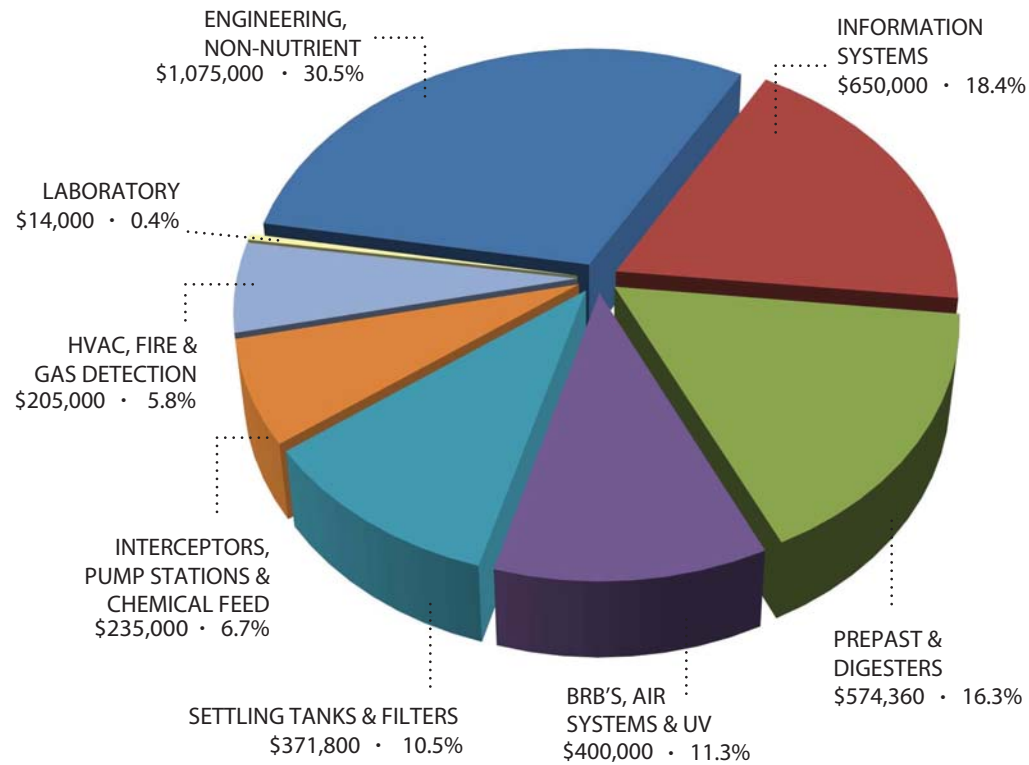


## HOW WE KEEP THINGS RUNNING

The **Improvement, Renewal & Replacement (IR&R) Fund** pays for work related to the portion of our sewer system and facility used jointly with Fairfax County. Contribution to this fund is by rates from the City of Alexandria at 40% and by Fairfax County at 60%.

Approximately half of the IR&R Fund is dedicated to non-nutrient related engineering and information system programs. These expenditures will help support our overall strategic goals toward environmental leadership and operational optimization through continued work on our energy audit and master plan. In addition, we will be upgrading our infrastructure to support cutting-edge IT solutions planned for the year, such as virtualization of networks to increase system reliability and flexibility.



## THE GENERAL FUND

Any net revenues exceeding the requirements of our other funds are deposited into the **General Fund**.

The General Fund is used for CIP and IRR projects serving the City of Alexandria only, or the City's allocated share of wastewater treatment at the Arlington Water Pollution Control Facility.

## FY 2012 GENERAL FUND BUDGET

Capital Improvement Program (CIP)	
Arlington County WPCF Upgrades	\$2,186,000
Four Mile Run Pump Station Upgrade	1,000,000
Slaters Lane Pump Replacement	180,000
<b>Total CIP</b>	<b>\$3,366,000</b>
General Expenses	
Line of Credit	\$10,342,450
<b>Total General</b>	<b>\$10,342,450</b>
<b>Total Expenses</b>	<b>\$13,708,450</b>

## THE PROJECT FUND

The **Project Fund** acts as the joint Capital Improvement Program (CIP) fund, receiving proceeds from revenue bonds, federal and state grants and Fairfax County. Ratepayer contributions to the Fund mirror the IR&R Fund – 40% from the City and 60% from Fairfax County. Our most significant capital program in FY 2012 are SANUP Packages B & D.

## WHAT IS SANUP?



In 2005, Virginia imposed an unprecedented legal requirement - ASA must remove 62% more nitrogen from our treated wastewater by 2011. That means designing, building, and installing modern equipment that allow us to meet the new regulations. This is SANUP: our State-of-the-Art Nitrogen Upgrade Program.

SANUP is broken up into packages to allow us to spread design and construction costs over a 7-year period. The individual packages are:

**Package A:** This package has two major goals: replacing existing methanol tanks and pumps with larger units, and repurposing four other tanks. Construction is currently underway and due to be completed in October 2011.

**Package B:** The goal of this new system is to remove 90% of the Total Nitrogen in the centrate before entering Biological Reactor Basins. In addition, new measurement instruments will allow us to measure our final effluent discharged to Hunting Creek. Construction began 2011 and should be completed in 2014.

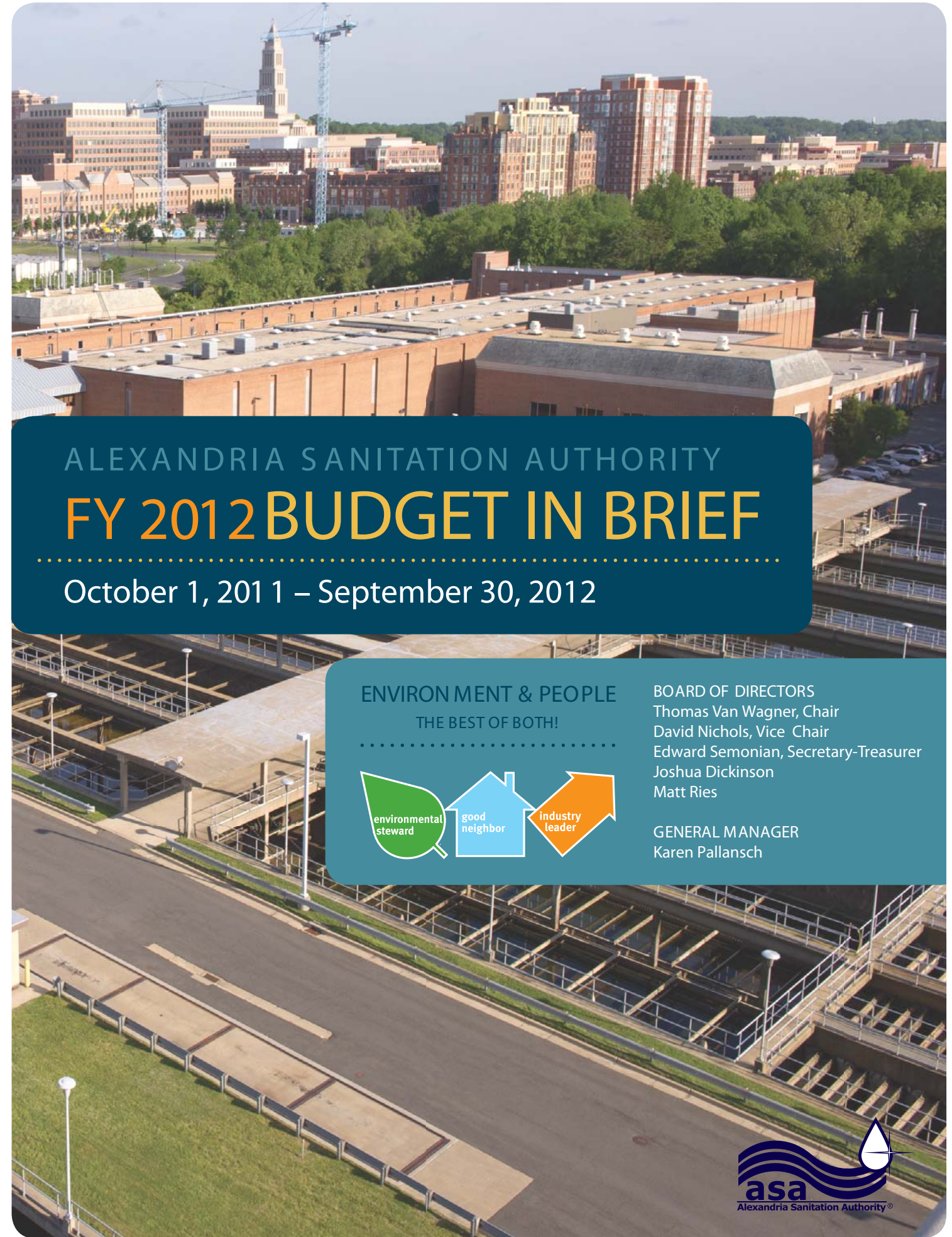
**Package C1:** This includes site work needed to prepare for the Nutrient Management Facility (NMF), including demolition, roadway preparation, and relocating power to an underground ductbank. We plan to go to bid in 2012.

**Package C2:** The NMF includes large underground storage tanks that allow us to store primary effluent wastewater when nitrogen concentrations are high and then release it back into the basins when concentrations are low. We plan to go to bid in 2012.

**Package D:** This new reactor basin removes nitrogen from the wastewater with mixers that convert nitrate into nitrogen gas released into the air. Construction is expected to begin in 2012 and be completed by 2014.

This is a "must have" investment – to help us continue providing exceptional service in an environmentally and financially sustainable manner. Visit [www.alexsan.com](http://www.alexsan.com) for more information on SANUP, and other ways we continue to improve the Chesapeake Bay watershed.

This report was printed locally using recycled paper and vegetable inks.



# ALEXANDRIA SANITATION AUTHORITY FY 2012 BUDGET IN BRIEF

October 1, 2011 – September 30, 2012

ENVIRONMENT & PEOPLE  
THE BEST OF BOTH!



BOARD OF DIRECTORS  
Thomas Van Wagner, Chair  
David Nichols, Vice Chair  
Edward Semonian, Secretary-Treasurer  
Joshua Dickinson  
Matt Ries

GENERAL MANAGER  
Karen Pallansch

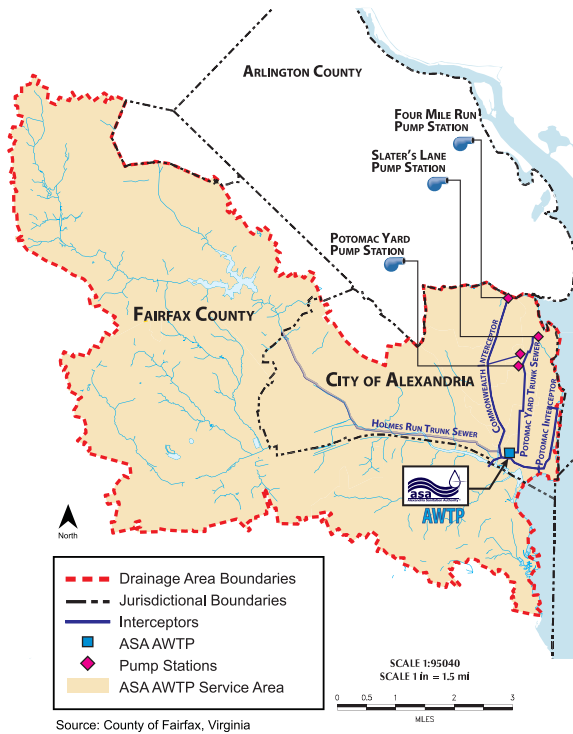


## WHO ARE WE AND WHAT DO WE DO?

We are the Alexandria Sanitation Authority (ASA), maintaining one of the most advanced water treatment facilities in the United States on a 35-acre site within walking distance of Old Town Alexandria. ASA serves about 350,000 people in the City of Alexandria and part of Fairfax County, processing an average of 13 billion gallons of wastewater every year.

Here at ASA, we are committed to being an environmental steward, good neighbor, and industry leader in our day-to-day work of making dirty water clean again.

## OUR SERVICE AREA



## A FEW NOTES ABOUT OUR BUDGET

Our annual budget is prepared and organized in accordance with a Master Indenture of Trust dated March 15, 1999. Our current expenses and capital expenditures are estimates based on experience and judgment related to cost trends, labor, materials and services required to operate and maintain the facilities.

This budget is organized by the "flow of funds" provisions included in the Master Indenture of Trust. Our major funds are the Revenue Fund; Operating Fund; Parity Debt Service Fund; Improvement, Renewal and Replacement Fund; General Fund; and Project Fund.

Beginning Balance - All Funds . . . . . \$40,819,562

### RECEIPTS

Sewage Disposal Charges - Alexandria . . . . .	\$33,891,000
Fairfax County Operating Expense Charge . . . . .	10,866,600
Fairfax County Payment for IR&R . . . . .	2,038,700
Virginia Resources Authority Bonds . . . . .	8,085,812
Fairfax County Payment to Project Fund . . . . .	19,485,000
Investment Income . . . . .	185,700
<b>TOTAL RECEIPTS . . . . .</b>	<b>\$74,552,812</b>

### EXPENDITURES

Operating Fund . . . . .	\$22,901,000
Parity Debt Service . . . . .	11,204,100
Improvements, Replacements & Repairs Fund . . . . .	3,525,160
General Fund . . . . .	13,843,450
Project Fund . . . . .	32,475,000
<b>TOTAL EXPENDITURES . . . . .</b>	<b>\$83,948,710</b>

Ending Balance - All Funds and Accounts . . . . . \$31,423,664



Photos by Risdon Photography

## HOW THE MONEY COMES IN

The **Revenue Fund** is ASA's depository for all revenues, and transfers from the Revenue Fund are done in the line with the Master Trust.

Our main source of revenue comes from sewer disposal charges paid by our customers. Fairfax County also contributes to the IRR Fund and CIP Fund to allow for the replacement and rejuvenation of capital assets.

For FY 2012, the sewer rates will be \$6.36/1000 gallons used, as well as applicable Bay Protection Charges. The Bay Protection Charge is a fixed charge to recover capital expenses needed to upgrade ASA infrastructure. Beginning October 1, 2011, the Bay Protection Charge will be \$16.77 per quarter for residential customers.

## OUR DEBT SERVICE

The **Parity Debt Service Fund** was created by the Master Indenture of Trust for the payment of principal and interest on outstanding debt. We currently borrow from the Virginia Revolving Loan Fund (VRLF), with financial administration by the Virginia Resources Authority.

We have recently applied for a loan with VRLF to cover construction costs for SANUP Package C (see next page), with funds to be received in FY 2011.

## HOW IT IS USED

The **Operating Fund** pays expenses for administration and the operation and maintenance of our facility.

## FY 2012 O&M Budget \$22,901,000

**BEGINNING & ENDING BALANCE/RESERVE:**  
Our new Financial Policy stipulates a minimum reserve equal to 120 days of operating costs.

### WORKFORCE SUPPORT:

It takes highly specialized employees to run our state-of-the-art facility 24/7. This category includes compensation related items; health and welfare; personal safety equipment; training and professional development.

**FUEL, POWER & UTILITIES:**  
The "power" behind ASA, this category includes costs for the natural gas, electricity and water needed to operate the plant.

**EQUIPMENT:**  
The "brawn" of the plant, the preventative and corrective maintenance for our infrastructure to keep it functioning.

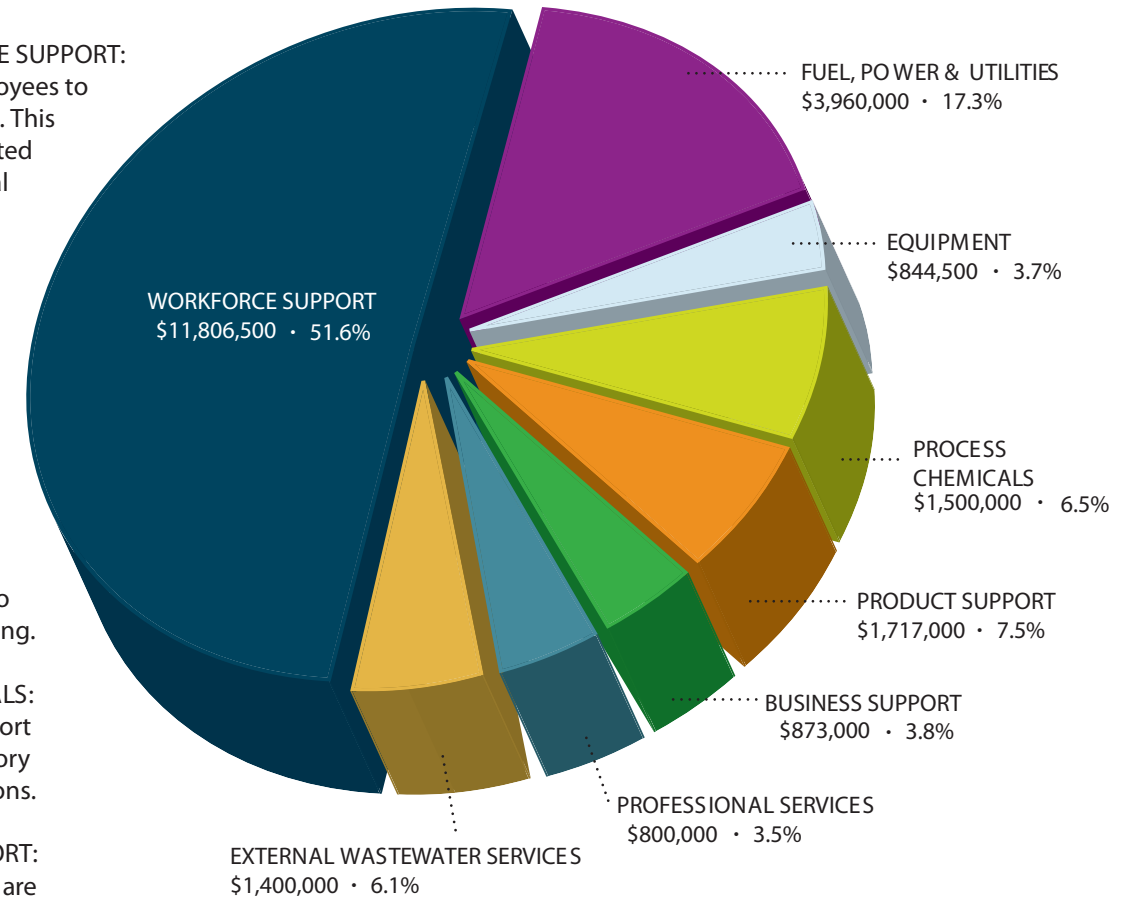
**PROCESS CHEMICALS:**  
Chemicals are needed to support the processes and meet all regulatory compliance obligations.

**PRODUCT SUPPORT:**  
The "controls" of the plant, these are the ancillary services such as lab testing, biosolids reuse, billing collection payments, and trash collection.

**BUSINESS SUPPORT:**  
The "operating support" of the plant, this includes software, office supplies, IT equipment, insurance, and community education and outreach.

**PROFESSIONAL SERVICES:**  
Legal, financial, and engineering firms are used to support annual program needs and support our staff in operational efficiency.

**EXTERNAL WASTEWATER SERVICES:**  
The cost of supporting the operations and maintenance associated with the City's allocated capacity at the Arlington County Water Pollution Control Plant.



## LOOKING FORWARD

Now we are looking to the future, designing upgrades that will continue to position us as an environmental steward, good neighbor and industry leader. ASA has been diligently collaborating with City of Alexandria officials, other landholders, and stakeholders in the South Carlyle area to develop a new strategy. This unique and exciting partnership has allowed us to develop an innovative design that integrates our utility-type treatment facilities with the high-rise commercial and residential buildings planned for the area. Conceptual design is currently underway, incorporating greenscaping while showcasing our reclaimed water. We anticipate going to bid for Phase I of the program in 2012.

