



## **NOTICE OF RESULTS OF UTILITY AND SERVICE RATE STUDY**

As part of the ongoing evaluation of our utility and service operations, the City of Safford has completed a **Utility and Service Rate Study**. The study includes detailed cashflows and proposed 5-year rate adjustments, which are now available for public review on the City's website or at the City of Safford Clerk's Office.

In accordance with Arizona Revised Statutes §§ 9-499.15 and 9-511.01, notice is hereby given that the Safford City Council has **not** yet voted on any utility rate increases. A formal vote on the **Intent to Change Rates** is scheduled for the City Council meeting on **Monday, August 11, 2025, at 6:00 p.m.**

Following the vote of intent, a **Public Hearing** is tentatively scheduled for **Monday, October 13, 2025, at 6:00 p.m.**, during the regularly scheduled City Council meeting. This public hearing will allow residents the opportunity to comment on the proposed changes.

The final vote for **approval or disapproval** of the utility rate increases is tentatively scheduled for **Monday, October 27, 2025, at 6:00 p.m.** during the regularly scheduled City Council meeting.

We encourage residents, business owners, and utility customers to review the study materials and stay engaged throughout this process.

The detailed cashflows and proposed 5-year rate adjustments are available for public review on the City's website and in person at the City Clerk's Office, located at Safford City Hall, 717 W. Main Street, during regular business hours, Monday – Thursday, 7 a.m. to 6 p.m.

 **CITY OF SAFFORD**  
**PROPOSED WATER RATE SCHEDULE**

Scenario: Scenario 2b | Expanded Tiers & MF Unit Charge

Current	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29
2025	2026	2027	2028	2029	2030

**1 Water Monthly Rates and Charges**

**W1 Residential Inside**

		Current	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29
<b>Customer Service Charge</b>							
	5/8" & 3/4"	\$ 27.32	\$ 27.87	\$ 28.70	\$ 29.56	\$ 30.45	\$ 31.36
	1" & 1.25"	32.71	33.36	34.37	35.40	36.46	37.55
	1 1/2"	46.08	47.00	48.41	49.86	51.36	52.90
	2"	62.18	63.42	65.33	67.29	69.30	71.38
	3"	105.16	107.26	110.48	113.80	117.21	120.73
	4"	153.46	156.53	161.23	166.06	171.04	176.17
	6"	287.58	293.33	302.13	311.20	320.53	330.15
	8" +	448.58	457.55	471.28	485.42	499.98	514.98
<b>Volume Rate/1,000 Gal</b>							
3,001	8,000	2.11	2.11	2.17	2.24	2.31	2.37
8,001	12,000	2.11	2.64	2.72	2.80	2.88	2.97
12,001	16,000	2.11	3.19	3.29	3.39	3.49	3.59
16,001	25,000	2.11	3.99	4.11	4.23	4.36	4.49
25,001	40,000	3.06	4.83	4.97	5.12	5.27	5.43
40,001	Above	5.15	6.03	6.21	6.40	6.59	6.79

**W2 Commercial Inside**

		2025	2026	2027	2028	2029	2030
<b>Customer Service Charge</b>							
	5/8" & 3/4"	\$ 27.32	\$ 27.87	\$ 28.70	\$ 29.56	\$ 30.45	\$ 31.36
	1" & 1.25"	32.71	33.36	34.37	35.40	36.46	37.55
	1 1/2"	46.08	47.00	48.41	49.86	51.36	52.90
	2"	62.18	63.42	65.33	67.29	69.30	71.38
	3"	105.16	107.26	110.48	113.80	117.21	120.73
	4"	153.46	156.53	161.23	166.06	171.04	176.17
	6"	287.58	293.33	302.13	311.20	320.53	330.15
	8" +	448.58	457.55	471.28	485.42	499.98	514.98
<b>Volume Rate/1,000 Gal</b>							
3,001	8,000	2.11	2.11	2.17	2.24	2.31	2.37
8,001	12,000	2.11	2.64	2.72	2.80	2.88	2.97
12,001	16,000	2.11	3.19	3.29	3.39	3.49	3.59
16,001	25,000	2.11	3.99	4.11	4.23	4.36	4.49
25,001	40,000	3.06	4.83	4.97	5.12	5.27	5.43
40,001	Above	5.15	6.03	6.21	6.40	6.59	6.79

**W3 Industrial Inside**

		2025	2026	2027	2028	2029	2030
<b>Customer Service Charge</b>							
	5/8" & 3/4"	\$ 27.32	\$ 27.87	\$ 28.70	\$ 29.56	\$ 30.45	\$ 31.36
	1" & 1.25"	32.71	33.36	34.37	35.40	36.46	37.55
	1 1/2"	46.08	47.00	48.41	49.86	51.36	52.90
	2"	62.18	63.42	65.33	67.29	69.30	71.38
	3"	105.16	107.26	110.48	113.80	117.21	120.73
	4"	153.46	156.53	161.23	166.06	171.04	176.17
	6"	287.58	293.33	302.13	311.20	320.53	330.15
	8" +	448.58	457.55	471.28	485.42	499.98	514.98
<b>Volume Rate/1,000 Gal</b>							
-	Above	2.11	2.47	3.16	3.74	3.85	3.96

**W4 Fire Hydrant**

**Customer Service Charge**

5/8" & 3/4"	\$	27.32	\$	27.87	\$	28.70	\$	29.56	\$	30.45	\$	31.36
1" & 1.25"		32.71		33.36		34.37		35.40		36.46		37.55
1 1/2"		46.08		47.00		48.41		49.86		51.36		52.90
2"		62.18		63.42		65.33		67.29		69.30		71.38
3"		105.16		107.26		110.48		113.80		117.21		120.73
4"		153.46		156.53		161.23		166.06		171.04		176.17
6"		287.58		293.33		302.13		311.20		320.53		330.15
8" +		448.58		457.55		471.28		485.42		499.98		514.98

**Volume Rate/1,000 Gal**

-	Above	5.15	6.03	6.21	6.40	6.59	6.79
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**W5 Thatcher Residential & Commercial**

**Customer Service Charge**

5/8" & 3/4"	\$	30.05	\$	30.65	\$	31.57	\$	32.52	\$	33.49	\$	34.50
1" & 1.25"		35.98		36.70		37.80		38.93		40.10		41.31
1 1/2"		50.69		51.70		53.25		54.85		56.50		58.19
2"		68.40		69.77		71.86		74.02		76.24		78.52
3"		115.69		118.00		121.54		125.19		128.95		132.81
4"		168.83		172.21		177.37		182.69		188.17		193.82
6"		316.39		322.72		332.40		342.37		352.64		363.22
8" +		493.52		503.39		518.49		534.05		550.07		566.57

**Volume Rate/1,000 Gal**

3,001	8,000	2.32	2.32	2.39	2.46	2.54	2.61
8,001	12,000	2.32	2.90	2.99	3.08	3.17	3.27
12,001	16,000	2.32	3.51	3.62	3.72	3.84	3.95
16,001	25,000	2.32	4.39	4.52	4.66	4.80	4.94
25,001	40,000	3.37	5.31	5.47	5.63	5.80	5.98
40,001	Above	5.67	6.64	6.84	7.04	7.25	7.47

**W6 Thatcher Industrial**

**Customer Service Charge**

5/8" & 3/4"	\$	30.05	\$	30.65	\$	31.57	\$	32.52	\$	33.49	\$	34.50
1" & 1.25"		35.98		36.70		37.80		38.93		40.10		41.31
1 1/2"		50.69		51.70		53.25		54.85		56.50		58.19
2"		68.40		69.77		71.86		74.02		76.24		78.52
3"		115.69		118.00		121.54		125.19		128.95		132.81
4"		168.83		172.21		177.37		182.69		188.17		193.82
6"		316.39		322.72		332.40		342.37		352.64		363.22
8" +		493.52		503.39		518.49		534.05		550.07		566.57

**Volume Rate/1,000 Gal**

-	Above	2.32	2.90	2.99	3.08	3.17	3.27
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**W7 Thatcher Fire Hydrant**

**Customer Service Charge**

5/8" & 3/4"	\$	30.05	\$	30.65	\$	31.57	\$	32.52	\$	33.49	\$	34.50
1" & 1.25"		35.98		36.70		37.80		38.93		40.10		41.31
1 1/2"		50.69		51.70		53.25		54.85		56.50		58.19
2"		68.40		69.77		71.86		74.02		76.24		78.52
3"		115.69		118.00		121.54		125.19		128.95		132.81
4"		168.83		172.21		177.37		182.69		188.17		193.82
6"		316.39		322.72		332.40		342.37		352.64		363.22
8" +		493.52		503.39		518.49		534.05		550.07		566.57

<b>Volume Rate/1,000 Gal</b>								
-	Above	5.67	6.03	6.21	6.40	6.59	6.79	

**W8 County Residential & Commercial**

**Customer Service Charge**

5/8" & 3/4"	\$	34.15	\$	34.83	\$	35.88	\$	36.95	\$	38.06	\$	39.20
1" & 1.25"		40.89		41.71		42.96		44.25		45.58		46.94
1 1/2"		57.59		58.74		60.50		62.32		64.19		66.11
2"		77.71		79.26		81.64		84.09		86.61		89.21
3"		131.43		134.06		138.08		142.22		146.49		150.88
4"		191.79		195.63		201.49		207.54		213.77		220.18
6"		359.39		366.58		377.58		388.90		400.57		412.59
8" +		560.59		571.80		588.96		606.62		624.82		643.57

**Volume Rate/1,000 Gal**

3,001	8,000	2.64	2.64	2.72	2.80	2.88	2.97
8,001	12,000	2.64	3.30	3.40	3.50	3.60	3.71
12,001	16,000	2.64	3.99	4.11	4.23	4.36	4.49
16,001	25,000	2.64	4.99	5.14	5.29	5.45	5.61
25,001	40,000	3.83	6.03	6.21	6.40	6.59	6.79
40,001	Above	6.44	7.54	7.77	8.00	8.24	8.49

**W9 County Industrial**

**Customer Service Charge**

5/8" & 3/4"	\$	34.15	\$	34.83	\$	35.88	\$	36.95	\$	38.06	\$	39.20
1" & 1.25"		40.89		41.71		42.96		44.25		45.58		46.94
1 1/2"		57.59		58.74		60.50		62.32		64.19		66.11
2"		77.71		79.26		81.64		84.09		86.61		89.21
3"		131.43		134.06		138.08		142.22		146.49		150.88
4"		191.79		195.63		201.49		207.54		213.77		220.18
6"		359.39		366.58		377.58		388.90		400.57		412.59
8" +		560.59		571.80		588.96		606.62		624.82		643.57

**Volume Rate/1,000 Gal**

-	Above	2.64	3.09	3.18	3.28	3.38	3.48
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**W10 MF Residential Inside**

**Customer Service Charge**

Per Unit	\$	27.32	\$	11.15	\$	14.35	\$	14.78	\$	15.23	\$	15.68
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**Volume Rate/1,000 Gal**

-	Above	2.11	2.47	3.16	3.74	3.85	3.96
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**W11 MF Thatcher**

**Customer Service Charge**

Per Unit	\$	30.05	\$	12.26	\$	15.79	\$	16.26	\$	16.75	\$	17.25
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**Volume Rate/1,000 Gal**

-	Above	2.32	2.72	3.47	4.11	4.23	4.36
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**W12 MF County**

**Customer Service Charge**

Per Unit	\$	34.15	\$	13.93	\$	17.94	\$	18.48	\$	19.03	\$	19.60
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**Volume Rate/1,000 Gal**

-	Above	2.64	3.09	3.95	4.67	4.81	4.96
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**W13 Fire Hydrant County**

**Customer Service Charge**

5/8" & 3/4"	\$	34.15	\$	34.83	\$	35.88	\$	36.95	\$	38.06	\$	39.20
1" & 1.25"		40.89		41.71		42.96		44.25		45.57		46.94
1 1/2"		57.60		58.75		60.51		62.33		64.20		66.13
2"		77.73		79.28		81.66		84.11		86.63		89.23
3"		131.45		134.08		138.10		142.24		146.51		150.91
4"		191.83		195.66		201.53		207.58		213.80		220.22
6"		359.48		366.66		377.66		388.99		400.66		412.68
8" +		560.73		571.94		589.10		606.77		624.97		643.72

**Volume Rate/1,000 Gal**

-	Above	6.44	7.54	7.77	8.00	8.24	8.49
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## CITY OF SAFFORD WATER/WASTEWATER COST OF SERVICE MODEL CASH FLOW ANALYSIS

WATER REVENUE & EXPENSE SUMMARY	2026	2027	2028	2029	2030
<b>Projected Revenue</b>					
Rate Revenue	\$ 6,671,350	\$ 7,203,436	\$ 7,584,088	\$ 7,951,089	\$ 8,325,386
Non-Rate Revenue	410,307	410,307	410,307	410,307	410,307
<b>Total Water Revenue</b>	<b>\$ 7,081,657</b>	<b>\$ 7,613,743</b>	<b>\$ 7,994,395</b>	<b>\$ 8,361,396</b>	<b>\$ 8,735,693</b>
<b>Projected Expenses</b>					
Operating Expenses	\$ 4,856,496	\$ 5,026,991	\$ 5,204,386	\$ 5,389,020	\$ 5,581,253
Capital Expenses	500,000	500,000	500,000	500,000	500,000
Debt Service Expenses	682,048	1,049,815	1,101,588	1,268,911	1,433,574
Transfers	731,263	753,201	775,797	799,071	823,043
<b>Total Water Cost of Service</b>	<b>\$ 6,769,807</b>	<b>\$ 7,330,007</b>	<b>\$ 7,581,771</b>	<b>\$ 7,957,002</b>	<b>\$ 8,337,870</b>
<b>Net Surplus/(Deficit)</b>	<b>\$ 311,850</b>	<b>\$ 283,736</b>	<b>\$ 412,624</b>	<b>\$ 404,394</b>	<b>\$ 397,823</b>
<b>WATER FUND BALANCE SUMMARY</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Beginning Fund Balance	\$ 11,073,748	\$ 7,012,880	\$ 4,396,616	\$ 4,809,240	\$ 5,213,634
Expenditures	(6,769,807)	(7,330,007)	(7,581,771)	(7,957,002)	(8,337,870)
Revenues	7,081,657	7,613,743	7,994,395	8,361,396	8,735,693
Reserves Used For CIP	(4,372,718)	(2,900,000)	-	-	-
<b>Ending Fund Balance</b>	<b>\$ 7,012,880</b>	<b>\$ 4,396,616</b>	<b>\$ 4,809,240</b>	<b>\$ 5,213,634</b>	<b>\$ 5,611,457</b>
<b>Required Minimum Fund Balance (50% PY OpEx + CY Debt Service)</b>	<b>\$ 3,475,927</b>	<b>\$ 3,843,694</b>	<b>\$ 3,991,684</b>	<b>\$ 4,259,002</b>	<b>\$ 4,527,619</b>
<i>Fund Balance Available for CIP</i>	<i>\$ 3,536,953</i>	<i>\$ 552,922</i>	<i>\$ 817,556</i>	<i>\$ 954,632</i>	<i>\$ 1,083,838</i>

**CITY OF SAFFORD  
PROPOSED WASTEWATER RATE SCHEDULE**

			Current	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29
<b>WW1 Residential Inside</b>								
<u>Customer Service Charge</u>	5/8" & 3/4"	\$	36.00	\$ 36.00	\$ 37.08	\$ 38.19	\$ 39.34	\$ 40.52
<u>Volume Rate/1,000 Gal</u>								
7,200	16,400		5.57	5.57	5.74	5.91	6.09	6.27
16,401	Above		-	-	-	-	-	-
<b>WW2 Commercial Inside</b>								
<u>Customer Service Charge</u>	5/8" & 3/4"		36.00	36.00	37.08	38.19	39.34	40.52
<u>Volume Rate/1,000 Gal</u>								
7,200	Above		5.57	5.57	5.74	5.91	6.09	6.27
<b>WW3 Residential Outside</b>								
<u>Customer Service Charge</u>			58.00	58.00	59.75	61.55	63.40	65.30
	1"		58.00	58.00	59.75	61.55	63.40	65.30
<u>Volume Rate/1,000 Gal</u>								
7,200	16,400		5.57	5.57	5.74	5.91	6.09	6.27
16,401	Above		-	-	-	-	-	-
<b>WW4 Liquid Waste Hauler</b>								
<u>Customer Service Charge</u>	(Wtr Mtr Size)		-	-	-	-	-	-
<u>Volume Rate/1,000 Gal</u>								
-	Above		67.95	67.95	70.00	72.10	74.25	76.50
<b>WW5 Winter Irrigation Rate Inside</b>								
<u>Customer Service Charge</u>	5/8" & 3/4"		58.00	36.00	37.08	38.19	39.34	40.52
<u>Volume Rate/1,000 Gal</u>								
7,200	11,200		-	5.57	5.74	5.91	6.09	6.27
11,201	Above		-	-	-	-	-	-

 **CITY OF SAFFORD  
PROPOSED WASTEWATER RATE SCHEDULE**

		Current	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29
<b>WW6</b>	<b>Winter Irrigation Rate Outside</b>						
	<u>Customer Service Charge</u>						
	5/8" & 3/4"	87.00	58.00	59.74	61.53	63.38	65.28
	<u>Volume Rate/1,000 Gal</u>						
	7,200	-	5.57	7.15	7.40	7.60	7.85
	11,201	-	-	-	-	-	-
<b>WW7</b>	<b>Metered Sewer</b>						
	<u>Customer Service Charge</u>						
	-	16.00	16.00	16.48	16.97	17.48	18.01
	<u>Volume Rate/1,000 Gal</u>						
	1,000	5.57	5.57	5.74	5.91	6.09	6.27



## CITY OF SAFFORD WATER/WASTEWATER COST OF SERVICE MODEL CASH FLOW ANALYSIS

WASTEWATER REVENUE & EXPENSE SUMMARY	2026	2027	2028	2029	2030
<b>Projected Revenue</b>					
Rate Revenue	\$ 2,639,917	\$ 2,746,358	\$ 2,867,320	\$ 3,000,032	\$ 3,137,799
Non-Rate Revenue	\$ 115,488	\$ 115,488	\$ 115,488	\$ 115,488	\$ 115,488
<b>Total Wastewater Revenue</b>	<b>\$ 2,755,405</b>	<b>\$ 2,861,846</b>	<b>\$ 2,982,808</b>	<b>\$ 3,115,520</b>	<b>\$ 3,253,288</b>
<b>Projected Expenses</b>					
Operating Expenses	\$ 1,734,167	\$ 1,794,692	\$ 1,857,518	\$ 1,922,743	\$ 1,990,469
Capital Expenses	500,000	500,000	500,000	500,000	500,000
Debt Service Expenses	237,409	237,339	237,268	237,194	237,118
Transfers	245,390	252,752	260,334	268,144	276,189
<b>Total Wastewater Cost of Service</b>	<b>\$ 2,716,966</b>	<b>\$ 2,784,782</b>	<b>\$ 2,855,120</b>	<b>\$ 2,928,081</b>	<b>\$ 3,003,776</b>
<b>Net Surplus/(Deficit)</b>	<b>\$ 38,438</b>	<b>\$ 77,063</b>	<b>\$ 127,688</b>	<b>\$ 187,439</b>	<b>\$ 249,511</b>
WASTEWATER FUND BALANCE SUMMARY	2026	2027	2028	2029	2030
Beginning Fund Balance	\$ 8,474,167	\$ 7,967,605	\$ 7,178,669	\$ 5,970,457	\$ 4,807,798
Expenditures	(2,716,966)	(2,784,782)	(2,855,120)	(2,928,081)	(3,003,776)
Revenues	2,755,405	2,861,846	2,982,808	3,115,520	3,253,288
Reserves Used For CIP	(545,000)	(866,000)	(1,335,900)	(1,350,097)	(1,725,600)
<b>Ending Fund Balance</b>	<b>\$ 7,967,605</b>	<b>\$ 7,178,669</b>	<b>\$ 5,970,457</b>	<b>\$ 4,807,798</b>	<b>\$ 3,331,710</b>
<b>Required Minimum Fund Balance (50% PY OpEx + CY Debt Service)</b>	<b>\$ 1,227,188</b>	<b>\$ 1,227,117</b>	<b>\$ 1,260,990</b>	<b>\$ 1,296,120</b>	<b>\$ 1,332,562</b>
<i>Fund Balance Available for CIP</i>	<i>\$ 6,740,417</i>	<i>\$ 5,951,551</i>	<i>\$ 4,709,467</i>	<i>\$ 3,511,678</i>	<i>\$ 1,999,148</i>



**CITY OF SAFFORD AZ**  
**ELECTRIC COST OF SERVICE MODEL**  
 PROPOSED RATE PLAN

Effective      Oct-25      Oct-26      Oct-27      Oct-28      Oct-29

**RATE Summary**

Scen: 2025 03 31 -- Scenario 1 - "Status Quo"

**PPA Charge | To be determined by PPA Policy**

Estimated PPA Charge per kWh	0.0550	0.0550	0.0550	0.0578	0.0606	0.0637
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**SCENARIO 1: BASE: RECOMMENDED ELECTRIC UTILITY RATES**

E.1 Residential	Current	2026	2027	2028	2029	2030
Customer Charge	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00
Energy per kWh	\$ 0.0733	\$ 0.0623	\$ 0.0545	\$ 0.0518	\$ 0.0492	\$ 0.0492
Rate Stabilization Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>E.2 Pumping Service</b>						
Customer Charge	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
Energy per kWh	\$ 0.1000	\$ 0.0850	\$ 0.0744	\$ 0.0707	\$ 0.0671	\$ 0.0671
Rate Stabilization Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>E.3 Small Commercial</b>						
Customer Charge	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
Energy per kWh	\$ 0.0940	\$ 0.0799	\$ 0.0699	\$ 0.0664	\$ 0.0631	\$ 0.0631
Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Stabilization Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>E.4 Large Commercial</b>						
Customer Charge	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Energy per kWh	\$ 0.0600	\$ 0.0510	\$ 0.0446	\$ 0.0424	\$ 0.0403	\$ 0.0403
Demand	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Rate Stabilization Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**CITY OF SAFFORD**  
**ELECTRIC COST OF SERVICE MODEL**  
**CASH FLOW SUMMARY**

Effective Date	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29
<b>Projected Revenue</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Rate Revenue	\$ 12,192,700	\$ 11,394,524	\$ 11,188,838	\$ 11,247,658	\$ 11,494,360
Non-Rate Revenue	115,479	115,479	115,479	115,479	115,479
<b>Total Electric Revenue</b>	<b>\$ 12,308,179</b>	<b>\$ 11,510,003</b>	<b>\$ 11,304,317</b>	<b>\$ 11,363,137</b>	<b>\$ 11,609,839</b>
<b>Projected Expenses</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Operating Expenses	\$ 4,346,459	\$ 3,464,328	\$ 3,613,899	\$ 3,907,838	\$ 3,968,700
Purchased Power Expense	5,573,392	5,890,452	6,097,501	6,311,828	6,533,689
Capital Expenses	1,487,002	2,141,100	1,668,000	627,000	650,000
Transfers	576,180	593,465	611,269	629,607	648,496
<b>Total Electric Expenses</b>	<b>\$ 11,983,033</b>	<b>\$ 12,089,346</b>	<b>\$ 11,990,669</b>	<b>\$ 11,476,274</b>	<b>\$ 11,800,885</b>
<b>Net Surplus/(Deficit)</b>	<b>\$ 325,146</b>	<b>\$ (579,343)</b>	<b>\$ (686,353)</b>	<b>\$ (113,137)</b>	<b>\$ (191,046)</b>
<b>ELECTRIC OPERATING FUND BALANCE SUMMARY</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Beginning Operating Fund Balance	\$ 13,506,208	\$ 13,831,354	\$ 13,252,011	\$ 12,565,659	\$ 12,452,522
Expenditures	(11,983,033)	(12,089,346)	(11,990,669)	(11,476,274)	(11,800,885)
Revenues	12,308,179	11,510,003	11,304,317	11,363,137	11,609,839
<b>End of Year Operating Fund Balance</b>	<b>\$ 13,831,354</b>	<b>\$ 13,252,011</b>	<b>\$ 12,565,659</b>	<b>\$ 12,452,522</b>	<b>\$ 12,261,475</b>
Required Minimum Fund Balance	\$ 5,090,575	\$ 5,248,016	\$ 5,161,335	\$ 5,424,637	\$ 5,575,443
Rate Stabilization Reserve	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,125,000	\$ 1,125,000
Fund Balance Available for CIP	\$ 7,740,779	\$ 7,003,996	\$ 6,404,324	\$ 5,902,885	\$ 5,561,033



**CITY OF SAFFORD**  
**GAS COST OF SERVICE MODEL**  
**PROPOSED RATE PLAN**

Prior      2026      2026      2027      2028      2029

**Input Area | Rate Calculator**

**Scenario: 2025 04 16 - Scenario 3 | Standardized Delivery Charge & Cash Funded**

**Residential**

Service Availability Charge	Per Month	\$ 15.00	\$ 16.80	\$ 19.15	\$ 22.98	\$ 26.89	\$ 27.43
Delivery Charge	Per MCF	5.10	5.71	6.51	7.81	9.14	9.33
Estimated Commodity Charge*	Per MCF	4.10	3.75	3.83	3.91	3.99	4.08
Stabilization Adjustment	Per MCF	-	-	-	-	-	-

**Small Commercial**

Service Availability Charge	Per Month	\$ 17.00	\$ 19.04	\$ 21.71	\$ 26.05	\$ 30.47	\$ 31.08
Delivery Charge	Per MCF	5.10	5.71	6.51	7.81	9.14	9.33
Estimated Commodity Charge*	Per MCF	4.10	3.75	3.83	3.91	3.99	4.08
Stabilization Adjustment	Per MCF	-	-	-	-	-	-

**Medium Commercial**

Service Availability Charge	Per Month	\$ 25.00	\$ 28.00	\$ 31.92	\$ 38.30	\$ 44.82	\$ 45.71
Delivery Charge	Per MCF	4.60	5.71	6.51	7.81	9.14	9.33
Estimated Commodity Charge*	Per MCF	4.10	3.75	3.83	3.91	3.99	4.08
Stabilization Adjustment	Per MCF	-	-	-	-	-	-

**Large Gas Service**

Service Availability Charge	Per Month	\$ 50.00	\$ 56.00	\$ 63.84	\$ 76.61	\$ 89.63	\$ 91.42
Delivery Charge	Per MCF	4.30	5.71	6.51	7.81	9.14	9.33
Estimated Commodity Charge*	Per MCF	4.10	3.75	3.83	3.91	3.99	4.08
Stabilization Adjustment	Per MCF	-	-	-	-	-	-

\*Commodity charge to be calculated per City policy. Values shown are illustrative only.



**CITY OF SAFFORD**  
**GAS COST OF SERVICE MODEL**  
**CASH FLOW SUMMARY**

**GAS REVENUE & EXPENSE SUMMARY**

<b>Projected Revenue</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Rate Revenue	\$ 2,402,824	\$ 2,664,359	\$ 3,078,873	\$ 3,517,792	\$ 3,635,807
Non-Rate Revenue	94,608	94,608	94,608	94,608	94,608
<b>Total Gas Revenue</b>	<b>\$ 2,497,432</b>	<b>\$ 2,758,968</b>	<b>\$ 3,173,481</b>	<b>\$ 3,612,401</b>	<b>\$ 3,730,415</b>

<b>Projected Expenses</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Operating Expenses	\$ 1,683,333	\$ 1,756,006	\$ 1,832,401	\$ 1,912,737	\$ 1,997,248
Purchased Gas Expense	675,385	692,769	710,610	728,918	747,708
Capital Expenses	245,000	320,000	495,000	250,000	250,000
Transfers	387,190	400,698	414,677	429,144	444,116
<b>Total Gas Expenses</b>	<b>\$ 2,990,908</b>	<b>\$ 3,169,473</b>	<b>\$ 3,452,688</b>	<b>\$ 3,320,799</b>	<b>\$ 3,439,071</b>

<b>Net Surplus/(Deficit)</b>	<b>\$ (493,475)</b>	<b>\$ (410,505)</b>	<b>\$ (279,206)</b>	<b>\$ 291,601</b>	<b>\$ 291,344</b>
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**GAS OPERATING FUND BALANCE SUMMARY**

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Beginning Operating Fund Balance	\$ 2,464,297	\$ 1,970,822	\$ 1,560,317	\$ 1,281,110	\$ 1,572,712
Expenditures	(2,990,908)	(3,169,473)	(3,452,688)	(3,320,799)	(3,439,071)
Revenues	2,497,432	2,758,968	3,173,481	3,612,401	3,730,415
<b>End of Year Operating Fund Balance</b>	<b>\$ 1,970,822</b>	<b>\$ 1,560,317</b>	<b>\$ 1,281,110</b>	<b>\$ 1,572,712</b>	<b>\$ 1,864,055</b>

<b>Required Minimum Fund Balance</b>	<b>\$ 1,372,954</b>	<b>\$ 1,372,954</b>	<b>\$ 1,424,736</b>	<b>\$ 1,478,844</b>	<b>\$ 1,535,400</b>
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Beginning Rate Stabilization Fund Balance	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Credits to/(Debits from) Rate Stabilization	-	-	-	-	-
<b>End of Year Rate Stabilization Fund Balance</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>

<b>Fund Balance Available for CIP</b>	<b>\$ 597,868</b>	<b>\$ 187,363</b>	<b>\$ (143,626)</b>	<b>\$ 93,868</b>	<b>\$ 328,656</b>
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**CITY OF SAFFORD**  
**LANDFILL COST OF SERVICE MODEL**  
 PROPOSED RATE PLAN | SCENARIO 1

LANDFILL RATES							
LANDFILL TIP FEE (PER TON)	Current	2026	2027	2028	2029	2030	
Inside City Residents & City of Safford Vehicles	\$ 52.50	\$ 25.00	\$ 26.00	\$ 27.00	\$ 28.00	\$ 29.00	
<i>(Safford Residents receive one free load/month)</i>							
Out of City & All In-City and In-County Private Haulers	52.50	53.00	\$ 54.00	\$ 55.00	\$ 56.00	\$ 57.00	
Out of County	52.50	63.00	64.00	65.00	66.00	67.00	
MISCELLANEOUS LANDFILL FEES							
Minimum Charge	\$ 12.50	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
Appliances without refrigerant	12.50	20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Appliances with refrigerant	31.25	30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Asbestos Min.Fee (+ Weight x Tonnage Fee)	43.75	150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Boats Min.Fee (+ Weight x Tonnage Fee)	62.50	150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Dead Animals (over 70 Lbs.)	31.25	35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00
Mobile Homes/Travel Trailers Min.Fee (+ Wt. x Ton.Fee)	125.00	150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Mobile Home/Travel Trailers if unable to be weighed	475.00	(\$150+\$380) =\$530.00	(\$150+\$380) =\$530.00	(\$150+\$380) =\$530.00	(\$150+\$380) =\$530.00	(\$150+\$380) =\$530.00	(\$150+\$380) =\$530.00
Special Handling Fee (added to materials requiring special handling)	N/A	150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Tires	Various	No Change	No Change	No Change	No Change	No Change	No Change
Unloading Assistance - 10 min. or less	25.00	50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Unloading Assistance - over 10 min.	\$60.00/HR	\$150.00/HR	\$150.00/HR	\$150.00/HR	\$150.00/HR	\$150.00/HR	\$150.00/HR
Unsecured Load/No Tarp Fee	10.00	10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00

\* Current rates include post-closure surcharge. Post-closure surcharge is forecast at 0% in 2026-2030, but may be re-implemented if necessary.



**CITY OF SAFFORD**  
**LANDFILL COST OF SERVICE MODEL**  
**CASH FLOW SUMMARY | SCENARIO 1**

<b>Projected Revenue</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Rate Revenue	\$ 1,804,743	\$ 1,869,765	\$ 1,936,115	\$ 2,003,820	\$ 2,072,905
Non-Rate Revenue	175,000	183,750	192,938	202,584	212,714
<b>Total Landfill Revenue</b>	<b>\$ 1,979,743</b>	<b>\$ 2,053,515</b>	<b>\$ 2,129,053</b>	<b>\$ 2,206,404</b>	<b>\$ 2,285,618</b>
<b>Projected Expenses</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Operating Expenses	\$ 1,938,295	\$ 1,996,444	\$ 2,056,337	\$ 2,118,028	\$ 2,181,568
Reserve Needed if Motor Pool < Equipment Replacement Plan	-	-	381,751	144,359	-
Capital Improvement Projects	-	106,090	10,927	28,138	-
Debt Service Expenses					
<b>Total Landfill Expenses</b>	<b>\$ 1,938,295</b>	<b>\$ 2,102,534</b>	<b>\$ 2,449,016</b>	<b>\$ 2,290,524</b>	<b>\$ 2,181,568</b>
<b>Net Surplus/(Deficit)</b>	<b>\$ 41,448</b>	<b>\$ (49,020)</b>	<b>\$ (319,963)</b>	<b>\$ (84,120)</b>	<b>\$ 104,050</b>
<b>LANDFILL FUND BALANCE SUMMARY</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Beginning Unrestricted Fund Balance	\$ 3,495,767	\$ 3,537,214	\$ 3,488,195	\$ 3,168,232	\$ 3,084,112
Landfill Closure & Post-Closure Liability	3,093,897	3,310,470	3,542,203	3,790,157	4,055,468
Operating Reserve (Restricted & Unrestricted)	6,589,664	6,847,684	7,030,398	6,958,389	7,139,580
Expenditures	(1,938,295)	(2,102,534)	(2,449,016)	(2,290,524)	(2,181,568)
Revenues	1,979,743	2,053,515	2,129,053	2,206,404	2,285,618
End of Year (Restricted & Unrestricted)	\$ 6,631,111	\$ 6,798,664	\$ 6,710,435	\$ 6,874,269	\$ 7,243,630
<b>End of Year (Unrestricted)</b>	<b>\$ 3,537,214</b>	<b>\$ 3,488,195</b>	<b>\$ 3,168,232</b>	<b>\$ 3,084,112</b>	<b>\$ 3,188,162</b>
Required Minimum Fund Balance	\$ 952,688	\$ 1,028,803	\$ 998,222	\$ 1,028,169	\$ 1,059,014



**CITY OF SAFFORD**  
**SANITATION COST OF SERVICE MODEL**  
 PROPOSED RATE PLAN | SCENARIO 1

**RESIDENTIAL SANITATION RATES**

	Current	2026	2027	2028	2029	2030
Residential Collection	\$ 19.86	\$ 21.00	\$ 22.00	\$ 23.00	\$ 24.00	\$ 25.00
Residential Extra Cart	10.00	10.00	10.00	10.00	10.00	10.00
Additional Residential Curbside Bulky Pickup per Cubic Yard	11.45	12.00	13.00	14.00	15.00	16.00

*(1x Curbside Bulky Pickup per week (up to 4CY) is included in Monthly Residential Collection Rate)*

**COMMERCIAL SANITATION FEES**

<b>1x Per Week</b>	Current	2026	2027	2028	2029	2030
90-Gallon	N/A	N/A	N/A	N/A	N/A	N/A
300-Gallon	\$ 28.34	\$ 36.00	\$ 37.80	\$ 39.69	\$ 41.67	\$ 43.76
2 Cubic Yard	37.80	56.70	59.54	62.51	65.64	68.92
3 Cubic Yard	56.68	75.38	79.15	83.11	87.26	91.62
4 Cubic Yard	75.56	94.45	99.17	104.13	109.34	114.80
6 Cubic Yard	113.36	124.70	130.94	137.48	144.36	151.57
8 Cubic Yard	151.16	158.72	166.66	174.99	183.74	192.93
<b>2x Per Week</b>						
90-Gallon	\$ 19.86	\$ 30.00	\$ 31.50	\$ 33.08	\$ 34.73	\$ 36.47
300-Gallon	56.68	72.00	75.60	79.38	83.35	87.52
2 Cubic Yard	75.56	113.40	119.07	125.02	131.27	137.84
3 Cubic Yard	113.36	150.77	158.31	166.22	174.54	183.26
4 Cubic Yard	151.16	170.81	179.35	188.32	197.73	207.62
6 Cubic Yard	226.72	226.72	238.06	249.96	262.46	275.58
8 Cubic Yard	302.28	317.44	333.31	349.98	367.48	385.85
<b>3x Per Week</b>						
90-Gallon	\$ 28.34	\$ 45.00	\$ 47.25	\$ 49.61	\$ 52.09	\$ 54.70
300-Gallon	85.02	108.00	113.40	119.07	125.02	131.27
2 Cubic Yard	113.36	170.10	178.61	187.54	196.91	206.76
3 Cubic Yard	170.04	226.15	237.46	249.33	261.80	274.89
4 Cubic Yard	226.72	256.19	269.00	282.45	296.57	311.40
6 Cubic Yard	340.08	340.08	357.08	374.94	393.69	413.37
8 Cubic Yard	453.44	476.15	499.96	524.96	551.20	578.76
<b>4x Per Week</b>						
90-Gallon	\$ 37.80	\$ 67.50	\$ 70.88	\$ 74.42	\$ 78.14	\$ 82.05
300-Gallon	113.36	144.00	151.20	158.76	166.70	175.03
2 Cubic Yard	151.16	226.80	238.14	250.05	262.55	275.68
3 Cubic Yard	226.72	301.54	316.62	332.45	349.07	366.52
4 Cubic Yard	302.28	341.58	358.66	376.59	395.42	415.19
6 Cubic Yard	453.44	453.44	476.11	499.92	524.91	551.16
8 Cubic Yard	604.60	634.87	666.61	699.94	734.94	771.69
<b>5x Per Week</b>						
90-Gallon	\$ 47.22	\$ 101.25	\$ 106.31	\$ 111.63	\$ 117.21	\$ 123.07
300-Gallon	141.70	180.00	189.00	198.45	208.37	218.79
2 Cubic Yard	188.82	283.50	297.68	312.56	328.19	344.60
3 Cubic Yard	283.40	376.92	395.77	415.55	436.33	458.15
4 Cubic Yard	377.88	427.00	448.35	470.77	494.31	519.02
6 Cubic Yard	566.80	566.80	595.14	624.90	656.14	688.95
8 Cubic Yard	755.72	793.59	833.27	874.93	918.68	964.61
<b>Extra Service (Each)</b>						
90-Gallon	N/A	\$ 20.00	\$ 21.00	\$ 22.05	\$ 23.15	\$ 24.31
300-Gallon	N/A	25.00	26.25	27.56	28.94	30.39
2 Cubic Yard	N/A	40.00	42.00	44.10	46.31	48.62
3 Cubic Yard	N/A	45.00	47.25	49.61	52.09	54.70
4 Cubic Yard	N/A	50.00	52.50	55.13	57.88	60.78
6 Cubic Yard	N/A	55.00	57.75	60.64	63.67	66.85
8 Cubic Yard	N/A	60.00	63.00	66.15	69.46	72.93



**CITY OF SAFFORD**  
**SANITATION COST OF SERVICE MODEL**  
 CASH FLOW SUMMARY | SCENARIO 1

<b>Projected Revenue</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Rate Revenue	\$ 1,413,431	\$ 1,488,647	\$ 1,565,701	\$ 1,644,659	\$ 1,725,611
Non-Rate Revenue	450,883	-	-	-	-
<b>Total Sanitation Revenue</b>	<b>\$ 1,864,314</b>	<b>\$ 1,488,647</b>	<b>\$ 1,565,701</b>	<b>\$ 1,644,659</b>	<b>\$ 1,725,611</b>
<b>Projected Expenses</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Operating Expenses	\$ 1,529,883	\$ 1,557,949	\$ 1,607,287	\$ 1,657,934	\$ 1,709,928
Reserve Needed if Motor Pool < Equipment Replacement Plan	-	-	-	-	-
Capital Improvement Projects	-	-	-	-	-
<b>Total Sanitation Expenses</b>	<b>\$ 1,529,883</b>	<b>\$ 1,557,949</b>	<b>\$ 1,607,288</b>	<b>\$ 1,657,933</b>	<b>\$ 1,709,928</b>
<b>Net Surplus/(Deficit)</b>	<b>\$ 334,431</b>	<b>\$ (69,302)</b>	<b>\$ (41,587)</b>	<b>\$ (13,274)</b>	<b>\$ 15,683</b>
<b>SANITATION FUND BALANCE SUMMARY</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Beginning Unrestricted Fund Balance	\$ 788,574	\$ 1,123,005	\$ 1,053,703	\$ 1,012,116	\$ 998,841
Expenditures	(1,529,883)	(1,557,949)	(1,607,287)	(1,657,934)	(1,709,928)
Revenues	1,864,314	1,488,647	1,565,701	1,644,659	1,725,611
<b>End of Year</b>	<b>\$ 1,123,005</b>	<b>\$ 1,053,703</b>	<b>\$ 1,012,116</b>	<b>\$ 998,841</b>	<b>\$ 1,014,524</b>
Required Minimum Fund Balance	\$ 644,617	\$ 764,942	\$ 778,974	\$ 803,643	\$ 828,967