

*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 2014 proposed expenditure budget for the Utilities Fund is \$88,244,440, a 0.5 percent increase from the FY 2013 adopted budget. The FY 2014 budget reflects:

- ↑ Personnel expenses increase of \$799,040 includes 2.0 new FTEs: a Construction Manager and a Sanitary Sewer Engineer (\$203,224), positions that will support the implementation of the Capital Improvement Plan adopted in July 2012. Also included are employee step increases, a three percent increase in the County's cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections.
- ↑ Non-personnel expenses increase by \$291,140. 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), \$201,162 for electricity at the WPCP, \$177,199 for Contracted Services at the WPCP, \$100,000 for wholesale water purchases from the Washington Aqueduct, \$87,780 for the apprenticeship and succession planning programs at the WPCP, 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. These increases are offset in part by a \$498,440 decrease for generator fuel at the WPCP, decreases 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 decreases \$590,424 for repayment of General Obligation Bonds for various Utilities Fund capital projects.
- ↑ Total revenues increase by \$749,143, including revenue from Inter-jurisdictional Partners (\$624,433), revenue related to 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).
- ↑ Fund Balance Utilized reflects drawdown of fund balance in the amount of \$6.7 million, as planned.
- ↑ The transfer to Pay-As-You-Go (PAYG) capital increases by \$3.2 million to \$14 million. FY 2014 figures are generally based on the adopted FY 2013 – FY 2022 Capital Improvement Plan.
- ↓ The transfer to the Auto Fund decreases to zero (the FY13 Adopted Budget included \$502,500 for the purchase of vehicles and equipment for the new Water Maintenance Crew).

The total water/sewer rate is proposed to remain at \$12.61 per thousand gallons (TG). The water and sewer rates are currently \$3.98/TG and \$8.63/TG respectively, effective July 1, 2012.

The Infrastructure Availability Fee (IAF) is proposed to increase by 10 percent. This fee is charged to developers when adding new demand on the water and sewer systems, and is based on the

number of drainage fixtures units (DFU's) added to the system. The IAF for water service will increase from \$72 to \$85 per DFU. The IAF for sewer will increase from \$110 per DFU to \$115 per DFU. The average residential structure has 24 DFUs. A developer building a new home would be charged on average \$4,800 in infrastructure availability fees, a \$432 increase. Revenues from this fee are accounted for in the Utilities Capital Pay As You Go Fund.

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 93 percent of the income for the Utilities Fund in FY 2014. 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.
- **Water/Sewer Late Fee:** The County imposes a 6 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 when adding new demand on the water and sewer systems; the fee 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 2012<br>Actual | FY 2013<br>Adopted | FY 2014<br>Proposed | % Change<br>'13 to '14 |
|--|-------------------|--------------------|---------------------|------------------------|
| Personnel                              | \$18,098,780      | \$19,910,620       | \$20,709,660        | 4%                     |
| Non-Personnel                          | 25,568,713        | 29,599,969         | 29,891,109          | 1%                     |
| Debt Service                           | 33,751,593        | 35,234,849         | 34,644,425          | -2%                    |
| Other                                  | 3,390,819         | 3,805,687          | 3,741,646           | -2%                    |
| Subtotal                               | 80,809,905        | 88,551,125         | 88,986,840          | -                      |
| Intra-County Revenue                   | (755,597)         | (742,400)          | (742,400)           | -                      |
| <b>Total Operating Expenditures</b>    | <b>80,054,308</b> | <b>87,808,725</b>  | <b>88,244,440</b>   | <b>-</b>               |
| Revenues                               | 94,095,027        | 94,777,059         | 95,526,202          | 1%                     |
| Fund Balance Utilized                  | 4,300,205         | 4,290,000          | 6,718,238           | 57%                    |
| <b>Total Revenues and Fund Balance</b> | <b>98,395,232</b> | <b>99,067,059</b>  | <b>102,244,440</b>  | <b>3%</b>              |
| Transfer to Capital                    | 17,671,116        | 10,755,834         | 14,000,000          | 30%                    |
| Transfer to Auto Fund                  | \$669,808         | \$502,500          | \$0                 | -100%                  |
| Permanent FTEs                         | 220.50            | 227.30             | 229.30              |                        |
| Temporary FTEs                         | 2.20              | 2.20               | 2.20                |                        |
| <b>Total Authorized FTEs</b>           | <b>222.70</b>     | <b>229.50</b>      | <b>231.50</b>       |                        |

Note: In FY 2012, \$4,300,205 from prior year fund balance was used. In FY 2013, \$4,290,000 from prior year fund balance will be used, and in FY 2014, \$6,718,238 from prior year fund balance will be used. The fund balance is currently higher than the Board-adopted level of three months operating expenses. The County plans to draw down this balance over the next several years, using the drawdowns to offset one-time capital expenditures.

**UTILITIES FUND OPERATING STATEMENT**  
**FY 2014 PROPOSED BUDGET**

|   | FY 2012<br>ACTUAL  | FY 2013<br>ADOPTED | FY 2013<br>RE-ESTIMATE | FY 2014<br>PROPOSED |
|---|--------------------|--------------------|------------------------|---------------------|
| <b>BALANCE JULY 1</b>   | \$36,482,728       | \$21,744,920       | \$32,182,523           | \$26,380,233        |
| <b>REVENUE</b>  |                    |                    |                        |                     |
| Interest  | 299,612            | 100,000            | 100,000                | 100,000             |
| Water/Sewer Billing   | 86,223,642         | 89,096,964         | 89,096,964             | 89,096,964          |
| Water Service Connection Fee  | 1,211,867          | 1,000,000          | 1,000,000              | 1,000,000           |
| Water Service Discontinuation                                       | 133,600            | 100,000            | 100,000                | 100,000             |
| Meter Installation  | 17,500             | -                  | -                      | -                   |
| Sewage Treatment Charges  | 3,910,738          | 3,286,305          | 3,486,305              | 3,910,738           |
| Late Fee  | 501,462            | 350,000            | 450,000                | 350,000             |
| New Account Fee   | 97,625             | 100,000            | 100,000                | 100,000             |
| Turn-On Fee   | 18,100             | 7,000              | 7,000                  | 7,000               |
| Flow Test Fee   | 21,730             | 10,000             | 10,000                 | 10,000              |
| Pretreatment Fee  | 12,045             | 11,960             | 11,960                 | 11,960              |
| Utility Marking Fee   | 174,349            | 150,000            | 200,000                | 200,000             |
| Hazardous Household Material Fee                                    | 20,062             | 25,000             | 25,000                 | 25,000              |
| Demand Side Management Program - DVP                                | -                  | 325,215            | 325,215                | 394,200             |
| Miscellaneous Revenue   | 1,452,695          | 214,615            | 214,615                | 220,340             |
| <b>TOTAL REVENUE</b>  | <b>94,095,027</b>  | <b>94,777,059</b>  | <b>95,127,059</b>      | <b>95,526,202</b>   |
| <b>TOTAL BALANCE, TRANSFERS IN &amp; REVENUE</b>                    | <b>130,577,755</b> | <b>116,521,979</b> | <b>127,309,582</b>     | <b>121,906,435</b>  |
| <b>OPERATING EXPENSES</b>   |                    |                    |                        |                     |
| Utilities Services Office (net of intra-county billing revenue)     | 192,124            | 261,578            | 261,578                | 346,770             |
| WSS Operations  | 14,583,982         | 15,675,337         | 16,475,337             | 16,461,458          |
| Water Purchase  | 7,671,866          | 8,100,000          | 8,050,000              | 8,200,000           |
| Water/Sewer Records   | 555,670            | 689,363            | 699,193                | 701,585             |
| Water Pollution Control   | 19,908,254         | 24,041,911         | 22,078,411             | 24,148,556          |
| Debt Service  | 33,751,593         | 35,234,849         | 34,499,849             | 34,644,425          |
| Other   | 3,390,819          | 3,805,687          | 3,489,187              | 3,741,646           |
| <b>TOTAL EXPENSES</b>   | <b>80,054,308</b>  | <b>87,808,725</b>  | <b>85,553,555</b>      | <b>88,244,440</b>   |
| BALANCE (SUBTOTAL)  | 50,523,447         | 28,713,254         | 41,756,027             | 33,661,995          |
| <b>TRANSFERS OUT</b>  |                    |                    |                        |                     |
| Utility Construction (Fund 519 )                                    | 17,671,116         | 10,755,834         | 14,805,834             | 14,000,000          |
| Auto Fund   | 669,808            | 502,500            | 569,960                | -                   |
| <b>TOTAL TRANSFERS</b>  | <b>18,340,924</b>  | <b>11,258,334</b>  | <b>15,375,794</b>      | <b>14,000,000</b>   |
| <b>TOTAL EXPENSE AND TRANSFERS</b>                                  | <b>98,395,232</b>  | <b>99,067,059</b>  | <b>100,929,349</b>     | <b>102,244,440</b>  |
| <b>BALANCE, JUNE 30</b>   | <b>32,182,523</b>  | <b>17,454,920</b>  | <b>26,380,233</b>      | <b>19,661,995</b>   |
| Board-adopted Three-month Operating Reserve (excludes debt service) | \$11,575,679       | \$13,143,469       | \$12,763,427           | \$13,400,004        |
| Water/Sewer Rate per 1,000 gallons                                  | \$12.19            | \$12.61            | \$12.61                | \$12.61             |

Note: Fund balance declines due to the planned use of fund balance for non-recurring 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. The following Water, Sewer, Streets Bureau programs and activities are financed by the Utilities Fund:

**Water, Sewer, Streets Bureau**

- 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 nearly 37,200 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 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 the addition of a Construction Manager and a Sanitary Sewer Engineer (\$203,224, 2.0 FTE's), positions that will support the implementation of the Capital Improvement Plan adopted in July 2012. Also included are employee step increases, a three percent increase in the County's cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections. \$80,000 for the Water Sewer Streets pilot program, previously budgeted in Debt Service and Other, has been moved into the budget for FY 2014.
- ↑ Non-personnel increases include \$400,000 in consulting for various studies and ongoing support, an additional \$100,000 for wholesale water purchases from the Washington Aqueduct, \$30,419 for operating supplies and \$7,725 for landfill charges to account for inflation, \$22,000 to purchase a vehicle for the new Construction Manager, and a transfer of \$4,800 from Water Sewer Records for Employee Training (to align budget with spending). These increases are offset in part by a \$400,000 transfer to Utilities Paygo for Water / Sanitary Sewer Frames and Covers, and also a \$33,407 decrease for County vehicle charges.
- ↑ Revenue increase of \$5,725 based on the Lee Pumping Station lease agreements with Sprint and Omnipoint.
- ↓ Transfer to the Auto Fund decreases to zero (the FY 2013 Adopted Budget included \$502,500 for the purchase of vehicles and equipment for the new Water Maintenance Crew).

**WATER, SEWER, STREETS BUREAU**

**PROGRAM FINANCIAL SUMMARY**

|                                    | <b>FY 2012<br/>Actual</b> | <b>FY 2013<br/>Adopted</b> | <b>FY 2014<br/>Proposed</b> | <b>% Change<br/>'13 to '14</b> |
|------------------------------------|---------------------------|----------------------------|-----------------------------|--------------------------------|
| Personnel                          | \$9,086,832               | \$9,546,518                | \$10,301,102                | 8%                             |
| Non-Personnel                      | 13,169,016                | 14,228,819                 | 14,360,356                  | 1%                             |
| <b>Total Expenditures</b>          | <b>22,255,848</b>         | <b>23,775,337</b>          | <b>24,661,458</b>           | <b>4%</b>                      |
| Transfer out to Auto Fund          | 669,808                   | 502,500                    | -                           | -100%                          |
| <b>Total Transfers</b>             | <b>669,808</b>            | <b>502,500</b>             | <b>-</b>                    | <b>-100%</b>                   |
| <b>Total Expense and Transfers</b> | <b>22,925,656</b>         | <b>24,277,837</b>          | <b>24,661,458</b>           | <b>2%</b>                      |
| <b>Total Revenue</b>               | <b>1,537,009</b>          | <b>1,241,780</b>           | <b>1,247,505</b>            | <b>-</b>                       |
| <b>Net Revenue Support</b>         | <b>\$21,388,647</b>       | <b>\$23,036,057</b>        | <b>\$23,413,953</b>         | <b>2%</b>                      |
| Permanent FTEs                     | 116.00                    | 123.00                     | 125.00                      |                                |
| Temporary FTEs                     | 0.60                      | 0.60                       | 0.60                        |                                |
| <b>Total Authorized FTEs</b>       | <b>116.60</b>             | <b>123.60</b>              | <b>125.60</b>               |                                |

**PERFORMANCE MEASURES**

| <b>Critical Measures</b>       | <b>FY 2009<br/>Actual</b> | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Actual</b> | <b>FY 2012<br/>Actual</b> | <b>FY 2013<br/>Estimate</b> | <b>FY 2014<br/>Estimate</b> |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| Discharges to public waterways | 12                        | 10                        | 5                         | 13                        | 5                           | 5                           |
| Water quality violations       | 1                         | 0                         | 2                         | 0                         | 0                           | 0                           |

| <b>Supporting Measures</b>                                      | <b>FY 2009<br/>Actual</b> | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Actual</b> | <b>FY 2012<br/>Actual</b> | <b>FY 2013<br/>Estimate</b> | <b>FY 2014<br/>Estimate</b> |
|---|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| Number of meter readings that had to be estimated (per 100,000) | 361                       | 5,608                     | 1,977                     | 494                       | 1,000                       | 500                         |
| Samples collected   | 1,625                     | 2,015                     | 2,115                     | 1,850                     | 2,350                       | 2,350                       |
| Sanitary sewer backups (public system)                          | 48                        | 43                        | 39                        | 15                        | 40                          | 40                          |
| Unaccounted for water   | 13%                       | 13%                       | 14%                       | 15%                       | 13%                         | 13%                         |

- The high number of estimated readings in FY 2010 was due to a combination of inclement weather and low staffing levels.

WATER SEWER RECORDS

**PROGRAM MISSION**

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

**Water Sewer Records**

- 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 increases due to employee step increases, a three percent increase in the County’s cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections.
- ↑ Non-personnel increase includes \$10,000 for automation of real estate agreement records and a \$1,000 increase in the utilities share of base map maintenance (planimetric updates), partially offset by a reduction of \$4,800 for Employee Training (budget was moved to the Water Sewer Streets Bureau) and elimination of the \$2,773 Telecom & Communications budget based on review of FY 2012 actual expense.
- ↑ Utility Marking revenue increased from \$150,000 to \$200,000 based on FY 2014 projections.

**PROGRAM FINANCIAL SUMMARY**

|                                     | FY 2012<br>Actual | FY 2013<br>Adopted | FY 2014<br>Proposed | % Change<br>'13 to '14 |
|-------------------------------------|-------------------|--------------------|---------------------|------------------------|
| Personnel                           | \$216,087         | \$226,890          | \$235,685           | 4%                     |
| Non-Personnel                       | 339,583           | 462,473            | 465,900             | 1%                     |
| <b>Total Operating Expenditures</b> | <b>555,670</b>    | <b>689,363</b>     | <b>701,585</b>      | <b>2%</b>              |
| <b>Total Revenues</b>               | <b>196,080</b>    | <b>160,000</b>     | <b>210,000</b>      | <b>31%</b>             |
| <b>Net Revenue Support</b>          | <b>\$359,590</b>  | <b>\$529,363</b>   | <b>\$491,585</b>    | <b>-7%</b>             |
| Permanent FTEs                      | 4.00              | 4.00               | 4.00                |                        |
| Temporary FTEs                      | -                 | -                  | -                   |                        |
| <b>Total Authorized FTEs</b>        | <b>4.00</b>       | <b>4.00</b>        | <b>4.00</b>         |                        |

**PERFORMANCE MEASURES**

| Supporting Measures                                     | FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Actual | FY 2012<br>Actual | FY 2013<br>Estimate | FY 2014<br>Estimate |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Number of fee refunds                                   | 7                 | 4                 | 10                | 6                 | 6                   | 6                   |
| Percent of utility permits approved at first submission | 75%               | 82%               | 96%               | 76%               | 80%                 | 80%                 |

**UTILITIES SERVICES OFFICE**

**PROGRAM MISSION**

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

**Utilities Services Office**

- Efficiently generate accurate, customer-oriented billings for approximately 37,200 water, sewer, and refuse accounts.
- Respond to customer services inquiries.
- Ensure that utilities payments are posted to customers' accounts promptly and accurately.

**SIGNIFICANT BUDGET CHANGES**

- ↑ Personnel increases due to employee step increases, a three percent increase in the County's cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections.
- ↑ Non-personnel increases includes \$52,000 for the replacement of an existing server, an additional \$7,662 for printing and mailing of utility bills, and \$2,037 for charges from the County's print shop.

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 2012<br>Actual   | FY 2013<br>Adopted  | FY 2014<br>Proposed | % Change<br>'13 to '14 |
|-------------------------------------|---------------------|---------------------|---------------------|------------------------|
| Personnel                           | \$736,583           | \$742,381           | \$765,874           | 3%                     |
| Non-Personnel                       | 211,138             | 261,597             | 323,296             | 24%                    |
| Subtotal                            | 947,721             | 1,003,978           | 1,089,170           | 8%                     |
| Intra-County Revenue                | (755,597)           | (742,400)           | (742,400)           | -                      |
| <b>Total Operating Expenditures</b> | <b>192,124</b>      | <b>261,578</b>      | <b>346,770</b>      | <b>33%</b>             |
| <b>Total Revenues</b>               | <b>\$88,419,093</b> | <b>\$89,653,964</b> | <b>\$89,653,964</b> | <b>-</b>               |
| Permanent FTEs                      | 10.50               | 10.30               | 10.30               |                        |
| Temporary FTEs                      | -                   | -                   | -                   |                        |
| <b>Total Authorized FTEs</b>        | <b>10.50</b>        | <b>10.30</b>        | <b>10.30</b>        |                        |

**PERFORMANCE MEASURES**

| Supporting Measures                            | FY 2009<br>Actual | FY 2010<br>Actual | FY 2011<br>Actual | FY 2012<br>Actual | FY 2013<br>Estimate | FY 2014<br>Estimate |
|--|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Percentage of bills sent according to schedule | 100%              | 100%              | 100%              | 100%              | 100%                | 100%                |



**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.

**Water Pollution Control Bureau**

- The Water Pollution Control Bureau (WPCB) treats wastewater generated in Arlington County.
- The Water Pollution Control Bureau (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 step increases, a three percent increase in the County's cost for employee health insurance, and adjustments to retirement contributions based on current actuarial projections. \$36,500, previously budgeted in the Debt Service and Other portion of the Utilities budget, is also included in FY 2014 for Water Pollution Control Bureau pilot programs.
- ↑ Non-personnel increase includes \$639,400 for maintenance supplies and \$201,162 for electricity based on analysis of FY 2012 actual expense, \$177,199 for contracted services, \$87,780 in contingent compensation for the apprenticeship and succession planning programs, and \$6,697 for County vehicles, partially offset by decreases of \$498,440 for generator fuel based on lower than anticipated use of the generators, \$295,497 for solids hauling and \$154,274 for chemicals based on updated volume and pricing assumptions, \$40,500 for gas based on an anticipated price decrease, and \$29,050 for water.
- ↑ Revenue increases by \$624,433 for inter-jurisdictional revenue and \$68,985 related to the County's participation in Dominion Virginia Power's (DVP) Demand Side Management program. This revenue represents reimbursement for fuel consumed while operating the generators at DVP's request during periods when energy demand in the area is exceptionally high.

**WATER POLLUTION CONTROL BUREAU**

**PROGRAM FINANCIAL SUMMARY**

|                                     | <b>FY 2012<br/>Actual</b> | <b>FY 2013<br/>Adopted</b> | <b>FY 2014<br/>Proposed</b> | <b>% Change<br/>'13 to '14</b> |
|-------------------------------------|---------------------------|----------------------------|-----------------------------|--------------------------------|
| Personnel                           | \$8,059,278               | \$9,394,831                | \$9,406,999                 | -                              |
| Non-Personnel                       | 11,848,976                | 14,647,080                 | 14,741,557                  | 1%                             |
| <b>Total Operating Expenditures</b> | <b>19,908,254</b>         | <b>24,041,911</b>          | <b>24,148,556</b>           | <b>-</b>                       |
| <b>Total Revenues</b>               | <b>3,942,845</b>          | <b>3,721,315</b>           | <b>4,414,733</b>            | <b>19%</b>                     |
| <b>Net Revenue Support</b>          | <b>\$15,965,409</b>       | <b>\$20,320,596</b>        | <b>\$19,733,823</b>         | <b>-3%</b>                     |
| Permanent FTEs                      | 90.00                     | 90.00                      | 90.00                       |                                |
| Temporary FTEs                      | 1.60                      | 1.60                       | 1.60                        |                                |
| <b>Total Authorized FTEs</b>        | <b>91.60</b>              | <b>91.60</b>               | <b>91.60</b>                |                                |

**PERFORMANCE MEASURES**

**Water Pollution Control Bureau**

| <b>Critical Measures</b>        | <b>FY 2009<br/>Actual</b> | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Actual</b> | <b>FY 2012<br/>Actual</b> | <b>FY 2013<br/>Estimate</b> | <b>FY 2014<br/>Estimate</b> |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| External bypass events per year | 13                        | 3                         | 0                         | 0                         | 0                           | 0                           |
| Odor complaints                 | 15                        | 20                        | 23                        | 25                        | 4                           | 0                           |

| <b>Supporting Measures</b>                            | <b>FY 2009<br/>Actual</b> | <b>FY 2010<br/>Actual</b> | <b>FY 2011<br/>Actual</b> | <b>FY 2012<br/>Actual</b> | <b>FY 2013<br/>Estimate</b> | <b>FY 2014<br/>Estimate</b> |
|---|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| Cost per million gallons of actual total average flow | \$1,941                   | \$1,944                   | \$2,207                   | \$2,331                   | \$2,655                     | \$2,523                     |
| External Bypasses/Volume (mg)                         | 261.7                     | 106.8                     | 0                         | 0                         | 0                           | 0                           |
| Notices of violations (NOVs)                          | 4                         | 4                         | 2                         | 1                         | 0                           | 0                           |
| Percent of preventive maintenance completed on time   | 94%                       | 92%                       | 90%                       | 89%                       | 90%                         | 100%                        |
| Total average flow (MGD: million gallons per day)     | 24.6                      | 26.1                      | 23.6                      | 22.7                      | 24.1                        | 25.5                        |

- 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.
- Total average flow is the total amount of sanitary sewage entering the WPCP in million gallons per day (MGD). Rated flow capacity increased from 30 to 40 MGD in FY 2012 after the major components of the Master Plan 2001 project were completed.

**WATER POLLUTION CONTROL BUREAU**

**Household Hazardous Material (HHM)**

| <b>Supporting Measures</b>                       | <b>FY 2009 Actual</b> | <b>FY 2010 Actual</b> | <b>FY 2011 Actual</b> | <b>FY 2012 Actual</b> | <b>FY 2013 Estimate</b> | <b>FY 2014 Estimate</b> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Number of household hazardous material drop-offs | 6,537                 | 7,555                 | 8,268                 | 8,720                 | 9,250                   | 9,850                   |
| Pounds of household hazardous material received  | 421,960               | 529,949               | 566,032               | 595,739               | 625,500                 | 660,000                 |

**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.

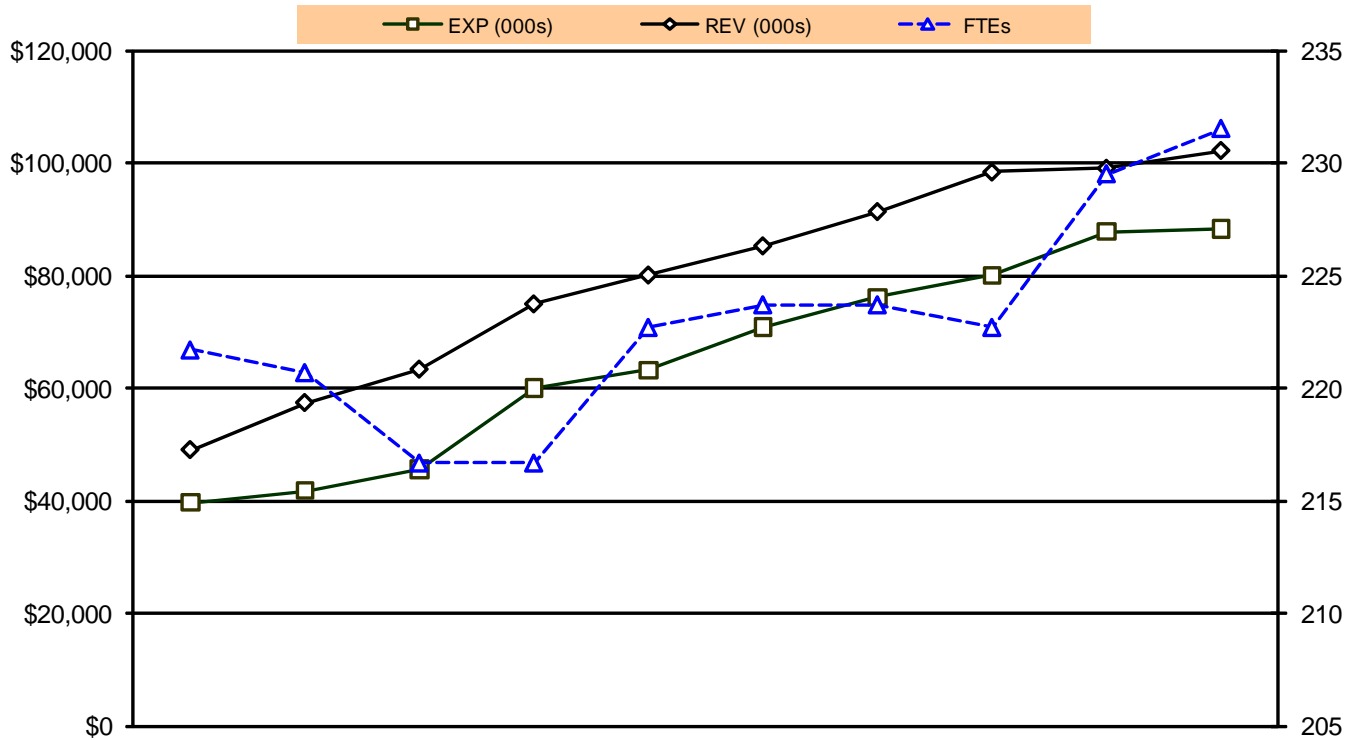
**SIGNIFICANT BUDGET CHANGES**

- ↓ Debt service decreases \$590,424 for repayment of General Obligation Bonds for various Utilities Fund capital projects.
- ↓ Other expense decreases by \$116,500 in contingent compensation for pilot program funding which was moved to the Water Pollution Control and Water Sewer Streets Bureau budgets. This decrease was offset in part by a \$52,459 increase for overhead charges based on FY 2014 projections.

**PROGRAM FINANCIAL SUMMARY**

|                                     | <b>FY 2012<br/>Actual</b> | <b>FY 2013<br/>Adopted</b> | <b>FY 2014<br/>Proposed</b> | <b>% Change<br/>'13 to '14</b> |
|-------------------------------------|---------------------------|----------------------------|-----------------------------|--------------------------------|
| Debt Service                        | \$33,751,593              | \$35,234,849               | \$34,644,425                | -2%                            |
| Other                               | 3,390,819                 | 3,805,687                  | 3,741,646                   | -2%                            |
| <b>Total Operating Expenditures</b> | <b>37,142,412</b>         | <b>39,040,536</b>          | <b>38,386,071</b>           | <b>-2%</b>                     |
| <b>Total Revenues</b>               | <b>-</b>                  | <b>-</b>                   | <b>-</b>                    |                                |
| <b>Net Revenue Support</b>          | <b>\$37,142,412</b>       | <b>\$39,040,536</b>        | <b>\$38,386,071</b>         | <b>-2%</b>                     |

**EXPENDITURE, REVENUE AND FULL-TIME EQUIVALENT TRENDS**



|                   | FY 2005 Actual | FY 2006 Actual | FY 2007 Actual | FY 2008 Actual | FY 2009 Actual | FY 2010 Actual | FY 2011 Actual | FY 2012 Actual | FY 2013 Adopted Budget | FY 2014 Proposed Budget |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|-------------------------|
| <b>EXP (000s)</b> | \$39,601       | \$41,736       | \$45,569       | \$59,957       | \$63,211       | \$70,830       | \$76,129       | \$80,054       | \$87,809               | \$88,244                |
| <b>REV (000s)</b> | \$48,943       | \$57,332       | \$63,279       | \$74,907       | \$80,046       | \$85,247       | \$91,352       | \$98,395       | \$99,067               | \$102,244               |
| <b>FTEs</b>       | 221.7          | 220.7          | 216.7          | 216.70         | 222.70         | 223.70         | 223.70         | 222.70         | 229.50                 | 231.50                  |

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 2005     | <ul style="list-style-type: none"> <li>▪ Water/sewer charge increased \$0.90 from \$5.30 to \$6.20 per 1,000 gallons.</li> <li>▪ Funding for indirect costs was increased by \$127,968 to better reflect actual charges.</li> <li>▪ Increased debt service of \$472,210 for MP01 financing.</li> <li>▪ Cost of purchasing water increased from \$6,310,000 to \$7,066,000.</li> </ul>  |       |
| FY 2006     | <ul style="list-style-type: none"> <li>▪ Water/sewer charges increased \$0.93 from \$6.20 to \$7.13 per 1,000 gallons</li> <li>▪ Increased debt service \$1,047,802 for the planned expansion and upgrade of the Water Pollution Control Plant (\$1,069,000) and the Potomac Interceptor sewer project (\$290,000). There was a decrease in principal and interest payments of \$311,000.</li> <li>▪ Non-Personnel expenses increased at the Water Pollution Control Plant (\$385,000) due largely to higher electricity and other utilities costs (\$177,000), County vehicle rental charges (\$12,000), addition of one security guard during the construction of the Master Plan (\$28,000), and higher costs in bio-solids hauling (\$97,000).</li> <li>▪ Non-Personnel expenses increased for water purchase costs (\$234,000) from the Dalecarlia Water Treatment Plant at the Washington Aqueduct.</li> <li>▪ Other expenses increased to fund the rate stabilization account (\$1,000,000), the Utilities Fund compensation increases (\$500,000), and the charges to the Utilities Fund for work performed by General Fund agencies and County overhead (\$281,000).</li> </ul>   |       |
| FY 2007     | <ul style="list-style-type: none"> <li>▪ Water/sewer charges increased \$0.87 from \$7.13 to \$8.00 per 1,000 gallons.</li> <li>▪ Increased debt service (\$3,549,579) for the planned expansion and upgrade of the Water Pollution Control Plant.</li> <li>▪ Non-Personnel increases (\$1,223,895 total) included utilities and fuel (\$295,000), hauling and disposal costs for construction spoils (\$351,000), market price increases for chemicals for the Water Pollution Control Plant (\$224,000), other maintenance and contract increases (\$307,000), County vehicle rental charges (\$8,000), higher costs in bio-solids hauling (\$52,000) and water purchase costs (\$100,000) from the Washington Aqueduct.</li> <li>▪ Water, Sewer and Streets and Water / Sewer Engineering positions (4.0 FTEs, \$316,000) were transferred to the Departmental of Environmental Services Development Group in the General Fund and will be charged back to the Utilities Fund as an overhead chargeback.</li> <li>▪ "Other" expenses decreased (\$275,443) primarily due to the allocation of compensation contingent to Utility Fund personnel (\$550,000) and a decrease in the funding of the Rate Stabilization Account (\$500,000). Those decreases are partially offset by an increase in the charges to the Utilities Fund for work performed by General Fund agencies and County</li> </ul> | (4.0) |

| Fiscal Year | Description   | FTEs |
|-------------|---|------|
|             | overhead (\$341,000), which includes the additional overhead for the Development Group from the General Fund (\$316,000).   |      |
| FY 2008     | <ul style="list-style-type: none"> <li>▪ Water/sewer charges increased \$1.20 from \$8.00 to \$9.20 per 1,000 gallons.</li> <li>▪ Debt service increased (\$6,726,449) for the planned upgrade and expansion at the Water Pollution Control Plant; the Potomac Interceptor project; and the County's share of the Washington Aqueduct residuals disposal project.</li> <li>▪ Non-personnel expenditures (\$1,533,929 total) included electricity, water, and fuel at the Water Pollution Control Plant and the Water, Sewer Streets Bureau (\$505,520); non-discretionary contractual increases in maintenance and construction costs (\$263,044), chemicals and supplies (\$192,524), and biosolids hauling (\$73,987) at the Water Pollution Control Plant; increased County vehicle charges at the Water, Sewer, Street Bureau (\$121,456); and increased wholesale water purchases from the Dalecarlia Water Treatment Plant at the Washington Aqueduct (\$200,000).</li> <li>▪ Intra-County charges (\$335,000) reflect more accurate estimates of County facility water and sewer billings than budgeted in prior years.</li> </ul>   |      |
| FY 2009     | <ul style="list-style-type: none"> <li>▪ The total water/sewer rate increased \$1.34 to a total of \$10.54 per thousand gallons (TG), a 14.6 percent increase, which produced \$9.3 million of additional revenue. The water rate increased \$0.01/TG to \$3.35/TG. The sewer rate increased by \$1.33/TG to \$7.19/TG. This combined \$1.34 increase was be used primarily to pay for new debt service obligations.</li> <li>▪ Six positions (6.0 FTEs) were moved from the Department of Environmental Services General Fund budget to the Utilities Fund. Costs for these positions previously were transferred into the Utilities Fund, and these positions are now charged directly to the fund.</li> <li>▪ Non-personnel expenditures included increases in non-discretionary contractual increases in maintenance and construction costs (\$160,066), market-based increases for chemicals and operating supplies (\$600,592), and hauling and disposal costs for biosolids and the construction debris (\$445,665) at the Water Pollution Control Plant (WPCP) and the Water, Sewer, Streets Bureau (WSS). The budget also included an increase in cost for wholesale water purchases from the Dalecarlia Water Treatment Plant at the Washington Aqueduct (\$200,000), as well as an increase in the amount of indirect costs charged from the General Fund to the Utilities Fund (\$254,058).</li> <li>▪ Debt service increased by \$6,768,313. This included repayment of funds borrowed through the Virginia Wastewater Revolving Loan Fund (VWRLF), which is the primary source of financing for the Master Plan 2001 update at the WPCP, and repayment of general obligation bonds issued in FY 2007 and FY 2008 funding the Potomac Interceptor project, the County's share of the Washington Aqueduct Residuals project, and a portion of the Master Plan 2001 update.</li> </ul> | 6.0  |

| Fiscal Year | Description  | FTEs |
|-------------|--|------|
|             | <ul style="list-style-type: none"> <li>▪ The adopted budget included an increase in the water connection fee. This fee had not increased in the past 18 years. The previous fees ranged from \$1,600 to \$15,500, depending on the size of the connection, and the adopted fees range from \$3,200 to \$25,300.</li> <li>▪ The adopted budget included an increase in the rate charged for inspections of Drainage Fixture Unit (DFU) credits, based on the actual cost of performing these inspections. Developers may request a review of actual DFUs versus the standard number of DFUs set forth in the County Water Rules and Regulations. The previous inspection charge was \$75 for one to 24 fixtures, and from \$125 to \$175 for 25 or more fixtures. The adopted fees are \$175 for one to 24 fixtures, and \$275 for 25 or more.</li> <li>▪ The County Board approved new financial policies for the Utilities Fund regarding long-term financial planning, reserve levels, and debt service coverage.</li> </ul>   |      |
| FY 2010     | <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ 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.</li> </ul> | 1.0  |
| FY 2011     | <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ 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</li> </ul>  |      |



| Fiscal Year | Description  | FTEs             |
|-------------|--|------------------|
|             | 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"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ 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).</li> <li>▪ 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.</li> <li>▪ 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.</li> </ul> | (1.0)            |
| FY 2013     | <ul style="list-style-type: none"> <li>▪ The total water/sewer rate increases \$0.42 to a total of \$12.61 per thousand gallons (TG), a 3.4% 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.</li> <li>▪ Personnel includes seven new FTE’s (a water quality engineer and a new six-person water maintenance crew).</li> <li>▪ A partial FTE is transferred to the Department of Environmental Services General Fund budget.</li> <li>▪ Non-Personnel expenditures increased \$861,100 for chemicals, supplies, and contractual services for the process control system at the Water Pollution Control Plant.</li> <li>▪ County vehicle charges increase \$161,392 for new equipment approved</li> </ul>  | 7.0<br><br>(0.2) |

| <b>Fiscal Year</b> | <b>Description</b> | <b>FTEs</b> |
|--------------------|--------------------|-------------|
|--------------------|--------------------|-------------|

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.
- The transfer to PAYG capital decreases \$897,282, based on the planned FY 2013 maintenance capital program.