

Fund 69030: Sewer Bond Debt Reserve

Focus Fund 69030, Sewer Bond Debt Reserve, fulfills the County's requirement to maintain a Reserve Fund for existing and planned sewer bonds. As outlined in the 1986 Bond Resolution, this reserve is required to be the lesser of the maximum principal and interest requirements for any bond year or 125 percent of the average annual principal and interest requirements for the bonds.

An increase of \$8,200,000 is needed in FY 2021 based on the planned sale of Sewer Revenue Bonds in the fall of 2020. The required balance after the planned bond sale is \$33,126,274 to satisfy the legal reserve requirements for the 2012 Sewer Revenue Bonds, the 2014 Sewer Refunding Bonds, the 2016 Sewer Refunding Bonds, the 2017 Sewer Revenue Bonds, and the planned 2020 Sewer Revenue Bonds.

Pandemic Response and Impact

The Wastewater Management Program of the Department of Public Works and Environmental Services has continued to work at full capacity during the COVID-19 pandemic to fulfill the System's responsibilities to its customers. Accomplishing this task has required considerable innovation, hard work, and adaptation (e.g., additional personal protective equipment, facility cleaning, distancing measures, equipment, and new tools) that have increased the System's resource requirements.

The Wastewater Management staff worked with the System's financial advisors to project estimated impacts to revenues and developed financial management strategies. To proactively address the negative financial impact, the System is reducing some projected operating expenditures through delaying the replacement of vehicles and equipment, slowing down some capital projects, and using some of the existing cash reserves. Consistent with the Board's decision with the adoption of the FY 2021 budget, the elimination of employee raises and eliminating new positions will also impact operating expenditures for FY 2021. The System's 10-year financial plan has been updated to include adjustments for revenue losses from the pandemic and closely monitoring unfolding trends throughout the year.

Changes to FY 2020 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2020 Revised Budget Plan since passage of the FY 2020 Adopted Budget Plan. Included are all adjustments made as part of the FY 2019 Carryover Review, FY 2020 Third Quarter Review, and all other approved changes through April 30, 2020.

There have been no adjustments to this fund since approval of the FY 2020 Adopted Budget Plan.

Fund 69030: Sewer Bond Debt Reserve

FUND STATEMENT

Category	FY 2019 Actual	FY 2020 Adopted Budget Plan	FY 2020 Revised Budget Plan	FY 2021 Advertised Budget Plan	FY 2021 Adopted Budget Plan
Beginning Balance	\$24,926,274	\$24,926,274	\$24,926,274	\$33,426,274	\$24,926,274
Revenue:					
Bond Proceeds	\$0	\$8,500,000	\$0	\$8,200,000	\$8,200,000
Total Revenue	\$0	\$8,500,000	\$0	\$8,200,000	\$8,200,000
Total Available	\$24,926,274	\$33,426,274	\$24,926,274	\$41,626,274	\$33,126,274
Total Expenditures	\$0	\$0	\$0	\$0	\$0
Total Disbursements	\$0	\$0	\$0	\$0	\$0
Ending Balance¹	\$24,926,274	\$33,426,274	\$24,926,274	\$41,626,274	\$33,126,274

¹ The fund balance provides a sufficient level to satisfy the legal reserve requirements for the 2012 Sewer Revenue Bonds, 2014 Sewer Refunding Bonds, 2016 Sewer Refunding Bonds, 2017 Sewer Revenue Bonds, and the planned 2020 Sewer Revenue Bonds. This reserve provides for one year of principal and interest as required by the Sewer System's General Bond Resolution.