Fund 400
Sewer Revenue

FY 2008 Adopted Budget Plan	
Fund 400, Sewer Revenue	
Total Expenditures:	$0
Revenue:	
General Fund Support	$0
Bond Revenue	$0
Other Revenue	$122,101,794
Total Revenue	$122,101,794

▶ Summary of Program

This revenue fund is used to credit all operating revenues of the sanitary sewer system, as well as most of the interest on invested fund balances. Receipts include availability charges, connection charges, sewer service charges, delinquent charges, interest on investments, lateral-spur fees, and sales of service. Revenues recorded in this fund are transferred to Funds 401, 402, 403, 406, 407, and 408 to finance operations, debt service, and construction. Any balance after transfers remains in Fund 400 and is used for future year requirements and required reserves.

The major sources of revenue for the System are sales to existing customers for continuing sewer service. Most residential customers are charged for sewer service based on metered, winter quarter water usage. Non-residential customers are charged based on actual quarter water usage. Sewer service charges are designed to recover the costs of operation and maintenance of the System, as well as debt service and capital project costs attributable to supporting or improving wastewater treatment services to the System customers.

Nearby counties, cities, and towns served by the System receive service through sales of service agreements. The System currently has agreements with the Counties of Loudoun and Arlington, Fort Belvoir, the Cities of Fairfax and Falls Church, and the Towns of Herndon and Vienna. As prescribed by each service agreement, each entity shares in the cost of operating the System. Each entity's share is determined on the basis of actual wastewater flows or reserved treatment capacity.

New customers connecting to the System are required to pay an availability fee before obtaining a building permit in the County. Availability fees are used to recover the construction and financing costs associated with expanding System capacity.

The System maintains the majority of its available cash in a cash and investment pool administered by the County. Such amounts are considered to be cash equivalents for purposes of the statements of cash flows. To optimize investment returns, the System's funds are invested together with all other County pooled funds, all of which are fully insured or collateralized. The County allocates, on a monthly basis, any investment earnings based on the System's average balance in pooled cash and investments, less an administrative charge.

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▶ Funding Availability and Future Considerations

The Sewer Service Charge and the Availability Fee are calculated and approved annually using the Program's Five Year Financial Forecasting model and presented in the annual Five Year Financial Forecast Report. The following tables include the current approved rate schedules.

Availability Fee (New Customers)	***FY 2008***	***FY 2009***	***FY 2010***	***FY 2011***
Single Family	$6,506	$6,896	$7,310	$7,750
Townhouses and Apartments	$5,205	$5,517	$5,848	$6,200
Nonresidential (per fixture unit)	$337	$357	$378	$401

Sewer Service Charge	***FY 2008***	***FY 2009***	***FY 2010***	***FY 2011***
Rate per 1,000 gallons of water consumed	$3.74	$4.10	$4.50	$4.94

Atypically high increases in Sewer Service Charges are based on federally mandated requirements for the renovation and rehabilitation of existing treatment facilities. New Chesapeake Bay water quality program requirements include 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 will include a requirement that nutrient removal be performed at the "Limits of Technology." Current technology allows for discharge limits of less than 3.0 milligrams per liter of nitrogen and 0.1 milligrams per liter for phosphorus. The County currently has the capability to meet a voluntary nitrogen removal standard of 8.0 milligrams per liter. A phased approach is being recommended to renovate and upgrade current plant facilities to accommodate these more stringent nutrient discharge requirements.

▶ Status of Program

The program anticipates generating approximately $119.6 million through user fees and $2.5 million through interest on investments in FY 2008. In FY 2007, the program generated approximately $115.3 million through user fees and $4.2 million through interest on investments.

▶ Mandate Information

There is no federal or state mandate for this LOB.