



**Ten Year Financial Projection
For The Current Fiscal Year 2025
And the Ten Years FY 2026 Through FY 2035**

Annual Post Budget Adoption Update

**Presented to the Audit Committee on
June 6, 2025**

Please note: The projections set forth in the following tables are forward looking statements and are based on various assumptions and estimates. The Authority cautions that these projections may and often do differ materially from actual results. Some of the factors that could cause actual results to differ materially from those projected are the Authority's ability to execute the Capital Improvement Plan (CIP) as scheduled and within budget, regional climate and weather conditions, and adverse legislative, regulatory or legal decisions (including environmental laws and regulations) affecting the Authority's ability to manage the Regional Water and Sewage Disposal Systems.

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Projection Overview

Executive Summary

Annually, after the Board of Directors for the Great Lakes Water Authority adopts the upcoming year's budget, an update to the ten-year projection is prepared. This sets the baseline for scenario planning for the new round of budget and capital planning for subsequent years.

A key difference between last year's update is related to the approach for future year proposed budget increases – largely to address increasing needs of the capital program. Last year, and for several years prior, the projection assumed a higher increase in the near term years with a lower increase in future years. Those forecasts aligned with prior presentations to Member Partners. Based on stakeholder feedback during the FY 2026 & FY 2027 Biennial budget process, a smoothed approach is being utilized for forecasting annual increases. This means still reaching the target financial metrics – although at a slower pace.

The MBO Combined water system debt coverage reaches 1.55 by 2035, below the management goal of 1.8. This goal of 1.8 was selected in order to improve the credit ratings (and lower cost of borrowing). An outcome is that funding of the water I&E fund from revenues is lower than the previous forecast. Amounts are sufficient to cover capital outlay for FY 2026 through FY 2028 with little available for revenue financed capital for the CIP. It starts to increase in FY 2029 and FY 2030, with more availability of funds for the CIP starting in FY 2031 to help deleverage the system.

The Master Bond Ordinance Combined sewer system debt coverage reaches a management goal of 1.8 by 2035, although the climb is slower and later than the 2024 forecast which reached the goal by 2033.

There are debt call options for possible refunding savings of July 1, 2025 and July 1, 2026. After those dates refund savings will be limited until July 1, 2030. As part of the June 2025 refunding transaction for the July 1, 2025 call, a tender offer will take place in hopes of garnering more savings.

Purpose of the Projections

The Authority's management team utilizes a ten-year projection, which is updated at the beginning of the annual budget cycle and after the annual budget is adopted. A key goal is to manage debt service coverage levels and capital program spending decisions. The key budgetary decision-making parameter is driven by demonstrating a projected debt service coverage at levels higher than the Required Coverage for all lien priorities under the Bond Ordinance of 1.20 Senior Lien Bonds, 1.10 Senior and Second Lien Bonds and 1.00 All Bonds, including State Revolving Fund (SRF) Junior Lien Bonds. While these targets above the required minimum have not been formally established as policy positions, the debt service coverage levels are designed to achieve long-term financial sustainability and stability objectives.

The overall financial plan summarized by these projections is designed to embrace the Authority's long-term financial stability strategy, which leverages efficiency savings and optimized infrastructure plans coupled with annual revenue adjustments, to produce increasing amounts of unrestricted cash that remains after providing for payment of operation and maintenance expenses, debt service payments, and funding of the various non-operating elements set forth in the foundational documents for the Authority.

Key Financial Performance Metrics

Tables are included of key financial performance metrics which are viewed through two lenses. First, for the regional system only. Second, with combined data for both the Regional and Local Systems for a combined Master Bond Ordinance (MBO) basis. These tables include a color-coded metric target range, with the green highlight cells noting the goal has been reached. As can be seen in the tables, the regional system debt service is a higher percentage of the revenue requirement than the goal. Deleveraging the system is a top priority of management.

Regional Systems Ten Year Projection Assumptions

The Authority's Biennial Budget for FY 2026 & FY 2027 was adopted by the Board of Directors on February 26, 2025 ([Resolution 2025-19](#)). The Board of Directors also approved the FY 2026 Schedule of Water and Sewer Service Charges ([Resolution 2025-20](#)) and the FY 2026 through FY 2030 Capital Improvement Plan on February 26, 2025 ([Resolution 2025-008](#)).

Tables 1 through 12 provide the financial projections of the Great Lakes Water Authority. The Charges to the Local System in these tables are for services provided by GLWA to DWSD under Section 3.1 of the Water and Sewer Services Agreement. It does not include the revenues and expense related to the operations of the DWSD local retail system.

Assumptions

The projected Fiscal Year 2025 revenues and revenue requirements reflect the second quarter budget amendment and any additional potential budget adjustments being considered at the time the projection was finalized. The Fiscal Year 2026 and Fiscal Year 2027 figures in this table represent the approved Regional System budget and approved fiscal year charges.

Revenues

1. Charge Revenue – Charges are the main source of revenue for the Authority. The projection assumes annual revenue requirement increases for the GLWA water system of 6.0% for 2027 through 2035 and increases for the GLWA sewer system of 5% for 2027 through 2030 and 4.5% from 2031 through 2035. The resulting effect on

charges to the Member Partners and the charge for the local system are reflected in Table 2 and Table 8 for the regional system.

2. Non-operating Revenue - Projected non-operating revenues include investment earnings from all eligible funds and have been projected based on an analysis of funds on hand, projected activity, and average fund balances. Projected investment yields were provided by the Authority's investment advisor in August and November 2024 for fiscal years 2025 through 2029. These two reports were averaged then adjusted down by 0.5 percent due to the unpredictability of rates in the current economic environment. Interest rates ranging between 3.2 and 3.8 percent were used for FY 2025 through FY 2029. The investment earnings rate used for the ER&R funds ranged from 2 percent to 3.5 percent during this same time period due to the longer-term nature of the historical investments. An investment yield of 2.5 percent was used for 2030 and 2.0 percent for 2031 through 2035 for all funds.
3. Other Operating Revenue – Consist mainly of lead and copper rule sample testing fees charged to Member Partners for the water system and septage disposal fees charged to permitted companies who utilize the sewage disposal system.

Operations & Maintenance Expense - The Regional System O&M expenses for the years FY 2026 through FY 2030 are based upon detailed analysis by the Financial Planning and Analysis team during the FY 2026 budget process. A two percent increase was projected for 2031 through 2035.

Debt Service – The debt service includes only the regional systems share of existing debt service on all outstanding bonds plus estimated debt service on all future bond sales as anticipated to fund the Capital Improvement Plan. Level debt service based on a 30-year term and an interest rate of 5.0 percent has been assumed on all projected bond sales. It is assumed that any additional bonds would be issued as senior lien. Debt service also includes payments on existing SRF loan balances and projected draws on current SRF funds. The projection does not include any SRF loans that have not been closed for the Regional System. Debt service does not reflect any potential savings from future bond refunding transactions.

General Retirement System Pension - The General Retirement System (GRS) Pension line represents both the GRS pension obligation payments and the B and C Note payments. There will be no pension payment for FY 2025 as a prepaid administrative expense balance will be used to offset the UAAL contribution of \$1.6 million and an administrative fee of \$0.6 million. For FY 2026 the UAAL contribution will be \$3.8 million with an administrative fee of \$0.6 million for a total of \$4.4 million which is allocated. This amount was used for FY 2026 through FY 2035. Annual payments on the BC Notes range from \$7.5 million in Fiscal Year 2025, then decreasing yearly to \$5.7 million in Fiscal Year 2035. These requirements are allocated between GLWA and DWSD and between the water and sewer funds as shown in the table below.

	Water	Sewer	Total
Pension Obligation			
GLWA Regional System	25.20%	45.10%	70.30%
DWSD Local System	17.80%	11.90%	29.70%
Total	43.00%	57.00%	100.00%
BC Notes			
GLWA Regional System	21.98%	49.44%	71.42%
DWSD Local System	15.52%	13.06%	28.58%
Total	37.50%	62.50%	100.00%

Water Residential Assistance Program Contribution - WRAP contributions are 0.5% of the base operating revenues (what operating revenues would be before the WRAP contribution).

Extraordinary Repair & Replacement Deposit - The maximum ER&R Fund balance requirement is 15 percent of the Authority operating expenses plus the DWSD operating expenses. Annual deposits are made when necessary to achieve the required ER&R balance.

Regional System Lease - Detroit has the option to utilize a portion of the Lease Payment to finance all “post bifurcation” Local System debt service if revenues are insufficient to do so. The projected financing plan anticipates that revenues for the Local System will be sufficient to allow the entire annual Lease payment to be transferred to the Detroit Local Improvement and Extension Account of the Improvement and Extension Fund.

Working Capital Requirement - The Working Capital Requirement relates to the Receiving Fund and/or the Authority’s Operation and Maintenance Account. The projections assume that the Receiving Fund will target a balance of 1 month of O&M and 2 months of other required transfers (debt service, pension and WRAP). The Operation and Maintenance Account will target 2.5 months of working capital.

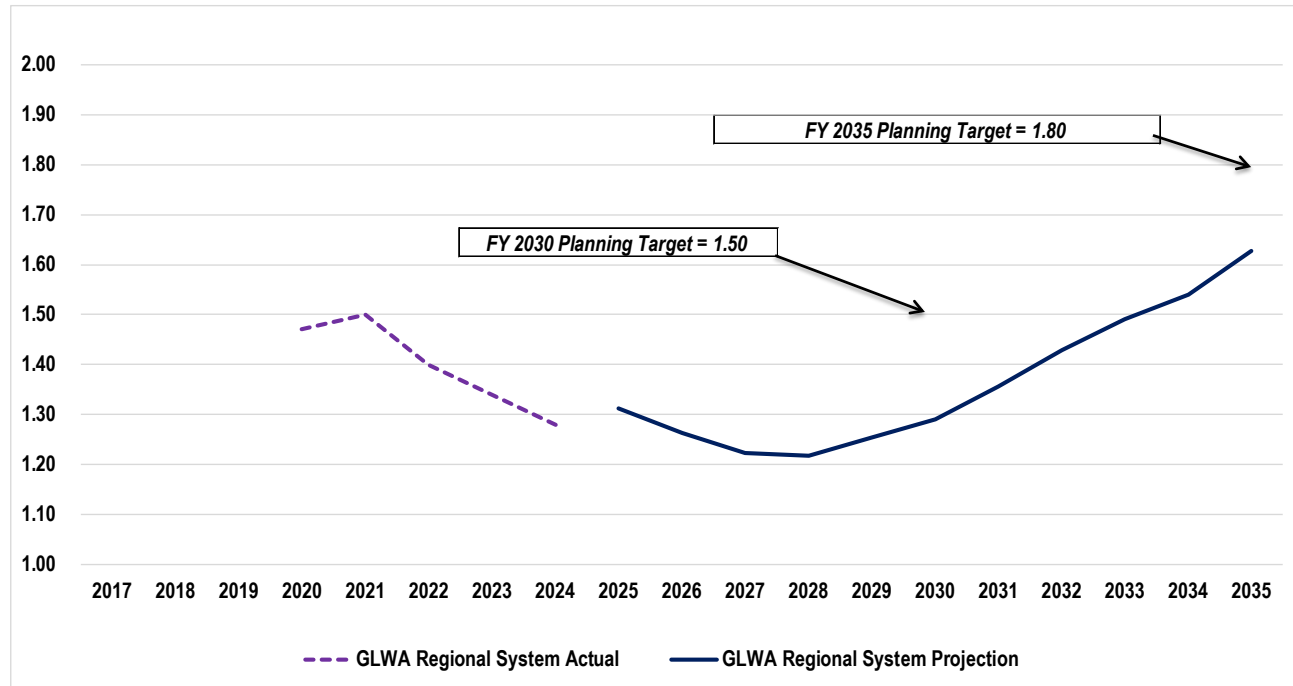
Improvement & Extension Fund Transfer Pending - The remaining amount available is what is available to fund the Authority Regional System I&E Funds held within the Trust. Due to timing variances of cash receipts and disbursements, cash flow analysis are done throughout the year to determine when the actual transferred to the I&E accounts will occur, some of which may occur after year end.

Regional Water System Ten Year Projections

Table 1 – GLWA Regional Water System Projected Revenue Requirements

		Projected (\$ millions)										
	Adopted 2025	Forecast 2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues												
Revenue from Charges												
1 Wholesale Charges	\$ 347.8	\$ 347.8	\$ 365.6	\$ 387.0	\$ 408.7	\$ 431.1	\$ 460.5	\$ 488.9	\$ 517.1	\$ 547.3	\$ 579.7	\$ 613.6
2 Charges to Local System	27.1	27.1	30.0	33.0	36.2	39.5	43.8	48.0	52.1	56.5	61.3	66.3
3 Total Revenue from Charges	374.9	374.9	395.7	420.1	444.9	470.6	504.3	536.9	569.2	603.9	641.0	679.8
Investment Earnings												
4 Unrestricted	6.7	10.2	9.5	9.5	10.1	11.2	7.9	6.9	7.3	7.2	6.9	7.0
5 Restricted	3.2	3.3	3.3	3.4	4.0	4.7	3.5	3.0	3.1	3.2	3.4	3.6
6 Total Investment Earnings	9.9	13.5	12.8	12.9	14.0	15.8	11.4	9.8	10.4	10.5	10.3	10.5
7 Other Operating Revenue	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
8 Total Revenues	\$ 385.1	\$ 388.7	\$ 408.8	\$ 433.3	\$ 459.3	\$ 486.8	\$ 516.0	\$ 547.0	\$ 579.8	\$ 614.7	\$ 651.6	\$ 690.7
Revenue Requirements												
9 Operations & Maintenance Expense	\$ 169.6	\$ 174.6	\$ 182.5	\$ 196.9	\$ 202.0	\$ 203.6	\$ 208.0	\$ 212.1	\$ 216.4	\$ 220.7	\$ 225.1	\$ 229.6
10 Debt Service - Regional System	175.3	163.2	179.1	193.2	211.4	225.8	238.7	246.9	254.3	264.1	276.8	283.4
11 General Retirement System Pension	2.3	1.7	2.7	2.6	2.4	2.4	2.4	2.3	2.3	2.3	2.2	2.4
Water Residential Assistance												
12 Program Contribution	1.9	1.9	2.0	2.1	2.2	2.3	2.5	2.7	2.8	3.0	3.2	3.4
Extraordinary Repair &												
13 Replacement Deposit	-	0.9	0.3	1.9	-	-	-	-	-	-	-	-
14 Regional System Lease	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
15 Working Capital Requirement	6.2	12.7	0.6	1.8	1.9	5.5	4.7	3.4	3.4	3.8	4.4	3.4
Improvement & Extension Fund												
16 Transfer Pending	7.3	11.3	19.1	12.4	16.8	24.6	37.3	57.0	78.2	98.3	117.3	146.1
17 Total Revenue Requirements	\$ 385.1	\$ 388.7	\$ 408.8	\$ 433.3	\$ 459.3	\$ 486.8	\$ 516.0	\$ 547.0	\$ 579.8	\$ 614.7	\$ 651.6	\$ 690.7

Table 2 – GLWA Regional Water System Debt Service Coverage



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
	Actual										Projected									
Regional System Cumulative Average Annual Budget Increase																				
If 4% Promise Was Fully Implemented	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
Actual & Preliminary Updated Forecast	4.0%	1.5%	1.3%	1.6%	1.4%	1.3%	1.6%	1.9%	2.1%	2.5%	2.8%	3.1%	3.3%	3.5%	3.7%	3.8%	3.9%	4.1%	4.2%	
Regional System Annual Budget/Charges Increase																				
Regional Actual Budget Adjustments	4.0%	-0.9%	1.0%	2.5%	0.6%	0.7%	3.5%	4.0%	4.0%	6.14%										
Regional Projected Budget Adjustments											6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.01%	
Regional Actual Charges Adjustments	4.5%	1.8%	1.8%	0.6%	3.2%	1.5%	3.7%	2.8%	3.3%	5.90%										
Regional Projected Charges Adjustments											6.16%	5.92%	5.78%	7.15%	6.46%	6.01%	6.10%	6.14%	6.06%	
Other Key Datapoints																				
	Actual								Projected											
Debt Service Coverage				1.47	1.50	1.40	1.34	1.28	1.31	1.26	1.22	1.22	1.25	1.29	1.36	1.43	1.49	1.54	1.63	
Regional Days Cash	959	1,066	1,058	1,086	1,043	632	573	640	585	558	510	513	528	563	587	569	530	529	588	
Paygo Financing (millions)									\$ -	\$ 9	\$ 12	\$ -	\$ 11	\$ 7	\$ 31	\$ 76	\$ 110	\$ 106	\$ 96	
New Money Bonds needed (millions)									\$ 230	\$ 222	\$ 290	\$ 209	\$ 138	\$ 124	\$ 114	\$ 165	\$ 159	\$ 144	\$ 144	
Capital Projects Spend Forecast (millions)									\$ 190	\$ 185	\$ 235	\$ 290	\$ 220	\$ 145	\$ 155	\$ 190	\$ 275	\$ 265	\$ 240	

Table 3 – GLWA Regional Water System Capital Improvement Plan Projected Funding Sources

		Adopted 2025	Projected (\$ millions)											
			2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Capital Improvement Program														
1	Capital Improvement Program	\$ 207.3	\$ 179.4	\$ 183.1	\$ 233.1	\$ 285.9	\$ 230.5	\$ 150.6	\$ 161.0	\$ 199.6	\$ 271.0	\$ 264.2	\$ 238.0	
2	Spend Rate Assumption	100%	100%	100%	100%	100%	95%	95%	95%	95%	100%	100%	100%	
3	Projected CIP Spend	\$ 207.3	\$ 179.4	\$ 183.1	\$ 233.1	\$ 285.9	\$ 218.9	\$ 143.1	\$ 152.9	\$ 189.6	\$ 271.0	\$ 264.2	\$ 238.0	
Funding Requirements														
4	Capital Outlay	\$ 10.5	\$ 10.5	\$ 11.7	\$ 8.0	\$ 9.5	\$ 8.7	\$ 8.8	\$ 8.9	\$ 9.1	\$ 9.3	\$ 9.5	\$ 9.7	\$ 103.8
5	Capital Improvement Program (a)	210.0	190.0	185.0	235.0	290.0	220.0	145.0	155.0	190.0	275.0	265.0	240.0	2,390.0
6	Total Funding Requirements	\$ 220.5	\$ 200.5	\$ 196.7	\$ 243.0	\$ 299.5	\$ 228.7	\$ 153.8	\$ 163.9	\$ 199.1	\$ 284.3	\$ 274.5	\$ 249.7	\$ 2,493.8
Funding Sources														
GLWA Regional System Improvement and Extension Fund														
7	Beginning Balance	\$ 147.0	\$ 147.0	\$ 147.8	\$ 145.9	\$ 138.5	\$ 145.8	\$ 150.6	\$ 171.9	\$ 189.0	\$ 182.0	\$ 161.0	\$ 162.8	\$ 147.0
8	Transfers from Water Receiving	7.3	11.3	19.1	12.4	16.8	24.6	37.3	57.0	78.2	98.3	117.3	146.1	618.3
9	Available from I&E Fund	154.3	158.3	166.9	158.3	155.3	170.4	187.9	228.9	267.1	280.3	278.3	308.9	
Construction Fund														
10	Beginning Balance	131.3	131.3	236.6	290.4	363.4	288.8	223.9	213.3	205.7	258.7	255.3	244.2	131.3
Bond Issues														
11	Water System Revenue Bonds	-	230.0	222.0	290.0	209.0	138.0	124.0	114.0	165.0	159.0	144.0	144.0	
12	Less: Issuance Expenses	-	(1.7)	(1.7)	(2.2)	(1.6)	(1.0)	(0.9)	(0.9)	(1.2)	(1.2)	(1.1)	(1.1)	
13	Net Bond Proceeds Available	271.6	228.3	220.3	287.8	207.4	137.0	123.1	113.1	163.8	157.8	142.9	142.9	1,924.5
14	State DWSRF Financing	30.8	61.6	1.4	-	-	-	-	-	-	-	-	-	63.0
15	Grants and Contributions	-	2.1	2.3	2.0	-	-	-	-	-	-	-	-	6.4
16	Investment Income	8.0	3.3	5.6	6.4	8.0	7.1	4.1	3.2	3.2	3.8	4.9	4.9	54.5
17	Available from Construction Fund	441.6	426.6	466.1	586.7	578.8	432.9	351.1	329.7	372.7	420.3	403.2	392.0	
18	Total Funding Sources Available	\$ 595.8	\$ 584.9	\$ 633.0	\$ 745.0	\$ 734.1	\$ 603.3	\$ 539.0	\$ 558.6	\$ 639.9	\$ 700.6	\$ 681.5	\$ 700.8	\$ 2,945.0
Projected Use of Funding Sources														
19	I&E Funds - Capital Outlay	\$ 10.5	\$ 10.5	\$ 11.7	\$ 8.0	\$ 9.5	\$ 8.7	\$ 8.8	\$ 8.9	\$ 9.1	\$ 9.3	\$ 9.5	\$ 9.7	\$ 103.8
20	I&E Funds - Capital Projects	15.0	-	9.3	11.8	-	11.0	7.3	31.0	76.0	110.0	106.0	96.0	458.3
21	Construction Fund - Capital Projects	195.0	190.0	175.8	223.3	290.0	209.0	137.8	124.0	114.0	165.0	159.0	144.0	1,931.8
22	Total Projected Use of Funding Sources	\$ 220.5	\$ 200.5	\$ 196.7	\$ 243.0	\$ 299.5	\$ 228.7	\$ 153.8	\$ 163.9	\$ 199.1	\$ 284.3	\$ 274.5	\$ 249.7	\$ 2,493.8
Funding Sources Available for Future Capital Projects														
23	Improvement & Extension Fund	\$ 128.7	\$ 147.8	\$ 145.9	\$ 138.5	\$ 145.8	\$ 150.6	\$ 171.9	\$ 189.0	\$ 182.0	\$ 161.0	\$ 162.8	\$ 203.2	
24	Construction Fund	246.6	236.6	290.4	363.4	288.8	223.9	213.3	205.7	258.7	255.3	244.2	248.0	
Total Funding Sources Available														
25	for Future Capital Projects	\$ 375.3	\$ 384.3	\$ 436.3	\$ 501.9	\$ 434.6	\$ 374.5	\$ 385.3	\$ 394.7	\$ 440.7	\$ 416.3	\$ 407.0	\$ 451.2	

(a) For projected funding requirements the projected CIP spend is rounded up to nearest \$5M

Table 4 – GLWA Regional Water System Projected Statement of Revenues, Expenses and Changes in Net Position

		Projected (\$ millions)										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1	Operating Revenues	\$ 381.2	\$ 402.4	\$ 426.9	\$ 451.8	\$ 477.5	\$ 511.1	\$ 543.7	\$ 576.0	\$ 610.8	\$ 647.8	\$ 686.7
Operating Expenses												
2	Operating Expenses before Depreciation	173.9	182.0	196.3	201.5	203.3	208.0	212.1	216.4	220.7	225.1	229.6
3	Depreciation Expense	98.7	100.7	102.4	107.6	110.6	112.2	117.2	125.9	137.0	146.7	157.8
4	Amortization of Intangible Assets	4.9	5.1	5.1	5.1	4.7	4.3	3.6	3.6	3.6	3.6	3.6
5	Total Operating Expenses	277.5	287.7	303.8	314.1	318.6	324.5	332.9	345.9	361.3	375.4	391.0
6	Operating Income	103.7	114.7	123.2	137.7	158.9	186.6	210.8	230.1	249.5	272.4	295.8
Nonoperating Revenues (Expenses)												
7	Earnings on Investments	16.7	18.3	19.4	22.0	23.0	15.6	13.0	13.6	14.2	15.2	15.4
8	Interest Income on Other Receivables	24.0	23.1	22.3	21.8	23.3	22.4	21.2	20.0	18.6	17.2	15.8
9	Interest Expense	(134.9)	(141.4)	(148.0)	(157.5)	(164.2)	(164.9)	(164.1)	(162.5)	(163.1)	(165.9)	(164.4)
10	Amortization of Debt Related Items	20.1	19.2	17.8	17.7	17.2	15.7	14.6	13.0	12.0	11.0	7.1
11	Legacy Pension Expense	(1.3)	1.2	(3.8)	0.1	0.6	0.1	0.1	0.2	0.3	(1.1)	(1.0)
12	WRAP	(1.9)	(2.0)	(2.1)	(2.2)	(2.3)	(2.5)	(2.7)	(2.8)	(3.0)	(3.2)	(3.4)
13	Other	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
14	Total Nonoperating Expenses	(77.0)	(81.4)	(94.3)	(97.9)	(102.4)	(113.6)	(117.6)	(118.4)	(120.8)	(126.5)	(130.3)
15	Income Before Capital Contributions	26.7	33.3	28.9	39.8	56.5	73.1	93.3	111.8	128.7	145.9	165.5
16	Capital Contributions	2.1	2.3	2.0	-	-	-	-	-	-	-	-
17	Change in Net Position	28.8	35.6	30.9	39.8	56.5	73.1	93.3	111.8	128.7	145.9	165.5
18	Net Position (Deficit), Beginning of Year	(111.1)	(82.3)	(46.7)	(15.8)	23.9	80.4	153.5	246.7	358.5	487.2	633.1
19	Net Position (Deficit), End of Year	\$ (82.3)	\$ (46.7)	\$ (15.8)	\$ 23.9	\$ 80.4	\$ 153.5	\$ 246.7	\$ 358.5	\$ 487.2	\$ 633.1	\$ 798.5

Table 5 – GLWA Regional Water System Projected Cash and Investment Balances

		Projected (\$ millions)										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Unrestricted Funds												
Receiving Fund (Regional)												
1	Beginning Balance	\$ 63.0	\$ 61.5	\$ 59.8	\$ 57.4	\$ 56.7	\$ 59.2	\$ 61.8	\$ 63.4	\$ 65.1	\$ 67.1	\$ 69.6
2	Investment Earnings	8.7	7.6	7.2	7.4	8.2	5.8	5.1	5.5	5.4	5.0	5.1
3	Receipts	375.3	396.0	420.4	445.2	470.9	504.6	537.2	569.5	604.2	641.3	680.1
4	MBO Transfers	(374.1)	(386.3)	(417.5)	(436.6)	(452.0)	(470.5)	(483.6)	(495.2)	(509.3)	(526.4)	(537.7)
5	I&E transfers out	(11.3)	(19.1)	(12.4)	(16.8)	(24.6)	(37.3)	(57.0)	(78.2)	(98.3)	(117.3)	(146.1)
6	Ending Balance Receiving	61.5	59.8	57.4	56.7	59.2	61.8	63.4	65.1	67.1	69.6	71.1
O&M Fund (Regional)												
7	Beginning Balance	22.9	36.4	38.1	41.1	42.5	44.0	45.1	46.0	47.0	47.9	48.9
8	Investment Earnings	0.9	1.2	1.2	1.4	1.5	1.1	0.9	0.9	0.9	1.0	1.0
9	Working Capital Needs	12.7	0.5	1.8	-	-	-	-	-	-	-	-
10	Ending Balance O&M	36.4	38.1	41.1	42.5	44.0	45.1	46.0	47.0	47.9	48.9	49.8
ER&R Fund												
11	Beginning Balance	32.4	34.0	35.0	38.0	39.3	40.7	41.7	42.6	43.4	44.3	45.2
12	Investment Earnings	0.6	0.7	1.1	1.3	1.4	1.0	0.8	0.9	0.9	0.9	0.9
13	MBO Transfers	0.9	0.3	1.9	-	-	-	-	-	-	-	-
14	Ending Balance ER&R	34.0	35.0	38.0	39.3	40.7	41.7	42.6	43.4	44.3	45.2	46.1
I&E Fund (Regional)												
15	Beginning Balance	147.0	147.8	145.9	138.5	145.8	150.6	171.9	189.0	182.0	161.0	162.8
16	Budgeted Capital Outlay	(10.5)	(11.7)	(8.0)	(9.5)	(8.7)	(8.8)	(8.9)	(9.1)	(9.3)	(9.5)	(9.7)
17	Transfer to Construction Fund	-	(9.3)	(11.8)	-	(11.0)	(7.3)	(31.0)	(76.0)	(110.0)	(106.0)	(96.0)
18	Deposits from Revenues	11.3	19.1	12.4	16.8	24.6	37.3	57.0	78.2	98.3	117.3	146.1
19	Ending Balance I&E	147.8	145.9	138.5	145.8	150.6	171.9	189.0	182.0	161.0	162.8	203.2
20	Total Unrestricted Funds	\$ 279.7	\$ 278.8	\$ 275.0	\$ 284.2	\$ 294.6	\$ 320.5	\$ 341.0	\$ 337.5	\$ 320.2	\$ 326.4	\$ 370.2
21	Days Cash on Hand	585	558	510	513	528	563	587	569	530	529	588
Restricted Funds												
Receiving Fund (Local System)-Cash held fbo DWSD												
22	Beginning Balance	\$ 22.7	\$ 22.7	\$ 22.7	\$ 22.7	\$ 22.7	\$ 22.7	\$ 22.7	\$ 22.7	\$ 22.7	\$ 22.7	\$ 22.7
23	Receipts	124.1	130.5	137.5	146.6	154.5	162.9	171.7	181.0	190.8	201.1	212.0
24	MBO Transfers	(122.0)	(129.0)	(134.1)	(140.4)	(151.1)	(161.2)	(169.3)	(177.4)	(185.8)	(194.5)	(203.8)
25	I&E Transfers to Local System	(2.1)	(1.5)	(3.4)	(6.2)	(3.4)	(1.6)	(2.4)	(3.5)	(5.0)	(6.5)	(8.2)
26	Ending Balance Receiving	22.7	22.7	22.7	22.7	22.7	22.7	22.7	22.7	22.7	22.7	22.7
27	Debt Service	14.9	18.2	21.6	25.5	30.2	33.7	36.7	39.8	43.0	46.5	50.0
	Construction Fund											
28	(Regional System)	236.6	290.4	363.4	288.8	223.9	213.3	205.7	258.7	255.3	244.2	248.0
29	Budget Stabilization Fund	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
30	WRAP	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
31	Total Restricted Funds	\$ 277.1	\$ 334.2	\$ 410.6	\$ 340.0	\$ 279.8	\$ 272.7	\$ 268.0	\$ 324.1	\$ 324.0	\$ 316.3	\$ 323.6
Total Unrestricted and Restricted Funds												
32		\$ 556.8	\$ 613.0	\$ 685.7	\$ 624.2	\$ 574.4	\$ 593.3	\$ 609.1	\$ 661.6	\$ 644.2	\$ 642.7	\$ 693.9

Table 6 – GLWA Regional Water System Projected Metrics

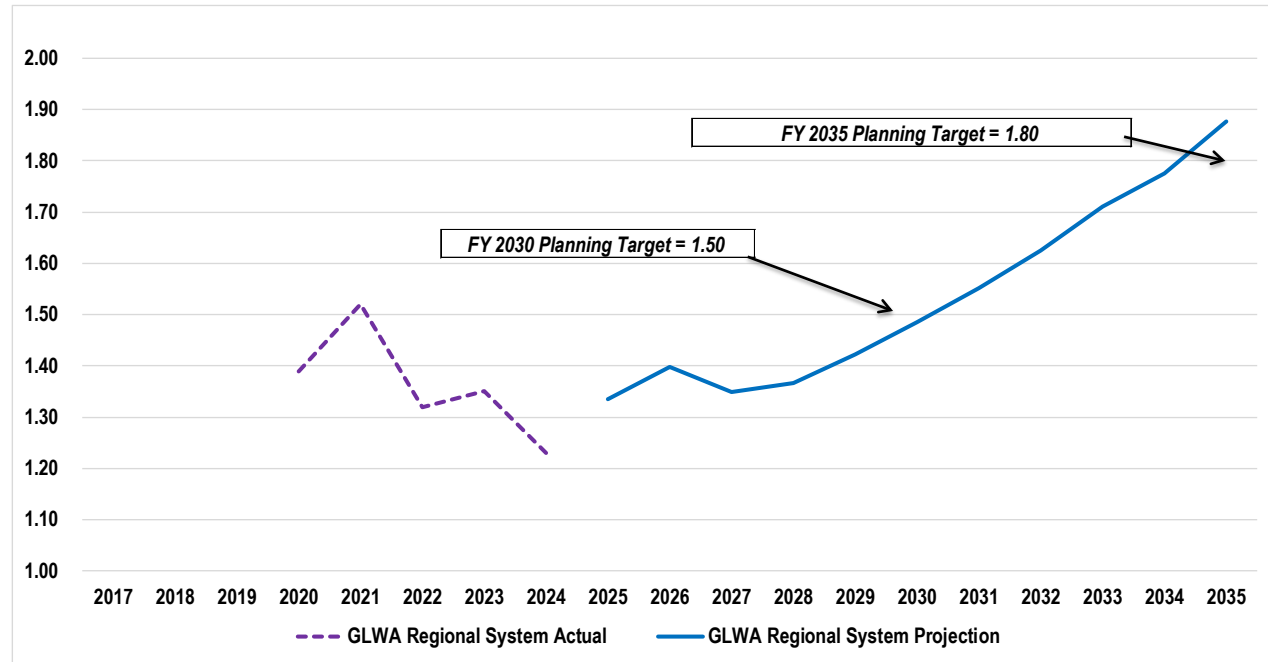
				Projected (\$ millions)											
Metric	Metric Target Range			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
			Goal												
Operating Margin															
1	Depreciation & Amortization Expense			\$ 103.6	\$ 105.8	\$ 107.4	\$ 112.6	\$ 115.3	\$ 116.5	\$ 120.8	\$ 129.5	\$ 140.6	\$ 150.3	\$ 161.3	
2	Total Operating Expenses			\$ 277.5	\$ 287.7	\$ 303.8	\$ 314.1	\$ 318.6	\$ 324.5	\$ 332.9	\$ 345.9	\$ 361.3	\$ 375.4	\$ 391.0	
3	Operating Margin			\$ 103.7	\$ 114.7	\$ 123.2	\$ 137.7	\$ 158.9	\$ 186.6	\$ 210.8	\$ 230.1	\$ 249.5	\$ 272.4	\$ 295.8	
Operating															
4	Margin %	<25%	25%	40%	27.2%	28.5%	28.9%	30.5%	33.3%	36.5%	38.8%	40.0%	40.8%	42.0%	43.1%
Regional Revenue Allocation															
5	O&M			44.9%	44.6%	45.4%	44.0%	41.8%	40.3%	38.8%	37.3%	35.9%	34.6%	33.2%	
6	Debt Service	>40%	40%	33%	42.0%	43.8%	44.6%	46.0%	46.4%	46.3%	45.1%	43.9%	43.0%	42.5%	41.0%
7	Non-Operating Expense			6.7%	6.7%	6.3%	5.9%	5.6%	5.3%	5.0%	4.8%	4.5%	4.3%	4.1%	
8	Capital Financing			6.4%	4.9%	3.7%	4.1%	6.2%	8.1%	11.0%	14.1%	16.6%	18.7%	21.6%	
9	Total			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Other Metrics															
10	Days Cash	<400	400	500	585	558	510	513	528	563	587	569	530	529	588
11	Net Position	<150	150	250	\$ (82.3)	\$ (46.7)	\$ (15.8)	\$ 23.9	\$ 80.4	\$ 153.5	\$ 246.7	\$ 358.5	\$ 487.2	\$ 633.1	\$ 798.5
Net Fixed															
12	Asset/Depreciation	<12	12	25	21	21	22	23	23	23	23	22	21	21	20

Regional Sewage Disposal System Ten Year Projections

Table 7 – GLWA Regional Sewage Disposal System Projected Revenue Requirements

		Projected (\$ millions)										
	Adopted 2025	Forecast 2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues												
Revenue from charges												
1 Wholesale Charges	\$ 287.5	\$ 287.5	\$ 300.3	\$ 314.9	\$ 330.1	\$ 346.3	\$ 366.6	\$ 384.2	\$ 401.0	\$ 418.6	\$ 437.0	\$ 456.4
2 Charges to Local System	205.9	205.9	215.3	226.5	237.9	250.0	265.2	278.4	291.0	304.2	318.0	332.6
3 Industrial Waste Charges	8.7	8.7	9.2	9.6	10.1	10.6	11.2	11.8	12.3	12.8	13.4	14.0
4 Pollutant Surcharges	5.4	5.4	5.1	5.4	5.6	5.9	6.3	6.6	6.9	7.2	7.5	7.8
Total Revenue from												
5 Sewer Charges	507.6	507.6	529.9	556.3	583.7	612.8	649.2	680.9	711.1	742.8	775.9	810.8
Investment Earnings												
6 Unrestricted	10.5	10.8	10.5	11.1	11.9	12.2	8.8	7.6	8.4	9.3	10.0	10.6
7 Restricted	1.9	4.2	4.1	4.3	4.8	5.4	4.0	3.3	3.4	3.6	3.7	3.8
8 Total Investment Earnings	12.4	15.1	14.6	15.4	16.7	17.6	12.7	10.9	11.8	12.8	13.8	14.4
6 Other Operating Revenue	0.7	0.7	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
9 Total Revenues	\$ 520.7	\$ 523.4	\$ 545.0	\$ 572.2	\$ 600.8	\$ 630.8	\$ 662.4	\$ 692.2	\$ 723.4	\$ 756.0	\$ 790.1	\$ 825.6
Revenue Requirements												
10 Operations & Maintenance Expense	\$ 228.9	\$ 231.4	\$ 236.1	\$ 246.4	\$ 256.9	\$ 262.1	\$ 267.8	\$ 273.1	\$ 278.6	\$ 284.2	\$ 289.9	\$ 295.7
11 Debt Service - Regional System	226.3	218.8	220.9	241.5	251.6	259.3	265.6	270.2	273.7	275.7	281.7	282.4
12 General Retirement System Pension	4.8	3.7	5.6	5.2	4.9	4.9	4.8	4.7	4.6	4.6	4.5	4.8
Water Residential Assistance												
13 Program Contribution	2.7	2.5	2.6	2.8	2.9	3.1	3.2	3.4	3.5	3.7	3.9	4.0
Extraordinary Repair &												
14 Replacement Deposit	-	-	-	-	0.3	-	-	-	-	-	0.7	-
15 Regional System Lease	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
16 Working Capital Requirement	2.3	-	-	2.7	6.2	5.9	4.4	3.5	3.6	3.2	4.1	3.2
Improvement & Extension Fund												
17 Transfer Pending	28.1	39.4	52.2	46.1	50.5	68.2	89.1	109.8	131.9	157.1	177.9	208.1
18 Total Revenue Requirements	\$ 520.7	\$ 523.4	\$ 545.0	\$ 572.2	\$ 600.8	\$ 630.8	\$ 662.4	\$ 692.2	\$ 723.4	\$ 756.0	\$ 790.1	\$ 825.6

Table 8 – GLWA Regional Sewage Disposal System Debt Service Coverage



	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
	Actual										Projected									
<u>Regional System Cumulative Average Annual Budget Increase</u>																				
If 4% Promise Was Fully Implemented	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
Actual & Preliminary Updated Forecast	4.0%	2.1%	1.8%	1.9%	1.8%	1.1%	1.1%	1.5%	1.7%	2.0%	2.3%	2.5%	2.7%	2.9%	3.0%	3.1%	3.2%	3.2%	3.3%	
<u>Regional System Annual Budget/Charges Increase</u>																				
Regional Actual Budget Adjustments	4.0%	0.3%	1.0%	2.2%	1.3%	-2.3%	1.3%	4.0%	4.0%	4.67%										
Regional Projected Budget Adjustments											5.00%	5.00%	5.00%	5.00%	4.50%	4.50%	4.50%	4.50%	4.50%	
Regional Actual Charges Adjustments	8.3%	-0.7%	0.1%	0.8%	2.0%	0.6%	2.4%	2.8%	3.0%	4.50%										
Regional Projected Charges Adjustments											4.99%	4.91%	4.99%	5.95%	4.88%	4.44%	4.44%	4.46%	4.51%	
<u>Other Key Datapoints</u>																				
	Actual								Projected											
Debt Service Coverage				1.39	1.52	1.32	1.35	1.23	1.33	1.40	1.35	1.37	1.42	1.49	1.55	1.63	1.71	1.78	1.88	
Regional Days Cash	495	432	495	593	664	574	521	571	532	544	520	477	488	516	561	606	645	664	668	
Paygo Financing (millions)									\$ -	\$ 26	\$ 35	\$ 57	\$ 51	\$ 57	\$ 64	\$ 84	\$ 112	\$ 149	\$ 189	
New Money Bonds needed (millions)									\$ 50	\$ 101	\$ 125	\$ 111	\$ 83	\$ 57	\$ 56	\$ 28	\$ 17	\$ 21	\$ 21	
Capital Projects Spend Forecast (millions)									\$ 170	\$ 175	\$ 235	\$ 285	\$ 255	\$ 190	\$ 160	\$ 140	\$ 140	\$ 165	\$ 210	

Table 9 – GLWA Regional Sewer System Capital Improvement Plan Projected Funding Sources

		Projected (\$ millions)												
		Adopted 2025	2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Capital Improvement Program														
1	Capital Improvement Program	\$ 169.2	\$ 163.3	\$ 193.2	\$ 291.8	\$ 337.8	\$ 261.1	\$ 187.6	\$ 155.5	\$ 136.3	\$ 137.0	\$ 171.9	\$ 240.5	
2	Spend Rate Assumption	100%	100%	90%	80%	84%	96%	100%	100%	100%	100%	95%	87%	
3	Projected CIP Spend	\$ 169.2	\$ 163.3	\$ 173.9	\$ 233.5	\$ 283.8	\$ 250.7	\$ 187.6	\$ 155.5	\$ 136.3	\$ 137.0	\$ 163.3	\$ 209.3	
Funding Requirements														
4	Capital Outlay	\$ 12.1	\$ 12.1	\$ 11.8	\$ 14.0	\$ 15.7	\$ 8.2	\$ 8.2	\$ 8.3	\$ 8.5	\$ 8.7	\$ 8.8	\$ 9.0	\$ 113.2
5	Capital Improvement Program (a)	170.0	170.0	175.0	235.0	285.0	255.0	190.0	160.0	140.0	140.0	165.0	210.0	2,125.0
6	Total Funding Requirements	\$ 182.1	\$ 182.1	\$ 186.8	\$ 249.0	\$ 300.7	\$ 263.2	\$ 198.2	\$ 168.3	\$ 148.5	\$ 148.7	\$ 173.8	\$ 219.0	\$ 2,238.2
Funding Sources														
GLWA Regional System Improvement and Extension Account														
7	Beginning Balance	\$ 138.1	\$ 138.1	\$ 165.4	\$ 179.6	\$ 176.5	\$ 154.3	\$ 163.3	\$ 187.2	\$ 224.7	\$ 264.1	\$ 300.6	\$ 321.1	\$ 138.1
8	Transfers from Sewer Receiving	28.1	39.4	52.2	46.1	50.5	68.2	89.1	109.8	131.9	157.1	177.9	208.1	1,130.3
9	Available from I&E Fund	166.3	177.5	217.7	225.7	227.0	222.5	252.4	297.0	356.6	421.3	478.5	529.2	
Construction Fund														
10	Beginning Balance	172.4	172.4	147.4	179.0	207.4	198.6	176.2	153.9	155.8	130.2	121.4	128.2	172.4
Bond Issues														
11	Sewer System Revenue Bonds	-	50.0	101.0	125.0	111.0	83.0	57.0	56.0	28.0	17.0	21.0	21.0	
12	Less: Issuance Expenses	-	(0.4)	(0.8)	(0.9)	(0.8)	(0.6)	(0.4)	(0.4)	(0.2)	(0.1)	(0.2)	(0.2)	
13	Net Bond Proceeds Available	-	49.6	100.2	124.1	110.2	82.4	56.6	55.6	27.8	16.9	20.8	20.8	665.0
14	State CWSRF Financing	96.9	69.4	52.9	99.7	103.8	93.7	50.7	39.7	-	-	-	-	509.9
15	Grants and Contributions	-	20.9	23.2	-	-	-	-	-	-	-	-	-	44.1
16	Investment Income	2.4	5.1	3.9	4.4	5.2	5.5	3.5	2.6	2.6	2.4	2.5	2.6	40.2
17	Available from Construction Fund	271.6	317.4	327.7	407.2	426.6	380.2	286.9	251.8	186.2	149.4	144.7	151.6	
18	Total Funding Sources Available	\$ 437.9	\$ 494.9	\$ 545.4	\$ 632.9	\$ 653.6	\$ 602.6	\$ 539.3	\$ 548.8	\$ 542.8	\$ 570.6	\$ 623.2	\$ 680.8	\$ 2,700.0
Projected Use of Funding Sources														
19	I&E Funds - Capital Outlay	\$ 12.1	\$ 12.1	\$ 11.8	\$ 14.0	\$ 15.7	\$ 8.2	\$ 8.2	\$ 8.3	\$ 8.5	\$ 8.7	\$ 8.8	\$ 9.0	\$ 113.2
20	I&E Funds - Capital Projects	5.5	-	26.3	35.3	57.0	51.0	57.0	64.0	84.0	112.0	148.5	189.0	824.0
21	Construction Fund - Capital Projects	164.5	170.0	148.8	199.8	228.0	204.0	133.0	96.0	56.0	28.0	16.5	21.0	1,301.0
22	Total Projected Use of Funding Sources	\$ 182.1	\$ 182.1	\$ 186.8	\$ 249.0	\$ 300.7	\$ 263.2	\$ 198.2	\$ 168.3	\$ 148.5	\$ 148.7	\$ 173.8	\$ 219.0	\$ 2,238.2
Funding Sources Available for Future Capital Projects														
23	Improvement & Extension Fund	\$ 148.7	\$ 165.4	\$ 179.6	\$ 176.5	\$ 154.3	\$ 163.3	\$ 187.2	\$ 224.7	\$ 264.1	\$ 300.6	\$ 321.1	\$ 331.2	
24	Construction Fund	107.1	147.4	179.0	207.4	198.6	176.2	153.9	155.8	130.2	121.4	128.2	130.6	
25	Total Funding Sources Available for Future Capital Projects	\$ 255.8	\$ 312.9	\$ 358.6	\$ 383.9	\$ 352.9	\$ 339.5	\$ 341.2	\$ 380.5	\$ 394.3	\$ 422.0	\$ 449.3	\$ 461.8	

(a) |For projected funding requirements the projected CIP spend is rounded up to nearest \$5M

Table 10 – GLWA Regional Sewer System Projected Statement of Revenues, Expenses and Changes in Net Position

		Projected (\$ millions)										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1	Operating Revenues	\$ 508.3	\$ 530.3	\$ 556.8	\$ 584.1	\$ 613.2	\$ 649.7	\$ 681.3	\$ 711.6	\$ 743.2	\$ 776.3	\$ 811.3
Operating Expenses												
2	Operating Expenses before Depreciation	230.2	235.1	245.3	255.8	261.1	267.2	272.6	278.6	284.2	289.9	295.7
3	Depreciation Expense	151.8	150.1	145.7	147.3	154.4	153.9	152.3	155.9	164.9	170.2	174.9
4	Amortization of Intangible Assets	1.8	1.9	1.9	1.9	1.6	1.2	0.4	0.0	-	-	-
5	Total Operating Expenses	383.8	387.1	392.9	405.0	417.2	422.2	425.3	434.6	449.1	460.1	470.6
6	Operating Income	124.5	143.3	163.9	179.1	196.1	227.4	256.0	277.0	294.1	316.2	340.7
Nonoperating Revenues (Expenses)												
7	Earnings on Investments	20.2	18.6	19.8	21.9	23.1	16.2	13.5	14.4	15.2	16.2	16.9
8	Interest Income on Other Receivables	15.5	14.9	14.3	14.0	15.8	15.3	14.5	13.6	12.5	11.4	10.2
9	Interest Expense	(141.9)	(138.7)	(139.5)	(141.1)	(143.9)	(142.3)	(138.4)	(133.2)	(126.2)	(118.1)	(109.5)
10	Amortization of Debt Related Items	9.7	8.2	8.3	8.6	8.5	8.4	9.4	10.4	10.5	9.8	6.2
11	Legacy Pension Expense	(2.3)	2.1	(6.9)	0.3	1.0	0.1	0.2	0.4	0.5	(2.0)	(1.8)
12	WRAP	(2.5)	(2.6)	(2.8)	(2.9)	(3.1)	(3.2)	(3.4)	(3.5)	(3.7)	(3.9)	(4.0)
13	Other	19.4	5.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
14	Total Nonoperating Expenses	(82.0)	(92.3)	(106.4)	(99.0)	(98.2)	(105.3)	(103.9)	(97.7)	(91.0)	(86.2)	(81.7)
15	Income Before Capital Contributions	42.5	51.0	57.5	80.1	97.9	122.1	152.2	179.3	203.1	230.0	259.0
16	Capital Contributions	1.8	18.2	-	-	-	-	-	-	-	-	-
17	Change in Net Position	44.3	69.2	57.5	80.1	97.9	122.1	152.2	179.3	203.1	230.0	259.0
18	Net Position (Deficit), Beginning of Year	(79.3)	(35.0)	34.2	91.7	171.8	269.7	391.8	544.0	723.3	926.4	1,156.4
19	Net Position (Deficit), End of Year	\$ (35.0)	\$ 34.2	\$ 91.7	\$ 171.8	\$ 269.7	\$ 391.8	\$ 544.0	\$ 723.3	\$ 926.4	\$ 1,156.4	\$ 1,415.3

Table 11 – GLWA Regional Sewer System Projected Cash and Investment Balances

		Projected (\$ millions)										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Unrestricted Funds												
Receiving Fund (Regional)												
1	Beginning Balance	\$ 73.0	\$ 70.1	\$ 67.3	\$ 66.7	\$ 69.3	\$ 71.1	\$ 72.6	\$ 73.7	\$ 74.9	\$ 75.6	\$ 77.2
2	Investment Earnings	7.9	7.8	7.8	8.2	8.1	5.9	5.2	6.0	6.8	7.5	8.0
3	Receipts	508.3	530.3	556.8	584.1	613.2	649.7	681.3	711.6	743.2	776.3	811.3
4	MBO Transfers	(479.7)	(488.7)	(519.1)	(539.3)	(551.4)	(565.0)	(575.6)	(584.5)	(592.1)	(604.4)	(610.5)
5	I&E transfers out	(39.4)	(52.2)	(46.1)	(50.5)	(68.2)	(89.1)	(109.8)	(131.9)	(157.1)	(177.9)	(208.1)
6	Ending Balance Receiving	70.1	67.3	66.7	69.3	71.1	72.6	73.7	74.9	75.6	77.2	77.8
O&M Fund (Regional)												
7	Beginning Balance	55.1	57.1	59.0	60.9	62.9	65.2	66.9	68.2	69.6	71.0	72.4
8	Investment Earnings	2.1	1.9	1.9	2.1	2.3	1.6	1.3	1.4	1.4	1.4	1.4
9	Working Capital Needs	-	-	-	-	-	-	-	-	-	-	-
10	Ending Balance O&M	57.1	59.0	60.9	62.9	65.2	66.9	68.2	69.6	71.0	72.4	73.8
ER&R Fund												
11	Beginning Balance	43.9	44.7	45.6	47.1	49.0	50.8	52.1	53.1	54.2	55.2	57.0
12	Investment Earnings	0.9	0.9	1.4	1.6	1.8	1.3	1.0	1.1	1.1	1.1	1.1
13	MBO Transfers	-	-	-	0.3	-	-	-	-	-	0.7	-
14	Ending Balance ER&R	44.7	45.6	47.1	49.0	50.8	52.1	53.1	54.2	55.2	57.0	58.1
I&E Fund (Regional)												
15	Beginning Balance	138.1	165.4	179.6	176.5	154.3	163.3	187.2	224.7	264.1	300.6	321.1
16	Budgeted Capital Outlay	(12.1)	(11.8)	(14.0)	(15.7)	(8.2)	(8.2)	(8.3)	(8.5)	(8.7)	(8.8)	(9.0)
17	Transfer to Construction Fund	-	(26.3)	(35.3)	(57.0)	(51.0)	(57.0)	(64.0)	(84.0)	(112.0)	(148.5)	(189.0)
18	Deposits from Revenues	39.4	52.2	46.1	50.5	68.2	89.1	109.8	131.9	157.1	177.9	208.1
19	Ending Balance I&E	165.4	179.6	176.5	154.3	163.3	187.2	224.7	264.1	300.6	321.1	331.2
20	Total Unrestricted Funds	\$ 337.4	\$ 351.6	\$ 351.1	\$ 335.5	\$ 350.4	\$ 378.7	\$ 419.7	\$ 462.7	\$ 502.4	\$ 527.7	\$ 541.0
21	Days Cash on Hand	532	544	520	477	488	516	561	606	645	664	668
Restricted Funds												
Receiving Fund (Local System) -Cash held fbo DWSD												
22	Beginning Balance	32.7	32.7	32.7	32.7	32.7	32.7	32.7	32.7	32.7	32.7	32.7
23	Receipts	302.5	314.6	329.6	346.1	363.1	382.8	403.6	423.5	444.5	466.5	489.5
24	MBO Transfers	(300.7)	(313.5)	(327.2)	(341.7)	(360.9)	(381.9)	(400.2)	(418.0)	(435.2)	(453.3)	(472.4)
25	I&E Transfers to Local System	(1.8)	(1.1)	(2.4)	(4.4)	(2.2)	(0.9)	(3.4)	(5.5)	(9.2)	(13.2)	(17.1)
26	Ending Balance Receiving	32.7	32.7	32.7	32.7	32.7	32.7	32.7	32.7	32.7	32.7	32.7
27	Debt Service	35.3	39.4	43.7	48.5	53.9	57.9	61.2	64.7	68.2	71.9	75.7
	Construction Fund											
28	(Regional System)	147.4	179.0	207.4	198.6	176.2	153.9	155.8	130.2	121.4	128.2	130.6
29	Budget Stabilization Fund	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
30	WRAP	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
31	Total Restricted Funds	\$ 221.8	\$ 257.4	\$ 290.2	\$ 286.2	\$ 269.1	\$ 250.8	\$ 256.0	\$ 233.8	\$ 228.6	\$ 239.1	\$ 245.4
Total Unrestricted and Restricted Funds												
32	Funds	\$ 559.2	\$ 609.0	\$ 641.3	\$ 621.7	\$ 619.5	\$ 629.6	\$ 675.7	\$ 696.5	\$ 731.0	\$ 766.8	\$ 786.3

Table 12 – GLWA Regional Sewer System Projected Metrics

				Projected (\$ millions)											
Metric	Metric Target Range			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
			Goal												
Operating Margin															
1	Depreciation & Amortization Expense			\$ 153.5	\$ 152.0	\$ 147.6	\$ 149.2	\$ 156.0	\$ 155.0	\$ 152.7	\$ 155.9	\$ 164.9	\$ 170.2	\$ 174.9	
2	Total Operating Expenses			\$ 383.8	\$ 387.1	\$ 392.9	\$ 405.0	\$ 417.2	\$ 422.2	\$ 425.3	\$ 434.6	\$ 449.1	\$ 460.1	\$ 470.6	
3	Operating Margin			\$ 124.5	\$ 143.3	\$ 163.9	\$ 179.1	\$ 196.1	\$ 227.4	\$ 256.0	\$ 277.0	\$ 294.1	\$ 316.2	\$ 340.7	
4	Operating Margin %	<25%	25%	40%	24.5%	27.0%	29.4%	30.7%	32.0%	35.0%	37.6%	38.9%	39.6%	40.7%	42.0%
Regional Revenue Allocation															
5	O&M			44.2%	43.3%	43.1%	42.8%	41.5%	40.4%	39.5%	38.5%	37.6%	36.7%	35.8%	
6	Debt Service	>40%	40%	33%	41.8%	40.5%	42.2%	41.9%	41.1%	40.1%	39.0%	37.8%	36.5%	35.7%	34.2%
7	Non-Operating Expense			6.5%	6.6%	6.2%	5.9%	5.6%	5.4%	5.1%	4.9%	4.7%	4.5%	4.4%	
8	Capital Financing			7.5%	9.6%	8.5%	9.5%	11.7%	14.1%	16.4%	18.7%	21.2%	23.1%	25.6%	
9	Total			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Other Metrics															
10	Days Cash	<400	400	500	532	544	520	477	488	516	561	606	645	664	668
11	Net Position	<150	150	250	\$ (35.0)	\$ 34.2	\$ 91.7	\$ 171.8	\$ 269.7	\$ 391.8	\$ 544.0	\$ 723.3	\$ 926.4	\$1,156.4	\$1,415.3
12	Net Fixed Asset/Depreciation	<12	12	25	16	16	17	18	18	19	19	18	17	17	17

Combined Regional and Local Systems Ten Year Projection Assumptions

The tables in this section reflect the projection of the combined regional and local systems consistent with the Master Bond Ordinance Flow of Funds. It includes the projections from the previous tables for the regional system and the assumptions for those tables. The projections and assumptions applied for the Local Water System have been developed in consultation with DWSD and align with the long-term forecast provided by DWSD.

The City of Detroit Water and Sewerage Department Board of Water Commissioners approved the two-year operating budgets for Fiscal Years 2025-26 and 2026-27 for the Water Operating Fund and the Sewage Disposal Operating Fund on March 19, 2025 ([Resolution 2025-64](#)). The Detroit Water and Sewerage Rates and Fees were also approved on March 19, 2025 ([Resolution 2025-65](#)). The 5 year Capital Improvement Plan for Fiscal Year 2026 to 2030 for the Water Supply System and the Sewage Disposal System was approved April 16, 2025 ([Resolution 2025-83](#)).

DWSD Local System Assumptions

The DWSD budgets included annual increases in revenues from retail water rates of 3.9% in FY 2025 and 5.5% in FY 2026. The DWSD projections included annual increases in revenues from retail water rates 5.5% in FY 2027 through 2035. The Local System retail revenues are net of retail bad debt expense that is projected to be at 11% in FY 2026 and 2027 and 10% for the remainder of the forecast period. The DWSD adopted budgets include annual increases in revenue from retail sewer rates of 3.9% in FY 2025 and 4.6% in FY 2026. The projected annual increases in revenues from retail sewer rates are 4.8% for FY 2027, 4.5% for FY 2028, 5.0% for FY 2029 and 5.5% in FY 2030 and FY 2031 and 5% for FY 2032 through FY 2035. The Local System retail revenues are net of retail bad debt expense that is projected to be at 14.27% of total retail revenues in FY 2026 and 2027 and 13.82% for the remainder of the forecast period.

The Local System O&M expenses are projected to increase 4 percent per year from FY 2027 through FY 2030 and 5% from FY 2031 to FY 2035.

The Local System SRF loans reflect amounts based on approved loans as well as loans that have not been approved yet. If the Local System is not able to secure the SRF loans for future projects, the projects will either be on hold or alternate funding source(s) will be pursued to complete the project.

The Local System contributes an additional 1.0% of total projected revenues from Local Retail System water rates (excluding the wholesale portion of same).

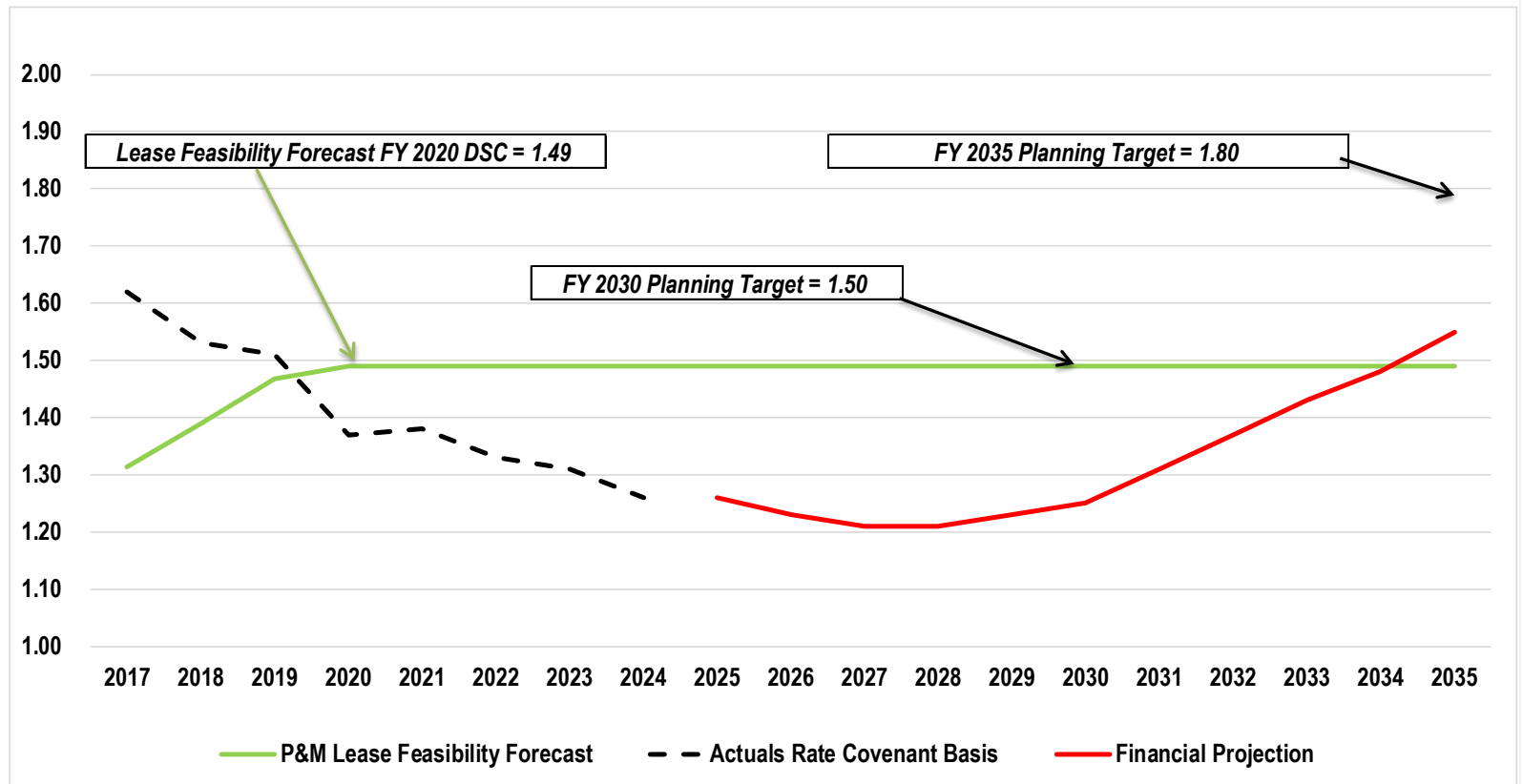
Any remaining amounts available from the local system receipts once the Local System revenue requirements are met are available for transfer to the Detroit Local System I&E Funds held within the Trust.

Combined Regional and Local Water Systems Ten Year Projections

MBO Table 1 – Combined Regional and Local Water Systems - Projected Sources of Revenue, Uses of Revenue Requirements and Debt Service Coverage

		Projected (\$ millions)										
	Adopted 2025	2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue												
GLWA Regional System Revenues												
1 Wholesale Charges	\$ 347.8	\$ 347.8	\$ 365.6	\$ 387.0	\$ 408.7	\$ 431.1	\$ 460.5	\$ 488.9	\$ 517.1	\$ 547.3	\$ 579.7	\$ 613.6
2 Charges to Local System	27.1	27.1	30.0	33.0	36.2	39.5	43.8	48.0	52.1	56.5	61.3	66.3
3 Investment Earnings	9.9	13.5	12.8	12.9	14.0	15.8	11.4	9.8	10.4	10.5	10.3	10.5
4 Other Operating Revenue	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
5 Total GLWA Revenues	385.1	388.7	408.8	433.3	459.3	486.8	516.0	547.0	579.8	614.7	651.6	690.7
DWSD Local System Revenues												
6 Local System Retail	92.1	92.1	94.1	98.0	103.6	108.0	111.9	116.3	121.2	126.3	131.6	137.2
7 Other Operating Revenue	3.7	3.7	5.1	5.3	5.5	5.8	6.0	6.2	6.5	6.7	7.0	7.3
8 Total Local System Revenues	95.8	95.8	99.3	103.3	109.2	113.8	117.9	122.5	127.7	133.0	138.6	144.5
9 Total Revenues	\$ 480.9	\$ 484.5	\$ 508.0	\$ 536.6	\$ 568.4	\$ 600.6	\$ 633.9	\$ 669.5	\$ 707.5	\$ 747.7	\$ 790.2	\$ 835.2
Revenue Requirements												
Operations & Maintenance												
10 Expense	\$ 216.1	\$ 221.1	\$ 232.1	\$ 248.6	\$ 255.8	\$ 259.6	\$ 266.3	\$ 273.4	\$ 280.8	\$ 288.4	\$ 296.3	\$ 304.4
Debt Service												
11 Senior Lien Bonds	150.3	139.7	153.7	168.6	186.6	203.2	213.8	222.1	229.9	229.1	246.4	279.1
12 Second Lien Bonds	51.9	50.7	50.7	50.7	51.5	51.5	54.4	54.4	54.4	65.1	60.5	34.4
13 SRF Junior Lien Bonds	18.4	17.9	19.8	19.3	19.7	22.8	25.6	26.4	26.9	27.3	27.9	28.4
14 Total Debt Service	220.6	208.3	224.3	238.6	257.8	277.4	293.8	302.9	311.1	321.5	334.8	341.9
15 General Retirement System Pension	3.9	2.8	4.7	4.4	4.1	4.1	4.0	4.0	3.9	3.9	3.8	4.0
16 Water Residential Assistance Program Contribution	2.8	2.8	2.9	3.1	3.3	3.4	3.7	3.9	4.1	4.3	4.6	4.9
17 Extraordinary Repair & Replacement Deposit	-	0.9	0.3	1.9	-	-	-	-	-	-	-	-
18 Lease Payment	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
19 Working Capital Requirement	6.2	12.7	0.6	1.8	1.9	5.5	4.7	3.4	3.4	3.8	4.4	3.4
20 Available for Revenue Financed Capital	8.8	13.4	20.6	15.8	23.0	28.0	38.9	59.4	81.7	103.3	123.8	154.2
21 Total Revenue Requirements	\$ 480.9	\$ 484.5	\$ 508.0	\$ 536.6	\$ 568.4	\$ 600.6	\$ 633.9	\$ 669.5	\$ 707.5	\$ 747.7	\$ 790.2	\$ 835.2
22 Pledged Revenue (Line 9 - Line 10)	\$ 264.8	\$ 263.4	\$ 275.9	\$ 288.0	\$ 312.6	\$ 341.0	\$ 367.6	\$ 396.1	\$ 426.7	\$ 459.3	\$ 493.9	\$ 530.8
Debt Service Coverage - Rate Covenant Basis												
23 Senior Lien Bonds	1.76	1.89	1.79	1.71	1.68	1.68	1.72	1.78	1.86	2.00	2.00	1.90
24 Senior and Second Lien Bonds	1.31	1.38	1.35	1.31	1.31	1.34	1.37	1.43	1.50	1.56	1.61	1.69
25 All Bonds, including SRF Junior Lien	1.20	1.26	1.23	1.21	1.21	1.23	1.25	1.31	1.37	1.43	1.48	1.55

MBO Table 2 – Combined Regional and Local Water Systems - Debt Service Coverage



	Actual								Projected										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
P&M Lease Feasibility Forecast	1.31	1.39	1.47	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Actuals Rate Covenant Basis	1.62	1.53	1.51	1.37	1.38	1.33	1.31	1.26											
Financial Projection									1.26	1.23	1.21	1.21	1.23	1.25	1.31	1.37	1.43	1.48	1.55

MBO Table 3 – Combined Regional and Local Water Systems - Projected New Debt Issuances for CIP Funding

		Projected (\$ millions)										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Local System												
1	New Bonds	\$ -	\$ -	\$ -	\$ 45.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	SRF Financing											
2	Draws on Existing	0.5	-	-	-	-	-					
3	New Loans	-	8.0	60.0	56.0	16.0	16.0	10.0	10.0	10.0	10.0	10.0
Total Local System		0.5	8.0	60.0	101.0	16.0	16.0	10.0	10.0	10.0	10.0	10.0
Regional System												
4	New Bonds	230.0	222.0	290.0	209.0	138.0	124.0	114.0	165.0	159.0	144.0	144.0
	SRF Financing											
5	Draws on Existing	61.6	1.4	-	-	-	-	-	-	-	-	-
6	New Loans	-	-	-	-	-	-	-	-	-	-	-
Total Regional System		291.6	223.4	290.0	209.0	138.0	124.0	114.0	165.0	159.0	144.0	144.0
Combined Systems												
7	New Bonds	230.0	222.0	290.0	254.0	138.0	124.0	114.0	165.0	159.0	144.0	144.0
	SRF Financing											
8	Draws on Existing	62.1	1.4	-	-	-	-	-	-	-	-	-
9	New Loans	-	8.0	60.0	56.0	16.0	16.0	10.0	10.0	10.0	10.0	10.0
10	Total New Debt	\$ 292.1	\$ 231.4	\$ 350.0	\$ 310.0	\$ 154.0	\$ 140.0	\$ 124.0	\$ 175.0	\$ 169.0	\$ 154.0	\$ 154.0

MBO Table 4 – Combined Regional and Local Water Systems – Projected Financial Metrics

				Projected (\$ millions)											
Metric	Metric Target Range			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
			Goal												
Debt Service Coverage *															
1	Net Revenue - Regional System			\$ 214.1	\$ 226.3	\$ 236.4	\$ 257.2	\$ 283.2	\$ 308.0	\$ 334.9	\$ 363.5	\$ 393.9	\$ 426.4	\$ 461.1	
2	Net Revenue - Local System			49.3	49.6	51.6	55.4	57.8	59.6	61.2	63.3	65.3	67.5	69.8	
3	Total Net Revenues			\$ 263.4	\$ 275.9	\$ 288.0	\$ 312.6	\$ 341.0	\$ 367.6	\$ 396.1	\$ 426.7	\$ 459.3	\$ 493.9	\$ 530.8	
4	Debt Service Coverage	<1.25	1.25	1.70	1.26	1.23	1.21	1.21	1.23	1.25	1.31	1.37	1.43	1.48	1.55
Sr. Lien Debt															
5	Service Coverage	<1.50	1.50	2.00	1.89	1.79	1.71	1.68	1.68	1.72	1.78	1.86	2.00	2.00	1.90
Debt to Operating Revenue *															
6	Operating Revenue			\$ 484.5	\$ 508.0	\$ 536.6	\$ 568.4	\$ 600.6	\$ 633.9	\$ 669.5	\$ 707.5	\$ 747.7	\$ 790.2	\$ 835.2	
7	Debt Balance without additions			\$2,547.4	\$2,732.2	\$2,837.3	\$3,052.7	\$3,216.7	\$3,210.5	\$3,182.1	\$3,129.7	\$3,120.1	\$3,095.7	\$3,049.5	
8	Debt Additions			304.4	231.4	350.0	310.0	154.0	140.0	124.0	175.0	169.0	154.0	154.0	
9	Outstanding Debt **			\$2,851.8	\$2,963.5	\$3,187.3	\$3,362.7	\$3,370.7	\$3,350.5	\$3,306.1	\$3,304.7	\$3,289.1	\$3,249.7	\$3,203.5	
10	Debt to Operating Revenue	>7.00	7.00	4.00	5.89	5.83	5.94	5.92	5.61	5.29	4.94	4.67	4.40	4.11	3.84

* Includes DWSD local system data in calculation

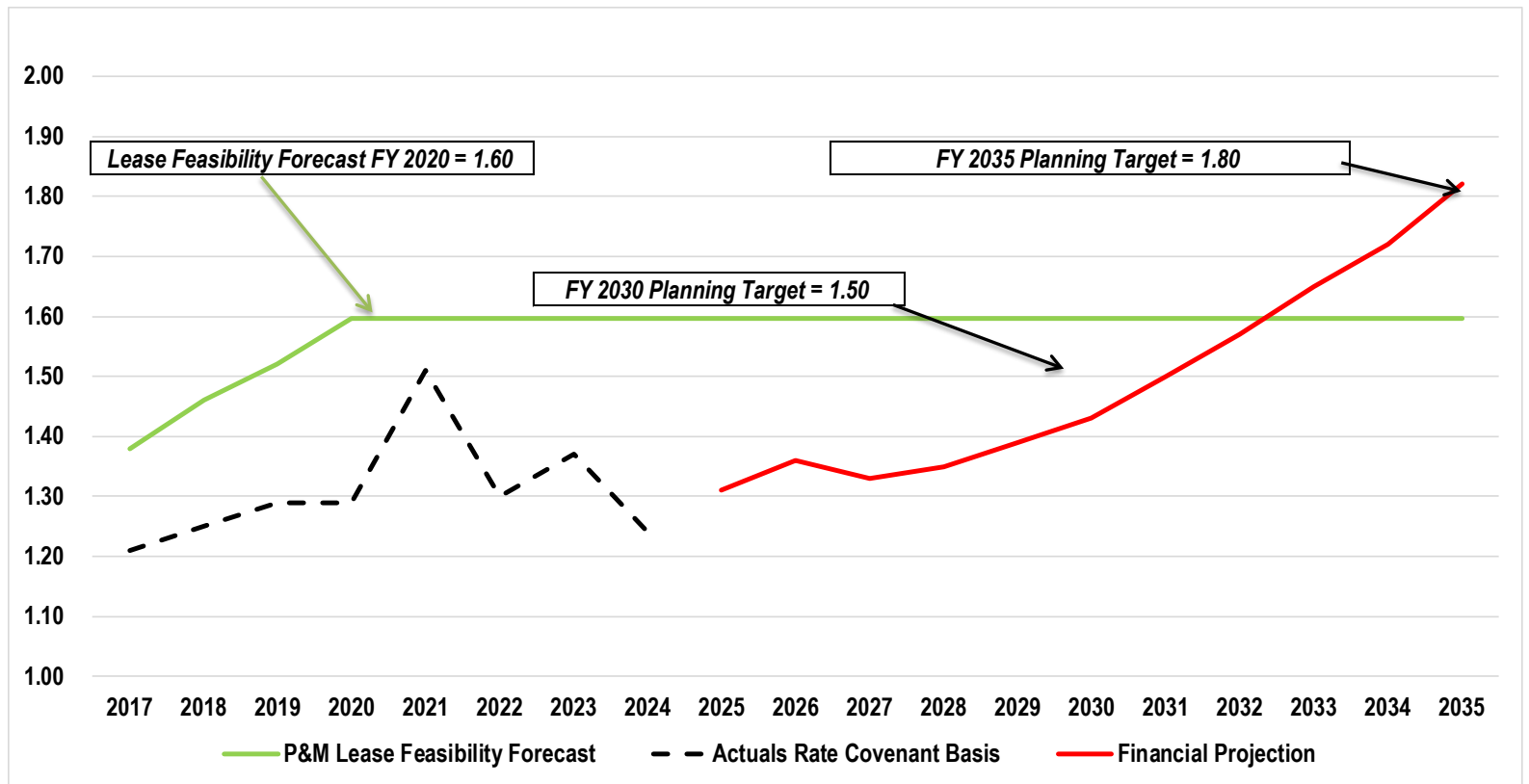
*** Outstanding debt balance is net of July 1st payments made after the fiscal year end of June 30th, as funds have already been set aside for the July 1st payments during the previous fiscal year.*

Combined Regional and Local Sewage Disposal System Ten Year Projections

MB0 Table 5 – Combined Regional and Local Sewage Disposal Systems - Projected Sources of Revenue, Uses of Revenue Requirements and Debt Service Coverage

		Projected (\$ millions)											
		Adopted 2025	2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue													
GLWA Regional System Revenues													
1	Wholesale Charges	\$ 287.5	\$ 287.5	\$ 300.3	\$ 314.9	\$ 330.1	\$ 346.3	\$ 366.6	\$ 384.2	\$ 401.0	\$ 418.6	\$ 437.0	\$ 456.4
2	Charges to Local System	205.9	205.9	215.3	226.5	237.9	250.0	265.2	278.4	291.0	304.2	318.0	332.6
3	Industrial Waste Charges	8.7	8.7	9.2	9.6	10.1	10.6	11.2	11.8	12.3	12.8	13.4	14.0
4	Pollutant Surcharges	5.4	5.4	5.1	5.4	5.6	5.9	6.3	6.6	6.9	7.2	7.5	7.8
5	Investment Earnings	12.4	15.1	14.6	15.4	16.7	17.6	12.7	10.9	11.8	12.8	13.8	14.4
6	Other Operating Revenue	0.7	0.7	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
7	Total GLWA Revenues	520.7	523.4	545.0	572.2	600.8	630.8	662.4	692.2	723.4	756.0	790.1	825.6
DWSD Local System Revenues													
8	Local System Retail	85.7	85.7	88.1	91.6	96.3	100.9	105.0	112.2	119.1	126.4	134.2	142.2
9	Other Operating Revenue	8.0	8.0	8.3	8.7	9.0	9.4	9.7	10.1	10.5	10.9	11.4	11.8
10	Total Local System Revenues	93.7	93.7	96.4	100.2	105.3	110.2	114.7	122.3	129.6	137.4	145.5	154.0
11	Total Revenues	\$ 614.3	\$ 617.0	\$ 641.3	\$ 672.4	\$ 706.1	\$ 741.0	\$ 777.1	\$ 814.5	\$ 853.0	\$ 893.4	\$ 935.6	\$ 979.7
Revenue Requirements													
12	Operations & Maintenance Expense	\$ 286.3	\$ 288.8	\$ 296.2	\$ 308.9	\$ 322.0	\$ 329.8	\$ 338.3	\$ 347.3	\$ 356.5	\$ 366.0	\$ 375.9	\$ 386.1
Debt Service													
13	Senior Lien Bonds	157.3	152.8	158.6	171.9	177.1	187.5	184.3	191.2	208.7	207.3	131.0	88.1
14	Second Lien Bonds	53.8	53.3	56.4	60.1	59.9	51.7	63.4	63.4	49.3	52.6	135.0	179.2
15	SRF Junior Lien Bonds	47.4	44.8	38.1	41.9	47.5	57.4	58.2	57.3	58.7	58.7	58.7	58.1
16	Total Debt Service	258.5	250.9	253.1	273.9	284.5	296.6	305.9	311.8	316.7	318.7	324.7	325.4
17	General Retirement System Pension	6.1	4.7	7.1	6.6	6.2	6.1	6.0	6.0	5.9	5.8	5.7	6.0
18	Water Residential Assistance Program Contribution	4.0	3.9	4.1	4.3	4.5	4.7	4.9	5.2	5.5	5.7	6.0	6.3
19	Extraordinary Repair & Replacement Deposit	-	-	-	-	0.3	-	-	-	-	-	0.7	-
20	Lease Payment	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
21	Working Capital Requirement	2.3	-	-	2.7	6.2	5.9	4.4	3.5	3.6	3.2	4.1	3.2
22	Available for Revenue Financed Capital	29.5	41.2	53.3	48.5	54.9	70.4	90.0	113.2	137.4	166.4	191.0	225.2
23	Total Revenue Requirements	\$ 614.3	\$ 617.0	\$ 641.3	\$ 672.4	\$ 706.1	\$ 741.0	\$ 777.1	\$ 814.5	\$ 853.0	\$ 893.4	\$ 935.6	\$ 979.7
24	Pledged Revenue (Line 11 - Line 12)	\$ 328.0	\$ 328.2	\$ 345.1	\$ 363.5	\$ 384.1	\$ 411.2	\$ 438.8	\$ 467.2	\$ 496.5	\$ 527.3	\$ 559.7	\$ 593.6
Debt Service Coverage Rate Covenant Basis													
25	Senior Lien Bonds	2.09	2.15	2.18	2.11	2.17	2.19	2.38	2.44	2.38	2.54	4.27	6.74
26	Senior and Second Lien Bonds	1.55	1.59	1.61	1.57	1.62	1.72	1.77	1.84	1.92	2.03	2.10	2.22
27	All Bonds, including SRF	1.27	1.31	1.36	1.33	1.35	1.39	1.43	1.50	1.57	1.65	1.72	1.82

MBO Table 6 – Combined Regional and Local Sewage Disposal Systems - Debt Service Coverage



	Actual								Projected										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
P&M Lease Feasibility Forecast	1.38	1.46	1.52	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Actuals Rate Covenant Basis	1.21	1.25	1.29	1.29	1.51	1.30	1.37	1.24											
Financial Projection									1.31	1.36	1.33	1.35	1.39	1.43	1.50	1.57	1.65	1.72	1.82

MBO Table 7 – Combined Regional and Local Sewage Disposal Systems - Projected New Debt Issuances for CIP Funding

		Projected (\$ millions)										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Local System												
1	New Bonds	\$ -	\$ -	\$ -	\$ 50.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	SRF Financing											
2	Draws on Existing	1.8	6.7									
3	New Loans	-	1.3	37.9	42.1	25.7	28.0	-	-	-	-	-
Total Local System		1.8	8.0	37.9	92.1	25.7	28.0	-	-	-	-	-
Regional System												
4	New Bonds	50.0	101.0	125.0	111.0	83.0	57.0	56.0	28.0	17.0	21.0	21.0
	SRF Financing											
5	Draws on Existing	69.4	52.9	99.7	103.8	93.7	50.7	39.7	-	-	-	-
6	New Loans	-	-	-	-	-	-	-	-	-	-	-
Total Regional System		119.4	153.9	224.7	214.8	176.7	107.7	95.7	28.0	17.0	21.0	21.0
Combined Systems												
7	New Bonds	50.0	101.0	125.0	161.0	83.0	57.0	56.0	28.0	17.0	21.0	21.0
	SRF Financing											
8	Draws on Existing	71.2	59.6	99.7	103.8	93.7	50.7	39.7	-	-	-	-
9	New Loans	-	1.3	37.9	42.1	25.7	28.0	-	-	-	-	-
10	Total New Debt	\$ 121.2	\$ 161.9	\$ 262.7	\$ 306.9	\$ 202.4	\$ 135.7	\$ 95.7	\$ 28.0	\$ 17.0	\$ 21.0	\$ 21.0

MBO Table 8 – Combined Regional and Local Sewage Disposal Systems – Projected Financial Metrics

Metric	Metric Target Range	Projected (\$ millions)										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Debt Service Coverage *												
Net Revenue - Regional System		\$ 291.9	\$ 308.9	\$ 325.8	\$ 343.9	\$ 368.8	\$ 394.6	\$ 419.1	\$ 444.8	\$ 471.8	\$ 500.2	\$ 530.0
Net Revenue - Local System		36.3	36.3	37.7	40.2	42.4	44.2	48.1	51.7	55.5	59.5	63.7
Total Net Revenues		\$ 328.2	\$ 345.1	\$ 363.5	\$ 384.1	\$ 411.2	\$ 438.8	\$ 467.2	\$ 496.5	\$ 527.3	\$ 559.7	\$ 593.6
Debt Service Coverage												
	<1.25	1.25	1.70	1.31	1.36	1.33	1.35	1.39	1.43	1.50	1.57	1.65
Sr. Lien Debt Service Coverage												
	<1.50	1.50	2.00	2.15	2.18	2.11	2.17	2.19	2.38	2.44	2.38	2.54
Debt to Operating Revenue *												
Operating Revenue		\$ 617.0	\$ 641.3	\$ 672.4	\$ 706.1	\$ 741.0	\$ 777.1	\$ 814.5	\$ 853.0	\$ 893.4	\$ 935.6	\$ 979.7
Debt Balance without additions		\$2,708.0	\$2,686.3	\$2,685.5	\$2,776.7	\$2,903.6	\$2,915.5	\$2,850.5	\$2,735.1	\$2,544.0	\$2,330.2	\$2,112.6
Debt Additions		121.2	161.9	262.7	306.9	202.4	135.7	95.7	28.0	17.0	21.0	21.0
Outstanding Debt **		\$2,829.2	\$2,848.2	\$2,948.1	\$3,083.6	\$3,105.9	\$3,051.2	\$2,946.1	\$2,763.1	\$2,561.0	\$2,351.2	\$2,133.6
Debt to Operating Revenue												
	>7.00	7.00	4.00	4.59	4.44	4.38	4.37	4.19	3.93	3.62	3.24	2.87

* Includes DWSD local system data in calculation

** Outstanding debt balance is net of July 1st payments made after the fiscal year end of June 30th, as funds have already been set aside for the July 1st payments during the previous fiscal year.

Local System Projection Information

The following tables were used to project the new bond issue financing needs for the local system which is included in the MBO Flow of Funds Projection section MBO Table 3 and MBO Table 7 The Local Water System projections have been developed in consultation with DWSD and align with the long-term forecast provided by DWSD.

Local Table 1 – Local Water System Capital Improvement Plan Projected Funding Sources

		Adopted	Projected (\$ millions)												
		2025	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total	
Funding Requirements															
1	DWSD Local System CIP	\$ 147.8	\$ 156.8	\$ 115.3	\$ 163.5	\$ 124.9	\$ 72.8	\$ 65.8	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0		
2	Execution Factor	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%		
3	Projected Local System CIP Spend	\$ 118.3	\$ 125.5	\$ 92.2	\$ 130.8	\$ 99.9	\$ 58.3	\$ 52.7	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0		
Funding Sources															
DWSD Local System Improvement and Extension Fund															
4	Beginning Balance	\$ 38.0	\$ 16.5	\$ 24.5	\$ 23.4	\$ 17.7	\$ 18.8	\$ 20.8	\$ 26.6	\$ 22.0	\$ 18.5	\$ 16.5	\$ 16.1	\$ 16.5	
5	Deposits from Lease Payment	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	247.5	
6	GLWA Reimbursement	1.1	1.1	0.4	0.4	0.8	0.1	0.1	-	-	-	-	-	2.8	
7	State DWSRF Financing	12.8	12.8	8.0	60.0	56.0	16.0	16.0	10.0	10.0	10.0	10.0	10.0	218.8	
8	Grant Reimbursements	42.4	42.4	27.7	9.2	-	-	-	-	-	-	-	-	79.3	
9	Investment Income	1.0	1.0	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	5.9	
10	Revenue Financed Capital	1.5	2.1	1.5	3.4	6.2	3.4	1.6	2.4	3.5	5.0	6.5	8.2	43.8	
11	Available from I&E Fund	119.3	98.3	85.0	119.3	103.7	61.2	61.5	62.0	58.5	56.5	56.1	57.2		
Construction Bond Funds															
12	Beginning Balance	58.0	65.5	63.0	35.4	7.2	38.2	21.4	4.6	4.8	5.0	5.2	5.4	65.5	
13	Bond Proceeds	-	-	-	-	45.0	-	-	-	-	-	-	-	45.0	
14	Investment Income	2.0	2.5	3.0	1.0	1.0	1.0	1.0	0.2	0.2	0.2	0.2	0.2	10.5	
15	Available from Construction Fund	60.0	68.0	66.0	36.4	53.2	39.2	22.4	4.8	5.0	5.2	5.4	5.6		
16	Total Financing Sources Available	\$ 179.3	\$ 166.3	\$ 151.0	\$ 155.7	\$ 156.9	\$ 100.5	\$ 83.9	\$ 66.8	\$ 63.5	\$ 61.7	\$ 61.5	\$ 62.8	\$ 735.5	
Projected Use of Funding Sources															
17	I&E Funds - Capital Projects	\$ 94.9	\$ 73.8	\$ 61.6	\$ 101.6	\$ 84.9	\$ 40.5	\$ 34.9	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 597.3	
18	Construction Fund - Capital Projects	23.4	5.0	30.6	29.2	15.0	17.8	17.8	-	-	-	-	-	115.4	
Total Projected Use of Funding															
19	Sources	\$ 118.3	\$ 78.8	\$ 92.2	\$ 130.8	\$ 99.9	\$ 58.3	\$ 52.7	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 712.7	
Funding Sources Available for Future Capital Projects															
20	Improvement & Extension Fund	\$ 24.4	\$ 24.5	\$ 23.4	\$ 17.7	\$ 18.8	\$ 20.8	\$ 26.6	\$ 22.0	\$ 18.5	\$ 16.5	\$ 16.1	\$ 17.2		
21	Construction Bond Funds	36.6	63.0	35.4	7.2	38.2	21.4	4.6	4.8	5.0	5.2	5.4	5.6		
Total Funding Sources Available															
22	for Future Capital Projects	\$ 61.0	\$ 87.5	\$ 58.8	\$ 24.9	\$ 57.0	\$ 42.2	\$ 31.2	\$ 26.8	\$ 23.5	\$ 21.7	\$ 21.5	\$ 22.8		

Local Table 2 – Local Sewer System Capital Improvement Plan Projected Funding Sources

		Adopted 2025	Projected (\$ millions)												
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total		
Funding Requirements															
1	DWSD Local System CIP	\$ 87.5	\$ 88.5	\$ 159.7	\$ 221.7	\$ 222.3	\$ 123.9	\$ 91.4	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0		
2	Execution Factor	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%		
3	Projected Local System CIP Spend	\$ 70.0	\$ 70.8	\$ 127.7	\$ 177.4	\$ 177.8	\$ 99.2	\$ 73.1	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0		
Funding Sources															
DWSD Local System Improvement and Extension Account															
4	Beginning Balance	\$ 31.1	\$ 60.2	\$ 38.5	\$ 39.2	\$ 31.9	\$ 27.8	\$ 29.8	\$ 35.0	\$ 26.9	\$ 20.5	\$ 17.7	\$ 18.9	\$ 60.2	
5	Deposits from Lease Payment	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	302.5	
6	GLWA Reimbursement	1.1	1.1	0.4	0.4	0.8	0.1	0.1	-	-	-	-	-	2.8	
7	State CWSRF Financing	-	1.8	8.0	37.9	42.1	25.7	28.0	-	-	-	-	-	143.6	
8	State CWSRF Loan Forgiveness	-	-	4.1	-	-	-	-	-	-	-	-	-		
9	Grant Reimbursements	30.3	30.3	67.3	80.8	75.0	23.0	9.6	-	-	-	-	-	286.1	
10	Investment Income	1.0	1.0	0.8	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	8.8	
11	Revenue Financed Capital	1.4	1.8	1.1	2.4	4.4	2.2	0.9	3.4	5.5	9.2	13.2	17.1	61.3	
12	Available from I&E Fund	92.4	123.7	147.7	189.1	182.7	107.4	96.9	66.9	60.5	57.7	58.9	64.0		
Construction Bond Funds															
13	Beginning Balance	39.5	46.8	43.0	25.3	6.1	33.7	13.1	2.4	2.5	2.6	2.7	2.8	46.8	
14	Bond Proceeds	-	-		-	50.0	-	-	-	-	-	-	-	50.0	
15	Investment Income	1.0	1.5	1.5	1.0	0.5	1.0	0.5	0.1	0.1	0.1	0.1	0.1	6.5	
16	Available from Construction Fund	40.5	48.3	44.5	26.3	56.6	34.7	13.6	2.5	2.6	2.7	2.8	2.9		
17	Total Funding Sources Available	\$ 132.9	\$ 172.0	\$ 192.2	\$ 215.4	\$ 239.4	\$ 142.1	\$ 110.5	\$ 69.4	\$ 63.0	\$ 60.4	\$ 61.6	\$ 66.9	\$ 968.5	
Projected Use of Funding Sources															
18	I&E Funds - Capital Projects	\$ 59.4	\$ 85.2	\$ 108.5	\$ 157.2	\$ 154.9	\$ 77.6	\$ 61.9	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 845.3	
19	Construction Fund - Capital Projects	10.6	5.3	19.2	20.2	23.0	21.6	11.2	-	-	-	-	-	100.4	
20	Total Projected Use of Funding Sources	\$ 70.0	\$ 90.5	\$ 127.7	\$ 177.4	\$ 177.8	\$ 99.2	\$ 73.1	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 40.0	\$ 945.7	
Funding Sources Available for Future Capital Projects															
21	Improvement & Extension Fund	\$ 33.0	\$ 38.5	\$ 39.2	\$ 31.9	\$ 27.8	\$ 29.8	\$ 35.0	\$ 26.9	\$ 20.5	\$ 17.7	\$ 18.9	\$ 24.0		
22	Construction Bond Funds	29.9	43.0	25.3	6.1	33.7	13.1	2.4	2.5	2.6	2.7	2.8	2.9		
23	Total Funding Sources Available for Future Capital Projects	\$ 62.9	\$ 81.5	\$ 64.5	\$ 38.1	\$ 61.5	\$ 42.9	\$ 37.4	\$ 29.4	\$ 23.0	\$ 20.4	\$ 21.6	\$ 26.9		