

Fund 69000: Sewer Revenue

FUND STATEMENT

Category	FY 2021 Estimate	FY 2021 Actual	Increase (Decrease) (Col. 2-1)	FY 2022 Adopted Budget Plan	FY 2022 Revised Budget Plan	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$121,830,460	\$121,830,460	\$0	\$101,451,228	\$131,515,529	\$30,064,301
Revenue:						
Lateral Spur Fees	\$17,020	\$7,200	(\$9,820)	\$10,000	\$10,000	\$0
Water Reuse Charges	164,606	257,878	93,272	175,000	175,000	0
Sales of Service	10,000,620	9,423,768	(576,852)	10,635,500	10,635,500	0
Availability Charges ¹	12,000,000	34,713,681	22,713,681	22,517,000	22,517,000	0
Connection Charges	34,648	417,928	383,280	176,000	176,000	0
Sewer Service Charges ²	198,174,662	205,801,851	7,627,189	219,781,000	219,781,000	0
Miscellaneous Revenue	829,212	630,485	(198,727)	650,000	650,000	0
Sale Surplus Property	100,000	55,287	(44,713)	100,000	100,000	0
Interest on Investments	650,000	726,991	76,991	1,100,000	1,100,000	0
Total Revenue	\$221,970,768	\$252,035,069	\$30,064,301	\$255,144,500	\$255,144,500	\$0
Total Available	\$343,801,228	\$373,865,529	\$30,064,301	\$356,595,728	\$386,660,029	\$30,064,301
Transfers Out:						
Sewer Operation and Maintenance (69010)	\$109,250,000	\$109,250,000	\$0	\$116,400,000	\$116,713,000	\$313,000
Sewer Bond Parity Debt Service (69020)	31,000,000	31,000,000	0	32,000,000	32,000,000	0
Sewer Bond Subordinate Debt Service (69040)	25,100,000	25,100,000	0	25,000,000	25,000,000	0
Sewer Construction Improvements (69300)	77,000,000	77,000,000	0	86,000,000	86,000,000	0
Total Transfers Out	\$242,350,000	\$242,350,000	\$0	\$259,400,000	\$259,713,000	\$313,000
Total Disbursements	\$242,350,000	\$242,350,000	\$0	\$259,400,000	\$259,713,000	\$313,000
Ending Balance³	\$101,451,228	\$131,515,529	\$30,064,301	\$97,195,728	\$126,947,029	\$29,751,301
Management Reserves:						
Operating and Maintenance Reserve ⁴	\$45,000,000	\$45,000,000	\$0	\$43,000,000	\$45,000,000	\$2,000,000
New Customer Reserve ⁵	30,000,000	30,000,000	0	30,000,000	30,000,000	0
Virginia Resource Authority Reserve ⁶	5,974,892	5,974,892	0	0	0	0
Capital Reinvestment Reserve ⁷	20,476,336	50,540,637	30,064,301	24,195,728	51,947,029	27,751,301
Total Reserves	\$101,451,228	\$131,515,529	\$30,064,301	\$97,195,728	\$126,947,029	\$29,751,301
Unreserved Balance	\$0	\$0	\$0	\$0	\$0	\$0

¹ As part of the FY 2021 Adopted Budget Plan, the County assumed a minimal amount of Availability Fee revenue as a result of the COVID-19 pandemic. Based on updated data, the \$12.0 million figure for the FY 2021 Estimate assumed a conservative \$1.0 million in fee revenue per month. Actual collections exceeded the estimate based on notable development activity occurring in the County.

² As part of the FY 2021 Revised Budget Plan, the County assumed a modest decline in revenues for delinquent payments as a result of the COVID-19 pandemic. Updated fiscal year end data indicated delinquent payments to be immaterial as Service Charge revenues exceeded the FY 2021 Estimate by \$7.6 million (3.8 percent).

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³ The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements, operation and maintenance expenses and capital improvements.

⁴ 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 \$25.0 and \$45.0 million. This level of reserve is based on an industry practice to maintain existing customer reserves at a level that 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.

⁵ 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.

⁶ 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. The reserve will be used to cover the final year of scheduled debt service for FY 2022.

⁷ 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 consistent with other utilities and is recommended by rating agencies. Based on the total five-year capital plan, an amount of \$30.0 million would be required to reach 3.0 percent.