

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 allocated from the Administrative Fund. Personnel perform job duties that are directly attributed to the Water 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 the central water system (10 water production facilities and a 5 million gallon per day groundwater treatment facility) and 7 independent water production systems located outside the Primary Service Area
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 13 Adopted	FY 14 Plan	FY 14 Adopted
Revenues:			
Service Charges	\$ 6,707,706	\$ 6,714,044	\$ 6,543,473
Interest	132,685	132,685	95,400
Miscellaneous	426,621	397,621	396,621
Total	\$ 7,267,012	\$ 7,244,350	\$ 7,035,494
Expenses:			
Admin Fund Allocation	\$ 2,696,397	\$ 2,683,176	\$ 2,700,909
Direct Expenses	3,136,171	2,939,130	3,034,203
Capital Equipment Outlay	49,500	33,500	33,500
Debt Service Fund	1,380,944	1,384,544	-
PDA Operating Costs	4,000	4,000	1,100
CIP Transfer-Kingswood	-	200,000	200,000
Reserves Transfer	-	-	1,065,782
Total	\$ 7,267,012	\$ 7,244,350	\$ 7,035,494

PERSONNEL

Full-Time Personnel	15	15	15
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PERFORMANCE MEASURES

	<u>FY 11 Actual</u>	<u>FY 12 Actual</u>	<u>FY 13 Adopted</u>	<u>FY 14 Adopted</u>
Drinking water produced (millions of gallons)	1,904M	1,752M	1,886M	1,850M
Drinking water customers served	19,719	20,070	20,378	20,786
Miles of water pipe maintained	393	390	415	407
% Water (MGD) withdrawal versus DEQ Permit	58.4%	62%	65%	65%
% Water quality samples in compliance	99.8%	99.9%	100%	100%
% Water service interruptions repaired in 8 hours or less	91.6%	80%	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.

FY2014 Water Fund service charges revenue decreases 2.5 percent from the FY2013 budget due to declining per capita daily water demand. Interest income decreases due to current market conditions and continued conservative expectations for investment returns over the next year. Direct expenses decrease 3.3 percent from the FY2013 budget despite a 50% increase in the Commonwealth's waterworks operating fee. Capital equipment outlay remains unchanged with one vehicle replacement. No transfer is required to the Debt Service Fund because the 2003 revenue bonds used to fund construction of the Five Forks Groundwater Treatment Facility were paid off in January 2013. 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. The funds previously allocated for the 2003 bond debt payment are transferred to reserves.