



COMMISSION SUMMARY

AGENDA CATEGORY: Finance Office

ITEM NUMBER:

DATE: June 17, 2020

SUBJECT	Approve Resolution No. 2020-2255 Adopting WSSC Water's FY 2021 Operating and Capital Budgets.
SUMMARY	This action adopts the FY 2021 Operating and Capital Budgets. This resolution acknowledges the joint action of the two County Councils to approve the proposed FY 2021 Operating and Capital Budget in accordance with Public Utilities Article § 17-202, of the Annotated Code of Maryland.
SPECIAL COMMENTS	Public Utilities Article § 17-202 requires WSSC Water to adopt an Operating and Capital Budget after County Councils action on said budget by July 1 of each year.
CONTRACT NO./ REFERENCE NO.	Not Applicable
COSTS	Approved Operating and Capital Budget Total = \$1,455,038,109
AMENDMENT/ CHANGE ORDER NO. AMOUNT	Not Applicable
MBE PARTICIPATION	Not Applicable
PRIOR STAFF/ COMMITTEE REVIEW	Carla A. Reid, General Manager/CEO ^{DS} Joseph F. Beach, Deputy General Manager ^{JFB} Patricia A. Colihan, Chief Financial Officer ^{PC} Letitia Carolina-Powell, Budget Division Manager ^{LC} Sheila R. Finlayson, Esq., Corporate Secretary ^{SF}
PRIOR STAFF/ COMMITTEE APPROVALS	WSSC Water Resolution No. 2020-2255 has been reviewed by the General Counsel's Office for legal sufficiency. On February 19, 2020, the Commission unanimously approved for transmittal to the County Executives of Prince George's and Montgomery Counties the WSSC Water Proposed FY 2021 Operating and Capital Budget totaling \$1,462,911,814, as recommended by management. FY 2021 Operating and Capital Budget approved at the Bi-county meeting of the Montgomery County and Prince George's County Councils on May 7, 2020.
RECOMMENDATION TO COMMISSION	Approve.
COMMISSION ACTION	



Interoffice Memorandum

TO: COMMISSIONERS

THRU: CARLA A. REID
GENERAL MANAGER/CEO 

THRU: JOSEPH F. BEACH
DEPUTY GENERAL MANAGER FOR ADMINISTRATION 

FROM: PATRICIA A. COLIHAN
CHIEF FINANCIAL OFFICER 

DATE: JUNE 17, 2020

SUBJECT: FISCAL YEAR (FY) 2021 BUDGET RESOLUTION

This memorandum highlights the content of the attached Commission resolution and reviews the action taken by the Counties on our FY 2021 Budget.

On May 7th, at the annual Bi-County budget meeting, the Montgomery and Prince George's County Councils approved the proposed FY 2021 Capital and Operating Budget.

The resolution has been reviewed by the General Counsel for legal sufficiency. It calls for:

1. The Commission establishing work program priorities within dollar and workyear levels as outlined in the resolution.
2. Agreement that the Commission is required to obtain the approval of both County Councils before increasing operating expenditures above \$849,656,222.

LCP

Attachments

WASHINGTON SUBURBAN SANITARY COMMISSION

SUBJECT: A RESOLUTION relating to the Washington Suburban Sanitary Commission's Fiscal Year 2021 Budget and reciting other provisions in connection with the WSSC Water capital and operating budgets for the ensuing fiscal year.

WHEREAS, Section 17-202 of the Public Utilities Article, WSSC Laws, Annotated Code of Maryland, provides for the submission each year by the Washington Suburban Sanitary Commission of the Proposed Capital and Operating Budgets to the County Executives of Montgomery and Prince George's Counties for recommendations thereon, who in turn transmit the Budgets to the respective County Councils for amendment and/or approval of the Budgets and ad valorem tax levies as the Councils deem necessary; and

WHEREAS, the Montgomery County Council on November 5, 2019, by Resolution No. 19-293, established the following spending control limits for the Fiscal Year 2021 Water and Sewer Operating and Capital Budgets of the Washington Suburban Sanitary Commission:

New Water and Sewer Debt	\$409,922,000
Water and Sewer Debt Service	\$313,865,000
Water and Sewer Operating Fund Expenditures	\$837,660,000; and

WHEREAS, the Prince George's County Council on October 29, 2019, by Resolution No. CR-093-2019, established the following spending control limits for the Fiscal Year 2021 Water and Sewer Operating and Capital Budgets of the Washington Suburban Sanitary Commission:

New Water and Sewer Debt	\$409,922,000
Water and Sewer Debt Service	\$313,865,000
Water and Sewer Operating Fund Expenditures	\$837,660,000; and

WHEREAS, in accordance with Section 17-202 of the Public Utilities Article, WSSC Laws, Annotated Code of Maryland, the Washington Suburban Sanitary Commission did timely submit to the County Executives of Montgomery and Prince George's Counties the Proposed Capital and Operating Budgets as amended for the Fiscal Year 2021 and the record of the public hearings held by the Commission on January 27 and February 4, 2020 on the said Budgets; and

WHEREAS, in preparing the Proposed Capital and Operating Budgets for Fiscal Year 2021, the Washington Suburban Sanitary Commission was guided by the spending control limits established by the Montgomery and Prince George's County Councils; and

WHEREAS, the Montgomery County Council, upon due public notice, held public hearings on the Commission's Proposed Budgets at which interested persons were given an opportunity to be heard by the Montgomery County Council; and

WHEREAS, the Montgomery County Council, following the review of said budgets, approved proposed additions to, deletions from, increases to and decreases from items contained in said budgets and transmitted the proposed budgets to the Prince George's County Council by letter dated May 4, 2020; and

WHEREAS, the Prince George's County Council, upon due public notice, held a public hearing on the Commission's Proposed Budgets at which interested persons were given an opportunity to be heard by the Prince George's County Council; and

WHEREAS, the Prince George's County Council, following the review of said budgets, approved proposed additions to, deletions from, increases to and decreases from items contained in said budgets and transmitted these proposed changes to the Montgomery County Council by letter dated May 5, 2020; and

WHEREAS, on May 7, 2020, the Montgomery and Prince George's County Councils jointly reviewed and approved the respective proposed capital and operating budgets; and

WHEREAS, the Prince George's County Council on May 29, 2020, by Resolution No. CR-36-2020, and the Montgomery County Council on May 21, 2020, by Resolution No. 19-479, approved the FY 2021 Operating and Capital Budgets for the Washington Suburban Sanitary Commission; and

WHEREAS, these resolutions and the recommendations contained therein have been transmitted to the Washington Suburban Sanitary Commission; and

WHEREAS, the Washington Suburban Sanitary Commission has reviewed and considered the resolutions adopted by the respective Counties as to matters contained in said resolutions;

NOW, THEREFORE, pursuant to the provisions of Section 17-202 of the Public Utilities Article, WSSC Laws, Annotated Code of Maryland, and the recommendations of Montgomery and Prince George's Counties, it is this 17th day of June 2020,

RESOLVED, that the Washington Suburban Sanitary Commission adopts the following 2021 Fiscal Year Capital and Operating Budgets, beginning July 1, 2020, and ending June 30, 2021, recognizing the actions and recommendations of the respective County Councils:

	<u>Operating</u>	<u>Capital</u>
Salaries and Wages	\$ 128,369,255	\$ 27,825,829
Heat, Light & Power	20,431,000	--
Regional Sewage Disposal	58,000,000	--
Contract Work	--	353,066,000
Consulting Engineers	--	77,182,800
All Other Items	286,246,967	147,307,258
PAYGO	31,016,000	--
Debt Service	325,593,000	--
Total	\$ 849,656,222	\$ 605,381,887

Workyears Authorized: 1,776

BE IT FURTHER RESOLVED, that the Capital and Operating Budgets hereby adopted include the following changes to the proposed budgets recommended by the respective County Councils:

Decrease the Operating Budget by \$6,500,000 to reflect the above changes; and

BE IT FURTHER RESOLVED, that the Capital Budget includes the first year of the Fiscal Years 2021 – 2026 Capital Improvements Program as detailed in Appendix A (Water) and Appendix B (Sewer) which are attached hereto and incorporated herein; and

BE IT FURTHER RESOLVED, that in implementing the above operating budget, the Commission shall establish its work program priorities within the dollar and workyear levels approved herein, taking into consideration recommendations approved by the Montgomery and Prince George's County Councils at the joint meeting of May 7, 2020; and

BE IT FURTHER RESOLVED, that in adopting its FY 2021 Operating Budget, the Counties and the Commission recognize that although total operating debt service is \$325,593,000 and equals 38.3% of the total operating budget, water and sewer operating debt service, the portion of debt service supported by water and sewer rate revenues, is \$313,865,000 or 37.5% of the water and sewer operating budget; and

BE IT FURTHER RESOLVED, that any supplements to the Washington Suburban Sanitary Commission's Approved Fiscal Year 2021 Budget shall be in accordance with the provisions of Section 17-202 of the Public Utilities Article, WSSC Laws, Annotated Code of Maryland; and

BE IT FURTHER RESOLVED, that the Commission shall:

1. Obtain the approval of both County Councils before increasing operating expenditures above \$849,656,222.
2. Obtain the County Councils' approval prior to making any transfer of funds from any of the approved expenditure categories within the operating and capital budgets in excess of five percent (5%) of the approved amounts. The amount approved for debt service is excluded from this transfer authority.
3. Furnish monthly status reports to each County Council and County Executive as to the fiscal

and budgetary activities of the Commission pursuant to the Approved Operating and Capital Budgets, commencing with the end of the first quarter of the fiscal year. These reports shall be submitted not more than 45 calendar days after the close of each month; and

BE IT FURTHER RESOLVED, that the Commission may find it necessary from time to time or on an emergency basis to adopt further orders or resolutions in connection with its Fiscal Year 2021 Budget and/or the water and sewer use rates to be effective July 1, 2020, pursuant to its authority under the Laws of the Washington Suburban Sanitary District, Public Utilities Article, Annotated Code of Maryland

Adopted this ____ day of June, 2020.

A True Copy

ATTEST:

Sheila R. Finlayson, Esq., Corporate Secretary

SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - WATER

(In Thousands)

AGENCY NUMBER	PROJECT NAME	YR 1 21
PRINCE GEORGE'S COUNTY WATER PROJECTS		
W-12.02	Prince George's County HG415 Zone Water Main	2,201
W-34.02	Old Branch Avenue Water Main	7,772
W-34.04	Branch Avenue Water Transmission Improvements	3,520
W-34.05	Marlboro Zone Reinforcement Main	1,235
W-62.06	Rosaryville Water Storage Facility	0
W-84.02	Ritchie Marlboro Road Transmission & PRV	69
W-84.03	Smith Home Farms Water Main	439
W-84.04	Westphalia Town Center Water Main	342
W-84.05	Prince George's County 450A Zone Water Main	18,403
W-93.01	Konterra Town Center East Water Main	814
W-105.01	Marlton Section 18 Water Main, Lake Marlton Avenue	429
W-111.05	Hillmeade Road Water Main	69
W-120.14	Timothy Branch Water Main	981
W-137.03	South Potomac Supply Improvement, Phase 2	210
	TOTALS	36,484
MONTGOMERY COUNTY WATER PROJECTS		
W-46.24	Clarksburg Area Stage 3 Water Main, Part 4	439
W-46.25	Clarksburg Area Stage 3 Water Main, Part 5	408
W-90.04	Brink Zone Reliability Improvements	619
W-113.20	White Oak Water Mains Augmentation	355
	TOTALS	1,821
BI-COUNTY WATER PROJECTS		
W-73.22	Potomac WFP Pre-Filter Chlorination & Air Scour Improvement	2,991
W-73.30	Potomac WFP Submerged Channel Intake	0
W-73.32	Potomac WFP Main Zone Pipeline	688
W-73.33	Potomac WFP Consent Decree Program	10,500
W-139.02	Duckett & Brighton Dam Upgrades	22
W-161.01	Large Diameter Water Pipe & Large Valve Rehabilitation Progr	58,139
W-172.07	Patuxent Raw Water Pipeline	9,570
W-172.08	Rocky Gorge Pump Station Upgrade	392
W-175.05	Regional Water Supply Resiliency	1,500
W-202.00	Land & Rights-of-Way Acquisition - Bi-County Water	1,512
	TOTALS	85,314
	GRAND TOTAL WATER PROJECTS	123,619

SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - SEWER

(In Thousands)

AGENCY NUMBER	PROJECT NAME	YR 1 21
PRINCE GEORGE'S COUNTY SEWER PROJECTS		
S-27.08	Westphalia Town Center Sewer Main	141
S-28.18	Konterra Town Center East Sewer	1,992
S-43.02	Broad Creek WWPS Augmentation	166
S-68.01	Landover Mall Redevelopment	649
S-75.21	Mattawoman WWTP Upgrades	3,630
S-77.20	Parkway North Substation Replacement	1,357
S-86.19	Southlake Subdivision Sewer	187
S-96.14	Piscataway WRRF Facility Upgrades	28,284
S-131.05	Pleasant Valley Sewer Main, Part 2	419
S-131.07	Pleasant Valley Sewer Main, Part 1	1,029
S-131.10	Fort Washington Forest No. 1 WWPS Augmentation	22
S-157.02	Western Branch WRRF Process Train Improvements	880
	TOTALS	38,756
MONTGOMERY COUNTY SEWER PROJECTS		
S-84.67	Milestone Center Sewer Main	522
S-84.68	Clarksburg Wastewater Pumping Station & Sewer Improvements	618
S-85.21	Shady Grove Station Sewer Augmentation	5,773
S-85.22	Shady Grove Neighborhood Center	1,367
S-94.13	Damascus Town Center WWPS Replacement	652
S-94.14	Spring Gardens WWPS Replacement	705
	TOTALS	9,637
BI-COUNTY SEWER PROJECTS		
S-22.06	Blue Plains WWTP: Liquid Train Projects, Part 2	23,432
S-22.07	Blue Plains WWTP: Biosolids Management, Part 2	11,347
S-22.09	Blue Plains WWTP: Plant-wide Projects	10,811
S-22.10	Blue Plains WWTP: Enhanced Nutrient Removal	294
S-22.11	Blue Plains: Pipelines & Appurtenances	13,622
S-103.02	Piscataway Bioenergy	61,320
S-170.08	Septage Discharge Facility Planning & Implementation	12,461
S-170.09	Trunk Sewer Reconstruction Program	69,491
S-203.00	Land & Rights-Of-Way Acquisition - Bi-County Sewer	283
	TOTALS	203,061
	GRAND TOTAL SEWER PROJECTS	251,454

Certificate Of Completion

Envelope Id: CC2A930D98B84651B5082C8FF7D53104	Status: Completed
Subject: Please DocuSign: UPDATE to Adoption of WSSC FY 2021 Operating and Capital Budgets_Agenda Item	
Source Envelope:	
Document Pages: 8	Signatures: 0
Certificate Pages: 5	Initials: 8
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	John Houston
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	14501 Sweitzer Lane
	Laurel, MD 20707
	John.Houston@wsscwater.com
	IP Address: 76.111.109.131

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6/8/2020 6:50:23 PM	John.Houston@wsscwater.com	
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Signer Events

Signer Events	Signature	Timestamp
Letitia Carolina-Powell Letitia.Carolina-Powell@wsscwater.com WSSC Water Security Level: Email, Account Authentication (Optional)	 Signature Adoption: Pre-selected Style Using IP Address: 96.241.160.19	Sent: 6/8/2020 7:01:57 PM Viewed: 6/8/2020 7:06:29 PM Signed: 6/8/2020 7:06:51 PM

Electronic Record and Signature Disclosure: Not Offered via DocuSign

Patricia Colihan Patricia.Colihan@wsscwater.com Chief Financial Officer WSSC Water Security Level: Email, Account Authentication (Optional)	 Signature Adoption: Pre-selected Style Using IP Address: 68.84.135.45	Sent: 6/8/2020 7:06:53 PM Viewed: 6/9/2020 9:09:05 AM Signed: 6/9/2020 9:09:52 AM
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Electronic Record and Signature Disclosure: Not Offered via DocuSign

Joseph F Beach Joseph.Beach@wsscwater.com WSSC Water Security Level: Email, Account Authentication (Optional)	 Signature Adoption: Pre-selected Style Using IP Address: 98.204.85.193	Sent: 6/9/2020 9:09:54 AM Viewed: 6/9/2020 12:14:15 PM Signed: 6/9/2020 8:06:37 PM
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Electronic Record and Signature Disclosure: Not Offered via DocuSign

Carla Reid Carla.Reid@wsscwater.com General Manager/CEO Security Level: Email, Account Authentication (Optional)	 Signature Adoption: Drawn on Device Using IP Address: 138.88.77.138 Signed using mobile	Sent: 6/9/2020 8:07:09 PM Viewed: 6/9/2020 8:15:39 PM Signed: 6/9/2020 8:16:01 PM
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Electronic Record and Signature Disclosure:
Accepted: 6/9/2020 8:15:39 PM
ID: 0d4cdeed-3223-4c34-a7f1-a31fca8640f4

Signer Events	Signature	Timestamp
Sheila Finlayson Sheila.Finlayson@wsscwater.com WSSC Water Security Level: Email, Account Authentication (Optional)	 Signature Adoption: Pre-selected Style Using IP Address: 107.77.203.77	Sent: 6/9/2020 8:16:02 PM Viewed: 6/10/2020 2:18:15 PM Signed: 6/10/2020 2:19:21 PM

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In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Keisha Rattan Keisha.Rattan@wsscwater.com WSSC Water Security Level: Email, Account Authentication (Optional)		Sent: 6/10/2020 2:19:24 PM
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	6/10/2020 2:19:24 PM
Certified Delivered	Security Checked	6/10/2020 2:19:24 PM
Signing Complete	Security Checked	6/10/2020 2:19:24 PM
Completed	Security Checked	6/10/2020 2:19:24 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

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Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact WSSC Water:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

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To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at WSSCWater@wsscwater.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to WSSCWater@wsscwater.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with WSSC Water

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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- Until or unless you notify WSSC Water as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by WSSC Water during the course of your relationship with WSSC Water.