

- Meet Minimum Debt Coverage Ratio of 1.35
- Avoid Loss on GAAP Basis
- Maintain 20% of Gross Revenues

Erie County Water Authority  
Rate Projections

(Based on 2020 Preliminary Budget Numbers and Assumptions)  
- 2020 Reflects 2% Commodity Increase and 2% Infrastructure Investment Increase

**As of 10/4/2019**						
Year		2020	2021	2022	2023	2024
		\$3.29				
***Enter Rate Percentage Change***		2.0%	2.0000	2.0000	2.0000	2.0000
Amount Increased per 1,000 Gallons - <u>Small Customers</u>		\$0.065	\$0.067	\$0.068	\$0.070	\$0.071
New Rate per 1,000 Gallons		\$3.35	\$3.42	\$3.49	\$3.56	\$3.63
Tested Large Customer Rate		\$2.95				
***Enter Rate Percentage Change***		2.0%	2.0000	2.0000	2.0000	2.0000
Amount Increased per 1,000 Gallons - <u>Large Customers</u>		\$0.058	\$0.060	\$0.061	\$0.063	\$0.064
New Rate per 1,000 Gallons		\$3.01	\$3.07	\$3.13	\$3.19	\$3.26
Tested Bulk Customer Rate		\$2.58				
***Enter Rate Percentage Change***		2.0%	2.0000	2.0000	2.0000	2.0000
Amount Increased per 1,000 Gallons - <u>Bulk Customers</u>		\$0.051	\$0.053	\$0.054	\$0.055	\$0.056
New Rate per 1,000 Gallons		\$2.63	\$2.68	\$2.74	\$2.79	\$2.85
*Enter Dollar Amount Increase in Infrastructure Charge*						

CASH BASIS		2020	2021	2022	2023	2024
<b>Operating Revenue:</b>						
Metered Revenue:	Small Customers (5/8", 3/4" & 1" meters)	35,461,893	36,171,130	36,894,553	37,632,444	38,385,093
	Large Customers (> 1" meter)	16,626,669	16,959,202	17,298,386	17,644,354	17,997,241
	Sales to Other Utilities (Bulk)	4,155,530	4,238,641	4,323,413	4,409,882	4,498,079
Total Metered Revenue		56,244,091	57,368,973	58,516,353	59,686,680	60,880,413
Fire Protection:						
	Private Fire Prot	642,000	642,000	642,000	642,000	642,000
	Public Fire Prot (Direct Service)	2,249,278	2,249,278	2,249,278	2,249,278	2,249,278
	Public Fire Prot (Lease-Managed)	1,562,494	1,562,494	1,562,494	1,562,494	1,562,494
Total Fire Protection:		4,453,772	4,453,772	4,453,772	4,453,772	4,453,772
Other Water Revenue		1,302,878	1,302,878	1,302,878	1,302,878	1,302,878
Infrastructure Investment Charge						
	Small	13,357,136	13,357,136	13,357,136	13,357,136	13,357,136
	Large	3,761,582	3,761,582	3,761,582	3,761,582	3,761,582
		17,118,718	17,118,718	17,118,718	17,118,718	17,118,718
Total Operating Revenue		79,119,459	80,244,341	81,391,721	82,562,048	83,755,781
Add: Interest and Misc Income		1,446,605	941,191	958,942	966,212	970,804
Total Income		80,566,065	81,185,532	82,350,662	83,528,260	84,726,585

<b>LESS: Operating &amp; Maintenance Expenses:</b>						
Payroll		20,887,992	21,514,632	22,160,071	22,824,873	23,509,619
Power Purchased		4,000,000	4,120,000	4,243,600	4,370,908	4,502,035
Chemicals		1,096,000	1,128,880	1,162,746	1,197,629	1,233,558
Employee Benefits		9,422,035	9,599,571	9,888,528	10,189,826	10,504,018
Insurance(Other than Workers Comp and Automobile)		839,000	880,950	924,998	971,247	1,019,810
Other Expenses		19,974,214	20,373,698	20,781,172	21,196,796	21,620,732
Total O&M Expense		56,219,241	57,617,731	59,161,115	60,751,278	62,389,771

Total Available for Debt Service		24,346,824	23,567,801	23,189,547	22,776,982	22,336,814
Less: Debt Service Payments (Reflects EFC Subsidy)		5,469,824	5,468,735	6,982,112	5,688,113	6,092,274
Available for Capital Budget		18,877,000	18,099,066	16,207,435	17,088,869	16,244,539

<b>GAAP Adjustments</b>						
Add: Adjustment for Bond Principal		3,191,667	3,327,917	4,177,808	3,045,308	2,738,899
Adjustment for Administrative Credits		4,128,167	3,443,553	4,713,975	5,217,799	4,874,381
Less: Adjustment for Depreciation		-13,716,583	-14,016,583	-14,316,583	-14,616,583	-14,916,583
Adjustment for OPEB Cost		-4,672,577	-4,999,657	-5,349,633	-5,724,108	-6,124,795
Adjustment for NYS Pension Liability		-408,257	-428,670	-450,103	-472,609	-496,239
Adjustment for Amortization		391,115	391,115	391,115	391,115	391,115
Total GAAP Adjustments		-11,086,468	-12,282,325	-10,833,421	-12,159,077	-13,533,222
Projected Net Income(Loss) on GAAP basis		7,790,532	5,816,741	5,374,014	4,929,792	2,711,317

<b>Calculation of Debt Coverage Ratio:</b>						
Debt Service to Be Paid out in Year		5,469,824	5,468,735	6,982,112	5,688,113	6,092,274
Debt Coverage Ratio		4.45	4.31	3.32	4.00	3.67

Capital Resource Summary

<b>Funds Available for Capital Budget:</b>						
O& M Available		\$18,877,000	\$18,099,066	\$16,207,435	\$17,088,869	\$16,244,539
All Other Cash (Unrestricted/Restricted for Capital)		\$74,000,000	\$48,261,579	\$56,955,289	\$32,540,106	\$25,670,748
EFC Grant		\$1,277,841	\$3,000,000			
Return of Debt Service Reserve/Interest from Williamsville		\$190,922	\$190,922	\$190,922	\$1,053,848	\$190,922
Total Available for Capital		\$94,345,763	\$69,551,567	\$73,353,647	\$50,682,823	\$42,106,209
Less: Capital Projects Requested in Budget		\$50,212,351	\$36,039,831	\$45,527,516	\$50,229,874	\$53,612,316
Overhead Adjustment		-4,128,167	-3,443,553	-4,713,975	-5,217,799	-4,874,381
Balance of Funds Remaining		\$48,261,579	\$36,955,289	\$32,540,106	\$5,670,748	-\$6,631,726
Proposed Newly Issued Bond Proceeds/Funds		\$0	\$20,000,000	\$0	\$20,000,000	\$0
Total Balance of All Funds		\$48,261,579	\$56,955,289	\$32,540,106	\$25,670,748	-\$6,631,726

Maintaining 20% of Gross Revenues:	\$16,113,213	\$16,237,106	\$16,470,132	\$16,705,652	\$16,945,317
Differ of:	\$32,148,366	\$40,718,183	\$16,069,973	\$8,965,096	-\$23,577,043
	Sufficient	Sufficient	Sufficient	Sufficient	Insufficient