

SEWERAGE & WATER BOARD CASHFLOW
MODELING ESTIMATES
AS OF APRIL 14, 2020

Scenario Assumptions

BASELINE REVENUE SCENARIO

- We assume that the trend of revenues received in the first quarter of 2020 continues for the remaining months of the year.

“OPTIMISTIC” SCENARIO

- For residential customers, we assume that in May delinquencies increase to 45% from a 10% run rate. We assume that there will be a recovery starting in mid-July that will return to a 10% rate by end of summer. Additionally, on average, we assume that residential usage will increase 5% since many people are working from home.
- For all commercial customers we assume that revenues will decrease by 60% on average by the end of May for both large and small businesses.
 - For large commercial customers, we assume that there will be a full recovery beginning in June and returning to 100% by end of August.
 - For small commercial customers, we assume that there will be a partial recovery beginning in June and returning to 90% of end of August.

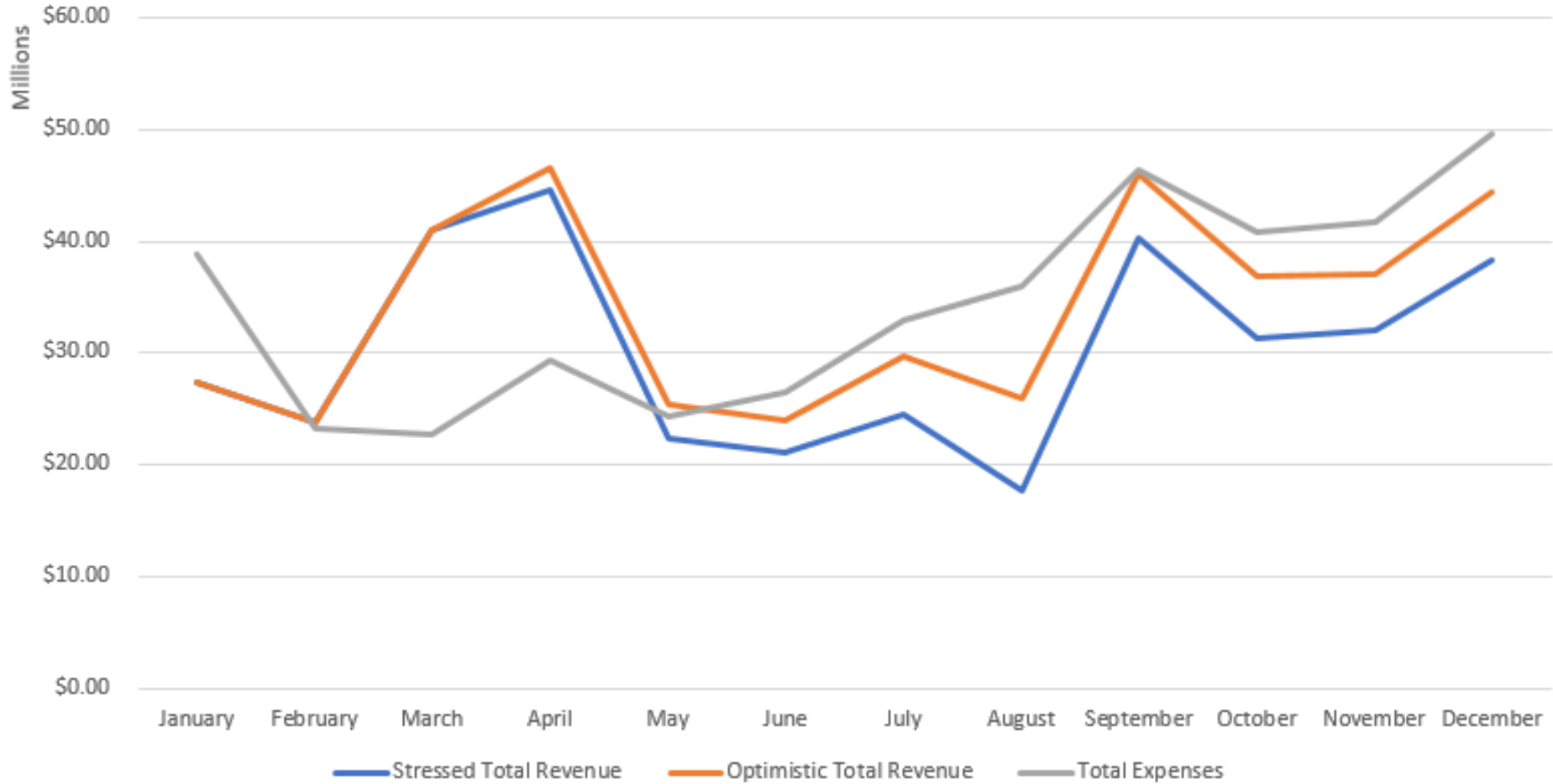
FULL “STRESS” SCENARIO

- For residential customers, we assume that in May delinquencies increase to 45% from a 10% run rate with no increased revenues from additional usage.
- For all commercial customers, we assume that revenues will decrease by 60% on average by end of May for both large and small businesses.
 - For large commercial customers, we assume that there will be a full recovery beginning in June and returning to 100% by end of September.
 - For small commercial customers, we assume that there will be a partial recovery beginning in June and returning to 80% of end of August.

For all scenarios, we assume the same level of operating and capital expenses. Non-essential expenses will be adjusted as needed to meet bond covenants.

In accordance with the bond documents, the sewer system and the water system must maintain a minimum 90-day cash reserve policy. (The drainage system does not have a minimum cash balance policy).

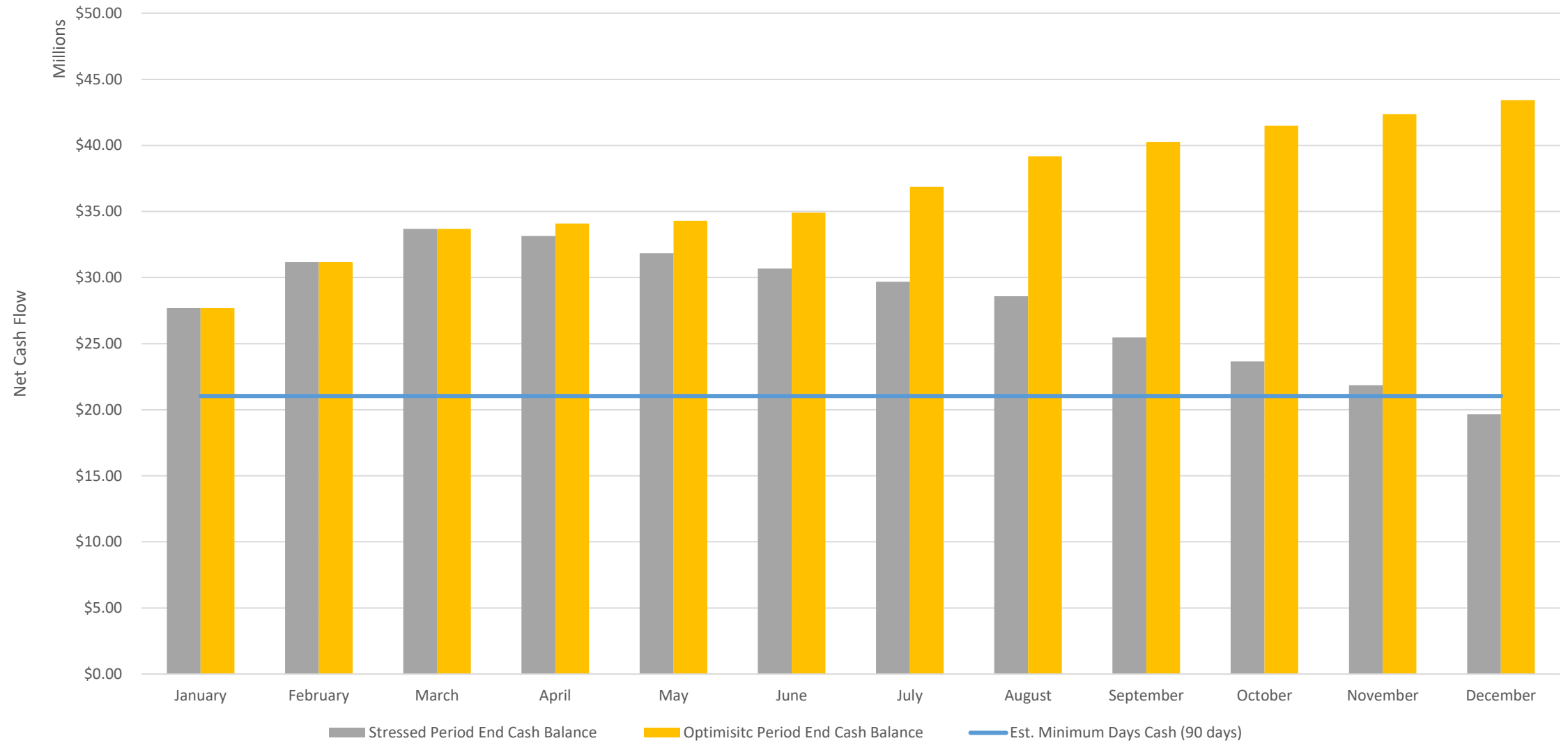
Total Revenue vs Total Expenses



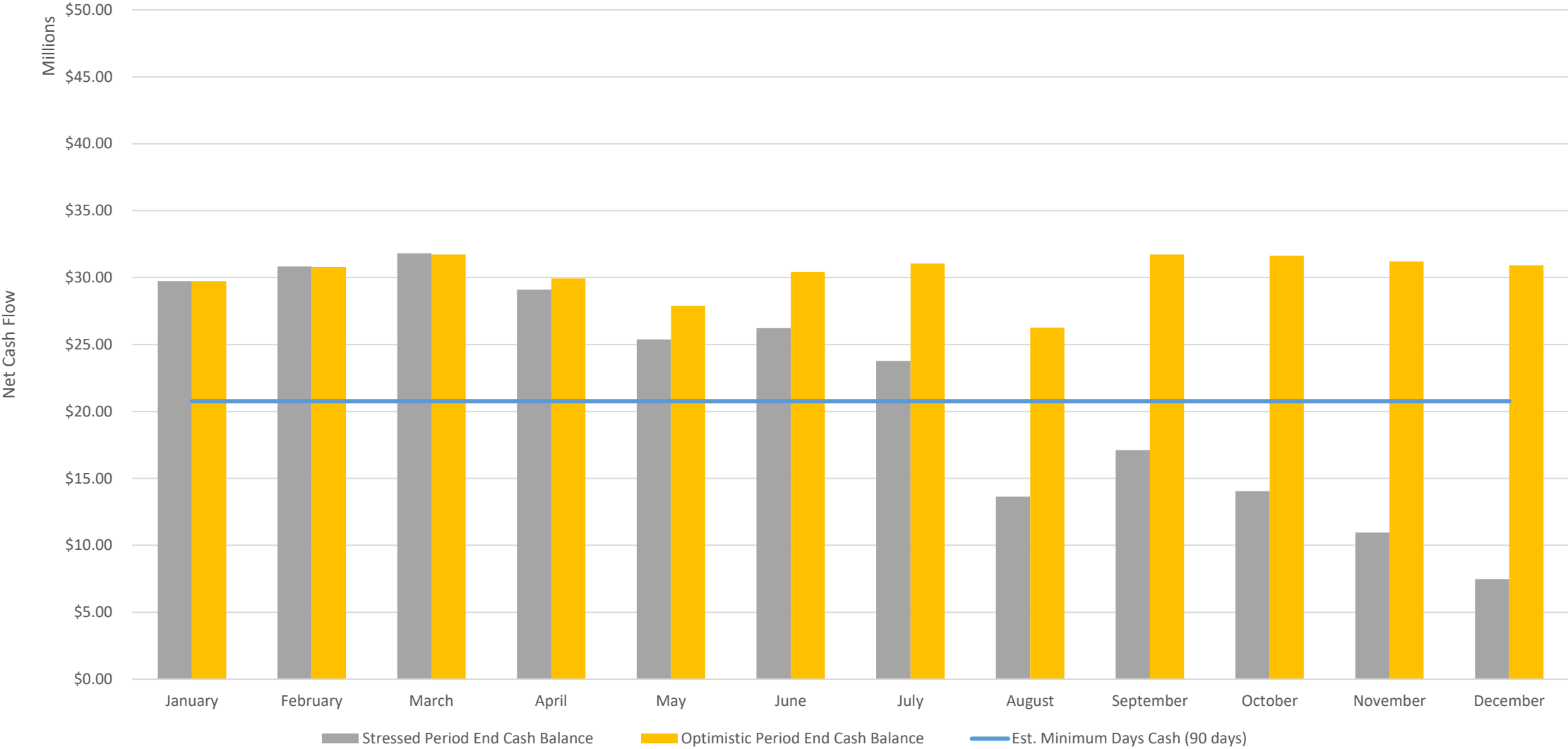
Assumptions:

- Residential delinquencies increase to 45% through May
- Commercial use decreased by 60% through May
- Operating expenses flat through June

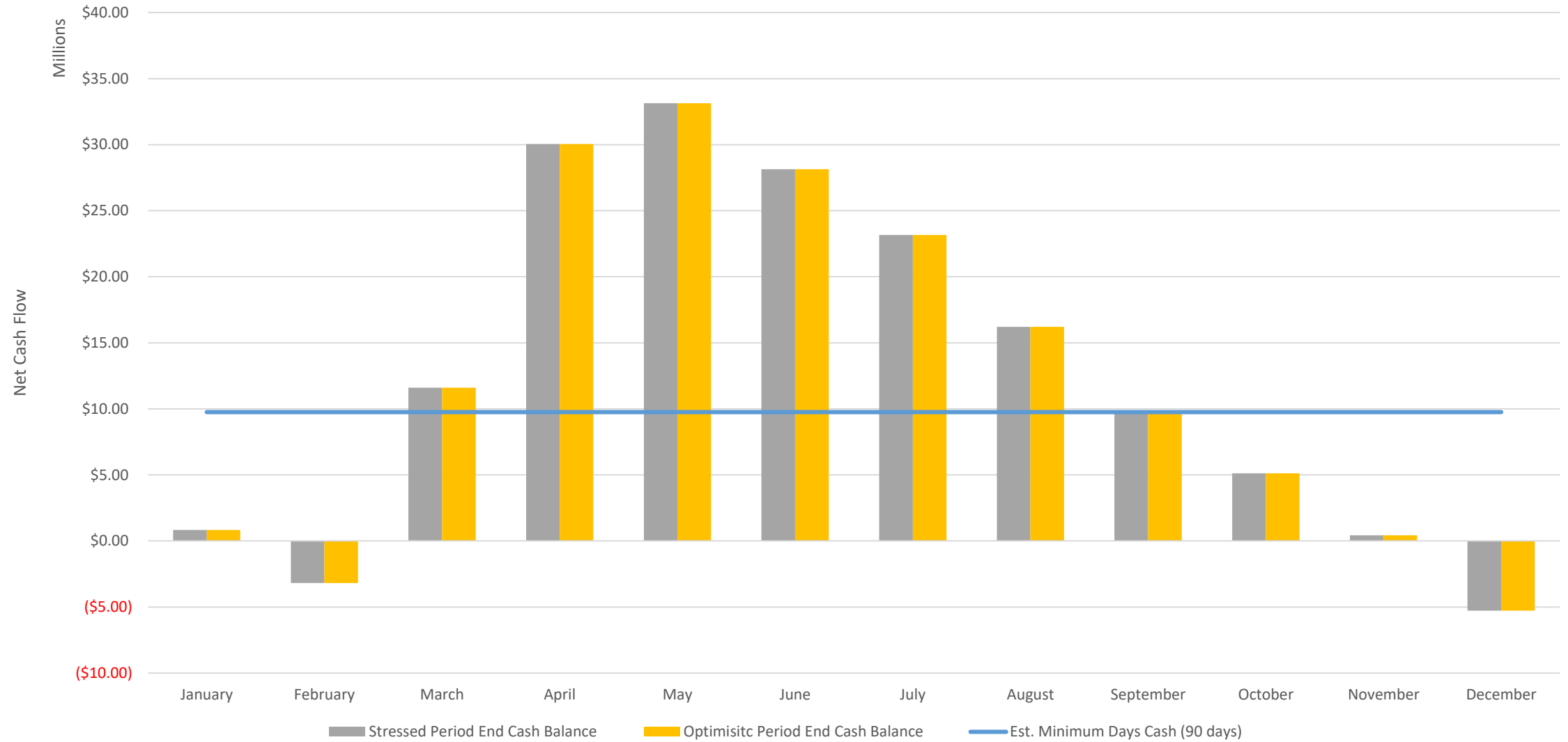
Water Cash Flow Projections



Sewerage Cash Flow Projections



Drainage Cash Flow Projections



Cash Trending

	2018	2019	2020		
	Actual	Unaudited	Baseline*	Stressed	Optimistic
Operating Revenues:					
Billing (Customer)	\$175,466,377.00	\$230,576,644.00	\$267,571,132.08	\$204,746,507.40	\$251,938,583.44
Billing (Other)	\$653,856.00	\$5,091,410.00	\$467,414.04	\$113,148.28	\$317,105.36
Non-Operating Revenue:					
Millages	\$58,405,872.00	\$57,545,947.00	\$65,000,000.00	\$51,192,317.18	\$51,192,317.18
Fair Share	N/A	\$35,839,140.00	\$20,000,000.00	\$3,750,000.00	\$5,250,000.00
Other	\$78,814.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenues	\$234,604,919.00	\$329,053,141.00	\$353,038,546.12	\$259,801,972.86	\$308,698,005.98
				-26%	-12%

*Baseline projections based off 1st Quarter 2020 run-rate numbers

Note: Revenue numbers exclude collections related to payments for the Department of Sanitation