

FUND STATEMENT

Fund 69000, Sewer Revenue

	FY 2019 Estimate	FY 2019 Actual	Increase (Decrease) (Col. 2-1)	FY 2020 Adopted Budget Plan	FY 2020 Revised Budget Plan	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$90,507,789	\$90,507,789	\$0	\$95,645,692	\$108,687,908	\$13,042,216
Revenue:						
Lateral Spur Fees	\$16,800	\$9,600	(\$7,200)	\$16,911	\$16,911	\$0
Water Reuse Charges	164,606	234,058	69,452	164,606	164,606	0
Sales of Service	8,153,318	11,051,369	2,898,051	9,042,552	9,042,552	0
Availability Charges	12,595,035	21,476,093	8,881,058	15,887,138	15,887,138	0
Connection Charges	34,200	673,942	639,742	34,425	34,425	0
Sewer Service Charges	200,014,944	198,631,795	(1,383,149)	209,182,463	209,182,463	0
Miscellaneous Revenue	250,000	361,043	111,043	664,606	664,606	0
Sale Surplus Property	100,000	42,425	(57,575)	100,000	100,000	0
Interest on Investments	779,000	2,669,794	1,890,794	650,000	650,000	0
Total Revenue	\$222,107,903	\$235,150,119	\$13,042,216	\$235,742,701	\$235,742,701	\$0
Total Available	\$312,615,692	\$325,657,908	\$13,042,216	\$331,388,393	\$344,430,609	\$13,042,216
Transfers Out:						
Sewer Operation and Maintenance (69010)	\$100,470,000	\$100,470,000	\$0	\$109,220,000	\$109,220,000	\$0
Sewer Bond Parity Debt Service (69020)	21,250,000	21,250,000	0	23,100,000	23,100,000	0
Sewer Bond Subordinate Debt Service (69040)	25,250,000	25,250,000	0	22,000,000	22,000,000	0
Sewer Construction Improvements (69300)	70,000,000	70,000,000	0	75,000,000	75,000,000	0
Total Transfers Out	\$216,970,000	\$216,970,000	\$0	\$229,320,000	\$229,320,000	\$0
Total Disbursements	\$216,970,000	\$216,970,000	\$0	\$229,320,000	\$229,320,000	\$0
Ending Balance¹	\$95,645,692	\$108,687,908	\$13,042,216	\$102,068,393	\$115,110,609	\$13,042,216
Management Reserves:						
Operating and Maintenance Reserve ²	\$46,670,800	\$45,000,000	(\$1,670,800)	\$45,000,000	\$45,000,000	\$0
New Customer Reserve ³	30,000,000	30,000,000	0	30,000,000	30,000,000	0
Virginia Resource Authority Reserve ⁴	5,974,892	5,974,892	0	5,974,892	5,974,892	0
Capital Reinvestment Reserve ⁵	13,000,000	27,713,016	14,713,016	21,093,501	34,135,717	13,042,216
Total Reserves	\$95,645,692	\$108,687,908	\$13,042,216	\$102,068,393	\$115,110,609	\$13,042,216
Unreserved Balance	\$0	\$0	\$0	\$0	\$0	\$0

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

² 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.

³ 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.

⁴ 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.

⁵ 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.