

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 2021 adopted expenditure budget for the Utilities Fund is \$91,512,295, a three percent increase from the FY 2020 adopted budget. The FY 2021 budget reflects:

- Personnel changes due to employee salary increases, retirement contributions decreased based on current actuarial projections, decreased charge-backs to capital, adjustments to salaries resulting from job family studies for trades and planners (\$738,518), partially offset by a decrease in the County's cost for employee health insurance and an increase in charges to the Solid Waste Bureau (DES-General Fund) to pay their pro-rata share of the Customer Services Office (\$13,754).
- ↑ Non-personnel increases due to purchased water (\$900,000), non-discretionary contractual increases for chemicals (\$201,150), biosolids hauling (\$78,315), and various contracts (\$16,130), projected demand for utility markings (\$30,000), budget reallocations as identified based on historical spending and operational needs (\$20,866), operating expenses associated with the new position (\$2,550 one-time and \$1,360 ongoing), and one-time funding for large valve inspections (\$300,000), partially offset by the elimination of FY 2020 one-time expenses (\$22,005), elimination of annual maintenance costs for the decommissioned billing information system (\$32,425), budget reductions and reallocations as identified based on historical spending and operational needs (\$5,700), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$30,796).
- ↓ Debt service decreases due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$31,211).
- ↑ Other expenses increase for the contingency due to the reclassification of positions identified to be substantially below comparative pay studies (\$414,117), fund-wide benefit changes (\$14,095), higher overhead charges based on FY 2021 projections (\$176,181), and consultant funding (\$18,110), partially offset by the elimination of Bozman Government Center rent due to relocation of the Customer Services Office (\$59,059).
- ↑ Intra-county revenue increases based on historic trend analysis of water and sewer revenue from county departments and the increase in the water and sewer rate (\$100,000).
- ↑ Revenues increase due to the adopted water and sewer rate increase (\$1,521,958), sewage treatment charges from neighboring jurisdictions (\$100,000), interest income (\$50,000), projected demand for utility marking fees (\$20,000), increases for Lee Pumping Station lease agreements (\$5,280), miscellaneous revenues (\$31,512), and historic trend analysis of water-sewer engineering fees (\$2,500) and flow test fees (\$2,200); partially offset by a decrease in turn-on fees (\$3,000).
- ↓ Fund balance utilized decreases from the prior year by \$520,961 and reflects the current deficit in the 90-day operating reserve. There is a planned addition to the reserve of \$1,000,000 in FY 2021.

On July 1, 2020, the total water/sewer rate increases \$0.40, from \$13.80 to \$14.20 per thousand gallons (TG). This is a 2.9 percent increase projected to produce \$1.5 million of additional revenue. The water rate increases \$0.21, from \$4.70/TG to \$4.91/TG and sewer rate increases is \$0.19, from \$9.10/TG to \$9.29/TG respectively. The rate effective date will be July 1, 2020. The average

homeowner, using approximately 60 TG annually, would see their bill increase \$24, from \$828 to \$852 per year (\$24 annually or \$6 per quarter).

PROGRAM FINANCIAL SUMMARY

| | FY 2019 Actual | FY 2020 Adopted | FY 2021 Adopted | % Change '20 to '21 |
|--|---------------------|---------------------|---------------------|------------------------|
| Personnel | \$22,992,991 | \$25,258,956 | \$25,659,267 | 2% |
| Non-Personnel | 30,562,245 | 29,047,725 | 30,507,170 | 5% |
| Debt Service | 30,760,321 | 30,405,573 | 30,374,362 | - |
| Other | 5,108,654 | 5,433,052 | 5,996,496 | 10% |
| Subtotal | 89,424,211 | 90,145,306 | 92,537,295 | 3% |
| Intra-County Revenue | (982,085) | (925,000) | (1,025,000) | 11% |
| Total Operating Expenditures | 88,442,126 | 89,220,306 | 91,512,295 | 3% |
| Revenues | 99,017,611 | 102,936,845 | 104,667,295 | 2% |
| Fund Balance Utilized | 3,546,637 | 520,961 | - | - |
| Total Revenues and Fund Balance | 102,564,248 | 103,457,806 | 104,667,295 | 1% |
| Transfer to Capital | 14,025,300 | 14,190,500 | 12,155,000 | -14% |
| Transfer to Auto Fund | - | 47,000 | - | - |
| Total Transfers Out (In) | \$14,025,300 | \$14,237,500 | \$12,155,000 | -15% |
| Permanent FTEs | 245.75 | 251.75 | 251.75 | |
| Temporary FTEs | 2.20 | 2.20 | 2.20 | |
| Total Authorized FTEs | 247.95 | 253.95 | 253.95 | |

Note: In FY 2020, \$520,961 from prior year fund balance was used. The fund balance has been drawn down over the past few years for rate stabilization and was slightly below the minimum requirement, per policy, at the end of FY 2019. Therefore, there is a planned addition to fund balance of \$1,000,000 in FY 2021 to partially restore the deficit. Additional funding will be set aside in future years to fully restore the fund balance reserve over three years, per policy, and to maintain it at the appropriate level.

FIVE-YEAR RATE HISTORY

| Fiscal Year | Effective Date | Water (\$/TG) | Sewer (\$/TG) | Combined Rate (\$/TG) | Increase from Prior Year (%) | Annual Household Cost (60 TG/year) |
|-----------------|----------------|---------------|---------------|-----------------------|------------------------------|------------------------------------|
| FY 2017 | May 1, 2016 | \$4.21 | \$9.06 | \$13.27 | - | \$796 |
| FY 2018 | May 1, 2017 | \$4.53 | \$9.09 | \$13.62 | 2.6% | \$796 |
| FY 2019 | July 1, 2018 | \$4.53 | \$9.09 | \$13.62 | - | \$817 |
| FY 2020 | July 1, 2019 | \$4.70 | \$9.10 | \$13.80 | 1.3% | \$828 |
| Adopted FY 2021 | July 1, 2020 | \$4.91 | \$9.29 | \$14.20 | 2.9% | \$852 |

**UTILITIES FUND
OPERATING STATEMENT**

| | FY 2019 ACTUAL | FY 2020 ADOPTED | FY 2020 RE-ESTIMATE | FY 2021 ADOPTED |
|---|--------------------|--------------------|------------------------|--------------------|
| BALANCE JULY 1 | \$17,345,388 | \$18,601,528 | \$13,895,573 | \$14,127,555 |
| REVENUE | | | | |
| Interest | 270,001 | 75,000 | 75,000 | 125,000 |
| Water/Sewer Billing | 92,288,914 | 96,579,970 | 96,579,970 | 98,101,928 |
| Water Service Connection Fee | 868,140 | 1,100,000 | 1,100,000 | 1,100,000 |
| Water Service Discontinuation | 129,195 | 140,000 | 140,000 | 140,000 |
| Meter Installation | 18,700 | 25,000 | 25,000 | 25,000 |
| Sewage Treatment Charges | 4,279,551 | 4,000,000 | 4,000,000 | 4,100,000 |
| Late Fee | 414,241 | 410,000 | 410,000 | 410,000 |
| New Account Fee | 110,275 | 105,000 | 105,000 | 105,000 |
| Turn-On Fee | 9,450 | 13,000 | 11,500 | 10,000 |
| Flow Test Fee | 10,200 | 8,000 | 9,500 | 10,200 |
| Pretreatment Fee | 10,569 | 5,200 | 5,200 | 5,200 |
| Utility Marking Fee | 225,791 | 195,000 | 195,000 | 215,000 |
| Hazardous Household Material Fee | 8,570 | 8,000 | 8,000 | 8,000 |
| Miscellaneous Revenue | 374,014 | 272,675 | 272,675 | 311,967 |
| TOTAL REVENUE | 99,017,611 | 102,936,845 | 102,936,845 | 104,667,295 |
| OPERATING EXPENSES | | | | |
| Customer Services Office (net of intra-county billing revenue) | 498,781 | 789,951 | 629,203 | 725,350 |
| WSS Operations | 18,488,782 | 19,169,131 | 19,169,131 | 19,944,661 |
| Water Purchase | 8,114,102 | 7,200,000 | 8,100,000 | 8,100,000 |
| Water/Sewer Records | 680,736 | 752,268 | 714,655 | 782,664 |
| Water Pollution Control | 24,602,775 | 25,209,264 | 23,948,801 | 26,112,102 |
| Debt Service | 30,760,321 | 30,405,573 | 30,405,573 | 30,374,362 |
| Other | 5,296,629 | 5,694,119 | 5,500,000 | 5,473,156 |
| TOTAL EXPENSES | 88,442,126 | 89,220,306 | 88,467,363 | 91,512,295 |
| BALANCE (SUBTOTAL) | 27,920,873 | 32,318,067 | 28,365,055 | 27,282,555 |
| TRANSFERS OUT | | | | |
| Utility Construction (Fund 519) | 14,025,300 | 14,190,500 | 14,190,500 | 12,155,000 |
| Auto Fund | - | 47,000 | 47,000 | - |
| TOTAL TRANSFERS | 14,025,300 | 14,237,500 | 14,237,500 | 12,155,000 |
| TOTAL EXPENSE AND TRANSFERS | 102,467,426 | 103,457,806 | 102,704,863 | 103,667,295 |
| BALANCE, JUNE 30 | 13,895,573 | 18,080,567 | 14,127,555 | 15,127,555 |
| Board-adopted Three-month Operating Reserve (excludes debt service) | \$14,690,178 | \$14,934,933 | \$14,765,447 | \$15,445,227 |
| Water/Sewer Rate per 1,000 gallons | \$13.62 | \$13.80 | \$13.80 | \$14.20 |

Note: Fund balance fell below the 90-day operating reserve at the end of FY 2019. It is planned to add \$1m to the reserve in FY 2021 to begin to restore reserve levels per policy.

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. If utilized, the reserve will be replenished over a three year period to the minimum reserve level.

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

Water/Sewer Billing: Charges for water/sewer service based on consumption of water as reflected by periodic readings of water meters serving the property. These charges generate approximately 93 percent of the income for the Utilities Fund. This category also 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. Set by County Code, Chapter 26; effective date July 1 each fiscal year.

Water Service Connection Fee: This fee is paid by new water users for a physical connection and meter installation to the water system. The fee recovers 100 percent of personnel, materials, and equipment rental costs. The fee varies by meter size, ranging from \$3,200 for a 1" connection line with a ¾" meter up to \$25,300 for an 8" line with an 8" meter. Set by County Code, Chapter 26; effective date July 1, 2008.

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 (6%) fee on any water and sewer charges if, 30 days after the billing date, there is an outstanding balance on the account. Set by County Code, Chapter 26; effective date July 1, 1992.

New Account Fee: This \$25 fee is charged to new customers when they set up a new utilities account. Set by County Code, Chapter 26; effective date July 1, 1992.

Discontinuation Fee: Fee to discontinue a public way service. Fee is \$500. Set by County Code, Chapter 26; effective date July 1, 2008.

Reactivation 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. Set by County Code, Chapter 26; effective date July 1, 1992.

Flow Test Fee: This \$300 fee is charged when developers request fire flow information necessary to do sprinkler system design. Set by County Code, Chapter 26; effective date July 1, 2008.

DFU Credit Inspection Fee: This fee is charged when developers request an inspection to certify the existing drainage fixture units (DFUs) at properties that will be demolished. The credit offsets the Infrastructure Availability Fees (IAF) that a developer will be charged for new construction DFUs. The fee is \$175 for inspections of 1-24 fixtures; \$275 for 25 plus fixtures. Set by County Code, Chapter 26; effective date July 1, 2008.

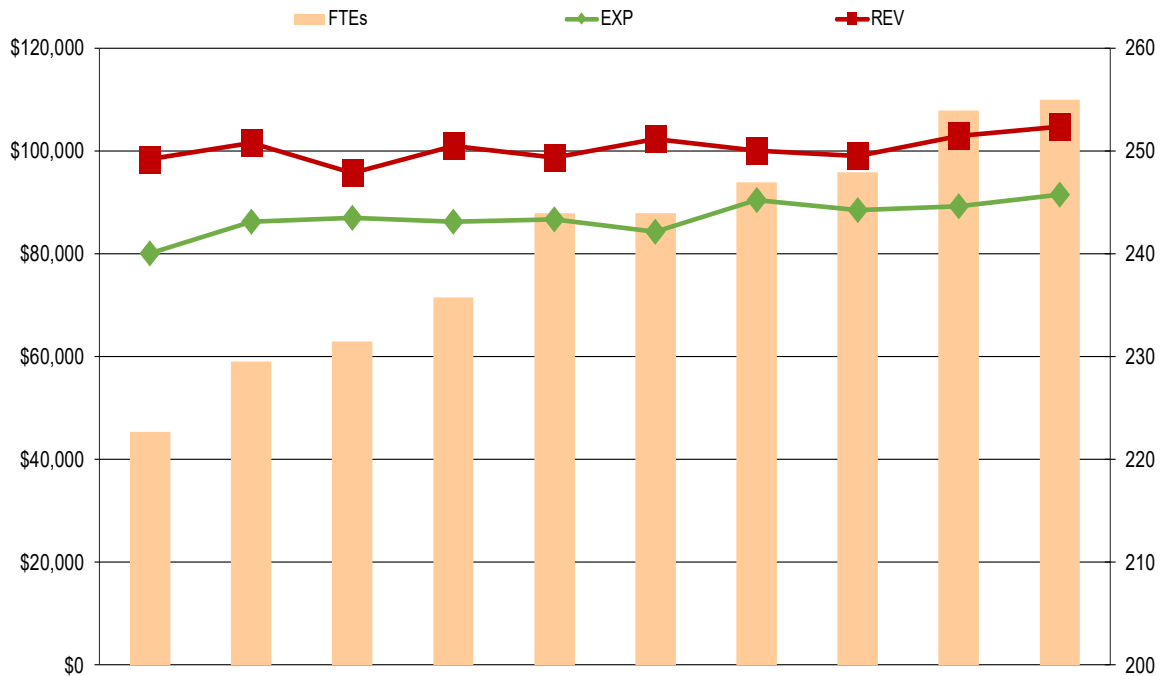
Pretreatment Fee: This fee is assessed on certain businesses that introduce pollutants into the sewer system, or "Significant Industrial Users," to recover the costs of the industrial pretreatment program, which ensures compliance with state and federal standards. Annual fee of \$1,560 plus \$3,640 for each monitoring point. Set by County Code, Chapter 26; effective date October 2, 2004.

Utility Marking Fee: This fee is charged to developers to have utility lines marked before construction begins. \$45 fee. Set by County Code, Chapter 22; effective date July 1, 2013.

Hazardous Household Material Fee/ Appliance Fee: This fee is charged for the safe disposal of household waste products that contain cathode ray tubes (CRTs). Fee is \$20 per television and \$15 per monitor. Set by County Code, Chapter 10; effective date April 30, 2005.

Infrastructure Availability Fee: This fee is charged to developers for the capital costs associated with adding new demand on the water and sewer systems, based on the number of drainage fixtures units (DFUs) added to the system. DFUs are established by the Plumbing Code to service as a proxy for water usage and range from 5 DFUs for a full bathroom to ½ for a drinking fountain. For a renovation or tear-down, full credit is granted for any pre-existing DFUs. Revenues for this fee are accounted for in the Utilities Capital Pay-As-You-Go Fund. Fees are \$200 per DFU combined water and sewer service. For structures which have water-only service, it is \$85 per fixture. For structures with sewer-only service, it is \$115 per fixture. Set by County Code, Chapter 26; effective date July 1, 2013.

EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS



| | FY 2012 Actual | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Actual | FY 2019 Actual | FY 2020 Adopted Budget | FY 2021 Adopted Budget |
|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|------------------------|
| EXP | \$80,054 | \$86,146 | \$87,020 | \$86,157 | \$86,735 | \$84,326 | \$90,478 | \$88,442 | \$89,220 | \$91,512 |
| REV | \$98,395 | \$101,522 | \$95,637 | \$100,996 | \$98,710 | \$102,319 | \$99,972 | \$99,018 | \$102,937 | \$104,667 |
| FTEs | 222.70 | 229.50 | 231.50 | 235.75 | 243.95 | 243.95 | 246.95 | 247.95 | 253.95 | 253.95 |

| Fiscal Year | Description | FTEs |
|-------------|--|------------------|
| 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. ▪ 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. | (1.0) |
| FY 2013 | <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% 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 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. | 7.0 (0.2) |

| Fiscal Year | Description | FTEs |
|-------------|--|------|
| | <ul style="list-style-type: none"> ▪ 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. | |
| 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 decreased to zero. | 2.0 |

| Fiscal Year | Description | FTEs |
|-------------|---|------------------------|
| 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). ▪ 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 decreased 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 expenses increased 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 increased 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 were 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). | <p>4.0</p> <p>0.25</p> |
| FY 2016 | <ul style="list-style-type: none"> ▪ Transfer in 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) ▪ 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 increased 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 | <p>0.2</p> <p>8.0</p> |

| Fiscal Year | Description | FTEs |
|-------------|---|------|
| | <p>(\$99,842), one-time equipment expenses for the new FTEs (\$63,000), and operating expenses for the new FTEs (\$32,902).</p> <ul style="list-style-type: none"> ▪ Non-personnel decreased due to the elimination of contractual valve work (\$350,000). ▪ Debt service decreased 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 expenses increased 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 increased 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 increased 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 decreased 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 expenses increased are due to higher overhead charges based on FY 2017 projections (\$418,512). ▪ Revenues decreased 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 decreased 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 | 3.0 |

| Fiscal Year | Description | FTEs |
|-------------|---|------|
| | <p>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).</p> <ul style="list-style-type: none"> ▪ Debt service decreased 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 expenses increased due to the higher overhead charges based on FY 2018 projections (\$23,284) and Courthouse Plaza rent (\$5,133). ▪ Revenues increased 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). | |
| FY 2019 | <ul style="list-style-type: none"> ▪ Added a Public Engagement Specialist (\$127,381). ▪ Non-personnel decreased 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), and adjustments to the annual expense for the maintenance and replacement of County vehicles (\$18,301). ▪ Debt service decreased 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 increased due to higher overhead charges based on FY 2019 projections (\$343,061). ▪ Revenue decreased 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 the interest income (\$25,000). ▪ Fund Balance Utilized increased from the prior year by \$598,448 and reflects the planned drawdown of fund balance, consistent with the County's financial policies. | 1.0 |

| Fiscal Year | Description | FTEs |
|-------------|--|--|
| FY 2020 | <ul style="list-style-type: none"> ▪ Transfer in of three employees from the Solid Waste Bureau to support the consolidated Customer Service Office now budgeted within the Utilities Fund (\$285,154), offset by an increase in interdepartmental charges to the Solid Waste Bureau (DES-General Fund) to support the call center consolidation (\$289,110). ▪ Transfer in of a utility underground program coordinator position from the General Fund (\$165,956). ▪ Added a Heating Ventilation and Air Conditioning (HVAC) Technician at the Plant (\$129,563). ▪ Added two employees to expand Call Center hours (\$139,198). ▪ Eliminated an Instrumentation supervisory position due to the consolidation of the Electrical and Instrumentation division at the Plant (\$135,195). ▪ Reduced overtime and standby pay for tank cleaning efforts at the Water Pollution Control Plant (\$429,160). ▪ Eliminated FY 2019 one-time expenses (\$105,220). ▪ Elimination of HVAC preventative maintenance contractual activities (\$456,099), contractual changes for utility markings (\$94,000), budget reductions and reallocations as identified based on historical spending and operational needs (\$263,225), elimination of the lease payment budget due to equipment having been paid off (\$34,412), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$55,174). ▪ Increased funding for new positions (\$22,005 one-time, \$62,549 ongoing), meter replacements (\$346,362), annual maintenance costs for the newly implemented billing information system (\$146,238), contractual increases (\$325,141), and an increase in various overhead line items which were transferred from the Solid Waste Bureau to support the consolidation of the call center (\$36,551). ▪ Debt service decreased due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$517,970) 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) (\$272,437). ▪ Other expenses increased are due to higher overhead charges based on FY 2020 projections (\$483,729), offset by a decrease of Bozman Government Center rent (\$74,401). ▪ Intra-county revenue increased based on historic trend analysis of water and sewer revenue from county departments and the increase in the water and sewer rate (\$75,000). ▪ Revenues increased due to the adopted water and sewer rate increase (\$973,399), sewage treatment charges from neighboring jurisdictions (\$529,147), increases for Lee Pumping Station lease agreements (\$5,040), and miscellaneous revenues (\$14,500); partially offset by a decrease in hazardous household material fees (\$2,000). | <p>3.0</p> <p>1.0</p> <p>1.0</p> <p>2.0</p> <p>(1.0)</p> |

| Fiscal Year | Description | FTEs |
|-------------|--|------|
| | <ul style="list-style-type: none"> ▪ Fund Balance Utilized decreased from the prior year by \$1,579,039 and reflects the continued drawdown of fund balance, as planned, and consistent with the County’s financial policies. | |
| FY 2021 | <ul style="list-style-type: none"> ▪ Personnel increases due to employee salary increases, retirement contributions decreased based on current actuarial projections, decreased charge-backs to capital, adjustments to salaries resulting from job family studies for trades and planners (\$738,518), partially offset by a decrease in the County’s cost for employee health insurance and an increase in charges to the Solid Waste Bureau (DES-General Fund) to pay their pro-rata share of the Customer Services Office (\$13,754). ▪ Non-personnel increases due to purchased water (\$900,000), non-discretionary contractual increases for chemicals (\$201,150), biosolids hauling (\$78,315), and various contracts (\$16,130), projected demand for utility markings (\$30,000), budget reallocations as identified based on historical spending and operational needs (\$20,866), operating expenses associated with the new position (\$2,550 one-time and \$1,360 ongoing), and one-time funding for large valve inspections (\$300,000), partially offset by the elimination of FY 2020 one-time expenses (\$22,005), elimination of annual maintenance costs for the decommissioned billing information system (\$32,425), budget reductions and reallocations as identified based on historical spending and operational needs (\$5,700), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$30,796). ▪ Debt service decreases due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$31,211). ▪ Other expenses increase for the contingency due to the reclassification of positions identified to be substantially below comparative pay studies (\$414,117), fund-wide benefit changes (\$14,095), higher overhead charges based on FY 2021 projections (\$176,181), and consultant funding (\$18,110), partially offset by the elimination of Bozman Government Center rent due to relocation of the Customer Services Office (\$59,059). ▪ Intra-county revenue increases based on historic trend analysis of water and sewer revenue from county departments and the increase in the water and sewer rate (\$100,000). ▪ Revenues increase due to the adopted water and sewer rate increase (\$1,521,958), sewage treatment charges from neighboring jurisdictions (\$100,000), interest income (\$50,000), projected demand for utility marking fees (\$20,000), increases for Lee Pumping Station lease agreements (\$5,280), miscellaneous revenues (\$31,512), and historic trend analysis of water-sewer engineering fees (\$2,500) and flow test fees (\$2,200); partially offset by a decrease in turn-on fees (\$3,000). ▪ Fund balance utilized decreases from the prior year by \$520,961 and reflects the current deficit in the 90-day operating reserve. There is a planned addition to the reserve of \$1,000,000 in FY 2021. | |