



**ADVERTISED
2020 ANNUAL BUDGET**

Draft
November 19, 2019

The Annual Budget covers the 63rd year of operation of Fairfax Water and has been prepared pursuant to the General Trust Indenture dated October 1, 1992, under which all outstanding Water Revenue Bonds of Fairfax Water have been issued. Fairfax Water is considered an enterprise fund and the Annual Budget represents the financial plan of Fairfax Water for the calendar year. The Annual Budget includes the funds and accounts created by the General Trust Indenture and has been organized in accordance with the "flow of funds" provisions therein. There are five major divisions of the Budget: Revenue Fund, Debt Service Fund, Reserve Fund, Improvement Fund, and General Fund.

Reviewers of the Annual Budget should be aware that Fairfax Water is a single-purpose public agency charged with the responsibility to construct, operate, and maintain a water system in compliance with state and federal water quality regulations. Line items of current expenses and capital expenditures are estimates based on historical experience and current judgment as to cost trends and the labor, material and services required to operate, maintain, and expand the water system. Fairfax Water has very little latitude with respect to the level of service it must provide or the requirements imposed by various regulatory agencies. There are few discretionary programs within Fairfax Water's assigned scope of activity. As such, one of the more important purposes of the Annual Budget is to assess the adequacy of Fairfax Water's revenues to satisfy the requirements of the General Trust Indenture.

The revenues of the water system include payments from various wholesale customers under agreements, which include the purchase of capacity rights in Fairfax Water's system. Wholesale customers account for approximately 44% of the total water sales volume of Fairfax Water in 2020.

The 2020 Annual Budget contains a provision for revisions to certain rates, fees and charges proposed to be effective April 1, 2020. It is intended that these proposed charges would be considered for adoption at Fairfax Water's meeting of December 12, 2019, following a public hearing on the matter.

The General Trust Indenture requires Fairfax Water's Consulting Engineer to make an inspection of the water system annually and to submit a report on or before December 1 of each year setting forth findings as to the physical condition of the water system, recommendations as to the adequacy of the budgeted amounts for current expenses and capital expenditures, and any necessary or advisable revisions of the rates, fees, and charges.

The Annual Budget is contained on pages 2 through 8. Details and supporting data related to the Annual Budget are included on pages 9 through 52.

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2020

| <u>REVENUE FUND</u> | 2019 | | 2020 |
|--|--------------------|-------------------------|--------------------|
| | <u>Budget</u> | <u>Current Estimate</u> | <u>Budget</u> |
| <u>REVENUES</u> | | | |
| Wholesale Revenue (Fixed and Commodity) ⁽¹⁾ | | | |
| Virginia-American Water Company | | | |
| Alexandria District | \$ 9,670,000 | \$ 9,955,000 | \$ 10,590,000 |
| Prince William District | 3,693,000 | 3,722,000 | 3,912,000 |
| Prince William County Service Authority | 12,524,000 | 17,169,000 | 13,733,000 |
| Loudoun Water | 6,979,000 | 9,363,000 | 7,430,000 |
| Town of Herndon | 1,394,000 | 1,776,000 | 1,453,000 |
| Fort Belvoir | 1,880,000 | 1,880,000 | 1,925,000 |
| Dulles International Airport | 420,000 | 426,000 | 447,000 |
| Town of Vienna | 1,643,000 | 1,757,000 | 1,719,000 |
| Untreated | | | |
| Prince William County Park Authority | 1,000 | 1,000 | 1,000 |
| Vulcan Materials Company | 17,000 | 22,000 | 21,000 |
| Old Hickory Golf Course | 7,000 | 5,000 | 5,000 |
| Total - Wholesale Revenue | <u>38,228,000</u> | <u>46,076,000</u> | <u>41,236,000</u> |
| Retail Revenue (Commodity and Billing) | <u>116,622,000</u> | <u>119,560,000</u> | <u>119,560,000</u> |
| Total - Wholesale and Retail Revenue | <u>154,850,000</u> | <u>165,636,000</u> | <u>160,796,000</u> |

⁽¹⁾ See Exhibit 1 (page 25) for a breakdown of commodity and fixed charges revenue.

| | 2019 | | 2020 Budget |
|-------------------------------|-------------------|---------------------|-------------------|
| | Budget | Current Estimate | |
| <u>Other Revenues</u> | | | |
| Availability Charges | \$ 9,000,000 | \$ 11,000,000 | \$ 10,000,000 |
| Local Facility Charges | 950,000 | 1,300,000 | 1,000,000 |
| Service Connection Charges | 750,000 | 1,200,000 | 920,000 |
| Account Charges | 1,100,000 | 1,100,000 | 1,100,000 |
| Delinquent Account Charges | 500,000 | 500,000 | 500,000 |
| Returned Check Charges | 55,000 | 55,000 | 55,000 |
| Sewer Service Billing Charges | 6,600,000 | 6,600,000 | 6,600,000 |
| Merchandising and Jobbing | 150,000 | 150,000 | 150,000 |
| Fire Hydrant Permit Fees | 680,000 | 680,000 | 690,000 |
| Laboratory Services | 80,000 | 75,000 | 80,000 |
| Investment Income | 2,100,000 | 3,100,000 | 2,200,000 |
| Non-Operating Income | 1,400,000 | 1,450,000 | 1,500,000 |
| Sale of Scrap Material | 50,000 | 100,000 | 50,000 |
| Bad Debt Recovery | 10,000 | 8,000 | 10,000 |
| Bond Subsidy | 1,065,000 | 1,065,000 | 1,065,000 |
| Miscellaneous | 125,000 | 420,000 | 125,000 |
| Total - Other Revenues | <u>24,615,000</u> | <u>28,803,000</u> | <u>26,045,000</u> |
| Rate Revisions ⁽¹⁾ | <u>3,772,000</u> | <u>- -</u> | <u>5,696,000</u> |
| Total - Revenues | 183,237,000 | 194,439,000 | 192,537,000 |

⁽¹⁾ The 2020 Annual Budget contains a provision for revisions to certain rates, fees, and charges proposed to be effective April 1, 2020.

| | 2019 | | |
|--|-------------------|-------------------------|--------------------|
| | <u>Budget</u> | <u>Current Estimate</u> | <u>2020 Budget</u> |
| <u>CURRENT EXPENSES</u> | | | |
| <u>Operation and Maintenance Expenses</u> | | | |
| Supply Facilities | \$ 11,692,000 | \$ 11,969,000 | \$ 12,369,000 |
| Treatment Facilities | 24,517,000 | 24,144,000 | 25,612,000 |
| Transmission System | 5,208,000 | 5,421,000 | 5,618,000 |
| Distribution System | 21,269,000 | 20,356,000 | 21,602,000 |
| Administrative and General | <u>34,710,000</u> | <u>33,733,000</u> | <u>36,441,000</u> |
| Total - Operation and Maintenance Expenses | 97,396,000 | 95,623,000 | 101,642,000 |
| <u>Other Expenses</u> | | | |
| New Services and Meters | 1,415,000 | 1,646,000 | 1,754,000 |
| Merchandising and Jobbing | <u>9,000</u> | <u>--</u> | <u>4,000</u> |
| Total - Other Expenses | <u>1,424,000</u> | <u>1,646,000</u> | <u>1,758,000</u> |
| Total - Current Expenses | <u>98,820,000</u> | <u>97,269,000</u> | <u>103,400,000</u> |
| <u>NET REVENUES</u> | | | |
| Net Revenues Defined | 84,417,000 | 97,170,000 | 89,137,000 |
| Transfer from Reserve Fund | <u>908,000</u> | <u>908,000</u> | <u>962,000</u> |
| Total Net Revenues | <u>85,325,000</u> | <u>98,078,000</u> | <u>90,099,000</u> |
| <u>DEBT SERVICE COVERAGE</u> | | | |
| Net Revenues | 85,325,000 | 98,078,000 | 90,099,000 |
| Annual Principal and Interest Requirements | 42,987,573 | 42,987,573 | 43,000,000 |
| Coverage | 1.98 | 2.28 | 2.10 |

| | 2019 | | 2020 Budget |
|--|-------------------|---------------------|-------------------|
| | Budget | Current Estimate | |
| <u>DEBT SERVICE FUND</u> | | | |
| <u>Balance Carried Forward from Prior Year</u> | \$ 32,235,826 | \$ 32,235,826 | \$ 32,696,671 |
| <u>Receipts</u> | | | |
| Transfer from Revenue Fund | 42,987,573 | 42,987,573 | 43,000,000 |
| Investment Income | 250,000 | 795,000 | 340,000 |
| Total - Receipts | <u>43,237,573</u> | <u>43,782,573</u> | <u>43,340,000</u> |
| <u>Disbursements</u> | | | |
| Interest Payable - April 1 and October 1 | 21,181,728 | 21,181,728 | 20,246,286 |
| Principal Payable - April 1 | 21,345,000 | 21,345,000 | 22,260,000 |
| Transfer of Investment Income to Revenue Fund | 250,000 | 795,000 | 340,000 |
| Total - Disbursements | <u>42,776,728</u> | <u>43,321,728</u> | <u>42,846,286</u> |
| <u>Balance Carried Forward to Ensuing Year</u> | <u>32,696,671</u> | <u>32,696,671</u> | <u>33,190,385</u> |

| | 2019 | | 2020 Budget |
|--|-------------------|---------------------|-------------------|
| | Budget | Current Estimate | |
| <u>RESERVE FUND</u> | | | |
| <u>Balance Carried Forward from Prior Year</u> | \$ 13,645,000 | \$ 13,703,000 | \$ 12,795,000 |
| <u>Receipts</u> | | | |
| Investment Income | 150,000 | 225,000 | 130,000 |
| Total - Receipts | <u>150,000</u> | <u>225,000</u> | <u>130,000</u> |
| <u>Disbursements</u> | | | |
| Transfer of Investment Income to Revenue Fund | 150,000 | 225,000 | 130,000 |
| Transfer of Excess Requirement to Revenue Fund | 908,000 | 908,000 | 962,000 |
| Total - Disbursements | <u>1,058,000</u> | <u>1,133,000</u> | <u>1,092,000</u> |
| <u>Balance Carried Forward to Ensuing Year</u> | <u>12,737,000</u> | <u>12,795,000</u> | <u>11,833,000</u> |

| | 2019 | | 2020 Budget |
|--|--------------------|---------------------|-------------------|
| | Budget | Current Estimate | |
| <u>IMPROVEMENT FUND</u> | | | |
| <u>Balance Carried Forward from Prior Year</u> | \$ 592,000 | \$ 308,000 | \$ 270,000 |
| <u>Receipts</u> | | | |
| Transfer from Revenue Fund | 11,000,000 | 11,000,000 | 11,000,000 |
| Transfer from General Fund | 93,000,000 | 79,000,000 | 74,000,000 |
| Advances for Construction | 100,000 | 50,000 | 100,000 |
| Contributions for Construction | 1,000,000 | 500,000 | 3,000,000 |
| Investment Income | 10,000 | 62,000 | 20,000 |
| Miscellaneous | 50,000 | 10,000 | 50,000 |
| Total - Receipts | <u>105,160,000</u> | <u>90,622,000</u> | <u>88,170,000</u> |
| <u>Disbursements</u> | | | |
| Part B Capital Improvement Program | | | |
| Materials and Supplies | 90,000 | 50,000 | 90,000 |
| Refunds - Advances for Construction | 40,000 | 30,000 | 40,000 |
| General Expenses | 18,390,000 | 18,690,000 | 18,750,000 |
| Subdivision and Other Development Projects | 1,200,000 | 980,000 | 1,030,000 |
| Extraordinary Maintenance and Repairs | 46,542,000 | 43,420,000 | 42,528,000 |
| Additions, Extensions and Betterments | 35,445,000 | 23,630,000 | 21,918,000 |
| General Studies | 3,037,000 | 3,100,000 | 3,086,000 |
| Part D Capital Improvement Program | 364,000 | 480,000 | -- |
| Part E Capital Improvement Program | 275,000 | 280,000 | -- |
| Total - Disbursements | <u>105,383,000</u> | <u>90,660,000</u> | <u>87,442,000</u> |
| <u>Balance Carried Forward to Ensuing Year</u> | <u>369,000</u> | <u>270,000</u> | <u>998,000</u> |

| | 2019 | | 2020 |
|--|-------------------|--------------------|-------------------|
| | Budget | Current Estimate | Budget |
| <u>GENERAL FUND</u> | | | |
| <u>Balance Carried Forward from Prior Year</u> | \$ 150,949,000 | \$ 142,921,000 | \$ 108,011,000 |
| <u>Receipts</u> | | | |
| Transfer from Revenue Fund (Net Revenues) | 31,337,000 | 44,090,000 | 36,099,000 |
| Investment Income | 1,700,000 | 2,000,000 | 1,700,000 |
| Total - Receipts | <u>33,037,000</u> | <u>46,090,000</u> | <u>37,799,000</u> |
| <u>Disbursements</u> | | | |
| Transfer of Investment Income to Revenue Fund | 1,700,000 | 2,000,000 | 1,700,000 |
| Transfer to Improvement Fund | 93,000,000 | 79,000,000 | 74,000,000 |
| Total - Disbursements | <u>94,700,000</u> | <u>81,000,000</u> | <u>75,700,000</u> |
| <u>Balance Carried Forward to Ensuing Year</u> | <u>89,286,000</u> | <u>108,011,000</u> | <u>70,110,000</u> |



DETAILS AND SUPPORTING DATA

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2020

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I. Highlights of 2020 Annual Budget

| Category | 2019 Budget | 2019 Current Estimate | 2020 Budget | % Increase (Decrease) |
|------------------------------------|----------------|-----------------------------|----------------|-----------------------------|
| Retail Customer Accounts Added | 300 | 325 | 300 | (7.7) |
| Retail Equivalent 5/8" Units Added | 2,170 | 2,580 | 2,350 | (8.9) |
| Retail Customers - End of Year | 281,407 | 281,461 | 281,761 | 0.1 |
| Wholesale Water Sales (mg) | 23,937 | 24,452 | 24,417 | (0.1) |
| Retail Water Sales (mg) | 31,000 | 30,500 | 30,500 | -- |
| Total Water Sales (mg) | 54,937 | 54,952 | 54,917 | (0.1) |
| Water Sales Revenue (\$ million) | 158.276 | 165.636 | 166.205 | 0.3 |
| Water Produced and Purchased (mg) | 61,000 | 61,100 | 61,000 | (0.2) |
| Water Produced and Purchased (mgd) | 167.1 | 167.4 | 166.7 | (0.4) |
| Total Revenues (\$ million) | 183.237 | 194.439 | 192.537 | (1.0) |
| Current Expenses (\$ million) | 98.820 | 97.269 | 103.400 | 6.3 |
| Net Revenues (\$ million) | 85.325 | 98.078 | 90.099 | (8.1) |
| Total Debt Service (\$ million) | 42.988 | 42.988 | 43.000 | -- |
| Debt Service Coverage | 1.98 | 2.28 | 2.10 | (7.9) |
| Authorized Employees | 475 | 475 | 475 | -- |

Highlights of 2020 Annual Budget (Continued)

- ♦ 300 retail customers are projected to be added in 2020, 25 less than the number projected for 2019. A total of 281,761 customers are expected to be served at the end of 2020.
- ♦ Water sales are estimated to be 54.9 billion gallons in 2020, as compared to 55.0 billion gallons in 2019.
- ♦ Average daily production is expected to be 166.7 million gallons per day (mgd) in 2020, as compared to 167.4 mgd in 2019.
- ♦ Revenues are expected to be \$192.5 million in 2020, as compared to \$194.4 million in 2019.
- ♦ The 2020 Annual Budget contains a provision for revisions to certain rates, fees, and charges proposed to be effective April 1, 2020.
- ♦ Current Expenses are projected to be \$103.4 million in 2020, a 6.3% increase as compared to the 2019 Current Estimate and a 4.6% increase from the 2019 Budget.
- ♦ Net Revenues are projected to be \$90.1 million in 2020, as compared to \$98.1 million in 2019.
- ♦ Debt service coverage is projected at 2.10 in 2020, as compared to 2.28 in 2019.
- ♦ It is expected that the Improvement Fund will have a cash balance of \$0.3 million on January 1, 2020. Improvement Fund receipts are estimated at \$88.2 million and expenditures are estimated at \$87.4 million in 2020, resulting in an expected balance of \$1.0 million on December 31, 2020.
- ♦ It is expected that the General Fund will have a balance of \$70.1 million at the end of 2020.
- ♦ In 2020 the authorized staff complement is expected to remain constant at a total of 475 employees.
- ♦ Expected payroll costs of \$43.294 million in 2020 represents a 5.1% increase from the \$41.198 million budgeted in 2019.

II. Customer Growth

- ♦ Applications for new services in 2020 are projected to be 377 less than the number currently estimated for 2019 and 257 less than the actual number of applications received in 2018.
- ♦ 300 customer accounts are expected to be added in 2020.
- ♦ Single family and townhouse units comprise 94% of all retail customers.

| | Actual | | | | Current Estimate 2019 | Budget 2020 |
|--|---------|---------|---------|---------|-----------------------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | | |
| <u>Customers</u> | | | | | | |
| Number of Applications Received | 276 | 481 | 808 | 557 | 677 | 300 |
| Number of Services Installed | 498 | 538 | 808 | 505 | 632 | 300 |
| Number of Customer Accounts Added (net) | 192 | (19) | 171 | 246 | 325 | 300 |
| Number of Equivalent 5/8" Units Added | 3,290 | 2,941 | 2,805 | 2,878 | 2,580 | 2,350 |
| <u>Total Customers (End-of-Year)</u> | | | | | | |
| Single Family | 187,306 | 187,224 | 187,207 | 187,194 | 187,216 | 187,312 |
| Townhouse | 76,865 | 76,897 | 77,010 | 77,219 | 77,465 | 77,625 |
| Apartment | 4,028 | 4,039 | 4,067 | 4,079 | 4,082 | 4,094 |
| Commercial/Industrial | 11,065 | 11,085 | 11,131 | 11,153 | 11,198 | 11,229 |
| Municipal/Institutional | 1,404 | 1,404 | 1,405 | 1,410 | 1,413 | 1,414 |
| Restricted Service | 70 | 70 | 70 | 81 | 87 | 87 |
| | 280,738 | 280,719 | 280,890 | 281,136 | 281,461 | 281,761 |
| <u>Sales Per Customer</u> | | | | | | |
| Retail Customers (Average) | 280,642 | 280,729 | 280,805 | 281,013 | 281,299 | 281,611 |
| Retail Water Sales (mg) | 31,023 | 31,533 | 30,590 | 29,787 | 30,500 | 30,500 |
| Sales Per Customer (1,000 gal) | 111 | 112 | 109 | 106 | 108 | 108 |

III. Water Sales

- ♦ Total water sales are expected to decrease 0.1% in 2020 as compared to 2019.
- ♦ Total water sales are expected to decrease 0.1% in 2019 as compared to 2018.

| | Actual | | | | Current Estimate 2019 | Budget 2020 |
|---------------------|--------|--------|--------|--------|-----------------------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | | |
| <u>Water Sales</u> | | | | | | |
| <u>Wholesale</u> | | | | | | |
| Million Gallons | 24,529 | 25,533 | 25,233 | 25,193 | 24,452 | 24,417 |
| Daily Average (mgd) | 67.2 | 69.8 | 69.1 | 69.0 | 67.0 | 66.7 |
| % of Total Sales | 44 | 45 | 45 | 46 | 44 | 44 |
| <u>Retail</u> | | | | | | |
| Million Gallons | 31,023 | 31,533 | 30,590 | 29,787 | 30,500 | 30,500 |
| Daily Average (mgd) | 85.0 | 86.2 | 83.8 | 81.6 | 83.6 | 83.3 |
| % of Total Sales | 56 | 55 | 55 | 54 | 56 | 56 |
| <u>Total</u> | | | | | | |
| Million Gallons | 55,552 | 57,066 | 55,823 | 54,980 | 54,952 | 54,917 |
| Daily Average (mgd) | 152.2 | 155.9 | 152.9 | 150.6 | 150.6 | 150.0 |

IV. Water Production (Supply)

- ♦ Water production is expected to average 166.7 mgd in 2020, as compared to 167.4 mgd in 2019.
- ♦ Occoquan River water production is expected to account for 37.4% of total production in 2020.
- ♦ Potomac River water production is expected to account for 53.0% of total production in 2020.
- ♦ Purchased water from the Washington Aqueduct is expected to account for 9.6% of total production in 2020.

| | Actual | | | | Current Estimate 2019 | Budget 2020 |
|-------------------------------|--------|--------|--------|--------|-----------------------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | | |
| <u>Supply vs. Sales (mg)</u> | | | | | | |
| Water Supply | 59,814 | 62,622 | 62,169 | 60,735 | 61,100 | 61,000 |
| Water Sales | 55,552 | 57,066 | 55,823 | 54,980 | 54,952 | 54,917 |
| Non-Revenue Water: | | | | | | |
| Quantity | 4,262 | 5,556 | 6,346 | 5,755 | 6,148 | 6,083 |
| As a % of Supply | 7.1 | 8.9 | 10.2 | 9.5 | 10.0 | 10.0 |
| <u>Sources of Supply (mg)</u> | | | | | | |
| Purchased | 5,141 | 4,188 | 5,390 | 5,497 | 5,867 | 5,860 |
| Occoquan: | | | | | | |
| Treated | 22,138 | 22,652 | 22,614 | 22,731 | 22,757 | 22,720 |
| Untreated | 74 | 80 | 95 | 86 | 107 | 102 |
| | 22,212 | 22,732 | 22,709 | 22,817 | 22,864 | 22,822 |
| Potomac | 32,461 | 35,702 | 34,070 | 32,421 | 32,369 | 32,318 |
| Total Supply | 59,814 | 62,622 | 62,169 | 60,735 | 61,100 | 61,000 |
| <u>Daily Average (mgd)</u> | | | | | | |
| Occoquan | 60.9 | 62.1 | 62.2 | 62.5 | 62.6 | 62.4 |
| Potomac | 88.9 | 97.6 | 93.3 | 88.8 | 88.7 | 88.3 |
| Washington Aqueduct | 14.1 | 11.4 | 14.8 | 15.1 | 16.1 | 16.0 |
| Total | 163.9 | 171.1 | 170.3 | 166.4 | 167.4 | 166.7 |

V. Revenues

- ♦ 2020 total revenues are estimated at \$192.5 million, as compared to \$194.4 million in 2019.
- ♦ Revenues from total water sales (inclusive of proposed retail rate revisions) are expected to increase by \$0.6 million or 0.3% in 2020.
- ♦ In 2020, revenues from connection charges are budgeted to decrease by 11.7% as compared to 2019.
- ♦ In 2017, wholesale revenues include \$26.6 million from Prince William County Service Authority for the purchase of additional capacity in Fairfax Water's system. In 2018, the Town of Herndon purchased additional capacity for \$6.1 million.
- ♦ In 2015, other revenues include \$1.8 million of payments from the City of Fairfax as required by the asset purchase agreement.

| | Actual | | | | Current Estimate | Budget |
|-------------------------------|---------|---------|---------|---------|---------------------|---------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| ----- \$ Million ----- | | | | | | |
| <u>Revenues</u> | | | | | | |
| Water Sales | | | | | | |
| Wholesale | 42.220 | 35.643 | 64.574 | 45.131 | 46.076 | 41.236 |
| Retail | 104.235 | 108.479 | 111.265 | 111.298 | 119.560 | 119.560 |
| Subtotal | 146.455 | 144.122 | 175.839 | 156.429 | 165.636 | 160.796 |
| Connection Charges: | | | | | | |
| Availability | 13.000 | 12.005 | 11.503 | 11.866 | 11.000 | 10.000 |
| Local Facility | 1.107 | .684 | 1.172 | 1.170 | 1.300 | 1.000 |
| Service Connection | .639 | 1.055 | 1.782 | 1.173 | 1.200 | .920 |
| Investment Income | 1.362 | 2.130 | 1.738 | 2.211 | 3.100 | 2.200 |
| Sewer Service Billing Charges | 6.544 | 7.118 | 5.973 | 6.585 | 6.600 | 6.600 |
| Other Revenue | 5.132 | 3.863 | 4.498 | 4.341 | 4.538 | 4.260 |
| Bond Subsidy | 1.052 | 1.058 | 1.057 | 1.060 | 1.065 | 1.065 |
| Rate Revisions ⁽¹⁾ | -- | -- | -- | -- | -- | 5.696 |
| Total - Revenues | 175.291 | 172.035 | 203.562 | 184.835 | 194.439 | 192.537 |

⁽¹⁾ The 2020 Annual Budget contains a provision for revisions to certain rates, fees and charges proposed to be effective April 1, 2020.

VI. Current Expenses - Exhibits 2, 3, and 4

- ♦ Current Expenses are projected to increase 6.3% in 2020 as compared to 2019.
- ♦ The increase is due to higher operation and maintenance costs such as employee payroll and benefits, chemicals, contractual services, and professional services.

| | Actual | | | | Current Estimate 2019 | Budget 2020 |
|---------------------------|--------|--------|--------|--------|-----------------------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | | |
| ----- \$ Million ----- | | | | | | |
| <u>Current Expenses</u> | | | | | | |
| Operation and Maintenance | 87.644 | 84.557 | 89.234 | 94.218 | 95.623 | 101.642 |
| Other | 1.570 | 1.564 | 1.927 | 1.490 | 1.646 | 1.758 |
| Total | 89.214 | 86.121 | 91.161 | 95.708 | 97.269 | 103.400 |

Categories of Expense

Operation and Maintenance

| | | | | | | |
|----------------------------|--------|--------|--------|--------|--------|---------|
| Supply Facilities | 10.668 | 8.113 | 11.372 | 12.054 | 11.969 | 12.369 |
| Treatment Facilities | 22.215 | 22.426 | 22.460 | 23.295 | 24.144 | 25.612 |
| Transmission System | 5.413 | 5.253 | 5.186 | 5.237 | 5.421 | 5.618 |
| Distribution System | 17.570 | 17.306 | 17.913 | 20.459 | 20.356 | 21.602 |
| Administrative and General | 31.778 | 31.459 | 32.303 | 33.173 | 33.733 | 36.441 |
| Total | 87.644 | 84.557 | 89.234 | 94.218 | 95.623 | 101.642 |

Current Expenses (Continued)

Operation and Maintenance Expenses

- ♦ The following table depicts costs for major items of Operation and Maintenance expenses for the years 2015-2020.

| | <u>Actual</u> | | | | <u>Current Estimate 2019</u> | <u>Budget 2020</u> |
|---|------------------------|----------------|----------------|-----------------|------------------------------|--------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | | |
| | ----- \$ Million ----- | | | | | |
| Operation and Maintenance | 87.644 | 84.557 | 89.234 | 94.218 | 95.623 | 101.642 |
| <u>Major Items of Expense</u> | | | | | | |
| Personal Services | 26.866 | 26.897 | 26.966 | 28.026 | 28.604 | 30.575 |
| Employee Benefits | 26.871 | 26.711 | 27.250 | 27.969 | 28.235 | 29.445 |
| Power Purchased | 9.141 | 9.211 | 9.144 | 9.256 | 9.600 | 9.700 |
| Utilities | 1.450 | 1.239 | 1.259 | 1.209 | 1.290 | 1.360 |
| Water Treatment Chemicals | 6.077 | 6.190 | 6.370 | 6.819 | 7.166 | 7.798 |
| Residuals Management Chemicals | .074 | .073 | .073 | .112 | .075 | .080 |
| Purchased Water | 6.567 | 3.827 | 7.272 | 7.645 | 7.510 | 7.812 |
| Supplies and Materials | 5.092 | 5.133 | 4.837 | 5.077 | 5.418 | 5.713 |
| Insurance | 1.026 | 1.104 | 1.151 | .897 | .991 | 1.165 |
| Gasoline and Fuel | .631 | .476 | .557 | .684 | .685 | .730 |
| Postage | .624 | .620 | .592 | .592 | .612 | .622 |
| Printed Reports | .069 | .060 | .060 | .058 | .065 | .070 |
| Advertising | .048 | .059 | .062 | .043 | .050 | .050 |
| Customer Relations | .236 | .246 | .245 | .253 | .255 | .270 |
| Books, Periodicals and Dues | .140 | .106 | .123 | .098 | .100 | .105 |
| Contractual Services | 9.430 | 9.964 | 10.697 | 12.836 | 12.635 | 13.103 |
| Professional Services | 1.086 | .665 | .973 | .942 | .829 | 1.290 |
| Employee Training and Meetings Programs | .377 | .326 | .398 | .383 | .443 | .500 |
| Miscellaneous | 1.093 | .997 | 1.047 | 1.326 | 1.210 | 1.340 |
| | .415 | .269 | .149 | .241 | .230 | .227 |
| Subtotal | <u>97.313</u> | <u>94.173</u> | <u>99.225</u> | <u>104.466</u> | <u>106.003</u> | <u>111.955</u> |
| Transfer to Improvement Fund | <u>(9.669)</u> | <u>(9.616)</u> | <u>(9.991)</u> | <u>(10.248)</u> | <u>(10.380)</u> | <u>(10.313)</u> |
| Total - Operation and Maintenance | <u>87.644</u> | <u>84.557</u> | <u>89.234</u> | <u>94.218</u> | <u>95.623</u> | <u>101.642</u> |

VII. Net Revenues - Coverage

- ♦ Net Revenues are funds remaining after Current Expenses are deducted from Revenues.
- ♦ Net Revenues are allocated to: (1) Reserve for Current Expenses; (2) Debt Service Fund; (3) Reserve Fund; (4) Improvement Fund; and (5) General Fund.
- ♦ The following table depicts Net Revenues for the years 2015-2020:

| | Actual | | | | Current Estimate 2019 | Budget 2020 |
|----------------------------|------------|------------|------------|------------|-----------------------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | | |
| ----- \$ Million ----- | | | | | | |
| Revenues | 175.291 | 172.035 | 203.562 | 184.835 | 194.439 | 192.537 |
| Current Expenses | 89.214 | 86.121 | 91.161 | 95.708 | 97.269 | 103.400 |
| Net Revenues Defined | 86.077 | 85.914 | 112.401 | 89.127 | 97.170 | 89.137 |
| Transfer from Reserve Fund | .627 | .522 | - | 1.620 | .908 | .962 |
| Net Revenues - Total | 86.704 | 86.436 | 112.401 | 90.747 | 98.078 | 90.099 |
| Debt Service | 39.915 | 41.417 | 43.257 | 42.981 | 42.988 | 43.000 |
| Coverage | 2.17 | 2.09 | 2.60 | 2.11 | 2.28 | 2.10 |

VIII. Debt Service Fund

- ♦ The Debt Service Fund was established to accumulate deposits necessary for the payment of the principal and interest on outstanding bond issues.
- ♦ In 2020, Fairfax Water's debt service will be \$43,000,000, which will provide a coverage ratio of 2.10. Coverage is derived by dividing Net Revenues by debt service.

IX. Reserve Fund

- ♦ The General Trust Indenture requires that the Reserve Fund be maintained at the "Reserve Requirement" which is defined in the Indenture to be an amount equal to the maximum amount of interest accruing on all outstanding bonds in the current or any future Bond Year. The current Reserve Requirement is \$19,765,000 which is funded with a Qualified Reserve Fund Substitute (Insurance) as well as approximately \$12 million in cash and securities.

X. Improvement Fund - Exhibit 5

The Improvement Fund is comprised of projects funded from Net Revenues and bond proceeds.

(1) Capital Improvement Program (Part A)

- ♦ The Part A Capital Improvement Program was completed in 2004.
- ♦ Financing requirements for this program were satisfied in 1994 by the issuance of \$76.3 million in Water Revenue Bonds.

(2) Capital Improvement Program (Part B)

- ♦ The Part B Capital Improvement Program includes projects in the Improvement Fund which are generally financed from Net Revenues, however, they may be funded from bond proceeds when appropriate. Projects include such items as major repairs to water mains, extensions of water mains, system improvements and the purchase of property and capital equipment, e.g., motor vehicles.

(3) Capital Improvement Program (Part C)

- ♦ The Part C Capital Improvement Program was completed in 2017.
- ♦ Financing for this program was satisfied with the issuance of revenue bonds and cash on hand.

(4) Capital Improvement Program (Part D)

- ♦ The Part D Capital Improvement Program will be completed in 2019.
- ♦ Financing for this program was satisfied with the issuance of revenue bonds and cash on hand.

(5) Capital Improvement Program (Part E)

- ♦ The Part E Capital Improvement Program currently has no planned projects for 2020.
- ♦ Financing for this program is from the issuance of revenue bonds and cash on hand.

(6) Summary of Improvement Fund Budget

- ♦ As depicted in the following table, it is expected that the Improvement Fund will have a balance of \$0.3 million on January 1, 2020. Improvement Fund receipts are estimated at \$88.2 million and expenditures are estimated at \$87.4 million, resulting in an expected balance of \$1.0 million on December 31, 2020.

Improvement Fund (Continued)

| | Actual | | | | Current Estimate 2019 | Budget 2020 |
|---------------------------------------|---------------|---------------|----------------|---------------|-----------------------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | | |
| ----- \$ Million ----- | | | | | | |
| Balance Carried Forward - January 1 | .166 | 1.298 | .843 | 23.642 | .308 | .270 |
| <u>Receipts</u> | | | | | | |
| Transfer from Revenue Fund | 11.000 | 11.000 | 11.000 | 11.000 | 11.000 | 11.000 |
| Transfer from General Fund | 45.000 | 50.000 | 14.000 | 43.000 | 79.000 | 74.000 |
| Bond Proceeds | -- | -- | 75.531 | -- | -- | -- |
| Investment Income and Other | 1.200 | 1.056 | 1.279 | 2.111 | .622 | 3.170 |
| Total - Receipts | <u>57.200</u> | <u>62.056</u> | <u>101.810</u> | <u>56.111</u> | <u>90.622</u> | <u>88.170</u> |
| <u>Disbursements</u> | | | | | | |
| Part B Capital Improvement Program | | | | | | |
| Materials and Supplies | (.054) | .520 | .417 | (.053) | .050 | .090 |
| Refunds of Advances | .007 | .027 | .022 | .016 | .030 | .040 |
| General Expenses | 13.309 | 17.122 | 16.378 | 18.261 | 18.690 | 18.750 |
| Subdivision/Development Projects | 1.126 | 1.189 | 1.170 | 1.012 | .980 | 1.030 |
| Extraordinary Maintenance and Repair | 22.728 | 19.891 | 22.396 | 39.698 | 43.420 | 42.528 |
| Additions, Extensions and Betterments | 3.883 | 20.560 | 29.235 | 16.468 | 23.630 | 21.918 |
| General Studies | 2.238 | 1.205 | 1.214 | 2.319 | 3.100 | 3.086 |
| Part C Capital Improvement Program | 3.916 | .001 | -- | -- | -- | -- |
| Part D Capital Improvement Program | 8.064 | 1.607 | 6.848 | 1.660 | .480 | -- |
| Part E Capital Improvement Program | .851 | .389 | 1.331 | .064 | .280 | -- |
| Total - Disbursements | <u>56.068</u> | <u>62.511</u> | <u>79.011</u> | <u>79.445</u> | <u>90.660</u> | <u>87.442</u> |
| Balance Carried Forward - December 31 | 1.298 | .843 | 23.642 | .308 | .270 | .998 |

XI. General Fund

- ♦ The General Fund was established to provide funding for special activities of Fairfax Water.
- ♦ Generally, Net Revenues in excess of those required to be deposited to the Debt Service Fund and Improvement Fund are deposited to the General Fund. It is expected that these funds will be subsequently transferred to the Improvement Fund.

| | Actual | | | | Current Estimate 2019 | Budget 2020 |
|------------------------------|------------------------|---------|---------|---------|-----------------------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | | |
| | ----- \$ Million ----- | | | | | |
| General Fund Balance Forward | | | | | | |
| January 1 | 97.041 | 118.731 | 102.260 | 146.163 | 142.921 | 108.011 |
| December 31 | 118.731 | 102.260 | 146.163 | 142.921 | 108.011 | 70.110 |

XII. Personnel Requirements - Exhibits 6, 7, and 8

- ♦ The personnel complement is expected to remain constant in 2020 at a total of 475 authorized positions.
- ♦ Total 2020 personal services costs are estimated at \$43.294 million, of which \$31.942 million and \$11.352 million are estimated to be charged to the Revenue and Improvement Funds, respectively.
- ♦ The 2020 total budgeted personal services cost of \$43.294 million includes a cost-of-living adjustment of 1.2% effective the first pay period of 2020 based on the CPI-U for the 12-month period ending July 31, 2019.

| | Actual | | | | Current Estimate 2019 | Budget 2020 |
|---------------------------------|--------|--------|--------|--------|-----------------------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | | |
| Number of Employees Added | -- | -- | -- | -- | -- | -- |
| Total Employees Authorized | 475 | 475 | 475 | 475 | 475 | 475 |
| Total Payroll Cost (\$ Million) | 37.761 | 37.709 | 38.548 | 39.828 | 40.343 | 43.294 |

Employees by Division

| | | | | | | |
|-------------------------------|-----|-----|-----|-----|-----|-----|
| Management | 50 | 50 | 50 | 50 | 49 | 49 |
| Finance | 108 | 109 | 109 | 109 | 109 | 109 |
| Planning and Engineering | 65 | 64 | 64 | 64 | 64 | 64 |
| Technology | 46 | 46 | 46 | 46 | 46 | 46 |
| Production | 82 | 82 | 82 | 82 | 82 | 82 |
| Transmission and Distribution | 124 | 124 | 124 | 124 | 125 | 125 |
| Total | 475 | 475 | 475 | 475 | 475 | 475 |

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2020
DETAILS OF WATER SALES REVENUE

| | 2019 Budget | | | | 2019 Current Estimate | | | | 2020 Budget | | | | % Increase / (Decrease) | | |
|--------------------------------|----------------|-------------------------------|--------------------------------|--------------------|-----------------------|-------------------------------|--------------------------------|--------------------|----------------|-------------------------------|--------------------------------|--------------------|-------------------------|------------------|-------------------|
| | Volume (MG) | Sales Revenue (\$1,000) | Demand Charges (\$1,000) | Total (\$1,000) | Volume (MG) | Sales Revenue (\$1,000) | Demand Charges (\$1,000) | Total (\$1,000) | Volume (MG) | Sales Revenue (\$1,000) | Demand Charges (\$1,000) | Total (\$1,000) | Volume | Sales Revenue | Demand Charges |
| Wholesale Water Sales | | | | | | | | | | | | | | | |
| Virginia-American Water | | | | | | | | | | | | | | | |
| Alexandria District | 5,700 | 7,695 | 1,975 | 9,670 | 5,700 | 7,980 | 1,975 | 9,955 | 5,700 | 8,265 | 2,325 | 10,590 | -- | 3.6 | 17.7 |
| Prince William District | 1,710 | 2,309 | 1,384 | 3,693 | 1,670 | 2,338 | 1,384 | 3,722 | 1,670 | 2,422 | 1,490 | 3,912 | -- | 3.6 | 7.7 |
| Dulles International Airport | 290 | 351 | 69 | 420 | 295 | 357 | 69 | 426 | 295 | 378 | 69 | 447 | -- | 5.9 | -- |
| Fort Belvoir | 650 | 787 | 1,093 | 1,880 | 650 | 787 | 1,093 | 1,880 | 650 | 832 | 1,093 | 1,925 | -- | 5.7 | -- |
| PWCSA | 8,700 | 11,745 | 779 | 12,524 | 8,800 | 13,640 | 3,529 | 17,169 | 9,000 | 13,050 | 683 | 13,733 | 2.3 | (4.3) | (80.6) |
| Town of Herndon | 835 | 1,127 | 267 | 1,394 | 820 | 1,230 | 546 | 1,776 | 820 | 1,189 | 264 | 1,453 | -- | (3.3) | (51.6) |
| Loudoun Water | 5,200 | 4,420 | 2,559 | 6,979 | 5,650 | 5,311 | 4,052 | 9,363 | 5,420 | 4,986 | 2,444 | 7,430 | (4.1) | (6.1) | (39.7) |
| Town of Vienna | 760 | 1,026 | 617 | 1,643 | 760 | 1,140 | 617 | 1,757 | 760 | 1,102 | 617 | 1,719 | -- | (3.3) | -- |
| Untreated | | | | | | | | | | | | | | | |
| Vulcan Materials | 65 | 17 | -- | 17 | 85 | 22 | -- | 22 | 80 | 21 | -- | 21 | (5.9) | (4.5) | -- |
| PWCPA | 2 | 1 | -- | 1 | 2 | 1 | -- | 1 | 2 | 1 | -- | 1 | -- | -- | -- |
| Old Hickory | 25 | 7 | -- | 7 | 20 | 5 | -- | 5 | 20 | 5 | -- | 5 | -- | -- | -- |
| Total - Wholesale | 23,937 | 29,485 | 8,743 | 38,228 | 24,452 | 32,811 | 13,265 | 46,076 | 24,417 | 32,251 | 8,985 | 41,236 | (0.1) | (1.7) | (32.3) |
| Retail Water Sales * | 31,000 | 120,048 | -- | 120,048 | 30,500 | 119,560 | -- | 119,560 | 30,500 | 124,969 | -- | 124,969 | -- | 4.5 | -- |
| Total - Water Sales | 54,937 | 149,533 | 8,743 | 158,276 | 54,952 | 152,371 | 13,265 | 165,636 | 54,917 | 157,220 | 8,985 | 166,205 | (0.1) | 3.2 | (32.3) |

* Budget columns include revenue associated with proposed retail rate revisions.

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2020
DETAILS OF CURRENT EXPENSES

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|--|---------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Personal Services</u> | | | | |
| Salaries-Regular | \$ 26,459,000 | \$ 25,939,000 | \$ 27,749,000 | 7.0 |
| Salaries-Overtime | 3,000,000 | 3,325,000 | 3,500,000 | 5.3 |
| Salaries-Stand-By | 115,000 | 115,000 | 118,000 | 2.6 |
| Salaries-Summer | 325,000 | 280,000 | 325,000 | 16.1 |
| Salaries-Part-Time/Temporary | 250,000 | 220,000 | 250,000 | 13.6 |
| Subtotal | 30,149,000 | 29,879,000 | 31,942,000 | 6.9 |
| <u>Employee Benefits</u> | | | | |
| OASDI-FICA | 2,987,000 | 2,920,000 | 3,140,000 | 7.5 |
| Health Insurance | 5,888,000 | 5,850,000 | 5,850,000 | -- |
| Life Insurance | 463,000 | 545,000 | 130,000 | (76.1) |
| Disability Program | 80,000 | 85,000 | 85,000 | -- |
| Retirement Program | 19,139,000 | 18,760,000 | 20,150,000 | 7.4 |
| Educational Reimbursement | 60,000 | 45,000 | 60,000 | 33.3 |
| Employee Assistance Program | 13,000 | 15,000 | 15,000 | -- |
| Employee Awards Program | 15,000 | 15,000 | 15,000 | -- |
| Subtotal | 28,645,000 | 28,235,000 | 29,445,000 | 4.3 |
| <u>Power Purchased</u> | | | | |
| Electricity - Production/Transmission Facilities | 9,700,000 | 9,600,000 | 9,700,000 | 1.0 |
| <u>Utilities</u> | | | | |
| Electricity - Administrative Facilities | 335,000 | 320,000 | 330,000 | 3.1 |
| Water and Sewer | 260,000 | 260,000 | 265,000 | 1.9 |
| Heating Oil | 50,000 | 40,000 | 50,000 | 25.0 |
| Heating Gas | 460,000 | 420,000 | 450,000 | 7.1 |
| Telephone | 232,000 | 190,000 | 200,000 | 5.3 |
| Trash Removal | 65,000 | 60,000 | 65,000 | 8.3 |
| Subtotal | 1,402,000 | 1,290,000 | 1,360,000 | 5.4 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|---|------------------|---------------------|------------------|--------------------------|
| | Budget | Current Estimate | | |
| Chemicals | | | | |
| <i>Coagulants:</i> | | | | |
| Poly Aluminum Chloride | \$ 2,633,000 | \$ 2,616,000 | \$ 2,747,000 | 5.0 |
| Polymers | 115,000 | 95,000 | 115,000 | 21.1 |
| | <u>2,748,000</u> | <u>2,711,000</u> | <u>2,862,000</u> | <u>5.6</u> |
| <i>Disinfectant/Oxidant:</i> | | | | |
| Sodium Hypochlorite | 1,300,000 | 1,233,000 | 1,295,000 | 5.0 |
| Ammonium Hydroxide | 230,000 | 238,000 | 250,000 | 5.0 |
| Liquid Oxygen | 830,000 | 780,000 | 819,000 | 5.0 |
| Potassium Permanganate | 435,000 | 382,000 | 401,000 | 5.0 |
| | <u>2,795,000</u> | <u>2,633,000</u> | <u>2,765,000</u> | <u>5.0</u> |
| <i>pH Adjustment:</i> | | | | |
| Caustic Soda | 515,000 | 573,000 | 602,000 | 5.1 |
| Sulfuric Acid | 162,000 | 73,000 | 90,000 | 23.3 |
| | <u>677,000</u> | <u>646,000</u> | <u>692,000</u> | <u>7.1</u> |
| <i>Corrosion Inhibitor:</i> | | | | |
| Phosphoric Acid | 455,000 | 418,000 | 439,000 | 5.0 |
| <i>Oral Health:</i> | | | | |
| Hydrofluosilicic Acid (Fluoride) | 250,000 | 270,000 | 275,000 | 1.9 |
| <i>Ozone Quenching/Reducing Agent:</i> | | | | |
| Calcium Thiosulfate | 53,000 | 25,000 | 40,000 | 60.0 |
| Sodium Bisulfate | 24,000 | 23,000 | 25,000 | 8.7 |
| | <u>77,000</u> | <u>48,000</u> | <u>65,000</u> | <u>35.4</u> |
| <i>Algaecide:</i> | | | | |
| Copper Sulfate | 50,000 | -- | -- | -- |
| | <u>50,000</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| <i>Filter Media:</i> | | | | |
| Granular Activated Carbon | 400,000 | 440,000 | 700,000 | 59.1 |
| | <u>400,000</u> | <u>440,000</u> | <u>700,000</u> | <u>59.1</u> |
| Subtotal | <u>7,452,000</u> | <u>7,166,000</u> | <u>7,798,000</u> | <u>8.8</u> |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|---------------------------------------|-----------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Residuals Management Chemicals</u> | | | | |
| Polymers | \$ 80,000 | \$ 75,000 | \$ 80,000 | 6.7 |
| Subtotal | 80,000 | 75,000 | 80,000 | 6.7 |
| <u>Purchased Water</u> | | | | |
| Loudoun Water | 12,000 | 12,000 | 12,000 | - - |
| Washington Aqueduct | 7,143,000 | 7,498,000 | 7,800,000 | 4.0 |
| Subtotal | 7,155,000 | 7,510,000 | 7,812,000 | 4.0 |
| <u>Supplies</u> | | | | |
| Cleaning and Custodial | 28,000 | 24,000 | 26,000 | 8.3 |
| Vehicle and Automotive | 337,000 | 328,000 | 335,000 | 2.1 |
| Laboratory | 580,000 | 685,000 | 700,000 | 2.2 |
| Office | 100,000 | 95,000 | 100,000 | 5.3 |
| Computer | 550,000 | 200,000 | 400,000 | 100.0 |
| Mechanical and Electrical | 208,000 | 186,000 | 194,000 | 4.3 |
| Safety | 215,000 | 212,000 | 218,000 | 2.8 |
| Telephone and Communication | 20,000 | 18,000 | 20,000 | 11.1 |
| Photographic and Reproduction | 90,000 | 80,000 | 90,000 | 12.5 |
| Small Tools | 282,000 | 280,000 | 285,000 | 1.8 |
| Construction and Maintenance | 860,000 | 840,000 | 860,000 | 2.4 |
| Meter Parts and Supplies | 175,000 | 145,000 | 160,000 | 10.3 |
| Uniforms and Clothing | 85,000 | 90,000 | 92,000 | 2.2 |
| Security | 50,000 | 28,000 | 30,000 | 7.1 |
| Miscellaneous | 100,000 | 100,000 | 100,000 | - - |
| Subtotal | 3,680,000 | 3,311,000 | 3,610,000 | 9.0 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|---------------------------------|------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Materials</u> | | | | |
| Service Connection | \$ 360,000 | \$ 505,000 | \$ 515,000 | 2.0 |
| Meters | 268,000 | 270,000 | 275,000 | 1.9 |
| Hydrants and Appurtenances | 150,000 | 165,000 | 168,000 | 1.8 |
| Pipe and Appurtenances | 210,000 | 265,000 | 270,000 | 1.9 |
| Valves and Appurtenances | 160,000 | 180,000 | 184,000 | 2.2 |
| Pumps and Appurtenances | 55,000 | 105,000 | 107,000 | 1.9 |
| Instrumentation and SCADA | 200,000 | 270,000 | 260,000 | (3.7) |
| Automotive | 12,000 | 8,000 | 10,000 | 25.0 |
| Electrical and Electronics | 210,000 | 260,000 | 240,000 | (7.7) |
| Mechanical | 150,000 | 160,000 | 165,000 | 3.1 |
| HVAC | 88,000 | 80,000 | 85,000 | 6.3 |
| Lube and Fluids | 30,000 | 20,000 | 25,000 | 25.0 |
| Treatment Media | -- | 105,000 | 105,000 | -- |
| Miscellaneous General Materials | 85,000 | 85,000 | 85,000 | -- |
| Subtotal | 1,978,000 | 2,478,000 | 2,494,000 | 0.6 |
| <u>Insurance</u> | | | | |
| Workmen's Compensation | 360,000 | 342,000 | 360,000 | 5.3 |
| Liability | 300,000 | 215,000 | 350,000 | 62.8 |
| Motor Vehicle | 90,000 | 115,000 | 100,000 | (13.0) |
| Property | 280,000 | 268,000 | 295,000 | 10.1 |
| Unemployment Compensation | 10,000 | 5,000 | 10,000 | 100.0 |
| Miscellaneous Insurance | 35,000 | 46,000 | 50,000 | 8.7 |
| Subtotal | 1,075,000 | 991,000 | 1,165,000 | 17.6 |
| <u>Gasoline and Fuel</u> | | | | |
| Gasoline | 562,000 | 525,000 | 560,000 | 6.7 |
| Diesel Fuel | 156,000 | 152,000 | 160,000 | 5.3 |
| Other Fuel | 10,000 | 8,000 | 10,000 | 25.0 |
| Subtotal | 728,000 | 685,000 | 730,000 | 6.6 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|------------------------------------|------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Postage and Parcel Service</u> | | | | |
| Postage | \$ 570,000 | \$ 570,000 | \$ 580,000 | 1.8 |
| Parcel Service | 42,000 | 42,000 | 42,000 | -- |
| Subtotal | 612,000 | 612,000 | 622,000 | 1.6 |
| <u>Reports</u> | | | | |
| Annual Report | 5,000 | 5,000 | 5,000 | -- |
| Consumer Confidence Report | 65,000 | 60,000 | 65,000 | 8.3 |
| Subtotal | 70,000 | 65,000 | 70,000 | 7.7 |
| <u>Advertising</u> | | | | |
| Recruiting | 22,000 | 30,000 | 30,000 | -- |
| Other Advertising | 20,000 | 20,000 | 20,000 | -- |
| Subtotal | 42,000 | 50,000 | 50,000 | -- |
| <u>Customer Relations</u> | | | | |
| Visitor Education Center | 10,000 | 5,000 | 20,000 | 300.0 |
| Special Tours and Programs | 50,000 | 60,000 | 60,000 | -- |
| Printed Literature | 70,000 | 70,000 | 70,000 | -- |
| Miscellaneous Customer Relations | 130,000 | 120,000 | 120,000 | -- |
| Subtotal | 260,000 | 255,000 | 270,000 | 5.9 |
| <u>Books, Periodicals and Dues</u> | | | | |
| Reference Materials | 10,000 | 5,000 | 5,000 | -- |
| Periodical Subscriptions | 25,000 | 15,000 | 20,000 | 33.3 |
| Association Dues | 80,000 | 80,000 | 80,000 | -- |
| Subtotal | 115,000 | 100,000 | 105,000 | 5.0 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|--|--------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Contractual Services</u> | | | | |
| Equipment Maintenance | \$ 1,100,000 | \$ 1,000,000 | \$ 1,100,000 | 10.0 |
| Building/Grounds Maintenance | 1,020,000 | 890,000 | 1,000,000 | 12.4 |
| Computer Hosting Services | 600,000 | 570,000 | 600,000 | 5.3 |
| Equipment Rental | 52,000 | 80,000 | 60,000 | (25.0) |
| Uniform Rental | 175,000 | 198,000 | 200,000 | 1.0 |
| Computer Application Support and Licensing | 1,890,000 | 1,978,000 | 1,980,000 | 0.1 |
| Telephone and Communication | 800,000 | 750,000 | 700,000 | (6.7) |
| Residuals Management | 450,000 | 505,000 | 450,000 | (10.9) |
| Hazardous Waste Disposal | 30,000 | 85,000 | 90,000 | 5.9 |
| Pavement Replacement | 3,950,000 | 3,950,000 | 4,000,000 | 1.3 |
| Security | 800,000 | 750,000 | 780,000 | 4.0 |
| Electrical | 300,000 | 262,000 | 280,000 | 6.9 |
| Diving | 62,000 | 108,000 | 70,000 | (35.2) |
| Safety and Health | 160,000 | 250,000 | 230,000 | (8.0) |
| Temporary Staffing | 150,000 | 50,000 | 100,000 | 100.0 |
| Bill Print Services | 250,000 | 236,000 | 250,000 | 5.9 |
| Information Technology | 400,000 | 200,000 | 400,000 | 100.0 |
| Spoil Disposal | 500,000 | 480,000 | 500,000 | 4.2 |
| Lease - Central Maintenance Facility | 185,000 | 228,000 | 233,000 | 2.2 |
| Other Contractual Services | 100,000 | 65,000 | 80,000 | 23.1 |
| Subtotal | 12,974,000 | 12,635,000 | 13,103,000 | 3.7 |
| <u>Professional Services</u> | | | | |
| Banking | 160,000 | 145,000 | 160,000 | 10.3 |
| Insurance | 10,000 | 5,000 | 10,000 | 100.0 |
| Financial | 290,000 | 280,000 | 290,000 | 3.6 |
| Legal | 300,000 | 160,000 | 300,000 | 87.5 |
| Trustee | 40,000 | 35,000 | 40,000 | 14.3 |
| Management Consultants | 175,000 | 100,000 | 400,000 | 300.0 |
| Advocacy Services | 70,000 | 86,000 | 70,000 | (18.6) |
| Other Professional Services | 20,000 | 18,000 | 20,000 | 11.1 |
| Subtotal | 1,065,000 | 829,000 | 1,290,000 | 55.6 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|--|--------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Employee Training and Meetings</u> | | | | |
| Employee Training | \$ 340,000 | \$ 302,000 | \$ 340,000 | 12.6 |
| Professional Meetings | 70,000 | 68,000 | 70,000 | 2.9 |
| Board Travel | 10,000 | 5,000 | 10,000 | 100.0 |
| Miscellaneous Travel and Meetings | 80,000 | 68,000 | 80,000 | 17.6 |
| Subtotal | 500,000 | 443,000 | 500,000 | 12.9 |
| <u>Programs</u> | | | | |
| Cross Connection Control | 706,000 | 678,000 | 800,000 | 18.0 |
| Utilities Notification | 158,000 | 166,000 | 169,000 | 1.8 |
| Potomac River Reservoirs | 150,000 | 169,000 | 156,000 | (7.7) |
| Virginia Technical Assistance Fund (State User Fees) | 160,000 | 160,000 | 160,000 | -- |
| Water Supply Stakeholder Outreach Program | 37,000 | 37,000 | 55,000 | 48.6 |
| Subtotal | 1,211,000 | 1,210,000 | 1,340,000 | 10.7 |
| <u>Miscellaneous</u> | | | | |
| Highway Permits | 20,000 | 15,000 | 20,000 | 33.3 |
| Professional Licenses | 7,000 | 5,000 | 7,000 | 40.0 |
| Injuries and Damages | 200,000 | 100,000 | 100,000 | -- |
| Miscellaneous | 80,000 | 110,000 | 100,000 | (9.1) |
| Subtotal | 307,000 | 230,000 | 227,000 | (1.3) |
| Subtotal - Current Expenses | 109,200,000 | 107,649,000 | 113,713,000 | 5.6 |
| Less: Reimbursable Services | (10,380,000) | (10,380,000) | (10,313,000) | (0.6) |
| Total - Current Expenses | 98,820,000 | 97,269,000 | 103,400,000 | 6.3 |

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2020
SUMMARY OF CURRENT EXPENSES

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|---|------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Operation and Maintenance Expenses</u> | | | | |
| <u>Supply</u> | | | | |
| <u>Occoquan</u> | | | | |
| Personal Services | \$ 264,000 | \$ 305,000 | \$ 326,000 | 6.9 |
| Power Purchased | 1,079,000 | 1,064,000 | 1,075,000 | 1.0 |
| Water Treatment Chemicals | 46,000 | 59,000 | 58,000 | (1.7) |
| Supplies and Materials | 28,000 | 40,000 | 42,000 | 5.0 |
| Contractual Services | 48,000 | 108,000 | 112,000 | 3.7 |
| Programs | 37,000 | 37,000 | 55,000 | 48.6 |
| Subtotal | 1,502,000 | 1,613,000 | 1,668,000 | 3.4 |
| <u>Potomac</u> | | | | |
| Personal Services | 352,000 | 299,000 | 320,000 | 7.0 |
| Power Purchased | 2,114,000 | 2,049,000 | 2,070,000 | 1.0 |
| Utilities | 81,000 | 49,000 | 52,000 | 6.1 |
| Supplies and Materials | 59,000 | 43,000 | 45,000 | 4.7 |
| Gasoline and Fuel | 5,000 | -- | -- | -- |
| Contractual Services | 228,000 | 197,000 | 204,000 | 3.6 |
| Programs | 150,000 | 169,000 | 156,000 | (7.7) |
| Subtotal | 2,989,000 | 2,806,000 | 2,847,000 | 1.5 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|----------------------|------------------|---------------------|------------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Purchased</u> | | | | |
| Personal Services | \$ 43,000 | \$ 37,000 | \$ 39,000 | 5.4 |
| Purchased Water | 7,155,000 | 7,510,000 | 7,812,000 | 4.0 |
| Contractual Services | 3,000 | 3,000 | 3,000 | - - |
| Subtotal | <u>7,201,000</u> | <u>7,550,000</u> | <u>7,854,000</u> | <u>4.0</u> |
| Total - Supply | 11,692,000 | 11,969,000 | 12,369,000 | 3.3 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|---------------------------|--------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Treatment</u> | | | | |
| <u>Griffith</u> | | | | |
| Personal Services | \$ 3,828,000 | \$ 3,917,000 | \$ 4,188,000 | 6.9 |
| Power Purchased | 1,317,000 | 1,300,000 | 1,314,000 | 1.1 |
| Utilities | 171,000 | 118,000 | 124,000 | 5.1 |
| Water Treatment Chemicals | 4,012,000 | 4,591,000 | 4,948,000 | 7.8 |
| Supplies and Materials | 430,000 | 567,000 | 598,000 | 5.5 |
| Contractual Services | 718,000 | 689,000 | 715,000 | 3.8 |
| Programs | 80,000 | 80,000 | 80,000 | -- |
| Miscellaneous | 7,000 | 6,000 | 6,000 | -- |
| Subtotal | 10,563,000 | 11,268,000 | 11,973,000 | 6.3 |
| <u>Corbalis</u> | | | | |
| Personal Services | 4,435,000 | 4,211,000 | 4,502,000 | 6.9 |
| Power Purchased | 2,580,000 | 2,499,000 | 2,525,000 | 1.0 |
| Utilities | 537,000 | 551,000 | 582,000 | 5.6 |
| Water Treatment Chemicals | 3,394,000 | 2,516,000 | 2,792,000 | 11.0 |
| Waste Disposal Chemicals | 80,000 | 75,000 | 80,000 | 6.7 |
| Supplies and Materials | 1,151,000 | 1,366,000 | 1,442,000 | 5.6 |
| Contractual Services | 1,681,000 | 1,566,000 | 1,624,000 | 3.7 |
| Programs | 80,000 | 80,000 | 80,000 | -- |
| Miscellaneous | 16,000 | 12,000 | 12,000 | -- |
| Subtotal | 13,954,000 | 12,876,000 | 13,639,000 | 5.9 |
| Total - Treatment | 24,517,000 | 24,144,000 | 25,612,000 | 6.1 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|------------------------------------|--------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Transmission</u> | | | | |
| <u>Transmission System</u> | | | | |
| Personal Services | \$ 2,105,000 | \$ 2,000,000 | \$ 2,138,000 | 6.9 |
| Power Purchased | 2,610,000 | 2,688,000 | 2,716,000 | 1.0 |
| Utilities | 19,000 | 19,000 | 20,000 | 5.3 |
| Supplies and Materials | 212,000 | 262,000 | 276,000 | 5.3 |
| Contractual Services | 186,000 | 386,000 | 400,000 | 3.6 |
| Programs | 32,000 | 33,000 | 34,000 | 3.0 |
| Subtotal | 5,164,000 | 5,388,000 | 5,584,000 | 3.6 |
| <u>Wholesale Customer Accounts</u> | | | | |
| Personal Services | 40,000 | 33,000 | 34,000 | 3.0 |
| Supplies and Materials | 4,000 | -- | -- | -- |
| Subtotal | 44,000 | 33,000 | 34,000 | 3.0 |
| Total - Transmission | 5,208,000 | 5,421,000 | 5,618,000 | 3.6 |
| <u>Distribution</u> | | | | |
| <u>Distribution System</u> | | | | |
| Personal Services | 4,384,000 | 3,964,000 | 4,235,000 | 6.8 |
| Utilities | 5,000 | 6,000 | 6,000 | -- |
| Supplies and Materials | 1,018,000 | 960,000 | 1,012,000 | 5.4 |
| Contractual Services | 4,533,000 | 3,884,000 | 4,029,000 | 3.7 |
| Programs | 832,000 | 811,000 | 935,000 | 15.3 |
| Miscellaneous | 67,000 | 40,000 | 39,000 | (2.5) |
| Subtotal | 10,839,000 | 9,665,000 | 10,256,000 | 6.1 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|-----------------------------------|--------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Retail Customer Accounts</u> | | | | |
| Personal Services | \$ 7,747,000 | \$ 7,979,000 | \$ 8,530,000 | 6.9 |
| Utilities | 5,000 | 3,000 | 3,000 | -- |
| Supplies and Materials | 719,000 | 719,000 | 758,000 | 5.4 |
| Postage and Parcel Service | 538,000 | 547,000 | 556,000 | 1.6 |
| Reports | 68,000 | 60,000 | 65,000 | 8.3 |
| Contractual Services | 1,341,000 | 1,376,000 | 1,427,000 | 3.7 |
| Miscellaneous | 12,000 | 7,000 | 7,000 | -- |
| Subtotal | 10,430,000 | 10,691,000 | 11,346,000 | 6.1 |
| Total - Distribution | 21,269,000 | 20,356,000 | 21,602,000 | 6.1 |
| <u>Administrative and General</u> | | | | |
| <u>Office Building</u> | | | | |
| Personal Services | 249,000 | 247,000 | 264,000 | 6.9 |
| Utilities | 381,000 | 354,000 | 373,000 | 5.4 |
| Supplies and Materials | 56,000 | 41,000 | 43,000 | 4.9 |
| Contractual Services | 387,000 | 278,000 | 288,000 | 3.6 |
| Subtotal | 1,073,000 | 920,000 | 968,000 | 5.2 |
| <u>Shop and Storage Yards</u> | | | | |
| Personal Services | 483,000 | 585,000 | 625,000 | 6.8 |
| Utilities | 198,000 | 186,000 | 196,000 | 5.4 |
| Supplies and Materials | 312,000 | 336,000 | 354,000 | 5.4 |
| Contractual Services | 452,000 | 435,000 | 451,000 | 3.7 |
| Subtotal | 1,445,000 | 1,542,000 | 1,626,000 | 5.4 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|--|--------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Vehicles and Equipment</u> | | | | |
| Personal Services | \$ 745,000 | \$ 732,000 | \$ 783,000 | 7.0 |
| Supplies and Materials | 422,000 | 404,000 | 426,000 | 5.4 |
| Gasoline and Fuel | 723,000 | 685,000 | 730,000 | 6.6 |
| Contractual Services | 52,000 | 39,000 | 40,000 | 2.6 |
| Subtotal | 1,942,000 | 1,860,000 | 1,979,000 | 6.4 |
| <u>Administrative</u> | | | | |
| Personal Services | 4,264,000 | 4,295,000 | 4,591,000 | 6.9 |
| Employee Benefits | 28,645,000 | 28,235,000 | 29,445,000 | 4.3 |
| Utilities | 5,000 | 4,000 | 4,000 | -- |
| Supplies and Materials | 1,033,000 | 680,000 | 717,000 | 5.4 |
| Insurance | 1,075,000 | 991,000 | 1,165,000 | 17.6 |
| Postage and Parcel Service | 74,000 | 65,000 | 66,000 | 1.5 |
| Reports | 2,000 | 5,000 | 5,000 | -- |
| Advertising | 42,000 | 50,000 | 50,000 | -- |
| Customer Relations | 260,000 | 255,000 | 270,000 | 5.9 |
| Books, Periodicals and Dues | 115,000 | 100,000 | 105,000 | 5.0 |
| Contractual Services | 3,345,000 | 3,674,000 | 3,810,000 | 3.7 |
| Professional Services | 1,065,000 | 829,000 | 1,290,000 | 55.6 |
| Employee Training and Meetings | 500,000 | 443,000 | 500,000 | 12.9 |
| Miscellaneous | 205,000 | 165,000 | 163,000 | (1.2) |
| Subtotal | 40,630,000 | 39,791,000 | 42,181,000 | 6.0 |
| Total - Administrative and General | 45,090,000 | 44,113,000 | 46,754,000 | 6.0 |
| Less: Reimbursable Services | (10,380,000) | (10,380,000) | (10,313,000) | (0.6) |
| Total - Administrative and General | 34,710,000 | 33,733,000 | 36,441,000 | 8.0 |
| Total - Operation and Maintenance Expenses | 97,396,000 | 95,623,000 | 101,642,000 | 6.3 |

| Item | 2019 | | 2020 Budget | % Increase (Decrease) |
|----------------------------------|--------------|---------------------|----------------|--------------------------|
| | Budget | Current Estimate | | |
| <u>Other Expenses</u> | | | | |
| <u>New Services and Meters</u> | | | | |
| Personal Services | \$ 1,206,000 | \$ 1,275,000 | \$ 1,363,000 | 6.9 |
| Supplies and Materials | 209,000 | 371,000 | 391,000 | 5.4 |
| Subtotal | 1,415,000 | 1,646,000 | 1,754,000 | 6.6 |
| | | | | |
| <u>Merchandising and Jobbing</u> | | | | |
| Personal Services | 4,000 | -- | 4,000 | 100.0 |
| Supplies and Materials | 5,000 | -- | -- | -- |
| Subtotal | 9,000 | -- | 4,000 | 100.0 |
| Total - Other Expenses | 1,424,000 | 1,646,000 | 1,758,000 | 6.8 |
| Total - Current Expenses | 98,820,000 | 97,269,000 | 103,400,000 | 6.3 |

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2020
ALLOCATION OF ADMINISTRATIVE EXPENSES BETWEEN
REVENUE FUND AND IMPROVEMENT FUND

| | <u>Total</u> | <u>Allocated to</u> <u>Improvement Fund</u> | |
|--------------------------|---------------|--|----------------|
| | | <u>Amount</u> | <u>% Total</u> |
| Personal Services Cost | \$ 43,294,000 | \$ 11,352,000 | 26 |
| Number of Motor Vehicles | 343 | 26 | 8 |

| | <u>Total</u> | <u>Allocated to</u> <u>Improvement Fund</u> | |
|----------------------------------|-------------------|--|------------------|
| | | <u>Percent</u> | <u>Amount</u> |
| <u>Administrative</u> | | | |
| Office Facilities | \$ 968,000 | 26 | \$ 252,000 |
| Shop and Storage Yard Facilities | 1,626,000 | 8 | 130,000 |
| Maintenance of Equipment | 1,979,000 | 8 | 158,000 |
| Administrative and General | | | |
| Personal Services | 4,591,000 | -- | -- |
| Other Administrative Expenses | <u>37,590,000</u> | <u>26</u> | <u>9,773,000</u> |
| Total | 46,754,000 | 22 | 10,313,000 |

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2020
DETAILS OF IMPROVEMENT FUND

| Item | Cash Receipts 2020 |
|--|--------------------------|
| <u>Balance Carried Forward - January 1, 2020</u> | \$ 270,000 |
| <u>Receipts</u> | |
| Transfer from Revenue Fund | 11,000,000 |
| Transfer from General Fund | 74,000,000 |
| Bonds Proceeds | -- |
| Advances for Construction | 100,000 |
| Contributions for Construction | 3,000,000 |
| Investment Income | 20,000 |
| Miscellaneous Income | 50,000 |
| Total - Receipts | 88,170,000 |
| <u>Balance Carried Forward and Receipts</u> | 88,440,000 |

| Item | Total Project Cost | Disbursements Prior to Jan. 1, 2020 | Cash Disbursements 2020 |
|---|--------------------------|---|-------------------------------|
| Disbursements - Part B Capital Improvement Program | | | |
| <u>General and Administrative</u> | | | |
| Project 1194-General Expenses | | | |
| Personal Services | \$ 7,122,000 | \$ -- | \$ 7,122,000 |
| Transfer to Revenue Fund (Administrative) | 10,313,000 | -- | 10,313,000 |
| Materials (Inventory) | 90,000 | -- | 90,000 |
| Refunds of Advances | 40,000 | -- | 40,000 |
| Trust Engineer - Basic Ordering Agreement | 50,000 | -- | 50,000 |
| Miscellaneous | 1,265,000 | -- | 1,265,000 |
| Subtotal | 18,880,000 | -- | 18,880,000 |
| Transfer to Part E Capital Improvement Program | -- | -- | -- |
| Total - General and Administrative - Part B | 18,880,000 | -- | 18,880,000 |
| <u>Subdivision and Other Development Projects</u> | | | |
| Project 1195-Subdivision Expenses | | | |
| Personal Services | 980,000 | -- | 980,000 |
| Supplies and Materials | 10,000 | -- | 10,000 |
| Miscellaneous | 40,000 | -- | 40,000 |
| Total - Subdivision and Other Development Projects | 1,030,000 | -- | 1,030,000 |

| Item | Total Project Cost | Disbursements Prior to Jan. 1, 2020 | Cash Disbursements 2020 |
|---|--------------------------|---|-------------------------------|
| <u>Extraordinary Maintenance and Repairs</u> | | | |
| Supply Facilities | | | |
| Project 577 Major Repairs-Reservoirs, Dams, Intakes, Etc. | \$ 271,000 | \$ -- | \$ 271,000 |
| Project 1251 Potomac River Reservoirs-Renew/Replace | 71,000 | -- | 71,000 |
| Project 1662 Annual Inspections-Upper/Lower Occoquan Dams | 26,000 | -- | 26,000 |
| Subtotal | 368,000 | -- | 368,000 |
| Treatment Facilities | | | |
| Project 579 Major Repairs-Treatment Facilities | 6,926,000 | -- | 6,926,000 |
| Project 2350 Corbalis WTP-Solids Dewatering Equipment | 24,100,000 | 4,645,000 | -- |
| Subtotal | 31,026,000 | 4,645,000 | 6,926,000 |
| Transmission Facilities | | | |
| Project 186A Major Repairs-Transmission Mains | 897,000 | -- | 897,000 |
| Project 215A Major Repairs-Transmission Pumping | 500,000 | -- | 500,000 |
| Project 631A Major Repairs-Transmission Storage | 2,982,000 | -- | 2,982,000 |
| Project 648B Major Repairs-Sales Meters | 30,000 | -- | 30,000 |
| <u>Transmission Mains Relocation Projects</u> | | | |
| Projects Previously Authorized | 8,289,000 | 2,468,000 | 3,447,000 |
| Other Anticipated Relocations - Distribution | 12,090,000 | -- | 439,000 |
| Subtotal | 24,788,000 | 2,468,000 | 8,295,000 |

EXHIBIT 5

| Item | Total Project Cost | Disbursements Prior to Jan. 1, 2020 | Cash Disbursements 2020 |
|---|--------------------------|---|-------------------------------|
| <u>Distribution Facilities</u> | | | |
| Project 186B Major Repairs-Distribution Mains | \$ 1,280,000 | \$ -- | \$ 1,280,000 |
| Project 215B Major Repairs-Pumping Facilities | 10,000 | -- | 10,000 |
| Project 631B Major Repairs-Storage Facilities | 10,000 | -- | 10,000 |
| Project 648C Major Repairs-Distribution Meters Over 2" | 236,000 | -- | 236,000 |
| Project 648D Major Repairs-Distribution Meters 2" and Smaller | 1,000,000 | -- | 1,000,000 |
| Project 649 Major Repairs/Repainting-Fire Hydrants | 100,000 | -- | 100,000 |
| Project 1107B Self Insurance Program/Water Main Breaks | 750,000 | -- | 750,000 |
| Project 2200 Distribution System Sustainability Program | 390,554,000 | 141,554,000 | 20,000,000 |
| <u>Distribution Mains Relocation Projects</u> | | | |
| Projects Previously Authorized | 551,000 | 190,000 | 341,000 |
| Other Anticipated Relocations - Distribution | 7,000,000 | -- | 700,000 |
| Subtotal | <u>401,491,000</u> | <u>141,744,000</u> | <u>24,427,000</u> |
| <u>General Plant Facilities</u> | | | |
| Project 234 Major Repairs-Motor Vehicles | 40,000 | -- | 40,000 |
| Project 650 Major Repairs-Shop and Yard Facilities | 100,000 | -- | 100,000 |
| Project 800 Major Repairs-Construction Equipment | 10,000 | -- | 10,000 |
| Project 801 Major Repairs-Office Facilities | 750,000 | -- | 750,000 |
| Project 2351 Surplus Property Demolition and Disposal | 297,000 | 177,000 | 12,000 |
| Project 2609 Willard Road Maintenance Facility | 53,341,000 | 7,540,000 | 1,600,000 |
| Subtotal | <u>54,538,000</u> | <u>7,717,000</u> | <u>2,512,000</u> |
| Total - Extraordinary Maintenance and Repairs | 512,211,000 | 156,574,000 | 42,528,000 |

| Item | Total Project Cost | Disbursements Prior to Jan. 1, 2020 | Cash Disbursements 2020 |
|--|--------------------------|---|-------------------------------|
| <u>Additions, Extensions and Betterments</u> | | | |
| Supply Facilities | | | |
| Project 1244 Jennings Randolph Reservoir | \$ 537,000 | \$ -- | \$ 537,000 |
| Project 1460A Major Additions-Metering Facilities-Purchased Water | 10,000 | -- | 10,000 |
| Project 1499 Improvements-Supply Facilities | 40,000 | -- | 40,000 |
| Project 2071 Future Water Supply Sources | 1,279,000 | 1,079,000 | 20,000 |
| Subtotal | 1,866,000 | 1,079,000 | 607,000 |
| Treatment Facilities | | | |
| Project 915 Improvements to Treatment Facilities | 4,520,000 | -- | 4,520,000 |
| Subtotal | 4,520,000 | -- | 4,520,000 |
| Transmission Facilities | | | |
| Project 1285 Additions and Improvements-Pumping Facilities | 830,000 | -- | 830,000 |
| Project 1286 Additions and Improvements-Storage Facilities | 10,000 | -- | 10,000 |
| Project 1460B Major Additions-Metering Facilities-Sales | 20,000 | -- | 20,000 |
| Project 1719 Cathodic Protection Transmission Water Mains | 100,000 | -- | 100,000 |
| Project 1877 Pumping Station Modifications | 21,224,000 | 6,629,000 | -- |
| Project 2111 Water Main Extension Program-Transmission System | 9,500,000 | 2,064,000 | 174,000 |
| Project 2377 Prince William County Transmission Improvements | 13,249,000 | 518,000 | 1,516,000 |
| Project 2617 Dulles Toll Road Crossing at Innovation Center | 3,778,000 | 442,000 | 96,000 |
| Project 2641 Powhatan Street Transmission Plan | 1,943,000 | -- | 675,000 |
| Project 2642 Herndon Additional Capacity Transmission Improvements | 2,971,000 | 151,000 | 2,211,000 |
| General Transmission System Reinforcement | 2,140,000 | -- | 340,000 |
| Subtotal | 55,765,000 | 9,804,000 | 5,972,000 |
| Distribution Facilities | | | |
| Project 1287 Additions and Improvements-Pumping Facilities | 10,000 | -- | 10,000 |
| Project 1288 Additions and Improvements-Storage Facilities | 10,000 | -- | 10,000 |
| Project 2100 Water Main Extension Program-Distribution System | 7,887,000 | 4,887,000 | 300,000 |
| General Distribution System Reinforcement | 3,000,000 | -- | 300,000 |
| Subtotal | 10,907,000 | 4,887,000 | 620,000 |

EXHIBIT 5

| Item | Total Project Cost | Disbursements Prior to Jan. 1, 2020 | Cash Disbursements 2020 |
|--|--------------------------|---|-------------------------------|
| General Plant Facilities | | | |
| Project 597 Additions and Alterations-Shop Facilities | \$ 10,000 | \$ -- | \$ 10,000 |
| Project 803 Additions and Alterations-Office Facilities | 75,000 | -- | 75,000 |
| Project 2366 Electronic Security Surveillance Improvements | 750,000 | -- | 750,000 |
| Project 2608 Central Maintenance Facility | 39,170,000 | 13,355,000 | 1,449,000 |
| Project 3652 Capital Equipment Purchases | 1,000,000 | -- | 1,000,000 |
| Project 3653 Vehicles and Heavy Equipment | 1,525,000 | -- | 1,525,000 |
| Subtotal | 42,530,000 | 13,355,000 | 4,809,000 |
| System Integration Transmission Facilities | | | |
| Project 2547 University Tank Replacement | 9,917,000 | 8,186,000 | 1,731,000 |
| Project 2548 Seven Corners Tank Replacement | 14,106,000 | 1,744,000 | 1,500,000 |
| Project 2549 Second High Storage Elevation | 19,247,000 | 964,000 | 1,623,000 |
| Project 2589 Seven Corners Connector | 1,354,000 | -- | -- |
| Project 2644 George Mason Pumping Station Bypass | 320,000 | 220,000 | 100,000 |
| Project xxxx Chain Bridge Pumping Station Upgrades | 3,950,000 | -- | 436,000 |
| Project xxxx West Fairfax Connector | 500,000 | -- | -- |
| Project xxxx Pickett Road Transmission Main-Phase I | 5,000,000 | -- | -- |
| Project xxxx Braddock Road Transmission Main-Phase II | 1,243,000 | -- | -- |
| Project xxxx Pickett Road Transmission Main-Phase II | 2,000,000 | -- | -- |
| Project xxxx Lewinsville Connector Transmission Main | 2,048,000 | -- | -- |
| Subtotal | 59,685,000 | 11,114,000 | 5,390,000 |
| Total - Additions, Extensions and Betterments | 175,273,000 | 40,239,000 | 21,918,000 |

EXHIBIT 5

| <u>Item</u> | <u>Total Project Cost</u> | <u>Disbursements Prior to Jan. 1, 2020</u> | <u>Cash Disbursements 2020</u> |
|---|-----------------------------------|--|--|
| <u>General Studies and Programs</u> | | | |
| Supply Facilities | | | |
| Project 390 Watershed Management Activities | \$ 1,278,000 | \$ -- | \$ 1,278,000 |
| Project 2368 Water Supply Planning | 1,000 | -- | 1,000 |
| Subtotal | <u>1,279,000</u> | <u>--</u> | <u>1,279,000</u> |
| Treatment Facilities | | | |
| Project 1401 Water Quality Improvement Studies | 50,000 | -- | 50,000 |
| Subtotal | <u>50,000</u> | <u>--</u> | <u>50,000</u> |
| General and Administrative | | | |
| Project 1477 Water Research Foundation | 140,000 | -- | 140,000 |
| Project 2273 Energy Management | 150,000 | -- | 150,000 |
| Project 2324 Enterprise Geographical Information System | 6,666,000 | 4,366,000 | 300,000 |
| Project 2422 Environmental Permitting and Compliance | 30,000 | -- | 30,000 |
| Project 2426 ERP Enhancements and Upgrade | 8,235,000 | 2,235,000 | 350,000 |
| Project 2441 Communication Lease Handling | 10,000 | -- | 10,000 |
| Project 2508 Water Quality and Security Program | 2,008,000 | 468,000 | 130,000 |
| Project 2620 Intranet and Information Sharing | 1,717,000 | 817,000 | 500,000 |
| Project 2650 Risk and Resilience Assessments | 734,000 | 587,000 | 147,000 |
| Subtotal | <u>19,690,000</u> | <u>8,473,000</u> | <u>1,757,000</u> |
| Total - General Studies and Programs | <u>21,019,000</u> | <u>8,473,000</u> | <u>3,086,000</u> |
| Total - Part B Capital Improvement Program | 728,413,000 | 205,286,000 | 87,442,000 |

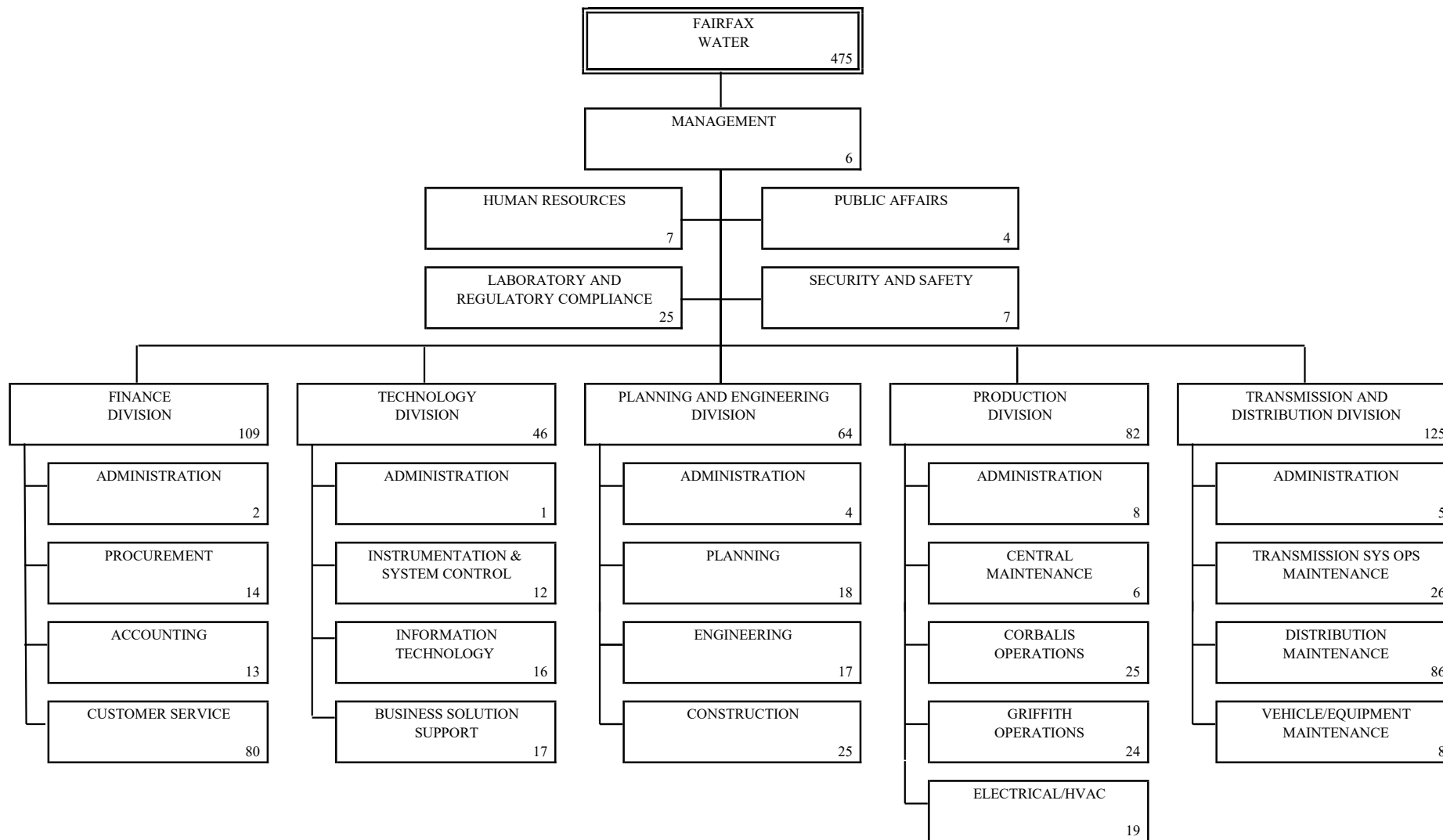
EXHIBIT 5

| <u>Item</u> | <u>Total Project Cost</u> | <u>Disbursements Prior to Jan. 1, 2020</u> | <u>Cash Disbursements 2020</u> |
|---|-----------------------------------|--|--|
| Disbursements - Part E Capital Improvement Program | | | |
| Transmission Facilities | | | |
| Project 2481 Tysons East Transmission Main | \$ 10,372,000 | \$ 6,112,000 | \$ -- |
| Subtotal | <u>10,372,000</u> | <u>6,112,000</u> | <u>--</u> |
| General Plant Facilities | | | |
| Project 2517 General and Administrative - Part E | <u>3,880,000</u> | <u>2,090,000</u> | <u>--</u> |
| Subtotal | <u>3,880,000</u> | <u>2,090,000</u> | <u>--</u> |
| Total - Part E Capital Improvement Program | <u>14,252,000</u> | <u>8,202,000</u> | <u>--</u> |
| <u>Total - Improvement Fund</u> | <u>742,665,000</u> | <u>213,488,000</u> | <u>87,442,000</u> |
| <u>Balance Carried Forward - December 31, 2020</u> | | | <u>998,000</u> |

FAIRFAX WATER

PERSONNEL ORGANIZATION PLAN

FOR THE YEAR ENDING DECEMBER 31, 2020



FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2020
DERIVATION OF PERSONAL SERVICES COSTS

| <u>Base Salaries</u> | <u>2019 Budget</u> | | <u>2019 Current Estimate ⁽¹⁾</u> | | <u>2020 Budget</u> | |
|---|--------------------|--------------------------|---|--------------------------|--------------------|--------------------------|
| Management (Includes Members' Fees) | 48 | \$ 4,705,000 | 49 | \$ 4,471,000 | 49 | \$ 4,979,000 |
| Finance Division | 110 | 7,223,000 | 109 | 7,150,000 | 109 | 7,675,000 |
| Planning and Engineering Division | 64 | 6,334,000 | 64 | 5,859,000 | 64 | 6,594,000 |
| Technology Division | 46 | 5,224,000 | 46 | 4,715,000 | 46 | 5,486,000 |
| Transmission and Distribution Division | 125 | 7,997,000 | 125 | 7,481,000 | 125 | 8,274,000 |
| Production Division | 82 | 6,458,000 | 82 | 6,072,000 | 82 | 6,853,000 |
| Subtotal - Base Salaries | <u>475</u> | <u>37,941,000</u> | <u>475</u> | <u>35,748,000</u> | <u>475</u> | <u>39,861,000</u> |
| <u>Adjustments</u> | | | | | | |
| Less Allowance for Vacancies | | <u>(1,826,000)</u> | | <u>--</u> | | <u>(1,600,000)</u> |
| Subtotal | | 36,115,000 | | 35,748,000 | | 38,261,000 |
| Plus Overtime | | 3,450,000 | | 3,995,000 | | 3,950,000 |
| Plus Salaries for Summer/Temporary Employees | | <u>650,000</u> | | <u>600,000</u> | | <u>600,000</u> |
| Subtotal | | 40,215,000 | | 40,343,000 | | 42,811,000 |
| Plus Allowance for 1.2% Cost-of-Living Increase Effective the First Pay Period of 2020 | | <u>983,000</u> | | <u>--</u> | | <u>483,000</u> |
| Total - Personal Services | | <u><u>41,198,000</u></u> | | <u><u>40,343,000</u></u> | | <u><u>43,294,000</u></u> |

⁽¹⁾ Base salaries for 2019 Current Estimate includes a 2.5% cost-of-living increase.

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2020
ALLOCATION OF PERSONAL SERVICES COSTS
REVENUE AND IMPROVEMENT FUNDS

| <u>REVENUE FUND</u> | 2019 | | 2020 Budget |
|------------------------------------|-------------------|---------------------|-------------------|
| | Budget | Current Estimate | |
| <u>Operation and Maintenance</u> | | | |
| Supply | | | |
| Occoquan | \$ 264,000 | \$ 305,000 | \$ 326,000 |
| Potomac | 352,000 | 299,000 | 320,000 |
| Purchased | 43,000 | 37,000 | 39,000 |
| | <u>659,000</u> | <u>641,000</u> | <u>685,000</u> |
| Treatment | | | |
| Griffith | 3,828,000 | 3,917,000 | 4,188,000 |
| Potomac | 4,435,000 | 4,211,000 | 4,502,000 |
| | <u>8,263,000</u> | <u>8,128,000</u> | <u>8,690,000</u> |
| Transmission | | | |
| Transmission System | 2,105,000 | 2,000,000 | 2,138,000 |
| Wholesale Accounts | 40,000 | 33,000 | 34,000 |
| | <u>2,145,000</u> | <u>2,033,000</u> | <u>2,172,000</u> |
| Distribution | | | |
| Distribution System | 4,384,000 | 3,964,000 | 4,235,000 |
| Retail Accounts | 7,747,000 | 7,979,000 | 8,530,000 |
| | <u>12,131,000</u> | <u>11,943,000</u> | <u>12,765,000</u> |
| Administrative | | | |
| General Plant | 1,477,000 | 1,564,000 | 1,672,000 |
| Administrative | 4,264,000 | 4,295,000 | 4,591,000 |
| | <u>5,741,000</u> | <u>5,859,000</u> | <u>6,263,000</u> |
| Total - Operations and Maintenance | <u>28,939,000</u> | <u>28,604,000</u> | <u>30,575,000</u> |

| | 2019 | | 2020 |
|-----------------------------|-------------------|-------------------|-------------------|
| | Budget | Current Estimate | Budget |
| <u>Other</u> | | | |
| New Services and Meters | \$ 1,206,000 | \$ 1,275,000 | \$ 1,363,000 |
| Merchandising and Jobbing | 4,000 | - - | 4,000 |
| Total - Other | <u>1,210,000</u> | <u>1,275,000</u> | <u>1,367,000</u> |
| Total - Revenue Fund | 30,149,000 | 29,879,000 | 31,942,000 |
| | | | |
| <u>IMPROVEMENT FUND</u> | | | |
| General | 6,888,000 | 6,735,000 | 7,122,000 |
| Subdivision and Development | 1,180,000 | 814,000 | 980,000 |
| Extraordinary Maintenance | 2,075,000 | 2,128,000 | 2,372,000 |
| Additions and Extensions | 705,000 | 613,000 | 684,000 |
| Special Studies | 201,000 | 174,000 | 194,000 |
| Total - Improvement Fund | <u>11,049,000</u> | <u>10,464,000</u> | <u>11,352,000</u> |
| Total - Personal Services | <u>41,198,000</u> | <u>40,343,000</u> | <u>43,294,000</u> |