

**PURPOSE**

This Sewer Fund Operating Budget contains revenues and expenses for operation of the sanitary sewer collection and transmission system. Indirect operating and maintenance costs are allocated from the Administrative Fund. Personnel perform job duties that are directly attributed to the Sewer fund. Revenues are received from service charges, interest, and miscellaneous items. The planned 5% rate increase is not included in the prepared budget. Winter sales have been flat further reducing the Sewer Fund transfer to the Capital Improvements Program (CIP).

**KEY WORKPLAN ITEMS**

1. Provide and maintain wastewater collection services for residential and commercial customers within Primary Service Area in accordance with the Commonwealth of Virginia, Department of Environmental Quality
2. Operate and maintain 76 sanitary sewer lift stations to transmit wastewater to Hampton Roads Sanitation District wastewater treatment facilities
3. Educate citizens about safe ways to dispose of fats, oils and grease
4. Respond to and repair interruptions to the sanitary sewer service collection, lift stations, and transmission system 24-hours a day and 7-days a week
5. Rehabilitate sanitary sewer system in accordance with Virginia Department of Environmental Quality Consent Order

**BUDGET SUMMARY**

	FY 13 Adopted	FY 14 Plan	FY 14 Adopted
<u>Revenues:</u>			
Sewer Service Charges	\$ 6,039,383	\$ 6,315,442	\$ 5,950,000
Interest	117,665	117,665	84,600
Grinder Pump Charges	209,100	213,570	185,000
Miscellaneous	142,000	142,000	142,000
Total	\$ <u>6,508,148</u>	\$ <u>6,788,677</u>	\$ <u>6,361,600</u>
<u>Expenses:</u>			
Admin. Fund Allocation	\$ 3,723,597	\$ 3,705,339	\$ 3,729,826
Direct Expenses	1,700,291	1,711,118	1,640,643
Grinder Pump Expenses	313,860	318,720	318,720
Capital Equipment Outlay	20,400	53,500	53,500
CIP Transfer-DEQ Consent Order	750,000	1,000,000	618,911
Total	\$ <u>6,508,148</u>	\$ <u>6,788,677</u>	\$ <u>6,361,600</u>

**PERSONNEL**

Full-Time Personnel	11	11	11
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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>
Wastewater collected (gallons in millions)	1,598M	1,771M	1,860M	1,800M
Wastewater customers served	21,127	21,488	21,905	22,308
# Grinder pumps maintained	902	914	925	945
# Miles of sewer pipe maintained	419	423	433	435
# Sewer system spills per 100 miles of sewer pipe	2.39	9.2	1.0	1.0
% of Sewer service interruptions repaired in 8 hours or less	96.9%	88%	90%	90%

**BUDGET COMMENTS**

The Sewer Fund Operating Budget continues to reflect customer service enhancement by placing emphasis on Sewer System Preventive Maintenance and Rehabilitative Programs and addressing funding requests to meet the requirements of JCSA's Consent Order with the Virginia Department of Environmental Quality. Existing systems are aging and require rehabilitative measures to meet the demands of increased usage and protect the public investment. These measures will improve wastewater collection and movement reliability.

The FY2014 budget for Sewer Fund revenues decreases from the FY2014 planned budget primarily because the 5 percent service rate increase originally planned for FY2014 was eliminated. The planned increase was to fund the on-going sewer infrastructure rehabilitation requirements of the JCSA's Consent Order with the Virginia Department of Environmental Quality. The rate increase was eliminated from the FY2014 budget because Consent Order requirements and deadlines changed over the past year and will continue to evolve through FY2014. Declining per capita daily water demand also contributes to the decrease in sewer service revenue because sewer service charges are based on the same meter readings used to calculate water charges.

Interest income decreases due to current market conditions and continued conservative expectations for investment returns over the next year. Grinder pump charges decrease to represent current participation and slower growth as determined through program analysis. Direct expenses decrease 3.5 percent from the FY2013 budget with reductions in emergent infrastructure and equipment repairs and maintenance and staff turnover savings. Capital equipment outlay remains unchanged with one vehicle replacement. The CIP Consent Order transfer decreases due to the elimination of the 5 percent rate increase from the FY2014 budget and the other anticipated revenue decreases as described above.