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Town of Jerome

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

Prepared for

**Town of Jerome
600 Clark Street
Jerome AZ 86331**

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TOWN OF JEROME, ARIZONA
2023 WATER AND WASTEWATER RATE STUDY
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Acknowledgements

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

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

Executive Summary



Background

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

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

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

Water and Wastewater Rate Comparison

Table ES-1 compares the Town’s monthly water and wastewater charges to several cities or utilities located in Arizona. A billing volume of 10,000 gallons of water and 10,000 gallons of wastewater was applied for the residential comparison, as it represents typical usage levels for an average household on the Town’s system.

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

Table ES-1

TOWN OF JEROME			
MONTHLY RESIDENTIAL CHARGES – 10,000 GALLONS WATER; 10,000 GALLONS WASTEWATER			
	Water	Wastewater	Total
TOWN OF JEROME	\$ 25.36	\$ 32.54	\$ 57.90
Clarkdale	80.87	54.00	134.87
Cottonwood	63.55	48.75	112.30
Sedona	49.46	61.11	110.57
Flagstaff	78.58	53.50	132.08
Prescott Valley	42.38	50.47	92.85
Chino Valley	60.31	60.00	120.31
Williams	79.15	45.00	124.15
Winslow	42.37	63.78	106.15
Sample Average	\$ 58.00	\$ 52.13	\$ 110.13
Source: City's Website ; US Census Bureau			

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

Most of the water and wastewater accounts served by the Town are residential accounts. **Table ES-2** presents total water connections (customers) by customer class for the test year and forecast period. As demonstrated, overall water accounts are forecast to increase from **347** in the test year to **374** in FY 2033. **Table ES-3** presents total wastewater connections by customer class for the test year and the projection period. Similarly, wastewater accounts are forecast to increase from **256** in the test year to **283** in FY 2033. The addition of these new connections will result in both non-recurring connection fees and increasing monthly water and wastewater revenues.

Table ES-2

TOWN OF JEROME								
FORECAST TOTAL CUSTOMERS								
WATER Customer Classes								
	Residential - Single	Residential - Double	Residential - Multi	Residential Outside - Single	Residential Outside - Double	Residential Outside - Multi	Commercial	Total
WATER Total Customers								
FY 2021	67	66	52	25	23	11	76	320
FY 2022	70	69	55	26	24	11	77	332
Last 12 Months	73	72	57	27	25	12	78	344
TY 2024	75	72	58	27	25	12	78	347
FY 2025	77	72	59	27	25	12	78	350
FY 2026	79	72	60	27	25	12	78	353
FY 2027	81	72	61	27	25	12	78	356
FY 2028	83	72	62	27	25	12	78	359
FY 2029	85	72	63	27	25	12	78	362
FY 2030	87	72	64	27	25	12	78	365
FY 2031	89	72	65	27	25	12	78	368
FY 2032	91	72	66	27	25	12	78	371
FY 2033	93	72	67	27	25	12	78	374
WATER Annual New Customers								
FY 2022	3	3	3	1	1	-	1	12
Last 12 Months	3	3	2	1	1	1	1	12
TY 2024	2	-	1	-	-	-	-	3
FY 2025	2	-	1	-	-	-	-	3
FY 2026	2	-	1	-	-	-	-	3
FY 2027	2	-	1	-	-	-	-	3
FY 2028	2	-	1	-	-	-	-	3
FY 2029	2	-	1	-	-	-	-	3
FY 2030	2	-	1	-	-	-	-	3
FY 2031	2	-	1	-	-	-	-	3
FY 2032	2	-	1	-	-	-	-	3
FY 2033	2	-	1	-	-	-	-	3

Table ES-3

TOWN OF JEROME								
FORECAST TOTAL CUSTOMERS								
WASTEWATER Customer Classes								
	Residential - Single	Residential - Double	Residential - Multi	Residential Outside - Single	Residential Outside - Double	Residential Outside - Multi	Commercial	Total
WASTEWATER Total Customers								
FY 2021	62	68	30	-	3	-	69	232
FY 2022	65	67	37	-	3	-	72	244
Last 12 Month	67	66	43	-	3	-	74	253
TY 2024	69	66	44	-	3	-	74	256
FY 2025	71	66	45	-	3	-	74	259
FY 2026	73	66	46	-	3	-	74	262
FY 2027	75	66	47	-	3	-	74	265
FY 2028	77	66	48	-	3	-	74	268
FY 2029	79	66	49	-	3	-	74	271
FY 2030	81	66	50	-	3	-	74	274
FY 2031	83	66	51	-	3	-	74	277
FY 2032	85	66	52	-	3	-	74	280
FY 2033	87	66	53	-	3	-	74	283
WASTEWATER Annual New Customers								
FY 2022	3	(1)	7	-	-	-	3	12
Last 12 Month	2	(1)	6	-	-	-	2	9
TY 2024	2	-	1	-	-	-	-	3
FY 2025	2	-	1	-	-	-	-	3
FY 2026	2	-	1	-	-	-	-	3
FY 2027	2	-	1	-	-	-	-	3
FY 2028	2	-	1	-	-	-	-	3
FY 2029	2	-	1	-	-	-	-	3
FY 2030	2	-	1	-	-	-	-	3
FY 2031	2	-	1	-	-	-	-	3
FY 2032	2	-	1	-	-	-	-	3
FY 2033	2	-	1	-	-	-	-	3

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

Table ES-4

TOWN OF JEROME								
FORECAST BILLED CONSUMPTION								
WATER Customer Classes								
	Residential - Single	Residential - Double	Residential - Multi	Residential Outside - Single	Residential Outside - Double	Residential Outside - Multi	Commercial	Total
WATER Historical Volume								
FY 2021	4,855,200	8,550,700	4,799,316	1,342,000	948,000	971,200	16,260,086	37,726,502
FY 2022	4,647,000	6,344,000	6,902,000	4,273,000	4,415,000	2,287,000	5,637,001	34,505,001
Last 12 Months	5,254,914	5,176,483	4,078,441	1,960,789	1,803,926	862,747	12,505,400	31,642,700
WATER Forecast Volume								
TY 2024	5,398,885	5,176,483	4,149,993	1,960,789	1,803,926	862,747	12,505,400	31,858,222
FY 2025	5,506,862	5,176,483	4,203,656	1,960,789	1,803,926	862,747	12,505,400	32,019,863
FY 2026	5,614,139	5,176,483	4,257,093	1,960,789	1,803,926	862,747	12,505,400	32,180,576
FY 2027	5,720,736	5,176,483	4,310,306	1,960,789	1,803,926	862,747	12,505,400	32,340,387
FY 2028	5,826,676	5,176,483	4,363,302	1,960,789	1,803,926	862,747	12,505,400	32,499,322
FY 2029	5,931,977	5,176,483	4,416,084	1,960,789	1,803,926	862,747	12,505,400	32,657,406
FY 2030	6,036,659	5,176,483	4,468,656	1,960,789	1,803,926	862,747	12,505,400	32,814,660
FY 2031	6,140,740	5,176,483	4,521,023	1,960,789	1,803,926	862,747	12,505,400	32,971,107
FY 2032	6,244,235	5,176,483	4,573,189	1,960,789	1,803,926	862,747	12,505,400	33,126,769
FY 2033	6,347,162	5,176,483	4,625,157	1,960,789	1,803,926	862,747	12,505,400	33,281,664

Table ES-5

TOWN OF JEROME								
FORECAST WASTEWATER BILLING UNITS								
WASTEWATER Customer Classes								
	Residential - Single	Residential - Double	Residential - Multi	Residential Outside - Single	Residential Outside - Double	Residential Outside - Multi	Commercial	Total
WASTEWATER Test Year Billing Units								
FY 2022	4,397,557	5,944,700	2,558,316	-	599,000	-	3,249,399	16,748,972
Last 12 Months	5,254,914	5,176,483	3,362,925	-	216,471	-	3,249,399	17,260,192
TY 2024	5,411,777	5,176,483	3,441,133	-	216,471	-	3,249,399	17,495,263
WASTEWATER Forecast Billing Units								
FY 2025	5,520,013	5,176,483	3,485,630	-	216,471	-	3,249,399	17,647,995
FY 2026	5,627,546	5,176,483	3,529,939	-	216,471	-	3,249,399	17,799,837
FY 2027	5,734,398	5,176,483	3,574,063	-	216,471	-	3,249,399	17,950,813
FY 2028	5,840,590	5,176,483	3,618,006	-	216,471	-	3,249,399	18,100,949
FY 2029	5,946,143	5,176,483	3,661,773	-	216,471	-	3,249,399	18,250,268
FY 2030	6,051,075	5,176,483	3,705,365	-	216,471	-	3,249,399	18,398,793
FY 2031	6,155,404	5,176,483	3,748,787	-	216,471	-	3,249,399	18,546,544
FY 2032	6,259,147	5,176,483	3,792,043	-	216,471	-	3,249,399	18,693,542
FY 2033	6,362,320	5,176,483	3,835,134	-	216,471	-	3,249,399	18,839,806

Water and Wastewater Capital Improvement Plan

One of the most critical components of a utility’s revenue requirement and rate plan is the forecast Capital Improvements required to repair and maintain the system. Like most municipalities, Jerome maintains a detailed Capital Improvement Plan. Minor capital improvements are contained in the Town’s budget and are funded annually. Major capital improvements will be funded with grants and by debt issued by the Town.

Town staff and the project team worked together to develop the Town’s forecast capital improvements needs in FY 2024 - 2033. The forecast CIP and funding sources are summarized in **Table ES-6**. As the table reveals, the Town is forecast to invest **\$6,679,000** in total capital improvements in the next ten years.

Table ES-6

Town of Jerome	
Capital Improvement Plan Projects and Funding Sources	
Total Wastewater CIP (Sewer Rehab)	= \$6,679,000 (FY 2024)
RUS Grant	= \$4,830,000
SEARCH Grant	= \$30,000
Sewer Long Term Debt	= \$1,819,000 (FY 2024)

It should be noted that if the Town materially revises its CIP, the rate plan may be subject to potentially significant revision.

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

Table ES-7

TOWN OF JEROME					
FORECAST BOND ISSUES TO FUND CIP					
FY 2024 - FY 2028					
SCENARIO: 2023 05 14 – Scenario I (GF Transfer)					
	TY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Water Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -
Total Wastewater Bond Issues	1,819,000	-	-	-	-
Total Unfunded Water and Wastewater CIP	\$ 1,819,000	\$ -	\$ -	\$ -	\$ -

Water and Wastewater Test Year and Forecast Net Revenue Requirement

Table ES-8 presents the Town’s forecast Net Revenue Requirement for the ten-year period FY 2024 through FY 2033. The table reveals that the total revenue requirement to be raised from rates is expected to increase from **\$335,250** in FY 2024 to **\$704,493** in FY 2033. Detailed calculations are presented in the rate model contained in Appendix A of this report.

Table ES-8

TOWN OF JEROME								
CURRENT AND FORECAST NET REVENUE REQUIREMENT								
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)								
	Operating Expenses	Capital Outlays	Debt Service	Transfers & Contingencies	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement	
WA TER Revenue Requirement								
TY 2024	\$ 450,750	\$ -	\$ -	\$ 57,008	\$ 507,758	\$ 333,958	\$ 173,800	
FY 2025	463,979	-	-	58,148	522,127	333,958	188,169	
FY 2026	480,850	-	-	59,893	540,743	333,958	206,785	
FY 2027	498,375	-	-	61,689	560,064	333,958	226,106	
FY 2028	516,580	-	-	63,540	580,121	333,958	246,163	
FY 2029	535,495	-	-	65,446	600,941	333,958	266,983	
FY 2030	555,147	-	-	67,410	622,556	333,958	288,598	
FY 2031	575,568	-	-	69,432	645,000	333,958	311,042	
FY 2032	596,790	-	-	71,515	668,305	333,958	334,347	
FY 2033	618,846	-	-	73,660	692,506	333,958	358,548	
WASTEWA TER Revenue Requirement								
TY 2024	\$ 225,480	\$ -	\$ -	\$ 57,008	\$ 282,488	\$ 121,038	\$ 161,450	
FY 2025	232,634	-	78,694	58,148	369,476	121,038	248,438	
FY 2026	241,517	-	78,694	59,893	380,104	121,038	259,066	
FY 2027	250,758	-	78,694	61,689	391,141	121,038	270,103	
FY 2028	260,372	-	78,694	63,540	402,606	121,038	281,568	
FY 2029	270,376	-	78,694	65,446	414,516	121,038	293,478	
FY 2030	280,785	-	78,694	67,410	426,889	121,038	305,851	
FY 2031	291,619	-	78,694	69,432	439,745	121,038	318,707	
FY 2032	302,893	-	78,694	71,515	453,102	121,038	332,064	
FY 2033	314,629	-	78,694	73,660	466,983	121,038	345,945	
TOTAL Revenue Requirement								
TY 2024	\$ 676,230	\$ -	\$ -	\$ 114,016	\$ 790,246	\$ 454,996	\$ 335,250	
FY 2025	696,613	-	78,694	116,296	891,604	454,996	436,608	
FY 2026	722,367	-	78,694	119,785	920,846	454,996	465,850	
FY 2027	749,133	-	78,694	123,379	951,206	454,996	496,210	
FY 2028	776,952	-	78,694	127,080	982,727	454,996	527,731	
FY 2029	805,870	-	78,694	130,893	1,015,457	454,996	560,461	
FY 2030	835,932	-	78,694	134,819	1,049,446	454,996	594,450	
FY 2031	867,186	-	78,694	138,864	1,084,745	454,996	629,749	
FY 2032	899,683	-	78,694	143,030	1,121,407	454,996	666,411	
FY 2033	933,474	-	78,694	147,321	1,159,489	454,996	704,493	

Water and Wastewater Rate Design

This section of the reports presents the water and wastewater rate for the Town to consider. The rate design contained in this section is forecast to recover sufficient revenues to fund current and future operating expenses.

The rate design maintains the existing rate structure for water and wastewater and introduces necessary percentage adjustments. It includes higher initial adjustments required for wastewater in FY 2024 through FY 2027 to recover its cost of service and forecast debt service.

Table ES-9 summarizes the water rate recommendations for the five-year period 2024 - 2028.

Table ES-10 summarizes the wastewater rate recommendations for the five-year period 2024 - 2028. The table reveals that the proposed wastewater rate increases are higher in the years 2024 – 2027.

Table ES-11 calculates the average impact on monthly water and wastewater bills of the proposed rate design at various volume usage levels. The results of the analysis are included in **Appendix A**.

Table ES-9

TOWN OF JEROME		Proposed Water Rate Plan					
Scenario: 2023 05 14 -- Scenario I (GF Transfer)		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Rates							
Residential - Single							
Monthly Charge	\$	25.36	\$ 27.39	\$ 29.58	\$ 31.95	\$ 34.50	\$ 36.92
Residential - Double							
Monthly Charge		33.20	35.86	38.72	41.82	45.17	48.33
Residential -Multi							
Monthly Charge		41.05	44.33	47.88	51.71	55.85	59.76
Residential Outside - Single							
Monthly Charge		28.99	31.31	33.81	36.52	39.44	42.20
Residential Outside - Double							
Monthly Charge		40.90	44.17	47.71	51.52	55.64	59.54
Residential Outside - Multi							
Monthly Charge		51.56	55.68	60.14	64.95	70.15	75.06
Commercial							
Monthly Minimum Charge (Includes 12,000 Gallons)		63.22	68.28	73.74	79.64	86.01	92.03
Volume Rate Per 1,000 Gal							
12,000		3.54	3.82	4.13	4.46	4.82	5.15
Above							

Table ES-10

TOWN OF JEROME		Proposed Wastewater Rate Plan					
Scenario: 2023 05 14 -- Scenario I (GF Transfer)		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Wastewater Rates							
Residential - Single							
Monthly Charge	\$ 32.54	\$ 37.10	\$ 42.29	\$ 46.94	\$ 52.10	\$ 54.71	
Residential - Double							
Monthly Charge	42.60	48.56	55.36	61.45	68.21	71.62	
Residential - Multi							
Monthly Charge	52.67	60.04	68.45	75.98	84.34	88.55	
Residential Outside - Single							
Monthly Charge	37.19	42.40	48.33	53.65	59.55	62.53	
Residential Outside - Double							
Monthly Charge	52.47	59.82	68.19	75.69	84.02	88.22	
Residential Outside - Multi							
Monthly Charge	66.15	75.41	85.97	95.43	105.92	111.22	
Commercial							
Monthly Minimum Charge (Includes 12,000 Gallons)	79.92	91.11	103.86	115.29	127.97	134.37	
Volume Rate/1,000 Gal							
12,000	5.00	5.70	6.50	7.21	8.01	8.41	
Above							

Table ES-11

TOWN OF JEROME		Impact on Monthly Customer Charges					
Scenario: 2023 05 14 -- Scenario I (GF Transfer)		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Residential - Single Standard Monthly Bill							
Total	\$ 57.90	\$ 64.48	\$ 71.87	\$ 78.89	\$ 86.61	\$ 91.63	
Increase -- \$		6.58	7.38	7.02	7.72	5.02	
Increase -- %		11.4%	11.5%	9.8%	9.8%	5.8%	
Commercial Standard Monthly Bill							
25,000 Gal Water Total	\$ 254.16	\$ 283.19	\$ 315.76	\$ 346.67	\$ 380.67	\$ 402.68	
25,000 Gal WW Increase -- \$		29.03	32.57	30.91	34.00	22.01	
Increase -- %		11.4%	11.5%	9.8%	9.8%	5.8%	
50,000 Gal Water Total	467.66	521.27	581.43	638.47	701.23	741.67	
50,000 Gal WW Increase -- \$		53.61	60.16	57.04	62.76	40.44	
Increase -- %		11.5%	11.5%	9.8%	9.8%	5.8%	

SECTION I

Introduction

Background



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

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

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

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

Report Organization

This report is organized into the following sections:

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

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

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

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

Appendix A – Water and Wastewater Rate Model

Water and Wastewater Current Rates

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

Table I-1

TOWN OF JEROME									
CURRENT WATER AND WASTEWATER RATES									
Water Rates					Wastewater Rates				
Residential					Residential				
Residential -Single				\$ 25.36	Residential -Single				\$ 32.54
Residential - Double				33.20	Residential - Double				42.60
Residential -Multi				41.05	Residential -Multi				52.67
Residential Outside - Single				28.99	Residential Outside - Single				37.19
Residential Outside - Double				40.90	Residential Outside - Double				52.47
Residential Outside - Multi				51.56	Residential Outside - Multi				66.15
Non-Residential					Non-Residential				
Monthly Minimum Charge				\$ 63.22	Monthly Minimum Charge				\$ 79.92
(Includes 12,000 Gallons)					(Includes 12,000 Gallons)				
Volume Rate Per 1,000 Gal					Volume Rate Per 1,000 Gal				
	12,000	Above		3.54		12,000	Above		5.00

The monthly service charge for all residential accounts is a flat fee. Single inside residential connections are currently charged a flat charge of \$25.36 per month for water and a flat charge of \$32.54 per month for wastewater service. All non-residential Town customers are charged a base fee and volume usage. The non-residential Town customers are billed based on a rate per 1,000 gallons, above 12,000 gallons of usage.

Table I-1 reflects the rates charged to all water and wastewater customers.

Water and Wastewater Rate Comparison

Table I-2 compares Jerome’s monthly water and wastewater average bills to several cities and towns located in Arizona. The average residential user in the Town consumes approximately 6,000 gallons monthly. Volumes of 10,000 gallons water and 10,000 gallons wastewater were used for the comparison as they represent typical usage levels for an average household in Jerome.

The rate data is based on published rates and ordinances posted by each municipality on their websites. These rates do not include sales tax, activation or other charges beyond the monthly base and volume charges. Additionally, where appropriate, certain cities that charge for service based on cubic feet of water have had their rates converted to an equivalent charge per 1,000 gallons. The comparison reveals that the Town’s rates are much lower than the sample average. For 10,000 gallons of water usage and 10,000 gallons of wastewater service, a single residential ratepayer in Jerome pays approximately \$57.90 (not including taxes).

Table I-2

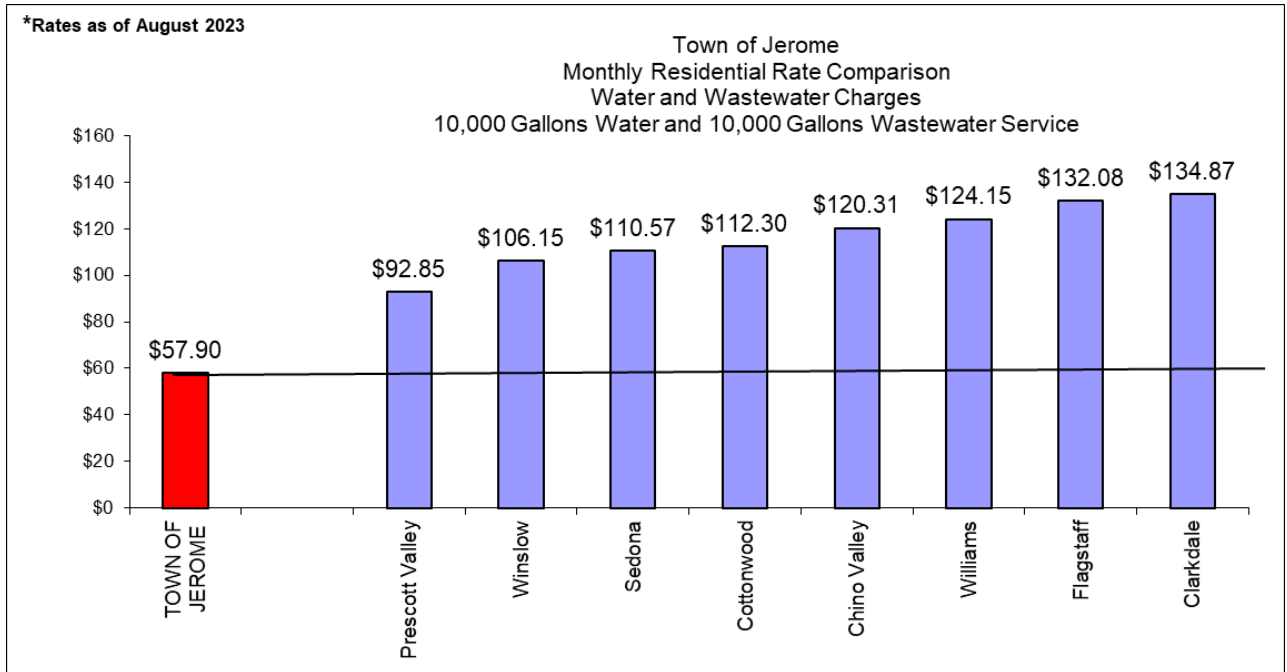
TOWN OF JEROME			
MONTHLY RESIDENTIAL CHARGES -- 10,000 GALLONS WATER; 10,000 GALLONS WASTEWATER			
	Water	Wastewater	Total
TOWN OF JEROME	\$ 25.36	\$ 32.54	\$ 57.90
Clarkdale	80.87	54.00	134.87
Cottonwood	63.55	48.75	112.30
Sedona	49.46	61.11	110.57
Flagstaff	78.58	53.50	132.08
Prescott Valley	42.38	50.47	92.85
Chino Valley	60.31	60.00	120.31
Williams	79.15	45.00	124.15
Winslow	42.37	63.78	106.15
Sample Average	\$ 58.00	\$ 52.13	\$ 110.13
Source: Citys' Website ; US Census Bureau			

This type of comparison may have the unintended effect of discriminating against communities who choose to finance system expansions through current rates or revenue bonds, which are included in rates, as opposed to

those who utilize general obligation bonds, which are funded through taxes. All else being equal, a Town that primarily or exclusively uses general obligation bonds will have a lower water rate per 1,000 gallons but a higher tax rate.

With these caveats in mind, **Chart I-3** presents a graphic comparison of residential water and wastewater monthly charges for 10,000 gallons.

Chart I-3



SECTION II

Water and Wastewater Test Year and Forecast Volumes



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

For the Town of Jerome, water consumption records maintained by the Town were reviewed for a seven-year period dating back to 2016. These records provided information on the monthly water volumes distributed system-wide by account type as well as the number of accounts for each month and the associated revenues.

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

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

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

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

The Town's water and wastewater customers are categorized by customer class and are listed in **Table II-1**. The Town has provided the project team with account data for all months from July 2016 through December 2022. The project team has used the December 2022 data as the basis for the test year.

The table lists all water and wastewater accounts by customer class managed by the Town of Jerome. As of December 2022, the Town maintained 347 water accounts and 256 wastewater accounts. **Table II-2** details the growth projections used by the project team for the Town's water customers beginning in the Test Year and continuing through Fiscal Year 2033.

Table II-1

TOWN OF JEROME			
RATE MODEL CUSTOMER CLASS			
WATER Customers		WASTEWATER Customers	
Residential -Single	75	Residential -Single	69
Residential - Double	72	Residential - Double	66
Residential -Multi	58	Residential -Multi	44
Residential Outside - Single	27	Residential Outside - Single	-
Residential Outside - Double	25	Residential Outside - Double	3
Residential Outside - Multi	12	Residential Outside - Multi	-
Commercial	78	Commercial	74
Total	347		256

Table II-2

TOWN OF JEROME								
FORECAST TOTAL CUSTOMERS								
WATER Customer Classes								
	Residential - Single	Residential - Double	Residential - Multi	Residential Outside - Single	Residential Outside - Double	Residential Outside - Multi	Commercial	Total
WATER Total Customers								
FY 2021	67	66	52	25	23	11	76	320
FY 2022	70	69	55	26	24	11	77	332
Last 12 Months	73	72	57	27	25	12	78	344
TY 2024	75	72	58	27	25	12	78	347
FY 2025	77	72	59	27	25	12	78	350
FY 2026	79	72	60	27	25	12	78	353
FY 2027	81	72	61	27	25	12	78	356
FY 2028	83	72	62	27	25	12	78	359
FY 2029	85	72	63	27	25	12	78	362
FY 2030	87	72	64	27	25	12	78	365
FY 2031	89	72	65	27	25	12	78	368
FY 2032	91	72	66	27	25	12	78	371
FY 2033	93	72	67	27	25	12	78	374
WATER Annual New Customers								
FY 2022	3	3	3	1	1	-	1	12
Last 12 Months	3	3	2	1	1	1	1	12
TY 2024	2	-	1	-	-	-	-	3
FY 2025	2	-	1	-	-	-	-	3
FY 2026	2	-	1	-	-	-	-	3
FY 2027	2	-	1	-	-	-	-	3
FY 2028	2	-	1	-	-	-	-	3
FY 2029	2	-	1	-	-	-	-	3
FY 2030	2	-	1	-	-	-	-	3
FY 2031	2	-	1	-	-	-	-	3
FY 2032	2	-	1	-	-	-	-	3
FY 2033	2	-	1	-	-	-	-	3

Table II-2 reveals that water accounts are forecast to increase an average of 3 new accounts annually through the study period. This translates to an increase in water accounts from 347 in the test year to 374 in FY 2033, an average annual increase of 0.84%. This overall growth is illustrated further in Chart II-3.

Chart II-3

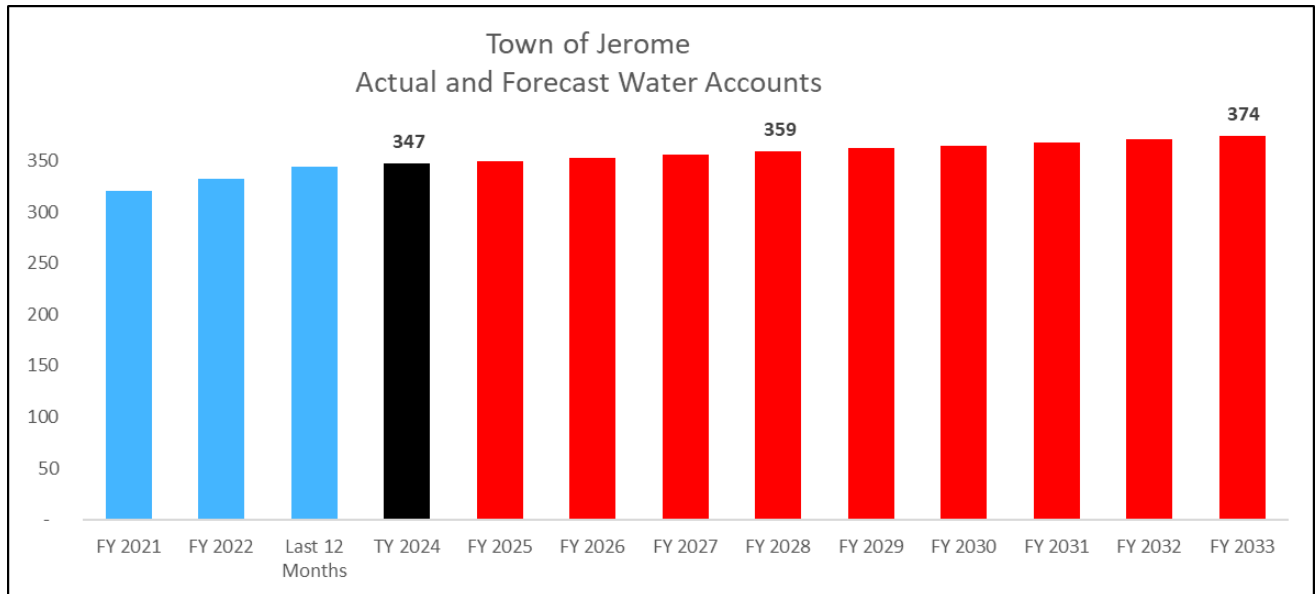


Table II-4 presents the project team’s ten-year forecast of wastewater account growth. It reveals that the wastewater customer base is forecast to increase by an average of 3 accounts per year for the forecast period. Wastewater accounts are forecast to increase from 256 in the test year to 283 in FY 2033, for an average annual increase of **1.12%**.

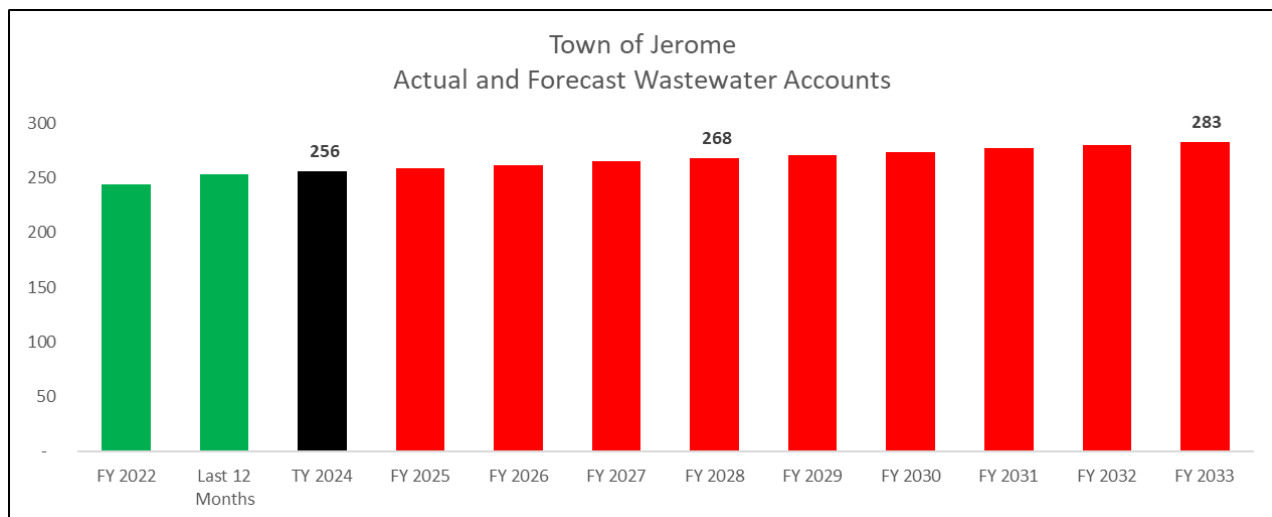


Table II-4

TOWN OF JEROME								
FORECAST TOTAL CUSTOMERS								
WASTEWATER Customer Classes								
	Residential - Single	Residential - Double	Residential - Multi	Residential Outside - Single	Residential Outside - Double	Residential Outside - Multi	Commercial	Total
WASTEWATER Total Customers								
FY 2021	62	68	30	-	3	-	69	232
FY 2022	65	67	37	-	3	-	72	244
Last 12 Month	67	66	43	-	3	-	74	253
TY 2024	69	66	44	-	3	-	74	256
FY 2025	71	66	45	-	3	-	74	259
FY 2026	73	66	46	-	3	-	74	262
FY 2027	75	66	47	-	3	-	74	265
FY 2028	77	66	48	-	3	-	74	268
FY 2029	79	66	49	-	3	-	74	271
FY 2030	81	66	50	-	3	-	74	274
FY 2031	83	66	51	-	3	-	74	277
FY 2032	85	66	52	-	3	-	74	280
FY 2033	87	66	53	-	3	-	74	283
WASTEWATER Annual New Customers								
FY 2022	3	(1)	7	-	-	-	3	12
Last 12 Month	2	(1)	6	-	-	-	2	9
TY 2024	2	-	1	-	-	-	-	3
FY 2025	2	-	1	-	-	-	-	3
FY 2026	2	-	1	-	-	-	-	3
FY 2027	2	-	1	-	-	-	-	3
FY 2028	2	-	1	-	-	-	-	3
FY 2029	2	-	1	-	-	-	-	3
FY 2030	2	-	1	-	-	-	-	3
FY 2031	2	-	1	-	-	-	-	3
FY 2032	2	-	1	-	-	-	-	3
FY 2033	2	-	1	-	-	-	-	3

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

Chart II-5



Water Billed Consumption – Ten-Year Forecast

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

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

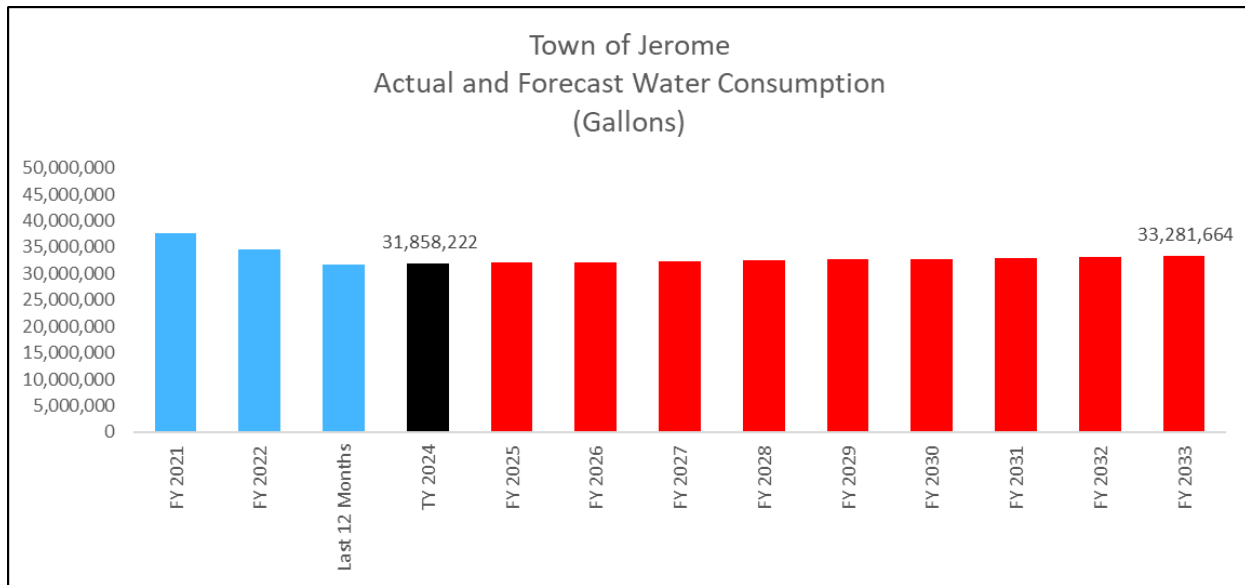
The project team’s forecast is based on the following factors:

- Jerome’s account growth is forecast to continue to increase by approximately 0.84% per year. Projections contained in this report include adjustments based on the impacts of normal customer growth and no drought restrictions and designed to forecast usage under normal conditions.

Table II-6

TOWN OF JEROME								
FORECAST BILLED CONSUMPTION								
WATER Customer Classes								
	Residential - Single	Residential - Double	Residential - Multi	Residential Outside - Single	Residential Outside - Double	Residential Outside - Multi	Commercial	Total
WATER Historical Volume								
FY 2021	4,855,200	8,550,700	4,799,316	1,342,000	948,000	971,200	16,260,086	37,726,502
FY 2022	4,647,000	6,344,000	6,902,000	4,273,000	4,415,000	2,287,000	5,637,001	34,505,001
Last 12 Months	5,254,914	5,176,483	4,078,441	1,960,789	1,803,926	862,747	12,505,400	31,642,700
WATER Forecast Volume								
TY 2024	5,398,885	5,176,483	4,149,993	1,960,789	1,803,926	862,747	12,505,400	31,858,222
FY 2025	5,506,862	5,176,483	4,203,656	1,960,789	1,803,926	862,747	12,505,400	32,019,863
FY 2026	5,614,139	5,176,483	4,257,093	1,960,789	1,803,926	862,747	12,505,400	32,180,576
FY 2027	5,720,736	5,176,483	4,310,306	1,960,789	1,803,926	862,747	12,505,400	32,340,387
FY 2028	5,826,676	5,176,483	4,363,302	1,960,789	1,803,926	862,747	12,505,400	32,499,322
FY 2029	5,931,977	5,176,483	4,416,084	1,960,789	1,803,926	862,747	12,505,400	32,657,406
FY 2030	6,036,659	5,176,483	4,468,656	1,960,789	1,803,926	862,747	12,505,400	32,814,660
FY 2031	6,140,740	5,176,483	4,521,023	1,960,789	1,803,926	862,747	12,505,400	32,971,107
FY 2032	6,244,235	5,176,483	4,573,189	1,960,789	1,803,926	862,747	12,505,400	33,126,769
FY 2033	6,347,162	5,176,483	4,625,157	1,960,789	1,803,926	862,747	12,505,400	33,281,664

Chart II-7



Peaking Factors

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

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

Based on AWWA guidelines, the customer class peaking factors calculated in this study are for non-coincidental peaks. The peaking factors developed for this analysis are based on actual monthly water consumption by customer class for the recent twelve-month period, January 2022 – December 2022. The combined peak day to average ratio used in the rate model is **1.50**.

Wastewater Flows – Test Year and Forecast

The forecast for billing units is derived using anticipated growth in accounts as depicted in **Table II-4**. The results of the forecast are presented in **Table II-8**.

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

Table II-8

TOWN OF JEROME								
FORECAST WASTEWATER BILLING UNITS								
WASTEWATER Customer Classes								
	Residential - Single	Residential - Double	Residential - Multi	Residential Outside - Single	Residential Outside - Double	Residential Outside - Multi	Commercial	Total
WASTEWATER Test Year Billing Units								
FY 2022	4,397,557	5,944,700	2,558,316	-	599,000	-	3,249,399	16,748,972
Last 12 Months	5,254,914	5,176,483	3,362,925	-	216,471	-	3,249,399	17,260,192
TY 2024	5,411,777	5,176,483	3,441,133	-	216,471	-	3,249,399	17,495,263
WASTEWATER Forecast Billing Units								
FY 2025	5,520,013	5,176,483	3,485,630	-	216,471	-	3,249,399	17,647,995
FY 2026	5,627,546	5,176,483	3,529,939	-	216,471	-	3,249,399	17,799,837
FY 2027	5,734,398	5,176,483	3,574,063	-	216,471	-	3,249,399	17,950,813
FY 2028	5,840,590	5,176,483	3,618,006	-	216,471	-	3,249,399	18,100,949
FY 2029	5,946,143	5,176,483	3,661,773	-	216,471	-	3,249,399	18,250,268
FY 2030	6,051,075	5,176,483	3,705,365	-	216,471	-	3,249,399	18,398,793
FY 2031	6,155,404	5,176,483	3,748,787	-	216,471	-	3,249,399	18,546,544
FY 2032	6,259,147	5,176,483	3,792,043	-	216,471	-	3,249,399	18,693,542
FY 2033	6,362,320	5,176,483	3,835,134	-	216,471	-	3,249,399	18,839,806

SECTION III

Water & Wastewater Forecast Revenue Requirement



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

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

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

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

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

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

O&M expenses

Operating Transfers

Capital Outlays Funded from Rates

Debt service -- Current

Debt Service – Forecast

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

Operating Expenses – Test Year

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

Table III-1

TOWN OF JEROME		TEST YEAR OPERATING EXPENSES	
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)		FY 2024 Budget	
Budget Code			
WATER OPERATING EXPENDITURES			
P	Personnel	\$	129,500
SE	Services		83,300
SU	Supplies		237,000
L	Lease		950
SUB-TOTAL		\$	450,750
WASTEWATER OPERATING EXPENDITURES			
P	Personnel	\$	69,680
SE	Services		99,250
SU	Supplies		55,650
L	Lease		900
SUB-TOTAL		\$	225,480
Total Operating Expenses		\$	676,230

As shown in Table III-1, the Town’s operating expenses (net of Transfers, Capital outlays and Debt Service) for its water utility are forecast to be **\$450,750** in the test year, and **\$225,480** for the wastewater utility. **Table III-2** and **Table III-3** present the FY 2024 operating budget, transfers, and capital outlays in detail allocated by functional category. These totals are derived from the Town’s FY 2024 budget. Capital outlays and debt service are examined in detail separately later in this section.

Table III-2

TOWN OF JEROME						
WATER Operating Expenses, Transfers and Capital Outlays						
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)						
		Net Budget	Supply/ Treatment	Distribution	Admin	Customer Billing
Expense Category Code						
<u>Operating & Maintenance</u>						
P	Personnel	129,500	38,850	38,850	25,900	25,900
SE	Services	83,300	31,490	31,490	10,410	9,910
SU	Supplies	237,000	118,150	118,150	350	350
L	Lease	950	-	-	950	-
Total Operating & Maintenance		450,750	188,490	188,490	37,610	36,160
Subtotal Transfers		\$ 57,008	\$ -	\$ -	\$ 57,008	\$ -
Capital Outlays		\$ -	\$ -	\$ -	\$ -	\$ -
Total WATER Operating Expenses, Transfers and Capital Outlays		\$ 507,758	\$ 188,490	\$ 188,490	\$ 94,618	\$ 36,160

Table III-3

TOWN OF JEROME						
WASTEWATER Operating Expenses, Transfers and Capital Outlays						
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)						
		Net Budget	Treatment	Collection	Admin	Customer Billing
Expense Category Code						
<u>Operating & Maintenance</u>						
P	Personnel	69,680	20,904	20,904	13,936	13,936
SE	Services	99,250	46,175	46,175	3,450	3,450
SU	Supplies	55,650	27,195	27,195	630	630
L	Lease	900	-	-	900	-
Total Operating & Maintenance		225,480	94,274	94,274	18,916	18,016
Subtotal Transfers		\$ 57,008	\$ -	\$ -	\$ 57,008	\$ -
Capital Outlays		\$ -	\$ -	\$ -	\$ -	\$ -
Total WASTEWATER Operating Expenses, Transfers and Capital Outlays		\$ 282,488	\$ 94,274	\$ 94,274	\$ 75,924	\$ 18,016

Operating Expenses and Capital Outlays – Ten Year Forecast

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

- Forecast water and wastewater operating expenses are assumed to increase at an average 3% rate of inflation.
- In addition to anticipated inflationary increases, there are other factors that are considered when forecasting various expense items. One such factor is that certain expense categories are expected to increase at rates greater than the average inflation rate. Account growth and volume growth will also affect certain expense categories, and some of the expense items are vulnerable to a combination of these greater than average increases. Items that are affected by general inflation, premium escalation, and account growth are primarily energy related items such as gas and electric expenses, fuels, and lubricants.
- Certain personnel related expenses such as insurance are projected to increase at a higher rate annually.
- Certain water and wastewater expenses are forecast to increase at a rate which reflects both inflation and the growth of new accounts.

Table III-4

TOWN OF JEROME										
FORECAST OPERATING EXPENSES AND CAPITAL OUTLAYS										
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)										
	Water			Wastewater			Total Water & Wastewater			
	Operating Expense	Capital Outlays	Total	Operating Expense	Capital Outlays	Total	Operating Expense	Capital Outlays	Total	
TY 2024	\$ 450,750	\$ -	\$ 450,750	\$ 225,480	\$ -	\$ 225,480	\$ 676,230	\$ -	\$ 676,230	
FY 2025	463,979	-	463,979	232,634	-	232,634	696,613	-	696,613	
FY 2026	480,850	-	480,850	241,517	-	241,517	722,367	-	722,367	
FY 2027	498,375	-	498,375	250,758	-	250,758	749,133	-	749,133	
FY 2028	516,580	-	516,580	260,372	-	260,372	776,952	-	776,952	
FY 2029	535,495	-	535,495	270,376	-	270,376	805,870	-	805,870	
FY 2030	555,147	-	555,147	280,785	-	280,785	835,932	-	835,932	
FY 2031	575,568	-	575,568	291,619	-	291,619	867,186	-	867,186	
FY 2032	596,790	-	596,790	302,893	-	302,893	899,683	-	899,683	
FY 2033	618,846	-	618,846	314,629	-	314,629	933,474	-	933,474	

Existing Debt Service

The Town funds its capital requirements with its current system rates and fees. These capital outlays are typically for minor assets such as trucks and computers, as opposed to major capital expenditures such as treatment plants.

The Town currently has no current debt service payments.

Capital Improvement Plan

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

Town staff and the project team worked together to develop the Town’s forecast capital improvements needs in FY 2024 – FY 2033. The forecast CIP and funding sources are presented in **Table III-5**. As the table reveals, the Town is forecast to spend **\$6,679,000** in total capital improvements in the next ten years.

Table III-5

Town of Jerome	
Capital Improvement Plan Projects and Funding Sources	
Total Wastewater CIP (Sewer Rehab)	= \$6,679,000 (FY 2024)
RUS Grant	= \$4,830,000
SEARCH Grant	= \$30,000
Sewer Long Term Debt	= \$1,819,000 (FY 2024)

The Town is forecast to issue revenue bonds totaling \$1,819,000 for the currently identified wastewater capital improvement project. FY 2024 forecast debt issuance is presented in **Table III-6**.

Table III-6

TOWN OF JEROME					
FORECAST BOND ISSUES TO FUND CIP					
FY 2024 - FY 2028					
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)					
	TY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Water Bond Issues	\$ -	\$ -	\$ -	\$ -	\$ -
Total Wastewater Bond Issues	1,819,000	-	-	-	-
Total Unfunded Water and Wastewater CIP	\$ 1,819,000	\$ -	\$ -	\$ -	\$ -

Debt Service – Forecast

Table III-7 presents current and forecast debt service, assuming that the Town issues new wastewater debt in FY 2024 to fund the CIP project according to the schedule presented in Table III-6. It is projected that newly-issued bond will be repaid entirely with Utility System Revenues. Future revenue debt is assumed to have a 40-year term, 1.25% interest rate and level principal and interest payments.

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

Table III-7

TOWN OF JEROME						
CURRENT AND FORECAST DEBT SERVICE						
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)						
Year	Water		Wastewater		Total	
	Current	Forecast	Current	Forecast		
TY 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 2025	-	-	-	78,694	78,694	78,694
FY 2026	-	-	-	78,694	78,694	78,694
FY 2027	-	-	-	78,694	78,694	78,694
FY 2028	-	-	-	78,694	78,694	78,694
FY 2029	-	-	-	78,694	78,694	78,694
FY 2030	-	-	-	78,694	78,694	78,694
FY 2031	-	-	-	78,694	78,694	78,694
FY 2032	-	-	-	78,694	78,694	78,694
FY 2033	-	-	-	78,694	78,694	78,694

Non-Rate Revenues

Although sales revenues constitute most of the revenue received by the Town for water and wastewater service, a certain amount of revenue is accrued from non-rate sources. These revenues include other general revenues, surcharges, penalty charges, transfer from the general fund, and miscellaneous revenues. These non-rate revenues are subtracted from the overall budget to determine the revenue requirement to be raised from rates. Non-rate revenues are presented in **Table III-8**.

Table III-8

TOWN OF JEROME					
FORECAST NON-RATE REVENUES					
SCENARIO:					
2023 05 14 -- Scenario I (GF Transfer)					
		Water	Wastewater		Total Water & WW
TY 2024	\$	333,958	\$ 121,038	\$	454,996
FY 2025		333,958	121,038		454,996
FY 2026		333,958	121,038		454,996
FY 2027		333,958	121,038		454,996
FY 2028		333,958	121,038		454,996
FY 2029		333,958	121,038		454,996
FY 2030		333,958	121,038		454,996
FY 2031		333,958	121,038		454,996
FY 2032		333,958	121,038		454,996
FY 2033		333,958	121,038		454,996



Net Revenue Requirement

Table III-9 presents the test year and ten-year forecast for the Town’s net revenue requirement to be raised from rates. Detailed calculations are presented in the rate model contained in Appendix A of this report.

Table III-9

TOWN OF JEROME									
CURRENT AND FORECAST NET REVENUE REQUIREMENT									
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)									
	Operating Expenses	Capital Outlays	Debt Service	Transfers & Contingencies	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement		
WATER Revenue Requirement									
TY 2024	\$ 450,750	\$ -	\$ -	\$ 57,008	\$ 507,758	\$ 333,958	\$ 173,800		
FY 2025	463,979	-	-	58,148	522,127	333,958	188,169		
FY 2026	480,850	-	-	59,893	540,743	333,958	206,785		
FY 2027	498,375	-	-	61,689	560,064	333,958	226,106		
FY 2028	516,580	-	-	63,540	580,121	333,958	246,163		
FY 2029	535,495	-	-	65,446	600,941	333,958	266,983		
FY 2030	555,147	-	-	67,410	622,556	333,958	288,598		
FY 2031	575,568	-	-	69,432	645,000	333,958	311,042		
FY 2032	596,790	-	-	71,515	668,305	333,958	334,347		
FY 2033	618,846	-	-	73,660	692,506	333,958	358,548		
WASTEWATER Revenue Requirement									
TY 2024	\$ 225,480	\$ -	\$ -	\$ 57,008	\$ 282,488	\$ 121,038	\$ 161,450		
FY 2025	232,634	-	78,694	58,148	369,476	121,038	248,438		
FY 2026	241,517	-	78,694	59,893	380,104	121,038	259,066		
FY 2027	250,758	-	78,694	61,689	391,141	121,038	270,103		
FY 2028	260,372	-	78,694	63,540	402,606	121,038	281,568		
FY 2029	270,376	-	78,694	65,446	414,516	121,038	293,478		
FY 2030	280,785	-	78,694	67,410	426,889	121,038	305,851		
FY 2031	291,619	-	78,694	69,432	439,745	121,038	318,707		
FY 2032	302,893	-	78,694	71,515	453,102	121,038	332,064		
FY 2033	314,629	-	78,694	73,660	466,983	121,038	345,945		
TOTAL Revenue Requirement									
TY 2024	\$ 676,230	\$ -	\$ -	\$ 114,016	\$ 790,246	\$ 454,996	\$ 335,250		
FY 2025	696,613	-	78,694	116,296	891,604	454,996	436,608		
FY 2026	722,367	-	78,694	119,785	920,846	454,996	465,850		
FY 2027	749,133	-	78,694	123,379	951,206	454,996	496,210		
FY 2028	776,952	-	78,694	127,080	982,727	454,996	527,731		
FY 2029	805,870	-	78,694	130,893	1,015,457	454,996	560,461		
FY 2030	835,932	-	78,694	134,819	1,049,446	454,996	594,450		
FY 2031	867,186	-	78,694	138,864	1,084,745	454,996	629,749		
FY 2032	899,683	-	78,694	143,030	1,121,407	454,996	666,411		
FY 2033	933,474	-	78,694	147,321	1,159,489	454,996	704,493		

Water Utility Cost Functionalization

Once the total water and wastewater system costs have been identified, the next step in the rate development process is to isolate the costs associated with each system function. Some of these expenditures are a function of base water demand; others are based on the peak demands placed on the system. Certain costs are associated with serving customers regardless of the volume of water use or wastewater discharge. The basic steps used to allocate the Town’s water revenue requirements include the following:

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

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

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

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

Administration – miscellaneous overhead and other non-operating costs

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

The project team allocated operating budget line-item expenses individually to system functions based on general guidelines, specific research, and input from Town staff. The results of the allocation process for the test year are presented in **Table III-10**. The rate model presented in Appendix A includes a detailed listing of the allocations by line item.

Table III-10

TOWN OF JEROME			
TEST YEAR WATER COST FUNCTIONALIZATION			
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)			
TY 2024			
Function	Revenue Requirement	Percent	
Treatment	\$ 64,518	37.1%	
Distribution	64,518	37.1%	
Administration	32,387	18.6%	
Customer	12,377	7.1%	
Total	173,800	100.0%	

Water Utility Cost Classification

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

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

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

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

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

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

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

The rate model in Appendix A provides the detailed allocations of costs to service characteristics. The system-wide costs by service characteristic are shown in **Table III-11**. As with cost functionalization, these percentages are not expected to change significantly in the forecast period.

Table III-11

TOWN OF JEROME			
TEST YEAR WATER COST CLASSIFICATION			
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)			
Function	TY 2024 Revenue Requirement	Percent	
Base	\$ 106,864	61.49%	
Maximum Day	53,432	30.74%	
Customer	13,504	7.77%	
Total	173,800	100.0%	

Water Utility Cost Allocation

Allocation of costs by service characteristic to customer classes is based on the proportionate use levels of each characteristic by each class. The water utility costs for Test Year 2024 by customer class are presented in **Table III-12**. Total water utility costs by customer class for the entire term of the study are summarized in **Table III-13**. Overall cost calculations are presented in detail in the rate model contained in **Appendix A**.

Table III-12

TOWN OF JEROME			
TEST YEAR WATER COST ALLOCATION			
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)			
Function	TY 2024		Percent
	Revenue	Requirement	
Residential - Single	\$ 30,083		17.3%
Residential - Double	28,848		16.6%
Residential - Multi	23,138		13.3%
Residential Outside - Single	10,917		6.3%
Residential Outside - Double	10,049		5.8%
Residential Outside - Multi	4,808		2.8%
Commercial	65,957		37.9%
Total	173,800		100.0%

Table III-13

TOWN OF JEROME									
FORECAST WATER COST ALLOCATION									
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)									
Year	Residential - Single	Residential - Double	Residential - Multi	Residential Outside - Single	Residential Outside - Double	Residential Outside - Multi	Commercial	Total	
TY 2024	\$ 30,083	\$ 28,848	\$ 23,138	\$ 10,917	\$ 10,049	\$ 4,808	\$ 65,957	\$ 173,800	
FY 2025	33,064	31,064	25,249	11,755	10,822	5,177	71,038	188,169	
FY 2026	36,868	33,955	27,961	12,850	11,829	5,659	77,663	206,785	
FY 2027	40,886	36,932	30,804	13,976	12,866	6,155	84,487	226,106	
FY 2028	45,126	39,998	33,785	15,136	13,934	6,666	91,517	246,163	
FY 2029	49,598	43,157	36,908	16,332	15,034	7,193	98,761	266,983	
FY 2030	54,311	46,412	40,179	17,564	16,168	7,735	106,229	288,598	
FY 2031	59,274	49,768	43,605	18,834	17,337	8,295	113,929	311,042	
FY 2032	64,498	53,228	47,192	20,143	18,543	8,871	121,871	334,347	
FY 2033	69,993	56,797	50,947	21,494	19,786	9,466	130,065	358,548	

Wastewater Utility Cost Functionalization and Classification

Wastewater system costs are allocated to the following functions:

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

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

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

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

Administration – miscellaneous overhead and other non-operating costs

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

As was the case for the water system, wastewater utility operating budget line-item expenses are allocated individually to functions. The results of the allocation process are presented in **Table III-14**. The rate model in **Appendix A** presents a detailed listing of the cost allocations by line item. As with the water utility, these percentages are not forecast to change significantly during the next ten years.

Table III-14

TOWN OF JEROME			
TEST YEAR WASTEWATER COST FUNCTIONALIZATION			
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)			
Function	TY 2024 Revenue Requirement	Percent	
Treatment	\$ 53,880	33.4%	
Collection	53,880	33.4%	
Administration	43,393	26.9%	
Customer	<u>10,297</u>	<u>6.4%</u>	
Total	161,450	100.0%	

Wastewater Utility Cost Allocation

Allocation of wastewater utility costs by service characteristic to customer classes is performed in the same manner as described for the water utility. The wastewater utility costs for Test Year 2024 by customer class are presented in **Table III-15**. Total wastewater utility costs by customer class are summarized in **Table III-16**. The rate model in **Appendix A** presents a detailed listing of the cost calculations by line item.

Table III-15

TOWN OF JEROME		
TEST YEAR WASTEWATER COST ALLOCATION		
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)		
Function	TY 2024 Revenue Requirement	Percent
Residential - Single	\$ 59,778	37.0%
Residential - Double	57,179	35.4%
Residential - Multi	38,018	23.5%
Residential Outside - Single	-	0.0%
Residential Outside - Double	2,404	1.5%
Residential Outside - Multi	-	0.0%
Commercial	4,070	2.5%
Total	161,450	100.0%

Table III-16

TOWN OF JEROME								
FORECAST WASTEWATER COST ALLOCATION								
SCENARIO: 2023 05 14 -- Scenario I (GF Transfer)								
Year	Residential - Single	Residential - Double	Residential - Multi	Residential Outside - Single	Residential Outside - Double	Residential Outside - Multi	Commercial	Total
TY 2024	\$ 59,778	\$ 57,179	\$ 38,018	\$ -	\$ 2,404	\$ -	\$ 4,070	\$ 161,450
FY 2025	93,516	87,660	59,061	-	3,680	-	4,521	248,438
FY 2026	98,394	90,435	61,732	-	3,797	-	4,707	259,066
FY 2027	103,478	93,297	64,511	-	3,917	-	4,900	270,103
FY 2028	108,774	96,251	67,402	-	4,042	-	5,099	281,568
FY 2029	114,294	99,301	70,410	-	4,170	-	5,304	293,478
FY 2030	120,045	102,449	73,539	-	4,302	-	5,517	305,851
FY 2031	126,038	105,699	76,795	-	4,439	-	5,736	318,707
FY 2032	132,283	109,055	80,183	-	4,580	-	5,963	332,064
FY 2033	138,791	112,522	83,709	-	4,726	-	6,198	345,945

SECTION IV

Water and Wastewater Rate Design



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

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

Rate Design

The rate design maintains the existing rate structure for water and wastewater and introduces necessary percentage adjustments. It includes higher initial adjustments required for wastewater in FY 2024 through FY 2027 to recover its cost of service and forecast debt service. Some of the advantages of this scenario are:

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

Table IV-1 summarizes the water rate recommendations for the five-year period 2024 - 2028.

Table IV-2 summarizes the wastewater rate recommendations for the five-year period 2024 - 2028. The table reveals that the proposed wastewater rate increases are higher in the years 2024 – 2027.

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

Table IV-1

TOWN OF JEROME		Proposed Water Rate Plan					
Scenario: 2023 05 14 -- Scenario I (GF Transfer)		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Water Rates							
Residential - Single							
Monthly Charge	\$ 25.36	\$ 27.39	\$ 29.58	\$ 31.95	\$ 34.50	\$ 36.92	
Residential - Double							
Monthly Charge	33.20	35.86	38.72	41.82	45.17	48.33	
Residential - Multi							
Monthly Charge	41.05	44.33	47.88	51.71	55.85	59.76	
Residential Outside - Single							
Monthly Charge	28.99	31.31	33.81	36.52	39.44	42.20	
Residential Outside - Double							
Monthly Charge	40.90	44.17	47.71	51.52	55.64	59.54	
Residential Outside - Multi							
Monthly Charge	51.56	55.68	60.14	64.95	70.15	75.06	
Commercial							
Monthly Minimum Charge (Includes 12,000 Gallons)	63.22	68.28	73.74	79.64	86.01	92.03	
Volume Rate Per 1,000 Gal							
12,000	3.54	3.82	4.13	4.46	4.82	5.15	
Above							

Table IV-2

TOWN OF JEROME		Proposed Wastewater Rate Plan					
Scenario: 2023 05 14 -- Scenario I (GF Transfer)		Current	Effective Jan-24	Effective Jan-25	Effective Jan-26	Effective Jan-27	Effective Jan-28
Wastewater Rates							
Residential - Single							
Monthly Charge	\$ 32.54	\$ 37.10	\$ 42.29	\$ 46.94	\$ 52.10	\$ 54.71	
Residential - Double							
Monthly Charge	42.60	48.56	55.36	61.45	68.21	71.62	
Residential - Multi							
Monthly Charge	52.67	60.04	68.45	75.98	84.34	88.55	
Residential Outside - Single							
Monthly Charge	37.19	42.40	48.33	53.65	59.55	62.53	
Residential Outside - Double							
Monthly Charge	52.47	59.82	68.19	75.69	84.02	88.22	
Residential Outside - Multi							
Monthly Charge	66.15	75.41	85.97	95.43	105.92	111.22	
Commercial							
Monthly Minimum Charge (Includes 12,000 Gallons)	79.92	91.11	103.86	115.29	127.97	134.37	
Volume Rate/1,000 Gal							
12,000	5.00	5.70	6.50	7.21	8.01	8.41	
Above							

Table IV-3

TOWN OF JEROME		Impact on Monthly Customer Charges				
Scenario: 2023 05 14 -- Scenario I (GF Transfer)		Effective	Effective	Effective	Effective	Effective
Residential - Single Standard Monthly Bill	Current	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Total	\$ 57.90	\$ 64.48	\$ 71.87	\$ 78.89	\$ 86.61	\$ 91.63
Increase -- \$		6.58	7.38	7.02	7.72	5.02
Increase -- %		11.4%	11.5%	9.8%	9.8%	5.8%
Commercial Standard Monthly Bill						
25,000 Gal Water Total	\$ 254.16	\$ 283.19	\$ 315.76	\$ 346.67	\$ 380.67	\$ 402.68
25,000 Gal WW Increase -- \$		29.03	32.57	30.91	34.00	22.01
Increase -- %		11.4%	11.5%	9.8%	9.8%	5.8%
50,000 Gal Water Total	467.66	521.27	581.43	638.47	701.23	741.67
50,000 Gal WW Increase -- \$		53.61	60.16	57.04	62.76	40.44
Increase -- %		11.5%	11.5%	9.8%	9.8%	5.8%

Notes on Rate Recommendations

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

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

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

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

APPENDIX A



Town of Jerome

Ten Year Rate Analysis and Pro Forma

Fiscal Years 2024 - 2033

Utility System

Water
Sewer
Combined

Dashboard

Projections
Bill Comparison
Comparable Utilities

Customer Class

All Classes

Years

10
5

Total Net Revenues Available for Contingency

Debt Service

Total Revenues

Debt Coverage

■ Water ■ Sewer **Combined Projections**

Future Debt Term

Water Future Bond Issues		
	Alternative	Proposed
2024		\$ -
2025		\$ -
2026		\$ -
2027		\$ -
2028		\$ -
2029		\$ -
2030		\$ -
2031		\$ -
2032		\$ -
2033		\$ -

Sewer Future Bond Issues		
	Alternative	Proposed
2024		\$ 1,819,000
2025		\$ -
2026		\$ -
2027		\$ -
2028		\$ -
2029		\$ -
2030		\$ -
2031		\$ -
2032		\$ -
2033		\$ -

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water Rate Adjustments										
Meter Charge	8.00%	8.00%	8.00%	8.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Volume Charge	8.00%	8.00%	8.00%	8.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Sewer Rate Adjustments										
Base Charge	14.00%	14.00%	11.00%	11.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Volume Charge Residential	14.00%	14.00%	11.00%	11.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Volume Charge Non-Residential	14.00%	14.00%	11.00%	11.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%

TOWN OF JEROME											
WATER/WASTEWATER COST OF SERVICE MODEL											
Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	

Water Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

1 Water Monthly Rates and Charges

W1 Residential -Single

Monthly Minimum Charge

	5/8"	\$	25.36	\$	27.39	\$	29.58	\$	31.95	\$	34.50	\$	36.92	\$	39.50	\$	42.27	\$	45.23	\$	48.39	\$	51.78
	1"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
	1 1/2"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
	2"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
	3"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
	4"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
	6"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
	8"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78

Volume Rate/1,000 Gal

	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

W2 Residential - Double

Monthly Minimum Charge

	5/8"	\$	33.20	\$	35.86	\$	38.72	\$	41.82	\$	45.17	\$	48.33	\$	51.71	\$	55.33	\$	59.21	\$	63.35	\$	67.79
	1"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
	1 1/2"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
	2"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
	3"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
	4"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
	6"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
	8"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79

Volume Rate/1,000 Gal

	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 80%;"> TOWN OF JEROME WATER/WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

W3 Residential -Multi

Monthly Minimum Charge

	5/8"	\$	41.05	\$	44.33	\$	47.88	\$	51.71	\$	55.85	\$	59.76	\$	63.94	\$	68.42	\$	73.21	\$	78.33	\$	83.81
	1"		41.05		44.33		47.88		51.71		55.85		59.76		63.94		68.42		73.21		78.33		83.81
	1 1/2"		41.05		44.33		47.88		51.71		55.85		59.76		63.94		68.42		73.21		78.33		83.81
	2"		41.05		44.33		47.88		51.71		55.85		59.76		63.94		68.42		73.21		78.33		83.81
	3"		41.05		44.33		47.88		51.71		55.85		59.76		63.94		68.42		73.21		78.33		83.81
	4"		41.05		44.33		47.88		51.71		55.85		59.76		63.94		68.42		73.21		78.33		83.81
	6"		41.05		44.33		47.88		51.71		55.85		59.76		63.94		68.42		73.21		78.33		83.81
	8"		41.05		44.33		47.88		51.71		55.85		59.76		63.94		68.42		73.21		78.33		83.81

Volume Rate/1,000 Gal

	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

W4 Residential Outside - Single

Monthly Minimum Charge

	5/8"	\$	28.99	\$	31.31	\$	33.81	\$	36.52	\$	39.44	\$	42.20	\$	45.16	\$	48.32	\$	51.70	\$	55.32	\$	59.19
	1"		28.99		31.31		33.81		36.52		39.44		42.20		45.16		48.32		51.70		55.32		59.19
	1 1/2"		28.99		31.31		33.81		36.52		39.44		42.20		45.16		48.32		51.70		55.32		59.19
	2"		28.99		31.31		33.81		36.52		39.44		42.20		45.16		48.32		51.70		55.32		59.19
	3"		28.99		31.31		33.81		36.52		39.44		42.20		45.16		48.32		51.70		55.32		59.19
	4"		28.99		31.31		33.81		36.52		39.44		42.20		45.16		48.32		51.70		55.32		59.19
	6"		28.99		31.31		33.81		36.52		39.44		42.20		45.16		48.32		51.70		55.32		59.19
	8"		28.99		31.31		33.81		36.52		39.44		42.20		45.16		48.32		51.70		55.32		59.19

Volume Rate/1,000 Gal

	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 80%;"> TOWN OF JEROME WATER/WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

2 Wastewater Monthly Rates and Charges

Residential -Single

Monthly Minimum Charge

	5/8"	\$	32.54	\$	37.10	\$	42.29	\$	46.94	\$	52.10	\$	54.71	\$	56.35	\$	58.04	\$	59.78	\$	61.58	\$	63.42
	1"		32.54		37.10		42.29		46.94		52.10		54.71		56.35		58.04		59.78		61.58		63.42
	1 1/2"		32.54		37.10		42.29		46.94		52.10		54.71		56.35		58.04		59.78		61.58		63.42
	2"		32.54		37.10		42.29		46.94		52.10		54.71		56.35		58.04		59.78		61.58		63.42
	3"		32.54		37.10		42.29		46.94		52.10		54.71		56.35		58.04		59.78		61.58		63.42
	4"		32.54		37.10		42.29		46.94		52.10		54.71		56.35		58.04		59.78		61.58		63.42
	6"		32.54		37.10		42.29		46.94		52.10		54.71		56.35		58.04		59.78		61.58		63.42
	8"		32.54		37.10		42.29		46.94		52.10		54.71		56.35		58.04		59.78		61.58		63.42

Volume Rate/1,000 Gal

	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Residential - Double

Monthly Minimum Charge

	3/4"	42.60	48.56	55.36	61.45	68.21	71.62	73.77	75.99	78.26	80.61	83.03
	1"	42.60	48.56	55.36	61.45	68.21	71.62	73.77	75.99	78.26	80.61	83.03
	1 1/2"	42.60	48.56	55.36	61.45	68.21	71.62	73.77	75.99	78.26	80.61	83.03
	2"	42.60	48.56	55.36	61.45	68.21	71.62	73.77	75.99	78.26	80.61	83.03
	3"	42.60	48.56	55.36	61.45	68.21	71.62	73.77	75.99	78.26	80.61	83.03
	4"	42.60	48.56	55.36	61.45	68.21	71.62	73.77	75.99	78.26	80.61	83.03
	6"	42.60	48.56	55.36	61.45	68.21	71.62	73.77	75.99	78.26	80.61	83.03
	8"	42.60	48.56	55.36	61.45	68.21	71.62	73.77	75.99	78.26	80.61	83.03

Volume Rate/1,000 Gal

	Above	-	-	-	-	-	-	-	-	-	-	-
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Residential -Multi

Monthly Minimum Charge

	3/4"	52.67	60.04	68.45	75.98	84.34	88.55	91.21	93.95	96.77	99.67	102.66
	1"	52.67	60.04	68.45	75.98	84.34	88.55	91.21	93.95	96.77	99.67	102.66
	1 1/2"	52.67	60.04	68.45	75.98	84.34	88.55	91.21	93.95	96.77	99.67	102.66
	2"	52.67	60.04	68.45	75.98	84.34	88.55	91.21	93.95	96.77	99.67	102.66
	3"	52.67	60.04	68.45	75.98	84.34	88.55	91.21	93.95	96.77	99.67	102.66
	4"	52.67	60.04	68.45	75.98	84.34	88.55	91.21	93.95	96.77	99.67	102.66
	6"	52.67	60.04	68.45	75.98	84.34	88.55	91.21	93.95	96.77	99.67	102.66
	8"	52.67	60.04	68.45	75.98	84.34	88.55	91.21	93.95	96.77	99.67	102.66

Volume Rate/1,000 Gal

	Above	-	-	-	-	-	-	-	-	-	-	-
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<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 80%;"> TOWN OF JEROME WATER/WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

Residential Outside - Single

Monthly Minimum Charge

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
3/4"	37.19	42.40	48.33	53.65	59.55	62.53	64.40	66.34	68.33	70.38	72.49
1"	37.19	42.40	48.33	53.65	59.55	62.53	64.40	66.34	68.33	70.38	72.49
1 1/2"	37.19	42.40	48.33	53.65	59.55	62.53	64.40	66.34	68.33	70.38	72.49
2"	37.19	42.40	48.33	53.65	59.55	62.53	64.40	66.34	68.33	70.38	72.49
3"	37.19	42.40	48.33	53.65	59.55	62.53	64.40	66.34	68.33	70.38	72.49
4"	37.19	42.40	48.33	53.65	59.55	62.53	64.40	66.34	68.33	70.38	72.49
6"	37.19	42.40	48.33	53.65	59.55	62.53	64.40	66.34	68.33	70.38	72.49
8"	37.19	42.40	48.33	53.65	59.55	62.53	64.40	66.34	68.33	70.38	72.49

Volume Rate/1,000 Gal

Above	-	-	-	-	-	-	-	-	-	-	-
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<div style="border: 1px solid black; padding: 5px; display: inline-block;"> TOWN OF JEROME WATER/WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

3 Residential Monthly Charges -- WATER

5,000 Gallons

City

Total	\$ 25.36	\$ 27.39	\$ 29.58	\$ 31.95	\$ 34.50	\$ 36.92	\$ 39.50	\$ 42.27	\$ 45.23	\$ 48.39	\$ 51.78
Dollar Inc		2.03	2.19	2.37	2.56	2.42	2.58	2.77	2.96	3.17	3.39
Percent Inc		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

10,000 Gallons

City

Total	25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78
Dollar Inc		2.03	2.19	2.37	2.56	2.42	2.58	2.77	2.96	3.17	3.39
Percent Inc		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

20,000 Gallons

City

Total	25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78
Dollar Inc		2.03	2.19	2.37	2.56	2.42	2.58	2.77	2.96	3.17	3.39
Percent Inc		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

30,000 Gallons

City

Total	25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78
Dollar Inc		2.03	2.19	2.37	2.56	2.42	2.58	2.77	2.96	3.17	3.39
Percent Inc		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

4 Commercial Monthly Charges -- WATER

20,000 Gallons

City -- 2" Meter

Total	41.05	44.33	47.88	51.71	55.85	59.76	63.94	68.42	73.21	78.33	83.81
Dollar Inc		3.28	3.55	3.83	4.14	3.91	4.18	4.48	4.79	5.12	5.48
Percent Inc		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

40,000 Gallons

City -- 2" Meter

Total	41.05	44.33	47.88	51.71	55.85	59.76	63.94	68.42	73.21	78.33	83.81
Dollar Inc		3.28	3.55	3.83	4.14	3.91	4.18	4.48	4.79	5.12	5.48
Percent Inc		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 80%;"> TOWN OF JEROME WATER/WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

5 Residential Monthly Charges -- WASTEWATER

5,000 Gallons

City

Total	\$	32.54	\$	37.10	\$	42.29	\$	46.94	\$	52.10	\$	54.71	\$	56.35	\$	58.04	\$	59.78	\$	61.58	\$	63.42
Dollar Inc				4.56		5.19		4.65		5.16		2.61		1.64		1.69		1.74		1.79		1.85
Percent Inc				14.0%		14.0%		11.0%		11.0%		5.0%		3.0%		3.0%		3.0%		3.0%		3.0%

10,000 Gallons

City

Total	32.54	37.10	42.29	46.94	52.10	54.71	56.35	58.04	59.78	61.58	63.42
Dollar Inc		4.56	5.19	4.65	5.16	2.61	1.64	1.69	1.74	1.79	1.85
Percent Inc		14.0%	14.0%	11.0%	11.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%

15,000 Gallons

City

Total	32.54	37.10	42.29	46.94	52.10	54.71	56.35	58.04	59.78	61.58	63.42
Dollar Inc		4.56	5.19	4.65	5.16	2.61	1.64	1.69	1.74	1.79	1.85
Percent Inc		14.0%	14.0%	11.0%	11.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%

20,000 Gallons

City

Total	32.54	37.10	42.29	46.94	52.10	54.71	56.35	58.04	59.78	61.58	63.42
Dollar Inc		4.56	5.19	4.65	5.16	2.61	1.64	1.69	1.74	1.79	1.85
Percent Inc		14.0%	14.0%	11.0%	11.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%

6 Commercial Monthly Charges -- WASTEWATER

20,000 Gallons

City

Total	\$	52.67	\$	60.04	\$	68.45	\$	75.98	\$	84.34	\$	88.55	\$	91.21	\$	93.95	\$	96.77	\$	99.67	\$	102.66
Dollar Inc				7.37		8.41		7.53		8.36		4.22		2.66		2.74		2.82		2.90		2.99
Percent Inc				14.0%		14.0%		11.0%		11.0%		5.0%		3.0%		3.0%		3.0%		3.0%		3.0%

40,000 Gallons

City

Total	52.67	60.04	68.45	75.98	84.34	88.55	91.21	93.95	96.77	99.67	102.66
Dollar Inc		7.37	8.41	7.53	8.36	4.22	2.66	2.74	2.82	2.90	2.99
Percent Inc		14.0%	14.0%	11.0%	11.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%

TOWN OF JEROME											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Forecast Summary

Scenario: 2023 09 24 -- Scenario I (GF Transfer)

1 Water and Wastewater Rates

Water Rates -- Residential (All)

Monthly Minimum Charge

5/8"	\$	25.36	\$	27.39	\$	29.58	\$	31.95	\$	34.50	\$	36.92	\$	39.50	\$	42.27	\$	45.23	\$	48.39	\$	51.78
1"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
1 1/2"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
2"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
3"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
4"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
6"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78
8"		25.36		27.39		29.58		31.95		34.50		36.92		39.50		42.27		45.23		48.39		51.78

Volume Rate Per 1,000 Gal

-	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Wastewater Rates - Residential

Monthly Minimum Charge	32.54	37.10	42.29	46.94	52.10	54.71	56.35	58.04	59.78	61.58	63.42
Volume Rate/1,000 Gal	-	-	-	-	-	-	-	-	-	-	-

2 Residential Standard Monthly Bill -- 3/4" Meter

5,000 Gal	Total	5/5	\$	57.90	\$	64.48	\$	71.87	\$	78.89	\$	86.61	\$	91.63	\$	95.85	\$	100.31	\$	105.01	\$	109.97	\$	115.20
Water & WW	Increase -- \$			6.58		7.38		7.02		7.72		5.02		4.23		4.46		4.70		4.96		5.23		
	Increase -- %			11.4%		11.5%		9.8%		9.8%		5.8%		4.6%		4.6%		4.7%		4.7%		4.8%		
7,000 Gal	Total	7/5		57.90		64.48		71.87		78.89		86.61		91.63		95.85		100.31		105.01		109.97		115.20
Water & WW	Increase -- \$			6.58		7.38		7.02		7.72		5.02		4.23		4.46		4.70		4.96		5.23		
	Increase -- %			11.4%		11.5%		9.8%		9.8%		5.8%		4.6%		4.6%		4.7%		4.7%		4.8%		
15,000 Gal	Total	15/10		57.90		64.48		71.87		78.89		86.61		91.63		95.85		100.31		105.01		109.97		115.20
Water & WW	Increase -- \$			6.58		7.38		7.02		7.72		5.02		4.23		4.46		4.70		4.96		5.23		
	Increase -- %			11.4%		11.5%		9.8%		9.8%		5.8%		4.6%		4.6%		4.7%		4.7%		4.8%		

TOWN OF JEROME WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Forecast Summary											
Scenario: 2023 09 24 -- Scenario I (GF Transfer)											
3 Revenues and Expenses											
Beginning Utility Fund Balance	\$ 11,243	\$ 11,243	\$ 42,560	\$ 16,056	\$ 6,416	\$ 13,836	\$ 33,828	\$ 54,928	\$ 74,418	\$ 92,974	\$ 111,355
Fund Balance Use	-	-	-	-	-	-	-	-	-	-	-
Water Rate Revenues	178,610	194,128	210,986	229,298	248,185	267,208	287,678	309,704	333,405	358,906	
WW Rate Revenues	187,957	215,976	245,225	274,331	299,538	314,353	326,261	338,601	351,387	364,636	
Non-Rate Revenues	454,996	454,996	454,996	454,996	454,996	454,996	454,996	454,996	454,996	454,996	
Total Revenues	821,563	865,100	911,206	958,625	1,002,719	1,036,557	1,068,935	1,103,301	1,139,788	1,178,538	
Operating Expenses	676,230	696,613	722,367	749,133	776,952	805,870	835,932	867,186	899,683	933,474	
Net Revenues for Transfers,Capital Outlays and Debt Service	145,333	168,487	188,839	209,493	225,767	230,687	233,003	236,115	240,105	245,064	
Capital Outlays	-	-	-	-	-	-	-	-	-	-	
Capital Outlays -Repair & Replacement	-	-	-	-	-	-	-	-	-	-	
Total Operating Expense/Capital Outlays	676,230	696,613	722,367	749,133	776,952	805,870	835,932	867,186	899,683	933,474	
Net Revenues Available for Debt Service	145,333	168,487	188,839	209,493	225,767	230,687	233,003	236,115	240,105	245,064	
Current Debt Service	-	-	-	-	-	-	-	-	-	-	
Future Debt Service	-	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	
Total Debt Service	-	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	
Net Revenues for Contingencies and Transfers	145,333	89,792	110,145	130,798	147,073	151,993	154,309	157,420	161,411	166,369	
Total Contingencies & Transfers	114,016	116,296	119,785	123,379	127,080	130,893	134,819	138,864	143,030	147,321	
Total Cost of Service	790,246	891,604	920,846	951,206	982,727	1,015,457	1,049,446	1,084,745	1,121,407	1,159,489	
Net Revenues	31,317	(26,504)	(9,640)	7,420	19,993	21,100	19,489	18,557	18,381	19,049	
Percent of COS	4.0%	-3.0%	-1.0%	0.8%	2.0%	2.1%	1.9%	1.7%	1.6%	1.6%	
Ending Utility Fund Balance	42,560	16,056	6,416	13,836	33,828	54,928	74,418	92,974	111,355	130,404	
Revenue Adequacy Tests											
Total Expense (Budgetary Basis)	676,230	775,307	801,061	827,827	855,647	884,564	914,627	945,881	978,377	1,012,169	
Expenses per Day	1,852.68	2,124	2,195	2,268	2,344	2,423	2,506	2,591.45	2,680	2,773	
Debt Coverage (excludes Capital Outlays and G/F Transfers)	-	2.14	2.40	2.66	2.87	2.93	2.96	3.00	3.05	3.11	
Goal is 1.60 and Minimum is 1.20											

<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 80%;"> TOWN OF JEROME WATER/WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Forecast Summary

Scenario: 2023 09 24 -- Scenario I (GF Transfer)

4 Total Accounts

Water Accounts

Total Accounts	347	350	353	356	359	362	365	368	371	374
New Accounts	-	3	3	3	3	3	3	3	3	3
Avg. Annual Growth Rate		0.86%	0.86%	0.85%	0.84%	0.84%	0.83%	0.82%	0.82%	0.81%

Wastewater Accounts

Total Accounts	256	259	262	265	268	271	274	277	280	283
New Accounts	-	3	3	3	3	3	3	3	3	3
Avg. Annual Growth Rate		1.17%	1.16%	1.15%	1.13%	1.12%	1.11%	1.09%	1.08%	1.07%

5 Annual Volume

Water Volume

Residential -Single	5,398,885	5,506,862	5,614,139	5,720,736	5,826,676	5,931,977	6,036,659	6,140,740	6,244,235	6,347,162
Residential - Double	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483
Residential -Multi	4,149,993	4,203,656	4,257,093	4,310,306	4,363,302	4,416,084	4,468,656	4,521,023	4,573,189	4,625,157
Residential Outside - Single	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789
Residential Outside - Double	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926
Residential Outside - Multi	862,747	862,747	862,747	862,747	862,747	862,747	862,747	862,747	862,747	862,747
Commercial	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400
Other 4	-	-	-	-	-	-	-	-	-	-
Other 5	-	-	-	-	-	-	-	-	-	-
Other 6	-	-	-	-	-	-	-	-	-	-
Total System	31,858,222	32,019,863	32,180,576	32,340,387	32,499,322	32,657,406	32,814,660	32,971,107	33,126,769	33,281,664

Wastewater Billing Units

Residential -Single	5,411,777	5,520,013	5,627,546	5,734,398	5,840,590	5,946,143	6,051,075	6,155,404	6,259,147	6,362,320
Residential - Double	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483
Residential -Multi	3,441,133	3,485,630	3,529,939	3,574,063	3,618,006	3,661,773	3,705,365	3,748,787	3,792,043	3,835,134
Residential Outside - Single	-	-	-	-	-	-	-	-	-	-
Residential Outside - Double	216,471	216,471	216,471	216,471	216,471	216,471	216,471	216,471	216,471	216,471
Residential Outside - Multi	-	-	-	-	-	-	-	-	-	-
Commercial	-	-	-	-	-	-	-	-	-	-
Other4	-	-	-	-	-	-	-	-	-	-
Other5	-	-	-	-	-	-	-	-	-	-
Other6	-	-	-	-	-	-	-	-	-	-
Total System	14,245,864	14,398,597	14,550,438	14,701,415	14,851,551	15,000,870	15,149,394	15,297,145	15,444,143	15,590,408

TOWN OF JEROME													
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		

Water Summary
Scen: 2023 09 24 -- Scenario I (GF Transfer)

1 **Water Monthly Rates and Charges**

Residential -Single

Monthly Minimum Charge

5/8"		\$ 25.36	\$ 27.39	\$ 29.58	\$ 31.95	\$ 34.50	\$ 36.92	\$ 39.50	\$ 42.27	\$ 45.23	\$ 48.39	\$ 51.78
1"		25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78
1 1/2"		25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78
2"		25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78
3"		25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78
4"		25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78
6"		25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78
8"		25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78

Volume Rate/1,000 Gal

-	Above											
-	Above											
-	Above											

Residential -Multi

Monthly Minimum Charge

5/8"		33.20	35.86	38.72	41.82	45.17	48.33	51.71	55.33	59.21	63.35	67.79
1"		33.20	35.86	38.72	41.82	45.17	48.33	51.71	55.33	59.21	63.35	67.79
1 1/2"		33.20	35.86	38.72	41.82	45.17	48.33	51.71	55.33	59.21	63.35	67.79
2"		33.20	35.86	38.72	41.82	45.17	48.33	51.71	55.33	59.21	63.35	67.79
3"		33.20	35.86	38.72	41.82	45.17	48.33	51.71	55.33	59.21	63.35	67.79
4"		33.20	35.86	38.72	41.82	45.17	48.33	51.71	55.33	59.21	63.35	67.79
6"		33.20	35.86	38.72	41.82	45.17	48.33	51.71	55.33	59.21	63.35	67.79
8"		33.20	35.86	38.72	41.82	45.17	48.33	51.71	55.33	59.21	63.35	67.79

Volume Rate Per 1,000 Gal - Commercial

-	Above											
-	Above											
-	Above											

2.1 **Residential Monthly Charge**

5,000 Gallons	Total	\$ 25.36	\$ 27.39	\$ 29.58	\$ 31.95	\$ 34.50	\$ 36.92	\$ 39.50	\$ 42.27	\$ 45.23	\$ 48.39	\$ 51.78	
	Dollar Inc		2.03	2.19	2.37	2.56	2.42	2.58	2.77	2.96	3.17	3.39	
	Percent Inc		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
10,000 Gallons	Total	25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78	
	Dollar Inc		2.03	2.19	2.37	2.56	2.42	2.58	2.77	2.96	3.17	3.39	
	Percent Inc		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
20,000 Gallons	Total	25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78	
	Dollar Inc		2.03	2.19	2.37	2.56	2.42	2.58	2.77	2.96	3.17	3.39	
	Percent Inc		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
30,000 Gallons	Total	25.36	27.39	29.58	31.95	34.50	36.92	39.50	42.27	45.23	48.39	51.78	
	Dollar Inc		2.03	2.19	2.37	2.56	2.42	2.58	2.77	2.96	3.17	3.39	
	Percent Inc		8.0%	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	

TOWN OF JEROME											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

2.2 Commercial Monthly Charge

10,000 Gallons																						
3/4"	\$	33.20	\$	35.86	\$	38.72	\$	41.82	\$	45.17	\$	48.33	\$	51.71	\$	55.33	\$	59.21	\$	63.35	\$	67.79
1"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
1 1/2"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
2"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
3"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
4"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
6"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
8"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79

20,000 Gallons																						
3/4"	\$	33.20	\$	35.86	\$	38.72	\$	41.82	\$	45.17	\$	48.33	\$	51.71	\$	55.33	\$	59.21	\$	63.35	\$	67.79
1"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
1 1/2"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
2"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
3"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
4"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
6"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
8"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79

50,000 Gallons																						
3/4"	\$	33.20	\$	35.86	\$	38.72	\$	41.82	\$	45.17	\$	48.33	\$	51.71	\$	55.33	\$	59.21	\$	63.35	\$	67.79
1"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
1 1/2"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
2"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
3"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
4"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
6"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79
8"		33.20		35.86		38.72		41.82		45.17		48.33		51.71		55.33		59.21		63.35		67.79

3 Total Accounts

Total Accounts				347	350	353	356	359	362	365	368	371	374
New Accounts				3	3	3	3	3	3	3	3	3	3
Avg. Annual Growth Rate				0.86%	0.86%	0.85%	0.84%	0.84%	0.83%	0.82%	0.82%	0.81%	0.81%

TOWN OF JEROME											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

4 Annual Water Consumption

W.1	Residential - Single	5,398,885	5,506,862	5,614,139	5,720,736	5,826,676	5,931,977	6,036,659	6,140,740	6,244,235	6,347,162
W.2	Residential - Double	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483
W.3	Residential - Multi	4,149,993	4,203,656	4,257,093	4,310,306	4,363,302	4,416,084	4,468,656	4,521,023	4,573,189	4,625,157
W.4	Residential Outside - Single	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789	1,960,789
W.5	Residential Outside - Double	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926	1,803,926
W.6	Residential Outside - Multi	862,747	862,747	862,747	862,747	862,747	862,747	862,747	862,747	862,747	862,747
W.7	Commercial	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400	12,505,400
W.8	Other 4	-	-	-	-	-	-	-	-	-	-
W.9	Other 5	-	-	-	-	-	-	-	-	-	-
W.10	Other 6	-	-	-	-	-	-	-	-	-	-
	Total System	31,858,222	32,019,863	32,180,576	32,340,387	32,499,322	32,657,406	32,814,660	32,971,107	33,126,769	33,281,664

5 Revenues and Expenses -- CASH BASIS

Water Revenues

Water Rate Revenue

W.1	Residential - Single	\$ 23,585	\$ 26,151	\$ 28,976	\$ 32,087	\$ 35,366	\$ 38,754	\$ 42,442	\$ 46,457	\$ 50,826	\$ 55,579
W.2	Residential - Double	29,641	32,012	34,573	37,339	40,164	42,975	45,983	49,202	52,646	56,332
W.3	Residential - Multi	29,523	32,435	35,623	39,114	42,763	46,494	50,539	54,921	59,670	64,814
W.4	Residential Outside - Single	9,706	10,482	11,321	12,227	13,151	14,072	15,057	16,111	17,239	18,446
W.5	Residential Outside - Double	12,679	13,693	14,789	15,972	17,180	18,383	19,669	21,046	22,520	24,096
W.6	Residential Outside - Multi	7,672	8,286	8,949	9,665	10,396	11,123	11,902	12,735	13,627	14,581
W.7	Commercial	65,804	71,069	76,754	82,895	89,165	95,407	102,085	109,231	116,877	125,059
W.8	Other 4	-	-	-	-	-	-	-	-	-	-
W.9	Other 5	-	-	-	-	-	-	-	-	-	-
W.10	Other 6	-	-	-	-	-	-	-	-	-	-
		178,610	194,128	210,986	229,298	248,185	267,208	287,678	309,704	333,405	358,906
	Non-Rate Revenues	333,958	333,958	333,958	333,958	333,958	333,958	333,958	333,958	333,958	333,958
	Total Revenues	512,568	528,086	544,944	563,256	582,143	601,166	621,636	643,662	667,363	692,864

TOWN OF JEROME WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

Water Cost of Service

Budget Code

P	Personnel	\$ 129,500	\$ 135,975	\$ 142,774	\$ 149,912	\$ 157,408	\$ 165,278	\$ 173,542	\$ 182,220	\$ 191,330	\$ 200,897
SE	Services	83,300	85,289	88,073	90,952	93,930	97,009	100,193	103,487	106,895	110,419
SU	Supplies	237,000	241,746	249,005	256,482	264,184	272,117	280,288	288,704	297,373	306,302
L	Lease	950	969	998	1,028	1,059	1,091	1,123	1,157	1,192	1,228
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
	Total	450,750	463,979	480,850	498,375	516,580	535,495	555,147	575,568	596,790	618,846

Department Code

W	Water	\$ 450,750	\$ 463,979	\$ 480,850	\$ 498,375	\$ 516,580	\$ 535,495	\$ 555,147	\$ 575,568	\$ 596,790	\$ 618,846
WW	Wastewater	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
	Total	450,750	463,979	480,850	498,375	516,580	535,495	555,147	575,568	596,790	618,846

Total Operating Expenses

450,750	463,979	480,850	498,375	516,580	535,495	555,147	575,568	596,790	618,846
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Net Revenues for Transfers, Capital Outlays and Debt Service

61,818	64,107	64,094	64,881	65,563	65,672	66,489	68,095	70,573	74,018
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Capital Outlays

-	-	-	-	-	-	-	-	-	-
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Debt Service

Debt Service -- Current

-	-	-	-	-	-	-	-	-	-
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Debt Service -- Future

-	-	-	-	-	-	-	-	-	-
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Total Debt Service

-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---

Net Revenues for Contingencies & Transfers

61,818	64,107	64,094	64,881	65,563	65,672	66,489	68,095	70,573	74,018
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Total Contingencies & Transfers

57,008	58,148	59,893	61,689	63,540	65,446	67,410	69,432	71,515	73,660
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Total Cost of Service

507,758	522,127	540,743	560,064	580,121	600,941	622,556	645,000	668,305	692,506
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Net Revenues

4,810	5,959	4,201	3,192	2,023	225	(920)	(1,337)	(942)	358
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Percent of COS

0.9%	1.1%	0.8%	0.6%	0.3%	0.0%	-0.1%	-0.2%	-0.1%	0.1%
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Debt Coverage

(excludes Capital Outlays, G/F Transfers)

-	-	-	-	-	-	-	-	-	-
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TOWN OF JEROME											
WATER/WASTEWATER COST OF SERVICE MODEL											
Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	

Wastewater Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

1 Wastewater Monthly Rates and Charges

Residential -Single

Monthly Minimum Charge	\$	32.54	\$	37.10	\$	42.29	\$	46.94	\$	52.10	\$	54.71	\$	56.35	\$	58.04	\$	59.78	\$	61.58	\$	63.42	
Volume Rate/1,000 Gal		-		-		-		-		-		-		-		-		-		-		-	

Commercial

Monthly Minimum Charge

3/4"	\$	42.60	\$	48.56	\$	55.36	\$	61.45	\$	68.21	\$	71.62	\$	73.77	\$	75.99	\$	78.26	\$	80.61	\$	83.03
1"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
1 1/2"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
2"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
3"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
4"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
6"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
8"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03

Volume Rate Per 1,000 Gal - Commercial

Above	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
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2.1 Residential Monthly Charge

	5,000 Gallons		Total	\$	32.54	\$	37.10	\$	42.29	\$	46.94	\$	52.10	\$	54.71	\$	56.35	\$	58.04	\$	59.78	\$	61.58	\$	63.42
			Dollar Inc		4.56		5.19		4.65		5.16		2.61		1.64		1.69		1.74		1.79		1.85		
			Percent Inc		14.0%		14.0%		11.0%		11.0%		5.0%		3.0%		3.0%		3.0%		3.0%		3.0%		
	10,000 Gallons		Total	32.54	37.10	42.29	46.94	52.10	54.71	56.35	58.04	59.78	61.58	63.42											
			Dollar Inc		4.56	5.19	4.65	5.16	2.61	1.64	1.69	1.74	1.79	1.85											
			Percent Inc		14.0%	14.0%	11.0%	11.0%	5.0%	3.0%	3.0%	3.0%	3.0%												
	20,000 Gallons		Total	32.54	37.10	42.29	46.94	52.10	54.71	56.35	58.04	59.78	61.58	63.42											
			Dollar Inc		4.56	5.19	4.65	5.16	2.61	1.64	1.69	1.74	1.79	1.85											
			Percent Inc		14.0%	14.0%	11.0%	11.0%	5.0%	3.0%	3.0%	3.0%	3.0%												
	30,000 Gallons		Total	32.54	37.10	42.29	46.94	52.10	54.71	56.35	58.04	59.78	61.58	63.42											
			Dollar Inc		4.56	5.19	4.65	5.16	2.61	1.64	1.69	1.74	1.79	1.85											
			Percent Inc		14.0%	14.0%	11.0%	11.0%	5.0%	3.0%	3.0%	3.0%	3.0%												

TOWN OF JEROME											
WATER/WASTEWATER COST OF SERVICE MODEL											
Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	

Wastewater Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

2.2 Commercial Monthly Charge

10,000 Gallons																							
3/4"	\$	42.60	\$	48.56	\$	55.36	\$	61.45	\$	68.21	\$	71.62	\$	73.77	\$	75.99	\$	78.26	\$	80.61	\$	83.03	
1"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03	
1 1/2"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03	
2"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03	
3"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03	
4"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03	
6"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03	
8"		42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03	
20,000 Gallons		\$	42.60	\$	48.56	\$	55.36	\$	61.45	\$	68.21	\$	71.62	\$	73.77	\$	75.99	\$	78.26	\$	80.61	\$	83.03
3/4"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
1"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
1 1/2"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
2"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
3"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
4"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
6"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
8"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
50,000 Gallons		\$	42.60	\$	48.56	\$	55.36	\$	61.45	\$	68.21	\$	71.62	\$	73.77	\$	75.99	\$	78.26	\$	80.61	\$	83.03
3/4"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
1"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
1 1/2"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
2"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
3"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
4"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
6"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03
8"			42.60		48.56		55.36		61.45		68.21		71.62		73.77		75.99		78.26		80.61		83.03

TOWN OF JEROME											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Wastewater Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

3 Total Accounts

Total Accounts	256	259	262	265	268	271	274	277	280	283
New Accounts	3	3	3	3	3	3	3	3	3	3
Avg. Annual Growth Rate		1.17%	1.16%	1.15%	1.13%	1.12%	1.11%	1.09%	1.08%	1.07%

4 Annual Wastewater Billing Units

WW.1	Residential -Single	5,411,777	5,520,013	5,627,546	5,734,398	5,840,590	5,946,143	6,051,075	6,155,404	6,259,147	6,362,320
WW.2	Residential - Double	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483	5,176,483
WW.3	Residential -Multi	3,441,133	3,485,630	3,529,939	3,574,063	3,618,006	3,661,773	3,705,365	3,748,787	3,792,043	3,835,134
WW.4	Residential Outside - Single										
WW.5	Residential Outside - Double	216,471	216,471	216,471	216,471	216,471	216,471	216,471	216,471	216,471	216,471
WW.6	Residential Outside - Multi	-	-	-	-	-	-	-	-	-	-
WW.7	Commercial	-	-	-	-	-	-	-	-	-	-
WW.8	Other4	-	-	-	-	-	-	-	-	-	-
WW.9	Other5	-	-	-	-	-	-	-	-	-	-
WW.10	Other6	-	-	-	-	-	-	-	-	-	-
	Total System	14,245,864	14,398,597	14,550,438	14,701,415	14,851,551	15,000,870	15,149,394	15,297,145	15,444,143	15,590,408

5 Revenues and Expenses -- CASH BASIS

Wastewater Revenues

Wastewater Rate Revenue

WW.1	Residential -Single	28,515	33,449	38,743	44,183	49,147	52,513	55,458	58,532	61,740	65,089
WW.2	Residential - Double	35,707	40,706	45,857	50,901	55,150	57,435	59,158	60,933	62,761	64,643
WW.5	Residential -Multi	29,432	34,315	39,516	44,816	49,590	52,721	55,410	58,214	61,136	64,181
WW.6	Residential Outside - Single	-	-	-	-	-	-	-	-	-	-
WW.5	Residential Outside - Double	1,999	2,279	2,567	2,850	3,088	3,216	3,312	3,411	3,514	3,619
WW.6	Residential Outside - Multi	-	-	-	-	-	-	-	-	-	-
WW.7	Commercial	92,304	105,226	118,541	131,580	142,563	148,469	152,923	157,511	162,236	167,103
WW.8	Other4	-	-	-	-	-	-	-	-	-	-
WW.9	Other5	-	-	-	-	-	-	-	-	-	-
WW.10	Other6	-	-	-	-	-	-	-	-	-	-
		187,957	215,976	245,225	274,331	299,538	314,353	326,261	338,601	351,387	364,636
	Non-Rate Revenues	121,038	121,038	121,038	121,038	121,038	121,038	121,038	121,038	121,038	121,038
	Total Revenues	308,995	337,014	366,263	395,369	420,576	435,391	447,299	459,639	472,425	485,674

TOWN OF JEROME											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Wastewater Summary

Scen: 2023 09 24 -- Scenario I (GF Transfer)

Wastewater Cost of Service

Budget Code

P	Personnel	\$	69,680	\$	73,164	\$	76,822	\$	80,663	\$	84,696	\$	88,931	\$	93,378	\$	98,047	\$	102,949	\$	108,097
SE	Services		99,250		101,625		104,947		108,382		111,934		115,608		119,408		123,339		127,405		131,611
SU	Supplies		55,650		56,927		58,802		60,739		62,738		64,803		66,935		69,137		71,410		73,758
L	Lease		900		918		946		974		1,003		1,033		1,064		1,096		1,129		1,163
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
	Total		225,480		232,634		241,517		250,758		260,372		270,376		280,785		291,619		302,893		314,629

Department Code

W	Water	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
WW	Wastewater		225,480		232,634		241,517		250,758		260,372		270,376		280,785		291,619		302,893		314,629
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
	Total		225,480		232,634		241,517		250,758		260,372		270,376		280,785		291,619		302,893		314,629

Total Operating Expenses

Net Revenues for Transfers, Capital Outlays and Debt Service

Capital Outlays

Debt Service

Debt Service -- Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service -- Future	-	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694
Total Debt Service	-	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694	78,694

Net Revenues for Contingencies & Transfers

Total Contingencies & Transfers

Total Cost of Service

Net Revenues	26,507	(32,463)	(13,841)	4,228	17,970	20,875	20,410	19,894	19,323	18,691
Percent of COS	8.6%	-9.6%	-3.8%	1.1%	4.3%	4.8%	4.6%	4.3%	4.1%	3.8%
Debt Coverage (excludes Debt, Cap Outlays, G/F Transfers)	-	1.33	1.59	1.84	2.04	2.10	2.12	2.14	2.15	2.17