



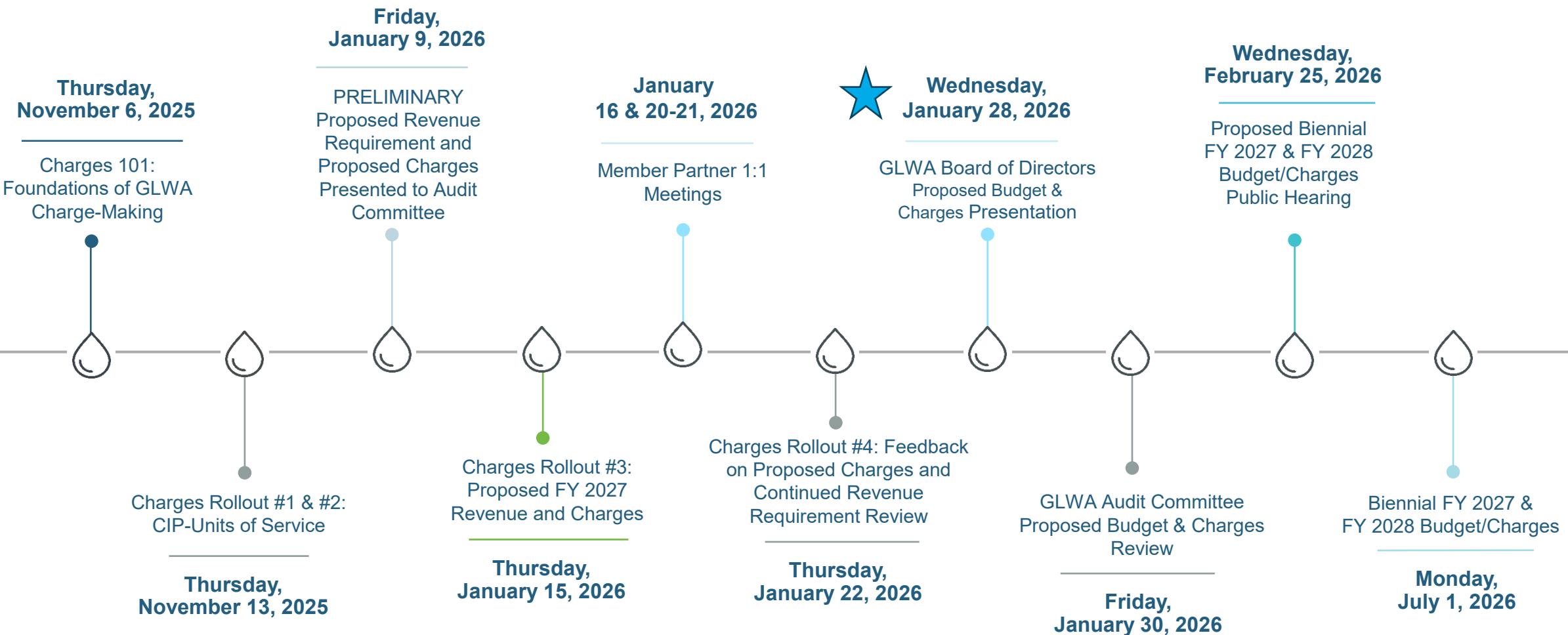
# **FY 2027 & FY 2028 Biennial Budget & Long-term Financial Plans**

Nicolette Bateson, CPA – Chief Financial Officer & Treasurer

Cindy Cezat, CPA – Director – Financial Management & Planning

**Board of Directors Meeting  
January 28, 2026**

# FY 2027 Charges Rollout Timeline



# Key Takeaways

- Long-term financial plan evolution
  - Water: less of an increase for FY 2027 but increased for FY 2028
  - Sewer: same as last financial plan through FY 2030
- Headline: Investment earnings down by approximately \$4 million for each system (\$8 million in total) driven by declining economic conditions that impacts all public investment portfolios
- Debt reflects June 2025 bond refunding transaction and Draft #2 CIP for both systems; for sewer only, includes recently awarded Clean Water State Revolving Fund resources
- Water budget and financial plan provides for \$7.5 million annually to ramp-up for the Linear System Integrity Program (LSIP); it is a start but far less than the needed to build up to \$75 million by Year 10

# Key Takeaways *(continued)*

- ◆ Adjusted targeted use of I&E funds for construction
  - ◆ Water: Less use on I&E for water projects to build financial stability
  - ◆ Sewer: Increased use of I&E to achieve a balance of debt vs. cash
  - ◆ Reminder: Investment earnings on I&E Funds are returned to the operating fund to offset charges
- ◆ Operating cost reductions entered up through last week which are reflected in this deck
  - ◆ Staffing plan has net zero increase and full-time equivalent budget scaled back; labor shortages in key areas remain; recruitment continues with expanded process to reprogram resources for successful candidates
  - ◆ Increased needs for technology improvements across all areas
  - ◆ Impact of increasing demands on field services cannot be ignored given magnitude of water main breaks in recent years

# Water System – Focus on FY 2027

<b>Budget Summary</b>		<b>Water \$</b>	<b>Water %</b>
<b>Resources</b>			
Charges		\$ 422	98%
Other Revenues		9	2%
Total		<u>\$ 431</u>	100%
<b>Uses</b>			
Operating		\$ 198	46%
Capital		210	49%
Lease		23	5%
Total		<u>\$ 431</u>	100%
<b>Charges Increase</b>		<u>\$ 26</u>	100%
<b>Uses Increase</b>			
Loss of other revenue	\$ 4	15%	
Operating Expense	11	42%	
Capital Program	11	42%	
Total	<u>\$ 26</u>	100%	

*\$ shown in millions*

Highest level summary observations:

- Water revenue is 98% dependent on end user charges – requiring sensitivity to public health and affordability concerns
- Operating expenses (46%) are the base costs for staff, utilities, and chemicals to provide service 24/7
- A healthy sign - nearly half the uses of budgetary resources (49%) are investment in capital – improving reliability for current and future generations (yet more is needed as we are near a peak of watermain assets that are meeting or exceeding useful life)
- The charge increase covers decreased investment earnings due to national economic conditions

# Sewer System – Focus on FY 2027

<b>Budget Summary</b>		<b>Sewer \$</b>	<b>Sewer %</b>
<b>Resources</b>			
Charges	\$ 561	98%	
Other Revenues	11	2%	
Total	<u>\$ 572</u>	<u>100%</u>	
<b>Uses</b>			
Operating	\$ 246	43%	
Capital	298	52%	
Lease	28	5%	
Total	<u>\$ 572</u>	<u>100%</u>	
<b>Charges Increase</b>			
	<u>\$ 31</u>	<u>100%</u>	
<b>Uses Increase</b>			
Loss of other revenue	\$ 4	13%	
Operating Expense	1	3%	
Capital Program	26	84%	
Total	<u>\$ 31</u>	<u>100%</u>	

*\$ shown in millions*

Highest level summary observations:

- Sewer service is 98% dependent on end user charges – requiring sensitivity to affordability and environmental concern for all
- Operating expenses (43%) are the base costs for personnel, utilities, chemical to provide service 24/7
- A healthy sign - over half the uses of budgetary resources (52%) are investment in capital – improving reliability for current and future generations (yet more is needed as increased intensity and variability of weather events and change in contaminants are received for treatment)
- The charge increase covers decreased investment earnings due to national economic conditions with most of the remainder (84%) dedicated to capital programs to maintain, improve, modernize facilities

# History of Forecasted Budget Adjustments in the Ten Year Financial Projections

- The COVID era resulted in persistent, high double digit cost increases
- GLWA saw the leading indicators and launched the Economic Outlook Task Force (EOTF)
- The reality of these permanent cost increases began appearing in GLWA forecasts in 2023

## Budget Adjustment - Water

FY 2027 - 01.09.2026 Current Plan

FY 2026 - 06.12.2025 Published Ten Year Projection

FY 2026 - 10.09.2024 Board Workshop

FY 2025 - 09.13.2023 Board Workshop

FY 2027 FY 2028 FY 2029 FY 2030 FY 2031

5.4%	7.0%	6.0%	6.0%	6.0%
6.0%	6.0%	6.0%	6.0%	6.0%
7.5%	7.5%	7.5%	6.0%	6.0%
7.5%	7.5%	7.5%	6.0%	6.0%

*The evolution of the financial plan reflects:*

- 1) *the economic impact on investment return assumptions, and*
- 2) *Smoothing out annual budget increases rather than variability from year to year*

## Budget Adjustment - Sewer

FY 2027 - 01.09.2026 Current Plan

FY 2026 - 06.12.2025 Published Ten Year Projection

FY 2026 - 10.09.2024 Board Workshop

FY 2025 - 09.13.2023 Board Workshop

5.0%	5.0%	5.0%	5.0%	4.5%
5.0%	5.0%	5.0%	5.0%	4.5%
5.5%	5.5%	5.5%	4.0%	4.0%
5.5%	5.5%	5.5%	3.5%	3.5%

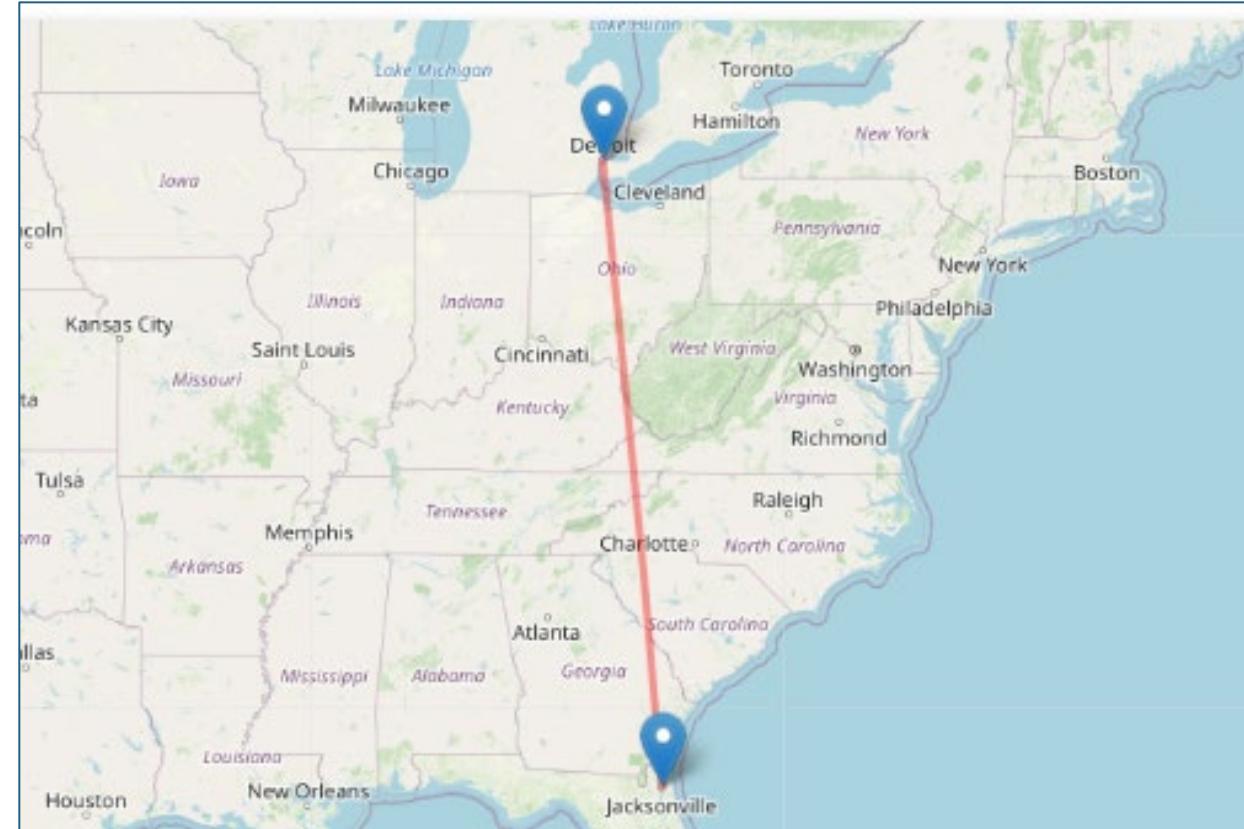
# Linear Asset Strategy Timeline – Board Review

- ◆ September 24, 2025 – *Part 1: GLWA Linear System Integrity Program Update*
  - ◆ 2017 - 2020: Condition assessment and targeted renewal was developed
  - ◆ 2021 - 2025: Initiated contract with LSIP Program Manager, HDR of Michigan to update risk-based prioritization approach, develop program framework, governance and processes, and begin high resolution condition assessments and renewal
- ◆ October 8, 2025 – *Part 2: GLWA Water Transmission Main Renewal Strategy*
  - ◆ Transmission main risk matrix is used to prioritize management
  - ◆ Evolution to a more comprehensive “Water Transmission Main Renewal Strategy” is being developed
  - ◆ 16% of mains are beyond their useful life; 16% of mains are candidates for decommissioning
  - ◆ Long-term, annual funding is the biggest challenge

# Stakeholder Conversations: Magnitude of Water Transmission Main Strategy

Transmission Main Management Category	Miles
To Be Transferred or Decommissioned	161.7
Prestressed Concrete Cylinder Pipe (PCCP)	416.6
All Others (Including Metallic)	233.8
<b>Total Miles of Transmission Main</b>	<b>812.1</b>

- 💧 The Comprehensive Water Transmission Main Renewal Strategy addresses over 800 miles of pipe – roughly the same distance from Detroit, Michigan to Jacksonville, Florida
- 💧 No one-size-fits-all solution – the strategy optimizes resources with prioritized projects and reducing service disruption



# Water Transmission Main Renewal Funding

- Now that the scope and amount have been quantified, a meaningful funding discussion journey can begin
- Once the Board of Directors was briefed, the ten-year plan was updated in November/December 2025 to provide funding for the team to begin the renewal strategy
- Far more funding is needed – with the asset strategy developed – for a 20+ year program of \$1.2 billion (in 2026 dollars) – more stakeholders need to be engaged

	Fiscal Year (Millions)										Cumulative Shortfall
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Ramp Up Needed	\$ 7.5	\$ 15.0	\$ 22.5	\$ 30.0	\$ 37.5	\$ 45.0	\$ 52.5	\$ 60.0	\$ 67.5	\$ 75.0	\$ 412.5
Included in Capital Outlay	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	75.0	142.5
Funding to be Determined	\$ -	\$ 7.5	\$ 15.0	\$ 22.5	\$ 30.0	\$ 37.5	\$ 45.0	\$ 52.5	\$ 60.0	\$ -	\$ 270.0

# Water Transmission Main Renewal Bonding

- 💧 Why not borrow to fund? There are several challenges.
  - 💧 Water system bonding capacity – the debt service coverage for the water system has weakened since 2019 due to increased operating costs and capital program costs (now just hovering above the 1.2x Debt Service Coverage minimum that is legally allowed)
  - 💧 Bonds need to be repaid – the annual debt service increases charge pressure
    - 💧 \$75 million bond become \$148 million with debt service over 30 years
    - 💧 Average annual debt service would be \$4.9 million which equates to over 1% charge increase – and that is just for one year of funding for the mature program

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Other Key Datapoints	Actual										Projected									
Debt Service Coverage (GLWA impact)	1.71	1.58	1.63	1.47	1.50	1.40	1.34	1.28	1.22	1.26	1.23	1.23	1.24	1.28	1.36	1.43	1.50	1.57	1.66	1.72

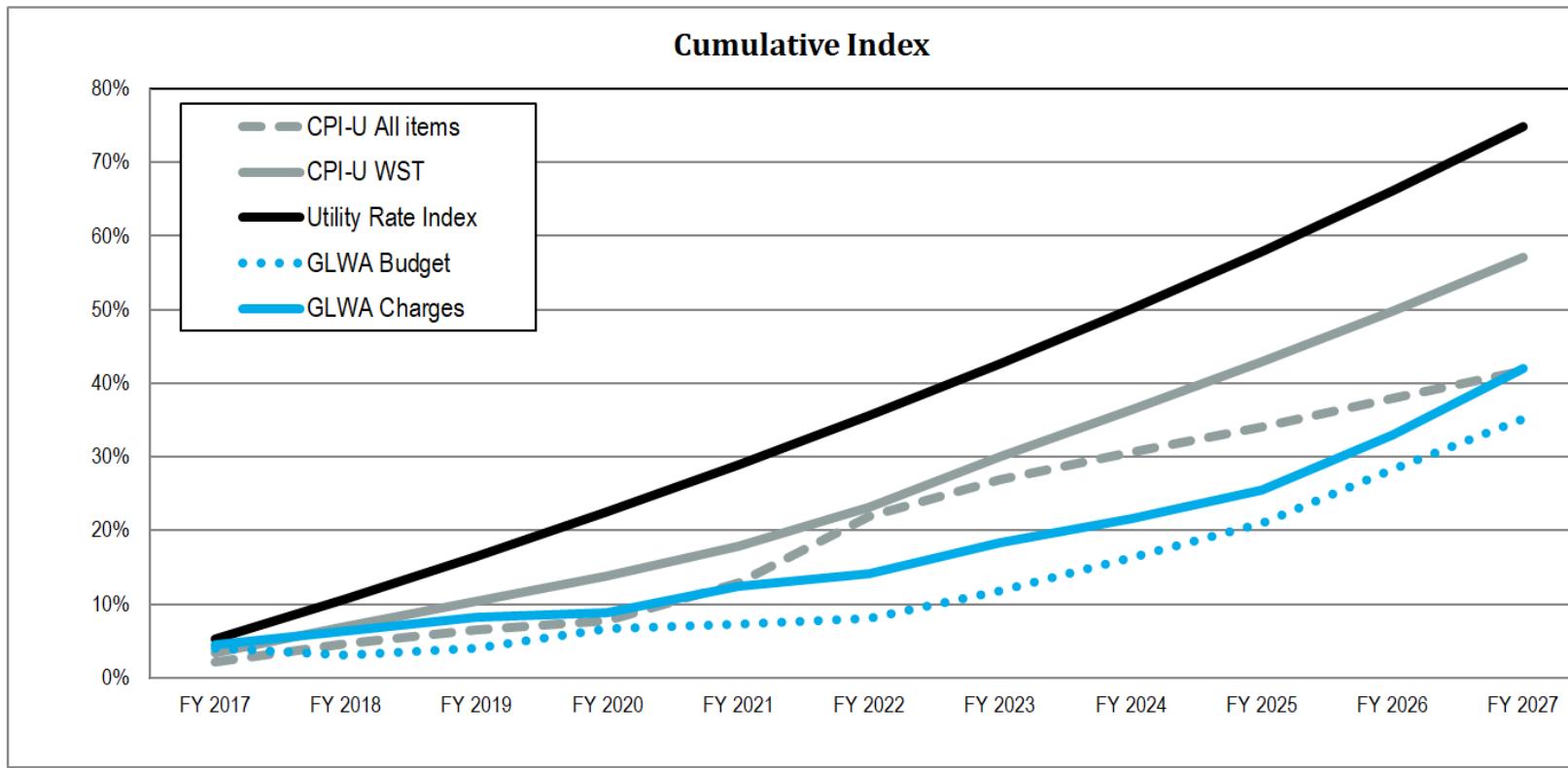
# Stay Tuned for More Updates

- 💧 Water Transmission Main Renewal may be a good candidate for Water Infrastructure Finance and Innovation Act (WIFIA) funding
  - 💧 A lower cost source of borrowing
  - 💧 This is not a “fix” – but one tool in the toolbox to potentially ramp up the program
  - 💧 Note: state revolving fund criteria does not align well with GLWA’s water system metrics – and that funding source is strained
- 💧 This system was not initially built with user fees alone; need for public policy to address aging infrastructure
  - 💧 We also know that many of our Member Partners and communities across the state are facing same / similar aging infrastructure and funding issues
  - 💧 Without new resources, already strained affordability challenges for some expand to all

# Water CPI Comparison-Cumulative Change

## Cumulative Historical "Water System Budget & Charge" Adjustments

	Cumulative Index										
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
(a) CPI-U All items	2.1%	4.6%	6.5%	7.8%	12.9%	21.9%	27.0%	30.7%	34.1%	38.0%	41.8%
(b) CPI-U WST	3.4%	7.0%	10.4%	13.9%	18.0%	23.3%	30.0%	36.4%	43.0%	49.9%	57.0%
(c) Utility Rate Index	5.2%	10.7%	16.5%	22.5%	28.9%	35.6%	42.7%	50.1%	57.9%	66.2%	74.8%
GLWA Budget	4.0%	3.0%	4.1%	6.7%	7.3%	8.0%	11.8%	16.3%	20.9%	28.3%	35.2%
GLWA Charges	4.5%	6.3%	8.2%	8.9%	12.4%	14.1%	18.3%	21.6%	25.5%	32.9%	42.0%



a) FY 2017 - FY 2025 Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year). FY 2026 and FY 2027 estimated based on Public Sector Consultants Economic Task Force Update presented to the Audit Committee on December 19, 2025

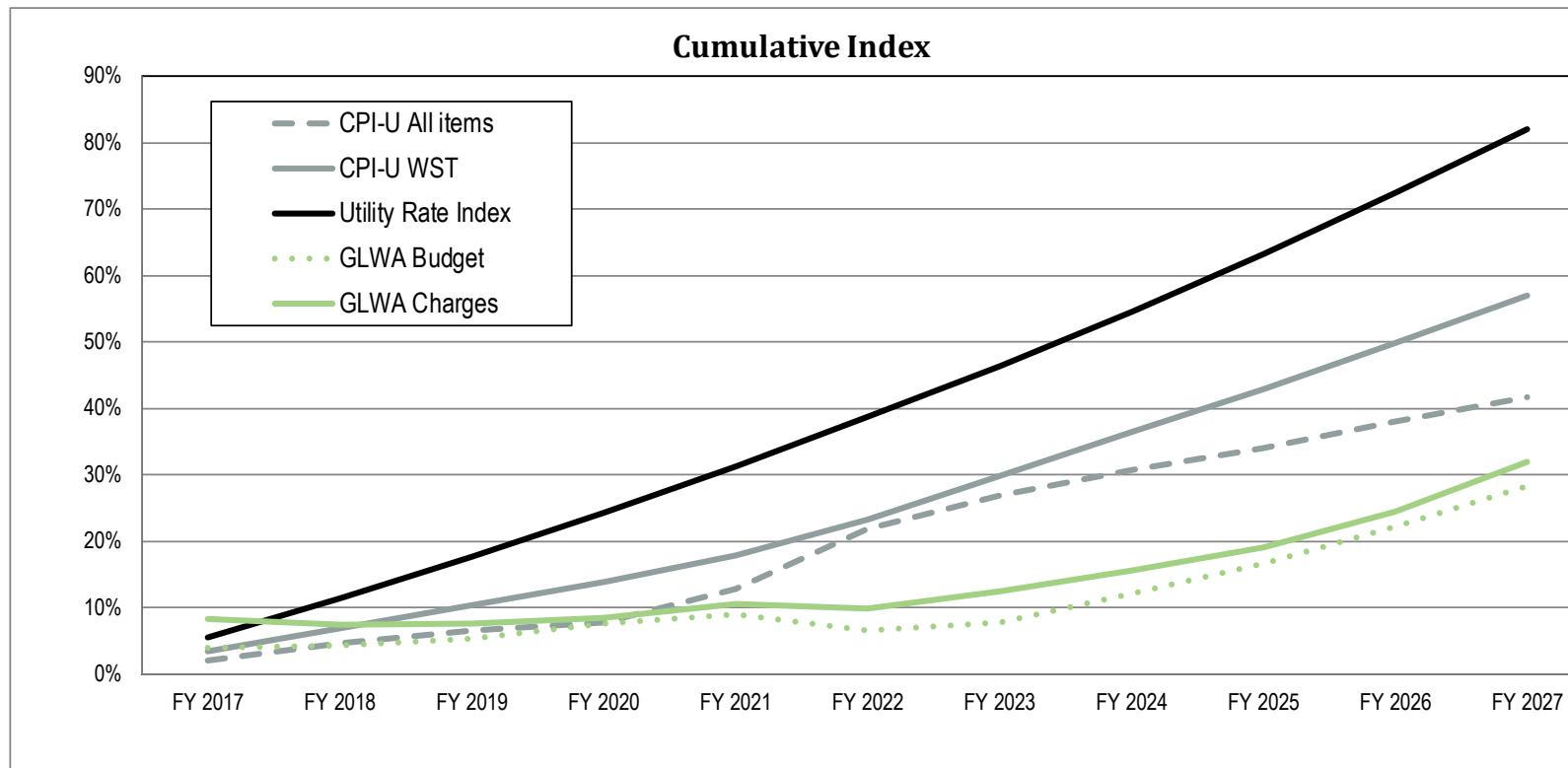
b) Bureau of Labor Statistics, CPI-U, Water and sewer and trash collection services in U.S. city average, all urban consumers, not seasonally adjusted (calendar year), FY 2026 and FY 2027 based on FY 2025

c) Black & Veatch 2024 50 Largest Cities Rate Survey Average rate of change water bills 2001-2024. The average was used for all years.

# Sewer CPI Comparison-Cumulative Change

## Cumulative Historical "Sewage Disposal System Budget & Charge" Adjustments

	Cumulative Index										
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
(a) CPI-U All items	2.1%	4.6%	6.5%	7.8%	12.9%	21.9%	27.0%	30.7%	34.1%	38.0%	41.8%
(b) CPI-U WST	3.4%	7.0%	10.4%	13.9%	18.0%	23.3%	30.0%	36.4%	43.0%	49.9%	57.0%
(c) Utility Rate Index	5.6%	11.5%	17.8%	24.4%	31.3%	38.7%	46.4%	54.6%	63.3%	72.4%	82.1%
GLWA Budget	4.0%	4.3%	5.4%	7.7%	9.1%	6.5%	7.9%	12.2%	16.7%	22.2%	28.3%
GLWA Charges	8.3%	7.5%	7.6%	8.5%	10.6%	9.9%	12.6%	15.7%	19.1%	24.5%	31.9%



- a) FY 2017 - FY 2025 Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year). FY 2026 and FY 2027 estimated based on Public Sector Consultants Economic Task Force Update presented to the Audit Committee on December 19, 2025
- b) Bureau of Labor Statistics, CPI-U, Water and sewer and trash collection services in U.S. city average, all urban consumers, not seasonally adjusted (calendar year), FY 2026 and FY 2027 based on FY 2025
- c) Black & Veatch 2024 50 Largest Cities Rate Survey Average rate of change water bills 2001-2024. The average was used for all years.



## Addendum – Background Information



# Water System

# Schedule 1 - Biennial Budget – Water System Revenue Requirement

Water System Revenue Requirement	FY 2025	FY 2026		FY 2027			FY 2028		
	Actual	Adopted Budget	Projected	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget	Dollar Variance	Percent Variance
<b>Revenues</b>									
Total Revenue from Charges	370,294,117	395,674,900	395,674,900	421,587,500	25,912,600	6.5%	452,297,900	30,710,400	7.3%
Investment Earnings									
Unrestricted	5,852,555	4,654,800	4,404,900	3,171,000	(1,483,800)	-31.9%	3,067,400	(103,600)	-3.3%
I&E Fund Unrestricted	6,257,059	4,868,800	4,525,400	3,410,900	(1,457,900)	-29.9%	3,096,900	(314,000)	-9.2%
Restricted for Debt Service	4,346,719	3,260,100	2,834,800	2,175,500	(1,084,600)	-33.3%	2,257,700	82,200	3.8%
Total Investment Earnings	16,456,333	12,783,700	11,765,100	8,757,400	(4,026,300)	-31.5%	8,422,000	(335,400)	-3.8%
Other Operating Revenue	503,708	302,800	302,800	500,000	197,200	65.1%	300,000	(200,000)	-40.0%
<b>Total Revenues</b>	<b>\$ 387,254,158</b>	<b>\$ 408,761,400</b>	<b>\$ 407,742,800</b>	<b>\$ 430,844,900</b>	<b>\$ 22,083,500</b>	<b>5.4%</b>	<b>\$ 461,019,900</b>	<b>\$ 30,175,000</b>	<b>7.0%</b>
<b>Revenue Requirements</b>									
Operations & Maintenance Expense	\$ 175,405,631	\$ 182,456,000	\$ 183,909,400	\$ 193,563,400	\$ 11,107,400	6.1%	\$ 200,736,600	\$ 7,173,200	3.7%
Debt Service	162,019,744	179,082,200	177,686,400	192,202,900	13,120,700	7.3%	212,359,600	20,156,700	10.5%
General Retirement System Pension	1,653,300	2,730,800	2,730,800	2,559,000	(171,800)	-6.3%	2,415,300	(143,700)	-5.6%
Water Residential Assistance Program Contribution	1,876,500	1,970,000	1,970,000	2,099,900	129,900	6.6%	2,251,700	151,800	7.2%
Extraordinary Repair & Replacement Deposit	2,144,000	320,000	320,000	104,800	(215,200)	-67.3%	614,300	509,500	486.2%
Regional System Lease	22,500,000	22,500,000	22,500,000	22,500,000	-	0.0%	22,500,000	-	0.0%
Working Capital Requirement	-	600,000	-	1,100,000	500,000	83.3%	5,900,000	4,800,000	436.4%
Improvement & Extension Fund Transfer Pending	8,315,700	19,102,400	18,626,200	16,714,900	(2,387,500)	-12.5%	14,242,400	(2,472,500)	-14.8%
<b>Total Water System Revenue Requirements</b>	<b>\$ 373,914,875</b>	<b>\$ 408,761,400</b>	<b>\$ 407,742,800</b>	<b>\$ 430,844,900</b>	<b>\$ 22,083,500</b>	<b>5.4%</b>	<b>\$ 461,019,900</b>	<b>\$ 30,175,000</b>	<b>7.0%</b>

The headline of this year's budget is a 31.5% decrease in investment earnings based on changes in the economy - the impact is shifting pressure to charges despite cost containment efforts.

**Revenues:** The forecast in last year's FY 2027 adopted budget showed charges revenues at \$420M and investment earnings at \$13M. The negative swing in investments earnings of \$4M equates to over a 1% increase in revenue from charges.

Due to this effect on charges the proposed budget increase was decreased from 6% to 5.4%. Revenue from charges is 6.5% compared to the 6.2% from last year's FY 2027 budget.

Actual charge increase to member partners will vary based on the cost of service study which includes the effect of changes in the units of service.

# Schedule 1 - Five Year Plan– Water System Revenue Requirement

Water System Revenue Requirement	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Revenues</b>								
Total Revenue from Charges	370,294,117	395,674,900	395,674,900	421,587,500	452,297,900	479,108,300	506,656,600	538,054,300
Investment Earnings								
Unrestricted	5,852,555	4,654,800	4,404,900	3,171,000	3,067,400	3,462,500	4,103,700	4,043,300
I&E Fund Unrestricted	6,257,059	4,868,800	4,525,400	3,410,900	3,096,900	3,190,200	3,751,500	3,570,200
Restricted for Debt Service	4,346,719	3,260,100	2,834,800	2,175,500	2,257,700	2,635,100	3,215,900	3,156,800
Total Investment Earnings	16,456,333	12,783,700	11,765,100	8,757,400	8,422,000	9,287,800	11,071,100	10,770,300
Other Operating Revenue	503,708	302,800	302,800	500,000	300,000	300,000	300,000	300,000
<b>Total Revenues</b>	<b>\$ 387,254,158</b>	<b>\$ 408,761,400</b>	<b>\$ 407,742,800</b>	<b>\$ 430,844,900</b>	<b>\$ 461,019,900</b>	<b>\$ 488,696,100</b>	<b>\$ 518,027,700</b>	<b>\$ 549,124,600</b>
<b>Revenue Requirements</b>								
Operations & Maintenance Expense	\$ 175,405,631	\$ 182,456,000	\$ 183,909,400	\$ 193,563,400	\$ 200,736,600	\$ 206,578,400	\$ 210,149,100	\$ 215,194,500
Debt Service	162,019,744	179,082,200	177,686,400	192,202,900	212,359,600	226,833,700	240,238,500	244,989,500
General Retirement System Pension	1,653,300	2,730,800	2,730,800	2,559,000	2,415,300	2,384,200	2,353,100	2,322,000
Water Residential Assistance								
Program Contribution	1,876,500	1,970,000	1,970,000	2,099,900	2,251,700	2,385,100	2,522,200	2,678,400
Extraordinary Repair & Replacement Deposit	2,144,000	320,000	320,000	104,800	614,300	331,800	-	-
Regional System Lease	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000
Working Capital Requirement	-	600,000	-	1,100,000	5,900,000	5,100,000	5,100,000	3,700,000
Improvement & Extension Fund Transfer Pending	8,315,700	19,102,400	18,626,200	16,714,900	14,242,400	22,582,900	35,164,800	57,740,200
<b>Total Water System Revenue Requirements</b>	<b>\$ 373,914,875</b>	<b>\$ 408,761,400</b>	<b>\$ 407,742,800</b>	<b>\$ 430,844,900</b>	<b>\$ 461,019,900</b>	<b>\$ 488,696,100</b>	<b>\$ 518,027,700</b>	<b>\$ 549,124,600</b>
<i>Change in Annual Revenue Requirement</i>								
				5.40%	7.0%	6.0%	6.0%	6.0%

The overall forecasted increase in the revenue requirement for the five-year plan remains in the 6% range despite increasing cost pressure.

Please note that water system capital needs, particularly the scope and magnitude identified by the linear system integrity program (LSIP), are not totally reflected in this financial plan. The roadmap for advancing that program, presented at the [Board of Directors Workshop in October 2025](#), is underway while funding opportunities are also being explored. That being said, the plan was reworked to provide an additional \$7.5 million per year for LSIP.

## Schedule 4A - Five Year Plan– Water Improvement & Extension Fund

Water Improvement & Extension Fund	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Inflows</b>								
Transfers in from Water Operations Fund								
Revenue Transfers	\$ 8,315,700	\$ 19,102,400	\$ 18,626,200	\$ 16,714,900	\$ 14,242,400	\$ 22,582,900	\$ 35,164,800	\$ 57,740,200
Transfer in from Water Construction Fund								
Working Capital Adjustment (1)	-	-	-	-	-	-	-	-
Investment Earnings	6,257,059	4,868,800	4,525,400	3,410,900	3,096,900	3,190,200	3,751,500	3,570,200
<b>Total Inflows</b>	<b>14,572,759</b>	<b>23,971,200</b>	<b>23,151,600</b>	<b>20,125,800</b>	<b>17,339,300</b>	<b>25,773,100</b>	<b>38,916,300</b>	<b>61,310,400</b>
<b>Outflows</b>								
Capital outlay	8,883,041	11,691,400	11,691,400	24,976,300	21,012,200	18,706,900	16,540,900	16,180,400
Transfers out to Water Operations Fund								
Investment Earnings	4,803,139	4,868,800	4,525,400	3,410,900	3,096,900	3,190,200	3,751,500	3,570,200
Transfer out to Water Construction Fund								
Revenue Financed Capital	171,562	9,250,000	-	-	-	-	19,000,000	12,750,000
<b>Total Outflows</b>	<b>13,857,742</b>	<b>25,810,200</b>	<b>16,216,800</b>	<b>28,387,200</b>	<b>24,109,100</b>	<b>21,897,100</b>	<b>39,292,400</b>	<b>32,500,600</b>
<b>Net Inflow (Outflow) - Use of I&amp;E Funds</b>	<b>\$ 715,017</b>	<b>\$ (1,839,000)</b>		<b>6,934,800</b>	<b>(8,261,400)</b>	<b>(6,769,800)</b>	<b>3,876,000</b>	<b>(376,100)</b>
Beginning Net Position			147,797,600	154,732,400	146,471,000	139,701,200	143,577,200	143,201,100
Projected Ending Net Position			\$ 154,732,400	\$ 146,471,000	\$ 139,701,200	\$ 143,577,200	\$ 143,201,100	\$ 172,010,900

*Investment earnings* are transferred to the water operating fund to offset pressure on charges.

*Capital outlay* is for equipment purchases that have a life greater than a year. It also includes an additional \$7.5 million per year for the LSIP program

*Transfers to the Water Construction Fund* are to reduce the reliance on debt for capital improvements.

## Schedule 5A - Five Year Plan– Water Construction Fund

Water Construction Fund	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Inflows</b>								
Transfers in from Water I&E Fund								
Revenue Financed Capital	\$ 171,562	\$ 9,250,000	\$ -	\$ -	\$ -	\$ -	\$ 19,000,000	\$ 12,750,000
Transfers in from Water Operations Fund								
Bond Proceeds	231,833,814	222,000,000	202,000,000	304,000,000	228,000,000	168,000,000	69,000,000	131,000,000
State Revolving Loans	56,270,485	1,369,200	6,742,400	-	-	-	-	-
Grants and Capital Contributions	3,348,636	2,300,000	2,197,100	1,154,900	-	-	-	-
Investment Earnings	5,248,342	5,565,100	4,099,500	4,237,700	4,388,400	3,783,400	3,328,700	2,059,100
<b>Total Inflows</b>	<b>296,872,839</b>	<b>240,484,300</b>	<b>215,039,000</b>	<b>309,392,600</b>	<b>232,388,400</b>	<b>171,783,400</b>	<b>91,328,700</b>	<b>145,809,100</b>
<b>Outflows</b>								
Capital Program	156,209,178	185,000,000	185,000,000	265,000,000	305,000,000	230,000,000	190,000,000	85,000,000
Transfers out to Water Operations Fund								
Bond Cost of Issuance	1,812,585	1,665,000	1,515,000	2,280,000	1,710,000	1,260,000	517,500	982,500
Transfers out to Water I&E Fund								
Working Capital Adjustment (1)	-	-	-	-	-	-	-	-
<b>Total Outflows</b>	<b>158,021,763</b>	<b>186,665,000</b>	<b>186,515,000</b>	<b>267,280,000</b>	<b>306,710,000</b>	<b>231,260,000</b>	<b>190,517,500</b>	<b>85,982,500</b>
<b>Net Inflow (Outflow) - Use of Construction Funds</b>	<b>\$ 138,851,076</b>	<b>\$ 53,819,300</b>		<b>28,524,000</b>	<b>42,112,600</b>	<b>(74,321,600)</b>	<b>(59,476,600)</b>	<b>(99,188,800)</b>
Beginning Net Position				270,178,200	298,702,200	340,814,800	266,493,200	207,016,600
Projected Ending Net Position				\$ 298,702,200	\$ 340,814,800	\$ 266,493,200	\$ 207,016,600	\$ 107,827,800
Capital Improvement Plan		\$ 183,064,000	\$ 183,743,000	\$ 302,768,000	\$ 372,646,000	\$ 246,750,000	\$ 186,818,000	\$ 82,080,000
Capital Spending Ratio		100%	100%	87%	81%	93%	100%	100%
Capital Financing Plan		\$ 185,000,000	\$ 185,000,000	\$ 265,000,000	\$ 305,000,000	\$ 230,000,000	\$ 190,000,000	\$ 85,000,000

*Investment Earnings* are restricted and remain in the construction fund.

*Capital Program* is for the delivery of the projects outlined in the capital improvement plan.

# Water Ten Year Plan – Key Datapoints

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
	Actual											Projected									
<b>Regional System Cumulative Average Annual Budget Increase</b>																					
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%	3.4%	3.5%	3.7%	3.8%	4.0%	4.1%	4.2%	4.3%	
<b>Regional System Annual Budget/Charges Increase</b>																					
Regional Actual Budget Adjustment	4.0%	-0.9%	1.0%	2.5%	0.6%	0.7%	3.5%	4.0%	4.0%	6.1%											
Regional Projected Budget Adjustment											5.4%	7.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Regional Actual Charge Adjustment	4.5%	1.8%	1.8%	0.6%	3.2%	1.5%	3.7%	2.8%	3.3%	5.9%											
Regional Projected Charge Adjustment *											6.83%	7.3%	5.9%	5.7%	6.2%	6.4%	6.1%	6.1%	6.0%	6.0%	
<b>Other Key Datapoints</b>		<b>Actual</b>										<b>Projected</b>									
Debt Service Coverage (GLWA impact)	1.71	1.58	1.63	1.47	1.50	1.40	1.34	1.28	1.22	1.26	1.23	1.23	1.24	1.28	1.36	1.43	1.50	1.57	1.66	1.72	
Regional Days Cash	959	1,066	1,058	1,086	1,043	632	573	640	642	591	548	528	530	529	572	575	551	563	608	609	
Paygo Financing (millions)											\$ -	\$ -	\$ -	\$ 19	\$ 13	\$ 57	\$ 94	\$ 96	\$ 102	\$ 88	
New Money Bonds needed (millions)											\$ 202	\$ 304	\$ 228	\$ 168	\$ 69	\$ 131	\$ 140	\$ 143	\$ 152	\$ 131	\$ 137
Capital Projects Spend Forecast (millions)											\$ 185	\$ 265	\$ 305	\$ 230	\$ 190	\$ 85	\$ 190	\$ 235	\$ 240	\$ 255	\$ 220

FY 2027 cumulative average budget increase is 2.8%.

FY 2036 cumulative average budget increase based on current projection is 4.3%.

\*Final charge adjustment will be based on cost of service study



# Sewer System

## Schedule 2 - Biennial Budget – Sewer System Revenue Requirement

Sewer System Revenue Requirement	FY 2025		FY 2026		FY 2027			FY 2028		
	Actual	Adopted Budget	Projected	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget	Dollar Variance	Percent Variance	
<b>Revenues</b>										
Revenues from Charges										
Total Revenue from Charges	507,048,961	529,904,200	529,904,200	561,313,300	31,409,100	5.9%	590,041,900	28,728,600	5.1%	
Investment Earnings										
Unrestricted	10,167,329	5,087,300	5,513,700	3,969,200	(1,118,100)	-22.0%	3,839,400	(129,800)	-3.3%	
I&E Fund Unrestricted	6,347,085	5,451,500	5,319,600	3,985,100	(1,466,400)	-26.9%	4,032,400	47,300	1.2%	
Restricted for Debt Service	5,128,850	4,076,400	3,239,900	2,512,100	(1,564,300)	-38.4%	2,501,200	(10,900)	-0.4%	
Total Investment Earnings	21,643,264	14,615,200	14,073,200	10,466,400	(4,148,800)	-28.4%	10,373,000	(93,400)	-0.9%	
Other Operating Revenue	685,291	442,600	442,600	450,000	7,400	1.7%	450,000	-	0.0%	
<b>Total Revenues</b>	<b>\$ 529,377,516</b>	<b>\$ 544,962,000</b>	<b>\$ 544,420,000</b>	<b>\$ 572,229,700</b>	<b>\$ 27,267,700</b>	<b>5.0%</b>	<b>\$ 600,864,900</b>	<b>\$ 28,635,200</b>	<b>5.0%</b>	
<b>Revenue Requirements</b>										
Operations & Maintenance Expense	\$ 229,753,981	\$ 236,098,700	\$ 237,552,000	\$ 237,763,400	\$ 1,664,700	0.7%	\$ 248,410,600	\$ 10,647,200	4.5%	
Debt Service	217,295,589	220,884,500	216,273,800	233,854,700	12,970,200	5.9%	242,444,800	8,590,100	3.7%	
General Retirement System Pension	3,718,800	5,632,800	5,632,800	5,246,300	(386,500)	-6.9%	4,923,200	(323,100)	-6.2%	
Water Residential Assistance Program Contribution	2,541,501	2,638,500	2,638,500	2,794,800	156,300	5.9%	2,937,800	143,000	5.1%	
Extraordinary Repair & Replacement Deposit	345,000	-	-	-	-	0.0%	-	-	0.0%	
Regional System Lease	27,500,000	27,500,000	27,500,000	27,500,000	-	0.0%	27,500,000	-	0.0%	
Working Capital Requirement	-	-	-	1,500,000	1,500,000	100.0%	4,700,000	3,200,000	213.3%	
Improvement & Extension Fund Transfer Pending	42,093,700	52,207,500	54,822,900	63,570,500	11,363,000	21.8%	69,948,500	6,378,000	10.0%	
<b>Total Sewer System Revenue Requirements</b>	<b>\$ 523,248,571</b>	<b>\$ 544,962,000</b>	<b>\$ 544,420,000</b>	<b>\$ 572,229,700</b>	<b>\$ 27,267,700</b>	<b>5.0%</b>	<b>\$ 600,864,900</b>	<b>\$ 28,635,200</b>	<b>5.0%</b>	

The headline of this year's budget is a 28.4% decrease in investment earnings based on changes in the economy - the impact is shifting pressure to charges despite cost containment efforts.

**Revenues:** The forecast in last year's adopted budget for FY 2027 showed charges revenues at approximately \$556M and investment earnings at \$15M. The negative swing in investments earnings of approximately \$4M equates to nearly 1% of an increase in revenue from charges increasing from 5.0% from last year to 6.06%. Actual charge increase to member partners will vary based on the cost of service study.

**Requirements:** The proposed budget for FY 2027 is at 5.0% which is nearly identical to last year's FY 2027 biennial budget of \$572.2 million.

## Schedule 2 - Five Year Plan– Sewer System Revenue Requirement

Sewer System Revenue Requirement	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Revenues</b>								
Total Revenue from Charges	507,048,961	529,904,200	529,904,200	<b>561,313,300</b>	590,041,900	619,079,200	648,200,800	677,758,700
Investment Earnings								
Unrestricted	10,167,329	5,087,300	5,513,700	<b>3,969,200</b>	3,839,400	4,254,900	5,004,200	4,904,400
I&E Fund Unrestricted	6,347,085	5,451,500	5,319,600	<b>3,985,100</b>	4,032,400	4,324,300	5,465,200	5,930,900
Restricted for Debt Service	5,128,850	4,076,400	3,239,900	<b>2,512,100</b>	2,501,200	2,822,000	3,370,800	3,275,600
Total Investment Earnings	21,643,264	14,615,200	14,073,200	<b>10,466,400</b>	10,373,000	11,401,200	13,840,200	14,110,900
Other Operating Revenue	685,291	442,600	442,600	<b>450,000</b>	450,000	450,000	450,000	450,000
<b>Total Revenues</b>	<b>\$ 529,377,516</b>	<b>\$ 544,962,000</b>	<b>\$ 544,420,000</b>	<b>\$ 572,229,700</b>	<b>\$ 600,864,900</b>	<b>\$ 630,930,400</b>	<b>\$ 662,491,000</b>	<b>\$ 692,319,600</b>
<b>Revenue Requirements</b>								
Operations & Maintenance Expense	\$229,753,981	\$236,098,700	\$237,552,000	<b>\$ 237,763,400</b>	\$248,410,600	\$258,225,200	\$266,566,400	\$271,219,700
Debt Service	217,295,589	220,884,500	216,273,800	<b>233,854,700</b>	242,444,800	252,042,200	257,721,800	261,596,400
General Retirement System Pension	3,718,800	5,632,800	5,632,800	<b>5,246,300</b>	4,923,200	4,853,200	4,783,200	4,713,300
Water Residential Assistance								
Program Contribution	2,541,501	2,638,500	2,638,500	<b>2,794,800</b>	2,937,800	3,082,200	3,227,100	3,374,200
Extraordinary Repair & Replacement Deposit	345,000	-	-	-	-	-	378,900	-
Regional System Lease	27,500,000	27,500,000	27,500,000	<b>27,500,000</b>	27,500,000	27,500,000	27,500,000	27,500,000
Working Capital Requirement	-	-	-	<b>1,500,000</b>	4,700,000	5,200,000	4,800,000	4,200,000
Improvement & Extension Fund Transfer Pending	42,093,700	52,207,500	54,822,900	<b>63,570,500</b>	69,948,500	80,027,600	97,513,600	119,716,000
<b>Total Sewer System Revenue Requirements</b>	<b>\$ 523,248,571</b>	<b>\$ 544,962,000</b>	<b>\$ 544,420,000</b>	<b>\$ 572,229,700</b>	<b>\$ 600,864,900</b>	<b>\$ 630,930,400</b>	<b>\$ 662,491,000</b>	<b>\$ 692,319,600</b>
Change in Annual Revenue Requirement				5.00%	5.0%	5.0%	5.0%	4.5%

The overall forecasted increase in the revenue requirement for the five year plan remains in the 5% range despite increasing cost pressure.

Please note however, that certain long-term sewer system capital needs (estimated at \$1.75 billion over 20 years), particularly the scope and magnitude identified in the presentation to the [Board of Directors Workshop in October 2025](#) are not reflected in this plan. While the factors driving those improvements are underway, funding opportunities are also being explored.

## Schedule 4B - Five Year Plan– Sewer Improvement & Extension Fund

Sewer Improvement & Extension Fund	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Inflows</b>								
Transfers in from Sewer Operations Fund								
Revenue Transfers	\$ 42,093,700	\$ 52,207,500	\$ 54,822,900	\$ 63,570,500	\$ 69,948,500	\$ 80,027,600	\$ 97,513,600	\$ 119,716,000
Transfer in from Sewer Construction Fund								
Working capital adjustment (1)	1,942,016	-	-	-	-	-	-	-
Grants and Capital Contributions	-	-	-	-	-	-	-	-
Investment Earnings	6,347,085	5,451,500	5,319,600	3,985,100	4,032,400	4,324,300	5,465,200	5,930,900
<b>Total Inflows</b>	<b>50,382,801</b>	<b>57,659,000</b>	<b>60,142,500</b>	<b>67,555,600</b>	<b>73,980,900</b>	<b>84,351,900</b>	<b>102,978,800</b>	<b>125,646,900</b>
<b>Outflows</b>								
Capital outlay	9,038,304	11,779,500	11,779,50	15,431,100	15,322,600	13,268,000	13,372,300	12,941,300
Capital spending other (net operating expenses)	-	-	-	-	-	-	-	-
Transfers out to Sewer Operations Fund								
Investment Earnings	4,794,375	5,451,500	5,319,600	3,985,100	4,032,400	4,324,300	5,465,200	5,930,900
Transfer out to Sewer Construction Fund								
Revenue Financed Capital	955,262	26,250,000	36,000,000	38,250,000	56,000,000	47,000,000	55,500,000	72,000,000
<b>Total Outflows</b>	<b>14,787,941</b>	<b>43,481,000</b>	<b>53,099,100</b>	<b>57,666,200</b>	<b>75,355,000</b>	<b>64,592,300</b>	<b>74,337,500</b>	<b>90,872,200</b>
<b>Net Inflow (Outflow) - Use of I&amp;E Funds</b>	<b>\$ 35,594,860</b>	<b>\$ 14,178,000</b>		<b>7,043,400</b>	<b>9,889,400</b>	<b>(1,374,100)</b>	<b>19,759,600</b>	<b>28,641,300</b>
Beginning Net Position				173,729,100	180,772,500	190,661,900	189,287,800	209,047,400
Projected Ending Net Position				\$ 180,772,500	\$ 190,661,900	\$ 189,287,800	\$ 209,047,400	\$ 237,688,700
								\$ 272,463,400

*Investment earnings* are transferred to the sewer operating fund to offset pressure on charges.

*Capital outlay* is for equipment purchases that have a life greater than a year. The increase represents reinvestment in operational technology.

*Transfers to the Sewer Construction Fund* are to reduce the reliance on debt for capital improvements.

## Schedule 5B - Five Year Plan– Sewer Construction Fund

Sewer Construction Fund	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Inflows</b>								
Transfers in from Sewer I&E Fund								
Revenue Financed Capital	\$ 955,262	\$ 26,250,000	\$ 36,000,000	\$ 38,250,000	\$ 56,000,000	\$ 47,000,000	\$ 55,500,000	\$ 72,000,000
Transfers in from Sewer Operations Fund								
Bond Proceeds	51,717,480	101,000,000	26,000,000	76,000,000	65,000,000	39,000,000	33,000,000	60,000,000
State Revolving Loans	83,533,191	52,936,600	102,632,900	159,595,800	140,710,700	121,598,800	89,140,500	73,212,000
Grants and Capital Contributions	15,260,416	23,191,650	33,623,000	10,157,500	6,624,500	-	-	-
Investment Earnings	3,840,499	3,936,400	1,767,600	2,019,200	2,248,800	2,270,600	2,259,800	2,148,100
<b>Total Inflows</b>	<b>155,306,848</b>	<b>207,314,650</b>	<b>200,023,500</b>	<b>286,022,500</b>	<b>270,584,000</b>	<b>209,869,400</b>	<b>179,900,300</b>	<b>207,360,100</b>
<b>Outflows</b>								
Capital Program	174,702,592	175,000,000	240,000,000	255,000,000	280,000,000	235,000,000	185,000,000	180,000,000
Transfers out to Sewer Operations Fund								
Bond Cost of Issuance	1,710,095	757,500	195,000	570,000	487,500	292,500	247,500	450,000
Transfers out to Sewer I&E Fund								
Working Capital Adjustment (1)	1,942,016	-	-	-	-	-	-	-
<b>Total Outflows</b>	<b>178,354,703</b>	<b>175,757,500</b>	<b>240,195,000</b>	<b>255,570,000</b>	<b>280,487,500</b>	<b>235,292,500</b>	<b>185,247,500</b>	<b>180,450,000</b>
<b>Net Inflow (Outflow) - Use of Construction Funds</b>	<b>\$ (23,047,855)</b>	<b>\$ 31,557,150</b>						
Beginning Net Position								
Projected Ending Net Position								
Capital Improvement Plan	\$ 193,221,000	\$ 262,279,000	\$ 287,641,000	\$ 330,945,000	\$ 274,411,000	\$ 195,686,000	\$ 179,678,000	
Capital Spending Ratio	90%	90%	88%	84%	85%	94%	100%	
Capital Financing Plan	\$ 175,000,000	\$ 240,000,000	\$ 255,000,000	\$ 280,000,000	\$ 235,000,000	\$ 185,000,000	\$ 180,000,000	

*Investment Earnings* are restricted and remain in the construction fund.

*Capital Program* is for the delivery of the projects outlined in the capital improvement plan.

# Sewer Ten Year Plan – Key Datapoints

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	Actual											Projected								
Regional System Cumulative Average Annual Budget Increase																				
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%	3.3%
Regional System Annual Budget/Charges Increase																				
Regional Actual Budget Adjustment	4.0%	0.3%	1.0%	2.2%	1.3%	-2.3%	1.3%	4.0%	4.0%	4.67%										
Regional Projected Budget Adjustment											5.0%	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.0%
Regional Actual Charge Adjustment	8.3%	-0.7%	0.1%	0.8%	2.0%	-0.6%	2.4%	2.8%	3.0%	4.5%										
Regional Projected Charge Adjustment *											5.98%	5.1%	4.9%	4.7%	4.6%	4.9%	4.6%	4.6%	4.6%	4.0%
Other Key Datapoints	Actual										Projected									
Debt Service Coverage (GLWA impact)	1.35	1.42	1.36	1.39	1.52	1.32	1.35	1.23	1.26	1.42	1.43	1.45	1.48	1.54	1.61	1.66	1.72	1.75	1.79	1.83
Regional Days Cash	495	432	495	593	664	574	521	571	559	553	570	550	565	593	636	623	614	603	601	610
Paygo Financing (millions)										\$ 36	\$ 38	\$ 56	\$ 47	\$ 56	\$ 72	\$ 54	\$ 46	\$ 64	\$ 102	\$ 112
New Money Bonds needed (millions)										\$ 26	\$ 76	\$ 65	\$ 39	\$ 33	\$ 60	\$ 68	\$ 95	\$ 152	\$ 167	\$ 133
Capital Projects Spend Forecast (millions)										\$ 240	\$ 255	\$ 280	\$ 235	\$ 185	\$ 180	\$ 135	\$ 115	\$ 160	\$ 255	\$ 280

FY 2027 cumulative average budget increase is 2.3%.

FY 2036 cumulative average budget increase based on current projection is 3.3%.

\*Final charge adjustment will be based on cost of service study



# Water & Sewer Systems Combined

# Schedule 3 - Biennial Budget – Water and Sewer Combined Revenue Requirement

Water & Sewer System Combined Revenue Requirement	FY 2025	FY 2026		FY 2027			FY 2028		
	Actual	Adopted Budget	Projected	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget	Dollar Variance	Percent Variance
<b>Revenues</b>									
Total Revenue from Charges	877,343,078	925,579,100	925,579,100	982,900,800	57,321,700	6.2%	1,042,339,800	59,439,000	6.0%
Investment Earnings									
Unrestricted	16,019,884	9,742,100	9,918,600	7,140,200	(2,601,900)	-26.7%	6,906,800	(233,400)	-3.3%
I&E Fund Unrestricted	12,604,144	10,320,300	9,845,000	7,396,000	(2,924,300)	-28.3%	7,129,300	(266,700)	-3.6%
Restricted for Debt Service	9,475,569	7,336,500	6,074,700	4,687,600	(2,648,900)	-36.1%	4,758,900	71,300	1.5%
Total Investment Earnings	38,099,597	27,398,900	25,838,300	19,223,800	(8,175,100)	-29.8%	18,795,000	(428,800)	-2.2%
Other Operating Revenue	1,188,999	745,400	745,400	950,000	204,600	27.4%	750,000	(200,000)	-21.1%
<b>Total Revenues</b>	<b>\$ 916,631,674</b>	<b>\$ 953,723,400</b>	<b>\$ 952,162,800</b>	<b>\$ 1,003,074,600</b>	<b>\$ 49,351,200</b>	<b>5.2%</b>	<b>\$ 1,061,884,800</b>	<b>\$ 58,810,200</b>	<b>5.9%</b>
<b>Revenue Requirements</b>									
Operations & Maintenance Expense	\$405,159,612	\$418,554,700	\$421,461,400	\$ 431,326,800	\$12,772,100	3.1%	\$449,147,200	\$17,820,400	4.1%
Debt Service	379,315,333	399,966,700	393,960,200	426,057,600	26,090,900	6.5%	454,804,400	28,746,800	6.7%
General Retirement System Pension	5,372,100	8,363,600	8,363,600	7,805,300	(558,300)	-6.7%	7,338,500	(466,800)	-6.0%
Water Residential Assistance									
Program Contribution	4,418,001	4,608,500	4,608,500	4,894,700	286,200	6.2%	5,189,500	294,800	6.0%
Extraordinary Repair & Replacement Deposit	2,489,000	320,000	320,000	104,800	(215,200)	-67.3%	614,300	509,500	486.2%
Regional System Lease	50,000,000	50,000,000	50,000,000	50,000,000	-	0.0%	50,000,000	-	0.0%
Working Capital Requirement	-	600,000	-	2,600,000	2,000,000	333.3%	10,600,000	8,000,000	307.7%
Improvement & Extension Fund Transfer Pending	50,409,400	71,309,900	73,449,100	80,285,400	8,975,500	12.6%	84,190,900	3,905,500	4.9%
<b>Total Water &amp; Sewer System Combined Revenue Requirements</b>	<b>\$ 897,163,446</b>	<b>\$ 953,723,400</b>	<b>\$ 952,162,800</b>	<b>\$ 1,003,074,600</b>	<b>\$ 49,351,200</b>	<b>5.2%</b>	<b>\$ 1,061,884,800</b>	<b>\$ 58,810,200</b>	<b>5.9%</b>

Looking at GLWA as a whole, the combined revenue requirements decreased for FY 2027 from 5.4% to 5.2%.

# Schedule 3 - Five Year Plan– Water and Sewer Combined Revenue Requirement

Water & Sewer System Combined Revenue Requirement	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Revenues</b>								
Total Revenue from Charges	877,343,078	925,579,100	925,579,100	<b>982,900,800</b>	1,042,339,800	1,098,187,500	1,154,857,400	1,215,813,000
Investment Earnings								
Unrestricted	16,019,884	9,742,100	9,918,600	<b>7,140,200</b>	6,906,800	7,717,400	9,107,900	8,947,700
I&E Fund Unrestricted	12,604,144	10,320,300	9,845,000	<b>7,396,000</b>	7,129,300	7,514,500	9,216,700	9,501,100
Restricted for Debt Service	9,475,569	7,336,500	6,074,700	<b>4,687,600</b>	4,758,900	5,457,100	6,586,700	6,432,400
Total Investment Earnings	38,099,597	27,398,900	25,838,300	<b>19,223,800</b>	18,795,000	20,689,000	24,911,300	24,881,200
Other Operating Revenue	1,188,999	745,400	745,400	<b>950,000</b>	750,000	750,000	750,000	750,000
<b>Total Revenues</b>	<b>\$ 916,631,674</b>	<b>\$ 953,723,400</b>	<b>\$ 952,162,800</b>	<b>\$1,003,074,600</b>	<b>\$1,061,884,800</b>	<b>\$1,119,626,500</b>	<b>\$1,180,518,700</b>	<b>\$1,241,444,200</b>
<b>Revenue Requirements</b>								
Operations & Maintenance Expense	\$405,159,612	\$418,554,700	\$421,461,400	<b>\$431,326,800</b>	\$449,147,200	\$464,803,600	\$476,715,500	\$486,414,200
Debt Service	379,315,333	399,966,700	393,960,200	<b>426,057,600</b>	454,804,400	478,875,900	497,960,300	506,585,900
General Retirement System Pension	5,372,100	8,363,600	8,363,600	<b>7,805,300</b>	7,338,500	7,237,400	7,136,300	7,035,300
Water Residential Assistance								
Program Contribution	4,418,001	4,608,500	4,608,500	<b>4,894,700</b>	5,189,500	5,467,300	5,749,300	6,052,600
Extraordinary Repair & Replacement Deposit	2,489,000	320,000	320,000	<b>104,800</b>	614,300	331,800	378,900	-
Regional System Lease	50,000,000	50,000,000	50,000,000	<b>50,000,000</b>	50,000,000	50,000,000	50,000,000	50,000,000
Working Capital Requirement	-	600,000	-	<b>2,600,000</b>	10,600,000	10,300,000	9,900,000	7,900,000
Improvement & Extension Fund Transfer Pending	50,409,400	71,309,900	73,449,100	<b>80,285,400</b>	84,190,900	102,610,500	132,678,400	177,456,200
<b>Total Water &amp; Sewer System Combined Revenue Requirements</b>	<b>\$ 897,163,446</b>	<b>\$ 953,723,400</b>	<b>\$ 952,162,800</b>	<b>\$1,003,074,600</b>	<b>\$1,061,884,800</b>	<b>\$1,119,626,500</b>	<b>\$1,180,518,700</b>	<b>\$1,241,444,200</b>
<i>Change in Annual Revenue Requirement</i>								
				5.2%	5.9%	5.4%	5.4%	5.2%

Looking at GLWA as a whole, the five year plan combined revenue requirements range between 5.2% and 5.9%.

Balancing the use of Improvement & Extension Funds is a strategy to gradually reduce the annual debt service as a percentage of the total revenue requirement. The outcome is preserving financial capacity through a multigenerational lens.



# Questions & Discussion