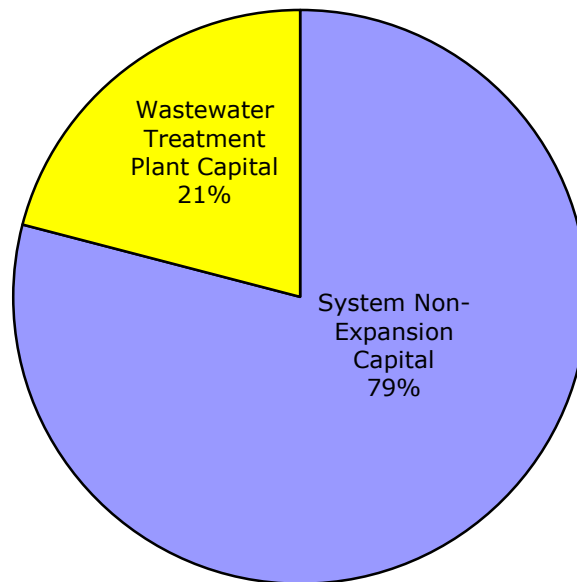


Our Mission: To provide and maintain a water distribution system, a sewage collection system, and a wastewater treatment plant

The Department of Environmental Services is responsible for managing the Utility Fund, which includes providing and maintaining a water distribution system, a sewage collection system, and a wastewater treatment plant. The Proposed FY 2018 Utility Fund Pay-As-You-Go Budget Summary, program budget appropriation distribution graph, project descriptions, and fund statement are included on the following pages.

Distribution of Fund Budget



FY 2018 PROPOSED PAYG BUDGET SUMMARY

PROGRAM CATEGORY	AMOUNT
UTILITIES	
Wastewater Treatment Plant Capital	\$4,027,000
System Non-Expansion Capital	15,399,740
Total Project Cost	19,426,740
Less: Infrastructure Availability Fees & Other Revenue	5,855,100
Net Utilities Funds Support	\$13,571,640

Note: Other revenue includes non-expansion Interjurisdictional revenue of \$555,900 and a first installment reimbursement for the refuse and recycling share of the Utility Billing system.

FY 2018 PROPOSED UTILITIES BUDGET

Wastewater Treatment Plant Improvements (Non-Expansion) \$4,027,000

- **Water Pollution Control Plant Maintenance Capital Program.** This program provides for the annual repair, replacement, and upgrade of current equipment and infrastructure at the Plant and lift stations. Major program components include refurbishing or replacing equipment to prevent premature failure, infrastructure improvements, and automating treatment processes to increase operational efficiency, reliability, and redundancy. Additionally, studies of alternative treatment processes to increase efficiency and reduce environmental impact are funded through this program (\$2,000,000).
- **Solids Master Plan – Phase I (Biosolids Projects).** This funding is for biosolids processes that are beyond their useful life and in need of replacement. Some potential projects include primary clarifier internal mechanisms, scum concentrator replacement, gravity thickener upgrades, motor control center replacement in the Preliminary Treatment Building, and bar screens upgrades (\$440,000). The Solids Master Planning process, approved in FY 2014 and currently in process, will include a condition assessment and provide replacement options and strategies for decision making.
- **Solids Master Plan – Phase II (Short Term Needs Projects).** This funding is for the second phase of implementation of the Solids Master Plan. It is for short term projects in which equipment is in need of replacement, but which can wait until the completion of the Master Plan so that equipment may be selected with the long term plan in mind. This funding could also be used to rehabilitate equipment to keep it running while the long term strategy is under design and construction. It is anticipated that these projects might include such items as the biological thickening system, sludge blending system, and the lime transfer system (\$830,000).

- **Improvements to Eads Property.** Funding is for improvements to a property near the Water Pollution Control Plant that the County purchased in March 2010. This facility serves as the plant's off site warehouse, and is used for storage of larger and less frequently used items. Additionally, Arlington Transit (ART) has some offices within the facility. Per a memorandum of understanding dated November 23, 2011, the Transit Bureau contributes toward the cost of the site (\$100,000).

- **Blue Plains Plant Capital.** The District of Columbia Water and Sewer Authority Blue Plains Plant processes a portion of Arlington County's sewage after transmission through Fairfax County mains. The capital program funds Arlington's annual payment through Fairfax County to the Blue Plains Plant for capital improvements. It also funds improvements to the transmission system. Payment is due under the terms of the October 3, 1994 Sewage Conveyance, Treatment, and Disposal Agreement with Fairfax County (\$657,000).

System Non-Expansion Capital

\$15,399,740

The funding for these projects comes primarily from a transfer from the Utilities Operating Fund, which is an enterprise fund. The revenues for this enterprise fund are derived primarily from water and sewer utility billings. Fees charged to new users who increase demands on the system are an additional funding source for these projects. The following projects and programs are planned to replace and rehabilitate the County's water distribution and sewage collection system, and to pay for the County's share of planned capital improvements at the Washington Aqueduct.

- Non-expansion inflow and infiltration sanitary sewer capital repairs and replacements (\$3,000,000)
- Water main replacement program (\$2,500,000)
- Water main cleaning and re-lining projects (\$1,800,000)
- Interconnection improvements (\$1,000,000)
- Water/sewer frames & covers (\$750,000)
- Sewer main replacement program (\$500,000)
- Manhole rehabilitation (\$500,000)
- Large diameter sewer rehabilitation/replacement (\$500,000)
- Large diameter water main rehabilitation/replacement (\$450,000)
- Technology enhancements (\$250,000)
- Capital improvements at the Washington Aqueduct (\$3,950,540), from which the County purchases drinking water. Arlington County pays approximately 16 percent of the capital costs for this organization.
- The Utility Billing System, managed by the Utilities Services Office, bills for water and sewer services, refuse and recycling services provided to single family, townhouse and duplex dwellings, and miscellaneous Solid Waste Bureau services. The Utilities Capital Projects Fund will advance the funding for the refuse and recycling share of the new system and it will be reimbursed from the general fund for its share of costs over a period of time that will depend on the final cost of the new system.

TOTAL UTILITIES BUDGET

\$19,426,740

UTILITIES CAPITAL PROJECTS FUND
FUND STATEMENT

	FY 2016 ACTUAL	FY 2017 ADOPTED	FY 2017 RE-ESTIMATE	FY 2018 PROPOSED
ADJUSTED BALANCE, JULY 1	\$51,832,415	\$46,649,915	\$54,088,359	\$54,688,359
REVENUES:				
Infrastructure Availability Fees	5,474,990	5,000,000	5,000,000	5,000,000
Sewage Treatment Service Charges	60,110	1,371,000	1,371,000	555,900
Interest	328,868	100,000	100,000	100,000
Misc. Revenue	31,572	-	-	-
TOTAL REVENUE	5,895,540	6,471,000	6,471,000	5,655,900
Transfers In (Out):				
Transfer in from General Fund	-	-	-	199,200
Transfer In from Utilities Operating Fund	13,525,850	11,810,500	13,910,500	13,571,640
TOTAL TRANSFERS IN	13,525,850	11,810,500	13,910,500	13,770,840
TOTAL BALANCE, REVENUES AND TRANSFERS IN	71,253,805	64,931,415	74,469,859	74,115,099
EXPENDITURES:				
Capital Projects - Current Year	17,165,446	18,281,500	18,281,500	19,426,740
Capital Projects - Carry-Over	-	12,957,500	1,500,000	3,772,460
TOTAL CAPITAL EXPENDITURES:	17,165,446	31,239,000	19,781,500	23,199,200
BALANCE, JUNE 30	\$54,088,359	\$33,692,415	\$54,688,359	\$50,915,899

Most capital projects span multiple years, from design to construction completion. The FY 2016 Actual and FY 2017 Re-Estimate columns reflect that funding for capital projects are carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds. The FY 2018 proposed budget column is presented in a similar fashion to show planned execution of projects in the fiscal year. These are staffs' best estimates based on preliminary plans and design and construction schedules.