



AGENDA CATEGORY: Finance Office

ITEM NUMBER:


DATE: December 18, 2019

SUBJECT	Approval of FY 2021 Preliminary Proposed Budget – Public Hearing Purposes
SUMMARY	To provide a FY 2021 Preliminary Proposed Budget for public hearing and customers to comment on the Commission’s capital and operating budget for the next fiscal year in accordance with state law.
SPECIAL COMMENTS	
CONTRACT NO./ REFERENCE NO.	Not Applicable
COSTS	Preliminary Proposed Operating and Capital Budget total - \$1,462,911,814.
AMENDMENT/ CHANGE ORDER NO. AMOUNT	Not Applicable
MBE PARTICIPATION	Not Applicable
PRIOR STAFF/ COMMITTEE REVIEW	Carla A. Reid, General Manager/CEO <i>CR</i> Joseph F. Beach, Deputy General Manager <i>JFB</i> Patricia A. Colihan, Chief Financial Officer <i>PC</i> Letitia Carolina-Powell, Budget Division Manager <i>LC</i>
PRIOR STAFF/ COMMITTEE APPROVALS	
RECOMMENDATION TO COMMISSION	Approve to transmit for public hearing purposes.
COMMISSION ACTION	



Interoffice Memorandum

TO: COMMISSIONERS

FROM: CARLA A. REID
GENERAL MANAGER/CEO 

DATE: DECEMBER 18, 2019

SUBJECT: FY 2021 PRELIMINARY PROPOSED BUDGET

Overview

State law requires that before January 15, the WSSC Water publish a proposed operating and capital budget for the upcoming fiscal year. The law also requires a public hearing on the budget before February 15, and for a proposed budget to be submitted to the Counties by March 1. Accordingly, we have prepared a preliminary proposed budget for publication and public hearing purposes.

The preliminary proposed budget for Fiscal Year 2021 for all operating and capital funds totals \$1.462 billion or \$7.0 million (0.5%) more than the Approved FY 2020 Budget. The preliminary proposed operating budget of \$856.2 million represents an increase of \$38.8 million (4.7%) over the FY 2020 Approved Operating Budget of \$817.4 million. The primary cost drivers are the holistic rehabilitation of the Piscataway basin to help address excess flows at the Piscataway Water Resource Recovery Facility (WRRF) and help prevent permit violations; increased operating costs for this WRRF, and debt service on infrastructure renewal. Other cost drivers include bio-solids hauling and additional funding for Customer-to-Meter billing system stabilization. When controlling for the non-discretionary increases in debt service and Piscataway related costs, the FY 2021 Operating Budget is only 2.5% over the FY 2020 Approved Budget.

The preliminary proposed capital budget of \$606.7 million represents a decrease of \$31.8 million (-5.0%) from the FY 2020 Approved Capital Budget of \$638.5 million. This decrease is due to construction progress on the Trunk Sewer Reconstruction Consent Decree work and some significant projects winding down such as the Brink Zone Water Storage Improvements and the Broad Creek Waste Water Pumping Station Augmentation projects.

Spending Affordability Guidelines

The preliminary proposed budget calls for a combined 7.0% average increase in water and sewer consumption revenue. This proposed increase meets the Spending Affordability Guidelines (SAG) as Prince George's and Montgomery Counties recommended 7.0%. Even with this change, WSSC Water rates continue to be favorable when compared to many other comparable water and sewer utilities, and the average residential bill is 1% of the median household income.

Building a Sustainable Operating Budget

In order to reconcile the Departments' initial FY 2021 requests with the Counties' Spending Affordability Guidelines, a funding gap of \$25 million dollars was closed. Actions included limiting growth for certain programs and the very difficult decision not to reinstate important programs and functions that were removed in previous fiscal years. For the fourth consecutive year, this preliminary budget includes no new positions. Once again, I gave this directive to my staff early in the budget process in recognition of the need to maintain an affordable rate structure.

Although we are not able to reinstate several programs, this budget funds essential improvements that support our strategic priorities. This budget reflects our continued commitment to maintaining affordability through the active pursuit and implementation of cost savings measures. Our efforts in the Supply Chain Management Transformation project, which has been supported by the Commission and both Counties since FY 2013, have produced significant cost reductions in excess of \$47 million in the operating and capital budgets since the inception of this program and cost avoidance savings of nearly \$45 million during the same period. If not for these intensive efforts in contract negotiation and cost management, additional rate increases, or service reductions would have been necessary. During FY 2019, our efforts resulted in \$8.8 million in cost reductions over the terms of the contracts awarded.

Customer Affordability

Like many utilities across the country, WSSC Water continues to face the challenge of balancing increasing costs for infrastructure and operations with affordability considerations for our customers. While the average costs to ensure access to clean, safe drinking water and efficient wastewater treatment compares favorably to other household utilities and expenses, there are still too many residents who struggle to meet their monthly expenses. The Customer Assistance Program (CAP) was created in FY 2016 to help economically disadvantaged customers by providing financial assistance with water and sewer bills. The CAP has already reached thousands of our customers in the current fiscal year. The CAP will continue in FY 2021 and the proposed budget estimates the revenue offset remains unchanged at \$888,000.

In addition, in accordance with House Bill 408 enacted in the FY 2018 legislative session, the preliminary budget includes \$100,000 to continue the Connection Pipe Emergency Replacement Loan Program which will provide affordable financing of up to \$5,000 per eligible customer.

Infrastructure Reliability

The preliminary budget proposes the rehabilitation of 25 miles of smaller water mains (<16 inches in diameter), the same level as last year, but less than the 50 miles historically rehabilitated. This planned reduction frees up resources to develop a more efficient and effective Water Reconstruction Program, enabling us to develop our enhanced pipe condition assessment program over the next several years. In addition, new water main rehabilitation technologies to help control costs while also minimizing disruption for our customers are being evaluated.

For large diameter water mains, the Pre-stressed Concrete Cylinder Pipe (PCCP) Program provides for the ongoing acoustic fiber optic (AFO) monitoring of over 100 miles of pipe, ongoing inspection, and rehabilitation and replacement of large diameter pipes. Inspection, rehabilitation and replacement of large valves continues at two per year. The PCCP program will begin the replacement of pipe with one-half mile projected for FY 2021, eventually building the program up to two miles per year. Replacement of ferrous pipes is projected to increase from four miles to six miles per year. Funding is also included for the continued compliance with all requirements of the WSSC Water Sanitary Sewer Overflow and Potomac Water Filtration Plant Consent Decrees.

Information Technology Strategic Plan

In addition to our ongoing investments in WSSC Water's physical infrastructure, the FY 2021 budget invests in our organizational infrastructure. Strategic contributions from Fund Balance will be used to modernize our IT infrastructure and streamline our business processes and help lay the foundation for Advanced Metering Infrastructure project.

System Development Charge

State law provides that the System Development Charge (SDC), a charge to new applicants for WSSC Water service which is intended to recover growth costs, may be adjusted annually by the change in the Consumer Price Index for the Washington, DC metropolitan area (CPI-W). Historically, we have adjusted the maximum allowable charge based on the change in the November CPI-W. This year, the November CPI will be published the morning of December 11. Prior to the Commission meeting, we will provide the recommended increase for the maximum allowable charge for the System

Development Charge. We plan to increase the maximum allowable charge by the change in the CPI-W but leave the SDC unchanged.

Public Participation

Public hearings on WSSC Water's FY 2021 Preliminary Proposed Budget are scheduled for Monday, January 27, 2020 at 7:30 p.m. at the Stella B. Werner Office Building in Rockville; Tuesday, February 4, 2020 at 7:30 p.m. at the Department of the Environment Building in Largo; and, if necessary, Wednesday, February 12, 2020 at 7:30 p.m. in the Commission Hearing Room.

Conclusion

A Commission worksession and vote on the preliminary proposed budget is scheduled for December 18. This is a fiscally responsible budget which supports WSSC Water's strategic priorities as well as moves us closer to becoming THE world-class water utility. I recommend that the Commission approve the FY 2021 Preliminary Proposed Budget for distribution to elected officials and the public for public hearing purposes.

Attachments

Journey to World Class

WSSC Water's FY 2021 Strategic Roadmap

The men and women of WSSC Water work 24/7/365 to fulfill our clean water mission. Throughout FY 2021, we will work with our customers, neighbors, stakeholders and each other to deliver these essential key strategic initiatives:



Enhance Customer Experience

- Deliver the essential: Produce an average of 164 million gallons/day (MGD) of safe, clean reliable drinking water and safely process an average of 197 MGD of wastewater each day for our 1.8 million residents (approx. 475,000 customer accounts)
- Initiate Advanced Metering Infrastructure (AMI) so customers can better track their water usage, which can significantly reduce their bills and save them money
- Enhance and expand customer affordability programs
- Stabilize Customer to Meter (C2M) billing system



Spend Customer Dollars Wisely

- Continue efforts to control costs and save money through Strategic Sourcing, reducing overtime, freezing positions, streamlining group insurance plan, conserving energy and focusing on employee safety to reduce lost work days
- Improve contract management to ensure deliverables are provided on-time, on-budget and within scope
- Maintain AAA Bond Rating through strong financial policies and planning



Optimize Infrastructure

- Implement the first year of the FY 2021-2026 Capital Improvements Program (CIP)
- Rehabilitate and repair wastewater collection system in southern Prince George's County to reduce infiltration and inflow
- Ensure resiliency of WSSC Water's water supply and delivery
- Continue to invest in innovative technology, processes and ideas
- Invest in maintenance programs to improve the condition of buildings, systems and grounds



Protect Our Resources

- Assess and adapt to the impacts of climate change on WSSC Water infrastructure and continue to invest in projects that reduce greenhouse gas emissions
- Comply with the Sanitary Sewer Overflow and Potomac Plant consent orders
- Develop a biosolids and water treatment residuals Master Plan
- Conduct analysis to determine resource needs to support core mission
- Develop a Digital Strategy to create value added improvements for WSSC Water and its customers, while ensuring confidentiality and integrity



Transform Employee Engagement

- Infuse innovation and creativity throughout the workforce to help retain and recruit employees
- Consolidate and enhance employee training, learning and development
- Drive employee culture change through research, data-driven decision-making and program management
- Update employee onboarding process and new employee orientation

COMPARATIVE EXPENDITURE BY MAJOR EXPENSE CATEGORY

(\$ in Thousands)

Expense Categories	FY 2019 Actual		FY 2020 Approved		FY 2021 Proposed	
	Capital	Operating	Capital	Operating	Capital	Operating
Salaries & Wages	\$27,293	\$125,851	\$27,154	\$130,134	\$29,080	\$133,866
Heat, Light & Power	-	19,683	-	19,444	-	20,431
Regional Sewage	-	54,809	-	59,000	-	58,000
Contract Work	202,735	-	383,332	-	353,066	-
Consulting Engineers	51,872	-	58,073	-	77,183	-
Debt Service	-	292,656	-	319,883	-	325,593
All Other	104,895	284,681	169,967	288,932	147,400	318,293
Grand Total	\$386,795	\$777,680	\$638,526	\$817,393	\$606,729	\$856,183
		\$1,164,475		\$1,455,919		\$1,462,912

SPENDING AFFORDABILITY COMPARISON

<u>Category</u>	<u>Prince George's County</u>	<u>Montgomery County</u>	<u>WSSC Water Preliminary Proposed Budget</u>
Water & Sewer Operating Expenditures*	\$ 837,660,000	\$ 837,660,000	\$ 842,522,744
Water & Sewer Debt Service	\$ 313,865,000	\$ 313,865,000	\$ 313,865,000
New Debt	\$ 409,922,000	\$ 409,922,000	\$ 409,922,000
Water & Sewer Rate Increase	7.0%	7.0%	7.0%

* Water & sewer operating expenditures exceed the recommended guidelines by \$4.8 million. The overage will be offset by the items listed below. The guidelines are based on a preliminary financial forecast which is revised as better information becomes available.

\$2,000,000 - Underwriter's discount budgeted as operating instead of capital expense due to GAAP change

\$1,986,000 - Miscellaneous fees revised based on latest trends

\$788,430 - Revised SDC Debt Service Offset

**TOTAL ORGANIZATION
COMPARATIVE EXPENDITURES BY FUND**

	FY 2020 Approved	FY 2021 Proposed	FY21 vs. FY20 Over/(Under)	% Change
Operating Funds				
Water Operating	\$ 352,471,682	\$ 368,436,761	\$ 15,965,079	4.5%
Sewer Operating	450,147,720	474,085,983	23,938,263	5.3%
General Bond Debt Service	14,773,624	13,660,423	(1,113,201)	-7.5%
Total Operating Funds	<u>\$ 817,393,026</u>	<u>\$ 856,183,167</u>	<u>\$ 38,790,141</u>	<u>4.7%</u>
Capital Funds				
Water Bond	\$ 287,256,345	\$ 257,227,267	\$ (30,029,078)	-10.5%
Sewer Bond	334,377,286	308,385,350	(25,991,936)	-7.8%
General Bond	16,892,473	41,116,030	24,223,557	143.4%
Total Capital Funds	<u>\$ 638,526,104</u>	<u>\$ 606,728,647</u>	<u>\$ (31,797,457)</u>	<u>-5.0%</u>
Grand Total	<u>\$1,455,919,130</u>	<u>\$1,462,911,814</u>	<u>\$6,992,684</u>	<u>0.5%</u>

**COMBINED WATER/SEWER OPERATING FUNDS
PROPOSED FY 2021 RATE ANALYSIS**

(\$ in Thousands)

<u>Funding Sources</u>	FY 2019		FY 2020	FY 2021
	<u>Approved</u>	<u>Actual</u>	<u>Approved</u>	<u>Requested</u>
<u>Revenues at Current Rates</u>				
Consumption Charges	\$ 627,943	\$ 615,249	\$ 658,899	\$ 650,197
Account Maintenance Fee	32,182	32,116	32,296	32,360
Infrastructure Fee	38,894	39,278	39,331	39,410
Miscellaneous Revenues	36,230	46,919	41,200	48,270
Total	<u>735,249</u>	<u>733,562</u>	<u>771,726</u>	<u>770,237</u>
Reconstruction Debt Service Offset	12,500	12,500	11,600	9,500
SDC Debt Service Offset	3,364	5,551	4,658	5,772
Miscellaneous Offset	-	-	395	-
Premium Transfer	-	-	2,900	1,500
Underwriters Discount Transfer	-	-	-	2,000
Use of Prior Year Net Revenue	11,580	11,580	11,341	8,000
Total Funding Sources	<u>762,693</u>	<u>763,193</u>	<u>802,620</u>	<u>797,009</u>
<u>Requirements</u>				
Operating, Maintenance & Support Service Expenses	454,616	467,694	465,297	497,642
Debt Service	277,061	275,385	306,307	313,865
Debt Reduction (Paygo)	31,016	15,754	31,016	31,016
Total Requirements	<u>762,693</u>	<u>758,833</u>	<u>802,620</u>	<u>842,523</u>
Shortfall to be covered by rate increase	\$ -	\$ 4,360	\$ -	\$ (45,514)

PROPOSED INCREASE

Water/Sewer Rate Revenue Increase

7.0%

COMPARATIVE EXPENDITURES BY ORGANIZATIONAL UNIT – ALL OPERATING AND CAPITAL FUNDS

	FY 2020 Approved		FY 2021 Proposed		Changes Amount
	Workyears	Budget	Workyears	Budget	
Commissioners Office/Corporate Secretary's Office*	2	\$ 381,879	2	\$ 397,280	\$ 15,401
Office of the Inspector General	10	1,572,084	10	1,605,564	33,480
General Manager's Office	8	1,448,190	8	1,491,433	43,243
General Counsel's Office	28	10,517,040	28	10,658,343	141,303
Strategic Partnerships Branch					
Customer Service Department	86	11,584,913	86	13,677,103	2,092,190
Intergovernmental Relations Office	4	753,746	4	783,107	29,361
Communications & Community Relations Office	19	3,071,397	19	3,135,611	64,214
Human Resources Office	36	7,921,259	36	8,101,249	179,990
Equal Employment Opportunities Office	1	226,400	1	242,584	16,184
Strategy & Innovation Office	18	2,755,779	19	3,254,244	498,465
Operations Branch					
Asset Management Office	5	2,385,924	5	1,752,588	(633,336)
Engineering & Construction Department	378	588,760,824	377	573,062,416	(15,698,408)
Police & Homeland Security Office	40	6,050,620	40	6,063,378	12,758
Production Department	330	139,093,978	330	145,060,403	5,966,425
Utility Services Department	512	138,619,476	512	139,591,679	972,203
Administration Branch					
Finance Department	64	7,720,450	64	8,420,934	700,484
Information Technology Department	103	56,050,279	103	56,943,147	892,868
General Services Department	96	40,446,733	96	42,753,616	2,306,883
Procurement Department	27	2,758,044	27	2,785,036	26,992
Office of Supplier Diversity & Inclusion	9	1,461,900	9	1,555,739	93,839
Other					
Non-Departmental - Finance		51,056,378		54,206,352	3,149,974
Retirement Trust Charge Back		(756,355)		(750,043)	6,312
Non-Departmental - Human Resources		31,139,492		31,511,051	371,559
Debt Service		319,882,700		325,593,000	5,710,300
PAYGO		31,016,000		31,016,000	-
SUMMARY-TOTAL	1,776	\$ 1,455,919,130	1,776	\$ 1,462,911,814	\$ 6,992,684

*Commissioners (6) and Inspector General (1) not included in totals for workyears. However, funds shown in table do provide for associated workyear expenses.

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Inspections, Licenses, and Permits

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
I Inspection Fees - Water/Sewer Connection Hookup, Well/Septic Hookup			
<u>Plumbing and Gasfitting Inspections</u>			
New Single Family Detached Dwellings	\$ 919	\$ 1,011	Yes
New Attached Dwellings (townhouse/multiplex excluding apartments)	919	1,011	Yes
<u>All Other Residential:</u>			
Water/Well Hookup	120	132	Yes
Meter Yoke Inspection (meter only installation)	120	132	Yes
Water Hookup Converting from Well (includes 2 inspections)	240	264	Yes
Sewer/Septic Hookup	120	132	Yes
First Plumbing Fixture	120	132	Yes
Each Additional Fixture	46	53	Yes
SDC Credit Fixture Inspection (per fixture)	44	48	Yes
Minimum Permit Fee	220	242	Yes
Permit Reprocessing Fee	66	73	Yes
Long Form Permit Refund Fee (1B write-up form)	220	242	Yes
Long Form Permit Re-Issue Fee	220	242	Yes
<u>All Non-Residential:</u>			
<u>Plan Review (without Permit Application)</u>			
25 Fixtures or Less	499	534	Yes
26-200 Fixtures	1,772	2,038	Yes
Over 200 Fixtures	3,531	4,061	Yes
<u>2nd or 3rd Review (with or without Permit Application)</u>			
25 Fixtures or Less	173	187	Yes
26-200 Fixtures	397	457	Yes
Over 200 Fixtures	846	973	Yes
Water/Well Hookup	214	235	Yes
Meter Yoke Inspection (meter only installation)	214	235	Yes
Sewer/Septic Hookup	214	235	Yes
FOG Interceptor	214	235	Yes
First Plumbing Fixture	214	235	Yes
Each Additional Fixture	55	59	Yes
SDC Credit Fixture Inspection (per fixture)	44	48	Yes
Minimum Permit Fee	306	337	Yes
Permit Reprocessing Fee	65	73	Yes
Long Form Permit Refund Fee (1B write-up form)	320	352	Yes
Long Form Permit Re-Issue Fee	320	352	Yes

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Inspections, Licenses, and Permits (Continued)

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
2 License Fees for the Regulated Trades			
<u>Reciprocal Master Plumber, Gasfitter:</u>			
Initial Registration per type (for 2 years)	\$ 112	\$ 123	Yes
Registration Renewal all types (for 2 years)	96	106	Yes
Late Registration Renewal	57	63	Yes
<u>Examined Master Plumber, Gasfitter:</u>			
Initial Registration per type (for 4 years)	118	130	Yes
Registration Renewal all types (for 4 years)	118	130	Yes
Late Registration Renewal	57	63	Yes
Cross-connection Technician Registration	29	32	Yes
Sewer and Drain Registration and Renewal (for 2 years)	46	53	Yes
Sewer and Drain Late Renewal Fee	22	24	Yes
<u>Journeyman License Registration:</u>			
Initial Registration (for 2 years)	34	37	Yes
Registration Renewal (for 2 years)	34	37	Yes
Late Registration Renewal	23	25	Yes
License Transfer Fee	31	31	-
License Replacement Fee	17	18	Yes
Apprentice License Registration Renewal	12	13	Yes
3 Short Form Permit Fee (up to 3 fixtures) – Non-Refundable	103	113	Yes
4 Long Form Permit Transfer Fee (with Inspection)	176	194	Yes
5 Tapper License Fees			
Permit Fee	363	363	-
Duplicate	36	36	-
6 Watershed Use Permit Fees			
<u>Boat Removal and Impoundment Fees</u>			
Boat/Craft Removal and Removal Fee	103	103	-
Monthly Storage Fee for Removed Boats	82	82	-
<u>Watershed Use Permit Fees</u>			
Watershed Use Permit (January 1 - December 31)	72	72	-
Single Day Watershed Use Permit	6	6	-
Open Season Boat Mooring (March 15 – November 30)	82	82	-
Winter Boat Mooring (December 1 – March 14)	55	57	Yes
Rental for the Azalea Garden (4 hours)	77	77	-
Rental for the Bio-Brick Pavilion (4 hours)	77	77	-
Boarding Stable Entrance Permit	258	258	-
Adjacent Landowner Entrance Permit	82	82	-
<u>Picnic Permit</u>			
Picnic Permit - groups of 1-5 persons	6	6	-
Picnic Permit - groups of 6-10 persons	12	12	-
Picnic Permit - groups of 11-15 persons	19	18	Yes
7 Site Utility Inspection Fees (Non-Minor)			
Base Fee	1,133	1,133	-
Pipeline (per foot)	6	6	-

Rates, Fees and Charges

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Discharge and Water Protection

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
8 Septic Hauler Discharge Permit Fees			
<u>Category I Residential & Septic Waste & Grease</u>			
1 - 49 gallons (per vehicle)	\$ 255	\$ 257	Yes
50 - 799 gallons (per vehicle)	5,071	5,578	Yes
800 - 2,999 gallons (per vehicle)	14,464	15,910	Yes
3,000 - gallons and up (per vehicle)	34,307	34,754	Yes
January through June	50% of fee	50% of fee	-
Transfer and/or Replacement Permit Sticker	118	130	Yes
Industrial/Special Waste Disposal Fee (per 1,000 gallons)	355	366	Yes
Zero Discharge Permit Fee	118	130	Yes
Temporary Discharge Permit Fee	118 + Sewer Rate/1,000 gallons	130 + Sewer Rate/1,000 gallons	Yes
Sewer Rate - Hauled Waste	43/1,000 gallons of truck capacity	47/1,000 gallons of truck capacity	Yes
9 Industrial Discharge Control Program Fees By Category			
<u>Industrial users subject to Categorical Pretreatment Standards</u>			
Less than 5,000 gpd (double visit)	5,085	5,594	Yes
Greater than 5,000 gpd (double visit)	7,792	8,571	Yes
Non-discharging Categorical Industries (zero discharge)	1,370	1,507	Yes
<u>Significant Industrial User</u>			
Less than 25,000 gpd (single visit - priority pollutant sampling)	5,085	5,594	Yes
Greater than 25,000 gpd (double visit - priority pollutant sampling)	7,792	8,571	Yes
Penalty Charge for Late Fee Payment	5% of fee	5% of fee	-
10 Discharge Authorization Permit Fees			
Significant Industrial User – Initial Permit (for 4 years)	6,046	6,651	Yes
Significant Industrial User – Renewal (for 4 years)	2,963	3,259	Yes
Initial Zero-Discharge CIU Permit (for 4 years)	2,296	2,526	Yes
Reissued Zero-Discharge CIU Permit (for 4 years)	1,531	1,684	Yes
Temporary Discharge Permit (non – SIU)	6,046	6,651	Yes
11 Discharge Fees - Food Service Establishment (FSE)			
Full Permit FSE	537	537	-
BMP Permit FSE	152	152	-
12 Cross Connection Fees			
Test Report Fee (per report)	38	42	Yes
Base Fee for High Hazard Commercial Water Customer (per month)	16	18	Yes
Base Fee for All Other Commercial Water Customer (per month)	8	9	Yes

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Meter Related Services and Fees

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
13 Small Meter Replacement (at Customer Request)	\$ 211	\$ 215	Yes
14 Meter Replacement Fees (Damaged or Stolen Meter)			
5/8" w/ touch pad (inside w/remote)	150	152	Yes
5/8" w/ pit pad (outside w/o remote)	150	150	-
5/8 Meter - pad encoder	125	127	Yes
5/8" x 3/4" w/ touch pad (inside w/ remote)	126	129	Yes
3/4" w/ touch pad (inside w/ remote)	151	151	-
3/4" w/ pit pad (outside w/o remote)	160	160	-
1" w/ touch pad (inside w/ remote)	196	196	-
1" w/ pit pad (outside w/o remote)	202	202	-
1" Kamstrup Meter, UT	315	319	Yes
1 1/2" Badger Flanged Meter	561	567	Yes
1 1/2" Flanged Meter	750	750	-
1 1/2" Nipple Meter	725	739	Yes
2" Flanged Meter	1,100	1,100	-
2" 15 1/4 Flanged Meter	1,185	1,207	Yes
3" Compound Meter	3,190	3,190	-
4" Compound Meter	3,960	3,960	-
6" Compound Meter	5,830	5,830	-
Turbine, Horizontal 3" Neptune w/ pit pad	1,456	1,475	Yes
Turbine, Horizontal 4" Neptune w/ pit pad	1,952	1,975	Yes
2" Hersey MVR Turbine	1,210	1,210	-
3" Hersey MVR Turbine	2,296	2,296	-
4" Hersey MVR Turbine	3,216	3,216	-
6" Hersey MVR Turbine	4,970	4,970	-
2" Detector Check	4,562	4,615	Yes
4" Detector Check	3,195	3,275	Yes
6" Detector Check	3,761	3,850	Yes
8" Detector Check	4,876	4,986	Yes
10" Detector Check	6,224	6,350	Yes
12" Detector Check	21,946	22,211	Yes
4" Fire Service Meter	8,239	8,239	-
6" Fire Service Meter	9,874	10,037	Yes
8" Fire Service Meter	12,315	12,502	Yes
10" Fire Service Meter	14,225	14,389	Yes
12" Fire Service Meter	16,250	20,403	Yes
3" Octave UT L=24	3,050	3,095	Yes
4" Octave UT L=29/ L=33	4,034	4,095	Yes
6" Octave UT L=45	5,944	6,026	Yes
8" Octave UT L=53	9,528	9,677	Yes
10" Octave UT L=68	12,901	13,080	Yes
15 Meter Testing Fees			
5/8" to 1"	261	261	-
1-1/2"	424	424	-
2" and up	473	473	-

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Meter Related Services and Fees (Continued)

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
16 Sub-Meter Installation Fees			
One-time Sub-Meter Charge - Small	\$ 261	\$ 261	-
One-time Sub-Meter Charge - Large	528	528	-
One-time Inspection Fee	57	66	Yes
Minimum Permit Inspection Fee	200	220	Yes
17 Water Turn-Off, Turn-On Fees			
Small Meter Turn-Off	80	80	-
Small Meter Turn-On	97	100	Yes
Large Meter Turn-Off	203	203	-
Large Meter Turn-On	241	241	-
18 Call Back Fee (small meters, plumbers)	93	93	-
19 Call Back Fee (large meters, plumbers)	262	301	Yes
20 Missed Appointment Fees			
First Missed Appointment or Turn-On	97	97	-
Each Additional Missed Appointment	110	110	-
21 Meter Reinstallation Correction Fee	388	388	-
22 Sewer Meter Maintenance Fee (per year)	12,003	13,803	Yes
Quarterly Calibrations (per quarter)	3,001	3,451	Yes
23 Property Inspection Fee	115	119	Yes
24 Warehouse Restocking Fee	39	47	Yes

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Fire Hydrant Services and Fees

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
25 Temporary Fire Hydrant Connection Fees			
<u>3/4" Meter - Deposit</u>			
2 Weeks or Less w/approved payment record	No fee	No fee	-
Over 2 Weeks/Less than 2 weeks w/unapproved payment record	\$ 379	\$ 379	-
<u>3" Meter - Deposit</u>			
2 Weeks or Less w/approved payment record	No fee	No fee	-
Over 2 Weeks/Less than 2 weeks w/unapproved payment record	2,420	2,420	-
<u>Service Charge</u>			
2 Weeks or Less (3/4" meter)	62	68	Yes
2 Weeks or Less (3" Meter)	130	130	-
Over 2 Weeks (3/4" and 3" Meters)	175	175	-
Water Consumption Charge - 3/4" Meter	Approved rate for 1,000 gal ADC; \$33 min.	Approved rate for 1,000 gal ADC; \$36 min.	Yes
Water Consumption Charge - 3" Meter	Approved rate for 1,000 gal ADC; \$214 min.	Approved rate for 1,000 gal ADC; \$229 min.	Yes
Late Fee for Return of Meter (per day)	10	10	-
Fee on Unpaid Temporary Fire Hydrant Meter Billings	1.5%/month	1.5%/month	-
Loss/Destruction of Meter	Replacement cost	Replacement cost	-
Loss/Destruction of Wrench	40	40	-
26 Truck Inspection Fee w. Attached Fire Hydrant Meter (2 Years)	52	52	-
27 Fire Hydrant Inspection Fee (per hydrant)	137	158	Yes
Controlled Access Surcharge Fee	26	30	Yes
28 Fire Hydrant Flow Test Fees			
No Current Test	693	693	-
Current Test	83	83	-

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Development Services

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
29 Feasibility Review Fees (WSSC Built)			
Feasibility Submission Fee (Non-refundable)	\$ 1,780	\$ 1,956	Yes
Feasibility Review & Report Fee Deposit <i>(can be deferred as deficit when extension is completed)</i>	11,862	13,048	Yes
	9.3% of WSSC unit cost estimate or 12.0% of contractor's cost estimate	9.3% of WSSC unit cost estimate or 12.0% of contractor's cost estimate	-
30 Construction Services Fee			
31 Design Review			
Development is more than 10 Residential Units or Commercial	6,500	6,500	-
Development is 10 Residential Units or Less	3,250	3,250	-
32 Extra Review Fees			
<u>Per SEP Plan Review:</u>			
Minor Additional Reviews of Unsigned or Signed Plans (per review)	1,202	1,322	Yes
Major/Splitting Additional Reviews of Unsigned or Signed Plans (per review)	2,453	2,698	Yes
<u>Per Site Utility/Minor Utility Additional Signed or Unsigned Plan Review:</u>			
Site Utility (per review)	1,458	1,604	Yes
Minor Site Utility (per review)	379	417	Yes
<u>Per Hydraulic Planning Analysis/Systems Planning Forecast Application:</u>			
Additional Review of Required Data (per application)	822	904	Yes
33 Hydraulic Planning Analysis and System Planning Forecast			
Modeling and Re-Modeling Fee - Up to 3 parts	1,840	2,116	Yes
Modeling and Re-Modeling Fee - per part over 3	765	765	-
Pressure Sewer System Review Fee - per system	367	404	Yes
34 In-House Design Deposit	Deposit	Deposit	-
35 Partial Release for Service Fee	1,398	1,468	Yes
36 Off-Property Service Connection Reimbursement	Prevailing service connection fee	Prevailing service connection fee	-
37 Service Connection Application and Inspection Fee (per permit)	2,434 water and/or sewer connection	2,434 water and/or sewer connection	-
38 Government Referred Plan Review Fees			
Major Development – Over 10 Units	1,583	1,693	Yes
Minor Development – 10 or Less Units	791	791	-
Re-Review Fee for Major Development	791	791	-
Re-Review Fee for Minor Development	396	396	-

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Development Services (Continued)

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
39 Pre-Screen Fee All Plan Types	\$ 365	\$ 394	Yes
40 Site Utility (On-Site) Review Fees			
Base Fee	3,522	3,631	Yes
Additional Fee per 100 feet	332	352	Yes
Minor (Waived) Site Utility (On-Site) Fee	1,106	1,217	Yes
41 Name/Transfer of Ownership Change Fee	250	275	Yes
42 Variance Review Fee	1,238	1,362	Yes

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Pipeline, Engineering, and Environmental Services

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
43 Shut Down/Charge Water Main Fee	\$ 1,177	\$ 1,177	-
Shut Down/Complex Water Main Fee	2,144	2,144	-
44 Fees for Review and Inspection of Site Work Potentially Impacting WSSC Pipelines			
Simple Review	399	399	-
Complex Review / Non-DR Developer Review	2,615	3,138	Yes
Inspection for minor adjustment / Non-DR Developer (per inspection)	266	266	-
45 Relocation Fees			
Relocation Design Review Fee	6,500	DELETE	-
Inspection Fee for MOU Project (minimum charge up to 4 hours)	600	600	-
46 Connection Abandonment Fees			
County Roads (Except Arterial Roads) - Water	1,474	1,474	-
County Roads (Except Arterial Roads) - Sewer	1,873	1,873	-
State Roads and County Arterial Roads - Water	1,778	1,778	-
State Roads and County Arterial Roads - Sewer	2,200	2,200	-
47 Chlorination Confirmation Test Fee (per first test)	247	247	-
Re-Test or Additional Tests (per hour)	157	173	Yes
48 Re-Test or Additional Tests Chlorination and Pressure Test (per test)	157	173	Yes
Inspector Overtime (per hour)	206	206	-
49 Review Fee for Additional Reviews of Contract Documents and As-Builts (per hour)	206	206	-
50 Residential Outside Meter Housing Upgrade/Pipe Alteration	6,786	6,805	Yes
51 Utility Erosion and Sediment Control Permit Fees			
Minor Projects (less than 125 linear ft OR less than 42 in. deep and 20 in. width)	0.23	0.26	Yes
Major Projects (per linear foot)	0.34	0.39	Yes
Minimum for Major Projects	124	124	-
52 Right-of Way Release or Subordination Review Fee (per document)	1,236	1,335	Yes
53 Right-of-Way Acquisition and Condemnation for SEP Projects	Reimbursement	Reimbursement	-
54 Environmental Site Review Fee			
With Database Search Submitted by Applicant	331	381	Yes
55 Feasibility Report and Committee Review Fee for On-Site Takeover Projects	1,120	1,288	Yes

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Publications and Administrative

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
56 Fee for Sale of Copies of Plans, Plats, and 200' Reference Maps			
Xerographic bond paper copy (per sheet)	\$ 6	\$ 6	-
57 Fee for Sale of WSSC Plumbing and Fuel Gas Code (Plumbing Code)			
Sale of Plumbing Regulation (per book)	42	46	Yes
58 Fees for Sale of Contract Specifications, Contract Specification Books, Drawings, Design Manuals, Standard Details, and General Conditions			
<u>Construction Specifications/Drawings</u>			
Utility Contracts (up to \$20)	11 - 20	11 - 20	-
Facility Contracts (up to \$450)	40 - 450	40 - 450	-
Construction Standard Details	60	66	Yes
Construction General Conditions & Standard Specifications	53	61	Yes
SEP Construction General Conditions & Standard Specifications	53	61	Yes
<u>Procurement Specifications/Drawings/General Conditions</u>			
with Routine Specifications	No charge	No charge	-
with Complex/Voluminous Specifications (up to \$200)	40 - 200	40 - 200	-
59 Charge for Photocopies of WSSC Documents			
Readily Available Source Material (per single sided page)	0.30	0.30	-
Certified Copy of Readily Available Source Material (per single sided page)	0.60	0.60	-
Scanning Documents (per single sided page)	0.30	0.30	-
<i>(A reasonable fee may be charged for time in excess of two hours expended by WSSC in searching for requested records or preparing such records for inspection and copying.)</i>			
60 Fee for WSSC Pipeline Design Manual	90	90	-
61 Sale of WSSD Laws			
Bound Volume	83	83	-
Supplements	42	45	Yes
62 Facilities Design Guideline Fee	40	DELETE	-
63 Fee for Transcribed Tape of a Hearing or Meeting	Prevailing fee charged by vendor	Prevailing fee charged by vendor	-

MISCELLANEOUS FEES AND CHARGES – PROPOSED FOR IMPLEMENTATION JULY 1, 2020

Other Fees and Charges

Item	Current Charge	FY 2021 Proposed Charge	Charge Change
64 Patuxent Watershed Civil Citation Fee (State Mandated)			
First Offense	\$ 150	\$ 150	-
Each Additional Offense Within Calendar Year	300	300	-
65 Civil Citation Fees - Sediment Control, Theft of Service, and Plumbing Civil Citations (State Mandated)			
First Offense	250	250	-
Second Offense	500	500	-
Third Offense	750	750	-
Each Violation in Excess of Three	1,000	1,000	-
66 Lobbyist Registration Fee (Code of Ethics)	100	110	Yes
67 Dishonored Check Fee & Electronic Payment Fee (Applies to all dishonored checks and dishonored electronic payments)	46	46	-
68 Credit Card Surcharge <i>(Applies to customer payment of any fee/charge by credit card (MasterCard and Visa) other than water and sewer billing.)</i>	2% of amount charged	2% of amount charged	-
69 Protest Filing Fee	770	847	Yes
70 Preparation of Hold Harmless Agreement Fee	1,228	1,351	Yes
71 Connection Redemption Fee	44	44	-

SYSTEM DEVELOPMENT CHARGE
 PROPOSED FOR IMPLEMENTATION JULY 1, 2020

	<u>FY 2020 Current Charges</u>	<u>FY 2021 Proposed Charges</u>	<u>Current Maximum Allowable</u>	<u>Proposed Maximum Allowable</u>
Apartment				
Water	\$ 896	\$ 896	\$ 1,330	TBD
Sewer	1,140	1,140	1,694	TBD
1-2 toilets/residential				
Water	1,344	1,344	1,998	TBD
Sewer	1,710	1,710	2,538	TBD
3-4 toilets/residential				
Water	2,240	2,240	3,328	TBD
Sewer	2,850	2,850	4,234	TBD
5 toilets/residential				
Water	3,135	3,135	4,658	TBD
Sewer	3,991	3,991	5,929	TBD
6+ toilets/residential (per fixture unit)				
Water	88	88	132	TBD
Sewer	115	115	173	TBD
Non-residential (per fixture unit)				
Water	88	88	132	TBD
Sewer	115	115	173	TBD

No increase is proposed for the System Development Charge for FY 2021 in any category. The maximum allowable charge is being adjusted pursuant to Division II, Section 25-403(c) of the Public Utilities Article of the Annotated Code of Maryland, based on the 1.5% change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for all items in the Washington, D.C. metropolitan area from November 2018 to November 2019.