

Wastewater:

- General Fund Balance: This is the total net position as of June 30, 2018. This includes a mix of cash and assets. The sheet details the cash and the assets so we can clearly see how much of each we had on hand on June 30, 2019. This fund balance is our operating cash and will fluctuate daily.
- Short-term (10 yr) capital fund. This is to replace items that have an estimated life span of 10 years or less. The yearly contribution is based on a spreadsheet which details all of this equipment and is confirmed by an engineer. Then there is an expected amount per piece of equipment that needs to be set aside each year so that each piece of equipment can be paid for in cash when it is due to be replaced (or it fails). For the past few years this has been underfunded. This year we increased the allocation here to be correctly funded.
- Collection System Capital Fund. The goal is to fund this at 3% of revenue annually. This includes pipes and major underground replacement including payments for parts, engineering, contractors etc.
- Wastewater Capital Reserve. Funding this at 10% of revenue is advised by industry standards and is where we have been for the past few years. This year we reduced funding to this line to help pay for the increase in staffing. This includes assets that have a longer than a 10 year life and which are note pipes.

Water:

- General Fund Balance: This is the total net position as of June 30, 2018. This includes a mix of cash and assets. The sheet details the cash and the assets so we can clearly see how much of each we had on hand on June 30, 2019. This fund balance is our operating cash and will fluctuate daily.
- Short-term (10 yr) capital fund. This is to replace items that have an estimated life span of 10 years or less. The yearly contribution is based on a spreadsheet which details all of this equipment and is confirmed by an engineer. Then there is an expected amount per piece of equipment that needs to be set aside each year so that each piece of equipment can be paid for in cash when it is due to be replaced (or it fails).
- Distribution System Capital fund. The goal is to fund this at 5% of revenue annually. This includes pipes and major underground replacement including payments for parts, engineering, contractors etc.
- Water Capital Reserve. Funding this at 10% of revenue is advised by industry standards, and we have been at or above this for the past few years. This year we reduced funding to this line to help pay for the increase in staffing. This includes assets with a longer than a 10 year life expectancy but the fund could be used for anything in the system as needed.