



## **2026 ANNUAL BUDGET**

**Adopted  
December 11, 2025**

The Annual Budget covers the 69th 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 47% of the total water sales volume of Fairfax Water in 2026.

The 2026 Annual Budget contains a provision for revisions to certain rates, fees and charges proposed to be effective April 1, 2026. It is intended that these proposed charges would be considered for adoption at Fairfax Water's meeting of December 11, 2025, 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, 2026**

<u>REVENUE FUND</u>	2025		2026
	<u>Budget</u>	<u>Current Estimate</u>	<u>Budget</u>
<u>REVENUES</u>			
Wholesale Revenue (Fixed and Commodity) <sup>(1)</sup>			
Virginia-American Water Company			
Alexandria District	\$ 14,367,000	\$ 14,432,000	\$ 13,637,000
Prince William District	5,764,000	5,580,000	5,356,000
Prince William Water	22,759,000	21,522,000	24,260,000
Loudoun Water	10,790,000	11,503,000	12,490,000
Town of Herndon	2,505,000	1,755,000	2,810,000
Fort Belvoir	2,071,000	2,153,000	2,136,000
Dulles International Airport	493,000	558,000	558,000
Town of Vienna	2,145,000	2,019,000	2,312,000
Prince William County Park Authority	1,000	1,000	1,000
Vulcan Materials Company	18,000	26,000	21,000
Old Hickory Golf Course	3,000	3,000	3,000
Total - Wholesale Revenue	<u>60,916,000</u>	<u>59,552,000</u>	<u>63,584,000</u>
Retail Revenue (Commodity and Billing)	<u>142,653,000</u>	<u>149,400,000</u>	<u>148,902,000</u>
Total - Wholesale and Retail Revenue	<u>203,569,000</u>	<u>208,952,000</u>	<u>212,486,000</u>

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

	2025		2026
	Budget	Current Estimate	Budget
<u>Other Revenues</u>			
Availability Charges	\$ 11,000,000	\$ 11,800,000	\$ 11,000,000
Local Facility Charges	1,300,000	1,200,000	1,300,000
Service Connection Charges	1,400,000	1,000,000	1,200,000
Account Charges	1,200,000	1,100,000	1,200,000
Delinquent Account Charges	600,000	605,000	610,000
Returned Check Charges	120,000	130,000	130,000
Sewer Service Billing Charges	8,000,000	8,600,000	8,800,000
After Hours Service Restoration Charges	--	--	50,000
Merchandising and Jobbing	150,000	170,000	150,000
Fire Hydrant Permit Fees	880,000	860,000	880,000
Laboratory Services	90,000	100,000	90,000
Investment Income	2,700,000	4,840,000	3,100,000
Lease Income	1,245,000	1,250,000	1,260,000
Sale of Scrap Material	50,000	150,000	100,000
Bad Debt Recovery	10,000	8,000	10,000
Bond Subsidy	1,070,000	1,070,000	1,070,000
Miscellaneous	150,000	435,000	160,000
Total - Other Revenues	<u>29,965,000</u>	<u>33,318,000</u>	<u>31,110,000</u>
Rate Revisions <sup>(1)</sup>	<u>6,065,000</u>	<u>--</u>	<u>9,851,000</u>
Total - Revenues	<u>239,599,000</u>	<u>242,270,000</u>	<u>253,447,000</u>

<sup>(1)</sup> The 2026 Annual Budget contains a provision for revisions to certain rates, fees, and charges proposed to be effective April 1, 2026.

	2025		2026
	<u>Budget</u>	<u>Current Estimate</u>	<u>Budget</u>
<b><u>CURRENT EXPENSES</u></b>			
<b><u>Operation and Maintenance Expenses</u></b>			
Supply Facilities	\$ 15,672,000	\$ 15,216,000	\$ 16,101,000
Treatment Facilities	38,692,000	37,240,000	39,856,000
Transmission System	7,763,000	6,878,000	7,491,000
Distribution System	24,405,000	25,754,000	27,705,000
Administrative and General	46,180,000	44,957,000	50,690,000
Total - Operation and Maintenance Expenses	<u>132,712,000</u>	<u>130,045,000</u>	<u>141,843,000</u>
<b><u>Other Expenses</u></b>			
New Services and Meters	2,361,000	2,028,000	2,248,000
Merchandising and Jobbing	4,000	3,000	4,000
Total - Other Expenses	<u>2,365,000</u>	<u>2,031,000</u>	<u>2,252,000</u>
Total - Current Expenses	<u>135,077,000</u>	<u>132,076,000</u>	<u>144,095,000</u>
<b><u>NET REVENUES</u></b>			
Net Revenues Defined	104,522,000	110,194,000	109,352,000
Transfer from Reserve Fund	235,000	235,000	1,159,000
Total Net Revenues	<u>104,757,000</u>	<u>110,429,000</u>	<u>110,511,000</u>
<b><u>DEBT SERVICE COVERAGE</u></b>			
Net Revenues	104,757,000	110,429,000	110,511,000
Annual Principal and Interest Requirements	49,871,656	49,871,656	54,018,574
Coverage	2.10	2.21	2.05

	2025		2026
	<u>Budget</u>	<u>Current Estimate</u>	<u>Budget</u>
<u>DEBT SERVICE FUND</u>			
<u>Balance Carried Forward from Prior Year</u>	\$ 39,439,694	\$ 39,427,666	\$ 39,964,365
<u>Receipts</u>			
Transfer from Revenue Fund	49,871,656	49,871,656	54,018,574
Investment Income	430,000	1,900,000	800,000
Total - Receipts	<u>50,301,656</u>	<u>51,771,656</u>	<u>54,818,574</u>
<u>Disbursements</u>			
Interest Payable - April 1 and October 1	18,839,957	18,839,957	19,805,115
Principal Payable - April 1	30,495,000	30,495,000	31,585,000
Transfer of Investment Income to Revenue Fund	430,000	1,900,000	800,000
Total - Disbursements	<u>49,764,957</u>	<u>51,234,957</u>	<u>52,190,115</u>
<u>Balance Carried Forward to Ensuing Year</u>	<u>39,976,393</u>	<u>39,964,365</u>	<u>42,592,824</u>

	2025		2026
	<u>Budget</u>	<u>Current Estimate</u>	<u>Budget</u>
<u>RESERVE FUND</u>			
<u>Balance Carried Forward from Prior Year</u>	\$ 10,442,000	\$ 10,617,000	\$ 10,382,000
<u>Receipts</u>			
Investment Income	<u>160,000</u>	<u>180,000</u>	<u>200,000</u>
Total - Receipts	<u>160,000</u>	<u>180,000</u>	<u>200,000</u>
<u>Disbursements</u>			
Transfer of Investment Income to Revenue Fund	160,000	180,000	200,000
Transfer of Excess Requirement to Revenue Fund	<u>235,000</u>	<u>235,000</u>	<u>1,159,000</u>
Total - Disbursements	<u>395,000</u>	<u>415,000</u>	<u>1,359,000</u>
<u>Balance Carried Forward to Ensuing Year</u>	<u><u>10,207,000</u></u>	<u><u>10,382,000</u></u>	<u><u>9,223,000</u></u>

	2025		2026 Budget
	Budget	Current Estimate	
<u>IMPROVEMENT FUND</u>			
<u>Balance Carried Forward from Prior Year</u>	\$ 42,384,000	\$ 54,735,000	\$ 19,956,000
<u>Receipts</u>			
Transfer from Revenue Fund	11,000,000	11,000,000	11,000,000
Transfer from General Fund	67,000,000	48,000,000	90,000,000
Bond Proceeds	--	--	129,000,000
Advances for Construction	100,000	180,000	100,000
Contributions for Construction	1,800,000	1,510,000	1,800,000
Investment Income	600,000	1,300,000	700,000
Miscellaneous	50,000	300,000	100,000
Total - Receipts	<u>80,550,000</u>	<u>62,290,000</u>	<u>232,700,000</u>
<u>Disbursements</u>			
Part B Capital Improvement Program			
Materials and Supplies	90,000	100,000	90,000
Refunds - Advances for Construction	40,000	20,000	40,000
General Expenses	21,020,000	22,180,000	22,070,000
Subdivision and Other Development Projects	1,020,000	1,214,000	1,250,000
Extraordinary Maintenance and Repairs	53,864,000	54,760,000	65,520,000
Additions, Extensions and Betterments	32,246,000	13,730,000	56,501,000
General Studies	14,214,000	4,950,000	9,167,000
Part E Capital Improvement Program	--	115,000	--
Total - Disbursements	<u>122,494,000</u>	<u>97,069,000</u>	<u>154,638,000</u>
<u>Balance Carried Forward to Ensuing Year</u>	<u>440,000</u>	<u>19,956,000</u>	<u>98,018,000</u>

	2025		2026
	Budget	Current Estimate	Budget
<u>GENERAL FUND</u>			
<u>Balance Carried Forward from Prior Year</u>	\$ 116,852,000	\$ 126,975,000	\$ 128,532,000
<u>Receipts</u>			
Transfer from Revenue Fund (Net Revenues)	43,885,000	49,557,000	45,492,000
Investment Income	2,000,000	2,160,000	2,000,000
Total - Receipts	<u>45,885,000</u>	<u>51,717,000</u>	<u>47,492,000</u>
<u>Disbursements</u>			
Transfer of Investment Income to Revenue Fund	2,000,000	2,160,000	2,000,000
Transfer to Improvement Fund	67,000,000	48,000,000	90,000,000
Total - Disbursements	<u>69,000,000</u>	<u>50,160,000</u>	<u>92,000,000</u>
<u>Balance Carried Forward to Ensuing Year</u>	<u>93,737,000</u>	<u>128,532,000</u>	<u>84,024,000</u>



**DETAILS AND SUPPORTING DATA**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2026**

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I. Highlights of 2026 Annual Budget

Category	2025 Budget	2025 Current Estimate	2026 Budget	% Increase (Decrease)
Retail Customer Accounts Added	300	102	300	194.1
Retail Equivalent 5/8" Units Added	2,290	2,390	2,230	(6.7)
Retail Customers - End of Year	283,988	283,736	284,036	0.1
Wholesale Water Sales (mg)	26,640	26,713	26,802	0.3
Retail Water Sales (mg)	29,800	30,000	29,900	(0.3)
Total Water Sales (mg)	56,440	56,713	56,702	--
Water Sales Revenue (\$ million)	209.343	208.952	221.959	6.2
Water Produced and Purchased (mg)	62,700	63,000	63,000	--
Water Produced and Purchased (mgd)	171.8	172.6	172.6	--
Total Revenues (\$ million)	239.599	242.270	253.447	4.6
Current Expenses (\$ million)	135.077	132.076	144.095	9.1
Net Revenues (\$ million)	104.757	110.429	110.511	0.1
Total Debt Service (\$ million)	49.872	49.872	54.019	8.3
Debt Service Coverage	2.10	2.21	2.05	(7.2)
Authorized Employees	498	502	513	2.2

### Highlights of 2026 Annual Budget (Continued)

- ♦ 300 retail customers are projected to be added in 2026, 198 more than the number projected for 2025. A total of 284,036 customers are expected to be served at the end of 2026.
- ♦ Water sales for 2026 are estimated to remain flat at 56.7 billion gallons.
- ♦ Average daily production for 2026 is expected to remain flat at 172.6 million gallons per day (mgd).
- ♦ Revenues are expected to be \$253.4 million in 2026, as compared to \$242.3 million in 2025.
- ♦ The 2026 Annual Budget contains a provision for revisions to certain rates, fees, and charges proposed to be effective April 1, 2026.
- ♦ Current Expenses are projected to be \$144.1 million in 2026, a 9.1% increase as compared to the 2025 Current Estimate and a 6.7% increase from the 2025 Budget.
- ♦ Net Revenues are projected to be \$110.5 million in 2026, as compared to \$110.4 million in 2025.
- ♦ Debt service coverage is projected at 2.05 in 2026, as compared to 2.21 in 2025.
- ♦ It is expected that the Improvement Fund will have a cash balance of \$20.0 million on January 1, 2026. Improvement Fund receipts are estimated at \$232.7 million and expenditures are estimated at \$154.6 million in 2026, resulting in an expected balance of \$98.0 million on December 31, 2026.
- ♦ It is expected that the General Fund will have a balance of \$84.0 million at the end of 2026.
- ♦ In 2026, the authorized staff complement is expected to increase to a total of 513 employees.
- ♦ Expected payroll costs of \$58.720 million in 2026 represents a 8.6% increase from the \$54.070 million budgeted in 2025.

II. Customer Growth

- ♦ Applications for new services in 2026 are projected to be 108 less than the number currently estimated for 2025 and 201 less than the actual number of applications received in 2024.
- ♦ 300 customer accounts are expected to be added in 2026.
- ♦ Single family and townhouse units comprise 94% of all retail customers.

	<u>Actual</u>				<u>Current Estimate 2025</u>	<u>Budget 2026</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>		
<u>Customers</u>						
Number of Applications Received	898	596	532	501	408	300
Number of Services Installed	895	575	674	530	409	300
Number of Customer Accounts Added (net)	231	496	662	377	102	300
Number of Equivalent 5/8" Units Added	4,299	3,230	3,820	3,484	2,390	2,230
 <u>Total Customers (End-of-Year)</u>						
Single Family	187,073	187,091	187,129	187,109	186,979	186,991
Townhouse	78,126	78,567	79,005	79,322	79,480	79,707
Apartment	4,133	4,153	4,221	4,271	4,314	4,344
Commercial/Industrial	11,254	11,267	11,333	11,357	11,381	11,407
Municipal/Institutional	1,423	1,427	1,447	1,453	1,459	1,464
Restricted Service	90	90	122	122	123	123
	<u>282,099</u>	<u>282,595</u>	<u>283,257</u>	<u>283,634</u>	<u>283,736</u>	<u>284,036</u>
 <u>Sales Per Customer</u>						
Retail Customers	282,099	282,595	283,257	283,634	283,736	284,036
Retail Water Sales (mg)	29,711	29,325	29,689	31,111	30,000	29,900
Sales Per Customer (1,000 gal)	105	104	105	110	106	105

III. Water Sales

- ♦ Water sales for 2026 are expected to remain relatively flat at 56.7 billion gallons.
- ♦ Total water sales are expected to decrease 2.4% in 2025 as compared to 2024.

	Actual				Current Estimate 2025	Budget 2026
	2021	2022	2023	2024		
<u>Water Sales</u>						
<u>Wholesale</u>						
Million Gallons	25,778	25,131	26,282	27,011	26,713	26,802
Daily Average (mgd)	70.6	68.9	72.0	73.8	73.2	73.4
% of Total Sales	46	46	47	46	47	47
<u>Retail</u>						
Million Gallons	29,711	29,325	29,689	31,111	30,000	29,900
Daily Average (mgd)	81.4	80.3	81.3	85.0	82.2	81.9
% of Total Sales	54	54	53	54	53	53
<u>Total</u>						
Million Gallons	55,489	54,456	55,971	58,122	56,713	56,702
Daily Average (mgd)	152.0	149.2	153.3	158.8	155.4	155.3

IV. Water Production (Supply)

- ♦ Water production is expected to remain flat with an average of 172.6 mgd for both 2026 budget and 2025 current estimate.
- ♦ Occoquan River water production is expected to account for 36.5% of total production in 2026.
- ♦ Potomac River water production is expected to account for 57.2% of total production in 2026.
- ♦ Purchased water from the Washington Aqueduct is expected to account for 6.3% of total production in 2026.

	Actual				Current Estimate 2025	Budget 2026
	2021	2022	2023	2024		
<u>Supply vs. Sales (mg)</u>						
Water Supply	60,235	59,130	60,546	62,407	63,000	63,000
Water Sales	55,489	54,456	55,971	58,122	56,713	56,702
Non-Revenue Water:						
Quantity	4,746	4,674	4,575	4,285	6,287	6,298
As a % of Supply	7.9	7.9	7.6	6.9	10.0	10.0
<u>Sources of Supply (mg)</u>						
Purchased	4,582	4,927	4,474	4,165	3,965	3,970
Occoquan:						
Treated	23,789	22,270	22,894	23,365	22,893	22,899
Untreated	91	90	64	124	113	92
	23,880	22,360	22,958	23,489	23,006	22,991
Potomac	31,773	31,843	33,114	34,753	36,029	36,039
Total Supply	60,235	59,130	60,546	62,407	63,000	63,000
<u>Daily Average (mgd)</u>						
Occoquan	65.4	61.3	62.9	64.1	63.0	63.0
Potomac	87.0	87.2	90.7	95.0	98.7	98.7
Washington Aqueduct	12.6	13.5	12.3	11.4	10.9	10.9
Total	165.0	162.0	165.9	170.5	172.6	172.6

V. Revenues

- ♦ 2026 total revenues are estimated at \$253.4 million, as compared to \$242.3 million in 2025.
- ♦ Revenues from total water sales (inclusive of proposed retail rate revisions) are expected to increase by 13.0 million or 6.2% in 2026.
- ♦ In 2026, revenues from connection charges are budgeted to decrease by 3.6% as compared to 2025.
- ♦ In 2022, 2023, 2024, 2025 and 2026, wholesale revenues include \$3.4 million, \$8.5 million, \$12.1 million, \$2.1 million and \$1.2 million, respectively, from Prince William Water and Virginia American - Prince William District for the Occoquan Tunnel Crossing project.

	Actual				Current Estimate 2025	Budget 2026
	2021	2022	2023	2024		
----- \$ Million -----						
<u>Revenues</u>						
Water Sales						
Wholesale	39.411	43.849	61.399	76.450	59.552	63.584
Retail	130.475	130.130	136.195	151.590	149.400	148.902
Subtotal	169.886	173.979	197.594	228.040	208.952	212.486
Connection Charges:						
Availability	18.703	14.535	17.637	16.575	11.800	11.000
Local Facility	1.488	1.741	1.284	1.402	1.200	1.300
Service Connection	2.345	1.784	1.836	1.370	1.000	1.200
Investment Income	2.489	1.082	4.023	4.779	4.840	3.100
Sewer Service Billing Charges	7.431	7.073	7.508	8.125	8.600	8.800
Other Revenue	4.162	4.359	4.669	4.847	4.808	4.640
Bond Subsidy	.654	1.487	1.070	1.070	1.070	1.070
Rate Revisions <sup>(1)</sup>	--	--	--	--	--	9.851
Total - Revenues	207.158	206.040	235.621	266.208	242.270	253.447

<sup>(1)</sup> The 2026 Annual Budget contains a provision for revisions to certain rates, fees and charges proposed to be effective April 1, 2026.

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

- ♦ Current Expenses are projected to increase 9.1% in 2026 as compared to the 2025 Current Estimate.
- ♦ The increase in operation and maintenance costs is mainly driven by four factors: (1) higher payroll and benefits due to 11 additional positions added in 2026 and the 2025 estimate includes three medical premium holidays; (2) higher chemical costs; (3) increased costs for supplies and materials; and (4) an approximate \$0.6 million increase to the Washington Aqueduct for purchased water and pay-as-you-go capital expenditures.

	Actual				Current Estimate	Budget
	2021	2022	2023	2024	2025	2026
	----- \$ Million -----					
<u>Current Expenses</u>						
Operation and Maintenance	92.618	100.051	110.901	120.364	130.045	141.843
Other	2.000	2.190	2.192	2.128	2.031	2.252
Total	94.618	102.241	113.093	122.492	132.076	144.095
 <u>Categories of Expense</u>						
<u>Operation and Maintenance</u>						
Supply Facilities	10.528	12.078	13.530	14.122	15.216	16.101
Treatment Facilities	23.626	27.735	32.659	36.634	37.240	39.856
Transmission System	5.629	6.206	7.252	7.188	6.878	7.491
Distribution System	19.173	19.239	20.336	22.557	25.754	27.705
Administrative and General	33.662	34.793	37.124	39.863	44.957	50.690
Total	92.618	100.051	110.901	120.364	130.045	141.843

Current Expenses (Continued)

Operation and Maintenance Expenses

- ♦ The following table depicts costs for major items of Operation and Maintenance expenses for the years 2021-2026.

	<u>Actual</u>				<u>Current Estimate 2025</u>	<u>Budget 2026</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>		
	----- \$ Million -----					
Operation and Maintenance	92.618	100.051	110.901	120.364	130.045	141.843
<u>Major Items of Expense</u>						
Personal Services	29.615	31.090	33.779	36.307	39.404	43.198
Employee Benefits	28.487	28.206	29.684	31.464	34.226	37.980
Power Purchased	9.348	10.750	13.216	13.272	12.900	13.300
Utilities	1.025	1.179	1.258	1.317	1.589	1.770
Water Treatment Chemicals	7.421	9.327	12.981	15.342	14.984	15.989
Residuals Management Chemicals	.079	.143	.096	.145	.150	.100
Purchased Water	6.027	7.020	7.520	7.497	8.712	9.313
Supplies and Materials	4.728	5.505	5.788	6.821	6.981	8.080
Insurance	1.130	1.097	1.475	1.447	1.066	1.410
Gasoline and Fuel	.706	.924	.789	.717	.793	.885
Postage	.568	.558	.605	.629	.675	.692
Printed Reports	.058	.044	.066	.064	.011	.012
Advertising	.064	.064	.094	.116	.095	.120
Customer Relations	.085	.116	.130	.161	.198	.360
Books, Periodicals and Dues	.139	.116	.122	.139	.148	.163
Contractual Services	10.898	11.568	11.291	12.810	15.510	15.650
Professional Services	1.129	1.264	1.294	1.146	2.194	2.310
Employee Training and Meetings Programs	.167	.385	.252	.464	.579	.680
Miscellaneous	1.442	1.277	1.261	1.264	1.512	1.585
	.265	.367	.341	.256	.323	.350
Subtotal	103.381	111.000	122.042	131.378	142.050	153.947
Transfer to Improvement Fund	(10.763)	(10.949)	(11.141)	(11.014)	(12.005)	(12.104)
Total - Operation and Maintenance	92.618	100.051	110.901	120.364	130.045	141.843

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 2021-2026:

	Actual				Current Estimate 2025	Budget 2026
	2021	2022	2023	2024		
----- \$ Million -----						
Revenues	207.158	206.040	235.621	266.208	242.270	253.447
Current Expenses	94.618	102.241	113.093	122.492	132.076	144.095
Net Revenues Defined	112.540	103.799	122.528	143.716	110.194	109.352
Transfer from Reserve Fund	1.037	.071	.902	.996	.235	1.159
Net Revenues - Total	113.577	103.870	123.430	144.712	110.429	110.511
 Debt Service	 44.326	 42.484	 46.327	 49.017	 49.872	 54.019
 Coverage	 2.56	 2.44	 2.66	 2.95	 2.21	 2.05

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 2026, Fairfax Water's debt service will be \$54,018,574, which will provide a coverage ratio of 2.05. Coverage is derived by dividing Net Revenues by debt service. The debt service includes an additional \$4.2 million for estimated principal and interest due on new debt of \$129 million expected to be issued in the second half of 2026.

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 \$17,127,574, 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 2026.
- ♦ 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 \$20.0 million on January 1, 2026. Improvement Fund receipts are estimated at \$232.7 million and expenditures are estimated at \$154.6 million, resulting in an expected balance of \$98.0 million on December 31, 2026.

Improvement Fund (Continued)

	<u>Actual</u>				Current Estimate 2025	Budget 2026
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>		
----- \$ Million -----						
Balance Carried Forward - January 1	10.153	68.141	40.977	.397	54.735	19.956
<u>Receipts</u>						
Transfer from Revenue Fund	11.000	11.000	11.000	11.000	11.000	11.000
Transfer from General Fund	8.000	41.000	84.000	80.000	48.000	90.000
Transfer to Rebate Fund	--	--	(.553)	(.046)	--	--
Bond Proceeds	100.342	--	--	60.400	--	129.000
Investment Income and Other	3.338	2.088	3.749	4.992	3.290	2.700
Total - Receipts	<u>122.680</u>	<u>54.088</u>	<u>98.196</u>	<u>156.346</u>	<u>62.290</u>	<u>232.700</u>
<u>Disbursements</u>						
Part B Capital Improvement Program						
Materials and Supplies	.298	2.973	2.102	.456	.100	.090
Refunds of Advances	.105	.009	.093	.028	.020	.040
General Expenses	19.418	19.891	20.450	20.741	22.180	22.070
Subdivision/Development Projects	1.142	1.070	1.147	1.231	1.214	1.250
Extraordinary Maintenance and Repair	31.286	31.702	78.716	52.557	54.760	65.520
Additions, Extensions and Betterments	10.518	23.998	32.894	21.729	13.730	56.501
General Studies	1.851	1.609	3.374	5.266	4.950	9.167
Part E Capital Improvement Program	<u>.074</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>.115</u>	<u>--</u>
Total - Disbursements	<u>64.692</u>	<u>81.252</u>	<u>138.776</u>	<u>102.008</u>	<u>97.069</u>	<u>154.638</u>
Balance Carried Forward - December 31	68.141	40.977	.397	54.735	19.956	98.018

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	Budget
	2021	2022	2023	2024	Estimate 2025	2026
	----- \$ Million -----					
General Fund Balance Forward						
January 1	88.780	137.423	143.234	123.763	126.975	128.532
December 31	137.423	143.234	123.763	126.975	128.532	84.024

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

- ♦ The personnel complement is expected to increase in 2026 by 11 additional positions to a total of 513 positions.
- ♦ Total 2026 personal services costs are estimated at \$58.720 million, of which \$44.970 million and \$13.750 million are estimated to be charged to the Revenue and Improvement Funds, respectively.
- ♦ The 2026 total budgeted personal services cost of \$58.720 million includes a cost-of-living adjustment of 2.0% effective the first pay period of 2026 based on the CPI-U for the 12-month period ending July 31, 2025.

	<u>Actual</u>				<u>Current Estimate 2025</u>	<u>Budget 2026</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>		
Number of Employees Added	--	--	6	17	4	11
Total Employees Authorized	475	475	481	498	502	513
Total Payroll Cost (\$ Million)	41.893	43.818	47.390	50.463	54.685	58.720

Employees by Division

Management	29	28	27	27	30	35
Administration	20	20	19	17	18	20
Finance	109	110	117	121	122	122
Planning and Water Resources	--	--	--	17	17	17
Engineering and Construction	64	60	59	43	43	43
Technology	46	50	53	57	57	57
Transmission and Distribution	125	125	125	133	131	136
Production	82	82	81	83	84	83
Total	<u>475</u>	<u>475</u>	<u>481</u>	<u>498</u>	<u>502</u>	<u>513</u>

**FAIRFAX WATER**

EXHIBIT 1

**ANNUAL BUDGET  
FOR THE YEAR ENDING DECEMBER 31, 2026  
DETAILS OF WATER SALES REVENUE**

	2025 Budget				2025 Current Estimate <sup>(1)</sup>				2026 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
<b>Wholesale Water Sales</b>															
<b>Virginia-American Water</b>															
Alexandria District	5,800	11,658	2,709	14,367	5,800	11,716	2,716	14,432	5,800	10,962	2,675	13,637	--	(6.4)	(1.5)
Prince William District <sup>(2)</sup>	1,800	3,618	2,146	5,764	1,700	3,434	2,146	5,580	1,700	3,213	2,143	5,356	--	(6.4)	(0.1)
Dulles International Airport	260	424	69	493	300	489	69	558	300	489	69	558	--	--	--
Fort Belvoir	600	978	1,093	2,071	650	1,060	1,093	2,153	640	1,043	1,093	2,136	(1.5)	(1.6)	--
Prince William Water <sup>(3)</sup>	9,800	19,698	3,061	22,759	10,000	20,200	1,322	21,522	10,000	22,900	1,360	24,260	--	13.4	2.9
Town of Herndon <sup>(4)</sup>	740	1,487	1,018	2,505	720	1,454	301	1,755	730	1,672	1,138	2,810	1.4	15.0	278.1
Loudoun Water	6,800	8,364	2,426	10,790	6,700	8,911	2,592	11,503	6,800	10,064	2,426	12,490	1.5	12.9	(6.4)
Town of Vienna	760	1,528	617	2,145	730	1,475	544	2,019	740	1,695	617	2,312	1.4	14.9	13.4
<b>Untreated</b>															
Vulcan Materials	68	18	--	18	100	26	--	26	80	21	--	21	(20.0)	(19.2)	--
PWCPA	2	1	--	1	2	1	--	1	2	1	--	1	--	--	--
Old Hickory	10	3	--	3	11	3	--	3	10	3	--	3	(9.1)	--	--
<b>Total - Wholesale</b>	<b>26,640</b>	<b>47,777</b>	<b>13,139</b>	<b>60,916</b>	<b>26,713</b>	<b>48,769</b>	<b>10,783</b>	<b>59,552</b>	<b>26,802</b>	<b>52,063</b>	<b>11,521</b>	<b>63,584</b>	<b>0.3</b>	<b>6.8</b>	<b>6.8</b>
<b>Retail Water Sales <sup>(5)</sup></b>	<b>29,800</b>	<b>148,427</b>	<b>--</b>	<b>148,427</b>	<b>30,000</b>	<b>149,400</b>	<b>--</b>	<b>149,400</b>	<b>29,900</b>	<b>158,375</b>	<b>--</b>	<b>158,375</b>	<b>(0.3)</b>	<b>6.0</b>	<b>--</b>
<b>Total - Water Sales</b>	<b>56,440</b>	<b>196,204</b>	<b>13,139</b>	<b>209,343</b>	<b>56,713</b>	<b>198,169</b>	<b>10,783</b>	<b>208,952</b>	<b>56,702</b>	<b>210,438</b>	<b>11,521</b>	<b>221,959</b>	<b>--</b>	<b>6.2</b>	<b>6.8</b>

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

<sup>(2)</sup> In 2025 Budget, 2025 Current Estimate and 2026 Budget, demand charges include \$0.5 million in each year from Virginia American - Prince William District for the Occoquan Tunnel project.

<sup>(3)</sup> In 2025 Budget, 2025 Current Estimate and 2026 Budget, demand charges include \$2.4 million, \$1.6 million and \$0.7 million, respectively, from Prince William Water for the Occoquan Tunnel project.

<sup>(4)</sup> In 2025 Budget, 2025 Current Estimate and 2026 Budget, demand charges include \$0.8 million, \$0.1 million and \$0.9 million, respectively, from Herndon for the Booster Pump Station project.

<sup>(5)</sup> Budget columns include revenue associated with proposed retail rate revisions.

**FAIRFAX WATER**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2026**  
**DETAILS OF CURRENT EXPENSES**

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Personal Services</u>				
Salaries-Regular	\$ 36,025,000	\$ 35,760,000	\$ 39,780,000	11.2
Salaries-Overtime	4,000,000	4,600,000	4,500,000	(2.2)
Salaries-Stand-By	130,000	120,000	130,000	8.3
Salaries-Summer	260,000	250,000	260,000	4.0
Salaries-Part-Time/Temporary	300,000	290,000	300,000	3.4
Subtotal	40,715,000	41,020,000	44,970,000	9.6
<u>Employee Benefits</u>				
OASDI-FICA	3,950,000	4,050,000	4,350,000	7.4
Health Insurance	5,965,000	4,375,000	5,900,000	34.9
Life Insurance	200,000	210,000	225,000	7.1
Disability Program	50,000	80,000	110,000	37.5
Retirement Program	25,130,000	25,410,000	27,290,000	7.4
Educational Reimbursement	75,000	65,000	70,000	7.7
Employee Assistance Program	15,000	15,000	15,000	--
Employee Awards Program	20,000	21,000	20,000	(4.8)
Subtotal	35,405,000	34,226,000	37,980,000	11.0
<u>Power Purchased</u>				
Electricity - Production/Transmission Facilities	13,200,000	12,900,000	13,300,000	3.1
<u>Utilities</u>				
Electricity - Administrative Facilities	430,000	480,000	490,000	2.1
Water and Sewer	325,000	420,000	440,000	4.8
Heating Oil	60,000	50,000	60,000	20.0
Heating Gas	400,000	420,000	545,000	29.8
Telephone	115,000	102,000	115,000	12.7
Trash Removal	100,000	117,000	120,000	2.6
Subtotal	1,430,000	1,589,000	1,770,000	11.4

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Chemicals</u>				
<b><i>Coagulants:</i></b>				
Poly Aluminum Chloride	\$ 6,026,000	\$ 6,094,000	\$ 6,420,000	5.3
Polymers	148,000	162,000	171,000	5.6
	<u>6,174,000</u>	<u>6,256,000</u>	<u>6,591,000</u>	<u>5.4</u>
<b><i>Disinfectant/Oxidant:</i></b>				
Sodium Hypochlorite	4,372,000	3,243,000	3,417,000	5.4
Ammonium Hydroxide	485,000	401,000	423,000	5.5
Liquid Oxygen	1,060,000	1,197,000	1,261,000	5.3
Potassium Permanganate	954,000	855,000	901,000	5.4
Powdered Activated Carbon	--	200,000	200,000	--
	<u>6,871,000</u>	<u>5,896,000</u>	<u>6,202,000</u>	<u>5.2</u>
<b><i>pH Adjustment:</i></b>				
Caustic Soda	1,036,000	503,000	530,000	5.4
Sulfuric Acid	419,000	412,000	434,000	5.3
	<u>1,455,000</u>	<u>915,000</u>	<u>964,000</u>	<u>5.4</u>
<b><i>Corrosion Inhibitor:</i></b>				
Phosphoric Acid	932,000	654,000	689,000	5.4
<b><i>Oral Health:</i></b>				
Hydrofluosilicic Acid (Fluoride)	409,000	356,000	375,000	5.3
<b><i>Ozone Quenching/Reducing Agent:</i></b>				
Calcium Thiosulfate	30,000	53,000	55,000	3.8
Sodium Bisulfate	59,000	79,000	83,000	5.1
	<u>89,000</u>	<u>132,000</u>	<u>138,000</u>	<u>4.5</u>
<b><i>Filter Media:</i></b>				
Granular Activated Carbon	880,000	775,000	1,030,000	32.9
	<u>880,000</u>	<u>775,000</u>	<u>1,030,000</u>	<u>32.9</u>
Subtotal	<u>16,810,000</u>	<u>14,984,000</u>	<u>15,989,000</u>	<u>6.7</u>

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Residuals Management Chemicals</u>				
Polymers	\$ 100,000	\$ 150,000	\$ 100,000	(33.3)
Subtotal	100,000	150,000	100,000	(33.3)
<u>Purchased Water</u>				
Loudoun Water	13,000	12,000	13,000	8.3
Washington Aqueduct	9,000,000	8,700,000	9,300,000	6.9
Subtotal	9,013,000	8,712,000	9,313,000	6.9
<u>Supplies</u>				
Cleaning and Custodial	40,000	25,000	30,000	20.0
Vehicle and Automotive	420,000	480,000	500,000	4.2
Laboratory	790,000	602,000	700,000	16.3
Office	110,000	100,000	150,000	50.0
Computer	400,000	235,000	300,000	27.7
Mechanical and Electrical	380,000	400,000	500,000	25.0
Safety	300,000	293,000	300,000	2.4
Telephone and Communication	20,000	40,000	30,000	(25.0)
Photographic and Reproduction	80,000	87,000	100,000	14.9
Small Tools	380,000	415,000	420,000	1.2
Construction and Maintenance	950,000	1,020,000	1,150,000	12.7
Meter Parts and Supplies	325,000	161,000	200,000	24.2
Uniforms and Clothing	80,000	120,000	120,000	--
Security	40,000	44,000	60,000	36.4
Miscellaneous	400,000	291,000	300,000	3.1
Subtotal	4,715,000	4,313,000	4,860,000	12.7

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Materials</u>				
Service Connection	\$ 648,000	\$ 480,000	\$ 500,000	4.2
Meters	310,000	465,000	470,000	1.1
Hydrants and Appurtenances	258,000	330,000	340,000	3.0
Pipe and Appurtenances	495,000	455,000	490,000	7.7
Valves and Appurtenances	264,000	235,000	250,000	6.4
Pumps and Appurtenances	70,000	110,000	115,000	4.5
Instrumentation and SCADA	400,000	300,000	500,000	66.7
Automotive	12,000	13,000	15,000	15.4
Electrical and Electronics	235,000	135,000	300,000	122.2
Mechanical	200,000	110,000	220,000	100.0
Hardware/Small Tools	40,000	55,000	55,000	--
HVAC	100,000	80,000	100,000	25.0
Lube and Fluids	25,000	25,000	25,000	--
Treatment Media	165,000	140,000	160,000	14.3
Miscellaneous General Materials	80,000	150,000	160,000	6.7
Subtotal	3,302,000	3,083,000	3,700,000	20.0
<u>Insurance</u>				
Workmen's Compensation	425,000	222,000	280,000	26.1
Liability	428,000	347,000	450,000	29.7
Motor Vehicle	175,000	120,000	185,000	54.2
Property	460,000	329,000	430,000	30.7
Unemployment Compensation	20,000	8,000	20,000	150.0
Miscellaneous Insurance	50,000	40,000	45,000	12.5
Subtotal	1,558,000	1,066,000	1,410,000	32.3
<u>Gasoline and Fuel</u>				
Gasoline	760,000	650,000	730,000	12.3
Diesel Fuel	125,000	140,000	150,000	7.1
Other Fuel	5,000	3,000	5,000	66.7
Subtotal	890,000	793,000	885,000	11.6

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Postage and Parcel Service</u>				
Postage	\$ 600,000	\$ 635,000	\$ 650,000	2.4
Parcel Service	42,000	40,000	42,000	5.0
Subtotal	642,000	675,000	692,000	2.5
<u>Reports</u>				
Annual Report	2,000	1,000	2,000	100.0
Consumer Confidence Report	70,000	10,000	10,000	- -
Subtotal	72,000	11,000	12,000	9.1
<u>Advertising</u>				
Recruiting	110,000	80,000	100,000	25.0
Other Advertising	20,000	15,000	20,000	33.3
Subtotal	130,000	95,000	120,000	26.3
<u>Customer Relations</u>				
Visitor Education Center	20,000	8,000	20,000	150.0
Special Tours and Programs	40,000	10,000	40,000	300.0
Printed Literature	200,000	150,000	200,000	33.3
Miscellaneous Customer Relations	100,000	30,000	100,000	233.3
Subtotal	360,000	198,000	360,000	81.8
<u>Books, Periodicals and Dues</u>				
Reference Materials	8,000	8,000	10,000	25.0
Periodical Subscriptions	8,000	5,000	8,000	60.0
Association Dues	145,000	135,000	145,000	7.4
Subtotal	161,000	148,000	163,000	10.1

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Contractual Services</u>				
Equipment Maintenance	\$ 1,750,000	\$ 1,560,000	\$ 1,500,000	(3.8)
Building/Grounds Maintenance	1,000,000	1,170,000	1,200,000	2.6
Computer Hosting Services	600,000	620,000	650,000	4.8
Equipment Rental	80,000	120,000	110,000	(8.3)
Uniform Rental	300,000	320,000	340,000	6.3
Computer Application Support and Licensing	3,830,000	3,590,000	3,900,000	8.6
Telephone and Communication	660,000	670,000	700,000	4.5
Residuals Management	450,000	430,000	450,000	4.7
Hazardous Waste Disposal	100,000	140,000	120,000	(14.3)
Pavement Replacement	2,000,000	3,100,000	3,000,000	(3.2)
Security	875,000	860,000	900,000	4.7
Electrical	400,000	300,000	350,000	16.7
Diving	80,000	200,000	150,000	(25.0)
Safety and Health	260,000	250,000	260,000	4.0
Temporary Staffing	200,000	350,000	300,000	(14.3)
Bill Print Services	250,000	245,000	280,000	14.3
Information Technology	300,000	250,000	400,000	60.0
Spoil Disposal	800,000	1,100,000	900,000	(18.2)
Lease - Central Maintenance Facility	109,000	109,000	- -	(100.0)
Other Contractual Services	150,000	126,000	140,000	11.1
Subtotal	14,194,000	15,510,000	15,650,000	0.9
<u>Professional Services</u>				
Banking	160,000	100,000	150,000	50.0
Insurance	10,000	15,000	10,000	(33.3)
Financial	325,000	320,000	330,000	3.1
Legal	400,000	700,000	600,000	(14.3)
Trustee	46,000	42,000	45,000	7.1
Management Consultants	925,000	950,000	1,100,000	15.8
Advocacy Services	49,000	49,000	50,000	2.0
Other Professional Services	25,000	18,000	25,000	38.9
Subtotal	1,940,000	2,194,000	2,310,000	5.3

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Employee Training and Meetings</u>				
Employee Training	\$ 450,000	\$ 420,000	\$ 510,000	21.4
Professional Meetings	80,000	80,000	85,000	6.3
Board Travel	10,000	3,000	5,000	66.7
Miscellaneous Travel and Meetings	70,000	76,000	80,000	5.3
Subtotal	610,000	579,000	680,000	17.4
<u>Programs</u>				
Cross Connection Control	847,000	638,000	663,000	3.9
Utilities Notification	180,000	165,000	180,000	9.1
Potomac River Reservoirs	250,000	469,000	511,000	9.0
Virginia Technical Assistance Fund (State User Fees)	160,000	160,000	160,000	--
Water Supply Stakeholder Outreach Program	80,000	80,000	71,000	(11.3)
Subtotal	1,517,000	1,512,000	1,585,000	4.8
<u>Miscellaneous</u>				
Highway Permits	20,000	20,000	20,000	--
Professional Licenses	8,000	8,000	10,000	25.0
Injuries and Damages	100,000	65,000	100,000	53.8
Miscellaneous	190,000	230,000	220,000	(4.3)
Subtotal	318,000	323,000	350,000	8.4
Subtotal - Current Expenses	147,082,000	144,081,000	156,199,000	8.4
Less: Reimbursable Services	(12,005,000)	(12,005,000)	(12,104,000)	0.8
Total - Current Expenses	<u>135,077,000</u>	<u>132,076,000</u>	<u>144,095,000</u>	<u>9.1</u>

**FAIRFAX WATER**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2026**  
**SUMMARY OF CURRENT EXPENSES**

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Operation and Maintenance Expenses</u>				
<u>Supply</u>				
<u>Occoquan</u>				
Personal Services	\$ 434,000	\$ 402,000	\$ 441,000	9.7
Power Purchased	1,479,000	1,412,000	1,456,000	3.1
Water Treatment Chemicals	124,000	76,000	77,000	1.3
Supplies and Materials	40,000	28,000	32,000	14.3
Contractual Services	266,000	99,000	100,000	1.0
Programs	80,000	80,000	71,000	(11.3)
Subtotal	2,423,000	2,097,000	2,177,000	3.8
 <u>Potomac</u>				
Personal Services	506,000	384,000	420,000	9.4
Power Purchased	2,862,000	2,972,000	3,064,000	3.1
Utilities	180,000	183,000	204,000	11.5
Supplies and Materials	111,000	39,000	45,000	15.4
Contractual Services	277,000	319,000	322,000	0.9
Programs	250,000	469,000	511,000	9.0
Subtotal	4,186,000	4,366,000	4,566,000	4.6

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Purchased</u>				
Personal Services	\$ 44,000	\$ 40,000	\$ 44,000	10.0
Purchased Water	9,013,000	8,712,000	9,313,000	6.9
Contractual Services	6,000	1,000	1,000	- -
Subtotal	<u>9,063,000</u>	<u>8,753,000</u>	<u>9,358,000</u>	<u>6.9</u>
Total - Supply	15,672,000	15,216,000	16,101,000	5.8

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Treatment</u>				
<u>Griffith</u>				
Personal Services	\$ 5,160,000	\$ 4,954,000	\$ 5,431,000	9.6
Power Purchased	1,808,000	1,725,000	1,778,000	3.1
Utilities	60,000	69,000	77,000	11.6
Water Treatment Chemicals	8,906,000	7,939,000	8,655,000	9.0
Supplies and Materials	493,000	630,000	729,000	15.7
Contractual Services	838,000	898,000	906,000	0.9
Programs	80,000	80,000	80,000	--
Miscellaneous	8,000	8,000	9,000	12.5
Subtotal	17,353,000	16,303,000	17,665,000	8.4
<u>Corbalis</u>				
Personal Services	5,291,000	5,764,000	6,318,000	9.6
Power Purchased	3,497,000	3,630,000	3,743,000	3.1
Utilities	564,000	655,000	729,000	11.3
Water Treatment Chemicals	7,780,000	6,969,000	7,257,000	4.1
Waste Disposal Chemicals	100,000	150,000	100,000	(33.3)
Supplies and Materials	1,663,000	1,611,000	1,865,000	15.8
Contractual Services	2,342,000	2,051,000	2,070,000	0.9
Programs	80,000	80,000	80,000	--
Miscellaneous	22,000	27,000	29,000	7.4
Subtotal	21,339,000	20,937,000	22,191,000	6.0
Total - Treatment	38,692,000	37,240,000	39,856,000	7.0

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Transmission</u>				
<u>Transmission System</u>				
Personal Services	\$ 3,299,000	\$ 3,084,000	\$ 3,532,000	14.5
Power Purchased	3,554,000	3,161,000	3,259,000	3.1
Utilities	26,000	23,000	26,000	13.0
Supplies and Materials	439,000	345,000	399,000	15.7
Contractual Services	369,000	186,000	188,000	1.1
Programs	36,000	33,000	36,000	9.1
Subtotal	7,723,000	6,832,000	7,440,000	8.9
 <u>Wholesale Customer Accounts</u>				
Personal Services	40,000	41,000	45,000	9.8
Supplies and Materials	--	5,000	6,000	20.0
Subtotal	40,000	46,000	51,000	10.9
Total - Transmission	7,763,000	6,878,000	7,491,000	8.9
 <u>Distribution</u>				
<u>Distribution System</u>				
Personal Services	4,964,000	5,437,000	6,110,000	12.4
Utilities	8,000	9,000	10,000	11.1
Supplies and Materials	1,770,000	1,692,000	1,959,000	15.8
Contractual Services	2,425,000	3,913,000	3,948,000	0.9
Programs	991,000	770,000	807,000	4.8
Miscellaneous	135,000	160,000	173,000	8.1
Subtotal	10,293,000	11,981,000	13,007,000	8.6

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Retail Customer Accounts</u>				
Personal Services	\$ 10,961,000	\$ 10,916,000	\$ 11,668,000	6.9
Utilities	4,000	4,000	4,000	--
Supplies and Materials	1,011,000	923,000	1,068,000	15.7
Postage and Parcel Service	571,000	592,000	607,000	2.5
Reports	70,000	10,000	10,000	--
Contractual Services	1,484,000	1,315,000	1,327,000	0.9
Miscellaneous	11,000	13,000	14,000	7.7
Subtotal	<u>14,112,000</u>	<u>13,773,000</u>	<u>14,698,000</u>	<u>6.7</u>
Total - Distribution	24,405,000	25,754,000	27,705,000	7.6
 <u>Administrative and General</u>				
<u>Office Building</u>				
Personal Services	419,000	398,000	437,000	9.8
Utilities	341,000	350,000	390,000	11.4
Supplies and Materials	95,000	74,000	86,000	16.2
Contractual Services	307,000	355,000	358,000	0.8
Subtotal	<u>1,162,000</u>	<u>1,177,000</u>	<u>1,271,000</u>	<u>8.0</u>
 <u>Shop and Storage Yards</u>				
Personal Services	904,000	758,000	830,000	9.5
Utilities	246,000	295,000	329,000	11.5
Supplies and Materials	216,000	256,000	296,000	15.6
Contractual Services	588,000	555,000	560,000	0.9
Subtotal	<u>1,954,000</u>	<u>1,864,000</u>	<u>2,015,000</u>	<u>8.1</u>

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Vehicles and Equipment</u>				
Personal Services	\$ 923,000	\$ 822,000	\$ 901,000	9.6
Supplies and Materials	565,000	579,000	670,000	15.7
Gasoline and Fuel	890,000	793,000	885,000	11.6
Contractual Services	100,000	50,000	50,000	--
Subtotal	2,478,000	2,244,000	2,506,000	11.7
<u>Administrative</u>				
Personal Services	6,021,000	6,404,000	7,021,000	9.6
Employee Benefits	35,405,000	34,226,000	37,980,000	11.0
Utilities	1,000	1,000	1,000	--
Supplies and Materials	998,000	799,000	925,000	15.8
Insurance	1,558,000	1,066,000	1,410,000	32.3
Postage and Parcel Service	71,000	83,000	85,000	2.4
Reports	2,000	1,000	2,000	100.0
Advertising	130,000	95,000	120,000	26.3
Customer Relations	360,000	198,000	360,000	81.8
Books, Periodicals and Dues	161,000	148,000	163,000	10.1
Contractual Services	5,192,000	5,768,000	5,820,000	0.9
Professional Services	1,940,000	2,194,000	2,310,000	5.3
Employee Training and Meetings	610,000	579,000	680,000	17.4
Miscellaneous	142,000	115,000	125,000	8.7
Subtotal	52,591,000	51,677,000	57,002,000	10.3
Total - Administrative and General	58,185,000	56,962,000	62,794,000	10.2
Less: Reimbursable Services	(12,005,000)	(12,005,000)	(12,104,000)	0.8
Total - Administrative and General	46,180,000	44,957,000	50,690,000	12.8
Total - Operation and Maintenance Expenses	132,712,000	130,045,000	141,843,000	9.1

Item	2025		2026 Budget	% Increase (Decrease)
	Budget	Current Estimate		
<u>Other Expenses</u>				
<u>New Services and Meters</u>				
Personal Services	\$ 1,746,000	\$ 1,614,000	\$ 1,769,000	9.6
Supplies and Materials	615,000	414,000	479,000	15.7
Subtotal	2,361,000	2,028,000	2,248,000	10.8
<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	2,365,000	2,031,000	2,252,000	10.9
Total - Current Expenses	135,077,000	132,076,000	144,095,000	9.1

**FAIRFAX WATER**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2026**  
**ALLOCATION OF ADMINISTRATIVE EXPENSES BETWEEN**  
**REVENUE FUND AND IMPROVEMENT FUND**

	Total	Allocated to Improvement Fund	
		Amount	% Total
Personal Services Cost	\$ 58,720,000	\$ 13,750,000	23
Number of Motor Vehicles	348	23	7

	Total	Allocated to Improvement Fund	
		Percent	Amount
<u>Administrative</u>			
Office Facilities	\$ 1,271,000	23	\$ 292,000
Shop and Storage Yard Facilities	2,015,000	7	141,000
Maintenance of Equipment	2,506,000	7	175,000
Administrative and General			
Personal Services	7,021,000	--	--
Other Administrative Expenses	49,981,000	23	11,496,000
Total	62,794,000	19	12,104,000

**FAIRFAX WATER**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2026**  
**DETAILS OF IMPROVEMENT FUND**

Item	Cash Receipts 2026
<u>Balance Carried Forward - January 1, 2026</u>	\$ 19,956,000
<u>Receipts</u>	
Transfer from Revenue Fund	11,000,000
Transfer from General Fund	90,000,000
Bonds Proceeds	129,000,000
Advances for Construction	100,000
Contributions for Construction	1,800,000
Investment Income	700,000
Miscellaneous Income	100,000
Total - Receipts	232,700,000
<u>Balance Carried Forward and Receipts</u>	252,656,000

<u>Item</u>	<u>Total Project Cost</u>	<u>Disbursements Prior to Jan. 1, 2026</u>	<u>Cash Disbursements 2026</u>
Disbursements - Part B Capital Improvement Program			
<u>General and Administrative</u>			
Project 1194-General Expenses			
Personal Services	\$ 9,373,000	\$ --	\$ 9,373,000
Transfer to Revenue Fund (Administrative)	12,104,000	--	12,104,000
Materials (Inventory)	90,000	--	90,000
Refunds of Advances	40,000	--	40,000
Trust Engineer - Basic Ordering Agreement	50,000	--	50,000
Miscellaneous	543,000	--	543,000
Total - General and Administrative - Part B	22,200,000	--	22,200,000
<u>Subdivision and Other Development Projects</u>			
Project 1195-Subdivision Expenses			
Personal Services	1,240,000	--	1,240,000
Miscellaneous	10,000	--	10,000
Total - Subdivision and Other Development Projects	1,250,000	--	1,250,000

Item	Total Project Cost	Disbursements Prior to Jan. 1, 2026	Cash Disbursements 2026
<u>Extraordinary Maintenance and Repairs</u>			
Supply Facilities			
Project 577 Major Repairs-Reservoirs, Dams, Intakes, Etc.	\$ 5,717,000	\$ --	\$ 5,717,000
Project 1251 Potomac River Reservoirs-Renew/Replace	1,995,000	--	1,995,000
Project 1662 Annual Inspections-Occoquan Dams	146,000	--	146,000
Project 2704 Washington Aqueduct-Major Capital Expenditures	30,729,000	11,939,000	1,300,000
Subtotal	38,587,000	11,939,000	9,158,000
Treatment Facilities			
Project 579 Major Repairs-Treatment Facilities	5,422,000	--	5,422,000
Project 2350 Corbalis WTP-Solids Dewatering Equipment	14,643,000	4,645,000	--
Subtotal	20,065,000	4,645,000	5,422,000
Transmission Facilities			
Project 186A Major Repairs-Transmission Mains	1,455,000	--	1,455,000
Project 215A Major Repairs-Transmission Pumping	4,152,000	--	4,152,000
Project 631A Major Repairs-Transmission Storage	4,097,000	--	4,097,000
Project 648B Major Repairs-Sales Meters	80,000	--	80,000
Project 3300 Transmission System Sustainability Program	2,310,000	410,000	182,000
<u>Transmission Mains Relocation Projects</u>			
Projects Previously Authorized	13,313,000	3,142,000	1,615,000
Other Anticipated Relocations - Distribution	5,825,000	--	515,000
Subtotal	31,232,000	3,552,000	12,096,000

EXHIBIT 5

Item	Total Project Cost	Disbursements Prior to Jan. 1, 2026	Cash Disbursements 2026
<u>Distribution Facilities</u>			
Project 186B Major Repairs-Distribution Mains	\$ 1,757,000	\$ --	\$ 1,757,000
Project 215B Major Repairs-Pumping Facilities	188,000	--	188,000
Project 631B Major Repairs-Storage Facilities	10,000	--	10,000
Project 648C Major Repairs-Distribution Meters Over 2"	250,000	--	250,000
Project 648D Major Repairs-Distribution Meters 2" and Smaller	4,900,000	--	4,900,000
Project 649 Major Repairs/Repainting Fire Hydrants	400,000	--	400,000
Project 1107B Self Insurance Program/Water Main Breaks	750,000	--	750,000
Project 2200 Distribution System Sustainability Program	653,052,000	271,952,000	29,000,000
Project 2736 Retail Meter Vault Rehabilitation	40,000	--	40,000
Project 2778 City of Falls Church Fire Hydrant Program	1,991,000	375,000	386,000
 <u>Distribution Mains Relocation Projects</u>			
Projects Previously Authorized	1,223,000	203,000	341,000
Other Anticipated Relocations - Distribution	4,735,000	--	410,000
Subtotal	669,296,000	272,530,000	38,432,000
 <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	250,000	--	250,000
Project 2351 Surplus Property Demolition and Disposal	320,000	200,000	12,000
Project 2609 Willard Road Maintenance Facility	54,373,000	54,373,000	--
Subtotal	55,093,000	54,573,000	412,000
 Total - Extraordinary Maintenance and Repairs	 814,273,000	 347,239,000	 65,520,000

Item	Total Project Cost	Disbursements Prior to Jan. 1, 2026	Cash Disbursements 2026
<u>Additions, Extensions and Betterments</u>			
Supply Facilities			
Project 1244 Bloomington Lake Project	\$ 537,000	\$ --	\$ 537,000
Project 1460A Major Additions-Metering Facilities-Purchased Water	5,000	--	5,000
Project 1499 Improvements-Supply Facilities	400,000	--	400,000
Project 2071 Future Water Supply Sources	1,280,000	1,080,000	20,000
Subtotal	2,222,000	1,080,000	962,000
Treatment Facilities			
Project 915 Improvements to Treatment Facilities	3,367,000	--	3,367,000
Project 2789 Griffith PFAS PAC System	26,000,000	1,500,000	13,500,000
Subtotal	29,367,000	1,500,000	16,867,000
Transmission Facilities			
Project 611 Removal of Storage Tanks	1,253,000	53,000	--
Project 1285 Additions and Improvements-Pumping Facilities	235,000	--	235,000
Project 1286 Additions and Improvements-Storage Facilities	10,000	--	10,000
Project 1460B Major Additions-Metering Facilities-Sales	5,000	--	5,000
Project 1719 Cathodic Protection Transmission Water Mains	120,000	--	120,000
Project 2111 Water Main Extension Program-Transmission System Infill	2,428,000	2,428,000	--
Project 2377 Prince William County Transmission Improvements	27,531,000	27,121,000	410,000
Project 2607 Chesterbrook House Demolition	403,000	2,000	232,000
Project 2617 Dulles Toll Road Crossing at Innovation Center	9,814,000	3,272,000	6,542,000
Project 2642 Herndon Additional Capacity Transmission Improvements	7,698,000	567,000	1,788,000
Project 2722 Popes Head Pumping Station Upgrade	10,396,000	4,426,000	2,464,000
Project 2764 Willston Tank	21,694,000	841,000	3,339,000
Project 2770 Chain Bridge PS-Langley PRV Transmission Main Replacement	6,502,000	296,000	831,000
Project 2774 Pohick Pump Station Transmission PRVS/Piping	5,641,000	457,000	3,161,000
Project 2791 System Monitoring Equipment	--	--	125,000
General Transmission System Reinforcement	122,000	60,000	62,000
System Storage Evaluation	--	--	400,000
Subtotal	93,852,000	39,523,000	19,724,000

EXHIBIT 5

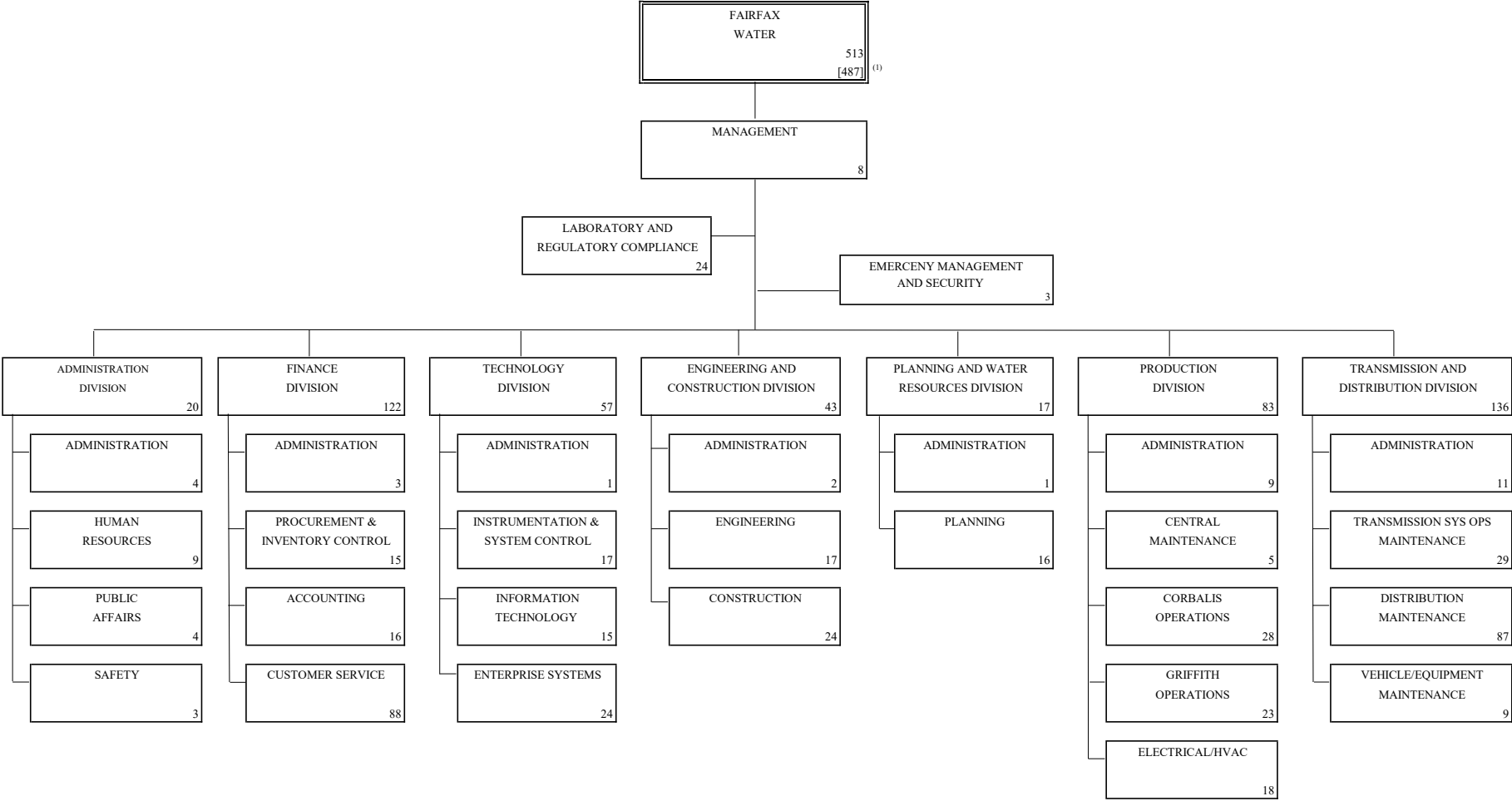
Item	Total Project Cost	Disbursements Prior to Jan. 1, 2026	Cash Disbursements 2026
<b>Distribution Facilities</b>			
Project 1287 Additions and Improvements-Pumping Stations	\$ 10,000	\$ --	\$ 10,000
Project 1288 Additions and Improvements-Storage Facilities	10,000	--	10,000
Project 2100 Water Main Extension Program-Distribution System Infill	10,135,000	5,985,000	350,000
General Distribution System Reinforcement	3,049,000	16,000	316,000
Subtotal	13,204,000	6,001,000	686,000
<b>General Plant Facilities</b>			
Project 597 Additions and Alterations-Shop Facilities	5,000	--	5,000
Project 803 Additions and Alterations-Office Facilities	25,000	--	25,000
Project 2366 Electronic Security Surveillance Improvements	400,000	--	400,000
Project 2608 Central Maintenance Facility	26,036,000	25,279,000	757,000
Project 2749 System Resiliency Plan	965,000	165,000	100,000
Project 2763 Merrifield Campus Upgrade	1,695,000	232,000	760,000
Project 3652 Capital Equipment Purchases	660,000	--	660,000
Project 3653 Vehicles and Heavy Equipment	1,850,000	--	1,850,000
Subtotal	31,636,000	25,676,000	4,557,000
<b>System Integration Transmission Facilities</b>			
Project 2548 Seven Corners Tank Replacement	1,248,000	1,248,000	--
Project xxxx Pickett Road Transmission Main- Phase I	4,276,000	--	--
Project 2672 Sleepy Hollow Road Pump Station	9,551,000	8,967,000	333,000
Project 2728 Second High Connector at Lewinsville	2,264,000	2,174,000	90,000
Project xxxx Dunn Loring Transmission Interconnection	146,000	--	--
Project xxxx West Fairfax Connector	6,272,000	--	--
Project 2712 Pickett Road Transmission Main	79,000	71,000	8,000
Project xxxx Braddock Road Transmission Main-Phase II	3,862,000	--	--
Project xxxx Kamp Washington Transmission Main - Phase I	2,441,000	--	--
Project xxxx Tysons Pumping Station Additional Pumps	7,067,000	--	--
Project 2729 Poplar Heights Tank Replacement	15,343,000	1,604,000	3,162,000
Project 2738 Poplar Heights Transmission Main	13,474,000	3,180,000	7,933,000
Project 2783 Lewinsville Connector	3,015,000	132,000	1,540,000
Project xxxx Lyndhurst Tank Replacement	20,830,000	--	389,000
Project xxxx Lewinsville Tank Replacement	2,875,000	--	250,000
Subtotal	92,743,000	17,376,000	13,705,000
Total - Additions, Extensions and Betterments	263,024,000	91,156,000	56,501,000

Item	Total Project Cost	Disbursements Prior to Jan. 1, 2026	Cash Disbursements 2026
<u>General Studies and Programs</u>			
Supply Facilities			
Project 390 Watershed Management Activities	\$ 1,643,000	\$ --	\$ 1,643,000
Project xxxx Regional Secondary Water Source Feasibility Study	250,000	--	250,000
Subtotal	1,893,000	--	1,893,000
Treatment Facilities			
Project 1401 Water Quality Improvement Studies	60,000	--	60,000
Project 2753 PFAS Studies	3,602,000	852,000	1,000,000
Project xxxx Griffith Treatment Plant - Master Planning	--	--	300,000
Subtotal	3,662,000	852,000	1,360,000
Distribution Facilities			
Project 2747 Lead and Copper Rule Revisions Compliance	3,418,000	2,818,000	585,000
Project 2782 AMI Pilot	224,000	164,000	60,000
Project xxxx AMR/AMI Feasibility Study	400,000	200,000	200,000
Subtotal	4,042,000	3,182,000	845,000
General and Administrative			
Project 1477 Water Research Foundation	140,000	--	140,000
Project 2273 Energy Management	316,000	--	316,000
Project 2324 Enterprise Geographical Information System	7,683,000	5,404,000	500,000
Project 2422 Environmental Permitting and Compliance	111,000	--	111,000
Project 2426 ERP Enhancements and Upgrade	15,623,000	6,865,000	2,855,000
Project 2508 Water Quality and Security Program	2,413,000	438,000	175,000
Project 2566 River Mill Park	83,000	14,000	2,000
Project 2620 Intranet and Information Sharing	1,041,000	841,000	35,000
Project 2656 Training Room AV Upgrade	178,000	4,000	60,000
Project 2772 Risk and Resilience Assessments-2025	1,441,000	393,000	--
Project 2773 Emergency Response Plan - 2025	676,000	184,000	--
Project 2731 Network Enhancements	400,000	--	400,000
Project 2737 Fleet Electrification and Efficiency	403,000	78,000	325,000
Project xxxx Operational Technology Network Upgrade	150,000	--	150,000
Subtotal	30,658,000	14,221,000	5,069,000
Total - General Studies and Programs	40,255,000	18,255,000	9,167,000

EXHIBIT 5

<u>Item</u>	<u>Total Project Cost</u>	<u>Disbursements Prior to Jan. 1, 2026</u>	<u>Cash Disbursements 2026</u>
Total - Part B Capital Improvement Program	\$ 1,141,002,000	\$ 456,650,000	\$ 154,638,000
Disbursements - Part E Capital Improvement Program Transmission Facilities			
Project 2481    Tysons East Transmission Main	11,773,000	6,191,000	--
Subtotal	<u>11,773,000</u>	<u>6,191,000</u>	<u>--</u>
Total - Part E Capital Improvement Program	<u>11,773,000</u>	<u>6,191,000</u>	<u>--</u>
<u>Total - Improvement Fund</u>	<u>1,152,775,000</u>	<u>462,841,000</u>	<u>154,638,000</u>
<u>Balance Carried Forward - December 31, 2026</u>			<u>98,018,000</u>

**FAIRFAX WATER  
PERSONNEL ORGANIZATION PLAN  
FOR THE YEAR ENDING DECEMBER 31, 2026**



(1) Average estimated positions filled throughout 2026.

**FAIRFAX WATER**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2026**  
**DERIVATION OF PERSONAL SERVICES COSTS**

<u>Base Salaries</u>	<u>2025 Budget</u>		<u>2025 Current Estimate <sup>(1)</sup></u>		<u>2026 Budget</u>	
Management (Includes Members' Fees)	27	\$ 3,369,000	30	\$ 3,765,000	35	\$ 4,884,000
Administration Division	17	2,344,000	18	1,808,000	20	2,879,000
Finance Division	121	9,781,000	122	9,885,000	122	10,678,000
Planning and Water Resource Division	17	2,304,000	17	1,888,000	17	2,405,000
Engineering and Construction Division	43	5,375,000	43	5,490,000	43	5,721,000
Technology Division	57	7,686,000	57	7,211,000	57	7,901,000
Transmission and Distribution Division	133	11,038,000	131	10,467,000	136	11,778,000
Production Division	83	7,967,000	84	8,051,000	83	8,594,000
Subtotal - Base Salaries	498	49,864,000	502	48,565,000	513	54,840,000
 <u>Adjustments</u>						
Less Allowance for Vacancies		<u>(2,492,000)</u>		<u>- -</u>		<u>(2,600,000)</u>
Subtotal		47,372,000		48,565,000		52,240,000
Plus Overtime		4,200,000		5,500,000		4,700,000
Plus Salaries for Summer/Temporary Employees		<u>600,000</u>		<u>620,000</u>		<u>650,000</u>
Subtotal		52,172,000		54,685,000		57,590,000
Plus Allowance for 2.0% Cost-of-Living Increase Effective the First Pay Period of 2026		<u>1,898,000</u>		<u>- -</u>		<u>1,130,000</u>
Total - Personal Services		<u><u>54,070,000</u></u>		<u><u>54,685,000</u></u>		<u><u>58,720,000</u></u>

<sup>(1)</sup> Base salaries for 2025 Current Estimate includes a 3.7% cost-of-living increase.  
The number of full-time employees for the 2025 Current Estimate is based on the authorized headcount as of the September 4, 2025 Board Meeting.

**FAIRFAX WATER**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2026**  
**ALLOCATION OF PERSONAL SERVICES COSTS**  
**REVENUE AND IMPROVEMENT FUNDS**

<u>REVENUE FUND</u>	2025		2026 Budget
	Budget	Current Estimate	
<u>Operation and Maintenance</u>			
Supply			
Occoquan	\$ 434,000	\$ 402,000	\$ 441,000
Potomac	506,000	384,000	420,000
Purchased	44,000	40,000	44,000
	<u>984,000</u>	<u>826,000</u>	<u>905,000</u>
Treatment			
Griffith	5,160,000	4,954,000	5,431,000
Potomac	5,291,000	5,764,000	6,318,000
	<u>10,451,000</u>	<u>10,718,000</u>	<u>11,749,000</u>
Transmission			
Transmission System	3,299,000	3,084,000	3,532,000
Wholesale Accounts	40,000	41,000	45,000
	<u>3,339,000</u>	<u>3,125,000</u>	<u>3,577,000</u>
Distribution			
Distribution System	4,964,000	5,437,000	6,110,000
Retail Accounts	10,961,000	10,916,000	11,668,000
	<u>15,925,000</u>	<u>16,353,000</u>	<u>17,778,000</u>
Administrative			
General Plant	2,246,000	1,978,000	2,168,000
Administrative	6,021,000	6,404,000	7,021,000
	<u>8,267,000</u>	<u>8,382,000</u>	<u>9,189,000</u>
Total - Operations and Maintenance	<u>38,966,000</u>	<u>39,404,000</u>	<u>43,198,000</u>

	2025		
	Budget	Current Estimate	2026 Budget
<u>Other</u>			
New Services and Meters	\$ 1,746,000	\$ 1,614,000	\$ 1,769,000
Merchandising and Jobbing	3,000	2,000	3,000
Total - Other	<u>1,749,000</u>	<u>1,616,000</u>	<u>1,772,000</u>
Total - Revenue Fund	40,715,000	41,020,000	44,970,000
<u>IMPROVEMENT FUND</u>			
General	8,961,000	9,042,000	9,373,000
Subdivision and Development	1,010,000	1,231,000	1,240,000
Extraordinary Maintenance	2,584,000	2,442,000	2,301,000
Additions and Extensions	496,000	519,000	488,000
Special Studies	304,000	431,000	348,000
Total - Improvement Fund	<u>13,355,000</u>	<u>13,665,000</u>	<u>13,750,000</u>
Total - Personal Services	<u><u>54,070,000</u></u>	<u><u>54,685,000</u></u>	<u><u>58,720,000</u></u>