

# FUND STATEMENT

## Fund 69000, Sewer Revenue

	FY 2018 Estimate	FY 2018 Actual	Increase (Decrease) (Col. 2-1)	FY 2019 Adopted Budget Plan	FY 2019 Revised Budget Plan	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	\$82,540,638	\$82,540,638	\$0	\$76,498,733	\$90,507,789	\$14,009,056
Revenue:						
Lateral Spur Fees	\$16,800	\$4,200	(\$12,600)	\$16,800	\$16,800	\$0
Water Reuse Charges	164,606	48,907	(115,699)	164,606	164,606	0
Sales of Service	7,851,209	8,507,247	656,038	8,153,318	8,153,318	0
Availability Charges	12,595,035	25,974,491	13,379,456	12,595,035	12,595,035	0
Connection Charges	34,200	404,755	370,555	34,200	34,200	0
Sewer Service Charges	191,607,464	190,500,757	(1,106,707)	200,014,944	200,014,944	0
Miscellaneous Revenue	250,000	292,990	42,990	250,000	250,000	0
Sale Surplus Property	100,000	54,378	(45,622)	100,000	100,000	0
Interest on Investments	779,000	1,619,645	840,645	779,000	779,000	0
<b>Total Revenue</b>	\$213,398,314	\$227,407,370	\$14,009,056	\$222,107,903	\$222,107,903	\$0
<b>Total Available</b>	\$295,938,952	\$309,948,008	\$14,009,056	\$298,606,636	\$312,615,692	\$14,009,056
Transfers Out:						
Sewer Operation and Maintenance (69010)	\$101,440,000	\$101,440,000	\$0	\$100,470,000	\$100,470,000	\$0
Sewer Bond Parity Debt Service (69020)	22,930,000	22,930,000	0	21,250,000	21,250,000	0
Sewer Bond Debt Reserve (69030)	5,556	5,556	0	0	0	0
Sewer Bond Subordinate Debt Service (69040)	25,725,000	25,725,000	0	25,250,000	25,250,000	0
Sewer Construction Improvements (69300)	69,339,663	69,339,663	0	70,000,000	70,000,000	0
<b>Total Transfers Out</b>	\$219,440,219	\$219,440,219	\$0	\$216,970,000	\$216,970,000	\$0
<b>Total Disbursements</b>	\$219,440,219	\$219,440,219	\$0	\$216,970,000	\$216,970,000	\$0
<b>Ending Balance<sup>1</sup></b>	\$76,498,733	\$90,507,789	\$14,009,056	\$81,636,636	\$95,645,692	\$14,009,056
Management Reserves:						
Operating and Maintenance Reserve <sup>2</sup>	\$27,655,255	\$41,664,311	\$14,009,056	\$32,661,744	\$46,670,800	\$14,009,056
New Customer Reserve <sup>3</sup>	30,000,000	30,000,000	0	30,000,000	30,000,000	0
Virginia Resource Authority Reserve <sup>4</sup>	5,974,892	5,974,892	0	5,974,892	5,974,892	0
Capital Reinvestment Reserve <sup>5</sup>	12,868,586	12,868,586	0	13,000,000	13,000,000	0
<b>Total Reserves</b>	\$76,498,733	\$90,507,789	\$14,009,056	\$81,636,636	\$95,645,692	\$14,009,056
<b>Unreserved Balance</b>	\$0	\$0	\$0	\$0	\$0	\$0

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

<sup>2</sup> 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 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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 million would be required to reach 3.0 percent.