

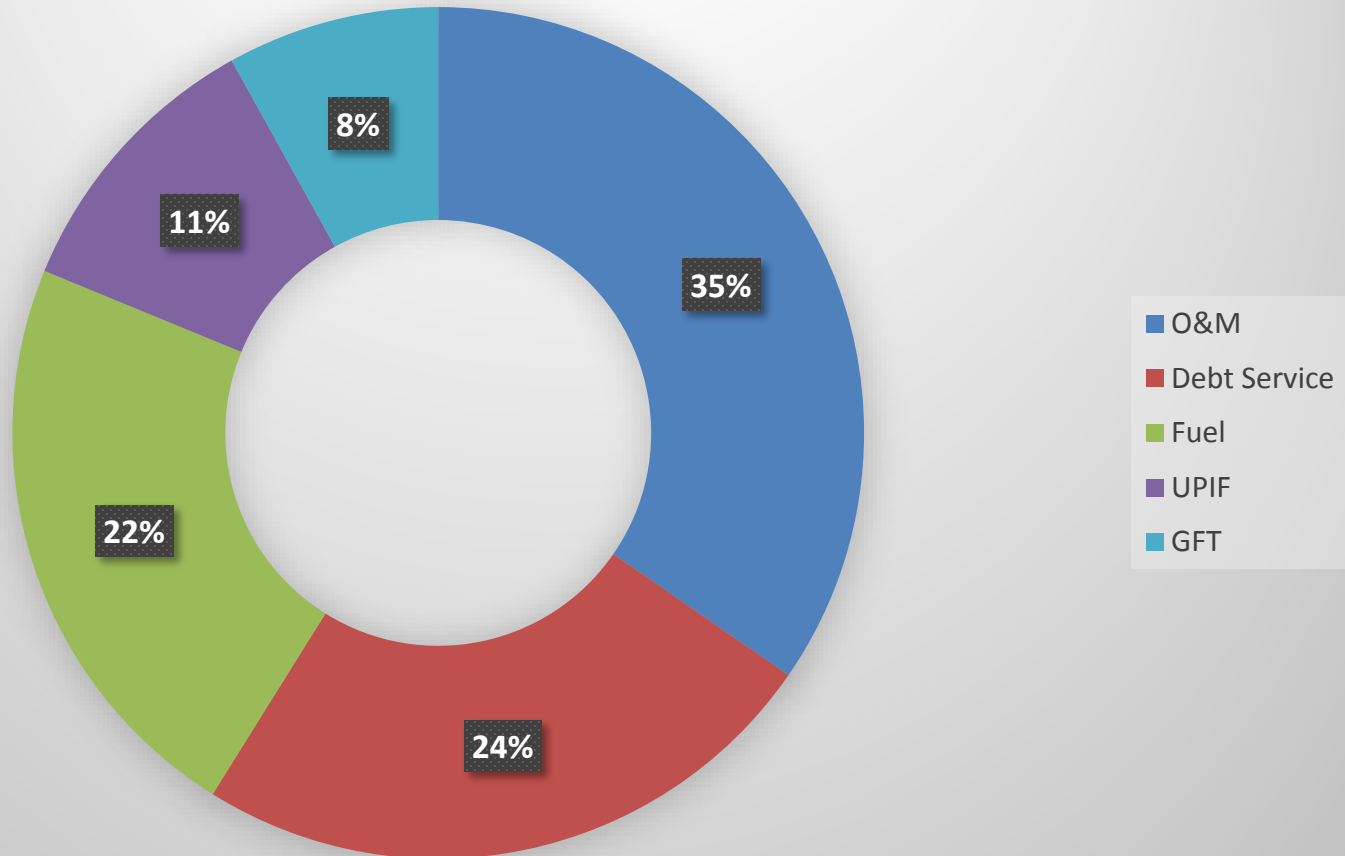
Debt, Cash & Liquidity

City Commission
April 17, 2019

Debt

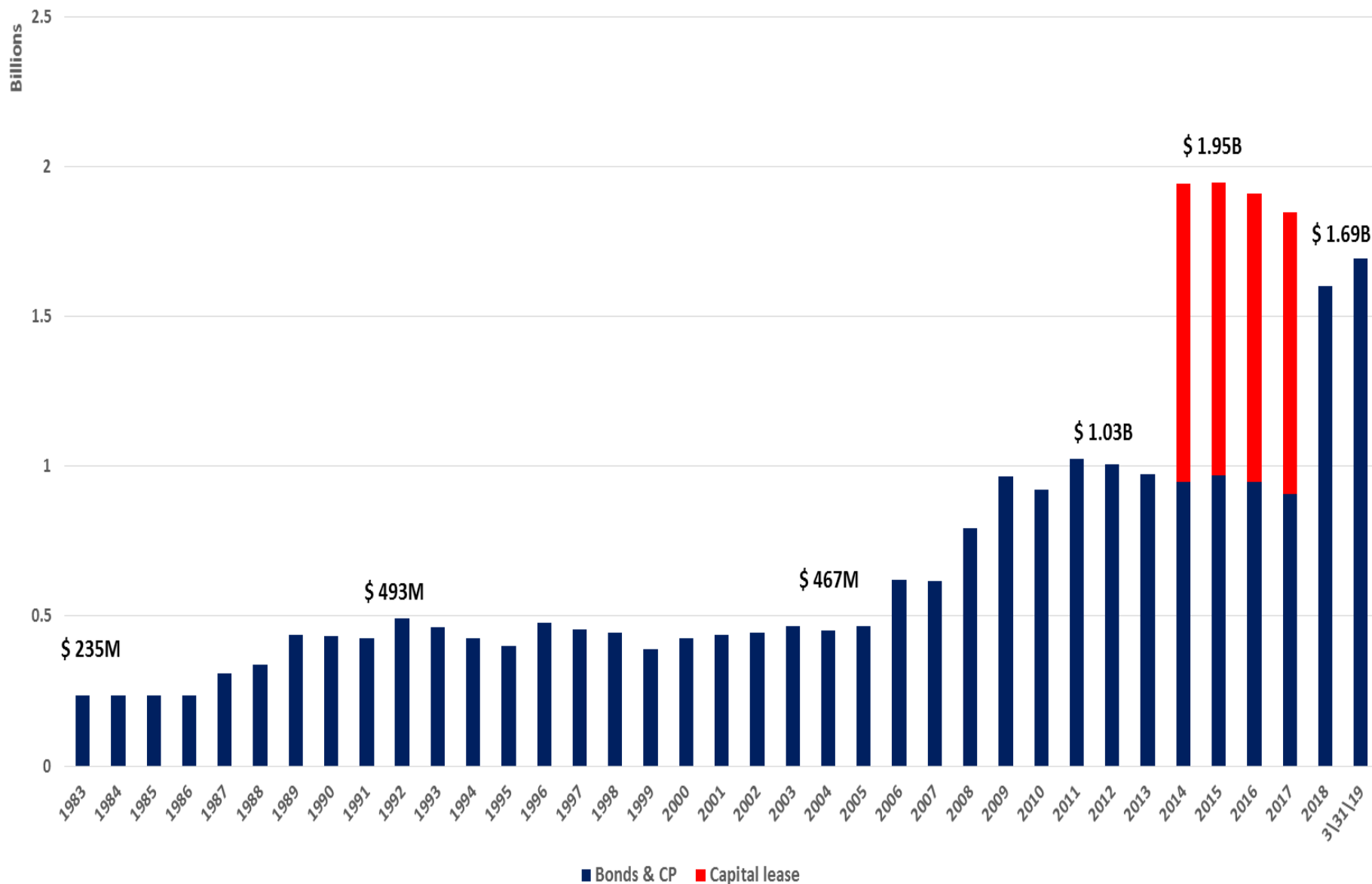
Debt

Expenditures by Percentage of Budget



How We Got Here

GRU Principal Outstanding at FYE

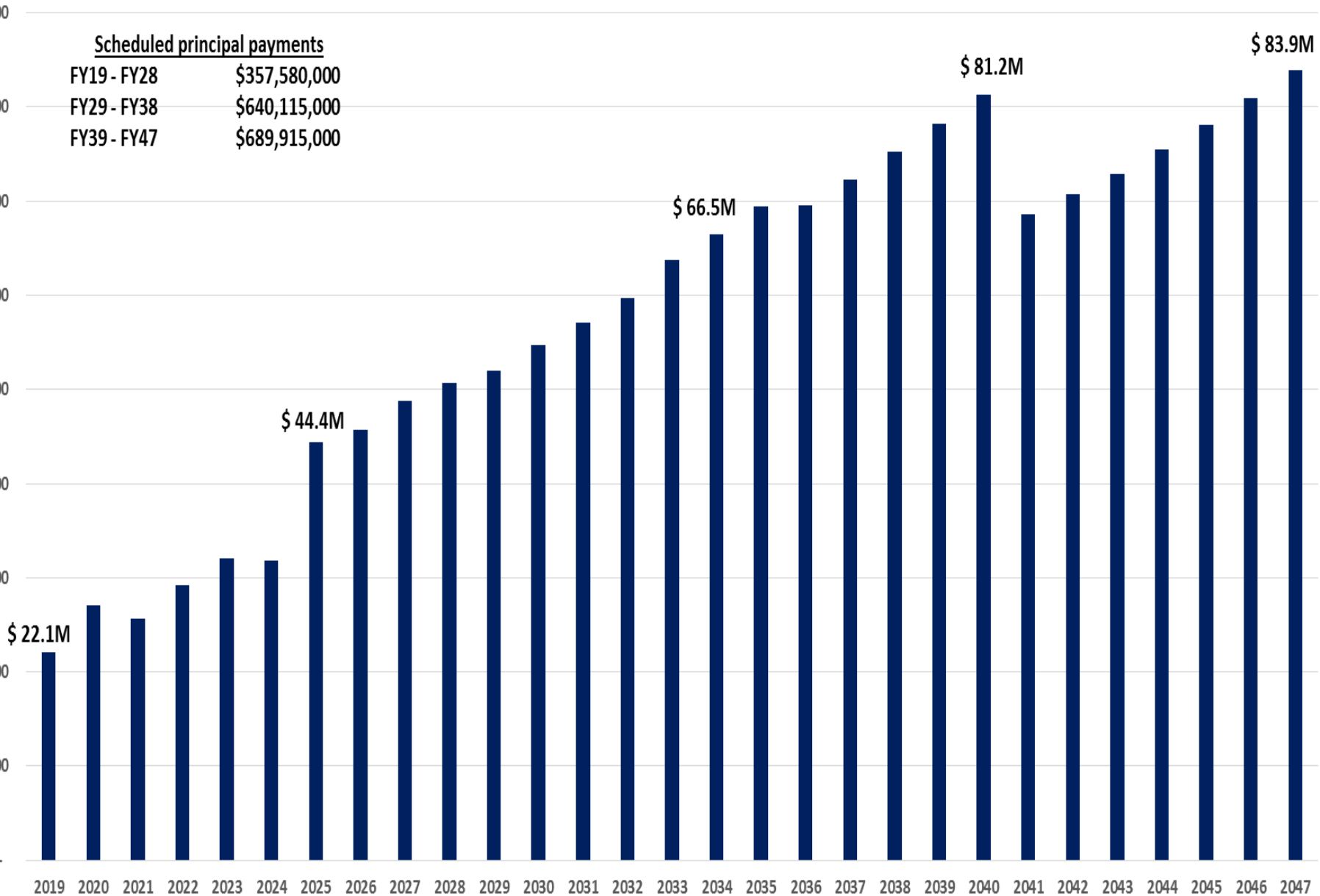


We Pay Off Debt Each Year

Principal Payment Schedule @ 3/31/19

Scheduled principal payments

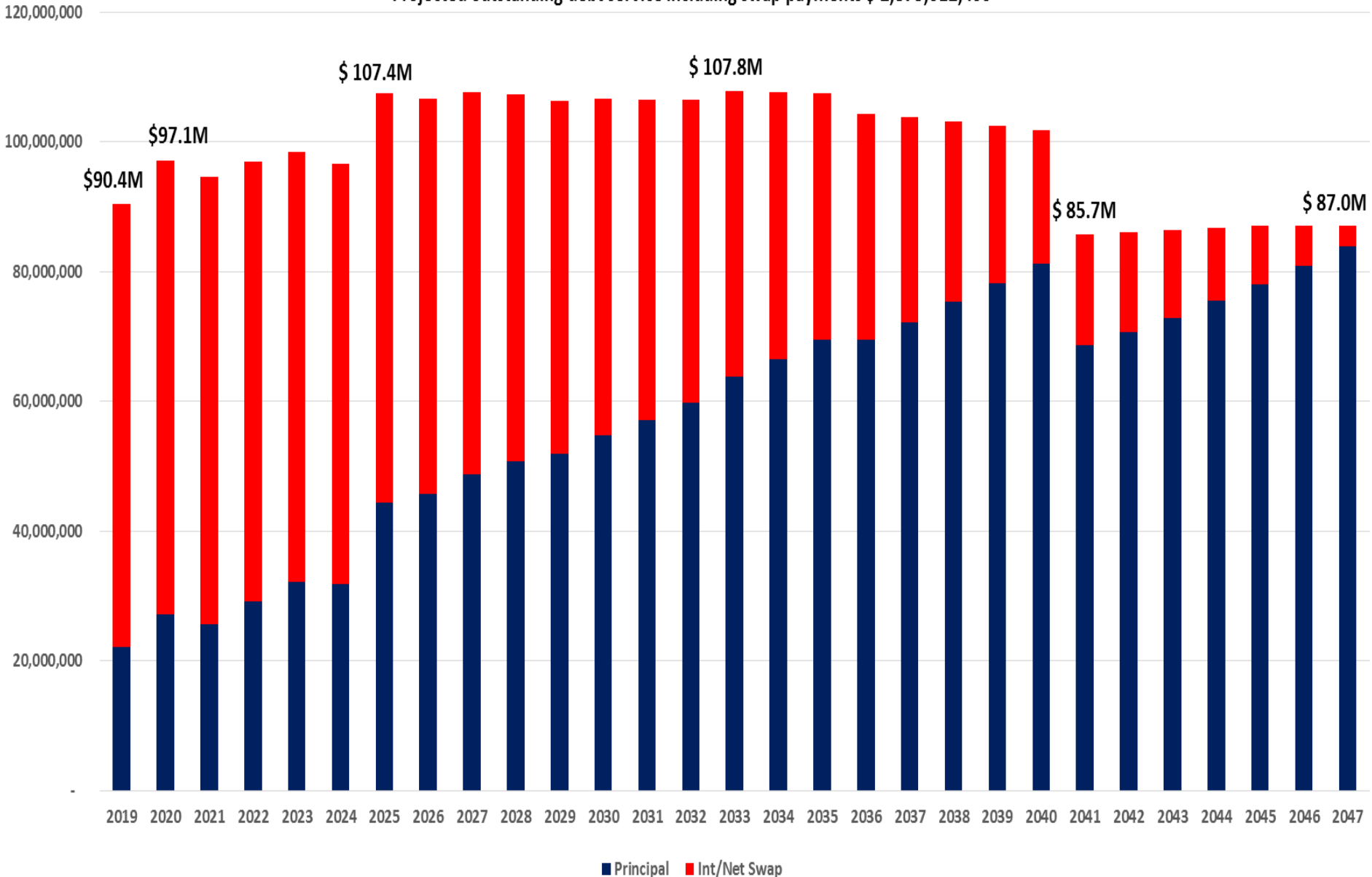
FY19 - FY28	\$357,580,000
FY29 - FY38	\$640,115,000
FY39 - FY47	\$689,915,000



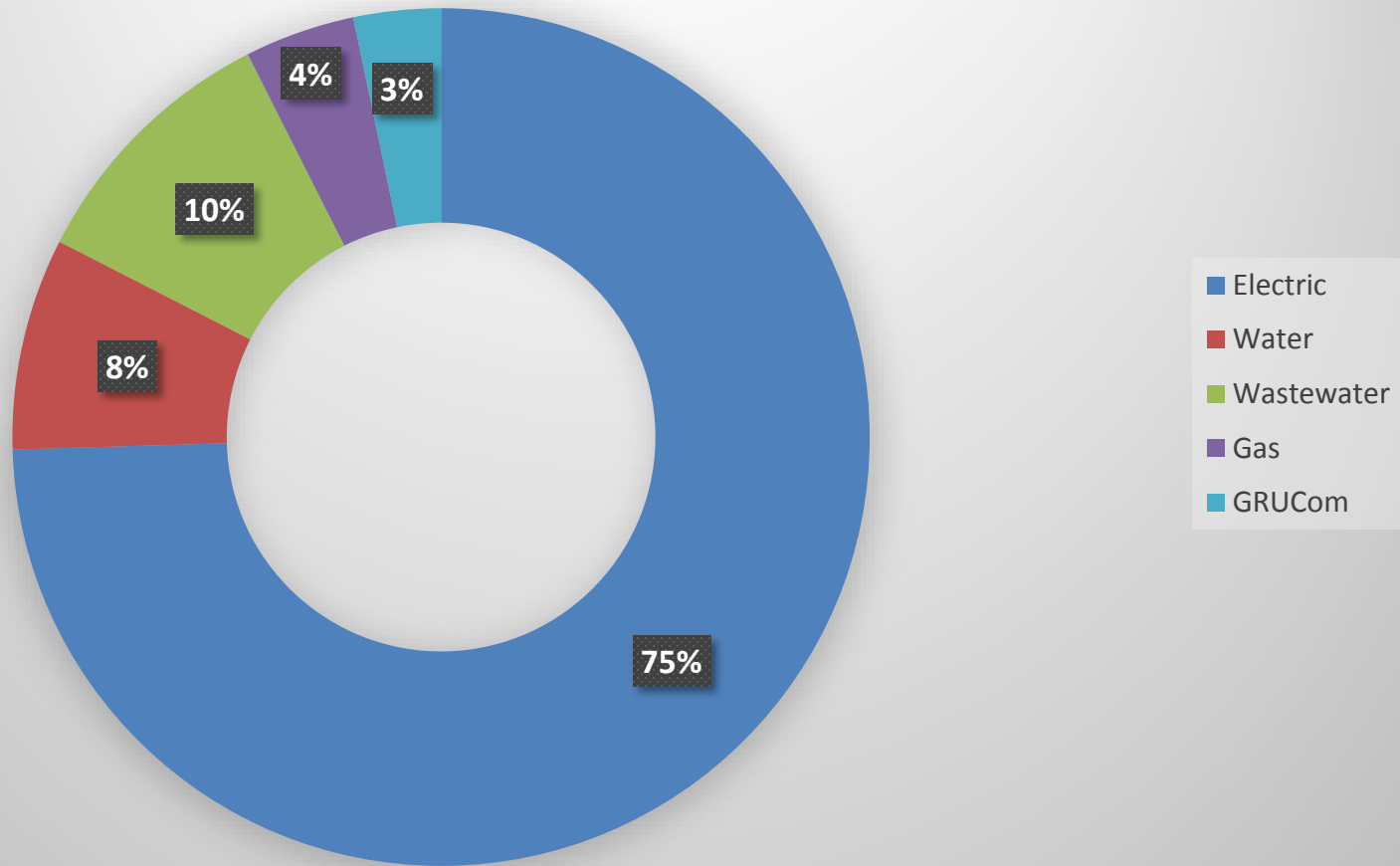
Levelized Payments Are Our Goal

Principal, Interest & Projected Net Swap Payments

Projected outstanding debt service including swap payments \$ 2,873,012,460



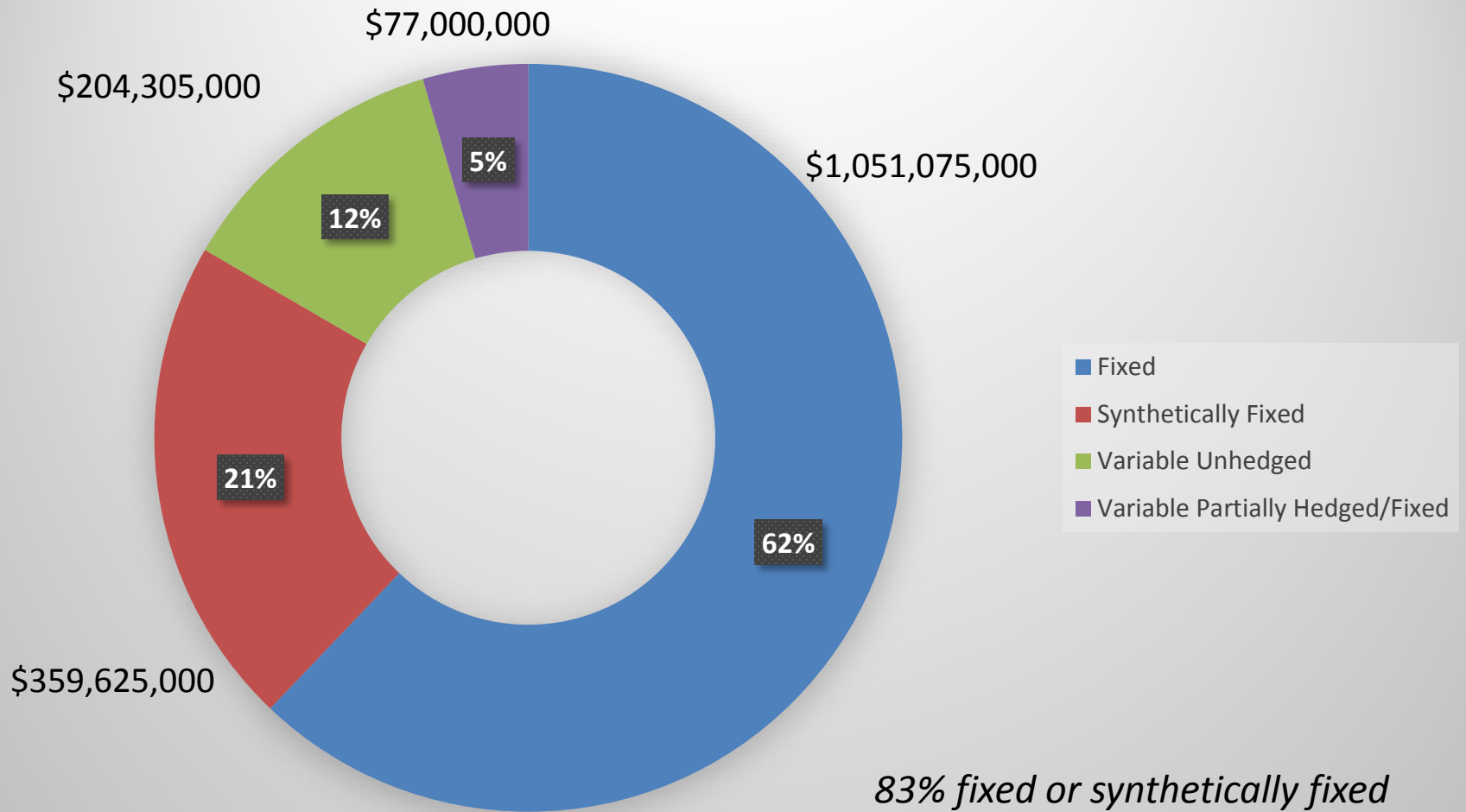
Outstanding Principal by System



	Electric	Water	Wastewater	Gas	GRUCom	Total
O/S Principal	1,257,905,884	134,807,114	169,238,755	70,170,334	55,487,914	1,687,610,001
Customers	98,172	73,043	66,483	35,389	6,737	279,824
Per Customer	12,813	1,846	2,546	1,983	8,236	6,031

Debt

Composition of Debt

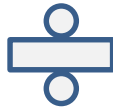


Debt

Leverage = Debt relative to cash flow available to service that debt

Net Adjusted Debt

Total Debt	\$1,711,098
Less	
Operating cash	(26,793)
Rate Stabilization Fund cash	(\$57,704)
Debt Service Fund cash	<u>(\$59,269)</u>
Equals Net Adjusted Debt	\$1,567,332



Funds Available for Debt Service

Operating Income	\$73,618
Less	
RSF Transfers	(3,840)
GFT	(36,379)
Plus	
Depreciation & Amortization	\$94,080
Interest & BABS Subsidy & Other	<u>14,545</u>
Funds Available for Debt Service	\$142,024



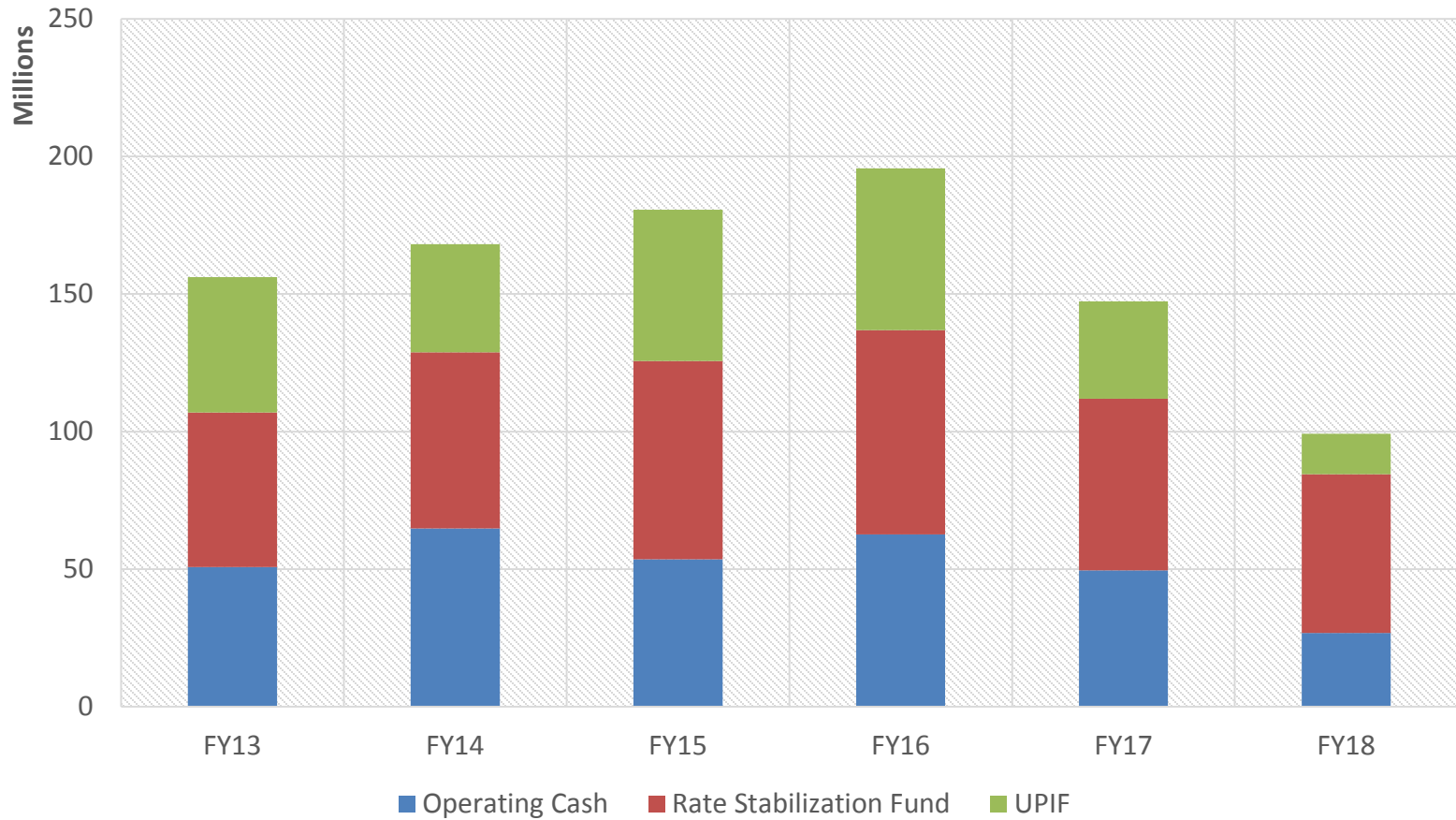
Leverage

**Leverage
= 11**

- All 3 rating agencies expressed concerns about GRU's high leverage
- Fitch specifically mentioned potential for increased leverage if GFT rises
- "Scorecard" items will assist in reducing this leverage
- 2019 transaction will deposit savings in RSF – reducing Net Adjusted Debt
- GFT reduction will increase funds available for Debt Service
- Other revenue increases/expense reductions will increase funds available for Debt Service

Cash & Liquidity

Cash Balance Trends



	FY13	FY14	FY15	FY16	FY17	FY18
Operating Cash	50,725,104	64,756,240	53,539,963	62,635,050	49,498,170	26,793,426
RSF	56,154,695	64,030,121	72,104,746	74,262,078	62,431,906	57,703,806
UPIF	49,243,689	39,313,780	55,023,201	58,792,082	35,418,075	14,716,405
Total	156,123,488	168,100,141	180,667,910	195,689,210	147,348,151	99,213,637

After 2019 transaction, UPIF balance: \$37M; total: \$122M

Cash & Liquidity

- Received specific questions from current and potential investors concerning cash balance declines during investor calls on 2019 transaction
- Transaction addressed some of these issues by injecting approximately \$60M in cash over the period 2019 through 2022 through
 - \$23M UPIF replenishment
 - Near-term debt service savings
- Post 2019 transaction
 - Approximately 220 days cash-on-hand (operating cash, RSF, and UPIF)
 - Approximately 426 days liquidity-on-hand (cash, authorized but unissued commercial paper, and undrawn SunTrust line of credit)

Cash and Liquidity Targets after 2019 Transaction

Cash Balance Study (\$ millions)		2019	2020	2021	2022
Proposed Cash Targets		72.7	74.9	77.2	79.5
Lower Bound		63.1	65.0	67.0	69.0
Upper Bound		82.3	84.8	87.4	90.0
Cash Available for Reserve Targets					
Operating Cash (60 days)		4.4	4.4	4.4	4.4
Rate Stabilization Fund		57.7	44.7	34.5	27.6
UPIF for Reserves		5.0	28.0	33.2	36.3
UPIF Reimbursement from 2019 Transaction		23.0	-	-	-
Total Cash Reserves		90.1	77.7	72.1	68.3
Addition of RSF cash from refinancing savings		5.5	9.1	11.6	10.8
		95.6	86.2	83.7	79.1
Over (under) Upper Bound		13.3	1.4	(3.7)	(10.9)



Questions?