

PURPOSE

This Water Fund Operating Budget contains revenues and expenses for operation of the JCSA groundwater supply and distribution system. Indirect operating and maintenance costs are reimbursed to the Administrative Fund. Revenue is provided from service charges, interest income, and other miscellaneous items such as inspection fees, plan review charges and rental income.

KEY WORKPLAN ITEMS

1. Provide and maintain safe drinking water for residential and commercial customers within Primary Service Area and seven independent water systems, in accordance with Commonwealth of Virginia, Department of Health, permits, standards and regulations
2. Operate and maintain 14 water production facilities and a 5-million-gallon per day brackish groundwater reverse osmosis water treatment facility
3. Educate citizens about water conservation
4. Maintain backflow and cross-connection program that meets Virginia Department of Health Standards and Regulations to prevent contamination of the water system
5. Respond to and repair interruptions to the water production and distribution system 24-hours a day and 7-days a week

BUDGET SUMMARY

	FY 12 Adopted	FY 13 Adopted	FY 14 Plan
Revenues:			
Service Charges	\$ 5,936,373	\$ 6,663,306	\$ 6,714,044
Interest	398,000	132,685	132,685
Miscellaneous	388,983	396,621	397,621
Total	\$ 6,723,356	\$ 7,192,612	\$ 7,244,350
Expenses:			
Admin Fund Allocation	\$ 2,561,866	\$ 2,666,997	\$ 2,683,176
Direct Expenses	2,749,046	3,091,171	2,939,130
Capital Equipment Outlay	23,000	49,500	33,500
Debt Service Fund	1,383,444	1,380,944	1,384,544
PDA Operating Costs	6,000	4,000	4,000
CIP Transfer-Kingswood	-	-	200,000
Total	\$ 6,723,356	\$ 7,192,612	\$ 7,244,350

PERSONNEL

Full-Time Personnel	15	15	15
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PERFORMANCE MEASURES

	<u>FY 11 Actual</u>	<u>FY 12 Projected</u>	<u>FY 13 Adopted</u>	<u>FY 14 Plan</u>
Drinking water produced (millions of gallons)	1,904M	2,117M	1,886M	1,914M
Drinking water customers served	19,719	19,979	20,378	20,786
Miles of water pipe maintained	393	399	415	425
% Water (MGD) withdrawal versus DEQ Permit	58.4%	65%	65%	65%
% Water quality samples in compliance	99.8%	100%	100%	100%
% Water service interruptions repaired in 8 hours or less	91.6%	90%	90%	90%

BUDGET COMMENTS

This Water Fund Operating Budget continues to reflect customer service enhancement by placing emphasis on Water System Preventive Maintenance and Rehabilitative Programs. Existing systems are aging and require rehabilitative measures to meet the demands of increased usage and protect the public investment. These measures will improve both water quality and reliability.

The FY2013 budget for Water Fund service charges increases 2.4 percent when compared to estimated FY2012 collections. Interest income decreases due to current market conditions and continued conservative expectations for investment returns over the next two years. Direct expenses increase in FY2013 and decrease in FY2014 primarily due to one-time FY2013 water tank maintenance and well abandonment expenses. Utility costs and one vehicle replacement in each fiscal year also contribute to the increase in expenses. In FY2014 there is a transfer to the Capital Improvements Program (CIP) Budget for the Kingswood Subdivision Water Distribution project to offset increased CIP spending on the sewer Consent Order.