

FUND STATEMENT

Fund 69000, Sewer Revenue

	FY 2012 Estimate	FY 2012 Actual	Increase (Decrease) (Col. 2-1)	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$96,393,648	\$96,393,648	\$0	\$117,973,930	\$119,595,619	\$1,621,689
Revenue:						
Lateral Spur Fees	\$10,000	\$87,000	\$77,000	\$10,000	\$10,000	\$0
Sales of Service	9,500,000	10,544,496	1,044,496	8,929,364	8,929,364	0
Availability Charges	28,000,000	28,959,575	959,575	12,927,000	12,927,000	0
Connection Charges	30,000	125,430	95,430	30,000	30,000	0
Sewer Service Charges	149,148,866	148,891,691	(257,175)	161,767,000	161,767,000	0
Miscellaneous Revenue	150,000	323,720	173,720	150,000	150,000	0
Sale Surplus Property	30,000	30,527	527	30,000	30,000	0
Interest on Investments	900,000	428,116	(471,884)	748,000	748,000	0
Total Revenue	\$187,768,866	\$189,390,555	\$1,621,689	\$184,591,364	\$184,591,364	\$0
Total Available	\$284,162,514	\$285,784,203	\$1,621,689	\$302,565,294	\$304,186,983	\$1,621,689
Transfers Out:						
Sewer Operation and Maintenance (69010)	\$86,000,000	\$86,000,000	\$0	\$93,750,000	\$93,750,000	\$0
Sewer Construction Improvements (69300)	29,000,000	29,000,000	0	30,000,000	30,000,000	0
Sewer Bond Parity Debt Service (69020)	25,554,960	25,554,960	0	21,000,000	21,000,000	0
Sewer Bond Subordinate Debt Service (69040)	25,633,624	25,633,624	0	27,000,000	27,000,000	0
Total Transfers Out	\$166,188,584	\$166,188,584	\$0	\$171,750,000	\$171,750,000	\$0
Total Disbursements	\$166,188,584	\$166,188,584	\$0	\$171,750,000	\$171,750,000	\$0
Ending Balance¹	\$117,973,930	\$119,595,619	\$1,621,689	\$130,815,294	\$132,436,983	\$1,621,689
Management Reserves:						
Operating and Maintenance Reserve ²	\$45,000,000	\$45,000,000	\$0	\$45,000,000	\$45,000,000	\$0
New Customer Reserve ³	23,000,000	23,000,000	0	23,000,000	23,000,000	0
Virginia Resource Authority Reserve ⁴	6,637,072	6,637,072	0	6,637,072	6,637,072	0
Capital Reinvestment Reserve ⁵	23,000,000	23,000,000	0	29,500,000	29,500,000	0
Total Reserves	\$97,637,072	\$97,637,072	\$0	\$104,137,072	\$104,137,072	\$0
Unreserved Balance	\$20,336,858	\$21,958,547	\$1,621,689	\$26,678,222	\$28,299,911	\$1,621,689

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 industry practice to maintain existing customer reserves at a level which 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 targeted to be maintained at approximately \$22 to \$23 million. This level of 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 as well as fluctuations in project scope requirements. It is anticipated that this reserve will eventually reach an amount which is 3.0 percent of the total five year capital funding plan or approximately \$30,000,000. A reserve of 3.0 percent of the five year capital plan is consistent with other with other utilities and is recommended by rating agencies.