

**GLWA Financial Forecast Model**

**Objectives:**

- Provide forecasted financial results to assist evaluation of GLWA financial policies
- Calculate forecasted metrics that align with investment community analyses
- Establish financial benchmarks against which to measure future performance

*These exhibits are intended to serve as an executive summary of forecasted financial results. While key assumptions are identified, the forecasted results are subject to significant additional assumptions that are documented in other detailed exhibits.*

Scenario: **1**  
 Header 1: Scenario 1  
 Header 2: Baseline FY 2019 Budget Forecast  
 Initial Forecast Year: **2018**

**Key Scenario Assumptions:**

	2018	2019	2020	2021	2022	2023	2024	2025 - 2030
Planning Level BUDGET Increase - Regional		2.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
O&M Inflation - Regional System			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Total Legacy Pension Obligation after 2023							9,000,000	9,000,000
Minimum I&E Balance - <i>Regional</i>			90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Min Const Fund Balance - <i>Regional</i>	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Minimum I&E Balance - <i>Local</i>	<i>Equal to annual Lease Payment transferred to I&amp;E (net of amount applied to debt service)</i>							
Min Const Fund Balance - <i>Local</i>	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

**Regional System Capital Financing Strategy:**

1. Fund all capital outlay and short-lived major CIP from I&E
2. Fund long-lived major CIP from I&E at amounts targeted to result in minimum policy "carryover" balances
3. Fund remaining long lived major CIP from issuance of revenue bonds (and SRF loans)
4. Forecast annual debt issuances in amounts necessary to fund (3) and result in minimum policy "carryover" balances

**Local System Capital Financing Strategy:**

1. Establish required funding level @ 80% of average 5-year CIP requirements
  2. Fund long lived major CIP from I&E at amounts targeted to result in minimum policy "carryover" balances
  3. Fund remaining long lived major CIP from issuance of revenue bonds (and SRF loans)
  4. Forecast annual debt issuances in amounts necessary to fund (3) and result in minimum policy "carryover" balances
  5. Utilize Lease Payment to finance all "post-bifurcation" debt service, so long as annual amounts direct to not exceed \_\_\_ of the annual Lease Payment
- Maximum Lease Pmt to Debt Service:* 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

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**Objectives:**

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Scenario: **2**  
 Header 1: Scenario 2  
 Header 2: No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
 Initial Forecast Year: **2018**

**Key Scenario Assumptions:**

	2018	2019	2020	2021	2022	2023	2024	2025 - 2030
Planning Level BUDGET Increase - Regional		0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
O&M Inflation - Regional System			1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Total Legacy Pension Obligation after 2023							9,000,000	9,000,000
Minimum I&E Balance - <i>Regional</i>			90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Min Const Fund Balance - <i>Regional</i>	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Minimum I&E Balance - <i>Local</i>	<i>Equal to annual Lease Payment transferred to I&amp;E (net of amount applied to debt service)</i>							
Min Const Fund Balance - <i>Local</i>	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

**Regional System Capital Financing Strategy:**

1. Fund all capital outlay and short-lived major CIP from I&E
2. Fund long-lived major CIP from I&E at amounts targeted to result in minimum policy "carryover" balances
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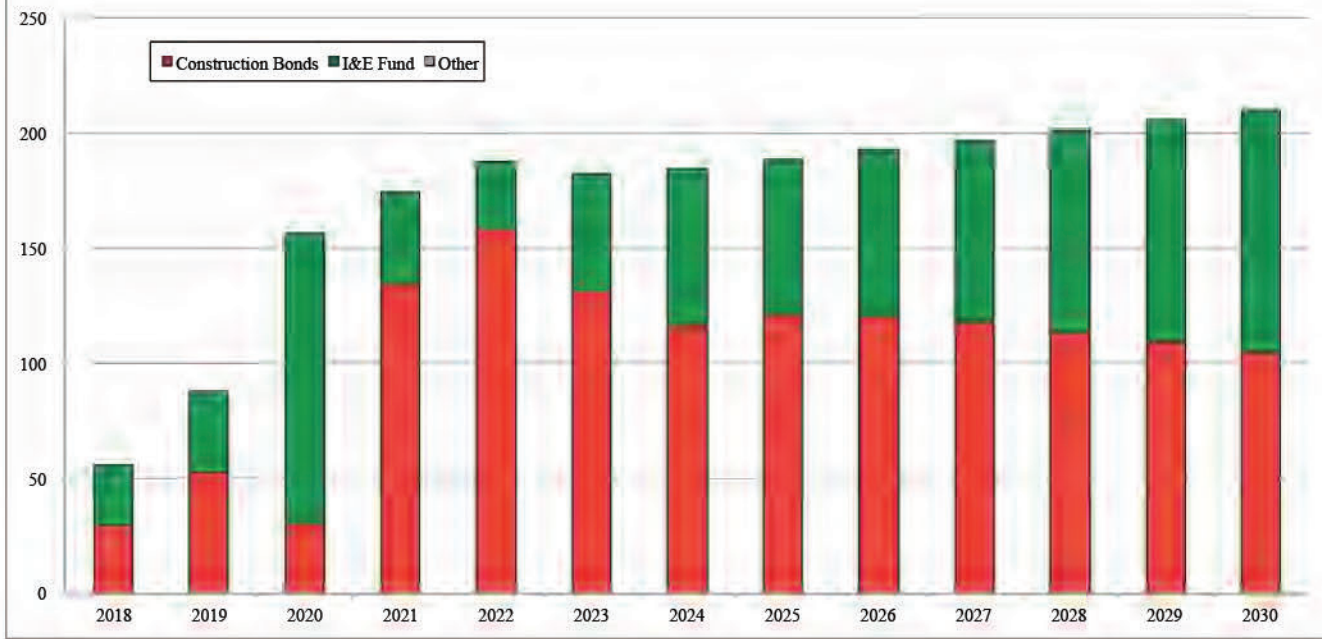
**Local System Capital Financing Strategy:**

1. Establish required funding level @ 80% of average 5-year CIP requirements
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- Maximum Lease Pmt to Debt Service:* 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

SCENARIO 1

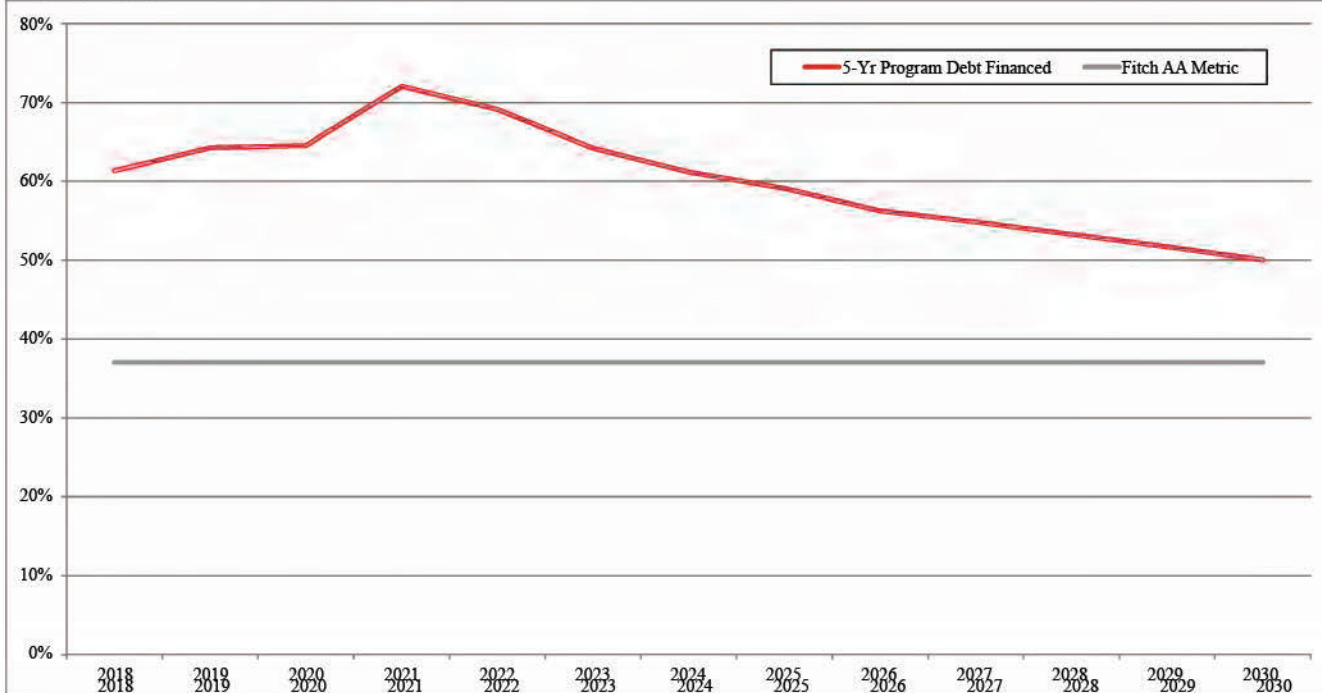
Financial Forecast Summary - Water Supply System Capital Financing (\$ millions)  
Financing Sources

Scenario 1 - Baseline FY 2019 Budget Forecast  
WATER Page 1 of 5



CIP Financing Requirements	56	88	156	174	188	183	185	189	193	197	201	206	210
Financing Sources	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Construction Bonds	30	53	31	134	158	131	117	121	120	118	114	110	105
I&E Fund	26	35	125	40	30	52	68	68	73	79	88	96	105
Other	0	0	0	0	0	0	0	0	0	0	0	0	0

Relative Debt Financing (5-year projection)

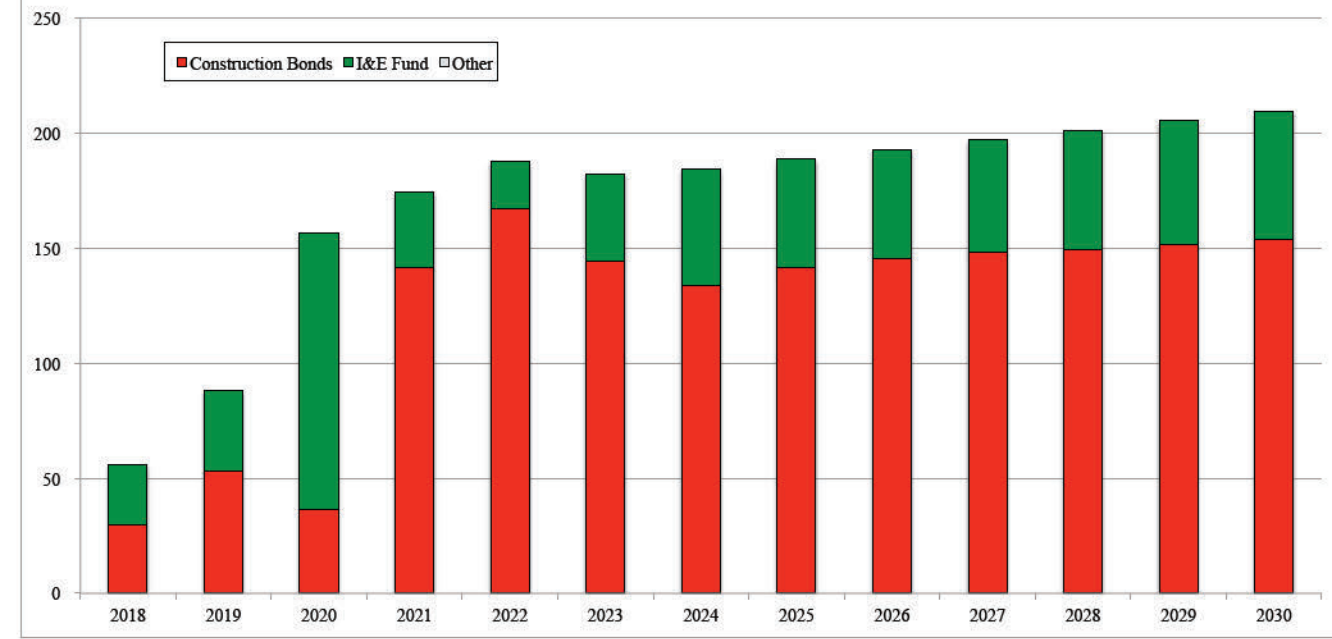


5-Yr Program Debt Financed	61%	64%	65%	72%	69%	64%	61%	59%	56%	55%	53%	52%	50%
Fitch AA Metric	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%

SCENARIO 2

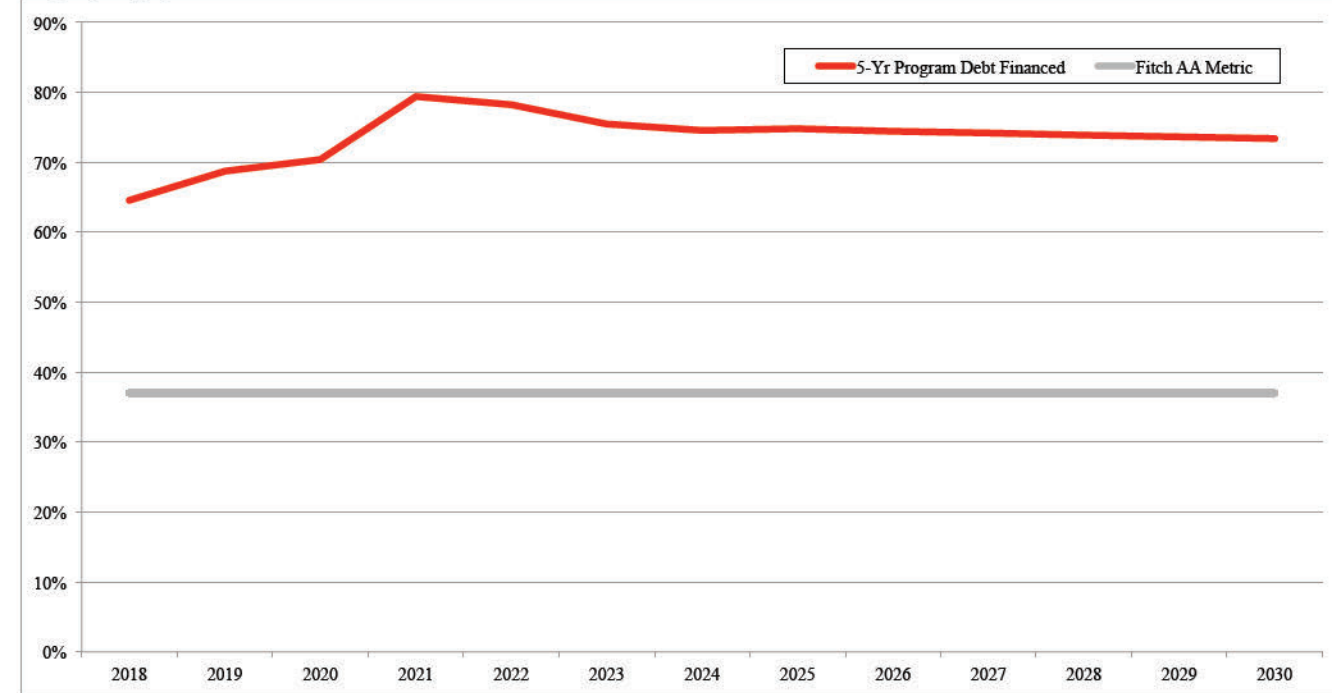
Financial Forecast Summary - Water Supply System Capital Financing (\$ millions)  
Financing Sources

Scenario 2 - No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
WATER Page 1 of 5



CIP Financing Requirements	56	88	156	174	188	183	185	189	193	197	201	206	210
Financing Sources	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Construction Bonds	30	53	36	142	167	144	134	142	145	148	150	152	154
I&E Fund	26	35	120	33	21	38	51	47	47	49	52	54	56
Other	0	0	0	0	0	0	0	0	0	0	0	0	0

Relative Debt Financing (5-year projection)

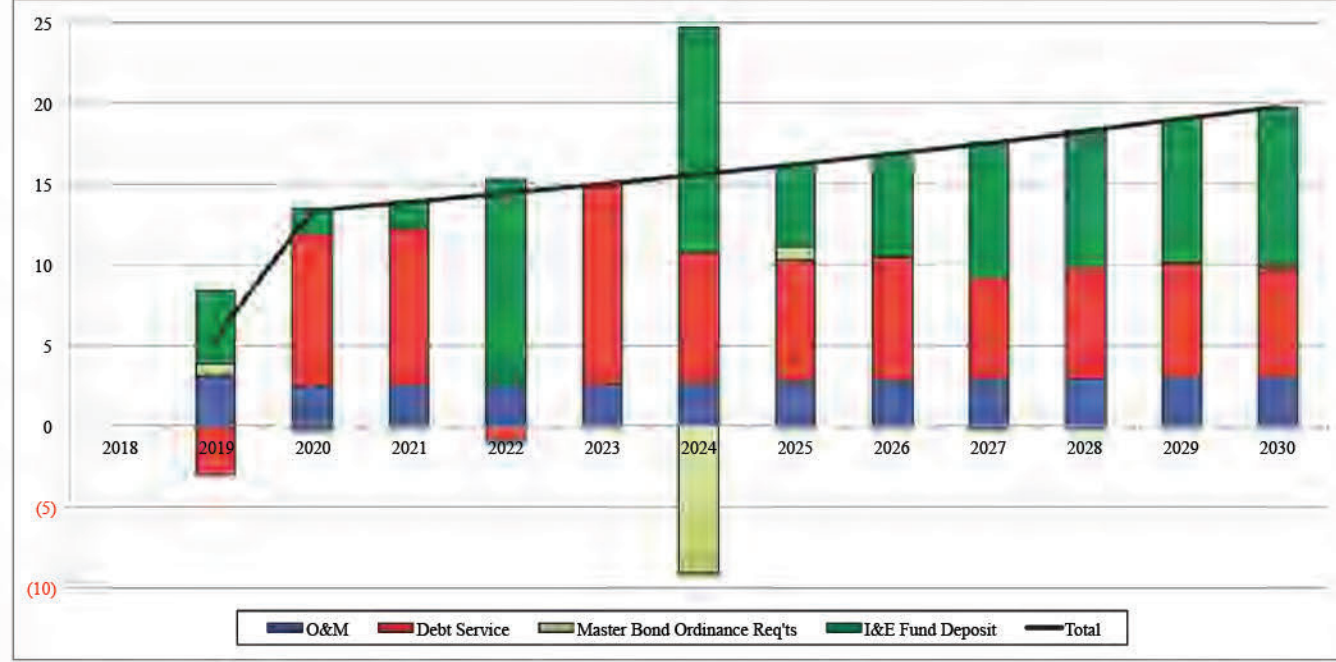


5-Yr Program Debt Financed	65%	69%	70%	79%	78%	75%	75%	75%	74%	74%	74%	74%	73%
Fitch AA Metric	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%

SCENARIO 1

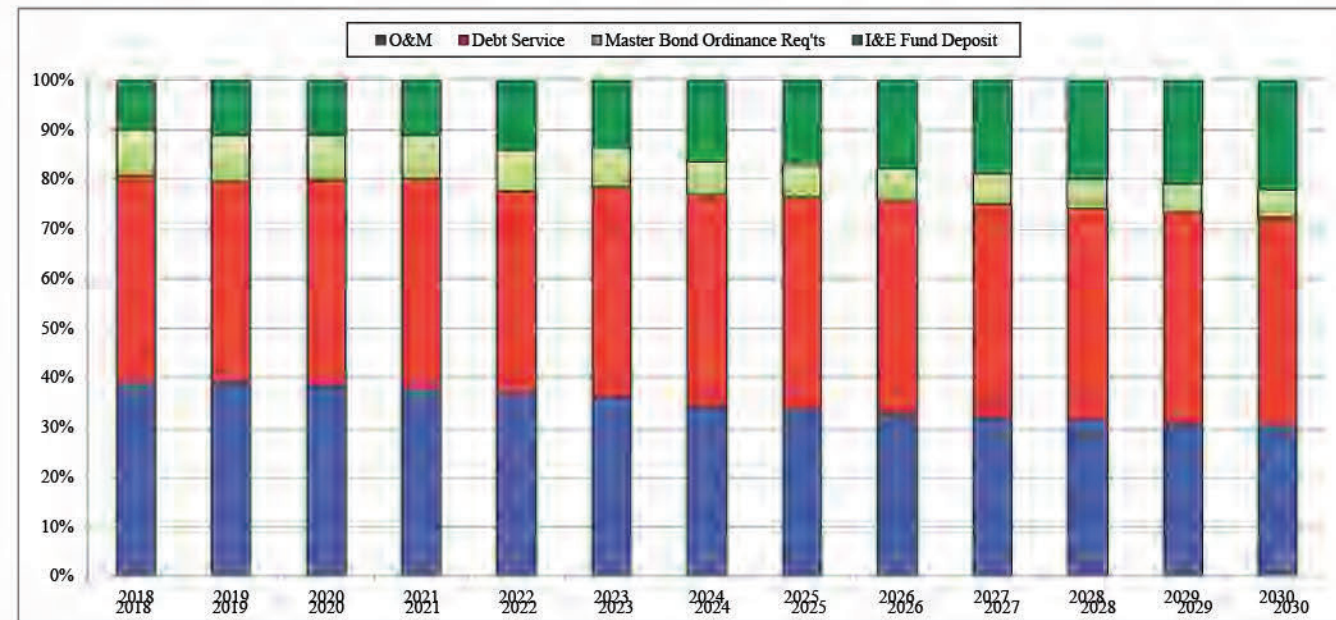
Financial Forecast Summary - Water Supply System Revenue Requirements  
Change in Relative BUDGET - \$ millions

Scenario 1 - Baseline FY 2019 Budget Forecast  
WATER Page 2 of 5



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
O&M		3.2	2.5	2.5	2.6	2.6	2.7	2.8	2.8	2.9	2.9	3.0	3.0
Debt Service		(3.0)	9.4	9.7	(0.9)	12.3	8.1	7.5	7.7	6.3	7.0	7.0	6.8
Master Bond Ordinance Req'ts		0.7	(0.2)	0.1	0.1	0.1	(9.1)	0.9	0.1	(0.1)	(0.0)	0.1	0.1
I&E Fund Deposit		4.5	1.6	1.6	12.7	0.0	13.9	5.1	6.3	8.4	8.4	8.9	9.8
<b>Total</b>		<b>5.4</b>	<b>13.3</b>	<b>13.9</b>	<b>14.4</b>	<b>15.0</b>	<b>15.6</b>	<b>16.2</b>	<b>16.9</b>	<b>17.6</b>	<b>18.3</b>	<b>19.0</b>	<b>19.7</b>

Relative BUDGET

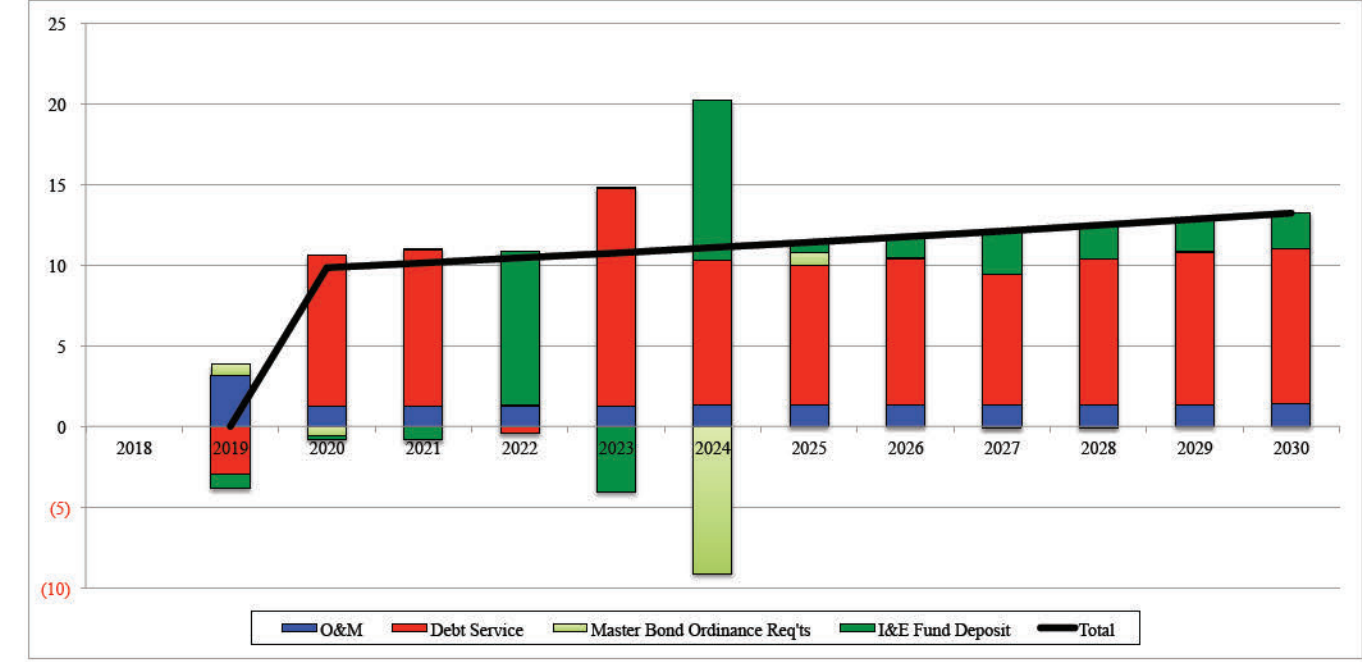


	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
O&M	39%	39%	38%	38%	37%	36%	34%	34%	33%	32%	32%	31%	30%
Debt Service	42%	40%	41%	42%	41%	42%	43%	43%	43%	43%	42%	42%	42%
Master Bond Ordinance Req't	9%	9%	9%	9%	8%	8%	7%	7%	6%	6%	6%	6%	6%
I&E Fund Deposit	10%	11%	11%	11%	14%	14%	16%	17%	18%	19%	20%	21%	22%

SCENARIO 2

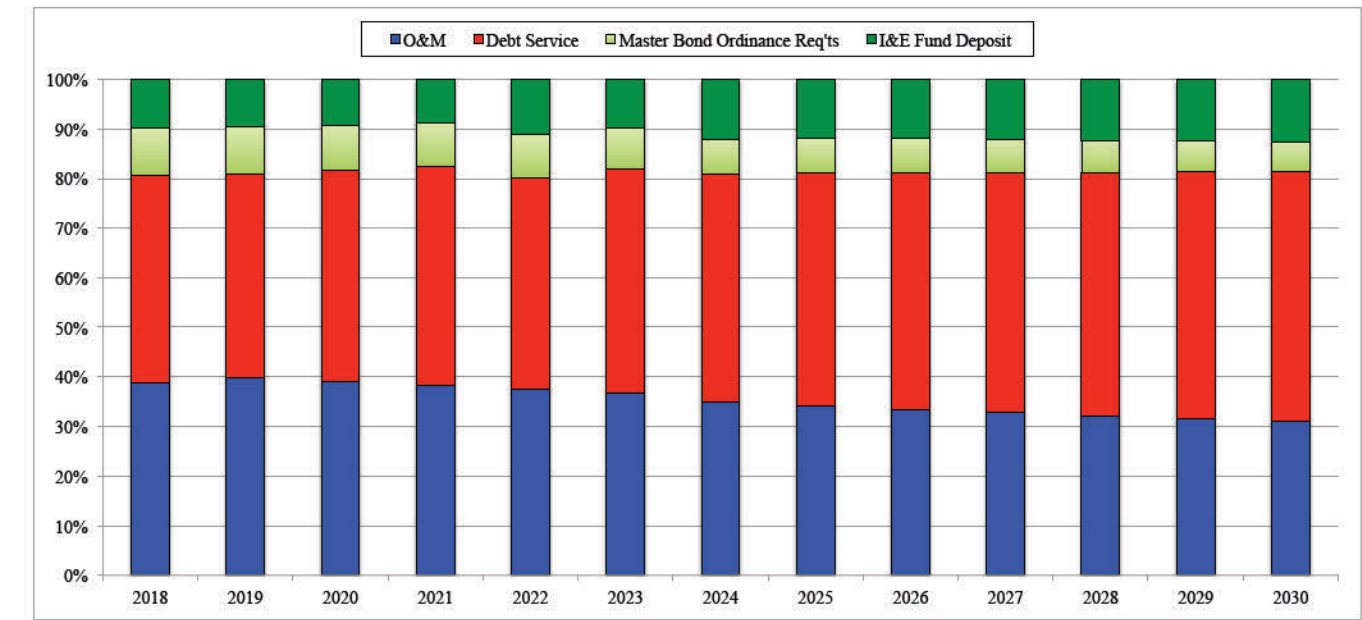
Financial Forecast Summary - Water Supply System Revenue Requirements  
Change in Relative BUDGET - \$ millions

Scenario 2 - No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
WATER Page 2 of 5



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
O&M		3.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4
Debt Service		(3.0)	9.4	9.7	(0.4)	13.5	9.0	8.6	9.1	8.0	9.0	9.5	9.6
Master Bond Ordinance Req'ts		0.7	(0.6)	0.1	0.1	0.1	(9.1)	0.8	0.0	(0.1)	(0.1)	0.0	0.0
I&E Fund Deposit		(0.9)	(0.2)	(0.9)	9.5	(4.0)	9.9	0.6	1.3	2.8	2.2	2.0	2.2
<b>Total</b>		<b>0.0</b>	<b>9.8</b>	<b>10.1</b>	<b>10.4</b>	<b>10.8</b>	<b>11.1</b>	<b>11.4</b>	<b>11.8</b>	<b>12.1</b>	<b>12.5</b>	<b>12.8</b>	<b>13.2</b>

Relative BUDGET

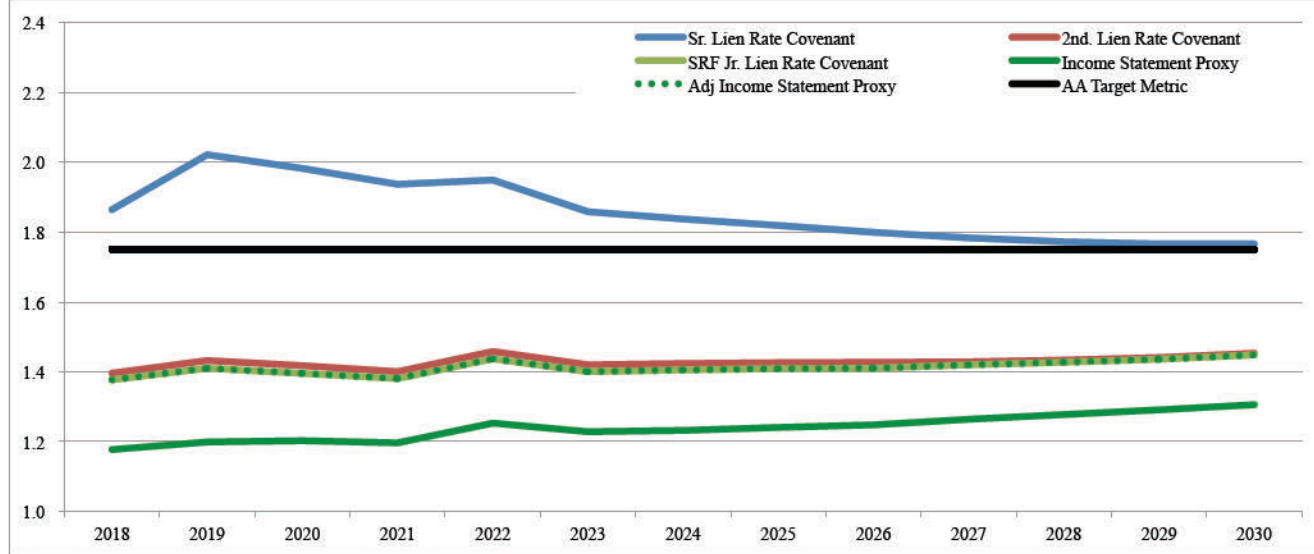


	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
O&M	39%	40%	39%	38%	38%	37%	35%	34%	33%	33%	32%	32%	31%
Debt Service	42%	41%	42%	44%	43%	45%	46%	47%	48%	48%	49%	50%	50%
Master Bond Ordinance Req't	9%	10%	9%	9%	9%	8%	7%	7%	7%	7%	6%	6%	6%
I&E Fund Deposit	10%	10%	9%	9%	11%	10%	12%	12%	12%	12%	12%	12%	13%

SCENARIO 1

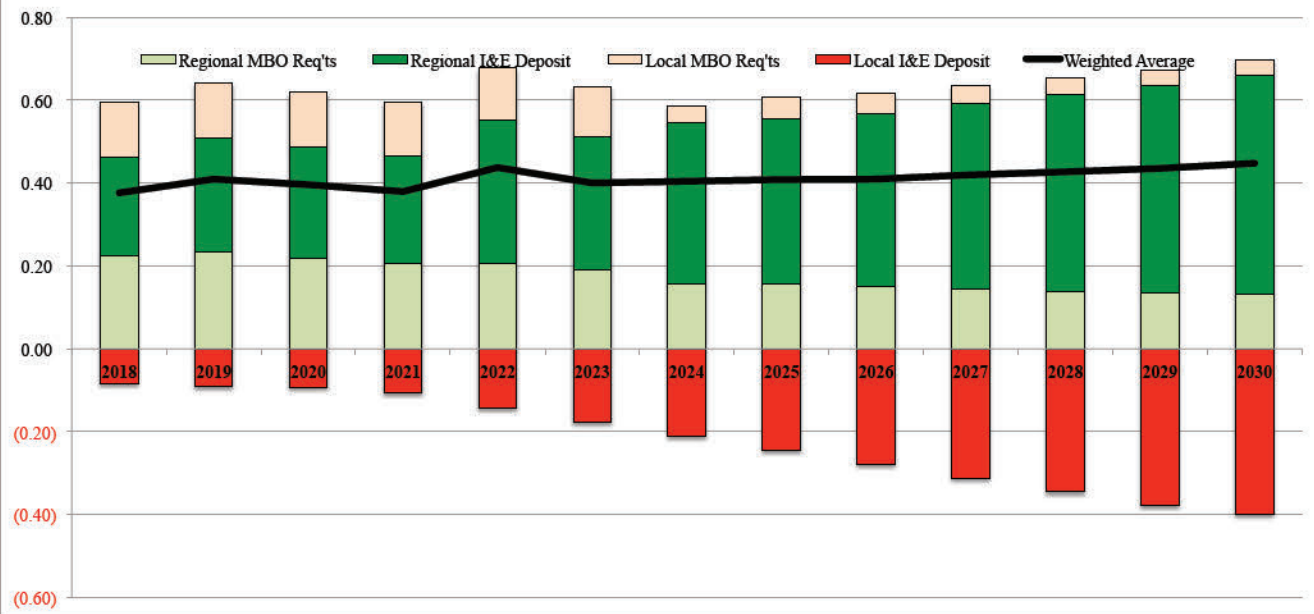
Financial Forecast Summary - Water Supply System  
Debt Service Coverage

Scenario 1 - Baseline FY 2019 Budget Forecast  
WATER Page 3 of 5



Sr. Lien Rate Covenant	1.86	2.02	1.98	1.94	1.95	1.86	1.84	1.82	1.80	1.78	1.77	1.77	1.77
2nd. Lien Rate Covenant	1.40	1.43	1.42	1.40	1.46	1.42	1.42	1.43	1.43	1.43	1.43	1.44	1.45
SRF Jr. Lien Rate Covenant	1.38	1.41	1.40	1.38	1.44	1.40	1.40	1.41	1.41	1.42	1.43	1.44	1.45
Income Statement Proxy	1.18	1.20	1.20	1.20	1.25	1.23	1.23	1.24	1.25	1.26	1.28	1.29	1.31
Adj Income Statement Proxy	1.38	1.41	1.40	1.38	1.44	1.40	1.40	1.41	1.41	1.42	1.43	1.44	1.45
AA Target Metric	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Debt Service Coverage Providers

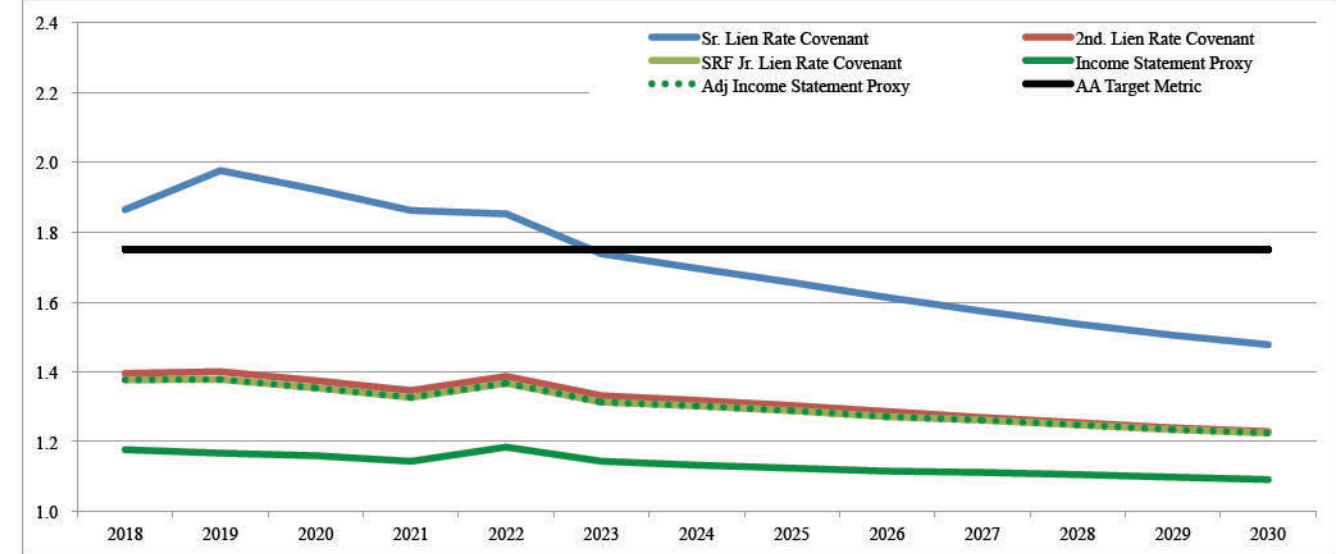


Regional MBO Req'ts	0.22	0.23	0.22	0.20	0.21	0.19	0.16	0.16	0.15	0.15	0.14	0.14	0.13
Regional I&E Deposit	0.24	0.28	0.27	0.26	0.35	0.32	0.39	0.40	0.42	0.45	0.47	0.50	0.53
Local MBO Req'ts	0.13	0.13	0.13	0.13	0.12	0.12	0.04	0.05	0.05	0.04	0.04	0.04	0.04
Local I&E Deposit	(0.08)	(0.09)	(0.09)	(0.11)	(0.14)	(0.18)	(0.21)	(0.24)	(0.28)	(0.31)	(0.34)	(0.38)	(0.40)
Weighted Average	0.38	0.41	0.40	0.38	0.44	0.40	0.40	0.41	0.41	0.42	0.43	0.44	0.45
Regional Total	0.46	0.51	0.49	0.47	0.55	0.51	0.55	0.56	0.57	0.59	0.61	0.64	0.66
Local Total	0.05	0.04	0.04	0.02	(0.02)	(0.06)	(0.17)	(0.19)	(0.23)	(0.27)	(0.30)	(0.34)	(0.36)
Weighted Average	0.38	0.41	0.40	0.38	0.44	0.40	0.40	0.41	0.41	0.42	0.43	0.44	0.45

SCENARIO 2

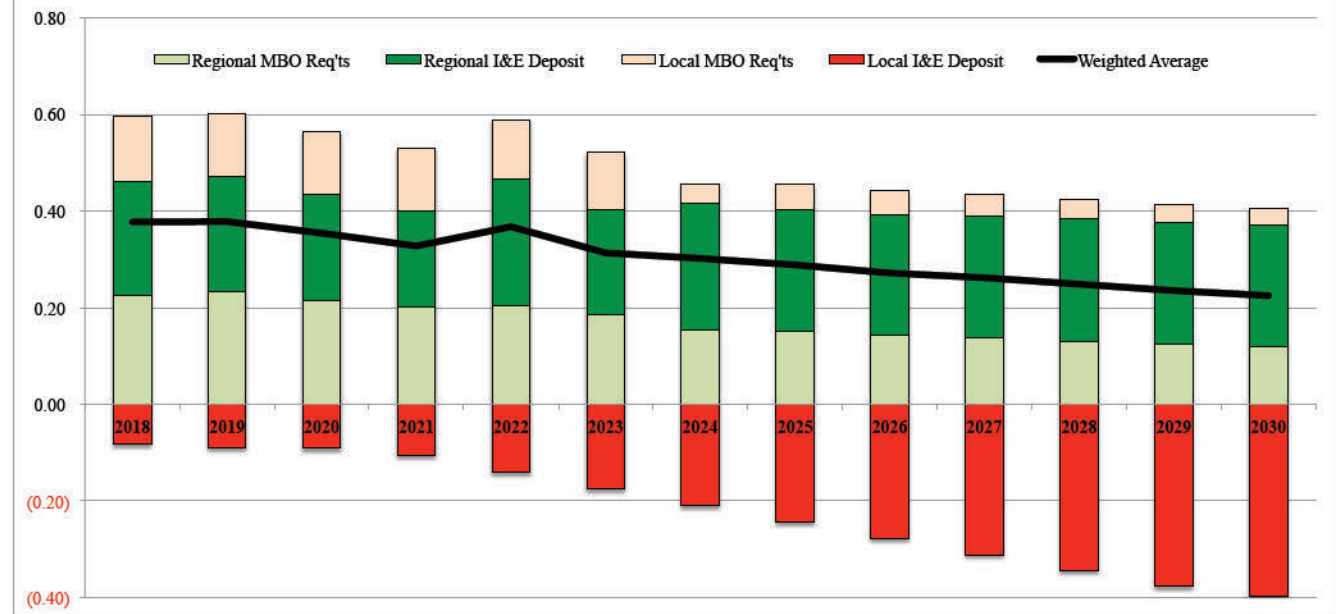
Financial Forecast Summary - Water Supply System  
Debt Service Coverage

Scenario 2 - No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
WATER Page 3 of 5



Sr. Lien Rate Covenant	1.86	1.98	1.92	1.86	1.85	1.74	1.70	1.66	1.61	1.57	1.54	1.50	1.48
2nd. Lien Rate Covenant	1.40	1.40	1.37	1.35	1.39	1.33	1.32	1.30	1.29	1.27	1.25	1.24	1.23
SRF Jr. Lien Rate Covenant	1.38	1.38	1.35	1.33	1.37	1.31	1.30	1.29	1.27	1.26	1.25	1.24	1.22
Income Statement Proxy	1.18	1.17	1.16	1.14	1.18	1.14	1.13	1.12	1.11	1.11	1.11	1.10	1.09
Adj Income Statement Proxy	1.38	1.38	1.35	1.33	1.37	1.31	1.30	1.29	1.27	1.26	1.25	1.24	1.22
AA Target Metric	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Debt Service Coverage Providers

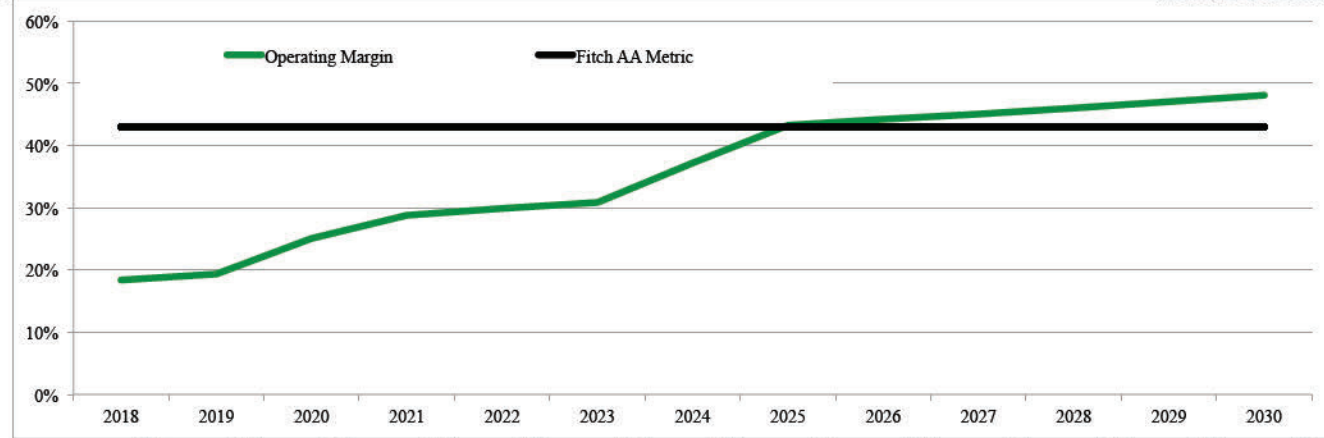


Regional MBO Req'ts	0.22	0.23	0.21	0.20	0.20	0.19	0.15	0.15	0.14	0.14	0.13	0.13	0.12
Regional I&E Deposit	0.24	0.24	0.22	0.20	0.26	0.22	0.26	0.25	0.25	0.25	0.25	0.25	0.25
Local MBO Req'ts	0.13	0.13	0.13	0.13	0.12	0.12	0.04	0.05	0.05	0.04	0.04	0.04	0.04
Local I&E Deposit	(0.08)	(0.09)	(0.09)	(0.11)	(0.14)	(0.18)	(0.21)	(0.24)	(0.28)	(0.31)	(0.34)	(0.38)	(0.40)
Weighted Average	0.38	0.38	0.35	0.33	0.37	0.31	0.30	0.29	0.27	0.26	0.25	0.24	0.22
Regional Total	0.46	0.47	0.43	0.40	0.47	0.40	0.42	0.40	0.39	0.39	0.38	0.38	0.37
Local Total	0.05	0.04	0.04	0.02	(0.02)	(0.06)	(0.17)	(0.19)	(0.23)	(0.27)	(0.30)	(0.34)	(0.36)
Weighted Average	0.38	0.38	0.35	0.33	0.37	0.31	0.30	0.29	0.27	0.26	0.25	0.24	0.22

SCENARIO 1

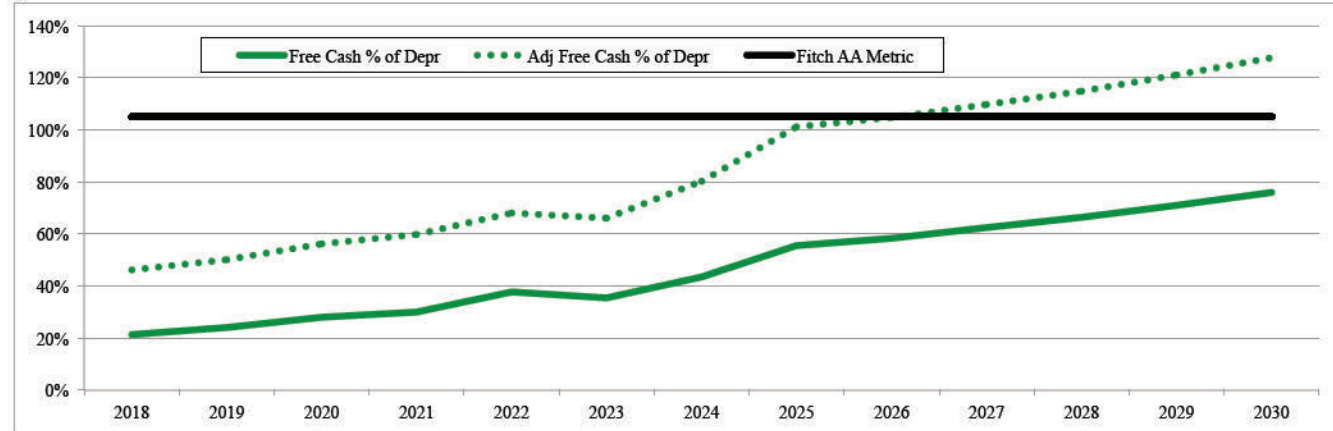
Financial Forecast Summary - Water Supply System  
Operating Margin

Scenario 1 - Baseline FY 2019 Budget Forecast  
WATER Page 4 of 5



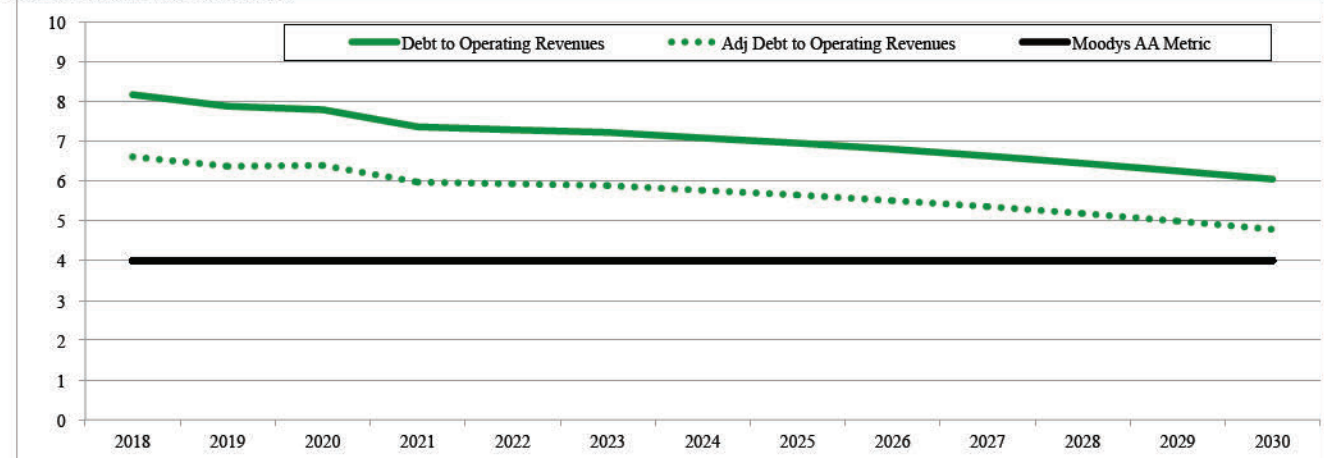
Operating Margin	18%	19%	25%	29%	30%	31%	37%	43%	44%	45%	46%	47%	48%
Fitch AA Metric	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%

Free Cash % of Depr



Free Cash % of Depr	21%	24%	28%	30%	38%	35%	43%	56%	58%	63%	66%	71%	76%
Adj Free Cash % of Depr	46%	50%	56%	60%	68%	66%	80%	101%	105%	110%	115%	121%	128%
Fitch AA Metric	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%

Debt to Operating Revenues (lower metric is positive)

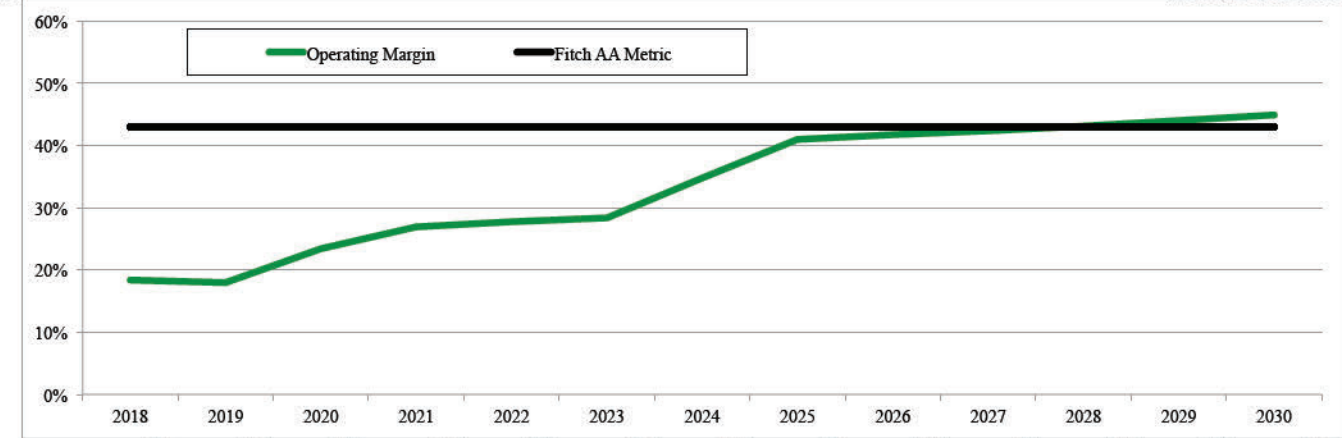


Debt to Operating Revenues	8.2	7.9	7.8	7.4	7.3	7.2	7.1	7.0	6.8	6.6	6.5	6.3	6.0
Adj Debt to Operating Reven	6.6	6.4	6.4	6.0	5.9	5.9	5.8	5.7	5.5	5.4	5.2	5.0	4.8
Moody's AA Metric	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

SCENARIO 2

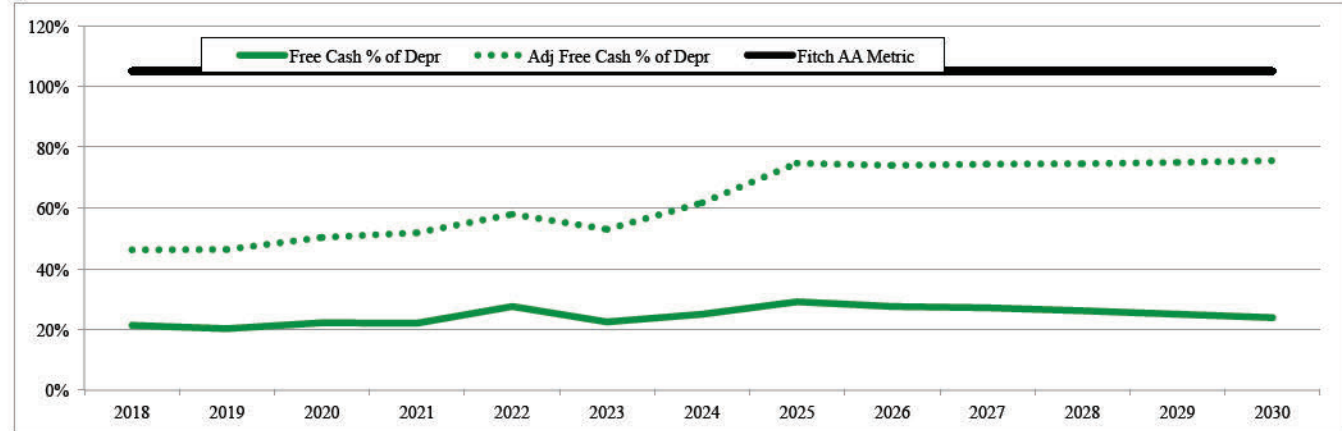
Financial Forecast Summary - Water Supply System  
Operating Margin

Scenario 2 - No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
WATER Page 4 of 5



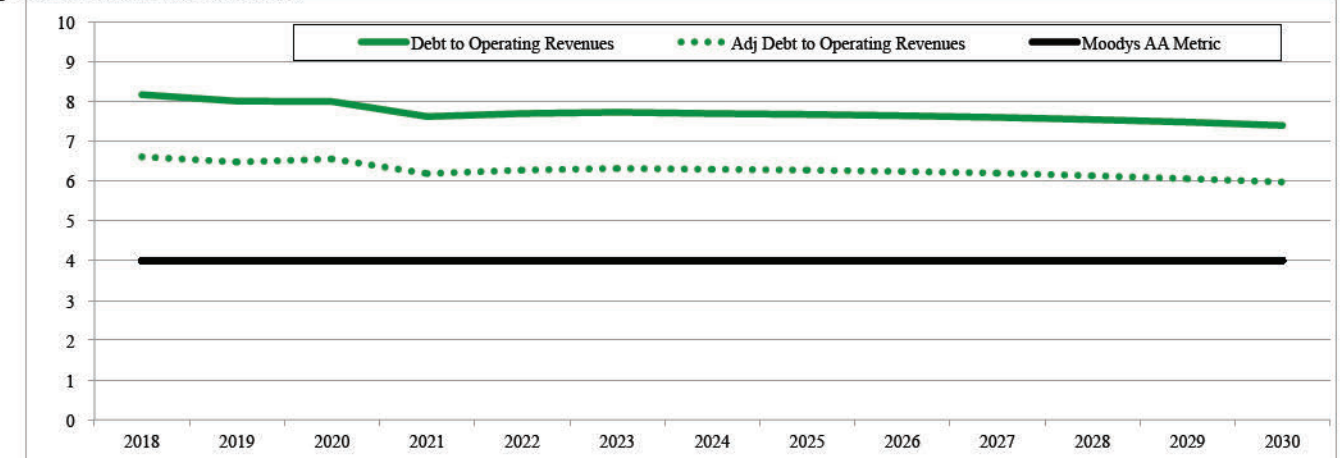
Operating Margin	18%	18%	23%	27%	28%	28%	35%	41%	42%	42%	43%	44%	45%
Fitch AA Metric	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%

Free Cash % of Depr



Free Cash % of Depr	21%	20%	22%	22%	28%	22%	25%	29%	28%	27%	26%	25%	24%
Adj Free Cash % of Depr	46%	46%	50%	52%	58%	53%	62%	75%	74%	74%	75%	75%	76%
Fitch AA Metric	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%

Debt to Operating Revenues (lower metric is positive)

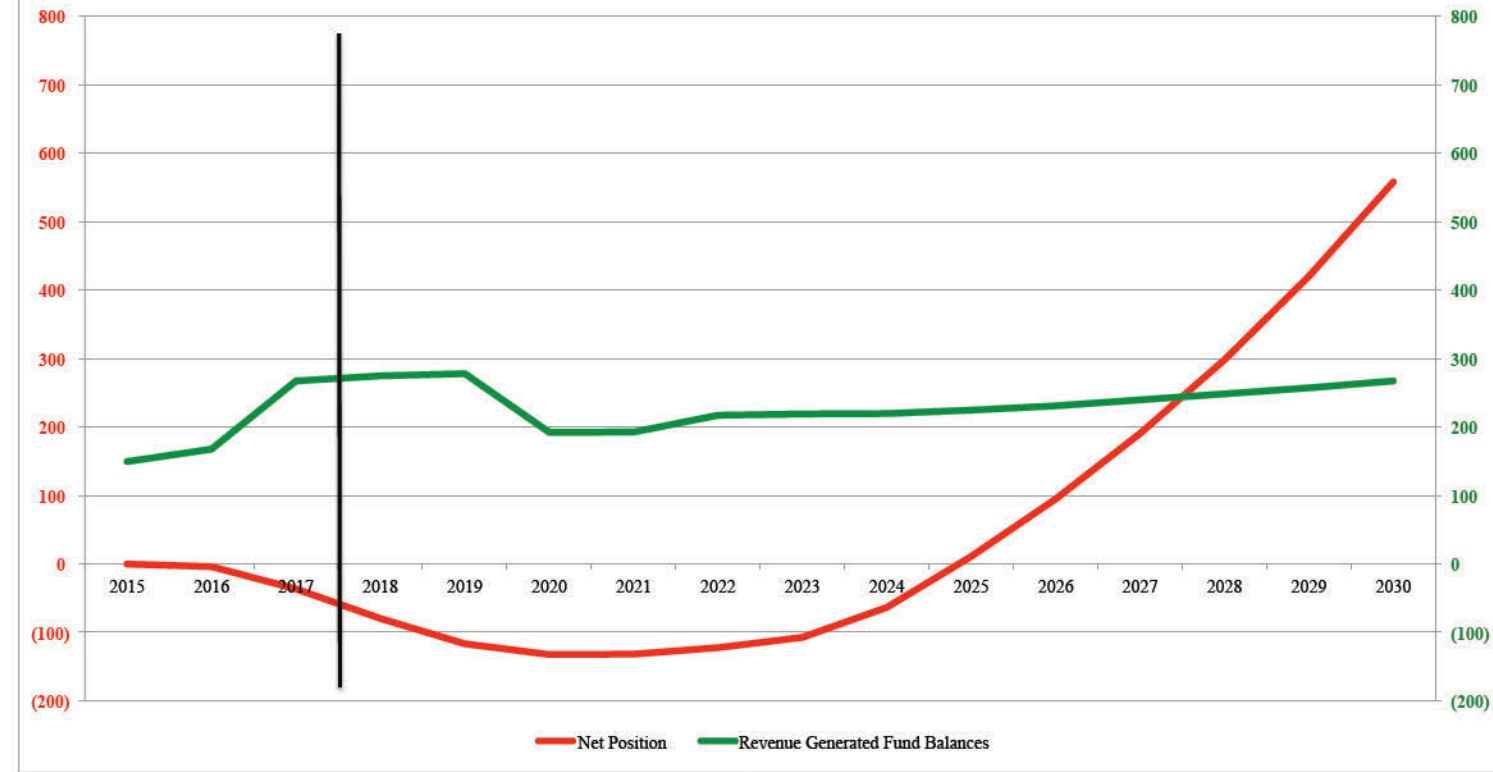


Debt to Operating Revenues	8.2	8.0	8.0	7.6	7.7	7.7	7.7	7.7	7.6	7.6	7.5	7.5	7.4
Adj Debt to Operating Reven	6.6	6.5	6.6	6.2	6.3	6.3	6.3	6.3	6.2	6.2	6.1	6.1	6.0
Moody's AA Metric	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

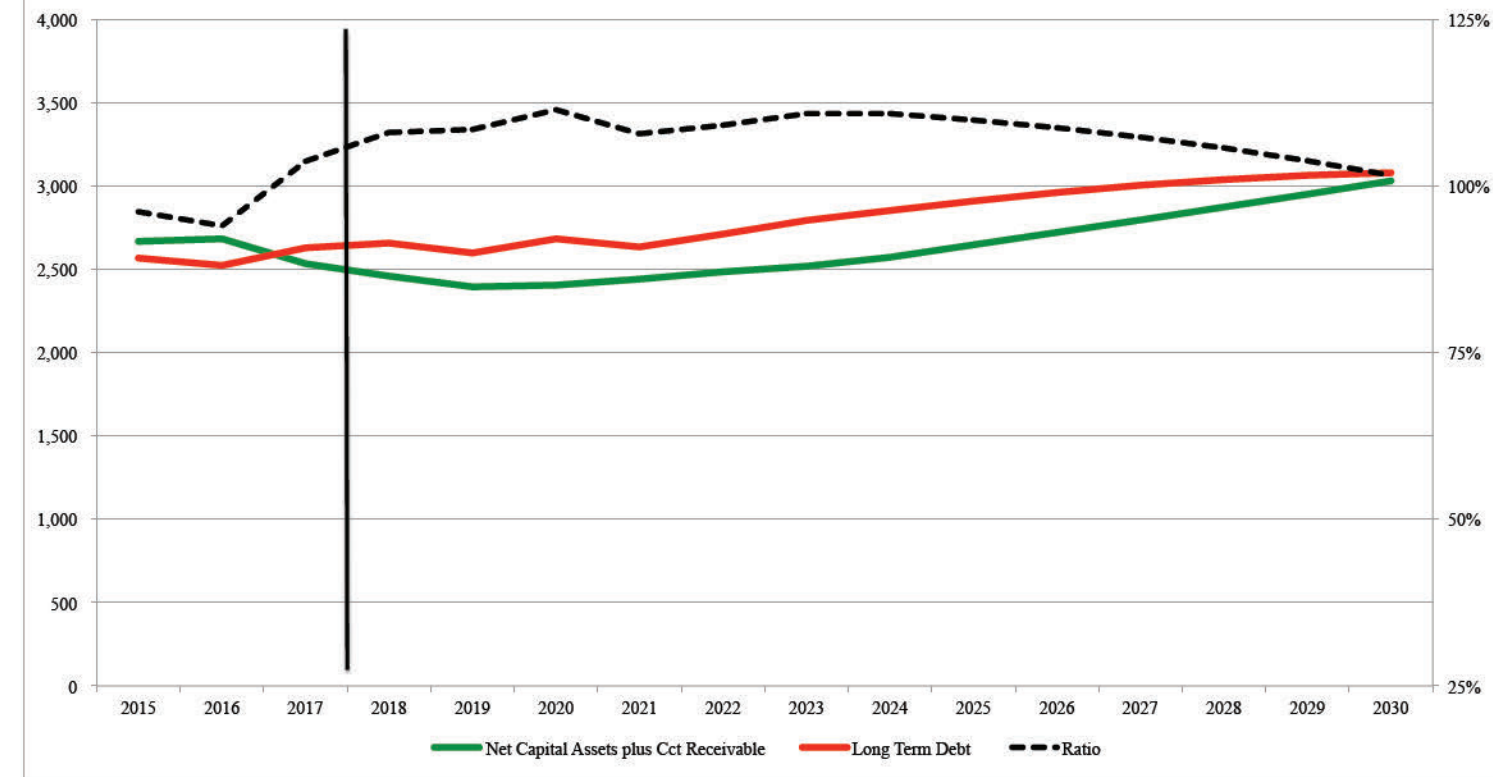
SCENARIO 1

Financial Forecast Summary - Water Supply System  
 Projected Net Position and Unrestricted MBO Fund Balances (\$ millions)

Scenario 1 - Baseline FY 2019 Budget Forecast  
 WATER Page 5 of 5



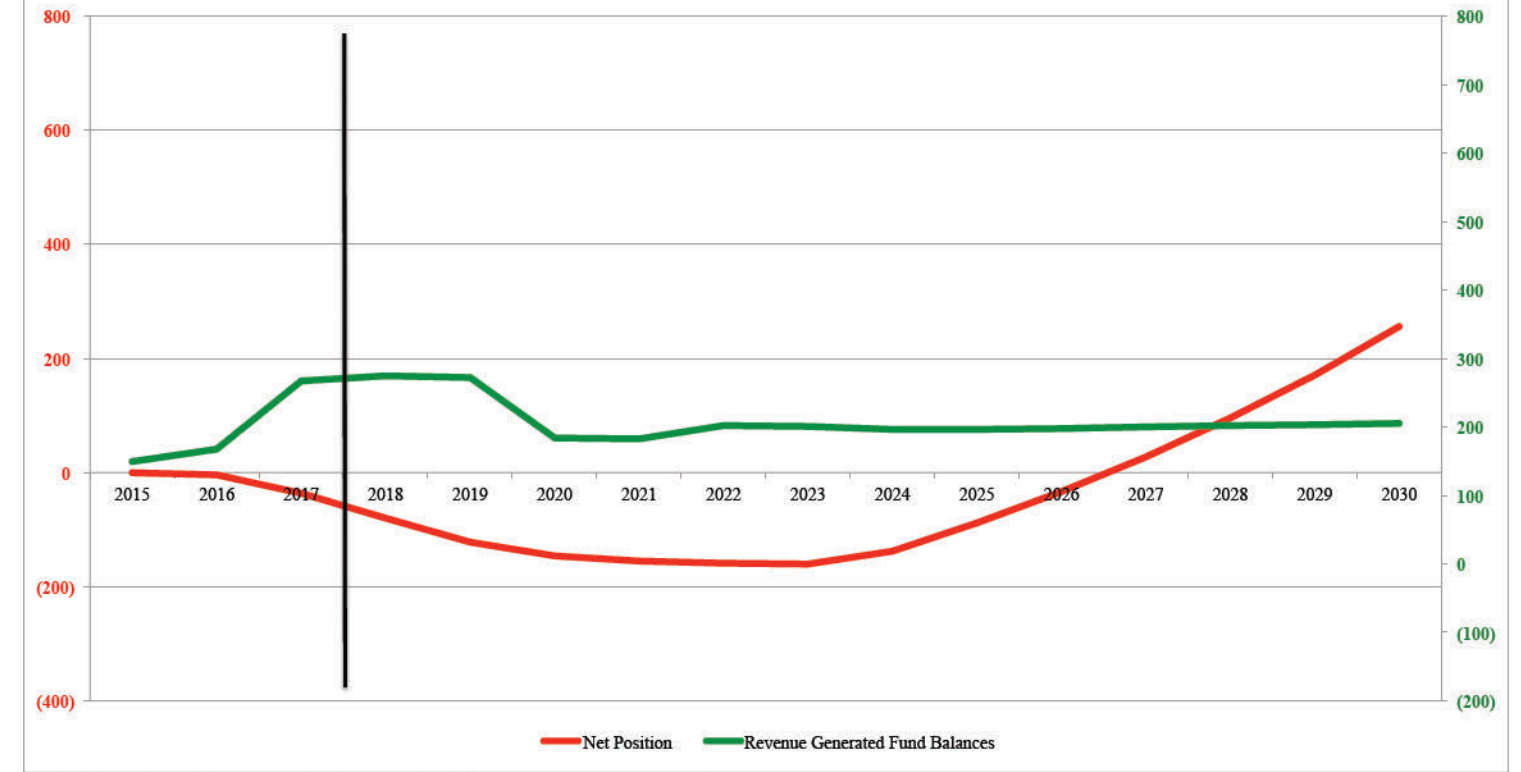
Projected Net Capital Assets, Outstanding Debt (\$ millions) and Debt/Asset Ratio



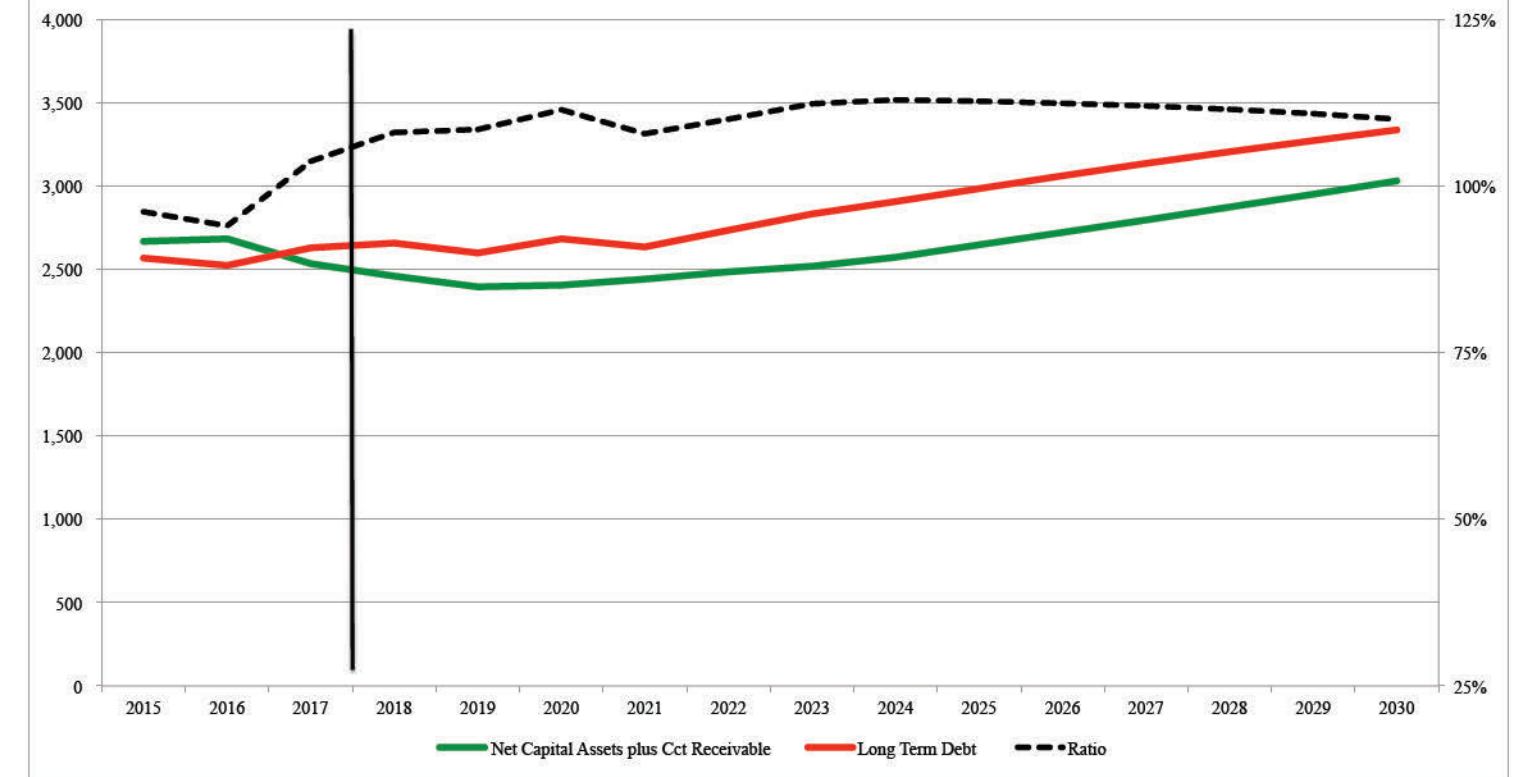
SCENARIO 2

Financial Forecast Summary - Water Supply System  
 Projected Net Position and Unrestricted MBO Fund Balances (\$ millions)

Scenario 2 - No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
 WATER Page 5 of 5



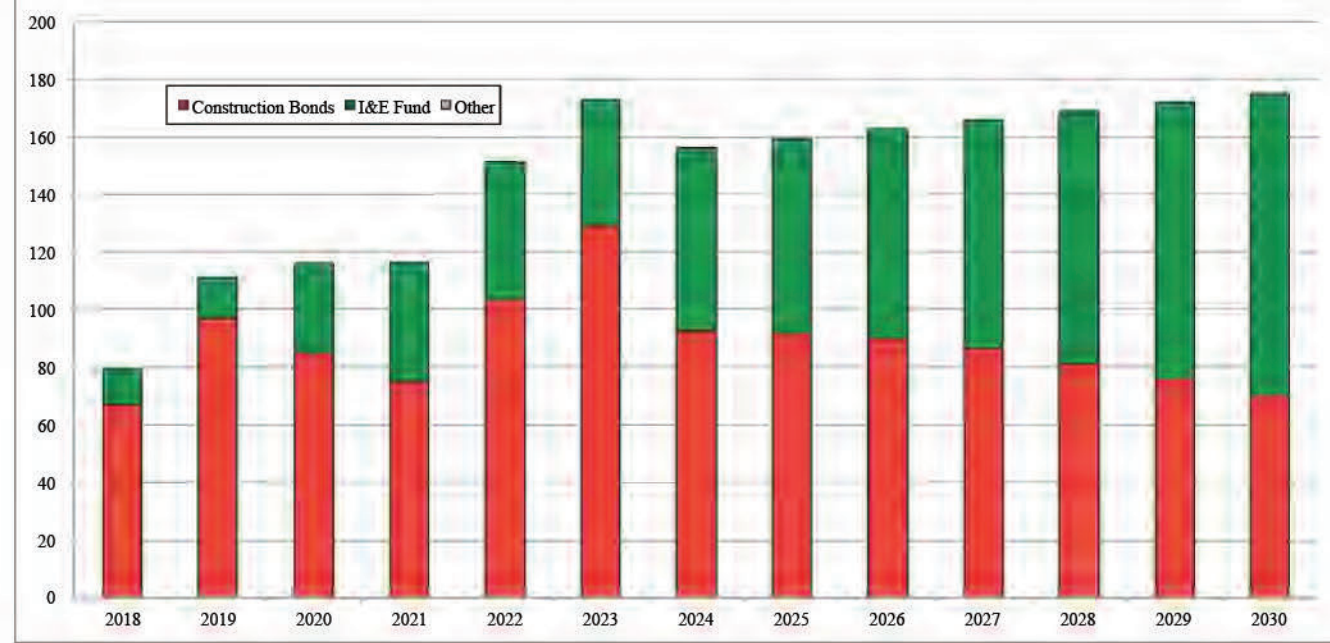
Projected Net Capital Assets, Outstanding Debt (\$ millions) and Debt/Asset Ratio



SCENARIO 1

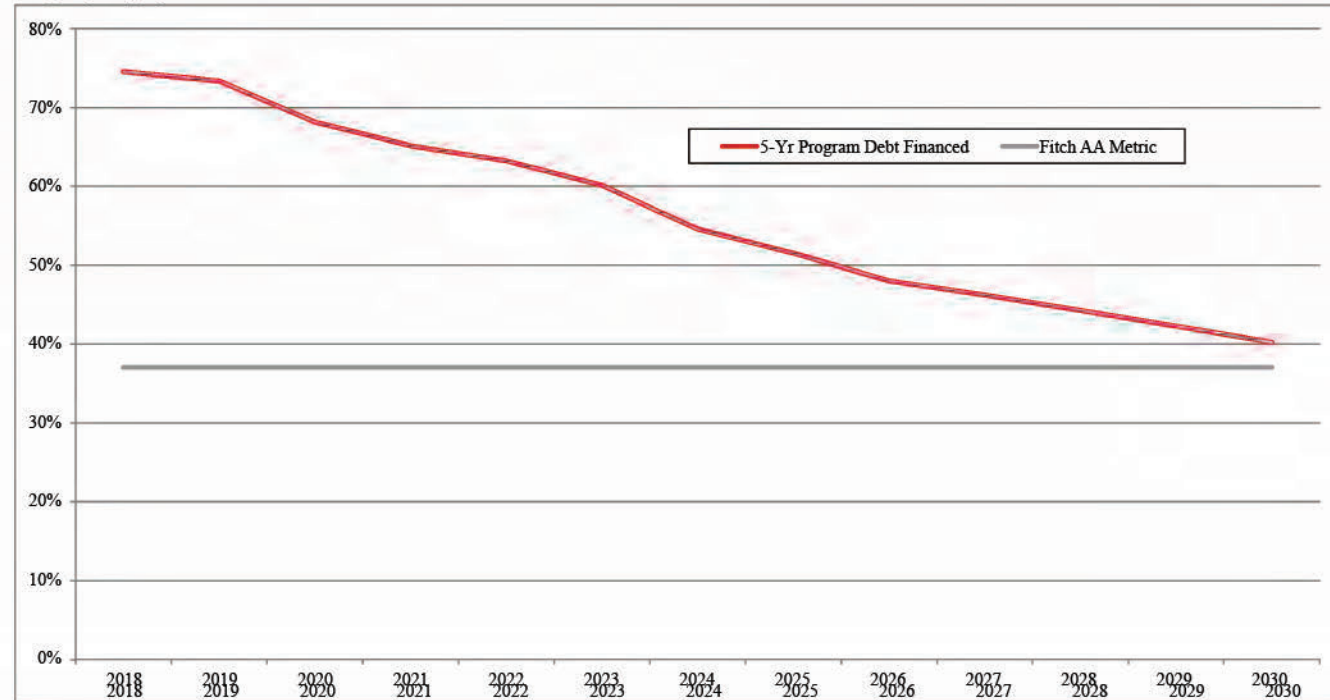
Financial Forecast Summary - Sewage Disposal System Capital Financing (\$ millions)  
Financing Sources

Scenario 1 - Baseline FY 2019 Budget Forecast  
SEWER Page 1 of 5



CIP Financing Requirements	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
CIP Financing Requirements	79	111	116	116	151	173	156	160	163	166	169	172	175
<b>Financing Sources</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Construction Bonds	67	97	85	75	103	129	93	92	90	87	82	76	70
I&E Fund	12	14	31	41	48	44	64	67	73	79	87	96	105
Other	0	0	0	0	0	0	0	0	0	0	0	0	0

Relative Debt Financing (5-year projection)



5-Yr Program Debt Financed	75%	73%	68%	65%	63%	60%	55%	52%	48%	46%	44%	42%	40%
Fitch AA Metric	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%

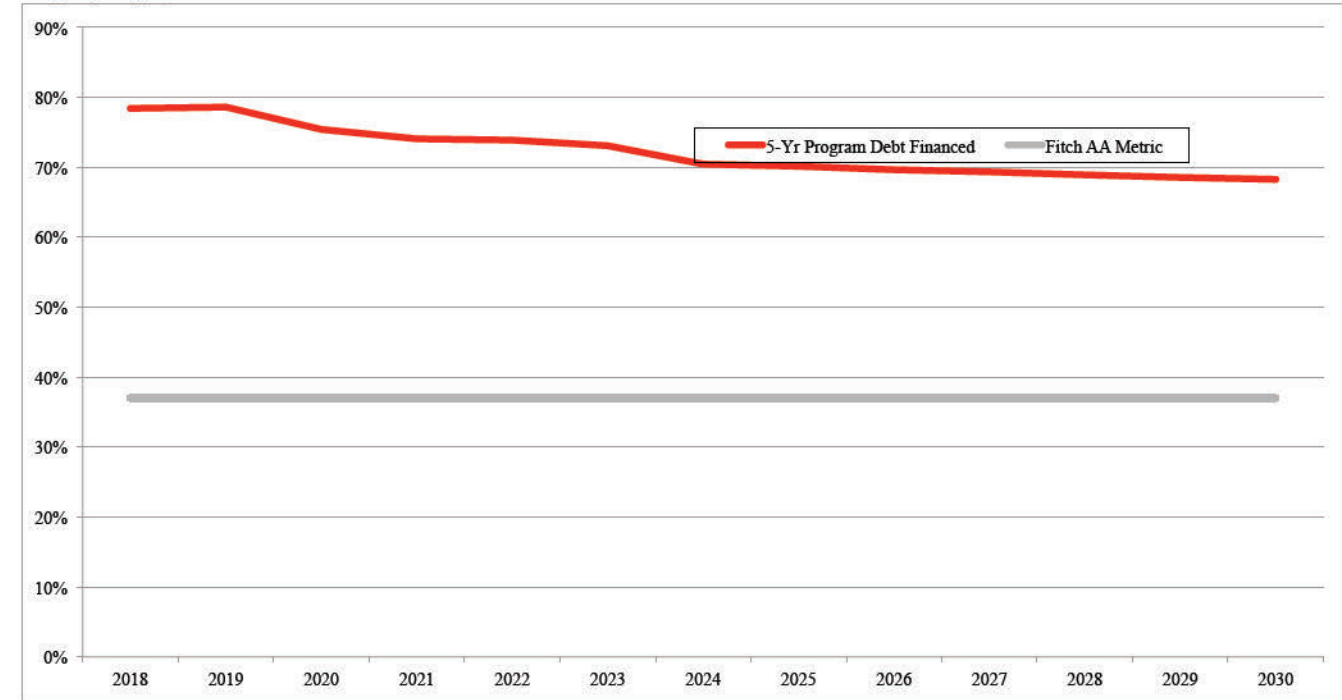
SCENARIO 2

Financial Forecast Summary - Sewage Disposal System Capital Financing (\$ millions)  
Financing Sources Scenario 2 - No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
SEWER Page 1 of 5



CIP Financing Requirements	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
CIP Financing Requirements	79	111	116	116	151	173	156	160	163	166	169	172	175
<b>Financing Sources</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Construction Bonds	67	97	90	83	113	142	110	113	115	117	117	118	119
I&E Fund	12	14	25	34	38	31	47	47	47	49	51	54	56
Other	0	0	0	0	0	0	0	0	0	0	0	0	0

Relative Debt Financing (5-year projection)

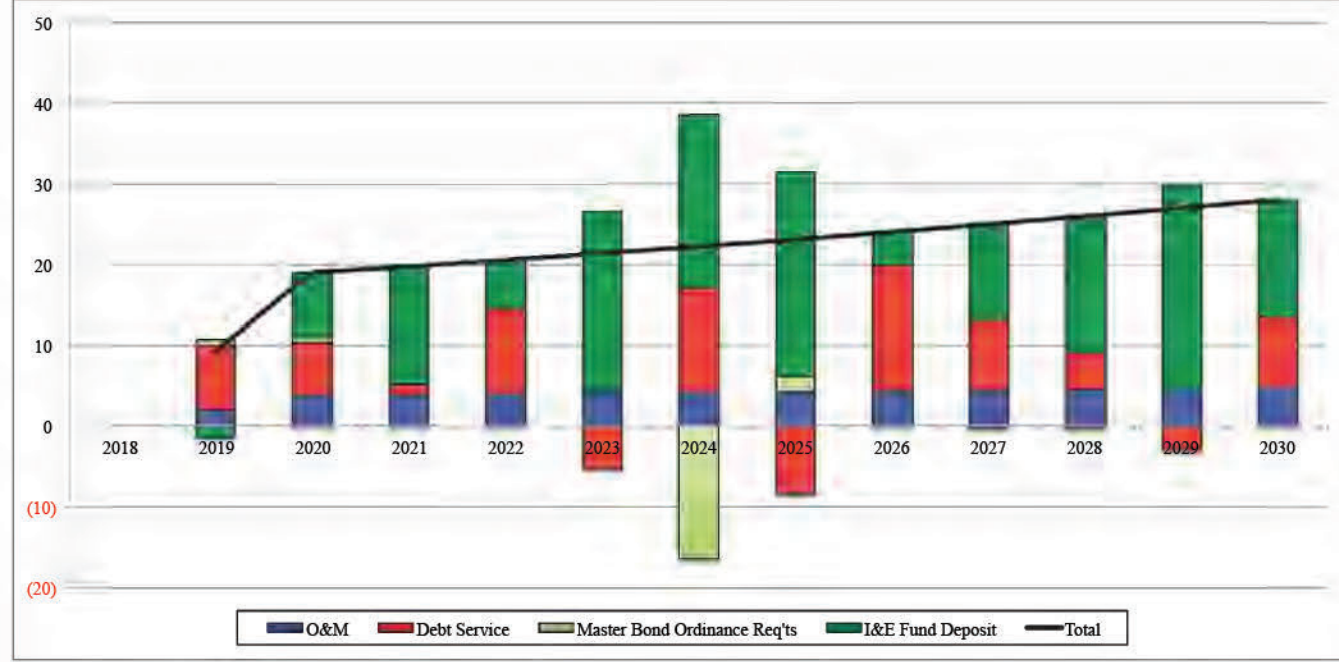


5-Yr Program Debt Financed	78%	79%	75%	74%	74%	73%	70%	70%	70%	69%	69%	69%	68%
Fitch AA Metric	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%

SCENARIO 1

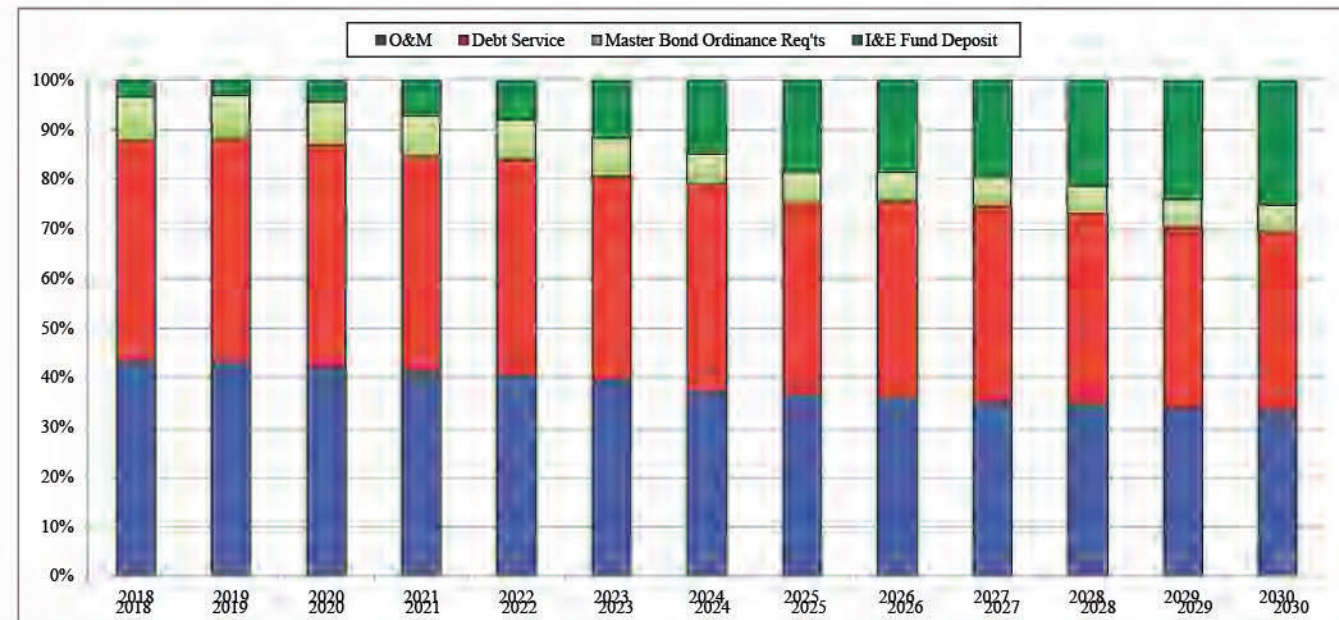
Financial Forecast Summary - Sewage Disposal System Revenue Requirements  
Change in Relative BUDGET - \$ millions

Scenario 1 - Baseline FY 2019 Budget Forecast  
SEWER Page 2 of 5



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
O&M		2.0	3.9	3.9	4.0	4.1	4.2	4.3	4.3	4.4	4.5	4.6	4.7
Debt Service		8.0	6.5	1.2	10.4	(5.3)	12.9	(8.4)	15.5	8.7	4.7	(3.0)	8.7
Master Bond Ordinance Req'ts		0.7	0.7	0.1	0.1	0.1	(16.3)	1.9	0.1	(0.2)	(0.2)	0.1	0.1
I&E Fund Deposit		(1.4)	7.9	14.5	6.0	22.4	21.5	25.4	4.1	12.1	16.9	25.3	14.6
<b>Total</b>		<b>9.3</b>	<b>19.0</b>	<b>19.8</b>	<b>20.5</b>	<b>21.4</b>	<b>22.2</b>	<b>23.1</b>	<b>24.0</b>	<b>25.0</b>	<b>26.0</b>	<b>27.0</b>	<b>28.1</b>

Relative BUDGET

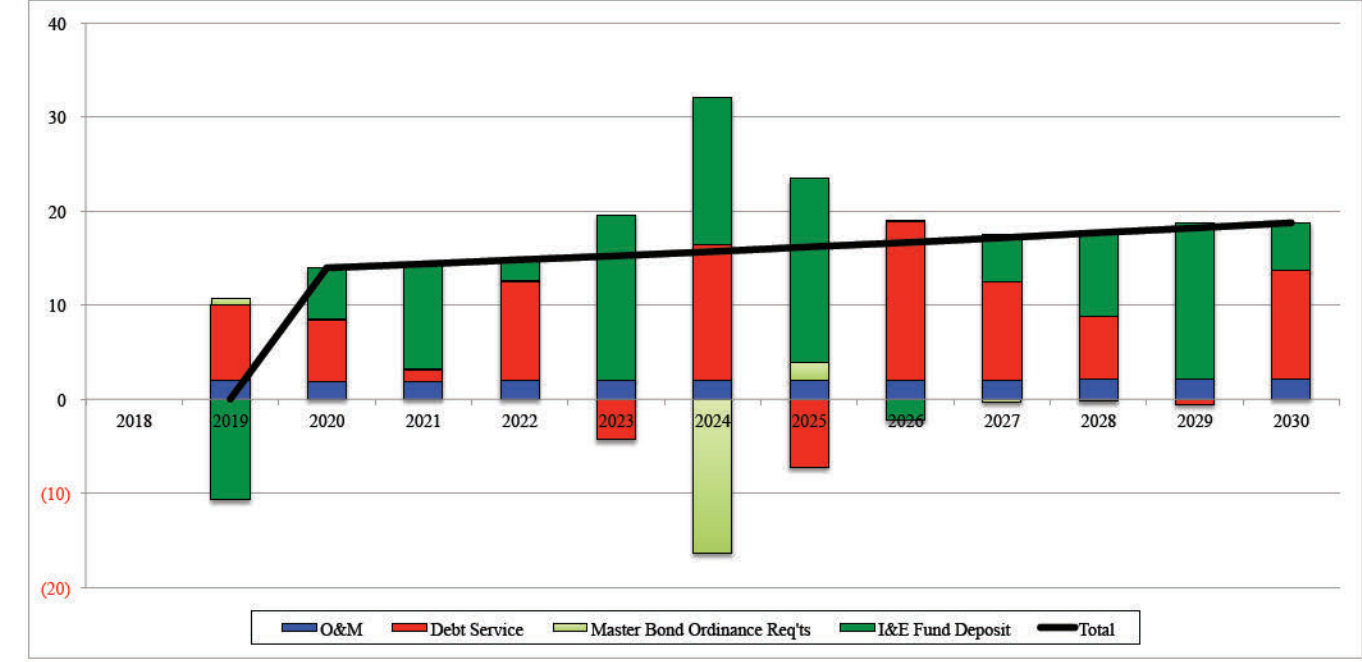


	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
O&M	43%	43%	42%	41%	40%	40%	37%	37%	36%	35%	34%	34%	33%
Debt Service	44%	45%	45%	43%	44%	41%	42%	39%	40%	39%	39%	37%	36%
Master Bond Ordinance Req'l	9%	9%	9%	8%	8%	8%	6%	6%	6%	6%	6%	5%	5%
I&E Fund Deposit	3%	3%	4%	7%	8%	12%	15%	19%	19%	20%	21%	24%	25%

SCENARIO 2

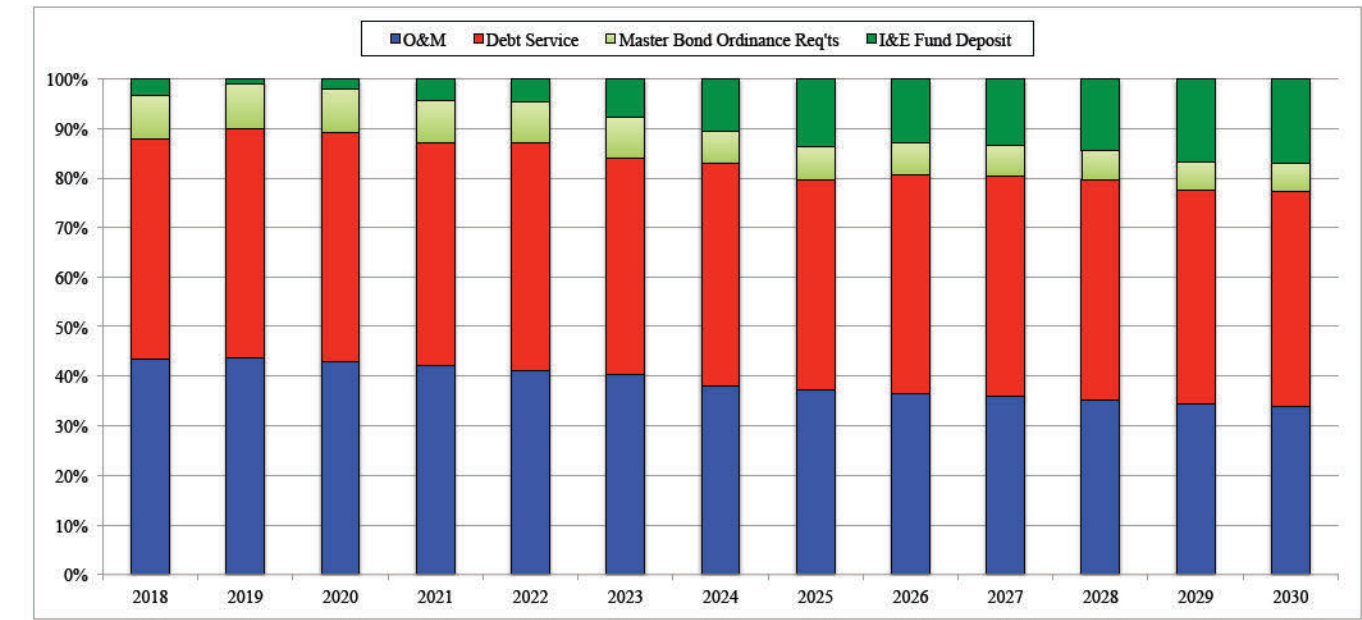
Financial Forecast Summary - Sewage Disposal System Revenue Requirements  
Change in Relative BUDGET - \$ millions

Scenario 2 - No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
SEWER Page 2 of 5



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
O&M		2.0	1.9	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.1
Debt Service		8.0	6.5	1.2	10.5	(4.3)	14.4	(7.3)	16.9	10.4	6.7	(0.5)	11.5
Master Bond Ordinance Req'ts		0.6	0.0	0.1	0.1	0.1	(16.4)	1.8	0.0	(0.3)	(0.2)	0.0	0.0
I&E Fund Deposit		(10.7)	5.5	11.2	2.2	17.5	15.7	19.6	(2.3)	5.0	9.1	16.6	5.1
<b>Total</b>		<b>0.0</b>	<b>14.0</b>	<b>14.4</b>	<b>14.8</b>	<b>15.3</b>	<b>15.7</b>	<b>16.2</b>	<b>16.7</b>	<b>17.2</b>	<b>17.7</b>	<b>18.2</b>	<b>18.8</b>

Relative BUDGET



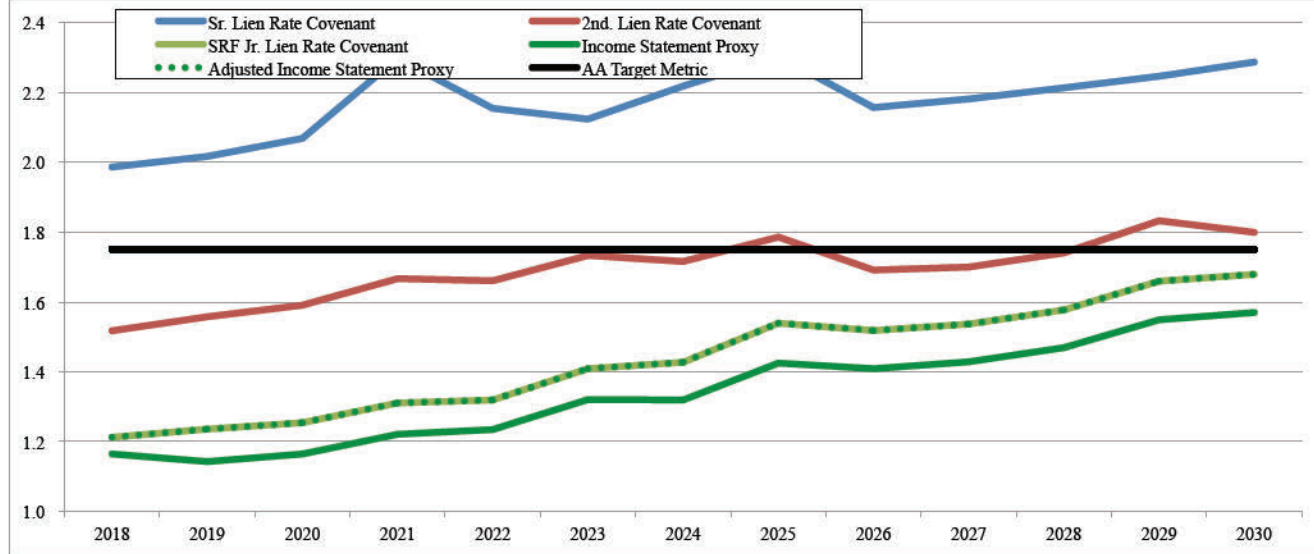
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
O&M	43%	44%	43%	42%	41%	40%	38%	37%	37%	36%	35%	34%	34%
Debt Service	44%	46%	46%	45%	46%	44%	45%	42%	44%	45%	44%	43%	44%
Master Bond Ordinance Req'l	9%	9%	9%	9%	8%	8%	6%	7%	6%	6%	6%	6%	6%
I&E Fund Deposit	3%	1%	2%	4%	5%	8%	11%	14%	13%	13%	15%	17%	17%



SCENARIO 1

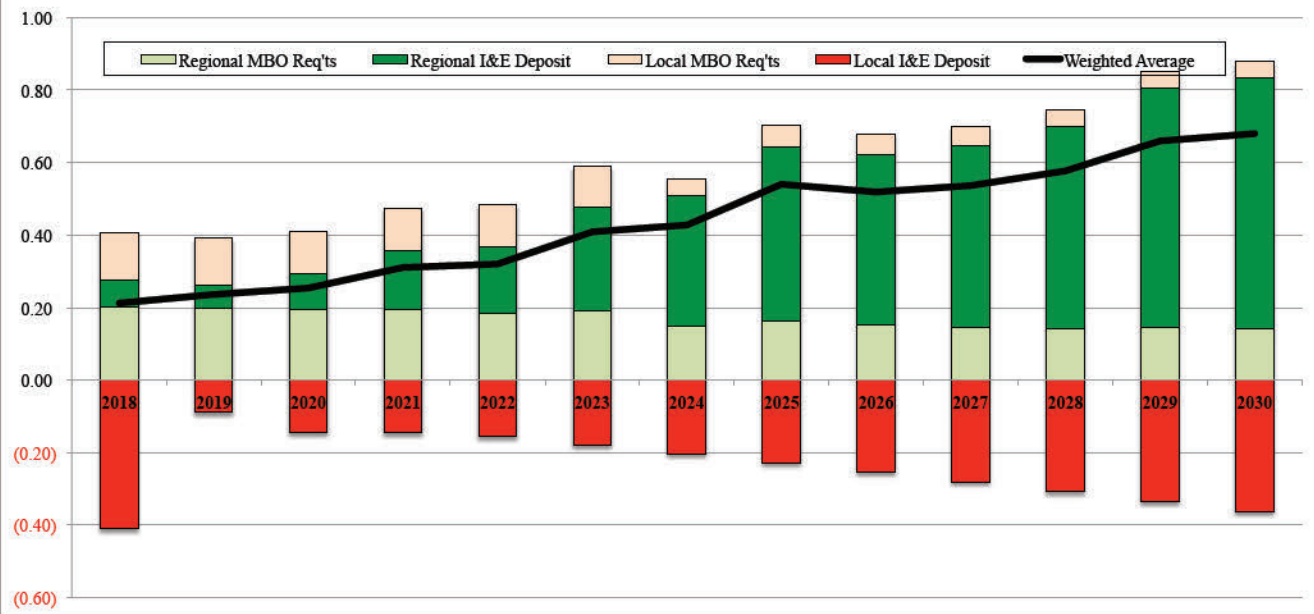
Financial Forecast Summary - Sewage Disposal System  
Debt Service Coverage

Scenario 1 - Baseline FY 2019 Budget Forecast  
SEWER Page 3 of 5



Sr. Lien Rate Covenant	1.99	2.02	2.07	2.30	2.15	2.12	2.22	2.30	2.16	2.18	2.21	2.25	2.29
2nd. Lien Rate Covenant	1.52	1.56	1.59	1.67	1.66	1.73	1.72	1.79	1.69	1.70	1.74	1.83	1.80
SRF Jr. Lien Rate Covenant	1.21	1.24	1.25	1.31	1.32	1.41	1.43	1.54	1.52	1.54	1.58	1.66	1.68
Income Statement Proxy	1.16	1.14	1.16	1.22	1.23	1.32	1.32	1.42	1.41	1.43	1.47	1.55	1.57
Adjusted Income Statement F	1.21	1.24	1.25	1.31	1.32	1.41	1.43	1.54	1.52	1.54	1.58	1.66	1.68
AA Target Metric	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Debt Service Coverage Providers

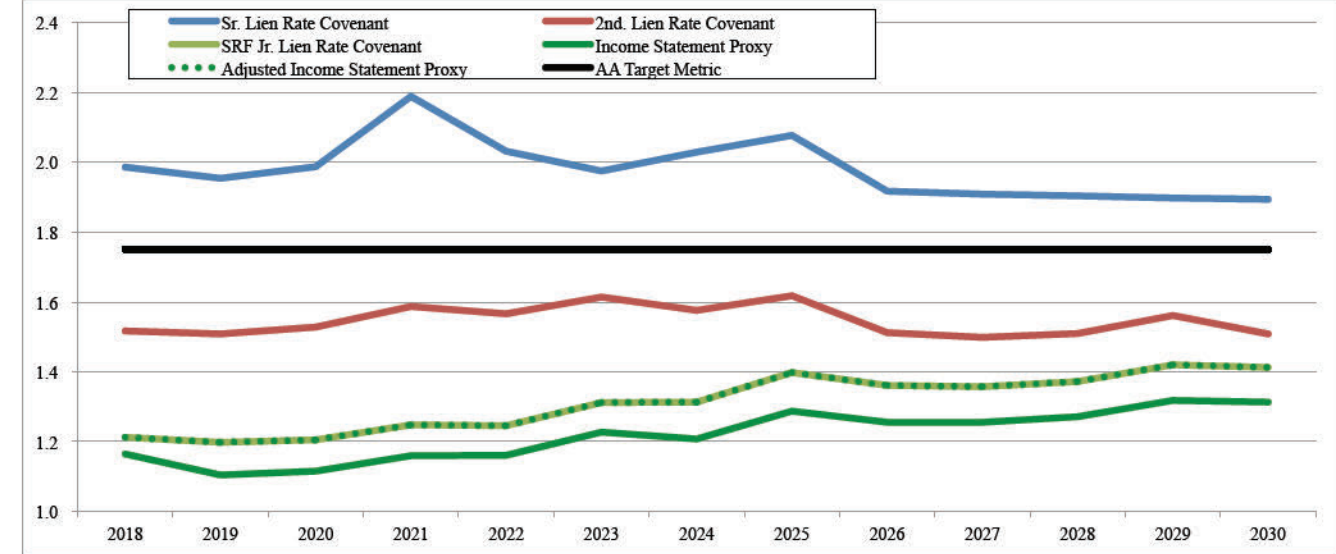


Regional MBO Req'ts	0.20	0.20	0.19	0.19	0.19	0.19	0.15	0.16	0.15	0.15	0.14	0.14	0.14
Regional I&E Deposit	0.08	0.07	0.10	0.16	0.18	0.29	0.36	0.48	0.47	0.50	0.56	0.66	0.69
Local MBO Req'ts	0.13	0.13	0.12	0.12	0.12	0.11	0.05	0.06	0.06	0.05	0.05	0.05	0.04
Local I&E Deposit	(0.41)	(0.09)	(0.15)	(0.15)	(0.16)	(0.18)	(0.20)	(0.23)	(0.25)	(0.28)	(0.31)	(0.34)	(0.36)
Weighted Average	0.21	0.24	0.25	0.31	0.32	0.41	0.43	0.54	0.52	0.54	0.58	0.66	0.68
Regional Total	0.28	0.26	0.29	0.36	0.37	0.48	0.51	0.64	0.62	0.65	0.70	0.81	0.83
Local Total	(0.28)	0.04	(0.03)	(0.03)	(0.04)	(0.07)	(0.16)	(0.17)	(0.20)	(0.23)	(0.26)	(0.29)	(0.32)
Weighted Average	0.21	0.24	0.25	0.31	0.32	0.41	0.43	0.54	0.52	0.54	0.58	0.66	0.68

SCENARIO 2

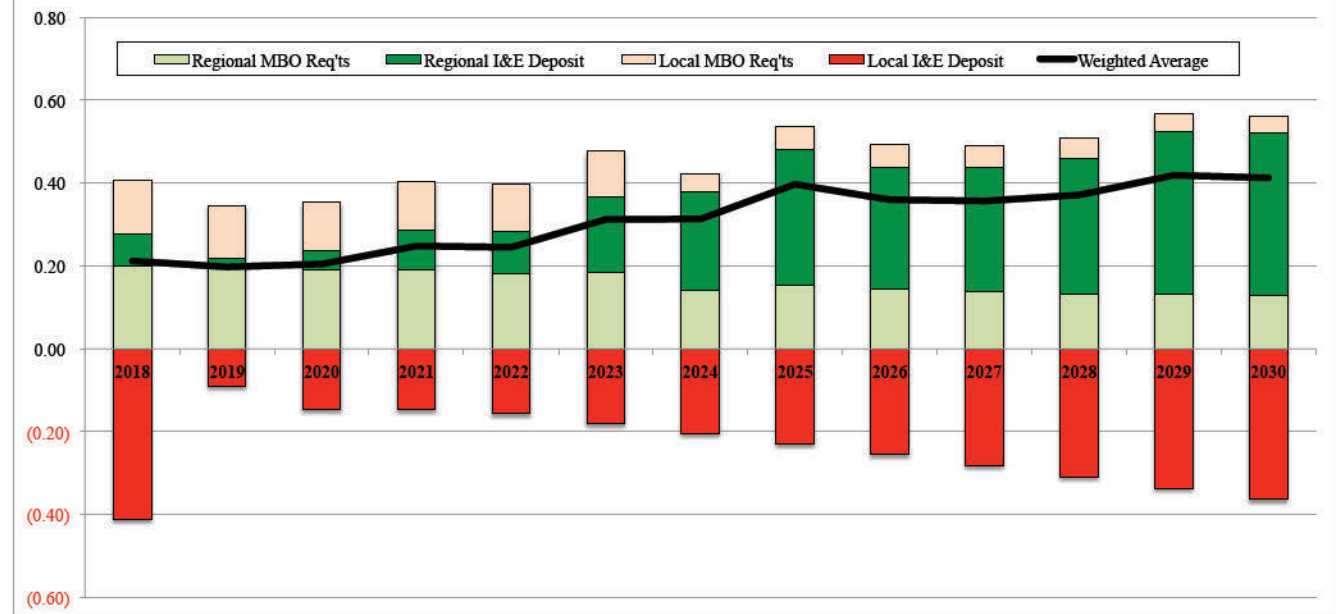
Financial Forecast Summary - Sewage Disposal System  
Debt Service Coverage

Scenario 2 - No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
SEWER Page 3 of 5



Sr. Lien Rate Covenant	1.99	1.95	1.99	2.19	2.03	1.98	2.03	2.08	1.92	1.91	1.90	1.90	1.89
2nd. Lien Rate Covenant	1.52	1.51	1.53	1.59	1.57	1.61	1.58	1.62	1.51	1.50	1.51	1.56	1.51
SRF Jr. Lien Rate Covenant	1.21	1.20	1.20	1.25	1.25	1.31	1.31	1.40	1.36	1.36	1.37	1.42	1.41
Income Statement Proxy	1.16	1.10	1.12	1.16	1.16	1.23	1.21	1.29	1.26	1.26	1.27	1.32	1.31
Adjusted Income Statement F	1.21	1.20	1.20	1.25	1.25	1.31	1.31	1.40	1.36	1.36	1.37	1.42	1.41
AA Target Metric	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Debt Service Coverage Providers

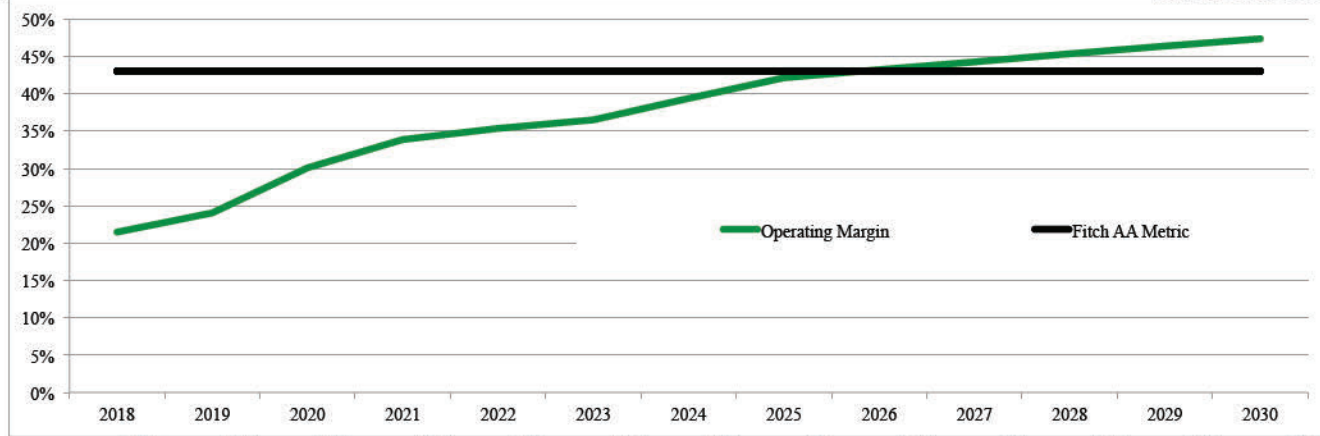


Regional MBO Req'ts	0.20	0.20	0.19	0.19	0.18	0.19	0.14	0.16	0.14	0.14	0.13	0.13	0.13
Regional I&E Deposit	0.08	0.02	0.05	0.10	0.10	0.18	0.23	0.32	0.29	0.30	0.33	0.39	0.39
Local MBO Req'ts	0.13	0.13	0.12	0.12	0.12	0.11	0.05	0.06	0.06	0.05	0.05	0.05	0.04
Local I&E Deposit	(0.41)	(0.09)	(0.15)	(0.15)	(0.16)	(0.18)	(0.20)	(0.23)	(0.25)	(0.28)	(0.31)	(0.34)	(0.36)
Weighted Average	0.21	0.20	0.20	0.25	0.25	0.31	0.31	0.40	0.36	0.36	0.37	0.42	0.41
Regional Total	0.28	0.22	0.24	0.29	0.28	0.37	0.38	0.48	0.44	0.44	0.46	0.52	0.52
Local Total	(0.28)	0.04	(0.03)	(0.03)	(0.04)	(0.07)	(0.16)	(0.17)	(0.20)	(0.23)	(0.26)	(0.29)	(0.32)
Weighted Average	0.21	0.20	0.20	0.25	0.25	0.31	0.31	0.40	0.36	0.36	0.37	0.42	0.41

SCENARIO 1

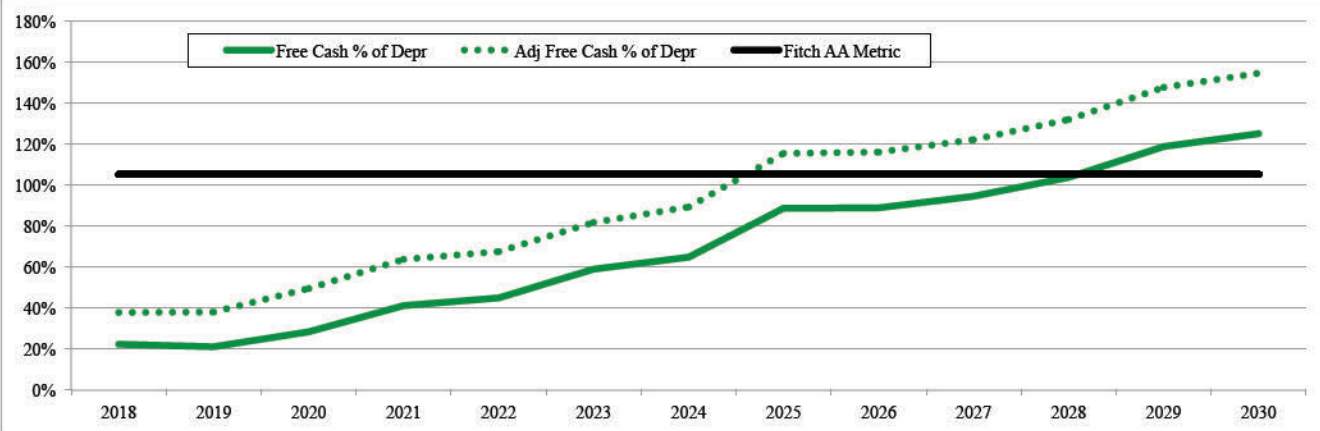
Financial Forecast Summary - Sewage Disposal System  
Operating Margin

Scenario 1 - Baseline FY 2019 Budget Forecast  
SEWER Page 4 of 5



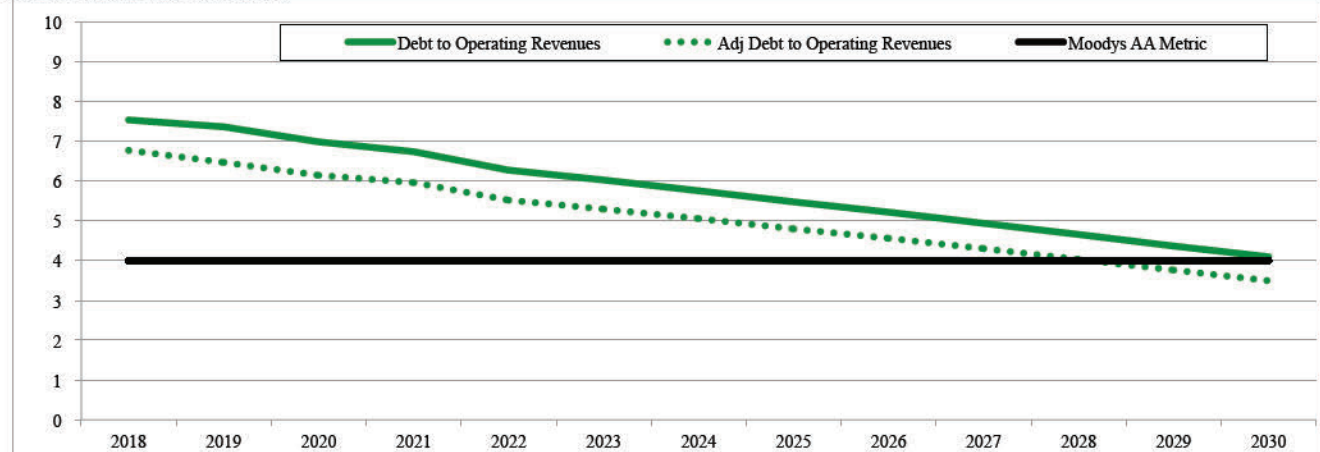
Operating Margin	21%	24%	30%	34%	35%	37%	39%	42%	43%	44%	45%	46%	47%
Fitch AA Metric	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%

Free Cash % of Depr



Free Cash % of Depr	22%	21%	28%	41%	45%	59%	65%	89%	89%	94%	104%	119%	125%
Adj Free Cash % of Depr	38%	38%	50%	64%	67%	82%	89%	115%	116%	122%	132%	147%	154%
Fitch AA Metric	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%

Debt to Operating Revenues (lower metric is positive)

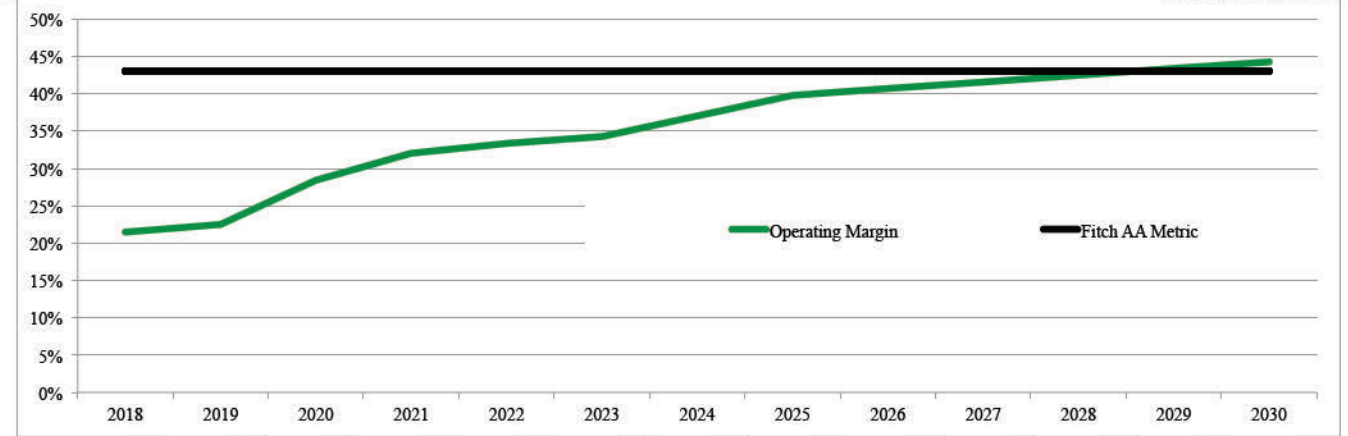


Debt to Operating Revenues	7.5	7.4	7.0	6.7	6.3	6.0	5.8	5.5	5.2	4.9	4.7	4.4	4.1
Adj Debt to Operating Reven	6.8	6.5	6.1	6.0	5.5	5.3	5.1	4.8	4.6	4.3	4.0	3.8	3.5
Moodys AA Metric	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

SCENARIO 2

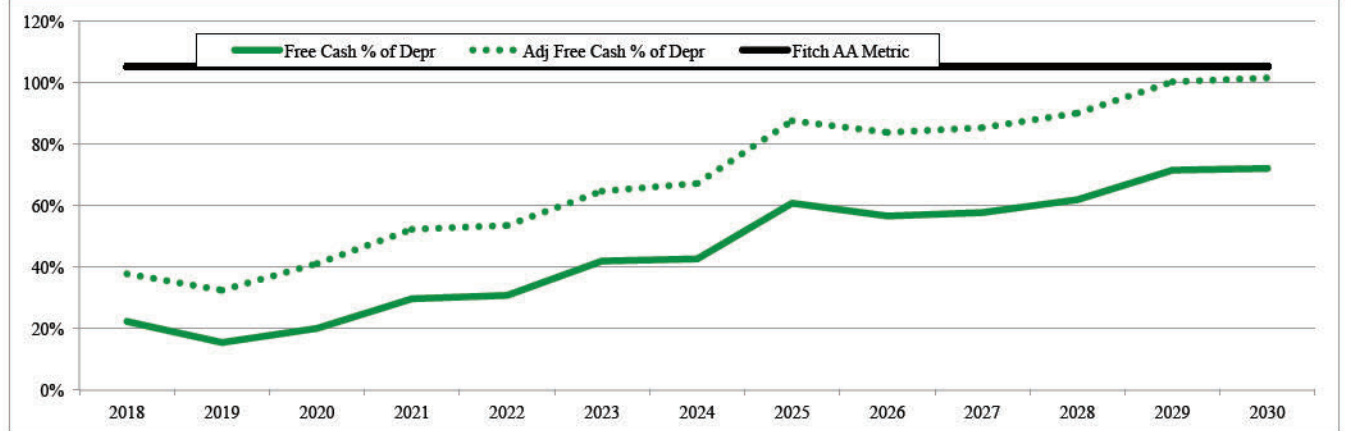
Financial Forecast Summary - Sewage Disposal System  
Operating Margin

Scenario 2 - No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
SEWER Page 4 of 5



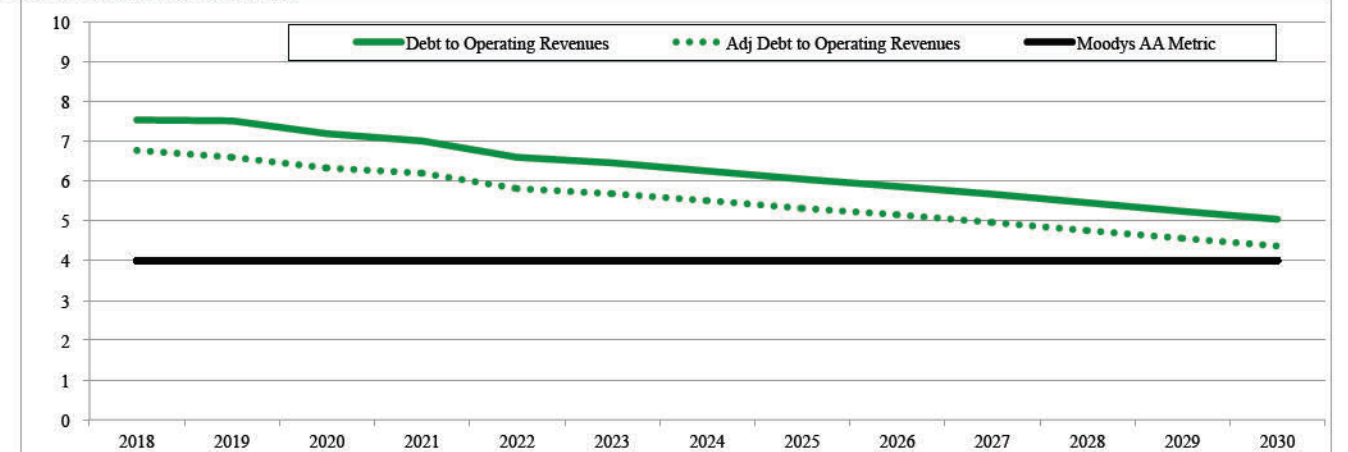
Operating Margin	21%	23%	28%	32%	33%	34%	37%	40%	41%	42%	42%	43%	44%
Fitch AA Metric	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%	43%

Free Cash % of Depr



Free Cash % of Depr	22%	15%	20%	30%	31%	42%	43%	61%	57%	58%	62%	71%	72%
Adj Free Cash % of Depr	38%	32%	41%	52%	53%	65%	67%	87%	84%	85%	90%	100%	101%
Fitch AA Metric	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%

Debt to Operating Revenues (lower metric is positive)

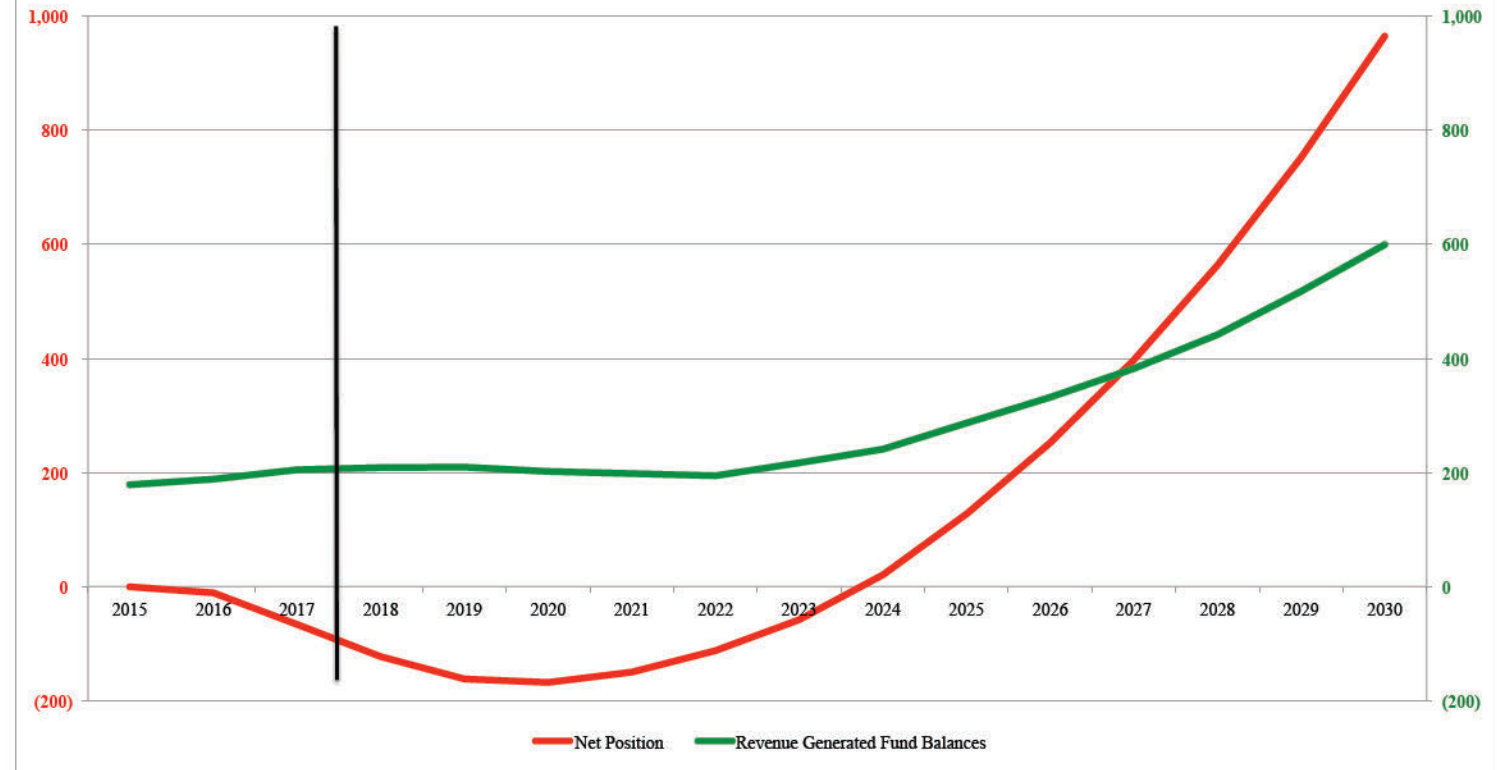


Debt to Operating Revenues	7.5	7.5	7.2	7.0	6.6	6.5	6.3	6.1	5.9	5.7	5.5	5.2	5.0
Adj Debt to Operating Reven	6.8	6.6	6.3	6.2	5.8	5.7	5.5	5.3	5.2	5.0	4.8	4.6	4.4
Moodys AA Metric	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

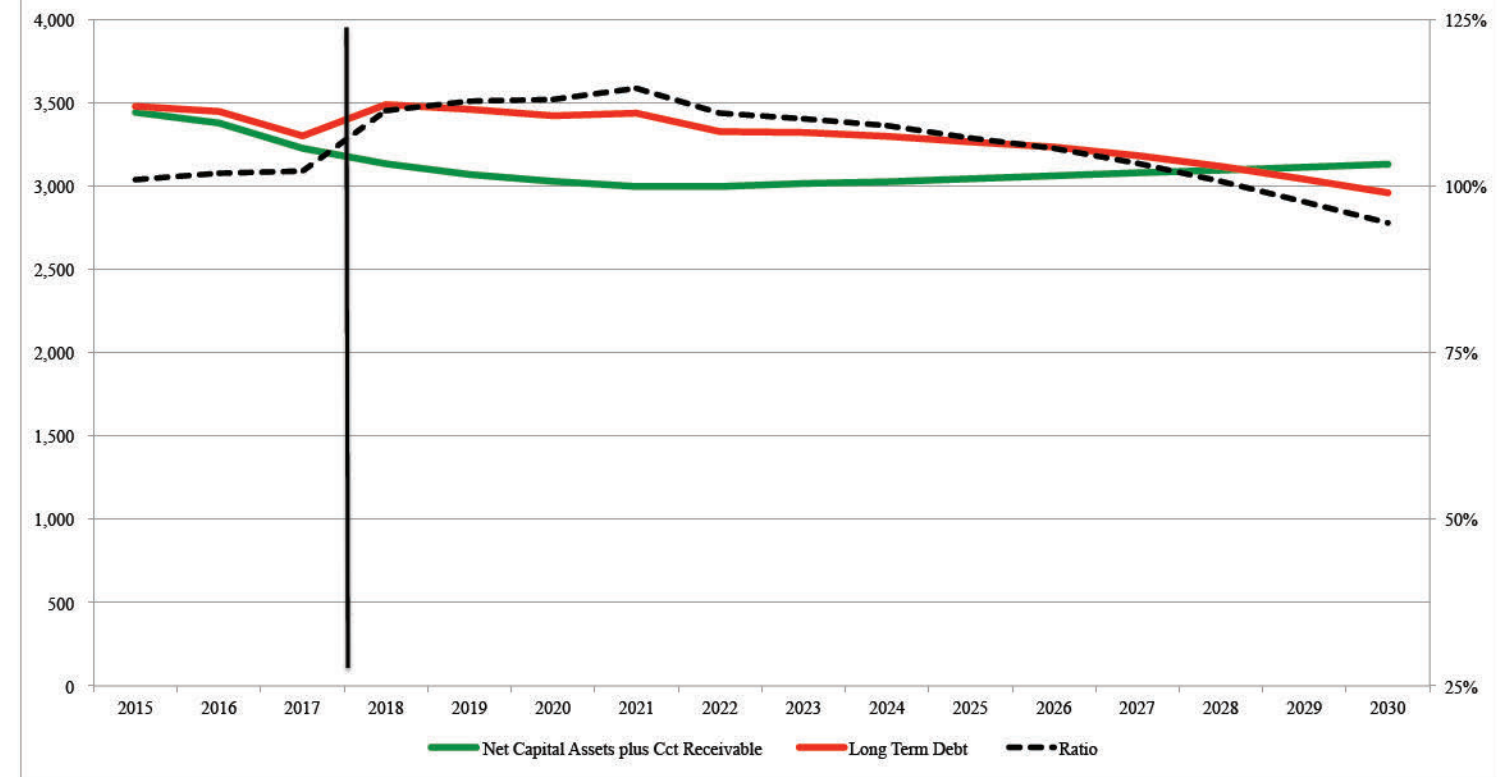
SCENARIO 1

Financial Forecast Summary - Sewage Disposal System  
Projected Net Position and Unrestricted MBO Fund Balances (\$ millions)

Scenario 1 - Baseline FY 2019 Budget Forecast  
SEWER Page 5 of 5



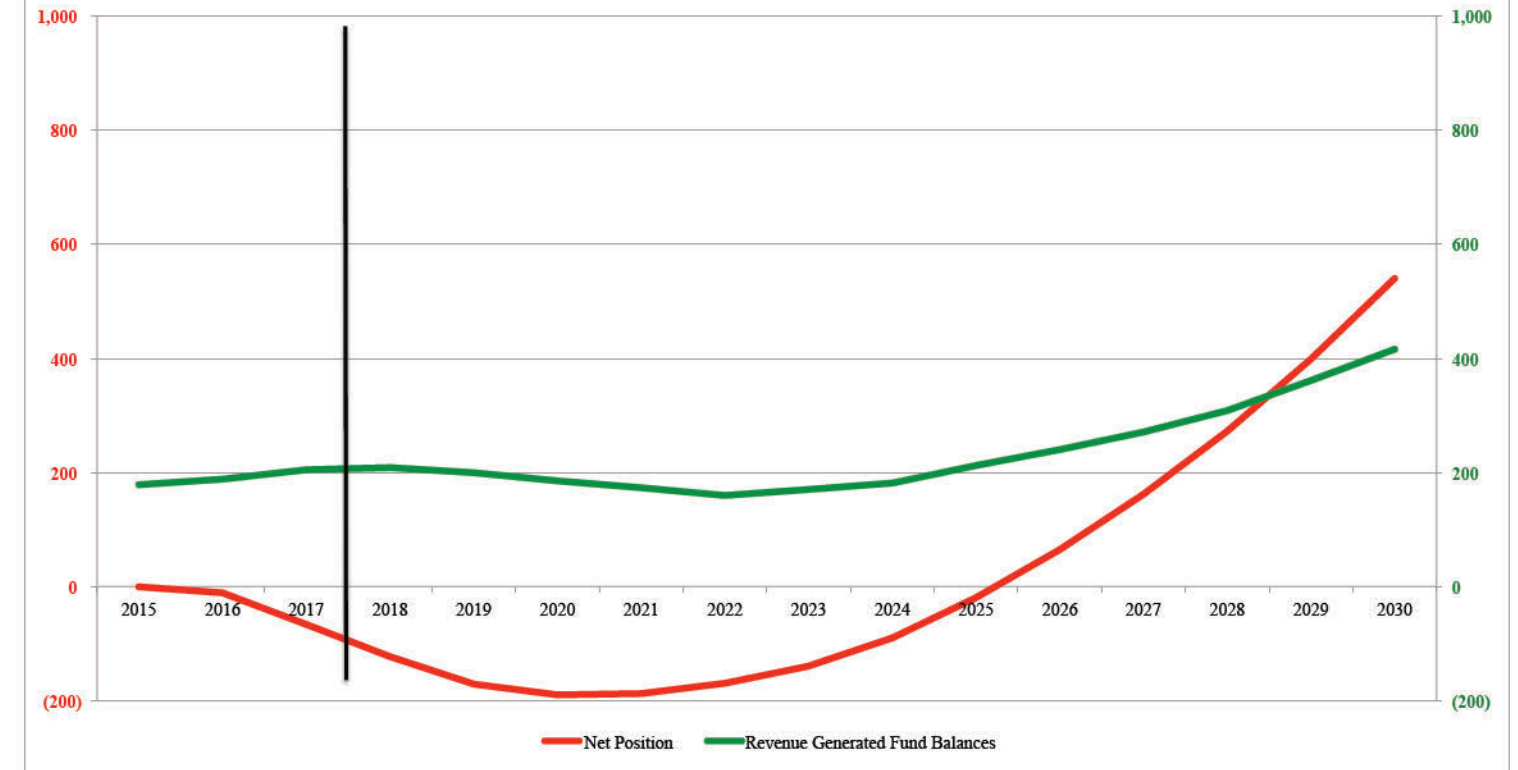
Projected Net Capital Assets, Outstanding Debt (\$ millions) and Debt/Asset Ratio



SCENARIO 2

Financial Forecast Summary - Sewage Disposal System  
Projected Net Position and Unrestricted MBO Fund Balances (\$ millions)

Scenario 2 - No FY 2019 Budget Increase, 3% Thereafter, 1% O&M Increase  
SEWER Page 5 of 5



Projected Net Capital Assets, Outstanding Debt (\$ millions) and Debt/Asset Ratio

