

Our Mission: To build and maintain water delivery, sanitary sewer collection, and wastewater treatment systems that provide high-quality water and sewer services and products

SIGNIFICANT BUDGET CHANGES

The FY 2019 proposed expenditure budget for the Utilities Fund is \$89,490,459, a less than one percent decrease from the FY 2018 adopted budget. The FY 2019 budget reflects:

- ↑ Personnel increases due to the addition a Public Engagement Specialist (\$127,381, 1.0 FTE), employee salary increases, an increase in the County's cost for employee health insurance, and retirement contributions based on current actuarial projections, partially offset by charge-backs to capital.
- ↓ Non-personnel decreases due to the reduction for purchased water (\$800,000) and elimination of FY 2018 one-time expenses (\$37,999), partially offset by sewer preventative maintenance equipment funding (\$144,000), Trades Center optimization study funding (\$100,000), adjustments to the annual expense for maintenance and replacement of County vehicles (\$18,301), operating costs associated with the asset management software (\$4,885), ongoing operating expenses for the new position (\$1,220), and one-time funding for the new position (\$4,000).
- ↓ Debt service decreases due to repayment of General Obligation Bonds for various Utilities Fund capital projects and the repayment of a portion of funds borrowed through the Virginia Wastewater Revolving Loan Fund for the Master Plan 2001 project at the Water Pollution Control Plant (WPCP) (\$613,007).
- ↑ Other expenses increase due to higher overhead charges based on FY 2019 projections (\$343,061).
- ↓ Revenue decreases due to a projected decrease in sewage treatment charges from neighboring jurisdictions (\$454,147), offset by increases for Lee Pumping Station lease agreements (\$5,495) and interest income (\$25,000).
- ↑ Fund Balance Utilized increases from the prior year by \$589,448 and reflects the planned drawdown of fund balance, consistent with the County's financial policies.

The total water/sewer rate is proposed to remain at \$13.62 per thousand gallons (TG). The water rate and sewer rates are currently \$4.53/TG and \$9.09/TG respectively effective May 1, 2017. The average homeowner, using approximately 60 TG annually, spends \$817 per year.

The following fees and other revenue are used to fund operating and capital costs for the Utilities Fund. The capital costs are reflected in the Pay-As-You-Go Capital portion of the budget, found in Tab E.

Fund Balances from Prior Years: The County maintains a fund balance, consistent with the Board-adopted financial policy to maintain an operating reserve equal to three months of expenses, to cover emergency events that might impact water and sewer services.

Interest Earnings: Interest earned on the fund balance accrues to the Utilities Fund monthly.

Water/Sewer Billing: These charges generate approximately 94 percent of the income for the Utilities Fund. This category includes sewer revenue from government facilities and authorities and other organizations (such as the Pentagon and Reagan National Airport) that use the County's sewage system but receive their drinking water from other sources.

Water Service Connection Fee: This fee is paid by new water users for a physical connection to the water system. The fee recovers 100 percent of personnel, materials, and equipment rental costs.

Sewage Treatment Charges: These charges are paid by neighboring jurisdictions (Fairfax County and the Cities of Falls Church and Alexandria). Consistent with memoranda of understanding that the County has signed with Fairfax County and the Cities of Falls Church and Alexandria, the neighboring jurisdictions are charged both for their share of costs associated with operating the County's sewage system as well as with making necessary capital improvements to it.

Water/Sewer Late Fee: The County imposes a six percent fee on any water and sewer charges if, 30 days after the billing date, there is an outstanding balance on the account.

New Account Fee: This \$25 fee is charged to new customers when they set up a new utilities account.

Turn-On Fee: This \$25 fee is charged when the County turns on a customer's water service after it had previously been shut off either at the customer's request or for non-payment.

Flow Test Fee: This fee is charged when developers request fire flow information necessary to do sprinkler system design.

DFU Credit Inspection Fee: This fee is charged when developers request a credit for existing drainage fixture units (DFUs) at properties that will be demolished. The credit offsets the Infrastructure Availability Fees that a developer will be charged for new construction.

Pretreatment Fee: This fee is assessed on certain businesses that introduce pollutants into the sewer system, or "Significant Industrial Users," to recover all of the costs of the industrial pretreatment program, which ensures compliance with state and federal standards.

Utility Marking Fee: This fee is charged to developers to have utility lines marked before construction begins.

Hazardous Household Material Fee: This fee is charged for the safe disposal of household waste products that contain hazardous materials and require special waste management to minimize environmental impacts (televisions, computer monitors, etc.).

Infrastructure Availability Fee: This fee is charged to developers for the capital costs associated with adding new demand on the water and sewer systems and is based on the number of drainage fixtures units added to the system. Revenues for this fee are accounted for in the Utilities Capital Pay-As-You-Go Fund.

PROGRAM FINANCIAL SUMMARY

	FY 2017 Actual	FY 2018 Adopted	FY 2019 Proposed	% Change '18 to '19
Personnel	\$21,123,353	\$24,406,079	\$25,003,746	2%
Non-Personnel	27,609,576	29,682,602	29,117,009	-2%
Debt Service	32,012,064	31,808,987	31,195,980	-2%
Other	4,492,675	4,680,663	5,023,724	7%
Subtotal	85,237,668	90,578,331	90,340,459	-
Intra-County Revenue	(911,326)	(800,000)	(850,000)	6%
Total Operating Expenditures	84,326,342	89,778,331	89,490,459	-
Revenues	102,318,588	101,839,411	101,415,759	-
Fund Balance Utilized	-	1,510,560	2,100,000	39%
Total Revenues and Fund Balance	102,318,588	103,349,971	103,515,759	-
Transfer to Capital	13,910,500	13,571,640	14,025,300	3%
Total Transfers Out (In)	13,910,500	\$13,571,640	\$14,025,300	3%
Change in Fund Balance	\$4,081,746	-	-	-
Permanent FTEs	241.75	244.75	245.75	
Temporary FTEs	2.20	2.20	2.20	
Total Authorized FTEs	243.95	246.95	247.95	

Note: In FY 2018, \$1,510,560 from prior year fund balance will be used and in FY 2019, \$2,100,000 from prior year fund balance will be used. The fund balance has been drawn down over the past few years and is projected to be above the minimum requirement, per policy, at the end of FY 2019. The County has used the fund balance to offset for rate stabilization and one-time operating and capital expenditures.

UTILITIES FUND
OPERATING STATEMENT

	FY 2017 ACTUAL	FY 2018 ADOPTED	FY 2018 RE-ESTIMATE	FY 2019 PROPOSED
BALANCE JULY 1	\$19,341,232	\$16,662,300	\$23,422,978	\$18,601,528
REVENUE				
Interest	106,547	50,000	75,000	75,000
Water/Sewer Billing	96,725,428	95,606,571	96,632,000	95,606,571
Water Service Connection Fee	1,068,985	1,100,000	1,100,000	1,100,000
Water Service Discontinuation	146,055	140,000	140,000	140,000
Meter Installation	34,275	25,000	25,000	25,000
Sewage Treatment Charges	3,172,144	3,925,000	3,700,000	3,470,853
Late Fee	390,293	415,000	415,000	415,000
New Account Fee	114,825	100,000	100,000	100,000
Turn-On Fee	32,548	13,000	13,000	13,000
Flow Test Fee	10,424	7,500	7,500	7,500
Pretreatment Fee	10,400	5,200	5,200	5,200
Utility Marking Fee	224,217	195,000	195,000	195,000
Hazardous Household Material Fee	10,660	10,000	10,000	10,000
Miscellaneous Revenue	271,787	247,140	247,140	252,635
TOTAL REVENUE	102,318,588	101,839,411	102,664,840	101,415,759
OPERATING EXPENSES				
Utilities Services Office (net of intra-county billing revenue)	455,531	645,668	925,000	685,910
WSS Operations	17,394,717	18,136,317	18,350,000	18,884,085
Water Purchase	6,750,935	8,000,000	7,200,000	7,200,000
Water/Sewer Records	674,627	780,123	700,000	778,298
Water Pollution Control	22,545,793	25,726,573	24,750,000	25,722,462
Debt Service	32,012,064	31,808,987	34,308,987	31,195,980
Other	4,492,675	4,680,663	4,680,663	5,023,724
TOTAL EXPENSES	84,326,342	89,778,331	90,914,650	89,490,459
BALANCE (SUBTOTAL)	37,333,478	28,723,380	35,173,168	30,526,828
TRANSFERS OUT				
Utility Construction (Fund 519)	13,910,500	13,571,640	16,571,640	14,025,300
TOTAL TRANSFERS	13,910,500	13,571,640	16,571,640	14,025,300
TOTAL EXPENSE AND TRANSFERS	98,236,842	103,349,971	107,486,290	103,515,759
BALANCE, JUNE 30	23,422,978	15,151,740	18,601,528	16,501,528
Board-adopted Three-month Operating Reserve (excludes debt service)	\$13,306,401	\$14,692,336	\$14,363,916	\$14,786,120
Water/Sewer Rate per 1,000 gallons	\$13.27	\$13.62	\$13.62	\$13.62

Note: Fund balance declines due to the planned use of fund balance for rate stabilization and one-time operating and capital expenditures.

WATER, SEWER, STREETS BUREAU

PROGRAM MISSION

To protect the health and welfare of Arlington residents and visitors by efficiently providing safe water and sanitary sewer services.

- Purchases wholesale safe drinking water from the Army Corps of Engineers' Washington Aqueduct Division.
- Ensures adequate water flows and pressure.
- Reads, inspects, installs, and tests over 37,400 meters in the County (Water Meter Program).
- Monitors and operates the County's water system, investigates potential water leaks and water losses, and addresses resident concerns (Control Center).
- Maintains and repairs water mains, valves, fire hydrants, and other appurtenances; installs new water service connections and fire line valves; and relocates or adjusts water infrastructure in conjunction with street and utility construction (Water Construction and Maintenance Program).
- Conducts inspections and tests of valves and pumping stations, inspects and tests fire hydrants, and flushes water lines (Flushing and Inspection Program).
- Operates and maintains the County's sewage collection system.
- Maintains, flushes, and cleans sanitary sewer lines (Sewer Flushing Program).
- Identifies deficiencies in the sewer system (TV Inspection Program).
- Installs new sewer mains, adjusts or replaces manhole frames and covers that have become worn, and makes spot repairs.
- Responds to sewer stoppages and other emergencies around the clock.

SIGNIFICANT BUDGET CHANGES

- ↑ Personnel increases due to employee salary increases, an increase in the County's cost for employee health insurance, and retirement contributions based on current actuarial projections.
- ↓ Non-personnel decreases due to projected costs for purchased water (\$800,000) and elimination of FY 2018 one-time funding (\$31,000), offset by one-time funding for a Trades Center optimization study (\$100,000), sewer preventative maintenance equipment rentals (\$144,000), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$43,406).
- ↑ Revenue increases due to Lee Pumping Station lease agreements with Sprint and Omnipoint (\$5,495).

WATER, SEWER, STREETS BUREAU

PROGRAM FINANCIAL SUMMARY

	FY 2017 Actual	FY 2018 Adopted	FY 2019 Proposed	% Change '18 to '19
Personnel	\$10,405,076	\$11,787,996	\$12,279,358	4%
Non-Personnel	13,740,576	14,348,321	13,804,727	-4%
Total Operating Expenditures	24,145,652	26,136,317	26,084,085	-
Total Revenues	1,511,425	1,505,140	1,510,635	-
Net Revenue Support	\$22,634,227	\$24,631,177	\$24,573,450	-
Permanent FTEs	133.00	135.00	135.00	
Temporary FTEs	0.60	0.60	0.60	
Total Authorized FTEs	133.60	135.60	135.60	

PERFORMANCE MEASURES

Critical Measures	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Number of water main breaks (per 100 miles)	35.7	55.9	26.0	35.0	40.0	35.0
Public sanitary sewer backups	17	35	70	70	53	70

- The number of water main breaks varies year to year based on temperature fluctuations and system conditions. In FY 2015, a higher than average number of main breaks were due to a pressure relief valve (PRV) failure. In FY 2018, the estimate is higher based on fluctuating temperatures throughout the winter.

Supporting Measures	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Commercial meters inspected	-	-	-	81	197	200
Hydrants inspected	2,169	1,610	1,271	1,039	3,700	3,700
Sanitary sewer flushing (segments)	-	-	-	3,491	4,000	4,000
Valves inspected	3,200	3,329	2,121	3,258	4,000	4,000
Water service installations	-	-	347	309	320	320

- Valve inspection is defined as the crew making an assessment of the valve and recording its attributes. In FY 2016, valves inspected were lower than prior years as the program transitioned from contractual to in-house personnel, which required time for hiring and training of personnel.

WATER SEWER RECORDS

PROGRAM MISSION

To preserve the integrity of Arlington’s water and sewer infrastructure.

- Maintain and disseminate up-to-date and accurate records of Arlington’s water distribution and sewer collection system infrastructure. These records ensure that proposed construction or repair work within Arlington does not compromise the County’s utilities infrastructure.
- Automate water and sewer records for incorporation into Geographic Information System (GIS) maps.
- Review building and utility permits, compute service connection fees, initiate water service installations, and administer the fire hydrant permit program.

SIGNIFICANT BUDGET CHANGES

- ↓ Personnel decreases due to an increase in the projected amount of staff time spent on capital projects, partially offset by employee salary increases, an increase to the County’s cost for employee health insurance, and retirement contributions based on current actuarial projections.

PROGRAM FINANCIAL SUMMARY

	FY 2017 Actual	FY 2018 Adopted	FY 2019 Proposed	% Change '18 to '19
Personnel	\$329,445	\$314,223	\$312,398	-1%
Non-Personnel	345,182	465,900	465,900	-
Total Operating Expenditures	674,627	780,123	778,298	-
Total Revenues	244,317	209,500	209,500	-
Net Revenue Support	\$430,310	\$570,623	\$568,798	-
Permanent FTEs	4.00	4.00	4.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	4.00	4.00	4.00	

UTILITIES SERVICES OFFICE

PROGRAM MISSION

To bill Arlington County customers accurately and efficiently for water, sewer, and refuse services.

- Efficiently generate accurate, customer-oriented billings for approximately 37,400 water, sewer, and refuse accounts.
- Respond to customer services inquiries, administer the leak adjustment and cut off programs.
- Ensure that utilities payments are posted to customers' accounts promptly and accurately.

SIGNIFICANT BUDGET CHANGES

- ↑ Personnel increases due to the addition of a Public Engagement Specialist (\$127,381, 1.0 FTE) employee salary increases, an increase in the County's cost for employee health insurance, and retirement contributions based on current actuarial projections, partially offset by the chargeback to capital for capital work (\$66,300).
- ↑ Non-personnel increases due to the addition of software license costs for the asset management system (\$4,885), and ongoing operating costs (\$1,220), and one-time equipment costs (\$4,000) associated with the Public Engagement Specialist.
- ↑ Intra-county revenue increases due to increased billings to County agencies for water and sewer use (\$50,000).
- ↑ Revenue increases due to projected interest earnings (\$25,000).
 - Water and sewer revenue, late fees, new account fees, turn on fees, and interest are included in Utilities Services Office revenue; however, they support the Utilities Fund overall.

PROGRAM FINANCIAL SUMMARY

	FY 2017 Actual	FY 2018 Adopted	FY 2019 Proposed	% Change '18 to '19
Personnel	\$984,723	\$1,122,372	\$1,202,509	7%
Non-Personnel	382,134	323,296	333,401	3%
Subtotal	1,366,857	1,445,668	1,535,910	6%
Intra-County Revenue	(911,326)	(800,000)	(850,000)	6%
Total Operating Expenditures	455,531	645,668	685,910	6%
Total Revenues	\$97,369,642	\$96,184,571	\$96,209,571	-
Permanent FTEs	10.75	11.75	12.75	
Temporary FTEs	-	-	-	
Total Authorized FTEs	10.75	11.75	12.75	

PERFORMANCE MEASURES

Critical Measures	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Non-revenue water: percent of purchased water	13%	11%	10%	10%	10%	10%

UTILITIES SERVICES OFFICE

Percent of bills which were estimated	0.3%	1.3%	1.9%	0.9%	0.4%	0.4%
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Supporting Measures	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Number of bills issued	174,484	174,907	174,975	175,168	176,000	176,000
Number of estimated bills issued	527	2,266	3,418	1,624	750	750
Volume of non-revenue water (million gallons)	1,084.03	901.94	737.47	778.08	715.00	715.00
Volume of water billed to customers (million gallons)	7,056.95	7,219.99	6,972.44	7,265.24	7,150.00	7,150.00

- Non-revenue water is unbilled uses of water including water main breaks, water line and hydrant flushing, fire suppression activities, and water leaks. The volume of unbilled water is derived by deducting the billed amount of water from the amount of purchased water.
- In prior budget documents, the number of estimated bills were per 100,000 bills. For clarity and transparency, this is now being presented as the actual count.
- A higher number of estimated bills occurred during FY 2015 and FY 2016. In FY 2015, this was due to primarily to meter reads for one cycle not completed in time for the bill date. In FY 2016, this was due to the large snowstorm which prevented meter reads from being completed on time. Estimates were utilized so bills could be sent out on time to customers.
- Volume of water billed to customers varies due to factors that affect consumption, including weather, household leaks, and irrigation. FY 2016 was a lower usage year due to lower temperatures and higher than average rainfall.

WATER POLLUTION CONTROL BUREAU

PROGRAM MISSION

To protect public health and the environment through the safe and cost-effective treatment and disposal of wastewater generated in Arlington County.

- The Water Pollution Control Bureau (WPCB) treats wastewater generated in Arlington County at the Water Pollution Control Plant (WPCP).
- The WPCB also treats a portion of the wastewater from Fairfax County and the Cities of Falls Church and Alexandria.
- The WPCB also operates a Household Hazardous Material (HHM) Program that provides for the safe collection and disposal of household waste products that contain hazardous materials and require special waste management to minimize environmental impacts.
- Virginia's Departments of Environmental Quality (DEQ), Health (VDH) and Occupational Safety and Health (VOSH) and the U.S. Environmental Protection Agency (EPA) regulate the activities of the Water Pollution Control Plant.

SIGNIFICANT BUDGET CHANGES

- ↑ Personnel increases due to employee salary increases, an increase in the County's cost for employee health insurance, and retirement contributions based on current actuarial projections, partially offset by charge-backs to capital for capital work.
- ↓ Non-personnel decreases due to adjustments to the annual expense for the maintenance and replacement of County vehicles (\$25,105) and the elimination of FY 2018 one-time funding (\$6,999).
- ↓ Revenue decreases due to a projected decrease in sewage treatment charges from neighboring jurisdictions (\$454,147).

PROGRAM FINANCIAL SUMMARY

	FY 2017 Actual	FY 2018 Adopted	FY 2019 Proposed	% Change '18 to '19
Personnel	\$9,404,109	\$11,181,488	\$11,209,481	-
Non-Personnel	13,141,684	14,545,085	14,512,981	-
Total Operating Expenditures	22,545,793	25,726,573	25,722,462	-
Total Revenues	3,193,204	3,940,200	3,486,053	-12%
Net Revenue Support	\$19,352,589	\$21,786,373	\$22,236,409	2%
Permanent FTEs	94.00	94.00	94.00	
Temporary FTEs	1.60	1.60	1.60	
Total Authorized FTEs	95.60	95.60	95.60	

WATER POLLUTION CONTROL BUREAU

PERFORMANCE MEASURES

Critical Measures	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Treatment cost per million gallons per day (MGD) of actual flow	\$2,594	\$2,644	\$2,721	\$2,781	\$2,634	\$2,742

- The cost per million gallons of actual total average flow is net of the payment that the County makes to Fairfax County for the transmission to and processing of a portion of Arlington's wastewater at the District of Columbia Water and Sewer Authority's Blue Plains facility.

Supporting Measures	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Average daily biological oxygen demand load (pounds/day)	-	-	70,000	62,000	71,000	72,000
Chemical volume per million gallons (MG) treated (pounds)	-	-	571	567	560	555
Energy used at the Plant (kilowatt hour/ Million Gallons per Day(MGD))	-	-	3,400	3,700	3,700	3,600
Household hazardous material received (pounds)	607,872	592,801	568,028	523,492	531,000	541,000
Lost time - safety (days)	-	-	46	0	25	10
Preventive maintenance completed on time (percent)	85%	92%	92%	86%	94%	100%
Total average flow (MGD: million gallons per day)	23.2	23.0	23.3	21.6	24.5	25.0

DEBT SERVICE AND OTHER

PROGRAM MISSION

This line of business captures:

- Debt service for the repayment of bonds and loans used to finance capital improvements to the water distribution and sewage collection systems and also the Water Pollution Control Plant (WPCP).
- Fund-wide and miscellaneous expenditures such as rental of office space at Courthouse Plaza and state-mandated payments to the Virginia Waterworks Fund.
- The Utilities Fund’s allocated share of overhead charges for work performed by both the Department of Environmental Services (DES) and non-DES General Fund agencies.

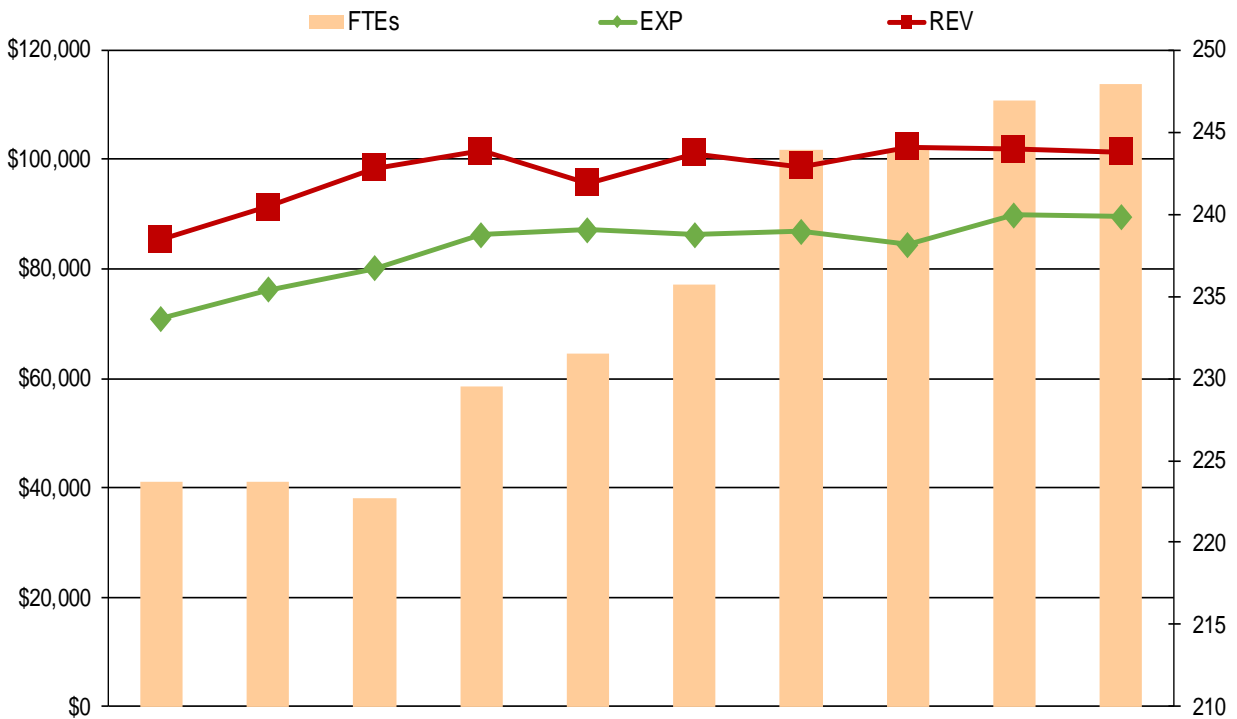
SIGNIFICANT BUDGET CHANGES

- ↓ Debt service decreases due to repayment of General Obligation Bonds for various Utilities Fund capital projects and the repayment of a portion of funds borrowed through the Virginia Wastewater Revolving Loan Fund for the Master Plan 2001 project at the WPCP (\$613,007).
- ↑ Other expenses increase due to higher overhead charges based on FY 2019 projections (\$343,061).

PROGRAM FINANCIAL SUMMARY

	FY 2017 Actual	FY 2018 Adopted	FY 2019 Proposed	% Change '18 to '19
Debt Service	\$32,012,064	\$31,808,987	\$31,195,980	-2%
Other	4,492,675	4,680,663	5,023,724	7%
Total Operating Expenditures	36,504,739	36,489,650	36,219,704	-1%
Total Revenues	-	-	-	-
Net Revenue Support	\$36,504,739	\$36,489,650	\$36,219,704	-1%

EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS



	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
\$ in 000s	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adopted Budget	Proposed Budget
EXP	\$70,830	\$76,129	\$80,054	\$86,146	\$87,020	\$86,157	\$86,735	\$84,326	\$89,778	\$89,490
REV	\$85,247	\$91,352	\$98,395	\$101,522	\$95,637	\$100,996	\$98,710	\$102,319	\$101,839	\$101,416
FTEs	223.70	223.70	222.70	229.50	231.50	235.75	243.95	243.95	246.95	247.95

Note: Beginning in FY 2012, revenue includes utilization of fund balance in addition to fees and other revenue received during the fiscal year.

Fiscal Year	Description	FTEs
FY 2010	<ul style="list-style-type: none"> ▪ The total water/sewer rate increased \$0.66 to a total of \$11.20 per thousand gallons (TG), a 6.3 percent increase, which produced \$2.2 million of additional revenue. The water rate increased \$0.07/TG to \$3.42/TG. The sewer rate increased by \$0.59/TG to \$7.78/TG. ▪ One new position was added for a Laboratory Technician at the Water Pollution Control Plant (\$81,000), in order to comply with new state regulations that require meeting Certification for Non-Commercial Environmental Laboratories (NELAC) accreditation standards. ▪ Non-personnel expenditures include increases in non-discretionary contractual costs for maintenance, construction, and equipment rental (\$653,000), an increase for wholesale water purchases from the Washington Aqueduct (\$238,000), an increase of \$103,000 to fund the apprenticeship program at the Water Pollution Control Plant, an increase of \$184,000 for County owned vehicles and fuel charges, an increase of \$105,000 for a transfer to the Auto Fund for the purchase of a dump truck and tailgate roller, and a decrease of \$498,000 in the transfer to capital for Pay-As-You-Go funding. ▪ The total water/sewer rate increases \$0.54 to a total of \$11.74 per thousand gallons (TG), a 4.8 percent increase, which will produce \$2.8 million of additional revenue. The water rate increases \$0.08/TG to \$3.50/TG. The sewer rate will increase by \$0.46/TG to \$8.24/TG. 	1.0
FY 2011	<ul style="list-style-type: none"> ▪ The total water/sewer rate increases \$0.54 to a total of \$11.74 per thousand gallons (TG), a 4.8 percent increase, which will produce \$2.8 million of additional revenue. The water rate increases \$0.08/TG to \$3.50/TG. The sewer rate will increase by \$0.46/TG to \$8.24/TG. ▪ The Infrastructure Availability Fee (IAF) increases by \$18 per drainage fixture unit (DFU) to a total of \$182 per DFU, an 11 percent increase. The water IAF increases by \$3/DFU to \$72/DFU. The sewer IAF increases by \$15/DFU to \$110/DFU. ▪ Non-personnel expenditures include an increase of \$873,520 for fuel costs associated with the new stand-by generator at the Water Pollution Control Plant, partially offset by revenue of \$256,230 from the Demand Side Management Program. Other non-personnel increases are for chemicals associated with new processes at the plant that are part of the MP01 upgrade (\$451,323), the apprentice program at the plant to address transition staffing needs (\$442,859), an increased wholesale water purchase price from the Washington Aqueduct (\$301,700), and increased insurance costs and automotive costs (\$129,000). 	
FY 2012	<ul style="list-style-type: none"> ▪ The total water/sewer rate increases \$0.45 to a total of \$12.19 per thousand gallons (TG), a 3.8 percent increase, which will produce \$2.0 million of additional revenue. The water rate increases by \$0.18/TG to \$3.68/TG. The sewer rate will increase by \$0.27/TG to \$8.51/TG. ▪ The FTE count in the adopted FY 2012 budget is 222.7, compared to 223.7 in the FY 2011 adopted budget. This reflects the transfer of a position from the WPCP in the Utilities Fund to the Directors Office in the General Fund. 	(1.0)

Fiscal Year	Description	FTEs
FY 2013	<ul style="list-style-type: none"> ▪ Personnel includes an increase of \$511,593 for overtime and standby pay for additional tank cleaning efforts at the Water Pollution Control Plant (WPCP) related to the Master Plan 2001 (MP01) project, and for the anticipated impact of the Department’s Safety Policy for Maximum Hours Allowed to Work for the Water, Sewer, Streets Bureau (WSS). ▪ Non-personnel expenditures include an increase of \$449,463 for a full year of fuel for the new standby generator facility at the WPCP; an increase of \$318,925 for chemicals at the WPCP; an increase of \$305,438 for contractual services associated with engineering services, tank cleaning, and water sampling; an increase of \$287,284 for grit and solids hauling; an increase of \$224,197 for operating and maintenance equipment and supplies; an increase of \$144,705 for vehicle and equipment charges; an increase of \$79,100 for safety and other training; and, an increase of \$39,101 for operating costs at the recently acquired property at 2900 S. Eads Street. Debt Service increases by \$2.4 million in FY 2012 primarily for repayment of funds borrowed through the Virginia Wastewater Revolving Loan Fund for the Master Plan 2001 project at the WPCP. ▪ Increases are partially offset by a decrease of \$477,873 in electricity costs, a decrease of \$335,700 in the cost of water purchases from the Washington Aqueduct, and a decrease of \$149,000 for water consumed by the WPCP. <ul style="list-style-type: none"> ▪ The total water/sewer rate increases \$0.42 to a total of \$12.61 per thousand gallons (TG), a 3.4 percent increase, which will produce \$5.0 million of additional revenue. The water rate increases by \$0.30/TG to \$3.98/TG. The sewer rate will increase by \$0.12/TG to \$8.63/TG. ▪ Personnel includes seven new FTE’s (a water quality engineer and a new six-person water maintenance crew). ▪ A partial FTE is transferred to the Department of Environmental Services General Fund budget. ▪ Non-personnel expenditures increased \$861,100 for chemicals, supplies, and contractual services for the process control system at the Water Pollution Control Plant. ▪ County vehicle charges increase \$161,392 for new equipment approved in the FY 2011 closeout process and also for the new vehicles and equipment for the new water maintenance crew. The transfer to the Auto Fund increases \$502,500 for the purchase of vehicles and equipment for the new Water Maintenance Crew. ▪ Utilities increase by \$144,200 for water and electricity at the WPCP. ▪ Wholesale water purchases from the Washington Aqueduct increase by \$100,000. ▪ Other WPCP increases include \$100,000 for safety consulting at the plant and \$80,651 for increased level of security guards required during continued construction at the WPCP. ▪ Debt service increases \$635,758 for repayment of General Obligation bonds and VRA bonds for various Utilities Fund capital projects. 	<p>7.0</p> <p>(0.2)</p>

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ The transfer to PAYG capital decreases \$897,282, based on the planned FY 2013 maintenance capital program. 	
FY 2014	<ul style="list-style-type: none"> ▪ Personnel includes two new positions, a Construction Manager and a Sanitary Sewer Engineer (\$799,040). ▪ Non-personnel increases include \$639,400 for maintenance supplies at the Water Pollution Control Plant (WPCP), \$400,000 in consulting for various studies and ongoing capital project support at the Water Sewer Street Bureau (WSS), \$476,141 for electricity, Contracted Services and the apprenticeship and succession planning programs at the WPCP, \$100,000 for wholesale water purchases from the Washington Aqueduct, the addition of \$52,000 for the replacement of an existing server for the Utility Services Office (USO), \$30,419 for operating supplies and \$7,725 for landfill charges at WSS, \$22,000 to purchase a vehicle for the new Construction Manager at WSS, the addition of \$10,000 for automation of real estate agreement records, \$7,662 for printing and mailing of utility bills, \$2,037 for charges from the County’s print shop to USO, and \$1,000 for the utilities share of base map maintenance. ▪ Non-personnel expenses decrease by \$498,440 for generator fuel at the WPCP, decrease for the transfer of Water / Sanitary Sewer Frames and Covers to the Utilities PAYG budget (\$400,000), solids hauling (\$295,497), chemicals at the WPCP (\$154,274), based on updated volume and pricing assumptions, gas at the WPCP (\$40,500), based on an anticipated price decrease, water at the WPCP (\$29,050), County vehicle charges (\$26,710), and elimination of the Telecom & Communications budget for Water Sewer Records (\$2,773). ▪ Debt service decreased by \$590,424 for repayment of general obligation bonds for various Utilities capital projects. ▪ Total revenues include revenue from Inter-jurisdictional Partners (\$624,433), revenue from the County’s participation in Dominion Virginia Power’s Demand Side Management program (\$68,985), Utility Marking revenue (\$50,000), and Lee Pumping Station lease revenue (\$5,725). ▪ The Infrastructure Availability Fee (IAF) increases by \$18 per drainage fixture unit (DFU) to a total of \$200 per DFU, a 10 percent increase. The water IAF increases by \$13/DFU to \$85/DFU. The sewer IAF increases by \$5/DFU to \$115/DFU. ▪ The transfer to the Auto Fund decreases to zero. 	2.0
FY 2015	<ul style="list-style-type: none"> ▪ Added a Chief Engineer, a Control Systems Engineer, an Electrical Power Technician, and a Control Systems Technician (\$580,648). ▪ Increased a Records Assistant position from 0.50 to 0.75 FTE (\$12,458). ▪ Reduced generator fuel expenses based on lower than anticipated use (\$394,200). ▪ Eliminated sixteen over-strength positions (\$391,020). 	4.0
		0.25

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ Non-personnel decreases include equipment repair expenses (\$165,910), payments for leased equipment (\$31,911), and wholesale water purchases from the Washington Aqueduct (\$200,000). ▪ Non-personnel decreases are partially offset by increases in maintenance supplies (\$446,796), contracted services (\$92,775), insurance claims (\$31,464), operating equipment and supplies (\$61,854), inspection and repair of water valves (\$350,000), and adjustment to the annual expense for maintenance and replacement of County vehicles (\$6,389). ▪ Debt service decreases due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$644,644) and repayment of funds borrowed through the Virginia Wastewater Revolving Loan Fund for the Master Plan 2001 project at the WPCP (\$81,507). ▪ Other expense increases include higher overhead charges based on FY 2015 projections (\$230,863), funding for over-strength positions to meet succession planning and other needs (\$150,000), and the annual payment to the Virginia Waterworks Fund (\$35,631). ▪ Increased the water/sewer rate by \$0.43, from \$12.61 to \$13.04 per thousand gallons (TG). ▪ Revenue increases due to water consumption estimates and the adopted rate increase (\$3,091,257). ▪ Revenue increases also include water service connections (\$100,000), water service discontinuations (\$20,000), meter installations (\$10,000), pretreatment revenue (\$340), and the Lee Pumping Station lease agreements with Sprint and Omnipoint (\$4,425). ▪ Revenue increases are partially offset by decrease in interest (\$100,000), a decrease in household hazardous material revenue (\$5,000), and the County's participation in Dominion Virginia Power's (DVP) Demand Side Management program (\$394,200). 	
FY 2016	<ul style="list-style-type: none"> ▪ Transfer of a Management and Budget Specialist from the Facilities Design and Construction Bureau in the General Fund to increase from 0.80 to 1.0 FTE (\$25,696, 0.20 FTE) 	0.2
	<ul style="list-style-type: none"> ▪ Added a Capital Projects Engineer (\$113,533, 1.0 FTE), a Large Water Meter Service Team (\$165,921, 3.0 FTEs), and a Valve Exercise Team (\$221,228, 4.0 FTEs) replacing contractors for budget savings. ▪ Non-personnel increases primarily due to increases in maintenance supplies (\$71,066), contracted services (\$51,762), chemicals (\$36,572), redundant (wireless) SCADA service at lift stations (\$30,688), security system monitoring (\$30,000), adjustments to the annual expense for maintenance and replacement of County vehicles (\$26,609), one-time expenses for the Utility Billing System replacement project management (\$99,842), one-time equipment expenses for the new FTEs (\$63,000), and operating expenses for the new FTEs (\$32,902). ▪ Non-personnel decreases due to the elimination of contractual valve work (\$350,000). 	8.0

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ Debt service decreases due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$736,502) and repayment and refinancing of a portion of funds borrowed through the Virginia Wastewater Revolving Loan Fund for the Master Plan 2001 project at the WPCP (\$293,746). ▪ Other expense increases due to higher overhead charges based on FY 2016 projections (\$75,594). ▪ Intra-county revenues increase based on historic trend analysis of water revenue from county departments (\$57,600). ▪ Revenues increase due to the adopted water and sewer rate increase (\$974,847), sewage treatment charges from neighboring jurisdictions (\$325,531), late fees (\$100,000), interest earnings (\$50,000), water service connections (\$50,000), water service discontinuations (\$10,000), utility marking fees (\$10,000), meter installations (\$7,000), turn on fees (\$6,000), fire flow test fees (\$4,000), pretreatment revenue (\$3,550), and Lee Pumping Station lease agreements with Sprint and Omnipoint (\$2,832). 	
FY 2017	<ul style="list-style-type: none"> ▪ Non-personnel increases due to the addition of costs for licensing and operating costs for asset management software (\$229,950), mobile meter management software (\$35,000), and capital project tracking software (\$27,093), redundant (wireless) SCADA service at pumping stations (\$22,320), offset by adjustments to the annual expense for maintenance and replacement of County vehicles (\$26,739). ▪ Debt service decreases due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$261,145) and repayment and refinancing of a portion of funds borrowed through the Virginia Wastewater Revolving Loan Fund for the Master Plan 2001 project at the WPCP (\$176,147). ▪ Other expense increases are due to higher overhead charges based on FY 2017 projections (\$418,512). ▪ Revenues decrease due to lower pretreatment revenue (\$10,650) and appliance fees (\$7,500), offset by an increase in Lee Pumping Station lease agreements with Sprint and Omnipoint (\$4,643). 	
FY 2018	<ul style="list-style-type: none"> ▪ Added a Contract Specialist (\$119,466), Engineering Technician (\$63,476), and a Trades Worker (\$59,743). ▪ Non-personnel decreases due to the elimination of contractual equipment rental and operation (\$200,000), elimination of FY 2017 one-time expenses (\$134,842), decreased operating costs associated with asset management software (\$127,989), adjustments to the annual expense for the maintenance and replacement of County vehicles (\$15,927), partially offset by one-time equipment for new FTEs (\$37,999), operating expenses associated with new FTEs (\$35,414), increases due to Security Information and Event Management (SIEM) (\$7,000), and insurance claims (\$3,536). 	3.0

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ Debt service decreases due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$577,747) and repayment and refinancing of a portion of funds borrowed through the Virginia Wastewater Revolving Loan Fund for the Master Plan 2001 project at the Water Pollution Control Plant (WPCP) (\$64,000). ▪ Other expense increases are due to the higher overhead charges based on FY 2018 projections (\$23,284) and Courthouse Plaza rent (\$5,133). ▪ Revenues increase due to the increase in the water and sewer rate (\$2,443,503), water discontinuation fees (\$10,000), meter installation fees (\$8,000), Lee Pumping Station lease agreements (\$4,180), inspections (\$7,000), and miscellaneous revenue (\$3,720), offset by decreases in sewage treatment charges from neighboring jurisdictions (\$311,269), water service connections (\$50,000), late fees (\$35,000), appliance fees (\$2,500), utility marking fees (\$15,000), and fire flow test fees (\$6,500). 	

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