

Appendix C: City of Flagstaff, AZ - Reclaimed Water Financial Plan

Water, Reclaimed Water, and Waste Water Cost-of-Service Rates & Fees Study
Assumptions & Preliminary Results Workbook



Assumptions

Schedule 1

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Rate Increase Adoption Date	7/1/2023	9/1/2024	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033
Annual Growth										
Reclaimed Water										
Ending # of Accounts	101	101	101	101	101	101	101	101	101	101
Account Growth	-	-	-	-	-	-	-	-	-	-
% Change in Accounts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Usage per Account	4,236	4,236	4,236	4,236	4,236	4,236	4,236	4,236	4,236	4,236
% Change in Usage per Account	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Usage (Kgal)	5,138	5,138	5,138	5,138	5,138	5,138	5,138	5,138	5,138	5,138
% Change in Usage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
% Paying Capital Charges	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Capital Spending										
Annual Capital Budget (Future Year Dollars)	\$ 2,061,195	\$ 859,560	\$ 920,982	\$ 959,228	\$ 793,164	\$ 930,739	\$ 1,129,297	\$ 1,092,881	\$ 1,197,498	\$ 1,334,355
Annual Percent Executed	100%	15%	13%	9%	12%	18%	21%	22%	14%	15%
Capacity Fees										
Reclaimed Water Capacity Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capacity Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capacity Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Average Annual Interest Earnings Rate										
On Fund Balances	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Operating Budget Reserve										
Target (Number of Months of Reserve)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Operating Budget Execution Percentage										
Personal Services	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Fixed Operations and Maintenance	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Capital Outlay	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%

FY 2023 Beginning Balances as of 7/1/2022

Schedule 2

Stantec Grouping of Funds in Model

Revenue Fund

Current Unrestricted Assets

Pooled Cash	\$ 2,863,052
Accounts Receivable-MR-Other	15,019

Total Assets	\$ 2,878,071
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Current Liabilities

Accounts Payable	\$ (22,095)
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Available Fund Balance	\$ 2,855,976
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Fund Summary

Revenue Fund	\$ 2,855,976
Total Available Funds	\$ 2,855,976

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Preliminary Financial Management Plan - Reclaimed Water Fund

Projection of Cash Inflows

Schedule 3

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
1 Rate Revenue Growth Assumptions										
2 Reclaimed Water										
3 % Change in Base Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4 % Change in Usage Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5 Assumed Rate Revenue Increases										
6 Assumed Reclaimed Water Rate Increase	0.00%	15.00%	15.00%	15.00%	15.00%	15.00%	5.00%	5.00%	5.00%	5.00%
7 Reclaimed Water Rate Revenue										
8 Base Rate Revenue	\$ 46,539	\$ 52,334	\$ 57,501	\$ 66,126	\$ 76,059	\$ 87,452	\$ 95,927	\$ 100,724	\$ 105,767	\$ 113,800
9 Usage Rate Revenue	1,021,619	1,136,110	1,237,163	1,404,180	1,594,022	1,808,900	1,967,220	2,055,745	2,148,384	2,295,115
10 Total Reclaimed Water Rate Revenue	\$ 1,068,158	\$ 1,188,444	\$ 1,294,664	\$ 1,470,306	\$ 1,670,082	\$ 1,896,351	\$ 2,063,148	\$ 2,156,469	\$ 2,254,151	\$ 2,408,915
11 Transfers In										
12 Proceeds From Financing	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925
13 Total Transfers In	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925	\$ 71,925
14 Interest Income										
15 Unrestricted	\$ 72,114	\$ 40,880	\$ 29,408	\$ 20,296	\$ 17,408	\$ 20,136	\$ 22,536	\$ 25,162	\$ 28,332	\$ 30,291
16 Total Interest Income	\$ 72,114	\$ 40,880	\$ 29,408	\$ 20,296	\$ 17,408	\$ 20,136	\$ 22,536	\$ 25,162	\$ 28,332	\$ 30,291
17 Total Cash Inflows	\$ 1,212,197	\$ 1,301,249	\$ 1,395,997	\$ 1,562,527	\$ 1,759,414	\$ 1,988,412	\$ 2,157,609	\$ 2,253,556	\$ 2,354,408	\$ 2,511,132

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Preliminary Financial Management Plan - Reclaimed Water Fund

Projection of Cash Outflows

Schedule 4

Account Number	Expense Line Item	Expense Line	Escalation Factor	FY 2023 Budget	FY 2024 Budget	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected	FY 2032 Projected	FY 2033 Projected
1	204-08-321-1201-0-4240 Rents-Equipment	OMF	Default Inflation Factor	350	350	362	375	388	402	416	430	445	461	477
2	204-08-321-1201-0-4261 Travel, Lodging and Meals	OMF	Default Inflation Factor	650	650	673	696	721	746	772	799	827	856	886
3	204-08-321-1201-0-4262 Registration	OMF	Default Inflation Factor	650	650	673	696	721	746	772	799	827	856	886
4	204-08-321-1201-0-4263 Education and Training	OMF	Default Inflation Factor	200	200	207	214	222	230	238	246	254	263	273
5	204-08-321-1201-0-4343 Computer Software	OMF	Default Inflation Factor	4,000	4,000	4,140	4,285	4,435	4,590	4,751	4,917	5,089	5,267	5,452
6	204-08-321-1201-0-4359 Building Structure Materials and Supplies	OMF	Default Inflation Factor	700	700	725	750	776	803	831	860	891	922	954
7	204-08-321-1202-0-4101 Regular Pay	PS	Default Inflation Factor	87,799	99,232	102,705	106,300	110,020	113,871	117,856	121,981	126,251	130,670	135,243
8	204-08-321-1202-0-4110 Overtime	PS	Default Inflation Factor	8,564	8,845	9,155	9,475	9,807	10,150	10,505	10,873	11,253	11,647	12,055
9	204-08-321-1202-0-4115 FICA-Regular	PS	Default Inflation Factor	5,611	6,448	6,674	6,907	7,149	7,399	7,658	7,926	8,204	8,491	8,788
10	204-08-321-1202-0-4116 FICA-Medicare	PS	Default Inflation Factor	1,312	1,508	1,561	1,615	1,672	1,730	1,791	1,854	1,919	1,986	2,055
11	204-08-321-1202-0-4120 Pension-ASRS	PS	Default Inflation Factor	11,593	13,121	13,580	14,056	14,547	15,057	15,584	16,129	16,694	17,278	17,883
12	204-08-321-1202-0-4124 Pension-LT Disability	PS	Default Inflation Factor	135	162	168	174	180	186	192	199	206	213	221
13	204-08-321-1202-0-4141 Group Insurance-Medical	PS	Default Inflation Factor	9,356	11,170	11,561	11,966	12,384	12,818	13,266	13,731	14,211	14,709	15,224
14	204-08-321-1202-0-4142 Group Insurance-Dental	PS	Default Inflation Factor	561	678	702	726	752	778	805	833	863	893	924
15	204-08-321-1202-0-4143 Group Insurance-Dependant Ins	PS	Default Inflation Factor	5,410	3,603	3,729	3,860	3,995	4,135	4,279	4,429	4,584	4,744	4,911
16	204-08-321-1202-0-4145 Group Insurance-Vision	PS	Default Inflation Factor	20	25	26	27	28	29	30	31	32	33	34
17	204-08-321-1202-0-4146 Health Savings Account-City	PS	Default Inflation Factor	808	983	1,017	1,053	1,090	1,128	1,167	1,208	1,251	1,294	1,340
18	204-08-321-1202-0-4160 Industrial Insurance	PS	Default Inflation Factor	1,418	1,829	1,893	1,959	2,028	2,099	2,172	2,248	2,327	2,408	2,493
19	204-08-321-1202-0-4161 Group Insurance-Life	PS	Default Inflation Factor	114	151	156	162	167	173	179	186	192	199	206
20	204-08-321-1202-0-4204 Appraisal Fees and Permits	OMF	Default Inflation Factor	1,000	1,000	1,035	1,071	1,109	1,148	1,188	1,229	1,272	1,317	1,363
21	204-08-321-1202-0-4208 Other Professional Services	OMF	Default Inflation Factor	20,135	-	76,020	-	-	-	-	-	-	-	-
22	204-08-321-1202-0-4212 Utilities-Electric	OMF	Base Budget Multiplier	70,000	70,000	80,000	84,800	89,888	95,281	100,998	107,058	113,482	120,290	127,508
23	204-08-321-1202-0-4290 Other Miscellaneous Services	OMF	Default Inflation Factor	1,000	1,000	1,035	1,071	1,109	1,148	1,188	1,229	1,272	1,317	1,363
24	204-08-321-1202-0-4301 Computer Equipment	OMF	Default Inflation Factor	2,222	2,222	2,300	2,380	2,464	2,550	2,639	2,731	2,827	2,926	3,028
25	204-08-321-1202-0-4305 Other Equipment Under \$5,000	OMF	Default Inflation Factor	9,500	9,500	9,833	10,177	10,533	10,901	11,283	11,678	12,087	12,510	12,948
26	204-08-321-1202-0-4362 Chemicals	OMF	Base Budget Multiplier	75,000	125,000	132,500	140,450	148,877	157,810	167,278	177,315	187,954	199,231	211,185
27	204-08-321-1202-0-4364 Other Operating Supplies	OMF	Base Budget Multiplier	2,500	2,500	2,650	2,809	2,978	3,156	3,346	3,546	3,759	3,985	4,224
28	204-08-321-1203-0-4101 Regular Pay	PS	Default Inflation Factor	26,708	19,969	20,668	21,391	22,140	22,915	23,719	24,547	25,406	26,295	27,216
29	204-08-321-1203-0-4110 Overtime	PS	Default Inflation Factor	7,231	7,468	7,729	8,000	8,280	8,570	8,870	9,180	9,501	9,834	10,178
30	204-08-321-1203-0-4115 FICA-Regular	PS	Default Inflation Factor	2,033	1,701	1,761	1,822	1,886	1,952	2,020	2,091	2,164	2,240	2,318
31	204-08-321-1203-0-4116 FICA-Medicare	PS	Default Inflation Factor	476	398	412	426	441	457	473	489	506	524	542
32	204-08-321-1203-0-4120 Pension-ASRS	PS	Default Inflation Factor	4,083	3,331	3,448	3,568	3,693	3,822	3,956	4,095	4,238	4,386	4,540
33	204-08-321-1203-0-4124 Pension-LT Disability	PS	Default Inflation Factor	48	41	42	44	45	47	49	50	52	54	56
34	204-08-321-1203-0-4141 Group Insurance-Medical	PS	Default Inflation Factor	2,388	3,328	3,444	3,565	3,690	3,819	3,953	4,091	4,234	4,382	4,536
35	204-08-321-1203-0-4142 Group Insurance-Dental	PS	Default Inflation Factor	187	181	187	194	201	208	215	222	230	238	247
36	204-08-321-1203-0-4143 Group Insurance-Dependant Ins	PS	Default Inflation Factor	1,249	879	910	942	975	1,009	1,044	1,081	1,118	1,157	1,198
37	204-08-321-1203-0-4145 Group Insurance-Vision	PS	Default Inflation Factor	7	7	7	7	8	8	8	9	9	9	10
38	204-08-321-1203-0-4146 Health Savings Account-City	PS	Default Inflation Factor	153	167	173	179	185	192	198	205	212	220	228
39	204-08-321-1203-0-4160 Industrial Insurance	PS	Default Inflation Factor	494	6,464	6,690	6,924	7,167	7,418	7,677	7,946	8,224	8,512	8,810
40	204-08-321-1203-0-4161 Group Insurance-Life	PS	Default Inflation Factor	41	30	31	32	33	34	36	37	38	40	41
41	204-08-321-1203-0-4225 Maintenance-Electrical	OMF	Default Inflation Factor	7,000	7,000	7,245	7,499	7,761	8,033	8,314	8,605	8,906	9,218	9,540
42	204-08-321-1203-0-4229 Maintenance-Equipment	OMF	Base Budget Multiplier	7,000	57,000	60,420	64,045	67,888	71,961	76,279	80,856	85,707	90,849	96,300
43	204-08-321-1203-0-4231 Maintenance-Computer Equipment	OMF	Default Inflation Factor	1,000	1,000	1,035	1,071	1,109	1,148	1,188	1,229	1,272	1,317	1,363
44	204-08-321-1203-0-4290 Other Miscellaneous Services	OMF	Default Inflation Factor	1,000	1,000	1,035	1,071	1,109	1,148	1,188	1,229	1,272	1,317	1,363
45	204-08-321-1203-0-4305 Other Equipment Under \$5,000	OMF	Default Inflation Factor	1,000	1,000	1,035	1,071	1,109	1,148	1,188	1,229	1,272	1,317	1,363
46	204-08-321-1203-0-4314 Stationary Machinery and Equipment Parts	OMF	Base Budget Multiplier	64,500	64,500	68,370	72,472	76,821	81,430	86,316	91,494	96,984	102,803	108,971
47	204-08-321-1203-0-4364 Other Operating Supplies	OMF	Base Budget Multiplier	7,250	7,250	7,685	8,146	8,635	9,153	9,702	10,284	10,901	11,555	12,249
48	204-08-321-1203-0-4466 Other Improvements & Replacements	CO	Default Inflation Factor	11,127	46,127	36,225	37,493	38,805	40,163	41,569	43,024	44,530	46,088	47,701
49	204-09-402-1310-1-5002 Cost Allocation - Charge	OMF	Default Inflation Factor	77,586	85,345	88,332	91,424	94,624	97,935	101,363	104,911	108,583	112,383	116,316
50	204-08-321-1201-0-4421 Architectural & Engineering Design	CO	Default Inflation Factor	36,000	-	36,000	37,260	38,564	39,914	41,311	42,757	44,253	45,802	47,405
51	204-08-321-1202-0-4405 Machinery and Equipment (Non-Fleet)	CO	Default Inflation Factor	99,000	99,000	-	-	-	-	-	-	-	-	-
52	204-08-321-1203-0-4405 Machinery and Equipment (Non-Fleet)	CO	Default Inflation Factor	-	50,000	51,750	53,561	55,436	57,376	59,384	61,463	63,614	65,840	68,145
53	Total Operating Expenses			\$ 684,632	\$ 828,713	\$ 869,713	\$ 830,263	\$ 868,640	\$ 908,919	\$ 951,201	\$ 995,591	\$ 1,042,201	\$ 1,091,148	\$ 1,142,556

Preliminary Financial Management Plan - Reclaimed Water Fund

Projection of Cash Outflows

Schedule 4

Account Number	Expense Line Item	Expense Line	Escalation Factor	FY 2023 Budget	FY 2024 Budget	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected	FY 2032 Projected	FY 2033 Projected
54	Total Expenses by Category													
55	Personal Services			\$ 184,262	\$ 191,719	\$ 198,429	\$ 205,374	\$ 212,562	\$ 220,002	\$ 227,702	\$ 235,672	\$ 243,920	\$ 252,457	\$ 261,293
56	Fixed Operations & Maintenance			354,243	441,867	547,309	496,574	523,272	551,464	581,235	612,676	645,884	680,960	718,011
57	Capital Outlay			146,127	195,127	123,975	128,314	132,805	137,453	142,264	147,243	152,397	157,731	163,251
58	Total Expenses			\$ 684,632	\$ 828,713	\$ 869,713	\$ 830,263	\$ 868,640	\$ 908,919	\$ 951,201	\$ 995,591	\$ 1,042,201	\$ 1,091,148	\$ 1,142,556
59	Expense Execution Factors													
60	Personal Services			100%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
61	Variable Operations & Maintenance			100%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
62	Fixed Operations & Maintenance			100%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
63	Capital Outlay			100%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
64	Total Expenses at Execution													
65	Personal Services			\$ 184,262	\$ 172,547	\$ 178,586	\$ 184,837	\$ 191,306	\$ 198,002	\$ 204,932	\$ 212,104	\$ 219,528	\$ 227,212	\$ 235,164
66	Fixed Operations & Maintenance			354,243	397,680	492,578	446,917	470,945	496,318	523,112	551,409	581,296	612,864	646,210
67	Capital Outlay			146,127	175,614	111,578	115,483	119,525	123,708	128,038	132,519	137,157	141,958	146,926
68	Total Expenses at Execution			\$ 684,632	\$ 745,842	\$ 782,741	\$ 747,236	\$ 781,776	\$ 818,027	\$ 856,081	\$ 896,032	\$ 937,981	\$ 982,033	\$ 1,028,300
69	Transfers Out													
70	Transfer to Water Utility Fund			\$ 56,495	\$ 71,925	\$ 74,442	\$ 77,048	\$ 79,745	\$ 82,536	\$ 85,424	\$ 88,414	\$ 91,509	\$ 94,711	\$ 98,026
71	Total Transfers Out			\$ 56,495	\$ 71,925	\$ 74,442	\$ 77,048	\$ 79,745	\$ 82,536	\$ 85,424	\$ 88,414	\$ 91,509	\$ 94,711	\$ 98,026
72	Cash-Funded Capital													
73	Excess Fund Balances Used for Cash Funding			\$ 37,238	2,061,195	859,560	920,982	959,228	793,164	930,739	1,129,297	1,092,881	1,197,498	1,334,355
74	Total Cash-Funded Capital			\$ 37,238	\$ 2,061,195	\$ 859,560	\$ 920,982	\$ 959,228	\$ 793,164	\$ 930,739	\$ 1,129,297	\$ 1,092,881	\$ 1,197,498	\$ 1,334,355
75	Total Cash Outflows			\$ 721,870	\$ 2,807,037	\$ 1,642,301	\$ 1,668,219	\$ 1,741,004	\$ 1,611,192	\$ 1,786,821	\$ 2,025,329	\$ 2,030,862	\$ 2,179,531	\$ 2,362,655

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Cost Escalation Factors

Schedule 5

Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Base Budget Multiplier	0.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Default Inflation Factor	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
<i>Weighted Average Increase in O&M Expenses¹</i>	5.89%	17.70%	-5.87%	4.83%	4.84%	4.86%	4.87%	4.89%	4.90%	4.92%

¹ The Weighted Average Increase in O&M Expenses is reflective of the cost escalation factors presented on this schedule and the cost execution factors on Schedule 1.

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Preliminary Financial Management Plan - Reclaimed Water Fund

Capital Improvement Program (CIP)

Schedule 6

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Total Cost
Description											
1 8" Bottleneck - Replacement	1,521,983	1,500,000	900,000	-	-	-	-	-	-	-	\$ 3,933,433
2 Rio Reclaim Water PRV Relocation 16"	-	-	-	200,000	-	-	-	-	-	-	\$ 200,000
3 Rate Study- Reclaimed Portion	25,000	-	-	25,000	-	-	-	25,000	-	-	\$ 75,000
4 Reclaim Water Meters and Vaults	-	200,000	-	-	-	-	-	-	-	-	\$ 200,000
5 Rio Reclaimed Pump Valve Actuators	40,000	40,000	40,000	-	-	-	-	-	-	-	\$ 120,000
6 AWT Sampling and Testing	-	120,000	60,000	-	-	-	-	-	-	-	\$ 180,000
7 Reclaim System PRV/ARV Assessment	-	100,000	-	-	-	-	-	-	-	-	\$ 100,000
8 BNSF Reclaimed Relocations	474,212	-	-	-	-	-	-	-	-	-	\$ 500,000
9 Buffalo Park Tank #1 Painting	-	-	-	-	400,000	-	-	-	-	-	\$ 400,000
10 Buffalo Park Chlorine Bldg Upgrade	-	-	1,500,000	1,500,000	-	-	-	-	-	-	\$ 3,000,000
11 Reclaim Loop - Fox Glenn to Country Club	-	-	-	-	-	-	-	-	2,500,000	2,500,000	\$ 5,000,000
12 Bushmaster Park Booster Communications &	-	300,000	300,000	-	-	-	-	-	-	-	\$ 600,000
13 WCH Reclaim Booster Building Equipment U	-	-	-	2,000,000	2,000,000	-	-	-	-	-	\$ 4,000,000
14 AWT Pilot Project	-	-	500,000	2,500,000	-	-	-	-	-	-	\$ 3,000,000
15 Reclaim Model Projects	-	-	-	-	-	500,000	500,000	500,000	500,000	500,000	\$ 2,500,000
16 Rio Storage Tank	-	-	-	-	-	500,000	-	-	-	-	\$ 500,000
17 WCH Storage tank	-	-	-	-	-	-	500,000	-	-	-	\$ 500,000
18 Unfunded project estimate	-	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	\$ 29,250,000
19 Total CIP Budget (in current dollars)	\$ 2,061,195	\$ 5,510,000	\$ 6,550,000	\$ 9,475,000	\$ 5,650,000	\$ 4,250,000	\$ 4,250,000	\$ 3,775,000	\$ 6,250,000	\$ 6,250,000	\$ 54,058,433
20 Cumulative Projected Cost Escalation ¹	0.0%	4.0%	8.2%	12.5%	17.0%	21.7%	26.5%	31.6%	36.9%	42.3%	
21 Resulting CIP Funding Level	\$ 2,061,195	\$ 5,730,400	\$ 7,084,480	\$ 10,658,086	\$ 6,609,701	\$ 5,170,775	\$ 5,377,606	\$ 4,967,642	\$ 8,553,557	\$ 8,895,699	\$ 65,146,379
22 Annual CIP Execution Percentage	100%	15%	13%	9%	12%	18%	21%	22%	14%	15%	
23 Final CIP Funding Level	\$ 2,061,195	\$ 859,560	\$ 920,982	\$ 959,228	\$ 793,164	\$ 930,739	\$ 1,129,297	\$ 1,092,881	\$ 1,197,498	\$ 1,334,355	\$ 11,316,138

¹ CIP Escalation factors are consistent with the Engineering News Record Construction Cost Index.

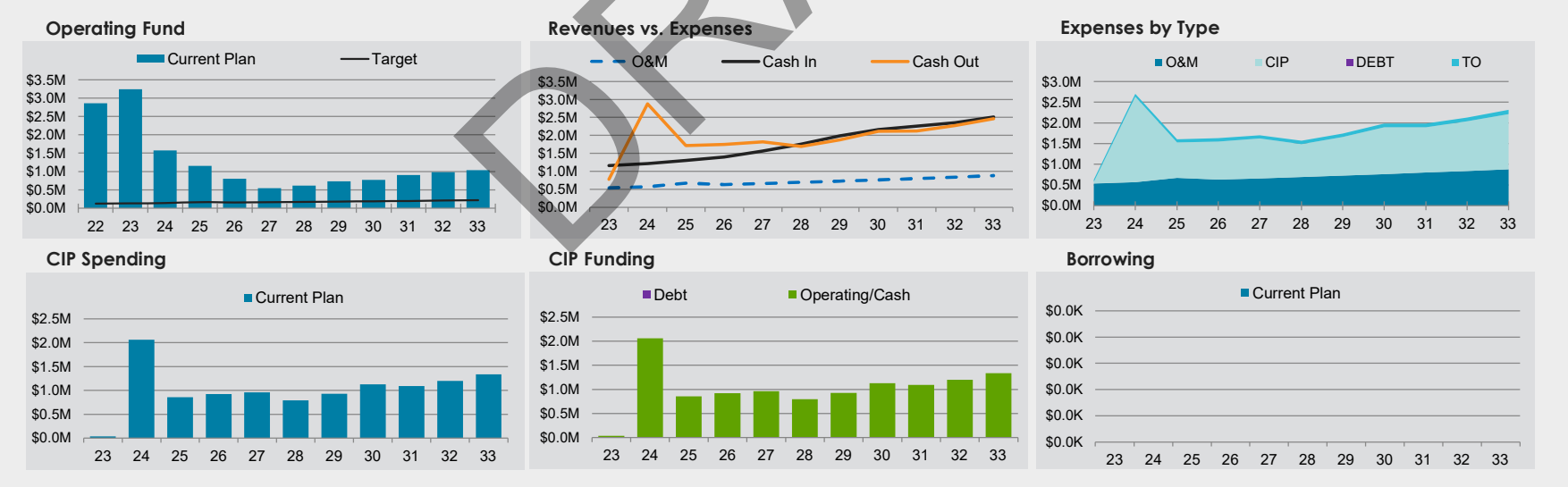


FAMS
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CITY OF FLAGSTAFF RECLAIMED WATER FUND



	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2029	FY 2033
Reclaimed Water Rate Plan	0.00%	0.00%	15.00%	15.00%	15.00%	15.00%	15.00%	5.00%	5.00%	5.00%	5.00%	Cumulative	
Senior-Lien DSC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	101.20%	144.59%
All-In DSC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scenario Manager	
CIP \$ Redistrib	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
CIP Execution %	100%	100%	15%	13%	9%	12%	18%	21%	22%	14%	15%		
Oper Reserve Mos	3	3	3	3	3	3	3	3	3	3	3		
PS Execution	100%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%		
OMF Execution	100%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%		
CO Execution	100%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%		
Debt Service %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total Funded O&M	\$ 0.68	\$ 0.75	\$ 0.78	\$ 0.75	\$ 0.78	\$ 0.82	\$ 0.86	\$ 0.90	\$ 0.94	\$ 0.98	\$ 1.03		
Total Funded CIP	\$ 0.04	\$ 2.06	\$ 0.86	\$ 0.92	\$ 0.96	\$ 0.79	\$ 0.93	\$ 1.13	\$ 1.09	\$ 1.20	\$ 1.33		
↑ Insert New Panel Controls Above this Row ↑													
Total Golf Course Bill	\$33,620.07	\$33,620.07	\$38,635.22	\$44,393.35	\$51,080.22	\$58,695.32	\$67,425.89	\$70,769.32	\$74,298.50	\$78,013.43	\$81,914.10		
Total NAU Bill	\$970.00	\$970.00	\$1,115.00	\$1,280.00	\$1,470.00	\$1,690.00	\$1,945.00	\$2,040.00	\$2,140.00	\$2,245.00	\$2,355.00		
Total Commercial Bill	\$151.51	\$151.84	\$174.47	\$200.75	\$230.68	\$264.99	\$304.41	\$319.74	\$335.80	\$352.59	\$370.11		



Preliminary Financial Management Plan - Reclaimed Water Fund

Pro Forma

Schedule 8

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
1 Operating Revenue										
2 Reclaimed Water, Rate Revenue	\$ 1,068,158	\$ 1,068,158	\$ 1,215,660	\$ 1,386,391	\$ 1,574,477	\$ 1,788,062	\$ 2,030,707	\$ 2,114,010	\$ 2,209,632	\$ 2,309,567
3 Subtotal	\$ 1,068,158	\$ 1,068,158	\$ 1,215,660	\$ 1,386,391	\$ 1,574,477	\$ 1,788,062	\$ 2,030,707	\$ 2,114,010	\$ 2,209,632	\$ 2,309,567
4 <i>Weighted Average Rate Increase</i>	0.00%	12.45%	7.42%	7.39%	7.41%	7.39%	2.46%	2.47%	2.48%	5.01%
5 Additional Rate Revenue From Rate Increase	-	133,008	90,232	102,473	116,698	132,165	50,033	52,296	54,813	115,652
6 Price Elasticity Adjustment	-	(12,721)	(11,228)	(18,557)	(21,094)	(23,875)	(17,591)	(9,836)	(10,293)	(16,303)
7 Total Rate Revenue	\$ 1,068,158	\$ 1,188,444	\$ 1,294,664	\$ 1,470,306	\$ 1,670,082	\$ 1,896,351	\$ 2,063,148	\$ 2,156,469	\$ 2,254,151	\$ 2,408,915
8 Plus: Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
9 Equals: Total Operating Revenue	\$ 1,068,158	\$ 1,188,444	\$ 1,294,664	\$ 1,470,306	\$ 1,670,082	\$ 1,896,351	\$ 2,063,148	\$ 2,156,469	\$ 2,254,151	\$ 2,408,915
10 Less: Operating Expenses										
11 Personal Services	\$ (172,547)	\$ (178,586)	\$ (184,837)	\$ (191,306)	\$ (198,002)	\$ (204,932)	\$ (212,104)	\$ (219,528)	\$ (227,212)	\$ (235,164)
12 Operations & Maintenance Costs	(397,680)	(492,578)	(446,917)	(470,945)	(496,318)	(523,112)	(551,409)	(581,296)	(612,864)	(646,210)
13 Equals: Net Operating Income	\$ 497,931	\$ 517,280	\$ 662,910	\$ 808,055	\$ 975,762	\$ 1,168,308	\$ 1,299,635	\$ 1,355,646	\$ 1,414,076	\$ 1,527,542
14 Plus: Non-Operating Income/(Expense)										
15 Interest Income	72,114	40,880	29,408	20,296	17,408	20,136	22,536	25,162	28,332	30,291
16 Transfers In	71,925	71,925	71,925	71,925	71,925	71,925	71,925	71,925	71,925	71,925
17 Equals: Net Income	\$ 641,969	\$ 630,085	\$ 764,243	\$ 900,276	\$ 1,065,095	\$ 1,260,369	\$ 1,394,096	\$ 1,452,732	\$ 1,514,333	\$ 1,629,758
18 Less: Revenues Excluded From Coverage Test										
19 Other Excluded Revenues	-	-	-	-	-	-	-	-	-	-
20 Equals: Net Income Available For Debt Service	\$ 570,044	\$ 558,160	\$ 692,318	\$ 828,351	\$ 993,170	\$ 1,188,444	\$ 1,322,171	\$ 1,380,807	\$ 1,442,408	\$ 1,557,833
21 Senior Lien Debt Service Coverage Test										
22 Net Income Available for Senior-Lien Debt Service	\$ 570,044	\$ 558,160	\$ 692,318	\$ 828,351	\$ 993,170	\$ 1,188,444	\$ 1,322,171	\$ 1,380,807	\$ 1,442,408	\$ 1,557,833
23 Existing Senior-Lien Debt	-	-	-	-	-	-	-	-	-	-
24 Cumulative New Senior Lien Debt Service (calculated)	-	-	-	-	-	-	-	-	-	-
25 Total Annual Senior-Lien Debt Service	Req. \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26 <i>Calculated Senior-Lien Debt Service Coverage</i>	1.20	-	-	-	-	-	-	-	-	-
27 Cash Flow Test										
28 Net Income Available For Debt Service	\$ 570,044	\$ 558,160	\$ 692,318	\$ 828,351	\$ 993,170	\$ 1,188,444	\$ 1,322,171	\$ 1,380,807	\$ 1,442,408	\$ 1,557,833
29 Less: Non-Operating Expenditures										
30 Net Interfund Transfers (In - Out)	-	(2,517)	(5,123)	(7,820)	(10,611)	(13,499)	(16,489)	(19,584)	(22,786)	(26,101)
31 Capital Outlay	(175,614)	(111,578)	(115,483)	(119,525)	(123,708)	(128,038)	(132,519)	(137,157)	(141,958)	(146,926)
32 Net Cash Flow	\$ 394,430	\$ 444,065	\$ 571,713	\$ 701,006	\$ 858,851	\$ 1,046,906	\$ 1,173,163	\$ 1,224,067	\$ 1,277,664	\$ 1,384,805
33 Unrestricted Reserve Fund Test										
34 Balance At Beginning Of Fiscal Year	\$ 3,237,166	\$ 1,570,401	\$ 1,154,906	\$ 805,636	\$ 547,415	\$ 613,102	\$ 729,269	\$ 773,135	\$ 904,320	\$ 984,486
35 Cash Flow Surplus/(Deficit)	394,430	444,065	571,713	701,006	858,851	1,046,906	1,173,163	1,224,067	1,277,664	1,384,805
36 Projects Paid With Non Specified Funds	(2,061,195)	(859,560)	(920,982)	(959,228)	(793,164)	(930,739)	(1,129,297)	(1,092,881)	(1,197,498)	(1,334,355)
37 Balance At End Of Fiscal Year	\$ 1,570,401	\$ 1,154,906	\$ 805,636	\$ 547,415	\$ 613,102	\$ 729,269	\$ 773,135	\$ 904,320	\$ 984,486	\$ 1,034,936
38 Minimum Working Capital Reserve Target	142,557	167,791	157,938	165,563	173,580	182,011	190,878	200,206	210,019	220,343
39 Excess/(Deficiency) Of Working Capital To Target	\$ 1,427,844	\$ 987,115	\$ 647,698	\$ 381,852	\$ 439,522	\$ 547,258	\$ 582,256	\$ 704,114	\$ 774,467	\$ 814,593

Capital Project Funding Summary

Schedule 9

Final Capital Projects Funding Sources	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Revenue Fund	2,061,195	859,560	920,982	959,228	793,164	930,739	1,129,297	1,092,881	1,197,498	1,334,355
Total Projects Paid	\$ 2,061,195	\$ 859,560	\$ 920,982	\$ 959,228	\$ 793,164	\$ 930,739	\$ 1,129,297	\$ 1,092,881	\$ 1,197,498	\$ 1,334,355

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Preliminary Financial Management Plan - Reclaimed Water Fund

Funding Summary by Fund

Schedule 10

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Revenue Fund										
Balance At Beginning Of Fiscal Year	\$ 3,237,166	\$ 1,570,401	\$ 1,154,906	\$ 805,636	\$ 547,415	\$ 613,102	\$ 729,269	\$ 773,135	\$ 904,320	\$ 984,486
Net Cash Flow	394,430	444,065	571,713	701,006	858,851	1,046,906	1,173,163	1,224,067	1,277,664	1,384,805
Subtotal	\$ 3,631,596	\$ 2,014,466	\$ 1,726,619	\$ 1,506,643	\$ 1,406,266	\$ 1,660,009	\$ 1,902,432	\$ 1,997,201	\$ 2,181,984	\$ 2,369,291
Less: Restricted Funds	(142,557)	(167,791)	(157,938)	(165,563)	(173,580)	(182,011)	(190,878)	(200,206)	(210,019)	(220,343)
Total Amount Available For Projects	\$ 3,489,039	\$ 1,846,675	\$ 1,568,680	\$ 1,341,080	\$ 1,232,686	\$ 1,477,998	\$ 1,711,553	\$ 1,796,995	\$ 1,971,965	\$ 2,148,948
Amount Paid For Projects	(2,061,195)	(859,560)	(920,982)	(959,228)	(793,164)	(930,739)	(1,129,297)	(1,092,881)	(1,197,498)	(1,334,355)
Subtotal	\$ 1,427,844	\$ 987,115	\$ 647,698	\$ 381,852	\$ 439,522	\$ 547,258	\$ 582,256	\$ 704,114	\$ 774,467	\$ 814,593
Add Back: Restricted Funds	142,557	167,791	157,938	165,563	173,580	182,011	190,878	200,206	210,019	220,343
Plus: Interest Earnings	72,114	40,880	29,408	20,296	17,408	20,136	22,536	25,162	28,332	30,291
Less: Interest Allocated To Cash Flow	(72,114)	(40,880)	(29,408)	(20,296)	(17,408)	(20,136)	(22,536)	(25,162)	(28,332)	(30,291)
Balance At End Of Fiscal Year	\$ 1,570,401	\$ 1,154,906	\$ 805,636	\$ 547,415	\$ 613,102	\$ 729,269	\$ 773,135	\$ 904,320	\$ 984,486	\$ 1,034,936

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