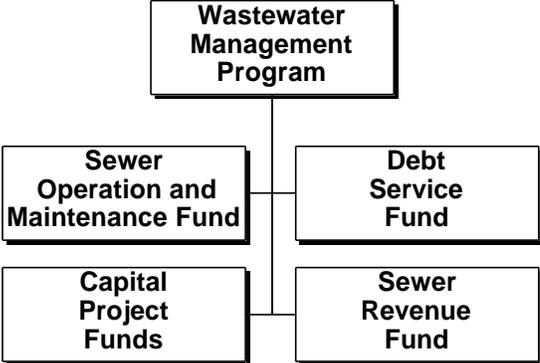


**WASTEWATER MANAGEMENT PROGRAM
(FORMERLY INTEGRATED SEWER SYSTEM)
FY 2001 OVERVIEW**



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(FORMERLY INTEGRATED SEWER SYSTEM)
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WASTEWATER MANAGEMENT PROGRAM SUMMARY					
Category	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	386/ 385.5	373/ 372.5	370/ 369.5	370/ 369.5	370/ 369.5
Management and Operation Expenditures:					
401 Sewer Operation and Maintenance					
Personnel Services	\$16,691,004	\$18,302,421	\$17,482,904	\$18,463,828	\$18,914,749
Operating Expenses	34,787,511	40,218,001	44,042,184	41,828,362	41,828,362
Recovered Costs	(714,271)	(629,172)	(629,172)	(662,772)	(668,624)
Capital Equipment	536,421	654,693	1,434,854	815,308	815,308
Subtotal	\$51,300,665	\$58,545,943	\$62,330,770	\$60,444,726	\$60,889,795
Capital Projects:					
402 Sewer Construction Improvements					
	\$29,510,126	\$49,700,000	\$117,611,364	\$17,578,184	\$17,578,184
408 Sewer Bond Construction					
	13,460,965	35,775,000	73,465,995	29,717,742	29,717,742
Subtotal	\$42,971,091	\$85,475,000	\$191,077,359	\$47,295,926	\$47,295,926
Sewer Debt Service:					
403 Sewer Bond Parity Debt Service					
	\$14,857,508	\$14,607,060	\$13,249,886	\$13,486,134	\$13,486,134
407 Sewer Bond Subordinate Debt Service					
	12,096,830	13,792,364	13,792,364	15,238,254	15,238,254
Subtotal	\$26,954,338	\$28,399,424	\$27,042,250	\$28,724,388	\$28,724,388
Total Capital Projects & Debt Services	\$69,925,429	\$113,874,424	\$218,119,609	\$76,020,314	\$76,020,314
Total Expenditures	\$121,226,094	\$172,420,367	\$280,450,379	\$136,465,040	\$136,910,109

As outlined in the FY 2001 Advertised Budget Plan, another stage in the Department of Public Works and Environmental Services (DPWES) reorganization is occurring in FY 2001. DPWES was formed in FY 1999 through the merger of the Department of Public Works, the Department of Environmental Management, and the Facilities Management Division, previously in the Department of General Services, which was abolished. It was anticipated at that time that the development of a cohesive organization would be a multi-year process as the Department evaluated its services and overall functionality. DPWES will establish business teams to provide leadership in stormwater, wastewater, solid waste, land development, capital facilities, facilities management, and numerous functional teams to improve coordination of financial management, human resources, systems administration, and other business support areas. In addition, implementation of a stormwater planning division and initiation of customer service strategic initiatives will continue. The reorganization includes transfer of funding and positions between agencies and results in no net General Fund impact.

As part of the reorganization, the four operating agencies (Wastewater Administration, Wastewater Collection, Wastewater Treatment, and Wastewater Planning and Monitoring) that were previously reflected as separate agencies within Fund 401, Sewer Bond Operation and Maintenance, will now be reflected as Cost Centers in a single Wastewater Management agency within Fund 401.

The Wastewater Management Program (WWM) will continue to be under the supervision of the Director of the Department of Public Works and Environmental Services, with central management provided by Wastewater Administration. In order to more accurately reflect the functions of the WWM system in FY 2001, the following name changes have been included:

WASTEWATER MANAGEMENT PROGRAM (FORMERLY INTEGRATED SEWER SYSTEM) FY 2001 OVERVIEW

Old Names	New Names
Integrated Sewer System	Wastewater Management Program (WWM)
400, Sewer Bond Revenue	400, Sewer Revenue
401, Sewer Bond Operations and Maintenance	401, Sewer Operation and Maintenance
401-23, Office of Waste Management	Wastewater Administration
401-24, Line Maintenance Division	Wastewater Collection
401-27, Wastewater Treatment Division	Wastewater Treatment
401-43, System Engineering and Monitoring Division	Wastewater Planning and Monitoring
402, Sewer Bond Extension and Improvements	402, Sewer Construction Improvements
403, Sewer Bond Debt Service 1986 Series	403, Sewer Bond Parity Debt Service
406, Sewer Bond Debt Reserve 1986	406, Sewer Bond Debt Reserve
407, Sewer Bond Subordinate Obligation	407, Sewer Bond Subordinate Debt Service
408, Sewer Bond Construction	408, Sewer Bond Construction

The WWM includes one County-owned wastewater treatment plant with a total treatment capacity of 54 million gallons per day (MGD), approximately 3,106 miles of sewer lines, 63 sewage pumping stations, 64 interjurisdictional sewage flow meters, and 276 grinder pump stations. In addition to its own treatment plant, the WWM, through an ongoing purchase agreement, has secured wastewater treatment capacity of 32.4 MGD at the Alexandria Sanitation Authority Plant, 13.2 MGD at the Upper Occoquan Sewage Authority Plant, 31.0 MGD at the District of Columbia Blue Plains Plant, and 3.0 MGD at the Arlington County Plant, for a total treatment capacity of 133.6 MGD. Sewer maintenance and operations will be performed utilizing a total staff of 370/369.5 SYE positions with an approved operating budget of \$60,889,795 for FY 2001.

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2001 Advertised Budget Plan, as approved by the Board of Supervisors on April 24, 2000:

- The 2.5 percent cost-of-living/market rate adjustment approved by the Board of Supervisors, and previously held in reserve, has been spread to County agencies and funds. This action results in an increase of \$445,069 to Fund 401, Sewer Operation and Maintenance. This amount consists of an increase of \$450,921 in Personnel Services and an increase of \$5,852 in Recovered Costs.
- As a result of the implementation of the DPWES reorganization initiative, the four operating agencies, Wastewater Administration, Wastewater Collection, Wastewater Treatment, and Wastewater Planning and Monitoring are combined into one agency, Wastewater Management, within Fund 401, Sewer Operation and Maintenance.

The following funding adjustments reflect all approved changes to the FY 2000 Revised Budget Plan from January 1, 2000 through April 17, 2000. Included are all adjustments made as part of the FY 2000 Third Quarter Review:

- FY 2000 Third Quarter Adjustments are discussed within the individual Fund narratives that immediately follow this Wastewater Management Program Overview.
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WASTEWATER MANAGEMENT PROGRAM (FORMERLY INTEGRATED SEWER SYSTEM) FY 2001 OVERVIEW

County Executive Proposed FY 2001 Advertised Budget Plan



Agency Overview

For financial and budgeting purposes, the Wastewater Management Program (WWM) is comprised of seven separate funds under a self-supported fund structure (Enterprise Fund) that is consistent with the Sewer Bond Resolution adopted by the Board of Supervisors in July 1985. The following summarizes the various components within the WWM operations. For more detailed information on the operational aspects of the various programs, see the narrative of Fund 401, Sewer Operation and Maintenance, which immediately follows the WWM Overview.

Fund 400, Sewer Revenue (formerly Sewer Bond Revenue), is used to credit all operating revenues of the system, as well as most of the interest on invested fund balances. Revenues recorded in this fund are transferred to the various funds to finance expenditure requirements.

Fund 401, Sewer Operation and Maintenance (formerly Sewer Bond Operations and Maintenance), provides funding for the management and operation of the system.

Fund 402, Sewer Construction Improvements (formerly Sewer Bond Extension and Improvements), provides funding for the construction, upgrade, extension, and improvement requirements of the program.

Fund 403, Sewer Bond Parity Debt Service (formerly Sewer Bond Debt Service 1986 Series), is used to record principal, interest, and fiscal agent fees for the 1986 Sewer Bond Series, as well as all parity debt payments for other jurisdictions with whom Fairfax County maintains interjurisdictional agreements.

Fund 406, Sewer Bond Debt Reserve (formerly Sewer Bond Debt Reserve 1986 Series), provides debt reserve funds for the 1986 Series of Sewer Revenue Bonds in accordance with the current Sewer Bond Resolution.

Fund 407, Sewer Bond Subordinate Debt Service (formerly Sewer Bond Subordinate Obligation), records all debt service payments associated with the Upper Occoquan Sewage Authority's 1991 Revenue Bonds.

Fund 408, Sewer Bond Construction, provides bond funding for major expansion and improvements to existing wastewater treatment facilities.

In April 1994, the Board of Supervisors approved a five-year rate schedule designed to meet spending increases resulting from expanded use, with a plan to increase the Sewer Service Charge and Availability Fee rate by 6.1 percent annually, if necessary. Based on current estimates of existing and projected requirements, the program's Sewer Service Charge will increase from \$2.70 to \$2.81 per 1,000 gallons of water consumption in FY 2001. The Sewer Availability Fees will also increase from \$4,621 to \$4,898 for each new home constructed during FY 2001. The FY 2001 Sewer Service Charge rate and the Availability Fee rate levels are based on increased costs associated with capital project construction, system operation and maintenance, debt service, and upgrades to more effectively reduce nitrogen discharge from wastewater treatment plants in order to meet new, more stringent nitrogen discharge limitations. The program will also utilize sewer fund balances to partially offset these higher costs. These rate increases are also based on the recommendations of the Department of Public Works and Environmental Services, and the analysis included in the [Forecasted Financial Statement](#) for July 1, 1999 through June 30, 2004.

Fund 403, Sewer Bond Parity Debt Service (formerly Sewer Bond Debt Service 1986 Series), includes principal, interest, and fiscal agent payments for the 1986 Sewer Revenue Bonds. In FY 2001, \$13,486,134 is included in Fund 403 to fund debt service for the 1986 Series existing principal, interest, and fiscal agent fees, as well as for parity debt service. Fund 407, Sewer Bond Subordinate Debt Service (formerly Sewer Bond Subordinate Obligation), includes \$15,238,254 for

WASTEWATER MANAGEMENT PROGRAM (FORMERLY INTEGRATED SEWER SYSTEM) FY 2001 OVERVIEW

the County's portion of the principal and interest payments for the Upper Occoquan Sewage Authority (UOSA) 1993 and 1995 Revenue Bonds issued to fund expansion from 32 MGD to 54 MGD.

Three sewer system managed reserves are designated in Fund 400, Sewer Revenue (formerly Sewer Bond Revenue), to set aside funds for various future system expenses. These managed reserves consist of an Operating and Maintenance Reserve, a Nitrification Reserve, and a Future Debt Reserve. All reserves will remain in Fund 400, Sewer Revenue (formerly Sewer Bond Revenue), until project commencement, at which time they will be transferred to the appropriate expenditure fund.

A brief summary of the major activities and funding levels included for FY 2001 in the operating and construction funds follows:

- Fund 401, Sewer Operation and Maintenance
(formerly Sewer Bond Operations and Maintenance) \$60,444,726

A summary of major highlights for this fund by Cost Center, including the FY 2001 recommended funding level, is shown below:

- 401-23, Office of Waste Management \$194,495

This agency has the overall responsibility for the management of the Wastewater Management Program, including the administration/management of the three operating agencies.

- 401-24, Wastewater Collection Division (formerly Line Maintenance Division) \$10,181,085

The FY 2001 funding level of \$10,181,085 is a decrease of \$406,372 from the *FY 2000 Revised Budget Plan* primarily due to reductions of \$101,998 in Personnel Services based on the current grade of existing staff, a decrease of \$242,417 in Operating Expenses attributable to the agency's continued rightsizing and streamlining efforts, and a decrease of \$87,606 in Capital Equipment due to major vehicle replacements in FY 2000 not required in FY 2001. These reductions are partially offset by a decrease of \$25,649 in Recovered Costs associated with reduced charges to other agencies for the usage of equipment and various operating expenses based on FY 1999 experience.

- 401-27, Wastewater Treatment Division \$16,419,505

The FY 2001 funding level of \$16,419,505 is a decrease of \$1,597,007 from the *FY 2000 Revised Budget Plan* and is due to an increase of \$176,697 in Personnel Services, primarily based on the current grade of existing staff, offset by a net decrease of \$1,542,411 in Operating Expenses due to the encumbered carryover of \$1,563,546 for sewage treatment supplies, odor chemicals, and utilities from FY 1999 to FY 2000, and a decrease of \$231,293 in Capital Equipment based on fewer equipment requirements in FY 2001.

- 401-43, System Engineering and Monitoring Division \$33,649,641

The FY 2001 funding level of \$33,649,641 is a decrease of \$424,556 from the *FY 2000 Revised Budget Plan*, primarily due to a reduction of \$388,872 in Operating Expenses based on encumbered carryover of FY 1999 Treatment by Contract (TBC) costs into FY 2000, a reduction of \$83,606 in Capital Equipment attributable to fewer equipment requirements in FY 2001, and an increase of \$34,117 in Recovered Costs, reflecting increased contributions to the Colchester Treatment Facility based on a revised rate structure and an increase in the recovery of lab work costs from other agencies. These decreases are offset by an increase of \$82,039 in Personnel Services based on the current grade of existing staff.

**WASTEWATER MANAGEMENT PROGRAM
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- Fund 402 - Sewer Construction Improvements \$17,578,184
(formerly Sewer Bond Extension and Improvement)

An amount of \$17,578,184 is included in FY 2001 to provide continued funding for the repair, replacement, and renovation of sewer lines using predominantly "no dig" technologies (\$5,000,000), the upgrade costs associated with the District of Columbia (DC) Blue Plains Wastewater Treatment Plant (\$4,992,258), the systematic upgrade/rehabilitation of sanitary sewers and trunk lines (\$3,000,000), the renovation of the existing pumping stations at Dead Run, Yacht Haven, Long Branch, Merrywood (\$3,000,000), the enlargement of the Rocky Run Pump Station (\$1,535,926), and the upgrade of existing sewer meters throughout the County (\$50,000).

- Fund 408 - Sewer Bond Construction \$29,717,742

In FY 2001, an amount of \$29,717,742 includes \$4,662,742 to fund the County's share of the costs to upgrade the District's Blue Plains Wastewater Treatment Plant and \$25,055,000 to fund the construction costs related to the expansion of the NCPCP to a treatment capacity of 67 MGD.