Regular Town Council Meeting

Meeting Location:
Town Council Chambers
37622 N Cave Creek Rd
Cave Creek, AZ 85331

Mayor Robert Morris

Vice Mayor Kathryn Royer
Council Member Cynthia Driskell
Council Member Tom McGuire
Council Member Tom Augherton
Council Member Joe Freedman
Council Member Dusty Rhoades

JANUARY 6, 2026 | Meeting Time: 5:00 PM | cavecreekaz.gov

OPTIONS TO ACCESS AND PARTICIPATE

Request to speak at the meeting

- Register in person by filling out a slip found inside the entrance of the Council Chambers, noting the Agenda item number and subject. Please hand it to the Town Clerk.

At the time of the meeting:

- Watch the meeting, join: Zoom Meeting Link

- Listen to the meeting. Dial 888-475-4499 or 877-853-5257 (toll free) and enter Meeting ID 97966005071 following the prompts.

Additional Information on Participation: At the Mayor's discretion, Council may allow public comment on any agenda item. Public Hearings are required on certain items, such as zoning cases. Citizens may also address the Council on any subject not listed on the agenda under "Call to the Public." In compliance with the Arizona Open Meeting Law, the Town Council cannot discuss or take formal action on any matter not on the agenda, but may direct staff to follow-up with the citizen. No personal attacks by any speaker on Councilmembers, town staff or members of the public shall be allowed. The Mayor has the authority to preserve order at all Council meetings. Speakers are called by the Clerk in the order they are received. If you approach the podium to speak, ***please state your name and address for the record***, and then present your comments. Please limit your comments to **three (3)** minutes.

Council Meeting Schedule: Regular Town Council meetings are held on the first and third Tuedays of the month, at 5:00 p.m. in the Council Chambers at 37622 N. Cave Creek Road. Agendas are available online at www.cavecreekaz.gov/agendas and are posted at Town Hall. Agendas are subject to change up to 24 hours before the Council meeting (excluding weekends), although changes are not often made to agendas once they have been posted. The Mayor and Town Council may hold Executive Sessions immediately preceding and following the Council meetings. All meetings are conducted in strict compliance with the Arizona Open Meeting Law.

Form of Government: The Town of Cave Creek has a Council-Manager form of government.

Legislative policy is set by the elected Council and administered by the Council-appointed Town Manager. The Town Council consists of a Mayor and six Council Members. The Mayor and Council Members hold two-year terms with all seats decided during fall elections in even-numbered years. The Mayor and Council Members are elected at large on a nonpartisan basis. If you have any questions about agenda items prior to a Council meeting, please call the Town Hall at (480) 488-1400. For special accommodations at any Council meeting, please contact Town Hall at least three business days before the meeting. For assistance with technical difficulties, please call 480-437-3580.

Americans with Disabilities Act Notification: *In accordance with the Americans with Disabilities Act(ADA) and Section 504 of the Rehabilitation Act of 1973 (Section 504), the Town of Cave Creek does not discriminate on the basis of disability in the admission of or access to, or treatment or employment in, its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504,or to request reasonable accommodations for participation in Town programs, activities, or services contact the Town Clerk, 37622 N. Cave Creek Rd., Cave Creek, AZ 85331; (480) 488-1400.*

NOTICE AND AGENDA
REGULAR TOWN COUNCIL MEETING
TOWN OF CAVE CREEK, ARIZONA
JANUARY 6, 2026

PLEASE NOTE: AN AUDIO RECORDING OF THE TOWN COUNCIL MEETING WILL BE AVAILABLE ONLINE WITHIN THREE BUSINESS DAYS OF THE MEETING.

The Town Council may recess the public meeting and convene in Executive Session for the purpose of discussion or consultation for legal advice with the Town Attorney regarding any item listed on this agenda pursuant to A.R.S. § 38-431.03 (A)(3) and (4).

The Chair reserves the right, with the consent of Council, to take items on the agenda out of order.

CALL TO ORDER 5:00 P.M. Robert Morris, Mayor, 37622 N. Cave Creek Road, Cave Creek, AZ.

ROLL CALL Mayor Robert Morris, Vice-Mayor Kathryn Royer, Council Members: Tom Augherton, Cynthia Driskell, Joe Freedman, Thomas McGuire, and Dusty Rhoades. (one or more members may attend by technological means)

PLEDGE OF ALLEGIANCE

PUBLIC ANNOUNCEMENTS

TOWN MANAGER REPORT

CALL TO THE PUBLIC

PRESENTATION:

Spur Cross 25th Anniversary Update

PROCLAMATIONS:
NONE

ACTION ITEMS:

A. **CONSENT AGENDA**

1. Council discussion and possible approval of the Town's unmarked vehicles for 2026

2. Council approval of the 2026 Regular Council Meeting Calendar.

3. Approval of November 18, 2025 Regular Town Council Meeting Minutes.

B. **GENERAL AGENDA ITEMS**

1. Council discussion, public hearing, and possible approval of Resolution No. 2026-01, rescinding previously adopted utility rates and adopting and amending the monthly service charges, usage rates, and rate structure for utility services in the Cave Creek Water, Desert Hills Water, and Cave Creek Wastewater service areas.

2. Council discussion and possible approval of the Horny Toad Special Event Application during the period of March 27, 2026 to April 5, 2026, per Town Code 114.02.

3. Council discussion and possible approval of Resolution No. 2026-02, adopting the Town of Cave Creek Council Rules of Procedures.

C. **DEPARTMENT / STAFF REPORTS**
NONE

ADJOURNMENT

POSTED THIS _____ day of _____, 2025

BY:_____
Teresa Riza, Deputy Town Manager/Town Clerk

STAFF REPORT

TO: Grady E. Miller, Town Manager
FROM: Hal Marron, Town Engineer/Public Works Director
DATE: 01/06/2026

SUGGESTED MOTION:

Move to approve the Town's unmarked vehicles for 2026

SUMMARY:

A.R.S. Title 38, Chapter 3, Article 10 regulates the designation of motor vehicles for local government use, including markings to identify the jurisdiction and exemptions to the required markings. In accordance with A.R.S. 38-538.03, the Town Council may approve an exemption from the required markings for vehicles used to conduct rehabilitation or social service programs, felony investigations, or activities of a confidential nature for a maximum of one year at a time. This request is to approve unmarked vehicles for 2026.

The list of vehicles by nature of service, year, make, model, and VIN is available for Council inspection in the Finance Department.

RELATED ORDINANCE, POLICY, STRATEGIC PRIORITY:

N/A

FINANCIAL CONSIDERATION/ALTERNATIVES:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of the unmarked vehicles for 2026.

Form Review

Inbox	Reviewed By	Date
Town Engineer/Public Works Director (Originator)	Hal Marron	12/16/2025 07:17 AM
Town Manager	Teresa Riza	12/16/2025 07:54 AM
Finance Director	Cherie White	12/16/2025 08:49 AM
Town Attorney	Bill Sims	12/16/2025 09:25 AM
Town Manager	Grady Miller	12/24/2025 10:36 AM
Form Started By: Hal Marron		Started On: 12/16/2025 07:08 AM
Final Approval Date: 12/24/2025		

STAFF REPORT

TO: Grady E. Miller, Town Manager
FROM: Teresa Riza, Deputy Town Manager/Town Clerk
DATE: 01/06/2026

Attachments

2026 Council Calendar

Form Review

Form Started By: Teresa Riza
Started On: 12/19/2025 11:21 AM
Final Approval Date: 12/19/2025

2026 Calendar

Regular Council Meeting	Election Day	Holiday Observed - Town Hall Closed

January

Mo	Tu	We	Th	Fr
			1	2
5	**6**	7	8	9
12	13	14	15	16
19	**20**	21	22	23
26	27	28	29	30

February

Mo	Tu	We	Th	Fr
2	**3**	4	5	6
9	10	11	12	13
16	**17**	18	19	20
23	24	25	26	27

March

Mo	Tu	We	Th	Fr
2	**3**	4	5	6
9	10	11	12	13
16	**17**	18	19	20
23	24	25	26	27
30	31			

April

Mo	Tu	We	Th	Fr
		1	2	3
6	**7**	8	9	10
13	14	15	16	17
20	**21**	22	23	24
27	28	29	30	

May

Mo	Tu	We	Th	Fr
				1
4	**5**	6	7	8
11	12	13	14	15
18	**19**	20	21	22
25	26	27	28	29

June

Mo	Tu	We	Th	Fr
1	**2**	3	4	5
8	9	10	11	12
15	**16**	17	18	19
22	23	24	25	26
29	30			

July

Mo	Tu	We	Th	Fr
		1	**2**	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	31

August

Mo	Tu	We	Th	Fr
3	**4**	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31				

September

Mo	Tu	We	Th	Fr
	1	2	3	4
7	8	9	10	11
14	**15**	16	17	18
21	22	23	24	25
28	29	30		

October

Mo	Tu	We	Th	Fr
			1	2
5	**6**	7	8	9
12	13	14	15	16
19	**20**	21	22	23
26	27	28	29	30

November

Mo	Tu	We	Th	Fr
2	**3**	4	5	6
9	10	**11**	12	13
16	**17**	18	19	20
23	24	25	**26**	27
30				

December

Mo	Tu	We	Th	Fr
	1	2	3	4
7	9	10	11	12
14	**15**	16	17	18
21	22	23	**24**	25
28	29	30	31	

Cancel November 3 - General Election Day

STAFF REPORT

TO: Grady E. Miller, Town Manager
FROM: Teresa Riza, Deputy Town Manager/Town Clerk
DATE: 01/06/2026

SUMMARY:

Approval of November 18, 2025 Regular Town Council Meeting Minutes.

Attachments

November 18, 2025 Regular Town Council Meeting Minutes.

Form Review

Form Started By: Teresa Riza
Started On: 12/07/2025 09:16 PM
Final Approval Date: 12/07/2025

REGULAR TOWN COUNCIL MEETING MINUTES
TOWN OF CAVE CREEK, ARIZONA
Tuesday, November 18, 2025

CALL TO ORDER 5:02 P.M. Mayor Morris, 37622 N. Cave Creek Road, Cave Creek, AZ

Silent Roll Call: Teresa Riza, Deputy Town Manager/Town Clerk

Council Present: Mayor Robert Morris, Vice Mayor Kathryn Royer, Tom Augherton, Cynthia Driskell, Joe Freedman, Thomas McGuire, and Dusty Rhoades (via teleconference)

Council Absent: None

Staff Present:		
	Town Manager	Grady E. Miller
	Town Attorney	Bill Sims
	Deputy Town Manager/Town Clerk	Teresa Riza
	Communications & Public Affairs Director	Bo Larsen
	Finance Director	Cherie White
	Utilities Director	Shawn Kreuzwiesner
	Community Risk Reduction	Jim Ford
	Accounting Manager	Bridget Black

PLEDGE OF ALLEGIANCE

Led by Jim Ford

PUBLIC ANNOUNCEMENTS

Council Member McGuire promoted the Hidden in the Hills event.

CALL TO THE PUBLIC

There was no response to the call for public comment.

TOWN MANAGER REPORT

There were no items to report.

PROCLAMATION(S):

None.

ACTION ITEMS:

A. CONSENT AGENDA

1. **Council approval of fourth quarter Fiscal Year 2025 budget transfers.**
2. **Council approval of first quarter Fiscal Year 2026 budget transfers.**
3. **Council discussion and possible approval of a Non-Disclosure Agreement with EPCOR NR Holdings to allow staff to evaluate the Common Infrastructure Project required to transport Harquahala Valley groundwater to Central Arizona Project Canal.**
4. **Approval of October 7, 2025, Regular Town Council Meeting Minutes.**
5. **Approval of October 15, 2025, Special Meeting Minutes.**
6. **Approval of October 21, 2025, Regular Town Council Meeting Minutes.**

Motion: Council Member McGuire, *motion to approve the Consent Agenda.*
Second: Council Member Driskell

Ayes: Council Members Augherton, Driskell, Freedman, McGuire, Rhoades, Vice Mayor Royer, Mayor Morris
Absent: None

The motion passed 7 to 0 by voice vote.

* * * * *

Town Manager Grady Miller requested that Agenda Item C.1. be heard next.

C. DEPARTMENT / STAFF REPORTS

1. Fire/EMS Quarterly Report

Community Risk Reduction Jim Ford noted this will be his last meeting as he will retire on December 1. He conducted a slideshow presentation. In response to Council Member questions, he conveyed that there were five rescues last year on Black Mountain, seven on Spur Cross, and six in Cave Creek Regional Park. Most were either due to injury or heat-related issues.

Fire Chief Brian Tobin concluded the presentation. He reported that construction of Fire Station 144 is currently ahead of schedule and under budget, and he expected it to open on January 12, 2026. He promoted an event celebrating its grand opening on January 10.

Chief Tobin listed the members of Daisy Mountain Fire & Medical who were present at the meeting to express their gratitude to Mr. Ford, who then thanked the Council and Town staff for their support. Town Manager Grady Miller read a statement detailing Mr. Ford's career and achievements. Mayor Morris added his gratitude to Mr. Ford and presented a plaque to him on behalf of the Town. Mr. Ford discussed some of the things he planned to do in retirement.

B. GENERAL AGENDA ITEMS

1. Council discussion and possible approval of Second Reading of Ordinance No.

2025-08 adopting and amending the Town of Cave Creek Building Codes with an effective date of January 1st, 2026.

Building Official Adam Hicks discussed the three changes made to the ordinance and explained why the decision was made to use the 2018 International Residential Code. He also indicated that provision A(4) was added to Section 6 of the ordinance.

Council Member McGuire noted that the Home Builders Association had concerns with the original draft but were satisfied with the updated version.

There was no response to the call for public comment.

Motion: Council Member Driskell, *motion to approve Second Reading of Ordinance No. 2025-08 adopting and amending the Town of Cave Creek Building Codes with an effective date of January 1st, 2026.*
Second: Council Member McGuire

Ayes: Council Members Augherton, Driskell, Freedman, McGuire, Rhoades, Vice Mayor Royer, Mayor Morris
Absent: None

The motion passed 7 to 0 by voice vote.

2. **Council discussion, public hearing, second reading and possible approval of Ordinance No. 2025-16, amending the Town Tax Code to increase the transaction privilege tax rate on selected tax classifications and designating an effective date of February 1, 2026.**

Finance Director Cherie White conducted a slideshow presentation. In response to Council Member questions, Ms. White stated the hotel sales tax and the bed tax are applied together. Council Member Driskell pointed out that Cave Creek, unlike some of the other jurisdictions, does not collect property tax.

The Mayor opened the public hearing.

There being no response to the call for public comment, the Mayor closed the public hearing.

Council Member Driskell mentioned the uncertainty around future legislative restrictions that might restrict towns' abilities to tax certain categories. She expected that market prices would support the type of properties that attract attention, and this will not be detrimental to the community.

Motion: Council Member McGuire, *motion to approve Second Reading of Ordinance No. 2025-16, amending the Town Tax Code to increase the transaction privilege tax rate on selected tax classifications and designating an effective date of February 1, 2026.*
Second: Council Member Driskell

Ayes: Council Members Augherton, Driskell, Freedman, McGuire, Rhoades, Vice Mayor Royer, Mayor Morris
Absent: None

The motion passed 7 to 0 by voice vote.

3. **Council discussion and possible direction regarding sale and execution and delivery of excise tax revenue obligations for utility capital improvement projects.**

Finance Director Cherie White conducted a slideshow presentation. Responding to Council Member Driskell's queries, Ms. White explained how the 101 percent and 100 percent call options would work.

There was no response to the call for public comment.

Council Members provided justification for their support of the measure, with Council Member Augherton opining that this investment into existing infrastructure would make the utilities more attractive to potential privatization in the future.

Motion: Mayor Morris, *motion to direct staff to proceed with sale and execution and delivery of excise tax revenue obligations for utility capital improvement projects as recommended.*
Second: Council Member Driskell

Ayes: Council Members Augherton, Driskell, Freedman, McGuire, Rhoades, Vice Mayor Royer, Mayor Morris
Absent: None

The motion passed 7 to 0 by voice vote.

4. **Council discission and possible approval on an Amended and Restated Development Agreement between the Town of Cave Creek and CSTE Holdings LLC., for the Cahava Springs Development and authorize the Mayor and staff to execute the necessary documents.**

Utilities Director Shawn Kreuzwiesner conducted a slideshow presentation. Mr. Kreuzwiesner provided a history of the ownership of the subject property, noting that the original water service agreements were written prior to the Town owning the water company. He discussed the infrastructure elements of the project that had already been constructed and those which still needed to be completed through this agreement. The project, he continued, would better incorporate this development into the Town's future master planning efforts. The developer would need to retest the line when it is disinfected.

There was no response to the call for public comment.

Motion: Mayor Morris, *motion to adopt Resolution 2025-30 approving an Amended and Restated*

Development Agreement between the Town of Cave Creek and CSTE Holdings LLC., for the Cahava Springs Development and authorize the Mayor and staff to execute the necessary documents.
Second: Council Member Freedman

Ayes: Council Members Augherton, Driskell, Freedman, McGuire, Rhoades, Vice Mayor Royer, Mayor Morris
Absent: None

The motion passed 7 to 0 by voice vote.

5. Council discussion and possible direction to staff regarding a proposal from Councilmember Joe Freedman

Council Member Freedman reviewed several facts about dogs and heat, including a summary of ordinances enacted by nearby jurisdictions prohibiting dogs on trails in certain circumstances. He stressed the importance of looking out for the welfare of dogs, who cannot communicate if they are too hot. He proposed prohibiting dogs on Black Mountain Trail between 9 a.m. and 7 p.m. if temperatures are 90 degrees or hotter.

Council Member Rhoades wondered about enforcement. Council Member Freedman replied that enforcement would be driven via a complaint-driven system. He pointed out that other Town ordinances are not currently being enforced.

Council Member McGuire asked about specific cases where people or animals were found to be in distress. Council Member Freedman said his proposal was geared specifically towards dogs. He said the Town cannot prevent bad behavior, but it can discourage it.
Council Member Augherton wondered whether Spur Cross Trail would also be included. Council Member Freedman responded that that trail is a partnership between Cave Creek and Maricopa County, and he did not believe the County would agree to such a prohibition. Though Maricopa County owns a small portion at the top of Black Mountain, hikers were not required to go through the County to hike those trails. He stated there are no warning signs currently on Black Mountain, and people continue to take their dogs out on 100-degree days. He clarified his proposal would only take effect on the path from the base of Black Mountain to the peak, which he thought would be an encouraging start. He did not obtain a legal opinion in this matter, but he believed it would be allowed.

On the call for public comment, Mr. David Phelps thanked Council Member Freedman for his courage and expressed support for the proposal. He agreed that the Town should also work with Maricopa County to protect the safety of people and pets.

Council Member Freedman moved to prohibit taking dogs on the Black Mountain Trail between 9 a.m. and 7 p.m. if temperatures are 90 degrees or hotter. Council Member McGuire seconded the motion, adding that he was unsure whether this could be enforced as an ordinance. He voiced support for erecting warning signs on the trail.

Council Member Augherton wondered whether staff should review the proposal to see if it could be applied in other locations. Council Member Freedman spoke about opposition he faced when he proposed the idea at a Maricopa County Parks Board meeting. He reiterated that focusing on Black Mountain would be a starting point. Discussion ensued regarding the jurisdictional location of and governance over Cave Creek Regional Park. Town Manager Grady Miller brought up a discussion he had with Maricopa County Parks Director Jennifer Waller, who stated there was no interest in this type of measure since any prohibitions would need to take place countywide. Council Member Augherton proposed that the Council consider approving funding for signage at both Black Mountain and Spur Cross Recreational Area. Council Member Freedman believed they would be able to get cooperation with the County if this proposal is approved.

Council Member Driskell believed visitor education was important, but she thought pursuing an ordinance was not the right way to go about it. Residents do not want to be overregulated with respect to their personal behaviors. She felt education can be provided through existing resources and in cooperation with other jurisdictions. Council Member Freedman expressed concern about growth in Cave Creek but recognized that the ordinance would not be able to be enforced with on-site guards.

Council Member McGuire spoke about the challenge of hiking Black Mountain Trail. He noted there are instances where Town ordinances differed from County ones, such as leash laws, prompting a brief discussion on the Town's leash laws. Vice Mayor Royer was skeptical of enacting an ordinance that could not be enforced and recommended public education through signage. Mayor Morris expressed support for effective signage at all parks similar to those found in Phoenix.

Council Member Rhoades proposed an amendment that staff review the proposal and return to the Council with recommendations for signage or a full ordinance. By seconding the motion, Council Member Freedman accepted the amendment to his motion thereby making a vote on the initial, unamended motion not necessary. Discussion ensued regarding the specific motion on which the Council would vote.

Motion: Council Member Rhoades, *motion for Town staff to look into Council Member Freedman's proposal and return to the Council in two or four weeks to make recommendations about putting signs out or drafting an ordinance.*
Second: Council Member Freedman

Ayes: Council Members Augherton, Freedman, McGuire, Rhoades, Vice Mayor Royer, Mayor Morris
Absent: Council Members Driskell

The motion passed 6 to 1 by roll call vote.

C. DEPARTMENT / STAFF REPORTS

2. FY2026 First Quarter Finance Report

Finance Director Cherie White and Accounting Manager Bridget Black conducted a slideshow presentation. Ms. White highlighted a new policy where credit cards will no longer be accepted for payments of $25,000 or more due to the substantial fees incurred by the Town. She explained the amount of fraud that is currently being investigated by BMO Bank is around $15,000, and she suggested a potential way the fraud might have occurred. The Sheriff's Office has been contacted, she remarked, and BMO is conducting its own investigation. She specified that the permanent base adjustment option project will not take place in 2026.

Ms. White discussed the provision in the One Big Beautiful Bill regarding tax payments on overtime hours, adding that it will take some effort to figure out the various situations and set up formulas to account for them.

Ms. White concluded the presentation. Ms. White indicated that first quarter reports are challenging because of timing differences and comparatively smaller dollar amounts. Another challenge was that staff made many changes to the accounting structure during this year's process. She explained the rationale behind the decision to initiate fund transfers during each quarter rather than waiting for the end of the year as had been done in the past.

Mayor Morris lauded staff for the amount of detail included in the report. Ms. White explained that in addition to the new accountant position, other staff were reclassified as Accounting Specialist and Accounting Specialist Lead since they were doing more than just utility billing.

ADJOURNMENT

Meeting adjourned by the Mayor at 7:15 p.m.

_____

Robert Morris, Mayor

Attest:

_____

Teresa Riza, Deputy Town Manager/Town Clerk

STAFF REPORT

TO: Grady E. Miller, Town Manager
FROM: Cherie White, Finance Director
DATE: 01/06/2026

SUGGESTED MOTION:

Move to approve Resolution No. 2026-01.

SUMMARY:

In the November 4, 2025, regular meeting, the Town Council directed staff to proceed with statutory posting requirements and scheduling of a public hearing for proposed increases in utility rates based on the scenarios selected by Council. Utilities financial plans and proposed rate scenarios were presented to discuss and receive feedback from Council regarding rate increases, rate structures, and General Fund subsidies and cash loans. Council directed staff to proceed with the following selected scenarios:

- Cave Creek Water:
  - Revenue increases of 6% for 2026 through 2028
  - Add lowest water usage tier of 4,000 gallons per month or less
  - Adjust highest water usage tier from greater than 50,000 gallons per month to greater than 40,000 gallons per month
  - Evaluate water resource fee at a later date when more certainty of costs is available
- Desert Hills Water:
  - Revenue increases of 6% for 2026 through 2028
  - Add lowest water usage tier of 4,000 gallons per month or less
  - Adjust highest water usage tier from greater than 50,000 gallons per month to greater than 40,000 gallons per month
- Cave Creek Wastewater:
  - Revenue increases of 6% for 2026 and 2027, and 5% for 2028

A.R.S. §9-511.01 requires that for any proposed increase in water or wastewater rates or rate components, fees, or service charges, the Town must adopt a notice of intention at least 60 days prior to a public hearing. In addition, the notice of intention and information regarding the public hearing must be published at least 20 days before the public hearing date. A written report with data supporting the increase, including cash flow projections, must be made available in the Town Clerk's Office and posted on the Town's website at least 30 days prior to the public hearing. On November 4, 2025, the Town Council adopted a notice of intent and set January 6, 2026, as the public hearing date. The adopted notice of intent was posted on the Town's website on November 7, 2025, along with a copy of the rate study report posted and made available the same date. Notice of intention with public hearing information was published in the Arizona Business Gazette on November 28,

2025.

The following information was made available to customers regarding the proposed rates:

- Notice of intention and public hearing notice posted on the Town's website
- Postings on social media sites and in The Prospector
- Press releases
- Messages on customer bills and flyer inserts
- Flyer inserts available at the customer counters
- Proposed rates posted on the Town's website
- Rate estimators available on the Town's website

On November 21, 2022, the Town Council approved annual utility rate increases for 2023 through 2028. The proposed resolution rescinds the rate increases for 2026 through 2028 and recommends rate and structure changes for 2026 through 2028. Due to the dynamic circumstances the utility systems are facing, staff recommends limiting the adoption of rate increases for the next 3 years to allow for updates to the rate study with the latest updated information in the next 2-3 years.

The effective date of the proposed rate increases is February 5, 2026, for the 2026 rates and the first whole billing period in January of each year in 2027 and 2028.

RELATED ORDINANCE, POLICY, STRATEGIC PRIORITY:

Strategic Priority Number One, Fiscal Sustainability.

- Goal #6 – Enhance and protect existing revenue sources while continuously exploring new and diverse options to ensure the Town can adapt to changing economic conditions.
- Action Item – Utility Rate Study Modeling: Consultants to update financial projections/model for utility enterprise funds. Timeframe: FY2025 Annual Review, 5-year cycle.

FINANCIAL CONSIDERATION/ALTERNATIVES:

The proposed rate increases will further the Town's goal to minimize and eliminate General Fund subsidies and cash loans to the utility funds, as well as maintain debt service coverage ratios to obtain debt financing for capital improvement projects. The rate structure changes are anticipated to further the Town's goal of encouraging water conservation in anticipation of possible cuts to the Town's Central Arizona Project (CAP) water supply.

Alternatively, the Town Council could direct staff to pursue a different approach to rate and structure changes.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution No. 2026-01.

Attachments

Resolution No. 2026-01

November 2025 Utility Rate Study Report

Presentation

Form Review

Inbox	Reviewed By	Date
Finance Director (Originator)	Cherie White	12/23/2025 03:07 PM
Finance Director (Originator)	Cherie White	12/23/2025 03:07 PM

Town Attorney	Bill Sims	12/24/2025 05:05 AM
Town Manager	Grady Miller	12/24/2025 10:41 AM

Form Started By: Cherie White Started On: 12/19/2025 10:21 AM

Final Approval Date: 12/24/2025

RESOLUTION NO. R2026-01

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF CAVE CREEK, MARICOPA COUNTY, ARIZONA RESCINDING PREVIOUSLY ADOPTED UTILITY RATES AND ADOPTING AND AMENDING THE MONTHLY SERVICE CHARGES, USAGE RATES AND RATE STRUCTURE FOR UTILITY SERVICES IN THE CAVE CREEK WATER, DESERT HILLS WATER, AND CAVE CREEK WASTEWATER SERVICE AREAS.

WHEREAS, A.R.S. §§ 9-511, 9-511.01, et seq., provides Arizona municipalities authority to adopt and adjust utility rates; and

WHEREAS, the Town Council approved annual utility rate increases on November 21, 2022 for 2023 through 2028; and

WHEREAS, the Town Council adopted a Comprehensive Fee Schedule on December 16, 2024; and

WHEREAS, a Utility Rate Study was completed identifying recommended amendments to existing rates and rate structures and presented to the Town Council on November 4, 2025; and

WHEREAS, the Town of Cave Creek Town Code § 52-401 provides that water rates shall be established by Town Council resolution, subject to change, revision, and modification in their discretion; and

WHEREAS, the Town Code § 52-406 allows the Town to establish water rates in direct proportion to the cost of securing, developing, conserving, and delivering water to the customers of the town water system in the particular service area; and

WHEREAS, the Town Code § 50-105 provides that wastewater rates shall be established by Town Council resolution, as it deems appropriate and necessary; and

WHEREAS, the Town Council, in compliance with A.R.S. § 9-511.01, has published and given notice of intent to increase utility rates and posted notice of a public hearing; and published the Utility Rate Study report on the proposed rates that includes a cash flow analysis regarding the proposed rates; and

WHEREAS, the utility rates set forth in Exhibit A are based on the costs of providing service to the service areas.

NOW, THEREFORE, IT IS RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF CAVE CREEK, ARIZONA, AS FOLLOWS:

Section 1. That the Council of the Town of Cave Creek rescinds utility rates adopted on November 21, 2022 for 2026 through 2028.

Section 1. That the Council of the Town of Cave Creek approves and adopts the utility rates attached hereto as Exhibit A, incorporated herein by this reference, and to be added to and revised in the Comprehensive Fee Schedule.

Section 2. That the 2026 rates shall become effective February 5, 2026, and the 2027 and 2028 rates shall take effect in the first whole billing period in January of each year.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of this addition or modification adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Council of the Town of Cave Creek, Arizona this 6th day of January, 2026.

ATTESTED TO:

_____
Teresa Riza, Town Clerk

FOR THE TOWN OF CAVE CREEK:

_____
Robert Morris, Mayor

APPROVED AS TO FORM:

_____
William J. Sims, Town Attorney

EXHIBIT A

Bulk Water Tie-In Costs

Rate Description	2026 Fee	Units
Cost to Treat and Deliver NIA Water	$8.36	per 1,000 gallons
Cost to Treat, Deliver and Purchase M&I Water	$9.78	per 1,000 gallons

Cave Creek Water Base Fees

(based on meter size)

Rate Description	2026 Fee	2027 Fee	2028 Fee	Units
Not Boosted:				
5/8 inch to 1 inch	$65.04	$68.94	$73.08	per month
1 1/2 inch	$216.58	$229.57	$243.35	per month
2 inch	$346.66	$367.46	$389.51	per month
Boosted:				
5/8 inch to 1 inch	$80.75	$85.60	$90.73	per month
1 1/2 inch	$232.29	$246.23	$261.00	per month
2 inch	$362.37	$384.11	$407.16	per month

Cave Creek Water Volumetric Rates

(based on water usage)

Rate Description	2026 Fee	2027 Fee	2028 Fee	Units
Single and Multi-Family Residential:				
0-4,000 gallons	$2.80	$2.97	$3.15	per 1,000 gallons
4,001-10,000 gallons	$3.50	$3.71	$3.93	per 1,000 gallons
10,001-20,000 gallons	$5.08	$5.38	$5.70	per 1,000 gallons
20,001-30,000 gallons	$7.36	$7.80	$8.27	per 1,000 gallons
30,001-40,000 gallons	$11.41	$12.09	$12.82	per 1,000 gallons
>40,000 gallons	$20.53	$21.76	$23.07	per 1,000 gallons
Commercial:				
0-10,000 gallons	$3.25	$3.45	$3.65	per 1,000 gallons
10,001-20,000 gallons	$4.71	$5.00	$5.29	per 1,000 gallons
20,001-30,000 gallons	$7.07	$7.49	$7.94	per 1,000 gallons
30,001-40,000 gallons	$11.45	$12.14	$12.87	per 1,000 gallons
>40,000 gallons	$18.32	$19.42	$20.59	per 1,000 gallons
Common Areas and Commercial Irrigation:				
0-10,000 gallons	$5.70	$6.04	$6.40	per 1,000 gallons
10,001-20,000 gallons	$7.13	$7.55	$8.01	per 1,000 gallons
20,001-30,000 gallons	$9.26	$9.82	$10.41	per 1,000 gallons
30,001-40,000 gallons	$12.04	$12.76	$13.53	per 1,000 gallons
>40,000 gallons	$17.46	$18.51	$19.62	per 1,000 gallons
Commercial Pools:				
0-10,000 gallons	$4.40	$4.66	$4.94	per 1,000 gallons
10,001-20,000 gallons	$5.50	$5.83	$6.18	per 1,000 gallons
20,001-30,000 gallons	$7.15	$7.58	$8.03	per 1,000 gallons
30,001-40,000 gallons	$11.80	$12.51	$13.26	per 1,000 gallons
>40,000 gallons	$17.70	$18.76	$19.88	per 1,000 gallons

Desert Hills Water Base Fees

(based on meter size)

Rate Description	2026 Fee	2027 Fee	2028 Fee	Units
Not Boosted:				
5/8 inch to 1 inch	$80.76	$85.61	$90.74	per month
1 1/2 inch	$268.93	$285.07	$302.17	per month
2 inch	$430.45	$456.28	$483.65	per month
Boosted:				
5/8 inch to 1 inch	$82.72	$87.68	$92.94	per month
1 1/2 inch	$270.89	$287.14	$304.37	per month
2 inch	$432.41	$458.35	$485.86	per month

Desert Hills Water Volumetric Rates

(based on water usage)

Rate Description	2026 Fee	2027 Fee	2028 Fee	Units
Single Family Residential:				
0-4,000 gallons	$4.40	$4.66	$4.94	per 1,000 gallons
4,001-10,000 gallons	$5.94	$6.30	$6.67	per 1,000 gallons
10,001-20,000 gallons	$8.61	$9.13	$9.68	per 1,000 gallons
20,001-30,000 gallons	$12.92	$13.69	$14.52	per 1,000 gallons
30,001-40,000 gallons	$19.38	$20.54	$21.77	per 1,000 gallons
>40,000 gallons	$29.07	$30.81	$32.66	per 1,000 gallons
Commercial:				
0-10,000 gallons	$4.95	$5.25	$5.56	per 1,000 gallons
10,001-20,000 gallons	$7.43	$7.87	$8.34	per 1,000 gallons
20,001-30,000 gallons	$11.14	$11.81	$12.51	per 1,000 gallons
30,001-40,000 gallons	$17.26	$18.30	$19.40	per 1,000 gallons
>40,000 gallons	$26.76	$28.36	$30.07	per 1,000 gallons

Cave Creek Wastewater Residential Fees

(flat charge)

Rate Description	2026 Fee	2027 Fee	2028 Fee	Units
Residential	$95.24	$100.96	$107.01	per month

Cave Creek Wastewater Non-Residential Base Fees

(based on meter size)

Rate Description	2026 Fee	2027 Fee	2028 Fee	Units
3/4 inch	$66.69	$70.69	$74.93	per month
1 inch	$111.37	$118.05	$125.14	per month
1 1/2 inch and larger	$222.08	$235.40	$249.53	per month

Cave Creek Wastewater Volumetric Rates

(based on water usage)

Rate Description	2026 Fee	2027 Fee	2028 Fee	Units
General Commercial	$4.51	$4.78	$5.07	per 1,000 gallons over 10,000 gallons
Restaurant	$12.82	$13.58	$14.40	per 1,000 gallons over 10,000 gallons
Professional Office	$1.76	$1.86	$1.97	per 1,000 gallons over 10,000 gallons
Hotel - without dining	$3.89	$4.13	$4.37	per 1,000 gallons over 10,000 gallons
Car Wash	$1.28	$1.36	$1.44	per 1,000 gallons over 10,000 gallons
Laundromat	$6.28	$6.66	$7.06	per 1,000 gallons over 10,000 gallons
Service Station	$3.75	$3.98	$4.21	per 1,000 gallons over 10,000 gallons
Industrial	$3.06	$3.24	$3.44	per 1,000 gallons over 10,000 gallons

Cave Creek Wastewater Interceptor Fees

(flat charge)

Rate Description	2026 Fee	2027 Fee	2028 Fee	Units
Interceptor Device (each)	$103.60	$109.82	$116.41	per month

Town of Cave Creek, AZ

Water and Wastewater 2025 Rate Study









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Section 1 - Introduction

1.1 Introduction

Willdan Financial Services ("Willdan") was retained by the Town of Cave Creek, Arizona ("Town") to conduct a Water and Wastewater Rate Study ("Rate Study") for the Town's water and wastewater utilities ("Utilities"). This report details the results of the Rate Study analysis for the forecast period, fiscal year (FY) 2025-26 through FY 2033-34, (with a focus on FY 2025-26 through FY 2027-28) the results of which are presented in this Rate Study Report.

The results of the Rate Study presented herein are a financial plan and rate structure designed to provide revenues to fund the ongoing operating and capital costs necessary to operate the Town's water and wastewater utilities, while striving to meet the financial requirements and goals set forth by the Town for the water and wastewater enterprise funds including a plan to reduce reliance on General Fund subsidies.

This report presents the recommended revenue adjustments and the corresponding rates to recover the utilities' revenue requirements.

1.2 Goal and Objectives

The primary goal of the Rate Study was to develop cost-based rates that will allow the Town to meet its ongoing costs (operations & maintenance and capital), debt service coverage requirements and to maintain industry standard financially prudent cash reserves for the utilities. More specifically the Rate Study was undertaken to:

- Conduct the analysis in accordance with industry standards consistent with American Water Works ("AWWA") and Water Environment Federation ("WEF") guidelines;
- Develop financial plans and rates consistent with industry standards and best practices while recognizing the needs specific to the Town including:
    - Strive to achieve and maintain an operations and maintenance reserve equivalent to 3 months of annual operating expenses;
    - Meet annual debt service coverage provisions; and
- Encourage water conservation.

1.3 Overview of the Rate Study Process

The rate study process consists of three primary study components. First, a determination of the adequacy of system revenues to meet system expenses during the study forecast period must be made. The results of this analysis, known as the Revenue Sufficiency Analysis, is an assessment of the ability of the existing revenue stream to meet the projected financial requirements of the system during the forecast period and, to the extent required, the identification of the magnitude and timing of any required rate adjustments.

Next, a determination of the manner in which the utility incurs costs is made. The results of this analysis, known as the Cost-of-Service Analysis, which allocates costs to functional cost categories, and to customer classes (such as residential or commercial).

Finally, specific rates and charges should be designed to provide sufficient revenue, as identified in the Revenue Sufficiency Analysis, to recover costs in a manner consistent with general rate-making practice, as identified in the Cost-of-Service Analysis. This final step is known as the Rate Design Analysis.

1.4 Organization of this Report

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

- Section 1 - Introduction
- Section 2 – Overview of Utility Rate-Making Principles, Processes and Issues
- Section 3 – Rate Study Development and Results
- Section 4 – Conclusions and Recommendations
- Appendix A – Cave Creek Water System Financial Plan
- Appendix B – Desert Hills Water System Financial Plan
- Appendix C – Cave Creek Wastewater System Financial Plan
- Appendix D – Cave Creek Water Rate Design
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1.5. Reliance on Data

During the course of this project the Town (and/or its representatives) provided Willdan with a variety of cost and revenue data for FY 2024-25 as well as forecasting assumptions for the next 9 years. Willdan did not independently assess or test for the accuracy of such data – historic or projected. We have relied on this data in the formulation of our findings and subsequent recommendations, as well as in the preparation of this report. As is often the case, there will be differences between actual and projected data, and these differences may be significant. Therefore, we take no responsibility for the accuracy of data or projections provided by or prepared on behalf of the Town, nor do we have any responsibility for updating this report for events occurring after the date of this report.

1.6. Acknowledgements

We wish to extend our appreciation to the Town and its staff for their cooperation during the progress of this study. In particular, we would like to thank Ms. Cherie White, Finance Director and Mr. Shawn Kreuzwiesner, Utilities Director.

Section 2 – Overview of Utility Rate-Making Principles, Processes and Issues

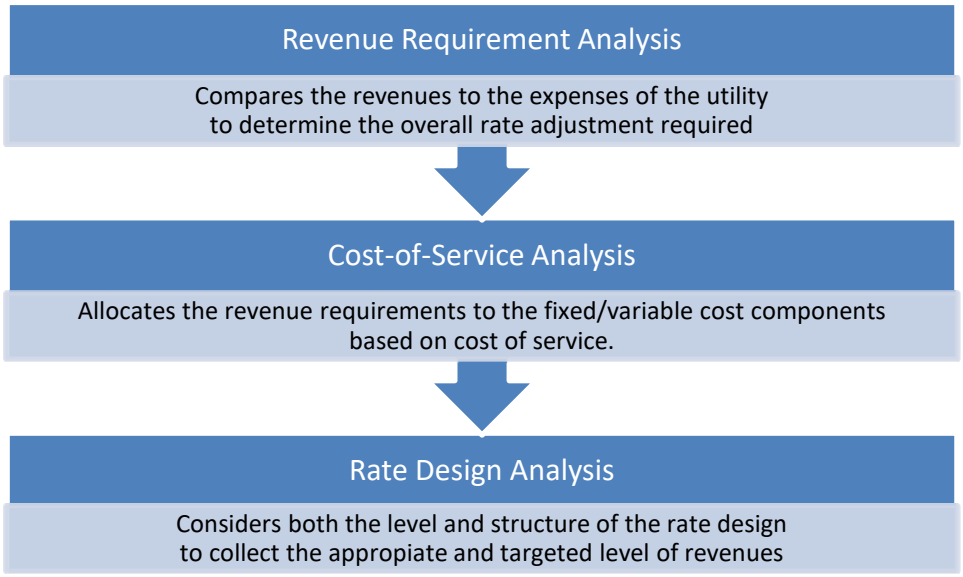
2.1 Introduction

The scope of this study included the development of cost-based water and wastewater user charges through a cost-of-service and rate design analysis. Utility rates should be set at a level where operating and capital expenses are met with the revenues received from customers. This is a significant point, as failure to achieve this level could lead to insufficient funds being available to adequately maintain the system. A comprehensive rate study typically consists of following three interrelated analyses:

I. **Financial Planning/Revenue Requirement Analysis**: Create a ten-year plan to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, debt financing, and retirement of any outstanding debt. In addition, the long-term plan should fund and maintain reserve balances to adequate levels based on industry standards and the Town of Cave Creek's fiscal policies.

II. **Cost-of-Service Analysis**: Identifies and apportions annual revenue requirements to functional cost components based on the demand placed on the utility system.

III. **Rate Design:** Develops an equitable and proportionate fixed/variable schedule of rates for the Town's customer base. This is also where other policy objectives can be achieved, such as promoting the efficient use of water. The policy objectives are harmonized with cost-of-service objectives to achieve the delicate balance between customer equity, financial stability and resource conservation goals.



The Rate Study utilized generally accepted rate-making principles established by the American Water Works Association (AWWA) in its "M1 Principles of Water Rates Fees and Charges" manual and by the Water Environment Federation (WEF) in its "Financing and Charges for Wastewater Systems, Manual of Practice No. 27 (2004)". The principles are intended to result in the development of rates and charges which are projected to: 1) generate sufficient revenue to meet the financial requirements of the water and wastewater utilities, and 2) address the need to recover costs from users in a manner which is proportionate to the cost of providing service on a fair and equitable basis relative to the service provided. A discussion of some of the key principles of rate-making, and how the processes employed herein are guided by those principles, is presented below.

2.2 Discussion of General Rate-Making Principles

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

- Generate a stable rate revenue stream which, when combined with other sources of funds, is sufficient to meet the financial requirements and goals of the utility;
- Be fair and equitable – that is, they should generate revenue from customer classes which is reasonably in proportion to the cost to provide service to that customer class;
- Be easy to understand by customers; and

- Be easy to administer by the utility.

Striking the appropriate balance between the principles of rate-making is the result of a detailed process of evaluation of revenue requirements, cost-of-service, and how those translate into the rate design alternatives which meet legal requirements and the specific objectives of the utility under the circumstances in which the utility operates.

2.3 The Revenue Sufficiency Process

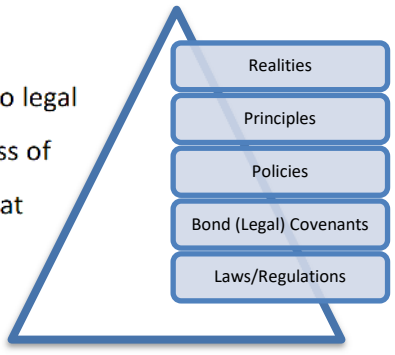
In order to develop rates and charges which will generate sufficient revenue to meet the fiscal requirements of the water and wastewater utilities, a determination of the annual rate revenue required must be completed. The first step in the process is the Revenue Sufficiency Analysis. The Revenue Sufficiency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

The process employed in the Revenue Sufficiency Analysis involves a rigorous review of operating, maintenance and capital budgets for the utility, and results in the identification of revenue requirements of the system, such as operating expenses, capital expenses (minor and major), debt service expense, transfers in and out, and the maintenance of both restricted and unrestricted reserves at appropriate levels. These revenue requirements are then compared to the total sources of funds available during each year of the forecast period to determine the adequacy of projected revenues to meet projected revenue requirements. To the extent that the existing revenue stream is projected to be insufficient to meet the annual revenue requirements of the system during the projection period, a series of rate revenue increases are calculated which would be required to provide revenue sufficient to meet those needs.

2.3.1 Determination of the Revenue Requirements

Considerations in Setting Revenue Requirements

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



Capital Budgeting and Financing

Capital needs are defined by the Town's water and wastewater Capital Improvement Plan (CIP). As part of its budget and planning process, the Town identifies capital improvements that are necessary for the continued delivery of clean, safe, drinking water, and collection and treatment of wastewater flows. The Capital Improvement Plan may be funded by a variety of sources including water and wastewater rates, capacity fees and capital reserves.

Capital Funding: Debt vs. PAYGO

The selection of the most appropriate funding strategy for capital projects is primarily a policy decision between use of cash ("Pay-as-you-go financing" or PAYGO), the issuance of debt, or a combination. PAYGO is the use or build-up of cash to fund capital improvements. With debt financing, capital improvements are funded with borrowed funds (usually through the issuance of bonds) with the obligation of repayment, typically with interest, in future years. Development of an optimal capital financial plan depends on the definition of optimal. Each funding mechanism has a different impact on water and wastewater rates in the short and long run, different net present values, risks, and legal obligations. Due to the borrowing costs associated with debt, cash funding can be cheaper in the end; however, debt typically ensures greater generational equity for larger and longer lasting capital projects as new customers will pay for a portion of the capital projects they benefit from through debt service payments.

The Town, as is typical for a public utility, operates its water and wastewater utilities on a "cash basis". Under the "cash basis" approach, revenues and expenses are recognized at the time physical cash is received or paid out. Revenue requirements are determined for a specified period of time (in the case of the Town an annual fiscal year ending June 30th), by summing the total anticipated expenses to be paid out during the fiscal year. Where cash flows and balances are insufficient, the revenue requirements analysis recommends the needed additional cash flows to meet all funding goals. The two primary categories of expenses are as follows:

- Operations and Maintenance (O&M) expenses, such as salaries and benefits of utility personnel, transfers out, existing and anticipated debt service, and reserves; and
- Capital expenses, such as the annual capital improvement program.

Financial Planning

In the development of the revenue requirements, certain parameters are utilized to project future expenditures, growth in customers and consumption, and necessary revenue adjustments. The Town's budget documents are used as the baseline, which are then projected over a planning horizon to account for

fluctuations in costs from year to year as well as any adjustments to debt service payments. Conservative growth assumptions and prudent financial planning are fundamental in ensuring adequate rate revenue to promote financial stability. The financial model developed for this study considers the Town's operating cash balances (cash on hand). As existing debt is redeemed, additional debt may be utilized to fund additional capital improvements required due to aging infrastructure.

2.4 The Cost Allocation Process

In order to provide guidance to the Town as to how to appropriately recover the rate revenue requirements identified in the Revenue Sufficiency Analysis, a Cost-of-Service Analysis is required.

The process employed in the Cost-of-Service Analysis results in the identification of the cost to provide water and wastewater service to customers. These water and wastewater cost allocations are then used as the basis for the assignment of revenue requirements to customer classes, upon which the development of rates and charges is based.

The industry standard approach to the development of a water cost-of-service analysis is the Base-Extra Capacity methodology, as detailed in the American Water Works Association (AWWA) M1 Manual – Principles of Water Rates, Fees and Charges.

The general approach to the development of cost-of-service allocations under the Base-Extra Capacity methodology is to: 1) identify the costs by functional cost category, 2) allocate the functionalized costs further to cost categories and then 3) allocate rate revenue requirements to customer classes based on the distribution of costs and customer characteristics.

Wastewater rate design is guided by principles found in the Water Environment Federation "Financing and Charges for Wastewater Systems, Manual of Practice No. 27. Costs are allocated to functional categories such as flow, customer related costs and strength categories of biochemical oxygen demand and suspended solids.

The resulting allocations provide guidance to the rate practitioner which, combined with the other goals and objectives of the utility, provides the necessary information required to proceed to the development of utility rates and charges.

2.5 The Rate Design Process

With the rate revenue requirement determined in the Revenue Sufficiency Analysis, the development of specific rates and charges can be undertaken. Once the rate revenue requirement has been identified, the

manner in which those requirements should be recovered, and the billing units to be used to recover the required revenue are determined, specific rates and charges can then be developed.

Utilities consider a variety of factors in establishing rates, including cost allocation, customer impact, conservation of resources and ease of administration. The rate design process seeks to find the balance between the need to recover sufficient revenue in a fair and equitable manner and the need to do so within the constraints of other objectives which are unique to each utility. By understanding the types of customers served by the utility, and the general usage characteristics of those customers, a system of rates and charges can be developed that balances those many objectives while also generating sufficient revenue.

First, the rate design goals of the utility are reviewed to identify areas the utility wishes to address over the course of the Rate Study. Next, an assessment of the existing rate design is undertaken to identify what has worked well for the utility with regard to their specific goals and objectives, and the general goals and objectives of utility rate-making. This assessment typically also identifies areas for improvement which can provide guidance to the rate practitioner with respect to the design of future rates and charges.

After a review of the existing rates and charges, a dialog of how to build on the positive aspects of the existing structure and how to address deficiencies in the existing structure occurs with Town staff and stakeholders.

With an evaluation of the strengths and weaknesses of the existing rate structure and the goals of the utility going forward, the development of a new rate structure can begin. Development of a new rate structure which recovers the costs to provide water and wastewater service in a manner which achieves the goals of the utility in a manner consistent with standard rate-making practice requires an analysis of the projected usage characteristics of the customer base to which the rates will apply.

Besides ensuring compliance with State law, another key principle for a comprehensive Rate Study is found in economic theory, which suggests the price of a commodity must roughly equal its cost or value if equity among customers is to be maintained – i.e., cost-based. In terms of economic theory, the principle is that the price of a commodity (water or wastewater service) must be proportionately equal to its cost (the Town's cost of providing the service).

2.6 Financial Management Goals of the Town

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

2.6.1 Minimum Unrestricted Working Capital Balance

In order to maintain a certain level of liquidity, the Town has developed a long-term goal of maintaining unrestricted working capital reserves in an amount greater than or equal to approximately 3 months of operating expenses.

2.6.2 Maintenance of Debt Service Coverage Requirements and Reserves

The Town currently has outstanding debt for the water and wastewater utilities. The water related debt issuances carry a debt service coverage requirement of 1.20 times. To meet this requirement the Town's utilities must have $1.20 in net revenues (revenue less operations and maintenance expenses) for every $1.00 of debt service for a given year. Unlike the target working capital reserve, the debt service coverage requirement is a legal requirement and failure to meet the requirement would result in the Town being in technical default of its debt obligations. The Town's wastewater utility has outstanding excise tax backed debt. In other words, tax revenues were pledged to support the debt issuance. The wastewater financial plan still tries to achieve a debt service coverage ratio of 1.20 times. Additionally, the financial plans have an assumed debt service reserve with a restricted reserve balance equal to 1 year's debt service.

2.6.3 Repayment of General Fund Subsidies/Loans

Throughout the study period, the Cave Creek water and wastewater utilities are anticipated to be subsidized by the General Fund in order to maintain the financial viability of the utilities. The goal of the ongoing financial planning process is to not only reduce the reliance on General Fund assistance but to repay the General Fund at a future point in time when the utilities are able to fully support themselves. The Desert Hills water system is projected to receive General Fund loans, with repayments to the General Fund expected within the 10 year study period.

Section 3 – Rate Study Development and Results

3.1 Revenue Sufficiency Analysis

3.1.1 General Methodology

In order to develop rates and charges which generate sufficient revenue to meet the fiscal requirements of the Town, a determination of the annual revenue from rates which, combined with other sources of funds, will provide sufficient funds to meet those fiscal requirements must first be completed. This process is typically referred to as a Revenue Sufficiency Analysis.

The process employed in the Revenue Sufficiency Analysis resulted in the identification of revenue requirements of the system, such as operating expenses, capital expenses (minor and major), debt service expense, transfers out and the maintenance of both restricted and unrestricted reserves at appropriate levels. These revenue requirements were then compared to the total sources of funds during each year of the forecast period to determine the adequacy of projected revenues to meet requirements. To the extent that the existing revenue stream was not sufficient to meet the annual revenue requirements of the system, a series of rate revenue increases were calculated to provide sufficient revenue to meet those needs.

3.1.2 Data Items

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

- Financial management goals of the Town
- FY 2024-25 Beginning Fund Balances
- FY 2024-25 Estimated Actual Results and FY 2025-26 Adopted Budgets
- Bulk Water Costs
- Capital Improvement Needs
- Outstanding Debt Schedules
- General assumptions related to:
    - Customer growth
    - Cost escalation factors

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

3.1.3 FY 2024-25 Beginning Fund Balance

To better understand what funds the Town had on hand to start the forecast period, a detailed review of fund balances as of the beginning of FY 2024-25 was conducted and discussed with Town staff. The fund balances were separated into unrestricted (available for operations and maintenance and capital) and restricted (debt service reserve mandated by current debt obligations). A summary of the fund balances associated with the water and wastewater utility enterprise funds for the beginning of FY 2024-25, as adjusted for use in this analysis, is presented in Table 3-1 below.

Table 3-1
Beginning Fund Balance
Fiscal Year Ending June 30, 2025

Description	Cave Creek Water	Desert Hills Water	Cave Creek Wastewater
Unrestricted	$0	$0	$0
Restricted	1,336,541	466,591	0
Total	$1,336,541	$466,591	$0

3.1.4 FY 2024-25 Estimated Actual Results and Adopted FY 2025-26 Budgets

Staff provided Willdan with the FY 2024-25 estimated actual revenues and expenses as well as FY 2025-26 budgets, including associated line-item detail. The adopted FY 2025-26 budgets were used as the basis for the projection of financial performance for the forecast period beyond FY 2025-26.

Cost escalation factors were reviewed by staff and were used to project line-item costs beyond the adopted FY 2025-26 budgets. Those factors were applied based on line-item cost classifications.

A summary of the adopted FY 2025-26 budgets and subsequent projected expenses are presented below in Table 3-2. A more detailed presentation of the line-item budgeted and projected revenues and expenses are presented in the Appendices.

Table 3-2 Operating Budget Fiscal Years Ending June 30 ($ thousands)					
Description	**25-26**	**26-27**	**27-28**	**28-29**	**29-30**
			Cave Creek Water		
O&M	$4,661	$4,753	$4,906	$4,731	$4,883
Debt Service	2,647	3,235	1,834	2,119	2,310
Total Expenses	**$7,307**	**$7,988**	**$6,740**	**$6,851**	**$7,193**
			Desert Hills Water		
O&M	$3,243	$3,413	$3,467	$3,519	$3,578
Debt Service	852	867	924	1,102	1,226
Total Expenses	**$4,095**	**$4,280**	**$4,391**	**$4,621**	**$4,804**
			Cave Creek Wastewater		
O&M	$2,115	$2,174	$2,240	$2,300	$2,372
Debt Service	1,895	1,441	1,490	1,587	308
Total Expenses	**$4,010**	**$3,614**	**$3,730**	**$3,887**	**$2,680**
Note: Values are rounded to the nearest $1,000					

3.1.5 Bulk Water Costs

The Town currently provides treated bulk water to the Desert Hills water system through an interconnect site at 24th Street and Cloud Road. The sale of the water is a revenue to the Cave Creek system and an expense to the Desert Hill system, based on the amount transferred annually. The Desert Hills system was constructed with only groundwater supplies. Since 2007, the Desert Hills system has relied on the transfer of Municipal & Industrial (M&I) Central Arizona Project (CAP) water rights from Cave Creek. In 2021, the Town was able to purchase a new Non-Indian Agricultural (NIA) CAP water right for Desert Hills to help reduce the reliance on the Town's M&I water rights. The proposed rates will account for the cost of each type of CAP water rights being provided to Desert Hills. One rate will cover the cost of Cave Creek to treat and deliver NIA water to Desert Hills. The second rate with cover the cost of the Town's M&I water resources and the treatment and delivery of the water to Desert Hills. The rates include a small administrative fee for the Cave Creek water utility to provide the water along with a 5% treatment and delivery loss. The bulk water cost calculations can be found in Section 3.2.2.1.

3.1.6 Capital Improvements Plan (CIP)

The Town provided Willdan with a forecast of capital requirements for the study period. The CIP provided by the Town was provided in current day dollars and has been escalated for future years using the Engineering News Record (ENR) construction cost index. The inflationary rate for the study is based on the current ENR Construction Cost Index (CCI), 5-year average of 3.75%. A summary table of the CIP (in inflated dollars) for

the FY 2025-26 – FY 2029-30 forecast period is presented below in Table 3-3. The CIP is presented in the Appendices.

Table 3-3
Capital Improvement Plan (inflated)
Fiscal Years Ending June 30 ($ thousands)

Description	25-26	26-27	27-28	28-29	29-30	Total
Cave Creek Water	$24,511	$2,205	$4,301	$2,239	$2,885	$36,141
Desert Hills Water	525	1,277	3,847	1,653	1,532	8,833
Cave Creek Wastewater	1,728	1,271	1,346	1,563	3,099	9,007

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

3.1.7 Outstanding Debt

The Town, like many utilities, has utilized long-term debt to fund capital assets in the past. The Town has both outstanding water and wastewater debt and is exploring options to debt fund capital projects in the future. Future debt is anticipated to be issued through the Water Infrastructure Finance Authority (WIFA) at a 20-year term and 5.0% interest rate.

Issuance of debt provides a reasonable matching between the facilities or infrastructure to be constructed and the rate payers who will be benefiting from the assets. Because the debt is retired over time, new customers who connect to the system in the future will share (through their rates) in the cost of the assets that they will benefit from through their use of the system.

3.1.8 General Assumptions

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

3.1.8.1. System Growth

The Town anticipates no growth in the Cave Creek water and wastewater systems through 2028. This period will be followed by 13 new connections per year for 2029 through 2031. There is another period of no growth between 2032 and 2034 followed by 46 new connections per year for 5 years beginning in 2035. No growth is anticipated for the Desert Hills water system. The lack of growth in Desert Hills accounts for the adopted Water Resource Policy, which limits new service connections outside the Town's municipal limits.

3.1.8.2. O&M Escalation Factors

Willdan worked with Town staff to identify reasonable cost escalation factors to be applied to operations and maintenance expenses in recognition of increasing costs over time. It was determined that reasonable inflationary factors were as follows:

- Personnel 3.00%
- Benefits 10.00%
- Electricity and Fuel 4.00%
- CAP Water average rate of 3.44%
- All Other expenses 2.00%

3.1.8.3. Results of the Revenue Sufficiency Analysis

After a thorough review of the above-mentioned data elements, a draft of the Revenue Sufficiency Analysis was developed and reviewed with Town staff. This draft provided the forum in which various alternative assumptions were discussed, tested and evaluated for both their reasonableness and their impact upon the ultimate financial health of the utility.

The resulting financial plan presented herein is the embodiment of the data, assumptions and review process undertaken with Town staff in several meetings. Table 3-4 provides a summary of the annual revenue requirements for the water and wastewater utilities incorporating the assumptions in Section 3 of this report as compared to the projected rate revenue described in in more detail in the appendices.

Table 3-4
Revenue Requirements vs. Revenue Under Existing Rates and Fees
Fiscal Years Ending June 30 ($ thousands)

Description	25-26	26-27	27-28	28-29	29-30
Cave Creek Water					
Revenue Under Existing Rates	$6,238	$6,332	$6,436	$6,423	$6,534
Revenue Requirements	33,128	10,781	11,041	9,375	10,269
Difference	($26,890)	($4,449)	($4,605)	($2,592)	($3,735)
Desert Hills Water					
Revenue Under Existing Rates	$3,975	$3,995	$4,015	$4,056	$4,081
Revenue Requirements	5,005	5,558	8,223	6,203	6,087
Difference	($1,030)	($1,562)	($4,208)	($2,146)	($2,006)
Wastewater					
Revenue Under Existing Rates	$1,582	$1,571	$1,576	$1,604	$1,631
Revenue Requirements	5,738	4,948	5,134	5,522	5,895
Difference	($4,156)	($3,377)	($3,558)	($3,918)	($4,264)
Note: Values are rounded to the nearest $1,000					

3.1.8.4. Rate Revenue Increases Required

Our analysis of the water and wastewater utilities indicate that without revenue increases the utilities will not generate sufficient revenue to meet their respective operations and maintenance, repair and replacement

capital and debt service throughout the study period. In part, this is because anticipated growth (in the years it is anticipated to occur) is projected to be less than the cost increase associated with operating expenses. Therefore, we recommend increases each year for both water systems and the wastewater utility in order to maintain pace with increasing operating costs, fund capital needs and to pay annual debt service. In addition to revenue increases through utility rates, Town Management intends to transfer funds from the General Fund to the Cave Creek utility systems and loans to the Desert Hills utility system during the study period. The intent of the transfer is to assist the utilities to meet their ongoing costs while limiting the burden to rate payers through what would otherwise be much larger rate revenue increases.

Table 3-5 below reflects our projections of rate revenue increases during the forecast period in order for the Town to move towards meeting its ongoing operational costs.

Table 3-5
Projected Rate Revenue Increases
Fiscal Years Ending June 30

Description	Cave Creek Water Rate Revenue Increases	Desert Hills Water Rate Revenue Increases	Wastewater Rate Revenue Increases
2025-26	6.0%	6.0%	6.0%
2026-27	6.0%	6.0%	6.0%
2027-28	6.0%	6.0%	6.0%
2028-29	6.0%	6.0%	6.0%
2029-30	6.0%	6.0%	6.0%

While Table 3-5, presents a longer range financial forecast the Town is focused on adjustments through FY 2027-28. Revenue increases are projected to be effective on February 9, 2026 (the beginning of a new billing cycle) and January 1 each subsequent year. A more detailed presentation of the pro forma, including a fund balance reconciliation is presented in the appendices. The increases identified in table 3-5 represent the overall increase in revenue required to operate the systems. The increases for individual customers will vary based on their respective usage.

3.1.8.5. Summary of Revenue Sufficiency Analysis

The resulting financial plans are presented in Tables 3-6 through 3-8 which provide for funding of projected revenue requirements during the forecast period.

Table 3-6
Projected Net Operating Fund Results
Fiscal Years 2025-26- to 2029-30
($ thousands)

Description	25-26	26-27	27-28	28-29	29-30
Cave Creek Water					
Beginning Fund Balance	$0	$582	$996	$2,651	$3,125
Total Operating Revenue	6,351	6,746	7,147	7,452	7,905
General Fund Transfer	4,526	2,200	300	100	100
Capacity Fees	132	0	0	104	104
Grants and WIFA Proceeds	22,701	2,249	3,849	2,193	2,895
Operating Expenses	(4,661)	(4,753)	(4,906)	(4,731)	(4,883)
Cashflow Before CIP & Debt Service	29,049	6,442	7,791	5,118	6,121
Less:					
CIP, Debt Service & Debt Service Reserve	(28,467)	(6,028)	(6,136)	(4,644)	(5,386)
Net Cash Flow	582	414	1,655	474	735
Ending Fund Balance	**$582**	**$996**	**$2,651**	**$3,125**	**$3,860**
Note: Variances are due to rounding values to the nearest $1,000					

Table 3-7
Projected Net Operating Fund Results
Fiscal Years 2025-26- to 2029-30
($ thousands)

Description	25-26	26-27	27-28	28-29	29-30
Desert Hills Water					
Beginning Fund Balance	$0	$1	$247	$500	$783
Total Operating Revenue	4,073	4,357	4,634	4,949	5,263
General Fund Loan/(Repayment)	527	325	566	100	0
Capacity Fees	0	0	0	0	0
Grants and WIFA Proceeds	406	1,137	3,347	1,686	1,562
Operating Expenses	(3,243)	(3,413)	(3,467)	(3,519)	(3,578)
Cashflow Before CIP & Debt Service	1,763	2,406	5,080	3,215	3,248
Less:					
CIP, Debt Service & Debt Service Reserve	(1,762)	(2,160)	(4,827)	(2,932)	(2,883)
Net Cash Flow	1	246	253	283	365
Ending Fund Balance	**$1**	**$247**	**$500**	**$783**	**$1,148**
Note: Variances are due to rounding values to the nearest $1,000					

Table 3-8
Projected Net Operating Fund Results
Fiscal Years 2025-26- to 2029-30
($ thousands)

Description	25-26	26-27	27-28	28-29	29-30
Wastewater					
Beginning Fund Balance	$0	$50	$165	$323	$672
Total Operating Revenue	1,616	1,699	1,795	1,924	2,062
General Fund Transfer	2,907	2,200	2,250	2,300	700
Capacity Fees	0	0	0	166	166
Grants and WIFA Proceeds	1,265	1,164	1,247	1,481	3,073
Operating Expenses	(2,115)	(2,174)	(2,240)	(2,300)	(2,372)
Cashflow Before CIP & Debt Service	3,673	2,889	3,051	3,571	3,628
Less:					
CIP, Debt Service & Debt Service Reserve	(3,622)	(2,775)	(2,894)	(3,221)	(3,523)
Net Cash Flow	50	115	157	349	106
Ending Fund Balance	**$50**	**$165**	**$323**	**$672**	**$778**

Note: Variances are due to rounding values to the nearest $1,000

The revenue increases identified in Table 3-6 through 3-8 represent the revenues generated by the rate revenue increases identified in Table 3-5 based on the assumptions contained within this report. Should actual revenues or expenses differ from what is projected, the rate revenue adjustments identified in Table 3-5 may need to be modified (increased or decreased) in order to achieve the revenues identified in Tables 3-6 through 3-8.

3.1.8.6. Revenue Sufficiency Analysis Conclusions

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

- Revenue projections based on existing rates are insufficient to meet the revenue requirements for FY 2025-26 through FY 2029-30; and
- Rate revenue adjustments are needed in order to keep pace with increasing costs and capital needs.

3.2 Rate Design Analysis

3.2.1 General Methodology

With the rate revenue requirement determined in the Revenue Sufficiency Analysis, the development of specific rates and charges was completed as described below.

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

- Generate a stable rate revenue stream which, when combined with other sources of funds, is sufficient to meet the financial requirements and goals of the utility;
- Be fair and equitable – that is, they should generate revenue from customers which is reasonably in proportion to the cost to provide service to that customer;
- Be easy to understand by customers; and
- Be easy to administer by the utility.

3.2.2 Review of Existing Rate Structure

The Town's current water rates are comprised of a monthly base charge and a volume rate per 1,000 gallons of water use. The Town's wastewater rate structure is comprised of a fixed monthly charge (independent of wastewater flows) for residential customers and a base charge and flow-based rate for commercial customers, with a different unit cost based on assumed strength for different types of commercial customers.

3.2.2.1. Allocation to Cost Categories

Water costs are allocated on their need to meet base demand, peak demand (max day and max hour water needs), as well as customer service costs such as billing and collection. A new cost-of-service was not conducted for this study but rather the rate analysis in this study relies on the cost-of-service allocations developed in the 2021 Rate and Capacity Fee Study.

The Town currently has a tie-in rate for treated bulk water produced by the Cave Creek Water system which is in turn provided to (tied into) the Desert Hills water system for use by its customers. The cost of the bulk water used by Desert Hills customers was calculated and incorporated into the financial plan as a revenue

source for the Cave Creek System and an expense to the Desert Hills system. Table 3-9 summarizes the bulk water rate determination for the Desert Hills and Carefree tie-in.

Table 3-9
Desert Hills and Carefree Bulk Water Tie-In Cost (FY 2026)

Component	Cost	Allocation	Allocated Cost
Cost to Treat and Deliver Desert Hills NIA Water			
Personnel	$1,450,605	52%	$754,315
Services	1,312,774	70%	918,942
Commodities/ Non-Capital	696,610	48%	334,373
Debt Service	2,646,668	100%	2,646,668
Future Capital	551,522	44%	242,670
Subtotal	6,658,179		4,896,967
Administrative Cost Allocation (10%)			489,697
Revised Total			5,386,664
Flows (kgals)			644,209
Rate per kgals			**$8.36**
Cost to Treat, Deliver and Purchase Cave Creek M&I Water			
Personnel	$1,450,605	52%	$754,315
Services	1,312,774	70%	918,942
Commodities/ Non-Capital	1,420,220	82%	1,164,580
Debt Service	2,646,668	100%	2,646,668
Future Capital	551,522	44%	242,670
Subtotal	7,381,789		5,727,175
Administrative Cost Allocation (10%)			572,717
Revised Total			6,299,892
Flows (kgals)			644,209
Rate per kgals			**$9.78**

3.2.3 Rate Design Analysis

3.2.3.1. General Methodology

With the rate revenue requirement determined in the Revenue Sufficiency Analysis, and allocations previously described in the Cost-of-Service Analysis from the 2021 Water and Wastewater Rate and Capacity Fee report, the development of specific rates and charges was completed as described below.

First, the rate design goals of the Town were reviewed to identify areas the Town wanted to address over the forecast period included in this Rate Study. Next, an assessment of the existing rate design was completed to identify areas which have worked well for the Town with regard to their specific goals and objectives, and the general goals and objectives of utility rate-making.

With an evaluation of the existing rate structure, and the goals of the Town going forward, the analysis required for the development of alternative rate structures was then completed. Rate design schedules can be found in Appendices D through F. It is important to note that the revenue requirement portion of the study identifies the additional revenue that is needed, while the cost-of-service and rate design portions of the study identify how the revenue will be generated. As such the percentage revenue increase identified in the revenue requirements may not directly translate to the same percentage increase in rates.

3.2.3.2. Proposed Water Rate Structure Changes

Through discussions with Town staff, it was determined that improvements could be made to the existing water rate structure. The proposed fixed charges were developed to generate approximately 50% of the revenue with volume rates recovering the remaining 50%. The rate differentials between tiers have been updated for all classes in order to promote conservation. Table 3-10 illustrates the proposed Cave Creek and Desert Hills monthly water fixed charges through FY 2029-30.

Table 3-10
Proposed Fixed Charges
Fiscal Years 2025-26 through FY 2029-30

Monthly Charge - $/Month	Existing	25-26	26-27	27-28	28-29	29-30
Cave Creek Water System						
5/8-inch	$61.69	$65.04	$68.94	$73.08	$77.46	$82.11
5/8-inch Boosted	72.69	80.75	85.60	90.73	96.17	101.95
¾-inch	61.69	65.04	68.94	73.08	77.46	82.11
¾-inch Boosted	72.69	80.75	85.60	90.73	96.17	101.95
1-inch	61.69	65.04	68.94	73.08	77.46	82.11
1-inch Boosted	72.69	80.75	85.60	90.73	96.17	101.95
1 ½-inch	187.49	216.58	229.57	243.35	257.95	273.43
1 ½-inch Boosted	198.56	232.29	246.23	261.00	276.66	293.26
2-inch	300.09	346.66	367.46	389.51	412.88	437.65
2-inch Boosted	311.16	362.37	384.11	407.16	431.59	457.48
Desert Hills Water System						
5/8-inch	$76.61	$80.76	$85.61	$90.74	$96.19	$101.96
5/8-inch Boosted	87.61	82.72	87.68	92.94	98.52	104.43
¾-inch	76.61	80.76	85.61	90.74	96.19	101.96
¾-inch Boosted	87.61	82.72	87.68	92.94	98.52	104.43
1-inch	76.61	80.76	85.61	90.74	96.19	101.96
1-inch Boosted	87.61	82.72	87.68	92.94	98.52	104.43
1 ½-inch	255.13	268.93	285.07	302.17	320.30	339.52
1 ½-inch Boosted	266.12	270.89	287.14	304.37	322.63	341.99
2-inch	408.35	430.45	456.28	483.65	512.67	543.43
2-inch Boosted	419.35	432.41	458.35	485.86	515.01	545.91

The monthly fixed charge is assessed to all customers regardless of class and acts as a "readiness to serve" charge to ensure safe and reliable water systems such that customers can be assured of ongoing system maintenance and available water when the service is needed.

The proposed fixed charges increase by meter size based on the ratio of flow capacities by meter size as identified by AWWA. It should be noted that a 2-inch meter has the ability to provide more water per minute (greater capacity) than a ¾-inch meter and the cost-of-service analysis calculated a higher rate for a 2-inch meter compared to a ¾-inch meter.

The Town provides water service to some customers requiring additional power to deliver water. The incremental power and pumping costs have been calculated at $15.71 per month for "boosted" Cave Creek water customers and $1.96 per month for "boosted" Desert Hills customers. As such, a "boosted" rate has been developed for those customers incurring the additional cost of the Town having to re-boost the water

to serve some customers, which reflects an additional $15.71 and $1.96 per month respectively above the base monthly charge.

The proposed new rates are illustrated in Table 3-11 through 3-14 for the Cave Creek Water system and Tables 3-15 and 3-16 for the Desert Hills water system. A new rate tier (0 – 4,000 gallons) has been developed in recognition of low volume water users for both the Cave Creek water and Desert Hills systems.

Table 3-11
Proposed Cave Creek Water Volumetric Rates – **Residential (Single and Multifamily)**
Fiscal Years 2025-26 through FY 2029-30

Rate per 1,000 Gallons of Water Use							
Existing Tiers	Existing	Proposed Tiers	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Gallons per Month	**$/kgals**	**Gallons per Month**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**
		0 – 4,000	$2.80	$2.97	$3.15	$3.33	$3.53
0 – 10,000	$3.09	4,001 – 10,000	3.50	3.71	3.93	4.17	4.42
10,001 – 20,000	4.64	10,001- 20,000	5.08	5.38	5.70	6.04	6.41
20,001- 30,000	7.46	20,001 – 30,000	7.36	7.80	8.27	8.76	9.29
30,001 – 50,000	11.31	30,001 – 40,000	11.41	12.09	12.82	13.58	14.40
> 50,000	17.50	> 40,000	20.53	21.76	23.07	24.45	25.92

Table 3-12
Proposed Cave Creek Water Volumetric Rates – **Commercial**
Fiscal Years 2025-26 through FY 2029-30

Rate per 1,000 Gallons of Water Use							
Existing Tiers	Existing	Proposed Tiers	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Gallons per Month	**$/kgals**	**Gallons per Month**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**
0 – 10,000	$3.09	0 – 10,000	$3.25	$3.45	$3.65	$3.87	$4.10
10,001 – 20,000	4.64	10,001- 20,000	4.71	5.00	5.29	5.61	5.95
20,001- 30,000	6.96	20,001 – 30,000	7.07	7.49	7.94	8.42	8.92
30,001 – 50,000	11.36	30,001 – 40,000	11.45	12.14	12.87	13.64	14.46
> 50,000	17.04	> 40,000	18.32	19.42	20.59	21.82	23.13

Table 3-13
Proposed Cave Creek Water Volumetric Rates – **Common Area and Irrigation**
Fiscal Years 2025-26 through FY 2029-30

Rate per 1,000 Gallons of Water Use							
Existing Tiers	Existing	Proposed Tiers	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Gallons per Month	**$/kgals**	**Gallons per Month**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**
0 – 10,000	$5.62	0 – 10,000	$5.70	$6.04	$6.40	$6.79	$7.20
10,001 – 20,000	7.03	10,001- 20,000	7.13	7.55	8.01	8.49	9.00
20,001- 30,000	9.13	20,001 – 30,000	9.26	9.82	10.41	11.03	11.69
30,001 – 50,000	11.87	30,001 – 40,000	12.04	12.76	13.53	14.34	15.20
> 50,000	17.21	> 40,000	17.46	18.51	19.62	20.79	22.04

Table 3-14
Proposed Cave Creek Water Volumetric Rates – **Commercial Pools**
Fiscal Years 2025-26 through FY 2029-30

Rate per 1,000 Gallons of Water Use							
Existing Tiers	Existing	Proposed Tiers	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Gallons per Month	**$/kgals**	**Gallons per Month**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**
0 – 10,000	$4.33	0 – 10,000	$4.40	$4.66	$4.94	$5.24	$5.55
10,001 – 20,000	5.41	10,001- 20,000	5.50	5.83	6.18	6.55	6.94
20,001- 30,000	7.04	20,001 – 30,000	7.15	7.58	8.03	8.52	9.03
30,001 – 50,000	11.61	30,001 – 40,000	11.80	12.51	13.26	14.05	14.89
> 50,000	17.41	> 40,000	17.70	18.76	19.88	21.08	22.34

Table 3-15
Proposed Desert Hills Water Volumetric Rates – **Residential**
Fiscal Years 2025-26 through FY 2029-30

Rate per 1,000 Gallons of Water Use							
Existing Tiers	Existing	Proposed Tiers	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Gallons per Month	**$/kgals**	**Gallons per Month**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**
		0 – 4,000	$4.40	$4.66	$4.94	$5.24	$5.55
0 – 10,000	$5.24	4,001 – 10,000	5.94	6.30	6.67	7.07	7.50
10,001 – 20,000	7.85	10,001- 20,000	8.61	9.13	9.68	10.26	10.87
20,001- 30,000	11.78	20,001 – 30,000	12.92	13.69	14.52	15.39	16.31
30,001 – 50,000	17.67	30,001 – 40,000	19.38	20.54	21.77	23.08	24.47
> 50,000	26.50	> 40,000	29.07	30.81	32.66	34.62	36.70

Table 3-16 Proposed Desert Hills Water Volumetric Rates – **Commercial** **Fiscal Years 2025-26 through FY 2029-30**							
Rate per 1,000 Gallons of Water Use							
Existing Tiers	Existing	Proposed Tiers	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Gallons per Month	**$/kgals**	**Gallons per Month**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**	**$/kgals**
0 – 10,000	$4.87	0 – 10,000	$4.95	$5.25	$5.56	$5.90	$6.25
10,001 – 20,000	7.30	10,001- 20,000	7.43	7.87	8.34	8.84	9.37
20,001- 30,000	10.95	20,001 – 30,000	11.14	11.81	12.51	13.26	14.06
30,001 – 50,000	16.43	30,001 – 40,000	17.26	18.30	19.40	20.56	21.79
> 50,000	24.64	> 40,000	26.76	28.36	30.07	31.87	33.78

Most of the year the water system operates an average level of demand and the capacity required to meet peak day and peak hour demand sits idle. However, the system must be sized to meet the peak hour demand when it occurs. This is an expensive way to operate a system and those customers whose demand require peak day and peak hour capacity, should pay for the cost of the peak capacity through their rates. The proposed rate structure recovers these costs through the proposed structure.

While rates are presented through FY 2029-30, the Town is focused on the rates through FY 2027-28 and will re-evaluate the need for rate changes at that time.

The water rate analysis can be found in Appendices D and E.

3.2.3.3. Proposed Wastewater Rate Structure Changes

The rates within the structure were updated to reflect the current flows by customer class that reflects the different customer types within the commercial class, and different discharge strength characteristics. Table 3-17 summarizes the proposed wastewater rates based on the class cost of service analysis that was conducted in the 2021 Rate and Capacity Fee Study.

Table 3-17
Proposed Wastewater Rates
Fiscal Years 2025-26 through FY 2029-30

Customer Class	Existing	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Residential (flat charge per month)	$89.77	$95.24	$100.96	$107.01	$113.41	$120.24
Non-Residential						
Fixed Charge						
¾-inch	$63.40	$66.69	$70.69	$74.93	$79.43	$84.19
1-inch	105.88	111.37	118.05	125.14	132.64	140.60
1 ½-inch and larger	211.14	222.08	235.40	249.53	264.50	280.37
Flow Rates (1)						
General Commercial	$4.33	$4.51	$4.78	$5.07	$5.37	$5.69
Restaurant	12.31	12.82	13.58	14.40	15.26	16.18
Professional Office	1.73	1.76	1.86	1.97	2.09	2.22
Hotel w/o Dining	3.64	3.89	4.13	4.37	4.64	4.91
Car Wash	1.21	1.28	1.36	1.44	1.53	1.62
Laundromat	5.74	6.28	6.66	7.06	7.48	7.93
Service Station	3.56	3.75	3.98	4.21	4.47	4.74
Industrial	2.96	3.06	3.24	3.44	3.64	3.86
Interceptor Devices	97.74	103.60	109.82	116.41	123.39	130.80

(1) Greater than 10,000 gallons a month

Section 4 – Conclusions and Recommendations

4.1 Conclusions

- Projected operating revenues and operating expenses for the forecast period were developed by, and/or in consultation with, Town staff and are based upon reasonable projections.
- The projected capital project expenses have been developed by Town staff, to address water and wastewater system needs.
- Based on Conclusions 1 and 2 above, we are of the opinion that the financial projections presented herein assist the water and wastewater utilities' ability to meet its obligations with regard to:
    - Operating expenses,
    - Non-operating expenses,
    - Capital project expenses, and
    - Key financial policies, including:
        - A goal of 3 months of O&M as the operating reserve balances.
- The proposed rates presented herein are in conformance with industry standard rate-making practice and/or the Town's rate policies with respect to:
    - The fair and equitable recovery of costs through the water and wastewater rates,
    - Generation of sufficient revenue to recover system revenue requirements and reserve requirements,
    - Recovery of all customer costs and a portion of fixed costs through the water and wastewater fixed charges.

4.2 Recommendations

- It is recommended that the Town implement the proposed rates and charges presented in this Report for FY 2025-26 through FY 2027-28.
- It is recommended that the Town update the revenue sufficiency analysis portion of this study each year to ensure projected revenue is sufficient to fund projected expenses going forward as assumptions made during this analysis may change and have a material impact upon the analysis.

Appendix A

Town of Cave Creek - Cave Creek System
Pro Forma with Debt Service Coverage and Fund Balance Reconciliation

Line No		Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033	Projected 2034
	Combined										
1	***Water Rate Revenue Increases***		***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***
	% of Year Rate Increase Effective		***41.67%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***
2	**Beginning Unrestricted Fund Balance**	**$0**	**$0**	**$582,023**	**$996,337**	**$2,651,512**	**$2,802,656**	**$3,208,508**	**$3,397,639**	**$3,850,336**	**$3,462,879**
3	Rate Revenue 1	$4,418,050	$4,631,329	$4,933,156	$5,229,145	$5,571,910	$5,936,983	$6,325,804	$6,705,353	$7,107,674	$7,534,134
4	Total Rate Revenue	$4,418,050	$4,631,329	$4,933,156	$5,229,145	$5,571,910	$5,936,983	$6,325,804	$6,705,353	$7,107,674	$7,534,134
5	Other Operating Revenue	1,579,249	1,649,825	1,813,168	1,813,168	1,813,168	1,813,168	1,813,168	1,813,168	1,813,168	1,813,168
6	Interest Income	77,381	70,000	0	104,530	67,371	155,139	153,723	31,418	0	221,948
7	Total Operating Revenue	$6,074,680	$6,351,154	$6,746,324	$7,146,843	$7,452,449	$7,905,290	$8,292,695	$8,549,939	$8,920,842	$9,569,250
8	Operating Expenses	(3,858,306)	(4,660,607)	(4,753,132)	(4,905,749)	(5,054,056)	(5,212,688)	(5,385,048)	(5,564,685)	(5,752,029)	(5,947,536)
9	Net Revenue	$2,216,374	$1,690,547	$1,993,192	$2,241,094	$2,398,393	$2,692,602	$2,907,647	$2,985,253	$3,168,813	$3,621,714
	Plus:										
	Other Sources of Funds										
10	Capacity Fees	131,960	131,960	-	-	103,512	103,512	103,512	-	-	-
11	WIFA Proceeds	4,442,951	21,351,189	2,248,782	3,849,248	2,192,782	2,895,468	10,606,127	14,184,162	1,517,801	1,574,719
12	Grants	1,253,000	1,350,000	-	-	-	-	-	-	-	-
13	GF Transfers In	7,128,758	4,525,632	2,200,000	300,000	100,000	100,000	100,000	1,000,000	1,600,000	1,800,000
14	Debt Service Reserve Release	-	-	-	1,400,432	-	-	-	-	-	-
	Less:										
	Other Uses of Funds										
15	Minor Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
16	Major Capital Funded with Existing Reserves/Current Cash	(12,066,320)	(24,510,510)	(2,204,688)	(4,301,212)	(2,239,127)	(2,885,040)	(10,836,930)	(13,999,579)	(1,940,922)	(1,543,841)
17	Non Operating Expenses	-	-	-	-	-	-	-	-	-	-
18	Existing Debt Service	(2,180,968)	(2,646,668)	(2,604,613)	(1,091,742)	(736,264)	(737,333)	(646,323)	(646,323)	(646,323)	(646,323)
19	New Debt Service	-	-	(630,207)	(742,646)	(1,383,138)	(1,572,713)	(1,854,313)	(2,462,564)	(3,274,695)	(3,728,133)
20	Debt Service Reserve Funding	-	(1,310,127)	(588,152)	-	(285,015)	(190,644)	(190,590)	(608,251)	(812,131)	(453,438)
21	**Net Cash Flow**	**$925,755**	**$582,023**	**$414,314**	**$1,655,175**	**$151,143**	**$405,853**	**$189,130**	**$452,698**	**($387,457)**	**$624,697**
22	Ending Unrestricted Fund Balance	$0	$582,023	$996,337	$2,651,512	$2,802,656	$3,208,508	$3,397,639	$ 3,850,336	$3,462,879	$4,087,577
23	Target Unrestricted Fund Balance	964,577	1,165,152	1,188,283	1,226,437	1,263,514	1,303,172	1,346,262	1,391,171	1,438,007	1,486,884
24	Target Unrestricted Fund Balance - WIFA	1,336,541	2,646,668	3,234,820	1,834,388	2,119,402	2,310,046	2,500,636	3,108,887	3,921,018	4,374,456
25	Restricted Fund Balance (Debt Service)	1,336,541	2,646,668	3,234,820	1,834,388	2,119,402	2,310,046	2,500,636	3,108,887	3,921,018	4,374,456
	Debt Service Coverage Calculations:										
	Bond Debt Service Coverage - (Includes Capacity Fees & GF Transfers)										
	Rate Covenant Debt Service Coverage Test (Revenue):										
26	Net Revenue Available for Debt Service Coverage Test	$2,348,334	$5,278,117	$4,193,192	$2,541,094	$2,601,905	$2,896,114	$3,111,159	$3,985,253	$4,768,813	$5,421,714
	Bond Debt Service:										
27	Existing Revenue Bond Debt Service	1,530,088	1,995,788	$1,953,733	$1,091,742	$736,264	$737,333	$646,323	$646,323	$646,323	$646,323
28	New WIFA Debt Service	-	-	630,207	742,646	1,383,138	1,572,713	1,854,313	2,462,564	3,274,695	3,728,133
29	Total Debt Service	$1,530,088	$1,995,788	$2,583,940	$1,834,388	$2,119,402	$2,310,046	$2,500,636	$3,108,887	$3,921,018	$4,374,456
30	**Debt Service Coverage**	**1.53**	**2.64**	**1.62**	**1.39**	**1.23**	**1.25**	**1.24**	**1.28**	**1.22**	**1.24**
31	*Debt Service Coverage Requirement*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*
	Debt Service Coverage Test (Excise):										
32	Net Revenue Available for Debt Service Coverage Test	$818,246	$3,282,329	$1,609,252	$706,707	$482,503	$586,068	$610,523	$876,366	$847,794	$1,047,258
33	Excise Debt Service	650,880	650,880	650,880	-	-	-	-	-	-	-
34	**Debt Service Coverage - Excise**	**1.26**	**5.04**	**2.47**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
35	*Debt Service Coverage Requirement*	*1.20*	*1.20*	*1.20*	*1.20*	*1.20*	*1.20*	*1.20*	*1.20*	*1.20*	*1.20*

Town of Cave Creek - Cave Creek System
Revenue

Summary

Line No:	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
2	Rate Revenue 1	$4,418,050	$4,631,329	$4,933,156	$5,229,145	$5,571,910	$5,936,983	$6,325,804	$6,705,353	$7,107,674	$7,534,134
3	Other Operating Revenue	1,579,249	1,649,825	1,813,168	1,813,168	1,813,168	1,813,168	1,813,168	1,813,168	1,813,168	1,813,168
4	Transfers In - Operations	7,128,758	4,525,632	2,200,000	300,000	100,000	100,000	100,000	1,000,000	1,600,000	1,800,000
5	WIFA Proceeds	4,442,951	21,351,189	2,248,782	3,849,248	2,192,782	2,895,468	10,606,127	14,184,162	1,517,801	1,574,719
6	Capacity Fees	131,960	131,960	0	0	103,512	103,512	103,512	0	0	0
7	Transfers In - Capacity Fees	0	0	0	0	0	0	0	0	0	0
8	Non-Operating Revenue	0	0	0	0	0	0	0	0	0	0
9	Grant Funds	1,253,000	1,350,000	0	0	0	0	0	0	0	0
10	Interest Earnings - Operations	77,381	70,000	0	104,530	67,371	155,139	153,723	31,418	0	221,948
11	Interest Earnings - Capacity Fee	0	0	0	0	0	0	0	0	0	0

Detail

	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
13	**Operations**										
14	Rate Revenue 1	$4,418,050	$4,518,370	$4,789,472	$5,076,840	$5,381,450	$5,734,199	$6,109,904	$6,510,051	$6,900,654	$7,314,693
15	Growth	0.00%	0.00%	0.00%	0.00%	0.52%	0.52%	0.52%	0.00%	0.00%	0.00%
16	Revenue Increase	0.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
17	Pct of Year Revenue Increase Effective	100.00%	41.67%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
18	Total Rate Revenue 1 - After Revenue Increase	$4,418,050	$4,631,329	$4,933,156	$5,229,145	$5,571,910	$5,936,983	$6,325,804	$6,705,353	$7,107,674	$7,534,134
19	Water Usage Penalty	9,683	9,973	9,973	9,973	9,973	9,973	9,973	9,973	9,973	9,973
20	Water Usage Carefree	74,619	76,858	-	-	-	-	-	-	-	-
21	Water Penalty Carefree	47	48	-	-	-	-	-	-	-	-
22	Outside Participation			-	-	-	-	-	-	-	-
23	Water Establishment Fee	5,940	6,118	6,118	6,118	6,118	6,118	6,118	6,118	6,118	6,118
24	Meter Set Fee	4,160	4,160	4,160	4,160	4,160	4,160	4,160	4,160	4,160	4,160
25	Bulk Water Sales - Desert Hills	1,471,910	1,539,745	1,779,994	1,779,994	1,779,994	1,779,994	1,779,994	1,779,994	1,779,994	1,779,994
26	Water Connection Fee	1,088	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121
27	Developer Contribution for Pressure Zone 9 Fire Booster	-	350,000	-	-	-	-	-	-	-	-
28	Grant for Phoenix Interconnect			-	-	-	-	-	-	-	-
29	Congressionally Directed Spending Proceeds	1,000,000	1,000,000	-	-	-	-	-	-	-	-
30	WaterSmart Grant Proceeds	253,000	-	-	-	-	-	-	-	-	-
32	Miscellaneous	11,802	11,802	11,802	11,802	11,802	11,802	11,802	11,802	11,802	11,802
33	Transfer from Water Infrastructure	4,645,068	1,070,022	-	-	-	-	-	-	-	-
34	Transfer from Spur Cross			-	-	-	-	-	-	-	-
35	General Fund Transfer	2,483,690	3,455,610	2,200,000	300,000	100,000	100,000	100,000	1,000,000	1,600,000	1,800,000
41	WIFA Proceeds - Phoneix Interconnect	4,442,951	8,747,049	-	-	-	-	-	-	-	-
42	WIFA Proceeds - CIP	-	12,604,140	2,248,782	3,849,248	2,192,782	2,895,468	10,606,127	14,184,162	1,517,801	1,574,719
43	Interest Earning Calculation										
44	Average Balance	($926,137)	($2,788,062)	($6,803,529)	$2,986,584	$1,924,894	$4,432,538	$4,392,091	$897,654	($220,044)	$6,341,368
45	Assumed Interest Earnings Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
46	Projected Interest Earnings	$77,381	$70,000	$0	$104,530	$67,371	$155,139	$153,723	$31,418	$0	$221,948
47	**Capacity Fee**										
48	Capacity Charge	131,960	131,960	-	-	103,512	103,512	103,512	-	-	-
49	Non Operating Revenue			-	-	-	-	-	-	-	-
	Projected Interest Earnings			-	-	-	-	-	-	-	-
50	Transfers In			-	-	-	-	-	-	-	-
51	Total Sources	131,960	131,960	-	-	103,512	103,512	103,512	-	-	-

Town of Cave Creek - Cave Creek System
Expenses Other than Major Capital Expenses

Summary - Operations

Line No:	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
2	Operating	$ 3,858,306	$ 4,660,607	$4,753,132	$4,905,749	$5,054,056	$5,212,688	$5,385,048	$5,564,685	$5,752,029	$5,947,536
3	Non Operating	-	-	-	-	-	-	-	-	-	-
4	Minor Capital	-	-	-	-	-	-	-	-	-	-
5	Transfers	-	-	-	-	-	-	-	-	-	-
6	Existing Bond Debt Service	2,180,968	2,646,668	2,604,613	1,091,742	736,264	737,333	646,323	646,323	646,323	646,323
7	New Bond Debt Service	-	-	630,207	742,646	1,383,138	1,572,713	1,854,313	2,462,564	3,274,695	3,728,133
	Existing SRF Debt Service	-	-	-	-	-	-	-	-	-	-
	New SRF Debt Service	-	-	-	-	-	-	-	-	-	-
8	**TOTAL**	**6,039,274**	**7,307,275**	**7,987,952**	**6,740,137**	**7,173,458**	**7,522,734**	**7,885,684**	**8,673,573**	**9,673,047**	**10,321,992**

Detail

	Annual Expense Escalation Factor	EXPENSES	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
9												
10		**Detail**										
		Operations										
11		**Water**										
12	3.0%	Salaries & Wages	781,237	909,729	937,021	965,132	994,086	1,023,909	1,054,626	1,086,265	1,118,853	1,152,419
13	3.0%	Overtime	50,858	71,750	73,903	76,120	78,404	80,756	83,179	85,674	88,244	90,891
14	3.0%	On Call	12,138	17,681	18,211	18,757	19,320	19,900	20,497	21,112	21,745	22,397
15	3.0%	PTO-Payout	6,491	12,931	13,319	13,719	6,860	7,065	7,277	7,495	7,720	7,952
16	3.0%	FICA/MEDICARE	65,470	77,464	79,788	82,182	84,647	87,186	89,802	92,496	95,271	98,129
17	3.0%	Retirement	101,331	119,901	123,498	127,203	131,019	134,950	138,999	143,169	147,464	151,888
18	10.0%	Life & Medical Insurance	238,254	188,505	207,356	228,092	250,901	275,991	303,590	333,949	367,344	404,078
19	3.0%	Workers Compensation	29,381	31,565	32,512	33,487	34,492	35,527	36,593	37,691	38,822	39,987
20	3.0%	Unemployment Insurance	484	969	998	1,028	1,059	1,091	1,124	1,158	1,193	1,229
21	3.0%	Recruitment/Retention Pay	20,110	20,110	20,713	21,334	21,974	22,633	23,312	24,011	24,731	25,473
22	3.0%	Software Maint./Support Agreements	-	38,500	39,655	40,845	42,070	43,332	44,632	45,971	47,350	48,771
23	2.0%	Professional Attorney Services	30,000	-	-	-	-	-	-	-	-	-
24	2.0%	Professional Services	100,000	155,000	107,100	109,242	111,427	113,656	115,929	118,248	120,613	123,025
25	4.0%	Elec, Water, Sewer, Trash	700,000	740,000	769,600	800,384	832,399	865,695	900,323	936,336	973,789	1,012,741
26	2.0%	Telephones	20,000	24,000	24,480	24,970	25,469	25,978	26,498	27,028	27,569	28,120
27	2.0%	Other Contract Services	75,000	275,000	280,500	286,110	291,832	297,669	303,622	309,694	315,888	322,206
28	2.0%	Maintenance	150,000	-	-	-	-	-	-	-	-	-
29	2.0%	Vehicle Maintenance	15,000	10,000	10,200	10,404	10,612	10,824	11,040	11,261	11,486	11,716
30	2.0%	Equipment Leases & Rents	5,000	500	510	520	530	541	552	563	574	585
31	2.0%	Training and Travel	5,000	7,000	6,630	6,763	6,898	7,036	7,177	7,321	7,467	7,616
32	2.0%	Membership, Dues & Subscriptions	-	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172
33	2.0%	Bank Service Fees	500	500	510	520	530	541	552	563	574	585
34	2.0%	Insurance	58,852	64,738	66,033	67,354	68,701	70,075	71,477	72,907	74,365	75,852
35	2.0%	Postage & Copier Expenses	18,000	20,000	20,400	20,808	21,224	21,648	22,081	22,523	22,973	23,432
36	2.0%	Computer Equipment	5,000	6,000	5,610	5,722	5,836	5,953	6,072	6,193	6,317	6,443
37	2.0%	Computer Software	20,000	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172
38	(1)	CAP Water Expense	765,000	805,000	840,288	868,959	895,425	919,685	951,874	985,189	1,019,671	1,055,360
39	2.0%	Supplies Repair, and Maintenance	175,000	-	-	-	-	-	-	-	-	-
40	2.0%	Supplies	150,000	565,000	576,300	587,826	599,583	611,575	623,807	636,283	649,009	661,989
41	4.0%	Chemicals	240,000	-	-	-	-	-	-	-	-	-
42	4.0%	Transportation-Mileage Reimbursement	1,000	-	-	-	-	-	-	-	-	-
43	4.0%	Fuel and Oil	15,000	15,000	15,600	16,224	16,873	17,548	18,250	18,980	19,739	20,529
44	2.0%	Computer Software Subscriptions	4,200	-	-	-	-	-	-	-	-	-
45	2.0%	Indirect Cost - Admin Services	-	76,326	77,853	79,410	80,998	82,618	84,270	85,955	87,674	89,427
46	2.0%	Indirect Cost - Manager	-	90,347	92,154	93,997	95,877	97,795	99,751	101,746	103,781	105,857
47	2.0%	Indirect Cost - IT	-	116,960	128,656	131,229	133,854	136,531	139,262	142,047	144,888	147,786
48	2.0%	Indirect Cost - Finance	-	178,131	181,694	185,328	189,035	192,816	196,672	200,605	204,617	208,709
49	2.0%	Capital Equipment	-	20,000	-	-	-	-	-	-	-	-
		Debt Service										
50	0.0%	WIFA 2007B (Excise Tax Pledge)			650,880	-	-	-	-	-	-	-
51	0.0%	WIFA 2007A			859,471	-	-	-	-	-	-	-
52	0.0%	WIFA 2008			360,209	360,048	-	-	-	-	-	-
53	0.0%	WIFA 2011			87,729	85,370	89,941	91,010				
54	0.0%	WIFA 2023			646,323	646,323	646,323	646,323	646,323	646,323	646,323	646,323
55	0.0%	WIFA 2025	-	-	-	-	-	-	-	-	-	-
56	0.0%	WIFA 2026	-	-	630,207	630,207	1,078,237	1,078,237	1,078,237	1,078,237	1,078,237	1,078,237
57	0.0%	WIFA 2027	-	-	-	112,439	112,439	192,375	192,375	192,375	192,375	192,375
58	0.0%	WIFA 2028	-	-	-	-	192,462	192,462	329,289	329,289	329,289	329,829
59	0.0%	WIFA 2029	-	-	-	-	-	109,639	109,639	187,584	187,584	187,584
60	0.0%	WIFA 2030	-	-	-	-	-	-	144,773	144,773	247,696	247,696
61	0.0%	WIFA 2031	-	-	-	-	-	-	-	530,306	530,306	907,314
62	0.0%	WIFA 2032	-	-	-	-	-	-	-	-	709,208	709,208
63	0.0%	WIFA 2033	-	-	-	-	-	-	-	-	-	75,890
64	0.0%	WIFA 2034	-	-	-	-	-	-	-	-	-	-
		Total	2,180,968	2,646,668	3,234,820	1,834,388	2,119,402	2,310,046	2,500,636	3,108,887	3,921,018	4,374,456
65	0.0%	New Debt Service - WIFA	-	-	-	-	-	-	-	-	-	-
		(1) O&M Cost - CAP Water			4.38%	3.41%	3.05%	2.71%	3.50%	3.50%	3.50%	3.50%

Town of Cave Creek - Cave Creek System

CIP

Current Day Dollars

Project #	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Capital Projects										
23505001	Phoenix Interconnect - Water Infrastrucutre Fund	$4,498,769									
23505001	Phoenix Interconnect - WIFA Bonding	4,442,951	7,677,510								
23505001	Phoenix Interconnect - Grants Congressional Directed	1,000,000	1,000,000								
23505002	Cave Creek Water Meter Replacement - General Fund Subsidy	297,000									
23505002	Cave Creek Water Meter Replacement - Grants	253,000									
24505004	WTP Upgrades and Improvements - Debt		368,478								
24505004	WTP Upgrades and Improvements - General Fund Subsidy	175,000									
24505004	WTP Upgrades and Improvements - Water Infrastructure Dedicated TPT Revenues		231,522								
25505002	Purchase of 2nd Vactor Trailer - General Fund Subsidy	118,000									
25505003	38th Street Booster Replacement - Debt				500,000						
25505003	38th Street Booster Replacement - General Fund Subsidy	80,000									
25505004	Pressure Zone 9 Fire Booster - General Fund Subsidy	80,000									
25505004	Pressure Zone 9 Fire Booster - Developer Contribution		350,000								
25505004	Pressure Zone 9 Fire Booster - Water Infrastructure Dedicated TPT Revenues		538,500								
25505005	CAP Booster Station and Pipeline Upgrades - Debt			300,000	250,000			100,000	2,800,000		
25505005	CAP Booster Station and Pipeline Upgrades - General Fund Subsidy	250,000									
25505005	CAP Booster Station and Pipeline Upgrades - Water Infrastructure Dedicated TPT Revenues		300,000								
25505006	Rehab 6" Waterline Across Cave Creek Wash - Debt					75,000	750,000				
25505006	Rehab 6" Waterline Across Cave Creek Wash - General Fund Subsidy	25,000									
25505007	Water System Improvement Program - Debt			150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
25505007	Water System Improvement Program - General Fund Subsidy	184,000									
25505010	Zone 1 Pipeline Improvements - Debt				631,000						
25505010	Zone 1 Pipeline Improvements - General Fund Subsidy	86,000									
50010000	Rebuild Zone 6 PRV and Replace 2" Waterline - Debt		307,000								
50010001	Upgrades at Carol Heights Booster Site - Debt				524,900						
50010002	Zone 9 Pipeline Improvements - Debt			150,000			400,000				
50010003	Zone 8 Pipeline Improvements - Debt			50,000	150,000	500,000	500,000	500,000	500,000	1,000,000	1,000,000
50010005	Zone 4 to 1 PRV Improvements - Debt		100,000								
50010006	WTP - Process Upgrade to Membranes - Debt						250,000	7,500,000			
50010007	Aeration System for Phoenix Interconnect Reservoir - Debt			750,000							
50010011	Rockaway Reservoir Aeration System - Debt				500,000						
50010012	New Neary Booster Pumps - Debt		250,000								
50010013	New West Cave Creek Waterline - Phase 1 - Debt			125,000	800,000	800,000					
50010013	New West Cave Creek Waterline - Phase 1 - General Fund Subsidy		50,000								
50010014	Rehab 8" Waterline Across Cave Creek Wash - Debt		50,000	600,000							
50010016	Cave Creek Road Pipeline Improvements - Debt					400,000	400,000	400,000			
26010000	New Water Ranch Office - General Fund Subsidy	262,500	87,500								
25505001	Vehicle Replacement Program - Utilities - General Fund Subsidy	63,100									
25505001	Vehicle Replacement Program - Utilities - Utilities Vehicle/Equip Repl Reserve				252,500	80,000	40,000	365,000	75,000	200,000	
50010015	Integrated Utility Master Plan - General Fund Subsidy	15,000			150,000					150,000	
25016500	Fleet Replacement Program - Utilities Vehicle/Equip Repl Reserve				87,500						
	WATER RESOURCE PROJECTS										
24505007	Cave Creek Well Rehab Program - Debt		1,400,000								
24505007	Cave Creek Well Rehab Program - General Fund Subsidy	236,000									
50010008	Evaluate Additional Groundwater Wells - CCW & DHW - General Fund Subsidy		50,000								
50010009	Phoenix ASR Recharge Storage - Debt		400,000								
50010010	New Colorado River Water Rights - Debt								7,700,000		
50010017	Harquahala Groundwater - Debt		11,250,000								
50010017	Harquahala Groundwater - General Fund Subsidy		100,000								
		$12,066,320	$24,510,510	$2,125,000	$3,995,900	$2,005,000	$2,490,000	$9,015,000	$11,225,000	$1,500,000	$1,150,000

Town of Cave Creek - Cave Creek System

CIP

Inflated Dollars

Line No:	Project #	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		Capital Projects										
1	23505001	Phoenix Interconnect - Water Infrastrucutre Fund	$4,498,769	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	23505001	Phoenix Interconnect - WIFA Bonding	4,442,951	7,677,510	0	0	0	0	0	0	0	0
3	23505001	Phoenix Interconnect - Grants Congressional Directed	1,000,000	1,000,000	0	0	0	0	0	0	0	0
4	23505002	Cave Creek Water Meter Replacement - General Fund Subsidy	297,000	0	0	0	0	0	0	0	0	0
5	23505002	Cave Creek Water Meter Replacement - Grants	253,000	0	0	0	0	0	0	0	0	0
6	24505004	WTP Upgrades and Improvements - Debt	0	368,478	0	0	0	0	0	0	0	0
7	24505004	WTP Upgrades and Improvements - General Fund Subsidy	175,000	0	0	0	0	0	0	0	0	0
8	24505004	WTP Upgrades and Improvements - Water Infrastructure Dedicated TPT Revenues	0	231,522	0	0	0	0	0	0	0	0
9	25505002	Purchase of 2nd Vactor Trailer - General Fund Subsidy	118,000	0	0	0	0	0	0	0	0	0
10	25505003	38th Street Booster Replacement - Debt	0	0	0	538,203	0	0	0	0	0	0
11	25505003	38th Street Booster Replacement - General Fund Subsidy	80,000	0	0	0	0	0	0	0	0	0
12	25505004	Pressure Zone 9 Fire Booster - General Fund Subsidy	80,000	0	0	0	0	0	0	0	0	0
13	25505004	Pressure Zone 9 Fire Booster - Developer Contribution	0	350,000	0	0	0	0	0	0	0	0
14	25505004	Pressure Zone 9 Fire Booster - Water Infrastructure Dedicated TPT Revenues	0	538,500	0	0	0	0	0	0	0	0
15	25505005	CAP Booster Station and Pipeline Upgrades - Debt	0	0	311,250	269,102	0	0	120,210	3,492,100	0	0
16	25505005	CAP Booster Station and Pipeline Upgrades - General Fund Subsidy	250,000	0	0	0	0	0	0	0	0	0
17	25505005	CAP Booster Station and Pipeline Upgrades - Water Infrastructure Dedicated TPT Revenues	0	300,000	0	0	0	0	0	0	0	0
18	25505006	Rehab 6" Waterline Across Cave Creek Wash - Debt	0	0	0	0	83,758	868,988	0	0	0	0
19	25505006	Rehab 6" Waterline Across Cave Creek Wash - General Fund Subsidy	25,000	0	0	0	0	0	0	0	0	0
20	25505007	Water System Improvement Program - Debt	0	0	155,625	161,461	167,516	173,798	180,315	187,077	194,092	201,371
21	25505007	Water System Improvement Program - General Fund Subsidy	184,000	0	0	0	0	0	0	0	0	0
22	25505010	Zone 1 Pipeline Improvements - Debt	0	0	0	679,212	0	0	0	0	0	0
23	25505010	Zone 1 Pipeline Improvements - General Fund Subsidy	86,000	0	0	0	0	0	0	0	0	0
24	50010000	Rebuild Zone 6 PRV and Replace 2" Waterline - Debt	0	307,000	0	0	0	0	0	0	0	0
25	50010001	Upgrades at Carol Heights Booster Site - Debt	0	0	0	565,006	0	0	0	0	0	0
26	50010002	Zone 9 Pipeline Improvements - Debt	0	0	155,625	0	0	463,460	0	0	0	0
27	50010003	Zone 8 Pipeline Improvements - Debt	0	0	51,875	161,461	558,386	579,325	601,050	623,589	1,293,948	1,342,471
28	50010005	Zone 4 to 1 PRV Improvements - Debt	0	100,000	0	0	0	0	0	0	0	0
29	50010006	WTP - Process Upgrade to Membranes - Debt	0	0	0	0	0	289,663	9,015,749	0	0	0
30	50010007	Aeration System for Phoenix Interconnect Reservoir - Debt	0	0	778,125	0	0	0	0	0	0	0
31	50010011	Rockaway Reservoir Aeration System - Debt	0	0	0	538,203	0	0	0	0	0	0
32	50010012	New Neary Booster Pumps - Debt	0	250,000	0	0	0	0	0	0	0	0
33	50010013	New West Cave Creek Waterline - Phase 1 - Debt	0	0	129,688	861,125	893,417	0	0	0	0	0
34	50010013	New West Cave Creek Waterline - Phase 1 - General Fund Subsidy	0	50,000	0	0	0	0	0	0	0	0
35	50010014	Rehab 8" Waterline Across Cave Creek Wash - Debt	0	50,000	622,500	0	0	0	0	0	0	0
36	50010016	Cave Creek Road Pipeline Improvements - Debt	0	0	0	0	446,709	463,460	480,840	0	0	0
37	26010000	New Water Ranch Office - General Fund Subsidy	262,500	87,500	0	0	0	0	0	0	0	0
38	25505001	Vehicle Replacement Program - Utilities - General Fund Subsidy	63,100	0	0	0	0	0	0	0	0	0
39	25505001	Vehicle Replacement Program - Utilities - Utilities Vehicle/Equip Repl Reserve	0	0	0	271,793	89,342	46,346	438,766	93,538	258,790	0
40	50010015	Integrated Utility Master Plan - General Fund Subsidy	15,000	0	0	161,461	0	0	0	0	194,092	0
41	25016500	Fleet Replacement Program - Utilities Vehicle/Equip Repl Reserve	0	0	0	94,186	0	0	0	0	0	0
		WATER RESOURCE PROJECTS										
42	24505007	Cave Creek Well Rehab Program - Debt	0	1,400,000	0	0	0	0	0	0	0	0
43	24505007	Cave Creek Well Rehab Program - General Fund Subsidy	236,000	0	0	0	0	0	0	0	0	0
44	50010008	Evaluate Additional Groundwater Wells - CCW & DHW - General Fund Subsidy	0	50,000	0	0	0	0	0	0	0	0
45	50010009	Phoenix ASR Recharge Storage - Debt	0	400,000	0	0	0	0	0	0	0	0
46	50010010	New Colorado River Water Rights - Debt	0	0	0	0	0	0	0	9,603,275	0	0
47	50010017	Harquahala Groundwater - Debt	0	11,250,000	0	0	0	0	0	0	0	0
48	50010017	Harquahala Groundwater - General Fund Subsidy	0	100,000	0	0	0	0	0	0	0	0
51												
		Total	**$12,066,320**	**$24,510,510**	**$2,204,688**	**$4,301,212**	**$2,239,127**	**$2,885,040**	**$10,836,930**	**$13,999,579**	**$1,940,922**	**$1,543,841**

Appendix B

Town of Cave Creek - Desert Hills System

Pro Forma with Debt Service Coverage and Fund Balance Reconciliation

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Combined										
Water Rate Revenue Increases		***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***	***0.00%***	***0.00%***	***0.00%***
% of Year Rate Increase Effective		***41.67%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***
Beginning Unrestricted Fund Balance	**($917,461)**	**$0**	**$645**	**$246,950**	**$499,751**	**$782,560**	**$1,147,428**	**$6,686**	**$877,089**	**$683,578**
Rate Revenue 1	$3,863,290	$4,034,246	$4,297,161	$4,554,991	$4,828,290	$5,117,988	$5,425,067	$5,583,078	$5,583,078	$5,583,078
Total Rate Revenue	$3,863,290	$4,034,246	$4,297,161	$4,554,991	$4,828,290	$5,117,988	$5,425,067	$5,583,078	$5,583,078	$5,583,078
Other Operating Revenue	19,145	18,679	18,679	18,679	18,679	18,679	18,679	18,679	18,679	18,679
Interest Income	23,907	20,000	40,797	60,278	101,545	126,310	159,260	152,101	172,176	146,777
Total Operating Revenue	$3,906,342	$4,072,925	$4,356,637	$4,633,948	$4,948,514	$5,262,977	$5,603,006	$5,753,858	$5,773,933	$5,748,534
Operating Expenses	(2,844,830)	(3,242,721)	(3,412,655)	(3,466,847)	(3,519,416)	(3,577,677)	(3,639,650)	(3,704,592)	(3,772,703)	(3,844,206)
Net Revenue	$1,061,512	$830,204	$943,981	$1,167,100	$1,429,098	$1,685,300	$1,963,356	$2,049,266	$2,001,230	$1,904,328
Plus:										
Other Sources of Funds										
Capacity Fees	14,902	-	-	-	-	-	-	-	-	-
Grants	-	115,000	-	-	-	-	-	-	-	-
General Fund Loan In/(Out)	-	527,000	325,000	566,000	100,000	-	175,000	(500,000)	(1,000,000)	(193,000)
WIFA Proceeds	-	290,700	1,136,826	3,347,064	1,685,878	1,562,372	-	-	-	-
Debt Service Reserve Release	-	-	-	-	-	-	269,497	326,079	-	-
Less:										
Other Uses of Funds										
Minor Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Major Capital Funded with Existing Reserves/Current Cash	(295,000)	(525,000)	(1,277,163)	(3,846,548)	(1,652,822)	(1,531,736)	(2,591,727)	(374,154)	(452,882)	(402,741)
Non Operating Expenses	-	-	-	-	-	-	-	-	-	-
Existing Debt Service	(852,269)	(851,925)	(852,598)	(852,598)	(852,598)	(852,598)	(386,006)	-	-	-
New Debt Service	-	-	(14,535)	(71,376)	(249,062)	(373,766)	(570,861)	(630,788)	(686,324)	(686,324)
Debt Service Reserve	-	(385,334)	(15,208)	(56,841)	(177,686)	(124,704)	-	-	(55,536)	-
Net Cash Flow	**($70,855)**	**$645**	**$246,305**	**$252,801**	**$282,809**	**$364,868**	**($1,140,742)**	**$870,404**	**($193,512)**	**$622,263**
Ending Unrestricted Fund Balance	($988,316)	$645	$246,950	$499,751	$782,560	$1,147,428	$6,686	$877,089	$683,578	$1,305,840
Days of O&M	*(127)*	*0*	*26*	*53*	*81*	*117*	*1*	*86*	*66*	*124*
Target Unrestricted Fund Balance - WIFA Reserve	466,591	851,925	867,133	923,974	1,101,660	1,226,364	956,867	630,788	686,324	686,324
Restricted Fund Balance (Debt Service)	466,591	851,925	867,133	923,974	1,101,660	1,226,364	956,867	630,788	686,324	686,324
Debt Service Coverage Calculations:										
Debt Service Coverage										
Rate Covenant Debt Service Coverage Test (Revenue):										
Net Revenue Available for Debt Service Coverage Test	$1,076,414	$1,357,204	$1,268,981	$1,733,100	$1,529,098	$1,685,300	$2,138,356	$1,549,266	$1,001,230	$1,711,328
Debt Service:										
Existing Debt Service	852,269	851,925	852,598	852,598	852,598	852,598	386,006	-	-	-
New Debt Service	-	-	14,535	71,376	249,062	373,766	570,861	630,788	686,324	686,324
Total Debt Service	$852,269	$851,925	$867,133	$923,974	$1,101,660	$1,226,364	$956,867	$630,788	$686,324	$686,324
Debt Service Coverage	**1.26**	**1.59**	**1.46**	**1.88**	**1.39**	**1.37**	**2.23**	**2.46**	**1.46**	**2.49**
Debt Service Coverage Requirement	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*
Debt Service Coverage Test (Excise):										
Net Revenue Available for Debt Service Coverage Test	$224,145	$505,279	$401,849	$809,127	$427,438	$458,936	$1,181,489	$918,478	$314,906	$1,025,004
Excise Debt Service	386,006	386,006	386,006	386,006	386,006	386,006	386,006	-	-	-
Total Debt Service	386,006	386,006	386,006	386,006	386,006	386,006	386,006	-	-	-
Debt Service Coverage - Excise	**0.58**	**1.31**	**1.04**	**2.10**	**1.11**	**1.19**	**3.06**	**-**	**-**	**-**
Debt Service Coverage Requirement	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*	*1.00*

Town of Cave Creek - Desert Hills System

Revenue

Summary

Line No:	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
2	Rate Revenue 1	$3,863,290	$4,034,246	$4,297,161	$4,554,991	$4,828,290	$5,117,988	$5,425,067	$5,583,078	$5,583,078	$5,583,078
3	Other Operating Revenue	19,145	18,679	18,679	18,679	18,679	18,679	18,679	18,679	18,679	18,679
4	Transfers In - Operations	-	527,000	325,000	566,000	100,000	-	175,000	(500,000)	(1,000,000)	(193,000)
5	Capacity Fees	14,902	-	-	-	-	-	-	-	-	-
6	Transfers In - Capacity Fees	-	-	-	-	-	-	-	-	-	-
7	Grants	-	115,000	-	-	-	-	-	-	-	-
8	Bonds	-	290,700	1,136,826	3,347,064	1,685,878	1,562,372	-	-	-	-
9	Interest Earnings - Operations	23,907	20,000	40,797	60,278	101,545	126,310	159,260	152,101	172,176	146,777
10	Interest Earnings - Capacity Fee	-	-	-	-	-	-	-	-	-	-

Detail

	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
12	**Operations**										
13	Rate Revenue 1	$3,863,290	$3,935,850	$4,172,001	$4,422,321	$4,687,660	$4,968,920	$5,267,055	$5,583,078	$5,583,078	$5,583,078
14	Growth	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Revenue Increase	0.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	0.00%	0.00%	0.00%
16	Pct of Year Revenue Increase Effective	100.00%	41.67%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
17	Total Rate Revenue 1 - After Revenue Increase	$3,863,290	$4,034,246	$4,297,161	$4,554,991	$4,828,290	$5,117,988	$5,425,067	$5,583,078	$5,583,078	$5,583,078
18	Water Usage Penalty	10,421	10,734	10,734	10,734	10,734	10,734	10,734	10,734	10,734	10,734
19	ADEQ Water Consumption Tax			-	-	-	-	-	-	-	-
20	Water Establishment Fee	1,673	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723
21	Meter Set Fee	1,010	-	-	-	-	-	-	-	-	-
22	Water Connection Fee	713	734	734	734	734	734	734	734	734	734
23	Miscellaneous	5,328	5,488	5,488	5,488	5,488	5,488	5,488	5,488	5,488	5,488
24	General Fund Loan In	-	527,000	325,000	566,000	100,000	-	175,000	(500,000)	(1,000,000)	(193,000)
25	Watersmart Grant Proceeds	-	115,000	-	-	-	-	-	-	-	-
26	WIFA Proceeds - CIP	-	290,700	1,136,826	3,347,064	1,685,878	1,562,372	-	-	-	-
27	Interest Earning Calculation										
28	Average Balance	($342,156)	$104,622	$1,165,619	$1,722,218	$2,901,296	$3,608,851	$4,550,291	$4,345,737	$4,919,307	$4,193,638
29	Assumed Interest Earnings Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
30	Projected Interest Earnings	$23,907	$20,000	$40,797	$60,278	$101,545	$126,310	$159,260	$152,101	$172,176	$146,777

Town of Cave Creek - Desert Hills System
Expenses Other than Major Capital Expenses

Summary - Operations

Line No:	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033
2	Operating	$ 2,844,830	$ 3,242,721	$3,412,655	$3,466,847	$3,519,416	$3,577,677	$3,639,650	$3,704,592	$3,772,703
3	Non Operating	-	-	-	-	-	-	-	-	-
4	Minor Capital	-	-	-	-	-	-	-	-	-
5	Transfers	-	-	-	-	-	-	-	-	-
6	Existing Bond Debt Service	852,269	851,925	852,598	852,598	852,598	852,598	386,006	-	-
	New Bond Debt Service	-	-	14,535	71,376	249,062	373,766	570,861	630,788	686,324
	Existing SRF Debt Service	-	-	-	-	-	-	-	-	-
	New SRF Debt Service	-	-	-	-	-	-	-	-	-
7	**TOTAL**	**3,697,099**	**4,094,646**	**4,279,788**	**4,390,821**	**4,621,076**	**4,804,041**	**4,596,518**	**4,335,380**	**4,459,027**

Detail

8	Annual Expense Escalation Factor	EXPENSES	2025	2026	2027	2028	2029	2030	2031	2032	2033
9		**Detail**									
		Operations									
10		**Water**									
11	3.0%	Salaries & Wages	424,543	446,941	460,349	474,159	488,384	503,036	518,127	533,671	549,681
12	3.0%	Overtime	22,701	21,218	21,855	22,511	23,186	23,882	24,598	25,336	26,096
13	3.0%	Per Diem on Call	6,996	8,303	8,552	8,809	9,073	9,345	9,625	9,914	10,211
14	3.0%	PTO - Payout	4,268	6,465	6,659	6,859	3,430	3,532	3,638	3,747	3,859
15	3.0%	FICA/Medicare	35,295	36,969	38,078	39,220	40,397	41,609	42,857	44,143	45,467
16	3.0%	Retirement	58,170	57,177	58,892	60,659	62,479	64,353	66,284	68,273	70,321
17	10.0%	LIFE & Medical Insurance	154,628	110,813	121,894	134,083	147,491	162,240	178,464	196,310	215,941
18	3.0%	Workers Compensation	14,326	12,925	13,313	13,712	14,123	14,547	14,983	15,432	15,895
19	3.0%	Recruitment/Retention Pay	11,401	11,401	11,743	12,095	12,458	12,832	13,217	13,614	14,022
20	3.0%	Unemployment Insurance	464	423	436	449	462	476	490	505	520
21	3.0%	Software Maint./Support Agreements	-	30,000	30,900	31,827	32,782	33,765	34,778	35,821	36,896
22	3.0%	Professional Attorney Services	4,000	-	-	-	-	-	-	-	-
23	3.0%	Professional Services	45,000	105,000	108,150	111,395	114,737	118,179	121,724	125,376	129,137
24	4.0%	Elec, Water, Sewer, Trash	100,000	110,000	114,400	118,976	123,735	128,684	133,831	139,184	144,751
25	0.0%	Bulk Water Purchase	1,476,976	1,500,000	1,779,994	1,779,994	1,779,994	1,779,994	1,779,994	1,779,994	1,779,994
26	2.0%	Telephones (All)	6,000	6,000	6,120	6,242	6,367	6,494	6,624	6,756	6,891
27	2.0%	Other Contracted Services	20,000	145,000	147,900	150,858	153,875	156,953	160,092	163,294	166,560
28	2.0%	Maintenance	75,000	-	-	-	-	-	-	-	-
29	2.0%	Vehicle Maintenance	1,000	500	510	520	530	541	552	563	574
30	2.0%	Equipment Leases & Rents	4,000	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149
31	2.0%	Training and Travel	500	2,700	2,754	2,809	2,865	2,922	2,980	3,040	3,101
32	2.0%	Membership Dues & Subscriptions	-	500	510	520	530	541	552	563	574
33	2.0%	Bank Service Fees	750	500	510	520	530	541	552	563	574
34	2.0%	Insurance	34,000	37,400	38,148	38,911	39,689	40,483	41,293	42,119	42,961
35	2.0%	Postage & Copier Expenses	11,000	11,000	11,220	11,444	11,673	11,906	12,144	12,387	12,635
36	2.0%	Computer Equipment & Related Impr	500	2,000	2,040	2,081	2,123	2,165	2,208	2,252	2,297
37	2.0%	Computer Software	14,000	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149
38	(1)	CAP Water Expense	106,400	110,000	114,822	118,740	122,356	125,671	130,070	134,622	139,334
39	2.0%	CAP Water Agreement	157,712	157,712	-	-	-	-	-	-	-
40	2.0%	Supplies Repair and Maint	20,000	-	-	-	-	-	-	-	-
41	2.0%	Supplies	20,000	48,000	48,960	49,939	50,938	51,957	52,996	54,056	55,137
42	4.0%	Chemical Supplies	3,000	-	-	-	-	-	-	-	-
43	2.0%	Transportation - Mileage Reimbursement	200	-	-	-	-	-	-	-	-
44	4.0%	Fuel & Oil	12,000	14,000	14,560	15,142	15,748	16,378	17,033	17,714	18,423
45	2.0%	Indirect Cost - Admin Services	-	39,302	40,088	40,890	41,708	42,542	43,393	44,261	45,146
46	2.0%	Indirect Cost - Manager	-	46,522	47,452	48,401	49,369	50,356	51,363	52,390	53,438
47	2.0%	Indirect Cost - IT	-	60,226	66,249	67,574	68,925	70,304	71,710	73,144	74,607
48	2.0%	Indirect Cost - Finance	-	91,724	93,558	95,429	97,338	99,285	101,271	103,296	105,362
49	2.0%	Capital Equipment	-	10,000	-	-	-	-	-	-	-
50	0.0%	Contingency Account	-	-	-	-	-	-	-	-	-
		Debt Service									
51	0.0%	WIFA 2007	852,269	851,925	466,591	466,591	466,591	466,592	-	-	-
52	0.0%	WIFA 2008 - Excise Pledge	-	-	386,006	386,006	386,006	386,006	386,006	-	-
53	0.0%	WIFA 2025	-	-	-	-	-	-	-	-	-
54	0.0%	WIFA 2026	-	-	14,535	14,535	24,868	24,868	24,868	24,868	24,868
54	0.0%	WIFA 2027	-	-	-	56,841	56,841	97,251	97,251	97,251	97,251
55	0.0%	WIFA 2028	-	-	-	-	167,353	167,353	286,329	286,329	286,329
55	0.0%	WIFA 2029	-	-	-	-	-	84,294	84,294	144,221	144,221
56	0.0%	WIFA 2030	-	-	-	-	-	-	78,119	78,119	133,655
56	0.0%	WIFA 2031	-	-	-	-	-	-	-	-	-
57	0.0%	WIFA 2032	-	-	-	-	-	-	-	-	-
57	0.0%	WIFA 2033	-	-	-	-	-	-	-	-	-
58	0.0%	WIFA 2034	-	-	-	-	-	-	-	-	-
59		Total	852,269	851,925	867,133	923,974	1,101,660	1,226,364	956,867	630,788	686,324

Town of Cave Creek - Desert Hills System

CIP

Current Day Dollars

Project #	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Capital Projects										
23555001	Water System Improvement Program - Debt		$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000
23555001	Water System Improvement Program - DH Revenues	100,000									
24555001	Steel Storage Tank Reconditioning/Upgrades - Debt			506,000	523,510	380,000	452,000				
24555001	Steel Storage Tank Reconditioning/Upgrades - DH Revenues	3,657									
24555001	Steel Storage Tank Reconditioning/Upgrades - General Fund Cash Loan	56,343	25,000								
25555001	Desert Hills Water Meter Replacements - Debt		135,000	162,000							
25555001	Desert Hills Water Meter Replacements - General Fund Cash Loan	50,000									
25555001	Desert Hills Water Meter Replacements - Grants		115,000	138,000							
25555002	Desert Hills Service Line Replacements - Debt			75,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
25555002	Desert Hills Service Line Replacements - DH Revenues	75,000									
25555003	Well Head Arsenic Treatment System - Debt	-	-	56,250	1,425,000	-	-	-	-	-	-
25555003	Well Head Arsenic Treatment System - Developer Contribution	-	-	18,750	475,000	-	-	-	-	-	-
55010000	Galvin Well Improvements - Debt	-	-	-	-	-	470,000	-	-	-	-
55010001	3rd Avenue Well Improvements - Debt	-	-	-	-	-	100,000	1,856,000	-	-	-
50010013	New West Cave Creek Waterline - Phase 1 - Debt	-	-	125,000	800,000	800,000	-	-	-	-	-
50010013	New West Cave Creek Waterline - Phase 1 - General Fund Cash Loan	-	50,000	-	-	-	-	-	-	-	-
50010015	Integrated Utility Master Plan - DH Revenues	-	-	-	50,000	-	-	-	-	50,000	-
50010015	Integrated Utility Master Plan - General Fund Cash Loan	10,000	-	-	-	-	-	-	-	-	-
	Water Resources										
50010008	Evaluate Additional Groundwater Wells - CCW & DHW - GF Cash loan	-	50,000	-	-	-	-	-	-	-	-
		$295,000	$525,000	$1,231,000	$3,573,510	$1,480,000	$1,322,000	$2,156,000	$300,000	$350,000	$300,000

Town of Cave Creek - Desert Hills System
CIP

Inflated Dollars

Line No:	Project #	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1		**Capital Projects**										
2	23555001	Water System Improvement Program - Debt	$0	$150,000	$155,625	$161,461	$167,516	$173,798	$180,315	$187,077	$194,092	$201,371
3	23555001	Water System Improvement Program - DH Revenues	100,000	0	0	0	0	0	0	0	0	0
4	24555001	Steel Storage Tank Reconditioning/Upgrades - Debt	0	0	524,975	563,509	424,373	523,710	0	0	0	0
5	24555001	Steel Storage Tank Reconditioning/Upgrades - DH Revenues	3,657	0	0	0	0	0	0	0	0	0
6	24555001	Steel Storage Tank Reconditioning/Upgrades - General Fund Cash Loan	56,343	25,000	0	0	0	0	0	0	0	0
7	25555001	Desert Hills Water Meter Replacements - Debt	0	135,000	168,075	0	0	0	0	0	0	0
8	25555001	Desert Hills Water Meter Replacements - General Fund Cash Loan	50,000	0	0	0	0	0	0	0	0	0
9	25555001	Desert Hills Water Meter Replacements - Grants	0	115,000	143,175	0	0	0	0	0	0	0
10	25555002	Desert Hills Service Line Replacements - Debt	0	0	77,813	161,461	167,516	173,798	180,315	187,077	194,092	201,371
11	25555002	Desert Hills Service Line Replacements - DH Revenues	75,000	0	0	0	0	0	0	0	0	0
12	25555003	Well Head Arsenic Treatment System - Debt	0	0	58,359	1,533,879	0	0	0	0	0	0
13	25555003	Well Head Arsenic Treatment System - Developer Contribution	0	0	19,453	511,293	0	0	0	0	0	0
14	55010000	Galvin Well Improvements - Debt	0	0	0	0	0	544,566	0	0	0	0
15	55010001	3rd Avenue Well Improvements - Debt	0	0	0	0	0	115,865	2,231,097	0	0	0
16	50010013	New West Cave Creek Waterline - Phase 1 - Debt	0	0	129,688	861,125	893,417	0	0	0	0	0
17	50010013	New West Cave Creek Waterline - Phase 1 - General Fund Cash Loan	0	50,000	0	0	0	0	0	0	0	0
18	50010015	Integrated Utility Master Plan - DH Revenues	0	0	0	53,820	0	0	0	0	64,697	0
19	50010015	Integrated Utility Master Plan - General Fund Cash Loan	10,000	0	0	0	0	0	0	0	0	0
20		**Water Resources**										
21	50010008	Evaluate Additional Groundwater Wells - CCW & DHW - GF Cash loan	0	50,000	0	0	0	0	0	0	0	0
		Total	**$295,000**	**$525,000**	**$1,277,163**	**$3,846,548**	**$1,652,822**	**$1,531,736**	**$2,591,727**	**$374,154**	**$452,882**	**$402,741**

Appendix C

Town of Cave Creek - Wastewater
Pro Forma with Debt Service Coverage and Fund Balance Reconciliation

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Combined										
Wastewater Rate Revenue Increases		***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***	***6.00%***
% of Year Rate Increase Effective		***41.67%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***	***50.00%***
Beginning Unrestricted Fund Balance	**$0**	**$0**	**$50,475**	**$165,182**	**$322,544**	**$672,026**	**$777,721**	**$960,000**	**$959,187**	**$894,976**
Rate Revenue 1	$1,358,370	$1,427,138	$1,520,146	$1,611,355	$1,732,629	$1,862,656	$2,002,049	$2,122,172	$2,249,502	$2,384,473
Total Rate Revenue	$1,358,370	$1,427,138	$1,520,146	$1,611,355	$1,732,629	$1,862,656	$2,002,049	$2,122,172	$2,249,502	$2,384,473
Other Operating Revenue	2,382,451	174,242	178,772	183,437	188,243	193,193	198,291	203,542	208,951	214,522
Interest Income - Operating Fund	16,834	15,000	-	-	2,913	5,724	8,839	11,854	(44,176)	28,451
Total Operating Revenue	$3,757,655	$1,616,380	$1,698,918	$1,794,792	$1,923,784	$2,061,573	$2,209,179	$2,337,568	$2,414,277	$2,627,446
Operating Expenses	(1,675,637)	(2,115,253)	(2,173,505)	(2,240,193)	(2,300,214)	(2,372,340)	(2,447,580)	(2,526,136)	(2,608,223)	(2,694,076)
Net Revenue	$2,082,018	($498,873)	($474,588)	($445,401)	($376,429)	($310,767)	($238,401)	($188,568)	($193,946)	($66,630)
Plus:										
Other Sources of Funds										
Capacity Fees	92,924	-	-	-	166,429	166,429	166,429	-	-	-
Transfers In	341,951	2,906,795	2,200,000	2,250,000	2,300,000	700,000	850,000	1,000,000	1,400,000	1,400,000
Grants	-	-	-	725,000	-	-	-	-	-	-
WIFA Proceeds	-	1,264,800	1,164,075	521,519	1,480,837	3,072,742	2,881,434	3,123,696	1,753,522	2,064,936
Debt Service Reserve Release	-	-	-	-	-	-	-	-	-	-
Less:										
Other Uses of Funds										
Minor Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Major Capital Funded with Existing Reserves/Current Cash	(622,500)	(1,727,500)	(1,270,938)	(1,345,508)	(1,563,480)	(3,099,390)	(2,824,935)	(3,062,447)	(1,816,185)	(2,024,446)
Non Operating Expenses	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Existing Debt Service	(1,894,393)	(1,894,747)	(1,377,363)	(1,368,600)	(1,394,361)	-	-	-	-	-
New Debt Service	-	-	(63,240)	(121,444)	(192,479)	(307,899)	(480,074)	(676,784)	(942,193)	(1,044,617)
Debt Service Reserve	-	-	(63,240)	(58,204)	(71,035)	(115,420)	(172,175)	(196,710)	(265,409)	(102,424)
Net Cash Flow	**$0**	**$50,475**	**$114,707**	**$157,362**	**$349,482**	**$105,695**	**$182,279**	**($813)**	**($64,211)**	**$226,819**
Ending Unrestricted Fund Balance	$0	$50,475	$165,182	$322,544	$672,026	$777,721	$960,000	$959,187	$894,976	$1,121,796
Days of O&M	*-*	*9*	*28*	*53*	*107*	*120*	*143*	*139*	*125*	*152*
Target Unrestricted Fund Balance - WIFA Reserve	-	-	63,240	121,444	192,479	307,899	480,074	676,784	942,193	1,044,617
Restricted Fund Balance (Debt Service)	-	-	63,240	121,444	192,479	307,899	480,074	676,784	942,193	1,044,617
Restricted Fund Balance (Debt Service & Sales Tax)	-	3,162	9,234	18,858	34,253	58,257	92,096	92,096	92,096	92,096
Debt Service Coverage Calculations:										
Debt Service Coverage										
Rate Covenant Debt Service Coverage Test (Operations Inc GF Transfer):										
Net Revenue Available for Debt Service Coverage Test	$2,423,969	$2,407,922	$1,725,412	$1,804,599	$1,923,571	$389,233	$611,599	$811,432	$1,206,054	$1,333,370
Debt Service:										
Existing Debt Service	1,894,393	1,894,747	1,377,363	1,368,600	1,394,361	-	-	-	-	-
New Debt Service	-	-	63,240	121,444	192,479	307,899	480,074	676,784	942,193	1,044,617
Total Debt Service	$1,894,393	$1,894,747	$1,440,603	$1,490,044	$1,586,840	$307,899	$480,074	$676,784	$942,193	$1,044,617
Debt Service Coverage - Rate Covenant	**1.28**	**1.27**	**1.20**	**1.21**	**1.21**	**1.26**	**1.27**	**1.20**	**1.28**	**1.28**
Debt Service Coverage Requirement	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*
Debt Service Coverage Test (Combined):										
Net Revenue Available for Debt Service Coverage Test	$2,516,893	$2,407,922	$1,725,412	$1,804,599	$2,090,000	$555,662	$778,028	$811,432	$1,206,054	$1,333,370
Debt Service	1,894,393	1,894,747	1,440,603	1,490,044	1,586,840	307,899	480,074	676,784	942,193	1,044,617
Debt Service Coverage - All Debt	**1.33**	**1.27**	**1.20**	**1.21**	**1.32**	**1.80**	**1.62**	**1.20**	**1.28**	**1.28**
Debt Service Coverage Requirement	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*	*1.50*

Town of Cave Creek - Wastewater
Revenue

Summary										
Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Rate Revenue 1	$1,358,370	$1,427,138	$1,520,146	$1,611,355	$1,732,629	$1,862,656	$2,002,049	$2,122,172	$2,249,502	$2,384,473
Other Operating Revenue	2,382,451	174,242	178,772	183,437	188,243	193,193	198,291	203,542	208,951	214,522
Transfers In - Operations	341,951	2,906,795	2,200,000	2,250,000	2,300,000	700,000	850,000	1,000,000	1,400,000	1,400,000
Grants	-	-	-	725,000	-	-	-	-	-	-
Capacity Fees	92,924	-	-	-	166,429	166,429	166,429	-	-	-
Transfers In - Capacity Fees	-	-	-	-	-	-	-	-	-	-
Bonds	-	1,264,800	1,164,075	521,519	1,480,837	3,072,742	2,881,434	3,123,696	1,753,522	2,064,936
Interest Earnings - Operations	16,834	15,000	-	-	-	2,812	-	-	(62,164)	-
Interest Earnings - Capacity Fee	-	-	-	-	2,913	2,913	8,839	11,854	17,988	28,451

Detail										
Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operations										
Rate Revenue 1	$1,358,370	$1,392,330	$1,475,870	$1,564,422	$1,658,287	$1,783,094	$1,916,908	$2,060,361	$2,183,983	$2,315,022
Growth	0.00%	0.00%	0.00%	0.00%	1.44%	1.42%	1.40%	0.00%	0.00%	0.00%
Revenue Increase	0.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Pct of Year Revenue Increase Effective	100.00%	41.67%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Total Rate Revenue 1 - After Revenue Increase	$1,358,370	$1,427,138	$1,520,146	$1,611,355	$1,732,629	$1,862,656	$2,002,049	$2,122,172	$2,249,502	$2,384,473
1/2 Cent Sales Tax	1,969,120	-	-	-	-	-	-	-	-	-
Sales Tax - Construction	245,110	-	-	-	-	-	-	-	-	-
Sewer Billing Admin Fee	22,572	23,249	23,249	23,249	23,249	23,249	23,249	23,249	23,249	23,249
Effluent Sales (Rancho Manana)	145,190	150,993	155,523	160,188	164,994	169,944	175,042	180,293	185,702	191,273
Wastewater Connection Fee			-	-	-	-	-	-	-	-
Miscellaneous	457	-	-	-	-	-	-	-	-	-
Sewer Usage Penalty	2	-	-	-	-	-	-	-	-	-
Grants	-	-	-	725,000	-	-	-	-	-	-
Transfer In General Fund	341,951	2,906,795	2,200,000	2,250,000	2,300,000	700,000	850,000	1,000,000	1,400,000	1,400,000
WIFA Proceeds - CIP	-	1,264,800	1,164,075	521,519	1,480,837	3,072,742	2,881,434	3,123,696	1,753,522	2,064,936
Interest Earning Calculation										
Average Balance	$0	$17,000	$72,000	$163,000	$332,000	$483,000	$579,000	$640,000	$618,000	$672,000
Assumed Interest Earnings Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Projected Interest Earnings	$16,834	$15,000	$0	$0	$0	$2,812	$0	$0	($62,164)	$0
Capacity Fee										
Capacity Charge	92,924	-	-	-	166,429	166,429	166,429	-	-	-
Non Operating Revenue - Miscellaneous		-	-	-	-	-	-	-	-	-
Projected Interest Earnings		-	-	-	2,913	2,913	8,839	11,854	17,988	28,451
Transfers In	-	-	-	-	-	-	-	-	-	-
Total Sources	92,924	-	-	-	169,341	169,341	175,268	11,854	17,988	28,451

Town of Cave Creek - Wastewater
Expenses Other than Major Capital Expenses

Summary - Operations

Line No:	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1											
2	Operating	$ 1,675,637	$2,115,253	$2,173,505	$2,240,193	$2,300,214	$2,372,340	$2,447,580	$2,526,136	$2,608,223	$2,694,076
3	Non Operating	-	-	-	-	-	-	-	-	-	-
4	Minor Capital	-	-	-	-	-	-	-	-	-	-
5	Transfers	-	-	-	-	-	-	-	-	-	-
6	Existing Bond Debt Service	1,894,393	1,894,747	1,377,363	1,368,600	1,394,361	-	-	-	-	-
	New Bond Debt Service	-	-	63,240	121,444	192,479	307,899	480,074	676,784	942,193	1,044,617
	Existing SRF Debt Service	-	-	-	-	-	-	-	-	-	-
	New SRF Debt Service	-	-	-	-	-	-	-	-	-	-
7	**TOTAL**	**3,570,030**	**4,010,000**	**3,614,108**	**3,730,237**	**3,887,053**	**2,680,239**	**2,927,654**	**3,202,920**	**3,550,416**	**3,738,693**

Detail

	Annual Expense Escalation Factor	EXPENSES	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
8												
9		**Detail**										
		Operations										
10		**Wastewater**										
11	3.0%	Salaries and Wages	417,260	526,744	542,546	558,822	575,587	592,855	610,641	628,960	647,829	667,264
12	3.0%	Overtime	40,279	48,503	49,958	51,457	53,001	54,591	56,229	57,916	59,653	61,443
13	3.0%	Per Diem on Call Pay	12,419	11,634	11,983	12,342	12,712	13,093	13,486	13,891	14,308	14,737
14	3.0%	PTO - Payout	2,576	16,790	17,294	17,813	8,907	9,174	9,449	9,732	10,024	10,325
15	3.0%	FICA/Medicare	36,956	46,216	47,602	49,030	50,501	52,016	53,576	55,183	56,838	58,543
16	3.0%	Retirement	60,555	70,427	72,540	74,716	76,957	79,266	81,644	84,093	86,616	89,214
17	10.0%	Life & Medical Insurance	125,862	111,718	122,890	135,179	148,697	163,567	179,924	197,916	217,708	239,479
18	3.0%	Workers Compensation	18,356	19,943	20,541	21,157	21,792	22,446	23,119	23,813	24,527	25,263
19	3.0%	Unemployment Insurance	293	451	465	479	493	508	523	539	555	572
20	3.0%	Recruitment/Retention Pay	10,981	10,981	11,310	11,649	11,998	12,358	12,729	13,111	13,504	13,909
21	3.0%	Software Maint./Support Agreements	-	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,001
22	2.0%	Professional Attorney Services	500	-	-	-	-	-	-	-	-	-
23	2.0%	Professional Services	40,000	52,000	53,040	54,101	55,183	56,287	57,413	58,561	59,732	60,927
24	4.0%	Elec, Water, Sewer, Trash	240,000	260,000	270,400	281,216	292,465	304,164	316,331	328,984	342,143	355,829
25	2.0%	Telephones (ALL)	11,000	14,000	14,280	14,566	14,857	15,154	15,457	15,766	16,081	16,403
26	2.0%	Other Contracted Services	65,000	275,000	280,500	286,110	291,832	297,669	303,622	309,694	315,888	322,206
27	2.0%	Maintenance	186,000	-	-	-	-	-	-	-	-	-
28	2.0%	Vehicle Maintenance	3,000	3,000	3,060	3,121	3,183	3,247	3,312	3,378	3,446	3,515
29	2.0%	Equipment Leases & Rents	5,000	5,000	5,100	5,202	5,306	5,412	5,520	5,630	5,743	5,858
30	2.0%	Training and Travel	1,500	3,000	3,060	3,121	3,183	3,247	3,312	3,378	3,446	3,515
31	2.0%	Membership, Dues & Subscriptions	-	500	510	520	530	541	552	563	574	585
32	2.0%	Bank Service Fees	2,100	2,100	2,142	2,185	2,229	2,274	2,319	2,365	2,412	2,460
33	2.0%	Insurance	60,000	33,000	33,660	34,333	35,020	35,720	36,434	37,163	37,906	38,664
34	2.0%	Postage & Copier Expense	-	500	510	520	530	541	552	563	574	585
35	2.0%	Computer Equipment & Related Items	1,000	3,000	2,040	2,081	2,123	2,165	2,208	2,252	2,297	2,343
36	2.0%	Computer Software	15,000	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172
37	2.0%	Supplies, Repair & Maintenance	50,000	-	-	-	-	-	-	-	-	-
38	2.0%	Operating Supplies	50,000	310,000	316,200	322,524	328,974	335,553	342,264	349,109	356,091	363,213
39	2.0%	Chemical Supplies	210,000	-	-	-	-	-	-	-	-	-
40	4.0%	Transportation-Mileage Reimbursement	1,000	-	-	-	-	-	-	-	-	-
41	4.0%	Fuel & Oil	9,000	4,000	4,160	4,326	4,499	4,679	4,866	5,061	5,263	5,474
42	2.0%	Indirect Costs - Admin Services	-	43,099	43,961	44,840	45,737	46,652	47,585	48,537	49,508	50,498
43	2.0%	Indirect Costs - Manager	-	51,017	52,037	53,078	54,140	55,223	56,327	57,454	58,603	59,775
44	2.0%	Indirect Costs - IT	-	66,044	72,648	74,101	75,583	77,095	78,637	80,210	81,814	83,450
45	2.0%	Indirect Costs - Finance	-	100,586	102,598	104,650	106,743	108,878	111,056	113,277	115,543	117,854
46	2.0%	Capital Equipment	-	10,000	-	-	-	-	-	-	-	-
		Debt Service										
47	0.0%	WIFA 2007 - Excise Tax Pledge			-	-	-	-	-	-	-	-
48	0.0%	WIFA 2009 - Excise Tax Pledge	1,894,393	1,894,747	1,377,363	1,368,600	1,394,361	-	-	-	-	-
49	0.0%	WIFA 2025	-	-	-	-	-	-	-	-	-	-
50	0.0%	WIFA 2026	-	-	63,240	63,240	108,199	108,199	108,199	108,199	108,199	108,199
51	0.0%	WIFA 2027	-	-	-	58,204	58,204	99,582	99,582	99,582	99,582	99,582
52	0.0%	WIFA 2028	-	-	-	-	26,076	26,076	44,614	44,614	44,614	44,614
53	0.0%	WIFA 2029	-	-	-	-	-	74,042	74,042	126,680	126,680	126,680
54	0.0%	WIFA 2030	-	-	-	-	-	-	153,637	153,637	262,861	262,861
55	0.0%	WIFA 2031	-	-	-	-	-	-	-	144,072	144,072	246,496
56	0.0%	WIFA 2032	-	-	-	-	-	-	-	-	156,185	156,185
57	0.0%	WIFA 2033	-	-	-	-	-	-	-	-	-	-
58	0.0%	WIFA 2034	-	-	-	-	-	-	-	-	-	-
		Total - Excluding Excise Tax	-	-	63,240	121,444	192,479	307,899	480,074	676,784	942,193	1,044,617

Town of Cave Creek - Wastewater
CIP

Project #	Description	Current Day Dollars 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Capital Projects										
23402101	Manhole Rehabilitation - Debt	$0	$150,000	$150,000	$150,000	$150,000	$50,000	$50,000	$50,000	$50,000	$50,000
23402101	Manhole Rehabilitation - General Fund Subsidy	250,000									
23402102	WW Collection System Improvement - Debt		350,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
23402102	WW Collection System Improvement - General Fund Subsidy	50,000									
25402101	Reclaimed Water Exchange with Phoenix - Debt		125,000	800,000							
25402102	WWTP Equipment Improvements - Debt		100,000		100,000		100,000		100,000		100,000
25402102	WWTP Equipment Improvements - General Fund Subsidy	50,000									
25402103	Retrofit Existing Neighborhoods with Sewer Lines - Debt					150,000	2,150,000				
25402103	Retrofit Existing Neighborhoods with Sewer Lines - WW Revenue			50,000							
25402104	Churaposa Lift Station Improvements - Debt		140,000								
40010000	WWTP Process Improvement - Debt							150,000	2,155,500		
40010001	Force Main Assessment and Cleaning - General Fund Subsidy		200,000								
40010002	Replace WWTP Odor Control Units - Grants				725,000						
40010003	Rancho Manana Irrigation Efficiency Upgrades Study - General Fund Subsidy		50,000								
40010004	Inspect Dry Sewer Areas - WW Revenue					100,000					
40010005	Reroute Stagecoach Lift Station Flows - Debt									375,000	
	Stagecoach Pass Lift Station Improvements - Debt									100,000	
	Rancho Manana Lift Station Replacement - Debt									453,600	1,008,000
40010006	Churaposa Lift Station Force Main Improvements - Debt				75,000	850,000					
	Retrofit Existing Neighborhoods w/ Sewer Lines - Phase 2 - Debt						150,000	2,000,000			
	Black Mountain Septic to Sewer - Debt									200,000	200,000
40010007	Rancho Manana Lift Station Improvements - Debt		375,000								
40010008	Collection System Evaluation - General Fund Subsidy		150,000								
26010000	New Water Ranch Office - General Fund Subsidy	262,500	87,500								
25505001	Utilities Vehicles Replacement Program - Utilities			75,000			75,000				
50010015	Integrated Utilities Master Plan - General Fund Subsidy	10,000			50,000					75,000	
	Total	$622,500	$1,727,500	$1,225,000	$1,250,000	$1,400,000	$2,675,000	$2,350,000	$2,455,500	$1,403,600	$1,508,000

Town of Cave Creek - Wastewater
CIP

Line No:	Project #	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1		**Capital Projects**										
2	23402101	Manhole Rehabilitation - Debt	$0	$150,000	$155,625	$161,461	$167,516	$57,933	$60,105	$62,359	$64,697	$67,124
3	23402101	Manhole Rehabilitation - General Fund Subsidy	250,000	-	-	-	-	-	-	-	-	-
4	23402102	WW Collection System Improvement - Debt	-	350,000	155,625	161,461	167,516	173,798	180,315	187,077	194,092	201,371
5	23402102	WW Collection System Improvement - General Fund Subsidy	50,000	-	-	-	-	-	-	-	-	-
6	25402101	Reclaimed Water Exchange with Phoenix - Debt	-	125,000	830,000	-	-	-	-	-	-	-
7	25402102	WWTP Equipment Improvements - Debt	-	100,000	-	107,641	-	115,865	-	124,718	-	134,247
8	25402102	WWTP Equipment Improvements - General Fund Subsidy	50,000	-	-	-	-	-	-	-	-	-
9	25402103	Retrofit Existing Neighborhoods with Sewer Lines - Debt	-	-	-	-	167,516	2,491,098	-	-	-	-
10	25402103	Retrofit Existing Neighborhoods with Sewer Lines - WW Revenue	-	-	51,875	-	-	-	-	-	-	-
11	25402104	Churaposa Lift Station Improvements - Debt	-	140,000	-	-	-	-	-	-	-	-
12	40010000	WWTP Process Improvement - Debt	-	-	-	-	-	-	180,315	2,688,293	-	-
13	40010001	Force Main Assessment and Cleaning - General Fund Subsidy	-	200,000	-	-	-	-	-	-	-	-
14	40010002	Replace WWTP Odor Control Units - Grants	-	-	-	780,395	-	-	-	-	-	-
15	40010003	Rancho Manana Irrigation Efficiency Upgrades Study - General Fund Subsidy	-	50,000	-	-	-	-	-	-	-	-
16	40010004	Inspect Dry Sewer Areas - WW Revenue	-	-	-	-	111,677	-	-	-	-	-
17	40010005	Reroute Stagecoach Lift Station Flows - Debt	-	-	-	-	-	-	-	-	485,230	-
18	0	Stagecoach Pass Lift Station Improvements - Debt	-	-	-	-	-	-	-	-	129,395	-
19	0	Rancho Manana Lift Station Replacement - Debt	-	-	-	-	-	-	-	-	586,935	1,353,211
20	40010006	Churaposa Lift Station Force Main Improvements - Debt	-	-	-	80,730	949,256	-	-	-	-	-
21	0	Retrofit Existing Neighborhoods w/ Sewer Lines - Phase 2 - Debt	-	-	-	-	-	173,798	2,404,200	-	-	-
22	0	Black Mountain Septic to Sewer - Debt	-	-	-	-	-	-	-	-	258,790	268,494
23	40010007	Rancho Manana Lift Station Improvements - Debt	-	375,000	-	-	-	-	-	-	-	-
24	40010008	Collection System Evaluation - General Fund Subsidy	-	150,000	-	-	-	-	-	-	-	-
25	26010000	New Water Ranch Office - General Fund Subsidy	262,500	87,500	-	-	-	-	-	-	-	-
26	25505001	Utilities Vehicles Replacement Program - Utilities	-	-	77,813	-	-	86,899	-	-	-	-
27	50010015	Integrated Utilities Master Plan - General Fund Subsidy	10,000	-	-	53,820	-	-	-	-	97,046	-
		Total	**$ 622,500**	**$ 1,727,500**	**$ 1,270,938**	**$ 1,345,508**	**$ 1,563,480**	**$ 3,099,390**	**$ 2,824,935**	**$ 3,062,447**	**$ 1,816,185**	**$ 2,024,446**

Appendix D

Rate Design

Development of Proposed 2025-26 Single Family Rates

Service Charge, $ per Bill	Rate	Bills	Revenue		2027	2028	2029	2030
5/8"	$65.04	7,944	$516,678		$68.94	$73.08	$77.46	$82.11
5/8" Boosted	80.75	1,476	119,187		85.60	90.73	96.17	101.95
3/4"	65.04	11,028	717,261		68.94	73.08	77.46	82.11
3/4" Boosted	80.75	3,012	243,219		85.60	90.73	96.17	101.95
1"	65.04	36	2,341		68.94	73.08	77.46	82.11
1" Boosted	80.75	12	969		85.60	90.73	96.17	101.95
1 1/2"	216.58	12	2,599		229.57	243.35	257.95	273.43
1 1/2" Boosted	232.29	0	0		246.23	261.00	276.66	293.26
2"	346.66	0	0		367.46	389.51	412.88	437.65
2" Boosted	362.37	36	13,045		384.11	407.16	431.59	457.48
	Total	23,556		---				
Total Service Charge Revenue				$1,615,300				

Block	% Volume in Block	Billed Volume (kgals)	Cumulative Factor	Volume Rate ($/kgals)	Rate Revenue				
0 - 4,000 gallons	5.81%	15,380	1.00	$2.80	$43,065	$2.97	$3.15	$3.33	$3.53
4,001 - 10,000 gallons	19.32%	51,153	1.25	3.50	179,034	3.71	3.93	4.17	4.42
10,001 - 20,000 gallons	26.00%	68,828	1.45	5.08	349,304	5.38	5.70	6.04	6.41
20,001 - 30,000 gallons	15.61%	41,323	1.45	7.36	243,271	7.80	8.27	8.76	9.29
30,001 - 40,000 gallons	9.13%	24,169	1.55	11.41	220,542	12.09	12.82	13.58	14.40
Over 40,000 gallons	23.97%	63,454	1.80	20.53	1,042,222	21.76	23.07	24.45	25.92
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Total	**100%**	**264,724**			**$2,077,439**				

Rate Design

Development of Proposed 2025-26 Multifamily Rates

Service Charge, $ per Bill	Rate	Bills	Revenue		2027	2028	2029	2030
5/8"	$65.04	2,016	$131,121		$68.94	$73.08	$77.46	$82.11
5/8" Boosted	80.75	0	0		85.60	90.73	96.17	101.95
3/4"	65.04	0	0		68.94	73.08	77.46	82.11
3/4" Boosted	80.75	0	0		85.60	90.73	96.17	101.95
1"	65.04	2,064	134,243		68.94	73.08	77.46	82.11
1" Boosted	80.75	0	0		85.60	90.73	96.17	101.95
1 1/2"	216.58	12	2,599		229.57	243.35	257.95	273.43
1 1/2" Boosted	232.29	0	0		246.23	261.00	276.66	293.26
2"	346.66	48	16,640		367.46	389.51	412.88	437.65
2" Boosted	362.37	0	0		384.11	407.16	431.59	457.48
	Total	4,140		---				
Total Service Charge Revenue				$284,602				

Block	% Volume in Block	Billed Volume (kgals)	Cumulative Factor	Volume Rate ($/kgals)	Rate Revenue	2027	2028	2029	2030
0 - 4,000 gallons	26.86%	4,300	1.00	$2.80	$12,039	$2.97	$3.15	$3.33	$3.53
4,001 - 10,000 gallons	24.14%	3,864	1.25	3.50	13,525	3.71	3.93	4.17	4.42
10,001 - 20,000 gallons	15.41%	2,467	1.45	5.08	12,519	5.38	5.70	6.04	6.41
20,001 - 30,000 gallons	7.67%	1,228	1.45	7.36	7,228	7.80	8.27	8.76	9.29
30,001 - 40,000 gallons	3.52%	563	1.55	11.41	5,142	12.09	12.82	13.58	14.40
Over 40,000 gallons	22.41%	3,587	1.80	20.53	58,921	21.76	23.07	24.45	25.92
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Total	**100%**	**16,008**			**$109,374**				

Rate Design

Development of Proposed 2025-26 Commercial Rates

Service Charge, $ per Bill	Rate	Bills	Revenue		2027	2028	2029	2030
5/8"	$65.04	744	$48,390		$68.94	$73.08	$77.46	$82.11
5/8" Boosted	80.75	336	27,132		85.60	90.73	96.17	101.95
3/4"	65.04	0	0		68.94	73.08	77.46	82.11
3/4" Boosted	80.75	0	0		85.60	90.73	96.17	101.95
1"	65.04	888	57,756		68.94	73.08	77.46	82.11
1" Boosted	80.75	96	7,752		85.60	90.73	96.17	101.95
1 1/2"	216.58	84	18,193		229.57	243.35	257.95	273.43
1 1/2" Boosted	232.29	24	5,575		246.23	261.00	276.66	293.26
2"	346.66	240	83,198		367.46	389.51	412.88	437.65
2" Boosted	362.37	0	0		384.11	407.16	431.59	457.48
	Total	2,412		---				
Total Service Charge Revenue				$247,995				

Block	% Volume in Block	Billed Volume (kgals)	Cumulative Factor	Volume Rate ($/kgals)	Rate Revenue				
0 - 10,000 gallons	7.87%	4,274	1.00	$3.25	$13,891	$3.45	$3.65	$3.87	$4.10
10,001 - 20,000 gallons	4.64%	2,520	1.45	4.71	11,875	5.00	5.29	5.61	5.95
20,001 - 30,000 gallons	9.79%	5,317	1.50	7.07	30,067	7.49	7.94	8.42	8.92
30,001 - 40,000 gallons	5.94%	3,226	1.62	11.45	29,553	12.14	12.87	13.64	14.46
Over 40,000 gallons	71.76%	38,972	1.60	18.32	571,246	19.42	20.59	21.82	23.13
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Total	**100%**	**54,309**			**$656,633**				

Rate Design

Development of Proposed 2025-26 Common Area & Commercial Irrigation Rates

Service Charge, $ per Bill	Rate	Bills	Revenue		2027	2028	2029	2030
5/8"	$65.04	60	$3,902		$68.94	$73.08	$77.46	$82.11
5/8" Boosted	80.75	12	969		85.60	90.73	96.17	101.95
3/4"	65.04	0	0		68.94	73.08	77.46	82.11
3/4" Boosted	80.75	0	0		85.60	90.73	96.17	101.95
1"	65.04	204	13,268		68.94	73.08	77.46	82.11
1" Boosted	80.75	24	1,938		85.60	90.73	96.17	101.95
1 1/2"	216.58	24	5,198		229.57	243.35	257.95	273.43
1 1/2" Boosted	232.29	0	0		246.23	261.00	276.66	293.26
2"	346.66	24	8,320		367.46	389.51	412.88	437.65
2" Boosted	362.37	12	4,348		384.11	407.16	431.59	457.48
	Total	360		---				
Total Service Charge Revenue				$37,944				

Block	% Volume in Block	Billed Volume (kgals)	Cumulative Factor	Volume Rate ($/kgals)	Rate Revenue				
0 - 10,000 gallons	10.78%	1,195	1.00	$5.70	$6,812	$6.04	$6.40	$6.79	$7.20
10,001 - 20,000 gallons	6.14%	681	1.25	7.13	4,850	7.55	8.01	8.49	9.00
20,001 - 30,000 gallons	7.70%	854	1.30	9.26	6,721	9.82	10.41	11.03	11.69
30,001 - 40,000 gallons	6.85%	759	1.30	12.04	7,316	12.76	13.53	14.34	15.20
Over 40,000 gallons	68.53%	7,598	1.45	17.46	106,122	18.51	19.62	20.79	22.04
	---	---			---				
Total	**100%**	**11,087**			**$131,821**				

Rate Design

Development of Proposed 2025-26 Commercial Pool Rates

Service Charge, $ per Bill	Rate	Bills	Revenue		2027	2028	2029	2030
5/8"	$65.04	36	$2,341		$68.94	$73.08	$77.46	$82.11
5/8" Boosted	80.75	0	0		85.60	90.73	96.17	101.95
3/4"	65.04	0	0		68.94	73.08	77.46	82.11
3/4" Boosted	80.75	0	0		85.60	90.73	96.17	101.95
1"	65.04	60	3,902		68.94	73.08	77.46	82.11
1" Boosted	80.75	0	0		85.60	90.73	96.17	101.95
1 1/2"	216.58	0	0		229.57	243.35	257.95	273.43
1 1/2" Boosted	232.29	0	0		246.23	261.00	276.66	293.26
2"	346.66	0	0		367.46	389.51	412.88	437.65
2" Boosted	362.37	0	0		384.11	407.16	431.59	457.48
	Total	96						
Total Service Charge Revenue				$6,244				

Block	% Volume in Block	Billed Volume (kgals)	Cumulative Factor	Volume Rate ($/kgals)	Rate Revenue				
0 - 10,000 gallons	19.96%	369	1.00	$4.40	$1,625	$4.66	$4.94	$5.24	$5.55
10,001 - 20,000 gallons	10.88%	201	1.25	5.50	1,108	5.83	6.18	6.55	6.94
20,001 - 30,000 gallons	6.50%	120	1.30	7.15	731	7.58	8.03	8.52	9.03
30,001 - 40,000 gallons	10.80%	200	1.65	11.80	2,004	12.51	13.26	14.05	14.89
Over 40,000 gallons	51.86%	960	1.50	17.70	13,588	18.76	19.88	21.08	22.34
Total	**100%**	**1,851**			**$19,057**				

Appendix E

Rate Design

Development of Proposed 2025-26 Single Family Rates

Service Charge, $ per Bill	Rate	Bills	Revenue		2027	2028	2029	2030
5/8"	$80.76	3,252	$262,632		$85.61	$90.74	$96.19	$101.96
5/8" Boosted	82.72	17,412	1,440,321		87.68	92.94	98.52	104.43
3/4"	80.76	0	0		85.61	90.74	96.19	101.96
3/4" Boosted	82.72	0	0		87.68	92.94	98.52	104.43
1"	80.76	24	1,938		85.61	90.74	96.19	101.96
1" Boosted	82.72	972	80,404		87.68	92.94	98.52	104.43
1 1/2"	268.93	0	0		285.07	302.17	320.30	339.52
1 1/2" Boosted	270.89	0	0		287.14	304.37	322.63	341.99
2"	430.45	12	5,165		456.28	483.65	512.67	543.43
2" Boosted	432.41	0	0		458.35	485.86	515.01	545.91
Total		21,672						
Total Service Charge Revenue				$1,790,460				

Block	% Volume in Block	Billed Volume (kgals)	Cumulative Factor	Volume Rate ($/kgals)	Rate Revenue				
0 - 4,000 gallons	5.42%	12,281	1.00	$4.40	$54,037	$4.66	$4.94	$5.24	$5.55
4,0001 - 10,000 gallons	24.08%	54,562	1.35	5.94	324,101	6.30	6.67	7.07	7.50
10,001 - 20,000 gallons	29.60%	67,070	1.45	8.61	577,675	9.13	9.68	10.26	10.87
20,001 - 30,000 gallons	16.97%	38,452	1.50	12.92	447,103	13.69	14.52	15.39	16.31
30,001 - 40,000 gallons	8.54%	19,351	1.50	19.38	300,001	20.54	21.77	23.08	24.47
Over 40,000 gallons	15.39%	34,872	1.50	29.07	810,951	30.81	32.66	34.62	36.70
Total	**100%**	**226,588**			**$2,513,869**				

Rate Design

Development of Proposed 2025-26 Commercial Rates

Service Charge, $ per Bill	Rate	Bills	Revenue		2027	2028	2029	2030
5/8"	$80.76	36	$2,907		$85.61	$90.74	$96.19	$101.96
5/8" Boosted	82.72	0	0		87.68	92.94	98.52	104.43
3/4"	80.76	0	0		85.61	90.74	96.19	101.96
3/4" Boosted	82.72	0	0		87.68	92.94	98.52	104.43
1"	80.76	0	0		85.61	90.74	96.19	101.96
1" Boosted	82.72	96	7,941		87.68	92.94	98.52	104.43
1 1/2"	268.93	0	0		285.07	302.17	320.30	339.52
1 1/2" Boosted	270.89	48	13,003		287.14	304.37	322.63	341.99
2"	430.45	0	0		456.28	483.65	512.67	543.43
2" Boosted	432.41	72	31,134		458.35	485.86	515.01	545.91
	Total	252						
Total Service Charge Revenue				$54,985				
Volume Charge Revenue to be Recovered				$171,652				

Block	% Volume in Block	Billed Volume (kgals)	Cumulative Factor	Volume Rate ($/kgals)	Rate Revenue				
0 - 10,000 gallons	13.18%	2,401	1.00	$4.95	$11,886	$5.25	$5.56	$5.90	$6.25
10,001 - 20,000 gallons	14.44%	2,631	1.50	7.43	19,534	7.87	8.34	8.84	9.37
20,001 - 30,000 gallons	16.68%	3,039	1.50	11.14	28,769	11.81	12.51	13.26	14.06
30,001 - 40,000 gallons	11.00%	2,004	1.55	17.26	27,678	18.30	19.40	20.56	21.79
Over 40,000 gallons	44.70%	8,144	1.55	26.76	174,332	28.36	30.07	31.87	33.78
Total	**100%**	**18,219**			**$262,199**				

Appendix F

Rate Design - Current

Development of Proposed 2025-26 Residential Rates

Residential - Cost of Service Component			$880,027					
	Bills	Rate	Revenue	Current	**2027**	**2028**	**2029**	**2030**
Residential	9,240	$95.24	$880,027	$89.77	$100.96	$107.01	$113.43	$120.24
			$880,027					

Development of Proposed 2025-26 Commercial Rates

Commercial - Cost of Service Component			$514,900					
	Bills/Volume	Rate	Revenue					
Commercial - Fixed Charge								
5/8 & 3/4-Inch Meter	936	$66.69	$62,422	$63.40	$70.69	$74.93	$79.43	$84.19
1-Inch Meter	648	111.37	72,168	105.88	118.05	125.14	132.64	140.60
1 1/2-Inch Meter	288	222.08	63,959	211.14	235.40	249.53	264.50	280.37
Commercial - Volume Rate (greater than 10,000 gallons)								
General Commercial	25,379	$4.51	114,451	$4.33	$4.78	$5.07	$5.37	$5.69
Restaurant	14,971	12.82	191,852	12.31	13.58	14.40	15.26	16.18
Hotel w/o Dining	872	3.89	3,395	3.64	4.13	4.37	4.64	4.91
Car Wash	3,795	1.28	4,868	1.21	1.36	1.44	1.53	1.62
Service Station	448	3.75	1,681	3.56	3.98	4.21	4.47	4.74
Professional Office	60	1.76	106	1.73	1.86	1.97	2.09	2.22
Laundromat	94	6.28	592	5.74	6.66	7.06	7.48	7.93
Industrial	0	3.06	3	2.96	3.24	3.44	3.64	3.86
			$515,496					
Interceptor Devices		$103.60		$97.74	$109.82	$116.41	$123.39	$130.80









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Approval of Utility Rate Increases

Town Council Regular Meeting
January 6, 2026

Council Direction/Goals

- Debt finance CIP projects to the extent possible
- Delay CIP projects when possible
- Minimize/eliminate General Fund subsidies and cash loans
  - Build in repayment when possible
- Wait to implement water resource fees until more information available regarding possible new water resource costs

Financial Changes/Assumptions

Changes to sales tax allocations

- Eliminated portion of dedicated half-cent Spur Cross sales tax to Cave Creek Water (Water Infrastructure Fund)
- Eliminated dedicated half-cent sales tax to Wastewater

Multiple reviews of CIP projects and timelines

Conservative assessment of growth (new connections)

Assumed debt service reserves for future WIFA loans

Rate Structure Changes

Added lowest residential water usage tier

- 0-4,000 gallons per month

Changed top water usage tier

- >40,000 gallons per month

Higher escalation for greater water usage

Cave Creek Water Revenue Increases

Fiscal Year	Revenue Increase	General Fund Subsidy	Debt Service Coverage	End of Year Cash
2024-25		$2,483,690	1.53	$ 0
2025-26	6%	3,455,610	2.64	582,023
2026-27	6%	700,000	1.62	996,337
2027-28	6%	300,000	1.39	2,651,512

Desert Hills Water Revenue Increases

Fiscal Year	Revenue Increase	General Fund Loan	Debt Service Coverage	End of Year Cash
2024-25		$ 0	1.26	$(988,316)
2025-26	6%	527,000	1.59	645
2026-27	6%	325,000	1.46	246,950
2027-28	6%	566,000	1.88	499,751

Wastewater Revenue Increases

Fiscal Year	Revenue Increase	General Fund Subsidy	Debt Service Coverage	End of Year Cash
2024-25		$ 341,951	1.28	$ 0
2025-26	6%	2,906,795	1.27	50,745
2026-27	6%	2,200,000	1.20	165,182
2027-28	5%	2,250,000	1.21	322,544

Cave Creek Water Monthly Base Charges

Meter Size	Current	FY 2026	FY 2027	FY 2028
5/8-inch to 1-inch	$ 61.69	$ 65.04	$ 68.94	$ 73.08
5/8-inch to 1-inch Boosted	72.69	80.75	85.60	90.73
1 ½-inch	187.49	216.58	229.57	243.35
1 ½-inch Boosted	198.56	232.29	246.23	261.00
2-inch	300.09	346.66	367.46	389.51
2-inch Boosted	311.16	362.37	384.11	407.16

Cave Creek Water Volumetric Rates (per kgals)

Residential (Single and Multifamily)					
Current Tiers	**Current Rates**	**Proposed Tiers**	**FY 2026**	**FY 2027**	**FY 2028**
		0 – 4,000	$ 2.80	$ 2.97	$ 3.15
0 – 10,000	$3.09	4,001 – 10,000	3.50	3.71	3.93
10,001 – 20,000	4.64	10,001 – 20,000	5.08	5.38	5.70
20,001 – 30,000	7.46	20,001 – 30,000	7.36	7.80	8.27
30,001 – 50,000	11.31	30,001 – 40,000	11.41	12.09	12.82
> 50,000	17.50	> 40,000	20.53	21.76	23.07

Cave Creek Water Volumetric Rates (per kgals)

Commercial					
Current Tiers	**Current Rates**	**Proposed Tiers**	**FY 2026**	**FY 2027**	**FY 2028**
0 – 10,000	$ 3.09	0 – 10,000	$ 3.25	$ 3.45	$ 3.65
10,001 – 20,000	4.64	10,001 – 20,000	4.71	5.00	5.29
20,001 – 30,000	7.46	20,001 – 30,000	7.07	7.49	7.94
30,001 – 50,000	11.31	30,001 – 40,000	11.45	12.14	12.87
> 50,000	17.50	> 40,000	18.32	19.42	20.59

Cave Creek Water Volumetric Rates (per kgals)

Common Area & Commercial Irrigation					
Current Tiers	**Current Rates**	**Proposed Tiers**	**FY 2026**	**FY 2027**	**FY 2028**
0 – 10,000	$ 3.09	0 – 10,000	$ 5.70	$ 6.04	$ 6.40
10,001 – 20,000	4.64	10,001 – 20,000	7.13	7.55	8.01
20,001 – 30,000	7.46	20,001 – 30,000	9.26	9.82	10.41
30,001 – 50,000	11.31	30,001 – 40,000	12.04	12.76	13.53
> 50,000	17.50	> 40,000	17.46	18.51	19.62

Cave Creek Water Volumetric Rates (per kgals)

Commercial Pools					
Current Tiers	**Current Rates**	**Proposed Tiers**	**FY 2026**	**FY 2027**	**FY 2028**
0 – 10,000	$ 3.09	0 – 10,000	$ 4.40	$ 4.66	$ 4.94
10,001 – 20,000	4.64	10,001 – 20,000	5.50	5.83	6.18
20,001 – 30,000	7.46	20,001 – 30,000	7.15	7.58	8.03
30,001 – 50,000	11.31	30,001 – 40,000	11.80	12.51	13.26
> 50,000	17.50	> 40,000	17.70	18.76	19.88

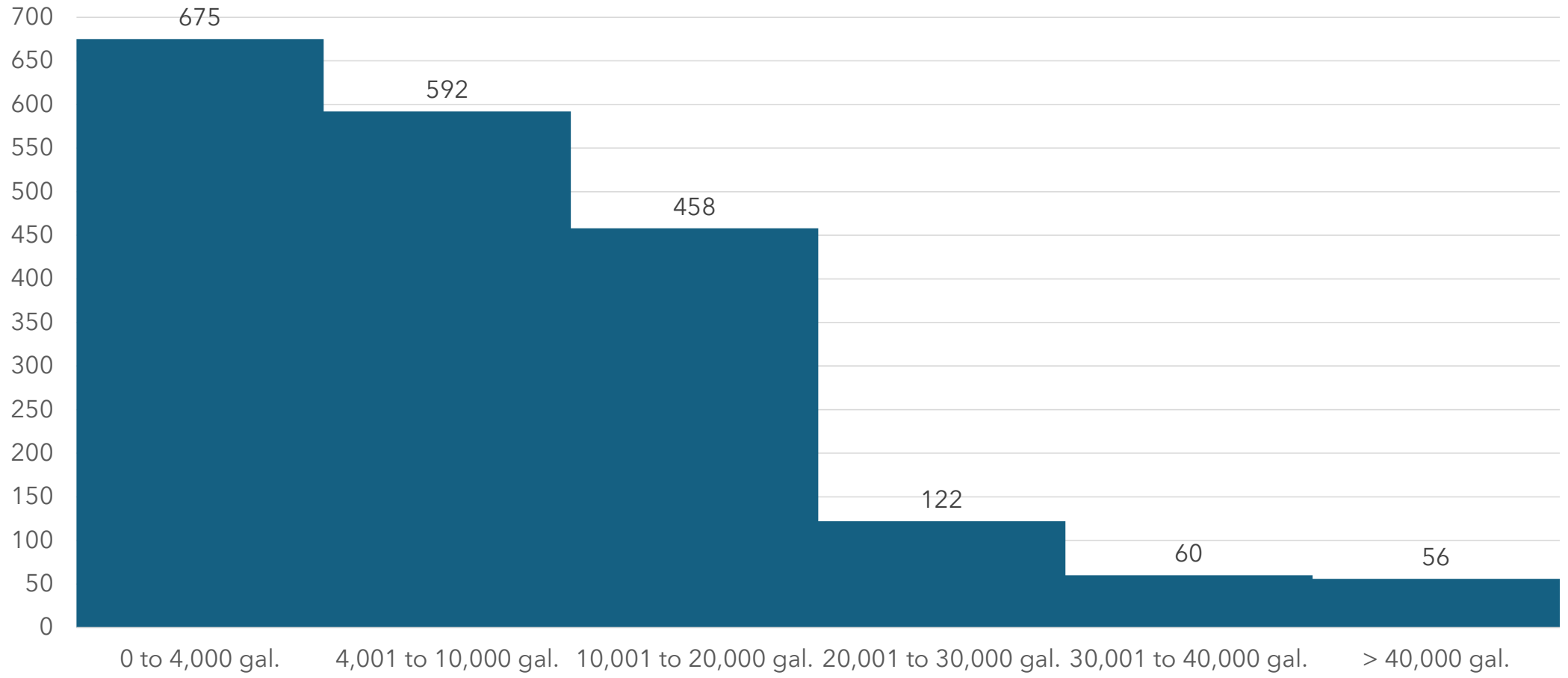
Cave Creek Water Bulk Water Tie-In Rates

	Current	FY 2026
Treat & Deliver NIA Water	$6.82	$8.36
Sell, Treat, & Deliver M&I Water	$8.10	$9.78

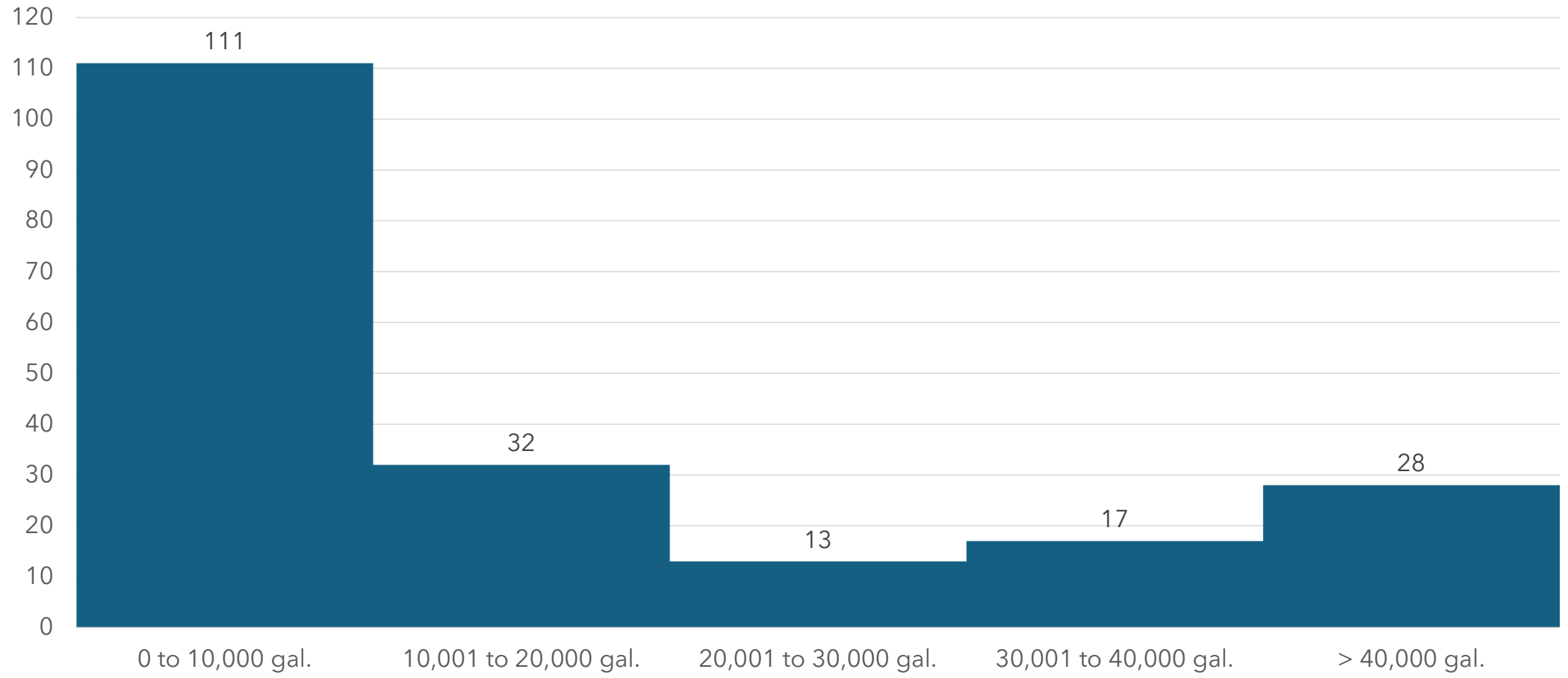
Cave Creek Water – Residential Examples

	Low Usage Customer		Average Usage Customer		High Usage Customer		Very High Usage Customer	
	Current	**FY 2026**	**Current**	**FY 2026**	**Current**	**FY 2026**	**Current**	**FY 2026**
Gallons	2,446		13,625		54,115		198,401	
Base Fee	**$61.69**	**$65.04**	**$61.69**	**$65.04**	**$61.69**	**$65.04**	**$61.69**	**$65.04**
Water Usage:								
0-4,000	N/A	6.85	N/A	11.20	N/A	11.20	N/A	11.20
4,001-10,000	7.56	-	30.90	21.00	30.90	21.00	30.90	21.00
10,001-20,000	-	-	16.82	18.42	46.40	50.80	46.40	50.80
20,001-30,000	-	-	-	-	74.60	73.60	74.60	73.60
30,001-50,000/ 40,000	-	-	-	-	226.20	114.10	226.20	114.10
Over 50,000/ 40,000	-	-	-	-	72.01	289.78	2,597.02	3,251.97
Total Water Usage	**7.56**	**6.85**	**47.72**	**50.62**	**450.11**	**560.48**	**2,975.12**	**3,522.67**
Taxes	6.46	6.71	10.26	10.85	47.94	58.53	283.71	334.95
Total Water Bill	**$75.71**	**$78.60**	**$119.67**	**$126.51**	**$559.74**	**$684.05**	**$3,320.52**	**$3,922.66**
% Increase		4%		6%		22%		18%

Cave Creek Residential Customers



Cave Creek Commercial Customers



Desert Hills Water Monthly Base Charges

Meter Size	Current	FY 2026	FY 2027	FY 2028
5/8-inch to 1-inch	$ 76.61	$ 80.76	$ 85.61	$ 90.74
5/8-inch to 1-inch Boosted	87.61	82.72	87.68	92.94
1 ½-inch	255.13	268.93	285.07	302.17
1 ½-inch Boosted	266.12	270.89	287.14	304.37
2-inch	408.35	430.45	456.28	483.65
2-inch Boosted	419.35	432.41	458.35	485.86

Desert Hills Water Volumetric Rates (per kgals)

Residential					
Current Tiers	**Current Rates**	**Proposed Tiers**	**FY 2026**	**FY 2027**	**FY 2028**
		0 – 4,000	$ 4.40	$ 4.66	$ 4.94
0 – 10,000	$ 5.24	4,001 – 10,000	5.94	6.30	6.67
10,001 – 20,000	7.85	10,001 – 20,000	8.61	9.13	9.68
20,001 – 30,000	11.78	20,001 – 30,000	12.92	13.69	14.52
30,001 – 50,000	17.67	30,001 – 40,000	19.38	20.54	21.77
> 50,000	26.50	> 40,000	29.07	30.81	32.66

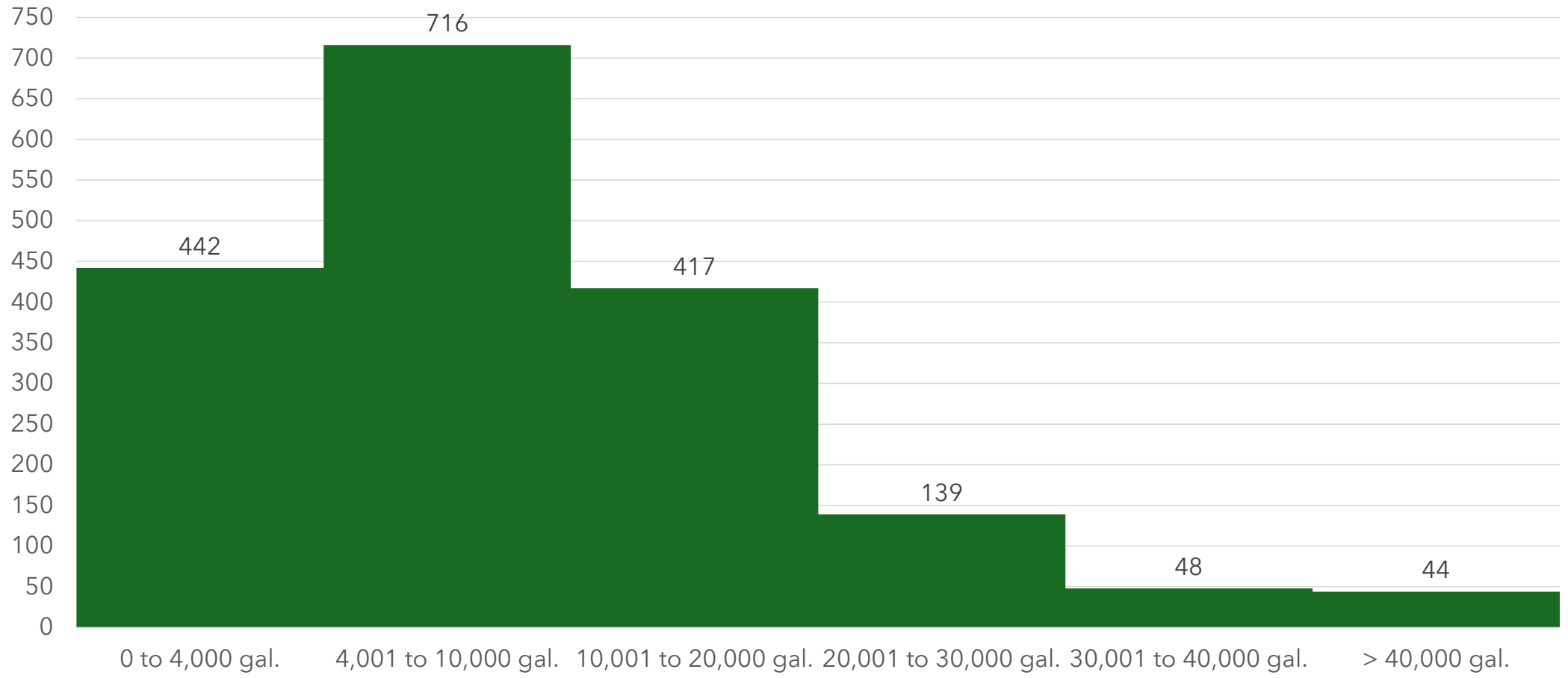
Desert Hills Water Volumetric Rates (per kgals)

Commercial					
Current Tiers	**Current Rates**	**Proposed Tiers**	**FY 2026**	**FY 2027**	**FY 2028**
0 – 10,000	$ 4.87	0 – 10,000	$ 4.95	$ 5.25	$ 5.56
10,001 – 20,000	7.30	10,001 – 20,000	7.43	7.87	8.34
20,001 – 30,000	10.95	20,001 – 30,000	11.14	11.81	12.51
30,001 – 50,000	16.43	30,001 – 40,000	17.26	18.30	19.40
> 50,000	24.64	> 40,000	26.76	28.36	30.07

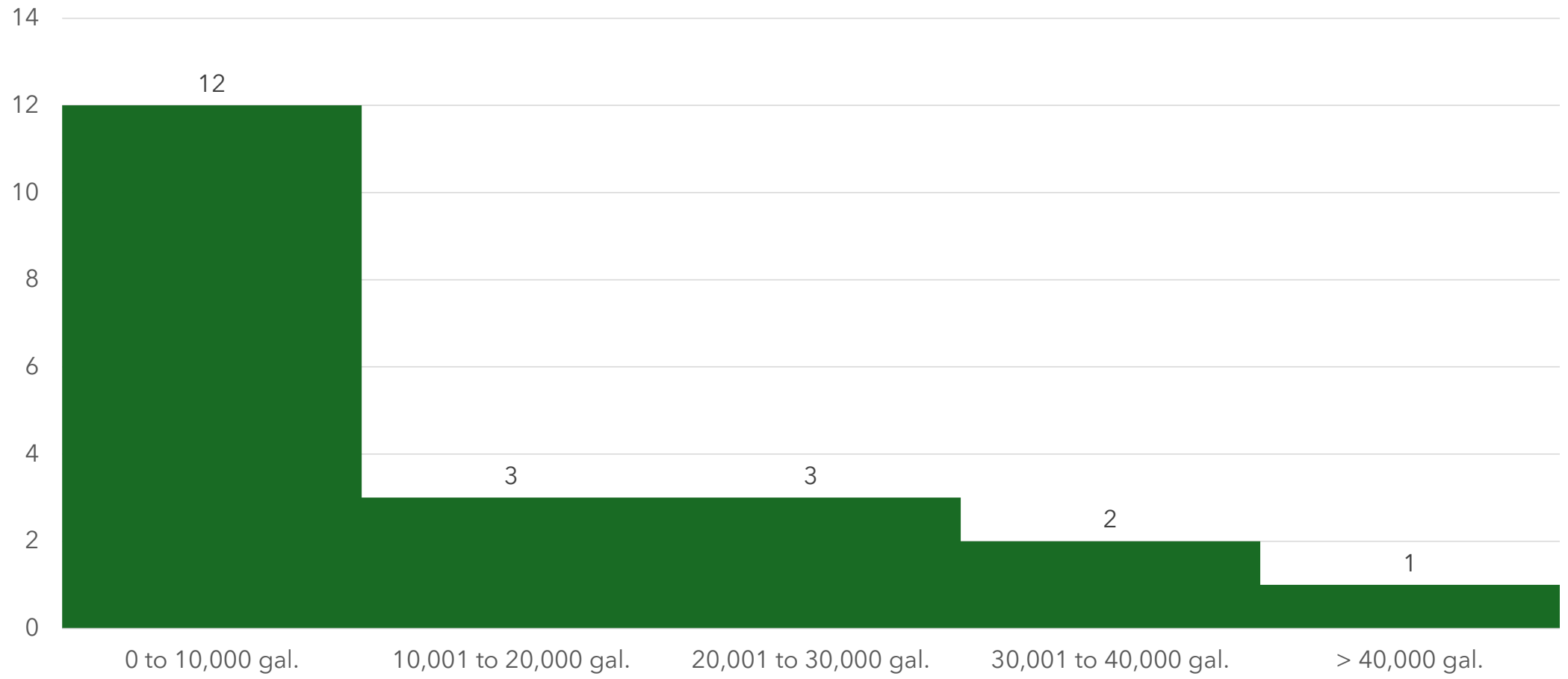
Desert Hills Water – Residential Examples

	Low Usage Customer		Average Usage Customer		High Usage Customer	
	Current	**Proposed**	**Current**	**Proposed**	**Current**	**Proposed**
Gallons	2,862		15,439		44,171	
Base Fee	**$87.61**	**$82.72**	**$87.61**	**$82.72**	**$87.61**	**$82.72**
Water Usage:						
0-4,000	N/A	12.59	N/A	17.60	N/A	17.60
4,001-10,000	15.00	-	52.40	35.64	52.40	35.64
10,001-20,000	-	-	42.70	46.83	78.50	86.10
20,001-30,000	-	-	-	-	117.80	129.20
30,001-50,000/40,000	-	-	-	-	250.40	193.80
Over 50,000/40,000	-	-	-	-	-	121.25
Total Water Usage	**15.00**	**12.59**	**95.10**	**100.07**	**499.10**	**583.59**
Taxes	9.56	8.88	17.09	17.10	54.85	62.26
Total Water Bill	**$112.17**	**$104.19**	**$199.80**	**$199.89**	**$641.56**	**$728.57**
% Increase		-7%		0%		14%

Desert Hills Residential Customers



Desert Hills Commercial Customers



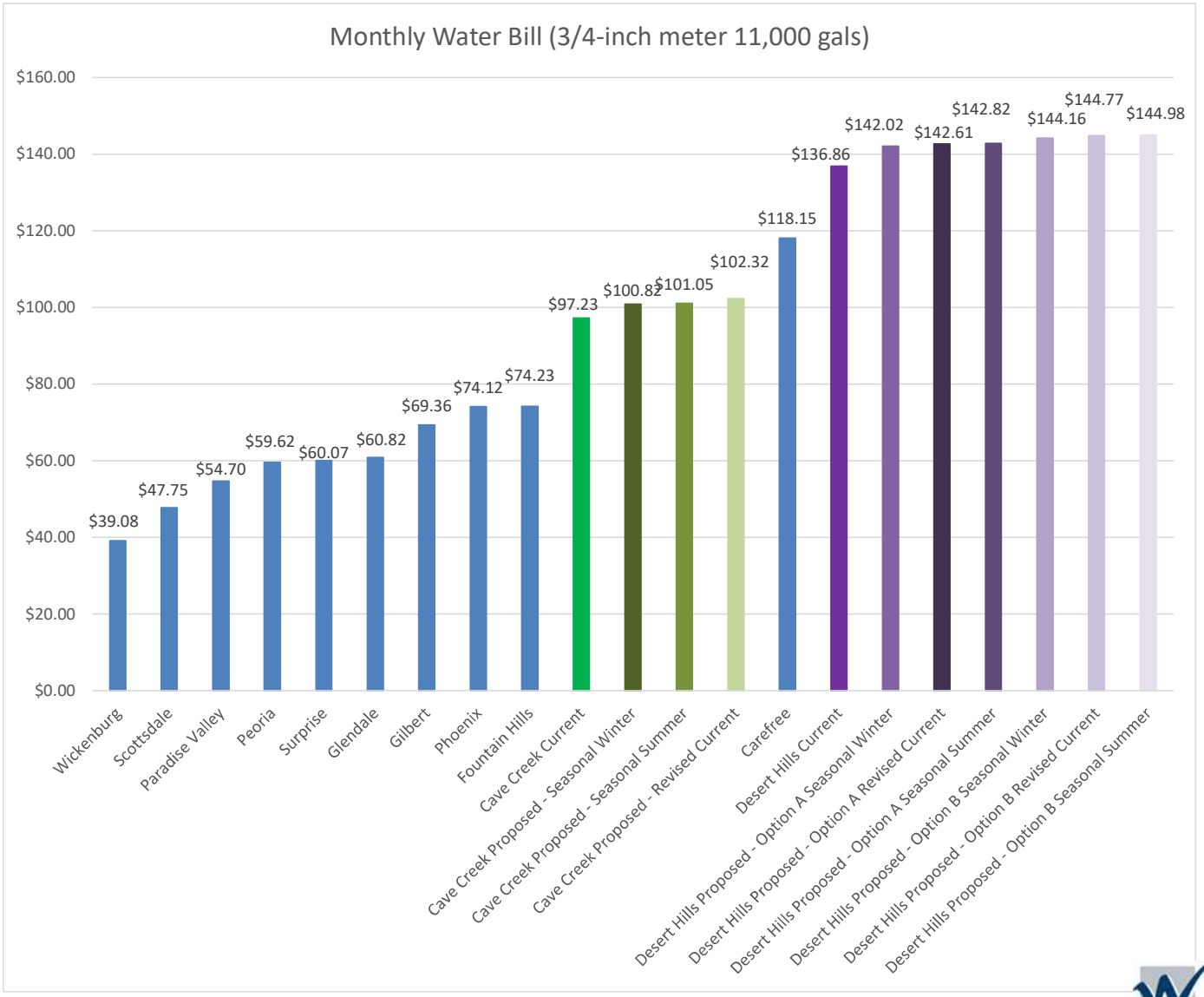
Cave Creek Wastewater Monthly Fees

Meter Size or Flat Charge	Current	FY 2026	FY 2027	FY 2028
Residential				
Flat Charge	$89.77	$95.24	$100.96	$107.01
Non-Residential				
¾-inch	$ 63.40	$ 66.69	$ 70.69	$ 74.93
1-inch	105.88	113.37	118.05	125.14
1 ½-inch and larger	211.14	222.08	235.40	249.53
Interceptor Devices				
Per Device	$97.74	$103.60	$109.82	$116.41

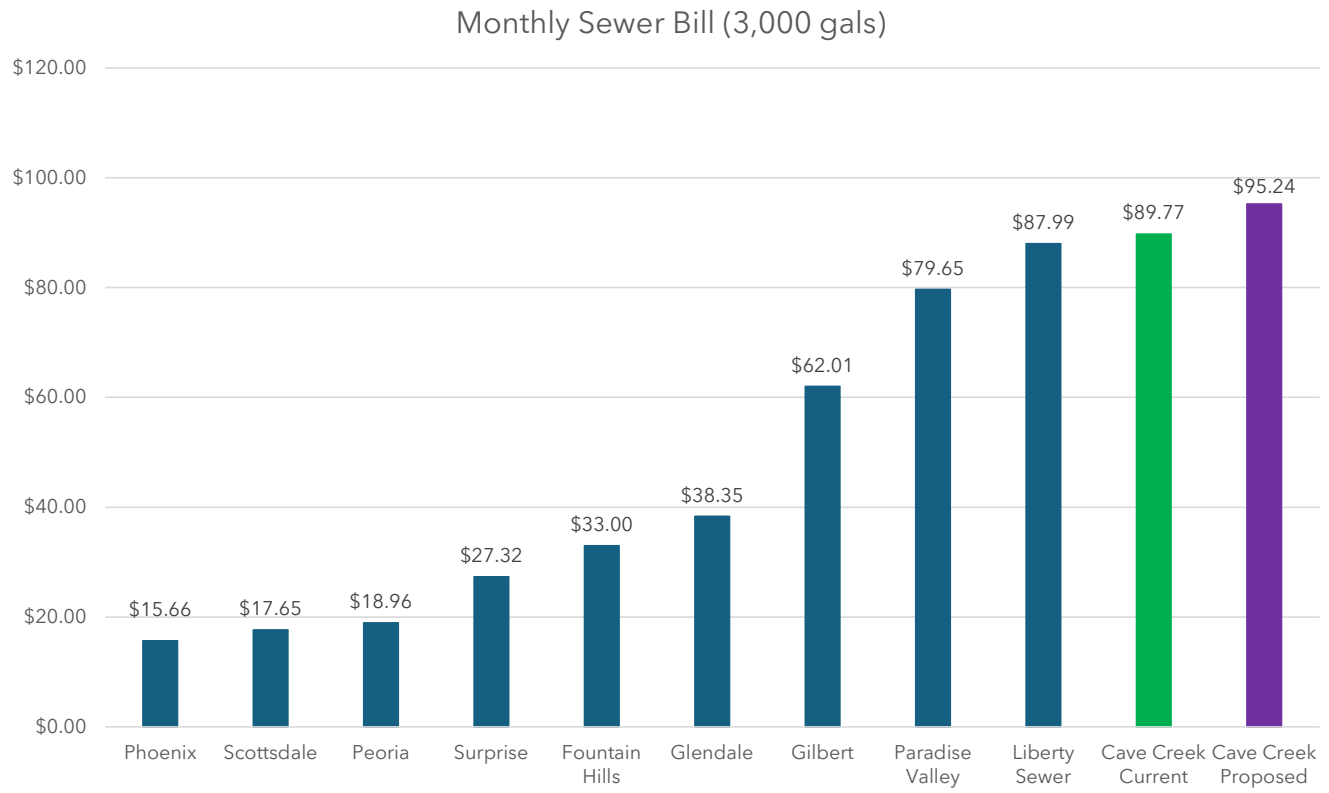
Cave Creek Wastewater Volumetric Rates

(per kgals over 10,000 gal)

Non-Residential Category	Current	FY 2026	FY 2027	FY 2028
General Commercial	$ 4.33	$ 4.51	$ 4.78	$ 5.07
Restaurant	12.31	12.82	13.58	14.40
Professional Office	1.73	1.76	1.86	1.97
Hotel w/o Dining	3.64	3.89	4.13	4.37
Car Wash	1.21	1.28	1.36	1.44
Laundromat	5.74	6.28	6.66	7.06
Service Station	3.56	3.75	3.98	4.21
Industrial	2.96	3.06	3.24	3.44



WILLDAN extending your reach



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Recommendations for Rate Changes

Adopt rate increases for next 3 years

- Update rate study in the next 2-3 years

Rescind 2022 rate increases adopted for 2026 through 2028

Effective Dates

2026 Rates

- February 5, 2026

2027 and 2028 Rates

- First whole billing period in January of each year

Questions?

STAFF REPORT

TO: Grady E. Miller, Town Manager
FROM: Teresa Riza, Deputy Town Manager/Town Clerk
DATE: 01/06/2026

SUGGESTED MOTION:

Move to approve the Horny Toad Special Event Application during the period of March 27, 2026 to April 5, 2026.

SUMMARY:

1. The Special Event application was submitted with all necessary documentation.
2. Per Town Code §114.02(C), All special event permits shall not be issued for a period of time longer than four consecutive days per week, unless a longer period of time is requested from and granted by the Town Council in advance.
3. This event overlaps with the first weekend of Bike Week, which is typically the less busy weekend.
4. Department Directors reviewed the Special Event application and all approved.

RELATED ORDINANCE, POLICY, STRATEGIC PRIORITY:

Per Town Code §114.02(C), All special event permits shall not be issued for a period of time longer than four consecutive days per week, unless a longer period of time is requested from and granted by the Town Council in advance.
Fiscal Sustainability #5 Create, pursue, and maintain collaborative partnerships to maximize Town resources and serve our residents.
Economic Vitality #4 Nurture and support existing businesses and entrepreneurial efforts in the Town.
Safe and Vibrant Community #1 Promote public safety services, community relationships and creative programs that ensure a safe community through best practices.

ALTERNATIVES:

Deny request.

STAFF RECOMMENDATION:

Approve the Horny Toad Special Event Application during the period of March 27, 2026 to April 5, 2026.

Attachments

Incorrect attachment - Bike Week 2026 Application

Correct Application -Horny Toad

Form Review

Form Started By: Teresa Riza Started On: 12/19/2025 12:58 PM

Final Approval Date: 12/19/2025

RECEIVED
AUG 20 2025
Town of Cave Creek

SETTLED 1870 · INCORPORATED 1986

Case No.: SE-26-04 (For Official Use Only)

Application Fee: $ 150.00 (For Official Use Only)

Paid 8/21/25

SPECIAL EVENT APPLICATION

(Rev. 10/19)

TOWN OF CAVE CREEK
37622 NORTH CAVE CREEK ROAD
CAVE CREEK, AZ 85331
480-488-6600
Fax 480-488-2263

Event Name: Cave Creek Bike Week 2026

A. Special Event DATE (s): From: April 3 2026 To: April 12 2026

B. Special Event TIME (s): From: 9AM To: 2AM

C. Special Event LOCATION /ADDRESS: Hideaway ~~& Parking~~

D. Type of Special Event:
Cave Creek Bike Week

E. APPLICANT / ORGANIZATION: Hideaway Grill

F. Applicant /Organization ADDRESS: 6746 ~~6900~~ E Cave Creek Rd

Phone No.: 480-595-0358 Fax No: _____ E-mail: Rick@Hideaway-USA.com

Single Point Of Contact For All Formal Communications:

Name: Rick Stahl

Address: 6746 E Cave Creek Rd Cave Creek AZ 85331

Phone No.: 480-332-7354 Fax No.: _____ E-mail: Rick@Hideaway-USA.com

Applicant's Certification:

I, (print name) Mark Bradshaw, hereby certify that the information provided in this application is true and correct.

Applicant's Signature

8/20/25
Date

ADDITIONAL COMMENTS *(to be completed by the applicant):*

SPECIAL EVENT CHECKLIST

	SUBMITTED		ITEM (see attachment "A" FOR SPECIFIC REQUIREMENTS)
1.	☑	11/10	APPLICATION, WRITTEN NARRATIVE OF EVENT AND FEE.
2.	☑	11/10	TRAFFIC CONTROL PLAN and SECURITY PLAN
3.	☑	11/10	ROAD CLOSURE – (If required)
4.	☑	11/10	SITE PLAN – SIGNAGE PLAN
5.	☐	2 WKS PRIOR	VENDOR LIST - BUSINESS LICENSE REQUIRED FOR ALL VENDORS
6.	☐		LIABILITY INSURANCE (see below for additional information)
7.	☐		RESTROOM FACILITIES
8.	☑		NOISE, LITTER, & LIGHTING PLANS
9.	☐	N/A	PROPERTY OWNER AUTHORIZATION
10.	☑	Review	TOWN FIRE OFFICIAL NOTIFICATION – APPROVAL

CONDITIONS OF APPROVAL:

ES

'25 10 6 Liq. Dept #10044

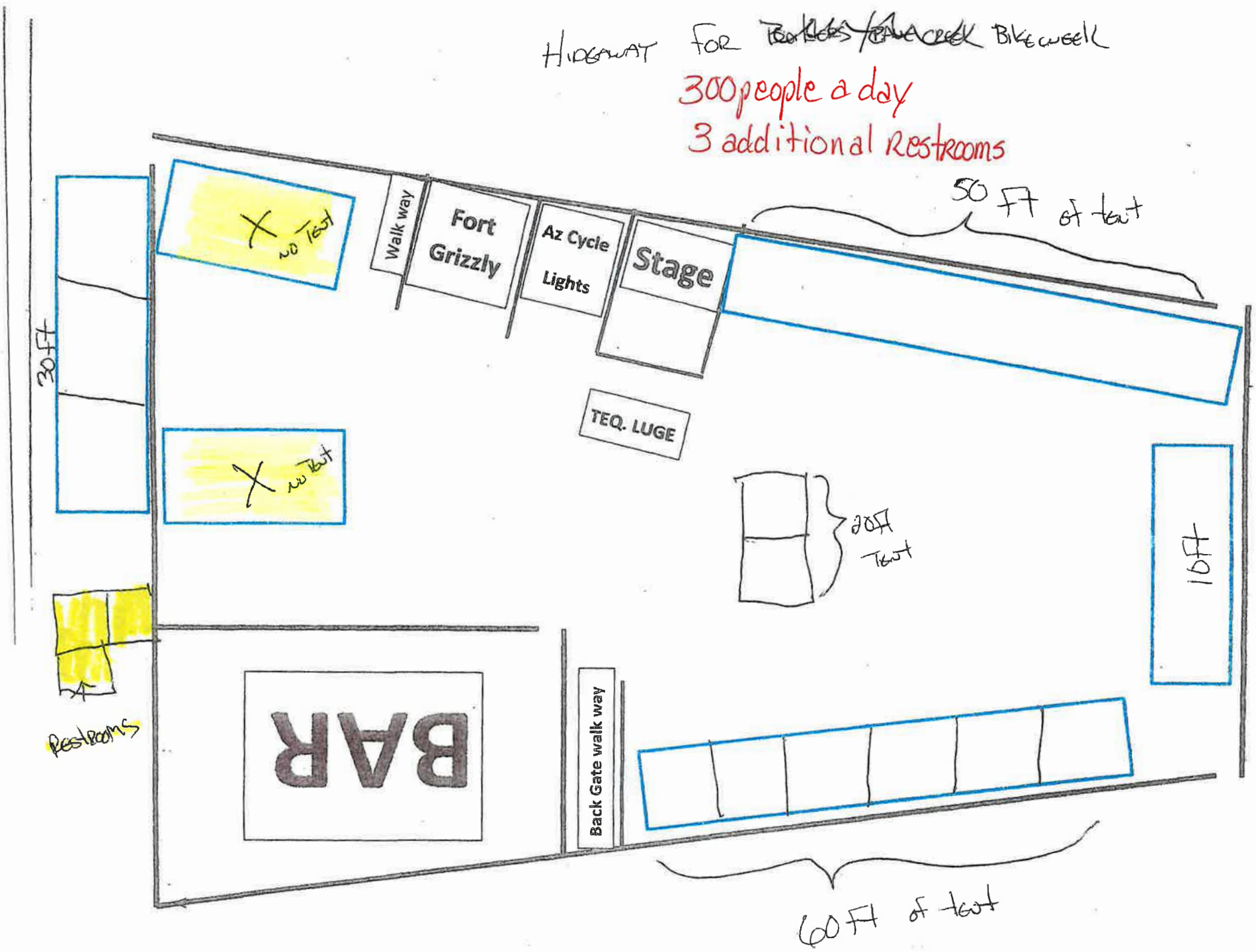
Hideaway I Roadhouse Security

At both locations we will be having staff/security at exits and entrance as noted on application with staff roaming event and bartenders making sure all patrons are being ID and of drinking age.

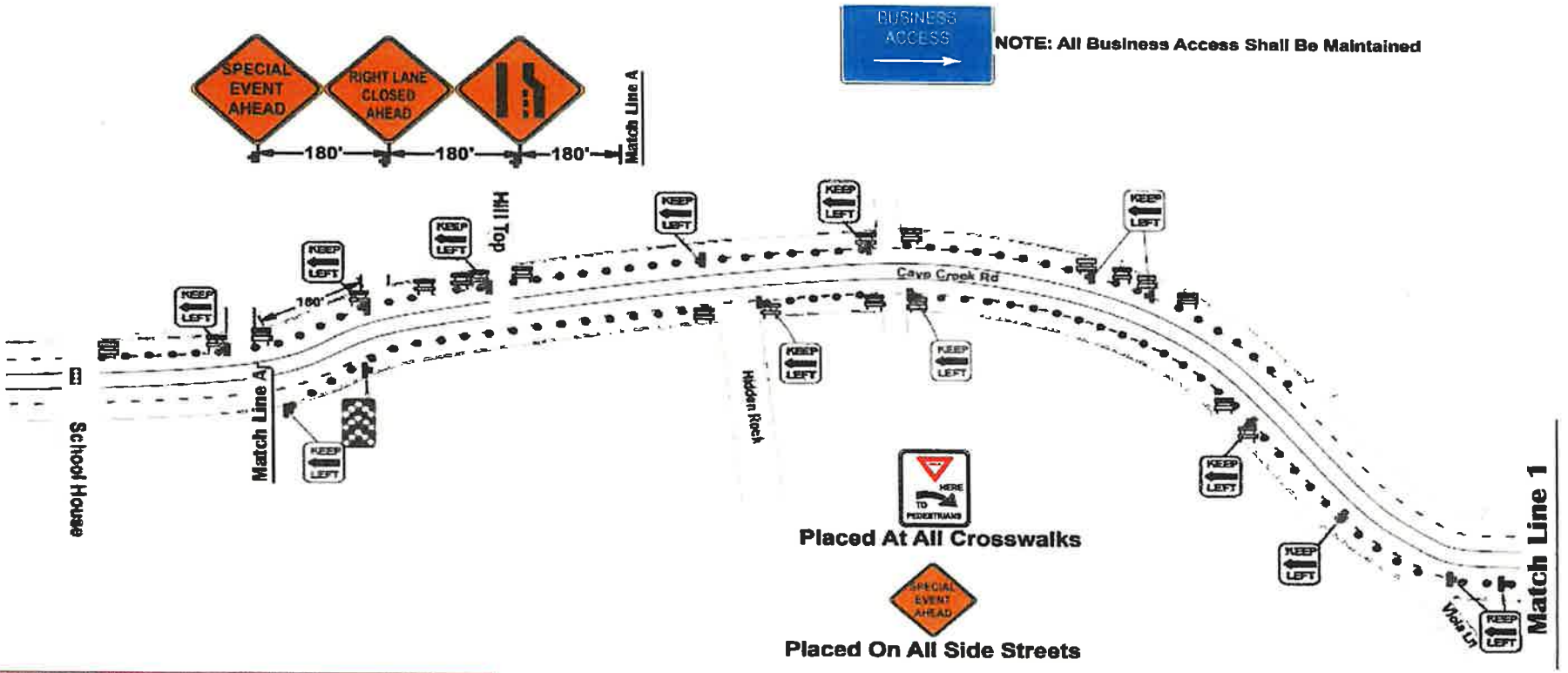
Again security at exits and entrances enforcing no alcohol being let in and no alcohol leaving premise.

Parking

Overflow motorcycle parking from Hideaway will be Roadhouse. Trailer parking and employee parking at Rebel Ranch, limited car parking is located on west side of Roadhouse if needed.


HIGHWAY FOR BIKE WEEK
300 people a day
3 additional Restrooms
50 FT of tent
Walk way
Fort Grizzly
Az Cycle Lights
Stage
30 FT
TEQ. LUGE
20FT Tent
16FT
Restrooms
BAR
Back Gate walk way
60 FT of tent


vendors
vendors
extension of premise
BAR
vendors
SECURITY
bathrooms
bathrooms
daily expected attendance
200-300 people
Esri Community Maps Contributors, City of Phoenix, © OpenStreetMap, Microsoft, Esr
TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Lan
Management, EPA, NPS, US Census Bureau, USDA, USFWS. Sources: Esri, Maxar, Airbu



March 29 full set up 7am stack 100 cones at hideaway
March 30 10pm take down stack neat on site

April 3 full set up 7am
April 6 take down Pick up job complete

Office 623-271-7920
tcp@aharricadecompany.com

NORTH

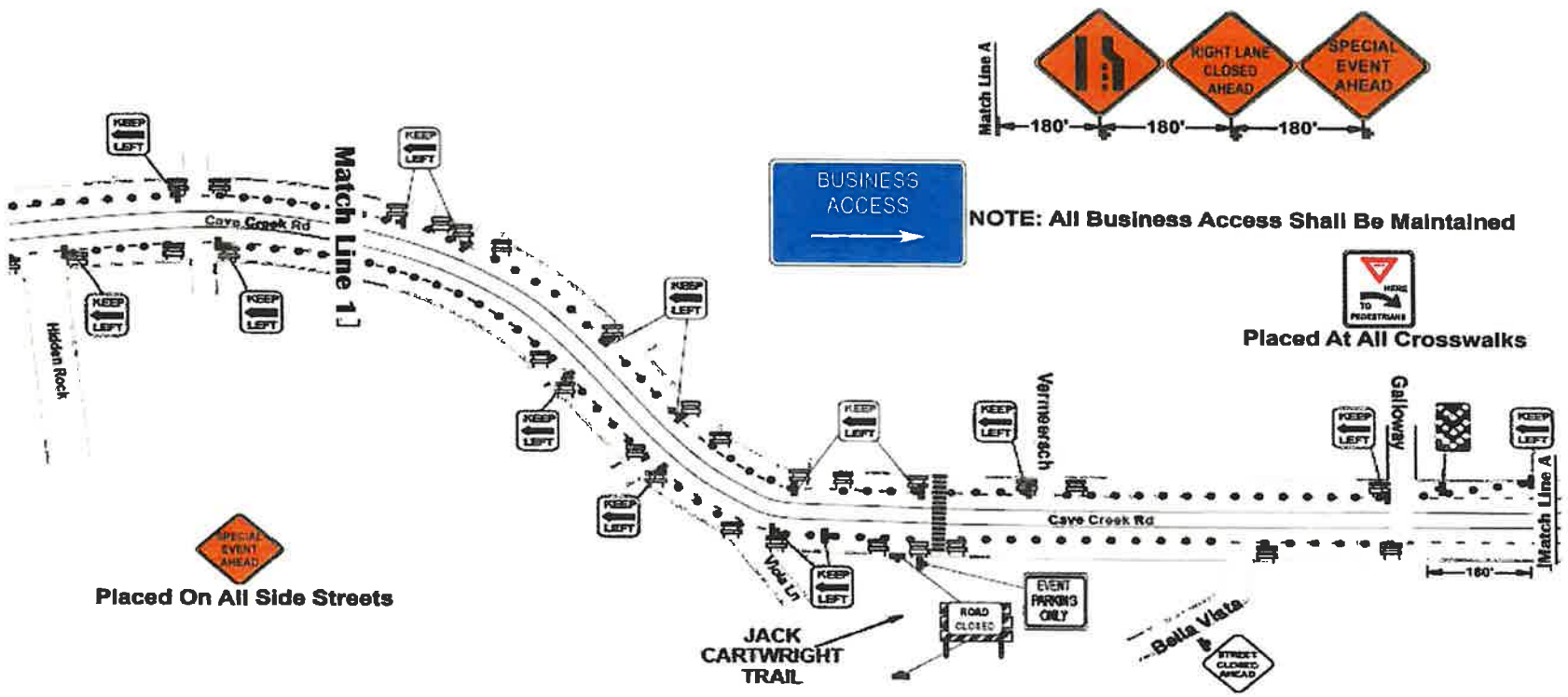
PLAN NAME: 25-7973 6746 E CAVE CREEK RD PAGE 1 OF 3	PRIME CONTRACTOR: HIDEAWAY
PLAN DATE: 01.22.2025	PERMIT NUMBER: -
DRAWN BY: EDUARDO ALMARAZ	CONTACT NAME: RICK STAHL
	CONTACT MOBILE: 480.332.7354
	WORK DATES: -
	WORK HOURS: 24HRS
	SCOPE OF WORK: ARIZONA BIKE WEEK

	MINIMUM SIGN SIZE			
VERTICAL PANELS	18"X18"	__	36"X36"	__
SIGNS	18"X24"	X	48"X30"	__
TYPE IIs	24"X24"	__	48"X48"	X
TYPE IIIs	24"X30"	__	48"X60"	__
ARROW BOARD	30"X30"	__		
WORKZONE				

THIS IS A VEHICLULAR AND/OR PEDESTRIAN PLAN ONLY NOT TO SCALE ALL APPLICABLE EQUIPMENT SHALL HAVE SANDBAGS AND FLAGS. BUSINESS AND LOCAL ACCESS SHALL BE MAINTAINDED WHEN POSSIBLE CONFLICTING SIGNS SHALL BE COVERED WHILE TEMPORARY TRAFFIC IS IN PLACE BUMP SIGNS SHALL BE PLACED PRIOR TO ANY STEEL PLATES IN ROADWAY.

PROJECT NOTE:
THE PREPARATION AND CONCEPTS OF THIS TCP SHALL FOLLOW THOSE STIPULATED IN THE MOST RECENT EDITION OF THE MANUAL OF UNIVORM TRAFFIC CONTROL DEVICES(MUTCD) AS WELL AS FIELD FITTING ADJUSTMENTS APPROVED BY INSPECTOR ON SITE.

SPEED LIMIT 35



Office 623-271-7920
tcp@abarricadecompany.com

NORTH

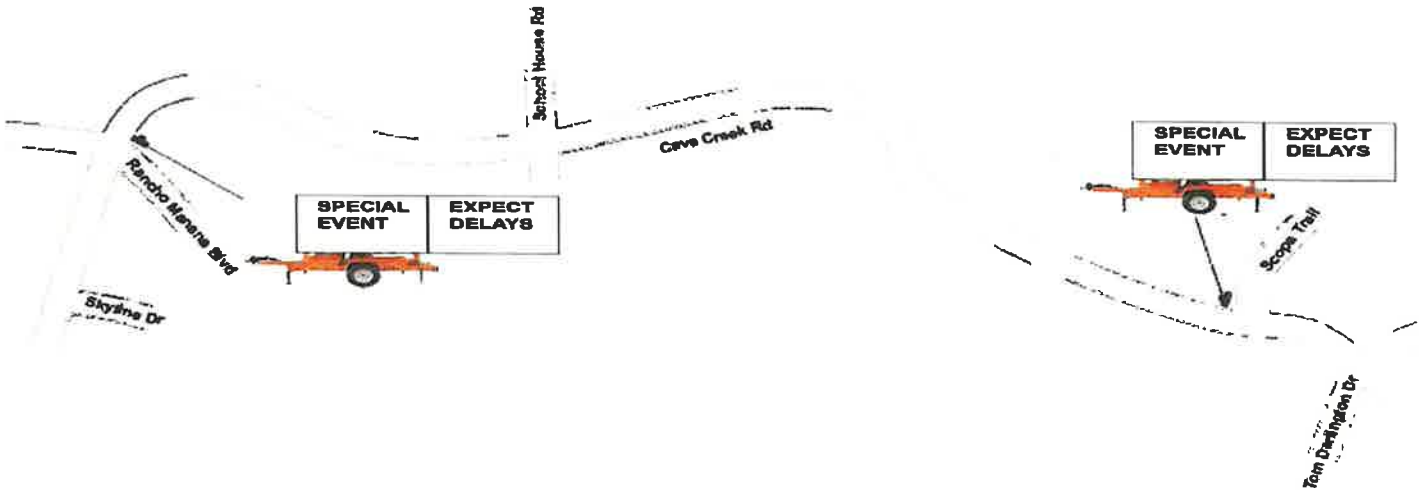
PLAN NAME: 25-7973 6746 E CAVE CREEK RD PAGE 2 OF 3	PRIME CONTRACTOR: HIDEAWAY / PERMIT NUMBER: -
PLAN DATE: 01.22.2025	CONTACT NAME: RICK STAHL / CONTACT MOBILE: 480.332.7354
DRAWN BY: EDUARDO ALMARAZ	WORK DATES: - / WORK HOURS: 24HRS
	SCOPE OF WORK: ARIZONA BIKE WEEK

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VERTICAL PANELS				
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TYPE IIs	18"X24" X	48"X30" __		
TYPE IIIs	24"X24" __	48"X48" X		
ARROW BOARD	24"X30" __	48"X60" __		
WORKZONE	30"X30" __			

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SPEED LIMIT 35



Office 623-271-7920
tcp@abarricadecompany.com

NORTH

PLAN NAME: 25-7973
6746 E CAVE CREEK RD
PAGE 3 OF 3

PLAN DATE: 01.22.2025

DRAWN BY: EDUARDO ALMARAZ

PRIME CONTRACTOR: HIDEAWAY
PERMIT NUMBER: -
CONTACT NAME: RICK STAHL
CONTACT MOBILE: 480.332.7364
WORK DATES: -
WORK HOURS: 24HRS
SCOPE OF WORK: ARIZONA BIKE WEEK

	MINIMUM SIGN SIZE			
VERTICAL PANELS				
SIGNS	18"X18"	__	36"X36"	__
TYPE IIs	18"X24"	X	48"X30"	__
TYPE IIIs	24"X24"	__	48"X48"	X
ARROW BOARD	24"X30"	__	48"X60"	__
WORKZONE	30"X30"	__		

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SPEED LIMIT 35

RECEIVED
AUG 2 1 2025
Town of Cave Creek

SETTLED 1870 · INCORPORATED 1986

Case No.: SE-26-25 (For Official Use Only)

Application Fee: $ 150.00 (For Official Use Only)

Paid 8/21/25

SPECIAL EVENT APPLICATION

(Rev. 10/19)

TOWN OF CAVE CREEK
37622 NORTH CAVE CREEK ROAD
CAVE CREEK, AZ 85331
480-488-6600
Fax 480-488-2263

Event Name: Cave Creek Bike Week

A. Special Event DATE (s): From: April 3, 2026 To: April 12, 2026

B. Special Event TIME (s): From: 9:00 am To: 2:00 am

C. Special Event LOCATION /ADDRESS: Roadhouse

D. Type of Special Event:
Cave Creek Bike Week

E. APPLICANT / ORGANIZATION: Roadhouse

F. Applicant /Organization ADDRESS: 6900 E. Cave Creek Rd.

Phone No.: 480-595-0358 Fax No: _____ E-mail: Rick@hideaway-usa.com

Single Point Of Contact For All Formal Communications:

Name: Rick Stahl

Address: 6746 E. Cave Creek Rd.

Phone No.: 480-332-7354 Fax No.: _____ E-mail: Rick@hideaway-usa.com

Applicant's Certification:

I, (print name) Mark Bradshaw, hereby certify that the information provided in this application is true and correct.

Applicant's Signature

8/20/25
Date

ADDITIONAL COMMENTS *(to be completed by the applicant):*

SPECIAL EVENT CHECKLIST

	SUBMITTED		ITEM see attachment "A" FOR SPECIFIC REQUIREMENTS
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2.	☑	11/10	TRAFFIC CONTROL PLAN and SECURITY PLAN
3.	☑	11/10	ROAD CLOSURE – If re uired
4.	☑	9/10/25	SITE PLAN – SIGNAGE PLAN
5.	☐	2wks prior	VENDOR LIST - BUSINESS LICENSE REQUIRED FOR ALL VENDORS
6.	☐		LIABILITY INSURANCE see below for additional information
7.	☐		RESTROOM FACILITIES
8.	☑		NOISE, LITTER, & LIGHTING PLANS
9.	☑	N/A	PROPERTY OWNER AUTHORIZATION
10.	☐	Review	TOWN FIRE OFFICIAL NOTIFICATION – APPROVAL

CONDITIONS OF APPROVAL:

'25 10 6 Dep. Dept AM10:44

Hideaway I Roadhouse Security

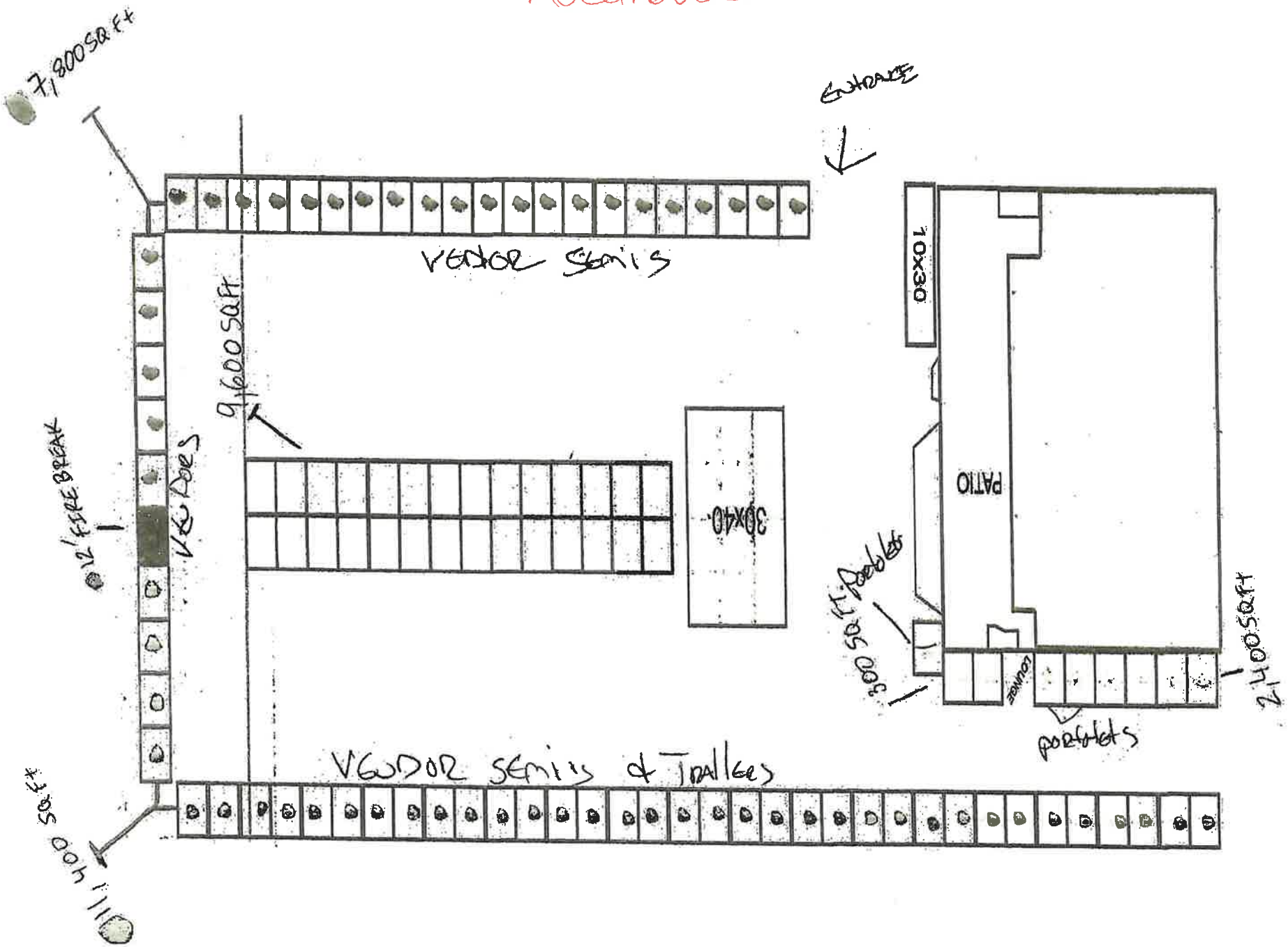
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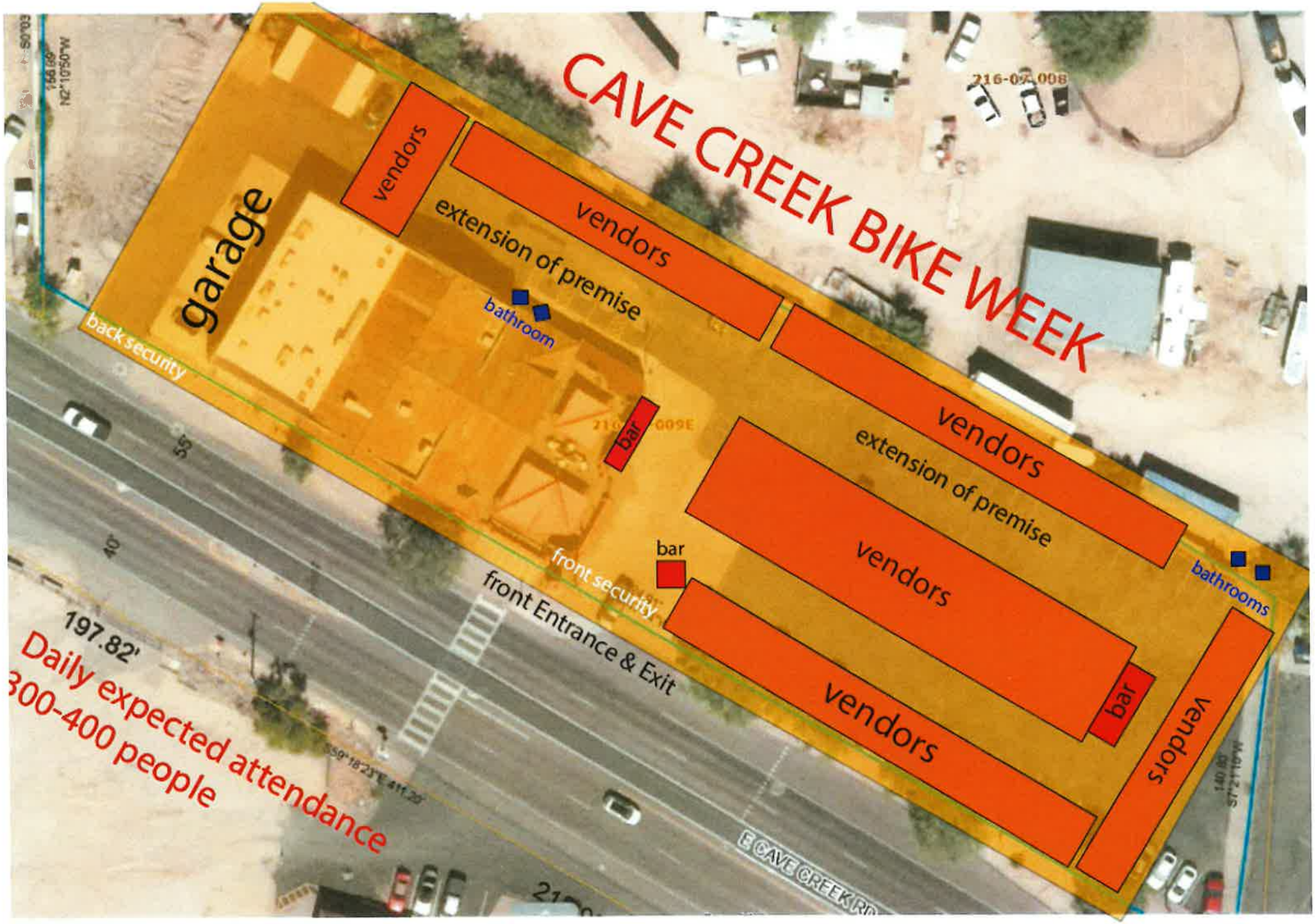
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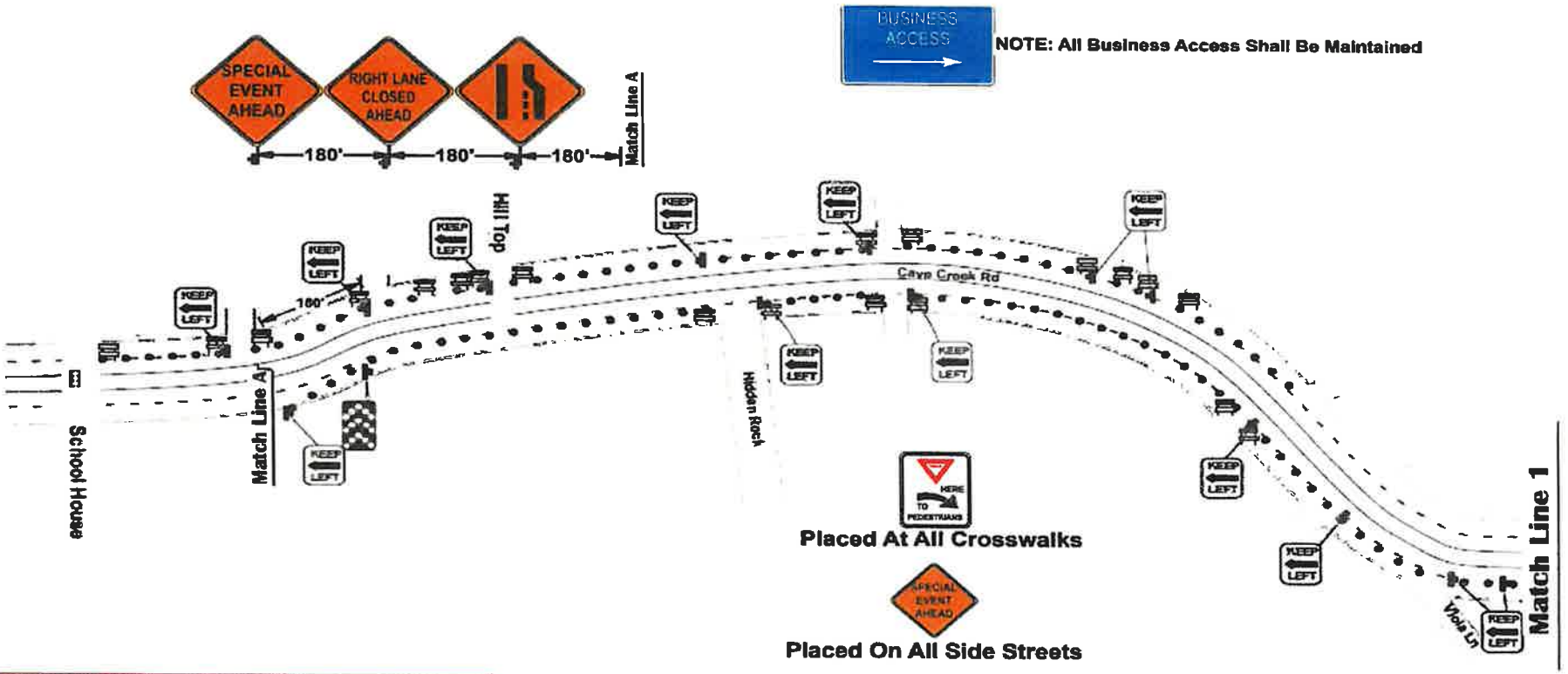
Parking

Overflow motorcycle parking from Hideaway will be Roadhouse. Trailer parking and employee parking at Rebel Ranch, limited car parking is located on west side of Roadhouse if needed.

Roadhouse


7,800SQ FT
ENTRANCE
VENDOR SEMIS
10X30
9,600 SQFT
30X40
12' FIRE BREAK
VG DOES
PATIO
300 SQ FT Pool
LOUNGE
2,400SQFT
PORTOLETS
VENDOR SEMIS & TRAILERS
1,400 SQ FT


CAVE CREEK BIKE WEEK
garage
vendors
vendors
extension of premise
bathroom
back security
bar
vendors
extension of premise
vendors
bar
front security
bathrooms
front Entrance & Exit
vendors
bar
vendors
197.82'
Daily expected attendance
300-400 people
E CAVE CREEK RD



March 29 full set up 7am stack 100 cones at hideaway
March 30 10pm take down stack neat on site

April 3 full set up 7am
April 6 take down Pick up job complete

Office 623-271-7920
tcp@abarricadecompany.com

NORTH

PLAN NAME: 25-7973
6746 E CAVE CREEK RD
PAGE 1 OF 3

PLAN DATE: 01.22.2025

DRAWN BY: EDUARDO ALMARAZ

PRIME CONTRACTOR: HIDEAWAY
PERMIT NUMBER: -

CONTACT NAME: RICK STAHL
CONTACT MOBILE: 480.332.7354

WORK DATES: -
WORK HOURS: 24HRS

SCOPE OF WORK: ARIZONA BIKE WEEK

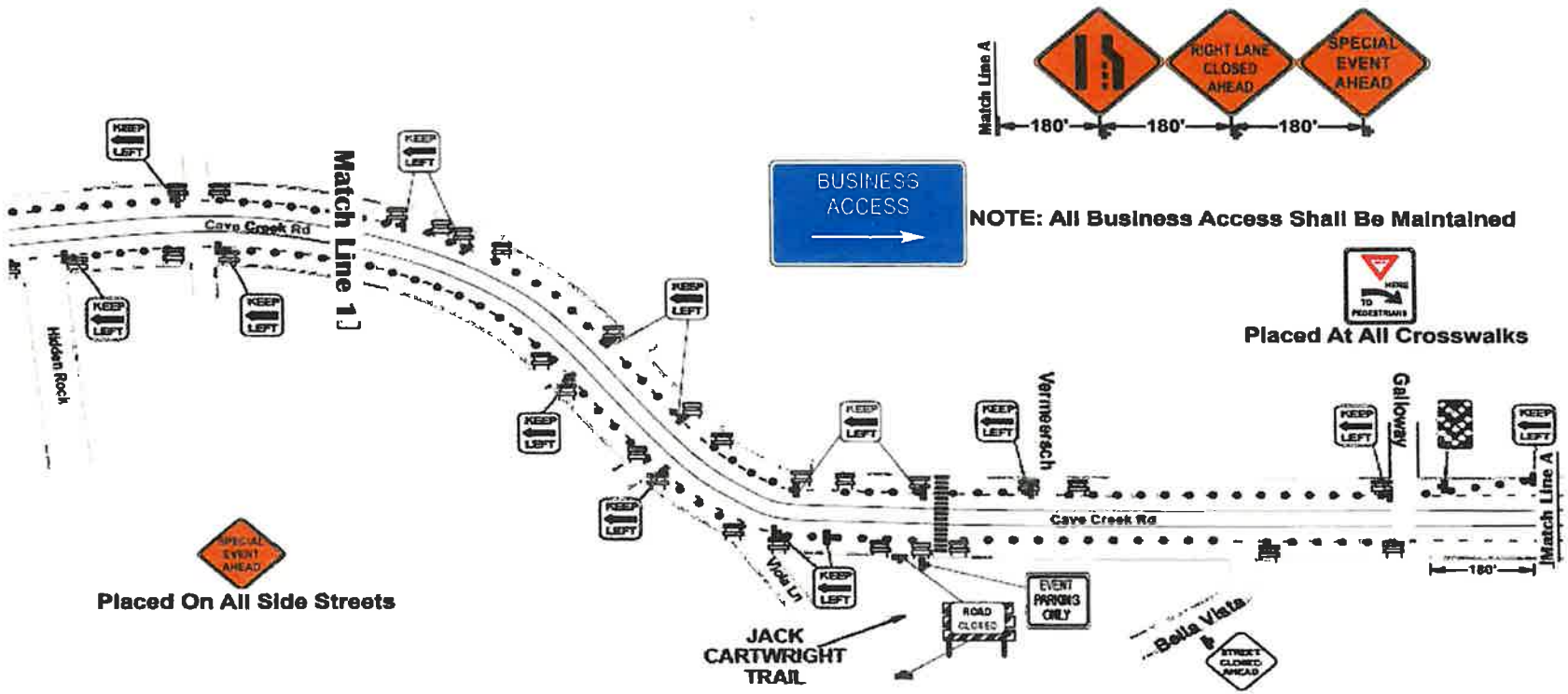
- VERTICAL PANELS
- SIGNS
- TYPE IIs
- TYPE IIIs
- ARROW BOARD
- WORKZONE

MINIMUM SIGN SIZE			
18"X18"	__	36"X36"	__
18"X24"	X	48"X30"	__
24"X24"	__	48"X48"	X
24"X30"	__	48"X60"	__
30"X30"	__		

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PROJECT NOTE:
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SPEED LIMIT 35



Office 623-271-7920
tcp@abarricadecompany.com

NORTH

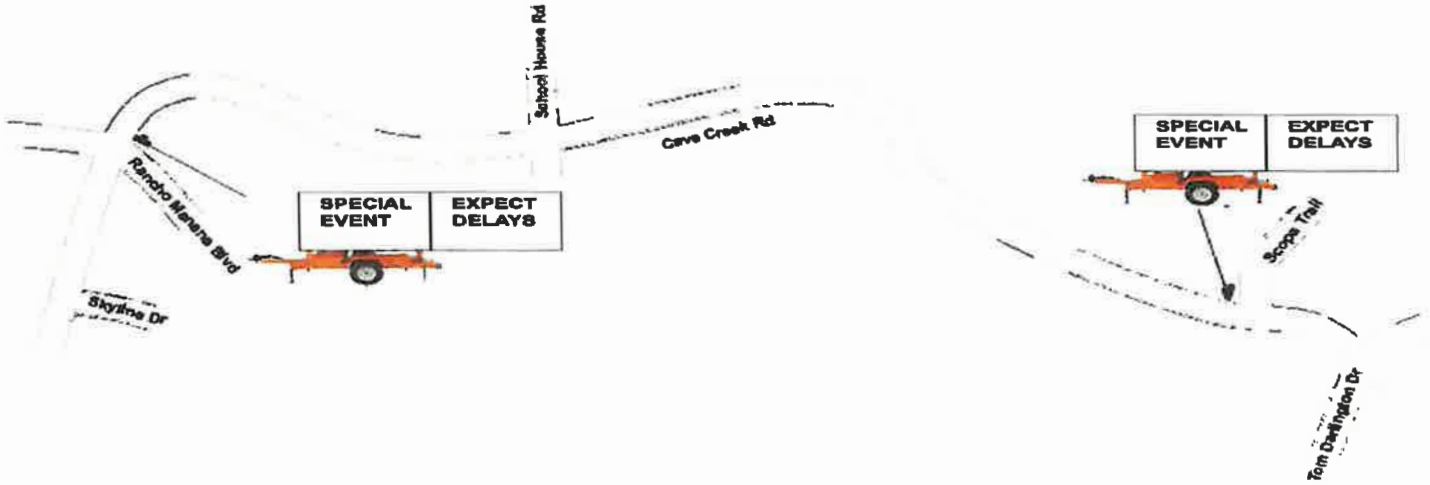
PLAN NAME: 25-7973 6746 E CAVE CREEK RD PAGE 2 OF 3	PRIME CONTRACTOR: HIDEAWAY
PERMIT NUMBER: -	
PLAN DATE: 01.22.2025	CONTACT NAME: RICK STAHL
CONTACT MOBILE: 480.332.7354	
DRAWN BY: EDUARDO ALMARAZ	WORK DATES: -
WORK HOURS: 24HRS	
SCOPE OF WORK: ARIZONA BIKE WEEK	

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VERTICAL PANELS		
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WORKZONE	30"X30" __	

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SPEED LIMIT 35



NORTH

Office 623-271-7920
tcp@abarricadecompany.com

PLAN NAME: 25-7973
6746 E CAVE CREEK RD
PAGE 3 OF 3

PLAN DATE: 01.22.2025

DRAWN BY: EDUARDO ALMARAZ

PRIME CONTRACTOR: HIDEAWAY
PERMIT NUMBER: -

CONTACT NAME: RICK STAHL
CONTACT MOBILE: 480.332.7354

WORK DATES: -
WORK HOURS: 24HRS

SCOPE OF WORK: ARIZONA BIKE WEEK

- VERTICAL PANELS
- SIGNS
- TYPE IIs
- TYPE IIIs
- ARROW BOARD
- WORKZONE

MINIMUM SIGN SIZE

18"X18"	__	36"X36"	__
18"X24"	X	48"X30"	__
24"X24"	__	48"X48"	X
24"X30"	__	48"X60"	__
30"X30"	__		

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SPEED LIMIT 35

RECEIVED
DEC 9 2025
Town of Cave Creek

SETTLED 1870 · INCORPORATED 1986

Case No.: SE-26-12
For Official Use Only

Application Fee: $ 150.00
For Official Use Only

Paid 12/9/25 Rox

SPECIAL EVENT APPLICATION

(Rev. 10/19)

TOWN OF CAVE CREEK
37622 NORTH CAVE CREEK ROAD
CAVE CREEK, AZ 85331
480-488-6600
Fax 480-488-2263

Event Name: Cocktails & Cruisers at The Horny Toad

A. Special Event DATE (s): From: 03-27-2026 To: 04-05-2026

B. Special Event TIME (s): From: 8AM To: 11PM

C. Special Event LOCATION /ADDRESS: 6738 E CAVE CREEK RD

D. Type of Special Event:
Live Entertainment on our incorporated stage and vendor tents in our parkinglot
no additional area for alcoholic beverage service

E. APPLICANT / ORGANIZATION: THT28 LLC

F. Applicant /Organization ADDRESS: 6738 E Cave Creek Rd

Phone No.: 4804889542 Fax No: _____ E-mail: hornytoadaz@gmail.com

Single Point Of Contact For All Formal Communications:

Name: Roman Kettler

Address: 6738 E Cave Creek Rd

Phone No.: 6023004403 Fax No.: _____ E-mail: hornytoadaz@gmail.com

Applicant's Certification:

I, (print name) Roman Kettler, hereby certify that the information provided in this application is true and correct.

Applicant's Signature

12/9/25
Date

ADDITIONAL COMMENTS *(to be completed by the applicant):*

vendors will arrive Friday 3/27/26 from 7am-10pm for setup in parking lot frontage areas. these vendors will plug into our plugs on site for electrical, 1 phase 220 and the rest are multiple 110 outlets for 10 days, breakdown on vendor tents will commence at 5pm on Sunday 4/6/26. Beverage service will have a stop point before entering our parking lot. no street closure necessary for our purposes. Vendor list will be submitted no later than March 14th all vendors will be instructed to purchase business licenses through cave creek. 2 porto-restrooms will be provided for guests and vendors for the week, 6 trashcans will be in effect for litter/trash

SPECIAL EVENT CHECKLIST

	SUBMITTED		ITEM (see attachment "A" FOR SPECIFIC REQUIREMENTS)
1.	☑	12/9/25	APPLICATION, WRITTEN NARRATIVE OF EVENT AND FEE.
2.	☑	n/a	TRAFFIC CONTROL PLAN and SECURITY PLAN ✓
3.	☑	N/A	ROAD CLOSURE – (If required) n/a
4.	☑	12/9/25	SITE PLAN – SIGNAGE PLAN ✓
5.	☐	Feb 2026	VENDOR LIST - BUSINESS LICENSE REQUIRED FOR ALL VENDORS
6.	☑		LIABILITY INSURANCE (see below for additional information)
7.	☑		RESTROOM FACILITIES
8.	☑		NOISE, LITTER, & LIGHTING PLANS
9.	☑	12/9/25	PROPERTY OWNER AUTHORIZATION
10.	☐	Review	TOWN FIRE OFFICIAL NOTIFICATION – APPROVAL

CONDITIONS OF APPROVAL:

APPROVAL SIGNATURE:

Title *Approval Date*

TERESA RIZA
DEPUTY TOWN MANAGER/TOWN CLERK


West Lot
3 -4 VENDORS
1 LARGE DRAW VENDOR
20-25 DEEP 60FT WIDE
existing alcoholic service perimeter
employee parking for event days
The Horny Toad
East Lot
130 ft of frontage, no deeper than 10ft for the first 50 feet (yellow area).
The next 80 feet can be a maximum of 30 feet deep.
45 ft.
95 ft.
car in/out
45 ft.
trash truck pathway 15ft wide
130 ft.
30 ft.
TENT SPACING
12 Feet
Full Bar
Vendor Tent (14)
SECURITY (5)
Band & Stage
Refer Truck (Sham)
Porto-Potty (2)
security/parking attendant
TRASHCANS
Ingress / Egress pedestrian
Est. 200 people

STAFF REPORT

TO: Grady E. Miller, Town Manager
FROM: Teresa Riza, Deputy Town Manager/Town Clerk
DATE: 01/06/2026

SUGGESTED MOTION:
Move to approve Resolution 2026-02.

SUMMARY:
On February 06, 2025, the Cave Creek Town Council held a Council Retreat. During the retreat, the Council directed staff to move forward on drafting Council Rules of Procedures (Rules) to provide a written process for conducting the official business of the Council. Staff has finalized the Rules and incorporated them into Resolution No. 2026-02 for Council consideration.

These Rules were established in accordance with the provisions of State laws: Town Code Title III, Chapter 30: Town Council; and Town Code of Conduct.
These Council Rules of Procedures are a guide. The Town Code is the controlling document.

RELATED ORDINANCE, POLICY, STRATEGIC PRIORITY:
These Council Rules of Procedures were established in accordance with the provisions of State laws: Town Code Title III, Chapter 30: Town Council; and Town Code of Conduct.
These Council Rules of Procedures also fall under the Strategic Plans Innovation and High Performing Organization.

ALTERNATIVES:
Do not approve Resolution 2026-02, adopting the Council Rules of Procedures.

STAFF RECOMMENDATION:
Council discussion and possible approval of Resolution No. 2026-02, adopting the Town of Cave Creek Council Rules of Procedures.

Attachments

Resolution No. 2026-02
Exhibit A - Draft Rules of Procedures

Form Review

Form Started By: Teresa Riza Started On: 12/29/2025 08:20 AM
Final Approval Date: 12/29/2025

RESOLUTION NO. 2026-02

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CAVE CREEK, MARICOPA COUNTY, ARIZONA, ADOPTING ITS COUNCIL RULES OF PROCEDURES.

WHEREAS, the Town Council finds it is in the best interest of the Town to adopt its Council Rules of Procedures;

NOW, THEREFORE, BE IT RESOLVED, BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CAVE CREEK, ARIZONA, that:

Section 1. The Town Council hereby adopts its Council Rules of Procedures as set forth in the attached Exhibit A.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Cave Creek, Arizona this 6th day of January, 2026

ATTESTED TO:

Teresa Riza, Town Clerk

FOR THE TOWN OF CAVE CREEK:

Robert Morris, Mayor

APPROVED AS TO FORM:

William J. Sims, Town Attorney

Exhibit A

Project Scope and Definition

The Project includes the acquisition of water and water rights of approximately 500 acre feet from the Harquahala Groundwater Basin for the benefit of securing additional long term water supply for the Town.

Town of Cave Creek 2025 Council Rules of Procedures

Adopted ***

INTRODUCTION

These Council Rules of Procedures were established in accordance with the provisions of State laws: Town Code Title III, Chapter 30: Town Council; and Town Code of Conduct.

These Council Rules of Procedures are a guide. The Town Code is the controlling document.

Detailed information about Town of Cave Creek Council Meetings is available in the online at www.cavecreekaz.gov. Materials include agendas, minutes, and other related documents; agenda calendar; and compliance requirements for the Open Meeting Law. (ARIZ. REV. STAT. § 38-431 *et seq*., as amended)

Town of Cave Creek
Town Council
Council Rules of Procedures

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1. APPLICABILITY

1.1. The Chairperson shall decide all questions of order and conduct the proceedings of all Meetings of the Council in accordance with these rules, unless otherwise provided by the Cave Creek Town Code or the laws of the State of Arizona. The Chairperson shall use Roberts' Rules of Order as a parliamentary guideline in deciding questions of order on matters not covered by these Rules, Cave Creek Town Code, or the laws of the State of Arizona.

1.2. Unless otherwise provided by law, these rules shall be adopted and amended by resolution passed by a majority vote of the Council.

2. CHAIRPERSON

2.1. The Mayor shall be the Chairperson of all Meetings of the Council and shall have a voice and vote in all Council proceedings.

2.2. In the absence of the Mayor, the Vice Mayor shall serve as the Chairperson.

2.3. In the absence of both the Mayor and the Vice Mayor, the duties of the Mayor, as set forth in these rules, shall be performed by the immediate past Vice Mayor if serving on Council and then the member of the Council with the most seniority, which shall be determined by successive time of service on the Council. In the event that two or more members of the Council have the same length of service, seniority shall be determined by the alphabetical order of their respective surnames.

3. ACTING MAYOR

3.1 The Mayor shall not be absent from the town for a period greater than 15 days without the consent of the Town Council. In case of the Mayor's death, resignation, or vacation of office for any reason, and if the office is vacated more than thirty (30) days prior to the deadline for nominating petitions for the next election at which the office would be filled, the Members of the Town Council will appoint a Member of the Town Council to serve the remainder of the Mayor's term and make an appointment to fill that individual's seat on the Town Council. If the office is vacated less than or equal to thirty (30) days prior to the deadline

for nominating petitions for the next election at which the office would be filled, the Town Council will appoint a Member of the Town Council to serve until a person elected to fill the office of Mayor is seated.

4. VICE MAYOR SELECTION

4.1. At the first regular meeting in December of each even-numbered year, the Mayor and Members of the Town Council shall designate one of the Council Members as Vice Mayor. The Vice Mayor shall serve at the pleasure of the Town Council and shall perform the duties of the Mayor during the Mayor's absence or disability.

5. PARLIAMENTARIAN

5.1. The Town Attorney, or his or her designee, shall serve as the Parliamentarian for all Meetings of the Council.

6. ROBERT'S RULES OF ORDER

6.1. When conducting meetings of the Town Council, Robert's Rules are used for guidance.

7. POWERS AND DUTIES OF MAYOR

7.1. The Mayor shall be recognized as head of the town government for all ceremonial purposes and by the governor for purposes of martial law, but shall have no regular administrative duties.

7.2. The Mayor shall be the Chairperson of the Town Council and preside over its meetings. He or she may make and second motions and shall have a voice and vote in all the Town Council's proceedings.

7.3. The Mayor shall execute and authenticate by his or her signature such instruments as the Town Council or any statutes, ordinances, or this code shall require.

7.4. The Mayor shall make such recommendations and suggestions to the Town Council as he or she may consider proper.

7.5. The Mayor shall govern the town by proclamation during times of riot, civil insurrection, major disaster, and great public danger.

7.6. The Mayor shall perform such other duties as are required by state statute and this code.

8. ENFORCEMENT, SUSPENSION OF RULES

8.1. Any of the provisions of the rules may be temporarily suspended in connection with any matter under consideration by a recorded vote of three-fourths of the Members present, except that this section shall not be construed to permit any action that is contrary to state statutes.

8.2.. Any Councilmember or the Chairperson may consult with the Parliamentarian. The Chairperson shall determine all Points of Order and Points of Privilege,

subject to the right of any member to appeal to the Council. Following a second, a majority vote shall govern and conclusively determine any appeal to the Council on a Point of Order or a Point of Privilege.

8.4. Any Councilmember may appeal a ruling of the Chairperson to the Council. If the appeal is seconded, the member making the appeal may briefly state his or her reason for the same, and the Chairperson may explain his or her ruling. The Chairperson shall then put the question, “Shall the decision of the Chairperson be sustained?” If a majority of the members present vote “aye,” the ruling of the Chairperson is sustained; otherwise, it is overruled.

9. MEETINGS

9.1. Except under circumstances authorized by statute, all Meetings of the Council, and its committees, shall be open to the public and conducted in accordance with the provisions of the Arizona Open Meetings Law, A.R.S. § 38-431 et seq.

9.2. Prior to the beginning of each calendar year, the Town Clerk shall issue the Annual Council Meeting Calendar of all regularly scheduled Council Meetings and Work Study Sessions for the upcoming year. Any Meetings that are not indicated on the Annual Council Meeting Calendar shall be designated as Special Meetings.

9.3. The Council holds regularly scheduled Meetings twice a month at 5:00 p.m. on Tuesdays, as feasible, in accordance with the Annual Council Meeting Calendar issued by the Town Clerk. Meetings may be canceled, or rescheduled. If a Meeting is rescheduled for a different date or time, a notice shall be posted as required by law.

9.4. As noted in Rule 7.2 and except as provided in the Town Code for Special Meetings, Meeting times, dates, and locations may be changed, or Meetings may be called or canceled, by a majority of the Council.

9.5. Work Study Sessions shall be used to provide the Council with information and to allow the Council an opportunity to discuss Town issues in detail and in a less formal manner. Other than to provide direction to staff, which may be done informally or by motion and a vote of the Council, no action shall be taken by the Council at a Work Study Session.

9.6. Executive Sessions, Work Study Sessions, or any other non-regularly scheduled Meetings of the Council, including Meeting times and locations, will be set at the direction of three (3) members of the Council, and a notice shall be posted as required by law. Special Meetings may be called by the Mayor or three (3) members of the council, with reasonable notice given to all members of the council.

9.7. Emergency Meetings shall take place as provided by Arizona Revised Statute § 38-431.02(D) (Arizona Open Meeting Law).

9.8. All public Meetings may be recorded or photographed by means of audio, video, or photographic equipment, provided, however, that there is no interference with the orderly conduct of the Meeting and the equipment is placed in non-hazardous locations as designated by Town staff.

10. AGENDA

10.1. At least six calendar days prior to each Town Council meeting, or as required by law, the Clerk, in consultation with the Mayor and Town Manager, shall collect all written reports, communications, ordinances, resolutions, contracts, and other documents to be submitted to the Town Council, prepare an agenda according to the order of business, post the agenda in the manner provided by law for such notice to the public, make a copy of the agenda and submission documents available for public inspection at the Town Hall, and provide a copy of the agenda and submission documents to each Council Member, the Mayor, and the Town Attorney. The agenda may include a consent agenda of one or more items.

10.2. The Mayor upon the written request of two members of the Town Council, may include an item on the agenda.

10.3. To fully effect the intent of this section, all information required for submittal of the action item to the Town Council shall be provided to the Town Clerk no less than ten (10) days prior to the Town Council meeting at which the action item is to be considered.

10.4. The Town Manager, with concurrence of the Mayor, may waive the agenda or submission deadline set forth in this section for routine administrative changes.

10.5. The Mayor or, in the absence of the Mayor, the Vice-Mayor may waive the seven-day deadline set forth and amend the agenda less than seven days prior to a Council meeting, but more than the 24-hour period required for posting the agenda.

11. ORDER OF BUSINESS

11.1. Regularly scheduled Council Meeting agenda items are listed in the following order:

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Public Announcements
5. Town Manager’s Report
6. Public Comment (Open call to the public for items not listed on the Agenda)
7. Presentations
8. Proclamations
9. Consent Agenda items
10. General Agenda items
11. Department/Staff Reports
12. Adjournment

11.2. The Chairperson may at the commencement of the meeting change the order of the agenda.

11.3. The order for hearing, deliberating, and voting on non-Consent agenda items shall be as follows:

1. Staff presentation
2. Council questions
3. Public comment (up to three minutes for individual speakers)
4. Staff's response, if needed
5. Council motion(s) and deliberation
6. Council vote on the motion(s)

11.4. The Council may take one vote to act on all of the items on the Consent Agenda or may remove one or more items for further discussion and action. Items not removed from the Consent Agenda may be considered in one motion. Items removed from the Consent Agenda for clarification or discussion by the Council will be acted on as the initial items on the Regular Agenda. An item may be removed from the Consent Agenda at the request of one or more members of Council. It does not require a vote to remove items from the Consent Agenda in this manner.

11.5. The Council shall take action on each item on the Regular Agenda. The Council typically receives a presentation on Regular Agenda items and considers Regular Agenda items separately.

12. PUBLIC COMMENT

12.1. Residents may address the Council on non-agendized items that are within the jurisdiction of the Council. Additionally, advocacy for or against a candidate or ballot measure during a Town Council Meeting is not allowed pursuant to State law and is therefore not allowed and deemed not to be within the Council's jurisdiction, but factual information without advocacy is allowed.

12.2. Speakers will be limited to up to three minutes each to address the Council during time set aside for public comment on General/Regular items.

12.3. At the conclusion of the call to the public, the Chairperson shall recognize any individual Councilmember who wishes to respond to criticism made during public comment in one or more of the following three ways: 1) by responding to the criticism; 2) asking staff to review the matter; or 3) asking that the matter be added to a future agenda. Council shall not, however, discuss or take legal action with respect to any matter not specifically listed on the agenda.

12.4. To prevent violation of copyright, obscenity laws, Town staff and Town audio visual equipment may not be utilized to play audio or visual recordings for members of the public, except recordings produced by the staff.

13. DEBATE AND DECORUM DURING COUNCIL MEETINGS

13.1. The Chairperson shall preserve decorum and decide all questions of order, subject to appeal to the Council. If the Chairperson fails to act, any member may by Point of Order request the Chairperson to enforce the Rules of Procedures.

13.2. Councilmembers shall preserve order and decorum and shall not delay or interrupt Council proceedings or refuse to follow the direction of the Chairperson

or the Council Rules of Procedures. Councilmembers may, however, interrupt proceedings for the purpose of making a Point of Order.

13.3. Town staff shall observe the same Council Rules of Procedures and decorum as the members of the Council.

13.4. Members of the public attending Council Meetings shall also observe the same rules of order and decorum applicable to members of the Council and staff. Unauthorized remarks or demonstrations from the audience, such as applause, stamping of feet, whistles, boos, yells, and/or other demonstrations shall not be permitted or the use of signs that impede viewing of the meeting by members of the public.

13.5. Upon recognition by the Chairperson, the official shall confine his or her remarks and questions to the issue under debate and shall refrain from all personal attacks and indecorous language.

13.6. The Chairperson shall not unreasonably withhold recognition from a Councilmember requesting to speak. However, the Chairperson may call for a vote as to whether to continue a repetitive discussion or motion.

13.7. A Councilmember, once recognized, shall not be interrupted while speaking, unless called to order by the Chairperson or unless a Point of Order or Point of Privilege is raised by another Councilmember.

13.8. If a Councilmember finds it necessary to be permanently excused from an ongoing Council Meeting, he or she shall first ask the Chair to be recognized, and then announce his or her intention to leave the Meeting. The Town Clerk shall then record the time of the absence in the minutes.

13.9. Councilmembers shall not be recognized by the Chairperson to speak multiple times on an issue under debate until every Councilmember has been given an opportunity to speak once.

13.10. If a Councilmember is called to order while he or she is speaking, he or she shall cease speaking immediately until the question of order is determined. If ruled to be out of order, he or she shall remain silent or shall alter his or her remarks so as to comply with the Rules of Procedures. By a two-thirds majority vote, the Council may agree to limit debate on any matter before it.

14. VOTING AND MOTIONS

14.1. Unless a different number is provided for by statute or ordinance, a majority of the members of the Council shall constitute a Quorum, and, in any Meeting where a Quorum is present, it shall take a majority vote of all the members of the Council to enact any measure, resolution, ordinance, or other business on the agenda.

14.2. The Mayor shall vote as a member of the Council.

14.3. No member of the Council shall be excused from voting, except upon matters involving the consideration of his or her own official conduct, or in which he or she declares the appearance of or an actual conflict of interest.

14.4. In the case of a tie vote, the item under consideration shall be considered defeated, unless a new motion is introduced and seconded, in which case it shall be voted on.

14.5. A Councilmember may change his or her vote up to the time that the results of the vote have been announced. working backward in order of their making (in other words, last in, first out).

14.6. After obtaining the floor, a Councilmember may make a motion regarding the agenda item under consideration. The Councilmember may state reasons for the motion before it is made but may debate the motion only after it has been seconded.

14.7. All motions except a motion to call the question require a second, but the second does not have to favor the motion and may speak and/or vote against it. If there is no second, the Chairperson shall not recognize the motion and it fails for lack of a second.

14.8. The maker of a motion may modify his or her motion or withdraw it entirely. If a motion is modified, the Councilmember who seconded the motion must either affirm the modification or withdraw the second.

14.9. If a motion fails, the item is deemed to be defeated, unless a new and different motion is introduced and seconded, in which case it shall be voted on.

14.10. A motion to suspend the Council Rules of Procedures requires a majority vote of the Council and may not be made while another motion is pending unless it directly applies to the pending motion.

14.11. A motion to continue may be used to postpone an item on the agenda to either a specific date or to a date uncertain. A motion to continue takes priority over all other motions. A motion to continue is debatable and may be amended, but only to alter the time. An item continued to a specific date must be brought back on that date, even if the action is to continue the item again to another date or indefinitely.

14.12. An Amendment to a motion, including an Alternate Motion, requires a second before debate on the Amendment may begin. The Chairperson shall allow full discussion of the Amendment, while restricting debate to the Amendment, not the original motion. A vote on an Amendment shall take place before the vote on the original motion. If the Amendment passes, the Council shall vote on the original motion, as amended. If the Amendment is defeated, another Amendment may be proposed. If no further Amendments are proposed, discussion shall continue on the original motion, and a vote taken on the original motion as presented. An Amendment requires a majority vote, even if the motion to be amended requires a two-thirds vote to be adopted. An Amendment modifying the intention of a motion shall be in order, but an Amendment relating to a different matter shall not be in order.

14.13. Any Amendment to a Main Motion, if acceptable to the maker and seconder of the motion, may be considered a friendly Amendment and incorporated into the Main Motion without a vote of the Council.

14.14. A motion to amend an Amendment shall be in order, but one to amend an Amendment to an Amendment shall not.

14.15. If a motion contains two or more divisible propositions, the Chairperson may, and upon request of a member shall, divide the motion into separate, actionable items.

14.16. A Motion to continue must be voted on before voting on either the Main Motion or an Amendment to the Main Motion

14.17. After a decision on any motion, any Councilmember who voted with the majority may move to reconsider the item during the same Meeting at which the decision being reconsidered was made. Once a motion to reconsider has been approved by majority vote, a revote on the original motion is taken. After a motion to reconsider has been acted upon once, no other motion for reconsideration may be made without unanimous consent of the Council. Any item previously adopted can be the subject of a motion to rescind or to amend. Such motion can only be made at a subsequent Meeting and must have been agendized. Any Councilmember can make the motion. With respect to a motion to amend something previously adopted, unless the substance of the proposed Amendment is set forth in the notice of the Meeting, a two-thirds vote of the members of the Council is required to approve the motion. The Council is able to act on any matter it has previously acted upon if such matter is placed on the Council's agenda. The rules applying to motions to reconsider, rescind or amend something previously adopted apply only if the Council intends its actions to relate back to the date of the original action on the matter.

14.18. After obtaining the floor, any member of the Council may make a motion to call the question. An unrecognized "call for the question" shall be deemed out of order and shall not be considered by the Chairperson. A motion to call the question does not require a second and shall be voted on without debate. If a vote on a motion to call the question is passed by majority vote, all debate shall cease and a vote shall be taken on the immediate motion. Councilmembers may ask parliamentary questions or request a reading of the motion prior to voting.

14.19. A Councilmember may propose a short intermission, or recess, in a Meeting, even while business is pending, by moving to recess for a specified length of time. A motion to recess may not interrupt another speaker; must be seconded; is not debatable; can be amended, but only to change the length of the recess; cannot be reconsidered; and requires a majority vote.

14.20. Should a substantive Amendment to an ordinance that the Council is considering adopting be proposed during the hearing, the Council shall have the option of continuing the matter for consideration at a future Meeting to allow for sufficient research and analysis of the Amendment or the Council may vote to recess into Executive Session, if properly agendized, for the purpose of obtaining legal advice from the Town Attorney on the impact of the proposed ordinance amendment.

15. CONFLICT OF INTEREST

15.1. Councilmembers occupy positions of public trust. All actions and business transactions of such officials dealing in any manner with public funds shall be in compliance with all laws or ordinances establishing a code of ethical conduct for public officials or pertaining to conflicts of interest of public officers or employees.

15.2. Any Councilmember prohibited from participating or voting on any matter before the Town by the State conflict of interest laws or who intends not to act

on a matter due to an appearance of impropriety shall make known such conflict on the record of any Meeting where the item is discussed. The Councilmember having declared such a conflict shall not enter into discussion, debate, or vote on such matter, or in any manner attempt to influence said vote.

16. USE OF TOWN STAFF – ORDERS AND DIRECTIONS

16.1. The Town Council shall deal with the administrative services of the town only through the Town Manager, except for the purpose of inquiry, and neither the Town Council nor any Members thereof shall give orders to any subordinates of the Town Manager.

17. BOARDS, COMMISSIONS, COMMITTEEs AND ADHOC COMMITTEES.

17.1. Applications.

A. Cave Creek residents may apply for and be appointed to more than one Town board or commission using a standard application found on the Town's website. Current seated council members are not able to sit on boards and commissions. Residency requirements are verified by the Town Clerk's Office. When there is a vacancy, all applications on file for that board or commission are forwarded to the Council.

17.2 Interviews

A. Board and commission interviews are typically held at an Executive Session or a Special Town Council Meeting preceding a regularly scheduled Town Council regular Meeting. The start time of the meeting is typically at 4:00 p.m., however, dependent upon the number of vacancies and nominated individuals, an earlier start time may be needed.

B. The Mayor will review each board, commission, committee or adhoc committees that has an open position(s). The Mayor will note each respective board, commission, committee or adhoc committee and the number of nominees and call upon each nominee to address the Council at the podium Town Council Chambers or via technological means if the nominee is participating electronically. Each nominee will be asked to respond briefly (in 2 minutes or less) to the questions listed below, in addition to any follow-up questions or requests for clarification.

   a. Name, address, and how long you have lived in Cave Creek.
   b. How your education, employment, or volunteer experience relates to the board/commission for which you have applied?
   c. What is the top issue facing the board or commission for which you have applied for?

A. At the next scheduled council meeting following the interviews the Council will make formal nominations/appointments.

B. If there are only the minimum number of applications for the board or commission, the Council can forego the interview/nomination process and instead make a motion to appointment.

17.3 Nomination

C. The Town Clerk will provide each Town Council Member with a ballot listing each of the candidate names.
D. Town Council Members will select ONE CANDIDATE from the list of Applicants.
E. The Town Clerk will collect the completed Ballots.
F. The Town Clerk will read aloud each of the nominations from the Ballots.
G. The Mayor will tally the nominations.
H. The Town Clerk will confirm the tally.
I. The Mayor will announce the tally by beginning with the candidate names with the highest number of votes down to the candidates with the lowest or zero number of votes.
J. The Mayor will explain that any Candidates who receive zero number of nomination votes should not be included Motion to Nominate until after all the Candidates who received votes have been voted on.
K. If there are only the minimum number of applications for the board or commission, the Council can forego the nomination process and instead make a motion to appointment.

17.4 Appointment

A. The Mayor will request a Motion to appoint the Applicant with the highest number of nomination votes continuing through the list in the order of:
   First in highest number of nomination votes and,
   Second in Alphabetical order (if two candidates receive the same number of votes.)
B. The Mayor will request a Second to the Motion.
C. The Town Clerk will take a Roll Call Vote.
D. The Mayor will announce: If the Candidate receives 4-Yes Votes, they will be Appointed.
E. The Mayor will remind the Town Council that if a Motion to Appoint Fails, (4-No Votes), that Candidate should not be re-nominated.
F. The process will continue the process with the second highest number of nomination votes continuing through the list in the following order:
   First in highest number of nomination votes and,
   Second in Alphabetical order (if two candidates receive the same number of votes.)

18. DEFINITIONS

18.1. AGENDA

An Agenda is the formal description of items to be considered by the Town Council at a noticed meeting of the Town Council. The final Agenda must be posted at least 24 hours prior to the Town Council's meeting.

18.2. CALL TO THE PUBLIC

Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comments to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or act on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

18.3. CELL PHONES

All attendees' cell phones to be silenced.

18.4. COUNCIL PACKET

The Town Council agenda packet is comprised of documents supporting the items listed on the agenda and requiring Council action, which may be used by Town Council, staff, and the public for more in-depth information than may be presented in an oral report. The packet is organized, as set forth in Town Code §30.38 and is provided to the Town Council and made available to the public on the Town's website.

18.5. MEETINGS

A meeting is the gathering, in person or by technological devices, of a quorum of members, at which they discuss, propose, or take legal action, including any deliberations by a quorum with respect to such action. If a quorum is not present, those in attendance will be named for the record and in the absence of the Chairperson, the Town Clerk or departmental liaison will adjourn the meeting.

Meetings may be held electronically, as long as a majority of Council Members can be seen, in the case of visual electronic attendance, and heard by the public, from time to time a member may need to call in, but they will be able to hear the discussion, access materials, and speak at the meeting.

A. The following rules apply for Town Council meetings when participating via electronic means as applied to all attending Town Council members.
    1. For visual electronic attendance members must keep their cameras on while participating in the meeting. If a member's camera is off, it is treated the same as a member stepping off the dais, during a live meeting.
    2. Members who must leave the meeting for a short time will instruct the Mayor and, in the case of visual electronic attendance, turn their camera off while away from the camera.
    3. Members will mute themselves until the time to vote or make a comment.

B. Telephone participation may be allowed when an internet connection is not available.

C. Attendance via electronic means requires decorum in the same manner as being on the dais; no distracting sounds or sites and full-time visual participation (if by visual electronic attendance).

D. The Town Manager or Town Clerk may make other emergency arrangements as necessary to ensure adequate participation to maintain the quorum.

18.6. MANAGER REPORT

A brief summary of current events without listing the contents of the presentation on the agenda may be made by the Town Manager, the Chairperson of the Council, or a member of the Council under A.R.S. § 38-431.02(K) if the summary is listed on the agenda. No action is expected as a result of the reports, which are provided to the Council and public for informational purposes only.

18.7. NOTICE

A formal announcement to the public that sets forth the name of the public body, date, time, and place for which a meeting of the Town Council will be held. Giving formal notice of meetings is done as provided by Statute, Town Code, or other rules or regulations of the Town.

18.8. ORDINANCE

An ordinance is a Town Council action setting forth a rule of public conduct that is considered long-term and may prescribe a penalty for violations thereof. Long-term rules include, but are not limited to, zoning issues, annexations, abandonments, and Town laws. The ordinance, in addition to being referenced by number in the minutes, will be recorded and maintained in numerical sequence as a permanent record of the Town. Effective dates of ordinances shall be as provided by law.

18.9. PUBLIC BODY

Town Council, all boards, committees, and commissions of the Town, and any specially seated board, commission, committee, or subcommittee of the Town whose members are appointed by the Mayor and Town Council.

18.10. QUORUM

A quorum is the minimum number of members of the Town Council that must be present for business to be legally transacted. With a seven-member body, a quorum (by State Statute) is four members.

18.11. RESOLUTION

A resolution is a more formal type of motion normally utilized to set forth the policy of the Town. The resolution, in addition to being referenced by number and brief title in the minutes, will be recorded as provided by law and maintained in numerical sequence as a permanent record of the Town in a separate set of books. Resolutions are used for various reasons, such as when specifically required by law, when needed as a separate evidentiary document to be transmitted to another governmental agency, or where the

frequency of future references back to its contents warrants a separate document to facilitate such future reference and research. Effective dates of resolutions shall be as provided by law.

18.12. VISUAL ELECTRONIC PLATFORM

A. Town Council Regular Meetings and Special Meetings are broadcast via visual electronic means and allow for the viewing of the meetings.
B. Visual electronic meetings may be called if a situation arises to where the use of electronic meeting is deemed necessary by the Town Manager.
C. The Council may conduct Executive Sessions via visual electronic means, but, care should be taken to assure the confidentiality of discussions and content.