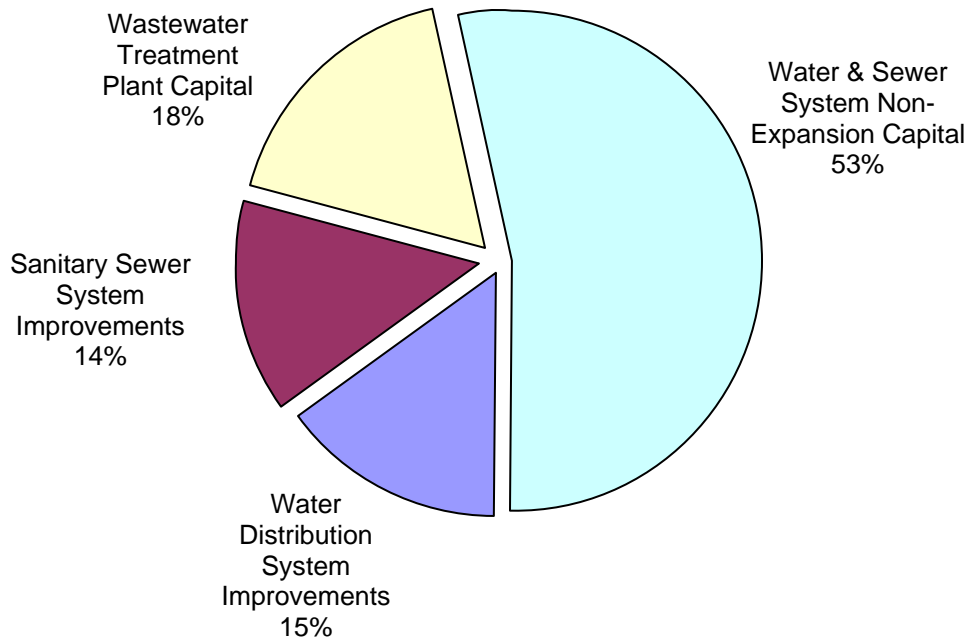


Our Mission: To provide water and maintain a water distribution system, a sewage collection system, and a wastewater treatment plant

The Department of Environmental Services is responsible for managing the Utilities Fund, which includes providing water and maintaining a water distribution system, a sewage collection system, and a wastewater treatment plant. The Proposed FY 2009 Utility Fund Pay-As-You-Go Budget Summary, project descriptions, and fund statement are included on the following pages.

Distribution of Fund Budget



FY 2009 PROPOSED PAYG BUDGET SUMMARY
(\$ in 000's)

PROGRAM CATEGORY	AMOUNT
UTILITIES	
Water Distribution System Improvements	\$2,200
Sanitary Sewer System Improvements	2,095
Wastewater Treatment Plant Capital	2,600
Water & Sewer System Non-Expansion Capital	7,886
Total Project Cost	\$14,781
Less: Hook-Up Fees & Other Revenue	4,590
Net Utilities Fund Support	\$10,191

Note: Other revenue includes non-expansion Interjurisdictional revenue of \$295K.

FY 2009 PROPOSED UTILITIES BUDGET

Water Distribution System Improvements (Expansion) \$2,200,000

The water main projects in this program are designed to improve overall capacity or operation of the water distribution system. These projects are part of the Water Master Plan. Funding for these projects is generated from fees charged to new users who increase demands on the water distribution system. In FY 2009, projects include:

- Improvements for Development (\$600,000)
- Gravity Transmission Mains (\$800,000)
- Reservoir Supply Phase I (\$800,000)
 - Fiscal Impact - Capital maintenance, replacement or upgrade program – no increase to FY 2009 operating costs.

Sanitary Sewer System Improvements (Expansion) \$2,095,000

The proposed sanitary sewer improvements are intended to provide additional capacity to existing sanitary sewer lines to accommodate new development in Arlington County. These projects were identified in the recently updated Sanitary Sewer Master Plan. Funding for this program is generated from fees charged to new users who increase demands on the sewer system. The FY 2009 projects include:

- Infiltration and Inflow (I & I) program (\$350,000)
- Potomac Interceptor Phase 3 (\$1,000,000)
- Improvements for development-related projects (\$100,000)
- Stub Elimination Program (\$75,000)

- North Sycamore Street (\$210,000)
 - Bon Air Park (\$80,000)
 - Spout Run (\$80,000)
 - North Meade Street at Arlington Boulevard (\$200,000)
- Fiscal Impact - Capital maintenance, replacement or upgrade program – no increase to FY 2009 operating costs.

Wastewater Treatment Plant Improvements (Non-Expansion) \$2,600,000

- **Water Pollution Control Plant Non-expansion Capital Program.** The non-expansion capital program provides for the annual repair, replacement and upgrade of current equipment and infrastructure at the Plant and lift stations. Major program components include refurbishing or replacing equipment to prevent premature failure, infrastructure improvements and automating treatment processes to increase operational efficiency, reliability, and redundancy. Non-expansion capital, in conjunction with daily plant operations and the ongoing expansion capital program, ensures continued operations and compliance with the Virginia Pollution Discharge Elimination System (VPDES) Permit. The program is completely funded through the Utilities Fund with no General Fund impact. Additionally, studies of alternative treatment processes to increase efficiency and reduce environmental impact are funded through this program. (\$1,850,000)
 - **Blue Plains Plant Capital.** The District of Columbia Water and Sewer Authority (WASA) Blue Plains Plant processes a portion of Arlington County’s sewage after transmission through Fairfax County mains. The capital program funds Arlington’s annual payment through Fairfax County to the Blue Plains Plant for capital improvements. Payment is due under the terms of the October 3, 1994 Sewage Conveyance, Treatment, and Disposal Agreement with Fairfax County. Payment is made through the Utilities Fund PAYG process and has no impact on the General Fund. (\$750,000)
- Fiscal Impact - Capital maintenance, replacement or upgrade program – no increase to FY 2009 operating costs.

Water & Sewer System Non-Expansion Capital \$7,886,000

The funding for these projects comes from a transfer from the Utilities Operating Fund, which is an enterprise fund. The revenues for this enterprise fund are derived primarily from water and sewer utility billings.

The following projects and programs are planned to replace and rehabilitate existing water and sewer mains and valves and to pay for the County’s share of planned capital improvements at the Washington Aqueduct.

- Four-inch and smaller water main replacement program (\$200,000)
- Cleaning and re-lining projects (\$800,000)
- Large diameter water main rehabilitation (\$450,000)

- Large diameter sewer rehabilitation (\$300,000)
- Large water valve rehabilitation and replacement (\$150,000)
- Emergency water main breaks and un-planned non-expansion water renovations (\$350,000)
- Non-expansion inflow and infiltration sanitary sewer capital repairs and replacements (\$1,450,000)
- South Glebe Road water main replacement from Long Branch to Arlington Ridge Road (\$500,000)
- Water tank rehabilitation program (\$500,000)
- Sewer force main replacement for Donaldson Run, Gulf Run, and Windy Run Lift Stations (\$400,000)
- Capital improvements at the Washington Aqueduct (\$2,786,000), from which the County purchases drinking water. The County pays approximately a 16% share of total capital costs for this facility
 - Fiscal Impact - Capital maintenance, replacement or upgrade program – no increase to FY 2009 operating costs.

TOTAL UTILITIES BUDGET

\$14,781,000

UTILITIES CAPITAL PROJECTS FUND STATEMENT

	FY 2007 ACTUAL	FY 2008 REVISED	FY 2009 PROPOSED
ADJUSTED BALANCE, JULY 1	\$ 36,595,487	\$ 33,366,147	\$ -
REVENUES:			
Hook-Up Fees - Current Period	3,364,187	4,325,000	4,100,000
Sewage Treatment Service Charges	9,541,467	360,000	295,000
Interest	588,904	175,000	195,000
VRA & Interim Loan Proceeds	32,541,361	-	-
Commonwealth of Virginia - Grant Funds	18,958,343	-	-
TOTAL REVENUE	64,994,262	4,860,000	4,590,000
Transfers In (Out):	-	-	-
Transfer In from Utilities Operating Fund	9,316,000	9,525,000	10,190,500
TOTAL TRANSFERS IN	9,316,000	9,525,000	10,190,500
TOTAL BALANCE, REVENUES AND TRANSFERS IN	110,905,749	47,751,147	14,780,500
EXPENDITURES:			
Capital Projects -Current Year	77,539,602	14,385,000	14,780,500
Capital Projects -Carry-Over ¹	-	33,366,147	-
TOTAL CAPITAL EXPENDITURES:	77,539,602	47,751,147	14,780,500
BALANCE, JUNE 30	\$ 33,366,147	\$ -	\$ -

NOTES:

1 For illustrative purposes only. Unobligated funds, and some portion of obligated but unexpended funds would exist and be carried over to the next fiscal year.