



**Washington Suburban
Sanitary Commission**

PROPOSED BUDGET

JULY 1, 2012 - JUNE 30, 2013

FY 2013

A decorative graphic at the bottom of the page consisting of numerous thin, overlapping, wavy lines in shades of orange and red, creating a sense of movement and depth.

Washington Suburban Sanitary Commission

Fiscal Year 2013 Proposed Budget

*Dr. Roscoe M. Moore, Jr., Chair
Christopher Lawson, Vice Chair
Gene W. Counihan, Commissioner
Melanie Hartwig-Davis, Commissioner
Antonio L. Jones, Commissioner
Adrienne A. Mandel, Commissioner*

ATTEST: Charlett Bundy, Corporate Secretary

BUDGET - LEGAL STATUS

Section 17-202 of the Public Utilities Article, WSSD Laws, Annotated Code of Maryland: "The WSSC: (1) Before January 15 of each year, shall prepare capital and operating budgets for the next fiscal year, which shall be open for inspection by the public and copies shall be made available to the public upon request; (2) Before February 15 of each year, shall hold a public hearing on the proposed budgets after giving at least 21 days' notice of the hearing by publication in at least 2 newspapers published and generally circulated in Montgomery County and 2 newspapers published and generally circulated in Prince George's County."

TIME SCHEDULE FOR THE FISCAL YEAR 2013 BUDGET

Public Hearings by the Commission	February 1 and 2, 2012 (held as scheduled)
Submission to County Executives	March 1, 2012
Approval by the County Councils	June 1, 2012
Budget Effective Date	July 1, 2012

**THIS BUDGET WILL NOT BE ADOPTED BY THE COMMISSIONERS UNTIL
ALL HEARINGS HAVE BEEN COMPLETED**

CONTAINED HEREIN IS WSSC'S FY'13 PROPOSED BUDGET DATED MARCH 1, 2012, WHICH REPLACES AND SUPERSEDES THE PREVIOUS JANUARY 13, 2012, EDITION.

OUR MISSION:

We are entrusted by our community to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in an ethically and financially responsible manner.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Washington Suburban Sanitary Commission
Maryland**

For the Fiscal Year Beginning

July 1, 2011

Linda C. Dandon Jeffrey R. Emer

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget presentation to the Washington Suburban Sanitary Commission for its annual budget for the fiscal year beginning July 1, 2011. This is the seventeenth consecutive year that the Washington Suburban Sanitary Commission has received this award.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**WASHINGTON SUBURBAN SANITARY COMMISSION
FISCAL YEAR 2013 PROPOSED BUDGET**

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FISCAL YEAR 2013 PROPOSED BUDGET**

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FISCAL YEAR 2013 PROPOSED BUDGET**

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**WASHINGTON SUBURBAN SANITARY COMMISSION
FISCAL YEAR 2013 PROPOSED BUDGET**

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Washington Suburban Sanitary Commission

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March 1, 2012

To The Honorable:

County Executives of Montgomery
and Prince George's Counties

President, Chair, and Members
of the County Councils of
Montgomery and Prince George's Counties

Valued Customers and Interested Citizens:

We are hereby transmitting the Fiscal Year 2013 (FY'13) Proposed Capital and Operating Budget Document for the Washington Suburban Sanitary Commission (WSSC). In January, a preliminary FY'13 budget was published and distributed for review by interested customers, citizens, and officials. Public Hearings were held on Wednesday, February 1, and Thursday, February 2, 2012. The FY'13 Proposed WSSC Budget is now submitted to the County Executives and Councils of Montgomery and Prince George's Counties for hearings and other procedures as directed by Section 17-202 of the Public Utilities Article, WSSD Laws, Annotated Code of Maryland, before a final budget is adopted for the next fiscal year, beginning July 1, 2012.

The Commission's commitment to our customers both now and in the future is incorporated in the programs, goals, and objectives included in this budget. This proposed budget reflects our continued focus on providing safe and reliable water, returning clean water to the environment, and doing it in an ethically and financially responsible manner.

However, we have many fiscal challenges directly related to our aging water and sewer infrastructure, Sanitary Sewer Overflow Consent Decree compliance, and cost increases at regional sewage disposal facilities where WSSC has purchased capacity. To meet these challenges, an increase in our rates is required. The Proposed FY'13 combined average 7.5% rate increase will add approximately \$4.86 per month to the bill of a customer who uses 210 gallons of water per day. The impact on customers' annual water and sewer bills at various consumption levels is shown on Table V (page 14).

Water and Sewer Infrastructure

The state of the WSSC's infrastructure remains a significant concern now and in the future. Water main break rates continue to increase (December 2010 was a record high month with 647 breaks or leaks) and major failures may continue to occur unless we re-invest in this critical infrastructure. We continue to work with stakeholders in both counties to develop a long-term funding solution to meet the WSSC service area's infrastructure needs. The Bi-County Infrastructure Funding Working Group has made considerable progress over the past year and should be making recommendations to the Commission by the end of the fiscal year. In the interim, this budget includes additional rate-supported funding for the water and sewer reconstruction programs, which focus on small diameter pipe and appurtenances, as well as increased funding for capital projects for large diameter water and large diameter sewer pipe rehabilitation. It also continues to include funding for inspection and repair of critical water and sewer infrastructure, including the large water main inspection program. Making decisions about funding requirements for re-investment in our water and sewer infrastructure so that we continue providing established levels of service is being accomplished through the implementation of an Asset Management Program and an Enterprise Resource Planning/Enterprise Asset Management System (this is a major initiative that unifies and automates the Commission's financial and human resources, business and production processes, and other information systems more effectively so that we can allocate and manage our assets to achieve our goals at the lowest cost). Simply put, these important initiatives will help WSSC ensure that we are doing the right projects at the right time and that infrastructure dollars are spent as wisely as possible.

WSSC is likely to continue to experience high numbers of water main breaks, especially in the winter, until substantially more water main replacement work is accomplished. As part of our continuing effort to provide the highest quality service to our customers, in FY'11, we began the process of doubling the in-house water main replacement crews and shifting the associated responsibility for replacement of up to six miles of water main annually from outside contractors to these crews. The in-house cost of water main replacement is about the same as with outside contractors, so this shift of responsibility could be accomplished at no additional cost. This shift to in-house staff will also enable us to use our water main replacement crews for water main break repairs during periods when large numbers of water main breaks have an impact on our customers. This shift in approach toward water main replacement, which will be fully implemented in the current fiscal year, will allow us to maintain our momentum in this program while providing better overall service to our customers at the same cost or less.

FY'13 Proposed Capital and Operating Budgets

Our Proposed Budget for FY'13 includes a 7.5% rate increase. We recognize that these are difficult economic times for many in the bi-county area, and this proposed budget is striving to balance the additional financial impact on our customers with the overall benefit to our customers of the planned operating and capital programs we believe are necessary to support water and sewer services. It should be noted that, at this time, merit increases and a 2% cost-of-living adjustment (COLA) for all employees are included in this budget. For union-represented employees, these items are included in accordance with the terms of the negotiated collective bargaining agreement between WSSC and the union representing certain employees. These two items contribute 0.61% to the overall rate increase. As of the time of this letter, we do not have an indication from the Counties as to how they are approaching COLAs or merits for their employees. Therefore, we feel that it is incumbent upon us to identify the inclusion of these items in the budget, and to disclose their effect on the proposed rate increase.

	FY'12 Approved	FY'13 Proposed	FY'13 Over / (Under) FY'12	% Change
<u>Capital Funds</u>				
Water Supply	\$198,844,000	\$240,107,000	\$41,263,000	20.8 %
Sewage Disposal	332,424,000	536,771,000	204,347,000	61.5 %
General Construction	34,654,000	19,984,000	(14,670,000)	(42.3) %
Total Capital	565,922,000	796,862,000	230,940,000	40.8 %
<u>Operating Funds</u>				
Water Operating	251,595,000	269,337,000	17,742,000	7.1 %
Sewer Operating	323,390,000	350,271,000	26,881,000	8.3 %
General Bond Debt Service	51,160,000	41,455,000	(9,705,000)	(19.0) %
Total Operating	626,145,000	661,063,000	34,918,000	5.6 %
GRAND TOTAL	\$1,192,067,000	\$1,457,925,000	\$265,858,000	22.3 %

The FY'13 Proposed Capital Budget of \$796.9 million represents an increase of \$230.9 million (40.8%) from the FY'12 Approved Budget. The significant increase is attributable to several major projects scheduled to move forward or to ramp up construction work in FY'13 including both the Blue Plains Wastewater Treatment Plant Digester and Enhanced Nutrient Removal projects, the Broad Creek Wastewater Pumping Station Augmentation, the Patuxent Water Filtration Plant Expansion, the Large Diameter Water Pipe Rehabilitation Program and both the small diameter Sewer Reconstruction Program and large diameter Trunk Sewer Reconstruction Program.

In summary, the FY'13 estimated expenditures for all operating and capital funds total \$1.5 billion or \$265.9 million (22.3%) more than the FY'12 Approved Budget. The FY'13 Proposed Operating Budget of \$661.1 million represents an increase of \$34.9 million (5.6%) from the FY'12 Approved Operating Budget. The primary driver of this increase is debt service associated with the increased Capital Budget. Water and sewer operating debt service costs are expected to exceed FY'12 budgeted debt service by \$25.4 million. Other drivers include cost increases at regional sewage disposal facilities, Sanitary Sewer Overflow Consent Decree

compliance including expansion of the Sewer Lateral Inspection Program, an increase in the operating reserve, and 12 new workyears in direct support of operations and maintenance of the water and sewer systems.

Spending Affordability

The Commission, in cooperation with the Montgomery County and Prince George’s County governments, continues to participate in the spending affordability process. The spending affordability process focuses debate on balancing affordability considerations against providing the resources necessary to serve existing customers (including infrastructure replacement/rehabilitation), meet environmental mandates, and provide the facilities needed for growth. In October 2011, the Montgomery and Prince George’s County Councils approved resolutions establishing the following four limits on the WSSC’s FY’13 budget:

- New water and sewer debt will not exceed \$481.8 million;
- Total water and sewer debt service will not exceed \$212.7 million;
- Total water and sewer operating expenses will not exceed \$629.0 million; and
- Water and sewer rates are limited to an increase of 8.5%.

As indicated in the following table, the proposed FY’13 budget is in compliance with all of the spending affordability limits. The Commission is pleased to be able to put forth a budget that maintains service levels; increases funding for infrastructure replacement and rehabilitation; and that requires a water and sewer rate increase that is less than the spending affordability limit.

WSSC FY’13 Proposed Budget vs. Spending Affordability Limits
 (\$ in Millions)

	<u>FY’13 Proposed Budget</u>	<u>Spending Affordability Limit</u>	<u>Over/(Under) Limit</u>
New Water and Sewer Debt	\$481.8	\$481.8	-
Total Water and Sewer Debt Service	\$211.3	\$212.7	(\$1.4)
Total Water/Sewer Operating Expenses	\$619.6	\$629.0	(\$9.4)
Water/Sewer Bill Increase	7.5%	8.5%	(1.0%)


The proposed budget provides for:

- Funding the first year of the FYs 2013-2018 Capital Improvements Program;
- Increased funding for the Water and Sewer Reconstruction Programs;
- Complying with the Sanitary Sewer Overflow Consent Decree;
- Inspecting and monitoring our large diameter water main transmission system;
- Promptly paying \$251.3 million in debt service on \$2.0 billion in outstanding debt to WSSC bondholders;
- Meeting or surpassing all federal and state water and wastewater quality standards and permit requirements;
- Keeping maintenance service at a level consistent with the objective of arriving at the site of a customer's emergency maintenance situation within 2 hours of receiving the complaint and restoring service within 24 hours of a service interruption;
- Paying the WSSC's share of the cost of operating the District of Columbia Water and Sewer Authority's Blue Plains Wastewater Treatment Plant;
- Funding for merit increases and a 2% cost-of-living adjustment for all eligible employees;
- Operating and maintaining a system of 3 reservoirs impounding 14 billion gallons of water, 2 water filtration plants, 7 wastewater treatment plants, 5,500 miles of water main, and 5,400 miles of sewer main 24 hours a day, 7 days a week;
- Continuing to increase the operating reserve toward our goal of 10% of water and sewer rate revenues;
- Funding the implementation of an Enterprise Resource Planning/Enterprise Asset Management System; and
- Funding the sixth year of an 8-year ramp-up to achieve full funding of the annual required contribution for non-retirement post-employment benefits based on Government Accounting Standards Board Statement No. 45.

In addition to reviewing expenses and revenues for water and sewer services, we have analyzed the cost and current fee levels for other WSSC services. Based upon these analyses, some new fees and adjustments to current fees are recommended in Table VIII (page 17).

Budget Review Process

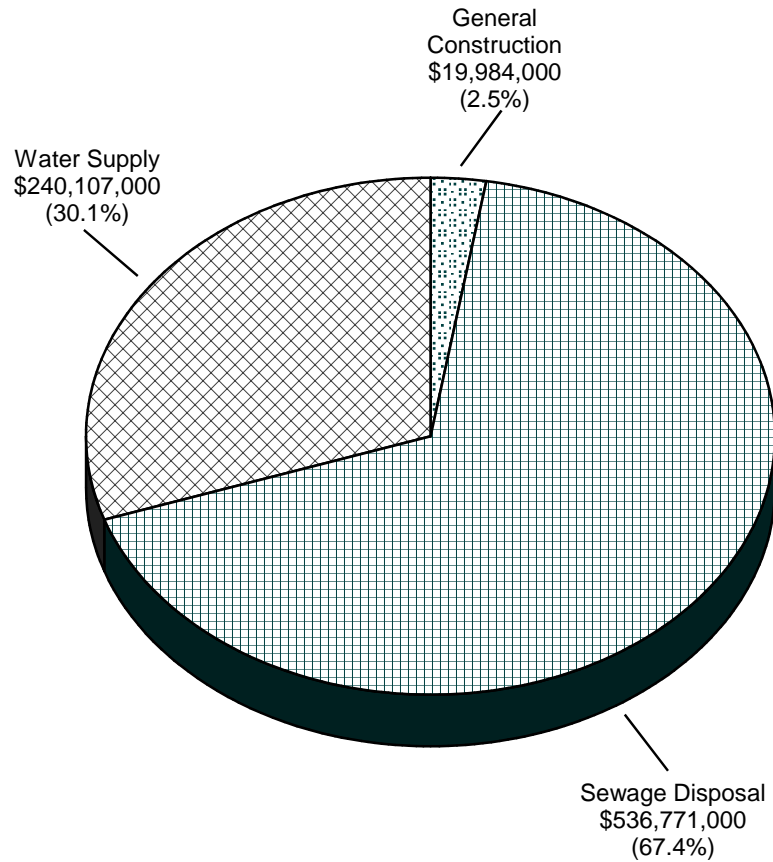
The Proposed Budget is subject to the Counties' hearings, procedures, and decisions, as provided under Section 17-202 of the Public Utilities Article, WSSD Laws, Annotated Code of Maryland, before the final budget is adopted for the fiscal year beginning July 1, 2012.



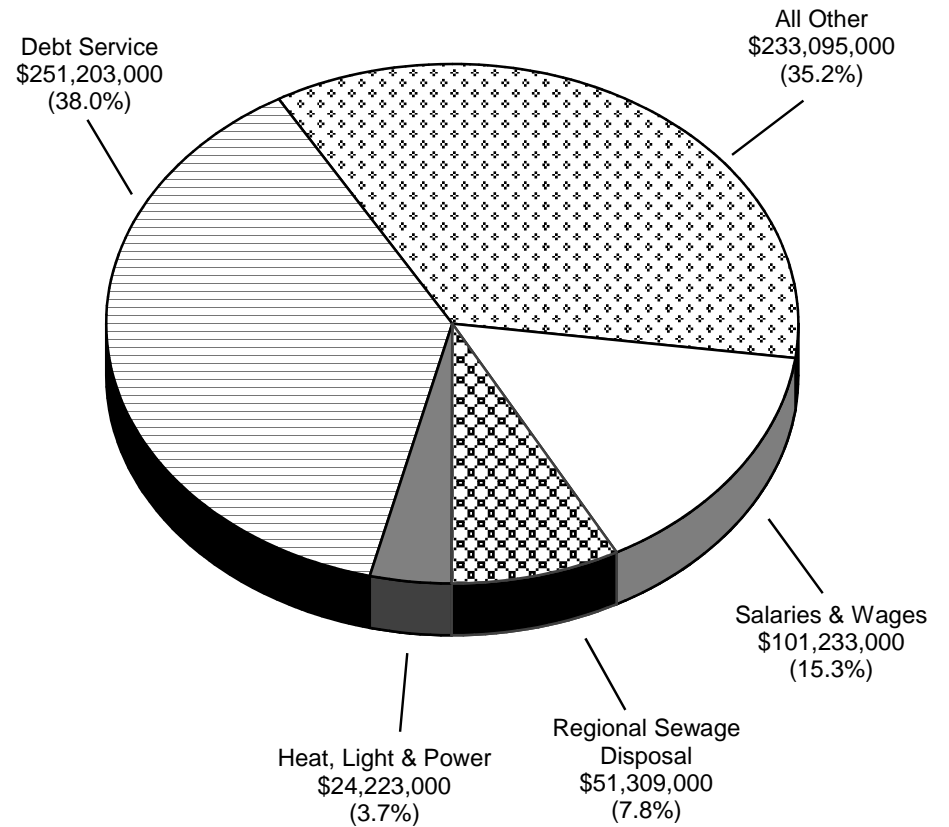
Dr. Roscoe M. Moore, Jr., Chair
Washington Suburban Sanitary Commission

FY 2013 PROPOSED BUDGET

CAPITAL = \$796,862,000



OPERATING = \$661,063,000

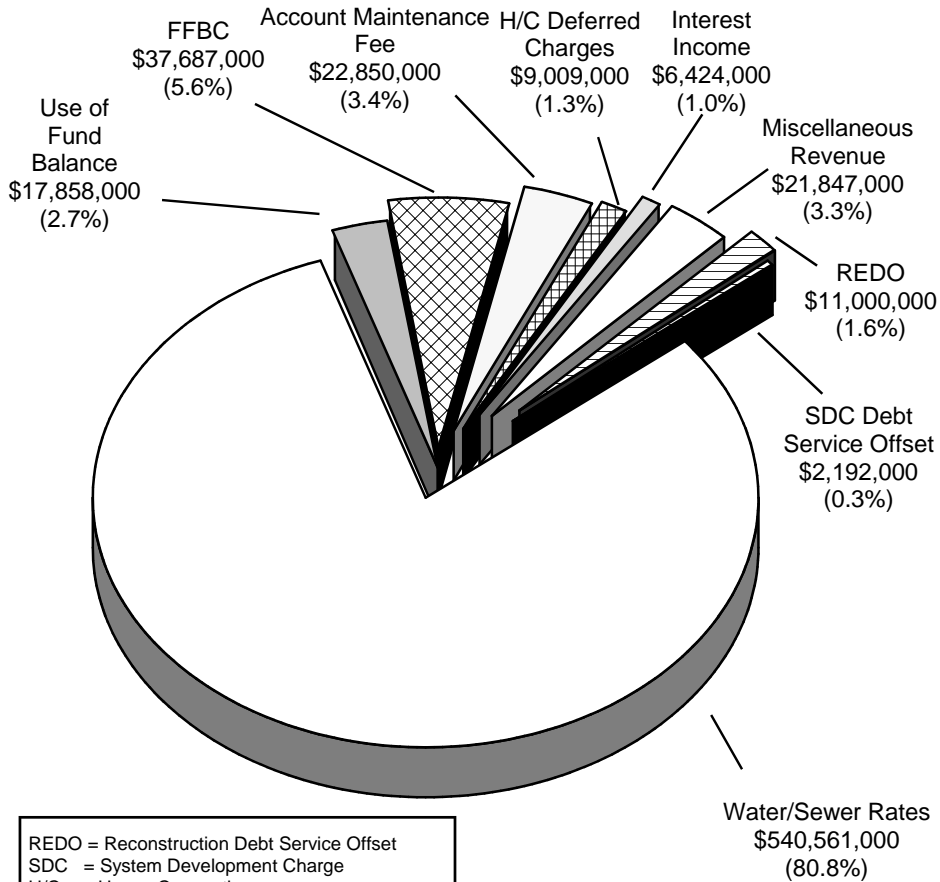


GRAND TOTAL = \$1,457,925,000

FY 2013 PROPOSED BUDGET

OPERATING

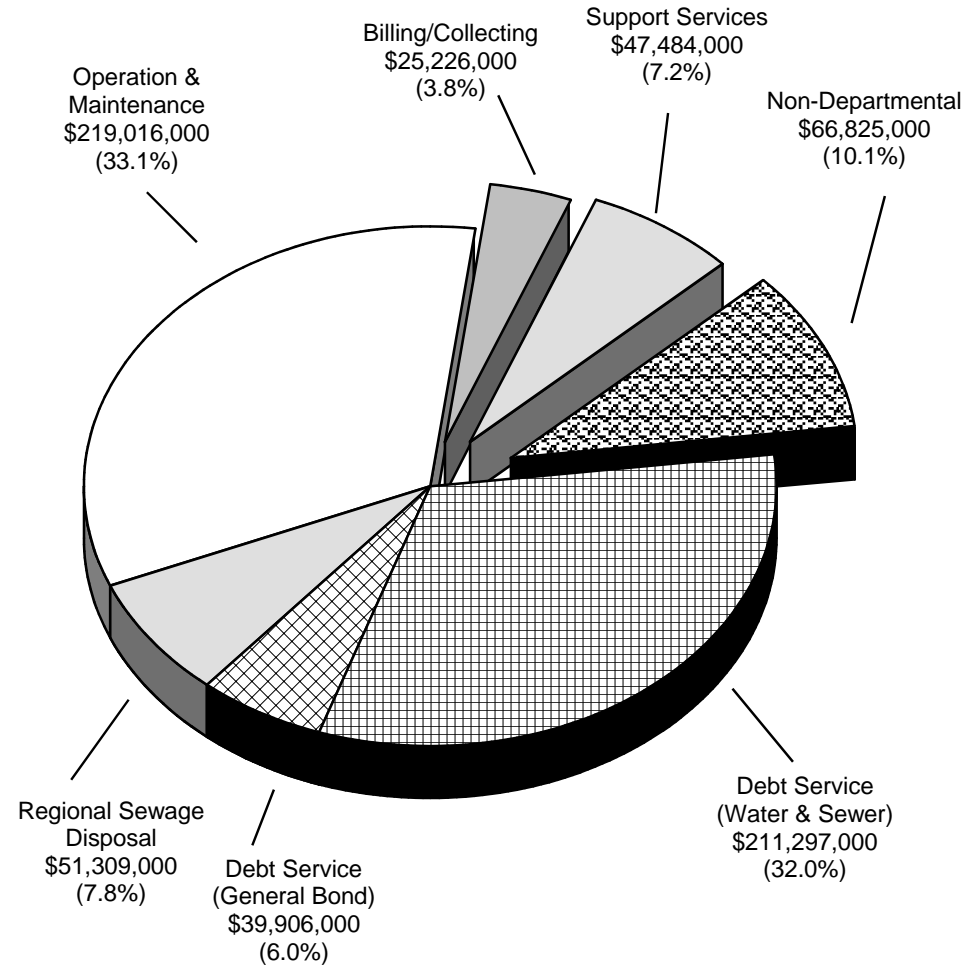
FUNDING SOURCES



REDO = Reconstruction Debt Service Offset
 SDC = System Development Charge
 H/C = House Connection
 FFBC = Front Foot Benefit Charge

TOTAL SOURCES = \$669,428,000

FUNDING USES



TOTAL USES = \$661,063,000

TABLE I

Comparative Expenditures by Fund

	FY'10 Actual	FY'11 Actual	FY'12 Approved	FY'13 Proposed	FY'13 Over / (Under) FY'12
Capital Funds					
Water Supply	\$ 111,158,000	\$ 104,278,000	\$ 198,844,000	\$ 240,107,000	\$ 41,263,000
Sewage Disposal	95,232,000	94,308,000	332,424,000	536,771,000	204,347,000
General Construction	34,092,000	41,664,000	34,654,000	19,984,000	(14,670,000)
Total Capital	<u>240,482,000</u>	<u>240,250,000</u>	<u>565,922,000</u>	<u>796,862,000</u>	<u>230,940,000</u>
Operating Funds					
Water Operating	209,761,000	220,332,000	251,595,000	269,337,000	17,742,000
Sewer Operating	259,063,000	264,355,000	323,390,000	350,271,000	26,881,000
General Bond Debt Service *	69,130,000	88,417,000	51,160,000	41,455,000	(9,705,000)
Total Operating	<u>537,954,000</u>	<u>573,104,000</u>	<u>626,145,000</u>	<u>661,063,000</u>	<u>34,918,000</u>
GRAND TOTAL	<u>\$ 778,436,000</u>	<u>\$ 813,354,000</u>	<u>\$ 1,192,067,000</u>	<u>\$ 1,457,925,000</u>	<u>\$ 265,858,000</u>

* The FY'10 Actual column includes Prince George's County Storm Water Drainage Debt Service obligations. The Interest & Sinking Fund is now the General Bond Debt Service Fund as the debt service on the Storm Water Drainage Bonds ended in FY'10.

TABLE II

Comparative Expenditures by Major Expense Category

(\$ in Thousands)

Expense Categories	FY'11 Actual			FY'12 Approved			FY'13 Proposed		
	Capital	Operating	Total	Capital	Operating	Total	Capital	Operating	Total
Salaries & Wages	\$ 20,693	\$ 89,978	\$ 110,671	\$ 23,953	\$ 98,418	\$ 122,371	\$ 23,651	\$ 101,233	\$ 124,884
Heat, Light & Power	-	28,599	28,599	-	25,275	25,275	-	24,223	24,223
Regional Sewage Disposal	-	46,208	46,208	-	49,478	49,478	-	51,309	51,309
Contract Work	98,243	-	98,243	270,039	-	270,039	396,446	-	396,446
Consulting Engineers	29,365	-	29,365	61,051	-	61,051	83,213	-	83,213
All Other	91,843	168,716	260,559	210,779	217,211	427,990	293,452	233,095	526,547
Debt Service	106	239,603	239,709	100	235,763	235,863	100	251,203	251,303
TOTAL	\$ 240,250	\$ 573,104	\$ 813,354	\$ 565,922	\$ 626,145	\$ 1,192,067	\$ 796,862	\$ 661,063	\$ 1,457,925

TABLE III

FY 2012 - FY 2013 Summary of Revenue & Expenses

(\$ in Thousands)

	Water Operating Fund		Sewer Operating Fund		General Bond Debt Service Fund		Capital Funds	
	2012	2013	2012	2013	2012	2013	2012	2013
	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed
REVENUES								
Water Consumption Charges	\$ 237,146	\$ 240,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Use Charges	-	-	273,360	300,241	-	-	-	-
Front Foot Benefit & House Connection Charges (Deferred)	-	-	-	-	54,126	46,696	-	-
Account Maintenance Fees	11,425	11,425	11,425	11,425	-	-	-	-
Interest Income	1,500	1,500	2,500	2,500	1,237	2,424	-	-
Miscellaneous	9,053	9,213	11,883	11,934	650	700	-	-
Use of Fund Balance								
Reserve Contribution	-	3,900	3,400	6,300	-	-	-	-
Reserve Requirement	(8,000)	-	8,000	-	-	-	-	-
Other	-	2,528	-	5,130	11,000	11,000	-	-
Reconstruction Debt Service Offset	-	-	11,000	11,000	(11,000)	(11,000)	-	-
SDC Debt Service Offset	471	451	1,822	1,741	-	-	-	-
Bonds & Notes	-	-	-	-	-	-	366,824	566,289
Anticipated Contributions:								
Federal & State Grants	-	-	-	-	-	-	88,240	97,198
System Development Charge	-	-	-	-	-	-	96,999	119,140
Other	-	-	-	-	-	-	13,859	14,235
TOTAL REVENUES	\$ 251,595	\$ 269,337	\$ 323,390	\$ 350,271	\$ 56,013	\$ 49,820	\$ 565,922	\$ 796,862
EXPENSES								
Salaries & Wages	\$ 49,572	\$ 52,157	\$ 48,349	\$ 48,472	\$ 497	\$ 604	\$ 23,953	\$ 23,651
Heat, Light & Power	13,516	12,875	11,759	11,348	-	-	-	-
Regional Sewage Disposal	-	-	49,478	51,309	-	-	-	-
Contract Work	-	-	-	-	-	-	270,039	396,446
Consulting Engineers	-	-	-	-	-	-	61,051	83,213
Contribution to Required Reserve	-	3,900	3,400	6,300	-	-	-	-
All Other	99,817	103,848	113,200	118,102	794	945	210,779	293,452
Debt Service	88,690	96,557	97,204	114,740	49,869	39,906	100	100
TOTAL EXPENSES	\$ 251,595	\$ 269,337	\$ 323,390	\$ 350,271	\$ 51,160	\$ 41,455	\$ 565,922	\$ 796,862
Net Increase (Decrease) in Fund Balance	-	-	-	-	4,853	8,365	-	-
Fund Balance - July 1	\$ 22,188	\$ 30,188	\$ 61,038	\$ 53,038	\$ 87,041	\$ 80,894	\$ 64,343	\$ -
Net Increase (Decrease) in Fund Balance	-	-	-	-	4,853	8,365	-	-
Use of Fund Balance	-	(2,528)	-	(5,130)	(11,000)	(11,000)	(64,343)	-
Reserve Requirement	8,000	-	(8,000)	-	-	-	-	-
Fund Balance - June 30	\$ 30,188	\$ 27,660	\$ 53,038	\$ 47,908	\$ 80,894	\$ 78,259	\$ -	\$ -

TABLE III

(continued)

**Change in Ending Fund Balance
FY 2012 Approved Budget Compared to FY 2013 Proposed**

(\$ In Thousands)

	FY 2012 Projected Ending Fund Balance	FY 2013 Proposed Ending Fund Balance	Change in Fund Balance	% Change
Water Operating Fund	\$ 30,188	\$ 27,660	\$ (2,528)	-8.4%
Sewer Operating Fund	53,038	47,908	(5,130)	-9.7%
General Bond Debt Service Fund	80,894	78,259	(2,635)	-3.3%
Capital Fund	-	-	-	-
	\$ 164,120	\$ 153,827	\$ (10,293)	-6.3%

Explanation of Changes in Fund Balance Greater Than 10%

There are no fund balance changes greater than 10%.

Water and Sewer Operating Funds – The FY 2013 proposed ending fund balances are significantly lower than the projected FY 2012 ending fund balances for the Water and Sewer Operating funds. The change is due to a planned use of fund balance to offset a reduction in our budgeted billing factor which is the amount of rate revenue received per 1,000 gallons of water production.

TABLE IV

Combined Water/Sewer Operating Funds - FY'13 Proposed Rate Impact

(\$ in Thousands)

(7.5% AVERAGE RATE INCREASE PROPOSED FOR FY'13)

Funding Sources	FY'13 Proposed
<u>Revenues at Current Rates</u>	
Consumption Charges at 170.0 MGD	\$ 502,848
Account Maintenance Fee	22,850
Interest Income	4,000
Miscellaneous Revenues	21,147
Sub-Total	550,845
Reconstruction Debt Service Offset	11,000
SDC Debt Service Offset	2,192
Use of Fund Balance	17,858
Total Funding Sources	581,895
<u>Requirements</u>	
Operating, Maintenance & Support Services Expenses	398,111
Debt Service	211,297
Operating Reserve Contribution	10,200
Total Requirements	619,608
Shortfall to be Covered by Rate Increase	\$ (37,713)
 PROPOSED AVERAGE WATER AND SEWER RATE INCREASE	 7.5%

TABLE V

Annual Customer Bills At Various Consumption Levels

Average Daily Consumption (ADC) Gallons Per Day	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
100 (36,500 GAL/YR) Residential Meter	\$ 270.67	\$ 290.74	\$ 310.82	\$ 333.45	\$ 354.98
210 (76,650 GAL/YR) Residential Meter	651.83	705.49	760.68	821.23	879.49
500 (182,500 GAL/YR) Residential Meter	1,925.58	2,093.48	2,263.20	2,451.18	2,631.85
1,000 (365,000 GAL/YR) 2" Meter	4,182.50	4,536.55	4,890.60	5,288.45	5,675.35
5,000 (1,825,000 GAL/YR) 3" Meter	20,716.75	22,523.50	24,348.50	26,392.50	28,363.50
10,000 (3,650,000 GAL/YR) 6" Meter	43,142.00	46,901.50	50,661.00	54,895.00	58,983.00

Annual customer bills include the Account Maintenance Fee shown on page 16.

TABLE VI

WSSC Water/Sewer Rate Schedules Effective July 1, 2011 & Proposed for Implementation July 1, 2012

(Rates per Thousand Gallons)

(7.5 % AVERAGE RATE INCREASE PROPOSED FOR FY'13)

Average Daily Consumption by Customer Unit During Billing Period (Gallons Per Day)	Water Rates		Sewer Rates		Combined Water & Sewer Rates	
	Current Water Consumption Rate	Proposed Water Consumption Rate	Current Sewer Consumption Rate	Proposed Sewer Consumption Rate	Current Combined Water & Sewer Rate	Proposed Combined Water & Sewer Rate
0-49	\$ 2.82	\$ 2.90	\$ 3.27	\$ 3.64	\$ 6.09	\$ 6.54
50-99	3.16	3.24	3.81	4.25	6.97	7.49
100-149	3.46	3.55	4.47	4.97	7.93	8.52
150-199	3.89	3.99	5.15	5.73	9.04	9.72
200-249	4.53	4.65	5.61	6.25	10.14	10.90
250-299	4.91	5.04	6.07	6.76	10.98	11.80
300-349	5.19	5.33	6.48	7.22	11.67	12.55
350-399	5.42	5.57	6.79	7.56	12.21	13.13
400-449	5.63	5.78	6.94	7.73	12.57	13.51
450-499	5.77	5.93	7.17	7.98	12.94	13.91
500-749	5.88	6.04	7.31	8.14	13.19	14.18
750-999	6.03	6.19	7.47	8.32	13.50	14.51
1,000-3,999	6.14	6.31	7.79	8.68	13.93	14.99
4,000-6,999	6.29	6.46	7.97	8.88	14.26	15.34
7,000-8,999	6.36	6.53	8.09	9.01	14.45	15.54
9,000 & Greater	6.48	6.66	8.30	9.24	14.78	15.90

Current Flat Rate Sewer Charge - \$80.00 per quarter

Proposed Flat Rate Sewer Charge - \$90.00 per quarter

TABLE VII

Account Maintenance Fees Proposed for Implementation July 1, 2012

<u>Meter Size</u>	<u>Current FY'12 Quarterly Charges</u>	<u>Proposed FY'13 Quarterly Charges</u>
<u>Small Meters</u>		
5/8" to 1-1/2" (Residential)	\$ 11.00	\$ 11.00
<u>Large Meters</u>		
1-1/2" (Commercial)	31.00	31.00
2"	51.00	51.00
3"	92.00	92.00
4"	145.00	145.00
6"	237.00	237.00
8"	379.00	379.00
10" & 12"	458.00	458.00
<u>Detector Check Meters</u>		
2" to 4"	53.00	53.00
6"	73.00	73.00
8"	197.00	197.00
10"	256.00	256.00

TABLE VIII

Miscellaneous Fees and Charges – Proposed Changes

The Commission provides a number of services for which separate fees or charges have been established. Recent review of the costs required to provide these services indicates a need to change the amounts charged for some of the services. The fee and charge changes listed below are proposed to be effective July 1, 2012.

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2012</u>
1. Inspection Fees - Water/Sewer Connection Hookup, Well/Septic Hookup, Plumbing and Gasfitting Inspections		
New Single Family Detached Dwellings	\$500	** \$550
New Attached Dwellings (townhouse/multiplex excluding apartments)	500	** 550
All Other Residential:		
Water/Well Hookup	70	** 75
Meter Yoke Inspection (meter only installation)	70	** 75
Water Hookup Converting from Well (includes 2 inspections)	140	** 155
Sewer/Septic Hookup	70	** 75
First Plumbing Fixture	70	** 75
Each Additional Fixture	20	** 25
SDC Credit Fixture Inspection (per fixture)	15	** 20
Minimum Permit Fee	155	** 170
Permit Reprocessing Fee	45	** 50
All Non-Residential:		
Plan Review (without Permit Application)		
50 Fixtures or Less	325	** 360
51-200 Fixtures	1,110	** 1,220
Over 200 Fixtures	2,210	** 2,430
2 nd or 3 rd Review (with or without Permit Application)		
50 Fixtures or Less	130	** 145
51-200 Fixtures	250	** 275
Over 200 Fixtures	525	** 580
Water/Well Hookup	125	** 140
Meter Yoke Inspection (meter only installation)	125	** 140
Sewer/Septic Hookup	125	** 140
FOG Interceptor	125	** 140
First Plumbing Fixture	125	** 140
Each Additional Fixture	30	** 35
SDC Credit Fixture Inspection (per fixture)	15	** 20
Minimum Permit Fee	190	** 210
Permit Reprocessing Fee	45	** 50

* New Fee
** Changed Fee

TABLE VIII

Miscellaneous Fees and Charges – Proposed Changes

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2012</u>
2. License Fees for the Regulated Trades		
Reciprocal Master Plumber, Gasfitter		
- Initial Registration per type	\$80/2 years	\$80/2 years
- Registration Renewal all types	80/2 years	80/2 years
- Late Registration Renewal	50	50
Examined		
- Master Plumber, Gasfitter		
- Initial Registration per type	105/4 years	105/4 years
- Registration Renewal all types	105/4 years	105/4 years
- Late Registration Renewal	50	50
- Cross Connection Technician Registration	25	25
- Sewer and Drain Cleaner Registration and Renewal	80/2 years	** 40/2 years
- Sewer and Drain Cleaner Late Registration Renewal	50	** 20
- Journeyman License Registration		
- Registration Renewal	30/2 years	30/2 years
- Late Registration Renewal	20	20
- License Transfer Fee	30	30
- License Replacement Fee	15	15
- Apprentice License Registration/Renewal	10	10
3. Fee for Sale of WSSC Plumbing and Fuel Gas Code (Plumbing Code) and Cross Connection Control Manual		
Sale of Plumbing Regulation (per book)	\$25/book	** \$30/book

* New Fee

** Changed Fee

TABLE VIII

Miscellaneous Fees and Charges – Proposed Changes

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2012</u>
4. Septic Hauler Discharge Permit Sticker		
<u>Category I</u>		
<u>Residential & Septic Waste & Grease</u>		
1 - 49 gallons	\$154/vehicle	** \$170/vehicle
50 - 799 gallons	2,265/vehicle	** 2,490/vehicle
800 - 1,499 gallons	6,170/vehicle	** Delete
1,500 - gallons and up	14,641/vehicle	** Delete
800 - 2,999 gallons	-	* 7,096/vehicle
3,000 - gallons and up	-	* 16,840/vehicle
January through June	50% of fee	50% of fee
Transfer and/or Replacement Permit Sticker	55	55
Industrial/Special Waste Disposal Fee	220/1,000 gallons	220/1,000 gallons
Zero Discharge Permit Fee	55	55
Temporary Discharge Permit Fee	-	* 55 + Sewer Rate/1,000 gallons
Sewer Rate – Domestic Low Strength Wastewater	-	* 7.79/1,000 gallons of truck capacity
Sewer Rate – Domestic High Strength Wastewater	-	* 37.31/1,000 gallons of truck capacity
5. Sub-Meter Installation Fee		
One-time Sub-Meter Charge – Small	\$210	** \$225
One-time Sub-Meter Charge - Large	325	** 400
One-time Inspection Fee	50	50
Minimum Permit Inspection Fee	140	140
6. Tapper License Fee		
Permit Fee	\$250	** \$300
Duplicate Fee	20	** 25
7. Temporary Fire Hydrant Connection Fee		
3/4" Meter - Deposit		
2 Weeks or Less w/approved payment record	\$0	\$0
Over 2 Weeks/Less than 2 weeks w/unapproved payment record	300	** 330
3" Meter - Deposit	1,800	** 1,980
Service Charge		
2 Weeks or Less (3/4" meter)	30	** 35
2 Weeks or Less (3" meter)	120	** 130
Over 2 Weeks (3/4" and 3" meters)	120	** 130

* New Fee

** Changed Fee

TABLE VIII

Miscellaneous Fees and Charges – Proposed Changes

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2012</u>
Water Consumption Charge - 3/4" Meter	Current approved rate for 1,000 gallons ADC; \$30 minimum	Current approved rate for 1,000 gallons ADC; \$30 minimum
Water Consumption Charge - 3" Meter	Current approved rate for 1,000 gallons ADC; \$180 minimum	Current approved rate for 1,000 gallons ADC; \$180 minimum
Late Fee for Return of Meter	\$6/day	** \$7/day
Fee on Unpaid Temporary Fire Hydrant Meter Billings (per month)	1½%	1½%
Loss/Destruction of Meter	Replacement Cost	Replacement Cost
Loss/Destruction of Wrench	35	** 40
8. Industrial Discharge Control Program Fees by Category		
Industrial users subject to Categorical Pretreatment Standards (less than 5,000 gpd) (single visit)	\$2,875	** \$3,020
Industrial users subject to Categorical Pretreatment Standards (greater than 5,000 gpd) (double visit)	4,400	** 4,620
Non-Discharging Categorical Industries (zero discharge)	775	** 815
Significant Industrial User (less than 25,000 gpd) (single visit - priority pollutant sampling)	2,875	** 3,020
Significant Industrial User (greater than 25,000 gpd) (double visit - priority pollutant sampling)	4,400	** 4,620
Penalty Charge for Late Fee Payment	5% of fee	5% of fee
9. Call Back Fee (large meters, plumbers)	\$85	** \$150
10. Patuxent Watershed Civil Citation Fee		
First Offense	\$35	** \$50
Each Additional Offense within Calendar Year	70	** 100
11. Fee for Sale of Procurement Manual	\$15	** Delete
12. Fee for Review and Inspection of Site Work Potentially Impacting WSSC Pipelines		
Simple Review	\$225	** \$300
Complex Review	1,500	1,500
Inspection	110/Inspection	** 150/Inspection

* New Fee

** Changed Fee

TABLE VIII

Miscellaneous Fees and Charges – Proposed Changes

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2012</u>
13. Chlorination Confirmation Test Fee Re-Test or Additional Tests	\$150/First Test 150/Hour	** \$200/First Test 150/Hour
14. Hydraulic Planning Analysis and System Planning Forecast Water & Sewer Modeling Water or Sewer Only Modeling Development Parts Over 3 Pressure Sewer Review Fee (per system)	\$975 550 425/part 225	** \$1,045 ** 590 ** 455/part ** 240
15. Relocation Design Review Fee Inspection for MOU Project	\$6,500 -	\$6,500 * 600 minimum charge up to 4 hours
16. Warehouse Restocking Fee	\$25	** \$30

* New Fee

** Changed Fee

TABLE VIII

Miscellaneous Fees and Charges – Proposed Changes

(Continued)

<u>ITEM</u>	<u>CURRENT CHARGE</u>	<u>PROPOSED CHARGE EFFECTIVE JULY 1, 2012</u>	<u>CURRENT MAXIMUM ALLOWABLE CHARGE</u>	<u>PROPOSED MAXIMUM ALLOWABLE CHARGE</u>
17. *** System Development Charge				
Apartment				
Water	\$896	\$896	\$1,170	1,212
Sewer	1,140	1,140	1,490	1,544
1-2 toilets/residential				
Water	1,344	1,344	1,756	1,819
Sewer	1,710	1,710	2,232	2,312
3-4 toilets/residential				
Water	2,240	2,240	2,927	3,032
Sewer	2,850	2,850	3,722	3,856
5 toilets/residential				
Water	3,135	3,135	4,095	4,242
Sewer	3,991	3,991	5,214	5,402
6+ toilets/residential (per fixture unit)				
Water	88	88	115	119
Sewer	115	115	151	156
Non-residential (per fixture unit)				
Water	88	88	115	119
Sewer	115	115	151	156

*** No increase is proposed for the System Development Charge for FY'13 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 3.6% 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 2010 to November 2011.

EXPLANATION OF THE BUDGET

CUSTOMER SUMMARY

This customer summary is designed to provide a quick overview of the WSSC budget for someone new to the Commission's budget process. Specifically, this section explains:

- What the Commission is,
- The Commission's powers and responsibilities,
- The Commission's fiscal and service policies,
- The budget's basis in state law,
- How the budget is formulated,
- Who is responsible for budget decisions,
- The Commission's fund structure,
- Key provisions of the FY'13 Budget,
- Where the money comes from, and
- How the monies, including water and sewer bill payments, are spent.

SECTION 1

EXPLANATION OF THE BUDGET

I. THE WASHINGTON SUBURBAN SANITARY COMMISSION

The Washington Suburban Sanitary Commission (WSSC) provides water and sewer services to nearly 1.8 million residents of Maryland's Montgomery and Prince George's Counties, which border Washington, D.C. Established by the Maryland General Assembly in 1918 as a regional (bi-county) organization under Article 29 of the Annotated Code of Maryland, and as recodified into Division II of the Public Utilities Article of the Annotated Code of Maryland, the WSSC ranks among the 10 largest water and sewer utilities in the country, serving over 438,000 customer accounts and an area of nearly 1,000 square miles.

To fulfill its mission of providing safe, reliable water that meets or exceeds all standards for purity and of returning clean water to the environment—all in an efficient, financially responsible manner—the WSSC operates and maintains an extensive array of highly automated facilities. Its two primary water filtration plants, drawing from the Potomac and Patuxent rivers, are projected to produce an average of 170 million gallons of water per day, and nearly 5,500 miles of mains deliver that water to homes and businesses in Montgomery and Prince George's Counties. The Commission operates three reservoirs with a total capacity of 14 billion gallons to ensure a reliable water supply for all seasons and conditions.

Sewage treatment is currently provided by seven wastewater treatment plants operated by the WSSC and the Blue Plains Wastewater Treatment Plant operated by the District of Columbia Water and Sewer Authority. Every day, an average of nearly 200 million gallons of wastewater from Montgomery and Prince George's Counties moves to these facilities over 5,300 miles of sewer lines maintained by the WSSC. The seven WSSC wastewater treatment plants have a combined capacity of 89.5 million gallons per day (MGD). Blue Plains is a regional facility that services the District of Columbia and several northern Virginia jurisdictions as well as the WSSC. Under the Intermunicipal Agreement that governs this arrangement, the WSSC is allocated 169 MGD of Blue Plains' 370 MGD capacity. The WSSC, in turn, pays a proportionate share of Blue Plains' operating and capital expenses. All but two of these facilities (the Hyattstown plant and Marlboro Meadows plant) go beyond conventional wastewater treatment procedures to provide "tertiary treatment" —advanced treatment processes which ensure that the quality of the treated wastewater is better than the quality of the natural water to which it is returned. Other WSSC responsibilities include promulgation and enforcement of plumbing and gasfitting regulations in suburban Maryland and participation in numerous environmental initiatives.

A six-member commission governs the WSSC—three members from each county. The Commissioners are appointed to four-year terms by their respective County Executives and confirmed by their County Councils.

EXPLANATION OF THE BUDGET

(Continued)

II. POWERS AND RESPONSIBILITIES

The Commission's powers and responsibilities are set forth in Division II of the Public Utilities Article of the Annotated Code of Maryland and in any subsequent legislative amendments. The Maryland General Assembly conferred these powers upon the WSSC to enable it to fulfill its principal functions:

- To provide for the construction, operation, and maintenance of water supply and sanitary sewerage systems in Montgomery and Prince George's Counties;
- To provide for the construction of water and sewer house connection lines from the Commission's mains to abutting property lines;
- To approve the locations of, and issue permits for, utilities installed in public ways; and
- To establish water consumption rates, sewer usage rates, connection charges, front foot benefit charges, and permit fees and, if required, to cause appropriate ad valorem taxes to be levied.

The Commission also:

- Reviews preliminary subdivision plats as to suitability of water and sewer design, and reviews street grades for those streets in which there are Commission facilities;
- Formulates regulations, issues permits for, and inspects all plumbing and gasfitting installations; and
- Conducts examinations for master and journeyman plumbers and gasfitters, and issues licenses to those qualified to perform plumbing and gasfitting work.

EXPLANATION OF THE BUDGET

(Continued)

III. FISCAL AND SERVICE POLICIES

The Washington Suburban Sanitary Commission pursues the following fiscal and service policies. These policies are reviewed periodically and revised as necessary to support the Commission's long-term goals and strategic plans.

Long-Term Fiscal Policies

The WSSC adheres to the following long-term fiscal policies to preserve and strengthen its financial integrity:

- Conform, to the extent possible, to the County Councils'-established spending affordability limits in preparing the capital and operating budgets.
- Employ conservative assumptions when forecasting revenues.
- Fund recurring expenditures from a stable stream of revenue, with minimal reliance on non-recurring (one-time) revenues or resources.
- Annually set user charges for water and sewer services at levels sufficient to ensure that revenues equal or exceed expenses in each fiscal year.
- Utilize an account maintenance fee to recover the fixed costs of servicing a customer's account—costs that are independent of the amount of water used or sewage generated by a customer. Such costs include purchasing and reading water meters; processing meter readings; generating, mailing, and collecting bills; and providing related customer services.
- Regularly analyze expenditures for services other than basic water and sewer to ensure that miscellaneous fees and charges are sufficient to defray the cost of providing these services.
- Manage current assets to ensure maximum interest income.

EXPLANATION OF THE BUDGET

(Continued)

- Maintain a reserve in the water and sewer operating funds equal to at least 5 percent of water and sewer use charges to offset unanticipated variations in water and sewerage system revenues that may occur in future years. It is the objective of the Commission to increase this reserve to 10 percent over time.
- Ensure that the aggregate principal amount of bonds and notes issued by the Commission does not exceed the legislated allowable level of the total assessable tax base for all property assessed for county tax purposes within the Sanitary District, in conformance with state law governing the WSSC.
- Reduce water and sewer debt service as a percentage of the combined water and sewer operating budget through judicious use of PAYGO financing, use of accumulated net revenue (fund balance), reduction or deferral of planned capital expenditures, and other debt limitation strategies. Specific debt reduction actions should always be balanced against affordability considerations and the demands for the resources necessary to serve existing customers, meet environmental mandates, and build the facilities needed to support economic growth.
- Finance capital facilities needed to accommodate growth through a System Development Charge (SDC) on new development in order to maintain fair and equitable rates for water and sewer services to existing customers, while providing funds needed for growth-related capital expenditures.
- Utilize SDC revenue to pay the debt service on growth-related bonds issued in FY'94 (the first year of the SDC). Debt service on bonds issued to fund growth-related CIP projects in subsequent years (due to inadequate SDC revenue) will be paid from SDC revenues, if sufficient revenues exist, or from operating revenues, if SDC funds are not available.
- Preserve and improve services for current customers by employing an annual Systems Reconstruction Program that utilizes both capital and operating funds to reconstruct aging capital facilities.
- Employ surplus funds from refinancing General Bond Fund debt to pay a portion of the debt service for the Systems Reconstruction Program (this payment is referred to as the Reconstruction Debt Service Offset or REDO).
- Charge all debt service requirements for new water supply and sewage disposal bonds to operations in the first year incurred.
- Accelerate debt retirement to the extent possible.

EXPLANATION OF THE BUDGET

(Continued)

- Finance all retirement plans in a manner that systematically funds liabilities, including current requirements as well as the amortization of unfunded liabilities.
- Provide regular, updated six-year projections of the WSSC's operating and capital budgets—revenues and expenditures—to ensure that the Commission has the best possible knowledge of the impacts of contemplated actions and emerging conditions.
- Continue to improve and strengthen financial management and controls, while streamlining operations and increasing the efficiency and effectiveness of Commission programs and staff.
- Implement an eight-year phased-in funding schedule for Post-Employment Benefits Other Than Pensions (OPEB) so that full funding of the Annual Required Contribution is achieved beginning in FY' 15. All WSSC OPEB contributions are deposited into an irrevocable OPEB trust established for this purpose.

Long-Term Service Policies

The various units of the Washington Suburban Sanitary Commission adhere to the following key long-term service policies to ensure that the Commission continues to provide value to customers by furnishing high quality products and services at the lowest possible price:

- Deliver safe and reliable drinking water to customers in a manner that meets or exceeds Safe Drinking Water Act standards.
- Treat wastewater and responsibly manage biosolids in a manner that meets or exceeds federal and state permit requirements and regulations.
- Provide maintenance services at a level consistent with the objective of responding to the customer within 2 hours of receiving notification of a maintenance problem, and restoring service to the customer within 24 hours from the time a service interruption occurs.
- Answer at least 95 percent of all customer billing calls received.
- Treat customers and the general public with courtesy, sensitivity, and respect while remaining responsive to their concerns, inquiries, and requests for service.
- Encourage innovation, excellence, and economy in all phases of service delivery.

EXPLANATION OF THE BUDGET

(Continued)

Short-Term Fiscal and Service Policies

Short-term policies are specific to the budget year. They address key issues and concerns that frame the task of preparing a balanced budget that achieves Commission priorities within the context of current and expected economic and political realities. The General Manager and the Commission adopted the following key policies in preparing the FY'13 Budget.

- Forecast FY'13 water production conservatively at 170.0 million gallons per day.
- Propose a 7.5 percent average increase in water and sewer rates for FY'13.
- Increase the budget by 12 workyears to support critical programs and enhance customer service.
- Continue to address the WSSC's aging infrastructure by proposing the following:
 - Rehabilitation of 46 miles (243,000 feet, or the equivalent of over 800 football fields) of water main.
 - Inspection and repair of 12 miles (63,000 feet, or the equivalent of over 200 football fields) of Prestressed Concrete Cylinder Pipe (PCCP).
 - Acoustical fiber optic monitoring of 69 miles (364,000 feet, or over 1,200 football fields equivalent) of PCCP.
 - Rehabilitation of 55 miles (290,000 feet, or over 960 football fields equivalent) of residential sewer lines and 10 miles (52,000 feet, or 176 football fields equivalent) of lateral sewer lines.
 - Expansion of the Sewer Lateral Inspection Program.
 - Reconstruction of approximately 8 miles (42,240 feet, or over 140 football fields equivalent) of trunk sewer mainline.
 - Inspection of 2 miles (10,560 feet, or over 35 football fields equivalent) of large diameter sewer mains.
- Implement Continuity of Operations Plans.
- Ensure adequate funding for regulatory compliance requirements.
- Utilize \$10.2 million of fund balance to continue increasing the operating reserve to 10 percent of water and sewer rate revenues.
- Continue implementing the Enterprise Resource Planning/Enterprise Asset Management System project.
- Justify all additional, reinstated, and expanded programs.
- Continue to implement the eight year phase-in of the annual required contribution for funding costs of other post-employment benefits in accordance with Governmental Accounting Standards Board Statement No. 45.

EXPLANATION OF THE BUDGET

(Continued)

IV. BUDGET FORMULATION

Maryland State law requires that the WSSC prepare capital and operating budgets each fiscal year. The FY'13 Proposed Budget shows funding and staff requirements, organizational components, and program and fund sources.

The budgets for all funds are prepared on a full accrual basis. Expenses are recognized when goods and services are received, and revenues are recognized when water is delivered to the system. Annual audited financial statements of the WSSC are prepared on the basis of Generally Accepted Accounting Principles (GAAP), whereas both the budget and internal financial statements are prepared on a debt service basis. The debt service basis recognizes certain cash expenses not recognized under GAAP (such as principal payments on debt, and pension contributions based on a level percentage of payroll). Similarly, certain non-cash expenditures that are included under GAAP are not recognized under the debt service basis (such as depreciation on capital assets, and pension expenses as defined by Accounting Principles Board Pronouncement No. 8).

The budget process begins with submission of requests by all organizational units following the guidance provided by the General Manager (see the accompanying chart). Management reviews these requests before the General Manager presents recommendations to the Commissioners. The Commissioners review the budget and make recommendations before approving a proposed budget document for public hearing. A proposed budget document must be available to the public by January 15. Hearings on the WSSC budget are held in each county before February 15. The Commission considers comments and testimony given at the public hearings before the Proposed Budget is transmitted to the counties.

State law requires that the Commission transmit its proposed budget to the counties by March 1 of each year. The County Councils and County Executives and their staffs review the budget and make recommendations. Both counties must approve any amendments to the budget on or before June 1. Once the counties' actions have been received, the Commission adopts an Approved Budget and sets the levels for charges, fees, and taxes to finance approved expenditures. The Approved Budget takes effect on July 1.

Once the budget is adopted, total expenditures may not exceed the final total approved budget without an approved budget supplement. Budget supplements must be approved by the Montgomery and Prince George's County Councils, and are transmitted to them through their respective County Executives.

EXPLANATION OF THE BUDGET

(Continued)

Preparation of the six-year Capital Improvements Program (CIP) spans 13 months, beginning in May of each year. After a preliminary staff-level review in June, the General Manager and key management personnel review all CIP project submissions in July to assess the justification for new projects, the criticality and priority of on-going projects, and the overall financial impacts of these projects on spending affordability. Only the debt service requirements for capital expenditures in the first (budget) year of the six-year CIP are included in the operating budget. By August, the General Manager submits a draft CIP to the WSSC's Commissioners for their consideration, and work sessions are conducted to solicit input from county government, Maryland-National Capital Park and Planning Commission, and local municipality representatives. Public hearings on the CIP are held in September. The WSSC is required by state law to transmit the Proposed CIP to both county governments by October 1 of each year.

The approved Capital Budget for a given budget year consists largely of spending for the first year of the six-year Capital Improvements Program including those projects in the Information Only Section. Projects shown in the Information Only Section are not required to be in the CIP, but may be included to provide more comprehensive information on important programs or projects. Budget year expenditures in connection with relocations, house connections, new water meters, and similar items constitute the remainder of the capital budget for a given year.

Between January and May of the following year, each county approves, modifies, or deletes projects, and by mid-May the county councils meet jointly to resolve any differences. By June 1, each council must enact formal resolutions approving new projects and other program modifications. The Commission then has 30 days to adopt these changes before the beginning of the fiscal year on July 1.

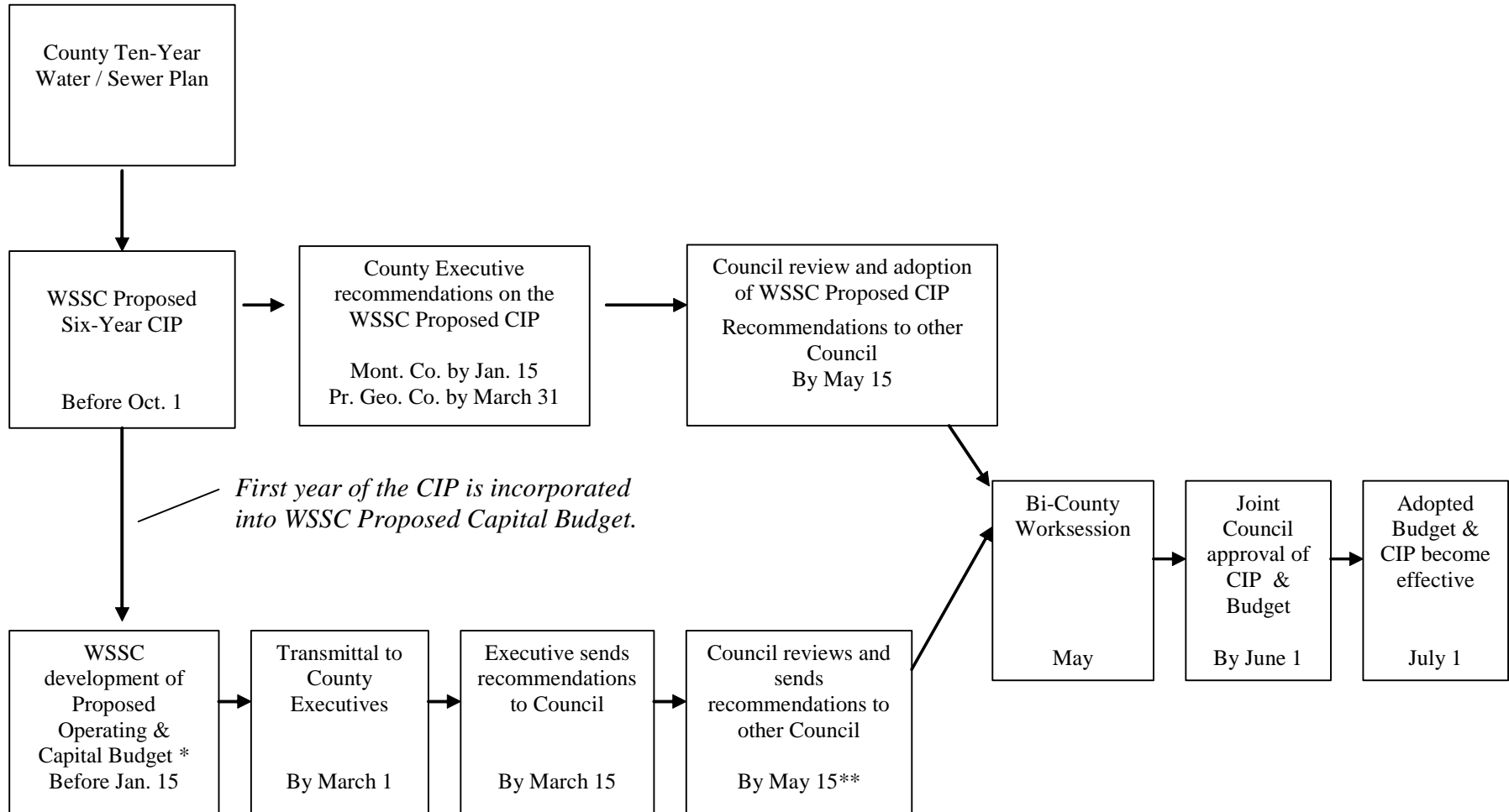
Preparation of the proposed Operating Budget requires integrating several other planning efforts with the budget formulation process. The annual spending affordability review, undertaken jointly with Montgomery and Prince George's Counties, uses a six-year financial model to examine the impacts and affordability of various scenarios involving the WSSC's future capital and operating needs. This analysis results in the development of maximum "affordable" levels for rate increases, operating expenditures, debt service, and new debt in the budget year. These limits, which are formally adopted by the Montgomery and Prince George's County Councils, play a key role in guiding the annual budget process.

Capital needs, developed independently in planning for the six-year Capital Improvements Program, also shape the operating budget by helping to determine debt service requirements, the need for Pay-As-You-GO (PAYGO) financing, revenues from the System Development Charge (and the corresponding need, if any, for rate-payer supported debt to pay for growth), and the operating impacts of projects expected to be completed during the budget year (additional operating costs, if present, as well as any expected efficiencies). The annual debt service on outstanding bonds is paid from the Commission's operating funds, primarily through water consumption and sewer use charges paid by customers. Thus, the size of the CIP affects the size of the water and sewer bond issues needed in the budget year, which in turn affects customer water and sewer bills.

EXPLANATION OF THE BUDGET

(Continued)

WSSC Budget & Capital Improvements Program Processes



* Includes first year of Proposed CIP plus Information Only Projects and General Construction Projects.

**Incorporates changes to funding in budget year for CIP projects.

EXPLANATION OF THE BUDGET

(Continued)

The CIP is, in turn, driven in part by the development planning and authorization processes of Montgomery and Prince George's Counties, especially as manifested in the Counties' ten-year water and sewer plans. (These plans, which guide development activity within the counties, are updated annually.) In addition, since the WSSC must contribute to the capital and operating expenses of the Blue Plains Wastewater Treatment Plant, budget planning by the District of Columbia Water and Sewer Authority (DCWASA)—and the budget's subsequent review and approval by DCWASA's multi-jurisdictional Board of Directors—can have important impacts on planning for the WSSC's capital and operating budgets.

V. FUND STRUCTURE

The FY'13 Proposed Budget consists of six separate funds, three in the operating budget (the Water Operating, Sewer Operating, and General Bond Debt Service funds) and three in the capital budget (the Water Supply Bond, Sewage Disposal Bond, and General Construction Bond funds). The Water Operating and Sewer Operating funds are the primary funds for operating purposes. The Water Operating Fund pays for water treatment and distribution, and the Sewer Operating Fund pays for sewage collection and treatment. The General Bond Debt Service Fund receives front foot benefit payments to underwrite the debt service on smaller lateral water and sewer lines. Although each fund is essentially a separate entity authorized to expend funds for prescribed purposes and derive revenues from specific rates, charges, and/or taxes, as prescribed by state law, the capital and operating funds are interrelated as explained below.

Water

The Commission issues Water Supply Bonds (Capital Fund) to finance the planning, design, and construction of major water treatment and transmission facilities and the reconstruction of the water distribution system. The facilities include dams, reservoirs, water filtration plants, water pumping stations, water storage facilities, and water supply lines 16 inches in diameter and larger. Water operating revenues—customer payments for water bills—in the Water Operating Fund are used to pay for operating and maintaining these water facilities, and also to pay the debt service (principal and interest that must be repaid) on Water Supply Bonds.

Sewer

The Commission issues Sewage Disposal Bonds (Capital Fund) and receives grants to finance the planning, design, and construction of major sewage disposal and treatment facilities and the reconstruction of the sewerage collection system. The facilities include sewage pumping stations and force mains, sewer lines 15 inches in diameter and larger, sewage treatment facilities (including reimbursement to the District of Columbia Water and Sewer Authority for construction at Blue Plains), and improvements or modifications to these facilities. Sewer operating revenues—customer payments for sewer bills—in the Sewer Operating Fund are used to pay for operating and maintaining these facilities, and also to pay the debt service on Sewage Disposal Bonds. Sewer use charges are generally based upon metered water use.

EXPLANATION OF THE BUDGET

(Continued)

General Construction

The Commission issues General Construction Bonds (Capital Fund) to pay for the construction of minor water and sewer lines (water distribution lines 15 inches in diameter and smaller, and sewer lines 14 inches in diameter and smaller) and support facilities. General Bond Debt Service Fund revenues—customer payments for front foot benefit charges—are used to pay the debt service on construction of minor water and sewer lines. House connection construction costs are underwritten by a direct charge to the applicant.

The following table summarizes each of these funds.

WSSC FUND STRUCTURE

	<u>MAJOR PURPOSE</u>	<u>MAJOR REVENUE SOURCE</u>
<u>Capital Fund</u>		
Water Supply Bond	Construct major water supply treatment and transmission facilities; Reconstruct water distribution system	Water Supply Bonds and System Development Charge
Sewage Disposal Bond	Construct major sewage treatment and transmission facilities; Reconstruct sewerage collection system	Sewage Disposal Bonds, System Development Charge, and Grants
General Construction Bond	Construct minor water and sewer lines and support facilities	General Construction Bonds and House Connection Charges
<u>Operating Fund</u>		
Water Operating	Operate and maintain water facilities and pay debt service on Water Supply Bonds	Customer Water Bill
Sewer Operating	Operate and maintain sewerage facilities and pay debt service on Sewage Disposal Bonds	Customer Sewer Bill
General Bond Debt Service	Pay debt service on General Construction Bonds	Front Foot Benefit Charges

EXPLANATION OF THE BUDGET

(Continued)

VI. MAJOR ASSUMPTIONS

The following major assumptions and workload indices were used in developing the FY'13 Proposed Budget.

1. Water Consumption and Sewer Use Revenues - The estimated FY'13 revenues from water consumption and sewer use charges (before the proposed rate increase) are \$233.6 million and \$269.3 million, respectively. The water production estimate for FY'13 is 170.0 MGD. The estimated billing factor (rate revenue received per 1,000 gallons of water produced), which is \$0.13 lower than the FY' 12 billing factor of \$8.23 is \$8.10 (before the rate increase). The billing factor was reduced based on actual revenues.
2. Reconstruction Debt Service Offset - For FY' 13, \$11.0 million will be transferred from the General Bond Debt Service Fund to the Water and Sewer Operating Funds. The transfer is made to help defray the debt service on funds borrowed to finance water and sewer system reconstruction activities.
3. Accumulated Net Revenues - It was assumed for the purpose of preparing the FY'13 Proposed Budget that, at the end of FY'12, accumulated net revenues for the water and sewer operating funds would total \$83.2 million. For FY'13, approximately \$41.6 million would be held in net revenues in adherence to the Commission's reserve policy (see Long-Term Fiscal Policies, page 1-4) and \$7.7 million would be used to offset a reduction in the billing factor.
4. Construction Estimates - The Capital Budget includes expenditure estimates for all projects for which work is reasonably expected to be accomplished. This provides management with maximum flexibility to proceed on the many and diverse projects approved each year in the budget. Experience indicates that actual expenditures are consistently less than budget estimates. This gap is affected by the ability of contractors to accomplish planned construction; the ability of the WSSC to provide supervisory and inspection services; the likelihood and timeliness of obtaining the necessary local, state, and federal approvals for construction; and weather conditions. The Commission has made a concerted effort to review its priorities for the construction of planned and approved capital projects in order to reduce the impact on future budgets and provide for realistic estimates of the construction that can be accomplished. From an analysis of construction completed during previous fiscal years, it is estimated that the actual expenditures for all capital funds in FY'13 will be approximately \$684.3 million, of the \$796.9 million Capital Budget.

EXPLANATION OF THE BUDGET

(Continued)

5. New Debt - The debt service estimates for FY'13 assume that \$154.1 million in water, \$327.7 million in sewer, and \$20.0 million in General Construction bonds will be issued in FY'13, in addition to repayment of existing debt. The water and sewer issues will be 19-year bonds with an estimated 5.5 percent net interest rate. The General Construction bonds will be 23-year bonds with the first year's interest capitalized.

6. Salary and Wage Increase – A 2% cost-of-living adjustment and merit increases for all eligible employees are included in the budget. This is consistent with the negotiated collective bargaining agreement between WSSC and the union representing certain employees.

The following major workload indices and demand projections were used to develop the proposed budget.

WORKLOAD DATA	ACTUAL					ESTIMATED						
	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
Water to be supplied (MGD)	169.8	168.2	162.3	168.7	175.0	170.0	170.0	170.5	171.0	171.5	172.0	172.5
Sewage to be treated (MGD)	189.2	177.8	178.6	200.3	182.4	214.5	214.5	216.4	218.4	220.3	222.0	223.7
Water lines to be added by the WSSC (miles)	13.6**	.2	.5	1.5	0	5	5	5	5	5	5	5
Sewer lines to be added by the WSSC (miles)	11.4**	1	1.8	0	0	5	5	5	5	5	5	5
Water lines to be added – contributed (miles)*	51	38	23.3	9.9	12.5	45	45	45	45	45	45	45
Sewer lines to be added – contributed (miles)*	51	34	26.7	10.4	19.7	45	45	45	45	45	45	45
Population to be served (thousands)	1,692	1,706	1,720	1,734	1,748	1,756	1,768	1,779	1,790	1,801	1,812	1,823
House connections to be added												
Water	5,077	3,884	2,293	1,126	1,574	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Sewer	4,620	3,463	2,006	909	1,417	4,000	4,000	4,000	4,000	4,000	4,000	4,000

* Contributed lines are built by developers and maintained by the WSSC.

** Includes the Marlboro Meadows System (Water 12.6 miles, Sewer 11.4 miles).

EXPLANATION OF THE BUDGET

(Continued)

VII. KEY PROVISIONS OF THE FY'13 BUDGET

The total proposed budget for all funds is \$1.5 billion—\$796.9 million in capital and \$661.1 million in operating. A 7.5 percent average increase in water and sewer rates is required to fund water and sewer operating expenses. The budget provides for:

- Implementing the first year of the FYs 2013-2018 Capital Improvements Program;
- Treating and delivering 170.0 MGD of water to over 446,000 customer accounts in a manner that meets or exceeds the Safe Drinking Water Act standards;
- Treating 214.5 MGD of wastewater and responsibly managing up to 1,000 tons of biosolids per day in a manner that meets or exceeds federal and state permit requirements and regulations;
- Operating and maintaining a system of 3 water reservoirs impounding 14 billion gallons of water, 2 water filtration plants, 7 wastewater treatment plants, 5,500 miles of water main, and 5,400 miles of sewer main, 24 hours a day, 7 days a week;
- Paying the WSSC's share of the cost of operating the District of Columbia Water and Sewer Authority's Blue Plains Wastewater Treatment Plant;
- Continuing to increase the operating reserve to 10% of water and sewer rate revenues;
- Paying debt service of \$251.3 million—\$211.3 million in the Water and Sewer Operating Funds;
- Increasing the Water and Sewer Reconstruction Programs;
- Implementing an Enterprise Resource Planning/Enterprise Asset Management System;
- Funding the sixth year of an 8-year ramp-up to achieve full funding of the annual required contribution for post-employment benefits other than retirement based on Government Accounting Standards Board Statement No. 45;
- Continuing to provide maintenance services at a level consistent with the objective of responding to the customer within 2 hours of receiving notification of a maintenance problem and restoring service to the customer within 24 hours from the time a service interruption occurs;
- Complying with the Sanitary Sewer Overflow Consent Order;
- Answering at least 95 percent of all customer billing calls received;
- Maintaining and fueling 937 vehicles, maintaining approximately 676 pieces of large field equipment, and operating 6 repair facilities;

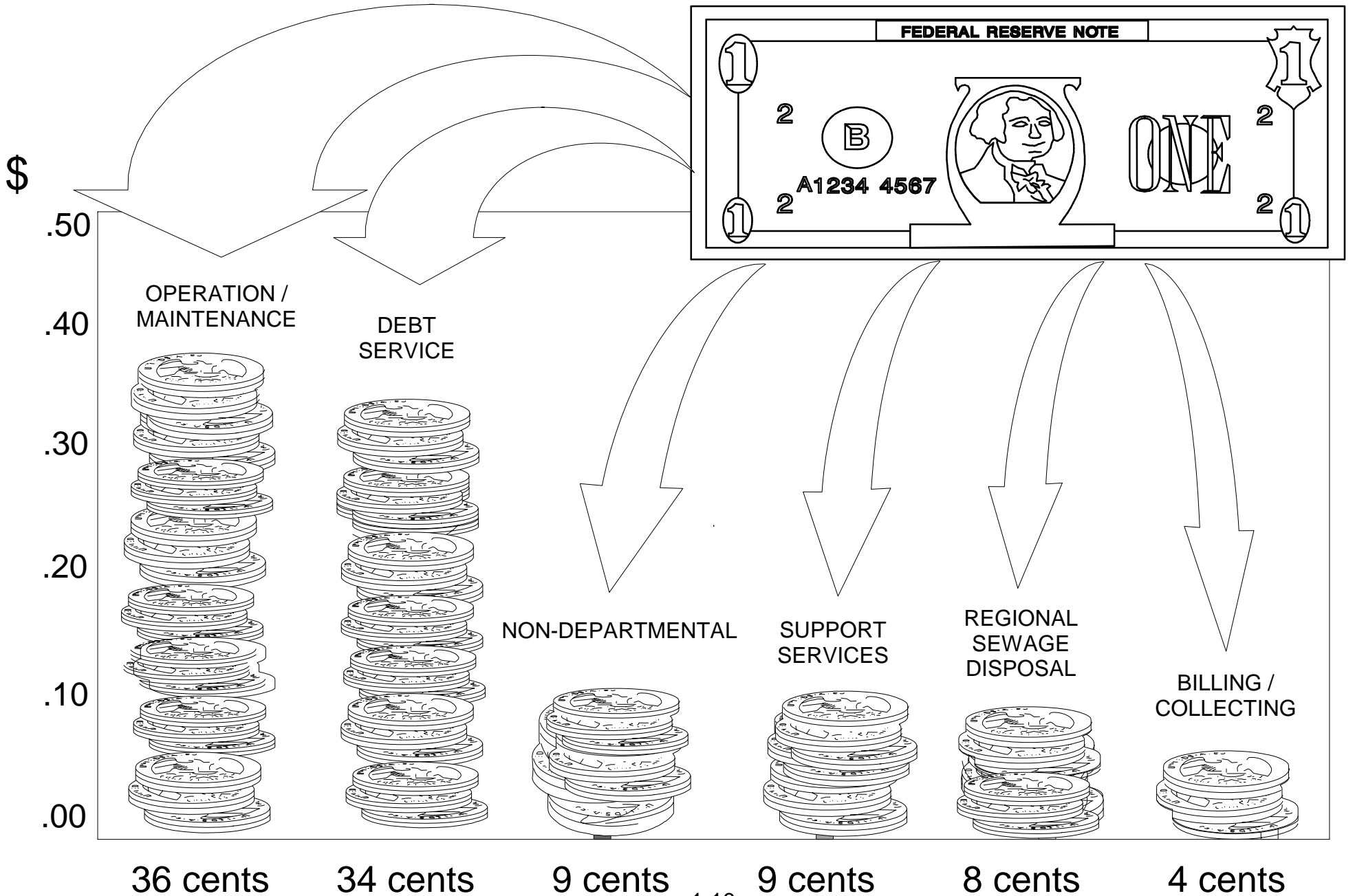
EXPLANATION OF THE BUDGET

(Continued)

- Replacing 27 pieces of major equipment which are needed to support construction, operations, and maintenance activities;
- Replacing 125 and purchasing an additional 7 vehicles which are needed to support construction, operations, and maintenance activities; and
- Funding employee cost-of-living adjustments, funding merit increases, and continuing other benefits.

FY'13 PROPOSED BUDGET

(How Each Dollar of a Water and Sewer Bill Is Spent)



PERFORMANCE AND OUTCOME MEASURES

SECTION 2

GOALS OF THE WASHINGTON SUBURBAN SANITARY COMMISSION

- To provide value to our customers by furnishing high quality products and services at the lowest possible price.
- To provide safe drinking water that meets or exceeds all state and federal standards.
- To ensure that wastewater is treated and returned to our rivers and streams in a manner that meets or exceeds all state and federal standards.
- To ensure that all Commission programs and operations, including the responsible management of biosolids and other byproducts of water and wastewater treatment, are conducted in an environmentally sound manner.
- To proactively ensure the reliable operation of the WSSC's water and wastewater treatment and distribution/collection facilities, and to respond to any service interruptions in a timely and effective manner.
- To plan, design, and construct new, expanded, or improved facilities to ensure reliable service for current and future customers when, and as, needed.
- To treat our customers and the general public with courtesy, sensitivity, and respect, while remaining responsive to their needs and concerns.
- To operate in a financially responsible manner while balancing the need to minimize expenditures and the burden on ratepayers; to fairly apportion costs between current customers, future customers, and those responsible for growth; and to ensure the long-term fiscal stability and soundness of the organization.
- To recruit and employ a diverse work force—representative of the public we serve—at all levels of the organization.
- To empower our work force by eliciting and using their ideas, expertise, and creativity, while being sensitive and responsive to their concerns.
- To encourage innovation and excellence in all phases of operations, administration, and management to ensure that the WSSC continues to be a pioneer in the field.
- To assume a leadership role in working with our community to address issues of mutual concern.

OUR STRATEGIC PRIORITIES

Our primary methods and approaches to meeting our challenge and achieving our Mission and Vision

- **Infrastructure:** Plan, renew, and sustain our infrastructure to meet customer expectations through innovative, cost-effective technology and world class asset management practices.
- **Financial Stability:** Practice sound financial stewardship that ensures delivery of the best quality water and wastewater treatment services to our customers at a reasonable cost with affordable rates.
- **Workforce Management:** Sustain a high-performing workplace that attracts and retains diverse, flexible, and knowledgeable employees focused on service excellence.
- **Procurement:** Ensure operational efficiency and reliable service to customers and all stakeholders through transparent, equitable, and responsible procurement practices which enhance the community we serve.
- **Customer Service:** Ensure customer confidence through the delivery of timely, high quality products and services to internal and external customers.
- **Security and Safety:** Protect our people, our business, and our community through proactive planning, emergency preparedness, and utilization of effective risk management.
- **Communications and Stakeholder Relationships:** Proactively communicate and maintain strategic partnerships and community relationships with key stakeholders and jurisdictions in support of our mission.
- **Environmental Stewardship:** Promote safe and responsible stewardship of our water, air, and land using efficient and effective business practices and technology.

PERFORMANCE OF KEY SERVICES

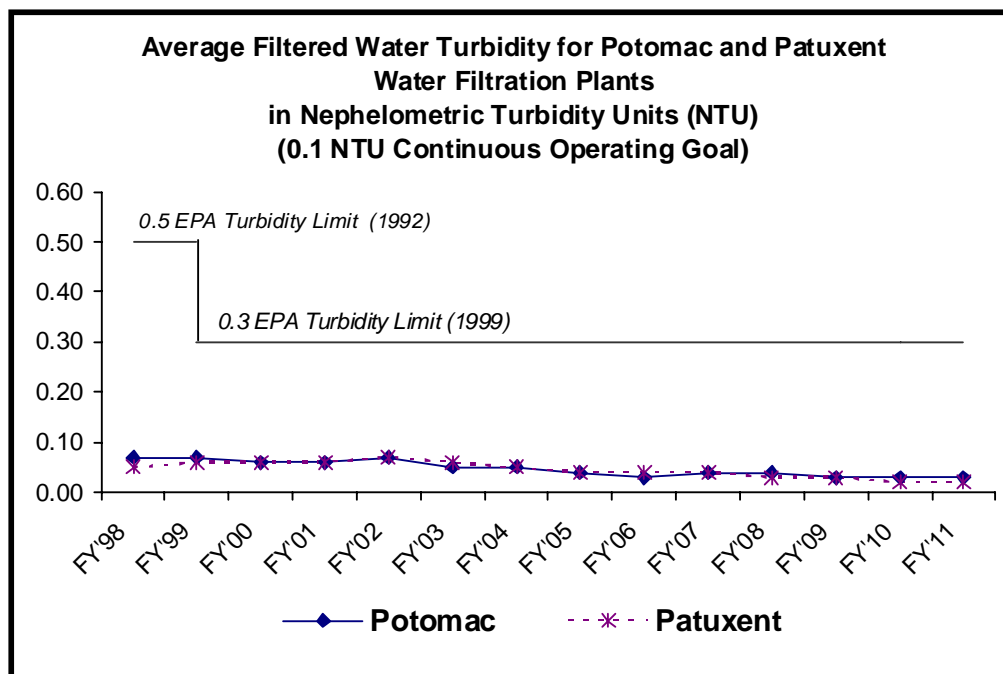
Water Filtration and Treatment

One of the WSSC's primary goals is to provide a safe and reliable supply of drinking water that meets or exceeds the requirements of the Safe Drinking Water Act and other federal and state regulations. The WSSC has *never* exceeded a maximum allowable contaminant level (MCL) established by the U.S. Environmental Protection Agency (EPA) in accordance with the Safe Drinking Water Act.

In addition to traditional approaches to ensuring drinking water quality, the WSSC continues to place particular emphasis on addressing low-level contaminants such as trihalomethanes, and low levels of turbidity (suspended sediment). Evidence continues to mount that even very low concentrations of

some contaminants potentially have negative health effects. The Commission continues to work closely with local and national professional organizations, as well as with state and county agencies and the EPA, to ensure that, within fiscal constraints, our treatment methods are effective and consistent with current research findings.

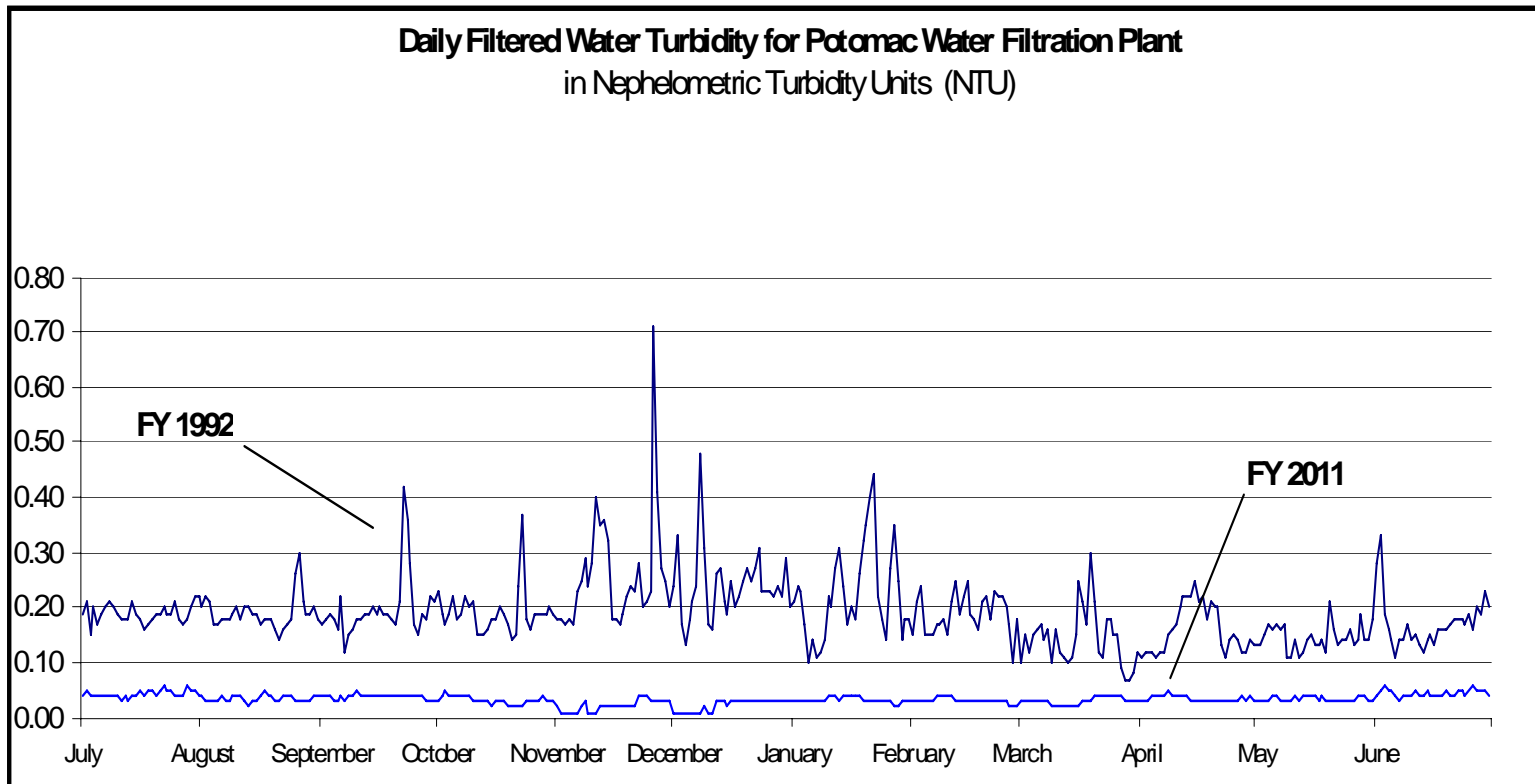
The WSSC's continued participation in the Partnership for Safe Water Program is indicative of our commitment. A primary goal of this program is to maintain filtered water turbidity below EPA established limits to effectively guard against cryptosporidium. In FY'92, although the WSSC was already meeting the then newly-established maximum average monthly turbidity requirement of 0.5 NTU, a substantial effort was made to further improve water quality to prevent emerging problems associated with cryptosporidium. The graph above shows the average turbidity for the Potomac and Patuxent Water Filtration Plants for FY'98 through FY'11. The EPA reduced the turbidity limit to 0.3 NTU in 1999, still well above the levels being achieved by the WSSC. A maximum of 0.1 NTU water turbidity level is now and will continue to be a key objective for the WSSC's Production Team.



PERFORMANCE OF KEY SERVICES

(Continued)

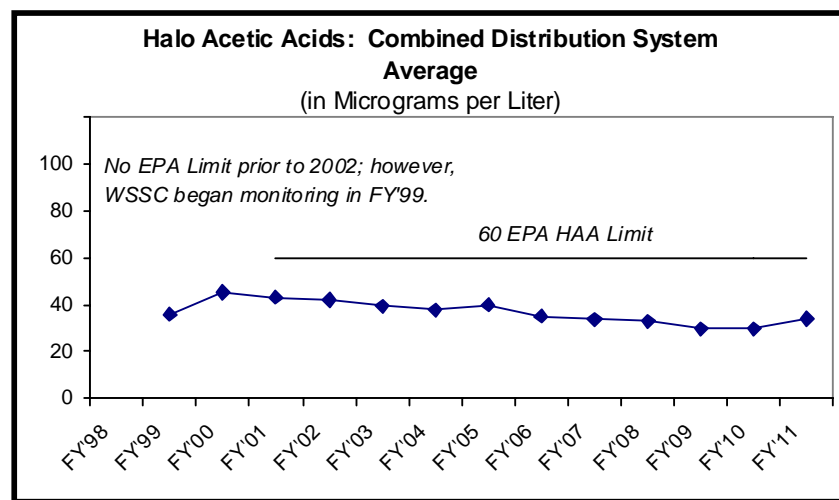
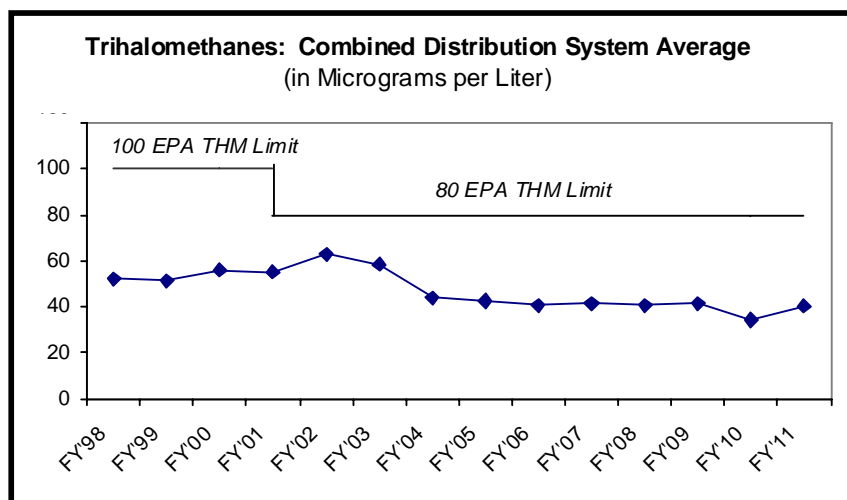
Not only has average turbidity been reduced, but also, as shown in the graph below for the Potomac Water Filtration Plant, the magnitudes of the daily peaks associated with variable raw water quality have been substantially reduced from FY'92 peak levels. This latter measure is of particular importance in ensuring the reliability of the cryptosporidium barrier.



PERFORMANCE OF KEY SERVICES

(Continued)

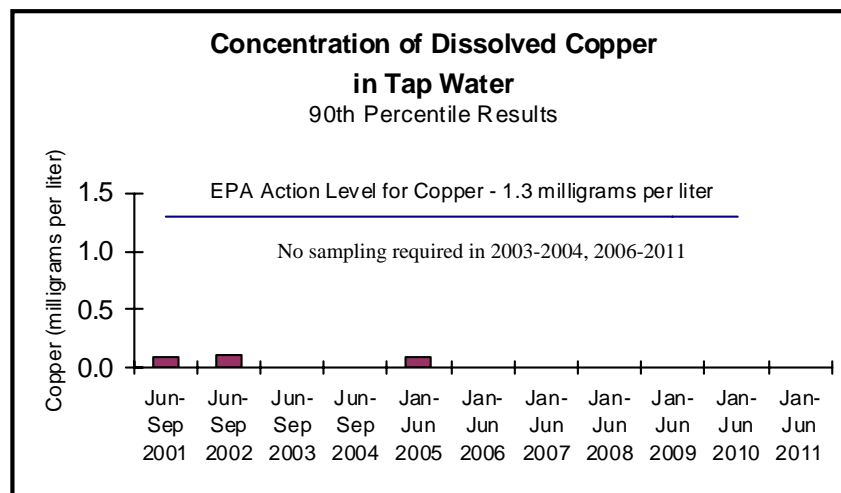
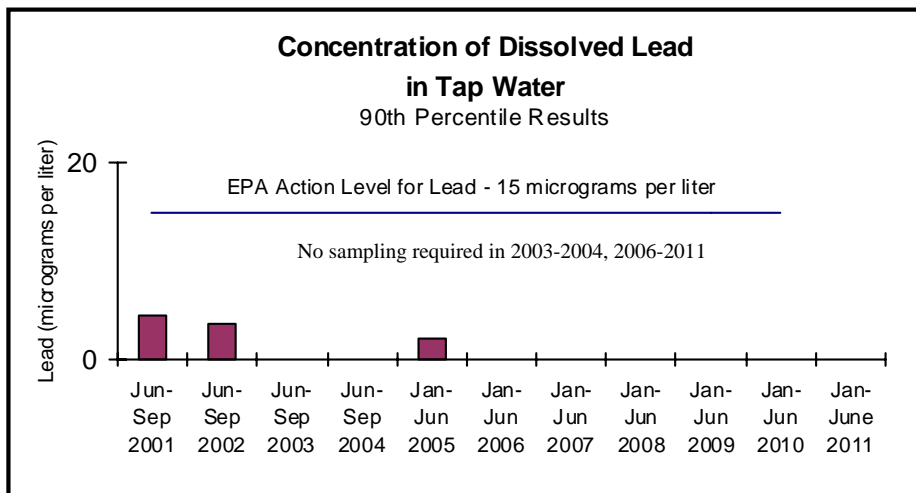
The WSSC has also been aggressively pursuing enhanced coagulation (optimization of coagulant doses and pH levels to improve total organic carbon removal) to improve organic contaminant removal, thereby lessening the level of potential carcinogens in the finished water. Effective January 2001, the EPA reduced the standard for trihalomethanes (THMs) from 100 to 80 micrograms per liter of finished water. In 2002, the EPA established a maximum contaminant level of 60 micrograms per liter of finished water for halo acetic acids (HAAs). As shown in the figures below, the WSSC is meeting the THM and HAA standards with the help of its enhanced coagulation initiatives.



PERFORMANCE OF KEY SERVICES

(Continued)

The Commission also continues its corrosion control program (using fine pH adjustment and addition of phosphoric acid) to minimize potential lead and copper corrosion in customer plumbing. The state has confirmed that the WSSC's system is optimized for corrosion control against lead and copper. Although, during the period from FY'03 to FY'11, testing was only required in one year (FY'05), the WSSC voluntarily expanded lead testing beyond EPA requirements. Results from these tests continue to indicate lead levels well below regulatory requirements. The EPA-required testing in FY'05 also confirmed that lead and copper levels remained below the tap water action level.



PERFORMANCE OF KEY SERVICES

(Continued)

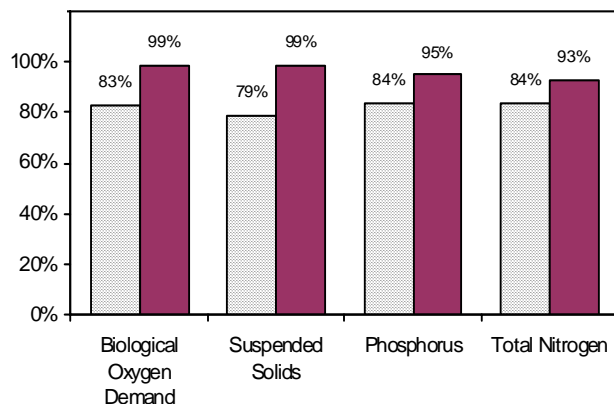
Wastewater Treatment

The following graphs present actual FY'11 plant performance for the WSSC's wastewater treatment plants, in terms of the percentage of specific substances removed compared to state/federal discharge permit requirements. The substances regulated differ from plant to plant, depending (in part) on the river or stream into which the treated water is discharged. For FY'13, the Production Team will continue to pursue its goal of meeting or surpassing the permit requirements for each plant. The Marlboro Meadows Wastewater Treatment Plant is scheduled to be shut down and replaced with a pumping station and force main during FY'13.

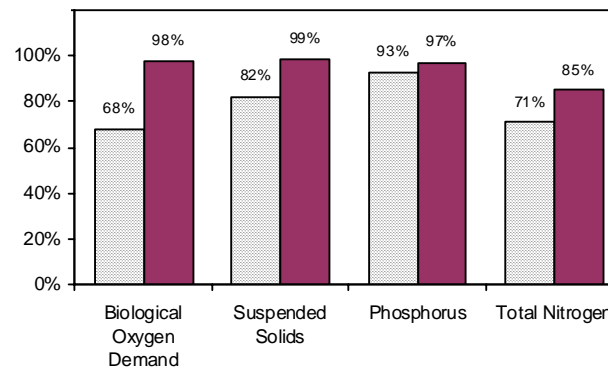
Wastewater Treatment Plant Performance – FY'11 Percentage Removal of Substances Regulated by Discharge Permits

Permit Requirement
 Plant Performance

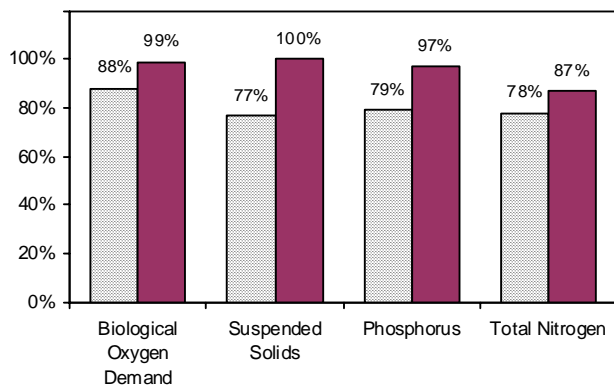
Damascus Wastewater Treatment Plant



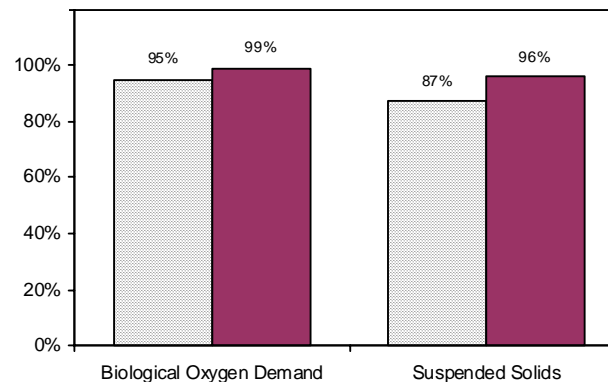
Piscataway Wastewater Treatment Plant



Seneca Wastewater Treatment Plant



Hyattstown Wastewater Treatment Plant

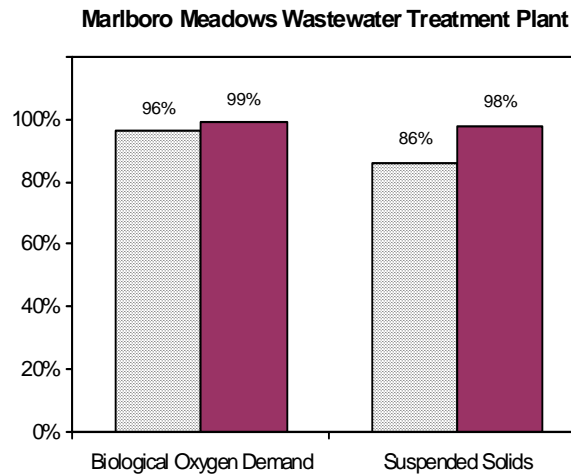
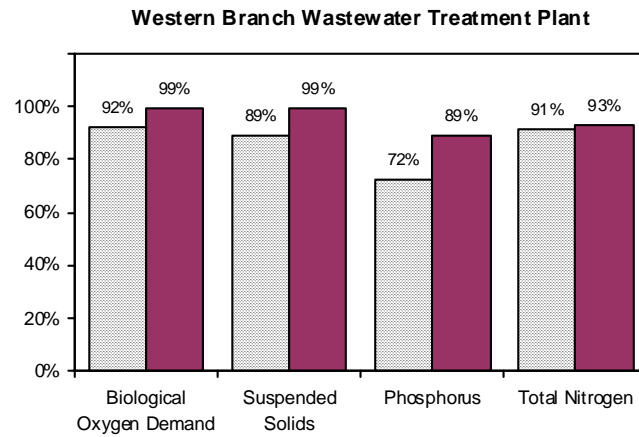
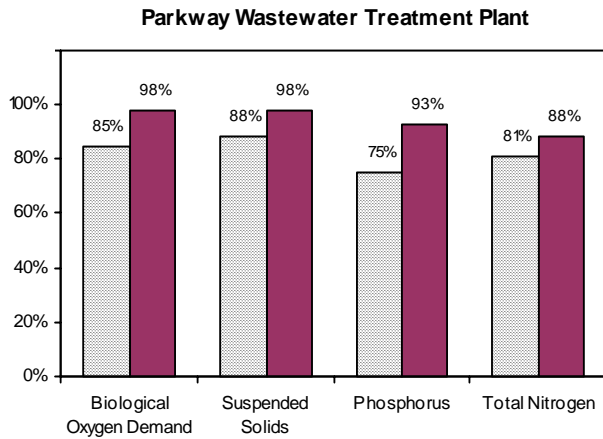


PERFORMANCE OF KEY SERVICES

(Continued)

Wastewater Treatment Plant Performance – FY'11 Percentage Removal of Substances Regulated by Discharge Permits

Permit Requirement
 Plant Performance



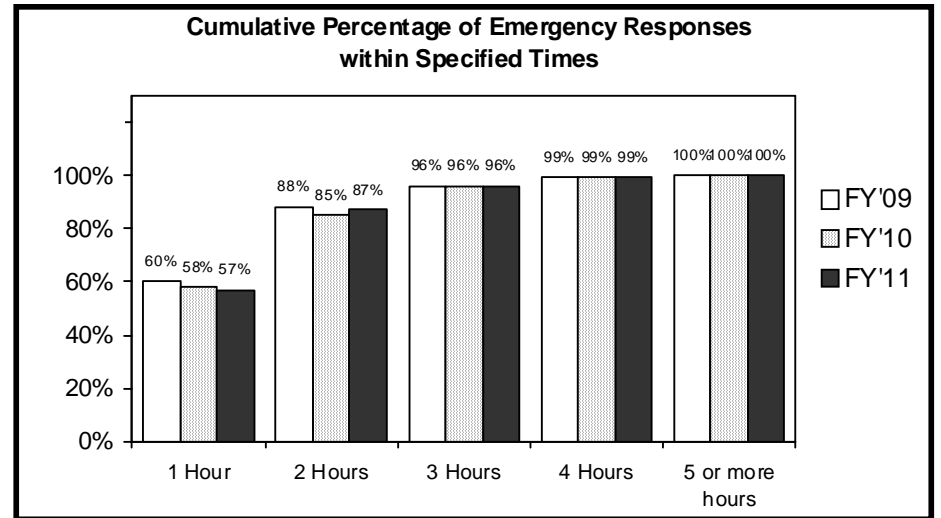
PERFORMANCE OF KEY SERVICES

(Continued)

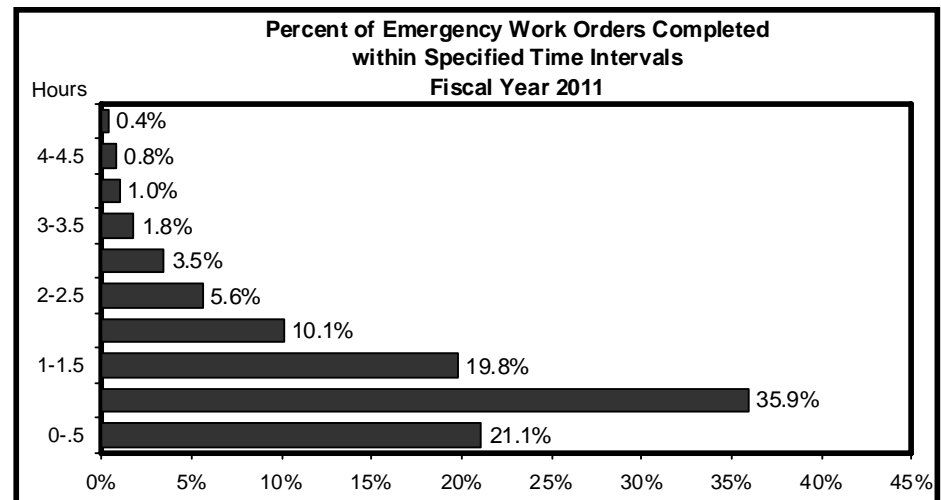
Emergency Response

During FY'11, 30,118 emergency work orders were initiated in response to customer or system emergencies. The WSSC's objective is to provide a first response to these emergencies in less than 2 hours, based on feedback from our customers on what they consider a reasonable and necessary response time.

The top graph shows that in FY'11 we responded to 57% of our emergency calls in less than 1 hour, and to 87% in less than our 2-hour goal with an average response time of 1.1 hours. In FY'10 the average response time was 1.1 hours. On average our response time has remained the same, although the percentage of calls responded to within our 2-hour goal increased slightly. Emphasis on proper dispatching and on crew and inspector assignments generally allows us to keep our response time under 2 hours.



The bottom graph shows the distribution of emergency work order completion times in FY'11. Most emergency work orders required less than 2.0 hours to complete.

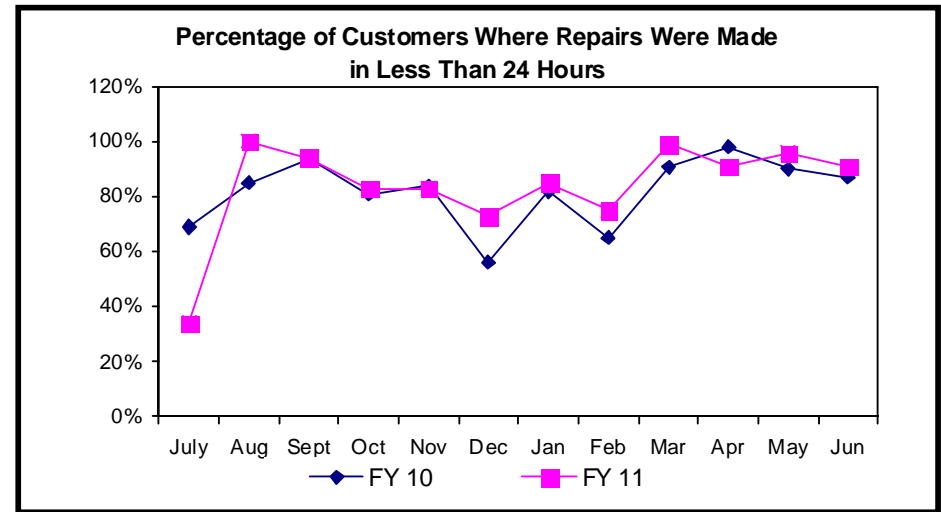
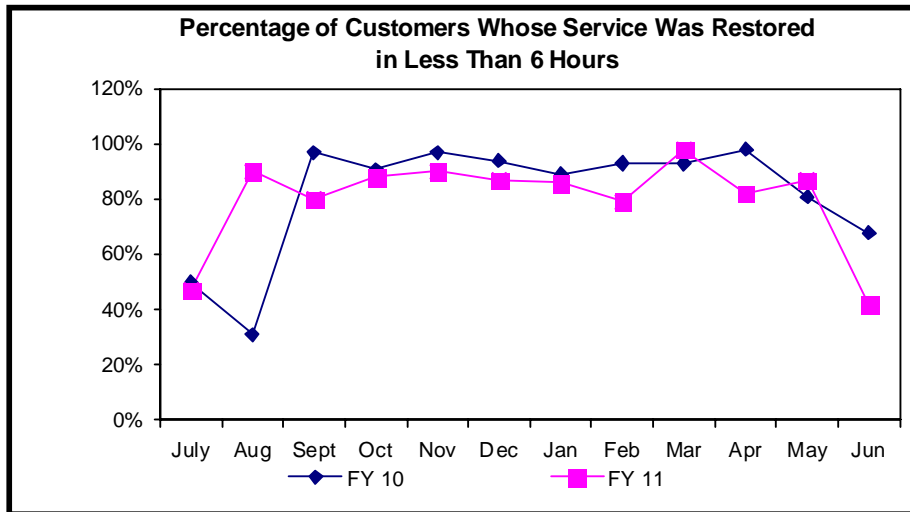


PERFORMANCE OF KEY SERVICES

(Continued)

Restoration of Water Service

The WSSC's objective is to restore normal service to our customers within 24 hours from the time we are notified of an emergency, and to limit the actual time a customer is without water service to less than 6 hours. During FY'11, 71,113 customers, or approximately 16.2% of the WSSC's customers, experienced a temporary suspension in water service while a water main was shut down following a water main break or other emergency. The graph below on the left indicates the percentage of affected customers whose water service was restored in less than 6 hours after a water main was shut down and returned to service. In FY'11, the average time that customers were without water service was 3.6 hours, with 86.5% having water service restored within the targeted 6-hour goal. The graph on the right indicates the percentage of affected customers where repairs were completed in less than 24 hours to restore normal or permanent water service. The average time from notification of a problem to restoration of normal service was 16.5 hours, with 85.0% of customers having normal water service restored in less than the 24-hour goal. The low points in July on both graphs were due to lengthy repairs, splits as opposed to circular breaks, involving a large number of customers.



PERFORMANCE OF KEY SERVICES

(Continued)

Discolored Water

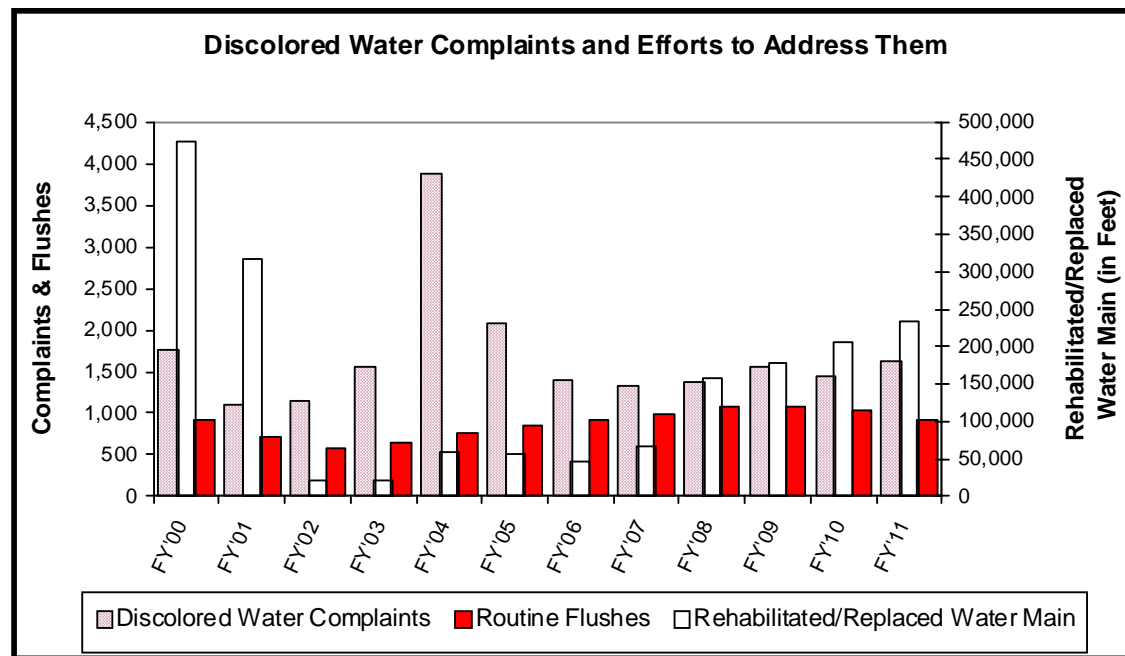
Unlined cast iron pipe eventually leads to discolored water in the distribution system as the water chemically reacts with the pipe to form iron oxides (rust) and accumulates deposits of iron and manganese that can become dislodged. This is a serious inconvenience for the affected customers, limiting and disrupting their normal water use. To combat this problem, an aggressive program was begun in FY'96 to periodically flush water mains in the affected areas to keep the water clear. At the same time, the Commission augmented its ongoing program to resolve such problems by mechanically cleaning and relining the old mains with a new cement mortar lining.

The graph to the right shows a slight overall decrease in discolored water complaints since FY'00 and the relative success the WSSC has had in dealing with these complaints in subsequent years.

Beginning in FY'01, the emphasis was shifted from cleaning and lining water mains to the more permanent solution of water main replacement. Replacement is more involved and more time consuming than cleaning and lining, and resulted in

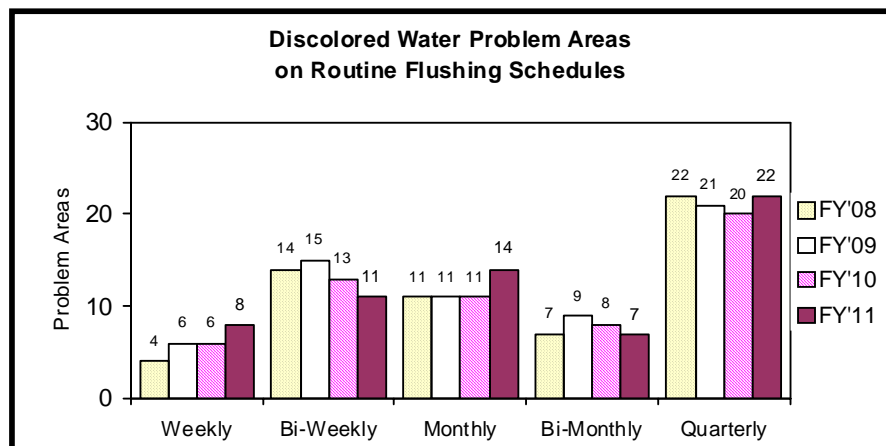
reduced footage of rehabilitated/replaced water main completed in FY'02 and FY'03. During FY'04, even though rehabilitation and replacement efforts more than doubled, discolored water complaints increased as a result of the volume of water main breaks associated with winter weather and service changes resulting from the Patuxent Water Filtration Plant Upgrade. New lines serviced by the plant caused a change in established flow rates and patterns, which caused increased water discoloration. When combined with the flow disruptions from broken water mains, valve closures, and hydrant openings, this event significantly contributed to the increased discolored water complaints.

Rehabilitation and replacement efforts have been on the increase in recent years. WSSC replaced over 44 miles during the past year. In order to maintain the high level of water quality our customers expect, it is important to accelerate water main replacement. This will continue to reduce the amount of flushing that is required.



PERFORMANCE OF KEY SERVICES

(Continued)



The graph to the left shows the number of chronic problem areas requiring regular flushing on a weekly, bi-weekly, monthly, bi-monthly, and quarterly basis since FY'07. The number of areas with chronic discolored water problems has remained relatively constant over the years.

Sewer Line Blockages

The goal of the Line Blockage Analysis (LBA) program is to prevent a customer who experiences a sewer backup due to a problem in the WSSC's main sewer line from suffering a second backup. When a customer has a sewer backup, a maintenance crew responds to clear the stoppage and assist in cleaning the basement. Response is generally within 2 hours, 24 hours a day, 7 days a week. The customer is contacted the following business day to see if additional assistance is needed and is advised that an LBA investigation has been initiated. The sewer main is immediately re-cleaned to preclude another backup during the investigation process, and a television camera is pulled through the line within 30 days to determine structural condition. All pertinent data is then reviewed and analyzed to determine what action is necessary to prevent a recurrence of the backup. After a decision is made, the customer is notified by letter of any planned action, and the appropriate preventive maintenance or rehabilitation action is scheduled and subsequently implemented.

The overall program objective is to prevent a second backup in 95% of the cases processed. For FY'11, the Commission was successful in preventing a second backup in 85.2% of these cases. The Proactive Maintenance Program (PMP), along with technological advances such as the jet cam, has enabled the Commission to pursue its objective more diligently.

PERFORMANCE OF KEY SERVICES

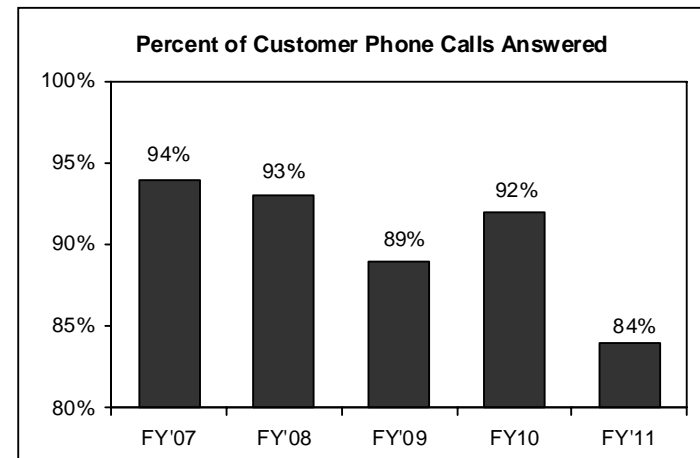
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Sewer House Connection Renewal

The sewer house connection renewal program replaces sewer house connections when structural problems have caused customer backups. Damaged or deteriorated sewer house connections are replaced as necessary to ensure that customers do not suffer repeated sewer backups into their homes. The program objective is to prevent a second backup after the WSSC has confirmed there is a problem with the service. During FY'11, the Commission replaced 2,064 connections. At the beginning of FY'12, 264 house connections met the criteria for renewal.

Customer Calls for Maintenance Assistance

During FY'11, the Commission answered 84% of customer calls for maintenance assistance, as shown in the graph to the right. This sizeable drop is largely attributable to on-going staffing issues in the Emergency Call Center. Our goal was and continues to be a 95% response rate. We are working through several measures in order to achieve this goal. Cross-training agents from the Non-Emergency Call Center should allow for greater flexibility in staffing and an improved knowledge base. A new GIS application was launched late this year to enable customers to report emergencies using their smart phones. This system complements the Maintenance Management Information System (MMIS) by placing needed information about leaks and other emergencies at the dispatchers' fingertips, thereby allowing representatives to provide consistent and knowledgeable responses. Detailed help in determining the proper response to customers' problems and questions is included along with other frequently required reference materials, such as phone numbers and standard operating procedures.



PERFORMANCE OF KEY SERVICES

(Continued)

Customer Satisfaction with Maintenance Services

A program was established in FY'95 to survey customers concerning the quality of service they receive. Customers are surveyed weekly on a random basis using mail-in survey cards from Customer Care. In FY'11, survey cards were returned from 59 customers. Ratings are based on a scale of 1 to 5 where 1 = poor and 5 = excellent.

The following table indicates that customers have continuously, on average, rated *all* aspects of maintenance service in the "good" to "very good" range since FY'07.

Average Customer Ratings of Maintenance Personnel					
Category	FY'07	FY'08	FY'09	FY'10	FY'11
Polite	4.4	4.3	4.4	4.3	4.3
Knowledgeable	4.4	4.3	4.4	4.2	4.3
Helpful	4.3	4.3	4.4	4.2	4.3
Courteous	4.5	4.4	4.4	4.3	4.4
Explained Actions	4.5	4.4	4.4	4.4	4.3
Quality of Work	4.4	4.4	4.4	4.2	4.3
Efficiency	4.5	4.5	4.3	4.2	4.2
Overall Impression	4.4	4.3	4.3	4.1	4.2

GOALS, OBJECTIVES, AND OUTCOME MEASURES

ENGINEERING & CONSTRUCTION TEAM

Goal: Provide timely support for water and sewer extensions needed for planned development in the Sanitary District.

Group: Development Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Complete Hydraulic Review as part of the System Extension Permit (SEP) process within 6 weeks of submission, excluding large/complex projects.	Percentage of Hydraulic Review requests processed in 6 weeks or less.	62%	60%	80%	90%
Complete Phase II of the SEP process within 8 weeks.	Percentage of Phase II packages processed in 8 weeks or less.	88%	90%	90%	90%

Goal: Promptly issue all plumbing and gasfitting permits required by the WSSC.

Group: Development Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Issue all requested plumbing and gasfitting permits within 2 days of receipt of contractors' application.	Percentage of permits issued within 2 days of receipt of contractors' application.	95%	99%	90%	95%

Goal: Provide effective short- and long-range planning for the WSSC's water and wastewater systems to ensure public safety and sufficient future water and

Group: Planning

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Reduce the number of wastewater basins experiencing recurring wet weather overflows to zero.	Number of wastewater basins experiencing recurring wet weather overflows (Total: 21 basins).	2	2	2	2
Keep water system zones having transmission/storage deficiencies that require authorization dependencies at zero.	Number of water system zones with transmission/storage deficiencies that require authorization dependencies (Total: 19 zones).	0	0	0	0

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Plan, design and construct major capital projects according to the CIP.

Group: Project Delivery

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Complete facility plans, concept designs and engineering designs as scheduled in the CIP.	Number of planning and design phase projects completed vs. planned.	5/17	15/5	8/8	6/6
Complete facility construction as scheduled in the CIP.	Number of construction phase projects completed vs. planned.	5/5	3/3	7/7	9/9

Goal: Rehabilitate and/or replace deteriorating water and wastewater infrastructure.

Groups: Infrastructure-Systems,
Systems Inspection

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Design the number of miles for the Water Main Reconstruction Program as planned.	Miles of water main designed vs. planned.	51/35	43/40	40/40	45/45
Design the number of large service meter vaults as planned.	Number of meter vaults designed vs. planned.	30/24	36/40	30/30	50/50
Design the number of miles for the Sewer Main Reconstruction Program as planned.	Miles of sewer main designed vs. planned.	20/60	39/37	37/37	65/65
Design the number of sewer manholes as planned.	Number of sewer manholes designed vs. planned.	277/300	522/500	600/600	600/600
Rehabilitate the number of miles for the Water Main Reconstruction Program as planned.	Miles of water main rehabilitated vs. planned.	33/25	37/30	29/29	34/34
Rehabilitate the number of miles for the Sewer Main Reconstruction Program as planned.	Miles of sewer main rehabilitated vs. planned.	27/35	39/35	27/27	65/65

Goal: Improve facility operations by updating industrial automation systems.

Group: Process Control

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Upgrade planned number of Programmable Logic Controllers (PLC's).	Number of PLC's upgraded vs. planned.	4/3	4/3	3/3	3/3
Upgrade or install new Uninterruptable Power Supplies (UPS) to improve electrical reliability for the PLC Systems.	Number of UPS's upgraded vs. planned.	7/3	6/3	3/3	3/3
Install operator interfacing terminals at plants and facilities.	Number of operator interfacing terminals installed vs. planned.	N/A*	1/1	2/2	2/2

* New goal as of FY 2011.

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Ensure Significant Industrial Users' compliance with EPA regulatory requirements.

Group: Regulatory Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Inspect all Significant Industrial Users annually and conduct necessary follow up inspections.	Number of required inspections of Significant Industrial Users performed vs. number of Significant Industrial Users.	48/48	49/49	50/50	50/50
	Number of follow up inspections of Significant Industrial Users.	25	31	20	25
Collect samples from all Significant Industrial Users as required in their permit.	Number of Significant Industrial User samples collected vs. number of samples required.	275/275	275/275	275/275	300/300
	Number of additional samples taken of Significant Industrial Users.	1,224	1,184	975	1,000

Goal: Provide timely review of site utility plans and ensure compliance with plumbing and gasfitting regulation.

Groups: Development Services,
Regulatory Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Complete 1 st review of site utility plans within eight weeks of submission.	Percentage of 1 st reviews completed within eight weeks.	80%	87%	95%	95%
Conduct 99.9% of all requests for inspections to ensure compliance with plumbing and gasfitting regulations.	Percentage of requested plumbing/gasfitting inspections conducted.	99.99%	100.00%	99.99%	99.96%
	Number of plumbing/gasfitting inspections conducted vs. number requested.	47,134/ 47,135	53,307/ 53,307	51,995/ 52,000	54,980/ 55,000

Goal: Comply with the FOG provisions of the Consent Decree.

Group: Regulatory Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Meet all Consent Decree deadlines for initial FOG inspections.	Number of initial FOG inspections completed vs. planned.	1,338/1,080	1,675/1,080	1,000/1,000	500/500

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Manage paving contracts to meet time restrictions for work directed on a non-emergency basis.

Group: Systems Inspection

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
On State highways, the paving contractor shall complete paving repairs within 14 calendar days.	Percentage of paving repairs that are completed within 14 calendar days.	44%	34%	70%	75%
On all other roadways, sidewalks, driveways, curbs, and gutters, the contractor shall complete paving repairs within 35 calendar days.	Percentage of paving repairs that are completed within 35 calendar days.	83%	89%	90%	92%

Goal: Manage construction contracts to minimize extra expense while still ensuring quality construction.

Group: Systems Inspection

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Manage change orders to ensure minimum amount of contract increases.	Dollar value of change orders as a percent of bid amount for Systems Inspection contracts completed.	2.2%	0.3%	1.0%	0.5%

Goal: Identify deteriorating infrastructure through inspection, testing and monitoring.

Group: Technical Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Inspect the number of dams as planned.	Number of dams inspected vs. planned.	3/3	3/3	3/3	3/3
Inspect the number of Prestressed Concrete Cylinder Pipe (PCCP) miles as planned.	Miles of PCCP inspection performed vs. planned.	12.9/12.9	14.0/16.1	15.2/15.2	12.6/12.6
Install acoustical fiber optic line to monitor PCCP water transmission mains as planned.	Miles of acoustical fiber optic line installed vs. planned.	7.9/12.9	14.0/14.0	15.2/15.2	7.0/7.0
Provide corrosion design and repair recommendations based upon corrosion test readings.	Number of corrosion test stations read vs. planned.	0/0	296/296	244/244	300/300

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Produce connection contracts to ensure the timely construction of WSSC-built service connections.

Group: Technical Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Produce WSSC-built water and sewer connection contracts within 15 business days of receipt of connection drawings and site inspection data from the Systems Inspection Group.	Percentage of water and sewer connection contracts which are produced and sent to Acquisition for bid within the 15 day goal.	95%	94%	95%	95%

Goal: Eliminate/Minimize adverse environmental impacts associated with accelerated soil erosion and sediment control of major pipeline projects.

Group: Environmental

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Provide timely inspections for erosion and sediment control of major pipeline projects.	Percentage of bi-weekly inspections of each major pipeline project performed as required by law.	100%	95%	100%	100%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

PRODUCTION TEAM

Goal: Comply with state and federal standards for safe drinking water.

Groups: Potomac, Patuxent

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Maintain compliance with Safe Drinking Water Act requirements to ensure safe, pure drinking water.	Number of times the maximum contaminant levels established by the EPA were exceeded: Potomac Water Filtration Plant Patuxent Water Filtration Plant	0 0	0 0	0 0	0 0
Achieve optimized coagulation and filtration to maintain filtered water turbidity at or below 0.1 Nephelometric Turbidity Units (NTU).	Average filtered water turbidity (NTU): Potomac Water Filtration Plant Patuxent Water Filtration Plant	0.03 0.02	0.03 0.02	<0.08 <0.08	<0.08 <0.08
Keep the level of potential carcinogens (trihalomethanes) in the finished water below 80 micrograms per liter, the standard established by the EPA.	Average combined level of trihalomethanes in the distribution system (micrograms per liter of finished water).	34.4	40.4	<50.0	<50.0

Goal: Consistently return clean wastewater to the environment in a manner that meets or exceeds all state and federal standards.

Groups: Piscataway, Western Branch, Parkway/
Marlboro Meadows, Seneca/Damascus/
Hyattstown

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Maintain compliance with NPDES permit requirements at the WSSC's 7 wastewater treatment plants.	Number of process-related non-compliances for the WSSC's 7 wastewater treatment plants.	2	2	4	4

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

LOGISTICS OFFICE

Goal: Ensure that WSSC vehicles are safe, reliable, and functional.

Group: Fleet Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Minimize vehicle breakdowns due to inadequate or improper maintenance.	Number of vehicle breakdowns.	156	190	130	133
	Average number of miles between vehicle breakdowns.	33,983	58,045	45,000	45,000

Goal: Achieve and maintain high levels of productivity in the provision of vehicle and equipment maintenance services.

Group: Fleet Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Reduce vehicle and equipment down time to an average of 55 hours or less per shop visit.	Average down time per shop visit (hours).	65	55	65	55
Maintain mechanic productivity at a level comparable to commercial providers of vehicle and equipment maintenance services.	Fully burdened labor rate (cost per labor hour) for the Fleet Services Group vs. the corresponding average commercial rate for the bi-county area (based on periodic benchmarking surveys by the Fleet Services Group).	\$65/\$113	\$70/\$114	\$68/\$125	\$70/\$130

Goal: Achieve and maintain high levels of efficiency and accuracy in the management of warehouse operations.

Groups: Fleet Services, Materials Management

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Manage inventory levels to maintain warehouse and vehicle parts inventory turnover at four times per year or higher.	Number of times the warehouse inventory turns over annually.	2.2	2.5	2.0	2.0
	Number of times the vehicle parts inventory turns over annually.	3.8	4.0	4.0	4.0
Maintain the accuracy of the warehouse inventory at 95% or higher and vehicle parts inventory at 97% or higher.	Accuracy of warehouse inventory (from monthly cycle counts).	95.0%	96.8%	95.0%	95.0%
	Accuracy of vehicle parts inventory (from established cycle counts).	99.8%	99.8%	99.8%	99.8%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Achieve and maintain a high level of customer satisfaction with the provision of support services.

Group: Fleet Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Maintain high customer satisfaction with the provision of vehicle and equipment maintenance services.	Percentage of customers who rate vehicle and equipment services "good" or "excellent" on user satisfaction surveys.	99%	99%	99%	99%
Maintain a high level of customer satisfaction with the provision of motor pool services.	Percentage of customers who rate motor pool services "good" or "excellent" on the motor pool user survey (services are rated on five distinct criteria).	99%	99%	99%	99%

Goal: Maintain the safety and security of WSSC property, personnel, and the general public through the deterrence and prevention of crimes on WSSC property.

Group: Security and Safety Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Limit the occurrence of crime on WSSC property to \leq 150 incidents.	Number of crimes reported on WSSC property.	146	241	150	200

Goal: Ensure that the WSSC is a safe place to work.

Group: Security and Safety Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Limit the occurrence of on-the-job injuries to WSSC employees to \leq 130 and lost-time injuries to \leq 65.	Number of injuries reported by WSSC employees:				
	On-the-job injuries	135	114	130	120
	Lost-time injuries	6	30	10	30
Reduce the number of on-the-job vehicular accidents involving WSSC employees to \leq 150.	Number of vehicular accidents involving WSSC employees.	192	140	130	150

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Provide regular, effective training to WSSC employees concerning Commission safety policies and practices.

Group: Security and Safety Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Maintain average overall ratings for safety training classes of at least 4.0 (where 4=good, 5=excellent).	Average overall ratings by trainees for safety training classes.	4.8	4.7	4.8	4.8

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

FINANCE OFFICE

Goal: Minimize borrowing costs.

Group: Finance Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Issue water/sewer bonds at least 25 basis points below the 20 Bond Buyer Index Rate on the date of issuance. (A basis point is an interest rate unit of measurement of one hundredth of one percent.)	Difference (in basis points) between the 20 Bond Buyer Index Rate and the cost of water/sewer bonds on the date of issuance.	136 basis points	132 basis points	≥25 basis points	≥25 basis points
Maintain FitchRatings, Moody's, and/or Standard and Poor's bond ratings of AAA/Aaa/AAA.	Bond ratings (FitchRatings/Moody's/Standard and Poor's).	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA

Goal: Maximize investment returns within the constraints of Maryland law and adopted investment policy.

Group: Retirement

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Manage WSSC investment portfolio relative to the 91-day T-bill (U.S. Treasury bill) rate. (In a rising market, targeted earnings are 25 basis points below. In a falling rate market, target is 25 basis points above.)	Difference in basis points on 91-day T-bill rate.	8 basis points above	11 basis points above	25 basis points below	Even
Meet or exceed the 8% actuarial assumption for Retirement Fund investment returns on an annualized 10-year basis.	Annualized 10-year return on Retirement Fund investments as of June 30.	2.4%	5.4%	5.3%	5.7%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Accurately assess front foot benefit charges against all properties abutting recent extensions to the WSSC’s water and sewer systems.

Group: Revenue

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Accurately calculate and assess all new front foot benefit charges.	Percentage of newly assessed property owners who successfully appeal the front foot benefit charge proposed by the WSSC.	0.00%	0.00%	0.01%	0.01%

Goal: Provide financial reports that are useful, timely, and accurate.

Group: Accounting

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Prepare monthly financial reports within 20 days of the end of the month and the annual report within 90 days of the end of the fiscal year.	Percentage of financial reports prepared on time.	91%	100%	100%	100%
Avoid the need for any prior period adjustments to financial reports.	Number of prior period financial adjustments required.	0	0	0	0

Goal: Maintain proper accounting in accordance with Generally Accepted Accounting Principles (GAAP) and the Government Accounting Standards Board (GASB).

Groups: Retirement, Accounting

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Receive no finance-related “significant deficiencies” recommendations from the external auditor for the Commission’s financial statements.	Number of finance-related external auditor recommendations of “significant deficiencies” received.	0	0	0	0
Receive no recommendations from the external auditor regarding “significant deficiencies” for the Retirement Plan.	Number of Retirement Plan-related external auditor recommendations of “significant deficiencies” received.	0	0	0	0

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Process financial transactions quickly and accurately.

Groups: Revenue, Disbursements

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Utilize at least 95.0% of available vendor	Percentage of available vendor discounts	99.4%	99.3%	97.0%	97.0%
Post at least 95.5% of customer remittances on the day received.	Percentage of customer remittances posted on the same day.	99.6%	99.6%	99.5%	99.9%
Post at least 99.9% of customer remittances correctly.	Percentage of remittances posted correctly.	99.9%	99.9%	99.9%	99.9%

Goal: Ensure the long-term fiscal stability and soundness of the Commission.

Group: Budget

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Maintain an end-of-year fund balance (accumulated net revenue) of at least 5 percent of water and sewer rate revenue as a reserve.	Combined end-of-year fund balance for the water and sewer operating funds (\$ millions)/Percent of water and sewer rate	\$48.0/ 11.6%	\$83.7/ 18.2%	≥\$83.2/ 15.4%	≥\$75.6/ 13.9%
Maintain FitchRatings, Moody's, and/or Standard and Poor's bond ratings of AAA/Aaa/AAA.	FitchRatings/Moody's/Standard and Poor's bond ratings.	AAA/Aaa/ AAA	AAA/Aaa/ AAA	AAA/Aaa/ AAA	AAA/Aaa/ AAA

Goal: Accurately forecast Commission revenues and expenditures.

Group: Budget

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Accurately forecast annual water production.	Difference (in millions of gallons per day) between actual and budgeted water production.	-1.3	5.0	0.0	0.0
	Percentage difference between actual and budgeted water production.	-0.8%	2.9%	0.0%	0.0%
Accurately forecast revenues from water and sewer use charges.	Difference between actual and budgeted revenues from water and sewer use charges (\$ millions).	-\$27.9	-\$18.4	\$0.0	\$0.0
	Percentage difference between actual and budgeted water and sewer use charges.	-6.3%	-3.8%	0.0%	0.0%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Accurately forecast Commission revenues and expenditures.

Group: Budget

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Accurately project non-debt service water and sewer operating expenditures.	Difference (\$ millions) between actual and budgeted water and sewer operating expenditures (excluding debt service).	-\$32.6	-\$37.7	\$0.0	\$0.0
	Percentage difference between actual and budgeted water and sewer operating expenditures (excluding debt service).	-9.3%	-10.2%	0.0%	0.0%

Goal: Produce a sound, affordable capital spending program.

Group: Budget

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Reduce the amount of rate-supported water and sewer debt to 30% or less of total water and sewer operating expenditures.	Ratio of water and sewer debt service to total water and sewer operating expenditures.	31.8%	31.5%	32.3%	34.1%

Goal: Exhibit excellence in budgeting as judged by our peers.

Group: Budget

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Earn the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA).	Receipt of GFOA's Distinguished Budget Presentation Award (Yes/No)	Yes	Yes	Yes	Yes

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

CUSTOMER CARE TEAM

Goal: Promptly and courteously answer all telephone calls.

Group: Customer Relations

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Attain a 95% success rate for answering non-emergency calls.	Percentage of non-emergency calls answered.	83.0%	88.0%	95.0%	95.0%
Maintain a 95% success rate for answering all emergency calls.	Percentage of emergency calls answered.	92.0%	84.0%	95.0%	95.0%

Goal: Accurately bill and collect for all metered water use.

Groups: Support Services, Customer Relations

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Accurately record and report all meter readings.	Percentage of meter readings reported and recorded accurately.	99.7%	99.8%	99.8%	99.9%
Generate water and sewer bills based on actual consumption rather than estimated consumption.	Percentage of customer bills based on actual consumption (e.g., actual meter readings).	87.0%	92.9%	96.0%	96.0%
Collect all billed water and sewer use charges on a timely basis.	Percentage of billed water and sewer accounts considered delinquent.	9.3%	9.2%	10.0%	10.0%

Goal: Provide a quick response time to customer problems or system emergencies.

Groups: Customer Care North, West, Central, South, and Customer Relations

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Respond within 2 hours to customers' emergency telephone calls.	Percentage of emergencies responded to within 2 hours of receipt of customer calls.	85.0%	87.0%	89.0%	89.0%
	Average response time to emergency calls (in hours).	1.1	1.1	1.1	1.1
Respond within 14 days to all written correspondence received.	Percentage of customer correspondence responded to within 14 days.	76.0%	95.0%	95.0%	95.0%
Achieve 100% closure of open claims.	Percentage of open claims closed.	100%	93.0%	100%	100%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Maintain a high level of customer satisfaction by providing exceptional maintenance support.

Groups: Customer Care North, West, Central, South, and Customer Relations

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Maintain an average customer rating of at least 4.0 (where 1=poor and 5=excellent) for the helpfulness, courtesy, efficiency, and work quality of maintenance personnel.	Average customer rating of maintenance personnel (on a scale of 1 to 5 where 1=poor and 5=excellent):				
	Helpfulness	4.2	4.3	4.7	4.7
	Courtesy	4.3	4.4	4.7	4.7
	Efficiency	4.2	4.2	4.7	4.7
	Quality of Work	4.2	4.3	4.7	4.7
Ensure that a minimum of 85% of claimants are "satisfied" or "delighted" with their settlement from the WSSC.	Percentage of claimants who have received a settlement from the WSSC that rate themselves "satisfied" or "delighted".	97.0%	97.0%	99.0%	95.0%

Goal: Minimize inconvenience caused by disruptions in service.

Groups: Customer Care North, West, Central, South, and Support Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Restore normal water service within 24 hours.	Percentage of customers whose water service was restored within 24 hours.	72.7%	85.0%	80.0%	80.0%
	Average time from notification of system problem to restoration of water service (in hours).	16.6	16.5	14.0	14.0
Limit time without water due to a service interruption to less than 6 hours.	Percentage of customers without water service for less than 6 hours.	89.9%	86.5%	95.0%	95.0%
	Average time without water (in hours).	3.4	3.6	3.0	3.0
Reduce the number of discolored water complaints.	Number of discolored water complaints.	1,441	1,616	1,400	1,400
	Areas with chronic discolored water problems which are on a routine flushing schedule.	58	62	52	52
Prevent a second sewer backup from occurring for at least 95% of customers experiencing an initial main line blockage.	Percentage of customers not experiencing a second backup after notifying the WSSC of a main line sewer blockage.	85.4%	85.2%	95.0%	95.0%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Accurately account for water produced in the distribution system.

Groups: Customer Care North, West, Central, South, and Support Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Reduce service interruptions due to water main breaks.	Number of breaks per 100 miles of water main.	32.3	34.7	34.0	34.0
Perform annual testing of all large water meters whose daily average registration exceeds 20,000 gallons.	Percentage of all large water meters tested annually.	100%	100%	100%	100%
Test within 5 days and, if necessary, repair large meters whose average daily registration has significantly declined.	Percentage of large meters tested within 5 days of a noticeable decline in average daily registration.	95.0%	90.0%	90.0%	90.0%

Goal: Increase the production of in-house water main replacements by Customer Care Team Systems Enhancement Unit Staff.

Group: Customer Care Support Services

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Replace the number of miles of water main by in-house staff as planned.	Miles of water main replaced by in-house crews vs. planned.	5.8/6.0	7.1/6.5	12.0/12.0	12.0/12.0

Goal: Inspect sewer infrastructure to ensure a reliable sewer collection system.

Group: Wastewater Collections System

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Inspect, via closed circuit television, the number of miles of sewer main planned.	Miles of sewer main inspected via closed circuit television vs. planned.	327/425	175/325	325/325	315/315
Inspect, via smoke test, the number of miles of sewer main planned.	Miles of sewer main smoke tested vs. planned.	4.5/10.0	2.6/10.0	10.0/10.0	5.0/5.0

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

INFORMATION TECHNOLOGY TEAM

Goal: Evaluate, develop, and deliver quality, cost-effective application systems that support the core business operations of the Commission.

Group: IT Team Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Deliver projects to support the Commission's business needs, on-time and within budget, 90% of the time.	Percentage of projects implemented on-time (per the agreed-upon schedule).	N/A*	77%	90%	90%
	Percentage of projects implemented within the approved budget.	N/A*	85%	90%	90%

Goal: Provide a "One Stop Shop" for efficient IT problem resolution.

Group: IT Customer Support

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Maintain a high level of customer satisfaction by resolving 90% of calls to the Helpdesk during the initial call.	Percentage of total calls to the Helpdesk achieving First Contact Resolution (FCR).	N/A*	76%	85%	90%
Maintain a high level of customer satisfaction by answering incoming calls within sixty (60) seconds.	Percentage of calls answered within sixty (60) seconds.	N/A*	75%	85%	90%
Respond to service tickets (for incidents and service requests) within the defined Service Level Agreement (SLA).	Percentage of incidents resolved within 3 business days.	N/A*	75%	90%	90%
	Percentage of service requests delivered within 5 days.	N/A*	75%	90%	90%

Goal: Provide reliable computing services to all users in order to deliver information and data in the timeframes required to support decisions.

Groups: Systems Support, Operations & Network Support

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Ensure the uptime and availability of critical business systems, 97% of the time.	Percentage of time that the critical systems are available.	N/A*	100%	97%	97%

* New goal as of FY 2011.

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

STAFF OFFICES

Goal: Provide cost-effective internal audit services.

Group: Internal Audit

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
In fiscal years where Blue Plains audit reports are issued, achieve an internal audit payback ratio in excess of 1:1 (e.g., the Commission should receive more dollars from internal audits than it spends on internal audits).	Ratio of financial savings from internal audits to Internal Audit costs, excluding the costs associated with external audit services and the WSSC Board of Directors.	4:1	0:1	1:1	1:1
Ensure accurate reimbursements via performed audits.	<u>SDC</u> : Total audit-based adjustment in Developer-requested reimbursements for CIP construction.	\$1,332,214	\$8,430	\$500,000	\$500,000
	<u>Blue Plains</u> : Total audit-based adjustment in Blue Plains O&M and Capital Indirect Billing.	\$2,247,835	\$0	\$1,000,000	\$1,000,000

Goal: Ensure active participation in, and full voice for, WSSC's legislative priorities.

Group: Intergovernmental Relations

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Represent the WSSC at bill hearings, worksessions, and various delegation/committee meetings as required.	Percentage of required bill hearings, worksessions, and delegation/committee meetings attended.	100%	100%	100%	100%

Goal: Disseminate accurate and timely information regarding legislation impacting the WSSC to employees and stakeholders.

Group: Intergovernmental Relations

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Keep employees informed of federal legislation impacting the WSSC by sending monthly updates throughout the year.	Percentage of monthly federal updates required to be sent to all management vs. actual updates sent.	100%	100%	100%	100%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Align organizational goals with the Commission's vision, mission, and strategic priorities.

Group: Strategic Systems Management Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Facilitate alignment of strategic initiatives and projects which support the Commission's Strategic Priorities.	Percentage of Departmental Action Items (Green Sheet) linked to Annual Action Items (Pink Sheet).	N/A*	N/A*	50%	60%
	Percentage of Annual Action Items (Pink Sheet) linked to Strategic Priorities.	N/A*	N/A*	100%	100%
	Percentage of strategic projects approved for funding by the General Manager/CEO that were recommended by the Portfolio Teams.	N/A*	N/A*	N/A	20%

Goal: Manage organizational performance improvement to achieve the Commission's vision, mission, and strategic priorities.

Group: Strategic Systems Management Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Develop and monitor Key Success Measures (KSMs) that evaluate achievement of strategic and operational results.	Percentage of action plans developed for under-performing KSM strategic performance objectives.	N/A*	N/A*	50%	75%
	Percentage of KSM targets achieved within designated Strategic Priorities.	N/A*	N/A*	25%	50%

Goal: Support the achievement of the Commission's goals.

Group: Strategic Systems Management Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Facilitate the use of management best practices by project leads in completion of WSSC strategic initiatives and projects.	Percentage of WSSC strategic initiatives and projects completed using management best practices.	N/A*	N/A*	50%	50%

*New goal as of FY 2012.

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Achieve fair and accurate media coverage for the WSSC.

Group: Communications & Community Relations Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Respond to local media inquiries within one hour of request for information.	Percentage of responses to inquiries provided within one hour.	98%	98%	98%	98%
Remain continuously accessible (24/7) to local media.	Number of days accessible to local media.	365	365	365	365

Goal: Disseminate accurate and timely information to WSSC customers and stakeholders.

Group: Communications & Community Relations Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Provide customers with up-to-date information on the WSSC and its activities/events.	Satisfy EPA requirements by producing the Annual Water Quality Report by close of fiscal year. (Yes/No)	Yes	Yes	Yes	Yes
	Number of Quarterly Pipeline bill inserts produced and distributed vs. planned.	4/4	4/4	4/4	4/4
	Post all news releases on WSSC website home page. (Yes/No)	Yes	Yes	Yes	Yes

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Disseminate accurate and timely information to WSSC customers and stakeholders.

Group: Communications & Community Relations Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Educate constituencies on the three components of the WSSC's services: water, wastewater, and source water protection.	Number of educational events prepared and presented to local schools. (Executed/Estimated)	31/35	67/35	35/35	40/40
	Plan and execute presentations for community-level service groups and associations (e.g., Fats, Oils, and Grease (FOG) Program, Infrastructure, WSSC educational-related issues, media appearances). (Executed/Estimated)	30/35	25/30	20/20	20/20
	Partner with outside agencies to plan/execute events (e.g., stream/road cleanups, water festival, and campfire). (Executed/Planned)	4/4	6/4	6/6	6/6

Goal: Disseminate accurate and timely information to WSSC employees.

Group: Communications & Community Relations Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Inform employees about WSSC news.	Publish Fish Tales and distribute to Depots monthly (in addition to providing on-line). (Published/Planned)	3/4	3/4	12/12	12/12
Communicate new initiatives/programs to employees.	Execute campaigns to communicate new or special initiatives, programs, etc., to employees. (Executed/Estimated)	4/4	4/4	4/4	4/4

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Provide support for WSSC programs/projects as required.

Group: Communications & Community Relations Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Increase public awareness of Consent Decree related issues, such as the Fats, Oils, and Grease (FOG) Program.	Fulfill consent decree requirement to issue news releases for all SSOs over 10,000 gallons within 24 hours. (Yes/No)	Yes	Yes	Yes	Yes
	Promote "Can The Grease" to media at least 3 times per year. (Actual/Planned)	2/3	2/3	2/3	2/3
	Provide FOG-related educational materials and promotional items to distribute to customers. (Actual/Planned)	5,000/ 5,000	20,000/ 5,000	5,000/ 5,000	15,000/ 15,000

Goal: Continuous improvement of Human Resources operations.

Group: Human Resources Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Review and update Human Resources policies and procedures on an ongoing basis.	Percentage of policies and procedures identified as priority and critical for revision having been prioritized, revised, and communicated to all employees.	65%	20%	100%	100%

Goal: Ensure the WSSC is fully compliant with all regulatory requirements.

Group: Human Resources Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Ensure all employees are aware of WSSC policies and employment regulatory requirements.	Percentage of employees trained in the required employment areas.	100%	100%	100%	100%

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal:* Increase Small, Local and Minority Business Enterprise (SLMBE) participation in WSSC programs.

Group: Small, Local and Minority Business Enterprise Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Increase the number of registered and certified Minority Business Enterprises (MBEs) 10% annually.	Total number of registered and certified MBEs/Annual percentage increase/decrease in newly registered MBEs.	488/13.5%	511/4.7%	562/10.0%	618/10.0%
Increase the number of approved Small, Local Business Enterprises (SLBEs) 5% annually.	Total number of approved SLBEs/Annual percentage increase/decrease in newly approved SLBEs.	259/-14.0%	234/-9.7%	246/5.0%	258/5.0%
Increase the number of contracts awarded to certified MBEs 5% annually.	Total number of contracts awarded to certified MBEs/Annual percentage increase/decrease in contracts awarded to MBEs.	244/-12.2%	72/-70.5%	76/5.0%	80/5.0%
Increase the number of contracts awarded to approved Small, Local Business Enterprises (SLBEs) 5-10% annually.	Total number of contracts awarded to SLBEs/Annual percentage increase/decrease in contracts awarded to SLBEs.	13/-23.5%	29/123.1%	32/10.0%	35/10.0%

**The new Minority Business Enterprise (MBE) Program went into effect May 1, 2011; the new Small, Local Business Enterprise (SLBE) Program went into effect July 20, 2011.*

GOALS, OBJECTIVES, AND OUTCOME MEASURES

(continued)

Goal: Provide timely procurement services.

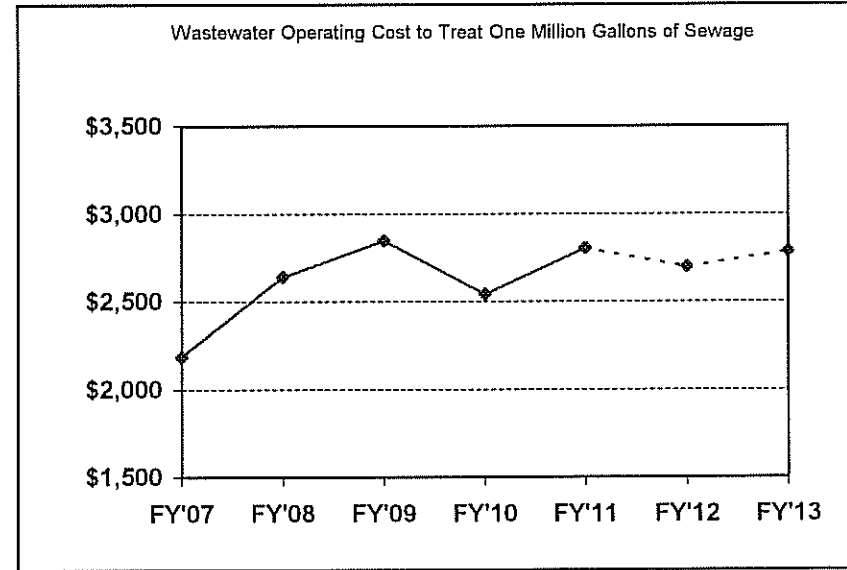
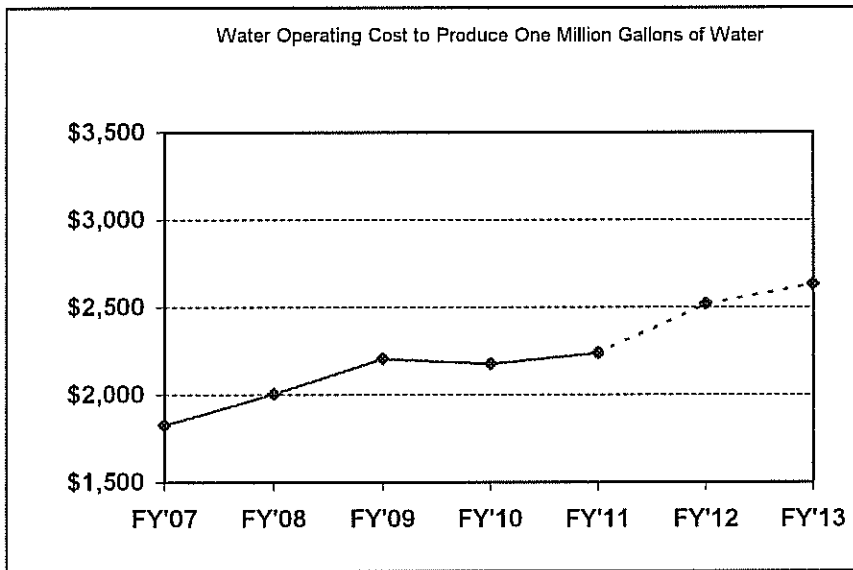
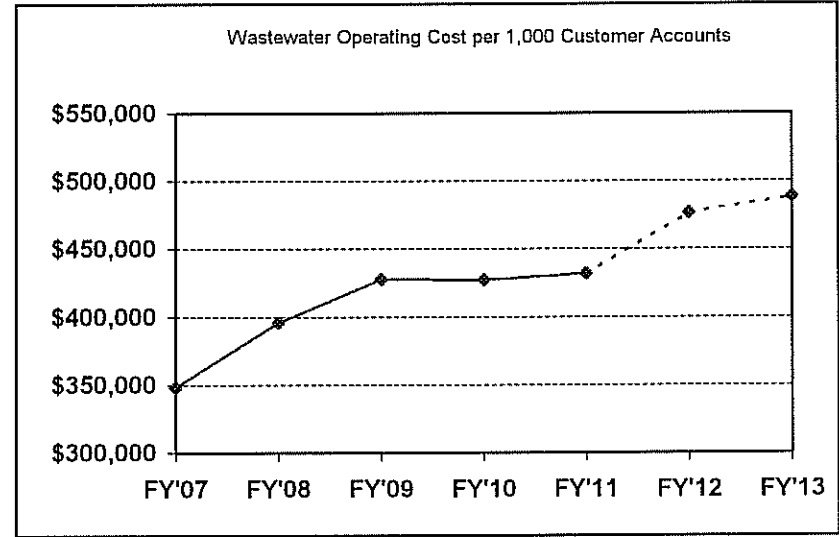
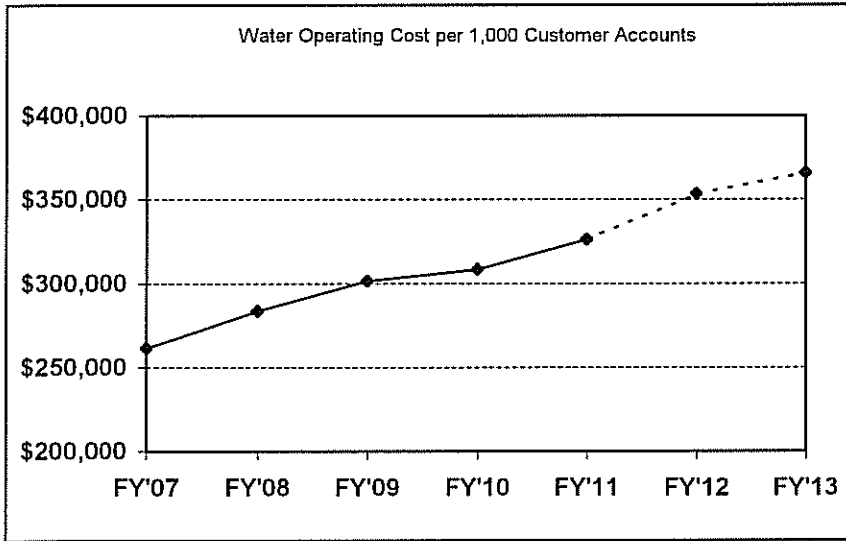
Group: Acquisition Office

Objective	Outcome Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
Establish and maintain a standard for the timely processing of purchase requests in the following categories:	Average number of days to process purchase requests in the identified categories from receipt of the request, with all required supporting documentation and approvals, through the time the Notice to Proceed is signed or the Purchase Order is approved:		(Number of Days)	(Number of Days)	(Number of Days)
Miscellaneous (Small Purchases, Emergencies, etc.)	15 days	N/A*	30	27	27
Sole Source	60 days	N/A*	120	108	108
Requests for Qualifications (RFQ) and Requests for Information (RFI)	60 days	N/A*	120	108	108
Invitations for Bids (IFB)	120 days	N/A*	140	126	126
Requests for Proposals (RFP)	180 days	N/A*	360	324	324
A/E Solicitation Process via Consultant Selection Committee (CSC)	210 days	N/A*	420	378	378

*New goal as of FY 2011.

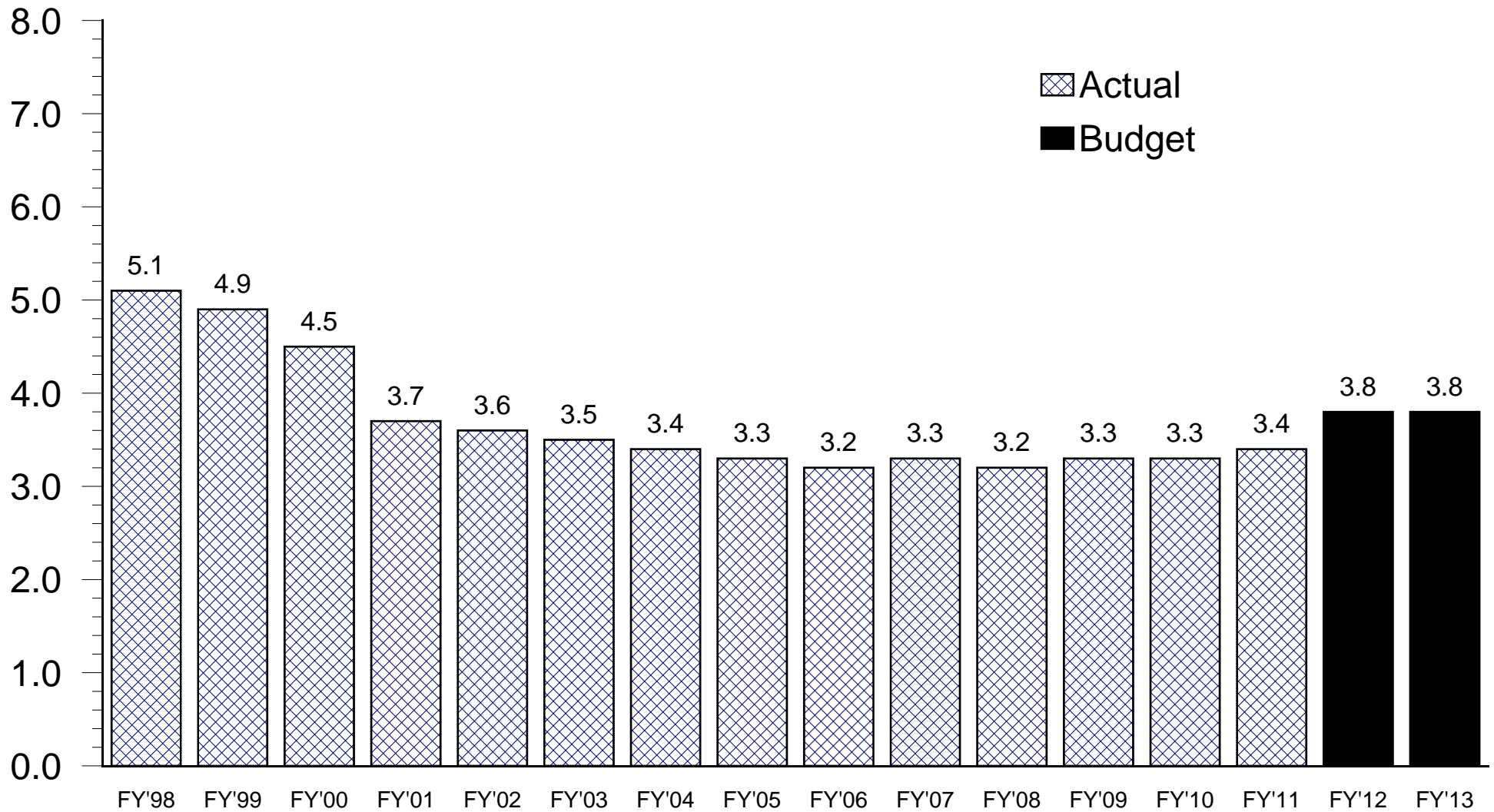
WSSC

OPERATING EFFICIENCY MEASURES

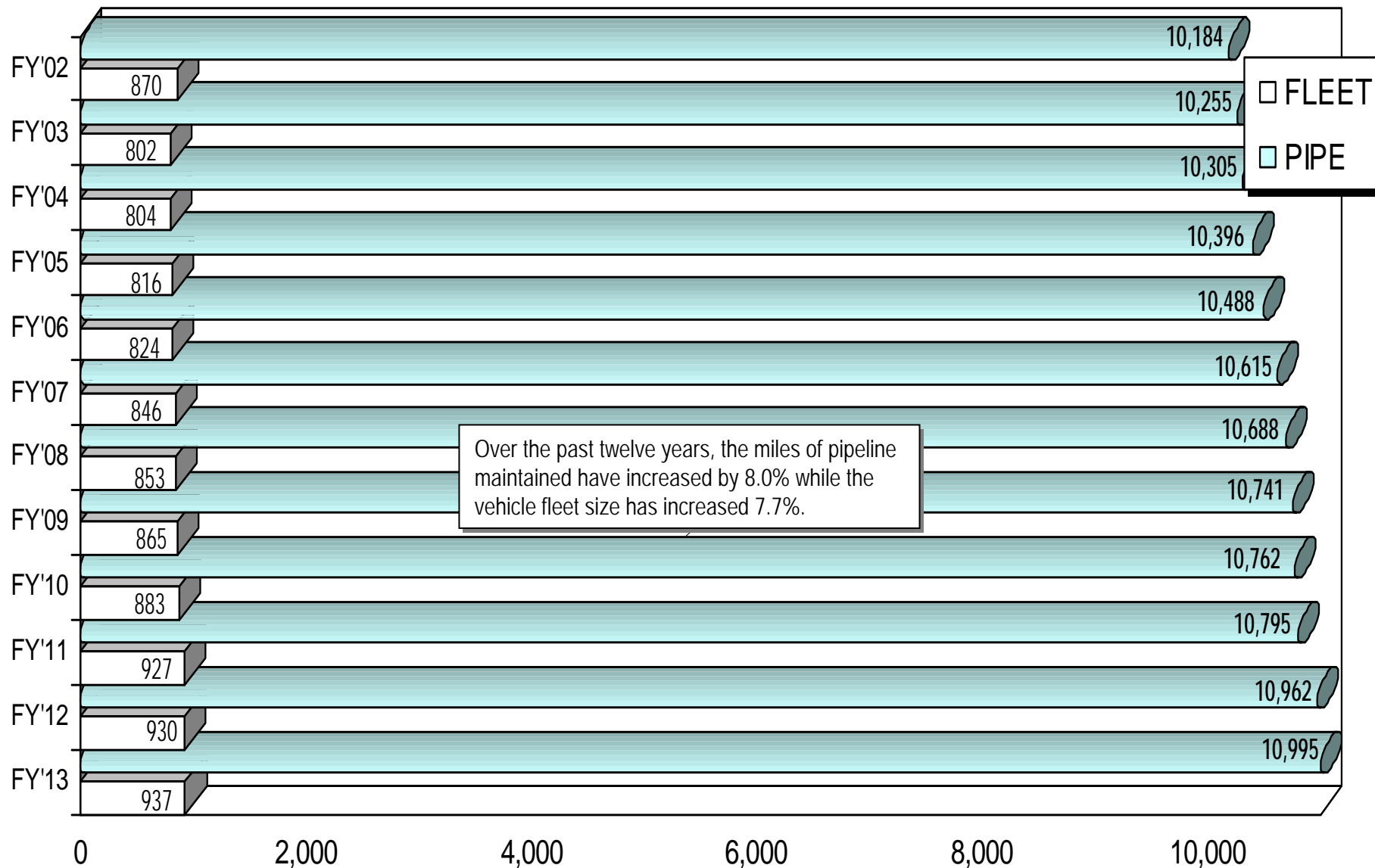


Note: FY'12 & FY'13 are budgeted, not actual.

WORKYEARS PER 1,000 CUSTOMER ACCOUNTS



VEHICLE FLEET SIZE VS. MILES OF PIPELINE MAINTAINED



Note: FY'12 & FY'13 are budgeted, not actual.

WSSC
COMPARATIVE STATISTICAL DATA

The following actual and budgeted data show the number of customer accounts increasing 2.9% and the population increasing 2.8% from FY'09 to FY'13, with the number of employee workyears increasing 18.6%. The overall size of the system, measured in miles of water and sewer pipe, will have expanded 2.4% from FY'09 to FY'13.

During the years 1997 through 2001, the WSSC significantly cut resources through a Competitive Action Plan. In 1997, actual workyears were 2,015, the number of accounts was 382,404, and the total number of miles maintained was 9,784. From this perspective, the number of accounts and size of the system will have increased 16.7% and 12.4%, respectively, from FY'97 to FY'13, while workyears will have decreased 16.0% for the same period. The additional workyears in FY'13 will fill gaps in staffing; and provide the WSSC with the means to improve customer service, meet increased regulatory requirements, and expand programs to address aging infrastructure issues.

	<u>FY'09</u> <u>ACTUAL</u>	<u>FY'10</u> <u>ACTUAL</u>	<u>FY'11</u> <u>ACTUAL</u>	<u>FY'12</u> <u>APPROVED</u>	<u>FY'13</u> <u>PROPOSED</u>	<u>FY'09-FY'13</u> <u>PERCENT</u> <u>CHANGE</u>	<u>FY'97-FY'13</u> <u>PERCENT</u> <u>CHANGE</u>
Workyears	1,428	1,449	1,486	1,681	1,693	18.6%	-16.0%
Population	1,720,000	1,734,000	1,748,000	1,756,000	1,768,000	2.8%	20.6%
Customer Accounts	433,579	434,773	438,193	442,773	446,193	2.9%	16.7%
<u>Size of System</u>							
Miles to be Maintained							
Water	5,427	5,438	5,451	5,538	5,551	2.3%	11.9%
Sewer	<u>5,314</u>	<u>5,324</u>	<u>5,344</u>	<u>5,424</u>	<u>5,444</u>	<u>2.4%</u>	<u>12.9%</u>
TOTAL	10,741	10,762	10,795	10,962	10,995	2.4%	12.4%
Water Production (average MGD)	162.3	168.7	175.0	170.0	170.0	4.7%	6.5%
Sewage Flows (average MGD)	178.6	200.3	182.4	214.5	214.5	20.1%	11.7%

SELECTED MULTI-YEAR HISTORICAL DATA

SECTION 3

SELECTED STATISTICAL DATA

	<u>FY'07</u> <u>ACTUAL</u>	<u>FY'08</u> <u>ACTUAL</u>	<u>FY'09</u> <u>ACTUAL</u>	<u>FY'10</u> <u>ACTUAL</u>	<u>FY'11</u> <u>ACTUAL</u>	<u>FY'12</u> <u>APPROVED</u>	<u>FY'13</u> <u>PROPOSED</u>
Population Served	1,692,000	1,706,000	1,720,000	1,734,000	1,748,000	1,756,000	1,768,000
Customer Accounts	433,113	433,967	433,579	434,773	438,193	442,773	446,193
Water Produced (average MGD)	169.8	168.2	162.3	168.7	175.0	170.0	170.0
Water Produced (millions of gallons)	61,795	61,572	59,255	61,590	63,861	62,050	62,050
Water Mains Maintained (miles)	5,365	5,403	5,427	5,438	5,451	5,538	5,551
Water Mains Constructed (miles added by WSSC)	13.6*	0.2	0.5	1.5	-	5	5
Water Mains Constructed (miles added by developers)	51	38	23	10	13	45	45
Water House Connections Maintained	432,716	436,600	438,893	440,019	441,593	448,019	449,593
Water House Connections Installed	5,077	3,884	2,293	1,126	1,574	4,000	4,000
Water Meters Issued	13,916	16,457	13,458	8,769	13,696	15,622	14,212
Sewage Systems Total Flow (average MGD)	189.2	177.8	178.6	200.3	182.4	214.5	214.5
Sewage Systems Total Flow (millions of gallons)	69,071	65,068	65,201	73,089	66,581	78,293	78,293
Sewer Mains Maintained (miles)	5,250	5,285	5,314	5,324	5,344	5,424	5,444
Sewer Mains Constructed (miles added by WSSC)	11.4*	1	1.8	-	-	5	5
Sewer Mains Constructed (miles added by developers)	51	34	27	10	20	45	45
Sewer House Connections Maintained	410,923	414,386	416,392	417,301	418,718	425,301	426,718
Sewer House Connections Installed	4,620	3,463	2,006	909	1,417	4,000	4,000
Maintenance Work Orders (Emergency and Routine)	73,967	93,570	87,942	75,253	84,473	82,900	81,500
Vehicles in Fleet	846	853	865	883	927	930	937
Miles Traveled by Fleet	6,224,544	5,498,376	5,399,040	5,563,414	5,514,312	6,056,000	5,845,170
Water Meter Readings Completed	1,732,288	1,853,520	1,876,796	1,933,411	1,937,265	1,904,500	1,951,250
Authorized Positions	1,532	1,525	1,555	1,561	1,632	1,681	1,693
Authorized Workyears	1,490	1,525	1,555	1,561	1,632	1,681	1,693
Actual Employment Level - Beginning	1,377	1,428	1,434	1,455	1,468	1,528	
Actual Employment Level - Ending	1,428	1,434	1,455	1,468	1,528		
Actual Workyears	1,416	1,407	1,428	1,449	1,486		

* Reflects the acquisition of the Marlboro Meadows System

SELECTED FINANCIAL DATA

	<u>FY'07 ACTUAL</u>	<u>FY'08 ACTUAL</u>	<u>FY'09 ACTUAL</u>	<u>FY'10 ACTUAL</u>	<u>FY'11 ACTUAL</u>	<u>FY'12 BUDGET</u>	<u>FY'13 PROPOSED</u>
1. Customer Water & Sewer Rate Percent Change							
<u>Consumption Charges</u>							
Water	-1.1%	7.2%	10.3%	12.1%	14.0%	11.6%	2.9%
Sewer	6.1%	6.0%	6.5%	6.8%	4.3%	5.9%	11.5%
Combined	3.0%	6.5%	8.0%	9.0%	8.5%	8.5%	7.5%
2. Water & Sewer Bill Revenues (\$ in Thousands)							
Water Consumption Charges	\$142,968	\$155,897	\$159,480	\$178,349	\$211,734	\$237,146	\$240,320
Sewer Use Charges	203,471	216,340	218,910	234,019	248,725	273,360	300,241
Total Consumption Charges	<u>346,439</u>	<u>372,237</u>	<u>378,390</u>	<u>412,368</u>	<u>460,459</u>	<u>510,506</u>	<u>540,561</u>
Account Maintenance Fee	21,957	21,888	21,789	22,886	22,377	22,850	22,850
Total	<u>\$ 368,396</u>	<u>\$ 394,125</u>	<u>\$ 400,179</u>	<u>\$ 435,254</u>	<u>\$ 482,836</u>	<u>\$ 533,356</u>	<u>\$ 563,411</u>
3. Water Production (average MGD)	169.8	168.2	162.3	168.7	175.0	170.0	170.0

WATER & SEWER OPERATING FUNDS - COMBINED

(\$ In Thousands)

	<u>FY'07</u> <u>ACTUAL</u>	<u>FY'08</u> <u>ACTUAL</u>	<u>FY'09</u> <u>ACTUAL</u>	<u>FY'10</u> <u>ACTUAL</u>	<u>FY'11</u> <u>ACTUAL</u>	<u>FY'12</u> <u>APPROVED</u>	<u>FY'13</u> <u>PROPOSED</u>
<u>REVENUES</u>							
Water Consumption Charges	\$ 142,968	\$ 155,897	\$ 159,480	\$ 178,349	\$ 211,734	\$ 237,146	\$ 240,320
Sewer Use Charges	203,471	216,340	218,910	234,019	248,725	273,360	300,241
Interest Income	5,596	3,872	902	707	794	4,000	4,000
Miscellaneous	18,903	21,177	19,288	19,053	22,831	20,936	21,147
Account Maintenance Fee	21,957	21,888	21,789	22,886	22,377	22,850	22,850
Total Revenues	<u>392,895</u>	<u>419,174</u>	<u>420,369</u>	<u>455,014</u>	<u>506,461</u>	<u>558,292</u>	<u>588,558</u>
SDC Debt Service Offset	2,810	2,711	2,612	2,498	2,398	2,293	2,192
Reconstruction Debt Service Offset	10,000	12,000	12,000	11,500	11,500	11,000	11,000
Use of Fund Balance	10,412	10,890	16,284	11,995	2,909	3,400	17,858
Net Fund Balance Increase	-	-	-	-	-	-	-
Total Funds Available	<u>\$ 416,117</u>	<u>\$ 444,775</u>	<u>\$ 451,265</u>	<u>\$ 481,007</u>	<u>\$ 523,268</u>	<u>\$ 574,985</u>	<u>\$ 619,608</u>
<u>EXPENDITURES</u>							
Salaries & Wages	\$ 78,799	\$ 84,702	\$ 87,396	\$ 88,907	\$ 89,423	\$ 97,921	\$ 100,629
Heat, Light & Power	20,525	23,025	26,315	28,187	28,599	25,275	24,223
Regional Sewage Disposal	39,327	42,384	44,767	47,013	46,208	49,478	51,309
Debt Service							
Principal Payments	95,661	97,082	103,165	112,953	110,127	119,326	138,850
Interest Payments	45,758	39,405	37,931	36,260	42,355	66,568	72,447
Debt Reduction (PAYGO)	1,482	-	-	-	-	-	-
All Other	125,175	144,544	157,689	155,504	167,975	216,417	232,150
Total Expenditures	<u>\$ 406,727</u>	<u>\$ 431,142</u>	<u>\$ 457,263</u>	<u>\$ 468,824</u>	<u>\$ 484,687</u>	<u>\$ 574,985</u>	<u>\$ 619,608</u>
Water Production (average MGD)	169.8	168.2	162.3	168.7	175.0	170.0	170.0

CAPITAL BUDGET VS. ACTUAL EXPENSES
FY'89 - FY'11
(\$ in Thousands)

Fiscal Year	Water Supply		Sewage Disposal		General Construction		Storm Drain		Total Capital	
	Approved Budget	Actual Expenses	Approved Budget	Actual Expenses	Approved Budget	Actual Expenses	Approved Budget	Actual Expenses	Approved Budget	Actual Expenses
1989	62,201	48,004	112,074	82,911	114,127	76,838	4,085	6,496	292,487	214,249
1990	79,788	42,010	164,712	77,760	127,733	90,039	172	209	372,405	210,018
1991	76,220	37,257	136,135	63,371	117,216	83,007	-	-	329,571	183,635
1992	87,004	72,459	109,438	57,958	96,851	25,481	-	-	293,293	155,898
1993	73,299	58,025	92,005	44,189	93,887	50,206	-	-	259,191	152,420
1994	66,371	46,869	83,181	49,330	84,138	49,686	-	-	233,690	145,885
1995	49,311	31,526	85,342	63,871	86,947	73,363	-	-	221,600	168,760
1996	43,638	40,364	53,337	47,385	86,705	51,421	-	-	183,680	139,170
1997	56,827	42,509	89,311	68,513	86,921	54,844	-	-	233,059	165,866
1998	79,065	66,349	60,936	38,510	89,961	46,143	-	-	229,962	151,002
1999	79,079	67,245	59,689	30,821	65,217	50,820	-	-	203,985	148,886
2000	60,111	43,037	88,458	48,868	62,871	49,039	-	-	211,440	140,944
2001	61,968	38,350	81,801	68,568	52,426	40,086	-	-	196,195	147,004
2002	54,972	44,094	104,820	61,073	34,272	31,765	-	-	194,065	136,932
2003	56,124	37,478	108,276	97,446	35,892	18,226	-	-	200,292	153,150
2004	78,314	55,626	95,777	104,400	36,364	20,250	-	-	210,455	180,276
2005	96,998	59,997	97,271	63,210	31,361	23,692	-	-	225,630	146,899
2006	112,678	78,267	117,776	55,558	34,365	15,621	-	-	264,819	149,446
2007	122,550	76,151	108,731	60,033	23,730	23,750	-	-	255,011	159,934
2008	142,820	88,908	108,358	71,705	30,403	22,668	-	-	281,581	183,281
2009	185,620	106,490	142,718	82,687	32,637	24,271	-	-	360,975	213,448
2010	147,484	111,158	191,008	95,232	32,660	34,092	-	-	371,152	240,482
2011	181,815	104,278	276,524	94,308	36,361	41,664	-	-	494,700	240,250

OPERATING BUDGET

SECTION 4

OPERATING FUNDS

PURPOSES OF FUNDS - SOURCES OF REVENUE

The WSSC Operating Budget consists of the Water Operating, Sewer Operating, and General Bond Debt Funds. Each fund is a separate entity authorized to expend funds for prescribed purposes and derive revenues from specific rates, charges, and/or taxes. The purposes of each fund and the revenue sources are prescribed by law in the Washington Suburban Sanitary District Code.

Water Operating Fund

Purposes of Fund - To defray expenses for maintenance and operation of pipes, pumping stations, filtration plants, and reservoirs needed to supply water to the Sanitary District, and to pay the principal and interest on Water Supply Bonds. Existing laws require that the water consumption rates be sufficient to meet these provisions. This fund is also used to defray expenses associated with the plumbing activities of the Commission.

Sources of Revenue

Water Consumption Charges - revenue derived from the sale of water by applying an increasing rate schedule per 1,000 gallons of use. The rate charged for each account is based upon the average daily consumption during each billing period. The range of currently approved rates is \$2.82 to \$6.48 per 1,000 gallons of water consumed.

Account Maintenance Fee - a charge to all customers, based on meter size, to defray costs of providing and reading a meter and rendering a water and/or sewer bill.

Plumbing and Inspection Fees - a fee for Commission inspection of all plumbing and gas fixtures installed in residential and commercial structures to ensure that such installations are in compliance with the WSSC Plumbing and Gasfitting Code.

Interest on Investments - revenues derived from investment of cash available to the Water Operating Fund and the Water Supply Bond Fund.

OPERATING FUNDS

(Continued)

System Development Charge (SDC) - a charge for new development to pay for that part of the Commission's capital program which is needed to accommodate growth. A portion of SDC revenues will be used for continued payment of the debt service on bonds issued in FY'94 (the first year of the SDC). Debt service on bonds issued to fund growth-related CIP projects in subsequent years (e.g., because of inadequate SDC revenue) is paid from SDC revenues if sufficient revenues exist, or from operating revenues if SDC funds are not available. The balance of these revenues will be used in the capital funds to pay for growth projects.

Miscellaneous - revenue derived from charges for late payment of bills; charges for repair of Commission property (e.g., fire hydrants and water mains) damaged by individuals; charges for relocation of WSSC water systems and/or facilities for the benefit of other parties (e.g., Maryland Department of Transportation and county Departments of Transportation); and fees charged for the use of recreational facilities in the WSSC's watershed areas.

Water Operating Fund Revenue Sources

(\$ In Thousands)

	<u>FY'10</u> <u>Actual</u>	<u>FY'11</u> <u>Actual</u>	<u>FY'12</u> <u>Approved</u>	<u>FY'13</u> <u>Proposed</u>
Water Consumption Charges	\$178,349	\$211,734	\$237,146	\$240,320
Account Maintenance Fee	11,672	11,412	11,425	11,425
Plumbing & Inspection Fees	2,012	2,564	2,893	2,893
Interest	64	117	1,500	1,500
SDC Debt Service Offset	514	495	471	451
Miscellaneous	5,337	9,113	6,160	6,320

OPERATING FUNDS

(Continued)

Sewer Operating Fund

Purposes of Fund - To maintain and operate the pipes, pumping stations, and treatment plants needed to properly dispose of all sewage originating in the Sanitary District; to pay the District of Columbia for use of its system; and to pay principal and interest on Sewage Disposal Bonds.

Sources of Revenue

Sewer Use Charges - revenue derived from applying an increasing rate schedule per 1,000 gallons of water sold. The rate charged for each account is based upon the average daily water consumption by customer unit during each billing period. The range of currently approved rates is \$3.27 to \$8.30 per 1,000 gallons of metered water. Customers who receive sewage disposal services only are currently charged at a flat rate of \$80.00 per quarter.

Plumbing and Inspection Fees - a fee for Commission inspection of all plumbing and gas fixtures installed in residential and commercial structures to ensure that such installations are in compliance with the WSSC Plumbing and Gasfitting Code.

Account Maintenance Fee - a charge to all customers, based on meter size, to defray costs of providing and reading a meter and rendering a water and/or sewer bill.

Interest on Investments - revenue derived from investment of cash available to the Sewer Operating Fund and Sewage Disposal Bond Fund.

Rockville Sewer Use - revenue derived from payment by the City of Rockville for the city's share of the Regional Sewage Disposal charges.

System Development Charge (SDC) - a charge for new development to pay for that part of the Commission's capital program which is needed to accommodate growth. A portion of SDC revenues will be used for continued payment of the debt service on bonds issued in FY'94 (the first year of the SDC). Debt service on bonds issued to fund growth-related CIP projects in subsequent years (e.g., because of inadequate SDC revenue) is paid from SDC revenues if sufficient revenues exist, or from operating revenues if SDC funds are not available. The balance of these revenues will be used in the capital funds to pay for growth projects.

OPERATING FUNDS

(Continued)

Miscellaneous - revenue derived from charges for late payment of bills; charges for repair of Commission property (e.g., sewer mains) damaged by individuals; charges for relocation of WSSC sewer lines and/or facilities for the benefit of other parties (e.g., Maryland Department of Transportation and county Departments of Transportation); and sewage handlers' fees which are charged for discharging septic tank clean-out wastes into the WSSC's sewerage system.

Sewer Operating Fund Revenue Sources

(\$ In Thousands)

	<u>FY'10</u> <u>Actual</u>	<u>FY'11</u> <u>Actual</u>	<u>FY'12</u> <u>Approved</u>	<u>FY'13</u> <u>Proposed</u>
Sewer Use Charges	\$234,019	\$248,725	\$273,360	\$300,241
Account Maintenance Fee	11,214	10,965	11,425	11,425
Plumbing & Inspection Fees	2,012	2,564	2,930	2,930
Interest	643	677	2,500	2,500
Rockville Sewer Use	2,605	2,614	2,353	2,404
SDC Debt Service Offset	1,984	1,903	1,822	1,741
Miscellaneous	7,087	5,976	6,600	6,600

OPERATING FUNDS

(Continued)

General Bond Debt Service Fund

Purposes of Fund - To pay the principal and interest on General Construction Bonds.

Sources of Revenue

Front Foot Benefit Charges - revenues derived from charges assessed owners of property abutting water and/or sewer mains who derive a benefit from the construction of these water mains and sewers. This revenue pays the principal and interest on General Construction Bonds.

Current Approved Front Foot Benefit Assessment Rates

(\$ Per Foot)

<u>Subdivision</u>	<u>Water</u>	<u>Sewer</u>
First 150 Feet	\$4.00	\$6.00
Next 150 Feet	3.00	4.50
Over 300 Feet	2.00	3.00
<u>Business</u>		
All Footage	5.32	7.98

Note: The rates established each year apply mainly to the assessable properties that benefit from that year's construction. They cannot be increased, and remain in effect during the life of the bonds issued to pay for the construction.

Deferred House Connections - revenues derived from deferred or amortized house connection payments to cover the cost of building lines from lateral lines to the property line. Prior to October 1, 1992, these connection charges could be paid over a multi-year period, and revenues shown are those being collected from this method of payment until fully amortized.

OPERATING FUNDS

(Continued)

Debt Service Reimbursement - revenue from Prince George's County used to pay the debt service on bonds issued to pay for storm drainage projects constructed prior to the county's assumption of the storm drain program on July 1, 1987.

Interest on Investments - revenue derived from investments of cash available to the fund, including interest income from the investment of cash available to the Storm Drainage and General Construction Bond Funds.

Miscellaneous - revenue primarily derived from late payments of Front Foot Benefit Charges.

General Bond Debt Service Fund Revenue Sources

(\$ In Thousands)

	<u>FY'10</u> <u>Actual</u>	<u>FY'11</u> <u>Actual</u>	<u>FY'12</u> <u>Approved</u>	<u>FY'13</u> <u>Proposed</u>
Front Foot Benefit Charges and Deferred House Connection Charges	\$64,188	\$59,595	\$54,126	\$46,696
Debt Service Reimbursement *				
787	-	-	-	
Interest	448	273	1,237	2,424
Miscellaneous	755	574	650	700

* Prince George's County Storm Drain Debt Service obligations ended June 30, 2010.

CONSOLIDATED STATEMENT OF OPERATING FUNDS, REVENUES, AND EXPENDITURES

(\$ In Thousands)

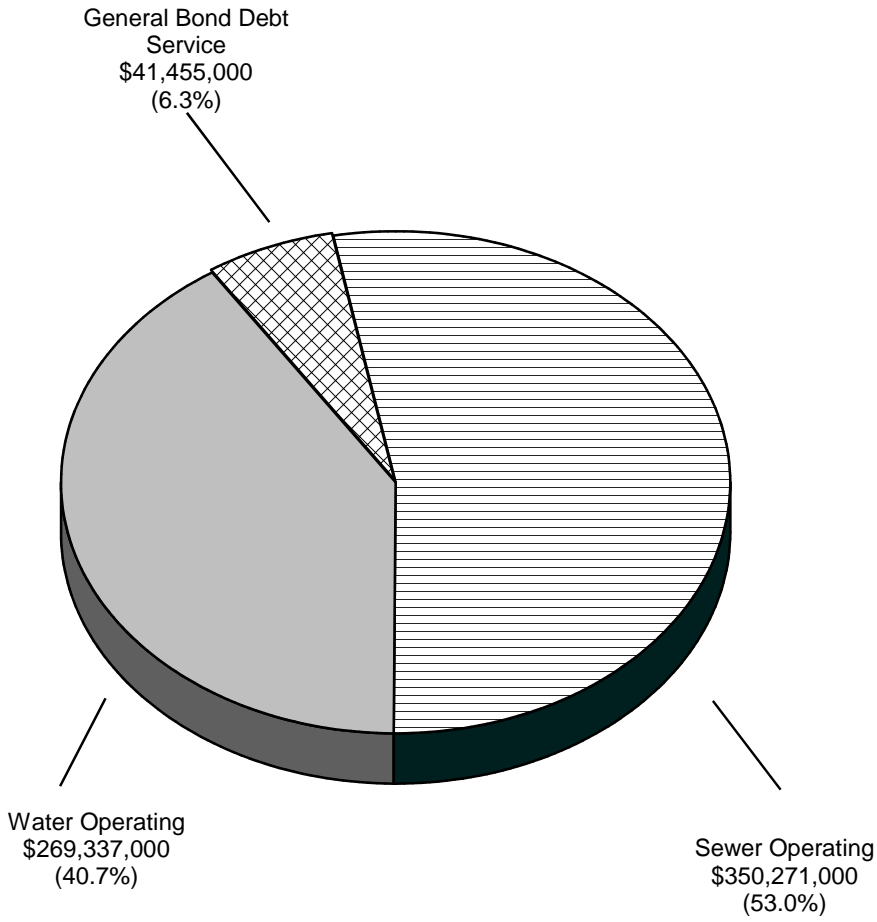
	<u>FY'11 Actual</u>	<u>FY'12 Approved Budget</u>	<u>FY'13 Proposed Budget</u>
<u>REVENUES</u>			
Water Consumption Charges	\$211,734	\$237,146	\$240,320
Sewer Use Charges	248,725	273,360	300,241
Account Maintenance Fee	22,377	22,850	22,850
Front Foot Benefit & House Connection Charges (Deferred)	59,595	54,126	46,696
Plumbing & Inspection Fees	5,128	5,823	5,823
Interest Income	1,067	5,237	6,424
Rockville Sewer Use	2,614	2,353	2,404
Use of Fund Balance	29,780 *	3,400	17,858
Miscellaneous	<u>15,663</u>	<u>13,410</u>	<u>13,620</u>
TOTAL REVENUES	<u>596,683</u>	<u>617,705</u>	<u>656,236</u>
<u>EXPENSES</u>			
Salaries & Wages	89,978	98,418	101,233
Heat, Light & Power	28,599	25,275	24,223
Regional Sewage Disposal	46,208	49,478	51,309
All Other	168,716	217,211	233,095
Debt Service			
Principal Payments	180,905	161,049	166,171
Interest Payments	<u>58,698</u>	<u>74,714</u>	<u>85,032</u>
GROSS EXPENSES	<u>573,104</u>	<u>626,145</u>	<u>661,063</u>
Less: Reconstruction Debt Service Offset	(11,500)	(11,000)	(11,000)
SDC Debt Service Offset	<u>(2,398)</u>	<u>(2,293)</u>	<u>(2,192)</u>
NET EXPENSES	<u>559,206</u>	<u>612,852</u>	<u>647,871</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ 37,477</u>	<u>\$ 4,853</u>	<u>\$ 8,365</u>

* Reflects \$26,871,050 for redemption of General Construction Refunding Bonds of 200'

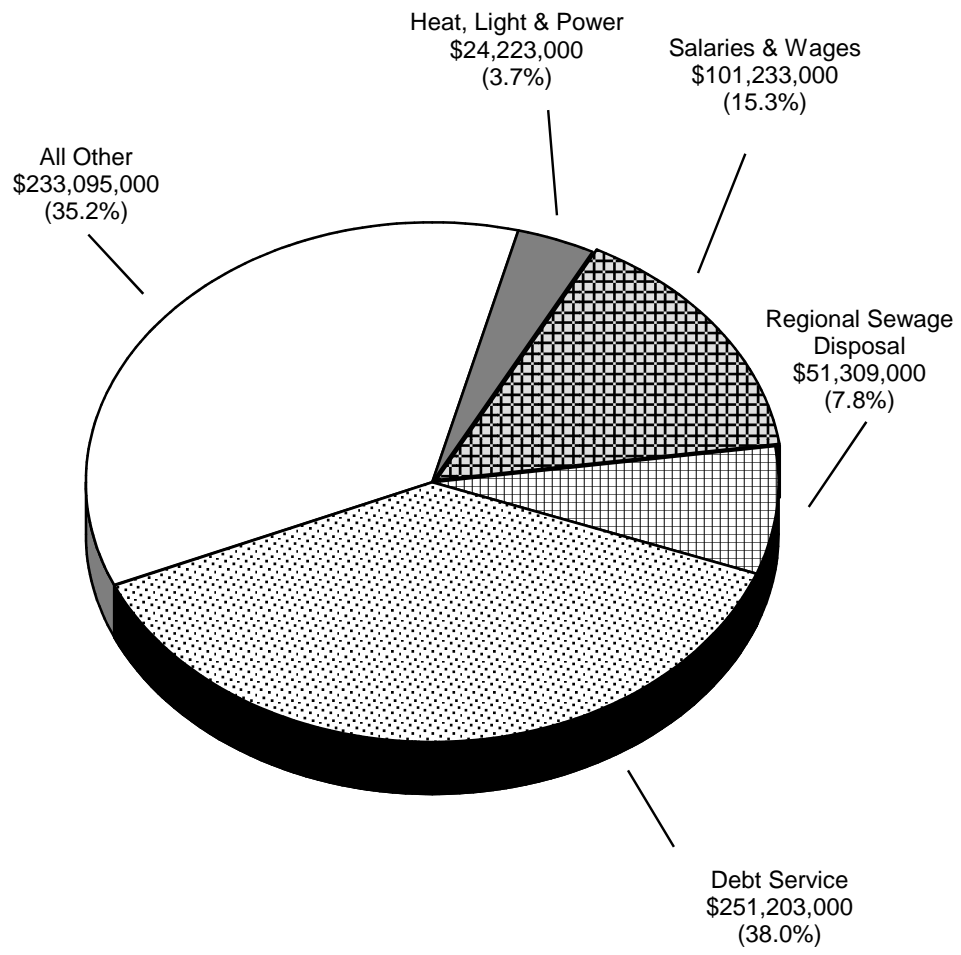
FY 2013 PROPOSED BUDGET

OPERATING EXPENDITURES

BY FUND



BY MAJOR EXPENSE CATEGORY



TOTAL OPERATING = \$661,063,000

WATER OPERATING

(\$ In Thousands)

	<u>FY'11 Actual</u>	<u>FY'12 Approved Budget</u>	<u>FY'13 Proposed Budget</u>
<u>REVENUES</u>			
Water Consumption Charges	\$ 211,734	\$ 237,146	\$ 240,320
Account Maintenance Fee	11,412	11,425	11,425
Plumbing & Inspection Fees	2,564	2,893	2,893
Interest Income	117	1,500	1,500
Use of Fund Balance	705	-	6,428
Miscellaneous	9,113	6,160	6,320
Reserve Requirement	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
TOTAL REVENUES	<u>227,645</u>	<u>251,124</u>	<u>268,886</u>
<u>EXPENSES</u>			
Salaries & Wages	46,894	49,572	52,157
Heat, Light & Power	17,305	13,516	12,875
All Other	78,767	99,817	107,748
Debt Service			
Principal Payments	55,547	58,183	63,500
Interest Payments	<u>21,819</u>	<u>30,507</u>	<u>33,057</u>
GROSS EXPENSES	<u>220,332</u>	<u>251,595</u>	<u>269,337</u>
Less: Reconstruction Debt Service Offset	(11,500)	-	-
SDC Debt Service Offset	<u>(495)</u>	<u>(471)</u>	<u>(451)</u>
NET EXPENSES	<u>208,337</u>	<u>251,124</u>	<u>268,886</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ 19,308</u>	<u>\$ -</u>	<u>\$ -</u>

SEWER OPERATING

(\$ In Thousands)

	<u>FY'11 Actual</u>	<u>FY'12 Approved Budget</u>	<u>FY'13 Proposed Budget</u>
<u>REVENUES</u>			
Sewer Use Charges	\$ 248,725	\$ 273,360	\$ 300,241
Account Maintenance Fee	10,965	11,425	11,425
Plumbing & Inspection Fees	2,564	2,930	2,930
Interest Income	677	2,500	2,500
Rockville Sewer Use	2,614	2,353	2,404
Use of Fund Balance	2,204	3,400	11,430
Miscellaneous	5,976	6,600	6,600
Reserve Requirement	8,000	8,000	-
TOTAL REVENUES	<u>281,725</u>	<u>310,568</u>	<u>337,530</u>
<u>EXPENSES</u>			
Salaries & Wages	42,529	48,349	48,472
Heat, Light & Power	11,294	11,759	11,348
Regional Sewage Disposal	46,208	49,478	51,309
All Other	89,208	116,600	124,402
Debt Service			
Principal Payments	54,580	61,143	75,350
Interest Payments	20,536	36,061	39,390
GROSS EXPENSES	<u>264,355</u>	<u>323,390</u>	<u>350,271</u>
Less: Reconstruction Debt Service Offset	-	(11,000)	(11,000)
SDC Debt Service Offset	<u>(1,903)</u>	<u>(1,822)</u>	<u>(1,741)</u>
NET EXPENSES	<u>262,452</u>	<u>310,568</u>	<u>337,530</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ 19,273</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL BOND DEBT SERVICE

(\$ In Thousands)

	<u>FY'11 Actual</u>	<u>FY'12 Approved Budget</u>	<u>FY'13 Proposed Budget</u>
<u>REVENUES</u>			
Front Foot Benefit & House Connection Charges (Deferred)	\$ 59,595	\$ 54,126	\$ 46,696
Interest Income	273	1,237	2,424
Miscellaneous	574	650	700
Use of Fund Balance	38,371 *	11,000	11,000
Reconstruction Debt Service Offset	<u>(11,500)</u>	<u>(11,000)</u>	<u>(11,000)</u>
TOTAL REVENUES	<u>87,313</u>	<u>56,013</u>	<u>49,820</u>
<u>EXPENSES</u>			
Salaries & Wages	555	497	604
All Other	741	794	945
Debt Service			
Principal Payments	70,778	41,723	27,321
Interest Payments	<u>16,343</u>	<u>8,146</u>	<u>12,585</u>
TOTAL EXPENSES	<u>88,417</u>	<u>51,160</u>	<u>41,455</u>
NET REVENUE (LOSS) FOR YEAR	<u>\$ (1,104)</u>	<u>\$ 4,853</u>	<u>\$ 8,365</u>

* Reflects \$26,871,050 for redemption of General Construction Refunding Bonds of 2001.

DEBT SERVICE

This section provides budget data for the repayment of Water Supply, Sewage Disposal, Storm Drain, and General Construction Bonds issued as long-term financing of the Commission's facilities and infrastructure.

Overview

The total FY'13 Proposed Budget for debt service is \$251,303,000, an increase of \$15,440,000 or 6.5% more than the FY'12 Approved Budget of \$235,863,000. The proposed debt service is based upon paying the FY'13 principal and interest payments on current outstanding debt, and issuing \$501,764,000 in new Water Supply, Sewage Disposal, and General Construction Bonds. The new debt issues are necessary to implement the first year of the Commission's Proposed FYs 2013-2018 Capital Improvements, Engineering Support, and Systems Reconstruction programs as well as to construct some local water and sewer mains, and other miscellaneous capital projects.

The WSSC issues Water Supply and Sewage Disposal Bonds to fund a major portion of the construction of long-lived additions or improvements to major water and sewerage facilities including water and wastewater treatment plants, pumping stations and force mains, storage structures, all water mains 16 inches in diameter and larger, and all sewer mains 15 inches and larger. The Commission's fiscal plan for these facilities is known as the Capital Improvements Program and is published separately from the operating and capital budget.

Water Supply and Sewage Disposal Bonds also help finance projects in the WSSC's Engineering Support, Systems Reconstruction, and Water Storage Facility Rehabilitation programs. The Engineering Support Program (ESP) is a diverse group of multi-year projects and studies that support the extensive water and sewerage infrastructure and numerous support facilities owned, operated, and maintained by the WSSC. Typical ESP projects correct design deficiencies, eliminate hazardous situations, modify existing processes, satisfy regulatory requirements, or rehabilitate aging facilities.

The Systems Reconstruction Program provides for the rehabilitation or replacement of the aging portions of the water distribution and wastewater collection systems. Portions of these systems are more than 80 years old and need to be replaced or renovated in order to achieve adequate water flow for domestic use and fighting fires, to eliminate discolored water problems, or to correct structural damage to the sewage collection system.

The Water Storage Facility Rehabilitation Program provides for the comprehensive rehabilitation of the Commission's aging water storage facilities located throughout the WSSC service area. Rehabilitation efforts can include structural metal and concrete foundation repairs, lead paint removal, security upgrades, advanced mixing systems to improve water quality, and supply pipe replacement.

DEBT SERVICE

(Continued)

In addition to borrowing funds in the private financial markets, the WSSC periodically borrows funds from the Maryland Water Quality Loan Fund to fund major wastewater capital improvements that are needed to help maintain or improve water quality in the Chesapeake Bay. The Fund, established by the State of Maryland and administered by the Maryland Water Quality Financing Administration, provides low interest loans to local governments to help with a variety of water quality improvement projects such as upgrades of wastewater treatment plants, construction of sewers in areas with failing septic tanks, implementation of estuary conservation management plans, and the reduction of non-point-source pollution.

General Construction Bonds are issued to finance a major portion of the cost of constructing some minor water and sewer lines (up to 15 inches in diameter for water and 14 inches in diameter for sewer); constructing new administrative and support facilities; modifying, enlarging, or replacing existing support facilities; relocating facilities; and purchasing water meters. As a result of a legislative change, applications for service requested after July 1, 1999, require the Applicant to finance and construct the local water and sewer mains needed for new development. The WSSC will still construct those projects serving one residence or providing relief from a residential health hazard.

The Commission's outstanding debt as of June 30, 2011, is as follows:

General Construction Bonds	\$345,105,000
Maryland Water Quality Bonds	70,969,239
Water Supply Bonds	449,160,000
Sewage Disposal Bonds	383,155,000
Water, Sewer and General Notes	<u>173,400,000</u>
TOTAL	<u>\$1,421,789,239</u>

FISCAL YEARS 2011-2013
ACTUAL AND ESTIMATED OUTSTANDING DEBT

Debt as of June 30, 2011 (Includes Maryland Water Quality Loans)	\$1,421,789,239
<u>FY'12 NEW ISSUES</u>	
General Construction	15,000,000
Water and Sewer	298,684,000
<u>FY'12 PRINCIPAL PAYMENTS</u>	
Principal from Debt Outstanding as of June 30, 2011	<u>(138,427,000)</u>
Estimated Debt Outstanding as of June 30, 2012	<u>1,597,046,239</u>
<u>NEW FY'13 PROPOSED ISSUES</u>	
General Construction	20,000,000
Water	154,059,000
Sewer	327,705,000
<u>FY'13 PRINCIPAL PAYMENTS</u>	
Principal from Debt Outstanding as of June 30, 2011	(128,421,386)
Principal from FY' 12 Water & Sewer Bonds	<u>(14,934,000)</u>
Estimated Debt Outstanding as of June 30, 2013	<u>\$1,955,454,853</u>

DEBT SERVICE

(Continued)

Commission bonds are repaid to bondholders over a period of years with a series of principal and interest payments known as debt service. In this manner, the initial high cost of capital improvements is spread over time and paid for by customers benefiting from facilities in the future, as well as by current customers. Due to various federal, state, and local policies, interest costs on the debt are kept low because the interest on Commission debt is exempt from federal and state taxation.

The Commission's debt is repaid from water consumption and sewer use charges and front foot benefit charges. However, should revenue from these sources be inadequate, State Law provides for the levy of ad valorem taxes, annually, against all the assessable property within the District by the County Council of Montgomery County and the County Council of Prince George's County, sufficient to pay principal and interest when due and payable. The Commission has never needed to invoke this underlying pledge and does not expect to do so. Thus, these financial instruments provide strong advantages in both safety of repayment and investment return for certain categories of investors.

Rating Agency Reviews

WSSC bonds carry AAA/Aaa/AAA credit ratings from the three major bond rating agencies: FitchRatings, Moody's, and Standard and Poor's. These high ratings are critical in ensuring a low cost of debt to WSSC customers. High ratings translate into low interest rates and considerable savings over the 19 to 23 year bond repayment period. The WSSC has been able to secure these ratings primarily because of the quality of its operations, its policy of maintaining a 5% or greater operating reserve, the willingness of the Commission and local governments to raise the rate revenues necessary to meet debt service requirements, and the underlying credit worthiness of Montgomery and Prince George's Counties. All of these factors are considered evidence of both the ability and willingness of the Commission and the Prince George's and Montgomery County governments to support public debt.

Legal Debt Margin

Bonds and notes issued by the Commission are limited to an amount outstanding at any time that may not exceed the sum of 3.8% of the total assessable base of all real property and 7.0% of the total assessable personal and operating real property for county taxation purposes within the Sanitary District. However, any amount held in a sinking fund for the payment of sinking fund bonds may be deducted from the total indebtedness subject to such debt limitations. The following tables show the Commission's legal debt margin, the latest certified assessed valuations of those portions of the counties that lie within the Sanitary District, and the ratio of Commission debt to permitted debt.

TOTAL LEGAL DEBT MARGIN

Total Assessable Personal and Real Property *		\$242,366,111,000
Debt Limit: 7.0% of total assessable personal & operating real property		143,274,247
3.8% of total assessable tax base of all real property		9,132,134,768
Debt applicable to limitation:		
Total applicable debt	1,421,789,239	
Less amount available from		
Repayment of debt - FY'12	(138,427,000)	
Repayment of debt - FY'13	(128,421,386)	
Plus amount available from		
New issues - FY'12	313,684,000	
Planned issues - FY'13	<u>501,764,000</u>	
Total debt applicable to limitation		<u>1,970,388,853</u>
Legal Debt Margin		<u>\$7,305,020,162</u>

ASSESSED VALUATION

<u>As of June 30</u>	<u>Total Assessed Valuation (000)</u>	<u>Total Debt Outstanding (000)</u>	<u>Maximum Debt Permitted (000)</u>
2011	\$242,366,111	\$1,421,789	\$9,275,409
2010	250,074,354	1,366,185	9,569,303
2009	239,108,924	1,346,727	9,152,697
2008	217,330,637	1,336,410	8,327,826
2007	191,362,247	1,342,044	7,339,550
2006	167,670,776	1,425,377	6,436,574

* Sources for the assessed valuation of personal and real property are the Certificate of Supervisor of Assessments of Montgomery County Maryland, as to the Last Assessment for Taxation of Property in the District in Montgomery County and the Certificate of Director of Finance of Prince George's County, Maryland as to the Last Assessment for Taxation of Property in the District in Prince George's County.

CAPITAL BUDGET

SECTION 5

CAPITAL FUNDS

PURPOSES OF FUNDS - SOURCES OF REVENUE

The Washington Suburban Sanitary Commission's (WSSC's) Capital Budget consists of the Water Supply Bond, Sewage Disposal Bond, and General Construction Bond funds. Each fund is a separate entity authorized to expend funds for prescribed purposes and to derive revenues from specific sources, primarily proceeds from the issuance of bonds. The purposes and revenue sources of each fund are prescribed by law in the Washington Suburban Sanitary District Code. The Capital Budget is also composed of a number of programs for which funds are expended. Specifically, these are the water and sewer Capital Improvements Program, the Engineering Support Program, the Energy Performance Program, the Systems Reconstruction Program, the Water Storage Facility Rehabilitation Program, the Development Services Process, and other engineering projects. The fund and program formats and their relationships are discussed in this section.

Water Supply Bond Fund

Purposes of Fund - To plan, design, and construct dams and reservoirs, water filtration plants, water pumping stations, water storage facilities, water supply lines of 16 inches in diameter and larger, and improvements or modifications to these facilities.

Sources of Revenue

Bonds Issued and Cash On Hand - proceeds from the sale of Water Supply Bonds, and cash on hand at the beginning of the fiscal year.

Anticipated Contributions - contributions made by private parties for the excess cost of extending major water lines to certain areas, or to offset the cost of unusual conditions of providing service, and payments to the WSSC from local governments or agencies for the co-use of facilities or for the relocation of pipelines.

System Development Charge (SDC) - a charge to pay for that part of the Commission's Capital Improvements Program needed to accommodate growth.

CAPITAL FUNDS

(Continued)

Sewage Disposal Bond Fund

Purposes of Fund - To plan, design, and construct trunk and intercepting sewers 15 inches in diameter and larger; sewage pumping stations and force mains; sewage disposal facilities; along with improvements or modifications to these facilities; and reimbursement to the District of Columbia Water and Sewer Authority for construction at Blue Plains.

Sources of Revenue

Bonds Issued and Cash On Hand - proceeds from the sale of Sewage Disposal Bonds, and cash on hand at the beginning of the fiscal year.

Anticipated Contributions (Federal) - federal grant funds.

Anticipated Contributions (State) - state grant funds.

Anticipated Contributions (Other) - contributions made by private parties for the excess cost of extending major sewerage lines to certain areas, or to offset the cost of unusual conditions of providing service, and payments to the WSSC from local governments or agencies for the co-use of facilities or for the relocation of pipelines.

System Development Charge (SDC) - a charge to pay for that part of the Commission's Capital Improvements Program needed to accommodate growth.

CAPITAL FUNDS

(Continued)

General Construction Bond Fund

Purposes of Fund - To finance a major portion of the cost of constructing minor water and sewer lines (up to 15 inches in diameter for water and 14 inches in diameter for sewer); constructing new administrative and support facilities; modifying, enlarging, or replacing existing support facilities; relocating facilities; and purchasing water meters.

Sources of Revenue

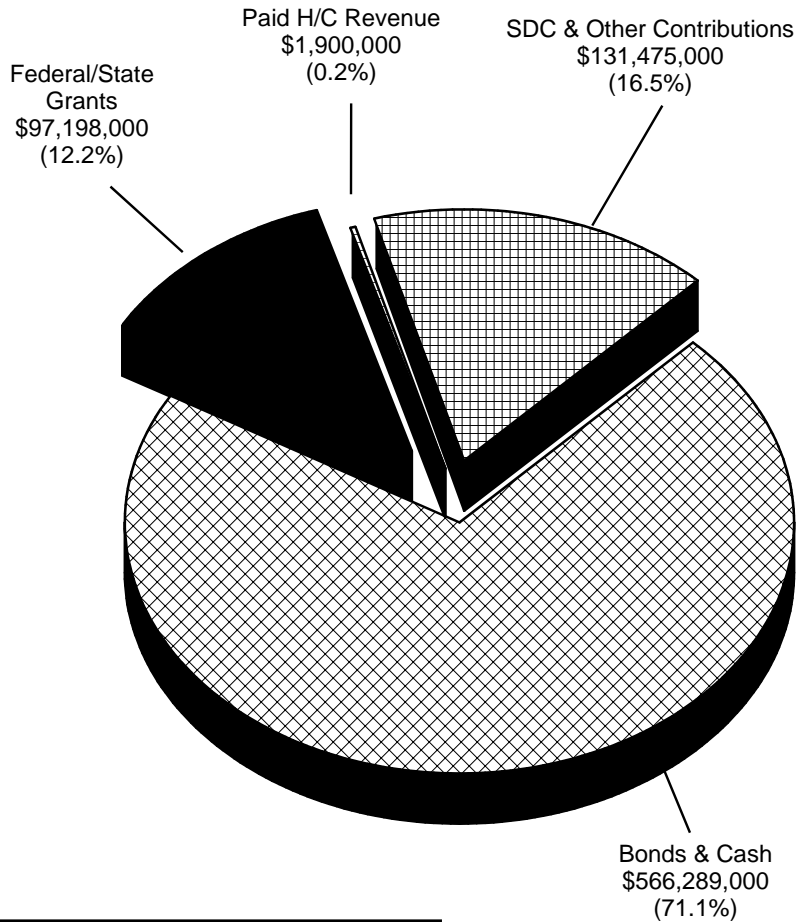
Bonds Issued and Cash On Hand - proceeds from the sale of General Construction Bonds and cash on hand at the beginning of the fiscal year.

Anticipated Contributions - house connection charges which are paid as a lump sum, and contributions made by private parties for the excess cost of extending lateral water and sewer lines to certain areas.

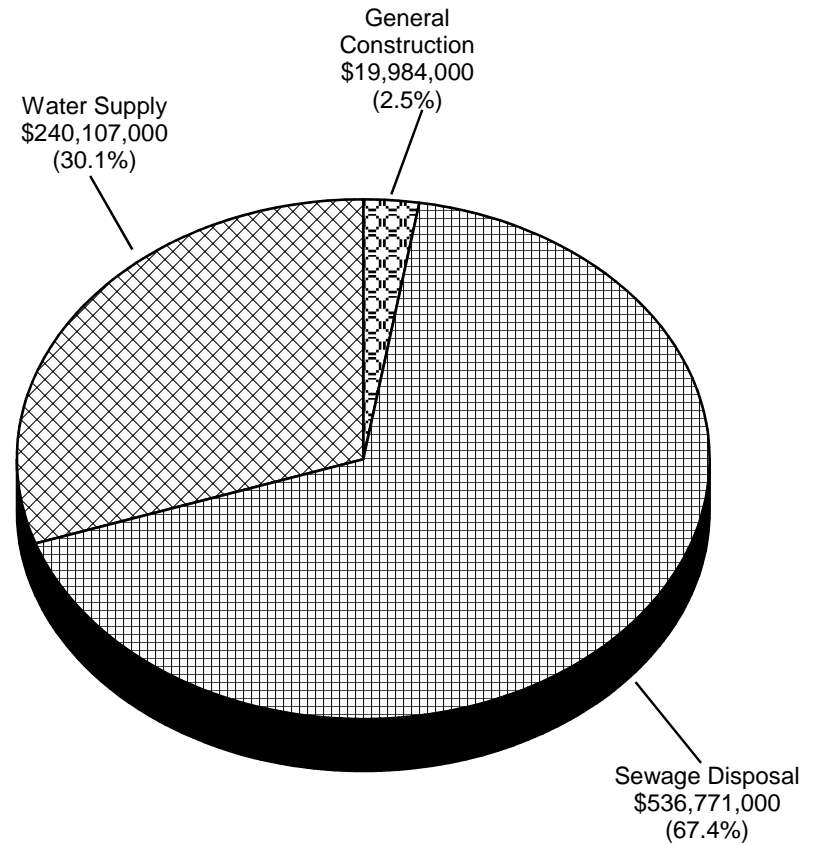
FY 2013 PROPOSED BUDGET

CAPITAL

BY SOURCE



BY FUND



SDC = System Development Charge
H/C = House Connection

TOTAL CAPITAL = \$796,862,000

STATEMENT OF CAPITAL FUNDS, INCOME, AND EXPENDITURES

CAPITAL FUNDS TOTAL

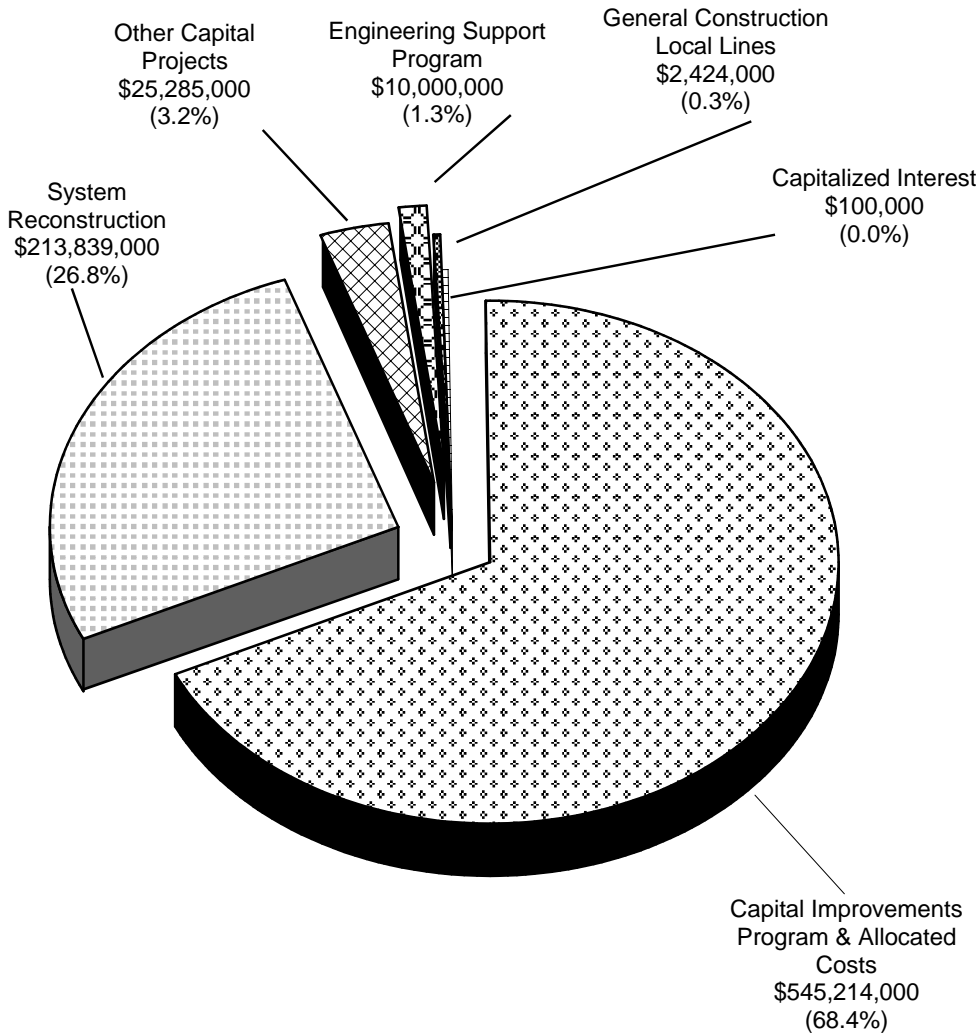
(\$ In Thousands)

	<u>FY'11 Actual</u>	<u>FY'12 Approved Budget</u>	<u>FY'13 Proposed Budget</u>
<u>GROSS FUNDS AVAILABLE</u>			
Bonds Issued and Cash on Hand	\$ 254,420	\$ 366,824	\$ 566,289
Anticipated Contributions:			
Federal and State Grants	3,261	88,240	97,198
System Development Charge (SDC)	25,049	96,999	119,140
Other	7,306	13,859	14,235
Available for Current Construction	<u>290,036</u>	<u>565,922</u>	<u>796,862</u>
<u>CAPITAL COSTS</u>			
Salaries & Wages	20,693	23,953	23,651
Contract Work	98,243	270,039	396,446
Consulting Engineers	29,365	61,051	83,213
Debt Service (Capitalized Interest)	106	100	100
All Other	91,843	210,779	293,452
TOTAL COSTS	<u>240,250</u>	<u>565,922</u>	<u>796,862</u>
Funds Available After Current Construction	<u>\$ 49,786</u>	<u>\$ -</u>	<u>\$ -</u>

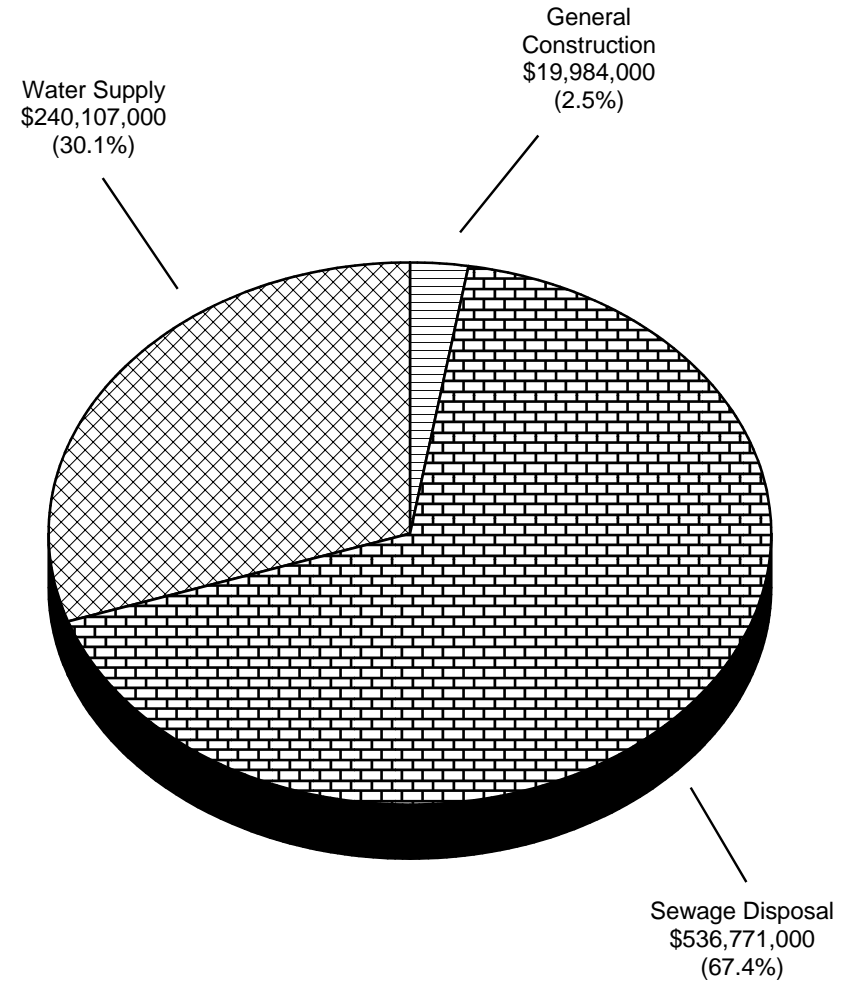
FY 2013 PROPOSED BUDGET

CAPITAL EXPENDITURES

BY PROGRAM



BY FUND



TOTAL CAPITAL = \$796,862,000

**FY'13 PROPOSED CAPITAL BUDGET
FUND AND PROGRAM RELATIONSHIP**

(\$ In Thousands)

Displayed below is the relationship between the three Major Capital Funds and the Program Categories.

<u>Distribution by Program Category</u>	<u>Grand Total</u>	<u>Water</u>	<u>Sewer</u>	<u>General Construction</u>
Capital Improvements Program (CIP)* & Allocated Costs	\$ 545,214	\$ 143,413	\$ 396,486	\$ 5,315
Systems Reconstruction Program	213,839	73,427	131,539	8,873
Engineering Support Program	10,000	6,600	3,400	-
Other Capital Projects	25,285	16,667	5,346	3,272
General Construction - Local Lines	2,424	-	-	2,424
Capitalized Interest	100	-	-	100
TOTAL	<u>\$ 796,862</u>	<u>\$ 240,107</u>	<u>\$ 536,771</u>	<u>\$ 19,984</u>

*CIP does not include those projects that will be funded and constructed by others.

SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM

The WSSC is responsible for protecting the health and safety of the residents of the two counties we serve by providing an adequate supply of safe drinking water, meeting fire-fighting requirements, and collecting and adequately treating wastewater before it is returned to the waters of the State of Maryland. The projects contained in the Capital Improvements Program (CIP) represent a multi-year plan to design and construct capital facilities required to successfully meet this responsibility. The Commission strives to maintain a balance between the use of valuable resources and the public's demand for clean water and the treatment of sanitary waste in an ethically, financially, and environmentally responsible manner.

Under state law, the WSSC is responsible for annually preparing a Six-Year Capital Improvements Program for major water and sanitary sewerage facilities for those portions of Prince George's and Montgomery Counties included in the Washington Suburban Sanitary District (WSSD). Only expenditures for the first year (FY'13) of the six-year program are included in this document. These expenditures identify the funding required for acquiring sites and rights-of-way, and planning, designing, and constructing projects in order to provide potable water and environmentally responsible sanitary sewer services to residential and commercial customers, as well as federal, state, and local facilities within the WSSD. The CIP projects include water mains at least 16 inches in diameter, sewer lines at least 15 inches in diameter, water and sewage pumping stations, force mains, storage facilities, joint-use facilities, and water filtration plant and wastewater treatment plant improvements. The CIP is developed in coordination with and in direct support of the two counties' approved land use plans and policies for orderly growth and development associated with their approved ten-year water and sewerage programs.

CIP projects are financed primarily with long-term, rate-supported debt through the sale of bonds. Obtaining funding from other sources lowers our borrowing requirements, which in turn lowers debt service requirements and ultimately our customers' bills. Other funding sources may include: payments from applicants for new service, including System Development Charges for certain projects which are intended to support new development; payments from other jurisdictions for projects which specifically benefit them; and state and federal grants. The amounts of these collections may vary from year to year. Water Supply bonds are issued to finance major water treatment, storage, and transmission facilities. Sewage Disposal bonds are issued to finance major sewage collection and treatment facilities. These bonds are repaid to bond holders over a 20-year period by annual principal and interest payments (debt service). The annual debt service on outstanding bonds is paid from the Commission's operating funds. The primary funding source for the repayment of debt is the revenue generated by water consumption and sewer use charges. These charges are set on an annual basis to cover operations, maintenance, and debt service costs of the Commission. In this manner, the initial high cost of capital improvements is spread over time and paid for by future customers who will benefit from the facilities, as well as by current customers. It is through this capital project financing process that the size of the Capital Improvements Program impacts the size of water and sewer bond issues, which in turn impacts customers' water and sewer bills.

SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM

(Continued)

For FYs 2013-2018, CIP expenditures total approximately \$1.7 billion over the six-year program period, representing a \$75 million decrease compared to last year's CIP. Increases in our Large Diameter Water Pipe Rehabilitation and Trunk Sewer Reconstruction Programs were more than offset by decreases in the Blue Plains WWTP Digester and Enhanced Nutrient Removal projects.

Of the almost \$1.7 billion in the six-year program period, approximately \$292 million is for growth, \$438 million is to meet environmental mandates, and \$933 million is for system improvements. Approximately \$27.7 million of the growth cost in the six-year program period is attributable to water and sewer developer projects, with approximately \$11.6 million programmed in FY'13. Developer project estimates for FY'13 are approximately the same level as approved for FY'12. A summary of six-year program expenditures is displayed on the next page.

The estimated total expenditures for the first year of the FYs 2013-2018 CIP—the budget year—are included in this FY'13 Proposed Budget for approval. Expenditures for FY'13 are estimated to be \$573 million, which is approximately \$152 million greater than last year's FY'12 Approved Budget. The increase is primarily due to the Blue Plains WWTP New Digesters and ENR projects ramping up construction in FY'13 as those projects move forward. A table of FY'13 proposed spending for planning and design fees, land and rights-of-way acquisitions, construction, and other costs for the water and sewerage projects contained in the CIP is included later in this section of the budget document. More detailed information is provided in the WSSC's Proposed FYs 2013-2018 Capital Improvements Program document available on our website and through our Communications & Community Relations Office.

Allocated Costs encompass all costs that are not specifically identifiable to a fund account. Instead, the costs are accumulated in expense pools, and subsequently distributed to the fund accounts based upon various allocation methods. The methods are designed to allocate these costs based on the utilization of the cost item being distributed. Allocated costs include machinery, equipment, and transportation charges; materials and procurement costs; and administrative and general costs.

The machinery, equipment, and transportation charges include garage and shop maintenance, and repair and service to vehicles, machinery, and equipment. These costs are assigned to specific WSSC offices based upon utilization, and are then allocated to the capital fund accounts. Materials and procurement costs and costs related to purchasing, storing, issuing, and testing materials are distributed based upon the materials charged to fund accounts. Administrative and general costs include general supervision and all administrative and support areas such as payroll, data processing, management, and fringe benefits.

**CAPITAL IMPROVEMENTS PROGRAM
SIX-YEAR FINANCIAL SUMMARY**

(\$ in Thousands)

	Budget Year FY'13	Year 2 FY'14	Year 3 FY'15	Year 4 FY'16	Year 5 FY'17	Year 6 FY'18	Total Six Years FY'13-'18
<u>Water Projects</u>							
Montgomery County	\$ 10,628	\$ 10,260	\$ 1,374	\$ 2,011	\$ 1,917	\$ -	\$ 26,190
Prince George's County	29,171	25,867	24,917	11,861	1,484	325	93,625
Bi-County	113,639	70,007	47,178	39,178	47,085	32,256	349,343
Total Water Projects	<u>153,438</u>	<u>106,134</u>	<u>73,469</u>	<u>53,050</u>	<u>50,486</u>	<u>32,581</u>	<u>469,158</u>
<u>Sewer Projects</u>							
Montgomery County	22,547	9,349	6,050	30	-	-	37,976
Prince George's County	101,946	95,404	63,948	13,923	23,924	20,555	319,700
Bi-County	295,053	170,951	127,497	120,135	72,136	50,009	835,781
Total Sewer Projects	<u>419,546</u>	<u>275,704</u>	<u>197,495</u>	<u>134,088</u>	<u>96,060</u>	<u>70,564</u>	<u>1,193,457</u>
GRAND TOTAL	<u><u>\$572,984</u></u>	<u><u>\$381,838</u></u>	<u><u>\$270,964</u></u>	<u><u>\$187,138</u></u>	<u><u>\$146,546</u></u>	<u><u>\$103,145</u></u>	<u><u>\$1,662,615</u></u>

*FY'13 ESTIMATES FOR
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - WATER
(In Thousands)*

<u>PROJECT NUMBER</u>	<u>PROJECT NAME</u>	<u>LAND AND RIGHTS OF WAY</u>	<u>PLANNING/ DESIGN FEES</u>	<u>CONSTRUCTION COSTS</u>	<u>OTHER COSTS</u>	<u>FY'13 TOTAL</u>
<u>MONTGOMERY COUNTY</u>						
W-3.02	Olney Standpipe Replacement	\$ -	\$ 200	\$ 2,600	\$ 420	\$ 3,220
W-46.14	Clarksburg Area Stage 3 Water Main, Parts 1, 2, & 3	-	271	1,270	237	1,778
W-46.15	Clarksburg Elevated Water Storage Facility	-	18	-	3	21
W-46.18	Newcut Road Water Main, Part 2	-	10	212	33	255
W-46.24	Clarksburg Area Stage 3 Water Main, Part 4	-	124	894	158	1,176
W-113.19	Countryside Drive Water Loop	-	3	12	2	17
W-138.02	Shady Grove Standpipe Replacement	-	138	1,500	246	1,884
W-153.00	Laytonsville Elevated Tank & Pumping Station	-	180	1,800	297	2,277
W-200.00	Land & Rights-of-Way Acquisition - Montgomery	-	-	-	-	-
<u>MONTGOMERY COUNTY SUBTOTALS</u>		\$ -	\$ 944	\$ 8,288	\$ 1,396	\$ 10,628
<u>BI-COUNTY</u>						
W-73.16	Potomac WFP Improvements	\$ -	\$ 5	\$ 196	\$ 20	\$ 221
W-73.18	Power Reliability and Arc Flash Studies	-	2,000	-	300	2,300
W-73.19	Potomac WFP Outdoor Substation No. 2 Replacement	-	500	-	75	575
W-73.20	Potomac WFP Stage 2 Disinfection Byproducts Rule Implementation	-	467	5,250	858	6,575
W-73.30	Potomac WFP Submerged Channel Intake	-	368	-	37	405
W-73.32	Potomac WFP Main Zone Pipeline	-	150	-	15	165
W-127.01	Bi-County Water Tunnel	-	4,065	36,000	4,007	44,072
W-139.02	Duckett & Brighton Dam Upgrades	-	799	8,526	933	10,258
W-161.01	Large Diameter Water Pipe Rehabilitation Program	-	790	20,768	2,156	23,714
W-172.05	Patuxent WFP Phase II Expansion	-	1,139	15,461	1,660	18,260
W-172.07	Patuxent Raw Water Pipeline	-	208	2,507	272	2,987
W-172.08	Rocky Gorge Pump Station Upgrade	-	400	3,306	371	4,077
W-202.00	Land & Rights-of-Way Acquisition - Bi-County	30	-	-	-	30
<u>BI-COUNTY SUBTOTALS</u>		\$ 30	\$ 10,891	\$ 92,014	\$ 10,704	\$ 113,639

*FY'13 ESTIMATES FOR
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - WATER
(In Thousands)*

<u>PROJECT NUMBER</u>	<u>PROJECT NAME</u>	<u>LAND AND RIGHTS OF WAY</u>	<u>PLANNING/ DESIGN FEES</u>	<u>CONSTRUCTION COSTS</u>	<u>OTHER COSTS</u>	<u>FY'13 TOTAL</u>
<u>PRINCE GEORGE'S COUNTY</u>						
W-12.02	Prince George's County HG415 Zone Water Main	\$ -	\$ 104	\$ 200	\$ 46	\$ 350
W-34.02	Old Branch Avenue Water Main	-	259	-	27	286
W-34.03	Water Transmission Improvements 385 Pressure Zone	-	450	-	68	518
W-62.05	Clinton Zone Water Storage Facility Implementation	-	750	-	113	863
W-65.10	Prince George's High Zone Storage Facilities	-	350	-	52	402
W-84.05	Prince George's County 450A Zone Water Main	-	175	-	26	201
W-111.05	Hillmeade Road Water Main	-	45	1,850	284	2,179
W-119.01	John Hanson Highway Water Main, Part 1	-	150	1,000	172	1,322
W-123.16	Marlboro Meadows System	-	92	1,289	138	1,519
W-123.20	Oak Grove/Leeland Roads Water Main, Part 2	-	250	7,500	774	8,524
W-129.12	Church Road Water Main & PRV, Part 2	-	43	-	6	49
W-137.02	South Potomac Supply Improvement	-	300	3,200	525	4,025
W-147.00	Collington Elevated Water Storage Facility	-	230	5,500	572	6,302
W-147.01	Marlboro Zone Water Storage Facility	-	6	195	31	232
W-197.00	DSP & Conceptual Design Water Projects	-	794	924	265	1,983
W-204.00	Land & Rights-of-Way Acquisition - Prince George's	416	-	-	-	416
<i>PRINCE GEORGE'S COUNTY SUBTOTALS</i>		\$ 416	\$ 3,998	\$ 21,658	\$ 3,099	\$ 29,171
<u>GRAND TOTAL WATER PROJECTS</u>		\$ 446	\$ 15,833	\$ 121,960	\$ 15,199	\$ 153,438

*FY'13 ESTIMATES FOR
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - SEWER
(In Thousands)*

<u>PROJECT NUMBER</u>	<u>PROJECT NAME</u>	<u>LAND AND RIGHTS OF WAY</u>	<u>PLANNING/ DESIGN FEES</u>	<u>CONSTRUCTION COSTS</u>	<u>OTHER COSTS</u>	<u>FY'13 TOTAL</u>
<u>MONTGOMERY COUNTY</u>						
S-25.03	Twinbrook Commons Sewer	\$ -	\$ 5	\$ 90	\$ 15	\$ 110
S-38.01	Preserve at Rock Creek Wastewater Pumping Station	-	54	374	64	492
S-38.02	Preserve at Rock Creek WWPS Force Main	-	5	144	22	171
S-53.21	Seneca WWTP Enhanced Nutrient Removal	-	625	4,010	695	5,330
S-53.22	Seneca WWTP Expansion, Part 2	-	1,262	9,366	1,063	11,691
S-61.01	Reddy Branch WWPS Augmentation	-	77	-	13	90
S-82.21	Montgomery College Germantown Campus Sewer	-	45	202	37	284
S-84.47	Clarksburg Triangle Outfall Sewer, Part 2	-	130	1,000	176	1,306
S-84.60	Cabin Branch Wastewater Pumping Station	-	26	-	4	30
S-84.61	Cabin Branch WWPS Force Main	-	26	91	17	134
S-84.65	Tapestry Wastewater Pumping Station	-	35	112	22	169
S-84.66	Tapestry WWPS Force Main	-	5	36	6	47
S-94.11	Damascus Centre WWPS Replacement	-	25	-	3	28
S-94.12	Damascus WWTP Enhanced Nutrient Removal	-	265	1,790	308	2,363
S-103.15	White Flint East (North Bethesda Center) Sewer Main	-	50	200	42	292
S-201.00	Land & Rights-of-Way Acquisition - Montgomery	10	-	-	-	10
<i>MONTGOMERY COUNTY SUBTOTALS</i>		\$ 10	\$ 2,635	\$ 17,415	\$ 2,487	\$ 22,547
<u>BI-COUNTY</u>						
S-22.06	Blue Plains WWTP: Liquid Train Projects, Part 2	\$ -	\$ 1,884	\$ 5,842	\$ 77	\$ 7,803
S-22.07	Blue Plains WWTP: Biosolids Management, Part 2	-	8,889	101,150	1,100	111,139
S-22.08	Blue Plains WWTP: Biological Nutrient Removal	-	1,109	10,667	118	11,894
S-22.09	Blue Plains WWTP: Plant-wide Projects	-	1,027	6,697	77	7,801
S-22.10	Blue Plains WWTP: Enhanced Nutrient Removal	-	18,748	64,811	836	84,395
S-22.11	Blue Plains: Pipelines & Appurtenances	-	2,085	11,047	131	13,263
S-89.22	Anacostia Storage Facility	-	500	5,000	550	6,050

*FY'13 ESTIMATES FOR
SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM - SEWER
(In Thousands)*

<u>PROJECT NUMBER</u>	<u>PROJECT NAME</u>	<u>LAND AND RIGHTS OF WAY</u>	<u>PLANNING/ DESIGN FEES</u>	<u>CONSTRUCTION COSTS</u>	<u>OTHER COSTS</u>	<u>FY'13 TOTAL</u>
<u>BI-COUNTY (CONTINUED)</u>						
S-89.23	Anacostia No. 2 Screenings Handling System	\$ -	\$ -	\$ 80	\$ 12	\$ 92
S-170.08	Septage Discharge Facility Planning & Implementation	-	300	-	30	330
S-170.09	Trunk Sewer Reconstruction Program	-	4,133	41,333	6,820	52,286
	<i>BI-COUNTY SUBTOTALS</i>	\$ -	\$ 38,675	\$ 246,627	\$ 9,751	\$ 295,053
<u>PRINCE GEORGE'S COUNTY</u>						
S-43.02	Broad Creek WWPS Augmentation	\$ -	\$ 2,959	\$ 44,000	\$ 4,696	\$ 51,655
S-57.92	Western Branch Facility Upgrade	-	1,295	10,880	1,218	13,393
S-57.93	Western Branch WWTP Enhanced Nutrient Removal	-	1,241	10,420	1,166	12,827
S-75.21	Mattawoman WWTP Upgrades	-	308	1,032	13	1,353
S-77.18	Parkway WWTP Enhanced Nutrient Removal	-	885	6,050	694	7,629
S-77.19	Parkway WWTP Biosolids Facility Plan Implementation	-	1,400	7,200	860	9,460
S-96.12	Piscataway WWTP Enhanced Nutrient Removal	-	150	900	158	1,208
S-96.14	Piscataway WWTP Facility Upgrades	-	500	-	50	550
S-131.10	Fort Washington Forest No. 1 WWPS Augmentation	-	45	732	117	894
S-187.00	DSP & Conceptual Design Sewer Projects	-	408	2,177	392	2,977
	<i>PRINCE GEORGE'S COUNTY SUBTOTALS</i>	\$ -	\$ 9,191	\$ 83,391	\$ 9,364	\$ 101,946
	<u>GRAND TOTAL SEWER PROJECTS</u>	<u>\$ 10</u>	<u>\$ 50,501</u>	<u>\$ 347,433</u>	<u>\$ 21,602</u>	<u>\$ 419,546</u>

PROJECTED IN-SERVICE DATES FOR MAJOR FACILITIES

WASTEWATER

<u>WASTEWATER</u>	<u>NAME OF FACILITY</u>	<u>PROJECTED IN-SERVICE DATE</u>
S-38.01	Preserve at Rock Creek WWPS	Developer Dependent
S-43.02	Broad Creek WWPS Augmentation	July 2016
S-53.21	Seneca WWTP Enhanced Nutrient Removal	January 2015
S-53.22	Seneca WWTP Expansion, Part 2	January 2015
S-57.92	Western Branch Facility Upgrade	January 2015
S-57.93	Western Branch WWTP Enhanced Nutrient Removal	January 2015
S-75.19	Brandywine Woods WWPS	Developer Dependent
S-77.18	Parkway WWTP Enhanced Nutrient Removal	September 2013
S-77.19	Parkway WWTP Biosolids Facility Plan Implementation	September 2014
S-84.60	Cabin Branch WWPS	Developer Dependent
S-84.65	Tapestry WWPS	Developer Dependent
S-87.15	Rodenhauser WWPS	Developer Dependent
S-89.22	Anacostia Storage Facility	April 2014
S-94.11	Damascus Centre WWPS Replacement	FY 2015
S-94.12	Damascus WWTP Enhanced Nutrient Removal	October 2012
S-96.12	Piscataway WWTP Enhanced Nutrient Removal	September 2012
S-96.14	Piscataway WWTP Facility Upgrades	FY 2019
S-131.08	Preserves at Piscataway WWPS	Developer Dependent
S-149.00	Mataponi WWPS	Developer Dependent
S-170.08	Septage Discharge Facility Planning & Implementation	FY 2016

WATER

W-3.02	Olney Standpipe Replacement	December 2013
W-46.15	Clarksburg Elevated Water Storage Facility	FY 2017
W-62.05	Clinton Zone Water Storage Facility Implementation	FY 2016
W-65.10	Prince George's High Zone Storage Facilities	FY 2017
W-73.30	Potomac WFP Submerged Channel Intake	FY 2018
W-138.02	Shady Grove Standpipe Replacement	July 2014
W-139.02	Duckett & Brighton Dam Upgrades	FY 2014
W-147.00	Collington Elevated Water Storage Facility	September 2014
W-147.01	Marlboro Zone Water Storage Facility	FY 2021
W-153.00	Laytonsville Elevated Tank & Pumping Station	November 2013
W-172.05	Patuxent WFP Phase II Expansion	FY 2016
W-172.08	Rocky Gorge Pump Station Upgrade	November 2014

SYSTEMS RECONSTRUCTION PROGRAM

	FY'11	FY'12	FY'13
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Systems Reconstruction Program</u>	\$118,537,539	\$115,420,000	\$213,839,000

This program provides for the systematic replacement or rehabilitation of the Commission's aging water and sewer systems. Through FY'11, the water and sewer systems had approximately 5,500 miles and 5,300 miles of main, respectively, along with 441,600 water house connections and 418,700 sewer house connections. Portions of the systems need to be replaced due to deterioration or complete failure, or because current customer demand is not adequately being met.

The Water Reconstruction Program consolidates several water main improvement activities designed to enhance water quality, pressure and reliability under one initiative. The Program strategically targets funding to upgrade and/or replace aging water mains in Prince George's and Montgomery Counties. The majority of funding is dedicated to replacing older water mains previously prone to breaks with new sections of cement lined ductile iron pipe. Projects also may include pipeline appurtenances such as large meter and fire meter vaults. The FY'13 budget of \$77.4 million is \$11.6 million greater than the FY'12 Approved Budget and provides for the replacement of 46 miles of water main and associated house connection renewals and 30 large water service replacements. During FY'11, 44 miles of water mains, 21 miles of associated house connection laterals, and 15 large water services were replaced.

The Sewer Reconstruction Program provides for correcting structural deficiencies of sewer mains. These structural deficiencies may result from soil settlement, root penetration, or corrosion, and often contribute to sewage overflows and backups into homes. In order to meet the requirements of the Sanitary Sewer Overflow Consent Decree, the FY'13 budget of \$136.4 million is \$86.8 million greater than the FY'12 Approved Budget. It provides for the rehabilitation of 55 miles of main lines and 10 miles of lateral lines throughout the WSSD, and is more than double the FY'12 budget of 22 miles of main lines and 5 miles of lateral lines. During FY'11, 29 miles of sewer mains and 9 miles of house connection laterals were rehabilitated.

Both the water and sewer reconstruction programs provide for renewing house connections. The house connections (from the main to the property line) need to be renewed due to complete failure or because maintenance requirements have become so frequent that the Commission has determined that replacement is less costly than continuing maintenance efforts. During FY'13, the Commission plans on renewing 2,800 water and 2,500 sewer house connections.

ENGINEERING SUPPORT PROGRAM

	FY'11	FY'12	FY'13
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Engineering Support Program</u>	\$5,500,000	\$13,000,000	\$14,000,000

The Engineering Support Program (ESP) represents the consolidation of a diverse group of multi-year projects and new asset management processes to analyze, evaluate and support the extensive water and sewer infrastructure and numerous support facilities that are owned, operated, and maintained by the WSSC. Although the Customer Care and Production Teams have traditionally originated most ESP projects through requests for engineering support for planning, design, and construction project management, the Asset Management Program is now initiating a growing number of new projects as we transition to the new process. ESP projects are diverse in scope, and typically include work needed to upgrade operating efficiency, modify existing processes, satisfy regulatory requirements, or rehabilitate aging facilities. The ESP does not include proposed “major projects” which, by law, must be programmed in the WSSC’s Six-Year Capital Improvements Program, or “growth” projects to serve new development.

The total FY'13 proposed program is \$14,000,000: \$10,000,000 in the capital budget and \$4,000,000 in the operating budget. The operating portion of the ESP program has been increased significantly in order to fund new planning processes including developing confidence level ratings, determining business risk exposure and performing business case development for future capital projects as we transition to an enterprise-wide asset management process. The ESP process provides a stable funding level for planning and projects that require engineering support. All requested ESP projects are evaluated, prioritized and then initiated subject to the available funding for the fiscal year. The projects described below may include both operating and capital costs.

Projects in the program include: underground fuel storage tank replacements; fire alarm and elevator upgrades at facilities; corrosion mitigation equipment at the Potomac Water Filtration Plant; a tertiary filter study at the Piscataway WWTP; and, funding for Business Case Development for the Asset Management Program. Further details of the program are included in the Information Only section of the FYs 2013-2018 Proposed Capital Improvements Program document.

OTHER CAPITAL PROJECTS

(\$ in Thousands)

Displayed below is the allocation of the Other Capital Projects category to the three major Capital Funds.

<u>Other Capital Projects</u>	Grand Total	Water	Sewer	General Construction
Energy Performance Program	\$1,325	\$1,325	\$ --	\$ --
Anaerobic Digestion/Combined Heat & Power	3,300	--	3,300	--
Entrepreneurial Projects	978	489	489	--
Water Storage Facility Rehabilitation Program	5,000	5,000	--	--
Asset Management Program	815	408	407	--
Pressure Reducing Valve Rehabilitation Program	4,895	4,895	--	--
Advanced Metering Infrastructure	2,500	2,500	--	--
New House Connections	1,200	900	300	--
Facility Relocations	1,500	250	250	1,000
Basic Ordering Agreements	1,500	900	600	--
Water Meters	2,272	--	--	2,272
TOTAL	\$25,285	\$16,667	\$5,346	\$3,272

OTHER CAPITAL PROJECTS

	<u>FY'11</u> <u>Actual</u>	<u>FY'12</u> <u>Approved</u>	<u>FY'13</u> <u>Proposed</u>
• <u>Energy Performance Program</u>	\$1,718,363	\$1,490,000	\$1,765,000

The Energy Performance Program (EPP) includes expenditures for the engineering audit, design, construction, and maintenance necessary to replace and upgrade energy consuming equipment and systems at all major Commission facilities. The program will provide a reduction, guaranteed by the contractor, in energy usage (electricity, fuel oil, natural gas, or other fuel) and costs greater than, or equal to, the annual costs to be incurred. The program will maintain or enhance existing operating conditions and reliability while continuing to meet all permit requirements and ensuring a continued commitment to environmental stewardship at WSSC sites.

The FY'13 proposed program is \$1,765,000: \$1,325,000 in the capital budget and \$440,000 in the operating budget. Phase IIA of the program addressing energy consuming equipment at the Richard G. Hocevar Building and wastewater facilities was completed in FY'06. Phase IIB of the program, additional facility upgrades and new energy management control systems, was substantially completed in early FY'11. Phase IIC of the program, to provide electricity generation from renewable wind power, was placed in service in April 2008. Phase IID of the program, to replace and upgrade existing pumps at the Potomac Water Filtration Plant to improve operating efficiency, qualified for \$250,000 in Pepco energy efficient rebates and is currently underway. Phase IIE of the program, to evaluate new solar power systems, concluded that the optimum form of implementing a Solar Photovoltaic System at WSSC sites would be through a Purchase Power Agreement (PPA) similar to our existing Wind Farm Agreement. Phase IIF of the program was added for FY'13 and will evaluate energy efficient HVAC and lighting upgrades at field offices, upgrades to water distribution and wastewater pumps, and additional upgrades at wastewater treatment plants.

Energy conservation measures may include, but are not limited to, the following: the replacement or upgrade of water and wastewater process equipment; aeration equipment; piping, valves, and motors; sludge dewatering/thickening equipment; grit removal; effluent disinfection systems; water pumps; wastewater pumps; incinerator upgrades; peak power shaving electric generation systems; variable speed drives; HVAC equipment/systems; lighting; water distribution system controls/optimization; electrical load aggregation; electric supply; and electric supply management services. Sub-metering will be required for all major equipment in order to provide a baseline and to verify energy savings. Further details of the program are included in the Information Only section of the FYs 2013-2018 Proposed Capital Improvements Program document.

OTHER CAPITAL PROJECTS

(Continued)

	<u>FY'11</u>	<u>FY'12</u>	<u>FY'13</u>
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Anaerobic Digestion/Combined Heat & Power Program</u>	\$671,000	\$1,650,000	\$3,300,000

The study phase of the Anaerobic Digestion/Combined Heat and Power Program to determine the feasibility of adding sustainable energy equipment and systems to produce biogas from anaerobic digestion or gasification has been completed. If implemented, the program will provide a reduction in energy and energy-related costs which may in part be guaranteed by a privatization contractor. The potential guaranteed reduction component includes avoided energy costs as well as operations and maintenance, chemicals, and biosolids transportation and disposal cost savings. The program will enhance existing operating conditions and reliability while continuing to meet all permit requirements, and ensure a continued commitment to environmental stewardship through the reduction of greenhouse gas emissions and nutrient load into the Chesapeake Bay. The design and construction phases scope of work may include, but are not limited to, the addition of anaerobic digestion equipment, biosolids gasification/drying equipment, gas cleaning systems, hydrogen sulfide and siloxane removal, tanks, piping, valves, pumps, sludge dewatering/thickening equipment, grit removal, effluent disinfection systems, instrumentation, flow metering, power measurement, and combined heat and power generation systems. WSSC received a federal Department of Energy grant of \$570,900 towards the cost of the study and will pursue additional grant funding for the design and construction.

	<u>FY'11</u>	<u>FY'12</u>	<u>FY'13</u>
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Entrepreneurial Projects</u>	\$207,073	\$330,000	\$978,000

Entrepreneurial Projects are a consolidation of capital projects associated with WSSC's efforts to generate additional revenues to offset future rate increases. Currently, the Bolling Air Force Base contract is the only project with capital cost considerations. The WSSC owns, operates, and maintains the Bolling Air Force Base water and wastewater systems under the terms of a 50-year contract. The WSSC is implementing an Initial Capital Upgrades Plan to bring the systems up to WSSC standards. Additional capital requirements are addressed in the Renewals and Replacements Plan, which is subject to review and modification once every 3 years over the duration of the 50-year contract period.

OTHER CAPITAL PROJECTS

(Continued)

	FY'11 <u>Actual</u>	FY'12 <u>Approved</u>	FY'13 <u>Proposed</u>
• <u>Water Storage Facility Rehabilitation Program</u>	\$1,691,855	\$5,000,000	\$5,000,000

The Water Storage Facility Rehabilitation Program provides for the comprehensive rehabilitation of the Commission's 57 water storage facilities located throughout the WSSC service area safeguarding 200 million gallons of finished drinking water. The Program provides for structural metal and concrete foundation repairs, equipment upgrades to meet current OSHA standards, lead paint removal, security upgrades, advanced mixing systems to improve water quality, and altitude valve vault and supply pipe replacement. The Program does not include proposed "major projects" which, by law, must be programmed in the WSSC's Six-Year Capital Improvements Program.

The FY'13 proposed program is \$5,000,000 in the capital budget. By January 2013, there will be 25 steel tanks whose last painting contract was finished 10 or more years ago and 3 newer tanks with coatings more than 15 years old. The Program provides a stable funding level for the painting and rehabilitation of water storage facilities. All water storage facilities are prioritized based on the condition of the existing coating and structural integrity issues and then initiated subject to the available funding for the fiscal year.

The Program plan for FY' 13 will address the following water storage facilities: Alta Vista, Andrews, Germantown, Greenbelt, Rogers Heights, St. Barnabas, South Laurel, North Woodside, Wall Lane and the Hill Road Reservoirs. Further details of the Program are included in the Information Only section of the FYs 2013-2018 Proposed Capital Improvements Program document.

	FY'11 <u>Actual</u>	FY'12 <u>Approved</u>	FY'13 <u>Proposed</u>
• <u>Asset Management Program</u>	\$1,834,252	\$1,906,000	\$2,093,000

The Asset Management Program provides for establishing an Asset Management Strategy and the development of Asset Management Plans which will identify and examine overall infrastructure needs over the next 30 years. The Plans will encompass the water and wastewater networks (treatment, transmission, distribution, collection, pumping and storage), buildings and grounds, and information technology assets (SCADA system, security services, telephony, land mobile radio system, data network, paging system, microwave network and antenna support structures). The Plans will examine existing and future capacity needs, regulatory needs and rehabilitation/replacement needs. The FY' 13 proposed program is \$2,093,000: \$815,000 in the capital budget and \$1,278,000 in the operating budget.

OTHER CAPITAL PROJECTS

(Continued)

	<u>FY'11</u> <u>Actual</u>	<u>FY'12</u> <u>Approved</u>	<u>FY'13</u> <u>Proposed</u>
• <u>Pressure Reducing Valve Rehabilitation Program</u>	\$112,152	\$3,080,000	\$4,895,000

The Pressure Reducing Valve Rehabilitation Program provides for the planning, design and construction of improvements and replacement of Pressure Reducing Valves (PRV) and their associated vaults as well as some specialty valves and vaults such as altitude or metering valve vaults throughout the water distribution system. The program includes valves ranging in size from 8-inches to 60-inches in diameter. The program will systematically evaluate the condition of individual installations, some of which were constructed as early as the 1930's, and upgrade or relocate the structures and equipment as necessary. The PRV rehabilitation program will improve reliability and increase efficiency of system operation.

	<u>FY'11</u> <u>Actual</u>	<u>FY'12</u> <u>Approved</u>	<u>FY'13</u> <u>Proposed</u>
• <u>Advanced Metering Infrastructure</u>	\$0	\$0	\$2,500,000

The Advanced Metering Infrastructure Project (AMI) provides for the implementation of a system-wide automated meter reading infrastructure system. New Meter Interface Units with internal antenna capable of obtaining and/or transmitting the meter register reading will be installed on all water meters. The system may be either a mobile system where meters are read by a meter reader driving down the street with a portable radio based meter reading device or a fixed network communications system with data collectors installed on poles and rooftops. AMI will improve both customer service and operational efficiency. Expected benefits include: monthly billing based on actual meter readings providing reduced bill size to help customers stay current with their payments, help customers develop a greater awareness of their water consumption, and ensure that problems such as excessive consumption due to leaks are addressed more quickly; active notification of customers with abnormal consumption that might signify leaks before they get high consumption bills; reduced customer calls; reduced field investigation visits; opportunities to employ more sophisticated rate structures; analysis of individual consumption patterns to detect meters suspected of wearing out, or perform meter sizing analysis to ensure that large meters are optimally sized; monitoring of individual consumption to perform precise, targeted conservation enforcement during droughts; and, opportunities to improve the monitoring and operation of the distribution system, in order to detect and reduce non-revenue water. This multi-year project has a preliminary estimated total cost of \$86 million. Funding in FY' 13 will provide for developing a Request for Information to gather information on this rapidly evolving technology and preparing a Request for Proposals for retaining a program management firm to provide the resources and expertise required to manage a project of this magnitude and complexity.

OTHER CAPITAL PROJECTS

(Continued)

	FY'11	FY'12	FY'13
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>New House Connections</u>	\$1,077,831	\$1,350,000	\$1,200,000

Water and/or sewer house connections are separate, small diameter pipes installed between the individual water and sewer service mains in the street and the owner's property line. These lines feed potable water, under pressure, into a customer's dwelling, place of business, or other structure and convey domestic sewage away, usually by gravity, into the mainline sewer in the street for transportation to a wastewater treatment facility located at a remote site. These connections are maintained by the Commission.

Most of the house connections are installed in conjunction with the installation of mainline extensions to serve new development, and may include abutting properties external to the new development. The remaining connections are constructed to serve existing or new structures in areas already developed and where mainlines already exist. Costs for the house connection construction programs are recovered through house connection fees, which are set annually by the Commission.

Historically, the number of water and sewer house connections constructed in a given year is approximately equal. The actual number of completed house connections was 2,035 in FY'10 and 2,991 in FY'11. The estimated number of connections to be completed in FY'12 is 8,000 and FY'13 is projected at 8,000. Many of these house connections will be constructed by developers at their expense.

	FY'11	FY'12	FY'13
	<u>Actual</u>	<u>Approved</u>	<u>Proposed</u>
• <u>Relocations</u>	\$689,373	\$3,500,000	\$1,500,000

The relocation of existing WSSC water mains and sewer lines is usually necessitated by construction that is proposed by other public agencies, developers, and occasionally the general public. The relocation program consists primarily of construction contract work associated with road improvement projects planned by the Maryland State Highway Administration, the Montgomery County Department of Public Works and Transportation, and the Prince George's County Department of Public Works and Transportation. The majority of the program is dependent upon construction scheduling by these agencies.

OTHER CAPITAL PROJECTS

(Continued)

	<u>FY'11 Actual</u>	<u>FY'12 Approved</u>	<u>FY'13 Proposed</u>
• <u>Basic Ordering Agreements (BOA)</u>	\$1,090,089	\$1,940,000	\$1,500,000

Basic Ordering Agreements (BOA) are mechanisms for procurement of specialized professional services on a quick response basis. These services are normally in areas requiring expertise not available at the Commission, or where the Commission does not have sufficient staff to perform the task. BOA consultant selection, negotiations, and contract administration are conducted in generally the same manner as is any other professional engineering consultant contract, and are normally negotiated as separate tasks. Current BOAs provide services for general, electrical, and mechanical engineering services; corrosion control; and relocation design.

	<u>FY'11 Actual</u>	<u>FY'12 Approved</u>	<u>FY'13 Proposed</u>
• <u>Purchase of Water Meters</u>	\$1,539,977	\$2,272,000	\$2,272,000

The Customer Care Team is responsible for installing meters and ensuring that all WSSC's water meters, both large and small, accurately register customers' water use. Funds for the purchase of new and replacement meters are included in the General Construction Bond Fund of the Capital Budget. For FY'13, the Commission proposes to purchase small (5/8", 3/4", and 1") and large (1-1/2" and larger) meters as needed.

The Small Meter Maintenance Program monitors approximately 432,900 small meters within the water distribution system and sees to preventive and emergency maintenance. During FY'13, Customer Care estimates that it will install approximately 3,250 new small meters and replace about 11,950 small meters.

The Large Meter Maintenance Program monitors approximately 11,900 large meters to ensure that they accurately register. This program also includes scheduled preventive maintenance, testing, and repair or replacement. During FY'13, Customer Care plans to test and, if necessary, repair an estimated 1,125 large meters.

GENERAL CONSTRUCTION - LOCAL LINES

	<u>FY'11</u> <u>Actual</u>	<u>FY'12</u> <u>Approved</u>	<u>FY'13</u> <u>Proposed</u>
• <u>Non-Program Size Water Distribution Lines (Up to 15")</u> <u>Sewer Collection Lines (Up to 14")</u>	\$2,013,000	\$2,666,000	\$2,423,900

General Construction Bond funds are used for the design and installation of local water mains and sewers. As a class, these pipelines are smaller in diameter than those constructed with the proceeds from the sale of Water Supply and Sewage Disposal Bonds. The class includes all water mains up to 15 inches in diameter and sewer lines up to 14 inches in diameter. However, in some cases, larger water pipelines that provide a measure of service to individual customers are partially supported by General Construction funds in proportion to their localized function.

As the result of a legislative change, applications for service requested after July 1, 1999, require the Applicant to finance and construct the local water and sewer mains needed for new development. The WSSC will construct those remaining projects serving one new residence, providing relief from a residential health hazard, or serving existing homes previously connected to private systems.

To initiate an Applicant-built project, the Applicant submits a Hydraulic Planning Analysis Request. Once it has been determined that the property to be served is located within the appropriate service category and the proposed extensions are adequate, the WSSC issues a Letter of Findings which delineates the project conditions that must be met prior to the start of construction. Finally, the WSSC will perform a review for system integrity of the design plans. The Applicant is issued a permit for construction after design plans have been approved, all necessary construction permits and rights-of-way have been obtained, and the Applicant has satisfied all project conditions. The Applicant is responsible for the actual financing and construction of the project.

For WSSC-built projects, the WSSC will prepare the feasibility study and issue a Letter of Findings. The Letter of Findings will again delineate any project conditions and advise the Applicant of their cost responsibilities. If the Applicant elects to proceed with the project, the WSSC will arrange for the preparation of design plans, construction permits and rights-of-way. Once the Applicant has met all the project conditions, the design plans are approved, and all permits and rights-of-way are acquired, the project will proceed to construction.

FUNDING OF WATER AND SEWER CAPITAL PROGRAMS

For FY'13, expenditures of \$776.9 million are budgeted for the Water and Sewer Bond Funds to implement the Commission's water and sewer Capital Improvements Program, Engineering Support Program, and other Information Only Projects. The capital budget presents the spending level required to *fully implement* during FY'13 all planning, design, and construction activities scheduled for projects in these programs. However, historical experience indicates that some activities will not be completed during the budget year because of difficulties in acquiring land or rights-of-way, delays in obtaining permits from other governmental organizations, changes in developer schedules, and other considerations beyond the WSSC's control. Any delay in one or more of the projects will cause capital expenditures to be less than budgeted. Forecasts of actual FY'13 spending for capital programs are made by reducing the budgeted program dollars using completion and scaling factors. The completion and scaling factors are determined by analyzing projects in the programs and reviewing the historical relationship between budgeted and actual spending for capital projects.

Estimating actual spending is an important step in forecasting the issuance of new debt at a level which does not exceed the amount necessary to cover actual expenditures. Conservative issuance of long-term debt is essential to keep outstanding debt, debt service, and water and sewer rates at moderate levels. The amount of new debt is calculated by deducting other funding sources, such as grants and System Development Charges, from the total funding requirement. FY'13 spending for the Water and Sewer Bond Funds, adjusted for completion, is estimated to be \$664.3 million. The requirement for new long-term Water and Sewer Bonds is estimated to be \$481.8 million.

FY'13 SOURCES AND USES OF WATER & SEWER FUNDS

(\$ in Thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>
USES:			
Budgeted Capital Expenditures	\$240,107	\$536,771	\$776,878
Capital Expenditures adjusted for completion factor	207,571	456,699	664,270
SOURCES:			
Long-term Bonds (new)	154,059	327,705	481,764
Federal & State Grants	-	77,758	77,758
System Development Charge (SDC)	51,129	44,148	95,277
Other	<u>2,383</u>	<u>7,088</u>	<u>9,471</u>
TOTAL SOURCES	<u>\$207,571</u>	<u>\$456,699</u>	<u>\$664,270</u>

FUNDING OF WATER AND SEWER CAPITAL PROGRAMS

(Continued)

Both non-rate-supported and rate-supported sources fund Water and Sewer Bond Fund expenditures. Non-rate-supported sources (System Development Charges, federal and state grants, and developer contributions) account for approximately 27% of the funding. Rate-supported sources (long-term debt and construction notes) account for the remaining 73%. The new debt required to fund the capital program is reflected in the operating budget as debt service expense. The table below presents the debt service associated with both existing debt and new debt proposed for FY'13.

WATER & SEWER BOND FUNDS
RATE-SUPPORTED DEBT SERVICE EXPENSES

(\$ in Thousands)

	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>
Debt Service for Existing Debt	\$82,773	\$85,419	\$168,192
Debt Service for Planned New Debt	<u>13,784</u>	<u>29,321</u>	<u>43,105</u>
Total Debt Service	<u>\$96,557</u>	<u>\$114,740</u>	<u>\$211,297</u>

WATER AND SEWER OPERATING BUDGET IMPACTS OF CAPITAL PROJECTS

The construction of capital projects affects the water and sewer operating budget in several ways. The first and largest impact is the payment of debt service associated with major projects programmed in the capital budget.

Impact on the Operating Budget

	<u>Approved FY'12</u>	<u>Proposed FY'13</u>
Debt Service	\$185,894,000	\$211,297,000

The second impact from capital improvements is less direct, and involves changes to operations, processes, or revenue streams when a capital project is completed. These changes can have positive effects on the operating budget, although the effects are difficult to quantify. For instance, the Commission's Water and Sewer Reconstruction Program for system-wide infrastructure improvements is funded through the capital budget and is focused on the aging portions of the Commission's extensive network of water transmission mains and sewage collection lines. These efforts include water main replacement, sewer reconstruction, and other non-Capital Improvements Program (CIP) sized pipeline replacements. These efforts are aimed at reducing service interruptions and providing all Commission customers with the same high levels of service. The infrastructure work will eliminate some line flushing, reduce the number of complaints to be addressed, reduce the number of leaks and breaks, and result in some deferral of costs related to preventive maintenance, costs which are paid out of operating funds.

The third impact of capital projects relates to the cost of operating and maintaining facilities that will be completed in FY'12 and FY'13 and will require operation and maintenance funding in the FY'13 budget. The most significant effect occurs when additional staff must be hired to operate and maintain a new or expanded facility, or in cases where new or increased regulations require new equipment and processes that may increase operating costs for energy, chemicals, monitoring or maintenance.

In some cases, where capital projects provide for renovation or replacement of major existing facilities in the CIP, or encompass smaller infrastructure improvements such as those contained in the Commission's Engineering Support Program, the impacts on the operating budget are minimal and may even result in cost savings. Energy Performance Program projects serve to reduce operating expenses when state-of-the-art-computerized controls and modern pumping and treatment technology are installed at an existing facility. These improvements usually result in lower energy requirements and increased process efficiencies.

WATER AND SEWER OPERATING BUDGET IMPACTS OF CAPITAL PROJECTS

(Continued)

Major Capital Projects Which Impact the FY'13 Operating Budget

Potomac Water Filtration Plant Improvements: This comprehensive project will enable our Potomac plant to meet future demand projections for year 2030 and beyond, expanding the plant's reliable capacity to 218 MGD in the winter and 273 MGD in the summer. Our second highest priority project, it is also among the largest in the CIP. Specifically, the project includes rapid mix/flow splitting modifications; new intermediate pumping station and ultraviolet disinfection facilities; replacement, upgrade, and expansion of major electrical systems; a new backwash pumping station; and new lime feed facilities. Substantially completed in late FY'10, upgrades included new sophisticated electronic relays and Power Management Control Systems that required an even greater time commitment from our existing Electrical/Mechanical Staff requiring the addition of one new E/M Technician. In addition, an independent analysis of the staff allocation necessary to operate and maintain the new intermediate pumping station and ultraviolet disinfection facilities determined that one new Water Plant Operator was required. Finally, operation of the new ultraviolet disinfection facilities has increased the plant's daily energy requirements. Minor increases in operating costs in the FY'13 budget reflect additional costs associated with the maintenance of the new equipment.

Energy Performance Program: The three projects included in the Phase IIB portion of the Energy Performance Program (EPP) have been completed. The new Seneca WWTP Backup Peak-Shaving Generator operates when the revenue value is greater than the cost of running the generator, and defaults to emergency backup for the plant's ultraviolet disinfection system during a loss of utility power. This backup is critical to maintaining plant reliability as effluent discharge is upstream from the Potomac WFP intake. At the Anacostia II WWPS, the two new 200 horsepower variable frequency drive pumps and control systems have vastly improved the pumping station's overall operating efficiency. These new pumps can handle approximately 90% of the station's flow (averaging 60-70 MGD). The third project included in Phase IIB, Western Branch Incinerator Upgrades increased capacity, lowered emissions, and significantly lowered natural gas usage. The upgrades to incinerator #1 were completed in the first half of FY'10 and the upgrades to incinerator #2 were completed in early FY'11. Phase IID will replace and upgrade existing pumps at the Potomac Water Filtration Plant to improve operating efficiency. The project qualified for \$250,000 in Pepco energy efficient rebates and the first replacements are underway. Phase IIE of the program, to evaluate new solar power systems, concluded that the optimum form of implementing a Solar Photovoltaic System at WSSC sites would be through a Purchase Power Agreement (PPA) similar to our existing Wind Farm Agreement. Phase IIF of the program was added in FY'13 and will evaluate energy efficient HVAC and lighting upgrades at field offices, upgrades to water distribution and wastewater pumps, and additional upgrades at wastewater treatment plants. The FY'13 budget reflects the partial year energy savings associated with the Potomac WFP pump replacements.

WATER AND SEWER OPERATING BUDGET IMPACTS OF CAPITAL PROJECTS

(Continued)

Patuxent Water Filtration Plant Expansion: This project will expand the plant’s nominal capacity to 72 MGD and its emergency capacity to 110 MGD through the addition of a sixth treatment train, new electrical substation, upgrades to existing yard piping and upgrades to chemical facilities. The project also includes new UV disinfection facilities, upgrades to the existing potassium permanganate, fluoride, and phosphoric acid feed systems, upgrades to the existing sewer system at Sweitzer Lane and provides for new solids removal facilities at the plant. The planned construction start was delayed due to the reconfiguration of the new solids removal facilities. As a result, the FY’13 budget reflects only minor changes.

Parkway & Piscataway WWTP Enhanced Nutrient Removal: These projects will provide for the improvements required at the Parkway and Piscataway WWTPs to meet the requirements of the Maryland Department of the Environment Enhanced Nutrient Removal Program. The FY’13 budget includes additional biosolids hauling costs due to the anticipated increase in biomass yield for ENR level of treatment. It will be necessary to begin adding carbon several months earlier in order to acclimate the biomass.

The table below summarizes the total estimated water and sewer operating budget impacts for the projects included in the FY’13 Capital Budget.

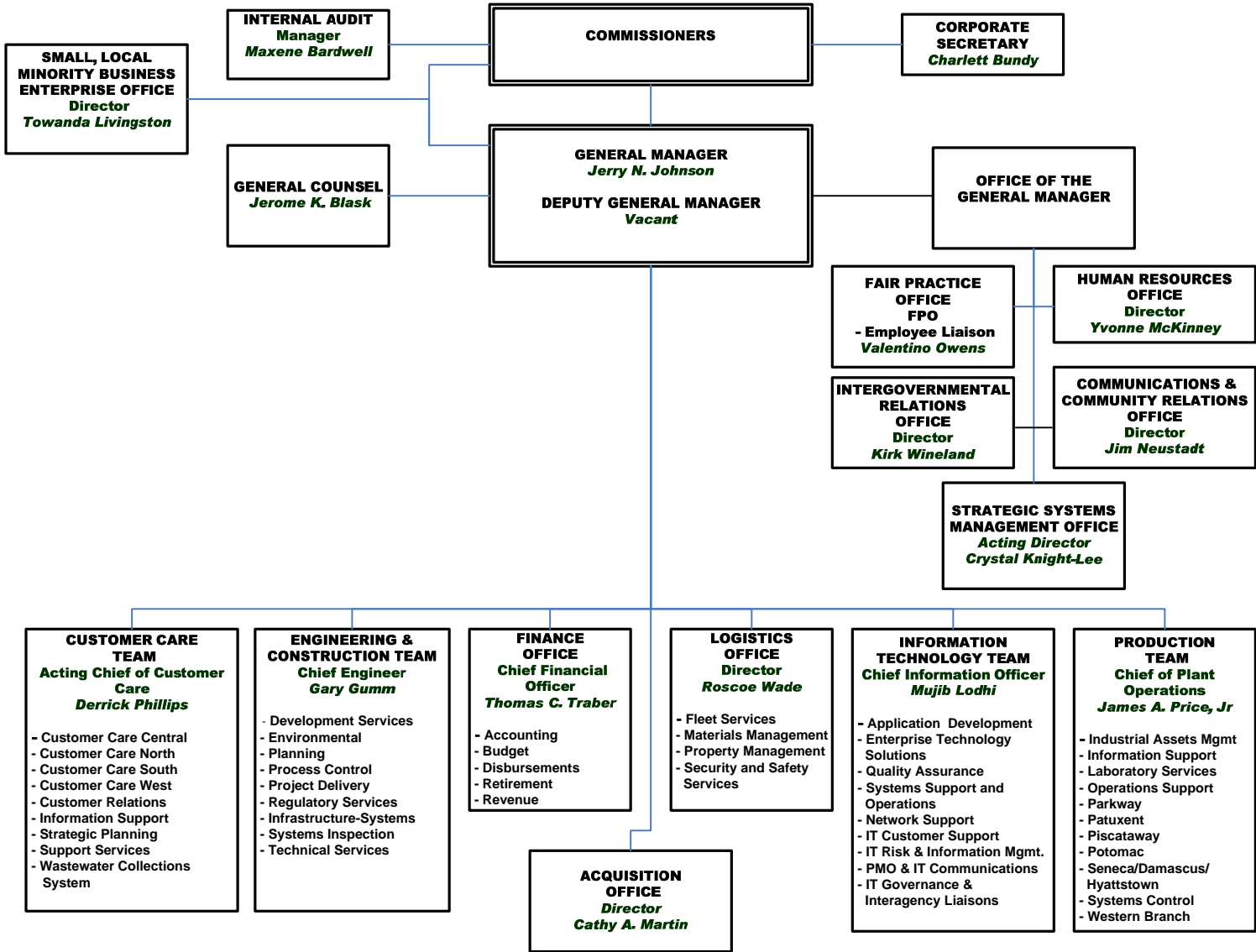
Water and Sewer Impact of the FY’13 Capital Budget

	<u>Approved FY’12</u>	<u>Proposed FY’13</u>	<u>Net Impact FY’13</u>
Operating Expenses			
Debt Service	\$185,894,000	\$211,297,000	\$25,403,000
Major Capital Projects	-	(401,000)	(401,000)
TOTAL	<u>\$185,894,000</u>	<u>\$210,896,000</u>	<u>\$25,002,000</u>

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

SECTION 6

WSSC ORGANIZATION CHART



Comparative Expenditures by Organizational Unit

	FY'12 Approved		FY'13 Proposed	
	Workyears	Amount	Workyears	Amount
<u>Commissioners Office/Corporate Secretary's Office</u>	2.0	\$ 329,700	2.0	\$ 346,400
Internal Audit	9.0	1,083,000	9.0	1,084,900
<u>General Manager</u>	5.0	1,122,600	5.0	963,600
Intergovernmental Relations Office	5.0	580,600	5.0	586,800
Strategic Systems Management Office	7.0	846,800	7.0	857,300
General Counsel's Office	16.0	3,878,700	16.0	3,867,100
Communications & Community Relations Office	17.0	2,054,400	17.0	2,090,000
Human Resources Office	22.0	3,063,900	23.0	3,303,100
Small, Local and Minority Business Enterprise Office	8.0	1,080,300	8.0	1,159,200
Fair Practice Office	2.0	184,400	2.0	184,100
Acquisition Office	26.0	2,212,500	26.0	2,032,200
Corporate Asset Management Office	16.0	11,150,800	16.0	12,737,400
Engineering & Construction Team	350.0	552,022,900	354.0	778,510,000
Production Team	293.0	147,439,300	298.0	150,881,600
Logistics Office	176.0	27,087,700	177.0	28,811,900
Finance Office	62.0	5,416,700	61.0	5,413,500
Customer Care Team	581.0	91,910,700	583.0	98,766,200
Information Technology Team	84.0	21,211,500	84.0	20,669,400
Non-Departmental (Finance)	-	36,020,900	-	37,476,000
Non-Departmental (Human Resources)	-	32,388,600	-	32,427,600
Debt Service	-	235,863,000	-	251,303,000
Depreciation Expense	-	11,718,000	-	11,808,300
Operating Reserve Contribution	-	3,400,000	-	10,200,000
Salary Enhancements	-	-	-	2,445,400
SUMMARY-TOTAL	<u>1,681.0</u>	<u>\$ 1,192,067,000</u>	<u>1,693.0</u>	<u>\$ 1,457,925,000</u>

Comparative Personnel Complement by Organizational Unit

	<u>FY'11 Actual</u>		<u>FY'12 Approved</u>		<u>FY'13 Proposed</u>	
	Authorized Positions	Workyears	Authorized Positions	Workyears	Authorized Positions	Workyears
<u>Commissioners Office/Corporate Secretary's Office</u>	*8	2.0	*8	2.0	*8	2.0
Internal Audit	9	7.4	9	9.0	9	9.0
<u>General Manager</u>	5	4.2	5	5.0	5	5.0
Intergovernmental Relations Office	5	3.8	5	5.0	5	5.0
Strategic Systems Management Office	7	5.0	7	7.0	7	7.0
General Counsel's Office	16	15.6	16	16.0	16	16.0
Communications & Community Relations Office	17	16.0	17	17.0	17	17.0
Human Resources Office	22	20.7	22	22.0	23	23.0
Small, Local and Minority Business Enterprise Office	8	6.9	8	8.0	8	8.0
Fair Practice Office	2	1.0	2	2.0	2	2.0
Acquisition Office	26	19.5	26	26.0	26	26.0
Corporate Asset Management Office	16	11.7	16	16.0	16	16.0
Engineering & Construction Team	317	293.8	350	350.0	354	354.0
Production Team	288	270.3	293	293.0	298	298.0
Logistics Office	177	144.2	176	176.0	177	177.0
Finance Office	62	56.3	62	62.0	61	61.0
Customer Care Team	570	535.2	581	581.0	583	583.0
Information Technology Team	83	71.9	84	84.0	84	84.0
SUMMARY-TOTAL	<u>1,632</u>	<u>1,485.5</u>	<u>1,681</u>	<u>1,681.0</u>	<u>1,693</u>	<u>1,693.0</u>

* Commissioners (6) not included in total positions.

Salaries and Wages Summary

	FY'13 Proposed	
	<u>Workyears</u>	<u>Amount</u>
Base Positions Funded Full Year	1,693	\$ 119,327,700
Overtime		<u>6,619,000</u>
Subtotal		125,946,700
Lapse on Base Positions *		<u>(3,586,500)</u>
Subtotal		122,360,200
Salary Enhancements		2,445,400
Salary - 6 Commissioners		<u>78,500</u>
TOTAL	<u>1,693</u>	<u>\$ 124,884,100</u>

* Lapse is the reduction of gross salary costs due to vacancies and normal delays in filling positions.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

COMMISSIONERS OFFICE/CORPORATE SECRETARY'S OFFICE, GENERAL MANAGER & STAFF OFFICES

Organizational Descriptions

This group of organizations is comprised of the following offices: Commissioners/Corporate Secretary; General Manager; Internal Audit; Intergovernmental Relations; Strategic Systems Management; General Counsel; Communications and Community Relations; Human Resources; Small, Local and Minority Business Enterprise; Fair Practice; Acquisition; and Corporate Asset Management.

- The responsibilities of the *Commissioners Office/Corporate Secretary's Office* are twofold: the Commissioners function as the Board of Directors and set general policy for the operation of the Commission, while providing leadership and guidance; and the Corporate Secretary is responsible for managing the corporate functions of the Commission.
- The *General Manager's Office* provides strategic direction and daily managerial oversight to ensure that the WSSC meets its mission of providing safe and reliable water to WSSC customers, and returning clean water to the environment, all in an ethically and financially responsible manner. In addition, the General Manager serves as the Commission's primary representative in relations with the county and state governments and other outside parties.
- *Internal Audit* is responsible for evaluating the adequacy and effectiveness of the WSSC's system of internal controls. The Ethics Officer administers the Code of Ethics and provides support to the Ethics Board.
- The *Intergovernmental Relations Office* analyzes the impact of state and federal legislation on the Commission, and communicates with the legislative bodies.
- The *Strategic Systems Management Office* serves as the day-to-day manager of enterprise-wide change involving multiple change processes and projects, and provides integration and logistical support for the WSSC's change management efforts.
- The *General Counsel's Office* provides legal services to support the operational goals and objectives of the Commission, and is responsible for the disposition of surplus Commission real estate properties.
- The *Communications and Community Relations Office* is responsible for proactively communicating internally and externally and building relationships and strategic alliances throughout communities and industries. The Office is also responsible for providing the news media with timely and accurate information and managing crisis communications; overseeing the content on the WSSC's website; and providing graphic and photographic services.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

COMMISSIONERS OFFICE/CORPORATE SECRETARY'S OFFICE, GENERAL MANAGER & STAFF OFFICES

(Continued)

Organizational Descriptions (Continued)

- The *Human Resources Office* is responsible for planning, administering, and evaluating the Commission's personnel and related programs. The Office develops and maintains the employee benefit structures and the classification and compensation programs, conducts training courses, and manages the employee recruitment functions. The Office also provides counseling services on a variety of employee issues, and adheres to all applicable federal and state laws.
- The *Small, Local and Minority Business Enterprise Office* is responsible for planning, managing, coordinating, and monitoring the Commission's Minority Business Enterprise (MBE) and Small, Local Business Enterprise (SLBE) Programs, in accordance with state law. The Office develops policies designed to provide an inclusive purchasing environment while building sustainable relationships, expanding opportunities, and cultivating growth of Small, Local, and Minority Business Enterprises.
- The *Fair Practice Office* is responsible for planning, directing, and coordinating the activities of the Fair Practice Officer and employee liaison efforts as they relate to Equal Employment Opportunity practices.
- The *Acquisition Office* is responsible for the acquisition of materials, supplies, and services, including professional services, necessary to support Commission operations and functions, and oversees the bid and award process for all construction contracts.
- The *Corporate Asset Management Office* is responsible for all asset management initiatives including the Enterprise Resource Planning (ERP) Implementation Program and the Asset Management Program (AMP).

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
COMMISSIONERS OFFICE/CORPORATE SECRETARY'S OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Commissioners/Corporate Secretary	\$283,659	\$35,031	\$318,690	2.0	\$264,900	\$64,800	\$329,700	2.0	\$265,000	\$81,400	\$346,400	2.0
TOTAL	\$283,659	\$35,031	\$318,690	2.0	\$264,900	\$64,800	\$329,700	2.0	\$265,000	\$81,400	\$346,400	2.0

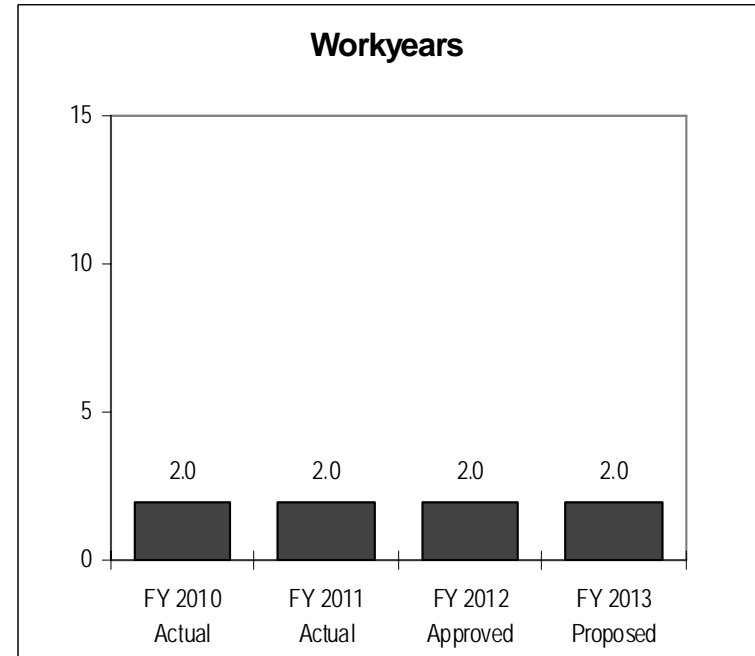
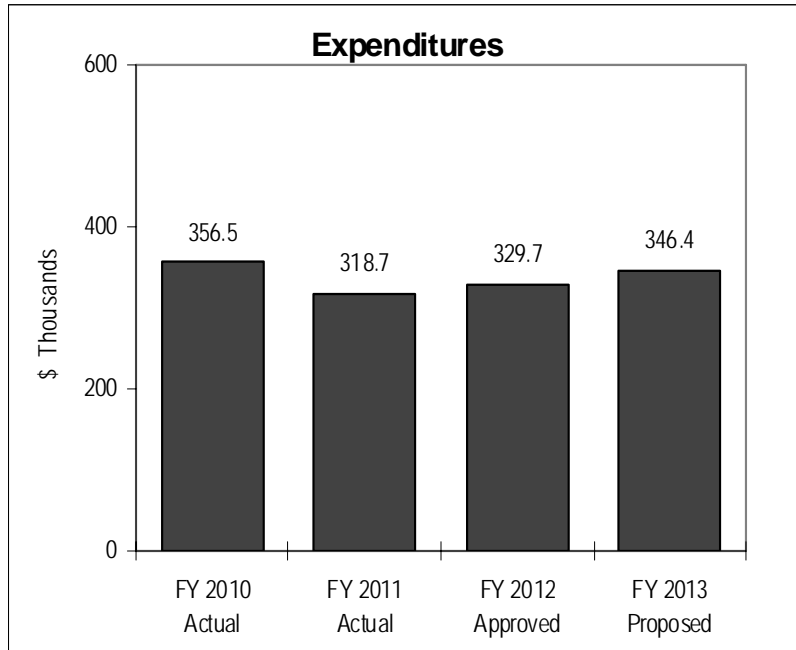
Mission Statement

The mission of the Commissioners is to function as the Board of Directors and set general policy for the operation of the Commission, while providing leadership and guidance. The Corporate Secretary is responsible for managing the corporate functions of the Commission.

Budget Overview

The FY' 13 Proposed Budget is approximately the same as the FY' 12 Approved Budget.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
COMMISSIONERS OFFICE/CORPORATE SECRETARY'S OFFICE
(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
COMMISSIONERS OFFICE/CORPORATE SECRETARY'S OFFICE
(Continued)

SUMMARY BY ACTIVITY

Commissioners

	Expenditures	Workyears
FY'11 Actual	\$92,056	0.0
FY'12 Approved	\$93,500	0.0
FY'13 Proposed	\$108,500	0.0

Six appointed Commissioners, three from Prince George's County and three from Montgomery County, establish policies for the operation of the Commission within the legal framework of Division II of the Public Utilities Article of the Annotated Code of Maryland.

FY'13 Major Recommended Changes: None

Corporate Secretary

	Expenditures	Workyears
FY'11 Actual	\$226,634	2.0
FY'12 Approved	\$236,200	2.0
FY'13 Proposed	\$237,900	2.0

The Commission's Corporate Secretary manages the corporate functions; prepares Commission meeting agendas; maintains the Commission's official records; provides staff support; handles official correspondence and telephone inquiries; and serves as liaison for the Commissioners with customers.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERNAL AUDIT

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Internal Audit	\$730,747	\$225,009	\$955,756	7.4	\$838,300	\$244,700	\$1,083,000	9.0	\$840,200	\$244,700	\$1,084,900	9.0
TOTAL	\$730,747	\$225,009	\$955,756	7.4	\$838,300	\$244,700	\$1,083,000	9.0	\$840,200	\$244,700	\$1,084,900	9.0

Mission Statement

The mission of Internal Audit is to evaluate the adequacy and effectiveness of the WSSC’s system of internal controls. The Ethics Officer administers the Code of Ethics; provides support to the Board of Ethics; provides ethics training; and administers the Fraud, Waste, and Abuse Hotline.

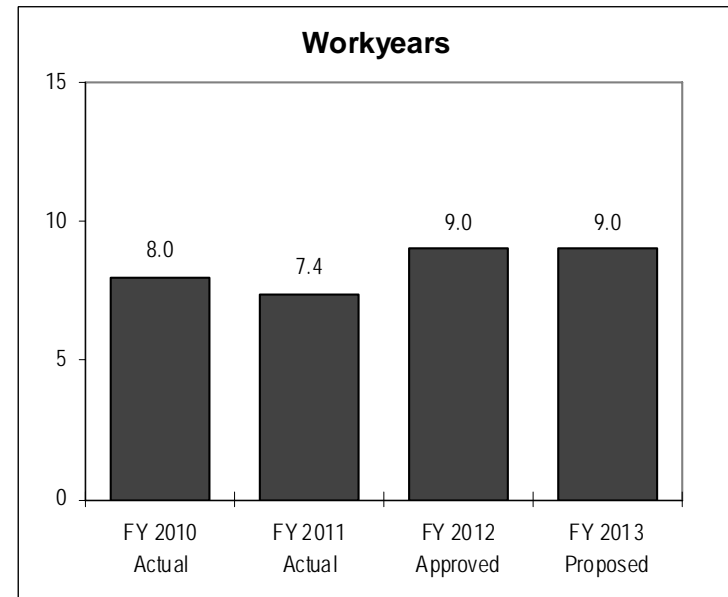
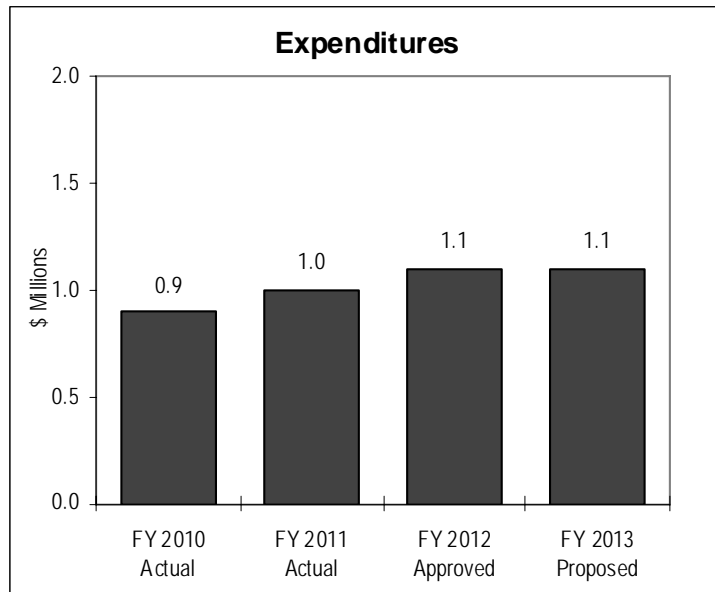
Budget Overview

The FY’ 13 Proposed Budget is approximately the same as the FY’12 Approved Budget.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERNAL AUDIT

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERNAL AUDIT

(Continued)

SUMMARY BY ACTIVITY

Blue Plains Audits – Non Billable

	Expenditures	Workyears
FY'11 Actual	\$201,686	1.5
FY'12 Approved	\$161,500	1.3
FY'13 Proposed	\$161,600	1.3

This activity evaluates the accuracy of the billings for Regional Sewage Disposal submitted by the District of Columbia Water and Sewer Authority.

FY'13 Major Recommended Changes: None

SDC Credit or Reimbursement Audits

	Expenditures	Workyears
FY'11 Actual	\$176,290	1.3
FY'12 Approved	\$185,600	1.5
FY'13 Proposed	\$169,800	1.5

This activity provides resources for developer requested audits of SDC reimbursements for CIP-size construction projects (in accordance with Division II, Section 25-405(d) of the Public Utilities Article of the Annotated Code of Maryland).

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERNAL AUDIT

(Continued)

SUMMARY BY ACTIVITY

Other Audits

	Expenditures	Workyears
FY'11 Actual	\$243,554	1.9
FY'12 Approved	\$357,900	2.9
FY'13 Proposed	\$307,400	2.6

Other audits are separated into two types: risk-based and special request. Risk-based audits address operational, financial, and compliance issues and consider the effectiveness and efficiency of operations; the reliability of financial reporting; and compliance with applicable laws, regulations, and Commission policies, respectively. Special request audits arise throughout the fiscal year and are performed on an as-needed basis. The specific risk-based audits to be performed in FY'13 will be determined upon approval by the Commissioners of the Audit Plan, which is based on a comprehensive review of prior Internal Audit reports and analysis of current operations.

This activity also includes funding for external audits of the WSSC's annual financial statements as well as the Employees' Retirement Plan.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased \$50,500, or approximately 14%, primarily due to a redistribution of workyears to the Fraud, Waste, and Abuse Hotline activity.

Advisory Services

	Expenditures	Workyears
FY'11 Actual	\$110,047	0.8
FY'12 Approved	\$114,500	0.9
FY'13 Proposed	\$117,300	1.0

This activity is intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management or oversight responsibility. Examples of advisory services provided include the counsel, advice, facilitation, and training often demonstrated by auditor participation in standing committees (i.e., Consultant Selection Committee, Purchase Order Review Committee, etc.), limited-life-projects, ad hoc meetings, system conversions, routine information exchange, and formal consulting engagements.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERNAL AUDIT

(Continued)

SUMMARY BY ACTIVITY

Ethics Program Administration

	Expenditures	Workyears
FY'11 Actual	\$224,179	1.9
FY'12 Approved	\$263,500	2.4
FY'13 Proposed	\$240,900	1.9

The Ethics Officer administers the Code of Ethics, and provides support to the Board of Ethics. Responsibilities include maintaining the Financial Disclosure Forms; managing the Lobbyist Registration Awareness Program and maintaining associated Registration Forms; preparing quarterly and annual reports for the Montgomery and Prince George's County Councils; and implementing the Code of Conduct. Additionally, the Ethics Officer conducts interviews for board positions, handles ethics inquiries, and provides ethics training. The Ethics Officer is also responsible for monitoring the WSSC's standards, policies, and procedures to ensure compliance. The Internal Auditor provides management and oversight of the Ethics Program.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased by \$22,600, or approximately 9%, due to a redistribution of workyears to the Fraud, Waste, and Abuse Hotline activity.

Fraud, Waste, and Abuse Hotline

	Expenditures	Workyears
FY'11 Actual	\$0	0.0
FY'12 Approved	\$0	0.0
FY'13 Proposed	\$87,900	0.7

The Fraud, Waste, and Abuse Hotline provides a centralized reporting vehicle for WSSC employees, customers, and stakeholders of the Washington Suburban Sanitary District, to report suspected occurrences of fraud, waste, and abuse anonymously, without fear of retaliation. In addition to administering this activity, Internal Audit staff also serve as primary investigators of occurrences reported through the hotline.

FY'13 Major Recommended Changes: The Internal Audit Office has re-established the Fraud, Waste, and Abuse Program. This activity is funded through a redistribution of resources from other Internal Audit activities.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
GENERAL MANAGER’S OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
General Manager	\$698,766	\$240,570	\$939,336	4.2	\$757,000	\$365,600	\$1,122,600	5.0	\$769,000	\$194,600	\$963,600	5.0
TOTAL	\$698,766	\$240,570	\$939,336	4.2	\$757,000	\$365,600	\$1,122,600	5.0	\$769,000	\$194,600	\$963,600	5.0

Mission Statement

The mission of the General Manager’s Office is to provide strategic direction and daily managerial oversight of the WSSC to ensure that it meets its mission of providing safe and reliable water to customers, and returning clean water to the environment, all in an ethically and financially responsible manner. As the Commission’s chief executive, the General Manager/CEO provides managerial direction to all Commission operations and support functions, and serves as the Commission’s primary representative in relations with the county and state governments and other outside parties.

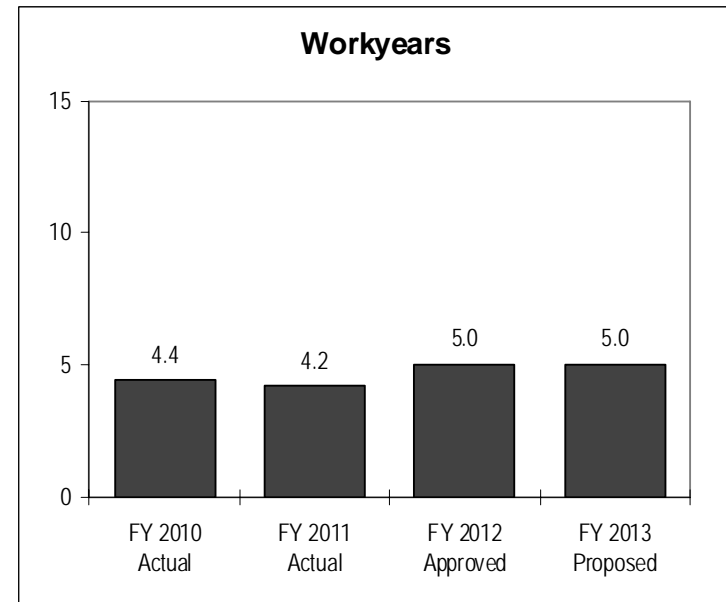
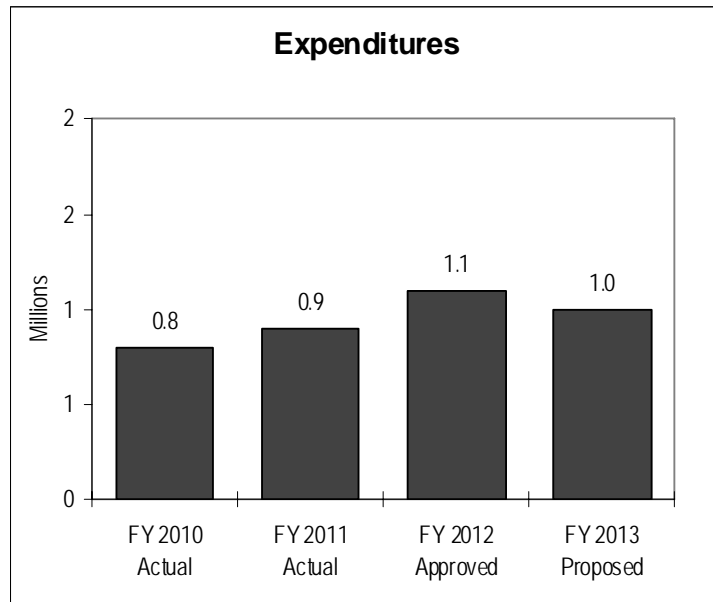
Budget Overview

The FY’ 13 Proposed Budget is \$159,000, or approximately 14%, less than the FY’ 12 Approved Budget. The decrease is due to expected completion of a consulting and advisory services project during FY’ 12.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

GENERAL MANAGER'S OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

GENERAL MANAGER'S OFFICE

(Continued)

SUMMARY BY ACTIVITY

Management and Administration

	Expenditures	Workyears
FY'11 Actual	\$939,336	4.2
FY'12 Approved	\$1,122,600	5.0
FY'13 Proposed	\$963,600	5.0

The General Manager's Office is responsible for coordinating and supervising the activities of the team and staff offices of the WSSC, and for recommending courses of action to the Commissioners. As the principal executive, the General Manager/CEO is responsible for all Commission operations and functions.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased by \$159,000, or approximately 14%, due to expected completion of a consulting and advisory services project.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
INTERGOVERNMENTAL RELATIONS OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Intergovernmental Relations	\$342,449	\$177,225	\$519,674	3.8	\$418,100	\$162,500	\$580,600	5.0	\$426,800	\$160,000	\$586,800	5.0
TOTAL	\$342,449	\$177,225	\$519,674	3.8	\$418,100	\$162,500	\$580,600	5.0	\$426,800	\$160,000	\$586,800	5.0

Mission Statement

The mission of the Intergovernmental Relations Office is to analyze the impact of state and federal legislation on the Commission and act as the WSSC’s representative before legislative bodies.

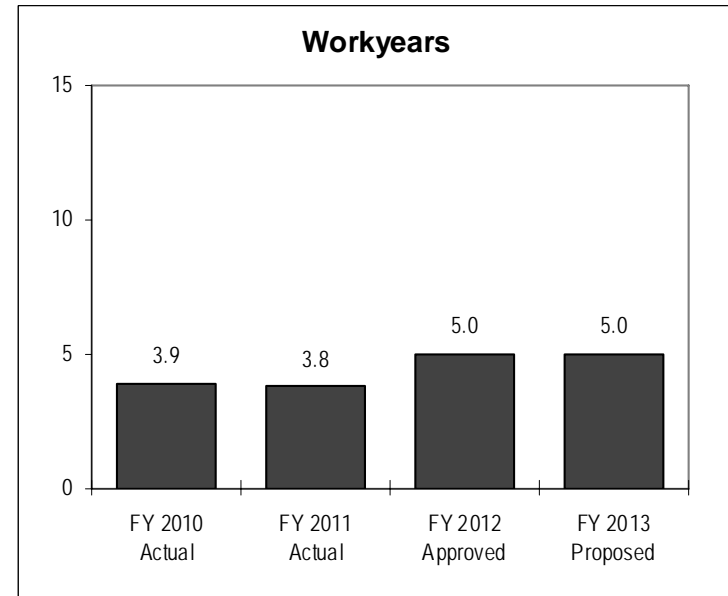
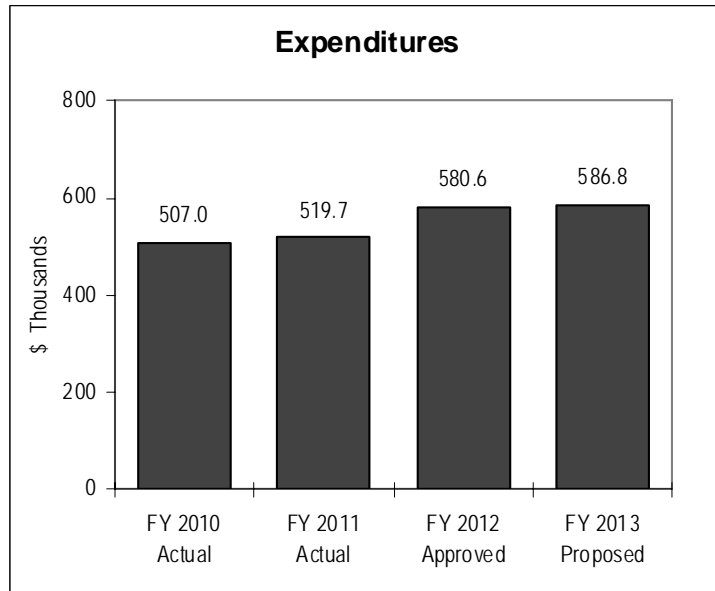
Budget Overview

The FY’ 13Proposed Budget is approximately the same as the FY’12 Approved Budget.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERGOVERNMENTAL RELATIONS OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERGOVERNMENTAL RELATIONS OFFICE

(Continued)

ACTIVITY INDICATORS

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
Outreach meetings attended/held	50	90	90	100
Public hearings/bill hearings attended	80	100	100	100
State legislation reviewed	100	250	200	250
Federal legislation reviewed	65	75	75	100

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INTERGOVERNMENTAL RELATIONS OFFICE

(Continued)

SUMMARY BY ACTIVITY

Management and Administration

	Expenditures	Workyears
FY'11 Actual	\$519,674	3.8
FY'12 Approved	\$580,600	5.0
FY'13 Proposed	\$586,800	5.0

The objective of the Intergovernmental Relations Office is to obtain passage of the Commission's legislative agenda, increase communication with state and local governments, and increase the Commission's role in federal legislative issues.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
STRATEGIC SYSTEMS MANAGEMENT OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Strategic Systems Management	\$623,041	\$47,423	\$670,464	5.0	\$708,400	\$138,400	\$846,800	7.0	\$718,900	\$138,400	\$857,300	7.0
TOTAL	\$623,041	\$47,423	\$670,464	5.0	\$708,400	\$138,400	\$846,800	7.0	\$718,900	\$138,400	\$857,300	7.0

Mission Statement

The mission of the Strategic Systems Management Office is to serve as the day-to-day manager of enterprise-wide strategic planning and execution to achieve business excellence and the WSSC’s strategic goals. The Office coordinates organizational alignment and integration of key strategic processes and also integrates and coordinates activities across various functions and business units to align and implement the Commission’s Strategic Priorities.

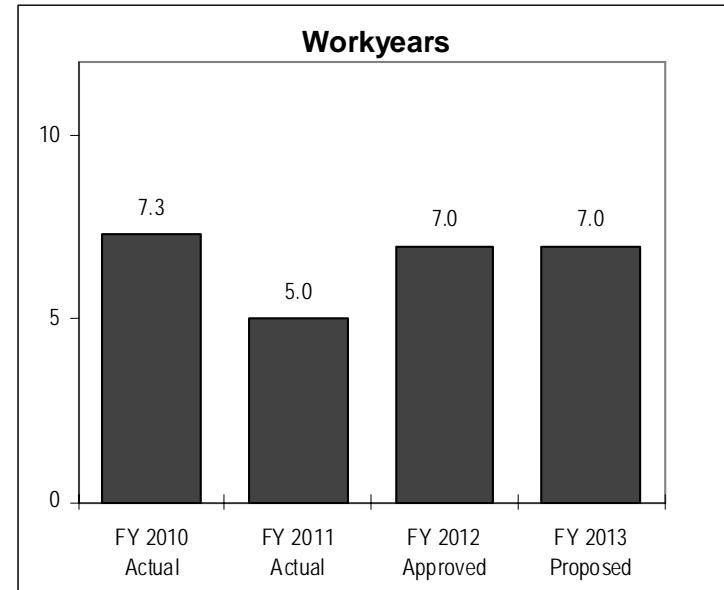
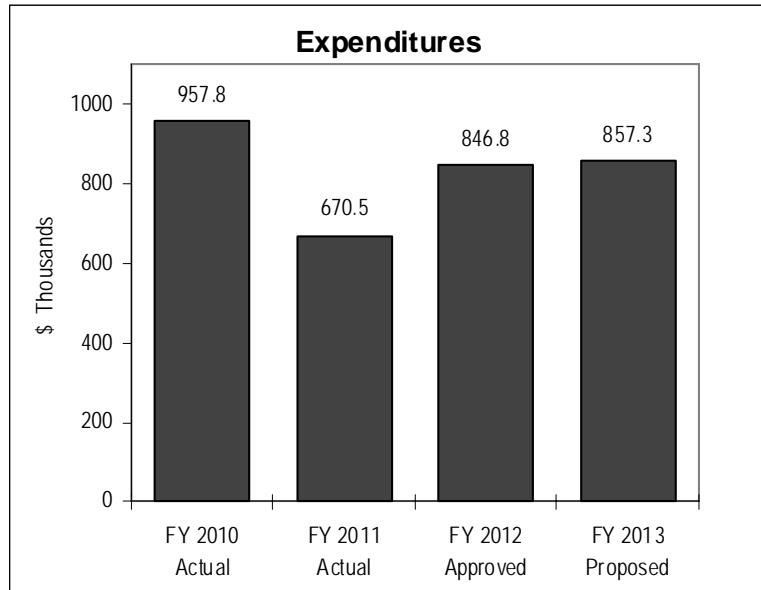
Budget Overview

The FY’13 Proposed Budget is approximately the same as the FY’12 Approved Budget.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

STRATEGIC SYSTEMS MANAGEMENT OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

STRATEGIC SYSTEMS MANAGEMENT OFFICE

(Continued)

SUMMARY BY ACTIVITY

Strategic Management

	Expenditures	Workyears
FY'11 Actual	\$670,464	5.0
FY'12 Approved	\$846,800	7.0
FY'13 Proposed	\$857,300	7.0

The Strategic Planning and Change Management activities have been combined and are redefined in this new Strategic Management activity. This activity is responsible for managing and overseeing the life-cycle of strategic management processes that support the development and execution of the Commission's Strategic Plan. Cross-agency processes include facilitation and coordination of the Commission's strategic planning and business planning processes; management of strategic initiatives; monitoring, evaluating, and reporting of Commission-wide performance; and management of special projects to support the General Manager's Office.

This activity coordinates planning and budget alignment; influences strategy communications; co-facilitates leadership development; and manages the portfolio of programs, projects, and activities in partnership with other functional partners.

This activity also conducts benchmarking, business best practice audits, after-action debriefings, and strategic assessments to identify gaps and areas within the Commission for continuous improvement. Other roles within this activity include scorecard development, strategic meeting management, and organization development services, to include change management and strategic management-related training and education.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

GENERAL COUNSEL'S OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
General Counsel	\$1,513,917	\$5,865,868	\$7,379,785	15.6	\$1,466,500	\$2,412,200	\$3,878,700	16.0	\$1,454,900	\$2,412,200	\$3,867,100	16.0
TOTAL	\$1,513,917	\$5,865,868	\$7,379,785	15.6	\$1,466,500	\$2,412,200	\$3,878,700	16.0	\$1,454,900	\$2,412,200	\$3,867,100	16.0

Mission Statement

The mission of the General Counsel's Office is to provide high-quality and cost-effective legal services to support the operational goals and objectives of the Commission; facilitate disposition of surplus Commission real estate properties; and provide program management of the Bolling Air Force Base contract.

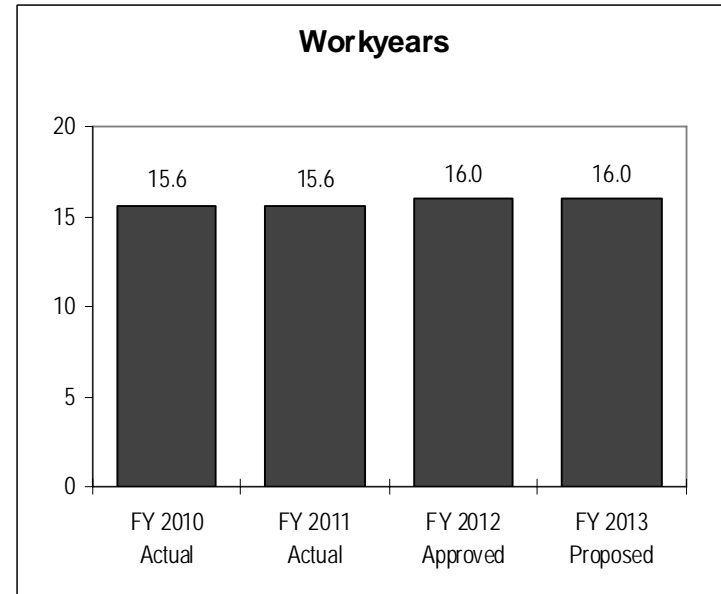
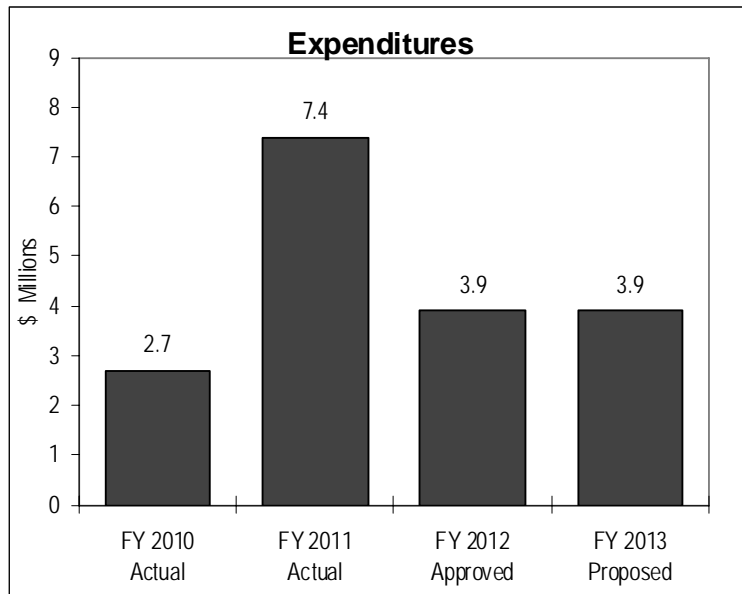
Budget Overview

The FY' 13 Proposed Budget is approximately the same as the FY' 12 Approved Budget.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

GENERAL COUNSEL'S OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

GENERAL COUNSEL'S OFFICE

(Continued)

ACTIVITY INDICATORS

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
Administrative/Refund hearings	33	54	38	70
Petitions for bankruptcies received	633	297	756	800
Cases filed against the WSSC	54	44	108	130
Cases filed by the WSSC	34	34	65	70
Contested civil citations filed by the WSSC	4	24	54	60
Contracts/Agreements negotiated, drafted, or reviewed	112	138	120	150
Deeds, easements, and leases negotiated, drafted, or reviewed	33	97	81	140
Document/Public information requests received	68	98	108	140
Policies/Procedures/Resolutions reviewed	92	80	100	110

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

GENERAL COUNSEL'S OFFICE

(Continued)

SUMMARY BY ACTIVITY

Legal Services

	Expenditures	Workyears
FY'11 Actual	\$7,379,785	15.6
FY'12 Approved	\$3,878,700	16.0
FY'13 Proposed	\$3,867,100	16.0

The General Counsel's Office provides legal advice, guidance, and preventive legal measures on regulatory and administrative matters to Commission staff and officials regarding statutory, regulatory, and administrative matters. The Office also assists in the lawful formulation, adoption, implementation, and enforcement of the WSSC's policies, procedures, rules, regulations, and programs. In addition, the Office is responsible for the disposition of surplus Commission real estate properties. This Office is also responsible for program management of the Bolling Air Force Base (BAFB) contract.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Communications and Community Relations	\$1,335,442	\$363,232	\$1,698,674	16.0	\$1,368,300	\$686,100	\$2,054,400	17.0	\$1,388,500	\$701,500	\$2,090,000	17.0
TOTAL	\$1,335,442	\$363,232	\$1,698,674	16.0	\$1,368,300	\$686,100	\$2,054,400	17.0	\$1,388,500	\$701,500	\$2,090,000	17.0

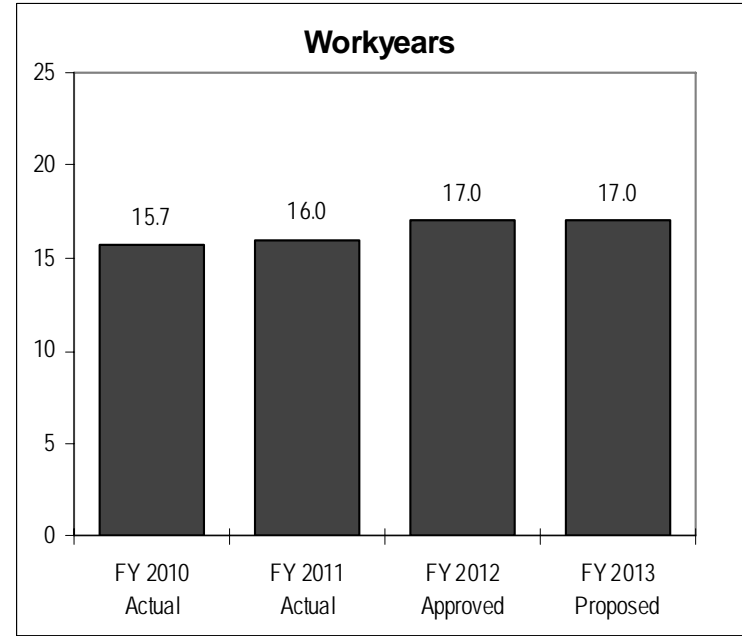
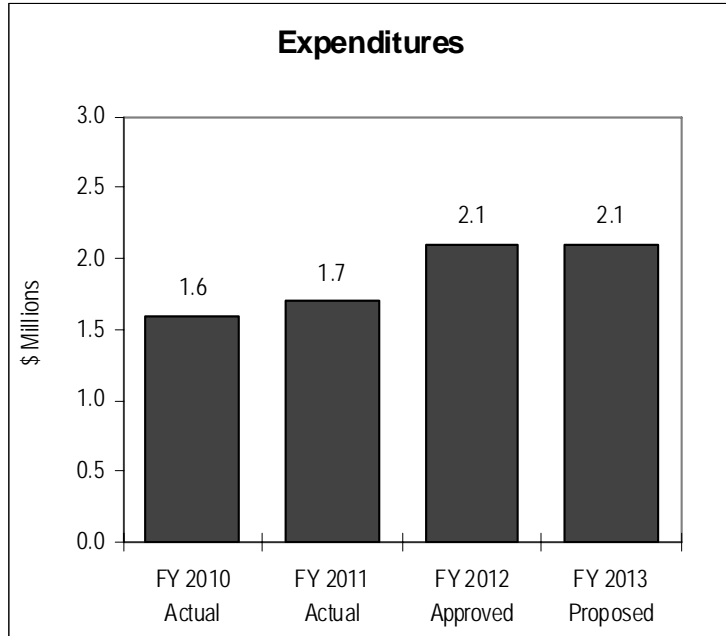
Mission Statement

The mission of the Communications and Community Relations Office is to provide timely and accurate information that is designed to educate and inform our internal and external customers and enhance the WSSC's image.

Budget Overview

The FY'13 Proposed Budget is \$35,600, or approximately 2%, more than the FY'12 Approved Budget. This increase is for additional supplies and equipment needed in support of the Sewer Science Program, and for translation services for meetings and events.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE
(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE
(Continued)

SUMMARY BY ACTIVITY

Media and Public Relations

	Expenditures	Workyears
FY'11 Actual	\$286,973	1.7
FY'12 Approved	\$474,200	2.5
FY'13 Proposed	\$500,100	2.8

This activity includes numerous functions which inform our customers, improve relationships with the media and constituencies, and enhance the WSSC's image. These functions include preparing news releases, conducting interviews with the press, briefing the media, performing public service announcements, conducting customer surveys, developing web site content, and managing various platforms of social media.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased by \$25,900, or approximately 5%, to provide for follow-up messaging and initiatives resulting from the customer survey completed in FY'12.

Publications

	Expenditures	Workyears
FY'11 Actual	\$143,735	1.0
FY'12 Approved	\$148,300	1.1
FY'13 Proposed	\$175,900	1.4

This activity includes efforts related to the preparation and/or distribution of annual reports, brochures, booklets, newsletters, customer bill inserts, and the transition of printed information to the Commission's web site.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased by \$27,600, or approximately 19%, to provide for translation of brochures and booklets used at community outreach events, and for the creation of WSSC-focused materials to promote careers in the water industry.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE
(Continued)

SUMMARY BY ACTIVITY

Community Outreach

	Expenditures	Workyears
FY'11 Actual	\$409,268	3.6
FY'12 Approved	\$415,600	3.6
FY'13 Proposed	\$493,300	3.9

This activity includes informing, updating, and educating customers and stakeholders of engineering and other projects impacting their communities. This is accomplished via project and community meetings and events, exhibits, dedications, ground-breakings, and conducting educational presentations at schools and various WSSC facilities. Additional outreach efforts include managing the Sewer Science Program; disseminating information and materials on the Fats, Oils, and Grease (FOG) and “Can the Grease” Programs; and conducting events such as the H2O Fest, Children’s Water Festival, Fishing Derby, the Watershed Festival, and the Annual Family Campfire. This activity also provides support to the Customer Advisory Board, and supports the community outreach activities of other Commission offices.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased by \$77,700, or approximately 19%, due to additional funding for the Sewer Science Program, translation services for meetings and events, and the reallocation of resources from other activities.

Other Public Communications Projects

	Expenditures	Workyears
FY'11 Actual	\$321,511	3.3
FY'12 Approved	\$466,300	3.5
FY'13 Proposed	\$412,600	3.5

This activity involves preparing communications materials for requested meetings and events, coordinating tours for dignitaries, ordering promotional materials, producing informational videos, and providing advisory services to other offices and teams on their communications needs or issues.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased by \$53,700, or approximately 12%, as a result of redistribution of resources to the Community Outreach activity.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
COMMUNICATIONS AND COMMUNITY RELATIONS OFFICE
(Continued)

SUMMARY BY ACTIVITY

Internal Communications and Events

	Expenditures	Workyears
FY'11 Actual	\$310,567	3.2
FY'12 Approved	\$317,300	3.2
FY'13 Proposed	\$297,000	2.5

This activity informs WSSC employees about company news, events, policies, and benefits, and coordinates special events, service awards ceremonies, and the United Way Campaign. This activity also communicates the WSSC's Core Strategies and Values to company staff.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased by \$20,300, or approximately 6%, as a result of redistribution of workyears to the Media and Public Relations and Community Outreach activities.

Graphics and Photography Support

	Expenditures	Workyears
FY'11 Actual	\$226,620	3.2
FY'12 Approved	\$232,700	3.1
FY'13 Proposed	\$211,100	2.9

This activity provides support to all WSSC business units with needed graphics design, photographic, and video services.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased by \$21,600, or approximately 9%, as a result of redistribution of workyears to the Publications activity.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
HUMAN RESOURCES OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Human Resources	\$2,033,676	\$919,876	\$2,953,552	20.7	\$1,874,100	\$1,189,800	\$3,063,900	22.0	\$1,898,100	\$1,405,000	\$3,303,100	23.0
TOTAL	\$2,033,676	\$919,876	\$2,953,552	20.7	\$1,874,100	\$1,189,800	\$3,063,900	22.0	\$1,898,100	\$1,405,000	\$3,303,100	23.0

Mission Statement

The mission of the Human Resources Office is to support employee, team, and organizational success; and provide quality employee systems in talent management, employee development, work force development, and total rewards.

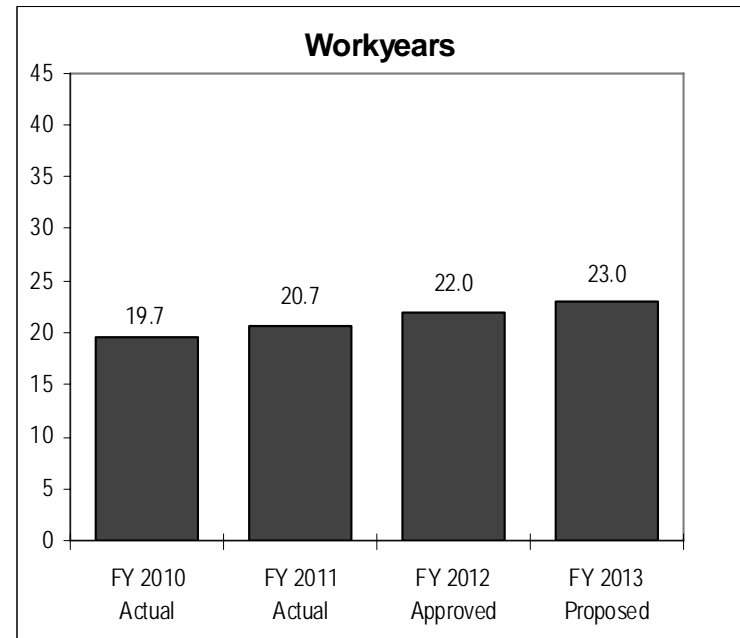
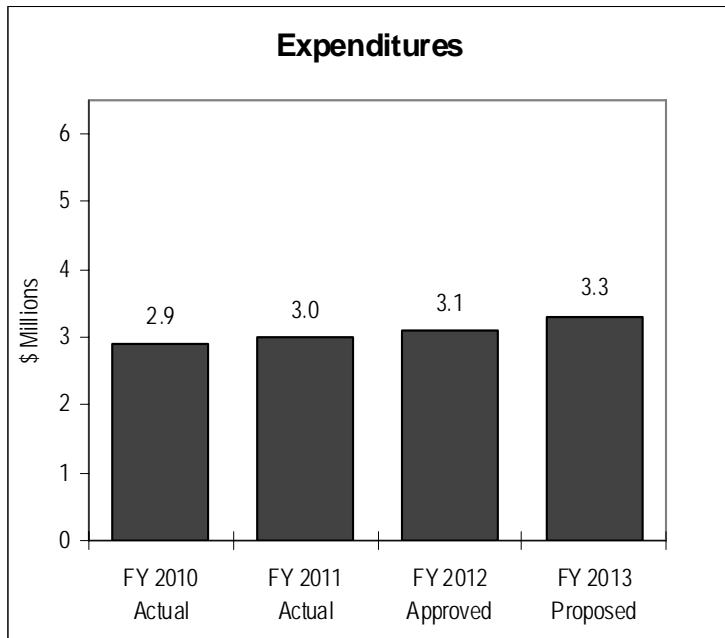
Budget Overview

The FY'13 Proposed Budget is \$239,200, or approximately 8%, more than the FY'12 Approved Budget. Increased funding is for consultant services for administration of the leave and COBRA Programs and for recruitment staff augmentation. This increase also reflects the addition of one workyear to support benefits administration.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

HUMAN RESOURCES OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

HUMAN RESOURCES OFFICE

(Continued)

SUMMARY BY ACTIVITY

Employee Development and Succession Management

	Expenditures	Workyears
FY'11 Actual	\$965,693	4.2
FY'12 Approved	\$1,022,300	4.4
FY'13 Proposed	\$1,014,700	4.4

This activity involves the development, planning, and administration of corporate employee development efforts, including succession management and educational assistance programs; career development and counseling; leadership, management, and supervisory development; knowledge capture and transfer methodologies; computer skills training; and assisting operating units with externally provided technical training.

FY'13 Major Recommended Changes: None

Benefits Administration

	Expenditures	Workyears
FY'11 Actual	\$518,932	4.4
FY'12 Approved	\$646,200	4.4
FY'13 Proposed	\$826,900	5.5

This activity involves developing, communicating, and administering employee and retiree benefit programs, as well as interfacing with payroll and other financial systems. This includes benefits plan review, design, redesign, and administration; disability plan administration (including Workers' Compensation and accident and sickness programs); administration of the Deferred Compensation and Employee Assistance Programs; benefits communication and enrollment design and administration; benefits cost management; and regulatory compliance.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased by \$180,700, or approximately 28%. Additional funding is for consultant services to administer the Family and Medical Leave, Sick Leave Bank, and COBRA Programs. This increase also reflects the addition of one workyear to support benefits administration.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

HUMAN RESOURCES OFFICE

(Continued)

SUMMARY BY ACTIVITY

Employee Relations and Talent Management

	Expenditures	Workyears
FY'11 Actual	\$265,470	2.9
FY'12 Approved	\$269,900	3.3
FY'13 Proposed	\$348,600	4.4

This activity provides advice and guidance on Human Resources (HR) services to Teams and Staff Offices on resolution of employee relations issues and labor relations. This activity also provides support for collective bargaining; compliance with employment regulations; and Commission-wide policy development, implementation, and interpretation.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$78,700, or approximately 29%. This increase reflects the return of one workyear that was reallocated to the Employment activity in FY'12.

Compensation & Human Resources Management System (HRMS) Management

	Expenditures	Workyears
FY'11 Actual	\$875,095	7.0
FY'12 Approved	\$548,800	6.6
FY'13 Proposed	\$533,600	6.5

This activity manages the Commission's compensation program in alignment with the WSSC's compensation philosophy, and the employee information management system (HRMS). Employee information consists of both human resource information systems and records management. This includes base pay programs; variable compensation and rewards; employee recognition and rewards program; position classification and job evaluation; severance program; employment verifications; and information collection and data analysis services. This activity also addresses employee relations issues regarding salary and wages, and participates in compensation studies and implementation of study recommendations.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

HUMAN RESOURCES OFFICE

(Continued)

SUMMARY BY ACTIVITY

Employment

	Expenditures	Workyears
FY'11 Actual	\$328,362	2.2
FY'12 Approved	\$576,700	3.3
FY'13 Proposed	\$579,300	2.2

This activity includes talent acquisition (recruitment, applicant screening, promotions, transfers, selection, hiring, and onboarding processes). This function is responsible for internship, apprenticeship, and student cooperative program development, implementation, and management. This function is also responsible for assisting in workforce planning, data gathering, and statistical analysis of recruitment and staffing activities.

FY'13 Major Recommended Changes: The workyear that was reallocated last year from the Employee Relations and Talent Management activity was returned. As a result, additional funding is included to provide for contractual recruitment staff to provide additional support for this activity.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
SMALL, LOCAL AND MINORITY BUSINESS ENTERPRISE OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Small, Local and Minority Business Enterprise (SLMBE)	\$673,745	\$607,842	\$1,281,587	6.9	\$547,500	\$532,800	\$1,080,300	8.0	\$560,200	\$599,000	\$1,159,200	8.0
TOTAL	\$673,745	\$607,842	\$1,281,587	6.9	\$547,500	\$532,800	\$1,080,300	8.0	\$560,200	\$599,000	\$1,159,200	8.0

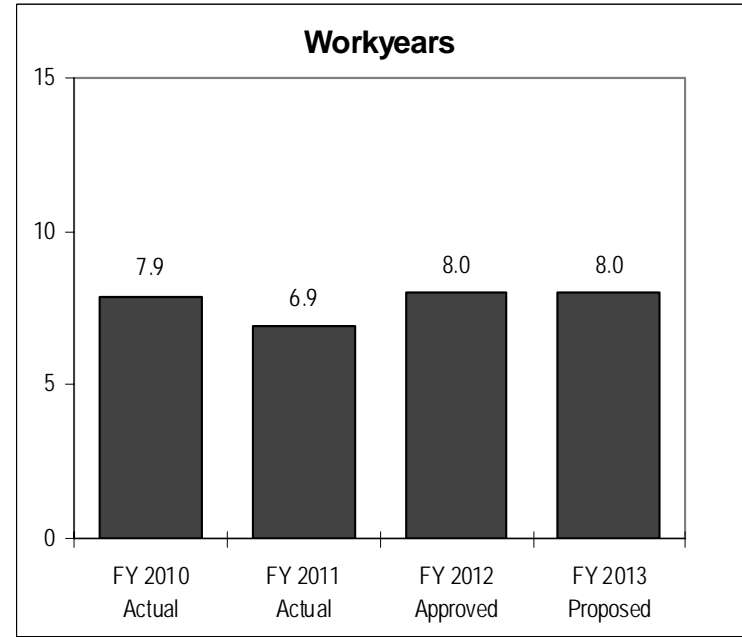
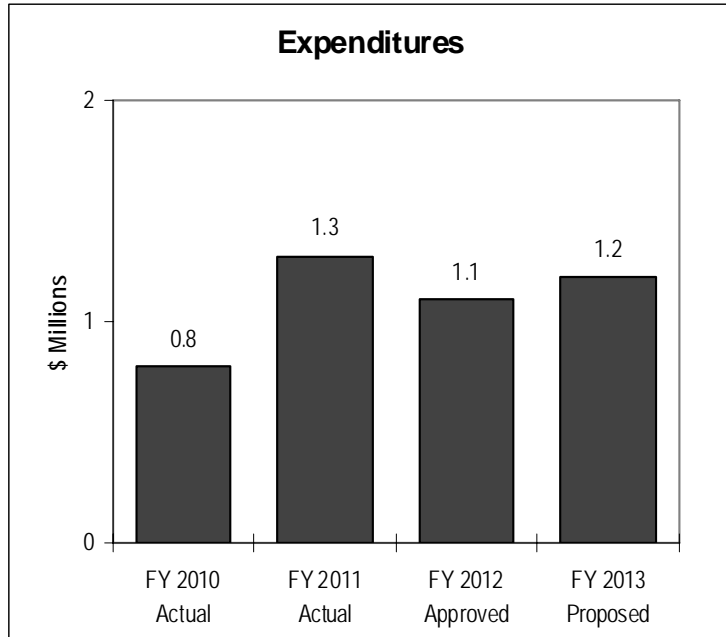
Mission Statement

The mission of the SLMBE Office is to create an inclusive purchasing environment while building sustainable relationships, expanding opportunities and cultivating growth of Small, Local and Minority Business Enterprises.

Budget Overview

The FY'13 Proposed Budget is \$78,900, or approximately 7%, more than the FY'12 Approved Budget. The increase is due to implementation of new MBE and SLBE Programs. Organizational development consultant services will be needed to support re-engineering of the SLMBE Office for long-term administration and effectiveness of the new SLMBE Policies.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
SMALL, LOCAL AND MINORITY BUSINESS ENTERPRISE OFFICE
(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
SMALL, LOCAL AND MINORITY BUSINESS ENTERPRISE OFFICE
(Continued)

ACTIVITY INDICATORS

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
Number of Small, Local Business Enterprises (SLBEs) registered and approved to do business with the WSSC	259	234	286	258
Number of Minority Business Enterprises (MBEs) registered and certified to do business with the WSSC	488	511	590	618
Number of contract awards made to SLBEs	13	29	15	35
Number of contract awards made to MBEs	244	72	269	80

Note: The new Minority Business Enterprise (MBE) Program went into effect May 1, 2011; the new Small, Local Business Enterprise (SLBE) Program went into effect July 20, 2011.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
SMALL, LOCAL AND MINORITY BUSINESS ENTERPRISE OFFICE
(Continued)

SUMMARY BY ACTIVITY

Small, Local and Minority Business Enterprise

	Expenditures	Workyears
FY'11 Actual	\$1,281,587	6.9
FY'12 Approved	\$1,080,300	8.0
FY'13 Proposed	\$1,159,200	8.0

This activity involves planning, managing, coordinating and monitoring the Commission’s Minority Business Enterprise (MBE) and Small, Local Business Enterprise (SLBE) Programs, in accordance with state law. The Office develops policies designed to provide an inclusive purchasing environment while building sustainable relationships, expanding opportunities, and cultivating growth to accomplish greater MBE and SLBE participation in Commission contracting opportunities.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased by \$78,900, or approximately 7%, due to implementation of new MBE and SLBE Programs. Organizational development consultant services will be needed to support re-engineering of the SLMBE Office for long-term administration and effectiveness of the new SLMBE Policies

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FAIR PRACTICE OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Fair Practice	\$96,079	\$132	\$96,211	1.0	\$180,900	\$3,500	\$184,400	2.0	\$180,600	\$3,500	\$184,100	2.0
TOTAL	\$96,079	\$132	\$96,211	1.0	\$180,900	\$3,500	\$184,400	2.0	\$180,600	\$3,500	\$184,100	2.0

Mission Statement

The mission of the Fair Practice Office is to ensure Commission compliance with Equal Employment Opportunity laws and practices, and address employee discrimination issues and complaints in accordance with the Commission’s policies and procedures.

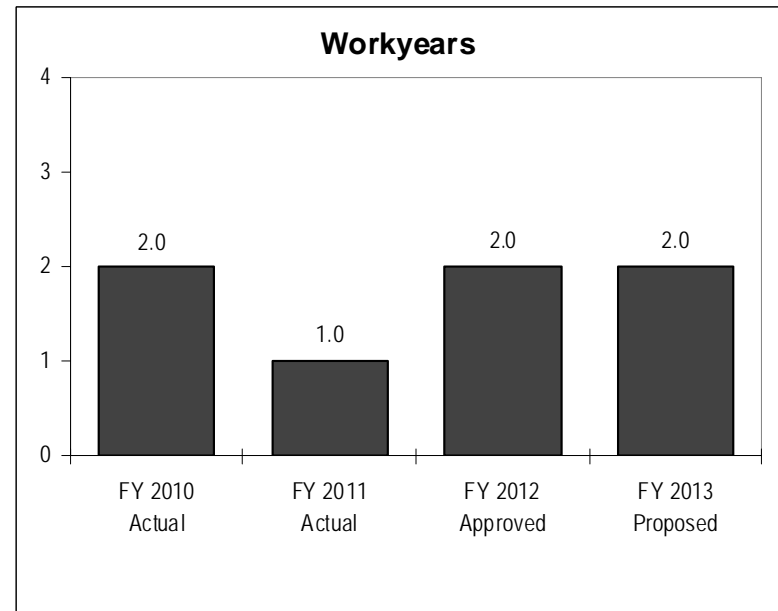
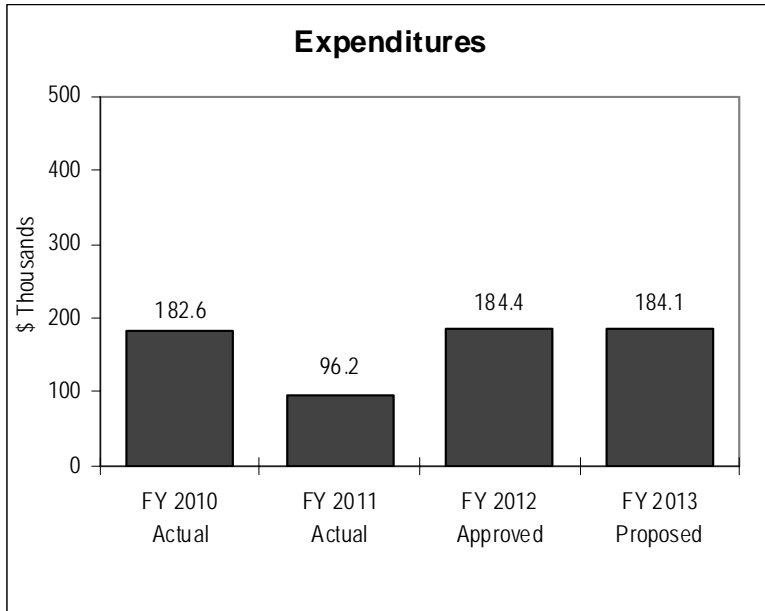
Budget Overview

The FY’ 13 Proposed Budget is approximately the same as the FY’ 12 Approved Budget.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FAIR PRACTICE OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FAIR PRACTICE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Management and Administration

	Expenditures	Workyears
FY'11 Actual	\$96,211	1.0
FY'12 Approved	\$184,400	2.0
FY'13 Proposed	\$184,100	2.0

This activity directs the application of the Commission's equal employment principles and goals, and outlines the responsibilities of management, supervisory, and non-supervisory personnel for fostering a spirit of equal employment opportunity. Also included in the activity are investigations of discrimination claims in accordance with the Commission's policy and procedures.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
ACQUISITION OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Acquisition	\$1,488,820	\$98,564	\$1,587,384	19.5	\$1,885,200	\$327,300	\$2,212,500	26.0	\$1,861,400	\$170,800	\$2,032,200	26.0
TOTAL	\$1,488,820	\$98,564	\$1,587,384	19.5	\$1,885,200	\$327,300	\$2,212,500	26.0	\$1,861,400	\$170,800	\$2,032,200	26.0

Mission Statement

The mission of the Acquisition Office is to acquire all necessary commodities, supplies, and services, including professional services, necessary to support Commission operations and functions, and to oversee the bid and award process for all construction contracts.

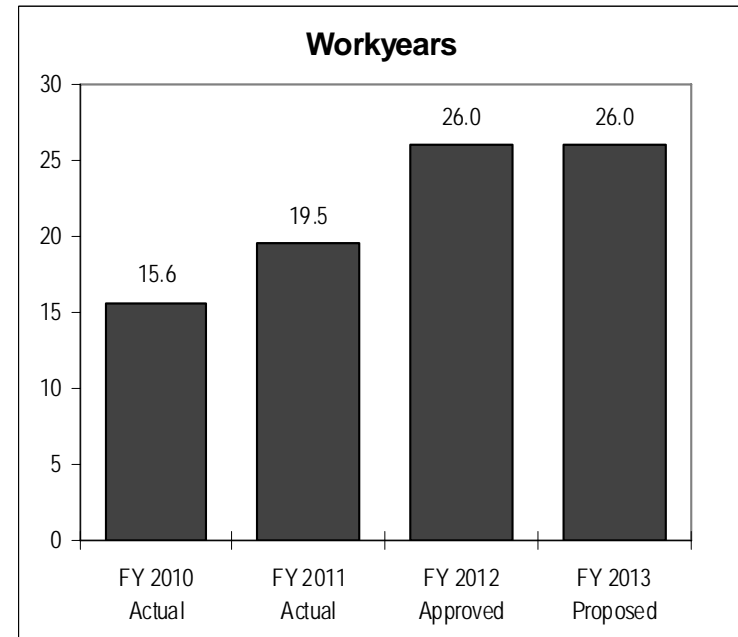
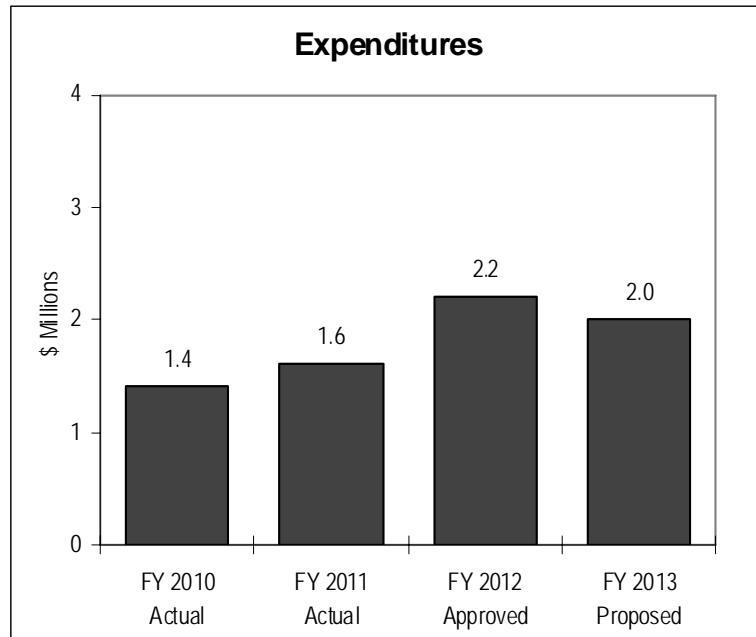
Budget Overview

The FY' 13 Proposed Budget is \$180,300, or approximately 8%, less than the FY' 12 Approved Budget. This decrease is primarily due to a decrease in consultant funding.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

ACQUISITION OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

ACQUISITION OFFICE

(Continued)

ACTIVITY INDICATORS

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
Purchase Orders awarded	1,452	1,363	1,500	1,500
Invitations for Bid/Requests for Proposal issued	648	610	700	700
Notices to Proceed issued (number of contracts)	648	550	700	700

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

ACQUISITION OFFICE

(Continued)

SUMMARY BY ACTIVITY

Procurement

	Expenditures	Workyears
FY'11 Actual	\$1,587,384	19.5
FY'12 Approved	\$2,212,500	26.0
FY'13 Proposed	\$2,032,200	26.0

This activity involves purchasing all commodities, supplies, equipment, and services necessary to support the WSSC's operations, maintenance, and staff functions at the lowest possible price through public competitive bidding. This is accomplished through competitive processes using Master and Blanket Purchase Orders, Requests for Proposal, Invitations for Bid, multi-year contracts, and Procurement Cards for small dollar item purchases. Also included in this activity are all contracting functions from Request to Advertise through Notice to Proceed; maintaining and administering the construction database system; and maintaining a complete contract file for all contracts regardless of contracting method.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased by \$180,300, or approximately 8%, primarily due to a decrease in consultant funding.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
CORPORATE ASSET MANAGEMENT OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Corporate Asset Management	\$1,254,273	\$1,806,012	\$3,060,285	11.7	\$1,618,200	\$9,532,600	\$11,150,800	16.0	\$1,627,100	\$11,110,300	\$12,737,400	16.0
TOTAL	\$1,254,273	\$1,806,012	\$3,060,285	11.7	\$1,618,200	\$9,532,600	\$11,150,800	16.0	\$1,627,100	\$11,110,300	\$12,737,400	16.0

Mission Statement

The mission of the Corporate Asset Management Office (CAMO) is to facilitate the development, implementation, and institutionalization of enterprise-wide asset management business practices, processes, and technologies that fully leverage and support the WSSC's enterprise-wide resource planning strategies and asset management philosophies. This Office oversees the Enterprise Resource Planning (ERP) implementation and the Asset Management Program (AMP).

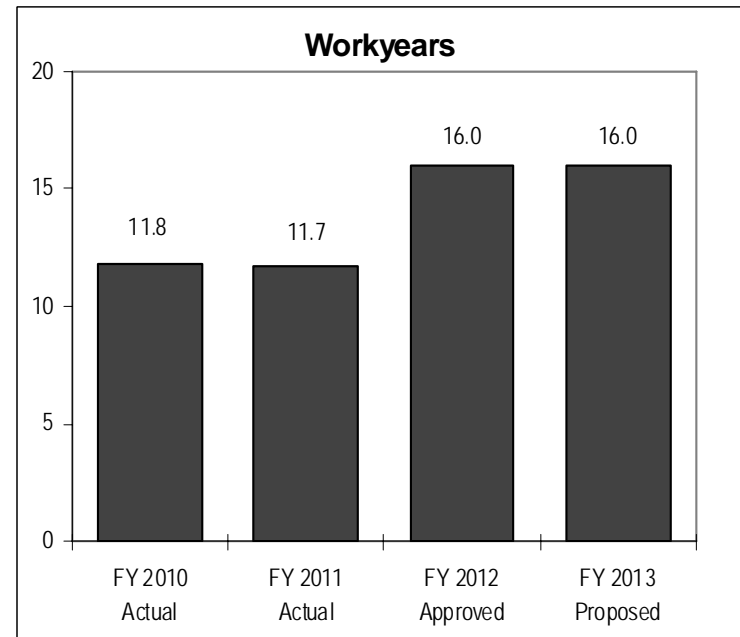
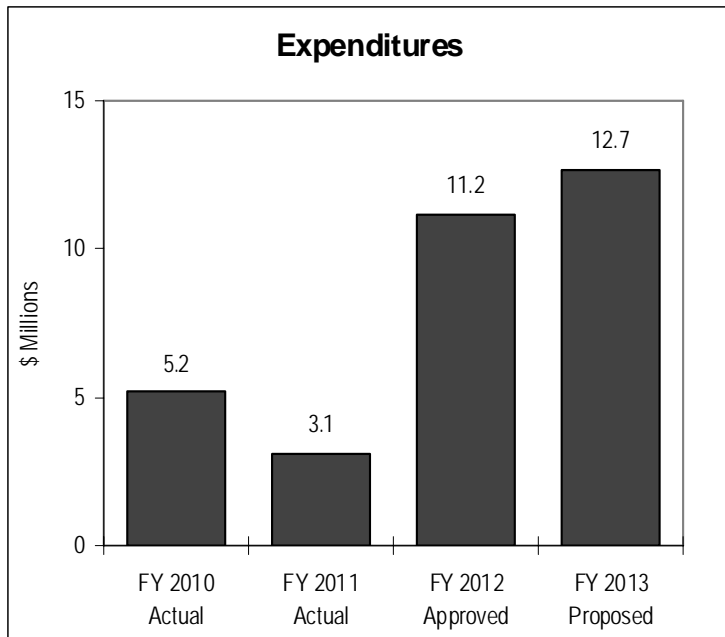
Budget Overview

The FY'13 Proposed Budget is \$1,586,600, or approximately 14%, more than the FY'12 Approved Budget. The increase is due to additional license purchases and professional services required for application implementation in support of ERP. Also included in this increase are additional AMP costs due to negotiation delays which deferred the start of Phase III work to FY'13.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CORPORATE ASSET MANAGEMENT OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CORPORATE ASSET MANAGEMENT OFFICE

(Continued)

SUMMARY BY ACTIVITY

Enterprise Resource Planning (ERP) Implementation

	Expenditures	Workyears
FY'11 Actual	\$1,459,130	7.4
FY'12 Approved	\$8,594,200	11.6
FY'13 Proposed	\$9,447,100	11.5

This activity involves replacing existing legacy business systems with an integrated enterprise system, utilizing enterprise technology tools and processes to provide a consistent, integrated approach to the management of Commission resources. Included are the purchase, tracking, valuation, and allocation of Commission assets, and comprehensive tools for business analysis and decision-making. These new technologies will allow the Commission to reduce costs, increase the life-cycle of assets, increase productivity, and improve service levels.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased by \$852,900, or approximately 10%. The increase is due to the purchase of licenses and professional services needed in support of application implementation.

Asset Management Program

	Expenditures	Workyears
FY'11 Actual	\$1,601,155	4.3
FY'12 Approved	\$2,556,600	4.4
FY'13 Proposed	\$3,290,300	4.5

The Asset Management Program (AMP) focuses on the development of an Enterprise Asset Management Plan which identifies the infrastructure needs for a 30-year planning period. This activity involves the identification of infrastructure needs (existing and future); development and implementation of an asset management strategy to strengthen current practices for optimal investment decision-making; and the advancement of the Commission's core strategy of Infrastructure Asset Management.

The AMP includes 6 phases. Phase 1, completed in December 2007, identified high-level infrastructure needs. Track 1 of Phase I, completed in April 2008, developed a road map for establishing an asset management structure. Phase 2, completed in March 2011, developed 6 asset management plans, 12 asset management processes, and 69 asset management procedures. Phase 3, estimated to start in the Fall of 2012, will develop 7 Asset Management Plans and 55 asset management procedures. Future phases will continue development of detailed asset management plans for various types of assets.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased by \$733,700, or approximately 29%, due to negotiation delays which deferred the start of the next phase of work to FY'13.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

Organizational Descriptions

This Team, led by the Chief Engineer, is comprised of the Development Services, Planning, Project Delivery, Infrastructure-Systems, Process Control, Regulatory Services, Systems Inspection, Technical Services, and Environmental Groups.

- The ***Development Services Group*** is responsible for the integrity of the WSSC's water and sewer system through oversight of the planning, design, and construction of water and sewer extensions. The Group is also responsible for the review and issuance of all plumbing, gasfitting, and house connection applications and collection of related fees and charges; and review and processing of all on-site plans, service connection submittals, and applicant-built construction packages.
- The ***Planning Group*** is responsible for determining when facilities and major pipelines will reach capacity through an analysis of existing water demand and sewer flows, input from the counties' Ten Year Plans, and the population/employee growth projections provided by the Maryland-National Capital Park & Planning Commission. In addition, this Group participates in regional water and wastewater management and planning, including oversight of Blue Plains capital billing and Capital Improvements Program budgeting; supports negotiations of Blue Plains agreements; represents the WSSC on Blue Plains Committees; and contributes resources to the Regional Water Quality Monitoring and Evaluation Program at the Metropolitan Washington Council of Governments.
- The ***Project Delivery Group*** is responsible for administering and managing facility planning studies, special projects, and other miscellaneous contracts; facility and major pipeline designs; and the construction and inspection of major facility projects.
- The ***Infrastructure-Systems Group*** is responsible for managing pipeline design in the water and sewer main reconstruction programs; and reviewing water and sewer relocations to assure compliance with WSSC guidelines.
- The ***Process Control Group*** is responsible for coordinating and managing all process control activities. This includes designing process control systems for new facilities, improving automation for existing facilities, and properly maintaining and repairing all instrumentation systems.
- The ***Regulatory Services Group*** is responsible for the federally mandated pretreatment program, the Fats, Oils, and Grease (FOG) Program, and enforcement of the Plumbing and Gasfitting Regulations. The Group regulates discharges into the sewer system, samples discharges from industrial users, inspects food service facilities, conducts investigations, responds to spills of hazardous materials entering the sewer system, and monitors and inspects cross-connections to protect the potable water supply from backflow contamination.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

Organizational Descriptions (Continued)

- The *Systems Inspection Group* is responsible for contract management and inspection of the construction contracts for water supply and wastewater pipelines.
- The *Technical Services Group* is responsible for preparing specifications for construction contracts; producing Engineer's Estimates; providing project estimates; performing land surveys and property acquisitions; providing mechanical and electrical design work; providing Geographic Information System (GIS) mapping work, conducting corrosion tests; managing Prestressed Concrete Cylinder Pipe (PCCP) inspections; and overseeing Acoustic Fiber Optic (AFO) monitoring of major pipelines.
- The *Environmental Group* is responsible for overseeing environmental protection associated with WSSC programs, addressing emerging issues associated with public health, and providing technical support for the National Pollutant Discharge Elimination System permit reviews and negotiations.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Engineering & Construction Team Office	\$475,436	\$7,818	\$483,254	4.0	\$452,400	\$7,000	\$459,400	4.0	\$462,700	\$7,000	\$469,700	4.0
Development Services	3,369,443	178,861	3,548,304	43.1	5,527,400	1,977,100	7,504,500	44.0	3,413,300	2,416,100	5,829,400	44.0
Planning	761,042	54,616,962	55,378,004	8.3	789,500	162,007,100	162,796,600	9.0	788,100	239,121,600	239,909,700	9.0
Project Delivery	2,507,629	33,571,010	36,078,639	29.1	3,069,800	212,627,600	215,697,400	38.0	2,862,200	238,878,800	241,741,000	36.0
Infrastructure-Systems	2,263,894	14,898,083	17,161,977	27.9	2,755,000	21,573,100	24,328,100	39.0	3,181,000	43,494,500	46,675,500	42.0
Process Control	1,166,672	660,849	1,827,521	12.3	1,197,300	754,900	1,952,200	13.0	1,288,400	754,900	2,043,300	14.0
Regulatory Services	4,438,396	226,772	4,665,168	61.5	4,657,100	406,600	5,063,700	69.0	4,894,500	404,100	5,298,600	71.0
Systems Inspection	4,704,187	97,480,626	102,184,813	69.4	5,060,300	115,869,000	120,929,300	76.0	5,159,400	218,070,000	223,229,400	76.0
Technical Services	2,133,945	1,713,302	3,847,247	25.9	3,276,000	8,332,200	11,608,200	44.0	3,403,200	8,137,500	11,540,700	44.0
Environmental	1,099,437	324,698	1,424,135	12.3	1,188,600	494,900	1,683,500	14.0	1,186,800	585,900	1,772,700	14.0
TOTAL	\$22,920,081	\$203,678,981	\$226,599,062	293.8	\$27,973,400	\$524,049,500	\$552,022,900	350.0	\$26,639,600	\$751,870,400	\$778,510,000	354.0

Mission Statement

The mission of the Engineering & Construction Team is to ensure that the WSSC's water supply and sanitary sewerage systems and facilities are planned, designed, and constructed in a cost-effective and environmentally sensitive manner, while meeting all regulatory requirements, and accommodating the population and employment growth projections of Montgomery and Prince George's Counties within the State of Maryland.

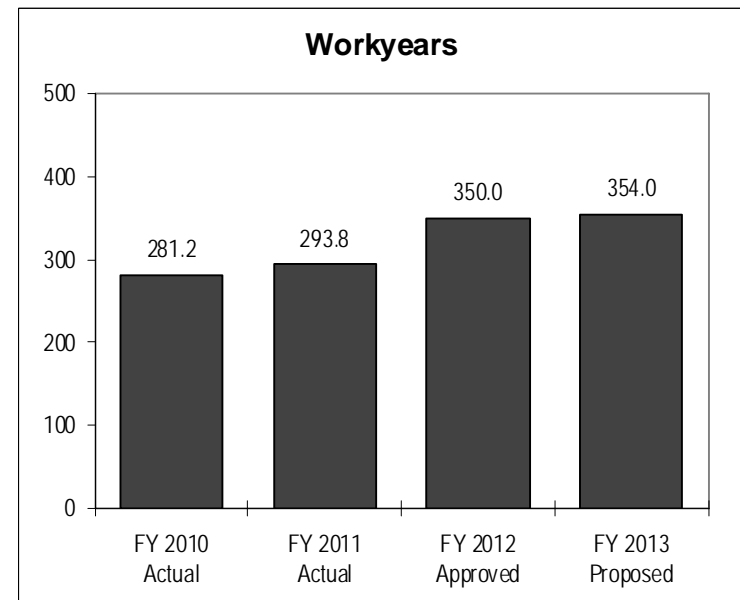
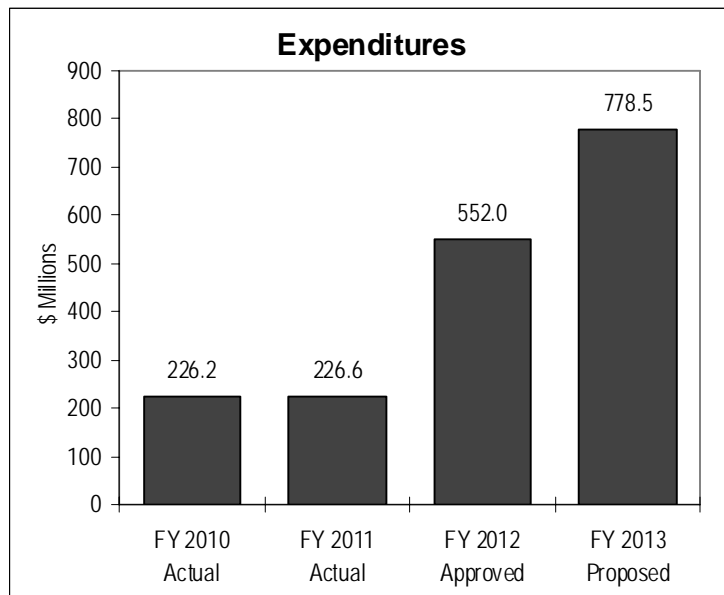
Budget Overview

The FY'13 Proposed Budget is \$226,487,100, or approximately 41%, more than the FY'12 Approved Budget. A majority of the increase is due to construction ramping up on several significant programs and projects including the Large Diameter Water Pipe Rehabilitation Program, Trunk Sewer Reconstruction Program, Patuxent WFP Phase II Expansion, Broad Creek WWPS Augmentation, and both the Enhanced Nutrient Removal and new digester projects at Blue Plains. Additionally, 2 workyears were added to support the FOG Program, 1 workyear to enhance Process Control security, and 1 workyear to support sewer rehabilitation design.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)



ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
<i>Development Services Group</i>				
Number of proposed water and sewer service category changes reviewed	24	27	100	80
Number of preliminary subdivision plans reviewed	329	89	350	95
Water and sewer pipeline plans reviewed	126	159	110	150
Percentage of plumbing/gasfitting permits issued within 2 days	95%	99%	90%	90%
Percentage of applicant-built house connection packages issued within 2 days	98%	98%	90%	90%
<i>Planning Group</i>				
Number of reports entered into Consolidated Engineering System	49	36	250	250
Number of plumbing permits assigned to mini-basin numbers	353	1,004	3,400	3,400
Number of individual connections entered into Consolidated Engineering System and Permits Processing Information System	203	92	900	900
<i>Project Delivery Group</i>				
Number of active planning and design phase projects	32	43	15	36
Number of active construction phase projects	7	12	26	26
<i>Infrastructure-Systems Group</i>				
Miles of small diameter water mains (<16") designed for rehabilitation	51	43	40	45
Miles of large diameter water mains (>16") designed for rehabilitation	5	5	2	2
Number of large meter and/or pressure reducing valves designed for rehabilitation	30	36	30	50
Miles of sewer main lines designed for lining, bursting and/or grouting	20	39	37	65
Number of manholes designed for rehabilitation	277	522	600	600
<i>Process Control Group</i>				
Number of programmable logic controllers upgraded	4	4	3	3
Number of uninterruptable power supply systems upgraded	7	6	3	3

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
<i>Regulatory Services Group</i>				
Plumbing and gasfitting plans reviewed	1,192	1,142	1,200	1,200
Plumbing and gasfitting license registrations issued	1,504	2,068	1,550	2,400
Plumbing and gasfitting inspections performed	47,386	53,307	52,000	55,000
Industrial discharge investigations performed	115	131	100	120
Industrial discharge samples analyzed	1,499	1,459	1,250	1,200
Number of Fats, Oils, and Grease (FOG) Program inspections	2,880	2,874	3,500	6,300
Number of FOG Program permits issued	2,490	872	300	300
Number of Cross Connection inspections performed	1,184	4,641	5,000	5,000
<i>Systems Inspection Group</i>				
Number of contract starts	92	79	120	130
Number of contract completions	97	77	130	130
Contract value of contract completions (millions of dollars)	\$49M	\$72M	\$78M	\$185M
Number of service connection permits inspected	75	136	300	150
<i>Technical Services Group</i>				
Number of contract documents prepared	95	90	100	100
Number of rights-of-way acquisitions	119	180	250	250
Number of in-house engineering designs	21	18	30	20
Number of rights-of-way packages reviewed and transmitted	186	152	250	250
<i>Environmental Group</i>				
Number of environmental assessment plans reviewed	504	693	1,300	1,300
Number of permits issued	140	167	400	300

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Development Support Process

	Expenditures	Workyears
FY'11 Actual	\$217,893	2.4
FY'12 Approved	\$249,600	3.5
FY'13 Proposed	\$182,300	2.6

This activity ensures that accurate and timely technical information is provided to customers and government agencies. This involves responding to inquiries, both over the phone and in person; providing correct forms; and answering any questions concerning the process.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased by \$67,300, or approximately 27%, due to software improvements that will reduce the number of workyears required to provide technical information.

Development Planning Process

	Expenditures	Workyears
FY'11 Actual	\$251,177	2.9
FY'12 Approved	\$272,500	3.4
FY'13 Proposed	\$273,700	3.3

The purpose of this activity is to review all preliminary subdivision plans and provide early coordination among development planners on water and sewer issues. The activity involves the review of conceptual water and sewer layouts; verification of water and sewer availability; and identification of existing water and sewer locations, environmental impacts, and other technical review issues. This activity also determines off-site system adequacy and service requirements for properties in which ten-year water and sewer plan service area category changes have been requested.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Phase I – Developer Built Projects

	Expenditures	Workyears
FY'11 Actual	\$394,424	4.3
FY'12 Approved	\$787,700	5.6
FY'13 Proposed	\$796,300	5.6

This activity includes planning and hydraulic reviews of developer requests to build projects. This activity also determines off- and on-site system adequacy, and recommends size and alignments of new water and sewer lines.

FY'13 Major Recommended Changes: None

Phase II – Developer Built Projects

	Expenditures	Workyears
FY'11 Actual	\$1,143,131	12.4
FY'12 Approved	\$1,080,800	12.5
FY'13 Proposed	\$969,200	11.0

This activity provides review and approval of plans necessary for construction of new water and sewer extensions. The process involves detailed review and coordination of all aspects of design, including coordination with internal experts and outside permitting agencies.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased \$111,600, or approximately 10%, due to anticipated economic changes that project a decrease in the number of requests for system extension permits.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Phase III – Developer Built Projects

	Expenditures	Workyears
FY'11 Actual	\$66,991	0.7
FY'12 Approved	\$188,800	2.1
FY'13 Proposed	\$186,400	2.1

This activity provides support during the construction phase of developer built projects. This includes processing revisions, partial releases, and final releases of projects; and closing and storing data relevant to completed developer projects.

FY'13 Major Recommended Changes: None

Phase I – WSSC Built Projects

	Expenditures	Workyears
FY'11 Actual	\$484	0.0
FY'12 Approved	\$2,500	0.0
FY'13 Proposed	\$2,700	0.0

This activity determines the method of providing requested water and/or sewer service for single residential units, and determines and advises the applicant of conditions which must be met in order for the requested service to be provided.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Phase II/III – WSSC Built Projects

	Expenditures	Workyears
FY'11 Actual	\$4,294	0.1
FY'12 Approved	\$6,200	0.1
FY'13 Proposed	\$2,700	0.0

The purpose of this activity is to address projects serving one new residence or providing relief from residential health hazards where WSSC prepares in-house design plans (Phase II) and supports construction (Phase III).

FY'13 Major Recommended Changes: None

On-Site Review

	Expenditures	Workyears
FY'11 Actual	\$530,189	7.0
FY'12 Approved	\$290,500	3.3
FY'13 Proposed	\$538,000	6.5

This activity involves the acceptance and review of site utility submittals for the installation of large size water/sewer connections to serve private site utility systems. This includes issuance of house connection, plumbing, and on-site permits associated with the installation of a water or sewer system.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$247,500, or approximately 85%, due to economic changes that have shifted reviews from sub-division size to individual on-site systems.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Permits Processing

	Expenditures	Workyears
FY'11 Actual	\$864,824	12.5
FY'12 Approved	\$794,600	11.6
FY'13 Proposed	\$780,900	11.0

The purpose of this activity is to review plumbing, gasfitting, and house connection applications and issue permits within the WSSD. It also ensures that the regulatory requirements necessary to issue permits are met, assesses the appropriate levies, and collects the related fees and charges.

FY'13 Major Recommended Changes: None

Training (Development Services)

	Expenditures	Workyears
FY'11 Actual	\$114,507	1.2
FY'12 Approved	\$154,800	1.9
FY'13 Proposed	\$148,900	1.9

This activity supports an extensive training effort for both the Development Services Group staff and outside developers and engineers. Staff training involves various technical design processes (water/sewer mains, tunnels, special blocking, preparing SDC Agreements, etc.). Developer and engineer training focuses on two areas: 1) design prerequisites and preparation of the first SEP submittal (to reduce poor submittals resulting in project delays); and 2) site utility submittal requirements and processes.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Unsigned System Extension Permit (SEP)

	Expenditures	Workyears
FY'11 Actual	\$0	0.0
FY'12 Approved	\$8,437,000	0.0
FY'13 Proposed	\$9,356,000	0.0

This activity reserves funds for developer projects that do not yet have a signed SEP. If the developer does not proceed with the project and the WSSC is required to build it, these funds would cover the planning and design costs.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$919,000, or approximately 11%, due to an increase in the value of developer projects with unsigned system extension permits.

Needs Analysis & Facility Planning

	Expenditures	Workyears
FY'11 Actual	\$1,406,163	2.9
FY'12 Approved	\$2,720,100	2.9
FY'13 Proposed	\$3,081,000	2.9

This activity determines existing and future capacity constraints; evaluates land use planning and rezoning proposals; evaluates demographic and demand pattern changes; updates water production and wastewater flow factors; provides technical support for county ten-year water and sewer plan revisions; and performs system analysis and participates on project teams during facility planning and design phases of water and sewerage projects. This activity also includes development of water system hydraulic grades throughout the Washington Suburban Sanitary District.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$360,900, or approximately 13%, primarily due to the planning for the Potomac Water Filtration Plant Main Zone Pipeline and the Prince George's 450A Water Main.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Special Investigations and Technical Support

	Expenditures	Workyears
FY'11 Actual	\$71,175	0.8
FY'12 Approved	\$129,200	1.4
FY'13 Proposed	\$130,000	1.4

The purpose of this activity is to analyze operational problems and proposed shutdowns; review water and sewer main relocation plans; review fire flow tests; review pipe rehabilitation proposals; and respond to outside requests for technical support from the counties and the Maryland-National Capital Park & Planning Commission.

FY'13 Major Recommended Changes: None

Regulatory Permitting & Compliance

	Expenditures	Workyears
FY'11 Actual	\$163,531	1.2
FY'12 Approved	\$107,800	1.1
FY'13 Proposed	\$108,000	1.1

The purpose of this activity is to apply for and negotiate NPDES permits for WSSC facilities, respond to proposed regulatory initiatives, coordinate the WSSC's response to enforcement actions, and coordinate the Commission's review of proposed regulations.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Regional Wastewater Management

	Expenditures	Workyears
FY'11 Actual	\$53,577,305	1.3
FY'12 Approved	\$159,669,200	1.3
FY'13 Proposed	\$236,426,600	1.3

The purpose of this activity is to pay the WSSC's share of construction costs and participate in regional wastewater planning efforts for the Blue Plains Wastewater Treatment Plant (WWTP) in the District of Columbia. Overseeing capital billing and preparing the Capital Improvements Program for the Blue Plains WWTP and Mattawoman WWTP in Charles County are also included in this activity.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$76,757,400, or approximately 48%, primarily due to the Blue Plains WWTP Biosolids Management and Enhanced Nutrient Removal projects ramping up construction.

Raw Water Supply

	Expenditures	Workyears
FY'11 Actual	\$28,355	0.3
FY'12 Approved	\$39,000	0.4
FY'13 Proposed	\$39,000	0.4

The purpose of this activity is to participate in regional raw water supply planning efforts primarily via the Water Utilities Co-op Section of the Interstate Commission on the Potomac River Basin.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Sewer System Commitment Monitoring

	Expenditures	Workyears
FY'11 Actual	\$70,094	0.9
FY'12 Approved	\$60,600	0.9
FY'13 Proposed	\$57,300	0.9

This activity includes the management and use of a computer system to maintain records and monitor status of sewer system commitments. It includes transmitting a monthly report of commitments to the District of Columbia Water and Sewer Authority (DCWASA), and preparing reports on available capacity at the WSSC treatment plants and major trunk sewers to conform to applicable county sewer service policy or state requirements.

FY'13 Major Recommended Changes: None

Flow Monitoring and Reporting

	Expenditures	Workyears
FY'11 Actual	\$75,219	0.9
FY'12 Approved	\$82,600	1.1
FY'13 Proposed	\$79,900	1.1

This activity includes the final analysis of Blue Plains and Rockville flow data that is provided to the DCWASA, Rockville, and the Production Team for billing.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Facility Planning and Design

	Expenditures	Workyears
FY'11 Actual	\$29,431,851	17.5
FY'12 Approved	\$18,543,400	10.7
FY'13 Proposed	\$15,167,800	11.4

This activity manages facility planning and design. This includes management of selected Architecture/Engineering contracts and in-house resources to investigate specific areas in the Washington Suburban Sanitary District which may need additional facilities to serve existing and future customers.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased by \$3,375,600, or approximately 18%, largely due to the Piscataway WWTP ENR project moving into construction and a delay in the Piscataway WWTP Facility Upgrades project.

Facility Construction

	Expenditures	Workyears
FY'11 Actual	\$6,695,314	12.0
FY'12 Approved	\$199,392,200	27.8
FY'13 Proposed	\$226,621,500	25.0

This activity funds and manages facility construction projects. Management includes ensuring contract items, conditions and specifications are fulfilled; processing contractor requests for information; reviewing and processing monthly and final payment requests; administering and negotiating change orders; and evaluating claims.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$27,229,300, or approximately 14%, largely due to the Trunk Sewer Reconstruction Program, the Patuxent WFP Phase II Expansion, and all the ENR projects ramping up in construction.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Water and Sewer Reconstruction Planning

	Expenditures	Workyears
FY'11 Actual	\$10,198,203	14.2
FY'12 Approved	\$23,403,900	33.4
FY'13 Proposed	\$45,714,600	36.2

This activity provides for identification, evaluation, and development of project scopes for the rehabilitation of water and sewer mains. This includes obtaining permits and conducting community outreach. Associated construction costs are included in the Construction Management activity.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$22,310,700, or approximately 95%, mostly due to Sanitary Sewer Overflow Consent Decree requirements that necessitate a greater focus on trunk sewer designs in FY'13 to meet construction deadlines, as well as additional designs for cathodic protection and the cleaning and lining of water mains.

Water and Sewer Relocations

	Expenditures	Workyears
FY'11 Actual	\$917,112	6.6
FY'12 Approved	\$976,000	6.2
FY'13 Proposed	\$1,017,300	6.4

This activity reviews construction plans for roads, development, and other construction by government agencies and the private sector; administers and monitors contracts for Architecture/Engineering work required as a result of State Highway Administration and county road projects; prepares emergency designs for the relocation of existing water and sanitary sewer systems; and prepares and processes System Extension Permits for developer projects.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Corrective Maintenance (Process Control)

	Expenditures	Workyears
FY'11 Actual	\$208,437	1.4
FY'12 Approved	\$270,400	1.5
FY'13 Proposed	\$260,500	1.5

This activity provides for corrective maintenance of all process control systems in the Commission's facilities.

FY'13 Major Recommended Changes: None

Enhancement and Upgrade Maintenance (Process Control)

	Expenditures	Workyears
FY'11 Actual	\$1,086,379	6.9
FY'12 Approved	\$665,600	4.6
FY'13 Proposed	\$738,000	5.6

This activity provides for software programming and configuration enhancements, and hardware upgrade and maintenance of the process control system. Software programming and configuration enhancements are performed as needed. Upgrade maintenance is performed on a regular basis to prevent equipment and software obsolescence, and extend the service life of the process control system.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$72,400, or approximately 11%, due to the inclusion of a new workyear to oversee Process Control security.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

New Facility Support (Process Control)

	Expenditures	Workyears
FY'11 Actual	\$329,284	3.0
FY'12 Approved	\$607,500	6.2
FY'13 Proposed	\$649,000	6.3

This activity provides for the installation and programming of process control equipment for newly constructed facilities, and management of contractual agreements with vendors.

FY'13 Major Recommended Changes: None

New Equipment Installation (Process Control)

	Expenditures	Workyears
FY'11 Actual	\$223,932	1.1
FY'12 Approved	\$426,000	0.8
FY'13 Proposed	\$414,600	0.7

This activity is to enhance various water and wastewater systems through the installation of new process control equipment and systems that are not associated or specified as part of new facility contracts.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Code Planning and Cross Connection

	Expenditures	Workyears
FY'11 Actual	\$1,134,856	16.2
FY'12 Approved	\$1,403,800	20.8
FY'13 Proposed	\$1,531,600	20.8

This activity plans, develops, and maintains the technical aspects of WSSC's plumbing and gasfitting plans to ensure Plumbing Code compliance; inspects backflow prevention devices to ensure cross connections between potable water supply and potential sources of contamination are eliminated; and maintains the records of inspections.

FY'13 Major Recommended Changes: None

Plumbing Inspections

	Expenditures	Workyears
FY'11 Actual	\$2,083,430	27.2
FY'12 Approved	\$2,123,100	30.2
FY'13 Proposed	\$2,034,100	30.2

This activity inspects the installation of commercial and residential plumbing and gasfitting systems, backflow prevention devices for new construction projects, and grease abatement systems to ensure the work is properly permitted and installations comply with WSSC's Plumbing Code. Plumber, gasfitter, and drain and sewer cleaner licenses are also issued and maintained.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Industrial Discharge Control Program

	Expenditures	Workyears
FY'11 Actual	\$688,277	8.4
FY'12 Approved	\$721,800	8.3
FY'13 Proposed	\$757,700	8.3

This activity monitors and controls the discharge of industrial waste into the Commission's sanitary sewer system. Federal, state, and WSSC regulations govern industrial discharges to the sanitary sewer. Investigating, sampling, permitting, and reviewing industry reports to determine industry compliance with regulations are included.

FY'13 Major Recommended Changes: None

Fats, Oils, and Grease (FOG) Program

	Expenditures	Workyears
FY'11 Actual	\$861,160	10.5
FY'12 Approved	\$906,600	10.4
FY'13 Proposed	\$1,070,500	12.5

This activity monitors and controls the discharge of fats, oils, and grease at food service facilities, investigates sanitary sewer blockages and overflows caused by FOG discharges, and initiates enforcement action to ensure appropriate corrective measures are taken.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$163,900, or approximately 18%, to include 2 additional FOG inspectors to aid in the inspections of food service establishments.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Contract Document Review

	Expenditures	Workyears
FY'11 Actual	\$82,374	0.3
FY'12 Approved	\$48,100	0.7
FY'13 Proposed	\$52,300	0.8

This activity provides for review of prepared construction contract documents for construction and bid purposes. This review achieves quality, cost effectiveness, and timeliness in the deliverable (i.e., pipeline) to be constructed.

FY'13 Major Recommended Changes: None

Construction Management (Systems Inspection)

	Expenditures	Workyears
FY'11 Actual	\$87,226,563	65.9
FY'12 Approved	\$94,530,500	71.7
FY'13 Proposed	\$195,015,200	71.6

This activity provides funding, management, and inspection for pipeline construction contracts. Contracts included are new house connections; pipeline relocations; site utilities; and water, sewer, and trunk sewer reconstruction. Included in the water and sewer reconstruction contracts are pipe replacements, large meter replacements, and house connection renewals. Inspections are also performed on developer projects.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$100,484,700, or approximately 106%, mainly due to the ramping up of construction in the Trunk Sewer Reconstruction Program, the Large Diameter Water Pipe Rehabilitation Program, and the Water and Sewer Reconstruction Programs.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Street Repair and Restoration

	Expenditures	Workyears
FY'11 Actual	\$14,991,603	4.2
FY'12 Approved	\$19,517,600	4.4
FY'13 Proposed	\$20,849,900	4.5

This activity involves the management and inspection of street and landscaping restoration contracts. It includes processing internal patch tickets, issuing work orders, supervising consultant paving inspectors, inspecting sites, coordinating permit requirements with county regulators, and managing contractor payments.

FY'13 Major Recommended Changes: None

Construction Contract Services

	Expenditures	Workyears
FY'11 Actual	\$592,624	6.6
FY'12 Approved	\$758,700	9.5
FY'13 Proposed	\$731,300	9.5

This activity produces contract bid documents for all construction, rehabilitation, new house connection, and renewal house connection contracts. Engineers' estimates are also calculated and used as a basis for validating bid responses and assessing contractor market responses.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Infrastructure Management

	Expenditures	Workyears
FY'11 Actual	\$5,765,998	3.6
FY'12 Approved	\$7,439,200	10.1
FY'13 Proposed	\$6,813,300	5.9

This activity is comprised of three programs. The PCCP Inspection and Condition Assessment Program includes performing and coordinating annual inspections, installing acoustical fiber optic monitoring systems, and providing repair recommendations for the PCCP water transmission mains. The Corrosion Monitoring Program includes periodic readings of corrosion test stations, providing corrosion control designs, and recommending corrosion repairs. The Dam Safety and Inspection Program ensures the safety of the WSSC's three water supply dams by monitoring and performing regular inspections of the dams.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased \$625,900 or approximately 8%, due to a realignment of tasks and resources within activities.

Civil Engineering Support

	Expenditures	Workyears
FY'11 Actual	\$449,222	5.4
FY'12 Approved	\$142,200	2.1
FY'13 Proposed	\$996,000	7.4

This activity provides in-house expertise in general civil, hydraulic, structural, corrosion and geotechnical engineering to support asset management. This includes reviewing pipeline designs, facility designs, specification documents, and shop drawings; preparing contract documents and specialty designs; and updating the Pipeline and Facility Design Manuals.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$853,800, or approximately 600%, due to a realignment of tasks and resources within activities; additional funding for new corrosion designs; and additional funding for PCCP forensics to support condition assessment analysis.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Geographic Information System (GIS) Services

	Expenditures	Workyears
FY'11 Actual	\$1,012,674	4.4
FY'12 Approved	\$1,137,500	5.3
FY'13 Proposed	\$896,000	4.2

This activity provides for the development of an enterprise-wide Geographic Information System (GIS). This includes the coordination of development, installation, programmatic oversight, and maintenance of the GIS to ensure the system meets the needs of the users and maximizes the potential for beneficial use.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased \$241,500, or approximately 21%, due to a realignment of tasks and resources within activities.

Electrical/Mechanical Engineering Support

	Expenditures	Workyears
FY'11 Actual	\$344,312	2.7
FY'12 Approved	\$507,700	6.4
FY'13 Proposed	\$574,000	6.4

This activity provides technical support to on-going engineering and construction projects, as well as research and evaluation of associated materials and methods. The staff formally considers emerging technologies, as well as traditional practices, to improve the way WSSC engineers existing and future assets.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Property and Rights-of-Way Acquisition

	Expenditures	Workyears
FY'11 Actual	\$1,219,416	3.1
FY'12 Approved	\$915,800	3.5
FY'13 Proposed	\$900,200	3.5

This activity consists of the day-to-day operations required to acquire real estate and create rights-of-way. This includes preparing land plats, land documents, legal descriptions and sketches; and maintaining real property inventory. Land surveys are performed to prepare construction bid documents; designate topographic and boundary lines; determine potential health hazards; and locate manholes, valves, and other structures. In addition, mapping tasks are reviewed, checked for accuracy, and entered into WebMap.

FY'13 Major Recommended Changes: None

Surveys

	Expenditures	Workyears
FY'11 Actual	\$466,144	5.8
FY'12 Approved	\$549,800	5.7
FY'13 Proposed	\$511,400	5.7

This activity provides support for all water and sewer operations from design surveys to completions of final as-built drawings for maintenance and future design. This includes topographic surveys, boundary surveys, expedited surveys for potential health hazards, locating structures for maintenance, and field verification of assets for the Geographical Information System (GIS).

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Engineering Records

	Expenditures	Workyears
FY'11 Actual	\$165,496	2.5
FY'12 Approved	\$259,900	2.4
FY'13 Proposed	\$242,800	2.4

This activity supports the quality control and tracking of engineering plans and as-built drawings. This includes scanning, indexing, and uploading record drawings into WSSC Webmap.

FY'13 Major Recommended Changes: None

Process Engineering and Water Quality Studies

	Expenditures	Workyears
FY'11 Actual	\$391,164	3.9
FY'12 Approved	\$594,500	4.6
FY'13 Proposed	\$686,200	4.9

This activity provides treatment process expertise and services for in-house efforts, external studies, and designs. It ensures quality control for process engineering and provides for site-specific services needed to meet both current and anticipated regulations. In addition, this activity provides technical liaison with the Water Research Foundation, the Water Environment Research Foundation, and the National Association of Clean Water Agencies to ensure that extensive research efforts conducted by others will become available to the Commission.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$91,700 or approximately 15%, for the assessment of oil pipeline spill response options and water quality issues related to dead-end water mains.

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Water Resources Protection

	Expenditures	Workyears
FY'11 Actual	\$400,296	2.2
FY'12 Approved	\$334,300	2.6
FY'13 Proposed	\$307,700	2.1

This activity provides for the development of actions and strategies needed for water quality assessment and protection of the WSSC's water sources. This includes coordinating with other agencies to develop watershed and water quality protection; analyzing water quality samples from reservoirs and water streams; modeling the long-term impacts of land use on raw water; and obtaining grant funding for evaluation and preventative measures.

FY'13 Major Recommended Changes: None

Pollution Prevention Studies

	Expenditures	Workyears
FY'11 Actual	\$130,875	0.3
FY'12 Approved	\$290,500	0.9
FY'13 Proposed	\$265,700	0.5

This activity provides support for prevention, control, and measurement of discharges in polluted waters; and handling and disposing of chemicals or materials that may impact the environment and public health.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS & RESPONSIBILITIES

ENGINEERING & CONSTRUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Environmental Assessment, Permitting, and Enforcement

	Expenditures	Workyears
FY'11 Actual	\$522,310	6.1
FY'12 Approved	\$482,800	6.1
FY'13 Proposed	\$531,900	6.6

This activity manages environmental assessments, wetlands evaluations, forest conservation efforts, archaeological historical studies, and water quality evaluations. This activity also includes administering the WSSC's Utility Erosion and Sediment Control Program and the Public Tree Care Program. This includes reviewing design plans, issuing permits, conducting field inspections and pursuing enforcement of the Programs if necessary.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

Organizational Descriptions

This Team, led by the Chief of Plant Operations, is comprised of the Potomac, Patuxent, Piscataway, Parkway/Marlboro Meadows, Western Branch, Seneca/Damascus/Hyattstown, Laboratory Services, Systems Control, Industrial Assets Management, and Information Support Groups, and the Utility Cost Control Office.

- The *Potomac, Patuxent, Piscataway, Parkway/Marlboro Meadows, Western Branch, and Seneca/Damascus/Hyattstown Groups* are responsible for the operation and maintenance of their respective facilities, providing high-quality, cost-effective maintenance and continual operation of the Commission's water supply dams, water filtration plants, water distribution facilities, wastewater collection facilities, and wastewater treatment plants.
- The *Laboratory Services Group* is responsible for providing laboratory analysis, regulatory compliance, and consulting support to the plants, other WSSC groups, and local jurisdictions.
- The *Systems Control Group* is responsible for the 24-hour Control Center which operates the water distribution system and monitors the wastewater pumping stations. This Group also operates and maintains the dams, water pumping stations, finished water storage facilities, and the water distribution system control valves.
- The *Industrial Assets Management Group* is responsible for providing specialized in-house electrical, mechanical, fabrication, welding, repair, and machine shop support for all WSSC facilities.
- The *Information Support Group* is responsible for providing design, development, and maintenance of the Production Team's management and analytical information systems.
- The Team's *Utility Cost Control Office* is responsible for all utility bills for electricity, gas, and oil.

In addition to the above, the Team will also provide for the beneficial utilization of biosolids; the management and review of alternative sources of energy, such as wind and solar power; the safety training certification program for the WSSC's water and wastewater plant operators; coordination and oversight of regional water, wastewater, and environmental policies; support for water storage facilities at shared reservoirs; and NPDES permitting.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Production Team Office	\$648,032	\$59,160,821	\$59,808,853	7.0	\$928,000	\$64,794,400	\$65,722,400	10.0	\$981,000	\$68,115,000	\$69,096,000	10.0
Laboratory Services	1,852,661	946,556	2,799,217	27.3	2,138,500	841,300	2,979,800	32.0	2,150,700	841,300	2,992,000	32.0
Systems Control	2,509,421	2,434,324	4,943,745	34.4	2,262,400	6,155,800	8,418,200	31.0	2,227,300	6,706,000	8,933,300	31.0
Potomac	1,686,443	5,617,646	7,304,089	26.2	1,771,800	8,530,500	10,302,300	29.0	1,952,100	8,767,800	10,719,900	33.0
Patuxent	1,548,736	1,479,217	3,027,953	21.0	1,556,700	3,185,600	4,742,300	23.0	1,538,700	2,940,200	4,478,900	23.0
Piscataway	1,909,280	2,889,197	4,798,477	25.9	1,995,500	4,371,000	6,366,500	26.0	2,019,900	4,417,300	6,437,200	27.0
Western Branch	2,140,106	2,273,755	4,413,861	30.0	2,146,700	3,078,200	5,224,900	32.0	2,125,800	3,106,900	5,232,700	32.0
Parkway/Marlboro Meadows	1,519,475	2,468,820	3,988,295	21.1	1,572,000	1,895,600	3,467,600	23.0	1,538,800	2,202,600	3,741,400	23.0
Seneca/Damascus/Hyattstown	2,345,385	2,502,202	4,847,587	31.1	2,382,700	3,729,000	6,111,700	32.0	2,393,000	3,712,100	6,105,100	32.0
Industrial Assets Management	2,943,908	3,543,002	6,486,910	39.4	3,494,200	4,368,200	7,862,400	48.0	3,516,800	4,443,200	7,960,000	48.0
Information Support	576,683	7,464	584,147	6.9	561,000	35,900	596,900	7.0	567,200	35,900	603,100	7.0
Utility Cost Control	--	29,032,565	29,032,565	--	--	25,644,300	25,644,300	--	--	24,582,000	24,582,000	--
TOTAL	\$19,680,130	\$112,355,569	\$132,035,699	270.3	\$20,809,500	\$126,629,800	\$147,439,300	293.0	\$21,011,300	\$129,870,300	\$150,881,600	298.0

Mission Statement

The mission of the Production Team is to provide continuous, high quality, cost-effective operation and maintenance of the WSSC's water supply, dams and reservoirs, water filtration plants, water distribution facilities, wastewater collection facilities, wastewater treatment plants, biosolids management programs, and laboratories.

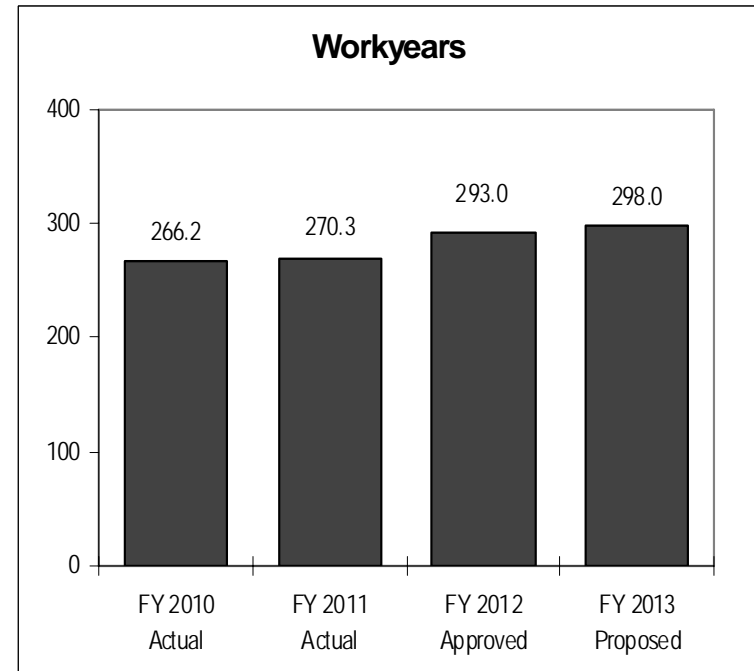
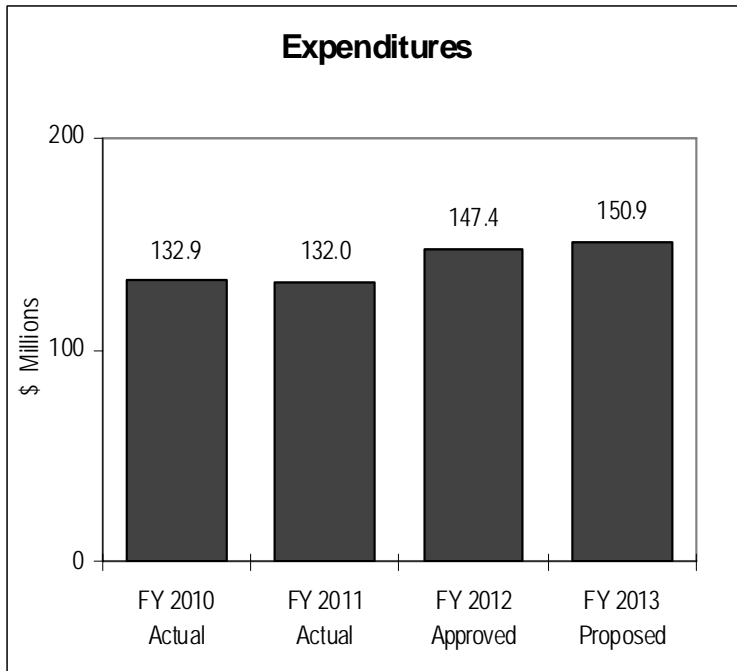
Budget Overview

The FY'13 Proposed Budget is \$3,442,300, or approximately 2%, greater than the FY'12 Approved Budget, primarily due to higher costs for sewage treatment and biosolids disposal at Blue Plains, and increased WSSC biosolids management and hauling costs. Additionally, Energy Performance Program costs increased with the addition of Phase I-F (additional energy efficiency improvements to equipment and operations). This budget also contains funding for reservoir shoreline armoring, watershed access road improvements, and condition assessment of Piscataway plant assets. The increase also reflects inclusion of 5 additional workyears. The overall increase in costs is partially offset by decreased chemical costs and reduced electricity costs.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
<i>Laboratory Services Group</i>				
Laboratory analyses performed (by Purpose)				
Clean Water Act	86,818	75,163	180,000	180,000
Safe Drinking Water Act	96,559	103,030	100,000	100,000
Customer Concerns	5,006	5,910	10,000	10,000
Process Control & Support	66,552	43,096	160,000	160,000
Outside Client Support	26,597	17,724	50,000	50,000
Analyses per workyear	10,427	8,972	15,625	15,625
<i>Systems Control Group</i>				
Control Center - Data points monitored	4,400	4,500	4,800	4,900
Standpipes, Reservoirs & Elevated Tanks - Total storage capacity (MG)	197.37	197.37	198.12	197.08
Remotely operated valves	81	81	84	87
<i>Potomac Group</i>				
Total filtered water to the distribution system (MG)	41,847	44,457	42,340	42,340
Average daily filtered water to the distribution system (MGD)	114.6	121.8	116.0	116.0
Maximum daily filtered water to the distribution system (MGD)	172.3	177.0	190.0	190.0
Solids handling (wet tons)	15,235	16,953	20,000	22,000
Chemicals used (tons) - Polymer (Filtration)	0	0	30	30
Chemicals used (tons) - Polyaluminum Chloride	7,666	8,565	9,800	9,800
Chemicals used (tons) - Lime	1,493	1,515	1,900	475
Chemicals used (tons) - Disinfectant (Chlorine)	544	552	675	675
Chemicals used (tons) - Fluosilicic Acid	730	742	900	750
Chemicals used (tons) - Potassium Permanganate	42	93	125	125
Chemicals used (tons) - Phosphoric Acid	236	264	300	300
<i>Patuxent Group</i>				
Total filtered water to the distribution system (MG)	19,743	19,405	19,710	19,710
Average daily filtered water to the distribution system (MGD)	54.1	53.2	54.0	54.0
Maximum daily filtered water to the distribution system (MGD)	60.8	75.5	68.0	68.0
Solids handling (dry tons)	1,235	1,213	1,250	1,232
Chemicals used (tons) - Ferric Chloride	0	0	25	25

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
Chemicals used (tons) - Polyaluminum Hydroxychlorosulfate	2,591	1,794	2,520	2,520
Chemicals used (tons) - Lime	888	446	890	890
Chemicals used (tons) - Disinfectant (Chlorine)	419	319	420	420
Chemicals used (tons) - Fluoride	411	310	415	415
Chemicals used (tons) - Potassium Permanganate	20.3	13.6	25.0	25.0
Chemicals used (tons) - Phosphoric Acid	82	81	100	100
<i>Piscataway Group</i>				
Wastewater treated flow (MGD)	24.1	20.4	24.0	24.0
Biosolids production (wet tons)	31,325	29,697	32,800	35,478
Chemicals used (tons) - Aluminum Sulfate	702	547	900	890
Chemicals used (tons) - Lime	2,646	2,370	2,700	2,803
Chemicals used (pounds) - Polymer (Dewatering)	181,600	134,840	240,000	240,000
Chemicals used (pounds) - Polymer (Filtration)	6,904	6,904	9,400	20,000
Chemicals used (tons) - Sodium Hydroxide (25%)	3	0	6	9
Chemicals used (gallons) - Sodium Hypochlorite	0	0	36,600	36,600
<i>Western Branch Group</i>				
Wastewater treated flow (MGD)	20.7	19.1	23.4	23.4
Biosolids production (wet tons)	22,481	25,799	25,400	25,400
Chemicals used (tons) - Aluminum Sulfate	268	337	500	500
Chemicals used (gallons) - Methanol	577,438	610,082	500,000	500,000
Chemicals used (wet tons) - Polymer (Dewatering)	2,226	2,177	2,500	2,500
Chemicals used (tons) - Sodium Hydroxide	11	12	20	20
Chemicals used (gallons) - Sodium Hypochlorite	0	0	10,000	10,000
<i>Parkway/Marlboro Meadows Group</i>				
Wastewater treated flow (MGD)	6.7	6.6	6.5	6.5
Biosolids production (wet tons)	15,287	14,288	16,200	16,200
Chemicals used (gallons) - Aluminum Sulfate	0	0	15,000	15,000

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
Chemicals used (tons) - Lime	1,043	627	804	850
Chemicals used (gallons) - Polymer (Dewatering)	97,049	105,376	140,771	144,375
Chemicals used (gallons) - Sodium Bisulfite	21,751	27,831	23,725	27,375
Chemicals used (gallons) - Sodium Hydroxide	8,312	16,566	15,000	16,425
Chemicals used (gallons) - Sodium Hypochlorite	48,081	45,351	73,000	73,000
<i>Seneca/Damascus/Hyattstown Group</i>				
Wastewater treated flow (MGD)	17.1	16.3	20.4	20.4
Biosolids production (wet tons)	24,419	24,700	29,230	30,740
Chemicals used (tons) - Aluminum Sulfate	1,009	719	1,500	1,400
Chemicals used (tons) - Caustic Soda	0	12	200	200
Chemicals used - Chlorine Cylinders	72	84	140	140
Chemicals used (tons) - Lime	1,008	937	2,200	1,400
Chemicals used (pounds) - Polymer (Liquid)	315,200	359,000	400,000	446,500
Chemicals used (gallons) - Methanol	0	0	67,500	67,500
Chemicals used (pounds) - Sulfuric Acid	0	0	50,000	50,000
Chemicals used (gallons) - Sodium Hypochlorite	16,900	30,900	30,000	38,600

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Operations

	Expenditures	Workyears
FY'11 Actual	\$42,506,323	112.9
FY'12 Approved	\$50,767,900	113.3
FY'13 Proposed	\$51,658,400	116.5

This activity is associated with monitoring, controlling, and enhancing process systems associated with treatment, water distribution, and wastewater collection. The process systems include controlling and monitoring processes with water and wastewater in its fluid stage; controlling and monitoring solids processing with water and wastewater treatment; and operating raw water reservoirs to mitigate and control flooding. This activity is budgeted in two water filtration facilities, seven wastewater treatment facilities, flood control facilities, and all pumping stations in the WSSD. Furthermore, this activity supports the planning, design, and construction of new facilities at WSSC plants.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$890,500, or approximately 2%, primarily due to increased costs for biosolids management, diesel fuel, and MDE Permits. Additionally, 3 workyears were added to support increased operational needs at the Potomac Plant. This increase is partially offset by decreased chemical costs and usage.

Operations Support

	Expenditures	Workyears
FY'11 Actual	\$40,715,309	8.1
FY'12 Approved	\$39,567,400	8.7
FY'13 Proposed	\$39,962,500	8.7

This activity involves the coordination of regional sewage disposal with the District of Columbia Water and Sewer Authority (DCWASA); the oversight of operational and maintenance issues associated with regional wastewater management; inspection of Blue Plains biosolids; trenching site restoration and monitoring; and utilities associated with the operation of all Commission facilities. This activity supports the management of programs (non-Blue Plains) associated with biosolids, including writing and managing biosolids management contracts; and the management of utility costs and energy taxes. Also included in this activity is the WSSC's participation with various government and regional agencies dealing with regulatory, legislative, technical, and policy development efforts.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$395,100, or approximately 1%. This increase is primarily due to additional funds budgeted for the WSSC's share of costs to operate and maintain the DCWASA Blue Plains Wastewater Treatment Plant. The increase is partially offset by lower electricity costs and an estimated reduction in electricity consumption.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Maintenance

	Expenditures	Workyears
FY'11 Actual	\$26,322,028	81.0
FY'12 Approved	\$30,598,500	88.5
FY'13 Proposed	\$32,298,500	90.4

This activity comprises maintenance activities, from preventative to reactive to enhancement, for the Commission's facilities. Preventative maintenance is performed on a regular or scheduled basis and is designed to lengthen the service life of plant equipment. It also provides for inspections necessary to monitor the operation of this equipment, which in turn reduces reactive maintenance costs. Enhancement maintenance is performed to improve or enhance a functional piece of plant equipment, system, or facility, and the costs associated with correcting faulty or failing equipment components, grounds, structures, process, or safety concerns in order for the facilities to meet permit requirements. This activity also includes the general cleanup of buildings and grounds at all water and wastewater facilities.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$1,700,000, or approximately 6%. The increase will provide funds to repair the watershed access road; armor the washout portions of the reservoir shoreline; and provide for increased plant and equipment maintenance. The increase also includes 2 new workyears to support asset management at the Potomac and Piscataway Plants.

Maintenance Support Services

	Expenditures	Workyears
FY'11 Actual	\$13,530,672	40.2
FY'12 Approved	\$16,415,400	49.3
FY'13 Proposed	\$16,677,800	49.3

This activity provides specialized services, such as electrical and mechanical work, welding, metal fabrication, and carpentry required for maintaining the Commission's buildings and facilities.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$262,400, or approximately 2%. Additional funding is included for inspection services to perform a condition assessment of the Piscataway Plant's assets; and to provide for increased maintenance, service, and repair contracts.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

PRODUCTION TEAM

(Continued)

SUMMARY BY ACTIVITY

Laboratory Services

	Expenditures	Workyears
FY'11 Actual	\$7,679,710	27.9
FY'12 Approved	\$8,681,700	32.9
FY'13 Proposed	\$8,803,700	32.9

This activity provides funding to operate and maintain a state-of-the-art, EPA-certified environmental laboratory to provide the highest quality analytical data to the WSSC and other organizations for the benefit of public health and environmental quality. The activity provides for all laboratory testing necessary to operate the treatment processes, including biological, organic, and metals testing; to analyze the chemical and physical properties of a variety of liquid, solid, and gaseous samples; and to optimize treatment processes in order to meet or exceed the requirements of the Safe Drinking Water Act and other federal and state regulations. Also included in this activity are sampling and analysis, and maintaining the accuracy of this analytical data, for the Commission's Industrial Discharge Control Program.

FY'13 Major Recommended Changes: None

Capital Project Support

	Expenditures	Workyears
FY'11 Actual	\$1,281,657	0.2
FY'12 Approved	\$1,408,400	0.3
FY'13 Proposed	\$1,480,700	0.2

This activity is primarily associated with the management and oversight of the WSSC's Energy Performance Program (EPP). It provides funding for engineering feasibility studies, audit, design, construction, monitoring, and verification with respect to the replacement or upgrade of energy consuming equipment and systems at all major Commission facilities. The EPP provides a reduction in energy and energy-related costs (electricity, fuel oil, natural gas, or other fuel).

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

Organizational Descriptions

This Office, led by the Logistics Director, is comprised of 4 Groups: Property Management, Fleet Services, Materials Management, and Security and Safety Services. The Team Office is also responsible for providing reprographics, mail services and distribution, office supplies, food and vending services, and management of furniture and copy machines.

- The ***Property Management Group*** is responsible for providing necessary support services to operate and maintain all the WSSC's office buildings, warehouses, recreation facilities, and depots; and for maintaining the landscape of all improved land owned by the Commission.
- The ***Fleet Services Group*** is responsible for providing maintenance and repair services to vehicle and equipment fleets at 6 garage facilities. The Group provides preventive maintenance, repair, road service, fuel supply and management, tag and title processing, vehicle and equipment replacement planning and acquisition, emissions inspection, and fleet utilization management.
- The ***Materials Management Group*** is responsible for acquiring and distributing materials and supplies throughout the Commission; and ensuring the materials are manufactured to the Commissions standards.
- The ***Security and Safety Services Group*** is responsible for safeguarding Commission real property; providing for the safety of WSSC personnel, customers, and visitors to our facilities; investigating theft of service cases; investigating illegal discharges into the wastewater collection system; and investigating complaints of criminal activity which occur on Commission property.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Logistics Office	\$373,882	\$8,374	\$382,256	4.0	\$366,900	\$60,900	\$427,800	4.0	\$990,000	\$2,196,700	\$3,186,700	16.0
Property Management	1,595,029	3,966,431	5,561,460	23.8	1,849,300	4,421,800	6,271,100	29.0	1,965,400	4,421,800	6,387,200	30.0
Fleet Services	2,668,363	3,441,236	6,109,599	43.1	3,137,600	3,699,800	6,837,400	51.0	3,155,800	4,433,000	7,588,800	51.0
Materials & Services	2,233,803	4,819,674	7,053,477	37.2	2,245,900	5,904,000	8,149,900	40.0	1,619,500	3,863,200	5,482,700	28.0
Security & Safety Services	2,376,189	1,496,633	3,872,822	36.1	3,119,900	2,281,600	5,401,500	52.0	3,148,900	3,017,600	6,166,500	52.0
TOTAL	\$9,247,266	\$13,732,348	\$22,979,614	144.2	\$10,719,600	\$16,368,100	\$27,087,700	176.0	\$10,879,600	\$17,932,300	\$28,811,900	177.0

Mission Statement

The mission of the Logistics Office is to plan, direct, and coordinate the activities of a number of vital support services at the WSSC including safety and security; fleet management; property management; warehousing and inventory management; mail and messenger services; printing and reprographic services; and records management.

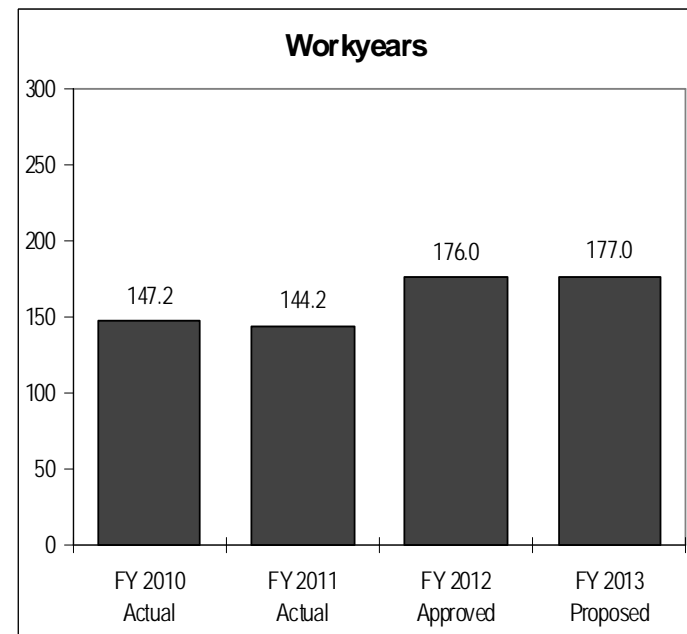
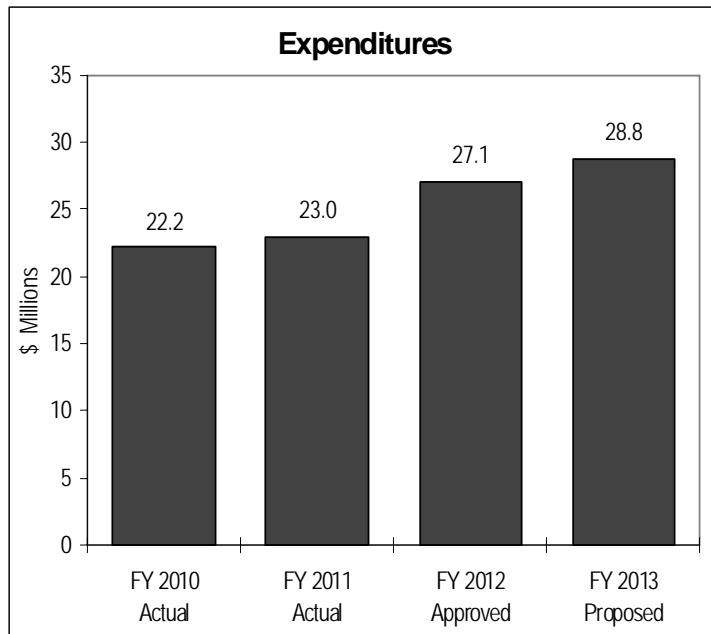
Budget Overview

The FY'13 Proposed Budget is \$1,724,200, or approximately 6%, more than the FY'12 Approved Budget primarily due to an increase in fuel expenses, and the development of a comprehensive Continuity of Operations Plan in the event of a disaster. One workyear was added to support buildings and grounds asset management.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
<i>Team Office</i>				
Copier machine duplications	3,979,241	4,483,783	5,000,000	5,000,000
Mail posted (pieces)	2,650,031	2,518,021	2,500,000	2,500,000
Mail received (pieces)	1,871,210	1,858,154	1,700,000	1,700,000
<i>Fleet Services Group</i>				
Equipment fleet managed (pieces of equipment)	642	665	676	676
Vehicle fleet managed (number of vehicles)	883	927	930	937
Garages/equipment/body shops managed	6	6	6	6
Complete parts inventories conducted	4	4	4	4
Scheduled preventive maintenance completed on vehicles and equipment	4,308	4,610	4,500	4,800
Other (non-preventative maintenance) vehicle and equipment repairs	5,352	5,994	5,950	6,713
<i>Materials Management Group</i>				
Stock quantities issued	701,230	797,288	750,000	750,000
Stock line items received	9,710	10,442	10,000	10,000
Supply contracts managed	46	39	50	80
<i>Security and Safety Services Group</i>				
Theft of service complaints/responses handled	121	38	200	100
Miles patrolled for preventive measures	159,786	225,527	250,000	250,000
Facility security inspections	20,933	28,355	25,000	29,000
Facility safety inspections	50	25	65	50
Job site inspections	84	81	100	100
Total occupational injuries reviewed	135	114	140	140
Driver improvement classes held	182	179	150	150

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

SUMMARY BY ACTIVITY

Facility Operations & Maintenance Services

	Expenditures	Workyears
FY'11 Actual	\$5,626,351	24.5
FY'12 Approved	\$6,146,300	28.4
FY'13 Proposed	\$6,196,200	28.3

This activity provides for the maintenance of all the WSSC facilities – Commission office buildings, field depots, recreational facilities, and grounds. This includes the management of all heating, ventilation, and air conditioning systems and the associated environmental management systems; and all small to medium size remodeling and facility rehabilitation projects.

FY'13 Major Recommended Changes: None

Commercial Facilities Architect and Engineering Management

	Expenditures	Workyears
FY'11 Actual	\$0	0.0
FY'12 Approved	\$196,900	1.3
FY'13 Proposed	\$257,700	2.4

This activity manages the environmental conditioning equipment throughout the Commission. This includes investigating, evaluating and mitigating indoor air quality concerns. In addition, reviews of renovation design documents and specifications for Commission facilities are performed to ensure compliance with guidelines.

FY'13 Major Recommended Changes: The Budgeted amount for this activity increased by \$60,800, or approximately 31%, for the addition of 1 workyear to support buildings and grounds asset management.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

SUMMARY BY ACTIVITY

Fleet Services

	Expenditures	Workyears
FY'11 Actual	\$3,809,252	37.7
FY'12 Approved	\$4,579,600	43.1
FY'13 Proposed	\$4,591,400	43.2

This activity involves managing and coordinating services for a vehicle and equipment fleet of 1,613 units at 6 garage facilities. This is accomplished by performing preventive maintenance, repairs, and road service; operating automated fuel supply sites; processing tag and title applications; planning and acquiring vehicle and equipment replacements; performing emissions inspections; and utilizing efficient fleet management practices.

FY'13 Major Recommended Changes: None

Fuel Services

	Expenditures	Workyears
FY'11 Actual	\$2,075,701	1.1
FY'12 Approved	\$2,021,800	1.1
FY'13 Proposed	\$2,715,900	1.1

This activity manages the automated fuel system for the Commission and provides fuel system parts for vehicles and equipment. This includes maintenance of fuel dispensing data and transaction records for all 11 automated fuel sites in accordance with State, Local and Federal regulations.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased by \$694,100, or approximately 34%, due to an increase in both fuel requirements and price.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

SUMMARY BY ACTIVITY

Management of Fleet Parts and Supplies

	Expenditures	Workyears
FY'11 Actual	\$342,158	5.5
FY'12 Approved	\$362,900	7.8
FY'13 Proposed	\$394,900	7.8

This activity includes the purchase and management of fleet parts, supplies, and garage equipment. It ensures preventative maintenance and routine repairs are performed on the WSSC's fleet of vehicles and equipment in a timely and efficient manner.

FY'13 Major Recommended Changes: None

Materials Handling

	Expenditures	Workyears
FY'11 Actual	\$5,259,475	28.3
FY'12 Approved	\$5,446,000	29.7
FY'13 Proposed	\$5,545,000	28.6

This activity involves the acquisition and management of materials stocked at the Commission's warehouses and used by employees and contractors in the maintenance and repair of the distribution and collection systems. This includes receiving, storing, and issuing materials; inspecting, testing and evaluating materials; developing new material specifications; and certifying the manufacturing processes, materials, and plants. Funding for the purchase of water meters is included in this activity.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$99,000, or approximately 2%, largely for services to evaluate new products and technology. This increase is partially offset by the transfer of 1 workyear to the General and Administrative Services activity.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

SUMMARY BY ACTIVITY

General and Administrative Services

	Expenditures	Workyears
FY'11 Actual	\$1,895,428	10.0
FY'12 Approved	\$2,803,400	11.3
FY'13 Proposed	\$2,828,700	12.3

This activity supports the Commission by providing printing and mail services to all employees. Additionally, this activity is responsible for the asset management of furniture and office equipment and the disposal of surplus property. This activity also supports vending and cafeteria services.

FY'13 Major Recommended Changes: One workyear was reallocated from the Materials Handling activity to support this activity.

Security Services

	Expenditures	Workyears
FY'11 Actual	\$3,089,141	25.6
FY'12 Approved	\$4,383,900	38.4
FY'13 Proposed	\$5,091,400	38.4

This activity is responsible for providing security for employees and visitors to Commission-owned property and facilities. This involves conducting proactive patrols of all the WSSC properties and facilities; implementing physical and electronic security measures; enforcing all rules, regulations, and laws regarding forestry, the environment, and protection of natural resources; and providing proprietary guard services to specific depots, the Patuxent watershed, and other facilities.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased by \$707,500, or approximately 16%, mainly due to the development of a comprehensive Continuity of Operations Plan in the event of a disaster and preventive maintenance of the electronic security network.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

LOGISTICS OFFICE

(Continued)

SUMMARY BY ACTIVITY

Investigative Services

	Expenditures	Workyears
FY'11 Actual	\$363,646	3.8
FY'12 Approved	\$456,900	6.2
FY'13 Proposed	\$448,700	6.2

This activity involves investigation into civil, criminal, and administrative matters and/or incidents involving Commission property or personnel. Also included are comprehensive investigations of contractors and potential Commission employees, theft of water service, and illegal waste dumping.

FY'13 Major Recommended Changes: None

Safety Services

	Expenditures	Workyears
FY'11 Actual	\$518,462	7.7
FY'12 Approved	\$690,000	8.7
FY'13 Proposed	\$742,000	8.7

This activity provides for the development and supervision of Commission-wide programs to minimize the risk of injuries, accidents, and damage to Commission property. This activity develops and implements training and medical surveillance, performs safety audits and inspections, evaluates work practices, recommends safety improvements, ensures safe use of hazardous materials, and reviews design of Commission facilities.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$52,000, or approximately 8%, for inclusion of a crane operator training program.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

Organizational Descriptions

This Office, led by the Chief Financial Officer, is comprised of the Retirement, Revenue, Accounting, Disbursements, and Budget Groups.

- The ***Retirement Group*** is responsible for administering the WSSC Employees' Retirement Plan for employees and retirees in accordance with the Plan and Internal Revenue Service regulations. The Group also supports the Plan's Board of Trustees in managing and investing Plan assets, and is responsible for investing the WSSC's available funds in accordance with state laws.
- The ***Revenue Group*** is responsible for receiving, processing, depositing, and recording all funds received by the Commission in an accurate and timely manner. The Group also recovers the WSSC's construction and related financing costs for non-program size water and sewer lines by assessing Front Foot Benefit (FFB) Charges as outlined by the Annotated Code of Maryland.
- The ***Accounting Group*** is responsible for maintaining the financial books and records of the Commission and preparing financial statements that fairly present the fiscal position of the Commission and the results of its operations.
- The ***Disbursements Group*** is responsible for maintaining and processing all of the Commission's disbursements, including payroll. Additionally, the Group maintains and reconciles the Commission's debt service records and health care records.
- The ***Budget Group*** is responsible for formulating, preparing, justifying, and administering the Commission's Operating and Capital Budgets, and the six-year Capital Improvements Program (CIP), in accordance with Maryland State law. The Group forecasts the impacts of budget and CIP decisions, provides staff support to the Spending Affordability Group, and prepares the monthly status report on the Commission's budget performance.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Finance Office	\$302,963	\$24,368	\$327,331	3.0	\$359,600	\$26,800	\$386,400	4.0	\$358,300	\$31,300	\$389,600	4.0
Retirement	556,371	178,132	734,503	6.0	542,800	211,700	754,500	6.0	543,900	211,700	755,600	6.0
Revenue	783,088	314,844	1,097,932	12.2	878,000	386,900	1,264,900	14.0	878,900	381,900	1,260,800	14.0
Accounting	1,027,977	5,266	1,033,243	13.3	1,136,500	5,100	1,141,600	15.0	1,124,700	5,600	1,130,300	15.0
Disbursements	1,045,777	50,071	1,095,848	14.0	998,300	62,000	1,060,300	14.0	1,006,600	62,000	1,068,600	14.0
Budget	702,733	107,077	809,810	7.8	690,900	118,100	809,000	9.0	690,500	118,100	808,600	8.0
TOTAL	\$4,418,909	\$679,758	\$5,098,667	56.3	\$4,606,100	\$810,600	\$5,416,700	62.0	\$4,602,900	\$810,600	\$5,413,500	61.0

Mission Statement

The mission of the Finance Office is to maintain the fiscal integrity of the Commission and to help ensure that the available resources are efficiently allocated and productively used to provide value to our customers at the lowest possible price.

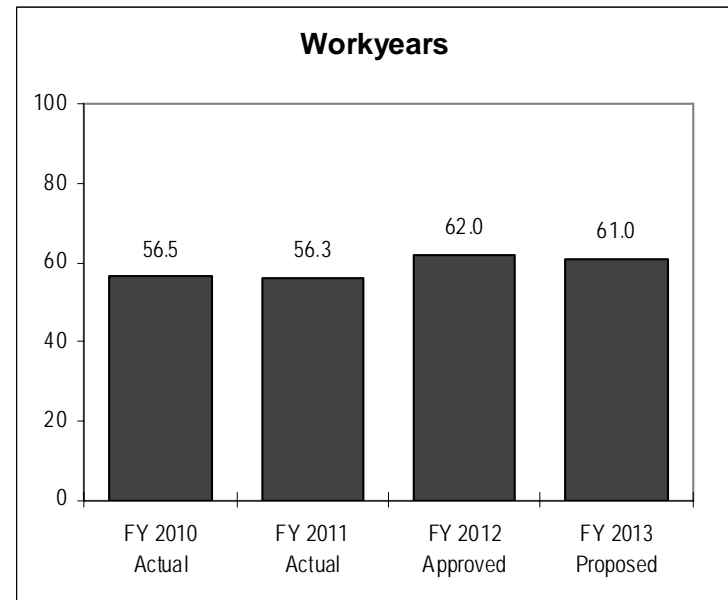
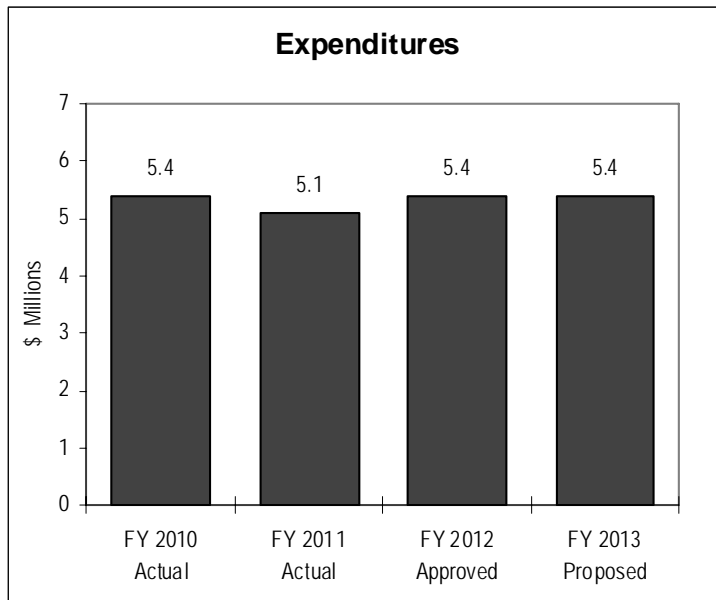
Budget Overview

The FY' 13 Proposed Budget is approximately the same as the FY'12 Approved Budget.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
<i>Retirement Group</i>				
Actuarial valuations for Employees' Retirement Plan and Other Post Employment Benefits (OPEB)	2	1	2	2
Retirement workshops conducted	3	3	4	4
Reports on the Employees' Retirement Plan for the Board of Trustees prepared	10	10	10	10
<i>Revenue Group</i>				
Water and sewer bills processed	1,800,000	1,813,250	1,800,000	1,800,000
Total money processed	\$505,000,000	\$555,000,000	\$520,000,000	\$540,000,000
Percentage of bills processed within 24 hours of receipt	99.6%	99.6%	99.5%	99.5%
Percentage of bills processed without errors	99.9%	99.9%	99.9%	99.9%
Cashier receipts processed	4,300	4,200	4,500	4,200
Petty cash vouchers processed	850	926	1,000	950
Petty cash replenishments	70	68	80	70
New assessments levied	196	227	200	190
New assessment notices generated	120	199	120	120
Reclassification notices generated	75	28	80	65
Annual assessment appeal hearings held	0	0	1	1
Plats, splits, and combinations processed	700	650	700	600
Mainline contracts released for service	105	100	110	100
Deeds Stamped – Acquisitions and Condemnations	100	85	115	90
Development Services contract reviews	110	160	130	145

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
<i>Accounting Group</i>				
Internal financial statements prepared	11	11	11	11
Audited financial statements prepared	1	1	1	1
Uniform financial statements prepared	1	1	1	1
Code of accounts books maintained	1	1	1	1
Mass allocations (overhead rates) performed	12	12	12	12
U.S. Bureau of Census surveys completed	1	1	1	1
Moveable assets tracked	18,589	19,062	18,500	19,000
House Connection Cost Studies completed	1	1	1	1
Front Foot Benefit Sufficiency Studies completed	1	1	1	1
Cash monitoring analyses prepared	12	12	12	12
Bad checks processed (water and sewer service)	5,114	4,785	5,250	5,000
Customer bankruptcy adjustments completed	813	711	800	750
Claims reimbursement requests processed	53	52	50	50
State fuel usage reports prepared	12	12	12	12
Monthly and annual antennae lease collections	571	539	600	550
Fire hydrant meter lease reconciliations prepared	1,289	966	1,500	1,000
Citation payments processed	108	89	100	100
Invoices processed	905	1,083	1,000	1,000

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
<i>Disbursements Group</i>				
Payroll checks and direct deposit statements prepared	37,963	40,736	40,000	40,000
W-2 forms prepared	1,600	1,634	1,600	1,600
Payroll attachments processed	3,628	3,804	3,500	3,700
Invoices processed, including construction contract payments and consultants	27,096	26,661	28,000	27,000
Corporate credit card transactions processed	9,186	10,942	10,000	11,000
Checks disbursed and EFT payments processed	9,677	10,942	10,000	11,000
Bank reconciliations performed	156	156	156	156
<i>Budget Group</i>				
Proposed and Approved budget documents prepared for public distribution	8	8	8	8
Monthly Status Reports prepared	11	10	10	10
Status of Employment Reports prepared	26	26	26	26
Overtime Reports by organizational unit prepared	26	26	26	26
Spending affordability worksessions attended	3	2	3	3
System Development Charge annual reports prepared	1	1	1	1
Bond rating briefings conducted	3	3	3	3
State and federal grant and loan applications prepared	4	4	3	4

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Grants Administration & Capital Funding – Maryland Water Quality (MWQ) Loans

	Expenditures	Workyears
FY'11 Actual	\$78,206	1.0
FY'12 Approved	\$77,100	1.1
FY'13 Proposed	\$77,000	1.1

This activity administers grant monies received from the Environmental Protection Agency and the Maryland Department of the Environment, and includes all efforts associated with Bond and Note operations and Maryland Water Quality Loan administration.

FY'13 Major Recommended Changes: None

Retirement Administration

	Expenditures	Workyears
FY'11 Actual	\$508,365	4.2
FY'12 Approved	\$498,700	4.2
FY'13 Proposed	\$500,100	4.2

This activity includes administering the WSSC's Employees' Retirement Plan by providing retirement benefits counseling for employees and processing monthly annuity payments to retirees in accordance with the Plan and Internal Revenue Service regulations.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Investment Operations

	Expenditures	Workyears
FY'11 Actual	\$254,182	2.1
FY'12 Approved	\$287,800	2.1
FY'13 Proposed	\$288,400	2.1

This activity, in accordance with Maryland law, invests the Commission's funds.

FY'13 Major Recommended Changes: None

Revenue Operations

	Expenditures	Workyears
FY'11 Actual	\$690,321	8.2
FY'12 Approved	\$775,100	9.2
FY'13 Proposed	\$788,300	9.2

This activity involves processing, depositing, and recording all revenue received by the Commission, including payments for water and sewer bills, billed work invoices, grants, permits, and other miscellaneous revenue.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Assessments Preparation and Services

	Expenditures	Workyears
FY'11 Actual	\$464,634	4.4
FY'12 Approved	\$564,400	5.5
FY'13 Proposed	\$549,300	5.5

This activity identifies properties within Montgomery and Prince George's Counties that have newly constructed water and/or sewer mains, completed within the prior calendar year, to determine front foot benefit charge assessments. Additionally, this activity identifies, evaluates, and records all reclassifications as a result of property usage changes.

FY'13 Major Recommended Changes: None

General Ledger

	Expenditures	Workyears
FY'11 Actual	\$595,832	7.5
FY'12 Approved	\$652,400	8.4
FY'13 Proposed	\$647,600	8.5

This activity maintains the Commission's books and records in a standard that allows the reporting of its operations and financial condition in accordance with Generally Accepted Accounting Principles.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Research, Special Handling, and Special Studies

	Expenditures	Workyears
FY'11 Actual	\$318,707	4.0
FY'12 Approved	\$409,400	5.3
FY'13 Proposed	\$377,700	4.9

This activity includes performing special analyses and studies that are prepared on a regular and as-needed basis to support rates, fees, and charges calculations. This allows the Commission to set rates, fees, and charges based on accurate data and information, and ensures that Commission decisions and policies are made based on reliable financial information.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased by \$31,700, or approximately 8%, due to reallocation of resources to the Invoicing and Delinquent Accounts activity.

Invoicing and Delinquent Accounts

	Expenditures	Workyears
FY'11 Actual	\$180,868	2.3
FY'12 Approved	\$159,800	2.0
FY'13 Proposed	\$187,200	2.3

This activity accumulates total reimbursable costs incurred by the Commission, prepares invoices to the liable parties, and monitors collection of the amounts due. Billings include damage to Commission facilities, citations, special cost sharing arrangements, fire hydrant meter leases, and final accounting for developer projects.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased by \$27,400, or approximately 17%. The increase is a result of enhancements made to the Billed Work System which now tracks billing and collection of antennae leases on a monthly basis.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Accounts Payable

	Expenditures	Workyears
FY'11 Actual	\$681,537	9.4
FY'12 Approved	\$664,900	9.3
FY'13 Proposed	\$673,900	9.5

This activity includes processing of invoices; generating disbursement checks and electronic payments; and preparing and maintaining detailed schedules of the Commission's note and bond principal and interest expenses.

FY'13 Major Recommended Changes: None

Maintenance of Debt Service Records

	Expenditures	Workyears
FY'11 Actual	\$84,103	0.6
FY'12 Approved	\$103,000	0.5
FY'13 Proposed	\$106,700	0.6

This activity maintains and reconciles the Commission's debt service schedules and tables and prepares debt service information booklets.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Health and Dental Accounting

	Expenditures	Workyears
FY'11 Actual	\$62,388	0.8
FY'12 Approved	\$61,100	0.6
FY'13 Proposed	\$64,800	0.8

This activity maintains and reconciles the financial records of the Commission's health care and dental plans.

FY'13 Major Recommended Changes: None

Bank Account Reconciliations

	Expenditures	Workyears
FY'11 Actual	\$19,288	0.2
FY'12 Approved	\$19,900	0.2
FY'13 Proposed	\$20,100	0.2

This activity includes timely reconciliation of all Commission checking, collection, general receiving, disbursing, and payroll bank accounts. The activity also processes approved travel advances, ensures timely travel expense accounting, and verifies compliance with the Commission's travel policy.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Payroll Processing

	Expenditures	Workyears
FY'11 Actual	\$313,969	3.5
FY'12 Approved	\$286,100	4.1
FY'13 Proposed	\$279,900	3.6

This activity processes bi-weekly payrolls. This includes collecting, editing, and reviewing payroll activity; ensuring compliance with all federal and state regulations; implementing appropriate deductions; handling direct deposits; preparing W-2s; preparing applicable journal entries; and maintaining the Commission's vendor database.

FY'13 Major Recommended Changes: None

Budget and CIP Preparation and Administration

	Expenditures	Workyears
FY'11 Actual	\$833,749	7.9
FY'12 Approved	\$824,400	9.1
FY'13 Proposed	\$840,100	8.3

This activity prepares and transmits a proposed capital and operating budget to the counties by March 1 of each year. This is accomplished by developing assumptions, workload projections, and policies to guide the organizational units of the Commission in preparing budget requests; developing appropriate budget procedures and formats; providing guidance and support to various units in formulating budget recommendations and appropriate performance measures; analyzing operating programs and expenditure schedules; and maintaining liaison with the counties on budgetary and related fiscal policy matters.

A six-year Capital Improvements Program (CIP) for major water and sanitary sewerage facilities is also prepared and transmitted to the counties by October 1 of each year. Activities for the CIP involve supporting organizational units in preparing project information; reviewing project costs and expenditure schedules; assessing financial impacts; and providing analytical information to brief the General Manager, Commissioners, and county staff.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE

(Continued)

SUMMARY BY ACTIVITY

Financial Planning and Studies

	Expenditures	Workyears
FY'11 Actual	\$12,518	0.2
FY'12 Approved	\$32,600	0.4
FY'13 Proposed	\$12,400	0.2

This activity is responsible for preparing long-range financial policies; conducting special studies and analyses; preparing the Commission's Monthly Status Report; providing staff support to the Spending Affordability Group; and performing other special studies and projects that may be required by governmental mandates and directives.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

Organizational Descriptions

This Team, led by the Customer Care Team Chief, is comprised of the Customer Relations, Customer Care North, West, Central, South, Information Support, Support Services, Strategic Planning, and Wastewater Collections System Groups. This Team is directly responsible for maintaining water and sewer mains throughout the Washington Suburban Sanitary District.

- The ***Customer Relations Group*** is responsible for answering customer calls and letters regarding emergencies and more routine matters, such as: occupancy changes, high bills, payments and payment extensions, and suspension of services due to nonpayment of bills. In addition, this Group is responsible for walk-in customer service, handling requests for new meters, reviewing billing exceptions, correcting and adjusting billing, and investigating and resolving claims. They serve as the initial point of customer contact and are tasked with receiving and dispatching calls to the four Customer Care zones.
- The ***Customer Care North, West, Central, and South Groups*** are responsible for maintaining the distribution and collection system including all of the Commission's water and sewer mains and water meters, thus ensuring the consistent flow of water and outflow of wastewater within their geographical regions and preserving the infrastructure in order to provide quality service for our customers.
- The ***Information Support Group*** is responsible for maintaining the data integrity and distributing information regarding the automated systems currently utilized by the Customer Care Team staff. This Group also serves as the liaison with Information Technology staff in testing and implementing new technology to determine its effectiveness for potential use by Customer Care Team employees, as well as designing and testing new applications that are necessary to fill gaps that are identified within the current information systems.
- The ***Support Services Group*** is responsible for administering the in-house water main replacement program; the water meter evaluation, testing, and repair program for large and small meters; and for reading the WSSC's water meters, ensuring accurate customer billing. Auxiliary emergency maintenance support is provided to the other Customer Care Depots during peak periods or critical events. Additional support services provided include fire hydrant flow testing, the fire hydrant meter leasing program, and warehousing and issuing of large water meters.
- The ***Strategic Planning Group*** is responsible for training Customer Care Team employees and ensuring that the Team's current work practices are operationally effective. This Group searches for best practices and/or technology that will provide greater efficiencies and increase productivity in the various work groups of the Customer Care Team.
- The ***Wastewater Collections System Group*** is responsible for proper maintenance of the wastewater collection system, including inspection; line blockage analysis; routine, preventive, and emergency collection system cleaning; Sewer System Evaluation Surveys (SSES) for flow reduction; trunk sewer and creek crossing inspections; and administration and reporting of Sanitary Sewer Overflow (SSO) Consent Decree requirements.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Customer Care Team Office	\$721,187	\$7,577,396	\$8,298,583	7.2	\$1,178,200	\$10,215,300	\$11,393,500	15.0	\$699,800	\$12,833,000	\$13,532,800	7.0
Customer Relations	5,559,808	5,042,239	10,602,047	99.0	5,234,000	4,619,300	9,853,300	92.0	5,210,300	4,639,500	9,849,800	92.0
Customer Care North	4,365,677	1,016,108	5,381,785	59.4	4,603,700	2,220,400	6,824,100	64.0	4,813,700	2,341,200	7,154,900	65.0
Customer Care West	5,042,217	2,366,681	7,408,898	63.5	4,990,400	3,033,600	8,024,000	68.0	5,235,300	3,172,100	8,407,400	69.0
Customer Care Central	4,441,318	3,037,497	7,478,815	60.7	4,629,400	3,330,400	7,959,800	63.0	4,739,800	3,470,600	8,210,400	64.0
Customer Care South	4,652,094	3,392,620	8,044,714	61.0	5,113,900	2,084,600	7,198,500	69.0	5,167,300	2,249,300	7,416,600	69.0
Customer Care Support Services	5,158,355	2,178,267	7,336,622	100.2	6,504,600	3,885,500	10,390,100	124.0	6,596,200	6,385,800	12,982,000	124.0
Customer Care Information Support	783,987	41,611	825,598	9.8	781,800	130,500	912,300	11.0	841,200	130,600	971,800	11.0
Customer Care Strategic Planning	635,779	5,397	641,176	7.9	706,000	39,800	745,800	9.0	647,200	34,900	682,100	9.0
Wastewater Collections System	4,678,626	17,374,670	22,053,296	66.5	4,522,800	24,086,500	28,609,300	66.0	5,147,700	24,410,700	29,558,400	73.0
TOTAL	\$36,039,048	\$42,032,486	\$78,071,534	535.2	\$38,264,800	\$53,645,900	\$91,910,700	581.0	\$39,098,500	\$59,667,700	\$98,766,200	583.0

Mission Statement

The mission of the Customer Care Team is to ensure that customers receive optimum service by promptly reading the WSSC's water meters and generating accurate bills, and effectively maintaining the water distribution and wastewater treatment systems infrastructure.

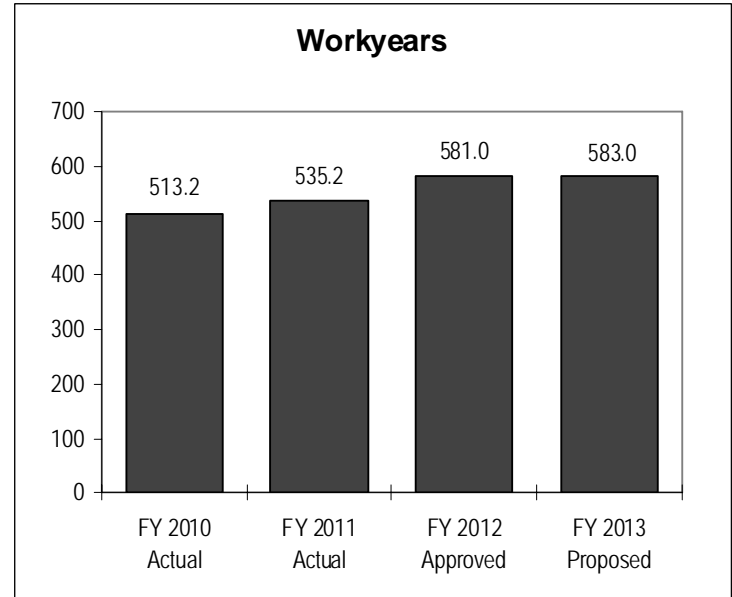
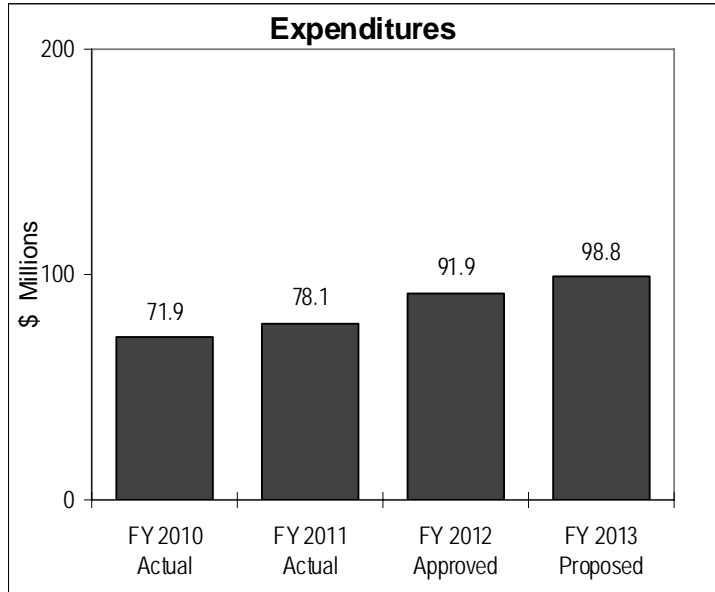
Budget Overview

The FY'13 Proposed Budget is \$6,855,500, or approximately 7%, greater than the FY'12 Approved Budget. The increase is due primarily to expansion of the Large Diameter Water Pipe Rehabilitation Program (PCCP repair and replacement) and the introduction of the Advanced Metering Infrastructure project. A net increase of two workyears was added to the Team due to increased focus on PCCP and transmission main inspection, valve exercising and repair, leak detection, collections efforts, and enhanced maintenance and inspections programs to address Sanitary Sewer Overflows and basement backups.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
<i>Customer Relations Group</i>				
Claims received	1,162	1,543	1,600	1,600
Bill adjustments/corrections	13,088	14,186	18,000	18,000
Billed work investigations	811	548	900	800
Correspondence received	13,987	12,826	18,000	18,000
Non-emergency calls received	632,154	621,692	650,000	650,000
Emergency calls from customers answered	78,296	73,246	95,000	95,000
Large meter work orders processed	2,159	1,954	4,000	4,000
<i>Customer Care North Group</i>				
Large meter tests and, if necessary, repairs	213	214	170	200
Small meters replaced	1,551	1,369	2,000	1,950
Small meters installed (new connections)	659	537	650	550
Special meter readings completed	3,472	3,326	3,500	3,000
Property inspections performed	32	169	100	100
Collection turn-offs performed	5,555	5,945	5,000	5,000
Routine flush for discolored water	387	331	400	400
Emergency clean sewer service	21	18	30	30
Emergency clean sewer main	109	140	130	130
Emergency flush for discolored water	388	452	500	500
Water main repairs performed	363	458	450	450
Emergency sewer inspections performed	651	646	550	550
Emergency water inspections performed	2,645	3,002	3,000	3,000
Emergency water main shutdowns performed	24	40	30	30
<i>Customer Care West Group</i>				
Large meter tests and, if necessary, repairs	196	152	225	225

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
Small meters replaced	2,490	2,360	2,500	3,050
Small meters installed (new connections)	391	422	500	500
Special meter readings completed	10,933	10,568	11,000	11,000
Property inspections performed	276	351	300	300
Collection turn-offs performed	9,001	9,420	7,000	9,000
Routine flush for discolored water	104	69	120	120
Emergency clean sewer service	33	44	50	50
Emergency clean sewer main	150	125	200	150
Emergency flush for discolored water	285	321	300	300
Water main repairs performed	361	445	400	450
Emergency sewer inspections performed	786	718	700	750
Emergency water inspections performed	2,405	2,709	2,500	2,700
Emergency water main shutdowns performed	54	73	55	70
<i>Customer Care Central Group</i>				
Large meter tests and, if necessary, repairs	165	181	200	200
Small meters replaced	2,129	1,988	7,300	3,000
Small meters installed (new connections)	701	472	900	900
Special meter readings completed	8,255	8,833	9,000	9,000
Property inspections performed	247	254	290	300
Collection turn-offs performed	10,813	10,844	13,000	13,000
Routine flush for discolored water	170	163	170	170
Emergency clean sewer service	26	25	25	25
Emergency clean sewer main	86	99	80	80
Emergency flush for discolored water	366	404	400	400
Water main repairs performed	446	409	475	475
Emergency sewer inspections performed	698	718	700	700

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
Emergency water inspections performed	3,008	3,181	3,400	3,400
Emergency water main shutdowns performed	55	67	55	55
<i>Customer Care South Group</i>				
Large meter tests and, if necessary, repairs	208	302	280	280
Small meters replaced	1,926	2,046	3,000	3,450
Small meters installed (new connections)	1,063	1,024	1,300	1,300
Special meter readings completed	9,573	8,070	13,000	8,250
Property inspections performed	306	377	325	400
Collection turn-offs performed	20,741	19,365	20,000	20,000
Routine flush for discolored water	367	368	370	370
Emergency clean sewer service	26	28	40	40
Emergency clean sewer main	111	130	150	150
Water main repairs performed	634	642	700	700
Emergency sewer inspections performed	858	902	850	910
Emergency water inspections performed	3,765	3,574	3,800	3,700
Emergency water main shutdowns performed	41	41	45	45
<i>Customer Care Support Services Group</i>				
Fire hydrant meters issued	1,764	1,666	2,100	1,700
Large meter tests and, if necessary, repairs	119	162	300	220
Small meter shop tests	3,161	3,364	3,500	3,400
Water mains replaced (in feet) by in-house crews	30,624	37,488	63,360	63,360
Fire flow tests performed	300	178	310	310
Regular meter readings completed	1,832,230	1,836,972	1,800,000	1,850,000
Percentage of meter readings secured on first visit	99%	99%	95%	95%
<i>Wastewater Collections Systems Group</i>				
Percentage of on-schedule delivery of federal and state mandated reports	100%	100%	100%	100%

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
Miles of sewer mains cleaned for preventive maintenance	540	576	450	500
Miles of sewer mains cleaned on emergency basis	24	24	20	20
Emergency clear sewer services performed	554	689	450	450
Number of repeat backups within 90 days of corrective cleaning	2	1	2	2
Miles of sewer main televised for preventative maintenance program (WSSC Crews)	52	47	65	55
Miles of mainline sewer televised for proactive maintenance program (by contract)	275	128	250	250
Number of line blockage analysis reviews completed after CCTV inspection	1,556	768	650	650
Miles of sewer smoke-tested	5	3	10	5
Manholes inspected (by contract)	2,229	2,270	5,000	5,000
Telemetered gauges operated	171	195	200	200
Calibrations performed	546	583	680	680
Chemical root control (work order count)	6,353	4,479	2,950	2,950

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Claims

	Expenditures	Workyears
FY'11 Actual	\$4,777,813	6.8
FY'12 Approved	\$4,583,100	6.9
FY'13 Proposed	\$4,853,000	6.9

This activity involves investigating claims made against the WSSC to determine liability exposure; assessing damages to determine appropriate settlement value; negotiating liability claims settlement, when appropriate; and pursuing claims against responsible third parties for damages incurred by the Commission.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$269,900, or approximately 6%. The amount budgeted for claims was increased to be more in line with actual spending.

Customer Account Maintenance

	Expenditures	Workyears
FY'11 Actual	\$752,423	10.8
FY'12 Approved	\$822,300	11.5
FY'13 Proposed	\$788,700	11.5

This activity is associated with processing bill adjustments granted to customers who meet the adjustment policy criteria; updating adjustments to customer accounts in the Customer Service Information System (CSIS) database; and investigating refund requests, which may result in customer account modifications.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Monthly Bill Customer Account Inquiry

	Expenditures	Workyears
FY'11 Actual	\$207,773	2.3
FY'12 Approved	\$193,200	2.3
FY'13 Proposed	\$186,500	2.3

This activity determines appropriate actions to ensure that customers, particularly large users, producing 40% of the WSSC's revenue, are billed accurately; and that malfunctioning meters, which are inaccurately measuring consumption, are properly identified, investigated, and either repaired or replaced.

FY'13 Major Recommended Changes: None

Billed Work

	Expenditures	Workyears
FY'11 Actual	\$173,330	1.7
FY'12 Approved	\$128,600	1.7
FY'13 Proposed	\$123,600	1.7

This activity involves investigating and invoicing for damages to WSSC property caused by others, or damage the WSSC causes to others.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Bay Fee Administration

	Expenditures	Workyears
FY'11 Actual	\$35,443	0.6
FY'12 Approved	\$38,400	0.6
FY'13 Proposed	\$26,300	0.6

This activity provides for administration of the State-mandated Chesapeake Bay Restoration Fee; specifically, adjustment processing for the exemption program.

FY'13 Major Recommended Changes: None

Customer Correspondence

	Expenditures	Workyears
FY'11 Actual	\$460,877	6.3
FY'12 Approved	\$428,400	6.3
FY'13 Proposed	\$409,900	6.3

This activity is associated with addressing written correspondence received from WSSC customers. Inquiries and communications received via letter, fax, or electronic mail are entered into the CSIS database to accurately reflect the customer's account history.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Dispute Resolution/Refund Hearing

	Expenditures	Workyears
FY'11 Actual	\$178,830	1.7
FY'12 Approved	\$80,000	1.2
FY'13 Proposed	\$76,600	1.2

This activity is associated with all aspects of the dispute resolution and/or refund hearing process and the administrative functions necessary to track, evaluate, and prepare information associated with the hearings.

FY'13 Major Recommended Changes: None

Customer Account Inquiry (Non-Emergency)

	Expenditures	Workyears
FY'11 Actual	\$2,779,582	48.3
FY'12 Approved	\$2,462,700	41.9
FY'13 Proposed	\$2,340,000	41.9

This activity is associated with addressing customers' billing issues stemming from telephone conversations and walk-in inquiries. Specifically, this activity includes analyzing account records regarding household customer water use habits; generating work orders, scheduling and evaluating field service activities in the CSIS database such as inspections, field investigations, and restoration of service; and educating customers on such topics as sources of water loss and water conservation.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Customer Account Inquiry (Emergency)

	Expenditures	Workyears
FY'11 Actual	\$618,573	9.1
FY'12 Approved	\$558,800	9.2
FY'13 Proposed	\$531,900	9.2

This activity is associated with answering emergency telephone calls to the WSSC's Emergency Call Center. Agents assist customers with emergency inquiries and system/maintenance field concerns. The staff generates a variety of work orders for field personnel, ensuring they respond within the designated two hour window for emergency response, and notifies County and State agencies of infrastructure events that significantly impact the community.

FY'13 Major Recommended Changes: None

Radio Dispatching

	Expenditures	Workyears
FY'11 Actual	\$653,866	11.4
FY'12 Approved	\$580,300	10.3
FY'13 Proposed	\$550,000	10.3

This activity communicates with field staff to investigate reports of emergencies and receive updates on field maintenance activities; updates maintenance records and arranges for resolution of problems; and operates base radio station equipment dispatching emergency work orders to maintenance crews, cleaning companies, plumbers, and other WSSC personnel as required.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Meter Ordering

	Expenditures	Workyears
FY'11 Actual	\$72,887	1.1
FY'12 Approved	\$70,800	1.2
FY'13 Proposed	\$67,400	1.2

This activity involves the acceptance, review, and processing of all new small meter order requests from registered Master Plumbers.

FY'13 Major Recommended Changes: None

Research and Development

	Expenditures	Workyears
FY'11 Actual	\$28,186	0.5
FY'12 Approved	\$27,100	0.5
FY'13 Proposed	\$27,400	0.5

This activity is associated with identifying initiatives that increase productivity and efficiency; evaluating the cost impact of "best in class" business practices, with specific emphasis on training and technology integration; and evaluating new products and metering systems.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Business Technology Analyst/Project Management (BTA/PM) Support

	Expenditures	Workyears
FY'11 Actual	\$116,773	1.1
FY'12 Approved	\$125,600	1.2
FY'13 Proposed	\$125,800	1.2

This activity provides program and project management support for new enterprise system development and replacement of current legacy applications. This activity includes developing requirements and specifications for new and improved business processes, coordinating with IT liaisons on behalf of business units, and identifying critical paths and performing risk analysis on all automation projects and program efforts for the Customer Care Team.

FY'13 Major Recommended Changes: None

Asset Management Program

	Expenditures	Workyears
FY'11 Actual	\$109,504	1.0
FY'12 Approved	\$606,900	9.3
FY'13 Proposed	\$837,500	10.3

The Asset Management Program focuses on the development of an Enterprise Asset Management Plan which identifies the infrastructure needs for a 30-year planning period. This activity involves the identification of infrastructure needs (existing and future); development and implementation of an asset management strategy to strengthen current practices for optimal investment decision-making; and the advancement of the Commission's core strategy of Infrastructure Asset Management. (A unit had been proposed and approved in FY'12 within the Customer Care Team to focus primarily on the development and implementation of asset management plans, processes, procedures, etc., associated specifically with buried assets.)

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$230,600, or approximately 38%. This is due, in part, to an additional workyear to support infrastructure condition assessment and maintenance staff by analyzing data to determine which pipes need replacing, which need repair, and the priority associated with each. Due to the aging of infrastructure and the rapidly accelerating maintenance curve of Commission infrastructure, WSSC is focusing on proactive methods of determining which components should be repaired or replaced prior to failure.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Computerized Information Systems Support

	Expenditures	Workyears
FY'11 Actual	\$439,631	5.4
FY'12 Approved	\$464,700	4.9
FY'13 Proposed	\$465,800	4.9

This activity involves managing information systems relative to changes, problems, performance, and service activities. This includes the mainframe systems such as the Customer Service Information System and the Maintenance Management Information System. This activity is also associated with providing support for application development and modifications to the current computerized applications used by the Commission.

FY'13 Major Recommended Changes: None

Temporary Fire Hydrant Meter Leasing and Maintenance

	Expenditures	Workyears
FY'11 Actual	\$86,394	1.1
FY'12 Approved	\$92,300	1.1
FY'13 Proposed	\$93,000	1.1

This activity involves administering the Commission's Temporary Fire Hydrant Meter Leasing Program, which permits the temporary use of metered fire hydrants to individuals or firms. All fire hydrant meters are tested, repaired, and maintained to further ensure proper registration and billing accuracy.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Water Main Replacement

	Expenditures	Workyears
FY'11 Actual	\$4,490,708	42.9
FY'12 Approved	\$6,786,000	57.3
FY'13 Proposed	\$6,611,000	56.8

This activity is associated with the replacement of water mains that are undersized or aged past their useful life by in-house staff. This function contributes to the reduction of discolored water complaints and service interruptions due to frequent main breaks, and increases fire protection.

FY'13 Major Recommended Changes: None

Field Crew Scheduling

	Expenditures	Workyears
FY'11 Actual	\$36,049	0.5
FY'12 Approved	\$35,000	0.5
FY'13 Proposed	\$35,400	0.5

This activity involves simulating and scheduling water main shutdowns.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Flow Test

	Expenditures	Workyears
FY'11 Actual	\$36,049	0.5
FY'12 Approved	\$39,000	0.5
FY'13 Proposed	\$39,400	0.5

This activity involves routine inspection of the water distribution system and performing fire flow tests for outside agencies.

FY'13 Major Recommended Changes: None

Provide As-Built Plans

	Expenditures	Workyears
FY'11 Actual	\$55,955	1.2
FY'12 Approved	\$67,800	3.2
FY'13 Proposed	\$207,200	3.2

This activity is associated with efforts to rehabilitate the water distribution and wastewater collection systems by providing as-built plans to contractors.

FY'13 Major Recommended Changes: The budgeted amount for this activity has increased \$139,400, or approximately 206%. The increased funding provides for a temporary contract to catch up on a backlog of as-built drawings.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Large Meter Testing, Repair & Replacement

	Expenditures	Workyears
FY'11 Actual	\$1,193,234	16.1
FY'12 Approved	\$1,207,700	16.2
FY'13 Proposed	\$1,290,600	16.4

This activity involves testing, repairing, and replacing large meters to ensure billing accuracy.

FY'13 Major Recommended Changes: None

Small Meter Testing, Repair & Replacement

	Expenditures	Workyears
FY'11 Actual	\$1,670,430	24.2
FY'12 Approved	\$1,669,300	25.3
FY'13 Proposed	\$1,750,800	24.5

This activity involves testing, repair, and/or replacement of small meters in the WSSD service area. Meters that are tested and repaired on a routine preventive maintenance basis are more likely to operate at optimum levels with fewer instances of inaccurate registration. Some meters lose accuracy over time and it may be necessary to replace them to ensure accurate registration for our customers.

FY'13 Major Recommended Changes: The budgeted amount for this activity has increased \$81,500, or approximately 5%. In order to reduce the number of estimated billings and prepare for the roll-out of the Advanced Metering Infrastructure system, greater emphasis is being put on proactive replacement of older meters.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

New Meters

	Expenditures	Workyears
FY'11 Actual	\$28,284	0.5
FY'12 Approved	\$27,200	0.5
FY'13 Proposed	\$27,500	0.5

This activity involves processing requests for both small and large meters from external customers. The primary function of this activity is to ensure that all activated meters are assigned an account number and properly billed.

FY'13 Major Recommended Changes: None

Meter Reading

	Expenditures	Workyears
FY'11 Actual	\$2,954,925	53.9
FY'12 Approved	\$2,933,400	56.7
FY'13 Proposed	\$2,942,200	56.7

This activity is associated with providing timely and accurate meter readings in order to render customer bills based on actual usage.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Collection

	Expenditures	Workyears
FY'11 Actual	\$762,232	11.0
FY'12 Approved	\$885,700	13.1
FY'13 Proposed	\$1,075,000	15.3

This activity is associated with collecting revenue for delinquent accounts and is largely responsible for terminating and restoring water services.

FY'13 Major Recommended Changes: The budgeted amount for this activity has increased \$189,300, or approximately 21%. Due to the large number of delinquent accounts, greater emphasis will be placed on and more workyears will be spent on collection efforts.

Maintenance

	Expenditures	Workyears
FY'11 Actual	\$19,924,468	168.4
FY'12 Approved	\$21,107,000	186.3
FY'13 Proposed	\$21,606,600	182.6

This activity involves performing measures designed to lengthen the service life of water and sewer mains. This includes providing regular interval flushing to minimize discolored water and regularly locating and exercising large valves to ensure system operability. These measures seek to minimize or avoid more costly corrective maintenance activities. Adjustment, repair, and replacement of components after failure within the water distribution and wastewater collection systems are also included in this activity.

FY'13 Major Recommended Changes: The budgeted amount for this activity has increased \$499,600, or approximately 2%, due to a projected increase in the number of water main breaks. However, past history has indicated an increased need for inspection associated with emergency work orders, prompting a transfer of workyears to Inspection Maintenance.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Inspection Maintenance

	Expenditures	Workyears
FY'11 Actual	\$2,562,602	19.8
FY'12 Approved	\$1,743,200	17.4
FY'13 Proposed	\$1,757,100	19.1

This activity involves routine and emergency inspection of integral components of the water distribution and wastewater collection systems. The primary objective of this activity is to respond to and assess emergency maintenance requests from customers.

FY'13 Major Recommended Changes: Budgeted workyears for this activity increased due to a transfer from the Maintenance activity. Past history has indicated an increased need for inspection associated with emergency work orders.

Capital Project Support

	Expenditures	Workyears
FY'11 Actual	\$2,202,163	7.4
FY'12 Approved	\$4,169,400	13.3
FY'13 Proposed	\$4,508,700	15.2

This activity involves the maintenance crew support of capital construction projects, such as water main shut downs, locating and exposing facilities, and new house connections.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$339,300, or approximately 8%. The PCCP Inspection program has expanded and been transferred from the Maintenance activity to the Capital Project Support activity.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Data Administration/Quality Assurance

	Expenditures	Workyears
FY'11 Actual	\$280,019	3.4
FY'12 Approved	\$296,600	3.7
FY'13 Proposed	\$297,400	3.7

This activity provides support for data management and information integrity assurance of the WSSC's corporate data systems. Responsibilities include assisting in the programming, scheduling, evaluation, and quality control aspects of information systems and data processing activities; assisting in enhancing and maintaining different automated systems; generating test data and routines for various systems; and producing ad-hoc reports.

FY'13 Major Recommended Changes: None

Design/Deliver/Evaluate Courses

	Expenditures	Workyears
FY'11 Actual	\$649,902	8.0
FY'12 Approved	\$754,900	9.1
FY'13 Proposed	\$692,300	9.1

This activity involves identifying training requirements, developing training materials, coordinating and providing training courses, and evaluating course effectiveness. Course development includes specific business process computer skills, non-technical skills such as customer relations (telephone) etiquette, and technical skills such as pipe repair.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased \$62,600, or approximately 8%. This is due to a shift towards more on-demand self-paced learning modules. Computers and software in support of this approach were approved for the FY'12 budget.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Planning

	Expenditures	Workyears
FY'11 Actual	\$2,439,900	7.5
FY'12 Approved	\$2,276,400	8.1
FY'13 Proposed	\$2,391,600	7.9

The purpose of this activity is to provide the necessary management and administration related to compliance with the requirements of the federal Sanitary Sewer Overflow (SSO) Consent Decree, and execution of the Line Blockage Analysis (LBA) Program, which provides for review of sewer lines and service stoppage data and recommendations for preventive maintenance sewer cleaning and other measures to eliminate repetitive backups and overflows.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$115,200, or approximately 5%. This is due to additional administrative requirements of the SSO Consent Decree, and the transfer of on-call plumbing services to this activity.

Field Maintenance

	Expenditures	Workyears
FY'11 Actual	\$3,258,204	39.6
FY'12 Approved	\$3,595,200	41.4
FY'13 Proposed	\$3,715,500	40.9

This activity provides for the proactive cleaning and/or televising of sewer mains (Proactive Maintenance Program); preventive sewer cleaning in order to reduce or eliminate the possibility of future sewer backups or overflows; corrective sewer main and service cleaning on an emergency basis; and closed circuit television (CCTV) inspection of sewer main lines and service laterals after a customer has experienced a sewage backup into their home or business. It includes the analysis of related videotapes to provide a recommendation for preventive or corrective maintenance.

FY'13 Major Recommended Changes: The budgeted amount for this activity has increased \$120,300, or approximately 3%. Attenuator hauling, which had previously been associated with the Contracts activity, has been reassigned to the Field Maintenance activity. (An attenuator is a device intended to reduce the damage done to structures, vehicles, or persons resulting from motor vehicle impact. Impact attenuators are designed to absorb the errant vehicle's kinetic energy and/or redirect the vehicle away from the point of impact, i.e. buildings, roadway machinery or workers.)

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Sewer Analysis

	Expenditures	Workyears
FY'11 Actual	\$13,226,980	13.2
FY'12 Approved	\$15,918,900	16.1
FY'13 Proposed	\$22,791,700	15.9

The purpose of this activity is to investigate problem basins utilizing in-house staff and contract assistance to develop flow monitoring projects to evaluate the magnitude of the problems. This activity also includes physical surveys, smoke testing, dye testing, and internal inspection to identify specific defects. Staff supporting this activity also perform Sewer System Evaluation Surveys (SSES) of selected basins for the purpose of identifying and eliminating extraneous flows. This activity also provides for inspecting and documenting the condition of manholes, trunk sewer lines, and creek crossings to identify and correct problems having the potential for causing sewer overflows; and managing and operating the flow surveillance components of the WSSC's Comprehensive Sewer Model.

FY'13 Major Recommended Changes: The budgeted amount for this activity has increased \$6,872,800, or approximately 43%. This is due to the transfer of pipe armoring from the Contracts activity to this activity and expansion of the lateral inspection program.

Contracts

	Expenditures	Workyears
FY'11 Actual	\$10,807,545	7.9
FY'12 Approved	\$17,134,800	2.2
FY'13 Proposed	\$12,880,800	1.0

The purpose of this activity is to provide for prestressed concrete cylinder pipe (PCCP) repair. PCCP repair work includes pipe replacement, pipe repair (by carbon fiber or external tendon), joint repair, mobilization, and excavation. The timing and approach to repair is determined following PCCP inspection, which is performed by the Engineering & Construction Team. Included in this activity is the preparation of contract documents, contract management and payment to contractors who perform the work. Rehabilitation/replacement/repair of these mains provides value to the customer by minimizing the risk of catastrophic failure and ensuring a safe and reliable water supply.

This activity also provided for the preparation of contract documents and contract management for the Sewer Rehabilitation Program prior to its transfer to the Engineering & Construction Team in FY'11.

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased \$4,254,000, or approximately 25%. This is due to the transfer of responsibility for the Sewer Rehabilitation Program to the Engineering & Construction Team.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

CUSTOMER CARE TEAM

(Continued)

SUMMARY BY ACTIVITY

Advanced Metering Infrastructure (AMI)

	Expenditures	Workyears
FY'11 Actual	\$0	0.0
FY'12 Approved	\$0	0.0
FY'13 Proposed	\$2,642,000	2.1

The purpose of this activity is to provide for the implementation of a system-wide automated meter reading infrastructure system. New Meter Interface Units with internal antenna capable of obtaining and/or transmitting the meter register reading will be installed on all meters. The system may be either a mobile system where meters are read by a meter reader driving down the street with a portable radio-based meter reading device or a fixed network communications system with data collectors installed on poles and rooftops. Expected benefits include: monthly billing based on actual (not estimated) meter readings; improved monitoring and operation of the distribution system so that abnormal consumption signifying leaks or meter malfunctions may be quickly addressed; a reduction in customer calls; and opportunities to employ more sophisticated rate structures.

FY'13 Major Recommended Changes: This is a new activity within the Customer Care Team developed for FY'13. AMI is expected to improve both customer service and operational efficiency. The implementation is expected to span five years.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

Organizational Descriptions

This Team, led by the Chief Information Officer, is comprised of the Application Development, Enterprise Technology Solutions, Quality Assurance, Systems Support & Operations, Network Support, Information Technology (IT) Customer Support, IT Risk and Information Management, PMO & IT Communications, and IT Governance & Interagency Liaison Divisions. The Team Office is responsible for developing, maintaining, and supporting the long- and short-term IT Strategic Plan by managing the direction of all divisions to ensure that each is aligned with the Commission's core strategies and Annual Action Items. The Team Office is also responsible for providing contract administration, budget preparation and monitoring, and enterprise architecture.

- The *Application Development Division* is responsible for providing application software development to support the core business operations and initiatives of the Commission.
- The *Enterprise Technology Solutions Division* is responsible for supporting organization-wide needs of the Commission in areas of Geographic Information Systems (GIS), Internet and intranet web development, corporate reporting, and document management systems.
- The *Quality Assurance Division* is responsible for designing, documenting, and implementing quality assurance (QA) methods and systems for all custom applications, enterprise technology solutions, and third-party software in use at the Commission.
- The *Systems Support & Operations Division* is responsible for performance measuring and tuning; storage management; tape maintenance; database administration; technical support; production program management; and disaster recovery assistance. This Division also provides hardware and system software maintenance, and operational support across the WSSC's multi-platform infrastructure environments.
- The *Network Support Division* is responsible for managing the Commission's data network and telecommunications systems and services, encompassing the design, implementation, and support for all enterprise network and telephony infrastructure.
- The *IT Customer Support Division* is responsible for monitoring all Commission desktop initiatives and operations, IT inventory and asset management, and IT service request and delivery.
- The *IT Risk and Information Management Division* is responsible for managing all aspects of IT risk and the Commission's information assets, including value, change, availability, security, project, and recovery to provide a single, comprehensive view of IT-related business risks while ensuring the organization's ability to capture, manage, preserve, store, and deliver the right information to the right people at the right time.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

(Continued)

Organizational Descriptions (Continued)

- The *PMO & IT Communications Division* is responsible for centralizing, standardizing, and simplifying key services and operating processes in the delivery of daily processes.
- The *IT Governance & Interagency Liaison Division* is responsible for developing and managing the information technology governance process ensuring alignment of IT priorities with business initiatives and effective acquisition of third-party software, hardware, and change management.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
INFORMATION TECHNOLOGY TEAM

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
IT Team Office	\$595,228	\$4,170,035	\$4,765,263	5.5	\$630,300	\$5,644,500	\$6,274,800	6.0	\$640,900	\$5,039,500	\$5,680,400	6.0
Application Development	1,607,439	308,810	1,916,249	15.0	1,627,500	1,508,300	3,135,800	16.0	1,674,300	1,194,300	2,868,600	16.0
Enterprise Technology Solutions	1,099,880	843,719	1,943,599	10.0	1,243,700	538,100	1,781,800	12.0	1,295,100	670,000	1,965,100	12.0
Quality Assurance	204,630	128,483	333,113	2.4	361,000	180,000	541,000	4.0	347,100	180,000	527,100	4.0
Systems Support & Operations	1,396,118	839,617	2,235,735	12.9	1,569,000	1,018,000	2,587,000	16.0	1,608,700	1,348,400	2,957,100	16.0
Network Support	1,383,601	3,688,716	5,072,317	14.2	1,340,900	3,147,000	4,487,900	14.0	1,359,800	2,934,100	4,293,900	14.0
IT Customer Support	547,938	626,863	1,174,801	7.3	799,300	890,000	1,689,300	11.0	777,800	667,000	1,444,800	11.0
IT Risk & Information Management	456,234	188,592	644,826	4.6	498,900	215,000	713,900	5.0	512,400	420,000	932,400	5.0
PMO & IT Communications	--	--	--	--	--	--	--	--	--	--	--	--
IT Governance & Interagency Liaisons	--	--	--	--	--	--	--	--	--	--	--	--
TOTAL	\$7,291,068	\$10,794,835	\$18,085,903	71.9	\$8,070,600	\$13,140,900	\$21,211,500	84.0	\$8,216,100	\$12,453,300	\$20,669,400	84.0

Mission Statement

The mission of the Information Technology Team is to provide information technology support services and resources (hardware, software, and communications) for the Commission to service its customers and reduce overall operating costs.

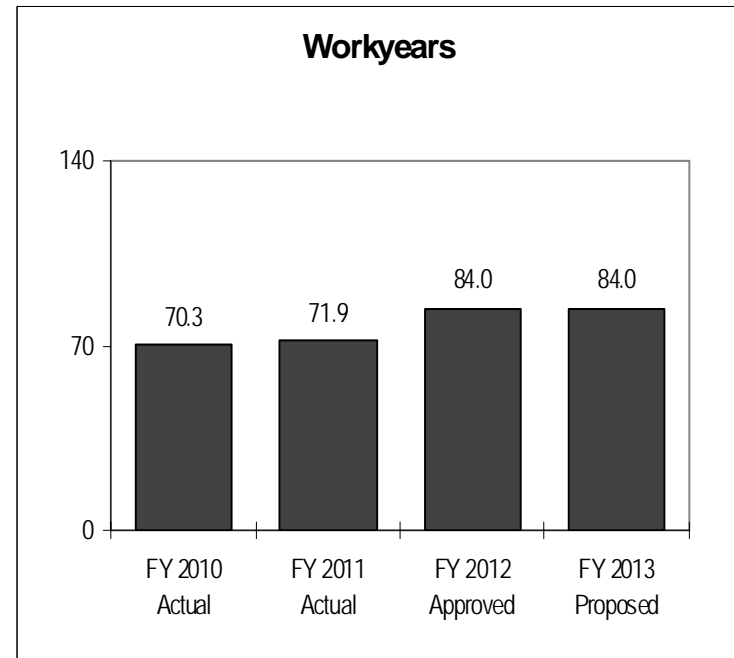
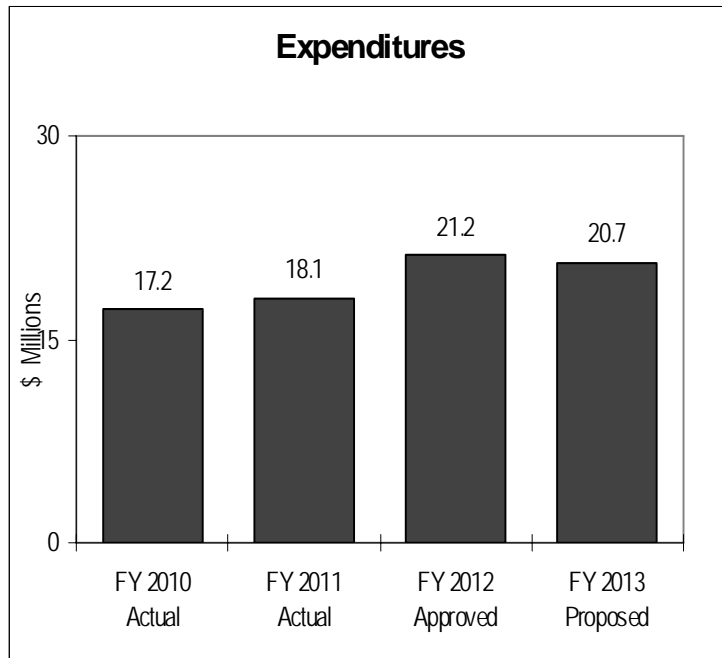
Budget Overview

The FY'13 Proposed Budget is \$542,100, or approximately 3%, less than the FY'12 Approved Budget. This decrease is due primarily to anticipated completion of various projects in FY'12.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
<i>Application Development Division</i>				
Number of major systems supported	47	48	49	49
Projects and Departmental Action Items (DAIs) assigned	15	5	6	3
Small Work Requests (SWRs) received	222	157	180	180
Breakfix/Incidents tasks received	270	253	300	300
Service Requests received	N/A	154	180	180
<i>Enterprise Technology Solutions Division</i>				
Number of major systems supported	3	4	5	5
Projects and Departmental Action Items (DAIs) assigned	4	5	6	2
Small Work Requests (SWRs) received	56	40	45	45
Incidents received	542	168	200	200
Service Requests received	N/A	238	245	245
<i>Quality Assurance (QA) Division</i>				
Number of Projects & Departmental Action items requiring QA & Control review	19	10	16	5
Number of Small Work Requests (SWRs) requiring QA & Control review	252	45	140	60
<i>Systems Support & Operations Division</i>				
Number of new servers deployed	25	32	15	10
Number of technical assistance requests handled	735	308	500	550
Number of IT projects supported/implemented	15	9	15	15

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
Number of SWRs serviced	22	15	12	5
Mainframe printed output – pages	600,000	198,000	250,000	250,000
Mainframe support services performed	624	650	700	800
Number of services consolidated	3	2	5	3
Number of Standard Operating Procedures (SOPs) developed	32	3	40	45
Number of servers consolidated/decommissioned	6	25	35	10
<i>Network Support Division</i>				
Number of telephone systems maintained	15	16	16	15
Number of telephone ports maintained	4,060	4,060	4,060	4,060
Number of cellular phones maintained	645	581	600	580
Number of pagers supported	100	100	100	0
Number of mobile radios maintained and operational	685	685	685	685
Number of PDAs supported	280	367	350	380
<i>IT Customer Support Division</i>				
Number of calls handled by the Help Desk	12,467	13,348	16,000	14,000
Number of service catalog requests received	4,991	5,147	6,000	6,000
Number of service catalog requests unresolved	35	9	100	75
Number of initial calls unresolved by the Help Desk	12	3	15	15
Number of incident management requests unresolved	2	0	50	50
Number of IT emergency situations handled by the Help Desk	120	66	50	50
Number of tickets for the Inventory/Asset Management section processed	1,036	1,432	800	700

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

(Continued)

ACTIVITY INDICATORS BY ORGANIZATION

<i>WORKLOAD DATA</i>	<i>FY'10 ACTUAL</i>	<i>FY'11 ACTUAL</i>	<i>FY'12 APPROVED</i>	<i>FY'13 PROPOSED</i>
<i>IT Risk and Information Management Division</i>				
Number of IT security incidents	15	1	10	8
Number of virus outbreaks handled	0	1	3	8
Number of spyware infections prevented	5	0	3	4
Number of vulnerabilities (patch management) investigated	3	0	5	2

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

(Continued)

SUMMARY BY ACTIVITY

IT Projects and Small Work Requests

	Expenditures	Workyears
FY'11 Actual	\$5,979,778	32.2
FY'12 Approved	\$8,409,500	46.6
FY'13 Proposed	\$7,949,200	47.6

This activity encompasses all aspects of IT project delivery necessary to take a project from conception to completion and implementation as they relate to the Systems Development Lifecycle (SDLC) and Project Management Best Practices. It involves researching, planning, designing, programming, executing, maintaining, and supporting the delivered product for the Commission, including customer and third-party vendor resources. Efforts under this activity include projects to support the Commission's business units, application software development, infrastructure projects, and Small Work Requests (SWRs).

FY'13 Major Recommended Changes: The budgeted amount for this activity decreased \$460,300, or approximately 5%. This decrease is due to the completion of various projects.

Technology Planning and Development

	Expenditures	Workyears
FY'11 Actual	\$120,842	0.8
FY'12 Approved	\$612,700	1.3
FY'13 Proposed	\$676,800	1.4

This activity encompasses the overall planning and development of information technology including the development and implementation of IT methodologies, processes, standards, and policies to ensure a common strategic technology vision is achieved.

FY'13 Major Recommended Changes: The budgeted amount for this activity increased \$64,100, or approximately 10%, due to reorganization and renewed focus on assessment, prioritization, and implementation of enterprise technology solutions coupled with business process improvement to enhance customer service and improve operational efficiencies to meet the Commission's long-term business needs.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

INFORMATION TECHNOLOGY TEAM

(Continued)

SUMMARY BY ACTIVITY

IT Operations and Break/fix Services

	Expenditures	Workyears
FY'11 Actual	\$11,985,283	38.9
FY'12 Approved	\$12,189,300	36.1
FY'13 Proposed	\$12,043,400	35.0

This activity encompasses all day-to-day operational functions for the Commission's information systems, including break/fixes, emergency repairs, maintenance, upgrades, end-user support and resource administration, necessary to ensure that the Commission's information systems are always accessible and performing correctly and efficiently. This includes systems and database support as it may relate to patches, security performance, issue configuration, data center operations, telecommunications network and data network infrastructure support, as well as desktop support, service desk, asset and inventory management functions as related to new workstation installation, maintenance of workstations and peripheral equipment, and printing services. This activity also encompasses the support and administration of antennas on Commission structures. It also covers maintenance fees for annual hardware and software licensing and support services.

FY'13 Major Recommended Changes: None

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES
FINANCE OFFICE NON-DEPARTMENTAL

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Finance Office Non-Departmental	--	\$273,217,556	\$273,217,556	--	--	\$271,883,900	\$271,883,900	--	--	\$288,779,000	\$288,779,000	--
TOTAL	--	\$273,217,556	\$273,217,556	--	--	\$271,883,900	\$271,883,900	--	--	\$288,779,000	\$288,779,000	--

Mission Statement

Finance Office Non-Departmental budgets for all payments associated with insurance premiums, Social Security, the WSSC Employees' Retirement Plan, health care trust for Other Post-Employment Benefits (OPEB), bond sale expenses, bond coupon payment and redemption expenses, and debt service.

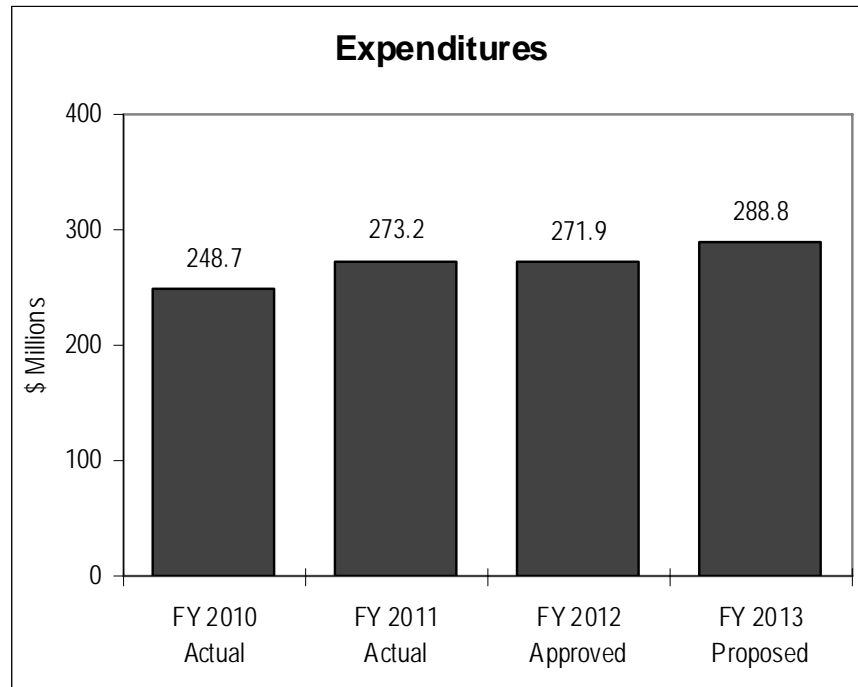
Budget Overview

The FY'13 Proposed Budget is \$16,895,100, or approximately 6%, greater than the FY'12 Approved Budget. This is due to increased debt service expenses; increased retirement and Social Security payments; and continued increased funding for the sixth year of an 8-year ramp-up to achieve full funding of the annual required contribution for non-retirement post-employment benefits based on Government Accounting Standards Board Statement No. 45 (GASB 45). This is necessary to fund the costs of a health care trust for Other Post-Employment Benefits (OPEB).

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

FINANCE OFFICE NON-DEPARTMENTAL

(Continued)



ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

HUMAN RESOURCES NON-DEPARTMENTAL

	FISCAL YEAR 2011 ACTUAL				FISCAL YEAR 2012 APPROVED				FISCAL YEAR 2013 PROPOSED			
	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years	Salaries & Wages	All Other	Total	Work-Years
Human Resources Non-Departmental	--	\$24,792,981	\$24,792,981	--	--	\$32,388,600	\$32,388,600	--	--	\$32,427,600	\$32,427,600	--
TOTAL	--	\$24,792,981	\$24,792,981	--	--	\$32,388,600	\$32,388,600	--	--	\$32,427,600	\$32,427,600	--

Human Resources Non-Departmental

Human Resources Non-Departmental budgets for payments associated with Group Life, Accidental Death & Dismemberment, Accident & Sickness, and Workers' Compensation insurance premiums; health care programs; and Maryland Unemployment Insurance.

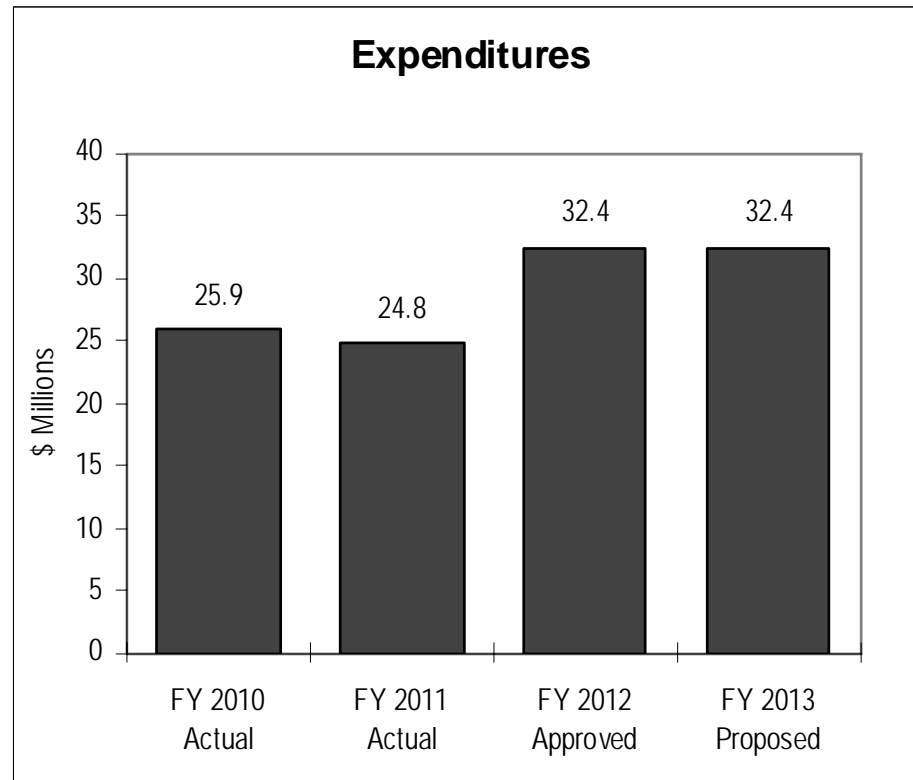
Budget Overview

The FY'13 Proposed Budget is approximately the same as the FY'12 Approved Budget.

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

HUMAN RESOURCES NON-DEPARTMENTAL

(Continued)



APPENDICES

A PROFILE OF THE WASHINGTON SUBURBAN SANITARY COMMISSION AND ITS SERVICE AREA

The Washington Suburban Sanitary Commission (WSSC) and the Washington Suburban Sanitary District (WSSD) were created in 1918 by an Act of the Maryland General Assembly under Article 29 of the Annotated Code of Maryland and recodified into Division II of the Public Utilities Article of the Annotated Code of Maryland in 2010. The WSSC operates as a public corporation and provides water supply and sewage disposal services for Montgomery and Prince George’s Counties in Maryland. The area initially incorporated within the Sanitary District has been expanded by legislative enactments to its present boundaries and includes almost 1,000 square miles within Montgomery and Prince George’s Counties. The Sanitary District now encompasses nearly all of the two counties except for the municipalities of Bowie, Rockville, and Poolesville, and rural areas in northeast Montgomery County and southeast Prince George’s County.

The WSSC, which manages the Sanitary District, is a corporate body governed by six members who are required to be residents of the WSSD. Three Commissioners are appointed by the County Executive of Montgomery County, and three Commissioners are appointed by the County Executive of Prince George’s County, subject to confirmation by the respective County Councils. The term of office for the Commissioners is four years, with staggered termination dates. The Chair and the Vice Chair of the Commission are elected by their fellow Commissioners and may not be from the same county. These two offices rotate annually between the two counties.

The Commission currently operates two water filtration plants, three raw water reservoirs, and seven wastewater treatment plants, in addition to sharing the use of the regional Blue Plains Wastewater Treatment Plant (WWTP) in the District of Columbia and the Mattawoman WWTP in Charles County, Maryland.

Water Sources and Filtration Facilities

Two major sources—the Patuxent and Potomac Rivers—provide raw water for processing and delivery to the Commission’s customers. The Patuxent system includes two raw water storage reservoirs, the Triadelphia and T. Howard Duckett reservoirs, which have a combined surface of 1,600 acres and store over 10 billion gallons. These reservoirs feed the Patuxent Water Filtration Plant (WFP) in northern Prince George’s County, with a production capacity of 72 million gallons per day (MGD). The Commission owns 4,400 acres of watershed land adjoining the two reservoirs and maintains this property under strict soil conservation control. The Potomac WFP withdraws water from the natural flow of the Potomac River near Watts Branch in western Montgomery County. The effective filtration capacity of this plant is 250 MGD. An additional Potomac source, the Jennings Randolph Reservoir 200 miles upstream from the Potomac WFP intake, is operated by the U.S. Army Corps of Engineers. This reservoir has 13 billion gallons of storage for water supply and 17 billion for river quality and flow. Little Seneca Lake, on a tributary of the Potomac, provides nearly 4 billion gallons of water supply storage that is shared by the District of Columbia, the Fairfax County Water Authority, and the WSSC.

The Commission maintains a water distribution network that includes more than 5,400 miles of water mains. There are filtered water storage structures located at strategic points along this network to assist in meeting peak customer demands and fire protection requirements. These structures have a combined gross storage capacity of more than 200 million gallons.

Wastewater Treatment Facilities

The Commission operates seven wastewater treatment plants with a total capacity of 89.5 million gallons per day (MGD): Piscataway, Western Branch, Parkway, Seneca, Damascus, Marlboro Meadows, and Hyattstown. The majority of the sewage from the Sanitary District flows to the Blue Plains Wastewater Treatment Plant (WWTP) in Washington, D.C. Blue Plains, which is operated by the District of Columbia Water and Sewer Authority, is an advanced wastewater treatment facility with a treatment capacity of 370 MGD. The WSSC is allocated 169 MGD of Blue Plains’ capacity under a regional agreement. In return, the Commission pays a share of Blue Plains’ operating and capital expenses. The Commission has also purchased one-fifth of the capacity of the Mattawoman WWTP (developed and operated by Charles County, Maryland). Wastewater is conveyed through the Commission’s system of sewage pipelines, which includes over 5,300 miles of sewers. These conveyance systems employ 49 pumping stations.

During FY'11, the Blue Plains WWTP received 43.9 billion gallons of sewage from the Commission’s system, while the following flows were handled during the year at Commission-operated facilities: Piscataway Plant, 7.4 billion gallons; Western Branch Plant, 6.9 billion gallons; Parkway Plant, 2.4 billion gallons; Seneca Plant, 5.7 billion gallons; and other smaller plants, 0.3 billion gallons.

In recent years, as part of the efforts to improve water quality in the Chesapeake Bay, the Commission has emphasized the expansion and improvement of its wastewater treatment facilities to serve the current and future needs of the WSSC’s bi-county service area. Every plant receiving wastewater from the Commission’s system has been equipped to provide advanced treatment.

Historical Water and Sewerage Service Statistics

Fiscal Year	Estimated Population Served	Miles of Water Mains	Water Connections	Water Delivered (million gallons)	Average MGD	Miles of Sewer Mains	Sewer Connections
2011	1,748,000	5,451	441,593	63,861	175.0	5,344	418,718
2010	1,734,000	5,438	440,019	61,590	168.7	5,324	417,301
2009	1,720,000	5,427	438,893	59,255	162.3	5,314	416,392
2008	1,706,000	5,403	436,600	61,572	168.2	5,285	414,386
2007	1,692,000	5,365	432,716	61,795	169.8	5,250	410,923

Customer Characteristics

As of December 2011, the Commission had 438,606 active customer accounts. The vast majority of these—94.7%—are residential users, another 4.8% are commercial and industrial customers, and 0.5% involve government facilities. Three quarters (74.4%) of the Commission’s customer accounts consist of single-family residences, with townhouses, garden apartments, high-rise and other apartments, and commercial properties comprising most of the remainder.

WSSC Active Customer Accounts (As of December 2011)

	<u>Number of Customer Accounts</u>	<u>Percentage of Accounts</u>
Total Customer Accounts	438,606	100.0%
By Type of Customer		
Residential	415,509	94.7%
Commercial and Industrial	20,889	4.8%
Government	2,208	0.5%
By Type of Property		
Single-Family Residence	326,227	74.4%
Townhouse	81,329	18.5%
General Commercial	20,889	4.8%
Garden Apartment	4,124	1.0%
Multi-Unit (individually metered)	3,224	0.7%
High-Rise Apartment	488	0.1%
Other	2,325	0.5%

Key Characteristics of Montgomery County, Maryland

Form of Government:	
Executive Branch	Elected County Executive
Legislative Branch	Elected Nine-Member County Council
Incorporated Municipalities	19
Land Area (square miles)	496
Population (2010 estimate)	971,777
K-12 Public School Enrollment (as of September 30, 2010)	144,023
Payroll Employment (2010)	
Government Sector	
Federal	45,072
State	1,199
Local	37,140
Private Sector	
Goods-Producing	35,443
Service-Providing	322,729
Unclassified	-
TOTAL EMPLOYMENT	441,583
Resident Employment (2011)	489,873
Unemployment Rate (2011)	5.2%
Largest Private Employers (2010)	
Adventist Health Care	Kaiser Foundation Health Plan
Chevy Chase Bank/Capital One	Lockheed Martin
Discovery Communications	Marriott International, Inc.
Giant Food Corporation	MedImmune
Government Employees Insurance Co. (GEICO)	Suburban Hospital
Holy Cross Health	Verizon
IBM	Westat
Major Federal Employers (2010)	
Department of Commerce	Department of Health and Human Services
National Oceanic & Atmospheric Administration	National Institutes of Health
National Institute of Standards & Technology	U.S. Food and Drug Administration
Department of Defense	U.S. Nuclear Regulatory Commission
National Naval Medical Center	
National Geospatial-Intelligence Agency	
Per Capita Income (2010 estimate)	\$44,829
Median Household Income (2010 estimate)	\$89,155

Key Characteristics of Prince George's County, Maryland

Form of Government:	
Executive Branch	Elected County Executive
Legislative Branch	Elected Nine-Member County Council
Incorporated Municipalities	27
Land Area (square miles)	485
Population (2010 estimate)	863,420
K-12 Public School Enrollment (as of September 30, 2010)	126,671
Payroll Employment (2010)	
Government Sector	
Federal	27,392
State	18,357
Local	41,042
Private Sector	
Goods-Producing	34,619
Service-Providing	177,817
Unclassified	-
TOTAL EMPLOYMENT	299,227
Resident Employment (2011)	416,996
Unemployment Rate (2011)	7.1%
Largest Private Employers (2010)	
Chevy Chase Bank	Safeway Stores, Inc.
Computer Sciences Corporation (CSC)	Shoppers Food Warehouse
Dimensions Health Care System	Southern Maryland Hospital Center
District Photo	Target
Doctor's Community Hospital	United Parcel Service (UPS)
Gaylord National Resort and Convention Center	Verizon
Giant Food, Inc.	
Major Federal Employers (2010)	
Andrews Air Force Base	USDA – Beltsville Agricultural Research Center
National Maritime Intelligence Center	U.S. Department of the Treasury – Financial Management Service
National Oceanic and Atmospheric Administration	U.S. Internal Revenue Service
NASA/Goddard Space Flight Center	
U.S. Census Bureau	
Per Capita Income (2010 estimate)	\$30,835
Median Household Income (2010 estimate)	\$70,019

GLOSSARY

Account Maintenance Fee	A charge on customer water and sewer bills designed to recover the fixed cost of servicing a customer account independent of the amount of water used or sewage generated. The Account Maintenance Fee includes the cost of purchasing and reading meters; processing meter readings and generating, mailing, and collecting bills; and providing customer services. Prior to 1992, these costs were included in the water and sewer rate structure rather than identified and billed as a separate fee.
Accrual	The recognition of revenue or expenses at the time they are earned or incurred, regardless of when the money is received or paid out.
Accumulated Net Revenue	See Fund Balance.
Ad Valorem Tax	A property tax based “according to the value” of the property. Such taxes are levied on real and personal property according to the property’s assessed valuation and the tax rate.
Applicant	Any firm, corporation, municipality, agency, person, or persons who owns or develops property which requires water or sewer service provided by systems, facilities, or service connections within the Washington Suburban Sanitary District.
Authorized Workyears	Employee workyears that are funded in the adopted budget and may be filled during the budget year.
Balanced Budget	A financial plan showing estimated or planned revenues equaling expenses.
Billing Factor	The amount of revenue received per 1,000 gallons of water production. Billing Factor = Annual Water & Sewer Revenue ÷ Annual Water Production (in thousand gallons)
Biosolids	Solids produced as a byproduct of treating sewage to produce clean water; also referred to as sludge.
Blue Plains	The regional wastewater treatment plant owned and operated by the District of Columbia Water and Sewer Authority. Approximately 65% of the wastewater from the Washington Suburban Sanitary District is treated at Blue Plains. The WSSC shares in the operating and capital costs of Blue Plains in accordance with the terms of a regional agreement signed by the Maryland and Virginia suburbs and the District of Columbia.

GLOSSARY

(Continued)

Bond	A written promise to pay a sum of money on a specific date at a specified interest rate.
Break/fix	Refers to any interruption to or failure of service that requires immediate attention. In a break/fix situation, the functionality of any automated system, whether hardware or software related, has been altered and must be repaired such that the service is restored.
Capital Budget	The annual request for capital funding for the first year of the Capital Improvements Program including those projects in the Information Only Section (Water Reconstruction Program, Sewer Reconstruction Program, Engineering Support Program, Energy Performance Program, Anaerobic Digestion/Combined Heat & Power, Entrepreneurial Projects, Water Storage Facility Rehabilitation Program, Asset Management Program, Pressure Reducing Valve Rehabilitation Program, Advanced Metering Infrastructure, and Sewer Basin Planning Program), new house connection construction, relocations and major systems contracts, water meter purchases, other engineering contracts, and for the associated administrative and support costs.
Capital Expenditures	An amount spent for the planned purchase of long-term assets (such as filtration/treatment plants and pump stations, storage, joint-use facilities, and equipment upgrades).
Capital Improvements Program	(Also referred to as CIP) The comprehensive presentation of capital project expenditure estimates, funding requirements, capital budget requests, and program data for the construction of all major water and sewerage projects planned by the WSSC over a six-year period.
Capital Project	A WSSC effort involving expenditures and funding for the creation, expansion, renovation, or replacement of major facilities and other assets having relatively long life. Expenditures within capital projects may include costs of planning, design, land, construction, contract supervision, and associated administrative and support costs.
Capitalized Interest	Interest paid from proceeds of bond sales rather than from other operating revenues.
Consumer Price Index	(Also referred to as CPI) A commonly accepted indicator of inflation as it applies to consumer goods, including the supplies, materials, and services required by the WSSC.

GLOSSARY

(Continued)

Cost-of-Living Adjustment	(Also referred to as COLA) A general increase in salaries and wages to wholly or partially offset the adverse effect of inflation on employee compensation.
Cryptosporidium	A microbial contaminant of raw water that can potentially cause chronic or fatal intestinal disorders. In 1993, cryptosporidium was identified as the primary source of an outbreak of water-borne disease in Milwaukee that caused more than 400,000 illnesses and over 100 deaths.
Debt Service	The annual payment of principal and interest on bonded indebtedness.
Debt Service Reimbursement	The annual payment from Prince George's County to reimburse the Commission for the debt service on WSSC Storm Water Drainage Bonds (for Prince George's County facilities) issued prior to July 1, 1987. (Prince George's County assumed responsibility for this program—and for paying the debt service on any outstanding Storm Water Drainage Bonds—as of July 1, 1987.) The debt service on these bonds ended June 30, 2010.
Development Services Process	(Also referred to as DSP) The process by which the WSSC reviews proposed projects that are being undertaken wholly to support future growth. Service to properties reviewed under the Development Services Process almost always requires the extension of small-diameter subdivision lines, and may involve program-sized pipe, which must be included in the CIP.
Energy Performance Program	(Also referred to as EPP) The program provides for the engineering audit, design and construction necessary to replace and upgrade energy consuming equipment and systems at all major Commission facilities. The program stipulates a reduction in energy usage and costs greater than, or equal to, the annual capital costs to be incurred.
Engineering Support Program	(Also referred to as ESP) The consolidation of a diverse group of projects whose unified purpose is to support the extensive water and sewer infrastructure and numerous support facilities that are owned, operated, and maintained by the WSSC. The ESP does not include major projects included in the CIP or projects authorized by the Commission to serve new development.

GLOSSARY

(Continued)

Enterprise Resource Planning (ERP) System	An automated system that integrates all data and processes of an organization into a unified system. A typical ERP system will use multiple components of computer software and hardware to achieve the integration. A key ingredient of most ERP systems is the use of a unified database to store data for the various system modules. The main benefits of implementing an ERP system are a single base of consistent information, tighter financial controls, ability to automate business processes, consolidation of redundant systems, improved system reliability, and improved long-term asset management.
Expenditure/Expense	Payment for an asset obtained or goods and services received.
Fats, Oils, and Grease Program	(Also referred to as FOG) A federally mandated program that advises customers on how to properly manage fats, oils, and grease (FOG); monitors and controls the discharge of FOG from commercial food service establishments; investigates sanitary sewer blockages and overflows caused by FOG discharges; and initiates enforcement action to ensure appropriate corrective measures are taken.
Fee	A charge for service to the user or beneficiary of the service. According to state law, charges must be related to the cost of providing the service.
Fiscal Policy	The WSSC's policies with respect to revenues, spending, and debt management as these relate to WSSC services, programs, and capital investments. Fiscal policy provides a set of principles for the planning and programming of budgets, uses of revenues, and financial management.
Fiscal Year	The 12-month period to which the annual operating and capital budgets and their expenditure authorizations apply. The WSSC's fiscal year starts on July 1 and ends on June 30.
Fixture Unit	(Drainage fixture unit or water supply fixture unit) A measurement of the probable discharge into the drainage system (sewer) or the probable hydraulic demand on the water supply (water) by various types of plumbing fixtures (bathtubs, lavatories, water closets, drinking fountains, etc.). For example, a drinking fountain corresponds to 0.5 drainage fixture units, while a conventional bathtub corresponds to 2.0 drainage fixture units.

GLOSSARY

(Continued)

Force Main	The discharge pipe from a wastewater pumping station through which flow is lifted under pressure to a higher elevation. A pipe of this type is used to overcome changes in topography by conveying flow over a ridge or other high point to a nearby, existing sewer line. This avoids the need to construct a longer conventional gravity line in another direction.
Fringe Benefits	Contributions made by the WSSC to help underwrite the Commission's share of the costs for Social Security and various pension, health, and life insurance plans provided to employees. Fringe benefits are centrally budgeted in non-departmental accounts.
Front Foot Benefit	(Also referred to as FFB) A charge assessed owners of property abutting WSSC water mains and/or sewers who derive a benefit from the construction of these water mains and sewers. Revenue from front foot benefit charges is used to pay debt service on General Construction Bonds.
Fund	A set of interrelated accounts to record revenues and expenditures associated with implementing specific activities or achieving certain objectives in accordance with special regulations, restrictions, or limitations, and constituting an independent fiscal and accounting entity.
Fund Balance	The amount by which resources exceed the obligations of the fund. The beginning fund balance represents the residual funds brought forward from the previous year (ending fund balance). Fund balance is also referred to as Accumulated Net Revenue in this document.
General Bond Debt Service Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with paying the debt service on bonds issued to finance the Commission's general construction and administrative and support facility construction program; and administering the Commission's front foot benefit assessment activities.
General Bond Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of designing and constructing the Commission's minor water supply and wastewater collection and disposal systems (water mains less than 16 inches in

GLOSSARY

(Continued)

diameter and sewer mains less than 15 inches in diameter), and all administrative and support facilities. Water meters are also purchased from this fund.

Geographic Information System	(Also referred to as GIS) A geographic information system integrates hardware, software, and data for capturing, storing, managing, analyzing, and displaying all forms of geographically referenced information. The technology can be used for scientific investigation, resource management, or development planning.
Goal	A long-term, attainable target for an organization – its vision of the future.
Governmental Accounting Standards Board (GASB) Statement No. 45	A pronouncement that addresses how state and local governments should account for and report their costs and obligations related to post-employment benefits other than pensions. The statement generally requires that state and local governmental employers account for and report the annual cost of other post-employment benefits (OPEB) and the outstanding obligations and commitments related to OPEB in essentially the same manner as is done for pensions, rather than on a “pay-as-you-go” basis.
House Connection Charge	A fee set annually by the WSSC to cover the cost of the installation of small diameter pipe between water and sewer mains and the owner’s property line. House connections feed water to a dwelling, place of business, or other structure and convey domestic sewage into the main line sewer for transportation to a wastewater treatment facility.
Infiltration	Groundwater that flows into sewer lines due to defective pipes or manholes.
Inflow	Surface stormwater from rainfall that flows into sewer lines due to defective pipes or manholes.
Interest and Sinking Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with paying the debt service on bonds issued to finance the Commission’s general construction and administrative and support facility construction program; paying the debt service on WSSC bonds issued in past years in support of the Prince George’s County stormwater

GLOSSARY

(Continued)

management program; and administering the Commission's front foot benefit assessment activities. Since the debt service on Storm Water Drainage Bonds ended June 30, 2010, this fund is now the General Bond Debt Service Fund.

Level of Service

The existing or current services, programs, and facilities provided by the WSSC to its customers. The level of service may increase, decrease, or remain the same, depending upon needs, alternatives, and available resources.

Memorandum of Understanding

(Also referred to as MOU) An agreement issued to cover design and construction of any water and sewerage system or facilities within the Sanitary District that will be constructed and financed by others.

Merit Increase

An increment in an employee's pay within the salary range for a given class of work to recognize the completion of a period of satisfactory service. Merit increase percentages are applied based upon the overall performance review for the employee.

Mission

The desirable purpose of any activity. Missions are generally broad and long-range in nature compared to objectives, which are more specific and immediate. An example of a mission is "... to provide safe and reliable water, life's most precious resource, and return clean water to our environment, all in an ethically and financially responsible manner."

Nephelometric Turbidity Units

(Also referred to as NTU) A measure of the clarity of water. Maintaining very low levels of filtered water turbidity is recognized as a means of effectively guarding against cryptosporidium.

Non-Departmental

Expenditure items essential to the operation of the WSSC which either do not fall within the functional assignment of any office or which provide for expenditures related to more than one office. Examples include fringe benefits and insurance.

GLOSSARY

(Continued)

National Pollutant Discharge Elimination System	(Also referred to as NPDES) The National Pollutant Discharge Elimination System is a permit program controlling water pollution by regulating point sources that discharge pollutants into waters of the United States. Point sources are discrete conveyances such as pipes or man-made ditches. (Individual homes that are connected to a municipal system, use a septic system, or do not have a surface discharge do not need a NPDES permit; however, industrial, municipal, and other facilities must obtain permits if their discharges go directly to surface waters.)
Objective	A specific measurable and observable result of an organization's activity which advances the organization toward its goal.
Operating Budget	A comprehensive financial plan by which the WSSC's operating programs are funded for a single fiscal year.
Other Post-Employment Benefits	(Also referred to as OPEB) Employees in the public sector may be compensated in a variety of forms in exchange for their services. In addition to salary, employees may earn benefits over their years of service that will not be received until their service has been severed due to retirement or other reasons. The most common type of post-employment benefit is a pension. Other post-employment benefits generally take the form of health insurance, dental, prescription drug, or other health care benefits. It may also include life insurance, legal services, or other benefits.
Outcome Measure	A measure of the degree to which an objective has been achieved. For the WSSC, this usually corresponds to the impact of a service on an organization's key responsibilities, especially the effect on citizens, customers, or other users of the service.
Pay-As-You-GO Financing	(Also referred to as PAYGO) The funding of capital expenditures with cash instead of debt.
Power Purchase Agreement	A long-term agreement with a power (energy) provider to purchase electricity at a fixed rate for a fixed period. The provider designs, builds, and operates the power generation equipment (e.g. solar or wind) either at a remote location or on the customer's property.

GLOSSARY

(Continued)

Products and Technology	A budget category to account for the revenues and expenses associated with the sale, lease, or licensing of certain WSSC-developed products and technology. State law requires these revenues and expenses to be itemized in the annual budget.
Public Hearing	Opportunities for customers and the citizenry in general to voice opinions and concerns to appointed or elected officials. Section 17-202 of the Public Utilities Article of the Annotated Code of Maryland, requires that the Commission publish a budget before January 15, make it available to the public upon request, and hold a public hearing on the budget not less than 21 days after the budget is released for comment, but before February 15. Notice of the WSSC's public hearings is sent to all customers. In addition, public hearing specifics (date, time, location, contact information, and procedures for testifying) are advertised in local and regional newspapers.
Rate Stabilization	The implementation of a customer bill increase greater than the amount needed to support planned operating expenses in order to avoid a large future bill increase. The excess funds collected are used to fund capital projects with cash to avoid the issuance of additional debt.
Reconstruction Debt Service Offset	(Also referred to as REDO) The use of surplus funds from the Interest and Sinking Fund to offset a portion of the debt service cost of the Systems Reconstruction Program. REDO was established in FY'83 to use the surplus that had accumulated in the General Bond Debt Service account to benefit all WSSC ratepayers on a long-term basis.
Regional Sewage Disposal	The WSSC's share of the maintenance and operating costs of the District of Columbia Water and Sewer Authority's Blue Plains Wastewater Treatment Plant.
Remote Terminal Unit	(Also referred to as RTU) An electronic device that is located at a remote facility and collects status data from the facility's equipment (e.g., if a pump is running or is off, a level in a tank, etc.). The RTU sends the data to a central computer system via a wired or wireless network. Both the RTU and the central computer system are part of the SCADA system.
Salaries and Wages	A budget expenditure category for monetary compensation in the form of annual or hourly pay for work performed.

GLOSSARY

(Continued)

Salary Lapse	The reduction of gross salary and wage costs attributable to turnover, vacancies, and normal delays in filling positions. The amount of lapse differs among organizational units, and from year to year.
Sanitary Sewer Overflow Consent Decree	A court-enforced legal document that was negotiated between the WSSC, the Maryland Department of the Environment, the United States Environmental Protection Agency, the United States Department of Justice, and a number of Citizen Groups that requires the WSSC to take certain actions in order to improve the performance of the wastewater collection system and reduce the number of sanitary sewer overflows.
SDC Debt Service Offset	The use of a portion of System Development Charge (SDC) revenue to pay the debt service on bonds issued after FY'93 to pay for growth-related CIP projects. (FY'94 was the first year that the SDC was in effect.)
Sewage Disposal Bond Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of designing and constructing the Commission's major wastewater collection, storage, and disposal facilities, including all sewer mains 15 inches and larger, wastewater treatment plants, force mains, and wastewater pumping stations.
Sewer Operating Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of operating and maintaining the Commission's wastewater collection and disposal system.
Sewer System Evaluation Survey	(Also referred to as SSES) The Sewer System Evaluation Survey is an analytical evaluation of a sanitary sewer system to detect sewer pipe defects, blockages, and capacity problems through the use of techniques such as manhole inspections, trunk sewer inspections, smoke tests, dye tests, closed circuit television (CCTV), flow monitoring, rain monitoring, building service connection location/ inspection, and night flow isolations. The SSES is performed to determine the specific

GLOSSARY

(Continued)

location of problems, estimate dry and wet weather flow rates, possible methods of rehabilitation, and the cost of rehabilitation/replacement.

Significant Industrial User

(Also referred to as SIU) Defined by the Environmental Protection Agency as: (1) All industrial users subject to Categorical Pretreatment Standards under 40 CFR 403.6 and 40 CFR chapter I, subchapter N; (2) Any other industrial user that: discharges an average 25,000 gallons per day or more of process wastewater; contributes a process waste stream which makes up 5 percent or more of the average dry weather hydraulic or organic capacity of the treatment plant; or (3) Is designated as a SIU by the WSSC on the basis that the industrial user has a reasonable potential for adversely affecting the operation of the WSSC's wastewater treatment plants.

Spending Affordability

An approach to budgeting that assigns expenditure ceilings for the forthcoming year prior to the development of detailed budget estimates. Limits on new water and sewer debt, total water and sewer debt service, total water and sewer operating expenses, and the amount of the water and sewer bill increase are established each year by the Montgomery and Prince George's County Councils prior to the WSSC's budget preparation. This process started with the FY'96 budget.

System Development Charge

(Also referred to as SDC) A charge levied on new development to pay for the construction of major water and sewerage facilities needed to accommodate growth.

System Extension Permit

(Also referred to as SEP) A WSSC-issued permit for extensions to the WSSC's system. This permit is required for the Applicant to build water and sewer systems that the WSSC will, upon satisfactory completion, take over for maintenance and operations.

Trihalomethanes

A group of potentially cancer-causing substances that can be present as low-level contaminants in finished water. Trihalomethanes can be produced as disinfection byproducts when the chlorine used to treat the raw water reacts with certain normally occurring organic contaminants present in the raw water.

GLOSSARY

(Continued)

Washington Suburban Sanitary District	(Also referred to as WSSD) The area served by the Washington Suburban Sanitary Commission, as specified by state law. The District includes nearly all of Prince George's and Montgomery Counties, with the exception of the municipalities of Bowie, Rockville, and Poolesville, and rural areas in northeastern Montgomery County and southeastern Prince George's County.
Water Operating Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of operating and maintaining the Commission's water supply and distribution system.
Water Supply Bond Fund	An independent fiscal and accounting entity with a self-balancing set of accounts for recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities associated with carrying out the activities of designing and constructing the Commission's major water supply and distribution facilities, including all water mains 16 inches and larger, water filtration plants, water pumping stations, and water storage facilities.
Workyear	A standardized unit for measurement of personnel effort and costs. A workyear is the equivalent of 2,080 work hours or 260 work days.

ACRONYMS

AAI	Annual Action Item	FFB	Front Foot Benefit
ADC	Average Daily Consumption	FIS	Financial Information System
A/E	Architecture/Engineering	FLSA	Fair Labor Standards Act
AWWA	American Water Works Association	FM	Fire Meter
BG	Billion Gallons	FMLA	Family and Medical Leave Act
BOA	Basic Ordering Agreement	FOG	Fats, Oils, and Grease
BOD	Biological Oxygen Demand	FSE	Food Service Establishment
CADD	Computer Aided Design and Drafting	FY	Fiscal Year
CCTV	Closed Circuit Television	GAAP	Generally Accepted Accounting Principles
CIP	Capital Improvements Program	GASB	Governmental Accounting Standards Board
COLA	Cost-of-Living Adjustment	GFOA	Government Finance Officers Association
CPI	Consumer Price Index	GIS	Geographic Information System
CRM	Customer Relations Management	GPD	Gallons per Day
CSIS	Customer Service Information System	GPS	Global Positioning System
CY	Calendar Year	H/C	House Connection
DAI	Departmental Action Item	HVAC	Heating, Ventilating, and Air-Conditioning
DCWASA	District of Columbia Water and Sewer Authority	IDCP	Industrial Discharge Control Program
DOD	Department of Defense	IFB	Invitation for Bid
DOT	Department of Transportation	I/I	Infiltration and Inflow
DSP	Development Services Process	ISD	In-Service Date
EAM	Enterprise Asset Management	IT	Information Technology
EEO	Equal Employment Opportunity	IVRS	Interactive Voice Response System
EPA	Environmental Protection Agency	KSM	Key Success Measure
EPP	Energy Performance Program	LBA	Line Blockage Analysis
ERP	Enterprise Resource Planning	MBE	Minority Business Enterprise
ESP	Engineering Support Program	MCL	Maximum Contaminant Level

ACRONYMS

(Continued)

MG	Million Gallons	RTU	Remote Terminal Unit
MGD	Million Gallons per Day	SCADA	Supervisory Control and Data Acquisition
MMIS	Maintenance Management Information System	SDC	System Development Charge
M-NCP&PC	Maryland-National Capital Park & Planning Commission	SDWA	Safe Drinking Water Act
MOU	Memorandum of Understanding	SEOC	Systems Expansion Offset Charge
MWQ	Maryland Water Quality	SEP	System Extension Permit
NPDES	National Pollutant Discharge Elimination System	SIU	Significant Industrial User
NTP	Notice to Proceed	SLBE	Small, Local Business Enterprise
NTU	Nephelometric Turbidity Units	SLMBE	Small, Local and Minority Business Enterprise
OPEB	Other Post-Employment Benefits	SQL	Structured Query Language
OSHA	Occupational Safety & Health Administration	SSES	Sewer System Evaluation Survey
P/TOP	Promotion/Transfer Opportunity Program	SSO	Sanitary Sewer Overflow
PAYGO	“Pay-As-You-GO” Financing	SWR	Small Work Requests
PCCP	Prestressed Concrete Cylinder Pipe	THM	Trihalomethanes
PMO	Project Management Office	WASA	See DCWASA
PPA	Power Purchase Agreement	WEF	Water Environment Federation
PPIS	Permits Processing Information System	WFP	Water Filtration Plant
PRV	Pressure Reducing Valve	WPS	Water Pumping Station
PVC	Polyvinyl Chloride	WSSC	Washington Suburban Sanitary Commission
QA	Quality Assurance	WSSD	Washington Suburban Sanitary District
REDO	Reconstruction Debt Service Offset	WWOA	Water and Waste Operators Association
RFP	Request for Proposal	WWPS	Wastewater Pumping Station
RTA	Request to Advertise	WWTP	Wastewater Treatment Plant