



GOVERNMENT OF
**PUERTO
RICO**

Puerto Rico Aqueduct and Sewer Authority

Preliminary Financial Results for 3rd Quarter of
Fiscal Year 2023

April 26, 2023



Puerto Rico Aqueduct and Sewer Authority
GOVERNMENT OF PUERTO RICO

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The Authority at a Glance¹

The Puerto Rico Aqueduct and Sewer Authority (the “Authority” or “PRASA”) owns and operates the potable water supply and wastewater systems in Puerto and endeavors to provide high-quality water and wastewater services at an affordable cost



SERVING
1,267,311 CUSTOMERS
(96% WATER / 59% WASTEWATER)

IN A SERVICE AREA OF
3,535 SQUARE MILES

WITH
4,578 EMPLOYEES



8 DAMS
Owned by PRASA



112 FILTRATION PLANTS
with 136 intakes



51 SEWER PLANTS



AROUND 3,800 AUXILIARY FACILITIES, INCLUDING:
TANKS - 1,568
PUMP STATIONS – 1,966
WATER WELLS - 238



OVER 20,000 MILES OF PIPES
Water & wastewater

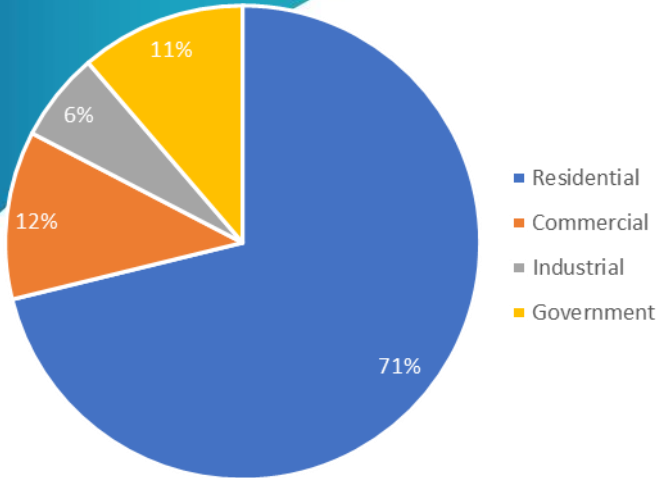
¹Preliminary data as of March 31, 2023



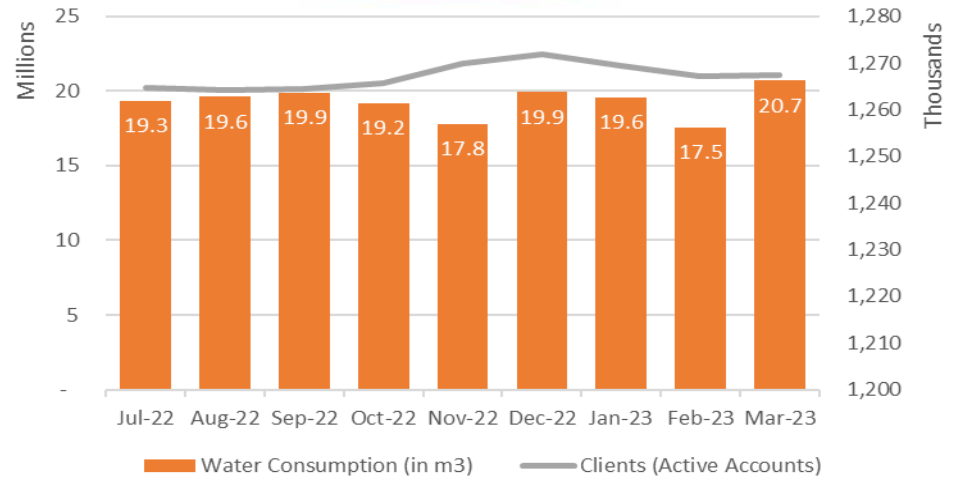
Operating Data

As of March 31, 2023

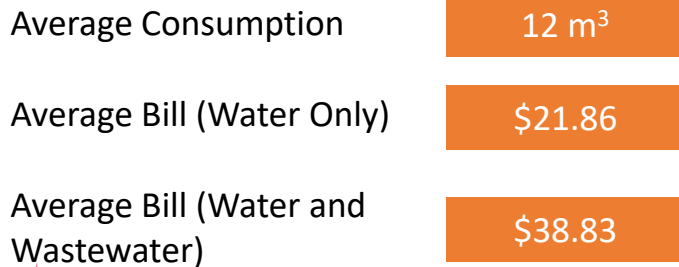
Consumption by Customer Type



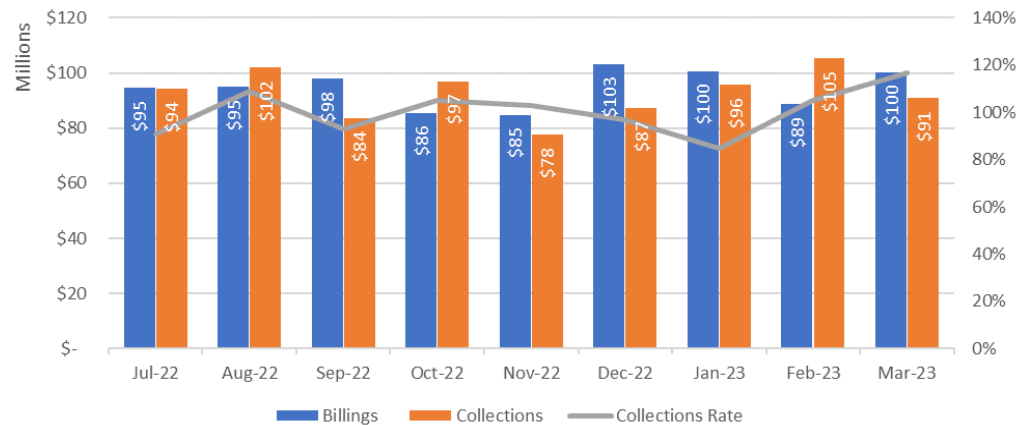
Consumption and Clients



Residential Accounts Statistics



Billings and Collections



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Preliminary Financial Results

As of March 31, 2023

Results for the period were affected as a result of the impact of Hurricane Fiona.

FY2023 Budget does not reflect an amendment approved by FOMB after March 31, 2023

(\$000's)

Mar 31, 2023 - YTD

	Budget	Actual	Variance (\$)
<u>Authority Revenues</u>			
1 Service Revenues - Regular	678,867	674,425	(4,443)
2 Service Revenues - Government	141,816	151,291	9,475
3 Miscellaneous & Insurance (BI)	1,875	1,858	(17)
4 Total Authority Revenues	822,558	827,573	5,015
5 Senior and Senior Sub Debt	(190,782)	(183,391)	7,391
<u>Operating Expenses</u>			
6 Payroll & Related	(231,580)	(233,952)	(2,372)
7 Electricity	(155,143)	(130,717)	24,426
8 Maintenance & Repair	(43,457)	(42,760)	696
9 Chemicals	(41,674)	(52,228)	(10,555)
10 Other Expenses	(142,344)	(128,316)	14,028
11 Total Net Operating Expenses	(614,197)	(587,973)	26,224
12 FEMA / ARPA Funds	-	13,146	13,146
13 Operating Reserve Fund	(11,137)	(11,137)	0
14 Capital Improvement Fund	(9,732)	(9,732)	0
15 Balance	(3,290)	48,485	51,776

Source: SAP for operating expenses (accrual basis) and cash flow for other line items (cash basis).

Notes: Information presented based on the Master Agreement of Trust ("MAT") flow of funds. Budget for FY2023 presented as certified by the Oversight Board (prior to the April 2023 amendment) and actual numbers are presented as preliminary and subject to material change.



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Capital Improvement Program (“CIP”)

As of March 31, 2023

(Amounts expressed in \$000's)

	Mar 31, 2023 - YTD		
	Budget	Actual	Variance (\$)
Reconstruction & Recovery	\$ 205,673	\$ 58,832	146,841
Renewal & Replacement	41,389	42,605	(1,216)
Mandatory Compliance	71,121	27,230	43,891
Non-Mandatory Compliance	38,423	26,868	11,554
Quality	29,041	7,812	21,229
Electric Generators and Meters	19,951	5,260	14,691
Fleet and IT	17,570	8,258	9,311
Emergency & Contingencies	750	-	750
Safety & Growth	9,395	3,647	5,748
Others & Accruals	21,310	24,390	(3,080)
Total CIP Incurred	\$ 454,620	\$ 204,901	\$ 249,719

Actual CIP costs are lower than projected as most projects are in planning or design stages. Additionally, the process for approval and fund disbursement for Reconstruction & Recovery projects is under development and the COVID-19 pandemic continues to affect the coordination and procurement process as well as resources availability. Also, Hurricane Fiona resulted in changes to the projects schedules

Source: CIP Budget as included in the FY2023 Budget certified by the Oversight Board and actual based on CIP incurred costs recorded in SAP, prior to overhead charges and other fiscal year end adjustments.
Preliminary, subject to change.



Liquidity

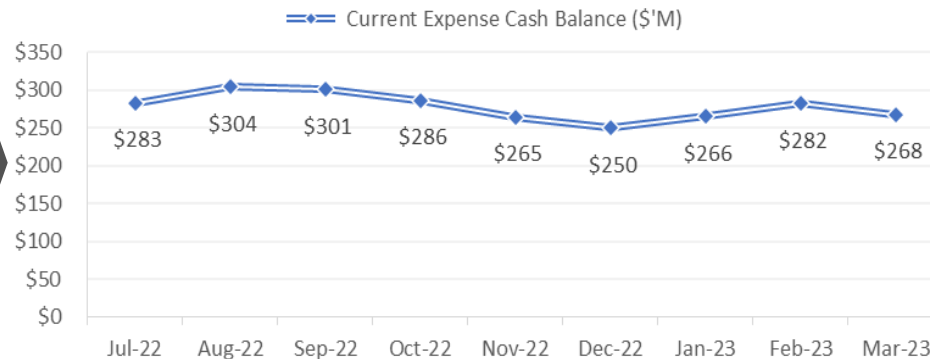
Cash Balances

Group of Funds	March 31, 2023 (\$'000)
Debt Service Account	105,293
Debt Service Reserve	93,508
Restricted for Debt Service	198,801
Capital Improvement	10,202
Construction Fund	86,521
Disaster Recovery (FEMA/Insurance)	120,081
FEMA (FAASt WCA)/ARPA Advances	235,761
Compliance Escrow Accounts	3,293
Restricted for CIP and Compliance	455,857
Operating Reserve	211,653
Operating Reserve Fund	211,653
Current Expense and Petty Cash	269,696
Revenue Fund	16,907
Other Funds	286,603
Total	\$ 1,152,914

Debt Service Reserve Fund is for the benefit of outstanding 2008A Bonds only

The Authority has an operating reserve fund (“ORF”) with a balance of **90 days of operating expenses per MAT**. The ORF is available for operating expenses, if and as needed.

Current Expense Fund



In addition to the ORF, the Current Expense Fund as of March 31, 2023 had around **120 days of cash on hand**. The balance reduction during the last quarter of calendar year 2022 is mostly the result of Hurricane Fiona impact



Debt and Debt Service Coverage

Outstanding Senior Debt

<i>(in \$000s)</i>	31-Mar-23
<u>Senior Bonds</u>	
2008 Series A Bonds (CAB)	46,195
2020 Series A Bonds	1,305,545
2020 Series B Bonds	17,095
2021 Series A Bonds	85,270
2021 Series B Bonds	827,510
2021 Series C Bonds	155,090
2022 Series A Bonds	527,685
	2,964,390
<u>Other Senior Indebtedness</u>	
2019 State Revolving Fund Loans	560,677
New State Revolving Fund Loans	41,479 *
2019 Rural Development Loans	395,414
	997,570
Total Senior Debt	\$ 3,961,960

* Since August 2020, the Authority has closed on \$237.4 million in new SRF loans. The balance shown reflects amounts drawn down under the new SRF loans as of March 31, 2023.

Debt Service Coverage (FY2023 Budget)

Senior Debt Service Coverage Ratio (Over Authority Revenues – Current MAT) **4.33**

Senior Debt Service Coverage Ratio (Over Net Revenues – Proposed MAT Amendment) **1.11**

All Obligations Coverage Ratio **1.00**



**For questions or additional information
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