

FUND STATEMENT

Fund 69000, Sewer Revenue

	FY 2014 Actual	FY 2015 Adopted Budget Plan	FY 2015 Revised Budget Plan	FY 2015 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$142,759,050	\$125,747,537	\$135,490,922	\$135,490,922	\$0
Revenue:					
Lateral Spur Fees	\$30,000	\$6,000	\$6,000	\$6,000	\$0
Sales of Service	10,930,495	10,727,717	10,727,717	10,727,717	0
Availability Charges	24,007,197	19,375,000	19,375,000	19,375,000	0
Connection Charges	436,870	76,250	76,250	76,250	0
Sewer Service Charges	176,471,311	183,232,260	183,232,260	183,232,260	0
Miscellaneous Revenue	299,800	150,000	150,000	150,000	0
Sale Surplus Property	126,559	100,000	100,000	100,000	0
Interest on Investments	418,640	792,530	792,530	792,530	0
Total Revenue	\$212,720,872	\$214,459,757	\$214,459,757	\$214,459,757	\$0
Total Available	\$355,479,922	\$340,207,294	\$349,950,679	\$349,950,679	\$0
Transfers Out:					
Sewer Operation and Maintenance (69010)	\$96,000,000	\$92,000,000	\$92,000,000	\$92,000,000	\$0
Sewer Bond Parity Debt Service (69020)	12,000,000	18,500,000	18,500,000	18,500,000	0
Sewer Bond Subordinate Debt Service (69040)	27,500,000	25,000,000	25,000,000	25,000,000	0
Sewer Construction Improvements (69300)	84,489,000	83,693,176	96,693,176	96,693,176	0
Total Transfers Out	\$219,989,000	\$219,193,176	\$232,193,176	\$232,193,176	\$0
Total Disbursements	\$219,989,000	\$219,193,176	\$232,193,176	\$232,193,176	\$0
Ending Balance¹	\$135,490,922	\$121,014,118	\$117,757,503	\$117,757,503	\$0
Management Reserves:					
Operating and Maintenance Reserve ²	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$0
New Customer Reserve ³	23,000,000	33,138,000	33,138,000	33,138,000	0
Virginia Resource Authority Reserve ⁴	6,637,072	6,637,072	6,637,072	6,637,072	0
Capital Reinvestment Reserve ⁵	29,500,000	30,000,000	30,000,000	30,000,000	0
Total Reserves	\$104,137,072	\$114,775,072	\$114,775,072	\$114,775,072	\$0
Unreserved Balance	\$31,353,850	\$6,239,046	\$2,982,431	\$2,982,431	\$0

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

² 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.

³ 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.

⁴ 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.

⁵ 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. In FY 2015, this reserve reached an amount which is 3.0 percent of the total five year capital funding plan or \$30,000,000. A reserve of 3.0 percent of the five year capital plan is consistent with other utilities and is recommended by rating agencies.