



GOVERNMENT OF  
**PUERTO  
RICO**

# **Puerto Rico Aqueduct and Sewer Authority**

Preliminary Financial Results for 1<sup>st</sup> Half of  
Fiscal Year 2023

**January 31, 2023**



Puerto Rico Aqueduct and Sewer Authority  
GOVERNMENT OF PUERTO RICO

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# The Authority at a Glance<sup>1</sup>

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  
**1,270,181 CUSTOMERS**  
(96% WATER / 59% WASTEWATER)

IN A SERVICE AREA OF  
**3,535 SQUARE MILES**

WITH  
**4,604 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

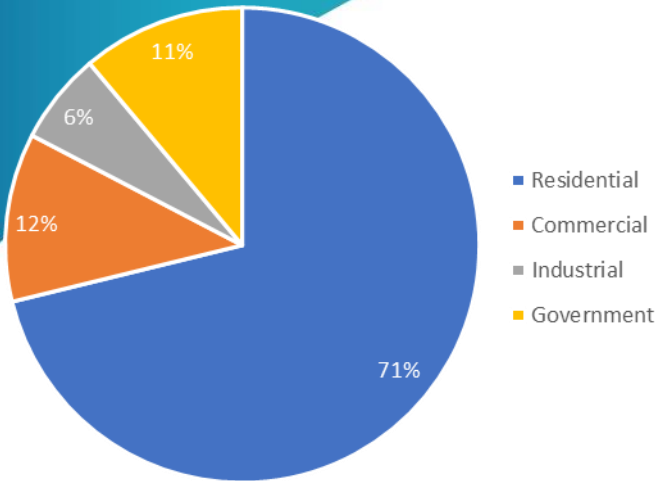
<sup>1</sup>Preliminary data as of December 31, 2022



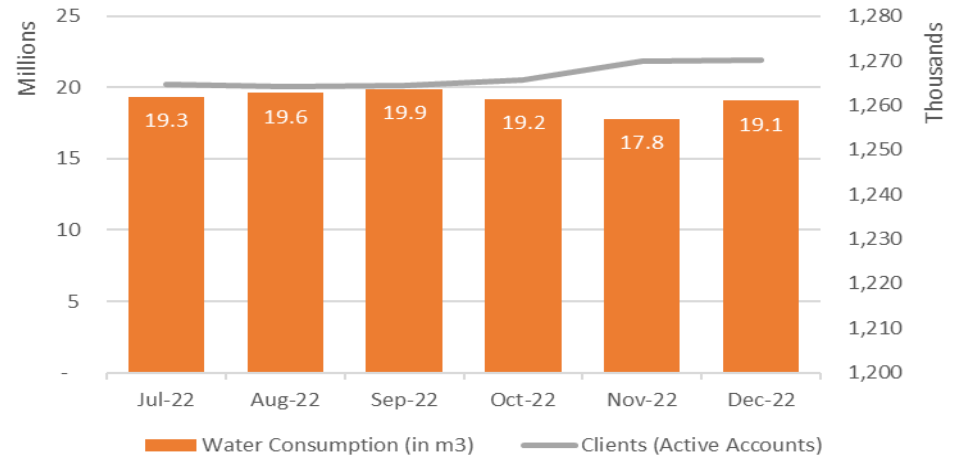
# Operating Data

## As of December 31, 2022

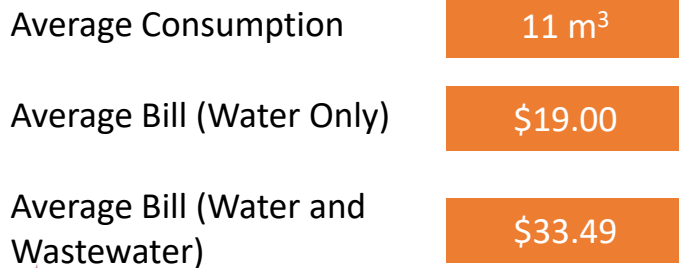
### Consumption by Customer Type



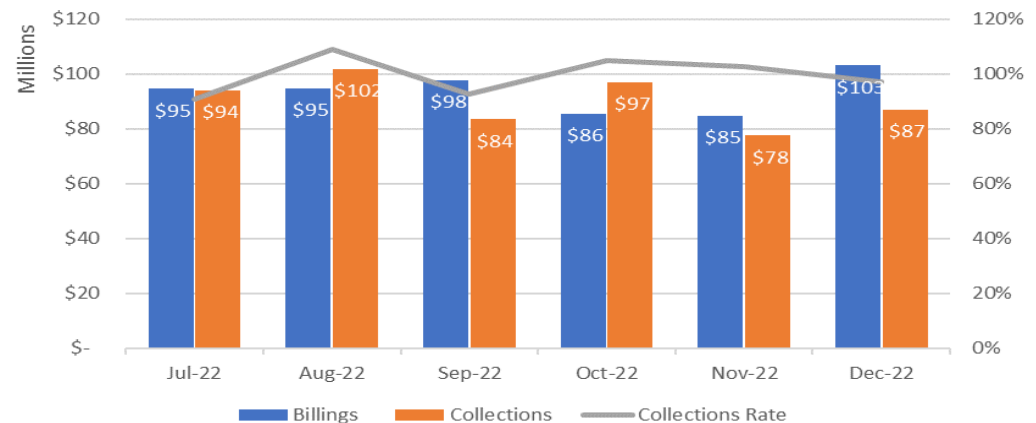
### Consumption and Clients



### Residential Accounts Statistics



### Billings and Collections



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# Preliminary Financial Results

As of December 31, 2022

Results for the period were affected as a result of the impact of Hurricane Fiona, in service billings and collections as well as in operating expenses

(\$000's)	Dec 31, 2022 - YTD		
	Budget	Actual	Variance (\$)
<b><u>Authority Revenues</u></b>			
1 Service Revenues - Regular	456,288	445,053	(11,234)
2 Service Revenues - Government	95,319	91,279	(4,039)
3 Miscellaneous & Insurance (BI)	1,250	1,341	91
4 Total Authority Revenues	552,857	537,673	(15,183)
5 Senior and Senior Sub Debt	(127,188)	(122,261)	4,927
<b><u>Operating Expenses</u></b>			
6 Payroll & Related	(154,387)	(156,027)	(1,640)
7 Electricity	(103,429)	(93,799)	9,629
8 Maintenance & Repair	(28,971)	(27,698)	1,273
9 Chemicals	(27,783)	(35,073)	(7,290)
10 Other Expenses	(94,896)	(99,509)	(4,613)
11 Total Net Operating Expenses	(409,465)	(412,105)	(2,641)
12 FEMA / Insurance Reimb.	-	10,915	10,915
13 Operating Reserve Fund	(7,425)	(7,425)	0
14 Capital Improvement Fund	(6,488)	(6,488)	0
<b>15 Balance</b>	<b>2,291</b>	<b>309</b>	<b>(1,982)</b>

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 and actual numbers are presented as preliminary and subject to material change.



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# Capital Improvement Program (“CIP”)

## As of December 31, 2022

(Amounts expressed in \$000's)

	Dec 31, 2022 - YTD		
	Budget	Actual	Variance (\$)
Reconstruction & Recovery	\$ 137,115	\$ 25,169	111,946
Renewal & Replacement	27,593	26,695	898
Mandatory Compliance	47,414	16,678	30,736
Non-Mandatory Compliance	25,615	16,808	8,807
Quality	19,361	5,046	14,314
Electric Generators and Meters	13,301	2,507	10,793
Fleet and IT	11,713	3,253	8,460
Emergency & Contingencies	500	-	500
Safety & Growth	6,263	2,439	3,824
Others & Accruals	14,207	16,325	(2,118)
<b>Total CIP Incurred</b>	<b>\$ 303,080</b>	<b>\$ 114,920</b>	<b>\$ 188,160</b>

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.



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# Liquidity

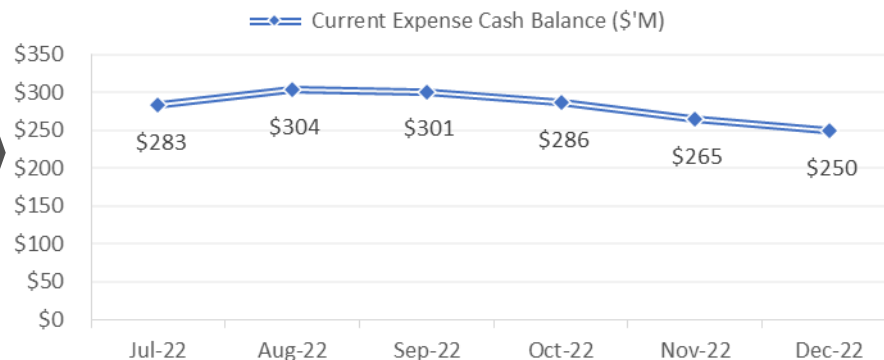
## Cash Balances

Group of Funds	December 31, 2022 (\$'000)
Debt Service Account	118,135
Debt Service Reserve	92,091
<b>Restricted for Debt Service</b>	<b>210,226</b>
Capital Improvement	10,210
Construction Fund	121,114
Disaster Recovery (FEMA/Insurance)	76,570
FEMA (FAASt WCA)/ARPA Advances	235,761
Compliance Escrow Accounts	3,288
<b>Restricted for CIP and Compliance</b>	<b>446,944</b>
Operating Reserve	205,801
<b>Operating Reserve Fund</b>	<b>205,801</b>
Current Expense and Petty Cash	251,567
Revenue Fund	5,579
<b>Other Funds</b>	<b>257,146</b>
<b>Total</b>	<b>\$ 1,120,117</b>

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 December 31, 2022 had around **100 days of cash on hand**.

The balance reduction during the last quarter is mostly the result of Hurricane Fiona impact



# Debt and Debt Service Coverage

Outstanding Senior Debt

(in \$000s)	31-Dec-22
<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
	<b>2,964,390</b>
<u>Other Senior Indebtedness</u>	
2019 State Revolving Fund Loans	565,677
New State Revolving Fund Loans	41,328 *
2019 Rural Development Loans	396,417
	<b>1,003,422</b>
<b>Total Senior Debt</b>	<b>\$ 3,967,812</b>

\* Since August 2020, the Authority has closed on \$214.8 million in new SRF loans. The balance shown reflects amounts drawn down under the new SRF loans as of December 31, 2022

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  
please contact:**

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