

*Our Mission: To build and maintain water delivery, sanitary sewer collection, and wastewater treatment systems that provide high-quality water and sewer services and products*

## **SIGNIFICANT BUDGET CHANGES**

The FY 2027 adopted operating expenditure budget for the Utilities Fund is \$103,844,585, a two percent decrease from the FY 2026 adopted budget. The FY 2027 budget reflects:

- ↑ Personnel increases due to the addition of a Control System Technician at the Water Pollution Control Plant (\$123,394, 1.0 FTE), the addition of an Assistant Operating Engineer – Water at Water, Sewer, Streets (\$175,348, 1.0 FTE), the transfer in of a Control Center Technician at Water, Sewer, Streets from the Department of Environmental Services Operating Fund to the Utilities Fund (\$112,112, 1.0 FTE), employee salary increases, an increase in the County’s cost for employee health insurance, partially offset by chargebacks to other funds and capital projects.
- ↑ Non-personnel increases due to purchased water (\$655,000), chemical costs (\$388,434), contracted services (\$262,728), adjustments to the annual expense for maintenance and replacement of County vehicles (\$141,392), an additional vehicle to serve as a mobile office for the new Control Center Technician at the Water Pollution Control Bureau (\$51,830 one-time), and increases to utility charges (\$37,067), partially offset by the elimination of FY 2026 one-time equipment funding (\$200,000).
  - Purchased water costs are based on the County’s projected prorated share of the Washington Aqueduct’s costs to produce, and supply finished drinking water.
- ↑ Other expenses increase due to overhead charges (\$2,038,451).
- ↓ Debt service decrease based on the current repayment schedule (\$8,550,514), partially offset by the issuance of new General Obligation bonds in 2026 (\$1,186,410) for various Utilities Fund capital projects.
- ↑ Revenues increase due to the adopted water and sewer rate increase (\$2,439,945), new account fee revenue (\$25,000), sewage treatment charges from neighboring jurisdictions (\$421,922), Lee Pumping Station lease agreement renewal (\$2,820), utility markings revenue (\$10,000), and water sewer engineering fees (\$2,300), slightly offset by a reduction in permitting revenue (\$500).
  - Revenue from Infrastructure Availability Fees (IAF) decreases in FY 2027. These fees are directly credited to the Utilities Construction Fund, not the Operating Fund. However, they directly impact the Operating Fund since revenues offset the amount of transfer required to fund the capital program.
- ↑ Transfers increase due to the planned mix of funding strategies for the capital program (\$6,931,000) and a one-time transfer for heavy equipment replacement costs (\$90,396), slightly offset by the removal of a transfer for electric vehicle conversion costs from FY 2026 (\$126,238).

**PROGRAM FINANCIAL SUMMARY**

	FY 2025 Actual	FY 2026 Adopted	FY 2027 Adopted	% Change '26 to '27
Personnel	\$29,699,221	\$30,708,577	\$32,446,755	6%
Non-Personnel	38,404,881	37,209,963	38,546,414	4%
Debt Service	30,116,356	30,721,196	23,357,092	-24%
Other	6,886,665	7,455,873	9,494,324	27%
GASB	-	-	-	-
<b>Subtotal</b>	<b>105,107,123</b>	<b>106,095,609</b>	<b>103,844,585</b>	<b>-2%</b>
Intra-County Revenue	-	-	-	-
<b>Total Operating Expenditures</b>	<b>105,107,123</b>	<b>106,095,609</b>	<b>103,844,585</b>	<b>-2%</b>
Revenues	118,882,749	118,168,494	121,069,981	2%
GASB	4,045	-	-	-
<b>Total Revenues</b>	<b>118,886,794</b>	<b>118,168,494</b>	<b>121,069,981</b>	<b>2%</b>
Transfer to Capital	7,993,000	10,204,000	17,135,000	68%
Transfer to Auto Fund	-	126,238	90,396	-28%
<b>Total Transfers Out (In)</b>	<b>\$7,993,000</b>	<b>\$10,330,238</b>	<b>\$17,225,396</b>	<b>67%</b>
Permanent FTEs	253.75	254.75	257.75	
Temporary FTEs	2.20	2.20	2.20	
<b>Total Authorized FTEs</b>	<b>255.95</b>	<b>256.95</b>	<b>259.95</b>	

\* FY 2025 actual expenditures and revenues received reflect Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.

**Expenses & Revenues by Line of Business**

	FY 2025 Actual Expense	FY 2026 Adopted Expense	FY 2027 Adopted Expense	% Change '26 to '27	FY 2027 Adopted Revenue	FY 2027 Net Fee Support
Water, Sewer, Streets Bureau	\$35,255,117	\$33,232,044	\$34,938,631	5%	\$1,862,980	\$33,075,651
Water Sewer Records	1,116,079	1,268,606	1,245,234	-2%	320,200	925,034
Customer Services Office	2,143,780	2,122,707	2,196,622	3%	113,014,535	(110,817,913)
Water Pollution Control Bureau	29,214,637	30,781,583	32,097,428	4%	5,872,266	26,225,162
Debt Service and Other	37,377,510	38,690,669	33,366,670	-14%	-	33,366,670
Transfers Out	7,993,000	10,330,238	17,225,396	67%	-	\$17,225,396
<b>Total</b>	<b>\$113,100,123</b>	<b>\$116,425,847</b>	<b>\$121,069,981</b>	<b>4%</b>	<b>\$121,069,981</b>	<b>-</b>

- The Utilities Fund is an enterprise fund, which is a self-supporting fund. All user fees must provide sufficient revenues to fund all activities.
- Water and sewer revenue, late fees, new account fees, turn-on fees, and interest are included in Customer Services Office revenue; however, they support the Utilities Fund overall.

**Authorized FTEs by Line of Business**

	FY 2026 FTEs Adopted	FY 2027 Permanent FTEs Adopted	FY 2027 Temporary FTEs Adopted	FY 2027 Total FTEs Adopted
Water, Sewer, Streets Bureau	132.60	134.00	0.60	134.60
Water Sewer Records	6.00	6.00	-	6.00
Customer Services Office	18.75	18.75	-	18.75
Water Pollution Control Bureau *	95.60	95.00	1.60	96.60
Debt Service and Other *	4.00	4.00	-	4.00
<b>Total Authorized FTEs</b>	<b>256.95</b>	<b>257.75</b>	<b>2.20</b>	<b>259.95</b>

\* For FY 2027, an existing 1.0 Permanent FTE is transferred from the General Fund to Water, Sewer, Streets Bureau to align the position with its support of the Utilities Fund. The addition of a Control System Technician (1.0 Permanent FTE) at the Water Pollution Control Bureau and the addition of an Assistant Operating Engineer – Water (1.0 Permanent FTE) at the Water, Sewer, Streets Bureau is included in the Adopted FY 2027 FTE count. Overall, there is a net addition of 3.0 FTEs to the Utilities Fund for FY 2027.

**UTILITIES FUND  
OPERATING STATEMENT**

	FY 2025 ACTUAL*	FY 2026 ADOPTED	FY 2026 RE-ESTIMATE	FY 2027 ADOPTED
<b>BALANCE JULY 1</b>	\$13,835,819	\$17,139,781	\$19,622,490	\$23,355,505
<b>REVENUE</b>				
Interest	177,682	250,000	250,000	250,000
Water/Sewer Billing	110,922,688	109,699,590	109,500,000	112,139,535
Water Service Connection Fee	1,096,204	1,590,000	1,200,000	1,590,000
Water Service Discontinuation	115,500	140,000	140,000	140,000
Meter Installation	27,575	35,000	30,000	35,000
Sewage Treatment Charges	5,214,371	5,250,000	5,250,000	5,671,922
Late Fee	506,929	425,000	350,000	450,000
New Account Fee	88,874	165,000	120,000	165,000
Turn-On Fee	8,663	10,000	9,000	10,000
Flow Test Fee	10,800	10,200	10,200	10,200
Pretreatment Fee	1,232	1,000	1,000	500
Utility Marking Fee	332,024	285,000	330,000	295,000
Hazardous Household Material Fee	2,570	5,300	4,000	5,300
Miscellaneous Revenue	377,637	302,404	302,404	307,524
GASB	4,045	-	-	-
<b>TOTAL REVENUE</b>	<b>118,886,794</b>	<b>118,168,494</b>	<b>117,496,604</b>	<b>121,069,981</b>
<b>OPERATING EXPENSES</b>				
Customer Services Office	2,143,780	2,122,707	2,208,093	2,196,622
WSS Operations	24,483,446	22,677,044	23,130,585	23,728,631
Water Purchase	10,771,671	10,555,000	10,555,000	11,210,000
Water/Sewer Records	1,116,079	1,268,606	1,265,000	1,245,234
Water Pollution Control	29,214,637	30,781,583	30,091,076	32,097,428
Debt Service	30,116,356	30,721,196	28,343,161	23,357,092
Other	7,261,154	7,969,473	7,966,674	10,009,578
GASB	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>105,107,123</b>	<b>106,095,609</b>	<b>103,559,589</b>	<b>103,844,585</b>
BALANCE (SUBTOTAL)	27,615,490	29,212,666	33,559,505	40,580,901
<b>TRANSFERS OUT</b>				
Utility Construction (Fund 519 )	7,993,000	10,204,000	10,204,000	17,135,000
Auto Fund	-	126,238	-	90,396
<b>TOTAL TRANSFERS</b>	<b>7,993,000</b>	<b>10,330,238</b>	<b>10,204,000</b>	<b>17,225,396</b>
<b>TOTAL EXPENSE AND TRANSFERS</b>	<b>113,100,123</b>	<b>116,425,847</b>	<b>113,763,589</b>	<b>121,069,981</b>
<b>BALANCE JUNE 30</b>	<b>19,622,490</b>	<b>18,882,428</b>	<b>23,355,505</b>	<b>23,355,505</b>
Board-adopted Three-month Operating Reserve (excludes debt service)	\$18,747,692	\$18,843,603	\$18,804,107	\$20,121,873

\* FY 2025 actual expenditures and revenues received reflect Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.

**Fee Definitions**

The following fees and other revenue are used to fund operating and capital costs for the Utilities Fund. The capital costs are reflected in the Pay-As-You-Go Capital portion of the budget.

**Fund Balances from Prior Years:** The County maintains a fund balance, consistent with the Board-adopted financial policy to maintain an operating reserve equal to three months of expenses, to cover emergency events that might impact water and sewer services. If utilized, the reserve will be replenished over a three-year period to the minimum reserve level.

**Interest Earnings:** Interest earned on the fund balance accrues to the Utilities Fund monthly.

**Water/Sewer Billing:** Charges for water/sewer service based on consumption of water as reflected by periodic readings of water meters serving the property. These charges generate approximately 94 percent of the income for the Utilities Fund. This category also includes sewer revenue from government facilities and authorities and other organizations (such as the Pentagon and Reagan National Airport) that use the County’s sewage system but receive their drinking water from other sources. Set by County Code, Chapter 26; effective date July 1 each fiscal year.

- The rate structure, effective January 1, 2022, includes:
  - Customer classes: residential, multi-family, and commercial
  - Base charge per billing cycle for each service (water and sewer)
  - Residential –
    - Tiered water usage:
      - Tier 1: Usage from 0-9 Thousand Gallons (TG per quarter)
      - Tier 2: Usage above 9 TG per quarter
    - Sewer – Average Winter Quarter Billing for sewage consumption
  - Multi-family and Commercial water and sewer based on 100% on water meter readings.

<b>Water/ Sewer Billing Rate Schedule</b>	<b>FY 2026</b>	<b>FY 2027</b>
	<b>Adopted: July 1, 2025 – June 30, 2026</b>	<b>Adopted: July 1, 2026 – June 30, 2027</b>
<b>Residential:</b>		
Water Base (\$/Quarter)	16.82	17.51
Water – Volumetric (per Thousand Gallons (TG)):		
Tier 1: 0-9 TG (\$/TG)	4.54	4.73
Tier 2: >9 TG (\$/TG)	7.27	7.57
Sewer Base (\$/ Quarter)	13.98	13.98
Sewer – Volumetric – Average Winter Quarter basis (\$/TG)	10.48	10.48
<b>Multi-Family:</b>		
Water Base (\$/Month)	12.01	12.50
Water – Volumetric (\$/TG)	5.40	5.62
Sewer Base (\$/Month)	9.93	9.93
Sewer – Volumetric (\$/TG)	10.48	10.48
<b>Commercial:</b>		
Water Base (\$/Month)	12.01	12.50
Water – Volumetric (\$/TG)	5.85	6.09
Sewer Base (\$/Month)	9.93	9.93
Sewer – Volumetric (\$/TG)	10.48	10.48

**Water Service Connection Charge:** This fee is paid by new water users for a physical connection and meter installation to the water system. The fee recovers 100 percent of personnel, materials, and equipment rental costs. The current fee ranges from \$5,295 for a 1-inch connection line with a

¾-inch meter up to \$8,300 for a 2-inch line with a 2-inch meter. Sizes 3-inch and above would be at cost based upon a quote per project. Set by County Code, Chapter 26; effective date July 1, 2025.

**Meter Installation Charge:** This fee is paid by developers which have established the water service connection to the system themselves and only require the County to install the meter. The adopted fees range from \$410 for a ¾-inch meter up to \$10,240 for an eight-inch meter. Adopted fee changes have a Set by County Code, Chapter 26; effective July 1, 2025.

**Sewage Treatment Charges:** These charges are paid by neighboring jurisdictions (Fairfax County and the Cities of Falls Church and Alexandria). Consistent with memoranda of understanding that the County has signed with Fairfax County and the Cities of Falls Church and Alexandria, the neighboring jurisdictions are charged both for their share of costs associated with operating the County's sewage system as well as with making necessary capital improvements to it.

**Water/Sewer Late Fee:** The County imposes a six percent (6%) fee on any water and sewer charges if, 30 days after the billing date, there is an outstanding balance on the account. Set by County Code, Chapter 26; effective date July 1, 1992.

**New Account Fee:** This fee of \$40 is charged to new customers when they set up a new utilities account. Set by County Code, Chapter 26; effective date of July 1, 2025.

**Discontinuation Fee:** Fee to discontinue and disconnect a water service at the water main. Fee is \$500. Set by County Code, Chapter 26; effective date July 1, 2008.

**Reactivation Fee:** This \$25 fee is charged when the County turns on a customer's water service after it had previously been shut off either at the customer's request or for non-payment. Set by County Code, Chapter 26; effective date July 1, 1992.

**Flow Test Fee:** This \$300 fee is charged when developers request fire flow information necessary to do sprinkler system design. Set by County Code, Chapter 26; effective date July 1, 2008.

**Hydrant Permit Fee:** This fee is charged for a fire hydrant permit for three months or any portion thereof. The current fee is \$480 for three months. Set by County Code, Chapter 26; effective date July 1, 2025.

**DFU Credit Inspection Fee:** This fee is charged when developers request an inspection to certify the existing drainage fixture units (DFUs) at properties that will be demolished. The credit offsets the Infrastructure Availability Fees (IAF) that a developer will be charged for new construction DFUs. The fee is \$175 for inspections of 1-24 fixtures: \$275 for 25 plus fixtures. Set by County Code, Chapter 26; effective date July 1, 2008.

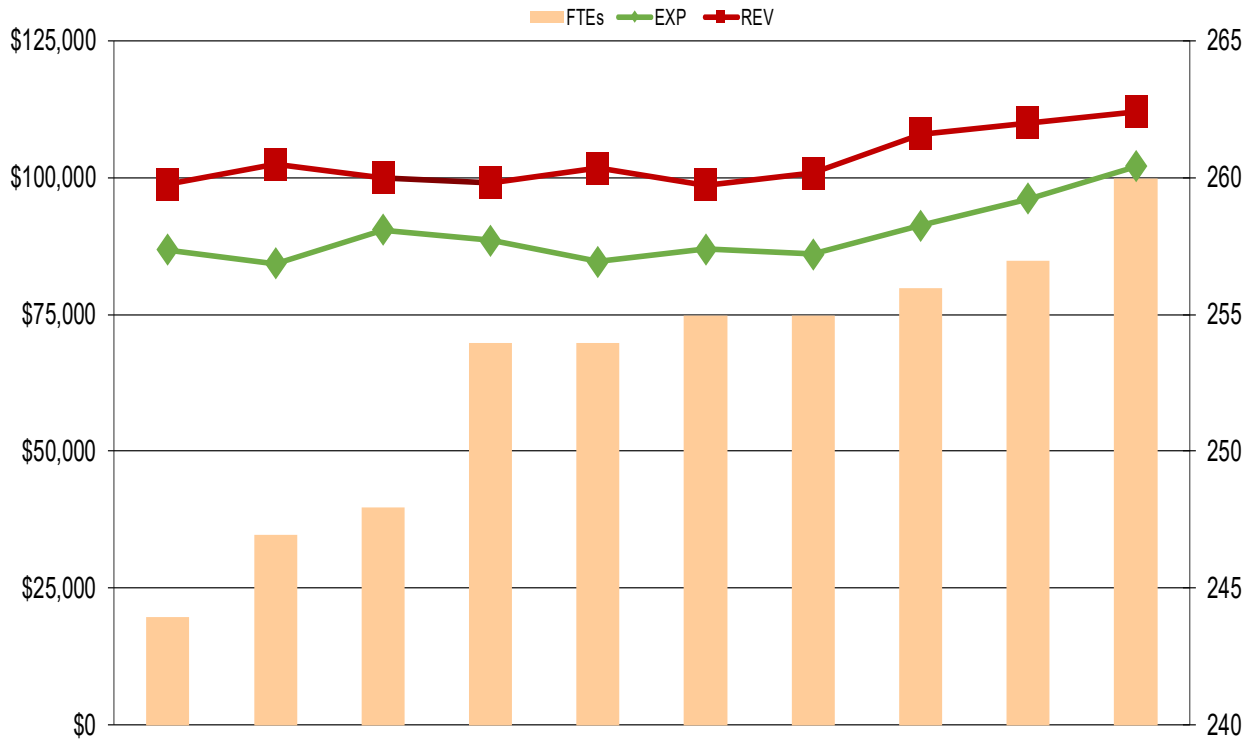
**Pretreatment Fee:** This fee is assessed on certain businesses that introduce pollutants into the sewer system, or "Significant Industrial Users," to recover the costs of the industrial pretreatment program, which ensures compliance with state and federal standards. Annual fee of \$1,560 plus \$3,640 for each monitoring point. Set by County Code, Chapter 26; effective date October 2, 2004.

**Utility Marking Fee:** This fee is charged to developers to have utility lines marked before construction begins. \$45 fee. Set by County Code, Chapter 22; effective date July 1, 2013.

**Hazardous Household Material Fee/ Appliance Fee:** This fee is charged for the safe disposal of household waste products that contain cathode ray tubes (CRTs). Fee is \$20 per television and \$15 per monitor. Set by County Code, Chapter 10; effective date April 30, 2005.

**Infrastructure Availability Fee:** This fee is charged to developers for adding new demand on the water and sewer systems, based on the number of drainage fixtures units (DFUs) added to the system. DFUs are established by the Plumbing Code to service as a proxy for water usage and range from 5 DFUs for a full bathroom to ½ for a drinking fountain. For a renovation or tear-down, full credit is granted for any pre-existing DFUs. Revenues for this fee are accounted for in the Utilities Capital Pay-As-You-Go Fund. Fees are \$305 per DFU combined water and sewer service. For structures which have water-only service, the fee is \$120 per fixture. For structures with sewer-only service, the fee is \$185 per fixture. The fee has an effective date of July 1, 2025.

**EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS**



	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
\$ in 000s	Actual	Actual	Actual	Actual	Actual*	Actual*	Actual*	Actual*	Adopted Budget	Adopted Budget
<b>EXP</b>	\$90,478	\$88,442	\$84,674	\$86,909	\$85,993	\$91,229	\$99,411	\$105,107	\$106,096	\$103,845
<b>REV</b>	\$99,972	\$99,018	\$101,646	\$98,612	\$100,775	\$107,914	\$109,827	\$118,887	\$118,168	\$121,070
<b>FTEs</b>	243.95	246.95	247.95	253.95	253.95	254.95	254.95	255.95	256.95	259.95

The Utilities Fund is an enterprise fund, a self-supporting fund. The difference between the operating expense and revenues are typically attributable to the Transfers to Other Funds and/or may be a planned use of fund balance.

\*Beginning in FY 2022, actual expenditures and revenues received reflect the first year of implementing new Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.

Fiscal Year	Description	FTEs
FY 2018	<ul style="list-style-type: none"> <li>▪ Added a Contract Specialist (\$119,466), Engineering Technician (\$63,476), and a Trades Worker (\$59,743).</li> <li>▪ Eliminated contractual equipment rental and operation costs (\$200,000).</li> <li>▪ Eliminated FY 2017 one-time expenses (\$134,842).</li> <li>▪ Decreased operating costs associated with asset management software (\$127,989).</li> <li>▪ Decreased the annual expense for the maintenance and replacement of County vehicles (\$15,927).</li> <li>▪ Added funding for one-time equipment for new FTEs (\$37,999), operating expenses associated with new FTEs (\$35,414).</li> <li>▪ Debt service decreased due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$577,747) and repayment and refinancing of a portion of funds borrowed through the Virginia Wastewater Revolving Loan Fund for the Master Plan 2001 project at the Water Pollution Control Plant (WPCP) (\$64,000).</li> <li>▪ Other expenses increased due to the higher overhead charges based on FY 2018 projections (\$23,284).</li> <li>▪ Increased the water and sewer rate (\$2,443,503).</li> <li>▪ Increased revenue for water discontinuation fees (\$10,000).</li> <li>▪ Decreased revenue for sewage treatment charges from neighboring jurisdictions (\$311,269), water service connections (\$50,000), late fees (\$35,000), and utility marking fees (\$15,000).</li> </ul>	3.00
FY 2019	<ul style="list-style-type: none"> <li>▪ Added a Public Engagement Specialist (\$127,381).</li> <li>▪ Decreased purchased water (\$800,000).</li> <li>▪ Eliminated FY 2018 one-time expenses (\$37,999).</li> <li>▪ Added funding for sewer preventative maintenance equipment (\$144,000), and the Trades Center optimization study (\$100,000).</li> <li>▪ Increased the annual expense for the maintenance and replacement of County vehicles (\$18,301).</li> <li>▪ Debt service decreased due to repayment of General Obligation Bonds for various Utilities Fund Capital projects and the repayment of a portion of funds borrowed through the Virginia Wastewater Revolving Loan Fund for the Master Plan 2001 project at the Water Pollution Control Plant (WPCP) (\$613,007).</li> <li>▪ Other expenses increased due to higher overhead charges based on FY 2019 projections (\$343,061).</li> <li>▪ Revenue decreased due to a projected decrease in sewage treatment charges from neighboring jurisdictions (\$454,147).</li> <li>▪ Increased interest income (\$25,000).</li> </ul>	1.00

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> <li>▪ Fund Balance Utilized increased from the prior year by \$598,448 and reflects the planned drawdown of fund balance, consistent with the County’s financial policies.</li> </ul>	
FY 2020	<ul style="list-style-type: none"> <li>▪ Transferred in three employees from the Solid Waste Bureau to support the consolidated Customer Service Office now budgeted within the Utilities Fund (\$285,154), offset by an increase in interdepartmental charges to the Solid Waste Bureau (DES-General Fund) to support the call center consolidation (\$289,110).</li> <li>▪ Transferred in a utility underground program coordinator position from the General Fund (\$165,956).</li> <li>▪ Added a Heating Ventilation and Air Conditioning (HVAC) Technician at the Plant (\$129,563).</li> <li>▪ Added two employees to expand Call Center hours (\$139,198).</li> <li>▪ Eliminated an Instrumentation supervisory position due to the consolidation of the Electrical and Instrumentation division at the Plant (\$135,195).</li> <li>▪ Reduced overtime and standby pay for tank cleaning efforts at the Water Pollution Control Plant (\$429,160).</li> <li>▪ Eliminated FY 2019 one-time expenses (\$105,220).</li> <li>▪ Eliminated HVAC preventative maintenance contractual activities (\$456,099), contractual changes for utility markings (\$94,000), budget reductions and reallocations as identified based on historical spending and operational needs (\$263,225), elimination of the lease payment budget due to equipment having been paid off (\$34,412).</li> <li>▪ Reduced the annual expense for maintenance and replacement of County vehicles (\$55,174).</li> <li>▪ Increased funding for new positions (\$22,005 one-time, \$62,549 ongoing), meter replacements (\$346,362), annual maintenance costs for the newly implemented billing information system (\$146,238), contractual increases (\$325,141), and an increase in various overhead line items which were transferred from the Solid Waste Bureau to support the consolidation of the call center (\$36,551).</li> <li>▪ Debt service decreased due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$517,970) and the repayment of a portion of funds borrowed through the Virginia Wastewater Revolving Loan Fund for the Master Plan 2001 project at the Water Pollution Control Plant (WPCP) (\$272,437).</li> <li>▪ Other expenses increased due to higher overhead charges based on FY 2020 projections (\$483,729), offset by a decrease of Bozman Government Center rent (\$74,401).</li> <li>▪ Intra-county revenue increased based on historic trend analysis of water and sewer revenue from county departments and the increase in the water and sewer rate (\$75,000).</li> </ul>	<p>3.00</p> <p>1.00</p> <p>1.00</p> <p>2.00</p> <p>(1.00)</p>

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> <li>▪ Revenues increased due to the adopted water and sewer rate increase (\$973,399).</li> <li>▪ Increased revenue for sewage treatment charges from neighboring jurisdictions (\$529,147).</li> <li>▪ Increased miscellaneous revenues (\$14,500).</li> <li>▪ Fund Balance Utilized decreased from the prior year by \$1,579,039 and reflects the continued drawdown of fund balance, as planned, and consistent with the County’s financial policies.</li> </ul>	
FY 2021	<ul style="list-style-type: none"> <li>▪ Salaries increased due to job family studies for trades and planners (\$738,518).</li> <li>▪ Increased charges to the Solid Waste Bureau (DES-General Fund) to pay their pro-rata share of the Customer Services Office (\$13,754).</li> <li>▪ Increased funding for purchased water (\$900,000), chemicals (\$201,150), biosolids hauling (\$78,315), and various contracts (\$16,130), projected demand for utility markings (\$30,000), budget reallocations as identified based on historical spending and operational needs (\$20,866).</li> <li>▪ Added one-time funding for large valve inspections (\$300,000).</li> <li>▪ Eliminated FY 2020 one-time expenses (\$22,005), annual maintenance costs for the decommissioned billing information system (\$32,425).</li> <li>▪ Decreased the annual expense for maintenance and replacement of County vehicles (\$30,796).</li> <li>▪ Debt service decreased due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$31,211).</li> <li>▪ Other expenses increased for the contingency due to the reclassification of positions identified to be substantially below comparative pay studies (\$414,117), fund-wide benefit changes (\$14,095), higher overhead charges based on FY 2021 projections (\$176,181), and consultant funding (\$18,110), partially offset by the elimination of Bozeman Government Center rent due to relocation of the Customer Services Office (\$59,059).</li> <li>▪ Intra-county revenue increased based on historic trend analysis of water and sewer revenue from county departments and the increase in the water and sewer rate (\$100,000).</li> <li>▪ Revenues increased due to the adopted water and sewer rate increase (\$1,521,958).</li> <li>▪ Increased revenue for sewage treatment charges from neighboring jurisdictions (\$100,000), interest income (\$50,000), projected demand for utility marking fees (\$20,000), and miscellaneous revenues (\$31,512).</li> <li>▪ Fund balance utilized decreased from the prior year by \$520,961 and reflects the current deficit in the 90-day operating reserve. There is a planned addition to the reserve of \$1,000,000 in FY 2021.</li> </ul>	
FY 2022	<ul style="list-style-type: none"> <li>▪ The County Board added funding for a one percent merit pay adjustment, a five percent increase in the range, and an increase to the one-time bonus for staff from \$500 to approximately \$900.</li> </ul>	

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> <li>▪ Personnel increased primarily due to the adjustments to salaries resulting from job family studies, the addition of a Design Engineer at the Water Pollution Control Bureau (\$118,174), and the addition of a Service Assistant at the Customer Services Office (\$74,257).</li> <li>▪ Debt service decreased due to repayment of General Obligation Bonds for various Utilities Fund capital projects (\$809,836) and the refinancing of VRA loans (\$369,285).</li> <li>▪ Other expenses decreased due to the reclassification of positions identified to be substantially below comparative pay studies being allocated out to the personnel of affected lines of business from the contingent account (\$1,106,331) and slightly lower overhead charges based on FY 2022 projections (\$34,854).</li> <li>▪ Intra-county revenue decreased based on the current trend of lower County facility occupancy and water consumption (\$125,000).</li> <li>▪ Based on the results of the Water and Wastewater Rate Study (2021), the County modified the water and sewer rate structure beginning January 1, 2022. The new rate structure adopted effective January 1, 2022, includes:               <ul style="list-style-type: none"> <li>○ Customer classes: residential, multi-family, and commercial</li> <li>○ Base charge per billing cycle for each service (water and sewer)</li> <li>○ Residential –                   <ul style="list-style-type: none"> <li>▪ Tiered water usage:                       <ul style="list-style-type: none"> <li>• Tier 1: Usage from 0-9 Thousand Gallons (TG per quarter)</li> <li>• Tier 2: Usage above 9 TG per quarter</li> </ul> </li> <li>▪ Sewer – Average Winter Quarter Billing for sewage consumption</li> </ul> </li> <li>○ Multi-family and Commercial water and sewer based on 100% on water meter readings.</li> </ul> </li> <li>▪ Revenues increased due to the adopted water and sewer rate increase (\$1,158,258), water service connection fees increase due to an adopted fee increase (\$260,000), partially offset by a decrease in interest income (\$50,000).</li> </ul>	2.00
FY 2023	<ul style="list-style-type: none"> <li>▪ The County Board approved an additional one percent merit pay adjustment for a total increase of 5.25 percent, increased the pay-for-performance budget by an additional 0.5 percent, and increased the pay range movement to five percent. Additional compensation changes approved by the County Board include an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more, a one-time increase in shift differential pay from \$0.75 to \$1.00 per hour for the B shift and from \$1.00 to \$1.30 per hour for the C shift, and a one-time increase in language premium from \$0.69 to \$0.92 per hour.</li> <li>▪ Salaries increased due to the Engineering job family study (\$170,610), and a one-time bonus (\$300,000).</li> <li>▪ Total FTE count decreased by 1 FTE due to the transfer of a warehouse technician position to Transportation Engineering &amp; Operations (DES-General Fund) due to organizational needs.</li> <li>▪ Added funds for one-time costs to perform a water service line material inventory (\$475,000), one-time cost to upgrade replacements in the</li> </ul>	(1.00)

Fiscal Year	Description	FTEs
	<p>County fleet to electric vehicles (EV) (\$120,792), and the one-time cost for an electric van and charging infrastructure at the Water Pollution Control Plant (\$68,000).</p> <ul style="list-style-type: none"> <li>▪ Increased funding for purchased water (\$250,000).</li> <li>▪ Increased the annual expense for maintenance replacement of County vehicles (\$127,226).</li> <li>▪ Eliminated FY 2022 one-time expenses (\$305,800).</li> <li>▪ Debt service decreased due to refinancing and repayment of General Obligation Bonds for various Utilities Fund capital projects (\$1,188,629).</li> <li>▪ Other expenses increased due to overhead charges (\$730,263).</li> <li>▪ Intra-county revenue was transferred to water and sewer customer receipt revenue in FY 2023 due to changes implemented from the recently completed water-sewer rate study (\$900,000).</li> <li>▪ Revenues increased due to the adopted water and sewer rate increase (\$2,127,578) and miscellaneous revenues (\$64,150).</li> <li>▪ Lease revenue decreased due to the expiration of Lee Pumping Station lease agreements (\$121,680).</li> </ul>	
FY 2024	<ul style="list-style-type: none"> <li>▪ Transferred Sewer Maintenance staff (\$186,865) to the Stormwater Management Fund due to organizational needs.</li> <li>▪ Added a Customer Service Representative (\$88,232) in the Customer Service Office and a Warehouse Technician position (\$74,652) at the Water Pollution Control Bureau (WPCB).</li> <li>▪ Salaries increased due to administrative job family studies (\$68,660), and one-time \$2,000 (gross) employee bonuses (\$636,752).</li> <li>▪ Increased costs for WPCB chemicals (\$808,311), purchased water (\$300,000), water meters and other operating equipment at Water, Sewer, Streets Bureau (\$300,000), biosolids hauling and disposal (\$142,000), and contracted services (\$70,286).</li> <li>▪ Added funding for one-time cost for the billing information system upgrade (\$100,000).</li> <li>▪ Eliminated FY 2023 one-time expenses (\$663,792).</li> <li>▪ Reduced expenses based on projected electricity rebate associated with the Maplewood solar farm (\$611,842).</li> <li>▪ Decreased the annual expense for maintenance replacement of County vehicles (\$347,044).</li> <li>▪ Debt service increased based on the current repayment schedule of General Obligation Bonds for various Utilities Fund capital projects (\$595,546).</li> <li>▪ Other expenses increased primarily due to overhead charges (\$646,750).</li> <li>▪ The Board adopted a water and sewer rate increase (\$1,691,743).</li> <li>▪ Increased sewage treatment charges from neighboring jurisdictions (\$200,000), utility marking fees (\$35,000).</li> <li>▪ Decreased interest income (\$25,000).</li> <li>▪ Decreased lease revenue based on the expiration of Lee Pumping station lease agreements (\$13,120).</li> </ul>	<p>(2.00)</p> <p>2.00</p>

<b>Fiscal Year</b>	<b>Description</b>	<b>FTEs</b>
FY 2025	<ul style="list-style-type: none"> <li>▪ Transferred in a Management and Budget Specialist from the DES General Fund offset by a reduction in the associated staff charge-out (net increase of \$34,705).</li> <li>▪ Salary adjustments resulting from the Finance, Accounting and Administrative job family studies (\$25,492), and adjustments to staff charge outs due to adopted budget reductions (\$54,613).</li> <li>▪ Increased costs for electricity (\$1,131,589), Water Pollution Control Bureau chemicals (\$962,589), purchased water (\$820,000), contracted services (\$268,950), software maintenance (\$97,500), water meters and other operating equipment at Water, Sewer, Streets Bureau (\$75,000), adjustments to the annual expense for maintenance replacement of County vehicles (\$152,220), and one-time funding for training (\$25,000).</li> <li>▪ Increased debt service based on the current repayment schedule (\$68,199) and the issuance of new General Obligation bonds in 2024 (\$1,091,087) for various Utilities Fund capital projects.</li> <li>▪ Increase overhead charges (\$262,842).</li> <li>▪ The board adopted a water and sewer rate increase (\$2,611,728).</li> <li>▪ Increased sewage treatment charges from neighboring jurisdictions (\$487,990).</li> <li>▪ Increased revenue from the Lee Pumping Station lease agreement renewal (\$42,400).</li> <li>▪ Increased utility marking fees (\$35,000).</li> <li>▪ Increased interest income (\$30,000) and late fees (\$15,000).</li> <li>▪ Decreased the Capital transfer due to the planned mix of funding strategies for the capital program (\$5,317,000).</li> <li>▪ Adjusted Auto Fund transfer based on elimination of the FY 2024 one-time amount (\$539,520), the FY 2025 transfer for heavy equipment (\$311,541) and the conversion of electric vehicles (\$99,876).</li> </ul>	1.00
FY 2026	<ul style="list-style-type: none"> <li>▪ Added a Training Coordinator at the Water Pollution Control Plant (\$152,845).</li> <li>▪ Increased costs for electricity and other utilities (\$766,689), purchased water (\$835,000), and contracted services (\$306,451).</li> <li>▪ Adjusted the annual expense for maintenance and replacement of County vehicles (\$278,038).</li> <li>▪ Added a large water meter testing program at Water, Sewer, Streets Bureau (\$100,000).</li> <li>▪ Added one-time funding for equipment for the two valve exercise team trucks (\$200,000).</li> <li>▪ Added ongoing funding for the maintenance and replacement of the valve equipment (\$18,000).</li> <li>▪ Added operating costs associated with the implementation of Advanced Metering Infrastructure (AMI) pilot (\$21,132).</li> <li>▪ Added costs associated with the Training Coordinator position (\$1,800 on-going and \$1,500 one-time).</li> </ul>	1.00

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> <li>▪ Other expenses increased due to overhead charges (\$528,988).</li> <li>▪ Debt service increased based on the current repayment schedule (\$14,517) and the issuance of new General Obligation bonds in 2025 (\$945,535) for various Utilities Fund capital projects.</li> <li>▪ The board adopted the following fee changes:               <ul style="list-style-type: none"> <li>○ Water and sewer rate increase (\$4,008,355);</li> <li>○ Increased water connection fees (\$230,000);</li> <li>○ Increased meter installation fees (\$5,000);</li> <li>○ Increased new account fee (\$60,000);</li> <li>○ Increased fire hydrant fee (\$2,700); and</li> <li>○ Increased sewage treatment fee from neighboring jurisdictions (\$462,010).</li> </ul> </li> <li>▪ Increased interest income (\$170,000).</li> <li>▪ Increased revenue from the Lee Pumping Station lease agreement renewal (\$2,760).</li> <li>▪ Increased the capital transfer based on the planned mix of funding strategies for the capital program (\$2,211,000).</li> <li>▪ Decreased the auto fund transfer for the conversion of electric vehicles (\$285,179).</li> </ul>	
FY 2027	<ul style="list-style-type: none"> <li>▪ Added a Control System Technician at the Water Pollution Control Plan (\$123,394).</li> <li>▪ Added an Assistant Operating Engineer – Water at Water, Sewer, Streets (\$175,348).</li> <li>▪ Transferred in a Control Center Technician at Water, Sewer, Streets from the Department of Environmental Services Operating Fund to the Utilities Fund (\$112,112).</li> <li>▪ Increased expenses for purchased water (\$655,000), chemical costs (\$388,434), and contracted services (\$262,728).</li> <li>▪ Adjusted the annual expense for maintenance and replacement of County vehicles (\$141,392) and added funds for an additional vehicle to serve as a mobile office for the new Control Center Technician at the Water Pollution Control Bureau (\$51,830 one-time).</li> <li>▪ Increased utility charges (\$37,067).</li> <li>▪ Increased overhead charges (\$2,038,451).</li> <li>▪ Debt service decreased based on the current repayment schedule (\$8,550,514), partially offset by the issuance of new General Obligation bonds in 2026 (\$1,186,410) for various Utilities Fund capital projects.</li> <li>▪ The County Board adopted a water and sewer rate increase (2,439,945).</li> <li>▪ Additionally, revenue increased due to:               <ul style="list-style-type: none"> <li>○ New account fee revenue (\$25,000);</li> <li>○ Sewage treatment charges from neighboring jurisdictions (\$421,922);</li> </ul> </li> </ul>	<p>1.00</p> <p>1.00</p> <p>1.00</p>

<b>Fiscal Year</b>	<b>Description</b>	<b>FTEs</b>
	<ul style="list-style-type: none"><li>○ Lee Pumping Station lease agreement renewal (\$2,820);</li><li>○ Utility marking revenue (\$10,000); and</li><li>○ Water sewer engineering fees (\$2,300).</li></ul> <ul style="list-style-type: none"><li>▪ Increased the capital transfer due to the planned mix of funding strategies for the capital program (\$6,931,000).</li><li>▪ Decreased the auto fund transfer for the removal one-time electric vehicle conversion costs (\$126,238) and a one-time transfer for heavy equipment replacement costs (\$90,396).</li></ul>	