

# 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 1985 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.

No funding is required for the FY 2025 Sewer Bond Debt Reserve. The current balance of \$33,658,425 was increased by \$15,365,475 as budgeted in the FY 2024 adopted and revised budget. The increased funding will bring the balance to \$49,023,900, sufficient to satisfy the legal reserve requirements for the 2014,2016,2017,2021A,2021B, and the anticipated 2024 Sewer Revenue Bonds.

County staff received Board approval on May 4, 2021, to solicit bondholder consent to proposed amendments to the Sewer 1985 General Bond Resolution as part of the Series 2021 Sewer Revenue bond sale. The primary amendment sought to reduce or eliminate the Sewer Bond Debt Reserve requirement as reflected in this fund. The County's Sewer Revenue Bonds hold triple-A bond ratings from all three bond rating agencies, and the County's Financial Advisor views this as an unnecessary requirement given the strong financial status of the Sewer Fund. The bondholder consent process requires a majority of outstanding bondholders, more than 50 percent, to approve these changes within a three-year period that expires in May 2024. As a condition to buying the Series 2021A and Series 2021B, all bondholders provided written consent to the proposed amendments. This translated to 43 percent of outstanding bondholders. County staff anticipate meeting the remaining percent threshold through the planned Series 2024A bond sale planned for March 2024. Assuming the 50 percent target is achieved, County staff would return to the Board in April 2024 to request adoption of the amendments. All monies in this fund would then be released for future Sewer capital projects or payment of existing Sewer debt service.

## Changes to FY 2024 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2024 Revised Budget Plan since passage of the FY 2024 Adopted Budget Plan. Included are all adjustments made as part of the FY 2023 Carryover Review and all other approved changes through December 31, 2023.*

**There have been no adjustments to this fund since approval of the FY 2024 Adopted Budget Plan.**

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### FUND STATEMENT

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2025 Advertised Budget Plan
<b>Beginning Balance</b>	<b>\$33,658,425</b>	<b>\$33,658,425</b>	<b>\$33,658,425</b>	<b>\$49,023,900</b>
<b>Revenue:</b>				
Bond Proceeds	\$0	\$15,365,475	\$15,365,475	\$0
<b>Total Revenue</b>	<b>\$0</b>	<b>\$15,365,475</b>	<b>\$15,365,475</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$33,658,425</b>	<b>\$49,023,900</b>	<b>\$49,023,900</b>	<b>\$49,023,900</b>
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Disbursements</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Balance<sup>1</sup></b>	<b>\$33,658,425</b>	<b>\$49,023,900</b>	<b>\$49,023,900</b>	<b>\$49,023,900</b>

<sup>1</sup> The fund balance provides a sufficient level to satisfy the legal reserve requirements for the 2014 Sewer Refunding Bonds, 2016 Sewer Refunding Bonds, 2017 Sewer Revenue Bonds, 2021A Sewer Revenue Bonds, 2021B Sewer Refunding Bonds, and the anticipated 2024 Sewer Revenue Bonds. This reserve provides for one year of principal and interest as required by the Sewer System's General Bond Resolution.