



## Staff Memo

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**To:** Dan Best, Chief Administrative Officer

**From:** Sandy Becker, Director of Financial Services/Treasurer

**Date:** November 20, 2019

**Report:** Budget Report

**Subject:** Water – Sewer Reserve Reconciliation

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The water/sewer rate study identified that the sewer revenues would not be sufficient to offset the sewer capital plan and therefore, proposed borrowing from the water capital replacement reserves.

Below is a reconciliation of the water and sewer capital replacement reserves, reflecting the contributions and usage of these reserves as identified in the 2019 and 2020 budgets.

<b>Water Capital Replacement Reserve</b>	
<b>Balance as of December 31, 2018</b>	<b>5,018,262</b>
Add: 2019 Budget Contribution	816,000
Less: 2019 Budget Capital Plan	(1,897,655)
Less: 2019 estimated amount transferred to Sewer projects	(190,506)
<b>Estimated Balance as of December 31, 2019</b>	<b>3,746,101</b>
Add: 2020 Budget Contribution	1,028,151
Less: 2020 Budget Capital Plan	(2,425,329)
Less: 2020 Amount transferred to Sewer Projects	(1,433,413)
<b>Estimated Balance as of December 31, 2020</b>	<b>915,510</b>
<b>Sewer Capital Replacement Reserve</b>	
<b>Balance as of December 31, 2018</b>	<b>1,386,427</b>
Add: 2019 Budget Contribution	428,678
Less: 2019 Budget Capital Plan	(2,005,611)
<b>Estimated amount required from Water Capital Reserve as of Dec 31, 2019</b>	<b>(190,506)</b>
Add: 2020 Budget Contribution	524,711
Add: Sewer User fee available for capital	278,200
Less: 2020 Budget Capital Plan	(2,236,324)
<b>Estimated amount required from Water Capital Reserve as of Dec 31, 2020</b>	<b>(1,623,919)</b>