



2024 ANNUAL BUDGET

**Adopted
December 14, 2023**

The Annual Budget covers the 67th 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 46% of the total water sales volume of Fairfax Water in 2024.

The 2024 Annual Budget contains a provision for revisions to certain rates, fees and charges proposed to be effective April 1, 2024. It is intended that these proposed charges would be considered for adoption at Fairfax Water's meeting of December 14, 2023, 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, 2024

<u>REVENUE FUND</u>	<u>2023</u>		<u>2024</u>
	<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	\$ 13,258,000	\$ 13,544,000	\$ 13,907,000
Prince William District	5,352,000	5,497,000	5,551,000
Prince William County Service Authority	30,662,000	26,067,000	33,468,000
Loudoun Water	8,521,000	9,134,000	8,751,000
Town of Herndon	1,545,000	2,014,000	1,965,000
Fort Belvoir	1,989,000	2,067,000	2,071,000
Dulles International Airport	542,000	489,000	493,000
Town of Vienna	1,952,000	1,982,000	2,016,000
Prince William County Park Authority	1,000	1,000	1,000
Vulcan Materials Company	18,000	16,000	18,000
Old Hickory Golf Course	5,000	2,000	3,000
Total - Wholesale Revenue	<u>63,845,000</u>	<u>60,813,000</u>	<u>68,244,000</u>
Retail Revenue (Commodity and Billing)	<u>132,372,000</u>	<u>137,572,000</u>	<u>138,033,000</u>
Total - Wholesale and Retail Revenue	<u>196,217,000</u>	<u>198,385,000</u>	<u>206,277,000</u>

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

	2023		2024 Budget
	Budget	Current Estimate	
<u>Other Revenues</u>			
Availability Charges	\$ 9,800,000	\$ 14,000,000	\$ 11,000,000
Local Facility Charges	1,100,000	1,200,000	1,300,000
Service Connection Charges	1,000,000	1,500,000	1,400,000
Account Charges	1,200,000	1,100,000	1,200,000
Delinquent Account Charges	500,000	580,000	600,000
Returned Check Charges	75,000	100,000	100,000
Sewer Service Billing Charges	7,300,000	7,400,000	7,500,000
Merchandising and Jobbing	150,000	180,000	150,000
Fire Hydrant Permit Fees	800,000	820,000	850,000
Laboratory Services	80,000	85,000	90,000
Investment Income	1,800,000	3,500,000	2,300,000
Lease Income	1,080,000	1,180,000	1,200,000
Sale of Scrap Material	50,000	80,000	50,000
Bad Debt Recovery	10,000	85,000	10,000
Bond Subsidy	1,070,000	1,070,000	1,070,000
Miscellaneous	125,000	260,000	125,000
Total - Other Revenues	<u>26,140,000</u>	<u>33,140,000</u>	<u>28,945,000</u>
Rate Revisions ⁽¹⁾	<u>5,999,000</u>	<u>- -</u>	<u>6,207,000</u>
Total - Revenues	<u>228,356,000</u>	<u>231,525,000</u>	<u>241,429,000</u>

⁽¹⁾ The 2024 Annual Budget contains a provision for revisions to certain rates, fees, and charges proposed to be effective April 1, 2024.

	2023		2024
	<u>Budget</u>	<u>Current Estimate</u>	<u>Budget</u>
<u>CURRENT EXPENSES</u>			
<u>Operation and Maintenance Expenses</u>			
Supply Facilities	\$ 13,292,000	\$ 13,476,000	\$ 15,199,000
Treatment Facilities	31,804,000	31,690,000	34,550,000
Transmission System	7,106,000	7,298,000	7,743,000
Distribution System	22,130,000	20,245,000	21,977,000
Administrative and General	<u>39,747,000</u>	<u>37,663,000</u>	<u>41,394,000</u>
Total - Operation and Maintenance Expenses	114,079,000	110,372,000	120,863,000
<u>Other Expenses</u>			
New Services and Meters	2,285,000	2,161,000	2,340,000
Merchandising and Jobbing	<u>4,000</u>	<u>3,000</u>	<u>4,000</u>
Total - Other Expenses	<u>2,289,000</u>	<u>2,164,000</u>	<u>2,344,000</u>
Total - Current Expenses	<u>116,368,000</u>	<u>112,536,000</u>	<u>123,207,000</u>
<u>NET REVENUES</u>			
Net Revenues Defined	111,988,000	118,989,000	118,222,000
Transfer from Reserve Fund	<u>902,000</u>	<u>902,000</u>	<u>996,000</u>
Total Net Revenues	<u>112,890,000</u>	<u>119,891,000</u>	<u>119,218,000</u>
<u>DEBT SERVICE COVERAGE</u>			
Net Revenues	112,890,000	119,891,000	119,218,000
Annual Principal and Interest Requirements	46,327,337	46,327,337	49,244,258
Coverage	2.44	2.59	2.42

	2023		2024 Budget
	Budget	Current Estimate	
<u>DEBT SERVICE FUND</u>			
<u>Balance Carried Forward from Prior Year</u>	\$ 32,301,191	\$ 32,303,139	\$ 36,597,154
<u>Receipts</u>			
Transfer from Revenue Fund	46,327,337	46,327,337	49,244,258
Investment Income	250,000	1,200,000	200,000
Total - Receipts	<u>46,577,337</u>	<u>47,527,337</u>	<u>49,444,258</u>
<u>Disbursements</u>			
Interest Payable - April 1 and October 1	18,203,322	18,203,322	18,230,297
Principal Payable - April 1	23,830,000	23,830,000	28,575,000
Transfer of Investment Income to Revenue Fund	250,000	1,200,000	200,000
Total - Disbursements	<u>42,283,322</u>	<u>43,233,322</u>	<u>47,005,297</u>
<u>Balance Carried Forward to Ensuing Year</u>	<u>36,595,206</u>	<u>36,597,154</u>	<u>39,036,115</u>

	2023		2024
	Budget	Current Estimate	Budget
<u>RESERVE FUND</u>			
<u>Balance Carried Forward from Prior Year</u>	\$ 10,646,000	\$ 10,618,000	\$ 9,716,000
<u>Receipts</u>			
Investment Income	40,000	100,000	80,000
Total - Receipts	<u>40,000</u>	<u>100,000</u>	<u>80,000</u>
<u>Disbursements</u>			
Transfer of Investment Income to Revenue Fund	40,000	100,000	80,000
Transfer of Excess Requirement to Revenue Fund	902,000	902,000	996,000
Total - Disbursements	<u>942,000</u>	<u>1,002,000</u>	<u>1,076,000</u>
<u>Balance Carried Forward to Ensuing Year</u>	<u>9,744,000</u>	<u>9,716,000</u>	<u>8,720,000</u>

	2023		2024 Budget
	Budget	Current Estimate	
<u>IMPROVEMENT FUND</u>			
<u>Balance Carried Forward from Prior Year</u>	\$ 33,696,000	\$ 40,977,000	\$ 189,000
<u>Receipts</u>			
Transfer from Revenue Fund	11,000,000	11,000,000	11,000,000
Transfer from General Fund	103,000,000	85,000,000	84,000,000
Bond Proceeds	--	--	60,000,000
Advances for Construction	100,000	380,000	100,000
Contributions for Construction	1,200,000	2,330,000	1,800,000
Investment Income	500,000	450,000	150,000
Miscellaneous	50,000	130,000	50,000
Total - Receipts	<u>115,850,000</u>	<u>99,290,000</u>	<u>157,100,000</u>
<u>Disbursements</u>			
Part B Capital Improvement Program			
Materials and Supplies	100,000	2,093,000	90,000
Refunds - Advances for Construction	40,000	60,000	40,000
General Expenses	19,970,000	20,390,000	20,430,000
Subdivision and Other Development Projects	1,040,000	1,055,000	1,070,000
Extraordinary Maintenance and Repairs	73,155,000	81,360,000	58,920,000
Additions, Extensions and Betterments	49,996,000	32,120,000	36,853,000
General Studies	4,966,000	3,000,000	9,853,000
Part E Capital Improvement Program			
Total - Disbursements	<u>149,267,000</u>	<u>140,078,000</u>	<u>127,256,000</u>
<u>Balance Carried Forward to Ensuing Year</u>	<u>279,000</u>	<u>189,000</u>	<u>30,033,000</u>

	2023		2024
	Budget	Current Estimate	Budget
<u>GENERAL FUND</u>			
<u>Balance Carried Forward from Prior Year</u>	\$ 144,306,000	\$ 143,234,000	\$ 120,798,000
<u>Receipts</u>			
Transfer from Revenue Fund (Net Revenues)	55,563,000	62,564,000	58,974,000
Investment Income	1,500,000	2,000,000	2,000,000
Total - Receipts	<u>57,063,000</u>	<u>64,564,000</u>	<u>60,974,000</u>
<u>Disbursements</u>			
Transfer of Investment Income to Revenue Fund	1,500,000	2,000,000	2,000,000
Transfer to Improvement Fund	103,000,000	85,000,000	84,000,000
Total - Disbursements	<u>104,500,000</u>	<u>87,000,000</u>	<u>86,000,000</u>
<u>Balance Carried Forward to Ensuing Year</u>	<u>96,869,000</u>	<u>120,798,000</u>	<u>95,772,000</u>



DETAILS AND SUPPORTING DATA

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

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I. Highlights of 2024 Annual Budget

Category	2023 Budget	2023 Current Estimate	2024 Budget	% Increase (Decrease)
Retail Customer Accounts Added	300	540	300	(44.4)
Retail Equivalent 5/8" Units Added	2,170	3,020	2,370	(21.5)
Retail Customers - End of Year	282,874	283,135	283,435	0.1
Wholesale Water Sales (mg)	25,270	25,360	25,322	(0.1)
Retail Water Sales (mg)	29,800	29,800	29,900	0.3
Total Water Sales (mg)	55,070	55,160	55,222	0.1
Water Sales Revenue (\$ million)	201.770	198.385	212.078	6.9
Water Produced and Purchased (mg)	61,200	61,300	61,400	0.2
Water Produced and Purchased (mgd)	167.7	167.9	167.8	(0.1)
Total Revenues (\$ million)	228.356	231.525	241.429	4.3
Current Expenses (\$ million)	116.368	112.536	123.207	9.5
Net Revenues (\$ million)	112.890	119.891	119.218	(0.6)
Total Debt Service (\$ million)	46.327	46.327	49.244	6.3
Debt Service Coverage	2.44	2.59	2.42	(6.6)
Authorized Employees	481	481	483	0.4

Highlights of 2024 Annual Budget (Continued)

- ♦ 300 retail customers are projected to be added in 2024, 240 less than the number projected for 2023. A total of 283,435 customers are expected to be served at the end of 2024.
- ♦ Water sales are estimated to be 55.2 billion gallons in 2024, as compared to 55.2 billion gallons in 2023.
- ♦ Average daily production is expected to be 167.8 million gallons per day (mgd) in 2024, as compared to 167.9 mgd in 2023.
- ♦ Revenues are expected to be \$241.4 million in 2024, as compared to \$231.5 million in 2023.
- ♦ The 2024 Annual Budget contains a provision for revisions to certain rates, fees, and charges proposed to be effective April 1, 2024.
- ♦ Current Expenses are projected to be \$123.2 million in 2024, a 9.5% increase as compared to the 2023 Current Estimate and a 5.9% increase from the 2023 Budget.
- ♦ Net Revenues are projected to be \$119.2 million in 2024, as compared to \$119.9 million in 2023.
- ♦ Debt service coverage is projected at 2.42 in 2024, as compared to 2.59 in 2023.
- ♦ It is expected that the Improvement Fund will have a cash balance of \$0.2 million on January 1, 2024. Improvement Fund receipts are estimated at \$157.1 million and expenditures are estimated at \$127.3 million in 2024, resulting in an expected balance of \$30.0 million on December 31, 2024.
- ♦ It is expected that the General Fund will have a balance of \$95.8 million at the end of 2024.
- ♦ In 2024, the authorized staff complement is expected to increase to a total of 483 employees.
- ♦ Expected payroll costs of \$50.775 million in 2024 represents a 2.3% increase from the \$49.6 million budgeted in 2023.

II. Customer Growth

- ♦ Applications for new services in 2024 are projected to be 95 less than the number currently estimated for 2023 and 296 less than the actual number of applications received in 2022.
- ♦ 300 customer accounts are expected to be added in 2024.
- ♦ Single family and townhouse units comprise 94% of all retail customers.

	<u>Actual</u>				<u>Current</u>	<u>Budget</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Estimate</u> <u>2023</u>	<u>2024</u>
<u>Customers</u>						
Number of Applications Received	669	796	898	596	395	300
Number of Services Installed	681	438	895	575	635	300
Number of Customer Accounts Added (net)	368	364	231	496	540	300
Number of Equivalent 5/8" Units Added	3,087	3,184	4,299	3,230	3,020	2,370
 <u>Total Customers (End-of-Year)</u>						
Single Family	187,173	187,144	187,073	187,091	187,122	187,138
Townhouse	77,544	77,883	78,126	78,567	79,020	79,272
Apartment	4,084	4,104	4,133	4,153	4,172	4,183
Commercial/Industrial	11,200	11,227	11,254	11,267	11,297	11,314
Municipal/Institutional	1,415	1,420	1,423	1,427	1,432	1,435
Restricted Service	88	90	90	90	92	93
	<u>281,504</u>	<u>281,868</u>	<u>282,099</u>	<u>282,595</u>	<u>283,135</u>	<u>283,435</u>
 <u>Sales Per Customer</u>						
Retail Customers	281,504	281,868	282,099	282,595	283,135	283,435
Retail Water Sales (mg)	30,854	29,821	29,711	29,325	29,800	29,900
Sales Per Customer (1,000 gal)	110	106	105	104	105	105

III. Water Sales

- ♦ Total water sales are expected to increase 0.1% in 2024 as compared to 2023.
- ♦ Total water sales are expected to increase 1.3% in 2023 as compared to 2022.

	Actual				Current Estimate 2023	Budget 2024
	2019	2020	2021	2022		
<u>Water Sales</u>						
<u>Wholesale</u>						
Million Gallons	24,649	24,177	25,778	25,131	25,360	25,322
Daily Average (mgd)	67.5	66.0	70.6	68.9	69.5	69.2
% of Total Sales	44	45	46	46	46	46
<u>Retail</u>						
Million Gallons	30,854	29,821	29,711	29,325	29,800	29,900
Daily Average (mgd)	84.5	81.5	81.4	80.3	81.6	81.7
% of Total Sales	56	55	54	54	54	54
<u>Total</u>						
Million Gallons	55,503	53,998	55,489	54,456	55,160	55,222
Daily Average (mgd)	152.1	147.5	152.0	149.2	151.1	150.9

IV. Water Production (Supply)

- ♦ Water production is expected to average 167.8 mgd in 2024, as compared to 167.9 mgd in 2023.
- ♦ Occoquan River water production is expected to account for 37.3% of total production in 2024.
- ♦ Potomac River water production is expected to account for 55.3% of total production in 2024.
- ♦ Purchased water from the Washington Aqueduct is expected to account for 7.4% of total production in 2024.

	Actual				Current Estimate 2023	Budget 2024
	2019	2020	2021	2022		
<u>Supply vs. Sales (mg)</u>						
Water Supply	61,204	58,476	60,235	59,130	61,300	61,400
Water Sales	55,503	53,998	55,489	54,456	55,160	55,222
Non-Revenue Water:						
Quantity	5,701	4,478	4,746	4,674	6,140	6,178
As a % of Supply	9.3	7.7	7.9	7.9	10.0	10.0
<u>Sources of Supply (mg)</u>						
Purchased	5,602	4,170	4,582	4,927	4,557	4,560
Occoquan:						
Treated	22,615	21,610	23,789	22,270	22,784	22,818
Untreated	110	90	91	90	70	82
	22,725	21,700	23,880	22,360	22,854	22,900
Potomac	32,877	32,606	31,773	31,843	33,889	33,940
Total Supply	61,204	58,476	60,235	59,130	61,300	61,400
<u>Daily Average (mgd)</u>						
Occoquan	62.3	59.3	65.4	61.3	62.6	62.6
Potomac	90.1	89.1	87.0	87.2	92.8	92.7
Washington Aqueduct	15.3	11.4	12.6	13.5	12.5	12.5
Total	167.7	159.8	165.0	162.0	167.9	167.8

V. Revenues

- ♦ 2024 total revenues are estimated at \$241.4 million, as compared to \$231.5 million in 2023.
- ♦ Revenues from total water sales (inclusive of proposed retail rate revisions) are expected to increase by \$13.7 million or 6.9% in 2024.
- ♦ In 2024, revenues from connection charges are budgeted to decrease by 18% as compared to 2023.
- ♦ In 2022, 2023 and 2024, wholesale revenues include \$3.4 million, \$8.5 million and \$15.0 million, respectively, from Prince William County Service Authority and Virginia American - Prince William District for the Occoquan Tunnel Crossing project.
- ♦ In 2023 and 2024, wholesale revenues include \$0.4 million and \$0.3 million, respectively, from the Town of Herndon for the Herndon Booster Pump Station project.

	Actual				Current	Budget
	2019	2020	2021	2022	Estimate 2023	2024
----- \$ Million -----						
<u>Revenues</u>						
Water Sales						
Wholesale	47.071	41.117	39.411	43.849	60.813	68.244
Retail	120.810	121.225	130.475	130.130	137.572	138.033
Subtotal	167.881	162.342	169.886	173.979	198.385	206.277
Connection Charges:						
Availability	13.070	13.674	18.703	14.535	14.000	11.000
Local Facility	1.511	1.385	1.488	1.741	1.200	1.300
Service Connection	1.500	1.481	2.345	1.784	1.500	1.400
Investment Income	3.579	5.296	2.489	1.082	3.500	2.300
Sewer Service Billing Charges	6.728	6.986	7.431	7.073	7.400	7.500
Other Revenue	4.922	4.193	4.162	4.359	4.470	4.375
Bond Subsidy	1.064	1.074	.654	1.487	1.070	1.070
Rate Revisions ⁽¹⁾	--	--	--	--	--	6.207
Total - Revenues	200.255	196.431	207.158	206.040	231.525	241.429

⁽¹⁾ The 2024 Annual Budget contains a provision for revisions to certain rates, fees and charges proposed to be effective April 1, 2024.

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

- ♦ Current Expenses are projected to increase 9.5% in 2024 as compared to the 2023 Current Estimate.
- ♦ The increase in operation and maintenance costs is mainly driven by four factors: (1) higher payroll and benefits due to lower staffing levels in 2023 than planned; (2) higher power purchased and chemical costs; (3) an approximate \$1.4 million increase to the Washington Aqueduct for purchased water and pay-as-you-go capital expenditures; and (4) increased costs to ensure compliance with the Lead and Copper Rule Revisions.

	<u>Actual</u>				<u>Current Estimate 2023</u>	<u>Budget 2024</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>		
----- \$ Million -----						
<u>Current Expenses</u>						
Operation and Maintenance	93.149	96.316	92.618	100.051	110.372	120.863
Other	1.946	1.792	2.000	2.190	2.164	2.344
Total	<u>95.095</u>	<u>98.108</u>	<u>94.618</u>	<u>102.241</u>	<u>112.536</u>	<u>123.207</u>
 <u>Categories of Expense</u>						
<u>Operation and Maintenance</u>						
Supply Facilities	11.624	9.466	10.528	12.078	13.476	15.199
Treatment Facilities	23.521	24.861	23.626	27.735	31.690	34.550
Transmission System	5.377	5.364	5.629	6.206	7.298	7.743
Distribution System	19.650	21.315	19.173	19.239	20.245	21.977
Administrative and General	32.977	35.310	33.662	34.793	37.663	41.394
Total	<u>93.149</u>	<u>96.316</u>	<u>92.618</u>	<u>100.051</u>	<u>110.372</u>	<u>120.863</u>

Current Expenses (Continued)

Operation and Maintenance Expenses

♦ The following table depicts costs for major items of Operation and Maintenance expenses for the years 2019-2024.

	Actual				Current Estimate 2023	Budget 2024
	2019	2020	2021	2022		
	----- \$ Million -----					
Operation and Maintenance	93.149	96.316	92.618	100.051	110.372	120.863
<u>Major Items of Expense</u>						
Personal Services	28.668	30.368	29.615	31.090	33.674	36.223
Employee Benefits	28.055	29.042	28.487	28.206	29.534	31.523
Power Purchased	9.569	9.341	9.348	10.750	13.200	13.800
Utilities	1.145	1.047	1.025	1.179	1.257	1.390
Water Treatment Chemicals	6.418	7.743	7.421	9.327	11.973	13.525
Residuals Management Chemicals	.075	.111	.079	.143	.095	.100
Purchased Water	7.129	5.153	6.027	7.020	7.511	8.913
Supplies and Materials	5.323	5.212	4.728	5.505	5.591	6.449
Insurance	.949	1.222	1.130	1.097	1.471	1.330
Gasoline and Fuel	.582	.480	.706	.924	.821	.930
Postage	.599	.578	.568	.558	.602	.620
Printed Reports	.058	.059	.058	.044	.066	.067
Advertising	.044	.040	.064	.064	.085	.095
Customer Relations	.210	.162	.085	.116	.290	.460
Books, Periodicals and Dues	.081	.130	.139	.116	.132	.134
Contractual Services	11.912	13.071	10.898	11.568	12.253	12.855
Professional Services	.921	1.157	1.129	1.264	1.236	1.480
Employee Training and Meetings	.454	.142	.167	.385	.226	.415
Programs	1.104	1.220	1.442	1.277	1.219	1.280
Miscellaneous	.233	.351	.265	.367	.277	.288
Subtotal	103.529	106.629	103.381	111.000	121.513	131.877
Transfer to Improvement Fund	(10.380)	(10.313)	(10.763)	(10.949)	(11.141)	(11.014)
Total - Operation and Maintenance	93.149	96.316	92.618	100.051	110.372	120.863

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 2019-2024:

	Actual				Current Estimate 2023	Budget 2024
	2019	2020	2021	2022		
----- \$ Million -----						
Revenues	200.255	196.431	207.158	206.040	231.525	241.429
Current Expenses	95.095	98.108	94.618	102.241	112.536	123.207
Net Revenues Defined	105.160	98.323	112.540	103.799	118.989	118.222
Transfer from Reserve Fund	.909	1.487	1.037	.071	.902	.996
Net Revenues - Total	106.069	99.810	113.577	103.870	119.891	119.218
 Debt Service	 42.988	 40.711	 44.326	 42.484	 46.327	 49.244
 Coverage	 2.47	 2.45	 2.56	 2.44	 2.59	 2.42

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 2024, Fairfax Water's debt service will be \$49,244,258, which will provide a coverage ratio of 2.42. Coverage is derived by dividing Net Revenues by debt service. The debt service includes an additional \$2.9 million for estimated interest due on new debt of \$60 million expected to be issued in the second half of 2024.

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 \$16,756,258, which is funded with a Qualified Reserve Fund Substitute (Insurance) as well as approximately \$9 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 was completed in 2020.
- ♦ 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 2024.
- ♦ 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 \$0.2 million on January 1, 2024. Improvement Fund receipts are estimated at \$157.1 million and expenditures are estimated at \$127.3 million, resulting in an expected balance of \$30.0 million on December 31, 2024.

Improvement Fund (Continued)

	Actual				Current Estimate 2023	Budget 2024
	2019	2020	2021	2022		
----- \$ Million -----						
Balance Carried Forward - January 1	0.308	1.313	10.153	68.141	40.977	.189
<u>Receipts</u>						
Transfer from Revenue Fund	11.000	11.000	11.000	11.000	11.000	11.000
Transfer from General Fund	79.000	70.000	8.000	41.000	85.000	84.000
Bond Proceeds	.522	(.094)	100.342	--	--	60.000
Investment Income and Other	.699	5.157	3.338	2.088	3.290	2.100
Total - Receipts	<u>91.221</u>	<u>86.063</u>	<u>122.680</u>	<u>54.088</u>	<u>99.290</u>	<u>157.100</u>
<u>Disbursements</u>						
Part B Capital Improvement Program						
Materials and Supplies	(.116)	(.209)	.298	2.973	2.093	.090
Refunds of Advances	.038	.019	.105	.009	.060	.040
General Expenses	18.723	19.188	19.418	19.891	20.390	20.430
Subdivision/Development Projects	.851	1.077	1.142	1.070	1.055	1.070
Extraordinary Maintenance and Repair	43.759	38.829	31.286	31.702	81.360	58.920
Additions, Extensions and Betterments	23.051	16.146	10.518	23.998	32.120	36.853
General Studies	2.845	1.925	1.851	1.609	3.000	9.853
Part D Capital Improvement Program	.789	.248	--	--	--	--
Part E Capital Improvement Program	.276	--	.074	--	--	--
Total - Disbursements	<u>90.216</u>	<u>77.223</u>	<u>64.692</u>	<u>81.252</u>	<u>140.078</u>	<u>127.256</u>
Balance Carried Forward - December 31	1.313	10.153	68.141	40.977	.189	30.033

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 2023	Budget 2024
	2019	2020	2021	2022		
	----- \$ Million -----					
General Fund Balance Forward						
January 1	142.921	106.344	88.780	137.423	143.234	120.798
December 31	106.344	88.780	137.423	143.234	120.798	95.772

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

- ♦ The personnel complement is expected to increase in 2024 by 2 additional positions to a total of 483 positions. The two new positions are in the Transmission and Distribution Division and will support the Lead and Copper Rule Revisions.
- ♦ Total 2024 personal services costs are estimated at \$50.775 million, of which \$37.880 million and \$12.895 million are estimated to be charged to the Revenue and Improvement Funds, respectively.
- ♦ The 2024 total budgeted personal services cost of \$50.775 million includes a cost-of-living adjustment of 1.8% effective the first pay period of 2024 based on the CPI-U for the 12-month period ending July 31, 2023.

	Actual				Current Estimate 2023	Budget 2024
	2019	2020	2021	2022		
Number of Employees Added	--	--	--	--	--	2
Total Employees Authorized	475	475	475	475	481	483
Total Payroll Cost (\$ Million)	40.469	42.795	41.893	43.818	47.197	50.775
 <u>Employees by Division</u>						
Management	48	49	29	28	28	27
Administration	--	--	20	20	19	19
Finance	110	109	109	110	118	119
Planning and Engineering	64	64	64	60	59	59
Technology	46	46	46	50	53	53
Transmission and Distribution	125	125	125	125	125	127
Production	82	82	82	82	79	79
Total	475	475	475	475	481	483

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024
DETAILS OF WATER SALES REVENUE

	2023 Budget				2023 Current Estimate ⁽¹⁾				2024 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	5,900	10,502	2,756	13,258	5,800	10,788	2,756	13,544	5,900	11,151	2,756	13,907	1.7	3.4	--
Prince William District ⁽²⁾	1,800	3,204	2,148	5,352	1,800	3,348	2,149	5,497	1,800	3,402	2,149	5,551	--	1.6	--
Dulles International Airport	280	473	69	542	250	420	69	489	260	424	69	493	4.0	1.0	--
Fort Belvoir	530	896	1,093	1,989	580	974	1,093	2,067	600	978	1,093	2,071	3.4	0.4	--
PWCSA ⁽³⁾	9,900	17,622	13,040	30,662	9,600	17,856	8,211	26,067	9,700	18,333	15,135	33,468	1.0	2.7	84.3
Town of Herndon ⁽⁴⁾	720	1,282	263	1,545	730	1,358	656	2,014	740	1,399	566	1,965	1.4	3.0	(13.7)
Loudoun Water	5,300	6,095	2,426	8,521	5,800	6,612	2,522	9,134	5,500	6,325	2,426	8,751	(5.2)	(4.3)	(3.8)
Town of Vienna	750	1,335	617	1,952	730	1,358	624	1,982	740	1,399	617	2,016	1.4	3.0	(1.1)
Untreated															
Vulcan Materials	70	18	--	18	60	16	--	16	70	18	--	18	16.7	12.5	--
PWCPA	1	1	--	1	2	1	--	1	2	1	--	1	--	--	--
Old Hickory	19	5	--	5	8	2	--	2	10	3	--	3	25.0	50.0	--
Total - Wholesale	25,270	41,433	22,412	63,845	25,360	42,733	18,080	60,813	25,322	43,433	24,811	68,244	(0.1)	1.6	37.2
Retail Water Sales ⁽⁵⁾	29,800	137,925	--	137,925	29,800	137,572	--	137,572	29,900	143,834	--	143,834	0.3	4.6	--
Total - Water Sales	55,070	179,358	22,412	201,770	55,160	180,305	18,080	198,385	55,222	187,267	24,811	212,078	0.1	3.9	37.2

⁽¹⁾ Demand charges for Current Estimate include adjustments for prior year reconciliation, if applicable.

⁽²⁾ In 2023 Budget, 2023 Current Estimate and 2024 Budget, demand charges include \$0.5 million in each year from Virginia American - Prince William District for the Occoquan Tunnel project.

⁽³⁾ In 2023 Budget, 2023 Current Estimate and 2024 Budget, demand charges include \$12.4 million, \$7.9 million and \$14.5 million, respectively, from PWCSA for the Occoquan Tunnel project.

⁽⁴⁾ In 2023 Current Estimate and 2024 Budget, demand charges include \$0.4 million and \$0.3 million, respectively, from Herndon for the Booster Pump Station project.

⁽⁵⁾ Budget columns include revenue associated with proposed retail rate revisions.

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024
DETAILS OF CURRENT EXPENSES

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Personal Services</u>				
Salaries-Regular	\$ 32,514,000	\$ 30,886,000	\$ 33,606,000	8.8
Salaries-Overtime	3,690,000	3,847,000	3,700,000	(3.8)
Salaries-Stand-By	124,000	120,000	124,000	3.3
Salaries-Summer	300,000	210,000	250,000	19.0
Salaries-Part-Time/Temporary	250,000	150,000	200,000	33.3
Subtotal	36,878,000	35,213,000	37,880,000	7.6
<u>Employee Benefits</u>				
OASDI-FICA	3,620,000	3,450,000	3,710,000	7.5
Health Insurance	3,970,000	3,805,000	3,900,000	2.5
Life Insurance	140,000	150,000	155,000	3.3
Disability Program	80,000	75,000	80,000	6.7
Retirement Program	23,090,000	21,960,000	23,580,000	7.4
Educational Reimbursement	68,000	65,000	68,000	4.6
Employee Assistance Program	15,000	15,000	15,000	--
Employee Awards Program	15,000	14,000	15,000	7.1
Subtotal	30,998,000	29,534,000	31,523,000	6.7
<u>Power Purchased</u>				
Electricity - Production/Transmission Facilities	12,800,000	13,200,000	13,800,000	4.5
<u>Utilities</u>				
Electricity - Administrative Facilities	420,000	400,000	425,000	6.3
Water and Sewer	275,000	300,000	310,000	3.3
Heating Oil	60,000	50,000	60,000	20.0
Heating Gas	400,000	335,000	400,000	19.4
Telephone	100,000	92,000	100,000	8.7
Trash Removal	65,000	80,000	95,000	18.8
Subtotal	1,320,000	1,257,000	1,390,000	10.6

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
Chemicals				
<i>Coagulants:</i>				
Poly Aluminum Chloride	\$ 3,770,000	\$ 4,308,000	\$ 4,542,000	5.4
Polymers	218,000	179,000	189,000	5.6
	<u>3,988,000</u>	<u>4,487,000</u>	<u>4,731,000</u>	5.4
<i>Disinfectant/Oxidant:</i>				
Sodium Hypochlorite	2,475,000	2,784,000	2,935,000	5.4
Ammonium Hydroxide	366,000	355,000	375,000	5.6
Liquid Oxygen	753,000	931,000	982,000	5.5
Potassium Permanganate	687,000	654,000	690,000	5.5
	<u>4,281,000</u>	<u>4,724,000</u>	<u>4,982,000</u>	5.5
<i>pH Adjustment:</i>				
Caustic Soda	683,000	816,000	860,000	5.4
Sulfuric Acid	408,000	413,000	436,000	5.6
	<u>1,091,000</u>	<u>1,229,000</u>	<u>1,296,000</u>	5.5
<i>Corrosion Inhibitor:</i>				
Phosphoric Acid	1,101,000	1,053,000	1,110,000	5.4
<i>Oral Health:</i>				
Hydrofluosilicic Acid (Fluoride)	320,000	372,000	392,000	5.4
<i>Ozone Quenching/Reducing Agent:</i>				
Calcium Thiosulfate	27,000	54,000	57,000	5.6
Sodium Bisulfate	48,000	54,000	57,000	5.6
	<u>75,000</u>	<u>108,000</u>	<u>114,000</u>	5.6
<i>Filter Media:</i>				
Granular Activated Carbon	1,000,000	--	900,000	100.0
	<u>1,000,000</u>	<u>--</u>	<u>900,000</u>	100.0
Subtotal	<u>11,856,000</u>	<u>11,973,000</u>	<u>13,525,000</u>	13.0

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Residuals Management Chemicals</u>				
Polymers	\$ 100,000	\$ 95,000	\$ 100,000	5.3
Subtotal	100,000	95,000	100,000	5.3
<u>Purchased Water</u>				
Loudoun Water	13,000	11,000	13,000	18.2
Washington Aqueduct	7,500,000	7,500,000	8,900,000	18.7
Subtotal	7,513,000	7,511,000	8,913,000	18.7
<u>Supplies</u>				
Cleaning and Custodial	40,000	36,000	40,000	11.1
Vehicle and Automotive	350,000	368,000	370,000	0.5
Laboratory	600,000	625,000	785,000	25.6
Office	100,000	140,000	100,000	(28.6)
Computer	200,000	228,000	250,000	9.6
Mechanical and Electrical	300,000	295,000	300,000	1.7
Safety	300,000	275,000	300,000	9.1
Telephone and Communication	15,000	24,000	25,000	4.2
Photographic and Reproduction	70,000	90,000	85,000	(5.6)
Small Tools	300,000	305,000	300,000	(1.6)
Construction and Maintenance	775,000	785,000	800,000	1.9
Meter Parts and Supplies	135,000	170,000	175,000	2.9
Uniforms and Clothing	80,000	75,000	80,000	6.7
Security	25,000	39,000	40,000	2.6
Miscellaneous	155,000	160,000	660,000	312.5
Subtotal	3,445,000	3,615,000	4,310,000	19.2

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Materials</u>				
Service Connection	\$ 664,000	\$ 673,000	\$ 675,000	0.3
Meters	144,000	214,000	225,000	5.1
Hydrants and Appurtenances	172,000	222,000	234,000	5.4
Pipe and Appurtenances	447,000	310,000	325,000	4.8
Valves and Appurtenances	126,000	171,000	175,000	2.3
Pumps and Appurtenances	61,000	67,000	70,000	4.5
Instrumentation and SCADA	360,000	332,000	350,000	5.4
Automotive	12,000	11,000	12,000	9.1
Electrical and Electronics	230,000	245,000	250,000	2.0
Mechanical	85,000	106,000	100,000	(5.7)
Hardware/Small Tools	50,000	30,000	40,000	33.3
HVAC	80,000	95,000	100,000	5.3
Lube and Fluids	25,000	20,000	25,000	25.0
Treatment Media	165,000	30,000	165,000	450.0
Miscellaneous General Materials	85,000	75,000	80,000	6.7
Subtotal	2,706,000	2,601,000	2,826,000	8.7
<u>Insurance</u>				
Workmen's Compensation	400,000	411,000	420,000	2.2
Liability	425,000	490,000	300,000	(38.8)
Motor Vehicle	135,000	121,000	140,000	15.7
Property	350,000	386,000	400,000	3.6
Unemployment Compensation	10,000	24,000	20,000	(16.7)
Miscellaneous Insurance	50,000	39,000	50,000	28.2
Subtotal	1,370,000	1,471,000	1,330,000	(9.6)
<u>Gasoline and Fuel</u>				
Gasoline	851,000	708,000	800,000	13.0
Diesel Fuel	159,000	111,000	125,000	12.6
Other Fuel	5,000	2,000	5,000	150.0
Subtotal	1,015,000	821,000	930,000	13.3

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Postage and Parcel Service</u>				
Postage	\$ 580,000	\$ 564,000	\$ 580,000	2.8
Parcel Service	38,000	38,000	40,000	5.3
Subtotal	618,000	602,000	620,000	3.0
<u>Reports</u>				
Annual Report	2,000	2,000	2,000	--
Consumer Confidence Report	62,000	64,000	65,000	1.6
Subtotal	64,000	66,000	67,000	1.5
<u>Advertising</u>				
Recruiting	55,000	72,000	75,000	4.2
Other Advertising	20,000	13,000	20,000	53.8
Subtotal	75,000	85,000	95,000	11.8
<u>Customer Relations</u>				
Visitor Education Center	20,000	30,000	20,000	(33.3)
Special Tours and Programs	40,000	10,000	40,000	300.0
Printed Literature	80,000	150,000	300,000	100.0
Miscellaneous Customer Relations	100,000	100,000	100,000	--
Subtotal	240,000	290,000	460,000	58.6
<u>Books, Periodicals and Dues</u>				
Reference Materials	8,000	9,000	8,000	(11.1)
Periodical Subscriptions	8,000	8,000	8,000	--
Association Dues	124,000	115,000	118,000	2.6
Subtotal	140,000	132,000	134,000	1.5

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Contractual Services</u>				
Equipment Maintenance	\$ 1,500,000	\$ 1,346,000	\$ 1,500,000	11.4
Building/Grounds Maintenance	850,000	1,100,000	1,000,000	(9.1)
Computer Hosting Services	350,000	340,000	500,000	47.1
Equipment Rental	60,000	110,000	80,000	(27.3)
Uniform Rental	275,000	285,000	290,000	1.8
Computer Application Support and Licensing	3,140,000	2,870,000	3,200,000	11.5
Telephone and Communication	640,000	630,000	640,000	1.6
Residuals Management	400,000	339,000	400,000	18.0
Hazardous Waste Disposal	50,000	92,000	90,000	(2.2)
Pavement Replacement	2,200,000	1,800,000	2,000,000	11.1
Security	835,000	844,000	850,000	0.7
Electrical	300,000	341,000	345,000	1.2
Diving	50,000	52,000	55,000	5.8
Safety and Health	255,000	252,000	255,000	1.2
Temporary Staffing	200,000	77,000	200,000	159.7
Bill Print Services	250,000	224,000	250,000	11.6
Information Technology	200,000	183,000	200,000	9.3
Spoil Disposal	915,000	722,000	800,000	10.8
Lease - Central Maintenance Facility	242,000	466,000	--	(100.0)
Other Contractual Services	200,000	180,000	200,000	11.1
Subtotal	12,912,000	12,253,000	12,855,000	4.9
<u>Professional Services</u>				
Banking	170,000	117,000	180,000	53.8
Insurance	10,000	10,000	10,000	--
Financial	320,000	310,000	325,000	4.8
Legal	350,000	395,000	400,000	1.3
Trustee	42,000	42,000	42,000	--
Management Consultants	400,000	289,000	450,000	55.7
Advocacy Services	48,000	48,000	48,000	--
Other Professional Services	25,000	25,000	25,000	--
Subtotal	1,365,000	1,236,000	1,480,000	19.7

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Employee Training and Meetings</u>				
Employee Training	\$ 340,000	\$ 131,000	\$ 300,000	129.0
Professional Meetings	60,000	42,000	60,000	42.9
Board Travel	5,000	3,000	5,000	66.7
Miscellaneous Travel and Meetings	80,000	50,000	50,000	--
Subtotal	485,000	226,000	415,000	83.6
<u>Programs</u>				
Cross Connection Control	712,000	607,000	620,000	2.1
Utilities Notification	190,000	160,000	180,000	12.5
Potomac River Reservoirs	240,000	222,000	240,000	8.1
Virginia Technical Assistance Fund (State User Fees)	160,000	160,000	160,000	--
Water Supply Stakeholder Outreach Program	70,000	70,000	80,000	14.3
Subtotal	1,372,000	1,219,000	1,280,000	5.0
<u>Miscellaneous</u>				
Highway Permits	20,000	11,000	20,000	81.8
Professional Licenses	7,000	8,000	8,000	--
Injuries and Damages	100,000	98,000	100,000	2.0
Miscellaneous	110,000	160,000	160,000	--
Subtotal	237,000	277,000	288,000	4.0
Subtotal - Current Expenses	127,509,000	123,677,000	134,221,000	8.5
Less: Reimbursable Services	(11,141,000)	(11,141,000)	(11,014,000)	(1.1)
Total - Current Expenses	<u>116,368,000</u>	<u>112,536,000</u>	<u>123,207,000</u>	<u>9.5</u>

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024
SUMMARY OF CURRENT EXPENSES

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Operation and Maintenance Expenses</u>				
<u>Supply</u>				
<u>Occoquan</u>				
Personal Services	\$ 342,000	\$ 332,000	\$ 357,000	7.5
Power Purchased	1,401,000	1,474,000	1,541,000	4.5
Water Treatment Chemicals	71,000	122,000	129,000	5.7
Supplies and Materials	37,000	59,000	65,000	10.2
Contractual Services	95,000	150,000	157,000	4.7
Programs	70,000	70,000	80,000	14.3
Subtotal	2,016,000	2,207,000	2,329,000	5.5
 <u>Potomac</u>				
Personal Services	338,000	360,000	387,000	7.5
Power Purchased	2,792,000	2,873,000	3,004,000	4.6
Utilities	94,000	92,000	102,000	10.9
Supplies and Materials	88,000	42,000	46,000	9.5
Contractual Services	166,000	128,000	134,000	4.7
Programs	240,000	222,000	240,000	8.1
Subtotal	3,718,000	3,717,000	3,913,000	5.3

<u>Item</u>	<u>2023</u>		<u>2024</u> <u>Budget</u>	<u>% Increase</u> <u>(Decrease)</u>
	<u>Budget</u>	<u>Current</u> <u>Estimate</u>		
<u>Purchased</u>				
Personal Services	\$ 41,000	\$ 37,000	\$ 40,000	8.1
Purchased Water	7,513,000	7,511,000	8,913,000	18.7
Contractual Services	4,000	4,000	4,000	- -
Subtotal	<u>7,558,000</u>	<u>7,552,000</u>	<u>8,957,000</u>	<u>18.6</u>
Total - Supply	13,292,000	13,476,000	15,199,000	12.8

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Treatment</u>				
<u>Griffith</u>				
Personal Services	\$ 4,829,000	\$ 4,624,000	\$ 4,974,000	7.6
Power Purchased	1,711,000	1,801,000	1,883,000	4.6
Utilities	114,000	57,000	63,000	10.5
Water Treatment Chemicals	7,243,000	6,431,000	7,381,000	14.8
Supplies and Materials	766,000	465,000	511,000	9.9
Contractual Services	621,000	971,000	1,019,000	4.9
Programs	80,000	80,000	80,000	--
Miscellaneous	7,000	8,000	8,000	--
Subtotal	15,371,000	14,437,000	15,919,000	10.3
<u>Corbalis</u>				
Personal Services	5,124,000	4,797,000	5,160,000	7.6
Power Purchased	3,408,000	3,508,000	3,667,000	4.5
Utilities	555,000	423,000	468,000	10.6
Water Treatment Chemicals	4,542,000	5,420,000	6,015,000	11.0
Waste Disposal Chemicals	100,000	95,000	100,000	5.3
Supplies and Materials	1,291,000	1,304,000	1,435,000	10.0
Contractual Services	1,326,000	1,602,000	1,681,000	4.9
Programs	80,000	80,000	80,000	--
Miscellaneous	7,000	24,000	25,000	4.2
Subtotal	16,433,000	17,253,000	18,631,000	8.0
Total - Treatment	31,804,000	31,690,000	34,550,000	9.0

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Transmission</u>				
<u>Transmission System</u>				
Personal Services	\$ 2,806,000	\$ 2,860,000	\$ 3,077,000	7.6
Power Purchased	3,488,000	3,544,000	3,705,000	4.5
Utilities	24,000	20,000	22,000	10.0
Supplies and Materials	360,000	373,000	410,000	9.9
Contractual Services	337,000	448,000	470,000	4.9
Programs	38,000	32,000	36,000	12.5
Subtotal	7,053,000	7,277,000	7,720,000	6.1
 <u>Wholesale Customer Accounts</u>				
Personal Services	53,000	21,000	23,000	9.5
Subtotal	53,000	21,000	23,000	9.5
Total - Transmission	7,106,000	7,298,000	7,743,000	6.1
 <u>Distribution</u>				
<u>Distribution System</u>				
Personal Services	4,422,000	4,228,000	4,548,000	7.6
Utilities	20,000	15,000	17,000	13.3
Supplies and Materials	1,104,000	1,181,000	1,299,000	10.0
Contractual Services	3,437,000	2,158,000	2,264,000	4.9
Programs	864,000	735,000	764,000	3.9
Miscellaneous	46,000	65,000	68,000	4.6
Subtotal	9,893,000	8,382,000	8,960,000	6.9

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Retail Customer Accounts</u>				
Personal Services	\$ 9,934,000	\$ 9,415,000	\$ 10,127,000	7.6
Utilities	6,000	3,000	3,000	--
Supplies and Materials	599,000	684,000	1,052,000	53.8
Postage and Parcel Service	540,000	529,000	545,000	3.0
Reports	62,000	64,000	65,000	1.6
Contractual Services	1,084,000	1,133,000	1,189,000	4.9
Miscellaneous	12,000	35,000	36,000	2.9
Subtotal	<u>12,237,000</u>	<u>11,863,000</u>	<u>13,017,000</u>	<u>9.7</u>
Total - Distribution	22,130,000	20,245,000	21,977,000	8.6
 <u>Administrative and General</u>				
<u>Office Building</u>				
Personal Services	355,000	355,000	382,000	7.6
Utilities	311,000	472,000	520,000	10.2
Supplies and Materials	89,000	87,000	96,000	10.3
Contractual Services	299,000	420,000	441,000	5.0
Subtotal	<u>1,054,000</u>	<u>1,334,000</u>	<u>1,439,000</u>	<u>7.9</u>
 <u>Shop and Storage Yards</u>				
Personal Services	630,000	697,000	749,000	7.5
Utilities	191,000	174,000	192,000	10.3
Supplies and Materials	115,000	205,000	225,000	9.8
Contractual Services	308,000	406,000	426,000	4.9
Subtotal	<u>1,244,000</u>	<u>1,482,000</u>	<u>1,592,000</u>	<u>7.4</u>

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Vehicles and Equipment</u>				
Personal Services	\$ 796,000	\$ 713,000	\$ 768,000	7.7
Supplies and Materials	417,000	411,000	452,000	10.0
Gasoline and Fuel	1,015,000	821,000	930,000	13.3
Contractual Services	37,000	33,000	35,000	6.1
Subtotal	2,265,000	1,978,000	2,185,000	10.5
<u>Administrative</u>				
Personal Services	5,608,000	5,235,000	5,631,000	7.6
Employee Benefits	30,998,000	29,534,000	31,523,000	6.7
Utilities	5,000	1,000	3,000	200.0
Supplies and Materials	596,000	780,000	858,000	10.0
Insurance	1,370,000	1,471,000	1,330,000	(9.6)
Postage and Parcel Service	78,000	73,000	75,000	2.7
Reports	2,000	2,000	2,000	--
Advertising	75,000	85,000	95,000	11.8
Customer Relations	240,000	290,000	460,000	58.6
Books, Periodicals and Dues	140,000	132,000	134,000	1.5
Contractual Services	5,198,000	4,800,000	5,035,000	4.9
Professional Services	1,365,000	1,236,000	1,480,000	19.7
Employee Training and Meetings	485,000	226,000	415,000	83.6
Miscellaneous	165,000	145,000	151,000	4.1
Subtotal	46,325,000	44,010,000	47,192,000	7.2
Total - Administrative and General	50,888,000	48,804,000	52,408,000	7.4
Less: Reimbursable Services	(11,141,000)	(11,141,000)	(11,014,000)	(1.1)
Total - Administrative and General	39,747,000	37,663,000	41,394,000	9.9
Total - Operation and Maintenance Expenses	114,079,000	110,372,000	120,863,000	9.5

Item	2023		2024 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Other Expenses</u>				
<u>New Services and Meters</u>				
Personal Services	\$ 1,597,000	\$ 1,537,000	\$ 1,654,000	7.6
Supplies and Materials	688,000	624,000	686,000	9.9
Subtotal	2,285,000	2,161,000	2,340,000	8.3
<u>Merchandising and Jobbing</u>				
Personal Services	3,000	2,000	3,000	50.0
Supplies and Materials	1,000	1,000	1,000	- -
Subtotal	4,000	3,000	4,000	33.3
Total - Other Expenses	2,289,000	2,164,000	2,344,000	8.3
Total - Current Expenses	116,368,000	112,536,000	123,207,000	9.5

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024
ALLOCATION OF ADMINISTRATIVE EXPENSES BETWEEN
REVENUE FUND AND IMPROVEMENT FUND

	Total	Allocated to Improvement Fund	
		Amount	% Total
Personal Services Cost	\$ 50,775,000	\$ 12,895,000	25
Number of Motor Vehicles	350	25	7

	Total	Allocated to Improvement Fund	
		Percent	Amount
<u>Administrative</u>			
Office Facilities	\$ 1,439,000	25	\$ 360,000
Shop and Storage Yard Facilities	1,592,000	7	111,000
Maintenance of Equipment	2,185,000	7	153,000
Administrative and General			
Personal Services	5,631,000	--	--
Other Administrative Expenses	41,561,000	25	10,390,000
Total	52,408,000	21	11,014,000

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024
DETAILS OF IMPROVEMENT FUND

Item	Cash Receipts 2024
<u>Balance Carried Forward - January 1, 2024</u>	\$ 189,000
<u>Receipts</u>	
Transfer from Revenue Fund	11,000,000
Transfer from General Fund	84,000,000
Bonds Proceeds	60,000,000
Advances for Construction	100,000
Contributions for Construction	1,800,000
Investment Income	150,000
Miscellaneous Income	50,000
Total - Receipts	157,100,000
<u>Balance Carried Forward and Receipts</u>	157,289,000

Item	Total Project Cost	Disbursements Prior to Jan. 1, 2024	Cash Disbursements 2024
Disbursements - Part B Capital Improvement Program			
<u>General and Administrative</u>			
Project 1194-General Expenses			
Personal Services	\$ 8,388,000	\$ --	\$ 8,388,000
Transfer to Revenue Fund (Administrative)	11,014,000	--	11,014,000
Materials (Inventory)	90,000	--	90,000
Refunds of Advances	40,000	--	40,000
Trust Engineer - Basic Ordering Agreement	50,000	--	50,000
Miscellaneous	978,000	--	978,000
Total - General and Administrative - Part B	20,560,000	--	20,560,000
<u>Subdivision and Other Development Projects</u>			
Project 1195-Subdivision Expenses			
Personal Services	1,060,000	--	1,060,000
Miscellaneous	10,000	--	10,000
Total - Subdivision and Other Development Projects	1,070,000	--	1,070,000

Item	Total Project Cost	Disbursements Prior to Jan. 1, 2024	Cash Disbursements 2024
<u>Extraordinary Maintenance and Repairs</u>			
Supply Facilities			
Project 577 Major Repairs-Reservoirs, Dams, Intakes, Etc.	\$ 1,871,000	\$ --	\$ 1,871,000
Project 1251 Potomac River Reservoirs-Renew/Replace	66,000	--	66,000
Project 1662 Annual Inspections-Upper/Lower Occoquan Dams	16,000	--	16,000
Project 2704 Washington Aqueduct-Major Capital Expenditures	1,800,000	--	1,800,000
Subtotal	3,753,000	--	3,753,000
Treatment Facilities			
Project 579 Major Repairs-Treatment Facilities	3,567,000	--	3,567,000
Project 2350 Corbalis WTP-Solids Dewatering Equipment	14,088,000	4,645,000	--
Subtotal	17,655,000	4,645,000	3,567,000
Transmission Facilities			
Project 186A Major Repairs-Transmission Mains	750,000	--	750,000
Project 215A Major Repairs-Transmission Pumping	2,895,000	--	2,895,000
Project 631A Major Repairs-Transmission Storage	2,627,000	--	2,627,000
Project 648B Major Repairs-Sales Meters	25,000	--	25,000
Project 3300 Transmission System Sustainability Program	2,187,000	288,000	230,000
<u>Transmission Mains Relocation Projects</u>			
Projects Previously Authorized	16,164,000	4,088,000	2,230,000
Other Anticipated Relocations - Distribution	5,440,000	--	400,000
Subtotal	30,088,000	4,376,000	9,157,000

Item	Total Project Cost	Disbursements Prior to Jan. 1, 2024	Cash Disbursements 2024
Distribution Facilities			
Project 186B Major Repairs-Distribution Mains	\$ 1,707,000	\$ --	\$ 1,707,000
Project 215B Major Repairs-Pumping Facilities	5,000	--	5,000
Project 631B Major Repairs-Storage Facilities	5,000	--	5,000
Project 648C Major Repairs-Distribution Meters Over 2"	400,000	--	400,000
Project 648D Major Repairs-Distribution Meters 2" and Smaller	1,200,000	--	1,200,000
Project 649 Major Repairs/Repainting-Fire Hydrants	120,000	--	120,000
Project 1107B Self Insurance Program/Water Main Breaks	750,000	--	750,000
Project 2200 Distribution System Sustainability Program	556,218,000	230,718,000	23,500,000
Project 2736 Retailer Meter Vault Rehabilitation	50,000	--	50,000
<u>Distribution Mains Relocation Projects</u>			
Projects Previously Authorized	1,383,000	795,000	511,000
Other Anticipated Relocations - Distribution	4,370,000	--	300,000
Subtotal	566,158,000	231,513,000	28,548,000
General Plant Facilities			
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	500,000	--	500,000
Project 2351 Surplus Property Demolition and Disposal	320,000	200,000	12,000
Project 2609 Willard Road Maintenance Facility	54,051,000	40,818,000	13,233,000
Subtotal	55,021,000	41,018,000	13,895,000
Total - Extraordinary Maintenance and Repairs	672,675,000	281,552,000	58,920,000

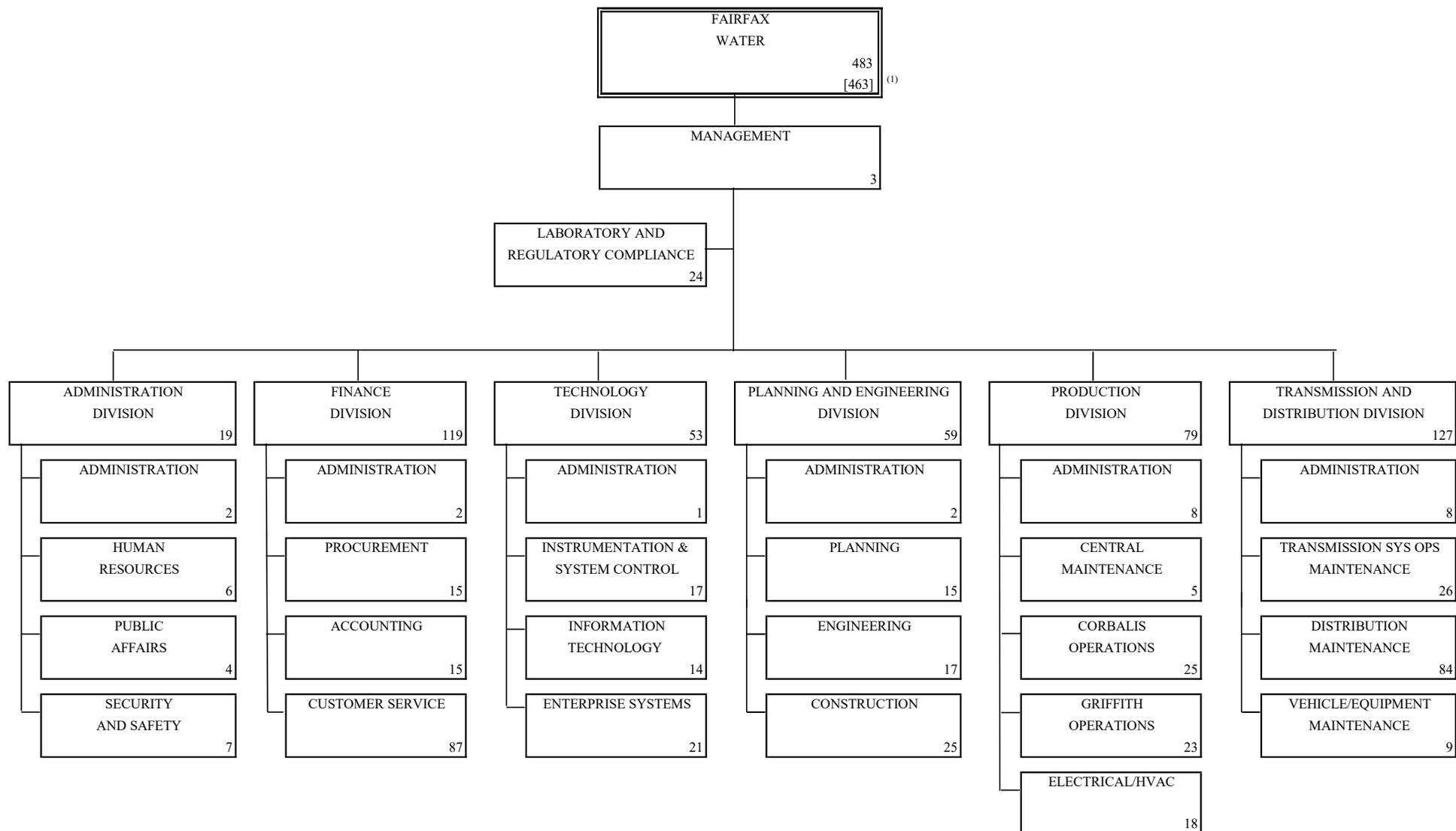
Item	Total Project Cost	Disbursements Prior to Jan. 1, 2024	Cash Disbursements 2024
<u>Additions, Extensions and Betterments</u>			
Supply Facilities			
Project 1244 Jennings Randolph Reservoir	\$ 537,000	\$ --	\$ 537,000
Project 1460A Major Additions-Metering Facilities-Purchased Water	5,000	--	5,000
Project 1499 Improvements-Supply Facilities	160,000	--	160,000
Project 2071 Future Water Supply Sources	1,279,000	1,079,000	20,000
Subtotal	1,981,000	1,079,000	722,000
Treatment Facilities			
Project 915 Improvements to Treatment Facilities	--	--	2,669,000
Project 2753 PFAS Pilot and Solids Processing Design	750,000	--	750,000
Subtotal	750,000	--	3,419,000
Transmission Facilities			
Project 611 Removal of Storage Tanks	1,253,000	53,000	200,000
Project 1285 Additions and Improvements-Pumping Facilities	512,000	--	512,000
Project 1460B Major Additions-Metering Facilities-Sales	5,000	--	5,000
Project 1719 Cathodic Protection Transmission Water Mains	120,000	--	120,000
Project 1877 Pumping Station Modifications	6,629,000	6,629,000	--
Project 2111 Water Main Extension Program-Transmission System	12,171,000	2,064,000	450,000
Project 2377 Prince William County Transmission Improvements	28,106,000	16,764,000	11,342,000
Project 2607 Chesterbrook House Demolition	383,000	2,000	59,000
Project 2617 Dulles Toll Road Crossing at Innovation Center	6,164,000	4,720,000	1,444,000
Project 2642 Herndon Additional Capacity Transmission Improvements	4,656,000	496,000	1,120,000
Project 2722 Popes Head Pumping Station Upgrade	7,082,000	600,000	2,342,000
Project xxxx Pohick Pump Station Transmission PRVS/Piping	5,134,000	--	494,000
General Transmission System Reinforcement	772,000	622,000	21,000
Subtotal	72,987,000	31,950,000	18,109,000

Item	Total Project Cost	Disbursements Prior to Jan. 1, 2024	Cash Disbursements 2024
Distribution Facilities			
Project 1287 Additions and Improvements-Pumping Facilities	\$ 5,000	\$ --	5,000
Project 1288 Additions and Improvements-Storage Facilities	5,000	--	5,000
Project 2100 Water Main Extension Program-Distribution System	9,865,000	5,865,000	350,000
General Distribution System Reinforcement	3,000,000	--	300,000
Subtotal	12,875,000	5,865,000	660,000
General Plant Facilities			
Project 597 Additions and Alterations-Shop Facilities	5,000	--	5,000
Project 803 Additions and Alterations-Office Facilities	100,000	--	100,000
Project 2366 Electronic Security Surveillance Improvements	200,000	--	200,000
Project 2608 Central Maintenance Facility	22,440,000	22,440,000	--
Project 2749 System Resiliency Plan	500,000	200,000	300,000
Project 3652 Capital Equipment Purchases	2,030,000	--	2,030,000
Project 3653 Vehicles and Heavy Equipment	1,750,000	--	1,750,000
Subtotal	27,025,000	22,640,000	4,385,000
System Integration Transmission Facilities			
Project 2548 Seven Corners Tank Replacement	15,902,000	1,115,000	400,000
Project 2549 Second High Storage Elevation	--	--	--
Project 2672 Sleepy Hollow Road Pump Station	9,637,000	1,375,000	4,783,000
Project 2681 Sleepy Hollow Road Pump Station Transmission Mains	3,951,000	3,901,000	50,000
Project 2728 Lewinsville Connector Transmission Main	3,048,000	191,000	622,000
Project 2729 Poplar Heights Tank Replacement	10,745,000	489,000	538,000
Project 2738 Poplar Heights Transmission Main	9,287,000	563,000	3,165,000
Subtotal	52,570,000	7,634,000	9,558,000
Total - Additions, Extensions and Betterments	168,188,000	69,168,000	36,853,000

Item	Total Project Cost	Disbursements Prior to Jan. 1, 2024	Cash Disbursements 2024
<u>General Studies and Programs</u>			
Supply Facilities			
Project 390 Watershed Management Activities	\$ 1,515,000	\$ --	\$ 1,515,000
Project xxxx Regional Secondary Water Source Feasibility Study	100,000	--	100,000
Subtotal	1,615,000	--	1,615,000
Treatment Facilities			
Project 1401 Water Quality Improvement Studies	160,000	--	160,000
Subtotal	160,000	--	160,000
Distribution Facilities			
Project 2747 Transmission Main Condition Assessment	1,916,000	440,000	1,326,000
Subtotal	1,916,000	440,000	1,326,000
General and Administrative			
Project 1477 Water Research Foundation	145,000	--	145,000
Project 2273 Energy Management	185,000	--	185,000
Project 2324 Enterprise Geographical Information System	7,363,000	5,045,000	734,000
Project 2422 Environmental Permitting and Compliance	60,000	--	60,000
Project 2426 ERP Enhancements and Upgrade	14,823,000	5,085,000	4,560,000
Project 2508 Water Quality and Security Program	2,703,000	603,000	165,000
Project 2566 River Mill Park	69,000	15,000	18,000
Project 2620 Intranet and Information Sharing	1,098,000	853,000	50,000
Project 2650 Risk and Resilience Assessments	401,000	401,000	--
Project 2656 Training Room AV Upgrade	179,000	4,000	10,000
Project 2731 Network Enhancements	775,000	--	775,000
Project 2737 Fleet Electrification and Efficiency	185,000	85,000	50,000
Subtotal	27,986,000	12,091,000	6,752,000
Total - General Studies and Programs	31,677,000	12,531,000	9,853,000
Total - Part B Capital Improvement Program	894,170,000	363,251,000	127,256,000

Item	Total Project Cost	Disbursements Prior to Jan. 1, 2024	Cash Disbursements 2024
Disbursements - Part E Capital Improvement Program			
Transmission Facilities			
Project 2481 Tysons East Transmission Main	\$ 11,227,000	\$ 6,191,000	\$ - -
Subtotal	11,227,000	6,191,000	- -
Total - Part E Capital Improvement Program	11,227,000	6,191,000	- -
<u>Total - Improvement Fund</u>	<u>905,397,000</u>	<u>369,442,000</u>	<u>127,256,000</u>
<u>Balance Carried Forward - December 31, 2024</u>			<u>30,033,000</u>

**FAIRFAX WATER
PERSONNEL ORGANIZATION PLAN
FOR THE YEAR ENDING DECEMBER 31, 2024**



⁽¹⁾ Average estimated positions filled throughout 2024.

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024
DERIVATION OF PERSONAL SERVICES COSTS

<u>Base Salaries</u>	<u>2023 Budget</u>		<u>2023 Current Estimate ⁽¹⁾</u>		<u>2024 Budget</u>	
Management (Includes Members' Fees)	27	\$ 2,954,000	28	\$ 3,199,000	27	\$ 3,290,000
Administration Division	19	2,267,000	19	1,838,000	19	2,455,000
Finance Division	117	8,965,000	118	8,318,000	119	9,447,000
Planning and Engineering Division	59	6,563,000	59	6,707,000	59	7,186,000
Technology Division	53	6,396,000	53	6,203,000	53	7,023,000
Transmission and Distribution Division	125	9,013,000	125	8,785,000	127	9,978,000
Production Division	<u>81</u>	<u>7,187,000</u>	<u>79</u>	<u>7,245,000</u>	<u>79</u>	<u>7,650,000</u>
Subtotal - Base Salaries	481	43,345,000	481	42,295,000	483	47,029,000
 <u>Adjustments</u>						
Less Allowance for Vacancies		<u>(1,892,000)</u>		--		<u>(1,939,000)</u>
Subtotal		41,453,000		42,295,000		45,090,000
Plus Overtime		4,200,000		4,435,000		4,200,000
Plus Salaries for Summer/Temporary Employees		<u>600,000</u>		<u>467,000</u>		<u>600,000</u>
Subtotal		46,253,000		47,197,000		49,890,000
Plus Allowance for 1.8% Cost-of-Living Increase Effective the First Pay Period of 2024		<u>3,367,000</u>		--		<u>885,000</u>
Total - Personal Services		<u><u>49,620,000</u></u>		<u><u>47,197,000</u></u>		<u><u>50,775,000</u></u>

⁽¹⁾ Base salaries for 2023 Current Estimate includes a 7.5% cost-of-living increase.

FAIRFAX WATER
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024
ALLOCATION OF PERSONAL SERVICES COSTS
REVENUE AND IMPROVEMENT FUNDS

<u>REVENUE FUND</u>	2023		2024 Budget
	Budget	Current Estimate	
<u>Operation and Maintenance</u>			
Supply			
Occoquan	\$ 342,000	\$ 332,000	\$ 357,000
Potomac	338,000	360,000	387,000
Purchased	41,000	37,000	40,000
	<u>721,000</u>	<u>729,000</u>	<u>784,000</u>
Treatment			
Griffith	4,829,000	4,624,000	4,974,000
Potomac	5,124,000	4,797,000	5,160,000
	<u>9,953,000</u>	<u>9,421,000</u>	<u>10,134,000</u>
Transmission			
Transmission System	2,806,000	2,860,000	3,077,000
Wholesale Accounts	53,000	21,000	23,000
	<u>2,859,000</u>	<u>2,881,000</u>	<u>3,100,000</u>
Distribution			
Distribution System	4,422,000	4,228,000	4,548,000
Retail Accounts	9,934,000	9,415,000	10,127,000
	<u>14,356,000</u>	<u>13,643,000</u>	<u>14,675,000</u>
Administrative			
General Plant	1,781,000	1,765,000	1,899,000
Administrative	5,608,000	5,235,000	5,631,000
	<u>7,389,000</u>	<u>7,000,000</u>	<u>7,530,000</u>
Total - Operations and Maintenance	<u>35,278,000</u>	<u>33,674,000</u>	<u>36,223,000</u>

	2023		2024
	<u>Budget</u>	<u>Current Estimate</u>	<u>Budget</u>
<u>Other</u>			
New Services and Meters	\$ 1,597,000	\$ 1,537,000	\$ 1,654,000
Merchandising and Jobbing	3,000	2,000	3,000
Total - Other	<u>1,600,000</u>	<u>1,539,000</u>	<u>1,657,000</u>
Total - Revenue Fund	<u>36,878,000</u>	<u>35,213,000</u>	<u>37,880,000</u>
<u>IMPROVEMENT FUND</u>			
General	8,325,000	7,728,000	8,388,000
Subdivision and Development	1,030,000	1,055,000	1,060,000
Extraordinary Maintenance	2,324,000	2,390,000	2,574,000
Additions and Extensions	836,000	652,000	702,000
Special Studies	227,000	159,000	171,000
Total - Improvement Fund	<u>12,742,000</u>	<u>11,984,000</u>	<u>12,895,000</u>
Total - Personal Services	<u>49,620,000</u>	<u>47,197,000</u>	<u>50,775,000</u>