

April 15 2018

Mr. Ian McGaughey
Town Manager
Town of Clifton
510 N. Coronado Blvd.
Clifton AZ 85533

Dear Mr. McGaughey:

Willdan Financial Services/Economists.com (Willdan) is pleased to provide this letter report addressing a long term wastewater rate and financial plan for the Town of Clifton ("The Town"). In developing our forecast, we reviewed the Town's operating and financial performance and made forecasts based on assumptions developed through interviews and data provided by Town Staff and review of historical financial performance by the Wastewater Fund.

This summary letter is divided into the following sections: summary of findings; review of the Town's current rates; volume, revenue and cost of service forecast; and long-term financial forecast and rate plan. Additionally, **Appendix A** presents the summary schedules from the comprehensive wastewater rate model developed for the Town.

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

Current Wastewater Rates and Rate Comparison

Table 1 presents the Town's current wastewater rates that went into effect in September 2016. These rates were adopted as Town Ordinance No. 2016-11.

Because the Town does not own or manage its water utility, it cannot at this time base wastewater charges on billing units or volumes. Therefore all customers are subject to defined monthly charges as listed in Table 1 below.

Table 1

TOWN OF CLIFTON CURRENT MONTHLY WASTEWATER CHARGES		
Monthly Charges		
Residential	\$	30.00
Commercial		45.00
HVU Commercial		90.00
RV Parks (per unit)		30.00
Apartments		120.00
Hotel -- Per Room		10.00

Table 2, Chart 3 and Chart 4 present a comprehensive analysis of the Town's residential wastewater charges to other similar cities across the state of Arizona.

Table 2 summarizes the data collected for this analysis. Average residential usage levels of 5,000 gallons for wastewater are used in this comparison. While no volumetric data is available for Clifton, it is reasonable to assume that Town residential usage is similar to the general average of 5,000 gallons per account per month.

The Table compares Clifton to twelve surrounding cities and the state average. Other cities close to Clifton were excluded due to the lack of wastewater service or the lack of available data.

Chart 3 compares the Town's average monthly charges under the 2017 rate structure to the state median. As the chart reveals, the Town's wastewater charges compare favorably to the state median. The wastewater bill for a residential ratepayer in Clifton is approximately 20% below the state median bill.

Chart 4 compares the Town's wastewater rates to those of other similar communities in Arizona.

In summary, the Town's wastewater rates compare favorably to other similar cities in Arizona.

Table 2

TOWN OF CLIFTON	
MONTHLY RESIDENTIAL CHARGES 5,000 WASTEWATER BILLING UNITS	
	Wastewater
Clifton	\$ 30.00
Safford	36.00
Thatcher	13.00
Pima	13.00
Willcox	35.87
Duncan	25.00
Springerville	54.65
Eagar	29.95
Benson	25.99
Alpine	23.00
Show Low	31.56
St. Johns	21.21
Tombstone	32.09
AZ State Average-2017 WIFA Survey	36.18

Chart 3

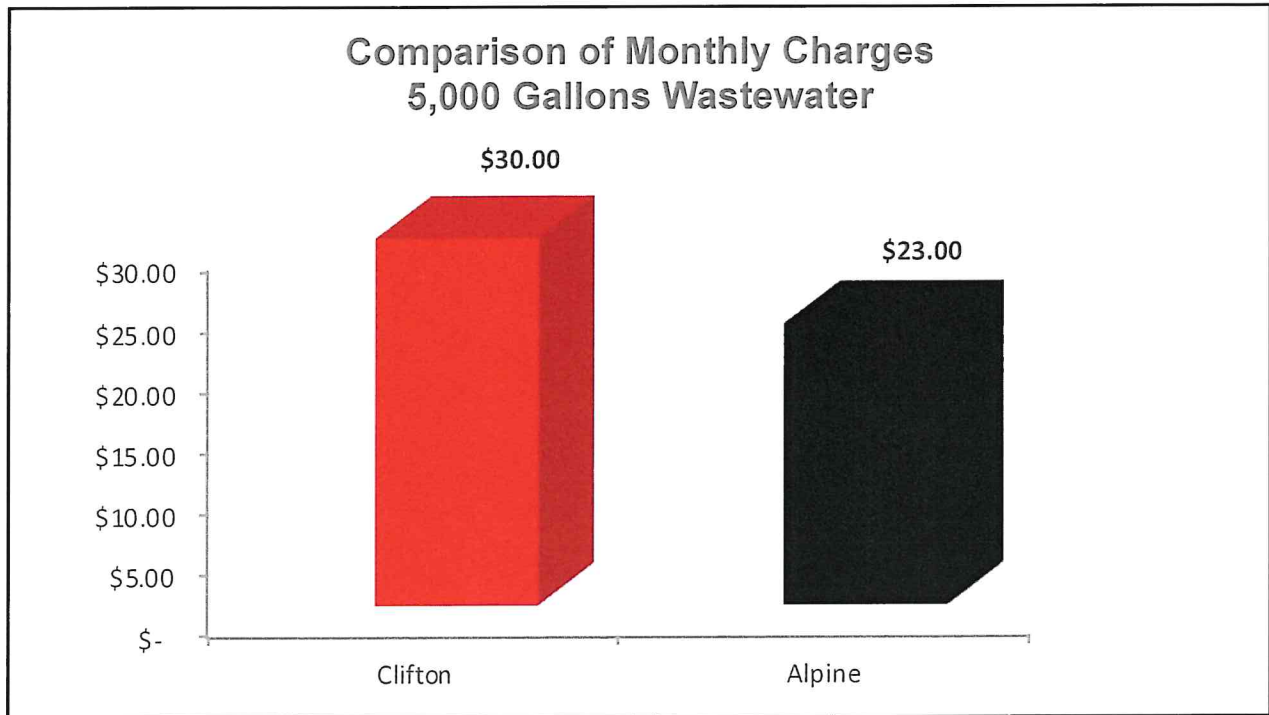
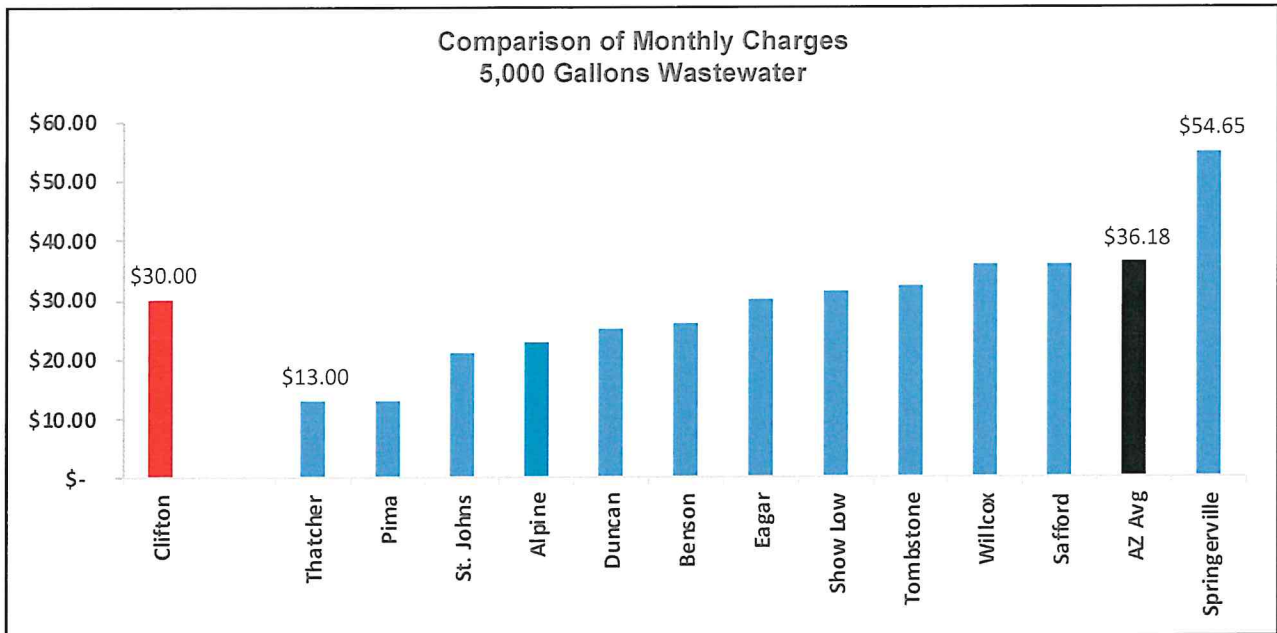


Chart 4



Wastewater Account Forecast

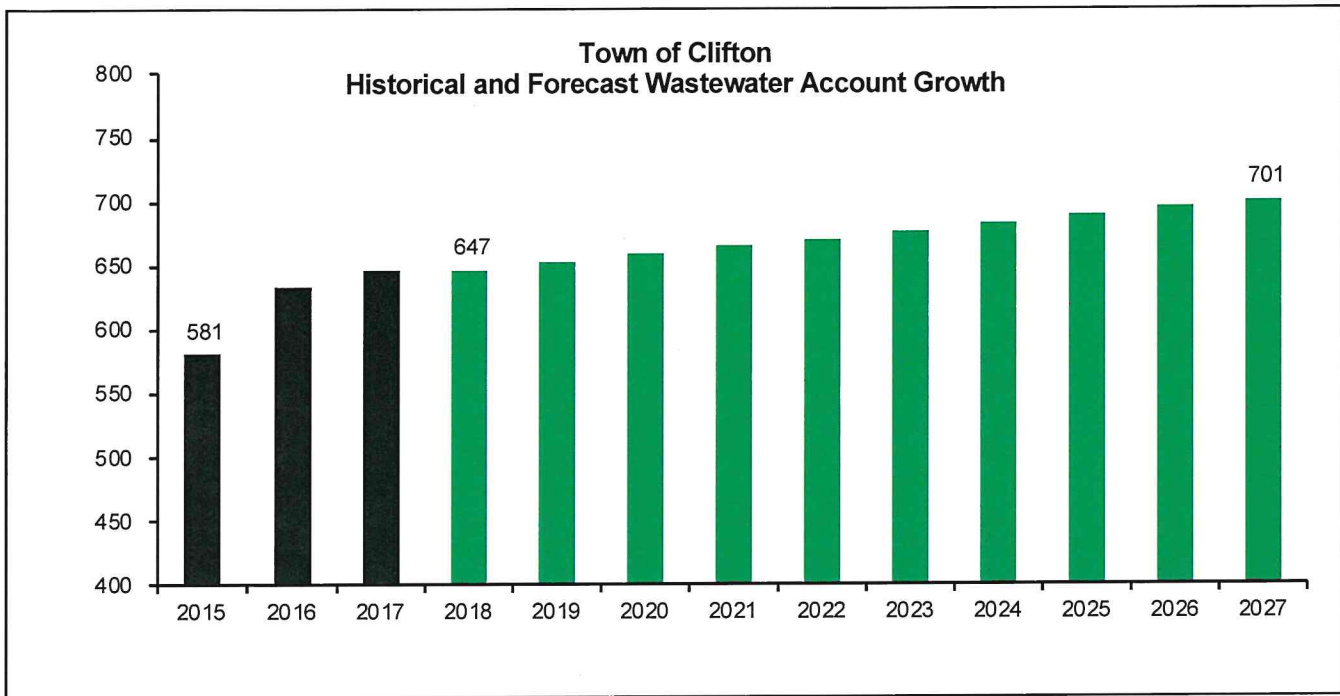
Table 5 and Chart 6 present historical actual and forecast wastewater accounts for the period FY 2014 – FY 2026. The following is notable about this forecast:

- Table 5 and Chart 6 reveal that there has been some nominal historical growth of wastewater accounts in 2015 and 2016. However, the rate of growth has decreased in 2017.
- Because of the lack of substantial growth, the project team has forecast future wastewater account growth to incorporate only modest levels of annual account increases for residential and commercial customers. The project team is assuming that wastewater accounts will increase by approximately 6 per year for the period FY 2018 to FY 2027.
- In summary, the Town is expected to remain a mature, low-growth community for the next decade. The lack of growth means that existing ratepayers must bear the burden of cost increases to fund operating and capital expenses.

Table 5

FORECAST TOTAL CUSTOMERS						
WASTEWATER Customer Classes						
	Residential	Commercial	Commercial	RV Parks	Apartments	Total
	HVU					
Historical Wastewater Accounts						
FY 2015	512	70	-	-	-	582
FY 2016	515	118	-	-	-	633
FY 2017	493	82	10	58	3	646
Test Year and Forecast Wastewater Accounts						
TY 2018	490	71	13	70	3	647
FY 2019	495	72	13	70	3	653
FY 2020	500	73	13	70	3	659
FY 2021	505	74	13	70	3	665
FY 2022	510	75	13	70	3	671
FY 2023	515	76	13	70	3	677
FY 2024	520	77	13	70	3	683
FY 2025	525	78	13	70	3	689
FY 2026	530	79	13	70	3	695
FY 2027	535	80	13	70	3	701
WASTEWATER Annual New Customers						
FY 2016	3	48	-	-	-	51
FY 2017	(22)	(36)	10	58	3	13
TY 2018	(3)	(11)	3	12	-	1
FY 2019	5	1	-	-	-	6
FY 2020	5	1	-	-	-	6
FY 2021	5	1	-	-	-	6
FY 2022	5	1	-	-	-	6
FY 2023	5	1	-	-	-	6
FY 2024	5	1	-	-	-	6
FY 2025	5	1	-	-	-	6
FY 2026	5	1	-	-	-	6
FY 2027	5	1	-	-	-	6

Chart 6



Wastewater Rate Plan and Financial Forecast

The preparation of the wastewater rate plan and financial forecast includes a review of historical financial performance of the Wastewater Fund and projection of revenues, expenses, capital outlays and debt service payments through the FY 2027. What follows in this letter report is a summary of findings and recommendations regarding historical financial results and a forecast of required rate adjustments.

Wastewater Test Year Cost of Service

The Town's FY 2018 proposed budget serves as the basis for developing the cost of service on which to base rates. The Town's cost of providing wastewater service is calculated using the Cash Basis methodology. Under the Cash Basis, the Town's cost of service is composed of operating expenses, capital outlays, and debt service.

The development of the cost of service in the rate plan and financial forecast differs from the methodology used in developing the Town's Wastewater Fund's audited financial statements. The primary difference between the Town's financial statements and the cost of service based on the Cash Basis methodology is the treatment of capital costs. Under the cash basis depreciation is not included, but debt principal and capital outlays are included.

The test year cost of service forecast for FY 2018 is presented in **Table 7**. The following is notable:

- The cost of service consists only of professional services and other operating expenses.
- There are no capital outlays or existing debt service in the budget for FY 2018.

Table 7

TOWN OF CLIFTON	
TEST YEAR COST OF SERVICE	
	2018 Budget
Operating Expenses:	
Professional Services	\$ 67,760
General	134,240
Total Operating Expenses	202,000
Capital Outlays	-
Debt Service	-
Total Cost of Service	202,000

Wastewater Forecast Cost of Service

As part of this analysis, the project team prepared long-term forecast of the Town's wastewater cost of service. The forecast was based on a series of assumptions about future revenue and expense behavior. Most expenses were forecast to increase at either the rate of inflation (3.0%) or a combination of inflation and system growth.

Most importantly, the cost of service incorporates the assumption that the Town issues \$1.0 million in revenue bonds to fund improvements to its Wastewater Treatment Plant. The assumptions behind the Town's CIP and debt needs are presented in **Table 8**. The table reveals that the total plant improvements are anticipated to cost approximately \$2,500,000. Of this total, it is assumed that the Town will receive \$1,500,000 in grants. This total is not guaranteed and is not based on any representations of state or federal authorities; it is simply an assumption that is subject to change. Assuming the grant funding is obtained, this leaves a remainder of \$1.0 million for the Town to fund. As discussed with the Town's financial advisor, Stifel Nicolaus & Co., the debt is assumed to be issued in 2018, with payments beginning in 2019. The debt is assumed to have a term of 40 years, an annual interest rate of 4.0% and level debt service payments.

This forecast also includes the assumption provided by Town staff that funding other planned capital projects in years FY 2019 through FY 2027 will be provided through rate revenue and/or draw down of unrestricted fund balances. Thus, additional debt beyond the Series 2018 bond issue discussed above will not be required in future years. **If additional debt beyond the Series 2018 bond is issued and/or the wastewater CIP is revised, then the Town may have to modify the rate plan proposed in this analysis.**

Table 8

TOWN OF CLIFTON	
FORECAST CAPITAL IMPROVEMENT PLAN AND ANNUAL DEBT SERVICE	
CIP – WWTP Plant Improvements	\$ 2,500,000
Assumed Grant Funded	<u>\$ 1,500,000</u>
Net Financed	\$ 1,000,000
Terms of Bond Issue:	
Interest Rate	4.0%
Term (Years)	\$ 40
Annual Principal & Interest	\$ 50,523

The forecast annual wastewater utility cost of service under the cash basis of ratemaking is presented in **Table 9**. Detailed schedules presenting the wastewater cost of service model are presented in **Appendix A**.

Table 9

TOWN OF CLIFTON										
CURRENT AND FORECAST NET REVENUE REQUIREMENT										
	Operating Expenses	Capital Outlays	Current Debt Service	WIFA Debt Service	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement			
WASTEWATER Revenue Requirement										
2018	\$ 202,000	\$ -	\$ -	\$ -	\$ 202,000	\$ 31,948	\$ 170,052			
2019	209,656	-	-	50,523	260,179	7,683	252,496			
2020	217,653	-	-	50,523	268,177	7,683	260,494			
2021	226,012	-	-	50,523	276,535	7,683	268,852			
2022	234,751	-	-	50,523	285,274	7,683	277,591			
2023	243,892	-	-	50,523	294,416	7,683	286,733			
2024	253,458	-	-	50,523	303,982	7,683	296,299			
2025	263,474	-	-	50,523	313,997	7,683	306,314			
2026	273,964	-	-	50,523	324,488	7,683	316,805			
2027	284,957	-	-	50,523	335,481	7,683	327,798			

The following is notable from this table:

- As indicated above, in most years operating expenses are forecast to increase 3-8% per year. This is typical for most utilities and reflects such factors beyond the Town's control as inflation.

- Non-rate revenue declines as the Town is assumed to no longer a transfer of approximately \$20,000 per year from the General Fund to support the wastewater utility.

Forecast Rate Plan

Table 10 summarizes the recommended rate plan for the Town's wastewater utility. As shown in the table, an overall 4.0% adjustment is recommended to be effective January 2019, followed by 3.0% adjustments on January 2020 and January 2021, and 2.0% adjustments effective January 2022 and January 2023. For residential customers, this results in increases of \$0.68 -- \$1.20 per month each year over the five-year period.

A detailed listing of rates by customer class is presented in Appendix A. The detailed rate scheduled indicates that after FY 2020, nominal adjustments of 2.0% per year are forecast to be required to enable the Town to continue to fund its wastewater cost of service.

Table 10

TOWN OF CLIFTON PROPOSED WASTEWATER MONTHLY CHARGE PLAN						
	Current	Effective Jan-19	Effective Jan-20	Effective Jan-21	Effective Jan-22	Effective Jan-23
Monthly Charges						
Percent Adjustment		4.00%	3.00%	3.00%	2.00%	2.00%
Residential	\$ 30.00	\$ 31.20	\$ 32.14	\$ 33.10	\$ 33.76	\$ 34.44
Increase		1.20	0.94	0.96	0.66	0.68
Commercial	45.00	46.80	48.20	49.65	50.64	51.66
Increase		1.80	1.40	1.45	0.99	1.01
HVU Commercial	90.00	93.60	96.41	99.30	101.29	103.31
Increase		3.60	2.81	2.89	1.99	2.03
RV Parks -- Per Unit	30.00	31.20	32.14	33.10	33.76	34.44
Increase		1.20	0.94	0.96	0.66	0.68
Apartments	120.00	124.80	128.54	132.40	135.05	137.75
Increase		4.80	3.74	3.86	2.65	2.70
Hotels -- Per Room	10.00	10.40	10.71	11.03	11.25	11.48
Increase		0.40	0.31	0.32	0.22	0.23

Forecast Cash Flow and Debt Service Coverage

The long-term financial forecast developed for the rate plan is designed to meet the Town's financial policies and revenue bond debt service coverage requirements. **Table 11** presents the historical and forecast Wastewater Fund cash flow and unrestricted fund balances from FY 2017 through FY 2027 and footnotes the salient details regarding revenues and expenses.

Table 11

		CLIFTON AZ WASTEWATER FUND				
		Forecast of Wastewater Fund Cash Flow and Debt Service Coverage				
Line No.		Actual Audited	Pro forma	Projected		
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
1	Revenues					
2	Revenues From Sewer Charges ¹	\$ 266,153	\$ 258,300	\$ 264,984	\$ 276,918	\$ 287,763
3	Non-Rate Revenues ²	\$ 20,265	\$ 31,948	\$ 7,683	\$ 7,683	\$ 7,683
4	Total Revenues	\$ 286,418	\$ 290,248	\$ 272,667	\$ 284,601	\$ 295,446
5	Operation and Maint.. Expenses ³	\$ 231,539	\$ 202,000	\$ 209,656	\$ 217,653	\$ 226,012
6	Use of Unrestricted Funds To Meet Debt Service Coverage ⁴	\$ -	\$ -	\$ -	\$ -	\$ -
7	Net Revenues Available To Meet WFA Senior Lien Obligation	\$ 54,879	\$ 88,248	\$ 63,011	\$ 66,948	\$ 69,435
8	WFA Debt Service ⁵	\$ -	\$ -	\$ 50,523	\$ 50,523	\$ 50,523
9	Debt Service Coverage on WFA Debt	<i>na</i>	<i>na</i>	125%	133%	137%
10	Net Revenues Available For Other Debt Service	\$ 54,879	\$ 88,248	\$ 12,488	\$ 16,424	\$ 18,911
11	Other Debt Service ⁶	\$ -	\$ -	\$ -	\$ -	\$ -
12	Adjusted Net Revenues	\$ 54,879	\$ 88,248	\$ 12,488	\$ 16,424	\$ 18,911
13	Other Cash Inflows/(Outflows)					
14	Loan Amount ⁷	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
15	Grant/Principal Forgiveness ⁷	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -
16	Transfer to other governments	\$ -	\$ -	\$ -	\$ -	\$ -
17	Capital Contributions and Transfers ⁸	\$ -	\$ -	\$ -	\$ -	\$ -
18	Capital Projects ⁹	\$ -	\$ (2,500,000)	\$ -	\$ -	\$ -
19	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
20	Net Cash Flow	\$ 54,879	\$ 88,248	\$ 12,488	\$ 16,424	\$ 18,911
21	Beginning Unrestricted Fund (Cash) Balance	\$ 38,828	\$ 93,707	\$ 181,955	\$ 194,443	\$ 210,867
22	Ending Cash Balance	\$ 93,707	\$ 181,955	\$ 194,443	\$ 210,867	\$ 229,778
23	Transfer (To)/From General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
24	Ending Cash Balance	\$ 93,707	\$ 181,955	\$ 194,443	\$ 210,867	\$ 229,778
25	Cash Reserve Ratio	40%	90%	93%	97%	102%
26	Typical Monthly Residential Sewer Bill ¹¹	30.00	30.00	31.20	32.14	33.10
27	Percent Change From Prior Year		0.0%	4.0%	3.0%	3.0%

Table 11 - Continued

		CLIFTON AZ WASTEWATER FUND					
		Forecast of Wastewater Fund Cash Flow and Debt Service Coverage - Continued					
		Projected					
Line No.		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
1	Revenues						
2	Revenues From Sewer Charges ¹	\$ 297,780	\$ 306,391	\$ 315,227	\$ 324,294	\$ 333,598	\$ 343,144
3	Non-Rate Revenues ²	\$ 7,683	\$ 7,683	\$ 7,683	\$ 7,683	\$ 7,683	\$ 7,683
4	Total Revenues	\$ 305,463	\$ 314,074	\$ 322,910	\$ 331,977	\$ 341,281	\$ 350,827
5	Operation and Maint.. Expenses ³	\$ 234,751	\$ 243,892	\$ 253,458	\$ 263,474	\$ 273,964	\$ 284,957
6	Use of Unrestricted Funds To Meet Debt Service Coverage ⁴	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Net Revenues Available To Meet WFA Senior Lien Obligation	\$ 70,712	\$ 70,182	\$ 69,452	\$ 68,504	\$ 67,317	\$ 65,870
8	WFA Debt Service ⁵	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523
9	Debt Service Coverage on Senior Lien Debt	140%	139%	137%	136%	133%	130%
10	Net Revenues Available For Other Debt Service	\$ 20,188	\$ 19,658	\$ 18,928	\$ 17,980	\$ 16,793	\$ 15,346
11	Other Debt Service ⁶	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Adjusted Net Revenues	\$ 20,188	\$ 19,658	\$ 18,928	\$ 17,980	\$ 16,793	\$ 15,346
13	Other Cash Inflows/(Outflows)						
14	Loan Amount ⁷	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Grant/Principal Forgiveness ⁷	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Transfer to other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Capital Contributions and Transfers ⁸	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Capital Projects ⁹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Net Cash Flow	\$ 20,188	\$ 19,658	\$ 18,928	\$ 17,980	\$ 16,793	\$ 15,346
21	Beginning Unrestricted Fund (Cash) Balance	\$ 229,778	\$ 249,967	\$ 269,625	\$ 288,553	\$ 306,533	\$ 323,327
22	Ending Cash Balance	\$ 249,967	\$ 269,625	\$ 288,553	\$ 306,533	\$ 323,327	\$ 338,673
23	Transfer (To)/From General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Ending Cash Balance	\$ 249,967	\$ 269,625	\$ 288,553	\$ 306,533	\$ 323,327	\$ 338,673
25	Cash Reserve Ratio	106%	111%	114%	116%	118%	119%
26	Typical Monthly Residential Sewer Bill ¹¹	33.76	34.44	35.13	35.83	36.55	37.28
27	Percent Change From Prior Year	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

¹ Revenues from Wastewater monthly fees. FY 2017 actuals are from the Wastewater Fund Statement of Cash Flows in Town of Clifton Audited (FY 2017) and Comprehensive Annual Financial Report. Revenues assumes annual rate increases in accordance with recommendations in 2018 rate study. Nominal estimated annual growth in customer accounts.

² Non-rate revenues include contributions, fines and other ancillary utility fees and charges and interest earned on investments.

³ Includes all personnel expenses, cost for wastewater treatment, wastewater collection and conveyance, and administrative expenses. Excludes depreciation.

⁴ Use of unrestricted funds for debt service coverage not required.

⁵ No Senior Lien Debt outstanding during FY 2017 and FY 2018. Debt service payments starting FY 2019 from Town's Financial Advisor (Stifel).

⁶ No other current debt service at present.

⁷ Source: Financial Advisor (Stifel).

⁸ FY 2017 Actuals are from the Wastewater Fund Statement of Cash Flows in Town of Clifton Audited (FY 2017) and Draft Comprehensive Annual Financial Report.

⁹ FY 2017 actual capital projects are from the Wastewater Fund Statement of Cash Flows in Town of Clifton Audited (FY 2017) Comprehensive Annual Financial Report.

¹⁰ Monthly rates assume increases in accordance with 2018 rate study.

¹¹ The typical monthly residential bill is a fixed charge.

Table 12 below presents forecast revenues under the proposed rate plan.

Table 12

TOWN OF CLIFTON FORECAST REVENUES UNDER PROPOSED RATE PLAN						
	2018	2019	2020	2021	2022	2023
Rate Revenues						
Residential	\$ 176,400	\$ 181,170	\$ 189,540	\$ 197,178	\$ 204,261	\$ 210,388
Commercial	38,340	39,528	41,509	43,340	45,057	46,571
HVU Commercial	14,040	14,274	14,784	15,228	15,620	15,932
RV Parks	25,200	25,620	26,536	27,332	28,036	28,596
Apartments	4,320	4,392	4,549	4,685	4,806	4,902
Hotels	-	-	-	-	-	-
Class	-	-	-	-	-	-
Class	-	-	-	-	-	-
Total Rate Revenues	258,300	264,984	276,918	287,763	297,780	306,391
Non-Rate Revenues	31,948	7,683	7,683	7,683	7,683	7,683
Total Revenues	290,248	272,667	284,601	295,446	305,463	314,074

Final Notes

Due to the significantly changing economic conditions both in the Town and across the nation, the project team strongly recommends that the Town update and review its rate plan on an annual basis. The goal should continue to be to ensure that the rate plan adequately funds all wastewater operating and capital obligations.

Please note that this rate plan presents no assurance or guarantee that the forecast contained herein will be consistent with actual results or performances. This rate plan represents forecasts based on a series of assumptions about future behavior, and are not guarantees. Any changes in assumptions or actual events may result in significant revisions to the forecast and its conclusions.

Changes that could result in a revision to these recommendations and the Town's rate plan include but are not limited to the following:

- **Changes in the assumed capital improvement plan and addition of new long-term debt issues**
- A significant increase or decrease in forecast operating and capital expenses
- Changes in the Town's actual or forecast growth rate of wastewater accounts
- Significant changes in weather patterns
- A continued severe state and national economic recession

- A natural disaster, such as a flood, tornado or hurricane, which severely damages the Town's system

Thank you once again for this opportunity to serve the ratepayers of the Town of Clifton. Please feel free to call me if you have any questions.

Respectfully submitted,
WILLDAN FINANCIAL SERVICES

A handwritten signature in black ink, appearing to read "Dan V. Jackson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dan V. Jackson
Vice President

APPENDIX A



Town of Clifton

Ten Year Rate Analysis and Pro Forma

Fiscal Years 2018 - 2027



Utility System

Sewer

Dashboard

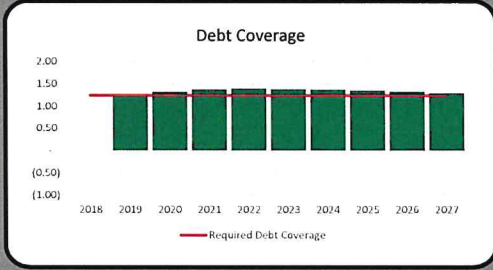
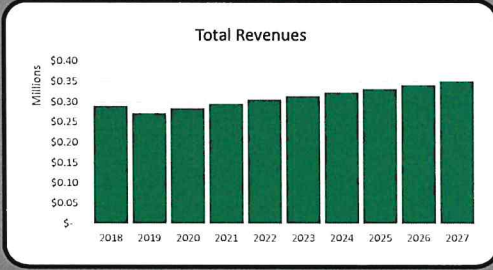
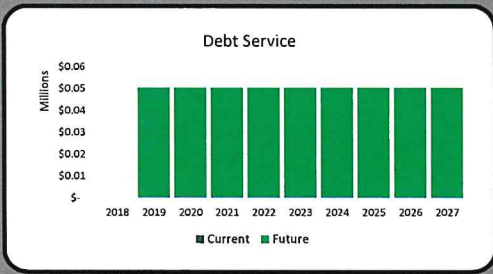
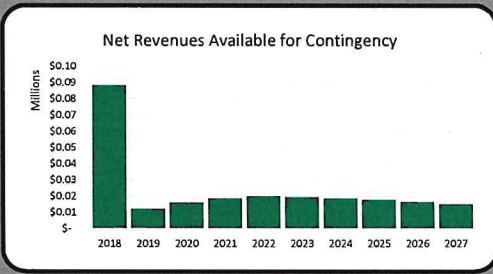
Projections
Bill Comparison
Comparable Utilities

Customer Class

All Classes

Years

10
5



Sewer Projections

Future Debt Term 25

Sewer Future Bond Issues		
	Alternative	Proposed
2018	\$	-
2019	\$	-
2020	\$	-
2021	\$	-
2022	\$	-
2023	\$	-
2024	\$	-
2025	\$	-
2026	\$	-
2027	\$	-

Sewer Future Bond Issues	
MASTER CONTROL	
2018	X
2019	X
2020	X
2021	X
2022	X
2023	X
2024	X
2025	X
2026	X
2027	X

Sewer Rate Adjustments

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Residential Charge	0.00%	4.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Commercial Charge	0.00%	4.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

TOWN OF CLIFTON											
WASTEWATER COST OF SERVICE MODEL											
	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Model Summary Scenario: 2018 03 17 Scenario 1

1 Total Accounts											
Total Accounts		647	653	659	665	671	677	683	689	695	701
New Accounts		4	6	6	6	6	6	6	6	6	6
Avg. Annual Growth Rate			0.93%	0.92%	0.91%	0.90%	0.89%	0.89%	0.88%	0.87%	0.86%

2 Wastewater Monthly Rates											
	EFFECTIVE	Apr-18	Jan-19	Jan-20	Jan-21	Jan-22	Jan-23	Feb-24	Feb-25	Feb-26	Feb-27
Residential	\$ 30.00	\$ 30.00	\$ 31.20	\$ 32.14	\$ 33.10	\$ 33.76	\$ 34.44	\$ 35.13	\$ 35.83	\$ 36.55	\$ 37.28
Increase		-	1.20	0.94	0.96	0.66	0.68	0.69	0.70	0.72	0.73
Commercial	45.00	45.00	46.80	48.20	49.65	50.64	51.66	52.69	53.74	54.82	55.91
Increase		-	1.80	1.40	1.45	0.99	1.01	1.03	1.05	1.07	1.10
HVU Commercial	90.00	90.00	93.60	96.41	99.30	101.29	103.31	105.38	107.49	109.64	111.83
Increase		-	3.60	2.81	2.89	1.99	2.03	2.07	2.11	2.15	2.19
RV Parks	30.00	30.00	31.20	32.14	33.10	33.76	34.44	35.13	35.83	36.55	37.28
Increase		-	1.20	0.94	0.96	0.66	0.68	0.69	0.70	0.72	0.73
Apartments	120.00	120.00	124.80	128.54	132.40	135.05	137.75	140.50	143.31	146.18	149.10
Increase		-	4.80	3.74	3.86	2.65	2.70	2.75	2.81	2.87	2.92
Hotels	10.00	10.00	10.40	10.71	11.03	11.25	11.48	11.71	11.94	12.18	12.43
Increase		-	0.40	0.31	0.32	0.22	0.23	0.23	0.23	0.24	0.24
Class	-	-	-	-	-	-	-	-	-	-	-
Increase		-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-	-
Increase		-	-	-	-	-	-	-	-	-	-

TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL										
Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Model Summary

Scenario: 2018 03 17 Scenario 1

4 TOTAL Revenues and Expenses											
Rate Revenues											
Residential	\$ 176,400	\$ 181,170	\$ 189,540	\$ 197,178	\$ 204,261	\$ 210,388	\$ 216,680	\$ 223,138	\$ 229,769	\$ 236,575	
Commercial	38,340	39,528	41,509	43,340	45,057	46,571	48,128	49,728	51,373	53,064	
HVU Commercial	14,040	14,274	14,784	15,228	15,620	15,932	16,251	16,576	16,908	17,246	
RV Parks	25,200	25,620	26,536	27,332	28,036	28,596	29,168	29,752	30,347	30,954	
Apartments	4,320	4,392	4,549	4,685	4,806	4,902	5,000	5,100	5,202	5,306	
Hotels	-	-	-	-	-	-	-	-	-	-	
Class	-	-	-	-	-	-	-	-	-	-	
Class	-	-	-	-	-	-	-	-	-	-	
Total Rate Revenues	258,300	264,984	276,918	287,763	297,780	306,391	315,227	324,294	333,598	343,144	
Non-Rate Revenues	31,948	7,683	7,683	7,683	7,683	7,683	7,683	7,683	7,683	7,683	
Total Revenues	290,248	272,667	284,601	295,446	305,463	314,074	322,910	331,977	341,281	350,827	
Operating Expenses											
Professional Services	67,760	70,544	73,471	76,551	79,793	83,208	86,808	90,604	94,609	98,837	
General	134,240	139,112	144,182	149,461	154,958	160,684	166,650	172,870	179,356	186,121	
Operating Expenses	202,000	209,656	217,653	226,012	234,751	243,892	253,458	263,474	273,964	284,957	
Net Revenues before Capital Outlays and Debt Service	88,248	63,011	66,948	69,435	70,712	70,182	69,452	68,504	67,317	65,870	
Capital Outlays	-	-	-	-	-	-	-	-	-	-	
Debt Service -- Current											
Total	-	-	-	-	-	-	-	-	-	-	
Debt Service -- Future											
Total	-	50,523	50,523	50,523	50,523	50,523	50,523	50,523	50,523	50,523	
Total Debt Service	-	50,523	50,523	50,523	50,523	50,523	50,523	50,523	50,523	50,523	
Total Cost of Service	202,000	260,179	268,177	276,535	285,274	294,416	303,982	313,997	324,488	335,481	
Revenues less Cost of Service	88,248	12,488	16,424	18,911	20,188	19,658	18,928	17,980	16,793	15,346	
Percent of COS	30.4%	4.6%	5.8%	6.4%	6.6%	6.3%	5.9%	5.4%	4.9%	4.4%	
Net Revenues	88,248	12,488	16,424	18,911	20,188	19,658	18,928	17,980	16,793	15,346	

TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL											
	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Model Summary

Scenario: 2018 03 17 Scenario 1

5 Debt Coverage Calculation

Revenues		290,248	272,667	284,601	295,446	305,463	314,074	322,910	331,977	341,281	350,827
Operating Expenses		202,000	209,656	217,653	226,012	234,751	243,892	253,458	263,474	273,964	284,957
Net Revenues Eligible for Coverage		88,248	63,011	66,948	69,435	70,712	70,182	69,452	68,504	67,317	65,870
Debt Service -- Future											
Series	2018	-	50,523	50,523	50,523	50,523	50,523	50,523	50,523	50,523	50,523
Series	2019	-	-	-	-	-	-	-	-	-	-
Series	2020	-	-	-	-	-	-	-	-	-	-
Series	2021	-	-	-	-	-	-	-	-	-	-
Series	2022	-	-	-	-	-	-	-	-	-	-
Series	2023	-	-	-	-	-	-	-	-	-	-
Series	2024	-	-	-	-	-	-	-	-	-	-
Series	2025	-	-	-	-	-	-	-	-	-	-
Series	2026	-	-	-	-	-	-	-	-	-	-
Total		-	50,523	50,523	50,523	50,523	50,523	50,523	50,523	50,523	50,523
Debt Coverage		-	1.25	1.33	1.37	1.40	1.39	1.37	1.36	1.33	1.30

4 Fund Balance

Beginning Balance	\$	38,828	\$	127,464	\$	141,227	\$	159,063	\$	179,565	\$	201,549	\$	223,223	\$	244,383	\$	264,807	\$	284,249
Revenues Less Cost of Service		88,248		12,488		16,424		18,911		20,188		19,658		18,928		17,980		16,793		15,346
Interest		388		1,275		1,412		1,591		1,796		2,015		2,232		2,444		2,648		2,842
Connection Fees		-		-		-		-		-		-		-		-		-		-
Grants		1,500,000		-		-		-		-		-		-		-		-		-
Long-Term Debt		1,000,000		-		-		-		-		-		-		-		-		-
Total Sources		2,627,464		141,227		159,063		179,565		201,549		223,223		244,383		264,807		284,249		302,438
<u>Less Uses of Funds:</u>																				
Capital Improvement Plan		2,500,000		-		-		-		-		-		-		-		-		-
Total Uses of Funds		2,500,000		-		-		-		-		-		-		-		-		-
Ending Reserve Fund Balance		127,464		141,227		159,063		179,565		201,549		223,223		244,383		264,807		284,249		302,438

TOWN OF CLIFTON											
WASTEWATER COST OF SERVICE MODEL											
Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	

Input Area -- Rate Recommendations
Scenario: 2018 03 17 Scenario 1

Month of Adjustment (July = 1)		10	7	7	7	7	7	7	7	7	7	
EFFECTIVE		Apr-18	Jan-19	Jan-20	Jan-21	Jan-22	Jan-23	Feb-24	Feb-25	Feb-26	Feb-27	
Annual Adjustment												
Residential	DASHBOARD	0.00%	4.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Commercial	DASHBOARD	0.00%	4.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
HVU Commercial		0.00%	4.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
RV Parks		0.00%	4.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Apartments		0.00%	4.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Hotels		0.00%	4.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Class		0.00%	4.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Class		0.00%	4.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Residential												
Base Charge		\$ 30.00	\$ 30.00	\$ 31.20	\$ 32.14	\$ 33.10	\$ 33.76	\$ 34.44	\$ 35.13	\$ 35.83	\$ 36.55	\$ 37.28
Volume Charge/1,000 Gallons		-	-	-	-	-	-	-	-	-	-	-
Commercial												
Base Charge		\$ 45.00	\$ 45.00	\$ 46.80	\$ 48.20	\$ 49.65	\$ 50.64	\$ 51.66	\$ 52.69	\$ 53.74	\$ 54.82	\$ 55.91
Volume Charge/1,000 Gallons		-	-	-	-	-	-	-	-	-	-	-
HVU Commercial												
Base Charge		\$ 90.00	\$ 90.00	\$ 93.60	\$ 96.41	\$ 99.30	\$ 101.29	\$ 103.31	\$ 105.38	\$ 107.49	\$ 109.64	\$ 111.83
Volume Charge/1,000 Gallons	4 Above	-	-	-	-	-	-	-	-	-	-	-
RV Parks												
Base Charge	Per Unit	\$ 30.00	\$ 30.00	\$ 31.20	\$ 32.14	\$ 33.10	\$ 33.76	\$ 34.44	\$ 35.13	\$ 35.83	\$ 36.55	\$ 37.28
Volume Charge/1,000 Gallons	4 Above	-	-	-	-	-	-	-	-	-	-	-
Apartments												
Base Charge		\$ 120.00	\$ 120.00	\$ 124.80	\$ 128.54	\$ 132.40	\$ 135.05	\$ 137.75	\$ 140.50	\$ 143.31	\$ 146.18	\$ 149.10
Volume Charge/1,000 Gallons	4 Above	-	-	-	-	-	-	-	-	-	-	-

<div style="border: 1px solid black; padding: 5px; display: inline-block; background-color: white; color: black;"> TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Input Area -- Rate Recommendations
Scenario: 2018 03 17 Scenario 1

			Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Hotels													
Base Charge	Per Room		\$ 10.00	\$ 10.00	\$ 10.40	\$ 10.71	\$ 11.03	\$ 11.25	\$ 11.48	\$ 11.71	\$ 11.94	\$ 12.18	\$ 12.43
Volume Charge/1,000	4	Above	-	-	-	-	-	-	-	-	-	-	-
Class													
Base Charge			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Charge/1,000	4	Above	-	-	-	-	-	-	-	-	-	-	-
Class													
Base Charge			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Charge/1,000	4	Above	-	-	-	-	-	-	-	-	-	-	-

Summary of Results -- Rate Calculator

	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenues Less Cost of Service		88,248 34.2%	12,488 4.7%	16,424 5.9%	18,911 6.6%	20,188 6.8%	19,658 6.4%	18,928 6.0%	17,980 5.5%	16,793 5.0%	15,346 4.5%
Net Revenues		68,248	12,488	16,424	18,911	20,188	19,658	18,928	17,980	16,793	15,346
Debt Coverage		-	1.25	1.33	1.37	1.40	1.39	1.37	1.36	1.33	1.30

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	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Input Area -- Rate Recommendations
Scenario: 2018 03 17 Scenario 1

WW Rate Revenues

WW Rate Revenue

Residential	\$ 176,400	\$ 181,170	\$ 189,540	\$ 197,178	\$ 204,261	\$ 210,388	\$ 216,680	\$ 223,138	\$ 229,769	\$ 236,575
Commercial	38,340	39,528	41,509	43,340	45,057	46,571	48,128	49,728	51,373	53,064
HVU Commercial	14,040	14,274	14,784	15,228	15,620	15,932	16,251	16,576	16,908	17,246
RV Parks	25,200	25,620	26,536	27,332	28,036	28,596	29,168	29,752	30,347	30,954
Apartments	4,320	4,392	4,549	4,685	4,806	4,902	5,000	5,100	5,202	5,306
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total WW Rate Revenues	258,300	264,984	276,918	287,763	297,780	306,391	315,227	324,294	333,598	343,144

Less Revenues to be Raised from Rates:

Residential	\$ 115,303	\$ 171,049	\$ 176,580	\$ 182,361	\$ 188,405	\$ 194,728	\$ 201,345	\$ 208,274	\$ 215,532	\$ 223,138
Commercial	32,314	48,456	50,198	52,018	53,921	55,911	57,994	60,175	62,460	64,855
HVU Commercial	8,774	13,006	13,288	13,582	13,890	14,212	14,549	14,901	15,270	15,656
RV Parks	10,317	15,020	15,356	15,706	16,073	16,456	16,857	17,276	17,715	18,175
Apartments	3,344	4,966	5,073	5,185	5,303	5,425	5,553	5,687	5,828	5,975
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Sub-Total	170,052	252,496	260,494	268,852	277,591	286,733	296,299	306,314	316,805	327,798

Rate Revenue Less RRRR:

Residential	61,097	10,121	12,960	14,818	15,855	15,660	15,334	14,864	14,237	13,437
Commercial	6,026	(8,928)	(8,688)	(8,678)	(8,863)	(9,340)	(9,866)	(10,447)	(11,087)	(11,791)
HVU Commercial	5,266	1,268	1,497	1,646	1,730	1,720	1,702	1,675	1,638	1,590
RV Parks	14,883	10,600	11,180	11,625	11,963	12,140	12,311	12,475	12,632	12,779
Apartments	976	(574)	(524)	(500)	(496)	(523)	(553)	(587)	(625)	(668)
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Rate Revenue less Revenue Rqmt	88,248	12,488	16,424	18,911	20,188	19,658	18,928	17,980	16,793	15,346

TOWN OF CLIFTON										
WASTEWATER COST OF SERVICE MODEL										
Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Input Area -- Rate Recommendations
Scenario: 2018 03 17 Scenario 1

WASTEWATER -- Customer & Usage Data

Customer Class Units -- Base Annual Units

Residential	29,400,000	29,700,000	30,000,000	30,300,000	30,600,000	30,900,000	31,200,000	31,500,000	31,800,000	32,100,000
Commercial	8,520,000	8,640,000	8,760,000	8,880,000	9,000,000	9,120,000	9,240,000	9,360,000	9,480,000	9,600,000
HVU Commercial	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000
RV Parks	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000
Apartments	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total Wastewater	43,680,000	44,100,000	44,520,000	44,940,000	45,360,000	45,780,000	46,200,000	46,620,000	47,040,000	47,460,000

Net Annual Fixtures after Minimum:

Residential										
Units Per Bill	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Bills	5,880	5,940	6,000	6,060	6,120	6,180	6,240	6,300	6,360	6,420
Total Billing Units	29,400,000	29,700,000	30,000,000	30,300,000	30,600,000	30,900,000	31,200,000	31,500,000	31,800,000	32,100,000

Commercial										
Units Per Bill	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total Bills	852	864	876	888	900	912	924	936	948	960
Total Billing Units	8,520,000	8,640,000	8,760,000	8,880,000	9,000,000	9,120,000	9,240,000	9,360,000	9,480,000	9,600,000

HVU Commercial										
Units Per Bill	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Total Bills	156	156	156	156	156	156	156	156	156	156
Total Billing Units	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000

Total Billing Units	43,680,000	44,100,000	44,520,000	44,940,000	45,360,000	45,780,000	46,200,000	46,620,000	47,040,000	47,460,000
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Customer Class Units -- Total Bills

Residential	5,880	5,940	6,000	6,060	6,120	6,180	6,240	6,300	6,360	6,420
Commercial	852	864	876	888	900	912	924	936	948	960
HVU Commercial	156	156	156	156	156	156	156	156	156	156
RV Parks	840	840	840	840	840	840	840	840	840	840
Apartments	36	36	36	36	36	36	36	36	36	36
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total Wastewater	7,764	7,836	7,908	7,980	8,052	8,124	8,196	8,268	8,340	8,412
	647	653	659	665	671	677	683	689	695	701

TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL					
<u>Test Year</u> 2018	Net Budget	Treatment	Collection	Admin	Customer Billing

Test Year WW 1.0 -- WASTEWATER Service Cost Functionalization
Scenario: 2018 03 17 Scenario 1

NON-RATE REVENUES

Non-Rate Revenues					
User Fees	\$	-	na	na	na
Transfers		20,265	na	na	na
Fines/Fortitures		3,683	na	na	na
Contributiouns		8,000	na	na	na
Other Income		-	na	na	na
Other Income		-	na	na	na
Other Income		-	na	na	na
Other Income		-	na	na	na
Other Income		-	na	na	na
Other Income		-	na	na	na
Other Income		-	na	na	na
Other Income		-	na	na	na
Total Non-Rate Revenues	\$	31,948	na	na	na

TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL					
<u>Test Year</u> 2018	Net Budget	Treatment	Collection	Admin	Customer Billing

Test Year WW 1.0 -- WASTEWATER Service Cost Functionalization
Scenario: 2018 03 17 Scenario 1

OPERATING EXPENSES

<u>Operating Expenses - Personnel</u>					
Employee Salaries	\$ 42,610	\$ 17,044	\$ 17,044	\$ 4,261	\$ 4,261
Part Time Salaries	5,251	2,100	2,100	525	525
Overtime	4,882	1,953	1,953	488	488
Arizona Retirement	4,500	1,800	1,800	450	450
Workers Comp	6,112	2,445	2,445	611	611
FICA	3,098	1,239	1,239	310	310
Med FICA Employer Share	725	290	290	73	73
State Unemployment	582	233	233	58	58
Other	-	-	-	-	-
Total WW Personnel Services	\$ 67,760	\$ 27,104	\$ 27,104	\$ 6,776	\$ 6,776
Percent	100.0%	40.0%	40.0%	10.0%	10.0%
<u>Operating Expenses - General</u>					
Office Supplies	\$ 300	\$ -	\$ -	\$ 300	\$ -
Safety Equipment	2,000	1,000	1,000	-	-
Chemicals	2,500	2,500	-	-	-
Cleaning Supplies	-	-	-	-	-
Postage	3,000	-	-	750	2,250
Plumbing/Electrical Supplies	7,000	3,500	3,500	-	-
Books	250	-	-	250	-
Gas and Lubricant	5,500	1,375	4,125	-	-
Tires and Batteries	1,000	-	750	-	250
Vehicle Parts	700	350	350	-	-
Telephone	600	-	-	450	150
Electric/Water	3,500	3,500	-	-	-
Tools	3,130	1,565	1,565	-	-
Street Repairs	300	-	300	-	-
Sewer Maintenance	10,000	5,000	5,000	-	-
Landfill	250	250	-	-	-
Training	1,000	-	-	1,000	-
Travel	750	-	-	750	-
Professional-Engineering	6,521	3,261	3,261	-	-
Professional-Other	3,000	1,500	1,500	-	-
Professional-Trades	8,100	4,050	4,050	-	-
Printing and Reproduction	1,300	-	-	650	650
Dues and Memberships	300	-	-	300	-
Insurance-health	9,534	3,814	3,814	953	953
Insurance-Dental	1,005	503	503	-	-
Misc	2,700	-	-	2,700	-
Improvements -- Specify	60,000	30,000	30,000	-	-
Other Expenses	-	-	-	-	-
Other Expenses	-	-	-	-	-
Total WW General Operating Exp.	\$ 134,240	\$ 62,167	\$ 59,717	\$ 8,103	\$ 4,253
Percent	100.0%	46.3%	44.5%	6.0%	3.2%
TOTAL WASTEWATER OPERATING EXPENDITURES	\$ 202,000	\$ 89,271	\$ 86,821	\$ 14,879	\$ 11,029
	100.0%	44.2%	43.0%	7.4%	5.5%

	TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL					
<u>Test Year</u> 2018	Net Budget	Treatment	Collection	Admin	Customer Billing	

Test Year WW 1.0 -- WASTEWATER Service Cost Functionalization
Scenario: 2018 03 17 Scenario 1

CAPITAL OUTLAYS						
Total Capital Outlays		-	-	-	-	-
Percent		0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL OPERATING/CAPITAL OUTLAYS	\$	202,000	\$	89,271	\$	86,821
Percent		100.0%		44.2%		43.0%
					\$	14,879
						7.4%
						11,029
						5.5%
DEBT SERVICE -- CURRENT						
TOTAL DEBT SERVICE -- CURRENT	\$	-	\$	-	\$	-
Percent		0.0%		0.0%		0.0%
DEBT SERVICE -- FUTURE						
TOTAL DEBT SERVICE -- FUTURE	\$	-	\$	-	\$	-
Percent		0.0%		0.0%		0.0%
TOTAL WASTEWATER COST OF SERVICE						
TOTAL COST OF SERVICE	\$	202,000	\$	89,271	\$	86,821
Percent		100.0%		44.2%		43.0%
					\$	14,879
						7.4%
						11,029
						5.5%
NON RATE REVENUES						
TOTAL NON-RATE REVENUES	\$	31,948	\$	14,119	\$	13,731
Percent		100.0%		44.2%		43.0%
					\$	2,353
						7.4%
						1,744
						5.5%
TOTAL REVENUE REQUIREMENT						
TOTAL REVENUE REQUIREMENT	\$	170,052	\$	75,152	\$	73,089
Percent		100.0%		44.2%		43.0%
					\$	12,526
						7.4%
						9,285
						5.5%

<div style="border: 1px solid white; padding: 5px; display: inline-block; margin: 0 auto;"> TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL </div>					
<u>Test Year</u> 2018	Total Wastewater	Treatment	Collection	Administration	Cust Billing

Test Year WW 2.0 -- WASTEWATER Cost Classification
Scenario: 2018 03 17 Scenario 1

Total Wastewater										
Operating	\$	202,000	\$	89,271	\$	86,821	\$	14,879	\$	11,029
Capital Outlays		-		-		-		-		-
Debt Service -- Current		-		-		-		-		-
Debt Service -- Future		-		-		-		-		-
Total	\$	202,000	\$	89,271	\$	86,821	\$	14,879	\$	11,029
Percentage		100.0%		44.2%		43.0%		7.4%		5.5%
Allocation of Administration:										
Total WW less Admin	\$	187,121	\$	89,271	\$	86,821		na	\$	11,029
Percent of Total		100.0%		47.7%		46.4%		na		5.9%
Administration Allocation	\$	14,879	\$	7,099	\$	6,904		na	\$	877
Cost of Service										
Total Cost of Service	\$	202,000	\$	96,369	\$	93,724		na	\$	11,906
Percentage		100.00%		47.71%		46.40%		na		5.89%
Non-Rate Revenues										
Less Non-Rate Revenues	\$	31,948	\$	15,242	\$	14,823		na	\$	1,883
Net Cost Classification										
Total WW Cost Classification	\$	170,052	\$	81,128	\$	78,901		na	\$	10,023

<p><u>10 Year Forecast</u> 2018-2027</p>	<p>TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL</p>									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates
Scenario: 2018 03 17 Scenario 1

NON-RATE REVENUES

Non-Rate Revenues	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
User Fees	-		-		-		-		-		-		-		-		-
Transfers	20,265		-		-		-		-		-		-		-		-
Fines/Forfeitures	3,683		3,683		3,683		3,683		3,683		3,683		3,683		3,683		3,683
Contributions	8,000		4,000		4,000		4,000		4,000		4,000		4,000		4,000		4,000
Other Income	-		-		-		-		-		-		-		-		-
Other Income	-		-		-		-		-		-		-		-		-
Other Income	-		-		-		-		-		-		-		-		-
Other Income	-		-		-		-		-		-		-		-		-
Other Income	-		-		-		-		-		-		-		-		-
Other Income	-		-		-		-		-		-		-		-		-
Other Income	-		-		-		-		-		-		-		-		-
Total Non-Rate Revenues	\$ 31,948		\$ 7,683		\$ 7,683		\$ 7,683		\$ 7,683		\$ 7,683		\$ 7,683		\$ 7,683		\$ 7,683

10 Year Forecast 2018-2027	TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL								
Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates
Scenario: 2018 03 17 Scenario 1

OPERATING EXPENSES

Operating Expenses - Personnel																				
Employee Salaries	\$	42,610	\$	43,888	\$	45,205	\$	46,561	\$	47,958	\$	49,397	\$	50,879	\$	52,405	\$	53,977	\$	55,596
Part Time Salaries		5,251		5,409		5,571		5,738		5,910		6,087		6,270		6,458		6,652		6,851
Overtime		4,882		5,028		5,179		5,335		5,495		5,660		5,829		6,004		6,184		6,370
Arizona Retirement		4,500		4,860		5,249		5,669		6,122		6,612		7,141		7,712		8,329		8,996
Workers Comp		6,112		6,601		7,129		7,699		8,315		8,981		9,699		10,475		11,313		12,218
FICA		3,098		3,346		3,614		3,903		4,215		4,552		4,916		5,309		5,734		6,193
Med FICA Employer Share		725		783		846		913		986		1,065		1,150		1,243		1,342		1,449
State Unemployment		582		629		679		733		792		855		924		997		1,077		1,163
Other		-		-		-		-		-		-		-		-		-		-
		67,760		70,544		73,471		76,551		79,793		83,208		86,808		90,604		94,609		98,837
Total WW Professional Services		67,760		70,544		73,471		76,551		79,793		83,208		86,808		90,604		94,609		98,837
Operating Expenses - General																				
Office Supplies		300		309		318		328		338		348		358		369		380		391
Safety Equipment		2,000		2,079		2,160		2,244		2,332		2,423		2,517		2,615		2,716		2,821
Chemicals		2,500		2,598		2,700		2,806		2,915		3,029		3,146		3,268		3,395		3,526
Cleaning Supplies		-		-		-		-		-		-		-		-		-		-
Postage		3,000		3,118		3,240		3,367		3,498		3,634		3,776		3,922		4,074		4,231
Plumbing/Electrical Supplies		7,000		7,210		7,426		7,649		7,879		8,115		8,358		8,609		8,867		9,133
Books		250		258		265		273		281		290		299		307		317		326
Gas and Lubricant		5,500		5,716		5,940		6,172		6,413		6,663		6,922		7,190		7,469		7,757
Tires and Batteries		1,000		1,039		1,080		1,122		1,166		1,211		1,259		1,307		1,358		1,410
Vehicle Parts		700		727		756		786		816		848		881		915		951		987
Telephone		600		618		637		656		675		696		716		738		760		783
Electric/Water		3,500		3,637		3,780		3,928		4,081		4,240		4,405		4,576		4,753		4,936
Tools		3,130		3,253		3,380		3,513		3,650		3,792		3,939		4,092		4,250		4,415
Street Repairs		300		312		324		337		350		363		378		392		407		423
Sewer Maintenance		10,000		10,393		10,800		11,222		11,660		12,114		12,585		13,073		13,579		14,104
Landfill		250		270		292		315		340		367		397		428		463		500
Training		1,000		1,030		1,061		1,093		1,126		1,159		1,194		1,230		1,267		1,305
Travel		750		773		796		820		844		869		896		922		950		979
Professional-Engineering		6,521		6,717		6,918		7,126		7,339		7,560		7,786		8,020		8,261		8,508
Professional-Other		3,000		3,090		3,183		3,278		3,377		3,478		3,582		3,690		3,800		3,914
Professional-Trades		8,100		8,343		8,593		8,851		9,117		9,390		9,672		9,962		10,261		10,569
Printing and Reproduction		1,300		1,351		1,404		1,459		1,516		1,575		1,636		1,700		1,765		1,834
Dues and Memberships		300		309		318		328		338		348		358		369		380		391
Insurance-health		9,534		10,297		11,120		12,010		12,971		14,009		15,129		16,340		17,647		19,059
Insurance-Dental		1,005		1,085		1,172		1,266		1,367		1,477		1,595		1,722		1,860		2,009
Misc		2,700		2,781		2,864		2,950		3,039		3,130		3,224		3,321		3,420		3,523
Improvements -- Specify		60,000		61,800		63,654		65,564		67,531		69,556		71,643		73,792		76,006		78,286
Other Expenses		-		-		-		-		-		-		-		-		-		-
Other Expenses		-		-		-		-		-		-		-		-		-		-
Total General Operating Expense	\$	134,240	\$	139,112	\$	144,182	\$	149,461	\$	154,958	\$	160,684	\$	166,650	\$	172,870	\$	179,356	\$	186,121
TOTAL WASTEWATER OPERATING	\$	202,000	\$	209,656	\$	217,653	\$	226,012	\$	234,751	\$	243,892	\$	253,458	\$	263,474	\$	273,964	\$	284,957

10 Year Forecast 2018-2027	TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL	
Test Year 2018	Forecast 2019	2020
2021	2022	2023
2024	2025	2026
2027		

Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates
Scenario: 2018 03 17 Scenario 1

CAPITAL OUTLAYS												
Total Capital Outlays	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Treatment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Collection	-	-	-	-	-	-	-	-	-	-	-	-
Administration	-	-	-	-	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DEBT SERVICE -- CURRENT												
Principal & Interest Reserve	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
TOTAL DEBT SERVICE -- CURRENT	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DEBT SERVICE -- FUTURE												
Principal & Interest Reserve	\$	-	\$	50,523	\$	50,523	\$	50,523	\$	50,523	\$	50,523
TOTAL DEBT SERVICE -- FUTURE	\$	-	\$	50,523	\$	50,523	\$	50,523	\$	50,523	\$	50,523
TOTAL COST OF SERVICE												
TOTAL WW COST OF SERVICE	\$	202,000	\$	260,179	\$	268,177	\$	276,535	\$	285,274	\$	294,416
	\$	303,982	\$	313,997	\$	324,488	\$	335,481				
NON RATE REVENUES												
TOTAL NON-RATE REVENUES	\$	31,948	\$	7,683	\$	7,683	\$	7,683	\$	7,683	\$	7,683
	\$	7,683	\$	7,683	\$	7,683	\$	7,683	\$	7,683	\$	7,683
TOTAL REVENUE REQUIREMENT												
TOTAL WASTEWATER REVENUE REQUIREMENT	\$	170,052	\$	252,496	\$	260,494	\$	268,852	\$	277,591	\$	286,733
	\$	296,299	\$	306,314	\$	316,805	\$	327,798				

10 Year Forecast 2018-2027	TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 4.0 -- Wastewater Service Cost Functionalization
Scenario: 2018 03 17 Scenario 1

OPERATING EXPENSES

WW Professional Services

<u>Allocation Factor</u>											
Treatment	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Collection	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Administration	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Customer	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Total Cost</u>											
Treatment	\$ 27,104	\$ 28,217	\$ 29,388	\$ 30,620	\$ 31,917	\$ 33,283	\$ 34,723	\$ 36,241	\$ 37,843	\$ 39,535	\$ 39,535
Collection	27,104	28,217	29,388	30,620	31,917	33,283	34,723	36,241	37,843	39,535	39,535
Administration	6,776	7,054	7,347	7,655	7,979	8,321	8,681	9,060	9,461	9,884	9,884
Customer	<u>6,776</u>	<u>7,054</u>	<u>7,347</u>	<u>7,655</u>	<u>7,979</u>	<u>8,321</u>	<u>8,681</u>	<u>9,060</u>	<u>9,461</u>	<u>9,884</u>	<u>9,884</u>
Total	\$ 67,760	\$ 70,544	\$ 73,471	\$ 76,551	\$ 79,793	\$ 83,208	\$ 86,808	\$ 90,604	\$ 94,609	\$ 98,837	\$ 98,837

Wastewater General Operating

<u>Allocation Factor</u>											
Treatment	46.3%	46.3%	46.3%	46.3%	46.3%	46.3%	46.3%	46.3%	46.3%	46.3%	46.3%
Collection	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%
Administration	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Customer	<u>3.2%</u>	<u>3.2%</u>	<u>3.2%</u>	<u>3.2%</u>	<u>3.2%</u>	<u>3.2%</u>	<u>3.2%</u>	<u>3.2%</u>	<u>3.2%</u>	<u>3.2%</u>	<u>3.2%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Total Cost</u>											
Treatment	\$ 62,167	\$ 64,423	\$ 66,771	\$ 69,215	\$ 71,761	\$ 74,413	\$ 77,176	\$ 80,056	\$ 83,060	\$ 86,193	\$ 86,193
Collection	59,717	61,884	64,139	66,488	68,933	71,480	74,134	76,901	79,786	82,796	82,796
Administration	8,103	8,398	8,704	9,022	9,354	9,700	10,060	10,435	10,827	11,235	11,235
Customer	<u>4,253</u>	<u>4,408</u>	<u>4,568</u>	<u>4,736</u>	<u>4,910</u>	<u>5,091</u>	<u>5,280</u>	<u>5,477</u>	<u>5,683</u>	<u>5,897</u>	<u>5,897</u>
Total	\$ 134,240	\$ 139,112	\$ 144,182	\$ 149,461	\$ 154,958	\$ 160,684	\$ 166,650	\$ 172,870	\$ 179,356	\$ 186,121	\$ 186,121

Total Wastewater Operating Exp.

<u>Total Cost</u>											
Treatment	\$ 89,271	\$ 92,640	\$ 96,159	\$ 99,836	\$ 103,678	\$ 107,696	\$ 111,899	\$ 116,298	\$ 120,903	\$ 125,727	\$ 125,727
Collection	86,821	90,101	93,528	97,108	100,850	104,763	108,858	113,143	117,630	122,330	122,330
Administration	14,879	15,452	16,051	16,677	17,333	18,021	18,741	19,496	20,288	21,119	21,119
Customer	<u>11,029</u>	<u>11,462</u>	<u>11,916</u>	<u>12,391</u>	<u>12,889</u>	<u>13,412</u>	<u>13,961</u>	<u>14,538</u>	<u>15,144</u>	<u>15,781</u>	<u>15,781</u>
Total	\$ 202,000	\$ 209,656	\$ 217,653	\$ 226,012	\$ 234,751	\$ 243,892	\$ 253,458	\$ 263,474	\$ 273,964	\$ 284,957	\$ 284,957

<u>10 Year Forecast</u> 2018-2027	TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 4.0 -- Wastewater Service Cost Functionalization
Scenario: 2018 03 17 Scenario 1

CAPITAL OUTLAYS

Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection	-	-	-	-	-	-	-	-	-	-	-
Admin	-	-	-	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-	-	-	-
Total Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DEBT SERVICE -- CURRENT

WW Debt Service											
Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection	-	-	-	-	-	-	-	-	-	-	-
Admin	-	-	-	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service -- Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DEBT SERVICE -- FUTURE

WW Debt Service											
Treatment	\$ -	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523
Collection	-	-	-	-	-	-	-	-	-	-	-
Admin	-	-	-	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service -- Future	\$ -	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523	\$ 50,523

TOTAL COST OF SERVICE

Total Wastewater Cost of Service											
Treatment	\$ 89,271	\$ 143,164	\$ 146,683	\$ 150,359	\$ 154,202	\$ 158,220	\$ 162,423	\$ 166,821	\$ 171,427	\$ 176,251	
Collection	86,821	90,101	93,528	97,108	100,850	104,763	108,858	113,143	117,630	122,330	
Admin	14,879	15,452	16,051	16,677	17,333	18,021	18,741	19,496	20,288	21,119	
Customer	11,029	11,462	11,916	12,391	12,889	13,412	13,961	14,538	15,144	15,781	
Total	\$ 202,000	\$ 260,179	\$ 268,177	\$ 276,535	\$ 285,274	\$ 294,416	\$ 303,982	\$ 313,997	\$ 324,488	\$ 335,481	

<p>10 Year Forecast 2018-2027</p>	<p>TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL</p>									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 5.0 -- WASTEWATER Cost Classification
Scenario: 2018 03 17 Scenario 1

Total Wastewater Costs											
Treatment	\$ 89,271	\$ 143,164	\$ 146,683	\$ 150,359	\$ 154,202	\$ 158,220	\$ 162,423	\$ 166,821	\$ 171,427	\$ 176,251	
Collection	86,821	90,101	93,528	97,108	100,850	104,763	108,858	113,143	117,630	122,330	
Admin	14,879	15,452	16,051	16,677	17,333	18,021	18,741	19,496	20,288	21,119	
Customer	11,029	11,462	11,916	12,391	12,889	13,412	13,961	14,538	15,144	15,781	
Total Wastewater Costs	\$ 202,000	\$ 260,179	\$ 268,177	\$ 276,535	\$ 285,274	\$ 294,416	\$ 303,982	\$ 313,997	\$ 324,488	\$ 336,481	
Non-Administration Costs:											
Treatment	\$ 89,271	\$ 143,164	\$ 146,683	\$ 150,359	\$ 154,202	\$ 158,220	\$ 162,423	\$ 166,821	\$ 171,427	\$ 176,251	
Collection	86,821	90,101	93,528	97,108	100,850	104,763	108,858	113,143	117,630	122,330	
Customer	11,029	11,462	11,916	12,391	12,889	13,412	13,961	14,538	15,144	15,781	
Sub-Total	\$ 187,121	\$ 244,727	\$ 252,126	\$ 259,858	\$ 267,941	\$ 276,395	\$ 285,241	\$ 294,502	\$ 304,200	\$ 314,362	
Allocation Percentages:											
Treatment	47.71%	58.50%	58.18%	57.86%	57.55%	57.24%	56.94%	56.65%	56.35%	56.07%	
Collection	46.40%	36.82%	37.10%	37.37%	37.64%	37.90%	38.16%	38.42%	38.67%	38.91%	
Customer	<u>5.89%</u>	<u>4.68%</u>	<u>4.73%</u>	<u>4.77%</u>	<u>4.81%</u>	<u>4.85%</u>	<u>4.89%</u>	<u>4.94%</u>	<u>4.98%</u>	<u>5.02%</u>	
Sub-Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Allocation of Administration											
Treatment	\$ 7,099	\$ 9,039	\$ 9,338	\$ 9,650	\$ 9,975	\$ 10,316	\$ 10,671	\$ 11,043	\$ 11,433	\$ 11,841	
Collection	6,904	5,689	5,954	6,232	6,524	6,830	7,152	7,490	7,845	8,218	
Customer	877	724	759	795	834	874	917	962	1,010	1,060	
Total	\$ 14,879	\$ 15,452	\$ 16,051	\$ 16,677	\$ 17,333	\$ 18,021	\$ 18,741	\$ 19,496	\$ 20,288	\$ 21,119	
Total WW Cost of Service											
Treatment	\$ 96,369	\$ 152,203	\$ 156,021	\$ 160,009	\$ 164,177	\$ 168,535	\$ 173,094	\$ 177,865	\$ 182,859	\$ 188,091	
Collection	93,724	95,790	99,482	103,340	107,374	111,594	116,010	120,633	125,475	130,549	
Customer	11,906	12,186	12,674	13,186	13,723	14,287	14,878	15,500	16,154	16,841	
Total	\$ 202,000	\$ 260,179	\$ 268,177	\$ 276,535	\$ 285,274	\$ 294,416	\$ 303,982	\$ 313,997	\$ 324,488	\$ 336,481	
Allocation of Non-Rate Revenues											
Treatment	\$ 15,242	\$ 4,495	\$ 4,470	\$ 4,446	\$ 4,422	\$ 4,398	\$ 4,375	\$ 4,352	\$ 4,330	\$ 4,308	
Collection	14,823	2,829	2,850	2,871	2,892	2,912	2,932	2,952	2,971	2,990	
Customer	1,883	360	363	366	370	373	376	379	382	386	
Total	\$ 31,948	\$ 7,683	\$ 7,683	\$ 7,683	\$ 7,683	\$ 7,683	\$ 7,683	\$ 7,683	\$ 7,683	\$ 7,683	
Total Wastewater Classification											
Treatment	\$ 81,128	\$ 147,709	\$ 151,551	\$ 155,564	\$ 159,756	\$ 164,137	\$ 168,719	\$ 173,513	\$ 178,530	\$ 183,784	
Collection	78,901	92,962	96,632	100,469	104,482	108,682	113,078	117,681	122,504	127,559	
Customer	10,023	11,826	12,311	12,820	13,353	13,914	14,502	15,121	15,771	16,455	
Total	\$ 170,052	\$ 252,496	\$ 260,494	\$ 268,852	\$ 277,591	\$ 286,733	\$ 296,299	\$ 306,314	\$ 316,805	\$ 327,798	

TOWN OF CLIFTON										
WASTEWATER COST OF SERVICE MODEL										
<u>10 Year Forecast</u>										
2018-2027	Test Year	Forecast								
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 6.0 -- Customer and Volume Totals
Scenario: 2018 03 17 Scenario 1

WASTEWATER BILLING UNITS

Customer Class Units -- Base Annual Billing Units

Residential	29,400,000	29,700,000	30,000,000	30,300,000	30,600,000	30,900,000	31,200,000	31,500,000	31,800,000	32,100,000
Commercial	8,520,000	8,640,000	8,760,000	8,880,000	9,000,000	9,120,000	9,240,000	9,360,000	9,480,000	9,600,000
HVU Commercial	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000
RV Parks	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000
Apartments	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	43,680,000	44,100,000	44,520,000	44,940,000	45,360,000	45,780,000	46,200,000	46,620,000	47,040,000	47,460,000

Percent of Total

Residential	67.31%	67.35%	67.39%	67.42%	67.46%	67.50%	67.53%	67.57%	67.60%	67.64%
Commercial	19.51%	19.59%	19.68%	19.76%	19.84%	19.92%	20.00%	20.08%	20.15%	20.23%
HVU Commercial	5.36%	5.31%	5.26%	5.21%	5.16%	5.11%	5.06%	5.02%	4.97%	4.93%
RV Parks	5.77%	5.71%	5.66%	5.61%	5.56%	5.50%	5.45%	5.41%	5.36%	5.31%
Apartments	2.06%	2.04%	2.02%	2.00%	1.98%	1.97%	1.95%	1.93%	1.91%	1.90%
Hotels	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total System	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Net Billing Units after Minimum

Residential	29,400,000	29,700,000	30,000,000	30,300,000	30,600,000	30,900,000	31,200,000	31,500,000	31,800,000	32,100,000
Commercial	8,520,000	8,640,000	8,760,000	8,880,000	9,000,000	9,120,000	9,240,000	9,360,000	9,480,000	9,600,000
HVU Commercial	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000
RV Parks	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000
Apartments	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	43,680,000	44,100,000	44,520,000	44,940,000	45,360,000	45,780,000	46,200,000	46,620,000	47,040,000	47,460,000

TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL										
<u>10 Year Forecast</u>	Test Year	Forecast	2020	2021	2022	2023	2024	2025	2026	2027
2018-2027	2018	2019								

Forecast WW 6.0 -- Customer and Volume Totals
Scenario: 2018 03 17 Scenario 1

WASTEWATER CUSTOMER CLASSES

Total Bills										
Residential	5,880	5,940	6,000	6,060	6,120	6,180	6,240	6,300	6,360	6,420
Commercial	852	864	876	888	900	912	924	936	948	960
HVU Commercial	156	156	156	156	156	156	156	156	156	156
RV Parks	840	840	840	840	840	840	840	840	840	840
Apartments	36	36	36	36	36	36	36	36	36	36
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	7,764	7,836	7,908	7,980	8,052	8,124	8,196	8,268	8,340	8,412
Percentage of Total										
Residential	75.73%	75.80%	75.87%	75.94%	76.01%	76.07%	76.13%	76.20%	76.26%	76.32%
Commercial	10.97%	11.03%	11.08%	11.13%	11.18%	11.23%	11.27%	11.32%	11.37%	11.41%
HVU Commercial	2.01%	1.99%	1.97%	1.95%	1.94%	1.92%	1.90%	1.89%	1.87%	1.85%
RV Parks	10.82%	10.72%	10.62%	10.53%	10.43%	10.34%	10.25%	10.16%	10.07%	9.99%
Apartments	0.46%	0.46%	0.46%	0.45%	0.45%	0.44%	0.44%	0.44%	0.43%	0.43%
Hotels	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total System	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Customer Units										
Residential	490	495	500	505	510	515	520	525	530	535
Commercial	71	72	73	74	75	76	77	78	79	80
HVU Commercial	13	13	13	13	13	13	13	13	13	13
RV Parks	70	70	70	70	70	70	70	70	70	70
Apartments	3	3	3	3	3	3	3	3	3	3
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	647	653	659	665	671	677	683	689	695	701
New Customer Units										
Residential		5	5	5	5	5	5	5	5	5
Commercial		1	1	1	1	1	1	1	1	1
HVU Commercial		-	-	-	-	-	-	-	-	-
RV Parks		-	-	-	-	-	-	-	-	-
Apartments		-	-	-	-	-	-	-	-	-
Hotels		-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-
Total System		6	6	6	6	6	6	6	6	6
Avg. Billing Units/Customer/Month										
Residential	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Commercial	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
HVU Commercial	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
RV Parks	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Apartments	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	5,626	5,628	5,630	5,632	5,633	5,635	5,637	5,639	5,640	5,642

<div style="border: 1px solid white; padding: 5px; display: inline-block; margin: 0 auto; width: 80%;"> TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL </div>										
10 Year Forecast 2018-2027										
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 7.0 -- WASTEWATER Cost of Service by Customer Class
Scenario: 2018 03 17 Scenario 1

Percent of Billing Units	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Residential	67.31%	67.35%	67.39%	67.42%	67.46%	67.50%	67.53%	67.57%	67.60%	67.64%
Commercial	19.51%	19.59%	19.68%	19.76%	19.84%	19.92%	20.00%	20.08%	20.15%	20.23%
HVU Commercial	5.36%	5.31%	5.26%	5.21%	5.16%	5.11%	5.06%	5.02%	4.97%	4.93%
RV Parks	5.77%	5.71%	5.66%	5.61%	5.56%	5.50%	5.45%	5.41%	5.36%	5.31%
Apartments	2.06%	2.04%	2.02%	2.00%	1.98%	1.97%	1.95%	1.93%	1.91%	1.90%
Hotels	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total System	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Collection/Treatment Costs										
Residential	\$ 107,712	\$ 162,084	\$ 167,239	\$ 172,625	\$ 178,256	\$ 184,144	\$ 190,304	\$ 196,752	\$ 203,505	\$ 210,579
Commercial	31,214	47,152	48,834	50,591	52,428	54,349	56,359	58,464	60,667	62,977
HVU Commercial	8,573	12,770	13,045	13,331	13,631	13,945	14,273	14,616	14,975	15,351
RV Parks	9,232	13,753	14,048	14,357	14,680	15,018	15,371	15,740	16,127	16,531
Apartments	3,297	4,912	5,017	5,127	5,243	5,363	5,490	5,621	5,760	5,904
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	160,029	240,670	248,183	256,033	264,238	272,819	281,797	291,193	301,033	311,343

<p>10 Year Forecast 2018-2027</p>	<p>TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL</p>									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 7.0 -- WASTEWATER Cost of Service by Customer Class
Scenario: 2018 03 17 Scenario 1

Percent of Total Customer Bills

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Residential	75.73%	75.80%	75.87%	75.94%	76.01%	76.07%	76.13%	76.20%	76.26%	76.32%
Commercial	10.97%	11.03%	11.08%	11.13%	11.18%	11.23%	11.27%	11.32%	11.37%	11.41%
HVU Commercial	2.01%	1.99%	1.97%	1.95%	1.94%	1.92%	1.90%	1.89%	1.87%	1.85%
RV Parks	10.82%	10.72%	10.62%	10.53%	10.43%	10.34%	10.25%	10.16%	10.07%	9.99%
Apartments	0.46%	0.46%	0.46%	0.45%	0.45%	0.44%	0.44%	0.44%	0.43%	0.43%
Hotels	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total System	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Total Customer Costs

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Residential	\$ 7,591	\$ 8,965	\$ 9,341	\$ 9,735	\$ 10,149	\$ 10,584	\$ 11,041	\$ 11,522	\$ 12,027	\$ 12,559
Commercial	1,100	1,304	1,364	1,427	1,493	1,562	1,635	1,712	1,793	1,878
HVU Commercial	201	235	243	251	259	267	276	285	295	305
RV Parks	1,084	1,268	1,308	1,349	1,393	1,439	1,486	1,536	1,588	1,643
Apartments	46	54	56	58	60	62	64	66	68	70
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	10,023	11,826	12,311	12,820	13,353	13,914	14,502	15,121	15,771	16,455

Total Revenues to be Raised from Rates

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Residential	\$ 115,303	\$ 171,049	\$ 176,580	\$ 182,361	\$ 188,405	\$ 194,728	\$ 201,345	\$ 208,274	\$ 215,532	\$ 223,138
Commercial	32,314	48,456	50,198	52,018	53,921	55,911	57,994	60,175	62,460	64,855
HVU Commercial	8,774	13,006	13,288	13,582	13,890	14,212	14,549	14,901	15,270	15,656
RV Parks	10,317	15,020	15,356	15,706	16,073	16,456	16,857	17,276	17,715	18,175
Apartments	3,344	4,966	5,073	5,185	5,303	5,425	5,553	5,687	5,828	5,975
Hotels	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	170,052	252,496	260,494	268,852	277,591	286,733	296,299	306,314	316,805	327,798

<p>10 Year Forecast 2018-2027</p>	<p>TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL</p>									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 7.0 -- WASTEWATER Cost of Service by Customer Class

Scenario: 2018 03 17 Scenario 1

Total Cost by Customer Class

Total System

Monthly Charge Calculation

Total Cost of Service	\$	170,052	\$	252,496	\$	260,494	\$	268,852	\$	277,591	\$	286,733	\$	296,299	\$	306,314	\$	316,805	\$	327,798
Total Customer Units		7,764		7,836		7,908		7,980		8,052		8,124		8,196		8,268		8,340		8,412
Charge Per Month		21.90		32.22		32.94		33.69		34.47		35.29		36.15		37.05		37.99		38.97

Residential

Monthly Charge Calculation

Total Cost of Service	\$	115,303	\$	171,049	\$	176,580	\$	182,361	\$	188,405	\$	194,728	\$	201,345	\$	208,274	\$	215,532	\$	223,138
Total Customer Units		5,860		5,940		6,000		6,060		6,120		6,180		6,240		6,300		6,360		6,420
Charge Per Month		19.61		28.80		29.43		30.09		30.79		31.51		32.27		33.06		33.89		34.76

Commercial

Monthly Charge Calculation

Total Cost of Service	\$	32,314	\$	48,456	\$	50,198	\$	52,018	\$	53,921	\$	55,911	\$	57,994	\$	60,175	\$	62,460	\$	64,855
Total Customer Units		852		864		876		888		900		912		924		936		948		960
Charge Per Month		37.93		56.08		57.30		58.58		59.91		61.31		62.76		64.29		65.89		67.56

HVU Commercial

Monthly Charge Calculation

Total Cost of Service	\$	8,774	\$	13,006	\$	13,288	\$	13,582	\$	13,890	\$	14,212	\$	14,549	\$	14,901	\$	15,270	\$	15,656
Total Customer Units		156		156		156		156		156		156		156		156		156		156
Charge Per Month		56.25		83.37		85.18		87.06		89.04		91.10		93.26		95.52		97.88		100.36

10 Year Forecast 2018-2027	TOWN OF CLIFTON WASTEWATER COST OF SERVICE MODEL									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 7.0 -- WASTEWATER Cost of Service by Customer Class
Scenario: 2018 03 17 Scenario 1

RV Parks

Monthly Charge Calculation																				
Total Cost of Service	\$	10,317	\$	15,020	\$	15,356	\$	15,706	\$	16,073	\$	16,456	\$	16,857	\$	17,276	\$	17,715	\$	18,175
Total Customer Units		840		840		840		840		840		840		840		840		840		840
Charge Per Month		12.28		17.88		18.28		18.70		19.13		19.59		20.07		20.57		21.09		21.64

Apartments

Monthly Charge Calculation																				
Total Cost of Service	\$	3,344	\$	4,966	\$	5,073	\$	5,185	\$	5,303	\$	5,425	\$	5,553	\$	5,687	\$	5,828	\$	5,975
Total Customer Units		36		36		36		36		36		36		36		36		36		36
Charge Per Month		92.88		137.94		140.92		144.04		147.29		150.70		154.26		157.98		161.88		165.96

Hotels

Monthly Charge Calculation																				
Total Cost of Service	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Customer Units		-		-		-		-		-		-		-		-		-		-
Charge Per Month		-		-		-		-		-		-		-		-		-		-

Class

Monthly Charge Calculation																				
Total Cost of Service	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Customer Units		-		-		-		-		-		-		-		-		-		-
Charge Per Month		-		-		-		-		-		-		-		-		-		-

Class

Monthly Charge Calculation																				
Total Cost of Service	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Customer Units		-		-		-		-		-		-		-		-		-		-
Charge Per Month		-		-		-		-		-		-		-		-		-		-