



TO: Trustees, Oklahoma City Water Utilities Trust

FROM: Chris Browning, General Manager

Fiscal Year 2021 OCWUT Monthly Proforma and Status Report, March 31, 2021.

The FY2021 Monthly Proforma provides the Oklahoma City Water Utilities Trust (OCWUT) an updated forecast of revenues, expenses, debt service transfers, and allocations of net cash to pay-as-you-go financed capital improvement projects. Supporting notes are also provided, detailing information on these proformas.

Utilities Summary:

Staff monitors OCWUT's financial position to meet monthly, annual and long-term cash requirements. Quarterly, OCWUT's financial advisor, Public Financial Management (PFM), is tasked with performing an update to OCWUT's long-term financial model to estimate future revenue needs and forecast future debt issue needs. All these forecasts strive to satisfy OCWUT's financial policies, debt covenants, and cash reserve requirements.

Operations:

Total Water revenues for FY2021 are estimated at \$189 million and are on target through March 2021. Water operating expenses for FY2021 are estimated at \$84 million and are lower than projected through March 2021 due to salary savings from vacancies.

Total Wastewater revenues for FY2021 are estimated at \$114.2 million and are on target through March 2021. Wastewater operating expenses for FY2021 are estimated at \$60.2 million and are lower than projected through March 2021 due to salary savings from vacancies.

Debt Service:

Water debt service transfers for FY2021 are \$39.6 million for OCWUT and the McGee Creek Authority (MCA). Approximately \$692,000 of accumulated interest earnings from bond account balances were used to offset the debt service transfers at the beginning of the fiscal year. Planned transfers consist of \$34.5 million in existing permanent debt service and \$5.1 million for Drinking/Clean Water State Revolving Fund (DW/CW SRF) principal and interest repayment.

Wastewater debt service transfers for FY2021 are \$14.5 million. Approximately \$231,000 of accumulated interest earnings from bond account balances were used to offset the debt service transfers at the beginning of the fiscal year. Planned transfers consist of \$10.2 million in existing

permanent debt service and approximately \$4.3 million for Clean Water State Revolving Fund (CWSRF) principal and interest repayment.

Capital:

The Water FY2021 Capital Improvement Plan (CIP) is \$189.1 million. Through March 31, OCWUT funded \$41.4 million of water capital projects (\$2.1 million from CP debt proceeds, \$20.3 million from State Revolving Fund (SRF), and \$19 million from pay-as-you-go funds).

Deposits of pay-as-you-go funds will be allocated to a reserve account in the water utility for the 2nd Atoka pipeline which is anticipated to begin at the end of the current fiscal year.

The Wastewater FY2021 CIP is \$160.3 million. Through March 31, OCWUT funded \$23.3 million of wastewater capital projects (\$4.7 million from CP debt proceeds, \$2.2 million from State Revolving Fund (SRF), and \$16.4 million from pay-as-you-go funds).

Deposits of pay-as-you-go funds will be allocated to a reserve account in the wastewater utility for South Canadian Wastewater Treatment Plant Improvements which are anticipated to begin at the beginning of next fiscal year.

Additional Items:

Uncollectable billings continue to be higher than average as a result of the suspension of water shutoffs during the COVID-19 pandemic emergency declaration. Staff continues to track this situation.

Water and Wastewater cash reserves, such as the CIP Reserve Fund and the Rate Stabilization Fund, remain at policy levels.

Staff is available to answer questions.

Recommendation: Report be received.