City of Surprise

Report for

COMPREHENSIVE WATER, WASTEWATER, AND SANITATION UTILITIES RATE STUDY

March 2014

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SECTION I: INTRODUCTION

In October of 2013 the City of Surprise (the City) engaged FCS GROUP to complete comprehensive rate studies for the water, wastewater, and sanitation utilities. The results of these studies aim to establish a blueprint for achieving strong financial performance in the future and delivering efficient and effective services to the City's customers. The scope of the project outlined an approach to address the following topics:

- Fiscal/rate policies and practices.
- Capital funding strategies that address system infrastructure needs.
- Multi-year financial plan to create a strong financial foundation from which to proactively address "total" system needs and obligations.
- Multi-year rate strategy to recover the target revenue levels identified.
- Rate structures that recover the revenue identified.

The methodology, key factors, conclusions and recommendations for each of the key task areas of the study are summarized in this executive level report. The full technical exhibits for the comprehensive rate studies can be found in the Technical Appendix.

SECTION II: RATE STUDY METHODOLOGY

A. RATE SETTING PRINCIPLES AND METHODOLOGY

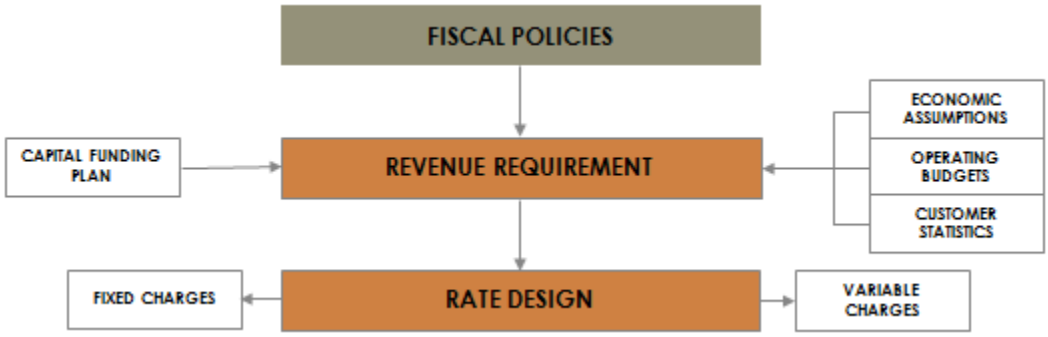
The methods used to establish user rates are based on principles that are generally accepted and widely followed throughout the industry. These principles are designed to produce rates that equitably recover costs from each class of customer by setting the appropriate level of revenue to be collected from ratepayers, and establishing a rate structure to equitably collect those revenues.

The primary tasks of the rate study are listed below:

- **Revenue Requirement Analysis.** This analysis identifies the total revenue requirement to fully fund each system on a standalone basis, considering operating and maintenance expenditures, capital funding needs, debt requirements and fiscal policy objectives.
- **Rate Design Analysis.** This analysis includes the development of rates that generate sufficient revenue to meet each system's revenue requirement forecast.

Exhibit 2.1 illustrates the rate study process.

Exhibit 2.1: Overview of the Rate Study Process



B. REVENUE REQUIREMENT

A revenue requirement analysis forms the basis for a long-range financial plan and multi-year rate management strategy for each system. It also enables the City to set utility rate structures which fully recover the total cost of operating each system: capital improvement and replacement, operations, maintenance, general administration, fiscal policy attainment, cash reserve management, and debt repayment. Linking rate levels to a financial plan such as this helps to enable not only sound financial performance for the City's utility enterprise funds, but also a clear and reasonable relationship between the costs imposed on utility customers and the costs incurred to provide the service.

A revenue requirement analysis includes the following core elements to form a complete portrayal of the utility's financial obligations.

- **Fiscal Policy Analysis.** Identifies formal and informal fiscal policies of the City to ensure that current policies are maintained, including reserve levels, capital/system replacement funding and debt service coverage.
- **Operating Forecast.** Identifies future annual non-capital costs associated with the operation, maintenance, and administration of the system.
- **Capital Funding Plan.** Defines a strategy for funding the City's capital improvement/equipment replacement program, including an analysis of available resources from rate revenues, debt financing, and any special resources that may be readily available (e.g. grants, outside contributions, etc.). Identifies if additional funding sources are needed.
- **Revenue Sufficiency Testing.** Evaluates the sufficiency of revenues in meeting all financial obligations, including any coverage requirements associated with long-term debt.
- **Rate Strategy Development.** Designs a forward-looking strategy for adjusting rates to fully fund all financial obligations on an annual basis over the projection period.

B. 1 Special Planning Areas

The City's General Planning Area (GPA) consists of six separate Special Planning Areas (SPAs). As described in the ***Surprise General Plan***[1]:

> "SPAs 1, 2, and 3 are located within the 'primary planning area' that includes lands that are anticipated to be developed over the next 20 years. It also comprises areas where the City of Surprise can work closely with Maricopa County to assist in directing that growth. SPAs 4, 5 and 6 are located within the 'secondary planning area,' that is considered the city's 'sphere of influence.' How the sphere of influence develops could positively or negatively impact the City of Surprise's development patterns."

Within the SPAs the City provides water, wastewater and sanitation services at different levels. The City provides wastewater services to a majority of customers, provides sanitation to residential customers only, and is one of thirteen drinking water providers for water services. The revenue requirement analysis evaluates each utility on a stand-alone basis for all areas combined and does not differ by SPA.

C. RATE DESIGN

The principal consideration of rate design is for the rate structure to generate sufficient revenues for the system which are reasonably commensurate with the cost of providing service. Most rate designs consist of fixed and variable charges. Fixed costs typically attempt to cover costs of the system that do not vary with demands on the system while variable costs vary with a change in user demand. Although the majority of costs of operating a utility are fixed, in general customers prefer more costs tied to the variable charge since changes in behavior have a direct correlation with a change in their bill. The optimum rate structure is a balance of both fixed and variable charges tied to the unique revenue requirements of each utility.

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[1] Specifically described in *Surprise General Plan 2020*

SECTION III: WATER UTILITY

A. INTRODUCTION

The City of Surprise is one of the largest of the thirteen drinking water providers operating within the Surprise Planning Area. Current well production is 6 million gallons per day (MGD) from five water supply facilities and fifteen well sites. This water production currently serves approximately 14,600 customers. The City operates and maintains their own water service area and contracts with American Water for billing services.

B. REVENUE REQUIREMENT

A revenue requirement analysis forms the basis for a long-range financial plan and multi-year rate management strategy. The analysis is developed by completing an operating forecast that identifies future annual operating costs and a capital funding plan that defines a strategy for funding the capital improvement needs of the City.

B.1 Operating Forecast

The purpose of the operating forecast is to determine whether the existing rates and charges are sufficient to recover the costs the City incurs to operate, maintain, and provide water service. A combination of FY 2014 and FY 2015 budget revenues and expenses formed the baseline for the forecast. The operating forecast was developed for the ten-year FY 2015 through FY 2024 time period. This report focuses on the first five-year period of FY 2015 through FY 2019, as this was established as the rate-setting period. The Technical Appendix provides the detail for the full forecast period. The following discussion highlights the key assumptions used to develop the water utility operating forecast.

Reserves

- **Operating Reserves.** A minimum of 60 days of operating and maintenance (O&M) expenses ($1.48 million to $2.19 million, based on existing City target and industry standards).
- **Capital Contingency Target.** 2.00 percent of plant in service ($2.21 million to $2.60 million, per discussion with City staff and industry standards).

Operating Revenue

- **Retail Rate Revenue.** Consists of FY 2014 budgeted service/collection fee revenue, escalated with customer growth.
- **Non Rate Revenue.** Water meter installation charges, escalated with customer growth (based on budget provided by City).
- **Customer Growth.** City staff provided a five-year forecast of new Equivalent Dwelling Units (EDUs) by SPA, ranging from 436 in FY 2015 to 854 FY 2019, with a dip to 174 in FY 2016. Growth beyond the five-year forecast was based on the five-year average.

- **Interest Earnings.** 0.50 percent in FY 2015 increasing to 1.00 percent by FY 2017 (based on discussion with City staff).

O&M Expenses

- **General Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- **Construction Cost Inflation.** 3.16 percent per year (based on five-year historical Engineering News Record Construction Cost Index data and discussion with City staff).
- **Labor Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- **Benefit Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- **Fuel Cost Inflation.** 4.75 percent per year (based on seven-year historical U.S. Energy Information Administration data and discussion with City staff).
- **Franchise in Lieu Payment.** Calculated based on 2.00 percent of annual rate revenue (based on discussion with City staff).
- **PILOT Assessments.** Calculated based on capital assets (with a two year lag to match the County Treasurer's calculation), Arizona Revised Statute (ARS) assessed valuation annual percentage adjusted for fiscal year calculation (decreasing from 18.75 percent in FY 2015 to 18.00 percent in FY 2017) and primary property tax rates (projected to match the FY 2014 value of 0.7783 percent, based on discussion with City staff).
- **Additional O&M Adjustments.** City staff provided planned future annual O&M adjustments for FY 2015 through FY 2019. Some of the more significant planned adjustments included:
  - 100 percent utilization of the Central Arizona Project (CAP) allocation ($951,000 increase in FY 2015).
  - Increase in electricity ($1.20 million in FY 2018 – FY 2019) and chemical supplies costs ($960,000 in FY 2018 – FY 2019) associated with projects, such as treatment upgrades, from the capital improvement program.
  - Additional full time employees (FTEs) and associated supplies ($309,000 in FY 2016).

Debt Service

- **Existing Debt.** There is currently no existing debt service associated with the water utility.
- **New Debt.** Two new debt issues totaling $47.50 million are anticipated to fund the capital improvement program, including SPA specific projects. New debt assumed using revenue bonds with a 20 year term, 5.25 to 5.50 percent interest, and 1.50 percent issuance cost.
  - $8.00 million revenue bond in FY 2016 for water capital asset replacement, SPA 1-16 inch water line, and site & security improvements.
  - $39.50 million revenue bond in FY 2020 for land purchases for multiple Regional WSFs, final phase of SPA 2 Asante WSF, SPA 1 Rancho Gabriela WSF, multiple SPA 1 wells, multiple SPA 2 water lines, and various other projects; although this bond is outside of the five-year focus, it is necessary to consider the effect it will have on rate increases.

System Reinvestment

- System reinvestment funding policies aim to ensure system integrity through reinvestment in capital infrastructure. There are a variety of funding benchmarks – utilities most commonly use annual depreciation expense to establish an annual funding provision, which for the City's water utility is approximately $2.95 to $3.34 million per year during the five-year period.

- As the water utility is not currently funding system reinvestment, and to minimize customer impacts, the proposed strategy envisions introducing funding at $700,000 per year in FY 2015 through FY 2019. Annual funding is intended to ultimately equal depreciation at a minimum in the future.

System Development Fees

All new customers connecting to the City's water system are required to pay an impact fee to "buy-in" to the capacity of the existing system. At the time of the completion of the study, the City was recalculating its impact fees to stay in compliance with the requirements of Arizona Revised Statutes 9-463.05, which go into effect August 1, 2014. The study assumed the use of the City's existing fees to estimate the annual level of revenues received.

At the time of the study, the City charged all new customers a SPA specific System Development Fee (SDF) and Replenishment SDF. Each SPA maintained a separate SDF Fund and Replenishment SDF Fund. The analysis assumes that revenues in these funds can only be used to:

- Pay for SPA specific growth related capital.
- Reimburse developers for large growth related capital assets constructed for general benefit.
- Reimburse the Operating Fund if SPA funds are insufficient to cover capital and the Operating Fund covers the deficiency for SPA specific capital projects.

In order to estimate the annual SPA specific impact fee revenues, SPA based growth in EDUs (provided by the City) are multiplied by the associated SDFs and Replenishment SDFs. Once the annual revenues are calculated, estimates for developer reimbursements (provided by the City) are deducted. The net impact fee revenues go into SPA specific funds.

B.2 Capital Funding Plan

The water utility is anticipating $27.14 million in capital costs in FY 2015 through FY 2019, with costs inflated at 3.16 percent per year to date of construction. Some of the more significant capital projects include water capital asset replacement, combined distribution system for Ashton and Rancho, SPA 1 16-inch water lines, and Resources SPA 1 effluent storage reservoir covers. The proposed capital funding strategy envisions using a mix of cash balances (including interest) from the Operations Fund, impact fees from the SPA Funds, rate funded system reinvestment, and revenue bonds to pay for planned projects. **Exhibit 3.1** provides a summary of the planned capital funding sources for the capital funding expenditures. A detailed capital plan can be found in the Technical Appendix.

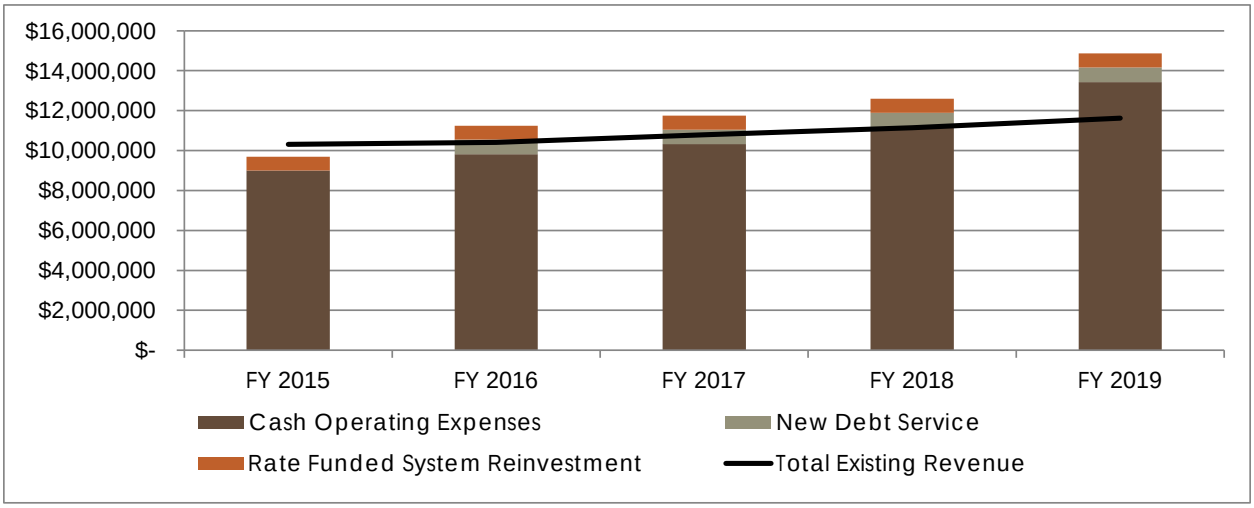
Exhibit 3.1: Water Capital Funding Summary

Funding Summary	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Capital Costs						
Operations Fund Capital	$ 2,510,267	$ 7,046,455	$ 3,709,936	$ 1,621,987	$ 2,773,445	$17,662,090
SPA Specific Capital	4,998,684	2,185,480	357,928	1,159,856	775,887	9,477,836
Total Capital Costs	**$ 7,508,951**	**$ 9,231,935**	**$ 4,067,864**	**$ 2,781,843**	**$ 3,549,332**	**$27,139,926**
Funding Sources						
Cap. Fund Cash Balances	$ 1,926,326	$ -	$ 3,119,730	$ 1,812,267	$ 2,073,445	$ 8,931,769
SPA Fund Cash Balances	4,882,625	549,164	248,134	269,576	775,887	6,725,386
Rate Funded Capital	700,000	682,771	700,000	700,000	700,000	3,482,771
Revenue Bonds	-	8,000,000	-	-	-	8,000,000
Total Capital Funding	**$ 7,508,951**	**$ 9,231,935**	**$ 4,067,864**	**$ 2,781,843**	**$ 3,549,332**	**$27,139,926**

B.3 Summary of Revenue Requirement

The operating forecast components of O&M expenses, debt service and rate funded system reinvestment come together to form the multi-year revenue requirement. The revenue requirement compares the overall revenue available to the water system to the expenses to evaluate the sufficiency of rates on an annual basis. **Exhibit 3.2** provides a summary of the water system revenue requirement findings. Details can be found in the Technical Appendix.

Exhibit 3.2: Water Utility Revenue Requirement Summary



Summary of water revenue requirement:

- Beginning in FY 2016, current rate revenue levels are not sufficient to meet existing water annual financial obligations; the annual existing rate deficiency is $798,000 in FY 2016 increasing to $3.12 million in FY 2019. Key drivers for the deficiency include:
  - New debt service of $726,000 beginning in FY 2016.
  - Rate funded system reinvestment is incorporated starting in FY 2015 at $700,000 and remains at that level through FY 2019.
  - Additional future O&M cost increases.
- To meet the total projected financial obligations of the water utility, rate increases are proposed at 8.25 percent per year in FY 2015 through FY 2019.
- With rate increase, water funds remain above or near target levels throughout the forecast period.

C. RATE DESIGN

The principal objective of the rate design stage is to implement water rate structures that collect the appropriate level of revenue. The recommended water rates were determined by applying the aggregate revenue adjustments across-the-board to the existing rate structure (equally to all rate components).

C.1 Existing Water Rates

The existing water rates are composed of a fixed monthly meter charge and a volume charge per 1,000 gallons of water usage. Meter charges are the same for all customer classes and vary by meter size. Volume charges are also the same for all customer classes, but vary based on potable or non-potable water usage.

Exhibit 3.3 provides a summary of the existing monthly water rates.

Exhibit 3.3: Existing Monthly Water Rates

Meter Charge	Existing FY 2014
5/8"	$ 19.39
3/4"	19.39
1"	25.20
1.5"	63.98
2"	102.75
3"	207.45
4"	329.59
6"	639.87
8"	1,033.49
Volume Charge	**FY 2014**
Potable	
0 - 10,000 Gallons	$ 1.60
10,001 - 20,000 Gallons	3.15
Over 20,000 Gallons	3.67
Non-Potable	
0 - 10,000 Gallons	1.28
10,001 - 20,000 Gallons	1.28
Over 20,000 Gallons	1.28

C.2 Proposed Water Rates

No rate structure changes were proposed for the water utility. Across the board adjustments – equal increases to the fixed meter charge and variable consumption charges – were implemented for all customer classes. **Exhibit 3.4** provides a summary of the proposed rates for the five-year rate period.

Exhibit 3.4: Proposed Monthly Water Rates

Meter Charge	Existing	Proposed Monthly Rates				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
5/8"	$ 19.39	$ 20.99	$ 22.72	$ 24.59	$ 26.62	$ 28.82
3/4"	19.39	20.99	22.72	24.59	26.62	28.82
1"	25.20	27.28	29.53	31.97	34.61	37.47
1.5"	63.98	69.26	74.97	81.16	87.86	95.11
2"	102.75	111.23	120.41	130.34	141.09	152.73
3"	207.45	224.56	243.09	263.14	284.85	308.35
4"	329.59	356.78	386.21	418.07	452.56	489.90
6"	639.87	692.66	749.80	811.66	878.62	951.11
8"	1,033.49	1,118.75	1,211.05	1,310.96	1,419.12	1,536.19
Volume Charge	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
Potable						
0 - 10,000 Gallons	$ 1.60	$ 1.73	$ 1.87	$ 2.02	$ 2.19	$ 2.37
10,001 - 20,000 Gallons	3.15	3.41	3.69	3.99	4.32	4.68
Over 20,000 Gallons	3.67	3.97	4.30	4.65	5.03	5.44
Non-Potable						
0 - 10,000 Gallons	1.28	1.39	1.50	1.62	1.75	1.89
10,001 - 20,000 Gallons	1.28	1.39	1.50	1.62	1.75	1.89
Over 20,000 Gallons	1.28	1.39	1.50	1.62	1.75	1.89

D. SUMMARY

The analysis described above concludes the rate study for the water utility. After performing a rate revenue analysis it was identified that the revenues at current levels are not sufficient to fund ongoing water system obligations. The shortfall is due to the planned additional O&M adjustments, increased debt service to fund the planned capital project costs, and the new rate funded system reinvestment funding to balance capital funding from rates and debt. As a result, annual increases of 8.25 percent are proposed in FY 2015 through FY 2019.

We recommend that the City revisit the study findings during the annual budget cycle to check that the assumptions used are still appropriate and no significant changes have occurred that would alter the results of the study. One of the key assumptions the City needs to monitor is assumed new growth connections in EDUs. Since growth assumptions impact the level of ongoing revenues as well as impact fee revenue, if growth assumptions deviate significantly from the figures used in the study, the City should recalibrate the analysis.

The detailed technical exhibits developed as part of the water rate study can be found at the end of this report in the Technical Appendix.

SECTION IV: WASTEWATER UTILITY

A. INTRODUCTION

The City of Surprise is the majority wastewater service provider in the Surprise Planning Area. Currently there are approximately 45,900 wastewater customers and a total wastewater treatment capacity of 18.3 MGD from two water reclamation facilities. The City owns and operates the majority of the wastewater infrastructure within its incorporated boundaries.

B. REVENUE REQUIREMENT

Similar to the water utility, a revenue requirement was completed for the wastewater utility and forms the basis for the long-range financial plan and multi-year financial management strategy.

B.1 Operating Forecast

The purpose of the operating forecast is to determine whether the existing rates and charges are sufficient to recover the costs the City incurs to operate, maintain and provide wastewater service. The FY 2014 and FY 2015 budget revenues and expenses formed the baseline for the forecast. Similar to the water utility, the forecast was developed for the FY 2015 through FY 2024 time period, with the focus of this report on the five-year rate setting period of FY 2015 through FY 2019. The following list highlights some of the key assumptions used in the development of the wastewater utility operating forecast.

Reserves

- **Operating Reserves.** A minimum of 60 days of O&M expenses ($1.86 million to $2.13 million, based on existing City target and industry standards).
- **Capital Contingency Target.** 2.00 percent of plant in service ($5.35 to $5.82 million, per discussion with City staff and industry standards).

Operating Revenue

- **Retail Rate Revenue.** Based on actual detailed customer accounts and usage statistics from the City's billing system for FY 2013.
- **Non Rate Revenue.** Non rate revenue is not currently in the forecast (based on budget provided by City).
- **Customer Growth.** City staff provided a five-year forecast of new EDUs by SPA, ranging from 1,065 in FY 2015 to 2,592 in FY 2019. Growth beyond the five-year forecast was based on the five-year average.
- **Interest Earnings.** 0.50 percent in FY 2015 increasing to 1.00 percent by FY 2017 (based on discussion with City staff).

O&M Expenses

- **General Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- **Construction Cost Inflation.** 3.16 percent per year (based on five-year historical Engineering News Record Construction Cost Index data and discussion with City staff).
- **Labor Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- **Benefit Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- **Fuel Cost Inflation.** 4.75 percent per year (based on seven-year historical U.S. Energy Information Administration data and discussion with City staff).
- **Franchise in Lieu Payment.** Calculated based on 2.00 percent of annual rate revenue (based on discussion with City staff).
- **PILOT Assessments.** Calculated based on capital assets (with a two year lag to match the County Treasurer's calculation), ARS assessed valuation annual percentage adjusted for fiscal year calculation (decreasing from 18.75 percent in FY 2015 to 18.00 percent in FY 2017) and primary property tax rates (projected to match the FY 2014 value of 0.7783 percent, based on discussion with City staff).
- **Additional O&M Adjustments.** City staff provided planned future annual O&M adjustments for FY 2015 through FY 2019. Some of the more significant planned adjustments included:
  - Increase in chemical supplies costs ($250,000 in FY 2015).
  - Additional full time employees (FTEs) and associated supplies ($114,000 in FY 2017).

Debt Service

- **Existing Debt.** The wastewater utility currently has two Municipal Property Corporation (MPC) revenue bonds. The annual average debt service payment is $3.48 million in FY 2015 through FY 2019, not including the balloon payment in FY 2017 of $10.13 million due to the shape of the loan amortization schedule. The existing amortization schedule contains additional balloon payments of $16.41 million in FY 2022 and $26.23 million in FY 2032.
  - Both debt issues are associated with SPA 1 infrastructure and are being paid out of the SPA 1 fund. If the SPA 1 fund does not have sufficient revenue, the Operating Fund pays for the annual deficiency and gets repaid when revenues are available.
  - The MPC loans have a minimum reserve requirement of $4.00 million to be maintained up to 2.00 percent of plant in service. The analysis tracks annual asset additions and increases the reserve balance as necessary through additional Operating Fund transfers.
  - MPC revenue bonds contain coverage requirements for senior debt of 1.20 and 1.00 for MPC 2007 issue.
- **New Debt.** No new debt is assumed in the forecast period.

System Reinvestment

- System reinvestment funding policies aim to ensure system integrity through reinvestment in capital infrastructure. There are a variety of funding benchmarks – utilities most commonly use annual depreciation expense to establish an annual funding provision, which for the City's wastewater utility is approximately $7.26 to $7.73 million per year during the five-year period.

- Since the wastewater utility is not currently funding system reinvestment, the proposed strategy envisions introducing funding at $4.60 million in FY 2015 increasing up to $6.30 million in FY 2019. Annual funding is intended to ultimately equal depreciation at a minimum in the future.

System Development Fees

As discussed in the water utility section, all new customers connecting to the City's wastewater system are required to pay an impact fee to "buy-in" to the capacity of the existing system. At the time of the completion of the study, the City was in the process of reassessing its impact fees to stay in compliance with the requirements of Arizona Revised Statutes 9-463.05, which go into effect August 1, 2014. The study assumed the use of the City's existing fees to estimate the annual level of revenues received.

At the time of the study, the City charged all new customers a SPA specific SDF. Each SPA maintained a separate SDF Fund. The analysis assumes that revenues in the funds can only be used to:

- Pay for SPA specific growth related capital.
- Reimburse developers for large growth related capital assets constructed for general benefit.
- Reimburse the Operating Fund if SPA funds are insufficient to cover capital and debt, and the Operating Fund covers the deficiency.

In order to estimate the annual SPA specific impact fee revenues, SPA based growth in EDUs (provided by the City) is multiplied by the associated SDF. Once the annual revenues are calculated, estimates for developer reimbursements (provided by the City) are deducted. The net impact fee revenues go into SPA specific funds.

It should be noted that the annual growth projections generated approximately three times more impact fee revenues than has been achieved in the last three years. If this growth trend does not materialize, the rate study assumptions should be revisited and recalibrated.

B.2 Capital Funding Plan

The wastewater utility is anticipating $32.49 million in capital costs in FY 2015 through FY 2019, with costs inflated at 3.16 percent per year to date of construction. In addition to the capital costs, SPA 1 has to fund $24.06 million in MPC debt. The total combined capital improvement program and MPC debt payment schedule coming out of the Operating and SPA Funds is anticipated to be $56.55 million in FY 2015 through FY 2019. Some of the more significant capital projects include SPA 1 WRF north entrance gate and block wall, SPA 1 influent line hydraulic rehabilitation, Litchfield Road, and wastewater capital asset replacement. The proposed capital funding strategy envisions using a mix of cash balances (including interest) from the Operating Fund, impact fees from the SPA Funds and rate funded system reinvestment. **Exhibit 4.1** provides a summary of the planned capital funding sources for the capital funding expenditures. A detailed capital plan can be found in the Technical Appendix.

Exhibit 4.1: Wastewater Capital Funding Summary

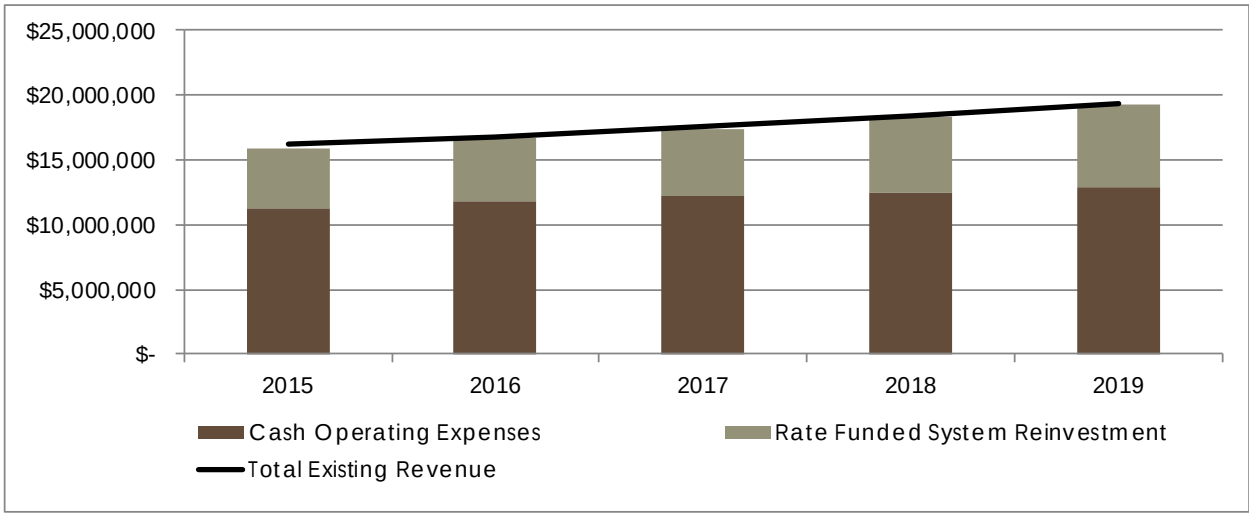
Funding Summary	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Capital Costs						
Operations Fund Capital	$ 5,789,226	$10,570,125	$ 5,437,124	$ 523,748	$ 1,798,796	$24,119,018
SPA Specific Capital	2,991,742	319,281	-	798,534	4,259,199	8,368,756
Subtotal	**$ 8,780,968**	**$10,889,406**	**$ 5,437,124**	**$ 1,322,282**	**$ 6,057,994**	**$32,487,774**
MPC Bond Payment	3,630,113	3,625,613	10,127,466	3,335,344	3,340,645	24,059,181
Total Capital Costs	**$12,411,080**	**$14,515,019**	**$15,564,590**	**$ 4,657,626**	**$ 9,398,640**	**$56,546,954**
Funding Sources						
Cap. Fund Cash Balances	$ 4,083,987	$ 3,837,959	$ 2,877,925	$ 3,335,344	$ 3,340,645	$17,475,860
SPA Fund Cash Balances	3,727,094	5,877,060	7,486,664	798,534	7,292,648	25,182,000
Rate Funded Capital	4,600,000	4,800,000	5,200,000	523,748	(1,234,653)	13,889,094
Total Capital Funding	**$12,411,080**	**$14,515,019**	**$15,564,590**	**$ 4,657,626**	**$ 9,398,640**	**$56,546,954**

Notes: SPA balances include repayments to the Operating Fund.

B.3 Summary of Revenue Requirement

The operating forecast components of O&M expenses, debt service and rate funded system reinvestment come together to form the multi-year revenue requirement. The revenue requirement compares the overall revenue available to the wastewater system to the expenses to evaluate the sufficiency of rates. **Exhibit 4.2** provides a summary of the wastewater system revenue requirement findings.

Exhibit 4.2: Wastewater Utility Revenue Requirement Summary



Notes: Existing debt is paid for by the SPA 1 Fund.

Summary of wastewater revenue requirement:

- Current revenue levels are sufficient to meet existing wastewater annual financial obligations throughout the forecast.
- The wastewater utility is expected to meet its minimum balance and bond coverage requirements in every year of the study period.

C. RATE DESIGN

As discussed in the water utility section, the principal objective of the rate design stage is to implement rate structures that collect the appropriate level of revenue as outlined by the revenue requirement.

C.1 Existing Wastewater Rates

The existing wastewater rates vary by class. All customers pay a monthly base service charge. Commercial customers also pay a volume charge per 1,000 gallons that varies by business type. **Exhibit 4.3** provides a summary of the existing monthly wastewater rates.

Exhibit 4.3: Existing Monthly Wastewater Rates

Class	Existing FY 2014
Single Family	$ 24.78
Multi-Family	21.77
RV Resort	12.47
Commercial	2.63
Volume Charge	**FY 2014**
Commercial Business Type	
Bakeries	$ 6.24
Bars w/ Dining	4.98
Bars w/o Dining	3.23
Carwash	2.68
Garage & Service Stations	3.39
Hospitals	3.12
Laundromats	2.90
Medical Offices	3.12
Professional Office	2.74
Restaurants	6.24
Schools	2.79
Other	3.01

Notes: Prepayment discount available.
Strength based rates available for Comm. customers exceeding 150 parts per million of BOD or TSS.

C.2 Proposed Wastewater Rates

No rate structure changes were proposed at this time for the wastewater system. **Exhibit 4.4** provides a summary of monthly wastewater rates for the five-year study period.

Exhibit 4.4: Proposed Monthly Wastewater Rates

Class	Existing	Proposed Monthly Rates				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Single Family	$ 24.78	$ 24.78	$ 24.78	$ 24.78	$ 24.78	$ 24.78
Multi-Family	21.77	21.77	21.77	21.77	21.77	21.77
RV Resort	12.47	12.47	12.47	12.47	12.47	12.47
Commercial	2.63	2.63	2.63	2.63	2.63	2.63
Volume Charge	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
Commercial Business Type						
Bakeries	$ 6.24	$ 6.24	$ 6.24	$ 6.24	$ 6.24	$ 6.24
Bars w/ Dining	4.98	4.98	4.98	4.98	4.98	4.98
Bars w/o Dining	3.23	3.23	3.23	3.23	3.23	3.23
Carwash	2.68	2.68	2.68	2.68	2.68	2.68
Garage & Service Stations	3.39	3.39	3.39	3.39	3.39	3.39
Hospitals	3.12	3.12	3.12	3.12	3.12	3.12
Laundromats	2.90	2.90	2.90	2.90	2.90	2.90
Medical Offices	3.12	3.12	3.12	3.12	3.12	3.12
Professional Office	2.74	2.74	2.74	2.74	2.74	2.74
Restaurants	6.24	6.24	6.24	6.24	6.24	6.24
Schools	2.79	2.79	2.79	2.79	2.79	2.79
Other	3.01	3.01	3.01	3.01	3.01	3.01

Notes: Prepayment discount available.
Strength based rates available for Commercial customers exceeding 150 parts per million of BOD and TSS.

D. SUMMARY

The analysis described above concludes the wastewater utility rate study. After performing a rate revenue analysis it appears that existing rate levels are sufficient to meet total wastewater obligations including operating and capital expenses. The City should monitor key assumptions such as growth in new connections, which impact the increase in existing rate revenues and impact fee revenues on an annual basis. In addition, the City needs to continue accumulating reserve balances to pay for existing debt balloon payments in FY 2022 and FY 2032.

We recommend that the City regularly monitor the financial status of the wastewater utility during the annual budget cycle, adjusting the rate strategy as needed to maintain rates that are adequate to meet the wastewater utility's financial needs. The City needs to complete a pretreatment update, review and incorporate standards for biochemical oxygen demand (BOD) and total suspended solids (TSS) in the next rate study.

The detailed exhibits developed as part of the wastewater rate study can be found in the Technical Appendix at the end of this report.

SECTION V: SANITATION UTILITY

A. INTRODUCTION

The City's sanitation department provides weekly residential curbside garbage and recycling services. Additional services available include household "bulk trash" collection for all residential customers, semi-annual household hazardous waste collection events for all City residents, Christmas tree disposal service, moving box pickup service, and illegal dumping cleanup. There are also four public recycling drop-off locations throughout the City. In 2013, the City won the Voice of the People Award for Excellence in Garbage Collection Services.

B. REVENUE REQUIREMENT

Similar to the other utilities, a revenue requirement was completed for the sanitation utility and forms the basis for the long-range financial plan and multi-year financial management strategy.

B.1 Operating Forecast

The purpose of the operating forecast is to determine whether the existing rates and charges are sufficient to recover the costs the City incurs to operate, maintain, and provide sanitation service. The FY 2014 and FY 2015 budget formed the baseline for this forecast. As discussed in the water and wastewater sections, the forecast was developed for the FY 2015 through FY 2024 time period, with the focus of this report on the five-year rate setting period FY 2015 through FY 2019. The following list highlights some of the key assumptions used in the development of the sanitation operating forecast.

Reserves

- **Operating Reserves.** A minimum of 60 days of O&M expenses ($1.09 million to $1.30 million, based on existing City target).

Operating Revenue

- **Retail Rate Revenue.** Consists of FY 2014 budgeted service/collection fee revenue, escalated with customer growth (based on budget provided by City).
- **Non Rate Revenue.** Consists of sanitation roll off fees and sale of recycled material (based on budget provided by City).
- **Customer Growth.** City staff provided a five-year forecast of new EDUs by SPA, ranging from 1,065 in FY 2015 to 2,592 in FY 2019. Growth beyond the five-year forecast was based on the five-year average.
- **Interest Earnings.** 0.50 percent in FY 2015 increasing to 1.00 percent by FY 2017 (based on discussion with City staff).

O&M Expenses

- **General Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- **Construction Cost Inflation.** 3.16 percent per year (based on five-year historical Engineering News Record Construction Cost Index data and discussion with City staff).
- **Labor Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- **Benefit Cost Inflation.** 3.00 percent per year (based on discussion with City staff).
- **Fuel Cost Inflation.** 4.75 percent per year (based on seven-year historical U.S. Energy Information Administration data and discussion with City staff).
- **Franchise in Lieu Payment.** $1,000 increase per each new vehicle added (based on discussion with City staff).
- **PILOT Assessments.** Calculated based on capital assets (with a two year lag to match the County Treasurer's calculation), ARS assessed valuation annual percentage adjusted for fiscal year calculation (decreasing from 18.75 percent in FY 2015 to 18.00 percent in FY 2017) and primary property tax rates (projected to match the FY 2014 value of 0.7783 percent, based on discussion with City staff).
- **Additional O&M Adjustments.** City staff provided planned future annual O&M adjustments for FY 2015 through FY 2019. Some of the more significant planned adjustments included:
  - New collection and recycling container purchases ($103,000 in FY 2017).
  - Gas, supplies and truck maintenance from additional truck purchases ($183,000 in FY 2015 – FY 2019).
  - Additional full time employees (FTEs) and associated supplies ($349,000 in FY 2015 – FY 2019).

Debt Service

- **Existing Debt.** The sanitation utility does not currently have any debt service.
- **New Debt.** No new debt is assumed in the forecast period.

Vehicle and Equipment Funding

- Similar to the system reinvestment funding concept discussed in the water and wastewater sections annual vehicle and equipment funding policies aim to ensure sufficiency of funds on an annual basis to replace aging vehicles and equipment stocks. By incorporating a level annual target amount to be funded through rates the City can smooth rate impacts during peak replacement years.
- After reviewing the City's current vehicle and equipment schedule, it appears that the average annual expense is $2.00 million. The proposed strategy in this study incorporates annual vehicle and equipment replacement funding at $400,000 in FY 2015 increasing to $1.30 million by FY 2019. This is intended to ultimately increase to equal the average annual expense of $2.00 million per year.

B.2 Capital Funding Plan

The sanitation utility is anticipating $11.36 million in equipment and vehicle replacement as well as capital costs in FY 2015 through FY 2019, with costs inflated 3.16 percent per year to date of construction. Some of the more significant costs include operations vehicle purchases, compressed

natural gas (CNG) fueling station, and sanitation fund's share of the north public works yard. Funding for the capital identified is covered by cash balances (including interest) and capital/equipment reserve funding from rates. No additional funding appears to be necessary. **Exhibit 5.1** provides a summary of the funding sources for the capital/equipment expenditures. A detailed capital plan can be found in the Technical Appendix.

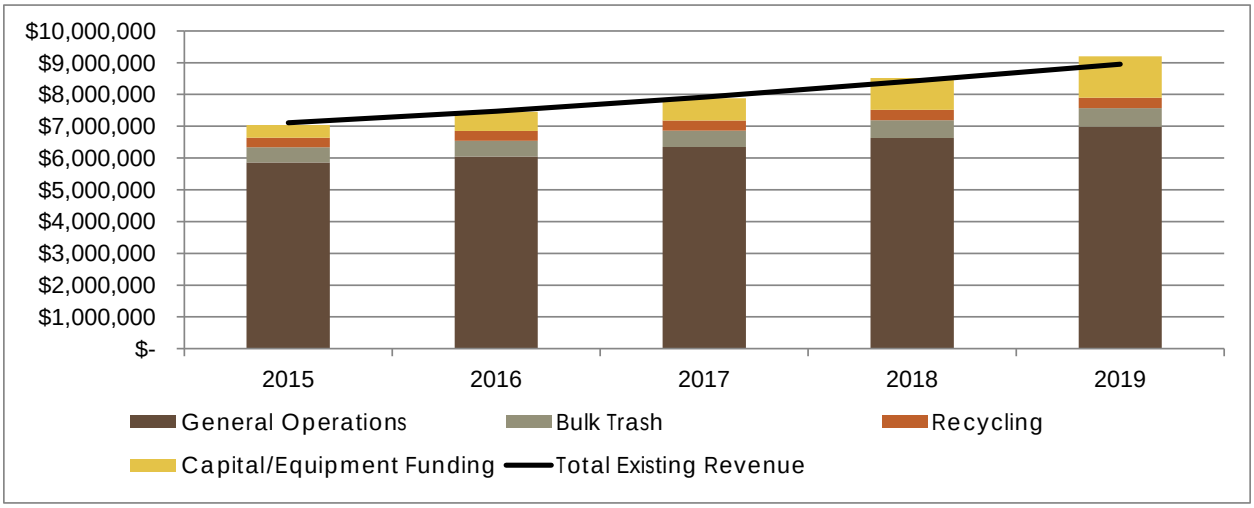
Exhibit 5.1: Sanitation Capital Funding Summary

Funding Summary	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Total Capital Costs	**$ 2,465,608**	**$ 4,750,160**	**$ 900,823**	**$ 512,840**	**$ 2,729,706**	**$11,359,136**
Funding Sources						
Cash Balances	$ 2,065,608	$ 4,150,160	$ 200,823	$ -	$ 1,429,706	$ 7,846,296
Vehicle/Equip. Funding	400,000	600,000	700,000	512,840	1,300,000	3,512,840
Total Capital Funding	**$ 2,465,608**	**$ 4,750,160**	**$ 900,823**	**$ 512,840**	**$ 2,729,706**	**$11,359,136**

B.3 Summary of Revenue Requirement

The operating forecast for the sanitation utility includes the costs associated with general operations, bulk trash, recycling, and vehicle/equipment funding. All expenses come together to form the multi-year revenue requirement. The revenue requirement compares the overall revenue available to the sanitation utility to the expenses to evaluate the sufficiency of rates on an annual basis. **Exhibit 5.2** provides a summary of the sanitation operation revenue requirement findings. Details can be found in the Technical Appendix.

Exhibit 5.2: Sanitation Revenue Requirement Summary



Summary of sanitation revenue requirement:

- Revenues at current levels are sufficient to meeting existing obligations through FY 2017.
- Beginning in FY 2018, current rate revenue levels are not sufficient to meet existing sanitation annual financial obligations; the annual rate deficiency begins at $92,000 in FY 2018 increasing to $249,000 in FY 2019. Key drivers for the deficiency include:
  - Vehicle and equipment funding from rates begins in FY 2015 at $400,000 and increases to $1.30 million in FY 2019.
  - Additional future O&M cost increases.

- To meet the total projected financial obligations of the sanitation utility, rate increases are proposed at 2.00 percent in FY 2019.
- The sanitation operations fund balance remains above or near the 60 day target level during the rate setting period.

C. RATE DESIGN

The sanitation rate design is fairly straightforward. Unlike other operations that charge a combination of fixed and variable charges, all sanitation charges are recovered per garbage can.

C.1 Existing Sanitation Rates

The existing sanitation rates are composed of a fixed monthly charge per garbage can. The City currently has only one customer class for sanitation rates. **Exhibit 5.3** shows the existing monthly sanitation rate.

Exhibit 5.3: Existing Monthly Sanitation Rates

Monthly Base Rate	Existing FY 2014
Per Garbage Can	$ 16.63

Note: Recycling service is included in sanitation rate

C.2 Proposed Sanitation Rates

No rate structure changes were proposed for the sanitation utility. The rate increases are applied equally to each garbage can. **Exhibit 5.4** provides a summary of the proposed rates for the five-year rate period.

Exhibit 5.4: Proposed Monthly Sanitation Rates

Monthly Base Rate	Existing	Proposed Monthly Rates				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Per Garbage Can	$ 16.63	$ 16.63	$ 16.63	$ 16.63	$ 16.63	$ 16.96

Note: Recycling service is included in sanitation rate

D. SUMMARY

The analysis described above concludes the rate study for the sanitation utility. After performing a rate revenue analysis it was identified that the revenues at current levels are not sufficient to fund ongoing sanitation system obligations. As a result, a rate increase of 2.00 percent is proposed in FY 2019. The City should monitor key assumptions such as growth in new connections, which impacts the increase in existing rate revenues on an annual basis.

We recommend that the City revisit the study findings during the annual budget cycle to check that the assumptions used are still appropriate and no significant changes have occurred that would alter the results of the study. The City should use the study findings as a living document, continuously comparing the study outcomes to actual revenues and expenses. Any significant or unexpected changes will require adjustments to the rate strategy proposed.

The detailed technical exhibits developed as part of the sanitation study can be found in the Technical Appendix.

TECHNICAL APPENDIX: WATER FUND

City of Surprise
Water Utility Rate Study
Summary

Revenue Requirement	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenues											
Rate Revenues Under Existing Rates	$ 10,020,500	$ 10,262,991	$ 10,358,476	$ 10,715,787	$ 11,068,330	$ 11,546,697	$ 11,903,077	$ 12,259,456	$ 12,615,835	$ 12,972,214	$ 13,328,594
Non-Rate Revenues	66,500	52,832	57,586	71,473	73,844	77,337	82,615	121,750	124,246	126,818	129,448
Total Revenues	**$ 10,087,000**	**$ 10,315,823**	**$ 10,416,062**	**$ 10,787,260**	**$ 11,142,175**	**$ 11,624,034**	**$ 11,985,692**	**$ 12,381,206**	**$ 12,740,081**	**$ 13,099,032**	**$ 13,458,042**
Expenses											
Cash Operating Expenses	$ 8,204,000	$ 8,977,788	$ 9,788,150	$ 10,267,802	$ 11,085,740	$ 13,322,945	$ 13,847,615	$ 14,392,573	$ 14,983,200	$ 15,609,956	$ 16,217,549
Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	726,006	726,006	726,006	726,006	4,393,218	4,393,218	4,393,218	4,393,218	4,393,218
Rate Funded System Reinvestment	-	700,000	700,000	700,000	700,000	700,000	700,000	1,500,000	2,300,000	2,800,000	3,200,000
Total Expenses	**$ 8,204,000**	**$ 9,677,788**	**$ 11,214,156**	**$ 11,693,808**	**$ 12,511,746**	**$ 14,748,951**	**$ 18,940,833**	**$ 20,285,791**	**$ 21,676,418**	**$ 22,803,174**	**$ 23,810,767**
Net Surplus (Deficiency)	**$ 1,883,000**	**$ 638,035**	**$ (798,094)**	**$ (906,548)**	**$ (1,369,571)**	**$ (3,124,917)**	**$ (6,955,142)**	**$ (7,904,585)**	**$ (8,936,336)**	**$ (9,704,142)**	**$ (10,352,725)**
Additions to Meet Coverage	-	-	-	-	-	-	-	-	-	-	-
Total Surplus (Deficiency)	**$ 1,883,000**	**$ 638,035**	**$ (798,094)**	**$ (906,548)**	**$ (1,369,571)**	**$ (3,124,917)**	**$ (6,955,142)**	**$ (7,904,585)**	**$ (8,936,336)**	**$ (9,704,142)**	**$ (10,352,725)**
% of Rate Revenue	**0.00%**	**0.00%**	**7.70%**	**8.46%**	**12.37%**	**27.06%**	**58.43%**	**64.48%**	**70.83%**	**74.81%**	**77.67%**
Annual Rate Adjustment	**0.00%**	**8.25%**	**8.25%**	**8.25%**	**8.25%**	**8.25%**	**8.25%**	**4.00%**	**4.00%**	**2.00%**	**2.00%**
Cumulative Annual Rate Adjustment	**0.00%**	**8.25%**	**17.18%**	**26.85%**	**37.31%**	**48.64%**	**60.90%**	**67.34%**	**74.03%**	**77.51%**	**81.06%**
Rate Revenues After Rate Increase	$ 10,020,500	$ 11,109,687	$ 12,138,127	$ 13,592,765	$ 15,198,255	$ 17,163,162	$ 19,152,552	$ 20,515,021	$ 21,955,843	$ 23,027,585	$ 24,133,415
Additional Taxes from Rate Increase	$ -	$ 16,934	$ 35,593	$ 57,540	$ 82,598	$ 112,329	$ 144,990	$ 165,111	$ 186,800	$ 201,107	$ 216,096
Net Cash Flow After Rate Increase	**1,883,000**	**1,467,797**	**945,964**	**1,912,890**	**2,677,755**	**2,379,219**	**149,345**	**185,869**	**216,871**	**150,121**	**236,000**
Coverage After Rate Increases	**n/a**	**n/a**	**4.09**	**5.70**	**6.84**	**6.74**	**1.45**	**1.70**	**1.84**	**1.94**	**2.07**
Sample Residential Monthly Bill*	**$ 33.79**	**$ 36.58**	**$ 39.60**	**$ 42.87**	**$ 46.41**	**$ 50.24**	**$ 54.38**	**$ 56.56**	**$ 58.82**	**$ 60.00**	**$ 61.20**
Monthly Average Increase ($)	$ -	$ 2.79	$ 3.02	$ 3.27	$ 3.54	$ 3.83	$ 4.14	$ 2.18	$ 2.26	$ 1.18	$ 1.20

*3/4 Meter, 9,000 Gallons Potable

City of Surprise
Water Utility Rate Study
Summary

Fund Balance	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
WATER OPERATIONS FUND											
Beginning Balance	$ 2,673,144	$ 1,348,603	$ 1,475,801	$ 1,609,011	$ 1,687,858	$ 1,822,313	$ 2,190,073	$ 2,276,320	$ 2,365,902	$ 2,462,992	$ 2,566,020
plus: Net Cash Flow after Rate Increase	1,883,000	1,467,797	945,964	1,912,890	2,677,755	2,379,219	149,345	185,869	216,871	150,121	236,000
less: Transfer of Surplus to Capital Fund	(3,207,542)	(1,340,599)	(812,753)	(1,834,043)	(2,543,300)	(2,011,459)	(63,097)	(96,287)	(119,782)	(47,093)	(136,122)
Ending Balance	**$ 1,348,603**	**$ 1,475,801**	**$ 1,609,011**	**$ 1,687,858**	**$ 1,822,313**	**$ 2,190,073**	**$ 2,276,320**	**$ 2,365,902**	**$ 2,462,992**	**$ 2,566,020**	**$ 2,665,899**
Target Balance	*$ 1,348,603*	*$ 1,475,801*	*$ 1,609,011*	*$ 1,687,858*	*$ 1,822,313*	*$ 2,190,073*	*$ 2,276,320*	*$ 2,365,902*	*$ 2,462,992*	*$ 2,566,020*	*$ 2,665,899*
Days	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*
OPERATIONS FUND - CAPITAL PORTION											
Beginning Balance	$ -	$ 3,176,947	$ 2,607,105	$ 3,456,640	$ 2,205,520	$ 2,958,607	$ 4,166,653	$ 27,645,373	$ 255,685	$ 148,025	$ 3,532,554
plus: Rate Funded System Reinvestment	-	700,000	700,000	700,000	700,000	700,000	700,000	1,500,000	2,300,000	2,800,000	3,200,000
plus: Transfers from Operating Fund	3,207,542	1,340,599	812,753	1,834,043	2,543,300	2,011,459	63,097	96,287	119,782	47,093	136,122
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from SPA Funds for Deficit Repayment	-	-	-	-	-	1,240,446	61,276	-	56,266	880,074	880,074
plus: System Development Fee - Dual Water	-	-	-	-	-	-	-	-	-	-	-
plus: Net Debt Proceeds Available for Projects	-	-	8,000,000	-	-	-	39,500,000	-	-	-	-
plus: Interest Earnings	-	15,885	19,553	34,566	22,055	29,586	41,667	276,454	2,557	1,480	35,326
Total Funding Sources	**$ 3,207,542**	**$ 5,233,431**	**$ 12,139,411**	**$ 6,025,250**	**$ 5,470,875**	**$ 6,940,099**	**$ 44,532,693**	**$ 29,518,113**	**$ 2,734,289**	**$ 3,876,672**	**$ 7,784,075**
less: Capital Expenditures	-	(2,510,267)	(7,046,455)	(3,709,936)	(1,621,987)	(2,773,445)	(6,849,843)	(2,173,822)	(608,117)	(344,118)	(3,939,869)
less: Transfers to SPA Funds	(30,595)	(116,059)	(1,636,316)	(109,794)	(890,280)	-	(10,037,477)	(27,088,606)	(1,978,147)	-	-
Ending Working Capital Balance	**$ 3,176,947**	**$ 2,607,105**	**$ 3,456,640**	**$ 2,205,520**	**$ 2,958,607**	**$ 4,166,653**	**$ 27,645,373**	**$ 255,685**	**$ 148,025**	**$ 3,532,554**	**$ 3,844,205**
Minimum Target Balance	*$ 2,058,053*	*$ 2,208,232*	*$ 2,392,871*	*$ 2,474,228*	*$ 2,529,865*	*$ 2,600,851*	*$ 3,039,698*	*$ 3,700,003*	*$ 3,781,803*	*$ 3,788,686*	*$ 3,867,483*
COMBINED BEGINNING BALANCE	**$ 2,673,144**	**$ 4,525,549**	**$ 4,082,906**	**$ 5,065,651**	**$ 3,893,378**	**$ 4,780,921**	**$ 6,356,726**	**$ 29,921,693**	**$ 2,621,587**	**$ 2,611,017**	**$ 6,098,574**
COMBINED ENDING BALANCE	**$ 4,525,549**	**$ 4,082,906**	**$ 5,065,651**	**$ 3,893,378**	**$ 4,780,921**	**$ 6,356,726**	**$ 29,921,693**	**$ 2,621,587**	**$ 2,611,017**	**$ 6,098,574**	**$ 6,510,104**

City of Surprise
Water Utility Rate Study
Summary

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water System Dev Fee Fund SPA 1											
Beginning Balance	$ 3,670,905	$ 3,307,105	$ 2,623,605	$ 2,141,751	$ 2,820,751	$ 3,288,179	$ 3,755,405	$ 2,946,493	$ 1,679,758	$ 2,593,122	$ 4,195,582
Ending Balance	$ 3,307,105	$ 2,623,605	$ 2,141,751	$ 2,820,751	$ 3,288,179	$ 3,755,405	$ 2,946,493	$ 1,679,758	$ 2,593,122	$ 4,195,582	$ 5,814,066
Amount Owed to Capital Fund	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Water System Dev Fee Fund SPA 2											
Beginning Balance	$ 5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 13,463*	*$ 129,522*	*$ 1,765,838*	*$ 1,765,838*	*$ 1,806,614*	*$ 566,169*	*$ 10,603,646*	*$ 26,556,072*	*$ 28,534,219*	*$ 27,710,411*	*$ 26,886,602*
Water System Dev Fee Fund SPA 3											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 114,764*	*$ 964,268*	*$ 964,268*	*$ 908,002*	*$ 12,044,183*	*$ 11,987,918*	*$ 11,931,652*	*$ 11,875,386*
Water System Dev Fee Fund SPA 4											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*
Water System Dev Fee Fund SPA 5											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*
Water System Dev Fee Fund SPA 6											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*
Water Resources System Dev SPA 1											
Beginning Balance	$ 3,673,893	$ 4,002,493	$ 1,309,087	$ 1,370,268	$ 2,360,610	$ 3,148,515	$ 4,076,758	$ 3,159,310	$ 4,040,893	$ 4,931,291	$ 5,830,594
Ending Balance	$ 4,002,493	$ 1,309,087	$ 1,370,268	$ 2,360,610	$ 3,148,515	$ 4,076,758	$ 3,159,310	$ 4,040,893	$ 4,931,291	$ 5,830,594	$ 6,738,889
Amount Owed to Capital Fund	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Water Resources System Dev SPA 2											
Beginning Balance	$ 350,469	$ 347,069	$ 401,474	$ 519,529	$ 657,888	$ 871,399	$ 1,214,090	$ 1,394,588	$ 1,576,891	$ 1,761,017	$ 1,946,984
Ending Balance	$ 347,069	$ 401,474	$ 519,529	$ 657,888	$ 871,399	$ 1,214,090	$ 1,394,588	$ 1,576,891	$ 1,761,017	$ 1,946,984	$ 2,134,811
Amount Owed to Capital Fund	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Water Resources System Dev SPA 3											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,489	$ 18,052	$ 29,732	$ 41,528
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,489	$ 18,052	$ 29,732	$ 41,528	$ 53,442
Amount Owed to Capital Fund	*$ 5,010*	*$ 5,010*	*$ 5,010*	*$ 5,010*	*$ 5,010*	*$ 5,010*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Water Resources System Dev SPA 4											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*

City of Surprise
Water Utility Rate Study
Summary

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water Resources System Dev SPA 5											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*	*$ 5,011*
Water Resources System Dev SPA 6											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 4,763*	*$ 4,763*	*$ 4,763*	*$ 4,763*	*$ 4,763*	*$ 4,763*	*$ 4,763*	*$ 4,763*	*$ 4,763*	*$ 4,763*	*$ 4,763*

City of Surprise
Water Utility Rate Study
Assumptions

July 2013 - June 2014

Economic & Financial Factors	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1 General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2 Construction Cost Inflation	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%
3 Labor Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4 Benefit Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5 Customer Growth	0.90%	2.42%	0.93%	3.45%	3.29%	4.32%	3.09%	2.99%	2.91%	2.82%	2.75%
6 General Inflation plus Growth	3.93%	5.49%	3.96%	6.55%	6.39%	7.45%	6.18%	6.08%	5.99%	5.91%	5.83%
7 No Escalation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 PILOT	8.89%	-7.90%	-1.61%	5.83%	8.36%	3.40%	2.25%	2.81%	16.87%	21.72%	2.21%
9 Franchise In Lieu Payment	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
10 Fuel Cost Escalation	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
11 [Extra]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fund Earnings	0.25%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Local / State Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Accounting Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FISCAL POLICY RESTRICTIONS												
Min. Op. Fund Balance (days of O&M expense)		60	60	60	60	60	60	60	60	60	60	60
Max. Op. Fund Balance (days of O&M expense)		60	60	60	60	60	60	60	60	60	60	60
Minimum Capital Fund Balance Target												
Select Minimum Capital Fund Balance Target	1	**Defined as % of Plant**										
1 - Defined as % of Plant												
Plant-in-Service in 2013	$ 101,793,149											
Minimum Capital Fund Balance - % of plant assets		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 - Amount at Right ==>		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RATE FUNDED SYSTEM REINVESTMENT												
Select Reinvestment Funding Strategy	3	**User Input**										
Amount of Annual Cash Funding from Rates												
1 - Equal to Annual Depreciation Expense		$ 2,800,529	$ 2,950,708	$ 3,134,878	$ 3,214,150	$ 3,269,787	$ 3,338,717	$ 3,771,753	$ 4,432,057	$ 4,513,858	$ 4,520,740	$ 4,599,538
2 - Equal to Depreciation less Annual Debt Principal Payments		2,800,529	2,950,708	2,873,964	2,939,537	2,980,757	3,034,513	2,194,719	2,769,087	2,760,267	2,671,588	2,649,615
3 - Equal to Amount at Right ==>		-	700,000	700,000	700,000	700,000	700,000	700,000	1,500,000	2,300,000	2,800,000	3,200,000
4 - Do Not Fund Depreciation			1,467,797	945,964	1,912,890	2,677,755	2,379,219	149,345	185,869	216,871	150,121	236,000

City of Surprise
Water Utility Rate Study
Assumptions

July 2013 - June 2014

Capital Financing Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
System Development Fee (SDF)												
Drinking Water SDF in SPA 1	$ 3,895	$ 3,895	$ 3,895	$ 3,895	$ 3,895	$ 3,895	$ 3,895	$ 3,895	$ 3,895	$ 3,895	$ 3,895	$ 3,895
Drinking Water SDF in SPA 2	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895
Drinking Water SDF in SPA 3	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895
Water Replenishment SDF in SPA 1	$ 2,100	$ 2,100	$ 2,100	$ 2,100	$ 2,100	$ 2,100	$ 2,100	$ 2,100	$ 2,100	$ 2,100	$ 2,100	$ 2,100
Water Replenishment SDF in SPA 2	796	796	796	796	796	796	796	796	796	796	796	796
Water Replenishment SDF in SPA 3	796	796	796	796	796	796	796	796	796	796	796	796
Dual Water SDF	$ 3,923	$ 3,923	$ 3,923	$ 3,923	$ 3,923	$ 3,923	$ 3,923	$ 3,923	$ 3,923	$ 3,923	$ 3,923	$ 3,923
Drinking Water SDF - SPA 1												
Total Equivalent Dwelling Units (Estimate)		16,493	16,856	16,880	17,345	17,709	18,136	18,541	18,946	19,350	19,755	20,160
Additional Equivalent Dwelling Units Per Year		339	363	24	465	364	427	405	405	405	405	405
Drinking Water SDF - SPA 1 Revenue		$ 1,320,800	$ 1,413,816	$ 95,266	$ 1,811,434	$ 1,417,593	$ 1,663,271	$ 1,576,528	$ 1,576,528	$ 1,576,528	$ 1,576,528	$ 1,576,528
Drinking Water SDF - SPA 1 Revenue to City		$ 660,400	$ 706,908	$ 47,633	$ 905,717	$ 708,796	$ 831,636	$ 1,576,528	$ 1,576,528	$ 1,576,528	$ 1,576,528	$ 1,576,528
Drinking Water SDF - SPA 2												
Total Equivalent Dwelling Units (Estimate)		898	964	1,108	1,276	1,536	1,955	2,167	2,378	2,590	2,801	3,013
Additional Equivalent Dwelling Units Per Year		-	66	145	167	260	420	212	212	212	212	212
Drinking Water SDF - SPA 2 Revenue		$ -	$ 257,727	$ 562,934	$ 651,595	$ 1,012,566	$ 1,634,219	$ 823,808	$ 823,808	$ 823,808	$ 823,808	$ 823,808
Drinking Water SDF - SPA 2 Revenue to City		$ -	$ -	$ -	$ -	$ -	$ 1,619,041	$ 823,808	$ 823,808	$ 823,808	$ 823,808	$ 823,808
Drinking Water SDF - SPA 3												
Total Equivalent Dwelling Units (Estimate)		-	-	-	-	-	-	14	29	43	58	72
Additional Equivalent Dwelling Units Per Year		-	-	-	-	-	-	14	14	14	14	14
Drinking Water SDF - SPA 3 Revenue		$ -	$ -	$ -	$ -	$ -	$ -	$ 56,266	$ 56,266	$ 56,266	$ 56,266	$ 56,266
Water Replenishment SDF - SPA 1												
Total Equivalent Dwelling Units (Estimate)		16,493	16,856	16,880	17,345	17,709	18,136	18,541	18,946	19,350	19,755	20,160
Additional Equivalent Dwelling Units Per Year		138	363	24	465	364	427	405	405	405	405	405
Water Replenishment SDF - SPA 1 Revenue		$ 290,000	$ 762,263	$ 51,363	$ 976,639	$ 764,299	$ 896,757	$ 849,990	$ 849,990	$ 849,990	$ 849,990	$ 849,990
Water Replenishment SDF - SPA 2												
Total Equivalent Dwelling Units (Estimate)		898	964	1,108	1,276	1,536	1,955	2,167	2,378	2,590	2,801	3,013
Additional Equivalent Dwelling Units Per Year		-	66	145	167	260	420	212	212	212	212	212
Water Replenishment SDF - SPA 2 Revenue		$ -	$ 52,670	$ 115,044	$ 133,163	$ 206,933	$ 333,976	$ 168,357	$ 168,357	$ 168,357	$ 168,357	$ 168,357
Water Replenishment SDF - SPA 3												
Total Equivalent Dwelling Units (Estimate)		-	-	-	-	-	-	14	29	43	58	72
Additional Equivalent Dwelling Units Per Year		-	-	-	-	-	-	14	14	14	14	14
Water Replenishment SDF - SPA 3 Revenue		$ -	$ -	$ -	$ -	$ -	$ -	$ 11,499	$ 11,499	$ 11,499	$ 11,499	$ 11,499
Dual Water SDF												
Total Equivalent Dwelling Units (Estimate)		-	-	-	-	-	-	-	-	-	-	-
Additional Equivalent Dwelling Units Per Year		-	-	-	-	-	-	-	-	-	-	-
Dual Water SDF Revenue		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total SDF Revenue		**$ 950,400**	**$ 1,521,841**	**$ 214,040**	**$ 2,015,519**	**$ 1,680,028**	**$ 3,681,411**	**$ 3,486,448**	**$ 3,486,448**	**$ 3,486,448**	**$ 3,486,448**	**$ 3,486,448**

City of Surprise
Water Utility Rate Study
Assumptions

July 2013 - June 2014

Capital Financing Assumptions (Cont'd)		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FUNDING SOURCES												
Grants		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Proceeds (Costs)												
[Extra line]		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
Total Additional Proceeds		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
REVENUE BONDS												
Term (years)		20	20	20	20	20	20	20	20	20	20	20
Interest Cost		5.25%	5.25%	5.25%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Issuance Cost		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Revenue Bond Coverage Requirement	**1.25**											
OTHER LOANS												
Term (years)		20	20	20	20	20	20	20	20	20	20	20
Interest Cost		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
OTHER LOW INTEREST LOANS												
Term (years)		20	20	20	20	20	20	20	20	20	20	20
Interest Cost		0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Issuance Cost		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Other Assumptions	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Customer Growth														
Projected Rate Revenue			10,046,000	10,020,500	10,081,900	10,182,200	10,313,800	10,438,700						
Projected New Equivalent Dwelling Units (EDUs)														
SPA 1				158	363	24	465	364	427					
SPA 2				-	66	145	167	260	420					
SPA 3				-	7	5	6	47	7					
Total New EDUs				**158**	**436**	**174**	**638**	**671**	**854**					
Cumulative EDUs			17,576	17,734	18,170	18,344	18,982	19,653	20,507					
EDU Growth Rate				0.90%	2.46%	0.96%	3.48%	3.53%	4.35%					
Projected New Equivalent Dwelling Units (EDUs)			100.00%	of Original Growth Projections for SPA 1 & 2						*Based on previous 4-5 year average growth projections*				
SPA 1				158	363	24	465	364	427	405	405	405	405	405
SPA 2				-	66	145	167	260	420	212	212	212	212	212
SPA 3				-	-	-	-	-	-	14	14	14	14	14
Total New EDUs				**158**	**429**	**169**	**632**	**624**	**847**	**631**	**631**	**631**	**631**	**631**
Cumulative EDUs			17,576	17,734	18,163	18,332	18,964	19,588	20,435	21,066	21,696	22,327	22,958	23,588
EDU Growth Rate				0.90%	2.42%	0.93%	3.45%	3.29%	4.32%	3.09%	2.99%	2.91%	2.82%	2.75%
PILOT Tax Components														
Capital Assets	101,585,037	107,653,232	101,793,149	102,902,649	110,411,600	119,643,535	123,711,399	126,493,242	130,042,574	151,984,903	185,000,133	189,090,167	189,434,286	193,374,155
ARS Assessed Valuation Annual Year Percentage		20.00%	19.50%	19.00%	18.50%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
ARS Assessed Valuation Fiscal Year Percentage			19.75%	19.25%	18.75%	18.25%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Primary Property Tax Rate			0.7383%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%
Payment in Lieu of Taxes			$ 148,125	$ 161,289	$ 148,548	$ 146,163	$ 154,680	$ 167,613	$ 173,312	$ 177,209	$ 182,182	$ 212,922	$ 259,174	$ 264,904

City of Surprise
Water Utility Rate Study
Assumptions

July 2013 - June 2014

Meter	FY2013	Factor	2013 EDUs	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
5/8"	4,709	1.0	4,709	228	692	235	763	774	916					
3/4"	6,801	1.0	6,801											
1"	2,685	1.3	3,491	61	70	71	90	93	99					
1.5"	157	3.3	518											
2"	298	5.3	1,579	68	74	73	95	93	99					
3"	19	10.7	203	18	21	21	27	28	29					
4"	6	17.0	102											
6"	2	33.0	66											
8"	2	53.3	107											
Total	**14,679**		**17,576**	**376**	**857**	**399**	**975**	**987**	**1,143**	**-**	**-**	**-**	**-**	**-**
Blank Accounts	60		Weighted EDUs	865	1,400	938	1,672	1,682	1,883	-	-	-	-	-

Notes:

1. Assumes all Single Family are 5/8".
2. Adjusted 3/4" meter factor of 1.5 to 1.0 to keep all SF the same
3. Based on comment in growth projections, MF accounts are assumed to be at 2".
4. Based on comment in growth projections, of the Non Residential figures, 87% are between 1"-2" with 50% being 2". The remaining are assumed at 3".
5. Factor based on Capacity Ratio used in 2006 Drinking Water System Development Fee Study

Meter	FY2013	Factor	2013 EDUs	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
5/8"	4,709	1.0	4,709	4,937	5,629	5,864	6,627	7,401	8,317	8,317	8,317	8,317	8,317	8,317
3/4"	6,801	1.0	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801
1"	2,685	1.3	3,491	3,570	3,661	3,753	3,870	3,991	4,119	4,119	4,119	4,119	4,119	4,119
1.5"	157	3.3	518	518	518	518	518	518	518	518	518	518	518	518
2"	298	5.3	1,579	1,941	2,334	2,719	3,223	3,714	4,237	4,237	4,237	4,237	4,237	4,237
3"	19	10.7	203	399	623	849	1,137	1,434	1,749	1,749	1,749	1,749	1,749	1,749
4"	6	17.0	102	102	102	102	102	102	102	102	102	102	102	102
6"	2	33.0	66	66	66	66	66	66	66	66	66	66	66	66
8"	2	53.3	107	107	107	107	107	107	107	107	107	107	107	107
Total	**14,679**		**17,576**	**18,441**	**19,841**	**20,779**	**22,451**	**24,133**	**26,015**	**26,015**	**26,015**	**26,015**	**26,015**	**26,015**
Growth				4.92%	7.59%	4.73%	8.05%	7.49%	7.80%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Surprise
Water Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Revenues			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	Rate Revenues														
31434	Service/Collection Fees	5	Customer Growth	$ 9,993,507	$ 10,020,500	$ 10,262,991	$ 10,358,476	$ 10,715,787	$ 11,068,330	$ 11,546,697	$ 11,903,077	$ 12,259,456	$ 12,615,835	$ 12,972,214	$ 13,328,594
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-
	Total Rate Revenue			**$ 9,993,507**	**$ 10,020,500**	**$ 10,262,991**	**$ 10,358,476**	**$ 10,715,787**	**$ 11,068,330**	**$ 11,546,697**	**$ 11,903,077**	**$ 12,259,456**	**$ 12,615,835**	**$ 12,972,214**	**$ 13,328,594**
	Non-Rate Revenues														
31456	Water Meter Installation	5	Customer Growth	$ 42,990	$ 45,000	$ 46,089	$ 46,518	$ 48,122	$ 49,706	$ 51,854	$ 53,454	$ 55,055	$ 56,655	$ 58,256	$ 59,856
31461	Revenue Recovery-Utility Bill	7	No Escalation	866	-	-	-	-	-	-	-	-	-	-	-
31543	Federal Grant Revenue	7	No Escalation	38,029	-	-	-	-	-	-	-	-	-	-	-
31813	Interest Income	7	No Escalation	29,701	-	-	-	-	-	-	-	-	-	-	-
31816	Unrealized Gain/Loss	7	No Escalation	(24,304)	-	-	-	-	-	-	-	-	-	-	-
31991	Miscellaneous Revenue	7	No Escalation	(2,551)	-	-	-	-	-	-	-	-	-	-	-
31993	Recovery of Prior Year Exp.	7	No Escalation	38	-	-	-	-	-	-	-	-	-	-	-
31417	Eng. Plan Check Fees	7	No Escalation	7,600	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Rate Revenues			**$ 92,369**	**$ 45,000**	**$ 46,089**	**$ 46,518**	**$ 48,122**	**$ 49,706**	**$ 51,854**	**$ 53,454**	**$ 55,055**	**$ 56,655**	**$ 58,256**	**$ 59,856**
TOTAL REVENUES				**$ 10,085,877**	**$ 10,065,500**	**$ 10,309,080**	**$ 10,404,994**	**$ 10,763,910**	**$ 11,118,036**	**$ 11,598,551**	**$ 11,956,531**	**$ 12,314,511**	**$ 12,672,490**	**$ 13,030,470**	**$ 13,388,450**

Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
242	**Community Development**														
213	**Economic Development**														
	Contractual Services														
38994	Developer Reimbursement - Surprise Point	1	General Cost Inflation	25,161	30,000	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
641	**Water**														
111	**Administration**														
	Transfers Out														
34011	Franchise in lieu payment		*Calculated*	215,771	200,400	200,400	207,170	214,316	221,367	230,934	238,062	245,189	252,317	259,444	266,572
34021	Indirect costs - general fund personnel	1	General Cost Inflation	1,453,900	1,244,100	1,244,100	1,281,423	1,319,866	1,359,462	1,400,246	1,442,253	1,485,520	1,530,086	1,575,989	1,623,268
34031	Payments in lieu of property tax (PILOT)		*Calculated*	139,895	153,900	153,900	146,163	154,680	167,613	173,312	177,209	182,182	212,922	259,174	264,904
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	250,817	-	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	3	Labor Cost Inflation	-	1,000	-	-	-	-	-	-	-	-	-	-
36115	Holidays	3	Labor Cost Inflation	3,095	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	46,193	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	1,763	-	-	-	-	-	-	-	-	-	-	-
36211	FICA	3	Labor Cost Inflation	24,199	100	-	-	-	-	-	-	-	-	-	-
36231	Medical	4	Benefit Cost Inflation	22,708	-	-	-	-	-	-	-	-	-	-	-
36232	Dental	4	Benefit Cost Inflation	2,209	-	-	-	-	-	-	-	-	-	-	-
36233	Vision	4	Benefit Cost Inflation	361	-	-	-	-	-	-	-	-	-	-	-
36234	Life	4	Benefit Cost Inflation	1,382	-	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	4	Benefit Cost Inflation	35,537	100	-	-	-	-	-	-	-	-	-	-
36255	Post Emp. Health Plan	4	Benefit Cost Inflation	2,693	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4	Benefit Cost Inflation	2,906	-	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	327	1,500	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	1	General Cost Inflation	518	1,800	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1	General Cost Inflation	395	-	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	1	General Cost Inflation	189	-	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	499	1,000	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	1	General Cost Inflation	205	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services														
38199	Other Prof/Tech Services	1	General Cost Inflation	10,368	11,600	11,600	11,948	12,306	12,676	13,056	13,448	13,851	14,267	14,695	15,135
38217	Postage & Mailings	1	General Cost Inflation	59	100	-	-	-	-	-	-	-	-	-	-
38411	Water Delivery Service Contracts	1	General Cost Inflation	1,338,408	1,330,000	1,330,000	1,369,900	1,410,997	1,453,327	1,496,927	1,541,835	1,588,090	1,635,732	1,684,804	1,735,348
38912	Risk Insurance Premium	1	General Cost Inflation	150,600	150,600	150,600	155,118	159,772	164,565	169,502	174,587	179,824	185,219	190,776	196,499
38922	Travel & Training	1	General Cost Inflation	415	3,500	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	1	General Cost Inflation	383	1,000	-	-	-	-	-	-	-	-	-	-
38999	Outside Services	1	General Cost Inflation	-	200	-	-	-	-	-	-	-	-	-	-
	Capital														
39999	Contingency	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-

City of Surprise
Water Utility Rate Study
Operating Revenue and Expenditure Forecast

Expenses			FORECAST BASIS	Actual FY2013	Budget FY2014	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021	Projection FY2022	Projection FY2023	Projection FY2024
112	**General Operations**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	471,563	723,600	728,507	936,750	964,852	993,798	1,023,612	1,054,320	1,085,950	1,118,528	1,152,084	1,186,647
36113	Overtime Compensation	3	Labor Cost Inflation	31,240	20,000	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
36115	Holidays	3	Labor Cost Inflation	24,802	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	88,399	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	4,210	4,800	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263
36211	FICA	3	Labor Cost Inflation	46,727	57,300	55,731	57,403	59,125	60,899	62,726	64,608	66,546	68,542	70,598	72,716
36231	Medical	4	Benefit Cost Inflation	71,614	134,100	90,667	93,387	96,189	99,074	102,047	105,108	108,261	111,509	114,854	118,300
36232	Dental	4	Benefit Cost Inflation	4,618	7,800	5,288	5,447	5,610	5,778	5,952	6,130	6,314	6,504	6,699	6,900
36233	Vision	4	Benefit Cost Inflation	840	1,300	942	970	999	1,029	1,060	1,092	1,125	1,159	1,193	1,229
36234	Life	4	Benefit Cost Inflation	2,759	3,200	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175
36252	AZ State Retirement	4	Benefit Cost Inflation	64,213	86,400	84,070	86,592	89,190	91,866	94,622	97,460	100,384	103,395	106,497	109,692
36278	Workers Compensation	4	Benefit Cost Inflation	12,628	16,200	21,639	22,288	22,957	23,646	24,355	25,086	25,838	26,613	27,412	28,234
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	983	900	500	727	749	771	795	818	843	868	894	921
37112	Computer Supplies	1	General Cost Inflation	1,615	500	2,000	2,166	2,231	2,298	2,367	2,438	2,511	2,586	2,664	2,744
37114	Books & Subscriptions	1	General Cost Inflation	1,335	1,500	1,500	1,757	1,810	1,864	1,920	1,978	2,037	2,098	2,161	2,226
37131	Clothing & Uniforms	1	General Cost Inflation	753	900	500	515	530	546	563	580	597	615	633	652
37142	Phone Supplies	1	General Cost Inflation	263	300	300	309	318	328	338	348	358	369	380	391
37161	Operational Supplies	1	General Cost Inflation	17,043	15,300	24,000	30,025	30,925	31,853	32,809	33,793	34,807	35,851	36,926	38,034
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	4,432	72,500	17,400	23,952	24,670	25,410	26,173	26,958	27,766	28,599	29,457	30,341
37164	Signs and Sign Supplies	1	General Cost Inflation	-	100	200	206	212	219	225	232	239	246	253	261
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	107,568	74,500	94,500	100,518	103,533	106,639	109,838	113,134	116,528	120,023	123,624	127,333
37192	Awards & Recognition	1	General Cost Inflation	92	500	400	412	424	437	450	464	478	492	507	522
37193	Safety & First Aid Supplies	1	General Cost Inflation	3,019	6,500	3,800	5,474	5,639	5,808	5,982	6,162	6,346	6,537	6,733	6,935
37196	Meeting Supplies	1	General Cost Inflation	234	200	200	206	212	219	225	232	239	246	253	261
37211	Gas & Fuel	10	Fuel Cost Escalation	35,575	28,800	28,800	37,970	39,773	41,662	43,640	45,712	47,883	50,157	52,538	55,033
37212	Auto Parts & Lubricants	1	General Cost Inflation	3,670	6,900	3,000	6,529	6,725	6,927	7,135	7,349	7,569	7,796	8,030	8,271
37221	Repair and Maintenance	1	General Cost Inflation	-	900	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
37222	Cleaning/Janitorial	1	General Cost Inflation	5	100	100	103	106	109	113	116	119	123	127	130
37223	Agricultural/Grounds Supplies	1	General Cost Inflation	9,311	1,400	3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567
37232	Chemical Supplies	1	General Cost Inflation	148,893	296,000	326,000	335,780	345,853	556,229	1,332,916	1,372,903	1,414,090	1,456,513	1,500,209	1,545,215
37997	Education & Training Supplies	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37998	Photography Supplies	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37999	Other Commodity Supplies	1	General Cost Inflation	(12)	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services														
38126	Service Agreements	1	General Cost Inflation	18,114	50,000	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
38129	Software Licenses	1	General Cost Inflation	13,919	400	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
38129	Software Licenses - Hansen Version	1	General Cost Inflation	24,262	-	-	-	-	-	-	-	-	-	-	-
38162	Landscape Services	1	General Cost Inflation	14,070	20,000	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095
38191	Pre Employment Services	1	General Cost Inflation	-	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
38192	Lab Services	1	General Cost Inflation	73,297	86,100	86,100	88,683	91,343	94,084	96,906	99,813	102,808	105,892	109,069	112,341
38199	Other Prof/Tech Services	1	General Cost Inflation	172,140	43,000	95,000	97,850	100,786	103,809	106,923	110,131	113,435	116,838	120,343	123,953
38199	Other Prof/Tech Services - SPA 2	1	General Cost Inflation	-	37,500	-	-	-	-	-	-	-	-	-	-
38211	Water	1	General Cost Inflation	55,439	61,100	61,100	62,933	64,821	66,766	68,769	70,832	72,957	75,145	77,400	79,722
38212	Electricity	1	General Cost Inflation	892,607	915,600	955,600	993,268	1,028,066	1,308,908	2,298,175	2,367,121	2,438,134	2,511,278	2,586,617	2,664,215
38214	Telephone	1	General Cost Inflation	15,564	16,700	18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486
38216	Sanitary/Landfill	1	General Cost Inflation	34,529	25,000	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
38217	Postage & Mailings	1	General Cost Inflation	353	500	500	515	530	546	563	580	597	615	633	652
38221	Cell Phone/Pagers	1	General Cost Inflation	4,775	4,200	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
38311	Building Maintenance	1	General Cost Inflation	228	2,500	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
38324	Machinery & Equip. Maint.	1	General Cost Inflation	562,046	112,800	104,000	157,120	161,834	216,689	413,189	425,585	438,352	451,503	465,048	479,000
38331	Vehicle Maintenance	1	General Cost Inflation	1,401	4,400	3,800	5,999	6,179	6,364	6,555	6,752	6,954	7,163	7,378	7,599
38351	Wells/Sewer/Lins/Etc.	1	General Cost Inflation	133,143	108,000	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477
38372	Pest Control Services	1	General Cost Inflation	-	-	300	309	318	328	338	348	358	369	380	391
38411	Water Delivery Service Contracts	1	General Cost Inflation	556	5,000	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	1	General Cost Inflation	1,843	1,300	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
38591	Other Rental/Leases	1	General Cost Inflation	-	4,000	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
38921	Tuition Reimbursement	1	General Cost Inflation	-	10,800	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38922	Travel & Training	1	General Cost Inflation	9,394	1,000	7,000	8,801	9,065	9,337	9,617	9,906	10,203	10,509	10,825	11,149
38924	Dues & Memberships	1	General Cost Inflation	1,200	100	2,000	3,121	3,215	3,311	3,410	3,513	3,618	3,727	3,838	3,953
38925	Federal Mileage Allowance	1	General Cost Inflation	-	1,000	100	103	106	109	113	116	119	123	127	130
38927	EE Certification & Licensing	1	General Cost Inflation	87	-	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305

City of Surprise
Water Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38931	Advertising	1	General Cost Inflation	578	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	0	500	500	515	530	546	563	580	597	615	633	652
38991	Uniform/Laundry Services	1	General Cost Inflation	4,027	5,200	4,000	4,738	4,880	5,027	5,177	5,333	5,493	5,657	5,827	6,002
	Capital														
39211	Building & Structure Purchases	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
39223	Infrastructure Purchases	1	General Cost Inflation	8,026	-	-	-	-	-	-	-	-	-	-	-
39224	Infrastructure Improvements	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
39311	Imp.'s Other Than Bldg. & Land	1	General Cost Inflation	285,772	-	-	-	-	-	-	-	-	-	-	-
39411	Furn., Fixtures & Ofc Equipment	1	General Cost Inflation	34,361	-	-	-	-	-	-	-	-	-	-	-
39872	Inv Adj	1	General Cost Inflation	3,762	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	1	General Cost Inflation	7,991	-	-	-	-	-	-	-	-	-	-	-
115	**Project Management**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	57,442	76,800	76,759	79,062	81,434	83,877	86,393	88,985	91,654	94,404	97,236	100,153
36115	Holidays	3	Labor Cost Inflation	354	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	6,904	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	720	700	720	742	764	787	810	835	860	886	912	939
36211	FICA	3	Labor Cost Inflation	5,669	5,900	5,872	6,048	6,230	6,416	6,609	6,807	7,011	7,222	7,438	7,662
36231	Medical	4	Benefit Cost Inflation	1,200	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
36232	Dental	4	Benefit Cost Inflation	842	800	842	867	893	920	948	976	1,005	1,036	1,067	1,099
36233	Vision	4	Benefit Cost Inflation	121	100	120	124	127	131	135	139	143	148	152	157
36234	Life	4	Benefit Cost Inflation	337	300	300	309	318	328	338	348	358	369	380	391
36252	AZ State Retirement	4	Benefit Cost Inflation	8,219	8,900	8,858	9,124	9,397	9,679	9,970	10,269	10,577	10,894	11,221	11,558
36278	Workers Compensation	4	Benefit Cost Inflation	884	1,000	1,317	1,357	1,397	1,439	1,482	1,527	1,573	1,620	1,668	1,718
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	-	200	300	309	318	328	338	348	358	369	380	391
37112	Computer Supplies	1	General Cost Inflation	-	400	400	412	424	437	450	464	478	492	507	522
37114	Books & Subscriptions	1	General Cost Inflation	-	100	600	618	637	656	675	696	716	738	760	783
37131	Clothing & Uniforms	1	General Cost Inflation	166	400	500	515	530	546	563	580	597	615	633	652
37161	Operational Supplies	1	General Cost Inflation	-	200	100	103	106	109	113	116	119	123	127	130
37193	Safety & First Aid Supplies	1	General Cost Inflation	413	600	900	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174
37211	Gas & Fuel	10	Fuel Cost Escalation	840	700	700	733	768	805	843	883	925	969	1,015	1,063
37212	Auto Parts & Lubricants	1	General Cost Inflation	137	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services														
38126	Service Agreements	1	General Cost Inflation	6,570	6,600	6,600	6,798	7,002	7,212	7,428	7,651	7,881	8,117	8,361	8,612
38199	Other Prof/Tech Services	1	General Cost Inflation	20,000	20,000	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095
38217	Postage & Mailings	1	General Cost Inflation	46	100	100	103	106	109	113	116	119	123	127	130
38331	Vehicle Maintenacne	1	General Cost Inflation	184	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	1	General Cost Inflation	569	3,000	6,100	6,283	6,471	6,666	6,866	7,072	7,284	7,502	7,727	7,959
38924	Dues & Memberships	1	General Cost Inflation	200	600	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175
38925	Federal Mileage Allowance	1	General Cost Inflation	5	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	51	-	-	-	-	-	-	-	-	-	-	-
38999	Outside Services	1	General Cost Inflation	-	100	-	-	-	-	-	-	-	-	-	-
	Capital														
39891	Prepds	1	General Cost Inflation	75	-	-	-	-	-	-	-	-	-	-	-
117	**Customer Service**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	54,532	121,200	120,016	123,616	127,325	131,145	135,079	139,131	143,305	147,605	152,033	156,594
36113	Overtime Compensation	3	Labor Cost Inflation	4,471	2,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
36115	Holidays	3	Labor Cost Inflation	3,405	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	9,240	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	1,127	700	720	742	764	787	810	835	860	886	912	939
36211	FICA	3	Labor Cost Inflation	7,242	9,500	9,181	9,456	9,740	10,032	10,333	10,643	10,963	11,291	11,630	11,979
36231	Medical	4	Benefit Cost Inflation	20,812	43,400	14,481	14,915	15,363	15,824	16,298	16,787	17,291	17,810	18,344	18,894
36232	Dental	4	Benefit Cost Inflation	1,277	2,500	842	867	893	920	948	976	1,005	1,036	1,067	1,099
36233	Vision	4	Benefit Cost Inflation	188	400	120	124	127	131	135	139	143	148	152	157
36234	Life	4	Benefit Cost Inflation	373	500	500	515	530	546	563	580	597	615	633	652
36252	AZ State Retirement	4	Benefit Cost Inflation	10,925	14,300	13,850	14,266	14,693	15,134	15,588	16,056	16,538	17,034	17,545	18,071
36278	Workers Compensation	4	Benefit Cost Inflation	2,184	3,100	4,129	4,253	4,380	4,512	4,647	4,787	4,930	5,078	5,230	5,387
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	337	200	200	206	212	219	225	232	239	246	253	261
37112	Computer Supplies	1	General Cost Inflation	17	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391

City of Surprise
Water Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
37131	Clothing & Uniforms	1	General Cost Inflation	983	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
37161	Operational Supplies	1	General Cost Inflation	454	800	800	824	849	874	900	927	955	984	1,013	1,044
37164	Signs and Sign Supplies	1	General Cost Inflation	50	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	48,081	76,700	76,700	254,001	436,621	449,720	463,211	477,108	491,421	506,163	521,348	536,989
37193	Safety & First Aid Supplies	1	General Cost Inflation	346	800	800	824	849	874	900	927	955	984	1,013	1,044
37211	Gas & Fuel	10	Fuel Cost Escalation	4,670	5,200	5,200	5,447	5,706	5,977	6,260	6,558	6,869	7,195	7,537	7,895
37212	Auto Parts & Lubricants	1	General Cost Inflation	2,318	2,100	2,100	2,163	2,228	2,295	2,364	2,434	2,508	2,583	2,660	2,740
37221	Repairment	1	General Cost Inflation	223	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services														
38126	Service Agreements	1	General Cost Inflation	416	3,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38217	Postage & Mailings	1	General Cost Inflation	8	100	100	103	106	109	113	116	119	123	127	130
38221	Cell Phone/Pagers	1	General Cost Inflation	1,440	1,300	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
38324	Machinery & Equip. Maint.	1	General Cost Inflation	1,207	3,100	3,100	3,193	3,289	3,387	3,489	3,594	3,702	3,813	3,927	4,045
38331	Vehicle Maintenance	1	General Cost Inflation	28	1,500	900	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174
38372	Pest Control Services	1	General Cost Inflation	762	600	600	618	637	656	675	696	716	738	760	783
38922	Travel & Training	1	General Cost Inflation	1,276	4,500	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534	5,700	5,871
38924	Dues & Memberships	1	General Cost Inflation	360	300	300	309	318	328	338	348	358	369	380	391
38931	Advertising	1	General Cost Inflation	916	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38951	Printing	1	General Cost Inflation	39	-	-	-	-	-	-	-	-	-	-	-
	Capital														
39891	Prepds	1	General Cost Inflation	150	-	-	-	-	-	-	-	-	-	-	-
118	**Sustainability**														
	Personnel/Salaries														
36111	Fulltime	3	Labor Cost Inflation	140,175	143,100	-	-	-	-	-	-	-	-	-	-
36115	Holidays	3	Labor Cost Inflation	673	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	10,958	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	1,220	1,200	-	-	-	-	-	-	-	-	-	-
36211	FICA	3	Labor Cost Inflation	10,782	11,000	-	-	-	-	-	-	-	-	-	-
36231	Medical	4	Benefit Cost Inflation	23,665	24,900	-	-	-	-	-	-	-	-	-	-
36232	Dental	4	Benefit Cost Inflation	1,425	1,400	-	-	-	-	-	-	-	-	-	-
36233	Vision	4	Benefit Cost Inflation	244	200	-	-	-	-	-	-	-	-	-	-
36234	Life	4	Benefit Cost Inflation	656	600	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	4	Benefit Cost Inflation	16,096	16,600	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4	Benefit Cost Inflation	1,054	1,100	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	91	200	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	1	General Cost Inflation	379	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1	General Cost Inflation	-	1,000	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	1	General Cost Inflation	309	400	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	1	General Cost Inflation	8	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	1	General Cost Inflation	437	600	-	-	-	-	-	-	-	-	-	-
37194	Community Relations Supplies	1	General Cost Inflation	971	3,000	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	1	General Cost Inflation	11	-	-	-	-	-	-	-	-	-	-	-
37997	Education & Training Supplies	1	General Cost Inflation	-	2,000	-	-	-	-	-	-	-	-	-	-
	Contractual Services														
38162	Landscape Services	1	General Cost Inflation	-	500	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	1	General Cost Inflation	4,800	2,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	1	General Cost Inflation	44	100	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	1	General Cost Inflation	2,437	6,200	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	1	General Cost Inflation	5,548	5,600	-	-	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	1	General Cost Inflation	-	100	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	1	General Cost Inflation	-	200	-	-	-	-	-	-	-	-	-	-
38931	Advertising	1	General Cost Inflation	1,000	1,500	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	1,614	2,700	-	-	-	-	-	-	-	-	-	-
604	**Utility Locating**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	136,488	164,800	169,028	174,099	179,322	184,701	190,243	195,950	201,828	207,883	214,120	220,543
36113	Overtime Compensation	3	Labor Cost Inflation	1,160	3,100	-	-	-	-	-	-	-	-	-	-
36115	Holidays	3	Labor Cost Inflation	5,392	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	13,830	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	720	700	720	742	764	787	810	835	860	886	912	939
36211	FICA	3	Labor Cost Inflation	11,801	12,900	12,931	13,319	13,718	14,130	14,554	14,991	15,440	15,903	16,381	16,872
36231	Medical	4	Benefit Cost Inflation	20,272	22,300	22,279	22,947	23,636	24,345	25,075	25,827	26,602	27,400	28,222	29,069

City of Surprise
Water Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
36232	Dental	4	Benefit Cost Inflation	1,094	1,100	1,142	1,176	1,212	1,248	1,285	1,324	1,364	1,405	1,447	1,490
36233	Vision	4	Benefit Cost Inflation	231	200	240	247	255	262	270	278	287	295	304	313
36234	Life	4	Benefit Cost Inflation	717	700	700	721	743	765	788	811	836	861	887	913
36252	AZ State Retirement	4	Benefit Cost Inflation	17,481	19,500	19,506	20,091	20,694	21,315	21,954	22,613	23,291	23,990	24,710	25,451
36278	Workers Compensation	4	Benefit Cost Inflation	2,973	3,500	4,624	4,763	4,906	5,053	5,204	5,360	5,521	5,687	5,858	6,033
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	210	300	300	309	318	328	338	348	358	369	380	391
37112	Computer Supplies	1	General Cost Inflation	748	500	500	515	530	546	563	580	597	615	633	652
37114	Books & Subscriptions	1	General Cost Inflation	-	200	200	206	212	219	225	232	239	246	253	261
37131	Clothing & Uniforms	1	General Cost Inflation	819	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
37142	Phone Supplies	1	General Cost Inflation	-	300	150	155	159	164	169	174	179	184	190	196
37161	Operational Supplies	1	General Cost Inflation	1,204	1,600	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	-	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
37164	Signs and Sign Supplies	1	General Cost Inflation	17	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	999	1,600	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
37193	Safety & First Aid Supplies	1	General Cost Inflation	1,022	800	800	824	849	874	900	927	955	984	1,013	1,044
37211	Gas & Fuel	10	Fuel Cost Escalation	8,067	7,000	7,000	7,332	7,681	8,045	8,427	8,828	9,247	9,686	10,146	10,628
37212	Auto Parts & Lubricants	1	General Cost Inflation	870	1,300	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
37998	Photography Supplies	1	General Cost Inflation	-	400	200	206	212	219	225	232	239	246	253	261
	Contractual Services														
38128	Recording, License & Permit Fees	1	General Cost Inflation	2,717	3,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38129	Software Licenses	1	General Cost Inflation	-	600	600	618	637	656	675	696	716	738	760	783
38192	Lab Services	1	General Cost Inflation	120	500	500	515	530	546	563	580	597	615	633	652
38221	Cell Phone/Pagers	1	General Cost Inflation	1,352	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
38324	Machinery & Equip. Maint.	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
38331	Vehicle Maintenance	1	General Cost Inflation	374	800	800	824	849	874	900	927	955	984	1,013	1,044
38922	Travel & Training	1	General Cost Inflation	3,139	6,600	6,600	6,798	7,002	7,212	7,428	7,651	7,881	8,117	8,361	8,612
38924	Dues & Memberships	1	General Cost Inflation	247	700	700	721	743	765	788	811	836	861	887	913
38927	EE Certification & Licensing	1	General Cost Inflation	645	-	-	-	-	-	-	-	-	-	-	-
38999	Outside Services	1	General Cost Inflation	-	100	-	-	-	-	-	-	-	-	-	-
	Capital														
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-
605	**Environmental**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	92,613	127,100	127,047	223,043	229,735	236,627	243,726	251,037	258,568	266,325	274,315	282,545
36113	Overtime Compensation	3	Labor Cost Inflation	1,071	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
36115	Holidays	3	Labor Cost Inflation	3,156	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	3	Labor Cost Inflation	13,786	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	3	Labor Cost Inflation	480	500	480	494	509	525	540	556	573	590	608	626
36211	FICA	3	Labor Cost Inflation	9,326	9,800	9,719	10,011	10,311	10,620	10,939	11,267	11,605	11,953	12,312	12,681
36231	Medical	4	Benefit Cost Inflation	13,588	15,700	15,681	16,151	16,636	17,135	17,649	18,179	18,724	19,286	19,864	20,460
36232	Dental	4	Benefit Cost Inflation	842	800	842	867	893	920	948	976	1,005	1,036	1,067	1,099
36233	Vision	4	Benefit Cost Inflation	121	100	120	124	127	131	135	139	143	148	152	157
36234	Life	4	Benefit Cost Inflation	551	600	600	618	637	656	675	696	716	738	760	783
36252	AZ State Retirement	4	Benefit Cost Inflation	14,017	14,800	14,661	15,101	15,554	16,020	16,501	16,996	17,506	18,031	18,572	19,129
36278	Workers Compensation	4	Benefit Cost Inflation	2,690	2,900	3,747	3,859	3,975	4,094	4,217	4,344	4,474	4,608	4,747	4,889
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	21	700	700	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174
37112	Computer Supplies	1	General Cost Inflation	760	100	100	206	212	219	225	232	239	246	253	261
37113	Postage	1	General Cost Inflation	28	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1	General Cost Inflation	321	1,600	1,600	2,163	2,228	2,295	2,364	2,434	2,508	2,583	2,660	2,740
37131	Clothing & Uniforms	1	General Cost Inflation	361	400	400	618	637	656	675	696	716	738	760	783
37161	Operational Supplies	1	General Cost Inflation	786	2,500	2,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	190	2,000	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
37192	Awards & Recognition	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37193	Safety & First Aid Supplies	1	General Cost Inflation	234	800	800	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435
37194	Community Relations Supplies	1	General Cost Inflation	126	2,500	5,500	5,665	5,835	6,010	6,190	6,376	6,567	6,764	6,967	7,176
37211	Gas & Fuel	10	Fuel Cost Escalation	629	2,400	2,400	2,514	2,633	2,758	2,889	3,027	3,170	3,321	3,479	3,644
37212	Auto Parts & Lubricants	1	General Cost Inflation	105	1,300	800	824	849	874	900	927	955	984	1,013	1,044
37232	Chemical Supplies	1	General Cost Inflation	-	600	-	-	-	-	-	-	-	-	-	-
37997	Education & Training Supplies	1	General Cost Inflation	1,389	3,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
	Contractual Services														
38128	Recording, License & Permit Fees	1	General Cost Inflation	20,450	20,300	28,400	29,252	30,130	31,033	31,964	32,923	33,911	34,928	35,976	37,056

City of Surprise
Water Utility Rate Study
Operating Revenue and Expenditure Forecast

Expenses			FORECAST BASIS	Actual FY2013	Budget FY2014	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021	Projection FY2022	Projection FY2023	Projection FY2024
38129	Software Licenses	1	General Cost Inflation	2,483	3,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38162	Landscape Services	1	General Cost Inflation	-	-	500	515	530	546	563	580	597	615	633	652
38199	Other Prof/Tech Services	1	General Cost Inflation	19,068	21,500	103,500	106,605	109,803	113,097	116,490	119,985	123,584	127,292	131,111	135,044
38211	Water	1	General Cost Inflation	679,900	750,000	1,701,400	1,752,442	1,805,015	1,859,166	1,914,941	1,972,389	2,031,561	2,092,508	2,155,283	2,219,941
38217	Postage & Mailings	1	General Cost Inflation	1,471	7,700	7,800	8,034	8,275	8,523	8,779	9,042	9,314	9,593	9,881	10,177
38221	Cell Phone/Pagers	1	General Cost Inflation	480	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38324	Machinery & Equip. Maint.	1	General Cost Inflation	23,284	25,000	55,500	57,165	58,880	60,646	62,466	64,340	66,270	68,258	70,306	72,415
38331	Vehicle Maintenance	1	General Cost Inflation	70	800	400	412	424	437	450	464	478	492	507	522
38351	Wells/Sewer/Lins/Etc.	1	General Cost Inflation	-	45,000	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	1	General Cost Inflation	3,294	5,300	5,300	7,004	7,214	7,431	7,653	7,883	8,120	8,363	8,614	8,872
38924	Dues & Memberships	1	General Cost Inflation	4,632	6,500	6,500	8,755	9,018	9,288	9,567	9,854	10,149	10,454	10,768	11,091
38925	Federal Mileage Allowance	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
38927	EE Certifications & Licensing	1	General Cost Inflation	-	-	200	206	212	219	225	232	239	246	253	261
38931	Advertising	1	General Cost Inflation	-	-	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
38951	Printing	1	General Cost Inflation	1,265	200	2,900	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38999	Outside Services	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
	Capital														
39871	Wtrstorinv	1	General Cost Inflation	(474,737)	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	1	General Cost Inflation	(2,943)	-	-	-	-	-	-	-	-	-	-	-
	Miscellaneous														
	Future Additional O&M Expenses	1	General Cost Inflation	-	-	-	-	-	-	-	125,000	257,500	397,838	546,364	703,443
	Other														
	Add'l O&M from CIP		*From CIP*	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash O&M Expenditures				**$ 8,449,855**	**$ 8,204,000**	**$ 8,977,788**	**$ 9,788,150**	**$ 10,267,802**	**$ 11,085,740**	**$ 13,322,945**	**$ 13,847,615**	**$ 14,392,573**	**$ 14,983,200**	**$ 15,609,956**	**$ 16,217,549**
Depreciation Expense in FY2013			$ 2,778,339												
	Depreciation Expense		Last year's plus annual add'l from CIP	$ 2,778,339	$ 2,800,529	$ 2,950,708	$ 3,134,878	$ 3,214,150	$ 3,269,787	$ 3,338,717	$ 3,771,753	$ 4,432,057	$ 4,513,858	$ 4,520,740	$ 4,599,538
			debt principal payments	$ -	$ -	$ -	$ (260,915)	$ (274,613)	$ (289,030)	$ (304,204)	$ (1,577,034)	$ (1,662,970)	$ (1,753,591)	$ (1,849,152)	$ (1,949,922)
			System Reinvestment Funding	$ 2,778,339	$ 2,800,529	$ 2,950,708	$ 2,873,964	$ 2,939,537	$ 2,980,757	$ 3,034,513	$ 2,194,719	$ 2,769,087	$ 2,760,267	$ 2,671,588	$ 2,649,615
TOTAL EXPENSES				**$ 11,228,194**	**$ 11,004,529**	**$ 11,928,496**	**$ 12,923,029**	**$ 13,481,952**	**$ 14,355,526**	**$ 16,661,661**	**$ 17,619,368**	**$ 18,824,630**	**$ 19,497,058**	**$ 20,130,697**	**$ 20,817,087**
			Capital Outlays	*$ 743,376*	*$ 296,000*	*$ 337,400*	*$ 575,705*	*$ 767,976*	*$ 841,015*	*$ 1,056,246*	*$ 1,087,933*	*$ 1,120,571*	*$ 1,154,188*	*$ 1,188,814*	*$ 1,224,478*

City of Surprise
Water Utility Rate Study
Additional O&M Adjustments

	Revenues	Budget FY15 Budget	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021	Projection FY2022	Projection FY2023	Projection FY2024
	Rate Revenues											
31434	Service/Collection Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	[Extra]	-	-	-	-	-	-	-	-	-	-	-
	Total Rate Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Non-Rate Revenues											
31456	Water Meter Installation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31461	Revenue Recovery-Utility Bill	-	-	-	-	-	-	-	-	-	-	-
31543	Federal Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
31813	Interest Income	-	-	-	-	-	-	-	-	-	-	-
31816	Unrealized Gain/Loss	-	-	-	-	-	-	-	-	-	-	-
31991	Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-	-
31993	Recovery of Prior Year Exp.	-	-	-	-	-	-	-	-	-	-	-
31417	Eng. Plan Check Fees	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Rate Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL REVENUES		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	Expenses	FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
242	**Community Development**											
213	**Economic Development**											
	Contractual Services											
38994	Developer Reimbursement - Surprise Point	30,000	-	-	-	-	-	-	-	-	-	-
641	**Water**											
111	**Administration**											
	Transfers Out											
34011	Franchise in lieu payment	200,400	-	-	-	-	-	-	-	-	-	-
34021	Indirect costs - general fund personnel	1,244,100	-	-	-	-	-	-	-	-	-	-
34031	Payments in lieu of property tax (PILOT)	153,900	-	-	-	-	-	-	-	-	-	-
	Personnel/Salaries											
36111	Full Time Salaries	-	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	-	-	-	-	-	-	-	-	-	-	-
36211	FICA	-	-	-	-	-	-	-	-	-	-	-
36231	Medical	-	-	-	-	-	-	-	-	-	-	-
36232	Dental	-	-	-	-	-	-	-	-	-	-	-
36233	Vision	-	-	-	-	-	-	-	-	-	-	-
36234	Life	-	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	-	-	-	-	-	-	-	-	-	-	-
36255	Post Emp. Health Plan	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	-	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	-	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	-	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	-	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	-	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38199	Other Prof/Tech Services	11,600	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	-	-	-	-	-	-	-	-	-	-	-
38411	Water Delivery Service Contracts	1,330,000	-	-	-	-	-	-	-	-	-	-
38912	Risk Insurance Premium	150,600	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	-	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	-	-	-	-	-	-	-	-	-	-	-

City of Surprise
Water Utility Rate Study
Additional O&M Adjustments

	Expenses	Budget FY15 Budget	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021	Projection FY2022	Projection FY2023	Projection FY2024
38999	Outside Services	-	-	-	-	-	-	-	-	-	-	-
	Capital											
39999	Contingency	-	-	-	-	-	-	-	-	-	-	-
112	**General Operations**											
	Personnel/Salaries											
36111	Full Time Salaries	728,507	-	186,388	-	-	-	-	-	-	-	-
36113	Overtime Compensation	2,000	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4,800	-	-	-	-	-	-	-	-	-	-
36211	FICA	55,731	-	-	-	-	-	-	-	-	-	-
36231	Medical	90,667	-	-	-	-	-	-	-	-	-	-
36232	Dental	5,288	-	-	-	-	-	-	-	-	-	-
36233	Vision	942	-	-	-	-	-	-	-	-	-	-
36234	Life	3,200	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	84,070	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	21,639	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	500	-	212	-	-	-	-	-	-	-	-
37112	Computer Supplies	2,000	-	106	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1,500	-	212	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	500	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	300	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	24,000	-	5,305	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	17,400	-	6,030	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	200	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	94,500	-	3,183	-	-	-	-	-	-	-	-
37192	Awards & Recognition	400	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	3,800	-	1,560	-	-	-	-	-	-	-	-
37196	Meetsup	200	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	28,800	-	7,802	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	3,000	-	3,439	-	-	-	-	-	-	-	-
37221	Repair and Maintenance	5,000	-	-	-	-	-	-	-	-	-	-
37222	Cleaning/Janitorial	100	-	-	-	-	-	-	-	-	-	-
37223	Agricultural/Grounds Supplies	3,500	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	326,000	-	-	-	200,000	760,000	-	-	-	-	-
37997	Education & Training Supplies	100	-	-	-	-	-	-	-	-	-	-
37998	Photography Supplies	100	-	-	-	-	-	-	-	-	-	-
37999	Other Commodity Supplies	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	50,000	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	15,000	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses - Hansen Version	-	-	-	-	-	-	-	-	-	-	-
38162	Landscape Services	20,000	-	-	-	-	-	-	-	-	-	-
38191	Pre Employment Services	1,500	-	-	-	-	-	-	-	-	-	-
38192	Lab Services	86,100	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	30,000	65,000	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services - SPA 2	-	-	-	-	-	-	-	-	-	-	-
38211	Water	61,100	-	-	-	-	-	-	-	-	-	-
38212	Electricity	915,600	40,000	9,000	5,000	250,000	950,000	-	-	-	-	-
38214	Telephone	18,000	-	-	-	-	-	-	-	-	-	-
38216	Sanitary/Landfill	30,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	500	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	5,000	-	-	-	-	-	-	-	-	-	-
38311	Building Maintenance	2,500	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	104,000	-	50,000	-	50,000	190,000	-	-	-	-	-
38331	Vehicle Maintenance	3,800	-	2,085	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc.	100,000	-	-	-	-	-	-	-	-	-	-
38372	Pest Control Services	300	-	-	-	-	-	-	-	-	-	-

City of Surprise
Water Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		**FY15 Budget**	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
38411	Water Delivery Service Contracts	-	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	2,000	-	-	-	-	-	-	-	-	-	-
38591	Other Rental/Leases	1,300	-	-	-	-	-	-	-	-	-	-
38921	Tuition Reimbursement	3,000	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	7,000	-	1,591	-	-	-	-	-	-	-	-
38924	Dues & Memberships	2,000	-	1,061	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	100	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	1,000	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	500	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	4,000	-	618	-	-	-	-	-	-	-	-
	Capital											
39211	Building & Structure Purchases	-	-	-	-	-	-	-	-	-	-	-
39223	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-
39224	Infrastructure Improvements	-	-	-	-	-	-	-	-	-	-	-
39311	Imp.'s Other Than Bldg. & Land	-	-	-	-	-	-	-	-	-	-	-
39411	Furn., Fixtures & Ofc Equipment	-	-	-	-	-	-	-	-	-	-	-
39872	Inv Adj	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
115	**Project Management**											
	Personnel/Salaries											
36111	Full Time Salaries	76,759	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	5,872	-	-	-	-	-	-	-	-	-	-
36231	Medical	1,200	-	-	-	-	-	-	-	-	-	-
36232	Dental	842	-	-	-	-	-	-	-	-	-	-
36233	Vision	120	-	-	-	-	-	-	-	-	-	-
36234	Life	300	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	8,858	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	1,317	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	300	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	400	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	600	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	500	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	100	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	900	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	700	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	6,600	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	20,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenacne	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	6,100	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	3,200	-	-	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	-	-	-	-	-	-	-	-	-	-	-
38999	Outside Services	-	-	-	-	-	-	-	-	-	-	-
	Capital											
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
117	**Customer Service**											
	Personnel/Salaries											
36111	Full Time Salaries	120,016	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	3,000	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-

City of Surprise
Water Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	9,181	-	-	-	-	-	-	-	-	-	-
36231	Medical	14,481	-	-	-	-	-	-	-	-	-	-
36232	Dental	842	-	-	-	-	-	-	-	-	-	-
36233	Vision	120	-	-	-	-	-	-	-	-	-	-
36234	Life	500	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	13,850	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4,129	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	200	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	300	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	1,000	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	800	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	76,700	-	175,000	175,000	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	800	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	5,200	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	2,100	-	-	-	-	-	-	-	-	-	-
37221	Repairment	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	3,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	1,300	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	3,100	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	900	-	-	-	-	-	-	-	-	-	-
38372	Pest Control Services	600	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	4,500	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	300	-	-	-	-	-	-	-	-	-	-
38931	Advertising	1,000	-	-	-	-	-	-	-	-	-	-
38951	Printing	-	-	-	-	-	-	-	-	-	-	-
	Capital											
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
118	**Sustainability**											
	Personnel/Salaries											
36111	Fulltime	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	-	-	-	-	-	-	-	-	-	-	-
36211	FICA	-	-	-	-	-	-	-	-	-	-	-
36231	Medical	-	-	-	-	-	-	-	-	-	-	-
36232	Dental	-	-	-	-	-	-	-	-	-	-	-
36233	Vision	-	-	-	-	-	-	-	-	-	-	-
36234	Life	-	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	-	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	-	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	-	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	-	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	-	-	-	-	-	-	-	-	-	-	-
37194	Community Relations Supplies	-	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	-	-	-	-	-	-	-	-	-	-	-
37997	Education & Training Supplies	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38162	Landscape Services	-	-	-	-	-	-	-	-	-	-	-

City of Surprise
Water Utility Rate Study
Additional O&M Adjustments

	Expenses	Budget FY15 Budget	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021	Projection FY2022	Projection FY2023	Projection FY2024
38199	Other Prof/Tech Services	-	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	-	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	-	-	-	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	-	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	-	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	-	-	-	-	-	-	-	-	-	-	-
604	**Utility Locating**											
	Personnel/Salaries											
36111	Full Time Salaries	169,028	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	12,931	-	-	-	-	-	-	-	-	-	-
36231	Medical	22,279	-	-	-	-	-	-	-	-	-	-
36232	Dental	1,142	-	-	-	-	-	-	-	-	-	-
36233	Vision	240	-	-	-	-	-	-	-	-	-	-
36234	Life	700	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	19,506	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4,624	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	300	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	500	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	200	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	1,500	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	150	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	1,600	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	1,000	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	1,300	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	800	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	7,000	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	1,300	-	-	-	-	-	-	-	-	-	-
37998	Photography Supplies	200	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38128	Recording, License & Permit Fees	3,000	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	600	-	-	-	-	-	-	-	-	-	-
38192	Lab Services	500	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	1,500	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	300	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	800	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	6,600	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	700	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	-	-	-	-	-	-	-	-	-	-	-
38999	Outside Services	-	-	-	-	-	-	-	-	-	-	-
	Capital											
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
605	**Environmental**											
	Personnel/Salaries											
36111	Full Time Salaries	127,047	-	92,185	-	-	-	-	-	-	-	-
36113	Overtime Compensation	1,000	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	480	-	-	-	-	-	-	-	-	-	-
36211	FICA	9,719	-	-	-	-	-	-	-	-	-	-
36231	Medical	15,681	-	-	-	-	-	-	-	-	-	-

City of Surprise
Water Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		**FY15 Budget**	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
36232	Dental	842	-	-	-	-	-	-	-	-	-	-
36233	Vision	120	-	-	-	-	-	-	-	-	-	-
36234	Life	600	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	14,661	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	3,747	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	700	-	206	-	-	-	-	-	-	-	-
37112	Computer Supplies	100	-	103	-	-	-	-	-	-	-	-
37113	Postage	-	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1,600	-	515	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	400	-	206	-	-	-	-	-	-	-	-
37161	Operational Supplies	2,500	-	1,030	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	2,000	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	100	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	800	-	309	-	-	-	-	-	-	-	-
37194	Community Relations Supplies	5,500	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	2,400	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	800	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	-	-	-	-	-	-	-	-	-	-	-
37997	Education & Training Supplies	5,000	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38128	Recording, License & Permit Fees	28,400	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	3,000	-	-	-	-	-	-	-	-	-	-
38162	Landscape Services	500	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	28,500	75,000	-	-	-	-	-	-	-	-	-
38211	Water	750,000	1,701,400	1,752,442	1,805,015	1,859,166	1,914,941	-	-	-	-	-
38217	Postage & Mailings	7,800	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	1,000	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	55,500	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	400	-	-	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc.	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	5,300	-	1,545	-	-	-	-	-	-	-	-
38924	Dues & Memberships	6,500	-	2,060	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	100	-	-	-	-	-	-	-	-	-	-
38927	EE Certifications & Licensing	200	-	-	-	-	-	-	-	-	-	-
38931	Advertising	1,500	-	-	-	-	-	-	-	-	-	-
38951	Printing	2,900	-	103	-	-	-	-	-	-	-	-
38999	Outside Services	100	-	-	-	-	-	-	-	-	-	-
	Capital											
39871	Wtrstorinv	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
	Miscellaneous											
	Future Additional O&M Expenses	-	-	-	-	-	-	125,000	128,750	132,613	136,591	140,689
	Other											
	Add'l O&M from CIP	-	-	-	-	-	-	-	-	-	-	-
Total Cash O&M Expenditures		**$ 7,846,388**	**$ 1,881,400**	**$ 2,304,296**	**$ 1,985,015**	**$ 2,359,166**	**$ 3,814,941**	**$ 125,000**	**$ 128,750**	**$ 132,613**	**$ 136,591**	**$ 140,689**
TOTAL EXPENSES		**$ 7,846,388**	**$ 1,881,400**	**$ 2,304,296**	**$ 1,985,015**	**$ 2,359,166**	**$ 3,814,941**	**$ 125,000**	**$ 128,750**	**$ 132,613**	**$ 136,591**	**$ 140,689**

City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

2014

No	Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	General Capital Fund
1	**Budget**												100%
2	Water CIP Project Management (Previously Sustainability)		109,840										100%
3	SPA 1 Impact Fee Studies	3,400											0%
4	SPA 2 Impact Fee Studies	3,400											0%
5	SPA 3 Impact Fee Studies	3,400											0%
6	SPA 4 Impact Fee Studies	3,400											0%
7	SPA 5 Impact Fee Studies	3,400											0%
8	SPA 6 Impact Fee Studies	3,400											0%
9	Resources SPA 1 Impact Fee Studies	3,400											0%
10	Resources SPA 2 Impact Fee Studies	3,400											0%
11	Resources SPA 3 Impact Fee Studies	3,400											0%
12	Resources SPA 4 Impact Fee Studies	3,400											0%
13	Resources SPA 5 Impact Fee Studies	3,400											0%
14	Resources SPA 6 Impact Fee Studies	3,400											0%
15													100%
16	**Enterprise CIP 22511 - Water Operations Fund**												100%
17	Cactus Road - South Side (Tracks to Litchfield)		70,000	210,000	90,000								100%
18	SPA 2 Desert Oasis WSF - Arsenic Treatment (non-growth)		37,500	512,500									100%
19	Site & Security Improvements - Water		295,000	475,000									100%
20	Ashton Ranch Water Storage Reservoir Coating		340,000										100%
21	Rancho Gabriela WSF Nitrate Treatment											2,100,000	100%
22	SPA1 Rancho Gabriela Nitrate Treatment							1,000,000					100%
23	Combined Distribution System for Ashton and Rancho			625,000	625,000	500,000	1,750,000	1,750,000					100%
24	SPA 1 Ashton Ranch WSF - Chlorine Upgrade							100,000	1,000,000				100%
25	SPA 1 16-in Reclaimed Line Civic Center Drive (Bell to Paradise)				600,000								100%
26	SPA 1 16-in Water Line (Civic Center Drive/Tierra Buena Lane)			1,500,000									100%
27	SPA 1 3 Distribution System Monitoring Stations				200,000	250,000							100%
28	SPA 1 Rancho Gabriela WSF - Arsenic Treatment						200,000	2,000,000					100%
29	Well Transmission Line Hydraulic Transient Protection			150,000	150,000	150,000							100%
30	Water Capital Asset Replacement			2,578,400	1,477,000	387,000	160,500	481,300	748,000	474,000	260,000	785,500	100%
31	Summit Well Modifications							110,000					100%
32	Reclaimed Water HOA Conversion			120,000			120,000						100%
33	City Hall Reclaim Connections		230,000										100%
34	SPA 1 VFD for Plant 4 & 5 Non-Potable Pumps		492,000										100%
35	**Enterprise CIP 22512 - Water System Dev Fee Fund SPA 1**												0%
36	SPA 1 Mountain Vista Well #2	914,700	1,158,800										0%
37	CAP Allocation (M&I Subcontract)	154,000	205,000	216,000	226,000	238,000	250,000						0%
38	SPA 1 Rancho Gabriela Ag Well Conversion							140,000	530,000	530,000			0%
39	SPA 1 Mountain Gate/Kenly Well							90,000	1,780,000				0%
40	SPA 1 Ashton Ranch Subdivision Well #2						90,000	1,780,000					0%
41	IWMP Existing Water System Deficiencies			300,000									0%
42	**Enterprise CIP 22513 - Water System Dev Fee Fund SPA 2**												0%
43	SPA 2 Desert Oasis WSF - Arsenic Treatment		112,500	1,537,500									0%
44	16-in Water line Happy Valley (N 163rd Ave to N 155th Ave)							180,000	1,620,000				0%
45	16-in Water line N 155th Ave (W Jomax Rd to W Pin. Peak)							180,000	1,620,000				0%
46	16-in Water line N 177th Ave (W Patton Rd to W Jomax Rd)							110,000	1,690,000				0%
47	16-in Water line N Cotton Ln (W Patton Rd to W Hedgehog)					36,000	324,000						0%
48	16-in Water line W Jomax Rd (N 163rd Ave to N 155th Ave)							180,000	1,620,000				0%
49	16-in Water line W Jomax Rd (N 177th Ave to N 175th Ln)							70,000	630,000				0%
50	16-in Water line W Patton Rd (N 177th Ave to N Cotton Ln)							110,000	1,690,000				0%
51	16-in Water line W Pinnacle Peak Rd (N 163rd to N 155th)							180,000	1,620,000				0%

City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

2014

No	Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	General Capital Fund
52	Final Phase of Asante WSF (Design and Construction)							1,000,000	2,000,000	2,184,000			0%
53	Asante Wells Equipment							1,000,000	1,000,000				0%
54	SPA 2 Regional WSF - (Land Purchase)							6,000,000					0%
55	**Enterprise CIP 22514 - Water System Dev Fee Fund SPA 3**												0%
56	SPA 3 Regional WSF - (Land Purchase)								9,000,000				0%
57	SPA 3 Initial Water System				100,000	750,000							0%
58	**Enterprise CIP 22522 - Water Resources Sys Dev Fee SPA 1**												0%
59	SPA 1 16-in Reclaimed Line - Parkview Pl and Greenway Rd							1,500,000					0%
60	Greenway Road Improvements - Reclaimed Line		769,100										0%
61	Resources SPA 1 Effluent Storage Reservoir Covers		2,600,000										0%
62													100%
63	**Enterprise Vehicles**												100%
64	Customer Service						25,000	60,000					100%
65	Environmental							50,000					100%
66	Operations			22,000	95,000		63,000	131,000					100%
67	Utility Locating				67,000		30,000						100%
68													100%
69	**One-time Future O&M Costs**												100%
70	Permanent Well Service Level Sensors		25,000	25,000	25,000								100%
71	Water System Asset Replacement		105,950										100%
72	Eval on Connecting Ashton and Rancho Production Wells			50,000									100%
73	Assess and partially abandon two agricultural wells		80,000										100%
74	Electronic Document Control/Retrieval System			25,000									100%
75	Develop Emergency Response Plan			150,000									100%
76	Water OSHA LOTO Follow Through			25,000	25,000								100%
77	Water System Asset Replacement		453,000										100%
78	Lead Water Mechanic (Senior M&O Tech) Light Vehicle			25,750									100%
79	Desert Oasis WSF Restroom Construction			50,000									100%
80	Water Sampler (M&O Tech) Light Vehicle			26,523									100%
81	Water Mechanic (M&O Tech) Light Vehicle			25,750									100%
82	Integrated Water Master Plan Update		150,000			120,000							100%
83	Permanent Drinking Water Sample Stations		45,000	25,000	25,000	25,000	25,000						100%
84													100%
	Total Capital Projects	**$ 1,109,500**	**$ 7,278,690**	**$ 8,674,423**	**$ 3,705,000**	**$ 2,456,000**	**$ 3,037,500**	**$ 18,202,300**	**$ 26,548,000**	**$ 3,188,000**	**$ 260,000**	**$ 2,885,500**	**35%**
	Projects by Grants / Developer Donations												
	Projects by Enterprise Fund												
	General Capital Fund	-	2,433,290	6,620,923	3,379,000	1,432,000	2,373,500	5,682,300	1,748,000	474,000	260,000	2,885,500	
	System Dev Fee SPA 1	1,072,100	1,363,800	516,000	226,000	238,000	340,000	2,010,000	2,310,000	530,000	-	-	
	System Dev Fee SPA 2	3,400	112,500	1,537,500	-	36,000	324,000	9,010,000	13,490,000	2,184,000	-	-	
	System Dev Fee SPA 3	3,400	-	-	100,000	750,000	-	-	9,000,000	-	-	-	
	System Dev Fee SPA 4	3,400	-	-	-	-	-	-	-	-	-	-	
	System Dev Fee SPA 5	3,400	-	-	-	-	-	-	-	-	-	-	
	System Dev Fee SPA 6	3,400	-	-	-	-	-	-	-	-	-	-	
	Resources System Dev SPA 1	3,400	3,369,100	-	-	-	-	1,500,000	-	-	-	-	
	Resources System Dev SPA 2	3,400	-	-	-	-	-	-	-	-	-	-	
	Resources System Dev SPA 3	3,400	-	-	-	-	-	-	-	-	-	-	
	Resources System Dev SPA 4	3,400	-	-	-	-	-	-	-	-	-	-	
	Resources System Dev SPA 5	3,400	-	-	-	-	-	-	-	-	-	-	
	Resources System Dev SPA 6	3,400	-	-	-	-	-	-	-	-	-	-	

City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:

No	Description	System Dev SPA 1	System Dev SPA 2	System Dev SPA 3	System Dev SPA 4	System Dev SPA 5	System Dev SPA 6	Resources System Dev SPA 1	Resources System Dev SPA 2	Resources System Dev SPA 3	Resources System Dev SPA 4	Resources System Dev SPA 5	Resources System Dev SPA 6	Specific Funding Source 1-Balances, 2-CIAC	
1	**Budget**													1	Balances
2	Water CIP Project Management (Previously Sustainability)													1	Balances
3	SPA 1 Impact Fee Studies	100%												1	Balances
4	SPA 2 Impact Fee Studies		100%											1	Balances
5	SPA 3 Impact Fee Studies			100%										1	Balances
6	SPA 4 Impact Fee Studies				100%									1	Balances
7	SPA 5 Impact Fee Studies					100%								1	Balances
8	SPA 6 Impact Fee Studies						100%							1	Balances
9	Resources SPA 1 Impact Fee Studies							100%						1	Balances
10	Resources SPA 2 Impact Fee Studies								100%					1	Balances
11	Resources SPA 3 Impact Fee Studies									100%				1	Balances
12	Resources SPA 4 Impact Fee Studies										100%			1	Balances
13	Resources SPA 5 Impact Fee Studies											100%		1	Balances
14	Resources SPA 6 Impact Fee Studies												100%	1	Balances
15														1	Balances
16	**Enterprise CIP 22511 - Water Operations Fund**													1	Balances
17	Cactus Road - South Side (Tracks to Litchfield)													1	Balances
18	SPA 2 Desert Oasis WSF - Arsenic Treatment (non-growth)													1	Balances
19	Site & Security Improvements - Water													1	Balances
20	Ashton Ranch Water Storage Reservoir Coating													1	Balances
21	Rancho Gabriela WSF Nitrate Treatment													1	Balances
22	SPA1 Rancho Gabriela Nitrate Treatment													1	Balances
23	Combined Distribution System for Ashton and Rancho													1	Balances
24	SPA 1 Ashton Ranch WSF - Chlorine Upgrade													1	Balances
25	SPA 1 16-in Reclaimed Line Civic Center Drive (Bell to Paradise)													1	Balances
26	SPA 1 16-in Water Line (Civic Center Drive/Tierra Buena Lane)													1	Balances
27	SPA 1 3 Distribution System Monitoring Stations													1	Balances
28	SPA 1 Rancho Gabriela WSF - Arsenic Treatment													1	Balances
29	Well Transmission Line Hydraulic Transient Protection													1	Balances
30	Water Capital Asset Replacement													1	Balances
31	Summit Well Modifications													1	Balances
32	Reclaimed Water HOA Conversion													1	Balances
33	City Hall Reclaim Connections													1	Balances
34	SPA 1 VFD for Plant 4 & 5 Non-Potable Pumps													1	Balances
35	**Enterprise CIP 22512 - Water System Dev Fee Fund SPA 1**	100%												1	Balances
36	SPA 1 Mountain Vista Well #2	100%												1	Balances
37	CAP Allocation (M&I Subcontract)	100%												1	Balances
38	SPA 1 Rancho Gabriela Ag Well Conversion	100%												1	Balances
39	SPA 1 Mountain Gate/Kenly Well	100%												1	Balances
40	SPA 1 Ashton Ranch Subdivision Well #2	100%												1	Balances
41	IWMP Existing Water System Deficiencies	100%												1	Balances
42	**Enterprise CIP 22513 - Water System Dev Fee Fund SPA 2**		100%											1	Balances
43	SPA 2 Desert Oasis WSF - Arsenic Treatment		100%											1	Balances
44	16-in Water line Happy Valley (N 163rd Ave to N 155th Ave)		100%											1	Balances
45	16-in Water line N 155th Ave (W Jomax Rd to W Pin. Peak)		100%											1	Balances
46	16-in Water line N 177th Ave (W Patton Rd to W Jomax Rd)		100%											1	Balances
47	16-in Water line N Cotton Ln (W Patton Rd to W Hedgehog)		100%											1	Balances
48	16-in Water line W Jomax Rd (N 163rd Ave to N 155th Ave)		100%											1	Balances
49	16-in Water line W Jomax Rd (N 177th Ave to N 175th Ln)		100%											1	Balances
50	16-in Water line W Patton Rd (N 177th Ave to N Cotton Ln)		100%											1	Balances
51	16-in Water line W Pinnacle Peak Rd (N 163rd to N 155th)		100%											1	Balances

City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:

No	Description	System Dev SPA 1	System Dev SPA 2	System Dev SPA 3	System Dev SPA 4	System Dev SPA 5	System Dev SPA 6	Resources System Dev SPA 1	Resources System Dev SPA 2	Resources System Dev SPA 3	Resources System Dev SPA 4	Resources System Dev SPA 5	Resources System Dev SPA 6	Specific Funding Source 1-Balances, 2-CIAC	
52	Final Phase of Asante WSF (Design and Construction)		100%											1	Balances
53	Asante Wells Equipment		100%											1	Balances
54	SPA 2 Regional WSF - (Land Purchase)		100%											1	Balances
55	**Enterprise CIP 22514 - Water System Dev Fee Fund SPA 3**			100%										1	Balances
56	SPA 3 Regional WSF - (Land Purchase)			100%										1	Balances
57	SPA 3 Initial Water System			100%										1	Balances
58	**Enterprise CIP 22522 - Water Resources Sys Dev Fee SPA 1**							100%						1	Balances
59	SPA 1 16-in Reclaimed Line - Parkview Pl and Greenway Rd							100%						1	Balances
60	Greenway Road Improvements - Reclaimed Line							100%						1	Balances
61	Resources SPA 1 Effluent Storage Reservoir Covers							100%						1	Balances
62														1	Balances
63	**Enterprise Vehicles**													1	Balances
64	Customer Service													1	Balances
65	Environmental													1	Balances
66	Operations													1	Balances
67	Utility Locating													1	Balances
68														1	Balances
69	**One-time Future O&M Costs**													1	Balances
70	Permanent Well Service Level Sensors													1	Balances
71	Water System Asset Replacement													1	Balances
72	Eval on Connecting Ashton and Rancho Production Wells													1	Balances
73	Assess and partially abandon two agricultural wells													1	Balances
74	Electronic Document Control/Retrieval System													1	Balances
75	Develop Emergency Response Plan													1	Balances
76	Water OSHA LOTO Follow Through													1	Balances
77	Water System Asset Replacement													1	Balances
78	Lead Water Mechanic (Senior M&O Tech) Light Vehicle													1	Balances
79	Desert Oasis WSF Restroom Construction													1	Balances
80	Water Sampler (M&O Tech) Light Vehicle													1	Balances
81	Water Mechanic (M&O Tech) Light Vehicle													1	Balances
82	Integrated Water Master Plan Update													1	Balances
83	Permanent Drinking Water Sample Stations													1	Balances
84														1	Balances
	Total Capital Projects	**11%**	**35%**	**13%**	**0%**	**0%**	**0%**	**6%**	**0%**	**0%**	**0%**	**0%**	**0%**		
	Projects by Grants / Developer Donations														
	Projects by Enterprise Fund														
	General Capital Fund														
	System Dev Fee SPA 1														
	System Dev Fee SPA 2														
	System Dev Fee SPA 3														
	System Dev Fee SPA 4														
	System Dev Fee SPA 5														
	System Dev Fee SPA 6														
	Resources System Dev SPA 1														
	Resources System Dev SPA 2														
	Resources System Dev SPA 3														
	Resources System Dev SPA 4														
	Resources System Dev SPA 5														
	Resources System Dev SPA 6														

City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

TOTAL FORECASTED PROJECT COSTS

No	Description	TOTAL ESCALATED COSTS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	**Budget**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Water CIP Project Management (Previously Sustainability)	113,315	-	113,315	-	-	-	-	-	-	-	-	-
3	SPA 1 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
4	SPA 2 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
5	SPA 3 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
6	SPA 4 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
7	SPA 5 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
8	SPA 6 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
9	Resources SPA 1 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
10	Resources SPA 2 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
11	Resources SPA 3 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
12	Resources SPA 4 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
13	Resources SPA 5 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
14	Resources SPA 6 Impact Fee Studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-	-	-
16	**Enterprise CIP 22511 - Water Operations Fund**	-	-	-	-	-	-	-	-	-	-	-	-
17	Cactus Road - South Side (Tracks to Litchfield)	394,526	-	72,214	223,497	98,815	-	-	-	-	-	-	-
18	SPA 2 Desert Oasis WSF - Arsenic Treatment (non-growth)	584,125	-	38,686	545,439	-	-	-	-	-	-	-	-
19	Site & Security Improvements - Water	809,861	-	304,332	505,529	-	-	-	-	-	-	-	-
20	Ashton Ranch Water Storage Reservoir Coating	350,756	-	350,756	-	-	-	-	-	-	-	-	-
21	Rancho Gabriela WSF Nitrate Treatment	2,867,346	-	-	-	-	-	-	-	-	-	-	2,867,346
22	SPA1 Rancho Gabriela Nitrate Treatment	1,205,470	-	-	-	-	-	-	1,205,470	-	-	-	-
23	Combined Distribution System for Ashton and Rancho	6,072,173	-	-	665,169	686,212	566,336	2,044,883	2,109,573	-	-	-	-
24	SPA 1 Ashton Ranch WSF - Chlorine Upgrade	1,364,152	-	-	-	-	-	-	120,547	1,243,605	-	-	-
25	SPA 1 16-in Reclaimed Line Civic Center Drive (Bell to Paradise)	658,763	-	-	-	658,763	-	-	-	-	-	-	-
26	SPA 1 16-in Water Line (Civic Center Drive/Tierra Buena Lane)	1,596,406	-	-	1,596,406	-	-	-	-	-	-	-	-
27	SPA 1 3 Distribution System Monitoring Stations	502,756	-	-	-	219,588	283,168	-	-	-	-	-	-
28	SPA 1 Rancho Gabriela WSF - Arsenic Treatment	2,644,641	-	-	-	-	-	233,701	2,410,940	-	-	-	-
29	Well Transmission Line Hydraulic Transient Protection	494,232	-	-	159,641	164,691	169,901	-	-	-	-	-	-
30	Water Capital Asset Replacement	8,526,829	-	-	2,744,116	1,621,656	438,344	187,545	580,193	930,217	608,117	344,118	1,072,524
31	Summit Well Modifications	132,602	-	-	-	-	-	-	132,602	-	-	-	-
32	Reclaimed Water HOA Conversion	267,933	-	-	127,712	-	-	140,221	-	-	-	-	-
33	City Hall Reclaim Connections	237,276	-	237,276	-	-	-	-	-	-	-	-	-
34	SPA 1 VFD for Plant 4 & 5 Non-Potable Pumps	507,564	-	507,564	-	-	-	-	-	-	-	-	-
35	**Enterprise CIP 22512 - Water System Dev Fee Fund SPA 1**	-	-	-	-	-	-	-	-	-	-	-	-
36	SPA 1 Mountain Vista Well #2	2,110,159	914,700	1,195,459	-	-	-	-	-	-	-	-	-
37	CAP Allocation (M&I Subcontract)	1,405,204	154,000	211,485	229,882	248,134	269,576	292,126	-	-	-	-	-
38	SPA 1 Rancho Gabriela Ag Well Conversion	1,507,838	-	-	-	-	-	-	168,766	659,111	679,962	-	-
39	SPA 1 Mountain Gate/Kenly Well	2,322,110	-	-	-	-	-	-	108,492	2,213,617	-	-	-
40	SPA 1 Ashton Ranch Subdivision Well #2	2,250,902	-	-	-	-	-	105,165	2,145,737	-	-	-	-
41	IWMP Existing Water System Deficiencies	319,281	-	-	319,281	-	-	-	-	-	-	-	-
42	**Enterprise CIP 22513 - Water System Dev Fee Fund SPA 2**	-	-	-	-	-	-	-	-	-	-	-	-
43	SPA 2 Desert Oasis WSF - Arsenic Treatment	1,752,375	-	116,059	1,636,316	-	-	-	-	-	-	-	-
44	16-in Water line Happy Valley (N 163rd Ave to N 155th Ave)	2,231,625	-	-	-	-	-	-	216,985	2,014,640	-	-	-
45	16-in Water line N 155th Ave (W Jomax Rd to W Pin. Peak)	2,231,625	-	-	-	-	-	-	216,985	2,014,640	-	-	-
46	16-in Water line N 177th Ave (W Patton Rd to W Jomax Rd)	2,234,294	-	-	-	-	-	-	132,602	2,101,693	-	-	-
47	16-in Water line N Cotton Ln (W Patton Rd to W Hedgehog)	419,372	-	-	-	-	40,776	378,595	-	-	-	-	-
48	16-in Water line W Jomax Rd (N 163rd Ave to N 155th Ave)	2,231,625	-	-	-	-	-	-	216,985	2,014,640	-	-	-
49	16-in Water line W Jomax Rd (N 177th Ave to N 175th Ln)	867,854	-	-	-	-	-	-	84,383	783,471	-	-	-
50	16-in Water line W Patton Rd (N 177th Ave to N Cotton Ln)	2,234,294	-	-	-	-	-	-	132,602	2,101,693	-	-	-
51	16-in Water line W Pinnacle Peak Rd (N 163rd to N 155th)	2,231,625	-	-	-	-	-	-	216,985	2,014,640	-	-	-

City of Surprise
Water Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

TOTAL FORECASTED PROJECT COSTS

No	Description	TOTAL ESCALATED COSTS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
52	Final Phase of Asante WSF (Design and Construction)	6,494,636	-	-	-	-	-	-	1,205,470	2,487,210	2,801,955	-	-
53	Asante Wells Equipment	2,449,075	-	-	-	-	-	-	1,205,470	1,243,605	-	-	-
54	SPA 2 Regional WSF - (Land Purchase)	7,232,821	-	-	-	-	-	-	7,232,821	-	-	-	-
55	**Enterprise CIP 22514 - Water System Dev Fee Fund SPA 3**	-	-	-	-	-	-	-	-	-	-	-	-
56	SPA 3 Regional WSF - (Land Purchase)	11,192,447	-	-	-	-	-	-	-	11,192,447	-	-	-
57	SPA 3 Initial Water System	959,298	-	-	-	109,794	849,504	-	-	-	-	-	-
58	**Enterprise CIP 22522 - Water Resources Sys Dev Fee SPA 1**	-	-	-	-	-	-	-	-	-	-	-	-
59	SPA 1 16-in Reclaimed Line - Parkview Pl and Greenway Rd	1,808,205	-	-	-	-	-	-	1,808,205	-	-	-	-
60	Greenway Road Improvements - Reclaimed Line	793,430	-	793,430	-	-	-	-	-	-	-	-	-
61	Resources SPA 1 Effluent Storage Reservoir Covers	2,682,251	-	2,682,251	-	-	-	-	-	-	-	-	-
62		-	-	-	-	-	-	-	-	-	-	-	-
63	**Enterprise Vehicles**	-	-	-	-	-	-	-	-	-	-	-	-
64	Customer Service	101,541	-	-	-	-	-	29,213	72,328	-	-	-	-
65	Environmental	60,274	-	-	-	-	-	-	60,274	-	-	-	-
66	Operations	359,251	-	-	23,414	104,304	-	73,616	157,917	-	-	-	-
67	Utility Locating	108,617	-	-	-	73,562	-	35,055	-	-	-	-	-
68		-	-	-	-	-	-	-	-	-	-	-	-
69	**One-time Future O&M Costs**	-	-	-	-	-	-	-	-	-	-	-	-
70	Permanent Well Service Level Sensors	79,846	-	25,791	26,607	27,448	-	-	-	-	-	-	-
71	Water System Asset Replacement	109,302	-	109,302	-	-	-	-	-	-	-	-	-
72	Eval on Connecting Ashton and Rancho Production Wells	53,214	-	-	53,214	-	-	-	-	-	-	-	-
73	Assess and partially abandon two agricultural wells	82,531	-	82,531	-	-	-	-	-	-	-	-	-
74	Electronic Document Control/Retrieval System	26,607	-	-	26,607	-	-	-	-	-	-	-	-
75	Develop Emergency Response Plan	159,641	-	-	159,641	-	-	-	-	-	-	-	-
76	Water OSHA LOTO Follow Through	54,055	-	-	26,607	27,448	-	-	-	-	-	-	-
77	Water System Asset Replacement	467,331	-	467,331	-	-	-	-	-	-	-	-	-
78	Lead Water Mechanic (Senior M&O Tech) Light Vehicle	27,405	-	-	27,405	-	-	-	-	-	-	-	-
79	Desert Oasis WSF Restroom Construction	53,214	-	-	53,214	-	-	-	-	-	-	-	-
80	Water Sampler (M&O Tech) Light Vehicle	28,227	-	-	28,227	-	-	-	-	-	-	-	-
81	Water Mechanic (M&O Tech) Light Vehicle	27,405	-	-	27,405	-	-	-	-	-	-	-	-
82	Integrated Water Master Plan Update	290,666	-	154,745	-	-	135,921	-	-	-	-	-	-
83	Permanent Drinking Water Sample Stations	158,008	-	46,424	26,607	27,448	28,317	29,213	-	-	-	-	-
84		-	-	-	-	-	-	-	-	-	-	-	-
	Total Capital Projects	**$ 91,581,006**	**$ 1,109,500**	**$ 7,508,951**	**$ 9,231,935**	**$ 4,067,864**	**$ 2,781,843**	**$ 3,549,332**	**$ 21,942,329**	**$ 33,015,230**	**$ 4,090,034**	**$ 344,118**	**$ 3,939,869**
	Projects by Grants / Developer Donations	-	-	-	-	-	-	-	-	-	-	-	-
	Projects by Enterprise Fund	91,581,006	1,109,500	7,508,951	9,231,935	4,067,864	2,781,843	3,549,332	21,942,329	33,015,230	4,090,034	344,118	3,939,869
	General Capital Fund	31,577,859	-	2,510,267	7,046,455	3,709,936	1,621,987	2,773,445	6,849,843	2,173,822	608,117	344,118	3,939,869
	System Dev Fee SPA 1	9,918,894	1,072,100	1,406,944	549,164	248,134	269,576	397,292	2,422,995	2,872,728	679,962	-	-
	System Dev Fee SPA 2	32,614,622	3,400	116,059	1,636,316	-	40,776	378,595	10,861,286	16,776,234	2,801,955	-	-
	System Dev Fee SPA 3	12,155,145	3,400	-	-	109,794	849,504	-	-	11,192,447	-	-	-
	System Dev Fee SPA 4	3,400	3,400	-	-	-	-	-	-	-	-	-	-
	System Dev Fee SPA 5	3,400	3,400	-	-	-	-	-	-	-	-	-	-
	System Dev Fee SPA 6	3,400	3,400	-	-	-	-	-	-	-	-	-	-
	Resources System Dev SPA 1	5,287,287	3,400	3,475,682	-	-	-	-	1,808,205	-	-	-	-
	Resources System Dev SPA 2	3,400	3,400	-	-	-	-	-	-	-	-	-	-
	Resources System Dev SPA 3	3,400	3,400	-	-	-	-	-	-	-	-	-	-
	Resources System Dev SPA 4	3,400	3,400	-	-	-	-	-	-	-	-	-	-
	Resources System Dev SPA 5	3,400	3,400	-	-	-	-	-	-	-	-	-	-
	Resources System Dev SPA 6	3,400	3,400	-	-	-	-	-	-	-	-	-	-

City of Surprise
Water Utility Rate Study
Revenue Requirements Analysis

Cash Flow Sufficiency Test	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Cash Operating Expenses	$ 8,204,000	$ 8,977,788	$ 9,788,150	$ 10,267,802	$ 11,085,740	$ 13,322,945	$ 13,847,615	$ 14,392,573	$ 14,983,200	$ 15,609,956	$ 16,217,549
Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	726,006	726,006	726,006	726,006	4,393,218	4,393,218	4,393,218	4,393,218	4,393,218
Rate Funded System Reinvestment	-	700,000	700,000	700,000	700,000	700,000	700,000	1,500,000	2,300,000	2,800,000	3,200,000
Total Expenses	$ 8,204,000	$ 9,677,788	$ 11,214,156	$ 11,693,808	$ 12,511,746	$ 14,748,951	$ 18,940,833	$ 20,285,791	$ 21,676,418	$ 22,803,174	$ 23,810,767
REVENUES											
Rate Revenue	$ 10,020,500	$ 10,262,991	$ 10,358,476	$ 10,715,787	$ 11,068,330	$ 11,546,697	$ 11,903,077	$ 12,259,456	$ 12,615,835	$ 12,972,214	$ 13,328,594
Non Rate Revenue	45,000	46,089	46,518	48,122	49,706	51,854	53,454	55,055	56,655	58,256	59,856
Operating Fund & Debt Reserve Fund Interest Earnings	21,500	6,743	11,069	23,350	24,139	25,483	29,161	66,695	67,591	68,562	69,592
Total Revenue	$ 10,087,000	$ 10,315,823	$ 10,416,062	$ 10,787,260	$ 11,142,175	$ 11,624,034	$ 11,985,692	$ 12,381,206	$ 12,740,081	$ 13,099,032	$ 13,458,042
NET CASH FLOW (DEFICIENCY)	**$ 1,883,000**	**$ 638,035**	**$ (798,094)**	**$ (906,548)**	**$ (1,369,571)**	**$ (3,124,917)**	**$ (6,955,142)**	**$ (7,904,585)**	**$ (8,936,336)**	**$ (9,704,142)**	**$ (10,352,725)**
% of Rate Revenue	-18.79%	-6.22%	7.70%	8.46%	12.37%	27.06%	58.43%	64.48%	70.83%	74.81%	77.67%

Coverage Sufficiency Test	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Total Cash Operating Expenses (less Capital Outlays)	$ 7,908,000	$ 8,640,388	$ 9,212,445	$ 9,499,826	$ 10,244,724	$ 12,266,699	$ 12,759,682	$ 13,272,002	$ 13,829,012	$ 14,421,143	$ 14,993,071
Revenue Bond Debt Service	-	-	726,006	726,006	726,006	726,006	4,393,218	4,393,218	4,393,218	4,393,218	4,393,218
Revenue Bond Coverage Requirement at 1.25	-	-	181,502	181,502	181,502	181,502	1,098,304	1,098,304	1,098,304	1,098,304	1,098,304
Total Expenses	$ 7,908,000	$ 8,640,388	$ 10,119,953	$ 10,407,334	$ 11,152,232	$ 13,174,207	$ 18,251,205	$ 18,763,524	$ 19,320,534	$ 19,912,665	$ 20,484,593
ALLOWABLE REVENUES											
Rate Revenue	$ 10,020,500	$ 10,262,991	$ 10,358,476	$ 10,715,787	$ 11,068,330	$ 11,546,697	$ 11,903,077	$ 12,259,456	$ 12,615,835	$ 12,972,214	$ 13,328,594
Other Revenue	45,000	46,089	46,518	48,122	49,706	51,854	53,454	55,055	56,655	58,256	59,856
Interest Earnings - All Funds	21,500	22,628	30,622	57,917	46,194	55,069	70,827	343,149	70,148	70,042	104,918
Total Revenue	$ 10,087,000	$ 10,331,707	$ 10,435,615	$ 10,821,826	$ 11,164,230	$ 11,653,620	$ 12,027,358	$ 12,657,660	$ 12,742,638	$ 13,100,512	$ 13,493,368
Coverage Realized	n/a	n/a	1.68	1.82	1.27	-0.84	-0.17	-0.14	-0.25	-0.30	-0.34
COVERAGE SURPLUS (DEFICIENCY)	**$ 2,179,000**	**$ 1,691,319**	**$ 315,662**	**$ 414,492**	**$ 11,998**	**$ (1,520,586)**	**$ (6,223,847)**	**$ (6,105,865)**	**$ (6,577,896)**	**$ (6,812,153)**	**$ (6,991,226)**

Maximum Revenue Deficiency	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sufficiency Test Driving the Deficiency	*None*	*None*	*Cash*	*Cash*	*Cash*	*Cash*	*Cash*	*Cash*	*Cash*	*Cash*	*Cash*
Maximum Deficiency From Tests	$ -	$ -	$ 798,094	$ 906,548	$ 1,369,571	$ 3,124,917	$ 6,955,142	$ 7,904,585	$ 8,936,336	$ 9,704,142	$ 10,352,725
less: Net Revenue From Prior Rate Increases	-	-	(837,483)	(1,804,218)	(2,912,196)	(4,222,250)	(5,674,016)	(7,317,195)	(8,325,641)	(9,411,773)	(10,124,985)
Revenue Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,281,125	$ 587,390	$ 610,695	$ 292,370	$ 227,740
Plus: Adjustment for State Excise Tax	-	-	-	-	-	-	26,145	11,988	12,463	5,967	4,648
Total Revenue Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,307,271**	**$ 599,377**	**$ 623,158**	**$ 298,336**	**$ 232,388**

City of Surprise
Water Utility Rate Study
Revenue Requirements Analysis

Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenue with no Increase	$ 10,020,500	$ 10,262,991	$ 10,358,476	$ 10,715,787	$ 11,068,330	$ 11,546,697	$ 11,903,077	$ 12,259,456	$ 12,615,835	$ 12,972,214	$ 13,328,594
Revenues from Prior Rate Increases	-	-	854,574	1,841,039	2,971,628	4,308,418	5,789,812	7,466,526	8,495,552	9,603,850	10,331,617
Rate Revenue Before Rate Increase (Incl. previous increases)	10,020,500	10,262,991	11,213,050	12,556,826	14,039,959	15,855,115	17,692,889	19,725,982	21,111,387	22,576,064	23,660,211
Required Annual Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.39%	3.04%	2.95%	1.32%	0.98%
Number of Months New Rates Will Be In Effect	12	12	12	12	12	12	12	12	12	12	12
Info: Percentage Increase to Generate Required Revenue	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*7.39%*	*3.04%*	*2.95%*	*1.32%*	*0.98%*
Policy Induced Rate Increases	0.00%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	4.00%	4.00%	2.00%	2.00%
ANNUAL RATE INCREASE	**0.00%**	**8.25%**	**8.25%**	**8.25%**	**8.25%**	**8.25%**	**8.25%**	**4.00%**	**4.00%**	**2.00%**	**2.00%**
CUMULATIVE RATE INCREASE	**0.00%**	**8.25%**	**17.18%**	**26.85%**	**37.31%**	**48.64%**	**60.90%**	**67.34%**	**74.03%**	**77.51%**	**81.06%**

Impacts of Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues After Rate Increase	$ 10,020,500	$ 11,109,687	$ 12,138,127	$ 13,592,765	$ 15,198,255	$ 17,163,162	$ 19,152,552	$ 20,515,021	$ 21,955,843	$ 23,027,585	$ 24,133,415
Full Year Rate Revenues After Rate Increase	*10,020,500*	*11,109,687*	*12,138,127*	*13,592,765*	*15,198,255*	*17,163,162*	*19,152,552*	*20,515,021*	*21,955,843*	*23,027,585*	*24,133,415*
Additional Taxes Due to Rate Increases	-	16,934	35,593	57,540	82,598	112,329	144,990	165,111	186,800	201,107	216,096
Net Cash Flow After Rate Increase	1,883,000	1,467,797	945,964	1,912,890	2,677,755	2,379,219	149,345	185,869	216,871	150,121	236,000
Coverage After Rate Increase	n/a	n/a	4.09	5.70	6.84	6.74	1.45	1.70	1.84	1.94	2.07

City of Surprise
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Fund Activity

Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
WATER OPERATIONS FUND (22511)											
Beginning Balance	$ 2,673,144	$ 1,348,603	$ 1,475,801	$ 1,609,011	$ 1,687,858	$ 1,822,313	$ 2,190,073	$ 2,276,320	$ 2,365,902	$ 2,462,992	$ 2,566,020
plus: Net Cash Flow After Rate Increase	1,883,000	1,467,797	945,964	1,912,890	2,677,755	2,379,219	149,345	185,869	216,871	150,121	236,000
less: Transfer of Surplus to Capital Fund	(3,207,542)	(1,340,599)	(812,753)	(1,834,043)	(2,543,300)	(2,011,459)	(63,097)	(96,287)	(119,782)	(47,093)	(136,122)
Ending Balance	**$ 1,348,603**	**$ 1,475,801**	**$ 1,609,011**	**$ 1,687,858**	**$ 1,822,313**	**$ 2,190,073**	**$ 2,276,320**	**$ 2,365,902**	**$ 2,462,992**	**$ 2,566,020**	**$ 2,665,899**
Minimum Target Balance	*$ 1,348,603*	*$ 1,475,801*	*$ 1,609,011*	*$ 1,687,858*	*$ 1,822,313*	*$ 2,190,073*	*$ 2,276,320*	*$ 2,365,902*	*$ 2,462,992*	*$ 2,566,020*	*$ 2,665,899*
Maximum Funds to be Kept as Operating Reserves	*$ 1,348,603*	*$ 1,475,801*	*$ 1,609,011*	*$ 1,687,858*	*$ 1,822,313*	*$ 2,190,073*	*$ 2,276,320*	*$ 2,365,902*	*$ 2,462,992*	*$ 2,566,020*	*$ 2,665,899*
Info: No of Days of Cash Operating Expenses	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*
OPERATIONS FUND - CAPITAL PORTION											
Beginning Balance	$ -	$ 3,176,947	$ 2,607,105	$ 3,456,640	$ 2,205,520	$ 2,958,607	$ 4,166,653	$ 27,645,373	$ 255,685	$ 148,025	$ 3,532,554
plus: Rate Funded System Reinvestment	-	700,000	700,000	700,000	700,000	700,000	700,000	1,500,000	2,300,000	2,800,000	3,200,000
plus: Transfers from Operating Fund	3,207,542	1,340,599	812,753	1,834,043	2,543,300	2,011,459	63,097	96,287	119,782	47,093	136,122
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from SPA Funds for Deficit Repayment	-	-	-	-	-	1,240,446	61,276	-	56,266	880,074	880,074
plus: System Development Fee - Dual Water	-	-	-	-	-	-	-	-	-	-	-
plus: Revenue Bond Proceeds	-	-	8,000,000	-	-	-	39,500,000	-	-	-	-
plus: Other Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Other Low Interest Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	15,885	19,553	34,566	22,055	29,586	41,667	276,454	2,557	1,480	35,326
Total Funding Sources	**$ 3,207,542**	**$ 5,233,431**	**$ 12,139,411**	**$ 6,025,250**	**$ 5,470,875**	**$ 6,940,099**	**$ 44,532,693**	**$ 29,518,113**	**$ 2,734,289**	**$ 3,876,672**	**$ 7,784,075**
less: Capital Expenditures	-	(2,510,267)	(7,046,455)	(3,709,936)	(1,621,987)	(2,773,445)	(6,849,843)	(2,173,822)	(608,117)	(344,118)	(3,939,869)
less: Transfers to SPA Funds	(30,595)	(116,059)	(1,636,316)	(109,794)	(890,280)	-	(10,037,477)	(27,088,606)	(1,978,147)	-	-
Ending Capital Fund Balance (Red = Below Target)	**$ 3,176,947**	**$ 2,607,105**	**$ 3,456,640**	**$ 2,205,520**	**$ 2,958,607**	**$ 4,166,653**	**$ 27,645,373**	**$ 255,685**	**$ 148,025**	**$ 3,532,554**	**$ 3,844,205**
Minimum Target Balance	*$ 2,058,053*	*$ 2,208,232*	*$ 2,392,871*	*$ 2,474,228*	*$ 2,529,865*	*$ 2,600,851*	*$ 3,039,698*	*$ 3,700,003*	*$ 3,781,803*	*$ 3,788,686*	*$ 3,867,483*
DEBT RESERVE											
Beginning Balance	$ -	$ -	$ -	$ 726,006	$ 726,006	$ 726,006	$ 726,006	$ 4,393,218	$ 4,393,218	$ 4,393,218	$ 4,393,218
plus: Reserve Funding from New Debt	-	-	726,006	-	-	-	3,667,212	-	-	-	-
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ -**	**$ -**	**$ 726,006**	**$ 726,006**	**$ 726,006**	**$ 726,006**	**$ 4,393,218**	**$ 4,393,218**	**$ 4,393,218**	**$ 4,393,218**	**$ 4,393,218**
Minimum Target Balance	$ -	$ -	$ 726,006	$ 726,006	$ 726,006	$ 726,006	$ 4,393,218	$ 4,393,218	$ 4,393,218	$ 4,393,218	$ 4,393,218

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Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water System Dev Fee Fund SPA 1 (22512)											
Beginning Balance	$ 3,670,905	$ 3,307,105	$ 2,623,605	$ 2,141,751	$ 2,820,751	$ 3,288,179	$ 3,755,405	$ 2,946,493	$ 1,679,758	$ 2,593,122	$ 4,195,582
plus: System Development Fee	660,400	706,908	47,633	905,717	708,796	831,636	1,576,528	1,576,528	1,576,528	1,576,528	1,576,528
plus: Interest Earnings	47,900	16,536	19,677	21,418	28,208	32,882	37,554	29,465	16,798	25,931	41,956
Total Funding Sources	**$ 4,379,205**	**$ 4,030,549**	**$ 2,690,915**	**$ 3,068,885**	**$ 3,557,755**	**$ 4,152,697**	**$ 5,369,488**	**$ 4,552,486**	**$ 3,273,084**	**$ 4,195,582**	**$ 5,814,066**
less: Capital Expenditures	(1,072,100)	(1,406,944)	(549,164)	(248,134)	(269,576)	(397,292)	(2,422,995)	(2,872,728)	(679,962)	-	-
Remaining Funding Sources (Deficit)	**$ 3,307,105**	**$ 2,623,605**	**$ 2,141,751**	**$ 2,820,751**	**$ 3,288,179**	**$ 3,755,405**	**$ 2,946,493**	**$ 1,679,758**	**$ 2,593,122**	**$ 4,195,582**	**$ 5,814,066**
plus: Transfer trom Capital Fund	-	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ 3,307,105**	**$ 2,623,605**	**$ 2,141,751**	**$ 2,820,751**	**$ 3,288,179**	**$ 3,755,405**	**$ 2,946,493**	**$ 1,679,758**	**$ 2,593,122**	**$ 4,195,582**	**$ 5,814,066**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in Deficit	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Water System Dev Fee Fund SPA 2 (22513)											
Beginning Balance	$ 5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
plus: System Development Fee	-	-	-	-	-	1,619,041	823,808	823,808	823,808	823,808	823,808
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	**$ 5**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,619,041**	**$ 823,808**	**$ 823,808**	**$ 823,808**	**$ 823,808**	**$ 823,808**
less: Capital Expenditures	(3,400)	(116,059)	(1,636,316)	-	(40,776)	(378,595)	(10,861,286)	(16,776,234)	(2,801,955)	-	-
Remaining Funding Sources (Deficit)	**$ (3,395)**	**$ (116,059)**	**$ (1,636,316)**	**$ -**	**$ (40,776)**	**$ 1,240,446**	**$ (10,037,477)**	**$ (15,952,426)**	**$ (1,978,147)**	**$ 823,808**	**$ 823,808**
plus: Transfer trom Capital Fund	3,395	116,059	1,636,316	-	40,776	-	10,037,477	15,952,426	1,978,147	-	-
less: Repayment to Capital Fund	-	-	-	-	-	(1,240,446)	-	-	-	(823,808)	(823,808)
Ending Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	*$ 10,068*	*$ 13,463*	*$ 129,522*	*$ 1,765,838*	*$ 1,765,838*	*$ 1,806,614*	*$ 566,169*	*$ 10,603,646*	*$ 26,556,072*	*$ 28,534,219*	*$ 27,710,411*
Change in Deficit	*3,395*	*116,059*	*1,636,316*	*-*	*40,776*	*(1,240,446)*	*10,037,477*	*15,952,426*	*1,978,147*	*(823,808)*	*(823,808)*
Ending Fund Deficit	*$ 13,463*	*$ 129,522*	*$ 1,765,838*	*$ 1,765,838*	*$ 1,806,614*	*$ 566,169*	*$ 10,603,646*	*$ 26,556,072*	*$ 28,534,219*	*$ 27,710,411*	*$ 26,886,602*
Water System Dev Fee Fund SPA 3 (22514)											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
plus: System Development Fee	-	-	-	-	-	-	56,266	56,266	56,266	56,266	56,266
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 56,266**	**$ 56,266**	**$ 56,266**	**$ 56,266**	**$ 56,266**
less: Capital Expenditures	(3,400)	-	-	(109,794)	(849,504)	-	-	(11,192,447)	-	-	-
Remaining Funding Sources (Deficit)	**$ (3,400)**	**$ -**	**$ -**	**$ (109,794)**	**$ (849,504)**	**$ -**	**$ 56,266**	**$ (11,136,181)**	**$ 56,266**	**$ 56,266**	**$ 56,266**
plus: Transfer trom Capital Fund	3,400	-	-	109,794	849,504	-	-	11,136,181	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	(56,266)	-	(56,266)	(56,266)	(56,266)
Ending Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	*$ 1,570*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 114,764*	*$ 964,268*	*$ 964,268*	*$ 908,002*	*$ 12,044,183*	*$ 11,987,918*	*$ 11,931,652*
Change in Deficit	*3,400*	*-*	*-*	*109,794*	*849,504*	*-*	*(56,266)*	*11,136,181*	*(56,266)*	*(56,266)*	*(56,266)*
Ending Fund Deficit	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 114,764*	*$ 964,268*	*$ 964,268*	*$ 908,002*	*$ 12,044,183*	*$ 11,987,918*	*$ 11,931,652*	*$ 11,875,386*

City of Surprise
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Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water System Dev Fee Fund SPA 4 (22515)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ 1,570	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970
Water System Dev Fee Fund SPA 5 (22516)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ 1,570	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970
Water System Dev Fee Fund SPA 6 (22517)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ 1,570	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970	$ 4,970

City of Surprise
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Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water Resources System Dev SPA 1 (22522)											
Beginning Balance	$ 3,673,893	$ 4,002,493	$ 1,309,087	$ 1,370,268	$ 2,360,610	$ 3,148,515	$ 4,076,758	$ 3,159,310	$ 4,040,893	$ 4,931,291	$ 5,830,594
plus: System Development Fee	290,000	762,263	51,363	976,639	764,299	896,757	849,990	849,990	849,990	849,990	849,990
plus: Interest Earnings	42,000	20,012	9,818	13,703	23,606	31,485	40,768	31,593	40,409	49,313	58,306
Total Funding Sources	**$ 4,005,893**	**$ 4,784,769**	**$ 1,370,268**	**$ 2,360,610**	**$ 3,148,515**	**$ 4,076,758**	**$ 4,967,515**	**$ 4,040,893**	**$ 4,931,291**	**$ 5,830,594**	**$ 6,738,889**
less: Capital Expenditures	(3,400)	(3,475,682)	-	-	-	-	(1,808,205)	-	-	-	-
Remaining Funding Sources (Deficit)	**$ 4,002,493**	**$ 1,309,087**	**$ 1,370,268**	**$ 2,360,610**	**$ 3,148,515**	**$ 4,076,758**	**$ 3,159,310**	**$ 4,040,893**	**$ 4,931,291**	**$ 5,830,594**	**$ 6,738,889**
plus: Transfer trom Capital Fund	-	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ 4,002,493**	**$ 1,309,087**	**$ 1,370,268**	**$ 2,360,610**	**$ 3,148,515**	**$ 4,076,758**	**$ 3,159,310**	**$ 4,040,893**	**$ 4,931,291**	**$ 5,830,594**	**$ 6,738,889**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in Deficit	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Water Resources System Dev SPA 2 (22523)											
Beginning Balance	$ 350,469	$ 347,069	$ 401,474	$ 519,529	$ 657,888	$ 871,399	$ 1,214,090	$ 1,394,588	$ 1,576,891	$ 1,761,017	$ 1,946,984
plus: System Development Fee	-	52,670	115,044	133,163	206,933	333,976	168,357	168,357	168,357	168,357	168,357
plus: Interest Earnings	-	1,735	3,011	5,195	6,579	8,714	12,141	13,946	15,769	17,610	19,470
Total Funding Sources	**$ 350,469**	**$ 401,474**	**$ 519,529**	**$ 657,888**	**$ 871,399**	**$ 1,214,090**	**$ 1,394,588**	**$ 1,576,891**	**$ 1,761,017**	**$ 1,946,984**	**$ 2,134,811**
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	**$ 347,069**	**$ 401,474**	**$ 519,529**	**$ 657,888**	**$ 871,399**	**$ 1,214,090**	**$ 1,394,588**	**$ 1,576,891**	**$ 1,761,017**	**$ 1,946,984**	**$ 2,134,811**
plus: Transfer trom Capital Fund	-	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ 347,069**	**$ 401,474**	**$ 519,529**	**$ 657,888**	**$ 871,399**	**$ 1,214,090**	**$ 1,394,588**	**$ 1,576,891**	**$ 1,761,017**	**$ 1,946,984**	**$ 2,134,811**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in Deficit	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Water Resources System Dev SPA 3 (22524)											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,489	$ 18,052	$ 29,732	$ 41,528
plus: System Development Fee	-	-	-	-	-	-	11,499	11,499	11,499	11,499	11,499
plus: Interest Earnings	-	-	-	-	-	-	-	65	181	297	415
Total Funding Sources	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 11,499**	**$ 18,052**	**$ 29,732**	**$ 41,528**	**$ 53,442**
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	**$ (3,400)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 11,499**	**$ 18,052**	**$ 29,732**	**$ 41,528**	**$ 53,442**
plus: Transfer trom Capital Fund	3,400	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	(5,010)	-	-	-	-
Ending Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,489**	**$ 18,052**	**$ 29,732**	**$ 41,528**	**$ 53,442**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	*$ 1,610*	*$ 5,010*	*$ 5,010*	*$ 5,010*	*$ 5,010*	*$ 5,010*	*$ 5,010*	$ -	$ -	$ -	$ -
Change in Deficit	*3,400*	-	-	-	-	-	*(5,010)*	-	-	-	-
Ending Fund Deficit	*$ 5,010*	*$ 5,010*	*$ 5,010*	*$ 5,010*	*$ 5,010*	*$ 5,010*	$ -	$ -	$ -	$ -	$ -

City of Surprise
Water Utility Rate Study
Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Water Resources System Dev SPA 4 (22525)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ 1,611	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011
Water Resources System Dev SPA 5 (22526)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ 1,611	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011	$ 5,011
Water Resources System Dev SPA 6 (22527)											
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ 1,363	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763
Change in Deficit	3,400	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763	$ 4,763

TECHNICAL APPENDIX: WASTEWATER FUND

City of Surprise
Wastewater Utility Rate Study
Summary

Revenue Requirement	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenues											
Rate Revenues Under Existing Rates	$ 15,785,300	$ 16,156,517	$ 16,763,361	$ 17,558,429	$ 18,438,893	$ 19,342,363	$ 20,053,775	$ 20,765,188	$ 21,476,600	$ 22,188,013	$ 22,899,425
Non-Rate Revenues	261,600	8,581	13,944	19,502	20,090	20,622	21,313	22,173	23,222	24,413	25,158
Total Revenues	**$ 16,046,900**	**$ 16,165,098**	**$ 16,777,305**	**$ 17,577,930**	**$ 18,458,983**	**$ 19,362,985**	**$ 20,075,088**	**$ 20,787,360**	**$ 21,499,822**	**$ 22,212,425**	**$ 22,924,583**
Expenses											
Cash Operating Expenses	$ 10,440,300	$ 11,309,905	$ 11,863,534	$ 12,221,461	$ 12,545,294	$ 12,965,508	$ 13,488,322	$ 14,126,542	$ 14,851,001	$ 15,304,700	$ 15,966,778
Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	-	-	-	-	-	-	-	-	-
Rate Funded System Reinvestment	4,600,000	4,600,000	4,800,000	5,200,000	5,800,000	6,300,000	6,500,000	6,500,000	6,500,000	6,800,000	6,800,000
Total Expenses	**$ 15,040,300**	**$ 15,909,905**	**$ 16,663,534**	**$ 17,421,461**	**$ 18,345,294**	**$ 19,265,508**	**$ 19,988,322**	**$ 20,626,542**	**$ 21,351,001**	**$ 22,104,700**	**$ 22,766,778**
Net Surplus (Deficiency)	**$ 1,006,600**	**$ 255,193**	**$ 113,771**	**$ 156,469**	**$ 113,689**	**$ 97,476**	**$ 86,766**	**$ 160,818**	**$ 148,820**	**$ 107,726**	**$ 157,806**
Additions to Meet Coverage	-	-	-	-	-	-	-	-	-	-	-
Total Surplus (Deficiency)	**$ 1,006,600**	**$ 255,193**	**$ 113,771**	**$ 156,469**	**$ 113,689**	**$ 97,476**	**$ 86,766**	**$ 160,818**	**$ 148,820**	**$ 107,726**	**$ 157,806**
% of Rate Revenue	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Annual Rate Adjustment	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Cumulative Annual Rate Adjustment	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Rate Revenues After Rate Increase	$ 15,785,300	$ 16,156,517	$ 16,763,361	$ 17,558,429	$ 18,438,893	$ 19,342,363	$ 20,053,775	$ 20,765,188	$ 21,476,600	$ 22,188,013	$ 22,899,425
Additional Taxes from Rate Increase	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Cash Flow After Rate Increase	**1,006,600**	**255,193**	**113,771**	**156,469**	**113,689**	**97,476**	**86,766**	**160,818**	**148,820**	**107,726**	**157,806**
Coverage After Rate Increases	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Sample Residential Monthly Bill	**$ 24.78**	**$ 24.78**	**$ 24.78**	**$ 24.78**	**$ 24.78**	**$ 24.78**	**$ 24.78**	**$ 24.78**	**$ 24.78**	**$ 24.78**	**$ 24.78**
Monthly Average Increase ($)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

City of Surprise
Wastewater Utility Rate Study
Summary

Fund Balance	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
SEWER OPERATIONS FUND											
Beginning Balance	$ 19,097,517	$ 1,716,214	$ 1,859,162	$ 1,950,170	$ 2,009,007	$ 2,062,240	$ 2,131,316	$ 2,217,258	$ 2,322,171	$ 2,441,260	$ 2,515,841
plus: Net Cash Flow after Rate Increase	1,006,600	255,193	113,771	156,469	113,689	97,476	86,766	160,818	148,820	107,726	157,806
less: Transfer of Surplus to Capital Fund	(18,387,903)	(112,244)	(22,764)	(97,632)	(60,456)	(28,400)	(824)	(55,905)	(29,731)	(33,145)	(48,971)
Ending Balance	**$ 1,716,214**	**$ 1,859,162**	**$ 1,950,170**	**$ 2,009,007**	**$ 2,062,240**	**$ 2,131,316**	**$ 2,217,258**	**$ 2,322,171**	**$ 2,441,260**	**$ 2,515,841**	**$ 2,624,676**
Target Balance	*$ 1,716,214*	*$ 1,859,162*	*$ 1,950,170*	*$ 2,009,007*	*$ 2,062,240*	*$ 2,131,316*	*$ 2,217,258*	*$ 2,322,171*	*$ 2,441,260*	*$ 2,515,841*	*$ 2,624,676*
Days	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*
OPERATIONS FUND - CAPITAL PORTION											
Beginning Balance	$ -	$ 16,409,159	$ 12,519,463	$ 8,798,164	$ 6,105,852	$ 15,593,405	$ 19,971,747	$ 27,472,369	$ 31,201,632	$ 16,271,382	$ 27,979,109
plus: Rate Funded System Reinvestment	4,600,000	4,600,000	4,800,000	5,200,000	5,800,000	6,300,000	6,500,000	6,500,000	6,500,000	6,800,000	6,800,000
plus: Transfers from Operating Fund	18,387,903	112,244	22,764	97,632	60,456	28,400	824	55,905	29,731	33,145	48,971
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from SPA Funds for Deficit Repayment	-	-	1,932,166	-	4,102,247	-	2,752,942	1,251,501	-	5,230,958	5,230,958
plus: Net Debt Proceeds Available for Projects	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	82,046	93,896	87,982	61,059	155,934	199,717	274,724	312,016	162,714	279,791
Total Funding Sources	**$ 22,987,903**	**$ 21,203,450**	**$ 19,368,288**	**$ 14,183,777**	**$ 16,129,614**	**$ 22,077,739**	**$ 29,425,231**	**$ 35,554,499**	**$ 38,043,380**	**$ 28,498,199**	**$ 40,338,829**
less: Capital Expenditures	(397,800)	(5,789,226)	(10,570,125)	(5,437,124)	(523,748)	(1,798,796)	(1,952,862)	(4,352,867)	(5,919,901)	(519,090)	(235,122)
less: Transfers to SPA Funds	(6,180,943)	(2,894,761)	-	(2,640,801)	(12,461)	(307,196)	-	-	(15,852,097)	-	-
Ending Working Capital Balance	**$ 16,409,159**	**$ 12,519,463**	**$ 8,798,164**	**$ 6,105,852**	**$ 15,593,405**	**$ 19,971,747**	**$ 27,472,369**	**$ 31,201,632**	**$ 16,271,382**	**$ 27,979,109**	**$ 40,103,707**
Minimum Target Balance	*$ 5,170,183*	*$ 5,345,802*	*$ 5,563,590*	*$ 5,672,333*	*$ 5,698,778*	*$ 5,819,938*	*$ 5,866,228*	*$ 5,990,594*	*$ 6,227,023*	*$ 6,237,405*	*$ 6,242,107*
COMBINED BEGINNING BALANCE	**$ 19,097,517**	**$ 18,125,373**	**$ 14,378,625**	**$ 10,748,334**	**$ 8,114,859**	**$ 17,655,645**	**$ 22,103,064**	**$ 29,689,628**	**$ 33,523,803**	**$ 18,712,643**	**$ 30,494,951**
COMBINED ENDING BALANCE	**$ 18,125,373**	**$ 14,378,625**	**$ 10,748,334**	**$ 8,114,859**	**$ 17,655,645**	**$ 22,103,064**	**$ 29,689,628**	**$ 33,523,803**	**$ 18,712,643**	**$ 30,494,951**	**$ 42,728,383**
DEBT RESERVE											
New Debt											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2003 MPC Reserve											
Beginning Balance	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230
Ending Balance	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230
2007 MPC Reserve											
Beginning Balance	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810
Ending Balance	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810
REPAIR AND REPLACEMENT FUND (2007 MPC)											
Beginning Balance	$ 5,317,196	$ 5,330,489	$ 5,357,141	$ 5,563,590	$ 5,672,333	$ 5,729,056	$ 5,819,938	$ 5,878,138	$ 5,990,594	$ 6,227,023	$ 6,289,293
Ending Balance	$ 5,330,489	$ 5,357,141	$ 5,563,590	$ 5,672,333	$ 5,729,056	$ 5,819,938	$ 5,878,138	$ 5,990,594	$ 6,227,023	$ 6,289,293	$ 6,352,186

City of Surprise
Wastewater Utility Rate Study
Summary

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sewer System Dev Fee SPA 1											
Beginning Balance	$ 7,816	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 25,100,783*	*$ 27,995,544*	*$ 26,063,378*	*$ 28,704,179*	*$ 24,601,932*	*$ 24,909,128*	*$ 22,156,186*	*$ 20,904,685*	*$ 30,855,227*	*$ 25,624,269*	*$ 20,393,311*
Sewer System Dev Fee SPA 2											
Beginning Balance	$ 317,517	$ 316,917	$ 318,502	$ 320,890	$ 324,099	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ 316,917	$ 318,502	$ 320,890	$ 324,099	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ -*	*$ -*	*$ -*	*$ -*	*$ 12,461*	*$ 12,461*	*$ 12,461*	*$ 12,461*	*$ 5,914,016*	*$ 5,914,016*	*$ 5,914,016*
Sewer System Dev Fee SPA 3											
Beginning Balance	$ 49,407	$ 46,607	$ 46,840	$ 47,192	$ 47,664	$ 48,140	$ 48,622	$ 49,108	$ 49,599	$ 50,095	$ 50,596
Ending Balance	$ 46,607	$ 46,840	$ 47,192	$ 47,664	$ 48,140	$ 48,622	$ 49,108	$ 49,599	$ 50,095	$ 50,596	$ 51,102
Amount Owed to Capital Fund	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Sewer System Dev Fee SPA 4											
Beginning Balance	$ 1,393	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*
Sewer System Dev Fee SPA 5											
Beginning Balance	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*
Sewer System Dev Fee SPA 6											
Beginning Balance	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amount Owed to Capital Fund	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*

City of Surprise
Wastewater Utility Rate Study
Assumptions

July 2013 - June 2014

Economic & Financial Factors	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1 General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2 Construction Cost Inflation	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%
3 Labor Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4 Benefit Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5 Customer Growth	1.37%	2.35%	3.76%	4.74%	5.01%	4.90%	3.68%	3.55%	3.43%	3.31%	3.21%
6 General Inflation plus Growth	4.42%	5.42%	6.87%	7.89%	8.16%	8.05%	6.79%	6.65%	6.53%	6.41%	6.30%
7 No Escalation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 PILOT	5.30%	-4.24%	-2.50%	1.98%	4.07%	1.95%	0.47%	2.13%	0.80%	2.12%	3.95%
9 Franchise In Lieu Payment	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
10 Fuel Cost Escalation	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
11 [Extra]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fund Earnings	0.25%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Accounting Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FISCAL POLICY RESTRICTIONS												
Min. Op. Fund Balance (days of O&M expense)		60	60	60	60	60	60	60	60	60	60	60
Max. Op. Fund Balance (days of O&M expense)		60	60	60	60	60	60	60	60	60	60	60
Minimum Capital Fund Balance Target												
Select Minimum Capital Fund Balance Target	1	**Defined as % of Plant**										
1 - Defined as % of Plant												
Plant-in-Service in 2013	$ 258,065,943											
Minimum Capital Fund Balance - % of plant assets		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 - Amount at Right ==>		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RATE FUNDED SYSTEM REINVESTMENT												
Select Reinvestment Funding Strategy	3	**User Input**										
Amount of Annual Cash Funding from Rates												
1 - Equal to Annual Depreciation Expense		$ 7,096,453	$ 7,262,086	$ 7,479,874	$ 7,588,617	$ 7,615,062	$ 7,732,717	$ 7,779,007	$ 7,903,372	$ 8,139,801	$ 8,150,183	$ 8,154,886
2 - Equal to Depreciation less Annual Debt Principal Payments		7,096,453	7,262,086	7,479,874	7,588,617	7,615,062	7,732,717	7,779,007	7,903,372	8,139,801	8,150,183	8,154,886
3 - Equal to Amount at Right ==>		4,600,000	4,600,000	4,800,000	5,200,000	5,800,000	6,300,000	6,500,000	6,500,000	6,500,000	6,800,000	6,800,000
4 - Do Not Fund Depreciation		1,006,600	255,193	113,771	156,469	113,689	97,476	86,766	160,818	148,820	107,726	157,806

City of Surprise
Wastewater Utility Rate Study
Assumptions

July 2013 - June 2014

Capital Financing Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
System Development Fee (SDF)												
SDF in SPA 1	$ 3,853	$ 3,853	$ 3,853	$ 3,853	$ 3,853	$ 3,853	$ 3,853	$ 3,853	$ 3,853	$ 3,853	$ 3,853	$ 3,853
SDF in SPA 2	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039
SDF in SPA 3	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039
SDF in SPA 4	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039
SDF in SPA 5	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039
SDF in SPA 6	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039
Special Planning Area (SPA) 1												
Total Residential Customer Equivalents (Estimate)		43,894	44,861	46,386	48,329	50,379	52,271	53,947	55,623	57,298	58,974	60,649
Additional Equivalent Units Per Year		611	967	1,525	1,943	2,049	1,893	1,676	1,676	1,676	1,676	1,676
SPA 1 SDF Revenue		$ 2,352,700	$ 3,727,094	$ 5,877,060	$ 7,486,664	$ 7,896,324	$ 7,292,648	$ 6,455,958	$ 6,455,958	$ 6,455,958	$ 6,455,958	$ 6,455,958
Special Planning Area (SPA) 2												
Total Residential Customer Equivalents (Estimate)		780	846	990	1,157	1,417	1,837	2,049	2,260	2,472	2,683	2,895
Additional Equivalent Units Per Year		11	66	145	167	260	420	212	212	212	212	212
SPA 2 SDF Revenue		$ -	$ 201,086	$ 439,219	$ 508,394	$ 790,036	$ 1,275,068	$ 642,761	$ 642,761	$ 642,761	$ 642,761	$ 642,761
SPA 2 SDF Revenue to City		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Planning Area (SPA) 3												
Total Residential Customer Equivalents (Estimate)		-	32	103	273	490	770	924	1,078	1,231	1,385	1,539
Additional Equivalent Units Per Year		-	32	71	171	217	280	154	154	154	154	154
SPA 3 SDF Revenue		$ -	$ 95,755	$ 216,231	$ 518,562	$ 658,363	$ 850,045	$ 467,791	$ 467,791	$ 467,791	$ 467,791	$ 467,791
SPA 3 SDF Revenue to City		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Planning Area (SPA) 4												
Total Residential Customer Equivalents (Estimate)		-	-	-	-	-	-	-	-	-	-	-
Additional Equivalent Units Per Year		-	-	-	-	-	-	-	-	-	-	-
SPA 4 SDF Revenue		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Planning Area (SPA) 5												
Total Residential Customer Equivalents (Estimate)		-	-	-	-	-	-	-	-	-	-	-
Additional Equivalent Units Per Year		-	-	-	-	-	-	-	-	-	-	-
SPA 5 SDF Revenue		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Planning Area (SPA) 6												
Total Residential Customer Equivalents (Estimate)		-	-	-	-	-	-	-	-	-	-	-
Additional Equivalent Units Per Year		-	-	-	-	-	-	-	-	-	-	-
SPA 6 SDF Revenue		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total System Development Fee Revenue to City		**$ 2,352,700**	**$ 3,727,094**	**$ 5,877,060**	**$ 7,486,664**	**$ 7,896,324**	**$ 7,292,648**	**$ 6,455,958**	**$ 6,455,958**	**$ 6,455,958**	**$ 6,455,958**	**$ 6,455,958**

City of Surprise
Wastewater Utility Rate Study
Assumptions

July 2013 - June 2014

Capital Financing Assumptions (Cont'd)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FUNDING SOURCES											
Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Proceeds (Costs)											
[Extra line]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
[Extra line]	-	-	-	-	-	-	-	-	-	-	-
[Extra line]	-	-	-	-	-	-	-	-	-	-	-
[Extra line]	-	-	-	-	-	-	-	-	-	-	-
[Extra line]	-	-	-	-	-	-	-	-	-	-	-
Total Additional Proceeds	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
REVENUE BONDS											
Term (years)	20	20	20	20	20	20	20	20	20	20	20
Interest Cost	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Issuance Cost	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Revenue Bond Coverage Requirement	**1.20**										
MPC 2007 Bond Coverage Requirement	**1.00**										
OTHER LOANS											
Term (years)	20	20	20	20	20	20	20	20	20	20	20
Interest Cost	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
OTHER LOW COST LOANS											
Term (years)	20	20	20	20	20	20	20	20	20	20	20
Interest Cost	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Issuance Cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Other Assumptions	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Customer Growth														
Projected Rate Revenue			15,613,000	15,713,500	15,887,600	16,172,400	16,545,400	16,958,500						
Projected New Equivalent Dwelling Units (EDUs)														
SPA 1				614	967	1,525	1,943	2,049	1,893					
SPA 2				-	66	145	167	260	420					
SPA 3				-	32	71	171	217	280					
Total New EDUs				**614**	**1,065**	**1,741**	**2,281**	**2,526**	**2,592**					
Cumulative EDUs			44,673	45,287	46,352	48,093	50,374	52,900	55,492					
EDU Growth Rate				1.37%	2.35%	3.76%	4.74%	5.01%	4.90%					
Projected New Equivalent Dwelling Units (EDUs)			100.00%	of Original Growth Projections						*Based on previous 5 year average growth projections*				
SPA 1				614	967	1,525	1,943	2,049	1,893	1,676	1,676	1,676	1,676	1,676
SPA 2				-	66	145	167	260	420	212	212	212	212	212
SPA 3				-	32	71	171	217	280	154	154	154	154	154
Total New EDUs				**614**	**1,065**	**1,741**	**2,281**	**2,526**	**2,592**	**2,041**	**2,041**	**2,041**	**2,041**	**2,041**
Cumulative EDUs			44,673	45,287	46,352	48,093	50,374	52,900	55,492	57,533	59,574	61,615	63,656	65,697
EDU Growth Rate				1.37%	2.35%	3.76%	4.74%	5.01%	4.90%	3.68%	3.55%	3.43%	3.31%	3.21%
PILOT Tax Components														
Capital Assets	256,121,873	262,493,122	258,065,943	258,509,143	267,290,111	278,179,517	283,616,641	284,938,923	290,996,917	293,311,420	299,529,694	311,351,150	311,870,239	312,105,361
ARS Assessed Valuation Annual Year Percentage		20.00%	19.50%	19.00%	18.50%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
ARS Assessed Valuation Fiscal Year Percentage			19.75%	19.25%	18.75%	18.25%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Primary Property Tax Rate			0.7383%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%
Payment in Lieu of Taxes			$ 373,462	$ 393,274	$ 376,599	$ 367,186	$ 374,457	$ 389,713	$ 397,330	$ 399,182	$ 407,669	$ 410,912	$ 419,623	$ 436,184

City of Surprise
Wastewater Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Revenues			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	Rate Revenues														
31434	Service/Collection Fees	5	Customer Growth	$ 15,677,893	$ 15,713,500	$ 16,083,029	$ 16,687,113	$ 17,478,563	$ 18,355,023	$ 19,254,383	$ 19,962,560	$ 20,670,736	$ 21,378,913	$ 22,087,090	$ 22,795,266
31434	Service/Collection Fees - Onsite Improvements	5	Customer Growth	76,289	71,800	73,488	76,249	79,865	83,870	87,979	91,215	94,451	97,687	100,923	104,159
31434	Service/Collection Fees - Hydro-Vac Truck Reimb.	5	Customer Growth	45,850	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-
	Total Rate Revenue			**$ 15,800,032**	**$ 15,785,300**	**$ 16,156,517**	**$ 16,763,361**	**$ 17,558,429**	**$ 18,438,893**	**$ 19,342,363**	**$ 20,053,775**	**$ 20,765,188**	**$ 21,476,600**	**$ 22,188,013**	**$ 22,899,425**
	Non-Rate Revenues														
31813	Interest Income	7	No Escalation	$ 287,519	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31543	Federal Grant Revenue - SPA 1	7	No Escalation	157,979	-	-	-	-	-	-	-	-	-	-	-
31432	Line Extension Fees	7	No Escalation	52,312	-	-	-	-	-	-	-	-	-	-	-
31461	Revenue Recovery-Utility Bill	7	No Escalation	1,066	-	-	-	-	-	-	-	-	-	-	-
31816	Unrealized Gain/Loss	7	No Escalation	(207,965)	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Rate Revenues			**$ 290,911**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL REVENUES				**$ 16,090,943**	**$ 15,785,300**	**$ 16,156,517**	**$ 16,763,361**	**$ 17,558,429**	**$ 18,438,893**	**$ 19,342,363**	**$ 20,053,775**	**$ 20,765,188**	**$ 21,476,600**	**$ 22,188,013**	**$ 22,899,425**

Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
242	**Community Development**														
213	**Economic Development**														
	Contractual Services														
38994	Developer Reimbursement - Surprise Point	1	General Cost Inflation	6,523	10,000	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
38994	Developer Reimbursement - Prasada	1	General Cost Inflation	228,296	241,000	241,000	248,230	255,677	263,347	271,248	279,385	287,767	296,400	305,292	314,450
643	**Sewer**														
111	**Administration**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	150,130	172,500	172,529	177,705	183,036	188,527	194,183	200,008	206,009	212,189	218,555	225,111
36115	Holidays	4	Benefit Cost Inflation	5,137	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	43,604	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	980	1,300	1,260	1,298	1,337	1,377	1,418	1,461	1,505	1,550	1,596	1,644
36211	FICA	4	Benefit Cost Inflation	16,790	12,200	12,228	12,595	12,973	13,362	13,763	14,176	14,601	15,039	15,490	15,955
36231	Medical	4	Benefit Cost Inflation	27,946	16,400	16,442	16,935	17,443	17,967	18,506	19,061	19,633	20,222	20,828	21,453
36232	Dental	4	Benefit Cost Inflation	1,884	1,100	1,142	1,176	1,212	1,248	1,285	1,324	1,364	1,405	1,447	1,490
36233	Vision	4	Benefit Cost Inflation	334	200	240	247	255	262	270	278	287	295	304	313
36234	Life	4	Benefit Cost Inflation	995	800	800	824	849	874	900	927	955	984	1,013	1,044
36252	AZ State Retirement	4	Benefit Cost Inflation	24,914	20,100	19,910	20,507	21,123	21,756	22,409	23,081	23,774	24,487	25,221	25,978
36255	Post Emp. Health Plan	4	Benefit Cost Inflation	3,301	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4	Benefit Cost Inflation	1,663	300	400	412	424	437	450	464	478	492	507	522
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	1,187	2,200	2,200	2,266	2,334	2,404	2,476	2,550	2,627	2,706	2,787	2,871
37112	Computer Supplies	1	General Cost Inflation	548	1,800	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
37114	Books & Subscriptions	1	General Cost Inflation	368	100	100	103	106	109	113	116	119	123	127	130
37131	Clothing & Uniforms	1	General Cost Inflation	89	-	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	-	200	200	206	212	219	225	232	239	246	253	261
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	18,453	-	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	1	General Cost Inflation	284	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37196	Meeting Supplies	1	General Cost Inflation	228	100	100	103	106	109	113	116	119	123	127	130
37211	Gas & Fuel	1	General Cost Inflation	340	400	400	412	424	437	450	464	478	492	507	522
37212	Auto Parts & Lubricants	1	General Cost Inflation	42	700	700	721	743	765	788	811	836	861	887	913
	Contractual Services														
38131	Collection Fees Delinq. Accounts	1	General Cost Inflation	10	500	500	515	530	546	563	580	597	615	633	652
38199	Other Prof/Tech Services	1	General Cost Inflation	61,642	115,000	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191
38217	Postage & Mailings	1	General Cost Inflation	80	100	100	103	106	109	113	116	119	123	127	130
38331	Vehicle Maintenance	1	General Cost Inflation	14	400	400	412	424	437	450	464	478	492	507	522
38412	Utility Billing Service Contract	1	General Cost Inflation	530,560	520,000	520,000	535,600	551,668	568,218	585,265	602,823	620,907	639,534	658,720	678,482
38521	Equipment Rental	1	General Cost Inflation	2,129	4,500	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534	5,700	5,871
38912	Risk Insurance Premium	1	General Cost Inflation	419,800	419,800	419,800	432,394	445,366	458,727	472,489	486,663	501,263	516,301	531,790	547,744
38922	Travel & Training	1	General Cost Inflation	616	3,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38924	Dues & Memberships	1	General Cost Inflation	360	600	600	618	637	656	675	696	716	738	760	783
38931	Advertising	1	General Cost Inflation	200	-	-	-	-	-	-	-	-	-	-	-
	Capital														
39999	Contingency	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
112	**General Operation**														
	Transfers Out														
34012	Franchise in lieu payment		*Calculated*	315,472	314,300	314,300	333,742	349,571	367,100	385,088	399,251	413,415	427,578	441,742	455,905

City of Surprise
Wastewater Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
34022	Indirect costs - general fund personnel	1	General Cost Inflation	1,349,000	1,552,400	1,552,400	1,598,972	1,646,941	1,696,349	1,747,240	1,799,657	1,853,647	1,909,256	1,966,534	2,025,530
34032	Payments in lieu of property tax (PILOT)		*Calculated*	364,654	388,200	388,200	367,186	374,457	389,713	397,330	399,182	407,669	410,912	419,623	436,184
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	1,072,056	1,286,400	1,293,844	1,332,659	1,372,639	1,413,818	1,456,233	1,499,920	1,544,917	1,591,265	1,639,003	1,688,173
36112	Part Time Employees	3	Labor Cost Inflation	4,414	-	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	3	Labor Cost Inflation	38,473	26,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
36115	Holidays	4	Benefit Cost Inflation	48,881	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	114,765	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	8,249	7,700	8,880	9,146	9,421	9,703	9,995	10,294	10,603	10,921	11,249	11,586
36211	FICA	4	Benefit Cost Inflation	92,862	100,700	98,671	101,631	104,680	107,820	111,055	114,387	117,818	121,353	124,993	128,743
36231	Medical	4	Benefit Cost Inflation	156,695	216,900	159,053	163,825	168,739	173,802	179,016	184,386	189,918	195,615	201,484	207,528
36232	Dental	4	Benefit Cost Inflation	10,264	13,300	9,904	10,201	10,507	10,822	11,147	11,481	11,826	12,181	12,546	12,922
36233	Vision	4	Benefit Cost Inflation	1,643	2,000	1,536	1,582	1,630	1,678	1,729	1,781	1,834	1,889	1,946	2,004
36234	Life	4	Benefit Cost Inflation	4,953	5,700	5,700	5,871	6,047	6,229	6,415	6,608	6,806	7,010	7,221	7,437
36252	AZ State Retirement	4	Benefit Cost Inflation	136,912	152,400	149,310	153,789	158,403	163,155	168,050	173,091	178,284	183,632	189,141	194,816
36278	Workers Compensation	4	Benefit Cost Inflation	28,588	33,100	43,945	45,263	46,621	48,020	49,460	50,944	52,473	54,047	55,668	57,338
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	2,468	2,300	2,300	2,369	2,440	2,513	2,589	2,666	2,746	2,829	2,914	3,001
37112	Computer Supplies	1	General Cost Inflation	1,587	1,500	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
37114	Books & Subscriptions	1	General Cost Inflation	1,800	1,800	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
37131	Clothing & Uniforms	1	General Cost Inflation	1,315	1,700	1,700	1,751	1,804	1,858	1,913	1,971	2,030	2,091	2,154	2,218
37142	Phone Supplies	1	General Cost Inflation	245	300	300	309	318	328	338	348	358	369	380	391
37161	Operational Supplies	1	General Cost Inflation	114,664	163,200	181,800	187,254	192,872	198,658	204,618	210,756	217,079	223,591	230,299	237,208
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	19,960	13,200	15,700	16,171	16,656	17,156	17,670	18,201	18,747	19,309	19,888	20,485
37164	Signs and Sign Supplies	1	General Cost Inflation	1,800	1,100	1,100	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	293,367	376,700	447,500	460,925	474,753	488,995	503,665	518,775	534,338	550,369	566,880	583,886
37192	Awards & Recognition	1	General Cost Inflation	85	600	600	618	637	656	675	696	716	738	760	783
37193	Safety & First Aid Supplies	1	General Cost Inflation	6,948	13,800	18,820	19,385	19,966	20,565	21,182	21,818	22,472	23,146	23,841	24,556
37196	Meeting Supplies	1	General Cost Inflation	137	-	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	10	Fuel Cost Escalation	18,954	21,900	21,900	22,940	24,029	25,170	26,366	27,618	28,929	30,303	31,742	33,249
37212	Auto Parts & Lubricants	1	General Cost Inflation	5,471	12,100	11,400	11,742	12,094	12,457	12,831	13,216	13,612	14,021	14,441	14,874
37221	Repair and Maintenance	1	General Cost Inflation	361	2,600	2,600	2,678	2,758	2,841	2,926	3,014	3,105	3,198	3,294	3,392
37222	Cleaning/Janitorial	1	General Cost Inflation	133	1,600	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088
37223	Agricultural/Grounds Supplies	1	General Cost Inflation	12,158	44,000	44,000	45,320	46,680	48,080	49,522	51,008	52,538	54,114	55,738	57,410
37232	Chemical Supplies	1	General Cost Inflation	605,919	551,000	835,900	888,977	915,646	943,116	971,409	1,000,551	1,030,568	1,061,485	1,093,330	1,126,129
37233	Street Repair Supplies	1	General Cost Inflation	2,436	2,400	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
	Contractual Services														
38126	Service Agreements	1	General Cost Inflation	22,801	43,900	43,900	45,217	46,574	47,971	49,410	50,892	52,419	53,991	55,611	57,280
38128	Recording, License & Permit Fees	1	General Cost Inflation	9,108	-	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	1	General Cost Inflation	4,068	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38129	SOFTWARE - Hansen Version	1	General Cost Inflation	20,469	-	-	-	-	-	-	-	-	-	-	-
38191	Pre-Employment Services	1	General Cost Inflation	-	500	500	515	530	546	563	580	597	615	633	652
38192	Lab Services - SPA 1	1	General Cost Inflation	24	-	-	-	-	-	-	-	-	-	-	-
38192	Lab Services	1	General Cost Inflation	46,884	63,200	63,200	65,096	67,049	69,060	71,132	73,266	75,464	77,728	80,060	82,462
38199	Other Prof/Tech Services - SPA 1	1	General Cost Inflation	379,926	-	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	1	General Cost Inflation	135,007	76,500	106,500	109,695	112,986	116,375	119,867	123,463	127,167	130,982	134,911	138,958
38199	Other Prof/Tech Services - Well abandnmt	1	General Cost Inflation	-	9,500	-	-	-	-	-	-	-	-	-	-
38211	Water	1	General Cost Inflation	122,299	103,900	103,900	107,017	110,228	113,534	116,940	120,449	124,062	127,784	131,617	135,566
38212	Electricity	1	General Cost Inflation	923,771	969,200	1,004,200	1,069,326	1,101,406	1,134,448	1,174,981	1,210,231	1,246,538	1,283,934	1,322,452	1,362,125
38213	Propane/Natural Gas	1	General Cost Inflation	-	600	600	618	637	656	675	696	716	738	760	783
38214	Telephone	1	General Cost Inflation	2,492	3,900	3,900	4,017	4,138	4,262	4,389	4,521	4,657	4,797	4,940	5,089
38216	Sanitary/Landfill	1	General Cost Inflation	261,669	234,000	234,000	241,020	248,251	255,698	263,369	271,270	279,408	287,790	296,424	305,317
38217	Postage & Mailings	1	General Cost Inflation	583	1,100	1,100	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435
38221	Cell Phone/Pagers	1	General Cost Inflation	3,613	3,400	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
38311	Building Maintenance	1	General Cost Inflation	5,988	3,000	9,500	9,785	10,079	10,381	10,692	11,013	11,343	11,684	12,034	12,395
38312	Streets Maintenance	1	General Cost Inflation	24,209	45,000	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
38321	Radio Equip. Maint.	1	General Cost Inflation	3,658	2,500	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
38324	Machinery & Equip. Maint.	1	General Cost Inflation	447,767	353,000	665,800	692,774	713,557	734,964	757,013	779,723	803,115	827,208	852,025	877,585
38324	Machinery & Equip. Maint. - W. wet well	1	General Cost Inflation	-	72,800	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	1	General Cost Inflation	4,384	4,900	4,900	5,047	5,198	5,354	5,515	5,680	5,851	6,026	6,207	6,393
38351	Wells/Sewer/Lins/Etc.	1	General Cost Inflation	231,006	348,000	388,000	399,640	411,629	423,978	436,697	449,798	463,292	477,191	491,507	506,252
38351	Wells/Sewer/Lins/Etc. - drainage reservoir	1	General Cost Inflation	-	10,000	-	-	-	-	-	-	-	-	-	-
38371	Janitorial Services	1	General Cost Inflation	17,600	19,700	26,700	27,501	28,326	29,176	30,051	30,953	31,881	32,838	33,823	34,837
38372	Pest Control Services	1	General Cost Inflation	1,475	2,100	2,100	2,163	2,228	2,295	2,364	2,434	2,508	2,583	2,660	2,740
38381	Grounds Maintenance	1	General Cost Inflation	26,268	28,000	28,000	28,840	29,705	30,596	31,514	32,460	33,433	34,436	35,470	36,534
38521	Equipment Rental	1	General Cost Inflation	43,773	42,200	42,200	43,466	44,770	46,113	47,496	48,921	50,389	51,901	53,458	55,061
38591	Other Rental/Leases	1	General Cost Inflation	(237)	-	-	-	-	-	-	-	-	-	-	-
38921	Tuition Reimbursement	1	General Cost Inflation	-	5,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524

City of Surprise
Wastewater Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38922	Travel & Training	1	General Cost Inflation	16,904	47,400	47,400	48,822	50,287	51,795	53,349	54,950	56,598	58,296	60,045	61,846
38924	Dues & Memberships	1	General Cost Inflation	1,194	1,300	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
38927	EE Certification & Licensing	1	General Cost Inflation	327	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38931	Advertising	1	General Cost Inflation	799	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	-	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
38991	Uniform/Laundry Services	1	General Cost Inflation	10,683	11,600	11,600	11,948	12,306	12,676	13,056	13,448	13,851	14,267	14,695	15,135
38999	Other Professional Services	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
	Capital														
39211	Building & Structure Purchases	1	General Cost Inflation	650,448	-	-	-	-	-	-	-	-	-	-	-
39212	Improvements to Buildings	1	General Cost Inflation	31,625	-	-	-	-	-	-	-	-	-	-	-
39223	Infrastructure Purchases	1	General Cost Inflation	23,373	-	-	-	-	-	-	-	-	-	-	-
39224	Infrastructure Improvements	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
39411	Furn., Fixtures & Ofc Equipment	1	General Cost Inflation	31,156	-	-	-	-	-	-	-	-	-	-	-
39421	Vehicles	1	General Cost Inflation	44,324	-	-	-	-	-	-	-	-	-	-	-
39872	Invadj	1	General Cost Inflation	(96,996)	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	1	General Cost Inflation	(2,847)	-	-	-	-	-	-	-	-	-	-	-
115	**Project Management**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	157,621	156,100	156,104	160,787	165,611	170,579	175,696	180,967	186,396	191,988	197,748	203,680
36115	Holidays	4	Benefit Cost Inflation	1,006	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	14,319	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	1,452	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
36211	FICA	4	Benefit Cost Inflation	14,756	12,000	11,942	12,300	12,669	13,049	13,441	13,844	14,259	14,687	15,128	15,582
36231	Medical	4	Benefit Cost Inflation	25,335	24,900	10,383	10,694	11,015	11,346	11,686	12,037	12,398	12,770	13,153	13,547
36232	Dental	4	Benefit Cost Inflation	1,521	1,400	571	588	606	624	643	662	682	702	723	745
36233	Vision	4	Benefit Cost Inflation	197	200	57	59	60	62	64	66	68	70	72	74
36234	Life	4	Benefit Cost Inflation	812	700	700	721	743	765	788	811	836	861	887	913
36252	AZ State Retirement	4	Benefit Cost Inflation	22,115	18,200	18,014	18,554	19,111	19,684	20,275	20,883	21,510	22,155	22,820	23,504
36278	Workers Compensation	4	Benefit Cost Inflation	1,464	2,000	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461	3,565
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
37112	Computer Supplies	1	General Cost Inflation	1,395	300	300	309	318	328	338	348	358	369	380	391
37114	Books & Subscriptions	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
37131	Clothing & Uniforms	1	General Cost Inflation	484	600	600	618	637	656	675	696	716	738	760	783
37161	Operational Supplies	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
37164	Signs and Sign Supplies	1	General Cost Inflation	22	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	1	General Cost Inflation	284	900	900	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174
37211	Gas & Fuel	10	Fuel Cost Escalation	676	1,000	1,000	1,047	1,097	1,149	1,204	1,261	1,321	1,384	1,449	1,518
37212	Auto Parts & Lubricants	1	General Cost Inflation	111	1,300	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
	Contractual Services														
38126	Service Agreements	1	General Cost Inflation	6,570	-	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	1	General Cost Inflation	-	6,600	6,600	6,798	7,002	7,212	7,428	7,651	7,881	8,117	8,361	8,612
38199	Other Prof/Tech Services	1	General Cost Inflation	-	17,000	17,000	17,510	18,035	18,576	19,134	19,708	20,299	20,908	21,535	22,181
38331	Vehicle Maintenance	1	General Cost Inflation	36	800	800	824	849	874	900	927	955	984	1,013	1,044
38922	Travel & Training	1	General Cost Inflation	2,187	9,300	9,300	9,579	9,866	10,162	10,467	10,781	11,105	11,438	11,781	12,134
38924	Dues & Memberships	1	General Cost Inflation	573	800	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
	Capital														
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-
117	**Customer Service**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	35,343	40,200	40,971	42,200	43,466	44,770	46,113	47,497	48,922	50,389	51,901	53,458
36113	Overtime Compensation	3	Labor Cost Inflation	285	700	-	-	-	-	-	-	-	-	-	-
36115	Holidays	4	Benefit Cost Inflation	2,040	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	2,947	-	-	-	-	-	-	-	-	-	-	-
36211	FICA	4	Benefit Cost Inflation	2,677	3,100	3,134	3,228	3,325	3,425	3,527	3,633	3,742	3,854	3,970	4,089
36231	Medical	4	Benefit Cost Inflation	13,663	14,500	14,481	14,915	15,363	15,824	16,298	16,787	17,291	17,810	18,344	18,894
36232	Dental	4	Benefit Cost Inflation	842	800	842	867	893	920	948	976	1,005	1,036	1,067	1,099
36233	Vision	4	Benefit Cost Inflation	121	100	120	124	127	131	135	139	143	148	152	157
36234	Life	4	Benefit Cost Inflation	178	200	200	206	212	219	225	232	239	246	253	261
36252	AZ State Retirement	4	Benefit Cost Inflation	4,374	4,700	4,728	4,870	5,016	5,166	5,321	5,481	5,645	5,815	5,989	6,169
36278	Workers Compensation	4	Benefit Cost Inflation	64	100	95	98	101	104	107	110	113	117	120	124
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	7	-	200	206	212	219	225	232	239	246	253	261
37131	Clothing & Uniforms	1	General Cost Inflation	22	100	100	103	106	109	113	116	119	123	127	130
37142	Phone Supplies	1	General Cost Inflation	260	100	100	103	106	109	113	116	119	123	127	130
37161	Operational Supplies	1	General Cost Inflation	35	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services														

City of Surprise
Wastewater Utility Rate Study
Operating Revenue and Expenditure Forecast

	Expenses		FORECAST BASIS	Actual FY2013	Budget FY2014	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021	Projection FY2022	Projection FY2023	Projection FY2024
38126	Service Agreements	1	General Cost Inflation	-	4,400	4,400	4,532	4,668	4,808	4,952	5,101	5,254	5,411	5,574	5,741
38372	Pest Control Services	1	General Cost Inflation	75	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	1	General Cost Inflation	-	400	400	412	424	437	450	464	478	492	507	522
601	**Collections WW**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	118,887	151,500	219,530	226,116	232,899	239,886	247,083	254,495	262,130	269,994	278,094	286,436
36113	Overtime Compensation	3	Labor Cost Inflation	4,257	2,400	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
36115	Holidays	4	Benefit Cost Inflation	4,321	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	15,374	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	1,100	1,000	1,512	1,558	1,604	1,653	1,702	1,753	1,806	1,860	1,916	1,973
36211	FICA	4	Benefit Cost Inflation	10,416	11,800	16,794	17,298	17,817	18,352	18,902	19,469	20,053	20,655	21,275	21,913
36231	Medical	4	Benefit Cost Inflation	30,220	43,400	40,407	41,619	42,868	44,154	45,479	46,843	48,248	49,696	51,187	52,722
36232	Dental	4	Benefit Cost Inflation	1,944	2,500	2,334	2,404	2,477	2,551	2,627	2,706	2,787	2,871	2,957	3,046
36233	Vision	4	Benefit Cost Inflation	282	400	350	361	372	383	394	406	418	431	444	457
36234	Life	4	Benefit Cost Inflation	560	700	976	1,005	1,036	1,067	1,099	1,132	1,166	1,201	1,237	1,274
36252	AZ State Retirement	4	Benefit Cost Inflation	15,505	17,900	25,334	26,094	26,877	27,683	28,514	29,369	30,250	31,158	32,092	33,055
36278	Workers Compensation	4	Benefit Cost Inflation	3,401	3,900	5,863	6,039	6,220	6,407	6,599	6,797	7,001	7,211	7,428	7,650
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	178	300	400	412	424	437	450	464	478	492	507	522
37112	Computer Supplies	1	General Cost Inflation	615	300	300	309	318	328	338	348	358	369	380	391
37114	Books & Subscriptions	1	General Cost Inflation	-	-	1,775	1,828	1,883	1,940	1,998	2,058	2,119	2,183	2,249	2,316
37131	Clothing & Uniforms	1	General Cost Inflation	41	500	700	721	743	765	788	811	836	861	887	913
37142	Phone Supplies	1	General Cost Inflation	91	100	100	103	106	109	113	116	119	123	127	130
37161	Operational Supplies	1	General Cost Inflation	2,002	8,300	8,300	8,549	8,805	9,070	9,342	9,622	9,911	10,208	10,514	10,830
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	-	2,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	15,467	14,600	14,600	15,038	15,489	15,954	16,432	16,925	17,433	17,956	18,495	19,050
37192	Awards & Recognition	1	General Cost Inflation	35	100	100	103	106	109	113	116	119	123	127	130
37193	Safety & First Aid Supplies	1	General Cost Inflation	3,981	3,800	4,100	4,223	4,350	4,480	4,615	4,753	4,896	5,042	5,194	5,350
37211	Gas & Fuel	10	Fuel Cost Escalation	15,066	15,300	15,300	16,027	16,788	17,585	18,420	19,294	20,211	21,170	22,176	23,229
37212	Auto Parts & Lubricants	1	General Cost Inflation	4,314	12,900	13,800	14,214	14,640	15,080	15,532	15,998	16,478	16,972	17,481	18,006
37221	Repair and Maintenance	1	General Cost Inflation	28	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
37232	Chemical Supplies	1	General Cost Inflation	2,276	3,400	3,400	3,502	3,607	3,715	3,827	3,942	4,060	4,182	4,307	4,436
37233	Street Repair Supplies	1	General Cost Inflation	125	-	-	-	-	-	-	-	-	-	-	-
37998	Photography Supplies	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
	Contractual Services														
38126	Service Agreements	1	General Cost Inflation	110	200	200	206	212	219	225	232	239	246	253	261
38162	Landscape Services	1	General Cost Inflation	750	1,900	1,900	1,957	2,016	2,076	2,138	2,203	2,269	2,337	2,407	2,479
38191	Pre Employment Services	1	General Cost Inflation	-	500	500	515	530	546	563	580	597	615	633	652
38199	Other Prof/Tech Services	1	General Cost Inflation	-	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
38211	Water	1	General Cost Inflation	2,818	2,200	2,200	2,266	2,334	2,404	2,476	2,550	2,627	2,706	2,787	2,871
38212	Electricity	1	General Cost Inflation	15,539	18,600	18,600	19,158	19,733	20,325	20,934	21,562	22,209	22,876	23,562	24,269
38213	Propane/Natural Gas	1	General Cost Inflation	623	800	800	824	849	874	900	927	955	984	1,013	1,044
38214	Telephone	1	General Cost Inflation	-	1,600	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088
38216	Sanitary/Landfill	1	General Cost Inflation	944	6,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
38217	Postage & Mailings	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
38221	Cell Phone/Pagers	1	General Cost Inflation	497	500	500	515	530	546	563	580	597	615	633	652
38324	Machinery & Equip. Maint.	1	General Cost Inflation	3,357	8,000	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
38331	Vehicle Maintenance	1	General Cost Inflation	15,790	3,600	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697
38351	Wells/Sewer/Lins/Etc.	1	General Cost Inflation	42,909	26,100	48,100	49,543	51,029	52,560	54,137	55,761	57,434	59,157	60,932	62,760
38351	Wells/Sewer/Lins/Etc. - Citrus & Peoria	1	General Cost Inflation	-	22,000	-	-	-	-	-	-	-	-	-	-
38372	Pest Control Services	1	General Cost Inflation	69,772	75,100	75,100	77,353	79,674	82,064	84,526	87,061	89,673	92,364	95,134	97,988
38521	Equipment Rental	1	General Cost Inflation	52	2,000	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
38922	Travel & Training	1	General Cost Inflation	2,448	4,400	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786
38924	Dues & Memberships	1	General Cost Inflation	45	-	2,800	2,884	2,971	3,060	3,151	3,246	3,343	3,444	3,547	3,653
38925	Federal Mileage Allowance	1	General Cost Inflation	-	-	100	103	106	109	113	116	119	123	127	130
38927	EE Certification & Licensing	1	General Cost Inflation	174	600	600	618	637	656	675	696	716	738	760	783
38931	Advertising	1	General Cost Inflation	599	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	119	300	300	309	318	328	338	348	358	369	380	391
38991	Uniform/Laundry Services	1	General Cost Inflation	914	3,300	3,300	3,399	3,501	3,606	3,714	3,826	3,940	4,059	4,180	4,306
	Capital														
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-
604	**Utility Locating**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	55,495	58,900	58,947	60,715	62,537	64,413	66,345	68,336	70,386	72,497	74,672	76,912
36113	Overtime Compensation	3	Labor Cost Inflation	173	200	-	-	-	-	-	-	-	-	-	-
36115	Holidays	4	Benefit Cost Inflation	2,916	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	5,439	-	-	-	-	-	-	-	-	-	-	-

City of Surprise
Wastewater Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
36151	Stipend	4	Benefit Cost Inflation	720	700	720	742	764	787	810	835	860	886	912	939
36211	FICA	4	Benefit Cost Inflation	4,607	4,600	4,509	4,644	4,784	4,927	5,075	5,227	5,384	5,546	5,712	5,883
36231	Medical	4	Benefit Cost Inflation	10,092	10,700	10,696	11,017	11,347	11,688	12,038	12,400	12,772	13,155	13,549	13,956
36232	Dental	4	Benefit Cost Inflation	571	600	571	588	606	624	643	662	682	702	723	745
36233	Vision	4	Benefit Cost Inflation	121	100	120	124	127	131	135	139	143	148	152	157
36234	Life	4	Benefit Cost Inflation	246	300	300	309	318	328	338	348	358	369	380	391
36252	AZ State Retirement	4	Benefit Cost Inflation	6,996	6,900	6,803	7,007	7,217	7,434	7,657	7,887	8,123	8,367	8,618	8,876
36278	Workers Compensation	4	Benefit Cost Inflation	1,467	1,500	1,950	2,009	2,069	2,131	2,195	2,261	2,328	2,398	2,470	2,544
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
37112	Computer Supplies	1	General Cost Inflation	675	500	500	515	530	546	563	580	597	615	633	652
37131	Clothing & Uniforms	1	General Cost Inflation	330	500	500	515	530	546	563	580	597	615	633	652
37161	Operational Supplies	1	General Cost Inflation	1,587	1,700	1,700	1,751	1,804	1,858	1,913	1,971	2,030	2,091	2,154	2,218
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	1,534	200	200	206	212	219	225	232	239	246	253	261
37193	Safety & First Aid Supplies	1	General Cost Inflation	397	300	300	309	318	328	338	348	358	369	380	391
37211	Gas & Fuel	10	Fuel Cost Escalation	3,644	2,300	2,300	2,409	2,524	2,643	2,769	2,900	3,038	3,182	3,334	3,492
37212	Auto Parts & Lubricants	1	General Cost Inflation	1,433	700	700	721	743	765	788	811	836	861	887	913
	Contractual Services														
38128	Recording, License & Permit Fees	1	General Cost Inflation	5,443	6,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
38217	Postage & Mailings	1	General Cost Inflation	12	100	100	103	106	109	113	116	119	123	127	130
38221	Cell Phone/Pagers	1	General Cost Inflation	1,362	1,400	1,400	1,442	1,485	1,530	1,576	1,623	1,672	1,722	1,773	1,827
38324	Machinery & Equip. Maint.	1	General Cost Inflation	-	200	200	206	212	219	225	232	239	246	253	261
38331	Vehicle Maintenance	1	General Cost Inflation	510	400	400	412	424	437	450	464	478	492	507	522
38922	Travel & Training	1	General Cost Inflation	457	1,900	1,900	1,957	2,016	2,076	2,138	2,203	2,269	2,337	2,407	2,479
38924	Dues & Memberships	1	General Cost Inflation	-	300	300	309	318	328	338	348	358	369	380	391
38927	EE Certification & Licensing	1	General Cost Inflation	645	-	-	-	-	-	-	-	-	-	-	-
	Capital														
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-
605	**Environmental**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	101,203	70,500	170,269	175,377	278,437	286,791	295,394	304,256	313,384	322,785	332,469	342,443
36115	Holidays	4	Benefit Cost Inflation	444	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	7,448	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	180	-	720	742	764	787	810	835	860	886	912	939
36211	FICA	4	Benefit Cost Inflation	6,958	5,400	13,026	13,417	13,819	14,234	14,661	15,101	15,554	16,020	16,501	16,996
36231	Medical	4	Benefit Cost Inflation	1,575	1,200	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
36232	Dental	4	Benefit Cost Inflation	535	300	1,166	1,201	1,237	1,274	1,312	1,352	1,392	1,434	1,477	1,521
36233	Vision	4	Benefit Cost Inflation	151	100	240	247	255	262	270	278	287	295	304	313
36234	Life	4	Benefit Cost Inflation	423	300	300	309	318	328	338	348	358	369	380	391
36252	AZ State Retirement	4	Benefit Cost Inflation	10,301	8,100	19,649	20,238	20,846	21,471	22,115	22,779	23,462	24,166	24,891	25,637
36278	Workers Compensation	4	Benefit Cost Inflation	1,669	1,800	2,654	2,734	2,816	2,900	2,987	3,077	3,169	3,264	3,362	3,463
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	159	-	400	412	643	662	682	703	724	745	768	791
37112	Computer Supplies	1	General Cost Inflation	-	-	900	927	1,064	1,096	1,129	1,163	1,198	1,234	1,271	1,309
37114	Books & Subscriptions	1	General Cost Inflation	177	-	-	-	219	225	232	239	246	253	261	269
37161	Operational Supplies	1	General Cost Inflation	36	3,000	3,000	3,090	8,646	8,906	9,173	9,448	9,732	10,023	10,324	10,634
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	695	-	-	-	1,967	2,026	2,087	2,149	2,214	2,280	2,349	2,419
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	979	-	-	-	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032
37192	Awards & Recognition	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37193	Safety & First Aid Supplies	1	General Cost Inflation	73	500	500	515	1,077	1,109	1,142	1,177	1,212	1,248	1,286	1,324
37211	Gas & Fuel	10	Fuel Cost Escalation	-	-	-	-	2,732	2,862	2,997	3,140	3,289	3,445	3,609	3,780
37212	Auto Parts & Lubricants	1	General Cost Inflation	-	-	-	-	1,421	1,463	1,507	1,552	1,599	1,647	1,696	1,747
37997	Education & Training Supplies	1	General Cost Inflation	156	300	300	309	318	328	338	348	358	369	380	391
	Contractual Services														
38128	Recording, License & Permit Fees	1	General Cost Inflation	30,744	50,000	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
38129	Software Licenses	1	General Cost Inflation	2,483	3,000	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
38199	Other Prof/Tech Services	1	General Cost Inflation	11,458	17,700	125,200	128,956	132,825	136,809	140,914	145,141	149,495	153,980	158,600	163,358
38217	Postage & Mailings	1	General Cost Inflation	250	1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
38331	Vehicle Maintenance	1	General Cost Inflation	-	-	1,000	1,030	1,935	1,993	2,053	2,115	2,178	2,243	2,311	2,380
38922	Travel & Training	1	General Cost Inflation	4,936	5,500	6,500	6,695	8,535	8,791	9,055	9,326	9,606	9,894	10,191	10,497
38924	Dues & Memberships	1	General Cost Inflation	265	600	600	618	1,729	1,781	1,835	1,890	1,946	2,005	2,065	2,127
38925	Federal Mileage Allowance	1	General Cost Inflation	67	100	100	103	106	109	113	116	119	123	127	130
38927	EE Certification & Licensing	1	General Cost Inflation	87	-	200	206	212	219	225	232	239	246	253	261
38951	Printing	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
	Capital														
39891	Prepds	1	General Cost Inflation	(5,274)	-	-	-	-	-	-	-	-	-	-	-

City of Surprise
Wastewater Utility Rate Study
Operating Revenue and Expenditure Forecast

Expenses		FORECAST BASIS	Actual FY2013	Budget FY2014	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021	Projection FY2022	Projection FY2023	Projection FY2024
Miscellaneous														
Future Additional O&M Expenses	3	Labor Cost Inflation	-	-	-	-	-	-	-	175,000	360,500	556,973	764,909	984,820
Other														
Add'l O&M from CIP		*From CIP*	-	-	-	-	-	-	-	-	-	-	-	-
Debt Reserve Transfer		*From Funds*	-	-	-	166,270	53,107	-	33,592	-	53,675	176,523	-	-
Total Cash O&M Expenditures			**$ 10,845,597**	**$ 10,440,300**	**$ 11,309,905**	**$ 11,863,534**	**$ 12,221,461**	**$ 12,545,294**	**$ 12,965,508**	**$ 13,488,322**	**$ 14,126,542**	**$ 14,851,001**	**$ 15,304,700**	**$ 15,966,778**
Depreciation Expense in FY2013		$ 7,087,589												
Depreciation Expense		Last year's plus annual add'l from CIP	$ 7,087,589	$ 7,096,453	$ 7,262,086	$ 7,479,874	$ 7,588,617	$ 7,615,062	$ 7,732,717	$ 7,779,007	$ 7,903,372	$ 8,139,801	$ 8,150,183	$ 8,154,886
		debt principal payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		System Reinvestment Funding	$ 7,087,589	$ 7,096,453	$ 7,262,086	$ 7,479,874	$ 7,588,617	$ 7,615,062	$ 7,732,717	$ 7,779,007	$ 7,903,372	$ 8,139,801	$ 8,150,183	$ 8,154,886
TOTAL EXPENSES			**$ 17,933,186**	**$ 17,536,753**	**$ 18,571,991**	**$ 19,343,408**	**$ 19,810,078**	**$ 20,160,357**	**$ 20,698,225**	**$ 21,267,329**	**$ 22,029,915**	**$ 22,990,803**	**$ 23,454,883**	**$ 24,121,663**
		Capital Outlays	*$ 780,924*	*$ 825,500*	*$ 1,136,300*	*$ 1,177,389*	*$ 1,215,989*	*$ 1,252,469*	*$ 1,290,043*	*$ 1,328,744*	*$ 1,368,606*	*$ 1,409,664*	*$ 1,451,954*	*$ 1,495,513*

City of Surprise
Wastewater Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	Revenues	FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	Rate Revenues											
31434	Service/Collection Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31434	Service/Collection Fees - Onsite Improvements	-	-	-	-	-	-	-	-	-	-	-
31434	Service/Collection Fees - Hydro-Vac Truck Reimb.	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	-	-	-	-	-	-	-	-	-	-	-
	Total Rate Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Non-Rate Revenues											
31813	Interest Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31543	Federal Grant Revenue - SPA 1	-	-	-	-	-	-	-	-	-	-	-
31432	Line Extension Fees	-	-	-	-	-	-	-	-	-	-	-
31461	Revenue Recovery-Utility Bill	-	-	-	-	-	-	-	-	-	-	-
31816	Unrealized Gain/Loss	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Rate Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL REVENUES		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	Expenses	FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
242	**Community Development**											
213	**Economic Development**											
	Contractual Services											
38994	Developer Reimbursement - Surprise Point	10,000	-	-	-	-	-	-	-	-	-	-
38994	Developer Reimbursement - Prasada	241,000	-	-	-	-	-	-	-	-	-	-
643	**Sewer**											
111	**Administration**											
	Personnel/Salaries											
36111	Full Time Salaries	172,529	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	1,260	-	-	-	-	-	-	-	-	-	-
36211	FICA	12,228	-	-	-	-	-	-	-	-	-	-
36231	Medical	16,442	-	-	-	-	-	-	-	-	-	-
36232	Dental	1,142	-	-	-	-	-	-	-	-	-	-
36233	Vision	240	-	-	-	-	-	-	-	-	-	-
36234	Life	800	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	19,910	-	-	-	-	-	-	-	-	-	-
36255	Post Emp. Health Plan	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	400	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	2,200	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	1,800	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	100	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	-	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	200	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	-	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	100	-	-	-	-	-	-	-	-	-	-
37196	Meetsup	100	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	400	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	700	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38131	Collection Fees Delinq. Accounts	500	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	40,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	400	-	-	-	-	-	-	-	-	-	-
38412	Utility Billing Service Contract	520,000	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	4,500	-	-	-	-	-	-	-	-	-	-

City of Surprise
Wastewater Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38912	Risk Insurance Premium	419,800	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	3,000	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	600	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
	Capital											
39999	Contingency	-	-	-	-	-	-	-	-	-	-	-
112	**General Operation**											
	Transfers Out											
34022	Indirect costs - general fund personnel	1,552,400	-	-	-	-	-	-	-	-	-	-
34032	Payments in lieu of property tax (PILOT)	388,200	-	-	-	-	-	-	-	-	-	-
	Personnel/Salaries											
36111	Full Time Salaries	1,293,844	-	-	-	-	-	-	-	-	-	-
36112	Part Time Employees	-	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	6,000	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	8,880	-	-	-	-	-	-	-	-	-	-
36211	FICA	98,671	-	-	-	-	-	-	-	-	-	-
36231	Medical	159,053	-	-	-	-	-	-	-	-	-	-
36232	Dental	9,904	-	-	-	-	-	-	-	-	-	-
36233	Vision	1,536	-	-	-	-	-	-	-	-	-	-
36234	Life	5,700	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	149,310	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	43,945	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	2,300	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	3,000	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1,800	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	1,700	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	300	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	181,800	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	15,700	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	1,100	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	447,500	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	600	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	18,820	-	-	-	-	-	-	-	-	-	-
37196	Meetsup	-	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	21,900	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	11,400	-	-	-	-	-	-	-	-	-	-
37221	Repair and Maintenance	2,600	-	-	-	-	-	-	-	-	-	-
37222	Cleaning/Janitorial	1,600	-	-	-	-	-	-	-	-	-	-
37223	Agricultural/Grounds Supplies	44,000	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	585,900	250,000	28,000	-	-	-	-	-	-	-	-
37233	Street Repair Supplies	2,400	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	43,900	-	-	-	-	-	-	-	-	-	-
38128	Recording, License & Permit Fees	-	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	1,000	-	-	-	-	-	-	-	-	-	-
38129	SOFTWARE - Hansen Version	-	-	-	-	-	-	-	-	-	-	-
38191	Pre-Employment Services	500	-	-	-	-	-	-	-	-	-	-
38192	Lab Services - SPA 1	-	-	-	-	-	-	-	-	-	-	-
38192	Lab Services	63,200	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services - SPA 1	-	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	66,500	40,000	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services - Well abandonment	-	-	-	-	-	-	-	-	-	-	-
38211	Water	103,900	-	-	-	-	-	-	-	-	-	-
38212	Electricity	969,200	35,000	35,000	-	-	6,500	-	-	-	-	-
38213	Propane/Natural Gas	600	-	-	-	-	-	-	-	-	-	-
38214	Telephone	3,900	-	-	-	-	-	-	-	-	-	-

City of Surprise
Wastewater Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38216	Sanitary/Landfill	234,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	1,100	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	4,000	-	-	-	-	-	-	-	-	-	-
38311	Building Maintenance	9,500	-	-	-	-	-	-	-	-	-	-
38312	Streets Maintenance	25,000	-	-	-	-	-	-	-	-	-	-
38321	Radio Equip. Maint.	2,500	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	665,800	-	7,000	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint. - W. wet well	-	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	4,900	-	-	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc.	388,000	-	-	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc. - drainage reservoir	-	-	-	-	-	-	-	-	-	-	-
38371	Janitorial Services	19,700	7,000	-	-	-	-	-	-	-	-	-
38372	Pest Control Services	2,100	-	-	-	-	-	-	-	-	-	-
38381	Grounds Maintenance	28,000	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	42,200	-	-	-	-	-	-	-	-	-	-
38591	Other Rental/Leases	-	-	-	-	-	-	-	-	-	-	-
38921	Tuition Reimbursement	5,000	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	47,400	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	1,300	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	1,000	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1,200	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	11,600	-	-	-	-	-	-	-	-	-	-
38999	Other Professional Services	100	-	-	-	-	-	-	-	-	-	-
	Capital											
39211	Building & Structure Purchases	-	-	-	-	-	-	-	-	-	-	-
39212	Improvements to Buildings	-	-	-	-	-	-	-	-	-	-	-
39223	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-
39224	Infrastructure Improvements	-	-	-	-	-	-	-	-	-	-	-
39411	Furn., Fixtures & Ofc Equipment	-	-	-	-	-	-	-	-	-	-	-
39421	Vehicles	-	-	-	-	-	-	-	-	-	-	-
39872	Invadj	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
115	**Project Management**											
	Personnel/Salaries											
36111	Full Time Salaries	156,104	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	1,200	-	-	-	-	-	-	-	-	-	-
36211	FICA	11,942	-	-	-	-	-	-	-	-	-	-
36231	Medical	10,383	-	-	-	-	-	-	-	-	-	-
36232	Dental	571	-	-	-	-	-	-	-	-	-	-
36233	Vision	57	-	-	-	-	-	-	-	-	-	-
36234	Life	700	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	18,014	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	2,732	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	300	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	300	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	300	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	600	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	300	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	900	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	1,000	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	1,300	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	-	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	6,600	-	-	-	-	-	-	-	-	-	-

City of Surprise
Wastewater Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38199	Other Prof/Tech Services	17,000	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	800	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	9,300	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	1,000	-	-	-	-	-	-	-	-	-	-
	Capital											
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
117	**Customer Service**											
	Personnel/Salaries											
36111	Full Time Salaries	40,971	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36211	FICA	3,134	-	-	-	-	-	-	-	-	-	-
36231	Medical	14,481	-	-	-	-	-	-	-	-	-	-
36232	Dental	842	-	-	-	-	-	-	-	-	-	-
36233	Vision	120	-	-	-	-	-	-	-	-	-	-
36234	Life	200	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	4,728	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	95	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	200	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	100	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	100	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	4,400	-	-	-	-	-	-	-	-	-	-
38372	Pest Control Services	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	400	-	-	-	-	-	-	-	-	-	-
601	**Collections WW**											
	Personnel/Salaries											
36111	Full Time Salaries	219,530	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	2,400	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	1,512	-	-	-	-	-	-	-	-	-	-
36211	FICA	16,794	-	-	-	-	-	-	-	-	-	-
36231	Medical	40,407	-	-	-	-	-	-	-	-	-	-
36232	Dental	2,334	-	-	-	-	-	-	-	-	-	-
36233	Vision	350	-	-	-	-	-	-	-	-	-	-
36234	Life	976	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	25,334	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	5,863	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	400	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	300	-	-	-	-	-	-	-	-	-	-
37114	Books & Subscriptions	1,775	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	700	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	100	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	8,300	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	3,000	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	14,600	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	100	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	4,100	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	15,300	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	13,800	-	-	-	-	-	-	-	-	-	-
37221	Repair and Maintenance	1,000	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	3,400	-	-	-	-	-	-	-	-	-	-
37233	Street Repair Supplies	-	-	-	-	-	-	-	-	-	-	-

City of Surprise
Wastewater Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
37998	Photography Supplies	100	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	200	-	-	-	-	-	-	-	-	-	-
38162	Landscape Services	1,900	-	-	-	-	-	-	-	-	-	-
38191	Pre Employment Services	500	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	1,500	-	-	-	-	-	-	-	-	-	-
38211	Water	2,200	-	-	-	-	-	-	-	-	-	-
38212	Electricity	18,600	-	-	-	-	-	-	-	-	-	-
38213	Propane/Natural Gas	800	-	-	-	-	-	-	-	-	-	-
38214	Telephone	1,600	-	-	-	-	-	-	-	-	-	-
38216	Sanitary/Landfill	6,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	500	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	8,000	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	3,600	-	-	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc.	48,100	-	-	-	-	-	-	-	-	-	-
38351	Wells/Sewer/Lins/Etc. - Citrus & Peoria	-	-	-	-	-	-	-	-	-	-	-
38372	Pest Control Services	75,100	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	2,000	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	7,500	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	2,800	-	-	-	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	100	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	600	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	300	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	3,300	-	-	-	-	-	-	-	-	-	-
	Capital											
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
604	**Utility Locating**											
	Personnel/Salaries											
36111	Full Time Salaries	58,947	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	4,509	-	-	-	-	-	-	-	-	-	-
36231	Medical	10,696	-	-	-	-	-	-	-	-	-	-
36232	Dental	571	-	-	-	-	-	-	-	-	-	-
36233	Vision	120	-	-	-	-	-	-	-	-	-	-
36234	Life	300	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	6,803	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	1,950	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	300	-	-	-	-	-	-	-	-	-	-
37112	Computer Supplies	500	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	500	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	1,700	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	300	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	200	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	300	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	2,300	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	700	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38128	Recording, License & Permit Fees	6,000	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	1,400	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	200	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	400	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	1,900	-	-	-	-	-	-	-	-	-	-

City of Surprise
Wastewater Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		FY15 Budget	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38924	Dues & Memberships	300	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	-	-	-	-	-	-	-	-	-	-	-
	Capital											
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
605	**Environmental**											
	Personnel/Salaries											
36111	Full Time Salaries	170,269	-	-	97,799	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	13,026	-	-	-	-	-	-	-	-	-	-
36231	Medical	2,400	-	-	-	-	-	-	-	-	-	-
36232	Dental	1,166	-	-	-	-	-	-	-	-	-	-
36233	Vision	240	-	-	-	-	-	-	-	-	-	-
36234	Life	300	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	19,649	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	2,654	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	400	-	-	219	-	-	-	-	-	-	-
37112	Computer Supplies	900	-	-	109	-	-	-	-	-	-	-
37114	Books & Subscriptions	-	-	-	219	-	-	-	-	-	-	-
37161	Operational Supplies	3,000	-	-	5,464	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	-	-	-	1,967	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	-	-	-	3,278	-	-	-	-	-	-	-
37192	Awards & Recognition	100	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	500	-	-	546	-	-	-	-	-	-	-
37211	Gas & Fuel	-	-	-	2,732	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	-	-	-	1,421	-	-	-	-	-	-	-
37997	Education & Training Supplies	300	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38128	Recording, License & Permit Fees	50,000	-	-	-	-	-	-	-	-	-	-
38129	Software Licenses	3,000	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	100,200	25,000	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	1,200	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	1,000	-	-	874	-	-	-	-	-	-	-
38922	Travel & Training	6,500	-	-	1,639	-	-	-	-	-	-	-
38924	Dues & Memberships	600	-	-	1,093	-	-	-	-	-	-	-
38925	Federal Mileage Allowance	100	-	-	-	-	-	-	-	-	-	-
38927	EE Certification & Licensing	200	-	-	-	-	-	-	-	-	-	-
38951	Printing	100	-	-	-	-	-	-	-	-	-	-
	Capital											
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
	Miscellaneous											
	Future Additional O&M Expenses	-	-	-	-	-	-	175,000	180,250	185,658	191,227	196,964
Total Cash O&M Expenditures		**$ 10,952,905**	**$ 357,000**	**$ 70,000**	**$ 117,359**	**$ -**	**$ 6,500**	**$ 175,000**	**$ 180,250**	**$ 185,658**	**$ 191,227**	**$ 196,964**
TOTAL EXPENSES		**$ 10,952,905**	**$ 357,000**	**$ 70,000**	**$ 117,359**	**$ -**	**$ 6,500**	**$ 175,000**	**$ 180,250**	**$ 185,658**	**$ 191,227**	**$ 196,964**

City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

No	Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	**Budget**											
2	Vehicles		$ 388,000									
3	SPA 1 Cortessa/Citrus and Northern - Devlpr Reimbursement	25,000										
4	SPA 1 Impact fee studies	3,400										
5	SPA 2 Impact fee studies	3,400										
6	SPA 3 Impact fee studies	3,400										
7	SPA 4 Impact fee studies	3,400										
8	SPA 5 Impact fee studies	3,400										
9	SPA 6 Impact fee studies	3,400										
10												
11	**Enterprise CIP 22531 - Sewer Operations Fund**											
12	Cactus Road - South Side (Tracks to Litchfield)		245,000	735,000	315,000							
13	Litchfield Road - East Side (Cactus Rd to Desert Cove Rd)		300,000	937,500								
14	Litchfield Road (Sweetwater Road to Cactus Road)		189,000	2,000,000								
15	Site & Security Improvements - Sewer		157,700	415,500								
16	SPA 2 WRF Overhead Crane for Membrane Removal	35,800	4,200									
17	SPA 2 WRF Plant Water System	93,100	94,600									
18	Disinfection Byproduct Reduction	41,100	865,700									
19	SPA1 WRF Sludge Gate/ Wet Well Repairs		325,000									
20	SPA1 WRF North Entrance Gate and Block Wall		150,000	1,500,000	1,500,000							
21	SPA 1 Recharge Basin Expansion @ South Plant							360,000	3,240,000			
22	Cover Disk Filter Area				792,000							
23	Cortessa Wet Well Re-Coating					100,000						
24	SPA1 Influent Line Hydraulic Rehabilitation		300,000	2,200,000	500,000							
25	Wastewater SCADA Upgrade		250,000									
26	Greenway Road Lift Station Rehabilitation		325,000									
27	SPA2 WRF Block Wall						1,000,000					
28	Line Installation at the SPA1 WRF		400,000									
29	Wastewater Capital Asset Replacement			578,800	413,800	352,400	287,400	1,078,000	245,200	4,609,300	392,200	172,200
30	Install Influent Pipeline between SPA2 SBR and MBR Plants							100,000				
31	Solar BioSolids Dryer		200,000	1,000,000								
32	SPA 1 16-in Sewer Line Civic Center Drive (Bell to Paradise)				600,000							
33	SPA 1 South WRF Stabilization, Dust Control & Landscape	25,000	219,900									
34	Additional Chlorine Generation Unit	202,800	647,200									
35	**Enterprise CIP 22532 - Sewer System Development Fee**											
36	18-in Sewer Line N Citrus Rd (Waddell Rd to Cactus Rd)					60,000	540,000					
37	18-in Sewer Line Sarival Rd (W Cactus Rd to W Peoria Ave)					120,000	1,080,000					
38	21-in Sewer Line Cotton Rd (W Cactus Rd to W Peoria Ave)					140,000	1,260,000					
39	Cactus Rd Sewer Line – Sarival to Reems					85,000	765,000					
40	Greenway Road Improvements - Sewer Line		1,000,000									

City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

No	Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
41	IWMP Existing Sewer System Deficiencies			300,000								
42	Mountain View Boulevard (West of Grand) - Sewer Line		300,000									
43	SPA 1 Recharge Wells @ South Plant							300,000	1,500,000			
44	SPA 1 Installation of 2nd Centrifuge		1,600,000									
45	**Enterprise CIP 22533 - Sewer System Dev Fee SPA 2**											
46	SPA 2 WRF - (Land Purchase)					300,000						
47	SPA 2 WRF Expansion - 4 MGD									4,600,000		
48												
49	**Sewer Vehicles**											
50	Administration											
51	Collections				445,000			32,000				
52	Operations			294,000	81,000							
53	Project Management				53,000							
54	**Sewer Equipment**											
55	Collections						20,000					
56	Operations			46,000		10,000	82,000	50,000	15,000	5,000		
57												
58	**One-time Future O&M Costs**											
59	Sewer System Asset Replacement		66,400									
60	Sludge Drying Pilot			75,000								
61	Wastewater OSHA LOTO Follow Through			25,000	25,000							
62	Develop SCADA Design and Programming Standards				50,000							
63	Prep Plant #2 for Wastewater Operations						150,000					
64	SCADA Programming Evaluation		25,000									
65	Sewer System Asset Replacement		446,000									
66	Install Covered Parking at SPA2 WRF		13,000									
67	New Fork Truck to assist in solids handling			125,000								
68	Wastewater Master Plan Updates				150,000							
69	Pretreatment Coordinator (Coordinator) Light Vehicle				27,318							
70												
	Total Capital Projects	**$ 443,200**	**$ 8,511,700**	**$ 10,231,800**	**$ 4,952,118**	**$ 1,167,400**	**$ 5,184,400**	**$ 1,920,000**	**$ 5,000,200**	**$ 9,214,300**	**$ 392,200**	**$ 172,200**
	General Capital Fund	397,800	5,611,700	9,931,800	4,952,118	462,400	1,539,400	1,620,000	3,500,200	4,614,300	392,200	172,200
	SPA 1	28,400	2,900,000	300,000	-	405,000	3,645,000	300,000	1,500,000	-	-	-
	SPA 2	3,400	-	-	-	300,000	-	-	-	4,600,000	-	-
	SPA 3	3,400	-	-	-	-	-	-	-	-	-	-
	SPA 4	3,400	-	-	-	-	-	-	-	-	-	-
	SPA 5	3,400	-	-	-	-	-	-	-	-	-	-
	SPA 6	3,400	-	-	-	-	-	-	-	-	-	-

City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

No	Description	General Capital Fund	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	Specific Funding Source 1-Balances, 2-CIAC	
1	**Budget**	100%							1	Balances
2	Vehicles	100%							1	Balances
3	SPA 1 Cortessa/Citrus and Northern - Devlpr Reimbursement	0%	100%						1	Balances
4	SPA 1 Impact fee studies	0%	100%						1	Balances
5	SPA 2 Impact fee studies	0%		100%					1	Balances
6	SPA 3 Impact fee studies	0%			100%				1	Balances
7	SPA 4 Impact fee studies	0%				100%			1	Balances
8	SPA 5 Impact fee studies	0%					100%		1	Balances
9	SPA 6 Impact fee studies	0%						100%	1	Balances
10		100%							1	Balances
11	**Enterprise CIP 22531 - Sewer Operations Fund**	100%							1	Balances
12	Cactus Road - South Side (Tracks to Litchfield)	100%							1	Balances
13	Litchfield Road - East Side (Cactus Rd to Desert Cove Rd)	100%							1	Balances
14	Litchfield Road (Sweetwater Road to Cactus Road)	100%							1	Balances
15	Site & Security Improvements - Sewer	100%							1	Balances
16	SPA 2 WRF Overhead Crane for Membrane Removal	100%							1	Balances
17	SPA 2 WRF Plant Water System	100%							1	Balances
18	Disinfection Byproduct Reduction	100%							1	Balances
19	SPA1 WRF Sludge Gate/ Wet Well Repairs	100%							1	Balances
20	SPA1 WRF North Entrance Gate and Block Wall	100%							1	Balances
21	SPA 1 Recharge Basin Expansion @ South Plant	100%							1	Balances
22	Cover Disk Filter Area	100%							1	Balances
23	Cortessa Wet Well Re-Coating	100%							1	Balances
24	SPA1 Influent Line Hydraulic Rehabilitation	100%							1	Balances
25	Wastewater SCADA Upgrade	100%							1	Balances
26	Greenway Road Lift Station Rehabilitation	100%							1	Balances
27	SPA2 WRF Block Wall	100%							1	Balances
28	Line Installation at the SPA1 WRF	100%							1	Balances
29	Wastewater Capital Asset Replacement	100%							1	Balances
30	Install Influent Pipeline between SPA2 SBR and MBR Plants	100%							1	Balances
31	Solar BioSolids Dryer	100%							1	Balances
32	SPA 1 16-in Sewer Line Civic Center Drive (Bell to Paradise)	100%							1	Balances
33	SPA 1 South WRF Stabilization, Dust Control & Landscape	100%							1	Balances
34	Additional Chlorine Generation Unit	100%							1	Balances
35	**Enterprise CIP 22532 - Sewer System Development Fee**	0%	100%						1	Balances
36	18-in Sewer Line N Citrus Rd (Waddell Rd to Cactus Rd)	0%	100%						1	Balances
37	18-in Sewer Line Sarival Rd (W Cactus Rd to W Peoria Ave)	0%	100%						1	Balances
38	21-in Sewer Line Cotton Rd (W Cactus Rd to W Peoria Ave)	0%	100%						1	Balances
39	Cactus Rd Sewer Line – Sarival to Reems	0%	100%						1	Balances
40	Greenway Road Improvements - Sewer Line	0%	100%						1	Balances

City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

No	Description	General Capital Fund	SPA 1	SPA 2	SPA 3	SPA 4	SPA 5	SPA 6	Specific Funding Source 1-Balances, 2-CIAC	
41	IWMP Existing Sewer System Deficiencies	0%	100%						1	Balances
42	Mountain View Boulevard (West of Grand) - Sewer Line	0%	100%						1	Balances
43	SPA 1 Recharge Wells @ South Plant	0%	100%						1	Balances
44	SPA 1 Installation of 2nd Centrifuge	0%	100%						1	Balances
45	**Enterprise CIP 22533 - Sewer System Dev Fee SPA 2**	0%		100%					1	Balances
46	SPA 2 WRF - (Land Purchase)	0%		100%					1	Balances
47	SPA 2 WRF Expansion - 4 MGD	0%		100%					1	Balances
48		100%							1	Balances
49	**Sewer Vehicles**	100%							1	Balances
50	Administration	100%							1	Balances
51	Collections	100%							1	Balances
52	Operations	100%							1	Balances
53	Project Management	100%							1	Balances
54	**Sewer Equipment**	100%							1	Balances
55	Collections	100%							1	Balances
56	Operations	100%							1	Balances
57		100%							1	Balances
58	**One-time Future O&M Costs**	100%							1	Balances
59	Sewer System Asset Replacement	100%							1	Balances
60	Sludge Drying Pilot	100%							1	Balances
61	Wastewater OSHA LOTO Follow Through	100%							1	Balances
62	Develop SCADA Design and Programming Standards	100%							1	Balances
63	Prep Plant #2 for Wastewater Operations	100%							1	Balances
64	SCADA Programming Evaluation	100%							1	Balances
65	Sewer System Asset Replacement	100%							1	Balances
66	Install Covered Parking at SPA2 WRF	100%							1	Balances
67	New Fork Truck to assist in solids handling	100%							1	Balances
68	Wastewater Master Plan Updates	100%							1	Balances
69	Pretreatment Coordinator (Coordinator) Light Vehicle	100%							1	Balances
70		100%							1	Balances
	Total Capital Projects	**70%**	**19%**	**10%**	**0%**	**0%**	**0%**	**0%**		
	General Capital Fund									
	SPA 1									
	SPA 2									
	SPA 3									
	SPA 4									
	SPA 5									
	SPA 6									

City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

TOTAL FORECASTED PROJECT COSTS

No	Description	TOTAL ESCALATED COSTS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	**Budget**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Vehicles	400,274	-	400,274	-	-	-	-	-	-	-	-	-
3	SPA 1 Cortessa/Citrus and Northern - Devlpr Reimbursement	25,000	25,000	-	-	-	-	-	-	-	-	-	-
4	SPA 1 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
5	SPA 2 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
6	SPA 3 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
7	SPA 4 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
8	SPA 5 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
9	SPA 6 Impact fee studies	3,400	3,400	-	-	-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-	-	-	-	-
11	**Enterprise CIP 22531 - Sewer Operations Fund**	-	-	-	-	-	-	-	-	-	-	-	-
12	Cactus Road - South Side (Tracks to Litchfield)	1,380,840	-	252,751	782,239	345,851	-	-	-	-	-	-	-
13	Litchfield Road - East Side (Cactus Rd to Desert Cove Rd)	1,307,244	-	309,491	997,754	-	-	-	-	-	-	-	-
14	Litchfield Road (Sweetwater Road to Cactus Road)	2,323,521	-	194,979	2,128,542	-	-	-	-	-	-	-	-
15	Site & Security Improvements - Sewer	604,893	-	162,689	442,205	-	-	-	-	-	-	-	-
16	SPA 2 WRF Overhead Crane for Membrane Removal	40,133	35,800	4,333	-	-	-	-	-	-	-	-	-
17	SPA 2 WRF Plant Water System	190,693	93,100	97,593	-	-	-	-	-	-	-	-	-
18	Disinfection Byproduct Reduction	934,186	41,100	893,086	-	-	-	-	-	-	-	-	-
19	SPA1 WRF Sludge Gate/ Wet Well Repairs	335,281	-	335,281	-	-	-	-	-	-	-	-	-
20	SPA1 WRF North Entrance Gate and Block Wall	3,398,060	-	154,745	1,596,406	1,646,909	-	-	-	-	-	-	-
21	SPA 1 Recharge Basin Expansion @ South Plant	4,463,250	-	-	-	-	-	-	433,969	4,029,281	-	-	-
22	Cover Disk Filter Area	869,568	-	-	-	869,568	-	-	-	-	-	-	-
23	Cortessa Wet Well Re-Coating	113,267	-	-	-	-	113,267	-	-	-	-	-	-
24	SPA1 Influent Line Hydraulic Rehabilitation	3,199,856	-	309,491	2,341,396	548,970	-	-	-	-	-	-	-
25	Wastewater SCADA Upgrade	257,909	-	257,909	-	-	-	-	-	-	-	-	-
26	Greenway Road Lift Station Rehabilitation	335,281	-	335,281	-	-	-	-	-	-	-	-	-
27	SPA2 WRF Block Wall	1,168,504	-	-	-	-	-	1,168,504	-	-	-	-	-
28	Line Installation at the SPA1 WRF	412,654	-	412,654	-	-	-	-	-	-	-	-	-
29	Wastewater Capital Asset Replacement	10,077,436	-	-	616,000	454,327	399,154	335,828	1,299,497	304,932	5,913,486	519,090	235,122
30	Install Influent Pipeline between SPA2 SBR and MBR Plants	120,547	-	-	-	-	-	-	120,547	-	-	-	-
31	Solar BioSolids Dryer	1,270,598	-	206,327	1,064,271	-	-	-	-	-	-	-	-
32	SPA 1 16-in Sewer Line Civic Center Drive (Bell to Paradise)	658,763	-	-	-	658,763	-	-	-	-	-	-	-
33	SPA 1 South WRF Stabilization, Dust Control & Landscape	251,857	25,000	226,857	-	-	-	-	-	-	-	-	-
34	Additional Chlorine Generation Unit	870,474	202,800	667,674	-	-	-	-	-	-	-	-	-
35	**Enterprise CIP 22532 - Sewer System Development Fee**	-	-	-	-	-	-	-	-	-	-	-	-
36	18-in Sewer Line N Citrus Rd (Waddell Rd to Cactus Rd)	698,953	-	-	-	-	67,960	630,992	-	-	-	-	-
37	18-in Sewer Line Sarival Rd (W Cactus Rd to W Peoria Ave)	1,397,905	-	-	-	-	135,921	1,261,985	-	-	-	-	-
38	21-in Sewer Line Cotton Rd (W Cactus Rd to W Peoria Ave)	1,630,890	-	-	-	-	158,574	1,472,316	-	-	-	-	-
39	Cactus Rd Sewer Line – Sarival to Reems	990,183	-	-	-	-	96,277	893,906	-	-	-	-	-
40	Greenway Road Improvements - Sewer Line	1,031,635	-	1,031,635	-	-	-	-	-	-	-	-	-

City of Surprise
Wastewater Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

TOTAL FORECASTED PROJECT COSTS

No	Description	TOTAL ESCALATED COSTS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
41	IWMP Existing Sewer System Deficiencies	319,281	-	-	319,281	-	-	-	-	-	-	-	-
42	Mountain View Boulevard (West of Grand) - Sewer Line	309,491	-	309,491	-	-	-	-	-	-	-	-	-
43	SPA 1 Recharge Wells @ South Plant	2,227,049	-	-	-	-	-	-	361,641	1,865,408	-	-	-
44	SPA 1 Installation of 2nd Centrifuge	1,650,616	-	1,650,616	-	-	-	-	-	-	-	-	-
45	**Enterprise CIP 22533 - Sewer System Dev Fee SPA 2**	-	-	-	-	-	-	-	-	-	-	-	-
46	SPA 2 WRF - (Land Purchase)	339,802	-	-	-	-	339,802	-	-	-	-	-	-
47	SPA 2 WRF Expansion - 4 MGD	5,901,555	-	-	-	-	-	-	-	-	5,901,555	-	-
48		-	-	-	-	-	-	-	-	-	-	-	-
49	**Sewer Vehicles**	-	-	-	-	-	-	-	-	-	-	-	-
50	Administration	-	-	-	-	-	-	-	-	-	-	-	-
51	Collections	527,158	-	-	-	488,583	-	-	38,575	-	-	-	-
52	Operations	401,829	-	-	312,896	88,933	-	-	-	-	-	-	-
53	Project Management	58,191	-	-	-	58,191	-	-	-	-	-	-	-
54	**Sewer Equipment**	-	-	-	-	-	-	-	-	-	-	-	-
55	Collections	23,370	-	-	-	-	-	23,370	-	-	-	-	-
56	Operations	241,443	-	-	48,956	-	11,327	95,817	60,274	18,654	6,415	-	-
57		-	-	-	-	-	-	-	-	-	-	-	-
58	**One-time Future O&M Costs**	-	-	-	-	-	-	-	-	-	-	-	-
59	Sewer System Asset Replacement	68,501	-	68,501	-	-	-	-	-	-	-	-	-
60	Sludge Drying Pilot	79,820	-	-	79,820	-	-	-	-	-	-	-	-
61	Wastewater OSHA LOTO Follow Through	54,055	-	-	26,607	27,448	-	-	-	-	-	-	-
62	Develop SCADA Design and Programming Standards	54,897	-	-	-	54,897	-	-	-	-	-	-	-
63	Prep Plant #2 for Wastewater Operations	175,276	-	-	-	-	-	175,276	-	-	-	-	-
64	SCADA Programming Evaluation	25,791	-	25,791	-	-	-	-	-	-	-	-	-
65	Sewer System Asset Replacement	460,109	-	460,109	-	-	-	-	-	-	-	-	-
66	Install Covered Parking at SPA2 WRF	13,411	-	13,411	-	-	-	-	-	-	-	-	-
67	New Fork Truck to assist in solids handling	133,034	-	-	133,034	-	-	-	-	-	-	-	-
68	Wastewater Master Plan Updates	164,691	-	-	-	164,691	-	-	-	-	-	-	-
69	Pretreatment Coordinator (Coordinator) Light Vehicle	29,994	-	-	-	29,994	-	-	-	-	-	-	-
70		-	-	-	-	-	-	-	-	-	-	-	-
	Total Capital Projects	**$ 54,039,418**	**$ 443,200**	**$ 8,780,968**	**$ 10,889,406**	**$ 5,437,124**	**$ 1,322,282**	**$ 6,057,994**	**$ 2,314,503**	**$ 6,218,275**	**$ 11,821,455**	**$ 519,090**	**$ 235,122**
	General Capital Fund	37,496,659	397,800	5,789,226	10,570,125	5,437,124	523,748	1,798,796	1,952,862	4,352,867	5,919,901	519,090	235,122
	SPA 1	10,284,403	28,400	2,991,742	319,281	-	458,732	4,259,199	361,641	1,865,408	-	-	-
	SPA 2	6,244,756	3,400	-	-	-	339,802	-	-	-	5,901,555	-	-
	SPA 3	3,400	3,400	-	-	-	-	-	-	-	-	-	-
	SPA 4	3,400	3,400	-	-	-	-	-	-	-	-	-	-
	SPA 5	3,400	3,400	-	-	-	-	-	-	-	-	-	-
	SPA 6	3,400	3,400	-	-	-	-	-	-	-	-	-	-

City of Surprise
Wastewater Utility Rate Study
Revenue Requirements Analysis

Cash Flow Sufficiency Test	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Cash Operating Expenses	$ 10,440,300	$ 11,309,905	$ 11,863,534	$ 12,221,461	$ 12,545,294	$ 12,965,508	$ 13,488,322	$ 14,126,542	$ 14,851,001	$ 15,304,700	$ 15,966,778
Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	-	-	-	-	-	-	-	-	-
Rate Funded System Reinvestment	4,600,000	4,600,000	4,800,000	5,200,000	5,800,000	6,300,000	6,500,000	6,500,000	6,500,000	6,800,000	6,800,000
Total Expenses	$ 15,040,300	$ 15,909,905	$ 16,663,534	$ 17,421,461	$ 18,345,294	$ 19,265,508	$ 19,988,322	$ 20,626,542	$ 21,351,001	$ 22,104,700	$ 22,766,778
REVENUES											
Rate Revenue	$ 15,785,300	$ 16,156,517	$ 16,763,361	$ 17,558,429	$ 18,438,893	$ 19,342,363	$ 20,053,775	$ 20,765,188	$ 21,476,600	$ 22,188,013	$ 22,899,425
Non Rate Revenue	-	-	-	-	-	-	-	-	-	-	-
System Development Fee Revenue Towards Debt	-	-	-	-	-	-	-	-	-	-	-
Operating Fund & Debt Reserve Fund Interest Earnings	261,600	8,581	13,944	19,502	20,090	20,622	21,313	22,173	23,222	24,413	25,158
Total Revenue	$ 16,046,900	$ 16,165,098	$ 16,777,305	$ 17,577,930	$ 18,458,983	$ 19,362,985	$ 20,075,088	$ 20,787,360	$ 21,499,822	$ 22,212,425	$ 22,924,583
NET CASH FLOW (DEFICIENCY)	**$ 1,006,600**	**$ 255,193**	**$ 113,771**	**$ 156,469**	**$ 113,689**	**$ 97,476**	**$ 86,766**	**$ 160,818**	**$ 148,820**	**$ 107,726**	**$ 157,806**
% of Rate Revenue	-6.38%	-1.58%	-0.68%	-0.89%	-0.62%	-0.50%	-0.43%	-0.77%	-0.69%	-0.49%	-0.69%

Coverage Sufficiency Test - Revenue Bonds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Total Cash Operating Expenses (less Capital Outlays)	$ 9,614,800	$ 10,173,605	$ 10,686,145	$ 11,005,472	$ 11,292,826	$ 11,675,466	$ 12,159,578	$ 12,757,936	$ 13,441,337	$ 13,852,745	$ 14,471,265
Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
Revenue Bond Coverage Requirement at 1.2	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	$ 9,614,800	$ 10,173,605	$ 10,686,145	$ 11,005,472	$ 11,292,826	$ 11,675,466	$ 12,159,578	$ 12,757,936	$ 13,441,337	$ 13,852,745	$ 14,471,265
ALLOWABLE REVENUES											
Rate Revenue	$ 15,785,300	$ 16,156,517	$ 16,763,361	$ 17,558,429	$ 18,438,893	$ 19,342,363	$ 20,053,775	$ 20,765,188	$ 21,476,600	$ 22,188,013	$ 22,899,425
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
Interest Earnings - All Funds	261,600	90,627	107,840	107,483	81,149	176,556	221,031	296,896	335,238	187,126	304,950
Total Revenue	$ 16,046,900	$ 16,247,144	$ 16,871,201	$ 17,665,912	$ 18,520,042	$ 19,518,919	$ 20,274,806	$ 21,062,084	$ 21,811,838	$ 22,375,139	$ 23,204,375
Coverage Realized	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
COVERAGE SURPLUS (DEFICIENCY)	**$ 6,432,100**	**$ 6,073,539**	**$ 6,185,056**	**$ 6,660,440**	**$ 7,227,216**	**$ 7,843,453**	**$ 8,115,227**	**$ 8,304,148**	**$ 8,370,501**	**$ 8,522,394**	**$ 8,733,110**

Coverage Sufficiency Test - 2007 MPC Bond	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Total Cash Operating Expenses (less Capital Outlays)	$ 9,614,800	$ 10,173,605	$ 10,686,145	$ 11,005,472	$ 11,292,826	$ 11,675,466	$ 12,159,578	$ 12,757,936	$ 13,441,337	$ 13,852,745	$ 14,471,265
MPC 2007 Bond Debt Service	7,072,688	2,199,000	2,199,000	8,699,000	1,906,500	1,906,500	1,906,500	1,906,500	16,406,500	1,225,000	1,225,000
MPC 2007 Bond Coverage Requirement at 1	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	$ 9,614,800	$ 10,173,605	$ 10,686,145	$ 11,005,472	$ 11,292,826	$ 11,675,466	$ 12,159,578	$ 12,757,936	$ 13,441,337	$ 13,852,745	$ 14,471,265
ALLOWABLE REVENUES											
Rate Revenue	$ 15,785,300	$ 16,156,517	$ 16,763,361	$ 17,558,429	$ 18,438,893	$ 19,342,363	$ 20,053,775	$ 20,765,188	$ 21,476,600	$ 22,188,013	$ 22,899,425
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
SPA 1 System Development Fee Revenue	2,352,700	3,727,094	5,877,060	7,486,664	7,896,324	7,292,648	6,455,958	6,455,958	6,455,958	6,455,958	6,455,958
Interest Earnings - All Funds	261,600	90,627	107,840	107,483	81,149	176,556	221,031	296,896	335,238	187,126	304,950
Total Revenue	$ 18,399,600	$ 19,974,238	$ 22,748,261	$ 25,152,576	$ 26,416,365	$ 26,811,567	$ 26,730,764	$ 27,518,042	$ 28,267,796	$ 28,831,097	$ 29,660,332
Coverage Realized	1.24	4.46	5.49	1.63	7.93	7.94	7.64	7.74	0.90	12.23	12.40
COVERAGE SURPLUS (DEFICIENCY)	**$ 8,784,800**	**$ 9,800,633**	**$ 12,062,116**	**$ 14,147,104**	**$ 15,123,540**	**$ 15,136,101**	**$ 14,571,185**	**$ 14,760,106**	**$ 14,826,459**	**$ 14,978,352**	**$ 15,189,068**

City of Surprise
Wastewater Utility Rate Study
Revenue Requirements Analysis

Maximum Revenue Deficiency	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sufficiency Test Driving the Deficiency	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*	*None*
Maximum Deficiency From Tests	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
less: Net Revenue From Prior Rate Increases	-	-	-	-	-	-	-	-	-	-	-
Revenue Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plus: Adjustment for State Excise Tax	-	-	-	-	-	-	-	-	-	-	-
Total Revenue Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenue with no Increase	$ 15,785,300	$ 16,156,517	$ 16,763,361	$ 17,558,429	$ 18,438,893	$ 19,342,363	$ 20,053,775	$ 20,765,188	$ 21,476,600	$ 22,188,013	$ 22,899,425
Revenues from Prior Rate Increases	-	-	-	-	-	-	-	-	-	-	-
Rate Revenue Before Rate Increase (Incl. previous increases)	15,785,300	16,156,517	16,763,361	17,558,429	18,438,893	19,342,363	20,053,775	20,765,188	21,476,600	22,188,013	22,899,425
Required Annual Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Number of Months New Rates Will Be In Effect	12	12	12	12	12	12	12	12	12	12	12
Info: Percentage Increase to Generate Required Revenue	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
Policy Induced Rate Increases	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ANNUAL RATE INCREASE	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
CUMULATIVE RATE INCREASE	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

Impacts of Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues After Rate Increase	$ 15,785,300	$ 16,156,517	$ 16,763,361	$ 17,558,429	$ 18,438,893	$ 19,342,363	$ 20,053,775	$ 20,765,188	$ 21,476,600	$ 22,188,013	$ 22,899,425
Full Year Rate Revenues After Rate Increase	*15,785,300*	*16,156,517*	*16,763,361*	*17,558,429*	*18,438,893*	*19,342,363*	*20,053,775*	*20,765,188*	*21,476,600*	*22,188,013*	*22,899,425*
Additional State Taxes Due to Rate Increases	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow After Rate Increase	1,006,600	255,193	113,771	156,469	113,689	97,476	86,766	160,818	148,820	107,726	157,806
Coverage After Rate Increase	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

City of Surprise
Wastewater Utility Rate Study
Fund Activity

Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
SEWER OPERATIONS FUND (22531)											
Beginning Balance	$ 19,097,517	$ 1,716,214	$ 1,859,162	$ 1,950,170	$ 2,009,007	$ 2,062,240	$ 2,131,316	$ 2,217,258	$ 2,322,171	$ 2,441,260	$ 2,515,841
plus: Net Cash Flow after Rate Increase	1,006,600	255,193	113,771	156,469	113,689	97,476	86,766	160,818	148,820	107,726	157,806
less: Transfer of Surplus to Capital Fund	(18,387,903)	(112,244)	(22,764)	(97,632)	(60,456)	(28,400)	(824)	(55,905)	(29,731)	(33,145)	(48,971)
Ending Balance	**$ 1,716,214**	**$ 1,859,162**	**$ 1,950,170**	**$ 2,009,007**	**$ 2,062,240**	**$ 2,131,316**	**$ 2,217,258**	**$ 2,322,171**	**$ 2,441,260**	**$ 2,515,841**	**$ 2,624,676**
Minimum Target Balance	*$ 1,716,214*	*$ 1,859,162*	*$ 1,950,170*	*$ 2,009,007*	*$ 2,062,240*	*$ 2,131,316*	*$ 2,217,258*	*$ 2,322,171*	*$ 2,441,260*	*$ 2,515,841*	*$ 2,624,676*
Maximum Funds to be Kept as Operating Reserves	*$ 1,716,214*	*$ 1,859,162*	*$ 1,950,170*	*$ 2,009,007*	*$ 2,062,240*	*$ 2,131,316*	*$ 2,217,258*	*$ 2,322,171*	*$ 2,441,260*	*$ 2,515,841*	*$ 2,624,676*
Info: No of Days of Cash Operating Expenses	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*	*60*
OPERATIONS FUND - CAPITAL PORTION											
Beginning Balance	$ -	$ 16,409,159	$ 12,519,463	$ 8,798,164	$ 6,105,852	$ 15,593,405	$ 19,971,747	$ 27,472,369	$ 31,201,632	$ 16,271,382	$ 27,979,109
plus: Rate Funded System Reinvestment	4,600,000	4,600,000	4,800,000	5,200,000	5,800,000	6,300,000	6,500,000	6,500,000	6,500,000	6,800,000	6,800,000
plus: Transfers from Operating Fund	18,387,903	112,244	22,764	97,632	60,456	28,400	824	55,905	29,731	33,145	48,971
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from SPA Funds for Deficit Repayment	-	-	1,932,166	-	4,102,247	-	2,752,942	1,251,501	-	5,230,958	5,230,958
plus: Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Other Loans	-	-	-	-	-	-	-	-	-	-	-
plus: Other Low Interest Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	82,046	93,896	87,982	61,059	155,934	199,717	274,724	312,016	162,714	279,791
Total Funding Sources	**$ 22,987,903**	**$ 21,203,450**	**$ 19,368,288**	**$ 14,183,777**	**$ 16,129,614**	**$ 22,077,739**	**$ 29,425,231**	**$ 35,554,499**	**$ 38,043,380**	**$ 28,498,199**	**$ 40,338,829**
less: Capital Expenditures	(397,800)	(5,789,226)	(10,570,125)	(5,437,124)	(523,748)	(1,798,796)	(1,952,862)	(4,352,867)	(5,919,901)	(519,090)	(235,122)
less: Transfers to SPA Funds	(6,180,943)	(2,894,761)	-	(2,640,801)	(12,461)	(307,196)	-	-	(15,852,097)	-	-
Ending Capital Fund Balance	**$ 16,409,159**	**$ 12,519,463**	**$ 8,798,164**	**$ 6,105,852**	**$ 15,593,405**	**$ 19,971,747**	**$ 27,472,369**	**$ 31,201,632**	**$ 16,271,382**	**$ 27,979,109**	**$ 40,103,707**
Minimum Target Balance	*$ 5,170,183*	*$ 5,345,802*	*$ 5,563,590*	*$ 5,672,333*	*$ 5,698,778*	*$ 5,819,938*	*$ 5,866,228*	*$ 5,990,594*	*$ 6,227,023*	*$ 6,237,405*	*$ 6,242,107*
DEBT RESERVE											
New Debt											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
plus: Reserve Funding from New Debt	-	-	-	-	-	-	-	-	-	-	-
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Minimum Target Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2003 MPC Reserve (31404)											
Beginning Balance	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230	$ 1,550,230
2007 MPC Reserve (31304)											
Beginning Balance	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810	$ 5,068,810

City of Surprise
Wastewater Utility Rate Study
Fund Activity

Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
REPAIR AND REPLACEMENT FUND (2007 MPC REQUIREMENT)											
Beginning Balance	$ 5,317,196	$ 5,330,489	$ 5,357,141	$ 5,563,590	$ 5,672,333	$ 5,729,056	$ 5,819,938	$ 5,878,138	$ 5,990,594	$ 6,227,023	$ 6,289,293
plus: Interest Earnings	13,293	26,652	40,179	55,636	56,723	57,291	58,199	58,781	59,906	62,270	62,893
Total Funding Sources	**$ 5,330,489**	**$ 5,357,141**	**$ 5,397,320**	**$ 5,619,226**	**$ 5,729,056**	**$ 5,786,347**	**$ 5,878,138**	**$ 5,936,919**	**$ 6,050,500**	**$ 6,289,293**	**$ 6,352,186**
plus: Transfers In	-	-	166,270	53,107	-	33,592	-	53,675	176,523	-	-
Total Funding Sources	**$ 5,330,489**	**$ 5,357,141**	**$ 5,563,590**	**$ 5,672,333**	**$ 5,729,056**	**$ 5,819,938**	**$ 5,878,138**	**$ 5,990,594**	**$ 6,227,023**	**$ 6,289,293**	**$ 6,352,186**
less: Use of Funds	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ 5,330,489**	**$ 5,357,141**	**$ 5,563,590**	**$ 5,672,333**	**$ 5,729,056**	**$ 5,819,938**	**$ 5,878,138**	**$ 5,990,594**	**$ 6,227,023**	**$ 6,289,293**	**$ 6,352,186**
Max. Annual Fund Deposit (2% of Preceeding FY Rev.)	$ 321,819	$ 315,706	$ 323,130	$ 335,267	$ 351,169	$ 368,778	$ 386,847	$ 401,076	$ 415,304	$ 429,532	$ 443,760
Minimum Fund Balance	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*
Estimated Capital Assets	$ 258,509,143	$ 267,290,111	$ 278,179,517	$ 283,616,641	$ 284,938,923	$ 290,996,917	$ 293,311,420	$ 299,529,694	$ 311,351,150	$ 311,870,239	$ 312,105,361
Maximum Fund Balance (2% of Capital Assets)	*$ 5,170,183*	*$ 5,345,802*	*$ 5,563,590*	*$ 5,672,333*	*$ 5,698,778*	*$ 5,819,938*	*$ 5,866,228*	*$ 5,990,594*	*$ 6,227,023*	*$ 6,237,405*	*$ 6,242,107*

City of Surprise
Wastewater Utility Rate Study
Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sewer System Dev Fee SPA 1 (22532)											
Beginning Balance	$ 7,816	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
plus: System Development Fee	2,352,700	3,727,094	5,877,060	7,486,664	7,896,324	7,292,648	6,455,958	6,455,958	6,455,958	6,455,958	6,455,958
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	**$ 2,360,516**	**$ 3,727,094**	**$ 5,877,060**	**$ 7,486,664**	**$ 7,896,324**	**$ 7,292,648**	**$ 6,455,958**	**$ 6,455,958**	**$ 6,455,958**	**$ 6,455,958**	**$ 6,455,958**
less: Debt Service Payment	(8,504,254)	(3,630,113)	(3,625,613)	(10,127,466)	(3,335,344)	(3,340,645)	(3,341,375)	(3,339,049)	(16,406,500)	(1,225,000)	(1,225,000)
less: Capital Expenditures	(28,400)	(2,991,742)	(319,281)	-	(458,732)	(4,259,199)	(361,641)	(1,865,408)	-	-	-
Remaining Funding Sources (Deficit)	**$ (6,172,138)**	**$ (2,894,761)**	**$ 1,932,166**	**$ (2,640,801)**	**$ 4,102,247**	**$ (307,196)**	**$ 2,752,942**	**$ 1,251,501**	**$ (9,950,542)**	**$ 5,230,958**	**$ 5,230,958**
plus: Transfer trom Capital Fund	6,172,138	2,894,761	-	2,640,801	-	307,196	-	-	9,950,542	-	-
less: Repayment to Capital Fund	-	-	(1,932,166)	-	(4,102,247)	-	(2,752,942)	(1,251,501)	-	(5,230,958)	(5,230,958)
Ending Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ 18,928,645	$ 25,100,783	$ 27,995,544	$ 26,063,378	$ 28,704,179	$ 24,601,932	$ 24,909,128	$ 22,156,186	$ 20,904,685	$ 30,855,227	$ 25,624,269
Change in Deficit	6,172,138	2,894,761	(1,932,166)	2,640,801	(4,102,247)	307,196	(2,752,942)	(1,251,501)	9,950,542	(5,230,958)	(5,230,958)
Ending Fund Deficit	$ 25,100,783	$ 27,995,544	$ 26,063,378	$ 28,704,179	$ 24,601,932	$ 24,909,128	$ 22,156,186	$ 20,904,685	$ 30,855,227	$ 25,624,269	$ 20,393,311
Sewer System Dev Fee SPA 2 (22533)											
Beginning Balance	$ 317,517	$ 316,917	$ 318,502	$ 320,890	$ 324,099	$ -	$ -	$ -	$ -	$ -	$ -
plus: System Development Fee	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	2,800	1,585	2,389	3,209	3,241	-	-	-	-	-	-
Total Funding Sources	**$ 320,317**	**$ 318,502**	**$ 320,890**	**$ 324,099**	**$ 327,340**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
less: Capital Expenditures	(3,400)	-	-	-	(339,802)	-	-	-	(5,901,555)	-	-
Remaining Funding Sources (Deficit)	**$ 316,917**	**$ 318,502**	**$ 320,890**	**$ 324,099**	**$ (12,461)**	**$ -**	**$ -**	**$ -**	**$ (5,901,555)**	**$ -**	**$ -**
plus: Transfer trom Capital Fund	-	-	-	-	12,461	-	-	-	5,901,555	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ 316,917**	**$ 318,502**	**$ 320,890**	**$ 324,099**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ -	$ -	$ -	$ -	$ -	$ 12,461	$ 12,461	$ 12,461	$ 12,461	$ 5,914,016	$ 5,914,016
Change in Deficit	-	-	-	-	12,461	-	-	-	5,901,555	-	-
Ending Fund Deficit	$ -	$ -	$ -	$ -	$ 12,461	$ 12,461	$ 12,461	$ 12,461	$ 5,914,016	$ 5,914,016	$ 5,914,016
Sewer System Dev Fee SPA 3 (22534)											
Beginning Balance	$ 49,407	$ 46,607	$ 46,840	$ 47,192	$ 47,664	$ 48,140	$ 48,622	$ 49,108	$ 49,599	$ 50,095	$ 50,596
plus: System Development Fee	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	600	233	351	472	477	481	486	491	496	501	506
Total Funding Sources	**$ 50,007**	**$ 46,840**	**$ 47,192**	**$ 47,664**	**$ 48,140**	**$ 48,622**	**$ 49,108**	**$ 49,599**	**$ 50,095**	**$ 50,596**	**$ 51,102**
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	**$ 46,607**	**$ 46,840**	**$ 47,192**	**$ 47,664**	**$ 48,140**	**$ 48,622**	**$ 49,108**	**$ 49,599**	**$ 50,095**	**$ 50,596**	**$ 51,102**
plus: Transfer trom Capital Fund	-	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ 46,607**	**$ 46,840**	**$ 47,192**	**$ 47,664**	**$ 48,140**	**$ 48,622**	**$ 49,108**	**$ 49,599**	**$ 50,095**	**$ 50,596**	**$ 51,102**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in Deficit	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Deficit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

City of Surprise
Wastewater Utility Rate Study
Fund Activity

SPA Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sewer System Dev Fee SPA 4 (22535)											
Beginning Balance	$ 1,393	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
plus: System Development Fee	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	**$ 1,393**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	**$ (2,007)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
plus: Transfer trom Capital Fund	2,007	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	*$ -*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*
Change in Deficit	*2,007*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Ending Fund Deficit	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*	*$ 2,007*
Sewer System Dev Fee SPA 5 (22536)											
Beginning Balance	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
plus: System Development Fee	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	**$ 1**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	**$ (3,399)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
plus: Transfer trom Capital Fund	3,399	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	*$ 1,571*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*
Change in Deficit	*3,399*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Ending Fund Deficit	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*
Sewer System Dev Fee SPA 6 (22537)											
Beginning Balance	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
plus: System Development Fee	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Total Funding Sources	**$ 1**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
less: Capital Expenditures	(3,400)	-	-	-	-	-	-	-	-	-	-
Remaining Funding Sources (Deficit)	**$ (3,399)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
plus: Transfer trom Capital Fund	3,399	-	-	-	-	-	-	-	-	-	-
less: Repayment to Capital Fund	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Running Balance To Op./Cap. Fund											
Beginning Fund Deficit (Owed to Capital Fund)	*$ 1,571*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*
Change in Deficit	*3,399*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Ending Fund Deficit	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*	*$ 4,970*

City of Surprise
Wastewater Utility Rate Study
Fund Activity

Existing Debt Service - MPC Revenue Bonds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
MPC 2003 - Sewer Portion 30.25%											
Annual Interest Payment	$ 419,704	$ 367,825	$ 313,413	$ 256,278	$ 196,156	$ 139,445	$ 85,725	$ 28,949	$ -	$ -	$ -
Annual Principal Payment	1,011,863	1,063,288	1,113,200	1,172,188	1,232,688	1,294,700	1,349,150	1,403,600	-	-	-
Total Annual Payment	$ 1,431,566	$ 1,431,113	$ 1,426,613	$ 1,428,466	$ 1,428,844	$ 1,434,145	$ 1,434,875	$ 1,432,549	$ -	$ -	$ -
Use of Debt Reserve for Debt Service	-	-	-	-	-	-	-	-	-	-	-
MPC 2007											
Annual Interest Payment	$ 2,397,688	$ 2,199,000	$ 2,199,000	$ 2,199,000	$ 1,906,500	$ 1,906,500	$ 1,906,500	$ 1,906,500	$ 1,906,500	$ 1,225,000	$ 1,225,000
Annual Principal Payment	4,675,000	-	-	6,500,000	-	-	-	-	14,500,000	-	-
Total Annual Payment	$ 7,072,688	$ 2,199,000	$ 2,199,000	$ 8,699,000	$ 1,906,500	$ 1,906,500	$ 1,906,500	$ 1,906,500	$ 16,406,500	$ 1,225,000	$ 1,225,000
Use of Debt Reserve for Debt Service	-	-	-	-	-	-	-	-	-	-	-
TOTAL MPC REVENUE BONDS											
Annual Interest Payment	$ 2,817,392	$ 2,566,825	$ 2,512,413	$ 2,455,278	$ 2,102,656	$ 2,045,945	$ 1,992,225	$ 1,935,449	$ 1,906,500	$ 1,225,000	$ 1,225,000
Annual Principal Payment	5,686,863	1,063,288	1,113,200	7,672,188	1,232,688	1,294,700	1,349,150	1,403,600	14,500,000	-	-
Total Annual Payment	$ 8,504,254	$ 3,630,113	$ 3,625,613	$ 10,127,466	$ 3,335,344	$ 3,340,645	$ 3,341,375	$ 3,339,049	$ 16,406,500	$ 1,225,000	$ 1,225,000
Use of Debt Reserve for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Annual Debt Reserve Target on Existing Revenue Bonds	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000	26,225,000

TECHNICAL APPENDIX: SANITATION FUND

City of Surprise
Sanitation Utility Rate Study
Summary

Revenue Requirement	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenues											
Rate Revenues Under Existing Rates	$ 6,482,000	$ 6,689,944	$ 7,029,878	$ 7,475,248	$ 7,968,455	$ 8,474,549	$ 8,873,059	$ 9,271,569	$ 9,670,079	$ 10,068,588	$ 10,467,098
Non-Rate Revenues	476,100	419,547	441,720	436,037	455,137	475,539	483,472	500,400	516,931	534,289	547,498
Total Revenues	**$ 6,958,100**	**$ 7,109,490**	**$ 7,471,598**	**$ 7,911,286**	**$ 8,423,592**	**$ 8,950,088**	**$ 9,356,531**	**$ 9,771,969**	**$ 10,187,009**	**$ 10,602,878**	**$ 11,014,596**
Expenses											
General Operations	$ 5,686,400	$ 5,862,661	$ 6,048,367	$ 6,349,532	$ 6,629,387	$ 6,985,611	$ 7,306,511	$ 7,757,665	$ 8,105,938	$ 8,473,766	$ 8,854,532
Bulk Trash	434,700	479,490	495,170	511,383	561,123	579,840	599,207	619,250	639,991	661,458	683,676
Recycling	315,600	297,602	306,617	315,908	325,481	335,346	345,511	355,987	366,782	377,906	389,370
Vehicle/Equipment Funding	-	400,000	600,000	700,000	1,000,000	1,300,000	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000
Total Expenses	**$ 6,436,700**	**$ 7,039,753**	**$ 7,450,154**	**$ 7,876,822**	**$ 8,515,991**	**$ 9,200,797**	**$ 9,851,230**	**$ 10,532,902**	**$ 11,112,711**	**$ 11,513,130**	**$ 11,927,578**
Net Surplus (Deficiency)	**$ 521,400**	**$ 69,737**	**$ 21,443**	**$ 34,463**	**$ (92,399)**	**$ (250,708)**	**$ (494,699)**	**$ (760,933)**	**$ (925,701)**	**$ (910,252)**	**$ (912,982)**
Additions to Meet Coverage	-	-	-	-	-	-	-	-	-	-	-
Total Surplus (Deficiency)	**$ 521,400**	**$ 69,737**	**$ 21,443**	**$ 34,463**	**$ (92,399)**	**$ (250,708)**	**$ (494,699)**	**$ (760,933)**	**$ (925,701)**	**$ (910,252)**	**$ (912,982)**
% of Rate Revenue	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**1.16%**	**2.96%**	**5.58%**	**8.21%**	**9.57%**	**9.04%**	**8.72%**
Annual Rate Adjustment	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**2.00%**	**2.00%**	**2.00%**	**2.00%**	**2.00%**	**2.00%**
Cumulative Annual Rate Adjustment	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**2.00%**	**4.04%**	**6.12%**	**8.24%**	**10.41%**	**12.62%**
Rate Revenues After Rate Increase	$ 6,482,000	$ 6,689,944	$ 7,029,878	$ 7,475,248	$ 7,968,455	$ 8,644,040	$ 9,231,530	$ 9,839,063	$ 10,467,204	$ 11,116,535	$ 11,787,653
Additional Taxes from Rate Increase	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Cash Flow After Rate Increase	**521,400**	**69,737**	**21,443**	**34,463**	**(92,399)**	**(81,217)**	**(136,227)**	**(193,439)**	**(128,576)**	**137,695**	**407,572**
Coverage After Rate Increases	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Sample Residential Monthly Bill*	**$ 16.63**	**$ 16.63**	**$ 16.63**	**$ 16.63**	**$ 16.63**	**$ 16.96**	**$ 17.30**	**$ 17.65**	**$ 18.00**	**$ 18.36**	**$ 18.73**
Monthly Average Increase ($)	$ -	$ -	$ -	$ -	$ -	$ 0.33	$ 0.34	$ 0.35	$ 0.35	$ 0.36	$ 0.37

*Per Customer

City of Surprise
Sanitation Utility Rate Study
Summary

Fund Balance	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OPERATIONS FUND											
Beginning Balance	$ 9,712,295	$ 8,593,695	$ 6,597,825	$ 2,469,108	$ 2,302,749	$ 2,210,350	$ 1,191,458	$ 1,055,231	$ 861,792	$ 733,216	$ 171,101
plus: Net Cash Flow after Rate Increase	521,400	69,737	21,443	34,463	(92,399)	(81,217)	(136,227)	(193,439)	(128,576)	137,695	407,572
less: Transfer of Surplus to Capital Fund	(1,640,000)	(2,065,608)	(4,150,160)	(200,823)	-	(937,674)	-	-	-	(699,810)	-
Ending Balance	**$ 8,593,695**	**$ 6,597,825**	**$ 2,469,108**	**$ 2,302,749**	**$ 2,210,350**	**$ 1,191,458**	**$ 1,055,231**	**$ 861,792**	**$ 733,216**	**$ 171,101**	**$ 578,674**
Target Balance	*$ 1,058,088*	*$ 1,091,466*	*$ 1,126,053*	*$ 1,179,752*	*$ 1,235,505*	*$ 1,298,761*	*$ 1,356,367*	*$ 1,435,546*	*$ 1,497,980*	*$ 1,563,802*	*$ 1,631,931*
Days	*487*	*363*	*132*	*117*	*107*	*55*	*47*	*36*	*29*	*7*	*21*
OPERATIONS FUND - CAPITAL/EQUIPMENT RESERVE											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ 487,160	$ -	$ 1,561,425	$ 910,597	$ 283,248	$ -
plus: Capital/Equipment Reserve Funding	-	400,000	600,000	700,000	1,000,000	1,300,000	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000
plus: Transfers from Operating Fund	1,640,000	2,065,608	4,150,160	200,823	-	937,674	-	-	-	699,810	-
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Net Debt Proceeds Available for Projects	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	4,872	-	15,614	9,106	2,832	-
Total Funding Sources	**$ 1,640,000**	**$ 2,465,608**	**$ 4,750,160**	**$ 900,823**	**$ 1,000,000**	**$ 2,729,706**	**$ 1,600,000**	**$ 3,377,039**	**$ 2,919,703**	**$ 2,985,890**	**$ 2,000,000**
less: Capital Expenditures	(1,640,000)	(2,465,608)	(4,750,160)	(900,823)	(512,840)	(2,729,706)	(38,575)	(2,466,442)	(2,636,455)	(2,985,890)	(1,161,230)
Ending Working Capital Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ 487,160**	**$ -**	**$ 1,561,425**	**$ 910,597**	**$ 283,248**	**$ -**	**$ 838,770**
COMBINED BEGINNING BALANCE	**$ 9,712,295**	**$ 8,593,695**	**$ 6,597,825**	**$ 2,469,108**	**$ 2,302,749**	**$ 2,697,510**	**$ 1,191,458**	**$ 2,616,656**	**$ 1,772,389**	**$ 1,016,464**	**$ 171,101**
COMBINED ENDING BALANCE	**$ 8,593,695**	**$ 6,597,825**	**$ 2,469,108**	**$ 2,302,749**	**$ 2,697,510**	**$ 1,191,458**	**$ 2,616,656**	**$ 1,772,389**	**$ 1,016,464**	**$ 171,101**	**$ 1,417,444**

Notes:

Additional Proceeds (Costs) Consist of the following:	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Transfer from PW Development Fee Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

City of Surprise
Sanitation Utility Rate Study
Assumptions

July 2013 - June 2014

Economic & Financial Factors	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1 General Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2 Construction Cost Inflation	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%
3 Labor Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4 Benefit Cost Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5 Customer Growth	1.88%	3.21%	5.08%	6.34%	6.60%	6.35%	4.70%	4.49%	4.30%	4.12%	3.96%
6 General Inflation plus Growth	4.94%	6.30%	8.23%	9.53%	9.80%	9.54%	7.84%	7.63%	7.43%	7.24%	7.08%
7 No Escalation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 PILOT	33.74%	-9.25%	26.86%	33.15%	49.95%	6.32%	3.38%	17.42%	0.21%	13.37%	12.61%
9 Franchise In Lieu Payment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Fuel Cost Escalation	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
11 [Extra]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fund Earnings	0.25%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Accounting Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FISCAL POLICY RESTRICTIONS												
Min. Op. Fund Balance (days of O&M expense)		60	60	60	60	60	60	60	60	60	60	60
Max. Op. Fund Balance (days of O&M expense)		60	60	60	60	60	60	60	60	60	60	60
Minimum Capital Fund Balance Target												
Select Minimum Capital Fund Balance Target	1	**Defined as % of Plant**										
1 - Defined as % of Plant												
Plant-in-Service in 2013	$ 5,405,329											
Minimum Capital Fund Balance - % of plant assets		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2 - Amount at Right ==>		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CAPITAL/EQUIPMENT RESERVE FUNDING												
Select Reinvestment Funding Strategy	3	**User Input**										
Amount of Annual Cash Funding from Rates												
1 - Equal to Annual Depreciation Expense		$ 565,335	$ 614,647	$ 709,650	$ 727,667	$ 737,924	$ 792,518	$ 793,289	$ 842,618	$ 895,347	$ 955,065	$ 978,290
2 - Equal to Depreciation less Annual Debt Principal Payments		565,335	614,647	709,650	727,667	737,924	792,518	793,289	842,618	895,347	955,065	978,290
3 - Equal to Amount at Right ==>		-	400,000	600,000	700,000	1,000,000	1,300,000	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000
4 - Do Not Fund Depreciation			69,737	21,443	34,463	(92,399)	(81,217)	(136,227)	(193,439)	(128,576)	137,695	407,572

City of Surprise
Sanitation Utility Rate Study
Assumptions

July 2013 - June 2014

Capital Financing Assumptions		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FUNDING SOURCES												
Grants		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Proceeds (Costs)												
Transfer from PW Development Fee Fund		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
[Extra line]		-	-	-	-	-	-	-	-	-	-	-
Total Additional Proceeds		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
REVENUE BONDS												
Term (years)		20	20	20	20	20	20	20	20	20	20	20
Interest Cost		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Issuance Cost		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Revenue Bond Coverage Requirement	**1.20**											
OTHER LOANS												
Term (years)		20	20	20	20	20	20	20	20	20	20	20
Interest Cost		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
OTHER LOW COST LOANS												
Term (years)		20	20	20	20	20	20	20	20	20	20	20
Interest Cost		0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Issuance Cost		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Other Assumptions	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Customer Growth														
Projected Rate Revenue			6,420,000	6,482,000	6,649,000	6,928,000	7,323,000	7,304,700						
Projected New Equivalent Dwelling Units (EDUs)														
SPA 1				614	967	1,525	1,943	2,049	1,893					
SPA 2				-	66	145	167	260	420					
SPA 3				-	32	71	171	217	280					
Total New EDUs				**614**	**1,065**	**1,741**	**2,281**	**2,526**	**2,592**					
Projected New Equivalent Dwelling Units (EDUs)			32,584	33,198	34,263	36,004	38,285	40,811	43,403					
EDU Growth Rate				1.88%	3.21%	5.08%	6.34%	6.60%	6.35%					
Projected New Equivalent Dwelling Units (EDUs)			100.00%	of Original Growth Projections						*Based on previous 5 year average growth projections*				
SPA 1				614	967	1,525	1,943	2,049	1,893	1,676	1,676	1,676	1,676	1,676
SPA 2				-	66	145	167	260	420	212	212	212	212	212
SPA 3				-	32	71	171	217	280	154	154	154	154	154
Total New EDUs				**614**	**1,065**	**1,741**	**2,281**	**2,526**	**2,592**	**2,041**	**2,041**	**2,041**	**2,041**	**2,041**
Projected New Equivalent Dwelling Units (EDUs)			32,584	33,198	34,263	36,004	38,285	40,811	43,403	45,444	47,485	49,526	51,567	53,608
EDU Growth Rate				1.88%	3.21%	5.08%	6.34%	6.60%	6.35%	4.70%	4.49%	4.30%	4.12%	3.96%
New Trucks				-	2	-	1	1	2	-	-	2	-	1
PILOT Tax Components														
Capital Assets	4,457,030	5,801,676	5,405,329	7,045,329	9,510,937	14,261,097	15,161,919	15,674,760	18,404,465	18,443,040	20,909,483	23,545,938	26,531,828	27,693,058
ARS Assessed Valuation Annual Year Percentage		20.00%	19.50%	19.00%	18.50%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
ARS Assessed Valuation Fiscal Year Percentage			19.75%	19.25%	18.75%	18.25%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Primary Property Tax Rate			0.7383%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%	0.7783%
Payment in Lieu of Taxes			$ 6,499	$ 8,692	$ 7,888	$ 10,007	$ 13,324	$ 19,979	$ 21,241	$ 21,959	$ 25,784	$ 25,838	$ 29,293	$ 32,986

City of Surprise
Sanitation Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Revenues			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	Rate Revenues														
31434	Service/Collection Fees	5	Customer Growth	$ 6,444,247	$ 6,482,000	$ 6,689,944	$ 7,029,878	$ 7,475,248	$ 7,968,455	$ 8,474,549	$ 8,873,059	$ 9,271,569	$ 9,670,079	$ 10,068,588	$ 10,467,098
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	7	No Escalation	-	-	-	-	-	-	-	-	-	-	-	-
	Total Rate Revenue			**$ 6,444,247**	**$ 6,482,000**	**$ 6,689,944**	**$ 7,029,878**	**$ 7,475,248**	**$ 7,968,455**	**$ 8,474,549**	**$ 8,873,059**	**$ 9,271,569**	**$ 9,670,079**	**$ 10,068,588**	**$ 10,467,098**
	Non-Rate Revenues														
31961	Sale of Recycled Material	1	General Cost Inflation	$ 160,556	$ 162,200	$ 167,066	$ 172,078	$ 177,240	$ 182,558	$ 188,034	$ 193,675	$ 199,486	$ 205,470	$ 211,634	$ 217,983
31461	Revenue Recovery-Utility Bill	7	No Escalation	954	-	-	-	-	-	-	-	-	-	-	-
31813	Interest Income	7	No Escalation	117,229	-	-	-	-	-	-	-	-	-	-	-
31816	Unrealized Gain/Loss	7	No Escalation	(83,838)	-	-	-	-	-	-	-	-	-	-	-
	Transfer from PW Development Fee Fund	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
31458	Sanitation Roll Off Fees	5	Customer Growth	205,466	203,000	209,512	220,158	234,106	249,552	265,402	277,882	290,362	302,843	315,323	327,803
	Total Non-Rate Revenues			**$ 400,368**	**$ 365,200**	**$ 376,578**	**$ 392,236**	**$ 411,346**	**$ 432,110**	**$ 453,436**	**$ 471,557**	**$ 489,848**	**$ 508,313**	**$ 526,957**	**$ 545,787**
TOTAL REVENUES				**$ 6,844,615**	**$ 6,847,200**	**$ 7,066,522**	**$ 7,422,114**	**$ 7,886,594**	**$ 8,400,565**	**$ 8,927,985**	**$ 9,344,616**	**$ 9,761,417**	**$ 10,178,391**	**$ 10,595,545**	**$ 11,012,885**

Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
542	**Vehicle Maintenance**														
112	**General Operations**														
	Capital														
39421	Vehicles	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
644	**Sanitation**														
112	**General Operations**														
	Transfers Out														
34013	Franchise in lieu payment	9	Franchise In Lieu Payment	24,000	24,000	24,000	26,000	26,000	27,000	28,000	30,000	30,000	30,000	32,000	32,000
34023	Indirect costs - general fund personnel	1	General Cost Inflation	857,800	1,886,400	1,886,400	1,942,992	2,001,282	2,061,320	2,123,160	2,186,855	2,252,460	2,320,034	2,389,635	2,461,324
34033	Payments in lieu of property tax (PILOT)		*Calculated*	6,581	8,600	8,600	10,007	13,324	19,979	21,241	21,959	25,784	25,838	29,293	32,986
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	1,036,272	1,071,200	1,212,637	1,249,016	1,356,967	1,470,272	1,589,153	1,636,828	1,685,933	1,736,511	1,788,606	1,842,264
36113	Overtime Compensation	3	Labor Cost Inflation	18,271	25,300	25,300	26,059	26,841	27,646	28,475	29,330	30,210	31,116	32,049	33,011
36115	Holidays	4	Benefit Cost Inflation	46,968	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	146,898	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	1,428	-	720	742	764	787	810	835	860	886	912	939
36211	FICA	4	Benefit Cost Inflation	89,461	83,900	82,883	85,369	87,931	90,568	93,286	96,084	98,967	101,936	104,994	108,144
36231	Medical	4	Benefit Cost Inflation	238,633	247,600	217,441	223,964	230,683	237,604	244,732	252,074	259,636	267,425	275,448	283,711
36232	Dental	4	Benefit Cost Inflation	13,893	14,100	11,535	11,881	12,237	12,605	12,983	13,372	13,773	14,187	14,612	15,051
36233	Vision	4	Benefit Cost Inflation	2,243	2,200	1,833	1,888	1,945	2,003	2,063	2,125	2,189	2,254	2,322	2,392
36234	Life	4	Benefit Cost Inflation	5,353	4,700	4,700	4,841	4,986	5,136	5,290	5,449	5,612	5,780	5,954	6,132
36252	AZ State Retirement	4	Benefit Cost Inflation	138,130	126,500	125,029	128,780	132,643	136,623	140,721	144,943	149,291	153,770	158,383	163,134
36255	Post Emp. Health Plan	4	Benefit Cost Inflation	2,693	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	4	Benefit Cost Inflation	43,928	46,400	60,483	62,297	64,166	66,091	68,074	70,116	72,220	74,386	76,618	78,917
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	1,611	1,500	2,300	2,369	2,440	2,513	2,589	2,666	2,746	2,829	2,914	3,001
37112	Computer Supplies	1	General Cost Inflation	2,873	1,200	1,700	1,751	1,804	1,858	1,913	1,971	2,030	2,091	2,154	2,218
37114	Books & Subscriptions	1	General Cost Inflation	-	100	100	103	106	109	113	116	119	123	127	130
37131	Clothing & Uniforms	1	General Cost Inflation	2,955	2,700	5,600	5,768	6,050	6,344	6,651	6,850	7,056	7,267	7,485	7,710
37141	Radio Supplies	1	General Cost Inflation	-	300	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438
37142	Phone Supplies	1	General Cost Inflation	292	-	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	1	General Cost Inflation	4,723	1,500	8,800	9,064	9,336	9,616	9,904	10,202	10,508	10,823	11,148	11,482
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	61,546	39,400	39,400	40,582	41,799	43,053	44,345	45,675	47,046	48,457	49,911	51,408
37164	Signs and Sign Supplies	1	General Cost Inflation	641	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	9,094	1,000	7,700	7,931	8,169	8,414	8,666	8,926	9,194	9,470	9,754	10,047
37191	Food	1	General Cost Inflation	-	800	800	824	849	874	900	927	955	984	1,013	1,044
37192	Awards & Recognition	1	General Cost Inflation	161	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	1	General Cost Inflation	4,166	6,800	8,200	8,446	9,027	9,636	10,273	10,581	10,898	11,225	11,562	11,909
37196	Meeting Supplies	1	General Cost Inflation	44	800	800	824	849	874	900	927	955	984	1,013	1,044
37211	Gas & Fuel	10	Fuel Cost Escalation	398,813	385,600	423,000	443,087	485,982	509,059	577,053	604,455	633,159	663,225	694,719	727,709
37212	Auto Parts & Lubricants	1	General Cost Inflation	266,975	303,700	281,000	289,430	310,652	319,971	349,537	360,023	370,824	381,948	393,407	405,209
37222	Cleaning/Janitorial	1	General Cost Inflation	351	-	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	1	General Cost Inflation	-	13,200	13,200	13,596	14,004	14,424	14,857	15,302	15,761	16,234	16,721	17,223
37997	Education & Training Supplies	1	General Cost Inflation	221	-	-	-	-	-	-	-	-	-	-	-
37999	Other Commodity Supplies	1	General Cost Inflation	503	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services														
38126	Service Agreements	1	General Cost Inflation	5,171	9,100	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700

City of Surprise
Sanitation Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
38128	Recording, License & Permit Fees	1	General Cost Inflation	7,430	6,600	7,100	7,313	7,664	7,893	8,408	8,661	8,921	9,188	9,464	9,748
38129	Software - Hansen Version	1	General Cost Inflation	10,613	-	-	-	-	-	-	-	-	-	-	-
38191	Pre Employment Services	1	General Cost Inflation	-	400	400	412	424	437	450	464	478	492	507	522
38199	Other Prof/Tech Services	1	General Cost Inflation	26,093	-	-	-	-	-	-	-	-	-	-	-
38212	Electricity	1	General Cost Inflation	3,191	6,600	6,600	6,798	7,002	7,212	7,428	7,651	7,881	8,117	8,361	8,612
38216	Sanitary/Landfill	1	General Cost Inflation	720,335	750,000	765,400	788,362	812,013	836,373	861,464	887,308	913,928	941,345	969,586	998,673
38217	Postage & Mailings	1	General Cost Inflation	7	200	200	206	212	219	225	232	239	246	253	261
38221	Cell Phone/Pagers	1	General Cost Inflation	2,307	1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
38321	Radio Equip. Maint.	1	General Cost Inflation	12,357	13,000	13,000	13,390	14,447	15,556	16,718	17,220	17,736	18,269	18,817	19,381
38323	Office Equip. Maint.	1	General Cost Inflation	-	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38324	Machinery & Equip. Maint.	1	General Cost Inflation	2,395	5,000	13,800	14,214	14,640	15,080	15,532	15,998	16,478	16,972	17,481	18,006
38331	Vehicle Maintenance	1	General Cost Inflation	114,415	122,500	107,900	111,137	117,447	120,970	131,494	135,439	139,502	143,687	147,998	152,438
38413	Trash Collection Contracts	1	General Cost Inflation	418,662	410,000	415,000	427,450	440,274	453,482	467,086	481,099	495,532	510,398	525,710	541,481
38912	Risk Insurance Premium	1	General Cost Inflation	42,200	42,200	42,200	43,466	44,770	46,113	47,496	48,921	50,389	51,901	53,458	55,061
38922	Travel & Training	1	General Cost Inflation	3,478	8,300	8,300	8,549	9,243	9,970	10,733	11,055	11,386	11,728	12,080	12,442
38924	Dues & Memberships	1	General Cost Inflation	239	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
38931	Advertising	1	General Cost Inflation	1,891	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	1	General Cost Inflation	433	-	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	1	General Cost Inflation	5,910	9,500	6,600	6,798	7,220	7,662	8,124	8,368	8,619	8,877	9,144	9,418
	Capital														
39431	Mach. & Equipment	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
39872	Invadj	1	General Cost Inflation	(98,004)	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds - Hansen Version	1	General Cost Inflation	(574)	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	1	General Cost Inflation	197	-	-	-	-	-	-	-	-	-	-	-
39999	Contingency	1	General Cost Inflation	-	-	-	-	-	-	-	-	-	-	-	-
602	**Bulk Trash**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	156,573	182,500	182,649	188,128	193,772	199,585	205,573	211,740	218,092	224,635	231,374	238,316
36113	Overtime Compensation	3	Labor Cost Inflation	6,935	11,300	-	-	-	-	-	-	-	-	-	-
36115	Holidays	4	Benefit Cost Inflation	6,448	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	24,168	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	104	-	600	618	637	656	675	696	716	738	760	783
36211	FICA	4	Benefit Cost Inflation	13,959	14,800	13,973	14,392	14,824	15,269	15,727	16,199	16,684	17,185	17,701	18,232
36231	Medical	4	Benefit Cost Inflation	26,057	27,600	27,611	28,439	29,293	30,171	31,076	32,009	32,969	33,958	34,977	36,026
36232	Dental	4	Benefit Cost Inflation	1,561	1,500	1,490	1,535	1,581	1,628	1,677	1,727	1,779	1,833	1,887	1,944
36233	Vision	4	Benefit Cost Inflation	309	300	297	306	315	325	334	344	355	365	376	388
36234	Life	4	Benefit Cost Inflation	817	800	800	824	849	874	900	927	955	984	1,013	1,044
36252	AZ State Retirement	4	Benefit Cost Inflation	21,311	22,400	21,078	21,710	22,362	23,032	23,723	24,435	25,168	25,923	26,701	27,502
36278	Workers Compensation	4	Benefit Cost Inflation	6,598	9,000	11,192	11,528	11,874	12,230	12,597	12,975	13,364	13,765	14,178	14,603
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	-	700	900	927	955	983	1,013	1,043	1,075	1,107	1,140	1,174
37112	Computer Supplies	1	General Cost Inflation	22	100	100	103	106	109	113	116	119	123	127	130
37131	Clothing & Uniforms	1	General Cost Inflation	716	600	600	618	637	656	675	696	716	738	760	783
37142	Phone Supplies	1	General Cost Inflation	247	200	200	206	212	219	225	232	239	246	253	261
37161	Operational Supplies	1	General Cost Inflation	14,832	11,100	13,600	14,008	14,428	14,861	15,307	15,766	16,239	16,726	17,228	17,745
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	11,290	200	200	206	212	219	225	232	239	246	253	261
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	1,289	1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
37193	Safety & First Aid Supplies	1	General Cost Inflation	1,345	2,200	2,100	2,163	2,228	2,295	2,364	2,434	2,508	2,583	2,660	2,740
37196	Meeting Supplies	1	General Cost Inflation	49	300	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	10	Fuel Cost Escalation	57,126	74,100	74,100	77,619	81,305	107,676	112,789	118,145	123,755	129,632	135,787	142,235
37212	Auto Parts & Lubricants	1	General Cost Inflation	18,549	28,600	40,100	41,303	42,542	51,697	53,248	54,845	56,491	58,185	59,931	61,729
	Contractual Services														
38126	Service Agreements	1	General Cost Inflation	1,032	5,400	41,000	42,230	43,497	44,802	46,146	47,530	48,956	50,425	51,938	53,496
38128	Recording, License & Permit Fees	1	General Cost Inflation	-	400	400	412	424	550	566	583	601	619	637	656
38191	Pre Employment Services	1	General Cost Inflation	-	400	400	412	424	437	450	464	478	492	507	522
38216	Sanitary/Landfill	1	General Cost Inflation	20,222	22,200	27,500	28,325	29,175	30,050	30,951	31,880	32,836	33,822	34,836	35,881
38217	Postage & Mailings	1	General Cost Inflation	68	100	100	103	106	109	113	116	119	123	127	130
38221	Cell Phone/Pagers	1	General Cost Inflation	528	800	800	824	849	874	900	927	955	984	1,013	1,044
38331	Vehicle Maintenance	1	General Cost Inflation	22,942	10,600	11,000	11,330	11,670	14,496	14,931	15,379	15,840	16,316	16,805	17,309
38922	Travel & Training	1	General Cost Inflation	241	3,800	3,800	3,914	4,031	4,152	4,277	4,405	4,537	4,674	4,814	4,958
38924	Dues & Memberships	1	General Cost Inflation	-	600	600	618	637	656	675	696	716	738	760	783
38931	Advertising	1	General Cost Inflation	200	-	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	1	General Cost Inflation	1,045	1,100	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
	Capital														
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-

City of Surprise
Sanitation Utility Rate Study
Operating Revenue and Expenditure Forecast

				Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses			FORECAST BASIS	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
603	**Recycling**														
	Personnel/Salaries														
36111	Full Time Salaries	3	Labor Cost Inflation	89,405	127,100	123,913	127,630	131,459	135,403	139,465	143,649	147,959	152,397	156,969	161,678
36113	Overtime Compensation	3	Labor Cost Inflation	1,235	2,800	2,800	2,884	2,971	3,060	3,151	3,246	3,343	3,444	3,547	3,653
36115	Holidays	4	Benefit Cost Inflation	5,488	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	4	Benefit Cost Inflation	13,914	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	4	Benefit Cost Inflation	-	-	600	618	637	656	675	696	716	738	760	783
36211	FICA	4	Benefit Cost Inflation	9,055	9,900	9,479	9,763	10,056	10,358	10,669	10,989	11,318	11,658	12,008	12,368
36231	Medical	4	Benefit Cost Inflation	17,613	43,400	28,962	29,831	30,726	31,648	32,597	33,575	34,582	35,620	36,688	37,789
36232	Dental	4	Benefit Cost Inflation	1,276	2,500	1,684	1,735	1,787	1,840	1,895	1,952	2,011	2,071	2,133	2,197
36233	Vision	4	Benefit Cost Inflation	183	400	240	247	255	262	270	278	287	295	304	313
36234	Life	4	Benefit Cost Inflation	467	600	600	618	637	656	675	696	716	738	760	783
36252	AZ State Retirement	4	Benefit Cost Inflation	12,326	15,000	14,300	14,729	15,171	15,626	16,095	16,578	17,075	17,587	18,115	18,658
36278	Workers Compensation	4	Benefit Cost Inflation	4,349	6,000	7,524	7,750	7,982	8,222	8,468	8,722	8,984	9,254	9,531	9,817
36999	Labor Dist	3	Labor Cost Inflation	672	-	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies														
37111	Office Supplies	1	General Cost Inflation	352	700	700	721	743	765	788	811	836	861	887	913
37131	Clothing & Uniforms	1	General Cost Inflation	229	400	400	412	424	437	450	464	478	492	507	522
37142	Phone Supplies	1	General Cost Inflation	22	-	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	1	General Cost Inflation	2,650	5,900	5,900	6,077	6,259	6,447	6,641	6,840	7,045	7,256	7,474	7,698
37162	Furn, Fixture, & Office Equip <$10,000	1	General Cost Inflation	437	-	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	1	General Cost Inflation	49	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	1	General Cost Inflation	2,361	200	200	206	212	219	225	232	239	246	253	261
37193	Safety & First Aid Supplies	1	General Cost Inflation	1,461	1,400	1,400	1,442	1,485	1,530	1,576	1,623	1,672	1,722	1,773	1,827
37211	Gas & Fuel	10	Fuel Cost Escalation	3,363	5,000	5,000	5,237	5,486	5,747	6,020	6,305	6,605	6,918	7,247	7,591
37212	Auto Parts & Lubricants	1	General Cost Inflation	560	2,600	1,700	1,751	1,804	1,858	1,913	1,971	2,030	2,091	2,154	2,218
	Contractual Services														
38126	Service Agreements	1	General Cost Inflation	75,696	61,400	61,400	63,242	65,139	67,093	69,106	71,179	73,315	75,514	77,780	80,113
38216	Sanitary/Landfill	1	General Cost Inflation	-	1,100	1,100	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435
38217	Postage & Mailings	1	General Cost Inflation	8	400	700	721	743	765	788	811	836	861	887	913
38221	Cell Phone/Pagers	1	General Cost Inflation	921	1,700	200	206	212	219	225	232	239	246	253	261
38331	Vehicle Maintenance	1	General Cost Inflation	2,400	1,500	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
38521	Equipment Rental	1	General Cost Inflation	131	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	1	General Cost Inflation	1,000	600	600	618	637	656	675	696	716	738	760	783
38924	Dues & Memberships	1	General Cost Inflation	239	1,600	1,600	1,648	1,697	1,748	1,801	1,855	1,910	1,968	2,027	2,088
38931	Advertising	1	General Cost Inflation	17,410	13,000	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
38951	Printing	1	General Cost Inflation	3,435	10,000	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
38991	Uniform/Laundry Services	1	General Cost Inflation	832	400	400	412	424	437	450	464	478	492	507	522
	Capital														
39891	Prepds	1	General Cost Inflation	0	-	-	-	-	-	-	-	-	-	-	-
644	**Sanitation**														
112	**General Operations**														
	Commodities/Supplies														
37165	New Collection & Recycle Containers	1	General Cost Inflation	-	-	-	-	-	-	-	-	116,123	119,607	123,195	126,891
	Miscellaneous														
	Future Additional O&M Expenses	1	General Cost Inflation	-	-	-	-	-	-	-	100,000	206,000	318,270	437,091	562,754
	Other														
	Add'l O&M from CIP		*From CIP*	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash O&M Expenditures				**$ 5,392,386**	**$ 6,436,700**	**$ 6,639,753**	**$ 6,850,154**	**$ 7,176,822**	**$ 7,515,991**	**$ 7,900,797**	**$ 8,251,230**	**$ 8,732,902**	**$ 9,112,711**	**$ 9,513,130**	**$ 9,927,578**
Depreciation Expense in FY2013			$ 532,535												
	Depreciation Expense		Last year's plus annual add'l from CIP	$ 532,535	$ 565,335	$ 614,647	$ 709,650	$ 727,667	$ 737,924	$ 792,518	$ 793,289	$ 842,618	$ 895,347	$ 955,065	$ 978,290
			debt principal payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
			System Reinvestment Funding	$ 532,535	$ 565,335	$ 614,647	$ 709,650	$ 727,667	$ 737,924	$ 792,518	$ 793,289	$ 842,618	$ 895,347	$ 955,065	$ 978,290
TOTAL EXPENSES				**$ 5,924,921**	**$ 7,002,035**	**$ 7,254,400**	**$ 7,559,805**	**$ 7,904,489**	**$ 8,253,915**	**$ 8,693,315**	**$ 9,044,519**	**$ 9,575,520**	**$ 10,008,058**	**$ 10,468,195**	**$ 10,905,867**
			Capital Outlays	*$ 15,139*	*$ 7,200*	*$ 22,700*	*$ 23,381*	*$ 24,082*	*$ 24,805*	*$ 25,549*	*$ 26,316*	*$ 143,228*	*$ 147,525*	*$ 151,951*	*$ 156,510*

City of Surprise
Sanitation Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	Revenues	**FY15 Budget**	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
	Rate Revenues											
31434	Service/Collection Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31458	Sanitation Roll Off Fees	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	-	-	-	-	-	-	-	-	-	-	-
	Total Rate Revenue	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
	Non-Rate Revenues											
31961	Sale of Recycled Material	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31461	Revenue Recovery-Utility Bill	-	-	-	-	-	-	-	-	-	-	-
31813	Interest Income	-	-	-	-	-	-	-	-	-	-	-
31816	Unrealized Gain/Loss	-	-	-	-	-	-	-	-	-	-	-
	[Extra]	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Rate Revenues	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL REVENUES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

	Expenses	**FY15 Budget**	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
542	**Vehicle Maintenance**											
112	**General Operations**											
	Capital											
39421	Vehicles	-	-	-	-	-	-	-	-	-	-	-
644	**Sanitation**											
112	**General Operations**											
	Transfers Out											
34013	Franchise in lieu payment	24,000	-	2,000	-	1,000	1,000	2,000	-	-	2,000	-
34023	Indirect costs - general fund personnel	1,886,400	-	-	-	-	-	-	-	-	-	-
34033	Payments in lieu of property tax (PILOT)	8,600	-	-	-	-	-	-	-	-	-	-
	Personnel/Salaries											
36111	Full Time Salaries	1,083,437	129,200	-	70,481	72,595	74,773	-	-	-	-	-
36113	Overtime Compensation	25,300	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	720	-	-	-	-	-	-	-	-	-	-
36211	FICA	82,883	-	-	-	-	-	-	-	-	-	-
36231	Medical	217,441	-	-	-	-	-	-	-	-	-	-
36232	Dental	11,535	-	-	-	-	-	-	-	-	-	-
36233	Vision	1,833	-	-	-	-	-	-	-	-	-	-
36234	Life	4,700	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	125,029	-	-	-	-	-	-	-	-	-	-
36255	Post Emp. Health Plan	-	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	60,483	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	OFC SUPS	2,300	-	-	-	-	-	-	-	-	-	-
37112	CPTR SUPP	1,700	-	-	-	-	-	-	-	-	-	-
37114	BOOKS & SUBSCRIPTIONS	100	-	-	-	-	-	-	-	-	-	-
37131	UNIFORMS	5,400	200	-	109	113	116	-	-	-	-	-
37141	Workers Compensation	8,000	-	-	-	-	-	-	-	-	-	-
37142	Office Supplies	-	-	-	-	-	-	-	-	-	-	-
37161	Computer Supplies	8,800	-	-	-	-	-	-	-	-	-	-
37162	Books & Subscriptions	39,400	-	-	-	-	-	-	-	-	-	-
37164	Clothing & Uniforms	-	-	-	-	-	-	-	-	-	-	-
37165	Radio Supplies	7,700	-	-	-	-	-	-	-	-	-	-

City of Surprise
Sanitation Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		**FY15 Budget**	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
37191	Food	800	-	-	-	-	-	-	-	-	-	-
37192	Awards & Recognition	-	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	7,600	600	-	328	338	348	-	-	-	-	-
37196	Meetsup	800	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	385,600	37,400	-	21,855	-	43,821	-	-	-	-	-
37212	Auto Parts & Lubricants	264,000	17,000	-	12,539	-	19,967	-	-	-	-	-
37222	Cleaning/Janitorial	-	-	-	-	-	-	-	-	-	-	-
37232	Chemical Supplies	13,200	-	-	-	-	-	-	-	-	-	-
37997	Education & Training Supplies	-	-	-	-	-	-	-	-	-	-	-
37999	Other Commodity Supplies	-	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	10,500	-	-	-	-	-	-	-	-	-	-
38128	Recording, License & Permit Fees	6,700	400	-	131	-	278	-	-	-	-	-
38129	Software - Hansen Version	-	-	-	-	-	-	-	-	-	-	-
38191	Pre Employment Services	400	-	-	-	-	-	-	-	-	-	-
38199	Other Prof/Tech Services	-	-	-	-	-	-	-	-	-	-	-
38212	Electricity	6,600	-	-	-	-	-	-	-	-	-	-
38216	Sanitary/Landfill	765,400	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	200	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	1,500	-	-	-	-	-	-	-	-	-	-
38321	Radio Equip. Maint.	13,000	-	-	656	675	696	-	-	-	-	-
38323	Office Equip. Maint.	1,000	-	-	-	-	-	-	-	-	-	-
38324	Machinery & Equip. Maint.	13,800	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	102,500	5,400	-	2,976	-	6,895	-	-	-	-	-
38413	Trash Collection Contracts	415,000	-	-	-	-	-	-	-	-	-	-
38912	Risk Insurance Premium	42,200	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	8,300	-	-	437	450	464	-	-	-	-	-
38924	Dues & Memberships	1,000	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38951	Printing	-	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	6,000	600	-	219	225	232	-	-	-	-	-
	Capital											
39431	Mach. & Equipment	-	-	-	-	-	-	-	-	-	-	-
39872	Invadj	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds - Hansen Version	-	-	-	-	-	-	-	-	-	-	-
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
39999	Contingency	-	-	-	-	-	-	-	-	-	-	-
602	**Bulk Trash**											
	Personnel/Salaries											
36111	Full Time Salaries	182,649	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	-	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	600	-	-	-	-	-	-	-	-	-	-
36211	FICA	13,973	-	-	-	-	-	-	-	-	-	-
36231	Medical	27,611	-	-	-	-	-	-	-	-	-	-
36232	Dental	1,490	-	-	-	-	-	-	-	-	-	-
36233	Vision	297	-	-	-	-	-	-	-	-	-	-
36234	Life	800	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	21,078	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	11,192	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	900	-	-	-	-	-	-	-	-	-	-

City of Surprise
Sanitation Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		**FY15 Budget**	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
37112	Computer Supplies	100	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	600	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	200	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	13,600	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	200	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	1,000	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	2,100	-	-	-	-	-	-	-	-	-	-
37196	Meetsup	-	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	74,100	-	-	-	22,510	-	-	-	-	-	-
37212	Auto Parts & Lubricants	40,100	-	-	-	7,879	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	41,000	-	-	-	-	-	-	-	-	-	-
38128	Recording, License & Permit Fees	400	-	-	-	113	-	-	-	-	-	-
38191	Pre Employment Services	400	-	-	-	-	-	-	-	-	-	-
38216	Sanitary/Landfill	27,500	-	-	-	-	-	-	-	-	-	-
38217	Postage & Mailings	100	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	800	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	11,000	-	-	-	2,476	-	-	-	-	-	-
38922	Travel & Training	3,800	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	600	-	-	-	-	-	-	-	-	-	-
38931	Advertising	-	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	1,300	-	-	-	-	-	-	-	-	-	-
	Capital											
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
603	**Recycling**											
	Personnel/Salaries											
36111	Full Time Salaries	123,913	-	-	-	-	-	-	-	-	-	-
36113	Overtime Compensation	2,800	-	-	-	-	-	-	-	-	-	-
36115	Holidays	-	-	-	-	-	-	-	-	-	-	-
36116	Paid Time Off	-	-	-	-	-	-	-	-	-	-	-
36151	Stipend	600	-	-	-	-	-	-	-	-	-	-
36211	FICA	9,479	-	-	-	-	-	-	-	-	-	-
36231	Medical	28,962	-	-	-	-	-	-	-	-	-	-
36232	Dental	1,684	-	-	-	-	-	-	-	-	-	-
36233	Vision	240	-	-	-	-	-	-	-	-	-	-
36234	Life	600	-	-	-	-	-	-	-	-	-	-
36252	AZ State Retirement	14,300	-	-	-	-	-	-	-	-	-	-
36278	Workers Compensation	7,524	-	-	-	-	-	-	-	-	-	-
36999	Labor Dist	-	-	-	-	-	-	-	-	-	-	-
	Commodities/Supplies											
37111	Office Supplies	700	-	-	-	-	-	-	-	-	-	-
37131	Clothing & Uniforms	400	-	-	-	-	-	-	-	-	-	-
37142	Phone Supplies	-	-	-	-	-	-	-	-	-	-	-
37161	Operational Supplies	5,900	-	-	-	-	-	-	-	-	-	-
37162	Furn, Fixture, & Office Equip <$10,000	-	-	-	-	-	-	-	-	-	-	-
37164	Signs and Sign Supplies	-	-	-	-	-	-	-	-	-	-	-
37165	Mach. & Equipment <$10,000	200	-	-	-	-	-	-	-	-	-	-
37193	Safety & First Aid Supplies	1,400	-	-	-	-	-	-	-	-	-	-
37211	Gas & Fuel	5,000	-	-	-	-	-	-	-	-	-	-
37212	Auto Parts & Lubricants	1,700	-	-	-	-	-	-	-	-	-	-
	Contractual Services											
38126	Service Agreements	61,400	-	-	-	-	-	-	-	-	-	-
38216	Sanitary/Landfill	1,100	-	-	-	-	-	-	-	-	-	-

City of Surprise
Sanitation Utility Rate Study
Additional O&M Adjustments

		Budget	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Expenses		**FY15 Budget**	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**
38217	Postage & Mailings	700	-	-	-	-	-	-	-	-	-	-
38221	Cell Phone/Pagers	200	-	-	-	-	-	-	-	-	-	-
38331	Vehicle Maintenance	1,200	-	-	-	-	-	-	-	-	-	-
38521	Equipment Rental	-	-	-	-	-	-	-	-	-	-	-
38922	Travel & Training	600	-	-	-	-	-	-	-	-	-	-
38924	Dues & Memberships	1,600	-	-	-	-	-	-	-	-	-	-
38931	Advertising	15,000	-	-	-	-	-	-	-	-	-	-
38951	Printing	10,000	-	-	-	-	-	-	-	-	-	-
38991	Uniform/Laundry Services	400	-	-	-	-	-	-	-	-	-	-
	Capital											
39891	Prepds	-	-	-	-	-	-	-	-	-	-	-
644	**Sanitation**											
112	**General Operations**											
	Commodities/Supplies											
37165	New Collection & Recycle Containers	-	-	-	103,174	-	-	-	-	-	-	-
	Miscellaneous											
	Future Additional O&M Expenses	-	-	-	-	-	-	100,000	103,000	106,090	109,273	112,551
	Other											
	Add'l O&M from CIP	-	-	-	-	-	-	-	-	-	-	-
Total Cash O&M Expenditures		**$ 6,448,953**	**$ 190,800**	**$ 2,000**	**$ 212,904**	**$ 108,374**	**$ 148,588**	**$ 102,000**	**$ 103,000**	**$ 106,090**	**$ 111,273**	**$ 112,551**
TOTAL EXPENSES		**$ 6,448,953**	**$ 190,800**	**$ 2,000**	**$ 212,904**	**$ 108,374**	**$ 148,588**	**$ 102,000**	**$ 103,000**	**$ 106,090**	**$ 111,273**	**$ 112,551**

City of Surprise
Sanitation Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

No	Description	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Specific Funding Source 1-Balances, 2-CIAC	
1	**Budget**												1	Balances
2	22541-542-112-39421 Purchase of 6 solid waste trucks	1,620,000	1,600,000										1	Balances
3	22541-644-112-39431 DEF storage and dispensing unit	20,000											1	Balances
4													1	Balances
5	**Enterprise CIP 22541 - Sanitation Operations Fund**												1	Balances
6	Public Works Yard - North		150,000	900,000									1	Balances
7	Compressed Natural Gas (CNG) Fueling Station			1,000,000									1	Balances
8													1	Balances
9	**Enterprise Vehicles**												1	Balances
10	Bulk			408,000	175,000	32,000		32,000		175,000	310,000	175,000	1	Balances
11	Operations			1,962,000	310,000	22,000	1,550,000		1,860,000	1,240,000	1,930,000	310,000	1	Balances
12	Recycling					22,000							1	Balances
13	**Enterprise Equipment**												1	Balances
14	Roll Off Dumpster 16 Yard			91,300					91,300				1	Balances
15	Roll Off Dumpster 20 Yard			16,000					16,000				1	Balances
16	Case Tractor			70,000									1	Balances
17	Hydroblaster Power Washer #3			8,000					8,000				1	Balances
18	Hydroblaster Power Washer #2			8,000					8,000				1	Balances
19	Roll Off					40,000							1	Balances
20	Roll Off 16 Yard					16,000					16,000		1	Balances
21	20 Yard Recycle Container						35,000						1	Balances
22	Flatbed Trailer											30,000	1	Balances
23	Swinger Tractor						30,000						1	Balances
24													1	Balances
25	**One-time Future O&M Costs**												1	Balances
26	Solid Waste Side Loader		320,000		335,467		355,897			320,000		335,467	1	Balances
27	Solid Waste Rear Loader		320,000				330,393			320,000			1	Balances
28	Solid Waste Light Vehicle						34,778						1	Balances
29	Solid Waste Roll-Off Truck					320,770							1	Balances
30													1	Balances
	Total Capital Projects	**$ 1,640,000**	**$ 2,390,000**	**$ 4,463,300**	**$ 820,467**	**$ 452,770**	**$ 2,336,068**	**$ 32,000**	**$ 1,983,300**	**$ 2,055,000**	**$ 2,256,000**	**$ 850,467**		
	Projects by Grants / Developer Donations													
	Projects by Enterprise Fund													

City of Surprise
Sanitation Utility Rate Study
Capital Improvement Program

Project Costs and O&M Impacts in Year:	2014

TOTAL FORECASTED PROJECT COSTS

No	Description	TOTAL ESCALATED COSTS	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1	**Budget**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	22541-542-112-39421 Purchase of 6 solid waste trucks	3,270,616	1,620,000	1,650,616	-	-	-	-	-	-	-	-	-
3	22541-644-112-39431 DEF storage and dispensing unit	20,000	20,000	-	-	-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-	-	-	-	-
5	**Enterprise CIP 22541 - Sanitation Operations Fund**	-	-	-	-	-	-	-	-	-	-	-	-
6	Public Works Yard - North	1,112,589	-	154,745	957,844	-	-	-	-	-	-	-	-
7	Compressed Natural Gas (CNG) Fueling Station	1,064,271	-	-	1,064,271	-	-	-	-	-	-	-	-
8		-	-	-	-	-	-	-	-	-	-	-	-
9	**Enterprise Vehicles**	-	-	-	-	-	-	-	-	-	-	-	-
10	Bulk	1,574,939	-	-	434,222	192,139	36,246	-	38,575	-	224,516	410,295	238,945
11	Operations	11,146,213	-	-	2,088,099	340,361	24,919	1,811,182	-	2,313,106	1,590,854	2,554,418	423,275
12	Recycling	24,919	-	-	-	-	24,919	-	-	-	-	-	-
13	**Enterprise Equipment**	-	-	-	-	-	-	-	-	-	-	-	-
14	Roll Off Dumpster 16 Yard	210,709	-	-	97,168	-	-	-	-	113,541	-	-	-
15	Roll Off Dumpster 20 Yard	36,926	-	-	17,028	-	-	-	-	19,898	-	-	-
16	Case Tractor	74,499	-	-	74,499	-	-	-	-	-	-	-	-
17	Hydroblaster Power Washer #3	18,463	-	-	8,514	-	-	-	-	9,949	-	-	-
18	Hydroblaster Power Washer #2	18,463	-	-	8,514	-	-	-	-	9,949	-	-	-
19	Roll Off	45,307	-	-	-	-	45,307	-	-	-	-	-	-
20	Roll Off 16 Yard	39,299	-	-	-	-	18,123	-	-	-	-	21,177	-
21	20 Yard Recycle Container	40,898	-	-	-	-	-	40,898	-	-	-	-	-
22	Flatbed Trailer	40,962	-	-	-	-	-	-	-	-	-	-	40,962
23	Swinger Tractor	35,055	-	-	-	-	-	35,055	-	-	-	-	-
24		-	-	-	-	-	-	-	-	-	-	-	-
25	**One-time Future O&M Costs**	-	-	-	-	-	-	-	-	-	-	-	-
26	Solid Waste Side Loader	1,982,903	-	330,123	-	368,322	-	415,867	-	-	410,543	-	458,048
27	Solid Waste Rear Loader	1,126,732	-	330,123	-	-	-	386,066	-	-	410,543	-	-
28	Solid Waste Light Vehicle	40,638	-	-	-	-	-	40,638	-	-	-	-	-
29	Solid Waste Roll-Off Truck	363,327	-	-	-	-	363,327	-	-	-	-	-	-
30		-	-	-	-	-	-	-	-	-	-	-	-
	Total Capital Projects	**$ 22,287,728**	**$ 1,640,000**	**$ 2,465,608**	**$ 4,750,160**	**$ 900,823**	**$ 512,840**	**$ 2,729,706**	**$ 38,575**	**$ 2,466,442**	**$ 2,636,455**	**$ 2,985,890**	**$ 1,161,230**
	Projects by Grants / Developer Donations	-	-	-	-	-	-	-	-	-	-	-	-
	Projects by Enterprise Fund	22,287,728	1,640,000	2,465,608	4,750,160	900,823	512,840	2,729,706	38,575	2,466,442	2,636,455	2,985,890	1,161,230

City of Surprise
Sanitation Utility Rate Study
Revenue Requirements Analysis

Cash Flow Sufficiency Test	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Cash Operating Expenses	$ 6,436,700	$ 6,639,753	$ 6,850,154	$ 7,176,822	$ 7,515,991	$ 7,900,797	$ 8,251,230	$ 8,732,902	$ 9,112,711	$ 9,513,130	$ 9,927,578
Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
New Debt Service	-	-	-	-	-	-	-	-	-	-	-
Capital/Equipment Reserve Funding	-	400,000	600,000	700,000	1,000,000	1,300,000	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000
Total Expenses	$ 6,436,700	$ 7,039,753	$ 7,450,154	$ 7,876,822	$ 8,515,991	$ 9,200,797	$ 9,851,230	$ 10,532,902	$ 11,112,711	$ 11,513,130	$ 11,927,578
REVENUES											
Rate Revenue	$ 6,482,000	$ 6,689,944	$ 7,029,878	$ 7,475,248	$ 7,968,455	$ 8,474,549	$ 8,873,059	$ 9,271,569	$ 9,670,079	$ 10,068,588	$ 10,467,098
Non Rate Revenue	365,200	376,578	392,236	411,346	432,110	453,436	471,557	489,848	508,313	526,957	545,787
Operating Fund & Debt Reserve Fund Interest Earnings	110,900	42,968	49,484	24,691	23,027	22,103	11,915	10,552	8,618	7,332	1,711
Total Revenue	$ 6,958,100	$ 7,109,490	$ 7,471,598	$ 7,911,286	$ 8,423,592	$ 8,950,088	$ 9,356,531	$ 9,771,969	$ 10,187,009	$ 10,602,878	$ 11,014,596
NET CASH FLOW (DEFICIENCY)	**$ 521,400**	**$ 69,737**	**$ 21,443**	**$ 34,463**	**$ (92,399)**	**$ (250,708)**	**$ (494,699)**	**$ (760,933)**	**$ (925,701)**	**$ (910,252)**	**$ (912,982)**
% of Rate Revenue	-8.04%	-1.04%	-0.31%	-0.46%	1.16%	2.96%	5.58%	8.21%	9.57%	9.04%	8.72%

Coverage Sufficiency Test	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
EXPENSES											
Total Cash Operating Expenses (less Capital Outlays)	$ 6,429,500	$ 6,617,053	$ 6,826,773	$ 7,152,740	$ 7,491,186	$ 7,875,248	$ 8,224,914	$ 8,589,674	$ 8,965,185	$ 9,361,179	$ 9,771,068
Revenue Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-
Revenue Bond Coverage Requirement at 1.2	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	$ 6,429,500	$ 6,617,053	$ 6,826,773	$ 7,152,740	$ 7,491,186	$ 7,875,248	$ 8,224,914	$ 8,589,674	$ 8,965,185	$ 9,361,179	$ 9,771,068
ALLOWABLE REVENUES											
Rate Revenue	$ 6,482,000	$ 6,689,944	$ 7,029,878	$ 7,475,248	$ 7,968,455	$ 8,474,549	$ 8,873,059	$ 9,271,569	$ 9,670,079	$ 10,068,588	$ 10,467,098
Other Revenue	365,200	376,578	392,236	411,346	432,110	453,436	471,557	489,848	508,313	526,957	545,787
Connection Charge Revenue	-	-	-	-	-	-	-	-	-	-	-
Interest Earnings - All Funds	110,900	42,968	49,484	24,691	23,027	26,975	11,915	26,167	17,724	10,165	1,711
Total Revenue	$ 6,958,100	$ 7,109,490	$ 7,471,598	$ 7,911,286	$ 8,423,592	$ 8,954,960	$ 9,356,531	$ 9,787,583	$ 10,196,115	$ 10,605,710	$ 11,014,596
Coverage Realized	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
COVERAGE SURPLUS (DEFICIENCY)	**$ 528,600**	**$ 492,437**	**$ 644,824**	**$ 758,546**	**$ 932,406**	**$ 1,079,712**	**$ 1,131,617**	**$ 1,197,910**	**$ 1,230,930**	**$ 1,244,532**	**$ 1,243,527**

Maximum Revenue Deficiency	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sufficiency Test Driving the Deficiency	*None*	*None*	*None*	*None*	*Cash*	*Cash*	*Cash*	*Cash*	*Cash*	*Cash*	*Cash*
Maximum Deficiency From Tests	$ -	$ -	$ -	$ -	$ 92,399	$ 250,708	$ 494,699	$ 760,933	$ 925,701	$ 910,252	$ 912,982
less: Net Revenue From Prior Rate Increases	-	-	-	-	-	-	(177,461)	(374,571)	(591,886)	(829,975)	(1,089,424)
Revenue Deficiency	$ -	$ -	$ -	$ -	$ 92,399	$ 250,708	$ 317,238	$ 386,362	$ 333,815	$ 80,276	$ -
Plus: Adjustment for State Excise Tax	-	-	-	-	-	-	-	-	-	-	-
Total Revenue Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ 92,399**	**$ 250,708**	**$ 317,238**	**$ 386,362**	**$ 333,815**	**$ 80,276**	**$ -**

City of Surprise
Sanitation Utility Rate Study
Revenue Requirements Analysis

Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenue with no Increase	$ 6,482,000	$ 6,689,944	$ 7,029,878	$ 7,475,248	$ 7,968,455	$ 8,474,549	$ 8,873,059	$ 9,271,569	$ 9,670,079	$ 10,068,588	$ 10,467,098
Revenues from Prior Rate Increases	-	-	-	-	-	-	177,461	374,571	591,886	829,975	1,089,424
Rate Revenue Before Rate Increase (Incl. previous increases)	6,482,000	6,689,944	7,029,878	7,475,248	7,968,455	8,474,549	9,050,520	9,646,140	10,261,965	10,898,564	11,556,522
Required Annual Rate Increase	0.00%	0.00%	0.00%	0.00%	1.16%	2.96%	3.51%	4.01%	3.25%	0.74%	0.00%
Number of Months New Rates Will Be In Effect	12	12	12	12	12	12	12	12	12	12	12
Info: Percentage Increase to Generate Required Revenue	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*1.16%*	*2.96%*	*3.51%*	*4.01%*	*3.25%*	*0.74%*	*0.00%*
Policy Induced Rate Increases	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
ANNUAL RATE INCREASE	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**2.00%**	**2.00%**	**2.00%**	**2.00%**	**2.00%**	**2.00%**
CUMULATIVE RATE INCREASE	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**2.00%**	**4.04%**	**6.12%**	**8.24%**	**10.41%**	**12.62%**

Impacts of Rate Increases	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate Revenues After Rate Increase	$ 6,482,000	$ 6,689,944	$ 7,029,878	$ 7,475,248	$ 7,968,455	$ 8,644,040	$ 9,231,530	$ 9,839,063	$ 10,467,204	$ 11,116,535	$ 11,787,653
Full Year Rate Revenues After Rate Increase	*6,482,000*	*6,689,944*	*7,029,878*	*7,475,248*	*7,968,455*	*8,644,040*	*9,231,530*	*9,839,063*	*10,467,204*	*11,116,535*	*11,787,653*
Additional State Taxes Due to Rate Increases	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow After Rate Increase	521,400	69,737	21,443	34,463	(92,399)	(81,217)	(136,227)	(193,439)	(128,576)	137,695	407,572
Coverage After Rate Increase	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

City of Surprise
Sanitation Utility Rate Study
Fund Activity

Funds	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
OPERATING FUND											
Beginning Balance	$ 9,712,295	$ 8,593,695	$ 6,597,825	$ 2,469,108	$ 2,302,749	$ 2,210,350	$ 1,191,458	$ 1,055,231	$ 861,792	$ 733,216	$ 171,101
plus: Net Cash Flow after Rate Increase	521,400	69,737	21,443	34,463	(92,399)	(81,217)	(136,227)	(193,439)	(128,576)	137,695	407,572
less: Transfer of Surplus to Capital Fund	(1,640,000)	(2,065,608)	(4,150,160)	(200,823)	-	(937,674)	-	-	-	(699,810)	-
Ending Balance	**$ 8,593,695**	**$ 6,597,825**	**$ 2,469,108**	**$ 2,302,749**	**$ 2,210,350**	**$ 1,191,458**	**$ 1,055,231**	**$ 861,792**	**$ 733,216**	**$ 171,101**	**$ 578,674**
Minimum Target Balance	*$ 1,058,088*	*$ 1,091,466*	*$ 1,126,053*	*$ 1,179,752*	*$ 1,235,505*	*$ 1,298,761*	*$ 1,356,367*	*$ 1,435,546*	*$ 1,497,980*	*$ 1,563,802*	*$ 1,631,931*
Maximum Funds to be Kept as Operating Reserves	*$ 1,058,088*	*$ 1,091,466*	*$ 1,126,053*	*$ 1,179,752*	*$ 1,235,505*	*$ 1,298,761*	*$ 1,356,367*	*$ 1,435,546*	*$ 1,497,980*	*$ 1,563,802*	*$ 1,631,931*
Info: No of Days of Cash Operating Expenses	*487*	*363*	*132*	*117*	*107*	*55*	*47*	*36*	*29*	*7*	*21*
OPERATING FUND - CAPITAL/EQUIPMENT RESERVE											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ 487,160	$ -	$ 1,561,425	$ 910,597	$ 283,248	$ -
plus: Capital/Equipment Reserve Funding	-	400,000	600,000	700,000	1,000,000	1,300,000	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000
plus: Transfers from Operating Fund	1,640,000	2,065,608	4,150,160	200,823	-	937,674	-	-	-	699,810	-
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	-	-	-	-	-	-	-	-	-	-	-
plus: Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Other Loans	-	-	-	-	-	-	-	-	-	-	-
plus: Other Low Interest Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	4,872	-	15,614	9,106	2,832	-
Total Funding Sources	**$ 1,640,000**	**$ 2,465,608**	**$ 4,750,160**	**$ 900,823**	**$ 1,000,000**	**$ 2,729,706**	**$ 1,600,000**	**$ 3,377,039**	**$ 2,919,703**	**$ 2,985,890**	**$ 2,000,000**
less: Capital Expenditures	(1,640,000)	(2,465,608)	(4,750,160)	(900,823)	(512,840)	(2,729,706)	(38,575)	(2,466,442)	(2,636,455)	(2,985,890)	(1,161,230)
Ending Capital Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ 487,160**	**$ -**	**$ 1,561,425**	**$ 910,597**	**$ 283,248**	**$ -**	**$ 838,770**
DEBT RESERVE											
Beginning Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
plus: Reserve Funding from New Debt	-	-	-	-	-	-	-	-	-	-	-
less: Use of Reserves for Debt Service	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Minimum Target Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -