

# Fund 401

## Sewer Operation and Maintenance

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### Mission

To safely collect and treat wastewater in compliance with all regulatory requirements using state-of-the-art technology in the most cost-effective manner in order to improve the environment and enhance the quality of life in Fairfax County.

### Focus

The Wastewater Management Program includes wastewater collection and conveyance, wastewater treatment, and planning and monitoring program areas. The primary functions are to strategically plan, efficiently operate and effectively maintain the wastewater system in the best interest of the County and its customers. Funding for sewer operations and maintenance are financed by a transfer from Fund 400, Sewer Revenue, which is used to credit all system revenues collected, including availability fees and sewer service charges associated with the program.

This program operates and maintains nearly 3,380 miles of sewer, 65 pump stations and 54 flow-metering stations. Treatment of wastewater generated is provided primarily through five regional wastewater collection and treatment plants. The regional treatment approach takes advantage of economies of scale in wastewater treatment and ensures the economical and efficient operation and management of the program.



One of the five regional plants is the County's owned and operated Noman M. Cole, Jr. Pollution Control Plant (NCPCP), which is currently permitted to treat 67 million gallons per day (mgd) of flow. Other regional facilities include the District of Columbia Water and Sewer Authority's Blue Plains Treatment Plant with 31 mgd capacity; Alexandria Sanitation Authority's Treatment Plant with 32.4 mgd capacity; Upper Occoquan Sewage Authority's Treatment Plant with 24.6 mgd capacity; and Arlington County's Treatment Plant with 3 mgd capacity. Fairfax County utilizes all of these facilities to accommodate a total capacity of 158 mgd.

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A number of trends that may influence the operation and maintenance of the sanitary sewer system over the next two to five years include the following:

**Chesapeake Bay Water Quality Program Requirements** - The Chesapeake Bay water quality program requires reductions in the amount of nutrient pollutants discharged from wastewater treatment facilities. In December 2004, the state notified the County that the renewal of County's National Pollutant Discharge Elimination System (NPDES) permit includes a requirement that nutrient removal be performed at the "Limits of Technology." Current technology allows for discharge limits of 3.0 milligrams per liter for nitrogen and 0.1 milligrams per liter for phosphorus. The County has a nitrogen discharge requirement of 7.0 milligrams per liter. A phased approach has been under way to renovate and upgrade current plant facilities to accommodate these more stringent nutrient discharge requirements. The Sewer Service Charge rate will increase from \$5.27 to \$6.01 per 1,000 gallons of water consumption in FY 2012. This equates to an approximate increase of 14.0 percent in Sewer Service Charges. In addition, the base charge remains the same in FY 2012 and is billed quarterly in the amount of \$5.00 per bill totaling \$20.00 per year. The combined effect of the sewer service charge increase as well as the base charge equate to an anticipated increase in the annual cost to the typical household of \$56.24. For FY 2013 and FY 2014, annual service charge increases of 13.9 percent and 9.8 percent are being considered. Sewer service charge rates are increasing as debt and capital expenses rise in anticipation of construction of additional treatment facilities to meet more stringent nitrogen removal requirements imposed by the state as a result of the "Chesapeake 2000" agreement. In FY 2011, a Sewer Revenue Bond sale in the amount of \$150 million is planned to support capital projects including enhanced nutrient removal upgrades, replacement and rehabilitation of sewer line projects and plant upgrades at the Noman M. Cole, Jr. Pollution Control Plant and treatment by contract wastewater treatment facilities.

**Capacity, Maintenance, Operation, and Management (CMOM)** - The United States Environmental Protection Agency (USEPA) has been planning for several years to promulgate sanitary sewer overflow (SSO) regulations, which would require municipalities to develop and implement a CMOM program to eliminate any sewer overflows and back-ups from the wastewater collection systems. The proposed SSO rule and the CMOM program would significantly affect program costs.

**Integration of Information Technology** - The Geographic Information System (GIS), the Supervisory Control and Data Acquisition (SCADA) system and the Infrastructure Computerized Maintenance Management System (ICMMS) require integration for optimal use. Computing and information technology are an integral part of every aspect of the Wastewater Management Program operations. Today's high customer expectations and increasing reliance on consistent 24-hour services, lead to an increasing dependence on and expectation for stable and reliable integrated information technologies that infuse the business process. Presently, the Enterprise Asset Management system (EAM) has successfully integrated with GIS and ICMMS system which provide reports for the SCADA system. The EAM system and SCADA system are not yet integrated. Future customer service needs will require a full enterprise integration of the critical information technology systems to reduce total cost of ownership, increase availability of critical business data in the right format, and improve the quality and delivery of services to sewer customers.

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**Capital Improvements** - Reinvestment in the sewer system infrastructure ensures optimum operation of all wastewater facilities. This initiative, closely related to CMOM endeavors, emphasizes capital improvements to wastewater collection and treatment facilities to meet requirements of the future sanitary sewer overflow regulations by the USEPA. The program continues to take a proactive stance toward infrastructure rehabilitation; however, CMOM regulations could greatly affect operations.

**Asset Management Program** - As a result of evaluating the program's financial management strategies, an Asset Management Program was developed. The first phase aligned the program's capital asset policies and procedures with the County's fixed asset policies and developed a process in which to evaluate the program's infrastructure. The second phase developed criteria to identify the program's critical assets. After the criteria were tested and accepted they were applied to all program assets. Phase three will be the condition assessment of all assets beginning with the most critical assets.

The Wastewater Management Program is funded by revenues generated by the customers of the sanitary sewer system and recorded in Fund 400, Sewer Revenue. Sewer service charges support system operation and maintenance costs, debt service payments, and capital projects attributable to supporting and improving wastewater treatment services for existing customers. Availability fees support a proportional share of system costs and capital projects attributable to growth of the system required to support new customers. Existing customers are defined as those who have paid an availability fee for access to the system and receive wastewater treatment services. New customers are those who have not paid the availability fee. Upon payment of the availability fee and connection to the system, a new customer becomes an existing customer. The County allocates expenses, interest income, bond proceeds, debt service payments, capital improvement project costs and funding, and operating transfers between existing and new users of the system. In accordance with the County's "Growth Pays for Growth Policy," both existing and new customers must pay for their share of the system's total annual revenue requirements.

### Budget and Staff Resources

Agency Summary					
Category	FY 2010 Actual	FY 2011 Adopted Budget Plan	FY 2011 Revised Budget Plan	FY 2012 Advertised Budget Plan	FY 2012 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	321 / 320.5	321 / 320.5	321 / 320.5	321 / 320.5	321 / 320.5
Expenditures:					
Personnel Services	\$23,398,508	\$29,641,961	\$25,423,922	\$25,430,945	\$25,430,945
Operating Expenses	59,783,496	70,414,035	64,471,285	66,819,252	66,819,252
Capital Equipment	311,103	580,348	600,932	1,724,974	1,724,974
<b>Subtotal</b>	<b>\$83,493,107</b>	<b>\$100,636,344</b>	<b>\$90,496,139</b>	<b>\$93,975,171</b>	<b>\$93,975,171</b>
Less:					
Recovered Costs	(\$668,617)	(\$667,567)	(\$667,567)	(\$687,567)	(\$687,567)
<b>Total Expenditures</b>	<b>\$82,824,490</b>	<b>\$99,968,777</b>	<b>\$89,828,572</b>	<b>\$93,287,604</b>	<b>\$93,287,604</b>

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### FY 2012 Funding Adjustments

*The following funding adjustments from the FY 2010 Adopted Budget Plan are necessary to support the FY 2012 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the budget on April 26, 2011.*

- ◆ **Employee Compensation** **\$0**  
It should be noted that no funding is included for pay for performance or market rate adjustments in FY 2012.
  
- ◆ **Other Post-Employment Benefits** **\$76,927**  
An increase of \$76,927 is required to reflect increased costs associated with providing Other Post-Employment Benefits (OPEBs) to retirees, including the Retiree Health Benefits Subsidy. Before FY 2011, costs related to these benefits were paid solely by the General Fund; however, these annual costs are now spread across funds in order to more appropriately reflect benefit-related expenses for the employees within each fund. For more information on Other Post-Employment Benefits, please refer to Fund 603, OPEB Trust Fund, in Volume 2 of the FY 2012 Adopted Budget Plan.
  
- ◆ **Personnel Services Reduction** **(\$4,287,943)**  
A decrease of \$4,287,943 in Personnel Services is based on actual personnel services requirements in FY 2010. The agency continues to manage position vacancies and streamline operations for the most efficient delivery of service.
  
- ◆ **Operating Expenses Reduction** **(\$3,594,783)**  
A decrease of \$3,594,783 in Operating Expenses is based on actual experience in FY 2010. Savings in FY 2010 are expected to continue through FY 2011 and FY 2012 and are associated with decreased costs for interjurisdictional charges based on shared operating and maintenance charges from Blue Plains, Alexandria Sanitation Authority (ASA), the Upper Occoquan Sewage Authority (UOSA) and Arlington. In addition, significant savings are projected to continue based on a more effective use of sewage treatment chemicals in the wastewater treatment process and decreases in expected utilities costs including electricity, water, and fuel for plant operations.
  
- ◆ **Recovered Costs** **(\$20,000)**  
An increase of \$20,000 in Recovered Costs is based on increases in laboratory analysis of stormwater runoff as part of the Municipal Separate Storm Sewer System (MS4) permit program to meet regulatory requirements.

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- ◆ **Capital Equipment** **\$1,724,974**  
 Capital Equipment funding of \$1,724,974 is included for requirements associated with replacement equipment that has outlived its useful life and is not cost effective to repair. Replacement equipment includes: \$650,000 for two combination vacuor units used to pressure clean sanitary sewer lines to prevent sewer back-ups and sewer overflows; \$263,000 for three backhoes to excavate emergency sewer line breaks; \$261,140 for two Closed Circuit Television (CCTV) surveillance vans to inspect sewer lines; \$170,000 for six ½ ton pickup trucks for sewer line inspections as required by the USEPA Capacity, Management, Operation and Maintenance (CMOM) Program; \$130,000 for one, 1½ ton vehicle used to clean off road sanitary sewer lines in an effort to eliminate sewer back-ups and overflows; \$58,000 for utility trucks used for maintenance operations at the Noman Cole Pollution Control Plant; and \$33,000 for one ¾ ton pickup truck for the transportation of fuel at various worksites. All of these vehicles require replacement based on established age, mileage criteria and excessive repairs. In addition, an amount of \$159,834 is required for the replacement of critical laboratory and computer equipment at the Noman Cole Pollution Control Plant.

### **Changes to FY 2011 Adopted Budget Plan**

*The following funding adjustments reflect all approved changes in the FY 2010 Revised Budget Plan since passage of the FY 2011 Adopted Budget Plan. Included are all adjustments made as part of the FY 2010 Carryover Review, FY 2011 Third Quarter Review, and all other approved changes through April 12, 2011.*

- ◆ **Carryover Adjustments** **\$412,225**  
 As part of the *FY 2010 Carryover Review*, the Board of Supervisors approved encumbered funding of \$391,641 in Operating Expenses and \$20,584 in Capital Equipment.
  
- ◆ **Third Quarter Adjustments** **(\$10,552,430)**  
 As part of the *FY 2011 Third Quarter Review*, the Board of Supervisors approved a decrease of \$10,552,430 due to identified personnel services savings and operating savings. Of this amount, \$4,218,039 in Personnel Services is associated with savings based on managed position vacancies and fringe benefits. In addition, a decrease of \$6,334,391 in Operating Expenses is based on overall operating efficiencies from interjurisdictional agreements, chemicals savings and electricity savings based on actual fuel factor rates and a reduction in kilowatt usage. These savings were anticipated during FY 2011 and were considered in the FY 2012 rate analysis and the recommendations associated with the sewer rates for the next five years.

### **Wastewater Collection**

<b>Funding Summary</b>					
Category	FY 2010 Actual	FY 2011 Adopted Budget Plan	FY 2011 Revised Budget Plan	FY 2012 Advertised Budget Plan	FY 2012 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	140 / 140	140 / 140	140 / 140	140 / 140	140 / 140
<b>Total Expenditures</b>	<b>\$12,909,409</b>	<b>\$15,670,642</b>	<b>\$14,324,762</b>	<b>\$15,473,974</b>	<b>\$15,473,974</b>

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Position Summary		
<p><b>Collection Program</b></p> <ul style="list-style-type: none"> <li>1 Director</li> <li>1 Human Resources Generalist III</li> <li>1 Network/Telecomm. Analyst II</li> <li>1 Network/Telecomm. Analyst I</li> <li>1 Safety Analyst</li> <li>1 Inventory Manager</li> <li>1 Material Mgmt. Specialist III</li> <li>1 Admin. Assistant IV</li> <li>1 Admin. Assistant III</li> <li>2 Admin. Assistants II</li> <li>1 Material Mgmt. Specialist I</li> <li>1 Material Mgmt. Assistant</li> </ul>	<p><b>Gravity Sewers</b></p> <ul style="list-style-type: none"> <li>1 Public Works Env. Services Manager</li> <li>1 Maintenance Superintendent</li> <li>4 Senior Maintenance Supervisors</li> <li>2 Public Works Env. Services Specialists</li> <li>7 Engineering Technicians II</li> <li>1 Engineer V</li> <li>16 Engineering Technicians I</li> <li>2 Heavy Equipment Operators</li> <li>16 Maintenance Crew Chiefs</li> <li>3 Motor Equipment Operators</li> <li>2 Truck Drivers</li> <li>12 Senior Maintenance Workers</li> <li>19 Maintenance Workers</li> <li>1 Engineer III</li> <li>5 Environmental Services Sups.</li> <li>1 Map Drafter</li> </ul>	<p><b>Pumping Stations</b></p> <ul style="list-style-type: none"> <li>1 Public Works Env. Services Manager</li> <li>1 Engineer III</li> <li>1 Industrial Electrician Supervisor</li> <li>1 Instrumentation Supervisor</li> <li>1 Plant Maintenance Supervisor</li> <li>2 Industrial Electricians III</li> <li>4 Instrumentation Technicians III</li> <li>4 Industrial Electricians II</li> <li>6 Plant Mechanics III</li> <li>3 Instrumentation Technicians II</li> <li>8 Plant Mechanics II</li> <li>1 Instrumentation Technician I</li> <li>1 Engineering Technician III</li> </ul>
<p><b>TOTAL POSITIONS</b> 140 Positions / 140.0 Staff Years</p>		

### Goal

To operate, maintain, and repair the County's wastewater collection system in a manner that protects Fairfax County citizens and the environment.

### Wastewater Treatment

Funding Summary					
Category	FY 2010 Actual	FY 2011 Adopted Budget Plan	FY 2011 Revised Budget Plan	FY 2012 Advertised Budget Plan	FY 2012 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	135 / 135	135 / 135	135 / 135	135 / 135	135 / 135
<b>Total Expenditures</b>	<b>\$17,359,613</b>	<b>\$24,726,665</b>	<b>\$19,715,279</b>	<b>\$19,720,785</b>	<b>\$19,720,785</b>

Position Summary		
<p><b>Noman M. Cole, Jr., Pollution Control Plant</b></p> <ul style="list-style-type: none"> <li>1 Director</li> <li>1 Public Works Env. Svcs. Spec.</li> <li>1 Engineer IV</li> <li>1 Info. Tech. Prog. Manager I</li> <li>1 Database Administrator I</li> <li>2 Material Mgmt. Specialists I</li> <li>2 Network/Telecomm. Analysts II</li> <li>1 Safety Analyst</li> <li>1 Network/Telecomm. Analyst I</li> <li>1 Inventory Manager</li> <li>1 Heavy Equipment Supervisor</li> <li>1 Info. Technology Technician II</li> <li>1 Administrative Assistant IV</li> <li>2 Heavy Equipment Operators</li> <li>3 Administrative Assistants III</li> <li>1 Material Mgmt. Driver</li> <li>1 Data Analyst I</li> </ul>	<p><b>Operations</b></p> <ul style="list-style-type: none"> <li>1 Wastewater Plant Oper. Mgr.</li> <li>1 Engineer V</li> <li>2 Engineers III</li> <li>1 Plant Operations Superintendent</li> <li>6 Plant Operations Supervisors</li> <li>10 Plant Operators III</li> <li>17 Plant Operators II</li> <li>20 Plant Operators I</li> <li>2 Engineering Technicians III</li> <li>1 Engineering Technician II</li> </ul> <p><b>Maintenance</b></p> <ul style="list-style-type: none"> <li>2 Public Works Env. Svcs. Mgrs.</li> <li>1 Industrial Electrician Supervisor</li> <li>1 Instrumentation Supervisor</li> <li>2 Plant Maintenance Supervisors</li> <li>1 Painter II</li> <li>2 Industrial Electricians I</li> <li>1 Grounds Maintenance Worker</li> </ul>	<ul style="list-style-type: none"> <li>1 Chief Building Maintenance</li> <li>2 Industrial Electricians III</li> <li>3 Instrumentation Technicians III</li> <li>6 Instrumentation Technicians II</li> <li>1 Senior Maintenance Supervisor</li> <li>4 Industrial Electricians II</li> <li>7 Plant Mechanics III</li> <li>2 Welders II</li> <li>8 Plant Mechanics II</li> <li>3 Painters I</li> <li>1 HVAC II</li> <li>4 Maintenance Workers</li> </ul>
<p><b>TOTAL POSITIONS</b> 135 Positions / 135.0 Staff Years</p>		

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### Goal

To ensure efficient and effective operation and maintenance of the County's wastewater treatment facilities within the laws and standards established by the Congress of the United States in Public Law 92-500 which designates regulatory powers to the USEPA and the Virginia Department of Environmental Quality.

### Wastewater Planning and Monitoring

Funding Summary					
Category	FY 2010 Actual	FY 2011 Adopted Budget Plan	FY 2011 Revised Budget Plan	FY 2012 Advertised Budget Plan	FY 2012 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	46 / 45.5	46 / 45.5	46 / 45.5	46 / 45.5	46 / 45.5
<b>Total Expenditures</b>	<b>\$52,555,468</b>	<b>\$59,571,470</b>	<b>\$55,788,531</b>	<b>\$58,092,845</b>	<b>\$58,092,845</b>

Position Summary		
<b>Financial Management and Planning</b> 1 Deputy Director Public Works 1 Director 1 Management Analyst IV 1 Financial Specialist IV 1 Financial Specialist III 1 Programmer Analyst III 1 Financial Specialist II 1 Env. Services Technical Specialist 2 Administrative Assistants IV 1 Administrative Assistant III, PT 1 Administrative Assistant II 1 Management Analyst I 2 Engineering Technicians II	<b>Engineering Planning and Analysis</b> 1 Engineer V 1 Engineer IV 1 Geog. Info. Spatial Analyst III 2 Geog. Info. System Techs. 2 Engineering Technicians III 4 Engineers III	<b>Environmental Monitoring</b> 1 Environmental Services Director 2 Asst. Environmental Services Directors 4 Environmental Health Spec. II 2 Environmental Technologists III 3 Environmental Technologists II 7 Environmental Technologists I 1 Management Analyst II
<b>TOTAL POSITIONS</b> <b>46 Positions / 45.5 Staff Years</b>		
<b>PT Denotes Part-Time Position</b>		

### Goal

To manage sewer revenue collection; to monitor and report County sewage flows treated at non-County facilities; to plan for growth and development in the County's public sewer system; and to environmentally monitor County treatment facilities, other publicly and privately-owned treatment facilities in the program and nearby embayments.

### Key Performance Measures

#### Objectives

- ◆ To comply with Title V air permit and state water quality permit requirements 100 percent of the time in order to contribute to a pure and natural state of air and water in Fairfax County.
- ◆ To maintain sewer infrastructure effectively in order to experience no more than 15 sewer back-ups, which is higher than the current 5-year rolling annual average of 12.
- ◆ To ensure efficient wastewater collection and treatment services by providing service to customers at rates that are one of the lowest in the area.

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- ◆ To provide excellent financial and asset management by ensuring a debt coverage ratio of 1.25 or greater.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimate/Actual	FY 2011	FY 2012
<b>Output:</b>					
Total average daily wastewater flow treated (million gallons)	98.8	100.5	112.0 / 107.7	112.0	112.0
Emergency repair work orders processed	207	457	500 / 160	250	250
Service trouble calls received	1,249	1,038	1,500 / 1,092	1,100	1,100
Operating Reserve maintained (millions)	\$24.8	\$26.0	\$45.0 / \$45.0	\$35.0	\$45.0
<b>Efficiency:</b>					
Percent of treatment capacity available for growth	38%	36%	33% / 32%	33%	30%
Emergency repairs, as a percent of total work orders	0.9%	0.9%	1.0% / 0.3%	1.0%	1.0%
Sewer Service Billing Rate, \$/1,000 gallons	\$3.74	\$4.10	\$4.50 / \$4.50	\$5.27	\$6.01
<b>Service Quality:</b>					
Sanitary sewer overflows (SSOs) per year (FY 2010, 5-yr. avg. = 15)	17	14	20 / 10	15	15
Percent of customers responded to within 24 hours	100%	100%	100% / 100%	100%	100%
Percentage of sewage back-ups responded to within 2 hours	100%	100%	100% / 100%	100%	100%
Odor complaints per year (FY 2010, 5-yr. avg. = 19)	22	17	25 / 16	20	20
Percent of Pay as you go Capital Improvement Program funded	100%	100%	100% / 100%	100%	100%
<b>Outcome:</b>					
Compliance with Title V air permit and State water quality permit	100%	100%	100% / 100%	100%	100%
Blockages causing sewer back-ups per year (FY 2010, 5-yr. avg. = 12)	18	11	20 / 11	15	15
Average household sewer bill compared to other providers in the area	Lowest	Lower	Lower / One of the lowest	One of the lowest	One of the lowest
Debt Coverage Ratio: (Revenue - Operating Cost/Debt)	1.78	1.25	1.30 / 1.28	1.25	1.25

## **Fund 401**

### **Sewer Operation and Maintenance**

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#### **Performance Measurement Results**

The Wastewater Management Program continues to comply with Title V air permit and State water quality permit requirements to maintain 100 percent compliance. Sanitary sewage blockages remained unchanged in both FY 2009 and FY 2010 due to increased efforts to monitor the sewer program and keep the sewer system clean of grease and debris. Blockages are expected to increase in FY 2011 and FY 2012 due to the continual deterioration of aging sewer lines which can result in increased sewer line collapse and maintenance costs, as well as the removal of tree roots or large shrubs near sewer lines.

When comparing average annual sewer service billings for the regional jurisdictions, Fairfax County has a lower average annual sewer service billing at \$401. Other regional jurisdictions range from \$326 to \$633 (as of January 1, 2011). The average sewer service billings for the other regional jurisdictions have been developed by applying each jurisdiction's sewer service rate to appropriate Single Family Residence Equivalent (SFRE) water usage determined from an analysis of Fairfax Water's historical average water usage records for SFREs. Based on the latest rate comparison, Fairfax County had one of the lower annual sewer service charges. The program is able to maintain its competitive rates while providing quality service to its customers, protecting the environment, and maintaining sufficient financial resources to fully fund the program's initiatives.

# Fund 401

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### FUND STATEMENT

#### Fund Type G40, Enterprise Funds

#### Fund 401, Sewer Operation and Maintenance

	FY 2010 Actual	FY 2011 Adopted Budget Plan	FY 2011 Revised Budget Plan	FY 2012 Advertised Budget Plan	FY 2012 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$9,712,141</b>	<b>\$1,346,715</b>	<b>\$16,887,651</b>	<b>\$15,382,697</b>	<b>\$459,079</b>
Transfer In:					
Sewer Revenue (400)	\$90,000,000	\$98,800,000	\$73,400,000	\$78,000,000	\$78,000,000
<b>Total Transfer In</b>	<b>\$90,000,000</b>	<b>\$98,800,000</b>	<b>\$73,400,000</b>	<b>\$78,000,000</b>	<b>\$78,000,000</b>
<b>Total Available</b>	<b>\$99,712,141</b>	<b>\$100,146,715</b>	<b>\$90,287,651</b>	<b>\$93,382,697</b>	<b>\$78,459,079</b>
Expenditures:					
Personnel Services	\$23,398,508	\$29,641,961	\$25,423,922	\$25,430,945	\$25,430,945
Operating Expenses	59,783,496	70,414,035	64,471,285	66,819,252	66,819,252
Recovered Costs	(668,617)	(667,567)	(667,567)	(687,567)	(687,567)
Capital Equipment	311,103	580,348	600,932	1,724,974	1,724,974
<b>Total Expenditures<sup>1</sup></b>	<b>\$82,824,490</b>	<b>\$99,968,777</b>	<b>\$89,828,572</b>	<b>\$93,287,604</b>	<b>\$93,287,604</b>
<b>Total Disbursements</b>	<b>\$82,824,490</b>	<b>\$99,968,777</b>	<b>\$89,828,572</b>	<b>\$93,287,604</b>	<b>\$93,287,604</b>
<b>Ending Balance<sup>2,3</sup></b>	<b>\$16,887,651</b>	<b>\$177,938</b>	<b>\$459,079</b>	<b>\$95,093</b>	<b>(\$14,828,525)</b>

<sup>1</sup> In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$76,048.30 has been reflected as an increase to FY 2010 expenditures to correctly record expenditure accruals. The audit adjustment has been included in the FY 2010 Comprehensive Annual Financial Report (CAFR). Details of the FY 2010 audit adjustment were included in the FY 2011 Third Quarter Package.

<sup>2</sup> In response to fluctuations in expenditure requirements, adjustments were made to the FY 2011 Revised Budget Plan which will result in additional requirements in FY 2012. In order to eliminate the FY 2012 negative ending balance, a transfer from sewer revenues will be included in the FY 2011 Carryover Review. Staff is currently conducting an analysis to identify the correct level of transfer required for Fund 401 in FY 2012.

<sup>3</sup> The Wastewater Management Program maintains fund balances at adequate levels relative to projected operation and maintenance expenses. These costs change annually; therefore, funding for sewer operations and maintenance is carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds.