

# Wastewater Fund

**FY 2022 Adopted Budget - City of Fairfax, Virginia**

**City of Fairfax, Virginia  
FY 2022 Wastewater Fund  
Budget Summary**

	<u>FY 2020</u> <u>Actual</u>	<u>FY 2021</u> <u>Budget</u>	<u>FY 2021</u> <u>Estimate</u>	<u>FY 2022</u> <u>Adopted</u>	<u>Variance to</u> <u>Budget \$</u>	<u>Variance to</u> <u>Budget %</u>
<b>Revenues</b>						
<b>Operating Revenues</b>	\$ 7,923,016	\$ 7,873,200	\$ 8,477,627	\$ 8,901,508	\$ 1,028,308	13.06%
<b>Availability Charges</b>	2,688,417	1,552,625	1,278,588	2,979,371	1,426,746	91.89%
<b>Other Revenues</b>						
Interest	58,230	150,000	11,000	15,000	(135,000)	-90.00%
Miscellaneous / Financing	96,775	20,000	20,000	20,000	-	0.00%
Reimbursements	22,073	-	-	-	-	0.00%
<b>Subtotal Other Revenues</b>	<b>177,078</b>	<b>170,000</b>	<b>31,000</b>	<b>35,000</b>	<b>(135,000)</b>	<b>-79.41%</b>
<b>Other Financing Sources</b>	-	5,482,128	4,700,000	-	(5,482,128)	-100.00%
<b>Total Revenues</b>	<b>\$ 10,788,511</b>	<b>\$ 15,077,953</b>	<b>\$ 14,487,215</b>	<b>\$ 11,915,879</b>	<b>\$ (3,162,074)</b>	<b>-20.97%</b>
<b>Expenses</b>						
<b>Operating Expenses</b>						
Annual Wastewater Treatment	\$ 1,993,248	\$ 2,749,111	\$ 2,043,079	\$ 2,094,156	\$ (654,955)	-23.82%
CIP Payments - Fairfax County	-	5,482,128	5,482,128	4,624,000	(858,128)	-15.65%
Capital Projects	108,706	2,032,000	2,032,000	2,056,000	24,000	1.18%
Line Maintenance	1,052,561	1,115,640	1,141,334	1,127,327	11,686	1.05%
Administrative & Engineering	1,063,084	919,774	920,429	1,156,214	236,440	25.71%
<b>Subtotal Operating Costs</b>	<b>4,217,599</b>	<b>12,298,653</b>	<b>11,618,970</b>	<b>11,057,697</b>	<b>(1,240,956)</b>	<b>-10.09%</b>
<b>Other Expenses</b>						
Debt Service	784,923	1,457,004	1,457,004	1,364,469	(92,535)	-6.35%
<b>Subtotal Other Expenses</b>	<b>784,923</b>	<b>1,457,004</b>	<b>1,457,004</b>	<b>1,364,469</b>	<b>(92,535)</b>	<b>-6.35%</b>
<b>Total Expenses</b>	<b>\$ 5,002,522</b>	<b>\$ 13,755,657</b>	<b>\$ 13,075,974</b>	<b>\$ 12,422,166</b>	<b>\$ (1,333,491)</b>	<b>-9.69%</b>
<b>Cash Balance - June 30</b>	<b>\$ 5,918,228</b>	<b>\$ 8,378,915</b>	<b>\$ 7,329,469</b>	<b>\$ 6,823,183</b>		
<b>Total FTE</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>9.2</b>		

## FY 2022 Adopted Budget - City of Fairfax, Virginia

**FUNCTION:** Wastewater Services  
**DEPARTMENT:** Utilities  
**DIVISION OR ACTIVITY:** County Wastewater Treatment Contract

### BUDGET COMMENTS:

The FY 2022 Adopted Budget reflects a reduction of \$1,513,083 (18.4%) from the FY 2021 Adopted Budget. Notable adjustments include:

- Annual Wastewater Treatment**  
 The contracted amount for the Wastewater treatment with Fairfax County is projected to decrease by 23.8% in FY 2022 based on actual volume.
- CIP Payments – Fairfax County**  
 The Capital Improvement is based on the County’s projections for the cost of the upgrades to the Noman M. Cole Wastewater Treatment plant. Major plant upgrades are required due to an EPA mandated nitrogen reduction program and plant renovations. The City’s share of the total capital cost is 6.27%, which equates to the percentage of total capacity that the City owns at the Noman M. Cole Wastewater Treatment Plant. Renovation and construction costs are contingent upon the final scope of work and construction change

### Cost Center 435110: County Wastewater Treatment Contract

Title	FY 2020 <u>Actual</u>	FY 2021 <u>Budget</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Adopted</u>	Variance to <u>Budget \$</u>	Variance to <u>Budget %</u>
County Charges - Operating	\$ 1,993,248	\$ 2,749,111	\$ 2,043,079	\$ 2,094,156	\$ (654,955)	-23.82%
County Charges - Capital	-	5,482,128	5,482,128	4,624,000	(858,128)	-15.65%
<b>Total</b>	<b>\$ 1,993,248</b>	<b>\$ 8,231,239</b>	<b>\$ 7,525,207</b>	<b>\$ 6,718,156</b>	<b>\$ (1,513,083)</b>	<b>-18.38%</b>

### PROGRAM:

Wastewater originating in the City's Wastewater system is treated by Fairfax County in its Noman M. Cole, Jr., Pollution Control Plant by a contractual agreement that provides a guaranteed treatment capacity for the City.

### GOAL:

To ensure effective Wastewater services to city customers and to make sure treatment capacity is available for future use by administering the wastewater treatment contract with Fairfax County.

### OBJECTIVES:

- To determine how much capacity is available for future use by measuring and monitoring city wastewater flows to Fairfax County’s Noman M. Cole, Jr. Pollution Control Plant and make recommendations to purchase additional capacity if necessary.
- To monitor the city’s payments to the County for treatment, capital improvement, operations and maintenance costs to ensure costs to City customers are accurate and properly prorated.

### SERVICES AND PRODUCTS:

- Wastewater metering stations, treatment and disposal of wastewater for City residents and businesses and to protect the Chesapeake Bay.

## FY 2022 Adopted Budget - City of Fairfax, Virginia

**FUNCTION:** Wastewater Services  
**DEPARTMENT:** Public Works  
**DIVISION OR ACTIVITY:** Wastewater Line Maintenance

### BUDGET COMMENTS:

An increase of \$35,686 (1.1%) from the FY 2021 Adopted Budget is necessary to fund the FY 2022 Adopted Budget. Notable adjustments include:

- **Salaries, increase of \$16,900 (2.8%)**
  - The increase in Salaries is due primarily to the 2% Merit increase in FY 2021 (beginning May 1, 2021), the merit increase for FY 2022 (3.5% beginning January 1, 2022) and the market rate adjustments in FY 2021 (2.6%) and FY 2022 (2.3%).
- **Fringe Benefits, increase of \$8,744 (3.9%)**
  - Fringe costs increased due to the merit increases and market rate adjustments as stated above in the Salaries comment.
- **Capital Outlay, increase of \$24,000 (1.2%)**
  - The detail for Wastewater capital projects is provided in the Capital Budget Section G.

### Cost Center 435120: Wastewater Line Maintenance

Title	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted	Variance to Budget \$	Variance to Budget %
Salaries	\$ 578,200	\$ 600,581	\$ 606,799	\$ 617,481	\$ 16,900	2.81%
Fringe Benefits	241,310	225,889	226,365	234,633	8,744	3.87%
Purchased Services	52,584	72,500	91,500	72,500	-	0.00%
Internal Services	82,302	72,748	72,748	60,073	(12,675)	-17.42%
Other Charges	20,096	33,033	33,033	31,750	(1,283)	-3.88%
Supplies & Materials	78,069	110,889	110,889	110,889	-	0.00%
Capital Outlay	108,706	2,032,000	2,032,000	2,056,000	24,000	1.18%
<b>Total</b>	<b>\$ 1,161,267</b>	<b>\$ 3,147,640</b>	<b>\$ 3,173,334</b>	<b>\$ 3,183,327</b>	<b>\$ 35,686</b>	<b>1.13%</b>

### PROGRAM:

Wastewater conveyance pipelines and facilities are maintained and rehabilitated by the Wastewater Division of the Public Works Department.

### GOAL:

To provide reliable wastewater service by inspecting, cleaning, repairing and rehabilitating the city's wastewater pumping and gravity conveyance network.

### OBJECTIVES:

- To minimize the number of wastewater service line backups to less than two per fiscal year
- To minimize the number of wastewater overflows to the environment to less than two per fiscal year
- To reduce excessive inflow and infiltration (I/I) by ten percent from FY 2013, the base year.
- To perform preventive maintenance flushing of 50% of the wastewater system per year.
- To perform preventive maintenance video recording of 15% of the wastewater system per year.

## FY 2022 Adopted Budget - City of Fairfax, Virginia

---

**FUNCTION:** Wastewater Services  
**DEPARTMENT:** Public Works  
**DIVISION OR ACTIVITY:** Wastewater Line Maintenance

### SERVICES AND PRODUCTS:

- Provide well-maintained and unobstructed wastewater conveyance pipelines
- Minimize backups and overflows
- Inspect and resolve wastewater pipelines exhibiting grease and blockage
- Respond to and resolve odor control issues

---

Personnel Classification	Grade	FY 2020 <u>Actual</u>	FY 2021 <u>Budget</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Adopted</u>
Superintendent	S02	0.25	0.25	0.25	0.25
Crew Supervisor	117	1.00	1.00	1.00	1.00
Assistant Crew Supervisor	114	-	-	-	1.00
Utility Worker III	112	1.00	1.00	1.00	-
Wastewater Equipment Operator	111	1.00	1.00	1.00	1.00
Utility Line Technician	110	1.00	1.00	1.00	1.00
Utility Technician III	110	1.00	1.00	1.00	1.00
Utility Worker II	109	1.00	1.00	1.00	1.00
Utility Technician II	109	1.00	1.00	1.00	1.00
<b>Total FTE</b>		<b>7.25</b>	<b>7.25</b>	<b>7.25</b>	<b>7.25</b>

---

## FY 2022 Adopted Budget - City of Fairfax, Virginia

**FUNCTION:** Wastewater Services  
**DEPARTMENT:** Utilities  
**DIVISION OR ACTIVITY:** Wastewater Administration

### BUDGET COMMENTS:

An increase of \$236,440 (25.7%) from the FY 2021 Adopted Budget is necessary to fund the FY 2022 Adopted Budget. Notable adjustments include:

- **Salaries, increase of \$79,410 (93.0%)**
  - The increase in Salaries is due primarily to the 2% Merit increase in FY 2021 (beginning May 1, 2021), the merit increase for FY 2022 (3.5% beginning January 1, 2022) and the market rate adjustments in FY 2021 (2.6%) and FY 2022 (2.3%); also the addition of a Wastewater Analyst position (\$75k).
- **Fringe Benefits, increase of \$37,571 (94.8%)**
  - Fringe costs increased due to the merit increases, market rate adjustments as stated above in the Salaries comment and the addition of a Wastewater Analyst position (\$75k).
- **Internal Services, increase of \$42,439 (8.2%)**
  - The allocation of motor pool expenses from Fleet Maintenance was updated based on the actual usage statistics; as a result, motor pool expenses allocated to this division increased.
- **Other Charges, increase of \$75,000 (28.8%)**
  - Increase due to additional operating costs associated with tasks for recommended Wastewater employee.

### Cost Center 435130: Wastewater Administration & Engineering

Title	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted	Variance to Budget \$	Variance to Budget %
Salaries	\$ 101,979	\$ 85,370	\$ 85,979	\$ 164,780	\$ 79,410	93.02%
Fringe Benefits	38,972	39,637	39,683	77,207	37,571	94.79%
Purchased Services	28,747	17,800	17,800	19,820	2,020	11.35%
Internal Services (Motor Pool)	634,708	515,517	515,517	557,956	42,439	8.23%
Other Charges	258,678	260,000	260,000	335,000	75,000	28.85%
Supplies & Materials	-	1,450	1,450	1,450	-	0.00%
Capital Outlay	-	-	-	-	-	0.00%
<b>Total</b>	<b>\$ 1,063,084</b>	<b>\$ 919,774</b>	<b>\$ 920,429</b>	<b>\$ 1,156,214</b>	<b>\$ 236,440</b>	<b>25.71%</b>

## FY 2022 Adopted Budget - City of Fairfax, Virginia

**FUNCTION:** Wastewater Services  
**DEPARTMENT:** Utilities  
**DIVISION OR ACTIVITY:** Wastewater Administration

**PROGRAM:**

Wastewater service management and administration are provided by the Department of Public Works but no longer include utility billing. Customer service, customer issue resolution, general administration, and engineering review are to be provided by Public Works as an in-kind service.

**GOAL:**

To provide effective leadership, managerial, administrative and engineering support to the Wastewater line maintenance division in order to enhance department performance. To strengthen environmental sustainability and meet the City's goal of providing unsurpassed user-friendly, customer-focused business practices.

**OBJECTIVES:**

- To monitor and ensure efficient utility billing for wastewater customers as outsourced to Fairfax Water.
- To review site plans submitted by developers within 7 business days of submittal
- To manage new connections to the wastewater system
- To provide "Capacity Management" via managing wastewater conveyance to Fairfax County and a life-cycle cost basis for the wastewater Capital Improvement Program
- To have a strong safety program resulting in zero "lost time" accidents for the Department

**SERVICES AND PRODUCTS:**

- Administrative services for Wastewater Services Section
- Monitoring Utility Billing Quality and cost effectiveness
- Wastewater emergency response assistance
- Wastewater conveyance and service connection Information Management
- Asset Management support via GIS
- Records Management

Personnel Classification	Grade	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted
Director of Public Works	**	0.10	0.10	0.10	0.10
City Engineer	S01	0.10	0.10	0.10	0.10
Wastewater Analyst	121	-	-	-	1.00
Stormwater Res Engineer	121	0.10	0.10	0.10	0.10
Assistant Stormwater Res Engineer	117	0.30	0.30	0.30	0.30
Administrative Assistant IV	112	0.30	0.30	0.30	0.30
<b>Total FTE</b>		<b>0.90</b>	<b>0.90</b>	<b>0.90</b>	<b>1.90</b>

## FY 2022 Adopted Budget - City of Fairfax, Virginia

**FUNCTION:** Wastewater Services  
**DEPARTMENT:** Utilities  
**DIVISION OR ACTIVITY:** Wastewater Debt Service

### BUDGET COMMENTS:

The FY 2022 Adopted Budget reflects a reduction of \$92,535 (6.3%) from the FY 2021 Adopted Budget. Notable adjustments include:

- **Debt Service, decrease of \$92,535 (6.3%)**
  - Decrease due to lower amortization of debt due to FY 2020 refunding.

### Cost Center 435710: Wastewater Debt Service

Title	FY 2020 <u>Actual</u>	FY 2021 <u>Budget</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Adopted</u>	Variance to <u>Budget \$</u>	Variance to <u>Budget %</u>
Debt Service	\$ 784,923	\$ 1,457,004	\$ 1,457,004	\$ 1,364,469	\$ (92,535)	-6.35%
<b>Total</b>	<b>\$ 784,923</b>	<b>\$ 1,457,004</b>	<b>\$ 1,457,004</b>	<b>\$ 1,364,469</b>	<b>\$ (92,535)</b>	<b>-6.35%</b>

### PROGRAM:

General revenue bonds and resulting debt service are required, after City Council approval, for projects too large to be funded by current user fee revenues. Such capitalized projects have a long-term public benefit and ensure adequate capacity for current and future customers.

### GOAL:

To ensure an adequate and efficient wastewater conveyance system, that is financially secure, by paying principal and interest (debt service) for bond proceeds issued by the VRA to the City to pay for completed treatment improvements upgrades at Noman Cole, Jr., Pollution Control Plant and the City's pumping and collection service area.

### OBJECTIVE:

- Retire Debt

### SERVICES AND PRODUCTS:

- Payment of principal and interest on debt to bond holders.



**2019A VRA Refund of 2010C Bonds**  
**Lease Financing for Utility Improvements**  
**Principal and Interest, 10-1; Interest, 4-1**

**Payments During Year**

<b><u>YEAR ENDING</u></b> <b><u>JUNE 30</u></b>	<b><u>PRINCIPAL</u></b>	<b><u>NET</u></b> <b><u>INTEREST</u></b>	<b><u>TOTAL</u></b> <b><u>REQUIREMENT</u></b>
2022	600,000	764,469	1,364,469
2023	630,000	732,950	1,362,950
2024	665,000	699,766	1,364,766
2025	695,000	664,916	1,359,916
2026	735,000	628,272	1,363,272
2027	775,000	589,578	1,364,578
2028	815,000	548,834	1,363,834
2029	850,000	506,169	1,356,169
2030	900,000	461,325	1,361,325
2031	945,000	414,047	1,359,047
2032	990,000	364,463	1,354,463
2033	1,040,000	315,594	1,355,594
2034	1,080,000	276,634	1,356,634
2035	1,110,000	244,806	1,354,806
2036	1,140,000	211,125	1,351,125
2037	1,175,000	175,969	1,350,969
2038	1,210,000	139,219	1,349,219
2039	1,245,000	100,859	1,345,859
2040	1,280,000	61,406	1,341,406
2041	1,325,000	20,703	1,345,703
<b>Total</b>	<b>\$ 19,205,000</b>	<b>\$ 7,921,104</b>	<b>\$ 27,126,104</b>

**Purpose:** Financing capital improvements to the Wastewater System  
**Principal Amount:** Original: \$24,080,000; Refunding \$19,205,000  
**Date of Issue:** November 2010; Refunding April 2019  
**Collateral:** Wastewater Fund reserves

## FY 2022 Adopted Budget - City of Fairfax, Virginia

Wastewater Fund Expense Detail							
Account	Account Title	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Adopted	Variance to Budget \$	Variance to Budget %
<b>County Wastewater Treatment Contract (435110)</b>							
530835	City-County Contracts - O&M	\$ 1,993,248	\$ 2,749,111	\$ 2,043,079	\$ 2,094,156	\$ (654,955)	-23.82%
530835	City-County Contracts - CIP	-	5,482,128	5,482,128	4,624,000	(858,128)	-15.65%
	<b>Subtotal</b>	<b>1,993,248</b>	<b>8,231,239</b>	<b>7,525,207</b>	<b>6,718,156</b>	<b>(1,513,083)</b>	<b>-18.38%</b>
<b>Wastewater Line Maintenance (435120)</b>							
511105	Salaries - Full Time	433,171	455,581	457,112	472,481	16,900	3.71%
511115	Salaries - Overtime	112,237	112,000	112,000	112,000	-	0.00%
511125	Temporary Help	4,896	6,000	6,000	6,000	-	0.00%
511130	On Call Pay	22,762	27,000	27,000	27,000	-	0.00%
511161	Hazard Pay	-	-	4,687	-	-	0.00%
511165	Annual Accrual	5,134	-	-	-	-	0.00%
512110	Fringe Benefits	241,310	225,889	226,365	234,633	8,744	3.87%
530113	Contract Services	20,392	29,000	48,000	29,000	-	0.00%
530350	Building Maintenance	263	5,000	5,000	5,000	-	0.00%
530351	Equipment Maintenance	31,929	38,500	38,500	38,500	-	0.00%
540102	Motor Pool Charges	82,302	72,748	72,748	60,073	(12,675)	-17.42%
550110	Utilities Expense	16,450	17,533	17,533	17,533	-	0.00%
550430	Equipment Rental	155	11,500	11,500	11,500	-	0.00%
550501	Travel & Training	774	4,000	4,000	-	(4,000)	-100.00%
550801	Emergency Events	2,717	-	-	2,717	2,717	0.00%
560110	Office Supplies	283	1,000	1,000	1,000	-	0.00%
560416	Uniforms	2,644	4,389	4,389	4,389	-	0.00%
560420	Operating Supplies	7,205	11,500	11,500	11,500	-	0.00%
560430	Operating Materials	6,424	29,000	29,000	29,000	-	0.00%
560501	Chemicals - Other	61,513	65,000	65,000	65,000	-	0.00%
580428	Sewage Pump Station Rehab	19,404	30,000	30,000	52,000	22,000	73.33%
580440	Sewer Trunk Lining-pipes over 10 in	-	600,000	600,000	650,000	50,000	8.33%
580441	Sewer Lining	-	480,000	480,000	480,000	-	0.00%
580442	Manhole Rehab	-	125,000	125,000	127,000	2,000	1.60%
580443	Sewer Trunk Line Evaluation	-	200,000	200,000	260,000	60,000	30.00%
580448	Geographical Information System	-	-	-	-	-	0.00%
580449	Collection System Repair & Replacement	-	114,000	114,000	116,000	2,000	1.75%
580450	Pump Station Containment	51,290	-	-	-	-	0.00%
580451	Stream Easement Encasement Project	38,029	156,000	156,000	156,000	-	0.00%
580454	Wastewater Vehicle Replacement	(17)	327,000	327,000	165,000	(162,000)	-49.54%
580456	Sanitary Sewer Stream Embankment Amori	-	-	-	50,000	50,000	0.00%
	<b>Subtotal</b>	<b>1,161,267</b>	<b>3,147,640</b>	<b>3,173,334</b>	<b>3,183,327</b>	<b>35,686</b>	<b>1.13%</b>
<b>Administration &amp; Engineering (435130)</b>							
511105	Salaries - Full Time	93,559	83,470	83,754	162,880	79,410	95.14%
511115	Salaries - Over Time	-	400	400	400	-	0.00%
511125	Temporary Help	8,420	1,500	1,500	1,500	-	0.00%
511161	Hazard Pay	-	-	325	-	-	0.00%
512110	Fringe Benefits	38,972	39,637	39,683	77,207	37,571	94.79%
530113	Contract Services	28,747	17,800	17,800	19,820	2,020	11.35%
540060	Management Fee	634,708	515,517	515,517	557,956	42,439	8.23%
550806	Other Services	258,678	260,000	260,000	335,000	75,000	28.85%
560110	Office Supplies	-	1,250	1,250	1,250	-	0.00%
560416	Uniforms	-	200	200	200	-	0.00%
	<b>Subtotal</b>	<b>1,063,084</b>	<b>919,774</b>	<b>920,429</b>	<b>1,156,214</b>	<b>236,440</b>	<b>25.71%</b>
<b>Debt Service (435710)</b>							
590105	Principal	-	660,000	660,000	600,000	(60,000)	-9.09%
590110	Interest	784,923	797,004	797,004	764,469	(32,535)	-4.08%
	<b>Subtotal</b>	<b>784,923</b>	<b>1,457,004</b>	<b>1,457,004</b>	<b>1,364,469</b>	<b>(92,535)</b>	<b>-6.35%</b>
<b>Total Wastewater Fund</b>		<b>\$ 5,002,522</b>	<b>\$ 13,755,657</b>	<b>\$ 13,075,974</b>	<b>\$ 12,422,166</b>	<b>\$ (1,333,491)</b>	<b>-9.69%</b>

**FY 2022 Adopted Budget - City of Fairfax, Virginia**

**Function:** Wastewater Services  
**Department:** Public Works  
**Division or Activity:** Wastewater Lateral Repair and Replacement Program

**Program:**

The Code of the City of Fairfax, Virginia requires wastewater customers to be responsible for wastewater laterals all the way to the main. In all cases, repair or replacement of the lateral within the Right-of-Way is expensive and urgent. As a first step toward establishing assistance within the Right-of-Way the Wastewater Utility established, effective March 2017, a reimbursement program for corrective repairs and replacements, as well as preventive replacements using open trench or trenchless technologies. The program provides a new charge entitled Wastewater lateral repair and replacement charge.

A dedicated escrow account has been established under this Utility Fund for the wastewater lateral repair and replacement program. The program is to be self-sustaining.

**City of Fairfax, Virginia**  
**FY 2020 Lateral Repair and Replacement Program**  
**Budget Summary**

	<u>FY 2020</u> <u>Actual</u>	<u>FY 2021</u> <u>Budget</u>	<u>FY 2021</u> <u>Estimate</u>	<u>FY 2022</u> <u>Adopted</u>	<u>Variance to</u> <u>Budget \$</u>	<u>Variance to</u> <u>Budget %</u>
Cash Balance - Beginning	293,006	109,603	293,006	293,006		
<b>Revenues</b>						
Lateral R & R Charge	\$ -	\$ 160,000	\$ 160,000	\$ 160,000	\$ -	0.00%
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Expenses</b>						
Lateral R & R Expense	\$ -	\$ 160,000	\$ 160,000	\$ 160,000	\$ -	0.00%
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>	<b>\$ -</b>	<b>0.00%</b>
Cash Balance - 6/30	\$ 293,006	\$ 109,603	\$ 293,006	\$ 293,006		

**Page Intentionally Left Blank**