

Fund 69000: Sewer Revenue

FUND STATEMENT

Category	FY 2019 Actual	FY 2020 Adopted Budget Plan	FY 2020 Revised Budget Plan	FY 2020 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$90,507,789	\$95,645,692	\$108,685,073	\$108,685,073	\$0
Revenue:					
Lateral Spur Fees	\$9,600	\$16,911	\$16,911	\$16,911	\$0
Water Reuse Charges	234,058	164,606	164,606	164,606	0
Sales of Service	11,051,369	9,042,552	9,042,552	9,042,552	0
Availability Charges ¹	21,473,258	15,887,138	15,887,138	15,887,138	0
Connection Charges	673,942	34,425	34,425	34,425	0
Sewer Service Charges	198,631,795	209,182,463	209,182,463	209,182,463	0
Miscellaneous Revenue	361,043	664,606	664,606	664,606	0
Sale Surplus Property	42,425	100,000	100,000	100,000	0
Interest on Investments	2,669,794	650,000	650,000	650,000	0
Total Revenue	\$235,147,284	\$235,742,701	\$235,742,701	\$235,742,701	\$0
Total Available	\$325,655,073	\$331,388,393	\$344,427,774	\$344,427,774	\$0
Transfers Out:					
Sewer Operation and Maintenance (69010)	\$100,470,000	\$109,220,000	\$109,220,000	\$109,220,000	\$0
Sewer Bond Parity Debt Service (69020)	21,250,000	23,100,000	23,100,000	23,100,000	0
Sewer Bond Subordinate Debt Service (69040)	25,250,000	22,000,000	22,000,000	22,000,000	0
Sewer Construction Improvements (69300)	70,000,000	75,000,000	75,000,000	75,000,000	0
Total Transfers Out	\$216,970,000	\$229,320,000	\$229,320,000	\$229,320,000	\$0
Total Disbursements	\$216,970,000	\$229,320,000	\$229,320,000	\$229,320,000	\$0
Ending Balance²	\$108,685,073	\$102,068,393	\$115,107,774	\$115,107,774	\$0
Management Reserves:					
Operating and Maintenance Reserve ³	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$0
New Customer Reserve ⁴	30,000,000	30,000,000	30,000,000	30,000,000	0
Virginia Resource Authority Reserve ⁵	5,974,892	5,974,892	5,974,892	5,974,892	0
Capital Reinvestment Reserve ⁶	27,710,181	21,093,501	34,132,882	34,132,882	0
Total Reserves	\$108,685,073	\$102,068,393	\$115,107,774	\$115,107,774	\$0
Unreserved Balance	\$0	\$0	\$0	\$0	\$0

¹ In order to account for revenues in the proper fiscal year, an audit adjustment in the amount of \$2,835.00 has been reflected as a decrease to the FY 2019 Availability Charges. The audit adjustment has been included in the FY 2019 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustment are included in the FY 2020 Third Quarter Package.

² The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements, operation and maintenance expenses and capital improvements.

³ 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.

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⁴ 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.

⁵ 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.

⁶ 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.