

Great Lakes Water Authority
PROPOSED Resolution 2019 -
Resolution Adopting the Biennial FY 2020 & FY 2021 Budget

By Board Member: _____

- WHEREAS** The Great Lakes Water Authority (“GLWA” or the “Authority”) assumed the operation of the regional water and sewer systems on January 1, 2016 (the “Effective Date”) pursuant to Water System and Sewer System Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and
- WHEREAS** In accordance with the by-laws of the GLWA, the Board shall adopt a two-year (Biennial) operating budget for the Regional Water and Sewer Systems; and
- WHEREAS** The Authority, through the terms of the Leases, committed to an annual increase in revenue requirement budget of no more than 4% though the fiscal year ending June 30, 2025; and
- WHEREAS** The GLWA Board is now adopting its fourth fiscal year budget demonstrating its ability to achieve and excel in meeting that commitment with a Regional Water System annual revenue requirement budget increase of 3.1% which equates to an average 1.5% increase in revenues from Water Service Charges and a Regional Sewer System annual revenue requirements budget increase of 2.9% which equates to an average 2.0% increase in revenues from Sewer Service Charges; and
- WHEREAS** The budgeted expenses for each such Fiscal Year shall equal the sum of the Projected expenses and revenue requirements for the Regional Water System and the Regional Sewer System for each such Fiscal Year; and
- WHEREAS** The budgeted annual revenue requirements for the Regional Water System for FY 2020 is \$341,664,500 and for FY 2021 is \$355,331,100 as shown on “Schedule 1A – Water System Revenue Requirements” of the budget document; and
- WHEREAS** The budgeted annual revenue requirements for the Regional Sewer System for FY 2020 is \$483,605,300 and for FY 2021 is \$502,949,500 as shown on “Schedule 1B – Sewer System Revenue Requirements” of the budget document; and
- WHEREAS** The operations and maintenance budget for the Regional Water System for FY 2020 is \$131,490,500 and for FY 2021 is \$134,120,300 as shown on

“Schedule 1A – Water System Revenue Requirements” of the budget document; and

WHEREAS The operations and maintenance budget for the Regional Sewer System for FY 2020 is \$187,056,900 and for FY 2021 is \$190,798,100 as shown on Schedule 1B – Sewer System Revenue Requirements” of the budget document; and

WHEREAS The amounts necessary to pay the principal of and interest on all Regional Water System bonds and to restore any reserves therefore established in the Master Bond ordinance is \$174,668,300 for FY 2020 and \$192,231,900 for FY 2021 as shown on “Schedule 4 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance” of the budget document; and

WHEREAS The amounts necessary to pay the principal of and interest on all Regional Sewer System bonds and to restore any reserves therefore established in the Master Bond Ordinance is \$247,388,600 for FY 2020 and \$247,835,400 for FY 2021 as shown on “Schedule 4 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance” of the budget document; and

WHEREAS The amounts necessary to fund the annual water system capital expenditures of \$107,435,300 in FY 2020 and \$124,949,300 in FY 2021 for the capital improvement plan in accordance with the Schedule 5C - Water Construction Bond Fund budget with those capital amounts reflecting a 75% Capital Spending Ratio applied to FY 2020 and FY 2021 as shown in the proposed FY 2020 through FY 2024 Capital Improvement Plan; and

WHEREAS The amounts necessary to fund the annual sewer system capital expenditures of \$121,110,000 in FY 2020 and \$99,322,500 in FY 2021 for the capital improvement plan in accordance with Schedule 5D - Sewer Construction Bond Fund budget with those capital amounts reflecting a 75% Capital Spending Ratio applied to FY 2020 and FY 2021 as shown in the proposed FY 2020 through FY 2024 Capital Improvement Plan; and

WHEREAS The amounts necessary to fund the annual water system capital expenditures of \$10,125,300 in FY 2020 and \$9,235,300 in FY 2021 for capital outlay in accordance with the 5A - Water Improvement and Extension Fund budget; and

WHEREAS The amounts necessary to fund the annual sewer system capital expenditures of \$20,122,200 in FY 2020 and \$19,875,600 in FY 2021 for the capital outlay in accordance with the 5B - Sewer Improvement and Extension Fund budget; and

WHEREAS The GLWA Audit Committee began review of the budget and five-year financial plan document developed for FY 2020 through FY 2024 at its

meeting on January 4, 2019; with updates at its meetings on January 18, 2019, and February 15, 2019; and

WHEREAS The GLWA Board conducted a public hearing on the proposed budget in accordance with the provisions of Public Act No. 43 of the Acts of the State Legislature of 1963 ("Budget Hearings of Local Governments"); and

WHEREAS A notice for the public hearing on the proposed budget scheduled for February 27, 2019 at 2:00 pm at the Water Board Building, 735 Randolph, Detroit, Michigan was published in The Detroit Legal News announcing a public hearing on the budget in addition to posting the notice and proposed budget on glwater.org/financials; and

WHEREAS An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution,

NOW THEREFORE BE IT:

RESOLVED That the GLWA Board conducted a public hearing on February 27, 2019 to receive public comment regarding the proposed budget for the Fiscal Years 2020 and 2021; and be it further

RESOLVED That the GLWA Board approves the budget for Fiscal Years 2020 and 2021; and be it finally

RESOLVED That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this resolution.

Proposed Biennial Budget Worksheet

Impact of Proposed Modifications

Schedule 1 - Revenue Requirements Budget Worksheet - Potential Impact of Modifications

Regional System Revenue Requirements	Water Supply System					Sewage Disposal System					Combined Water & Sewer				
	FY 2020 As Requested	Operating Expense Budget Reduction	GLWA Facilities Adjustment	Modified Budget?	Relative % Change	FY 2020 As Requested	Operating Expense Budget Reduction	GLWA Facilities Adjustment	Modified Budget?	Relative % Change	FY 2020 As Requested	Operating Expense Budget Reduction	GLWA Facilities Adjustment	Modified Budget?	Relative % Change
Revenues															
Revenues From Wholesale Customer Charges	\$111,043,600	\$ -	\$ -	\$111,043,600	0.0%	\$287,973,400	\$ -	\$ -	\$287,973,400	0.0%	\$599,017,000	\$ -	\$ -	\$599,017,000	0.0%
Wholesale Revenues From Retail Services Agreement	20,117,100	-	1,419,600	21,536,700	7.1%	186,118,800	-	782,300	186,901,100	0.4%	206,235,900	-	2,201,900	208,437,800	1.1%
11 Total Revenues from Charges	\$131,160,700	\$ -	\$ 1,419,600	\$132,580,300	0.4%	\$474,092,200	\$ -	\$ 782,300	\$474,874,500	0.2%	\$805,252,900	\$ -	\$ 2,201,900	\$807,454,800	0.3%
11.1 Revenues from Internal Charges	1,438,000		(1,438,000)	-	-100.0%				-	NA	1,438,000		(1,438,000)	-	-100.0%
10.1 Non-Operating Revenue	9,084,200		-	9,084,200	0.0%	8,730,800		-	8,730,800	0.0%	17,815,000		-	17,815,000	0.0%
Total Revenues	\$341,682,900	\$ -	\$ (18,400)	\$341,664,500	0.0%	\$482,823,000	\$ -	\$ 782,300	\$483,605,300	0.2%	\$824,505,900	\$ -	\$ 763,900	\$825,269,800	0.1%
Revenue Requirements															
1. Operations & Maintenance (O&M) Expense	\$133,490,500	\$ (2,000,000)	\$0	\$131,490,500	0.0%	\$187,968,700	\$ (3,000,000)	\$ 2,088,200	\$187,056,900	1.1%	\$321,458,200	\$(5,000,000)	\$2,088,200	\$318,547,400	0.6%
2. O&M Legacy Pension Allocation	6,048,000		-	6,048,000	0.0%	10,824,000		-	10,824,000	0.0%	16,872,000		-	16,872,000	0.0%
3. Debt Service Allocation	137,557,600		-	137,557,600	0.0%	215,738,800		-	215,738,800	0.0%	353,296,400		-	353,296,400	0.0%
4. Accelerated Legacy Pension Allocation	6,268,300		-	6,268,300	0.0%	11,620,700		-	11,620,700	0.0%	17,889,000		-	17,889,000	0.0%
5. Water Residential Assistance Program	1,743,900		7,100	1,751,000	0.4%	2,464,400		3,900	2,468,300	0.2%	4,208,300		11,000	4,219,300	0.3%
6. Lease Payment to Local System I&E Account	22,500,000		-	22,500,000	0.0%	27,500,000		-	27,500,000	0.0%	50,000,000		-	50,000,000	0.0%
7. Improvement & Extension Fund Allocation	30,098,600	2,000,000	(25,500)	32,073,100	-0.1%	26,706,400	3,000,000	(1,309,800)	28,396,600	-4.9%	56,805,000	5,000,000	(1,335,300)	60,469,700	-2.4%
8. Operating Reserve Deposit	3,976,000		-	3,976,000	0.0%	-		-	-	NA	3,976,000		-	3,976,000	0.0%
9. Extraordinary Repair & Replacement Deposit	-		-	-	NA	-		-	-	NA	-		-	-	NA
Annual Revenue Requirements	\$341,682,900	\$ -	\$ (18,400)	\$341,664,500	0.0%	\$482,823,000	\$ -	\$ 782,300	\$483,605,300	0.2%	\$824,505,900	\$ -	\$ 763,900	\$825,269,800	0.1%
Impact on Detroit Customer Class															
DWSD Local System Revenues - Detroit Customers	\$ 96,300,200		\$ 3,507,800	\$ 99,808,000	3.6%	\$292,640,000		\$0	\$292,640,000	0.0%	\$388,940,200		\$ 3,507,800	\$392,448,000	0.9%
Less: Allocated Wholesale Revenue Requirement	(20,117,100)		(1,419,600)	(21,536,700)	7.1%	(186,118,800)		(782,300)	(186,901,100)	0.4%	(206,235,900)		(2,201,900)	(208,437,800)	1.1%
Balance Available for Local System Requirements	\$ 76,183,100	\$ -	\$ 2,088,200	\$ 78,271,300	2.7%	\$106,521,200	\$ -	\$ (782,300)	\$105,738,900	-0.7%	\$182,704,300	\$ -	\$ 1,305,900	\$184,010,200	0.7%
Variance as a % of Total Revenues					2.2%					-0.3%					0.3%

Schedule 1 - Revenue Requirements Budget Worksheet - Potential Impact of Modifications

Regional System Revenue Requirements	Water Supply System					Sewage Disposal System					Combined Water & Sewer				
	FY 2020 As Requested	Operating Expense Budget Reduction	GLWA Facilities Adjustment	Modified Budget?	Relative % Change	FY 2020 As Requested	Operating Expense Budget Reduction	GLWA Facilities Adjustment	Modified Budget?	Relative % Change	FY 2020 As Requested	Operating Expense Budget Reduction	GLWA Facilities Adjustment	Modified Budget?	Relative % Change
Revenues															
Revenues From Wholesale Customer Charges	\$311,043,600	\$ -	\$ -	\$311,043,600	0.0%	\$287,973,400	\$ -	\$ -	\$287,973,400	0.0%	\$599,017,000	\$ -	\$ -	\$599,017,000	0.0%
Wholesale Revenues From Retail Services Agreement	20,117,100	-	1,419,600	21,536,700	7.1%	186,118,800	-	782,300	186,901,100	0.4%	206,235,900	-	2,201,900	208,437,800	1.1%
11 Total Revenues from Charges	\$331,160,700	\$ -	\$ 1,419,600	\$332,580,300	0.4%	\$474,092,200	\$ -	\$ 782,300	\$474,874,500	0.2%	\$805,252,900	\$ -	\$ 2,201,900	\$807,454,800	0.3%
11.1 Revenues from Internal Charges	1,438,000		(1,438,000)	-	-100.0%			-	-	NA	1,438,000		(1,438,000)	-	-100.0%
10.1 Non-Operating Revenue	9,084,200		-	9,084,200	0.0%	8,730,800		-	8,730,800	0.0%	17,815,000		-	17,815,000	0.0%
Total Revenues	\$341,682,900	\$ -	\$ (18,400)	\$341,664,500	0.0%	\$482,823,000	\$ -	\$ 782,300	\$483,605,300	0.2%	\$824,505,900	\$ -	\$ 763,900	\$825,269,800	0.1%
Revenue Requirements															
1 Operations & Maintenance (O&M) Expense	\$133,490,500	\$ (2,000,000)	\$0	\$131,490,500	0.0%	\$187,968,700	\$ (3,000,000)	\$ 2,088,200	\$187,056,900	1.1%	\$321,459,200	(\$5,000,000)	\$2,088,200	\$318,547,400	0.6%
2 O&M Legacy Pension Allocation	6,048,000		-	6,048,000	0.0%	10,824,000		-	10,824,000	0.0%	16,872,000		-	16,872,000	0.0%
3 Debt Service Allocation	137,557,600		-	137,557,600	0.0%	215,738,800		-	215,738,800	0.0%	353,296,400		-	353,296,400	0.0%
4 Accelerated Legacy Pension Allocation	6,268,300		-	6,268,300	0.0%	11,620,700		-	11,620,700	0.0%	17,889,000		-	17,889,000	0.0%
5 Water Residential Assistance Program	1,743,900		7,100	1,751,000	0.4%	2,464,400		3,900	2,468,300	0.2%	4,208,300		11,000	4,219,300	0.3%
6 Lease Payment to Local System i&E Account	22,500,000		-	22,500,000	0.0%	27,500,000		-	27,500,000	0.0%	50,000,000		-	50,000,000	0.0%
7 Improvement & Extension Fund Allocation	30,098,600	2,000,000	(25,500)	32,073,100	-0.1%	26,706,400	3,000,000	(1,309,800)	28,396,600	-4.9%	56,805,000	5,000,000	(1,335,300)	60,469,700	-2.4%
8 Operating Reserve Deposit	3,976,000		-	3,976,000	0.0%	-		-	-	NA	3,976,000		-	3,976,000	0.0%
9 Extraordinary Repair & Replacement Deposit	-		-	-	NA	-		-	-	NA	-		-	-	NA
Annual Revenue Requirements	\$341,682,900	\$ -	\$ (18,400)	\$341,664,500	0.0%	\$482,823,000	\$ -	\$ 782,300	\$483,605,300	0.2%	\$824,505,900	\$ -	\$ 763,900	\$825,269,800	0.1%
Impact on Detroit Customer Class															
DWSD Local System Revenues - Detroit Customers	\$ 96,300,200		\$ 3,507,800	\$ 99,808,000	3.6%	\$292,640,000		\$0	\$292,640,000	0.0%	\$388,940,200	\$ -	\$ 3,507,800	\$392,448,000	0.9%
Less: Allocated Wholesale Revenue Requirement	(20,117,100)		(1,419,600)	(21,536,700)	7.1%	(186,118,800)		(782,300)	(186,901,100)	0.4%	(206,235,900)		(2,201,900)	(208,437,800)	1.1%
Balance Available for Local System Requirements	\$ 76,183,100	\$ -	\$ 2,088,200	\$ 78,271,300	2.7%	\$106,521,200	\$ -	\$ (782,300)	\$105,738,900	-0.7%	\$182,704,300	\$ -	\$ 1,305,900	\$184,010,200	0.7%
Variance as a % of Total Revenues					2.2%					-0.3%					0.3%

Schedule 1A - Water System Revenue Requirements Budget

Water System Revenue Requirements	Current Year		Biennial Budget					
	FY 2019 Adopted	FY 2019 Amended	FY 2020 Requested	FY 2020 \$ Change	FY 2020 % Change	FY 2021 Requested	FY 2021 \$ Change	FY 2021 % Change
Revenues								
11 Revenues from Charges	\$ 327,563,900	\$ 327,563,900	\$ 332,580,300	\$ 5,016,400	1.5%	\$347,399,500	\$ 14,819,200	4.5%
11.1 Revenues from Internal Charges			-	-	NA	-	-	NA
10.1 Non-Operating Revenue	3,836,600	9,425,400	9,084,200	5,247,600	136.8%	7,931,600	(1,152,600)	-12.7%
Total Revenues	331,400,500	336,989,300	341,664,500	10,264,000	3.1%	355,331,100	13,666,600	4.0%
Revenue Requirements								
1 Operations & Maintenance (O&M) Expense	\$121,562,600	\$121,562,600	\$131,490,500	\$9,927,900	8.2%	\$134,120,300	\$2,629,800	2.0%
2 O&M Legacy Pension Allocation	6,048,000	6,048,000	6,048,000	-	0.0%	6,048,000	-	0.0%
3 Debt Service Allocation	134,214,600	131,241,800	137,557,600	3,343,000	2.5%	150,314,300	12,756,700	9.3%
4 Accelerated Legacy Pension Allocation	6,268,300	6,268,300	6,268,300	-	0.0%	6,268,300	-	0.0%
5 Water Residential Assistance Program	1,673,400	1,673,400	1,751,000	77,600	4.6%	1,776,800	25,800	1.5%
6 Lease Payment to Local System I&E Account (a)	22,500,000	22,500,000	22,500,000	-	0.0%	22,500,000	-	0.0%
7 Improvement & Extension Fund Allocation	39,133,600	47,695,200	32,073,100	(7,060,500)	-18.0%	33,413,500	1,340,400	4.2%
8 Operating Reserve Deposit	-	-	3,976,000	3,976,000	NA	889,900	(3,086,100)	-77.6%
9 Extraordinary Repair & Replacement Deposit	-	-	-	-	NA	-	-	NA
Annual Revenue Requirements	\$ 331,400,500	\$ 336,989,300	\$ 341,664,500	\$ 10,264,000	3.1%	\$355,331,100	\$ 13,666,600	4.0%

Schedule 1B - Sewer System Revenue Requirements Budget

Sewer System Revenue Requirements	Current Year		Biennial Budget					
	FY 2019 Adopted	FY 2019 Amended	FY 2020 Requested	FY 2020 \$ Change	FY 2020 % Change	FY 2021 Requested	FY 2021 \$ Change	FY 2021 % Change
Revenues								
11 Revenues from Charges <i>(prior to adjustment)</i>	\$ 465,585,100	\$465,585,100	\$ 474,874,500	\$ 9,289,400	2.0%	\$493,917,600	\$ 19,043,100	4.0%
Regional Bad Debt True-Up Adjustment	1,871,300	1,871,300	-	(1,871,300)	-100.0%	-	-	NA
Subtotal Revenues from Charges	467,456,400	467,456,400	474,874,500	7,418,100	1.6%	493,917,600	19,043,100	4.0%
10.1 Non-Operating Revenue	4,570,900	8,750,100	8,730,800	4,159,900	91.0%	9,031,900	301,100	3.4%
Total Revenues	472,027,300	476,206,500	483,605,300	11,578,000	2.5%	502,949,500	19,344,200	4.0%
Revenue Requirements								
1 Operations & Maintenance (O&M) Expense	\$191,079,400	\$191,079,400	\$187,056,900	\$ (4,022,500)	-2.1%	\$190,798,100	\$3,741,200	2.0%
2 O&M Legacy Pension Allocation	10,824,000	10,824,000	10,824,000	-	0.0%	10,824,000	-	0.0%
3 Debt Service Allocation	214,600,700	208,389,300	215,738,800	1,138,100	0.5%	216,181,700	442,900	0.2%
4 Accelerated Legacy Pension Allocation	11,620,700	11,620,700	11,620,700	-	0.0%	11,620,700	-	0.0%
5 Water Residential Assistance Program	2,374,100	2,374,100	2,468,300	94,200	4.0%	2,510,700	42,400	1.7%
6 Lease Payment to Local System	27,500,000	27,500,000	27,500,000	-	0.0%	27,500,000	-	0.0%
7 Improvement & Extension Fund Allocation	12,157,100	22,547,700	28,396,600	16,239,500	133.6%	42,261,200	13,864,600	48.8%
8 Operating Reserve Deposit	-	-	-	-	NA	1,253,100	1,253,100	NA
9 Extraordinary Repair & Replacement Deposit	-	-	-	-	NA	-	-	NA
Annual Budgeted Revenue Requirements	470,156,000	474,335,200	483,605,300	13,449,300	2.9%	502,949,500	19,344,200	4.0%
I&E Fund Allocation - Regional Bad Debt True-Up Adj.	1,871,300	1,871,300	-	(1,871,300)	-100.0%	-	-	NA
Adjusted Annual Revenue Requirements	\$ 472,027,300	\$476,206,500	\$ 483,605,300	\$ 11,578,000	2.5%	\$502,949,500	\$ 19,344,200	4.0%

Schedule 1C - Combined Water and Sewer System Revenue Requirements Budget

Sewer System Revenue Requirements	Current Year		Biennial Budget					
	FY 2019 Adopted	FY 2019 Amended	FY 2020 Requested	FY 2020 \$ Change	FY 2020 % Change	FY 2021 Requested	FY 2021 \$ Change	FY 2021 % Change
Revenues								
11 Revenues from Charges <i>(prior to adjustment)</i>	\$793,149,000	\$793,149,000	\$807,454,800	\$ 14,305,800	1.8%	\$841,317,100	\$ 33,862,300	4.2%
Regional Bad Debt True-Up Adjustment	1,871,300	1,871,300	-	(1,871,300)	-100.0%	-	-	NA
Subtotal Revenues from Charges	795,020,300	795,020,300	807,454,800	12,434,500	1.6%	841,317,100	33,862,300	4.2%
10.1 Non-Operating Revenue	8,407,500	18,175,500	17,815,000	9,407,500	111.9%	16,963,500	(851,500)	-4.8%
Total Revenues	803,427,800	813,195,800	825,269,800	21,842,000	2.7%	858,280,600	33,010,800	4.0%
Revenue Requirements								
1 Operations & Maintenance (O&M) Expense	\$312,642,000	\$312,642,000	\$318,547,400	\$5,905,400	1.9%	\$324,918,400	\$6,371,000	2.0%
2 O&M Legacy Pension Allocation	16,872,000	16,872,000	16,872,000	-	0.0%	16,872,000	-	0.0%
3 Debt Service Allocation	348,815,300	339,631,100	353,296,400	4,481,100	1.3%	366,496,000	13,199,600	3.7%
4 Accelerated Legacy Pension Allocation	17,889,000	17,889,000	17,889,000	-	0.0%	17,889,000	-	0.0%
5 Water Residential Assistance Program	4,047,500	4,047,500	4,219,300	171,800	4.2%	4,287,500	68,200	1.6%
6 Lease Payment to Local System I&E Account	50,000,000	50,000,000	50,000,000	-	0.0%	50,000,000	-	0.0%
7 Improvement & Extension Fund Allocation	51,290,700	70,242,900	60,469,700	9,179,000	17.9%	75,674,700	15,205,000	25.1%
8 Operating Reserve Deposit	-	-	3,976,000	3,976,000	NA	2,143,000	(1,833,000)	-46.1%
9 Extraordinary Repair & Replacement Deposit	-	-	-	-	NA	-	-	NA
Annual Budgeted Revenue Requirements	801,556,500	811,324,500	825,269,800	23,713,300	3.0%	858,280,600	33,010,800	4.0%
I&E Fund Allocation - Regional Bad Debt True-Up Adj.	1,871,300	1,871,300	-	(1,871,300)	-100.0%	-	-	NA
Adjusted Annual Revenue Requirements	\$803,427,800	\$813,195,800	\$825,269,800	\$ 21,842,000	2.7%	\$858,280,600	\$ 33,010,800	4.0%

There is no Schedule 3 for purposes of the Budget Resolution.

Schedule 4 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance

Flow of Funds Basis		FY 2020 Water Fund	FY 2020 Sewer Fund	FY 20 Combined (Informational Only)	FY 2021 Water Fund	FY 2021 Sewer Fund	FY 21 Combined (Informational Only)
Revenues							
1	Regional System Wholesale Revenues	\$ 332,580,300	\$ 474,874,500	\$ 807,454,800	\$ 347,399,500	\$ 493,917,600	\$ 841,317,100
2	Local System Revenues	76,074,000	105,226,900	181,300,900	77,961,500	124,604,000	202,565,500
3	Miscellaneous Revenue (Local System)	2,200,000	500,000	2,700,000	2,200,000	500,000	2,700,000
4	Non-Operating Revenue (Regional System)	9,084,200	8,730,800	17,815,000	7,931,600	9,031,900	16,963,500
5	Total Revenues	<u>\$ 419,938,500</u>	<u>\$ 589,332,200</u>	<u>\$ 1,009,270,700</u>	<u>\$ 435,492,600</u>	<u>\$ 628,053,500</u>	<u>\$ 1,063,546,100</u>
Revenue Requirements							
Operations & Maintenance Expense							
6	Regional System Wholesale Expenses	\$ 131,490,500	\$ 187,056,900	\$ 318,547,400	\$ 134,120,300	\$ 190,798,100	\$ 324,918,400
7	Local System Expenses	36,654,600	72,472,800	109,127,400	37,764,000	74,627,200	112,391,200
8	GRS Pension allocable to Regional System	6,048,000	10,824,000	16,872,000	6,048,000	10,824,000	16,872,000
9	GRS Pension allocable to Local System	4,272,000	2,856,000	7,128,000	4,272,000	2,856,000	7,128,000
10	Total Operations & Maintenance Expense	<u>178,465,100</u>	<u>273,209,700</u>	<u>451,674,800</u>	<u>182,204,300</u>	<u>279,105,300</u>	<u>461,309,600</u>
11	Net Revenues after Operations & Maintenance Expense	<u>\$ 241,473,400</u>	<u>\$ 316,122,500</u>	<u>\$ 557,595,900</u>	<u>\$ 253,288,300</u>	<u>\$ 348,948,200</u>	<u>\$ 602,236,500</u>
Debt Service by Lien							
12	Senior Lien Bonds	123,909,900	148,568,300	272,478,200	130,866,400	139,541,600	270,408,000
13	Second Lien Bonds	47,849,300	45,878,900	93,728,200	49,280,800	54,642,100	103,922,900
14	SRF Junior Lien Bonds	2,909,100	52,941,400	55,850,500	12,084,700	53,651,700	65,736,400
15	Total Debt Service	<u>\$ 174,668,300</u>	<u>\$ 247,388,600</u>	<u>\$ 422,056,900</u>	<u>\$ 192,231,900</u>	<u>\$ 247,835,400</u>	<u>\$ 440,067,300</u>
Debt Service Coverage							
15	Senior Lien Bonds (11)/(12)	1.95	2.13		1.94	2.50	
16	Second Lien Bonds (11)/[(12)+(13)]	1.41	1.63		1.41	1.80	
17	SRF Junior Lien Bonds (11)/(15)	1.38	1.28		1.32	1.41	

Schedule 5A - Water Improvement & Extension Fund

	Current Year	Biennial Budget	
Inflows & Outflows	FY 2019 Projected	FY 2020 Requested	FY 2021 Forecast
Water Improvement & Extension Fund			
Water System Revenue Transfers	\$47,695,200	\$32,073,100	\$33,413,500
Grant Revenues	-	-	-
Earnings on Investments, Net	-	-	-
Capital Outlay	(22,133,400)	(10,125,300)	(9,235,300)
Revenue Financed Capital - Strategic	(13,172,000)	(45,000,000)	(75,000,000)
Increase (Decrease) in I&E Reserves	\$12,389,800	(\$23,052,200)	(\$50,821,800)
Beginning Year Balance	220,475,500	232,865,300	209,813,100
Projected Ending Balance	\$232,865,300	\$209,813,100	\$158,991,300

Schedule 5B - Sewer Improvement & Extension Fund

	Current Year	Biennial Budget	
Inflows & Outflows	FY 2019 Projected	FY 2020 Requested	FY 2021 Forecast
Sewer Improvement & Extension Fund			
Sewer System Revenue Transfers	\$24,419,000	\$28,396,600	\$42,261,200
Grant Revenues	-	-	-
Earnings on Investments, Net	-	-	-
Capital Outlay	(5,957,000)	(20,122,200)	(19,875,600)
Revenue Financed Capital - Strategic	(8,312,000)	-	(10,000,000)
Increase (Decrease) in I&E Reserves	\$10,150,000	\$8,274,400	\$12,385,600
Beginning Year Balance	68,931,000	79,081,000	87,355,400
Projected Ending Balance	\$79,081,000	\$87,355,400	\$99,741,000

Schedule 5C - Water Construction Bond Fund

	Current Year	Biennial Budget	
Inflows & Outflows	FY 2019 Projected	FY 2020 Requested	FY 2021 Forecast
Water Construction Bond Fund			
Bond Proceeds, Net	\$0	\$ -	\$0
Earnings on Investments, Net	2,857,500	1,487,700	258,300
Transfer from Improvement & Extension Fund	13,172,000	45,000,000	75,000,000
Grant Revenues	-	5,531,000	18,367,000
Project Expenditures	(66,038,000)	(107,435,300)	(124,949,300)
Increase (Decrease) in Construction Funds	(50,008,500)	(55,416,600)	(31,324,000)
Beginning Year Balance	140,732,200	90,723,700	35,307,100
Projected Ending Balance	\$90,723,700	\$35,307,100	\$3,983,100

Schedule 5D - Sewer Construction Bond Fund

	Current Year	Biennial Budget	
Inflows & Outflows	FY 2019 Projected	FY 2020 Requested	FY 2021 Forecast
Sewer Construction Bond Fund			
Bond Proceeds, Net	\$0	\$ 78,960,000	\$81,780,000
Earnings on Investments, Net	1,351,800	41,100	119,300
Transfer from Improvement & Extension Fund	8,312,000	-	10,000,000
Grant Revenues	55,213,000	29,342,000	8,280,000
Project Expenditures	(105,183,000)	(121,110,000)	(99,322,500)
Increase (Decrease) in Construction Funds	(40,306,200)	(12,766,900)	856,800
Beginning Year Balance	102,506,300	62,200,100	49,433,200
Projected Ending Balance	\$62,200,100	\$49,433,200	\$50,290,000