

Fund 408

Sewer Bond Construction

Focus

Fund 408, Sewer Bond Construction, provides for major sewer system construction projects including upgrades and expansions of sewer treatment plants utilized by Fairfax County residents that are funded primarily from the sale of sewer revenue bonds. Funding has been provided in recent years in Fund 408, Sewer Bond Construction, to begin to meet state regulatory requirements for nitrogen removal and plant upgrades at the District of Columbia Water and Sewer Authority (DCWASA), the Alexandria Sanitation Authority (ASA), the Arlington County Treatment Plant, and the Noman M. Cole, Jr. Pollution Control Plant.

The Chesapeake Bay water quality program requires reductions in the amount of nutrient pollutants. The County's National Pollutant Discharge Elimination System (NPDES) permit includes a requirement that nutrient removal be performed at the "Limits of Technology." The County has a nitrogen discharge annual mass limit of 612,158 pounds per year which is achievable if the County's effluent has an average nitrogen concentration of 3.0 milligrams per liter. A phased approach has been under way to renovate and upgrade current plant facilities to accommodate new more stringent nutrient discharge requirements.



In FY 2012, a Sewer Revenue Bond sale in the amount of \$110 million is planned to support capital projects including enhanced nutrient removal upgrades at the Noman M. Cole, Jr. Pollution Control Plant and treatment by contract wastewater treatment facilities as well as capital projects for the replacement and rehabilitation of sewer line projects and plant facility upgrades. No funding is included for Fund 408 in FY 2013. Work will continue on existing and previously funded projects.

Changes to FY 2012 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2012 Revised Budget Plan since passage of the FY 2012 Adopted Budget Plan. Included are all adjustments made as part of the FY 2011 Carryover Review, FY 2012 Third Quarter Review, and all other approved changes through April 24, 2012.

- ◆ As part of the *FY 2011 Carryover Review*, the Board of Supervisors approved an increase of \$171,413,199 due to the carryover of unexpended project balances in the amount of \$159,896,115 and the appropriation of fund balance of \$11,517,084 to provide funding for future treatment plant and treatment by contract requirements.
- ◆ As part of the *FY 2012 Third Quarter Review*, the Board of Supervisors approved an increase of \$22,075 to properly account for revenue received in FY 2011.

A Fund Statement and a Summary of Capital Projects are provided on the following pages. The Summary of Capital Projects may include some projects without a Total Project Estimate amount. These projects are considered "continuing" projects or projects for which funding is necessary on an ongoing basis (e.g., a contingency or planning project).

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FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 408, Sewer Bond Construction

	FY 2011 Actual	FY 2012 Adopted Budget Plan	FY 2012 Revised Budget Plan	FY 2013 Advertised Budget Plan	FY 2013 Adopted Budget Plan
Beginning Balance	\$67,485,639	\$11,703,970	\$47,578,200	\$0	\$0
Revenue:					
Sale of Bonds ¹	\$0	\$0	\$100,486,414	\$0	\$0
Interest on Investments	335,189	500,000	500,000	400,000	400,000
Virginia Water Quality Improvement Grant ²	3,700,000	0	22,799,502	0	0
American Recovery and Reinvestment Act (ARRA) ³	4,525,425	0	0	0	0
Sale of Purchased Capacity ⁴	39,807,586	0	0	0	0
Total Revenue	\$48,368,200	\$500,000	\$123,785,916	\$400,000	\$400,000
Total Available	\$115,853,839	\$12,203,970	\$171,364,116	\$400,000	\$400,000
Total Expenditures ⁵	\$68,275,639	\$0	\$171,364,116	\$0	\$0
Total Disbursements	\$68,275,639	\$0	\$171,364,116	\$0	\$0
Ending Balance⁶	\$47,578,200	\$12,203,970	\$0	\$400,000	\$400,000

¹ An amount of \$110.1 million in revenue bonds is planned to be issued to support enhanced nitrogen removal projects and upgrades within the Capital Improvement Program including \$100.4 million in this fund and \$9.7 million to be reserved in Fund 406, Sewer Bond Debt Reserve for legal requirements in FY 2012.

² Reflects Virginia Water Quality Improvement Fund Point Source grant approved by the Board of Supervisors on February 23, 2009 for nitrogen removal requirements associated with the Chesapeake Bay Program. In FY 2011 an amount of \$3,700,000 was received and \$22,799,502 is anticipated in FY 2012 and beyond.

³ Represents grant funding from the Department of Environmental Quality associated with the construction of a reclaimed water system from the Noman M. Cole, Jr. Pollution Control Plant to the Energy Resource Recovery Facility (ERRF) as a result of the American Recovery and Reinvestment Act as approved by the Board of Supervisors on December 7, 2009.

⁴ On January 25, 2011 the Board of Supervisors approved the sale of 2.0 mgd in Fairfax County unused capacity at the UOSA treatment plant to Prince William County in the amount of \$39,807,586. Each mgd of capacity was sold for \$19,903,793.

⁵ In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$22,075.13 has been reflected as an increase to FY 2011 revenues to reflect earned interest. In addition, an audit adjustment in the amount of \$71,158.41 has been reflected as an increase to FY 2011 expenditures to reflect expenditure accrual. This impacts the amount carried forward resulting in a net decrease of \$71,158.41 to the *FY 2012 Revised Budget Plan*. The projects affected by this adjustment are FS0001, Noman Cole Water Reuse and Project X00911, Noman M. Cole, Jr. Pollution Control Plant Renovations. The audit adjustment has been included in the FY 2011 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustment were included in the FY 2012 Third Quarter Package.

⁶ The capital projects in this sewer fund are budgeted based on the total project costs. Most projects span multiple years, from design to construction completion. Therefore, funding for capital projects is carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds.

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FY 2013 Summary of Capital Projects

Fund: 408, Sewer Bond Construction

Project #	Description	Total Project Estimate	FY 2011 Actual Expenditures	FY 2012 Revised Budget	FY 2013 Advertised Budget Plan	FY 2013 Adopted Budget Plan
FS0001	Noman Cole Water Reuse	\$16,720,000	\$11,735,228.55	\$2,929,116.45	\$0	\$0
G00902	DC Blue Plains Exp 309 MGD		9,356,083.03	27,861,779.45	0	0
G00904	Arlington Treatment Plant Upgrade	34,750,000	3,215,721.00	8,369,837.29	0	0
I00906	ASA Plant Improvements		467,619.83	21,357,431.92	0	0
J00901	LCSA Plant Upgrade	20,942,294	20,942,294.00	0.00	0	0
N00322	Lower Potomac 67 MG	129,892,094	149,218.58	0.00	0	0
N00323	Noman M. Cole, Jr. Pollution Control Plant Upgrades		16,258,022.21	63,882,556.01	0	0
X00911	Noman M. Cole, Jr. Pollution Control Plant Renovations	42,794,000	6,151,451.84	34,424,235.58	0	0
X00997	Construction Reserve	12,539,159	0.00	12,539,158.90	0	0
Total		\$257,637,547	\$68,275,639.04	\$171,364,115.60	\$0	\$0