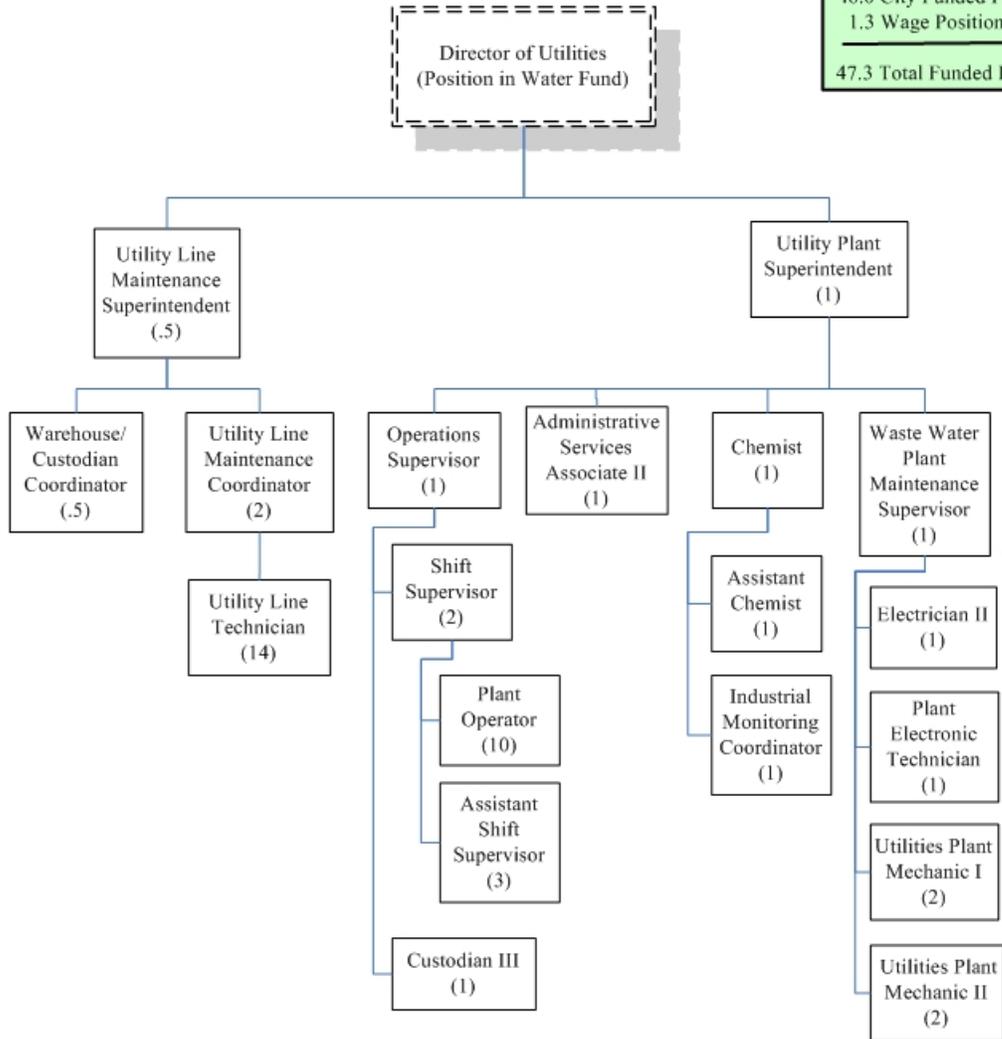




DEPARTMENT OF UTILITIES  
SEWER FUND

POSITION SUMMARY	
.....	
46.0 City Funded Positions	
1.3 Wage Positions	
<hr/>	
47.3 Total Funded Positions	

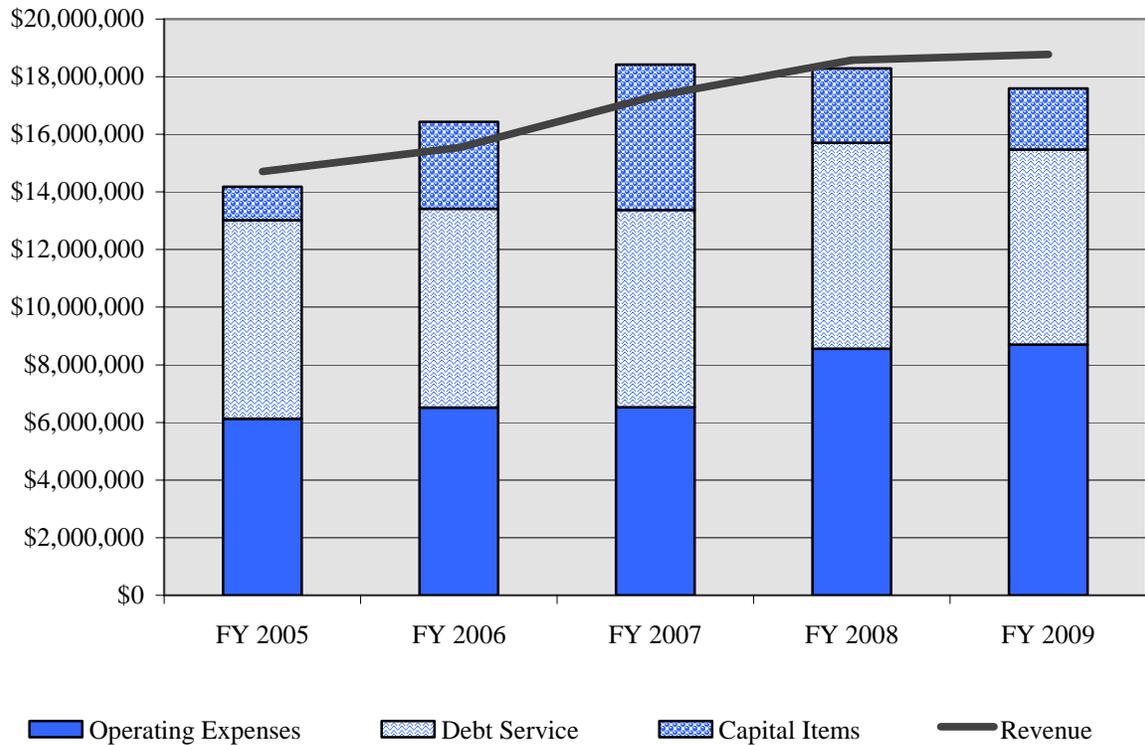




**Sewer Fund Description**

The Utilities Department operates a regional wastewater treatment plant with an average daily treatment capacity of 22 million gallons per (mgd) per day of domestic or industrial wastewater and combined storm water. The department also owns and operates over 450 miles of sewer lines, including a combined sewer system. Wastewater service is provided to approximately 80% of the citizens and businesses in Lynchburg. Service is also provided to parts of Amherst, Bedford and Campbell Counties under the terms of the 1974 Regional Sewage Treatment Plant Agreement. The Utilities Department also cleans, monitors and repairs the wastewater collection system, including an extensive network of sanitary and combined sanitary/storm drains.

**Revenues & Expenses**



*Sewer Fund Debt Coverage*

	Actual FY 2007	Adopted FY 2008	Department Requested FY 2009	Manager's Proposed FY 2009	Adopted FY 2009
<b>SEWER FUND DEBT COVERAGE</b>					
<b>REVENUES</b>					
Charges for Services	\$14,202,876	\$14,948,476	\$16,050,029	\$16,050,029	\$16,050,029
Sewer Contracts	2,342,289	2,191,424	2,318,161	2,318,161	2,318,161
Interest & Other	783,415	379,704	404,251	404,251	404,251
<b>TOTAL REVENUES</b>	<b>\$17,328,580</b>	<b>\$17,519,604</b>	<b>\$18,772,441</b>	<b>\$18,772,441</b>	<b>\$18,772,441</b>
<b>EXPENDITURES</b>					
WWTP	\$4,230,492	\$5,177,315	\$5,140,376	\$5,140,376	\$5,140,376
Sewer Line Maintenance	1,545,763	1,683,384	1,962,239	1,962,239	1,962,239
Non-Departmental	747,464	1,243,073	1,601,139	1,601,139	1,601,139
Projects costs charged to operations	86,151	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$6,609,870</b>	<b>\$8,103,772</b>	<b>\$8,703,754</b>	<b>\$8,703,754</b>	<b>\$8,703,754</b>
<b>OPERATING INCOME</b>	<b>\$10,718,710</b>	<b>\$9,415,832</b>	<b>\$10,068,688</b>	<b>\$10,068,688</b>	<b>\$10,068,688</b>
Debt Service	6,845,804	7,012,912	6,769,189	6,769,189	6,572,006
<b>NET REVENUE</b>	<b>\$3,872,906</b>	<b>\$2,402,919</b>	<b>\$3,299,499</b>	<b>\$3,299,499</b>	<b>\$3,496,682</b>
Debt Coverage ratio Target	1.20	1.20	1.20	1.20	1.20
Debt Coverage ratio	1.57	1.34	1.49	1.49	1.53



## Sewer Fund

	Actual FY 2007	Adopted FY 2008	Department Requested FY 2009	Manager's Proposed FY 2009	Adopted FY 2009
<b>SEWER FUND POSITION SUMMARY</b>					
City Funded Full-Time	44.0	44.5	46.0	46.0	46.0
City Funded Seasonal Wage	3.0	3.0	1.3	1.3	1.3
<b>TOTAL FTE</b>	<b>47.0</b>	<b>47.5</b>	<b>47.3</b>	<b>47.3</b>	<b>47.3</b>
<b>SEWER FUND SUMMARY</b>					
<b>BEGINNING NET ASSETS</b>	\$63,269,276	\$76,921,067			
Less: Invested in Capital Assets, net of related debt	(51,974,031)	(67,111,290)			
<b>BEGINNING UNRESTRICTED NET ASSETS</b>	<b>\$11,295,245</b>	<b>\$9,809,777</b>	<b>\$5,811,522</b>	<b>\$5,811,522</b>	<b>\$5,811,522</b>
<b>REVENUES</b>					
Charges for Services	\$14,202,876	\$14,948,476	\$16,050,029	\$16,050,029	\$16,050,029
Sewer Contracts	2,342,289	2,191,424	2,318,161	2,318,161	2,318,161
Interest and Other	783,415	379,704	404,251	404,251	404,251
<b>TOTAL REVENUES</b>	<b>\$17,328,580</b>	<b>\$17,519,604</b>	<b>\$18,772,441</b>	<b>\$18,772,441</b>	<b>\$18,772,441</b>
<b>EXPENDITURES</b>					
Departmental	\$5,776,254	\$6,860,699	\$7,102,614	\$7,102,615	\$7,102,615
Non-departmental	747,464	1,243,073	1,601,139	1,601,139	1,601,139
Equipment Purchases	0	45,000	115,000	115,000	115,000
Depreciation	4,108,561	0	0	0	0
Transfer - Capital	4,600,000	2,200,000	2,000,000	2,000,000	2,000,000
Transfer - General Fund-Fleet	452,000	325,000	0	0	0
Debt Service	6,845,804	7,012,912	6,769,189	6,769,189	6,572,006
Contingencies	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$22,530,082</b>	<b>\$17,686,684</b>	<b>\$17,587,942</b>	<b>\$17,587,943</b>	<b>\$17,390,760</b>
<b>ENDING UNRESTRICTED NET ASSETS</b>	<b>\$6,093,743</b>	<b>\$9,642,697</b>	<b>\$6,996,022</b>	<b>\$6,996,020</b>	<b>\$7,193,203</b>

Note: Ending Unrestricted Net Assets for FY 2007 does not agree to Beginning Unrestricted Net Assets for FY 2008 as Amended due to the difference in reporting capital outlay, debt service and certain revenue items in the CAFR and the Budget.



## Sewer Fund

	Actual FY 2007	Adopted FY 2008	Department Requested FY 2009	Manager's Proposed FY 2009	Adopted FY 2009
<b>SEWER FUND REVENUE SUMMARY</b>					
<b>CHARGES FOR SERVICES</b>					
Sewer Sales - Inside City	\$12,685,560	\$13,454,955	\$14,300,000	\$14,300,000	\$14,300,000
Septic Hauler Charges	361,484	310,000	400,000	400,000	400,000
Sewer Backwash Charge	115,000	112,600	112,600	112,600	112,600
Leachate Treatment	56,822	57,000	59,280	59,280	59,280
Industrial Pre-treatment	2,700	6,000	6,000	6,000	6,000
Industrial Monitoring Charges	25,980	42,000	42,000	42,000	42,000
Industrial Surcharges	156,630	132,000	300,000	300,000	300,000
Industrial Penalties (Cut-on Charges)	78,053	75,000	70,000	70,000	70,000
Connection charges	122,363	164,392	154,000	154,000	154,000
Availability Fees	158,785	150,000	150,000	150,000	150,000
Account Charges	409,052	408,479	411,000	411,000	411,000
Sewer Cost Plus	14,882	36,050	35,000	35,000	35,000
Miscellaneous	15,565	0	10,149	10,149	10,149
<b>TOTAL CHARGES FOR SERVICES</b>	<b>\$14,202,876</b>	<b>\$14,948,476</b>	<b>\$16,050,029</b>	<b>\$16,050,029</b>	<b>\$16,050,029</b>
<b>SEWER CONTRACTS</b>					
Counties					
Amherst	\$301,953	\$319,435	\$296,478	\$296,478	\$296,478
Bedford	323,494	319,172	322,333	322,333	322,333
Campbell	202,381	202,711	206,297	206,297	206,297
Industrial					
Rock Tenn	1,015,258	844,450	900,000	900,000	900,000
Frito Lay	499,203	505,656	593,053	593,053	593,053
<b>TOTAL SEWER CONTRACTS</b>	<b>\$2,342,289</b>	<b>\$2,191,424</b>	<b>\$2,318,161</b>	<b>\$2,318,161</b>	<b>\$2,318,161</b>
<b>INTEREST AND OTHER</b>					
Interest	\$744,915	\$332,326	\$365,751	\$365,751	\$365,751
State Highway Maintenance	38,500	38,500	38,500	38,500	38,500
All Other	0	8,878	0	0	0
<b>TOTAL INTEREST AND OTHER</b>	<b>\$783,415</b>	<b>\$379,704</b>	<b>\$404,251</b>	<b>\$404,251</b>	<b>\$404,251</b>
<b>TOTAL REVENUES</b>	<b>\$17,328,580</b>	<b>\$17,519,604</b>	<b>\$18,772,441</b>	<b>\$18,772,441</b>	<b>\$18,772,441</b>



## Sewer Fund

	Actual FY 2007	Adopted FY 2008	Department Requested FY 2009	Manager's Proposed FY 2009	Adopted FY 2009
<b>SEWER FUND EXPENDITURE SUMMARY</b>					
<b>DEPARTMENTAL</b>					
Salaries	\$1,438,514	\$1,621,138	\$1,819,775	\$1,819,775	\$1,819,775
Employee Benefits	574,680	628,979	690,389	690,389	690,389
Chemicals	357,764	536,000	503,500	503,500	503,500
Communication Charges	7,928	9,200	9,600	9,600	9,600
Utilities-Waste Water Treatment Plant	472,429	500,000	470,000	470,000	470,000
Natural Gas	113,308	80,000	140,000	140,000	140,000
Sludge Disposal	668,806	700,000	700,000	700,000	700,000
Contractual Services	412,099	999,212	754,394	754,394	754,394
Supplies and Materials	478,960	541,300	572,739	572,739	572,739
Indirect Costs	873,250	851,886	852,694	852,694	852,694
Self-Insurance	190,071	187,882	196,716	196,716	196,716
All Other	188,445	205,102	392,808	392,808	392,808
<b>TOTAL DEPARTMENTAL</b>	<b>\$5,776,254</b>	<b>\$6,860,699</b>	<b>\$7,102,615</b>	<b>\$7,102,615</b>	<b>\$7,102,615</b>
<b>NON-DEPARTMENTAL</b>					
Water Operating Payment	\$600,000	\$775,000	\$1,063,248	\$1,063,248	\$1,063,248
Financial Audit	17,776	11,335	13,442	13,442	13,442
Allowance for Uncollectible Accounts	4,497	35,000	20,000	20,000	20,000
Special Order CSO Charges	24,290	50,000	30,000	30,000	30,000
Retiree Benefits	80,818	86,008	87,660	87,660	87,660
Compensation Plan Adjustments	0	85,730	86,789	86,789	86,789
Interceptor Maintenance	20,083	200,000	300,000	300,000	300,000
<b>TOTAL NON-DEPARTMENTAL</b>	<b>\$747,464</b>	<b>\$1,243,073</b>	<b>\$1,601,139</b>	<b>\$1,601,139</b>	<b>\$1,601,139</b>
<b>CAPITAL AND TRANSFERS</b>					
Transfer to Sewer Capital Fund	\$4,600,000	\$2,200,000	\$2,000,000	\$2,000,000	\$2,000,000
Transfer to General Fund-Fleet	452,000	325,000	0	0	0
Capital Purchases	0	45,000	115,000	115,000	115,000
Depreciation	4,108,561	0	0	0	0
<b>TOTAL CAPITAL AND TRANSFERS</b>	<b>\$9,160,561</b>	<b>\$2,570,000</b>	<b>\$2,115,000</b>	<b>\$2,115,000</b>	<b>\$2,115,000</b>
Debt Service	6,845,804	7,012,912	6,769,189	6,769,189	6,572,006
<b>TOTAL EXPENDITURES</b>	<b>\$22,530,082</b>	<b>\$17,686,684</b>	<b>\$17,587,943</b>	<b>\$17,587,943</b>	<b>\$17,390,760</b>



**Department of Utilities Sewer Fund – Sewer Line Maintenance Division.** Provides installation, maintenance, cleaning and repair of sanitary sewer lines and sewer services as well as monitoring of overflow points. Performs line inspections using TV cameras. Provides vermin control. Manages storm water and maintains retention pond grounds. Maintenance of storm and sanitary sewer lines provides flood and pollution control, thus promoting the welfare and health of the public. Services are federally mandated by the Clean Water Act. Oversight is provided by the Department of Environmental Quality.

	Actual FY 2007	Adopted FY 2008	Department Requested FY 2009	Manager's Proposed FY 2009	Adopted FY 2009
<b>POSITION SUMMARY</b>					
City Funded Full-Time	16.0	16.5	17.0	17.0	17.0
<b>TOTAL FTE</b>	<b>16.0</b>	<b>16.5</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>
<b>BUDGET SUMMARY</b>					
<b>Salaries</b>	\$432,049	\$497,551	\$604,372	\$604,372	\$604,372
<b>Employee Benefits</b>	182,961	206,381	236,129	236,129	236,129
<b>Contractual Services</b>	38,754	72,323	75,123	75,123	75,123
<b>Internal Services</b>					
Fleet Service Charges	75,711	57,825	170,594	170,594	170,594
<b>Other Charges</b>	153,632	182,100	195,564	195,564	195,564
Gasoline / Fuel	44,048	55,604	62,334	62,334	62,334
Telecommunications	3,146	2,800	2,900	2,900	2,900
Training and Conferences	8,871	5,700	7,500	7,500	7,500
Indirect Costs	488,751	483,467	484,275	484,275	484,275
Self - Insurance	116,602	117,833	121,448	121,448	121,448
Miscellaneous	228	300	500	500	500
<b>Rentals and Leases</b>	1,010	1,500	1,500	1,500	1,500
<b>TOTAL</b>	<b>\$1,545,763</b>	<b>\$1,683,384</b>	<b>\$1,962,239</b>	<b>\$1,962,239</b>	<b>\$1,962,239</b>



**Sewer Fund – Sewer Line Maintenance Division Budget Description**

The Department Requested FY 2009 Utilities Department Sewer Fund – Sewer Line Maintenance Division budget of \$1,977,238 represents a 16.4% increase of \$278,854 as compared to the Adopted FY 2008 budget of \$1,698,384.

Significant changes introduced in the Department Requested FY 2009 budget include:

- \$342,950 increase in Salaries and Employee Benefits reflecting FY 2008 salary adjustments and mid year market increases.
- \$119,499 increase in Internal Service Charges reflecting the added costs of vehicle depreciation, new to the FY 2009 budget.
- \$19,986 increase in Other Charges reflecting safety supplies based on historic trends and increases in materials for sanitary and storm system repairs.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2009 Sewer Fund – Sewer Line Maintenance Division budget was adopted by City Council without changes.

**Sewer Fund – Sewer Line Maintenance Division Performance Measures**

**Goal 1:**

Protect the environment and promote the general health and welfare of the citizens of Lynchburg while maintaining a high level of customer satisfaction.

**Objective:**

Provide pollution and flood control through the maintenance of the sanitary and storm sewer systems.

Performance Measure:	Projected FY 2007	Actual FY 2007	Projected FY 2008	Projected FY 2009
Sewer Overflow Rate (reportable overflows per 100 miles of sewerline)	5.3	3.6	4.0	4.0
Linear feet of sewer line televised	240,000	150,000	240,000	240,000
Linear feet of sewer line cleaned	190,000	525,517	190,000	225,000

**Goal 2:**

Adequately operate and maintain the City’s wastewater collection system and storm drain system.

**Objective:**

Perform all necessary repairs, replacement, and preventative maintenance for the wastewater collection and storm drainage systems.

Performance Measure:	Projected FY 2007	Actual FY 2007	Projected FY 2008	Projected FY 2009
Number of sanitary sewer repairs	75	100	75	75
Number of storm drain inlets cleaned and repaired	7,500	7,468	7,500	7,500
Number of new sewer services installed	100	86	100	100



**Department of Utilities Sewer Fund – Wastewater Treatment Plant** Performs secondary treatment for an average of 13 million gallons per day (mgd) (with peaks up to 44 mgd) of domestic and industrial wastewater. Amherst, Bedford, and Campbell Counties partner with the City in this cooperative endeavor by paying their proportional share of the capital and operating expenses based on the capacity they own and their wastewater flows. Wastewater receives primary settling, aeration, secondary settling, and disinfection before the effluent is discharged into the James River. Sludge produced from the treatment process is dewatered and landfilled. Wastewater is treated to meet or exceed Federal and State water quality standards and to promote the general health and welfare of residents of the region. The services provided are Federally mandated by the Clean Water Act. Oversight is provided by the Department of Environment Quality.

	Actual FY 2007	Adopted FY 2008	Department Requested FY 2009	Manager's Proposed FY 2009	Adopted FY 2009
<b>POSITION SUMMARY</b>					
City Funded Full-Time	28.00	28.00	29.00	29.00	29.00
City Funded Seasonal Wage	3.00	3.00	1.30	1.30	1.30
<b>TOTAL FTE</b>	<b>31.00</b>	<b>31.00</b>	<b>30.30</b>	<b>30.30</b>	<b>30.30</b>
<b>BUDGET SUMMARY</b>					
<b>Salaries</b>	\$1,006,465	\$1,123,587	\$1,215,403	\$1,215,403	\$1,215,403
<b>Employee Benefits</b>	391,719	422,598	454,260	454,260	454,260
<b>Contractual Services</b>	373,345	926,889	679,271	679,271	679,271
<b>Internal Services</b>					
Fleet Service Charges	13,257	14,277	69,909	69,909	69,909
<b>Other Charges</b>					
Supplies and Materials	330,747	352,700	377,175	377,175	377,175
Sludge disposal - landfill	668,806	700,000	700,000	700,000	700,000
Chemicals	352,346	536,000	503,500	503,500	503,500
Gasoline / Fuel	9,941	13,214	14,271	14,271	14,271
Telecommunications	4,782	6,400	6,700	6,700	6,700
Utilities	585,737	580,000	610,000	610,000	610,000
Buildings and Grounds	0	11,500	0	0	0
Training and Conferences	12,438	25,182	16,700	16,700	16,700
Indirect Costs	384,499	368,419	368,419	368,419	368,419
Self - Insurance	73,469	70,049	75,268	75,268	75,268
Miscellaneous	18,841	18,500	29,500	29,500	29,500
<b>Rentals and Leases</b>	4,100	8,000	20,000	20,000	20,000
<b>TOTAL</b>	<b>\$4,230,492</b>	<b>\$5,177,315</b>	<b>\$5,140,376</b>	<b>\$5,140,376</b>	<b>\$5,140,376</b>



**Sewer Fund – Wastewater Treatment Budget Description**

The Department Requested FY 2009 Utilities Sewer Fund – Waste Water Treatment Division budget of \$5,240,376 represents a 0.6% increase of \$33,061 as compared to the Adopted FY 2008 budget of \$5,207,315.

Significant changes introduced in the Department Requested FY 2009 budget include:

- \$123,478 increase in Salaries and Employee Benefits reflecting FY 2008 salary adjustments and mid year market increases, and a new custodian position.
- \$247,618 decrease in Contractual Services reflecting one-time costs for GIS and the Work Management System that were in the FY 2008 budget.
- \$56,689 increase in Internal Service Charges reflecting increases in vehicle maintenance and repair and added costs of vehicle depreciation, new to the FY 2009 budget.
- \$18,512 increase in Other Charges reflecting a general decrease in chemicals, a decrease in electricity, an increase in natural gas, and increases due to radio replacements.
- \$12,000 increase in Rental and Leases reflecting historic trends for rental of copier, scaffolding, gas cylinders for testing purposes, compressor, etc.
- \$70,000 increase in Capital Outlay reflecting proposed purchase of lab equipment needed to meet nutrient testing requirements.

All major items requested were proposed by the City Manager for funding.

The Proposed FY 2009 Sewer Fund – Wastewater Treatment Division budget was adopted by City Council without changes.

**Sewer Fund – Wastewater Treatment Performance Measures**

Goal 1:

Protect the environment and promote general health and welfare.

Objective:

Treat wastewater from the City of Lynchburg, Amherst, Bedford, and Campbell Counties to meet or exceed all state and federal regulatory requirements.

Performance Measure:	Projected FY 2007	Actual FY 2007	Projected FY 2008	Projected FY 2009
Average volume of wastewater treated per day (million gallons per day)	13.2	12.4	11.8	13.2
Treatment Effectiveness Rate (% of days in compliance with numerical VA Pollutant Discharge Elimination System permit limits)	100%	100%	100%	100%
Percent of Satisfactory Department of Environmental Quality Technical and Laboratory Inspections	100%	100%	100%	100%

Goal 2:

Operate the Wastewater Treatment Plant in a cost effective and efficient manner.

Objective:

Treat wastewater in a technically sound and efficiently operated Regional Wastewater Treatment Plant on an uninterrupted basis.

Performance Measure:	Projected FY 2007	Actual FY 2007	Projected FY 2008	Projected FY 2009
Chemical cost per million gallons treated	\$72	\$78	\$95	\$105
Overall treatment cost per million gallons treated	\$850	\$937	\$1,194	\$1,054
Percent of sludge disposed of in the City's landfill	90%	97%	90%	90%