructure Finance Authority of Arizona (WIFA), existing fund balance can be considered in meeting the annual water debt service coverage requirement.

While the cash reserve target identified in section 3.4.1 is a City policy, the debt service coverage requirements along with debt service reserves are legal obligations that must be met on an annual basis.



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### 3.4.3 Financial Management Conclusions

The City's utilities should strive to satisfy both reserve targets and debt service coverage (while only debt service coverage and the debt service reserve are legal requirements) as each test provides a different perspective on the utilities' revenue needs and overall financial viability. An appropriate level of revenue requirements may result in an overlapping of the tests such that each separate set of objectives are met. As an example, the goal to maintain a 1.50x debt service coverage may generate a positive cashflow allowing for the funding of the identified cash reserve targets. Similarly, the need to meet and maintain the cash reserve targets may generate sufficient cashflow to meet the required debt service coverage ratio on an annual basis. The ability of the utilities to satisfy both sets of requirements will reduce overall financial risk, increase stability, and help with a long-term strategy of utility financial planning.



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## Section 4 – Rate Study Development and Results

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### 4.1 Revenue Sufficiency Analysis

#### 4.1.1 General Methodology

Revenue requirements were compared to the total sources of funds during each year of the forecast period to determine the adequacy of projected revenues to meet requirements. To the extent that the existing revenue streams are not sufficient to meet the annual revenue requirements of the systems, a series of rate revenue increases are calculated, which if implemented, would provide revenue sufficient to meet those needs.

#### 4.1.2 Data Items

Key data items reviewed, discussed, and incorporated into the Revenue Sufficiency Analysis were:

- Financial management goals of the City
- FY 2022-23 Beginning of Year Fund Balances
- FY 2022-23 Unaudited Revenues and Expenditures
- FY 2023-24 Adopted Budgets
- Capital Improvement needs based on City's plans
- Outstanding Debt Service Schedules
- General assumptions related to:
  - Customer growth
  - Cost escalation factors

A discussion of each of the above data items is presented below.

#### 4.1.3 FY 2022-23 Beginning of Year Cash Balance

To better understand the available funds the City's utilities had on hand to start the forecast period, a detailed review of cash balances as of the beginning of FY 2022-23 was conducted and discussed with City staff. A summary of the fund balances associated with the water and sewer utility enterprise funds for the beginning of FY 2022-23, as adjusted for use in this analysis, is presented in Table 4-2 below.

Table 4-2 Beginning Fund Balance Fiscal Year 2022-23		
Description	Water	Sewer
Cash Balance	\$42,552,665	\$21,127,234

#### 4.1.4 FY 2022-23 Unaudited Actuals and FY 2023-24 Budgets

For both utilities Staff provided Willdan with the FY 2022-23 unaudited actual revenues and expenditures as well as the FY 2023-24 Adopted Budgets, and associated line-item detail. The FY 2023-24 budgets served as the basis for the financial projections for the forecast period. The line-item projected expenses for FY 2023-24 were used as the basis for the projection of future budgetary line-items for the remainder of the forecast period.

Cost escalation factors were reviewed by staff and were used to project increases in line-item costs beyond the FY 2023-24 budget. These factors were applied based to line-item cost classifications.

A five-year summary of the FY 2023-24 budget, and subsequent projected budgetary expenses is presented below in Table 4-3. A more detailed presentation of the line-item budgeted and projected revenues and expenses is presented in Schedules A-3 through A-6 and B-3 through B-6 respectively, in the Appendices.

Table 4-3 Operating Budget Fiscal Years Ending June 30 (\$ thousands)					
Description	23-24	24-25	25-26	26-27	27-28
<b>Water</b>					
O&M	\$10,508	\$10,846	\$11,195	\$11,556	\$11,928
Debt Service and Loans	605	605	604	604	598
Transfers Out and Capital Outlay	4,511	4,646	4,786	4,929	5,077
Capital Projects from CIP	<u>5,523</u>	<u>9,240</u>	<u>6,963</u>	<u>4,030</u>	<u>7,883</u>
<b>Total Expenses</b>	<b>\$21,147</b>	<b>\$25,337</b>	<b>\$23,548</b>	<b>\$21,119</b>	<b>\$25,486</b>
<b>Sewer</b>					
O&M	\$9,711	\$10,026	\$10,350	\$10,685	\$11,028
Debt Service and Loans	13,689	13,685	13,684	13,685	13,686
Transfers Out and Capital Outlay	4,174	4,299	4,429	4,562	4,699
Capital Projects from CIP	<u>8,196</u>	<u>9,028</u>	<u>3,202</u>	<u>6,179</u>	<u>5,153</u>
<b>Total Expenses</b>	<b>\$35,770</b>	<b>\$37,028</b>	<b>\$31,665</b>	<b>\$35,111</b>	<b>\$34,566</b>
Note: Variances due to rounding					



## 4.1.5 Capital Improvements Plan (CIP)

The City provided Willdan with a forecast of capital requirements for the study period. The CIP the City provided was in inflated dollars (using an inflationary rate of 5.0%). The water CIP for FY 2023-24 through FY 2027-28 totals \$33.6 million. The sewer CIP for FY 2023-24 through FY 2027-28 totals \$31.8 million. A summary table of the CIP for the FY 2023-24 – FY 2027-28 forecast period is presented below in Table 4-4. The CIP is presented in Schedules A-6 and B-6, respectively, in the Appendices.

<b>Table 4-4</b>						
<b>Capital Improvement Plan</b>						
<b>Fiscal Years Ending June 30 (\$ thousands)</b>						
	23-24	24-25	25-26	26-27	27-28	Total
Water	\$5,523	\$9,140	\$6,963	\$4,030	\$7,883	\$33,638
Sewer	8,196	9,025	3,202	6,179	5,153	31,754
Note: Values are rounded to the nearest \$1,000						

## 4.1.6 Outstanding Debt

The City, like many utilities, has utilized long-term debt to fund capital assets in the past. The City has both outstanding water and sewer related debt. The outstanding water debt will be retired in 2030, while the outstanding sewer debt will be retired in 2045. The proposed financial plans do not anticipate the issuance of any new debt during the study period.

## 4.1.7 General Assumptions

In order to develop the financial and rate projections, certain assumptions were made with regard to elements of the revenue sufficiency analysis. A summary of those assumptions is presented below.

### 4.1.7.1. System Growth

The City anticipates average growth of the water system of approximately 0.68% per year while average sewer system growth is anticipated at approximately 0.84% per year. The model assumes a direct correlation between customer growth and service charge revenue growth. In other words, it is assumed that service charge revenues will also grow by an average of 0.68% per year for water and an average of 0.84% per year for sewer.

### 4.1.7.2. O&M Escalation Factors

Willdan worked with City Staff to identify reasonable cost escalation factors to be applied to operations and maintenance expenses in recognition of increasing costs over time. It was determined that a 3.5% inflationary factor for personnel and related costs and a 3.0% inflationary factor represented a reasonable estimate of annual cost increases for all other expenses during the study period.

### 4.1.7.3. Debt Service Coverage

The City’s bond covenants require a 1.20x debt service coverage on outstanding debt, however, the City targets a more conservative 1.50x coverage as a matter of best financial practices. Our analysis shows that the revenues for each utility are sufficient to meet or exceed the 1.20x minimum target for the FY 2023-24 through FY 2027-28 period on existing debt. The debt service coverage ratios are summarized in Table 4-5 below.

Utility	Legal Target	23-24	24-25	25-26	26-27	27-28
Water	1.20	49.13	33.84	24.33	21.92	16.05
Sewer	1.20	1.73	1.59	1.69	1.79	1.86

### 4.1.8 Results of the Revenue Sufficiency Analysis

After a thorough review of the above-mentioned data elements, a draft of the Revenue Sufficiency Analysis was developed and reviewed with City Staff. This draft provided the forum in which various alternative assumptions were discussed, tested and evaluated for their reasonableness and their impact upon the ultimate financial health of the utilities, while striving to meet the identified objectives. In some cases, inputs or assumptions were modified based on these discussions.

The resulting financial plan presented herein is the embodiment of the data, assumptions and review process undertaken with City staff through the course of several meetings. Table 4-6 provides a summary of the annual revenue requirements (O&M, debt service and CIP) for both the water and sewer utilities incorporating the assumptions in Section 4.1.7 of this report as compared to the revenues under existing rates and system growth.



**Table 4-6**  
**Revenue Requirements vs. Revenue Under Existing Rates**  
**Fiscal Years Ending June 30 (\$ thousands)**

	23-24	24-25	25-26	26-27	27-28
<b>Water</b>					
Beginning Cash Balance	\$36,916	\$28,538	\$15,526	\$4,290	(\$4,528)
Cash Inflows					
Rate Revenue Under Existing Rates	10,674	10,749	10,823	10,898	10,972
Non-Rate Revenue	<u>2,095</u>	<u>1,576</u>	<u>1,488</u>	<u>1,403</u>	<u>1,355</u>
Total Cash Inflows	12,769	12,325	12,311	12,301	12,327
Cash Outflows					
Annual O&M Expense	10,508	10,846	11,195	11,556	11,928
Debt Service and Loans	605	605	604	604	598
Capital Outlay, Transfers and CIP	<u>10,034</u>	<u>13,886</u>	<u>11,748</u>	<u>8,959</u>	<u>12,960</u>
Total Cash Outflows	<u>21,147</u>	<u>25,337</u>	<u>23,547</u>	<u>21,119</u>	<u>25,486</u>
Net Cashflow	(8,378)	(13,012)	(11,236)	(8,818)	(13,159)
<b>Ending Cash Balance</b>	<b>\$28,538</b>	<b>\$15,526</b>	<b>\$4,290</b>	<b>(\$4,528)</b>	<b>(\$17,687)</b>
Target Cash Balance	\$1,804	\$1,843	\$1,842	\$1,870	\$1,861
Debt Service Coverage (Required 1.20)	45.60	22.65	3.31	(12.07)	(34.96)
<b>Sewer</b>					
Beginning Cash Balance	\$16,735	\$11,491	\$1,575	(\$2,823)	(\$10,485)
Cash Inflows					
Rate Revenue Under Existing Rates	25,940	26,158	26,377	26,596	26,814
Non-Rate Revenue	<u>4,586</u>	<u>961</u>	<u>889</u>	<u>853</u>	<u>738</u>
Total Cash Inflows	30,526	27,119	27,266	27,449	27,552
Cash Outflows					
Annual O&M Expense	9,711	10,026	10,350	10,685	11,028
Debt Service and Loans	13,689	13,685	13,684	13,685	13,686
Capital Outlay, Transfers and CIP	<u>12,370</u>	<u>13,324</u>	<u>7,630</u>	<u>10,741</u>	<u>9,851</u>
Total Cash Outflows	<u>35,770</u>	<u>37,035</u>	<u>31,664</u>	<u>35,111</u>	<u>34,565</u>
Net Cashflow	(5,244)	(9,916)	(4,398)	(7,662)	(7,013)
<b>Ending Cash Balance</b>	<b>\$11,491</b>	<b>\$1,575</b>	<b>(\$2,823)</b>	<b>(\$10,485)</b>	<b>(\$17,498)</b>
Target Cash Balance	\$3,918	\$4,402	\$4,132	\$4,190	\$4,197
Debt Service Coverage (Required 1.20)	1.54	1.26	1.24	1.22	1.19
Note: Values are rounded to the nearest \$1,000					

The revenues and expenditures identified in Table 4-6 represent revenues under existing rates and system growth and operating expenditures under the identified assumptions. As noted in Table 4-6, water revenues increasing due to system growth alone will not be sufficient to meet ongoing expenses. Sewer revenues from system growth alone are also insufficient to meet annual expenses. Both utilities are



projected to have a negative cashflow through FY 2027-28, based on existing rates, with the water utility experiencing a negative cash balance in FY 2026-27 and sewer beginning in FY 2025-26.

#### 4.1.8.1. Rate Revenue Increases Required

Our analysis of the water and sewer utilities indicate that assuming all expenditures occur as projected, there will not be sufficient operating revenue to fund ongoing operations and maintenance, routine repair and replacement of aging system components, planned capital improvements, and debt service throughout the study period. In part this is because anticipated growth is projected to be less than the expected cost increases associated with operating expenses. Therefore, we recommend increases for the water and sewer utilities in order to maintain pace with increasing operating costs, fund capital needs and pay annual debt service.

As noted in Section 1.4, a revenue increase may differ from a rate increase, where a revenue increase represents the additional revenue needed to meet costs whereas a rate increase is the impact to an individual customer class. Table 4-7 below reflects our projections of *revenue increases* in addition to system growth required during the forecast period in order for the City to meet its ongoing operational costs.

<b>Table 4-7</b> Projected Revenue Increases Fiscal Years Ending June 30		
<b>Description</b>	<b>Water Revenue Increases <sup>(1)</sup></b>	<b>Sewer Revenue Increases <sup>(1)</sup></b>
2023-24	15%	6%
2024-25	12%	6%
2025-26	11%	5%
2026-27	11%	5%
2027-28	11%	4%
2028-29	11%	2%
2029-30	10%	0%
2030-31	5%	0%
2031-32	0%	0%

(1) The increase for FY 2023-24 is effective November 1, while the revenue increases for subsequent years are proposed to be effective September 1



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The increases identified in Table 4-7 represent the overall increase in revenue required to operate the water and sewer systems, while the impact on individual customers will vary based on their respective usage. The revenues identified in Table 4-8 represent the revenues generated by the rate revenue increases identified in Table 4-7 based on the assumptions contained within this report. Should actual revenues or expenses differ from what is projected, the rate revenue adjustments identified in Table 4-7 may need to be modified (increased or decreased) in order to achieve the revenues identified in Table 4-8.



**Table 4-8**  
Revenue Requirements vs. Revenue Under Proposed Rates  
Fiscal Years Ending June 30 (\$ thousands)

	23-24	24-25	25-26	26-27	27-28
<b>Water</b>					
Beginning Cash Balance	\$36,916	\$29,606	\$19,442	\$12,601	\$9,894
Cash Inflows					
Rate Revenue Under Proposed Rates	11,742	13,597	15,218	17,009	19,009
Non-Rate Revenue	<u>2,095</u>	<u>1,576</u>	<u>1,488</u>	<u>1,403</u>	<u>1,355</u>
Total Cash Inflows	13,837	15,173	16,706	18,412	20,364
Cash Outflows					
Annual O&M Expense	10,508	10,846	11,195	11,556	11,928
Debt Service	605	605	604	604	598
Capital Outlay, Transfers and CIP	<u>10,034</u>	<u>13,886</u>	<u>11,748</u>	<u>8,959</u>	<u>12,960</u>
Total Cash Outflows	<u>21,147</u>	<u>25,337</u>	<u>23,547</u>	<u>21,119</u>	<u>25,486</u>
Net Cashflow	(7,310)	(10,164)	(6,841)	(2,707)	(5,122)
<b>Ending Cash Balance</b>	<b>\$29,606</b>	<b>\$19,442</b>	<b>\$12,601</b>	<b>\$9,894</b>	<b>\$4,772</b>
Target Cash Balance	\$1,336	\$1,445	\$1,560	\$1,756	\$1,972
Debt Service Coverage (Required 1.20)	49.13	33.84	24.33	21.92	16.05
<b>Sewer</b>					
Beginning Cash Balance	\$16,735	\$12,528	\$5,568	\$5,665	\$4,091
Cash Inflows					
Rate Revenue Under Proposed Rates	\$26,977	29,114	30,872	32,684	34,324
Non-Rate Revenue	<u>4,586</u>	<u>961</u>	<u>889</u>	<u>853</u>	<u>738</u>
Total Cash Inflows	31,563	30,075	31,761	33,537	35,062
Cash Outflows					
Annual O&M Expense	9,711	10,026	10,350	10,685	11,028
Debt Service	13,689	13,685	13,684	13,685	13,686
Capital Outlay, Transfers and CIP	<u>12,370</u>	<u>13,324</u>	<u>7,630</u>	<u>10,741</u>	<u>9,851</u>
Total Cash Outflows	<u>35,770</u>	<u>37,035</u>	<u>31,664</u>	<u>35,111</u>	<u>34,565</u>
Net Cashflow	(4,207)	(6,960)	97	(1,574)	497
<b>Ending Cash Balance</b>	<b>\$12,528</b>	<b>\$5,568</b>	<b>\$5,665</b>	<b>\$4,091</b>	<b>\$4,588</b>
Target Cash Balance	\$2,947	\$3,130	\$3,324	\$3,533	\$3,734
Debt Service Coverage (Required 1.20)	1.73	1.59	1.69	1.79	1.86

Note: Values are rounded to the nearest \$1,000

#### 4.1.8.2. Summary of Revenue Sufficiency Analysis

The resulting financial plans, including recommended revenue adjustments are presented in Table 4-8 and provide for funding of projected revenue requirements during the forecast period.

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A more detailed presentation of the financial plan, including fund balance reconciliations for each fund, is presented in Schedules A-1 and B-1 in the appendices.

### **4.1.8.3. Revenue Sufficiency Analysis Conclusions**

Based on the revenue requirements identified in our analysis, it is our opinion that:

- Revenue projections for the water and sewer utilities based on existing rates are insufficient to meet the revenue requirements for FY 2023-24 through FY 2027-28;
- Rate revenue adjustments are needed for both utilities in order to keep pace with increasing O&M and capital costs; and
- The proposed rate revenue increases identified in Table 4-7, are needed to ensure debt service coverage and operating reserve targets are met based upon the assumptions contained in this report.

## **4.2 Cost-of-Service Analysis**

### **4.2.1 General Methodology**

Rate design goals of the City were reviewed to identify areas the City wanted to address over the forecast period were included in this Rate Study. Next, an assessment of the existing rate design was completed to identify areas which have worked well for the City with regard to their specific goals and objectives, and the general goals and objectives of utility rate-making. In addition to the City's goals, rate design should seek to achieve the following industry standard objectives:

- Generate a stable rate revenue stream which, when combined with other sources of funds, is sufficient to meet the financial requirements and goals of the utility;
- Be fair and equitable – that is, they should generate revenue from customer classes which is reasonably in proportion to the cost to provide service to that customer class;
- Be easy to understand by customers; and
- Be easy to administer by the utility;
- Adhere to cost-of-service principles, whereby the rates must be based upon the proportionate cost of providing water and sewer service.

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## 4.2.2 Cost-of-Service Analysis

The City's current water rates are comprised of two components, first a monthly base charge which varies by meter size; and second, a volume rate per 100 cubic feet (CCF) of all water use. The volume component of the rate structure is a tiered rate structure (except for the hydrant rate which is uniform) and varies by class (single family, commercial, irrigation etc.). The City's sewer rate structure is comprised of a monthly base charge and flow rate (per 100 cubic feet) which varies by type of customer (single family, hotels, RV Parks etc).

In order to provide guidance for the water utility as to how to adequately recover the rate revenue requirements identified in the Revenue Sufficiency Analysis, in a manner consistent with generally accepted rate-making principles using City specific system, cost and customer billing data, a cost-of-service analysis was conducted.

The cost-of-service analysis resulted in the identification of the cost to provide service to City customers based on functional cost categories. This provided the rationale for the allocation of costs to expense categories related to water service. These water cost allocations were then used as the basis for the assignment of revenue requirements to customer classes upon which the development of rates and charges presented herein is based.

For the purposes of this analysis, the cost-of-service analysis for water was based on the Base-Extra Capacity methodology, as detailed in the American Water Works Association (AWWA) M1 Manual – Principles of Water Rates, Fees and Charges while incorporating City specific system performance and production data and cost and customer billing data.

The general approach to the development of cost-of-service allocations under the Base-Extra Capacity Cost Allocation methodology was to:

- 1) identify the City's costs by functional cost category,
- 2) allocate the functionalized costs further to base-extra capacity categories and then to:
- 3) allocate the City's costs and rate revenue requirements to the City's customer classes based on the distribution of costs and customer characteristics. The Cost-of-Service Analysis and Results is presented below.



### 4.2.2.1. Allocation to Functional Cost Categories

Water costs are allocated to functional cost categories based on their need to meet base demand, peak demand (max day and max hour water needs), as well as customer service costs such as billing and collection.

The City’s functionalized costs were then further allocated based on the Base-extra Capacity Method, as presented in the AWWA M1 Manual of Practice. The Base-Extra Capacity method results in the allocation of functionalized costs in a manner consistent with the functional reality behind each type of cost. For instance, transmission costs are related to not only a base, (or average), level of water flow, but are also related to the fact that transmission assets are typically sized to meet maximum day and maximum hour demands. Therefore, some portion of transmission costs should be allocated to the base component, and further to the extra capacity component (max day and max hour). Table 4-9 below presents the results of the Base-extra Capacity method.

<b>Table 4-9</b>						
<b>Water System - Summary of Functional Allocations to Cost Categories</b>						
<b>Fiscal Year 2023-24</b>						
<b>Functional Cost</b>	<b>Base</b>	<b>Max Day</b>	<b>Max Hour</b>	<b>Meters &amp; Services</b>	<b>Billing &amp; Collection</b>	<b>Total</b>
Treatment	\$5,425,188	\$4,438,790	\$0	\$0	\$0	\$9,863,978
Transmission & Distribution	415,847	701,173	886,331	0	0	2,003,350
Customer Service	0	0	0	76,632	76,632	153,264
Admin	79,491	0	0	39,745	39,745	158,981
Source of Supply	5,665	0	0	0	0	5,665
Transfers	2,480,444	0	0	826,815	0	3,307,258
Debt Service	459,984	0	0	153,328	0	613,312
CIP	7,391,840	0	0	1,847,960	0	9,239,800
Non-Operating Revenue/Changes in Reserves <sup>(1)</sup>	<u>(7,381,716)</u>	<u>(4,513,310)</u>	<u>(778,271)</u>	<u>(828,200)</u>	<u>(102,189)</u>	<u>(13,603,687)</u>
<b>Total</b>	\$8,876,742	\$626,653	\$108,059	\$2,116,280	\$14,188	\$11,741,922
Units (CCF/Equiv. Meters/Bills)	<u>4,894,677</u>	<u>30,726</u>	<u>65,747</u>	<u>35,879</u>	<u>430,552</u>	
Cost per Unit	\$1.81	\$20.39	\$1.64	58.98	\$0.03	
(1) A positive value results in an increase of reserves through rates, while a negative value indicates use of non-operating revenue and existing reserves to meet annual expenses in addition to rates.						



Table 4-9 illustrates the allocation of costs to functional components necessary to provide water service to customers. Total costs are allocated to functional categories such as treatment or transmission and distribution and then to cost categories such as base or max day.

Sewer costs are allocated based on their need to meet general capacity requirements, strength of discharge as well as customer related costs such as billing and collection. Table 4-10 summarizes the cost-of-service based allocation of the City’s Sewer costs.

<b>Table 4-10</b>					
<b>Sewer System - Summary of Functional Allocations to Cost Categories</b>					
<b>Fiscal Year 2023-24</b>					
<b>Functional Cost</b>	<b>Volume and Capacity</b>	<b>Strength</b>		<b>Customer Service/Billing &amp; Collection</b>	<b>Total</b>
		<b>Suspended Solids (SS)</b>	<b>Biochemical Oxygen Demand (BOD)</b>		
Treatment	\$2,464,029	\$1,232,014	\$1,232,014	\$0	\$4,928,057
Collection	4,322,204	0	0	0	4,322,204
Admin	3,923,890	0	0	0	3,923,890
Customer Service	0	0	0	121,592	121,592
CIP	9,025,000	0	0	0	9,025,000
Debt Service	13,719,424	0	0	0	13,719,424
Non-Operating Revenue/Changes in Reserves <sup>(1)</sup>	<u>(8,901,214)</u>	<u>(327,801)</u>	<u>(327,801)</u>	<u>(32,352)</u>	<u>(9,859,167)</u>
<b>Total</b>	\$24,553,333	\$904,124	\$904,124	\$89,240	\$26,451,001
Units (CCF/Bills)	<u>1,808,718</u>	<u>3,333,042</u>	<u>7,764,375</u>	<u>496,836</u>	
Cost per Unit	\$13.57	\$0.27	\$0.12	\$0.18	

(1) A positive value results in an increase of reserves through rates, while a negative value indicates use of non-operating revenue and existing reserves to meet annual expenses in addition to rates.

#### 4.2.2.1. Summary of Cost-of-Service Analysis

The Cost-of-Service Analysis presented herein sets forth how to appropriately recover the rate revenue requirements for FY 2023-24 and subsequent years. The allocations presented herein were used, along with the other goals and objectives of the utilities, in the development of the water and sewer rates and charges presented in the next section.



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## Section 5 – Rate Design Analysis

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### 5.1 Proposed Water Rate Structure Changes

Through discussions with City staff and Council, it was determined that improvements could be made to maintain revenue stability and encourage conservation within the existing water rate structure. All customer classes are assigned rates that are designed to recover their proportionate cost-of-service.

The goal of increased revenue stability was achieved through an increase in the monthly base charge that is assessed to all customers throughout the rate study period. As is the case with all utilities, the City's water utility incurs costs every month regardless of the amount of water that is consumed. These fixed costs include items such as system repair and maintenance, debt service and customer service-related costs. By assessing a higher monthly base charge (a more stable and reliable revenue source), the City is better equipped to pay their fixed monthly costs. For the volume rate components, the tier thresholds (water allotment by tier) and/or unit price by tier have been modified with the goal of sending a conservation-oriented message to customers to curtail their water use. The proposed rate structures maintain their existing number of tiers by class with incrementally higher unit costs of water in each subsequent tier, however, the tier thresholds (amount of water by tier) have been modified.

The existing flow component of the water rate structure was updated with two changes based on direction from City Staff and Council. The first refinement was to encourage conservation through the rate structure. This goal is reflected over the 5-year period through a tightening (reduction) in the allotment of water in each tier, while increasing the unit cost of water used in each tier. The second refinement was a goal of treating all residential customers more equitably through water allocations by tier. In this case the tiers were adjusted such that all residential customer classes (single family, multifamily and RV Parks) would receive approximately the same amount of each class's water use in each tier. As an example, the single family class's tier 1 captures 26% of the class's water use. For the multifamily class, 26% of water use is captured in tier 1 and for the RV Parks class, 24% of water use is captured in tier 1. While the amount of water consumed by tier is approximately the same for these three classes, the unit cost for water for the tier differs based on the class's respective cost-of-service allocations.

The proposed base charge and water rates are summarized in Table 5-1 and 5-2.



**Table 5-1**  
 Proposed Water Rates – Base Charge  
 Current Through FY 2027-28

Monthly Base Charge						
All Customers						
Meter Size	Current	23-24 <sup>(1)</sup>	24-25 <sup>(2)</sup>	25-26 <sup>(2)</sup>	26-27 <sup>(2)</sup>	27-28 <sup>(2)</sup>
3/4-inch	\$9.02	\$9.02	\$10.10	\$11.21	\$12.45	\$13.82
1-inch	15.06	15.06	16.87	18.72	20.78	23.07
1 ½-inch	30.03	30.03	33.64	37.35	41.45	46.01
2-inch	48.07	48.07	53.85	59.77	66.35	73.65
3-inch	96.14	96.14	107.69	119.53	132.68	147.28
4-inch	150.32	150.32	168.37	186.89	207.45	230.27
6-inch	300.61	300.61	336.72	373.76	414.87	460.50
8-inch	480.99	480.99	538.76	598.03	663.81	736.83

(1) Effective November 1  
 (2) Effective September 1



**Table 5-2**  
Proposed Water Rates - Volume  
Current Through FY 2025-26

Current		Proposed					
Tiers	Rate	Tiers	23-24 <sup>(1)</sup>	24-25 <sup>(2)</sup>	25-26 <sup>(2)</sup>	26-27 <sup>(2)</sup>	27-28 <sup>(2)</sup>
<b>Single Family – Volume Rate (\$/100 CF)</b>							
0 – 500 CF	\$0.00	0 – 300 CF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
501 – 4,000 CF	1.74	301 – 1,500 CF	1.95	2.00	2.22	2.49	2.90
4,001 – 10,000 CF	2.16	1,501 – 5,000 CF	2.44	2.50	2.78	3.11	3.63
Over 10,000 CF	2.70	Over 5,000 CF	3.29	3.38	3.75	4.20	4.89
<b>Multifamily – Volume Rate (\$/100 CF)</b>							
0 – 2,200 CF	\$1.47	0 – 700 CF	\$1.47	\$1.62	\$1.81	\$1.88	\$1.92
2,201 – 20,000 CF	1.84	701 – 12,000 CF	1.84	2.03	2.27	2.35	2.40
20,001 – 200,000 CF	2.30	12,001 – 66,000 CF	2.30	2.53	2.83	2.94	3.01
Over 200,000 CF	2.88	Over 66,000 CF	2.88	3.17	3.55	3.68	3.76
<b>Commercial/Industrial – Volume Rate (\$/100 CF)</b>							
0 – 15,000 CF	\$1.74	0 – 12,000 CF	\$1.95	\$1.98	\$2.05	\$2.11	\$2.18
15,001 – 340,000 CF	2.18	12,001 – 120,000 CF	2.44	2.48	2.56	2.64	2.72
Over 340,000 CF	3.26	Over 120,000 CF	3.66	3.71	3.84	3.96	4.08
<b>Single Family Irrigation – Volume Rate (\$/100 CF)</b>							
0 – 2,900 CF	\$1.67	0 – 300 CF	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2,901 – 9,500 CF	2.51	301 – 1,500 CF	1.95	2.00	2.22	2.49	2.90
Over 9,500 CF	5.02	1,501 – 5,000 CF	2.44	2.50	2.78	3.11	3.63
		Over 5,000 CF	3.29	3.38	3.75	4.20	4.89
<b>Other Irrigation – Volume Rate (\$/100 CF)</b>							
0 – 9,000 CF	\$1.87	0 – 1,500 CF	\$1.96	\$2.19	\$2.43	\$2.70	\$3.00
9,001 – 40,000 CF	2.33	1,501 – 3,500 CF	2.45	2.74	3.04	3.38	3.75
Over 40,000 CF	3.50	Over 3,500 CF	3.67	4.11	4.56	5.07	5.62
<b>Hydrants – Volume Rate (\$/100 CF)</b>							
All Use	\$2.24	All Use	\$2.51	\$2.81	\$3.15	\$3.52	\$3.95
<b>RV Parks – Volume Rate (\$/100 CF)</b>							
0 – 1,750 CF	\$1.78	0 – 20,000 CF	\$1.78	\$1.83	\$1.87	\$1.90	\$1.96
1,751 – 20,000 CF	2.23	20,001 – 95,000 CF	2.23	2.29	2.34	2.38	2.45
20,001 – 60,000 CF	2.79	95,001 – 130,000 CF	2.79	2.86	2.93	2.97	3.06
Over 60,000	3.48	Over 130,000	3.48	3.59	3.66	3.72	3.83

(1) Effective November 1  
(2) Effective September 1

As noted in Table 5-1, the monthly base charge is assessed to all customers regardless of class or volume of water used and acts to ensure safe and reliable water systems such that customers can be assured of ongoing system maintenance and available water when the service is needed.



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The proposed fixed charges increase by meter size based on the ratio of flow capacities by meter size as identified by AWWA. It should be noted that a 1-inch meter has the ability to provide more water per minute (greater capacity) than a  $\frac{3}{4}$ -inch meter and the cost-of-service analysis calculated a higher rate for a 1-inch meter compared to a  $\frac{3}{4}$ -inch meter.

Throughout the study various alternative rate structures and rates were developed and reviewed with City Council, including phase-in options. The phase-in options sought to adjust rates for some classes over time rather than an immediate adherence to cost-of-service rates. One of City Council's top goals and objectives in addition to conservation was cost-of-service based rates such that each customer class was responsible for their proportionate share of costs. With the City Council goals and objectives in mind, the rate structure and rates identified in Table 5-2 were adopted.

The full water cost-of-service analysis can be found in Appendix C.

## **5.2 Proposed Sewer Rate Structure Changes**

The existing sewer rate structure was updated to reflect an updated cost-of-service analysis based on changes in sewer discharge and flows since the prior study. Similar to the water rate structure, City Staff and Council provided guidance on refinements to be made to the sewer rate structure. The identified goal was to simplify the sewer rate structure such that single family and multifamily customers were no longer assessed a flow-based component in their rates, but rather were assessed a flat monthly charge regardless of the volume of discharge. We also received feedback that single family and multifamily customers should be treated more equitably on a per dwelling unit basis. In other words, if a single family and a multifamily dwelling unit both have 2 persons living in the dwelling unit and discharge the same volume of flows with the same domestic strength discharge, the monthly charge should be the same. The existing and proposed sewer rates are shown in Table 5-3.

<b>Table 5-3</b> Proposed Sewer Rates Current Through FY 2027-28						
	<b>Current</b>	<b>23-24 <sup>(1)</sup></b>	<b>24-25 <sup>(2)</sup></b>	<b>25-26 <sup>(2)</sup></b>	<b>26-27 <sup>(2)</sup></b>	<b>27-28 <sup>(2)</sup></b>
<b>Residential <sup>(3)</sup></b>						
Base (per dwelling unit)	\$52.14	\$52.14	\$52.14	\$52.67	\$55.24	\$56.86
Flow (\$/100 CF)	1.76	n/a	n/a	n/a	n/a	n/a
<b>Multifamily <sup>(4)</sup></b>						
Base (per dwelling unit)	18.67	52.14	52.14	52.67	55.24	56.86
Flow (\$/100 CF)	6.26	n/a	n/a	n/a	n/a	n/a
<b>Commercial</b>						
Base (per unit)	48.67	51.10	53.66	54.73	55.83	56.94
Flow (\$/100 CF)	10.44	10.96	11.51	11.74	11.98	12.09
<b>Hotels</b>						
Base (per room)	17.87	18.76	19.70	20.10	20.50	21.32
Flow (\$/100 CF)	9.37	9.93	10.43	10.64	10.85	11.28
<b>RV Parks</b>						
Base (per spot)	9.34	9.81	10.30	10.81	12.43	14.30
Flow (\$/100 CF)	3.13	3.44	3.79	4.17	4.79	5.51
<b>Septic Hauler</b>						
Base	n/a	n/a	n/a	n/a	n/a	n/a
Flow	61.40	76.53	81.12	85.18	89.43	93.01
(1) Effective November 1						
(2) Effective September 1						
(3) The existing rate includes the first 500 CF of discharge. The maximum monthly charge is \$56.54.						
(4) The existing rate includes the first 500 CF of discharge. The maximum monthly charge is \$39.95.						

As was the case for water, multiple rate structures and rates were developed and reviewed with Staff and Council, including phase-in options. With a Council objective of each class being responsible for the costs they place on the system, the rate structure and rates identified in Table 5-3 best aligned with Council goals and were adopted.

The full Sewer cost-of-service analysis can be found in Appendix D.

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## Section 6 – Conclusions and Recommendations

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### 6.1 Conclusions

- Projected operating revenues and operating expenses for the forecast period were developed by, and/or in consultation with, City staff and are based upon reasonable projections;
- The projected capital project expenses have been developed by City staff, to address anticipated water and sewer system needs;
- Based on the prior two conclusions, we are of the opinion that the financial projections presented herein address the water and sewer utilities' goals to meet its ongoing obligations with regard to:
  - Operating and maintenance expenses, including repair and replacement of aging system components and repayment of debt;
  - Non-operating expenses;
  - Capital project expenses, and
  - Provision for key financial policies, including:
    - Maintenance of at least a rolling 15% average of the prior five-year's revenues;
    - Legal debt service coverage of at least 1.20 and target debt service coverage of 1.50.
- The proposed rates presented herein are in conformance with industry standard rate-making practices using City specific performance and financial data, cost-of-service principles and the City's rate policies with respect to:
  - The fair and equitable recovery of costs through water and sewer rates;
  - Water and sewer rates based upon the proportionate cost of providing services, and
  - Generation of sufficient revenue to recover system revenue requirements and reserve requirements.

### 6.2 Recommendations

- It is recommended that the City implement the proposed FY 2023-24 rates and charges presented in November 1, 2023, followed by annual adjustments each subsequent September 1, beginning on September 1, 2024.
- It is recommended that the City update the revenue sufficiency analysis portion of this study each year to ensure projected revenue continues to be sufficient to fund projected expenses going forward as assumptions made during this analysis may change and have a material impact upon the analysis.



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- It is recommended that the City update the cost-of-service analysis portion of this study every three to five years to ensure costs are recovered consistent with cost-of-service principles and customer characteristics.

# APPENDIX A

## Water Financial Plan

**LAKE HAVASU CITY, AZ**  
**WATER SYSTEM**  
**PROJECTED OPERATING RESULTS - WATER**

Line	Description	Estimated 2023	Budget 2024	Fiscal Year Ending June 30,								
				2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Sources of Funds</b>												
1	Beginning Fund Balance	\$42,552,665	\$36,916,290	\$29,606,606	\$19,442,591	\$12,601,326	\$9,893,940	\$4,772,572	\$2,583,078	\$2,142,489	\$2,866,175	\$3,369,704
<b>Operating Revenues</b>												
2	Water Sales	\$10,600,000	\$11,741,922	\$13,597,420	\$15,218,455	\$17,008,720	\$19,008,699	\$21,242,869	\$23,557,341	\$25,083,272	\$25,452,127	\$25,620,316
<b>Other Operating Revenues</b>												
3	Miscellaneous Revenues	1,118,135	1,305,200	1,305,200	1,305,200	1,305,200	1,305,200	1,305,200	1,305,200	1,305,200	1,305,200	1,305,200
<b>Other Non-Operating Revenues</b>												
4	Interest	893,055	790,010	270,419	182,966	97,853	50,019	12,758	470	470	470	470
5	<b>Total Revenues</b>	<b>\$12,611,190</b>	<b>\$13,837,132</b>	<b>\$15,173,039</b>	<b>\$16,706,621</b>	<b>\$18,411,772</b>	<b>\$20,363,919</b>	<b>\$22,560,827</b>	<b>\$24,863,011</b>	<b>\$26,388,942</b>	<b>\$26,757,797</b>	<b>\$26,925,986</b>
<b>Operating Expenses</b>												
6	Water Utility Fund	\$8,602,320	\$10,508,156	\$10,846,238	\$11,195,264	\$11,555,581	\$11,927,566	\$12,311,595	\$12,708,068	\$13,117,380	\$13,539,955	\$13,976,224
7	Capital Outlay	575,000	1,300,000	1,339,000	1,379,170	1,420,545	1,463,161	1,507,056	1,552,268	1,598,836	1,646,801	1,696,205
8	Transfers Out	2,931,275	3,210,930	3,307,258	3,406,476	3,508,670	3,613,930	3,722,348	3,834,019	3,949,040	4,067,511	4,189,536
9	<b>Total Operating Expenses</b>	<b>\$12,108,595</b>	<b>\$15,019,086</b>	<b>\$15,492,496</b>	<b>\$15,980,910</b>	<b>\$16,484,796</b>	<b>\$17,004,657</b>	<b>\$17,540,999</b>	<b>\$18,094,355</b>	<b>\$18,665,256</b>	<b>\$19,254,267</b>	<b>\$19,861,965</b>
10	<b>Income Available for Debt Service</b>	<b>\$502,595</b>	<b>(\$1,181,954)</b>	<b>(\$319,457)</b>	<b>\$725,711</b>	<b>\$1,926,977</b>	<b>\$3,359,262</b>	<b>\$5,019,828</b>	<b>\$6,768,656</b>	<b>\$7,723,686</b>	<b>\$7,503,530</b>	<b>\$7,064,020</b>
<b>Non-Operating Expenses</b>												
<b>DEBT SERVICE</b>												
<b>Parity Indebtedness</b>												
11	WIFA 2007 Drinking Water	395,486	395,285	395,079	394,864	394,642	394,412	0	0	0	0	0
12	WIFA 2010 SR Water	209,808	209,744	209,679	209,611	209,471	203,398	209,323	209,245	0	0	0
13	<b>Total Parity Indebtedness</b>	<b>\$605,295</b>	<b>\$605,030</b>	<b>\$604,758</b>	<b>\$604,476</b>	<b>\$604,113</b>	<b>\$597,810</b>	<b>\$209,323</b>	<b>\$209,245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>New Debt</b>												
14	Water System Improvements - Revenue Bond	0	0	0	0	0	0	0	0	0	0	0
15	<b>Total New Debt</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
16	<b>Total Indebtedness</b>	<b>\$605,295</b>	<b>\$605,030</b>	<b>\$604,758</b>	<b>\$604,476</b>	<b>\$604,113</b>	<b>\$597,810</b>	<b>\$209,323</b>	<b>\$209,245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Capital Expenses</b>												
17	Capital Improvement Plan - Cash Funded	5,533,675	5,522,700	9,239,800	6,962,500	4,030,250	7,882,820	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
18	<b>Net Available After Non-Operating Expenses</b>	<b>(\$5,636,375)</b>	<b>(\$7,309,684)</b>	<b>(\$10,164,015)</b>	<b>(\$6,841,265)</b>	<b>(\$2,707,386)</b>	<b>(\$5,121,368)</b>	<b>(\$2,189,494)</b>	<b>(\$440,589)</b>	<b>\$723,686</b>	<b>\$503,530</b>	<b>\$64,020</b>
19	Ending Fund Balance	\$36,916,290	\$29,606,606	\$19,442,591	\$12,601,326	\$9,893,940	\$4,772,572	\$2,583,078	\$2,142,489	\$2,866,175	\$3,369,704	\$3,433,725
20	Targeted Fund Balance	\$1,746,166	\$1,335,786	\$1,445,366	\$1,560,430	\$1,755,829	\$1,972,019	\$2,216,847	\$2,490,157	\$2,762,716	\$2,994,649	\$3,172,509
<b>DEBT SERVICE COVERAGE</b>												
<b>Income Available for Debt Service</b>												
21	From Operations	\$502,595	(\$1,181,954)	(\$319,457)	\$725,711	\$1,926,977	\$3,359,262	\$5,019,828	\$6,768,656	\$7,723,686	\$7,503,530	\$7,064,020
22	Plus: 0.00% of Operating Reserves Included Towards DSC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	<b>Total Income Available for Debt Service</b>	<b>\$502,595</b>	<b>(\$1,181,954)</b>	<b>(\$319,457)</b>	<b>\$725,711</b>	<b>\$1,926,977</b>	<b>\$3,359,262</b>	<b>\$5,019,828</b>	<b>\$6,768,656</b>	<b>\$7,723,686</b>	<b>\$7,503,530</b>	<b>\$7,064,020</b>
<b>Debt Service Coverage - Parity Indebtedness</b>												
<b>Excluding Capital Outlay Include Fund Balance</b>												
24	Calculated	62.77	49.13	33.84	24.33	21.92	16.05	43.52	50.01	N/A	N/A	N/A
25	Targeted	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
25	Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20

## Fund Balance

		Beginning Balances FY 2022-23	
Line No	Description	Operating Fund	
<b><u>Current Assets:</u></b>			
1	Cash and Cash Equivalents	\$	53,188,775
2	Accounts Receivable		1,224,927
3	Taxes Receivable		126,362
4	Intergovernmental Receivable		120,012
5	Interest Receivable		116,541
6	Prepaid Items		22,568
<b>7</b>	<b>Total Current Assets</b>	<b>\$</b>	<b>54,799,185</b>
<b><u>Current Liabilities (payable from current assets):</u></b>			
8	Accounts Payable	\$	880,460
9	Accrued Wages and Benefits		158,425
10	Intergovernmental Payable		134,195
11	Interest payable		-
12	Retainage Payable		399,682
13	Unearned Revenue		109,053
14	Liabilities Payable from Restricted Assets		579,320
15	Compensated Absences		177,137
16	Other Post Employment Benefits		92,665
17	Bonds and Notes Payable		-
<b>18</b>	<b>Total Current Liabilities</b>	<b>\$</b>	<b>2,530,937</b>
<b><u>Adjustments:</u></b>			
Less:			
19	Flood Control Balance - Restricted	\$	(9,693,015)
20	WIFA Reserves		-
21	Prepaid Items		(22,568)
<b>22</b>	<b>Net Adjustments</b>	<b>\$</b>	<b>(9,715,583)</b>
<b>23</b>	<b>Net Beginning Balances (Current Assets less Current Liabilities - including Adjustments)</b>	<b>\$</b>	<b>42,552,665</b>

**Note:**

[1] Information taken from FY 2021-22 CAFR page 43.

**LAKE HAVASU CITY, AZ**  
**WATER SYSTEM**  
**REVENUES AND EXPENSES - WATER**

Acct	Description	Actual	Test Year	Projected								
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	<b>REVENUES</b>											
43204	Mohave County Flood Control	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43321	Direct Operating Non Categorical Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46001	Interest Earnings	\$ 1,265	\$ 470	\$ 470	\$ 470	\$ 470	\$ 470	\$ 470	\$ 470	\$ 470	\$ 470	\$ 470
46003	Investment Earnings	\$ 1,196,790	\$ 789,540	\$ 269,949	\$ 182,496	\$ 97,383	\$ 49,549	\$ 12,288	\$ -	\$ -	\$ -	\$ -
47101	Miscellaneous Revenues and Fees	\$ 3,200	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
49101	<b>Water Charges</b>	\$ 10,600,000	\$ 11,741,922	\$ 13,597,420	\$ 15,218,455	\$ 17,008,720	\$ 19,008,699	\$ 21,242,869	\$ 23,557,341	\$ 25,083,272	\$ 25,452,127	\$ 25,620,316
49102	Non Taxable Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49103	Meter Fees	\$ 506,735	\$ 622,500	\$ 622,500	\$ 622,500	\$ 622,500	\$ 622,500	\$ 622,500	\$ 622,500	\$ 622,500	\$ 622,500	\$ 622,500
49104	Turn On Fees	\$ 150,515	\$ 175,200	\$ 175,200	\$ 175,200	\$ 175,200	\$ 175,200	\$ 175,200	\$ 175,200	\$ 175,200	\$ 175,200	\$ 175,200
49105	Backflow Prevention Prmts	\$ 225,000	\$ 229,500	\$ 229,500	\$ 229,500	\$ 229,500	\$ 229,500	\$ 229,500	\$ 229,500	\$ 229,500	\$ 229,500	\$ 229,500
49106	Horizon Six Fees	\$ 7,000	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
46004	Realized Gain or Loss	\$ (305,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49108	Fireline Base Fee	\$ 33,800	\$ 50,500	\$ 50,500	\$ 50,500	\$ 50,500	\$ 50,500	\$ 50,500	\$ 50,500	\$ 50,500	\$ 50,500	\$ 50,500
49109	Late Fee Penalties	\$ 166,210	\$ 175,500	\$ 175,500	\$ 175,500	\$ 175,500	\$ 175,500	\$ 175,500	\$ 175,500	\$ 175,500	\$ 175,500	\$ 175,500
49110	Misc Water	\$ 25,675	\$ 39,500	\$ 39,500	\$ 39,500	\$ 39,500	\$ 39,500	\$ 39,500	\$ 39,500	\$ 39,500	\$ 39,500	\$ 39,500
43331	Direct Capital Federal Grants	\$ -	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
	<b>TOTAL REVENUES</b>	\$ 12,611,190	\$ 14,237,132	\$ 15,573,039	\$ 17,106,621	\$ 18,811,772	\$ 20,763,919	\$ 22,960,827	\$ 25,263,011	\$ 26,788,942	\$ 27,157,797	\$ 27,325,986

**LAKE HAVASU CITY, AZ**  
**WATER SYSTEM**  
**REVENUES AND EXPENSES - WATER**

Acct	Description	Actual	Test Year	Projected								
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Water Utility Fund</b>												
51101	Regular Salary and Wages	\$ 1,967,600	\$ 2,630,365	\$ 2,722,428	\$ 2,817,713	\$ 2,916,333	\$ 3,018,405	\$ 3,124,049	\$ 3,233,391	\$ 3,346,560	\$ 3,463,690	\$ 3,584,919
	Additional Salaries & Benefits		\$ 221,051	\$ 228,787	\$ 236,795	\$ 245,083	\$ 253,661	\$ 262,539	\$ 271,728	\$ 281,238	\$ 291,081	\$ 301,269
51102	Regular Overtime	\$ 153,900	\$ 147,000	\$ 152,145	\$ 157,470	\$ 162,981	\$ 168,685	\$ 174,589	\$ 180,700	\$ 187,025	\$ 193,571	\$ 200,346
51104	Holiday Overtime	\$ 3,000	\$ 3,360	\$ 3,478	\$ 3,600	\$ 3,726	\$ 3,856	\$ 3,991	\$ 4,131	\$ 4,276	\$ 4,426	\$ 4,581
51105	Stand By Pay	\$ 99,800	\$ 93,450	\$ 96,721	\$ 100,106	\$ 103,610	\$ 107,236	\$ 110,989	\$ 114,874	\$ 118,895	\$ 123,056	\$ 127,363
51115	Unclassified Wage	\$ 46,500	\$ 88,795	\$ 91,903	\$ 95,120	\$ 98,449	\$ 101,895	\$ 105,461	\$ 109,152	\$ 112,972	\$ 116,926	\$ 121,018
51116	Recognition Pay	\$ 1,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51199	Labor Attrition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51201	Medical and Dental Insurance	\$ 468,900	\$ 544,900	\$ 563,972	\$ 583,711	\$ 604,141	\$ 625,286	\$ 647,171	\$ 669,822	\$ 693,266	\$ 717,530	\$ 742,644
51203	Workers Compensation	\$ 67,500	\$ 103,335	\$ 106,952	\$ 110,695	\$ 114,569	\$ 118,579	\$ 122,729	\$ 127,025	\$ 131,471	\$ 136,072	\$ 140,835
51204	Life Insurance	\$ 4,880	\$ 6,005	\$ 6,215	\$ 6,433	\$ 6,658	\$ 6,891	\$ 7,132	\$ 7,382	\$ 7,640	\$ 7,907	\$ 8,184
51205	Disability Insurance	\$ 8,210	\$ 12,965	\$ 13,419	\$ 13,889	\$ 14,375	\$ 14,878	\$ 15,399	\$ 15,938	\$ 16,496	\$ 17,073	\$ 17,671
51206	Retiree Medical Insurance	\$ 106,500	\$ 101,250	\$ 104,794	\$ 108,462	\$ 112,258	\$ 116,187	\$ 120,254	\$ 124,463	\$ 128,819	\$ 133,328	\$ 137,994
51207	Social Security	\$ 142,900	\$ 178,875	\$ 185,136	\$ 191,616	\$ 198,323	\$ 205,264	\$ 212,448	\$ 219,884	\$ 227,580	\$ 235,545	\$ 243,789
51208	Medicare	\$ 33,900	\$ 43,185	\$ 44,696	\$ 46,260	\$ 47,879	\$ 49,555	\$ 51,289	\$ 53,084	\$ 54,942	\$ 56,865	\$ 58,855
51209	Arizona State Retirement	\$ 285,900	\$ 361,525	\$ 374,178	\$ 387,274	\$ 400,829	\$ 414,858	\$ 429,378	\$ 444,406	\$ 459,960	\$ 476,059	\$ 492,721
51211	AZ State Retirement LTD	\$ 3,280	\$ 4,465	\$ 4,621	\$ 4,783	\$ 4,950	\$ 5,123	\$ 5,302	\$ 5,488	\$ 5,680	\$ 5,879	\$ 6,085
51213	Retirement Health Savings Plan	\$ 8,000	\$ 10,000	\$ 10,350	\$ 10,712	\$ 11,087	\$ 11,475	\$ 11,877	\$ 12,293	\$ 12,723	\$ 13,168	\$ 13,629
51215	Compensated Absences	\$ 1,000	\$ 1,500	\$ 1,553	\$ 1,607	\$ 1,663	\$ 1,721	\$ 1,781	\$ 1,843	\$ 1,908	\$ 1,975	\$ 2,044
51216	OPEB	\$ 13,600	\$ 15,000	\$ 15,525	\$ 16,068	\$ 16,630	\$ 17,212	\$ 17,814	\$ 18,437	\$ 19,082	\$ 19,750	\$ 20,441
52101	Water and Sewer	\$ 1,000	\$ 1,250	\$ 1,288	\$ 1,327	\$ 1,367	\$ 1,408	\$ 1,450	\$ 1,494	\$ 1,539	\$ 1,585	\$ 1,633
52103	Telephone	\$ 15,000	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,001	\$ 19,571
52104	Energy Fuels	\$ 3,500	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,797	\$ 5,971	\$ 6,150	\$ 6,335	\$ 6,525
52105	Electricity	\$ 2,000,000	\$ 2,100,000	\$ 2,163,000	\$ 2,227,890	\$ 2,294,727	\$ 2,363,569	\$ 2,434,476	\$ 2,507,510	\$ 2,582,735	\$ 2,660,217	\$ 2,740,024
52207	Professional Other	\$ 105,000	\$ 80,000	\$ 82,400	\$ 84,872	\$ 87,418	\$ 90,041	\$ 92,742	\$ 95,524	\$ 98,390	\$ 101,342	\$ 104,382
52208	Mail Outsourcing	\$ 65,000	\$ 67,000	\$ 69,010	\$ 71,080	\$ 73,212	\$ 75,408	\$ 77,670	\$ 80,000	\$ 82,400	\$ 84,872	\$ 87,418
51106	Bonus Award	\$ -	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,001	\$ 19,571
52211	Medical	\$ -	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,160	\$ 1,195	\$ 1,231	\$ 1,268	\$ 1,306
52214	Laundry and Dry Cleaning	\$ 10,000	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048
52215	Building and Ground Maintenance	\$ 7,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52216	Machinery and Equipment	\$ 50,000	\$ 189,500	\$ 195,185	\$ 201,041	\$ 207,072	\$ 213,284	\$ 219,683	\$ 226,273	\$ 233,061	\$ 240,053	\$ 247,255
52218	Radio Pager Internet or ISP	\$ 16,000	\$ 16,500	\$ 16,995	\$ 17,505	\$ 18,030	\$ 18,571	\$ 19,128	\$ 19,702	\$ 20,293	\$ 20,902	\$ 21,529
52219	Vehicles	\$ 85,000	\$ 80,000	\$ 82,400	\$ 84,872	\$ 87,418	\$ 90,041	\$ 92,742	\$ 95,524	\$ 98,390	\$ 101,342	\$ 104,382
52220	Str Rpr Contractual Svcs	\$ 20,000	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,319	\$ 28,139	\$ 28,983	\$ 29,852	\$ 30,748	\$ 31,670	\$ 32,620
52221	Wtr Swr System Cont Svcs	\$ 42,000	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956	\$ 7,165	\$ 7,380	\$ 7,601	\$ 7,829
52222	Water or Sewer Production Contract Services	\$ 260,000	\$ 202,900	\$ 208,987	\$ 215,257	\$ 221,715	\$ 228,366	\$ 235,217	\$ 242,274	\$ 249,542	\$ 257,028	\$ 264,739
52225	Repair and Maint Other	\$ 1,000	\$ 7,150	\$ 7,365	\$ 7,586	\$ 7,814	\$ 8,048	\$ 8,289	\$ 8,538	\$ 8,794	\$ 9,058	\$ 9,330
52227	Pavement Repairs	\$ 300,000	\$ 340,000	\$ 350,200	\$ 360,706	\$ 371,527	\$ 382,673	\$ 394,153	\$ 405,978	\$ 418,157	\$ 430,702	\$ 443,623
52228	Land and Building Leases and Rentals	\$ 60,000	\$ 42,000	\$ 43,260	\$ 44,558	\$ 45,895	\$ 47,272	\$ 48,690	\$ 50,151	\$ 51,656	\$ 53,206	\$ 54,802
51220	Moving Relocation	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52231	Unemployment Compensation Ins	\$ 500	\$ 1,050	\$ 1,082	\$ 1,114	\$ 1,147	\$ 1,181	\$ 1,216	\$ 1,252	\$ 1,290	\$ 1,329	\$ 1,369
52232	General Insur and Claims	\$ 150,000	\$ 200,000	\$ 206,000	\$ 212,180	\$ 218,545	\$ 225,101	\$ 231,854	\$ 238,810	\$ 245,974	\$ 253,353	\$ 260,954
52234	Meetings or Training and Travel	\$ 22,900	\$ 24,600	\$ 25,338	\$ 26,098	\$ 26,881	\$ 27,687	\$ 28,518	\$ 29,374	\$ 30,255	\$ 31,163	\$ 32,098
52235	Advertising Legal Notices	\$ 500	\$ 800	\$ 824	\$ 849	\$ 874	\$ 900	\$ 927	\$ 955	\$ 984	\$ 1,014	\$ 1,044
52236	Printing and Forms	\$ 2,000	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	\$ 1,739	\$ 1,791	\$ 1,845	\$ 1,900	\$ 1,957
52237	Testing Services	\$ 25,000	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371	\$ 47,762	\$ 49,195	\$ 50,671	\$ 52,191
52238	Postage & Mailing	\$ 6,000	\$ 6,500	\$ 6,695	\$ 6,896	\$ 7,103	\$ 7,316	\$ 7,535	\$ 7,761	\$ 7,994	\$ 8,234	\$ 8,481
52241	Subscriptions and Memberships	\$ 12,000	\$ 20,280	\$ 20,888	\$ 21,515	\$ 22,160	\$ 22,825	\$ 23,510	\$ 24,215	\$ 24,941	\$ 25,689	\$ 26,460
52243	Fees	\$ 150,000	\$ 147,000	\$ 151,410	\$ 155,952	\$ 160,631	\$ 165,450	\$ 170,414	\$ 175,526	\$ 180,792	\$ 186,216	\$ 191,802
52210	Operating - Planning and Study Services	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52249	Merchant Credit Card Fees	\$ 68,000	\$ 73,000	\$ 75,190	\$ 77,446	\$ 79,769	\$ 82,162	\$ 84,627	\$ 87,166	\$ 89,781	\$ 92,474	\$ 95,248
52402	Office and Computer Supplies	\$ 4,000	\$ 4,200	\$ 4,326	\$ 4,456	\$ 4,590	\$ 4,728	\$ 4,870	\$ 5,016	\$ 5,166	\$ 5,321	\$ 5,481
52451	Public Educational Mfrs	\$ -	\$ 2,500	\$ 2,575	\$ 2,652	\$ 2,732	\$ 2,814	\$ 2,898	\$ 2,985	\$ 3,075	\$ 3,167	\$ 3,262
52405	Small Tools	\$ 12,000	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048
52406	Shop and Janitorial Splys	\$ 2,500	\$ 1,100	\$ 1,133	\$ 1,167	\$ 1,202	\$ 1,238	\$ 1,275	\$ 1,313	\$ 1,352	\$ 1,393	\$ 1,435
52407	Vehicle Supplies	\$ 150,000	\$ 150,000	\$ 154,500	\$ 159,135	\$ 163,909	\$ 168,826	\$ 173,891	\$ 179,108	\$ 184,481	\$ 190,015	\$ 195,715
52408	Furniture and Equipment	\$ 50,000	\$ 3,500	\$ 3,605	\$ 3,713	\$ 3,824	\$ 3,939	\$ 4,057	\$ 4,179	\$ 4,304	\$ 4,433	\$ 4,566

**LAKE HAVASU CITY, AZ**  
**WATER SYSTEM**  
**REVENUES AND EXPENSES - WATER**

Acct	Description	Actual	Test Year	Projected								
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
52410	Street Restoration Supplies	\$ 10,000	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,299	\$ 15,758	\$ 16,231	\$ 16,718	\$ 17,220	\$ 17,737	\$ 18,269
52411	Traffic Control Supplies	\$ 3,500	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,797	\$ 5,971	\$ 6,150	\$ 6,335	\$ 6,525
52413	Water Sewer System Supplies	\$ 807,500	\$ 876,500	\$ 902,795	\$ 929,879	\$ 957,775	\$ 986,508	\$ 1,016,103	\$ 1,046,586	\$ 1,077,984	\$ 1,110,324	\$ 1,143,634
52414	Chemical Supplies	\$ 160,000	\$ 196,500	\$ 202,395	\$ 208,467	\$ 214,721	\$ 221,163	\$ 227,798	\$ 234,632	\$ 241,671	\$ 248,921	\$ 256,389
52417	Water Sewer Productn Splys	\$ 250,000	\$ 259,000	\$ 266,770	\$ 274,773	\$ 283,016	\$ 291,506	\$ 300,251	\$ 309,259	\$ 318,537	\$ 328,093	\$ 337,936
52418	Other OM Supplies	\$ 3,500	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,160	\$ 1,195	\$ 1,231	\$ 1,268	\$ 1,306
52423	Instrumentation and Controls	\$ 201,000	\$ 161,000	\$ 165,830	\$ 170,805	\$ 175,929	\$ 181,207	\$ 186,643	\$ 192,242	\$ 198,009	\$ 203,949	\$ 210,067
52448	First Aid Supplies	\$ 300	\$ 300	\$ 309	\$ 318	\$ 328	\$ 338	\$ 348	\$ 358	\$ 369	\$ 380	\$ 391
52457	Miscellaneous Supplies	\$ 10,000	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219
52459	Clothing and Uniforms	\$ 9,000	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,834	\$ 10,129	\$ 10,433	\$ 10,746	\$ 11,068	\$ 11,400	\$ 11,742
52603	Bad Debt Expense	\$ 20,000	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,511	\$ 23,186	\$ 23,882	\$ 24,598	\$ 25,336	\$ 26,096
52704	Wtr Contract Bureau of Rcl	\$ 5,500	\$ 5,500	\$ 5,665	\$ 5,835	\$ 6,010	\$ 6,190	\$ 6,376	\$ 6,567	\$ 6,764	\$ 6,967	\$ 7,176
52802	Intercost Transfer Out	\$ 2,910,475	\$ 3,194,430	\$ 3,290,263	\$ 3,388,971	\$ 3,490,640	\$ 3,595,359	\$ 3,703,220	\$ 3,814,317	\$ 3,928,747	\$ 4,046,609	\$ 4,168,007
52803	Operating Transfer Out	\$ 20,800	\$ 16,500	\$ 16,995	\$ 17,505	\$ 18,030	\$ 18,571	\$ 19,128	\$ 19,702	\$ 20,293	\$ 20,902	\$ 21,529
53101	Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53201	Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61101	Building Structure Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61102	Capital Outlay Machinery and Equipment	\$ 200,000	\$ 1,300,000	\$ 1,339,000	\$ 1,379,170	\$ 1,420,545	\$ 1,463,161	\$ 1,507,056	\$ 1,552,268	\$ 1,598,836	\$ 1,646,801	\$ 1,696,205
61106	Motor Vehicles	\$ 375,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62102	CIP Engineering Design	\$ 968,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62103	CIP Engineering Constr Mgmt	\$ 133,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62104	CIP Construction	\$ 4,432,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63101	Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64101	Contingency	\$ -	\$ 500,000	\$ 515,000	\$ 530,450	\$ 546,364	\$ 562,755	\$ 579,638	\$ 597,027	\$ 614,938	\$ 633,386	\$ 652,388
64200	Unavailable Budget Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Water Utility Fund</b>	<b>\$ 17,642,270</b>	<b>\$ 15,019,086</b>	<b>\$ 15,492,496</b>	<b>\$ 15,980,910</b>	<b>\$ 16,484,796</b>	<b>\$ 17,004,657</b>	<b>\$ 17,540,999</b>	<b>\$ 18,094,355</b>	<b>\$ 18,665,256</b>	<b>\$ 19,254,267</b>	<b>\$ 19,861,965</b>

**LAKE HAVASU CITY, AZ**  
**WATER SYSTEM**  
**CAPITAL IMPROVEMENT PLAN**

Line	Description	Input Capital				
		2024	2025	2026	2027	2028
	<b>WATER SYSTEM</b>					
	<b>North Well Cost Summary</b>					
1	North Well Field Improvements	\$ 500,000	\$ -	\$ -	\$ -	\$ -
2	Horizontal Collector Well Redevelopment	\$ 707,700	\$ 792,300	\$ -	\$ -	\$ -
	<b>Central Wellfield Cost Summary</b>					
3	Water Treatment Plant Improvements	\$ -	\$ 2,015,000	\$ 1,690,000	\$ -	\$ -
	<b>Reservoirs</b>					
4	Tank C-2-18 Replacement & Upsize	\$ -	\$ -	\$ -	\$ 104,000	\$ 1,716,000
5	Tank C-3-19 Replacement & Upsize	\$ -	\$ -	\$ -	\$ 104,000	\$ 1,040,000
6	North Havasu Additional Tank & Distribution Line	\$ -	\$ 1,300,000	\$ -	\$ -	\$ -
	<b>Tank Rehabilitation</b>					
7	S-1C-24	\$ -	\$ 2,405,000	\$ -	\$ -	\$ -
8	N-4A-11	\$ -	\$ -	\$ 1,300,000	\$ -	\$ -
	<b>Pump Stations</b>					
9	Station 5A Upgrade ( With Fire Flow)	\$ 2,345,000	\$ -	\$ -	\$ -	\$ -
10	Station 3C (3 x 250 gpm)	\$ -	\$ 227,500	\$ 1,170,000	\$ -	\$ -
11	Station 4 (2 x 25 gpm, 2 x 1,000 gpm)	\$ 1,470,000	\$ -	\$ -	\$ -	\$ -
12	Booster Station 2A Improvements	\$ -	\$ -	\$ 227,500	\$ 1,170,000	\$ -
	<b>Pipeline Capacity / Reliability</b>					
13	State Highway 95 Crossing to Sara Park	\$ -	\$ -	\$ -	\$ -	\$ 900,000
14	Riviera 2nd Feed Line	\$ -	\$ -	\$ -	\$ -	\$ 1,495,000
	<b>Pipeline Replacements</b>					
15	Replacement (AC and PVC Schedule 40 Pipe)	\$ 500,000	\$ 2,500,000	\$ 2,575,000	\$ 2,652,250	\$ 2,731,820
16	<b>Total Water System Improvements</b>	<b>\$ 5,522,700</b>	<b>\$ 9,239,800</b>	<b>\$ 6,962,500</b>	<b>\$ 4,030,250</b>	<b>\$ 7,882,820</b>

# APPENDIX B

## Sewer Financial Plan

**LAKE HAVASU CITY, AZ**  
**SEWER SYSTEM**  
**PROJECTED OPERATING RESULTS - SEWER**

Line	Description	Estimated 2023	Budget 2024	Fiscal Year Ending June 30,								
				2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Sources of Funds</b>				16,735								
1	Beginning Fund Balance	\$21,127,234	\$16,735,450	\$12,530,178	\$5,569,584	\$5,665,497	\$4,092,157	\$4,588,027	\$4,366,329	\$6,127,131	\$7,130,289	\$8,272,113
<b>Operating Revenues</b>												
2	Sewer Sales (Sewer Charges and Effluent Sales)	\$25,721,050	\$26,977,293	\$29,114,254	\$30,872,096	\$32,684,414	\$34,323,977	\$35,407,571	\$35,693,963	\$35,980,355	\$36,266,746	\$36,553,138
<b>Other Operating Revenues</b>												
3	Treatment Capacity Fee	605,030	675,000	614,000	614,000	614,000	508,000	508,000	508,000	508,000	508,000	508,000
4	Miscellaneous Revenues	4,000	60,540	60,540	60,540	60,540	60,540	60,540	60,540	60,540	60,540	60,540
5	Grants	0	2,950,000	0	0	0	0	0	0	0	0	0
6	Multifamily Revenue Loss Phase In	0	0	0	0	0	0	0	0	0	0	0
7	RV Park Revenue Loss Phase In	0	0	0	0	0	0	0	0	0	0	0
<b>Other Non-Operating Revenues</b>												
6	Interest	914,000	900,850	286,080	214,045	178,257	169,397	162,529	161,431	172,087	194,331	214,026
7	<b>Total Revenues</b>	<b>\$27,244,080</b>	<b>\$31,563,683</b>	<b>\$30,074,874</b>	<b>\$31,760,681</b>	<b>\$33,537,211</b>	<b>\$35,061,914</b>	<b>\$36,138,640</b>	<b>\$36,423,934</b>	<b>\$36,720,982</b>	<b>\$37,029,617</b>	<b>\$37,335,704</b>
<b>Current Expenses</b>												
8	Wastewater	\$8,116,685	\$9,710,600	\$10,026,251	\$10,350,349	\$10,685,051	\$11,028,479	\$11,378,405	\$11,734,821	\$12,102,703	\$12,482,423	\$12,874,364
9	Capital Outlay	231,850	1,500,000	1,545,000	1,591,350	1,639,091	1,688,264	1,738,912	1,791,079	1,844,811	1,900,155	1,957,160
10	Transfers Out	2,673,088	2,674,077	2,754,492	2,837,326	2,922,652	3,010,545	3,101,082	3,194,343	3,290,409	3,389,366	3,491,300
11	<b>Total Current Expenses</b>	<b>\$11,021,623</b>	<b>\$13,884,677</b>	<b>\$14,325,743</b>	<b>\$14,779,025</b>	<b>\$15,246,794</b>	<b>\$15,727,288</b>	<b>\$16,218,399</b>	<b>\$16,720,243</b>	<b>\$17,237,923</b>	<b>\$17,771,944</b>	<b>\$18,322,824</b>
12	<b>Income Available for Debt Service</b>	<b>\$16,222,457</b>	<b>\$17,679,005</b>	<b>\$15,749,130</b>	<b>\$16,981,656</b>	<b>\$18,290,417</b>	<b>\$19,334,626</b>	<b>\$19,920,240</b>	<b>\$19,703,691</b>	<b>\$19,483,059</b>	<b>\$19,257,673</b>	<b>\$19,012,881</b>
<b>Non-Operating Expenses</b>												
<b>DEBT SERVICE</b>												
<b>Parity Indebtedness</b>												
13	2015 WIFA	\$3,847,866	\$3,847,102	\$3,846,300	\$3,845,478	\$3,844,637	\$3,843,776	\$3,842,894	\$3,841,992	\$3,841,068	\$3,840,123	\$3,839,155
14	GO Wastewater Revenue Refunding Bonds, Series 2015 (A)	5,181,825	5,184,825	5,181,575	5,181,650	5,183,450	5,185,450	5,180,450	5,182,700	5,181,450	5,181,450	5,182,200
15	Senior Lien Wastewater Revenue Bonds, Series 2015 (B)	4,656,850	4,656,850	4,656,850	4,656,850	4,656,850	4,656,850	4,656,850	4,656,850	4,656,850	4,656,850	4,656,850
16	<b>Total Parity Indebtedness</b>	<b>\$13,686,541</b>	<b>\$13,688,777</b>	<b>\$13,684,725</b>	<b>\$13,683,978</b>	<b>\$13,684,937</b>	<b>\$13,686,076</b>	<b>\$13,680,194</b>	<b>\$13,681,542</b>	<b>\$13,679,368</b>	<b>\$13,678,423</b>	<b>\$13,678,205</b>
<b>New Debt</b>												
17	Sewer System Improvements - Revenue Bond	0	0	0	0	0	0	0	0	0	0	0
18	<b>Total New Debt</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
19	<b>Total Indebtedness</b>	<b>\$13,686,541</b>	<b>\$13,688,777</b>	<b>\$13,684,725</b>	<b>\$13,683,978</b>	<b>\$13,684,937</b>	<b>\$13,686,076</b>	<b>\$13,680,194</b>	<b>\$13,681,542</b>	<b>\$13,679,368</b>	<b>\$13,678,423</b>	<b>\$13,678,205</b>
<b>Capital Expenses</b>												
20	Capital Improvement Plan - Cash Funded	6,927,700	8,195,500	9,025,000	3,201,765	6,178,820	5,152,680	6,461,743	4,261,347	4,800,533	4,437,426	5,200,000
21	<b>Net Available After Non-Operating Expenses</b>	<b>(\$4,391,784)</b>	<b>(\$4,205,272)</b>	<b>(\$6,960,595)</b>	<b>\$95,913</b>	<b>(\$1,573,340)</b>	<b>\$495,870</b>	<b>(\$221,697)</b>	<b>\$1,760,802</b>	<b>\$1,003,157</b>	<b>\$1,141,824</b>	<b>\$134,676</b>
22	Ending Fund Balance	\$16,735,450	\$12,530,178	\$5,569,584	\$5,665,497	\$4,092,157	\$4,588,027	\$4,366,329	\$6,127,131	\$7,130,289	\$8,272,113	\$8,406,789
23	Targeted Fund Balance	\$3,690,669	\$2,947,150	\$3,130,033	\$3,324,360	\$3,532,689	\$3,734,442	\$3,837,926	\$3,993,619	\$4,106,606	\$4,174,483	\$4,204,693
<b>DEBT SERVICE COVERAGE</b>												
<b>Income Available for Debt Service</b>												
24	From Operations	\$16,454,307	\$19,179,005	\$17,294,130	\$18,573,006	\$19,929,508	\$21,022,890	\$21,659,152	\$21,494,770	\$21,327,870	\$21,157,828	\$20,970,041
25	Rate Stabilization Reserve	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
26	<b>Total Income Available for Debt Service</b>	<b>\$20,954,307</b>	<b>\$23,679,005</b>	<b>\$21,794,130</b>	<b>\$23,073,006</b>	<b>\$24,429,508</b>	<b>\$25,522,890</b>	<b>\$26,159,152</b>	<b>\$25,994,770</b>	<b>\$25,827,870</b>	<b>\$25,657,828</b>	<b>\$25,470,041</b>
<b>Debt Service Coverage - Parity Indebtedness</b>												
<b>Including Operating Reserves</b>												
	Calculated	1.53	1.73	1.59	1.69	1.79	1.86	1.91	1.90	1.89	1.88	1.86
	Targeted	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20

		Fund Balance	
		Beginning Balances FY 2023-24	
Line No	Description		Operating Fund
<b><u>Current Assets:</u></b>			
1	Cash and investments	\$	24,451,387
2	Accounts Receivable		2,390,436
3	Prepaid items		3,199
4	Other Assets		728,605
5	Interest Receivable		72,560
<b>6</b>	<b>Total Current Assets</b>	<b>\$</b>	<b>27,646,187</b>
<b><u>Current Liabilities (payalbe from current assets):</u></b>			
7	Accounts Payable	\$	541,423
8	Accrued Wages		171,999
9	Intergovernmental Payable		7,946
10	Interest payable		-
11	Retainage Payable		104,902
12	Unearned Revenue		247,107
13	Compensated Absences		186,087
14	Other Post Employment Benefits		27,685
<b>15</b>	<b>Total Current Liabilities</b>	<b>\$</b>	<b>1,287,149</b>
<b><u>Adjustments:</u></b>			
Less:			
16	Restrcited Cash - Rate Stabilization Reserve	\$	(4,500,000)
17	Prepaid items		(3,199)
18	Other Assets		(728,605)
<b>19</b>	<b>Net Adjustments</b>	<b>\$</b>	<b>(5,231,804)</b>
<b>20</b>	<b>Net Beginning Balances (Current Assets less Current Liabilities - including Adjustments)</b>	<b>\$</b>	<b>21,127,234</b>

**Note:**

[1] Information taken from FY 2021-22 CAFR page 43.

**LAKE HAVASU CITY, AZ**  
**SEWER SYSTEM**  
**REVENUES AND EXPENSES - WASTEWATER**

Acct	Description	Actual	Test Year	Projected								
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	<b>REVENUES</b>											
46003	Investment Earnings	\$ 927,000	\$ 789,540	\$174,770	\$102,735	\$66,947	\$58,087	\$51,219	\$50,121	\$60,777	\$83,021	\$102,716
47101	Miscellaneous Revenues and Fees	\$ 4,000	\$ 3,040	\$ 3,040	\$ 3,040	\$ 3,040	\$ 3,040	\$ 3,040	\$ 3,040	\$ 3,040	\$ 3,040	\$ 3,040
49201	<b>Sewer Charges</b>	\$ 25,215,000	\$ 26,451,001	\$ 28,551,020	\$ 30,279,807	\$ 32,062,510	\$ 33,676,202	\$ 34,744,751	\$ 35,031,142	\$ 35,317,534	\$ 35,603,926	\$ 35,890,318
49202	<b>Effluent Sales</b>	\$ 506,050	\$ 526,292	\$ 563,234	\$ 592,289	\$ 621,904	\$ 647,775	\$ 662,820	\$ 662,820	\$ 662,820	\$ 662,820	\$ 662,820
49203	Treatment Capacity Fee	\$ 605,030	\$ 675,000	\$ 614,000	\$ 614,000	\$ 614,000	\$ 508,000	\$ 508,000	\$ 508,000	\$ 508,000	\$ 508,000	\$ 508,000
49204	Treatment Cap Loan Int	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49206	Misc Wastewater	\$ 49,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500	\$ 57,500
46004	Realized Gain or Loss	\$ (200,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43331	Direct Capital Federal Grants	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43343	Capital State Grants	\$ -	\$ 2,750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46001	Interest Earnings	\$ 187,000	\$ 111,310	\$ 111,310	\$ 111,310	\$ 111,310	\$ 111,310	\$ 111,310	\$ 111,310	\$ 111,310	\$ 111,310	\$ 111,310
	<b>TOTAL REVENUES</b>	<b>\$ 27,293,580</b>	<b>\$ 31,563,683</b>	<b>\$ 30,074,874</b>	<b>\$ 31,760,681</b>	<b>\$ 33,537,211</b>	<b>\$ 35,061,914</b>	<b>\$ 36,138,640</b>	<b>\$ 36,423,934</b>	<b>\$ 36,720,982</b>	<b>\$ 37,029,617</b>	<b>\$ 37,335,704</b>

Acct	Description	Actual	Test Year	Projected								
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>WASTEWATER</b>												
51101	Regular Salary and Wages	\$ 1,853,300	\$ 2,272,595	\$ 2,352,136	\$ 2,434,461	\$ 2,519,667	\$ 2,607,855	\$ 2,699,130	\$ 2,793,600	\$ 2,891,376	\$ 2,992,574	\$ 3,097,314
	Additional Salaries & Benefits	N/A	\$ 132,630	\$ 137,272	\$ 142,077	\$ 147,050	\$ 152,196	\$ 157,523	\$ 163,037	\$ 168,743	\$ 174,649	\$ 180,762
51102	Regular Overtime	\$ 78,600	\$ 88,495	\$ 91,592	\$ 94,798	\$ 98,116	\$ 101,550	\$ 105,104	\$ 108,783	\$ 112,590	\$ 116,531	\$ 120,610
51105	Stand By Pay	\$ 38,600	\$ 38,635	\$ 39,987	\$ 41,387	\$ 42,836	\$ 44,335	\$ 45,887	\$ 47,493	\$ 49,155	\$ 50,875	\$ 52,656
51116	Recognition Pay	\$ 1,550	\$ 3,450	\$ 3,571	\$ 3,696	\$ 3,825	\$ 3,959	\$ 4,098	\$ 4,241	\$ 4,389	\$ 4,543	\$ 4,702
51199	Labor Attrition	\$ -	\$ (71,000)	\$ (73,485)	\$ (76,057)	\$ (78,719)	\$ (81,474)	\$ (84,326)	\$ (87,277)	\$ (90,332)	\$ (93,494)	\$ (96,766)
51201	Medical and Dental Insurance	\$ 448,550	\$ 542,325	\$ 561,306	\$ 580,952	\$ 601,285	\$ 622,330	\$ 644,112	\$ 666,656	\$ 689,989	\$ 714,139	\$ 739,134
51203	Workers Compensation	\$ 60,315	\$ 81,550	\$ 84,404	\$ 87,358	\$ 90,416	\$ 93,581	\$ 96,856	\$ 100,246	\$ 103,755	\$ 107,386	\$ 111,145
51204	Life Insurance	\$ 4,780	\$ 5,760	\$ 5,962	\$ 6,171	\$ 6,387	\$ 6,611	\$ 6,842	\$ 7,081	\$ 7,329	\$ 7,586	\$ 7,852
51205	Disability Insurance	\$ 9,185	\$ 10,900	\$ 11,282	\$ 11,677	\$ 12,086	\$ 12,509	\$ 12,947	\$ 13,400	\$ 13,869	\$ 14,354	\$ 14,856
51206	Retiree Medical Insurance	\$ 61,300	\$ 42,950	\$ 44,453	\$ 46,009	\$ 47,619	\$ 49,286	\$ 51,011	\$ 52,796	\$ 54,644	\$ 56,557	\$ 58,536
51207	Social Security	\$ 121,550	\$ 148,610	\$ 153,811	\$ 159,194	\$ 164,766	\$ 170,533	\$ 176,502	\$ 182,680	\$ 189,074	\$ 195,692	\$ 202,541
51208	Medicare	\$ 28,555	\$ 35,180	\$ 36,411	\$ 37,685	\$ 39,004	\$ 40,369	\$ 41,772	\$ 43,244	\$ 44,758	\$ 46,325	\$ 47,946
51209	Arizona State Retirement	\$ 245,025	\$ 294,500	\$ 304,808	\$ 315,476	\$ 326,518	\$ 337,946	\$ 349,774	\$ 362,016	\$ 374,687	\$ 387,801	\$ 401,374
51211	AZ State Retirement LTD	\$ 2,870	\$ 3,650	\$ 3,778	\$ 3,910	\$ 4,047	\$ 4,189	\$ 4,336	\$ 4,488	\$ 4,645	\$ 4,808	\$ 4,976
51213	Retirement Health Savings Plan	\$ 16,000	\$ 21,000	\$ 21,735	\$ 22,496	\$ 23,283	\$ 24,098	\$ 24,941	\$ 25,814	\$ 26,717	\$ 27,652	\$ 28,620
51215	Compensated Absences	\$ 38,000	\$ 40,000	\$ 41,400	\$ 42,849	\$ 44,349	\$ 45,901	\$ 47,508	\$ 49,171	\$ 50,892	\$ 52,673	\$ 54,517
51216	OPEB	\$ 13,000	\$ 15,000	\$ 15,525	\$ 16,068	\$ 16,630	\$ 17,212	\$ 17,814	\$ 18,437	\$ 19,082	\$ 19,750	\$ 20,441
52101	Water and Sewer	\$ 200,000	\$ 190,000	\$ 201,400	\$ 211,470	\$ 222,044	\$ 230,926	\$ 235,545	\$ 235,545	\$ 235,545	\$ 235,545	\$ 235,545
52103	Telephone	\$ 1,500	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,186	\$ 2,252	\$ 2,320	\$ 2,390	\$ 2,462	\$ 2,536	\$ 2,612
52104	Energy Fuels	\$ 12,000	\$ 12,000	\$ 12,360	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911	\$ 14,328	\$ 14,758	\$ 15,201	\$ 15,657
52105	Electricity	\$ 1,350,000	\$ 1,350,000	\$ 1,390,500	\$ 1,432,215	\$ 1,475,181	\$ 1,519,436	\$ 1,565,019	\$ 1,611,970	\$ 1,660,329	\$ 1,710,139	\$ 1,761,443
52106	Hydrant Meters	\$ 5,400	\$ 5,400	\$ 5,562	\$ 5,729	\$ 5,901	\$ 6,078	\$ 6,260	\$ 6,448	\$ 6,641	\$ 6,840	\$ 7,045
52207	Professional Other	\$ 2,000	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,186	\$ 2,252	\$ 2,320	\$ 2,390	\$ 2,462	\$ 2,536	\$ 2,612
52208	Mail Outsourcing	\$ 68,000	\$ 67,800	\$ 69,834	\$ 71,929	\$ 74,087	\$ 76,310	\$ 78,599	\$ 80,957	\$ 83,386	\$ 85,888	\$ 88,465
51106	Bonus Award	\$ 36,000	\$ 28,000	\$ 28,840	\$ 29,705	\$ 30,596	\$ 31,514	\$ 32,459	\$ 33,433	\$ 34,436	\$ 35,469	\$ 36,533
52211	Medical	\$ 500	\$ 500	\$ 515	\$ 530	\$ 546	\$ 562	\$ 579	\$ 596	\$ 614	\$ 632	\$ 651
52210	Operating - Planning and Study Services	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52214	Laundry and Dry Cleaning	\$ 14,500	\$ 14,700	\$ 15,141	\$ 15,595	\$ 16,063	\$ 16,545	\$ 17,041	\$ 17,552	\$ 18,079	\$ 18,621	\$ 19,180
52215	Building and Ground Maintenance	\$ 9,500	\$ 10,200	\$ 10,506	\$ 10,821	\$ 11,146	\$ 11,480	\$ 11,824	\$ 12,179	\$ 12,544	\$ 12,920	\$ 13,308
52216	Machinery and Equipment	\$ 389,000	\$ 269,000	\$ 277,070	\$ 285,382	\$ 293,943	\$ 302,761	\$ 311,844	\$ 321,199	\$ 330,835	\$ 340,760	\$ 350,983
52218	Radio Pager Internet or ISP	\$ 16,000	\$ 16,640	\$ 17,139	\$ 17,653	\$ 18,183	\$ 18,728	\$ 19,290	\$ 19,869	\$ 20,465	\$ 21,079	\$ 21,711
52219	Vehicles	\$ 74,000	\$ 70,300	\$ 72,409	\$ 74,581	\$ 76,818	\$ 79,123	\$ 81,497	\$ 83,942	\$ 86,460	\$ 89,054	\$ 91,726
52803	Operating Transfer Out	\$ 53,000	\$ 38,500	\$ 39,848	\$ 41,243	\$ 42,687	\$ 44,181	\$ 45,727	\$ 47,327	\$ 48,983	\$ 50,697	\$ 52,471
52221	Wtr Swr System Cont Svcs	\$ 49,555	\$ 69,000	\$ 71,070	\$ 73,202	\$ 75,398	\$ 77,660	\$ 79,990	\$ 82,390	\$ 84,862	\$ 87,408	\$ 90,030
52222	Water or Sewer Production Contract Services	\$ 100,000	\$ 200,000	\$ 206,000	\$ 212,180	\$ 218,545	\$ 225,101	\$ 231,854	\$ 238,810	\$ 245,974	\$ 253,353	\$ 260,954
52225	Repair and Maint Other	\$ 292,000	\$ 98,500	\$ 101,455	\$ 104,499	\$ 107,634	\$ 110,863	\$ 114,189	\$ 117,615	\$ 121,143	\$ 124,777	\$ 128,520
52227	Pavement Repairs	\$ 6,000	\$ 10,000	\$ 10,350	\$ 10,712	\$ 11,087	\$ 11,475	\$ 11,877	\$ 12,293	\$ 12,723	\$ 13,168	\$ 13,629
64200	Unavailable Budget Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52231	Unemployment Compensation Ins	\$ 500	\$ 1,500	\$ 1,545	\$ 1,591	\$ 1,639	\$ 1,688	\$ 1,739	\$ 1,791	\$ 1,845	\$ 1,900	\$ 1,957
52232	General Insur and Claims	\$ 200,000	\$ 229,700	\$ 236,591	\$ 243,689	\$ 251,000	\$ 258,530	\$ 266,286	\$ 274,275	\$ 282,503	\$ 290,978	\$ 299,707
52234	Meetings or Training and Travel	\$ 28,000	\$ 28,800	\$ 29,664	\$ 30,554	\$ 31,471	\$ 32,415	\$ 33,387	\$ 34,389	\$ 35,421	\$ 36,484	\$ 37,579
52236	Printing and Forms	\$ 700	\$ 700	\$ 721	\$ 743	\$ 765	\$ 788	\$ 812	\$ 836	\$ 861	\$ 887	\$ 914
52237	Testing Services	\$ 23,500	\$ 23,500	\$ 24,205	\$ 24,931	\$ 25,679	\$ 26,449	\$ 27,242	\$ 28,059	\$ 28,901	\$ 29,768	\$ 30,661
52238	Postage & Mailing	\$ 2,350	\$ 2,350	\$ 2,421	\$ 2,494	\$ 2,569	\$ 2,646	\$ 2,725	\$ 2,807	\$ 2,891	\$ 2,978	\$ 3,067
52241	Subscriptions and Memberships	\$ 2,800	\$ 7,200	\$ 7,416	\$ 7,638	\$ 7,867	\$ 8,103	\$ 8,346	\$ 8,596	\$ 8,854	\$ 9,120	\$ 9,394
52243	Fees	\$ 44,500	\$ 82,550	\$ 85,027	\$ 87,578	\$ 90,205	\$ 92,911	\$ 95,698	\$ 98,569	\$ 101,526	\$ 104,572	\$ 107,709
52248	Banking Fees	\$ 2,800	\$ 2,950	\$ 3,039	\$ 3,130	\$ 3,224	\$ 3,321	\$ 3,421	\$ 3,524	\$ 3,630	\$ 3,739	\$ 3,851
52249	Merchant Credit Card Fees	\$ 63,100	\$ 75,000	\$ 77,250	\$ 79,568	\$ 81,955	\$ 84,414	\$ 86,946	\$ 89,554	\$ 92,241	\$ 95,008	\$ 97,858
52402	Office and Computer Supplies	\$ 3,600	\$ 3,600	\$ 3,708	\$ 3,819	\$ 3,934	\$ 4,052	\$ 4,174	\$ 4,299	\$ 4,428	\$ 4,561	\$ 4,698
52403	Bldg Maint and Ground Splys	\$ 6,200	\$ 16,800	\$ 17,304	\$ 17,823	\$ 18,358	\$ 18,909	\$ 19,476	\$ 20,060	\$ 20,662	\$ 21,282	\$ 21,920
52404	Building Improvements	\$ 7,000	\$ 2,500	\$ 2,575	\$ 2,652	\$ 2,732	\$ 2,814	\$ 2,898	\$ 2,985	\$ 3,075	\$ 3,167	\$ 3,262
52405	Small Tools	\$ 12,510	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,001	\$ 19,571

Acct	Description	Actual	Test Year	Projected								
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
52406	Shop and Janitorial Splys	\$ 10,295	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,834	\$ 10,129	\$ 10,433	\$ 10,746	\$ 11,068	\$ 11,400	\$ 11,742
52407	Vehicle Supplies	\$ 150,000	\$ 157,000	\$ 161,710	\$ 166,561	\$ 171,558	\$ 176,705	\$ 182,006	\$ 187,466	\$ 193,090	\$ 198,883	\$ 204,849
52408	Furniture and Equipment	\$ 83,700	\$ 49,000	\$ 50,470	\$ 51,984	\$ 53,544	\$ 55,150	\$ 56,805	\$ 58,509	\$ 60,264	\$ 62,072	\$ 63,934
52410	Street Restoration Supplies	\$ 11,000	\$ 10,000	\$ 10,350	\$ 10,712	\$ 11,087	\$ 11,475	\$ 11,877	\$ 12,293	\$ 12,723	\$ 13,168	\$ 13,629
52411	Traffic Control Supplies	\$ 1,000	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,160	\$ 1,195	\$ 1,231	\$ 1,268	\$ 1,306
52413	Water Sewer System Supplies	\$ 103,170	\$ 76,100	\$ 78,383	\$ 80,734	\$ 83,156	\$ 85,651	\$ 88,221	\$ 90,868	\$ 93,594	\$ 96,402	\$ 99,294
52414	Chemical Supplies	\$ 997,000	\$ 1,003,300	\$ 1,033,399	\$ 1,064,401	\$ 1,096,333	\$ 1,129,223	\$ 1,163,100	\$ 1,197,993	\$ 1,233,933	\$ 1,270,951	\$ 1,309,080
52416	Wastewater Lab Supplies	\$ 35,000	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,804	\$ 43,058
52418	Other OM Supplies	\$ 405,000	\$ 419,190	\$ 431,766	\$ 444,719	\$ 458,061	\$ 471,803	\$ 485,957	\$ 500,536	\$ 515,552	\$ 531,019	\$ 546,950
52423	Instrumentation and Controls	\$ 201,000	\$ 278,090	\$ 286,433	\$ 295,026	\$ 303,877	\$ 312,993	\$ 322,383	\$ 332,054	\$ 342,016	\$ 352,276	\$ 362,844
52448	First Aid Supplies	\$ 6,200	\$ 500	\$ 515	\$ 530	\$ 546	\$ 562	\$ 579	\$ 596	\$ 614	\$ 632	\$ 651
52457	Miscellaneous Supplies	\$ 13,320	\$ 12,000	\$ 12,360	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911	\$ 14,328	\$ 14,758	\$ 15,201	\$ 15,657
52459	Clothing and Uniforms	\$ 7,000	\$ 8,000	\$ 8,240	\$ 8,487	\$ 8,742	\$ 9,004	\$ 9,274	\$ 9,552	\$ 9,839	\$ 10,134	\$ 10,438
52603	Bad Debt Expense	\$ 40,000	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371	\$ 47,762	\$ 49,195	\$ 50,671	\$ 52,191
52802	Intercost Transfer Out	\$ 2,567,088	\$ 2,635,577	\$ 2,714,644	\$ 2,796,083	\$ 2,879,965	\$ 2,966,364	\$ 3,055,355	\$ 3,147,016	\$ 3,241,426	\$ 3,338,669	\$ 3,438,829
53101	Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53201	Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51108	Paid Time Off Payout or Payoff	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61102	Capital Outlay Machinery and Equipment	\$ 14,000	\$ 1,500,000	\$ 1,545,000	\$ 1,591,350	\$ 1,639,091	\$ 1,688,264	\$ 1,738,912	\$ 1,791,079	\$ 1,844,811	\$ 1,900,155	\$ 1,957,160
61106	Motor Vehicles	\$ 217,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62102	CIP Engineering Design	\$ 785,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62104	CIP Construction	\$ 5,957,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62103	CIP Engineering Constr Mgmt	\$ 183,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63101	Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64101	Contingency	\$ -	\$ 1,000,000	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727	\$ 1,125,509	\$ 1,159,274	\$ 1,194,052	\$ 1,229,874	\$ 1,266,770	\$ 1,304,773
64200	Unavailable Budget Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52229	Equipment Lease	\$ 105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52425	Electrical Supplies	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Wastewater</b>	<b>\$ 17,896,323</b>	<b>\$ 13,884,677</b>	<b>\$ 14,325,743</b>	<b>\$ 14,779,025</b>	<b>\$ 15,246,794</b>	<b>\$ 15,727,288</b>	<b>\$ 16,218,399</b>	<b>\$ 16,720,243</b>	<b>\$ 17,237,923</b>	<b>\$ 17,771,944</b>	<b>\$ 18,322,824</b>

**LAKE HAVASU CITY, AZ**  
**SEWER SYSTEM**  
**CAPITAL IMPROVEMENT PLAN**

Line	Description	2024	2025	2026	2027	2028
	<b>SEWER SYSTEM</b>					
1	Island WWTP Flow Equalization Basin (FEB)	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
2	Chip Drive Lift Station Upgrades	\$ 765,500	\$ -	\$ -	\$ -	\$ -
3	South Intake Influent Screen	\$ -	\$ 225,000	\$ -	\$ -	\$ -
4	Vadose Well Design and Expansion	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -
5	Mulberry WWTP Aeration Basin Repair	\$ 1,430,000	\$ -	\$ -	\$ -	\$ -
6	Mulberry WWTP Roof Replacement	\$ -	\$ 300,000	\$ -	\$ -	\$ -
7	Park Avenue Lift Station Renovation	\$ 1,650,000	\$ -	\$ -	\$ -	\$ -
8	Island WWTP Metal Storage Building	\$ -	\$ 200,000	\$ -	\$ -	\$ -
9	Island WWTP Aeration Basin Upgrades	\$ -	\$ 475,000	\$ -	\$ -	\$ -
10	Island WWTP Upgrade Sand Filters	\$ -	\$ 700,000	\$ -	\$ -	\$ -
11	Island WWTP Effluent Upgrades	\$ -	\$ -	\$ 450,000	\$ -	\$ -
12	Mulberry WWTP Effluent and Recharge Pond Upgrades	\$ -	\$ -	\$ 100,000	\$ 300,000	\$ -
13	Odor Control at Mulberry WWTP and North Regional WWTP	\$ 850,000	\$ -	\$ -	\$ -	\$ -
14	North Regional WWTP Effluent and Recharge Upgrades	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ -
15	North End Wastewater System Expansion	\$ 300,000	\$ 2,700,000	\$ -	\$ -	\$ -
16	North Regional WWTP UV Disinfection Replacement	\$ -	\$ -	\$ -	\$ -	\$ -
17	Island WWTP UV Disinfection Replacement	\$ -	\$ -	\$ 500,000	\$ 4,500,000	\$ -
18	Mulberry WWTP UV Disinfection Replacement	\$ -	\$ -	\$ -	\$ -	\$ -
19	Island WWTP Cloth Filter Rebuilding	\$ -	\$ -	\$ -	\$ -	\$ -
20	Mulberry WWTP FEB Solids Removal	\$ -	\$ -	\$ -	\$ -	\$ -
21	IPS Lift Station Upgrades	\$ 850,000	\$ 875,000	\$ 901,765	\$ 928,820	\$ 956,680
22	Influent Pump Station Surge Improvements	\$ -	\$ -	\$ -	\$ -	\$ 650,000
23	ITP Effluent Pond Liners	\$ -	\$ -	\$ -	\$ -	\$ 546,000
24	New Laboratory Building	\$ -	\$ -	\$ -	\$ 300,000	\$ 3,000,000
25	<b>Total Sewer System Improvements</b>	<b>\$ 8,195,500</b>	<b>\$ 9,025,000</b>	<b>\$ 3,201,765</b>	<b>\$ 6,178,820</b>	<b>\$ 5,152,680</b>

# APPENDIX C

## Water COS & Rate Design

**LAKE HAVASU CITY, AZ**  
Allocation of Test Year Costs to Water Function

Test Year for Rate Revenue Requirement		
Line No:	Expense Group	FY 2024
1	Treatment	\$9,863,978
2	Transmission & Distribution	2,003,350
3	Customer Service	153,264
4	Admin	158,981
5	Source of Supply	5,665
6	Transfers	3,307,258
7	Debt	613,312
8	CIP	9,239,800
9	<b>Total</b>	<b>\$ 25,345,608</b>

**LAKE HAVASU CITY, AZ**  
Allocation of Water Costs Test Year FY 2024

**Allocation to Base Extra Capacity - Water**

Line No:	Water Costs	Extra Capacity				Meters & Services	Billing & Collection	Total	
		Base	Max Day	Max Hour					
1	Treatment	\$9,863,978	\$5,425,188	\$4,438,790	\$0	\$0	\$0	\$9,863,978	
2	Transmission & Distribution	2,003,350	415,847	701,173	886,331	-	-	2,003,350	
3	Customer Service	153,264	-	-	-	76,632	76,632	153,264	
4	Admin	158,981	79,491	-	-	39,745	39,745	158,981	
5	Source of Supply	5,665	5,665	-	-	-	-	5,665	
6	Transfers	3,307,258	2,480,444	-	-	826,815	-	3,307,258	
7	Debt	613,312	459,984	-	-	153,328	-	613,312	
8	CIP	9,239,800	7,391,840	-	-	1,847,960	-	9,239,800	
9	Non-Rate Revenue & Fund Balance	(13,603,687)	(7,381,716)	(4,513,310)	(778,271)	(828,200)	(102,189)	(13,603,687)	
10	<b>Total</b>	<b>\$11,741,922</b>	<b>\$8,876,742</b>	<b>\$626,653</b>	<b>\$108,059</b>	<b>\$2,116,280</b>	<b>\$14,188</b>	<b>\$11,741,922</b>	
11	Fixed Charge Component					\$2,116,280	\$14,188	\$2,130,468	18.14%
12	Flow Charge Component		\$8,876,742	\$626,653	\$108,059			\$9,611,454	81.86%
13	<b>Total</b>		<b>\$8,876,742</b>	<b>\$626,653</b>	<b>\$108,059</b>	<b>\$2,116,280</b>	<b>\$14,188</b>	<b>\$11,741,922</b>	<b>100.00%</b>
						<b>\$58.98</b>	<b>\$0.03</b>		

**Allocation to Customer Class - Water - Annual Basis**

Line No:	Customer Class	Total Annual Flow	Average Daily Flow	Maximum Day				Maximum Hour			Total Costs
				Base	Capacity Factor	Total Capacity	Extra Capacity	Capacity Factor	Total Capacity	Extra Capacity	
15	Single Family Residential	3,503,369	9,598		317%	30,470	20,872	569%	54,648	45,049	
16	Multifamily	384,730	1,054		294%	3,103	2,049	528%	5,566	4,512	
17	Commercial	939,123	2,573		351%	9,025	6,452	629%	16,186	13,613	
18	Residential Irrigation	216	1		583%	3	3	1046%	6	6	
19	Other Irrigation	408	1		516%	6	5	925%	10	9	
20	RV Parks	19,093	52		275%	144	91	493%	258	206	
21	Hydrants	47,738	131	\$ 12,242	1058%	1,384	1,254	1898%	2,483	2,352	
22	<b>Total</b>	<b>4,894,677</b>	<b>13,410</b>			<b>44,136</b>	<b>30,726</b>		<b>79,157</b>	<b>65,747</b>	
23	Allocated Costs			\$8,876,742			\$626,653			\$108,059	\$9,611,454
24	Billing Units			4,894,677			30,726			65,747	
25	Rate			\$1.81			\$20.39			\$1.64	

Line No:	Customer Class	Total Annual Flow	Base Costs Allocated to Customer Class	Max Day Costs Allocated to		Max Hour Costs Allocated to Customer Class		Meters & Services	Billing & Collection	Total Base Extra Capacity Costs Allocated to Customer Class
				Extra Capacity	Customer Class	Extra Capacity	Class			
27	Single Family Residential	3,503,369	\$6,353,536	20,872	\$425,683	45,049	\$74,042	\$1,782,293	\$11,949	\$8,647,503
28	Multifamily	384,730	697,727	2,049	41,794	4,512	7,415	128,897	864	876,697
29	Commercial	939,123	1,703,147	6,452	131,591	13,613	22,375	134,948	905	1,992,965
30	Residential Irrigation	216	391	3	58	6	9	1,180	8	1,646
31	Other Irrigation	408	740	5	95	9	15	8,924	60	9,834
32	RV Parks	19,093	34,627	91	1,866	206	338	6,094	41	42,965
33	Hydrants	47,738	86,575	1,254	25,565	2,352	3,866	53,944	362	170,311
34	<b>Total</b>	<b>4,894,677</b>	<b>\$8,876,742</b>	<b>30,726</b>	<b>\$626,653</b>	<b>65,747</b>	<b>\$108,059</b>	<b>\$2,116,280</b>	<b>\$14,188</b>	<b>\$11,741,922</b>

**LAKE HAVASU CITY, AZ**  
Calculation of Fixed Charge Rates/ Revenue - Water FY 2024

Line No.			
1	<b>Total Water Revenue Target</b>	<b>\$</b>	<b>11,741,922</b>
2	Percent from Fixed Charge		33%
3	<b>Total Fixed Charge Revenue Requirement - Water</b>	<b>\$</b>	<b>3,883,537</b>
4	Total Equivalent Billed Meters		430,552
5	Monthly Water Fixed Charge per Equivalent Meter	\$	9.02

Water Fixed Charge - By Meter Size			
	Meter	Equivalency	Monthly Water Fixed Charge
6	0.75	1.00	\$ 9.02
8	1	1.67	\$ 15.06
9	1.5	3.33	\$ 30.04
10	2	5.33	\$ 48.08
11	3	10.66	\$ 96.15
12	4	16.67	\$ 150.33
13	6	33.33	\$ 300.64
14	8	53.33	\$ 481.04
15			

Water

Meter Size	Billing Basis-->	Class -->								Total	Calculation of Equivalent Meters / Units - Inside			
		Single Family Residential	Multi-Family	Commercial	Irrigation Residential	Irr Other	RV Parks	Hydrants	Bills		Equiv. Factor	Inside / Outside Factor	Equivalent Meters	
0.75		356,592	9,036	9,672	240	360	-	252	376,152	376,152	1.00	1.00	376,152	
1		3,384	4,776	5,076	-	96	-	240	13,572	13,572	1.67	1.00	22,665	
1.5		108	540	864	-	60	12	-	1,584	1,584	3.33	1.00	5,275	
2		-	444	792	-	168	-	-	1,404	1,404	5.33	1.00	7,483	
3		-	72	72	-	-	-	912	1,056	1,056	10.66	1.00	11,257	
4		-	12	24	-	12	24	36	108	108	16.67	1.00	1,800	
6		-	84	12	-	-	24	-	120	120	33.33	1.00	4,000	
8		-	24	12	-	-	-	-	36	36	53.33	1.00	1,920	
10		-	-	-	-	-	-	-	-	-	76.67	1.00	-	
12		-	-	-	-	-	-	-	-	-	143.33	1.00	-	
16		-	-	-	-	-	-	-	-	-	267.97	1.00	-	
Total Monthly Customers		30,007	1,249	1,377	20	58	5	120	394,032	394,032			430,552	

**LAKE HAVASU CITY, AZ**  
Development of Rate Revenue Requirement

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Line No:	Test Year for Rate Revenue Requirement
	FY 2024
1	<b>Total Operating Revenue Requirement</b> <span style="float: right;"><b>\$11,741,922</b></span>
	Less:
	<u>Other Operating Revenues</u>
2	Mohave County Flood Control <span style="float: right;">0</span>
3	Direct Operating Non Categorical Federal Grants <span style="float: right;">0</span>
4	Interest Earnings <span style="float: right;">470</span>
5	Investment Earnings <span style="float: right;">789,540</span>
6	Miscellaneous Revenues and Fees <span style="float: right;">2,000</span>
7	Non Taxable Water Sales <span style="float: right;">0</span>
8	Meter Fees <span style="float: right;">622,500</span>
9	Turn On Fees <span style="float: right;">175,200</span>
10	Backflow Prevention Prmts <span style="float: right;">229,500</span>
11	Horizon Six Fees <span style="float: right;">10,500</span>
12	Realized Gain or Loss <span style="float: right;">0</span>
13	Fireline Base Fee <span style="float: right;">50,500</span>
14	Late Fee Penalties <span style="float: right;">175,500</span>
15	Misc Water <span style="float: right;">39,500</span>
	Increase/(Decrease) in Revenues <span style="float: right;">(2,495,210)</span>
	<b>Total Other Operating Revenues</b> <span style="float: right;"><b>\$0</b></span>
16	<b>Total Rate Revenue Requirement</b> <span style="float: right;"><b>\$11,741,922</b></span>

**July Through October**

Development of Proposed FY 2024 Single Family Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	118,864	\$1,072,153
1.00	15.06	1,128	16,988
1.50	30.03	36	1,081
2.00	48.07	0	0
3.00	96.14	0	0
4.00	150.32	0	0
6.00	300.61	0	0
8.00	480.99	0	0

Total Service Charge Revenue \$1,090,222

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	500	CF	34.75%	363,522	1.00	\$0.00	\$0
501	4,000	CF	56.62%	592,305	#DIV/0!	1.74	1,030,611
4,001	10,000	CF	6.19%	64,754	1.24	2.16	125,882
Over	10,000	CF	2.44%	25,525	1.25	2.70	62,026
<b>Total</b>	<b>100%</b>	<b>1,046,106</b>					<b>\$1,218,519</b>

Development of Proposed FY 2024 Multi-Family Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	3,012	\$27,168
1.00	15.06	1,592	23,976
1.50	30.03	180	5,405
2.00	48.07	148	7,114
3.00	96.14	24	2,307
4.00	150.32	4	601
6.00	300.61	28	8,417
8.00	480.99	8	3,848

Total Service Charge Revenue \$78,837

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	2,200	CF	41.03%	46,599	1.00	\$1.47	\$68,500
2,201	20,000	CF	35.44%	40,250	1.15	1.84	74,060
20,001	200,000	CF	21.80%	24,759	1.15	2.30	51,251
Over	200,000	CF	1.73%	1,965	1.25	2.88	5,093
<b>Total</b>	<b>100%</b>	<b>113,572</b>					<b>\$198,903</b>

**November Through June**

Development of Proposed FY 2024 Single Family Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	237,728	\$2,144,307
1.00	15.06	2,256	33,975
1.50	30.04	72	2,163
2.00	48.08	0	0
3.00	96.15	0	0
4.00	150.33	0	0
6.00	300.64	0	0
8.00	481.04	0	0

Total Service Charge Revenue \$2,180,445

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	26.45%	649,946	1.00	\$0.00	\$0
301	1,500	CF	49.70%	1,221,260	#DIV/0!	1.95	2,381,457
1,501	5,000	CF	18.84%	462,948	1.25	2.44	1,128,437
Over	5,000	CF	5.01%	123,109	1.35	3.29	405,105
<b>Total</b>	<b>100%</b>	<b>2,457,263</b>					<b>\$3,914,999</b>

Development of Proposed FY 2024 Multi-Family Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	6,024	\$54,336
1.00	15.06	3,184	47,951
1.50	30.04	360	10,814
2.00	48.08	296	14,232
3.00	96.15	48	4,615
4.00	150.33	8	1,203
6.00	300.64	56	16,836
8.00	481.04	16	7,697

Total Service Charge Revenue \$157,684

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	700	CF	27.91%	75,680	1.00	\$1.47	\$111,250
701	12,000	CF	49.72%	134,820	1.25	1.84	248,068
12,001	66,000	CF	19.60%	53,147	1.25	2.30	122,238
Over	66,000	CF	2.77%	7,511	1.25	2.88	21,632
<b>Total</b>	<b>100%</b>	<b>271,157</b>					<b>\$503,187</b>

**July Through October**  
Development of Proposed FY 2024 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	3,224	\$29,080
1.00	15.06	1,692	25,482
1.50	30.03	288	8,649
2.00	48.07	264	12,690
3.00	96.14	24	2,307
4.00	150.32	8	1,203
6.00	300.61	4	1,202
8.00	480.99	4	1,924

Total Service Charge Revenue \$82,537

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	15,000	CF	46.53%	148,344	1.00	\$1.74	\$258,119
15,001	340,000	CF	49.38%	157,431	1.25	2.18	343,199
Over	340,000	CF	4.09%	13,040	1.50	3.26	42,509
<b>Total</b>	<b>100%</b>	<b>318,814</b>					<b>\$643,826</b>

Development of Proposed FY 2024 Irrigation Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	80	\$722
1.00	15.06	0	0
1.50	30.03	0	0
2.00	48.07	0	0
3.00	96.14	0	0
4.00	150.32	0	0
6.00	300.61	0	0
8.00	480.99	0	0
10.00	0.00	0	0

Total Service Charge Revenue \$722

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	2,900	CF	100.00%	84	1.00	\$1.67	\$126
2,901	9,500	CF	0.00%	0	1.50	2.51	0
Over	9,500	CF	0.00%	0	2.00	5.02	0
<b>Total</b>	<b>100%</b>	<b>84</b>					<b>\$126</b>

**November Through June**  
Development of Proposed FY 2024 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	6,448	\$58,161
1.00	15.06	3,384	50,963
1.50	30.04	576	17,303
2.00	48.08	528	25,386
3.00	96.15	48	4,615
4.00	150.33	16	2,405
6.00	300.64	8	2,405
8.00	481.04	8	3,848

Total Service Charge Revenue \$165,087

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	12,000	CF	47.32%	302,860	1.00	\$1.95	\$590,577
12,001	120,000	CF	41.71%	266,955	1.25	2.44	585,632
Over	120,000	CF	10.97%	63,190	1.50	3.66	207,934
<b>Total</b>	<b>100%</b>	<b>640,026</b>					<b>\$1,384,143</b>

Development of Proposed FY 2024 Irrigation Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	160	\$1,443
1.00	15.06	0	0
1.50	30.04	0	0
2.00	48.08	0	0
3.00	96.15	0	0
4.00	150.33	0	0
6.00	300.64	0	0
8.00	481.04	0	0
10.00	691.53	0	0

Total Service Charge Revenue \$1,443

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	64.00%	84	1.00	\$0.00	\$0
301	1,500	CF	36.00%	48	#DIV/0!	1.95	93
1,501	5,000	CF	0.00%	0	1.25	2.44	0
Over	5,000	CF	0.00%	0	1.35	3.29	0
<b>Total</b>	<b>100%</b>	<b>132</b>					<b>\$93</b>

**July Through October**  
Development of Proposed FY 2024 Irr Other Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	120	\$1,082
1.00	15.06	32	482
1.50	30.03	20	601
2.00	48.07	56	2,692
3.00	96.14	0	0
4.00	150.32	4	601
6.00	300.61	0	0
8.00	480.99	0	0

Total Service Charge Revenue \$5,458

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	9,000	CF	100.00%	139	1.00	\$1.87	\$233
9,001	40,000	CF	0.00%	0	1.25	2.33	0
Over	40,000	CF	0.00%	0	1.50	3.50	0
<b>Total</b>	<b>100%</b>			<b>139</b>			<b>\$233</b>

Development of Proposed FY 2024 RV Parks Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	0	\$0
1.00	15.06	0	0
1.50	30.03	4	120
2.00	48.07	0	0
3.00	96.14	0	0
4.00	150.32	8	1,203
6.00	300.61	8	2,405
8.00	480.99	0	0

Total Service Charge Revenue \$3,728

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	1,750	CF	7.33%	381	1.00	\$1.78	\$679
1,751	20,000	CF	27.83%	1,448	1.25	2.23	3,229
20,001	60,000	CF	22.89%	1,191	1.25	2.79	2,990
Over	60,000	CF	41.95%	2,183	1.25	3.48	6,836
<b>Total</b>	<b>100%</b>			<b>5,203</b>			<b>\$13,734</b>

**November Through June**  
Development of Proposed FY 2024 Irr Other Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	240	\$2,165
1.00	15.06	64	964
1.50	30.04	40	1,202
2.00	48.08	112	5,385
3.00	96.15	0	0
4.00	150.33	8	1,203
6.00	300.64	0	0
8.00	481.04	0	0

Total Service Charge Revenue \$10,918

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	1,500	CF	68.13%	184	1.00	\$1.96	\$359
1,501	3,500	CF	15.77%	42	1.25	2.45	104
Over	3,500	CF	16.10%	43	1.50	3.67	159
<b>Total</b>	<b>100%</b>			<b>269</b>			<b>\$623</b>

Development of Proposed FY 2024 RV Parks Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	0	\$0
1.00	15.06	0	0
1.50	30.04	8	240
2.00	48.08	0	0
3.00	96.15	0	0
4.00	150.33	16	2,405
6.00	300.64	16	4,810
8.00	481.04	0	0

Total Service Charge Revenue \$7,456

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	20,000	CF	23.79%	3,305	1.00	\$1.78	\$5,882
20,001	95,000	CF	48.11%	6,683	1.25	2.23	14,889
95,001	130,000	CF	20.28%	2,817	1.25	2.79	7,845
Over	130,000	CF	7.82%	1,086	1.25	3.49	3,788
<b>Total</b>	<b>100%</b>			<b>13,890</b>			<b>\$32,404</b>

**July Through October**

Development of Proposed FY 2024 Hydrants Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	84	\$758
1.00	15.06	80	1,205
1.50	30.03	0	0
2.00	48.07	0	0
3.00	96.14	304	29,227
4.00	150.32	12	1,804
6.00	300.61	0	0
8.00	480.99	0	0

Total Service Charge Revenue \$32,993

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue	
Over	0 CF	100.00%	11,887	1.00	\$2.24	\$23,964
<b>Total</b>	<b>100%</b>	<b>11,887</b>				<b>\$23,964</b>

**November Through June**

Development of Proposed FY 2024 Hydrants Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	168	\$1,515
1.00	15.06	160	2,410
1.50	30.04	0	0
2.00	48.08	0	0
3.00	96.15	608	58,459
4.00	150.33	24	3,608
6.00	300.64	0	0
8.00	481.04	0	0

Total Service Charge Revenue \$65,992

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue	
Over	0 CF	100.00%	35,851	1.00	\$2.51	\$89,943
<b>Total</b>	<b>100%</b>	<b>35,851</b>				<b>\$89,943</b>

**July Through August**

Development of Proposed FY 2025 Single Family Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	59,847	\$539,817
1.00	15.06	568	8,553
1.50	30.04	18	544
2.00	48.08	0	0
3.00	96.15	0	0
4.00	150.33	0	0
6.00	300.64	0	0
8.00	481.04	0	0

Total Service Charge Revenue \$548,914

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	24.89%	262,192	1.00	\$0.00	\$0
301	1,500	CF	49.13%	517,538	#DIV/0!	1.95	1,009,199
1,501	5,000	CF	20.45%	215,421	1.25	2.44	525,089
Over	5,000	CF	5.52%	58,148	1.35	3.29	191,343
<b>Total</b>	<b>100%</b>			<b>1,053,405</b>			<b>\$1,725,631</b>

Development of Proposed FY 2025 Multi-Family Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	1,517	\$13,679
1.00	15.06	802	12,071
1.50	30.04	91	2,722
2.00	48.08	75	3,583
3.00	96.15	12	1,162
4.00	150.33	2	303
6.00	300.64	14	4,238
8.00	481.04	4	1,938

Total Service Charge Revenue \$39,696

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	700	CF	23.28%	26,624	1.00	\$1.47	\$39,137
701	12,000	CF	46.18%	52,814	1.25	1.84	97,177
12,001	66,000	CF	22.40%	25,618	1.25	2.30	58,921
Over	66,000	CF	8.14%	9,309	1.25	2.88	26,811
<b>Total</b>	<b>100%</b>			<b>114,365</b>			<b>\$222,046</b>

**September Through June**

Development of Proposed FY 2025 Single Family Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	299,233	\$3,022,974
1.00	16.87	2,840	47,897
1.50	33.64	91	3,049
2.00	53.85	0	0
3.00	107.69	0	0
4.00	168.37	0	0
6.00	336.72	0	0
8.00	538.76	0	0

Total Service Charge Revenue \$3,073,920

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	25.83%	639,139	1.00	\$0.00	\$0
301	1,500	CF	49.25%	1,218,646	#DIV/0!	2.00	2,437,291
1,501	5,000	CF	19.53%	483,252	1.25	2.50	1,208,129
Over	5,000	CF	5.13%	126,937	1.35	3.38	428,413
<b>Total</b>	<b>100%</b>			<b>2,474,407</b>			<b>\$4,073,833</b>

Development of Proposed FY 2025 Multi-Family Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	7,583	\$76,602
1.00	16.87	4,008	67,600
1.50	33.64	453	15,246
2.00	53.85	373	20,063
3.00	107.69	60	6,506
4.00	168.37	10	1,695
6.00	336.72	70	23,735
8.00	538.76	20	10,850

Total Service Charge Revenue \$222,298

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	700	CF	26.40%	72,085	1.00	\$1.62	\$116,778
701	12,000	CF	48.53%	132,511	1.25	2.03	268,700
12,001	66,000	CF	20.45%	55,839	1.25	2.53	141,534
Over	66,000	CF	4.66%	12,724	1.25	3.17	40,385
<b>Total</b>	<b>100%</b>			<b>273,049</b>			<b>\$567,396</b>

**July Through August**

Development of Proposed FY 2025 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	1,623	\$14,642
1.00	15.06	852	12,830
1.50	30.04	145	4,356
2.00	48.08	133	6,391
3.00	96.15	12	1,162
4.00	150.33	4	606
6.00	300.64	2	605
8.00	481.04	2	969

Total Service Charge Revenue \$41,560

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue
0	41.31%	132,621	1.00	\$1.95	\$258,611
12,001	38.41%	110,980	1.25	2.44	270,513
Over	20.28%	58,596	1.50	3.66	214,242
<b>Total</b>	<b>100%</b>	<b>321,039</b>			<b>\$743,366</b>

Development of Proposed FY 2025 Irrigation Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	40	\$361
1.00	15.06	0	0
1.50	30.04	0	0
2.00	48.08	0	0
3.00	96.15	0	0
4.00	150.33	0	0
6.00	300.64	0	0
8.00	481.04	0	0
10.00	691.53	0	0

Total Service Charge Revenue \$361

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue
0	64.00%	54	1.00	\$0.00	\$0
301	36.00%	30	#DIV/0!	1.95	59
1,501	0.00%	0	1.25	2.44	0
Over	0.00%	0	1.35	3.29	0
<b>Total</b>	<b>100%</b>	<b>84</b>			<b>\$59</b>

**September Through June**

Development of Proposed FY 2024 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	8,116	\$81,993
1.00	16.87	4,260	71,846
1.50	33.64	725	24,393
2.00	53.85	665	35,789
3.00	107.69	60	6,506
4.00	168.37	20	3,391
6.00	336.72	10	3,391
8.00	538.76	10	5,425

Total Service Charge Revenue \$232,735

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue
0	46.55%	300,011	1.00	\$1.98	\$594,021
12,001	41.46%	240,485	1.25	2.48	595,202
Over	11.98%	69,489	1.50	3.71	257,978
<b>Total</b>	<b>100%</b>	<b>644,491</b>			<b>\$1,447,201</b>

Development of Proposed FY 2025 Irrigation Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	200	\$2,020
1.00	16.87	0	0
1.50	33.64	0	0
2.00	53.85	0	0
3.00	107.69	0	0
4.00	168.37	0	0
6.00	336.72	0	0
8.00	538.76	0	0
10.00	774.51	0	0

Total Service Charge Revenue \$2,020

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue
0	64.00%	84	1.00	\$0.00	\$0
301	36.00%	48	#DIV/0!	2.00	95
1,501	0.00%	0	1.25	2.50	0
Over	0.00%	0	1.35	3.38	0
<b>Total</b>	<b>100%</b>	<b>132</b>			<b>\$95</b>

**July Through August**  
Development of Proposed FY 2025 Irr Other Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	60	\$541
1.00	15.06	16	241
1.50	30.04	10	300
2.00	48.08	28	1,346
3.00	96.15	0	0
4.00	150.33	2	301
6.00	300.64	0	0
8.00	481.04	0	0

Total Service Charge Revenue \$2,729

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	1,500	CF	56.55%	79	1.00	\$1.96	\$154
1,501	3,500	CF	42.08%	58	1.25	2.45	143
Over	3,500	CF	1.38%	2	1.50	3.67	7
<b>Total</b>	<b>100%</b>	<b>139</b>					<b>\$304</b>

Development of Proposed FY 2025 RV Parks Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	0	\$0
1.00	15.06	0	0
1.50	30.04	2	60
2.00	48.08	0	0
3.00	96.15	0	0
4.00	150.33	4	606
6.00	300.64	4	1,211
8.00	481.04	0	0

Total Service Charge Revenue \$1,877

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	20,000	CF	22.54%	1,181	1.00	\$1.78	\$2,102
20,001	95,000	CF	45.04%	2,360	1.25	2.23	5,258
95,001	130,000	CF	20.43%	1,070	1.25	2.79	2,981
Over	130,000	CF	12.00%	629	1.25	3.49	2,193
<b>Total</b>	<b>100%</b>	<b>5,239</b>					<b>\$12,533</b>

**September Through June**  
Development of Proposed FY 2025 Irr Other Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	300	\$3,031
1.00	16.87	80	1,349
1.50	33.64	50	1,682
2.00	53.85	140	7,539
3.00	107.69	0	0
4.00	168.37	10	1,684
6.00	336.72	0	0
8.00	538.76	0	0

Total Service Charge Revenue \$15,285

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	1,500	CF	69.74%	188	1.00	\$2.19	\$412
1,501	3,500	CF	17.73%	48	1.25	2.74	131
Over	3,500	CF	12.53%	34	1.50	4.11	139
<b>Total</b>	<b>100%</b>	<b>269</b>					<b>\$682</b>

Development of Proposed FY 2025 RV Parks Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	0	\$0
1.00	16.87	0	0
1.50	33.64	10	339
2.00	53.85	0	0
3.00	107.69	0	0
4.00	168.37	20	3,391
6.00	336.72	20	6,781
8.00	538.76	0	0

Total Service Charge Revenue \$10,511

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	20,000	CF	23.75%	3,322	1.00	\$1.83	\$6,079
20,001	95,000	CF	47.86%	6,694	1.25	2.29	15,334
95,001	130,000	CF	19.90%	2,783	1.25	2.86	7,970
Over	130,000	CF	8.49%	1,188	1.25	3.59	4,258
<b>Total</b>	<b>100%</b>	<b>13,987</b>					<b>\$33,641</b>

**July Through August**

Development of Proposed FY 2025 Hydrants Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$9.02	42	\$379
1.00	15.06	40	602
1.50	30.04	0	0
2.00	48.08	0	0
3.00	96.15	152	14,615
4.00	150.33	6	902
6.00	300.64	0	0
8.00	481.04	0	0

Total Service Charge Revenue \$16,498

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue	
Over	0 CF	100.00%	11,037	1.00	\$2.51	\$27,690
<b>Total</b>	<b>100%</b>	<b>11,037</b>				<b>\$27,690</b>

**September Through June**

Development of Proposed FY 2025 Hydrants Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	210	\$2,122
1.00	16.87	200	3,373
1.50	33.64	0	0
2.00	53.85	0	0
3.00	107.69	760	81,843
4.00	168.37	30	5,051
6.00	336.72	0	0
8.00	538.76	0	0

Total Service Charge Revenue \$92,389

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue	
Over	0 CF	100.00%	36,701	1.00	\$2.81	\$103,124
<b>Total</b>	<b>100%</b>	<b>36,701</b>				<b>\$103,124</b>

**July Through August**

Development of Proposed FY 2026 Single Family Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	60,261	\$608,784
1.00	16.87	572	9,646
1.50	33.64	18	614
2.00	53.85	0	0
3.00	107.69	0	0
4.00	168.37	0	0
6.00	336.72	0	0
8.00	538.76	0	0

Total Service Charge Revenue \$619,044

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	24.89%	264,009	1.00	\$0.00	\$0
301	1,500	CF	49.13%	521,123	#DIV/0!	2.00	1,042,247
1,501	5,000	CF	20.45%	216,914	1.25	2.50	542,285
Over	5,000	CF	5.52%	58,551	1.35	3.38	197,609
<b>Total</b>	<b>100%</b>			<b>1,060,703</b>			<b>\$1,782,140</b>

Development of Proposed FY 2026 Multi-Family Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	1,527	\$15,427
1.00	16.87	807	13,614
1.50	33.64	91	3,070
2.00	53.85	75	4,040
3.00	107.69	12	1,310
4.00	168.37	2	341
6.00	336.72	14	4,780
8.00	538.76	4	2,185

Total Service Charge Revenue \$44,768

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	700	CF	23.28%	26,809	1.00	\$1.62	\$43,430
701	12,000	CF	46.18%	53,179	1.25	2.03	107,835
12,001	66,000	CF	22.40%	25,795	1.25	2.53	65,383
Over	66,000	CF	8.14%	9,374	1.25	3.17	29,751
<b>Total</b>	<b>100%</b>			<b>115,157</b>			<b>\$246,399</b>

**September Through June**

Development of Proposed FY 2026 Single Family Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	301,306	\$3,378,750
1.00	18.72	2,859	53,534
1.50	37.35	91	3,408
2.00	59.77	0	0
3.00	119.53	0	0
4.00	186.89	0	0
6.00	373.76	0	0
8.00	598.03	0	0

Total Service Charge Revenue \$3,435,692

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	25.83%	643,568	1.00	\$0.00	\$0
301	1,500	CF	49.25%	1,227,089	#DIV/0!	2.22	2,724,138
1,501	5,000	CF	19.53%	486,600	1.25	2.78	1,350,315
Over	5,000	CF	5.13%	127,817	1.35	3.75	478,833
<b>Total</b>	<b>100%</b>			<b>2,491,551</b>			<b>\$4,553,285</b>

Development of Proposed FY 2026 Multi-Family Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	7,635	\$85,617
1.00	18.72	4,036	75,556
1.50	37.35	456	17,040
2.00	59.77	375	22,425
3.00	119.53	61	7,272
4.00	186.89	10	1,895
6.00	373.76	71	26,528
8.00	598.03	20	12,127

Total Service Charge Revenue \$248,460

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	700	CF	26.40%	72,584	1.00	\$1.81	\$131,378
701	12,000	CF	48.53%	133,429	1.25	2.27	302,294
12,001	66,000	CF	20.45%	56,225	1.25	2.83	159,229
Over	66,000	CF	4.66%	12,812	1.25	3.55	45,434
<b>Total</b>	<b>100%</b>			<b>274,941</b>			<b>\$638,334</b>

**July Through August**  
Development of Proposed FY 2026 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	3,246	\$32,796
1.00	16.87	1,704	28,737
1.50	33.64	290	9,757
2.00	53.85	266	14,315
3.00	107.69	24	2,602
4.00	168.37	8	1,356
6.00	336.72	4	1,356
8.00	538.76	4	2,170

Total Service Charge Revenue \$93,089

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	12,000	CF	41.31%	133,540	1.00	\$1,98	\$264,409
12,001	120,000	CF	38.41%	111,749	1.25	2.48	276,578
Over	120,000	CF	20.28%	59,002	1.50	3.71	219,045
<b>Total</b>	<b>100%</b>			<b>323,263</b>			<b>\$760,032</b>

Development of Proposed FY 2026 Irrigation Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	40	\$404
1.00	16.87	0	0
1.50	33.64	0	0
2.00	53.85	0	0
3.00	107.69	0	0
4.00	168.37	0	0
6.00	336.72	0	0
8.00	538.76	0	0
10.00	774.51	0	0

Total Service Charge Revenue \$404

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	64.00%	54	1.00	\$0.00	\$0
301	1,500	CF	36.00%	30	#DIV/0!	2.00	60
1,501	5,000	CF	0.00%	0	1.25	2.50	0
Over	5,000	CF	0.00%	0	1.35	3.38	0
<b>Total</b>	<b>100%</b>			<b>84</b>			<b>\$60</b>

**September Through June**  
Development of Proposed FY 2026 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	8,172	\$91,643
1.00	18.72	4,289	80,302
1.50	37.35	730	27,264
2.00	59.77	669	40,001
3.00	119.53	61	7,272
4.00	186.89	20	3,790
6.00	373.76	10	3,790
8.00	598.03	10	6,064

Total Service Charge Revenue \$260,125

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	12,000	CF	46.55%	302,089	1.00	\$2.05	\$619,283
12,001	120,000	CF	41.46%	242,152	1.25	2.56	620,514
Over	120,000	CF	11.98%	69,971	1.50	3.84	268,949
<b>Total</b>	<b>100%</b>			<b>648,957</b>			<b>\$1,508,746</b>

Development of Proposed FY 2026 Irrigation Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	240	\$2,691
1.00	18.72	0	0
1.50	37.35	0	0
2.00	59.77	0	0
3.00	119.53	0	0
4.00	186.89	0	0
6.00	373.76	0	0
8.00	598.03	0	0
10.00	859.71	0	0

Total Service Charge Revenue \$2,691

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	64.00%	84	1.00	\$0.00	\$0
301	1,500	CF	36.00%	48	#DIV/0!	2.22	105
1,501	5,000	CF	0.00%	0	1.25	2.78	0
Over	5,000	CF	0.00%	0	1.35	3.75	0
<b>Total</b>	<b>100%</b>			<b>132</b>			<b>\$105</b>

**July Through August**  
Development of Proposed FY 2026 Irr Other Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	60	\$606
1.00	16.87	16	270
1.50	33.64	10	336
2.00	53.85	28	1,508
3.00	107.69	0	0
4.00	168.37	2	337
6.00	336.72	0	0
8.00	538.76	0	0

Total Service Charge Revenue \$3,057

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	1,500	CF	56.55%	79	1.00	\$2.19	\$172
1,501	3,500	CF	42.08%	58	1.25	2.74	160
Over	3,500	CF	1.38%	2	1.50	4.11	8
<b>Total</b>	<b>100%</b>	<b>139</b>					<b>\$341</b>

Development of Proposed FY 2026 RV Parks Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	0	\$0
1.00	15.06	0	0
1.50	30.04	2	61
2.00	48.08	0	0
3.00	96.15	0	0
4.00	150.33	4	610
6.00	300.64	4	1,219
8.00	481.04	0	0

Total Service Charge Revenue \$1,890

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	20,000	CF	22.54%	1,189	1.00	\$1.83	\$2,176
20,001	95,000	CF	45.04%	2,376	1.25	2.29	5,443
95,001	130,000	CF	20.43%	1,078	1.25	2.86	3,086
Over	130,000	CF	12.00%	633	1.25	3.59	2,270
<b>Total</b>	<b>100%</b>	<b>5,276</b>					<b>\$12,974</b>

**September Through June**  
Development of Proposed FY 2026 Irr Other Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	300	\$3,364
1.00	18.72	80	1,498
1.50	37.35	50	1,867
2.00	59.77	140	8,368
3.00	119.53	0	0
4.00	186.89	10	1,869
6.00	373.76	0	0
8.00	598.03	0	0

Total Service Charge Revenue \$16,966

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	1,500	CF	69.74%	188	1.00	\$2.43	\$2
1,501	3,500	CF	17.73%	48	1.25	3.04	145
Over	3,500	CF	12.53%	34	1.50	4.56	154
<b>Total</b>	<b>100%</b>	<b>269</b>					<b>\$302</b>

Development of Proposed FY 2026 RV Parks Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	0	\$0
1.00	16.72	0	0
1.50	33.34	10	338
2.00	53.37	0	0
3.00	106.73	0	0
4.00	166.87	20	3,384
6.00	333.71	20	6,767
8.00	533.95	0	0

Total Service Charge Revenue \$10,489

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	20,000	CF	23.75%	3,345	1.00	\$1.87	\$6,255
20,001	95,000	CF	47.86%	6,741	1.25	2.34	15,778
95,001	130,000	CF	19.90%	2,803	1.25	2.93	8,200
Over	130,000	CF	8.49%	1,196	1.25	3.66	4,381
<b>Total</b>	<b>100%</b>	<b>14,084</b>					<b>\$34,614</b>

**July Through August**

Development of Proposed FY 2026 Hydrants Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$10.10	42	\$424
1.00	15.06	40	602
1.50	30.04	0	0
2.00	48.08	0	0
3.00	96.15	152	14,615
4.00	150.33	6	902
6.00	300.64	0	0
8.00	481.04	0	0

Total Service Charge Revenue \$16,543

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue	
Over	0 CF	100.00%	11,037	1.00	\$2.81	\$31,012
<b>Total</b>	<b>100%</b>	<b>11,037</b>				<b>\$31,012</b>

**September Through June**

Development of Proposed FY 2026 Hydrants Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	210	\$2,355
1.00	16.72	200	3,343
1.50	33.34	0	0
2.00	53.37	0	0
3.00	106.73	760	81,112
4.00	166.87	30	5,006
6.00	333.71	0	0
8.00	533.95	0	0

Total Service Charge Revenue \$91,816

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue	
Over	0 CF	100.00%	36,701	1.00	\$3.12	\$114,468
<b>Total</b>	<b>100%</b>	<b>36,701</b>				<b>\$114,468</b>

**July Through August**

Development of Proposed FY 2027 Single Family Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	60,676	\$680,400
1.00	18.72	576	10,781
1.50	37.35	18	686
2.00	59.77	0	0
3.00	119.53	0	0
4.00	186.89	0	0
6.00	373.76	0	0
8.00	598.03	0	0

Total Service Charge Revenue \$691,867

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue
0 300 CF	24.89%	265,826	1.00	\$0.00	\$0
301 1,500 CF	49.13%	524,709	#DIV/0!	2.22	1,164,855
1,501 5,000 CF	20.45%	218,406	1.25	2.78	606,078
Over 5,000 CF	5.52%	58,954	1.35	3.75	220,855
<b>Total</b>	<b>100%</b>	<b>1,068,002</b>			<b>\$1,991,787</b>

Development of Proposed FY 2027 Multi-Family Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	1,538	\$17,241
1.00	18.72	813	15,215
1.50	37.35	92	3,431
2.00	59.77	76	4,516
3.00	119.53	12	1,464
4.00	186.89	2	382
6.00	373.76	14	5,342
8.00	598.03	4	2,442

Total Service Charge Revenue \$50,034

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue
0 700 CF	23.28%	26,993	1.00	\$1.81	\$48,857
701 12,000 CF	46.18%	53,545	1.25	2.27	121,311
12,001 66,000 CF	22.40%	25,973	1.25	2.83	73,554
Over 66,000 CF	8.14%	9,438	1.25	3.55	33,469
<b>Total</b>	<b>100%</b>	<b>115,949</b>			<b>\$277,192</b>

**September Through June**

Development of Proposed FY 2027 Single Family Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	303,394	\$3,776,397
1.00	20.78	2,879	59,835
1.50	41.45	92	3,809
2.00	66.35	0	0
3.00	132.68	0	0
4.00	207.45	0	0
6.00	414.87	0	0
8.00	663.81	0	0

Total Service Charge Revenue \$3,840,041

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue
0 300 CF	25.83%	647,996	1.00	\$0.00	\$0
301 1,500 CF	49.25%	1,235,532	#DIV/0!	2.49	3,076,476
1,501 5,000 CF	19.53%	489,948	1.25	3.11	1,524,964
Over 5,000 CF	5.13%	128,696	1.35	4.20	540,765
<b>Total</b>	<b>100%</b>	<b>2,508,695</b>			<b>\$5,142,204</b>

Development of Proposed FY 2027 Multi-Family Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	7,688	\$95,689
1.00	20.78	4,063	84,444
1.50	41.45	459	19,045
2.00	66.35	378	25,063
3.00	132.68	61	8,128
4.00	207.45	10	2,118
6.00	414.87	71	29,649
8.00	663.81	20	13,554

Total Service Charge Revenue \$277,688

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue
0 700 CF	26.40%	73,084	1.00	\$1.88	\$137,398
701 12,000 CF	48.53%	134,347	1.25	2.35	316,145
12,001 66,000 CF	20.45%	56,612	1.25	2.94	166,525
Over 66,000 CF	4.66%	12,900	1.25	3.68	47,516
<b>Total</b>	<b>100%</b>	<b>276,833</b>			<b>\$667,584</b>

**July Through August**  
Development of Proposed FY 2027 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	3,269	\$36,654
1.00	18.72	1,715	32,118
1.50	37.35	292	10,905
2.00	59.77	268	15,999
3.00	119.53	24	2,909
4.00	186.89	8	1,516
6.00	373.76	4	1,516
8.00	598.03	4	2,425

Total Service Charge Revenue \$104,040

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	12,000	CF	41.31%	134,459	1.00	\$2.05	\$275,641
12,001	120,000	CF	38.41%	125,020	1.25	2.56	320,363
Over	120,000	CF	20.28%	66,009	1.50	3.84	253,721
<b>Total</b>	<b>100%</b>			<b>325,487</b>			<b>\$849,725</b>

Development of Proposed FY 2027 Irrigation Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	40	\$449
1.00	18.72	0	0
1.50	37.35	0	0
2.00	59.77	0	0
3.00	119.53	0	0
4.00	186.89	0	0
6.00	373.76	0	0
8.00	598.03	0	0
10.00	859.71	0	0

Total Service Charge Revenue \$449

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	64.00%	54	1.00	\$0.00	\$0
301	1,500	CF	36.00%	30	#DIV/0!	2.22	67
1,501	5,000	CF	0.00%	0	1.25	2.78	0
Over	5,000	CF	0.00%	0	1.35	3.75	0
<b>Total</b>	<b>100%</b>			<b>84</b>			<b>\$67</b>

**September Through June**  
Development of Proposed FY 2027 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	8,229	\$102,424
1.00	20.78	4,319	89,748
1.50	41.45	735	30,471
2.00	66.35	674	44,706
3.00	132.68	61	8,128
4.00	207.45	20	4,236
6.00	414.87	10	4,236
8.00	663.81	10	6,777

Total Service Charge Revenue \$290,726

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	12,000	CF	46.55%	304,168	1.00	\$2.11	\$641,794
12,001	120,000	CF	41.46%	270,909	1.25	2.64	714,522
Over	120,000	CF	11.98%	78,280	1.50	3.96	309,695
<b>Total</b>	<b>100%</b>			<b>653,422</b>			<b>\$1,666,011</b>

Development of Proposed FY 2027 Irrigation Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	240	\$2,987
1.00	20.78	0	0
1.50	41.45	0	0
2.00	66.35	0	0
3.00	132.68	0	0
4.00	207.45	0	0
6.00	414.87	0	0
8.00	663.81	0	0
10.00	954.28	0	0

Total Service Charge Revenue \$2,987

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	61.46%	81	1.00	\$0.00	\$0
301	1,500	CF	29.20%	39	#DIV/0!	2.49	96
1,501	5,000	CF	0.00%	0	1.25	3.11	0
Over	5,000	CF	9.34%	12	1.35	4.20	52
<b>Total</b>	<b>100%</b>			<b>132</b>			<b>\$148</b>

**July Through August**  
Development of Proposed FY 2027 Irr Other Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	60	\$673
1.00	18.72	16	300
1.50	37.35	10	373
2.00	59.77	28	1,674
3.00	119.53	0	0
4.00	186.89	2	374
6.00	373.76	0	0
8.00	598.03	0	0

Total Service Charge Revenue \$3,393

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	1,500	CF	56.55%	79	1.00	\$2.43	\$191
1,501	3,500	CF	42.08%	58	1.25	3.04	178
Over	3,500	CF	1.38%	2	1.50	4.56	9
<b>Total</b>	<b>100%</b>	<b>139</b>					<b>\$378</b>

Development of Proposed FY 2027 RV Parks Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	0	\$0
1.00	16.72	0	0
1.50	33.34	2	68
2.00	53.37	0	0
3.00	106.73	0	0
4.00	166.87	4	681
6.00	333.71	4	1,363
8.00	533.95	0	0

Total Service Charge Revenue \$2,112

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	20,000	CF	22.54%	1,197	1.00	\$1.87	\$2,239
20,001	95,000	CF	45.04%	2,392	1.25	2.34	5,600
95,001	130,000	CF	20.43%	1,085	1.25	2.93	3,175
Over	130,000	CF	12.00%	637	1.25	3.66	2,335
<b>Total</b>	<b>100%</b>	<b>5,312</b>					<b>\$13,349</b>

**September Through June**  
Development of Proposed FY 2027 Irr Other Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	300	\$3,734
1.00	20.78	80	1,663
1.50	41.45	50	2,073
2.00	66.35	140	9,289
3.00	132.68	0	0
4.00	207.45	10	2,074
6.00	414.87	0	0
8.00	663.81	0	0

Total Service Charge Revenue \$18,833

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	1,500	CF	69.74%	188	1.00	\$2.70	\$508
1,501	3,500	CF	17.73%	48	1.25	3.38	161
Over	3,500	CF	12.53%	34	1.50	5.07	171
<b>Total</b>	<b>100%</b>	<b>269</b>					<b>\$840</b>

Development of Proposed FY 2027 RV Parks Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	0	\$0
1.00	18.56	0	0
1.50	37.01	10	378
2.00	59.24	0	0
3.00	118.47	0	0
4.00	185.22	20	3,782
6.00	370.42	20	7,563
8.00	592.69	0	0

Total Service Charge Revenue \$11,723

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	20,000	CF	23.75%	3,368	1.00	\$1.90	\$6,399
20,001	95,000	CF	47.86%	6,787	1.25	2.38	16,141
95,001	130,000	CF	19.90%	2,822	1.25	2.97	8,389
Over	130,000	CF	8.49%	1,204	1.25	3.72	4,482
<b>Total</b>	<b>100%</b>	<b>14,181</b>					<b>\$35,411</b>

**July Through August**

Development of Proposed FY 2027 Hydrants Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$11.21	42	\$471
1.00	16.72	40	669
1.50	33.34	0	0
2.00	53.37	0	0
3.00	106.73	152	16,222
4.00	166.87	6	1,001
6.00	333.71	0	0
8.00	533.95	0	0

Total Service Charge Revenue \$18,363

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue	
Over	0 CF	100.00%	11,037	1.00	\$3.12	\$34,424
<b>Total</b>	<b>100%</b>	<b>11,037</b>				<b>\$34,424</b>

**September Through June**

Development of Proposed FY 2027 Hydrants Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	210	\$2,614
1.00	18.56	200	3,711
1.50	37.01	0	0
2.00	59.24	0	0
3.00	118.47	760	90,034
4.00	185.22	30	5,557
6.00	370.42	0	0
8.00	592.69	0	0

Total Service Charge Revenue \$101,916

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue	
Over	0 CF	100.00%	36,701	1.00	\$3.46	\$127,059
<b>Total</b>	<b>100%</b>	<b>36,701</b>				<b>\$127,059</b>

**July Through August**

Development of Proposed FY 2028 Single Family Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	61,091	\$760,405
1.00	20.78	580	12,048
1.50	41.45	19	767
2.00	66.35	0	0
3.00	132.68	0	0
4.00	207.45	0	0
6.00	414.87	0	0
8.00	663.81	0	0

Total Service Charge Revenue \$773,220

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	24.89%	267,642	1.00	\$0.00	\$0
301	1,500	CF	49.13%	528,295	#DIV/0!	2.49	1,315,455
1,501	5,000	CF	20.45%	219,899	1.25	3.11	684,435
Over	5,000	CF	5.52%	59,357	1.35	4.20	249,409
<b>Total</b>	<b>100%</b>			<b>1,075,300</b>			<b>\$2,249,299</b>

Development of Proposed FY 2028 Multi-Family Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	1,548	\$19,269
1.00	20.78	818	17,004
1.50	41.45	93	3,835
2.00	66.35	76	5,047
3.00	132.68	12	1,637
4.00	207.45	2	426
6.00	414.87	14	5,970
8.00	663.81	4	2,729

Total Service Charge Revenue \$55,917

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	700	CF	23.28%	27,177	1.00	\$1.88	\$51,094
701	12,000	CF	46.18%	53,911	1.25	2.35	126,864
12,001	66,000	CF	22.40%	26,150	1.25	2.94	76,921
Over	66,000	CF	8.14%	9,503	1.25	3.68	35,001
<b>Total</b>	<b>100%</b>			<b>116,742</b>			<b>\$289,879</b>

**September Through June**

Development of Proposed FY 2028 Single Family Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$13.82	305,496	\$4,220,844
1.00	23.07	0	0
1.50	46.01	0	0
2.00	73.65	0	0
3.00	147.28	0	0
4.00	230.27	0	0
6.00	460.50	0	0
8.00	736.83	0	0

Total Service Charge Revenue \$4,220,844

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	25.83%	652,424	1.00	\$0.00	\$0
301	1,500	CF	49.25%	1,243,976	#DIV/0!	2.90	3,608,151
1,501	5,000	CF	19.53%	493,296	1.25	3.63	1,788,507
Over	5,000	CF	5.13%	129,576	1.35	4.89	634,220
<b>Total</b>	<b>100%</b>			<b>2,525,839</b>			<b>\$6,030,878</b>

Development of Proposed FY 2028 Multi-Family Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$13.82	7,740	\$106,941
1.00	23.07	4,091	94,373
1.50	46.01	463	21,284
2.00	73.65	380	28,010
3.00	147.28	62	9,083
4.00	230.27	10	2,367
6.00	460.50	72	33,135
8.00	736.83	21	15,148

Total Service Charge Revenue \$310,340

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	700	CF	26.40%	73,583	1.00	\$1.92	\$141,351
701	12,000	CF	48.53%	135,265	1.25	2.40	325,240
12,001	66,000	CF	20.45%	56,999	1.25	3.01	171,316
Over	66,000	CF	4.66%	12,989	1.25	3.76	48,883
<b>Total</b>	<b>100%</b>			<b>278,725</b>			<b>\$686,789</b>

**July Through August**  
Development of Proposed FY 2028 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	3,291	\$40,964
1.00	20.78	1,727	35,894
1.50	41.45	294	12,187
2.00	66.35	269	17,880
3.00	132.68	24	3,251
4.00	207.45	8	1,694
6.00	414.87	4	1,694
8.00	663.81	4	2,710

Total Service Charge Revenue \$116,274

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	12,000	CF	41.31%	135,378	1.00	\$2.11	\$285,647
12,001	120,000	CF	38.41%	125,874	1.25	2.64	331,993
Over	120,000	CF	20.28%	66,460	1.50	3.96	262,932
<b>Total</b>	<b>100%</b>			<b>327,712</b>			<b>\$880,572</b>

Development of Proposed FY 2028 Irrigation Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	40	\$498
1.00	20.78	0	0
1.50	41.45	0	0
2.00	66.35	0	0
3.00	132.68	0	0
4.00	207.45	0	0
6.00	414.87	0	0
8.00	663.81	0	0
10.00	954.28	0	0

Total Service Charge Revenue \$498

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	64.00%	54	1.00	\$0.00	\$0
301	1,500	CF	36.00%	30	#DIV/0!	2.49	75
1,501	5,000	CF	0.00%	0	1.25	3.11	0
Over	5,000	CF	0.00%	0	1.35	4.20	0
<b>Total</b>	<b>100%</b>			<b>84</b>			<b>\$75</b>

**September Through June**  
Development of Proposed FY 2028 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$13.82	8,285	\$114,468
1.00	23.07	4,348	100,301
1.50	46.01	740	34,054
2.00	73.65	678	49,963
3.00	147.28	62	9,083
4.00	230.27	21	4,734
6.00	460.50	10	4,734
8.00	736.83	10	7,574

Total Service Charge Revenue \$324,911

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	12,000	CF	46.55%	306,247	1.00	\$2.18	\$666,387
12,001	120,000	CF	41.46%	272,760	1.25	2.72	741,901
Over	120,000	CF	11.98%	78,815	1.50	4.08	321,562
<b>Total</b>	<b>100%</b>			<b>657,887</b>			<b>\$1,729,850</b>

Development of Proposed FY 2028 Irrigation Residential Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$13.82	240	\$3,316
1.00	23.07	0	0
1.50	46.01	0	0
2.00	73.65	0	0
3.00	147.28	0	0
4.00	230.27	0	0
6.00	460.50	0	0
8.00	736.83	0	0
10.00	1,059.25	0	0

Total Service Charge Revenue \$3,316

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	300	CF	61.46%	81	1.00	\$0.00	\$0
301	1,500	CF	29.20%	0	#DIV/0!	2.90	0
1,501	5,000	CF	0.00%	0	1.25	3.63	0
Over	5,000	CF	9.34%	12	1.35	4.89	60
<b>Total</b>	<b>100%</b>			<b>132</b>			<b>\$60</b>

**July Through August**  
Development of Proposed FY 2028 Irr Other Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	60	\$747
1.00	20.78	16	333
1.50	41.45	10	415
2.00	66.35	28	1,858
3.00	132.68	0	0
4.00	207.45	2	415
6.00	414.87	0	0
8.00	663.81	0	0
Total Service Charge Revenue			\$3,767

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	1,500	CF	56.55%	79	1.00	\$2.70	\$212
1,501	3,500	CF	42.08%	58	1.25	3.38	198
Over	3,500	CF	1.38%	2	1.50	5.07	10
<b>Total</b>	<b>100%</b>	<b>139</b>					<b>\$420</b>

Development of Proposed FY 2028 RV Parks Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	0	\$0
1.00	18.56	0	0
1.50	37.01	2	76
2.00	59.24	0	0
3.00	118.47	0	0
4.00	185.22	4	762
6.00	370.42	4	1,523
8.00	592.69	0	0
Total Service Charge Revenue			\$2,361

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	20,000	CF	22.54%	1,205	1.00	\$1.90	\$2,290
20,001	95,000	CF	45.04%	2,409	1.25	2.38	5,729
95,001	130,000	CF	20.43%	1,093	1.25	2.97	3,248
Over	130,000	CF	12.00%	642	1.25	3.72	2,389
<b>Total</b>	<b>100%</b>	<b>5,348</b>					<b>\$13,656</b>

**September Through June**  
Development of Proposed FY 2028 Irr Other Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$13.82	300	\$4,145
1.00	23.07	80	1,845
1.50	46.01	50	2,301
2.00	73.65	140	10,310
3.00	147.28	0	0
4.00	230.27	10	2,303
6.00	460.50	0	0
8.00	736.83	0	0
Total Service Charge Revenue			\$20,904

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	1,500	CF	69.74%	188	1.00	\$3.00	\$564
1,501	3,500	CF	17.73%	48	1.25	3.75	179
Over	3,500	CF	12.53%	34	1.50	5.62	190
<b>Total</b>	<b>100%</b>	<b>269</b>					<b>\$932</b>

Development of Proposed FY 2028 RV Parks Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$13.82	0	\$0
1.00	20.60	0	0
1.50	41.08	10	422
2.00	65.76	0	0
3.00	131.50	0	0
4.00	205.60	21	4,227
6.00	411.16	21	8,453
8.00	657.89	0	0
Total Service Charge Revenue			\$13,102

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
0	20,000	CF	23.75%	3,391	1.00	\$1.96	\$6,632
20,001	95,000	CF	47.86%	6,833	1.25	2.45	16,728
95,001	130,000	CF	19.90%	2,841	1.25	3.06	8,694
Over	130,000	CF	8.49%	1,212	1.25	3.83	4,645
<b>Total</b>	<b>100%</b>	<b>14,278</b>					<b>\$36,700</b>

**July Through August**

Development of Proposed FY 2028 Hydrants Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$12.45	42	\$523
1.00	18.56	40	742
1.50	37.01	0	0
2.00	59.24	0	0
3.00	118.47	152	18,007
4.00	185.22	6	1,111
6.00	370.42	0	0
8.00	592.69	0	0

Total Service Charge Revenue \$20,383

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
Over	0	CF	100.00%	11,037	1.00	\$3.46	\$38,210
<b>Total</b>	<b>100%</b>	<b>11,037</b>					<b>\$38,210</b>

**September Through June**

Development of Proposed FY 2028 Hydrants Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
0.75	\$13.82	210	\$2,901
1.00	20.60	200	4,119
1.50	41.08	0	0
2.00	65.76	0	0
3.00	131.50	760	99,938
4.00	205.60	30	6,168
6.00	411.16	0	0
8.00	657.89	0	0

Total Service Charge Revenue \$113,127

Block	% Volume in Block	Billed Volume	Cumulative Factor	Volume Rate	Rate Revenue		
Over	0	CF	100.00%	36,701	1.00	\$3.84	\$141,035
<b>Total</b>	<b>100%</b>	<b>36,701</b>					<b>\$141,035</b>

# APPENDIX D

## Sewer COS & Rate Design

**LAKE HAVASU CITY, AZ**  
Development of Rate Revenue Requirement

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Line No:		Test Year for Rate Revenue Requirement FY 2024
1	<b>Total Operating Revenue Requirement</b>	<b>\$26,451,001</b>
	Less:	
	<u>Other Operating Revenues</u>	
2	Investment Earnings	174,770
3	Miscellaneous Revenues and Fees	3,040
4	Effluent Sales	563,234
5	Treatment Capacity Fee	614,000
6	Treatment Cap Loan Int	0
7	Misc Wastewater	57,500
	Increase/(Decrease) in Revenues	(4,473,854)
	<b>Total Other Operating Revenues</b>	<b>\$0</b>
8	<b>Total Rate Revenue Requirement</b>	<b>\$26,451,001</b>

**LAKE HAVASU CITY, AZ**  
Allocation of Test Year Costs

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Line No:	Expense Group	Sewer
1	Collection	\$4,322,204
2	Treatment	4,928,057
3	Administration	3,923,890
4	Pump	-
5	Customer Service	121,592
6	Transfers	-
7	Debt	13,719,424
8	CIP	9,025,000
9	<b>Total</b>	<b>\$36,040,168</b>

**LAKE HAVASU CITY, AZ**  
Allocation of Sewer Costs FY - 2024

	<b>Sewer Costs</b>	<b>Volume</b>	<b>Capacity</b>	<b>Strength - SS</b>	<b>Strength - BOD</b>	<b>Pretreatment &amp; Inspection</b>	<b>Billing &amp; Collection</b>	<b>Customer Service</b>	<b>Total</b>
Treatment	\$4,928,057	\$2,464,029	\$0	\$1,232,014	\$1,232,014	\$0	\$0	\$0	\$4,928,057
Collection	4,322,204	2,161,102	2,161,102	-	-	-	-	-	4,322,204
Administration	3,923,890	1,961,945	1,961,945	-	-	-	-	-	3,923,890
Pump	-	-	-	-	-	-	-	-	-
Customer Service	121,592	-	-	-	-	-	60,796	60,796	121,592
Transfers	-	-	-	-	-	-	-	-	-
CIP	9,025,000	4,512,500	4,512,500	-	-	-	-	-	9,025,000
Debt	13,719,424	6,859,712	6,859,712	-	-	-	-	-	13,719,424
Use of Other Funding Sources and/or Addition/(Reduction) in Reserves	(9,589,167)	(4,778,408)	(4,122,806)	(327,801)	(327,801)	-	(16,176)	(16,176)	(9,589,167)
<b>Total \$</b>	<b>26,451,001</b>	<b>\$13,180,880</b>	<b>\$11,372,453</b>	<b>\$904,214</b>	<b>\$904,214</b>	<b>\$0</b>	<b>\$44,620</b>	<b>\$44,620</b>	<b>\$26,451,001</b>
Fixed Charge Component							\$44,620	\$44,620	\$89,240
Flow Charge Component		\$13,180,880	\$11,372,453	\$904,214	\$904,214	\$0			\$26,361,761
<b>Total</b>		<b>\$13,180,880</b>	<b>\$11,372,453</b>	<b>\$904,214</b>	<b>\$904,214</b>	<b>\$0</b>	<b>\$44,620</b>	<b>\$44,620</b>	<b>\$26,451,001</b>
Check	26,451,001	Cost/Kgals	Cost/Kgals	Cost/pound	Cost/pound				
Total Cost All Customers		\$13,180,880	\$11,372,453	\$904,214	\$904,214		\$44,620	\$44,620	
Total Kgals/pounds		1,808,718	1,808,718	3,333,042	7,764,375	Equiv Meters/Bills	496,836	496,836	
Cost Kgals/pounds		\$7.29	\$6.29	\$0.27	\$0.12	Cost/Bill	\$0.09	\$0.09	

**Cost of Service Analysis by Class**

**July through October**

Development of Proposed FY 2024 Residential (SF) Rates

Rate for Residential Accounts with No Use	Fixed Charges \$52.14		
<u>Service Charge, \$ per Bill</u>	<u>Rate</u>	<u>Bills</u>	<u>Revenue</u>
Dwelling Units	\$52.14	120,028	\$6,258,260
Total Service Charge Revenue			----- \$6,258,260

Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	146,051	1.00	\$1.76	\$257,050
<b>Total</b>	----- <b>100%</b>	----- <b>146,051</b>			----- <b>\$257,050</b>

**Cost of Service Analysis by Class**

**November through June**

Development of Proposed FY 2024 Residential (SF/Condos/MF) Rates

Rate for Residential Accounts with No Use	Fixed Charges \$52.14		
<u>Service Charge, \$ per Bill</u>	<u>Rate</u>	<u>Bills</u>	<u>Revenue</u>
Dwelling Units	\$52.14	292,816	\$15,267,426
Total Service Charge Revenue			----- \$15,267,426

**July through October**

Development of Proposed FY 2024 Commercial Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	Revenue
Accounts		\$48.67	4,760	\$231,669	
Total Service Charge Revenue					\$231,669
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	130,832	1.00	\$10.44	\$1,365,888
<b>Total</b>	<b>100%</b>	<b>130,832</b>			<b>\$1,365,888</b>

Development of Proposed FY 2024 Hotels Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Room		\$17.87	6,780	\$121,159	
Total Service Charge Revenue				\$121,159	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	29,167	1.00	\$9.37	\$273,294
<b>Total</b>	<b>100%</b>	<b>29,167</b>			<b>\$273,294</b>

Development of Proposed FY 2024 RV Park Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Space		\$9.34	7,644	\$71,395	
Total Service Charge Revenue				\$71,395	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	9,680	1.00	\$3.13	\$30,299
<b>Total</b>	<b>100%</b>	<b>9,680</b>			<b>\$30,299</b>

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Accounts		\$0.00	20	\$0	
Total Service Charge Revenue				\$0	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	258	1.00	\$61.40	\$15,862
<b>Total</b>	<b>100%</b>	<b>258</b>			<b>\$15,862</b>

**November through June**

Development of Proposed FY 2024 Commercial Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	Revenue
Accounts		\$51.10	9,520	\$486,505	
Total Service Charge Revenue					\$486,505
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	208,992	1.00	\$10.96	\$2,290,967
<b>Total</b>	<b>100%</b>	<b>208,992</b>			<b>\$2,290,967</b>

Development of Proposed FY 2024 Hotels Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Room		\$18.76	13,560	\$254,433	
Total Service Charge Revenue				\$254,433	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	29,709	1.00	\$9.93	\$295,072
<b>Total</b>	<b>100%</b>	<b>29,709</b>			<b>\$295,072</b>

Development of Proposed FY 2024 RV Park Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Space		\$9.81	15,288	\$149,929	
Total Service Charge Revenue				\$149,929	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	25,292	1.00	\$3.44	\$87,080
<b>Total</b>	<b>100%</b>	<b>25,292</b>			<b>\$87,080</b>

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Accounts		\$0.00	40	\$0	
Total Service Charge Revenue				\$0	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	639	1.00	\$77.05	\$49,211
<b>Total</b>	<b>100%</b>	<b>639</b>			<b>\$49,211</b>

**Cost of Service Analysis by Class**

**July through August**

Development of Proposed FY 2025 Residential (SF/Condos/MF) Rates

	Fixed Charges			
Rate for Residential Accounts with No Use	\$52.14			
Service Charge, \$ per Bill	Rate	Bills	Revenue	
Dwelling Units	\$52.14	73,753	\$3,845,478	
Total Service Charge Revenue			\$3,845,478	

**Cost of Service Analysis by Class**

**September through June**

Development of Proposed FY 2025 Residential (SF/Condos/MF) Rates

	Fixed Charges			
Rate for Residential Accounts with No Use	\$52.14			
Service Charge, \$ per Bill	Rate	Bills	Revenue	
Dwelling Units	\$52.14	368,765	\$19,227,392	
Total Service Charge Revenue			\$19,227,392	

**July through August**

Development of Proposed FY 2025 Commercial Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	Revenue
Accounts		\$51.10	4,855	\$248,091	
Total Service Charge Revenue					\$248,091
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	58,295	1.00	\$10.96	\$639,032
<b>Total</b>	<b>100%</b>	<b>58,295</b>			<b>\$639,032</b>

Development of Proposed FY 2025 Hotels Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Room		\$18.76	6,915	\$129,747	
Total Service Charge Revenue				\$129,747	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	4,395	1.00	\$9.93	\$43,656
<b>Total</b>	<b>100%</b>	<b>4,395</b>			<b>\$43,656</b>

Development of Proposed FY 2025 RV Park Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Space		\$9.81	7,701	\$75,527	
Total Service Charge Revenue				\$75,527	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	4,922	1.00	\$3.44	\$16,947
<b>Total</b>	<b>100%</b>	<b>4,922</b>			<b>\$16,947</b>

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Accounts		\$0.00	20	\$0	
Total Service Charge Revenue				\$0	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	123	1.00	\$77.05	\$9,446
<b>Total</b>	<b>100%</b>	<b>123</b>			<b>\$9,446</b>

**September through June**

Development of Proposed FY 2025 Commercial Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	Revenue
Accounts		\$53.66	9,709	\$520,991	
Total Service Charge Revenue					\$520,991
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	288,288	1.00	\$11.51	\$3,318,220
<b>Total</b>	<b>100%</b>	<b>288,288</b>			<b>\$3,318,220</b>

Development of Proposed FY 2025 Hotels Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Room		\$19.70	13,830	\$272,468	
Total Service Charge Revenue				\$272,468	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	55,651	1.00	\$10.43	\$580,376
<b>Total</b>	<b>100%</b>	<b>55,651</b>			<b>\$580,376</b>

Development of Proposed FY 2025 RV Park Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Space		\$10.30	15,403	\$158,606	
Total Service Charge Revenue				\$158,606	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	30,312	1.00	\$3.79	\$114,801
<b>Total</b>	<b>100%</b>	<b>30,312</b>			<b>\$114,801</b>

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Accounts		\$0.00	41	\$0	
Total Service Charge Revenue				\$0	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	792	1.00	\$81.68	\$64,708
<b>Total</b>	<b>100%</b>	<b>792</b>			<b>\$64,708</b>

**Cost of Service Analysis by Class**

**July through August**

Development of Proposed FY 2026 Residential (SF/Condos/MF) Rates

	Fixed Charges			
Rate for Residential Accounts with No Use	\$52.14			
Service Charge, \$ per Bill	Rate	Bills	Revenue	
Dwelling Units	\$52.14	74,302	\$3,874,100	
Total Service Charge Revenue			\$3,874,100	

**Cost of Service Analysis by Class**

**September through June**

Development of Proposed FY 2026 Residential (SF/Condos/MF) Rates

	Fixed Charges			
Rate for Residential Accounts with No Use	\$52.66			
Service Charge, \$ per Bill	Rate	Bills	Revenue	
Dwelling Units	\$52.66	371,509	\$19,564,430	
Total Service Charge Revenue			\$19,564,430	

**July through August**

Development of Proposed FY 2026 Commercial Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	Revenue
Accounts		\$53.66	4,855	\$260,495	
Total Service Charge Revenue					\$260,495
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	58,295	1.00	\$11.51	\$670,984
<b>Total</b>	<b>100%</b>	<b>58,295</b>			<b>\$670,984</b>

Development of Proposed FY 2026 Hotels Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Room		\$19.70	7,050	\$138,891	
Total Service Charge Revenue				\$138,891	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	4,481	1.00	\$10.43	\$46,733
<b>Total</b>	<b>100%</b>	<b>4,481</b>			<b>\$46,733</b>

Development of Proposed FY 2026 RV Park Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Space		\$10.30	7,759	\$79,893	
Total Service Charge Revenue				\$79,893	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	4,959	1.00	\$3.79	\$18,781
<b>Total</b>	<b>100%</b>	<b>4,959</b>			<b>\$18,781</b>

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Accounts		\$0.00	21	\$0	
Total Service Charge Revenue				\$0	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	125	1.00	\$81.68	\$10,208
<b>Total</b>	<b>100%</b>	<b>125</b>			<b>\$10,208</b>

**September through June**

Development of Proposed FY 2026 Commercial Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	Revenue
Accounts		\$54.73	9,899	\$541,774	
Total Service Charge Revenue					\$541,774
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	273,336	1.00	\$11.74	\$3,209,048
<b>Total</b>	<b>100%</b>	<b>273,336</b>			<b>\$3,209,048</b>

Development of Proposed FY 2026 Hotels Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Room		\$20.10	14,099	\$283,337	
Total Service Charge Revenue				\$283,337	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	56,736	1.00	\$10.64	\$603,528
<b>Total</b>	<b>100%</b>	<b>56,736</b>			<b>\$603,528</b>

Development of Proposed FY 2026 RV Park Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Space		\$10.81	15,517	\$167,776	
Total Service Charge Revenue				\$167,776	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	28,706	1.00	\$4.17	\$119,588
<b>Total</b>	<b>100%</b>	<b>28,706</b>			<b>\$119,588</b>

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Accounts		\$0.00	42	\$0	
Total Service Charge Revenue				\$0	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	808	1.00	\$85.76	\$69,269
<b>Total</b>	<b>100%</b>	<b>808</b>			<b>\$69,269</b>

**Cost of Service Analysis by Class**

**July through August**

Development of Proposed FY 2027 Residential (SF/Condos/MF) Rates

	Fixed Charges			
Rate for Residential Accounts with No Use	\$52.66			
Service Charge, \$ per Bill	Rate	Bills	Revenue	
Dwelling Units	\$52.66	74,851	\$3,941,794	
Total Service Charge Revenue			\$3,941,794	

**Cost of Service Analysis by Class**

**September through June**

Development of Proposed FY 2027 Residential (SF/Condos/MF) Rates

	Fixed Charges			
Rate for Residential Accounts with No Use	\$55.23			
Service Charge, \$ per Bill	Rate	Bills	Revenue	
Dwelling Units	\$55.23	374,254	\$20,668,662	
Total Service Charge Revenue			\$20,668,662	

**July through August**

Development of Proposed FY 2027 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue	Revenue
Accounts	\$54.73	4,855	\$265,705	
Total Service Charge Revenue				\$265,705

Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	58,295	1.00	\$11.74	\$684,404
<b>Total</b>	<b>100%</b>	<b>58,295</b>			<b>\$684,404</b>

Development of Proposed FY 2027 Hotels Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
Per Room	\$20.10	7,185	\$144,379
Total Service Charge Revenue			\$144,379

Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	4,567	1.00	\$10.64	\$48,579
<b>Total</b>	<b>100%</b>	<b>4,567</b>			<b>\$48,579</b>

Development of Proposed FY 2027 RV Park Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
Per Space	\$10.81	7,816	\$84,508
Total Service Charge Revenue			\$84,508

Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	4,996	1.00	\$4.17	\$20,811
<b>Total</b>	<b>100%</b>	<b>4,996</b>			<b>\$20,811</b>

Service Charge, \$ per Bill	Rate	Bills	Revenue
Accounts	\$0.00	21	\$0
Total Service Charge Revenue			\$0

Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	127	1.00	\$85.76	\$10,923
<b>Total</b>	<b>100%</b>	<b>127</b>			<b>\$10,923</b>

**September through June**

Development of Proposed FY 2027 Commercial Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue	Revenue
Accounts	\$55.83	10,088	\$563,180	
Total Service Charge Revenue				\$563,180

Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	278,565	1.00	\$11.98	\$3,335,841
<b>Total</b>	<b>100%</b>	<b>278,565</b>			<b>\$3,335,841</b>

Development of Proposed FY 2027 Hotels Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
Per Room	\$20.50	14,369	\$294,532
Total Service Charge Revenue			\$294,532

Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	57,822	1.00	\$10.85	\$627,374
<b>Total</b>	<b>100%</b>	<b>57,822</b>			<b>\$627,374</b>

Development of Proposed FY 2027 RV Park Rates

Service Charge, \$ per Bill	Rate	Bills	Revenue
Per Space	\$12.43	15,632	\$194,368
Total Service Charge Revenue			\$194,368

Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	28,918	1.00	\$4.79	\$138,542
<b>Total</b>	<b>100%</b>	<b>28,918</b>			<b>\$138,542</b>

Service Charge, \$ per Bill	Rate	Bills	Revenue
Accounts	\$0.00	42	\$0
Total Service Charge Revenue			\$0

Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	823	1.00	\$90.05	\$74,123
<b>Total</b>	<b>100%</b>	<b>823</b>			<b>\$74,123</b>

**Cost of Service Analysis by Class**

**July through September**

Development of Proposed FY 2028 Residential (SF/Condos/MF) Rates

Rate for Residential Accounts with No Use	Fixed Charges		
	\$55.23		
Service Charge, \$ per Bill	Rate	Bills	Revenue
Dwelling Units	\$55.23	75,400	\$4,164,048
			\$4,164,048

**Cost of Service Analysis by Class**

**September through June**

Development of Proposed FY 2028 Residential (SF/Condos/MF) Rates

Rate for Residential Accounts with No Use	Fixed Charges		
	\$56.85		
Service Charge, \$ per Bill	Rate	Bills	Revenue
Dwelling Units	\$56.85	376,999	\$21,430,826
			\$21,430,826

**July through September**

Development of Proposed FY 2028 Commercial Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	Revenue
Accounts		\$55.83	4,855	\$271,019	
Total Service Charge Revenue					\$271,019
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	58,295	1.00	\$11.98	\$698,092
<b>Total</b>	<b>100%</b>	<b>58,295</b>			<b>\$698,092</b>

Development of Proposed FY 2028 Hotels Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Room		\$20.50	7,319	\$150,030	
Total Service Charge Revenue				\$150,030	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	4,653	1.00	\$10.85	\$50,481
<b>Total</b>	<b>100%</b>	<b>4,653</b>			<b>\$50,481</b>

Development of Proposed FY 2028 RV Park Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Space		\$12.43	7,873	\$97,897	
Total Service Charge Revenue				\$97,897	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	5,032	1.00	\$4.79	\$24,109
<b>Total</b>	<b>100%</b>	<b>5,032</b>			<b>\$24,109</b>

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Accounts		\$0.00	22	\$0	
Total Service Charge Revenue				\$0	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	130	1.00	\$90.05	\$11,685
<b>Total</b>	<b>100%</b>	<b>130</b>			<b>\$11,685</b>

**September through June**

Development of Proposed FY 2028 Commercial Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	Revenue
Accounts		\$56.94	10,277	\$585,226	
Total Service Charge Revenue					\$585,226
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.0%	283,793	1.00	\$12.09	\$3,432,438
<b>Total</b>	<b>100%</b>	<b>283,793</b>			<b>\$3,432,438</b>

Development of Proposed FY 2028 Hotels Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Room		\$21.32	14,639	\$312,063	
Total Service Charge Revenue				\$312,063	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	58,907	1.00	\$11.28	\$664,715
<b>Total</b>	<b>100%</b>	<b>58,907</b>			<b>\$664,715</b>

Development of Proposed FY 2028 RV Park Rates

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Per Space		\$14.30	15,747	\$225,163	
Total Service Charge Revenue				\$225,163	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	29,130	1.00	\$5.51	\$160,492
<b>Total</b>	<b>100%</b>	<b>29,130</b>			<b>\$160,492</b>

Service Charge, \$ per Bill		Rate	Bills	Revenue	
Accounts		\$0.00	43	\$0	
Total Service Charge Revenue				\$0	
Block	% Flow in Block	Billed Flow	Cumulative Factor	Volume Rate	Rate Revenue
All Flows	100.00%	839	1.00	\$93.65	\$78,535
<b>Total</b>	<b>100%</b>	<b>839</b>			<b>\$78,535</b>



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