

# FUND STATEMENT

## Fund 69000, Sewer Revenue

	FY 2015 Estimate	FY 2015 Actual	Increase (Decrease) (Col. 2-1)	FY 2016 Adopted Budget Plan	FY 2016 Revised Budget Plan	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	\$135,490,922	\$135,490,922	\$0	\$117,757,503	\$113,229,107	(\$4,528,396)
Revenue:						
Lateral Spur Fees	\$6,000	\$19,800	\$13,800	\$16,800	\$16,800	\$0
Water Reuse Charges	0	84,647	84,647	0	0	0
Sales of Service	10,727,717	10,065,272	(662,445)	10,644,343	10,644,343	0
Availability Charges	19,375,000	21,689,013	2,314,013	20,558,813	20,558,813	0
Connection Charges	76,250	459,157	382,907	34,200	34,200	0
Sewer Service Charges	183,232,260	176,557,687	(6,674,573)	190,328,746	190,328,746	0
Miscellaneous Revenue	150,000	352,291	202,291	150,000	150,000	0
Sale Surplus Property	100,000	77,180	(22,820)	100,000	100,000	0
Interest on Investments	792,530	626,314	(166,216)	500,000	500,000	0
<b>Total Revenue</b>	\$214,459,757	\$209,931,361	(\$4,528,396)	\$222,332,902	\$222,332,902	\$0
<b>Total Available</b>	\$349,950,679	\$345,422,283	(\$4,528,396)	\$340,090,405	\$335,562,009	(\$4,528,396)
Transfers Out:						
Sewer Operation and Maintenance (69010)	\$92,000,000	\$92,000,000	\$0	\$92,150,000	\$89,200,000	(\$2,950,000)
Sewer Bond Parity Debt Service (69020)	18,500,000	18,500,000	0	18,500,000	18,500,000	0
Sewer Bond Subordinate Debt Service (69040)	25,000,000	25,000,000	0	23,500,000	23,500,000	0
Sewer Construction Improvements (69300)	96,693,176	96,693,176	0	86,389,000	86,389,000	0
Sewer Bond Construction (69310)	0	0	0	13,000,000	22,928,362	9,928,362
<b>Total Transfers Out</b>	\$232,193,176	\$232,193,176	\$0	\$233,539,000	\$240,517,362	\$6,978,362
<b>Total Disbursements</b>	\$232,193,176	\$232,193,176	\$0	\$233,539,000	\$240,517,362	\$6,978,362
<b>Ending Balance<sup>1</sup></b>	\$117,757,503	\$113,229,107	(\$4,528,396)	\$106,551,405	\$95,044,647	(\$11,506,758)
Management Reserves:						
Operating and Maintenance Reserve <sup>2</sup>	\$45,000,000	\$45,000,000	\$0	\$39,190,333	\$38,417,369	(\$772,964)
New Customer Reserve <sup>3</sup>	33,138,000	33,138,000	0	30,724,000	30,724,000	0
Virginia Resource Authority Reserve <sup>4</sup>	6,637,072	6,637,072	0	6,637,072	6,203,278	(433,794)
Capital Reinvestment Reserve <sup>5</sup>	30,000,000	28,454,035	(1,545,965)	30,000,000	19,700,000	(10,300,000)
<b>Total Reserves</b>	\$114,775,072	\$113,229,107	(\$1,545,965)	\$106,551,405	\$95,044,647	(\$11,506,758)
<b>Unreserved Balance</b>	\$2,982,431	\$0	(\$2,982,431)	\$0	\$0	\$0

<sup>1</sup> The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements, operation and maintenance expenses and capital improvements.

<sup>2</sup> The Operating and Maintenance Reserve provides for unforeseen expenses associated with sewer system emergencies. This reserve is targeted to be maintained at a level between \$25 and \$45 million. This level of reserve is based on industry practice to maintain existing customer reserves at a level which can support 30 and 180 days of working capital and approximately 50 percent of one year's requirements for rehabilitation and replacement of the current system's assets.

<sup>3</sup> The New Customer Reserve provides for debt service and administrative expenses associated with new customer debt, until such time as adjustments to availability charges can be accommodated. This reserve is based on payment expenses associated with one year of debt service and administrative expenses associated with new customer debt. Based on the most recent Sewer Bond sale in 2012, the FY 2016 reserve is recommended at a level of approximately \$30.7 million.

<sup>4</sup> The Virginia Resource Authority Reserve was established in anticipation of debt service reserve requirements for Virginia Resource Authority loans related to future treatment plant issues.

<sup>5</sup> The Capital Reinvestment Reserve is intended to address both anticipated and unanticipated increases within the Capital Improvement Program. This reserve will provide for significant rehabilitation and replacement of emergency infrastructure repairs. A reserve of 3.0 percent of the five year capital plan is recommended and is consistent with other utilities and is recommended by rating agencies. Based on the total five year capital plan, an amount of \$30 million would be required to reach 3.0 percent.