

COTTONWOOD MUNICIPAL WATER RATE INCREASES FROM 2004 to 2016

Water Rates Before and After the City of Cottonwood Acquired the Following Private Water Companies

2004*	(a) 1000 gals.	(b) 7,500 gals.	(c) 12,000 gals.	2016	(a) 1,000 gals.	(b) 7,500 gals.	(c) 12,000 gals.	TOTAL % RATE INCREASE FROM 2004 to 2016
Cottonwood Water Works (Cottonwood and Clarkdale). <i>Before the City of Cottonwood Acquired CWW in Jan. 2006.</i>	\$8.85	\$15.75	21.50		31.38 (33.69 w/tax) Base rate 1,000 gals. with taxes and Fees. (Was \$8.85/month and increased to \$33.69/month) which equals a <u>381%</u> increase.	55.38 (59.41 w/tax) Rate increase for 7,500 gals. (was \$16.90/month and increased to \$59.41/month) which equals a <u>352%</u> increase.	79.12 (85.04 w/tax) Rate Increase for 12,000 gals. (was \$21.50/month and increased to \$85.04/month) which equals a <u>396%</u> increase over 2004 water rates.	(a) 1,000 gals. = <u>381% rate increase</u> (b) 7,500 gals. = <u>352% rate increase</u> (c) 12,000 gals. = <u>396% rate increase</u>
Cordes Lakes (Verde Village, Out-of-City). <i>Before the City of Cottonwood Condemned Cordes Lakes/Verde Village in Oct. 2004.</i>	\$11.00	\$15.75	21.50		39.18 Base rate/1,000 gals. with taxes and Fees (was \$11.00/month and increased to \$42.03/month) which equals a <u>382%</u> increase.	70.43 Rate increase for 7500 gals. (was \$15.75/month and increased to \$75.67/month) which equals a <u>480%</u> increase.	101.34 (108.96 w/tax) Rate Increase for 12000 gals.(was \$21.50 a month and increased to 108.96 a month) which equals a <u>507%</u> increase.	(a) 1,000 gals. = <u>382% rate increase</u> (b) 7,500 gals. = <u>480% rate increase</u> (c) 12,000 gals. = <u>507% rate increase</u>
Clemenceau (Cottonwood). <i>Before the City of Cottonwood Condemned Clemenceau Water Co. in Oct. 2004.</i>	\$11.50	\$23.75	30.75		31.38 Base rate 1,000 gals. with taxes and Fees (was \$11.50/month and increased to \$33.69/month) which equals a <u>293%</u> increase.	55.38 (59.41 w/tax) Rate increase for 7,500 gals. (was \$23.75/month and increased to \$59.41/month) which equals a <u>250%</u> increase.	79.12 (85.04 w/tax) Rate Increase for 12,000 gals. (was \$30.75/month and increased to \$85.04/month) which equals a <u>277%</u> increase.	(a) 1,000 gals. = <u>293% rate increase</u> (b) 7,500 gals. = <u>250% rate increase</u> (c) 12,000 gals. = <u>277% rate increase</u>
Verde Santa Fe (Cornville, Out-of-City). <i>Before the City of Cottonwood Condemned Verde Santa Fe Water Co. in Oct. 2004.</i>	\$15.00	\$29.00	37.00		39.18 Base rate 1,000 gals. with taxes and Fees (was \$15.00/month and increased to \$42.03/month) which equals a <u>280%</u> increase.	70.43 Rate increase for 7500 gal (was \$29.00/month and increased to \$75.67/month) which equals a <u>261%</u> increase.	101.34 (108.96 w/tax) Rate increase for 12,000 gals. (was \$37.00/month and increased to \$108.96/month) which equals a <u>294%</u> increase.	(a) 1,000 gals. = <u>280% rate increase</u> (b) 7,500 gals. = <u>261% rate increase</u> (c) 12,000 gals. = <u>294% rate increase</u>

*2004 Water Rates: "Water Rate Study and Long-Term Financial Forecast", economists.com, June 2004 and "Coe & Van Loo Consultants Rate Feasibility Study", Oct. 2004.

Assumed Facts: Approximately 9,100 total ratepayers. 40% or 3,640 are city ratepayers, and 60% or 5,460 are out-of-city ratepayers. CMWU's outside differential rate is almost 30% more than the city water rates, so Out-of-City ratepayers now pay approx. 66.35% of all CMWU's water costs, fees and taxes. More than \$2,000,000 in City bond debt payments are paid by Cottonwood Municipal Water Utility customers in the fixed (base) charge on the City's water bills, which is not disclosed to the bill payers.