

# Fund 69000: Sewer Revenue

## FUND STATEMENT

Category	FY 2022 Actual	FY 2023 Adopted Budget Plan	FY 2023 Revised Budget Plan	FY 2023 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	<b>\$131,476,283</b>	<b>\$126,856,856</b>	<b>\$119,748,967</b>	<b>\$119,748,967</b>	<b>\$0</b>
<b>Revenue:</b>					
Lateral Spur Fees	\$3,000	\$10,000	\$10,000	\$10,000	\$0
Water Reuse Charges	219,082	275,000	275,000	275,000	0
Sales of Service <sup>1</sup>	10,984,471	10,288,000	10,288,000	10,288,000	0
Availability Charges	16,355,050	19,424,000	19,424,000	19,424,000	0
Connection Charges	707,819	250,000	250,000	250,000	0
Sewer Service Charges	218,884,269	234,640,800	234,640,800	234,640,800	0
Sewer Hauled Charges	137,192	300,000	300,000	300,000	0
Miscellaneous Revenue	278,169	400,000	400,000	400,000	0
Sale Surplus Property	70,862	100,000	100,000	100,000	0
Interest on Investments	345,770	1,800,000	1,800,000	1,800,000	0
<b>Total Revenue</b>	<b>\$247,985,684</b>	<b>\$267,487,800</b>	<b>\$267,487,800</b>	<b>\$267,487,800</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$379,461,967</b>	<b>\$394,344,656</b>	<b>\$387,236,767</b>	<b>\$387,236,767</b>	<b>\$0</b>
<b>Transfers Out:</b>					
Sewer Operation and Maintenance (69010)	\$116,713,000	\$122,100,000	\$122,100,000	\$122,100,000	\$0
Sewer Bond Parity Debt Service (69020)	32,000,000	27,000,000	28,500,000	28,500,000	0
Sewer Bond Subordinate Debt Service (69040)	25,000,000	22,200,000	22,200,000	22,200,000	0
Sewer Construction Improvements (69300) <sup>2</sup>	86,000,000	89,000,000	89,000,000	89,002,999	2,999
<b>Total Transfers Out</b>	<b>\$259,713,000</b>	<b>\$260,300,000</b>	<b>\$261,800,000</b>	<b>\$261,802,999</b>	<b>\$2,999</b>
<b>Total Disbursements</b>	<b>\$259,713,000</b>	<b>\$260,300,000</b>	<b>\$261,800,000</b>	<b>\$261,802,999</b>	<b>\$2,999</b>
<b>Ending Balance<sup>3</sup></b>	<b>\$119,748,967</b>	<b>\$134,044,656</b>	<b>\$125,436,767</b>	<b>\$125,433,768</b>	<b>(\$2,999)</b>
<b>Management Reserves:</b>					
Operating and Maintenance Reserve <sup>4</sup>	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$0
New Customer Reserve <sup>5</sup>	30,000,000	30,000,000	30,000,000	30,000,000	0
Capital Reinvestment Reserve <sup>6</sup>	44,748,967	59,044,656	50,436,767	50,433,768	(2,999)
<b>Total Reserves</b>	<b>\$119,748,967</b>	<b>\$134,044,656</b>	<b>\$125,436,767</b>	<b>\$125,433,768</b>	<b>(\$2,999)</b>
<b>Unreserved Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> In order to account for revenues and expenditures in the proper fiscal year, audit adjustments are reflected as a decrease of \$147,303.42 to the FY 2022 Sales of Service to properly record revenue in the proper fiscal period. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2022. Details of the audit adjustments are found in Attachment VI of the FY 2023 *Third Quarter Review*.

<sup>2</sup> The FY 2023 Third Quarter Estimate Transfer Out to Fund 69300, Sewer Construction Improvements, is recommended to increase \$2,999. This increase is necessary due to audit adjustments reflected in the FY 2022 expenditures within Fund 69300.

<sup>3</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>4</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 \$25.0 and \$45.0 million. This level of reserve is based on an industry practice to maintain existing customer reserves at a

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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>5</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>6</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 \$30.0 million would be required to reach 3.0 percent.