

Fund 69040: Sewer Bond Subordinate Debt Service

Focus

Fund 69040, Sewer Bond Subordinate Debt Service, provides debt service funding for the Upper Occoquan Service Authority (UOSA) Bond Series and the Virginia Resources Authority (VRA) loans. The UOSA Bond Series is based on the County's portion of the UOSA plant expansion from 27.0 million gallons per day (mgd) to 54.0 mgd. Two low-interest VRA loans from the State Revolving Fund Program were used to fund the County's share of construction costs for the Alexandria Renew Enterprises Treatment Plant upgrade for ammonia removal as required by the State Water Control Board.

All debt service payments are supported by Sewer System Revenues through a transfer from Fund 69000, Sewer Revenue. Pursuant to the Sewer Bond resolution and respective agreements, these debt obligations are subordinate to the County's Sewer Revenue Bonds and, therefore, the payments are made from this fund.

Funding in the amount of \$25,437,026 will provide for the FY 2021 principal and interest requirements, including an amount of \$19,462,134 for the UOSA plant requirements and \$5,974,892 for the VRA debt requirements. It should be noted that UOSA debt for bond series 2014 and 2016B is structured so that no principal payments are made during the construction phase of the project. Interest is capitalized and principal payments begin once construction is substantially complete. This helps level the debt service payments for all jurisdictions involved.

The following table identifies the payments required in FY 2021:

	Principal	Interest	Total
UOSA PLANT EXPANSION:			
2010B	\$843,028	\$1,058,137	\$1,901,165
2011A	109,872	47,029	156,901
2011B	256,600	93,095	349,695
2013A	7,444,878	1,528,395	8,973,273
2013B	3,070,148	100,720	3,170,868
2014	0	4,219,919	4,219,919
2016B	0	690,313	690,313
Subtotal – UOSA	\$11,724,526	\$7,737,608	\$19,462,134
VRA DEBT PAYMENTS:			
FY 2001 VRA Loan	\$2,679,176	\$19,104	\$2,698,280
FY 2002 VRA Loan	3,222,724	53,888	3,276,612
Subtotal – VRA	\$5,901,900	\$72,992	\$5,974,892
Total	\$17,626,426	\$7,810,600	\$25,437,026

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, and all other approved changes through December 31, 2019.

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

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FUND STATEMENT

Category	FY 2019 Actual	FY 2020 Adopted Budget Plan	FY 2020 Revised Budget Plan	FY 2021 Advertised Budget Plan
Beginning Balance	\$4,391,213	\$3,859,338	\$4,159,040	\$375,866
Transfer In:				
Sewer Revenue (69000)	\$25,250,000	\$22,000,000	\$22,000,000	\$25,100,000
Total Transfer In	\$25,250,000	\$22,000,000	\$22,000,000	\$25,100,000
Total Available	\$29,641,213	\$25,859,338	\$26,159,040	\$25,475,866
Expenditures:				
Principal Payment ¹	\$16,770,209	\$17,470,829	\$17,470,829	\$17,626,426
Interest Payment ^{1,2}	8,711,964	8,312,345	8,312,345	7,810,600
Total Expenditures	\$25,482,173	\$25,783,174	\$25,783,174	\$25,437,026
Total Disbursements	\$25,482,173	\$25,783,174	\$25,783,174	\$25,437,026
Ending Balance³	\$4,159,040	\$76,164	\$375,866	\$38,840

¹ The bond principal and interest payments are shown here as expenditures. However, for accounting purposes, the Comprehensive Annual Financial Report (CAFR) will show these disbursements as "Construction in Progress" to be capitalized.

² The Wastewater Management Program makes principal and interest payments to the Upper Occoquan Service Authority (UOSA) in advance of the principal and interest due dates based on the original agreement with UOSA. UOSA credits the Wastewater Management Program any interest earning from the advanced payments; therefore, the interest payment actuals are normally lower than anticipated.

³ The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements. These costs change annually and therefore, fund balances fluctuate from year to year based on actual debt service requirements.