

Wastewater Fund

FY 2020 Adopted Budget - City of Fairfax, Virginia

**City of Fairfax, Virginia
FY 2020 Wastewater Fund
Budget Summary**

	<u>FY 2018</u> <u>Actual</u>	<u>FY 2019</u> <u>Budget</u>	<u>FY 2019</u> <u>Estimate</u>	<u>FY 2020</u> <u>Adopted</u>	<u>Variance to</u> <u>Budget \$</u>	<u>Variance to</u> <u>Budget %</u>
Revenues						
Operating Revenues	\$ 7,061,604	\$ 7,514,257	\$ 7,514,257	\$ 8,265,683	\$ 751,426	10.00%
Availability Charges	1,781,699	325,000	325,000	325,000	-	0.00%
Other Revenues						
Interest	192,214	75,900	75,900	80,000	4,100	5.40%
Miscellaneous / Financing	23,035	23,035	23,035	20,000	(3,035)	-13.18%
Reimbursements	376,168	375,000	375,000	375,000	-	0.00%
Subtotal Other Revenues	591,417	473,935	473,935	475,000	1,065	0.22%
Other Financing Sources	-	8,943,000	8,943,000	7,857,000	(1,086,000)	-12.14%
Total Revenues	\$ 9,434,720	\$ 17,256,192	\$ 17,256,192	\$ 16,922,683	\$ (333,509)	-1.93%
Expenses						
Operating Expenses						
Annual Wastewater Treatment	\$ 2,006,913	\$ 2,271,992	\$ 2,271,992	\$ 2,499,192	\$ 227,199	10.00%
CIP Payments - Fairfax County	-	6,849,000	6,849,000	5,200,000	(1,649,000)	-24.08%
Capital Projects	335,801	2,094,000	2,094,000	2,657,000	563,000	26.89%
Line Maintenance	1,046,502	1,116,042	1,116,042	1,122,751	6,710	0.60%
Administrative & Engineering	942,465	1,034,226	1,042,926	1,088,526	54,300	5.25%
Subtotal Operating Costs	4,331,681	13,365,260	13,373,960	12,567,469	(797,791)	-5.97%
Other Expenses						
Debt Service	1,305,223	1,870,064	1,870,064	1,868,344	(1,720)	-0.09%
Subtotal Other Expenses	1,305,223	1,870,064	1,870,064	1,868,344	(1,720)	-0.09%
Total Expenses	\$ 5,636,904	\$ 15,235,324	\$ 15,244,024	\$ 14,435,813	\$ (799,511)	-5.25%
Cash Balance - June 30	\$ 9,909,365	\$ 17,158,315	\$ 11,921,533	\$ 14,408,403		
Total FTE	8.4	8.4	8.2	8.2		

FY 2020 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Wastewater Services
DEPARTMENT: Utilities
DIVISION OR ACTIVITY: County Wastewater Treatment Contract

BUDGET COMMENTS:

The FY 2020 Adopted Budget reflects a reduction of \$1,421,801 (15.6%) from the FY 2019 Adopted Budget. Notable changes are as follows:

- **Annual Wastewater Treatment**

The contracted amount for the Wastewater treatment with Fairfax County is projected to increase by 10.0% in FY 2020. Due to increased conservation, usage has generally trended down.

- **CIP Payments – Fairfax County**

The Capital Improvement is based on the County’s projections for the cost of the upgrades to the Noman M. Cole Wastewater Treatment plant. Major plant upgrades are required due to an EPA mandated nitrogen reduction program and plant renovations. The City’s share of the total capital cost when finalized is 6.27 %, which equates to the percentage of total capacity that the City owns at the Noman M. Cole Wastewater Treatment Plant. Renovation and construction costs are contingent upon the final scope of work and construction change

Cost Center 435110: County Wastewater Treatment Contract

Title	FY 2018 <u>Actual</u>	FY 2019 <u>Budget</u>	FY 2019 <u>Estimate</u>	FY 2020 <u>Adopted</u>	Variance to <u>Budget \$</u>	Variance to <u>Budget %</u>
County Charges - Operating	\$ 2,006,913	\$ 2,271,992	\$ 2,271,992	\$ 2,499,192	\$ 227,199	10.00%
County Charges - Capital	-	6,849,000	6,849,000	5,200,000	(1,649,000)	-24.08%
Total	\$ 2,006,913	\$ 9,120,992	\$ 9,120,992	\$ 7,699,192	\$ (1,421,801)	-15.59%

PROGRAM:

Wastewater originating in the City's Wastewater system is treated by Fairfax County in its Noman M. Cole, Jr., Pollution Control Plant by a contractual agreement that provides a guaranteed treatment capacity for the City.

GOAL:

To ensure effective Wastewater services to city customers and to make sure treatment capacity is available for future use by administering the wastewater treatment contract with Fairfax County.

OBJECTIVES:

- To determine how much capacity is available for future use by measuring and monitoring city wastewater flows to Fairfax County’s Noman M. Cole, Jr. Pollution Control Plant and make recommendations to purchase additional capacity if necessary.
- To monitor the city’s payments to the county for treatment, capital improvement, operations and maintenance costs to ensure costs to city customers are accurate and properly prorated.

SERVICES AND PRODUCTS:

- Wastewater metering stations, treatment and disposal of wastewater for City residents and businesses and to protect the Chesapeake Bay.

FY 2020 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Wastewater Services
DEPARTMENT: Utilities
DIVISION OR ACTIVITY: County Wastewater Treatment Contract

PERFORMANCE MEASURES:

Indicators	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Output Measures				
Rolling average daily flow (Millions Gallons Daily–MGD)	3.2	3.2	3.3	3.4
Outcome Measures				
% Utilization 4.2 MGD Avg Capacity	76%	76%	79%	81%

FY 2020 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Wastewater Services
DEPARTMENT: Public Works
DIVISION OR ACTIVITY: Wastewater Line Maintenance

BUDGET COMMENTS:

An increase of \$569,710 (17.7%) from the FY 2019 Adopted Budget is necessary to fund the FY 2020 Adopted Budget. Notable changes are as follows:

- **Salaries, decrease of \$10,716 (1.7%)**
 - Decrease in full time salaries
- **Fringe Benefits, increase of \$11,971 (5.7%)**
 - Increase due to increases in the cost of health insurance and retirement plans.
- **Capital Outlay, increase of \$563,000 (26.9%)**
 - The detail for Wastewater capital projects is provided in the Capital Budget Section G.

Cost Center 435120: Wastewater Line Maintenance

Title	FY 2018 <u>Actual</u>	FY 2019 <u>Budget</u>	FY 2019 <u>Estimate</u>	FY 2020 <u>Adopted</u>	Variance to <u>Budget \$</u>	Variance to <u>Budget %</u>
Salaries	\$ 562,400	\$ 607,228	\$ 607,228	\$ 596,512	\$ (10,716)	-1.76%
Fringe Benefits	201,139	209,889	209,889	221,860	11,971	5.70%
Purchased Services	99,319	67,500	67,500	67,500	-	0.00%
Internal Services	56,008	89,003	89,003	92,957	3,954	4.44%
Other Charges	21,373	32,033	32,033	33,033	1,000	3.12%
Supplies & Materials	106,263	110,389	110,389	110,889	500	0.45%
Capital Outlay	335,801	2,094,000	2,094,000	2,657,000	563,000	26.89%
Total	\$ 1,382,303	\$ 3,210,042	\$ 3,210,042	\$ 3,779,751	\$ 569,710	17.75%

PROGRAM:

Wastewater conveyance pipelines and facilities are maintained and rehabilitated by the Wastewater Division of the Public Works Department.

GOAL:

To provide reliable wastewater service by inspecting, cleaning, repairing and rehabilitating the city's wastewater pumping and gravity conveyance network.

OBJECTIVES:

- To minimize the number of wastewater service line backups to less than two per fiscal year
- To minimize the number of wastewater overflows to the environment to less than two per fiscal year
- To reduce excessive inflow and infiltration (I/I) by ten percent from FY 2013, the base year.
- To perform preventive maintenance flushing of 50% of the wastewater system per year.
- To perform preventive maintenance video recording of 15% of the wastewater system per year.

FY 2020 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Wastewater Services
DEPARTMENT: Public Works
DIVISION OR ACTIVITY: Wastewater Line Maintenance

SERVICES AND PRODUCTS:

- Provide well-maintained and unobstructed wastewater conveyance pipelines
- Minimize backups and overflows
- Inspect and resolve wastewater pipelines exhibiting grease and blockage
- Respond to and resolve odor control issues

PERFORMANCE MEASURES:

Indicators	FY 2018 Actual	FY 2019 Estimate	FY 2020 Projected
Output Measures			
Sanitary Sewer Lining – 10” & under (lf)	12,400	12,000	12,000
Sanitary Sewer Lining – over 10” (lf)	6,970	6,900	6,900
Manholes Rehabilitated (lf)	690	650	650
Sewer Lines TV’d (lf)	84,050	84,000	84,000
Sewer Lines Flushed (lf)	314,050	314,000	314,000
Miss Utility tickets marked	3,048	3,050	3,050

Performance Measurement Results:

- Daily/Weekly preventive maintenance of the five pump stations
- 24/7 alarm monitoring of the five pump stations
- Assist with TV inspection of new development
- Oversight of CIP wastewater lining contractors
- Mowed and maintained sewer easements
- Oversight of CIP wastewater repair and replacement
- Schedule repair and maintenance on ten pump motors
- Schedule repair and maintenance on five generators (1 on each pump house)
- Respond to Emergency Miss Utility Tickets 24/7
- Grounds and building maintenance of five pump station facilities
- Replacement of manhole frame and covers

Personnel Classification	Grade	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Superintendent	124	0.25	0.25	0.25	0.25
Crew Supervisor	117	1.00	1.00	1.00	1.00
Utility Worker III	112	1.00	1.00	1.00	1.00
Wastewater Equipment Operator	111	1.00	1.00	1.00	1.00
Utility Line Technician	110	1.00	1.00	1.00	1.00
Utility Technician III	110	1.00	1.00	1.00	1.00
Utility Worker II	109	1.00	1.00	1.00	1.00
Utility Technician II	109	1.00	1.00	1.00	1.00
Total FTE		7.25	7.25	7.25	7.25

FY 2020 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Wastewater Services
DEPARTMENT: Utilities
DIVISION OR ACTIVITY: Wastewater Administration

BUDGET COMMENTS:

An increase of \$54,300 (5.2%) from the FY 2019 Adopted Budget is necessary to fund the FY 2020 Adopted Budget. Notable changes are as follows:

- **Salaries, increase of \$29,807 (31.4%)**
 - Increase due to timing difference created by FY 2019 merit.
- **Fringe Benefits, increase of \$17,322 (42.4%)**
 - Increase due to increases in the cost of health insurance and retirement plans.

Cost Center 435130: Wastewater Administration & Engineering

Title	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted	Variance to Budget \$	Variance to Budget %
Salaries	\$ 77,152	\$ 94,926	\$ 95,126	\$ 124,733	\$ 29,807	31.40%
Fringe Benefits	28,117	40,826	40,826	58,148	17,322	42.43%
Purchased Services	5,265	16,250	16,250	16,250	-	0.00%
Internal Services (Motor Pool)	578,069	586,374	586,374	619,845	33,471	5.71%
Other Charges	253,862	295,000	303,500	268,500	(26,500)	-8.98%
Supplies & Materials	-	850	850	1,050	200	23.53%
Capital Outlay	-	-	-	-	-	0.00%
Total	\$ 942,465	\$ 1,034,226	\$ 1,042,926	\$ 1,088,526	\$ 54,300	5.25%

PROGRAM:

Wastewater service management and administration are provided by the Department of Public Works but no longer include utility billing. Customer service, customer issue resolution, general administration, and engineering review are to be provided by Public Works as an in-kind service.

GOAL:

To provide effective leadership, managerial, administrative and engineering support to the Wastewater line maintenance division in order to enhance department performance. To strengthen environmental sustainability and meet the City's goal of providing unsurpassed user-friendly, customer-focused business practices.

FY 2020 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Wastewater Services
DEPARTMENT: Utilities
DIVISION OR ACTIVITY: Wastewater Administration

OBJECTIVES:

- To monitor and ensure efficient utility billing for Wastewater customers by Fairfax Water the City’s out source for these services.
- To review site plans submitted by developers within 7 business days of submittal
- To manage new connections to the wastewater system
- To provide “Capacity Management” via managing wastewater conveyance to Fairfax County and a life-cycle cost basis for the wastewater Capital Improvement Program
- To have a strong safety program resulting in zero “lost time” accidents for the Department

SERVICES AND PRODUCTS:

- Administrative services for Wastewater Services Section
- Monitoring Utility Billing Quality and cost effectiveness
- Wastewater emergency response assistance
- Wastewater conveyance and service connection Information Management
- Asset Management support via GIS
- Records Management

PERFORMANCE MEASURES:

Indicators	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Projected
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Output Measures

Site Plans reviewed	37	33	33	30
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Personnel Classification	Grade	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted
Director of Public Works	**	0.10	0.10	0.10	0.10
City Engineer	125	0.10	0.10	0.10	0.10
Stormwater Res Engineer	121	0.10	0.10	0.10	0.10
Assistant Stormwater Res Engineer	117	0.30	0.30	0.30	0.30
Administrative Assistant IV	112	0.50	0.50	0.30	0.30
Total FTE		1.10	1.10	0.90	0.90

FY 2020 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Wastewater Services
DEPARTMENT: Utilities
DIVISION OR ACTIVITY: Wastewater Debt Service

BUDGET COMMENTS:

No significant adjustment from FY 2019 Adopted Budget is necessary to fund the FY 2020 Adopted Budget.

Cost Center 435710: Wastewater Debt Service

Title	FY 2018 <u>Actual</u>	FY 2019 <u>Budget</u>	FY 2019 <u>Estimate</u>	FY 2020 <u>Adopted</u>	Variance to <u>Budget \$</u>	Variance to <u>Budget %</u>
Debt Service	\$ 1,305,223	\$ 1,870,064	\$ 1,870,064	\$ 1,868,344	\$ (1,720)	-0.09%
Total	\$ 1,305,223	\$ 1,870,064	\$ 1,870,064	\$ 1,868,344	\$ (1,720)	-0.09%

PROGRAM:

General revenue bonds and resulting debt service are required, after City Council approval, for projects too large to be funded by current user fee revenues. Such capitalized projects will have a long-term public benefit and ensure adequate capacity for current and future customers.

GOAL:

To ensure an adequate and efficient wastewater conveyance system, that is financially secure, by paying principal and interest (debt service) for bond proceeds issued by the VRA to the City to pay for completed treatment improvements upgrades at Noman Cole, Jr., Pollution Control Plant and the City's pumping and collection service area.

OBJECTIVE:

- Retire Debt

SERVICES AND PRODUCTS:

- Payment of principal and interest on debt to bond holders.

Purpose: Financing capital improvements to the Wastewater System
Principal Amount: \$24,080,000
Date of Issue: November 2010
Collateral: Wastewater Fund reserves

2012C VRA Bonds
Lease Financing for Utility Improvements
Principal and Interest, 10-1; Interest, 4-1

Payments During Year

<u>YEAR ENDING</u> <u>JUNE 30</u>	<u>PRINCIPAL</u>	<u>NET</u> <u>INTEREST</u>	<u>TOTAL</u> <u>REQUIREMENT</u>
2020	625,000	1,243,344	1,868,344
2021	660,000	1,209,934	1,869,934
2022	685,000	1,176,552	1,861,552
2023	705,000	1,142,904	1,847,904
2024	730,000	1,106,770	1,836,770
2025	755,000	1,068,073	1,823,073
2026	785,000	1,026,710	1,811,710
2027	815,000	980,721	1,795,721
2028	850,000	930,437	1,780,437
2029	880,000	878,189	1,758,189
2030	920,000	823,829	1,743,829
2031	955,000	767,197	1,722,197
2032	995,000	707,797	1,702,797
2033	1,035,000	645,474	1,680,474
2034	1,080,000	580,542	1,660,542
2035	1,125,000	512,852	1,637,852
2036	1,170,000	442,392	1,612,392
2037	1,220,000	369,012	1,589,012
2038	1,270,000	292,574	1,562,574
2039	1,320,000	213,066	1,533,066
2040	1,375,000	130,325	1,505,325
2041	1,435,000	44,053	1,479,053
Total	\$ 21,390,000	\$ 16,292,747	\$ 37,682,747

FY 2020 Adopted Budget - City of Fairfax, Virginia

Wastewater Fund Expense Detail							
Account	Account Title	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted	Variance to Budget \$	Variance to Budget %
County Wastewater Treatment Contract (435110)							
530835	City-County Contracts - O&M	\$ 2,006,913	\$ 2,271,992	\$ 2,271,992	\$ 2,499,192	\$ 227,199	10.00%
530835	City-County Contracts - CIP	-	6,849,000	6,849,000	5,200,000	(1,649,000)	-24.08%
	Subtotal	2,006,913	9,120,992	9,120,992	7,699,192	(1,421,801)	-15.59%
Wastewater Line Maintenance (435120)							
511105	Salaries - Full Time	424,349	462,228	462,228	451,512	(10,716)	-2.32%
511115	Salaries - Overtime	124,115	112,000	112,000	112,000	-	0.00%
511125	Temporary Help	-	6,000	6,000	6,000	-	0.00%
511130	On Call Pay	24,983	27,000	27,000	27,000	-	0.00%
511165	Annual Accrual	(11,387)	-	-	-	-	0.00%
511170	MLR Kaiser Rebate	340	-	-	-	-	0.00%
512110	Fringe Benefits	201,139	209,889	209,889	221,860	11,971	5.70%
530113	Contract Services	17,614	29,000	29,000	29,000	-	0.00%
530350	Building Maintenance	772	5,000	5,000	5,000	-	0.00%
530351	Equipment Maintenance	80,933	33,500	33,500	33,500	-	0.00%
540102	Motor Pool Charges	56,008	89,003	89,003	92,957	3,954	4.44%
550110	Utilities Expense	13,699	17,533	17,533	17,533	-	0.00%
550430	Equipment Rental	4,344	10,500	10,500	11,500	1,000	9.52%
550501	Travel & Training	3,330	4,000	4,000	4,000	-	0.00%
560110	Office Supplies	263	1,000	1,000	1,000	-	0.00%
560416	Uniforms	3,074	4,389	4,389	4,389	-	0.00%
560420	Operating Supplies	33,926	11,000	11,000	11,500	500	4.55%
560430	Operating Materials	11,777	29,000	29,000	29,000	-	0.00%
560501	Chemicals - Other	57,223	65,000	65,000	65,000	-	0.00%
580428	Sewage Pump Station Rehab	5,575	30,000	30,000	30,000	-	0.00%
580429	Sewer Rehab at Creek Cross.	-	-	-	-	-	0.00%
580441	Sewer Lining	169,730	470,000	470,000	470,000	-	0.00%
580440	Sewer Trunk Lining-pipes over 10 in	148,669	550,000	550,000	875,000	325,000	59.09%
580442	Manhole Rehab	-	120,000	120,000	122,000	2,000	1.67%
580443	Sewer Trunk Line Evaluation	4,293	300,000	300,000	300,000	-	0.00%
580444	SCADA	-	-	-	-	-	0.00%
580448	Geographical Information System	(4,293)	130,000	130,000	130,000	-	0.00%
580449	Collection System Repair & Replacement	11,827	110,000	110,000	112,000	2,000	1.82%
580450	Pump Station Containment	-	50,000	50,000	50,000	-	0.00%
580451	Stream Easement Encasement Project	-	150,000	150,000	153,000	3,000	2.00%
580452	Mobilized Video Camera Equipment	-	-	-	-	-	0.00%
580453	SS Line & Replace @ Main St & West St	-	-	-	-	-	0.00%
580454	Wastewater Vehicle Replacement	-	84,000	84,000	415,000	499,000	594.05%
580455	SS Main Rehab @ Univ Dr & North St	-	100,000	100,000	-	100,000	100.00%
	Subtotal	1,382,303	3,210,042	3,210,042	3,779,751	937,710	29.21%
Administration & Engineering (435130)							
511105	Salaries - Full Time	77,033	94,926	94,926	124,533	29,607	31.19%
511115	Salaries - Over Time	114	-	200	200	200	0.00%
511170	MLR Kaiser Rebate	5	-	-	-	-	0.00%
512110	Fringe Benefits	28,117	40,826	40,826	58,148	17,322	42.43%
530113	Contract Services	5,265	16,250	16,250	16,250	-	0.00%
540060	Management Fee	578,069	586,374	586,374	619,845	33,471	5.71%
550806	Other Services	253,862	295,000	303,500	268,500	(26,500)	-8.98%
560110	Office Supplies	-	850	850	850	-	0.00%
560416	Uniforms	-	-	-	200	200	0.00%
	Subtotal	942,465	1,034,226	1,042,926	1,088,526	54,300	5.25%
Debt Service (435710)							
590105	Principal	-	595,000	595,000	625,000	30,000	5.04%
590110	Interest	1,305,223	1,275,064	1,275,064	1,243,344	(31,720)	-2.49%
	Subtotal	1,305,223	1,870,064	1,870,064	1,868,344	(1,720)	-0.09%
Total Wastewater Fund		\$ 5,636,904	\$ 15,235,324	\$ 15,244,024	\$ 14,435,813	\$ (431,511)	-2.83%

FY 2020 Adopted Budget - City of Fairfax, Virginia

Function: Wastewater Services
Department: Public Works
Division or Activity: Wastewater Lateral Repair and Replacement Program

Program:

The Code of the City of Fairfax, Virginia requires wastewater customers to be responsible for wastewater laterals all the way to the main. In all cases, repair or replacement of the lateral within the Right-of-Way is expensive and urgent. As a first step toward establishing assistance within the Right-of-Way the Wastewater Utility established, effective March 2017, a reimbursement program for corrective repairs and replacements as well as preventive replacements using open trench or trenchless technologies. The program provides a new charge entitled Wastewater lateral repair and replacement charge.

A dedicated escrow account has been established under this Utility Fund for the wastewater lateral repair and replacement program. The program is to be self-sustaining.

**City of Fairfax, Virginia
 FY 2020 Lateral Repair and Replacement Program
 Budget Summary**

	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Adopted	Variance to Budget \$	Variance to Budget %
Fund Balance - Beginning	(35,934)	-	236,084	236,084		
Revenues						
Lateral R & R Charge	\$ 297,518	\$ 160,000	\$ 160,000	\$ 160,000	\$ -	0.00%
Total Revenues	\$ 297,518	\$ 160,000	\$ 160,000	\$ 160,000	\$ -	0.00%
Expenses						
Lateral R & R Expense	\$ 25,500	\$ 160,000	\$ 160,000	\$ 160,000	\$ -	0.00%
Total Expenses	\$ 25,500	\$ 160,000	\$ 160,000	\$ 160,000	\$ -	0.00%
Account Balance - 6/30	\$ 236,084	\$ -	\$ 236,084	\$ 236,084		