

City of Sedona, AZ



2021 Sewer Capacity Fee Study





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Section 1 – Executive Summary

Willdan Financial Services and Pat Walker Consulting LLC (“the Willdan Team”) was retained by the City of Sedona, Arizona (“City”) to conduct a Capacity Fee Study (“Capacity Fee Study”) for the City’s Sewer utilities (“Utility”). This report details the results of the capacity fee analysis.

1.1 Goals and Objectives

The primary goal of the Capacity Fee Study was to develop cost-based capacity fees that reflect the cost of providing sewer capacity to new development and will allow the City to meet its ongoing costs (capital), to provide the infrastructure necessary to allow new development to occur.

1.2 Findings and Recommendations

The capacity fees identified in Table 1-1 represent the cost to the City to provide infrastructure to new development connecting to the City’s sewer system. It is recommended that the City implement the identified fees and that the fees be updated annually based on a cost escalation factor such as the Engineering News Record Construction Cost Index (ENR CCI). Additionally, as significant changes occur (either new development or system capacity) we recommend a more in depth analysis be undertaken to update the City’s capacity fees.

WSFU Range	Capacity Fee
0 – 8	\$4,088
8.1 - 17	10,461
17.1 – 29	18,565
29.1 – 42	27,835
42.1 – 55	37,326
> 55 (per WSFU)	730.01

1.3 Organization of this Report

This Capacity Fee Study presents an overview of the analysis concepts employed in the development of the fees contained herein. The analysis is followed by a discussion of the data, assumptions and results associated with each component of the analysis. Finally, an appendix with detailed schedules are presented for further investigation into the data, assumptions and calculations which drive the results presented in this Capacity Fee Study. The report is organized as follows:

- Section 1 – Executive Summary



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- Section 2 – Overview of Capacity Fees
 - Section 3 – Development of Capacity Fees
 - Appendix A – Capacity Fee Analysis

1.4 Reliance on Data

During this project the City (and/or its representatives) provided the Willdan Team with a variety of technical information, including capital cost data. This data was used by the Willdan Team in the process of developing the capacity fees. The Willdan Team did not independently assess or test for the accuracy of such data historic or projected but worked with City staff to better understand the data and believe it to be the best available information at the time of the study.

1.5 Acknowledgements

We wish to extend our appreciation to the City and its staff for their cooperation during the progress of this study. In particular, we would like to thank Ms. Cherie Wright, Finance Director and Ms. Roxanne Holland, PE, Wastewater Manager.



Section 2 – Overview of Capacity Fees

2.1 Introduction

Sewer capacity fees are one-time charges that reflect the demands and costs created by new development for additional sewer capacity. More specifically a capacity fee is defined as:

Capacity fees reflect the demands and costs created by new development for additional water and wastewater capacity. Generally, capacity fees are required to demonstrate a reasonable connection between the amount of the fee and the cost to serve new development. Arizona law requires that “any proposed water or wastewater rate or rate component; fee or service charge adjustment or increase shall be just and reasonable”.

The infrastructure included in capacity fees are large, system level components and do not include on-site or site-specific improvements. Components of sewer system capacity can include treatment facilities, interceptors, and collection lines.

The proposed sewer capacity fees have been developed in accordance with Arizona Revised Statutes (ARS) §9-511.01.

As previously mentioned, capacity fees are required to demonstrate a reasonable connection or rational nexus between the amount of the fee and the cost to serve new development (i.e. new development’s proportionate share of infrastructure capacity costs). The additional capacity required for new growth can be the repayment of “buying into” existing capacity or the completion of utility projects to provide additional capacity. This report documents the assumptions, methodologies, and calculations upon which the capacity fees are based. As documented in this report, the capacity fees are just and reasonable and represent new development’s proportionate share of costs for growth related sewer projects from which it will directly benefit.

The infrastructure included in the proposed capacity fees are large, system level components and do not include on-site or site specific improvements.

2.2 Calculation Methodologies

There are three basic methodologies used to calculate the various components of the City’s capacity fees. The methodologies are used to determine the best measure of demand created by new development for each component of the capacity fees. The methodologies can be classified as looking at the past, present and future capacities of infrastructure. The three basic methodologies are described below:

The **buy-in** methodology, is used where infrastructure has been built in advance of new development and excess capacity is available for new development. Under this methodology, new development repays the community for previous capacity investments via the capacity fee. The funds are then available for future expansion of the system.

The **incremental** methodology uses the City’s capital improvement plan (CIP) and related master plans to determine new developments share of planned projects. Projects that do not add capacity, such as routine

maintenance or replacement of existing facilities, are not included in the fees. Projects that add capacity are further evaluated as to the percentage of the project attributable to existing development versus new development. Only the incremental projects attributable to new development is included in the capacity fees.

The third approach is a **hybrid** methodology. The hybrid approach is used in situations where there is available capacity in the existing system, but there are also future improvements that require additional upgrades or expansion. For example, a sewer treatment plant has available capacity to serve new development, but the plant needs to be upgraded to meet new treatment regulations.

The sewer capacity fees were calculated using the buy-in method. Figure 1-1 summarizes the capacity fee calculation process.

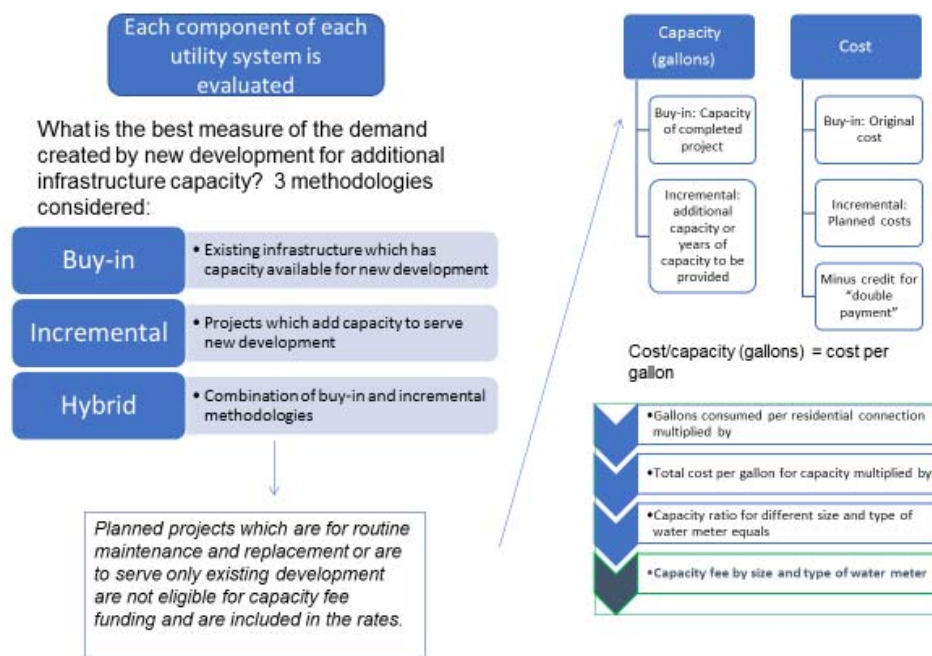


Figure 1-1 Capacity Fee Calculation Process



Section 3 – Development of Capacity Fees

3.1 System Valuation

The current value of the City’s sewer system assets was brought to today’s dollars using the Engineering News Record (ENR) Construction Cost Index (CCI). Using this index attempts to value the City’s assets at what it would cost to purchase or construct those assets today. It is important to recognize, however, that these assets are not new and are not being purchased today, but rather have been depreciated over time. Therefore, the accumulated depreciation is subtracted from the calculated current day value of the assets to determine what is referred to as the Replacement Cost New Less Depreciation (RCNLD) fixed asset value. The RCNLD fixed asset value for the City’s sewer assets was calculated at \$171,314,754. There is currently outstanding debt that was used to purchase or construct the fixed assets of the sewer system and the debt will be repaid through monthly sewer rates. To prevent new development from paying for the assets twice (once through the capacity fee and then again through rates which pay debt service), the outstanding debt principle of \$13,300,000 is subtracted from the system value to determine a new system value for the basis of calculating capacity fees. The adjusted system value is calculated at \$158,014,754. A full list of the City’s fixed assets can be found in Appendix A, while table 3-1 provides a summary of all components of the sewer system valuation.

Description	Value
Land	\$11,209,526
Sewer Infrastructure	149,129,961
Buildings	10,225,055
Vehicles and Equipment	<u>750,211</u>
Subtotal	171,314,754
Less: Debt Service Principle	<u>(13,300,00)</u>
Total	\$158,014,754

3.2 Cost Summary

Table 3-2 summarizes the demand factors based on actual sewer flows for the City of Sedona and the cost per equivalent dwelling unit (EDU) for additional sewer capacity to identify the additional capital cost per EDU of capacity. The cost is further subdivided to a cost per Water Supply Fixture Unit (WSFU) to serve future development.



Table 3-2 Sewer Capacity Fee Calculation		
Description	Units	Value/Fee
System Value (a)		\$158,014,754
System Capacity (b)	1,600,000	
Gallons of Demand per EDU (c)	167.79	
Incremental EDUs to be Served (b / c = d)		<u>9,536</u>
Fee per EDU (a / d = e)		\$16,571
Average Supply Fixture Units per EDU (f)		22.7
Capacity Fee per WSFU (e / f)		\$730.01

3.3 Calculated Capacity Fees

Through discussions with City staff, specifically the Chief Building Official, the proposed approach to assessing capacity fees for single family residential developments are based on a range of supply fixture units associated with the size of the dwelling unit. The smaller the home the fewer the WSFUs and the lower the fee. The intent of the proposed approach is to provide a matching between the demand placed on the sewer system and the cost associated with the capacity required for the development. The proposed fees are based on the ranges of single family residential developments currently experienced by the City, but would apply to all new development. In other words, a new development will pay the same capacity fee for the same number of WSFUs regardless of the type of development (residential or non-residential). Table 3-3 summarizes the proposed ranges and associated capacity fees.

Table 3-3 Proposed Capacity Fees	
WSFU Range	Capacity Fee
0 – 8	\$4,088
8.1 - 17	10,461
17.1 – 29	18,565
29.1 – 42	27,835
42.1 – 55	37,326
> 55 (per WSFU)	730.01

The fees presented in Table 3-3 represent the maximum supportable capacity fees for FY 2021-22 and should be escalated annually using the ENR CCI or similar inflationary index to reflect the increased cost of capital materials.



The full sewer capacity fee analysis can be found in Appendix A.

3.4 Capacity Fees Cashflows

Based on the fees identified in Section 3.3, capacity fee revenue for FY 2021-22 through FY 2028-29 is projected at \$6.50 million. Expansion capital related improvements during the same period are projected at \$6.04 million. The capacity fee cashflow can be found in Appendix A.

APPENDIX A

Capacity Fee Analysis

Sedona
Sewer Capacity Fee Model
Capacity Fee Calculation - Summary

Fee per WSFU \$730.01

<u>WSFU Range</u>	<u>Capacity Fee</u>
0 - 8	\$4,088
8.1 - 17	10,461
17.1 - 29	18,565
29.1 - 42	27,835
42.1 - 55	37,326
> 55 (per WSFU)	\$730.01

Sedona
Sewer Capacity Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
Land								
2018590012	WW Driveway Project	2018	\$36,755	\$1,472	\$35,283	1.04	\$36,755	\$35,283
597395	LAND-WASTE TRTMT PLNT SED DELL	1992	1,917,849	0	1,917,849	2.33	1,917,849	1,917,849
	WW El Camino Fence	2020	14,945	114	14,831	1.00	14,945	14,831
597396	SWR EASEMENTS FOR 90-91	1991	670	0	670	2.40	670	670
597543	SWR ESMTS 91-92 FISCAL YR PURC	1992	16,047	0	16,047	2.33	16,047	16,047
597631	BREWER RD PUMP STATION LOT 1	1993	113,173	0	113,173	2.23	113,173	113,173
597632	CARROLL CYN PUMPING STATION	1991	70,717	0	70,717	2.40	70,717	70,717
597635	SEWER EASEMENTS FOR 92-93	1993	33,316	0	33,316	2.23	33,316	33,316
597636	EL CAMINO PUMP STATION	1992	70,000	0	70,000	2.33	70,000	70,000
597647	SEDONA DELLS PROP. CRT SETTLEM	1992	2,940,792	0	2,940,792	2.33	2,940,792	2,940,792
597685	VARIOUS LAND COST	1993	25,580	0	25,580	2.23	25,580	25,580
597698	EASEMENT-OAKCREEK MOBILODGE	1993	70,607	0	70,607	2.23	70,607	70,607
597700	PHILLIPPI LIFT STATIONS	1993	27,192	0	27,192	2.23	27,192	27,192
597761	SHELBY TREATMENT PLANT	1993	340,669	0	340,669	2.23	340,669	340,669
597766	SEWER EASEMENTS FOR 93-94	1994	2,616	0	2,616	2.15	2,616	2,616
597859	SEWER EASEMENTS FOR 94-95	1995	5,900	0	5,900	2.13	5,900	5,900
597999	SEWER EASEMENTS FOR 95-96	1996	5,035	0	5,035	2.07	5,035	5,035
598047	SEWER EASEMENTS 96-97	1997	56,190	0	56,190	2.00	56,190	56,190
598050	SWR - FY97-98 EASEMENTS	1998	125,188	0	125,188	1.96	125,188	125,188
598057	EASEMENTS 98/99	1999	143,769	0	143,769	1.92	143,769	143,769
598060	EASEMENTS 99/00	2000	13,222	0	13,222	1.87	13,222	13,222
598067	SEWER EASEMENTS 2000-01	2001	7,020	0	7,020	1.83	7,020	7,020
598076	SEWER EASEMENTS - FY 01-02	2002	15,508	0	15,508	1.78	15,508	15,508
598079	AREA 4 US FOREST 265 ACRES	2002	5,008,432	0	5,008,432	1.78	5,008,432	5,008,432
598083	SEWER EASEMENTS - FY 02-03	2003	9,179	0	9,179	1.74	9,179	9,179
598207	SEWER EASEMENTS FY03-04	2004	121,530	0	121,530	1.63	121,530	121,530
598210	SEWER EASEMENTS FY04-05	2005	11,655	0	11,655	1.56	11,655	11,655
598220	SEWER EASEMENTS FY 2005-06	2005	5,413	0	5,413	1.56	5,413	5,413
598228	SEWER EASEMENTS FY 06/07	2007	2,146	0	2,146	1.46	2,146	2,146
Sewer Infrastructure								
201559005	Wastewater Fence	2015	53,505	14,161	39,344	1.16	62,005	47,843
597811	PLANT BUILDINGS 1991-1994	1994	5,793,968	3,012,816	2,781,152	2.15	5,793,968	2,781,152
598054	PLANT IMPROVEMENTS 95-96	1996	3,871,039	1,858,492	2,012,547	2.07	3,871,039	2,012,547
598055	PLANT IMPROVEMENTS 97-98	1998	545,126	239,911	305,215	1.96	545,126	305,215
201659003	Gate Valve at Carroll Canyon Lift Station	2016	53,835	11,689	42,145	1.10	59,443	47,753
201659004	WWTP Effluent Mgt Optimization	2015	168,382	42,096	126,286	1.16	195,131	153,036
201659005	WWTP Filter System Upgrades (Bar Screen)	2016	22,657	4,535	18,122	1.10	25,017	20,483
201659006	WWTP Filter System Upgrades (Centrifuge)	2016	139,450	27,910	111,540	1.10	153,977	126,067
201659007	WWTP Newcastle Lift Station Upgrade	2015	65,740	16,435	49,305	1.16	76,184	59,749
201659008	WWTP Bear Wallow Lift Station Electr. Improvements	2016	72,623	14,833	57,789	1.10	80,188	65,355
2017590004	WW Treatment Plant A+ Upgrade	2016	5,583,398	1,052,916	4,530,481	1.10	6,165,048	5,112,131
2018590006	Force Main Condition Assessment - Sewer Line	2018	22,500	905	21,595	1.04	23,389	22,484
2018590010	Injection Wells 1 & 2 and Point of Compliance Well	2018	5,940,750	594,900	5,345,850	1.04	6,175,491	5,580,591
2018590011	WWTP Bar Screens	2018	704,084	70,506	633,578	1.04	731,905	661,399
59.8275	Wetlands Improvements	2012	143,116	57,268	85,849	1.25	178,788	121,520
59.8276	Sedona Dells Wetland Improvements	2012	2,613,861	1,045,930	1,567,931	1.25	3,265,360	2,219,430
598083	WW PLANT IMPROVEMENTS	1996	4,184,850	2,009,153	2,175,697	2.07	8,658,619	6,649,466
598004	WASTEWATER LINES	1993	12,746,244	6,883,489	5,862,755	2.23	28,447,855	21,564,366
598005	WW LINE ADDITIONS	1994	634,356	329,891	304,465	2.15	1,363,959	1,034,068
598014	WASTEWATER LINES (B)	1993	12,746,244	6,883,489	5,862,755	2.23	28,447,855	21,564,366
598038	WW PLANT AND PROJECTS 95-96	1996	174,268	83,667	90,602	2.07	360,568	276,902
598053	WW PROJECTS FY97-98	1998	4,283,645	1,885,242	2,398,403	1.96	8,413,890	6,528,648
598059	WASTEWATER PROJECTS FY 98-99	1999	5,598,469	2,351,932	3,246,537	1.92	10,744,182	8,392,251
598062	WASTEWATER PROJECT 99/00	2000	8,947,469	3,579,908	5,367,561	1.87	16,724,187	13,144,280
598071	WW PROJECTS 2000-2001	2001	920,578	349,915	570,663	1.83	1,687,871	1,337,956
598080	WW LINES FY 2002 (ADDITIONS)	2002	4,514,833	1,625,808	2,889,025	1.78	8,029,745	6,403,938
598086	WW LINES FY 2003 (ADDITIONS)	2003	2,705,787	920,249	1,785,538	1.74	4,699,462	3,779,213
598092	WW LINES FY 2004 (ADDITIONS)	2004	1,825,889	584,475	1,241,415	1.63	2,984,040	2,399,565
598213	WW LINES (ADDITIONS) FY04-05	2005	3,867,146	1,160,547	2,706,598	1.56	6,039,105	4,878,557
598222	WW Lines (Additions) FY 05-06	2006	4,248,357	1,189,984	3,058,372	1.50	6,373,357	5,183,373
598223	WW Lines (Additions) FY 06/07	2007	6,766,923	1,760,110	5,006,813	1.46	9,876,465	8,116,353
598242	WW Lines (Additions) FY 07/08	2008	4,734,430	1,136,761	3,597,669	1.40	6,624,783	5,488,022
598251	WW EFFLUENT FY 08/09	2008	48,366	11,608	36,758	1.40	67,677	56,069
598253	WW LINES FY 08/09	2008	6,501,201	1,560,288	4,940,913	1.40	9,096,987	7,536,699
598256	WW EFFLUENT FY 09/10	2009	150,067	33,013	117,054	1.36	203,615	170,602

Sedona
Sewer Capacity Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
598264	WW LINES FY 09/10	2009	3,862,051	849,651	3,012,400	1.36	5,240,131	4,390,480
598266	WW LINES FY 10/11	2011	836,273	167,292	668,981	1.28	1,072,126	904,834
598267	WW EFFLUENT FY 10/11	2011	396,377	79,293	317,084	1.28	508,167	428,874
598274	Effluent Injection Well Pumping	2011	201,354	34,556	166,798	1.28	258,141	223,585
598280	Air/Solar Drying Bed Improve.	2011	166,873	28,409	138,464	1.28	213,936	185,527
	Manhole Replacement - WWRP Interceptor	2019	77,452	1,715	75,738	1.02	79,133	77,419
	Mystic Hills/Chapel Lift Station	2020	2,483,598	0	2,483,598	1.00	2,484,025	2,484,025
	Tertiary Filters	2020	1,660,481	0	1,660,481	1.00	1,660,766	1,660,766
	WW Admin Bldg Remodel/Expansion	2019	387,726	12,662	375,064	1.02	396,141	383,479
	WW Grit Classifier Replacement	2020	124,415	0	124,415	1.00	124,436	124,436
	Park Place Sewer Line 435 ft	2020	77,430	0	77,430	1.00	77,443	77,443
	Reduction for Replaced Assets	2019	(5,532,288)	0	(5,532,288)	1.02	(5,652,355)	(5,652,355)
Buildings								
2018590003	WWP Operator Building Remodel	2018	30,609	2,469	28,140	1.04	31,818	29,350
2018590004	Steel Plates for Dumpster Travel Way	2018	34,755	2,902	31,852	1.04	36,128	33,226
2018590007	WW Roof Replacement - El Camino	2018	10,185	875	9,310	1.04	10,587	9,712
2018590008	WW Roof Replacement - Carol Canyon	2018	17,825	1,532	16,293	1.04	18,529	16,998
598070	TREATMENT PLANT UPGRADE 2001	2001	3,328,560	1,265,196	2,063,363	1.83	6,102,884	4,837,688
598082	10000 GAL WATER TANK AND EQUIP	2002	17,220	12,240	4,980	1.78	30,626	18,386
	WW Headworks Rebuild (Bar Screens)	2018	6,014	550	5,463	1.04	6,251	5,701
598250	WW PLANT UPGRADE FY 08/09	2008	200,655	96,315	104,341	1.40	280,772	184,458
598252	WW PUMP STATION IMP. 08/09	2008	1,604,277	770,053	834,224	1.40	2,244,830	1,474,777
598255	WW PLANT UPGRADE FY09/10	2009	349,910	153,948	195,961	1.36	474,767	320,818
598257	WW PUMP STATION IMP 09/10	2009	1,846,760	812,574	1,034,186	1.36	2,505,732	1,693,158
598265	WW PLANT UPGRADE FY10/11	2011	961,139	384,521	576,617	1.28	1,232,207	847,686
598268	WW PUMP STATION IMP 10/11	2011	853,891	341,615	512,276	1.28	1,094,713	753,098
Equipment and Vehicles								
201359001	3 Phase Generator for Chapel Pump Station	2013	21,605	21,605	0	1.22	21,605	0
201359002	Fairbanks Morse Pump	2012	8,300	8,300	0	1.25	8,300	0
	Fairbanks Morse Pump - POCO#1	2020	7,706	619	7,087	1.00	7,706	7,087
	Fairbanks Morse Pump - POCO#2	2020	7,891	562	7,329	1.00	7,891	7,329
	Fairbanks Morse Pump Mystic	2020	7,611	525	7,086	1.00	7,611	7,086
201359003	Flygt Pump/Vendor JCH	2013	12,893	10,767	2,126	1.22	12,893	2,126
201359004	K2 Iggy System	2013	48,092	48,092	0	1.22	48,092	0
201459001	Landia Mixer	2014	18,666	18,666	0	1.19	18,666	0
201459003	60 REOZJD Kohler Generator for Uptown Pump Station	2014	26,304	26,304	0	1.19	26,304	0
201459004	WW Alarm/Back O Beyond Replacement Pump Stations	2014	352,317	352,317	0	1.19	352,317	0
201459005	6' X 10' Cargo Trailer	2013	6,299	6,299	0	1.22	6,299	0
201559001	FLYGT Model NP 3102 Pump	2015	7,579	6,319	1,260	1.16	7,579	1,260
201559002	IND Pump 6" DV150-3SA 4045D SK w/Trailer	2015	28,005	23,350	4,654	1.16	28,005	4,654
201559003	2015 Ford Super-Duty F-25 4WD Reg Cab	2015	35,000	35,000	0	1.16	35,000	0
201559004	EZGO RXV 2010 Golf Cart	2015	5,265	5,265	0	1.16	5,265	0
201659001	WIMS LABCAL Software with SCADA Interfaces	2016	9,726	8,357	1,369	1.10	9,726	1,369
201659002	OmniSite Alarm System	2016	9,761	6,543	3,218	1.10	9,761	3,218
2017590001	2015 GMC SIERRA K2500 EXT CAB	2016	35,000	34,234	766	1.10	35,000	766
2017590002	2016 FORD F250	2016	32,031	31,431	601	1.10	32,031	601
2017590003	2007 FORD F750 2000GALLON WATER TRUCK	2016	35,904	20,798	15,106	1.10	35,904	15,106
2018590001	2017 Ford Escape - Wastewater	2017	24,989	23,278	1,711	1.07	24,989	1,711
2018590002	Caterpillar C18 PGAM 600KW Generator for WWTP	2017	169,244	71,408	97,836	1.07	169,244	97,836
2018590005	Caterpillar C7.1PGABR 125KW Generator	2018	42,799	14,521	28,278	1.04	42,799	28,278
2018590009	Caterpillar Skidsteer Model 226D	2018	38,947	13,054	25,893	1.04	38,947	25,893
221048	2006 Dodge Dakota	2006	20,171	20,171	0	1.50	20,171	0
597713	PLANT MACHINERY AND EQUIPMENT	1993	4,546	4,546	0	2.23	4,546	0
597810	PLANT MACHINERY/EQUIPMENT	1992	3,194,046	3,194,046	0	2.33	3,194,046	0
597820	WALLACE TRI-ADJUSTABLE GANTRY	1994	5,056	5,056	0	2.15	5,056	0
597824	ELECTRIC HOIST	1994	2,505	2,505	0	2.15	2,505	0
597866	CALL OUT SYSTEM - RACO VERBATI	1994	4,450	4,450	0	2.15	4,450	0
598002	HOIST	1994	3,522	3,522	0	2.15	3,522	0
598026	586 SOUNDPRO/DOCKING STATION	1995	2,600	2,600	0	2.13	2,600	0
598039	JOHN DEERE TRACTOR	1995	25,925	25,925	0	2.13	25,925	0
598042	SEWER - AS BUILT	1997	14,880	14,880	0	2.00	14,880	0
598045	BAND SAW/HOIST/PRESS	1996	2,688	2,688	0	2.07	2,688	0
598046	BURCH LIFT DISC. HARROW	1996	2,753	2,753	0	2.07	2,753	0
598051	2 TON CHAIN HOIST	1998	5,200	5,200	0	1.96	5,200	0
598052	FAIRBANK IMPELLERS	1998	4,471	4,471	0	1.96	4,471	0
598056	POTABLE WATER PUMP	1998	5,547	5,547	0	1.96	5,547	0
598063	EFFLUENT PUMP	2000	7,837	7,837	0	1.87	7,837	0

Sedona
Sewer Capacity Fee Model
Fixed Assets by Valuation Method

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
598065	DIGITAL IMAGERY AERIAL MAPPING	2001	2,500	2,500	0	1.83	2,500	0
598068	IP TELEPHONY SYSTEM	2001	30,810	30,810	0	1.83	30,810	0
598069	CITYVIEW LICENSES	2000	6,487	6,487	0	1.87	6,487	0
598073	PLAN/SPECS WORK STATION	2002	5,137	5,137	0	1.78	5,137	0
598078	FLYGT SUBMERSIBLE PUMPS AND CONT	2002	17,220	17,220	0	1.78	17,220	0
598081	2 FAIRBANKS MORSE SUB PUMPS	2002	21,592	21,592	0	1.78	21,592	0
598084	CENTRIFUGAL PUMP - REPLACEMENT	2003	6,952	6,952	0	1.74	6,952	0
598085	FAIRBANKS-MORSE PUMP REBUILD	2003	3,497	3,497	0	1.74	3,497	0
598203	CONDENSING UNIT BREWER ROAD	2003	3,440	3,440	0	1.74	3,440	0
598204	CONDENSING UNIT EL CAMINO PS	2004	2,485	2,485	0	1.63	2,485	0
598205	GRINDER PUMP-FOOTHILLS SOUTH	2003	3,271	3,271	0	1.74	3,271	0
598206	POLYMER PUMP FOR CENTRIFUGE	2004	8,478	8,478	0	1.63	8,478	0
598214	WW Sewer Line Inspec Camera	2006	8,267	8,267	0	1.50	8,267	0
598215	WW Submersible Pump FY 05-06	2005	6,418	6,418	0	1.56	6,418	0
598216	WW Jet Rodder FY 2005-06	2005	37,814	37,814	0	1.56	37,814	0
598217	Centrifugal Trash Pump FY05-06	2005	3,918	3,918	0	1.56	3,918	0
598218	Trails End Subm. Pump 05-06	2006	19,350	19,350	0	1.50	19,350	0
598224	Canon CR-180 Document Scanner	2006	20,800	20,800	0	1.50	20,800	0
598225	5 Fairbanks Morse Pump	2006	31,098	31,098	0	1.50	31,098	0
598226	Vac-Con Vacuum Truck	2007	290,104	290,104	0	1.46	290,104	0
598229	Wells Cargo Road Force Trailer	2006	7,510	7,510	0	1.50	7,510	0
598230	WW Confined Space Equipment	2007	32,478	32,478	0	1.46	32,478	0
598231	WW Aerial Mapping FY 06/07	2007	95,750	95,750	0	1.46	95,750	0
598232	WW Computer Hardware FY 06/07	2007	3,433	3,433	0	1.46	3,433	0
598233	2008 FORD RANGER SUPERCAB	2007	16,161	16,161	0	1.46	16,161	0
598236	2008 BOBCAT UTILITY VEHICLE	2007	14,306	14,306	0	1.46	14,306	0
598239	RAS Pump	2007	15,264	15,264	0	1.46	15,264	0
598240	SUBMERSIBLE SEWAGE PUMP-FLGYT	2008	11,456	11,456	0	1.40	11,456	0
598243	2008 FORD ESCAPE	2008	18,468	18,468	0	1.40	18,468	0
598244	SUBMERSIBLE SEWAGE PUMP-FLGYT	2008	4,471	4,471	0	1.40	4,471	0
598245	WAS Actuator AND Valve	2008	8,917	8,917	0	1.40	8,917	0
598246	WEIRWASHER SPRAY SYSTEM	2008	33,596	33,596	0	1.40	33,596	0
598247	UTILITY TRACTOR 5625 W/ LOADER	2008	44,291	44,291	0	1.40	44,291	0
598248	2009 JEEP WRANGLER	2008	31,239	31,239	0	1.40	31,239	0
598258	Kaman Infrared Camera WWTP	2010	5,428	5,428	0	1.32	5,428	0
598259	WWTP REPLACEMENT MIXER	2010	13,900	13,900	0	1.32	13,900	0
598260	WWTP REPLACEMENT MIXER #2	2010	14,250	14,250	0	1.32	14,250	0
598261	SUBMERSIBLE SEWAGE PUMP	2009	12,500	12,500	0	1.36	12,500	0
598262	COMPRESSOR A/C UNIT WWTP	2010	7,304	7,304	0	1.32	7,304	0
598263	2010 FORD F250 COLLECT. VEH	2010	30,975	30,975	0	1.32	30,975	0
598269	Sampler - SD900 AWRS 2.5 Galln	2010	6,207	6,207	0	1.32	6,207	0
598270	Sludge Pump - Gorman Rupp	2011	9,986	9,986	0	1.28	9,986	0
598272	Mixer - WWTP	2011	14,200	14,200	0	1.28	14,200	0
	2019 Ford F-250 Wastewater	2019	29,170	5,994	23,176	1.02	29,170	23,176
	Ford Transit CCTV	2020	252,529	32,287	220,243	1.00	252,529	220,243
	Mystic LS Caterpillar Generator	2019	61,225	9,953	51,272	1.02	61,225	51,272
	WW Air Burner T24	2019	63,931	5,751	58,180	1.02	63,931	58,180
	WW Truxor Cattail Cutter	2019	108,490	15,654	92,836	1.02	108,490	92,836
	WW VCam6 camera system	2019	10,513	1,574	8,938	1.02	10,513	8,938
	WWTP 800A Transfer Switch	2020	12,551	178	12,373	1.00	12,551	12,373
	DRI FLIR SYSTEMS - Flir Camera One-time	2019	6,974	1,647	5,328	1.02	6,974	5,328
	HPC 2500 Amp Breaker	2019	11,850	1,991	9,859	1.02	11,850	9,859
	WILO Basin mixer frame & equipment	2019	15,017	2,530	12,487	1.02	15,017	12,487
	WW - Replace FLYGT Pumps	2019	27,777	5,378	22,399	1.02	27,777	22,399
	WW AV Flow Meter	2019	6,387	1,318	5,069	1.02	6,387	5,069
	Flygt Pump for Painted Cliffs	2019	10,510	1,277	9,234	1.02	10,510	9,234
	VacCon Truck Hydrostatic Pump Replacement	2019	7,694	913	6,781	1.02	7,694	6,781
	John Deer Gator	2018	18,136	10,418	7,718	1.04	18,136	7,718
598278	Turbidity Analyzer	2012	4,691	4,691	0	1.25	4,691	0
			<u>\$142,535,112</u>	<u>\$52,601,880</u>	<u>\$89,933,232</u>		<u>\$223,916,633</u>	<u>\$171,314,754</u>

Sedona
 Sewer Capacity Fee Model
 Summary of System Assets

Item	Replacement Cost New Less Depreciation (RCNLD)
Assets	
Fixed Assets	\$171,314,754

Total Assets	171,314,754
Add: Borrowing Costs (Growth)	0
Less: Principle (Non-Growth)	13,300,000

Net System Value	\$158,014,754

Sedona
 Sewer Capacity Fee Model
 Capacity Fee Calculation - Buy-In

Description	Original Cost	Original Cost Less Depreciation	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
Fixed Assets				
Land	\$11,211,112	\$11,209,526	\$11,211,112	\$11,209,526
Sewer Infrastructure	116,134,895	72,556,487	192,708,370	149,129,961
Buildings	9,261,799	5,417,008	14,069,846	10,225,055
Equipment and Vehicles	5,927,306	750,211	5,927,306	750,211
Total Fixed Assets	142,535,112	89,933,232	223,916,633	171,314,754
Net Debt Service (add growth interest, less non-growth principle)	(13,300,000)	(13,300,000)	(13,300,000)	(13,300,000)
Total Assets	129,235,112	76,633,232	210,616,633	158,014,754
Number of Single Family Equivalent Units	9,536	9,536	9,536	9,536
Proposed Capacity Fee per Single Family Unit	\$13,553	\$8,037	\$22,088	\$16,571
Current Capacity Fee per Single Family Unit	\$10,634	\$10,634	\$10,634	\$10,634
Change	\$2,919	(\$2,597)	\$11,454	\$5,937

Total Capacity	1,600,000
Average Sewer Flows per Single Family Unit (gpd)	<u>167.79</u>
Total Single Family Equivalent Units	9,536
Fee per Single Family Unit	\$16,571
Water Supply Fixture Units per Single Family Unit	<u>22.70</u>
Fee per Water Supply Fixture Unit	\$730.01

Single Family Only	
Arizona Water Flows (gallons)	258,226,800
Oak Creek Residential Flows (gallons)	26,744,156
Total Annual Flows (gallons)	<u>284,970,956</u>
Gallons per Day	780,742
Arizona Water Accounts	4,085
Oak Creek Accounts	568
Total Accounts	<u>4,653</u>
Gallons per Account per Day	167.79

City of Sedona
Projected Capacity Fee Results
 Fiscal Years 2022 - 2029

Line No.	Description	2022	2023	2024	2025	2026	2027	2028	2029
<u>Sources of Funds</u>									
1	<u>Beginning-of-Year Cash</u>	\$1,597,355	\$2,265,841	\$3,008,311	\$3,795,066	\$4,602,198	\$5,246,266	\$4,153,090	\$2,349,695
<u>Total Revenues</u>									
2	Capacity Fees	\$728,486	\$742,469	\$786,755	\$807,132	\$828,037	\$849,483	\$871,485	\$894,056
3	Total Total Revenues	728,486	742,469	786,755	807,132	828,037	849,483	871,485	894,056
<u>Non-Operating Expenses</u>									
4	Capital Improvements	60,000	-	-	-	170,385	1,799,209	2,477,360	1,532,688
5	Existing Debt Service	-	-	-	-	-	-	-	-
6	New Debt Service	-	-	-	-	-	-	-	-
7	Total Non-Operating Expenses	60,000	0	0	0	170,385	1,799,209	2,477,360	1,532,688
8	Net Cashflow	668,486	742,469	786,755	807,132	644,068	(1,093,176)	(1,803,395)	(760,833)
9	<u>End-of-Year Cash</u>	\$2,265,841	\$3,008,311	\$3,795,066	\$4,602,198	\$5,246,266	\$4,153,090	\$2,349,695	\$1,588,862



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