

WATER PROJECTIONS - FY 2016-2021

| | REVISED | BUDGETED | PROJECTED | | | | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Sources of Revenue | | 1.05 | 1.05 | 1.05 | 1.05 | 1.02 | 1.02 |
| Operating Revenues | | | | | | | |
| User Fees | \$6,240,000 | \$6,715,800 | \$7,227,885 | \$7,779,009 | \$8,372,154 | \$8,753,089 | \$9,151,358 |
| 1 Reimbursements From Clarkdale | 298,385 | 291,350 | 0 | 0 | 0 | 0 | 0 |
| Meter Installation Charge | 14,100 | 18,500 | 18,960 | 19,430 | 19,920 | 20,420 | 20,930 |
| Service Turn Ons | 58,300 | 80,430 | 82,440 | 84,500 | 86,610 | 88,780 | 91,000 |
| Collections / Late Fees | 144,260 | 145,000 | 148,630 | 152,350 | 156,160 | 160,060 | 164,060 |
| Other Income | 12,000 | 12,000 | 12,300 | 12,610 | 12,930 | 13,250 | 13,580 |
| Operating Revenues | \$6,767,045 | \$7,263,080 | \$7,490,215 | \$8,047,899 | \$8,647,774 | \$9,035,599 | \$9,440,928 |
| Non-operating Revenues | | | | | | | |
| Interest Income | 6,715 | 2,435 | 2,900 | 3,160 | 3,220 | 3,280 | 3,340 |
| Sale of Property | 3,000 | 0 | 5,000 | 5,000 | 5,000 | 5,001 | 5,002 |
| Building Rental | 8,580 | 8,580 | 7,630 | 7,630 | 7,630 | 7,630 | 7,631 |
| Non-operating Revenues | \$18,295 | \$11,015 | \$15,530 | \$15,790 | \$15,850 | \$15,911 | \$15,973 |
| Revenues Available | \$6,785,340 | \$7,274,095 | \$7,505,745 | \$8,063,689 | \$8,663,624 | \$9,051,510 | \$9,456,901 |
| Expenses | | | | | | | |
| Personnel | \$1,280,980 | \$1,352,180 | \$1,425,190 | \$1,501,140 | \$1,581,270 | \$1,665,810 | \$1,755,020 |
| Operating Supplies | 120,000 | 123,000 | 129,160 | 135,610 | 142,390 | 149,500 | 156,960 |
| Maintenance & Repair | 254,000 | 345,000 | 364,550 | 382,960 | 402,260 | 422,000 | 442,730 |
| Professional Services | 185,850 | 225,200 | 223,530 | 234,060 | 245,110 | 256,720 | 268,923 |
| Utilities | 418,520 | 447,290 | 469,660 | 493,140 | 517,800 | 543,690 | 570,870 |
| Operating Expenses/Events | 154,000 | 139,000 | 116,500 | 97,750 | 83,690 | 41,500 | 41,500 |
| Travel & Training | 8,500 | 4,700 | 4,940 | 5,190 | 5,450 | 5,720 | 6,000 |
| Operating Leases | 1,000 | 1,000 | 1,050 | 1,100 | 1,160 | 1,220 | 1,280 |
| Miscellaneous | 285,730 | 568,775 | 597,220 | 627,090 | 658,460 | 691,400 | 725,960 |
| 2 Capital Leases | 418,195 | 422,690 | 418,188 | 418,188 | 418,187 | 0 | 0 |
| Capital Outlay | 153,000 | 168,000 | 156,150 | 109,458 | 117,931 | 116,578 | 264,407 |
| Depreciation Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Budget Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Operating Expenses | 3,279,775 | 3,796,835 | 3,906,138 | 4,005,686 | 4,173,708 | 3,894,138 | 4,233,650 |
| Income or (Loss) | 3,505,565 | 3,477,260 | 3,599,607 | 4,058,003 | 4,489,916 | 5,157,372 | 5,223,251 |

DEBT SERVICE COVERAGE

| | | REVISED | BUDGETED | PROJECTED | | | | |
|---------------------|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Debt Service | | | | | | | | |
| | Debt Service P&I | 2,324,079 | 1,719,465 | 1,739,198 | 2,005,077 | 2,003,290 | 2,002,203 | 2,001,405 |
| | DS Coverage - 35% | 812,377 | 43,405 | 607,144 | 700,202 | 699,577 | 699,196 | 698,918 |
| | Total Debt Service Needed | \$3,136,456 | \$1,762,870 | \$2,346,342 | \$2,705,279 | \$2,702,867 | \$2,701,399 | \$2,700,323 |
| 3 | Coverage Ratio | 150.8% | 202.2% | 207.0% | 202.4% | 224.1% | 257.6% | 261.0% |

CAPITAL IMPROVEMENTS

| | | REVISED | BUDGETED | PROJECTED | | | | |
|--------------------------------|---|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Resources Available | | | | | | | | |
| | Operating Cash Availalble | \$1,181,486 | \$1,757,795 | \$1,860,409 | \$2,052,926 | \$2,486,626 | \$3,155,169 | \$3,221,846 |
| Other Financing Sources | | | | | | | | |
| | Bonds /Lease Purchase | 10,000,000 | 20,100,000 | 0 | 0 | 0 | 0 | 0 |
| | Transfers In-CIP Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Other Financing Sources | 10,000,000 | 20,100,000 | 0 | 0 | 0 | 0 | 0 |
| Total Resources | | \$11,181,486 | \$21,857,795 | \$1,860,409 | \$2,052,926 | \$2,486,626 | \$3,155,169 | \$3,221,846 |
| Capital Improvements | | | | | | | | |
| | Debt Refinancing | 10,000,000 | 20,100,000 | | | | | |
| | Capital Improvement | \$1,572,500 | \$1,475,000 | \$1,511,500 | \$1,193,500 | \$1,093,500 | \$1,193,500 | \$1,133,500 |
| | Total Capital Improvements & Refinancing | \$11,572,500 | \$21,575,000 | \$1,511,500 | \$1,193,500 | \$1,093,500 | \$1,193,500 | \$1,133,500 |
| | Cash Available / Deficit | (\$391,014) | \$282,795 | \$348,909 | \$859,426 | \$1,393,126 | \$1,961,669 | \$2,088,346 |
| | Cumulative position | (\$670,764) | (\$387,969) | (\$39,060) | \$820,366 | \$2,213,492 | \$4,175,161 | \$6,263,507 |
| Restricted Revenues | | | | | | | | |
| 4 | Resource Development Fees | \$572,730 | \$576,730 | \$591,150 | \$605,920 | \$621,070 | \$636,600 | \$652,520 |
| 5 | Impact Fees | 60,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | \$632,730 | \$576,730 | \$591,150 | \$605,920 | \$621,070 | \$636,600 | \$652,520 |

OPERATING & COVERAGE SUMMARY

| | REVISED | BUDGETED | PROJECTED | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Operating Revenue | \$6,767,045 | \$7,263,080 | \$7,490,215 | \$8,047,899 | \$8,647,774 | \$9,035,599 | \$9,440,928 |
| Non-operating Revenue | \$18,295 | \$11,015 | \$15,530 | \$15,790 | \$15,850 | \$15,911 | \$15,973 |
| Available Revenue | \$6,785,340 | \$7,274,095 | \$7,505,745 | \$8,063,689 | \$8,663,624 | \$9,051,510 | \$9,456,901 |
| Expenses | \$3,279,775 | \$3,796,835 | \$3,906,138 | \$4,005,686 | \$4,173,708 | \$3,894,138 | \$4,233,650 |
| Income / (Loss) | \$3,505,565 | \$3,477,260 | \$3,599,607 | \$4,058,003 | \$4,489,916 | \$5,157,372 | \$5,223,251 |
| Debt Service | \$2,324,079 | \$1,719,465 | \$1,739,198 | \$2,005,077 | \$2,003,290 | \$2,002,203 | \$2,001,405 |
| Coverage Ratio (minimum 1.35%) | 150.8% | 202.2% | 207.0% | 202.4% | 224.1% | 257.6% | 261.0% |
| Resource Development Fees | \$572,730 | \$576,730 | \$591,150 | \$605,920 | \$621,070 | \$636,600 | \$652,520 |
| Impact Fees | \$60,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Restricted Revenues | \$632,730 | \$576,730 | \$591,150 | \$605,920 | \$621,070 | \$636,600 | \$652,520 |
| Coverage Ratio + Restricted Revenues | 178.06% | 235.77% | 240.96% | 232.61% | 255.13% | 289.38% | 293.58% |
| Revenue check figure | \$17,418,070 | \$27,950,825 | \$8,096,895 | \$8,669,609 | \$9,284,694 | \$9,688,110 | \$10,109,421 |
| | \$17,418,070 | \$27,950,825 | \$8,096,895 | \$8,669,609 | \$9,284,694 | \$9,688,110 | \$10,109,421 |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Notes

- 1 Clarkdale reimbursement are eliminated with the 2006 MPC Bond refinancing
- 2 \$2,000,000 Arsenic System Acquisition - 5 year Capital Lease payments
- 3 Coverage Ratio is skewed for FY 2015, 2016, 2017 due to refinancing
- 4 Resource Development Fees are treated different due to self imposed restrictions
- 5 Impact fees were eliminated for the time being awaiting a Water/Sewer Master Plan Study